

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

February 19, 2019, 2:30 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. UNFINISHED BUSINESS

3.1	YTD Comparison Information - Dec 31, 2018	Information	1
3.2	International Program Summary	Information	2
3.3	Amended Budget 2018/19	Action	3 - 14

4. STAFF REPORTS

5. NEW BUSINESS

6. MINUTES OF PREVIOUS MEETINGS

7. INFORMATION ITEMS

8. ADJOURNMENT

## YTD Comparison - Dec 31, 2018

Feb 19, 2019

	2018/19 YTD Dec 31	2017/18 YTD Dec 31	\$ Change	% Change
<b>OPERATING REVENUE</b>				
Grants				
Ministry of Education - Operating Grants	24,336,518	26,264,343	(1,927,825)	-7.34%
Other Ministry of Education Grants	2,492,430	3,180,480	(688,050)	-21.63%
Provincial Grants - Other	101,563	216,814	(115,251)	-53.16%
<b>Total Grants</b>	<b>26,930,511</b>	<b>29,661,637</b>	<b>(2,731,127)</b>	<b>-9.21%</b>
Tuition	2,060,457	2,166,204	(105,747)	-4.88%
Other Revenue	63,653	7,026	56,628	806.01%
Rentals & Leases	46,893	81,400	(34,507)	-42.39%
Investment Income	85,944	83,968	1,975	2.35%
<b>TOTAL OPERATING REVENUE</b>	<b>29,187,457</b>	<b>32,000,235</b>	<b>(2,812,777)</b>	<b>-8.79%</b>
<b>OPERATING EXPENSE</b>				
Salaries				
Teachers	11,389,254	10,965,296	423,958	3.87%
Principals and Vice-Principals	1,997,806	1,778,014	219,792	12.36%
Education Assistants	2,222,192	2,126,609	95,582	4.49%
Support Staff	2,978,273	2,707,384	270,889	10.01%
Other Professionals	978,552	943,370	35,182	3.73%
Substitutes	1,395,841	1,086,718	309,123	28.45%
<b>Total Salaries</b>	<b>20,961,917</b>	<b>19,607,391</b>	<b>1,354,526</b>	<b>6.91%</b>
Employee Benefits	4,227,473	4,197,713	29,760	0.71%
<b>Total Salaries and Benefits</b>	<b>25,189,390</b>	<b>23,805,104</b>	<b>1,384,286</b>	<b>5.82%</b>
Services and Supplies				
Services	1,199,220	974,833	224,388	23.02%
Student Transportation	25,305	21,614	3,691	17.08%
Professional Development and Travel	312,646	266,766	45,880	17.20%
Rentals & Leases	129,785	20,531	109,254	532.13%
Dues & Fees	79,673	64,890	14,783	22.78%
Insurance	67,686	146,166	(78,480)	-53.69%
Supplies	1,632,561	1,196,016	436,545	36.50%
Utilities	393,244	374,983	18,261	4.87%
<b>Total Services and Supplies</b>	<b>3,840,121</b>	<b>3,065,800</b>	<b>774,322</b>	<b>25.26%</b>
<b>Total Operating Fund Expenses</b>	<b>29,029,511</b>	<b>26,870,903</b>	<b>2,158,608</b>	<b>8.03%</b>
<b>NET OPERATING FUND SURPLUS (DEFICIT)</b>	<b>157,946</b>	<b>5,129,331</b>	<b>(4,971,385)</b>	<b>-96.92%</b>
As at December 31				

