Call to Order: Dr. Morrison called the meeting to order at 8:03 and read the following statement: "Open Meeting of the NEC Board of Directors is being conducted remotely consistent with Governor Baker’s Executive Order of March 12, 2020, and the provisions extended by Chapter 20 of the Acts of 2021 signed by Governor Baker on June 16, 2021, due to the outbreak of the COVID-19 virus. The Meeting is being recorded. Members of the Public who would like access can join the Zoom Meeting. The matters listed below are those reasonably anticipated by the Chairperson that may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law." Dr. Morrison asked that Kathy Mahoney conduct a roll call to record attendance as well as to vote on the Consent Agenda. Roll call was done with 13 members present.
II. Official Welcome to New Board Members: Ms. Rosenberg welcomed our new NEC AFT Union President Mr. Jake Zeigler, Ms. Kathryn Cannie, Senior Manager PARS Trust Program and new board member Dr. Thomas Milaschewski (Reading).

III. Approval of Consent Agenda
MOTION: A motion was made by Dr. Morrison and seconded by Dr. Dana to accept the consent agenda. Roll call was done with 14 members present to approve the consent agenda including May 2021 BOD Minutes, September 2021 Appointments and June/July/August warrants as presented.
VOTE: The motion was moved unanimously

IV. Finance Report: Glenn Bergevin, Kevin Mahoney, Brian Forget

- Presentation on PARS (Public Agency Retirement Service) Mr. Bergevin stated that we currently do not have an OPEB trust. Our board last spring approved the idea of going forward and looking at options for creating a trust in order to protect assets for future obligations. In August, Mr. Bergevin invited Ms. Cannie, Senior Manager of PARS, to give a presentation which was attended by Mr. Bergevin, Mr. Mahoney, Mr. Forget, and Ms. Rosenberg. We were impressed with their proposal, and several trusted colleagues from other Collaboratives or member districts recommended the PARS group. Mr. Forget and Finance committee members were in agreement that Ms. Cannie should do a condensed version of the presentation to the full board. Slides from Ms. Cannie’s presentation are attached.

Board Discussion: Mr. Forget stated his strong support for moving forward with establishing a trust. Dr. Morrison stated that he was in agreement that establishing the trust makes sense. Mr. Forget reiterated that this is a very restricted fund. Dr. Harvey asked about our OPEB liability. Annual liability is approximately $65,000 per year. Long term liability is just under 20 million. Mr. Forget reiterated that the votes today will simply establish the fund and decisions about putting money into the fund will come at a later date. NEC will continue to pay annual obligations out of operating funds at this time. In the future, surplus revenue can be put into the trust and in the future, the board could vote to utilize the fund to cover annual obligations. Ms. Cannie pointed out that having an OPEB trust gets you a discount in rate in terms of your actuarial obligation. She stated that the Board can change the funding amount each year and that there is no minimum obligation. In addition, she pointed out that a properly established OPEB trust exists beyond the existence of the entity. This would protect NEC from the type of problem recently experienced when another Collaborative dissolved, and it was not immediately clear who would be responsible for OPEB obligations. Furthermore, Ms. Cannie clarified that state law allows for the treasurer to be the custodian trustee.

Ms. Rosenberg stated that she saw no down side to proceeding. She reviewed the ways in which having the fund will provide protection for NEC and for employees. She reviewed the process, beginning with the three votes to be taken today.

Vote 1:
Motion: A motion was made by Dr. Dana and seconded by Dr. Blake that NEC accept MA General Laws c 32B, Section 20 and establish an Other Post-Employment Benefits Liability Trust Fund (OPEB Fund), effective September 15, 2021. Roll call was done with 14 members present.
VOTE: The motion was moved unanimously

Vote 2:
Motion: A motion was made by Dr. Blake and seconded by Dr. Dana to establish that the Custodian-Trustee of the OPEB Fund established under MGL Chapter 32B, Section 20 be
authorized to invest monies in the OPEB Fund pursuant to the Prudent Investor Rule established in MGL c 203c. Roll call was done with 14 members present

**VOTE:** The motion was moved unanimously

**Vote 3:**
Board reviewed a draft agreement that would establish the relationship between NEC and PARS.

Mr. Forget made a motion to amend the language on document to clarify that the NEC Treasurer, his/her successor or board designee would be NEC’s plan administrator for the OPEB Fund.

