

May 12, 2022

To: MERSD School Committee (SC)  
From: Avi Urbas, Director of Finance & Operations  
Copy: Pam Beaudoin, Superintendent of Schools  
Re: Warrants for 5/17/22 School Committee Meeting

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Greetings, MERSD School Committee.

Attached please find financials for Tuesday's 5/17/22 School Committee meeting. A summary is below.

**Voucher 1053:**

Standard monthly employer payment of \$442 for legacy group of 8 retirees that enrolled in Medicare after their initial eligibility date, back in 2012 when MERSD first required all eligible retirees to use Medicare as their primary insurance. For retirees since then, there is no employer payment required.

**Voucher 1054:** \$12 tax obligation for April meals sold to staff. On a separate voucher because like V1053 it is paid via electronic funds transfer, in this case to MA Department of Revenue.

**Voucher 1055:** \$485K payments approved by the MMES School Building Committee at the most recent (5/10/22) monthly meeting, including:

- Monthly invoices for project team for services rendered in April, 2022:
  - \$32K to JCJ Architects for standard monthly fee during the current 'close out' phase.
  - \$17K to Dore & Whittier Management Partners (DWMP) for standard monthly OPM fee (owner's project manager) during the 'close out' phase.
  - \$435K to WT Rich, construction manager, for work completed in April as verified by JCJ and DWMP.
- \$454 to East Coast Fire for inspection of MMES kitchen fire suppression system. Since this was arranged by Jason Waldron, MERSD's facilities manager, we were billed directly.

**Voucher 1056:** there is no V1056 – this voucher was deleted in our accounting system.

**Voucher 1057:** main Accounts Payable voucher totaling \$745K. Of note:

- Facilities:
  - \$9.7K to Ambient Temperature Corp (ATCO) for installation of 4 touchless water bottle fill stations at the MSHS. Of this amount, \$4.4K is funded by a local Hooper Fund grant to the Green Team, with the remainder funded by our maintenance budget.
  - \$3.7K to ATCO for replacement of a motor in an air handling unit (AHU) at the Middle High School (MSHS). In total, we have 12 AHUs at the MSHS, each with 2 motors, and this is the second motor we have replaced this year. The forthcoming, updated Habeeb report will help us to estimate the eventual cost and timing for replacement of additional componentry in these AHUs, which are now thirteen years old.

- \$4.8K to Guardian Energy, for repair of “freeze stats” inside the 56-year old unit ventilators at EES. Unit ventilators are located in classrooms and common areas, and supply heating generated by the boiler. With the final phase of the \$480K Green Communities Grant work now complete to replace the HVAC controls throughout EES, we are better able to identify and isolate problems in the distribution side (i.e. classroom vents) of our heating system. Jason Waldron had Guardian examine all unit ventilators once the controls project was complete, as a district-funded change order. This resulted in identification of these non-operational freeze stats, which are designed to close the vents to prevent potentially expensive mechanical damage from intake of freezing cold air. Freeze stats are just one component of the unit ventilator system at EES. The 2013 Habeeb report estimated an additional \$340K cost to replace the unit ventilators, building wide, which would likely need to occur as part of a building project. The new Habeeb report will provide an updated cost estimate.
- Finance & Administration:
  - \$2.5K to Hilltop Securities for preparing MERSD’s annual disclosure report for our publicly traded debt, which is required by the federal Securities & Exchange Commission. At the end of FY21, MERSD’s outstanding long-term debt totaled \$44 million: \$14 million remaining to be paid for the MSHS (out of \$32 million originally issued) and \$30 million still outstanding for the new MMES.
  - \$25K to London Health Administrators to fund MERSD’s employer contribution to our Health Reimbursement Account (HRA). Our annual contribution has totaled \$100K in the past several years. These contributions are funded by savings that MERSD realizes annually from having moved to lower cost, higher deductible plans beginning in FY19. This change was negotiated with META (Manchester Essex Teachers’ Association). Total annual savings from these plans was estimated at \$280K in FY19, or \$170K after contributing \$100K of the savings to the HRA. Our HRA offsets, per the META contract, the first 50% of employees’ deductibles, which are set at \$1K for an individual plan and \$2K for a family plan. With this agreement, MERSD and employees both save about 10% annually on the cost of the plan (i.e. premium), and some of the district savings goes to offset a portion of the higher out-of-pocket costs for the employees.
- Athletics: \$3.5K in payments to contracted officials for games this spring, averaging \$97 each. This brings total officials costs through April to \$33K in line with our \$45K budget estimate.
- Special Education & Student Services:
  - \$88K cost of transportation for out-of-district (OOD) placements in April up slightly from \$86K in March.
  - \$2.2K for April special education legal services to Lyons & Rogers, bringing our total so far this fiscal year to \$12.6K. We are on track to end FY22 well below the \$25K budget with just two months to go, which marks the third straight year of costs in line with our \$25-\$26K standard budget, which is also consistent with our historical trend. The notable exception was a 3-year phase from FY17-FY19 where a few specific cases led to above average legal spending of \$65K/year.
- Food Service: \$43.7K to Chartwells for service in April. Similar to our February invoice (\$42K) this invoice is a bit lower than other monthly charges (which typically range from \$49K-\$59K) due to a week of school break. The invoice detail on the voucher shows how the payment breaks down between food costs, labor, fringe/benefits and the monthly management fee. DESE does not allow food service companies to mark up their costs, but instead allows them to charge a management fee, that is fixed during the procurement (RFP) process, in order to make the company’s interests more transparent.

**V1058:** \$5,919 transfer requested from the MS Student Activity (SA) Savings Account to Checking. A copy of checks written since the most recent, prior transfer is included in the excel documentation.

- School Committee policy limits the amount of funds for each school's SA checkbook, which is managed by the school office. When the balance runs low, a transfer from the school's savings account into their checking account may occur to replenish the amount of checks written. We provide these transfer requests to SC as part of the oversight process. Prior to authorizing the Treasurer to initiate the transfer, our business office reviews all checks written by the school to ensure compliance with generally accepted principles for proper managing of SA funds (e.g. allow-ability of expenses, and proper documentation).

**V1059:** \$15,061.57 transfer requested from the HS Student Activity (SA) Savings Account to Checking. A copy of checks written since the most recent, prior transfer is included in the excel documentation.

**Payroll Voucher for 5/5/22:**

- Traditionally, MERSD, like many other districts, has had the superintendent and SC Chair sign payroll vouchers, given that payroll runs bi-weekly, regardless of whether SC has a posted meeting at that time. This is different than payments to vendors, via the Accounts Payable vouchers, which are easier to hold until the School Committee meets. A copy of the most recently signed payroll voucher is attached, showing the total amount paid for the 5/5/22 bi-weekly payroll (\$728K), as approved by me, the superintendent and School Committee Chair. We will be including signed payroll vouchers in our SC financial packets going forward.

Please let me know if you have any questions.

Best regards,

Avi Urbas