



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES

December 11, 2024

Meeting:	School Committee
Date:	December 11, 2024
Location:	MERMHS Learning Commons
Attendees:	Pamela Beaudoin, Superintendent Michelle Cresta, Director of Finance & Operations Chris Reed, Chairperson John Binieris Jake Foster Kate Koch-Sundquist, Vice-Chair Erica Spencer Theresa Whitman
Absent:	Anna Mitchell
Guests:	Robbie Bilsbury, HS Spanish teacher
Recorded by:	Maria Schmidt
Link to Reports and Presentations	https://www.mersd.org/domain/785

A. **Call to Order of** – Mr. Reed called the School Committee Business meeting to order at 6:04 p.m.

B. Business Meeting Open Session

- 1) **Public Comment** (Guidelines for public comment can be found in sections BEDH and BEDH-E of the School Committee policy manual) – none
- 2) **Chairperson's Report** – Mr. Reed omitted the chairman's report due to the shortened format of the business meeting.

December 11, 2024

3) Consent Agenda –

- Acceptance of Warrants: AP Voucher 1030 and payroll warrant for December 5, 2024

Ms. Whitman moved to approve the AP Voucher and payroll warrant; Mr. Binieris seconded the motion.

The motion passed unanimously.

- Travel High School Trip to Spain for Spring of 2026 – Robbie Bilsbury. Mr. Bilsbury distributed a presentation to the School Committee detailing the proposed trip. It is planned to coincide with school vacation.

Ms. Whitman moved to approve the proposed trip to Spain for spring of 2025; Ms. Spencer seconded the motion.

Mr. Bilsbury stated that the Spanish program participates in a trip to a Spanish-speaking country every other year. Last year, students went to Costa Rica. Mr. Bilsbury to presenting this request earlier than previously done (the trip is for next school year) in order to capitalize on better pricing and give students more time to fund the trip, either personally or by utilizing the travel company's tools. Superintendent Beaudoin said that she has been working with Principal Sgroi at the high school to encourage advisors to apply for SC approval before the work of promoting a trip is underway. Staff understands that approval is not automatic.

Mr. Foster enquired about the School Committee's role in approving this trip, given that it is run by an outside travel company - EF Tours. Superintendent Beaudoin clarified that the district seeks SC approval because the district is advertising on behalf of the company. EF receives permission to solicit participation from students. The district's endorsement of the trip and student travel is implied. EF will run all aspects of the trip. The trip is not curriculum-based, and participation is voluntary. School rules apply during the trip, and it is chaperoned by MERSD staff.

Mr. Foster pointed out that the district has heightened awareness of absences and this trip may involve missed days of school. Mr. Foster said that it could also result in staff absence during instruction days. Mr. Bilsbury clarified that the current packet was from preliminary estimates of the trip dates. The most up-to-date estimate gives a potential one school day on either side of the vacation timeframe to allow for travel specifics once flights are available for booking. Mr. Bilsbury stressed that the trip is recognized as an academic event and allows student immersion in the language and culture of another country. Students create strong connections to staff. Mr. Bilsbury stated that the benefits are well worth potentially missing one day of school. Superintendent Beaudoin acknowledged that potentially missing school may be out of sync with current district communication around attendance. The superintendent will dive deeper into implications of an absence for DESE accountability and attendance policy for this kind of trip. Ms. Whitman stated that there is a difference between parents pulling students for a vacation and this kind of trip. Mr. Bilsbury said that, as an academic trip, it does not prevent student athletic participation, Ms. Spencer said that many overnight trips have disappeared from the district and

supported approval of the trip. Mr. Reed asked if the trip is reserved for juniors and seniors only. Mr. Bilsbury replied that the trip is limited to about 36 students. Juniors and seniors will have the first opportunity to enroll, and other spaces will be filled with students in grades nine and ten.

The motion passed unanimously.

4) Continued Business –

- a. Student Activity Van Rental Proposal – Potential Vote to Approve.
Superintendent Beaudoin stated that the Athletic Director and Director of Finance have been working on a proposal to lease vans for use by small MERSD athletic teams and student activities programs. Relying on Salter Transportation for this use has proven cost-prohibitive and unreliable. Ms. Cresta stated that five surrounding districts are leasing small activities vans which carry twelve to fifteen passengers. In examining the feasibility of using them in the MERSD, Ms. Cresta found that leasing the vans would have a significant cost savings. The vehicles would be leased and stored on school property. Vans would be available for departure as early as 2:15, something that is not feasible with Salter buses because they do not have extra drivers to complete the bus routes. The vans would be driven by MERSD staff – club advisors and coaches. The leasing company would give the district a short term, five to six month, lease to start. The vehicles would be returned over the summer. Ms. Cresta noted that having a transportation option for small groups of students would expand the district's ability to have students participate in workshops. Ms. Cresta said that the district would examine driver records, complete one-year CORI background checks, and require multiple students to be driven between the venue and the middle/high school. With SC approval, vans could be ready for service in three to four weeks. Superintendent Beaudoin complimented the work of Ms. Molinari in preparing the proposal with Ms. Cresta. The superintendent stated that every penny counts, and the vans represent significant savings.

