

**Rochester Board of Education
Finance Committee
March 17, 2016**

Attendance: Commissioner Cruz (Chair); Commissioners Powell, White, Evans (arrived at 5:39PM), and Hallmark (arrived at 6:33PM).

District Staff: Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Annmarie Lehner, Director of Information Management & Technology; Harry Kennedy, Chief of Human Capital Initiatives; Derek Jones, Civil Service Director with the Human Capital Initiatives Department; Linda Cimusz, Interim Superintendent; and Adele Bovard, Deputy Superintendent for Administration.

Parent Representative: Giancarlo Giannini (arrived at 5:36PM)

Community Members: James McGuinness, President of Millenium Strategies; Thomas Renauto, Executive Director of the Rochester Joint School Construction Board; Rick Ansy, Financial Advisor to the Rochester Joint School Construction Board; John Mahaney, Financial Plan Development for Phase 2 of the Facilities Modernization Program; Roland Coleman, Associate with SAVIN/Gilbane Architects.

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 5:31PM.

I. Review Minutes of February 18, 2016 Finance Committee Meeting

Motion by Commissioner Powell to approve the minutes of the January 21, 2016 Finance Committee meeting. Seconded by Commissioner White. **Adopted 3-0, with concurrence of Parent Representative.**

II. Review and Discuss February 2016 Financial Report

Everton Sewell noted that 2015-16 General Fund revenue has declined by approximately \$2.46M, the Special Aid & Grant Fund decreased by about \$2.8M, and the School Food Services Fund increased by approximately \$378K since the budget amendments adopted in February 2016. He reported that the overall 2015-16 RCSD budget decreased by approximately \$5M since last month's budget amendments, for a total of approximately \$817M.

Mr. Sewell cited the major factors leading to the net decrease in 2015-16 General Fund revenue: although Public High Cost Aid for Special Education increased by about \$2.66M, this was offset by a reduction in Private Excess Cost Aid for Special Education of approximately \$1.33M and of \$4M in Transportation Aid. The \$4M loss in Transportation Aid is due to the additional \$8.2M incurred in RCSD transportation costs this year under the recent contracts with First Student and RTS.

Mr. Sewell stated that the \$2.8M reduction in the Special Aid & Grant Fund is due to a timing issue in receipt of NYS grant funds for expanded PreK programs. He pointed out that the original grant was for \$7.1M, but receipt of the grant funds later in the year will not allow the full amount to be expended in the current fiscal year. Mr. Sewell explained that this is the reason for the reduction in the Special Aid & Grant Fund.

Mr. Sewell reported that the additional \$363K in the School Food Service Fund is primarily due to additional meals served to students in summer programs.

Mr. Sewell stated that the 2015-16 RCSD budget will need to be amended this month to account for these funding changes.

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

III. Update regarding the Community WiFi Feasibility Study

Annamarie Lehner discussed the findings of the recently concluded WiFi Feasibility Study, noting that interviews have also been conducted with vendors in Rochester and out of state. She reported that there is considerable variation in the projected cost, based on the different proposals.

Ms. Lehner stated that the District is proceeding with the Request for Information (RFI) with vendors that have expressed interest in this initiative, which will allow selection of the proposal that best fits community needs.

James McGuinness described three potential models that could be used to provide wireless Internet access to all residents in Rochester, each of which involves using schools as the hub for the network:

1. Fiber to the home: this is the most reliable option, capable of being scaled to meet the needs of the community and residents, while also offering the best Internet speeds. Mr. McGuinness reported that the Federal Communications Commission (FCC) has established a goal of 25mgs/second, but New York State has set higher standards for 100 mgs/second. He stated that fiber to the home is the best way to attain the NYS goal, but also the most costly option (approximately \$35-90M). Mr. McGuinness stated that several vendors have been invited to submit proposals: Google Fiber, Greenlight, and Frontier.
2. Fiber-Fed wireless: affordable, but only has a maximum radius of 250 ft., which would enable coverage of only 10-20 homes. Moreover, the signal tends to degrade when sent to a larger number of homes. Mr. McGuinness also reported that there are environmental issues with this option, specifically with foliage and other buildings blocking the signal.
3. TV “White Space” WiFi: this option involves using frequencies between the broadcast TV signals and can penetrate walls, but the signal may not provide sufficient bandwidth (only about 1.5mg/second per home). Mr. McGuinness added that this option may only be able to reach approximately 500 housing units per school.

Mr. McGuinness explained that the RFI includes all three of these models, cost estimate for each model, ways to sustain the WiFi network throughout the community in the long-term, and the actual bandwidth that would be provided with each option.

