

**Rochester Board of Education
Finance Committee**

**May 18, 2004, 6:00 P.M.
MINUTES**

Attendance: Commissioners Bowers, Garcia, Powell and Porter.

Commissioner Bowers called the meeting to order at 6:02 p.m.
Commissioner Powell arrived at 6:04 p.m. Commissioner Porter arrived at 6:12 p.m.

I. Review of May Financial Reports

Commissioner Bowers asked Mr. Marini to provide a summary of the financial reports.

Commissioner Bowers then asked if there were any questions on the financial reports. There being none, Commissioner Garcia made a motion to accept the financial reports and recommend them to the Board at the Special Meeting, Seconded by Commissioner Bowers. **Adopted 2-0** with Commissioner Powell absent.

**II. Review of Budget Amendment and Adoption Resolutions for Special Meeting
May 18, 2004 – Resolution 2003-04: 756-760**

Commissioner Bowers noted that resolutions 756, 757 and 758 pertained to the financial reports and would amend the '03-'04 budget.

There being no questions, Commissioner Powell motioned to recommend the resolutions to the full Board at the Special Meeting, Seconded by Commissioner Garcia. **Adopted 3-0.**

Resolution No 2003-04: 759

Commissioner Bowers noted that resolution 759 adopts the 2004-05 operating budget for the District.

The 2004-05 Budget assumes the City of Rochester allocation will remain the same as last year as the Board recommended it be included and additional state aid of \$29 M.

Commissioner Bowers asked how the Superintendent's recent press conference impacts the budget since his announcement that he is not closing 36.

Mr. Marini noted that the Superintendent substituted \$903K in other recommended cuts instead of achieving the savings from the closing of School 36. The budget will eliminate \$260K in cash capital, Jump Start and a significant reduction of temporary labor.

Commissioner Powell believes the cuts will keep Jump Start program at existing levels. The bottom line stays the same.

Mr. Marini said given the Superintendent's actions, we will have to alter the budget book to include the changes he has proposed.

Ms. Rohring noted that the Board will be voting on the budget the Superintendent is recommending and that the book does not yet contain the final recommended budget.

Motion to recommend Resolution 2003-04: 759 to the full Board at the Special Meeting by Commissioner Garcia, Seconded by Commissioner Powell. Adopted 2-1 with Commissioner Bowers dissenting.

Resolution No 2003-04: 760

Commissioner Bowers noted that resolution 760 adopts the 2004-05 to 2008-09 Capital Improvement Program.

Mr. Marini explained that the bond request will be dependent on phases within draws of capital. The exact dollar amount differs from projections because it is just an estimate. We did have to reduce the bond request because of an imposed limit by City Hall which requires the District to only borrow what it pays down on its debt. This has diminished the District's purchasing capacity by approximately \$10 M. The District has been averaging \$19 M over the last couple of years. We are the only Big 5 school district that has a self-imposed local charter with a set split of 9% limit of tax assessed value.

Commissioner Bowers suggested the Committee discuss that as a future agenda item.

Motion to recommend Resolution 2003-04: 760 to the full Board at the Special Meeting by Commissioner Powell, Seconded by Commissioner Garcia. Adopted 3-0.

III. Discussion on and Consideration of Proposed Amendments to Policy 6630 Financial Reports and Resolutions; and Proposed policy 6745 Contract Authorization and Approval Procedures

Commissioner Bowers introduced an amendment to Policy 6630 Financial Reporting and Resolutions. The amendment would require staff to report quarterly on all contracts issued under \$25K Board approval limit and would allow the Board to better track spending.

Commissioner Powell motioned to move the proposed amendments to the Policy 6630 out of the committee and through the Board policy adoption process. Seconded by Commissioner Garcia. **Adopted 3-0.**

Commissioner Bowers then introduced a Proposed Policy 6745 Contract Authorization and Approval Procedures.

Commissioner Bowers noted that the policy would outline the procedure to use in seeking Board approval of a contract. In the past, Mr. Marini has asked for authorization to negotiate, then submitted a request for the Board authorization of a negotiated contract. The goal is to be consistent across the District.

