

SEEM Collaborative Board of Directors Meeting
SEEM Administrative Office
12/12/2023
9:00 am – 11:00 am

Superintendents Present

Dr. Gregg Gilligan, North Andover
Dr. Matt Crowley, Woburn
Dr. Frank Hackett, Superintendent, Winchester
Mr. Doug Lyons, Wakefield
Dr. David Ljungberg, Stoneham
Dr. Patrick Daly, North Reading
Mr. John Macero, Acting Superintendent, Melrose
Dr. Thomas Milaschewski, Reading
Dr. Glenn Brand, Wilmington
Mr. Thomas Geary, Acting Superintendent, Lynnfield
Mr. Michael Hashem, Acting Superintendent, Saugus

Superintendents Absent

None

Collaborative Staff Present

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

Fritz Deguglielmo, LLC

Mr. Daniel Schaffner, CPA

- A. The meeting was called to order by Dr. Patrick Daly at 9:00 am. The following statement was read “Open Meeting of the SEEM Collaborative Board of Directors is being conducted remotely consistent with Governor Baker’s Executive Order of March 12, 2020, and the provisions extended by Chapter 20 of the Acts of 2021 signed by Governor Baker on June 16, 2021 due to the outbreak of the COVID-19 virus. The Meeting is being recorded. Members of the public who would like to access can join the Zoom meeting. The matters listed below are those reasonably anticipated by the Chairperson that may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.” Mr. Mike Hashem, Interim Superintendent for Saugus, was introduced.
- B. Public Comment – There were no public comments.
- C. Approval of Consent Agenda

- a. General Session Minutes of 10/17/2023
 - b. Personnel Report
- Motion to approve the consent agenda, made by Dr. Gregg Gilligan, seconded by Dr. Glenn Brand, all in favor by roll call**

D. Administrative and Committee Reports

- a. Executive Director's Report – Dr. Cathy Lawson gave an update. DESE/MOEC Highlights were discussed. The MOEC legislative committee has been working with the lobbyist in an effort to engage the legislature and advocate for a funding mechanism other than tuition dollars for covering capital expenditures related to facilities. SEEM just had its tier focused monitoring. It went well with two partial findings. One was the immediate notification policy which needs to be updated. The second was the Anti-hazing policy at SEEM Prep which needs to be signed off by parents. Collaborative highlights were discussed. The curriculum leaders meetings this year have focused on professional development. Conversations include a goal of reviving NPEN on a smaller scale to provide cross district PD for electives, special education teachers and paraprofessionals. Also discussion about the potential role of the collaborative might play in supporting professional development planning for member districts.

Facility highlights were discussed. SEEM is losing the Ripley School lease for the Elementary program and they will need a new space. SEEM Prep, ideally needs to be relocated from the Yeuell School to a school that is larger and more adequate for high school students. The plan would be to find a new location for SEEM Prep and move the Ripley Elementary program into the current SEEM Prep space at the Yeuell School. Saugus may have an elementary school available and talks continue around that. Information was shared regarding the financial impact based on the RFP response from Cummings Properties. With this proposal, in order to keep tuition costs down, SEEM would need to increase student enrollment. With the current staffing shortage, this plan is not ideal and SEEM would be hesitant to go this route right now. However, Dr. Cathy Lawson and Mr. Zammuto will continue to work with Cummings to try and get the cost down to a more realistic number that is sustainable.

- b. Financial Update
 - 1. Enrollment Report as of 11/30/2023 – Mr. Greg Zammuto provided the financial update. Total FTE is 281.53. This is an increase of 15.93 FTEs from last report which is great news. Compared to this time last year, SEEM is 7.15 FTEs ahead which is also great news. Compared to what was budgeted, the number is down 41, but it is anticipated that additional students will come on board, but may not hit the budgeted target of 323. Due to this, a decrease is reflected in the school year tuition which will be reviewed in the revenue and expense report.

2. Revenue & Expense report as of 11/30/2023 – Overall doing well in all areas except for school year tuition. SEEM budgeted for 323 FTE but it's anticipated that there will be just over 300 FTE by the end of year resulting in a decrease of about \$618,000. In terms of expenses, SEEM has realized a significant savings in salaries and also in health insurance due to renewal in plans and the fact that there are less employees. The year end balance is projected to be just over \$223,000.
3. Profit and Loss as of 11/30/2023 - This shows a further breakdown of the revenue and expense report. Contracted services will be slightly over spent due to the need for staffing agency help due to the staffing shortage.

Motion to approve the financial reports as presented by Dr. Gregg Gilligan, seconded by Dr. Matt Crowley, all in favor by roll call.

