



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES

December 3, 2024

Meeting:	School Committee
Date:	December 3, 2024
Location:	MERMHS Learning Commons
Attendees:	Pamela Beaudoin, Superintendent Michelle Cresta, Director of Finance & Operations John Binieris Jake Foster Kate Koch-Sundquist, Vice-Chair Anna Mitchell Erica Spencer Theresa Whitman
Absent:	Chris Reed, Chairperson
Guests:	Heather Leonard, Director Curriculum & Technology
Recorded by:	Maria Schmidt
Link to Reports and Presentations	https://www.mersd.org/domain/785

A. Call to Order of – Ms. Koch-Sundquist, School Committee Vice-Chair, called the School Committee Business meeting to order at 6:05 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) – Several high school students attended the meeting and introduced themselves. They were present to take notes as part of a civic action assignment.

2) Chairperson's Report – Ms. Koch-Sundquist reported that the School Committee was represented at a joint meeting with the Finance Committees of both Manchester

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and Essex. All parties are feeling the impact of inflation and healthcare costs. Ms. Koch-Sundquist shared that all schools have upcoming holiday concerts and encouraged SC members to attend.

3) Consent Agenda –

- Acceptance of Warrants: AP Vouchers 1028 - 1029 and payroll warrant for November 21, 2024
- Minutes for approval: November 19, 2024

Ms. Spencer moved to approve the warrants, AP Vouchers 1028 - 1029 and the payroll warrant for November 21, 2024. Ms. Whitman seconded the motion.

The motion passed 6-0.

Ms. Mitchell moved to approve the minutes for November 19, 2024; Mr. Foster seconded the motion.

The motion passed 5-0. Mr. Binieris abstained.

- 4) Student Report** – Ms. Straub said that the Student Advisory Council has not met since the last SC meeting. Ms. Straub shared that students are currently wondering about the library task force and the evolution of the cell phone policy. Ms. Straub stated that the National Honor Society has worked to better enforce its regulations and increase its activity level. The NHS recently held a blood drive. The NHS induction is scheduled for December 10. Ms. Straub said that middle schoolers have expressed interest in gaining access to NHS. Ms. Straub said that the Winter Concert and Drama Fest are gearing up, and students are hoping for strong community support.

5) Sub-Committee Reports

- **Elementary Facilities/MSBC Sub-Committee** (John Binieris/Theresa Whitman) – Superintendent Beaudoin reported that the SBC met the preceding Tuesday to confirm previous work and vote to support the MSBA enrollment report. This followed on the heels of renewed concern about a housing project in Essex and its impact on elementary enrollment numbers. The MSBA agreed to review their conclusions and determined that their review included enough leeway to accommodate additional students, if necessary. They recommended keeping the enrollment projection at 250 students. The superintendent noted that there are contingency plans built into the building process to cover additional growth. The committee approved their previous vote of support. Superintendent Beaudoin stated that the district will go before the MSBA on December 13 to officially enter the feasibility process, after which the hunt for the owner's project manager (OPM) will begin.
- **Finance Subcommittee** (Jake Foster/Anna Mitchell) – Mr. Foster stated that the finance subcommittee met earlier in the day and reviewed the current tentative budget

information. The subcommittee discussed the process for funding capital projects. Given that these have been funded over the last several years via interest raised by the Memorial building project, the subcommittee talked about how to fund going forward as that project is concluded and questioned whether similar interest will be generated by the Essex Elementary building project. Ms. Mitchell said that the subcommittee made recommendations about budget reporting, including a request to show more of the budget breakdowns within categories. Ms. Mitchell said that she would like to have a clearer definition of “other revolving funds” and to see how these funds are tied to the reserve funds and budget process. Ms. Mitchell asked how the new income from advertising banners would be utilized.

