

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE

Report to the Board of May 15, 2024

Committee Members: Trustee Elder, Chair
Trustee Hickman
Trustee McMurphy

Staff Support: Jason Reid, Secretary-Treasurer
Dave Eberwein, Superintendent of Schools
Megan Cimaglia, Director of Finance
Rob Lumb, Director of Facilities
Cody Henschel, Director of Information Technology

Partner Representatives: Don Peterson, STA
Candice Whitney, CUPE
David Mark, SAA
COPACS - regrets

Other Attendees: Chair Dunford, Vice Chair Silzer, Trustee Vandall & Trustee VanWell

Committee Meeting

Tuesday, May 7, 2024

A. PRESENTATIONS AND QUESTIONS

No Items.

B. ITEMS DISCUSSED

No Items.

C. ITEMS FOR RECOMMENDATION

1. Brentwood Childcare Portable

Motion:

The Committee recommends and I, Trustee Elder move,
That the Board approve replacement of the Brentwood Childcare Portable using available funds in
the local capital reserve.

2. Report from Budget Advisory Committee

The following motions were moved to the May 8, 2024 Special Budget Meeting:

- (i) That the 2024/25 Budget be balanced by allocating \$922,967 in contingency reserve to fund the budgetary items outlined in the following table:

Net funding growth	(763,224)
Medical/Dental plan premium escalation	585,168
Canada Pension Plan (CPP) premium escalation	141,023
Forecasted increase to average Teacher wage	300,000
Technology plan budget shortfall (inflation)	500,000
Unavoidable service and supply inflation	160,000
Total Unfunded Inflationary Pressure	922,967

- (ii) That staff be directed to create a plan with options to address the structural budget shortfall with a report provided to the Board in the fall of 2024.
- (iii) That the Board express its appreciation to the Budget Advisory Committee, community members who participated at the Community Budget Meeting and survey, and students who participated in Student Voice sessions.

D. ITEMS FOR INFORMATION

1. Fiscal Forecast
2. SEŠIŠEJ Childcare Centre Update

E. FUTURE AGENDA ITEMS

- 2025/26 Capital Plan Submission (June)
- Updated Long Range Facilities Plan (June)
- Review Trustee Remuneration (June)
- Review guidance regarding Audit Committee responsibilities (June)

To: Finance Facilities & and Technology Committee

Prepared By: Jason Reid
Secretary Treasurer

Subject: Replacement of Brentwood Childcare Portable

Date: May 3, 2024

Purpose and Background

The purpose of this briefing note is to recommend the Board approve allocation of local capital reserve to replace the childcare portable at Brentwood Elementary.

Beginning in 2018/19, the district implemented a new rental rate structure for childcare licences that includes allocation of 45% of rental revenues to a local capital reserve for future renewal of childcare space. This local capital reserve was \$477,625 as at June 30, 2023 and is expected to increase to about \$585,000 by June 30, 2024.

We've recently determined that a childcare portable at Brentwood Elementary is in urgent need of replacement. The portable is beginning to separate in the middle due to foundation issues and overall is in very poor condition.

The "Otter Be Fun Care" program at Brentwood Elementary is operated by Beacon Community Services using 2 portables on the site and shared used of the school's multipurpose room.

Next Steps

The preliminary cost estimate to replace the portable with a modern modular building (with required kitchen and washroom facilities) is between \$375,000 and \$425,000. The plan is to commence design work immediately following Board approval, with the objective of replacing the building in late 2024. During the construction phase, the childcare program spaces will be accommodated within the school on a temporary basis.

Staff Recommendation:

That the Board approve replacement of the Brentwood childcare portable using available funds in the local capital reserve.

