

Rochester Board of Education
Finance Committee
March 19, 2015

Attendance: Commissioner Cruz (Chair); Commissioners Evans and Powell. Parent Representative: Giancarlo Giannini. District Staff: Bill Ansbro, Chief Financial Officer; Everton Sewell, Budget Director; Gary Smith, Purchasing Officer; and Michael Schmidt, Chief of Operations. Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 7:16PM.

I. Review and Approve Minutes of February 19, 2015 Finance Committee Meeting

Motion by Commissioner Evans to approve the minutes of the February 19, 2015 Finance Committee meeting. **Adopted 3-0, with concurrence of Parent Representative.**

II. Review February 2015 Financial Report

Everton Sewell discussed the major items in the February 2015 Financial Report, noting that revenue to the District has remained the same and this report primarily reflects cash flow adjustments. Basically, the revenue has already been accounted for and the funds are now being received:

- Additional \$2M received in the General Fund
- Additional \$11M in Special Aid Grant Fund
- Overall \$54M in funds received toward recorded revenue

Mr. Sewell reported that available funds for the current fiscal year are comparable to prior years, with a slight increase in salaries and compensation. He noted that a smaller percentage of funds have been expended to date for fixed obligations, cash capital, and facilities this year than for the same time last year. Mr. Sewell stated that if expenditures can be held at this level for the remaining of the 2014-15 fiscal year, the District will end the year with a surplus of \$5.6M.

Mr. Sewell noted that the District currently has an \$83M unreconciled balance, primarily due to outstanding checks.

Commissioner Cruz recalled discussing the concern about the District receiving timely bank statements to reconcile accounts, and that plans were made to obtain real-time access to actual figures. ?????

Commissioner Powell pointed out the \$200K in grant disallowances for the Strengthening Teacher Leader Effectiveness grant and the Teacher Incentive Fund grant, as compared to the amount of disallowances factored into the approved 2014-15 RCSD budget. She recalled situations in the past in which the State took back funding from the District for grant disallowances in previous years. Commissioner Powell asked whether the District works with Supplemental Aid Services (SAS), a vendor that assists school districts in reclaiming funds that have been taken away due to grant disallowances. She noted that payment to SAS for these

services is based on a percentage of the funds that are recovered, so there is no real cost to school districts. Mr. Sewell confirmed that RCSD does utilize SAS services to recover funds.

Commissioner Powell inquired whether SAS' services could be used to dispute the grant disallowances. She pointed out that even if the District is successful in reclaiming funds, the State would not provide the funding for approximately 15 years. Commissioner Powell explained that restoring disallowed funds to school districts is a rather low priority at the state level, and the NYS budget typically provides \$20M in annual funding for this purpose. She noted that the list of districts waiting to receive reclaimed funds is so long and this level of funding so inadequate on an annual basis that it takes 15 years to actually receive these funds.

Mr. Sewell reported that the District negotiated with SAS to provide the firm with 9.5% of the funds recovered, which is a very competitive rate.

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

III. Review of Facilities Contract Resolutions in Preparation for March 26, 2015 Board Business Meeting

A. OTHER

1. 2014-15 Non-Resident Tuition Rates established by the NYS Education Department – Resolution No. 2014-15: 543

Motion by Commissioner Powell to approve above resolution establishing 2014-15 non-resident tuition rates. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

1. Audiometric Technology; Lightspeed Technologies, Inc.; Oaktree Products, Inc.; Oticon, Inc.; Phonak, LLC; and Troxell Communications, Inc. – contracts for audiology supplies and equipment – Resolution No. 2014-15: 544

2. 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”); and Varsity Spirit Fashion – contract extension to purchase athletic uniforms – Resolution No. 2014-15: 545

3. Flower City Glass; Pleasant View Glass, Inc. – contract extension to purchase laminated, insulated glass and glazing tape – Resolution No. 2014-15: 546

4. M&T Bank Corporation – contract to provide P-Card services for purchase of equipment, materials, and supplies – Resolution No. 2014-15: 547

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

Commissioner Evans inquired as to the reason that the contract with M&T Bank for P-Card services extends through March 2026, referring to Resolution No. 2014-15: 547. Gary Smith replied that it was thought to be in the best interest of the District to have a longer term contract, and noted that this is actually a one-year contract that is renewable on an annual basis for an additional nine years. He explained that the annual renewal allows the District to discontinue the contract if the services of M&T Bank are not satisfactory.

