



## MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

Tuesday, February 19, 2019

**School Board Office - 8:30 a.m.**

Present: L. Block (in the Chair); S. Donahue, Trustee; J. Leiterman, Secretary Treasurer; C. Kennedy, Superintendent; S. Nosek, Associate Superintendent; K. Johnson, Assistant Secretary Treasurer; J. Ross, Acting General Manager of Facilities; D. Eliasov, Manager of Facilities; J. Brown, Manager of Finance; J. Carpino, Manager of Purchasing and Transportation

Stakeholder Representation: C. Ratz, S. Rauh (WVAA); R. Willock, S. Capier (WVTA); B. Scott (WVMEA); Danielle Katerberg (DPAC)

Absent: D. Stevenson, Trustee

### **1. WVPFS update**

The Secretary Treasurer reported that the West Vancouver Place for Sport committee has taken several significant steps over the last couple of months in an attempt to move the project forward.

After much discussion, a professional fundraising team has been hired. The feeling during the past couple of years was the cost associated with such a hire was prohibitive, but as it has become apparent that previous fundraising approaches were unproductive, opinion has changed. Two possible teams were interviewed and Heather Moffatt and Casey Crawford were hired. Though new to raising funds for a project this scale, they have a solid skill base. Ms. Moffatt is well-known in the soccer community on the North Shore and Mr Crawford, a WVSS graduate, is a former parks board commissioner. They have been awarded a 10-month contract at a reasonable cost, and will report weekly. At the end of the contract, it is hoped all funds will have been raised and a contractor can be hired, but if not, the project will be re-assessed and the scope changed to match whatever funds are available.

In preparation for this fundraising push, engineering firm RF Binning has been hired again to re-cost the project. The original estimate they provided is now four years old and the scope of the project has changed. Despite the reduced cost realized by the change in scope, other costs have increased by 30%. The estimated cost for the amended project is now \$4.8m.

To help offset fundraising requirements, WVPFS is submitting a third application for federal funding under the ICPC – Community, Culture, and Recreation Program. This is a 30-page application and includes letters of support from all stakeholder groups, and could potentially provide as much as \$3.2m in funding. It was noted that there are also three other applications for local or similar projects, so it is a tough field for the possible funding. The District of West Vancouver is applying for their arts centre / Ferry Building rejuvenation project, Bowen Island is applying for their community centre, and Delta is applying for a track and field project similar to ours.

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The deadline for submission was a tight one and has been met, but a formal certification by the Board is required. There has been no concrete information regarding announcement of the successful applicants, but it is anticipated in about two months.

**RECOMMENDATION:** That the Resolution regarding application for grant funding for the West Vancouver Place for Sport through the *ICIP – Community, Culture, and Recreation Program* be forwarded to the Board for approval and certification.

## **2. Irwin Park update**

The Secretary Treasurer reported that the project is virtually complete, with the only outstanding element the connection of the roof drains to the main site drainage system. This work has been put on hold pending resolution of the issues with the site drainage reported previously. The good news is that the project is finished within schedule and with a probable surplus of approximately \$140,000. That figure will be clarified once all invoices are received.

The site drainage issues continue to present a challenge. Initial quotes indicated a cost of \$250,000, but upon further investigation, the Secretary Treasurer indicated that a figure of \$1 million is more realistic. She acknowledged that this is a significant amount, especially since the majority of the work is underground without visible direct impact on the classroom, but is important to prevent flooding of the school during significant weather events. For the past few months, sand bags and consistent monitoring by facilities staff has prevented a repeat of last fall's flood, but the underlying issues need to be addressed. We are currently waiting for the Ministry's capital funding announcements and it was noted that this project was not on our capital plan for the current year, but will be included on the next one. Once we hear about funding, an RFP will go out and it is hoped that the bulk of the work can take place during the summer, as the perimeter of the schools grounds will need to be dug up and it is not safe to do so while school is in session.

## **3. Sentinel Gym Update**

The Secretary Treasurer updated the committee on the Sentinel gym project which now has a full team to manage it, including an architect, geotechnical consultants, structural and mechanical engineers. This project is much more complex than originally realized and needs full HVAC functionality, electrical service, plumbing, and sprinkler system requirements. There was a four-hour meeting last Thursday where next steps were identified in order to move the project forward. More updates will be forthcoming.

