



MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

Tuesday, May 10, 2016

School Board Office - 8:30 a.m.

Present: D. Stevenson (in the Chair); C. Broady, Board Chair; N. Brown and P. Dorsman, Trustees; C. Kennedy, Superintendent of Schools; J. Leiterman, Secretary Treasurer; W. Hickey, Director of Facilities; K. Johnson, Assistant Secretary Treasurer; J. Brown, Manager of Finance

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

Regrets: S. Donahue, Trustee

1. Manager of Purchasing and Transportation

The Secretary Treasurer reported that the new Manager of Purchasing and Transportation, Douglas Dunn, started this week. Mr. Dunn will be based at facilities and will report to Director of Facilities Wade Hickey. This change in structure will allow for better controls and better understanding of the district's needs and expenditures. Coming from the private sector, Mr. Dunn has a good background in analysis and a familiarity with VOIP (voice over internet protocol) and technology. He will be developing long range strategies to address district needs, including a VOIP system to replace our antiquated phone system, vehicle fleet replacements, and insurance contracts. Both the Secretary Treasurer and the Director of Facilities said they were excited to have Mr. Dunn on board, and believe he will make a strong contribution towards our operational goal to improve efficiency and reduce costs. Mr. Dunn replaces Sonya Margolles, who retired at the end of last month after 17 years of service with West Vancouver Schools.

2. International Fees 2017/18

The Secretary Treasurer reported that she was approached by District Administrator of International Programs Michael Frankowski about raising tuition fees for international students starting in the 2017/18 school year. After an analysis of other districts' offerings compared to the added value of the services we provide to our students, Mr. Frankowski determined that we should raise our fees.

For 2017/18, FTE tuition will be raised to \$14,500 from \$14,200 and medical insurance will increase by \$50. This will result in approximately \$100,000 in increased revenue, based on the international student FTE forecast within our 2017/18 preliminary budget. While our fees will remain the highest in Metro Vancouver and the province, our brand, our community, our schools' reputation, and program extras like free airport pick up, custodianship, and extended summer orientation programs give our international students added value.

Committee members: Dave Stevenson, Sheelah Donahue

Homestay costs will also increase to \$950/month, but that will not be realized as revenue, as the monies received are paid out to homestay families.

3. ERAC – Annual Savings report

The Secretary Treasurer reminded the committee that ERAC is one of our shared services organizations. It is made up of all Lower Mainland schools and universities and deals mostly with software licensing. Each year, they send a short summary of annual savings. This year, West Vancouver Schools spent \$72,000 on software licenses, mostly Microsoft, and saved \$44,000 or 38%. The average savings for districts participating in ERAC is 41%, so we are doing well.

4. WVSS Track Project

The Secretary Treasurer added an item to the agenda, noting that the WVSS Track Project fundraising committee is holding their free launch gala on May 26 at 7pm at the Kay Meek Centre.

5. 2016/17 Annual Budget

The Secretary Treasurer presented the 2016/17 Annual Preliminary Budget. The budget process and guiding questions were reviewed, and Responses revealed continued focus on two key priorities for stakeholders: support for the new curriculum; and continuation of structures that support innovation and modernization. The two key priorities of the District Leadership Team are: maintenance and growth of innovation (including the new curriculum); and the provision of stability and a sense of certainty for parents, students and staff.

As a result, we will roll forward a status quo budget, maintaining classroom staffing and previously-established service areas for the 2016/17 school year. We are very fortunate to be able to maintain items that have become increasingly rare in the current climate across the province, including teacher-librarians, daytime custodians, noon-hour supervision, innovation grants, and elementary band. Factors affecting revenue sources and expenses for 2016/17 were reviewed again briefly for those who had not attended the April 26 meeting.

Total revenue for 2016/17 is \$66.4 million, a decrease of \$500,000 from the amended budget for 2015/16. This is somewhat offset by a decrease of \$200,000 in total expenses for 2016/17, but that still leaves a structural deficit of \$1.5 million. As a result, we will need to draw on our reserves to balance the budget.

With \$2 million available in reserves for 2016/17, after the draw of \$1.5 million to cover the structural deficit, only \$500,000 will be available in reserves for 2017/18. The possible improvements to the reserve as outlined at the April 26 meeting still stand: increased enrollment and/or improved net operating results from the 2015/16 school year. If modest improvements are realized, the possible reserve balance for 2017/18 could be \$900,000.

The Secretary Treasurer reported that she works to maintain a fine balance between conservatism and risk when preparing the budget. Conservative factors considered include student enrollment (funded and international) and the actual operating results for 2015/16, which are also a risk factor and won't be known until mid-July.

Committee members: Dave Stevenson, Sheelah Donahue

We continue to see a structural deficit year after year, as the operating grant has not kept pace with inflation and the increased cost of operations, together with increased pressures resulting from costs downloaded to districts by the Ministry. While what the Ministry says is true – they have put more funding into public education – they do not discuss the increased expenses. As a result, the ratio of revenue to spending has still not improved, and we continue to fund 15% of our budget from locally generated revenues.

The challenge for West Vancouver Schools moving forward is to find a way to build a balanced budget for 2017/18. While our situation is serious, there is no need for panic. The focus will not be huge cuts, but rather finding creative ways to continue delivery of current services at a reduced cost. If cuts prove absolutely necessary, the priority will continue to be our students and delivery of classroom services.

Board Chair Broady thanked the Secretary Treasurer and her team for their hard work and Committee Chair Stevenson took the opportunity to publically acknowledge what he called the Secretary Treasurer's prudent fiscal management.

RECOMMENDATION: That the 2016/17 Preliminary Annual Budget be forwarded to the Board of Education for approval at the regular meeting on May 17, 2016.

2. **Adjourn**

9:05

Julia Leiterman, Secretary Treasurer