

**Rochester Board of Education
Finance Committee
June 18, 2009**

MINUTES

Attendance: Commissioner Powell (Chair) and Commissioners Elliott and White (arrived 5:12PM); Parent Representative: Felix Jacobs; District Staff: John Scanlan, Joyce Martelli, Vern Connors, Jim Fenton, Jerome Watts, Gary Smith, Jerome Underwood; Board Staff: D. Flanagan, S. Lee

Commissioner Powell convened the meeting at 5:09 p.m.

I. Question / Answer Session

Commissioner Powell noted that the RCSD 2009-10 budget was just approved by City Council, and that there have been no changes in revenue from New York State. She offered to entertain questions.

Commissioner Elliott inquired as to the way in which the District's financial situation is affected by the recent confusion and deadlock in the New York State Senate. Vern Connors replied that the District's finances have not been affected by these events.

II. Review and Approval of Finance Committee Minutes from May 21, 2009

Motion by Commissioner Elliott to approve the minutes of the May 21, 2009 Finance Committee meeting. Seconded by Commissioner White. **Adopted 3-0**, with concurrence by parent representative.

III. Review and Approval of May 2009 Financial Reports

Commissioner Powell requested an explanation for exceeding the budget allocation for computer hardware for the year to date. Mr. Connors explained that the budgeted amount reflects the most recent budget approved by the Board, but budgeted funds are shifted between line items on a regular basis. The actual transfer of funds is shown in the monthly Financial Report, but the budgeted amount is only updated in the Report after being amended by the Board. Consequently, there is a difference in timing in reporting actual expenditures and the amended budgeted amount for each category by the Board.

Commissioner Powell inquired as to whether the increased expenditures for computer hardware could also result from principals using some discretionary funds for this purpose. Mr. Connors confirmed that schools and departments often move unused

funds into the computer hardware category for purchases of computer equipment for the upcoming year.

Motion made by Commissioner Elliott to approve May 2009 Financial Reports. Seconded by Commissioner White. **Adopted 3-0**, with concurrence of parent representative.

IV. Review of Proposed Resolutions for June 18, 2009 Board Business Meeting

A. Procurement

- 1. Accredited Lock Supply – Resolution No. 2008-09: 917**
- 2. Plumbing & HVAC Equipment & Supplies – Resolution No. 2008-09: 918**
- 3. Morris Protective Services, Inc. – Resolution No. 2008-09: 919**
- 4. Graphic Designs Printing & Finishing, Inc. – Resolution No. 2008-09: 920**
- 5. Auto, Truck and Bus Parts – Resolution No. 2008-09: 921**
- 6. Cook Brothers Truck Parts – Resolution No. 2008-09: 922**
- 7. Science Equipment and Supplies – Resolution No. 2008-09: 923**
- 8. Science Equipment and Supplies – Resolution No. 2008-09: 924**
- 9. Lewis General Tires, Inc. – Resolution No. 2008-09: 925**
- 10. Vehicle Repair – Resolution No. 2008-09: 926**
- 11. Water Wise of America, Inc. – Resolution No. 2008-09: 927**

Commissioner White inquired as to the particular items included in procurement and the amount spent in this category. Gary Smith replied that procurement includes all goods and services purchased for the District, which involved 12,000 purchase orders totaling \$170m over the last year. He identified the following as the largest procurement items: transportation by First Student (\$24m), A&I Transport, and Monroe Transportation; food services by Chartwells (\$5m); and computers by Dell (\$3m).

Commissioner White expressed concern regarding the amount of federal stimulus and other funds that pass through the District which have a significant potential to assist American business and workers. He inquired as to the extent to which the District is supporting American production, business, and labor and whether this has been examined by the District in its procurement practices.

Action Item: Gary Smith will provide the Finance Committee with a list of all vendors used by the District for purchases over \$25K since July 1, 2008.

