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**BOARD OF DIRECTORS'
MEETING MINUTES**
November 12, 2014

In Attendance:

Judy Evans, Medway
Cathy MacLeod, Hopkinton
Nancy Gustafson, Millis
Jon Evans, South Middlesex Regional Voc. Tech.
Marcia Berkowitz, ACCEPT

James Adams, Ashland
Jeff Marsden, Medfield
Dan Gutekanst, Needham
Anne Wilson, Sudbury

Also in attendance:

William Hurley, ACCEPT
Paul Tzovolos, ACCEPT

Bruce Norling, Norling CPA
Lyndy Johnson, ACCEPT

1) Welcome and Introductions

Dr. Evans welcomed the Board members at 10:10 a.m.

2) Review of Minutes from September meeting

The minutes of the September 17, 2014 Board Meeting were approved on a motion by Dan Gutekanst and seconded by Anne Wilson. Jon Evans abstained.

Dr. Gutekanst requested a formal confirmation from the DESE of Needham's membership status in the Collaborative. Ms. Berkowitz assured him she will seek confirmation of their membership status.

3) Audit Review – Bruce Norling, CPA

Bruce Norling presented the completed ACCEPT Education Collaborative Financial Statements for the Years Ended June 30, 2014 and 2013. Mr. Norling reviewed the Management Letter recommendations making specific reference to his recommendations for the Transportation Department and the role of the Treasurer. Mr. Norling stated that in both instances management has implemented the recommendations and he feels the changes are helping the organization.

Mr. Norling reported ACCEPT had a successful year financially and referred the Board to the Statement of Revenue and Expenses on page 10 of the Report. Total revenue increased substantially in 2014, resulting in a positive bottom line with Total Change in

Net Position of \$80,853 after \$160,000 is returned to member districts. Net Position at year end was \$3,206,678 compared to \$3,125,825 the previous year indicating continued sound financial footing.

The Balance Sheet and Statement of Net Position indicate the Collaborative is in good standing. The Collaborative's Fixed Assets increased by more than \$945,000. Mr. Norling stated that overall the Collaborative showed favorable results in comparison to the budget. Increased activity resulted in higher than budgeted revenues and expenses. Mr. Norling commended Ms. Berkowitz's MD&A report and encouraged the Board to read it. He also thanked the ACCEPT office staff for their help with the audit and noted that Donna Helpin, the Collaborative's long-time bookkeeper, retired this year, thanked her for her support, and noted the importance of her contributions to the Collaborative during the past thirty years. Mr. Norling is pleased with the addition of the new finance team of Bill Hurley and Cathy Ellis and reassured the Board that the Collaborative finances are being managed in a professional manner and are advantageous for the Collaborative.

Dr. Gutekanst asked whether the report includes Needham's participation in the Collaborative this year. Mr. Norling stated that Needham's participation is represented in terms of the billables for the year.

Dr. MacLeod requested clarification on the unbudgeted Technology Initiative listed on page 24 of the report.

Dr. Marsden inquired whether the OPEB liability is now reflected in the budget. Mr. Hurley responded that there is a line item in the budget and that the amount to be set aside was increased at the end of fiscal year 2014 by \$38,000 to respond to the recommendations of the actuarial report from Arthur Anderson.

Dr. Evans requested a motion to approve the ACCEPT Education Collaborative Financial Statements for the Years Ended June 30, 2014 and 2013 with Independent Auditors' Report Thereon. The report was unanimously approved on a motion by Dan Gutenkanst and seconded by Anne Wilson.

4) Financial Update

Bill Hurley reported that a total of \$160,000 in surplus funds must be returned to the districts. Ms. Berkowitz proposed that the funds be returned to districts, in proportion to their total billables, as credits toward special education programs, transportation, and professional development. Mr. Hurley requested Board Members determine how they would like to use the surplus funds and let him know their preference. The Board discussed historical practices and use and agreed with the distribution as presented by Mr. Hurley.

Bill Hurley updated the Board on the business practices. After many years of relying on an offsite bookkeeper the Collaborative now has an accountant in the office full time.

Cathy Ellis, the new on staff accountant, has made significant improvements and is streamlining processes.

5) Transportation Sub-Committee

Bill Hurley summarized the progress the Transportation Sub-Committee has made on the billing process. The Sub-Committee studied different billing practices and has focused on the assessment model used by CASE Collaborative. Mr. Hurley described the highlights of the model that include each district’s share as a snapshot of their ridership usage; September 19th and October 29th were used to illustrate the model.

Key components of the Assessment Model include:

- Each district’s share based on prior year ridership
- Assessment remains constant for year
- Changes in ridership do not impact district
- Realistic budget assumption emphasized
- Assessment provided in time for upcoming budget timeline

FY 16 Budget Assumptions:

- Ridership demands remain constant
- Driver/Monitor Headcount remains at 151
- Fleet updated for 30 replacement vehicles
- Salaries increased 2%
- Price of Gasoline \$3.50 per gallon
- Outside vendor requirements remains constant

Financial Summary

Total FY 16 Budget	\$ 5,755,187
Less Summer Costs	\$ 544,388
Less Monitor Costs	\$ 294,710
Amount Assessed	\$ 4,916,089
FY 15 Estimated Billing	\$ 4,739,134
Increase	3.7%

Assessment by District

<u>TOWN</u>	<u>FY 16 Budget</u>	<u>FY 15 Projected</u>	<u>% Change</u>
ASHLAND	470,629	408,911	15.10%
D/S	117,185	101,397	15.60%
DOVER	175,021	194,841	-10.20%
FRAMINGHAM	2,271,116	2,248,655	1.00%
HOLLISTON	250,246	265,325	-5.70%
HOPKINTON	323,203	274,683	17.70%
KEEFE TECH	13,231	7,000	89.00%

