Finance Committee Minutes

Thursday, May 26, 2011, 2:00 p.m.
Conference Room, Administration Office

Present: L. Ross, Chairperson, M. Sefton, M. Snelling, D. Karnes, Dr. D. Michaels, G. Barnes, K. Zabowski.

BRANDON SCHOOL DIVISION

"Accepting the Challenge"

1. CALL TO ORDER:

The Finance Committee Meeting was called to order at 2:00 p.m. by the Chairperson, Dr. Ross.

2. APPROVAL OF AGENDA

Trustee Snelling requested the addition of discussions regarding operating surplus. Assistant Secretary-Treasurer, Mr. Zabowski, noted the addition of a tender proposal regarding the Automated External Defibrillators. The Finance Committee Agenda was approved as amended.

3. Review of Committee Minutes

The April 4, 2011 Committee Minutes were reviewed.

4. COMMITTEE GOVERNANCE GOAL ITEMS

NIL

5. OTHER COMMITTEE GOVERNANCE GOAL ITEMS

A) 2010/2011 Budget Projections

Secretary-Treasurer, Mr. Barnes, reviewed the 2010/2011 Budget Projections summary noting the Division currently has a projected surplus in the amount of $581,300 (Appendix A). Mr. Barnes, cautioned the Committee from a financial point of view, as to what they did with the surplus and how much of the surplus they spent. He noted the Government states 4% of the budget is the minimum amount a Division should have in their accumulated surplus. He confirmed he is comfortable with the Division's current surplus and noted the Division is currently operating within 1% of the budget. Trustees were encouraged to ask questions as the Secretary-Treasurer reviewed the operating surplus in detail.

B) Confirm Payments of Account (March and April)

The payment of accounts for March and April circulated to the Committee were reviewed and accepted.

C) Review Monthly Reports (April)

The monthly report for April circulated to the Committee was noted. The financial report was accepted.

D) **Tender – Automated External Defibrillators (AEDs)**

The Committee reviewed the tender proposals received for Automated External Defibrillators (AEDs). It was noted the Assistant Secretary-Treasurer and the Division's Physical Education Consultant had reviewed the proposed bids. Discussions were held regarding training included with the purchase of the AED's. The Committee agreed to accept the quotation of St. John Ambulance for the purchase of seventeen AEDs and training.

Recommendation:
That the quotation from St. John Ambulance for the purchase of seventeen (17) automated external defibrillators (AEDs) including AED, CPR, and First Aid training in the amount of $52,555.67 including taxes be accepted.

E) **Crocus Plains Wiring Tender**

The Committee reviewed the tender proposals received for the supply and installation of a structured communications cabling system for Crocus Plains Regional Secondary School. The Assistant Secretary-Treasurer and the Director of MIST reviewed the proposed bids. It was agreed to accept the quotation of Hard Line Construction for the supply and installation of the cabling system at Crocus Plains.

Recommendation:
That the proposal from Hard Line Construction in the amount of $92,960 including taxes for the supply and installation of a communications cabling system at Crocus Plains Regional Secondary School be accepted.

F) **Tenders/Quotations Summary**

The Committee reviewed the various tender proposals received for the supply of paper products, school furniture and janitorial services. It was agreed to accept the proposed tenders as presented to the Committee.

Recommendation:
That the Tenders and Quotations presented to this meeting be approved as follows:

TENDER – PAPER
The Tender for the 2011/2012 Paper Supplies based upon the quoted unit prices and in the approximate total amounts as follows (applicable taxes extra):

Christie's Office Plus	$29,152.00
Unisource Canada Inc.	$ 6,926.65

TENDER – PAPER TOWELS, TOILET TISSUE, AND GARBAGE BAGS
The Tender for Paper Towels, Toilet Tissue, and Garbage Bags for 2011/2012, based upon the tender prices stated and in the approximate total amounts as follows (applicable taxes extra):

Helcor Enterprises/Busy Bee	$16,576.56
Unisource Canada Inc.	$41,591.25

QUOTATION – STATIONERY SUPPLIES
The Quotation for the 2011/2012 Stationery Supplies, based upon the quoted prices and in the approximate total amounts (applicable taxes extra):

Christie's Office Plus	$12,841.10
Supreme Learning	$14,024.70

TENDER – SCHOOL FURNITURE
The selections made from the Tender for School Furniture for 2011/2012, based on the unit tender prices stated and in the approximate total amounts (applicable taxes extra):

The Accent Group Inc.	$37,599.05
Schoolhouse Products Inc.	$ 5,230.25

Recommendation:
That the Tender from Johnson's Commercial & Industrial Services (JCI), in accordance with the conditions and specifications, for provision of Janitorial Services at Vincent Massey High School, in the following amounts (all taxes included), be accepted:

2011/2012	2012/2013	2013/2014	Total
$164,286.00	$168,285.00	$172,602.00	$505,173.00

