

Rochester Board of Education
Finance Committee
February 19, 2015

Attendance: Commissioner Cruz (Chair); Commissioners Evans, Adams (arrived 5:41PM), Powell (arrived at 6:26PM), and White (arrived 5:51PM). Parent Representative: Giancarlo Giannini (arrived at 5:46PM). 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 5:38PM.

I. Review and Approve Minutes of January 15, 2015 Finance Committee Meeting

Motion by Commissioner Evans to approve the minutes of the January 15, 2015 Finance Committee meeting. **Adopted 2-0.**

II. Review of Facilities Contract Resolutions in Preparation for February 26, 2015 Board Business Meeting

A. FACILITIES

Contracts:

- 1. Eastcoast Electric, LLC – contract for Phase IV of the district-wide security project – Resolution No. 2014-15: 489**
- 2. BRG Corporation – contract for window replacement work as part of renovations to the Dr. Freddie Thomas Learning Center – Resolution No. 2014-15: 490**
- 3. Orchard Earth and Pipe Corporation – contract for plumbing work as part of renovations to the Service Center – Resolution No. 2014-15: 491**
- 4. SWBR Architecture, Engineering & Landscape Architecture, PC – contract to perform inspection of District facilities and grounds to complete the 2015 Building Condition Survey, as required every five years by NYS Education Commissioner regulations – Resolution No. 2014-15: 495**

Mike Schmidt gave an overview of the status and plans for the district-wide security project, noting that Phases I-III have been completed out of a total of seven phases. He explained that Phase IV involves replacing analog cameras with Internet Protocol (IP) cameras to keep up with evolving technology, and improving the positioning of cameras in buildings to enhance safety.

Commissioner Evans inquired about the total number of cameras in the District, and asked for a breakdown in terms of analog and IP cameras. Mr. Schmidt replied that the District has a total of approximately 1700 cameras, with 1000 IP

and 700 analog. He noted that Phase IV of this project will also involve installation of an alarm system to indicate when a camera is not functioning.

Commissioner Cruz asked whether all 1700 cameras are currently operational. Mr. Schmidt stated that all are operational, but upgrades are needed to maintain video recordings. He added that the project is being conducted in phases to align with other planned capital improvement projects or the Facilities Modernization Plan to maximize NYS Building Aid.

Motion by Commissioner Evans to address all above Facilities contract resolutions as a group. **Adopted 2-0.**

Motion by Commissioner Evans to approve all above Facilities contract resolutions. **Adopted 2-0.**

III. Updates regarding Procurement Requests for Proposal (RFPs)

Gary Smith presented information of Requests for Proposal (RFPs) that are currently pending through the Purchasing Department:

1. Community Partners to Support More and Better Learning Time: 21 proposals received, and prospective vendors will give presentations over the next several weeks
2. P-Card Services: currently under negotiation with M&T Bank
3. Student Health Services: two proposals were received, but the decision will be delayed until the April 23rd Board Business meeting. The District is waiting to find out the amount of funding that will be provided for Student Health Services under the approved 2015-16 NYS budget, which is due to be adopted by April 1st.

Mr. Ansbrow added that one of the Student Health Service proposals is less costly, and the District is currently collaborating with NYS Assemblyman David Gantt to secure additional funding for these services.

4. Temporary Staffing Services: an RFP will be issued in March
5. Third Party Administrator for Workers' Compensation: an RFP will be issued in March
6. Mail Services: Considering contracting out District mail services; RFP planned for March
7. Student Transportation Services (RGRTA): Negotiations are ongoing, with the next meeting at the beginning of March
8. Follett Consulting: on-site visits and survey will be conducted the week of March 2nd. Due to a prior billing/payment error, Follett Consulting is providing services at no cost to improve the District's textbook inventory management.

