

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee DATE: June 18, 2008

CHAIRPERSON: Trustee A. Hunt-Binkley STAFF CONTACT: L. Paul, Secretary-Treasurer
E. Sadlowski, Director of Finance

Attendees:

Trustee A. Hunt-Binkley (Chairperson)
Trustee R. Cacchioni (Committee Member)
Trustee C. Wiebe (Committee Member
(arrived at 6:48)
Trustee W. Horning

Staff:
E. Sadlowski, Director of Finance
M. Essler, Executive Assistant (Recorder)
Absent: L. Paul, Secretary-Treasurer

Partner Group Representation:

COPAC Gail Given, Executive Member
COTA Tom Potts, President
COPVPA No representative - sent regrets
CUPE No representative – sent regrets
DSC K.J. Hanson, Council Member

Agenda

Add Information Pilot of On-line Cash Payment System

Recognition/Presentations/Delegations

Presentation:

Investment Portfolio Review

- In attendance: Cairy Holtby, B.A., CIM, RBC Dominion Securities
1. Investment Policy Statement Draft (provided at meeting)
 - Quality Guides
 - Income Requirement
 - Maturity Dates
 2. School District No. 23 Investment Portfolio
 3. Current Market and Strategy Recommendations
 4. Service Agreement with RBC Dominion Securities

The Chairperson introduced Cairy Holtby of RBC Dominion Securities. Cairy Holtby provided to the Committee an Investment Review of the School District No. 23 investments. The Committee discussed the Statement of Objectives and Investment Policy for School District No. 23. This Statement outlines the objectives, income needs, tolerance for fluctuations, time horizon and liquidity needs of the School District. The primary objective is to preserve capital and the secondary objective is to generate income. Fixed-income investments will be the only source of both capital growth and income. Due to the primary focus on capital preservation, the portfolio can be characterized as having a low risk level. The School District No. 23 portfolio is constructed to be 100% secure. All investments within the portfolio are liquid and the portfolio is flexible enough to maintain periodic withdrawals from time to time. The time horizon of the portfolio is an item to be clarified by the Director of Finance. Although the Bonds are 100% guaranteed, they will go up and down dependent upon the economy, interest rates and market outlook. There are three forms of Bonds: Federal,

Provincial and Corporate. Federal Bonds are the safest. Provincial Bonds credit ratings differ dependent upon the economy of that Province. In response to a partner group query, the Director of Finance advised that there are not currently any Ministry guidelines on investments. The Committee will review a draft policy incorporating the Statement of Objectives and Investment Policy as presented by Ms. Holtby.

6:48 Trustee Wiebe arrived.

The Director of Finance explained how the School District is able to invest funds into this portfolio. The School District receives funds from the Ministry of Education on a monthly basis, however the expenses for July and August are lower than expenses throughout the school year. The cash reserves build up from the lower cash commitments in July and August, as well as the cash reserves for capital, local capital or special purpose funds which are required to be maintained. The Director of Finance and Cairy Holtby correspond on a monthly basis on the status of the investments.

The Chairperson, on behalf of the Finance and Legal Committee, thanked Cairy Holtby for her presentation.

Discussion/Action Items

1. Revenue and Expense Summary at May 31, 2008 (attachment)

Eileen Sadlowski, Director of Finance, reviewed the Revenue and Expense Summary at May 31, 2008. On the Revenue Statement, as it is close to the year end, the Approved Final Budget 2007/2008 and the Forecasted Annual June 30, 2008 are very close. The Operating Grant from the Provincial Government is always as projected. The Other Ministry of Education Grant figures differ as the Budget is submitted in February and there are additional programs added in March through June which are unknown at the time of the Budget submission. The Other Ministry of Education Grants are funds that are often targeted towards specific projects.

Fees and Revenues are similar, although none will be lower than expected. The Miscellaneous Other Fees and Revenue is above the Approved Final Budget as there were several specialty grants including Pine Beetle and District Literacy Plan.

The Rentals and Leases – Community Use of Facilities are meeting expectations. There will be a Program Review at the October 2008 Public Finance and Legal Committee Meeting of the Community Rental Program.

The Forecasted Annual June 30 2008 for Teachers Salaries in Expenditure by Object is less than the Approved Final Budget amount. This is due to the average teacher salary being less than projected and the 5+ TQS category being lower than projected.

The utility expenditure may come approximately \$200,000 to \$300,000 below budget. These extra funds will remain within this budget to help accommodate the carbon tax.

The Statement of Revenue and Expenditure indicates a surplus of \$2,100,000. Of those funds, \$1,500,000 is targeted to the 2008/2009 budget and various other funds are targeted towards specific identified grants.

Outcome:

The Finance and Legal Committee receive the Revenue and Expense Summary at May 31, 2008, and that the Revenue and Expense Summary at May 31, 2008 be forwarded to the Board as an information item.

Information Items

1. Pilot of On-line Cash Payment System

The Director of Finance provided information to the Committee on the piloting of an on-line cash payment system at four School District No. 23 schools. The four schools are Peachland Elementary School, George Elliot Secondary School, Springvalley Middle School and Mount Boucherie Secondary School. This system is available for parents to pay for school fees on-line.

Recommendations/Referrals to the Board/Coordinating Committee/Other Committees

Public Board Meeting – June 25, 2008

Revenue and Expense Summary at May 31, 2008

Items for Future Finance and Legal Committee Meetings

Draft New Policy 208 – Confidential Disclosure: Reporting and Investigating Allegations of Financial Irregularity – *Future*

Program Review – Community Rental Program – *October 2008*

Draft Policy on Investments - *Future*

Meeting Schedule

Wednesday, September 17, 2008 at 1:00 p.m. at School Board Office

Questions – Please Contact:

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Anna Hunt-Binkley, Chairperson