

**Rochester Board of Education**  
**Finance Committee**  
**June 12, 2014**

**Attendance:** Commissioner Powell (Chair); Commissioners Evans and Cruz. Parent Representative: Giancarlo Giannini. District Staff: Bill Ansbro, Chief Financial Officer; Vern Connors, Budget Director; Michael Schmidt, Chief of Operations; John Burke, Purchasing; Carlos Cotto, Director of Health and Physical Education; Chris Hoch, Director of Risk Management in the Human Capital Initiatives Division (HCI).

Commissioner Powell convened the meeting at 5:41PM.

**I. Presentation regarding Proposed Amendments to 2013-14 RCSD Budget**

Vern Connors conducted a presentation regarding the major changes in revenue and expenditures affecting the 2013-14 RCSD budget:

- Overall increase of \$2.6M to 2013-14 RCSD budget to a total of \$777.7M
- Additional grant revenue of \$2.9M, with approximately \$1M from NYS and \$1.8M from local sources:
  - ❖ Rollover of NYS Management Efficiency Grant (\$0.8M)
  - ❖ Smart Scholars Cohort 3 (\$1M)
  - ❖ EPE (reimbursement for purchase of certain technologies - \$1M)
  - ❖ Rollover of federal Strengthening Teacher and Leadership Effectiveness Grant (\$163K)
  - ❖ Wallace Foundation Grant (\$1.6M)
- Increased grant funding was offset slightly (by approximately \$300K) due to NYS deducting funds for students who are incarcerated or placed in an agency setting
- Increase in non-resident tuition by \$150-200K due to an agreement to provide services to high-need students (ELL and Special Education) in the Fairport school district

Commissioner Evans asked whether the funds from the Wallace Foundation grant are all expected to be expended in the 2013-14 fiscal year. Mr. Connors replied that the grant funding is for a one-year period, from May 2014 to April 2015, noting that grant funders often use different budget cycles than used by the District.

In terms of changes in expenditures in the 2013-14 RCSD budget, Mr. Connors reported:

- Addition of 6.5FTE, but with a reduction of \$1.5M in staffing and salary costs. He explained that this is due to the District's conservative approach in amending the budget, by assuming that all unfilled positions will be filled and setting aside funds for all of these positions until the end of the fiscal year. Mr. Connors pointed out that the actual staffing costs are less than budgeted to the extent that positions remain unfilled over the years.

Staffing breakdown: 2.0FTE Civil Service; 1.0FTE Paraprofessional; 4.0FTE Teachers

- Increase of \$400K in costs for substitute teachers
- Reduction of \$800K in expenditures for hourly teachers
- Modest increase in employee benefits of \$400K since last budget amendment
- Increased transportation costs of \$500K for expanded and extended day programs
- Reduction of \$600K in charter school tuition
- Budget contingency funds increased by \$800K

Parent Representative Giancarlo Giannini asked how the funds from the Wallace Foundation are being used in the District. Mr. Connors responded that the majority of these grant funds are used to support a summer program, and the Foundation is tracking one cohort from 1<sup>st</sup> grade through high school to determine the impact of the summer school curriculum on learning loss. He noted that RCSD is one of only five districts selected by the Wallace Foundation to participate in this study.

## **II. Review and Approve Minutes of May 1, 2014 Finance Committee Meeting of the Whole and of May 15, 2014 Finance Committee Meeting**

**Motion** by Commissioner Evans to approve the minutes of the May 1, 2014 Finance Committee Meeting of the Whole. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Evans to approve the minutes of the May 15, 2014 Finance Committee meeting. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of Parent Representative.**

## **III. Presentation regarding Plans to Upgrade Certain RCSD Athletic Fields**

Bill Ansbro recalled a discussion in a Finance Committee meeting several months ago regarding the poor condition of the District's athletic fields, particularly in the spring and late fall. He stated that each RCSD athletic field was examined to identify specific sites that may benefit from having artificial turf installed. Mr. Ansbro noted that this process has included staff with the City of Rochester, and the Mayor is supportive of these plans. He described plans to brief City Council later this month, and to present a request for an exception to the debt limit to the Board in July and to City Council in August.

