

SPECIAL BOARD/COMMITTEE-OF-THE-WHOLE MEETING

Monday, June 29, 2015 at 7:02 pm

The Board of School Trustees of School District No. 39 (Vancouver) met in the Boardroom (Room 114) of the VSB Education Centre, 1580 West Broadway, Vancouver, B.C. on Monday, June 29, 2015, at 7:02 pm.

TRUSTEES F. Ballantyne, Chair, J. Alexander, P. Bacchus, J. Fraser, M. Lombardi, P. Noble, C. Richardson, S. Robertson, A. Wong, J. Wang (Student Trustee)

ALSO PRESENT: S. Robinson, Superintendent of Schools
R. Krowchuk, Secretary Treasurer
M. Ciarniello, Associate Superintendent
J. Stewart, Associate Superintendent-Human Resources
J. Meschino, Director of Facilities
L. Landry, Director of Finance
I. Khunguray, Supervisor, Budget & Forecasting
C. Caparas, Administrative Coordinator (Recorder)

The Chairperson called the meeting to order and acknowledged that the meeting is being held in the traditional territory of the Musqueam, Squamish and Tsleil-Waututh Coast Salish peoples.

I. SPECIAL ADVISOR'S REPORT AND 2015 / 2016 ANNUAL BUDGET

1. Motion to Dissolve the Board Meeting into Committee of the Whole

Moved by P. Bacchus, seconded by J. Fraser, that the Board dissolve itself into Committee of the Whole.

CARRIED UNANIMOUSLY

2. Special Advisor's Report

The Secretary Treasurer presented a report date June 26, 2015 entitled *Special Advisor's Report*. He reviewed:

- a summary of the Special Advisor's recommendations (Attachment A);
- a status report prepared by staff indicating for each recommendation, if it is: completed, in progress, or to be considered and
- a summary of the Special Advisor's recommendations which were included in the proposed 2015/2016 Preliminary Budget as follows (Attachment B).

Staff clarified that the 2015/2016 budget adjustment relating to the closure of Maquinna Annex is not as a result of the Special Advisor's recommendations.

I. SPECIAL ADVISOR'S REPORT AND 2015 / 2016 ANNUAL BUDGET (continued)

In accordance with the Ministerial Order approved on May 22, 2015, the Board is required "by no later than June 30, 2015, provide to the Minister of Education a written report which demonstrates that the Board read and considered the recommendations in the Special Advisor's Report prior to adopting the 2015/2016 report.

It was recommended that the Board:

- (i) agree that they have read and considered the recommendations in the Special Advisor's report; and
- (ii) provide to the Minister of Education, a status report on the Special Advisor's Report by June 30, 2015 (based on Attachments A and B).

3. 2015 / 2016 Preliminary Budget Proposal

The Secretary Treasurer presented a report dated June 26, 2015 entitled **2015 / 2016 Preliminary Budget**. The 2015 / 2016 Preliminary Budget recommended in the report is based on the 2015 / 2016 Provisional Budget approved by the Board on April 30, 2015, with the following changes:

o cost savings from Maquinna Annex	\$154,080
o additional salary differential funding	112,485
o less appropriation of 2013 / 2014 unrestricted surplus	(266,565)

The Secretary Treasurer reviewed the following:

- o the 2015/2016 Budget Bylaw Schedules;
- o the district's administrative savings of \$2.68 million for 2015/2016 and \$4.99 million for 2016/2017 accordingly; and
- o the recommendation for the Board to adopt the 2015/2016 Annual Budget Bylaw.

The Committee-of-the-Whole considered the following items:

a) District Pay Parking – Implementation

It was recommended that the VBE not implement the District Staff Pay Parking plan and that the additional revenue required for the 2015 – 2016 preliminary Vancouver Board of Education (VBE) operating budget be generated by accessing funding available through the unrestricted surplus.

