

School District #75 (Mission)  
Special Committee of the Whole Meeting  
Agenda

January 15, 2019, 3:30 pm  
District Education Office, 33046 4th Avenue, Mission, BC

Pages

1. CALL TO ORDER

*The Board Chair will acknowledge that this meeting is being held on Traditional Territory.*

2. ADOPTION OF AGENDA

3. DELEGATIONS/PRESENTATIONS

4. CURRICULUM

5. UNFINISHED BUSINESS

6. STAFF REPORTS

6.1 Amended Budget 2018/2019

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7. NEW BUSINESS

8. MINUTES OF PREVIOUS MEETINGS

9. INFORMATION ITEMS

10. ADJOURNMENT

**ITEM 6.1 Discussion**

**File No. 8010.20.2018/2019**

TO: Committee of the Whole  
FROM: C. Becker, Secretary Treasurer  
SUBJECT: 2018/2019 Amended Budget

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**Summary:**

The attached 2018/2019 Amended Budget information is presented to discuss the budget shortfall for the 2018/2019 amended budget of approximately \$1.1 million, including discussion on the cause of the significant shortfall, what has been adjusted to minimize the shortfall, and what is being considered to amend the budget to eliminate the remaining deficit of approximately \$640,000.

**Background:**

The 2018/2019 Preliminary Budget was approved in June 2018. The 2018/2019 Amended Budget must be approved prior to February 28, 2019. The attached reports include a summary of the proposed 2018/2019 Amended Budget with a comparison to the Preliminary Budget. This report considers the reduced enrolment from the original budget, the reduced classrooms due to the lower enrolment than budgeted, and other changes to expense budgets due to improved information on the costing.

The attached reports include a summary of the major changes for review. There are two notable changes. The first is the enrolment revenue is significantly less than originally budgeted, due to lower enrolment than planned. This trend was discussed with the Board in June when it was apparent enrolment was lower than anticipated. The second notable change is the cost of substitute employees. This expense is expected to be \$1.1 million greater than the 2017/2018 costs. The spike in substitute costs was not identified until late in the 2017/2018 year after the preliminary budget was set. Staff will be closely monitoring these costs throughout the year to determine if the amended budget is reasonable considering the actual costs. This cost increase will be discussed in greater detail during the meeting.

As the amended budget is still in a deficit position, additional adjustments are required.

The attached reports have already removed the transfer from operations to local capital. The local capital has been adjusted to reallocate funds from projects that can be deferred to fund projects that cannot be deferred (Stave Falls). The School District received permission from the Ministry to reallocate unused capital bylaw funds to AFG projects. This allows two projects originally funded from local capital to be funded from AFG funds. The local capital summary will be discussed during the meeting.

**Analysis and Impact:**

The School District is unable to approve a budget deficit. If the annual funding deficit cannot be covered by transfers from reserve funds, the budget cannot be approved. Currently, approximately \$500,000 remains in unallocated surplus. These funds are budgeted to be withdrawn to help cover the shortfall. After applying this unallocated surplus to the budget, there is still a deficit of approximately \$640,000. All managers and Principals are reviewing their budget areas to identify expenses that can be reduced or deferred, to eliminate the deficit and reconcile the budget. Staff are trying to find approximately \$1,000,000 of budget reductions, to eliminate the deficit and ensure some funds remain in a contingency account. Ensuring some funds remain in a contingency account is a prudent financial management practice.

Due to the deficit position, no additional items are presented for inclusion in the amended budget. The list of additional needs, if funding was available, is presented to ensure the information is tracked and carried forward to the 2019/2020 budget discussion.

Once identified, proposed adjustments will be summarized and presented to the Committee at a special budget meeting on February 12, 2019, 3:30pm – 6:00pm at the District Education Office in the Board room.

It is also worth noting that some costs for the 2018/2019 budget year begin part way through the year. These operating expenses are expected to increase further for the next school year as they will affect the entire budget year. As such, expense monitoring and restriction will need to continue into the next budget year.

