

Rochester Board of Education

Finance Committee Meeting

June 8, 2017

Attendance: Commissioner Cruz (Chair); Commissioner Evans; Commissioner Powell
Parent Representative: Giancarlo Giannini

District Staff: Chief Financial Officer; Everton Sewell, Budget Director; Rodney Asse, Chief of Operations; Michael Schmidt, Director of Benefits in the Human Capital Initiatives Department; Tim Schmandt, Aneli Rivera- Nothnagle

Board Staff: Kallia Wade

Commissioner Cruz convened the meeting at 5:32PM.

I. Question/Answer Session

Commissioner Cruz convened the meeting inquiring about any news from the state or notable updates that the Committee should know about. Chief Financial Officer, Everton Sewell informed the committee that the anticipated \$7-9M worth of Community School Grant Aide promised to the district since last calendar year is not forthcoming just yet. The Big 5 confirmed three weeks ago, when they went to the Governor's department of Budget, that the Grant had been approved and is with the State Education Dept. We are still following up to see if/when the money will be released—the money is still being promised, with the intention of districts receiving this year. The district is currently working with Georgia at the Big 5 to see if Rochester's amount can be approved, given that we have gone ahead and started implementing and spending under the grant. The recommendation from the Big 5 is that the district ensure that their paperwork is in place and accurate for when the money is released, so that there is quick-turnaround for programmatic approval from the state. CFO Sewell noted that there are two routes the District could take if the money is not provided in time to offset the \$7M in expenditures on the books. The first is a "deferred revenue"—not a preferred option, but it can be used as long as the monies are provided within 60-days of the end of the school year. The second option is to overspend the Fund Balance—once the money comes in the next year, most of the expenditures being carried in the A Fund would be reclassified and then a budget amendment done to transfer the funds back into the Fund Balance. District auditors will be consulted to ensure that things are properly accounted for.

The second notable update is regarding school districts' reactions to the President's Medicaid Title cuts, as the media has been trying hard to get a response from the district. The Big 5 advised the district to stay away from the media and not to provide any public statements to the news. CFO Sewell notes that when Commissioner of Education makes her formal response, then the district can follow suit—this way we can ensure consistency.

II. Review Minutes of May 22, 2017 Finance Committee Meeting

Motion by Commissioner Cruz to approve the minutes of the March 20, 2017 Finance Committee meeting. Seconded by Commissioner Evans. **Adopted 2-0 with concurrence of Parent Representative.**

III. Review and Discuss May 2017 Financial Report

Chief Financial Officer; Everton Sewell began the discussion by noting that the month of May was constant. A budget amendment was made for the \$7M pulled out of the general fund revenue, but the funds are still sitting in expenditure—these are awaiting reclassification. There has not been any additional incoming revenue, except for an increase of \$4000 in grant money that has been received. Cash flow is constant on the anticipated revenue this month. Overall the district is on target—analysis was conducted to gauge the amount planned to be returned to the Fund Balance. The analysis shows that \$5-8M can be returned, not including the anticipated \$7M in Community School (which would be \$12-15M including this amount).

One of the bigger contributors to this sum is the plan put in place to opt out of the TRS Stabilization plan. The TRS bill should be at a lower rate this year, providing an approximate \$4.5M in savings over the next 5 years based on the district's built up credits.

Commissioner Powell arrived at 5:41pm

The general ledger as at the end of May shows a Cash Balance \$10.5M less than that of the Bank Balance. This is primarily as a result of outstanding vendor checks that has not yet hit the bank just yet. The Cash Flow Report is currently not showing any challenges—there is excess cash with the city. CFO Sewell noted that the Fund balances (H Fund balance of \$11.6M and K Fund balance s \$7.9M) are multi-year funds. Commissioner Powell questioned whether the funds were related to the CIP. CFO Sewell, who noted that these do not affect the general fund, confirmed this.

Action Items:

Motion by Commissioner Cruz to accept and advance the May 2017 Financial Report with amendments. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

IV. Review and Approve Proposed Resolutions for the June 15, 2017 Board Business Meeting

A. TRANSPORTATION

- 1. Regional Transit Service Incorporated— contract agreement for bus transportation for Summer School Programs – Resolution No. 2016-17: 813**

Chief Schmidt clarified the costing of the contract, noting a significant decrease from last year's transportation bill by about \$200K. This is partially due to the location of this year's summer programs—World of Inquiry, School of the Arts and Franklin are two primary locations designated—savings are accrued since these are in relative close proximity to each other. Commissioner Powell questioned whether these locations were considered because they have air conditioning. Chief Schmidt responded by affirming this fact, but also noting that other buildings are undergoing construction as well, requiring the district to look at the current spaces. He also asserted that the majority of students will be housed at World of Inquiry and SOTA, and that air conditioning shouldn't be an issue moving forward.

