

**Rochester Board of Education**  
**Finance Committee Meeting**  
**April 19, 2018**

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

District Staff: Chief Financial Officer, Everton Sewell; Budget Director, Rodney Asse; East EPO Chief Financial Officer, Carleen Pearce; Director of Grants & Business Office, Kathleen Saville; Director of Procurement, Tim Schmandt; General Counsel, Karl Kristoff; Chief of Operations, Michael Schmidt; Chief Information Officer, Annmarie Lehner

Board Staff: Kallia Wade

Parent Representative: Not present

Vice President Powell convened the meeting at 5:33PM and noted quorum.

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

East EPO Chief Financial Officer, Carleen Pearce, engaged the Committee in a question and answer discussion re East EPO financials. CFO Pearce addressed the Committee, noting that the EPO had received approval for the Persistently Struggling Schools Grant (PSSG) and the Community Schools Grant (CSG). She indicated that any monies that had been spent for these grants would be returned to the General Fund. The Committee was briefed regarding East's March 2018 Finance Report and the accompanying memo, which illustrated East's financial standing. Additionally, CFO Pearce indicated that the EPO had been reviewing expenditures to stay on budget and that they were continuing to work with Operations regarding the FMP Project. This project will expend necessary money for facility upgrades like AEG machines, hydration stations, and refurbishing to improve the look and feel of the community school. East will utilize swing space provided while the work is being completed.

Commissioner Hallmark posed a question, asking whether the monies received from the PSG and CSG grants would cover the \$18,162 that was reflected in red on the EPO financial spreadsheet. CFO Pearce responded by saying that the EPO had intentionally allowed codes to run in red until the grant monies were released. The funds indicated by Commissioner Hallmark was for a CSG grant coordinator position that had to be filled in anticipation of the grant being released. CFO Pearce assured the Committee that all the red would be rectified with the release of the grant funding.

CFO Pearce concluded the question and answer segment by noting that the EPO was in the process of finalizing the staffing for teachers not returning to East. Tenured teachers had been identified and would be directed back to the District's HCI dept., while non-tenured teachers would be released and would no longer be continuing at all with RCSD (unless there were extenuating circumstances .i.e. shortage of staff).

## **II. Question/Answer Session with District Administration:**

CFO Sewell started the question and answer segment by noting that the District is steadily going through the Budget process and that the finance department is working to give an update at the next Board business meeting. CFO Sewell went on to discuss the financial agreement between the District and City, where the City gives the District \$119M p/year on a scheduled timeline, and indicated the following:

- District generally falls short in December every year and has to borrow from the City
- District is charged interest on monies borrowed
- City seemingly getting best interest rates with banks upon investment because of the fiscal arrangement
- Finance is hoping to draft a letter requesting a change in schedule for the release of final payment in April and not June
- District hoping to approach other financial institutions to receive better benefits (i.e. interest accrual)
- District to have discussions with the City re the investment of the District's funds

The Committee discussed these point in further length and agreed with the drafting of the aforementioned letter. President White suggested that the District confer with General Counsel and be prepared in the event of the City denying the request.

## **III. Review and Approve Minutes of the January 18, 2018 Committee Meeting**

Minutes to be amended to correct typographical error of a March 15<sup>th</sup> date to May 15<sup>th</sup>. Additionally a correction was submitted re the attendance record. Commissioner Sheppard had been in attendance and not Commissioner Funchess.

**Motion** by Vice President Powell approve the minutes of the January 18, 2018 Committee meeting once the aforementioned suggested amendments have been made. Seconded by Commissioners Hallmark, Sheppard, and President White. **Adopted 4-0.**

**Commissioner Sheppard left at 5:54pm**

## **IV. Review and Discuss District February 2018 Financial Report**

Budget Director, Rodney Asse referred to the cover memo prepared by CFO Sewell and led the Committee through the District's financial statement. He explained the expenditures and noted that the increases were due to the receipt of funds. Budget Director Asse also answered several clarifying questions pertaining to the cash balance report. President White noted thanks and appreciation for CFO Sewell and his team for providing much needed guidance to the Board re the District's finances and for CFO Sewell's style of leadership.

