



**Central Massachusetts Collaborative
Board of Directors Meeting
Thursday, May 23, 2019, at 11:00 a.m.
14 New Bond Street, Worcester, MA 01606**

Meeting Minutes

Board Members present: Maureen Binienda, Chair, Superintendent, Worcester Public Schools
 Ruthann Petruno-Goguen, Superintendent, Webster Public Schools

Also Present: Michael Tempesta, Executive Director, CMC
 Beverly Tefft, Director of Finance, CMC
 Joseph Meichelbeck, Treasurer, CMC Collaborative
 Monique Pierangeli, Business Manager, Webster Public Schools
 Paulajo Gaines, Collaborative Coordinator, DESE
 Ruth Hersh, District & School Finance, DESE
 Dr. Jean Lindquist-Grady, Clinical Director, CMC
 Jessica Pitsillides, Program Director, Hartwell Learning Center
 Ann Ortiz, Program Director, Central MA Academy
 Elizabeth Pinzino, Program Director, THRIVE
 Michael Kelly, Program Director, Robert H. Goddard Academy
 Richard Cameron, Site Coordinator, Woodward Day School
 Carol DeAngelis, Site Coordinator, Woodward Day School

Superintendent Binienda called the meeting to order at 11:10 a.m.

1. Approval of the May 2, 2019 Board of Directors meeting minutes (voting item)

Superintendent Goguen made a MOTION to approve the May 2, 2019, Board of Directors meeting minutes.

Superintendent Binienda seconds the MOTION.

2. Director of Finance & Operations Reports

a. FY19 Projected year-end balance

Mrs. Tefft summarized revenues and expenses for the time period as of April 30, 2019.

In analyzing the income in these reports, non-member student tuition is \$710k under budget @ 4.30.19. As of May 15, 2019 CMC now has 56 out of district students and RRHS enrollment is 17 students.

Mrs. Tefft spoke to the substitute teacher line being \$10k over budget, due to substitute clinicians covering several maternity leaves.

A loss of \$200,000 is projected for FY19 with a projected fund balance of \$1,577,946 on June 30, 2019. With the FY20 budgeted use of the surplus of \$230,176 for the Recovery High School, CMC would have a projected fund balance of \$1,347,770 for the start of FY20.

b. FY19 Balance Sheet @ 04.30.19

Mrs. Tefft presented the FY19 balance sheet as of 04.30.19 and a comparative the balance sheet to the FY18.

c. Warrants

Mrs. Tefft submitted account payable warrants: April 12, 2019 warrant #1819-21 and April 26, 2019 warrant number #1819-12, for Board signature.

d. New Audit Firm Engagement Letter Approval

Mrs. Tefft submitted an engagement letter for the newly voted audit firm of Fritz DeGuglielmo LLC, Located Newburyport, MA for CMC's FY19 annual audit and Uniform Financial Report (UFR) filing for the Board's signature.

e. Petty Cash Fund (voting item)

Mrs. Tefft requested the authorization to establish a petty fund account to be held in the Business Office for the THRIVE program curriculum in the amount of \$100.00.

Mrs. Tefft explained with all debit cards canceled, the program leader, at times, needs to make purchases for the student programs.

Superintendent Goguen prefers a debit card to petty cash.

Action on this agenda item was tabled. Mrs. Tefft will research different options and bring a recommendation to the board.

f. 2019-2020 CMC Board Meeting Schedule

Mrs. Tefft provided the Board with a proposed 2019-2020 CMC Board of Directors monthly meeting schedule. It will be reviewed and voted on at the next Board meeting.

3. Executive Director Report

- Update/Discussion of CMC Collaborative Agreement and Budgeting formulas

Mr. Tempesta informed the board he had received the provided memorandum from Ms. Gaines and Ms. Hersh, DESE, regarding the proposed changes to the collaborative agreement yesterday, 5/22/19 so he provided copies for discussion. The DESE has some outstanding questions and concerns with the revised formulas for determining student rates and tuitions.

Ms. Hersch reviewed the memorandum with the board and had a couple of questions for clarification and mentioned that a State Auditor would question the methodology used to create these rates.

Overall, she had concerns that when DESE reviews the document they may question the formulation and process for determining the yearly budget assessments for all members.

Superintendent Goguen questioned what she would be able to provide her School Committee showing what the rates for Webster in FY20 will be. Ms. Hersch committed to providing a letter for the Webster School Committee explaining the progress of the collaborative agreement with the Collaborative and the Members.

The Board of CMC recommended the following changes to the CMC Collaborative Agreement for Founding Members, Members, and Non-Members:

F. Annual Budget Preparation and Assessment of Costs

1. Development of the Central Massachusetts Collaborative Budget: The Board shall annually determine the Collaborative budget consistent with the timelines, terms, and requirements in conformity with applicable law and regulations, currently as provided in M.G.L. c.40, s4E, and in conformity with M.G.L. 603 CMR 50.07(5) promulgated by the Department and in conformity with the terms of this Agreement.

