CITY OF MELROSE

CITY COUNCIL

ORDERS OF THE DAY● OCTOBER 11, 2022

Council Chamber, First Floor, Melrose City Hall **Special Meeting** **7:00 PM**
562 Main Street, Melrose, MA 02176

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. READING OF THE MINUTES

IV. PUBLIC COMMENT

Remote Link for Public Comment:
https://cityofmelrose-org.zoom.us/j/99081483447?pwd=Nm1hT3R1Z3l2cWJ3bTZkdVBzbW1Kdz09

V. PUBLIC HEARINGS

VI. NEW BUSINESS

A. Filings by the Honorable Mayor

B. Filings by the Honorable City Council

1. **ORDER-2023-26 :** An Order Seeking Information on the Budget Shortfall of the Melrose Public Schools

   Offered by: Council President Christopher Cinella

VII. COMMUNICATIONS FROM HIS HONOR, THE MAYOR AND OTHER CITY OFFICIALS

VIII. UNFINISHED BUSINESS

IX. REPORTS FROM COMMITTEES

X. EXPIRIES

XI. RULE 53 REPORTS

XII. ADJOURNMENT

MELROSE PUBLIC SCHOOLS

MPS FY22 Budget Update

Tuesday, September 27, 2022

Presented to the Melrose School Committee by:

Dr. Julie R. Kukenberger, *MPS Superintendent of Schools*

Objectives:

- To provide the Melrose School Committee and community with an update regarding the FY22 school budget.
- To discuss the timeline for discovering the FY22 shortfall and for closing out the FY22 school budget.
- To describe next steps and immediate corrective actions taken to minimize impact on future budgets.

Identify the Problem: *FY22 Budget Shortfall*

The District has identified and is working to address an FY22 budget shortfall of **$2,215,414.**

We have allocated every available resource to minimize the FY22 shortfall to **$774,697**.

The Mayor is strongly considering allocating American Rescue Plan Act (ARPA) funds to meet the District’s financial obligations and facilitate the closing of FY22 school budget.

Timeline: *What did we know when?*

- **June 15 - July 11:** 3 transitions meetings between outgoing and incoming MPS directors of finance
- **July 8** - requested the outgoing director of finance to return to close out FY22
- **July 12** - increasing concerns about the FY22 year end balance
- **July 12** - CFO advised the new director of finance to contract with a CliftonLarsonAllen LLC (CLA) consultant to clean up and close out FY22
- **August 1** - began work with CliftonLarsonAllen LLC (CLA) consultant and continued collaboration with City's Auditor Office
- **July 14 - October 4:** thorough review of FY22 budget; FY22 budget clean up and close out

FY22 Budget Drivers: *What are the primary causes of the shortfall?*

While there are several factors related to the deficit, most of the shortfall can be explained in four primary ways.

- **Long-term budget practice of counting specific grant funds** (METCO, Title I, and IDEA 94-124) in the operating budget accounts for **$1,260,000 of the total shortfall**.
- **Transportation** costs exceeded the projected budgeted amount by **$679,766**.
- The Franklin Early Childhood Center **(ECC) generated less tuition revenue** while requiring the same level of staffing to support our youngest and most vulnerable learners resulting in a **$438,879 revenue shortfall**.
- A need to provide **coverage for teachers** and staff due to extensive COVID-19 absences and restrictions on timelines for returning to work (minimum of 10 days for most of the school year) resulting in an **estimated $450,013** of unbudgeted coverage costs.

Thorough Review: *What action steps were taken to assess the shortfall?*

- Historical budget comparisons FY18-FY23
- Historical comparison of offset projections vs. actuals FY18-FY23
- Analysis and identify major cost increases FY21 to FY22
- Comparison of planned ESSERII & ESSERIII ($528,980) v. actual ($1,431,475)
- Collaboration with City Finance Dept. and CliftonLarsonAllen LLC (CLA)
- Consider all possible revenue sources to reduce the shortfall - reclassify funding ($1,555,938), including remaining ESSERIII balance
- Rebuilding FY23 budget from zero base, returning to school site based lines

FY23 Budget Forecast: *How will this impact the current budget?*

- Rebuilding FY23 budget using a zero based budget methodology
- FY23 entitlement grants will be managed outside of operating budget
- Curtailing FY23 spending when possible
- Monthly FY23 end-of-year forecast to School Committee
- Monthly revenue and expenditure to date reports to School Committee
- Define policy, procedures, and structures to increase fiscal oversight in consultation with CliftonLarsonAllen LLC (CLA)

Next Steps: *When will we learn more about the FY22 shortfall?*

- **October 4:** CliftonLarsonAllen LLC (CLA) consultation on closing the FY22 school budget
- **October 18:** FY22 EOY update and FY23 forecast presented to School Committee and community

CITY OF MELROSE

OFFICE OF THE MAYOR

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4440
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PAUL A. BRODEUR
Mayor

TO: Superintendent of Schools Julie Kukenberger;
Melrose School Committee
FROM: Mayor Paul Brodeur
DATE: August 29, 2022
RE: FY2022 Funding/Budget Shortfall

As you are aware, in closing the books on the FY2022 School Department budget, significant shortfalls have been discovered. I have been shocked and dismayed to learn that budgetary overruns were allowed to occur in the School Department that now require the use of approximately $775,000 of ARPA funding to reconcile. Having to use federal relief funds for this purpose obviously represents a lost opportunity to make significant investments in other areas of need. Unfortunately, it is not an option for the School Department to simply not pay its bills, so I am preparing to authorize this use of ARPA funds in order to balance the books for FY2022, subject to the following conditions:

1. The School Department shall provide me and the School Committee with a written explanation of what happened to cause these shortfalls to occur and why they were not detected until after the end of the fiscal year. The response shall include, but not be limited to, the following:
    a. A description of where costs were incorrectly charged to the operating budget and/or grant funds.
    b. A list of costs that were incurred, but for which bills were not submitted in a timely fashion during FY2022.
    c. An analysis of the accuracy of the projections of other funding sources made during the FY2022 budget deliberations (budget to actual).
    d. An analysis of the reliability of the projections of other funding sources upon which the FY2023 budget deliberations were based.
    e. A list of any unanticipated costs, including but not limited, to personnel and transportation, that contributed to the budget shortfall.
    f. A determination of how much the district actually spent on education in FY2022 across all sources, with a comparison to FY2021.
    g. An analysis of what adjustments needed to be made to the FY2023 budget to ensure it remains in balance.

2. The School Department shall provide me and the School Committee with a detailed written plan describing the course of action that will be taken moving forward to prevent this from happening again. The City Auditor/CFO shall have a role in the development of this plan and have significant oversight of its implementation.

3. The School Department shall retain a consultant from CliftonLarsonAllen LLC (CLA) to advise on ways to strengthen internal controls as well as to provide ongoing financial monitoring throughout FY2023. The City Auditor/CFO and Director of Finance and Administrative Affairs shall meet monthly with the CLA consultant to ensure the FY2023 School Department budget stays on track.

4. The FY2024 budget process shall be conducted in a manner satisfactory to the City Auditor/CFO to ensure that accurate budget projections are prepared and that a standard budget format is utilized for the School Department budget.

5. <u>Finally, we must remain mindful that the School Department has now created a structural deficit, the same as was resolved with the override of FY2020 where $750,000 of permanent tax revenue was allocated to the school base budget to eliminate. This is not a COVID issue, it is a budget issue, and it is fiscally unacceptable. The School Department must swiftly take all actions necessary to prevent this structural deficit from continuing.</u>

I recognize it will be difficult to develop some of this information given the change in the leadership in the School Department Business Office. I want to acknowledge the diligence of Director of Finance and Administrative Affairs Kenneth Kelley and the staff of the Auditor’s Office in working to resolve these problems. We have invested record amounts of funding in the Melrose Public Schools in recent years, and it is critical that we be able to demonstrate that these funds are being spent wisely and within our means.

MELROSE PUBLIC SCHOOLS

DATE: September 21, 2022

TO: Mayor Paul Brodeur Melrose School Committee

Cc: Melrose School Committee and Patrick Dello Russo, *Chief Financial Officer*

FROM: Dr. Julie R. Kukenberger, *Superintendent of Schools,* and Kenneth Kelley, *Director of Finance and Administrative Affairs*

RE: Response to request per Mayor's Memo received on September 1, 2022 (dated 8/29/22)

Thank you for the opportunity to submit a written response to the September 1, 2022 memo requesting more information related to the FY22 budget shortfall. As previously shared, I learned of our FY22 budget shortfall of **$2,215,414** on July 12. Over the past two months I have continued to work collaboratively with you, the City's CFO, our Director of Finance and Administrative Affairs, a long-time consultant to the City and District, CliftonLarsonAllen LLC (CLA), and members of the City's auditor's office, and District business office to examine and analyze the FY22 budget and conduct a multi-year analysis of the District's budget. We have allocated every available resource to minimize the FY22 shortfall, resulting in a reduced shortfall of **$774,697**. Below I have provided a comprehensive and data-driven response to the points raised in the memo.

As a preview, while there are several legacy accounting issues related to the deficit, most of the shortage can be explained in four primary ways.

