

Rochester Board of Education

Finance Committee Meeting

October 16, 2018

Attendance: Vice President Powell (Chair); President White; Commissioners Sheppard, Hallmark and Lebron

District Staff: Chief Financial Officer, Everton Sewell; Superintendent, Barbara Deane-Williams; General Counsel, Karl Kristoff; Deputy Superintendent of Administration, Elizabeth Mascitti-Miller; Deputy Superintendent, Cecelia Golden; Director of Grants, Kathleen Saville; Chief Accountability Officer, Raymond Giamartino; Director of Procurement, Tim Schmandt

Parent Representative: N/A (position vacant)

Board Staff: Kallia Wade

Vice President Powell convened the meeting at 5:38PM

Motion by Vice President Powell to approve the October 16, 2018 agenda. Seconded by Commissioners Hallmark and Sheppard, and President White. **Adopted 4-0.**

I. Question/Answer Session with District Administration

Chief Financial Officer, Everton Sewell presented the Committee with a draft of the 2019-20 Budget Calendar and highlighted several dates that will be necessary for the completion of the budget process. CFO Sewell noted the District's attempts to start the budget process sooner and he explained that this calendar will allow the Administration to more adequately respond to Board input. Additionally, this expanded calendar will be essential in addressing the structural budget deficit. Lastly, the organization of calendar dates allows for the presentation of a balanced budget in March 2019—when the budget process formally begins.

Commissioner Lebron questioned whether the administration will be providing the Board with a response regarding the structural budget deficit and presenting options to the Board for closing the budget gap in the December Finance Committee meeting. In response, District administration noted the need to confer with consultant Rick Timbs prior to this deadline as they have been working with his team on the budget process. President White indicated that Administration is to let Board Clerk, Shanai Lee, know as soon as an appropriate date for presentation on the budget deficit report is determined. Vice President Powell advised that the Board will be meeting during their Retreat. She went on to note that this retreat will be ideal for discussing budget implications, reviewing Board goals with a fiscal lens, and clarifying what priorities should be upheld. Commissioner Lebron also indicated that the Board should be discussing their values and goals moving forward in an upcoming informal dinner. VP Powell noted the importance of establishing the Board's goals and priorities expeditiously. She advised that this will allow Administration to proactively use the information to develop the budget, rather than provide a reactionary response.

Commissioner Sheppard spoke to the budget calendar dates presented and noted that the public hearings are after the Superintendent's presentation. She indicated that it was important that at least one date be prior to the presentation to allow for community input. The Committee was reminded that the dates presented are largely subject to the Board's review and amendment. Board Staff will work with the Board and District Administration to establish a workable calendar for the 2019-20 budget process,

Action Item: Commissioner Hallmark requested that the Administration provide the Board with a list of State requirements as values are shaped

II. Review and Discuss District September 2018 Financial Report and District Draft 2017-18 Financial Report

CFO Sewell addressed the Committee and led the members through the District's September 2018 financials, including the September financial memo and reports. He also advised on the changes since the last finance meeting and stated that the District has started receiving additional grant funding. The Committee engaged in brief conversation regarding the Special Aid and Grant Fund, the grant process and grant funded positions. CFO Sewell also reviewed the cash balance report. At the request of the Committee, CFO Sewell provided an update on the Fund Balance, stating that it holds approximately \$46M. He also noted that the reserve threshold allows for 5% to be held, and that the District holds about 7%. Lastly, CFO Sewell advised that the auditors continue to work on the 2017-18 year-end report and noted that not much had changed since August. Commissioner Lebron noted that the Audit Committee will be reviewing the audited report in their next meeting, slated for October 24th.

