



FINANCE & OPERATIONS COMMITTEE MEETING
Tuesday, August 1, 2017 – 9:30a.m.
NLESD Headquarters
95 Elizabeth Avenue, St. John's, NL (Skype)

1. Call to Order

A meeting of the Finance and Operations Committee of the Newfoundland and Labrador English School Board was called to order at 9:36am on Tuesday, August 1, 2017.

Members Present: Jennifer Aspell, Chair
Winston Carter, Committee Member
Thomas Kendell, Committee Member
Peter Whittle, Committee Member
Wayne Lee, Committee Member

NLESD Staff Present: Tony Stack, Director/CEO (Interim)
Terry Hall, Assistant Director of Education – Finance and Business
Administration/Student Transportation
Lucy Warren, Associate Director of Education – Programs and
Operations (Interim)
Jim Sinnott, Director of Facilities and Custodial Management
Susan Clarke, Administrative Assistant (Finance/Recorder)

Regrets: Goronwy Price, Board Chair
John Smith, Committee Member
Ray Bennett, Committee Member
Bruce Cluney, Committee Member

2. Approval of Agenda

It was moved by Peter Whittle, seconded by Winston Carter that the agenda be adopted as presented. *Carried.*

3. Approval of Minutes – May 15, 2017

It was moved by Winston Carter, seconded by Thomas Kendell that the minutes of May 15, 2017 be adopted as presented. *Carried.*

4. New Business – Motion

4.1 Budget Approval 2017-2018 School Year

The Newfoundland and Labrador English School District's Operating Budget for the period July 1, 2017 to June 30, 2018 was tabled by Terry Hall, ADE – Finance and Business Administration/Student Transportation.

This budget does not reflect capital funding, special incentive or special project funding from the Department of Education and Early Childhood Development (DEECD) or Nunatsiavut Government funding nor does it reflect schools' controlled funds, or the operations of the Newfoundland and Labrador Education Foundation.

The *Schools Act, 1997* requires School Districts to balance its budget each fiscal year. The proposed budget for the 12 month period ending June 30, 2017 is balanced. The budget reflects the most current operating grant from DEECD for this period. Any salary adjustments, if applicable, resulting from contract negotiations have not been taken into consideration. The budget for board owned pupil transportation is based on the 2016-17 approved budget and will be adjusted when the 2017-18 budget is approved by the DEECD. The budget for contracted pupil transportation is based on anticipated monthly payments including any adjustments resulting from newly awarded tenders.

Motion:

Moved by Peter Whittle, seconded by Thomas Kendell that the Finance and Operations Committee recommend to the Board, approval of the Newfoundland and Labrador English School District's balanced operating budget for the 12 month period July 1, 2017 to June 30, 2018. *Carried.*

4.2 Nunatsiavut Government Financial Statements Approval – March 31, 2017

The Nunatsiavut Government Financial Statements were tabled by Terry Hall, ADE – Finance and Business Administration/Student Transportation.

The audit of the Fiscal Financing Agreement – Nunatsiavut Government Funding for the year ending March 31, 2017 has been completed.

- 1) The financial statements for the Nunatsiavut Government Fiscal Funding Agreement are prepared based on revenue and expense financial information recorded by the Newfoundland and Labrador English School District related to this agreement for the year ended March 31, 2017. The format and presentation of the financial statements is per the requirement of the Nunatsiavut Government to show expenditures by community and line object.
- 2) Consolidation – the financial statements are prepared on a non-consolidated basis and only include the ancillary funding provided by the Nunatsiavut Government through the Fiscal Financing Agreement to the District to enhance student programming in the five (5) Nunatsiavut coastal communities.
- 3) Surplus/(deficit) – The Fiscal Financing Agreement operates on a balanced basis. Any unexpended funds are treated as deferred revenue and brought into income in the next year and form part of the revenue source for that year. Any accounts receivable are treated as revenue in the year incurred and received in the following year as part of the grant payments.

Motion:

Moved by Wayne Lee, seconded by Winston Carter that the Finance and Operations Committee recommend to the Board, approval of the Auditor's Report and the accompanying audited financial statements for the Fiscal Financing Agreement for the year ended March 31, 2017. *Carried.*

4.3 Approval for Financing – School Buses (27)

The request for approval for financing for 27 school buses was tabled by Terry Hall, ADE – Finance and Business Administration/Student Transportation.

Each year, the provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island undertake a joint school bus purchasing program. After obtaining approval to purchase from the Board and Department the District placed 2 separate orders totaling twenty seven (27) model year 2018 Blue Bird school buses (units) for the beginning of the 2017-2018 school year. The order was placed in accordance with the tender issued in the Fall of 2016 from this purchasing program; these twenty seven (27) units replaced the following:

- a) twenty five (25) units to replace aging and rust ridden units where it is more cost effective to replace than repair
- b) two (2) units that were damaged in the May 2016 Corner Brook Depot fire

As purchaser, the District placed the order with the vendor and is in the process of arranging the related debt financing. Standard practice is to finance the related debt over a twelve (12) year equivalent to the useful life of the asset.

Motion:

Moved by Thomas Kendell, seconded by Winston Carter that the Finance and Operations Committee recommend to the Board, approval to borrow up to \$3,500,000.00 for the financing of the purchase of twenty seven (27) school buses with an amortization period of twelve (12) years with such approval further subject to Ministerial approval. *Carried.*

4.4 Approval – Conflict of Interest Policy

The Conflict of Interest Policy was tabled by Terry Hall, ADE – Finance and Business Administration/Student Transportation.

