

**DRAFT: NOT APPROVED BY COMMITTEE**

**Rochester Board of Education  
Finance Committee  
August 20, 2009  
5:30 p.m.**

**MINUTES**

**Attendance:** Commissioners Elliott and White (arrived 5:40PM); Commissioner Powell absent. Parent Representative: Felix Jacobs (left 6:07PM). District Staff: John Scanlan, Joyce Martelli, Jim Fenton, Jerome Underwood, and Gary Smith. Board Staff: D. Flanagan

Commissioner White convened the meeting at 5:42 p.m., noting that he would be serving as Chair for this meeting in Commissioner Powell's absence.

**I. Questions and Answers**

Commissioner White asked whether there were any questions regarding the materials contained in the Finance Committee packet. Mr. Jacobs replied that he had questions and concerns regarding three resolutions for which no dollar amount was specified. Commissioner White requested that these questions and concerns be addressed in the review of resolutions.

**II. Review and Approve July 16, 2009 Finance Committee Meeting Minutes**

Commissioner White informed the Committee that there would be no Monthly Financial Report for July or August because there is little activity at this time and staff are working on the year-end closing of the books. He stated that the report of the year-end closing would be provided in September.

Commissioner Elliott objected to not having a Financial Report in July or August because it is important for the Board to monitor expenditures and the fiscal status of the District. Joyce Martelli stated that there is not enough activity during July and August to warrant running the monthly Financial Report while year-end data is still being incorporated. She also explained that comparative figures are not available at this point because the budgeted amounts still have to be included. Commissioner White inquired whether it would be possible to provide the Monthly Financial Report for July in future years. Ms. Martelli replied that she would look into providing this for July 2010.

Commissioner Elliott stated that she will make a motion in the Board Business meeting on Aug. 27<sup>th</sup> to require Monthly Financial Reports for the months of July and August.

**Motion** by Commissioner Elliott to approve the minutes of July 16, 2009 Finance Committee meeting. **Adopted 2-0**, with concurrence of parent representative.

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### **III. Review and Approve 2008-09 Student Activity Fund Report**

Ms. Martelli explained that the 2008-09 Student Activity Fund Report reflects receipts and disbursements for the year and the year-end balance for each school. She reported that there are no negative balances for any schools.

Commissioner White pointed out that this report can serve a broader purpose in indicating the level and type of activity for students in each school, and that a pattern can be discerned over time. He noted that increased financial activity in the report indicates greater opportunities for students to be actively engaged in school activities, and the extent to which each school encourages student activity.

Commissioner Elliott asserted that she would not draw the same conclusion from the Student Activity Fund Report because the level of financial transactions does not necessarily indicate the extent of activity in a school. She stated that some activities may be financed by teachers themselves, parents, or other outside sources that are not reflected in the report.

Commissioner White agreed that the Student Activity Fund Report does not necessarily provide a complete measure of student activity in a school, but may provide an indication.

**Motion** by Commissioner Elliott to approve Student Activity Funds Report. **Adopted 2-0**, with concurrence of parent representative.

### **IV. Review of Proposed Resolutions for August 27, 2009 Board Business Meeting**

#### **A. Procurement**

##### **1. Aluminum Athletic Equipment Co.**

Mr. Jacobs noted that the resolution does not contain specific dollar amounts or information as to the costs of various athletic equipment items, and requested catalogs for each of the vendors.

Gary Smith explained that physical education teachers reviewed a number of catalogs and these particular vendors were selected because they offer the greatest number of items of interest to teachers for physical education and athletics. He stated that discounts have been negotiated with each of these selected vendors, and offered to provide further cost information either through the catalogs or the web addresses of each vendor.

**Action Item:** Gary Smith will provide information or web addresses for Committee members to locate costs reported in the catalogs for various types of athletic equipment.

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**Motion** by Commissioner Elliott to suggest amending all procurement resolutions without a specific dollar threshold to stipulate that purchases are not to exceed the budgeted amount. Ms. Martelli replied that the resolution is to seek approval for use of specific vendors rather than approval of a specific expenditure amount.

Commissioner Elliott questioned whether another resolution would be submitted in the future to the Finance Committee with a specific dollar amount for purchasing. Mr. Smith stated that there would not be another resolution regarding these expenditures because schools are able to purchase the athletic equipment according to their needs and up to the budgeted amount. Ms. Martelli explained the difficulty in using specific dollar limits for expenditures because school-based budgeting allows schools to move funds from one line item to another according to their needs, but not in excess of their overall budget allotment. Mr. Smith stated that he would generally prefer stating that purchases are not to exceed the budgeted amount rather than specifying a dollar figure because this would allow flexibility if additional funds become available (e.g. through a mid-year grant award).

**Action Item:** Ms. Martelli will consult with staff in the Law Department regarding amending resolutions without specified dollar amounts to stipulate that purchases will not exceed the budgeted amount.

Commissioner White suggested amending this resolution to clarify and accurately state that it is for recommending the use of particular vendors for purchasing athletic equipment.

**Motion** by Commissioner Elliott to propose amending resolution regarding Aluminum Athletic Equipment Co. to state that purchases are not to exceed the budgeted amount. **Adopted 2-0.**

### **2. V.J. Stanley, Inc.**

Ms. Martelli explained that this resolution involves items accidentally omitted from the original resolution passed by the Board in June, and does not affect the total dollar amount.