Carlos Cotto expressed appreciation for the Board's and Superintendent's support for expanding the District's athletic program, pointing out that improving the condition of the fields is an essential aspect of this expansion. He noted that upgrading the athletic fields will not only benefit RCSD student athletes, but also for enhancing the ability of the community to utilize these recreational opportunities and to generate revenue from hosting regional athletic events.

Mr. Cotto discussed the difficulty in preparing the fields each year due to the weather in Rochester, and noted that the RCSD athletic and physical education program has expanded by over 50 programs. He described these recreational resources as offering opportunities for youth programs throughout the City to build a stronger network, and for encouraging family involvement while promoting health and wellness.

Mike Schmidt discussed his experience in the Syracuse City School District, which has artificial turf fields at every high school, two middle schools, and one community area. He explained the evaluation criteria for recommending specific sites to have artificial turf installed:

- Geography/location – to attain a balance geographically throughout the District and City
- Current athletic programs in each school
- Estimated cost
- Implementation schedule

Mr. Schmidt reported that four sites are recommended based on these criteria: East High School (currently under way, with August 2014 completion date); Wilson Foundation Academy; Franklin campus; and Jefferson campus. He stated that the athletic field upgrades are proposed to be completed at the Wilson Foundation Academy and the Franklin campus by the fall of 2016, since both of these sites have the basic infrastructure in place. Mr. Schmidt noted that longer term plans involve upgrade of the field at the Jefferson campus, which is considered important because of its access within the District and City.

Mr. Schmidt pointed out that artificial turf fields are no longer uncommon in New York, and have become a necessity for physical education programs and to remain competitive in athletics. He reported that the costs would amount to approximately \$900K for the artificial turf, and another \$300K to improve the track surface, stadium, bleachers, field lighting, and support services.

At East High School, Mr. Schmidt stated that a turf rectangle would be completed first, with the intent to add a soccer/baseball stadium at some point in the future. He explained that the field at this school was constructed as a football field and is not quite wide enough for regulation soccer.

With regard to plans for the Franklin campus, Mr. Schmidt stated that the stadium seating would be replaced and lighting would be installed.

At Wilson Foundation Academy, Mr. Schmidt described plans to increase seat capacity due to the geographic importance of the site in serving the local community. He noted that the costs for athletic field renovations at Wilson Foundation Academy would be less than for the Franklin campus because of the smaller scope of the project.

For all of the proposed athletic field renovation projects, Mr. Schmidt pointed out that the District could obtain 98% cost reimbursement through NYS Building Aid because the projects involve enhancing existing facilities rather than creating new ones.

Mr. Ansbro explained that the Mayor and City Council are being involved in this process because the City will have to approve an increase of RCSD debt limit to allow these plans to move forward. He emphasized the importance of raising the District's debt limit without affecting the City's Maintenance of Effort (MOE) payment to RCSD. Mr. Ansbro stated that he has had discussions with staff at the NYS Education Department regarding ways to structure the financing to ensure that there will be no fiscal impact on the City. He reported that NYSED staff recommended that the District use "bullet aid" to cover the local share of the cost for the athletic field renovations. Mr. Ansbro recalled that RCSD received additional unanticipated "bullet aid" in 2012-13, which was set aside for this purpose.

Mr. Ansbrow elaborated that the athletic field improvements are considered “incidental” by NYSED, so other projects will have to be conducted concurrently at each location to qualify for the 98% cost reimbursement.

Commissioner Powell cautioned that the District is subject to two major constraints with regard to these projects:

- The RCSD debt limit as a percentage of the City’s borrowing capacity; and
- The limit on the District borrowing only as much as the amount of debt retired in the previous year.

She noted that the athletic field improvements will lead the District to borrow more than the amount of debt retired in the previous year, but will not exceed the District’s limit as a percentage of the City’s borrowing capacity.

Mr. Schmidt commended staff in the Facilities Department for their foresight in planning many years ahead to enable the athletic field improvements to align with FMP and CIP projects and thereby maximize NYS Building Aid reimbursement.

Mr. Schmidt asserted that one of the largest revenue-producing streams for a community is youth events, and the field improvements will enable the District to host out-of-town events at multiple sites involving hundreds of teams.

Mr. Ansbrow reported that \$4.6M of the project at the Jefferson campus would not be eligible for NYS Building Aid. He stated that the City has not made a commitment to cover any of these costs, and additional time is needed to explore funding opportunities.

