January 23, 2026

To: MERSD School Committee

From: Michelle Cresta, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Stabilization Appropriation for BAN Paydown

I am writing to request your support and authorization to appropriate $50,000 to be used towards a paydown of the principal balance of the Bond Anticipation Note (BAN) that was originally issued in March 2022 for the Manchester Memorial Elementary School Building Project. Here are a few key points regarding the reason that this is being brought to your attention. We had anticipated that the final reimbursement from the Massachusetts School Building Authority (MSBA) would have been received by this point in time.

- Under Massachusetts law (M.G.L. Ch.44, s.17), municipalities and districts can issue temporary loans for up to 2 years without principal payments.
- The District issued $1.3M in notes on March 4, 2022, and currently has $1.1M maturing on February 26, 2026. Since this maturity date is beyond the two-year window, a portion of the debt must be retired using an appropriation of at least $50,000.
- I am requesting an appropriation be made in the amount of $50,000 to comply with the requirement of the $50,000 appropriation to paydown the note due in February 2026.
- The total paydown of the notes in February 2026 will be $450,000 which represents $400,000 from previous BAN proceeds used to float the projects costs during the active MSBA repayment phase of the project and $50,000 from this appropriation.
- The new BAN will be issued for $650,000. This is the same amount as the anticipated reimbursement from the MSBA.
- At our next scheduled meeting on February 3, 2026, I will be requesting approval of the new notes in the amount of $650,000 which is expected to be the final issuance of notes for the Manchester Memorial Elementary School building project.
- The district is expected to receive final reimbursement from MSBA before the new notes will be due in February 2027.

<u>Suggested Motion:</u>
Motion that the School Committee appropriate the amount of $50,000 from the Stabilization Fund for the required paydown of the Bond Anticipation Notes due February 26, 2026.