

Memorandum of Agreement Between the Town of North Andover, North Andover Finance Committee and the North Andover Public Schools

Whereas, the North Andover Public Schools ended FY24 in a substantial deficit; and,

Whereas, that deficit caused the Town to cancel projects, implement hiring freezes, hindered the Town's ability to deliver optimal services for the last quarter of FY24, placed a burden on residents and Town employees, and endangered the Town's sound fiscal position; and,

Whereas, all parties acknowledge that budget deficits of this kind cannot continue into future years, and recognize that all available funds have been depleted to fund this year's deficit; and,

Whereas, the parties recognize that the financial review is still ongoing and may recommend implementation of items beyond those listed in this agreement;

The parties agree as follows:

1. The North Andover Public Schools (Schools) shall meet monthly with the Town of North Andover (Town) to review the current year's budget. The meeting shall include a review of reports created directly from the Town's accounting software and shall include a memo documenting any anomalies or concerns in revenue or expenditures. A copy of the memo and report shall be submitted to the Finance Committee, School Committee and Select Board after the monthly meeting. This process shall continue for two years from the signing of this contract.
2. Before the expiration of this agreement, the Schools shall create an indirect cost analysis documenting what costs shall be charged to revolving and other special revenue accounts in order to best understand revenue sources.
3. The Schools shall encumber all salaries and any known contracted expenses at the beginning of the Fiscal Year, no later than August 31st. Salaries shall be locked in MUNIS and will only be transferred to expenses after a vote of the School Committee.
4. The Schools shall make certain to have written contracts for purchases and services over \$10,000 and to bid all purchases and services over \$100,000 in compliance with Mass. Gen Law Ch 30B and Ch 149.
5. The Schools agree to send at least one employee to MCPPO training and to require all employees who are authorized to make purchases to attend a Public Procurement training that will be offered by the Town.
6. The School Committee agrees to review their financial policies once the financial review is finalized and to review any changes with the Finance Committee.
7. The Schools agree to begin a full implementation of MUNIS.

8. The School Committee agrees to review all user fee structures to make certain that the user fees charged to users fully cover the costs to the Schools, and shall do so annually.
9. As soon as realistically possible, the Town agrees to report to the School Committee, Finance Committee and Select Board, the full extent of the School's FY24 deficit as well as a comprehensive report of the impacts.