E. New Business

- a. Report of FY23 audited financials – Mr. Daniel Schaffner of Fritz Deguglielmo, LLC, presented the draft report of the FY23 audited financials. The FY23 audit for SEEM went very well and was a clean audit similar to past years. There were no deficiencies or weaknesses to report. The Board closing letter was reviewed. One item that is new this year for all collaboratives is subscription based IT agreements. This now has to be recorded. There were no significant contracts that meet the reporting requirement. Mr. Schaffner reviewed SEEM Collaboratives financials. At the end of FY23, there was approximately \$6.3 million in cash and a little over \$3 million in accounts receivable. The majority of the receivables have been collected up to this point. Current liabilities are covered by the current assets as of June 30th. Revenue and expenditures were reviewed. True operating revenues were in the \$33 million range for FY23. This includes transportation and tuition. The general fund removes all of the long term assets and liabilities. This surplus was \$6,420,248 for FY23. The Board will vote to recognize that this is the ending number for FY23. Overall this is a strong financial position. That number was under the 25% of general fund expenditures so there is no excess over the 25% surplus limit which has to be transferred into the capital reserve OPEB trust or return funds to member districts. The transportation revenue is a net of about \$280,000. That has been fairly consistent year after year. The OPEB trust fund has over \$1.4 million in it. This helps offset the new OPEB liability. This is a relatively strong position compared to some collaboratives. The entire \$28 million does not need to be funded but carving a piece to go to OPEB trust was a sound budgetary move to build up the reserve to offset future costs of retiree health. There were no questions on the financials for Mr. Schaffner.

Motion made to recognize the cumulative general fund surplus of \$6,420,248 as of 6/30/2023, by Mr. Doug Lyons, seconded by Dr. Glenn Brand, all in favor by roll call.

Motion made to accept the SEEM Collaborative FY23 audited financial statements as presented, by Mr. Doug Lyons, seconded by Dr. Gregg Gilligan, all in favor by roll call.

- b. FY25 Draft Budget Proposal - First Reading, no action needed
Mr. Greg Zammuto reviewed the budget highlights. Tuition cost avoidance was reviewed. This compares the current tuition costs for SEEM vs comparable private placements. Our members are avoiding just over \$2.2 million in tuition expenses for FY24. The projected enrollment for FY25 is 315 FTE for students and 48 of those require 1:1 support. This is a decrease of 8 FTE compared to FY24. Enrollment for EYP is projected to be 208 which is a decrease of 14 FTE from current year. Staffing has a net decrease of 11.4. The budget represents a staffing level of 275.22 FTE and there is a summary of changes in the packet. Some positions are still unfilled, they have not necessarily been cut. They'll be added back as needed.

This budget includes an increase in tuition for the 180 day programs of 4.86% for member districts and 5.03% for non-member districts and the Assessment Center is 4.97% for member districts and 4.88% for non-member districts and the EYP is 4.95% for member and 4.81% for non-member districts.

For FY25 the budget is presented with a projected revenue of \$36,801,722. This represents an increase of 2.51% compared to the FY24 budget. Some higher revenue increases are: tuition rates which are based on projected enrollment, transportation, \$200,000 based on projected utilization, ABA Services \$20,000, based on projected referrals and other income and interest \$45,000, mainly based on the interest received from the MMDT account. Revenue decreases: EYP tuition just over \$59,000 based on projected enrollment, food service \$30,000 based on less participation due to a decrease in enrollment. SEEM is a CEP district so meals are free to all students.

On the expense side we are up 2.51% as well compared to FY24. Some expense reductions are in benefits and health insurance just over \$200,000 based on less participants. EYP payroll just under \$139,000 related to projected staffing. Liability insurance just over \$20,000 due to changing insurance agencies during FY24. Expense increases are building rent just under \$26,000 based on leases for properties, building maintenance just under \$70,000 related to contract cleaning and repairs, retiree health insurance an increase of just over \$82,000 due to increase in rates and participants. Contract services just over \$176,000 related to usage of agencies for staffing Transportation \$194,000 related to a projected increase in participation. Payroll longevity, \$108,000 for 108 employees at \$1,000 each. This is to try to help with employee retention. Step increases at just under \$263,000. Payroll net change is 3.46% and accounts for changes in staffing and increase in salary scales.

- c. 2022-2023 Draft Annual Report - Dr. Cathy Lawson presented the 2022-2023 draft Annual report. This report goes to the state once it is approved by the Board. Changes to the annual report are highlighted in red and Dr. Cathy Lawson explained the changes in the report. Key initiatives and objectives for the year were highlighted as well as progress towards goals and objectives. Primary changes this year have been in in-district services. The Clinical Psychologist position was added which allows SEEM to perform risk assessments and free up the school psychologist to support districts with evaluations. Cost effectiveness of each program is highlighted. **Motion by Dr. Gregg Gilligan to approve the 2022-2023 Annual Report, seconded by Dr. Matt Crowley, all in favor.**

F. Old Business - There was no old business to discuss.

G. Future Meeting Dates and Agenda Items - The next meeting is January 23, 2024 and will be held remotely. If the budget passes at the January meeting, the February meeting will not be held.

The meeting adjourned at 10:05 am. **Motion to adjourn was made by Mr. Doug Lyons, seconded by Dr. Gregg Gilligan, all in favor.**

Respectfully submitted by,
Catherine Lawson, Executive Director