



CAMPBELL RIVER
School District 72

MEMO

Date: Sept 1, 2023
To: The Board of Education
From: Kevin Patrick, Secretary-Treasurer
Subject: **PUBLIC BOARD MEETING – Sept 5, 2023**

A Meeting of the Board of Education will be held:

Date: **Tuesday, Sept 5, 2023**
Time: **7:30 pm**
Place: **School Board Office Board Room, 425 Pinecrest Rd**

The public is invited to attend the public board meeting in person or join the meeting livestream. The following link will allow you to observe the board meeting and to electronically participate in the question period on agenda items.

Attend the Sept 5 meeting online <https://bit.ly/3pAzfYX>

SD72 event calendar <https://www.sd72.bc.ca/page/109/calendar>

Kevin W. Patrick, CPA, CGA
Secretary-Treasurer

KWP:nc

Enc.

c: Schools
Partner Groups

SCHOOL DISTRICT NO. 72 (CAMPBELL RIVER)
BOARD OF EDUCATION
PUBLIC BOARD MEETING
7:30 pm, Tuesday, September 5, 2023
School Board Office Board Room

DRAFT AGENDA

1. Call to Order/ Chairperson's Remarks
2. Superintendent's Remarks
3. Approval of the minutes of the meeting of June 20, 2023 *Exhibit*
4. Business arising from the minutes
5. Additions or alterations to the agenda
6. Approval of the agenda
7. Report of Board decisions from the September 5, 2023 Confidential Board Meeting
8. Correspondence
9. Public Submissions
10. Agenda Submissions
11. Educational Submissions
12. Electorate and Board Matters
 - A. Presentation of 2022/2023 schedule of internally restricted surplus
(K Patrick) *Motion required* *Exhibit*
13. Educational Issues
14. Business Administration
15. Committee Reports
16. Any Other Business
17. Questions from Anyone Present on Agenda Items for This Meeting
18. Adjournment

Kevin W. Patrick, CPA, CGA
Secretary-Treasurer
KWP:nc

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MINUTES OF A MEETING OF THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 72 (CAMPBELL RIVER), HELD IN PERSON AND ELECTRONICALLY AT 7:30 PM, ON TUESDAY, JUNE 20, 2023

Present: C. Gillis, Chair; S. Briggs, K. Eddy, J. Gladish, D. Hagen, D. Harper, J. McMann, Trustees; P. Cizmic, Associate Superintendent, M. Kyle, Associate Superintendent, J. Morrow, Superintendent; and K. Patrick, Secretary-Treasurer.

23-89 Call to order/ Chair's remarks

Board Chair Eddy called the meeting to order at 7:32 pm. Eddy noted that June 21 is Indigenous Peoples' Day with public events taking place at the Kwanwatsi Big House starting at 10 am. Eddy noted that she attended the Indigenous Graduation ceremony on June 8 and was honoured to walk alongside families and students at the event.

23-90 Superintendent's remarks

Superintendent Morrow celebrated the many ceremonies and events that he has attended over the past month. He was pleased to observe students, staff and parents celebrating a year of student achievements at school and in community.

23-91 Approval of the minutes of May 30, 2023

It was proposed by D. Harper, seconded by S. Briggs and **CARRIED:**

THAT the minutes of the meeting of May 30, 2023 are hereby approved as circulated.

23-92 Approval of the Agenda

It was proposed by C. Gillis, seconded by S. Briggs and **CARRIED:**

THAT the agenda is hereby approved as submitted.

23-93 Report from the June 20, 2023 Confidential Board Meeting

Vice-Chair Gillis reported general statements of matters discussed in the Board's Confidential Meeting, and in accordance with Section 72(3) of the School Act, reports the following:

1. Teaching, administrative and support staff changes;
2. Property, legal and financial issues.

23-94 Correspondence

Chair Eddy noted correspondence received by email from:

- Vanessa Webber-MacLean May 26, 2023
- Lucas Schuller June 19, 2023

23-95 Indigenous Education update

District Principal of Indigenous Education and English Language Learners, Debra Martel, was joined by Indigenous Education Resource Coordinator, Gillian Kirke and Transitions Teacher, Kash Ward, for a presentation on some aspects of Indigenous Education in the district. The Indigenous Education department provides services, tracks progress and creates opportunities and interests for those who self-identify as having Indigenous ancestry. The presenters shared how they support other teachers through mentorship and collaboration. They showed examples of projects that have been worked on at a variety of school levels this year.

