



## **MINUTES OF THE FINANCE COMMITTEE**

**Wednesday, January 18, 2017**

**Grimsby-Lincoln Meeting Room  
6:30 p.m.**

Present:

Trustee Committee Members: Lora Campbell, Jonathan Fast, Kevin Maves (Chair),  
Dale Robinson (for Sue Barnett)

Regrets: Sue Barnett

Trustee Observers: Helga Campbell, Diane Chase

Administration: Stacy Veld, Superintendent of Business Services  
Lora Courtois, Superintendent of Human Resources  
Rick Werezak, Chief Financial Officer

Recording Secretary: Brenda Buckingham, Business Assistant

### **CALL TO ORDER**

Chair Kevin Maves called the meeting to order at 6:30 p.m.

### **APPROVAL OF THE AGENDA**

The agenda was reviewed and it was,

Moved by: Lora Campbell  
Seconded by: Jonathan Fast

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

CARRIED UNANIMOUSLY

### **APPROVAL OF THE MINUTES OF THE NOVEMBER 21, 2016, MEETING**

The minutes of the November 21, 2016, Finance Committee were reviewed and it was then,

Moved by: Jonathan Fast  
Seconded by: Dale Robinson

**“That the minutes of the November 21, 2016, Finance Committee meeting  
be approved as presented.”**

CARRIED UNANIMOUSLY

**INTERNATIONAL EDUCATION 2015-16 FINANCIAL REPORT**

The 2015-16 International Education Financial Report was presented by Superintendent of Business Services Stacy Veld. It was noted that total revenue was slightly higher than expected due primarily to an increase in enrolment of 6.8 FTE over projections. However, there was a decrease in short term cultural revenue as a result of a decline in the winter cultural program.

Expenditures related to the delivery and administration of the international education programs and services totaled \$1,284,906, as compared to the budgeted expense of \$1,253,669. The small increase in expenditures is attributable to the increase in Visa students.

The net 2015-16 income for the international education program is \$319,249.

The Committee was reminded that, in 2011-12, it was approved that 30% of the year's net surplus (being \$95,775 for 2015-16) would be retained within the International Education program to fund future business development initiatives and that 70% (being \$224,00 for 2015-16) would be made available to fund one-time DSBN strategic initiatives in the following year. The initiatives would be developed by Senior Administration 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 support for the following strategic initiatives:

- \$100,000 - DSBN portion of the Greater Fort Erie S.S. theatre
- \$ 74,000 - Information technology equipment in schools
- \$ 50,000 - School playground support

During the Committee's discussion of the recommended initiative supports, Superintendent Veld explained that Senior Administration would review school technology equipment and playground needs and allocate the funding accordingly. It was also confirmed that, due to various safety issues, removing playground equipment from a closed school site is not a viable option.

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

Moved by: Jonathan Fast  
Seconded by: Lora Campbell

**"That the International Education 2015-16 Financial Report be received  
and that \$224,000 be allocated to support the Board's strategic initiatives  
as directed by the Finance Committee."**

CARRIED UNANIMOUSLY

6:40 p.m. Jonathan Fast left the meeting, with his regrets

**2016-17 INTERIM FINANCIAL REPORT**

Superintendent of Business Services Stacy Veld, with Chief Financial Officer Rick Werezak, presented the first 2016-17 First Interim Financial Report. Superintendent Veld explained that all school boards are required to submit revised budgets which incorporate financial changes that have taken place since the 2016-17 Budget was approved. This Interim Financial Report is based on the those revised estimates which reflect the actual October 31<sup>st</sup>, 2016 enrolment and projected March 31<sup>st</sup> 2017 enrolment and the resulting changes to provincial grants, as well as other matters that have some variability from year to year.

Chief Financial Officer Rick Werezak reviewed and highlighted the major changes from budget as detailed on the staffing, enrolment, revenue and expenditures, and other special initiative grants schedules attached to the report. Of particular note was the fact that the revised 2016-17 average daily enrolment (ADE) is over projections by 406 (elementary enrolment is up by 481 ADE and secondary enrolment below projections by 75 ADE). The Committee acknowledged that this is a very positive growth pattern for the DSNB.

The enrolment increase has resulted in additional grant funding of \$2.6 million. However, classroom and non-classroom staffing has remained relatively consistent as compared to budget, due to various staffing efficiencies. It was explained that variances in the revenue and expenditure schedules are attributed to the enrolment increase, teacher and ECE Q&E placement, and the transition of benefits to provincial trusts. He also noted that the carry forward of surplus budget from the prior year has helped to fund new staff initiatives.

The first Interim Financial Report indicates a projected general operating surplus of \$8,701,000 for the 2016-17 fiscal year. The preliminary projection is based on actual spending to October 31, 2016, which represents only two months of the fiscal year. Updated projections will again be provided at both the April and June 2017 Finance Committee meetings.

During discussion and in response to questions, it was noted that the areas of elementary enrolment increase occurred primarily in the Fort Erie area and south Niagara Falls. However there were pockets of growth experienced in several other DSNB communities. It was confirmed that, prior to granting capital funding for renovations or additions to a growth school, the Ministry takes into consideration the enrolments of surrounding schools for opportunities to accommodate the students.

