

**Rochester Joint Schools Construction Board**  
**Monthly Meeting Minutes**  
**January 8, 2024**  
**4:00 PM**

**Present – Called to Order by the Board Chair at 4:01 PM**

The meeting was attended by Board Chair Thomas Richards, Vice Chair Shawn Farr (virtual), Richard Perrin (virtual), Jesse Dudley, Jacob Scott, Ron Gaither (virtual), General Counsel Ed Hourihan (virtual), ICO Brian Sanvidge, State Monitor Jaime Alicea, Board of Education President Cynthia Elliott (virtual) and RCSD Superintendent Carmine Peluso (virtual). Treasurer Kim Jones was absent.

**Approval of Minutes**

Monthly Meeting held on December 11, 2023

Motion by Board Member: Ron Gaither

Second by Board Member: Jesse Dudley

Approved: 6-0

**Action Items**

**Resolution 2023-24:17**

**Pay Requisition Summary Acceptance (December 2023)**

**Moved by Board Member: Jesse Dudley**

**Second by Board Member: Rich Perrin**

**Adopted: 6-0**

**Resolution 2023-24:18**

**Additional Loan Request to RCSD**

**Moved by Board Member: Rich Perrin**

**Second by Board Member: Ron Gaither**

**Adopted: 6-0**

**Resolution 2023-24:19**

**Insurance Requirements Waiver for Subconsultants of Savin Engineers, P.C.**

**Moved by Board Member: Jesse Dudley**

**Second by Board Member: Jacob Scott**

**Adopted: 6-0**

**Resolution 2023-24:20**

**Phase 3 Insurance Requirements**

**Moved by Board Member: Jesse Dudley**

**Second by Board Member: Ron Gaither**

**Adopted: 6-0**

**FUND BALANCE REPORT:**

Chairman Richards asked consultant Kimberly Mitchell to review the details of the Fund Balance report with the Board. The payments from the previous month were deducted from the cash capital account. This left a balance of approximately

\$5,239,924 in the Cash Capital account, which does not reflect any interest accrued in the account. The current pay requisition is comprised of five vendor payments from the RCSD Loan Fund totaling \$210,303.69. The remaining account balances are \$330,648 in the RJSCB Fund, \$4,503,855 in the Phase II Bond Fund, \$405,421 in the Settlement Funds and \$124,339 in the RCSD Loan Fund.

### **Meeting Notes**

- Chairman Richards asked General Counsel Ed Hourihan to explain the circumstances surrounding the insurance waiver for subconsultants of Savin Engineers, P.C. Attorney Hourihan explained that Savin is required to maintain certain levels of insurance and they employ a number of subconsultants, some with very limited scope. Under the terms of Savin's contract, those subconsultants are required to maintain the same level of insurance as Savin, therefore, Savin has requested a waiver of those insurance limits. Counsel to the Board recommended there be a waiver of the insurance requirements set forth in the Savin agreement to allow the subconsultants to provide lesser amounts of insurance as the subconsultants do not need to maintain the same levels of insurance and, in many instances, cannot procure those limits of insurance given their limited scope of work on the project. Attorney Hourihan also reviewed the table with the Phase 3 insurance requirements with the Board. The requirements will be incorporated in the bid documents and must be responded to by the contractors who bid on the work.
- Pépin Accilien reviewed the Program Manager's report with the Board. Mr. Accilien shared that a short-term financing kickoff meeting was held with RJSCB leadership, the financial advisor and the bond underwriter. The day after the meeting, it was announced that the bond underwriter would be exiting the municipal bond market. Therefore, an RFP for bond underwriting services will need to be issued. Mr. Accilien reviewed a cash flow schedule with the Board that is in draft form as it had not yet been vetted by the master planning architects, the financial advisors, the City nor the RCSD finance departments. Several assumptions were made based on coordination meetings with the school district's leadership. It was assumed that the District's facilities department will fully prepare the swing spaces at School 39, Marschall and Charlotte, that doubling of the traditional Maximum Cost Allowances (MCA) for School 9, Douglass, Wilson and Franklin would occur and that program-wide expenditures will be allocated to each project's soft costs. Chairman Richards emphasized that the District must stay within 95% of the MCA and explained that the idea of doubling it allows the Program to get everything done during the timeframe of the project and avoid the need to go back in five years to relocate the children and do more construction on the school building. Board of Education President Cynthia Elliott asked for clarification on the point of MCAs, thinking they were only applicable to Phase 2. It was explained that the statute allows for six projects, irrespective of grade level, to have MCAs in Phase 3. It was further explained that Edison is not currently being considered for a double MCA by the District and that needs to be revisited because very little can be done at Edison without a double MCA. Mr. Accilien explained that, in Phase 2, the Program was allowed to use an aggregate aid and an aggregate local share limit but this is not allowed in Phase 3, which is causing a lot of financial stress on the Program. Also, unlike other Districts, capitalized interest is being funded by the Program. An estimated \$16 million has been identified for capitalized interest but there's no way to quantify that number until a bond underwriter is on board. Mr. Accilien suggested going out for a BAN in August of 2024, with that BAN maturing in August of 2025 to move the program along until the first tranche of serial bonds are sold. While design can continue, construction itself cannot start until there is approval by the Commissioner on some of the projects which will allow the first tranche of serial bonds to be sold. Chairman Richards reiterated that there are a huge number of assumptions that were used in preparing the document but the document provides a baseline from which to work.
- Board of Education President Cynthia Elliott asked Chairman Richards if it would be possible for the RJSCB to meet with the student leadership congress to review the plan to involve the students as much as possible. Chairman Richards agreed to present to the students when the project is farther along and there's a better understanding of what the constraints are and it's clear what can and cannot be done.

- One thing Chairman Richards wanted to highlight is the issue that Edison was constructed on a landfill and that impacts what can be done on the campus. One of the preliminary issues being dealt with by a proposal from Watts is to determine things like how difficult it will be to work there, what constraints will there be, if any and what the cost will be and, therefore, what impact it will have on the rest of the project.

**ADJOURNMENT:**

5:12 pm.