

Rochester Board of Education

Finance Committee Meeting

April 21, 2016

Attendance: Commissioner Cruz (Chair); Commissioners Adams (arrived 5:51PM), Powell, Hallmark (arrived 5:37PM), and Evans (arrived 5:43PM).

Parent Representative: Giancarlo Giannini.

District Staff: Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Mike Schmidt, Chief of School Operations; Superintendent Cimusz; and Annmarie Lehner, Director of Information Management & Technology.

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 5:37PM.

I. Review of Minutes of March 17, 2016 Finance Committee Meeting

Motion by Commissioner Powell to approve the minutes of the March 17, 2016 Finance Committee meeting. **Adopted 2-0, with concurrence of Parent Representative.**

II. Presentation of Preliminary Smart Schools Investment Plan

Annmarie Lehner explained that the *preliminary* plan is being presented this evening to comply with State requirements regarding the use of Smart Schools Bond funds. She stated that opportunities will be provided for public comment on the preliminary plan, and modifications can be made accordingly. Ms. Lehner announced that a presentation will be given in the April 28th Board Business meeting, which will also serve as a public forum. She reported that the District received over \$47M in Smart Schools Bond funds, which will be used for technology to enhance instruction. Ms. Lehner reviewed the NYS requirements governing the use of these funds:

- Submit a three-year plan to the State for approval: RCSD submitted the plan in the fall of 2015, which has been approved.
- Approval by the NYS Facilities Department for each item under the plan that affects District facilities (e.g. wiring, construction)
- Conduct a public forum regarding the proposed preliminary plan and obtain approval by the Board of Education. The presentation in the April 28th Board Business meeting will constitute the public forum for the preliminary plan.
- Post the RCSD Smart Schools Investment Plan publicly and invite public comment. The preliminary plan will be posted on the RCSD website and the public will be able to submit comments.

Ms. Lehner stated that the plan is to present the final RCSD Smart Schools Investment Plan to the Board in June for approval, which would then be submitted to the State.

Ms. Lehner presented the highlights of the Preliminary Smart Schools Investment Plan:

- School connectivity: expand WiFi in school buildings to support increased use of electronic devices in schools (\$6M).
- Provide community broadband service (\$6M): Ms. Lehner explained that the \$6M is for the required local match toward the New NY Broadband Technology Program.
- Additional classroom technology: tablets and laptops to be used in the classroom and issued to students (\$23.7M)
- Allocate \$500K to non-public schools for purchase of equipment: the regulations governing the Smart Schools Bond funds require school districts to provide a minimum of \$250 per student for students who attend non-public schools.
- Remove 7 transportable classrooms and incorporate these classrooms into schools that will be renovated in Phase II of the Facilities Modernization program (\$8.5M)
- Enhance security school buildings by replacing all existing analog cameras (750) and installing an additional 150 cameras (\$2.5M)

Ms. Lehner reported that one of the goals of this plan is to expand WiFi coverage in 22 school buildings, which will enable laptops and other mobile devices to access the Internet anywhere in the District. She noted that increasing the number of devices used in classrooms and assigned to students will lead to a need to increase the density of WiFi services. Ms. Lehner also pointed out that the wireless network can be used for computer-based testing of large numbers of students at the same time. Aside from the WiFi expansion in 22 schools, 42 schools also need additional network upgrades.

Ms. Lehner explained that community broadband service will initially support students' access to the Internet at home, libraries, and community centers. She stated that the District is pursuing funding under the NYS Broadband Grant to expand WiFi coverage to the entire City of Rochester.

In terms of the use of technology in the classroom, Ms. Lehner discussed plans to provide Chromebooks and iPads based on grade level. She explained that these mobile devices will be available in elementary classrooms, with an increasing number of devices provided with each grade level. By 3rd grade, there will be one device available for every student in the classroom. At the 4-6 grade levels, carts with 25 devices will be provided in each classroom. Classrooms of 7th and 8th grade students will have carts with 28 devices available. Ms. Lehner stated that every student in grades 9-12 will be issued a device, but will not be able to take it home until the school has had one year of experience with the program. She explained that the intent is to allow time and opportunity for teachers to prepare and for students and schools to learn to navigate the technology. The proposed plan also incorporates provisions enabling the District to upgrade equipment every four years, so that students can keep current with the technology.