Ms. Spencer said that the previous finance director had identified challenges regarding the district procuring its own vehicles. These centered around the logistics of operating like a bus company. Superintendent Beaudoin replied that previously the district had considered vans for SPED transportation that would result in a high level of responsibility. For SPED, the district would be responsible for ensuring transportation to and from school, including securing substitute drivers. Currently, the district is considering only student activities use. Should a driver be unavailable, the event could be cancelled. Ms. Cresta clarified that these vehicles will not be available to take students to and from their homes. That requires a separate license and vehicle classification.

Mr. Foster asked for insight into the scale of potential savings and whether the cost includes training for staff drivers or insurance considerations. Ms. Cresta said that there is a slight increase to insurance costs to cover the leased

vehicles. However, the savings in transportation fees would easily cover this. Potentially, Ms. Cresta anticipates \$15-17K in savings. Superintendent Beaudoin said that the savings is almost secondary to the increase in service and opportunities for students. Ms. Molinari said that many of the smaller teams and clubs will be able to utilize the vans, including golf, sailing, the Soundwaves, DECA, the math and science teams.

Ms. Koch-Sundquist asked about input from legal counsel. Ms. Cresta said that they have not been consulted. Ms. Cresta previously went through this process in the Triton school district, and there were not legal implications. Ms. Koch-Sundquist commented that this could be an additional responsibility for teaching staff. Superintendent Beaudoin said that there are a limited number of staff members likely to utilize the vans, and they are all willing to do so. She said that the coaches prefer to have control over transportation and have indicated that they are happy to complete required training.

Mr. Foster asked about liability in the event of an accident. Superintendent Beaudoin said that only staff are permitted to drive the vehicles and they would have no personal liability.

Ms. Whitman moved to approve the lease of one 12-passenger and one 15-passenger van from Merchants Fleet to provide transportation for teams and student activities. Mr. Foster seconded the motion.

Discussion: Ms. Koch-Sundquist asked about locations that the vans could pick up, other than homes. Ms. Cresta said that the vans will operate with the pickup and drop off locations currently used by the athletics program – Memorial Elementary, Essex Elementary, and the Middle/High School campus.

The motion passed unanimously.

- b. 2025-2025 Pre-K Fees – Vote Anticipated. Ms. Cresta stated that the prekindergarten program has not increased its fees for a couple years. The PK program is primarily for students receiving special education services and is self-sustaining. The PK has half and full day programs, as well as an extended day option for SPED students wanting to attend full day. The proposal is a 2.5% increase, rounded up, from current rates.

Questions: Ms. Spencer asked when fees were last raised. Superintendent Beaudoin said that there was a restructuring a few years ago to increase the program to a full day option.

Ms. Koch-Sundquist asked for comparisons with other local programs. Superintendent Beaudoin said that the MERSD program is below local private programs but higher than other public school programs.

Mr. Foster received confirmation that only peer-model students, not SPED students, pay to participate in the program. Superintendent Beaudoin stated that SPED students are entitled to PK services. The district could pay to send them out of district but has instead created a program here. Each year, the peer pals program has been expanded. The program is self-sustaining except where regulations require particular staffing levels. Superintendent Beaudoin praised the progress that the program has yielded for these students and said that the district would like to expand the program, but space is an issue. The district is considering pursuing grants to help with an expansion. The superintendent said that there are many families who do not qualify but would benefit from the program. Superintendent Beaudoin said that the district hopes to keep pricing competitive with other programs. Ms. Spencer said that the program is below private programs and that there are not other public options. Superintendent Beaudoin said that there is concern that families would not enroll in PK at all. Ms. Spencer noted that the budget is increasing at nearly 9% and it could be expected that fee rates would reflect this. Ms. Cresta said that districts try to keep tuition affordable so that it is not too much of a burden on families. Parents are likely to respond to high rates by reducing the number of days that they attend. The district does not want to end up with unfilled classrooms. Currently, the program is self-sustaining. Ms. Cresta offered to review the program more frequently and present to the SC yearly.

Mr. Foster moved to approve prekindergarten tuition rates for the 2025-2025 school year, as presented. Mr. Reed seconded the motion.

