

## MINUTES OF THE FINANCE COMMITTEE

**Wednesday, May 18, 2016**

**Grimsby-Lincoln Meeting Room  
6:00 p.m.**

Present:

Trustee Committee Members: Kevin Maves, (Committee Chair), Lora Campbell, Jonathan Fast,  
Cheryl Keddy-Scott (for Diane Chase)

Trustees: Helga Campbell, Linda Crouch, Dale Robinson

Regrets: Diane Chase

Administration: Warren Hoshizaki, Director of Education  
Stacy Veld, Superintendent of Business Services  
Kelly Pisek, Superintendent of Education  
Robert Dunn, Manager of Projects & Maintenance  
Rick Werezak, Chief Financial Officer  
Nicky Westlake, Manager of Financial Services

Recording Secretary: Brenda Buckingham, Business Assistant

### **CALL TO ORDER**

Chair Kevin Maves called the meeting to order at 6:00 p.m.

### **APPROVAL OF THE AGENDA**

The agenda was reviewed and it was,

Moved by: Jonathan Fast  
Seconded by: Lora Campbell

**“That the agenda be approved as presented.”**

CARRIED UNANIMOUSLY

### **APPROVAL OF THE MINUTES OF THE APRIL 20, 2016, MEETING**

The minutes of the April 20, 2016, Finance Committee were reviewed and it was,

Moved by: Lora Campbell  
Seconded by: Jonathan Fast

**“That the minutes of the April 20, 2016, Finance Committee meeting be approved as presented.”**

CARRIED UNANIMOUSLY

**AWARDS OF CONTRACT - CONSTRUCTION****Oakridge Public School – Addition & Renovations**

Superintendent Stacy Veld reported that the addition of a new kindergarten room and expansion of the office area at Oakridge Public School were approved as part of the South Central St. Catharines Elementary Accommodation Review process. In addition, the District School Board of Niagara's (DSBN) approved Multi-Year Capital Plan (MYCP) identified the need for accessibility improvements and electrical/fire alarm upgrades at the school.

The full scope of work includes a kindergarten addition, an addition to accommodate the expansion of the office area, a new elevator and internal ramp, barrier free washroom upgrades, a new front entrance, improvements to the parking area to accommodate the barrier free access and parking capacity, and electrical/fire alarm upgrades. A total of \$2,500,000 has been allocated in the MYCP for this project.

Superintendent Veld reported to the Committee that, during pre-consultation discussions with the City of St. Catharines Planning & Building Services Department, staff were informed that, as a requirement to obtain site plan approval and in accordance with their *Garden City Plan*, the City is requesting that the property's approximate 1.7 acres of designated conservation/natural area zone (G1 lands) be dedicated to the City. Superintendent Veld confirmed to the Committee members that this is a standard condition on a variety of planning applications, including recent developments and site alterations along the Lake Ontario shoreline and various ravines and valley-lands throughout the City.

Dedication of this property would result in shifting costs associated with future repairs and maintenance of the drainage outlet and sewer pipe, as well as liability, from the DSBN to the City. Superintendent Veld confirmed that there will be no fences required thereby maintaining the current visual of the property.

Manager of Projects & Maintenance Robert Dunn then reported on the Request for Proposal (RFP) process for this project, which resulted in submissions from three (3) out of ten (10) pre-qualified General Contractors. The tenders, opened publically, ranged from a low bid of \$2,126,000 to a high bid of \$2,205,000. Board staff, with the project architect, reviewed the tenders and all were found to be complete with no errors or omissions. The low bid was submitted by TRP Construction, a Burlington based contracting firm. This company has previously completed DSBN addition projects at both James Morden Public School and Peace Bridge Public School. Robert Dunn confirmed for the Committee that estimated construction costings reported in an ARC Staff Report can differ from the tendered pricing due to further refinements by the project Architect and the results of the tender bids.

Work on this project would be scheduled to commence immediately. Phase 1, being the kindergarten addition and parking lot, will be complete by August 25, 2016. Phase 2, being the office expansion and elevator installation, will be complete by December 15, 2016.