**Motion:** A motion was made by Dr. Dana and seconded by Mr. Lummis to authorize the adoption of the public agencies post-retirement health care plan and trust, with the modification stated above. Full modified agreement is attached.

Roll call was done with 14 members present

**VOTE:** The motion was moved unanimously

**Treasurer’s Report** - Mr. Mahoney reviewed the June and July 2021 Treasurer’s Reports (attached) Cash position was strong for end of year. Mr. Mahoney reviewed the impact of the insurance claim. He reviewed that ESY reflects a positive net change in revenue for the summer which gives a little cushion to begin school year. There were no questions.

**Motion:** A motion was made by Dr. Dana and seconded by Dr. Daly to accept the Treasurer’s report as presented on September 15, 2021. Roll call was done with 14 members present

**VOTE:** The motion was moved unanimously

**Report on FY21 Budget to Date/ ESY Results** - Mr. Bergevin reviewed the ESY programs noting they were better than budgeted by $55,000 on a revenue and payroll basis. There was a wide range of variances among the programs. There were no questions on the ESY program or financials to date. Ms. Rosenberg stated that NEC may receive some direct ESSERS money thanks to advocacy from MOEC.

**Update on Line of Credit** - Mr. Bergevin provided an update on the line of credit that was set up with PUB. There was no cost to this and it was finalized in August. Good to have as a cushion in case anything negative happens.

**Update on new HR and Finance Software** - We have purchased new software that will upgrade our HR and Finance systems at NEC. The company is Tyler Technologies and the software package is called Infinite Visions. Goal is to begin using system in January 2022.

**V. Capital Project/ Facilities Committee** – At the Finance Committee meeting, there was a discussion of the need for the Facilities committee to meet. Confirmed that Dr. Harvey was willing to chair committee and confirmed membership. Ms. Rosenberg stated that the committee should meet to talk about capital planning. Specifically, there is a need to move forward with replacing the HVAC system at 112 Sohier. Mr. Forget recommended that we should have a separate discussion on the capital plan. He stated that we should honor the process of capital planning and identify the needs, and then the finance committee should join and discuss what is actually feasible.

Ms. Rosenberg stated that the Personnel Committee will also need a new chairperson, and that this person, ideally would represent the board during collective bargaining this spring. Ms. Beaudoin inquired as to whether negotiations would be held remotely or in person, stating that she would consider chairing and would follow up with Ms. Rosenberg
VI. Executive Director’s Report — Ms. Rosenberg gave an abbreviated report. Full report to be included with minutes

VII. New and Continuing Business

Vaccine Mandate Discussion— Ms. Rosenberg asked for guidance regarding the topic of Vaccine Mandates. She stated that her own thinking had evolved on this issue, and that although 92% of employees were reporting that they were vaccinated, she felt an obligation to do everything possible to protect medically fragile students. She stated that several parents had been strongly advocating for assurance that all staff working with their children be vaccinated. She also stated that several employees had articulated their opposition to a mandate.

Board Members (Mr. Liebow, Ms. Angelakis, Dr. Bartholomew, Ms. Beaudoin) described what was happening in their districts. Several member districts already have a mandate in place, others are in the process of discussing at the school committee level, and some are waiting to see what happens on the state level and/or whether the Biden mandate applies to schools.

There was some discussion about the complexity of the issue. Several Board members articulated the point that we serve their highest risk kids, including those medically fragile students for whom contracting COVID could be fatal, and that they felt a responsibility to protect the most vulnerable.

Ms. Angelakis advocated for a vote to move forward so that Ms., Rosenberg would have the full board support to proceed and implement a mandate, knowing that a state or federal mandate could preempt whatever we decide.

