



MANCHESTER-BY-THE-SEA

FINANCE COMMITTEE • TOWN HALL
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Minutes of the Finance Committee

January 13, 2022 7:00 p.m. Zoom Meeting

MEMBERS PRESENT: Ms. Mellish, Chair, Mr. Creighton, Mr. Weld, Mr. Oldeman, Mr. Pratt, Mr. Twining and Mr. Nahatis

MEMBERS NOT PRESENT:

STAFF PRESENT: Town Administrator, Mr. Federspiel, Finance Committee Clerk, Ms. Hunter, Town Accountant, Ms. Mainville

GUESTS: MERSD Superintendent, Ms. Beaudoin, Director of Finance & Operations, Mr. Urbas, Director of Student Services, Dr. Collins

- Call to Order – Ms. Mellish called the Finance Committee meeting to order at 7:04 p.m.
- MERSD Presentation of FY23 Budget



MERSD FY23
Tentative Budget De



FY-23 Tentative
Budget Public Heari

Superintendent Beaudoin started the presentation by stating the District’s objective is to keep the budget at a 3.5% increase while providing level services. She believes that has been achieved, however, it leaves the District with a significant budget gap of \$650K. The District is not expanding or adding any new programs. Mr. Urbas took the presentation over and discussed the FY23 Operating Budget Overview. He asked how much detail the Committee would like to hear, and Ms. Mellish requested the full presentation noting if Committee members had questions, they should ask their questions when part of the presentation.

Mr. Urbas stated the Annual Level Services goal is increasingly challenging due to rising mandated costs and constrainer revenue:

- Level Services = maintaining same level of program currently in place
- Multi-year history of efficiency-oriented program restructuring to fund new investments
- Prior year cuts leave few options for FY23 budget reductions without impacting program

Slides 2 – 16 are contained in the attached PDF FY23 Tentative Budget Public Hearing.

Dr. Collins presented information on the development and of In-District programming and District savings resulting from the comprehensive in-house Special Education programs.

District programs and services provided are a continuum of Special Education

Inclusion and/or Tutorials for 147 Students

Specialized In-District Programs for 61 Students

Out-of-District Programs for 22 Students.

Comparative Cost Analysis: In-District Versus OOD

In-District Specialized Programs = Staff Salaries, Benefits (Minus In-District Tuition Revenue)

Out-of-District Programs = OOD Tuition, Transportation (Minus Circuit Breaker Funding)

OOD Net Cost minus In-District Net Cost = Savings from In-District Programs

Out-of-District Program FY23 Projections

Complex LD or ASD	3 Students	Cost Projection = \$60,166
Mental/Behavioral Health Needs	10 Students	Cost Projection = \$841,820
Severs Special Needs	12 Students	Cost Projection = \$1,136,023

Savings by In-District Program FY22

SWING Grades K-12	14 Students	Savings = \$284,186
SAIL Grades K-12	22 Students	Savings = \$909,872
IRWL Grades 2-8+	22 Students	Savings = \$530,271
ACE Grades 4-5	3 Students	Savings = \$33,097

Pre-K expansion has been very successful, and the current program is full. Superintendent Beaudoin believes the program could be expanded. Mr. Creighton asked for more specific information around the Pre-K program around tuition. Superintendent Beaudoin stated Pre-K is mandated for identified Special Ed students and the District runs a tuition-based program for peer pals. Following a presentation to the School Committee the program was expanded to include 11 students who would have covered the incremental costs of the program and there are now 17 students enrolled.

In addition to the current programs the District will start incurring costs for students ages 18-22 who are aging out of the District programs and will need to be carried for 4 additional years. The District does not currently have programming for this group of students but the costs for providing for 4 students aging out are included in the FY23 Budget.

Dr. Collins also prepared a slide comparing the MERSD to other District and local schools and costs experienced by those communities. Superintendent Beaudoin stated the value of the information presented is the total of expenditure spent by Districts and communities and MERSD does very well in this comparison. She noted the District can also get an unexpected addition to the Special Ed program and that can throw the budget off.

Committee Questions:

Mr. Pratt asked what were the topmost Cap x priorities for the District? Mr. Urbas indicated the slide on page 14 which delineates the Capital priorities stating the top two items would happen in FY23, Hyland Field and Back-up Boiler for a total of \$725K and possibly \$30K for security at EES.

Mr. Creighton asked about apportionment. Mr. Urbas outlined the apportionment formula based on Property Value, Student Enrollment and Town Population. At this time, it looks like Manchester will pay 2.67% of the increase for a total of \$416K and Essex will pay 5% for a total of \$432K.

Mr. Creighton asked what aspects of a budget developed 6 months ahead of implementation worry you. Superintendent Beaudoin stated overall we need a long-term plan we have not reduced services due to a lot of motion around COVID. Our budget is not sustainable and asked are we looking at reductions or an override? Many areas of growth cannot be controlled, and she is afraid of something unanticipated.

Mr. Twining asked if inflation was built into the Budget. Mr. Urbas replied not a market demand business, but it is a challenge for contracts, Health Insurance and OOD tuition and transportation.

Mr. Oldeman asked if Essex enrollment was growing faster than Manchester and Superintendent Beaudoin stated Essex enrollment was trending down at a slower rate than Manchester.

Ms. Mellish asked about an increase in student enrolled in the District due to the new Memorial School. Superintendent Beaudoin suggested waiting until post COVID to evaluate that. She continues to believe "if you build it, they will come".

Mr. Pratt asked about enrollment in private schools. Superintendent Beaudoin indicated there are 200 students from Manchester and Essex not taking advantage of the District and that has remained constant.

Mr. Pratt also asked what is included in Other Revenue. Mr. Urbas replied Chapter 70 (State funding) \$3M, Regional Transportation \$270K, athletic, bus and parking fees. Superintendent Beaudoin added there is room for increasing athletic and parking fees and the District is considering that increase and proposed a reset of fees and grow annually by the District's increase of 3.5%.

- Review General Government FY23 Operating Budget

Was postponed to another meeting.

- Review Minutes

Ms. Mellish has three sets of minutes she will review for the next meeting.

- Next Meeting Date & Subject

The next meeting is scheduled for January 20th with DPW, Director Mr. Dam and Engineer Mr. Desrosiers. The Fire Department is scheduled for February 10, 2022 when both Mr. Creighton and Mr. Twining are available. Mr. Oldeman asked again about the possibility of a third-party consultation around Fire Department staffing. Mr. Federspiel stated there are retired Fire Chiefs and firms available to discuss staffing with the Committee. Mr. Oldeman believes many Fire Chiefs drink from the same source and would like to discuss staffing with an independent source.

The Committee discussed Call Fire Fighters in other communities reaching no conclusion.

- Other Business not anticipated by the Chair, discussion only

There was no additional business discussed this evening.

- Adjourn

Mr. Weld moved to adjourn the meeting; Mr. Oldeman seconded the motion. The motion passed unanimously by roll call vote.