Action Items:

Motion by Commissioner Cruz to address and approve the Transportation Resolution. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

2. **McCarthy Tire Service – contract extension for Tires, New & Recapped & Related Services – Resolution No. 2016-17: 814**
3. **B.J.R. Auto Radiator Service, Inc.; D & W Diesel, Inc.; Flower City Glass; GLK Enterprises, Inc. dba Upstate Thermo King; Kaiser-Wilcox Corporation; Milt & Ron's Automatic Transmission Service Inc.; Penn D.D.A. LLC; and Thru-Way Auto Spring Service, Inc.– contract extension for Vehicle Repair – Resolution No. 2016-17: 815**
4. **Water Wise of America Inc.– contract extension for Water Treatment Chemicals and Services – Resolution No. 2016-17: 816**
5. **Midstate Bakery Distributors, Inc. – agreement to award bid item for purchase of fresh bread supply – Resolution No. 2016-17: 817**
6. **American Fruit & Vegetable Co. Inc. – agreement to award bid item for purchase of fresh produce – Resolution No. 2016-17: 818**
7. **Upstate Niagara Cooperative, Inc. – agreement to award bid item for purchase of milk and juice supply – Resolution No. 2016-17: 819**

Commissioner Powell questioned whether American Fruit & Vegetable Co. Inc. and Midstate Bakery Distributions Inc. were local New York State companies. This was confirmed.

Action Items:

Motion by Commissioner Cruz to address and approve Procurement and Supply Resolutions as a bundle. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

C. FACILITIES

Final Payments:

- 1. Pipitone Enterprises, LLC – final payment for mechanical work for renovations to Wilson Commencement Academy – Resolution No. 2016-17: 820**
- 2. Pipitone Enterprises, LLC – final payment for HVAC Work for renovations to School Without Walls Commencement Academy – Resolution No. 2016-17: 821**
- 3. Steve General Contractor, Inc.– final payment for general construction work for renovations to School No. 30 – Resolution No. 2016-17: 822**
- 4. Lloyd Mechanical Co. LLC – final payment for mechanical work for renovations to Wilson Commencement Academy – Resolution No. 2016-17: 823**
- 5. Steve General Contractor, Inc. – final payment for general construction work for renovations to School No. 39 – Resolution No. 2016-17: 824**
- 6. Metro Contracting & Environmental, Inc.– final payment for Asbestos Abatement Work for Renovations to School No. 29 – Resolution No. 2016-17: 825**
- 7. Michael A. Ferrauilo Plumbing & Heating, Inc.– final payment Plumbing Work for Renovations to School No. 9 and Baden Street Recreation Center – Resolution No. 2016-17: 826**

Action Items:

Motion by Commissioner Cruz to address and approve Facilities final payments as a bundle. Seconded by Commissioner Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

Contracts:

- 1. Tandoi Asphalt & Sealcoating, LLC –contract for Snow Plowing and Snow Removal (Groups A,B,D,H and L) – Resolution No. 2016-17: 827**

2. **Manel Excavating Corp.– contract for Snow Plowing and Snow Removal (Groups C,E,F,G,I,J,K,M,N and O) – Resolution No. 2016-17: 828**
3. **Archie Donoughe Sanding, Inc. –contract for Wood Floor Refinishing – Resolution No. 2016-17: 829**
4. **GP Land & Carpet Corp.– contract for Resilient Flooring – Resolution No. 2016-17: 830**
5. **Rotolite-Elliott Corp.– contract for Reprographic Services – Resolution No. 2016-17: 831**

Action Items:

Motion by Commissioner Cruz to address and approve Facilities Contracts as a group. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

Other:

1. **Landsman Development Corporation – lease agreement for approximately 24,000 square feet of the building located at 68 Nassau Street, Rochester, NY – Resolution No. 2016-17: 832**
2. **Adjustment to Scope of FMP Phase 2 Project at Dr. Freddie Thomas Learning Center– Resolution No. 2016-17: 833**