The recommendation was supported by the Committee-of-the-Whole.

b) Downtown Eastside Education Centre, South Hill Youth Program and elementary outreach programming

In response to a trustee inquiry, staff provided clarification regarding the cost savings for closing the Downtown Eastside Education Centre, South Hill Youth Program and part of the elementary outreach programming.

I. SPECIAL ADVISOR'S REPORT AND 2015 / 2016 ANNUAL BUDGET

3. 2015 / 2016 Preliminary Budget Proposal

- b) Downtown Eastside Education Centre, South Hill Youth Program and elementary outreach programming

It was recommended that the VSB remove the closure of the Downtown Eastside Education Centre and South Hill Youth Program.

Discussion ensued regarding the possibility of removing the closure of part of the elementary outreach programming.

The Chairperson called a recess.
The Chairperson reconvened the meeting.

The Secretary Treasurer noted that:

- there are financial, facility, and human resource implications to reversing the previously approved budget proposals respecting district the closures of Downtown Eastside Education Centre, South Hill Youth Program, and elementary outreach programming;
- the expenditures from the Adult Education programs exceed the related funding; and
- the recommended changes to the 2015 / 2016 Preliminary Budget Proposal could be funded from the projected 2013 / 2014 unrestricted surplus.

Discussion ensued on the rationale for and against the recommendations.

4. Motion to Rise and Report from Committee of the Whole

Moved by C. Richardson, seconded by S. Robertson, that the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

The Chairperson called a recess.
The Chairperson reconvened the meeting.

I. SPECIAL ADVISOR'S REPORT AND 2015 / 2016 ANNUAL BUDGET (continued)

5. Motion to Reconvene the Board Meeting

Moved by S. Robertson, seconded by A. Wong, that the Board meeting be reconvened.

CARRIED UNANIMOUSLY

6. Motion re Special Advisor's Report

Moved by C. Richardson, seconded by S. Robertson that the Board:

(iii) agree that they have read and considered the recommendations in the Special Advisor's report; and

(iv) provide to the Minister of Education, a status report on the Special Advisor's Report by June 30, 2015 (based on Attachments A and B).

Discussion ensued on the rationale for and against the motion.

A vote was taken on the motion and it was declared

CARRIED

For: J. Alexander, F. Ballantyne, J. Fraser, P. Noble, C. Richardson, S. Robertson

Against: P. Bacchus, M. Lombardi, A. Wong

7. Motion re District Pay Parking

Moved by M. Lombardi, seconded by J. Alexander, that the VBE not implement the District Staff Pay Parking plan and that the additional revenue required for the 2015 – 2016 preliminary Vancouver Board of Education (VBE) operating budget be generated by accessing funding available through the unrestricted surplus.

CARRIED UNANIMOUSLY

8. Motion to Adopt the 2015 / 2016 Annual Budget Bylaw

Trustee Fraser read the proposed 2015 / 2016 Annual Budget Bylaw.

Moved by J. Fraser, seconded by C. Richardson, that the Board of Education of School District No. 39 (Vancouver) 2015 / 2016 Annual Budget Bylaw (Attachment C) be:

Read a first time on the 29th day of June, 2015;

Read a second time on the 29th day of June, 2015;

Read a third time, passed and adopted on the 29th day of June, 2015.

I. SPECIAL ADVISOR'S REPORT AND 2015 / 2016 ANNUAL BUDGET (continued)

8. Motion to Adopt the 2015 / 2016 Annual Budget Bylaw (continued)

Moved by A. Wong, seconded by P. Bacchus, that the motion be amended as follows:

That the 2015 / 2016 Preliminary Operating Budget Proposals be amended to reinstate two of the elementary outreach programming and that the additional revenue required for the 2015-2016 preliminary operating budget be generated by accessing funding available from the unrestricted surplus.

Discussion ensued on the rationale for and against the amendment.

