

May 25, 2016 meeting of CHARMS Board of Directors

Present: Paul Zinni, Jen Henderson, Patricia Lally, Maggie Rizzi, Tim Farmer, Andy Paquette, PaulaJo Gaines from DESE, Sarah Catignani legal counsel, and Rosalie O'Connell

Mr. Paquette reviewed status of current FY16 budget. In the absence of policy related to transfer of funds, he will come to the next meeting with a group transfer of funds request to zero out the accounts.

Mr. Paquette addressed the one retiree who would fall outside of OPEB. \$900,000 in surplus account to meet our OPEB liability and/or to address deficits during dissolution. Dr. Lally asked the cost of funding employees' insurance up to the age of 65. Andy responded 1.9 million. If we closed, staff would have the rights to 18 months of COBRA.

1.2 million available or \$900,000 in one fund and \$300,000 in surplus to carry over from the FY16 budget. Andy indicates there is no obligation to the one employee who was to have insurance for life. Legal counsel confirms this to be true. Therefore, we have no liability to this person. The Board asked for confirmation from the Executive Director of this person and his lack of need for insurance.

No obligation to anyone who has retired from us. We have already paid the retirement benefits to MTRB. While it is not a financial obligation, we will be responsible to help current employees transition to COBRA. We would also have to take responsibility for unemployment processing. No cost, but administrative work for one of the districts to assume.

Obligations to current employees involves timely notice, payment to COBRA for up to 18 months. Dr. Lally asked about our obligation to retirees who have not yet reached the age of 65 - what is the cost to CHARMS to cover health insurance until those employees reach the age of 65? Mr. Paquette indicated that amount would be \$152,000+.

What other obligations would we have: one van will be paid off at the end of this year. Rental agreement with the Y only requires a five month notice. The attorney indicates that a year's notice to families is generally enough time to prevent family lawsuits. This liability still exists no matter how much time we provide, but generally one year is sufficient. There would be minimal legal fees.

Mr. Zinni asked: If we voted to dissolve, can we modify the collaborative agreement to adjust the language for distributing assets to all five districts, not just the two districts that have children in the collaborative? Mr. Zinni indicated that it is his understanding that assets are distributed based on student fiscal obligations. Counsel and DESE will work to answer that question.

Ms. Gaines talked about how DESE will react to hear we have a \$900,000 surplus when our latest audit indicated we had a significantly smaller surplus. Ms. Gaines indicated that this would need to be looked at as other collaboratives have the same issues with OPEB liability not being counted as an asset. The Board talked about repeatedly asking basic questions about our liabilities should the collaborative close. Among those questions was the question about the surplus and would we have enough to cover our responsibilities. These questions have been asked since the Fall of 2015, and the Board has recently learned that the available surplus is approximately \$1.2 million.

Discussion ensued about the collaborative and whether or not it will survive. Mr. Zinni indicated that the collaborative is no longer meeting his district's needs and that the closing should have happened two years ago.

Ms. Gaines was asked to explain her memo as it related to available options for the collaborative. Discussion ensued about the prospect of an intermunicipal agreement with other towns, etc. Ms. Catignani indicated that another collaborative could adopt programs.

Motion to accept the financial report as presented by Mr. Paquette: Moved by Ms. Henderson and seconded by Dr. Rizzi. 5-0 vote to approve.

Counsel left at 2:15 PM.

At 2:20 the Chair moved to item 5 on the agenda: Roll Out Discussion

After discussion it was decided to host a parent meeting on June 16 at 6 PM in Canton. Mrs. O'Connell indicated that staff has asked to attend. Board agreed that staff can attend. A letter will be sent to invite parents and districts to the June 16, 2016 meeting. Next Board meeting is June 22 at 9 AM. Mrs. O'Connell asked if the time could be changed so that staff could attend. Board was not able to change the time due to end of the year time constraints.

All superintendents will present to their respective School Committees and vote to request the consideration of dissolution. This will happen during June SC meetings.

Mr. Zinni volunteered to continue to serve as the CHARMS representative to SCRO. Ms. Henderson moved that nomination and Dr. Rizzi seconded. 5-0 vote to approve.

Mr. Zinni asked for a motion to adjourn: Dr. Rizzi moved the motion and Dr. Lally seconded. Vote of 5 to 0 to adjourn at approximately 2:45 PM.

Minutes recorded by Tim Farmer and Rosalie O'Connell