



MINUTES OF A MEETING OF THE FINANCE & FACILITIES COMMITTEE

Tuesday, May 14, 2019

School Board Office - 8:30 a.m.

Present: L. Block (in the Chair); C. Broady, Board Chair; N. Brown, 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. Carpino, Manager of Purchasing and Transportation; J. Brown, Manager of Finance

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

Absent: D. Stevenson, Trustee; B. Scott (WVMEA)

1. 2018/19 Playground Grant award

The Secretary Treasurer reminded the committee that each year, there is a playground grant available for \$5000 in-kind labour, provided by our facilities department, and \$5000 cash. Traditionally, this grant is made available to our elementary schools, as they are the sites with playgrounds. This year there were no elementary applicants, but one of the secondary schools asked about accessing potential grant funds. The decision was made to open the grant to all three secondary schools and ultimately, Rockridge qualified for the funding based on their plans to build outdoor fitness stations in their forested area. Funded almost entirely by PAC to this point, the playground grant will allow work to begin this summer.

Moving forward, the grant will revert to elementary schools, but secondary schools will be offered the opportunity in years where there are no other applicants.

2. New Director of Facilities

The Secretary Treasurer said that it was her pleasure to be able to announce the appointment of Florencio de Dios as the new director of facilities, effective June 17, 2019. Nineteen applications were received for the position and of the two interviewees, Mr de Dios was the successful candidate. Originally from Vancouver, he has lived most recently in Los Angeles, where he held positions as assistant director of facilities at UCLA and director of facilities at a private secondary school. It was noted that he has a strong HR background through his previous career with Fairmont Hotels and Resorts, and is used to dealing with budgets, team management, and strategic planning.

The Secretary Treasurer thanked the Acting General Manager of Facilities, Jamie Ross, for his hard work, team-building, communication, and budgeting work during his time with us this school year.

Committee members: Dave Stevenson, Lynne Block

3. Meeting with MOE Capital Team

The Secretary Treasurer reported that our capital planner from the Ministry's capital branch toured our district recently. The Secretary-Treasurer focused the visit on a tour of Sentinel Secondary, to ensure our planner had a clear understanding of the issues at the site. It is hoped that his visit will improve the likelihood that we will receive permission in 2020/21 to begin the project definition report process, which is the first step towards mitigating seismic and other issues at the school. Our planner reiterated that he did not know why we were unsuccessful in our 2019/20 five year capital plan, but confirmed that the project was perceived as an important one by the Ministry and he remains hopeful that we will receive approval in the future. He further confirmed that nothing is missing from our application and everything done thus far is correct and in place. The Secretary Treasurer was encouraged to continue to apply under the Capital Plan each year and approval is often based more on what else of higher urgency is going on in the province, rather than the merits of the application itself. The Secretary Treasurer noted that Sentinel Principal Mike Finch was very effective when showing the group around the Sentinel site and clearly, yet cheerfully explained the challenges of operating a highly-subscribed school within a building faced with space issues and aging facilities. The building is safe, but is in need of remediation.

It was noted that monthly conference calls between our facilities department and the capital branch will continue.

4. 2019/20 Preliminary Budget

The Secretary Treasurer reviewed the 2019/20 Preliminary Annual Budget, including the planning cycle, and noted that the focus for the District Leadership Team continues to be guided by two priorities: to maintain and grow innovation (including curriculum and assessment, social-emotional learning, and technology); and to provide stability and a sense of certainty for our parents, students, and staff. Budget recommendations around curriculum themes include: a focus on assessment to support the new curriculum; resources (print and digital); collaboration time; and Indigenous Education. It was noted that Director of Instruction Liz Hill is working with the Squamish Nation on a Protocol Agreement that will determine how Indigenous Education funding is spent moving forward. As well, it is recommended that the budget supports continued focus on: early learning interventions and supports; non-enroling teacher ratios; special needs assessments and classroom support; technology infrastructure, support, and devices; staff retention and wellness; and sustainable operations. With regard to special needs assessment and support, it was noted that we do the best within the restraints of our funding and while there is a new structure in place in Student Support Services, the assumption is that we will continue to assess regularly and target 'hot spots' rather than adhere to a strict ratio formula. There will always be a difference between preliminary EA spending figures and reality, as the situation is fluid and is difficult to predict. The technology focus will shift to infrastructure for the coming year, as much of our cabling requires replacement as we approach bandwidth capacity.

West Vancouver Schools will move forward with an enhanced status quo budget for 2019/20, including non-enroling staff ratios, noon-hour supervision, daytime custodians, elementary band programs, the innovation grant initiative, and the Teacher Education Assistance program.

