

WACHUSETT REGIONAL SCHOOL DISTRICT

HOLDEN ♦ PAXTON ♦ PRINCETON ♦ RUTLAND ♦ STERLING

Minutes

Special Meeting #261 Thursday, May 12, 2005  
7:00 PM

Curriculum Center  
District Central Office

*Committee Members Present:*

John Nunnari, Chair	Alice Livdahl
Cynthia Ahearn	Mary Catherine Maher
Cynthia Bazinet	Kelly Maxwell
Elizabeth Brennan	Phillip Mighdoll
Charles Capparelli	Judith Newton
Robert Carter	Norman Plourde
David Gibbs	Kathleen Sweeney
Mark James	Margaret Watson
John Kane	

*Committee Members Absent:*

Cheryl Rauh	Michael Sherman
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*Administration Present:*

Alfred D. Tutela, Ph.D., Superintendent of Schools  
Paul K. Soojian, Deputy Superintendent and Director of Operations  
Steven Penka, Director of Administrative Services  
Susan H. Sullivan, Executive Assistant to the Superintendent

*Others present, who desired to be recorded as present (see attached Attendance Sheet – attachment 1)*

I. Call to Order

Chair John Nunnari called the meeting to order and welcomed newly elected Members Cynthia Ahearn from Paxton, Judith Newton from Holden, and Kathleen Sweeney from Princeton.

## II. Discussion of Issues Concerning District Operations

Chair Nunnari advised those in attendance that there would be no public session at the meeting, as the meeting was scheduled to discuss the Inspector General's Report among School Committee Members. Any member of the public who wishes to address the School Committee on the issue of the Inspector General's Report was invited to attend the May 25, 2005 regular School Committee meeting.

Chair Nunnari read a statement from former Chair Duncan Leith, which clarified when the former Chair received the Inspector General's Report (attachment 2). Chair Nunnari then read a prepared statement regarding the duties and responsibilities of School Committee Members (attachment 3).

Chair Nunnari asked the Superintendent to respond to the Inspector General's Report. The Superintendent read, and then distributed, his preliminary response to the Inspector General's report to the School Committee (attachment 4).

Following the Superintendent's comments, Chair John Nunnari introduced District Counsel Leo McCabe and District Counsel for Personnel Matters Naomi Stonberg. Attorney McCabe reviewed with the Committee the background on the investigation by the Inspector General. The District was first contacted in May 2004 by the Inspector General's office. Director of Administrative Services Steven Penka collected the data requested and forwarded the multiple volumes of data to the Inspector General. In December 2004 representatives from the Inspector General's office met with Attorney McCabe, Director Penka, Director of Operations Paul Soojian, and Chair Duncan Leith. The Superintendent was on medical leave at the time of the visit. The representatives from the Inspector General's office requested further documentation, which was provided by Director Penka. Attorney McCabe asked what the next step would be in the process. Mr. Cohen of the Inspector General's office reported that if there were any findings, a draft of the report would be shared with the District for review and clarification before a final report was released.

The first that Attorney McCabe saw the report was in fax form late in the day on Wednesday, May 4, 2005. Attorney McCabe met with Chair Duncan Leith and the Superintendent on Thursday, May 5, 2005, when copies of the faxed report were distributed to School Committee Members. The District did not receive an official copy of the Inspector

General's Report until Friday, May 6, 2005. Attorney McCabe, when informed that copies of the report were being distributed at a public meeting in Holden on Thursday, May 5, 2005, telephoned Mr. Cohen at the Inspector General's office. He was notified that a copy of the report had been hand-delivered to town officials by the Inspector General's office. Attorney McCabe advised the Committee that a report addressed to the School Committee should have been received by the School Committee prior to the release to the public.

Attorney McCabe expressed concern that the report contains inaccuracies. The cover letter alone raised more questions than were answered. As an attorney, Mr. McCabe deals with facts and laws. The report is filled with such words as "may", "could", "questionable". These words create doubt in the minds of the public when indeed there were no specific findings of fraud and no specific findings of violation of law. If findings of fraud or violation of laws were found, it would have been the obligation of the Inspector General to inform the Attorney General, which was not done.

Attorney McCabe reported that the report cited lack of documentation but did not address the documentation provided. The School Committee has sixty days to respond to the Inspector General's Report. Attorney McCabe is focusing on the issues of law. Attorney McCabe advised the Committee that one of the recommendations contained in the report, suggesting that the School Committee approve all administrative contracts, is contrary to the provisions of Massachusetts General Laws, Chapter 71, Sections 42 and 59B.

Attorney McCabe advised the School Committee to consider an independent audit and reminded the Committee that there was no evidence of misappropriation or embezzlement contained in the report.

For the record, Attorney McCabe will be reviewing the report in detail and preparing an opinion for the School Committee on the factual defects and errors in the report.

Chair John Nunnari asked Attorney Naomi Stonberg to review with the Committee her interpretation of the Inspector General's Report with regard to personnel. Attorney Stonberg read from a prepared Memorandum (attachment 5). She stated that, "Under Education Reform, the School Committee serves as the Board of Directors and the Superintendent serves as the Chief Executive Officer and Educational Advisor." Attorney Stonberg noted that following the passage of the

Education Reform Act of 1993, the Department of Education, in its Advisory on School Governance, set the responsibility of the School Committee, “The School Committee has oversight and responsibility for the school system, sets the direction in which the system must go, and establishes criteria to determine if its goals and policies are being met... The Superintendent is the educational leader for the school system and provides administrative leadership for all school staff in operational matters and in proposing and implementing policy changes. Day-to-day operation of the school system is the responsibility of the superintendent, together with school principals and other administrative staff members.”

