

Rochester Board of Education

Finance Committee Meeting

September 21, 2017

Attendance: Commissioner Cruz (Chair); President White; Commissioner Powell

District Staff: Chief Financial Officer; Everton Sewell, Budget Director; Rodney Asse, Chief of Operations; Michael Schmidt, East EPO Chief Financial Officer; Carleen Pearce, Director of Procurement and Supply; Tim Schmandt, Supervisor of Technology Services; Nathan Dederick

Board Staff: Kallia Wade

Commissioner Cruz convened the meeting at 5:34PM.

I. Question/Answer Session

Commissioner Cruz convened the meeting, noting quorum and acknowledging the persons present.

II. Review Minutes of August 17, 2017 Finance Committee Meeting

Motion by Commissioner Cruz to approve and accept the minutes of the August 17, 2017 Finance Committee meeting. Seconded by Commissioners Powell and White. **Adopted 3-0 with concurrence of Parent Representative.**

III. Discussion of the 2016-17 Year-End Financial Report (Update)

Budget Director Asse addressed the committee and provided an update on year-end financial report.

There was a .8% increase to the District revenue, bringing the budget to \$871, 761,136.

There has been an increase to the Grant and Special Aid Fund because of incoming grants.

Additionally a small increase is reported for the School Food Service Fund

The overall district budget reflects a General Fund amended budget revenue of \$699,525,991.

CFO Sewell reminded the committee regarding the two Budget amendments made in March for \$12M, because of the Community School Aid Grant (\$7mil) that needed to be reclassified, and the overstatement of the transportation revenue (\$5mil).

Per Commissioner Powell's request for clarity, CFO Sewell explained the need for the reclassification. When the Community School Aid grant was released, the district was made to make a choice re applying the funds to last year's expenditure. Given that the Community had made plans for the grant, costs incurred for the anticipated grant had to be taken from the General Fund. Thus, the budget was underrun for 16-17.

Commissioner Powell questioned whether the expenditure would be disallowed because it covered items from the previous year. CFO Sewell responded, noting that the reclassification allows the funds to be applied to 2017-18.

Commissioner Powell noted that it was important that the district not rely on promised revenue in the same way as a delivery. She emphasized that this practice has caused trouble for the District in the past and that the principle of conservatism in accounting should apply in these cases.

Budget Director Asse continued to update the Committee re the year-end financials noting the 15.6% increase to the Grant and Special Aid Fund and the 3.7% increase to the School Food Service Fund. CFO Sewell noted the increase to the School Food Service Fund was as a result of the summer school food program via reimbursement. These changes in value are as a result of changes impacting the Budget since the Budget amendment made in March. Again, the report is still a projection, unaudited, and thus not final. CFO Sewell pointed to the Revenue Summary Report also provided (per Parent Rep, GC's request) and the Cash Balance report.

Budget Director Asse noted the H Fund Balance of \$20M and K Fund Balance of \$34M as of June 30th, 2017. CFO Sewell clarified that these funds are for projects that will take place over multiple years based on the Capital Improvement agreement with the City.

Commissioner Powell noted for the record that the District needs to establish a fiscal independence agreement with the City—the Committee is to revisit this in a future meeting.

IV. Review and Discuss August 2017 Financial Report

Budget Director Asse addressed the Committee regarding the August 2017 Financial Report. Overall, the current budget increased by .1% to \$898,354,435, as a result of increases to grant revenue. CFO Sewell clarified, noting that upon review of the contract with Healthcare Broker Lawley Group LLC a refund of commissions were paid to the amount of \$692,125. Additionally the Community School Aid grant is now recorded. The expenditures are matched to revenues. CFO Sewell also noted that there were some changes to grants that were not captured in the March Budget Amendments. He noted that another would need to be done, but that there is a board policy that states that this must be done. He highlighted that the Committee should see a Board Resolution for an amendment to come in the future for grants.