## 2018/19 International Contribution

	2018-19 Amended	2018-19 Preliminary	2018-19 Dec 31 YTD	2017-18 Actual	2016-17 Actual
<b>International FTE</b>	150	150.00	150.00	163.40	137.50
<b>OPERATING REVENUE</b>					
Tuition	2,123,000	1,967,500	2,051,107	2,182,889	1,885,101
<b>TOTAL OPERATING REVENUE</b>	<b>2,123,000</b>	<b>1,967,500</b>	<b>2,051,107</b>	<b>2,182,889</b>	<b>1,885,101</b>
<b>OPERATING EXPENSE</b>					
<b>Salaries</b>					
Education Assistants	34,900	34,100	-	-	-
Support Staff	96,400	96,400	42,353	91,056	92,037
Other Professionals	133,100	133,100	66,569	127,962	121,942
<b>Total Salaries</b>	<b>264,400</b>	<b>263,600</b>	<b>108,922</b>	<b>219,018</b>	<b>213,979</b>
Employee Benefits	59,550	59,350	24,997	56,033	53,858
<b>Total Salaries and Benefits</b>	<b>323,950</b>	<b>322,950</b>	<b>133,919</b>	<b>275,051</b>	<b>267,837</b>
<b>Services and Supplies</b>					
Services	333,300	237,588	282,343	242,166	203,961
Professional Development and Travel	173,000	123,000	96,681	97,439	104,589
Dues & Fees	2,500	2,500	3,250	3,250	2,723
Supplies	15,000	35,000	5,010	6,325	15,184
<b>Total Services and Supplies</b>	<b>523,800</b>	<b>398,088</b>	<b>387,283</b>	<b>349,181</b>	<b>326,457</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>847,750</b>	<b>721,038</b>	<b>521,202</b>	<b>624,232</b>	<b>594,295</b>
<b>Net Operating Surplus (Deficit)</b>	<b>1,275,250</b>	<b>1,246,463</b>	<b>1,529,905</b>	<b>1,558,657</b>	<b>1,290,806</b>

### Reconciliation of Changes

<b>Accounting Change</b>	
<b>Revenue Increase</b>	
Tuition Revenue Increase	150,000
<b>Expense Increase</b>	
Services - Student Medical	80,000
Prof Dev & Travel - Student Activities	70,000
	150,000
Net Accounting change	-

### Revenue Change Reconciliation

Original Revenue	1,967,500
Accounting Change	150,000
	2,117,500
Other Minor changes	5,500
	<b>2,123,000</b>

### Expense Change Reconciliation

Original Expenses	721,038
Accounting Change	150,000
	871,038

### Other adjustments

Supplies reduction	(20,000)
Travel cost reduction	(20,000)
Increase advertising cost	10,000
Agent Fees	5,000
Agent Fees	1,712
Net expense reduction	(23,288)
Revised Expense Budget	<b>847,750</b>

**ITEM 3.3      Action      File No.      8010.20.2018/2019**

TO:              Committee of the Whole  
FROM:          C. Becker, Secretary Treasurer  
SUBJECT:      Amended Budget 2018/19

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**Recommendation**

**THAT the Amended Budget information for the 2018/19 be reviewed.**

**Summary:**

The 2018/2019 Amended Budget is presented for consideration. Significant adjustments were needed to reconcile the budget and eliminate the deficit created by operational changes that shifted the budget from a projected operating surplus of \$630,000 to a projected operating deficit of \$1.37 million – a change of \$2 million.

**Background:**

In the spring of 2018, the preliminary budget for the 2018/2019 school year was developed based on the enrolment projections made in February 2018. In June 2018 when the budget was being considered for approval, staff had identified an issue with the enrolment projections, as significantly fewer students had registered for the upcoming school year. The 2017/2018 surplus funds were held, and the funds being transferred for capital projects were identified as being available to be withheld to address any actual shortages, and the capital could be funded from the local capital reserve. As such, staff have been holding back capital spending until now to ensure funds could be accessed if the budget needed support.

Late in June, staff also identified a trend in May and June where the substitute costs had increased by approximately 50%. This trend has continued, and the substitute costs are projected to exceed the preliminary budget by approximately \$1.1 million. The amended budget discussion with the Board in December identified this issue, which when coupled with the enrolment declines, has created a significant budget issue for the School District. The increase in substitute costs have two causes. The first is that the school district has put considerable effort into hiring TTOC's to address the shortages across the District and meet contractual obligations. Hiring more TTOCs means fewer classrooms are without teachers during absences. The second is that 22 contract TTOC positions were created in resolution to a TTOC shortage grievance arbitration. This increased the benefit costs for TTOCs by approximately \$600,000 as contract positions are eligible for benefits, paid spring and winter breaks, and paid professional development days. This grievance settlement agreement for these positions ends June 2019. However, the contracts are continuing contracts, and as such, it will be a slow transition to eliminate contract TTOC positions, as we are required to provide each teacher in these contract positions with a teaching assignment. Also, the contract TTOCs are meeting a need to ensure TTOCs are available.

