

Rochester Board of Education

Finance Committee Meeting

February 9, 2017

Attendance: Commissioner Cruz (Chair); Commissioner Powell and White.

Parent Representative: Giancarlo Giannini (arrived 5:42PM)

District Staff: Chief Financial Officer; Everton Sewell, Budget Director; Rodney Asses, General Counsel; Mike Schmidt, Chief of Operations. Barry Smith

Board Staff: Shanai Lee; Kallia Wade

Commissioner Cruz convened the meeting at 5:34 PM.

I. Question/Answer Session

Commissioner Cruz started the meeting reflecting on any possible substantive news from Albany. CFO Sewell responded noting that as of now there is no real news. He indicated that the finance team would be travelling to Albany next week for lobby day. Commissioner Powell noted that she too would be attending on Monday to represent the New York State School Board Association (NYSBA). She questioned whether there was anything else she should be advocating for besides the NYSBA agenda and advised persons to submit to her a summary/cheat sheet. CFO Sewell noted that the Superintendent's testimony for the Education Budget Hearing would be on 2/14. He also indicated that one of the things they'd be looking into closely, was to see if the charter school tuition freeze would be reversed. That would cost the district about \$2500 per student, a hefty sum for the district to consider. Both Commissioners discussed that the governor may not be currently pushing to make any changes to the charter freeze, especially given the political atmosphere. However, CFO Sewell indicated that this is something the district needs to think about given the potential costs. Commissioner Evans noted that the committee would be looking forward to upcoming feedback from this trip.

II. Review Minutes of January 19, 2017 Finance Committee Meeting

Motion by Commissioner Evans to approve the minutes of the January 19, 2017 Finance Committee meeting. Seconded by Commissioner Powell. **Adopted 2-0**

III. Review and Discuss January 2017 Financial Report

Parent Representative Giancarlo Giannini arrived at 5:42 PM

Chief Financial Officer Sewell began the discussion on the January 2017 Financial Report by indicating that the report we have has been consistent. Furthermore, we are still seeing our grants start to climb. We have received about \$11.6 M in new grants since the budget was adopted and there's been a small increase in our general fund. Rodney Asse introduced and welcomed as the new budget director—he will be taking a more active role in preparing future financial reports, thereby relieving CFO Sewell.

In reviewing the reports, CFO Sewell noted that Barb Smith is helping to analyze RCSD's state aid by looking at the output reports line by line to see why the numbers are represented the way they are for this year. While there are anomalies, there is no immediate need to submit an amendment, because the fiancé team is exploring ways to garner efficiencies within the current amount. They plan on submitting a proposal to the superintendent with some action items to be taken following their analysis.

Mr. Sewell advised that the Big 5 is currently talking about the Community School Aide (essentially for priority schools)—\$75M that the state has not yet released, because the commissioner needs to produce an expenditure plan and provide it to the budget department. Once this has been released, the budget department will have access to the guidelines on how the Big 5 can spend the funding. Mr. Sewell further noted that if the money is spent, we don't know whether it will be covered under the grant based on the dates stipulated. When the team goes to Albany they will be asking for a reprieve to have an early release of the funds, because it seems that RCSD is one of the few districts to have started implementing. We want to ensure that the funds released will be for the current year, and not for 2017-18.

As was noted last meeting and included in the packet, CFO Sewell made mention of the small cash flow deficit the district was experiencing. The district worked with the city, and was advanced a small loan, with interest charged of about \$81.36. The cash flow plan was shared with the city, so that they could anticipate when the district was going to meet the agreement and avoid doing a RAN.

Question posed by Commissioner Powell as to whether we have spoken to the city about the timing of their installments. She questioned if our next installment was provided early, whether it would avoid a RAN. CFO Sewell confirmed that if this were so, that the city would advance it to us by the end of the year. Commissioner Powell inquired why the schedule of release was set up the way it is—she suggested raising this issue in the 3 on 3s for a permanent change in the calendar, especially since it may not help us with our cash flow. She indicated that she would raise this question when she goes to Albany because if the calendar were more favorable, it might eliminate the need for last minute borrowing. She requested that CFO Sewell let her know whether it was something she should advocate for on the district's behalf, especially if it would mean that circumstances would be better for the district in the long run.

Mr. Sewell pointed next to the Second Quarter Student Activity Report included in the packet. Commissioner Cruz questioned whether there was any follow up to the accountability issue (as it pertains to the student funds) that was brought up in the last meeting. In answer to this, the finance department has brought on an RIT intern, who is using his coop experience to look at the student activity fund, the schools and their policies in order to address the issues raised. We are to hear more about this report in future meetings.

Action Items:

Motion by Commissioner Powell to accept and advance the January 2017 Financial Report and the Student Activity Fund. Seconded by Commissioner Evans. **Adopted 2-0, with concurrence of Parent Representative.**

IV. Discussion of Proposed 2017-18 Budget Calendar

Chief Financial Officer Sewell began the discussion by indicating that the plan is to conduct the first presentation to the board on March 14th—the presentation of the overall plan for 2017-18. Following this, the superintendent will do her presentation and the chief of schools will be available during the budget deliberations to have discussion and respond to the board’s questions. There is still contemplation whether the chiefs will do a presentation to the board as well.

Commissioner Cruz offered a reminder that in the past the superintendent has given a 20 minute overview of the budget on a PowerPoint and there were no questions. However, CFO Sewell noted that this time there will be a more robust presentation with more specific information on the budget. He also noted that there would be an allowance for the board to ask questions. In addition, the superintendent wants to ensure that that as information gets transmitted in the deliberations, she’s hearing and is involved in crafting the responses from the chiefs. This is so that she can have input present a good final budget when it is sent for approval to the board on May 11.