Discussion: Ms. Koch-Sundquist expressed her approval for the motion, given its time-sensitive nature and the district's input that the proposed fee structure is the limit of an acceptable increase for fees. Mr. Foster stated that the issue should be revisited annually. Ms. Spencer asked if there would be value in aligning the rates to the META contract. Superintendent Beaudoin said that the district may need to consider the philosophy of the PK program. A self-sustaining program has been the desire, but a lot of effort has gone into promoting and making the program accessible to families. One of the goals of the prekindergarten program is to identify early those who may not qualify for special education but can benefit from early access to the program and staff. This has proven successful in producing students ready for kindergarten. Superintendent Beaudoin said that affordability is key. The last comparisons done showed that the current rates are substantially above neighboring programs.

The motion passed 4-0. Mr. Binieris and Ms. Whitman were not present for the vote.

Ms. Cresta said that the prekindergarten program could be reviewed annually, and it would be reasonable for families to expect an annual review.

- 5) Superintendent's Report – FY26 Tentative Budget Updates.** Superintendent Beaudoin reviewed the updated Tentative Budget as prepared for the evening's public hearing. The superintendent said that feedback from the previous SC meeting was used to update the budget document. The district also input the most current healthcare numbers from its broker, USI. Due to market trend and district utilization, the most

current projection is a 26.9% increase over the current fiscal year. District administration did consider the concerns of SC members that the final healthcare estimate has come down significantly in the last few budget seasons. Superintendent Beaudoin said that scenarios with lower percentage increases can be modeled, but that they felt it was prudent to utilize the most solid figures available currently, reflecting market trend and increased district utilization. The district has experienced final numbers in this range and would like to be prepared for that likelihood. The budget is a strict carry forward model that includes \$350K E&D use and \$150K less in OPEB contributions. The tentative budget reflects the carry-forward cost with inflation and rate changes. Mr. Foster confirmed that the operating assessment on pages five and six now include reserve contributions. Superintendent Beaudoin said that the key drivers were updated on pages one and two, and page fourteen now provides a clear distinction between the reserves and the OPEB trust. Ms. Cresta said that the district also added in \$500K as anticipated expense to the Stabilization fund for the district's portion of the Essex building project feasibility study. School Committee members had questions about the E&D balance and timing of certification for this year. Ms. Cresta said that it will be certified in about a month and is expected to come in at approximately \$1.4M. The certified E&D for June 30, 2023, was \$1.513M. Superintendent Beaudoin said that the 2024 balance for which the district is awaiting certification will be what is drawn against in the current budget. Superintendent Beaudoin reminded the SC that E&D funding comes from two years back. Mr. Foster commented that the numbers reflect a decrease in E&D of \$113K despite contributions of \$350K to the budget. Ms. Cresta said that she anticipates significant tightening of E&D figures going forward. Superintendent Beaudoin said that it can be difficult to determine how much of the E&D contributions were utilized in the budget because there is more complicated interplay of revenue and expenses. The \$113K drop is a reflection of the previous budget year's E&D when the district contributed around \$200K from reserves. Ms. Cresta said that she does not think E&D will be replenished this year. Superintendent Beaudoin confirmed that the instructional coaches added last year remain in the budget, reflected on the staff page.

C. Public Hearing – Mr. Reed called the Public Budget Hearing to order at 7:00 pm to review the FY26 Tentative Budget.

Superintendent Beaudoin said that the district would provide a brief introduction before moving to public comment. The district will share highlights of the budget and address key budget drivers.

- a.** Presentation of Tentative Budget for 2025-2026 – Superintendent Beaudoin stressed that the tentative budget does not represent the final form. It is intended as a progress report, based on current projections, that gives visibility into the district's current budget drivers. The Recommended Budget is anticipated for January 21, 2025. The School Committee amended the budget timeline to reflect the later Manchester Town Meeting date. The district expects to adopt a budget on March 4, 2024. The second budget hearing is planned for Feb 4. The updated budget timeline allows for inclusion of more solid numbers for key drivers. It is hoped that this budget represents a high watermark in the process.

FY26 Tentative Budget Overview

At this time built to be a carry forward/level services budget

- Provides for the same program scope, class size, course offerings, and services as provided in FY25.
- Includes level staffing but does not prevent changes (reorganization) in staffing for 2025-2026.

Does not contain Principal & Director staff and capital requests.

- These requests are presented in the **FY26 Tentative Budget as Expanded Effort & FY26 Capital Requests**
 - Included with the requests are current financial offsets derived from the reorganization, restructuring, or reduction of staff. This will be further developed throughout the process.
- All staffing requests support the work outlined in the Strategic, District, and School Improvement Plans as well as our ongoing commitment to student achievement.
- Capital requests represent planned capital investments and preventative maintenance commitments outlined in the Five-Year Capital Plan or a newly identified need that can't be absorbed in a department or school-based budget without new revenue.