23-96 Board self review report update

Chair Eddy reported that the Board met with BC School Trustee Association Director of Education Services Gordon Li on June 3. They discussed building a board growth plan.

23-97 Trustee remuneration analysis

Secretary-Treasurer Patrick shared the annual report to review Board remuneration. He referred to the formula used to calculate the remuneration. The formula was developed in 2005 and adopted to provide guidance and a comparative tool to inform the Board. Compensation and student numbers in other similar districts is compared to arrive at a weighted median average.

It was proposed by D. Harper, seconded by C. Gillis and **CARRIED:**

THAT the Board recommends an adjustment to Trustee remuneration as per the formula adopted by the Board in 2005 which is reviewed on an annual basis and will take effect on July 1st of the new fiscal year.

It was proposed by D. Hagen, seconded by J. Gladish and **CARRIED:**

THAT the Board directs staff to do a comparative study of other districts for review in 2024.

23-98 Finance Warrant No. 9, March 31, 2023

It was proposed by D. Hagen, seconded by C. Gillis and **CARRIED:**

THAT the Finance Warrant No. 9, dated March 31, 2023 be accepted as presented

23-99 2023-2024 Capital Plan Application

Secretary-Treasurer Patrick highlighted aspects of the capital plan application including: additions to Ocean Grove and Ripple Rock elementary; a replacement of Cedar school and seismic upgrades. He handed out a copy of a minor capital application to support enhancements for the district food delivery program that was recently made available.

It was proposed by D. Hagen, seconded by J. Gladish and **CARRIED:**

THAT the Board approve the 2023-2024 Capital Plan submission as outlined in the summary provided by Secretary-Treasurer Patrick.

23-100 Superintendent’s Student Leadership Committee June 8

Trustee Briggs attended the June 8 Superintendent’s Student Leadership Committee. Thirteen students were in attendance. Students provided input on the rainbow painting at the school board office and shared valuable insight on safety, belonging, connection, accessibility, educational accommodations and mental health education.

23-101 CUPE/ Board liaison meeting June 8

Chair Eddy attended the annual CUPE/ Board liaison meeting. Child care, staff recruitment and retention and professional development were the main topics of discussion.

23-102 CRDTA/ Board liaison meeting June 13

Vice-Chair Gillis attended the CRDTA/ Board liaison meeting on June 13. Topics concerning social justice were on the agenda and included: resolving issues, school naming, gender neutral washrooms, Pride flags and a review of Board governance policies.

23-103 Questions from anyone present on agenda items for this meeting:

Question 1 – Debra Coombes, President, Campbell River District Teachers’ Association (present in the gallery) “Is the Trustee remuneration formula public?” Secretary-Treasurer Patrick responded that it was shared in the agenda package and he can share it with her via email.

Question 2 – Debra Coombes, President, Campbell River District Teachers’ Association (present in the gallery) “Is the minor capital application a handout?” Secretary-Treasurer Patrick responded that it was a late addition and a verbal description detailing the minor capital submission was given in the meeting.

23-104 Adjournment

The meeting adjourned at 8:20 pm.



CAMPBELL RIVER
School District 72

MEMO

Date: Thursday, August 31, 2023
To: Board of Education
From: Kevin Patrick, Secretary-Treasurer
Subject: **FINANCIAL AUDIT AND INTERNALLY RESTRICTED SURPLUS**

Attached

Schedule of Reserves 22/23
Schedule 2: Financial Statement Schedule of Operations
Board Governance Surplus Policy

Financial Audit

The financial statement audit and reporting for the 2022-23 fiscal year is nearing completion.

As referenced on the Schedule 2 (attached), we experienced a surplus of \$50,655 for the past year end (or 0.5% of our budget) while our final budget forecasted a surplus of \$319,571.

Fiscal 22/23 was a positive year for SD 72. After a challenging 21/22 due to increased sick replacement costs post COVID and the rapid escalation of inflation, the district reached a balanced 22/23 budget through \$2,000,000 in reductions. With the reductions, we were able to increase budgets to cover the inflation on supplies and increase budgets to cover sick costs. The preliminary 22/23 budget called for the use of \$150,000 from the International program surplus but we didn't require the International surplus for the Final budget and were still able to project a \$319,571 surplus. Our overall increase in surplus was \$50,655 but our operating performance was much better. When we look past the drawdowns on the internally restricted reserves (eg \$205,555 from school supplies), our increase in operating reserves was \$467,950. This is the amount that is being recommended for allocation in the attached schedule.

