

Rochester Joint Schools Construction Board
Monthly Meeting Minutes
November 13, 2023
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 Shaw Farr, Treasurer Kim Jones (virtual), Richard Perrin (virtually), Jesse Dudley, Jacob Scott, Ron Gaither (virtually), General Counsel Ed Hourihan, State Monitor Jaime Alicea, RCSD Superintendent Carmine Peluso and Board of Education President Cynthia Elliot.

Approval of Minutes

Monthly Meeting held on October 10, 2023

Motion by Board Member: Kim Jones

Second by Board Member: Jesse Dudley

Approved: 7-0

Action Item

Resolution 2023-24:11

Pay Requisition Summary Acceptance (October 2023)

Moved by Board Member: Kim Jones

Second by Board Member: Jesse Dudley

Adopted: 7-0

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 \$5,572,816 in the Cash Capital account, which does not reflect any interest accrued in the account. The current pay requisition for \$447,225.47 is comprised of two vendor payments from the Phase II Bond Fund totaling \$332,892.16 and five vendor payments from the RCSD Loan Fund totaling \$114,333.31. 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 \$544,947 in the RCSD Loan Fund.

Meeting Notes

- Following the Pay Req Summary report by Treasurer Kim Jones, Chairman Richards explained that almost everything on the summary are maintenance items that appear every month, however, the \$315K number represents the bill from the City of Rochester for the properties that were demolished in Phase 2 for Schools 4 and 54. One property didn't get demolished until recently and this property was located directly across the street from one of the schools that was modernized in Phase 2.
- Pépin Accilien reviewed the Program Manager's report by outlining the Mobilization & Program Office Setup and the Strategic Plan Development. A two year look-ahead schedule was developed which is in the process of being expanded for the life cycle of the overall Program and is currently being reviewed by Chairman Richards. As far as the Operating Budget and Short-term Financing, the Program Manager will continue to work with the RCSD Finance Department, the State and the Board's Financial Advisor to size a BAN that will carry the necessary planning work

until the first tranche of the Serial Bonds are sold. Engagement letters from Capital Market Advisors and Citigroup are currently being reviewed by Bond Schoeneck & King. As far as prioritization and strategic sequencing, the Savin team will need some help from the school district leadership to prioritize all segments of this phase of the program with the full understanding that infrastructure is what is driving the discussions at State Ed. This means understanding the type of SEQR action the Board needs to declare for each project within this phase of the program, reaching consensus on a realistic schedule and reconciling the estimates with the amounts that are more or less realistic. As in Phase 2, the Program Manager will report to the Board on a monthly basis and assist the RJSCB with preparation of annual reports and other legislative requirements.

- For the December RJSCB Meeting, Chairman Richards asked the Program Manager to provide the estimate on the construction costs for each project in addition to the operating budget and a preliminary view of the schedule.
- With respect to the Independent Compliance Officer agreement for Phase 3, Board Counsel Ed Hourihan explained that three issues are outstanding. The original proposal submitted by Anchin contains a 60-month schedule but this program is scheduled to end in 2031. Anchin has not provided any update on that. Additionally, Anchin has agreed to a subcontract with the other proposer, however, they have not provided any information on how that will be operationalized. Finally, Anchin has technical legal issues concerning indemnity for their negligence. These are not insurmountable and should be resolved this week. Chairman Richards explained that the ICO is responsible for preparing the portion of the Strategic Plan that relates to the MBE program, including the goals for this phase, so this has to get done.
- Chairman Richards informed the Board that there will be upcoming Board actions as it pertains to the Financial Plan. The plan is very detailed, including cost estimates and a schedule for when money has to be raised, and that's something the Financial Advisor and Bond Underwriter will do so they need to be retained. It's anticipated that it will be very difficult to get the plan through the Comptroller's office due to the fact that things sit for quite a long time before they are reviewed. Treasurer Jones offered that Capital Market Advisors is ready to work with the RJSCB as soon as the Board is ready to engage them.
- Chairman Richards reviewed with the Board that the financing for Phase 3 of this project has three elements. One element is the loan from the Rochester City School District. This loan will be paid back when the bonds are issued. An extension of this loan will need to be negotiated as a result of the time it's taking to get some things done. The second element is the interim financing, referred to as a BAN, that will be accomplished by the City. That will be the first borrowing for the project and will finance the Program up to construction. When construction is ready to go, the Program will need to be prepared to issue the first tranche of the actual bonds, the permanent financing for the project. It will go in a couple of tranches but State financing is for specific projects as opposed to the Program so a lot of data has to be put together and things have to be ready to go.
- Vice Chair Shawn Farr asked for clarification on the process should the cost estimates exceed the approved limit contained in the legislation. Chairman Richards explained that his request to have preliminary numbers presented to the Board next month was to provide a rough order of magnitude in order to determine if the problem can be solved through efficiency engineering or whether there will be an impact to the project in its totality. The process by which that will happen is that the Program Manager will be responsible for proposing alternatives and the District will decide how to proceed. That process needs to occur before the Strategic Plan is filed.

ADJOURNMENT:

4:35 pm.