Mr. Forget asked about process. Dr. Charochak articulated concern about staffing shortages. Ms. Rosenberg stated that she would want to do this in a way that would minimize loss of staff.

Motion: A motion was made by Mr. Liebow and seconded by Ms. Angelakis to authorize the Executive Director to proceed with implementing a vaccine mandate for employees with the understanding that it would be drafted in collaboration with counsel and with the union, that it would give people several months to comply, and that it would include language around religious or medical exemptions. Roll call was done with 12 members present

VOTE: The motion was moved unanimously

ED Evaluation— Dr. Morrison will have an update for next month’s meeting.

VIII. Adjournment

Motion: A motion was made to adjourn the meeting by Dr. Dana and seconded by Mr. Liebow at 9:25 a.m. Roll call was done with 14 members present

VOTE: The motion was moved unanimously

Kathy Mahoney, Administrative Assistant to Executive Director

Francine Rosenberg, NEC Executive Director
<table>
<thead>
<tr>
<th>Vanguard</th>
<th>US Bank</th>
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</thead>
<tbody>
<tr>
<td><strong>Management</strong></td>
<td><strong>Custody</strong></td>
</tr>
<tr>
<td>Assets Under Management</td>
<td>Assets Under Custody</td>
</tr>
<tr>
<td>$7.2T</td>
<td>$9.0T</td>
</tr>
<tr>
<td>46</td>
<td>15B</td>
</tr>
<tr>
<td>Years of Experience</td>
<td>Years of Experience</td>
</tr>
<tr>
<td>1975-2021</td>
<td>1863-2021</td>
</tr>
<tr>
<td>Fees decrease as assets across Vanguard strategies grow.</td>
<td>Safeguards plan assets as custodian.</td>
</tr>
<tr>
<td>Offer index-based mutual funds with low expense ratios.</td>
<td>Manage of plan investments with active/passive options.</td>
</tr>
<tr>
<td>Independent low-cost investment advisor.</td>
<td>Provide ongoing advisory and co-ordination services.</td>
</tr>
<tr>
<td>One of the world's most respected investment management companies.</td>
<td>Largest trustees for Section 15 trusts.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Trustee &amp; Investment Manager Option</th>
<th>Trustee &amp; Investment Manager Option</th>
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<tbody>
<tr>
<td><strong>Plan Participants</strong></td>
<td><strong>Public Agency</strong></td>
</tr>
<tr>
<td>500+</td>
<td>1,000+</td>
</tr>
<tr>
<td><strong>Public Agency</strong></td>
<td><strong>Plan Administrators</strong></td>
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<tr>
<td>2,000+</td>
<td>37</td>
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<tr>
<td><strong>Plan Administrators</strong></td>
<td><strong>Years of Experience</strong></td>
</tr>
<tr>
<td>1994-2021</td>
<td>1983-2021</td>
</tr>
<tr>
<td>Handles Recordkeeping &amp; Reporting.</td>
<td>Develops &amp; manages documents.</td>
</tr>
<tr>
<td>Monitors State &amp; Federal compliance.</td>
<td>Coordinates all Agency services.</td>
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</table>

**Trust Administrator & Consultant**

**Pars 15 Trust Team**
SUMMARY

Section 15 Trust
- Notice for assets to be transferred to like No termination fees, simply require 90 days
- Local control maintained by Consortium both at any time
- Trust can be used to fund pension, OPED, or customized options available

Fully Flexible Trust Structure

Low-Cost Investment Services

$5B in assets
- As of September 2021, 430+ clients with over programs since 2004
- Pioneer and innovator of Section 15 Trust
- Section 15 trusts, Vanguard and U.S. Bank
- Fully day protection from industry leaders in commercial bank in the nation
- Strong trustee - U.S. Bank - 5th largest

Highly Experienced Trust Team

Annual audit & GASB Reporting Support
- Hands-on personalized service
- Consolidated program management with
- ongoing compliance monitoring
- Significantly reduced, legally vetted documents

All-in-one Service Provider
The following details the monthly program fees based on an initial contribution amount, calculations are based on a one-time contribution and do not consider investment earnings or losses.

