



MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

Tuesday, April 26, 2016

School Board Office - 8:30 a.m.

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

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

Regrets: A. Milavsky (DPAC)

1. DRAFT 2016/17 Preliminary Budget

The Secretary Treasurer presented the draft version of the 2016/17 preliminary budget, making special note of the amended operating grant. The numbers presented at the April Finance and Facilities meeting were based on February estimated enrollment figures, which showed a decrease of 107 funded FTE for 2016/17. By April, that estimate had changed, showing a decrease of only 28 FTE from the current year, which results in an additional \$204,000 in estimated revenue. It is hoped that by September, that number may improve again.

While the Ministry operating grant has increased, and revenues from the academies and choice programs have risen by \$100,000, revenues from the international program have decreased by \$800,000 due to a planned reduction in international enrollment of 59 FTE. As a result, net total operating revenue has decreased by \$500,000 compared to the current year.

Operating expenses were reviewed, with significant factors cited as negotiated salary increases, decrease in teacher pension plan contributions, staff retirements and successions, and reduced services and supplies.

While salary expenses increased by \$611,000, reductions of \$811,000 were estimated in other areas, resulting in a net overall reduction in expenses of \$200,000. Those savings were a result of a decrease in teacher pension plan contributions through actuarial evaluation, savings from retirements and succession, and reducing costs associated with services and supplies.

The result of decreases in revenues and expenses is a net increase in the budgeted structural deficit of \$300,000 over the 2015/16 amended budget. It was noted that this is a typical number for West Vancouver Schools and is covered by available reserves. However, moving forward there is concern about the impact on our reserves as a result of consistent drawdowns to cover structural deficits.

As of July 1, 2015, reserves totalled \$3,817,569. Of that, \$1.2 million will be used to cover the deficit for 2015/16 and \$500,000 is allocated for the Ecole Cedardale renovation, leaving \$2,059,592 in reserves for 2016/17.

With a 2016/17 budgeted structural deficit of \$1,542,092, only \$517,500 will be available for 2017/18, cutting into the \$1 million fiscal prudence contingency fund we desire to keep on hand at all times.

The Secretary Treasurer noted that there are a couple of factors which could improve the reserve balance: increased enrollment in 2016/17 and/or improved net operating results from the 2015/16 school year. If both come to fruition, there could be a possible reduction of approximately \$300,000 in the budgeted structural deficit.

Over the next year, the Secretary Treasurer will be carefully reviewing costs and looking for further efficiencies in the way we do business. There will be more analytical statistical work and funding streams per program will be examined. There is nothing concrete to report at this time, but potential savings will be reported in the fall in order to have lots of time to make smart decisions.

The challenge moving forward is to work towards building a balanced budget. It is a province-wide issue, but West Vancouver Schools is in better shape than most districts due to 15% of our budget coming from non-ministerial sources. Hope remains for increased funding and there is no need for panic, but the budget process is becoming more difficult each year.

2. Adjourn

9:05

Julia Leiterman, Secretary Treasurer