Staff have worked closely with all operating areas to reduce budgets to minimal amounts, to reduce the cuts needed to reconcile the budget. Direction will be provided to all managers and principals to defer expenses to next year those expenses that can be deferred. However, staff note that this may only exacerbate the issue for next year. The School District cannot have a structural deficit, and operational adjustments will need to be given serious consideration for the 2019/2020 budget to ensure a structural deficit is not created for next year.

The attached documents summarize the changes that have been made to address the budget shortage. The most significant adjustments made are to reduce the deficit:

1. Eliminate additional transfer to local capital \$895,000
2. Transfer back to operating from local capital \$600,000  
(The stave falls capital maintenance will be funded from the Annual Facilities Grant)
3. Drawing from the surplus reserve – balance in reserve after adjustments is \$145,000
4. Reducing school operating supplies \$200,000
5. Aged reductions (enrolment decline) \$90,000

**Options:**

There are limited options to address the potential deficit this year. Staff have incorporated all the identified changes. Staff are planning to provide direction to eliminate all non-essential professional development and travel expenses for the rest of the year. The superintendent may need to review and approve all requests.

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.

Approaches to consider for next year.

1. Hold off replacing non-essential positions that are vacant.
2. Reduce discretionary spending on professional development, travel, and other non-essential expenses.
3. Reduce number of TTOC contract positions.
4. Delay non-essential capital replacements (machinery, equipment)

Staff do not recommend reducing technology upgrades, however, some technology upgrades may need to be delayed until funding is confirmed.

**Analysis and Impact:**

The School District is unable to approve a budget that creates a structural deficit. A structural deficit occurs if an operating deficit exceeds the amount of funding available in surplus and reserves accounts. The adjustments made have minimized the impact to the organization. With only six months of the budget year remaining, there is limited ability to adjust operations to address the budget shortfall. However, the issues identified this year will undoubtedly have a similar impact on the 2019/2020 budget. As such, planning for the next school year must consider operational changes to eliminate the budget shortfall.

**Attachments:**

1. Operating Budget Summary
2. Local Capital – Proposed Reallocation
3. Major Changes
4. Additional Needs
5. Q & A from CotW meeting on February 13<sup>th</sup> 2019
6. Stave Falls Memorandum with resolutions from March 2018

**Implementation**

1. A follow-up Committee meeting is required to review the draft bylaw.
2. The Amended Budget Bylaw must be approved by February 28, 2019.

