



Central Massachusetts Collaborative
Board of Directors Meeting
Monday, November 26, 2018, at 9:30 a.m.
CMC, Lobby Conference Room
14 New Bond Street, Worcester, MA 01606

Meeting Agenda

Board Members present: Maureen Binienda, Chair, Worcester Superintendent of Schools
Ruthann Goguen, Webster Superintendent of Schools

Also Present: Michael Tempesta, Executive Director, CMC Collaborative
Beverly Tefft, Director of Finance, CMC Collaborative
Joseph Meichelbeck, Treasurer, CMC Collaborative
Paulajo Gaines, Collaborative Coordinator, DESE
Ruth Hersh, District & School Finance, DESE

Superintendent Binienda called the meeting to order at 9:44 a.m.

1. Approval of the October 25, 2018 Board of Directors meeting minutes (voting item)

Superintendent Goguen made a MOTION to amend the minutes. In Section 3, bullet c, the recommendation is to remove the last sentence, “the language in the approved 2017 agreement was never voted on by the board.” The revised collaborative agreement was voted.
Superintendent Binienda seconds the MOTION.

Superintendent Goguen made a MOTION to approve the October 25, 2018 minutes as amended.
Superintendent Binienda seconds the MOTION.

2. FY18 Audit Presentation Director of Finance & Operations Report

FY18 Audit Presentation ~ John Ratcliffe, Pavento, Ratcliffe, Renzi & Co., LLC

Mr. Ratcliffe presented an overview of the findings of the 2018 collaborative audit that was conducted at the end of June 2018. He commented that the business office was “audit ready” and the information was complete, accurate, and timely. Mr. Ratcliffe commended Mrs. Tefft for her efforts.

Mr. Ratcliffe reminded the board that the collaborative had adopted the GASB Statement No 75 for the FY18 audit. The effect of changing from the GASB 45 to the GASB 75 increased the net OPEB liability and the net position with an adjustment for a cumulative impact of account principles of \$9.7 million. He explained there are two different reports provided in the packet: Government-wide Statements, which includes the OPEB and depreciation, and Governmental Funds, which does not include those two items.

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Mr. Ratcliffe submitted recommendations based on the financial statement and compliance audit for the fiscal year 2018. He advised the board: the collaborative needs to adhere to the procurement procedures which require three written quotes for any purchases between \$10,000 and \$50,000. There should also be a process in place for access and usage of all CMC credit and debit cards. It is imperative to foster improved communication between the human resource department and the business office. Mr. Ratcliffe expressed that the business office is responsible for a \$21 million budget: the staffing and accounting software needs to be commensurate with the responsibilities and size of the collaborative. The business office needs additional staffing and updated software, their still utilizing QuickBooks.

Superintendent Goguen suggested that the collaborative have one debit card only that is signed out for usage by program directors as needed.

Superintendent Goguen made a MOTION to accept the Fiscal year 2018 Independent Auditors' Report, including the UFR (Uniform Financial Report).
Superintendent Binienda seconds the MOTION

A copy of the presentation is available at <http://www.cmasscollaborative.org>.

3. Director of Finance & Operations Report

a. FY19 YTD P&L @ 10.31.18

Mrs. Tefft summarized revenues, and expenses for the time period ending October 31, 2018. Mrs. Tefft spoke to the variances in revenues and expenditures to budget and prior year for the same period of time. She provided the board with a Fund Balance Analysis: FY12 – FY19.

b. FY19 B/S @ 10.31.18

Mrs. Tefft presented the FY19 balance sheet as of 10.31.18 and a comparative balance sheet to FY18. Mrs. Tefft asked if has questions, none were asked.

c. Warrants

Superintendent Goguen questioned the status of the 11 anticipated additional referrals/enrollments and if the collaborative has received any new enrollments of students from non-member districts? Mrs. Tefft stated that the collaborative has not posted any new non-member tuitions since the last meeting.

4. Executive Director Report

- Update on the Finance Subcommittee meeting held on 10/31/18; next meeting 12/12/18
Mr. Tempesta informed the board that he, Ms. Tefft, Mr. Allen, and Ms. Pierangeli had met and they each had different perspectives of The CMC Collaborative Agreement, Section VII: Finance, F. g.

The recommendation from the finance subcommittee is:

“The proposed budget shall delineate the tuition prices for member and non-member districts as well as fees for services. Tuition rates and fees for services are based on the overall cost of providing the services, divided by the number of students served by the program or services. Once the total annual budget expenditures are determined, and the anticipated out-of-district member enrollment and revenue are calculated, based on the historical data and an analysis of other similar program rates, the annual non-member rate or service is determined. The formula

for calculating the tuition and fees for service rate for a member district other than Worcester is the annual non-member rate less 15 percent (15%). The formula for the assessment for the Worcester Public Schools is to pay the net Balance.”