- **Negotiation Team Sub-Committee** (Kate Koch-Sundquist/Chris Reed) – No Report
 - **Policy/Communication Sub-Committee** (Kate Koch-Sundquist/Erica Spencer/Theresa Whitman) – Reserves Policy continued discussion. Superintendent Beaudoin added continued discussion of the Reserve Policy to the agenda to facilitate further work. The superintendent reminded those present that an item for consideration must appear on the agenda in order for the SC to take it up. Ms. Whitman said that the SC agreed to produce a clean copy of the reserve policy and bring to a future SC meeting for a read.
- 6) Superintendent’s Report – General Update.** Superintendent Beaudoin stated that the Library Task Force had its first meeting on Wednesday, November 20. The group consists of about 20 members including parents, teachers, and members of the library community. This initial meeting focused on introductions and examining best practices. Groups have formed to do research and will present their findings at the next task force meeting. The superintendent foresees that the group will go out to observe other schools in the future and form student focus groups for feedback. Superintendent Beaudoin said that work around the district’s cell phone policy is ongoing. The district may look for student volunteers from the Student Advisory Council to present input.
- 7) Continued Business –**
- a. SEPAC Report – no report
 - b. Curriculum & Instructional Technology Department Update. Heather Leonard.
 - i. Teacher Conference Attendance – Local Conferences: MassQ and Mass Educators for Foreign Language; National Conferences: English and Social Studies. The history/social studies and world language departments attended conferences to follow up on their review process (completed last year) and enhance their next steps as they work to incorporate the review into professional learning and continued evaluation of shifts made in classrooms and the vertical articulation within their programs.

- ii. Wellness Committee Update – scheduled to meet December 12. This is continued work with community partners and educators. The priority focus for this year will be to examine updates to the standards; review and make recommendations for the current wellness policy; and curate supports and resources in the area of health and wellness for the school community. The attendance working group will contribute to this effort, as well.
- iii. Professional Development Pathways, Second Step – PD continues during next week’s early release Wednesday. At the beginning of the year, all teachers selected from targeted areas of professional development. During each of the three PD days, staff continue on their chosen path. Members of each path come from across buildings, departments, and roles. This cross-sharing provides teachers the opportunity to add PD points for certification as they share during a full PD day in March.
- iv. Science Curriculum Review Team – launched two weeks ago. The team will review the program, goals for students, what the learning should look like, etc. An analysis of what is currently in place will occur, as will a study of the framework and the district’s alignment to the framework.
- v. Arts and Cultural Vitality Grant – The district received a second year of the award. The next step for the group will be to generate an action plan. The team will consider fiscal and programmatic impacts. The grant will allow for continued collaboration with other districts throughout the state.

Ms. Spencer asked about artificial intelligence (AI) and if the topic has been imbedded in curriculum for students and professional development for staff. Ms. Leonard said that AI is not a single thing. There are current opportunities for staff PD around the topic. Administrators had a full PD day on AI, and one of the PD paths available to staff is about incorporating AI awareness. Ms. Leonard said that there is still a lot to be understood about AI, particularly that it is not one thing. The high school English department has been doing work to consider how to intentionally bring AI into the discussion about academic integrity. The hope is to teach about when it is appropriate to use the tool of AI. Ms. Leonard stated that the district also has reason to be cautious when considering AI tools. There are questions about student data privacy with AI tools. Most do not disclose what they do with student information, for example email addresses and other identifiers. This could increase student vulnerability online. DESE has a summer AI review planned in which the district plans to participate. Ms. Leonard said that the district is looking for guidance as it navigates the topic of AI. The district has not yet specified how AI will take place within courses.

Mr. Foster asked if the upcoming curriculum reviews will have implications for next year's budget. Ms. Leonard stated that the district has extensive long-term planning around curriculum. Although some reviews may result in the need for new materials, the district spaces out these needs and makes use of all resources. Last year's history/social science review benefited from a grant award that funded materials and professional development. The district regularly employs a staggered rollout of new content, both to manage demands on staff and to spread out capital requests. Ms. Leonard said that not all reviews result in the need for new materials. Sometimes, the approach taken is alignment-based or via professional development. Knowing the timeline of reviews across the district allows for managing costs. Mr. Foster said that he did not see new materials listed in the small cap budget line this year. Superintendent Beaudoin replied that they would not necessarily break out to that level because it is built into the budget. Ms. Leonard said that if the timing works as it is designed, the initial cost of one curriculum wans as another is ramping up.

c. FY 26 Tentative Budget – Pam Beaudoin and Michelle Cresta.

Packet Highlights: Some of the projected costs in the FY26 budget are not allocated in the same manner as the FY25 budget, due to changes in the director's role. The dollar amounts and percentage changes from FY25 to FY26 reflect the actual change in costs along with a difference in the categorization and interpretation of certain costs and account lines. The FY 26 Tentative Budget maintains the same level of services as the FY25 approved budget including program scope class sizes, course offerings, and staffing. The Tentative Budget projects increased spending of 8.71%, or \$2,675,884, for a total of \$33,406,406. Assuming reserve utilization at the same level as the FY25 budget (\$350,000 of E&D and \$150,000 of OPEB), town assessments are expected to increase 8.8% or \$2,301,836 with the current proposed spending level. Manchester-by-the-Sea would realize an estimated increase of 8.3% or \$1,363,926 and Essex would realize an estimated increase of 9.5% or \$937,910.

