

Resolution 2016-17: 129

Transfer of Attorney General Settlement Funds to the RSMP Revolving Loan Program

By Board Member Brown

WHEREAS, the Rochester School Facilities Modernization Program Act (“the Act”) established the Rochester Joint Schools Construction Board (“RJSCB” or “Board”), a seven voting member board consisting of equal representation by the City of Rochester (“City”) and the Rochester City School District (“District”), as well as a member jointly selected by the City and the District; and

WHEREAS, under the Act, the RJSCB has certain enumerated powers to act as agent for the District, the City, or both; and

WHEREAS, the authorizing legislation for Phase 2 of the Rochester Schools Modernization Program (“RSMP”) was signed into law by the Governor of the State of New York on December 17, 2014; and

WHEREAS, the amended Act authorized up to 26 projects in Phase 2 of the RSMP including a District Wide Technology program, which involves technology upgrades and infrastructure work at several of the possible projects; and

WHEREAS, pursuant to the Act, the RJSCB has the power to do all things necessary, convenient or desirable to carry out its purposes and for the exercise of the powers granted to it in the Act; and

WHEREAS, pursuant to a Program Management Agreement dated December 15, 2015, by and between the RJSCB and Savin Engineers, P.C. (“Savin” or the “Program Manager”), Savin is acting as program manager for Phase 2 of the RSMP; and

WHEREAS, in furtherance of the Act, the RJSCB with the assistance of the Program Manager established a Revolving Loan Program and adopted the Revolving Loan Fund Procedure to provide financial assistance to eligible contractors/subcontractors who perform work or provide materials in connection with Phase 2 of the RSMP (Resolution 2016-17: 120); and

WHEREAS, the Revolving Loan Program is structured to provide assistance to RSMP subcontractors with working capital for job related payroll, supplies, and job related machinery and equipment costs; and

WHEREAS, the Revolving Loan Program is consistent with the goals of the RJSCB; and

WHEREAS, the RJSCB received as restitution certain funds from the New York State Attorney General’s settlement of claims of fraud against five RSMP contractors with regard to the diversity requirements of the RSMP (the “Settlement Funds”); and

WHEREAS, the RJSCB Chair and the RSMP Phase 2 Program Manager have recommended that the RJSCB transfer \$150,000 of the Settlement Funds to the Revolving Loan Program account that has been established at the Rochester Economic Development Corporation (“REDCO”) for use in accordance with the terms of the Revolving Loan Fund Procedure; and

WHEREAS, the funds remaining in the Revolving Loan Program account at the conclusion of RSMP will be returned to the RJSCB to be used for the purposes of the School Modernization Act; and

WHEREAS, at the Finance Committee meeting held on February 2, 2017, the Finance Committee considered and discussed the recommendation from the Chair and the Program Manager to transfer \$150,000 of the Settlement Funds to Revolving Loan Program and, after due deliberation, approved said transfer.

THEREFORE, BE IT RESOLVED:

1. The RJSCB hereby approves the proposed transfer of \$150,000 of the Settlement Funds to the Revolving Loan Program account maintained at REDCO for use in accordance with the terms of the Revolving Loan Fund Procedure and this resolution.
2. The RJSCB and staff of the RJSCB are hereby authorized to take whatever additional actions are necessary to implement the foregoing resolution.

Second by Board Member Cruz

Approved 6-0 with Member Schmidt away