



MCCPS Board of Trustees

Finance Committee Meeting (Joint Meeting with Board of Trustees)

Published on April 13, 2021 at 1:57 PM EDT

Date and Time

Friday April 16, 2021 at 8:00 AM EDT

Location

Join Zoom Meeting

[https://us02web.zoom.us/j/84250171765?](https://us02web.zoom.us/j/84250171765?pwd=TKRhZzFjOWZSQnpvUVdGUGFVMmlHdz09)

[pwd=TKRhZzFjOWZSQnpvUVdGUGFVMmlHdz09](https://us02web.zoom.us/j/84250171765?pwd=TKRhZzFjOWZSQnpvUVdGUGFVMmlHdz09)

Meeting ID: 842 5017 1765

Passcode: 8215

Agenda

| | Purpose | Presenter | Time |
|---|-----------------|----------------|----------------|
| I. Opening Items | | | 8:00 AM |
| Opening Items | | | |
| A. Record Attendance and Guests | | R Herve | 2 m |
| B. Call the Meeting to Order | | R Herve | 1 m |
| In light of the ongoing COVID-19 coronavirus outbreak, Governor Baker issued an emergency Order on March 12, 2020, allowing public bodies greater flexibility in utilizing technology in the conduct of meetings under the Open Meeting Law. Can I get a motion to accept this Executive Order for this meeting of the Finance Committee, on April 16, 2021? | | | |
| C. Approve minutes | Approve Minutes | Rodolphe Herve | 5 m |
| Approve minutes for Finance Committee Meeting on March 24, 2021 | | | |
| II. Finance - Financial Statement Review | | | 8:08 AM |
| Finance | | | |

| | Purpose | Presenter | Time |
|--|----------------|------------------|----------------|
| A. Committee review of Previous Month's Financial Statements Documents to be attached when available | Discuss | Jeff Barry | 30 m |
| B. Discuss preliminary 2021-2022 Budget | Discuss | Jeff Barry | 20 m |
| III. Other Business | | | 8:58 AM |
| A. Other discussion points | Discuss | R Herve | 5 m |
| IV. Closing Items | | | 9:03 AM |
| A. Adjourn Meeting | Vote | | |

Cover Sheet

Approve minutes

| | |
|--------------------------|---|
| Section: | I. Opening Items |
| Item: | C. Approve minutes |
| Purpose: | Approve Minutes |
| Submitted by: | |
| Related Material: | Minutes for Finance Committee Meeting on March 24, 2021 |



MCCPS Board of Trustees

Minutes

Finance Committee Meeting

Date and Time

Wednesday March 24, 2021 at 9:00 AM

Committee Members Present

Artie Sullivan (remote), Jeff Barry (remote), Julie Santosus (remote), Karl Smith (remote), NDack Toure (remote), Peter Cohen (remote), Richard Doron (remote), Rodolphe Herve (remote), Susan Hauck (remote)

Committee Members Absent

None

I. Opening Items

A. Record Attendance and Guests

Jeff Barry made a motion to call meeting to order.

Artie Sullivan seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

| | |
|----------------|-----|
| Peter Cohen | Aye |
| Jeff Barry | Aye |
| Susan Hauck | Aye |
| NDack Toure | Aye |
| Artie Sullivan | Aye |
| Rodolphe Herve | Aye |
| Richard Doron | Aye |
| Julie Santosus | Aye |
| Karl Smith | Aye |

B. Call the Meeting to Order

Jeff Barry called a meeting of the Finance Committee of MCCPS Board of Trustees to order on Wednesday Mar 24, 2021 at 9:05 AM.

C. Approve minutes

Karl Smith made a motion to approve the minutes from Finance Committee Meeting on 02-24-21.

Julie Santosus seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

Richard Doron Aye
Karl Smith Aye
Peter Cohen Aye
Rodolphe Herve Aye
Susan Hauck Aye
NDack Toure Aye
Jeff Barry Aye
Julie Santosus Aye
Artie Sullivan Aye

II. Finance - Financial Statement Review

A. Committee review of Previous Month's Financial Statements

Tuition check at \$260K is in line with previous months and reflects enrollment of 208 students (vs 213 actual enrollment). We therefore expect a slight readjustment at the end of the year.

State allocations are 4% over budget reflecting a PPE increase.

Fundraising is lower than budget and last year as the pandemic has impacted live fundraising events upon which we traditionally rely. However, grant money is up and compensates for shortfalls.

