



MINUTES OF THE FINANCE COMMITTEE

Wednesday, September 20, 2017

**Directors' Meeting Room
5:00 p.m.**

Present:

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

Trustees: Diane Chase, Helga Campbell

Administration: Stacy Veld, Superintendent of Business Services
JoAnna Roberto, Superintendent of Education
Nicky Westlake, Manager of Financial Services

Recording Secretary: Brenda Buckingham, Business Assistant

CALL TO ORDER

Chair Kevin Maves called the meeting to order at 5:00 p.m. Superintendent of Education JoAnna Roberto was welcomed as the Committee's Academic Superintendent representative for 2017-18.

APPROVAL OF THE AGENDA

The agenda was reviewed and it was,

Moved by: Lora Campbell

Seconded by: Sue Barnett

"That the agenda be approved as presented."

CARRIED UNANIMOUSLY

APPROVAL OF THE MINUTES OF THE JUNE 14, 2017, MEETING

The minutes of the June 14, 2017, Finance Committee were reviewed and it was,

Moved by: Sue Barnett

Seconded by: Jonathan Fast

**"That the minutes of the June 14, 2017, Finance Committee meeting be
approved, as presented."**

CARRIED UNANIMOUSLY

REPORT ON PROJECTS APPROVED UNDER THE 2016 DELEGATION OF AUTHORITY

In June, the Board of Trustees delegated authority to the Director of Education and the Superintendent of Business Services to award contracts during July and August that would otherwise require the approval of the Finance Committee and subsequently the Board of Trustees. Any such award of contracts were to be reported to the Finance Committee in September.

Superintendent of Business Services Stacy Veld reported that one contract was awarded over the summer under the delegation of authority for renovations to South Lincoln High School, and presented the following report.

Award of Contract – South Lincoln High School Renovation Project

As a result of the recent Accommodation Review, building modifications to South Lincoln High School were approved in the 2017-18 Multi-Year Capital Plan. The scope of the project includes the construction of four (4) new Kindergarten rooms, classroom renovations to convert them for elementary school use, washroom renovations, lighting upgrades to energy efficient LEDs, and plumbing and ventilation system upgrades. A total of \$2,100,000 was allocated for this project.

Superintendent of Business Services Stacy Veld reviewed the project's Request for Proposal (RFP) process. A total of seven (7) out of seventeen (17) pre-qualified general contractors responded to the RFP. The tenders were opened publically with bids ranging from a low of \$1,847,000 to a high of \$2,247,500. Board staff and the architect evaluated each tender and all were found to be complete with no errors or omissions. The low bid was submitted by Duomax Developments Ltd., a Niagara-based company that successfully completed renovations to Pine Grove School, the addition to Quaker Road School and renovations to Jacob Beam School.

With the low bid included, the estimated project cost is within budget at \$2,093,351.

The project work commenced in July, with completion in December, 2017. The College Street elementary students are scheduled to move into the newly renovated building in January, 2018.

During discussion of this construction project, Superintendent Veld noted that the Town of West Lincoln was very cooperative and timely with the issuance of permits, etc. It was confirmed that appropriate arrangements have been put in place which will allow the Day Care to continue to operate out of the building. All usable equipment at South Lincoln is being reutilized at either Grimsby Secondary School or Beamsville District High School.

Moved by: Lora Campbell
Seconded by: Jonathan Fast

“That the report on the Award of Contract for the Renovation Project at South Lincoln High School, approved under the 2017 Delegation of Authority, be received.”

CARRIED UNANIMOUSLY

REVISION TO POLICY B-04 INVESTMENT OF BOARD FUNDS

Superintendent Stacy Veld reported that, in October 2014, the Board of Trustees approved an updated investment policy to address long-term investment strategies. Since that time, a fixed income ladder investment portfolio of approximately \$50 million is being spread equally over a 5 year period with approximately \$10 million maturing each year and being re-invested for another five year fixed term. This strategy has allowed the DSBN to increase its overall revenue by \$1.2 Million.

DSBN funds in excess of the long-term investments remain with the Board's banking services provider (CIBC), earning interest at prime less 1.7% (currently 1.25% at the time of this report). Superintendent Veld noted that the DSBN averages approximately \$35 Million in its general operating account per month which, at times, can increase to a maximum of \$75 Million.

Originally, the policy allowed investments to be made only through services offered by the top five largest Canadian Chartered banks. In June 2017, Trustees approved a revision allowing staff to entertain quotes from other financial institutions, such as credit unions. The Finance Committee was advised that, over the summer, staff would research what types of financial institutions the DSBN could obtain quotes from, and perform an evaluation of possible short-term investment strategies with the goal of improving the rates of return earned on excess funds.

High interest savings accounts, with next day liquidity, is one strategy to earn improved interest rates. Superintendent Veld noted that some organizations would consider this type of account as simply an operating savings account and not part of an investment policy. However, in order to be transparent and accountable, staff consider this to be a short-term investment strategy and will follow the same reporting requirements to the Board of Trustees as long-term investments.

As a result of the review of short-term investment alternatives, a new section has been added to the Board's investment policy defining the minimum investment quality rating and individual organizational limits for short-term investments. The proposed investment policy requires all short-term investments (i.e., securities locked in for terms less than one year) to meet the minimum short-term credit rating of R-1 (Middle), as rated by the Dominion Bond Rating Service (DBRS) Limited or comparable ratings from other rating agencies. The DBRS rating is comparable to the long-term credit rating of AA(low), which is the minimum credit rating required by the DSBN's long-term investment policy, or the investment must be fully guaranteed by a provincial government whose short-term DBRS credit rating is R-1 (Middle) or greater.

The proposed policy also requires all short-term investments, which are not cashable within the next business day, to not exceed \$10 Million with any one individual financial institution.

Moved by: Jonathan Fast
Seconded by: Sue Barnett

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

CARRIED UNANIMOUSLY

INVESTMENT SERVICES REQUEST FOR SUPPLIER QUALIFICATIONS

As requested by the Finance Committee in June, Superintendent of Business Services Stacy Veld presented the results of the Investment Services Request for Supplier Qualifications (RFSQ) issued in August. The goal of the RFSQ was to increase the number of pre-qualified investment brokers or financial institutions eligible to provide both short-term and long-term investment quotes to the DSBN from the existing three pre-qualified Canadian chartered banks.

Quotes were received from Leith Wheeler Investment Council Ltd., Meridian Credit Union, and Raymond James Ltd. The RFSQ submissions were evaluated on the investment quotes as well as the qualifications and experience of the investment team, on-going management of investments, other value-added attributes or services offered, and the results of reference checks. The Committee was provided with a summary chart of the quotes received which also included quotes from the three existing pre-qualified financial institutions being Scotiabank, CIBC Wood Gundy and RBC Dominion Securities.

Based on the evaluation, Meridian Credit Union and Raymond James Ltd. will be added to the pre-qualified list of companies providing investment quotes to the DSBN.

During discussion it was confirmed that, when it is time to invest, quotes would be sought from all of the pre-qualified financial institutions. All of the financial institutions are Canadian. It was also noted that some are brokers thereby allowing them to access different issuers for the various investment options.

Moved by: Lora Campbell

Seconded by: Jonathan Fast

**“That the Investment Services Request for Supplier Qualifications report
be received for information.”**

CARRIED UNANIMOUSLY

NEXT MEETING

The next meeting of the Finance Committee is October 18, 2017, at 6:00 p.m.

ADJOURNMENT

The meeting adjourned at 5:40 p.m.

Kevin Maves
Chair