Ms. Lehner announced that the District has entered into a coalition with other school districts throughout the State (i.e. Albany, Buffalo, and Rennsalaer), although most have not developed their plans for community-wide Internet access to the extent that Rochester has. She reported that RCSD has been receiving responses to the RFI from vendors, and the deadline was extended to March 28th. Ms. Lehner stated that the specific approach and model will be determined after all of the responses have been received. She added that the selection will be based on the proposal that best meets RCSD and community needs, and more definitive information will be provided to the Board at that time. Ms. Lehner reported that the District will submit an application for the new New York Broadband grant by April 15th.

Commissioner Powell inquired about the impact of including libraries located in the City in the WiFi network. Jim McGuinness noted that City libraries, recreation centers, and the Rochester Housing Authority have been included in the RFI and plans for a community-wide network. He explained that some library branches only have about 10mg/second, which would not be sufficient bandwidth to meet residents' needs. For this reason, the decision was made to use the schools as the anchor for the network. Mr. McGuinness discussed the need to connect with key institutions in the community to realize economies of scale and ensure sufficient bandwidth for all.

Commissioner Powell referred to the map illustrating the plans for the community-wide network, pointing out that the southern section of Rochester does not seem to have adequate coverage. She discussed the importance of connecting with Monroe County institutions (e.g. the Vital Records Office of the Department of Health), particularly in that section of the City.

Commissioner Evans noted that quite a few children live in this area of the City.

Commissioner Powell added that there are also institutions in the northern section of the City that should be included in the network (e.g. the Robach Center in Charlotte).

Parent Representative Giancarlo Giannini asked whether the network would consist of a fiber line physically going into each residence in the City, and how it would accommodate storefronts and apartment buildings. Mr. McGuinness replied that he does not foresee storefront connections being included in the funding request from the State, but this infrastructure could possibly be funded partially through subscriptions. He discussed the efficiencies from providing wireless Internet access to apartment buildings in the City, in which one fiber would be used for the building and a switch would enable access for all residents in the building.

Commissioner White commented on the opportunities arising from having a community-wide network, particularly in terms of education and enabling students and families to have continuous access to the Internet wherever they are. He stated that this mobile access will enable children to do their homework and other assignments and parents to access District information, particularly when used with the new smart phone application being developed. Commissioner White asserted that the technological synergies developing in the District provide exciting opportunities for the larger Rochester community.

Commissioner Evans inquired about the response received so far from Internet providers. Ms. Lehner reported that Internet providers were initially intrigued by this plan, but became concerned about the implications. She stated that these providers are now enthusiastic about the plan, and some are applying to provide community-wide Internet access.

Ms. Lehner stated that implementation will require legislation because the current NYS law prohibits cities from providing community-wide wireless Internet access. She explained that an agreement was made with Time Warner Cable Company to prohibit this access because the company had agreed to provide services at a low cost to families. Ms. Lehner reported that this issue was discussed with NYS legislators, who encouraged the District to proceed with plans for community-wide Internet access.

Commissioner Powell noted that the only way to ensure provision of Internet service to RCSD students and their families is to provide it at no cost. She reported that in her discussions with state-level officials, the District's proposal seems likely to be viewed positively because it is a long-term investment and use of Smart Schools Bond funding to benefit the entire community.

Commissioner White urged District staff to contact Board members when their advocacy is needed to support this and other important initiatives.

IV. Discuss Phase 2 of the Facilities Modernization Program (FMP)

Mike Schmidt noted that the document delivered to Board members earlier today contain the financial plan for the Phase 2 projects of the Facilities Modernization Program (FMP) that were previously agreed upon in a work session conducted last week. He stated that a resolution will be presented in this month's Business meeting in accordance with this financial plan.

Mr. Schmidt explained that the plans for Phase 2 are based on the assumption that the District will receive the maximum cost allowance for each project under NYS Building Aid. He reported that a series of public hearings were held in January 2016 to gather community input about the proposed Phase 2 plan, and some adjustments were made based on this input:

- Adding a physical education facility and Special Education classroom to the School Without Walls Commencement Academy
- Considering use of the School No. 6 building for School No. 22: Mr. Schmidt reported that this adjustment was based on community input and instructional considerations, noting that the size and footprint of the building, capacity, and logistics make this a viable and financially feasible option for housing School No. 22.
- Moving School No. 25 to the Dr. Freddie Thomas campus
- Moving School No. 15 to the School No. 1 campus: Mr. Schmidt stated that the final determination will be based on the response of the School No. 1 community to this proposed merger.

