



## MINUTES OF THE FINANCE COMMITTEE

**Wednesday, June 14, 2017**

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

Present:

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

Trustees: Helga Campbell

Regrets: Jonathan Fast

Administration: Warren Hoshizaki, Director of Education  
Stacy Veld, Superintendent of Business Services  
Lora Courtois, Superintendent of Human Services  
John Dickson, Superintendent of School Support Services  
Paula MacKinnon, Superintendent of Education, Secondary  
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 6:30 p.m.

### **APPROVAL OF THE AGENDA**

The agenda was reviewed and it was,

Moved by: Sue Barnett  
Seconded by: Lora Campbell

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

CARRIED UNANIMOUSLY

### **APPROVAL OF THE MINUTES OF THE MAY 23, 2017, MEETING**

The minutes of the May 23, 2017, Finance Committee were reviewed and it was,

Moved by: Lora Campbell  
Seconded by: Sue Barnett

**“That the minutes of the May 23, 2017, Finance Committee meeting be approved,  
as presented.”**

CARRIED UNANIMOUSLY

**DELEGATION OF AUTHORITY**

Superintendent of Business Services Stacy Veld explained that, under the Board's Purchasing Policy B-01, all appointments for consulting services and the award of construction and other contracts greater than \$500,000 in value must be presented to the Finance Committee and approved by the Board of Trustees. As well, there can be projects identified subsequent to an award of contract, which meet the requirements and thresholds as set out in Policy B-01, that require similar approval.

As neither the Finance Committee nor the Board sits during the summer months, and in order to move forward with the business of the Board, it was recommended that authority be delegated jointly to the Director of Education and the Superintendent of Business Services to enable them to approve such projects and award of contracts.

Since property matters may also arise during the summer months, it was recommended that the delegation of authority be extended to include the award of realtor contracts and acceptance of potential offers to purchase property sites during the months of July and August.

Any such approvals will be reported to the appropriate Board Committee, being either the Finance Committee or the Ad Hoc Properties Disposal Committee, in September, and subsequently received by the full Board of Trustees.

Moved by: Jennifer Ajandi

Seconded by: Sue Barnett

**"That authority be delegated to the Director of Education and the Superintendent of Business Services jointly to approve the award of contracts and property matters in July and August that would otherwise require Finance Committee, Ad Hoc Properties Disposal Committee and Board approval, and report such approvals at the September 2017 Finance Committee and/or Ad Hoc Properties Disposal Committee meetings."**

CARRIED UNANIMOUSLY

**REVISION TO POLICY B-04 INVESTMENT OF BOARD FUNDS**

Chief Financial Officer Rick Werezak explained that, in October of 2014, the Board of Trustees approved a new policy governing the investment of DSBN funds. Since this was a newly introduced strategy, a conservative approach was taken whereas investments were to be made only through services offered by the top five largest Canadian Chartered Banks. Staff have now had time to monitor this new investment strategy and feel that it would be in the DSBN's best interests to entertain quotes from other financial institutions, such as credit unions, that could potentially result in better rates through increased competition.

Over the summer months, research will be conducted to determine what types of financial institutions the DSBN can obtain quotes from and provide this information to the Finance Committee in September. CFO Werezak confirmed that any additional financial institutions would be selected through the DSBN's Investment Services Request for Supplier Qualifications (RFSQ) process, as set out in the policy. The Committee requested that they be provided with the results of any RFSQ issued for investment services.

Moved by: Lora Campbell

Seconded by: Sue Barnett

**"That the revised Policy B-04 *Investment of Board Funds* be approved and adopted, as presented."**

CARRIED UNANIMOUSLY

**2016-17 INTERIM FINANCIAL REPORT**

Stacy Veld, Superintendent of Business Services, and Rick Werezak, Chief Financial Officer, presented the third 2016-17 Interim Financial Report. Superintendent Veld explained that the report is an update to the second interim report and provides a comparison of the year-to-date actual revenue and expenditures with the 2016-17 budget, notes key variances from budget, and gives a projection of the DSBN's year-end surplus or deficit position.

Rick Werezak noted that this is the most comprehensive analysis of the three interim reports presented as it takes into account the actual October 31, 2016 and preliminary March 31, 2017 enrolment, as well as revenues and expenditures up to April 30<sup>th</sup>. He then reviewed the financial summary and supporting schedules which included the staffing component, enrolment, revenue and expenditures, and special initiative Provincial grants. Any significant changes from the second interim report were highlighted.