**Vote of 1-1, with Commissioner Elliott dissenting.**

### **3. D&H Distributing Company**

**Motion** by Commissioner Elliott to approve resolution for D&H Distributing Company. **Adopted 2-0**

### **4. Dupli Envelopes & Graphics, Corp.**

Commissioner White explained that this resolution involves a cost-cutting measure of purchasing plain white envelopes to be printed in-house by the RCSD Print Shop.

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**Motion** by Commissioner Elliott to approve resolution for Dupli Envelopes & Graphics, Corp. **Adopted 2-0**

### **5. The Stephan Acquisition, LLC (dba Bensons' Surgical Supply)**

Commissioner Elliott inquired as to the reason for the lack of a specific amount related to this resolution. Mr. Smith explained that RCSD purchased otoscopes for ear examinations two years ago, and this resolution is to allow for purchase of replacements as needed. He offered to amend the resolution to state that purchases may not exceed the budgeted amount.

**Motion** by Commissioner Elliott to propose amending the resolution regarding The Stephan Acquisition to state that purchases are not to exceed the budgeted amount. **Adopted 2-0**

## **B. Instructional Technology**

### **1. CELT Corp.**

Commissioner White explained that this corporation has national expertise to aid RCSD in obtaining the maximum E-ratable reimbursement. He inquired as to the rate of return from contracting with CELT Corporation to obtain additional reimbursement. Jerome Underwood stated that the rate of return is based on the number of students receiving free and reduced-price meals, and amounts to 87% for RCSD. He reported that \$3m was received last year and \$2m would be reimbursed annually with a steady state (i.e. no new projects); he anticipates receiving \$3m next year with the DataCation project.

At Commissioner White's request, Mr. Underwood explained that all telephone customers receive a universal service charge, which the federal government sets aside to reimburse impoverished communities for the purchase of technology in the classroom. The specific items eligible for this reimbursement are known as "E-ratable" and include Internet service, cell phones, and fiber connections. Mr. Underwood reported that CELT Corp. performs services nationwide to assist school districts with the cumbersome paperwork involved in applying for reimbursement and in identifying the specific items eligible for reimbursement. He stated that 1 FTE would be required in-house simply for managing the applications for reimbursement.

Commissioner White pointed out that the \$45K spent for the contract with CELT Corp. last year yielded \$1m in E-ratable reimbursement. Mr. Underwood explained that the amount of the contract with CELT Corp. will increase for the upcoming year because of an expected increase in activity with new projects.

**Vote of 1-1, with Commissioner Elliott dissenting.**

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**2. Oracle USA, Inc.**

Mr. Underwood explained that the revenue limit in the contract with Oracle USA, Inc. was eclipsed in fiscal year 2008-09 so that RCSD now has to pay additional licensing fees. He stated that he has conducted negotiations with Oracle USA, Inc. to set a threshold of \$830m in revenue and 8,221 employees which RCSD is not likely to reach any time in the near future, thereby preventing future increases in licensing fees.

**Vote of 1-1, with Commissioner Elliott dissenting.**

**C. Facilities**

**Final Payments:**

- 1. Leo J. Roth**
- 2. Schuler-Haas Electric Corp.**
- 3. Steve General Contractor, Inc.**
- 4. Steve General Contractor, Inc.**

**Motion** by Commissioner Elliott to consider all final payment resolutions as a group. **Adopted 2-0.**

**Motion** by Commissioner Elliott to approve all above final payment resolutions. **Adopted 2-0.**

**Contracts**

**5. Schuler-Haas Electric Corp.**

Commissioner Elliott questioned the increase in costs for Schuler-Haas Corporation. Jim Fenton explained that the increased cost arises from the fire at the School Without Walls, which resulted in additional unanticipated electrical work. He offered to amend the resolution to state that the amount to be expended for this year is set at \$213,215 due to the additional work required.

**Motion** by Commissioner Elliott to propose amending contract with Schuler-Haas Electric Corp. to state that expenditures for this year only are set at \$213,215. **Adopted 2-0.**

**6. Architectura, PC**

Commissioner Elliott recused herself from voting on this resolution because she has a professional relationship with Baden Street Settlement.

**7. UGI Energy Services, Inc.**

Mr. Fenton explained that this resolution is for a cooperative contract to purchase natural gas for the school year from UGI Energy Services, Inc.

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Commissioner Elliott inquired as to the average amount expended in recent years for natural gas. Mr. Fenton stated that the total for all utility costs has been approximately \$10m per year, the bulk of which is for electric costs.

**Motion** by Commissioner Elliott to approve contract with UGI Energy Services, Inc.. **Adopted 2-0.**

### **Other**

#### **8. NYS Education (FPFI to approve revenue stream)**

**Motion** by Commissioner Elliott to approve resolution for NYS Education. **Adopted 2-0.**

### **D. Student Health Services**

#### **1. Welligent, Inc.**

Ms. Martelli explained that student information is extracted from the Chancery database and loaded into the Welligent software program to enable nurses to maintain health records of students.

Commissioner Elliott inquired as to whether this capacity could be created in-house with District staff.

**Motion** by Commissioner Elliott to approve agreement with Welligent to provide software for student health records. **Adopted 2-0.**

Commissioner Elliott requested that John Scanlan, Deputy Superintendent for Administration, provide an update regarding Food Services at the September Board meeting. Mr. Scanlan stated that the Superintendent is planning to provide this to the Board within this timeframe.

**Adjourn - Motion** made by Commissioner Elliott. **Adopted 2-0**

Meeting adjourned at 6:45 PM.

**Next Finance Committee Meeting: September 17<sup>th</sup> at 5:30PM**