

Rochester Board of Education

Finance Committee Meeting

October 19, 2017

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

District Staff: Chief Financial Officer; Everton Sewell, Budget Director; Rodney Asse, Director of Employee Benefits; Aneli Rivera-Nothnagle

Board Staff: Kallia Wade

Commissioner Cruz convened the meeting at 5:32PM.

I. Question/Answer Session

Commissioner Cruz convened the meeting, noting quorum, acknowledging the persons present, and opening the discussion for questions or updates from/for the Finance team. CFO, Everton Sewell addressed the Committee by reiterating that the department has continued dialogue with the state re the Community School Grant Aid. He noted that there were that the state requested that the District to identify contractor names for TBD items for projects at Monroe. While the District meets the MWBE 30% grant requirement (District's standard is currently 39% for the project), they are unable to name the vendors because contracts are not out to bid because it is a capital project. The funds cannot be released until the bid process is complete and contractors are named. CFO Sewell anticipated that this process should take about two weeks to complete.

Given the lengthy meeting agenda, Commissioner Cruz requested a shifting of the agenda to allow for the review of the "OTHER" resolutions first, to be considerate to the presenter of those items. These were to be reviewed instead after item 7 on the agenda.

II. Review Minutes of September 21, 2017 Finance Committee Meeting

Motion by Commissioner Cruz to approve and accept the minutes of the September 21, 2017 Finance Committee meeting. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

III. Review and Discuss Final Quarter (Annual) Elementary Activity Accounts & Student Activity Report

Motion by Commissioner Cruz to approve and accept the Final Quarter (Annual) Elementary Activity Accounts & Student Activity Funds Report. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

IV. Review Quarterly Change Order Report for July-September 2017

Motion by Commissioner Cruz to approve and accept the Quarterly Change Order Report for July – September 2017. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

V. Review and Discuss September 2017 Financial Report

Budget Director Asse addressed the Committee regarding the August 2017 Financial Report. Overall, the current budget increased by .1% to \$898,125,912, as a result of increases to grant revenue. The Grant and Special Aid Fund increased by 14% to \$126,424,106, mostly due to the Community School Aid grant, which is now recorded. Additionally preschool grants, receivership carry over grant and Title I Grant Supplements have been added. CFO Sewell also noted the refund of commissions that were paid out (\$692,125) from Healthcare Broker Lawley Group LLC. Commissioner Evans questioned why this rebate was given and CFO Sewell responded noting the contract stipulations. This rebate has increased the General Fund Revenue. Food Services Revenue increased as a result of the federal subsidy for fruits and vegetables for the Child Nutrition Program. As a result of the changes to the General Fund, Special Aid Grant Fund, and School Food Service Fund, CFO Sewell noted that Budget Amendments have been submitted for approval this month to reflect. Revenues and expenditures will be adjusted accordingly.

CFO Sewell advised the committee that the Smart Bond Funds have been released. As a result of the 90-day vendor payment agreement, the District will not need to rely on a City bail out as was previously anticipated.

Action Items:

Question posed by Commissioner Cruz—How much does the District spend for summer school lunches. CFO Sewell responded requesting time to give exact numbers. Board staff Kallia to follow up.

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

VI. Review and Discuss 2017-18 Budget Amendments

A. BUDGET

- 1. Budget amendment– agreement to amend the General Fund Budget for 2017-18– Resolution No. 2017-18: TBD 1**
- 2. Budget amendment– agreement to amend the Special Aid Grant Fund Budget for 2017-18– Resolution No. 2017-18: TBD 2**
- 3. Budget amendment– agreement to amend the School Food Service Fund Budget for 2017-18– Resolution No. 2017-18: TBD 3**

4. Budget amendment– agreement to amend the Budget total for 2017-18– Resolution No. 2017-18: TBD 4

CFO Sewell engaged the Committee in discussion noting the changes to the Budget per the discussion held during the review of the September 2017 Financial Report. He further noted that the auditors would note the amendments in the CAFR.

Commissioner Powell discussed with the Committee the need for a new Fiscal Independence Agreement with the City. She noted that it would be to the District's benefit for the funds to advanced via the tax schedule and highlighted that the Maintenance of Effort (MOE) be reviewed. Commissioner Cruz noted that this concern is to be raised in a 3 on 3 on 3 meeting.

