

MINUTES OF THE FINANCE COMMITTEE

Tuesday, November 18, 2015

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

Present:

Trustee Committee Members: Kevin Maves (Committee Chair), Lora Campbell,
Linda Crouch (for Diane Chase)

Regrets: Diane Chase, Jonathan Fast

Administration: Warren Hoshizaki, Director of Education
Stacy Veld, Superintendent of Business Services
Kelly Pisek, Superintendent of Education - Elementary
Robert Dunn, Manager of Projects & Maintenance
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

Following review of the agenda, it was

Moved by: Lora Campbell
Seconded by: Linda Crouch

“That the agenda be approved as presented.”

CARRIED UNANIMOUSLY

APPROVAL OF THE MINUTES OF THE OCTOBER 20, 2015, MEETING

The minutes of the October 20, 2015, Finance Committee were reviewed and it was

Moved by: Linda Crouch
Seconded by: Lora Campbell

**“That the minutes of the October 20, 2015, Finance Committee meeting
be approved as presented.”**

CARRIED UNANIMOUSLY

BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes of October 20, 2015.

ST. JOHNS OUTDOOR STUDIES CENTRE

Director of Education Warren Hoshizaki and Superintendent of Business Services Stacy Veld presented a report on the St. Johns Outdoor Studies Centre. Superintendent Veld explained that this one acre property on Holland Road in Fonthill borders on the Short Hills Provincial Park area and was formerly the Niagara South Board of Education's St. Johns Public School. The school was closed for instructional purposes in 1969 and reopened in September 1970 as the St. Johns Outdoor Studies Centre. Since that time, the Outdoor Studies Centre has been offering related programs to elementary school students within that area of the region. Many of the programs have been facilitated through various agreements for the use of neighbouring properties, as well as easy access to the Short Hills Provincial Park's outdoor trail system.

Currently, there are two buildings on the property, being an older two-classroom school building with office and maintenance room and a portable used for rainy day classroom activities and storage. Both structures are old, damp, dark, and offer limited space for students. It is proposed to renovate the current building by reconstructing two classrooms, an office and washroom. Manager of Maintenance and Projects Robert Dunn explained that, in addition to the improved interior aesthetics, there will be upgrades to the roof, electrical system, windows, doors, mechanical & electrical source, fire alarm and security system.

Superintendent Veld reviewed the current programming offered at the Outdoor Centre, along with the program vision moving forward. The setting of the St. Johns Outdoor Studies Centre, coupled with a newly renovated classroom facility and area suitable for creating an outdoor classroom, will provide students with a variety of programs which align with the DSBN's outdoor and environmental education philosophy. Director Warren Hoshizaki confirmed that programming would be coordinated at the Woodend Environmental Centre to ensure similarity between the centres.

The estimated cost for the renovations, including associated fees and permits, is \$560,000. There could be additional costs should the septic system and water cistern, including a fire suppression system, require replacement. Superintendent Veld confirmed that this project can be supported financially through the Board's Major Capital accumulated surplus fund which has \$5.3 million set aside to support capital construction projects that would otherwise not be eligible for Ministry of Education funding. Although there are no capital grants or rebates available for the construction, Robert Dunn confirmed that he will research possible electrical rebates, although they will be minimal. Construction will include the participation of Specialist High Skills Major Regional Construction students.

Following approvals from the appropriate authorities, the project will commence in March of 2016 and be substantially complete by early July, 2016.

The Committee was supportive of the programming initiative, the required renovations to the existing building and the inclusion of SHSM students during the construction phase. It was then,

Moved by: Lora Campbell
Seconded by: Linda Crouch

“That staff be authorized to renovate and repair the St. Johns Outdoor Studies Centre for opening by September 2016, to be funded by Major Capital accumulated surplus.”

CARRIED UNANIMOUSLY

INTERNATIONAL EDUCATION 2014-15 FINANCIAL REPORT

Superintendent of Business Services Stacy Veld reported on the International Education 2014-15 finances. The total revenue remained consistent with budget, however, there was a \$50,000 increase in the short term culture students. Expenditures related to the delivery and administration of the international programs and services were \$1,092,299 compared to the 2013-14 expenses of \$1,149,221.