Motion by Commissioner Cruz to accept the August 2017 Financial Report, as no motion is required for the update on the 2016-17 year-end report. Seconded by Commissioner Powell.
Adopted 3-0 with concurrence of Parent Representative.

V. Review and Approve Proposed Resolutions for the August 24, 2017 Board Business Meeting

A. EAST EPO

- 1. North East Area Development, Inc.— Contract agreement to provide the UR East Freedom off-site option for approximately 30 over-age and under credit students who have failed to pass at least twice— Resolution No. 2017-18: 217**

2. **Dr. Sonia James-Wilson (dba Catalyst Research & Development)– Contract agreement to provide professional learning and consultation services, including facilitation of a training institute that allows teachers, counselors, and administrators to participate in a combination of group and independent activities– Resolution No. 2017-18: 218**
3. **Hillside Work-Scholarship Connection, Inc. (Hillside Family of Agencies)– Contract agreement to provide– Resolution No. 2017-18: 219**
4. **The Center for Youth Services, Inc.– Contract agreement to provide– Resolution No. 2017-18: 220**
5. **The Center for Youth Services, Inc.– Contract agreement to provide– Resolution No. 2017-18: 221**

Commissioner Cruz inquired whether there were any questions, inquiries or concerns re the East EPO resolutions. East EPO Chief Financial Officer, Carleen Pearce responded noting that there was nothing to report other than the Community School Aide Grant. East is currently working with the state to see which items could be covered under the terms of the grant. CFO Pearce noted that unused Community School Aid allocations would be returned to the Fund Balance. CFO Pearce addressed the committee regarding the resolutions and clarified Commissioner Powell’s question re Resolution 2017-18: 218. The contract is not a multi-year contract. CFO Pearce noted the positive outcomes of the program and that because of those benefits; it is being replicated and expanded to other year groups. The 2016-17 numbers were included to compare with the 2017-18 year projections. President White lauded the successes of the Hillside Work-Scholarship achievements and noted that the EPO allows the district to see the successes. CFO Pearce clarified that the Hillside Work-Scholarship demographic is different from the Encompass and NEED demographic—NEED works with the overage and under credited, while Hillside works with “B” and “C” students. She ended the discussion by noting the successes of the three-prong approach to targeting student needs.

Action Items:

Action request by Commissioner Cruz to add an East EPO discussion section to future Finance and Resource Allocation meeting agendas. Board staff Kallia to follow up with CFO Pearce to ensure a segment is included moving forward.

Motion by Commissioner Cruz to address and approve the East EPO Resolutions as a bundle. Seconded by Commissioners Powell and White. **Adopted 3-0 with concurrence of Parent Representative.**

B. PROCUREMENT & SUPPLY

1. **D&W Diesel, Inc.; Decarolis Heavy Duty Parts; Fleet Pride; IEH Auto Parts LLC dba Auto Plus; Hoselton Chevrolet, Inc.; MB Auto Electric**

Distributors, Inc.; Matthews Buses Inc.; New York Bus Sales LLC; NuWay Auto Parts; Penn Detroit Diesel Allison LLC dba Penn Commercial Vehicle Solutions; and Regional International Corp.– contract extension for Auto, Truck and Bus Parts to purchase maintain and repair the District’s fleet vehicles– Resolution No. 2017-18: 250

- 2. Public School Districts, other BOCES organizations, and the Monroe 2-Orleans BOCES (the “BOCES”) – agreement to bid jointly for the purchase of School Lunch Paper (the “Commodities”) for a term of one year – Resolution No. 2017-18: 251**

President White leaves meeting at approximately 6:30pm

Action Items:

Motion by Commissioner Cruz to address and approve Procurement and Supply Resolutions as a bundle. Seconded by Commissioner Powell. **Adopted 2-0 with concurrence of Parent Representative.**

C. EDUCATIONAL FACILITIES

Final Payments:

- 1. Kuitems Construction, Inc.– final payment General Construction Work for Renovations to School No. 3 – Resolution No. 2017-18: 252**
- 2. Concord Electric Corp. – final payment for Electrical Work for Renovations to School No. 4 – Resolution No. 2017-18: 253**
- 3. Hewitt-Young Electric, LLC – final payment for Electrical Work for Renovations to Franklin Educational Campus and Wilson Foundation Academy – Resolution No. 2017-18: 254**
- 4. Lozier Environmental Consulting, Inc.– final payment for Air Monitoring Work for Renovations to Franklin Educational Campus and Wilson Foundation Academy – Resolution No. 2017-18: 255**

Action Items:

Motion by Commissioner Cruz to address and approve Facilities final payments as a bundle. Seconded by Commissioner Powell. **Adopted 2-0 with concurrence of Parent Representative.**

Contracts:

- 1. Heaster Building Restoration, Inc.– contract extension for Masonry Repair– Resolution No. 2017-18: 256**
- 2. Betlem Service Corporation.– contract extension for Refrigeration/Equipment Repair– Resolution No. 2017-18: 257**
- 3. Betlem Service Corporation.– contract extension for Air Conditioning/Air Handling – Resolution No. 2017-18: 258**
- 4. Betlem Service Corporation.– contract extension for Boiler Repair– Resolution No. 2017-18: 259**
- 5. Industrial Furnace Co. Inc.– contract extension for Boiler Tube Repair– Resolution No. 2017-18: 260**
- 6. Industrial Furnace Co. Inc.– contract extension for Boiler Refractory Repair– Resolution No. 2017-18: 261**
- 7. Lauramar Corp. dba AP Plumbing– contract extension for Sewer Cleaning– Resolution No. 2017-18: 262**
- 8. Lauramar Corp. dba AP Plumbing– contract extension for Plumbing Repair– Resolution No. 2017-18: 263**
- 9. Ralph Friedland & Bros. Inc.– contract extension for Shades/Blinds Repair – Resolution No. 2017-18: 264**
- 10. KONE, Inc. – contract extension for Elevator Repair – Resolution No. 2017-18: 265**
- 11. P.D.H. Contractors Inc.– contract extension for Curtain and Stage Drapery Cleaning– Resolution No. 2017-18: 266**
- 12. CRAL Contracting, Inc.– contract extension for Asbestos Abatement– Resolution No. 2017-18: 267**
- 13. TES Environmental Corp.– contract extension for Sampling & Testing Laboratory Services, Project Air Monitoring– Resolution No. 2017-18: 268**
- 14. Kuitems Construction, Inc.– contract extension for Miscellaneous Millwright Repair– Resolution No. 2017-18: 269**
- 15. Kuitems Construction, Inc.– contract extension for General Carpentry– Resolution No. 2017-18: 270**

16. **Leo J. Roth Corp.– contract extension for Roof Repair– Resolution No. 2017-18: 271**
17. **Sheen and Shine, Inc.– contract extension for Window Washing (Group A, B, C, E, J)– Resolution No. 2017-18: 272**
18. **Power Team Maintenance Co., Inc. dba All Seasons Window Cleaning Co.– contract extension for Window Washing (Group D, F, G, I)– Resolution No. 2017-18: 273**
19. **Northcoast Window Cleaning, LLC– contract extension for Window Washing (Group H)– Resolution No. 2017-18: 274**
20. **A.R. Pierrepont Co., Inc.– contract extension for Painting – Resolution No. 2017-18: 275**
21. **Kircher Construction, Inc.– contract extension for Demountable Partition Work– Resolution No. 2017-18: 276**
22. **Connors-Haas, Inc.– contract extension for Electrical Work– Resolution No. 2017-18: 277**
23. **Pestech Exterminating, Inc.– contract extension for Pest Management– Resolution No. 2017-18: 278**
24. **Central Roadways, Inc.– new contract award for Paving and Surfacing– Resolution No. 2017-18: 279**

Action Items:

Motion by Commissioner Cruz to address and approve Facilities Contract Resolutions. Seconded by Commissioner Powell. **Adopted 2-0 with concurrence of Parent Representative.**