Superintendent Beaudoin said that the Tentative Budget represents carry forward/level services. It maintains everything from the current year. The Tentative Budget includes reserve fund use, equating to \$500K in alternative revenues. It does not contain expanded effort requests from district directors and principals for staffing and capital needs. The superintendent said that, because the budgets are kept tight, principals do not have a standing budget line to address for needs like additional desks and chairs. These items would be assigned to the small cap line. Requests exceeding \$20K are put in the large cap list for potential funding from the stabilization fund. The current capital requests from directors and principals are included in the expanded effort requests, but not included in the carry forward budget.

Budget Scenarios

FY26
Tentative Budget
Scenarios

Inclusive of Expanded Effort
\$33,827,560 / 10.37%

Carry Forward-Level Services
\$33,498,995 / 9.01%

The carry-forward, level-services budget is coming in at 9.01% over the current fiscal year. Including the expanded effort requests requires an additional \$425K, raising the increase to 10.37%.

FY26 Tentative Budget Scenarios

Planning Scenario	FY25 Adopted Budget	FY26 Tentative Budget	\$Change	\$ Over 2.5%	Gap To Actual / Scenario
FY26 TB	\$30,730,522	\$33,498,995	\$2,768,473	\$2,000,209.95	
2.5% Scenario	\$30,730,522	\$31,498,785.05	\$768,263.05	\$0.00	\$2,000,210
3.5% Scenario	\$30,730,522	\$31,806,090.27	\$1,075,568.27	\$307,305.22	\$1,692,905
4.5% Scenario	\$30,730,522	\$32,113,395.49	\$1,382,873.49	\$614,610.44	\$1,385,600
5.5% Scenario	\$30,730,522	\$32,420,700.71	\$1,690,178.71	\$921,915.66	\$1,078,294

Superintendent Beaudoin said that the district is aware that the Tentative Budget is far from what is acceptable to any of the stakeholders. The budget scenario table provides a glimpse into the current numbers and how they compare to more typical scenarios. The district generally considers the 3.5% scenario to be the standard, steady-state deliverable. The gap to this percentage is roughly \$1.7M.

Next Steps

- December/January – Development of the Recommended Budget by the School Committee during business meetings on January 7 and January 21.
- February 4 – Public Hearing
- March 4 – Adoption of the February FY 26 Budget proposal

Superintendent Beaudoin stated that the budget hearing packet and slide deck are available on the district website under Finance & Operations.

Ms. Cresta reviewed the key drivers of this budget version, revised December 9, 2024, and reviewed each page of the budget packet for items to note. Ms. Cresta reviewed the expenditure breakdown. Key drivers for the increase include personnel and health insurance. Personnel accounts for 60% of the budget and increased 5.24%. The district's insurance broker has updated the projected increase in healthcare to 26.9%. Final renewal rates will not be received until late January or early February. Administrators are committed to trying to get this number lower, including looking for alternative carriers. Page two provides budget totals by category and demonstrates the impact of personnel and insurance increases. Instructional expenses are seeing a bump due to contractual obligations. Ms. Cresta stated that the total increase is 9.01%, which she characterized as neither typical nor sustainable.

Ms. Cresta noted that the budget summary on page three is broken down by DESE code. Ms. Cresta said that the district anticipates increasing school choice revenues by \$100K by accepting 20 more students into the program.

Page four provides revenue summaries with and without reserve use. Initially, the School Committee requested a budget without reserve use for clarity, but administrators realized that this was not possible with current increases and factored in level utilization of reserves. With additional school choice students, revenue is increasing only 4.9%.

The increase in assessment to both towns comes in at 9.7% and is detailed on page 5. These estimates are based on an out-of-date EQV figure which will be updated in January.

Page seven provides a staffing list for the expanded effort requests. These have not been added into the current budget and would need to find alternate funding. The total is \$425K.

Staffing charts detail the current total staff at 217. A crosswalk for staffing data breaks staffing down by funding sources, showing where grant funding is utilized.

Pages eleven and twelve examine enrollment as submitted to the state in October and a historical perspective.

The Capital (Debt) FY26 Budget is detailed on page thirteen. It is not included in the operating assessment.

Page fourteen details reserve and OPEB trust funds. E&D is expected to come in at \$1.4M this year. The current budget utilizes \$350K from E&D and \$150K in reduced OPEB contributions. The district is also committed to \$500K for the feasibility study for the Essex building project and has projected capital plan items totaling \$781K for FY26. Currently, the district has no revenue stream to refill the Stabilization fund.

