

**Rochester Board of Education
Finance Committee
January 21, 2016**

Attendance: Commissioner Cruz (Chair); Commissioners Powell, Hallmark, and Evans (joined at 7:18PM).

District Staff: Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Mike Schmidt, Chief of School Operations; Linda Cimusz, Interim Superintendent; and Tim Schmandt, Director of Purchasing.

Parent Representative: Giancarlo Giannini

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 7:14PM.

I. Review Minutes of December 10, 2015 Finance Committee Meeting

Motion by Commissioner Powell to approve the minutes of the December 10, 2015 Finance Committee meeting. **Adopted 2-0, with concurrence of Parent Representative.**

II. Review and Discuss December 2015 Financial Report

Everton Sewell reported that District revenue has been constant, with \$11M in grant funding. He stated that the main changes over the last month have been in expenditures:

- Salary and compensation expenditures approximately 0.2% less than this time last year;
- Cash capital is also approximately 1% less than at this time last year;
- Overall District expenditures are approximately 1.5% less than the same time last year.

Mr. Sewell observed that the reduced expenditures to date this year are important in closing the budget gap, and efforts continue to identify as much in efficiencies as possible. He stated that the questions that have been asked by the District's new Chief Financial Officer, Lauren Poehlman, has led to re-examination of potential efficiencies.

Commissioner Evans noted that the School Food Services Fund performed well last year, and asked about the current status of this fund – particularly since Food Services is now being operated within the District. Mr. Sewell replied that the School Food Services Fund is on target in terms of revenue and expenditures, with a surplus that has built up over the years. He explained that the surplus is planned to be used to install additional hybrid kitchens in RCSD elementary school buildings. Mr. Sewell pointed out that the NYS Education Department has cautioned not to leave a surplus in the Food Services Fund for too long a period of time.

Commissioner Evans inquired about the NYS Education Department approving the use of surplus School Food Services funds for hybrid kitchens. Mr. Sewell responded that the State has approved this use of the surplus funds.

Motion by Commissioner Evans to approve the December 2015 Financial Report. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

III. Review Quarterly Change Order Report for September through December 2015

Commissioner Cruz asked whether there have been any substantial changes in the scope of work or cost for RCSD capital improvement projects that are reflected in the Quarterly Change Order Report for September through December 2015. Mike Schmidt replied that the Report reflects primarily minor changes in the work to be performed and the costs associated with planned capital improvement projects.

Motion by Commissioner Powell to approve the Quarterly Change Order Report for September through December 2015. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

Commissioner Powell noted that Dr. Elizabeth Hallmark is a newly elected member of the Board of Education, and information regarding the RCSD capital improvement process is a necessary aspect of Orientation for new Board members. She recalled that Tom Keysa, Director of Facilities, prepared a presentation some years ago to illustrate and explain the three-year capital improvement process in the District. Commissioner Powell requested that a video be created for new Board member Orientation and as a refresher for current Board members regarding this process. She stated that an accompanying file with a narrative explanation would also be most helpful. Commissioner Powell stated that more than one presentation is needed to become familiar with the District's capital improvement process, so a video and accompanying file would be a valuable resource to have available. Mr. Schmidt reported that Mr. Keysa has already met with Dr. Hallmark to discuss the capital improvement process, but he will coordinate efforts with the Communications Department to develop a video and accompanying materials.

Action Item: Mike Schmidt will collaborate with the Communications Department to create a video and accompanying materials regarding the District's capital improvement process.

IV. Review and Discuss Draft Budget Calendar for 2016-17

Debra Flanagan reported that revisions were made to the Draft Budget Calendar for 2016-17 because of a conflict with a standing Board Business meeting in April 2016. She explained that the date for the 3rd Budget Deliberation Session has been changed to Tuesday, April 26th, and the 2nd Public Budget Hearing has been changed to Thursday, April 14th.

Commissioner Powell pointed to the need to coordinate the budget deliberation process with the Contract for Excellence public hearing. She encouraged District staff to advocate for the NYS Education Department to establish a timeline for the Contract for Excellence hearing that coincides with the budget cycles of the large urban districts.

Parent Representative Giancarlo Giannini observed that the original 2016-17 RCSD Budget Calendar contained three parent input sessions, which have been changed due to the change in Interim Superintendents. He asked about the status of these community input sessions.

Ms. Poehlman replied that the three community input forums on the 2016-17 RCSD budget will be rescheduled, beginning in early February.

Mr. Giannini requested that the District collaborate with the Parent Advisory Council to ensure that at least one of these forums is aligned with the Council's monthly meeting.

Action Item: Finance Department staff will collaborate with the district-wide Parent Advisory Council to schedule one of the community forums regarding the 2016-17 RCSD budget in one of the Council's monthly meetings.