Mr. Smith stated that the District has not examined this aspect of procurement in the past, particularly since State law mandates awarding to the lowest responsible bidder. He noted that this is often a New York state or local vendor, but analysis has not been done of the extent to which these awards are made to American and local businesses.

Commissioner White sought clarification of the requirements of State law, stating that procurement does not have to take into account the use of American-made products or business because of the requirement to use the lowest responsible bidder. Mr. Smith confirmed this understanding.

Commissioner White announced that he plans to present a resolution to the Board to encourage the use of American and local vendors to contribute to the economy and lift the community.

Commissioner Powell requested that RCSD accounting and legal staff review this proposed resolution. Commissioner White responded that he plans to submit this proposal to the Finance, Community and Intergovernmental Relations, and Policy Committees. He emphasized his concern regarding the District's impact on the economy through the use of its funds, noting that many goods produced in other countries are not equal in quality to American products because of a lack of regulations.

Motion by Commissioner White to approve all procurement resolutions (Nos. 2008-09: 917 through 927). Seconded by Commissioner Elliott. Resolution Nos. 2008-09: 917 through 919 **adopted 2-1, with Commissioner Elliott dissenting** and parent representative concurring. All other procurement resolutions (Resolution Nos. 2008-09: 920 through 927) were **adopted 3-0**, with concurrence by parent representative.

B. Information Management & Technology

- 1. ServerWare Corporation – Resolution No. 2008-09: 928**
- 2. Oracle USA, Inc. – Resolution No. 2008-09: 929**
- 3. Xerox Corporation – Resolution No. 2008-09: 930**
- 4. PAETEC Communication, Inc. – Resolution No. 2008-09: 931**

Mr. Felix Jacobs inquired as to whether the proposed contract with ServerWare Corp. is to provide a firewall for the RCSD network and asked about the need to outsource this function. Mr. Jerome Underwood replied that this proposed contract is for maintenance of the hardware platform for PeopleSoft software.

Mr. Jacobs questioned whether the District could obtain a better price for this hardware maintenance, noting that the costs for Oracle companies tend to be significantly higher because they dominate the market. Mr. Underwood stated that ServerWare was selected because it is not an Oracle company and therefore offers a better price to enable the District to realize cost savings.

Motion by Commissioner White to approve all Information Management & Technology resolutions. Resolution No. 2008-09: 929 **adopted 2-1, with Commissioner Elliott dissenting**. All other Information Management & Technology resolutions (Resolution Nos. 2008-09: 928, 930, and 931) **adopted 3-0**, with concurrence of parent representative.

Commissioner Powell inquired as to the consequences of the full Board voting down Resolution No. 2008-09: 929 (Oracle USA, Inc.). Mr. Underwood replied that lack of technical support for the Oracle database would have dire consequences for many functions such as human resources, procurement, payroll, and business systems.

C. Facilities

Final Payments

1. **Testa Construction, Inc. – Resolution No. 2008-09: 952**
2. **Crosby-Brownlie, Inc. – Resolution No. 2008-09: 953**

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

Lease Agreements

3. Southwest Area Neighborhood Association, Inc. (SWAN) – Resolution No. 2008-09: 955

4. The Community Place of Greater Rochester, Inc. – Resolution No. 2008-09: 956

5. Holy Apostles Church – not included in original packet of resolutions; to be considered in Board Meeting on June 24th

Mr. Jerome Watts provided a report regarding site options and selection for the I'm Ready program. He noted that the program has been extremely effective: out of 1,000 students, only 60 have become repeat offenders.

Mr. Watts explained that an extensive search was conducted between spring and late August 2008, after the owners of the first site selected (the former SHAPE building on Hart Street) chose not to lease to the program because of concern about students in long-term suspension.

Mr. Watts described searching Catholic schools for a location, but most of these schools were designed for K-6 students. Consequently, the schools were too small and presented problems in terms of code violations.