Moved by: Lora Campbell  
Seconded by: Cheryl Keddy-Scott

**“That the low bid received from TRP Construction, in the amount of \$2,126,000 (plus HST), be accepted and a contract awarded for the Addition and Renovations Project at Oakridge Public School.”**

CARRIED UNANIMOUSLY

**“That, as a condition of site plan approval for the Oakridge Public School Addition and Renovations Project, approximately 1.7 acres of identified Conservation/Natural Area lands be dedicated to the City of St. Catharines in accordance with the *Garden City Plan*.”**

CARRIED UNANIMOUSLY

**St. John's Outdoor Studies Centre - Renovations**

In November 2015, the Board approved renovation plans for the St. John's Outdoor Studies Centre, to be funded through Major Capital Accumulated Surplus. At this time, Superintendent Stacy Veld introduced the renovations project report outlining the project construction and contracting strategy, as well as the projected costs. It was noted that DSBN's Specialist High Skills Major students will take part in the various phases of construction and landscaping. She explained that the project delivery model being implemented is similar to that used in the construction of the Walker Living Campus at Woodend.

Manager of Projects and Maintenance Robert Dunn provided details on the project delivery model strategy, referred to as a Construction Management (or CM) model, whereby a Construction Manager is selected based on a set of qualitative factors, as well as price. The CM works with Facilities staff, the Architect, and SHSM staff and students, to provide construction advice, assistance in selection of materials, and to oversee tendering, construction and budget. The CM will issue tender documents to pre-qualified sub-contractors as the various work packages, such as excavation, foundations work, building structure, building envelope and building finishes, become available. The tender with the best price will be selected and a purchase order will be issued from the CM to each successful bidder.

The selection of a CM was done through a Request for Supplier Qualifications (RFSQ) issued to pre-qualified Construction Management firms who have experience working with students and the demonstrated ability to manage the work and projected costs. A total of four eligible responses were received and evaluated based on pre-set criteria. The highest scoring firm was Mountainview Homes.

An allocation of \$620,000 has been included in the Multi-Year Capital Plan for the renovations to St. John's Outdoor Studies Centre. It is recommended, based on various bids procured by the CM, Mountainview Homes, and in consultation with Facility Services staff, that the CM be allocated a budget of \$550,000 for the various tendered work packages to the sub-trades.

Moved by: Jonathan Fast  
Seconded by: Lora Campbell

**“That a purchase order be issued to the Construction Manager, Mountainview Homes, for an overall value not to exceed \$550,000 for general conditions and various tendered work packages to sub-trades.”**

CARRIED UNANIMOUSLY

**Princess Margaret Public School – Accessibility Improvements**

Accessibility improvements at Princess Margaret Public School were approved in the Multi-Year Capital Plan. The scope of work includes a new elevator to service both the school and the Child Care Centre, a new internal ramp, barrier free washroom upgrades, a new accessible washroom in the gym area, and improvements to the front entrance.

Robert Dunn, Manager of Projects and Maintenance, provided background on the tender process which resulted in a total of six (6) out of sixteen (16) pre-qualified General Contractors submitting bids. The tenders were opened publically, with bids ranging from a low of \$582,925 to a high of \$723,300. Board staff and the project architect reviewed the bids and all were found to be without errors or omissions. The low bid was submitted by TAT Construction, a contracting firm based in Pelham. Mr. Dunn confirmed that this company has previously completed a number of projects for the DSBN, most recently being the science lab renovations at E.L. Crossley Secondary School and upgrades to the DSBN Academy.

The current projected cost of this project is \$648,639, with \$625,000 allocated in the Multi-Year Capital Plan. Superintendent Veld and Manager Robert Dunn confirmed that any minor budget shortfall will be accommodated through other school renewal tendering efficiencies.

Work on this project is scheduled to begin immediately and have occupancy for school opening on September 6, 2016.