Mr. Schmidt asserted that approval from the NYS Education Department is anticipated because the Phase 2 plan is sound from an academic, fiscal, and construction and engineering standpoint. He

added that several contingency plans have been developed in the event that approval is not granted for the current Phase 2 proposal. Mr. Schmidt stated that even if all options are exhausted, the District does not want to lose momentum on the project currently under way at Monroe High School. Mr. Schmidt stated that the intent is to avoid prolonging the school's time in temporary swing space, particularly since these students are in jeopardy academically. He noted that the work at Monroe High School will continue on July 1, 2016.

Mr. Renauto introduced other members of the team involved in Phase 2 of the FMP: Rick Ansee, Financial Advisor to the Rochester Joint Schools Construction Board from Capital Market Advisors; John Mahaney, Financial Plan development for Phase 2 of the FMP; and Roland Coleman, Coordinator of the School Phasing Plan and Deputy Director with SAVIN/Gilbane Engineers.

Mr. Renauto noted that an in-depth study has been performed regarding financial needs to support Phase 2, which is anticipated to require four bond issuances to complete. He added that the financial analysis includes examination of the timing of project costs and receipt of NYS Building Aid reimbursement, and the impact on the local share of project costs. Mr. Renauto reported that Phase 1 of the FMP cost a total of \$325M with a maximum of \$39.7M for the local share, and Phase 2 is estimated at a cost of \$435M with approximately \$18.5M for the local share. He stated that the actual cost of the local share will depend on NYS Aid being provided on a timely basis and obtaining the maximum cost allowance for these projects.

Mr. Renauto explained that the document provided to the Board today is the first of three volumes, and the second volume will contain the draft financial plan. He stated that the second volume will be provided to the Board next week, and approval will be sought for the Phase 2 projects, the schools involved, and the draft financial plan. After obtaining Board approval, the documents will be submitted to the NYS Education Department and NYS Comptroller for approval. Mr. Renauto noted that the third volume will contain appendices and supporting documentation.

Mr. Renauto reviewed the information contained in the first volume of the Phase 2 plan:

- Executive Summary, with project recommendations and the rationale for each recommendation
- Site plans for each proposed project, including the estimated budget, completion date, and potential building additions. Mr. Renauto pointed out that the final determination regarding building additions will be made by the architect assigned to the building.
- Financial plan, including the assumptions upon which the plan is based, financing options, and estimates of the local share cost
- Enrollment projection and analysis, by zone and grade level
- Building condition assessment
- Preferred layout of the core model program, with the total square footage needed and number of classrooms required in each school
- Estimated project costs compared to the maximum cost allowance under NYS Building Aid
- Detail for each building, with floor plans, site plans, and information regarding the scope of work involved

Mr. Renauto reported that the District could expend as much as \$400M over the years, just on infrastructure and building maintenance because of the current condition of the school buildings. He stated that the focus is on right-sizing the District, while creating equity among schools.

Commissioner Powell pointed out that the community has expressed concern about moving School No. 22 to a permanent site, noting that the proposal is to use the building that used to house School No. 6. She noted that the last meeting regarding plans for Phase 2 of the FMP revealed that School No. 22 has significantly increased in size, and asked about the timing of this move and the way in which the growth in enrollment at the school will be managed. Mr. Schmidt replied that two options were available when District staff met with the School No. 22 community: 1) renovate the facility on the Franklin campus to accommodate an elementary program; 2) move the school to the Dr. Freddie Thomas campus to share the facility with School No. 53. He stated that discussions with the school community led to identifying a third option of using the former School No. 6 building as the permanent site for School No. 22. Mr. Schmidt stated that an addition to the building will be considered to accommodate existing student enrollment at School No. 22. He noted that adjustments can be made if recommendations from an instructional standpoint are to downsize student enrollment in this school. Mr. Schmidt pointed out that schools are currently housed on the Dr. Freddie Thomas campus and the former School No. 6 building until renovations have been completed on their buildings. He stated that the needs of School Nos. 15 and 16 have to be addressed first, and those plans are several years from now. Mr. Schmidt emphasized the importance of selecting the best site for School No. 22, and in engaging the school communities involved in this process.

Commissioner Powell noted that the plans for School Nos. 25 and 22 have been modified in response to concerns expressed by the community in the public hearings, but the former School No. 6 building would have capacity issues that would require dropping sections. Mr. Schmidt responded that the District will ultimately have enough flexibility to address capacity needs and concerns for School No. 22 by reducing the number of available seats in kindergarten and/or constructing an addition to the building.

Commissioner Powell stated that she is concerned about adding square footage to the School No. 6 building in light of the District's overall declining student enrollment. She questioned the long-term rationale for a building addition in terms of the District's academic program. Adele Bovard replied that RCSD is creating a Strategic Facilities Utilization Team to examine student enrollment more closely at each building level and to engage school communities as soon as a final decision has been made about Phase 2 plans. She reported that a communications plan is also being developed because involving the community early in the process is critical to the success of these projects.

