

Rochester Board of Education
Finance Committee
August 16, 2012

Attendance: Commissioner Powell (Chair) – arrived 5:49PM; Commissioners Cruz, White, and Adams. Parent Representative: Giancarlo Giannini. District Staff: Gary Smith, Purchasing Officer; Vern Connors, Chief Financial Officer; Jerome Underwood, Senior Director of Operations. Board Staff: Debra Flanagan

Noting that a quorum was present and that Commissioner Powell was delayed, Commissioner White convened the meeting at 5:38PM.

I. Question & Answer Session

Vern Connors reviewed the timelines for the Contract for Excellence, which were released by the NYS Education Department (NYSED) on August 6th. He noted that the District is required to develop a plan and submit any contracts under the Contract for Excellence to NYSED by September 14th. Mr. Connors reported that the public review and comment period will be from September 14th through October 13th, but the NYSED guidelines did not contain information about the timeframe for conducting a public hearing. He stated that he will look into the requirements for conducting a public hearing and report back to the Committee.

Action Item: Mr. Connors will obtain information about the State requirements for a public hearing as part of the Contract for Excellence process, and report back to the Finance Committee.

Mr. Connors also noted that discussions regarding mandate relief have included eliminating the Contract for Excellence, particularly since the State has not been able to uphold its financial part of the agreement for the last several years.

Mr. Giannini inquired about the final figures for the All-City High School and the fiscal impact on the 2012-13 RCSD budget. Mr. Connors replied that a final review of the figures and of the number of students in programs is necessary before he can provide this information, but it should be forthcoming.

Action Item: Mr. Connors will provide the final figures for the All-City High School and information regarding the impact on the 2012-13 RCSD budget to the members of the Finance Committee.

II. Review and Approve Minutes of July 19, 2012 Finance Committee Meeting

Motion by Commissioner White to approve the minutes of the July 19, 2012 Finance Committee meeting. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

III. Review and Approve Resolutions in Preparation for August 23, 2012 Board Business Meeting

A. PROCUREMENT & SUPPLY

- 1. Aluminum Athletic Equipment Co.; Cannon Sports, Inc.; Jim Dalberth Sporting Goods; Flaghouse Incorporated; The Prophet Corporation (dba “Gopher Sport”); Patterson Medical Supply, Inc. (dba “Medco Supply”); Masune & Surgical Supply Services; Sports Supply Group, Inc. (dba “Passons’s Sports”); S&S Worldwide, Inc.; Sportime LLC – contract extension to purchase athletic products – Resolution No. 2012-13: 77**
- 2. D&H Distributing - contract extension for purchase of graphic and science calculators – Resolution No. 2012-13: 78**

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

Commissioner Adams asked whether the same number of calculators are ordered every year, noting that the number for 2012-13 is the same as for 2011-12. Gary Smith replied that the same number of calculators is not ordered every year, and this resolution only includes calculators costing in excess of \$100 each. He stated that 200 of these calculators were needed in 2011-12 for Regents exams. In 2012-13, he explained that scientific calculators will be needed for all 6th-grade students due to the transition to Common Core standards.

Commissioner Powell inquired about collecting materials such as calculators when a school closes, so that the District can re-use these items in the future. Mr. Connors described the current process for collecting textbooks at the end of the school year, which are sent to the Distribution Center and entered into the Destiny system for tracking inventory. He stated that the textbooks are re-allocated to schools the following year, and orders for textbooks are also checked against available inventory to avoid purchasing books that the District already possesses. Mr. Connors contended that a similar process is probably used to track calculators used in schools.

Action Item: Mr. Connors will look into the process for collecting and monitoring inventory of calculators in the District, particularly at the end of the school year and when a school closes. He will report the findings to the members of the Finance Committee.

Motion by Commissioner White to approve all above Procurement resolutions. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

B. FOOD SERVICES

1. ARAMARK Educational Services LLC – contract renewal for Food Services for 2012-13 school year – Resolution No. 2012-13: 79

Motion by Commissioner White to approve above Food Services resolution with Aramark. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Mr. Giannini noted that the Food Services contract specifies the price for breakfast, lunch and snacks, and asked whether a “not to exceed” threshold would be included. Mr. Underwood responded that the price per meal is fixed, and the overall cost depends on the number of meals served. He estimated revenue of \$15-16M for the school year, and explained that Aramark’s payment is determined by the number of meals served.