**Attachments:**

1. Operating Budget Summary
2. Local Capital – Proposed Reallocation
3. Major Changes
4. Enrolment Trends
5. Additional Needs

# 18/19 Amended Budget

Jan 15, 2019

	2018/19 Amended	2018/19 Preliminary	\$ Change	% Change	2017/18 Actuals	\$ Change	% Change
<b>OPERATING REVENUE</b>							
Grants							
Ministry of Education - Operating Grants	58,776,821	59,619,357	(842,536)	-1.41%	57,063,995	1,712,826	3.00%
Other Ministry of Education Grants	877,801	824,891	52,910	6.41%	1,244,102	(366,301)	-29.44%
Provincial Grants - Other	261,034	281,034	(20,000)	-7.12%	357,150	(96,116)	-26.91%
<b>Total Grants</b>	<b>59,915,656</b>	<b>60,725,282</b>	<b>(809,626)</b>	<b>-1.33%</b>	<b>58,665,247</b>	<b>1,250,409</b>	<b>2.13%</b>
Tuition	2,547,000	2,376,500	170,500	7.17%	2,517,026	29,974	1.19%
Other Revenue	370,000	335,000	35,000	10.45%	451,227	(81,227)	-18.00%
Rentals & Leases	150,000	137,000	13,000	9.49%	200,241	(50,241)	-25.09%
Investment Income	145,000	145,000	-	0.00%	201,829	(56,829)	-28.16%
<b>TOTAL OPERATING REVENUE</b>	<b>63,127,656</b>	<b>63,718,782</b>	<b>(591,126)</b>	<b>-0.93%</b>	<b>62,035,570</b>	<b>1,092,086</b>	<b>1.76%</b>
<b>OPERATING EXPENSE</b>							
Salaries							
Teachers	24,628,620	25,081,820	(453,200)	-1.81%	24,207,317	421,303	1.74%
Principals and Vice-Principals	3,922,400	3,833,900	88,500	2.31%	3,584,352	338,048	9.43%
Education Assistants	6,024,800	6,096,900	(72,100)	-1.18%	5,940,501	84,299	1.42%
Support Staff	7,040,000	7,024,110	15,890	0.23%	6,439,228	600,772	9.33%
Other Professionals	2,019,313	1,945,613	73,700	3.79%	1,895,993	123,320	6.50%
Substitutes	3,200,332	2,136,561	1,063,771	49.79%	2,595,388	604,944	23.31%
<b>Total Salaries</b>	<b>46,835,465</b>	<b>46,118,904</b>	<b>716,561</b>	<b>1.55%</b>	<b>44,662,779</b>	<b>2,172,686</b>	<b>4.86%</b>
Employee Benefits	10,916,490	10,710,859	205,631	1.92%	10,372,238	544,252	5.25%
<b>Total Salaries and Benefits</b>	<b>57,751,955</b>	<b>56,829,763</b>	<b>922,192</b>	<b>1.62%</b>	<b>55,035,017</b>	<b>2,716,938</b>	<b>4.94%</b>
Services and Supplies							
Services	1,918,518	1,716,306	202,213	11.78%	1,768,973	149,545	8.45%
Student Transportation	19,000	22,500	(3,500)	-15.56%	52,642	(33,642)	-63.91%
Professional Development and Travel	512,400	425,800	86,600	20.34%	535,668	(23,268)	-4.34%
Rentals & Leases	264,040	230,228	33,812	14.69%	111,457	152,583	136.90%
Dues & Fees	88,100	88,100	-	0.00%	74,434	13,666	18.36%
Insurance	186,665	181,665	5,000	2.75%	198,501	(11,836)	-5.96%
Supplies	2,403,205	2,496,165	(92,960)	-3.72%	2,539,120	(135,915)	-5.35%
Utilities	1,134,000	1,097,200	36,800	3.35%	1,055,529	78,471	7.43%
<b>Total Services and Supplies</b>	<b>6,525,928</b>	<b>6,257,964</b>	<b>267,965</b>	<b>4.28%</b>	<b>6,336,324</b>	<b>189,604</b>	<b>2.99%</b>
<b>Total Operating Fund Expenses</b>	<b>64,277,883</b>	<b>63,087,727</b>	<b>1,190,156</b>	<b>1.89%</b>	<b>61,371,341</b>	<b>2,906,542</b>	<b>4.74%</b>
<b>NET OPERATING FUND SURPLUS (DEFICIT)</b>	<b>(1,150,227)</b>	<b>631,055</b>	<b>(1,781,282)</b>	<b>-282.27%</b>	<b>664,229</b>	<b>(1,814,456)</b>	<b>-273.17%</b>
Capital Assets Purchased from Operating	-	895,000	(895,000)	-100.00%	2,379,137	(2,379,137)	-100.00%
<b>NET SURPLUS (DEFICIT)</b>	<b>(1,150,227)</b>	<b>(263,945)</b>	<b>(886,282)</b>	<b>335.78%</b>	<b>(1,714,908)</b>	<b>564,681</b>	<b>-32.93%</b>
Prior Year Unrestricted Surplus	510,812	263,945	246,867	93.53%	2,225,720	(1,714,908)	-77.05%
<b>Projected Operating Surplus/(Deficit)</b>	<b>(639,415)</b>	<b>0</b>	<b>(639,415)</b>		<b>510,812</b>	<b>(1,150,227)</b>	<b>-225.18%</b>

