

Central Massachusetts Collaborative

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Dr. Susan Farrell, Executive Director
Beverly Tefft, Finance Director
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Board of Directors Meeting
Thursday, November 18, 2021 at 9:00 A.M.
14 New Bond St., Worcester, MA 01606

Meeting Minutes

Board Members Present: Maureen Binienda, Chair, Superintendent of Schools, Worcester Public Schools
Dr. Ruthann Goguen, Ed.D., Superintendent of Schools, Webster Public Schools
Michael Lucas, Superintendent of Schools, Oxford Public Schools

Also Present: Dr. Susan Farrell, Executive Director, CMC
Beverly Tefft, Director of Finance and Operations, CMC
Joseph Meichelbeck, Treasurer, CMC
Ruth Hersch, Department of Elementary and Secondary Education
Daniel E Schaffner, CPA, Fritz DeGuglielmo LLC

1. Superintendent Binienda called the Meeting to Order at 9:16 a.m.

2. Approval of the October 28, 2021 Board of Directors Meeting Minutes (voting item)

Superintendent Goguen made a MOTION to approve the September 9, 2021 Board of Directors meeting minutes.

Superintendent Lucas seconds the MOTION.

3. Board Meeting Schedule - adjust dates and times (voting item)

The Board discussed the dates and times of upcoming Board of Director meetings. The Board noted that the February Board of Directors meeting fell during February School Vacation week. The Board discussed moving this meeting to the Thursday before school vacation week. The time of Board of Directors meetings was also discussed. Meetings are open to all but as they occur during the school day, this may limit the ability of interested school staff to attend meetings. Staff interested in attending a board meeting can request release time to attend through the office of the Executive Director. The board agreed to keep meetings at the current time of 9:00 A.M.

Superintendent Goguen made a MOTION to approve the revised Board of Directors meeting schedule.

Superintendent Lucas seconds the MOTION.

4. Director of Finance & Operations Report

a. FY21 Audit Presentation:

Daniel Schaffner of Fritz DeGuglielmo LLC presented the FY21 Audited Financial Statements. Key highlights include a FY21 General Fund surplus of \$932k based on annual revenues of \$18.8m, annual expenses of \$17.6m and a transfer of \$300k to the OPEB Trust Fund. The addition of this \$932k surplus brings the FY21 Cumulative General Fund Surplus to \$4.4m or 24.71% of FY21 General Fund Expenditures. The Collaborative was not required to file a UFR for fiscal year 2021.

Mr. Schaffner further discussed specific matters, addressed with management, that should be brought to the Board of Director's attention but are not material to the financial statements. They are as follows:

- i. The Collaborative currently does not have a written set of accounting policies and procedures that clearly define the duties and responsibilities of each employee within the Collaborative, especially in the financial management and internal control system. The Collaborative does have controls and procedures in place to maintain effective internal controls. However, those controls and procedures are not in a centralized written format. Management and the Board of Directors should develop and implement written policies and procedures for each function and process in the financial management system.
- ii. The size of the Collaborative's finance and administrative staff previously limited its ability to segregate duties and implement effective controls. Management and the Board of Directors have reviewed the size of the administrative staff, and the staff's relevant duties, in relation to other Collaboratives and adjusted as necessary. This situation still dictates that the Board of Directors remains significantly involved in the financial affairs of the Collaborative to provide oversight and independent review functions to maintain proper internal controls. However, the additional staffing added during fiscal 2021 has improved internal controls.
- iii. During the course of the audit, we noted that the Collaborative only records governmental fund and fiduciary fund activity in its financial software and excludes other government-wide activity such as capital assets and OPEB activity. Separate records are maintained to identify these items, but the financial software should record all government-wide activity of the Collaborative. Management should implement procedures to record such activity.
- iv. During the audit, we noted that the Collaborative received additional funds in the amount of \$41,400 under its emergency COVID grant agreement with the Massachusetts Department of Elementary and Secondary Education to be utilized for the purchase of various supplies and other program expenses. The funds were intended to be expended prior to June 30, 2021. However, expenditures totaling \$802 did not occur until July 2021, after the fiscal year 2021 end date. Overall, the total actual expenditures incurred and the full grant revenue have been recorded in the Collaborative's fiscal year 2021 financial statements, which due to the timing of the transactions was deemed immaterial to the financial statements.

Board Acceptance of the FY21 Audited Financial Statements (voting item):

Superintendent Goguen made a MOTION to accept the FY21 Audited Financial Statements as presented.