# 18/19 Amended Budget

Feb 12, 2019

	2018/19 Amended	2018/19 Preliminary	\$ Change	% Change	2017/18 Actuals	\$ Change	% Change
<b>OPERATING REVENUE</b>							
Grants							
Ministry of Education - Operating Grants	58,799,771	59,619,357	(819,586)	-1.37%	57,063,995	1,735,776	3.04%
Other Ministry of Education Grants	890,269	824,891	65,378	7.93%	1,244,102	(353,833)	-28.44%
Provincial Grants - Other	261,034	281,034	(20,000)	-7.12%	357,150	(96,116)	-26.91%
<b>Total Grants</b>	<b>59,951,074</b>	<b>60,725,282</b>	<b>(774,208)</b>	<b>-1.27%</b>	<b>58,665,247</b>	<b>1,285,827</b>	<b>2.19%</b>
Tuition	2,432,000	2,376,500	55,500	2.34%	2,517,026	(85,026)	-3.38%
Other Revenue	390,532	335,000	55,532	16.58%	451,227	(60,695)	-13.45%
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>63,068,606</b>	<b>63,718,782</b>	<b>(650,176)</b>	<b>-1.02%</b>	<b>62,035,570</b>	<b>1,033,036</b>	<b>1.67%</b>
<b>OPERATING EXPENSE</b>							
Salaries							
Teachers	24,613,020	25,081,820	(468,800)	-1.87%	24,207,317	405,703	1.68%
Principals and Vice-Principals	3,922,400	3,833,900	88,500	2.31%	3,584,352	338,048	9.43%
Education Assistants	5,992,600	6,096,900	(104,300)	-1.71%	5,940,501	52,099	0.88%
Support Staff	7,045,200	7,024,110	21,090	0.30%	6,439,228	605,972	9.41%
Other Professionals	2,019,313	1,945,613	73,700	3.79%	1,895,993	123,320	6.50%
Substitutes	3,200,782	2,136,561	1,064,221	49.81%	2,595,388	605,394	23.33%
<b>Total Salaries</b>	<b>46,793,315</b>	<b>46,118,904</b>	<b>674,411</b>	<b>1.46%</b>	<b>44,662,779</b>	<b>2,130,536</b>	<b>4.77%</b>
Employee Benefits	10,905,830	10,710,859	194,971	1.82%	10,372,238	533,592	5.14%
<b>Total Salaries and Benefits</b>	<b>57,699,145</b>	<b>56,829,763</b>	<b>869,382</b>	<b>1.53%</b>	<b>55,035,017</b>	<b>2,664,128</b>	<b>4.84%</b>
Services and Supplies							
Services	1,953,839	1,716,306	237,534	13.84%	1,768,973	184,866	10.45%
Student Transportation	19,000	22,500	(3,500)	-15.56%	52,642	(33,642)	-63.91%
Professional Development and Travel	492,400	425,800	66,600	15.64%	535,668	(43,268)	-8.08%
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	155,277	181,665	(26,388)	-14.53%	198,501	(43,224)	-21.78%
Supplies	2,631,368	2,496,165	135,203	5.42%	2,539,120	92,248	3.63%
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>6,738,024</b>	<b>6,257,964</b>	<b>480,060</b>	<b>7.67%</b>	<b>6,336,324</b>	<b>401,700</b>	<b>6.34%</b>
<b>Total Operating Fund Expenses</b>	<b>64,437,169</b>	<b>63,087,727</b>	<b>1,349,442</b>	<b>2.14%</b>	<b>61,371,341</b>	<b>3,065,828</b>	<b>5.00%</b>
<b>NET OPERATING FUND SURPLUS (DEFICIT)</b>	<b>(1,368,563)</b>	<b>631,055</b>	<b>(1,999,618)</b>	<b>-316.87%</b>	<b>664,229</b>	<b>(2,032,792)</b>	<b>-306.04%</b>
Capital Assets Purchased from Operating	(600,000)	895,000	(1,495,000)	-167.04%	2,379,137	(2,979,137)	-125.22%
<b>NET SURPLUS (DEFICIT)</b>	<b>(768,563)</b>	<b>(263,945)</b>	<b>(504,618)</b>	<b>191.18%</b>	<b>(1,714,908)</b>	<b>946,345</b>	<b>-55.18%</b>
Prior Year Unrestricted Surplus	914,371	263,945	650,426	246.43%	2,225,720	(1,311,349)	-58.92%
<b>Projected Operating Surplus/(Deficit)</b>	<b>145,808</b>	<b>0</b>	<b>145,808</b>		<b>510,812</b>	<b>(365,004)</b>	<b>-71.46%</b>

## Local Capital Summary

Feb 12, 2019

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)			61,220	(1,112)
MSS Science Labs	25,216	(150,000)		165,477	40,693
Photocopiers	(81,629)				(81,629)
Portables	(555,807)			301,215	(254,592)
Riverside Upgrades	(100,000)				(100,000)
School Improvements	(175,813)			98,508	(77,305)
Solar Panels	(6,065)			4,259	(1,806)
Stave Falls	89,537	(675,000)		67,184	(518,280)
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)	114,599	10,150
Workorder Systems	(130,980)				(130,980)
<b>TOTAL</b>	<b>(1,949,319)</b>	<b>(895,000)</b>	<b>65,000</b>	<b>850,949</b>	<b>(1,928,370)</b>

