

Rochester Board of Education

Finance Committee Meeting

February 8, 2018

Attendance: Vice President Powell (Chair); Commissioner Sheppard; Commissioner Hallmark; President White (noted to be in the area, but not present for the entirety of the meeting, because of another conflicting meeting)

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

Board Staff: Kallia Wade

Parent Representative: Not in attendance

Vice President Powell convened the meeting at 5:40PM noting quorum.

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

Vice President Powell opened the discussion for a question and answer segment and/or updates from/for the East EPO Chief Financial Officer, Carleen Pearce. CFO, Pearce referred to the East Financial Status Report prepared for the committee. From this document, she highlighted that East was still awaiting residual balance of the Persistently Struggling Schools Grant (PSSG)—approximately \$660K, and approximately \$2M for the Community Schools Grant (CSG). The funding has been approved by all (both the project department at SED as well as the MWBE unit). However, the EPO is awaiting final approval from the NYS Department of Budget and Finance. They anticipate receiving the formal approval for this funding in the next few days. Given this fact, the March 2018 report will show a much more accurate picture of true General Fund expenditures. The PSSG grant funds once released will pay back monies that were already expended through the General Funds for contractual obligations as the grant funds were anticipated. The EPO has been very cautious with using General Fund monies for CSG related grant purchases. Both CFO Pearce and Sewell noted the challenges with the release of the CSG funding from the 2017-18 year. CFO Sewell emphasized the challenges that came with the incurring of CSG expenses, which caused the District to end the year in a deficit, as a result of the funds not being released in time last year.

Commissioner Hallmark asked the question “what is the typical lag time for the release of funds awarded?”. CFO Sewell responded noting that there is typically 60-90 days before everything is approved, with a 30-60 day turnaround time for the submission of the application.

Action Item: Vice President Powell requested that CFO Pearce submit a 1-page, large font, detailed handout that could be taken to the Capital Conference (lobby day for NYSSBA) and handed to legislators. This letter’s message would focus on the problematic nature of the State’s release of funding and the impact on the EPO and the students. VP Powell, Commissioners

Sheppard and Hallmark will be leaving for the Conference the following day and will take the handout with them.

II. Question/Answer Session with District Administration:

CFO Sewell noted no additional input for the question and answer segment aside from what was discussed by Carleen re the awaiting of grant monies.

- **Presentation and approval of Proposed Final Draft 2018-19 Budget Calendar**

Vice President reminded the Committee that the first draft of the 2018-19 Budget Calendar was received last month as a very rough draft. She noted that the draft being presented at the current meeting is the final and called for a vote to accept the calendar. Before the vote, Commissioner Hallmark questioned the use of the red in highlighting certain dates. Board Staff Wade explained that the red denoted mandatory major meetings, the black denoted the question and answer review dates, and the green indicated the transmittal and adoption dates. CFO Sewell asked for the June 13th hearing date to also be coded in red. VP Powell noted that the color coordination should be clarified and so Board staff Kallia to review the document once more to include these things. Board Staff Kallia drew the attention to the two Budget presentation dates (March 8th and March 27th). The March 8th date would feature a District administration budget presentation Superintendent and Board, and the March 27th date would feature the Superintendent's Budget presentation. CFO Sewell also added that the budget books would be received at the March 27th budget presentation date.

Action Items:

Action: Board Staff Wade to update the budget calendar to ensure it is appropriately color coordinated.

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 Sheppard. **Adopted 3-0.**

III. Review Minutes of the January 18, 2018 Finance Committee Meeting (tabled until next month)

Vice President Powell noted that the minutes for the January 18, 2018 Finance Committee meeting will be reviewed at the next meeting.

IV. Review and Discuss the 2017-18 Second Quarter Elementary Activity Accounts & Student Activity Funds Report

Vice President Powell opened the floor for a discussion on the 2017-18 Second Quarter Elementary Activity Accounts & Student Activity Funds Report. Commissioner Hallmark noted her interest in looking at the Christmas tree report alongside the Activity Report to allow the

Committee to see active parent engagement. VP Powell noted that the Student Activities are essentially student run with a staff advisor to help submit financial supports. While interesting significance may be found, VP Powell also noted that a school could have a healthy club without an active PTO.

Commissioner Sheppard questioned re Nathaniel Hawthorn #25 “what happens when they overspend what their actual beginning balance was?”. This was clarified to be a misread of the spreadsheet. CFO Sewell assisted with clarification, noting that the receipts showed monies received.

VP Powell drew the Commissioners attention to the Monroe Urban Steel group, which generates money by doing gigs. Since there is no activity shown in the report, VP Powell queried whether the group was still hosting these.

Action Items:

Action Item: Board Staff Kallia Wade to find out whether the Monroe Urban Steel group is actively booking gigs.