- b. Public Comment** – The public will be afforded the opportunity to ask questions and receive responses from School Committee members and district administrators.

Ann Harrison, 13 Tuck's Point Road, Manchester – Ms. Harrison asked how the district estimates its Out of District (OOD) expenses. Ms. Cresta replied that the district uses known placements and adds the percentage increase estimated by the Operational Services Division (OSD). Ms. Cresta put that percentage at 3.7%. Some programs increase more than that following a petition to the state to do so. The district factors in any of these known programs and rolls everything forward, minus any students expected to exit the district. Currently, the district anticipates only a slight increase to the program, mostly from summer school expenses. Ms. Harrison asked if the district has a buffer to account for move-in students. Ms. Cresta said that the district does not build in a buffer. However, they do keep track of students expected to enter the program and figure that into the anticipated expense. Ms. Cresta said that the district tries to carry over a full year of Circuit Breaker revenue, and that is what they rely upon to fund last minute registrations. Superintendent Beaudoin said

that the district previously used school choice funds to respond to emergencies, but that fund has been largely exhausted.

Antonella Muniz, 20 Harlow Street, Essex – Ms. Muniz asked the SC to refrain from including comparisons and rankings in the budget discussion. Ms. Muniz said that comparisons fuel feelings of grievance and missing out, and rankings are only quantitative. Ms. Muniz asked for less blaming or shaming between the towns and characterized the budget as a district issue rather than an issue of a singular town problem. Ms. Muniz said that disregarding town member affordability is not a student-centered approach. She stated that a budget is a puzzle that includes affordability, as well as best-practices and collaboration. Ms. Muniz said that she previously requested a per pupil expenditure for various course offerings, calculating per course spending using actual teacher and aide salaries, course and schedules, and course enrollment numbers. This would allow comparing core classes versus electives, general education versus advanced placement, and grade to grade. Ms. Muniz asked why this has not been considered. Ms. Muniz said that a Prop 2 ½ override would provide only short-term relief and not solve the underlying problem. Ms. Muniz suggested looking at the structure of the program to consider not only what is offered but how it is offered. Ms. Muniz said that if a student is unable to take band because of a scheduling conflict that is not “breadth of offering.” Ms. Muniz said that last year’s proposed schedule changes are worth a second look. Ms. Muniz pointed out that two library TAs were budgeted in last year at a cost of \$66K above the superintendent’s recommended 2.7% budget. The superintendent had cautioned that the extra expense could add to the funding cliff in the current budget year. Ms. Muniz asked how the School Committee has reframed how it thinks about the budget or how the budget is structured to allow for additional staff.

Ben Buttrick, 81 B Choate Street, Essex. Mr. Buttrick said that he looks at what is controllable and what is uncontrollable, and he understands the difficulties with health insurance costs. Mr. Buttrick asked for insight into the increase in head count for teaching assistants because it is tied to the 32.8% increase in personnel. Mr. Buttrick asked if the 6.8% increase in general classroom teachers is due to collective bargaining or as a result of Steps (incremental salary increases based on increasing years of experience). Superintendent Beaudoin replied that the increase referred to by Mr. Buttrick (line 2305, page 3) is for teachers as part of the collaborative bargaining agreement. The increase is a function of rate, column, step, and COLA (cost of living adjustment) combined. Mr. Buttrick said that the 6.8% had seemed high given that the FTE did not change (same number of full-time staff). Superintendent Beaudoin said that the district brought on two library TAs for the current fiscal year. Most TAs are special education and assigned by need through the IEP process. A student with an IEP for a TA must be provided with one. Mr. Buttrick categorized this need as “uncontrollable.” Superintendent Beaudoin said that the district made the case for their hiring, but the two library TAs are discretionary. Ms. Cresta stated that part of the 32% increase is contract-based as the result of unionization of Unit B. The settled contract includes a year and a half of that contract. Ms. Cresta said that there are some slight differences represented in the budget that reflect different categorization between her and the previous director of finance.