Respectfully submitted,



Jason Reid
Secretary Treasurer



BUDGET ADVISORY COMMITTEE MEETING

Thursday, May 2 2024 3:00 pm, Board Room

Committee Members:

Keven Elder, Chair
Susan Hickman, Trustee
Elsie McMurphy, Trustee,
regrets
Dave Eberwein, Superintendent of Schools
Paul McKenzie, Assistant Superintendent
Peter Westhaver, Director of Instruction
Carly Hunter, Director of Instruction
Jason Reid, Secretary Treasurer
Megan Cimaglia, Director of Finance

Don Peterson, STA
Elaine Ting, STA
Candace Whitney, CUPE
Laura Mackie, CUPE
Mel Paas, SAA
Tassie Harris, SAA
Spencer Gray, SISP
Megan Misovic, COPACS, regrets

Other Attendees: Chair Dunford, Vice Chair Silzer, Trustee Vandall, Trustee VanWell

Meeting Notes

- Trustee Hickman acknowledged the meeting was being held on the territory of the WSÁNEĆ people and welcomed committee members and guests. Trustee Hickman reported she would be chairing today's meeting, as Committee Chair Elder was participating remotely by videoconference.
- The committee reviewed the meeting notes from the April 11, 2024 BAC committee meeting.
- The committee reviewed the results of Community Budget Consultation.
- Secretary Treasurer Reid reported that the fiscal forecast in May overall was very close to what had been forecasted in April. Therefore, the estimated budgeted pressure in fiscal 2024/25 of \$922,967 remained unchanged.
- The committee discussed options for balancing budget 2024/25, considering:
 - themes from survey and feedback sessions
 - reduction options and the extent to which any are palatable
 - the extent to which the contingency should be used to address the structural shortfall (some, none, all)
 - committee advice to the board on any additional advocacy for funding enhancements
- Committee members formed consensus on the following 4 items:
 1. There were no potential 2024/25 budget reductions that were considered advisable or necessarily even palatable. When considering potential reductions, the committee discussed the implications of not funding or delaying funding for the technology plan.
 2. There may be options for revenue enhancements including potential for further online learning enrolment growth, and by increasing fees for the transportation system. The following were considerations:
 - That changes to transportation fees logistically could not be implemented earlier than the 2025/26 school year.
 - There may be opportunities to save money working with BC transit (improved service or possibly free service).
 - That consideration of revenue generation needed to be balanced with the risk of transferring government's obligation to adequately fund education onto parents and students through increased fees.

3. That the 2024/25 budget should be balanced through allocation of \$922,967 from the contingency reserve (see attached budget pressure schedule). It was acknowledged that allocating this amount from contingency reserve would increase the structural budget deficit to \$1.5 million (\$582,976 + \$922,967), and the Board would then need to develop a plan to re-establish budget sustainability.
 4. The importance of continued advocacy for adequate funding for inflationary cost pressures, with continued initiative at all levels, from all who are willing to reach out to government.
- The committee agreed to move the following recommendation forward for Board consideration: *“That the 2024/25 Budget be balanced by allocating contingency reserve as required and that staff be directed to develop a plan to address the structural budget shortfall”.*



**Operating Fund Budget Pressure
For the 2024/25 Fiscal Year**

**May 2, 2024
Estimated Budget
Pressure**

Decrease (Increase) in Revenues:

Continuing expenses funded by accumulated surplus	582,976
Deficit (Surplus) emerging from forecast	(600,000)
Operating grant increase	(4,434,786)
23/24 labour settlement funding rolled into 24/25 operating grant	1,460,706
Estimated compensation funding outside operating grant	(902,520)
International program enrolment and fee increase	(292,188)
	<hr/>
	(4,185,811)

Increase (Decrease) in Expenses:

CUPE wage inflation (3% plus local table allocations)	637,841
Teacher wage inflation (3.0% plus additional 0.11% at top step)	1,578,492
Exempt Staff salary inflation (3%)	270,358
Medical/Dental plan premium escalation	585,168
CPP enhancement	141,023
Forecasted increase to average Teacher wage (step placement)	300,000
Enrolling Teacher change (5.5 FTE for projected student FTE)	670,895
Inclusion Support budget (for projected unique needs)	265,000
Service and supply inflation (unavoidable)	160,000
	<hr/>
	4,608,778

Net Budget Pressure before proposed changes

422,967

Proposed Budget Changes:

Allocation of contingency reserve	(922,967)
Fund technology plan inflation	500,000
	<hr/>
	(422,967)

Total Operating Fund Pressure

(0)