MCCPS is waiting on details from \$85K ESSER grant

Total expenses at 2/3rd of school year is within \$30K of budget, despite unplanned costs (HVAC) and covid-19 expenses

B. Discuss preliminary 2021-2022 Budget

Budget needs to be approved no later than May 2021 (April 2021 would be great)
This budget is based on enrollment of 215 students (up from 210 in 2020 budget) and recently published PPE levels

The budget reflects the staffing plan to be presented by Peter Cohen at the March Board meeting

III. Other Business

A. Other discussion points

Artie Sullivan made a motion to close the meeting.

Jeff Barry seconded the motion.

The committee **VOTED** to approve the motion.

Roll Call

Richard Doron Aye
Susan Hauck Aye
Karl Smith Aye
Artie Sullivan Aye
Peter Cohen Aye
Rodolphe Herve Aye

Roll Call

| | |
|----------------|-----|
| NDack Toure | Aye |
| Julie Santosus | Aye |
| Jeff Barry | Aye |

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:03 AM.

Respectfully Submitted,
Rodolphe Herve

Documents used during the meeting

- Feb FinCom notes.pdf
- MCCPS-Feb-2021-Financial Statements v1.xlsx
- FY22 Proposed Operating Budget V3.0.pdf

Cover Sheet

Committee review of Previous Month's Financial Statements

| | |
|--------------------------|---|
| Section: | II. Finance - Financial Statement Review |
| Item: | A. Committee review of Previous Month's Financial Statements |
| Purpose: | Discuss |
| Submitted by: | |
| Related Material: | March FinCom notes.pdf MCCPS-Mar-2021-Financial Statements v1.xlsx |

FinCom notes March 2021

The March tuition check came in at \$259,979, reflecting 208 students. At press time our FY21 population is 213.

The DESE updated FY21 tuition:

Projected FY21 at 9/14/20 - \$3,386,711 (based on 222 students)
FY21 at 12/18/20 - \$3,186,245 (based on 208)
FY21 at 3/23/21 - \$3,183,944 (based on 208)

The difference of \$2,301 is negligible, so at this point we're in good shape.

There have been no updates from DESE on FY22 projections...Katherine projects 230 students for FY22 (at 4/9/21).

MCEF: Susan can update on the recent MCEF activities and development efforts.

FY22 updates after February finance discussion (below).

February 2021 notes

Revenue

We are awaiting details on a second round of ESSR grant funding in the amount of \$85,841, \$10,000 of which is earmarked for mental health services. The first round of this funding amounted to \$20K. **Update: We will be moving this grant into FY22**

As previously discussed I have been making journal entries to expense grants, thus reducing some budgeted expenses, especially in personnel. This process will continue as we are reimbursed thru the state grant system.

4080 - Reimbursements

You may recall we suffered water damage as a result of the new HVAC unit installation. I worked with our insurer (Hanover) and submitted a claim. The adjustor came back with damages totaling \$3,803.45, minus the deductible of \$2,500, netting a payment of \$1,303.45. We rec'd a separate check for \$607.72 for contents coverage.
Total = \$1,911.17.

To date we have spent \$1,521.81 on repairs. I have attached a copy of my discussion with Hanover regarding the deductible.

This revenue line includes an additional payment not related the insurance claim.

Expenses

5067 – Stipends: another round of Teaching Force stipends. These will be rolled into salaries as appropriate in FY22.

5170 – Substitute: reduction due to grant journal entry

5355 – Communications: the first appearance of the new phone bill (prorated for a month plus here). The regular monthly bill is \$1,109.78 of which \$146.68 is state and federal fees - which we can't avoid - that's almost 14% of the bill.

5330 – Custodial: we have replaced our janitorial service for the remainder of the school year. There will be a slight uptick in this expense for the final quarter. I will eventually pay the former service their final invoice.

The FY22 budget – much of this is a repeat from February

Work continues on the FY22 budget...a draft is included for discussion.

On 3 Feb the DESE published the first estimate of FY22 tuition. It has us listed for \$3,709,805 based on 230 students. Avg = \$16,129.59. While these numbers aren't worth the paper they are written on, the recent federal Covid bill should go a long way to limiting the financial impact of the pandemic. We are also waiting to see what grants come out of this legislation.

Peter can walk us through his vision for Personnel.

