

**Rochester Board of Education
Finance Committee
October 10, 2006 at 5:30 p.m.**

Attendance: Commissioners Powell, Evans and Brennan; Ms. Tripi; Mr. Smith; Mr. Keysa; Mr. Connors; Ms. Lee; and Ms. Wilson

Commissioner Powell convened the meeting at 5:35 p.m.

Motion to approve the agenda made by Commissioner Evans. Seconded by Commissioner Powell. Adopted 3-0.

I. Approve September Finance Committee Meeting Minutes

Motion to approve the September minutes made by Commissioner Evans. Seconded by Commissioner Brennan. Adopted 3-0.

II. Presentation of NYS Public Law/MWBE

Mr. Smith and Mr. Keysa presented to the Committee an overview on NYS Public Law/MWBE program.

Mr. Smith: There is proposed legislation (Bill A 11428) to raise local government bidding limits to \$20k for commodities and \$50k for public works projects. It will also authorize the use of GSA contracts by local governments. In addition, it will also allow local governments to establish MWBE programs, and increase the bid limit for commodities to \$25k if purchasing from a MWBE firm. Now might be the best time for the Board of Education to support Bill A11428, which will allow the District to establish MWBE programs.

Commissioner Evans: GSA, is that the federal government?

Mr. Smith: Yes, General Services Administration.

Commissioner Evans: Is the Bill in the Senate and the Assembly?

Mr. Smith: Yes, I think it is in both Houses.

Commissioner Powell: A lot of these are one House bills and it would be interesting to find out who the sponsor is in the Assembly. If we don't get Senate sponsor, then the Bill will not go anywhere.

Ms. Tripi: Thank you Mr. Smith and Mr. Keysa for all the work you've done.

Commissioner Evans: A couple of years ago we were talking about having a conversation with the City about trying to do something about the debt limit, all these other things and trying to be more consistent year to year with making sure our schools got the necessary upgrades and necessary upkeeps. Where did we end up with that?

Commissioner Powell: And dealing especially with our share of the debt limit which has been a decisive issue from the City's point of view. Perhaps that is something you and I together could go to key members of City Hall.

Ms. Tripi: Mr. Hannon (Chief, Governmental Relations and Special Projects) and I drafted a letter to Mr. Carfagna, Mr. Ansbrow and copying Mr. Sullivan which talks about building our case for why this is a problem. At this point and time, it really comes down to the payback schedule as the bigger issue because of the extension of the payback period by the State. We are getting down to about \$15M - \$17M figures for our CIP based on the payback schedule and what we really need is about \$30M-\$35M just to maintain.

Commissioner Powell: Keeping in mind, it is the City Hall charter that has dictated that we only borrow as much as we retire. Again, it goes back to City Council accepting the notion that the charter has to change and that requires Board member to Council member dialogue.

Commissioner Evans: We are lucky that our schools have been maintained as well as they have. If we were to factor in the FMP, would these number increase or are the FMP and the CIP separate entities?

Ms. Tripi: We are really looking at them separately. When you think about the incremental investment in the City, we may not have incremental capacity within the City in terms of available contractors. Particularly when you put the Renaissance project on top of our project. We are working with RMBDC to help us determine what a reasonable number would be (a good stretch goal for the District) in terms of quotas for minority participation.

Commissioner Powell: Another thing to keep in mind is that our policy going back to at least 1993 mirrors the City and has not been updated because the current version is actually more beneficial to minority businesses than if we were to update it based on actual minority businesses that exist.

Ms. Tripi: I worry that if we do keep the numbers the same then we are going to end up going further out to reach our quotas and I think keeping the investment close to home (in the community) is the best solution for Rochester.

Commissioner Evans: What do you mean by further out?

Ms. Tripi: Other cities and states.

Commissioner Evans: Would these numbers go up if we factored in the actual dollar amounts spent on each facility. For example in 2008-09 we anticipate spending more money on our CIP because we are working on the FMP.

Ms. Tripi: The FMP is independent of the CIP.

Commissioner Evans: Could you please get back to me with the City's response to the letter you and Mr. Hannon are sending?