## Local Capital Summary - Proposed Re-allocation

Project	Opening	Reclass	Appropriate	YTD Expense	Balance
Bus Fleet	(47,983)		14,248.04	33,734.48	0.00
Classroom Furniture	(50,000)		25,000.00		-25,000.00
Dewdney Renovations	29,258	(29,258)			0.00
Facilities Equipment	(84,301)			4,751.25	-79,550.09
Ferndale	(62,332)		1,111.92	61,220.32	0.00
MSS Science Labs	25,216	(190,693)		165,477.40	0.00
Photocopiers	(81,629)		61,629.00		-20,000.00
Portables	(555,807)		154,591.75	301,215.37	-100,000.00
Riverside Upgrades	(100,000)		100,000.00		0.00
School Improvements	(175,813)			98,507.92	-77,304.84
Solar Panels	(6,065)		1,806.06	4,259.39	0.00
Stave Falls	89,537	(156,720)		67,183.74	0.00
Technology Improvements	(276,044)	60,000			-216,043.54
Telecom Systems	(31,271)				-31,271.00
Unallocated	(392,075)	99,581	110,632.75		-181,861.34
White Fleet	(99,028)	(15,571)		114,599.21	0.00
Workorder Systems	(130,980)		130,980.48		0.00
<b>TOTAL</b>	<b>(1,949,319)</b>	<b>(232,661)</b>	<b>600,000.00</b>	<b>850,949</b>	<b>(731,031)</b>

**18/19 Amended Budget  
Summary of Major Changes**

Feb 12, 2019



Major Changes (Included in Budget)	Amount
<b><u>Revenue</u></b>	
Operating grant revenue decrease - enrolment	820,000
Other grant revenue increase - economic stability dividend, ITA, mental health	(60,000)
Tuition revenue increase - International	(55,000)
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	(85,000)
ALW (EA) - FTE changes	(30,000)
Other Prof - FTE changes	40,000
Substitute/casual costs	1,065,000
Benefit adjustments	195,000
Services - Int'l medical (offset with revenue)	80,000
Services - Wireless (Aerohive) licensing / Airwatch	50,000
Services - Other various	75,000
PD/Travel - Int'l student activities (offset with revenue), other	85,000
PD/Travel - Int'l conferences/travel reduced	(20,000)
Rental expense - additional computer leases	35,000
Supplies - School carryover from 17/18	405,000
Supplies - School supply budgets reduced 15%	(200,000)
Supplies - Fuel cost adjustment for white fleet / buses	20,000
Supplies - recycling program	100,000
Supplies - ABED re-allocation to PVP, enrolment decline	(200,000)
Supplies - Reclass computer purchases from capital	60,000
Supplies - Summit reduction	(25,000)
Supplies - ELL reduction	(10,000)
Supplies - International school allocations	(20,000)
Utilities - NGN service increase	35,000
	<b>2,000,000</b>
Capital - Eliminate allocation from operating to local capital	(895,000)
Capital - Appropriate funds from local capital reserve	(600,000)
Surplus adjustment - 2017-18 restricted school surplus appropriated	(405,000)
Surplus adjustment - contingency removed	(630,000)
Surplus adjustment - prior year surplus lower than forecast	385,000
<b>Total Non-Discretionary</b>	<b>(145,000)</b>



**18/19 Amended Budget**  
**Summary of Additional Needs**  
Feb 12, 2019



Additional Needs Identified (Not Included in Budget)	Amount	Budget
Grounds equipment - large mower	90,000	Local Capital
Shutters - Albert McMahon	60,000	Local Capital
Special needs washroom - Albert McMahon	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>	

TO: Board of Education

FROM: C. Becker, Secretary Treasurer

DATE: February 12, 2019

This memorandum addresses questions and comments regarding the proposed 2018/2019 amended budget.

## **Q 1) What occurred between Jan 15 and Feb 12 to reduce expected International tuitions by \$115,000?**

Response: International tuition revenue decreased due to less student enrolled than originally forecast. The international department originally forecast 160 FTE international students. Only 150 FTE students are enrolled, a decrease of 10 students.

## **Q 1A) Why have International costs increased by \$125,000 from the original budget?**

Response: The following are the changes to the International budgeted expenditures from the preliminary budget:

1. The finance department changed how the international department accounted for student activity reimbursements and medical premium reimbursements. Originally these costs (\$70K Student activity and \$80K Medical premium) were not expensed and the revenue was not recognized, as the revenue was deposited in a suspense account on the balance sheet, and the expenses were charged to this suspense account. These revenues and expenses are now reported in the income statement, and as such, both the revenue and expenses are captured in the budget process. This change is a cost neutral accounting change.
2. Reduced business meeting costs by \$20K, per discussion with International management.
3. Reduced School supply allocations from international department to schools by \$20K, per discussion with International management.
4. Advertising cost increase by \$10K, a one-time cost increase to update marketing materials, per discussion with International management
5. An estimated increase to Agent fees of \$5K, per review
6.  $\$70,000 + 80,000 - \$20,000 - \$20,000 + \$10,000 + \$5,000 = \$125,000$  increase.

