Finance Committee Meeting
September 21, 2021 at 8:00-9:00 AM
Minutes (Approved)

Join Meeting: https://collaborative.zoom.us/j/88616670459
Meeting ID: 886 1667 0459

In Attendance:

Committee Members: Anne McKenzie, Dan Hayes, Rick Martin
CES Attendees: Todd Gazda, Barbara Siegel, Karen Reuter, Sarah Molloy, Rebecca Lincoln

Welcome
The meeting was called to order at 8:04 AM.

FY21 Position Pre-audit
Barbara cautioned the committee that these are unaudited numbers - there will likely be additional adjustments before the audit is completed. Currently there is an overall surplus of $96K. The General Fund had a surplus of $167K before depreciation and a deficit of $82K after depreciation was applied. The Special Revenue Fund had a surplus of $178K, primarily due to receiving all the Facebook funding up front. We are required to report it all as income in the year we receive it even though it will be spent over multiple years.

The Shared Services surplus was $107K after depreciation.

In Birth to Age 22 had a loss of $228K in total. HEC Academy’s deficit of $229K could have been eliminated with 3.5 additional students. Mt Tom’s deficit of $19K is the equivalent of 1.5 additional students. These are not big obstacles to overcome in ordinary circumstances.

Professional Services had an overall surplus of $38K. While PD had a surplus of $151K, Licensure had a deficit of $121. Licensure has been experiencing a deficit for several years and we need to devote time to reviewing how we can remedy that trend.

Dan asked if we’re going to make more of a connection between the Licensure and DYS and SEIS programs. Todd said yes and noted that we will be entering negotiations with the SEIU union tonight so he spoke to the broad goals and challenges of this. He also noted we’re looking to leverage the Licensure program to help teachers in those programs and use PD more internally.

Todd noted he has asked Woody to present about the new DYS contract. Dan asked that Woody’s presentation be concise and easy to understand.
Karen explained that one of the opportunities is this a brand new contract with DYS and then spoke to how we’re trying to support teachers and improve retention through these resources and negotiations, including having the COLA funding built into the contract. Barbara noted that as Interim ED, Karen negotiated for the SEIS contract to include funds for a COLA in each year, eliminating the need to negotiate the COLA each year.

It’s been quite a challenge in prior years to annually have to work with two separate state agencies for one union.

Dan asked to let the Board know if they can advocate and support this moving forward. Todd noted that he committed to our teachers to not be invisible just as a superintendent and principal. He’s going to visit the RISE program in Springfield first as it happens one of his former students when he was a principal is a teacher at one of the programs.

**FY21 Budget @ 6/30/21 Vote**
A reminder that once the audit is complete the board will need to vote to approve the budget as of 6-30-21 for FY21. The vote will take place at the November meeting.

**FY21 Audit Update**
The audit starts Monday, October 4th.

**PPP Loan Forgiveness Application**
Peoples Bank has approved the application and forwarded it onto the federal Small Business Administration (SBA). We know that the SBA has begun their review process because they requested an additional document.

**FY22 Special Education Evaluation Rates Vote**
Sherry Smith, Director of Special Education, realized that the FY22 evaluation rates were not reviewed and adjusted during the budget creation process after the board voted to approve the budget.

The Board had approved the hourly rates for Related Services that were used to calculate the evaluation rates. The evaluation rates are based on the number of hours required for each type of evaluation. The member rate increased 4.76%. The non-member surcharge is 15.45%. The Board packet will include a page showing the four evaluations with the new rates as well as the prior year rates for comparison.

Barbara noted that Related Services had a deficit of only $3K in FY21 which is the smallest loss in about 10 years! She credited the review that was done with the Board and the changes implemented as a result of that review along with the continuous efforts to align the rates to the costs. Dan checked in with the two superintendents. Rick noted he’s fine with that range given the historical trends and the degree in which SpEd services have been increasing overall and what they’ve been dealing with with the circuit breaker. Annie noted that though she is in favor
of those rates, she recalls similar rates from years ago in a previous position and hopes that CES is analyzing other rates so we don’t undersell our services. Rick agreed with Annie’s point.

Barbara appreciated Annie’s concerns and shared that we aim for rates based on our actual costs, an 85% utilization rate and the hope that work calendars will be full. It’s a challenge to compete with Futures.

**FY22 Grants and Contracts Indirect**
The Shared Services budget was based on $2,889,779 of indirect revenue that we felt extremely confident about last June. We had built in a very small unknown amount of indirect, $10,741. While we have brought in an additional $1,155 it did not come from the two departments that were charged with securing new grants/contracts. The increase is a reflection of $105K of adjustments to known grants/contracts and the addition of four small grants totalling $18K.

**Change back to no Financials at September Board Meeting**
Barbara informed the committee that she and Todd discussed and agreed that there is little value in a report on the month of July at the September meeting. Historically we had the first financial report at the November meeting for the period ending 9/30.

She noted that there are indicators of our financial health such as the indirect report and how much work is known from Salesforce that can be shared. Our current book of Professional Development contracts is around $800k which is more than we have in a typical year in total. This is very good news.

Barbara asked the committee if they are in agreement with the decision or if they would prefer to bring the September report back. Dan said he’s fine with it and feels it’s important as CFO for her to express how she feels we’re doing and if she has any concerns. Dan then asked Rick and Annie what they thought. Annie agrees that hearing about whether or not she feels like we’re in a good place and heading in the right direction is perhaps more important than them seeing financial documents more regularly. Rick agreed that hearing how we fared in the past 10 years and how we’re doing is great to hear. Todd added that PD is booking like crazy, he thinks some of that is the ESSER money (Educational Stabilization Funds), that districts are trying to catch up on PD. He added that our SJE work is a big part of it. Not only is that important work because it can really help support our communities but it also generates revenue.

**Other Business**
Barbara mentioned that we are shy one member and was sorry to lose Jennifer Mallette.

The meeting adjourned at 8:35 AM.