

**MARTHA'S VINEYARD REGIONAL HIGH SCHOOL COMMITTEE**  
**Monday, July 1, 2019, 3:45PM**  
**Martha's Vineyard Regional High School**  
**Library Conference Room**

Present: Chair – Kimberly Kirk, Roxanne Ackerman, Megan Anderson by phone, Amy Houghton, Skipper Manter, Kris O'Brien, Janet Packer\*, Kathryn Shertzer,  
Others: Chris Rogers – CilftonLarsonAllen, Golden,  
Staff: Finance Manager – Mark Friedman, Athletic Director – Mark McCarthy,  
Supt.'s Of: Superintendent - Matt D'Andrea, Asst. Supt. – Richie Smith,  
Business Affairs - Amy Tierney,  
Fin. Com. Oak Bluffs – Maura McGroarty,  
Press: Vineyard Gazette – Holly Pretsky, MV Times – Lucas Thors,  
MVTV – Dusko Stajic,  
Secretary: Marni Lipke \*Late arrivals or early departures (see \* in text)

**Call to Order**

(Agenda Item #I)

The meeting of the Martha's Vineyard Regional High School Committee (MVRHSC) was called to order at 3:51PM. Chair Kimberly Kirk announced for the record that Ms. Megan Anderson was joining the meeting by phone and consequently roll call votes were required.

- (Recorder's Note: *Discussions are summarized and grouped for clarity and brevity*).

**Track – Owner's Project Manager (OPM) Recommendations and Vote**

(Agenda Item #II)

The Facilities Subcommittee interviewed three finalists for Phase One (the track, infield and field house) and recommended Daedalus (accompanied by designer Chris Huntress). Daedalus had recently been acquired by another company however there was some assurance that Mr. Joe Sullivan or Mr. Richard Marks would be overseeing the project on a daily basis. There were objections to hiring the same people who did the feasibility study.

• *MR. SKIPPER MANTER MOVED TO INSTRUCT PROCUREMENT OFFICER AMY TIERNEY TO HIRE DAEDALUS/CHA AS OWNERS PROJECT MANAGER FOR THE MARTHA'S VINEYARD REGIONAL HIGH SCHOOL ATHLETIC FIELDS PROJECT PHASE ONE: MS. KRIS O'BRIEN SECONDED; MOTION PASSED: 6 AYES, 1 NAY, 0 ABSTENTIONS: MS. JANET PACKER—AYE, MS. O'BRIEN—AYE, MR. ROXANNE ACKERMAN—NAY, MS. MEGAN ANDERSON—AYE, MS. KATHRYN SHERTZER—AYE, MR. MANTER—AYE, MS. KIRK—AYE.*

• Ms. Packer left the meeting at 3:56PM at which point quorum was lost.

**Martha's Vineyard Community Services (MVCS) Lease - Tabled (Agenda Item #III)**

**Auditors Report**

(See documents on file & 5/7/18 Minutes)

(Agenda Item #IV)

Mr. Chris Rogers of reviewed the Terms of Engagement and audit components of the June 30, 2018 report:

- whether MVRHS financial statements were in accordance with Generally Accepted Accounting Principles (GAAP);

**MARTHA'S VINEYARD REGIONAL HIGH SCHOOL COMMITTEE**  
**July 1, 2019**

2

- opinion on federal award program expenditures and compliance;
- report on internal financial controls;
- management letter based on the Audit.
- Government Accounting Standards Board (GASB) 75 was now in-force and consequently the full Other Post Employee Benefit (OPEB) liability was reported on the books.
- The Financial Statements received an Unmodified Opinion (the best) and there were no findings on internal controls.
- The net accrual position was negative \$23,100,000 due to long-term liabilities (pension and OPEB), which after capital investments and restricted funds showed an unrestricted balance of negative \$35,600,000.
- The General Fund balance of \$1,500,000 after assignments and encumbrances had an unassigned total of \$1,100,000 (with Excess & Deficiency (E & D) at \$1,023,000.
- The net OPEB liability was \$32,300,000 as of the 2016 actuarial study which was mandated to be repeated for the 2019 audit. The MVRHS had \$1,600,000 in the Dukes County OPEB Pooled Trust at a discount rate of 3.99%. The actuarial study used a large number of variables to calculate the liability so the reported totals were fairly vulnerable to fluctuations. For example a 1% increase in the discount rate would substantially reduce a liability while a 1% discount rate reduction could significantly increase it. Other substantial impacts could be: universal health care/Medicare for all and/or contract negotiations on employee contributions.
- The net pension liability was \$2,600,000 and the same principles applied: a 2019 actuarial study and discount rate variables.
- The major federal awards program in regards to Special Education received a qualified opinion with a material weakness and significant deficiencies in internal controls. The Uniform Guidance Report (major federal grants) on the Special Education cluster was consistent with other years.
  - Three of four procurement tests although not inappropriate, did not follow guidelines. Business Administrator Amy Tierney reported the Martha's Vineyard Public Schools (MPVS) recently learned that Federal bid continuum thresholds were lower than those of Massachusetts.
  - The Department of Elementary and Secondary Education (DESE) required reports within 60 days of grant closure and one such report was beyond deadline.
  - Two out of 60 tested individuals were not eligible for the Student Information Management Systems (SIMS) report.
- Three previous management letter comments were resolved and this year, there were three:
  - Information Technology (IT) (repeat) - was tested in a high level process, some of the previous year's items were resolved with expectation for further progress. However there were continued issues with: external penetration testing, old operating systems, password management, peripheral devices, vendor management policy, and laptop encryption.
  - School Cafeteria deficit (repeat) - was a long-standing item with a \$36,000 2018 deficit, despite a subsidy because fees were not structured to support the program. Mr. Rogers recommended continued monitoring to prevent uncontrolled growth—he understood there would be substantial changes next year (see 10/22/18 Minutes p.3 #IV).