1. In collaboration with staff and member districts, CMC begins forecasting the annual budget each October. The process includes input from Collaborative committees, program directors and staff. Strategic plans created will guide this process. Program directors estimate future program services/enrollments based on this input. The Executive Director and Business Manager meet with program directors to review anticipated enrollment and prior trends to establish appropriate staffing and fiscal resources. When final enrollment and expenses are forecasted, rates are established to support both the qualitative and quantitative program elements.

1. Determine Base Per-Pupil Cost by Program:

There is a per-pupil program cost that is determined annually by dividing all of the costs of each individual program and dividing by the program's enrollment capacity. This base per-pupil cost is used to determine the Founding Member, Non-Founding Member, Non-Member rate.

2. Determine the Founding Member Program Discount Rate:

The Founding Member program discount rate, applicable only to the districts of Worcester and Webster, is adjusted annually by the vote of the Board of Directors and the annual financial needs of the collaborative up to a limit of 15%.

3. Determine the Volume Discount Rate:

A volume discount rate is applied to any member district (Worcester, Webster, Oxford) who sends 30 or more students to CMC, adjusted annually by the vote of the Board of Directors and the annual financial needs of the collaborative up to a limit of 10%.

4. Determine Non-Founding Member Discount Rate:

A Non-Founding Member rate will be the same as a Non-Member rate for the first full fiscal year. In all subsequent years, the rate may be discounted by the vote of the Board of Directors and the annual financial needs of the collaborative up to a limit of

5%.

5. Determine Non-Member Surcharge:

The non-member surcharge is:

| CMA | CMP | HLC | RGA | THRIVE |
|-----|-----|-----|-----|--------|
| 50% | 49% | 24% | 34% | 51% |

The Board of Directors may adjust the surcharge based on an annual market analysis of collaborative and private programs.

Forecasted revenues generated by programs and services are used to pay for staff salaries, supplies, program enhancements, and services. Administrative costs are absorbed by these revenues.

Superintendent Goguen made a MOTION to approve the above recommended Central MA Collaborative, Collaborative Agreement revisions for Founding Members, Members, Non-Member, per-pupil rates to be sent to the DESE for approval.

Superintendent Binienda seconds the MOTION.

- Discussion of FY20 Budget Reductions

Mr. Tempesta presented the board with his list of recommended cuts from the finance committee meeting as well as a list of recommended reductions provided by the program leader from their additional meetings.

The Program Leaders met and provided their agreed-upon reductions in the amount of \$372,171:

| | |
|--------------------------------------|----------|
| (1) Clinicians, share RGA Clinician | \$58,335 |
| (2) Webster Clinician | \$35,000 |
| (3) New Bond Culinary Teacher | \$84,493 |
| (4) Custodial Vocational Instructor | \$40,800 |
| (5) Custodial Vocational Instructor | \$40,800 |
| (6) Culinary Instructional Assistant | \$30,404 |
| (7) New Bond PE Teacher | \$52,126 |
| (8) New Bond Technology Aide | \$31,212 |

The Program Leaders contested reductions in the amount of \$324,509:

| | |
|---------------------------|----------|
| 1. THRIVE Art Teacher | \$77,439 |
| 2. RGA Assistant Director | \$81,934 |
| 3. Intake Coordinator | \$71,400 |
| 4. HLC Assistant Director | \$93,736 |

The FY20 Budget deficit is (\$813,740)
Directors agreed upon reductions \$372,171

| | |
|----------------------------|-------------|
| Salary Attrition | \$130,000 |
| Leaves Budget Shortfall of | (\$311,569) |

Superintendent Goguen questioned the previously-discussed expectation of reviewing the amount of money that CMC is spending on the New Bond Street administrator salaries, she believed that at the last Board meeting, the Board had agreed on the importance of the culinary program and it would be allocated funding in the FY20 budget.

Superintendent Binienda explained that the program leaders had advised that other programs could come into the collaborative and provide a culinary program such as Genesis and Worcester Vocational School. As the new Executive Director joins the collaborative we need to provide them time to adjust, understand and review the programs.

Superintendent Goguen clarified if the board is now being asked to hold on any reduction or restructure until the new Executive Director has established teams and programs. Superintendent Goguen did not want to keep the status quo, at the May 2, 2019 meeting it was discussed keeping the culinary and technology vocational programs.

Mr. Smachetti explained that the programs would have the instructional assistants from the classroom attend culinary with the students, making it more hands on for the students.

Mrs. Pitsillides shared that the programs could provide more inhouse vocational knowledge with our own IA's and students. The directors felt that the students are currently not getting the instructional/vocational learnings they had hoped the programs would offer when introduced last year. The program leaders agree that they are still working in silos, but this was the first meeting that there was engagement and agreement. The program leaders feel strongly that a full review of the collaborative and programs are needed, what is happening now is only causing further destabilization at CMC.

Superintendent Goguen does not see the FY20 budget as a feasible item to vote on at this current time.

Ms. Seale shared that she and Kathy Barris had meet with the CMC program leaders and they were very strategic, they understand the need for change, they started having conversations of sharing staff, providing a continuum of services and looking at gaining efficiencies. Implementing this list of cuts that is so significant to the administration right now would be conducive to the safety of the programs.

