



BRANDON SCHOOL DIVISION

Finance Committee Minutes

Monday, June 3, 2013, 12:00 p.m.
Board Room, Administration Office

Present: M. Snelling (Chairperson), M. Sefton, Dr. L. Ross (via conference phone) Dr. D. Michaels, K. Zabowski, D. Labossiere, G. Malazdrewicz (1:05 to 1:55)

1. CALL TO ORDER:

The Finance Committee Meeting was called to order at 12:10 p.m. by the Committee Chairperson, Trustee Snelling.

2. APPROVAL OF AGENDA

Mr. Zabowski, Secretary-Treasurer, requested over/under expenditure projection discussions be held In-Camera, as staff names and positions were involved. The Finance Committee Agenda was approved as circulated.

3. REVIEW OF COMMITTEE MINUTES

The Minutes of the Committee meeting held April 22, 2013 were received as information.

4. COMMITTEE GOVERNANCE GOAL ITEMS

A) 2014-2015 Budget Process

The Secretary-Treasurer reviewed the proposed changes to the Operating Budget Process for 2014/2015 (Appendix "A"). Trustees asked questions for clarification throughout the presentation. Discussions were held with the Committee agreeing that Trustees had not provided Senior Administration with enough direction during the past budget. The Committee also agreed there was a need to provide a ceiling which would allow Senior Administration to prioritize requests. Discussions were held regarding the number of consultations to be held in future. It was generally agreed that the Committee liked the idea of only 3 consultations prior to the public forum. However, it was noted that students needed to be included in the process and concern was raised that perhaps parent councils and the Chamber of Commerce should be given separate opportunities to consult with the Finance Committee. Trustee Snelling suggested the proposed changes should also include the addition of the Board decision to have an accumulated surplus of 2% of the budget. Discussions were also held as to how enhancements will be brought forward by Senior Administration; the tax carry-over for 2014/2015 from the 2013/2014 budget; guiding principles; advising the public that review of programs takes place continuously; and connecting student achievement results to program reviews. The Committee agreed to recommend to the Board of Trustees that the proposed changes to the operating budget be accepted on a trial basis for the 2014/2015 budget as policy changes may be required following the 2014/2015 budget.

Recommendation:

That the proposed changes to the budget process, as presented to the Board of Trustees on June 10, 2013, be adopted on a trial basis for the 2014/2015 operating budget.

5. OTHER COMMITTEE GOVERNANCE GOAL ITEMS

A) March Audit/Public Sector Compensation Disclosure Report

Secretary-Treasurer, Mr. Zabowski, spoke to the March 31st Audit Report. He noted the Auditor's review of the School Division's financial information is to ensure that the Division's statements are sufficient to consolidate into the Province's financial statements.

Mr. Zabowski also reviewed the 2012 Compensation of \$50,000 or More Public Sector Compensation Disclosure. He noted the Auditor's responsibility with respect to the report and that the Auditor found the report to be in accordance with The Public Sector Compensation Disclosure Act.

Trustees asked questions for clarification with respect to the March 31st Audit Report. Both the March 31st Audit Report and the Compensation Disclosure document were received as information.

B) Residual Cost & Tuition Fees for Non-Resident Students

The Secretary-Treasurer reviewed the residual cost fees for students from other divisions attending Special Education Programs, High School Academic, Academic Elementary Programs in the Division and Vocational Programs at Crocus Plains Secondary School. He also reviewed the non-resident tuition fees for students from Sioux Valley Educational Authority Inc. and other First Nations students attending the Brandon School Division. The non-resident tuition fees charged to foreign students was also reviewed and set. The Committee reviewed the information presented by the Secretary-Treasurer and agreed to recommend the fees suggested to the Board of Trustees for approval.

Recommendation:

That the residual cost fees for the students from other divisions attending Special Education Programs, High School Academic, Academic Elementary Programs in the Division and Vocational Programs at Crocus Plains Regional Secondary School, during the July 2011 - June 2012 fiscal period, the July 2012 - June 2013 fiscal period, and for the July 2013 to June 2014 fiscal period (subject to adjustment to reflect the audited financial statements) be set as follows:

	<u>2011/2012</u> <u>Final</u>	<u>2012/2013</u> <u>Estimated</u>	<u>2013/2014</u> <u>Estimated</u>
Academic Elementary Students	\$ 4,187	\$ 4,400	\$ 4,500
Academic High School Students	\$ 3,562	\$ 3,800	\$ 3,900
Vocational Students	\$ 4,826	\$ 5,100	\$ 5,300
Special Education Students	\$18,971	\$21,100	\$21,700

That the non-resident tuition fees for students from Sioux Valley Educational Authority Inc. and other First Nations students attending Brandon Division schools during the July 2011 - June 2012 fiscal period, the July 2012 - June 2013 fiscal period, and for the July 2013 to June 2014 (subject to adjustment to reflect the audited financial statements) be set as follows:

	<u>2011/2012</u> <u>Final</u>	<u>2012/2013</u> <u>Estimated</u>	<u>2013/2014</u> <u>Estimated</u>
Academic Elementary Students	\$ 8,018	\$ 8,500	\$ 8,800
Academic High School Students	\$ 6,571	\$ 7,000	\$ 7,200
Vocational Students	\$ 8,284	\$ 8,800	\$ 9,100
Special Education Students	\$22,719	\$24,900	\$25,600
Modified Program Students	\$15,006	\$16,300	\$16,800

That the non-resident tuition fees charged to foreign students for the 2013/2014 school year be set at \$10,000 per student and for the 2014/2015 school year be set at \$10,500 per student.

C) Confirm Payments of Account (April)

The payments of account for March were accepted as circulated.