The existence of real or perceived conflict can pose great risk to the Board and District. Therefore, it is vital that we clearly articulate what constitutes a potential conflict and how all employees need to proceed when a potential conflict arises or is eminent. The intention of this policy is to ensure all employees are aware of what conflict is and how to conduct themselves when they find themselves in a potential conflict of interest situation.

It is recognized that employees may be part of or participate in a number of professional and personal interests. However, this can lead to situations where conflicting interest and/or priorities collide. While the District expects the highest standard from its

employees on a daily basis when executing their duties, it is especially cognizant when such potential conflicts are at play. The District expects employees to:

- identify when potential conflict exists
- act in the best interests of the NLESD
- conduct themselves with personal integrity, honesty, ethics, and diligence
- execute proper disclosure of the potential conflict

It is important to note that a conflict of interest does not imply wrongdoing and nor does it preclude involvement of the employee. However, if not disclosed or handled properly could lead to significant risk for the District, employee and third party involved if applicable.

Motion:

Moved by Winston Carter, seconded by Wayne Lee that the Finance and Operations Committee recommend to the Board, approval of the Conflict of Interest policy as presented including the Conflict of Interest Disclosure form to be completed by employees when requirement to disclose is necessary. *Carried.*

4.5 Approval – Employee Travel Policy

The Employee Travel Policy was tabled by Terry Hall, ADE – Finance and Business Administration/Student Transportation.

This policy applies to all employees of the NLESD, including executive, management and all full-time, part-time and casual union and non-management, non-union employees. Bargaining unit employees should also consult their respective collective agreements.

This policy applies for all travel reimbursed to employees from all sources of District funds, including any travel funded out of school-generated funds and third party funding or grants dispersed through the NLESD.

It provides clear guidance on what can be claimed and what is required to submit a valid expense for re-imbursement.

Motion:

Moved by Thomas Kendell, seconded by Peter Whittle that the Finance and Operations Committee recommend to the Board, approval of the Employee Travel Policy as presented. *Carried.*

4.6 Approval – Repairs and Maintenance Program 2017-2018

The Repairs and Maintenance Program 2017-2018 was tabled by Jim Sinnott, Director of Facilities and Custodial Management.

The Board votes on a prioritized repairs and maintenance list annually, typically with delegated authority for staff to request funding and/or adjust priorities as situations emerge throughout the year. Prioritization is based on factors such as:

- Indoor air quality & life safety;
- Potential to cause unscheduled school closures;
- Priority programming needs (particularly special services).

In 16-17 NLESD requested ~\$15m in high priority jobs, ~\$34m in other non-prioritized requests. There are also GovNL initiatives overlaid (e.g. electrical upgrades) on Board requests. The list of work that is ultimately funded in any year is called the *Repairs and Maintenance Program*. While Government's fiscal year runs from 1 April to 31 March, the fact this program is coming in July means that the ability to spend is reduced to just under ¾ of a fiscal year.

Budget 2017 allocated \$16.5m to repairs and maintenance, approximately \$15m has been allocated to English School District Schools as follows:

- ~\$2.4m for contracts that began last year but were not completed (pre-committed budget)
- ~\$9.8m for projects that were requested in prior years and had some level of engagement by DEECD/TW. In some cases these projects were completed in a prior year, but funded by GovNL in this fiscal year (e.g. Woodland's vertical lift).
- ~\$2.7m in new approvals

As noted above, emergent needs arise throughout the year, and typically get completed first and funding method finalized afterwards. For example, a furnace failure in a school gets addressed right away, but may also have an associated \$60k request made by staff. This could be funded by unspent money from another project in the Repairs and Maintenance Program, or by deferring a current year project to future.

Motion:

Moved by Wayne Lee, seconded by Winston Carter that the Finance and Operations Committee recommend to the Board approval of a the 2017-18 Repairs and Maintenance Program, with further approval for staff to adjust priorities as required throughout the year as situations warrant. *Carried.*

4.7 Approval – Newfoundland Power Easement Request for Baine Johnston Corporation, New CBS School

The easement request from Newfoundland Power for Baine Johnston Corporation was tabled by Jim Sinnott, Director of Facilities and Custodial Maintenance.

At the start of the New K-7 School project in Conception Bay South, Newfoundland Power Inc. advised NLESD that an easement was required from Baine Johnston Corporation (BJC). BJC in turn requested that NLESD allow them to construct an access off our new school road as a method of accessing their property in front of/ beside the school. NLESD was not able to grant this request, based on safety concerns regarding having competing flows of traffic (school and commercial) using the school road.

BJC eventually allowed the easement with NLESD agreeing to cover their associated legal and survey costs. BJC's parcel of land is now being developed with access off the CBS highway, and Newfoundland Power Inc. informs us that BJC now requests a powerline easement from us. The actual easement drawing from Newfoundland Power is shown on the next page, along with an overview below to show it relates to the school site.

Motion:

Moved by Winston Carter, seconded by Thomas Kendell that the Finance and Operations Committee recommend to the Board approval of a powerline easement request from Newfoundland Power Inc. for Baine Johnston Corporation alongside the school road in CBS, with any legal or survey costs to be borne by Baine Johnston Corporation. *Carried.*

5. Date of Next Meeting

The next meeting will be held at the call of the Chair.

6. Adjournment

Motion to adjourn by Thomas Kendell at 10:55a.m. *Carried.*