- First, the District had a **long-term accounting practice of double counting specific grant funds** (METCO, Title I, and IDEA 94-124). This long standing error accounts for **$1,260,000 of the total shortfall**.
- Second, actual **transportation** costs exceeded the projected budgeted amount by **$679,766**. These overtures are the result of driver shortages requiring more transportation services to be contracted out at rates that were higher than what was budgeted. In addition, there were added fees for COVID-19 cleaning protocols along with strict vehicle capacity limits due to COVID-19 requirements for sanitizing and physical distancing.
- Third, due to physical distancing requirements and lower enrollment numbers, the Franklin Early Childhood Center **(ECC) generated less tuition revenue** while requiring the same level of staffing to support our youngest and most vulnerable learners resulting in a **$438,879 revenue shortfall**.
- Finally, our need to provide **coverage for teachers** and staff due to extensive COVID-19 absences and restrictions on timelines for returning to work (minimum of 10 days for most of the school year). Once restrictions were relaxed and quarantine time was shortened to 5 days, per the Health Departments' guidelines, employees were required to test negative to return to work on days 6-10 which resulted in an **estimated $450,013** of unbudgeted coverage costs.

The last three bullets are notable as the memo suggests that COVID-19 was not a factor in the shortfall when in fact, it accounts for a significant percentage of the deficit. It is also noteworthy that the evidence does not indicate a district leadership-manufactured structural deficit, which was also suggested in the memo.

Below we detail how each of these four areas has driven the shortfall (see pages 3-7). In addition, this response includes the swift and strategic actions I have taken alongside our new director of finance and CLA consultant to clean up and close out FY22 while immediately implementing strategies to curtail FY23 spending where possible (see g. page 5). However, first, I have detailed the events leading to the discovery of the shortfall.

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As I have shared with you, the City's chief financial officer, and school committee members, in early June 2022, employees in the District's business office requested to meet with me to express concerns regarding the completion of critical end-of-year tasks during the director of finance transition. Upon hearing these concerns, I met with the outgoing director of finance and shared these concerns voiced by the members of the District's business office. At that time, I was reassured by the outgoing director that account reconciliation would occur and essential tasks would be completed. I also discussed the concerns shared by the business office with the assistant city solicitor, who was also told that the tasks would be complete by June 16. I later learned that the outgoing director of finance also gave the City's chief financial officer the same reassurance. Although the official start date was July 1, 2022, our new director of finance was able to schedule a few overlapping transition days with our outgoing director of finance. *Notably, there was no indication of an FY22 deficit or concerns that the District would end the year in a financial deficit.* As soon as I learned that the FY22 budget was not reconciled or closed out, I requested that the former director of finance meet with the new director and me. Although the District is closed on Fridays in the summer, we met Friday, July 8, 2022. After this meeting, we had the understanding that the FY22 year-end would result in a surplus of funds totaling approximately $800,000.

Given that the office was closed, additional information was needed from other business office staff, and a follow-up meeting was scheduled for Monday, July 11. On Tuesday, July 12, I received a phone call from the new finance director stating that the numbers shared on Friday, July 8, were inaccurate and that we were projecting a significant year-end shortfall. The new director of finance immediately talked with the City's CFO. The City's CFO advised us to engage with a specific finance consultant, who has worked extensively with the City and school department in the past, to determine the year-end balance and file the end-of-year report. Our collaboration and intensive analysis began. Throughout July, August, and September, I have been openly communicating with you and members of the School Committee about our progress and strategy to utilize every financial resource available to the school District to mitigate the deficit. Our approach has included analyzing spending patterns and assessing where and why expenses were charged to various accounts and grants. As you know, one specific example included disputing several transportation invoices that seemed excessive. Ultimately, the vendor admitted to double billing the District and revoked the charges.

Moving forward, the business department and I remain committed to continuing to work diligently and collaboratively with you, the city finance office, and the CLA consultant to accurately complete the FY22 end-of-year report. Specifically, we will continue to clean up and close out FY22. We will also focus on making the necessary changes to establish fiscally responsible budgeting practices to ensure sustainable and accurate financial management in FY23 and beyond. The director of finance will attend weekly department head meetings with the Chief Finance Officer and will openly share any budget concerns (overtures, decreases in revenue projections, enrollment numbers, etc.). I will also implement financial risk management strategies and curtailment efforts in FY23, as outlined in my response.

Again, thank you for the opportunity to submit a written response. We look forward to working with the CFO and Mayor to close out FY22 and appreciate any support and collaboration required to move forward together.

In partnership,

Julie R. Kukenberger

Julie R. Kukenberger, Ed. D.

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Requested Information

As promised, in addition to the narrative written above, below, please find bulleted responses to your specific request regarding the root causes of the FY22 budget shortfall and why these issues were not detected until after the end of the FY22 fiscal year.

a. A description of where costs were incorrectly charged to the operating budget and/or grant funds.

- Two entitlement grants, Title I and IDEA 94-142, were budgeted in the operating budget ***and*** the grant itself, which made it appear that more funds were available in FY22 than actually available. This double counting was identified as a finding five years ago by CLA and corrected; however, this practice reverted in FY20.
- The majority of special education services and supports required by IDEA were being directly charged to the ECC revolving account. This will be corrected for FY23.
- Paraprofessional differentials for the coverage of classes during COVID - related absences were charged to ESSER II.
- Interventionists' salaries - were removed from the FY22 operating budget and charged to ESSER II.
- Personnel salaries were charged to incorrect cost centers on several occasions.
- Some salary upgrades were miscalculated. .
- Due to the above issues, there appeared to be more funds available in FY22 and ESSER III than actual available funds.

b. A list of costs that were incurred, but for which bills were not submitted in a timely fashion during FY2022.

- All FY22 bills were paid promptly upon receipt of invoices throughout the year; however, at year-end, with the turnover of staff and fewer School Committee meetings, vendors may have felt a delay in payment processing time.
  - Even when there was a delay, the majority of invoices were encumbered.
- There was a delay in receiving invoices from one private special education school due to transitions in their business office. All invoices were paid upon receipt.

c. An analysis of the accuracy of the projections of other funding sources made during the FY2022 budget deliberations (budget to actual).

- FY22 Mid-Year Budget Forecast - presented to MSC on January 25, 2022.
- Beginning in July 2022, the district entered into a contract with the CLA consultant, who stated that a portion of the FY22 shortfall of $2,215,414 was due to the inclusion of two entitlement grants and a part of the METCO grant (there are seven entitlement grants in total) totaling $1,260,000. As noted above, this issue was found 5 years ago as well.
  - It is unclear how or why this habit has continued over the past several years. However, this has already been corrected for FY23.

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- Due to complications related to the COVID-19 pandemic, such as lower athletics and extracurricular participation rates, and reduced preschool enrollment, there were revenue shortfalls in athletics, facility rentals, and the Franklin Early Childhood Center tuition.

d. An analysis of the reliability of the projections of other funding sources upon which the FY2023 budget deliberations were based.

- This spreadsheet contains several five year expense and revenue analysis including projected budgeted amount to year end actuals.

e. A list of any unanticipated costs, including but not limited, to personnel and transportation, that contributed to the budget shortfall.

- **Extensive absences** - **$450,013** estimated total cost due to COVID-19 pandemic and restrictions on return dates. For the majority of the school year, COVID positive employees could not return to work until day 11. This imposed significant coverage challenges and resulted in overtures in the paraprofessional (even though never fully staffed) salary lines due to contractual obligations which require a differential payment when a paraprofessional covers for more than two hours (Paraprofessional Collective Bargaining Agreement, Article 1: Section 4.C.).
- **ECC Revenue Shortfall - $438,879** due to spacing restrictions.This had a double impact because, historically, surplus revenue has been budgeted as an operating budget offset.
  - Cost of CBA for ECC employees
  - Insufficient tuition rate increases
  - FY20 freeze in tuition while continuing to pay employees depleted the ECC revolving account - eliminating flexibility to respond to lower enrollment numbers during the ongoing COVID-19 pandemic
- **Overtures in Transportation - $679,766** costs due to driver shortages, more transportation has to be contracted out at rates that were higher than budgeted. Additional fees were charged for COVID-19 cleaning protocols, and limits were imposed on how many students could ride a bus.

f. A determination of how much the district actually spent on education in FY2022 across all sources, with a comparison to FY2021.

- This spreadsheet contains an expenses comparison FY22 to FY21, with major impacts highlighted.
- Still unknown are when the District and City will receive reimbursement for the FEMA eligible COVID-19 expenditures.
- In collaboration with the City's CFO, the director of finance and I will identify where the FY22 COVID-19 leave reimbursement funds were deposited. It is my understanding that these funds were deposited in the City's general fund.

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g. An analysis of what adjustments needed to be made to the FY2023 budget to ensure it remains in balance.

- Corrected FY23 budget in munis to eliminate the double budgeting of METCO, Title I, and IDEA 94-142
- Rebuilding the FY23 budget using zero-based budgeting methodology and actual personnel costs
- Curtailment of spending, including delay in filing non-essential positions

2. The School Department shall provide me and the School Committee with a detailed written plan describing the course of action that will be taken moving forward to prevent this from happening again. The City Auditor/CFO shall have a role in the development of this plan and have significant oversight of its implementation.

- Collaborated with CFO to develop the plan outlined below:
  - Monthly Report Analysis: - need to learn how to run report from Munis
    - Crystal Reports - superintendent and director of finance need full access
    - School Year to date Budget Report - superintendent and director of finance need full access
    - School Fund Balance Report - w/ or w/out emcuburances
- Monthly report to SC will include:
  - Revenue/Offset Projections to Actuals
  - Expenditures to date
  - Staffing Levels
  - Year to date expenditures
- To ensure that the ECC budget and Franklin operating budget are properly managed and reflective of the City's obligations relative to special education service deliver, the director of finance and superintendent will work collaboratively with CliftonLarsonAllen LLC (CLA) to revise the general ledger setup for these fund to enable the school to more effectively manage available resources.
- Review and adopt best practices for budgeting operating, grants, and offset funds (transfers out, revenues in, etc.)