The net 2014-15 income for the program is \$303,752. In 2011-12, the Finance Committee approved a recommendation that 30% of the net surplus (being \$91,126 for 2014-15) would be retained within the International Education program to fund future business development initiatives and that 70% (being \$212,00 for 2014-15) would be made available to fund one-time DSBN strategic initiatives in the following year. The initiatives would be developed by the Director of Education, with the Senior Administrative Team, and in consultation with the Finance Committee.

The recommended initiatives are to be based on the criteria that they:

- i) do not represent continuing cost commitments
- ii) do not replicate expenditures funded through the Ministry
- iii) will have a long-lasting and board-wide impact on student success.

The Senior Team recommended the following distribution of 2014-15 International Education revenue. Details of each recommended initiative were provided in the report.

- \$64,000 to the DSBN portion of the new Greater Fort Erie S.S. theatre
- \$75,000 for DreamBox fees
- \$13,000 for the Harriet Tubman statue
- \$20,000 to create a bursary fund through the Education Foundation of Niagara
- \$40,000 to support playgrounds in DSBN schools.

During the Committee's discussion of the recommended initiative supports, Director Hoshizaki and Superintendent Pisek noted that, although school playground equipment and ongoing maintenance is to be the responsibility of parent council fundraising events or other outside source donations, not all school communities have the ability to provide their school with the needed financial support or to participate in fund-raising efforts. The Director, in consultation with the four area elementary school superintendents, would review school needs and allocate the funding accordingly.

The Committee members supported the allocation of the international education revenue as presented in the report, and it was

Moved by: Lora Campbell
Seconded by: Linda Crouch

“That the International Education 2014-15 Financial Report be received and that \$212,000 be allocated to support the Board’s strategic initiatives as directed by the Finance Committee.”

CARRIED UNANIMOUSLY

SCHEDULE OF ACCUMULATED SURPLUS

The Committee received the Schedule of Accumulated Surplus Report as part of the DSBN's year-end Financial Statement process. Superintendent of Business Services Stacy Veld reported that the changes in the surplus funds are reflected in the 2014-15 audited Financial Statements which will be presented to the Audit Committee on November 23 and to the full Board on November 24, for approval. The external auditors stated that the 2014-15 audit was one of the most efficient audits that they have ever done and Superintendent Veld attributed this to Nicky Westlake, Manager of Financial Services, and the strength of her team. Superintendent Veld also commented that the strong financial position of the DSBN has been established through a continued proficient budget process and ongoing accountability measures, which have served the Board well.

The Schedule of Accumulated Surplus provides the September 1, 2014, accumulated surplus account balances, transfers to and from each fund during the 2014-15 fiscal year, and the resulting balances at August 31, 2015. For the information of the Committee members, a brief description of each fund was also provided.

The 2014-15 year-end position resulted in the use of approximately \$400,000 less of General Operating Accumulated Surplus than had been budgeted, being \$3,380,557 versus the budgeted amount of \$3,738,874. The 2014-15 year saw the completion of the 4-year Schools First Child Care Capital Retrofit funding initiative which resulted in over \$3.4 million spent in capital for daycares. It was also the final year for the FDK Capital Funding initiative where over \$16.5 million was spent in FDK renovations, additions, and new school FDK space, since its inception in 2010-11.

It was noted that the Accumulated Surplus is comprised of internally appropriated and unappropriated funds. Internally appropriated funds are those set aside for specific Ministry and Board initiatives allowing for a more stable budget and the avoidance of fluctuations based on large planned expenditures. Superintendent Veld noted that, due to the new GFESS theatre financial obligation, the Ministry required the DSBN to set-up a Committed Capital Projects fund and move \$3 million from the Major Capital fund to the new account.

Unappropriated funds include the General Operating monies which have been built up over the years from year-end operating surpluses. In the 2014-15 third interim financial report to the Finance Committee, as at April 30th, it was estimated that there would be use of general operating funds of \$2.4 million which subsequently increased to \$3.38 million. This increased use of general operating surplus is attributed to a \$250,000 reduction in the Grants for Student Needs (GSNs) related to the reporting process of SAL students in the 2013-14 student registers; approximately \$500,000 increase in legal fees over budget due to human rights litigation, accommodation review litigation related to Parliament Oak School, Vineland School stop work order litigation, and other arbitration cases; and \$200,000 in costs related to the acquisition and movement of portables.