G) **Accumulated Surplus**

It was noted the 16 letters received from parents representing Betty Gibson, Earl Oxford, George Fitton, Harrison, Meadows, O'Kelly, Riverheights and Valleyview Schools noting that nine schools are raising funds for play structures and requesting the Board consider providing funds from the operating surplus had been included for reference by the Finance Committee. Superintendent, Dr. Michaels, spoke to the Division's consultation process noting it had been suggested at the Board meeting that a consultation regarding the disbursement of the operating surplus would take place. Secretary-Treasurer, Mr. Barnes, noting that a certain percentage of the surplus must be retained as part of good financial practice provided the Committee with the amount of funds available. He circulated information regarding the accumulated surplus (Appendix "B") for the Committee's review. Discussions were held regarding whether or not a portion of the surplus should be disbursed. Trustees spoke for and against spending the surplus on the renovations for the B.J. Hales Museum; the nine playgrounds currently under consideration; or using the surplus to reflect the Board's Governance Goals through such items as books, science equipment and manipulatives. Further discussions were held regarding whether or not there was a need to spend the money before June 30, 2011 or add several of the items mentioned as a future budget item. The Secretary-Treasurer noted he had only been aware of 4 playgrounds and had received no information or requests regarding the other 5 playgrounds. He noted there had been no discussions at Friends of Education regarding this matter and the Director of Facilities and Transportation had not had the opportunity to review the playgrounds a priorize them. Discussions were also held regarding the lack of information and misunderstanding of information received on the proposed playgrounds. The Committee was encouraged to consider the long term effects of their decisions and the role of the Board of Trustees with respect to providing funds for playgrounds as well as managing expectations and how far they wished to extend the education mandate. It was agreed the Committee would recommend that Senior Administration be allowed to gather information on this matter and provide the Board with a full and complete report on the status of each school playground in the Division.

Recommendation:
That the Secretary-Treasurer's Department review the status of playground equipment replacement and provide the Board with a detailed report at a future date.

That the Board of Trustees review the recommendations, information and priorities which had been brought forward through the 2011/2012 budget consultation and the operating surplus be retained in the accumulated surplus at this time.

5. OPERATIONS INFORMATION

A) The following documents were reviewed and received as information by the Committee:
- Provincial Gov't Press Release – School Capital Budget;
- Enrolment Report from Schools' Finance Branch.

6. NEXT REGULAR MEETING: Thursday, June 9, 2011, 2:00 p.m. Board Room.

The meeting adjourned at 4:45 p.m.

Respectfully submitted,

L. Ross (Chairperson)	M. Sefton
M. Snelling	P. Bartlette (Alternate)

Appendix A

Brandon School Division

Budget Projection

2010/2011

Revenue	
Provincial Grants	
Enrollment Change Support/Equalization	253,000
Tuition Fees	113,600
Interest	84,900
	451,500
Expenditures	
Salaries & Benefits	
- maternity/parental leave	27,400
-sick leave replacement	241,700
Regular Instruction - inforamtion technology, AED's	-342,900
Divisional Administration - Trustee PD, legal, insurance	63,000
Transportation - bus operations	55,000
Operations & Maintenance - utilities	378,800
Capital Transfers	-250,000
Other	-43,200
	129,800
Net Operating Surplus	$ 581,300

sb/committees/2011/finance/brudget projections 2010-2011.xlsx

REVISED

BRANDON SCHOOL DIVISION
ACCUMULATED SURPLUS ANALYSIS
June 30, 2011

Appendix B

ACCUMULATED SURPLUS AS AT July 1, 2009		$ 2,062,827
ADD: Surplus (Deficit) on 2009-2010 Operations		460,913
Accumulated Surplus - June 30, 2010		2,523,740
LESS: Designated & Committed		
a) Insurance Aggregate Retention (Self-Insurance)	$ 45,000	
b) School Budgets carry forward	134,300	
	179,300	
LESS: Designated but not Committed		
a) Vocational Equipment Replacement	50,000	
b) Major Renovations	40,894	
c) Administration Computers	9,924	
d) Transportation Fuel Infrastructure	54,880	(334,998)
UNALLOCATED SURPLUS - JUNE 30, 2010		2,188,742
ADD: Surplus on 2010-2011 Operations		581,300
LESS: Sick Leave Accrual		(250,000)
Projected Unallocated Surplus - June 30, 2011		$ 2,520,042

In previous financial reports to the Board of Trustees we have reported the auditors opinion that the Division should carry an unappropriated surplus of at least 5% of the annual budgeted expenditures, or approximately $3,600,000. An unappropriated accumulated surplus of $2,520,042, or 3.7%, is a low operating contingency fund in relation to our total budget and the uncertainties characteristic of the current budgeting process. The Secretary-Treasurer's Department continues to recommend that the Board of Trustees endeavor to maintain the unappropriated accumulated surplus balance.

Furthermore, we have recommended, and the Board of Trustees has agreed, that the unappropriated surplus not be allowed through budget deliberations to fall below a minimum level of $1,000,000 in order to be in a management position to address unexpected significant variances from budget.