I will get our health insurance renewal the first week of April so I'm using the maximum expected increase of 8% in the budget. While Delta dental has not increased for 3 years but I'm projecting a 3% increase in the line item. These figures are also driven by actual enrollment. **Update: at 4/7/21 I was told by the rep that we'd have the Tufts number "early next week" (w/o 4/12). There will be no increase in the delta rates.**

Projecting an increase in utilities to account for the HVAC system running 24/7, new phone system

We expect to bring on a second shift, part time custodian and eliminate the Custodial Service line item.

We reduced the Marketing line item in anticipation of hiring a PT person

There is a new line for the replacement of the Admin HAVC unit

There is a new line item for Professional Services related to the renovation of the facility

Additional notes at the bottom of the worksheet

Good Morning John,

Now that you have resolved the above claim, I would like to check on the subrogation process against the HVAC contractor. Would you please let me know who at Hanover will be handling this.

Thank you,

Deanna M. Bullock, AIC, CSR
Commercial Claims Manager
FRED C. CHURCH, INC.

The note from our subro department which is in the visible file notes,

“Insured sent an email to John expressing he wanted to be made whole with deductible. He submitted estimate of loss even lower than \$5K. I did forward to John Cronin advising with this amount, we cannot prove an HVAC defect without an expert being retained and it is not cost effective to do so. I also advised John that I closed subro.”

Feel free to reach out with any questions,

John Cronin
Field Adjuster Property Claims
The Hanover Insurance Group

OK, thanks.

So if our claim was larger in value, it'd be worth Hanover spending more to get 100% of the money from the contractor, but since it's a small claim I get to eat the deductible even though I'm the injured party?

Jeffrey Barry

Jeff,

Unfortunately your policy carries a deductible, and that must be applied to any claim you file under that policy.

Had you gone through the contractor's liability insurance, you would not have had a deductible, but a lot of times 3rd party claims are paid at ACV instead of RCV – so you'd be short in that regard as well.

If The Hanover (or any other carrier) spent money chasing subrogation on claims that are not cost effective, everyone's premiums would be higher than they already are to make up for those costs.

Thank you, I hope this helps.

John Cronin
Field Adjuster Property Claims

Cover Sheet

Discuss preliminary 2021-2022 Budget

| | |
|--------------------------|--|
| Section: | II. Finance - Financial Statement Review |
| Item: | B. Discuss preliminary 2021-2022 Budget |
| Purpose: | Discuss |
| Submitted by: | |
| Related Material: | FY22 Proposed Operating Budget V3.0.pdf |

