



**EDCO COLLABORATIVE
BOARD OF DIRECTORS MEETING**
Thursday, December 19, 2019 4:00 – 5:00 p.m.
36 Middlesex Turnpike, Bedford, MA 01730

Present

X	Peter Light	Superintendent	Acton-Boxborough Regional School District
X	Kathleen Bodie	Superintendent	Arlington Public Schools
X	Jon Sills	Superintendent	Bedford Public Schools
X	Amy Checkoway	School Committee	Belmont Public Schools
	Helen Charlupski	School Committee	Brookline Public Schools
X	James O'Shea	Superintendent	Carlisle Public Schools
X	Laurie Hunter	Superintendent	Concord Public Schools/CC Regional School District
	Julie Hackett	Superintendent	Lexington Public Schools
X	Rebecca McFall	Superintendent	Lincoln Public Schools
X	Bella Wong	Superintendent	Lincoln-Sudbury Regional School District
X	Diana Fisher-Gomberg	School Committee	Newton Public Schools
X	Brad Crozier	Superintendent	Sudbury Public Schools
	George Frost	Superintendent	Waltham Public Schools
X	Deanne Galdston	Superintendent	Watertown Public Schools
	Marguerite Connelly	Superintendent	Weston Public Schools

Present

ADVISORY MEMBERS

	Tessa McKinley	School Committee	Acton-Boxborough Regional School District
X	Kathleen Bodie	Superintendent	Arlington Public Schools
	Jill Marquis	School Committee	Bedford Public Schools
	John Phelan	Superintendent	Belmont Public Schools
	Ben Lummis	Superintendent	Brookline Public Schools
X	James O'Shea	Superintendent	Carlisle Public Schools
	Heather Bout	School Committee	Concord Public Schools/CC Regional School District
	Kathleen Lenihan	School Committee	Lexington Public Schools
	Trintje Gnazzo	School Committee	Lincoln Public Schools
	Ellen Joachim	School Committee	Lincoln-Sudbury Regional School District
	David Fleishman	Superintendent	Newton Public Schools
	Lisa Kouchakdjian	School Committee	Sudbury Public Schools
	Margaret Donnelly	School Committee	Waltham Public Schools
	John Portz	School Committee	Watertown Public Schools
	Dr. J. Kimo Carter	Assistant Superintendent	Weston Public Schools

Also present: Christine Lyons, Assistant Superintendent of Lexington Public Schools
Paula Jo Gaines, Department of Education
Ruth Hersh, Department of Education
Dan Schaffner, from Fritz DeGuglielmo, LLC

Present

EDCO MEMBERS

X	Nadine Ekstrom	Executive Director
X	Thomas Markham	Business Manager
X	Ann Knapp	Special Education Administrator
X	Andrew Kelly	Director of Professional Learning
X	James Sullivan	IT Director

- 1.0 CALL TO ORDER: 4:08 p.m.
1.1 Public Participation – None

2.0. CONSENT AGENDA ITEMS

- 2.1 Approve Board of Directors Meeting Minutes and Executive Finance Committee Meeting Minutes of November 14, 2019

A motion was made by Jon Sills to approve and accept Consent Agenda Items. Motion was seconded by James O’Shea. All in favor. The motion passed unanimously to accept the Board of Directors and Executive Finance Committee Minutes of November 14, 2019.

3.0 OLD BUSINESS

3.1 **FY19 Audit Report**

Dan Schaffner, Auditor from Fritz DeGuglielmo, LLC spoke regarding the FY19 Audit Report. He stated that the financials have not changed since the November 14, 2019 meeting. He distributed handouts of the issues regarding the audit and the deficit of \$938,000. He will be speaking on the findings of the audit. He stated that there was an unintentional error in the budget on an Excel spreadsheet. Excel had duplicated surpluses from program lines. He stated Mr. Markham has already corrected the formula on all the Excel spreadsheets, and will focus more on using Infinite Visions software than using Excel.

Mr. Schaffner discussed the Seefurth Investment account. He directed the Board’s attention to the handout with the balance from the Seefurth account. He explained the numbers and the budgeted earnings withdrawals. He recommended EDCO develop a formal written policy of what funds can be withdrawn from the Seefurth Fund. Dr. Bodie proposed that Dr. Ekstrom draw up a draft of EDCO’s use of funds using the Seefurth funds. All on the Board were in agreement.

Mr. Schaffner continued with the audit findings. He directed the Board’s attention to the handout, pages 42 & 43. He described the two findings surrounding the budget. 1) The amended 2019 and 2020 budget had formula errors which overstated the budgeted revenue sources, and 2) The Collaborative was not preparing proper budgeted to actual results comparisons throughout the year. These were issued as non-compliance and are deficiency statements.

Mr. Markham addressed the mistake within Excel and will switch to Infinite Visions as of July 1, 2020. Mr. Schaffner recommended and agreed that Infinite Visions should be used. Mr. Markham also stated that EDCO will use a “couple sets of eyes” going forward so this does not happen again. Mr. Sills questioned if this problem was known back in April, why wasn’t it addressed at that time. Mr. Markham replied he didn’t believe this to be a calculation error at the time. He also stated that moving forward, he will begin to do month to month budget reviews. Ms. Hunter stated the numbers and the report feel very basic and she is stunned by this, and the results are catastrophic.