Commissioners Evans and Powell questioned the need to lease the space noted in Resolution No. 2016-17: 832. Chief Schmidt responded noting that the District is in need of additional warehouse space. Currently the district is utilizing the basement spaces of several school buildings and have exhausted other spaces. As the district currently leases spaces from Landsman Dev. Corp. this was a good deal, in terms of the square footage. The lease will allow the district to do a much-needed collation of the miscellaneous spaces currently being used to house materials. Commissioner Evans questioned whether this was a long-term lease, to which Chief Schmidt denied, noting it is a 5-year lease. Commissioner Powell followed up by asking if the district will be able to utilize its own land holdings for space after the FMP projects are complete. Chief Schmidt confirmed noting that the District is hopeful that after 5 years this will be a possibility, even if the need arose for a Phase 3 project.

Commissioner Cruz opened the floor for discussion of Resolution No. 2016-17: 833, which had been recently revised. Chief Schmidt provided handouts to the Committee and explained the reasons for the revision. He noted that the amendments to the Dr. Freddie Thomas Project (scheduled to be the permanent home of School 25 and Montessori) through the Facilities Modernization Plan (FMP). The change is to include replacing the Cooling Tower, Chiller, Pool Equipment, Dehumidification system and second main office in the school. Secondly, because the make-ready work will not require the entire \$5M, the program manager and facilities team are recommending a shift of dollars from the Freddie Thomas Project to School #7. The shifting

of resources will allow for the accomplishment of all the work required at School 7 (all work aidable).

Chief Schmidt requested a special meeting on the June 16, 2017 to allow for putting the work up for bid. Urgency is required as the School project is well into its second year and the district wants to ensure they have all the bids as soon as possible.

Additional notes made: There will be a buffer of remaining resources at Freddie Thomas for contingencies after transfer of funds to School 7. As a joint board, the intention is to leave the possibility open for Freddie Thomas to be used as a swing space option, until transition to a permanent space. More to come on this schedule in the coming weeks.

Action Items:

Motion by Commissioner Cruz to address and approve the Facilities Other Resolutions as a group. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

D. OTHER

- 1. Employee Assistance Program (late submission - pending RFI selection vendor 5/19/17) – Resolution No. 2016-17: 835**
- 2. Insurance Broker Services employee benefit-related – (late submission - pending RFP selection of vendor 6/6/17) – Resolution No. 2016-17: 836**
- 3. DG & M Agency, Inc.– agreements to provide advice on risk management, claims administration and loss control, serve as the District’s Broker of Record, and procure property, casualty and other insurance on a fee basis – Resolution No. 2016-17: 837**
- 4. City of Rochester– agreements for the Rochester Police Department to provide sworn police personnel to be assigned to schools and to operate as truancy enforcement officers, administer the School Resource Officer program and assist District personnel with emergency management and planning and risk mitigation – Resolution No. 2016-17: 839**
- 5. City of Rochester– agreements for the Department of Parks and Recreation to provide the Literacy Aide summer youth employment program – Resolution No. 2016-17: 841**
- 6. City of Rochester– agreements for the Rochester Public Library (RPL) to provide training, materials and wages for students to serve as seasonal part-time Literacy Aides at various branches of the RPL network – Resolution No. 2016-17: 842**

- 7. Board of Cooperative Educational Services – First Supervisory District of Monroe County (Monroe BOCES No. 1)– agreements to provide School Health Services – Resolution No. 2016-17: 843**
- 8. FMP Phase II Project agreement for the implementation of a Grade PreK – 6 configuration at George Mather Forbes School No. 4 and John Walton Spencer School No. 16– Resolution No. 2016-17: 847**

Director of Benefits in the Human Capital Initiatives Department, Tim Shmandt presented with Ms. Aneli Rivera- Nothnagle regarding Resolution No. 2016-17: 835 and the costs versus benefits of the alternate vendor selection process for the Employee Assistance Program.

Action Items:

Motion by Commissioner Cruz to grant an extension for Resolution No. 2016-17: 836 and to address and approve Resolutions No. 2016-17: 837, 839, 841, 842, 843, and 847 under Other as a bundle. Seconded by Commissioners Evans and Powell. **Adopted 3-0, with concurrence of Parent Representative.**

July Meeting TBD. Meeting adjourned at approximately 6:09PM