Mr. Schmidt stated that if Board and City approval of these projects is obtained by August, design would begin in the fall of 2014 and construction would take place in the spring of 2016, with completion by fall 2016.

Commissioner Powell requested additional information about current technology with artificial turf, noting concerns regarding a possible increase in injuries due to the hard underlying surface. Mr. Schmidt offered to present a sample of artificial turf from his office, and explained that a great deal of research has been conducted regarding concussion management and ways to minimize the risk of injury. He stated that the artificial turf to be used at each of these RCSD sites meets the same specifications as those for use by the Buffalo Bills professional football team. Mr. Schmidt noted that improvements in artificial turf have minimized injuries and allowed athletic fields to be used for most of the year. He reported that the feedback from student athletes playing on artificial turf surfaces has been overwhelmingly positive.

Mr. Ansbrow noted that the useful life of artificial turf aligns well with the District’s borrowing cycle. Mr. Schmidt added that equipment will be needed to revitalize the fibers on the artificial turf, but this is the only maintenance required.

Mr. Giannini observed that McQuaid High School and the East Irondequoit School District have artificial turf facilities, and inquired whether the quality at the RCSD sites would be comparable. Mr. Schmidt replied that he is not familiar with the facility at McQuaid High School, but the quality at the RCSD sites would definitely be comparable to that of the East Irondequoit schools.

#### **IV. Review and Approve Proposed Schedule for 2014-15 Finance Committee Meetings**

**Motion** by Commissioner Evans to approve the proposed 2014-15 meeting schedule for the Finance Committee. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of Parent Representative.**

#### **V. Review and Approve May 2014 Financial Report**

Mr. Ansbrow noted that Mr. Connors had explained the major changes in the May 2014 Financial Report in his presentation regarding the proposed amendments to the 2013-14 RCSD budget.

**Motion** by Commissioner Cruz to approve the May 2014 Financial Report. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

#### **Proposed Amendments to 2013-14 RCSD budget:**

- 1. Amend 2013-14 General Fund budget to \$630,376,896 to reflect reduction of \$298,196 in NYS Aid and increase of \$30,301 in local revenue – Resolution No. 2013-14: 729**
- 2. Amend 2013-14 Special Aid Grant Fund Budget to \$126,883,079 to reflect increases of \$163,011 in federal grants, \$968,501 in NYS grants, and \$1,728,340 in local grants – Resolution No. 2013-14: 730**
- 3. 2013-14 School Food Services budget – no change – Resolution No. 2013-14: 731**
- 4. Amend 2013-14 RCSD budget to \$777,716,724 to reflect changes in 2013-14 General Fund and Special Aid Grant Fund budgets – Resolution No. 2013-14: 732**

**Motion** by Commissioner Cruz to approve all above amendments to the 2013-14 RCSD budget. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

#### **VI. Review and Approve Resolutions in preparation for June 19<sup>th</sup> Board Business Meeting:**

##### **A. COMMUNICATIONS**

- 1. Schoolwires, Inc. – agreement to provide web hosting service, advanced website design and content management tools, multimedia bundle, forms, surveys, software subscription, maintenance and support for District website – Resolution No. 2013-14: 733**
- 2. Blackboard, Inc. – agreement to provide an automated notification system for the District to notify staff, students and families – Resolution No. 2013-14: 734**

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

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

## **B. FOOD SERVICES**

- 1. Aramark Educational Services, LLC – agreement to provide food for District summer programs – Resolution No. 2013-14: 735**

**Motion** by Commissioner Evans to approve above resolution for Food Services. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of Parent Representative.**

## **C. TRANSPORTATION**

- 1. Regional Transit Service, Inc. – agreement to provide RCSD high school students with bus transportation for summer school programs – Resolution No. 2013-14: 736**
- 2. Regional Transit Service, Inc. – agreement to provide bus passes for transportation for RCSD students – Resolution No. 2013-14: 737**
- 3. First Student, Inc. (dba “Laidlaw Transit, Inc.”) – agreement to provide bus transportation for RCSD elementary students for summer school programs – Resolution No. 2013-14: 738**
- 4. Durham School Services, L.P. – agreement to provide transportation services for ambulatory and non-ambulatory Mary Cariola students from July 1, 2014 through August 31, 2014 – Resolution No. 2013-14: 739**

