

SEEM Collaborative Board of Director's Meeting
SEEM Administrative Office
12/18/2018
9:00 am – 11:00 am

Superintendents

Mr. John Macero, Stoneham
Mr. Matt Crowley, Woburn
Mr. Doug Lyons, Wakefield
Ms. Jane Tremblay, Lynnfield
Dr. John Doherty, Reading
Dr. Glenn Brand, Wilmington
Mr. Jon Bernard, North Reading
Dr. David DeRuosi, Saugus

Absent Superintendents

Dr. Judy Evans, Winchester
Ms. Cyndy Taymore, Melrose

Collaborative Staff

Dr. Cathy Lawson, Executive Director
Mr. Greg Zammuto, Director of Finance and Operations
Ms. Elizabeth Klepeis, Treasurer

Fritz Deguglielmo, LLC

Mr. Daniel Schaffner, CPA

- A. The Meeting was called to order by Dr. John Doherty, in absence of the Chair, at 9:10 am.
- B. Public Comment – There were no public comments.
- C. Approval of Consent Agenda
 - a. General Session Minutes of 10/23/2018
 - b. Personnel Report as of 12/5/2018

Motion made to approve the consent agenda as presented by Mr. Doug Lyons, seconded by Ms. Jane Tremblay, all in favor.
- D. Administrative and Committee Reports
 - a. Executive Director's Report

- i. DESE/MOEC – Reminder that the approved budget needs to be presented to respective school committee chairs on an annual basis. Also, the annual report, once approved, needs to be presented to respective school committees with the approved financial statements included. These do not have to be an action item, they are just for informational purposes. The annual report has to be voted today to be in compliance with the January 1 submission date to DESE and the State Auditor.
- ii. Collaborative Programs/District Based Services – Curriculum Directors are about to launch a one-day networking session with department heads to try and create more Job Alikes. ELL Job Alike - Jennifer Fitzgerald, ELL Specialist, will be facilitating a 15 PDP course for Massachusetts Association of School Superintendents for anyone who needs it for licensure.

b. Financial Update

- i. Enrollment Report – Mr. Greg Zammuto provided the financial update. Enrollment as of 11/30/18 is currently at 300 FTE. This is on pace with last year. Overall for the year, enrollment is down approximately 47 FTE, the majority of which is for the Assessment Center. It is estimated that SEEM will come close to target for the year.
- ii. Revenue & Expenses as of 11/30/18 – At this point projected year-end balance is just under \$45,000. The highlights were reviewed. The budgeted amount for health insurance was higher than what came in due to a 0% increase last year. This savings helped cover the cost of a new boiler at the Central School in Stoneham.
- iii. Profit and Loss as off 11/30/18 – Provides further detailed breakdown of expenses which were reviewed by Mr. Greg Zammuto.
Motion to approve the financial report as presented, by Mr. Jon Bernard, seconded by Mr. John Macero, all in favor.

F. New Business

- a. Report of FY 18 audited financials – It was agreed to move this agenda item up. Mr. Daniel Schaffner of Fritz Deguglielmo, LLC, presented the audit. The audit went very well again this year. Nothing out of the ordinary was noted. The Board minutes and financial reporting that the Board gets throughout the year is accurate in terms of actual financial results. There were no findings, no deficiencies or material weaknesses, and no management letter again this year. Charts of four year trends as compared with 7 other collaboratives were reviewed. Total revenue increased by \$650,000 over last year. This does not include transportation fees. Program expense increased by \$960,000, most of which was personnel related. The General Fund surplus was 19% for this year which is well within the 25% max

allowed by DESE. There is no need to vote to return to funds to districts this year.

New OPEB liability is just over \$120,000,000. This is not a realistic number in terms of actual expense which is about \$150,000 each year which is covered through operations at this point. It wouldn't be reasonable to fund this liability at this point. For that purpose DESE looks at the general funds which excludes the OPEB liability and capital assets. SEEM doesn't have many capital assets. There is a general fund surplus of \$5.8 million. This is the number that is 19% of general fund expenditures for the year.

Excess revenue over expenses was almost \$53,000. \$155,000 was transferred to the OPEB trust which actually shows a deficit in the general fund of \$103,000 because of the OPEB transfer. This reduced the general fund surplus slightly to \$5.8 million as stated before.

The OPEB trust as of 6/30/18 had just under \$780,000 in the fund. To date the collaborative has contributed \$736,000 of funds from the general fund and it has earned almost \$43,000. This is a good return on investments.

Budget to actual results overall the net change in fund balance was slightly exceeding budget by \$46,000.

A recommendation was made to the Board that the collaborative develop an investment policy to manage cash and other investments appropriately. This recommendation is for the Board and management only and does not go to the state auditor.