Holy Apostles Church was selected because of its capacity to house the program and direct access to the bus stop. Mr. Watts stated that he has not received any complaints from parents or from community members regarding student involvement in criminal activity in the area. He reported that \$700K of improvements have been made to the building, which also houses a number of community agencies which provide critical support to the I'm Ready Program: the Center for Youth, Center for Dispute Settlement, Probation Department, and Pathways to Peace program. As an important aspect of fostering awareness and

responsibility, Mr. Watts stated that the I'm Ready program plans to conduct service education and coordinate students' efforts to assist in community-building.

Commissioner Powell conveyed appreciation for the benefits and learning opportunities for students through building community, and inquired as to the potential benefit of collaborating with the City to improve safety in the area. She noted that the original plan in this neighborhood was to have increased RPD presence and a NET office, neither of which have materialized. Mr. Watts stated that safety is always a major issue in any area and increased presence by the City would be beneficial.

Commissioner White stated that concerns have been reported to him about this neighborhood, but this may have been in the context of his former position as a prosecutor in the District Attorney's office and may no longer be relevant. He urged Mr. Watts to notify the Superintendent and the Board of any problems as soon as they arise so that appropriate action can be taken.

Motion by Commissioner White to approve all lease agreement resolutions. Lease of Holy Apostles Church **adopted 2-1, with Commissioner Elliott dissenting** and parent representative dissenting. All other lease agreements (Resolution Nos. 20008-09: 955 and 956) **adopted 3-0**, with concurrence by parent representative.

Contracts

6. FRA Engineering & Architecture, PC – Resolution No. 2008-09: 932
7. IBC Engineering, PC – Resolution No. 2008-09: 935
8. MA Architects – Resolution No. 2008-09: 940
9. FRA Engineering & Architecture, PC – School No. 57 – Resolution No. 2008-09: 933
- 10.FRA Engineering & Architecture, PC – School No. 50 – Resolution No. 2008-09: 934
- 11.IBE Engineering, PC – School No. 1 – Resolution No. 2008-09: 936
- 12.IBC Engineering, PC – School No. 8 – Resolution No. 2008-09: 937
- 13.IBC Engineering, PC – School No. 45 – Resolution No. 2008-09: 938
- 14.MA Architects – Schools No. 14 and 58 – Resolution No. 2008-09: 939
- 15.MA Architects – School No. 6 – Resolution No. 2008-09: 941
- 16.Architectura, PC – School No. 16 – Resolution No. 2008-09: 942
- 17.Architectura, PC – School No. 22 – Resolution No. 2008-09: 943
- 18.Architectura, PC – Edison Educational Campus – Resolution No. 2008-09: 944
- 19.Architectura PC – School No. 34 – Resolution No. 2008-09: 945
- 20.Architectura, PC – School No. 9 – Resolution No. 2008-09: 946
- 21.Architectura, PC – School No. 44 – Resolution No. 2008-09: 947
- 22.CMA Architects, PC – Joseph C. Wilson Magnet High School – Resolution No. 2008-09: 948
- 23.Edge Architecture, PLLC – Douglass Educational Campus – Resolution No. 2008-09: 949
- 24.SEI Design Group – School No. 42 – Resolution No. 2008-09: 950

Commissioner Powell noted that Architectura, PC is a woman-owned business, but is not listed as such in the resolutions; she inquired whether this firm is recognized by New York State as an M/WBE enterprise. Shanai Lee stated that this firm is not certified by New York State as M/WBE.

Commissioner White inquired as to the reason that the firm was not certified as M/WBE by the State. Ms. Lee replied that it could be due to the woman not being the majority owner in the firm, but that she was not certain as to the precise reason. She explained that the District policy is for M/WBE participation in public works projects, but not for professional services contracts.

Commissioner Powell pointed out that Governor Pataki's administration had no interest in certifying M/WBE firms and the subsequent Spitzer and Paterson administrations pledged to make this a priority. She asked whether there is information as to whether certification of M/WBE firms has improved since the Pataki administration.