## **Q 2) New cost added from 2017/2018 of \$405,000 - some more detail is required**

Response: School service and supply budgets typically have a surplus at year-end, and the surplus has been permitted to be carried over to the following year to prevent unnecessary or rushed spending at year-end. In the past schools would fear losing unspent budget if not fully used by year-end and would then rush to spend the funds.

The year-end accounting holds the school supplies surplus in a reserve restricted for school use. To normalize the spending in the budget (i.e. prevent significant budgeted increases and decreases during the year, and from year to year), the carryover planned again for 2018-19 was not reflected in the preliminary budget. In the past, we did not include this in the actual budget, but as a draw from the reserve fund.

To be more transparent, and in light of the current budget situation and the risks prevalent, we have now added the entire restricted surplus from last year (i.e. the carryover). This would be considered to be a change in accounting practice. The budget for supplies now includes the

carryforward amounts – with the carryforward showing on a separate line. This results in the supplies expense showing an increase of 400K, but offset by a reduction in the restricted surplus of 400K. The latter is shown at the bottom of the Summary of Major Changes, where the updates to Capital and Surplus are listed.

The carryforwards for the past few years has increased substantially. As the year end spending is reported in the financial statements, accounting for the carryforward in the budget is a better accounting representation of the plans.

**Q 3) Additional other - some more detail is required.**

Response: The following is a summary of the changes that were banded together into **Services – other**:

10,000	Finance	Bank fees - increased credit/debit fees due to increased school cash online volume
6,000	Finance	Software maintenance - eScribe software
10,000	Facilities	Contracted Services - Facilities mechanical, per review
5,000	Transportation	Contracted Services - Charter bus costs (driver shortages)
5,713	International	Agent Fees
10,000	International	Advertising - increased per discussion with team (revamp of mktg materials)
(1,000)	Student Services	Telephone - decreased per review with Student Services
(2,000)	Student Services	Contract services - decreased per review with Student Services
15,000	Student Services	Contract services - one-time increase related to new mental health grant (revenue offset)
15,000	Health & Safety	Other Contracts - EE EAP deduction, JOHS training entitlement, other various training
(5,000)	Summit	Advertising - decreased per review
(5,000)	Summit	Postage - decreased per review
10,000	HR	Other contracts - increased based on review (includes investigations)
(5,000)	HR	Legal fees - reduced based on review
<u>5,000</u>	HR	Advertising - increased per TTOC hiring bonus program
73,713		

**Q 4) \$100,000 has been added to the original budget for recycling program.**

Response: In 2018, the School District was mandated to provide a recycling program, which required additional supplies, such as recycling containers, compostable bags, etc. The expenditures were originally budgeted for the 17-18 school year. However, the expenditures did not end up being realized until the summer and thus are included in the 18-19 school year expenses. Much of this is a one-time increase that will partially reduce for the 2019-20 budget.

**Q 5) MSS Science Lab started 2018/2019 with \$25,216 spent before \$150,000 grant monies was added to Local Capital.**

Response: MSS Science Room – consulting fees for the architectural/mechanical planning for this project were realized at end of 2017/18, with budget funding already approved for the beginning of 2018/19. As the window for completing the work to try and have the room ready for September is limited, delaying the consulting portion until July would have meant the room would not have been constructed in July and August. As it was, the room was still not ready for Sept 1<sup>st</sup>. Consulting fees for planning for projects are normally expensed. When the projects are approved, some costs are reassigned from operating to capital to comply with accounting rules to capital costs associated with the capital project.

**Q 6) a) The Stave Falls line shows that \$89,537 was spent in 2017/2018 before \$675,000 was allocated in 2018/2019 to cover the estimated costs to repair the building.**

**Does the \$89,537 represent the normal operating costs incurred in 2017/2018 to pay for insurance/ heating/ misc maintenance. If so, why was this added to local capital? In the past, these costs were absorbed by operations, similar to the costs of the other closed schools.**

Response: The expenses were capital costs for the repairs of the site to begin to bring the building back to a useable condition, and do not include any operating costs like utilities. Various building improvements were started late in 2017/18 (roof repair design specs, electrical upgrades, related internal labour). The funding for this was approved at the March 2017 Board Meeting.

