

**Rochester Board of Education**  
**Finance Committee Meeting**  
**September 20, 2016**

**Attendance:** Commissioner Cruz (Chair); Commissioners Evans, White (arrived at 5:38PM), and Powell (arrived at 5:43PM).

Parent Representative: Giancarlo Giannini

District Staff: Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Mike Schmidt, Chief of School Operations.

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 5:34PM.

**I. Review Minutes of August 18, 2016 Finance Committee Meeting**

**Motion** by Commissioner Evans to approve the minutes of the August 18, 2016 Finance Committee meeting. **Adopted 2-0, with concurrence of Parent Representative.**

**II. Review and Discuss 2015-16 Year-End Financial Report and August 2016 Financial Report**

Lauren Poehlman noted that she has already provided an overview of the financial issues that the District is facing at this point. She reported that although the District's finances are on target, she remains concerned about revenue streams and support for many initiatives. Ms. Poehlman stated that all of the items that have been requested so far can be covered.

Ms. Poehlman referred to two sets of Financial Reports: 1) 2015-16 Year-End; and 2) 2016-17 to date. She announced that no major adjustments are anticipated to the 2015-16 Year-End Report, and the District ended the year with a positive balance. She added that she was hoping for a larger surplus, but this did not materialize.

Ms. Poehlman discussed the new formatting for the financial reports, noting that information has been provided for each fund (i.e. General Fund, Grant Fund, and Food Services Fund). The new report contains a summary of each fund in terms of revenues and expenditures, with additional detail after each fund's budget summary.

Ms. Poehlman noted that the Grant Fund section of the report reflects revenue and expenditures for each of the grants received by the District. She clarified that the adopted budget only reflects the grants that had been awarded to the District at that time, and the Financial Report will provide information as grants are received throughout the year. Ms. Poehlman stated that the new format of the Financial Report provides greater clarity in identifying the source of grant revenues and expenditures, and greater ability to assess the fiscal impact when a grant is being terminated. She pointed out that this format facilitates monitoring of grants, particularly as compared with the previous report by object code. Ms. Poehlman offered to provide additional detail regarding the Grant Fund, if warranted.

Ms. Poehlman discussed the efficiency of utilizing the newly formatted Financial Report, since it can be obtained directly off of the system – rather than having to download, manipulate, and produce a separate document. She stated that the new report will also make it easier to manage the budget process.

Ms. Poehlman indicated that a number of issues have arisen with respect to receivership funding. She stated that she had a meeting earlier today with leaders at East High School, with whom she will review and discuss the school’s financial status and plans for the future.

Commissioner Cruz inquired about the definition of “pre-encumbrance”. Ms. Poehlman explained that “pre-encumbered” items have been requisitioned, but have not yet been approved. After approval has been obtained and an order has been placed, the funds are considered “encumbered”. After payment has been made, the funds are considered expended. She stated that some of the District’s larger anticipated expenses (e.g. tuition and utility payments) will be “pre-encumbered” to improve control of expenditures. Everton Sewell pointed out that funds are withdrawn from the balance at the time they become “pre-encumbered” to prevent over-spending.

**Motion** by Commissioner Evans to approve the 2015-16 Year-End Financial Report. **Adopted 2-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Evans to approve the August 2016 Financial Report. **Adopted 2-0, with concurrence of Parent Representative.**

### **III. Review Resolutions in Preparation for September 22, 2016 Board Business Meeting**

#### **A. PROCUREMENT & SUPPLY**

- 1. D&W Diesel, Inc.; Decarolis Heavy Duty Parts; Fleet Pride; IEH Auto Parts, LLC (dba “Auto Plus”); Hoselton Chevrolet, Inc.; MB Auto Electric Distributors, Inc.; Matthews Buses, Inc.; New York Bus Sales, LLC; NuWay Auto Parts; Penn Detroit Diesel Allison, LLC (dba “Penn Commercial Vehicle Solutions”); Regional International Corp. – contract extension to purchase auto, truck, and bus parts to maintain and repair the District’s fleet vehicles – Resolution No. 2016-17: 211**

**Motion** by Commissioner Evans to approve above resolution to purchase auto, truck, and bus parts to maintain the District’s fleet vehicles. **Adopted 2-0, with concurrence of Parent Representative.**

#### **B. FACILITIES**

##### **Final Payments:**

- 1. Kaplan-Schmidt Electric, Inc. – final payment for electrical work in renovating School No. 4 – Resolution No. 2016-17: 212**

2. **Lozier Environmental Consulting, Inc. – final payment for air monitoring work in renovating the Jefferson Educational Campus – Resolution No. 2016-17: 213**
3. **Heaster Building Restoration, Inc. – final payment for general construction work in renovating Charlotte High School – Resolution No. 2016-17: 214**
4. **Testa Construction, Inc. – final payment for general construction work in renovating Wilson Commencement Academy – Resolution No. 2016-17: 215**

**Motion** by Commissioner Evans to address above Facilities final payment resolutions as a group. **Adopted 2-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Evans to approve above Facilities final payment resolutions. **Adopted 2-0, with concurrence of Parent Representative.**

**Contracts:**

5. **P.D.H. Contractors, Inc. – contract extension for curtain and stage drapery cleaning – Resolution No. 2016-17: 216**
6. **Kircher Construction, Inc. – contract extension for demountable partition work – Resolution No. 2016-17: 217**
7. **Connors-Haas, Inc. – contract extension for electrical work – Resolution No. 2016-17: 218**
8. **Ralph Friedland & Bros., Inc. – contract for shades/blinds repair – Resolution No. 2016-17: 219**
9. **Kuitems Construction, Inc. – contract for general carpentry – Resolution No. 2016-17: 220**
10. **Power Team Maintenance Company, Inc. (dba “All Seasons Window Cleaning Company”); Northcoast Window Cleaning, LLC – contract for window washing – Resolution No. 2016-17: 221**

**Motion** by Commissioner Evans to address all above Facilities contract resolutions as a group. **Adopted 2-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Evans to approve all above Facilities contract resolutions. **Adopted 2-0, with concurrence of Parent Representative.**

**IV. New Business**

Ms. Poehlman discussed plans and preparations for the upcoming 2017-18 budget process, include conducting forums to obtain public comment. She requested input from the members of the Finance Committee regarding plans for the public forums and for the budget process.

Commissioner Cruz suggested considering holding a public forum in each zone.

Commissioner Evans recommended that the public forums provide information and education about the discretionary portion of the District's budget. He noted that there are many unfunded mandates and funding with specific conditions attached, and it is important for community members to understand that there is actually only a small portion of the budget available to be used for purposes designated by District leadership (i.e. discretionary funding).

Commissioner Cruz requested that further discussion of plans for public forums regarding the District's budget be included in the agenda for the October 20, 2016 Finance Committee meeting. He also suggested that the District's Bilingual Council and Parent Advisory Council be contacted to provide input into the budget process.

Meeting adjourned at 5:47PM.