Annie Cameron, 23 Pickering Street, Essex – Ms. Cameron asked how much of the budgeted E&D contribution was actually spent by the district this year compared to last. Ms. Cameron also asked what the cost of an average, loaded salary is for a teacher (including insurance, etc.). Superintendent Beaudoin offered to examine the average cost. Regarding E&D, the superintendent said that looking at FY 2023, the district returned about half of what was structured into the budget. Superintendent Beaudoin said that everyone would like to determine how long the E&D will last with increased usage. However, it is difficult to know all of the yearly demands that dictate the end of year number. Reserve monies contributed to the budget are not kept in a separate, ear-marked account that is only touched as needed. The money flows in. It is not necessarily the same money left over at the end of the year. Additional income can come in from interest. Ms. Cresta has cautioned that the district is tighter every year on budgeting and finishing with less cushion. Superintendent Beaudoin said that the healthcare increase is also carrying a \$60K adjustment because the district was short in budgeting for active healthcare participants in the current academic year. Ms. Cresta said that last year \$350K was used from E&D for the budget and the previous year it was \$237K. Currently, the district anticipates contributing \$350K from this year's certified E&D to the budget. Ms. Cresta said that she does not think that contribution will be replenished. Ms. Cameron stated that it is inaccurate to say that a Prop 2.5 override would not make a big difference. Ms. Cameron emphasized that it would make a big difference.

Jodi Harris, 21 Spring Street, Essex – Ms. Harris asked how much of the \$1.4M E&D is attributable to interest income that was unexpected. Ms. Cresta said that she did not have the figure in front of her but estimated that it was \$300K. Ms. Harris asked about the budget to actual report. Superintendent Beaudoin said that it is done, and she will ensure that it is posted. Ms. Harris is the chairman of the Essex Finance Committee and said that the Town of Essex is in the same boat regarding health insurance. Ms. Harris said that, as discussed in joint finance committee meetings, she would prefer that any realized savings from a final lower healthcare increase would come right off the budget total. Ms. Harris asked if TAs were added after the budget was approved last year. Superintendent Beaudoin said that the district shared a graphic last year showing how a new position can be created by reallocating resources. The superintendent said that this document could be reexamined for details. Ms. Harris asked if the district is playing catch up because of the library TAs. The superintendent said that new heads were budgeted and accounted for with offsets. The big jump this year is due to the contract.

Nina McKinnon, 1 Lowland Farm Road, Essex – Ms. McKinnon asked about the increase to school choice students and whether there is a limit to the percentage of total students that can be school choice. Ms. McKinnon said that district enrollment has decreased more steeply than the state average. Ms. McKinnon noted the high proportion of choice students in the middle and high schools and said that it was previously noted that the district does not necessarily receive the total anticipated payment from other districts. Ms. McKinnon asked if the district was comfortable with increased expenses if as much as 10% of the students are not from Manchester or Essex. Ms. Koch-Sundquist corrected the enrollment figures. Currently the district

has 76 choice students, which will increase to 96, minus those graduating. Ms. McKinnon asked if the SC would consider a policy to define a threshold to limit the proportion of school choice students. Ms. Koch-Sundquist said that there is not currently a policy, but the district does not add choice students where it would necessitate an increase in teachers.

Alva Ingaharro, 93 Martin Street, Essex. Ms. Ingaharro, previously on the School Committee, noted that the SC used to vote every March on whether to accept additional school choice students. Mr. Reed said that the School Committee reviews school choice yearly. They consider instances where there is no additional cost to increase enrollment in a certain grade because there are “empty seats.” For instance, there is a set number of staff in each middle school grade since each teacher has a core subject. If there are extra seats, the district can add a choice student without incurring additional cost. Mr. Reed said the district considers the capacity of the program and how school choice will affect the program not just in the current year but in future years. At the elementary level, choice students would not be added where class totals are high. All issues are taken into account before a decision is reached by the SC.

Ms. McKinnon said that it is concerning to think that, as enrollment drops, school choice students are used to fill in. Ms. McKinnon asked if the middle and high school programs will be evaluated so that the community understands the program. Ms. Koch-Sundquist highlighted the importance of being a welcoming community and that it is an important community question to examine why the demographics are changing. Ms. Koch-Sundquist said that the greater community, and not just the school district, must examine why families aren’t moving here or enrolling their students. Ms. McKinnon stated that the expense is carried by both towns and the district seems to want to keep doing business as usual. Superintendent Beaudoin explained that, should a school choice student require special education services, those services are accounted for, the district submits billing to DESE, and reimbursement flows through Chapter 70. Superintendent Beaudoin said that she sees a similar enrollment pattern unfolding as when the district was started. The district had similar enrollment numbers and was carrying over 100 school choice students. That produced significant additional revenue. Although the district is not proposing replication of those acceptance rates. Currently, the district is completing a multi-step plan to reach 100 students. Superintendent Beaudoin also pointed out that the enrollment chart does not include OOD enrollment.

Ann Harrison asked how money from the stabilization fund is utilized in contrast to E&D use which must be approved in the budget. Superintendent Beaudoin said that Stabilization Fund monies can be appropriated by the School Committee.