A vote was taken on the amendment and it was declared

CARRIED

For: J. Alexander, P. Bacchus, M. Lombardi, P. Noble, A. Wong

Against: F. Ballantyne, J. Fraser, C. Richardson, S. Robertson

Moved by P. Bacchus, seconded by M. Lombardi, that the amended motion be further amended as follows:

That the 2015 / 2016 Preliminary Operating Budget Proposals be amended to remove the closures of the Downtown Eastside Adult Education Centre and South Hill Adult Centre (Youth Program).

Discussion ensued on the rationale for and against the amendment.

A vote was taken on the amendment and it was declared

DEFEATED

For: J. Alexander, P. Bacchus, M. Lombardi, A. Wong

Against: F. Ballantyne, J. Fraser, P. Noble, C. Richardson, S. Robertson

A vote was taken on the amended main motion, and it was declared

CARRIED

For: F. Ballantyne, J. Fraser, P. Noble, C. Richardson, S. Robertson

Against: J. Alexander, P. Bacchus, M. Lombardi, A. Wong

The Secretary Treasurer noted that based on the approved amended main motion, the relevant schedules to the 2015/2016 Annual Budget Bylaw will be amended accordingly.

II. ADJOURNMENT

Moved by S. Robertson, seconded by J. Alexander, that the meeting be adjourned.

CARRIED UNANIMOUSLY

The meeting adjourned at 10:03 pm.

Fraser Ballantyne, Chairperson

Rick Krowchuk, Secretary Treasurer

Attachment A

Section 5: Administrative, Support and Overhead Efficiencies

VBE Response to Special Advisor's Recommendations

Attachment A

			VBE Status		
Ref	Recommendation	MoE	VBE	In Progress	To Be Considered
5.1	Ministry work with school districts to improve the consistency of reporting revenues and expenses by program and function and should consider regularly benchmarking internal performance across school districts to support school districts with identification of opportunities to increase revenues		✓		
5.2	VBE explore increasing Summer School Enrolment by: - Offering specialized interest courses - Marketing to students in districts without Summer School programs		✓		✓
5.3	VBE continue to explore options to market underutilized schools in the East-side to international students		✓	✓	
5.4	VBE assess the results of the Ministry-led pilot project that aims to explore the provision Distributed Learning to international students. If the Ministry were to change the policy to allow provision of Distributed Learning to international students as a result of the pilot project, VBE to consider marketing Distributed Learning courses to incoming international students as preparation or a head start for attending schools in the Vancouver School District		✓		✓
5.5	VBE explore taking advantage of recent implementation of PeopleSoft by providing shared services and/or host systems for HR and Payroll for other districts		✓		✓
5.6	VBE explore increasing the Miscellaneous Revenues through: - Reconsideration of a business development team - Sale of necessities and providing ATMs on school property - Providing more fee-based programs and licensing of intellectual property		✓		✓
5.7	VBE explore increasing rental and lease revenues through: - Creating lease space for commercial use or rental to compatible tenants - Implementing tiered facility rental rates - Rental of rooftops for solar energy, agriculture and/or telecommunications purposes Other school districts could consider this opportunity to increase rental and lease revenues		✓	✓	
5.8	In the next round of collective bargaining, VBE to give consideration to reason for the variation identified in student / support staff ratios between VBE and a subset of peer districts, as set out in the Comparative Staffing Levels Report		✓		✓