It was noted that the significant changes in revenue are attributable to total enrolment being above projections by 438 full-time equivalent (FTE) or 1.2%, representing an increase of 495 FTE in the elementary panel and a decrease of 57 FTE in the secondary panel which did not result in the need to hire additional classroom staff; new Ministry funding to support the transition to Employee Life and Health Benefit Trusts; and additional special initiative grants totaling \$1,601,193 announced subsequent to the approval of the original 2016-17 budget. Expenditures have been increased to reflect the increased provincial grants.

The third interim report projects a general operating surplus or variance from budget of \$9,201,000 for the 2016-17 fiscal year. It was noted that \$3,224,000 of general operating surplus was required to balance the 2016-17 budget, resulting in a net projected general operating surplus of close to \$6 million. This leaves the DSBN in a very strong financial position as it goes into the 2017-18 fiscal year.

Moved by: Sue Barnett  
Seconded by: Lora Campbell

**“That the Interim Financial Report for the period ending April 30, 2017, be received.”**

CARRIED UNANIMOUSLY

**PRELIMINARY 2016-17 BUDGET**

Superintendent of Business Services Stacy Veld, with Chief Financial Officer Rick Werezak and Manager of Financial Services Nicky Westlake, presented the preliminary 2017-18 Budget report. The various schedules were reviewed and significant variations from the 2016-17 budget were highlighted with respect to the grants for student needs and revenue schedules, the expenditure budget, special education budget, community education budget, the schedule of accumulated surplus and the permanent staffing comparison schedule. The data presented was discussed by the Committee and staff responded to questions with respect to variances, staffing component, program funding, and increased support for students.

**Proposed Budget**

At the May 23, 2017, Finance Committee meeting, a preliminary 2017-18 revenue schedule was presented. Since that time, projected revenues have been finalized and Senior Administration and Finance staff have developed a preliminary expenditure budget.

Superintendent Veld noted that this budget reflects the focus on providing the system with the resources and supports necessary to support the 2015-2020 Strategic Plan. The Strategic Priorities of Student Growth, Staff Growth and System Growth have been embedded into the budget and resources have been aligned to fulfill the Board's Vision. Increased staff support to promote well-being and mental health, as well as continued support for Indigenous resources and understanding, is reflected in this budget. The learning

agenda has focused on Math and Literacy curriculum K-12 while innovation and creativity is reflected in ongoing and new initiatives such as critical thinking, WiFi on buses and DreamBox research and assessment.

The grant revenues for the 2017-18 year include the final year of implementation for a number of funding model changes previously announced by the Ministry. These changes include grant increases resulting from the new Special Education funding method for High Needs Amount and the new Board Administration grant model; and a grant decrease resulting from the new top-up funding model which eliminates the base top-up funding for school operations & school renewal.

There has been a significant increase in grants for central labour agreement commitments including funding for salary increases of 1.5%, funding for local priorities to hire additional teachers and support staff, funding to support a reduction in grades 4-8 class sizes and to manage costs associated with meeting FDK caps, and additional funding to support the new provincial benefit trusts. All of the additional funding for central labour agreement commitments are offset by expenditures in the 2017-18 budget. Total budgeted expenditures are in the amount of \$460 Million, an increase of \$21 Million over last year.

The expenditure budget reflects the continuation of all programs and services currently offered to students. Through the budget process, Senior Administration identified areas for reductions without impacting students and have increased expenditures in areas where the DSBN faces challenges, specifically in sick leave. It was noted that school boards across the Province are affected by the significant increase in sick leave costs. Recent data released by the School Boards Co-operative Inc. (SBCI) indicates that the DSBN has experienced increased sick leave usage which has resulted in an additional \$500,000 being added to budgeted expenses to address this cost pressure. The expenditure budget also provides for the completion of the second year of the Wifi and IT infrastructure upgrade, and an increase of 43.2 FTE classroom teachers.

The DSBN is also compliant in all the enveloped areas, including Indigenous Education and Board Administration. Administration is underspent by just over \$800,000. Staff are doing a very good job of controlling costs related to central administration.