IV. Review of Proposed Amendments to 2014-15 RCSD Budget

- 1. Amend 2014-15 General Fund – Resolution No. 2014-15: 485**
- 2. Amend 2014-15 Special Aid Fund – Resolution No. 2014-15: 486**
- 3. Amend 2014-15 School Food Service Fund – Resolution No. 2014-15: 487**
- 4. Amend 2014-15 RCSD Budget – Resolution No. 2014-15: 488**

Everton Sewell presented an overview of the changes in revenue and expenditures that contribute to the need for the proposed amendments to the 2014-15 RCSD budget:

- Net reduction of \$610,543 in the General Fund budget, primarily due to a decrease in NYS Building Aid of \$2.88M and a decrease of \$1.58M in interest subsidies for Facilities Modernization Projects that have been delayed until the 2015-16 fiscal year. These revenue reductions were partially offset by an increase of \$1.11M in Special Education High Cost Aid and use of \$3.38M of the Appropriated Fund Balance.
- Net increase in Special Aid Fund revenue of approximately \$4.77M, primarily due to a rollover of federal grant funds from the previous federal fiscal year and award of \$2.29M in new federal grants.
- Net increase of 69.2FTE, but reduction in staff salaries and compensation. This is primarily due to improved reporting/accounting for staff, specifically 45.8FTE for Paraprofessionals and Teaching Assistants that had not been reported in the past but their pay was included in the RCSD budget.

Commissioner White inquired about the status of funding for the educational partnership (EPO) for East High School. Mr. Ansbrow responded that approximately \$200K in funding has been provided to offset costs in the current year, and paperwork will be filed with the NYS Education Department to obtain additional funding to support the partnership in 2015-16.

Commissioner White asked how additional funding for the EPO will be accounted for in the 2015-16 RCSD budget. Mr. Ansbrow replied that any additional funding received would be subject to the judgment of the Board in terms of assigning these funds to East High School for the current fiscal year. He noted that an increase in revenue to support the EPO in 2015-16 would be applied to the school to defray the estimated \$10M in costs.

Commissioner Evans emphasized the need to ensure that funds are being utilized for specific purposes under the EPO plan.

Mr. Sewell explained that vacant positions are currently remaining unfilled, and the Position Control Committee is continuing to review non-school vacancies to identify positions that are not needed. In addition, he noted that all non-school operating budgets are being reviewed to identify potential cost savings (e.g. contractual services, supplies and materials, professional development and travel). Mr. Sewell reported that the goal is to end the current fiscal year with a \$6M surplus, which will be rolled over into the 2015-16 fiscal year.

Commissioner Evans pointed out that the reported cost savings from currently vacant positions will only materialize if the positions remain unfilled. Mr. Ansbrow reported that some of the funds are being used for temporary/substitute staff, but this still leaves a surplus. Mr. Sewell

reported that the category of “Other Compensation” has increased by \$3.9M due to the use of temporary and substitute staffing.

Mr. Sewell added that Employee Benefits also increased by \$0.5M in reconciling the additional benefit costs from the 201.0FTE added in September 2014. These benefit costs have been covered through the use of contingency funds, and these contingency funds have now been replaced.

Commissioner Evans pointed out that a committee was led by Commissioners Cruz and Powell to identify potential cost savings in student transportation, noting that current transportation costs in the District are unsustainable.

Commissioner Cruz reported that one of the outcomes of the work of this committee was legislation to reduce the distance limit to 0.5 miles for providing transportation to students. He noted that another important recommendation was to strengthen the zone boundaries to minimize inefficient cross-zone transportation.

Commissioner White suggested that Board members be involved early in the process of transportation contract negotiations and prior to forming budget projections. Mr. Ansbro reported that the District has accelerated the entire process for student transportation contracts. He pointed out that he expects negotiations with RGRTA to be concluded in time for the contract cost to be included in the 2015-16 RCSD budget.

Commissioner Cruz noted that charter schools are requesting an additional \$1M for student transportation from the District. He asked whether there would be an offset of these costs to the extent that fewer students will be attending RCSD schools. Mr. Ansbro replied that the difficulty in estimating these transportation costs is due to different students going to different sites and the extent to which this will lead to fewer buses or routes.

Commissioner White requested that staff from the Transportation Department give a presentation to Board members regarding options for cost savings as part of the 2015-16 RCSD budget deliberation process.

Action Item: Staff from the Transportation Department will give a presentation to Board members as part of the 2015-16 RCSD budget deliberation process regarding options for potential cost savings in student transportation.

Commissioner White expressed concern about using temporary and substitute staffing to fill some of the currently vacant positions. Mr. Ansbro explained that vacant positions are not being filled at this point unless necessary to minimize displacements and layoffs in the future. For positions that need to be staffed at this point, he stated that they are being covered by other staff members or by temporary or substitute staff. Mr. Ansbro pointed out that some currently vacant positions will not be needed in the future because of organizational changes or schools closing (e.g. School No. 36).

Commissioner White inquired about the plan to contract out for District mail services. Mr. Ansbro replied that Gary Smith had given an update earlier about a Request for Proposal (RFP) to contract for these services.