Ms. Lehner pointed out that the RCSD Smart Schools Investment Plan is coupled with an intensive professional development plan for administrators and teachers. She added that special

accommodations will be made in the plan for Special Education, Edison High School, and the P-Tech program.

Commissioner Powell pointed out that young children in the early grades are learning the alphabet and developing linguistic skills, but the traditional typewriter keyboard (QWERTY) does not support this learning. She asked about the possibility of having devices with alphabetic keyboards for students in the earlier grades. Ms. Lehner replied that she will explore this possibility and report back to the Committee.

Action Item: Ms. Lehner will investigate the possibility of using devices with alphabetic keyboards in the earlier grade levels, and report back to the members of the Finance Committee.

Parent Representative Giancarlo Giannini inquired about the timing for beginning providing this technology in the classroom. Ms. Lehner replied that the RCSD plan will be implemented over a four-year period because the technology and enhancements cannot be provided to every school at the same time.

Ms. Lehner discussed the timeline for implementation if all requisite approvals are obtained according to schedule, since purchase of equipment cannot be made until all of the approvals have been obtained. She stated that the focus in the 2016-17 school year will be on the lower grade levels (i.e. K-2), with replacement and expansion of existing technology. In addition, five secondary schools have been identified for 1:1 devices in classrooms (i.e. one device per student). Ms. Lehner pointed out that the District has already deployed quite a bit of technology to classrooms (i.e. 10,000 Chromebooks), but some schools are better equipped than others and the needs in each school are currently being identified. She explained that schools that currently have a 3:1 model (i.e. one device for every three students) will move to a 2:1 model in 2016-17. Schools without any technological devices in the classroom will receive one device for every three students (i.e. 3:1 model). Ms. Lehner stated that the 1:1 model will be added to five secondary schools each year.

Ms. Lehner reported that the plan also addresses the need for professional development to ensure that teachers are able to effectively utilize the technology in the classroom. She discussed a variety of professional development approaches, from differentiation of instruction for teachers to involving coaches and mentors to collegial circles in which teachers can share best practices. Ms. Lehner noted that the District does not have enough instructional technology teachers for each classroom, so coaches and teacher leaders will assist with training. She reported meeting with District collective bargaining units (Rochester Teachers' Association (RTA) and the Association of Administrators and Supervisors of Rochester (ASAR)). Ms. Lehner stated that RTA has agreed to bring in motivational speakers for the District's digital transformation and instructional technology will be incorporated by having students assist teachers in navigating the Google classroom. She reported that online professional development courses will be expanded to support implementation of the Preliminary RCSD Smart Schools Investment Plan. Ms. Lehner added that professional development will be differentiated for teachers based on their familiarity with technology, and devices will not be deployed to classrooms until the teacher has completed all three tiers of the professional development program.

The RCSD Smart Schools Investment Plan includes enhancements to school building security through replacing existing aging analog cameras with high-resolution digital cameras, expanding capacity to store video, and increasing security coverage by adding about 150 new digital cameras.

With respect to plans to provide community broadband access, Mr. Giannini asked which of the models was selected to provide this connectivity. Ms. Lehner responded that the fiber-to-home model was chosen for the Preliminary plan, and the application has been submitted for the New NY Broadband program to obtain funding for this initiative.

III. Presentation regarding Financing and Local Share for Phase II of the Facilities Modernization Plan:

Financing and local share for Phase II of the Facilities Modernization Program: Resolution No. 2015-16: 691

Executive Director of the Rochester Joint Schools Construction Board Tom Renauto reviewed the financing and local share plan for Phase II of the Facilities Modernization Program (FMP). He noted that there are two updates to the final plan, which was sent to Board members earlier this week:

1. Recommendation to issue bonds to finance Phase II projects through COMIDA (County of Monroe Industrial Development Association) rather than the NYS Dormitory Authority. Mr. Renauto stated that the fee structure and costs were more favorable through COMIDA (\$0.8M), which amounted to half that for the NYS Dormitory Authority (\$1.6M). Mr. Renauto reported that negotiations are under way with COMIDA to reduce costs even further, to a level comparable to that for Phase I of the FMP. He reported that pending approval by the full Rochester Joint Schools Construction Board, the bonds will be sold in February 2017. Mr. Renauto explained that the City of Rochester will issue Bond Anticipation Notes (BANs) in August 2016 to cover project costs until February 2017.
2. Reduction in the estimated cost for the local share for Phase II projects under the FMP, from approximately \$18.6M to a range between \$13.3-18.1M. Mr. Renauto contrasted these costs with the local share for Phase I of the FMP, which was authorized for \$39.7M. He explained that actual costs will depend upon the NYS legislature allowing a waiver of twice the amount of the maximum cost allowance for Phase II projects. Mr. Renauto noted that a bill has been introduced in the NYS Assembly and Senate.

Commissioner Powell inquired about the length of time for which the District would have to bear the cost of the local share for Phase II projects, and the timing for these payments. Mr. Renauto replied that the local share would be paid over a fifteen year period, which would begin in the quarter following the bond issuance (i.e. the quarter after February 2017).

Commissioner Powell calculated that the payment plan would amount to approximately \$1.25M per year, but speculated that the District's payments would not be divided evenly throughout the repayment period. Mr. Renauto referred to a spreadsheet in the financial plan regarding the annual payment schedule.

Commissioner Powell asked whether the proposed Phase II plan has been submitted to the NYS Education Department, and the impact of failing to obtain legislative approval for a waiver to the maximum cost allowance in the current legislative session. Mr. Renauto explained that the Phase I project for Monroe High School will be completed this summer, but the school will not be able to return to the building without continuation of the planned renovations under Phase II. He noted that a contingency plan would have to be developed for Monroe High School, and preliminary discussions have been conducted with the NYS Education Department (NYSED) regarding possible approval of a separate plan for the school outside of the Phase II master plan. Mr. Renauto reported that there is some flexibility and opportunity for NYSED to approve a separate plan for Monroe High School, apart from the Phase II master plan. He stated that if the NYS legislature does not grant the maximum cost allowance (MCA) waiver, all other projects planned for Phase II would have to be re-evaluated. Mr. Renauto pointed out that the estimated cost for eight of the thirteen Phase II projects are more than twice the maximum cost allowances established by the State.

Commissioner Powell asked about the possibility of requesting legislation in 2017 if not obtained this year, and only incurring the additional costs for the Monroe High School projects. Mr. Renauto replied that this would be a distinct possibility.

Commissioner Powell inquired about the costs to the District for funding only the Monroe High School projects next year. Mike Schmidt clarified that the MCA waiver does not apply to the Monroe High School projects because the estimated cost is within the maximum cost allowance established by the State. He stated that the District will proceed with renovations to Monroe High School, and pursue Phase II plans until all legislative options have been exhausted. Mr. Schmidt pointed out that the bill will have to also be approved by the Governor, even after it has passed the NYS legislature. He explained that previous efforts have failed at this point, specifically in the Governor's Budget Office. Mr. Schmidt reported that the District is seeking guidance regarding the specific concerns of this Office, so that these can be addressed after the legislation has passed.

Commissioner Powell noted that the MCA is not an issue for Monroe High School, but affects all other aspects of the Phase II plan. She asserted that the main question is whether the Phase II plan would be approved in light of the obvious assumption of a legislative waiver to the MCA. Commissioner Powell stated that NYSED would know that Phase II projects could not be supported financially without this legislation, and this would affect approval of the plan. Mr. Schmidt replied that RCSD has been collaborating with NYSED since November 2015 on the plans for Phase II, so staff at the State level are aware of the variables involved. He added that NYSED is also aware of the challenges faced by Monroe High School academically and in terms of the physical condition of the building. Mr. Schmidt reported that the design plan for Monroe High School will be presented to NYSED within the next few weeks.

Commissioner Powell inquired whether NYSED will ally with RCSD by preparing a letter of support to the Governor's Budget Office. Mr. Schmidt replied that he believes that all are allies in this project and he did not want to engage in further speculation.