The Special Education budget reflects a continuation of all associated programming and supports for students, and provides for an increase of 15.1 FTE school based special education resource teachers and 17.5 FTE school based educational assistants, as well 2 additional secondary special education consultants. This directly aligns with the Board's strategic priority of enhancing and supporting innovative programs, initiatives and strategies that are relevant and responsive to diverse student learning needs.

### **Use of Accumulated Surplus**

The 2017-18 preliminary budget includes the use of \$504,754 from the General Operating Accumulated Surplus which is an annual budget amount brought into Revenue based on the motion passed by the Board on May 23, 2017. Based on the staffing plan and expense projections, the Board requires an additional \$1,547,235 from General Operating Accumulated Surplus in order to balance the Board's budget. In 2015-16 and 2016-17, prior to adding Trustee initiatives, General Operating Accumulated Surplus of \$2,906,155 and \$2,215,177, respectively, was utilized to balance the budget.

The preliminary budget includes a net use of the Board's Accumulated Surplus of \$3,317,066 comprised of the total use of General Operating Accumulated Surplus of \$2,051,989 and \$1,265,077 in the net use of internally appropriated accumulated surplus, primarily to cover depreciation expense and the phase in of the retirement gratuity liability.

Superintendent Veld noted that the DSBN is a very fiscally responsible school board with substantial General Operating accumulated surplus to ensure that any in-year changes or unforeseen expenditures can be managed without disrupting students or staff, while allowing the continuation of an investment strategy which brings even more money into its classrooms. Almost \$6 Million has been set aside for equipment and network infrastructure replacement, and additional funds to cover Workers' Compensation and Retirement Benefits liabilities.

During the budget process, Senior Administration identified additional expenditure increases for the consideration of Trustees (as reported below) which are not included in the preliminary budget but have been identified as opportunities to provide worthwhile programs and supports for students.

If the potential increases are approved by the Board, an additional \$653,000 of General Operating Accumulated Surplus would need to be used, or additional expenditure reductions would be required. Including the Policy amount, the total use of General Operating Accumulated Surplus would then be \$2,704,989 (\$504,754 + \$1,547,235 + \$653,000) leaving a projected balance in the General Operating Accumulated Surplus of \$13,019,897. The practice of decreasing the use of accumulated balance will allow the Board to gradually manage the available funds remaining.

Chief Financial Officer Rick Werezak explained that the use of Accumulated Surplus to fund an in-year deficit that exceeds the prescribed Ministry of Education (MOE) threshold, being 1% of the DSBN's 2017-18 GSN operating revenue or \$4,100,015, requires the approval of the Ministry. However, even with the approval of the potential increases, the use of accumulated surplus needed to balance the 2017-18 budget remains below the MOE threshold. Therefore, Ministry approval is not required and the DSBN will be deemed to have presented a balanced budget.

### **Potential Increases**

Each request reflects a relationship to the DSBN's Strategic Plan, Priorities and Goals. Director of Education Warren Hoshizaki, with Superintendents Lora Courtois, John Dickson, Paula MacKinnon and Stacy Veld, provided background on these proposed items and responded to questions from the Committee.

The Committee received and discussed each program request, and then entertained motions for inclusion in the 2017-18 budget.

#### **Reading Part 1 (Adolescent Focus) AQ** \$ 20,000

Superintendent of Education Paula MacKinnon provided background on a very successful pilot program offered to secondary teachers and instructional coaches to complete their Reading Part 1 Additional Qualifications (AQ), with a specific focus on adolescent readers. This funding request would allow expansion of the program to additional schools to support learners in the SSTW and applied classes.

#### **Math Homework Help** \$ 30,000

DSBN has been offering online Math Homework Help to support students taking grade 11 and 12 math. This initiative is supported by experienced DSBN secondary math teachers on Sundays through Thursdays from 7:00 p.m. to 10:00 p.m. Superintendent MacKinnon confirmed that this funding allocation would allow this very successful and unique support tool to continue.

#### **Social Worker 1.0 FTE for R.I.S.E. & Addiction** \$100,000

Superintendent MacKinnon explained that the DSBN currently has one Social Worker dedicated to R.I.S.E. and addictions, along with work contracted out to Community Addiction Services of Niagara (CASON). The addition of this Social Worker would provide support for students in the new elementary R.I.S.E. class and consistent and reliable support for addictions counselling that is integrated with all of DSBN's existing supports.