Action: Mr. Smith will provide a copy of the proposed legislation to Ms. Lee. To be distributed to the Committee.

Action: Ms. Tripi will provide Ms. Lee with a copy of the letter being sent to City Hall staff. To be distributed to the Committee.

Action: Mr. Smith or Mr. Keysa will provide Ms. Lee with a copy of the NYS Public Law/MWBE presentation and handouts. To be distributed to the full Board.

Action: Ms. Tripi or Mr. Hannon will update Commissioner Evans with the City's response to the letter being sent to City Hall staff.

III. Receive and Review Monthly Financial Reports – includes Budget Amendments

Commissioner Powell: Because we did not have financial reports at last month's Business Meeting, I assumed we had not dealt with financials at our September Finance Committee Meeting when in fact we had. For the upcoming October Business Meeting we will not only have this month's financial reports, but last month's as well.

Commissioner Evans: Did the other Board members get copies of the financial reports in their Board packet?

Ms. Lee: No, they did not.

Commissioner Evans: The financial reports are to be included in the Board packets after the Committee has voted and given consent.

Ms. Tripi: One thing I would like to point out, because of the significance of the dollar amount, is the \$4M Magnet Funds we received as revenue from the State last year (above and beyond the normal Magnet Fund). We assumed these funds should be treated as normal grant funds and were budgeted that way. We received information from the State that Magnet Funds is not a grant fund. It is a member item and therefore should be booked in the Local Fund.

Mr. Connors: It's important to note that this is a one year allocation.

Commissioner Evans: The variances under Teacher Assistant and Paraprofessional salaries do they relate to one another or are they separate?

Ms. Tripi: The Teacher Assistant is a reclassification of staff.

Commissioner Evans: Are they Paraprofessionals?

Mr. Connors: They were at one time. They are Paraprofessionals who have received certification. The main difference between a Paraprofessional and a Teacher Assistant is that the Teacher Assistant can lead instruction whereas Paraprofessionals can not.

Ms. Tripi: Overtime as more and more Paraprofessionals become certified they will move into the Teacher Assistant category. And the variance in dollars is moving out of the Paraprofessional category and into the Teacher Assistant category. To compare them in like ways, you would add the two together to compare last year to this year. Although there is a salary increase associated with the reclassification to a certified title.

Commissioner Brennan: Explain the variance under the Textbook and Library Books categories.

Ms. Tripi: The Textbook variance is really a function of the size of the last year's budget. We had a planned textbook initiative last year so the total budget was actually larger. The spending is basically the same as last year. In terms of the Library book variance, we are spending at a slower rate this year. We are working with individuals in the Library department to make sure we catch up and don't under spend. This is an area where we get one-for-one aid up to a certain dollar amount per student.

Commissioner Evans: What do you anticipate the spending to be on utilities (heating cost)? Did we make any headway on the BOCES Consortium?

Ms. Tripi: We were able to join the BOCES Consortium and we have locked in our rates for this year, next year and the following year. This will result in fairly significant savings assuming steady State consumption.

Ms. Tripi: The other item to bring to your attention is the manner in which we account for Federal Medicaid Revenue. We use to book an additional entry for the piece that gets paid back to NYS where we would book additional revenue offset by the exact same amount in expense. We are moving towards a different accounting methodology where we won't do that one-for-one adjustment. You will see an adjustment on the revenue side with the exact like adjustment on the expense side.

Commissioner Evans: None of these amendments have a financial impact; it's just a matter of reporting them in a different category.

Ms. Tripi: Yes, that is true.

Action: Going forward, Ms. Lee will make sure the financial reports are forwarded to the full Board following the monthly Finance Committee Meeting.

Action: Ms. Lee will forward copies of the financial reports from the September Finance Committee Meeting (August financials) to the full Board for the October Business Meeting.

Motion to accept the monthly financial reports and budget amendment resolutions. Recommended acceptance to the Board made by Commissioner Evans. Seconded by Commissioner Brennan. Adopted 3-0.

IV. Next Meeting – November 9, 2006 at 6:00 p.m.

Adjournment: Motion to adjourn made by Commissioner Evans. Seconded by Commissioner Brennan. Adopted 3-0 at 6:22 p.m.