

**Rochester Board of Education
Finance Committee
January 13, 2011
Immediately following Policy Committee Meeting**

MINUTES

Attendance: Commissioner Powell (Chair) and Commissioners Cruz and White (arrived 6:31 p.m.). Parent Representative: Betsy Rice. District Staff: Joyce Martelli, Gary Smith, Jerome Underwood, Annmarie Lehner and Vern Connors. Board Staff: Debra Flanagan

Commissioner Powell convened the meeting at 6:27 p.m.

I. Review and Approve Minutes of December 9, 2010 Finance Committee Meeting

Joyce Martelli noted correction needed to the minutes of the December 9, 2010 Finance Committee meeting.

Motion by Commissioner Cruz to approve the minutes of the December 9, 2010 Finance Committee meeting with recommended corrections. **Adopted 2-0, with concurrence of parent representative.**

II. Budget and Financial Update

Ms. Martelli reported that the RCSD budget process will be delayed because the Governor will not be releasing the proposed NYS budget until February 1st, but this is not expected to delay presentation of the proposed 2011-12 RCSD budget to the Board (scheduled for March 29th).

Ms. Martelli stated that the State just reimbursed RCSD for nursing services contracted from BOCES. She noted that increased payment was also made recently to charter schools due to the State removing the freeze on these payment levels.

Ms. Martelli explained that greater diligence will be needed in monitoring grant funding from the State because severe cuts have left only two staff members remaining to manage grant funding throughout New York. She stated that this will result in delayed payment to the District and will affect cash flow from grants.

III. Review and Approve December 2010 Financial Report

Commissioner White conveyed concern on the part of City officials that the Maintenance of Effort payment to the District will increase due to financing needed for the Facilities Modernization Project (FMP). Ms. Martelli replied that FMP financing is completely separate and will have no impact on the amount of the City's Maintenance of Effort payment to the District. She explained that District officials have been trying to schedule a meeting with City officials to discuss this issue, but have not yet finalized a date or time. Commissioner White emphasized the importance of leadership on the part of the City and the District in meeting to discuss these issues to prevent misunderstanding.

Motion by Commissioner Cruz to approve December 2010 Financial Report. Seconded by Commissioner White. **Adopted 3-0, with concurrence of parent representative.**

Action Item: Commissioner Cruz will speak with Superintendent Brizard and President Evans regarding scheduling a meeting with City officials to identify and address concerns regarding District funding.

IV. Review of Quarterly Change Order Report for October through December 2010

Commissioner Powell noted that the Board will vote in the January 27th Business Meeting to accept the Quarterly Change Order Report and thereby approve the final project values contained in the Report.

Action Item: Ms. Flanagan will prepare a memo to the Commissioners to explain that they will be voting on the attached Quarterly Change Order Report in the upcoming January 27th Business Meeting.

Commissioner White inquired whether the Quarterly Change Order Report is used to examine patterns among contractors. Jerome Underwood confirmed that the Report is used for this purpose and that certain contractors have not been invited to bid on District projects because of problems with the quality of their work and/or cost overruns.

Motion by Commissioner Cruz to accept the Quarterly Change Order Report for October through December 2010. Seconded by Commissioner White. **Adopted 3-0, with concurrence of parent representative.**

V. Review of Proposed Resolutions for January 27, 2011 Board Business Meeting

A. PROCUREMENT & SUPPLY

- 1. Eltrex Industries, Inc. – provide services for non-profit and first-class mailings, such as pressure-sensitive labeling, folding and inserting mail – Resolution No. 2010-11: 491**

Gary Smith stated that this is a one-year contract extension for services necessary to prepare materials for non-profit and first-class mailings. He explained that Eltrex Industries, Inc. provides the labeling and folds and inserts materials so that they are ready for mailing by the District.

Parent Representative Betsy Rice asked the reason for a 50% increase in cost for these services over the last year. Mr. Smith replied that the cost estimate is rather high to ensure that the Administration does not have to repeatedly request increases from the Board if actual expenditures exceed the amount of the contract during the year. He clarified that a contract cannot be made unless the expenditures have already been included in the 2010-11 budget to prevent cost overruns.

Motion by Commissioner White to approve above resolution with Eltrex Industries, Inc. for mailing services. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

B. FACILITIES

Contracts:

1. **CME Associates, Inc. – materials testing and special inspections for capital improvement projects – Resolution No. 2010-11: 487**

Motion by Commissioner White to approve above resolution for a contract with CME Associates, Inc. Seconded by Commissioner Cruz. **Adopted 3-0, with concurrence of parent representative.**

Final Payments:

1. **East Coast Electric, LLC – electrical work involved in renovations to Frederick Douglass campus – Resolution No. 2010-11: 488**
2. **East Coast Electric, LLC – electrical work involved in renovations to the Thomas P. Ryan Community Center and Library and School No. 33 – Resolution No. 2010-11: 489**
3. **Kuitems Construction Inc. – general construction involved in renovation of School No. 44**

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

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

C. INFORMATION MANAGEMENT & TECHNOLOGY

1. **Centris Group, LLC – provide improvements and upgrades to the IEPDirect, Medicaid Direct, Access Reporting Database, and Centris Sync applications – Resolution No. 2010-11: 492**
2. **Dox Electronics, Inc. – provide software licensing and annual support for DatAdvantage (program analyzing security settings and access of files on shared drives) – Resolution No. 2010-11: 493**

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

Annamarie Lehner explained that the resolution regarding Centris Group, LLC is to facilitate the interface between the Student Chancery, IEP, and Medicaid systems for Medicaid billing and reimbursement.

Ms. Martelli pointed out that the State established stricter requirements for reporting and documentation of services provided to students with disabilities. Since this requirement was

made retroactive, Ms. Martelli reported that RCSD lost all of the reimbursement for these services in 2009-10, which amounted to approximately \$2m.

Ms. Lehner stated that the resolution with Centris Group, LLC includes staff training in the use of the IEPDirect and Medicaid Direct systems. She noted that Centris Group, LLC provides these services to over 70 school districts in New York State.

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

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

Meeting adjourned at 7:34PM.

Next Meeting: February 10th, immediately following the Audit Committee meeting