VBE Response to Special Advisor's Recommendations

Attachment A

				VBE Status		
Ref	Recommendation	MoE	VBE	Completed	In Progress	To Be Considered
5.9	VBE continue progressing on the cost efficiencies as recommended in historical reports and management proposals, while continuing to explore opportunities to participate in future provincial shared service offerings		✓		✓	
Section 6: Capital Asset Management						
Planning						
6.1	VBE develop tactical tools to support the planning process, including those that support more efficient access to centrally held data which inform key planning decisions		✓		✓	
6.2	The Ministry consider providing stronger guidance to the District through clear policy guidelines and templates and tools to assist VBE to identify capital asset priorities. These could be applied province-wide	✓				
6.3	VBE must complete the district-wide LRSFP and new Five Year Capital Plan as soon as possible. VBE to consider extending the LRSFP beyond its current 10 year scope in order to better inform long term decision making. Provinces such as Alberta and Ontario use a 10 year period as a basis for long range facilities planning, other districts in the Province (i.e. Surrey School Board) set plans based on enrolment projections that exceed 10 years. Given the size of VBE's capital asset portfolio, which is comparable to Surrey, adoption of a 20 year planning horizon that incorporates a rolling 10 year plan within would better inform long-term decision making		✓		✓	
6.4	The Project Definition Report Strategy and Work Plan need to be closely monitored. VBE (and VPO, where applicable) should track and report actual results against the target timeline in the PDR Strategy and Work Plan. This will enable VBE to assess if a further overhaul of its project planning and development strategy is required. VBE to use the PDR Strategy and Work Plan approach on all of its capital projects including non-seismic upgrades and renovations.		✓		✓	
6.5	VBE assess the benefits of alternative capital project delivery models and commit to the model that maximizes use of funds and gets best values for money		✓	✓		
6.6	VBE adopt a template school design standard (where appropriate) that is scaleable to capacity needs; thereby, limiting out-of-scope work and change orders. In addition, template construction allows for greatest cost certainty and more timely construction		✓			✓
6.7	VBE establish proactive and clear communication with the City of Vancouver to clearly understand planning requirements		✓	✓		

VBE Response to Special Advisor's Recommendations

Attachment A

			VBE Status		
Ref	Recommendation	MoE	VBE	In Progress	To Be Considered
6.8	The Ministry review current approach and look for improvement opportunities in validating the quantity surveying budget and explore the opportunity to coordinate a province-wide quantity surveying shared service	✓			
6.9	The Ministry consider imposing standard province-wide monthly reporting requirements on construction progress to ensure it is kept appraised of performance against Project Agreements	✓			
6.10	In conjunction with Recommendation 6.5, VBE should change its procurement approach to align with common BC practice and industry best practice, by either: - moving to the open market tendering approach followed by the Surrey School Board and most other school districts in the Province, or - building into their pre-qualified bidders agreements more quality and value for money drivers		✓	✓	
6.11	VBE, where appropriate, procure services and delivery partners for multiple projects at a single time in order to gain economies of scale, consistency in quality and efficiencies in procurement and delivery costs and efforts		✓		✓
Excess Surplus Capacity					
6.12	The Ministry consider inclusion of international students in its methodology for calculating utilization	✓			
6.13	VBE to conduct a thorough review of the current annual net cost savings related to a reduction in excess surplus capacity to support decisions on capacity rationalization. The review should include a study of the relationship of the physical space to the incremental cost of education and include scenario modeling		✓		✓
6.14	VBE immediately engage a real estate professional to conduct a market study and prepare a valuation of its priority K-12 lands, and K12 capacity rationalized lands (where anticipated), to assist in a scenario planning process, within a six month timeline		✓		✓

