

CENTRAL OKANAGAN PUBLIC SCHOOLS – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Audit Committee Meeting DATE: November 21, 2018

CHAIRPERSON: Trustee C. Cacchioni STAFF CONTACT: E. Sadlowski, Secretary-Treasurer/CFO

*The Committee Chairperson acknowledged that the meeting was being held
on the Traditional Territory of the Okanagan People.*

In attendance:

Board of Education:

Trustee R. Cacchioni (Chairperson)
Trustee J. Fraser (Committee Member)
Trustee M. Baxter (Acting Voting Member)

Absent:

Trustee L. Tiede (Committee Member)

In attendance:

Staff:

E. Sadlowski, Secretary-Treasurer/CFO
D. Carmichael, Assistant Secretary-Treasurer
T. Beaudry, Deputy Superintendent
V. Dougans, Finance Manager
M. DesRochers, Executive Assistant (*Recorder*)

Absent:

Kevin Kaardal, Superintendent of Schools/CEO

Partner Group Representation:

COTA No Representative
COPAC Sarah Shakespeare, President
COPVPA Mike Dornian, Treasurer
CUPE David Tether, President
DSC Matthew Richardson, Grade 12, Kelowna Secondary (*arrived at 4:06 pm*)
DSC Laura Siddall, Grade 11, Rutland Senior Secondary

Agenda/Additions/Amendments/Deletions

Trustee Baxter was appointed as Acting Voting Committee Member in the absence Trustee Tiede.

November 21, 2018 Agenda – approved as presented.

Reports/Matters Arising

September 19, 2018 Committee Report – received as presented.

Discussion/Action Items

1. Financial Update – September 30, 2018

The Assistant Secretary-Treasurer stated that a financial update is provided several times a year and outlined the financial update for the period ending September 30, 2018. Highlighting that enrolment projections anticipated an increase of 270 full time equivalent (FTE) students for the 2018/2019 school year; however, as of September 30, 2018 the District had an increase of over 400 FTE students. The higher than anticipated student enrolment resulted in an expected increase in projected operating grants. This increase as well as a healthy unappropriated surplus from the 2018 fiscal year has enabled the District to add teachers to the system to support the increased enrollment.

Matthew Richardson, District Student Council, arrived at 4:06 pm

2. 2018/2019 Budget Timeline and Budget Development Principles

The Assistant Secretary-Treasurer outlined the 2018/2019 Budget Timeline and Budget Development Principles. The timeline was developed based on previous years' schedules as well as anticipated board meeting dates. The Budget Development Principles were developed a number of years ago and serve as a guideline when making budget decisions.

Outcome:

The Committee recommended that the Board of Education approve the 2018/2019 Budget Timeline as presented at the November 21, 2018 Finance and Audit Committee meeting.

3. Trustee Stipend – Proposed Increase Due to Elimination of Non-Taxable Allowance

The Assistant Secretary-Treasurer stated that rather than a 'proposed increase' due to the elimination of non-taxable allowance, the agenda item/memo should have read 'proposed change'. Prior to 2019, an exemption was available to elected officials for a non-accountable allowance that was paid to cover expenses connected to carrying out work-related duties. This non-accountable allowance was excluded from income unless it exceeded one-half of the individual's salary and other remuneration. Effective January 1, 2019, non-accountable allowances paid to elected members of legislative assemblies, certain municipal officers and certain other individuals will be fully included as income. A couple of options available to trustees were outlined for consideration.

The Committee discussed the options outlined and the various expenses that trustees incur. In addition to determining how to change the Trustee Stipend, it was recommended that a review of the Policy 190 – *Trustee Expenses* also be conducted.

Outcome:

The Committee recommended that the Trustee indemnities be adjusted so that trustee net pay remains unchanged (Option #1), effective January 1, 2019.

Information Items

1. Statement of Financial Information for June 30, 2018

The Assistant Secretary-Treasurer provided the Statement of Financial Information (SOFI) for June 30, 2018. The full report is available on the District's website (Board of Education – Committees – Finance and Audit Committee – Agendas – 11/21/2018). Once the SOFI Report is signed it will be posted on the District's website under District Info – Financial Reports.

2. 2019 Economic Stability Dividend (ESD)

The Assistant Secretary-Treasurer stated that the 2019 Economic Stability Dividend (ESD) is a mandate of the provincial government. The wage increase is calculated based on 50% of the positive difference between the Economic Forecast Council (EFC) forecast and the data released by Statistics Canada. As a result, teachers and support staff will receive a 0.75% ESD increase plus the scheduled 1.0% general wage increase, effective May 1, 2019.

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

Public Board Meeting:

- *2018/2019 Budget Timeline and Budget Development Principles (Action Item)*
- *Trustee Stipend – Proposed Change Due to Elimination of Non-Taxable Allowance (Action Item)*
- *Statement of Financial Information for June 30, 2018 (Information Item)*

Items for Future Finance and Audit Committee Meetings

Public Finance and Audit Meeting:

- *Regulations 470R – Transportation Services Management – Discussion Item*
- *Review Policy 190 – Trustee Expenses*

September	October	November
- Presentation: Audited Financial Statements for the Fiscal Year - Audited Financial Statements for the Fiscal Year (<i>Action Item</i>)	- Financial Update at September 30th	- School District No. 23 (Central Okanagan) Budget Development Principles - School District No. 23 (Central Okanagan) Budget Development Timeline

January	February	April (1st meeting)
- Amended Annual Budget for the Fiscal Year - Ministry Recalculation Allocation – School District No. 23 and Provincial - Financial Update at December 31st - Budget Survey development	- Budget Presentation	- Overview of Budget Allocation - Budget Consultation Input Received - Trustee Indemnity for the 2018/2019 Fiscal Year
April (2nd meeting)	May	June
- Central Okanagan School District Preliminary Budget Proposal – Superintendent’s Budget Recommendations - Financial Update at March 31st	- Auditor’s Report to the Finance and Audit Committee – Initial Communication on Audit Planning for the Year - Annual CommunityLINK Allocations - Financial Update – International Education Program - Review of Policy 425 and Regulations 425R - Student Fees	- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year - Policy 161 –Accumulated Operating Surplus

Meeting Schedule

The 2019 Planning and Facilities Committee Meetings will be determined at the November 28, 2018 Public Board Meeting.

Questions – Please Contact:

Trustee Rolli Cacchioni, Chairperson
Eileen Sadlowski, Secretary-Treasurer/CFO

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Rolli Cacchioni, Chairperson