



**Central Okanagan
Public Schools**
Together We Learn

CENTRAL OKANAGAN PUBLIC SCHOOLS - BOARD COMMITTEE REPORT

Finance and Audit Committee Meeting

Public Meeting

Wednesday, January 17, 2024, 4:00 pm

School Board Office

1040 Hollywood Road S

Kelowna, BC

Board of Education: Trustee W. Broughton, Chair
Trustee V. Johnson, Committee Member
Trustee L. Guderyan, Committee Member
Trustee C. Desrosiers
Trustee J. Fraser

Staff: Delta Carmichael, Secretary-Treasurer/CFO
Kate Cumming, Assistant Secretary-Treasurer
Kevin Kaardal, Superintendent of Schools/CEO
Lise Bradshaw, Executive Assistant (Recorder)

*Absent: Terry Beaudry, Deputy Superintendent of Schools
Kirsten Nugent, Finance Manager*

Partner Groups: Susan Bauhart, COTA President
Teri Wishlow, CUPE President
Nicola Baker, COPAC President
Scott Sieben, COPVPA President
There was no representative from District Student Council.

The Central Okanagan Board of Education acknowledged that this meeting was being held the unceded, Traditional Territory of the Okanagan People.

AGENDA

January 17, 2024 Committee Agenda - approved as presented.

REPORTS/MATTERS ARISING

Finance and Audit Committee Public Meeting Report - November 15, 2023

November 15, 2023 Committee Report - received as distributed.

PUBLIC QUESTION/COMMENT PERIOD

No members of the public present.

COMMITTEE MEMBERS QUERIES/COMMENTS

Trustees Fraser, Broughton, and Johnson attended a Financial Management Webinar hosted by BCSTA which included a discussion regarding the required development of the Multi-Year Plan. In response to a query by Trustee Fraser, the Assistant Secretary-Treasurer advised that the Multi-Year Plan will be updated yearly.

The COPAC President requested that a letter be sent to COPAC annually in February regarding the budget presentation, to ensure future COPAC members are aware of the process.

DISCUSSION/ACTION ITEMS

2023/2024 Amended Annual Budget Bylaw

The Assistant Secretary-Treasurer presented the 2023/2024 Amended Annual Budget, reflecting updated revenues and expenses based on actual student enrolment and actual expenditure patterns. The various factors for the \$8.38 million increase to the budget over the 2023/2024 Annual Budget presented in June, 2023 were highlighted.

Changes in revenues due to:

- Student enrolment increase, causing an increase in the District's operating grant of \$5.542 million.
- An additional \$2.803 in Classroom Enhancement Funding.
- Estimated revenues from School Generated funds increased by \$799,695.
- Jordan's Principle funding of \$468,830.
- Additional funding of \$517,050 for the Building Safer Communities program

Changes in expenditures due to:

- An increase to total teaching, CEA and other staff wages and benefits due to additional hires as a result of the increase to the student FTE.
- New bus drivers, custodial and maintenance staff were hired.

- The addition of a Vice-Principal position for Bankhead Elementary school.
- A Human Resources Advisor position added back to support overall District employee growth.
- Teacher illness increased by 1 additional day per teacher FTE (13.5 days in total).
- CEF-funded teacher salaries and benefits increased by 19.5 FTE due to enrolment and composition needs.
- English Language Learning teacher FTE increase to address higher than expected student enrolment and student needs.
- Changes to services and supplies budget.
- Amortization of capital assets revised using the Ministry of Education and Child Care provided calculation tool which resulted in a reduction of amortization cost of \$456,753.
- Increased expected field studies recoveries.
- Increased budget allocation of \$435,000 for transportation software costs and parts and acquisition of geo tab fleet tracking hardware devices.

The Amended Budget Bylaw amount is \$356,027,816.

The Assistant Secretary-Treasurer and the Secretary-Treasurer/CFO responded to questions from the Committee.

Outcomes:

The Finance and Audit Committee recommended to the Board:

THAT: The Board of Education of School District No. 23 (Central Okanagan) give first reading to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$356,027,816.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give second reading to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$356,027,816.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give all three readings to the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$356,027,816.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give third reading and adopt the School District No. 23 (Central Okanagan) Amended Annual Budget Bylaw for the Fiscal Year 2023/2024 in the amount of \$356,027,816 on the 24th day of January, 2024.

Financial Update - December 31, 2023

The Assistant Secretary-Treasurer provided a financial update for the period ending December 31, 2023. The District's spending is progressing as expected in some areas and projected to be higher than budgeted in other areas. The District requested and received an additional 20 FTE teachers from the Classroom Enhancement Fund to support classroom size and composition. An increase to student enrolment increased the District's operating grants. Staff illness costs continue to be elevated and average teaching costs are higher than originally projected. There continues to be unfilled job positions for CEAs and some trades, however the Human Resources Department continues to recruit. Benefit costs are lower during the latter part of each calendar year as several employees have reached their annual maximum for CPP and EI.

Key risks include the cost of sick leave and benefits, and unexpected increases due to cost escalations. District staff will monitor these costs over the coming months.

The Assistant Secretary-Treasurer and the Secretary-Treasurer/CFO responded to questions.

Outcome:

The Finance and Audit Committee received the Financial Update as of December 31, 2023 as presented and will forward to the Board of Education as an information item.

Annual Review of Committee's Mandate, Purpose and Function - Policy 160 - Finance and Audit Committee

The Assistant Secretary-Treasurer stated that the Committee reviews *Policy 160 – Finance and Audit Committee* on an annual basis. There are no recommended changes to the policy at this time.