VBE Response to Special Advisor's Recommendations

Attachment A

			VBE Status		
Ref	Recommendation	MoE	VBE	In Progress	To Be Considered
	When assessing capacity rationalization, in addition to cost savings and the non-financial impact, VBE should include assessment criteria to evaluate the opportunities for the generation of proceeds from the retired or repurposed capital assets.				
6.15	As a component of this capacity rationalization assessment, VBE must address future capacity requirements of the District based on long term enrolment expectations, and such must be a defined element and variable of the LRSFP. VBE should use scenario planning to assist it in its capital planning and to optimize its portfolio (i.e. sale and relocation)		✓		✓
6.16	VBE continue to explore opportunities with the CoV to generate additional revenue on its capital assets		✓	✓	
6.17	VBE continue to assess the education impacts and benefits as part of any capacity rationalization, school consolidation or school closure business case		✓	✓	
6.18	VBE commit to considering capacity rationalization in its Strategic Plan, Capital Plan and Long Range Strategic Facilities Plan. VBE update its Guiding Principles to reflect its district-wide utilization target of 95%		✓	✓	
6.19	Board provide guidance to District Management Team on criteria for inclusion of school on the Preliminary List. This criteria should include school performance, student engagement measures, current and projected utilization, incremental operating costs per student, facility condition and seismic risk		✓		✓
6.20	VBE should undertake school closure process simultaneously for multiple schools identified in the Preliminary List		✓		✓
6.21	VBE consider changes to its school closure protocol to increase timeliness of decision making and realization of the financial and non-financial benefits available through capacity rationalization		✓		✓
6.22	VBE include analysis of sale, lease and retention options in its assessment of capacity rationalization		✓		✓
6.23	VBE and the Ministry to agree on the availability of proceeds and impact on future funding in advance of a decision to undertake capacity rationalization		✓		✓
6.24	VBE undertake an assessment of capacity in school lands to understand options for generating additional future on-site capacity (e.g. new buildings at existing school, additional levels to existing buildings)		✓		✓

VBE Response to Special Advisor's Recommendations

Attachment A

Ref	Recommendation	MoE	VBE	VBE Status		
				Completed	In Progress	To Be Considered
6.25	VBE prepare scenario analysis models to assess the variance impacts on available capacity during the SMP. Holistic analysis needs to be undertaken based on the results including both costs savings and proceeds that can be generated from school closure that becomes available with the provision of temporary accommodation.		✓			✓
6.26	VBE should track the trend of student movement from non-upgraded schools to new seismically upgraded schools to determine whether a correlation exists between enrolment and facility upgrades. This will help support future decisions around closures and replacement over upgrade. Where VBE is able to show a benefit, the Ministry should consider providing funding support for temporary accommodation during SMP upgrades to enable immediate closure of excess capacity	✓				
6.27	VBE assess opportunities to avoid SMP projects in its capacity rationalization criteria		✓		✓	
6.28	VBE track the impact of right-sizing under the SMP to assist it in identifying further opportunities and also to support future decisions weighing replacement against seismic upgrade. VBE should also undertake a cost benefit analysis when assessing the appropriateness of replacement over seismic upgrade		✓		✓	
Deferred Maintenance						
6.29	In conjunction with Recommendation 6.1 and 6.3, VBE develop a robust, maintenance plan based on least cost over life cycle, to assist it in identifying and addressing facility priorities		✓	✓		
6.30	VBE track annual maintenance on a school-by-school basis to support business case to support business cases for capacity rationalization		✓	✓		
6.31	VBE undertake a study on the relationship of physical space to the incremental cost of education to support business decisions to reduce surplus capacity		✓		✓	
6.32	Facilities management is a non-core service and we agree with PwC's recommendation that VBE should evaluate the benefits of implementing a mobile maintenance workforce and extend this to assessing the benefits and opportunities for alternative service delivery models in the medium to long term		✓			✓

VBE Response to Special Advisor's Recommendations

Attachment A

Ref	Recommendation	MoE	VBE	VBE Status		
				Completed	In Progress	To Be Considered
6.33	<p>Other school districts, including Central Okanagan and Surrey, have used school closure to address the growing gap between maintenance funding and maintenance needs. VBE should factor the deferred maintenance obligations of its schools when identifying and deciding schools for closure and/or upgrade.</p> <p>VBE should develop a cost-benefit metric to assess the value of retaining or upgrading its schools. For example, it could use a deferred maintenance cost per student (as shown above) as part of the criteria for deciding whether the costs of providing education in a facility outweigh the benefits of that location. This analysis needs to be district-wide and not focused on a school-by-school basis. A district-wide approach may provide opportunities to reduce two or three adjacent schools with one new, Right-sized replacement (which will have no deferred maintenance).</p> <p>VBE take a holistic approach in determining whether it is more cost effective to upgrade, replace or close a school.</p> <p>Addressing deferred maintenance at the same time as supported seismic upgrades should be carefully considered given the likely cost savings that are achievable when delivering both capital projects concurrently. Further, there are likely to be financial and student benefits to limiting the disruption of the student population during these concurrent projects</p>		✓		✓	
Non K-12 Real Estate						
6.34	VBE relocate the Vinery and close Downtown East Adult Education Centre as planned		✓	✓		
6.35	VBE immediately engage a real estate professional to conduct a market study and prepare a valuation of its priority non-core lands to better inform decisions on its revenue options, within a six month timeline		✓		✓	
6.36	VBE incorporate non-core/non-K12 real estate in its LRSFP		✓		✓	
Section 7: Board Governance						
7.1.A	VBE continue to action and implement processes and controls to address previous review and audit findings, including making an action plan to prioritize response initiatives		✓		✓	
7.1.B	The Ministry revisit previous review and audit findings to determine if recommendations continue to be relevant, and respond appropriately	✓				
7.2	VBE make improvements in the formalization of mechanics of committee meetings		✓			✓