| MCCPS FY22 budget worksheet | | 3/8/21 | | | |
|--|----------------|-------------|-----------------|-------------|---|
| | At 12/31/2020 | | FY21 | | |
| | Total | % of budget | Budget | FY22 V 3.0 | |
| Income | | | | | |
| 4005 STATE ALLOCATION | \$1,626,365.00 | 52.70% | \$3,086,096 | \$3,467,950 | 215 * \$16,130 (2/3/21 DESE) |
| 4040 INVESTMENT INCOME | \$95.53 | | | | |
| 4041 Int Inc | \$30.35 | | | | |
| Total 4040 INVESTMENT INCOME | \$125.88 | 125.90% | \$100 | \$100 | |
| 4050 OTHER INCOME | \$3,000.00 | 150.00% | \$2,000 | \$3,000 | |
| 4051 17 Lime Rent | \$11,599.67 | 53.30% | \$21,750 | \$21,750 | |
| 4056 Homework Club | \$1,289.50 | 12.90% | \$10,000 | ? | see expense line |
| Total 4050 OTHER INCOME | \$15,889.17 | | | | |
| 4055 STUDENT SUCCESS FUND | \$18,231.93 | 101.30% | \$18,000 | \$18,000 | |
| 4060 CONTRIBUTIONS | \$250.00 | | | | |
| 4080 REIMBURSEMENTS | \$2,860.42 | 143.00% | \$2,000 | \$2,000 | |
| 4085 MEDICARE REIMB. | \$0.00 | | \$5,000 | \$0 | Andrea & I decided to skip this program in FY21 will revisit for FY22 |
| 4090 FUNDRAISING | \$717.40 | | | | |
| 4092 Events | \$4,406.94 | | | | |
| Total 4090 FUNDRAISING | \$5,124.34 | 11.40% | \$45,000 | \$50,000 | net |
| Total Income | \$1,668,846.74 | | \$3,189,946 | \$3,562,800 | |
| Gross Profit | \$1,668,846.74 | | \$3,189,946 | \$3,562,800 | |
| Expenses | | | | | |
| 5000 PERSONNEL - SALARIES | \$1,091,279.85 | 51% | \$2,140,701 | \$2,403,190 | from other tab |
| Payroll Taxes | | | | | |
| 5115 Soc Sec | \$19,715.13 | | | | |
| 5116 Medicare | \$15,509.30 | | | | |
| 5117 Unemployment | \$5,886.78 | | | | |
| 5118 MAPML | \$4,238.46 | | | | |
| 5120 Work Comp | \$10,652.00 | | | | |
| Total Payroll Taxes | \$56,001.67 | 50.00% | \$112,000 | \$118,000 | |
| Total 5000 PERSONNEL | \$1,147,281.52 | | \$2,252,701 | \$2,521,190 | |
| 5140 BENEFITS | | | | | |
| 5141 Health | \$134,803.64 | | | | |
| Reimb | \$110.28 | | | | |
| Total 5141 Health | \$134,913.92 | | | | |
| 5142 Dental | \$16,745.95 | | | | |
| 5143 Life & Disability | \$3,906.61 | | | | |
| Total 5140 BENEFITS | \$155,566.48 | 37.60% | \$413,835 | \$438,665 | Est +8% for health, actual in early April |
| 5150 STAFF DEVELOPMENT | \$9,363.15 | 124.80% | \$7,500 | \$10,000 | MPCSA membership = \$7K |
| New Line - Teaching Force | \$10,000.00 | | | \$20,000 | stipends? |
| 5160 SEARCH COSTS | \$1,822.83 | 107.20% | \$1,700 | \$1,825 | |
| 5170 SUBSTITUTE | \$14,297.00 | | | | |
| 5200 DIRECT STUDENT SUPPORT | | | | | |
| 5202 Furnishings | \$392.85 | 39.30% | \$1,000 | \$5,000 | Increased to meet CDC spacing guidelines |
| 5203 Student Success Fund | \$3,715.49 | 24.30% | \$15,300 | \$15,300 | |
| 5210 Teachers supplies | \$1,679.97 | 39.60% | \$5,000 | \$5,000 | |
| 5211 Instructional Equipment | \$7,122.66 | 49.50% | \$14,400 | \$15,000 | |
| 5215 Curriculum supplies | \$664.15 | 13.30% | \$5,000 | \$5,000 | |
| 5220 Student supplies | \$287.85 | 5.80% | \$5,000 | \$5,000 | |
| 5221 SPED supplies | \$444.34 | 29.60% | \$1,500 | \$1,500 | |
| 5222 SPED Services | \$0.00 | | \$1,500 | | grants |
| 5240 Computer Support | \$2,068.99 | 103.40% | \$2,000 | \$2,000 | |
| 5241 Technology - Hardware | \$797.63 | 16.00% | \$5,000 | \$5,000 | |
| 5242 Technology-Software | \$3,598.88 | 179.90% | \$2,000 | \$2,000 | |
| 5250 Nursing supplies | \$258.91 | 17.30% | \$1,500 | \$1,500 | |
| 5255 Homework Club | \$433.28 | 6.70% | \$6,500 | ? | see revenue |
| Total 5200 DIRECT STUDENT SUPPORT | \$21,465.00 | 32.67% | \$65,700 | \$62,300 | |
| 5300 OCCUPANCY | | | | | |
| 5320 Maintenance | \$22,457.48 | | | | |
| 5324 plow | \$1,220.00 | | | | |
| Total 5320 Maintenance | \$23,677.48 | 59.20% | \$40,000 | \$45,000 | |
| 5330 CustSvc | \$11,560.00 | 38.50% | \$30,000 | \$0 | convert to salary (\$30K?) |
| 5340 CustSupplies | \$920.04 | 18.40% | \$5,000 | \$5,000 | |
| 5351 Utilities | \$17,641.18 | 41.80% | \$42,250 | \$55,000 | increase for phone system, 24/7 electric (HAVC) |
| Total 5300 OCCUPANCY | \$53,798.70 | | \$117,250 | \$105,000 | |
| 5329 Covid-19 | \$1,119.97 | | | | |
| 5400 OFFICE & ADMIN | | | | | |
| 5405 FundraisingExp | \$836.25 | | | | |
| 5407 Events | \$1,451.70 | | | | |
| Total 5405 FundraisingExp | \$2,287.95 | 38.10% | \$6,000 | \$5,000 | 10% of gross? |
| 5410 Supplies | \$2,174.57 | 43.50% | \$5,000 | \$5,000 | |
| New line - Cap Ex | | | | \$13,000 | Admin HVAC |
| New line - Professional Services | | | | \$10,000 | Related to building renovation |
| 5430 Accounting | \$17,098.76 | 94.70% | \$18,000 | \$20,000 | |
| 5431 Legal | \$2,623.71 | 26.20% | \$10,000 | \$10,000 | let's hope this is max |
| 5435 Marketing | \$4,525.00 | 45.30% | \$10,000 | \$5,000 | reduced |
| 5440 PayrollSvc | \$3,276.49 | 59.60% | \$5,500 | \$5,500 | |
| 5450 Print & Copy | \$0.00 | | \$1,200 | \$1,200 | |
| 5460 Postage | \$2,268.26 | 64.80% | \$3,500 | \$3,500 | |
| 5470 General Liability Insurance | \$15,015.04 | 50.10% | \$30,000 | \$32,000 | |
| 5480 Board | \$7,962.00 | 113.70% | \$7,000 | \$8,500 | Board on Track, ValEd, award |
| 5486 HoS Discretionary | \$125.00 | 8.30% | \$1,500 | \$1,500 | |
| 5487 Admissions | \$1,151.77 | 76.80% | \$1,500 | \$6,500 | \$1500 + \$5K for postcard project |
| 5492 Mortgage Interest | \$61,852.26 | 51.40% | \$120,423 | \$116,994 | |
| 5497 Bank Chrg | \$280.31 | 28.00% | \$1,000 | \$1,000 | |
| Total 5400 OFFICE & ADMIN | \$120,581.12 | 54.65% | \$220,623 | \$244,694 | |
| 6100 Depreciation | \$47,334.00 | 49.80% | \$95,000 | \$95,000 | Have to update the schedule |
| Total Expenses | \$1,557,212.80 | | \$3,174,309 | \$3,498,674 | |
| Net Operating Income | \$111,633.94 | | \$15,637.00 | \$64,126.00 | |
| | | | (TF - \$10,000) | | |

