

EDCO COLLABORATIVE BOARD OF
DIRECTORS' MEETING MINUTES
Thursday, April 16, 2019, 9:30 a.m. 36
Middlesex Turnpike, Bedford, MA 01730

REMOTE MEETING

1.0 CALL TO ORDER:

9:34 A.M

Chairperson Kathleen Bodie takes attendance and reads disclosure. Meeting is being recorded, this is a public meeting. Supporting materials have been provided and are available on the website. Dr. Bodie read ground rules for virtual meeting.

In attendance: Peter Light, Kathleen Bodie, Jon Sills, Amy Checkoway, Helen Charlupski, James O'Shea, Laurie Hunter, Becky McFall, Bella Wong, Tamika Olszewki, Brad Crozier, George Frost, Deanne Galdston and Marguerite Connolly. Absent: Julie Hackett

1.1 Public Participation – NONE - Questions would have been submitted through the EDCO Website.

2.0 EXECUTIVE SESSION:

Reason for Executive Session:

Chairperson Kathleen Bodie requests the Board to move into executive session and explains the session will not be recorded.

A motion to move the Board into executive session according to M.G.L. c. 20A, sect. 21 (5), and to return in open session, was made by Kathleen Bodie and seconded by Helen Charlupski. This was a roll call vote. Motion passed to move into Executive Session, 14-0.

2.1 Executive session to be held pursuant to M.G.L. 30A, sect. 21 (5) to:

2.1.a investigate possible charges of criminal misconduct or to consider the filing of criminal charges. Dr. Ekstrom will discuss financial findings, and seek direction of the board how to proceed.

A motion to move the Board into executive session according to MGL. c. 20A, sect. 21 (6), and to return in open session, was made by Kathleen Bodie and seconded by Helen Charlupski. This was a roll call vote. Motion passed to move into Executive Session, 14-0.

2.2 Executive Session pursuant to M.G.L. c. 30A, sect. 21 (6) to:

2.2.a consider the purchase, exchange, lease or value of real property if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body.

At 9:49 A.M. Dr. Ekstrom opens a breakout “room” for the executive board and breakout “room” for all other attendees.

3.0 Call to Order

Open session begins at 11:14AM

Attorney Gini Tate explains a vote has been taken in executive session, no need to take it again in open session. Board shall now move forward with agenda.

4.0 OLD BUSINESS:

Dr. Ekstrom reminds attendees we are on a recorded video and urges all attendees to mute their equipment as well as stay off chat. Cautioning everyone to be mindful of the fact they are now on public record.

4.1 FY20 Budget Update

Andy Paquette speaks current fiscal year deficit. He notes the deficit ranges from \$175- \$350k and acknowledges the large range citing constant question, findings and updates that impact this range. Most recently making the larger end of the range less than previously presented.

Mr. Paquette speaks on this savings contributed to EDCO’s enrolling into the Workshare Program offered through the Massachusetts Department of Unemployment Assistance. He states this amount still does not reflect DESE increasing indirect rates of grants up to 8%. Mr. Paquette informs the board he is finalizing the impact this will have on EDCO’s deficit, and states he is confident this will bring the deficit down further.

Mr. Paquette presents a spreadsheet breakdown of EDCO’s deficit and outstanding line of credit. He goes on to explain this spreadsheet along with the various proposal considerations allocating the total into member districts assessments. While recognizing FY21 is “still up in the air” for all member districts, making these funds available to eliminate deficit and pay off EDCO’s line of credit will get the organization on the proper footing to close FY20, resulting in FY21 starting off in a good position. He is Hopeful the larger amount of the deficit will come down. For discussion purposes, Mr. Paquette suggests this amount should be presented as a maximum that shall not be exceeded. Andy also poses the question “What happens with surplus if the amount is less?” suggesting we have this discussion after the audit is complete, recommending either a Refund or Credit to contributing member districts. This will be determined. Lastly, Mr. Paquette notes, this avoids having to borrow more funds.