*AND THAT a budget of \$132,000 funded from the contingency reserve and the local capital reserve for some of the immediate repairs to the building, be approved;*

As more expenses were planned to be funded from local capital in 2018/2019, the expenses were tracked in local capital, and not just funded from contingency.

**Q 6) b) The proposed re-allocation suggests that if the board approves the reduction, there will be no local capital funds available to continue with the planned and approved repairs (for Stave Falls).**

Response: The proposed removal of the Stave Falls capital projects from the Local Capital funding, is offset by including the Stave Falls capital projects in the Annual Facilities Grant Funding (AFG). Facilities management is incorporating the required Stave Falls capital improvements into the AFG planning for both the remainder of 2018-19 and for 2019-20.

The Province allowed the District to fund approximately \$400,000 AFG projects from surplus 2018/2019 Capital Bylaw funds. This provides room within the AFG funds to absorb some of the costs for both the Science Labs and the Stave Falls improvements from the 2018/2019 AFG grant. The flexibility with Ministry capital funding in 2018-19, and some adjustments to AFG planning/priorities allowed for this re-allocation.

**Q 7) Each item that has been reduced to 0 should be reviewed as should every item that has no YTD expenditures but continue to be on the list.**

Response: The following table is the adjusted funding, without the additional transfer proposed for 2018/2019

	Adjusted Balance	Revised	Discussion
Bus Fleet	14,248	-	Bus purchased. Balance of funding not needed
Classroom Furniture	50,000	25,000	Supplemental funding to speed up the replacement of asbestos containing furniture. Reduced balance – replacements can be delayed.
Facilities Equipment	79,550	79,550	See discussion below regarding equipment
Ferndale	1,112	-	Phase 2 move from Riverside to Ferndale. Capital portion of project complete
MSS Science Labs	(190,693)	-	Change to be funded from Annual Facility Grant
Photocopiers	81,629	20,000	Photocopier replace program slowed, transitioning to leasing program for some machines.
Portables	254,592	100,000	Some expenses still outstanding – sprinkler systems
Riverside Upgrades	100,000	-	Reserve for future upgrades. Waiting for plan. Project can be deferred.
School Improvements	77,305	77,305	Projects in progress (cameras etc). See discussion below
Solar Panels	1,806	-	Project complete
Stave Falls	(156,720)	-	Change to be funded from Annual Facility Grant
Technology Improvements	211,044	216,044	Projects in progress – additional funding needed
Telecom System	31,271	31,271	Two telephone systems upgrades needed – in progress
Unallocated	357,396	181,861	Contingency for unanticipated capital purchases
White Fleet	(10,150)	-	Project complete – fund deficiency, see additional discussion below
Workorder System	130,980	-	Project not started. Can be delayed.
<b>Total</b>	<b>\$1,033,370</b>	<b>\$731,031</b>	

**Q8) How do these relate to the 18/19 Amended Budget Summary of Additional Needs (page 6 of Agenda)?**

- 1. Facilities Equipment - Large mower - could we use the \$79,550 left in the proposed re-allocated Local Capital**
- 2. School Improvements - Shutters, Special needs washroom total \$75,000 - \$77,305 is left in the proposed re-allocated Local Capital**
- 3. Window Replacements - Transportation - \$20,000 should this be part of regular maintenance expenses?**
- 4. White Fleet - \$114,600 was spent this year. Is this another addition? Could this wait to be considered for our 2019/2020 budget?**
- 5. Clarke Theatre carpeting and improvements total \$90,000 - could this wait to be considered for our 2019/2020 budget?**

Response:

Note: The additional needs have not been incorporated into the budget document. This is a list of items that require further discussion for consideration if / when funding is available.