Spending Highlights: A 2.5% cost of living adjustment (COLA) is included for employees that are not covered by the Manchester Essex Teachers Association's Collective Bargaining Agreement. For teaching staff, the 2.5% COLA combined with the cost of steps and column movement is resulting in estimated growth of 5.09%. For teaching assistant staff, the 2.5% COLA combined with the cost of steps is resulting in estimated growth of 4.3%. The most notable increase in the FY26 Tentative budget is the cost of health insurance, currently projected to increase \$1,033,662 or 25.9%. The district received a projected renewal rate estimate that is 21% above the current rate and the final number may be higher. Special education tuitions and

transportation costs are currently flat with an increase of \$17,000 for the summer program. Technology software costs increased by an amount of \$178,619 or 100%. These costs have increased significantly in recent years. In addition, some of these costs were formerly covered by COVID grant funds that have been fully exhausted.

The tentative operating budget summary, which reflects an increase of 8.71%, does not include staffing or capital requests from Principals and Directors. These are detailed separately in the packet. The tentative budget is intended to be the high-water mark of projected costs at the current time. The district will continue to work on reviewing our projected costs along with attempting to secure a better health insurance renewal rate.

Ms. Koch-Sundquist reminded those present that the School Committee requested a level services budget, without reserve use, for the first iteration in order to yield a clear understanding of the big picture. The current tentative budget provides this insight. However, during budget construction the superintendent and director of finance carried forward use of reserves at the same levels as FY25.

Superintendent Beaudoin stated that the Regional Agreement outlines the timeline for the budget and requires that the district present a preliminary budget in December. This tentative budget is not designed to be the district-recommended budget or the completed budget. Superintendent Beaudoin said that three budget scenarios are included in the current packet. Reserve use was carried forward from last year.

FY26 TB Scenario	Expenditure Increases FY25 Budget to FY26 Tentative Budget				
	Total Dollars	\$ Change	% Change	Scenario \$ Difference	10 Pt Health Care Reduction
Inclusive of Expanded Effort	\$33,827,560	\$3,097,038	10.07	\$421,154	\$2,597,038
Carry Forward-Level Service	\$33,406,406	\$2,675,884	8.71	\$2,675,884	\$2,175,884
Targeted to 2.5% Growth	\$31,523,406	\$792,884	2.5	(\$1,883,000)	(\$1,383,000)

1. Carry Forward Budget – pushes forward level services. This includes the same breadth of courses, but the exact course offerings may change. It also includes level staffing. However, staff re-assignments may occur within the same level as part of reorganization. The Superintendent said the district is not proposing increases in staffing at this point. Growth rate equals 8.71%
2. Expanded Effort Budget – includes requests from building principals and capital requests from the principals or the capital plan that are facilities-related. Growth rate equals 10.07%
3. 2.5% Growth Budget in line with Prop 2 ½. This budget would necessitate cuts of \$1.883M with current healthcare projections.

Should the district lower its healthcare estimate to 10% growth, the gap would equal \$1.383M.

Ms. Cresta reviewed the budget packet, highlighting key drivers of budget growth. As listed on page five, the total increase is 8.71%. The packet contains estimates of general fund revenue, with and without use of reserves, for FY25. Mr. Foster commented that only \$350K in reserve funds are listed in the breakdown. Ms. Cresta clarified that the other \$150K is from reduced OPEB contributions and is shown as a reduced expense. Ms. Mitchell questioned continued OPEB use as part of reserve contributions. Ms. Cresta said that the current model is mirroring last year's budget. The SC can still determine reserve use and how it will impact OPEB.

Operating assessment calculations detail how the 8.71% budget affects member communities. These calculations, provided on page seven, are based on outdated EQV values (Equalized Valuation is the determination of an estimate of the full and fair cash value of all property as of a certain taxable date). These estimates will need to be updated once the new EQV figures are released in January 2025.