Motion by Commissioner Cruz to accept the 2017-18 Budget Amendments. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

VII. Review and Discuss 2018-19 Board Budget Priorities

Action Items:

Action request by Commissioner Powell to prioritize the draft 2017-18 Budget Priorities document so that the non-mandated items are highlighted by way of precedence and import. Board staff Kallia to follow up and prioritize the list. The updated Priorities list will be discussed at the November Finance Committee Meeting.

VIII. Review and Approve Proposed Resolutions for the October 26, 2017 Board Business Meeting

Per Commissioner Cruz's request, the review of Resolutions continued with "OTHER" to facilitate the Benefits Department presentation.

B. OTHER

- 1. 6.6 Roth 403(b) Contributions – amendment to the Rochester City School District 403(b) Retirement Plan Agreement to permit Roth 403(b) Contributions and the in-plan rollover of a Non-Roth Account to a Roth Account– Resolution No. 2017-18: 350**
- 2. MetLife– contract agreement to provide a voluntary benefit plan for retiree dental insurance needs– Resolution No. 2017-18: TBD**

Director of Employee Benefits, Aneli Rivera-Nothnagle addressed the Committee explaining the Roth 403B and the MetLife Resolutions and noting the voluntary nature of these benefits. This benefit is now optional for employees as part of their retirement offerings. In response to Commissioner Cruz, Director Rivera-Nothnagle noted that staff are provided with financial planners to assist them in making financial decisions. The MetLife Resolution notes the addition of a voluntary dental benefit plan for staff retirees.

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

C. TRANSPORTATION

- 1. Key Government Finance Inc. (Key Bank)– agreement to enter into a lease for (43) school buses– Resolution No. 2017-18: 340**

Per the Bus Purchase/ Lease presentation that took place in the October Finance Committee Meeting, **Resolution No. 2017-18: 340**, indicated the District’s intent to lease 43 buses to aid in the replacement of those that were to be phased out. CFO Sewell and Budget Director Asse addressed the committee noting the cost of \$850,000 per year for 5 years (total of \$4.2 mil), but there was a 89-90% aidable return. Additionally, Budget Director Asse noted that the leasing option was cheaper in the long-run because of the maintenance rebates that the District would be able to take advantage of from Matthew’s Buses. CFO Sewell also confirmed that 47-48% of the fleet was being updated, but that the District would be working with a schedule to replace the other buses over a course of time. The buses being leased are primarily for students with disabilities.

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

D. PROCUREMENT & SUPPLY

- 1. Public School Districts, other BOCES organizations, and the Monroe 2-Orleans BOCES (the “BOCES”) – agreement to bid jointly for the purchase of Natural Gas (the “Commodities”) for a term of one year – Resolution No. 2017-18: 341**

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

E. EDUCATIONAL FACILITIES

Final Payments:

1. **Concord Electric Corp. – final payment for Electrical Work for Renovations to School Without Walls Commencement Academy – Resolution No. 2017-18: 342**
2. **Concord Electric Corp. – final payment for Electrical Work for Renovations to Franklin Educational Campus – Resolution No. 2017-18: 343**

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

Contracts:

1. **University of Rochester– lease agreement for University of Rochester Eastman Dental Clinic to build a Dental Health Center on the grounds of Enrico Fermi School No. 17, to provide dental care to students, their families and neighborhood residents– Resolution No. 2017-18: 344**
2. **City of Rochester, Department of Parks and Recreation– contract agreement to provide use of the Avenue D Recreation Center for use by Abraham Lincoln School No. 22 Physical Education classes– Resolution No. 2017-18: 345**

Action Items:

Motion by Commissioner Cruz to address and approve Facilities Contract Resolutions. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

D. INFORMATION MANAGEMENT & TECHNOLOGY

1. **Avigilon™ – agreement to designate as the standard for the District-wide Video Surveillance System against which future proposed video surveillance system products will be measured– Resolution No. 2017-18: 346**

Commissioner Powell posed the following questions:

1. How long is video stored?
2. What is the legal requirement for video storage time?
3. Do the video rights belong to the District or to Avigilon?

Action Items:

Action request by Commissioner Cruz to have Commissioner Powell's questions answered for the committee. Board Staff, Kallia Wade to follow up.

Motion by Commissioner Cruz to address and approve the Information Management & Technology Resolution pending a formal response on the aforementioned questions by District Administration before the October 2017 Board Business Meeting. Seconded by Commissioners Powell and Evans. **Adopted 3-0 with concurrence of Parent Representative.**

Next monthly Finance Committee Meeting: November 8, 2017. Meeting adjourned at approximately 6:20PM