Commissioner Evans expressed appreciation for the lower District costs for Phase II of the FMP, as compared to Phase I costs. He stated that he hopes that the request for legislative approval of

the waiver will be addressed earlier in the legislative session. Mr. Schmidt noted that the NYS legislature will resume session on May 3rd, and it is hoped that the waiver legislation will be addressed earlier in the session to allow time for consideration and processing by the Governor's Office.

Motion by Commissioner Evans to approve Resolution No. 2015-16: 691 regarding the financing and local share plan for Phase II of the FMP. **Adopted 3-0, with concurrence of the Parent Representative.**

IV. Review and Discuss Report of Potential Operational Efficiencies by Consultant Barbara Smith

Ms. Poehlman provided a handout to specify the recommendations to be implemented from the report of operational efficiencies prepared by consultant Barbara Smith. She explained that the handout reflects the recommendations that have been fulfilled, are in process, to be considered, and the rationale for those that were not considered.

Commissioner Evans stated that he appreciates having an impartial third party examine District operations and costs to identify potential efficiencies.

Commissioner Cruz commended the analysis contained in the report for being quite thorough. He emphasized the importance of recognizing that the report provides recommendations rather than dictates, particularly in light of the complexity of District operations and the potential impact on other areas not included in the report. Ms. Poehlman noted that some recommendations involve significant changes in processes, programming or technology and therefore require further examination. She reported collaborating with the Information Management & Technology Department to explore underlying processes to eliminate labor-intensive steps. She stated that this work will continue after the budget process.

Commissioner Powell expressed dismay that inquiries and requests for information were submitted to the RCSD Transportation Department, but with no response. She stated that the lack of responsiveness is alarming, particularly since an analysis performed several years ago revealed a potential cost savings of \$11M by strengthening zone boundaries and shifting from door-to-door bus service to corner bus stops. Commissioner Powell pointed out that the potential savings from transportation efficiencies are much more substantial than for many other departments in the District. Ms. Poehlman discussed the multiple interrelated factors affecting transportation costs: legislation to allow reimbursement for non-allowable mileage; student placement within zones; school choice and movement toward community schools; and many policies that have encouraged students to move across the City. She contended that these are much broader decisions than shifting from door-to-door bus service to corner bus stops, and involves a change in policies and past practice.

Commissioner Powell agreed that modifications to the RCSD transportation structure would involve changes in past practices, but not in policy. Ms. Poehlman clarified that the changes would not be in written policy, but in the expectations of the community and the extent to which this would be supported throughout the District. She emphasized that the Transportation Department is not responsible for these types of decisions.

Commissioner Cruz inquired whether transportation was included in the scope of work under the consultant contract. Ms. Poehlman responded that she would have to check with the consultant to obtain this information.

Commissioner Powell explained that her point is the lack of follow-through by the Transportation Department by failing to respond to the consultant's inquiries. Ms. Poehlman offered to obtain additional information about the extent to which RCSD transportation was included in the scope of the study.

Action Item: Ms. Poehlman will obtain information and report to Committee members regarding the scope of the study conducted by consultant Barbara Smith to determine whether RCSD transportation was included.

V. Review March 2016 Financial Report

Everton Sewell reported that no major changes in District revenue or expenditures have transpired since the March amendments to the 2015-16 RCSD budget. He stated that the March 2016 Financial Report reflects an update in terms of revenues received and expenditures applied against these funds.

Motion by Commissioner Powell to approve the March 2016 Financial Report. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

VI. Review Quarterly Change Order Report for January through March 2016

Motion by Commissioner Powell to approve the Quarterly Change Order Report for January through March 2016. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

VII. Review Resolutions in Preparation for April 28, 2016 Board Business Meeting

A. PROCUREMENT & SUPPLY

1. Regional Distributors, Inc. – contract for purchase of lunch paper and plastic supplies through June 30, 2016: Resolution No. 2015-16: 676

Motion by Commissioner Evans to approve above Procurement resolution. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of the Parent Representative.**

B. INFORMATION MANGEMENT & TECHNOLOGY

1. Authorization of the Preliminary Smart Schools Investment Plan: Resolution No. 2015-16: 693

Motion by Commissioner Powell to approve above Information Management & Technology resolution. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

C. FACILITIES

Contracts:

1. **Steve General Contractor, Inc. – general construction work; Lloyd Mechanical Co., LLC – plumbing work; Leo J. Roth Corp. – HVAC work; Eastcoast Electric, LLC – electrical work; Envoy Environmental Consultants, Inc. – air monitoring work – for renovation of School No. 43: Resolution No. 2015-16: 677**
2. **Testa Construction Inc. – general construction work; Crosby-Brownlie, Inc. – HVAC work; Leo J. Roth Corp. – plumbing work; Concord Electric Corp. – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work – for renovation of Charlotte High School: Resolution No. 2015-16: 678**
3. **Genesee Building Restoration, Inc. – general construction work; Pipitone Enterprises, LLC – HVAC work; Leo J. Roth Corp. – plumbing work; Eastcoast Electric, LLC – electrical work – for renovation of Edison High School: Resolution No. 2015-16: 679**
4. **Massa Construction, Inc. – general construction work; Leo J. Roth Corp. – plumbing work; Pipitone Enterprises, LLC – HVAC work; Concord Electric Corp. – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work – for renovation of the Franklin Educational Campus: Resolution No. 2015-16: 680**
5. **Steve General Contractor, Inc. – general construction work; Lloyd Mechanical Co., LLC – mechanical work; Unified Mechanical Contractors, Inc. – plumbing work; Eastcoast Electric, LLC – electrical work; Envoy Environmental Consultants, Inc. – air monitoring work – for renovation of the Jefferson Educational Campus: Resolution No. 2015-16: 681**
6. **Testa Construction, Inc. – general construction work; Pipitone Enterprises, LLC – mechanical work; Unified Mechanical Contractors, Inc. – plumbing work; Concord Electric Corp. – electrical work – for renovation of Wilson Commencement Academy: Resolution No. 2015-16: 682**
7. **Kuitems construction, Inc. – general construction work; Michael A. Ferraulo Plumbing & Heating, Inc. – plumbing work; Concord Electric Corp. – electrical work – for renovation of the Service Center: Resolution No. 2015-16: 683**

Motion by Commissioner Powell to address all above Facilities contract resolutions as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Motion by Commissioner Powell to approve all above Facilities contract resolutions. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Final Payments:

8. **Spring Sheet Metal & Roofing Co., Inc. – final payment for roofing work for renovations to East High School: Resolution No. 2015-16: 684**
9. **Hewitt Young Electric, LLC – final payment for electrical work for renovations to Charlotte High School: Resolution No. 2015-16: 685**
10. **Kuitems Construction, Inc. – final payment for general construction work for renovations to the School of the Arts: Resolution No. 2015-16: 686**
11. **Daniel J. D’Amico Plumbing & Heating Co., Inc. – final payment for plumbing work for renovations to Wilson Foundation Academy: Resolution No. 2015-16: 687**
12. **Genesee Building Restoration, Inc. – final payment for general construction work for renovation of School No. 4: Resolution No. 2015-16: 688**
13. **Leo J. Roth Corp. – final payment for HVAC work for renovation of Wilson Commencement Academy and Wilson Foundation Academy: Resolution No. 2015-16: 689**
14. **Hewitt Young Electric, LLC – final payment for electrical work for renovation of School No. 52: Resolution No. 2015-16: 690**

Motion by Commissioner Powell to address all above Facilities final payment resolutions as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Motion by Commissioner Powell to approve all above Facilities final payment resolutions. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Late Submissions:

15. **Downey-Goodlein Elevator Corp. – contract for repair of elevator at School No. 33: Resolution No. 2015-16: TBD**
16. **Submission of SEQRA to NYS Education Department: Resolution No. 2015-16: TBD**

Mr. Schmidt explained that the two above resolutions are for repairs needed to an elevator at School No. 33, and an environmental impact statement (SEQRA) is required for these projects.

Commissioner Powell pointed out that the elevator is relatively new, having been purchased and installed in 2008. She inquired whether the elevator is still under warranty. Mr. Schmidt replied that the elevator is no longer covered under warranty, but the District is using the service contract to cover the costs.

Motion by Commissioner Powell to address the above late submission resolutions regarding elevator repair at School No. 33 as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Motion by Commissioner Powell to approve the above late submission resolutions regarding elevator repair at School No. 33. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Meeting adjourned at 6:29PM.