	Prior Year Actual 2022	Prior Year Actual 2023	Amended Budget	Current Budget	Revenue/ Expenditures to March 31, 2024	Projected Revenue and Expenditure	Variance From Budget	Notes
Revenue								
621 Consolidated Revenue Grants	(76,549,164)	(76,627,629)	(85,423,304)	(85,598,344)	(60,287,765)	(85,986,748)	388,404	Note 1
627 Indig. Northern Affairs Canada (INAC) Recovery	3,079,193	3,190,534	3,892,608	3,892,608	2,024,064	3,892,608	-	
629 Other Ministry Of Ed Grants <i>includes Pay Equity, Ad hoc MOE grants, Grad adult funding, Labour Settlement Funding</i>	(1,135,484)	(4,077,807)	(2,548,275)	(2,373,235)	(1,437,439)	(2,373,235)	-	
629 Classroom Enhancement Fund (CEF)	(8,912,124)	(11,142,827)	(12,005,932)	(12,005,931)	(8,463,229)	(12,005,931)	-	
630 Federal Grants <i>French Odyssey Grant, Jordan's Principle</i>	(39,492)	-	(574,918)	(574,918)	(553,918)	(574,918)	-	
641 Other Ministry Grants <i>ERASE Grant</i>	(183,610)	(181,545)	(172,333)	(112,833)	(99,232)	(112,833)	-	
645 Instructional Cafeteria Revenue	(184,506)	(247,679)	(68,000)	(68,000)	(186,397)	(186,397)	118,397	
646 Local Education Agreements/Direct Funding Indig.	(2,723,698)	(3,192,947)	(3,892,608)	(3,892,608)	(2,024,064)	(3,892,608)	-	
647 International and Out of Province Students	(5,738,618)	(6,559,217)	(6,847,678)	(6,847,678)	(7,317,713)	(7,317,713)	470,035	Note 2
649 Misc. Fees & Revenues <i>includes ad hoc grants received, recovery revenue from shared services, funding from municipalities</i>	(497,986)	(529,491)	(190,594)	(268,086)	(295,692)	(295,692)	27,606	
651 Community Use Of Facilities	(30,242)	(43,595)	-	-	(60,309)	(60,309)	60,309	
659 Other Rentals & Leases	(380,542)	(415,440)	(442,402)	(442,402)	(342,552)	(414,840)	(27,563)	
660 Exchange (Gain) Loss	(1,207)	-	-	-	(3,303)	(3,303)	3,303	
661 Interest On Short Term Deposits	(204,761)	(782,868)	(650,000)	(650,000)	(780,565)	(1,077,565)	427,565	
662 Appropriated Surplus (prior years carry forward amounts)	-	-	(1,358,605)	(1,358,605)	-	(1,358,605)	-	Note 3
672 Student Fees/Certifications	(108,010)	(63,077)	(50,000)	(50,000)	(58,000)	(58,000)	8,000	
Total Revenue	(93,610,251)	(100,673,588)	(110,332,041)	(110,350,032)	(79,886,114)	(111,826,089)	1,476,057	
Expenses								
105 Salaries - P/VP	4,781,071	4,929,172	5,245,399	5,245,399	3,840,120	5,231,647	13,752	
111 Salaries - Teachers (incl. POSR)	40,715,557	41,098,476	44,670,559	44,670,559	31,504,966	44,774,896	(104,337)	
307 - Teacher remedy	1,639,055	1,473,693	2,389,665	2,389,665	1,039,588	2,389,665	-	
Teacher remedy unspent					-	-	-	
122 Salaries - Support Staff (incl. In Service and First Aid)	8,541,427	8,574,110	9,580,832	9,483,320	6,623,485	9,390,216	93,104	Note 4
123 Salaries - Other Professionals	3,223,078	3,415,751	4,265,719	4,255,635	2,805,090	4,375,621	(119,986)	
131 Salaries - Educational Assistants	5,409,004	6,001,108	7,007,297	7,018,197	4,334,832	6,725,717	292,480	Note 5
143 Support Staff Replacement Costs	636,057	556,417	548,152	496,700	579,680	744,780	(248,080)	Note 6
146 Teacher Replacement Costs	3,473,416	3,996,096	3,960,646	3,960,896	2,724,217	4,056,943	(96,047)	Note 7
	68,418,665	70,044,823	77,668,268	77,520,370	53,451,978	77,689,485	(169,114)	
200 Benefits	16,612,271	17,876,595	18,446,510	18,446,666	12,739,666	18,456,730	(10,064)	
	16,612,271	17,876,595	18,446,510	18,446,666	12,739,666	18,456,730	(10,064)	
Services & Supplies								
Services	4,823,714	5,134,765	5,110,833	5,071,833	4,005,330	5,433,393	(361,560)	
Pro-D & Travel	457,956	572,033	845,197	845,197	484,468	845,197	-	
Rentals & Leases	137,659	157,541	182,000	182,000	117,874	182,000	-	
Dues & Fees	385,591	304,967	363,228	363,228	348,320	363,228	-	
Insurance	187,184	208,047	237,000	237,000	253,151	253,151	(16,151)	