## Local Capital Summary

Dec 31, 2018

Project	Opening	Budget	Transfers	YTD Expense	Balance
Bus Fleet	(47,983)			33,734	(14,248)
Classroom Furniture Replacement	(50,000)	(50,000)			(100,000)
Dewdney Renovations	29,258		(29,258)		-
Facilities Equipment	(84,301)			4,751	(79,550)
Ferndale	(62,332)			59,488	(2,845)
MSS Science Labs	25,216	(150,000)		144,376	19,592
Photocopiers	(81,629)				(81,629)
Portables	(555,807)			284,066	(271,741)
Riverside Upgrades	(100,000)				(100,000)
School Improvements	(175,813)			91,899	(83,913)
Solar Panels	(6,065)			4,259	(1,806)
Stave Falls	89,537	(675,000)		65,138	(520,325)
Technology Improvements	(276,044)		65,000	-	(211,044)
Telecom Systems	(31,271)	(20,000)			(51,271)
Unallocated	(392,075)		34,679		(357,396)
White Fleet	(99,028)		(5,421)	114,026	9,576
Workorder Systems	(130,980)				(130,980)
<b>TOTAL</b>	<b>(1,949,319)</b>	<b>(895,000)</b>	<b>65,000</b>	<b>801,739</b>	<b>(1,977,580)</b>

## Local Capital Summary - Proposed Re-allocation

Project	Opening	Budget	Reallocation	YTD Expense	Balance
Bus Fleet	(47,983)		14,248	33,734	-
Classroom Furniture	(50,000)		25,000		(25,000)
Dewdney Renovations	29,258		(29,258)		-
Facilities Equipment	(84,301)			4,751	(79,550)
Ferndale	(62,332)		2,845	59,488	-
MSS Science Labs	25,216			(25,216)	(0)
Photocopiers	(81,629)		66,629		(15,000)
Portables	(555,807)		171,741	284,066	(100,000)
Riverside Upgrades	(100,000)		100,000		-
School Improvements	(175,813)			91,899	(83,913)
Solar Panels	(6,065)		1,806	4,259	-
Stave Falls	89,537		(675,000)	65,138	(520,325)
Technology Improvements	(276,044)		(16,477)	67,000	(225,521)
Telecom Systems	(31,271)				(31,271)
Unallocated	(392,075)		222,483		(169,592)
White Fleet	(99,028)		(14,997)	114,026	-
Workorder Systems	(130,980)		130,980		-
<b>TOTAL</b>	<b>(1,949,319)</b>	<b>-</b>	<b>(0)</b>	<b>699,147</b>	<b>(1,250,172)</b>