Mr. Smith reported that a number of benefits were negotiated by offering a longer term contract with the option for annual renewal:

- \$25K sign-on bonus
- A rebate for use of “e-payables”, rather than using checks. Estimated rebate to the District is \$161K in the first year.
- An additional \$25K bonus for reaching each of the following purchasing transaction levels:
 - ✓ \$22M
 - ✓ \$30M
 - ✓ \$50M

Commissioner Powell asked whether M&T Bank was preferred to Chase Bank in providing P-Card services to the District. Mr. Smith responded that M&T Bank stood out in terms of the quality of service and commitment to the District.

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

C. EDUCATIONAL FACILITIES

Contracts:

1. **UDN, Inc. – general construction work; Eastcoast Electric, LLC – electrical work; TES Environmental Corp. – air monitoring work – contracts for renovation of School No. 2 – Resolution No. 2014-15: 548**
2. **Genesee Building Restoration, Inc. – general construction work; Pipitone Enterprises, LLC – mechanical work; Kaplan-Schmidt Electric, Inc. – electrical work; Envoy Environmental Consultants, Inc. – air monitoring work – contracts for renovation of School No. 4 – Resolution No 2014-15: 549**
3. **UDN, Inc. – general construction work; Hewitt Young Electric, LLC – electrical work – contracts for renovation of School No. 43 – Resolution No. 2014-15: 550**

4. **Steve General Contractor, Inc. – general construction work; Lozier Environmental Consulting, Inc. – air monitoring work – contracts for renovation of School No. 57 – Resolution No. 2014-15: 551**
5. **Heaster Building Restoration, Inc. – general construction work; Bell Mechanical Contractor, Inc. – HVAC work; Thurston Dudek, LLC – plumbing work; Hewitt Young Electric, LLC – electrical work – contracts for renovation of Charlotte High School – Resolution No. 2014-15: 552**
6. **Kuitems Construction, Inc. – general construction work – contract for renovation of the School of the Arts – Resolution No. 2014-15: 553**
7. **SSM&RC (dba “Spring Sheet Metal & Roofing”) – general construction work; Billitier Electric, Inc. – electrical work – contracts for renovations to the Franklin educational campus – Resolution No. 2014-15: 554**
8. **Highland Masonry & Restoration, Inc. – contract for general construction work for renovation of Wilson Foundation Academy – Resolution No. 2014-15: 555**

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

Commissioner Powell inquired whether the above Facilities contract resolutions are for renovations to be performed this summer to school buildings. Mike Schmidt confirmed that all of the above Facilities contract resolutions pertain to renovation work to be conducted this summer.

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

Final Payments:

9. **Steve General Contractor, Inc. – final payment for renovation of Dr. Freddie Thomas High School – Resolution No. 2014-15: 556**
10. **The Pike Company – final payment for general construction work for renovation of Charlotte High School – Resolution No. 2014-15: 557**
11. **Hewitt Young Electric, LLC – final payment for electrical work in renovation of Dr. Freddie Thomas Learning Center – Resolution No. 2014-15: 558**
12. **Kuitems Construction, Inc. – final payment for general construction work in renovation of the Jefferson educational campus – Resolution No. 2014-15: 559**

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 Parent Representative.**

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

Other:

13. Submission of documentation in accordance with the State Environmental Quality Review Act (SEQRA) – Resolution No. 2014-15: 560

14. Inter-Municipal Cooperative Purchase Agreement to purchase electricity through the Monroe County supplier – Resolution No. 2014-15: 561

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

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

Giancarlo Giannini recalled that an aspect of the renovations to be performed at East High School and Wilson Commencement Academy involves installation of artificial turf fields. He referred to a recent news article reporting the presence of carcinogens and other hazardous materials in the shredded rubber contained in artificial turf, and asked about the District's plans for addressing these concerns. Mr. Schmidt replied that the potential danger posed by the chemicals in artificial turf fields depends on a number of conditions:

- The length of time that athletes are on the field
- The temperature at which the turf has been exposed – exposure to higher temperatures tends to release more of these hazardous chemicals

Mr. Schmidt pointed out that RCSD athletes would not be exposed to either of these conditions, and noted that the District is installing the same product as used at St. John Fisher College, Pittsford School District, Fairport School District, and the Buffalo Bills. He explained that the technology involved in manufacturing artificial turf has evolved rapidly, and the older fields are responsible for most of these concerns. Mr. Schmidt stated that additional information can be provided from the firm installing the turf.

Mr. Giannini requested an assessment of the artificial turf to ensure students' safety.

Commissioner Powell commented that all petroleum products produce out-gases at different temperatures and heat levels, and expressed concern about flammability with rubber.

Mr. Schmidt assured that the artificial turf is not combustible.

Action Item: Mr. Schmidt will provide information to the members of the Finance Committee of the characteristics of the artificial turf to be installed at several District high schools to address safety concerns.

