

Community and Intergovernmental Relations Committee Meeting

February 8, 2006, 6:00 p.m.

Minutes

Attendance: Commissioners Brennan, Evans, Powell, and Thompson; Ms. Kimberly Rohring; Ms. Linda Dunsmoor; Mr. Michael Looby and Mr. Rick Hannon

Commissioner Evans convened the meeting at 6:06 p.m.

Legislative Agenda Update

Mr. Looby stated that he has been focused on school nurses. The issues are to make sure that BOCES has the authority to contract with RCSD, as well as RCSD having the statutory authority to provide the services and the authority to contract with any eligible provider. He stated that he has reached out to Buffalo and Erie 2 BOCES to see if they are interested in partnering on this legislation. Buffalo has not responded. Erie 2 BOCES is not readily interested in entering into a contractual relationship with Buffalo to provide such services. There are a number of fiscal issues in the city, county and district. There are two proposals: one that would strictly address the issues of authority for both BOCES and RCSD; the other would add a BOCES aid component (which was the trigger for the Governor's veto last year).

Mr. Looby added that he spoke with both Senator Robach and Peter Applebee (staff to the Senate Finance committee) today. Senator Robach committed to increased aid for nurses above that which the Governor included in his budget proposal. Mr. Applebee was not ready to give up on BOCES aid yet, but suggested we be prepared to go with an increase in the Governor's grant.

Mr. Looby stated that his current thinking is to send both versions of the draft bill to Senator Robach and Assemblyman Gantt, possibly the whole delegation, for feedback; then meet with the interim Deputy Commissioner in SED (replaced Mr. Kadamus) to solicit active support from them this year.

Commissioner Evans stated the draft bills should be sent to Senator Robach and Assemblyman Gantt as soon as possible for their feedback. He asked if there had been any conversations with Mr. Lovell of the Governor's office.

Mr. Looby noted that Dr. Rivera met with Mr. Lovell about 10 days ago and had good conversation. He is not aware of anything subsequent.

Mr. Hannon added that Mr. Lovell was highly supportive of the facilities modernization initiative. He asked Dr. Rivera to come back and brief him on it, along with representatives from SED.

Mr. Looby stated he reached out to NYSSBA to see if there were items on our legislative agenda that they may be actively pursuing as well creating opportunities to partner. He stated that we may look to partner around student discipline flexibility, fair and adequate funding, and exemption from court filing fees. He noted that cities, towns and villages do not have to pay court filing fees. He added that this would expedite the process for us, as well as save approximately \$4,000 annually in filing fees.

Mr. Hannon noted that he was accompanied by Ms. Rohring on Monday to deliver testimony to the Senate and Assembly Education committees, Senate Finance, and Assembly Ways and Means regarding the Governor's Education budget proposal. He added that Ms. Rohring was instrumental in developing the testimony and that he believed she had done an excellent job. While there, he also spoke briefly with Senators Robach and Nozzolio to remind them of our needs. He stayed for a Big 5

CFO meeting on Tuesday. There was discussion regarding the \$375 million SBE reserve in the Governor's budget. The thinking to date is that these funds will be distributed similarly to the \$325 million line, so Rochester could anticipate some of those funds for 2006-07. Finally, he stated that Mayor Duffy and the Superintendent have agreed to a date to travel to Albany later this month to lobby jointly for the needs of Rochester.

Ms. Rohring asked if the 2006 legislative agenda included items related to early education, expansion of pre-k or other items proposed by Dr. Rivera. She noted that members at the hearing on Monday, from both houses and both sides of the aisle, expressed some interest in expansion of UPK. This may be something we want to focus in on this year in our lobbying efforts.

Commissioner Thompson noted for the record then when the Board was asked to rank the Schools of the Future criteria, she included in her feedback the question as to whether or not the District wants to move away from providing pre-k in our buildings. It is her belief that this would free up some much needed space, and would not necessarily mean compromising the quality of the program, but would mean less revenue for the district.

Ms. Rohring noted that Rochester's pre-k program is nationally recognized and independent studies have shown the significant impact it has on student achievement over many years.

Facilities Modernization Initiative

Mr. Hannon stated that he is trying to respond to the committee's request for a more detailed timeline; but it is still a work in progress.

Delivery Model:

Niagara Falls used an owner agent model, while Buffalo created a private entity with the authority to borrow and make decisions. It is clear based on feedback from the Board, particularly President Garcia, that any relinquishment of control would not be OK.

The Governor's budget included a requirement to engage in third party value engineering studies on construction proposals in excess of \$5 million or exceeding a certain square footage.

The best way for the Board and District to maintain control over the project is for it to be done in house. This is not to suggest that our Director of Facilities, Mr. Keysa, would be solely responsible for the project.

Commissioner Thompson asked if other models should be considered.

Mr. Hannon stated that the Facilities Modernization Board we have is an ad hoc committee with no authority to borrow, etc. We will need the City of Rochester's support. However, the time, effort and expense to create a new entity would be misapplied. No one else would hold our interests as dearly as we do. He believes that the Board is headed in the right direction by maintaining control.

Financing – Local Share:

There are two major alternatives currently under discussion. One would dedicate the entire debt portion of the CIP to cover the local share of this initiative; while the other would dedicate a portion of the debt share of the CIP. This second option is less dramatic, but does not completely cover the local share leaving approximately a \$2-3 million hole to plug with other revenue.

Mr. Hannon added that they are meeting with representatives of NYSERDA tomorrow to explore whether there are any additional energy savings opportunities the District has not yet explored through the multiple energy performance contracts.

Ms. Rohring sought clarification about the first alternative. She noted that the debt share of the CIP is scheduled to decrease from more than \$16 million annually to approximately \$11.5 million in the next five years. Under these conditions would the local share still be covered?

Mr. Hannon stated that the decrease in debt may be attributable to the City Council policy that states the District can only borrow that amount which they pay down in the previous year. The limit was established to stabilize the tax rate. RCSD used to have a share of the City's taxing authority through a formula, but now receives a flat allocation. This policy no longer makes sense. This should be a discussion item in meeting with City Council in the coming weeks – to seek relief from this.

Ms. Rohring asked if the Board would need to approach City Council for an adjustment in the statutory split in the 9% constitutional debt limit.

Mr. Hannon stated that the District would need more than its 3.5% borrowing authority to bond this initiative through the traditional CIP process; and an adjustment in the split would be required.

School 33/Ryan Center:

Mr. Hannon stated that this project was to combine the Webster Avenue recreation center with the Sully library branch. A submission to City Council for approval was anticipated for February. However, the new City Administration decided they need more time to review so it will wait until at least March.

Legislative Ask of the State:

Mr. Hannon noted that state legislation could supersede the City of Rochester charter split of the 9% debt limit, or we could seek authority to go outside of that to borrow.

He added that we would want to include a lock on SED building aid reimbursement rate, at least a marginal rate lock so then RCSD could manipulate and package the projects for maximum reimbursement.

There was discussion about the rising property values and its potential impact to adjust the reimbursement rate for RCSD downward.

Commissioner Thompson asked if there are other factors used in determining the reimbursement rate aside from property values.

Mr. Hannon stated yes but was not able to provide specifics.

Ms. Rohring stated we could probably get that additional information from Mr. Keysa.

There may be merit to incorporate a dedicated revenue stream for this building aid into legislative ask. Finally, we should make the case to City Council that the portion of debt that is reimbursed by building aid should not be counted against debt ceiling. A dedicated revenue stream may aid in making this argument.

Adjournment:

Motion to adjourn by Commissioner Thompson, Seconded by Commissioner Brennan. Adopted 3-0 at 7:11 p.m.