Action Item: Shanai Lee will obtain information to report to the Finance Committee as to the reason that Architectura, PC has not been certified by New York State as an M/WBE firm. Ms. Lee will also obtain information regarding the current policy and practice of the Paterson administration in certifying M/WBE firms.

Commissioner White expressed concern that the current policy does not require M/WBE participation in professional services contracts. Commissioner Elliott stated that this issue will be examined by the Policy Committee at its next meeting.

Commissioner White stated that a number of M/WBE firms could qualify for these contracts and asked the reason that they were not selected. Jim Fenton replied that a total of 33 firms responded to the RFQ and two were disqualified due to incomplete applications. Of the remaining 31 respondents, five were selected for 17 projects, which represents 35% for M/WBE contracts. Mr. Fenton stated that an additional four M/WBE firms are participating through subcontracts.

Commissioner White requested a summary of all firms that applied for these contracts.

Action Item: John Scanlan will provide a summary to the Finance Committee of all firms that applied for the contracts contained in these resolutions (Resolution Nos. 2008-09: 932 through 950).

Commissioner Elliott inquired as to the purpose of the capital improvement renovations for School #14 and #58. Mr. Fenton replied that these improvements are for renovations to support the Superintendent's educational objectives to establish expeditionary learning in those buildings.

Commissioner Elliott stated that she would probably not support this resolution because it involves moving students to the building at 690 St. Paul Street, which she believes is unsafe due to environmental contamination.

Motion by Commissioner White to table all contract resolutions (Resolution Nos. 2008-09: 932 through 950). Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence by parent representative.

Commissioner Powell announced that a brief meeting of the Finance Committee would take place on Wednesday, June 24th, just prior to the Board meeting to consider and vote on these contract resolutions.

25. UGI Services, Inc. – delivery of natural gas – Resolution No. 2008-09: 951

Motion by Commissioner White to approve contract for UGI Services, Inc. **Adopted 3-0**, with concurrence by parent representative.

Other

26. NYS Education – Resolution No. 2008-09: 954

Motion by Commissioner Elliott to approve FPF Report to New York State (Resolution No. 2008-09: 954). **Adopted 3-0**, with concurrence by parent representative.

D. Office of Administration

- 1. 2009-10 Transportation – Resolution No. 2008-09: 915**
- 2. City of Rochester – Summer Food Service Program – Resolution No. 2008-09: 916**

Commissioner White inquired as to the purpose of the 2009-10 transportation resolution. Mr. Fenton explained that these are extensions of small contracts to provide transportation to non-ambulatory special needs children. Mr. Jacobs inquired as to the value of these contracts.

Action Item: Mr. Fenton will provide information to the Finance Committee as to the dollar value of the 2009-10 transportation contracts.

Motion by Commissioner White to approve 2009-10 transportation contracts. **Adopted 2-1, with Commissioner Elliott dissenting.**

Commissioner White noted that a number of District schools have CTE certification for their culinary programs, and inquired whether consideration has been given to designing a comprehensive Food Services Management Company (FSMC) within the District which would employ students, parents, and community residents. Mr. Fenton stated that the majority of Food Service employees are employees of the District, but serious consideration has not been given to establishing an FSMC from

these culinary programs because there are many restrictions on the profits generated and there are many more fundamental issues to be addressed in Food Services at this point.

Commissioner Elliott stated that SUNY Brockport had a culinary program that operated as an FSMC and employed students, suggesting that this is model that could be examined.

Motion by Commissioner White to approve Summer Food Service Program (Resolution No. 2008-09: 916). **Adopted 2-1, with Commissioner Elliott dissenting** and parent representative concurring.

Adjourn - Motion made by Commissioner White. **Adopted 3-0**

Meeting adjourned at 6:09 PM.

Next Finance Committee Meeting: July 16th at 5:30 PM