



BRANDON SCHOOL DIVISION

Finance Committee Minutes

Wednesday, September 9, 2015, 5:00 p.m.
Boardroom, Administration Office

Present: L. Ross, M. Sefton, K. Sumner, Dr. D. Michaels, D. Labossiere, E. Jamora, M. Gustafson, G. Malazdrewicz.

Regrets:

1. CALL TO ORDER:

The Finance Committee Meeting was called to order at 5:10 p.m. by Committee Chair Kevan Sumner.

2. APPROVAL OF AGENDA

The Finance Committee Agenda was approved as circulated.

3. REVIEW OF COMMITTEE MINUTES

The minutes of the Committee meeting held on June 18, 2015 were received as information.

4. COMMITTEE GOVERNANCE GOAL ITEMS

5. OTHER COMMITTEE GOVERNANCE GOAL ITEMS

A) Confirm Payments of Account (June, July & August)

The Secretary-Treasurer reviewed the payments of account for the months of June, July & August. He answered Trustee questions.

The reports were accepted.

B) Review Preliminary 2014-2015 Results

Mr. Denis Labossiere, Secretary-Treasurer, reviewed and provided highlights of the 2014-2015 Preliminary Financial Statements, noting that most revenues and expenses were lower than budget.

The Variance Summary Report was reviewed by the Secretary-Treasurer. The projected Net Current Year Surplus is approximately \$977,000 after transfers to capital. Trustees asked questions in regards to various variances for which the Secretary-Treasurer provided further information.

The Accumulated Surplus Analysis – Operating Fund Reports were reviewed. The projected amount over the 4% Cap per Ministerial Policy is \$1,716,528. Trustees asked questions for clarification regarding school carryforwards, vocational equipment replacement, etc.

C) Capital Reserves

The Secretary-Treasurer spoke to the Capital Reserves Memorandum provided to the Committee. He indicated that based on the projected 2014-2015 Financial Statements, the Brandon School Division will experience a favorable surplus in its operating fund. With the projected net current year surplus, the Division's Accumulated Surplus will amount to 5.98% of Operating Fund Expenses based on PSFB Calculations. As this amount exceeds the 4% policy

limit set by the Province by 1.98% (\$1,716,528), the Secretary-Treasurer recommended that \$1,740,000 from the Operating Fund Accumulated Surplus be allocated to Capital Reserves for capital items that address both short-term and long-term needs of the Division.

The Disaster Recovery System Plan project was discussed. It was noted that the old equipment from the Network Core Equipment Upgrade project will be repurposed to complete this project. The estimated cost to complete project is \$270,000 (original project amount of \$335,000 less \$65,000 approved in the 2015-2016 budget) and that the project would be completed in 2016-2017.

The Administration Office Roof replacement was discussed. The consultant report was previously presented to the Board and recommended replacement of the newer south portion of the Division Office. The estimated cost to replace the roof is \$220,000.

The Emergency Equipment/Systems Replacement Capital Reserve Fund was discussed. The fund is for items that require immediate replacement due to failure or safety requirements. Currently, in Accumulated Surplus, there is \$50,000 designated for Vocational Equipment Replacement and \$54,880 designated for Natural Gas Infrastructure – Transportation, these amounts would be removed from Designated Accumulated Surplus and \$100,000 would be transferred to a Capital Reserve fund for Emergency Equipment/System Replacement.

Mr. Labossiere noted that the BSD has had a new school listed on its Five Year Capital Plan for the last seven (7) years and for the last four (4) years a new school was listed as the number one priority. Enrollment continues to grow as the Division awaits an announcement for a new school. Based on information received from Divisions which have recently built or have been awarded a new school, it is reasonable to expect that a new school will cost BSD approximately \$1.8 to \$2 million for items not covered by PSFB. It is therefore recommended that an initial \$1,000,000 be allocated into a New School Capital Fund with further transfers from future budgets or Accumulated Surplus.

The Secretary-Treasurer spoke to the current School Bus Reserve. This reserve has a balance of \$294,801 as of August 31, 2015. This amount is enough to purchase 2 buses based on the Division's most recent bus purchase which cost \$136,654. Enrollments continue to grow which will require future expansion of the School Bus Fleet; therefore it is recommended that \$150,000 be transferred to the School Bus Capital Reserve Fund for future replacements and expansion of the School Bus Fleet. Mr. Labossiere reminded the Committee that bus reserves do not require transfer approval from PSFB.

Recommendations:

- That the amount of \$270,000 from the Operating Fund Accumulated Surplus be allocated to the Disaster Recovery System Capital Reserve Fund for the installation of a redundant computer server at Vincent Massey High School, subject to PSFB approval.
- That the amount of \$220,000 from the Operating Fund Accumulated Surplus be allocated to the Administration Office - Roof Capital Reserve Fund for the replacement of the roof on the newer south portion of the Division Administration Office, subject to PSFB approval.
- That the amount of \$100,000 from the Operating Fund Accumulated Surplus be allocated to the Emergency Equipment/Systems Replacement Capital Reserve Fund for emergency equipment/system replacements, subject to PSFB approval.
- That the amount of \$1,000,000 from the Operating Fund Accumulated Surplus be allocated to the New School Capital Reserve Fund for additional costs associated with a new school that is not covered by the Province, subject to PSFB approval.

- That the amount of \$150,000 from the Operating Fund Accumulated Surplus be allocated to the School Bus Capital Reserve Fund for future replacements and expansion of the School Bus Fleet.

D) RFP - ACC Facility Condition Assessment and Space Inventory

Mr. Labossiere reviewed information received from ACC regarding the funding for the ACC Facility Condition Assessment and Space Inventory Project. Discussion took place regarding the Request for Proposals.

7. NEXT REGULAR MEETING: Wednesday, September 23, 2015, 4:30 p.m., Boardroom.

The meeting adjourned at 6:25 p.m.

Respectfully submitted,

K. Sumner (Chairperson)

L. Ross

M. Sefton

P. Bartlette (Alternate)