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

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

#### **D. PROCUREMENT & SUPPLY**

- 1. Action Protective Group, Inc. (dba “Alarm Components”); Simplex Grinnell – new contract to purchase alarm systems equipment for various locations in the District – Resolution No. 2013-14: 740**
- 2. Frontline Advertising, Inc.; Mid-City Signs, Inc. – new contract to purchase signage for various locations in the District – Resolution No. 2013-14: 741**
- 3. Accredited Lock Supply Co. – new contract to purchase lock and door closers for various locations in the District – Resolution No. 2013-14: 742**
- 4. Best Plumbing Specialties, Inc.; Buckpitt & Company, Inc.; Crest/Good Manufacturing Co., Inc.; Interline Brands, Inc. (dba “Sexauer”); V.J. Stanely, Inc. – new contract to purchase plumbing equipment and supplies for various locations in the District – Resolution No. 2013-14: 743**
- 5. McCarthy Tire Service – contract extension for repair and replacement of tires on District vehicles – Resolution No. 2013-14: 744**
- 6. B.J.R. Auto Radiator Service, Inc.; D&W Diesel, Inc.; Flower city Glass; GLK Enterprises, Inc. (dba “Upstate Thermo King”); Kaiser-Wilcox corporation; Milt & Ron’s Automatic Transmission Service, Inc.; Penn D.D.A., LLC; Thru-Way Auto Spring Service, Inc. – contract extension for maintenance and repairs on District vehicles that cannot be performed by District mechanics – Resolution No. 2013-14: 745**
- 7. Water Wise of America, Inc. – contract extension for maintenance of air conditioning and boiler systems throughout the District – Resolution No. 2013-14: 746**
- 8. Authorization for the Purchasing Agent for Monroe 2 Orleans BOCES to enter into any and all cooperative bidding ventures conducted during the 2014-15 school year – Resolution No. 2013-14: 747**

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

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

## E. EDUCATIONAL FACILITIES

### Final Payments:

1. **Kuitems Construction, Inc. – final payment for general construction work for renovation of School No. 44 – Resolution No. 2013-14: 748**

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

### Contracts:

2. **Manel Excavating Corporation; Rochester Snowplowing & Sealcoating, Inc.; Tandoi Asphalt & Sealcoating, LLC – contract for snow plowing and snow removal – Resolution No. 2013-14: 749**

Mr. Giannini requested data regarding the total expenditures for snowplowing for the 2013-14 school year for all groups of contractors, given that this was a harsh winter. Mr. Ansbrow replied that while the resolution indicates a total cost of \$252K, the actual cost may be greater to the extent that the District performs some of the work in-house.

Mr. Schmidt explained that the District performs some snow plowing in-house, but relies on contractors for snow removal at larger facilities. He stated that District facilities are divided into zones and bids are requested for snow removal in each zone. Mr. Schmidt reported that the cost in 2013-14 for in-house and contracted snow removal amounted to approximately \$500K.

3. **Rotolite-Elliott Corporation – contract for reprographic services (combining contract for large format copying and for printing) – Resolution No. 2013-14: 750**
4. **UGI Energy Services, LLC – contract to supply and deliver natural gas for use at District facilities with price determined on a month-to-month basis – Resolution No. 2013-14: 751**
5. **Hess Corporation – contract to supply and deliver natural gas for use at District facilities with price determined on a month-to-month basis – Resolution No. 2013-14: 752**

Commissioner Evans inquired whether RCSD is still purchasing fuel cooperatively with Monroe County and/or other municipalities to obtain the lowest cost. John Burke replied that the District has been purchasing natural gas through cooperative bidding with other school districts through an agreement with BOCES 2 Monroe-Orleans.

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

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

## **F. INFORMATION MANAGEMENT & TECHNOLOGY**

- 1. Rimini Street, Inc. – contract to provide annual maintenance service on all District-owned PeopleSoft Enterprise Applications – Resolution No. 2013-14: 753**

**Motion** by Commissioner Cruz to approve above IM&T resolution. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

## **H. OTHER**

- 1. DG&M Agency, Inc. – agreement to authorize purchase of excess automobile liability insurance coverage, boiler and machinery insurance coverage, and crime and dishonesty insurance coverage for the District – Resolution No. 2013-14: 754**
- 2. Agreement to obtain student accident insurance – Resolution No. 2013-14: 755**
- 3. MetLife, Inc. – agreement to provide group life insurance coverage for participating RCSD employees – Resolution No. 2013-14: 756**
- 4. POMCO, Inc. – agreement to administer the District’s self-funded Workers’ Compensation Plan – Resolution No. 2013-14: 757**