Mr. Tempesta stated that CMC is unique amongst Massachusetts Collaboratives, because the funding mechanism exists as an annual tuition assessment as a line item in the approved Worcester Public Schools budget, rather than as a budget voted by a larger Board of Directors such as in the other area collaboratives (SEC, AVC, CAPS).

Superintendent Binienda stated that the Worcester Public Schools pays up front for anticipated seats in the collaborative, knowing that the student enrollment numbers are higher in the spring for some programs, such as the Woodward Day Schools.

Mr. Tempesta, at the request of the DESE, provided a spreadsheet showing the collaboratives’ per-pupil tuition cost by school. Worcester is paying much less per pupil tuition cost than its other member district, Webster Public Schools.

Superintendent Goguen has concerns with CMC’s budget based on anticipated enrollment. The budget should be based on actual enrollment numbers at a per-pupil cost. Currently, CMC is not seeing those anticipated enrollments that are forecasted in the FY19 Budget.

Superintendent Goguen asked what the cost difference would be if Worcester paid the same tuition rate as Webster.

Mr. Tempesta presented two spreadsheets that showed additional costs that Worcester would have to pay if they were funded at the same rate as Webster: the actuals as of 11/20/18 would be \$1,957,389, and the forecasted FY19 anticipated tuitions as of 4/09/19 would be approximately \$4,735,139.

Mrs. Hersh stated that Worcester Public Schools sends 2% of their students enrolled in the Worcester Public Schools to CMC, tuition into CMC and spends an additional \$19 million on outplacement programs as well.

Mr. Tempesta believes that the new classroom space created at CMC (from 63,216 sf in FY15 to 184,791 sf currently) has increased student enrollment and in particular non-member tuitions that have tripled along with the space and has been a source of funding for the program space for Worcester and Webster.

The WPS only ACT Program is utilizing building space at 14 New Bond Street. The utilities, custodial staff, maintenance, etc. for 14 New Bond are paid out of the CMC budget.

- Voting to accept new CMC Members (Clinton, Oxford, Milford, Southbridge)
Superintendent Goguen is not in agreement with the 15% discount that was offered to the new member districts to join the collaborative. The collaborative needs the revenue coming into the programs: this discount offer would reduce revenue. The new member districts joining the collaborative currently have their students enrolled at CMC.
Superintendent Goguen recapped the options for CMC:
 - Worcester Public Schools takes over the Collaborative
 - Webster stays as a member (Rescinds its notice to leave CMC in June 2019)
 - Vote in the new member districts

The board recommends moving the next scheduled board meeting from December 13, 2018, to December 12, 2018, at 9:00 a.m. followed by a finance committee meeting at 11:00 am.

Superintendent Binienda suggested reviewing the alignment of salaries between Worcester, Webster, and the Collaborative.

Mr. Tempesta questioned notifying the new member districts of the possibility of losing the 15% discount that was committed by the Board as an incentive for new members to join the collaborative (that they would get the same discount that Webster receives to ensure the continuation of the CMC due to Webster's notice of withdrawal).

Superintendent Goguen recommends informing the new potential members that at the CMC Board of Directors meeting held on November 26, 2018, the board received CMC's annual audit presentation. The board financially cannot support the 15% discount that had been previously offered, but that Mr. Tempesta should contact the new member districts to let them know that they are still welcome to join, but that there would be no discount for next year, but that there could be a discount created once they come on board. Due to all of the information learned from the audit, the board has decided to move the vote of acceptance of new members to the December 12, 2018 meeting.

- Worcester Public Schools proposal for CMC to develop ASD/Deaf program
Mr. Tempesta informed the board that he had spoken with Cindy Landanno, CAPS Program, for information on their ASD Program. At the current time it would be cost prohibitive for CMC to create a comprehensive program, but that they would work to share and fund resources with the Worcester Public Schools to service students sent to THRIVE.
- Remaining Acceptance of Donations
Superintendent Goguen asked the amount of the donation from DonorsChoose.org to Ms. Berry's classroom project, "Literacy Opportunity for Underprivileged Students." The board will vote on acceptance of the donation at the next meeting.

5. Member Requests / New Business

There were no new member requests or any new business discussed by the board.

6. Adjournment

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

The meeting adjourned at 12:20 p.m.

Respectfully submitted,
Joanna Bilotta