

**Rochester Board of Education**  
**Finance Committee Meeting**  
**January 18, 2018**

**Attendance:** Vice President Powell (Chair); President White; Commissioner Hallmark; Commissioner Sheppard;

District Staff: Chief Financial Officer, Everton Sewell; East EPO Chief Financial Officer, Carleen Pearce; Chief of Operations, Mike Schmidt; Director of Procurement, Tim Schmandt; Chief of Accountability, Ray Giamartino; Director of Testing, Nancy Eichner

Parent Representative: Giancarlo Giannini

Board Staff: Kallia Wade

Commissioner Powell convened the meeting at 5:39 PM noting quorum, acknowledging the persons present and facilitating an introduction session to get persons in attendance acquainted with the new Committee members.

**I. Review Minutes of December 14, 2017 Finance Committee Meeting**

**Action Item:**

**Motion** by Vice President Powell to approve and accept the minutes of the December 14, 2017 Finance Committee meeting. Seconded by Commissioner Hallmark. **Adopted 2-0 with concurrence of Parent Representative.**

**II. Question/Answer Session with East EPO and review of the East EPO Financial Report**

Vice President Powell opened the discussion for questions or updates from/for the East EPO Chief Financial Officer, Carleen Pearce. CFO, Pearce shared the East EPO financial report with the Committee, noting that the format is currently being updated. She highlighted that East's budget is on target at the present time and that the finance team at East is currently focusing on contractual obligation projections with the 2018-19 budget development underway. The last point of note within the presented status summary was the fact that East EPO is conducting their third year review of faculty. CFO Pearce noted that the finance team has been working collaboratively with the HCI department through this process.

CFO Pearce also highlighted a few challenges that East EPO is currently facing. She noted that East EPO is still awaiting MWBE preparation for submission of final allocation for the Persistently Struggling Schools Grant Funding. Additionally, they are also awaiting MWBE preparation for SED approval for the Community Schools Grant Approval and Funding. Commissioner Funchess asked for further clarification on MWBE requirements—this was addressed by Tim Schmandt, Vice President Powell and CFO Everton Sewell. They noted that there is a 30% MWBE target for projects and that the District tries as much as possible to achieve this threshold to serve its needs especially via grants. CFO Sewell advised that the

Teaching and Learning Department will advise for the instructional components, noting which vendors on the list (that have been vetted for MWBE) can provide the best service.

### **III. Question/Answer Session with District Administration**

Chief Financial officer, Everton Sewell addressed the Committee by noting the Governor's budget release. The District has been fielding quite a bit of calls since then asking for a response. He noted that no statements have been offered to prevent providing a premature assessment, as well as to ensure that viewpoints are first aligned with the Board.

The current run disclosed that there has been a \$20.6M increase in aid year-over-year—the main drivers for this increase are transportation aid and building aid. Having run the numbers, it was anticipated that there would be a 2% increase in Foundation Aid and as such this was budgeted. However, the foundation aid will only be increasing by 1.5%. With the roll forward budget, this translates to an approximately \$60M budget gap. The finance team is working to see how this gap can be closed given the circumstances.

Board President Van White arrived at 5:50

CFO Sewell also noted that the roll forward budget must also take into consideration the bargaining unit agreement estimate increases (ASAR- 3%; RTA- 3.61%; Bente- 3%; RAP- 3%), transportation cost (RTS) 2.5% built-in increase, charter school estimates, as well as a conservative estimate for CPI increases for materials.

#### **a. Presentation of Proposed Draft 2018-19 Budget Calendar**

CFO Sewell explained how the Board Budget Calendar was constructed and handed out copies of the proposed calendar and indicated that it is now available to be amended by the Board. Most importantly, he noted several dates that were fixed:

- Tuesday, May 15, 2018- summary of the budget transmittal due to City Hall
- Tuesday, May 15, 2018- RCSD budget due to City Hall (this date must be at least 33 days before City Council approval)
- Wednesday, June 13, 2018- Tentative- Joint Budget Hearing with City Council
- Wednesday, June 20, 2018- City Council Approval Tentative

The aforementioned dates are primarily set by the City, and so cannot be changed. In particular, the Board must adopt the budget by May 15<sup>th</sup>. CFO Sewell indicated that the dates between March 27<sup>th</sup> and May 10<sup>th</sup> are suggested and may be amended by the Board. Vice President Powell noted that this is the beginning of the calendar process. Also to be included are the question and answer dates that facilitate Board correspondence with the District during the budget process.