IV. Follow-Up Questions/Items from Previous Meetings

1. Information of the specific RTS routes with sparse student ridership

Mr. Schmidt reported that District staff have been collaborating with RTS to re-route buses to minimize the number of students travelling through the downtown corridor. He stated that school schedules will be finalized around April 1st – much earlier than in the past, which will lead to less disruption for parents and students.

Commissioner Powell discussed her own daughter's experience with using RTS transportation to and from school, noting that she is one of the students authorized to travel downtown. Commissioner Powell stated that her daughter's bus schedule was changed in January because she was not able to get to school in time, but this change was not sufficient to address the problem and she wound up dropping the class. Commissioner Powell asserted that this may be an issue with smaller schools, such as the Rochester Early College High School. She noted that this school and Wilson Commencement Academy share a campus, and inquired about the possibility of the RTS bus stop before reaching Wilson Commencement Academy so that the students at the Rochester Early College High School could exit and get to school on time. Mr. Schmidt replied that students can do this now, as they have the ability to exit the bus anywhere they choose. Commissioner Powell stated that students do not know that they have this option.

2. Any news regarding guidelines for use of Smart Schools Technology Funds?

Mr. Sewell reported that no guidelines have been issued yet regarding the use of Smart Schools Technology Funds.

3. For the new Title I School Improvement grant (\$1.14M), which schools are to receive this funding?

Mr. Sewell provided a handout containing information of the schools receiving Title I School Improvement grant funding.

4. In terms of the items remaining in the school buildings that are closing (i.e. School No. 22 and No. 36), Finance Committee members suggested auctioning off the items that cannot be repurposed; this is to be discussed further with Gary Smith. What is the status of this?

Mr. Smith provided a handout with information of plans for disposing of items remaining at RCSD schools that will be closing.

5. As part of the 2015-16 RCSD budget deliberations, Board members have requested that staff from the Transportation Department give a presentation to identify and

analyze options for cost savings. Has this been communicated to members of the Transportation Department?

Commissioner Cruz explained that members of the Finance Committee would like staff from the Transportation Department (Maria Mello-Dupre, Transportation Director, and Wayne Kittelberger, Assistant Transportation Director) to give a presentation of options for cost savings in student transportation. He stated that this presentation is to be given in the context of review of the proposed 2015-16 RCSD budget. Commissioner Cruz stated that it will also be important to include Barbara Goldammer, Director of Student Placement, in these discussions because one of the most important cost savings mechanisms is to strengthen the zone boundaries.

6. Members of the Finance Committee have also requested an analysis of the option for contracting for legal services for possible cost savings to the District. What is the status of this request?

Mr. Smith provided a handout containing an analysis of the option of contracting for legal services in the District.

Mr. Giannini pointed out that he had requested an update of the information on the District website regarding the Facilities Modernization Plan (FMP), and the response received to his request indicated that the information will be updated after the planning for Phase 2 has been completed. He expressed concern about providing accurate information to parents and community members, since the information about the FMP that is currently on the District website is two years out of date and does not include reference to the schools being closed.

Mr. Schmidt replied that a comprehensive plan has to be developed and approved by the NYS Education Department for Phase 2 of the FMP. He stated that this plan should not be published until approval has been obtained. Mr. Schmidt acknowledged that the existing information regarding the status of the FMP can be updated on the District website, and stated that he will discuss this with the Communications Chief.

Action Item: Mr. Schmidt will speak with the Chief of Communications, Chip Partner, about updating the information on the RCSD website regarding the Facilities Modernization Plan (FMP).

Commissioner Powell noted that a waiver of the maximum cost allowance will have to be obtained from the NYS Education Department in order to proceed with the renovations needed to School No. 16. She asked whether this condition is being incorporated into the architectural plans developed by the firm SWBR. Mr. Schmidt replied that a number of schools in need of renovation will require a waiver of the maximum cost allowance, and proposed that all of these schools be considered at the same time. He pointed out that the improvements needed to these schools can be considered a supplement to Phase 2 of the FMP, and the work should be expedited to minimize disruption to students and the educational process. Mr. Schmidt explained that it would be most advantageous to the District to maximize the work performed within a particular time period, noting that the NYS Education Department currently allows a five-year time period for completing building improvements.

Commissioner Powell expressed concern about recent advocacy efforts by the Office of the Big Five for specific legislation pertaining to maximum cost allowance requirements. She stated that the NYS Education Department may not be too receptive to waiver requests if the District promotes legislation regarding the requirements for building renovation.

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

Meeting adjourned at 7:52PM.