VBE Response to Special Advisor's Recommendations

Attachment A

				VBE Status		
Ref	Recommendation	MoE	VBE	Completed	In Progress	To Be Considered
7.3.A	VBE establish an Audit Committee with external members to improve financial oversight		✓			✓
7.3.B	The Ministry establish the legislative requirement for all districts to establish an Audit Committee to support a consistent approach to financial oversight	✓				
7.4.A	VBE develop and implement a new strategic plan, and use it to catalyze the development of operational plans, a performance measurement framework, a Board self-assessment framework, and a risk management program or ERM framework		✓			✓
7.4.B	The Ministry establish a mandatory requirement for the minimum training and orientation required by newly elected Trustees to support a consistent level of knowledge and skills to discharge their duties	✓				
7.5.A	VBE implement a formal risk management process or ERM framework to improve risk management and oversight		✓			✓
7.5.B	The Ministry establish risk management guidance and tools/templates to assist all districts in understanding and employing sound risk management practices	✓				

Attachment B

Special Advisor's Recommendations Incorporated in 2015-16 Budget		
Recommendation	Source	Amount
2015/16 Management Proposals	Table 5.10	\$ 8,300,000
Rentals & Leases	Finding 5.9 (Cost Benchmarking)	\$ 650,000
Attendance Support, Wellness and Occupational Health and Safety Program	Table 5.13 (Service Delivery Transformation initiatives)	\$ 750,000
Excess Capacity - Maquinna Annex	Section 6 (Capital Asset Management)	\$ 154,080
Total		\$ 9,854,080

ANNUAL BUDGET BYLAW

A Bylaw of THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 39 (VANCOUVER) (called the "Board") to adopt the Annual Budget of the Board for the fiscal year 2015/2016 pursuant to section 113 of the *School Act*, R.S.B.C., 1996, c. 412 as amended from time to time (called the "Act").

1. Board has complied with the provisions of the Act respecting the Annual Budget adopted by this bylaw.
2. This bylaw may be cited as School District No. 39 (Vancouver) Annual Budget Bylaw for fiscal year 2015/2016.
3. The attached Statement 2 showing the estimated revenue and expense for the 2015/2016 fiscal year and the total budget bylaw amount of \$592,078,734 for the 2015/2016 fiscal year was prepared in accordance with the *Act*.
4. Statement 2, 4 and Schedules 2 to 4 are adopted as the Annual Budget of the Board for the fiscal year 2015/2016.

READ A FIRST TIME THE 29th DAY OF JUNE, 2015;

READ A SECOND TIME THE 29th DAY OF JUNE, 2015;

READ A THIRD TIME, PASSED AND ADOPTED THE 29th DAY OF JUNE, 2015;

(Corporate Seal)

Chairperson of the Board

Secretary Treasurer

I HEREBY CERTIFY this to be a true original of School District No. 39 (Vancouver) Annual Budget Bylaw 2015/2016, adopted by the Board the 29th DAY OF JUNE, 2015.

Secretary Treasurer