### **Action Items:**

Request made by Commissioner Hallmark to assign page numbers to the financial reports

**Motion** by Vice President Powell to approve and accept District’s March 2018 Financial Report. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

**V. Review and Discuss the Quarterly Change Order Report for Jan-Mar 2018**

**Motion** by Vice President Powell to approve and accept District’s Quarterly Change Order Report for Jan-Mar 2018. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

**VI. Review and Discuss the School Climate Advisory Committee Recommendations for the 2018-9 Budget**

President White thanked the School Climate Advisory Committee (SCAC) for their contributions to the budget deliberation process.

**Action Items:**

Request from President White to have the recommendations reviewed by CFO Sewell and for a response to be provided as to whether these asks are being satisfied by actions in the Budget and accompanying costs. This request was submitted with a deadline of the Third Budget Deliberation Session.

Request from President White for the recommendations to be forwarded to the Superintendent and Chief of Staff for a response to be given to the Board.

Board Staff Kallia Wade to assist in following up on the aforementioned action items and also communicate to the SCAC what actions are being taken per the recommendations.

**VII. Review and Discuss 2017-18 Budget Amendments**

**A. BUDGET**

**1. Budget amendment– modification of the commitment of Other Post-Employment Benefits (OPEB)– Resolution No. 2017-18: 790**

CFO Sewell explained the request noting that this modification would establish a different means of the District showing its liability moving forward. He also pointed to the financial memo provided with further details. This action will undo what is currently stated in the District’s committed section, and will move the OPEB funds to “unassigned”. CFO Sewell further explained that when the District’s financial advisors review the committed funds, this is what they have been doing as well.

**Motion** by Vice President Powell to address and approve the Budget amendment Resolution Nos. 2017-18: 790. Seconded by Board Commissioner Hallmark and President White. **Adopted 3-0.**

## **VIII. Review and Approve Proposed Resolutions for the April 26, 2018 Board Business Meeting**

Director of Procurement Tim Schmandt represented the Procurement Resolutions and was a resource to the committee regarding questions on vendor selection and process.

### **B. PROCUREMENT & SUPPLY**

- 1. TBD– contract agreement for the purchase of glass for glazing purposes for various locations within the District – Resolution No. 2017-18: 791**

**Motion** by Vice President Powell to address and approve the Procurement and Supply Resolutions No. 2017-18: 79. Seconded by Commissioner Hallmark, and President White.  
**Adopted 3-0.**

### **C. EDUCATIONAL FACILITIES**

Chief of Operations Mike Schmidt represented the Facilities Resolutions.

#### **Contracts:**

- 1. Massa Construction, Inc.; Michael A. Ferrauilo Plumbing & Heating, Inc.; Pipitone Enterprises, LLC; North Coast Electrical Solutions, LLC; and Lozier Environmental Consulting, Inc. – contract agreement for general construction work, plumbing work, mechanical work, electrical work, and air/project monitoring work in renovating School No. 17/ Greenhouse– Resolution No. 2017-18: 792**
- 2. UDN, Inc.; Lloyd Mechanical Co.; Unified Mechanical Contractors, Inc.; Concord Electric Corp.; and Lozier Environmental Consulting – contract agreement for general construction work, HVAC work, plumbing work, electrical work, and air/project monitoring work in renovating School No. 19– Resolution No. 2017-18: 793**
- 3. Testa Construction, Inc.; Lloyd Mechanical Co.; Lloyd Mechanical Co.; East Coast Electric LLC and Lozier Environmental Consulting, Inc.– contract agreement for general construction work, HVAC work, plumbing work, electrical work and air/project monitoring work in renovating School No. 35– Resolution No. 2017-18: 794**
- 4. UDN, Inc.; Crosby-Brownlie, Inc.; Pipitone Enterprises, LLC; and Hewitt Young Electric, LLC – contract agreement for general construction work,**

**plumbing work, HVAC work, plumbing work, and electrical work in renovating School No. 39– Resolution No. 2017-18: 795**