Moved by: Lora Campbell  
Seconded by: Jonathan Fast

**“That the low bid received from TAT Construction, in the amount of \$582,925 (plus HST), be accepted and a contract awarded for the Accessibility Improvements Project at Princess Margaret Public School.”**

CARRIED UNANIMOUSLY

### **Prince Philip Public School, Niagara Falls – Accessibility Improvements & Boiler Replacement**

Superintendent of Business Services Stacy Veld explained that accessibility improvements and boiler upgrades for the Niagara Falls Prince Philip Public School were included in the 2015-16 Multi-Year Capital Plan. The school will receive a new elevator, a new barrier-free entrance, barrier-free washrooms on both levels, and exterior site improvements to allow for accessible parking. Also included in this project is the replacement of the existing boilers.

A total allocation of \$780,000 was included in the Multi-Year Capital Plan for this project, being \$625,000 for the accessibility work and \$155,000 to address the boiler replacement.

Robert Dunn, Manager of Projects and Maintenance, reported on the tender process which resulted in a total of seven (7) out of sixteen (16) pre-qualified General Contractors submitting bids. The tenders were opened publically, with bids ranging from a low of \$699,450 to a high of \$803,684. Board staff and the project architect reviewed the bids and all were found to be without errors or omissions. The low bid was submitted by Scott Construction, a contracting firm based in Niagara Falls. This company has previously completed a number of projects for the DSBN, including Child Care Centres at Beamsville District HS, Power Glen Public School and Parnell Public School.

Work on this project would commence immediately so that the school is ready for school opening in September.

Moved by: Jonathan Fast  
Seconded by: Cheryl Keddy-Scott

**“That the low bid received from Scott Construction, in the amount of \$699,450 (plus HST), be accepted and a contract awarded for the Accessibility Improvements / Boiler Replacement Project at Prince Philip Public School, Niagara Falls.”**

CARRIED UNANIMOUSLY

**Westlane Secondary School – Science Labs Renovation Project**

Included in the 2015-16 Multi-Year Capital are upgrades to the science labs at Westlane Secondary School. Superintendent Stacy Veld outlined the scope of work which will include major renovations and upgrades to five of the school's existing science labs and corresponding preparation rooms. The ventilation and gas systems will be replaced, new millwork installed, and fume hoods updated to meet current standards.

Manager of Projects and Maintenance Robert Dunn provided details on the tender process which resulted in a total of eight (8) out of sixteen (16) pre-qualified General Contractors submitting bids. The tenders were opened publically, with bids ranging from a low of \$584,295 to a high of \$659,000. Board staff and the project architect reviewed the bids and all were found to be without errors or omissions. The low bid was submitted by STF Construction, a contracting firm based in Hamilton. This company has previously completed a number of projects for the DSBN including the installation of the DSBN Academy elevator. They are currently working on the Grimsby Secondary School curtain wall.

Work on this project would commence immediately and be complete for school opening in September.

Moved by: Cheryl Keddy-Scott

Seconded by: Lora Campbell

**“That the low bid received from STF Construction, in the amount of \$584,295 (plus HST), be accepted and a contract awarded for the Science Labs Renovation Project at Westlane Secondary School.”**

CARRIED UNANIMOUSLY

**SYNTHETIC TURF FIELDS**

Superintendent Stacy Veld presented a report on synthetic turf fields. She reported that Administration believes that synthetic fields can offer benefits over natural grass fields, both for programming and community needs. The installation of synthetic turf has become a common practice across the province for new construction and major additions at secondary schools. It was noted that the new Greater Fort Erie Secondary School construction includes a synthetic turf field and track.

A.N. Myer Secondary School and Sir Winston Churchill Secondary School have been identified for the installation of a synthetic turf field and track in the 2016-17 school year. These installations would require the addition of \$2.5 million for sports fields in the Multi-Year Capital Plan for 2016-17. Senior Administration would also like to identify two additional secondary schools for installation in the 2017-18 year.

A review was conducted by DSBN staff to identify best possible locations for installation of a synthetic turf field, the pros and cons of synthetic versus natural and cost comparisons between the two. Charts were provided to the Committee outlining the results of the review. When reviewing secondary schools for potential sites, the factors taken into consideration were school athletic programs, the size of the property, capital partnerships, available parking, community approval/ partnerships, and ability to rent to external organizations to generate revenue for replacement purposes.

