



MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

TUESDAY, SEPTEMBER 15, 2015

SCHOOL BOARD OFFICE - 8:30 A.M.

Present: D. Stevenson (in the Chair); S. Donahue, Trustee; C. Broady, Board Chair; Nicole Brown, Trustee; J. Leiterman, Secretary Treasurer; C. Kennedy, Superintendent of Schools; Karen Johnson, Assistant Secretary Treasurer; Jason Brown, Manager of Finance; Sonya Margolles, Manager of Purchasing and Transportation

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

Regrets: G. Cords, General Manager of Facilities

1. WVSS Track Project update

The Secretary Treasurer said there was nothing new to report on the track project. She was hoping for news regarding the \$500,000 community infrastructure grant application filed last spring, but with the election campaign underway, we do not expect to hear anything now until late October. As North Vancouver was successful in their grant application for a track project of similar scope however, it could mean that our grant request will be denied.

There is a meeting with the Kay Meek tomorrow that will address any lingering concerns regarding traffic and parking. This will be a follow up to meetings that occurred in the summer between Jeanne LeSage, Andrew Banks, Gary Cords and the municipal parking consultant.

The West Vancouver Community Foundation is assisting the fundraising committee to get organized, and they are waiting for the funding announcement before they formally launch their campaign.

2. Staffing – Payroll department

The Secretary Treasurer said she was pleased to announce the hiring of a new full-time payroll and benefits clerk. The department has been assessing staffing needs and workload over the last two years. Previously, there was one manager, one full-time clerk and one part-time data entry position. A major concern has been coverage in the case of illness etc. The data entry position has been eliminated and the introduction of a second full time clerk will mean better coverage, cross training of duties and allow the manager more time to deal with management-level issues, rather than daily payroll duties.

Paul Tsang has been hired and has extensive experience in union and non-union payroll environments.

3. BMO rebate

The Secretary Treasurer called this a good news report and thanked Sonya Margolles, Manager of Purchasing, for her diligent work ensuring that we are optimizing the savings possibilities available to us.

The use of purchasing cards has increased greatly over the last decade and has expanded to the teacher-librarians as well. Increased use of the cards has reduced the number of invoices and reimbursed expenses for accounts payable to process, and also an increased rebate received each year. In 2002 we received \$267.64 in rebates. That rebate has grown to \$11,808.77 for the period of April 2014 – March 2015.

Sonya Margolles said she anticipates continued and even increased rebate savings in the future.

4. ERAC Savings

This was another good news story regarding savings, this time on software purchased through ERAC. The buying consortium, made up of most school districts in the province, saved a total of \$4,140,513 on software in 2014-2015. West Vancouver Schools saved \$43,675, representing a 38% savings over the cost of buying independently.

5. Shared Services

The Secretary Treasurer reported that the Ministry of Education is becoming increasingly serious about creating cost-savings through shared services. During the summer, West Vancouver Schools received a high volume of requests from the Ministry regarding things such as transportation, facilities management, commodities and legal-employment practices. In many cases, shared services make sense, but the requests for information came during a very busy time for district staff in the middle of year-end procedures and the audit.

The legal shared services are up and running, though West Vancouver Schools has not had to use them as yet. There is some concern that in this area, our costs may actually be higher than they were when we operated independently, but we won't know until we have to use them.

Transportation and commodities are where the greatest benefit will likely be realized. Natural gas is the first commodity to be subject to a shared services contract and both the Secretary Treasurer and the Manager of Purchasing believe it will be a worthwhile exercise, providing a safer and better gas contract. The Manager of Purchasing noted that districts do not have to commit immediately, rather they are providing data as requested to the ministry, which with the assistance of consultants will source providers and costs. Districts can make a decision about participation once a contract has been proposed.

6. Capital Plan – Routine Maintenance

The Secretary Treasurer reported that after years of advocacy by trustees, BCASBO and capital staff at the Ministry of Education, a new Routine Capital Plan fund was

Committee members: Dave Stevenson, Sheelah Donahue

announced in July. This is good news, as the \$20 million in the fund province-wide is new money intended to address maintenance issues in districts around BC. This allows districts to address maintenance issues in aging buildings and facilities that were difficult to fund from the limited existing capital funds (usually targeting seismic upgrades) and annual facilities grant (AFG), which has not increased in more than seven years. The deadline for filing our submission is September 15, 2015 and received monies in the fund must be spent by March 31, 2016. The annual Capital Fund will be filed later in the fall.

Funding decisions are made by the Ministry based on the facility condition index (FCI) and a ratio of cost to repair vs. cost to replace. Health and Safety and carbon footprint / energy conservation implications are also considered. The Ministry's ideal FCI is .43 – many of our facilities are .5 or higher. The Ministry wants to lower that number and will allocate funds accordingly.

The Secretary Treasurer and the General Manager of Facilities met with capital staff from the Ministry during the summer and have prioritized the projects on our submission based on advice given during those meetings. It was noted that the capital staff understand the challenges of managing facilities with limited funding, and advocate hard for increased funding from the Treasury Board, though they have limited influence.

The submission for West Vancouver Schools was then reviewed and explained in detail.

RECOMMENDATION: That the 2015-2016 Routine Maintenance Capital Plan be forwarded to the Board for approval and filing with the Ministry of Education.

7. Audited Financial Statements 2014-2015

The Secretary Treasurer distributed and reviewed the financial statements, highlighting items related to expenses and revenues for 2014/2015.

A total of \$666,407 was received and spent on deferred capital expenses; in comparison to the 2013-2014 fiscal year, operating capital expenses were down \$237,139 due to reduced capital spending by schools and PACs, and less operating funding needed to cover AFG shortfalls; special purpose expenses increased by \$978,000 as a result of increased LIF funding and MOE partnership funds; and operating expenses increased by \$4 million from 2013-2014, the greatest increase occurring in salaries as a result of the recent labour settlement.

Operating revenues were up \$3.9 million over the previous year, with FTE the driving force. The international program continues to be a vital part of our budget, contributing \$887,000 of locally-generated revenue, or 12% of our operating revenue.

The Secretary Treasurer praised administrators, teachers and staff for their careful management of budgets and diligence in their work, crediting them with the very positive financial position West Vancouver Schools is in as of June 30, 2015.

The Secretary Treasurer then discussed the surplus, explaining that at the beginning of the year, there was surplus of \$4,102,643, of which a total of \$285,074 was required to balance the financial statements for 2014-2015, a much lower figure than originally anticipated. It was stressed however, that the remaining surplus of \$3,817,569 is required to fund future projects and budget shortfalls, and should not be considered available for general use.

To ensure the financial statements accurately communicate our financial position to the Treasury Board, \$2,643,028 of surplus has been set aside as restricted surplus to cover the costs of the proposed WVSS track project, the Cedardale renovation project and to balance the preliminary operating budget for 2015-2016. Unrestricted surplus of \$1,174,541 remains available to cover possible emergency costs, representing a fiscal prudence contingency fund equal to less than 2% of the total operating budget.

The Secretary Treasurer thanked Karen Johnson, Assistant Secretary Treasurer, and Jason Brown, Manager of Finance, for their hard work during a very busy summer, dealing with auditors and two new software systems.

She concluded by saying that we are in the enviable position of being able to continue with the status quo, maintaining those programs and initiatives that make West Vancouver Schools unique.

RECOMMENDATION: That the audited financial statements for the 2014-2015 fiscal year be forwarded to the Board for approval and submission to the Ministry of Education.

8. **Adjourn**

9:30

Julia Leiterman, Secretary Treasurer