**VanGuard Approach Hypothetical Program Cost**

<table>
<thead>
<tr>
<th>Total Monthly Fees</th>
<th>Initial Contribution Amount</th>
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<tbody>
<tr>
<td>$270</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>0.050% U.S. Bank Directed Trustee Annual Fees</td>
<td></td>
</tr>
<tr>
<td>0.024% VanGuard Investment Management Annual Fees</td>
<td></td>
</tr>
<tr>
<td>0.250% PARS Trust Administration/Administration Blended Annual Fees</td>
<td></td>
</tr>
</tbody>
</table>

- U.S. Bank Directed Trustee Annual Fees are based on total assets in the investment pool
- VanGuard blended fees are based on total assets across all investment pools
- Initial Contribution Amount and do not consider investment earnings or losses
### Vanguard Investment Management Fees

Vanguard investment management fees are based on the total assets of all participants in the Joint Trusteed Trustees. PARs does not receive any compensation from the investments of any commissions, back-end loads, or any other forms of compensation.

**Ongoing Fees:**

<table>
<thead>
<tr>
<th>For Assets Over</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>$50 Million</td>
<td>0.03%</td>
</tr>
<tr>
<td>$25-50 Million</td>
<td>0.04%</td>
</tr>
<tr>
<td>$0-25 Million</td>
<td>0.05%</td>
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</tbody>
</table>

**Directed Trustee Fees:**

For Vanguard Investment Management Services, the current total blended fee is 0.024%.

**Investment Management Fees:**

<table>
<thead>
<tr>
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<th>%</th>
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<td>$50 Million</td>
<td>0.10%</td>
</tr>
<tr>
<td>$25-50 Million</td>
<td>0.15%</td>
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<tr>
<td>$0-25 Million</td>
<td>0.20%</td>
</tr>
<tr>
<td>$0-10 Million</td>
<td>0.25%</td>
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</tbody>
</table>

**Plan Set-Up Fee:**

None

**Trust Administration/Consulting Fees:**

Please note that pension and OPEB assets will be combined for fee calculation purposes.

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**Vanguard Program Fees**
Low Expense Ratios

Selected for their low expense ratios, index-based, mutual funds strategies are comprised of

Economies-of-Scale

115 Trust Programs

VanGuard's Capital Markets

Expected Returns from

Model (VCMm) as of June 30, 2021

Conservative

Fixed Income

Custom-Designed

Investment Options

Growth

Balanced

Fixed Income

Income

Conservative
The PARS Section 15 OPEB Trust offers comprehensive trust services:

- Management with Program
- Consolidated Program
- Distribution Processing
- Contributions
- Support Reporting
- Annual Audit & GASB
- Management
- Fiduciary Investment
- Consulting
- Program Liaison
- Hands-on Support
- Investment Options
- Flexible, Low-Cost
- Compliance Monitoring
- Federal & State
- Trust Documents
- Ready-to-Go Compliant
- Trustee Services
- Trust Administration
- Consulting

One-Stop Shop Services
PARS offers a unique full-service approach in Massachusetts trust compliance monitoring. Ready trust plan documents and management services, signature includes, trustee and investment management in Massachusetts as a trust is fully compliant with Massachusetts trust law.

The PARS Section 1.5 Trust is fully compliant with GASB requirements for trust structure. IRS-approved trust structure with favorable private letter ruling (2015).

Section 1.5 Trust whereby investment earnings are tax-exempt.

Trust structure benefits include:

- As of September 2021: $5 billion in assets and over 430 trust clients.
- Growing in the nation.
- Developed in 2004.

