Collaborative for Educational Services  
Finance Committee Meeting  
May 17, 2022 at 8:00am-9:00am  
Minutes: FINAL

Attendance:
Committee Members: Dan Hayes, Rick Martin, Denise Storm.  
CES Attendees: Todd Gazda, Judy Houle (TMS), Victoria Lucadello, Karen Reuter, Marc Richard (TMS), Sherry Smith.

Welcome:  
The meeting was called to order and a quorum was confirmed at 8:06am.

FY22 Financials through 4/30/22:  
Judy Houle reviewed the cover memo and discussed the latest financial reporting. There is currently a deficit of $817,529.00 in the combined general and special revenue funds. Much of this is due to invoicing issues, as invoicing has been lagging due to staffing changes and transition in the Business Office. The size of the deficit should be reduced significantly in June as payments come in. The committee asked that the memorandum be adjusted to provide more clarity about lagging invoicing affecting revenue and that CES anticipates payments in the near future. Additionally, Houle reported that the mortgages for 97 Hawley and 228 Pleasant Street have been paid off.

Denise Storm motioned to accept the FY22 budget update as presented. Martin seconded the motion. There was a roll call vote and the motion carried unanimously with none opposed and no abstentions.

FY23 Budget:  
Todd Gazda introduced the FY23 budget for discussion and reviewed the work TMS has been doing in consultation with department heads to develop the proposal. The team used conservative measures and based numbers on FY22 with allowances for some areas where growth is reasonably anticipated. Gazda discussed the new online learning initiative, which will be launched in FY23. CES anticipates that it will operate at a deficit as start up costs are likely to outpace initial earnings. The project is expected to ramp up quickly as programming expands. This can be made available to a wide audience on the internet and will not be limited to local users.

Marc Richard reviewed the FY23 projections. Overall the budget anticipates a $298,512.88 deficit for the year. Key notes from the budget include:

● Shared Services has a positive overall for its suite of services.
● Rates have been established using the same calculation as in the prior year.
- Business Development made some modest adjustments in rates although member rates were kept unchanged.
- Birth to Age 22 programming has some programs in the negative. This programming includes core CES work with students such as Mount Tom and HEC Academy. Robust student recruitment can make a noticeable difference in the potential deficits and there is optimism that with a continuing post-pandemic trend, more enrollment can be expected.
  - Additionally there were adjustments due to meal costs, staffing costs (accommodating health insurance increases), and several other factors.
  - The committee discussed the possible merits of a zero-based budget for these programs which might adjust more readily to the specialized cost increases of providing programming.
- Professional Services has most programs running at net-zero while online learning shows the start-up loss discussed earlier. The department may consider a sliding scale for fees in the future which would offer lower rate options to smaller districts/schools.
- DYS and SEIS are contracts and substantial in size. They are strong performance silos and are budgeted very tightly.

Gazda and Richard reminded the committee that every budget remains flexible during the year. FY22 was originally budgeted with an anticipated deficit of $716,766.00. However this gap was narrowed significantly during the operating year. The FY23 budget anticipates a much smaller deficit and still offers growth areas that could narrow that number in a similar way. The committee discussed areas of possible growth, the future of online learning, and potential pandemic challenges in the coming year.

*Denise Storm motioned to accept the proposed FY23 budget as presented. Martin seconded the motion. There was a roll call vote and the motion carried unanimously with none opposed and no abstentions.*

There being no other business before the committee, the meeting adjourned at 9:16am.