Reserve Reconciliation		
Total Surplus increase		\$ 50,655
Drawdown of reserve		
School Supplies	256,210	
Indigenous Ed	37,813	
Surplus to balance budget	150,000	
Increase of reserve		
International Program	(26,728)	417,295
Total Operating Reserve Increase		\$ 467,950

The end-of year surplus increased our reserves from \$2,185,757 to \$2,236,412.

Financial Reserves

Attached is our draft breakdown of the reserve financial activity during the 22/23 year. A copy of the proposed internally restricted reserves are attached for board approval.

The Board's Governance Policy 26 Accumulated Operating Surplus states: "the emergency contingency shall be maintained at two percent of prior year revenues and any use of the contingency shall only be reimbursed through accumulated unrestricted surplus or through the annual budget".

Two percent of the prior year revenues (*Schedule 2*) is \$1,343,074. Considering the rebuilding of the emergency contingency, the senior management team is recommending leaving \$1,000,000 in unrestricted reserves. Splitting the operational surplus increase of \$467,960 will provide an increase of \$244,418 to the contingency and \$230,000 for the proposed initiatives. Although both funds can be used for unforeseen costs, the unrestricted reserve provides the board more flexibility in meeting it's strategic priorities and maintaining operations.

The auditor recommends a 2-4% contingency reserve, however, we feel a 2% reserve goal is sufficient considering our recent financial results. A reserve percentage of 2% of our budget represents one week of school district operations.

Considering the current financial position of the board and the uncertainties with enrollment and increases in benefits, senior management is recommending conservative additions to the internally restricted reserves for 22/23.

The following items are proposed for restriction in the 2022/23 financial statements:

- School supplies – will be maintained to support the summer purchasing plans
- International Program– is providing \$100,000 to balance the 23/24 operating budget and requires \$26,728 for risk protection from unexpected enrollment withdrawals.
- Emergency contingency - will be rebuilt to 2% of the prior year operating revenue through unrestricted surplus over time. This year allows \$244,418.
- Indigenous Program funding - is restricted by the Ministry of Education to be spent on the indigenous program. Any unspent funds must be carried forward as an unrestricted reserve for the next year.

New proposals for 22/23:

- Health and Safety requires additional resources to catch up to best practice and meet compliance. \$30,000 will be available to strategically hire consulting services to assist.
- Strategic Priorities were reduced from \$300,000 to \$150,000 as part of reductions during COVID. With the anticipated new strategic plan and the hiring of a new superintendent, restoration of the Strategic Priorities budget will allow the district to align resources and initiatives with the new plan.
- The Robron meeting room for SD 72 is having increased use by district wide groups. A room update is required to continue to support these functions.
- CIMS is our current financial, HR and Payroll software system. It has been used by the district for over 30 years and there is an increasing risk of the company providing an end of life notice. Last year a working group reviewed new programs to ensure there are software programs that can functionally support SD 72 and replace current features. Investing in a replacement enterprise system is expensive both for the acquisition and implementation. The current estimate is about \$1,000,000. Some companies provide financing options but our implementation costs will be provided from district funds. The allocation of \$50,000 will start building a fund to cover the CIMS replacement costs.

Considering the recommendations, internally restricted reserves will be \$1,236,412 and the unrestricted reserves will be \$1,000,000.

Based on all factors considered above, the Board Officers would recommend the following for our reserves for 2022/23 (see attached draft):



School District No. 72 (Campbell River)
 Reserve Financial Activity 22/23
 June 30, 2023

Description	Appropriation 21/22	Adjustments	Annual Allocation	Total Operating Budget	Revenue	Spending	Balance remaining	Amount of Proposed Increase	<i>Proposal</i>
Indigenous Program	128,804	81,138		209,942	1,937,862	2,056,813	90,991	9	91,000
Surplus Required to Balance Budget	150,000			150,000		150,000	0		
School Supply Accounts	357,306	(57,132)	537,143	837,317		742,698	94,619		94,619
International Program	100,000			100,000	945,849	919,121	126,728	(100,000)	26,728
International Program - to Balance Budget								100,000	100,000
Operational Needs and Contingency reserve <i>(2% of Revenues = \$1,343,074)</i>	449,647			449,647			449,647	244,418	694,065
Additions 22/23									
Health and Safety								30,000	30,000
Strategic Priorities								100,000	100,000
Robron Conference Room								50,000	50,000
CIMS Replacement								50,000	50,000
Internally Restricted	1,185,757	24,006	537,143	1,746,906	945,849	3,868,632	761,985	474,427	1,236,412
Unrestricted (Contingency Reserve)	1,000,000						1,474,427		1,000,000
TOTAL SURPLUS	2,185,757						2,236,412		2,236,412

