

Resolution No 2014-15: 627

By Member of the Board Commissioner Evans

Whereas, the State Legislature enacted the City of Rochester and the Board of Education of the City School District of the City of Rochester School Facilities Modernization Program Act, Chapter 416 of the Laws of 2007 of the State of New York (“the Act”), in order to provide the City of Rochester (“City”) and the Rochester City School District (“District”) with increased flexibility to meet the needs of the District’s school children by providing alternative financing mechanisms for the reconstruction of up to thirteen school buildings in the District through the Facilities Modernization Program (“FMP”); and

Whereas, the Act has been amended to authorize a second phase of the FMP (“Phase 2”) with 26 projects, up to a total cost of \$435,000,000; and

Whereas, the amendment to the Act authorizes \$435,000,000 in borrowing by the Rochester Joint Schools Construction Board (“RJSCB”) for Phase 2; and

Whereas, the RJSCB is expected to finance Phase 2 with bonds issued by County of Monroe Industrial Development Agency (“COMIDA”); and

Whereas, as a prerequisite to obtaining bond financing for the first subset of construction projects contained within Phase 2 (the “Phase 2A Project Group”), the RJSCB must first design and receive the NYS Commissioner’s approval of the design and construction plans (“Master Plan”) associated with these projects; and

Whereas, the initial preliminary and incidental costs which include engineering and design work, program management services, and related and ancillary costs will need to be expended prior to obtaining the NYS Commissioner’s approval of the FMP Phase 2A Project Group and are currently estimated to cost \$16,000,000; and

Whereas, until the anticipated COMIDA bonds can be issued subsequent to obtaining the NYS Commissioner’s approval of the projects contained within the Phase 2A Project Group, the Board of Education wishes to request that the City issue debt in the form of Bond Anticipation Notes (“BANS”) currently estimated at approximately \$16,000,000, on behalf of the RJSCB, to provide the required temporary financing in order to incur the expenses and pay for the necessary preliminary and incidental costs which are a prerequisite to obtaining the Commissioner’s approval; and

Whereas, the District will be obligated to pay the debt service on the BANS, including any interest, and all issuance costs related to issuing the BANS, regardless of whether or not the COMIDA bonds are issued; and

Whereas, the schedule for timely execution and completion of projects within the Phase 2A Project Group requires that the RJSCB promptly proceed with design of the Master Plan. Deferral of Master Plan design activities until after BANS funding is available will create an unnecessary delay that ultimately will preclude the timely completion of Phase 2A Project Group. Of utmost concern are the adverse impacts to our students that result from prolonged

dislocation from facilities undergoing renovation. This delay may be avoided provided the Board of Education and the City approve the temporary advance of monies from the District to the RJSCB in an amount sufficient to cover the cost to develop the Master Plan and other FMP-related costs. The estimated cost is \$2,700,000 for expenses incurred in connection with the development of the Phase 2 “Master Plan” and a portion of the following: (i) professional fees and planning expenses incurred in preparation for the substantial rehabilitation of East High School, Monroe High School and School #15, (ii) implementation of the District Wide Technology Program (collectively, the “Initial Projects”); and

Whereas, following the selection of a Program Manager, a separate Resolution will be submitted to the Board of Education for its consideration and approval of the District’s “local share” (cost that is not reimbursed out of New York State building aid or other State aid specially designed for such purpose, or contractually payable by a party other than the District); and

Whereas, the Board of Education and the Superintendent of Schools wish to maximize private and public sources of funding FMP projects, including State Aid, and thereby maximize the resources that are available to improve the educational outcomes of our students; and

Whereas, on May 4, 2015, the RJSCB requested funding necessary to proceed with Phase 2, provided authorization to enter into an Agreement with the City and the District for temporary financing, and approved the use of BANS for development of the Master Plan; therefore be it

Resolved, that the Board of Education hereby requests the City Council of the City of Rochester to issue Bond Anticipation Notes in an amount not to exceed Sixteen Million Dollars (\$16,000,000) and to appropriate the proceeds therefrom for the preliminary and incidental costs for Phase 2A of the FMP; and be it further

Resolved, that the Board of Education hereby approves the temporary advance of funds from the District to the RJSCB for development of the Phase 2 Master Plan and the Initial Projects, in an amount not to exceed Two Million Seven Hundred Thousand Dollars (\$2,700,000), anticipated to be repaid to the District from the proceeds of the BANS; and be it further

Resolved, that the Board of Education hereby assures prompt repayment to the City of all funds advanced under the terms of the Municipal Cooperation Agreement attached hereto, including all interest due and all costs of issuance relating to the BANS, at the times and in the manner therein described irrespective of the availability of COMIDA bond financing; and be it further

Resolved, that the Board of Education hereby approves the form and content of the Municipal Cooperation Agreement attached hereto and directs the President of the Board of Education to execute and deliver a counterpart thereof to the City.

**Seconded by Member of the Board Commissioner Cruz
Adopted 6-0 with Commissioner Campos absent**

Resolution No 2014-15: 628

By Member of the Board Commissioner Vice President Elliott

Resolved, That the Board of Education of the Rochester City School District hereby approves and adopts the budget estimates for the 2015-16 fiscal year as follows:

General Fund Revenues:

\$ 539,020,182	New York State
\$ 119,100,000	City of Rochester
\$ 2,100,000	Federal Medicaid
\$ 14,044,700	Local
\$ 11,000,000	Appropriated Fund Balance
\$ 685,264,882	Total

General Fund Expenses:

\$ 622,396,586	Operating Expense
\$ 10,332,100	Capital Expenses
\$ 52,536,196	Debt Service
\$ 685,264,882	Total

Grants and Special Aid Revenues:

\$ 95,621,715

Grants and Special Aid Expenses:

\$ 95,621,715

School Food Service Fund Revenues:

\$ 20,932,000

School Food Service Fund Expenses:

\$ 20,932,000

Grand Total Budget:

\$ 801,818,597

**Seconded by Member of the Board Commissioner Evans
Adopted 5-2 with Commissioner Adams and Commissioner Powell dissenting**

Roll Call Vote

Commissioner Adams	No
Commissioner Campos	Yes
Commissioner Cruz	Yes
Commissioner Evans	Yes
Commissioner Powell	No
Vice President Elliott	Yes
President White	Yes