

Rochester Board of Education
Finance Committee
August 15, 2013

Attendance: Commissioner Powell (Chair); Commissioner Cruz. Commissioner White absent. Parent Representative: Giancarlo Giannini. District Staff: Bill Ansbrow, Chief Financial Officer; Gary Smith, Purchasing Officer; Beth Spalty, Grants Office. Board Staff: Debra Flanagan.

Commissioner Powell convened the meeting at 5:30PM.

I. Questions & Answers Session

Bill Ansbrow stated that he would like to give an overview of the budget amendments during discussion of these resolutions. He noted that he also has information to present regarding charter school applicants for the 2014-15 school year and regarding debt service projections through FY2022-23 reflecting the impact of the FMP. He suggested presenting this information after the review of all of the resolutions.

II. Review and Approve Minutes of the July 18, 2013 Finance Committee Meeting

Motion by Commissioner Cruz to approve the minutes of the July 18, 2013 Finance Committee meeting. **Adopted 2-0, with concurrence of Parent Representative.**

III. Review Unaudited June 2013 Financial Report

Bill Ansbrow reported an estimated increase in revenue for FY2012-13 of approximately \$6.2M, based on preliminary year-end figures.

Giancarlo Giannini asked about the effect of this additional revenue on the General Fund as the District begins the 2013-14 school year. Mr. Ansbrow replied that more information will be presented to the Board in the September meeting because additional time is needed to finalize these figures. He reported that this additional revenue will be rolled over into the current fiscal year.

IV. Review and Approve Resolutions in Preparation for August 19, 2013 Board Business Meeting

A. BUDGET

- 1. Amend the General Fund Budget for 2012-13 - Resolution No. 2013-14: 118**
- 2. Amend the Special Aid Grant Fund Budget for 2012-13- Resolution No. 2013-14: 119**

3. Amend the School Food Service Fund Budget for 2012-13 – Resolution No. 2013-14: 120

4. Amend the 2012-13 Budget for General Fund; Special Aid Grant Fund; and School Food Service Fund – Resolution No. 2013-14: 121

Mr. Ansbrow reported that budget amendments are needed at this time because of additional revenue received, primarily in the Special Aid Fund and the School Lunch Fund. The Special Aid Fund increased by \$9.2M from receipt of grants and the School Lunch Fund increased by \$1.134M due to increased federal reimbursement. Another \$1.059M in funding was received in reimbursements from NYS that were due in previous years. Mr. Ansbrow explained that the delay in receiving these reimbursements was accounted for as “grant disallowances” in the past, so this revenue has been reported as “Local – Other” to balance the accounts.

Mr. Ansbrow also reported a reduction in the number of RCSD students in the Incarcerated Youth program, which led to a reduction in these reimbursements.

Action Item: Mr. Ansbrow will provide data to the Finance Committee regarding the number of students in the Incarcerated Youth program for 2012-13 and prior years.

Mr. Ansbrow also discussed a grant from the Wallace Foundation for approximately \$1.6M to fund a summer school program for 3rd and 4th grade students, which is housed at the School of the Arts. He stated that this is one of only five programs in the country selected by the Wallace Foundation, which will conduct a longitudinal study to follow these students at least through high school. The purpose of the study is to examine the impact of summer school on educational attainment.

Commissioner Powell inquired about the schools that these 3rd and 4th grade students attend during the school year. Beth Spalty replied that she will look into this.

Action Item: Ms. Spalty will obtain information regarding the schools attended by the 3rd and 4th grade students in the summer school program supported by the Wallace Foundation, and report to the members of the Finance Committee.

Mr. Ansbrow stated that a budget amendment is expected in the fall regarding the use of the additional School Food Service funds, possibly to create new hybrid kitchens in some schools or to upgrade the Food Service trucks so that all have refrigeration.

In terms of expenditures, Mr. Ansbrow reported that the additional revenue has primarily been allocated to staffing salaries. He noted that this is necessary for accounting purposes, but does not indicate that the funds will be expended. He stated that he plans to carry the additional revenue forward.

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

Motion by Commissioner Cruz to approve all above budget amendments. **Adopted 2-0, with concurrence of Parent Representative.**

B. TRANSPORTATION

- 1. Contract Extension for transportation, First Student DBA Laidlaw Transit, Inc., Durham School Services LP (formerly A&E Transport Services, Inc.), and Monroe School Transportation - Resolution No. 2013-14: 122**

Mr. Ansbrow pointed out that 2013-14 is the last year of the contract extension for transportation services with these vendors, and the contract will have to be re-bid next year.

Commissioner Powell noted that the contracts and expenditures for transportation will change to the extent that the zone boundaries are strengthened and cross-zone busing is minimized.

Mr. Giannini recalled a discussion during the budget process regarding reducing the distance limit for students to qualify for transportation services. He asked about the status of this initiative and the impact on contracts with these vendors. Mr. Ansbrow responded that the District is not able to reduce the distance limit without legislation enacted by the State. He reported that a bill was approved in the NYS Assembly, but defeated in the NYS Senate.

Gary Smith stated that the total cost for transportation services under these contract extensions will increase by 1.4%, which is the increase in the Consumer Price Index (CPI) over the last year.