Action Item: Commissioner Sheppard requested a report on OASIS revenue

Motion by Vice President Powell to approve the District's September 2018 Financial Report. Seconded by Commissioners Hallmark and Sheppard, and President White. **Adopted 4-0.**

III. Review and Discuss Rick Timbs Analysis Report on Budget Development and Administration

Finance Committee formally received the Analysis: Budget Development and Administration Report prepared by R. G. Timbs Inc. This report was the result of a study to ascertain, "where possible, the rigor, reliability and validity of the budget development process and the administration of the District budget by the RCSD". CFO Sewell presented on the Report, and indicated that the document discusses the District's operating systems. The Committee discussed the report in length, and queried the recommendations made. Commissioner Lebron highlighted several points of concern including under budgeting of accounts, the outdated-ness of District systems, and usage of funds by accounts that no funds were originally budgeted. Both CFO Sewell and Superintendent Deane-Williams responded to these queries. Based on the report, Vice President Powell indicated that the District needs to ask for more than a 2% increase from the State, as grant funds have been the only increasing revenue over time. President White commended Superintendent Deane-Williams for appropriate usage of funds as it regards

consultation. Following this, the Committee also discussed a timeline and action plan for follow through on the Report recommendations. Superintendent Deane-Williams noted that the Path Forward subcommittees have been working on this for some time and CFO Sewell indicated that updates would be provided through the Finance Committee monthly. He also noted that the team is going through a process of prioritizing actions in response to the Report.

Action: Commissioner Lebron requested that a list be provided to the Board detailing the subcommittees working on the Report recommendations, identifying the head administrators leading each subcommittee, the general responsibilities, and other duties as assigned

IV. Review and Discuss 2017-18 Budget Amendments

A. BUDGET

- 1. Budget amendment– agreement to amend the General Fund Budget for 2017-18– Resolution No. 2018-19: 368**
- 2. Budget amendment– agreement to amend the Special Aid Grant Fund Budget for 2017-18– Resolution No. 2018-19: 369**
- 3. Budget amendment– agreement to amend the School Food Service Fund Budget for 2017-18– Resolution No. 2018-19: 370**
- 4. Budget amendment– agreement to amend the Budget total for 2017-18– Resolution No. 2018-19: 371**

Motion by Vice President Powell to address and approve the Budget amendment Resolutions Nos. 2018-19: 368-371. Seconded by Board Commissioners Hallmark and Sheppard, and President White. **Adopted 4-0.**

Commissioner Hallmark left at 7:10PM

V. Review and Approve Proposed Resolutions for the October 18, 2018 Board Business Meeting

B. PROCUREMENT & SUPPLY

- 1. Monroe-2 Orleans BOCES – agreement to bid jointly for the purchase of Cooperative School Lunch Paper and Plastic Supplies (the “Commodities”) – Resolution No. 2018-19: 372**

Motion by Vice President Powell to address and approve the Procurement & Supply Resolution No. 2018-19: 372. Seconded by Commissioner Sheppard and President White. **Adopted 3-0.**

C. EDUCATIONAL FACILITIES

Final Payments:

1. **Steve General Contractors, Inc. – final payment for General Construction Work for Renovations to School No. 29 – Resolution No. 2018-19: 373**

Motion to address and approve the Educational Facilities Final Payment Resolution No. 2018-19: 373. Seconded by Commissioner Sheppard and President White. **Adopted 3-0.**

D. OTHER

1. **Penfield Central School District – agreement for a non-resident student enrollment, during the 2018-2019 school year – Resolution No. 2018-19: 374**
2. **City of Rochester – agreement for the City of Rochester’s Department of Recreation and Youth Services will provide up to five members of the Pathways to Peace team to attend sporting and other Districtwide events with the goal to provide mediation and support on an as-needed basis – Resolution No. 2018-19: 375**

At the request of the Committee, Chief of Accountability Dr. Raymond Giamartino indicated that the transfer student corresponding to Resolution No. 2018-19: 374 is to be placed at Wilson Commencement.

Action: Commissioners requested that the name of the receiving District schools be placed in corresponding resolutions whenever non-District students transfer in, moving forward.

Motion by Vice President Powell to address and approve the Other Resolution No. 2018-19: 374. Seconded by Commissioner Sheppard and President White. **Adopted 3-0.**

Motion by Vice President Powell to address and approve the Other Resolution No. 2018-19: 375. Seconded by Commissioner Sheppard and President White. **Adopted 3-0.**

Next monthly Finance Committee Meeting: November 8, 2018.
Meeting adjourned at approximately 7:22PM