School District No. 72 (Campbell River)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	61,863,375	62,764,735	58,911,570
Tuition	972,000	945,849	925,399
Other Revenue	2,707,093	2,711,940	2,659,313
Rentals and Leases	138,000	154,352	128,877
Investment Income	360,000	576,820	125,188
Total Revenue	<u>66,040,468</u>	<u>67,153,696</u>	<u>62,750,347</u>
Expenses			
Instruction	52,773,203	53,297,121	50,887,162
District Administration	3,022,989	3,187,835	3,248,438
Operations and Maintenance	8,545,677	8,544,333	8,351,332
Transportation and Housing	1,548,170	1,602,168	1,519,752
Total Expense	<u>65,890,039</u>	<u>66,631,457</u>	<u>64,006,684</u>
Operating Surplus (Deficit) for the year	<u>150,429</u>	<u>522,239</u>	<u>(1,256,337)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>319,571</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(270,000)	(279,783)	(790,033)
Local Capital	(200,000)	(191,801)	(320,779)
Other			(19,750)
Total Net Transfers	<u>(470,000)</u>	<u>(471,584)</u>	<u>(1,130,562)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>50,655</u>	<u>(2,386,899)</u>
Operating Surplus (Deficit), beginning of year		2,185,757	4,572,656
Operating Surplus (Deficit), end of year		<u>2,236,412</u>	<u>2,185,757</u>
Operating Surplus (Deficit), end of year			
Internally Restricted			736,110
Unrestricted		2,236,412	1,449,647
Total Operating Surplus (Deficit), end of year		<u>2,236,412</u>	<u>2,185,757</u>

ACCUMULATED OPERATING SURPLUS

The Board of Education recognizes the value and security of having an accumulated operating surplus. While the board strives to address spending priorities during the budget process it acknowledges that underspending may occur and a surplus may result. A surplus can provide a positive educational benefit through the restriction of its use for specific functions. An unrestricted surplus can be used to sustain annual operations when extraordinary events lead to a loss of revenue or an increase in costs.

The School Board may choose to use the unrestricted surplus to balance an annual budget when there is a projected annual deficit. The *School Act* requires boards of education to prepare a balanced annual budget and does not allow boards to run a deficit.

Unrestricted Operating Surplus:

Up to one third of the unrestricted surplus may be used during the annual budget to balance the preliminary operating budget.

Internally Restricted Operating Surplus:

The Board may restrict the use of unrestricted surplus for a specific purpose. The purposes for which:

- can only be used for expenditures which do not sustain on-going services and that do not exceed three years;
- can be used for emergent items that were not able to be included in the budget process that are greater than \$10,000;
- the emergency contingency shall be maintained at two percent of prior year revenues and any use of the contingency shall only be reimbursed through accumulated unrestricted surplus or through the annual budget.

The board will ensure it manages its surplus in a transparent and accountable manner by:

- using feedback gathered from the preliminary budget process for the preliminary budget when considering new restricted reserves;
- ensuring that any consultation includes stakeholders and Indigenous rights holders;
- having management prepare and the board approve the budget annually;
- passing the budget by board motion, in a public board meeting;
- clearly identifying and categorizing surplus items as:
 - restricted due to the nature of constraints on the funds;
 - restricted for anticipated unusual expenses identified by the board; and
 - restricted for operations spanning multiple school years.
- posting the previous year restricted reserve activity on the public website; and
- including a detailed list in the financial statement notes.

Local Capital

- can be transferred to the capital accumulated surplus only if the purpose is identified.

At any time during the fiscal year, the board may approve expenses that are drawn from the unrestricted surplus that had not previously been included in the internally restricted surplus.

Monitoring Method:	<i>Internal Reports/Board and Superintendent</i>
Monitoring Frequency:	<i>Annual</i>
First Adopted:	<i>April 2019</i>
Revised	<i>June 21, 2022</i>