3. The School Department shall retain a consultant from CliftonLarsonAllen LLC (CLA) to advise on ways to strengthen internal controls as well as to provide ongoing financial monitoring throughout FY2023. The City Auditor/CFO and Director of Finance and Administrative Affairs shall meet monthly with the CLA consultant to ensure the FY2023 School Department budget stays on track.

- Once monthly, the director of finance and superintendent will meet to review and assess FY23 budget expenses, revenue, and reporting.

4. The FY2024 budget process shall be conducted in a manner satisfactory to the City Auditor/CFO to ensure that accurate budget projections are prepared and that a standard budget format is utilized for the School Department budget.

- Emailed CFO to request a meeting and identify "standard budget format" on 9/9/2022
- Created a DRAFT FY24 Budget Development Timeline and shared it with the School Committee Finance and Facilities sub committee and the School Committee Chair for feedback and suggestions.

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   - Maintain collaboration meetings with the Mayor and CFO throughout the FY24 budget development process.
   - All grants will be reported separately from the general fund as an informational item and not included in the district's operating budget.
- Offset calculations will be projected based on a rolling five-year analysis of projections v. actuals. Additionally, the current context (i.e. pandemic, recession, inflation, etc.) will be taken into account when generating projections.

5. Finally, we must remain mindful that the School Department has now created a structural deficit, the same as was resolved with the override of FY2020 where $750,000 of permanent tax revenue was allocated to the school base budget to eliminate. This is not a COVID issue, it is a budget issue, and it is fiscally unacceptable. The School Department must swiftly take all actions necessary to prevent this structural deficit from continuing.

As noted below, the evidence clearly shows that COVID-19 has accounted for a significant percentage of the deficit and there is no evidence of a district leadership-manufactured structural deficit.

- **Long-term accounting practice of double counting specific grant funds** (METCO, Title I, and IDEA 94-124) - This long standing error account for **$1,260,000 of the total shortfall**. All grants have been removed from the FY23 operating budget.
- **Extensive absences** - **$450,013** estimated total cost due to COVID-19 pandemic and restrictions on return dates. For the majority of the school year, COVID positive employees could not return to work until day 11. This imposed significant coverage challenges and resulted in overtures in the paraprofessional (even though never fully staffed) salary lines due to contractual obligations which require a differential payment when a paraprofessional covers for more than two hours (Paraprofessional Collective Bargaining Agreement, Article 1: Section 4.C.).
- **ECC Revenue Shortfall - $438,879** due to spacing restrictions.This had a double impact because, historically, surplus revenue has been budgeted as an operating budget offset.
   - Cost of CBA for ECC employees
   - Insufficient tuition rate increases
   - FY20 freeze in tuition while continuing to pay employees depleted the ECC revolving account - eliminating flexibility to respond to lower enrollment numbers during the ongoing COVID-19 pandemic
- **Overtures in Transportation - $679,766** costs due to driver shortages, more transportation has to be contracted out at rates that were higher than budgeted. Additional fees were charged for COVID-19 cleaning protocols, and limits were imposed on how many students could ride a bus.
- **5 Year End Trend** analysis of transportations costs, offset projection v. actuals, operating expenses, Chapter 70 allocations, and the City's allocations.
- During the pandemic, any and all excess funds have been utilized to counter the impacts of COVID-19 on revenue generation and increased expenses. In FY21, the City utlitzed $802,435 ARPA funds to cover revenue loss and the $499,953 from the special education stabilization fund to close out the fiscal year. In FY22, all supplemental ESSER II and III funds were utilized to reduce the FY22 budget shortfall leaving zero offsets to carry forward to FY23.

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- As mentioned above, we continue to analyze all known and projected FY23 costs to manage the financial impact of the FY22 shortfall on FY23 and future financials.

Ghobrial, Andrew

From: Ward Hamilton <[redacted]>
Sent: Monday, October 3, 2022 5:06 PM
To: City Council
Subject: Melrose City Council - Special Meeting - October 11, 2022

Melrose City Council:

During the September 27, 2022, Melrose School Committee meeting, Superintendent Julie Kukenberger provided a budget update. According to Kukenberger, she had been aware of a budget deficit in excess of $2.2m since July 12, 2022. She provided a visual illustration and other information that was not included in the agenda packet. Some school committee members were clearly surprised by the revelation. The Mayor, however, already had a plan that would reduce the figure to $775,000 and Kukenberger indicated that they were working with a financial consultant.

Mayor Brodeur stated that the district will need to ensure transparency and an understanding of the impacts of this sudden shortfall saying, “The transparency and the candor is going to be what gives us the credibility that we're going to need." School committee vice chair Jen Razi-Thomas said, “It’s going to take us a while to figure out the solution. And it’s going to take a while to rebuild trust with our community, with ourselves and with the process." School committee member Ed O'Connell said, "The big question for me as a member of this School Committee is ‘How could we not have known this?’”

Rebuilding trust in the community will require transparency in answering that question in the weeks ahead. When Kukenberger became aware of the budget deficit on July 12th, she was in the process of her annual evaluation by the school committee. On July 22nd, school committee chair Jen McAndrew issued a memorandum to the school committee advising that Kukenberger was successful in her evaluation. Further, McAndrew proposed that the school committee approve a raise for Kukenberger at their July 26th meeting. The final report of the superintendent's evaluation and the raise were approved by the school committee on July 26th.

On September 27th, Kukenberger stated that the budget is her responsibility and that she takes full ownership of "the current fiscal reality." However, part of that responsibility requires that she keep the school committee abreast of any budget-related issues such as the deficit that she identified more than two months earlier. Did she keep the information secret so that she would receive a positive evaluation and raise? Did anyone on the school committee, including the Mayor, know about this before Tuesday night? If so, who knew and when did they find out?

There is an integrity issue here, and it starts with the superintendent. Being transparent and rebuilding trust will require a firm understanding of who knew what and when. If Kukenberger kept the budget deficit a secret until after her evaluation was completed then her integrity has been compromised and she is unfit to serve further. If anyone on the school committee knew about the issue before her evaluation was completed and accepted on July 26th, and did not publicly share the information with the rest of the committee, then their integrity has been compromised and they should resign from their office.

While some Melrose School Committee members expressed surprise and made statements at the meeting on the 27th, <u>Superintendent Kukenberger was not asked a single question by anyone on the school committee</u>. This is unfathomable and nothing less than a dereliction of duty that smacks of impropriety. The school committee failed to address the issue in a meaningful way and has violated the public's trust. It now falls upon the City Council to restore that trust. I implore you to ask Superintendent Kukenberger:

• On or about what date did you bring it to the attention of Jen McAndrew that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Paul Brodeur that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Ed O'Connell that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Jen Razi-Thomas that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Margaret Driscoll that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Lizbeth DeSelm that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Dorey Withey that you became aware of a budget deficit on July 12, 2022;

• On or about what date did you bring it to the attention of Patrick Dello Russo that you became aware of a budget deficit on July 12, 2022;

• When you became aware of the budget deficit on July 12, 2022, you were in the process of being evaluated. Did this influence your decision to keep the issue a secret?;

• On July 26, 2022, the school committee voted to accept and approve your fully satisfactory evaluation and to award you a pay raise. At any point, did you feel compelled to make them aware of the budget situation? If so, what did you do? If not, why?;

• Was anyone on the school committee aware of the budget issues while your evaluation was underway? If so, who? When did they become aware? How did they become aware?;

• On March 3, 2020, when you were interviewed by the superintendent screening committee, you were asked:

"*By a 55 to 45 margin, Melrose voters approved a $5.18 million override to stabilize school funding in April of 2019. The City is looking for a strong fiscal leader who will be able to maintain (if not grow) our programs yet maintain equitable and inclusive offerings to meet our diverse students' interests and needs within our budget constraints. How do you evaluate and monitor a budget? How do you decide where cuts or shifts need to be made? Will you take ownership of fiduciary responsibility where budget is concerned?*"

You answered in the affirmative, that you would take full ownership of the budget. How would you answer the same questions now?;

• What are you going to do restore the confidence of the public in your ability to operate within budgetary limits? Is it even possible to do so? Are any of the errors or issues that caused the deficit in FY2022 present in the FY 2023 budget? How are you going to balance this deficit against the impending crisis with the teachers union? Is there any money to give them a raise?; and,

• In retrospect, how could you have handled this situation better?

I have filed a FOIA request with the City of Melrose to uncover documentary evidence of the communications which transpired during the six months preceeding the September 27, 2022, revelation that there was a $2.2m school budget deficit. I will forward the information to you upon receipt. The public trust has been compromised--it now falls on you to make things right.

Thank you.

Ward Hamilton
[redacted]
Melrose, MA 02176

****CITY OF MELROSE PUBLIC RECORDS NOTICE: Please be advised that the Massachusetts Attorney General has determined that email is a public record unless the content of the email falls within one of the stated exemptions under the Massachusetts Public Records Laws.****

Ghobrial, Andrew

From: Amanda Johnson <[redacted]>
Sent: Wednesday, October 5, 2022 4:54 PM
To: City Council
Subject: Fwd: State of MPS

Dear Melrose City Council,

I understand there will be a special meeting of the Melrose City Council on Tuesday 10/11 in regards to the MPS financial shortfall recently shared with the School Committee.

In preparation for that meeting, I am forwarding you an email I sent to the School Committee earlier today outlining several of the immediate concerns I have as a parent of MPS students and a member of our community.

I hope we can come to a solution for many of these immediate issues, and look forward to the meeting next week.

Please do not hesitate to contact me if you have any questions or if I can provided any further information on any of the below.

Regards,
Amanda Johnson

---------- Forwarded message ---------
From: **Amanda Johnson** <[redacted]>
Date: Wed, Oct 5, 2022 at 11:03 AM
Subject: State of MPS
To: School Committee <schoolcommittee@cityofmelrose.org>

Dear School Committee,

I am writing to you as a concerned parent, in regards to the current state of Melrose Public Schools.