Attorney Stonberg continued with suggestions for policy development for the School Committee when negotiating with a new superintendent. She suggested that the School Committee establish policy and salary ranges for administrative employees, as well as delineating benefits. Attorney Stonberg included with her memorandum a copy of Massachusetts General Laws, Chapter 149, Section 148, which provides for the payment for unused vacation days.

Chair John Nunnari opened the discussion to School Committee Members.

Motion: That a committee of six be appointed to evaluate and recommend appropriate action relative to the following:

1. the alleged unauthorized expenditure of up to \$139,000 by the school department administration
2. the lack of adequate policies and controls as defined in the Inspector General’s Report

Additionally, the Committee will contact our current auditors to inquire why they did not uncover the deficiencies and alleged irregularities cited in the Inspector General’s Report.

The Chairman of this Committee is hereby authorized to retain an independent outside counsel to investigate and advise along with an independent outside accountant or accounting firm to conduct the recommended Forensic Audit.

This Committee will issue a preliminary report at our next scheduled meeting on May 25, 2005 and advise us of the date of their final report which shall not be beyond June 15, 2005.

The Committee will be authorized to spend up to \$8,000 which preliminary estimates will be adequate.

The composition of the committee will be as follows:

Attorney Alice Livdahl, Chairman, Paxton  
Dr. Sweeney, Princeton  
John Nunnari, Rutland  
Kelly Maxwell, Holden  
Elizabeth Brennan, Rutland  
Charlie Capparelli, Sterling

(R. Carter)

(A. Livdahl)

Friendly amendment was offered by Member John Kane and accepted by Members Robert Carter and Alice Livdahl to change "Forensic Audit" to "Fraud Risk Assessment", as contained in the recommendations provided in the Inspector General's Report.

The Superintendent requested the makers of the motion to identify the alleged irregularities in the Inspector General's Report. There was consensus that the Inspector General's Report contained no allegations of irregularities. A friendly amendment was accepted by Members Robert Carter and Alice Livdahl to change "alleged irregularities" to "issues".

A copy of Member Carter's motion was distributed to the School Committee (attachment 6).

Following further discussion, the Superintendent offered the following language for the motion, to clarify the concerns expressed by Committee Members:

Motion: That the appropriate subcommittees evaluate and recommend appropriate action relative to the following:

1. the alleged unauthorized expenditure of up to \$139,000 by the school department administration
2. the lack of adequate policies and controls as defined in the Inspector General's Report

Additionally, the Committee will contact our current auditors to inquire why they did not uncover the deficiencies and issues cited in the Inspector General's report.

The Chairman of this Committee is hereby authorized to retain an independent outside counsel to investigate and advise along with an independent outside accountant or accounting firm to conduct the recommended Fraud Risk Assessment.

The subcommittees will issue preliminary reports at our next scheduled meeting on May 25, 2005 and advise us of the date of their final reports which shall not be beyond June 15, 2005.

The Committee will be authorized to spend up to \$8,000 from Excess & Deficiency funds, which according to preliminary estimates will be adequate.

Motion: To move the question

(M. James)

(R. Carter)

Roll call vote:

In favor:

John Nunnari  
Cynthia Ahearn  
Cynthia Bazinet  
Elizabeth Brennan  
Charles Capparelli  
Robert Carter  
David Gibbs  
Mark James  
John Kane  
Alice Livdahl  
Mary Catherine Maher  
Kelly Maxwell  
Phillip Mighdoll  
Judith Newton  
Norman Plourde  
Kathleen Sweeney  
Margaret Watson

Opposed:

None

(Motion passed unanimously)

Roll call vote on the main motion, which reads: That the appropriate subcommittees evaluate and recommend appropriate action relative to the following:

1. the alleged unauthorized expenditure of up to \$139,000 by the school department administration
2. the lack of adequate policies and controls as defined in the Inspector General's Report

Additionally, the Committee will contact our current auditors to inquire why they did not uncover the deficiencies and issues cited in the Inspector General's Report.

The Chairman of this Committee is hereby authorized to retain an independent outside counsel to investigate and advise along with an independent outside accountant or accounting firm to conduct the recommended Fraud Risk Assessment.

The subcommittees will issue preliminary reports at our next scheduled meeting on May 25, 2005 and advise us of the date of their final reports which shall not be beyond June 15, 2005.

The Committee will be authorized to spend up to \$8,000 from Excess & Deficiency funds, which according to preliminary estimates will be adequate.

In favor:

John Nunnari  
Cynthia Ahearn  
Cynthia Bazinet  
Elizabeth Brennan  
Charles Capparelli  
Robert Carter  
David Gibbs  
Mark James  
John Kane  
Alice Livdahl  
Mary Catherine Maher  
Kelly Maxwell  
Phillip Mighdoll

Judith Newton  
Norman Plourde  
Kathleen Sweeney

Opposed:  
Margaret Watson

(Motion passed 16-1)

III. Adjournment

Motion: To adjourn

(R. Carter)  
(J. Kane)

Vote:

In favor:

John Nunnari  
Cynthia Ahearn  
Cynthia Bazinet  
Elizabeth Brennan  
Charles Capparelli  
Robert Carter  
David Gibbs  
Mark James  
John Kane  
Alice Livdahl  
Mary Catherine Maher  
Kelly Maxwell  
Phillip Mighdoll  
Judith Newton  
Norman Plourde  
Kathleen Sweeney  
Margaret Watson

Opposed:  
None

(Motion passed unanimously)

The meeting was adjourned at 9:05 PM.

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Respectfully submitted,

Alfred D. Tutela, Ph.D.  
Superintendent of Schools

ADT:ss/School Committee/Minutes