Kathleen Bodie asks Andy Paquette to talk at this point of how this could be paid by member districts. What is the cleanest way to implement this? She also asks Attorney Gini Tate to talk on the necessary procedure.

Andy answers, our recommendation of member districts paying either our deficit and/or our outstanding line of credit by an amended increase in member assessments that’ll be voted on by the entire board. This will be credited in FY20 ending the year in the black rather than the red.

Attorney Tate makes mention, there is no mechanism in the collaborative agreement. The collaborative agreement is silent in updating the assessment. Amendment to budget page 10-13 describing budget process. Amendment on page 12 specifies recommendation comes from the Administration. Board should discuss and vote at subsequent meetings. In between a notification to member districts about the change. Reference “Development of the Collaborative Budget” Article 8 Financial. A board meeting must occur 30 days before the June 4th meeting.

A vote cannot occur until the June 4th meeting. There are not votes expected today, it has to be at another board meeting as an agenda item.

Jon Sills asks Andy Paquette, What are you referring to when you mention there may be funds available coming out of our current situation?

Andy answers, Indirect grant was at 5% and has increased to 8%, explaining this would give us additional revenue. Additionally, we are constantly going through purchase orders and encumbrances and cleaning out unnecessary line items. This would make our number less.

Becky McFall shares concerns of member districts still needs to go to our school committee to get approval. We are having issues with our own finances. Before the board votes we need to speak with our school committees and see how this fits in the timeline.

Attorney Tate reiterates that no vote will be taken today, another board meeting on or around April 27th will need to occur before the June 4th meeting. Next meeting a firm proposal should be presented, because numbers may change. After that board meeting within 10 days you'd have to notify your boards about this. They may say yes or no, but the actual vote to amend assessments wouldn't happen until June 4th. Very clear process in the articles you'd have to follow.

Becky McFall questions what if I haven't had this conversation with our School Committee or my finance director. At which point Attorney Tate reminds her more information will be available at the next board of directors meeting. Ms. Tate also speaks on the articles referencing the outside date of letting them know, but you can let them know now.

Bella Wong recommends changing the wording to read "up to" the higher amount making it more palatable to most districts rather than showing the lower amount possible to our Board members.

Kathy Bodie as if that number is something we can adjust as well. At which Dr. Ekstrom replies we are pretty much just paying interest payments, nothing above it. Kathy then questions our operating cost through the summer. Nadine turns this question over to Andy or Marc.

Marc Richard explains there are no calculations done on this to date, but based on the lack of funds coming in we'll need the full amount of the line of credit to operate through the summer.

Laurie Hunter now questions the order of events. Stating the documents presented look at FY21 as still having a big deficit. She poses the question, "Are we having a conversation of the viability of this organization?" Stating she is nervous asking our communities for more money when we still have a FY21 deficit. Ms. Hunter asks, where and when will this discussion happen? Chairperson Bodie suggests Attorney Tate speak on this topic, but mentions the current conversation being had is partly in reference to EDCO's viability.

This prompts Attorney Gini Tate to speak on Article 9 "Method of Termination". Ms. Tate explains the procedure and timeline of closing a collaboration. Member districts must request the Board initiate termination proceedings. The board has 30 days from the notice to hold a meeting of which 2/3 vote is needed to the process. Termination timeline can take up to one year. Essentially a 12 month notice. In addition, collaborative will need to notify DESE at least 180 days ahead of closing. Collaborative agreements give up to a year to do all necessary steps before dissolving. Even if a member district puts in a notice today, within 30 days the Board would make a decision. If the board decides to terminate, the termination would not take place until June 30, 2021. EDCO would still need to function all of FY21.

Jon Sills voices concern of EDCO's viability, and his district's response to asking for more money. He notes they have a finance meeting today to successfully complete FY20 and discuss the \$4.5m shortfall they face for next year. We need to update our committee about this situation and research if we have the funds. Mr. Sills states he would need more reassurance over EDCO's viability of FY21 and organization before considering paying the 2nd half of the

proposal.