While I understand that COVID has been a strain on MPS admin and the resulting staff shortages, the administration of Melrose Public Schools is a mess.

I am concerned for our students, especially those in the middle and high schools, as some of this is impacting the quality of their education, and ultimately their preparedness for life beyond high school.

I am also concerned for our teachers. We have had nothing but amazing teachers in our 7 years at Lincoln, and I was so impressed with the team 6A middle school teachers I met at the open house last week. We need to retain these teachers, as they are the backbone of MPS.

My concerns center around a few themes:

1) Financial resources - obviously the recent shortfall in the budget is concerning. Some is out of our control, however over 1M was due to incorrect accounting / financial practices. I understand that the former head of finance is no longer with MPS, however how could this be missed? And why are we finding out about this 4 months after it was first discovered? While there is an immediate issue of funding the shortfall, my longer term concern is that this error has

made the residents of Melrose lose confidence in the financial management of MPS. As such, MPS will have significant challenges in the future asking the residents to fund MPS through another tax override (which we desperately need to be on par with local school districts).

2) Internet issues - this has been an issue since the start of the school year, and is still not fixed. Teachers and students do not have a critical tool they need. Imagine going to your job without a working computer, the ability to access documents, or the inability to print for 5 weeks. In addition, I learned about this from my children. There was NO communication from the superintendent until this became a topic on the Melrose Community Facebook page, and there has been NO communication since that email. That is a shame. Not only should this be a first priority for MPS and the City of Melrose to fix, but the superintendent should have been (and should continue to be) proactive in her communication to families. I implore MPS to make this a priority and engage the right resources to fix this asap and for the superintendent to be transparent about the issue, and provide regular communication to families until the issue is resolved.

3) Staffing and safety - Staffing is an issue everywhere, not just in MPS. I completely understand that. And teacher and staff absences are unavoidable. But, how MPS is handling this at the middle and high school levels needs a thorough review. It is NOT acceptable for 30-60 kids to be left in a room without an adult for any period of time. Yesterday, there was an unexpected fire alarm at the middle school. My 6th graders' class during that block did not have a sub so they were sent to one room (which was locked) and then were sent to another room. There was another 6th grade class in that room, so about 60 students total. The fire alarm went off, and many of the students started screaming, so it was not possible for other students to hear the directions coming through the loudspeaker and they didn't know what to do. There was no staff member or adult present. They had to find a staff member (or a staff member found them), and followed the exit procedures once they were "found". Eleven and twelve year-olds should not be left to their own devices, period. I understand that this was not a real alarm, but what if it was? Or what if a child had a medical emergency in an unsupervised room, or there was an argument amongst students (which is very common)? I send my child to school with an understanding and trust that their safety is not in jeopardy, however having unstaffed classrooms and being "found" by happenstance during an emergency does not provide me with the level of trust I need or want as a parent.

Overall, I am incredibly disappointed with the situation in MPS. I have heard several times to "be patient" as change doesn't happen quickly. Unfortunately, none of these situations can wait. They are urgent and I ask for your support in working with the superintendent to effect immediate changes in this areas, and to reflect these concerns as you assess and review her performance as a leader of our district.

As always, please do not hesitate to contact me with any questions.

Regards,
Amanda Johnson
[redacted]
Parent of a Lincoln 4th grader and 6th grader
[redacted]

Ghobrial, Andrew

From: MICHELLE CARSON <[redacted]net>
Sent: Thursday, October 6, 2022 9:42 AM
To: City Council; School Committee
Subject: Question regarding upcoming meeting

Good morning,

I appreciate that the City Council is meeting next week to discuss the School Department budget deficit.

Was there a request from the Council to have a joint meeting with the SC? If so, was the request declined and why?

Thank you,

Michelle Carson
[redacted]

CITY OF MELROSE

CITY COUNCIL

CHRISTOPHER C. CINELLA
PRESIDENT

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4100
Fax - (781) 665-6877

October 6, 2022

Via hand delivery and Email

Julie Kukenberger
300 Lynn Fells Parkway
Melrose, MA 02176

RE: Notice to Appear Before Melrose City Council October 11, 2022

Dear Dr. Kukenberger:

Pursuant to 2-7 of the City of Melrose Charter, you are required to appear before the City Council at a Special Meeting scheduled for October 11, 2022 at 7:00 p.m. in the Council Chamber of Melrose City Hall, to provide information relative to the Budget Shortfall of the Melrose Public Schools.

The following are the specific questions on which the City Council seeks information from you. Please be aware that in addition to answering the below questions, you shall also be required to respond to any additional question presented by a member of City Council at that meeting that may be relevant or related to any of the following:

1. Does the school budget always close the fiscal year having underspent the budgeted amount? If not, how has the district dealt with that in the past?

2. What is the opportunity cost associated with the available resources used to minimize the shortfall from $2.2 million to $774 thousand?

3. How has the long term practice of counting specific grant funds in the operating budget not caused issues in the past but resulted in a $1.26 million shortfall for FY 22?

4. Please provide a condensed line-item budget with two columns, one showing the approved FY22 budget and one showing the actual year-end expenses (pre-audit is fine, best estimate at close). It would be appreciated if the document could be held to a page or two to be easily comparable.

5. Please offer a comparison of the Melrose school budget compared to a small number (3-4) peer communities and neighboring communities in eastern Massachusetts. Please note our city contribution to our schools compared to other districts

6. Will these larger than anticipated expenses reoccur? Please reference the PowerPoint slide showing main drivers of the shortfall? For expenses expected to recur, what recurring revenues will support them?

7. Did we have financial practices put in place during the "reboot" school year of 2021-2022, e.g. more frequent meetings with finance, more granular tracking of expenses, more frequent discussions with contactors?

8. What discussions occurred with the business/finance staff related to pandemic impacts of restarting full school operations after unprecedented closures and during a time of historic financial and fiscal instability?

9. What was the reasoning for delaying notification to School Committee and the community from mid-July through September?

10. In your September 27th presentation to the School Committee, you stated that MPS was able to "allocate every available resource" to reduce the FY 22 budget shortfall from ~$2.2M to ~$774k. What funding sources are being reallocated to this shortfall? Had these funds been internally earmarked or formally encumbered for other costs? If so, what are those costs and in what fiscal year(s) were these costs anticipated to be incurred?

11. In the timeline slide provided to the SC on 9/27, you indicated that, beginning on June 15th, there were various requests and meetings related to the transition of the MPS finance director and that, on July 12th, there were increasing concerns about budget close out and that the City CFO suggested engaging a consultant. Is July 12th the first date that you made the CFO aware of your concerns? If not, what waste the first date he was made aware? What was the first date that the mayor was made aware?

12. Can you provide more information, from your vantage point, on the "long-term budget practice" (as described in your slides) of counting specific grant funds in the operating budget? Was this a practice that was in place when you joined MPS? How did you learn about it? Prior to June 2022, had anyone raised concerns about this practice to you?

13. Your slide on the FY 23 budget forecast referenced several steps being taken, including reducing spending where possible. Do you anticipate a budget shortfall for FY 23? What costs are no longer being incurred? When will the SC begin to receive the monthly reports referenced in this slide (if that has already begun, when did it start)?

14. At this time, do you anticipate needing to request additional City funds to maintain a balanced budget in FY 23?

15. Can you please Identify what available resources were allocated to minimize the FY 2022 Short fall?

16. What did you know about the budget short fall on June 12th?

17. You stated on July 12th you made the CFO aware of the budget over spend. At that time did you also inform the Mayor of the issue?

18. Can you please explain in more detail the 4 primary drivers that you identified as the major causes of the 2.2 million overspend?

19. Please explain in layman terms the practice of counting the entitlement grants in the operating budget and the offsets?

20. Can you please tell us in more detail about how the ECC had such a large short fall?

21. Knowing in FY2021 that there was a large decrease in enrollment how was the ECC FY2022 budget created?

22. Can you give us more detail for the overage of the teacher coverage? Your presentation states $450,013 was unbudgeted was that the dollar amount the substitute budget line was over in FY2022?

23. What are the current balances of the revolving funds?

24. Why and when did the district change from a school-based budget to a district wide budget?

25. We now know that the City used approximately $750k of ARPA money to balance the FY22 Budget. How much if any ESSR fund money was used to offset the FY22 over spend?

26. Can you please give us a breakdown of what all of the ESSR money has been spent on?

27. What is typically provided to the members of the school committee at your monthly meeting regarding the budget and overall financial health of the school district?

28. My understanding is that it is the Superintendent's job to oversee the budget but also that there should be a team involved. Who is part of this team on the school side and the city side? Who provides regular consult, advising and support to the superintendent?

29. What is the structure and system for checks and balances on the school budget? Who is involved on a regular basis, who reports to who? And how often are updates and issues communicated and reported?

30. When were concerns about the budget first noticed and what was the timeline/trajectory for growing concern about the budget, communication to individuals, school committee and the Mayors Office and what were the various interventions and when to go down to the final $775,000 where ARPA became the solution.

31. Is this an issue other schools and cities are facing at this time and why have we not heard about them?

32. Do we expect that another 2.2 million will be needed for FY 23 school budget since many costs have not gone down, SPED needs are growing and we have a teacher contract to negotiate, etc. Even with COVID interventions being reduced?

33. When was it first recognized that there was going to be a shortfall, and when was this information communicated to the School Committee? Who was notified when this information was realized?