The Expanded Effort Budget is detailed on page eleven. Ms. Spencer noted the offset column for staffing. Superintendent Beaudoin clarified that offsets assume the elimination of another position to offset the total cost of the requested staff position. For the requested Library Media Specialist, the impact to the budget is offset by the elimination of the paraprofessional library position.

Key budget drivers include contract negotiations for TA/paraprofessionals. The increase is seen in the META Unit B line with growth at 32.83%. This figure also shows steep growth because it is consolidating numbers previously housed elsewhere in the budget.

Out of District expenses had a minor increase, but Ms. Cresta cautioned that the district may experience unexpected increases for students moving into the district.

Ms. Cresta pointed out that, although it represents only 1% of the total budget, expenses for technology software increased 100%. This reflects trends in the market. The district purchased ClearGov budgeting software to facilitate budget work and reporting. Access software for i-Ready is no longer covered by ESSER grant funds and now must roll into the operating budget. The district plans to track spending and break it down by instructional versus administrative use.

Final numbers have not come in for Essex Regional Retirement or Worker's Comp but should be available by the end of January.

The staffing report on page thirteen includes all funding sources, across grants and revolving funds. TA/paraprofessionals have increased slightly. Page fourteen is a budget crosswalk translating the breakdown of staffing to demonstrate where positions are funded via grants or a revolving fund.

Ms. Spencer noted that, under key budget drivers, the OPEB contribution is not included. Ms. Cresta said that it originally was not part of the proposal, but she will return the OPEB contribution to the budget. However, its final status will depend on decisions made about reserve use.

The FY26 capital plan breaks out requested item and provides the proposed funding source and rationale for the expense. Large cap items are part of a multiyear capital plan. Ms. Cresta said that the IT upgrade, if completed in FY26, is eligible for a 40% discount. To postpone the work would eliminate this benefit. Superintendent Beaudoin noted that the district is planning to use \$780K in stabilization funds, significantly reducing that fund.

The Reserves report details the current balance and projected utilization for the district's E&D, Stabilization, and OPEB funds. Unused balances for E&D and Stabilization roll into the following year. As of July 1, 2024, the unfunded OPEB liability balance is \$21.7M. Projected OPEB fund balance for FY26 is \$8,807,657.

Superintendent Beaudoin stated that the staffing requests for FY26 are reasonable, but the district understands that it will have to prioritize. The superintendent expressed concern about delaying suggested capital improvements. Small ticket items can grow to large expenses if they are deferred for too long. Although there has been a feeling that district reserves sit and grow, the superintendent emphasized that the district now sees the potential for those balances to decrease sharply.

Ms. Koch-Sundquist asked for clarifying questions.

Ms. Whitman asked if any contracts would be expiring in the coming year. Superintendent Beaudoin said that this is not the case for personnel expenses. The district is actively pursuing potential changes to the transportation contract. Food service is on a year-to-year contract and must be examined every year. Ms. Whitman asked for insight into the budget increases for Athletics/Student Activities. Ms. Cresta said the increase is primary due to rising transportation costs. In addition, the officials have a new contract.

Ms. Koch-Sundquist asked about the increases in Professional Development and District Admin Expenses. Ms. Cresta attributed the admin change to re-organization of the budget line items. For example, software expenses are now in this category.

Ms. Mitchell asked about new school choice students for FY26. Superintendent Beaudoin said that the plan is to accept 20 new students. Ms. Cresta clarified that, although the district budgets \$5K in revenue for each student, if these students receive special education services by district staff the sending district will repay MERSD for those services. This would yield a higher income for that student, but the district cannot assume what that number will be. Superintendent Beaudoin said that the grade placement of the twenty new school choice students will be determined later.

Mr. Foster noted that a correction is needed to the Operating Assessment Calculations on pages seven, eight, nine, and ten to reflect E&D use of \$350K. Ms. Cresta acknowledged this oversight and will update the figures. The first iteration of the budget did not contain any reserve use. When the budget was updated to reflect the necessary use of reserves, the tallies were not corrected in this area.

Ms. Spencer noted the strong return rate on the OPEB fund and asked about the intended date for full funding. Ms. Koch-Sundquist said that it is 2040. Ms. Spencer suggested the School Committee consider funding targets for OPEB when considering reserve fund use.

Mr. Binieris said that he had considered forestalling capital improvements but now has better considered the potential for increased expense due to waiting too long to address maintenance issues.