| | | | | | |
|---|----------|-----------------------|---|-------------|--|
| | | | | \$3,498,674 | Total expenses |
| | | | | \$3,293,370 | \$15,318 x 215 (PPE at 2/21) |
| | | | | \$3,386,220 | Total revenue |
| | | | | -\$112,454 | Delta using current PPE |
| | | | | \$3,523,140 | 230 x \$15,318 |
| | | | | \$3,709,900 | 230 x \$16,130 |
| NOTES | | | | | |
| <u>New expenses</u> | | | | | |
| Peter can discuss changes in personnel | | | Bring custodial onboard? DBS = \$33,600 | | |
| If no Covid Marblehead Youth Basketball should return (\$2.5K) | | | | | |
| <u>Non personnel</u> | | | | | |
| Fiber optic svc | \$1,548 | \$129/mo | | | |
| Phones | \$12,115 | \$1,009.60/mo est | | | FY22 mortgage expenses per amort schedule |
| Teaching Force | \$20,000 | year 2 | | | Prin \$106,082.29 |
| Teaching Force stipends | | in salaries | | | Int \$116,994.11 |
| Admissions postcards? | | Approx \$5K | | | \$223,076.40 |
| Summer expenses? | | | | | \$224,430.00 actual (\$18,702 x 12) |
| <u>Anticipated increases to existing</u> | | | | | |
| Health insurance | +5-8% | Tufts rate due 4/1/21 | | | \$1,353.60 diff |
| Dental | +3% ? | | | | FY22 is the last year of a 5 year purchase of 4/5 math program Ellen is on it |
| Increase in utilities | | | | | |
| Admin HVAC needs to be repalced at \$12K | | | | | |
| Expect more FY22 grant funding - we are moving the latest for \$85K into FY22 | | | | | |
| Do we need to fund a line item for building renovations? (engineers, surveys & schematics, preliminary architect?) | | | | | |

Attachments

The following files are attached to this PDF: You will need to open this document in an application that supports attachments (i.e. [Adobe Reader](#)) in order to access these files.

MCCPS-Mar-2021-Financial Statements v1.xlsx