Commissioner Garcia said if the Committee were to establish such a policy, it would be important for staff to follow it in every instance without exception. He indicated he wanted to be sure that staff can do it without any particular problem.

Commissioner Bowers said there would be additional opportunities to discuss the proposed policy. Right now, he asked the committee to agree to go forward. He would provide each Board Member with copies of the proposed policy and ask for discussion at this Thursday's Board Meeting and a vote in June.

Commissioner Garcia commented that the District is large. All departments generate contracts. Mr. Marini said that the majority are education contracts. Commissioner Garcia agreed that the Legal Department should have responsibility for tracking and reporting to the Board all contracts the District enters into under \$25 K and to enforce the Board's process for authorization.

Superintendent would need to inform chiefs that when seeking contracts they will need to follow Board policy to seek approval for negotiation authorization.

Mr. Marini asked how this process will play into facility contracts and sub-contractors.

Ms. Rohring noted that NYSED has an approval process which is different.

It was determined that a paragraph should be added to Policy 6745 specifically addressing this issue/possible exception.

Commissioner Powell asked for Legal counsel's comments on the proposed policy.

Ms. Rohring noted that Chief Legal Counsel is opposed to these procedures, but that they are supported by Contract counsel.

Dr. Bowers stated Chief Legal Counsel believes the policy can tie the hands of the District to negotiate.

Commissioner Powell asked if the policy had been reviewed for legal language by contract counsel.

Ms. Rohring assured her that contract counsel has seen the document, but has been precluded from commenting by their supervisor.

Commissioner Powell noted that while Chief Legal Counsel is liaison to the policy committee, it is a question of financial oversight.

Commissioner Garcia motioned to advance Policy 6745 to the Board for information and discussion at the Board meeting. Seconded by Commissioner Powell with the proviso to amend 6745 so that NYSED contract approval procedures and process supercedes the policy as a caveat for the facilities department. **Adopted 3-0.**

Action Item:

- Counsel will need to provide appropriate language.

Commissioner Bowers explained this will go forward to the Board as information. Commissioner Powell said it can bypass the policy committee as long as we go through the 3-step policy adoption process. The first step is to circulate the proposed policy to the Board as information, which will occur this evening.

IV. Review and Consideration of proposed resolutions for the May 20, 2004 Business Meeting – Endeavour Enterprise Consulting Short Term Contract

Mr. Marini reported that he met with some Board representatives on April 23rd and following the advice of the committee, the services will go out for an RFP. Susan Tripi and Alice Kessler will prepare the RFP. To minimize interruption in services, he proposes a 90-day contract from May 27 through August 19. The date of August 19 was selected so there would be enough time to do an RFP and present the selected candidate to the committee for review. The plan is to present to the committee at the August 9th meeting. The vendor selection will be completed by August 2nd.

The first page of the contract states the scope of work; the third page shows the detail on how fees were calculated. Mr. Marini stated that usually, the District is under the authorized amount with this vendor.

There are several new modules – grant modules, grants reporting and portal implementation which require 4 people whereas this vendor needed 3 people for prior implementations.

Commissioner Garcia noted that the total contract was anticipated to be approximately \$497K and the 90 day proposal is about 40% of that total.

Mr. Marini stated in calculating the rates, it works out to about \$14,000 per week multiplied by 12.86 weeks.

Commissioner Powell asked if the work is front loaded.

Mr. Marini said he is taking out project management in case this firm doesn't win the RFP. He does not want a methodology in place when a new vendor comes in.

Ms. Rohring noted it is a contract extension for 12 weeks.

Commissioner Garcia motioned to recommend it to the full Board for consideration, Seconded by Commissioner Powell. **Adopted 2-1** with Commissioner Bowers dissenting.

V. Next Meeting – June 7, 2004 at 5:30 p.m.

VI. Adjournment

Commissioner Powell motioned to adjourn, Seconded by Commissioner Garcia. **Adopted 3-0** at 6:30 p.m.