Ms. Koch-Sundquist highlighted the need of the superintendent and director of finance for School Committee input. She said that the SC understands that it cannot send an 8-10% assessment to the towns and that the number needs to be lowered to something reasonable. Ms. Koch-Sundquist said that there are two questions for each board member to answer and asked for input from each member:

1. What percentage should be used as a working healthcare increase number?
2. What is the School Committee's tolerance for reserve use and program and staffing cuts?

Ms. Koch-Sundquist noted that it has been the practice of the district to set a high watermark with the tentative budget so that they do not have to go back

to the towns with a higher ask later. Ms. Koch-Sundquist asked how the district would respond to a final lower healthcare increase and said that expectations should be aligned between the district and the towns for any potential savings. Ms. Koch-Sundquist said that growth projections will necessitate lowering costs, and the SC needs to decide how much they are comfortable cutting.

Ms. Spencer asked when the final healthcare number would be available. The final number for the current provider should come in January. Superintendent Beaudoin said that the district's strategy will be to go out to bid, and that may delay a final number until February. The district's broker, USI, says that the final percentage is likely to increase. Rates are based on two-year increments of utilization, and the district's usage and large claims have increased in each of the last few years. This profile will follow the district wherever it goes. Superintendent Beaudoin recommended holding with the current estimate until the district receives something concrete.

Ms. Mitchell pushed for using a 10% estimate for healthcare growth, stating that the final numbers have presented high initially for the last few years but come in lower in the end. Ms. Mitchell said that the district could set aside \$500K to meet any expense over this. Ms. Spencer noted that inherent in Ms. Mitchell's assumption is that the district would fund the shortfall with reserves. Ms. Mitchell confirmed this and said that the definition of level services needs to be better defined. Ms. Mitchell said the district is equating it to the same staffing, but Ms. Mitchell thought it was the same programming. Ms. Koch-Sundquist said that definition is included in the budget document. It is the same level of services as in the current fiscal year in relation to course offerings and staffing. Superintendent Beaudoin provided a couple of examples: Currently, the elementary has six specials classes each week. Within level-services, the number of weekly specials blocks would remain the same. However, the district could reorganize programming and shift the technology teacher to teach some units of engineering. At the high school level, the same number of staff are maintained in a level services budget, but the specific classes taught may change. There are classes that are taught every other year and listed that way in the course catalog.

Ms. Whitman acknowledged the frustration that the district's budget timeline can yield as a result of the requirements of the regional agreement and the variability in final key budget numbers. Ms. Whitman stated that the numbers have not always come down. In FY16, estimates went up after the tentative budget was presented. The district is being advised that the numbers for healthcare are trending up this year, and Ms. Whitman stated that this is not the year to gamble. Ms. Whitman said the community would question the School Committee's decision to arbitrarily cut the percentage given the best

information at its disposal. Ms. Whitman stated that she wants to work with the best, appropriate numbers provided by administrators.

Mr. Foster agreed that the healthcare estimate was unlikely to come down and suggested that the district use the conservative estimate provided that the SC agrees to use any savings realized later to lower the total budget and reduce the assessment to the towns. Ms. Whitman stated that, if the district is using the larger healthcare increase percentage, the district will be including cuts in the budget, as well. This makes it challenging to commit to returning any later savings to the town. Ms. Spencer agreed with this assessment.

Superintendent Beaudoin noted that the increase in healthcare costs is not a one-time increase. It will carry forward and has been increasing each year.

Mr. Binieris advocated for using the current, conservative estimate for the healthcare increase.

Ms. Spencer stated that early healthcare estimates have come down later in the past two years. This has been perceived by some as a failure in the budget process. However, Ms. Spencer said that the conversation this year has been materialistically different, and the district should use the provided estimates to plan the budget. Should the district receive a final number that is lower than currently expected, Ms. Spencer said that she does not favor committing that savings to reducing the budget because there will have been cuts enacted in the budget that should be reconsidered.

Ms. Mitchell questioned likely rates for new healthcare bids. Superintendent Beaudoin said that they are unlikely to be as high as 21%. Ms. Cresta said that it is typical for the first year to be favorable before rates climb steeply in successive years. Superintendent Beaudoin reported that the towns were quoted a 10% increase, and other districts are seeing projected increases as high as 40%. Ms. Cresta said that rates are based on usage review for the previous 18-24 months. The district has increased utilization during this period.

Ms. Koch-Sundquist stated that the district should be clear about its plans for any later realized savings so that town partners have appropriate expectations.