Superintendent Lucas seconds the MOTION.

Board Acceptance of the FY21 Cumulative General Fund Surplus (voting item):

Dr. Goguen made a MOTION to accept the FY21 Cumulative General Fund Surplus of \$4,418,141.

Superintendent Lucas seconds the MOTION.

b. Warrants:

- i. Three (3) warrants for the month of October 2021 were presented for signature.

c. Financial Statements @ 10.31.21:

- i. Mrs. Tefft reviewed the FY22 year-to-date P&L @ 10.31.21. Revenue is reflective of billing through October 2021.
- ii. expenses projected to come in over budget (legal fees, building maintenance, consultants and training, instructional materials and technology) remain stable from last month's report; expenses projected to come in under budget (insurance, utilities, employee benefits and wages and salaries) continue to remain so.
- iii. Mrs. Tefft also presented the Balance Sheet as of October 31, 2021. Aggressive collection continues as evidenced by only \$17k in accounts receivable being over 60 days old. Cash balances in the checking and money market accounts remain healthy.

The Board recommended the Collaborative develop written policies and procedures as advised by Fritz DeGuglielmo LLC. In addition, approval has been given to migrate from the accounting system currently being used (Quickbooks) and purchase a more robust accounting system in order to assist in the reporting of all government-wide activity as discussed during the audit.

Treasurer Joseph Meichelbeck presented to the board regarding PRIM investment management firm. PRIM currently manages retirement funds for seven collaboratives and many school districts including Worcester Public Schools. The firm would invest the funds in the State Retirement Benefit Trust.

The Board discussed our current OPEB liability which is currently \$27,037,720. The annual payout for benefits of current retirees is approximately \$40,000 per year. This amount is funded by the collaborative throughout the year and is refunded to the collaborative from the trust annually.

5. Executive Director Report

Dr. Farrell introduced the student census for November 2021 which is four hundred and thirty students (430). The increase is due to increased enrollment at WDS. Referrals have been steady and CMC has the capacity to grow to its previous level of over 500 students with growth dependent on filling open staff positions.

Dr. Farrell presented the November 2021 staffing updates. There are currently forty-six (46) open positions at CMC. Several open positions have offers pending. With the implementation of the new IA salary scale, we have had an increase in applicants for these positions. Seven of our eleven new hires were instructional assistants.

New positions were discussed. Dr. Farrell requested a change to the previously approved nursing position

and presented a job description for a nurse/intake coordinator. Dr. Farrell explained that the new nurse would be responsible for some additional duties including assisting with intakes for new students at WDS and RHS and drug testing for RHS students.

Superintendent Goguen made a motion to approve the hiring of a nurse/intake coordinator and a full or part time HR professional.

Superintendent Lucas seconds the MOTION.

Annual Report (voting item)

Dr. Farrell presented the 2019-2020 CMC Annual Report for approval.

Superintendent Goguen made a motion to approve the 2020-2021 CMC Annual Report as presented.

Superintendent Lucas seconds the MOTION.

6. Executive Director Evaluation

Superintendent Binienda presented the annual evaluation report for Executive Director, Susan Farrell. The evaluation reflects that the Executive Director has made significant progress toward her goals and that “Sue Farrell has made many improvements at the Central MA Collaborative. Exemplary work in the fiscal state of CMC has been accomplished. Feedback from parents and district stakeholders share positive feedback about the teaching and learning at CMC. Students at CMC continue to make a community impact such as helping with the Community Teaching Garden. CMC Board meetings are organized and informative. An important area to focus on for improvement is communications and establishing trusting and effective relationships with CMC staff. The building of a strong cohesive leadership team is still in the beginning stages.”

While her overall performance was rated proficient, the board noted they wish to see improvement in human resource management and professional culture. Superintendent Goguen stated that the board is supportive of the work that the Executive Director is doing and understands the challenges of the past year. Superintendent Binienda stated that strategic work needs to be done to improve the overall culture at CMC.

Superintendent Goguen made a motion to approve a 3% raise for the Executive Director for the FY22 School Year.

Superintendent Lucas seconds the MOTION.

7. Member Requests/New Business

No new business

8. Executive Session

Superintendent Binienda made a MOTION to enter Executive Session with no return to open meeting.

Dr. Goguen seconds the MOTION.

9. Adjournment

The meeting was adjourned at 10:39 am