



EXECUTIVE FINANCE COMMITTEE MEETING MINUTES
REMOTE MEETING

Thursday, November 5, 2020 at 11:30 a.m.

EDCO Collaborative, 36 Middlesex Turnpike, Bedford, MA 01730

In Attendance: Kathleen Bodie, Helen Charlupski, Philip Conrad, Peter Light, James O'Shea, Bella Wong

EDCO Staff: Cyndy Taymore, Eileen Hogan, David King, Mary O'Regan, John Pelletier, Nicole Wood

TMS Staff: Allen Himmelberg, Marc Richard

1. Public Participation:

The meeting was called to order at 11:41 a.m. There was no public participation.

2. Minutes:

A **motion** was made by Ms. Wong to approve the minutes from Executive Finance Committee meetings held on 2.27.20, 4.14.20 and 9.10.20. Motion was seconded by Mr. Light. Motion **approved** to accept the Executive Finance Committee minutes and recommend to the Board of Directors approve the minutes from the 2.27.20, 4.14.20 and 9.10.20 by a vote of 4-0. Mr. O'Shea abstained from the vote.

3. Business Office Update:

A. Budget History: Marc Richard from TMS provided committee members a report to review prior to the meeting.

B. FY20 Close: Business office staff continue to work on the close of FY20 in conjunction with FY20 Audit.

C. FY20 Audit: Staff are working with the auditor but finding it challenging to provide outstanding items. A GASB 75 OPEB report has been requested. We have contacted Odyssey Advisors who performed the last GASB 75 OPEB report for EDCO in 2017 and work is already underway to complete an updated report. Daniel Schaffner from Fritz DeGuglielmo LCC will be at the November 12th Board Meeting to report on the status of the FY20 audit. TMS is still working with the auditor to close the year, but is expecting FY20 year-end financials to show a loss.

D. FY21 Budget Update: There was a review of the charts and graphs provided by TMS which showed a steady decline in revenue over the past several years. Grant revenues, including the 5-8% indirect costs which offset some administrative costs, have declined as well as enrollment in most programs. Some downward trends can be attributed to COVID, but not all. The losses of the Title I, Title II, and MMEP grants were substantial. It was noted that this is the last year of the HEP grant and the WDC grant, Wrentham Habilitative Services Program. Both will be going to bid in the next few months.

E. FY21 Revenue Report: There was a review of the financials from Infinite Vision, not audited figures. Committee members discussed the financial losses, where they came from, and questioned if the board missed signs along the way. Interim Executive Director, Cyndy Taymore, stated that staff are still digging into financial data to research

findings, but have uncovered enough to have concerns about movement among funds. In the past deficits were not discussed at the board level. Marc Richard shared concerns about payroll and cash flow. Anticipated revenues have not come to fruition. Accounts payable issues are currently in a triage state. Mr. Richard is working with Ms. Taymore to share financial concerns prior to the board meeting. TMS will continue to provide frequent updates to the board.

Ms. Wong asked about the line of credit and where it is being reported. Mr. Richard spoke to the discrepancies of the reported FY19 financials in the report prepared by TMS for the meeting and the FY19 audit. TMS does not want to panic the board, but is trying to be as transparent as possible with the current financial picture of the collaborative.

Ms. Bodie stated that committee members need to get a better understanding of how the collaborative got to this point. How did the projected FY21 surplus turn into a deficit? Mr. Richard reported that current projections do not include anticipated revenues. If revenues continue on a downward path and do not improve, administration will work with Ms. Taymore to cut more expenses.

There was a request to ask district business offices to address outstanding invoices promptly. EDCO moved to quarterly billing for tuitions, but this is not helping cash flow issues. EDCO will move back to monthly billing in the hopes to improve cash flow.

Ms. Charlupski asked if EDCO is allowed to charge interest on outstanding balances. This will be researched. She also asked about the difference between the actual year to date and the projected year to date figures. Mr. Richard explained that these figures do not include expected revenue, only revenue collected to date.

Mr. Richard went on to further explain that EDCO has worked to set aside enough funds for two payroll cycles. With any additional cash available, EDCO addresses outstanding payables but it is becoming difficult to manage. There has been no movement on paying off the line of credit. Ms. Taymore noted that the Business Office is working to compile a list of liabilities to share with the board and encouraged committee members to reach out to her directly if they have questions.

Ms. Taymore also shared with the committee that NuPath, Bedford tenant, has given their notice as they are dealing with their own financial challenges and will be moving out December 31, 2020. This will be an additional loss of revenue for EDCO. There was a question regarding the terms of their lease and it was reported that there was never a formal lease for the sublet of the office space put in place. NuPath indicated that they had their attorney review and advise them prior to giving notice to EDCO.

4. New Business:

- A. Building Lease Options: Ms. Taymore had a meeting with agents from Brickpoint to discuss the current building lease. Earlier in the year EDCO worked with Brickpoint to reduce monthly rent payments during the start of the pandemic. Brickpoint is now stating that EDCO will need to pay back the amount that the rent was reduced. However, Dr. Ekstrom had relayed to Ms. Taymore that she believed that Brickpoint had agreed that no repayment will be required. Discussions are ongoing with Brickpoint regarding this issue.

Proposals from agencies to sublet space at Bedford offices were shared with the committee. Agencies would receive a portion of the rental fee collected based on square

footage. Unfortunately, there are several other properties on Middlesex Turnpike currently available for rent. Administration is not optimistic about the prospects of subleasing.

When discussion arose about going into an Executive Session to talk about options regarding the building lease, it was noted that the agenda for the meeting did not include an Executive Session. Moving forward EFC meeting agendas will include an Executive Session so they can be held if needed.

It was suggested to check with local school districts to see if they needed any additional office and/or classroom space. Ms. Taymore will contact local districts and report back to the board.

- B. Vote to Add Signatory to EDCO Accounts: This will be added to the November 12th board meeting agenda. It was noted that the Business Office is in the process of cancelling the four credit cards EDCO staff currently have and will secure one credit card, held by the Executive Director, moving forward.

5. EDCO Update:

- A. The MMEP grant was awarded to another collaborative, CES located in Western Massachusetts. Many of the MMEP clients are from Western Massachusetts and CES has a more direct link to that area. There are concerns regarding the HEP grant being lost as its renewal is upcoming and many of the referrals to HEP come from MMEP. EDCO did have to pay for MMEP staff vacation payouts.

It was noted that the vacation liability for EDCO staff is steep and that the vacation policy needs to be addressed. Changes proposed by the attorney have begun to be reviewed but nothing has been changed to date this year. The vacation policy needs to be addressed shortly so contracts can include updated language and vacation liability can be reduced.

6. Board Agenda – Thursday November 12, 2020:

- A. A request to move speaker Pia Durkin to a meeting later in the year was made due to the number of issues the board currently needs to address.
- B. Dorsey Yearly and Justin Martin will give an update on the strategic planning process.

A **motion** was made by Ms. Charlupski to adjourn the meeting and seconded by Ms. Wong. The motion **passed unanimously by roll call** and the meeting adjourned at 1:10 p.m.

Respectfully Submitted,
Mary O'Regan, Executive Administrative Assistant
EDCO Collaborative
November 5, 2020