Mr. Giannini stated that the Financial Report does not contain a line item for Food Services. Mr. Underwood replied that Food Services are tracked and reported under the L Fund and the books have not yet been closed for the 2011-12 fiscal year. Mr. Connors explained that expenditures are tracked by fund, and the final year-end Financial Report contains a summary for each fund. He stated that the current monthly reporting structure provides information as to aggregated expenditures, rather than by fund.

Mr. Underwood announced that 2012-13 will be the first school year in which all RCSD students can receive free meals. He stated that the federal government decided to allow school districts with at least 62% of students qualified for free and reduced-price meals to qualify for free meals for all students. Mr. Underwood pointed out that this will eliminate the time and effort of trying to collect unpaid balances, remove the stigma from students with unpaid balances, and increase revenue by an estimated \$750K per year. He stated that eligibility data will still have to be obtained to demonstrate continued District eligibility for this program.

Commissioner Powell asked whether the District will still need to track the number of individual meals served to determine the amount to be paid to Aramark under the contract. Mr. Underwood confirmed that this information will still have to be tracked, as well as the specific items served.

Commissioner Powell noted that if this program is no longer available or the District was no longer eligible, then these systems would not have to be rebuilt. She pointed out the importance of monitoring the number of meals served to identify those with greater appeal to students.

Mr. Giannini inquired about plans to notify parents and students of the availability of free meals throughout the District. Mr. Underwood replied that this will be posted on

the District website and principals will recommend the most effective way to communicate this information to their school community.

C. FACILITIES

Final Payments:

- 1. McMullen-Bishop Inc. (dba “NorthEastern Electrical”) – electrical work in renovating School No. 1, 8, and 45 – Resolution No. 2012-13: 80**

Motion by Commissioner White to approve above final payment resolution. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Contracts:

- 2. Architectura, PC – contract for architectural/engineering services for capital improvement to School No. 34 – Resolution No. 2012-13: 81**
- 3. Architectura, PC – provide architectural/engineering services for capital improvement for academic initiatives upgrades at various locations throughout the District – Resolution No. 2012-13: 82**
- 4. ArchStetics Architecture, PC – provide architectural/engineering services for capital improvement to School No. 9 and the Clinton-Baden Community Center – Resolution No. 2012-13: 83**
- 5. IBC Engineering, PC – engineering services for Phase III of a District-wide security project – Resolution No. 2012-13: 84**
- 6. Labella Associates, PC – provide architectural/engineering services for capital improvement to School No. 44 – Resolution No. 2012-13: 85**
- 7. Labella Associates, PC – provide architectural/engineering services for capital improvement at the Douglass Educational Campus – Resolution No. 2012-13: 86**
- 8. SWBR Architecture, Engineering & Landscape Architecture, PC – provide architectural/engineering services for capital improvement to School No. 1 – Resolution No. 2012-13: 87**
- 9. T.Y. Lin International Engineering, Architecture & Land Surveying, PC – provide architectural/engineering services for capital improvement at School No. 22 – Resolution No. 2012-13: 88**
- 10. Hess Corporation – supply and delivery of natural gas for use at District facilities – Resolution No. 2012-13: 89**

11. **ArchStetics Architecture, PC – provide architectural/engineering services for capital improvement to Wilson Commencement Academy – Resolution No. 2012-13: 90**
12. **ArchStetics Architecture, PC – provide architectural/engineering services for capital improvement to Wilson Foundation Academy – Resolution No. 2012-13: 91**
13. **IBC Engineering, PC – provide general consulting and architectural/engineering services on an as needed basis related to renovations and new construction of educational facilities – Resolution No. 2012-13: 92**
14. **IBC Engineering, PC – provide architectural/engineering services for capital improvements to School No. 42 – Resolution No. 2012-13: 93**
15. **Labella Associates, PC – provide architectural/engineering services for capital improvement to School No. 45 – Resolution No. 2012-13: 94**
16. **Thomas H. Anderson (dba “MA Architects”) – provide general consulting and architectural/engineering services on an as needed basis related to renovations and new construction of educational facilities – Resolution No. 2012-13: 95**
17. **Thomas H. Anderson (dba “MA Architects”) – provide architectural/engineering services for capital improvement to School No. 16 – Resolution No. 2012-13: 96**
18. **Thomas H. Anderson (dba “MA Architects”) – provide architectural/engineering services for capital improvement to the Marshall Educational Campus – Resolution No. 2012-13: 97**
19. **Popli, Architecture + Engineering & L.S., PC (dba “popli Design Group”) - provide architectural/engineering services for capital improvement to the School Without Walls Foundation Academy – Resolution No. 2012-13: 98**
20. **T.Y. Lin International Engineering, Architecture & Land Surveying, PC – provide architectural/engineering services for capital improvement to School No. 57 – Resolution No. 2012-13: 99**
21. **Lozier Environmental Consulting, Inc. – provide general consulting services and environmental services on an as needed basis – Resolution No. 2012-13: 100**