Projection for Discussion Purposes - Actual Results May Differ From Projected

Prepared by Megan Cimaglia

	Prior Year Actual 2022	Prior Year Actual 2023	Amended Budget	Current Budget	Revenue/ Expenditures to March 31, 2024	Projected Revenue and Expenditure	Variance From Budget	Notes
Supplies	2,879,215	3,344,988	4,857,749	4,993,967	2,235,921	3,989,970	1,003,997	
Utilities	1,484,676	1,606,658	1,647,435	1,722,435	966,899	1,722,435	-	
	10,355,995	11,328,999	13,243,442	13,415,660	8,411,963	12,789,374	626,286	Note 8
Total Expenses	95,386,931	99,250,417	109,358,221	109,382,697	74,603,607	108,935,589	447,107	
Transfer from operating for purchase of capital assets	1,035,089	1,641,865	850,000	850,000	-	850,000	-	
Transfer to local capital for asset replacement reserve	109,982	116,820	123,820	123,820	-	123,820	-	
(Surplus)/Deficit	2,921,751	335,514	(0)	6,485	(5,282,507)	(1,916,679)	1,923,164	
					Opening Contingency Reserve	(2,300,838)	2.3%	
					Estimated School and District Carry Forwards	1,000,000		
					Estimated Closing Contingency Reserve	(3,217,517)		

Amended Budget is the February *Amended Annual Budget* , which was approved by the Board on February 14, 2024.

Current Budget is the current working budget.

Certain comparative figures have been restated to conform with current year's presentation

Variance comments:

Note 1 - February SIDES enrolment count exceeded projections.

Note 2 - International tuition revenue is currently expected to finish at 267 FTE vs. 265 FTE budgeted. We had budgeted 201.5 FTE homestay students and ended up with 248 FTE homestay.

Note 3 - Appropriated surplus consists of:

\$522,701 District Activities Carry Forward

\$252,928 School Activities Carry Forward

\$582,976 Budget Appropriation

\$1,358,605

Note 4 - Support Staff salaries positive variance is due to hiring lag for vacant positions and unpaid time off taken by staff. This variance is slightly offset by higher replacement costs.

Note 5 - Education Assistant (EA) salaries positive variance is due to several factors:

- Hiring lag in deployment of EA funding.

- Estimated continued understaffing due to inability to consistently fill all EA positions.

- EAs taking unpaid time off.

- All positions are budgeted at the continuing rate of pay, but about 10% of positions are staffed with temporary employees who earn \$1.43 less per hour.

This variance is slightly offset by higher replacement costs when possible.

Note 6 - Support Staff Replacement costs negative variance is due to higher than budgeted use of sick leave. We have savings from regular staff (typically EAs and custodians) taking unpaid time off on the Salaries - Support Staff row then additional costs for replacement on this row.

Note 7 - Teacher Replacement Costs are now trending very close to budget. This change compared with past months is due to lower than budgeted maternity and parental leave top up payments expected upcoming. Usage of sick and emergency leave are no longer increasing over the prior year.

Note 8 - Assumption made in preparing this forecast is that departments and schools will spend their services and supplies budgets as allocated, other than the following:

\$ 361,560 estimated homestay fees beyond budgeted (recovered with increased homestay fees paid)

(\$1,000,000) expected school and district carry forward

\$ 16,151 insurance spending over budget

\$ 118,397 costs to generate cafeteria revenue

\$ 27,606 additional grant supported spending

\$ 150,000 anticipated services and supplies savings to budget

(\$626,286)