# 18/19 Amended Budget

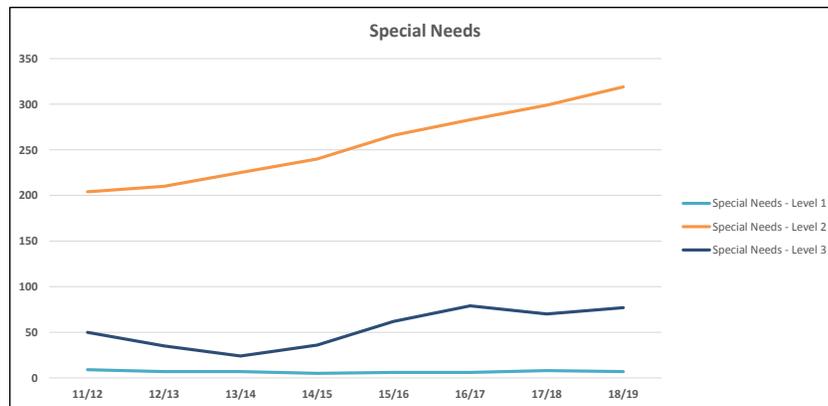
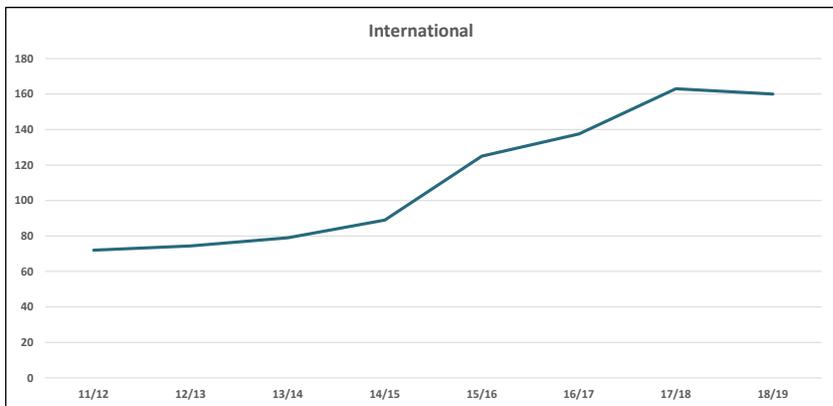
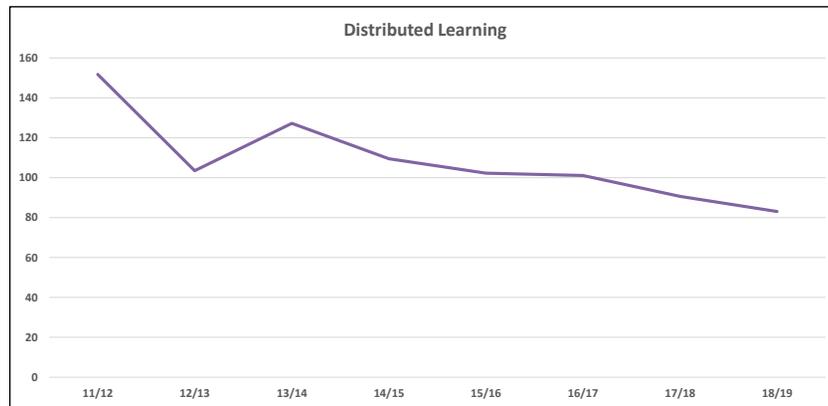
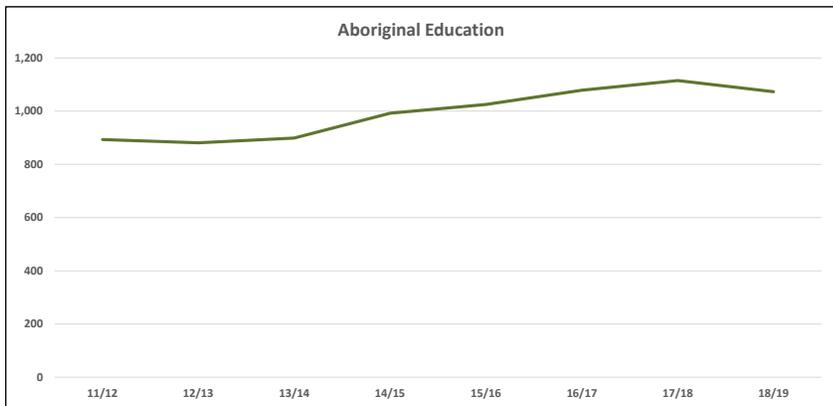
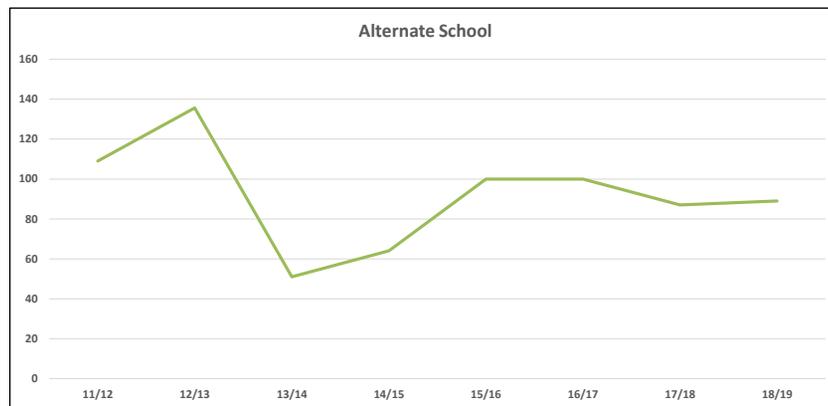
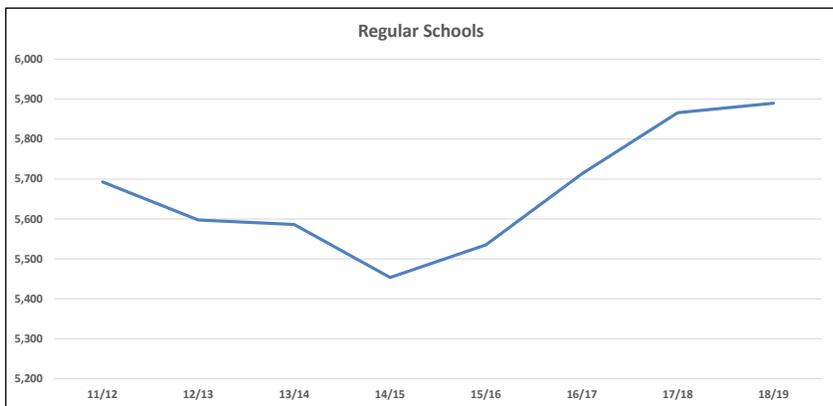
## Summary of Major Changes