Nicky Westlake, Manager of Financial Services reviewed the various equipment replacement funds and the activity that took place in those accounts over 2014-15.

During discussion of the fund activities, it was noted that the cost of legal fees paid in response to litigations have a direct impact on students and the classroom. Staff and Trustees can assist in helping the public to be aware and understand the consequences of these legal actions.

Moved by: Lora Campbell
Seconded by: Linda Crouch

“That the Schedule of Accumulated Surplus for the year ended August 31, 2015, be approved.”

CARRIED UNANIMOUSLY

REVIEW OF BOARD POLICIES

Superintendent Veld presented revisions to Policy B-06 *Purchasing Cards (P-Cards)* and Policy B-01 *Purchasing of Goods and Services*. She explained that policies on procedural matters and practices, that have a business-related risk or impact on the DSBN, are vetted through the Finance Committee rather than the Policy Committee.

Policy B-06 Purchasing Cards (P-Cards)

The revisions to Policy B-06 *Purchasing Cards (P-Cards)* are housekeeping in nature. The policy now includes adherence to the Employee Travel and Business Expenses policy and administrative procedures. The revisions have been discussed with the Audit Committee and the DSBN's Internal Auditors to ensure all appropriate controls are in place with respect to P-Cards.

Policy B-01 Purchasing of Goods and Services

Policy B-01 *Purchasing of Goods and Services* has been revised to provide further clarity on definitions and to ensure that the DSBN is compliant with the Broader Public Sector (PBS) Procurement Directive, as issued by the province.

With the BPS requirements imbedded in the Policy B-01 and its associated administrative procedure, which establishes appropriate governance and internal controls for the purchasing of goods and services as well as the award of contracts, the current Facilities Services Policy F-01 *Selection of Architect and Engineers for Capital Projects* becomes redundant. Superintendent Veld noted that the details set out in Policy F-01 are more in line with an administrative procedure and are already included in the Purchasing of Goods and Services administrative procedure. It is for those reasons that staff recommend that Policy F-01 be rescinded.

During discussion of the revisions to Policy B-01, Superintendent Veld and Manager of Projects & Maintenance Robert Dunn confirmed that there is no rationale for excluding Real Estate and Labour Relations tenders from public inspection as all tenders are public and available for inspection by the public.

Moved by: Lora Campbell
Seconded by: Linda Crouch

“That Policy B-06 *Purchasing Cards (P-Cards)* be approved, as amended, and adopted.”
and

“That Policy B-01 *Purchasing of Goods and Services* be approved, as amended, and adopted.”
and

“That Policy F-01 *Selection of Architect and Engineers for Capital Projects* be rescinded.”

CARRIED UNANIMOUSLY

OTHER BUSINESS**Sven H Dohnberg Centre**

For the Committee's awareness, Director of Education Warren Hoshizaki provided an update on the Sven H. Dohnberg Centre, located by the Lifetime Learning Centre and Eden High School. The Adolescent's Family Support Services of Niagara (AFSSN) paid for the construction of the building at a cost of \$700,000 to \$800,000, with Ministry funds, on property provided by the Lincoln County Board of Education. The building was then leased to AFSSN for 20 years with the condition that ownership of the

building would revert to the board of education at the end of the lease. The lease ended several years ago and the current lessor, STRIVE, has continued to occupy the building rent-free. STRIVE is a non-profit organization dedicated to assisting young families, particularly mothers who are pursuing an education. They provide child care and other supports and services to these families. Robert Dunn confirmed that the building has one floor, with a basement that is not in use.

Discussions have been taking place with STRIVE on potential uses of the building, such as a HUB centre and daycare services. If STRIVE requires use of the whole building, rental fees at the Board's non-profit rate will be discussed. Maintenance and caretaking fees will also be taken into consideration. If there are reciprocal benefits for both parties, an agreement may be negotiated.

NEXT MEETING

The next meeting is scheduled for December 8, 2015, at 5:30 p.m.

ADJOURNMENT

The meeting adjourned at 6:45 p.m.

Kevin Maves
Chair