

Rochester Board of Education

Finance Committee Meeting

April 20, 2017

Attendance: Commissioner Cruz (Chair); Commissioner Powell, Commissioner Adams, Commissioner Hallmark and Vice President Elliot.

Parent Representative: Giancarlo Giannini

District Staff: Superintendent Barbara Deane-Williams, Chief Financial Officer; Everton Sewell, Budget Director; Rodney Asses, Chief of Operations Mike Schmidt

Board Staff: Kallia Wade, Shanai Lee

Commissioner Cruz convened the meeting at 5:35PM.

I. Question/Answer Session

Commissioner Cruz convened the meeting, as a meeting of the whole in order to facilitate an updated 2017-18 Budget Presentation by the administration. Superintendent Deane-Williams started the conversation by delineating what was prioritized in the amended 2017-18 Budget. This included prioritization of spending, redeployment of central office positions, special focus on provision of reading, special education and math teachers, counselors and social service personnel, a review of AP/IB courses, and finding efficiencies in economies. She further noted that the amendments made most recently balanced the budget.

Commissioner Adams requested that paper copies of the amended budget be provided, so that the group could follow along during the presentation. CFO Sewell and Superintendent Deane-Williams responded by advising that the admin team was working assiduously to put these together, and that detailed documents would be provided later that night.

Commissioner Cruz, requested that the meeting be realigned to follow the order of the agenda, and that the Budget presentation and questions would follow after the finance report.

II. Review Minutes of March 20, 2017 Finance Committee Meeting

Motion by Commissioner Cruz to approve the minutes of the March 20, 2017 Finance Committee meeting. Seconded by Commissioners Hallmark and Elliott. **Adopted 5-0 with concurrence of Parent Representative.**

III. RJSCB-FMP Phase II Presentation: RSMP

RJSMP presented to the board regarding the FMP. They advised that there are currently four schools in switch space

Commissioner Elliott asked the presenting team what the status of the diversity involved in the project. I.e. how many people of color? The RJSCB team responded noting that there are two pieces involved to addressing this—workforce goals, and participation goals. Additionally, only the Monroe project is mobilized at this point to assess the NWSMDBS targets.

Action Item: RJSMP to provide additional data to the Board to answer the aforementioned question

Commissioner Adams asked the RJSMP team what was in place to help minority vendors to navigate the barriers to business opportunities with the district. An answer was provided, highlighting the fact that there is an instructional series for local, small, and/or minority business, so that they are able to get exposure and have their questions answered. Additionally, provisions have been provided for certain shared challenges i.e. insurance, so that small businesses are given consideration.

Commissioner Hallmark requested that the bidding process be explained and also asked how RJSMP assured quality, especially if the lowest bidder is awarded. Response provided advised an RFP is issued and the lowest qualified bidder is considered. Most notably, there is a list of 14-15 criteria factors applied to ensure businesses are compliant. Additionally a lot more oversight has been applied to the procurement process.

Action Item: RJSMP to provide additional data to the Board detailing the bidding process and the criteria listing.

IV. Review and Discuss March 2017 Financial Report

Chief Financial Officer Sewell began the discussion on the March 2017 Financial Report by indicating that this month was relatively light. A budget amendment was made last month, and the General Fund Revenue has decreased from \$711Mil to \$699Mil. Two things that accounted for this change were the \$7M from the Community School Aid allocations that haven't yet been released from the State—this was not supposed to be listed under General Funds, but rather as Grant Fund. As such, the finance team had to shift the allocation accordingly. CFO Sewell noted that the team is currently working with the Big 5 re the timing of when this \$7Mil will be released, but have been assured that it will be happening before the end of the year—governor holding this up, not NYSED. Commissioner Elliott asked if there was a reason for this, and CFO Sewell responded stating that the reasons are unclear at this time, as the budget office would not say. Additionally, when the monies are released, the expenditures incurred will be offset at that time. The \$5Mil in transportation aid amendment was made last month as well.

CFO Sewell also mentioned that there has been a slight increase in Grant Funding as grant monies are finally rolling in. This number went up to \$131Mil—a slight increase over the budget amendment.

Cash balance report is showing a difference of \$11Mil, as a result of outstanding vendor checks.

Action Items:

Motion by Commissioner Cruz to accept and advance the March 2017 Financial Report with amendments. Seconded by Commissioners Elliott and Hallmark. **Adopted 5-0, with concurrence of Parent Representative.**

IV. Amended Budget Presentation

Chief Financial Officer Sewell began the discussion by noting the revenue source changes. Increases in Governor's Foundation Aid, and Charter School Transitional Aid and decreases in Special Services Aid, Transportation Aid, Comp. Hardware and Textbook Aid (from what was projected in first budget draft). \$5Mil in fund balance to be used, making total revenue \$883Mil.

Expenditures were reevaluated for efficiencies and show a decrease in teacher, admin and substitute teacher FTE salary. CFO Sewell that these are not filled positions and that no personnel were assigned to the positions affected. FTEs in reserve are removed as they are not needed. Vacant positions for subs have been redeployed based on usage analysis
Commissioner Adams asked how vacant positions are eliminated. CFO Sewell responded by noting that the shifting reflects a confidence in the administration's ability to fund vacant positions and that they are hoping to minimize the amount of resolutions sent for board approval.