Superintendent Beaudoin stated that Healthcare is just one piece of the budget. If the district uses the lower 10% healthcare increase estimate, the budget will still need to come down \$1.38M to achieve a budget with 2.5% growth.

Ms. Cresta updated SC members that the three FY26 scenarios provided include reserve use, therefore each should be reduced by \$500K.

Ms. Koch-Sundquist asked for input regarding SC member tolerance for reserve use and cuts to programming and staff.

Ms. Koch-Sundquist said that she wants to see how deep in the hole the district has gotten because of reserve use. Ms. Koch-Sundquist stated that it would be wise for the district to be frugal considering upcoming capital needs and the Essex building project.

Ms. Whitman requested updated figures, with reserve use, for the three budget scenarios. Ms. Whitman noted that the district previously worked toward a multi-year plan for a correction, and it fell through. Given the current extraordinary circumstances, Ms. Whitman supported use of reserves. Ms. Whitman stated that the town partners should work to meet the district in the middle, between 2.5% and the estimated 7% gap.

Ms. Mitchell asked for current E&D fund projections above the proposed 8% target of the draft Reserve Policy. Ms. Cresta said that preliminary estimates put the E&D between 8-9%. This may translate to a hundred thousand dollars. Ms. Mitchell urged examination of the capital budget to differentiate between wants and needs.

Superintendent Beaudoin summarized that the SC communicated its desire for the district to shave the healthcare number and utilize reserves of at least the same level as in the previous fiscal year to close the \$1.3M gap. Then, the district will look at reducing the remaining gap via staffing and program efficiencies. Ms. Koch-Sundquist said it would be worthwhile to see what the program looks like with \$1.3M in cuts.

Mr. Foster noted that the district is diving deep into reserve use and looking at program cuts. He agreed that the district should exercise restraint if reducing OPEB contributions will result in failure to meet targets. Mr. Foster said that he is comfortable using \$500K of E&D this year. Mr. Foster said that the need for an eventual correction will require the support of the towns and that has not been secured this year. Mr. Foster said that the current budget could translate to a 4% assessment to Essex.

Ms. Whitman stated that it is important to consider town inputs, but it is not the role of the School Committee to determine if the town will choose to pursue an override or not to fund the budget. Ms. Whitman said that School Committee members are elected to make decisions best for the district and members are responsible for preserving the educational program. This includes sending the higher bill to the towns. Ms. Whitman said that she witnessed the plan for a correction fail in the past. Mr. Foster said that without a plan for a significant correction the budget will trigger frequent corrections.

Ms. Spencer expressed her concern about the ability of the district to close the gap and said that it is close to the point where a correction is necessary. This is particularly concerning with the vote on the Essex building project looming. Ms. Spencer said that it is not wise to make cuts which Manchester residents will not believe to be in their best interests.

Ms. Koch-Sundquist stated that Essex is still paying for the High School and Memorial building projects. Ms. Koch-Sundquist said that it would not be in good faith for one town to force a large budget on the other when they have stated that they cannot afford it.

Ms. Mitchell stated that at the joint meeting of the town Fin Com members it was stated that the towns want a 3.5% assessment which is equal to a 2.5% budget. The towns are examining their own budgets to reduce increases. Ms. Mitchell stressed the need for a multi-year plan that targets a correction and said that there are different players involved than previously. Ms. Mitchell inquired about the end of current debt payment.

Ms. Koch-Sundquist said that she agrees with committing the same level of reserves for this year and summarized that this is the consensus from the School Committee. Ms. Koch-Sundquist asked to see a 2.5% budget with \$1.3M in cuts.

Mr. Foster said he would like to see the budget work go in steps, with the first step being to see how far the district can get without cutting programs. Ms. Koch-Sundquist asked if, given timeline requirements, a single budget scenario from district administrators would be sufficient.

Ms. Spencer said that she is comfortable with using the 8% reserve threshold and applying any excess into the budget. Ms. Cresta said that would equate to an additional \$250K. Ms. Spencer asked for insight into the components of the Expanded Effort Budget that are most critical. Ms. Spencer highlighted the uptick in classroom sizes at Memorial Elementary and the request for an extra teacher.

Ms. Mitchell agreed to the notion of applying the additional \$250K from anticipated E&D to the budget. Along with a carry forward of this year's reserve use this would total \$600K in revenue. Ms. Mitchell said that next year the district would need to commit to paying the OPEB allotment.

