

**Rochester Board of Education
Finance Committee
October 13, 2009
5:30 p.m.**

MINUTES

Attendance: Commissioner Powell (Chair) and Commissioner White (arrived 5:44PM); Commissioner Elliott absent. Parent Representative: Felix Jacobs. District Staff: John Scanlan, Joyce Martelli, Jim Fenton, and Vern Connors. Board Staff: D. Flanagan

Commissioner Powell convened the meeting at 5:50 p.m.

I. Questions and Answers

No questions were raised at this time.

II. Review and Approve September 17, 2009 Finance Committee Meeting Minutes

Commissioner Powell requested a motion to approve the minutes of the September 17, 2009 Finance Committee meeting.

Motion by Commissioner White to approve the minutes of September 17, 2009 Finance Committee meeting. **Adopted 2-0**, with concurrence of parent representative.

III. Review and Approve September Financial Report

Commissioner Powell inquired about the change in the format of the report and whether this was due to new guidelines issued by New York State. Joyce Martelli acknowledged the revised format of the report, explaining that this is due to staff efforts to provide greater clarity in response to concerns expressed by Board members; she stated that some of the changes are based on State guidelines for smaller school districts and are not required of RCSD.

Motion by Commissioner White to approve September Financial Report. **Adopted 2-0**, with concurrence of parent representative.

IV. Review of Proposed Resolutions for October 22, 2009 Board Business Meeting

A. FACILITIES

Final Payments:

1. Steve General Contractor, Inc. – Resolution No. 2009-10: 302

Motion by Commissioner White to approve Resolution No. 2009-10: 302 for final payment. **Adopted 2-0**, with concurrence of parent representative.

Commissioner Powell noted that this final payment involved two small change orders and described a policy proposal to require review of change orders as soon as practicable after the work has been conducted. She explained that this would allow Board oversight closer to the time that the additional work is performed, rather than several months or years afterward when all change orders have accumulated to the final payment amount. Commissioner Powell stated that the intent of this proposal is not to add to staff workload, but to provide more timely oversight by the Board. She stated that an opinion provided by the Law Department several months ago had not been clear or decisive as to whether this policy proposal would negate resolutions for final payments.

Action Item: Board staff will follow up with the Law Department to ask for clarification regarding the effect of this policy proposal on final payment resolutions.

Commissioner Powell also inquired as to the impact on District projects from adoption of this policy proposal.

John Scanlan replied that this proposal would seem to increase the workload for staff due to the additional resolutions involved for each change order, rather than having a single resolution for the final payment.

Commissioner Powell clarified that multiple change orders could be presented to the Board for approval at the same time, which would still allow oversight closer to the time the work is performed rather than letting this accumulate and leading to the perception of large cost overruns by the Board only examining the final payment.

Commissioner White inquired whether this policy proposal could be implemented without causing delays or stopping work altogether on projects; he inquired whether examples are available from other school districts. Jim Fenton responded that other districts handle change orders differently and have set a rather low threshold to allow more frequent review of change orders by the Board of Education.

Commissioner White asked about the current threshold for RCSD. Commissioner Powell explained that there are currently two thresholds: 1) determined in the field by Tom Keysa and subject to approval by the Supervising Director for Administration (Jim Fenton); 2) more substantial change orders also requiring

authorization by the Deputy Superintendent for Administration (John Scanlan). Mr. Fenton elaborated that approval required for change orders is based on the percentage of the contract rather than a dollar amount. Mr. Scanlan stated that Tom Keysa currently presents a quarterly report of change orders to the Board.

Commissioner White questioned whether Board members have been satisfied with the quarterly reporting and the extent to which this reporting has alleviated their concerns. Commissioner Powell stated that this has not been sufficient to address concerns of some Board members, given that objections were raised at the last Board Business meeting.

Commissioner White emphasized that Board members should be held responsible for generating options when concerned about existing processes. He stated that he will contact this Board member to discuss the issue and request that they propose an alternative.

Contracts (Contract Extensions):

- 2. A.R. Pierrepont Co., Inc. (Painting) – Resolution No. 2009-10: 328**
- 3. BAAR Environmental, Inc. (Asbestos Abatement) – Resolution No. 2009-10: 323**
- 4. EMCOR Services (Refrigeration Equipment Repair) – Resolution 2009-10: 316**
- 5. EMCOR Services (Air Conditioning) – Resolution 2009-10: 317**
- 6. EMCOR Services (Boiler Repair) – Resolution 2009-10: 318**
- 7. Exodus Exterminating Inc. (Pest Management) – Resolution 2009-10: 313**
- 8. Heaster Building Restoration, Inc. (Masonry Repair) – Resolution 2009-10: 315**
- 9. Kuitems Construction, Inc. (Millwright Work) – Resolution 2009-10: 324**
- 10. Kuitems Construction, Inc. (Demountable Partition Work) – Resolution 2009-10: 329**
- 11. Manel Paving & Sealing, Inc. (Snow Plowing) – Resolution 2009-10: 326**
- 12. Manel Paving & Sealing, Inc. (Snow Plowing) – Resolution 2009-10: 310**
- 13. Messmer Corp. (Sewer Cleaning) – Resolution 2009-10: 319**
- 14. Messmer Corp. (Plumbing Repair) – Resolution 2009-10: 320**
- 15. NY State Fence, Inc. (Fence Repair) – Resolution 2009-10: 314**
- 16. P.D.H. Contractors Inc. (Curtain & Stage Drapery Cleaning) – Resolution 2009-10: 322**
- 17. Power Team Maintenance Co., Inc. (Window Washing) – Resolution 2009-10: 312**
- 18. Rochester Snowplowing & Seal Coating (Snow Plowing) – Resolution 2009-10: 327**
- 19. Schuler-Haas Electric Corp. (Electrical Work) – Resolution 2009-10: 330**
- 20. Shaheen Paint Co. Inc. (Shades/Blinds Repair) – Resolution 2009-10: 321**
- 21. Sheen & Shine, Inc. (Window Washing) – Resolution 2009-10: 311**
- 22. Steve General Contractor, Inc. (General Carpentry) – Resolution 2009-10: 325**

Mr. Fenton noted that the contracts numbered 2-22 are renewals for services, primarily facilities maintenance and contracts 23-30 are new contracts.