Superintendent Veld explained that the DSBN's operating maintenance budget provides for the annual maintenance cost for its natural fields and tracks. On an on-going basis, the operating budget would be reduced annually by \$20,000 as the maintenance costs of synthetic turf fields is less than for

natural fields. Resurfacing of the natural fields and tracks can be funded through the School Renewal grant. This grant would also support the installation of synthetic turf fields and tracks.

Funding to install and support synthetic turf fields and auxiliary features such as lights/bleachers would be a combination of a school renewal allocation in the Multi-Year Capital Plan, capital investment through community/service organizations and municipalities, and rental revenue. Another revenue source is through advertising signage on fencing surrounding the field.

It is recommended that rental revenue and the savings from the annual operating maintenance budget be set aside in a reserve fund for the eventual replacement costs for the field and track. The Committee was also provided with a 12-year utilization chart required to sustain this initiative. It would be planned to rent the field for approximately 50% of the season.

During discussion on this matter, it was confirmed that there are several other synthetic fields located throughout the Niagara Region and that, similar to these fields, the DSBN synthetic turf fields will be protected by fencing to deter unauthorized use and the potential for damage. Also, synthetic fields have lining sewn into the product for both football and soccer use, which eliminates the need for lining to be done each season. In addition, the track will be lined for running events.

With respect to student safety, it was explained that the key element of synthetic turf is the layered sub-surface and then the addition of at least one inch of rubberized pellets driven into the turf carpet which cushions impact. There is no evidence that indicates an increase in head injuries occurring on synthetic turf vs natural turf, however it is acknowledged that risk of injury accompanies any contact sport. The field surface will undergo scheduled maintenance to address both the depth of pellets and to incorporate a cleansing factor.

The Committee agreed that the installation of synthetic fields and tracks will support and promote DSBN athletics programs and they anticipate very positive community support. It was felt that this initiative will further facilitate DSBN's connection with school communities, both through financial support for associated costs, as well as participation and interaction with schools and students.

Moved by: Jonathan Fast  
Seconded by: Cheryl Keddy-Scott

**“That staff be directed to increase the annual budget allocation for sports fields in the 2016-17 Multi-Year Capital Plan, to support an investment in synthetic turf fields and tracks, in the amount of \$2,500,000. The construction must include a capital partnership with the municipality or community organization.”**

CARRIED UNANIMOUSLY

### **MULTI-YEAR CAPITAL PLAN**

A Multi-Year Capital Plan is prepared by staff each year to address various capital needs for DSBN schools and can include school renewal and condition improvements, accessibility improvements, additions/alterations to meet program needs, major capital construction projects, FDK additions/renovations, Child Care retrofit projects, and administrative capital needs. The Board of Trustees receive this five year plan and are asked to approve the projects set out for subsequent school year.

Superintendent of Business Services, with Manager of Maintenance and Projects Robert Dunn, presented the Multi-Year Capital Plan. The projects included in the Plan have been reviewed in detail by Senior Administration. The capital plan identifies approximately \$39.4 million in funding and expenditures for the

2016-17 year. Including the synthetic turf and track amount of \$2.5 approved by this Committee, the total is \$41.9 million.

Superintendent Veld explained that the Ministry of Education recently announced revisions to the Proceeds of Disposition (POD) policy in Ontario Regulation 193/10. Proceeds of Disposition are those funds resulting from the sale of properties. Effective September 1, 2015, 80% of a school board's POD must be used for the repair or replacement of components within a school. This now allows school boards to utilize additional funds needed to address their locally identified renewal needs without seeking Ministry approval to use the POD funds. In addition, school boards will not be required to contribute their POD funds to capital priority or consolidation projects unless the school board wishes to do so and identifies POD as a source of capital funding for that project.

The summaries of funding revenue and associated expenditures for the identified capital projects were reviewed by the Committee. Superintendent Veld and Robert Dunn responded to questions of the Committee and provided additional background on various projects.

During the review of expenditures, Robert Dunn confirmed that 74% of elementary schools and 79% of secondary schools are now 91% to 100% accessible. This represents a 10% increase in accessibility over the last four years, with accessibility projects continuing to be identified over the next five years. All administrative centres and outdoor education sites are 100% accessible.