Motion by Commissioner Cruz to approve above contract extensions for Transportation. **Adopted 2-0, with concurrence of Parent Representative.**

C. PROCUREMENT & SUPPLY

- 1. Contract for calculators with D & Distributing Company – Resolution 2013-14: 123**
- 2. Contract Extension for athletic supplies and equipment with Aluminum Athletic Equipment Co.; Jim Dalberth Sporting Goods; Flaghouse Incorporated; The Prophet Corporation dba Gopher Sport; Patterson Medical Supply, Inc. d/b/a Medco Supply; Masune & Surgical Supply Services; Sports Supply Group, Inc. dba Passon's Sports; S & S Worldwide, Inc.; and Sportime LLC – Resolution No.**

2013-14: 124

3. Cooperative Bidding for purchase of Natural Gas with Monroe-2 Orleans BOCES – Resolution No. 2013-14: 125

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

Commissioner Powell requested information about the number of calculators that need to be re-supplied/replaced each year. Mr. Smith replied that the Math Department and Library Department are collaborating to track and inventory calculators using Destiny software. He stated that the District will have the ability to account for all calculators using this software in the future, but currently this information is not available.

Motion by Commissioner Cruz to approve all above Procurement resolutions. **Adopted 2-0, with concurrence of Parent Representative.**

D. EDUCATIONAL FACILITIES

Final Payments:

- 1. Steve General Contractor, Inc. – final payment for general construction work for renovations to East High School – Resolution No. 2013-14: 126**
- 2. Steve General Contractor, Inc. – final payment for general construction work for renovations to School No. 29 – Resolution No. 2013-14: 127**

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

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

V. Other Business

Mr. Ansbro provided a handout regarding the number of charter school organizations that have submitted an application to establish a new school in the District in the 2014-15 school year. He pointed out that 2013-14 budget assumptions and multi-year projections were based on an estimate of half of the organizations (4) being approved to establish a new charter school in the District.

Mr. Ansbro reported that of the eight organizations that submitted a Letter of Intent to apply for a new charter school in the District, only four actually submitted an application. He stated

that he will provide additional information to the Committee in October, after the Board of Regents has made a decision about approving the applications. Mr. Ansbrow stated that he plans to update enrollment projections in November and March in light of the charter school application cycle.

Mr. Ansbrow also provided a handout regarding total debt service and local share for each year from FY2012-13 to FY2022-23, emphasizing that the District will appear to assume a great deal of debt beginning in 2014-15 and for all subsequent years. He underscored the importance of informing the community that this is the result of modernizing District school buildings under the FMP and that the bulk of this debt will be covered by NYS Building Aid.

Mr. Ansbrow noted that the projections are affected by the timing at which the debt is incurred, payment of local share, and receipt of NYS Building Aid. For these reasons, he stated that the figures are subject to change.

Commissioner Powell pointed out that the District budget will be inflated because the total amount of debt service and the NYS Building Aid reimbursement will be included, rather than just the portion that the District is responsible for paying. She emphasized the importance of explaining to the public that the budget increase is due to the FMP and modernizing school buildings, rather than wanton spending on the part of the District.

Commissioner Cruz asserted that it will be important for the Superintendent to clarify these issues when giving presentations to parents and the community at the outset of the budget process.

Commissioner Powell noted that the debt service projections for 2016-17 indicate that the amount of debt will approach 10% of the District's entire budget.

Commissioner Cruz inquired about potential cost savings from the FMP due to decreased maintenance needs and utility costs.

Action Item: Mr. Ansbrow will obtain information as to the estimated cost savings (e.g. reduced utility costs, maintenance, etc.) from modernizing school buildings under the FMP, and report this information to the members of the Finance Committee.

Mr. Ansbrow urged caution in reducing capital improvement funding in the future because the District will continue to have a significant number of older buildings, and there will also be additional energy costs from air conditioning in the modernized school buildings.

Commissioner Cruz inquired whether consideration had been given to installing solar panels in the modernized schools to reduce energy costs in the future.

Commissioner Powell acknowledged that solar panels are quite expensive, and asked whether any assistance or discounts would be available to school districts for purchasing the panels.

Action Item: Mr. Ansbrow will look into the possibility of the District installing solar panels in schools to be modernized under the FMP, and report the findings to the

members of the Finance Committee. He will also look into opportunities for assistance or discounts for the District to purchase solar panels.

Commissioner Cruz noted that this type of innovation is not only beneficial in terms of reducing District costs in the future, but also in involving the community and providing opportunities for students to learn skills relevant to the 21st century economy. He suggested that community experts could be recruited to advise the District on purchase, installation, and operation of systems using alternative energy sources. The District could create career paths for students in the design and construction of buildings using sustainable energy, which would be valuable for the foreseeable future. Commissioner Cruz discussed the importance of identifying opportunities in the economy (e.g. skilled trades/technicians in renewable energy, bilingual teachers, and optics) and creating career pathways on this basis for RCSD students to ensure that they have valuable skills for the future.

Mr. Giannini pointed out that there is a difference between the amount of NYS Building Aid reported in the April amended budget for 2012-13 and the amount shown on the chart handed out by Mr. Ansbrow. Mr. Ansbrow replied that the chart included a “premium” received by the District due to extraordinarily low interest rates, and this was included with NYS Building Aid to simplify the illustration.

Motion by Commissioner Cruz to adjourn. Adopted 2-0, with concurrence of Parent Representative.

Meeting adjourned at 6:27PM.