34. How often are the transportation actuals reconciled against forecast? (i.e. Monthly? Quarterly?)

35. In the explanation for the budget variance, the numbers don't tie to the stated total shortfall of $2,215,414. This is what was presented:

Long-Term Practice of counting specific grant funds	$1,260,000
Transportation Costs	$679,766
ECC Shortfall	$438,879
Additional Coverage for Teachers Total:	$450, 013 $2,828, 658
Stated Shortfall Difference	$2,215,414 $613,244

Why the difference?

36. What cuts were made to reduce the $2.2M shortfall to $774,697?

37. How could the Franklin ECC be short by $438K when enrollment is known at the beginning of the school year? What was the expected enrollment and actual enrollment?

38. What additional staffing was hired during second year COVID to cover absences? It is understood that in many instances, students that had absent teachers were sent to study hall/commons.

39. Given that the FY23 budget is going to be re-built, Is there also an expected/forecasted shortfall for FY2023 based on previous year's offset? What is currently forecasted for 2023?

40. What is the expected cost of CLA consulting?

41. During the Superintendent's presentation at the September 27th School Committee meeting, she initially said that in "early June" there were "concerns" about budget processes, end of year account reconciliation, and close out. Then she stated at a meeting on July 8th with the incoming and outgoing financial directors there was "no indication of a shortfall". Finally, the Superintendent stated that there was a meeting on July 12th in which the CFO determined that they should contract with Clifton, Larsen and Allen (CLA) to examine "increasing concerns about FY22" budget. Can the Superintendent explain this inconsistency in timeline and restate what concerns were identified in early June that were then not evident on July 8th?

42. In between early June and July 12th, the City Council was responsible for voting on the school's FY23 budget (school budget presentation was on June 9th). What exactly was known in June when the Council was approving the FY23 budget?

43. Does the CFO for the city regularly meet with the Superintendent and/or the school's financial director about the school budget? If so, when and how frequently and what types of financial information is shared? If not, what led the Superintendent to include the CFO in the meeting on July 12th that resulted in the hiring of CLA?

44. On slide 6 it says that the projected total for ESSERII & ESSERIII to be used was $528,980, but the Superintendent stated that $1,431,475 was used. If the shortfall is due in part to increased Covid costs (i.e. transportation, ECC revenue loss, and teacher absences, roughly $1.57M) and we had about $1M in ESSER III funds (I'm not sure how much we had for ESSER II) to help schools mitigate against Covid impacts, aren't we using these ESSER funds exactly as they were intended? Or did we already "promise" ESSER II & III funds for other purposes for which we now need to use operating money? Or will certain things that were promised not able to happen (and if so, what is that)?

45. It seems like the district had a sense that transportation costs would exceed projections: in November 2021, the former financial director projected we would spend $1M on transportation; were the actuals close to that projection, or did it greatly exceed that projection?

46. There were multiple references to a "long-term" budgeting practice that led to the shortfall (i.e. the double counting of entitlement grants as both offsets and essential funds). If these were long-term practices (allegedly starting in or around at least FY18, according to the presentation), why is this the first time we are seeing a negative effect of this practice on the school's budget? Was the long-term practice instituted by the former finance director, or did it precede her tenure? Was everyone aware of this practice? (i.e. school committee and city CFO?)

47. The Superintendent made reference to "curtailing" expenses in FY23. What, if any, is the impact on students and educational programming for this fiscal year (and potentially FY24) as a result of this budget issue?

48. Can you be more specific about what the "reclassification" of $1,555,938 of revenue entailed?

49. A school committee member referenced that there was an annual "freezing" of the budget in the winter, which would be followed by a budget reconciliation process. This annual procedure ended in the pandemic. Why?

50. Within the scope of your role, what steps have you implemented and do you plan to implement to mitigate this type of shortfall going undiscovered for so long?

51. Will a survey go out to students and families about how the schools should move forward regarding the budget process?

52. Have you met with students and families regarding the budget process and budget short fall since the shortfall was realized?

53. Will user fess increase?

54. Are any of the revolving accounts being used to make up for the budget shortfall? If so which revolving accounts?

55. Will there be any programming changes due to the shortfall? Specifically in the area of special education?

56. Was the consultant for the budget hired before or after the budget shortfall was realized?

57. What can the city council do in conjunction with the schools to support the process?

Thank you for your attention and cooperation in this matter.

Very truly yours,

Christopher Cinella

Cc: Melrose City Council
Jennifer McAndrew, Melrose School Committee Chair

CITY OF MELROSE

CITY COUNCIL

CHRISTOPHER C. CINELLA
PRESIDENT

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone - (781) 979-4100
Fax - (781) 665-6877

October 6, 2022

Via hand delivery and Email

Patrick Dello Russo
City of Melrose
562 Main Street
Melrose, MA 02176

RE: Notice to Appear Before Melrose City Council October 11, 2022

Dear Mr. Dello Russo:

Pursuant to 2-7 of the City of Melrose Charter, you are required to appear before the City Council at a Special Meeting scheduled for October 11, 2022 at 7:00 p.m. in the Council Chamber of Melrose City Hall, to provide information relative to the Budget Shortfall of the Melrose Public Schools.

The following are the specific questions on which the City Council seeks information. Please be aware that in addition to answering the below questions, you shall also be required to respond to any additional question presented by a member of City Council at that meeting that may be relevant or related to any of the following:

1. What is the expected cost of CLA consulting?
2. What cuts were made to reduce the $2.2M shortfall to $774,697?
3. From the city's perspective, what risk is there that ARPA or other short-term revenues won't cover ongoing increases in cost, especially in areas like labor and fuel? How are we planning for those additional expenses and expense growth?
4. We've seen record amounts of free cash in Melrose the last few years. What opportunities do we have to start migrating some of this cash into the school budget to provide a cushion against inflation/pandemic shocks?

5. Budgets are living documents that show how operations are put into practice in the real world. The City Council approves budgets, but does not receive regular updates on actual expenses, including year-end reviews and opportunities for questions. Financial reporting is a standard practice in philanthropy. I encourage your administration to provide these reports to the city council on a quarterly or twice-yearly schedule including a fiscal year end review so we may more closely track expenses and inform our budget deliberations for future years.

6. Please outline how all City departments, including MPS, utilize MUNIS for budget tracking. Who has access to review information, access to enter and or change information, and how duties are segregated across roles and personnel.

7. What is the role of the Clifton and Larson consultant - forensic accounting, auditing, etc.? What is the scope of their review - FY 22? Are additional fiscal years, including the current fiscal year, under review? To whom is the consultant reporting? Which City and/or MPS staff will review draft reports?

8. Dr. Kukenberger referenced a "long term budget practice" in MPS regarding counting grants in the MPS operating budget accounts. In your role as CFO, were you aware of this practice? Is this in use by other City departments? Who enters the grants into the operating budget accounts in MUNIS? To your knowledge, how long has this been a practice within the City? Have any outside consultants or auditors ever raised concerns about this budgeting practice? If so, when, and what was the City's response?

9. At this time, do you anticipate any need to shift City funds, including anticipated free cash, toward the MPS FY 23 budget?

10. It is my understanding that the City formally closed out FY 22 yesterday (October 4th). Were there any budget shortfalls in any City lines? If so, how were those addressed?

11. The City Council hears frequently about how the City's healthy bond rating is due to good fiscal management practices. Does this shortfall jeopardize the City's bond rating? If not, why not?

12. Do stabilization funds play a role in helping alleviate this issue now or in the future?

13. Is it good fiscal practice to use stabilization funds for such a purpose if the deficit is likely to be recurring year over year?

14. Looking at the 4.2% increase to last year's school budget and understanding that few if any costs have decreased in the past year, is there enough discretionary spending that good fiscal management and spending cuts could prevent this from happening again at the end of the current fiscal year?

15. Should the Council be expecting a larger than usual increase to the FY 24 school budget and corresponding offsets from other departments?

16. Will mitigating efforts for the shortfall by the City lessen the amount of certified free cash to be expected from FY 22?

17. If this happens in future fiscal years could free cash be an avenue to mitigating a deficit? Understanding that it is likely not good practice.

18. Is the City in a position to mitigate school deficits without ARPA funds? If so, how and to what magnitude?

19. Does the City have a plan to be more conservative with ARPA funds in the coming year in anticipation that an ARPA offset may be required for closing the books on FY 23 as well?

20. Including the likely $774 thousand in ARPA to be spent on this shortfall, how much of the City's ARPA allocation has the administration spent on the Melrose Public Schools? Cumulatively and as a percent.

21. Can you discuss all ways if any ARPA funds have been used to offset expenses that are expected to recur in FY 23 and beyond?

22. Pending the expiration of ARPA funds will the City of Melrose be either required to cut services or be faced with a revenue deficit?

23. Within the scope of your role, what steps have you implemented and do you plan to implement to mitigate this type of shortfall going undiscovered for so long?

Thank you for your attention and cooperation in this matter.

Very truly yours,

Chris

Christopher Cinella

Cc: Melrose City Council

CITY OF MELROSE

CITY COUNCIL

CHRISTOPHER C. CINELLA

PRESIDENT

City Hall, 562 Main Street

Melrose, Massachusetts 02176

Telephone - (781) 979-4100

October 6, 2022

Via hand delivery and Email

Kenneth Kelley
300 Lynn Fells Parkway
Melrose, MA 02176

Re: Notice to Appear before Melrose City Council on October 11, 2022

Dear Mr. Kelley:

Pursuant to 2-7 of the City of Melrose Charter, you are required to appear before the City Council at a Special Meeting scheduled for October 11, 2022 at 7:00 p.m. in the Council Chamber of Melrose City Hall, to provide information relative to the Budget Shortfall of the Melrose Public Schools.