5.0 NEW BUSINESS:

5.1 FY21 Salary Recommendations

Dr. Ekstrom recommends keeping FY21 salaries the same as FY20. Her goal is to try and keep the staff whole, explaining 32 staff members have been cut down to an FTE of 0.4, and many administrators have been reduced by 5%.

Motion to approve FY21 Salaries as recommended will be voted on during next meeting.

5.2 FY21 Tuition Recommendations

Dr. Ekstrom speaks on the change of format from past proposals. Explaining she has used actual enrollments versus projected enrollments as previously done. Dr. Ekstrom recommends merging two separate programs, Partners with North Crossing Academy and increases tuition by 4%. This same tuition rate increase of 4% would also apply to Newton's Deaf and Hard of Hearing program as well as the 45 Day Program. Nadine explains she has no projections for the ABCD program, but notes this year ABCD brought in \$39k from revenue, and is becoming more active. This program is for students suspended for substance abuse and attends ABCD anywhere from 5 to 45 days and has received all positive feedback. Dr. Ekstrom also explains career pathways currently have 6 students, with Chelsea Public Schools possibly sending 15-20 students that are not included on the budget. This is only a projection not actual that's why not included. Dr. Ekstrom suggests combining all summer programs into one overall summer program.

Motion to approve FY21 Tuition Rates as recommended will be voted on during next meeting.

Attorney Gini Tate is asked, "Can you comment on the issue of liability cost if and when voted to close EDCO. We should have this conversation now, because you're asking for money now and you'll ask later." Ginny responds, collaborative has to come up with a way during termination to meet all liabilities. Collaborative has to look at all fundamental things and see where we are at. Determination is made at that time if we can meet all obligations. Collaborative is 100% liable for all responsibilities.

Kathy Bodie adds, should termination be the outcome it will not happen for a year. EDCO will need to continue for a year. We have agreements with different districts. We do need to continue and there has to be funds. If things improve next year termination doesn't have to be the outcome. The board should know if we go past July 1, 2020, EDCO will not be able to close until June 30, 2020

Attorney Tate is asked if the liability difference would be split between the collaborative and the districts. Ms. Tate again references Article 9 "Method of Termination" stating there is no agreement that the liability could be put back on the member districts. The collaborative has the liability. If it can't meet the obligation it does not go back into the member districts. If you look at that provision it does not state liabilities would go on member districts.

5.3 FY21 Insurance Benefits

Dr. Ekstrom begins by letting the board know we need a vote on this today in order to make open enrollment dates. Dr. Ekstrom states EDCO is looking into staying with Tufts Health Plans. Changes to occur would be an increase of cost to the employee, for example by changing one plan's annual deductible from \$1500 to \$2,000, with the possibility of a family plan

deductible costing \$4,000. The co-pays on both the HMO and PPO plans would also increase in cost for the employee. The other piece we are looking at changing is our Dental plan provider, leaving Altus for Ameritas Dental for both active employees as well as retirees. Altus is a small company for the local area, Ameritas is larger and offers cost savings. Health insurance would be a district savings.

Additionally, EDCO would like to stop offering the HRA program which would result in a district savings of \$59k for next year. Dr. Ekstrom asks Marc Richard to explain this in detail.

Marc Richard explains that the HRA plan is a generous benefit, that is not needed given the nature of our finances, and stresses this may be something we can remove at this time, while still providing a good plan to staff. Dr. Ekstrom adds, we still have an FSA plan, which is completely different from the HRA program, and is fully funded by the employee.

Kathy Bodie reiterates the need for a vote on the health insurance changes that needs approval today.

Peter Light asks for clarity on how this change will impact the overall budget.– Clarify how will this plan change impact the overall budget. Dr. Ekstrom states the cost savings to be \$54,276.61.

A motion to approve FY21 Insurance Benefits as recommended was made by Bella Wong and seconded by Becky McFall. A roll call vote occurred. Motion passed to approve FY21 Insurance Benefits as recommended, 14-0.