Other:

1. **State Environmental Quality Review Act (SEQRA)– final determination for projects planned for 2017-18 constitute renovation work and fire alarm system upgrades to be consistent with a Type II Action, not subject to review under the SEQRA – Resolution No. 2017-18: 280**

Action Items:

Motion by Commissioner Cruz to address and approve the Facilities Other Resolution. Seconded by Commissioner Powell. **Adopted 2-0 with concurrence of Parent Representative.**

D. OTHER

- 1. Matthew's Buses– contract for purchase of new buses– Resolution No. 2017-18: TBD**
- 2. PowerSchool– contract for the implementation of a new Student Information System, to replace the current PowerSchool SMS system– Resolution No. 2017-18: TBD**
- 3. Sodexo– contract for school food services– Resolution No. 2017-18: TBD**

Budget Director Rodney Asse and Chief of Operations Mike Schmidt presented regarding the Bus Lease Presentation/Resolutions. The Finance team provided a facts sheet and Vehicle Condition Report detailing the options to lease, purchase or Finance buses. Budget Director Asse noted that the district will need to replace 43 buses promptly. Given the fact that there was no write up provided for the resolution, the Committee was only able to receive the resolution as a discussion point. The Finance team is to present further details at the October Finance Committee Meeting, noting dollar amounts for the resolution to be considered.

Director of Procurement and Supply, Tim Schmandt and Supervisor of Technology Services, Nathan Dederick addressed the committee regarding the Power School resolution. They noted that the current system is ineffective and inefficient and responded to Commissioner Cruz's question "what does the new system give us that the old does not". They noted that the system will allow for online registration, school selection/placement, parent portal and has multilingual capabilities of over 120 languages. Commissioner Powell suggested that the parent portal and online registration features should be highlighted for the Board when they consider it at the Board Business Meeting.

Chief Schmidt addressed the Committee regarding the Sodexo Food Services Resolution. The district is responsible for providing meals to 133 RCSD Rochester Early College students attending classes on the MCC campus. Chief Schmidt noted that there is no change per the Resolution passed in the August Finance Committee Meeting re how students access their meal, but rather that payment will be made directly to the Sodexo vendor and not through MCC. Sodexo has food service rights with MCC and thus the District cannot serve food on the campus—district students must access food the same way MCC students do in the cafeteria. Starting in October, the district will be invoiced monthly by Sodexo (an invoice is already pending for September). This expense will be offset by the A fund versus the L fund, as the district is not able to be reimbursed by School Food Aide, given the lack of control over what is provided to the students on MCC campus. Chief Schmidt working with CFO Sewell on two strategies to provide for these expenses. The District will review expenses in the budget that can be run through the L fund and thus offset charges for MCC lunches. The District is also actively pursuing a lobbying effort with State and Federal Ed so that policies can be more in tune with providing meals for students who are in early college/ internship type programming. Lastly, Chief Schmidt noted that the cost provided for lunches is an \$8 allocation, but that this was an overestimation. The Board will be updated further as more accurate numbers can be provided.

Resolution verbiage and executive summaries were not provided for this Resolution, as such, the Committee was not able to forward with recommendation. Draft resolution and executive summary information are to be forwarded to the Board prior to the Board Business meeting to support consideration at that point.

Action Items:

Motion by Commissioner Cruz to address and approve the Power School Resolution with recommendation. **Adopted 2-0 with concurrence of Parent Representative.**

Motion by Commissioner Cruz to approve the Sodexo Resolution, but forward without recommendation because of missing information. **Adopted 2-0 with concurrence of Parent Representative.**

The Resolution for Bus Leasing is stayed for further information and will be presented and considered at the October Finance Committee Meeting.

Action request by Commissioner Cruz to write a Memo to the Superintendent requesting timely provision of resolutions and accompanying supporting documents for Finance Committee Meetings. Board staff Kallia to follow up.

Next monthly Finance Committee Meeting: October 19, 2017. Meeting adjourned at approximately 7:09PM