MEDFIELD	231,723	217,288	6.60%
MEDWAY	314,131	343,116	-8.40%
NATICK	588,948	588,485	0.10%
SHERBORN	45,362	40,682	11.50%
NON-MEMBERS	<u>115,295</u>	<u>48,751</u>	<u>136.50%</u>
TOTAL	<u>4,916,089</u>	<u>4,739,134</u>	<u>3.70%</u>

Jon Evans raised a concern about the size of the increase given Keefe's limited use of the service. He requested a discussion on the cost of transporting one student and how we bill for McKinney Vento. After discussion it was decided that a van rate would be applied in such cases. Jim Adams voiced concerns about the model. He inquired about the implications of a large user discontinuing participation. Judy Evans pointed out such an occurrence would result in remaining members paying more for the services. She also noted that there have been some issues around the quality of transportation, billing practices, and satisfaction of parents with the services in some districts and would like to ensure that all districts will be served well by this model. She assured the Board Marcia Berkowitz is working diligently to address issues with service and management.

The Transportation Subcommittee also reviewed the current per pupil per mile billing methodology as well as a van rate for instances when four or more students are transported to the same out of district school. The current model balances the more expensive routes with the less expensive routes. Districts choosing to cherry pick the more expensive routes by seeking other vendors has serious financial implications for all districts.

Anne Wilson asked if ACCEPT has capacity to add districts to the transportation department. Ms. Berkowitz responded that the Collaborative is exploring options to increase capacity and develop relationships with new districts.

Ms. Gustafson discussed the challenges of meeting the day to day operations of a transportation service. She stated since Millis operates its own transportation service she would recuse herself from all future votes on this matter.

Mr. Hurley requested Board members take the information back to their districts for discussion and come back in December with their decisions. The next meeting of the Transportation Sub-Committee is December 1st at 1:30 p.m. at the ACCEPT office.

6) Policy Sub-Committee

The Policy Subcommittee met to discuss the Host School Agreement. As required by DESE regulations, and to ensure a mutual understanding of key issues, ACCEPT has developed a document entitled "Relationship Between Host School District and ACCEPT Education Collaborative." Dr. Evans reported that the Agreement establishes a philosophy and sets a tone to welcome Collaborative classrooms and to integrate them

as much as possible into the school community. The Agreement outlines expectations without placing any additional burden on resources in the district. Mr. Adams requested time to review the materials in district before a vote. Dr. Evans requested any suggestions and recommendations for revisions be given to her before Thanksgiving break to give the Sub-Committee to review them before the December board meeting.

7) Professional Development – Lyndy Johnson

Lyndy Johnson reported on new initiatives in collaboration with other professional development providers as well as the challenging landscape facing professional development this year as more districts embed professional development and are not sending staff to out of district workshops. Ms. Johnson reported ACCEPT has needed to cancel only one workshop and postponed one other offering. Current registration for fall workshops is 496 participants.

Ms. Johnson reported that ACCEPT is looking at different delivery models and identifying cost saving measures, including changes of venues. Ms. Johnson has also scheduled courses for common professional development days and requested that the members take advantage of ACCEPT's offers.

Ms. Johnson is using targeted databases to reach various constituencies to recruit participants and has developed partnerships. Ms. Johnson is also working on expanding ACCEPT's consultation services.

Ms. Johnson reviewed the proposed courses for the winter and spring and requested feedback from the Board. Ms. Gustafson and Dr. Wilson requested a test preparation course for the SEI endorsement.

8) Special Education Programs

Paul Tzovolos reported on the successful start to the school year for the Collaborative programs. Mr. Tzovolos reported receiving 40 referral packets; each program received three to four referrals with the exception of the Academy at Pittaway receiving 14 referrals. In general, the elementary classes are experiencing a spike in need. Nine new students have enrolled since the beginning of the school year. Additionally, one student returned to his home district and another student is in the process transitioning back to his home district. Mr. Tzovolos reported that the Collaborative is eagerly anticipating the renewal of its public day school license.

Mr. Tzovolos stated the Collaborative is projecting the facility needs for next year and requested Board Members review the Facilities Survey in the packet and determine what space will be available in the upcoming year for use by the Collaborative. He requested all surveys be returned by December 15th.

Dr. Evans requested that the Finance Sub-Committee review the classroom rental cost structure as the rate has not changed in three years while other expenses, such as utilities costs, have gone up. She stated it might give districts more incentive to offer

space to the Collaborative. Dr. Evans also requested that data be collected on the amount other collaboratives pay for classroom rental space.

9) Planning

Marcia Berkowitz asked the Board to view the newly designed and updated website (www.accept.org). It features many new resources for educators and families and has a fresh new look.

Dr. Gutekanst thanked Ms. Berkowitz for her monthly updates to the Board between meetings. He found them informative and useful, keeping Members in touch with the activities of the Collaborative.

It was requested that the Board meeting dates be set as early as possible for next year.

Future Agenda Items requested:

- Transportation billing model
- Host member agreement
- Classroom rental fees
- Adding new member districts to the Collaborative

10) Adjournment

Dr. Evans requested a motion to adjourn the meeting. Mr. Adams made the motion to adjourn and Dr. Gutekanst seconded and the meeting ended at 11:35 a.m.

Future Meeting Dates (all meetings begin at 10:00 AM):

December 10, 2014 – Natick Town Hall

January 28, 2015 – Courtyard Marriott, Natick

March 25, 2015 – Natick Town Hall

May 20, 2015 – Courtyard Marriott, Natick