

**Rochester Board of Education
Finance Committee
November 12, 2015**

Attendance: Commissioner Cruz (Chair); Commissioners Powell (arrived at 6:23PM) and White (arrived at 6:42PM).

District Staff: Bill Ansbro, Chief Financial Officer; Everton Sewell, Budget Director; Mike Schmidt, Chief of School Operations; Tim Schmandt, Senior Director of Management Efficiencies; David Brown, Director of School Food Services; Gemma Humphries, Director of School Food Services; and Bandele Akinniyi, Lead Director of School Food Services.

Parent Representative: Giancarlo Giannini (arrived at 6:17PM).

Commissioner Cruz convened the meeting at 6:13PM.

I. Questions & Answers

Bill Ansbro reported that the City of Rochester met the required Maintenance of Effort (MOE) this year in financial support of the District. He noted that this requirement must be met before the District can request the City to issue bonds to support RCSD capital improvement projects.

Mr. Ansbro also discussed the current status of Transportation legislation, pointing out that this bill is supported by the speaker of the NYS Assembly. He stated that the District needs to have an indication of legislative intentions regarding this bill in developing the 2016-17 RCSD budget. Mr. Ansbro expressed the hope that he will have additional information within the next few weeks.

II. Review and Discuss Board of Education Priorities for 2016-17 RCSD Budget

Commissioner Cruz referred to a Work Session held last week regarding the Board's budget priorities for 2016-17. He noted that Board staff member, Debra Flanagan, prepared a summary from the presentation and discussion in the Work Session. Commissioner Cruz asked his colleagues about any further updates needed to this summary, and commended Mr. Ansbro and Ms. Flanagan for their work in preparing for review of the 2016-17 RCSD budget.

III. Review and Discuss October 2015 Financial Report

Everton Sewell explained that the District is waiting for an update regarding the NYS Aid run that is performed in November. He stated that this will necessitate amendments to the 2015-16 RCSD budget, which will be presented in the December Finance Committee meeting.

Mr. Sewell discussed highlights of the October 2015 Financial Report:

- No change in revenue for the General Fund, Special Aid Grant Fund, or School Food Service Fund since the last budget amendment in September 2015

- Significant changes in expenditures for 2015-16 to date compared with the same time period for 2014-15:
 - » Greater expenditures for professional development for teachers in 2015-16, largely due to training needed for East High School faculty
 - » Significant reduction in expenditures in 2015-16 for textbooks, primarily because of adoption of new K-8 science textbooks in 2014-15
 - » Reduction in expenditures for equipment for School Food Services and the Office of Security Operations
 - » Substantial increase for non-instructional computer hardware due to current year orders for computer equipment to support the District's Network Operations Department.

Commissioner Cruz asked about conducting an audit of the textbook inventory and monitoring the process for tracking textbooks in the District. Mr. Ansbro replied that the specific procedures involved in monitoring textbooks have now been documented in writing to ensure consistency and improve this process.

Commissioner Powell inquired whether the District is making a profit or simply breaking even by leasing property. Mr. Sewell responded that the District is simply covering costs through property rentals, sometimes leasing to community groups that are unable to make the payments. He pointed out that this practice is to support organizations in the larger community.

Commissioner Powell contended that the District should not continue to lease with groups that renege on agreements.

Commissioner Cruz asked about the fiscal impact of community groups not making payments on District property rentals. Mr. Sewell reported that this amounts to approximately \$29K (over two years????).

Commissioner Cruz recommended reviewing this documentation to identify the groups that have been the most negligent in paying the District for property they have leased. He also discussed the importance of considering the implications, particularly if some of the District's community partners are involved.

Action Item: The Finance Department will examine records of payments made for leasing District property, and identify the groups that have been most negligent in providing these payments to the District. This information will be reported to the members of the Finance Committee.

Mr. Sewell pointed out that there is a discrepancy of approximately \$12M between the District's cash balance and the bank balance. He stated that this is due to the District not having issued payroll checks yet for the current pay period, which makes the bank balance appear larger.

Commissioner Powell noted that the District often experiences cash flow problems at this time of year because the City and State do not provide funds until January. She asked whether any difficulties are anticipated in covering the payroll expenses in December. Mr. Sewell reported that this is not anticipated to be a problem.

Motion by Commissioner Powell to approve the October 2015 Financial Report. **Adopted 2-0, with concurrence of Parent Representative.**

IV. Review Minutes of October 15, 2015 Finance Committee Meeting

Motion by Commissioner Powell to approve the minutes of the October 15, 2015 Finance Committee meeting. **Adopted 2-0, with concurrence of Parent Representative.**

V. Update regarding Food Services

Mike Schmidt introduced a number of staff members from the Food Services Department: David Brown, Director of School Food Services; Gemma Humphries, Director of School Food Services; and Bandele Akinniyi, Lead School Food Services Director. He noted that an update on Food Services is needed at this point to discuss the transition of this operation from an external contractor to in-house staff. Mr. Schmidt recalled that the former Food Services provider, Chartwells, agreed to have the District incorporate the staff who had been involved in Food Services and this has facilitated the transition.

