



LETTER OF AGREEMENT BETWEEN THE TOWN OF WEYMOUTH AND THE WEYMOUTH SCHOOL COMMITTEE

ALLOCATION OF MUNICIPAL EXPENSES RELATED TO SCHOOL OPERATING COSTS

The Department of Elementary and Secondary Education (DESE) requires school departments to report certain school-related expenses incurred by other town departments on the annual End of Year Pupil and Financial Report (EOYR). These indirect municipal expenses include administrative services, employee benefits (including retirement and insurance contributions), other fixed costs, debt and capital outlay, and assessments and tuition paid to other districts. Many, but not all, of these expenditures are counted toward the annual net school spending requirement under Chapter Seventy of the General Laws of Massachusetts.

Under CMR 10.04, school districts may report municipal indirect expenditures on the End of Year Report only when there is an agreement between municipal and school officials on the expenses to be allocated and the method of allocation. In addition, schools and towns must follow the Department of Elementary and Secondary Education guidelines for allocating, reporting and documenting these expenditures.

In accordance with CMR 10.4, the following document outlines the methodology to be used for reporting municipal expenditures for the Town of Weymouth.

ADMINISTRATIVE SERVICES (Object Code Series 1000)

1410 Business and Finance expenses to be included:

- ◆ Municipal Finance salaries, contract services and supplies
- ◆ Treasurer salaries, contract services and supplies
- ◆ Accounting salaries, contract services and supplies
- ◆ Procurement salaries, contract services and supplies. (cost may increase due to organizational changes)
- ◆ Cost of annual audit

Allocation method:

School Annual Appropriation / (School Annual Appropriation + Town Annual Appropriation) x Total Expense

1420 Human Resources expenses to be included:

- ◆ Human Resource salaries, contract services and supplies

Allocation method:

50% of total expenses x (# of school employees covered by retirement system / # of total municipal employees covered by retirement system)

50% of total expenses x (# of school employees covered by insurance/ # of total municipal employees covered by insurance)

50% of total department expenses (defined as HR Director, Health Benefits Coordinator, Payroll Coordinator, and all related supplies)

1435 Legal Settlements

Actual Cost representing settlement of litigation actions paid by town on behalf of schools that are above and beyond those already covered by the School Department within their operating budget.

1450 Information Management and Technology expenses to be included:

- ◆ IT salaries, contract services and supplies (including MUNIS)

Allocation method:

School Annual Appropriation/(School Annual Appropriation + Town Annual Appropriation) x Total Expense

SCHOOL FACILITY OPERATIONS AND MAINTENANCE (Object code series 4000)

4210 Maintenance of Grounds

- ◆ Actual cost of trash removal as determined by DPW.
- ◆ 75% of wages paid to the Crew Chief of Maintenance.
- ◆ Actual cost of snow removal.
- ◆ 5% of the actual cost of sand and salt determined by DPW.
- ◆ Actual total cost (salaries, materials, other supplies) of paving and parking lot repairs as determined by the DPW.

4230 Maintenance of Equipment

- ◆ 25% of the total cost of fuel used by School Department vehicles OR the actual cost of fuel for same whichever is larger. All reporting shall be verified with the fuel management system operated by Public Works.

This information is to be verified by the School Business Manager prior to reporting.

BENEFITS AND OTHER SERVICES (Object code series 5100 and 5200)

5100 Employee Retirement Programs

- ◆ Actual cost of assessments paid to state or municipal retirement systems (Weymouth Retirement Board) on behalf of school employees.

- ◆ Actual contributions to Social Security on behalf of school employees

5200 Insurance Programs

- ◆ Actual cost of insurance premiums (health, dental, life, medicare) paid on behalf of school employees after deducting all employee contributions
- ◆ Actual cost of unemployment claims paid by the Town for current and past school employees
- ◆ Actual cost of worker's compensation claims and assessments paid by the Town for current and past school employees

5250 Insurance for Retired School Employees

- ◆ Actual cost of health insurance premiums for retired school employees after deducting any retiree contribution and assessments for retired school employees under G.L. c.32A.

Note: This item shall not be credited to net school spending pursuant to Section 169 of Chapter 43 of the Acts of 1997.

5260 Non Employee Insurance

Actual cost of insurance premiums for school buildings, equipment and liability coverage to include the following:

- ◆ Liability insurance: School Board
- ◆ Flood insurance: Wessagusset
- ◆ Auto insurance: School vehicles
- ◆ Excess coverage (umbrella liability): School portion
- ◆ General Liability: School portion
- ◆ Property/IM/Crime: School portion
- ◆ Boiler & Machinery insurance: School portion
- ◆ Inland Marine insurance: School portion

DEBT (Object code series 5400, 7000 and 8000)

Items in these categories must be reported but are not credited to net school spending.

Debt expenses will be broken out so that principal and interest, by line item, can be identified.

5400 Short Term Debt Service/Interest (RANS)

Actual interest paid for Revenue Anticipation Notes to support current year school operations

5450 Short Term Debt Service/Interest (BANS)

Actual interest paid for Bond Anticipation Notes on loans used to purchase textbooks, school equipment, school technology or school building maintenance or construction

7000 Acquisition, Improvement and Replacement of Fixed Assets

- ◆ Capital expenditures including the purchase of land, buildings and equipment, capital technology and motor vehicles. Costs shall be limited to specific appropriation items, including school building planning costs and lease/purchase of buildings or non-instructional equipment, that are intended to acquire a new asset, for major reconstruction projects, for maintenance projects costing over one hundred thousand dollars (\$100,000) or capital leases.
- ◆ Costs corresponding to revenues received as a lump sum or progress payment grant receipts from the Massachusetts School Building Authority (MSBA) whether or not outstanding BANS exist.
- ◆ Costs directly related to a school construction project supported through local appropriation.

8100 Long Term Debt Retirement/School Construction

The annual principal of loans used to finance the purchase or construction of schools not including BANS

8200 Long Term Debt Service/School Construction

The annual interest payment on bonds and loans used to finance the purchase or construction of schools

8400 Long Term Debt Service/Educational Expenditures

The annual interest on bonds and loans used to finance the purchase of books, instructional equipment and extraordinary maintenance projects. The principal of these loans should be reported in the cost category of the purchase.

8600 Long Term Debt Service/Other

The interest on bonds and loans used to finance the purchase of non-instructional equipment, and to pay for capital maintenance projects in excess of one hundred thousand dollars (\$100,000). Principal costs should be reported in the cost category of the purchase.

The below is incorporated into the agreement:

- ◇ Salaries and expenses for School Resource Officers (Police Department)

- ◊ Salary cost and related expenses for the annual inspections of School Facilities performed by the Fire Department
 - ◊ Board of Health, Building Department, and other departments as determined – Other departments need to be defined.
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We have read the above methodology for the calculation of the Weymouth School Department's share of operating costs that are not directly in the School Department's operating budget and agree with the allocation methods contained herein.

For the Weymouth Public Schools

For the Town of Weymouth

Chair, Weymouth School Committee

Mayor, Town of Weymouth

Date

Date