Motion made to accept \$5,811, 203 as the Cumulative Surplus as of 6/30/2018, by Mr. John Macero, seconded by Mr. Doug Lyons, all in favor.

Motion made to accept the SEEM Collaborative FY18 audited financial statements as presented, by Mr. Jon Bernard, seconded by Mr. Jon Macero, all in favor.

b. FY20 Draft Budget Proposal First Reading

Dr. Cathy Lawson and Mr. Greg Zammuto presented the SEEM Collaborative Draft FY20 Budget Proposal for discussion purposes. Budget Highlights document was distributed and reviewed. The projected enrollment is 344 students and 250 for the Extended Year Program. This represents a 2.36% expense increase and a 2.37% increase in revenue. The tuition rate increases range from 3.66% to 3.81% for all 180 day school year programs and 5.93 – 6.10% for the 45 Day Assessment Program. The staffing level is relatively the

same as the current fiscal year. The most significant changes are the addition of an aide at the Assessment Center and the reduction of 2 aide positions at the Deaf and Hard of Hearing program. Both are related to enrollment. The budget also reflects shifting the ELL Coordinator and the Recreational Therapist position expenses to Administration. Revenue is predicted to be \$32,286,189 which represents just under \$750,000 increase compared to the current year (2.37% increase). Tuition is projected to increase by just over \$417,000 and transportation projected to increase \$300,000. Decreases in revenue are projected for Deaf and Hard of Hearing consultation services of \$22,000 and decrease of \$79,000 for ABA services. Expenses are anticipated to be almost \$32,283,000 representing 2.36% increase compared to the current year. Some highlighted changes are reduction of \$133,000 for health insurance based on the 0% increase for FY19, pension contribution to the state decrease of \$20,000 and Extended Year payroll decreased by just over \$22,000 based on staff for the program. Increases include \$44,000 for contracted services for outside agencies and transportation expense increase of \$291,000. This is tied to revenue, as transportation revenue goes up, the expense goes up. Just over \$490,000 for net increase in payroll. This includes a 2.5% salary increase which is based on the average of the four districts who have already settled. The FY20 Budget proposal will be presented for a vote at the next Board meeting.

- c. 2017-2018 Annual Report – DESE requires that every year the collaborative provide an annual report. Dr. Cathy Lawson briefly reviewed the Annual Report. Any changes made since the report of 2016-2017 are highlighted in red. FY18 Tuition and Rate Comparison with Comparable Programs is included. The new Equity Service has been added. This report should be shared with respective school committees once the final version is distributed in early January. **Motion was made to accept the 2017-2018 Annual Report as presented, by Ms. Jane Tremblay, seconded by Dr. David DeRuosi, all in Favor.**
- d. Salem State Collaborative – Dr. Cathy Lawson discussed an opportunity related to Salem State Collaborative. Jim Kearns who runs the professional development center is retiring in the next 12 to 18 months and is working on a succession plan. He has asked if SEEM Collaborative would be interested in taking over as he would like to secure the sustainability of the organization. They currently operate out of Salem State University who handles the accounts payable and receivable but are otherwise not attached. There are positives to doing this, but also questions regarding the financial aspect and any burden it may put on SEEM Collaborative. After discussion, **motion made to invite Mr. Jim Kearns from Salem State Collaborative to the next Board of Director’s meeting, made by Mr. John Macero, seconded by Mr. Doug Lyons, all in favor.**

E. Old Business

- a. North Andover Public Schools Request for Membership – The subcommittee met and interviewed the Superintendent of North Andover to find out what his interests were to join the collaborative. They were impressed with what he had to say. He is looking to become a member for collaboration and sharing of resources. He feels SEEM is a good fit for North Andover demographically and he uses the collaborative and considers it a preferred provider. North Andover has ties to Merrimack College which could help the collaborative. There is a possibility of space becoming available in the next year as well. It is public day space which may not be something that SEEM could utilize. North Andover is also contiguous with our districts. From a financial standpoint, the immediate tuition impact would be minimal if North Andover were to join the collaborative. The subcommittee came out of the meeting feeling overall positive and a recommendation was made that the Board accept North Andover as a member. **Motion made to accept North Andover as a member of the collaborative by Ms. Jane Tremblay, seconded by Mr. Doug Lyons, all in favor.** Dr. Cathy Lawson stated that membership would begin July 1, 2019. The Collaborative Agreement will need to be amended and presented to the respective school committees and will then need to go to the Commissioner by April. Dr. Lawson will provide the Board with their requirements and a timeline.

- G. Future Meetings and Agenda Items – The next meeting of the Board of Directors will be January 29, 2019.

- H. Meeting adjourned at 10:05 am.

Respectfully submitted by,
Catherine Lawson, Executive Director