Question posed by Commissioner Adams re the transportation costs. CFO Sewell noted that \$1.3mil was originally assigned for purchase of 10 new buses, that the district is instead able to lease 43 new buses for \$943K. This will not affect our lease aid and results in a decrease of \$420K for equipment for buses costs. Commissioner Elliott questioned bus safety, asking whether the buses we are utilizing are in working order. Chief of Operations Mike Schmidt responded noting that buses are usually kept for 10 years and are never unsafe for students to ride as there are several screenings and tests that are applied before they are deemed suitable for being on the road.

CFO Sewell and Chief of Operations Schmidt also commented re efficiencies found with utilities, with a proposed reduction in in-school appliances. Chief of Operations Schmidt noted that the unions have been understanding re plans to track usage so that there will be a capitalization on market rate for utility costs. Total expenditures shown to decrease and allowing for a balanced budget without negatively impacting school services.

Commissioner Adams left the meeting at 6:20PM

V. Review Quarterly Change Order Report for January – March 2017

Motion by Commissioner Cruz to accept and approve the Quarterly Change Order Report for January-March 2017. Seconded by Commissioners Elliott and Powell.
Adopted 4-0, with concurrence of Parent Representative.

VI. Review and Approve Proposed Resolutions for April 27, 2017 Board Business Meeting

A. EDUCATIONAL FACILITIES

Final Payments:

- 1. Genesee Building Restoration, Inc. – final payment for general construction work for renovations to School Without Walls Commencement Academy – Resolution No. 2016-17: 681**
- 2. Eastcoast Electric, LLC. – final payment for Electrical work for renovations to School No. 43 – Resolution No. 2016-17: 682**

Contracts:

- 1. Genesee Building Restoration, Inc. – general construction work; Leo J. Roth Corporation – mechanical work; Crosby-Brownlie, Inc. – mechanical work; Lloyd Mechanical Co. LLC – plumbing work; Hewitt-Young Electric, LLC – electrical work: contracts for renovation of School No. 8 – Resolution No. 2016-17: 683**
- 2. Steve General Contractor, Inc. – general construction work; Pipitone Enterprises, LLC. – mechanical work; Michael A. Ferraulo Plumbing & Heating, Inc. – plumbing work; Concord Electric Corporation – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of School No. 9 – Resolution No. 2016-17: 684**
- 3. UDN, Inc. – general construction work; Pipitone Enterprises, LLC – HVAC work; Michael A. Ferraulo Plumbing & Heating, Inc. – plumbing work; Concord Electric Corporation – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of School No. 42 – Resolution No. 2016-17: 685**
- 4. UDN, Inc. – general construction work; Hewitt-Young Electric, LLC – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of School No. 46 – Resolution No. 2016-17: 686**
- 5. Genesee Building Restoration, Inc. – general construction work; Pipitone Enterprises, LLC – mechanical work; Unified Mechanical Contractors, Inc. – plumbing work; Concord Electric Corporation – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of School No. 52 – Resolution No. 2016-17: 687**
- 6. Genesee Building Restoration, Inc. – general construction work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of School No. 58 – Resolution No. 2016-17: 688**
- 7. Steve General Contractors, Inc. – general construction work; Lloyd Mechanical Co., LLC – HVAC work; Lloyd Mechanical Co., LLC – plumbing work; North Coast Electrical Solutions, LLC/Eastcoast Electric, LLC – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of Jefferson Educational Campus– Resolution No. 2016-17: 689**
- 8. Steve General Contractors, Inc. – general construction work; Leo J. Roth Corporation – mechanical work; Michael A. Ferraulo**

Plumbing & Heating, Inc. – plumbing work; North Coast Electrical Solutions, LLC/Eastcoast Electric, LLC – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of Marshall Educational Campus– Resolution No. 2016-17: 690

9. Genesee Building Restoration, Inc. – general construction work; Crosby-Brownlie, Inc. – mechanical work; Unified Mechanical Contractors, Inc. – plumbing work; North Coast Electrical Solutions, LLC/Eastcoast Electric, LLC – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of Early Childhood Center– Resolution No. 2016-17: 691

10. Concord Electric Corporation – electric work: contracts for renovation of District Security Phase VII– Resolution No. 2016-17: 692

Motion by Commissioner Cruz to address and approve Facilities final payments and contract resolutions as a group. Seconded by Commissioners Hallmark and Elliott and Evans. **Adopted 4-0, with concurrence of Parent Representative.**

B. OTHER

1. District Fund Balance Policy 6500 & provisions of Statement No. 54 of the Governmental Accounting Standards Board (GASB)–: Resolution No. 2016-17: 680

Resolution No. 2016-17: 680 pulled by CFO Sewell for further clarity. The resolution will not be forwarded for board approval

Meeting adjourned for executive session at approximately 6:40PM