

Rochester Board of Education
Finance Committee
December 12, 2013

Attendance: Commissioner Powell (Chair); Commissioners White and Cruz. Parent Representative absent due to family emergency. District Staff: Bill Ansbro, Chief Financial Officer; Vernon Connors, Budget Director; and John Burke, Purchasing. Community member: Elizabeth Laidlaw, representative of Urban Presbyterians Together. Board Staff: Debra Flanagan.

Commissioner Powell convened the meeting at 5:45PM.

I. Review and Approve Minutes of the November 14, 2013 Finance Committee Meeting

Motion by Commissioner Cruz to approve the minutes of the November 14th Finance Committee meeting. **Adopted 3-0.**

II. Review Proposed 2013-14 Budget Amendments

- 1. Amend General Fund Budget to reflect an increase of \$8.27M due to additional NYS Aid, reduced health insurance costs, E-rate revenue, subsidies for FMP debt service, and use of \$1.186M of Appropriated Fund Balance – Resolution No. 2013-14: 366**
- 2. Amend Special Aid Grant Fund Budget to reflect receipt of \$7.9M in grant revenue – Resolution No. 2013-14: 367**
- 3. Amend Food Service Fund Budget to increase by \$280K from Appropriated Fund Balance – Resolution No. 2013-14: 368**
- 4. Amend RCSD 2013-14 Budget to reflect total increase of \$16.467M in revenue – Resolution No. 2013-14: 369**

Vern Connors gave a presentation to explain the proposed budget amendments, which contained the following highlights:

- Increases in the General Fund are primarily due to increased NYS Aid (\$2.3M) from adjusting from projected to actual expenditures; subsidized interest costs for debt service on the FMP (\$4.8M); and use of the Appropriated Fund Balance (\$1.2M)
- Additional revenue in Special Aid Grant Funds are due to receipt of new grants (\$5.4M) and rollover funding (\$2.2M) from existing grants
- The primary expenditures from this additional revenue are for:

- ✓ An increase of 31.5FTE, primarily to meet specific requirements under grants (\$2.4M)
- ✓ Hourly teachers, in-service training, and civil service overtime (\$2.1M)
- ✓ Debt service on the FMP (\$4.3M)
- ✓ Increase in charter school tuition (\$600K)
- ✓ Use of \$1.4M to replace 10 buses and install hybrid kitchens in 14 schools
- ✓ Increased cost for instructional supplies, postage and printing (\$1.4M)
- ✓ Increase in professional and technical service costs and in payments to BOCES (primarily for Special Education services) - \$3.2M

Bill Ansbro reported that a letter has been sent to all of the local charter schools to request information of their projected enrollment for 2014-15 to obtain a more accurate estimate of these costs in developing the 2014-15 RCSD Budget. He stated that the additional charter school tuition (\$600K) is due to the True North Charter School adding a kindergarten this school year, of which the District had not been aware. Mr. Connors stated that the plans for charter school expansion are typically known in advance, but expansion of the earlier grade levels (i.e. kindergarten) was not anticipated.

Commissioner White inquired about the process for the District to obtain information of actual student enrollment at local charter schools. Mr. Connors replied that charter school tuition is paid in six installments during the year so that adjustments can be made to reflect changes in enrollment. He reported that District staff also conduct audits of local charter schools to verify enrollment.

Mr. Connors also reported an increase of 541 Special Education students this year, as compared to last year. This increase is reflected in additional NYS Aid received and additional payments to BOCES for services to these students.

With regard to increased cash capital expenditures, Mr. Connors stated that budget shortfalls over the last several years have led to an aging bus fleet. He noted that the useful life of buses is ten years because of stringent NYS standards, and the average age of RCSD buses is 13 years. Mr. Connors stated that the District plans to replace 10 buses per year until all are below the useful life expectancy, and NYS will reimburse 88-90% of these costs.

Commissioner Cruz asked about plans for the buses that are being retired. Mr. Connors replied that the District sells these buses because they are still quite sound, despite not meeting strict NYS standards.