#### **Work Life Services** \$ 40,000

Superintendent of Human Resources Lora Courtois reported on the provision of the Employee and Family Assistance Program (EFAP) provided to DSBN employees, which provides immediate and confidential counselling of any work, health or life concerns. The funding request would support an additional valuable component of the DSBN's current Employee Family Assistance Program. WorkLife Services offers a wider range of counselling-based resources in the areas of family, financial, legal, nutrition and naturopathic services.

Dreambox – Interactive Math Computer Program

\$100,000

Superintendent John Dickson explained that Dreambox is a learning platform that provides opportunities for students to explore and reason when problem solving. The program allows teachers to track the progress of their students and to assign lessons to support student growth. Parents appreciate the home-school learning connection. Elementary schools invest their funds to purchase the program, with a subsidy from the Curriculum Department K-8. This additional funding would allow the subsidy to continue for all DSBN JK to Grade 6 students.

Earn-A-Device

\$100,000

The Earn-A-Device program is a 20-hour professional development series to support teachers in developing their skills and abilities to creatively and effectively integrate technology tools into their classroom. At the end of the program, the participant receives a device for their professional use and are encouraged to share their professional learning with colleagues in their home school or area. Superintendent Dickson noted that, over the past two years, this program has enrolled over 800 participants. This funding request would serve the goal of adding an additional 300 participants into the Earn-A-Device series in the 2017-18 school year.

Safe Arrival Software

\$163,000

Superintendent John Dickson explained that SafeArrival is an online communication tool that allows parents and guardians to notify the school, by telephone, mobile app or through the web at School Connects' SafeArrival, of planned student absences or late arrivals. Once the notice has been received, it is recorded, a confirmation text message or email is issued, and the automated system call-out will not be activated. However, if a student's late arrival or absence has not been verified, the automated system call-out will be activated to notify the parent/guardian. A pilot project of SafeArrival was launched in 2016-17 to a small number of elementary and secondary schools. Since parent feedback has been positive, this funding request would be used to continue to pilot the initiative with the intention of rolling it out to all schools by the end of the 2017-18 school year.

Applied Behavioural Analysis (ABA) Facilitator 1.0 FTE

\$100,000

The addition of 1.0 Applied Behavioural Analysis Facilitator will serve to support students in both the elementary and secondary panels who are exhibiting extreme dysregulation that impacts their school engagement and quality of life. Superintendent John Dickson also explained that the ABA Facilitator will provide and implement instructional methods and resources with support staff and teachers through board-wide training and professional learning to build capacity in utilizing positive behavioural strategies. The Facilitator will also liaise with community programs to monitor preschool and school-aged children transitioning into and throughout school.

Following discussion and consideration of the requests for budget increase, it was

Moved by: Lora Campbell  
Seconded by: Sue Barnett

**“That the 2017-18 Budget include**

**\$ 20,000 to support Reading Part 1 (Adolescent Focus) AQ**  
**\$ 30,000 to support Math Homework Help**  
**\$100,000 for 1.0 FTE Social Worker for R.I.S.E. & Addictions**  
**\$ 40,000 to support the Work Life Services**  
**\$100,000 to support DreamBox Interactive Math Computer Program**  
**\$100,000 to support Earn-A-Device program**  
**\$163,000 to support Safe Arrival Software**  
**\$100,000 for 1.0 FTE Applied Behavioural Analysis Facilitator**

CARRIED UNANIMOUSLY

Moved by: Sue Barnett  
Seconded by: Lora Campbell

**“That the 2017-18 Revenue and Expenditure Budget in the amount of \$461,476,620 be approved and the estimate forms be submitted to the Ministry of Education.”**

CARRIED UNANIMOUSLY

Superintendent Stacy Veld commented that she is very proud to be part of this team of senior administrators and staff, and complimented the Board of Trustees for their long-term vision and planning.

Committee Chair Kevin Maves, Committee members and Trustees present congratulated Stacy Veld, Rick Werezak, Nicky Westlake, staff, and Senior Administration for their expertise and collaborative effort which produced an inclusive budget that will have a positive impact on DSBN students and also places the DSBN in a very strong financial position going into the 2017-18 school year. Senior Administration were recognized for listening and reacting to the priorities expressed by the Trustees on behalf of students throughout the year.

#### **ADJOURNMENT**

**The meeting adjourned at 7:40 p.m.**

**Kevin Maves  
Chair**