Jan 15, 2019



Major Changes (Included in Budget)	Amount
<b><u>Revenue</u></b>	
Operating grant revenue decrease - enrolment	840,000
Other grant revenue increase - economic stability dividend, ITA	(30,000)
Tuition revenue increase - International	(170,000)
Other revenue increase - leases, fortis rebates	(45,000)
<b><u>Expenses</u></b>	
Wage increases - all groups	145,000
Teacher - FTE changes	(550,000)
PVP - FTE changes	90,000
EA - FTE changes	(70,000)
Other Prof - FTE changes	40,000
Substitute/casual costs	1,065,000
Benefit adjustments	200,000
Services - Int'l medical (offset with revenue)	100,000
Services - Wireless (Aerohive) licensing	40,000
Services - Other	50,000
PD/Travel - Int'l student activities (offset with revenue), other	85,000
Rental expense - additional computer leases	35,000
Transportation - fuel cost adjustment for white fleet / buses	20,000
Supplies - recycling program	80,000
Supplies - ABED re-allocation to PVP, enrolment decline	(240,000)
Supplies - Reclass computer purchases from capital	60,000
Utilities - NGN service increase	35,000
	<b>1,780,000</b>
Capital - Eliminate allocation from operating to local capital	(895,000)
Surplus adjustment - contingency removed	(630,000)
Surplus adjustment - prior year surplus lower than forecast	385,000
<b>Total Non-Discretionary</b>	<b>640,000</b>

# Enrolment Trends



**18/19 Amended Budget**  
**Summary of Additional Needs**

Jan 15, 2019



Additional Needs Identified (Not Included in Budget)	Amount	Budget
Grounds equipment - large mower	90,000	Local Capital
Shutters - Albert McMahan	60,000	Local Capital
Special needs washroom - Albert McMahan	15,000	Local Capital
Carpeting - Clarke Theatre	40,000	Local Capital
IT - Replacement/Renewal of district network switches	80,000	Tech
Primary literacy & numeracy support EA (5 hr/day)	35,000	Curriculum
District reading intervention afternoon program G 4-6 teacher (.5 FTE)	47,500	Curriculum
District reading intervention afternoon program G 4-6 busing	10,000	Curriculum
Temp IT technician to permanent	75,000	Technology
Admin funding (TTOC shortages)	75,000	Schools
Joyful literacy extended to all schools/teachers (G K-2)	20,000	Curriculum
Fully resourced guided reading programs (elem/summit)	50,000	Curriculum
SPED enrolling teacher release time	30,000	Student Services
Professional development for TTOC's (recruiting initiative)	20,000	HR
Theatre capital improvements	50,000	Local Capital
Window replacements - Transportation	20,000	Local Capital
White fleet additions	100,000	Local Capital
Physical demand analysis	10,000	Health & Safety
<b>SUB-TOTAL ADDITIONAL NEEDS IDENTIFIED</b>	<b>827,500</b>	