Mr. Giannini stated that the documentation of plans for the FMP from 2010 to 2020 was very helpful, and requested that the information on the District website be updated with the most recent information. Mr. Schmidt replied that this information will be updated on the website as soon as the Phase 2 plans have been approved. Mr. Giannini pointed out the value of the information in terms of the timing of projects, moving schools to other buildings, and use of swing space.

Commissioner Cruz expressed appreciation for the extensive work performed to create the plans for Phase 2 of the FMP, and their responsiveness to community concerns. He emphasized the cost

involved in generating hardcopies of these plans, and suggested distributing them on a thumb drive in the future.

V. Review of the Roles and Responsibilities of the Position Control Committee

Harry Kennedy introduced his colleague, Derek Jones, Civil Service Director with the Human Capital Initiatives Department. Mr. Kennedy explained that the Position Control Committee was established under former Superintendent Vargas in an effort to ensure the best use of limited resources in the District. He stated that staffing levels were benchmarked with other school districts and a process was developed to utilize limited funds to support student learning in the classroom. The Position Control Committee was created to review vacancies and make decisions to fill non-instructional positions only when essential to meet student needs. Mr. Kennedy noted that the Committee is also charged with monitoring expenditures and freezing positions when necessary to accommodate District fiscal constraints.

Commissioner Evans inquired about the basis upon which the Position Control Committee makes staffing decisions, noting that positions continue to be added to the RCSD budget. Mr. Kennedy clarified that retirements, resignations, and terminations occur throughout the year and vacancies in instructional positions must be filled.

Commissioner Evans asked if the District has a ranking system to prioritize filling vacant positions. Mr. Kennedy replied that the first priority is to fill vacancies in instructional positions for which there is a shortage of qualified individuals, such as Special Education and Teaching English as a Foreign Language. He reported that the second level of priorities in terms of staffing are positions affecting school building operations, such as Facilities staff and custodians.

Commissioner Evans recommended developing a formula or model to establish staffing guidelines for specific positions that is mapped to the budget and available funding. He emphasized the importance of establishing these guidelines to justify the number of FTE in particular positions and provide a rationale for staffing decisions. He asserted that a Position Control Committee is essential in an organization with limited resources and increasing expenditures.

Commissioner Powell inquired about internal controls to ensure that the District is not using temporary staffing for more than 18 months to avoid filling positions. She pointed out that this practice would violate the Microsoft ruling and the District's contract with BENTE. Mr. Jones responded that temporary staff are contracted for a maximum of 90 days to fill an extended absence in an administrative position. He explained that the contract may be extended beyond 90 days under extenuating circumstances, such as long-term illness of an employee and the criticality of the job function.

Commissioner White concurred with the need for a protocol regarding filling non-essential and non-instructional positions in the District. He stated that he has received a number of reports about bottlenecks in filling positions due to the actions of the Position Control Committee. Commissioner White expressed concern that the members of the Position Control Committee may deem some positions "non-essential" because of a lack of knowledge about the responsibilities and the implications of leaving the position vacant. He reported that positions that actually were "essential" were not filled in a number of instances, which created significant disruption in organizational functions. Commissioner White urged that consideration be given to the impact of

not filling a position in terms of accomplishing goals and performing critical functions. Commissioner White also recommended that the structure of the Position Control Committee be examined, particularly since the reports he has received indicate that the Committee has been dominated by one particular Committee member. He asked about the process by which the Position Control Committee makes decisions, and whether decisions are made collectively.

Mr. Kennedy explained that the Position Control Committee collectively decides whether to proceed with hiring to fill a position. He noted that if Committee members reach an impasse, the Superintendent can be consulted. Mr. Kennedy concurred with Commissioner White's assessment regarding the decision-making process within the Position Control Committee, noting that this has improved over the last year. He assured that the process is continuing to evolve with the changes in District leadership.

Commissioner Powell suggested that if Board members continue to receive reports of problems with the Position Control Committee, a process be established to allow school principals and senior staff members to present the rationale for their staffing request directly to the Committee for consideration. She asserted that the ability to present their perspective directly to the members of the Position Control Committee is the best way to break down barriers between departments and between schools and Central Office.

VI. Review of Consultant Study regarding Potential Operational Efficiencies

Given current time constraints, Ms. Poehlman suggested deferring discussion of the consultant's report to enable thorough review by Committee members.

Commissioner Cruz concurred.