**MARTHA'S VINEYARD REGIONAL HIGH SCHOOL COMMITTEE**  
**July 1, 2019**

**3**

- Use/procedure for E & D (new) - DESE issued a directive requiring Town approvals for all E & D appropriations. The MVRHS had already instituted this new procedure (see 3/4/19 Minutes p.5-6 #C-D). Mr. Rogers emphasized that the MVPS were not unique since other districts also practiced School Committee approval only. The Auditors recommended a reserve line item funded by E & D rollover, be implemented in the annual operating budget to avoid the burdensome and untimely process of Town approval for extraordinary or unforeseen expenses. This sparked a heated debate regarding:
  - returning E & D to the Towns each year and funding the reserve lines from fresh funds;
  - resulting cash flow problems re: unfunded July warrants before town assessment payment timelines;
  - reserve fund residuals reverting to E & D;
  - calculating reserve fund levels—other districts 2-5% depending on age of facilities, etc.The matter would be a future item on Budget Subcommittee and/or MVRHSC agendas.

**Topics Not Reasonably Anticipated by the Chair - None** (Agenda Item #V)

**Adjournment**

(Agenda Item #VI)

The meeting ended at 4:25PM.

**Appendix A - Meetings**

- **MVRHSC - 5:00PM, Monday, August 5, 2019 - Location TBD** (Handbook)
- **Transportation Subcommittee – 1:00PM, 3rd Tuesdays - MVRHS LCR**
- **Facilities Subcommittee – 10:30AM, Tuesdays, - MVRHS LCR**
- **Budget Subcommittee – 8:00 AM – Thursdays**
  - August 22, 2019
  - September 19, 2019
  - October 10, 2019
  - November 7, 2019
  - December 5, 2019
  - September 5, 2019
  - October 24, 2019
  - November 21, 2019
- **Regional Subcommittee – 9:15AM, Thursdays:**
  - August 22, 2019
  - October 24, 2019
  - September 19, 2019
  - November 21, 2019
- **Building Committee – TBD**
- **MVRHSC Budget Hearing – Monday, November 25, 2019 - PAC**
- **MVRHSC Budget Certification– Monday, December 2, 2019 - PAC**

**Appendix B - Agreed Upon Tasks**

- Administration – schedule Land Use Sub-Committee meeting re: MVCS lease.

**Appendix C - Documents on File:**

- Agenda 7/1/19
- Sign In Sheet 7/1/19

**continued >**

**MARTHA'S VINEYARD REGIONAL HIGH SCHOOL COMMITTEE**  
**July 1, 2019**

**Appendix C - Documents on File (cont.):**

- CliftonLarsonAllen LLP letter re: Martha's Vineyard Regional High School 2018 Audit (4 p.) 3/28/19
- Martha's Vineyard Regional High School District 2018 School Committee Exit Conference July 1, 2018 (14 p.)
- Martha's Vineyard Regional High School District GAO and Uniform Guidance Reports for the Year Ended June 30, 2018 (14 p. + covers) 3/28/19
- Martha's Vineyard Regional High School District Independent Auditor's Report on Basic Financial Statements and Required Supplementary Information, June 30, 2018, (54 p., + covers & blanks) 3/28/19
- Martha's Vineyard Regional High School District Management Letter June 30, 2018, (8 p., + covers & blanks) 3/28/19

Respectfully submitted,

\_\_\_\_\_  
Marni Lipke – Recorder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kimberly Kirk – MVRHSC Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Matt D'Andrea – MVRHSD Superintendent

\_\_\_\_\_  
Date

**Minutes approved 7/1/19**