



MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

Tuesday, February 2, 2016

School Board Office - 8:30 a.m.

Present: D. Stevenson (in the Chair); S. Donahue, Trustee; J. Leiterman, Secretary Treasurer;
C. Kennedy, Superintendent of Schools; W. Hickey, Director of Facilities

Stakeholder Representation: J. Duncan (WVAA); B. Scott (WVMEA); R. Millard (WVTA); A. Milavsky (DPAC)

Regrets: G. Cords, General Manager of Facilities

1. New Generation Network (NGN) costs

Secretary Treasurer Julia Leiterman reminded the committee that NGN is the replacement for the old PLNet internet access and West Vancouver Schools has been using NGN since about December 2014. It greatly improved our internet access and speed, but is expensive. In addition to the NGN implementation cost drawn from the AFG (\$123,930) and West Van Schools hardware upgrade to complement the new system (\$75,000), the cost of annual maintenance was announced by the MOE last week \$176,628 (for 2015/16). While this cost is approximately \$40,000 lower than anticipated, due to lack of holdback funds this money will now have to be drawn directly from the operating grant. The total cost associated with NGN for 2015/16 is now \$375,558 and will be reflected in the amended budget. The figure for next year's ongoing maintenance cost will not be known until March.

2. Routine Capital Plan update

The Secretary Treasurer asked Wade Hickey, new director of facilities, to give an update on the two routine capital plan projects still underway, as the project agreements stipulate a March 31, 2016 completion date. The Director of Facilities reported that the renovation project at Ecole Cedardale should be substantially completed by February 5, with elevator installation completed during the first week of March. The Cypress Park HVAC/boiler/DDC project is proceeding as planned and staff and students are managing any disruptions to usual routines well. Substantial completion is expected in late March.

3. Freedom of Information request

The Secretary Treasurer reported that the district recently received a Freedom of Information request from Municipal Solutions, a company based in Ontario that liaises with trade unions across the country to access government contracts and work. The request was for a list of heat and frost insulation, mechanical / plumbing, and electric tenders and contracts awarded by the district since January 2014 and information about the companies who performed the work. This was a blanket FOI request received by

Committee members: Dave Stevenson, Sheelah Donahue

many districts across Metro. We only had one such contract – for the new boilers at WVSS, so we did not consider charging a fee for compliance with the request.

4. Internal Payroll Audit

It was reported that there were some recently-discovered issues with the way incremental pay grid increases for teachers were being handled by the new payroll system. The Secretary Treasurer asked Karen Johnson, assistant secretary treasurer, to perform an audit of the conversion to the new payroll system. Ms. Johnson began her audit with the increment issue, and has spent the last two months auditing the payroll calculations for every teacher. This portion of her audit is now complete and there is full confidence that increment issues have been resolved and September and January pay increments are being applied correctly. Trustees were informed of the audit several weeks ago and a general letter was sent to all teaching staff last week, advising them of the issue, audit and resolution. This was followed by a second letter sent directly to those teachers affected.

Ultimately, 105 teachers were affected, resulting in \$150,000 in retro pay. All teachers are now compensated fully, with the average amount ranging from \$1200 – \$1800.

Rob Millard, president of the WVTA, expressed his appreciation for the audit on behalf of his members. He wanted to publically acknowledge how fantastic Karen Johnson has been, both in calculating numbers and in clear and considerate communication with concerned teachers. He then took the opportunity to express another WVTA concern regarding the payroll department, namely the timely attention to the paperwork necessary to trigger the Salary Indemnity Plan allowance (SIP) for his most vulnerable members – those on compassionate, medical or maternity leave. The Secretary Treasurer replied that she will follow up with the payroll and HR departments around the process and report back to Mr. Millard.

5. WVSS Track Project

The Secretary Treasurer added a brief update to the agenda, reporting that the fundraising committee has appointed a treasurer – Sandy Treagus. Mr. Treagus is the CFO for Mountain Equipment Co-op, as well as a parent and volunteer track coach in our school district.

6. Requests for Proposals (RFPs)

The Secretary Treasurer added another item to the agenda, reporting that two RFPs have been put out: one for audit services and one for transportation services. The tender for audit services has closed and received proposals will be reviewed next week. Cost and experience will be the top priorities in the decision-making, with companies who handle other school districts considered to have added value. Our previous contract with Deloitte was originally for three years, with an option to extend for two years, and has now expired. The decision to extend to the maximum five years was made based on their knowledge of our district during the complicated system software conversion process.

7. 2015/16 Amended Budget

The Secretary Treasurer briefly reminded the committee of the three significant factors affecting revenue, detailed at the January F&F meeting: an increase in student enrollment of 128.125 FTE; no holdback funds released this year; and a higher than anticipated enrollment of international students. Due to an increase in the operating grant, restored ministry funding, international fees and locally-generated revenue, the end result was a \$1.6 million increase in funding. She then went on to review the associated costs.

The Secretary Treasurer separated the expense summary into the four programs set out by the Ministry: instruction; administration; operations/maintenance, and transportation. In all, expenses increased by \$1 million dollars, with the largest increase falling under operations/maintenance due to unanticipated cost increases in capital projects. It was noted that our administrative expenses sit at 16% of our total operating budget, well below the benchmark of 25% set by the Ministry in a new report.

As a result of our increased revenue being more than our increased expenses, we will use less of our reserves to balance the budget than was anticipated last spring. Ultimately, we are left with a reserve subtotal of \$2,059,592. That figure represents 3% of our total operating expenses, which is the level recommended by Ernst & Young guidelines for our sector. Providing that our year end results fall within our amended budget projections, these reserves will be sufficient to buffer an operating deficit in 2016/17 as well as retaining our \$1 million fiscal prudence contingency fund.

The Secretary Treasurer concluded by advising caution, saying that with the planned reduction in the international program next year and the associated loss of \$1 million in associated fees, as well as other budgetary pressures, we are only able to anticipate one more year with a status-quo budget. Monies are extremely tight and we need to be prepared to look at areas where we can possibly trim.

The amended 2015/16 budget and associated bylaw will be presented to the board for approval and submission to the Ministry at the regular meeting of February 16, 2016.

8. Adjourn

9:30

Julia Leiterman, Secretary Treasurer