

**MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE
TUESDAY, MARCH 4, 2014, AT THE BOARD OFFICE AT 8:30 A.M.**

Present: D. Stevenson (in the Chair); J. Kellett; C. Broady; C. Kennedy, Superintendent of Schools; J. Leiterman, Secretary Treasurer; Gary Kern, Director of Instruction

Stakeholder Representation: V. Brady (WVAA); B. Scott (WVMEA); R. Millard (WVTA); S. Donahue (DPAC)

1. Shared Services Update

The Secretary Treasurer gave a brief review of the Ministry's interest regarding shared services, noting that an update report from the shared services group study has just been released.

WVSD already works towards cost savings with its participation in the following:

ERAC – this group, through which we purchase software, library and learning resource materials, saves us \$50 – \$100,000 annually. These savings are not reflected in the budget, as the savings are already taken into account when the budget is created.

EDCO – a Metro group of K-12 and post-secondary institutions that increases purchasing power on a range of services and supplies. Resulting savings are approx. \$75,000/year.

WorkSafeBC Claims Management – 29 districts participate in the claims management program offered by School District #43 (Central Okanagan). Their service has resulted in a 23.5% discount in insurance premiums for our district, though the care and attention of our managers and staff also plays a large role in our favourable discount by reducing incidents that give rise to claims.

TSMa Lite – This agreement with Telus to combine land line and cellular phone services is forecast to result in a \$32,000 savings/year when fully implemented. These savings will be used to fund the support staff salary lift.

Provincial Central Deposit Program – WVSD joined this savings program in April 2013 as part of the second wave of participants. The favourable interest rates should result in increased earnings of approximately \$35,000, which will also be used to fund the support staff salary lift.

The update from the Service Delivery Project was reviewed. The PeopleSoft payroll system being piloted in VSB and four other school districts is above our budget and it is not anticipated that WVSD will participate. The sharing of legal services could be of benefit, and we will likely participate in the Procurement Working Group (a provincial version of EDCO)

The item of most interest is the upgrade of the Provincial Learning Network (PLNet), the cost of which is being downloaded to districts, despite the Ministry acknowledging that it should be borne by the province. The province says it is not currently in a position to provide additional funding. The ministry currently deducts approximately \$286,000 from

the district's operating grant for PLNET. The upgrade will increase WVSD's cost in 2014/15 by \$272,000 - \$125,000 of which will come from the AFG and \$147,000 from the operating budget.

2. Provincial PLNet Upgrade

Director of Instruction Gary Kern reviewed the history of PLNet, which was created in 1998 as the ISP for schools. It was built on old technology and often had shared lines, which didn't guarantee levels of traffic and speed. The next generation will have an improved connection as a result of an upgrade of the infrastructure switches, dedicated service to districts and between sites and guaranteed bandwidth to sites. The Converged Edge – Quality of Service will shape traffic as well.

The challenge for WVSD is that we already have Converged Edge and dedicated lines, though our switches will be upgraded. Currently the switch is a point of failure and the upgrade should improve reliability, but overall service will only be minimally improved. The next generation will essentially give us what we already have, but many districts around the province do not currently enjoy anything close to the same level of service as WVSD.

The cost to WVSD to fund the upgrades will be \$272,128 for the next two years, with it dropping to \$147,165 in year three, when the AFG is no longer affected. The ongoing cost will be close to \$150,000 for maintenance etc.

Trustees voiced concerns about downloaded costs being skimmed off the AFG and asked about other options. Mr. Kern replied that he has looked into the viability of coming off PLNet, but has not yet got the answers he wants regarding cost-efficiency and level of service. He also noted that any such decisions would be political ones as well as financial.

3. 2014/15 Budget Input

Superintendent Kennedy reviewed the latest stage in the budget process and reminded the committee of the four main concerns facing WVSD when drafting the budget: a decreasing surplus; declining enrollment; increased cost pressures; and increased competition for students from surrounding communities. It was noted that these are challenges that have not been seen in the last four or five years.

The budget input phase of the process concluded on February 25 and a summary of the priorities received from schools and partner groups was presented. Student support services was the most common priority identified, more so than in past years.

Technology was the second most common concern, with specialist teachers, innovation grants and reduction of class sizes also being mentioned. Of note was the significantly lower incidence of comments regarding facilities-related initiatives.

The areas of suggested savings were not prioritized and included facilities rentals, increased numbers of international students and corresponding fees, private funding/community donors/alumni/creation of a foundation, shared services, sustainability initiatives, fee paying adult programs, community specific choice and academy programs (to raise enrollment), a reduction in district-purchased learning resources and a reduction in administrative and non-classroom staff.

Partner groups also communicated that they appreciated the opportunity to be part of the process.

Committee members: Dave Stevenson, Jane Kellett

The full summary report of the input received will be posted on the public district website.

The Operating Grant information will be received by the district on March 14 and the preliminary budget revenues will be presented to the Finance and Facilities Committee at their next meeting on April 8, 2014.

4. **Adjourn**

9:25

Julia Leiterman, Secretary Treasurer