Nate Berkowitz, 22 Friend Street, Manchester – Mr. Berkowitz asked how the district will continue to expand programs that are currently under-supported like music, art, and debate. Mr. Reed said that the SC understands the importance of supporting these programs as part of the Strategic Vision. Ms. Whitman said that, in the current budget year, one way was to combine middle and high school students in the musical. This

increased participation and community support and attendance. The debate team included grade eight students in order to expand its participant base. Ms. Koch-Sundquist referred to the presentation by Heather Leonard on the grant the district received for the arts council. This grant supported a review of the program and is helping to craft opportunities for core classrooms to incorporate the arts into their subject matter.

Sarah Wolf, 4 Soginese Creek Road, Essex - The care and education of our children is one of the most crucial responsibilities of our communities. I hope that we all bear this in mind as we move forward with these difficult conversations. I trust our school committee and administration to make reasonable recommendations. Our district has done a good job keeping costs as low as possible, and I trust that they will continue to do so, while serving our children with professionalism and care and providing them with the best possible program to meet the needs of all students.

Greg Federspiel, Town Administrator, Manchester – Mr. Federspiel asked if the district has projected scenarios with other healthcare numbers. Mr. Federspiel confirmed that health insurance plan designs are set in the contract. Superintendent Beaudoin returned to the slide listing tentative FY26 budget scenarios. The superintendent said that she does have other charts focusing on fluctuations for healthcare specifically. Ms. Cresta said that it is about \$42K per percentage point for healthcare. Superintendent Beaudoin said that even if the healthcare increase comes down to 10%, there remains a large gap. If the number came down to 14%, the gap would be in the \$1.2-1.5M range. Superintendent Beaudoin will distribute a chart of these scenarios.

Mr. Foster asked town board attendees to comment on the presented tentative budget scenarios and disclose which they feel they can manage. Mr. Foster asked what figure would trigger an override or other correction. Mr. Reed asked if this is permitted given that the boards are not in-session. Ms. Harrison said that the board and committee members present could provide their individual opinions based on their experience. Ms. Harris said that, given the 2.5% levy and new growth, they are looking at less than \$520K growth possible for both the town and district. Essex has two contracts to negotiate in the coming year. Mr. Federspiel said that Manchester will have about \$900K from the 2.5% levy and new growth. Manchester also has \$800K in excess levy capacity and would be able to go higher without an override.

Ms. Harrison stated that, if the budget numbers are brought down by eliminating programs that are important to voters, then a different problem arises. Ms. Harrison said that both towns need to balance their pocketbook versus education.

Ms. Harris stated that reserve use is critical. Ms. Harris said that, although the policy has not been adopted, the SC is circling around an 8% target. The SC estimated being over that 8% in the current year by \$350K. Ms. Harris asked if that amount would be committed as part of reserve use. Superintendent Beaudoin cautioned that the current presentation is intended as an opportunity to share the existing situation and receive feedback on what the district should consider going forward. The superintendent said

nothing is off the table currently, especially given the size of the problem. Ms. Koch-Sundquist pointed out that the SC had asked to see a budget without reserve use in order to see how deep in the hole the district has become by using reserves. Ms. Koch-Sundquist reminded those present that it has been stated at town meeting that one time money should not be used to fund the operating budget. Ms. Harris pointed out that from the taxpayer perspective the reserves seem to stay steady despite using them to shore up the budget.

Mr. Buttrick noted that even if the insurance issue is neutralized, the budget increase is likely to be 5%. Mr. Buttrick said that Essex is looking at 2.5% plus growth, no excess levy capacity, and dueling capital needs for the upcoming year. Mr. Buttrick said that insurance is not the only problem. Superintendent Beaudoin replied that the insurance issue is going to be a problem going forward. The rate is based on utilization which has been increasing. The district will go out to bid, but there are minimal options. Harvard Pilgrim, MIIA (Massachusetts Interlocal Insurance Association), and GIC (Commonwealth of Massachusetts Group Insurance Commission). GIC is an eighteen month process and would have some contract issues. The superintendent said that there are not many tools available. Mr. Buttrick confirmed that the insurance program design is in the contract, but the provider is not.

Ms. Spencer commented that the way the reserves are viewed has changed and sought to establish that the SC and its partners have the same understanding of the reserve funds. There is both an excess and deficiency reserve fund and a stabilization reserve fund. Ms. Spencer agreed that, for a specific subset of years, the E&D seemed to remain constant despite contributions to the operating budget. Ms. Spencer also highlighted the work of the district's new business director, saying that she trusts in Ms. Cresta's input. Ms. Cresta has said that the district will be coming out much closer to black. Ms. Spencer noted that healthcare was underbudgeted in the current fiscal year. Ms. Spencer emphasized that the Stabilization Fund will drop dramatically soon, pointing to the feasibility study and likely costs for the middle/high school building. Ms. Spencer said that she believes the towns want to see planning and caution to ensure that the district does not have to consider use of stabilization funds to fund the operating budget.

