

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE:	<u>Finance and Legal Committee</u>	DATE:	<u>January 29, 2014</u>
CHAIRPERSON:	<u>Trustee R. Cacchioni</u>	STAFF CONTACT:	<u>L. Paul, Secretary-Treasurer E. Sadlowski, Director of Finance</u>

Attendees:

Board of Education:

Trustee R. Cacchioni (Chairperson)

Trustee C. Gorman (Committee Member)

Trustee M. Pendharkar (Committee Member)

Trustee D. Butler

Staff:

L. Paul, Secretary-Treasurer

E. Sadlowski, Director of Finance

H. Gloster, Superintendent

T. Beaudry, Assistant Superintendent

B. Bertram, Executive Assistant (*Recorder*)

Partner Group Representation:

COTA Susan Bauhart, President

COPAC No representative

COPVPA No representative

CUPE Wendy Johnson, President

District Student Council No representative

Agenda/Additions/Amendments/Deletions

January 29, 2014 Agenda – approved.

Reports/Matters Arising

November 20, 2013 Committee Report – received as presented.

Recognition/Presentations/Delegations

1. Presentation: Central Okanagan School District Investment Portfolio

Cairy Holtby, of Roberge Holtby Gibson Wealth Management, RBC Wealth Management Dominion Securities, provided a review of the District's investment portfolio, current market information and investment strategy recommendations. Eighteen percent of the District's current portfolio consists of bonds with a 'BBB' rating, which provide a greater return on the investment. These 'BBB' bonds are reviewed very closely by four rating agencies in terms of credit risk. The investment policy statement allows for corporate bonds to a maximum of 50% of the portfolio at any given time (with a 5% deviation allowed). Should the Board decide to move to bonds with an 'A' or better rating, the portfolio would make money on the sale of the 'BBB' bonds, however reinvestment of the funds would be at a lower interest rate, and the availability of 'A' or better bonds is limited.

Committee Members Queries/Comments

Trustee Pendharkar

Queried the source of the funds in the District's investment portfolio.

The Secretary-Treasurer responded that a significant portion of the funds are held as required savings for long service recognition. The investment portfolio also includes locally developed monies and prepaid grant funding.

Trustee Cacchioni

Queried whether requests for bids to manage the District's investment portfolio had been sent out.

The Director of Finance responded that management of the investment portfolio had not been sent out for bids. The portfolio is being well managed with a 5% return since its inception, with conservative guidelines, and the portfolio is increasing. The Ministry of Education is beginning to question cash balances being held by school districts and is offering a 2% investment incentive for districts to reinvest a portion of their cash balances with the Ministry; however, the District can achieve a 5% return using more diversified investments. To date, the District has not moved its portfolio investments over to the Ministry.

Discussion/Action Items

1. Amended Policy 207 - Investments

The Committee Chair reviewed the history of the amendments to the policy.

Outcome

Committee members agreed that amended Policy 207 - Investments would be sent to the Board of Education for approval.

2. Amended Annual Budget Fiscal Year 2013/2014

The Director of Finance provided a review of the highlights of the Amended Annual Budget Fiscal Year 2013/2014. Adjustments to revenue include an increase in operating funds, an increase of 104 FTE student enrolment, holdback allocation funds returned to the District, a funding recalculation, and a significant increase in student numbers funded by Westbank First Nation through the Local Enhancement Agreement. Changes to expenses include a decrease in offshore tuition funds, an increase in teacher salaries (reflecting what the average cost per teacher is and what will be needed in the teacher salary account), increases to benefit costs, and an increase in Certified Education Assistants (due to an increase in enrolment of special needs students), and other CUPE support staff. Also included is the first year of the CUPE negotiated agreement which will be paid from the current fiscal year. Increases have also been made to local capital funds due to recent land purchases by the District.

Outcome

Committee members agreed that the Amended Annual Budget Fiscal Year 2013/2014 would be sent to the Board of Education for approval.

3. Budget Development Process

The Director of Finance reviewed the budget development process which is similar to the previous year. Staff, students, Partner Groups and community members will be asked to provide input on the question "What information would you like to provide the Board of Education to help them with their budget deliberation?" A public budget presentation is scheduled for Monday, February 3, immediately following the COPAC Meeting at 7:00 pm at Hollywood Rd. Education Services.

Information Items

1. Provincial Funding Recalculation

The Director of Finance reviewed the provincial funding recalculation including funds that are projected to be received due to second and third Ministry counts occurring prior to the end of June 2014. Provincial holdbacks are expected to be distributed in May, with the District's potential portion being 4% (approximately \$400,000) of the holdback funds.

Meeting Schedule

February 19, 2014 at 1:00 pm	April 2, 2014 at 1:00 pm	April 16, 2014 at 6:30 pm
May 21, 2014 at 1:00 pm	June 18, 2014 at 6:30 pm	September 17, 2014 at 1:00 pm
October 15, 2014 at 6:30 pm	November 19, 2014 at 1:00 pm	

Items Requiring Special Mention

1. Public Budget Presentation, Monday, February 3, 7:00 pm, following the COPAC Meeting - Hollywood Road Education Services

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

Future Public Board Meeting Action Items:

- Amended Policy 207 - Investments
- Amended Annual Budget Fiscal Year 2013/2014

Items for Future Finance and Legal Committee Meetings

- Report on Nominal Roll Audit
- Report on Mock Aboriginal Education Audit

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson
Larry Paul, Secretary-Treasurer
Eileen Sadlowski, Director of Finance

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