Trustees are asked to contact the Area Superintendent if requesting specific information on projects scheduled for their school community.

The Committee supported the projects set out in the Multi-Year Capital Plan and expressed their appreciation to Robert Dunn and his staff for the amount of capital work undertaken, especially during the summer months for completion in time for the September school openings.

Moved by: Cheryl Keddy-Scott  
Seconded by: Lora Campbell

**“That the Multi-Year Capital Plan, dated May 18, 2016, as amended to include the investment of \$2,500,000 to support the installation of identified synthetic turf fields in 2016-17, be received and that staff be authorized to proceed with all identified projects up to and including the 2016-17 year.”**

CARRIED UNANIMOUSLY

### **2016-17 REVENUE BUDGET**

Superintendent of Business Services Stacy Veld, with Chief Financial Officer Rick Werezak and Manager of Financial Services Nicky Westlake, presented the 2016-17 preliminary revenue budget report to the Committee which included day school enrolment projections, a summary of grants, a revenue summary and a schedule of accumulated surplus funds. Superintendent Veld commended Rick Werezak and Nicky Westlake for their work on one of the most challenging budgets due to the recent provincial labour negotiations.

Superintendent Veld explained that the Board's projections of student enrolment have the largest impact on the revenue received from the Province. The projected 2016-17 average daily enrolment or ADE is an overall decrease from prior year actual enrolment (based on the actual October 31, 2015 and projected March 31, 2016 enrolment) of 72 or .20% and a decrease from prior year budget of 92 or 0.25%. The decrease from budgeted enrolment is comprised of a 179 ADE increase in the elementary panel and a 271 ADE reduction in the secondary panel.

Chief Financial Officer Rick Werezak reviewed the grant and total revenue data and provided the Committee with detailed background on the revenue sources and major variances between the 2015-16 budget and the 2016-17 budget data. It was noted that the 2016-17 grant revenues reflect changes associated with:

- a 1.25% increase to the teaching and support staff salary benchmarks to support the central labour agreements
- salary grid movement will be restored for the full school year through the Teacher and Early Childhood Education Qualifications and Experience allocation
- a .17% reduction applied to all benefit benchmarks as a result of the phase-out of retirement gratuities
- year 3 of 4 for the implementation of the new Special Education grant funding method for High Needs Amount
- year 3 of 4 of the Board Administration funding method
- a 2% increase to help Boards manage increases in commodity prices (natural gas) and a 3.5% increase for electricity costs
- grant funding increase to support the implementation of the First Nations, Metis & Inuit Education Policy Framework.

The Ministry of Education has introduced several funding models meant to encourage boards to use school space more efficiently. School boards are in Year 2 of 3 of the school operations and school renewal top-up funding changes introduced in the 2015-16 budget year. The new model will eliminate base top-up funding and introduces a new enhancement top-up funding formula for isolated schools.

Also in this regard, boards are entering Year 2 of 3 of the new School Foundation grant funding method designed to shift funding from very small schools to investments in larger schools.

Components of the declining enrolment grant will also be reduced as a result of changes introduced in the 2015-16 budget year. The grant reduction was implemented to encourage boards to adjust their cost structures more quickly when experiencing reduced enrolments.

The schedule of accumulated surplus was reviewed and it was confirmed that, included in the revenue summary, is the use of \$1,169,000 of general operating accumulated surplus as per Board motion.

An expenditure budget, including potential increases and decreases, will be presented at the June 15<sup>th</sup> meeting for the Committee's consideration. At that time, potential changes in the Accumulated Surplus required to balance the budget will be provided.

During discussion, Rick Werezak explained that a long term investment plan is now in place. Funds have been securely invested across the five Canadian chartered banks. The plan has resulted in increased interest income as noted on the Revenue Summary (Schedule 5). An investment report will be presented to Trustees in the fall, as part of the year-end process.

### **NEXT MEETING**

The next meeting is scheduled for June 15, 2016.

### **ADJOURNMENT**

**The meeting adjourned at 7:55 p.m.**

**Kevin Maves  
Chair**