The following are the specific questions on which the City Council seeks information. Please be aware that in addition to answering the below questions, you shall also be required to respond to any additional question presented by a member of City Council at that meeting that may be relevant or related to any of the following:

1. What is the expected cost of CLA consulting?

2. What are the current balances of the revolving funds?

3. Early in the meeting it was stated that there was a $2,215,414 shortfall (slide 3) and then later in the presentation (slide 5) it listed four primary drivers of the shortfall, which equaled $2,828,558. Why is there a $613,144 discrepancy between the two figures?

4. The Superintendent said we used "every available resource" to cover $1,440,717 of the total shortfall (slide 3). What specific resources were used to cover this portion and what were the impacts on the school services promised or provided?

5. On slide 6 it says that the projected total for ESSERII & ESSERIII to be used was $528,980, but the Superintendent stated that $1,431,475 was used. If the shortfall is due in part to

increased Covid costs (i.e. transportation, ECC revenue loss, and teacher absences, roughly $1.57M) and we had about $1M in ESSER III funds (I'm not sure how much we had for ESSER II) to help schools mitigate against Covid impacts, aren't we using these ESSER funds exactly as they were intended? Or did we already "promise" ESSER II & III funds for other purposes for which we now need to use operating money? Or will certain things that were promised not able to happen (and if so, what is that)?

6. In the time you have had at MPS, do you see this budget shortfall as a one-time occurrence or as a future repeating pattern? In other words, do our costs now exceed our funds going forward?

7. Within the scope of your role, what steps have you implemented and do you plan to implement to mitigate this type of shortfall going undiscovered for so long?

Thank you for your attention and cooperation in this matter.

Very truly yours,

Christopher Cinella

Cc: Melrose City Council

Jennifer McAndrew, Chair of the Melrose School Committee

Ghobrial, Andrew

From: MICHELLE CARSON <[redacted]>
Sent: Monday, October 10, 2022 3:31 PM
To: School Committee; *Mayor Brodeur
Cc: City Council
Subject: School Budget Crisis

I am writing regarding the recent revelations about the 2021-2022 MPS $2.2 million budget overspend/deficit, whatever one wants to call it. This email won't include fancy words, and probably lousy grammar.

I understand that mistakes happen. And this was a big one...or a big ongoing series of mistakes. Okay, it happened, not good. But, I am extremely disappointed in the things that happened (or didn't happen after).

I, along with many members of the OneMelrose campaign walked the streets of Melrose, knocked on doors, had conversations with citizens in the effort to get an override passed. One of the main "selling points" for me, was transparency...telling the hard financial truth, giving people information to make an informed decision. Citizens were treated with respect, as participants in the process and I feel that a lot of people (including me!) learned a lot about city government and finances in the process.

I am extremely disappointed by the secrecy surrounding the budget debacle. I will tell you what it feels like.

It feels like secrets are being kept, so that administrators/government officials are not given negative feedback, or to save reputations. (which doesn't work. People respect sincerity, humility and accepting responsibility.)

It feels like the city government/SC thinks that the citizens of Melrose are incapable of understanding complicated information.

It feels like city government/SC thinks that citizens don't deserve to know what is happening with their tax dollars.

It feels like the citizens who you represent are being disrespected.

Those of you who have kids probably have been lied to before by them (or secrets were kept). And you were angry when you found out you were lied to, or uninformed about a serious issue. You were much more upset by that than you would have been if you were informed from the beginning. Isn't it far better to be informed than to be left in the dark?

I do appreciate the Superintendent accepting ultimate responsibility for the budget issue. However, I don't think it's her responsibility to inform the taxpayers. In a situation like this, that job falls to the Mayor and/or School Committee. It's very disappointing that to date, neither party has made a public statement. Where is the leadership?

There are plenty of citizens who inherently distrust "politicians' or public servants. Personally, I tend to give everyone the benefit of the doubt and assume best intentions when they take a new position (unless their core values are way off from mine). Most of my friends fall into this camp. But, there are too many questions here, too much that "feels" off. Trust has been eroded, and it's going to take a lot of work and open communication to get it back. But, I worry that open communication isn't a value of the city administration.

Having said all of that, I do appreciate the work that our elected (and largely un-paid) committees do, on top of your full time jobs and personal lives.

I wish you the best of luck in resolving this situation and regaining public trust.

Michelle Carson
[redacted]

Ghobrial, Andrew

From: Jason Buggy <[redacted]
Sent: Sunday, October 9, 2022 6:59 PM
To: City Council; DeSelm, Lizbeth; Driscoll, Margaret; O'Connell, Ed; Withey, Dorie; McAndrew, Jennifer; Razi-Thomas, Jennifer
Cc: Kukenberger, Julie; *Mayor Brodeur
Subject: Special City Council Meeting: A sad resident chimes in

Greetings,

Roughly 2 weeks ago, like many Melrose residents (but not all), I learned that our school budget had a deficit exceeding $2.2M. To most, the news of the deficit was quite a surprise. One school committee member, Ed O'Connell, echoed the same sentiment, "how could we not have known this?" I only wish the follow up questions were "who else knew of this and when?" It's possible the answers were already known; I'd like to think that I'm wrong.

For most people that vote in local elections, a ballot is cast for the person and not the party or national political agenda. For myself, I ask, "is this someone who cares about Melrose?" The hope is this person will look out for my family, the community and it ends there. I fear much of our school committee, city council and most certainly our school superintendent care more about national social issues, sound bites and placating the few at the expense of the many. I guess in this case it can no longer just "end there" for me.

Truthfully speaking, I voted for Mayor Brodeur to lead our community and to make the tough decisions that keep most up at night. To date, when I needed that voice of reason and leadership to speak up there has been nothing to be heard. It is my understanding that there is a special city council meeting that will take place on October 11, 2022 @ 7:00 PM. I kindly ask that you consider asking some of the questions that I have included below.

I do hope that these questions are redundant, and the council would like to know the answers too; but just in case, here they are.

1) When did the school committee and Mayor know about the deficit?
2) Who is responsible for oversight of the budget that we entrusted our elected school committee members to provide to the community?
3) Is there a quarterly review of the budget or is it "there is the budget, lets see how it works out in June?"
4) Who approved the school superintendent's evaluation and approved her raise? Can this group provide a logical explanation for their decision making?

I believe the questions above are fair. As for our superintendent, I'm under the impression this will be her last year in Melrose. I am not alone in that belief as there seems to be no scenario that would lead to her earning back the trust of the community.

Thank you for your time, dedication and performing a very challenging civic responsibility.

Regards,

Jason Buggy

[redacted]

****CITY OF MELROSE PUBLIC RECORDS NOTICE: Please be advised that the Massachusetts Attorney General has determined that email is a public record unless the content of the email falls within one of the stated exemptions under the Massachusetts Public Records Laws.****

Patrick D. Dello Russo
CFO/City Auditor

City Hall, 562 Main Street
Melrose, Massachusetts 02176
Telephone –(781 979 4107
Fax - (781) 662-2182

City of Melrose
City Council
Melrose, Mass.

October 11, 2022

In response to the list of questions received, I offer my input and information as follows. I will make special note that the School Department Finance Director is responsible for the accounting and management of School Funds under the direction of the Supt. and School Committee, not the Office of the Auditor. We provide support and assist when requested, and audit their non educator payroll, and review invoices on the warrant, set up general ledger grant funds at their request and enter journal entries received.

1. Expected cost of CLA? Response: The School Department can provide as they are contracted through them.
2. What cuts were made to reduce the $2.2 million dollar shortfall? Response: Question for CLA and the School Department.
3. From the City's perspective, what risk is there that ARPA or other short-term revenue won't cover ongoing expenses in cost, especially in areas like labor and fuel? How are we planning for those additional expenses and expense growth? Response: The city operating budget is being managed as it always has, with department heads monitoring their expense categories. If issues surface, we will address them. Typically, we seek to always use "budget to budget" transfers over any other funding sources. As we get further into the FY2023 budget year, we can better ascertain any significant budgetary issues. Such transfers go before the City Council.
4. We've seen record amounts of Free Cash in Melrose the last few years. What opportunities do we have to start migrating some of this free cash into the school budget to provide a cushion against inflation/pandemic shocks? Response: Free Cash is a one-time revenue and should not be used to balance budgets. It is our policy to apply 20 to 25% of such revenues to the Stabilization Funds of the city, use it to pay and Snow and Ice Deficit Cost, Capital Improvements and the like. Use of Free Cash to fund operating budgets is not good municipal finance practice.

5. Budgets are living documents that show how operations are put into practice in the real world. The City Council approves budgets, but does not receive regular updates on actual expenses, including year-end reviews and opportunities for questions. Financial reporting is a standard practice in philanthropy. I encourage your administration to provide these reports to the city council on a quarterly or twice yearly schedule including a fiscal year end review so we may more closely track expenses and inform our budget deliberations for future years. Response: We will provide at least a quarterly budget report but will strive for monthly updates to the City Council which covers actual expenditure costs to budget. The Office of the Auditor monitors revenues and expenditures monthly along with Local Receipts, OFS, State Aid, State Assessments etc. We will be pleased to provide any additional information as the City Council request and going forward answer inquiries as is practice.
6. Please outline how all City departments, including MPS, utilizes MUNIS for budget tracking. Who has access to review information, access to enter and or change information, and how duties are segregated across roles and personnel. Response: For the City, at least one member from each City Department has access to Munis. Departments have access to run their operating budget and any special fund budgets, enter purchase orders, enter weekly payroll and enter accounts payable invoices. They have permissions to view vendors, payment information and general ledger specific information. As far as setting up vendors, employees, and journal entries those responsibilities are limited to very few in the Auditor's Office, School Business Office and the Treasurer's Office. For the City, there is segregation of duties for each function and checks and balances.
7. What is the role of the Clifton and Larson consultant – forensic accounting, auditing, etc.? What is the scope of their review – FY22. Are additional fiscal years, including the current fiscal year, under review? To whom is the consultant reporting? Which City and/or MPS staff will review draft reports? Response: The School Department has engaged their services and are working with them on the close out of FY22 which has happened. The Supt. and/or School Finance Director can address the other services more specifically and can prove a more informed response. This is not a forensic audit, it is an exercise to enhance internal controls and to provide for review of the FY23 School Dept. budget (revenue and expenditures, grants, offset items, special education, etc.). The Office of the Auditor is providing any support requested to assist in this effort and review the findings and procedural recommendations once established.
8. Dr. Kukenberger referenced a "long term budget practice" in MPS regarding counting grants in the MPS operating budget accounts. In your role as CFO, were you aware of this practice? Is this in use by other city departments? Who enters grants into the operating budget accounts in MUNIS? To your knowledge, how long has this been a practice within the City? Have any outside consultants or auditors ever raised concerns about this budgeting practice? If so, when, and what was the City's response? Response: I became aware as CLA advised my office

that this process was utilized. On the general ledger, all grants are segregated into separate funds. City departments do not include any cost associated with grants in their annual operating budget. Typically, all cost associated with these grants are charged directly to the fund that has been established for that particular grant.