Parent Representative G.C noted a concern re the PAC/Bilingual Ed. Council town hall date (proposed for March 27<sup>th</sup>), as that is the weekend before Easter. He asked for there to be some flexibility with this. G.C will be discussing this date with PAC and will work to have this changed to a more appropriate time.

**Action Items:**

**Motion** by Vice President Powell to accept the proposed Board Budget Calendar and forward it for acceptance at the upcoming Business Meeting. Seconded by Commissioners Hallmark and President White. **Adopted 3-0 with concurrence of Parent Representative.**

**IV. Review and Forward 2018-19 Board Budget Priorities for the January 25, 2018 Board Business Meeting**

Vice President Powell highlighted the Board Priorities under consideration and noted that they had been presented in the October and November Finance Committee Meetings but had not been formally adopted by the Committee. She indicated some concern that the new Commissioners may not have had the opportunity to review these and called for a tabling of these until next month. President White noted appreciation for the inclusion of special education and asked for it to be noted as a major priority given the current concerns on this topic and with the upcoming special education meeting later that evening. Commissioner Funchess asked a question regarding the prioritization of the items on the list. This was clarified by Board staff, Kallia Wade. Vice President Powell requested for the title to be shifted for better clarity.

**Action Items:**

**Action Item:** Board Staff Kallia Wade to amend the title of the document and make the suggested changes.

**Motion** by Vice President Powell to table the Board Budget Priorities until next month for consideration. Seconded by Commissioners Hallmark and President White. **Adopted 3-0 with concurrence of Parent Representative.**

**V. Review Quarterly Change Order Report for October- December 2017**

Vice President Powell restated the purpose of the Change Order Report—to capture the changes to the original Capital Improvement Plan (CIP) agreement and costs for these changes within the contingency component of this agreement. Commissioner Hallmark asked for an example/ line item be explained. Chief of Operations, Mike Schmidt responded to this by explaining that there are two types of change orders—a found condition (required to be dealt with at the point it's discovered i.e. asbestos), a requested change from the District. Commissioner Powell reviewed a line item of the Change Order Report for the benefit of the Committee. Lastly, Chief Schmidt acknowledged a previous request made by VP Powell to have a video presentation conducted on the District's facilities. This is currently being worked on, in collaboration with the Communications Department, for the Board's viewership.

**Action Item:**

**Motion** by Vice President Powell to approve and accept the Quarterly Change Order Report for October-December 2017. Seconded by President White and Commissioner Hallmark. **Adopted 3-0 with concurrence of Parent Representative.**

**VI. Review and Discuss District December 2017 Financial Report**

CFO Everton Sewell addressed the Committee regarding the December 2017 Financial Report, explaining the report, and noting that a few components have been added to allow for the financials to be more easily followed by the Commissioners. CFO Sewell walked through each component of the report, showing the original budget, amended budget, incoming flow of funds (all revenue sources-A fund, H fund, Lunch fund, K fund, special aid fund) and expenditures. For the benefit of the new Commissioners, CFO Sewell explained each of reports in detail and noted which were required to be provided to the Board by the state and which were provided as supplementary (and/or for greater clarity by the finance department). Some reports are aligned to the Budget Book and thus are more easily followed. Lastly, CFO Sewell explained encumbrance and preencumbrance, as well as how changes in revenue affect the budget.

**Action Items:**

**Motion** by Vice President Powell to approve and accept District's December 2017 Financial Report. Seconded by Board President and Commissioner Hallmark. **Adopted 3-0 with concurrence of Parent Representative.**

**VII. Review and Approve Proposed Resolutions for the January 25, 2018 Board Business Meeting**

**A. PROCUREMENT & SUPPLY**

- 1. National Express LLC – agreement to consent to the change of controlling interest of Monroe School Transportation from Monroe Holdings Corp. to National Express LLC – Resolution No. 2017-18: TBD**

Vice President Powell explained the Procurement and Supply Resolution No. 2017-18: TBD as a request to ratify the contract under the indicated company's new name.

**Motion** by Vice President Powell to address and approve the Procurement and Supply Resolution Nos. 2017-18: TBD. Seconded by Board President and Commissioner Hallmark. **Adopted 3-0 with concurrence of Parent Representative.**

**B. OTHER**

- 1. Strategic Measurement and Evaluation Inc. – agreement to provide electronic scoring of the New York ELA and Math exams for Grades 3-8 – Resolution No. 2017-18: 548**

**Motion** by Vice President Powell to address and approve the Other Resolution No. 2017-18: 548. Seconded by President White and Commissioner Hallmark. **Adopted 3-0 with concurrence of Parent Representative.**

Next monthly Finance Committee Meeting: February 8, 2018. Meeting adjourned at approximately 6:44PM