- 5. Massa Construction, Inc.; Nairy Mechanical, LLC; Crosby-Brownlie, Inc.; and Concord Electric Corp. – contract agreement for general construction work, HVAC work, plumbing work, and electrical work, in renovating Wilson Foundation Academy– Resolution No. 2017-18: 796**
- 6. East Coast Electric LLC and Lozier Environmental Consulting, Inc.– contract agreement for electrical work, and air/project monitoring work in renovating Districtwide Security Phase VIII– Resolution No. 2017-18: 797**
- 7. Archie Donoughe Sanding, Inc.– contract agreement for wood floor refinishing for maintenance services for various schools– Resolution No. 2017-18: 806**
- 8. CME Associates, Inc.– contract amendment to provide special inspections and materials testing services, on an as-needed basis, for scheduled capital improvement projects – Resolution No. 2017-18: 807**
- 9. SWBR Architecture, Engineering & Landscape Architecture, P.C.– contract amendment to provide general architectural services, on an as-needed basis, and consultation services in areas that include asbestos, lead, structural integrity, feasibility studies, new program and/or project initiatives and small capital improvement projects– Resolution No. 2017-18: 808**

**Motion** by Vice President Powell to address and approve the Educational Facilities Final payments Resolutions Nos. 2017-18: 792-797 and 806-808 as a bundle. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

**Final Payments:**

- 1. Pipitone Enterprises, LLC– final payment for HVAC work in renovating School No. 42– Resolution No. 2017-18: 798**
- 2. Concord Electric Corp.– final payment for electrical work in renovating Charlotte High School– Resolution No. 2017-18: 799**
- 3. Leo J. Roth Corp.– final payment for plumbing work in renovating Franklin Educational Campus– Resolution No. 2017-18: 800**
- 4. Kuitems Construction, Inc.– final payment for general construction work in renovating Service Center– Resolution No. 2017-18: 801**

5. **Crosby-Brownlie, Inc.– final payment for mechanical work in renovating School No. 8– Resolution No. 2017-18: 802**
6. **Genesee Building Restoration, Inc.– final payment for general construction work in renovating School No. 58– Resolution No. 2017-18: 803**
7. **Unified Mechanical Contractors, Inc.– final payment for plumbing work in renovating School No. 52– Resolution No. 2017-18: 804**
8. **Pipitone Enterprises, LLC– final payment for mechanical work in renovating School No. 52– Resolution No. 2017-18: 805**

**Motion** by Vice President Powell to address and approve the Educational Facilities Contracts Resolutions Nos. 2017-18: 798-805 as a bundle, Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

#### **D. OTHER**

1. **University of Rochester, Eastman School of Music– agreement to provide use of Kodak Hall, Kilbourn Hall and related premises as the venue for hosting the District’s Citywide concert, on May 14, 2018– Resolution No. 2017-18: 811**
2. **Amit Chitre (dba R3 Communications)– agreement to provide communication consultation and services including writing, editing, planning and strategic counsel, on an as-needed basis, for the period April 27, 2018, or as soon thereafter as the Agreement is fully executed, through June 30, 2018– Resolution No. 2017-18: 813**

The Other Resolutions were individually reviewed. Commissioner Hallmark noted that the objectives for Resolution No. 2017-18: 811 do not seem to match up to the item addressed.

#### **Action Item :**

Board Staff Wade to follow up with Jerry Rose re the Resolution Objectives

**Motion** by Vice President Powell to address and approve the Other Resolutions No. 2017-18: 811. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

**Motion** by Vice President Powell to address and approve the Other Resolutions No. 2017-18: 813. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

#### **Late Submission:**

**1. Oracle –agreement to remit payment for license expansion fees for the use of Oracle PeopleSoft Financials product suite to process the District’s financial transactions– Resolution No. 2017-18: TBD**

The Oracle Resolution was represented by CIO Annmarie Lehner, who advised regarding the licensing structure. As the budget has grown, the District has to purchase more licensing to accommodate projected growth. She noted that the District does not anticipate hitting the next two \$100M triggers before seeking another vendor for this service. At that point the District would look to a more modern, cloud-based option.

**Motion** by Vice President Powell to address and approve the late submission Resolution No. 2017-18: TBD. Seconded by Commissioner Hallmark and President White. **Adopted 3-0.**

Next monthly Finance Committee Meeting: May 17, 2018. Meeting adjourned at approximately 7:16PM