Ms. Seale further spoke to having a comprehensive needs assessment from an outside consulting firm to evaluate the programs. The program leaders feel strongly that the executive director should be part of collaboratives strategic plan and its reorganization. All the directors brought recommendations, suggestions, and what further cuts may be needed even though the cuts are significant they were mindful on what they were charged to do.

Superintendent Goguen asked Mr. Tempesta if he was in agreement with the recommended cuts. Mr. Tempesta shared that he is NOT in agreement with the program director recommendations, there are some other areas that CMC could cut. Mr. Tempesta mentioned that at the finance committee meeting he suggested cutting the in-Take Coordinator, the .75 FTE IT Director of Technology position, and

the new 1.0 Custodial new position and potentially the 1.0 FTE New Bond Receptionist position as these positions did not affect students in the classroom. The receptionist duties could be covered by the program administrative assistants within the New Bond facility. Mr. Tempesta agrees that the Intake Coordinator position has created amazing outreach, but each program director could be doing the intake coordinators role. He requested the board see the programs in action and that he does not want to cut resources before the new Executive Director comes on board as that will affect her entry plan and subsequent strategic plan before she can assess CMC operations herself.

Mr. Allen feels that waiting to take a look at this once the new director is on board is just floating the budget.

Ms. Seale recommends looking at personnel who are skilled and trained to implement these vocational program. In these very fiduciary and difficult times, you have to maximize staff, make sure that staff skills are comparable to the skill set needed.

The board scheduled an emergency board meeting to discuss the FY20 budget for Thursday, May 30, at 2:30 p.m. at 14 New Bond Street, Worcester, MA.

- Water Conditions Update at 14 New Bond Street

Mr. Tempesta provided the Board with a copy of the independent water analysis, provided by Liberty New Bond LLC., that was completed at 14 New Bond Street. The report stated that the value is lower than the recommended range: 50.0 - 200.0.

Superintendent Goguen asked if the company tested for lead in the water, Mrs. Tefft advised they did not, but would have that completed next time it is rainy out.

- Lease discussion and Timeline at 20 Rockdale Street

Mr. Tempesta had met with Mr. Hanna and provided the board a lease spreadsheet showing over 15 years the present lease agreement vs the proposed agreement. Mr. Tempesta advised that if Mr. Hanna accepts the \$20.00 per square foot of 19290 for the next 12 years, the total savings would be \$1,350,300 with the yearly savings of \$112,525 starting August 1, 2019. Mr. Hanna was going to work with his bank and get back to Mr. Tempesta.

- Movement of RRHS to 121 Higgins per RRHS Advisory Board Recommendations (voting item)
The Rockdale Recovery Advisory Board voted to approve moving the Rockdale Recovery High School to Central MA Academy, 121 Higgins Street.

Superintendent Goguen asked what the associated cost to move RRHS to Higgins Street would be. Mr. Tempesta will be using the CMC custodial staff to complete the move, there should be no associated cost.

Superintendent Binienda made a MOTION to approve moving the Rockdale Recovery High School to Central MA Academy, 121 Higgins Street.

Superintendent Goguen seconds the MOTION

- Woodward Day School Program Update; Site Coordinator's Concerns
Mr. Cameron asked if the Woodward Day School is not part of the collaborative should we discuss this item.

Superintendent Binienda explained that in FY 20 CMC will be the vendor for Woodward Day Schools. The plan moving forward would be to have the principal/site coordinator at one site and then two site coordinators.

Mr. Cameron expressed that once the new principal is announced then Woodward Day Schools can meet and discuss the procedures and policies.

Superintendent Binienda feels a job description would be helpful as well. The principal would be in charge of a site as well as the program. If in the following year, if that would have to change due to how student discipline is handled in the schools and Worcester Public Schools lets go of McKeon, it would be two site coordinators and a director.

- Appointment of New CMC Executive Director (voting item)
Superintendent Binienda made a MOTION to extend an offer and enter into negotiations with Susan Farrell for the Executive Director position.

Superintendent Goguen seconds the MOTION.

Superintendent Binienda shared that Ms. Farrell will be coming to CMC today to be introduced to the staff at 1:00 p.m.

- Acceptance of Donations (voting item)

There were no donations submitted at this time.

The Board recessed at 1:05 p.m. to introduce the new Executive Director to the CMC Staff.

The board reconvened the meeting at 1:26 p.m. and finished working on the revisions to the collaborative agreement and the per-pupil tuition for Founding Members, Members, and Non-Members, which is provided within the minutes.

Superintendent Goguen informed Mr. Tempesta that effective immediately and as part of the transition for the new Executive Director coming on board, that he is not to sign or enter into any contracts or contract negotiations. All contracts will all be handled through the Board, Director of Finance, and the new Executive Director.

4. Member Requests / New Business

The next board meeting will be held on Thursday, May 30, at 2:30 p.m., at CMC, 14 New Bond Street, Worcester, MA.

5. Executive Session

There was no need for the board to convene into executive session at this time.

6. Adjournment

Superintendent Goguen made a MOTION to adjourn.
Superintendent Binienda seconds the MOTION.

The meeting adjourned at 2:36 p.m.

Respectfully submitted,
Joanna Bilotta