Ms. McFall stated she was not aware of the line of credit and how it was used. She also asked how other collaboratives use their lines of credit. Mr. Markham replied that when EDCO Collaborative changed banks, it had a \$500,000 revolving line of credit that was used for the highs and lows of cash flow. FY19, EDCO was unable to paydown the line of credit in its entirety.

- **Recommended Action:** to recognize and accept the representations of management and the expression of the opinions by Fritz DeGuglielmo, LLC, as embodied in the basic financial statements, supplemental and subsidiary financial statements and schedules and independent auditor's report contained in the Uniform Financial Statements and Independent Auditor's Report (UFR) for the period ended June 30, 2019.

A motion to accept the basic financial statements, supplemental and subsidiary financials statements and schedules and independent auditor's report was made by Diana Fisher-Gomberg and seconded by Jon Sills. All in favor. Motion passed to accept.

- **Recommended Action:** to recognize and accept the representations of management and the expression of the opinions by Fritz DeGuglielmo, LLC, certified Public Accounts, as embodied in the financial statements, supplemental schedules and independent auditor's report for the year ended June 30, 2019.

A motion to accept the expression of the opinions by Fritz DeGuglielmo, LLC as embodied in the financial statements, supplemental schedules and independent auditor's report was made by Diana Fisher-Gomberg and seconded by Jon Sills. All in favor. Motion passed to accept.

- **Recommended Action:** to clarify the remaining restricted and/or designated balance of the Collaborative's professional development fund (formerly the Seefurth fund) to be \$1,041,967 as of June 30, 2019.

A motion to accept the clarification of the remaining restricted and/or designated balance of the Collaborative's professional development fund was made by Diana Fisher-Gomberg and seconded by Laurie Hunter. All in favor. Motion passed to accept.

- **A motion was made by James O'Shea to accept the End of Year Funds Balance of \$784,042. The motion was seconded by Bella Wong. All in favor. Motion passed to accept End of Year Funds Balance.**

4.0 NEW BUSINESS

4.1 **Approve FY19 Annual Report**

Recommended Action: to approve FY19 Annual Report

A motion to approve the FY19 Annual Report was made by Peter Light and seconded by Becky McFall. All in favor. Motion passed to accept the FY19 Annual Report.

4.2 **FY20 Update Plan Recommendations – Discussion**

Dr. Ekstrom spoke regarding how EDCO has made significant changes as of today. There has been \$591,509 cut from the budget, which include cuts in staffing and the staff from Administration taking a 5% salary cut, as well as a \$30,000 cut in construction. EDCO also has received a \$10,000 grant. A much clearer number will be presented to the Board in January. There are also many new referrals coming in for students in the EDCO programs. This will bring the deficit balance down to \$380,000 from \$1,000,000.

Dr. Bodie would like the Board to know the actual budget numbers at the January meeting. She also stated that March or April is too late to make increases to other programs, and all changes must happen now. Dr. Ekstrom stated she will have a better number for the Board in January as to where EDCO stands.

Ms. Wong stated having \$380,000 deficit this early in the school year is not a good sign. It isn't possible to shave down anymore, and a program should be closed.

Dr. Bodie expressed that EDCO will have to bring a new approach to the next Executive Finance Committee meeting.

Mr. O'Shea wanted to know how the Board would know where exactly the reductions of the \$590,000 in cuts will be made. Mr. Markham explained that in the packet the Board received, the employees names and salaries are listed with the amounts cut from each employee.

4.3 **Executive Director Recommendations – Discussion and Potential Vote**

Dr. Ekstrom has been speaking to the EDCO attorney about moving forward. She would like to get the Board's approval to perform a forensic audit or an operational audit. Mr. Schaffner recommended an operational audit would be more of a benefit at this time. Dr. Ekstrom stated the cost for an operational audit is \$10,000, and is already included in the budget. She does not need a vote from the Board, but wanted to keep them informed. Mr. O'Shea said this is money wisely spent, and Dr. Brodie gave her full support.

4.4 **Presentation of EDCO Plaque**

Dr. Ekstrom presented the Board with a plaque from Joan Wade of AESA (Association of Educational Service Agencies) for EDCO's 50th Anniversary. She had intended to present the plaque at EDCO's Anniversary Celebration.

4.5 **Competition Field Trip for the Deaf and Hard of Hearing Program at Gallaudet University in Virginia**

Dr. Ekstrom referred this to the Board for their recommendation. The trip to Gallaudet University was approved under the stipulation agreed on by the Board and Dr. Ekstrom. The stipulation is that the funds cannot come from the general fund budget. Students and staff must fundraise the cost of the trip themselves. She stated that because of EDCO's financial situation, she would like the Board's approval. The Board **approved** the overnight trip. Ms. Hunter was struggling with the decision, due to staff getting laid off, and how this trip would be funded. Mr. Sills doesn't think the children should be punished for budgetary reasons, and he supports the decision. He would like to revisit the motion in January or February.

A vote was taken, all in favor. Motion passed for students to go to Gallaudet University in Virginia.

Dr. Bodie thanked Diana Fisher-Gomberg, for her time served on the Board, as this was her last Board of Director's Meeting. Everyone on the Board stood for Ms. Fisher-Gomberg and applauded.

A motion was made by Dede Galdston to adjourn the meeting. Motion was seconded by James O'Shea. The meeting was adjourned at 5:20 p.m.

Respectfully Submitted,

Carol Megna
Executive Administrative Assistant
December 19, 2019