9. At this time, do you anticipate any need to shift City funds, including anticipated free cash, toward the MPS FY23 budget: Response: I anticipate providing the MPS with their Medicaid Reimbursement allocation, as we do every year, according to municipal finance practice. I will advise the City Council that the need to supplement the Special Education Cost incurred by the MPS, may necessitate use of the Special Education Stabilization Fund.
10. It is my understanding that the city formally closed out FY22 yesterday (October 4th). Were there any budget shortfalls in any city lines? If so, how were they addressed? Response: To my knowledge, no. We did not have an appropriation deficit.
11. The City Council hears frequently about how the City's healthy bond rating is due to good fiscal management practices. Does this shortfall jeopardize the City's bond rating? If not, why not? Response: The city and school has always including FY22, closed out without a deficit. This year is no different. It is my understanding that any internal school department budgetary shortcomings, were ultimately funded, and the year closed without a deficit. In my opinion, as there was no outstanding deficit to be raised on the Tax Recap, I see no reason why this would impact our AA+ excellent bond rating.
12. Do stabilization funds play a role in helping alleviate this issue now or in the future? Response: In the Municipal Finance environment, one can never rule out the use of such funds as circumstances beyond our control can and do surface daily. In the case of MPS, I would go back to my earlier comment on the potential need to use the Special Education Stabilization Fund.
13. Is it good fiscal practice to use stabilization funds for such a purpose if the deficit is likely to be recurring year over year? Response: If it is determined that this is the case, it would behoove the department to increase its budgeted allocation over time (as we do for Snow and Ice each year), to better satisfy this cost. Again, there are some situations, that even based on your best cost estimate, that you may simply incur unanticipated expenses that you are required by State Law to fund period.
14. Looking at the 4.2% increase to last year's school budget and understanding that few if any costs have decreased in the past year, is there enough discretionary spending that good fiscal management and spending cuts could prevent this from happening again at the end of the current fiscal year? Response: that determination is in the hands of the School Finance Director and Supt. working in conjunction with the School Committee.
15. Should the Council be expecting a larger than usual increase to the FY24 school budget and corresponding offsets from other departments? Response: the FY24 budget process does not formally commence until after January 1st. As we move toward that initiative, we will be able to ascertain our funding capabilities.

16. Will mitigating efforts for the shortfall by the City lessen the amount of certified free cash to be expended from FY22? Response: It is the DOR that certifies free cash, not the city. The books were closed for FY22 and it was Federal Grant monies (ARPA and ESSER) used to assist in closing the variance. In my opinion, I don't believe it will be a factor therefore.
17. If this happens in future fiscal years could free cash be an avenue to mitigating a deficit understanding that is likely not good practice? Response: It is not good municipal practice as is stated, however, in past years, we have provided the MPS with free cash to assist in funding needs.
18. Is the City in a position to mitigate school deficits without ARPA funds? If so, how and to what magnitude? Response: It is a mute point, as ARPA funds have been applied and the books closed for FY22.
19. Does the city have a plan to be more conservative with ARPA funds in the coming year in anticipation that an ARPA offset may be required for closing the books on FY23 as well? Response: That would be based upon the final review underway by the School Dept. on the FY23 funding position. As we move forward, the MPS will need to closely monitor the critical cost components (Special Ed, Transportation in particular), to see how we are positioned.
20. Including the likely $774 thousand in ARPA to be spent on this shortfall, how much of the City's ARPA allocation has the administration spent on Melrose Public Schools? Cumulatively, as a percent. Response: Margot Fleischman of the Mayor's Office is monitoring this program. I believe she may be providing the City Council with such data.
21. Can you discuss all ways if any ARPA funds have been used to offset expenses that are expected to recur in FY23 and beyond? Response: Again, Margot Fleischman of the Mayor's Office is monitoring the current and anticipated expenditures related to the ARPA funds. I am confident she can be of assistance here.
22. Pending the explanation of ARPA funds will the City of Melrose be either required to cut services or be faced with a revenue deficit? Response: As above in item (#21).
23. Within the scope of your role, what steps have you implemented and do you plan to implement to mitigate this type of shortfall going undiscovered for so long? Response: CLA is working with the School Finance Director to implement needed enhanced internal controls. Once the consultant completes their work, obviously, we will assist in doing what we can to help the MPS, if needed.

Additional questions:

1. How does the school budget past, present and future projections impact the total city budget and other departments. Response: There is no one solution fits all, as so many components are intertwined (DPW handles school building maintenance for example). Obviously in a Proposition 2 ½ environment, we are strictly limited as to the amount of tax revenue that can be raised and that limit applies to all departments. In addition, we have fixed cost (employee benefits) that are not negotiable and must be funded (Health Insurance, Medicare, Pensions).
2. If the schools need a larger operating budget overall, what options do we have other than an override? Many cities and towns have a higher percentage of the total city budget going to the public school system. Could Melrose change the percentage to MPS by 1-3%? Response: Such comparatives may not be equally weighted. For example, the city has all employee benefit costs on its side of the ledger which includes the MPS portion. Some communities have such costs residing in the School Budget so it may appear they are a higher percentage or dollar amount, because they carry such costs within the school side of the ledger. Ultimately, to provide one department more funding means it must come out of another department. Those are exactly the decisions deliberated each year by the City Council.
3. Did the CFO have concerns about the impact of the school's budget issue on the city's budget in July and did he share that with the mayor? Response: When I was made aware of the school dept. need to still close the books, I suggested they retain CLA to assist in closing the FY2022 school budget. We did not know what the findings and recommendations would be from CLA at that time.
4. In February 2022, the Director of Strategic Initiatives presented to the City Council a list of potential projects that the city was considering using ARPA to cover. What will the city not be able to accomplish from that list because we will be using ARPA to cover the $774,697 remaining shortfall? (At some point, I would like to see an updated list of all projects supported by ARPA to date and Projected forward, but I will make a separate request for this information). Response: I believe the Director of Strategic Initiatives has responded to this question.
5. Will there be any impacts on the city's 23 and/or FY24 operating budget, free cash expenditures, or reserve/stabilization accounts that the City Council should consider as we approve appropriations and free cash request in FY23, and we plan for FY24? Response: At this time, we plan on continuing our long standing protocols on stabilization funding (targeted balance approach), and long term debt management program. We commence FY24 Operating Budget program in January.

6. Do the same long-term budgeting practices referenced in the Superintendent's presentation occur on the city-side of the Budget? Response: No. We do not include grants in our operating budget. Would the CFO recommend an external audit to review the city's finances, in light of the news that "long-term" budgeting practices have negatively impacted the school's budget? Response: the city already does an annual audit by Powers and Sullivan, CPA, as required by law. The most recent completed external audit by Powers and Sullivan CPA, has been provided the City Council as part of the FY2023 budget submission. CLA in collaboration with the Supt. and School Finance Director can and should seek to enhance internal controls as they are recommended by the consultant.

Ghobrial, Andrew

From:	Fleischman, Margot
Sent:	Tuesday, October 11, 2022 2:20 PM
To:	City Council
Cc:	*Mayor Brodeur; Dello Russo, Patrick; Ghobrial, Andrew
Subject:	FW: Notice to Appear Oct. 11, 2022 City Council Special Meeting
Attachments:	Patrick Dello Russo.pdf; Special Meeting Questions_10.11.22SHAWN.pdf; ARPA Approvals by Dept to date 9.30.22.xlsx

Good afternoon,
CFO Dello Russo requested I provide you with the following information in answer to questions regarding ARPA funds:

Question #1 from “Special Meeting Questions” document:
Those funds had not yet been programmed for a specific purpose. We are taking a cautious approach to expenditure of APRA funds and have maintained some flexibility in order to address unanticipated developments and needs.

Questions #20-22 from “Patrick Dello Russo” document:

Question #20: We have allocated $3,438,697.00 of ARPA funds to the schools, as follows:

Schools Revenue Loss Replacement	$	802,000.00
COVID-19 Disinfection	$	128,000.00
HVAC Study and Implementation of A/C addition at MVMMS	$	1,050,000.00
Schools Asbestos Abatement	$	90,000.00
School Department Closing FY22 Budget	$	774,697.00
High School and Middle School Complex Elevators	$	594,000.00

This represents 47% of the ARPA funds allocated to-date, and 41% of our total ARPA funds.

