

Rochester Board of Education

Finance Committee

October 16, 2014

Attendance: Commissioner Powell (Chair); Commissioners Cruz and Evans (arrived at 5:50PM). Parent Representative: Giancarlo Giannini (arrived at 5:56PM). District Staff: Bill Ansbro, Chief Financial Officer; Vern Connors, Budget Director; Michael Schmidt, Chief of Operations; Gary Smith, Purchasing Officer; and Everton Sewell, Finance Department. Board Staff: Debra Flanagan

Commissioner Powell convened the meeting at 5:30PM.

I. Review and Approve Minutes of September 18, 2014 Finance Committee Meeting

Motion by Commissioner Cruz to approve the minutes of the September 18, 2014 Finance Committee meeting. **Adopted 2-0.**

II. Review and Discuss September 2014 Financial Report

Bill Ansbro reported that the adopted 2014-15 NYS budget included a supplemental \$250 tuition increase for charter schools, which was to be funded by the State. For this reason, these additional costs were not included in the adopted 2014-15 RCSD budget. Mr. Ansbro stated that more recent guidelines from the NYS Education Department require school districts to advance the tuition increase to charter schools, for which an additional NYS Aid payment will be made at a later date. Vern Connors confirmed that the tuition increase will amount to over \$1M, which will affect the District's cash flow depending on the timing of the additional NYS Aid payment. He stated that these increased charter school tuition payments may not be reimbursed by the State until next year.

Mr. Ansbro stated that he is discussing this issue with NYSED, given the fiscal constraints facing many school districts in New York State.

Motion by Commissioner Cruz to approve the September 2014 Financial Report. **Adopted 2-0.**

Mr. Connors provided an update on the status of budget contingency funds, pointing out that several items have changed since last month's report:

- Addition of textbooks and temporary staff for Edison campus schools
- Funding for increased summer Special Education student evaluations
- Reduction of 18.2FTE in September 2014 (not included in September budget amendments)
- Reduction of BOCES CTE placements
- Reduction of 13.0FTE from aligning teaching staff with classroom needs

The net impact of these changes would be a \$737 deficit in contingency funds as of October 15th. Mr. Ansbro reported that Finance Department staff are working to identify additional cost savings opportunities.

III. Review and Discuss Quarterly Change Order Report for July through September 2014

Motion by Commissioner Cruz to approve the Quarterly Change Order Report for July through September 2014. **Adopted 2-0.**

IV. Review of Resolutions in Preparation for October 23rd Board Business Meeting

A. EDUCATIONAL FACILITIES

Final Payments:

- 1. Nairy Mechanical, LLC – final payment for plumbing work for renovations to East High School – Resolution No. 2014-15: 266**
- 2. Nairy Mechanical, LLC – final payment for plumbing work for renovations to School No. 30 – Resolution No. 2014-15: 267**
- 3. Nairy Mechanical, LLC – final payment for plumbing work for renovations to School No. 9 and Baden Street Recreation Center – Resolution No. 2014-15: 268**

Motion by Commissioner Cruz to address all above Facilities final payment resolutions as a group. **Adopted 2-0.**

Motion by Commissioner Cruz to approve all above Facilities final payment resolutions. **Adopted 2-0.**

Contracts:

- 4. Downey-Goodlein Elevator Corporation – contract extension for elevator repair – Resolution No. 2014-15: 269**

Motion by Commissioner Cruz to approve above Facilities contract for elevator repair. **Adopted 2-0.**

V. Follow-Up Items from September 2014 Finance Committee Meeting

1. Status of Installing Hybrid Kitchens in Elementary Schools:

Mike Schmidt provided a summary of the schools that have hybrid kitchens as of the 2014-15 school year and of the schools planned to have these kitchens installed. He reported that 19 schools currently have hybrid kitchens, which enables the school to serve warm meals to students and greatly improves the quality of the food served. Mr. Schmidt stated that another 6 schools are scheduled to have these kitchens installed over the next two years.

For the 12 schools not on either of these lists, Mr. Schmidt stated that the Facilities Department will consider installing hybrid kitchens in future Capital Improvement Plans or through the Facilities Modernization Plan (FMP) as funding becomes available.

Commissioner Powell inquired about plans for some schools that would not lend themselves to accommodating a hybrid kitchen because of their structure and space capacity. Mr. Schmidt explained that this is a factor for some of the 12 schools not currently scheduled to have hybrid kitchens installed. He stated that the other schools may not have been scheduled for retro-fitting at this point because of the timing of the FMP or other CIP projects.

Mr. Schmidt noted that after more schools have operational hybrid kitchens, alternative service arrangements can be considered for the schools where retro-fitting is not feasible because of the existing structure or footprint.