Mr. Connors discussed plans for installing hybrid kitchens in 14 schools using surplus funds from Food Service last year. He stated that the hybrid kitchens will allow schools to serve hot meals to students, instead of pre-packaged cold food. After this installation, a total of 18 elementary schools will have hybrid kitchens.

Mr. Ansbro noted that the Fresh Fruits and Vegetables Grant will also enable schools to provide more nutritious and appealing meals to students. He explained that the grant is to provide fresh produce to children in grades K-6, and the District is seeking an amendment to

allow these funds to be used for K-8. He also stated that permission is being sought to allow use of leftover produce for snacks.

Commissioner Powell noted that the budget changes involve large dollar amounts, but comprise less than 2% of the total budget. She pointed out that some of the increased staffing is due to unanticipated increases in student enrollment, and asked about the impact of the Master Schedule on staffing. Mr. Connors replied that the FTE increases reflect staffing adjustments since the 2013-14 budget was adopted in May, and further staffing changes are not expected at this point.

Mr. Connors reported a cost savings of \$150K from the District switching to self-insurance for health care, most of which was due to lower costs for retirees.

Commissioner Cruz inquired about the difference between projected and actual cost savings with self-insurance. Mr. Connors responded that the District has saved approximately \$2.4M so far, but a more conservative estimate is being utilized due to uncertainty as to whether cost savings will be sustained at this level. He also pointed out the importance of building a reserve of 5% to help cover costs in years when health care claims are higher.

Mr. Connors reported that the State allowed the District to repurpose School Improvement Grant funds that were originally planned for the Montessori School (#53) for the LyncX program. He stated that the Montessori School was to be expanded to K-12, but there is insufficient demand among parents to place their child at this school in the higher grade levels. Mr. Connors stated that these factors led to the decision to keep the school at preK-6 grade levels.

Motion by Commissioner White to approve all above budget amendment resolutions. Seconded by Commissioner Cruz. **Adopted 3-0.**

II. Review and Approve November 2013 Financial Report

Commissioner Powell observed that significant variance in certain categories of expenditures is due to the timing of purchases between last year and this year (e.g. computer hardware). Mr. Connors noted that many factors affect the timing of purchases, particularly with computers. He stated that computers had to be purchased earlier this year than last year to implement APPR and the Common Core curriculum.

Commissioner Powell inquired about how much longer the District will need to make EPE payments due to changes in NYS rules made approximately fifteen years ago. Mr. Connors replied that this is the last year for which these payments will be required.

Commissioner Powell asked the reason for lower judgments and claims so far this year, as compared to the same time last year. Mr. Connors explained that the District is self-insured against legal claims up to \$500K, and claims in excess of \$500K are covered through external insurance and \$1.5M in reserve funds. He reported that the bulk of the claims made against the District involve small amounts.

Motion by Commissioner White to approve November 2013 Financial Report. Seconded by Commissioner Cruz. **Adopted 3-0.**

III. Review Draft 2014-15 Budget Calendar

Commissioner Powell noted that the Draft 2014-15 Budget Calendar will be presented to the full Board in the December 16th Business meeting, and the dates will be tentative until formal approval of the calendar in January.

Ms. Flanagan pointed out a few conflicts in the Draft Budget Calendar with standing Board committee meetings, and suggested alternate dates. She also suggested scheduling the first public budget hearing 10 days after (April 3rd) the Superintendent presents the budget, so that there will be sufficient time for review and comment.

Committee members concurred with these suggestions, and Commissioner Powell directed the Draft 2014-15 Budget Calendar to be advanced to the full Board with the proposed schedule changes.