We are extremely fortunate to be able to continue to support these enhancements and the ability to do so is due in large part to our international program, which contributes 13% to our revenue. There is a slight drop in international enrolment due to homestay availability and changes in the Chinese market, but program director Michael Frankowski and his staff are working hard to continue to diversify our demographic. Other revenue sources were briefly discussed and the committee was reminded that the per-student allocation for 2019/20 has increased by \$45/FTE. Student enrolment is now estimated to drop by only 25 FTE, an improvement from the February estimation of 100.5 FTE decrease and is expected to increase again in the fall. There are also increases in special education, ELL, and Indigenous Education funding. We will also receive \$566,000 in funding related to the Employer Health Tax, which is of great benefit. Combined with locally-generated revenue from our international program, academies, and programs of choice, our net operating revenue increased by \$1 million.

Operating expenses were reviewed and salaries and benefits continue to be the largest cost, at 86% of our budget. There have been increases in EA, support staff, teacher, and TTOC staffing, and decreases in costs associated with other professionals, benefits, and services and supplies. The Secretary Treasurer thanked Facilities Managers Jamie Ross, Dmitri Eliasov, and Janine Carpino for their hard work on their budget items, as they made a concerted effort not to roll over their previous, expensive budget, but sought to find efficiencies and re-focus wherever possible. The total result is a net increase in operating expenses of \$.9 million.

The Secretary Treasurer reported that the structural deficit for 2019/20 is \$0.3 million, an improvement upon the \$0.4 million for the amended 2018/19 budget. The impact upon our reserves in order to balance the budget leaves \$980,495 for future years. At only 1.3% of operating expenses, we are below the recommended 2-3%. Our administration expenses are only 3.9% of operating expenses, however, and are the second-lowest of 11 medium-sized urban school districts. It was also pointed out West Vancouver has the lowest accumulated operating surplus, lowest accumulated operating surplus as a percentage of total operating expenses, and lowest accumulated operating surplus per funded FTE. We are running lean, but our results show that we are doing well.

Vice Chair Brown thanked the Secretary Treasurer for these comparisons, but wanted to make it clear that cutting administration is not always the best choice for school districts and does not want the message to be that running lean is favourable or sustainable. She said there is not sufficient funding and the Secretary Treasurer agreed that that is an important conversation to have at regional and provincial meetings. We are making it work, but it is not easy.

The Secretary Treasurer concluded by breaking down educational dollar spending. For each dollar spent, \$0.85 goes to instruction, \$0.04 goes to administration, \$.01 goes to transportation, and \$.10 is spent on facilities and maintenance, as we have old and aging buildings. One typical student equals \$10,039 in operating expenditures, but we only receive \$7,468 in operating grant funding for the same student. The challenge moving forward is to try to build our reserves, but the good news is that despite increased caution, we are moving ahead with an enhanced status quo budget.

RECOMMENDATION: That the 2019/20 Preliminary Budget be forwarded to the Board for adoption and filing with the Ministry.

5. **2019/20 AFG Project Slate**

The Secretary Treasurer reminded the committee that these projects are driven by special purpose funding under the Annual Facilities Grant and while allocation of funds can be difficult, given our old facilities, the priority remains safe, clean schools that are as modern as possible. Further to earlier meetings, moving forward we will no longer overspend our AFG by using funds a year ahead and then constantly playing catch-up. This approach is not sustainable and the focus now is on re-calibrating expectations and returning to the core work of facilities – maintenance and repair.

The process to identify projects was reviewed and the importance of input from school-based administrators and facilities staff was emphasized. From a huge list, projects were then prioritized, with safety always at the forefront. Beyond that, district priorities and maximizing the skills of our facilities staff play a roll. Using our own staff, rather than hiring outside contractors, will help us to work within available funding. As well, based on Ministry advice, a 20% contingency will be built into every project budget.

The project slate was then reviewed and it was noted that the top four projects in terms of cost are over-expenditures from the previous year. The Secretary Treasurer noted that they included worthwhile projects, but moving forward, monies would not be spent until the funding was secured. The new projects for 2019/20 are varied and include, among other things, an emergency boiler replacement at Caulfeild, drainage at Cypress Park, the installation of an electrical gate at the facilities yard, various washroom refreshes (not renovations), waterline and septic field work, and electrical upgrades. Total costs are estimated at \$1.2 million.

Acting General Manager of Facilities Jamie Ross thanked the Secretary Treasurer for her kind comments about the facilities department management and staff, and made it clear that all levels were very much involved in the process. He said that his staff is made up of very talented people who appreciated being involved in the consultations and feel that their knowledge and skills are valued. He said their ownership of their work, the sense of pride they feel, and the breadth and depth of their knowledge is something with which he is very impressed. The Board Chair took the opportunity to ask Mr Ross to extend her thanks to all facilities staff for their continued excellent work in our district.

RECOMMENDATION: That the 2019/20 AFG Expenditure Plan be forwarded to the Board for approval and filing with the Ministry.

6. **Adjourn**

9:40 a.m.

Julia Leiterman, Secretary Treasurer

Committee members: Dave Stevenson, Lynne Block