2. Possibility of Yellow Bus Transportation for Secondary Students

Mr. Schmidt stated that a number of options are currently being considered for transporting secondary students in the District. He reported that a Request for Proposal (RFP) was just issued to seek bids from transportation providers to get an idea of the cost of providing yellow bus service for these students. Mr. Schmidt asserted that while alternate transportation may be feasible, a number of other factors have to be considered: cost, flexibility of routing, students attending after-school programs, and the availability of buses in light of expanded day programs, extracurricular activities, and athletic programs. He stated that a number of additional vehicles and quite a few more bus drivers would be needed to expand yellow bus service to secondary students. Mr. Schmidt reported that efforts are being made to find a balance in meeting these transportation needs within the existing system and footprint of schools. He stated that the two-tier system and expanded day programs lead to much later dismissal times, and the District is prioritizing among transportation initiatives.

Commissioner Powell discussed an example of secondary students having to transfer RTS buses downtown, leading them to be tardy to school on a regular basis. She stated that this is the situation for her daughter, who attends Wilson Commencement Academy. Commissioner Powell noted that students in a nearby school have yellow bus transportation, and asked if there is any reason that secondary students couldn't ride the bus with their younger peers. Mr. Schmidt replied that he would have to look into this further because each situation is different. He emphasized the importance of considering individual circumstances and transportation needs, and of building flexibility into the system to meet students' needs. He offered to look at transportation and attendance patterns at this school to identify other students who may be experiencing difficulty in getting to school on time because of having to transfer RTS buses downtown.

3. Timeline for Expeditionary Learning Contract

Mr. Ansbro reported that approval has not yet been received from the NYS Education Department (NYSED) to proceed with implementing the terms of the Expeditionary Learning contract. He stated that all of the elements are being put in place in the District and all of the School Improvement Grants (SIG) have been approved. Mr. Ansbro stated that NYSED staff have had additional questions about the contract, to which the District has been responding. He stated that current fiscal constraints do not allow the District to

proceed with executing this \$214K contract using the General Fund, so implementation will begin as soon as approval has been given from NYSED.

V. Presentation of the Current Status of Procurement Bids

Gary Smith provided a summary of the current status of bids through the Procurement Department, noting that the largest bid is for student transportation. He reported that the Request for Bids (RFB) was issued on October 7th and responses are due by November 18th, with eight requests for information on BidNet to date. Mr. Smith noted that 11 different contracts for transportation have been consolidated into five to streamline this process.

Mr. Smith also reported the following pending Procurement bids:

- Musical instruments and Band Uniforms: responses to RFB due in late October
- East High School Parent/Family Leadership Outreach: responses to RFP due Oct. 9th
- School Health Services: RFP to be issued on Oct. 21st and responses due Nov. 25th
- Community Partners to Support More and Better Learning Time: RFP to be issued on Oct. 28th and responses due Nov. 25th
- Procurement card services: RFP to be issued Oct. 28th and responses due by Dec. 2nd
- Insurance Broker services: October or early November
- eRate bids: November

With respect to the East High School Parent/Family Leadership Outreach, Mr. Smith stated that two responses have been received to the RFP: Ibero and NEAD. He stated that both of these organizations will give presentations regarding their proposals on Monday, October 20th, and the team's recommendations will be presented to the Superintendent on Tuesday, October 21st. Mr. Smith noted that the Board will be asked to approve a resolution regarding this contract in the October 23rd Business meeting.

Mr. Smith reported that the RTS contract for transporting secondary school students is \$12M, out of a total \$50M for student transportation contracts in the District. He pointed out that with the responses due from transportation vendors to the RFB on November 18th, information will be available to compare costs for transporting secondary school students and this will provide a starting point for contract negotiations with RGRTA. Mr. Smith noted that RGRTA has also been requested to submit a proposal by November 18th.

VI. New Business

Mr. Ansbrow reported that a debt resolution for financing the 2014-15 Capital Improvement Plan will be presented to the Finance Committee in the November 2014 meeting. He explained that the resolution will request issuance of Bond Anticipation Notes (BANs) by the City to support the first part of Phase 2 of the Facilities Modernization Plan (FMP). Mr. Ansbrow stated that the Phase 2 legislation has not yet been signed by the Governor, but the District needs to continue planning for these projects. He noted that the City is planning to issue bonds in December to February, and it is much less costly for the District to collaborate with the City for interim Phase 2 financing.

Mr. Ansbrow stated that a resolution to request COMIDA to borrow \$54M to complete Phase 1 of the FMP will be presented to the Finance Committee in the December 2014 meeting.

Commissioner Powell pointed out that the legislation for Phase 2 of the FMP contained significant changes, such as changing the Joint School Construction Board. She inquired about the impact of these changes on FMP projects. Mr. Ansbro replied that the legislation requires formation of a new Joint School Construction Board, but the same members could still be selected. He noted that the requirements in terms of representation on the Board remain the same.

Action Item: Mr. Ansbro will provide to the members of the Finance Committee a summary of the changes in the legislation for the FMP from Phase 1 to Phase 2.

Motion by Commissioner Cruz to adjourn. **Adopted 3-0.**

Meeting adjourned at 5:57PM.

Next Finance Committee Meeting: Thursday, November 13th, following the Board Governance and Policy Committee meetings