Motion by Vice President Powell to accept the 2017-18 Second Quarter Elementary Activity Accounts & Student Activity Funds Report and forward it for acceptance at the upcoming Business Meeting. Seconded by Commissioners Hallmark and Sheppard. **Adopted 3-0.**

V. Review and Discuss East EPO January 2018 Financial Report

VP Powell started the conversation by noting that East is still reviewed under the District Student Activities report. She noticed that the class of 2018 is active but the yearbook club is not active, with a carryover balance of \$26.51. CFO Pearce responded that one of the initiatives taking place at East is to reengage students in activities and revitalize and resurrect groups. Pearce then led the group through East’s financial report. She started by thanking CFO Sewell and his team for helping with the pulling of the numbers presented. Indicated the impact of the grant monies expended as the reason for the negatives shown on the financial report. The codes were left as they stood, so that monies are not applied to cover outlays until the grant money arrives. At that point the outlays spent would be applied accordingly.

VP Powell noted the Professional and Technical Services highlighted in red. CFO Pearce indicated that the positions were approved under the terms of the PSSG grant and that East had to get these positions up and running to start engaging in the community and making the relationships required to get the work done (i.e. expanded relationship with Hillside for professional development). The PSSG grant funds when released would reimburse the codes left in red. VP Powell reiterated the need to pay special attention to PSG grant impact when the memo is written (to be taken on lobby day). VP Powell also indicated that CFO Pearce should model its cover memo from the District’s cover memo (prepared by CFO Sewell) for the next Finance meeting

Action Item:

Motion by Vice President Powell to approve and accept the East EPO January 2018 Financial Report. Seconded by Commissioners Hallmark and Sheppard. **Adopted 3-0.**

VI. Review and Discuss District January 2018 Financial Report

Budget Director Rodney Asse led the Committee through the District's financial statement by referring to the cover memo prepared by CFO Sewell. Director Asse and CFO Sewell explained the appropriated fund balance and the unreconciled checks section of the cash balance and cash flow report for Commissioner Sheppard.

Action Items:

Motion by Vice President Powell to approve and accept District's January 2018 Financial Report. Seconded by Commissioners Hallmark and Sheppard. **Adopted 3-0.**

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

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 explained the need for budget amendments based on the changes (increases) to the special aid grant fund, thereby rolling up the general fund. He noted that the food service fund remained unchanged. Commissioner Hallmark noted that she needs cross-walking through the report with CFO Sewell. CFO Sewell and Board staff Kallia to make arrangements.

Motion by Vice President Powell to address and approve the Budget amendment Resolutions Nos. 2017-18: TBD 1-4. Seconded by Board Commissioners Hallmark and Sheppard. **Adopted 3-0.**

VIII. Review and Approve 2018-19 Board Budget Priorities for the February 15, 2018 Board Business Meeting

VP Powell noted the need to address and forward the Budget Priorities. She indicated however a concern the heading. Board Staff Wade to make amendments to retitle the document so that it wasn't as repetitive. Commissioner Sheppard noted the need to add allocation of funds for non-mandated, non-academic based/ sports and arts programs.

Motion by Vice President Powell to address and approve the 2018-19 Board Budget Priorities for the February 15, 2018 Board Business Meeting with title changes and addition of the requested priority. Seconded by Board Commissioners Hallmark and Sheppard. **Adopted 3-0.**

B. EAST EPO

[no resolutions]

C. PROCUREMENT & SUPPLY

[no resolutions]

D. EDUCATIONAL FACILITIES

Final Payments:

- 1. Envoy Environmental Consultants, Inc.– final payment for Air Monitoring Work for Renovations to School No. 43 – Resolution No. 2017-18: 610**
- 2. Envoy Environmental Consultants, Inc.– final payment for Air Monitoring Work for Renovations to Jefferson Educational Campus – Resolution No. 2017-18: 611**
- 3. Central Office to T. Bell Construction Corp.– final payment for Mechanical Work for Renovations to Central Office – Resolution No. 2017-18: 612**

Chief of Operations Mike Schmidt explained the final payment requests.

Motion by Vice President Powell to address and approve the Educational Facilities Resolutions Nos. 2017-18: 610-612, as there were no East EPO resolutions or Procurement and Supply resolutions. Seconded by Commissioners Hallmark and Sheppard. **Adopted 3-0.**

XI. Announcement: Board Budget Retreat

Vice President Powell reminded the Committee regarding the Board Budget retreat and highlighted the topics to be discussed to include:

- Review of Opportunities and Challenges in the 2017-18 Fiscal Environment
- Discussion of 2018-19 Fiscal Outlook
- Discussion of Student Support Services and Curriculum Priorities for 2018-19
- Discussion of Operational Priorities for 2018-19

Next monthly Finance Committee Meeting: March 15, 2018. Meeting adjourned at approximately 6:57PM