Motion by Commissioner Cruz to approve the Draft 2014-15 Budget Calendar with the suggested schedule changes. Seconded by Commissioner White. **Adopted 3-0.**

IV. Review and Approve Resolutions in preparation for December 16th Board Business Meeting

A. EDUCATIONAL FACILITIES

Contracts:

- 1. R.C. Shaheen Paint Co., Inc. – contract extension for shades/blind repair – Resolution No. 2013-14: 370**
- 2. IBC Engineering, PC – additional contract to provide general engineering services as needed and consultation services – Resolution No. 2013-14: 379**
- 3. SWBR Architecture, Engineering & Landscape Architecture, PC – additional contract to provide general engineering services as needed and consultation services regarding District capital improvement projects – Resolution No. 2013-14: 380**
- 4. SWBR Architecture, Engineering & Landscape Architecture, PC – additional contract to provide general architectural services as needed and consultation services – Resolution No. 2013-14: 381**
- 5. Lozier Environmental Engineering, Inc. – additional agreement to provide general environmental consulting services as needed – Resolution No. 2013-14: 382**

Motion by Commissioner Cruz to address all above Facilities contract resolutions as a group. Seconded by Commissioner White. **Adopted 3-0.**

Motion by Commissioner Cruz to approve all above Facilities contract resolutions. Seconded by Commissioner White. **Adopted 3-0.**

Final Payments:

6. **Leo J. Roth Corp. – final payment for HVAC work for renovations to School No. 8 and 45 – Resolution No. 2013-14: 371**
7. **Steve General Contractor, Inc. – final payment for general construction work for renovations to School No. 35 – Resolution No. 2013-14: 372**
8. **Steve General Contractor, Inc. – final payment for general construction work for renovations to School No. 43 – Resolution No. 2013-14: 373**
9. **Steve General Contractor, Inc. – final payment for general construction work for renovations to Monroe High School, School No. 15, and School Without Walls Commencement Academy – Resolution No. 2013-14: 374**
10. **DiFiore Construction, Inc. – final payment for site work for renovations to School No. 57 – Resolution No. 2013-14: 375**
11. **Leo J. Roth Corporation – final payment for mechanical work for renovations to Dr. Freddie Thomas High School – Resolution No. 2013-14: 376**
12. **Steve General Contractor, Inc. – final payment for general construction work for renovations to School No. 39 and 46, and Dr. Freddie Thomas High School – Resolution No. 2013-14: 377**

Motion by Commissioner Cruz to address all above Facilities final payment resolutions as a group. Seconded by Commissioner White. **Adopted 3-0.**

Motion by Commissioner Cruz to approve all above Facilities final payment resolutions. Seconded by Commissioner White. **Adopted 3-0.**

Other:

13. **Submit documentation for the State Environmental Quality Review Act (SEQRA) – Resolution No. 2013-14: 378**

Motion by Commissioner Cruz to approve above resolution to submit SEQRA to the New York State Education Department. Seconded by Commissioner White. **Adopted 3-0.**

V. Discuss Resolution No. 2013-14: 68 (Agreement with Center for Youth for the Rochester Teen Court)

Mr. Ansbrow suggested using \$15K from the General Fund to increase funding for the Agreement with the Center for Youth to support the Rochester Teen Court. He noted that the funds under the School Violence Prevention Grant have already been committed to the Center for Youth for other programs.

Commissioner Powell pointed out that the budget contingency has improved sufficiently to utilize money from the General Fund for the Rochester Teen Court.

Motion by Commissioner White to approve amending the resolution to increase funding by \$15K for the Agreement with the Center for Youth for the Rochester Teen Court. Seconded by Commissioner Cruz. **Adopted 3-0.**

VI. Input from Community Member regarding Services for Students

Elizabeth Laidlaw, representative of Urban Presbyterians Together, discussed the organization's work in tutoring RCSD students in several different schools. She explained that Urban Presbyterians Together is comprised of 10 churches and was founded 5 years ago.

Ms. Laidlaw described difficulties that tutors have experienced, noting that students have become increasingly disengaged from the learning process and have been affected by trauma due to poverty and violence. She emphasized the need for mental health services to address the multiple needs of RCSD students, advocating for social workers in every school building. Ms. Laidlaw asserted that the unique qualifications of social workers enable them to address concrete needs (e.g. food and shelter), link students and families to community resources, and train school staff to recognize and respond to students' mental health concerns.

Commissioner Powell pointed out that these issues can be considered in developing and discussing the 2014-15 RCSD budget, a process that is currently under way.

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

Meeting adjourned at 6:46PM.