## **4. Childcare BC New Spaces Fund**

The Secretary Treasurer discussed a new funding stream from the Ministry of Family and Housing, designed to support pilot projects to model what early childcare would look like if run by school districts. West Vancouver Schools currently has privately-contracted childcare at every elementary site, but this new model would be administered by the school district under the leadership of District Principal Sandra-Lynn Shortall. We currently do not have any available space in our buildings, but we do have site space for the installation of a portable using the new capital funding. We have hired an architect

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to provide drawings for the installation at WVSS South Campus of a portable, situated behind Inglewood Secondary near the tennis courts. This facility would provide early daycare for WVSS staff and, if there is room available, for other municipal staff in the area. The application has a short turnaround time and funding announcements are anticipated later in the spring. If we are successful in our application, installation could potentially take place during the summer, but portables are in demand and availability may dictate a later timeline.

## **5. 2018/19 Amended Budget**

The Secretary Treasurer summarized the budget process with those present and reviewed the revenue summary given at the December meeting, including increases over preliminary figures in FTE for regular, summer learning, ELL, and Aboriginal students. Combined with revenue from more academy offerings, revenue was initially reported to be up by \$1 million. It was then reported that there have been several recent updates to funding.

There was an error in Ministry of Education calculations regarding salary differential, which reduces the gap between West Vancouver Schools' and provincial average educator salaries. The new calculation from \$400 to \$322 works in our favour, so we realized an increase of \$26,000 in funding. A new Early Actions Initiative grants is intended to support the social-emotional health of students and staff. The \$33,000 in funding will be overseen by Associate Superintendent Sean Nosek and will be allocated to student support services, online wellness tools for staff, and student physical literacy. The Professional Learning Grant, overseen by District Principal Sandra-Lynn Shortall and focused on early learning, will contribute \$24,000 in funding, and the Economic Stability Dividend for WVMEA staff will increase revenues by \$40,000.

Ultimately, there was a net increase in revenue of \$1.24 million, \$124,000 more than anticipated. There are, however, associated costs and the amended budget shows a net increase in operating costs of \$1.7 million. This is an increase of approximately \$600,000 over the preliminary figures.

Instruction costs have increased \$1.12 million; administration costs have increased by \$100,000; and operations by \$500,000. Transportation costs were actually reduced by \$30,000 due mainly to a slight drop in fuel prices. Ministry of Education guidelines recommend that operation expenses/overhead represents no more than 24% of total operating budget. Though our expenses have increased over the preliminary budget estimates, at 18% they are still well below the recommended threshold.

Significant factors related to the increase in expenses were broken down by category, with teachers and excluded staff salaries increasing by \$831,000 and \$745,000 respectively, due to changes in demographic and qualifications, and additional exempt staff compensation increases being approved by PSEC. Costs associated with Education Assistants have increased by \$207,000. This category in particular is dependent upon student demographics and the increase was seen as a positive, as it means that supports are being put in place to benefit students and staff. TLOC and benefits costs were both reduced by \$73,000 and \$966,000, with the benefits reduction primarily driven by a slight reduction in the percent of salaries used to estimate the cost. There is still no word whether or not the government will cover the Employer Health Tax during the transition from MSP. It was noted that the \$600,000 in expenses related to homestay is deceiving when looked at in isolation, as it is a flow through cost. Homestay fees

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collected from international students cover that cost. The increase in utilities is due mainly to hydro costs. Though the district switched to energy-efficient LED lighting last year, according to the terms of the contract, the savings are directed to payment of the lights and installation. Savings will begin to be realized at the conclusion of the seven year contract.

Operating reserves at July 1, 2018 were higher than estimated in the spring preliminary budget, at \$1,966,221. Despite an increased amended structural deficit of \$443,842, with the transfer of \$232,000 from rental revenues to local capital, we will now have estimated reserves of \$1,290,379 at July 1, 2019. This is a \$600,000 increase over the initial forecast.

Though we have a very minimal structural deficit, our reserves as a percentage of total operating expenses is only 1.7%, lower than the Ernst & Young guideline of 2-3%. While that is not ideal, the Secretary Treasurer is feeling fairly secure for the coming year.

The transfer to local capital will help fund the Sentinel gym project, but moving forward, the Secretary Treasurer noted that this is not a sustainable practice and facilities projects will be looked at closely in the coming year.

**RECOMMENDATION:** That the 2018/19 Amended Budget and associated bylaw be forwarded to the Board for approval and filing with the Ministry.

Acting Committee Chair Block thanked the Secretary Treasurer for her hard work and clarity of explanation.

**6. Adjourn**

**9:16 a.m.**

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Julia Leiterman, Secretary Treasurer