Commissioner Cruz questioned whether the superintendent was expecting feedback from the board at the presentation on the 14th, and CFO Sewell clarified this as a no—she would expect feedback over the course of time, up to May 11th.

Parent Representative Mr. Giannini submitted a follow up question regarding the first deliberation session on 3/21/17. He noted that typically, the board submits questions before the deliberation sessions, but since that 3/14 would be a presentation, it seemed that the first due date for submission of questions would be past that date. He indicated that the deadlines for questions are key dates for the board, as they entail a lot of work and input of perspective from others. Board Staff, Shanai Lee noted that a calendar, with the dates indicated for when questions should be submitted, would be forthcoming. However, Mrs. Lee clarified that questions following the deliberation on 3/21 would be due by the 1st public Hearing—3/16 (2 days after the presentation) in order to get responses to the board by the 20th. Mister Giannini noted that the turnaround time was much too short. Mrs. Lee asked for recommendations and advised that these dates could be changed to accommodate more time for question submission.

Commissioner Evans noted that it was best to accept the Budget Calendar as is, and then seek to work in the timeline for questions. Commissioner Powell noted one objection to this, as it pertained to the starting times- she pointed to the Finance Committee meeting on 3/16. Mrs. Lee clarified that the meeting would take place at 5:30pm as scheduled, and the public hearing would commence at 6:00pm.

CFO Sewell and Board Staff Lee to meet once more to go over the question submission schedule.

CFO Sewell concluded the discussion on the Budget Calendar by highlighting the important dates of 3/14, 4/27, 5/11, 6/14 and 6/20

Action Items:

Motion by Commissioner Evans to accept the Budget Calendar as presented, with the intent to clarify the dates at a later time. Seconded by Commissioner Powell. **Adopted 2-0, with concurrence of Parent Representative.**

V. Review and Approve Proposed Resolutions for February 16, 2017 Board Business Meeting

A. BUDGET

1. Classes for Students with Disabilities, Tutoring Rates, and ESOL Students in Public School- Resolution No. 2016-17: 548

Commissioner Cruz clarified that the tuition rate noted is what we charge for students who are non-residential, and are being schooled in RCSD. He questioned whether we were faithfully charging these fees as a district, and CFO Sewell clarified that this was so. Commissioner Powell noted that these rates do not refer to the concerns being raised re an aforementioned SOTA discussion, as these tuition fees are for Special Ed, ESOL and international students. CFO Sewell noted that we are trying to get ahead of the foreign exchange because of the difficulty experienced when attempting to charge students after they've left the country. Commissioner Powell advised that the best way to address this issue, was to connect with personnel in schools who now when the students are coming to ensure tuition is collected. Board Staff Shanai Lee posed the question, "how do we bill international students?" CFO Sewell responded stating that placement receives the information re incoming students, then we calculate the cost and generate the bill and provide it to the family or sponsoring host family. At this point the family decides if they can afford the cost. However, sometimes it is challenging to find out the placement beforehand. CFO Sewell noted that the fiancé team is getting much closer to remedying this issue after having identified the challenges earlier on.

Motion by Commissioner Powell to approve Resolution 548. Seconded by Commissioner Evans. **Adopted 2-0, with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

1. Regional Distributors, Inc. for the purchase of School Lunch Paper and Plastic Supplies – Resolution No. 2016-17: 553

Motion by Commissioner Evans to address all above Procurement resolutions as a group. Seconded by Commissioner Powell. **Adopted 4-0, with concurrence of Parent Representative.**

C. EDUCATIONAL FACILITIES

1. Massa Construction, Inc. – final payment for general construction work for renovations to Jefferson Educational Campus – Resolution No. 2016-17: 554

2. Steve General Contractor, Inc. – final payment for general construction work for renovations to Edison Campus – Resolution No. 2016-17: 555

3. Shred-It USA, LLC – contract to provide certified secure document shredding, including locked collection totes, for each facility and department throughout the district – Resolution No. 2016-17: 556

Concern raised by Commissioner Powell regarding the fact that Resolution 556 (Shred-It)—suggesting that it should not be listed as an “Educational Facilities” resolution and instead should be listed under “Other”. In answer, the committee was advised by Mr. Smith, who had confirmed with Jerry Rose that the “Shred-it” contract made it into the resolutions packet in error. He advised that this contract leveraged on a piggy-back one-year contract, was for \$9000, and that it would not make sense to have it serve a 3-year contract. He advised that it should be pulled from the packet for next week’s board meeting. Commissioner Powell also highlighted that there were only small change orders in the documentation.

Motion by Commissioner Powell to accept C1 and C2 Facilities final payment resolutions as a group. C3 to be dropped and withdrawn. Seconded by Commissioner Evans. **Adopted 2-0, with concurrence of Parent Representative.**

Further Business: Parent Representative Giancarlo Giannini raised a follow up query from last month’s meeting re questions about the Superintendent’s 100 day comments on equity funding. Board Staff Shanai Lee noted that she did receive an email response from the Superintendent’s office. The response came from the 100-day plans document submitted. The superintendent highlighted that we can ensure equity by adhering to a theory of action and prioritizing equity (as stated in the 100 day plan doc). Ms. Lee noted the superintendent uses the National School Board Association definition of equity and that the response pertained not so much re money, but re opportunities and resources. This formal response was forwarded via email to Mr. Gianini. Mr. Gianini responded noting that much of this would more likely be addressed in the upcoming budget. He advised that he would look further into this at that time, as the parents in the district do not want to have high performing schools lose funding to other schools—that there be a balance.

Meeting adjourned at 6:10PM.