VII. Review Resolutions in Preparation for March 24, 2016 Board Business Meeting

A. PROCUREMENT & SUPPLY

- 1. Jim Dal Sports, Inc. (dba "Jim Dalberth Sporting Goods"); Laux Sporting Goods, Inc.; Riddell/All American Sports Corp.; Toth's Sports; V&V Vending (dba "Valenti Sports"); Varsity Spirit Fashion: contracts to purchase athletic uniforms for various sports and schools throughout the District – Resolution No. 2015-16: 614**
- 2. Audiometric Technology; Lighspeed Technologies, Inc.; Oaktree Products, Inc.; Oticon, Inc.; Phonak, LLC; Troxell Communications, Inc.: contracts to purchase FM receivers, transmitters, headsets, and other equipment for hearing-impaired students – Resolution No. 2015-16: 615**

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

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

B. FACILITIES

Contracts:

- 1. Steve General Contractor – general construction work; Leo J. Roth Corporation – mechanical work; Leo J. Roth Corporation – plumbing work; Hewitt-Young Electric, LLC – electrical work; SSM and RC, Inc. (dba “Spring Sheet Metal and Roofing”) – roofing work: contracts for renovation of School No. 10 – Resolution No. 2015-16: 616**
- 2. Steve General Contractor – general construction work; Unified Mechanical Contractors, Inc. – HVAC work; Unified Mechanical Contractors, Inc. – plumbing work; Concord Electric, LLC – electrical work: contracts for renovation of School No. 41 – Resolution No. 2015-16: 617**
- 3. Window Specialist, Inc. – window work; SSM and RC, Inc. (dba “Spring Sheet Metal and Roofing”) – roofing work; Leo J. Roth Corporation – plumbing work; Envoy Environmental Consultants, Inc. – air monitoring work: contracts for renovation of School No. 46 – Resolution No. 2015-16: 618**

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

Final Payments:

- 4. Concord Electric Corp. – final payment for electrical work in renovating School No. 30 – Resolution No. 2015-16: 619**
- 5. Steve General Contractor, Inc. – final payment for general construction work in renovating School No. 9 and Baden Street Recreation Center – Resolution No. 2015-16: 620**

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

Other:

- 6. Authorization to enter into negotiations to acquire two properties adjacent to School No. 54 to expand parking facilities – Resolution No. 2015-16: 621**
- 7. Authorization to enter into negotiations to acquire two properties in close proximity to School No. 58 to expand parking facilities – Resolution No. 2015-16: 622**

Motion by Commissioner Powell to address above resolutions regarding expanding school parking facilities as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

Commissioner Powell noted that the site for expanded parking for School No. 58 used to be a parking lot for Monroe Transportation, and asked whether space will be available to accommodate an athletic field for the school after the Scio Street ramp has been filled. Mr. Schmidt replied that this opportunity has been discussed with the City of Rochester, which has agreed to grade the site for use as an athletic field.

Motion by Commissioner Powell to approve above resolutions regarding expansion of school parking facilities. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of the Parent Representative.**

- 8. Request for the City of Rochester to issue \$4M in bonds to support capital improvements to add an athletic turf field, track, lighting, bleachers and related improvements to the Jefferson Educational Campus – Resolution No. 2015-16: TBD**

Commissioner Powell inquired about plans for the athletic field on the Jefferson campus, recalling previous discussions with the City regarding granting additional space to the District. Mr. Schmidt responded that the original plan was for a shared structure with the City, similar to that at East High School. He noted that the funding will not be forthcoming, so the District is using its own available resources to rehabilitate the field, track and bleachers. Mr. Schmidt reported that the District has received NYS bullet aid for this project, which will cover the local share of the costs and the athletic field improvements are planned to be completed by 2018.

Commissioner Powell asked whether the track on the Jefferson campus can be reoriented, as proposed in the original plan. Mr. Schmidt replied that the design options will be re-examined, but reorienting the track toward Dewey Avenue will interfere with the multiple use baseball and softball field. He explained that the District does not have the funds to relocate this field, and it would not be an effective or efficient use of resources. Mr. Schmidt maintained that it would be more efficient and fiscally prudent to renovate the existing field adjacent to the school.

Motion by Commissioner Evans to approve the above resolution regarding request for bond issuance to support installation of an athletic turf field and related improvements to the Jefferson campus. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of the Parent Representative.**

9. Authorization to use the District facility located at 107 North Clinton Avenue for a PreK program - Resolution No. 2015-16: TBD

Motion by Commissioner Evans to approve the above resolution to use the RCSD facility at 107 North Clinton Avenue for a PreK program. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of the Parent Representative.**

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

Meeting adjourned at 6:49PM.