1. **Facilities equipment** – over the last couple of years, local capital was established for a variety of equipment, including the following:

**Carpentry:**

Table Saw (Cabinet)  
12" Compound mitre saw (sliding)  
15" Thickness planner  
17" Bandsaw  
6" x 48" Stationary belt/disc sander  
½ " Drill press

**Mechanical:**

Jack Lift SJ-3219  
Ridgid Drain cleaning machine  
2017 Skyjack Lift SJ- 3226

**Custodial:**

2 x small auto-scrubbers for Elem

**Grounds:**

1 x 8' straight blade snow plow

Some of this equipment was purchased, but many of the items are still outstanding. There may certainly be a portion of the remaining local capital reserve to allocate to the large mower, but if these other equipment needs are kept on the list, additional funding would be required for a new large mower.

2. **School Improvements** – much of the remaining 77K reserve for this line item will be required to fund existing school improvement projects, including \$30,000 that will likely need to be re-classed to operating before the end of the year (to cover school improvement project costs deemed as operating vs capital – all budget for this line is initially classed as local capital, with final allocation dependent on whether the projects end up being classed as operating expense upon review, due to the amount and/or nature of the improvements).
3. **Window Replacements** –This cost may well end up being classed as operating expense, which would require a one-time increase to the maintenance expense line. For presentation and visibility, these large one-off improvement items are often discussed with local capital (which is funded 100% from operating).
4. **White Fleet** – The \$114,599 is the year-to-date expenses for fleet additions. As such, this cannot be deferred. There were additional needs identified, including a proposed additional 2 door pick-up for the facilities manager (and existing pick-up going to the foreman, and the foreman van to staff), along with 2 additional vans for facilities staff; further discussion with facilities/transportation would be required to update since the discussion last year.

**Clarke Theatre** – These improvements have not been included in the 2018/2019 budget, but are presented for consideration, should additional funding become available. As such, they would be represented for consideration for 2019/2020 as they are not included in the 2018/2019 budget. Further discussion is required for these improvements.

# Memorandum

TO: Board of Education

FROM: C. Becker, Secretary Treasurer

DATE: February 12, 2019

As requested, the following resolutions are provided for consideration with the report on Stave Falls Enrolment for the February 13, 2019 Committee meeting. The resolutions were passed at the March 13, 2018 Public Board Meeting.

1. *MOVED and Seconded that Stave Falls School be opened as a K-6 Elementary School with an outdoor, forestry, and cultural program of choice focus in September 2019; AND THAT a plan to complete the repairs needed to bring the building to a useable condition be developed by April 30, 2018;*  
*AND THAT a budget of \$132,000 funded from the contingency reserve and the local capital reserve for some of the immediate repairs to the building, be approved;*  
*AND THAT the remaining budget of \$802,570 be included in the 2018/2019 budget, including any funding needed to come from the contingency reserve and the local capital reserve.*  
**CARRIED**
2. *MOVED and Seconded to support the success of opening the Stave Falls School and help enrolment reach sufficient numbers to be successful:*
  1. *That the Stave Falls School be opened with a focus on an outdoor/ forestry/ cultural program of choice; and*
  2. *That the School District actively search for an early childhood / daycare operator to provide daycare services at Stave Falls School;**AND THAT to minimize the negative consequences of the decision to open the Stave Falls School on the Silverdale School and to help increase enrolment at Silverdale School,*
  3. *that the School District develop and promote a program of choice at Silverdale, and*
  4. *that the School District search for an early childhood/daycare operator to provide daycare services within the Silverdale School.***CARRIED**
3. *MOVED and Seconded that the 2018/2019 budget be developed with the following priorities:*
  1. *Continue to advance the technology upgrades within the School District;*
  2. *Continue to provide additional resources and support to advance the new Curriculum;*
  3. *Ensure resources are available for Student Services that supports the individual educational needs of students;*
  4. *Continue to expand the supports for Aboriginal Education, recognizing the unique needs of both on-reserve, and off-reserve Aboriginal students;*
  5. *Ensure students are afforded a well-rounded participation and input process;*
  6. *Ensure the plan provides options to address the overcrowding at École Mission Secondary School;*
  7. *Ensure a plan and funding is available to support students transitioning from Elementary to Middle School, from Middle School to High School, or to a program of studies at Summit, Fraserview, or Riverside College.*
  8. *Ensure that funding is available to open Stave Falls Elementary school in September 2019.*

**CARRIED**