D) Review Monthly Reports (April)

The Secretary-Treasurer circulated information regarding over/under expenditures and accumulated surplus as of April 30, 2013. He noted and thanked the work involved by the Assistant Secretary-Treasurer and the Accountant in preparing this documentation. Mr. Zabowski provided the Committee with a power point presentation which detailed the information regarding the over/under expenditures and accumulated surplus. He confirmed the total projected over expenditure is currently sitting at \$1,576,870. This consists of three components: 1. Trustee Approval of \$604,904; Increased Collective Agreements Costs of \$865,074; and Other Items at \$106,892, with the unallocated accumulated surplus projected to be at \$284,359 or .36% of the operating budget at June 30, 2013.

The discussion subsequent to Mr. Zabowski's presentation was held In-Camera as the financial situation had associated personnel matters. A comprehensive report will be presented at the June 24, 2013 Board Meeting. This will include an updated projection.

E) Tender Approval – Over \$50,000

The Assistant Secretary-Treasurer reviewed and summarized the Furniture Tender, Security Management Tender and Supply of Computer Laptop Tender, all of which were over \$50,000. The Committee agreed to bring forth the recommendations regarding these three tenders to the Board for approval.

Recommendation:

That the Tender for School Furniture for 2013-2014, based on the unit tender prices stated and in the approximate total amounts (applicable taxes extra), be accepted:

The Accent Group Inc.	\$45,454.25
Christie's Office Plus	\$ 3,856.80
Allmar International	\$ 4,790.00
Supreme Office Products	\$ 2,791.50
Wintergreen	\$ 2,160.00

That the Proposal from AAA Alarms in the total amount of \$177,016.52 (including taxes) for the Supply and Installation of Security Management Systems for Crocus Plains Regional Secondary High School, École Secondaire Neelin High School, Vincent Massey High School, and the Administration Office, be accepted.

That the low tender from myITsource.ca in the amount of \$176,886.50 plus taxes for the supply of 350 Computer Laptops to be funded from the 2013/2014 computer replacement budget be accepted.

6. OPERATIONS INFORMATION

- The Assistant Secretary-Treasurer reviewed the summary of tenders under \$50,000 for the Committee's information.
- Mr. Zabowski, Secretary-Treasurer, noted the Annual Report of The Public Schools Finance Board for the period ending June 30, 2012 which had been attached to the agenda for information.

7. **NEXT REGULAR MEETING: 12:00 noon, Monday, June 24, 2013, Board Room.**

The meeting adjourned at 2:00 p.m.

Respectfully submitted,

M. Snelling (Chairperson)

L. Ross

M. Sefton

G. Kruck (Alternate)



BRANDON SCHOOL DIVISION

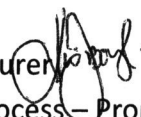
Office of the Secretary-Treasurer

Mr. Kevin Zabowski, Secretary-Treasurer

Mr. Denis Labossiere, Assistant Secretary-Treasurer

Appendix A

MEMORANDUM

DATE: May 28, 2013
TO: Finance Committee
FROM: Kevin Zabowski, Secretary-Treasurer 
SUBJECT: 2014/2015 Operating Budget Process – Proposed Changes

Due to the context of the Brandon School Division 2014/2015 Operating Budget, Senior Administration is recommending that the Finance Committee consider the following revision to the Operating Budget process to address required efficiencies; including possible reductions and financial targets.

Month	Process Task
September 2013	<p>Establishment of Guiding Principles</p> <p>Senior Administration is recommending that the Board of Trustees institute guiding principles for the development of the 2014/2015 operating budget in late September.</p> <p>These guiding principles should include direction for the following:</p> <p>1) <i>Budget Provisions for:</i></p> <ul style="list-style-type: none">• Inflationary percentage increase for controllable expenditures;• Non-controllable expenditures such as utilities, staff benefits;• Capital and Maintenance Budget;• Non-negotiated salary increases as both collective agreements will have expired. <p>2) <i>Direction for:</i></p> <ul style="list-style-type: none">• Keeping any budget additions to a minimum or the establishment of a dollar value ceiling on any requests brought forward;• How to address budget reductions. For example, would potential budget reductions be made on specific programs or would reductions be made equally across the board (everyone shares in the pain)?• Board's willingness to access the local tax levy. Will it be the will of the Board to keep taxes low and will the Board set a target for potential tax increase or decrease?

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October/ November 2013	<p>Budget Consultation Meetings</p> <p>Senior Administration recommends the following process for the budget consultation meetings for the 2014/2015 budget development outside of the public budget consultation forum held the first Wednesday in February:</p> <ul style="list-style-type: none"> • One consultation meeting for Teachers, CUPE, Out-of-Scope • One consultation meeting for parents and community members • One consultation meeting for school principals <p>Senior Administration would compile the feedback from the consultation meetings and present the results to the entire Board of Trustees. The Board would then direct the Finance Committee to consider the feedback to determine which items would be feasible. The Finance Committee would then recommend to the Board which items should be considered on Budget Day.</p>
Mid November 2013	<p>Direction to Senior Administration</p> <p>The Board of Trustees will provide Senior Administration with any new direction based on the consultation meetings.</p>
December/ January 2013	<p>Draft Budget</p> <p>Senior Administration, through the Office of the Secretary-Treasurer, will build the draft budget based on guiding principles and feedback directions in anticipation of the Provincial funding announcement in late January.</p>

It is essential that the Board of Trustees establish a clear process for the development of the Operating Budget (2014-2015) given the economic realities of the current and seemingly future context. This process is recommended to build on the strength of past practice while addressing the anticipated future realities.

“Accepting the Challenge”