Commissioner Powell inquired whether the Committee members would like to group contracts 2-22 together.

Motion by Commissioner White to consider contracts 2-22 as a group. **Adopted 2-0**, with concurrence of parent representative.

Mr. Felix Jacobs asked whether the District anticipates having problems with snowplowing, as experienced last year. Mr. Fenton replied that the first priority is for RCSD staff to work with contractors who are not fulfilling contractual responsibilities, primarily by not renewing or awarding any new contracts to these vendors. He also stated that RCSD has developed a “gentleman’s agreement” with the City to provide contingency snow removal services for District parking lots and entryways.

Mr. Jacobs inquired whether RCSD has been able to recoup the costs from vendors who did not fulfill their contracts. Mr. Fenton responded that the District has not been able to obtain reimbursement for these costs because the vendors cannot be sued.

Commissioner White asked why the District is not able to sue these vendors for breach of contract. Mr. Fenton suggested contacting the Law Department for further information on this matter.

Action Item: Board staff will contact the Law Department to obtain information as to the legal rationale for the District being unable to bring a lawsuit against a vendor for breach of contract.

Commissioner White questioned whether consideration has been given to pooling resources with the City for specific services, such as snowplowing. Mr. Fenton stated that this option has been explored with the City for maintenance of RCSD vehicles (e.g. trucks and Facilities’ vehicles) and for the District to provide emergency fuel for City vehicles, such as police cars. He stated that this has not been explored with the City for snowplowing services.

Commissioner White noted that there have been discussions regarding the possibility of shared legal services with the City, which was done in the past until the City withdrew. He stated that he would like more information about these opportunities, particularly given the severe budget constraints facing both the District and the City.

John Scanlan stated that 13-15 services have been identified for potential sharing with the City, but further analysis must be done to determine the merit of either pooling resources or providing services to each other.

Motion by Commissioner White to approve contract extensions 2-22. **Adopted**

2-0, with concurrence of parent representative.

Contracts (New Contracts):

Maintenance Services:

- 23. GPD90 Services, Inc. (Snowplowing) – Resolution 2009-10: 307**
- 24. Manel Excavating Corp. (Snowplowing) – Resolution 2009-10: 310**
- 25. Manel Excavating Corp. (Paving and Surfacing) – Resolution 2009-10: 308**
- 26. Schindler Elevator Corp. (Elevator Repair) – Resolution 2009-10: 305**
- 27. Sheen & Shine Inc. (Window Washing) – Resolution 2009-10: 309**
- 28. TES Environmental Corp. (Sampling & Testing Lab Services) – Resolution 2009-10: 306**
- 29. Wm. Summerhays Sons Corp. (Boiler Tube Repair) – Resolution 2009-10: 303**
- 30. Wm. Summerhays Sons Corp. (Boiler Refractory Repair) – Resolution 2009-10: 304**

Motion by Commissioner White to consider new contracts 23-30 as a group. **Adopted 2-0**, with concurrence of parent representative.

Motion by Commissioner White to approve new contracts 23-30. **Adopted 2-0**, with concurrence of parent representative.

Other:

31. New York State Education Department (State Environmental Quality Review Act)

Commissioner Powell noted that this resolution has not been included in the packet for the Board Business meeting, and requested that this information be provided to Board members as soon as possible for consideration.

Motion by Commissioner White to approve State Environmental Quality Review for District projects. **Adopted 2-0**, with concurrence of parent representative.

B. ADMINISTRATION

1. Lunch Byte Systems, Inc. – Resolution 2009-10: 331

Commissioner Powell inquired as to the purpose for this resolution regarding Lunch Byte Systems. Mr. Fenton explained that this is a software upgrade to an existing system (Nutri Kids), which would allow the cafeteria cashiers to record specific items purchased and thereby improve inventory management and menu planning.

Commissioner White asked whether this software is integrated into the Food Services Management Company (Aramark) system. Mr. Fenton stated that Aramark is in the process of adapting their system to accept this new software.

Motion by Commissioner White to approve the software upgrade through Lunch Byte Systems, Inc. **Adopted 2-0**, with concurrence of parent representative.

2. Rochester Institute of Technology – Resolution 2009-10: 332

Mr. Felix Jacobs inquired as to the expected benefits of this contract. Mr. Fenton replied that this resolution involves a contract extension with no additional cost because the work has not yet been performed.

Commissioner White asked about the original purpose of the contract with RIT. Mr. Fenton stated that the purpose was for RIT to analyze existing processes, procedures, and systems in the District to identify opportunities for streamlining and enhancing efficiency and effectiveness (lean six-sigma).

Motion by Commissioner White to approve the contract extension with RIT. **Adopted 2-0**, with concurrence of parent representative.

Motion to adjourn by Commissioner White. **Adopted 2-0**, with concurrence of parent representative.

Commissioner Powell pointed out a change in the date for the November Finance Committee meeting due to the Thanksgiving holiday.

Meeting adjourned at 6:22 PM.

Next Finance Committee Meeting: November 17th at 5:30PM