Motion by Commissioner White to address all above contract resolutions as a group. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Commissioner White inquired about contracts for services on an “as needed” basis. Mr. Underwood replied that certain services require professional expertise and may be needed urgently, so the “as needed” provision is to ensure that the contractor will be on call to respond rapidly. He gave the example of a fire at Wilson Commencement Academy last year, which required professional asbestos abatement services.

Commissioner White asked whether these types of contracts establish a rate for services or involve a negotiated price. Mr. Underwood stated that the price is based on the specific work needed at the time, and he pointed out that none of these types of contracts exceed the \$20K threshold.

Commissioner Powell asked whether the contractors for these types of “as needed” services have an established relationship and track record with the District. Mr. Underwood confirmed that all of these contractors have an established relationship with the District, which provides assurance as to their ability and the quality of their work.

Commissioner Cruz questioned the rationale for selecting firms located far outside of the area, such as T.Y. Lin International Engineering, Architecture, & Land Surveying in California (Resolution No. 2012-13: 88). Mr. Underwood replied that this company recently acquired a local architectural and engineering firm that has done work for the District in the past.

Action Item: Mr. Underwood will provide information to the members of the Finance Committee regarding selection of a company in California that recently acquired a local firm to provide architectural and engineering work for the District.

Commissioner Cruz asked about the methods for ascertaining the extent to which the District’s work under this contract will employ staff located in Rochester. Mr. Underwood stated that the same staff members are still with the firm under the contract with the parent company, and that he is convinced that there will be no dilution of quality. He explained that professional services contracts are awarded based on the following criteria: locally based, owned or subcontract with minority- and/or women-owned businesses, and experience with the District and K-12 facilities. Mr. Underwood reported that the score that this firm obtained based on these criteria indicated their suitability for the contract.

Commissioner Cruz expressed continued concern about awarding contracts to firms that are not locally based.

Commissioner Adams inquired about capital projects to support “academic initiatives”, requesting specific information about these initiatives and the schools that are involved (contract with Architectura, PC – Resolution No. 2012-13: 82). Mr. Underwood replied that the academic initiatives could involve a number of capital improvements necessary to support instruction, from adding a science room/lab to converting buildings to support K-8 grade levels.

Action Item: Mr. Underwood will provide to the members of the Finance Committee specific information as to the capital improvements needed to support “academic initiatives” and the schools involved (above Resolution No. 2012-13: 82 under Facilities Contracts).

Commissioner Adams asked about the possibility of beginning work on the proposed capital projects before summer 2013. Mr. Underwood stated that this will probably not be feasible because approval must first be obtained from the NYS Education Department.

Motion by Commissioner White to approve all above Facilities contract resolutions. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Mr. Underwood stated that two additional resolutions will be presented for consideration in the August 23rd Board Business meeting, but did not meet the deadline for review by the Finance Committee:

1. Day Automation Systems – this resolution has been delayed pending approval by the Superintendent, so that the efficacy of these services could be verified. Mr. Underwood explained that the District has contracted with Day Automation Systems for a number of years to monitor utility usage and regulate temperature and other conditions in District buildings.
2. RTS – this resolution was delayed because of contract negotiations. Mr. Underwood stated that the cost (\$11.4M) represents a 3.4% increase from 2011-12, but RTS is also providing additional transportation services: extended day service to students at the All-City High School and Northeast College Preparatory Academy, to two additional charter schools, and to all students formerly attending Charlotte High School while renovations are undertaken in that building.

Motion by Commissioner White to adjourn. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Meeting adjourned at 6:33PM.