Motion by Commissioner Evans to approve the Draft 2016-17 RCSD Budget Calendar. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

VI. Review Resolutions in Preparation for January 28, 2016 Board Business Meeting

A. BUDGET

1. Non-Resident Tuition Rates for English-Language Learner Students – Resolution No. 2015-16: 494

Commissioner Powell noted that the District does not seem to be collecting tuition for foreign exchange students, and she knows of several of these students currently attending the School of the Arts. She urged the District to discuss tuition payment prior to admitting foreign exchange students, particularly when the exchange is arranged through a private enterprise (e.g. CIE).

Action Item: The Finance Department will look into obtaining Non-Resident Tuition from foreign exchange students *prior* to their admittance to a school in the District. Communications with private enterprises arranging foreign exchanges will include information about non-resident tuition payment.

Motion by Commissioner Evans to approve above resolution to establish Non-Resident Tuition Rates for ELL students. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

1. Monroe 2 – Orleans BOCES – enter into cooperative bidding for purchasing school lunch paper supplies – Resolution No. 2015-16: 495

Motion by Commissioner Evans to approve the above resolution for cooperative bidding with Monroe 2 – Orleans BOCES. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

C. EDUCATIONAL FACILITIES

Contracts:

1. **DiFiore Construction, Inc. – contract for site work; Kuitems Construction, Inc. – contract for general construction work; Michael A. Ferraulo Plumbing & Heating, Inc. – contract for plumbing work; Hewitt-Young Electric, LLC – contract for electrical work; and Lozier Environmental Consulting, Inc. – contract for air monitoring work: contracts for renovation of the Franklin Educational Campus and Wilson Foundation Academy – Resolution No. 2015-16: 496**
2. **Concord Electric Corp. – contract for electrical work involved in Phase V of the district-wide Security Project – Resolution No. 2015-16: 497**

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

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

Final Payments:

3. **BRG Corp. – final payment for general construction work in renovations to School No. 3 – Resolution No. 2015-16: 498**
4. **Hewitt-Young Electric, LLC – final payment for electrical work involved in Phase 2 of the district-wide Security Project – Resolution No. 2015-16: 499**
5. **Window Specialist, Inc. – final payment for window work in renovating School No. 46 – Resolution No. 2015-16: 500**

Commissioner Cruz inquired about additional costs incurred in the above Facilities final payment resolutions for capital improvement projects. Mr. Schmidt replied that all three of these projects have been completed successfully, and costs were kept below the 10% contingency that had been budgeted.

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

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

Other:

- 6. Authorization to submit documentation in accordance with the State Environmental Quality Review Act (SEQRA) for capital improvement projects – Resolution No. 2015-16: 501**

Motion by Commissioner Evans to approve the above resolution to submit documents to the NYS Education Department in accordance with the State Environmental Quality Review Act (SEQRA). Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

D. OTHER

- 1. Barbara J. Smith Advisory Services, LLC – agreement to provide leadership and support to the District’s financial operations during the transition of the Chief Financial Officer – Resolution No. 2015-16: 504**

Commissioner Cruz stated that he consulted with Ms. Poehlman, the new RCSD Chief Financial Officer, regarding the above resolution to contract with Barbara J. Smith Advisory Services to provide guidance and support during this transition. Ms. Poehlman stated that she would like to proceed with the contract for these services, particularly as the District enters budget season and needs to advocate at the State level for legislation.

Commissioner Cruz pointed out that the cost for contracting for these services is quite modest (e.g. below \$20K) for the remainder of the fiscal year.

Motion by Commissioner Evans to approve above resolution to contract with Barbara J. Smith Advisory Services, LLC. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

- 2. Establishing “Booster Clubs” and requirements for accounting, auditing, and financial reporting (referred to Finance Committee in December 17, 2015 Board Business Meeting) – Resolution No. 2015-16: 364**

Ms. Poehlman noted that the Board has an opportunity to establish a policy regarding Booster Clubs, which are external fundraising organizations. She stated that the policy can set expectations for these organizations, as well as accounting and financial reporting requirements.

Commissioner Hallmark recommended that the policy contain reference to the Board’s *recognition* of Booster Clubs to ensure clarity that the Board is not attempting to establish these organizations.

Commissioner Powell stated that she has provided a draft policy to Dr. Jennifer Gkourlias, along with a sample policy from the New York State School Boards Association.

Action Item: The recommendations of the Finance Committee regarding creating a policy to govern Booster Clubs will be conveyed to the Policy Committee. Specifically, the policy is recommended to contain language referring to “recognition of Booster Clubs” to clarify that the Board is not seeking to establish these clubs.

Additionally, the Finance Committee would like to review the draft policy after it has been vetted by the Policy Committee.

Motion by Commissioner Evans to postpone consideration of the above resolution regarding Booster Clubs until a final draft policy is available for review from the Policy Committee. Seconded by Commissioner Powell. **Adopted 3-0, with concurrence of Parent Representative.**

Commissioner Evans discussed NYS School Aid for 2016-17, urging his colleagues to exercise fiscal restraint in deliberating over the 2016-17 RCSD budget. He pointed out that the student population has continued to decline, while the budget continues to increase annually. Commissioner Evans emphasized the need for a sustainable staffing model to prevent layoffs on an annual basis.

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

Meeting adjourned at 7:49PM.