Mr. Akinniyi gave a status report which compared current Food Services performance with key metrics from last year:

- While average daily meal participation increased slightly from September 2014 to September 2015, it declined from October 2014 to October 2015. Student enrollment in the District also declined by 1645 students from 2014 to 2015.
- Monthly costs per meal were \$0.10 higher than the target for September 2015, but enhanced efforts reduced this to \$0.01 above the target for October 2015.
- The District will be opening hybrid kitchens in School Nos. 2, 29, and 39 this year
- Many parents came to share a meal at school with their child during the National School Lunch Week event
- The District is collaborating with the Greater Rochester Health Foundation to create salad bars in eight schools.

Mr. Schmidt emphasized that Food Service operations have been brought in-house without increasing staffing and leading to additional costs.

Commissioner Powell inquired whether the menu has remained the same from last year. Mr. Akinniyi replied that the same menu is being used to comply with Food Service regulations and guidelines.

VI. Review Resolutions in Preparation for November 19, 2015 Board Business Meeting

A. BUDGET

- 1. Monroe No. 1 BOCES – agreement to provide bus transportation for RCSD students attending BOCES Special Education programs – Resolution No. 2015-16: 351**

Motion by Commissioner Powell to approve above resolution to provide bus transportation for RCSD students with disabilities to attend BOCES Special Education programs. **Adopted 2-0, with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

- 1. Upstate Niagara Cooperative, Inc. – contract for the purchase and delivery of milk supplies to the District – Resolution No. 2015-16: 352**
- 2. Midstate Bakery Distributors, Inc. – contract for purchase and delivery of break supplies to the District – Resolution No. 2015-16: 353**

Motion by Commissioner Powell to address above Procurement resolutions as a group. **Adopted 2-0, with concurrence of Parent Representative.**

Motion by Commissioner Powell to approve above Procurement resolutions. **Adopted 2-0, with concurrence of Parent Representative.**

C. EDUCATIONAL FACILITIES

Contracts:

- 1. Window Specialist, Inc. – window and door work; Concord Electric Corp. – electrical work; Lozier Environmental Consulting, Inc. – air monitoring work: contracts for renovation of Wilson Commencement Academy – Resolution No. 2015-16: 354**
- 2. J.C. Ehrlich Co., Inc. – correction to previous resolution to extend contract for pest management in the District – Resolution No. 2015-16: 355**

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

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

Other:

3. Bond issuance request for City of Rochester to issue \$17.195M in bonds to finance capital improvements to District school buildings – Resolution No. 2015-16: 356

Mr. Ansbrow reported that this bond request is to support RCSD capital improvement projects that are to be performed over the summer of 2016. He pointed out a few changes to the approved Capital Improvement Plan that would not change expenditures, but a few of the specific projects planned:

- Construction of parking lot for School No. 58 across the street from the school to enhance safety for students and staff, who currently have to cross several very busy intersections to access the school.
- Install football lockers at Charlotte High School
- Replace windows at Wilson Commencement Academy
- Reconstruct elevator and dock at School No. 4
- Reconstruct bathrooms at School No. 9
- Install carbon monoxide detection systems throughout the District to comply with new regulation

Mr. Ansbrow noted that the first three projects listed would use \$2.250M in funds that were to be allocated to renovating District property on North Clinton Avenue. He explained that the other four projects will utilize a total of \$1.5M from bid award, contingency and other savings realized from 2014-15 capital improvement projects.

Commissioner Powell pointed out that quite a bit of new land will become available near the Scio Street ramp after the Inner Loop has been filled, and she suggested the possibility of using a portion of this land as recreational space for students at School No. 58.

Commissioner Powell also recalled that the property on North Clinton Avenue is considered a brownfield, and will need special consideration. She asked about plans for disposal or lease of this property. Mr. Ansbrow responded that a number of options are being considered at this point, including the District's need for swing space with Phase 2 of the Facilities Modernization Program. He added that a Special Meeting will be held in December to discuss plans for Phase 2 with members of the Board of Education.

Mr. Schmidt noted that operating expenses for the North Clinton Avenue facility are quite low, and the District may want the flexibility to use this property for swing space, adult education, or community services.

Commissioner White inquired about the number of students currently attending programs at the North Clinton Avenue facility. Mr. Schmidt replied that approximately 225 students are currently attending, but the facility lacks a gym. He added that there is storage space that was to be converted into usable space for students.

Commissioner Powell observed that the total cost of \$17M for capital improvement projects is greater than it has been in the past, and she asked about the reason for this increase. Mr. Ansbro reported that the amount allocated for capital improvement projects corresponds to the amount of debt that the District has retired. He noted that discussions have been conducted regarding improving athletic fields and obtaining exceptions to the City's debt limit to enable the District to maximize NYS Aid, particularly since these projects also benefit the City and larger community.

Motion by Commissioner Powell to approve above resolution to request the City of Rochester to issue \$17.195M in bonds to finance RCSD capital improvement projects. **Adopted 2-0, with concurrence of Parent Representative.**

Motion by Commissioner Powell to adjourn. **Adopted 2-0, with concurrence of Parent Representative.**

Meeting adjourned at 7:05PM.