Chris Hoch reported that the District entered into a three-year contract in 2010 with POMCO to administer the Workers’ Compensation program, with an option to renew the contract annually for another two years. He described examining expenditures under this contract over the last four years to evaluate the administrative costs compared to direct costs for Workers’ Compensation. Mr. Hoch cited an average annual cost for administrative services of approximately \$324K under this contract. He noted that while many of the administrative auxiliary services are mandated (e.g. medical auditing, case management), opportunities were available to obtain them at lower cost. Mr. Hoch stated that he presented this analysis to POMCO, Inc. to identify opportunities for cost savings, and the result is a \$40K reduction in these costs by bundling the administrative auxiliary services under the proposed agreement.

Commissioner Evans inquired whether the District is monitoring employees’ continued eligibility for Workers’ Compensation benefits. Mr. Hoch replied that every claim is thoroughly reviewed and nurse case management services are fully utilized to ensure continued eligibility and medical necessity. He noted that having a nurse provide case management for Workers’ Compensation is an enhanced service, but nurses are uniquely qualified to collaborate with the employee’s physician and other health care professionals to facilitate their return

to work as soon as possible. Mr. Hoch stated that this enhanced service reduces overall costs in the long term.

Commissioner Powell asked whether consideration has been given to contracting with the Public Employee Risk Management Association (PERMA), which has administered Workers' Compensation programs by pooling the risk of employees in municipalities in New York and thereby led to lower costs. She noted that eligibility for PERMA has only recently been made available to school districts. Mr. Hoch responded that he is quite familiar with PERMA and other third-party administrators, and would like additional time to examine potential cost efficiencies because he is new to the District. He stated that the one-year contract renewal option with POMCO, Inc. will provide this time and an RFP will be issued next year to solicit bids from other providers.

**5. Omni Financial Group, Inc. (dba "The Omni Group") – agreement to provide third-party administrator services for the district's 403(b) plan – Resolution No. 2013-14: 758**

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

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

**I. LATE SUBMISSIONS (i.e. at June 12, 2014 Finance Committee Meeting)**

- 1. Regional Transit Services, Inc. – amendment to existing contract to provide additional transportation services to RCSD students attending expanded day or extended day programs – Resolution No. 2013-14: 777**
- 2. Occupational Safety Onsite, Inc. – contract for FY2014-15 to provide drug and alcohol testing services to RCSD Food Service and Transportation employees – Resolution No. 2013-14: 778**

Mr. Schmidt presented the two late-submission resolutions (above) to the members of the Finance Committee, apologizing for the delay in providing this information.

Commissioner Cruz suggested that the Committee acknowledge receipt of these late submissions, but not vote on them because Committee members have not had an opportunity for review or discussion.

Commissioner Powell concurred, stating that these late submission resolutions can be advanced to the full Board for the June 19<sup>th</sup> Business meeting without the recommendation of the Finance Committee.

Commissioner Evans pointed out the importance of voting on these late-submission resolutions at this time to ensure that students are given transportation to expanded

day or extended day programs and to comply with mandates and safety concerns regarding drug and alcohol testing of employees.

**Motion** by Commissioner Cruz to address the two above late-submission resolutions as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Cruz to approve the two above late-submission resolutions. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

## **VII. New Business**

Commissioner Powell reported on a recent visit to the Buffalo City School District, in which she met with District staff and members of the Educational Partnership Organization (EPO) with Johns Hopkins University. She stated that one of the suggestions for this type of partnership effectively aiding a struggling school is to have staggered start times for the school day for each grade level. Commissioner Powell noted that implementing such a plan with the students at East High School would substantially affect the way in which the District provides transportation services. She stated that the operational impact and costs would have to be evaluated to determine the feasibility of implementing this recommendation.

Mr. Ansbrow stated that he anticipates receiving additional information from the University of Rochester regarding their proposal to serve as an EPO for East High School, with the intent of remaining within the fiscal constraints of the 2014-15 RCSD budget.

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

Meeting adjourned at 6:49PM.

**Next Finance Committee Meeting: Thursday, July 17<sup>th</sup>, at 5:30PM**