5.4 FY21 Budget

Marc Richard explains the FY21 budget to the board, explaining the projected Revenue of \$8.5m is based on actual student enrollments with increased tuition, 8% indirect rates, along with tenant rent income, assessments and miscellaneous revenues.

Expenses reflect projected operation cost factoring in adjusted insurance rates. Marc explains the variance of the negative \$1.1m is true based on actual numbers. Quick equation shows this amount equals approximately 18 students.

Dr. Ekstrom uses this time to sympathize with the struggles each of our member districts are facing, and pleads with the board, reminding them “In July 2018 you as a board, hired me to do a job, and you asked me to turn this around. I’ve only had 8 weeks to turn around something that has been going down for years. I want to show you what is a reality today, not the end of the year.” Dr. Ekstrom explains the FY20 budget projected roughly \$2m in tuition revenue that was never received. This amount is now down under \$500,000, which is heading in the right direction. “There are 42 attendees in this meeting, most we’ve had in my tenure. All here because they believe in this organization. I respect what you are all doing. I am pleased to have such staff members so invested. I just feel I have staff members that weren’t aware. As soon as I told my staff they all said we need to make this work, what can we do? Please give us some time. We have 30 live referrals, that’s something to think about. I have never been more passionate as I am with EDCO becoming successful. We need students from our membership districts, and for our districts to consider us as a valuable resource.”

Chairperson Kathleen Bodie takes this time to thank EDCO’s Executive Director, Dr. Nadine Ekstrom, along with Mr. Andy Paquette and Mr. Marc Richard of The Management Solution. Ms. Bodie also thanks the EDCO staff for all their hard work helping students through COVID-19 crisis. Ms. Bodie expresses she is hopeful EDCO

can survive, having been around 50 years and being such a major contributor to our member districts. We as a board have a lot of information to think about and consider. Chairperson Bodie reminds the board of the fact, EDCO, no matter what is decided; has to be in operation next year. We have to have money for the summer and not go into a deficit to start the year. We are all facing difficulty on the FY21 budget from the state. There's a lot to consider. We need another board meeting, this cannot wait until June 4th. To stay in compliance, the meeting should occur the week of April 27th. Take this and think about it, discuss it with your boards. We'll send around a survey as to what will be the best time during that week to have the meeting. Dr. Nadine Ekstrom has agreed to send a google poll to Board members to determine the best time for everyone.

Chairperson Bodie opens the floor for questions. No questions asked.

5.5 [Executive Director's vacation contract language](#)

Dr. Ekstrom requested a waiver this year to the language in her contract. The Executive Director is allowed to rollover 10 vacation days. Due to the impact COVID-19 has caused, utilizing her remaining vacation days is challenging. For this reason, Dr. Ekstrom is requesting a waiver, permitting her vacation days rollover from this fiscal year into next. Becky McFall states this same conversation is taking place within her district, with regards to full year employees. Superintendent McFall request we wait until our next meeting to have vote, so we know where we are in this regard.

Motion to approve waiver of Executive Director's contract language as recommended will be voted on during next meeting.

5.6 [Request for FY20 School Calendar Revisions](#)

Executive Director, Dr. Nadine Ekstrom informs the board she has sent out a survey to all parents with the option of remote learning replacing the already scheduled April vacation. The majority of parents (over 80%) would like to utilize the 4 vacation days as remote learning. Request to cancel April vacation and replace it with remote learning, with the understanding that Monday, April 20, 2020 is a legal holiday.

A motion to revise FY20 School Calendar was made by Helen Charlupski and seconded by Tamika Olszewki. This was a roll call vote. Motion passed to revise FY20 School Calendar, 14-0.

6.0 ADJOURNMENT **A motion to adjourn was made by Helen Charlupski and seconded by Peter Light. This was a roll call vote. Motion passed, 14-0. Meeting Adjourned at 12:18PM.**