

Rochester Joint Schools Construction Board
Monthly Meeting Minutes
January 9, 2023
4:00 PM

Present – Called to Order by the Board Chair at 4:03 PM

The meeting was attended by Board Chair Thomas Richards, Vice Chair Michael Schmidt (virtual), Treasurer Kim Jones (virtual), Richard Perrin (virtual), Shawn Farr, Ron Gaither (virtual), Jesse Dudley, General Counsel Ed Hourihan (virtual), General Counsel Greg McDonald (virtual), General Counsel Melissa Mahler (virtual), Board of Education President Cynthia Elliott (virtual), RCSD Chief of Staff Linda Cimusz (virtual).

Approval of Minutes

Monthly Meeting held on December 12, 2022

Motion by Board Member: Jesse Dudley

Second by Board Member: Kim Jones

Approved: 7-0

Action Item

Resolution 2022-23:15

Acceptance of 2021-2022 Independent Financial Audit

Moved by Board Member: Kim Jones

Second by Board Member: Rich Perrin

Adopted: 7-0

Resolution 2022-23:16

Pay Requisition Summary Acceptance (December 2022)

Moved by Board Member: Kim Jones

Second by Board Member: Jesse Dudley

Adopted: 7-0

FUND BALANCE REPORT:

Chairman Richards asked Consultant Kimberly Mitchell to review the details of the Fund Balance report with the Board. There were no changes to the CPL E&O Settlement funds or the Cannon E&O Settlement funds. The payments from the previous month were deducted from the cash capital account. This left a balance of approximately \$5,857,896 in the Cash Capital account, which does not reflect any interest accrued in the account. There are five open contracts totaling \$415,087.36. The current pay requisition for \$111,687.41 is comprised of three vendor payments from the Phase II Bond Funds totaling \$26,203.05 and three vendor payments from the RCSD Loan Fund totaling \$85,484.36. The remaining balances are \$377,025 in the RJSCB Fund, \$5,249,246 in the Phase II Bond Fund, \$205,421 in the Settlement Funds and \$402,914 in the RCSD Loan Fund. Chairman Richards explained the source of the settlement funds in response to a question from President Elliott.

Meeting Notes

- The meeting began with the results of independent financial audit. Kathryn Barrett from Freed Maxick presented the findings and the RJSCB received a clean audit. President Cynthia Elliott asked about the management's discussion and analysis that was omitted from the report. Ms. Barrett explained that those reports are required for government entities but are prepared for entities that are much more complex than the RJSCB. Chairman Richards also stated that the report has never been prepared for an RJSCB audit. Treasurer Kim Jones thanked Freed Maxick for their years of service as they will no longer conduct the audits for the RJSCB.
- Chairman Richards initiated a discussion on the remaining funds and their disposition. There are two options for the use of the bond funds. Any funds related to the bond principal, and also any interest accumulated in respect to those funds, would either be applied to work that remains to be done in Phase 2 or used to pay down the debt. That is a decision the District would have to make. Any settlements from architects or engineers would be included in the bond funds. The Attorney General settlement funds is not restricted to any phase, however, it is restricted for use in the RSMP project. The third category of funds is the RCSD loan that is being used for Phase 3 expenses. Member Ron Gaither asked if there is an end date for the claim against Cannon and Vice Chair Mike Schmidt recommended that the discussion be moved to Executive Session. Chairman Richards concurred that an Executive Session will be held at the end of the meeting to discuss the Cannon claim.
- Chairman Richards discussed the status of the Phase 3 plan. The Board was provided with the presentation that was accepted by the Board of Education. The Phase 3 schools have been selected and SED needs to approve the double MCA in order for the plan to proceed as approved. There is still quite a bit of work left to do in respect to the comprehensive plan, including cost estimates and schedules that go into the Financial Plan as well as the Financial Plan itself. That process is dependent on getting the Program Manager hired. The solicitation for the Program Manager is prepared and ready to go and the Chairman is hopeful that the situation with SED is resolved soon because it is holding everything up. President Elliott asked if there is anything she can do to help move things along and Chief of Staff Linda Cimusz stated that the RFP containing the edits from SED along with the rationale for the double MCA have been forwarded to SED by Superintendent Peluso. These documents have been in the hands of the State since December 19th and Dr. Peluso is following up. President Elliott asked how the Program was accommodating for the potential significant increase in costs, referring to construction labor and materials. Chairman Richards responded that an attempt to provide for some of the inflationary impact was incorporated in the cost estimations that supports the selection of the schools. Until the Program Manager is engaged to provide detailed investigation into the actual costs that will be incurred, that will be a potential problem that could affect how much work can be done in Phase 3. In the interim, the RJSCB is contemplating extending the existing contract with Watts/SWBR. The two areas they may be able to do work are in respect to the SEQRA report and construction scheduling. The Financial Plan will need to be done by the Program Manager.

Chairman Richards entertained a motion to go into Executive Session pursuant to New York Public Officer's Law Article 7, Section 105.1 (f).

Motion by Member: Jesse Dudley

Second by Vice Chair: Mike Schmidt

Approved 7-0 at 4:59 pm.

The Board came out of Executive Session and adjourned the meeting at 5:13 pm.