Commissioner Evans asked about the possibility of contracting for legal services for the District.

Action Item: Mr. Ansbro will explore the possibility of contracting for legal services for the District, and report his findings to the members of the Finance Committee.

Motion by Commissioner Evans to address the above amendments to the 2014-15 RCSD budget as a group. **Adopted 2-0, with concurrence of the Parent Representative.**

Motion by Commissioner Evans to approve the above amendments to the 2014-15 RCSD budget. **Adopted 2-0, with concurrence of the Parent Representative.**

V. Review January 2015 Financial Report

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

VI. Review 2nd Quarter Student Activity Funds Report

Motion by Commissioner Evans to approve the 2nd Quarter Student Activity Funds Report. **Adopted 2-0, with concurrence of the Parent Representative.**

VII. Review of Facilities Final Payment Resolutions in Preparation for February 26, 2015 Board Business Meeting

Final Payments:

- 5. Eastcoast Electric, LLC – final payment for electrical work in renovating the School Without Walls Commencement Academy – Resolution No. 2014-15: 492**
- 6. UDN, Inc. – final payment for general construction work in renovating Wilson Foundation Academy – Resolution No. 2014-15: 493**
- 7. Elmer W. Davis, Inc. – final payment for roofing work in renovating School No. 1 – Resolution No. 2014-15: 494**

Motion by Commissioner Evans to address above Facilities final payment resolutions as a group. **Adopted 2-0, with the concurrence of the Parent Representative.**

Motion by Commissioner Evans to approve above Facilities final payment resolutions. **Adopted 2-0, with the concurrence of the Parent Representative.**

Late Submissions:

- 8. City of Rochester / Rochester City School District Negotiated Facilities Agreement- agreement to return ownership of the property at 27 Zimbrich Street (current location of School No. 22) and at 85 Saint Jacob Street (current location of School No. 36) to the City of Rochester effective July 1, 2015 – Resolution No. 2014-15: 502**
- 9. Amend the Facilities Modernization Plan (FMP) to include closure of School No. 22 effective with the 2015-16 school year and to return the**

facility at 27 Zimbrich Street to the City of Rochester by July 1, 2015 – Resolution No. 2014-15: 503

10. Amend the Facilities Modernization Plan (FMP) to include closure of School No. 36 effective with the 2015-16 school year and to return the facility at 85 Saint Jacob Street to the City of Rochester by July 1, 2015 – Resolution No. 2014-15: 503

Commissioner White inquired about disposing of any property remaining in the buildings currently housing School No. 36 and School No. 22. Mr. Ansbrow responded that the Facilities and Information Management & Technology departments would examine the remaining property to determine ways in which it could be repurposed. He stated that any items that cannot be repurposed could potentially be auctioned.

Action Item: Mr. Ansbrow will discuss with Gary Smith, Purchasing Officer, the possibility of auctioning any remaining property that cannot be repurposed in the school buildings being closed (i.e. the buildings housing School No. 36 and School No. 22).

Motion by Commissioner White to address all above late submission resolutions as a group. **Adopted 2-0, with concurrence of Parent Representative.**

Mr. Giannini pointed out that the information on the District website regarding the Facilities Modernization Plan (FMP) was last posted in May 2013, and requested that this information be updated. Mr. Ansbrow replied that the District is currently in discussions with the City of Rochester regarding financing of the pre-implementation for Phase 2 of the FMP. He stated that a comprehensive plan for Phase 2 cannot begin to be developed until the Board and City Council have acted.

Mr. Giannini requested that the information on the website be updated with respect to decisions that have already been made, such as closing two school buildings.

VIII. New Business

1. Funding for Expeditionary Learning Schools

Mr. Giannini asked about allocation of funds to expeditionary learning schools. Mr. Ansbrow replied that he will look into this and report back to the Finance Committee.

Action Item: Mr. Ansbrow will obtain information about the allocation of funds to expeditionary learning schools and report his findings to the Finance Committee.

2. Additional Resolutions

Mr. Ansbrow reported that an additional resolution is expected to be added to the packet for the February 26th Board Business meeting. He explained that the

resolution pertains to a contract for project management consulting for Career & Technical Education and redesign of the Edison campus. Mr. Ansbrow noted that these contract costs will be funded under the NYS Management Efficiency grant.

Motion to adjourn. Meeting adjourned at 6:43PM.