Moved by: Lora Campbell  
Seconded by: Dale Robinson

**“That the 2016-17 Interim Financial Report, reflecting updated enrolments for October 31, 2016, and the resulting changes in revenues and expenditures, be received.”**

CARRIED UNANIMOUSLY

**RENTAL RATES FOR NATURAL AND SYNTHETIC TURF FIELDS**

A report on rental rates for natural and synthetic turf fields was presented. Superintendent of Business Services Stacy Veld explained that she, along with the DSNB's Community Use of Schools (CUS) Department and the Manager of Community Partnerships and Engagement, annually review the costs charged for rental permits to the DSNB community. Through this review and the funding provided by the province for community use of schools, staff have been able to maintain fair and competitive rental rates for DSNB facilities.

The review this year included consideration to implement rental rates for the five new synthetic turf fields. It was also recognized that outside groups have never been charged for rental of current natural turf fields even though expenses to maintain the fields have increased. Looking across the province, and right here in Niagara, it is a common practice to charge rental rates for both synthetic and natural turf fields. Should rental fees be implemented at DSBN, they would be tiered, non-subsidized and outside of the CUS rental structure.

A proposed tiered rental rate chart for natural turf fields was presented suggesting rates applicable to elementary school fields and secondary school fields. Five user groups were categorized based on not-for-profit youth and community programs; religious, municipal, college and university groups; and commercial or profit making individuals and organizations. Per hour usage rates and permit administration fees were applied to each group. Per hour rates ranged from \$0 to \$18 per hour for elementary fields and \$0 to \$48 per hour for secondary fields. Permit administration fees ranged from \$5 to \$20. It was noted that a field premium could also be applied for secondary school fields that are refurbished and maintained as 'premier' fields. Also, where there is a community partnership established which benefits the DSBN, reduced rental rates could be considered in exchange for reciprocal benefits/cost savings to the DSBN.

A similar tiered rental rate chart was presented applicable to synthetic turf fields. Hourly rates and permit administration fees were applied to three categories: Youth programs, not-for-profit adult programs, and commercial groups and profit making organizations. Per hour rates ranged from \$65 to \$125 per hour and permit administration fees from \$5 to \$20. Additional charges could be applicable related to insurance, field lighting and scoreboard use. As with the natural field rental rates, reduced costs could be considered for reciprocal benefits/cost savings to DSBN within a community partnership agreement.

Based on current rental requests. Superintendent Veld projected a revenue increase of approximately \$100,000 if rental rates are implemented for DSBN natural turf fields. It is recommended that a portion of the rental revenue be allocated to increased maintenance of the property, e.g. weekly cuts, watering, etc., and that any remaining revenue be allocated to support the Board's budget.

Revenue generated from the rental of synthetic turf fields would be allocated to a newly created accumulated surplus account to fund the eventual replacement costs of the synthetic turf and track field.

The Committee was supportive of the implementation of rental fees for both natural and synthetic turf fields, and it was

Moved by: Dale Robinson  
Seconded by: Lora Campbell

**"That staff be directed to implement the recommended fee structure for the community use rentals of natural and synthetic turf fields."**

CARRIED UNANIMOUSLY

**SHORT-TERM FINANCING OF MINISTRY FUNDED CAPITAL PROJECTS**

Chief Financial Officer Rick Werezak reported that, since the last borrowing resolution 2016-01 was passed in June of 2016, the DSBN has received additional capital funding approval from the Ministry of Education totaling \$23,584,329. This amount represents additional School Consolidation funding of \$655,916 to address the unique site costs incurred for the Wellington Heights addition and renovation project; additional 2015-16 School Condition Improvement (SCI) funding of \$6,773,739, along with the 2016-17 SCI funding allocation of \$15,240,913; and \$913,761 for Community Hub projects which may require minor capital retrofits or accessibility needs.

Since the Ministry of Education (MOE) pays capital grants twice per year, based on actual spending, school boards must finance the project costs until the provincial grants are received. In order to mitigate the financial impact on school boards, the MOE allows the use of short-term borrowing to interim finance the capital projects and covers all related interest costs through the Allocation for Short-Term Interest Grant. As the DSBN receives a higher rate of interest for its cash balances, it is financially advantageous for the Board to externally borrow the funds from the bank and then be reimbursed by the MOE for the interest expense.

In order to commence capital borrowing under this program, approval of a borrowing resolution by the Board of Trustees is required. The resolution will authorize the DSBN to borrow an amount up to the Ministry-approved capital grant allocation of \$23,584,329. A draft of Borrowing Resolution 2017-01 was provided to the Committee.

Moved by: Lora Campbell  
Seconded by: Dale Robinson

**“That Borrowing Resolution 2017-01, authorizing the Board to borrow up to \$23,584,329 for the short-term financing of Ministry funded capital projects, pursuant to the provisions of section 243(1) of the Education Act, be approved.”**

CARRIED UNANIMOUSLY

**NEXT MEETING**

The next meeting is scheduled for February 15, 2017.

**ADJOURNMENT**

The meeting adjourned at 7:30 p.m.

**Kevin Maves**  
Chair