Question 21: On the school side, the cleaning and disinfection costs are likely ongoing through FY23 and possibly beyond through the DPW budget; beyond that, Superintendent Kukenberger would be able to share her thoughts regarding any other possible recurring items for the schools. On the City’s side, we have two positions being paid through ARPA (Economic Development Director and Social Services Coordinator), as well as multi-year projects like the sidewalks and mental health and economic recovery initiatives that span several fiscal years during the allowed ARPA timeframe (I’m attaching the spreadsheet of up-to-date approvals by department).

Question 22: The two ARPA funded positions referred to in Question 21 would either need to be discontinued, funded through the operating budget, or funded through a grant if we wished to keep them after December 31, 2024.

Thank you,
Margot

Margot Fleischman
(She/Her/Hers)
Chief of Staff

& Director of Strategic Initiatives and Communications
Office of Mayor Paul Brodeur
Melrose City Hall
562 Main St
Melrose, MA 02176
(781) 979-4440

From: Dello Russo, Patrick <PDelloRusso@CityofMelrose.org>
Sent: Friday, October 7, 2022 3:49 PM
To: Fleischman, Margot <mfleischman@CityofMelrose.org>
Cc: Golden, Kerriann <kgolden@CityofMelrose.org>
Subject: FW: Notice to Appear Oct. 11, 2022 City Council Special Meeting

Margot,
Good afternoon.
I will need your input on items #20, #21 and #22. Please feel free to forward to the City Council answers to these questions.
Thank you in advance.
Patrick

From: Dello Russo, Patrick
Sent: Friday, October 7, 2022 2:54 PM
To: Fleischman, Margot <mfleischman@CityofMelrose.org>
Cc: *Mayor Brodeur <pbrodeur@CityofMelrose.org>
Subject: FW: Notice to Appear Oct. 11, 2022 City Council Special Meeting

Please see section for your ARPA input.
Thank you.
Patrick

From: Ghobrial, Andrew <aghobrial@CityofMelrose.org>
Sent: Thursday, October 6, 2022 4:51 PM
To: Dello Russo, Patrick <PDelloRusso@CityofMelrose.org>
Cc: Cinella, Christopher <ccinella@CityofMelrose.org>; Phillips, Shannon <sphillips@CityofMelrose.org>; Lindquist, Amy <alindquist@CityofMelrose.org>
Subject: Notice to Appear Oct. 11, 2022 City Council Special Meeting

Mr. Dello Russo,

Please see the attached correspondence from City Council relative to your required appearance at their Special meeting this coming Tuesday October 11, 2022. Please let me know if you have any questions.

Thank you,

Andrew

Andrew Ghobrial
Clerk of Committees
Notary Public
Webmaster
City of Melrose
562 Main Street
Melrose, MA 02176
P: 781-979-4100
E: aghobrial@cityofmelrose.org

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ARPA Project Name	PROJECT TOTAL	FY22	FY23	FY24	FY25	Department	Type	Lead Department - Title
ARPA - Consultant	$ 10,000.00	$ -	$ -	$ -	$ -	Auditors	Admin	Auditor's - ARPA Consultant
ARPA - Administration	$ 4,500.00	$ -	$ 4,500.00	$ -	$ -	Auditors	Admin	Auditors - ARPA Administration
Milano Center Health, Wellness, Accessibility	$ 25,000.00	$ 25,000.00	$ -	$ -	$ -	COA	Infrastructure	DPW - Milano Center Health, Wellness, Accessibility
Milano Center HVAC	$ 218,729.00	$ 218,729.00	$ -	$ -	$ -	COA	Infrastructure	DPW - Milano Center HVAC
City Sidewalk Improvements - Ashland/Bay State/Burnett/Sycamore	$ 750,000.00	$ 250,000.00	$ 250,000.00	$ 250,000.00	$ -	DPW	Infrastructure	DPW - City Sidewalk Improvements
Covid Sanitization-Custodial	$ 65,000.00	$ 65,000.00	$ -	$ -	$ -	DPW	COVID Response	DPW - Covid Sanitization-Custodial
Labor Costs/Additional Cleaning and Sanitizing of Public Buildings	$ 40,000.00	$ 40,000.00	$ -	$ -	$ -	DPW	COVID Response	DPW - Labor Costs Additional Cleaning and Sanitizing of Public Buildings
Lead Water Service Inventory and Replacement Design	$ 150,000.00	$ 150,000.00	$ -	$ -	$ -	DPW	Infrastructure	DPW - Lead Water Service Inventory and Replacement Design
Traffic Calming Toolkit	$ 28,300.00	$ 28,300.00	$ -	$ -	$ -	DPW	Infrastructure	DPW - Traffic Calming Toolkit
Asset Management Software	$ 106,000.00	$ 106,000.00	$ -	$ -	$ -	DPW	Infrastructure	DPW - Asset Management Software
Replacement Vehicle to Deliver Services	$ 23,000.00	$ -	$ 23,000.00	$ -	$ -	DPW	Infrastructure	
Fire Department Vehicles	$ 120,000.00	$ 120,000.00	$ -	$ -	$ -	Fire	Public Safety	Fire - Fire Department Vehicles
Public Safety Training Equipment	$ 105,308.00	$ 78,308.00	$ -	$ -	$ 27,000.00	Fire	Public Safety	Fire - SimMan 3G Plus
Fire Headquarters HVAC	$ 35,000.00	$ 35,000.00	$ -	$ -	$ -	Fire	Infrastructure	DPW - Fire Department HVAC
Tremont Fire House Update	$ 151,205.00	$ -	$ 151,205.00	$ -	$ -	Fire	Infrastructure	DPW - Tremont Fire House Update
At-Home COVID tests	$ 1,824.00	$ 1,824.00	$ -	$ -	$ -	Health	COVID Response	Health - At-Home COVID Tests
FT Social Service Coordinator*	$ 200,330.00	$ 12,235.00	$ 72,900.00	$ 75,789.00	$ 39,406.00	Health	Community Mental Health and Wellness	Health - Social Services
Melrose Public Library HVAC Upgrades	$ 500,000.00	$ 500,000.00	$ -	$ -	$ -	Library	Infrastructure	OPCD - Melrose Public Library HVAC Upgrades
Economic Recovery Director*	$ 290,081.00	$ 31,762.00	$ 101,785.00	$ 103,930.00	$ 52,604.00	Mayor's	Economic Recovery	Mayor's - Economic Recovery Director
Community Conversations Initiative	$ 25,000.00	$ -	$ 25,000.00	$ -	$ -	Mayor's	Community Mental Health and Wellness	Mayor's - Community Conversations Initiative
Small Business/Non-Profits/Cultural Sector Suport	$ 150,000.00	$ -	$ 50,000.00	$ 50,000.00	$ 50,000.00	Mayor's	Economic Recovery	Mayor's - Small Business/Non-Profits/Cultural Sector Suport
Addressing Food Insecurity	$ 75,000.00	$ -	$ 25,000.00	$ 25,000.00	$ 25,000.00	Mayor's	Economic Recovery	Mayor's - Addressing Food Insecurity
Utility Arrearages	$ 141,000.00	$ -	$ 141,000.00	$ -	$ -	Mayor's	Economic Recovery	Mayor's - Utility Arrearages
Foss Park Basketball and Playground Upgrade	$ 150,000.00	$ 150,000.00	$ -	$ -	$ -	Parks	Infrastructure	Parks - Foss Park Basketball and Playground Upgrade
Amazing Grace Basketball Court	$ 41,106.00	$ -	$ 41,106.00	$ -	$ -	Parks	Infrastructure	Parks - Amazing Grace Basketball Court
Police Department Vehicles	$ 256,000.00	$ 256,000.00	$ -	$ -	$ -	Police	Public Safety	Police - Police Department Vehicles
Community Mental Health Initiative	$ 200,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	Rec/Health	Community Mental Health and Wellness	Recreation - Community Mental Health Initiative
Schools Revenue Loss Replacement	$ 802,000.00	$ 802,000.00	$ -	$ -	$ -	Schools	COVID Response	Auditor's - Schools Revenue Loss
COVID-19 Disinfection	$ 128,000.00	$ 128,000.00	$ -	$ -	$ -	Schools	COVID Response	DPW - COVID-19 Disinfect Public Schools
HVAC Study and Implementation of A/C addition at MVMMS	$ 1,050,000.00	$ -	$ 1,050,000.00	$ -	$ -	Schools	Infrastructure	DPW - HVAC Study and Implementation of A/C addition at MVMMS
Schools Asbestos Abatement	$ 90,000.00	$ 90,000.00	$ -	$ -	$ -	Schools	Infrastructure	DPW - Schools Asbestos Abatement
School Department Closing FY22 Budget	$ 774,697.00	$ 774,697.00	$ -	$ -	$ -	Schools	COVID Response	
High School and Middle School Complex Elevators	$ 594,000.00	$ 594,000.00	$ -	$ -	$ -	Schools	Infrastructure	DPW - High School and Middle School Complex Elevators
TOTAL	$ 7,301,080.00							
REMAINING UNCOMMITTED ARPA FUNDS	$ 1,073,094.00							

**Personnel costs are inclusive of health insurance and benefits*

Attachment: ARPA Approvals by Dept. to Date 9.30.2022 (ORDER-2023-26 : Information on the Budget

Ghobrial, Andrew

From: Jessica Dugan <[redacted]>
Sent: Tuesday, October 11, 2022 5:01 PM
To: City Council
Subject: thank you

Hello City Councilors,

I am just writing quickly to say thank you for engaging in this special meeting tonight. Even if we don't have all the answers yet, even hearing your questions and related follow up will go a long way to help our community begin to understand what happened with the FY22 budget and the action plan that will develop as we move forward in FY23 and beyond. Thank you for moving quickly to engage.

Best,
Jessica Dugan
[redacted]