Superintendent Beaudoin stated that if the SC contributes \$750K in reserves to the FY26 budget, it would have to do the same in FY27. The E&D would not have enough to cover the expense and the district would need to go into the Stabilization Fund.

Ms. Whitman said that she is not comfortable with building in such high reserve use. The amount snowballs. Ms. Whitman pointed to the expanded asks and noted that, although the School Committee provides input to district administration, it is the administrators who make the final determination about the best use of budget monies. Priorities may shift. Ms. Whitman said she would like to see that play out. Ms. Whitman said it is unwise to look at a cuts scenario without consensus. Superintendent Beaudoin said that she could add equivalents in staff projected reductions, but cautioned that doing so could be inflammatory, especially early in the process. Ms. Whitman said that information could wait until the recommended budget is presented.

Superintendent Beaudoin said that the current timeline for the budget specifies that the next iteration will be due on January 7. The superintendent said that there would not be a lot of new information available at that time. On January 21 the public hearing is scheduled, and the budget is to be adopted on February 4. The district expects to receive final numbers for healthcare, EERB, and workman's compensation by the end of January.

Ms. Mitchell noted that the Manchester Town Meeting has been moved later this year and asked if that would give the district additional time. Superintendent Beaudoin stated that, if the Manchester Town Meeting is April 28, 2025, the district would have two additional weeks. The budget must be presented with no less than 30 days before the town meeting. Ann Harrison, Chair of the Manchester Board of Selectors, was present at the meeting and said that they would want to consider holidays and meeting timelines for the town. Superintendent Beaudoin said that this could push the adopted budget out to the first week in March with certification in time for both town meetings.

Ms. Cresta said that she is unused to a such an early start to the budget process. Both Ms. Cresta and Superintendent Beaudoin were happy with the new budget timeline. However, Ms. Cresta said that she would not want to delay the vote past the first week in March. Ms. Mitchell asked about revising the SC budget calendar and how the proposed change would affect the Essex Town Meeting. Superintendent Beaudoin said that the Essex meeting always follows the Manchester meeting and will not be negatively impacted.

Mr. Foster moved to amend the School Committee budget calendar hearing from January 21, 2024, to February 4, 2024, and budget adoption to March 4, 2024, upon review of the Finance Committees from Manchester and Essex.

Ms. Mitchell seconded the motion.

Discussion: Superintendent Beaudoin stated that Manchester Town Administrator, Greg Federspiel, notified the district that the certified apportionment must be to the town 30

days prior to the town meeting. The superintendent will verify this number. Ms. Koch-Sundquist asked for the input from Jodi Harris, attending virtually. Ms. Harris, Essex Finance Committee Chairman, stated that Essex has a new town accountant. Ms. Harris said they would review the proposed changes to the budget schedule at their meeting the next day and get back to the School Committee.

The motion passed 6-0.

The superintendent said that the SC calendar will not need to be amended because the current updated timeline uses exiting SC meeting dates, changing only the content of the meeting. The agenda items will be updated. The superintendent said that on January 7, the SC can look forward to additional clarification. The budget numbers will be reworked, ensuring that reserve numbers are accounted for. In addition, reserve scenarios can be presented along with the big picture of potential reductions, enroute to a recommended budget for January 21.

- d. School Committee Ongoing Work – Subcommittee Charge Development. Ms. Koch-Sundquist asked about further work on the SC goals, particularly developing subcommittee charges. The SC discussed the possibility of meeting on December 17. Ms. Whitman said that she would prefer not to add the additional meeting and asked about workshopping the issue of subcommittee charges. Superintendent Beaudoin said that January 7 could be a two-part workshop focusing on budget scenarios and SC goals. If so, the superintendent could send vouchers for approval earlier.

- 8) **School Committee Comment** – Ms. Whitman shared that on December 4 the high school class fundraiser Mom Bowl would commence. This flag football tournament features a team from each grade level. Each game is 40 minutes in length. Ms. Whitman encouraged everyone to attend and cheer the teams on in support of the students.

C. Adjourn

Ms. Koch-Sundquist moved to adjourn the School Committee business meeting; Ms. Spencer seconded the motion.

The motion passed unanimously.

Meeting Adjourned at 8:27 pm.

School Committee Future Meetings

- December 11, 2024, Wednesday
- January 7, 2025
- January 21, 2025