PROGRAM INTRODUCTION
Kensie@pars.org
(617) 549-6555
Senior Manager
Kathryn Cannie
Executive Director’s Report

September 2021

Welcome and Thank You

As we begin another year still in the throes of a global pandemic, I have been extremely grateful for the support of this Board. All things considered, NEC is in a strong position, and I am proud of the work we have done together. I would like to welcome Tom Milaschewski (Reading) and Eric Tracy (Hamilton-Wenham) to our Board.

ESY and Start of School

Despite variable enrollment patterns, our ESY program was both programmatically and financially successful. We had a little bit of difficulty filling positions, and we had some families “opt out” of in-person instruction due to COVID concerns, but the majority of students participated in summer programming that looked very similar to pre-pandemic.

I have been incredibly proud of the creativity and stamina of the Leadership Team and their commitment to move forward despite the stress of the last year. The new Northshore Academy Upper School Principal, David Mercier is off to an excellent start and is already proving to be a valuable addition to our team!

Like most of you, we are experiencing some staffing challenges.

In terms of COVID response, things have been relatively smooth in terms of collaboration with the union and compliance with mask wearing. We had two employees who tested positive during the first week of school, and one pregnant employee who was critically ill during the summer vacation, but is now recovering. We are working with districts around some individual cases where parents of medically fragile students are struggling to return them to school. We will be participating in Test and Stay and have been working to prepare for implementation. 92% of our employees voluntarily reported that they are vaccinated.

Strategic Goals

I am in the process of working with my Leadership Team to update our Strategic Goals which I will bring to the Board for approval. I am organizing our goals in three major categories. For this year, I will break my regular reports into these same categories.

Goal 1: Continue to Strengthen Quality of Programs and Services

I am pleased to report that our DEI workgroup and Curriculum workgroup were active in late spring and over the summer, giving teacher-leaders an opportunity to help me shape our goals and our plan for orientation and PD. Our October PD day will focus on Curriculum and Pedagogy and our November PD will focus on Diversity, Equity, and Inclusion.

In order to drive this work, I spent time with the Principals this summer reviewing how we can "reinvigorate" our use of the Educator Evaluation process to move forward in these areas. All Principals have a shared goal to use the educator evaluation process more consistently and effectively to reinforce
district and school goals for student learning and professional practice. All employees are developing shared team goals related to cultural proficiency/diversity/inclusion and instruction/ pedagogy. And, the Leadership Team will be engaging in ongoing professional development around issues of Race and Diversity.

**Goal 2: Maintain Financial and Leadership Stability for Long-Range Sustainability; Strengthen Supporting Infrastructure**

As discussed, we are on track to bring our budget back into balance, but this will require ongoing oversight and close management of enrollment and payroll. I want to be in a strong position to set money aside for capital needs and for entering into contract negotiations this spring.

The establishment of an OPEB Trust, and the implementation of the new HR/Finance Technology will be important goals in this area.

In addition, given the planned retirements over the next two years of several senior team members, I am working on making sure that we have strong structures and systems in place in each of our programs, and are not overly reliant on the “institutional knowledge” and relationships of individuals.

**Goal 3: Expand capacity to meet regional needs and advocacy for students with special educational, mental health, and substance use needs.**

I am pleased to report that we have hired another clinician for the Connections wraparound program due to increased demand. I am proud of the fact that we have been able to help member districts meet the needs of some very vulnerable students and families through this program, as well as through consultation and training. Windi Bowditch continues to be the point person for this work and has done an outstanding job.

We continue to work in collaboration with the YMCA and JRI to run the PASS program, and we have received grant money from DPH to provide afterschool recovery supports to our own students, as well as to provide a small number of students from member districts with extended out-patient stabilization services if they are not demonstrating readiness for return to school after discharge from substance use treatment. Details are being worked on and will be shared at a future meeting. Michelle Lipinski is the lead on these initiatives.

Additionally, we continue to run several job-alike groups for special education team chairs and school psychologists. In my role on the MOEC Board, I am at the table for a variety of discussions at the state level related to mental health needs, positive behavioral supports, reduction of restraint and time-out, etc.

I look forward to or work together this year!