The COPAC President queried whether the policy needed to be updated with respect to Trustee indemnity being based on the BC Consumer Price Index (CPI), and if it should reflect pay increases received by unionized staff instead. After some discussion among Trustees and staff, it was decided that using the CPI as a guide was satisfactory and common practice in many other districts within the Province. Staff also pointed out that over the last several years the average increase to Trustee indemnity has actually been less than the compensation increases received by unionized staff.

The COPAC President also reminded the Committee of its function as an audit committee, and suggested that Committee members be prepared to challenge the reports of the staff and ask more questions of the auditors. Trustees discussed the fact that many of their questions are already answered when queries from Partner Groups are addressed, and expressed appreciation for this. They also advised that the Board has an annual incamera Finance and Audit Committee meeting with the auditors.

The Superintendent of Schools/CEO stated that the reports coming from staff are clear, truthful and reflect the hard work done by the District, and did not understand the need to “challenge” the information.

The Committee Chair suggested that the Committee members take the COPAC President's comments under advisement and keep them in mind going forward.

DISCUSSION/INFORMATION ITEMS

2023/2024 Ministry Funding Recalculation Allocation - Updated December 2023

The Committee reviewed the 2023/2024 Ministry of Education and Child Care's funding recalculation allocation tables for the District. The Secretary-Treasurer/CFO advised that the Ministry of Education and Child Care announced a change to Table 5 on January 16, 2024 that will not result in any changes to the 2023/2024 Amended Budget Bylaw as presented at the January 17, 2024 Finance and Audit Committee meeting. This change will be reflected when the funding allocation tables are presented at the February 14, 2024 public Board of Education meeting.

Proposed Multi-Year Financial Plan (2024/2025 to 2026/2027) – DRAFT

On June 14, 2023, a new Policy 162 (*Financial Planning and Reporting*) was implemented to satisfy Ministry of Education and Child Care requirements for greater transparency and accountability in the planning and reporting of the financial resources managed by the Board of Education of School District No. 23 (Central Okanagan). This Policy requires the Board of Education to develop, implement, and submit to the Ministry of Education and Child Care a Multi-Year Financial Plan to show how funding and resources are expected to be allocated to support strategic directions and operational needs with a focus on improving student educational outcomes for all students.

The COTA President advised she was disappointed that the Committee did not consult with the Partner Groups in creating the draft Multi-Year Financial Plan, and expressed concerns with some of the key assumptions within the draft Plan (and pointed out the recent news that inflation is at 3.4%).

The Secretary-Treasurer/CFO advised that the Multi-Year Financial Plan is based on high level assumptions and while it follows the District's budget development principles, it is not an attempt to go line-by-line or recreate the budget. It is difficult to forecast 3 years out, but staff have been working with the Ministry of Education and Childcare to draft the Plan.

In response to a question from the Committee Chair, the Secretary-Treasurer/CFO indicated that the District was not given a due date for the Plan, but that it is expected to be submitted in June 2024 when the Annual Budget for 2024/2025 is approved by the Board. The Chair invited feedback

and comments on the draft Plan, and the Secretary-Treasurer/CFO will consider revisions to the Plan based on the feedback received from the Committee.

2024/2025 Budget Survey Questions – DRAFT

The Assistant Secretary-Treasurer presented the draft 2023/2024 budget survey questions for review. This survey will be sent to all partner groups, the general public via the District's website, parents via school messenger and communicated on school websites.

The Committee Chair queried why questions had been dropped from the Budget Survey as it was 5 questions in 2023. The Assistant Secretary-Treasurer advised that the majority of people who answered the survey in 2023 only answered 3 of the 5 questions, and that the questions chosen for the 2024/2025 budget survey were the questions that had provided the most useful information.

Committee members recommended making the deadline of the survey close to midnight to give respondents extra time to complete the survey, and that a second email could be sent reminding people of the date. In response to queries, staff indicated that the Welcome Centre would be used to support new families with language.

COMMITTEE CORRESPONDENCE

None.

RECOMMENDATIONS/REFERRALS TO THE BOARD/COORDINATING COMMITTEE/OTHER COMMITTEES

January 24, 2024 Public Board Meeting:

- Approval of 2023/2024 Amended Annual Budget - (Action Item)
- Affirmation of Policy 160 - Finance and Audit Committee (Action Item)
- Financial Update - December 31, 2023 - (Information Item)
- 2024/2025 Budget Survey Questions - Draft - (Information Item)

February 14, 2024 Public Board Meeting:

- 2023/2024 Ministry Funding Recalculation Allocation – Updated December, 2023 (Information)

ITEMS FOR FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

February

- Budget Presentation
- School Fees Summary

April (1st Meeting)

- Overview of Budget Allocation
- Budget Consultation Input Received
- Trustee Indemnity for the 2024/2025 Fiscal Year

April (2nd Meeting)

- Central Okanagan School District Preliminary Budget Proposal – Superintendent’s Budget Recommendations
- Financial Report at March 31st

May

- 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
- Financial Update - Feeding Futures Program

June

- School District No. 23 (Central Okanagan) Annual Budget for the Fiscal Year
- 2023/2024 Accumulated Operating Surplus Review
- Multi-Year Financial Plan (2024/2025 to 2026/2027)
- Annual Review of Financial Planning and Reporting Policy

FUTURE FINANCE AND AUDIT COMMITTEE MEETINGS

4:00 pm, Wednesday February 21, 2024

Main Board Room

1040 Hollywood Rd. S., Kelowna

MEDIA QUESTIONS

No media present.

ADJOURNMENT

The meeting adjourned at 5:24 pm.

Questions - Please Contact:

Trustee Broughton, Chair at 250-718-9219 or Wayne.Broughton@sd23.bc.ca

Kate Cumming, Assistant Secretary-Treasurer at 250-860-8888 or Kate.Cumming@sd23.bc.ca

Wayne Broughton, Chair