Ms. Harris noted that kitchen equipment was recently replaced at the middle/high school while Essex has a barely functioning kitchen. Ms. Harris said that the equipment at Essex Elementary limits the food options that can be served. Ms. Harris said that the \$500K for the Essex building project feasibility study will be money well-spent and emphasized that the building project must reach the finish line. To do so, Ms. Harris said that it is important to keep the budget tight. Superintendent Beaudoin stated that the high school ovens were leaking gas and the refrigeration system had failed. Ms. Koch-Sundquist noted that the elementary school menus are the same for both schools.

Ms. McKinnon asked about succession planning, noting that Superintendent Beaudoin has agreed to remain with the district through FY26. Ms. McKinnon said that this issue should be planned for and placed on the agenda. This would allow for

community input. Whether or not Superintendent Beaudoin stays beyond the FY26 timeframe, Ms. McKinnon said that it is always good policy to have leadership involved in the exit plan.

- c. School Committee Comment – Mr. Foster stated that, even with effort on efficiencies, the towns will need a correction within a couple of years. Mr. Foster stressed that a long-term plan is needed and that it is important to consider the Essex building project. Ms. Foster encouraged the SC to re-engage with the towns on multiyear planning. Ms. Whitman agreed that the SC should consider how to move forward and that a correction is needed. Ms. Whitman stated that Essex needs an override, not just for the school. She said that several Essex departments are underfunded. Ms. Whitman emphasized that the School Committee is charged with the health of the district and must look beyond the goal of soliciting support from partners for an override. Other stakeholder representatives change and, with them, the conversation, tone, and support for a needed correction. Ms. Whitman said that, should either town not support an override, the School Committee must be prepared to control what is in its purview. Ms. Whitman suggested considering an override before the building vote.

Ms. McKinnon said that she believes the Essex community wants good schools. Ms. McKinnon asked for an explanation of the program as referred to by “level services.” She said that currently this means no librarian, no world language at the sixth grade level, no advisory groups, no substitute teachers, no midterms and exams, and no summer reading. Ms. McKinnon reiterated that enrollment is dropping and said that the demographics of the community make it too expensive for families to move to the area. Ms. McKinnon said that the school district should not continue to operate in the same way. Ms. McKinnon said that she believes that both towns will continue to pay for good schools and stated that level services may not be what the community wants. Mr. Reed agreed that it has not been level-services during his tenure on the School Committee. He said there have been cuts after cuts. Mr. Reed said that each year the SC examines this issue with a lens to managing three main issues – what students need to have a successful education, the employee stakeholders, and the interests of all taxpayers. Mr. Reed said that the language used during the budget process may not address all community questions about how the schools operate, but the goal is to simplify the budget process. Superintendent Beaudoin said that some things on the carry-forward list have no price tag. The superintendent said it is fair to question how the district is doing business. To clarify what is meant by “carry forward,” the superintendent said that a carry forward/level services budget equals consistent head count, number of classes, and frequency of specials. It is intended to refer only to the technical aspects of the program and not to describe the program. Superintendent Beaudoin said that it is important not to conflate the two. Ms. Koch-Sundquist confirmed that staffing could alter, despite maintenance of class size, if fewer staff are needed. Ms. Koch-Sundquist pointed out that level-services can be carried forward with less staff if those individuals are not needed. Superintendent Beaudoin gave the example of shifting enrollment at the elementary schools. The total number of staff has decreased as retirees leave the

district and are not replaced due to declining enrollment. At the high school level, the student program includes seven courses per week and five courses per day, due to the waterfall schedule. This requires a certain staffing level. Superintendent Beaudoin said that the district is still working on proposed schedule changes, as asked by Ms. Muniz. Language in the teacher contract specifies that the middle school will have a six day rotation and the high school will have a seven day rotation. In order to re-examine the scheduling options, the district may need to renegotiate the contract. There are many steps in a contract-driven environment, and the district is also looking for simpler schedule adjustments that would have a benefit. The high school provided a possible schedule adjustment last year. The feedback from the community seemed to be that it should be reconsidered if driven primarily by budget issues, and the team is now re-examining options.

D. Adjourn

Ms. Spencer moved to adjourn the School Committee business meeting; Mr. Foster seconded the motion.

The motion passed unanimously.

Meeting Adjourned at 8:30 pm

School Committee Future Meetings

- January 7, 2025
- January 21, 2025
- February 5, 2025
- March 4, 2025
- March 18, 2025