

4. New Business – Motion

4.1 Approval – Financial Statements (Draft), June 30, 2017

The audit of the Newfoundland and Labrador English School District [“NLESD”] for the year ended June 30, 2017 is substantially complete. Highlights of the District’s financial statements include:

- 1) These non-consolidated financial statements are prepared based on the financial information of the NLESD for the year ended June 30, 2017. These financial statements are prepared in accordance with the Public Sector Handbook, which constitutes generally accepted accounting principles as recommended by the Public Sector Accounting Board.
- 2) Consolidation – the financial statements are prepared on a non-consolidated basis and do not include the results of operations for school controlled funds, the Newfoundland and Labrador Education Foundation Inc. and the Newfoundland and Labrador International Student Education Inc. The financial statements do include the ancillary funding provided by the Nunatsiavut Government for the five Nunatsiavut coastal communities in Labrador.
- 3) Comparative figures – the comparative amounts for the previous year ended June 30, 2016.
- 4) Cash position – The District continues to maintain a stable cash position.
- 5) Tangible capital assets – during the year ended June 30, 2017, there was approx. \$71 million in tangible capital asset additions which include investment in new schools in Gander, CBS, Virginia Park, Torbay and Portugal Cove. Also, investments for school extensions such as St. Peter’s Junior High.
- 6) Restricted equity – a portion of the District’s equity is restricted to be used for a future purpose. The balance of restricted equity at June 30, 2017 is \$1,370,659 remaining unchanged from June 30, 2016.
- 7) Due to Government – There is a significant balance in this year compared to other years due to the Hydro Rebate received by the NLESD due back to Government.

Motion:

Moved by Peter Whittle, seconded by Wayne Lee that the Finance and Operations Committee recommend to the Board, approval of the draft financial statements of the Newfoundland and Labrador English School District for the year ended June 30, 2017 as presented. *Carried.*

4.2 Approval to purchase land – Gander Depot

The Gander Bus Depot parking lot is restrictive in relation to snow clearing/removal given its relative small size compared to its fleet and facilities located on the property.

Up until the 2016-2017 school year the District was able to have snow plowed from the parking lot onto the vacant land adjacent to the Depot at 17 McCurdy Drive; it was also previously permitted for the District to use space on the vacant land near the front of the Depot parking lot to park buses.

The owner of the vacant land came to the Depot in the Fall of 2016 and informed the District that we were no longer permitted to push snow on the property or park any vehicles there. The property is currently up for sale for \$69,900.

As a result, the District spent an additional \$23,080 on snow removal from the Depot lot during the winter of the 2016-2017 school year. At times, the District had to arrange for snow to be pushed onto the vacant land without the owner's permission to enable the District to have buses on the road for their morning runs.

As an example of the cost: a snowfall of 24cms in February 2017 took 12 snow removal hours at a cost of \$180/hr totaling \$2,500 + HST. Using a \$20,000 annual snow removal estimate going forward and a purchase price of \$70,000, the additional snow removal cost would pay for the cost of the land within 4 years.

If purchased by another party who is not willing to allow the usage of their land for the District to place snow/park, the District will be stuck with the annual cost to remove snow and it would reduce the District's ability to provide scheduled bus service at times of heavy snowfall.

Purchase of this land would provide the District with the possibility of expanding the Depot's lot in the future if operationally warranted.

Motion:

Moved by Winston Carter, seconded by Keith Culleton that the Finance and Operations Committee recommend to the Board, approval to purchase the land adjacent to the Gander Bus Depot, subject to Ministerial approval. *Carried.*

4.3 Approval, Financing and Purchase of School Buses

Each year, the provinces of Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island undertake a joint school bus purchasing program. The tender number 0199002-19 has been awarded to Blue Bird for purchases for delivery in the Spring/Summer of 2018.

Within the board owned fleet of the Newfoundland and Labrador English School District, there are eight (8) model year 2005 buses that have to be removed from service as of June 2018 in accordance with provincial legislation. Additionally, there are eight (8) model year 2006 buses that have been deemed unrepairable to meet Highway Traffic Act legislation and another nine (9) model year 2007 buses that are recommended for replacement due to the significant cost to repair combined with their minimal remaining useful life. There were also two (2) model year 2004 wheelchair accessible mini buses

(24 passenger) that were removed from service at the end of the 2016-2017 school year but were not replaced due to the exclusion of a 24 passenger bus option in the Atlantic Province tender; the District is seeking approval to procure replacements for these buses on its own.

Motion:

Moved by Wayne Lee, seconded by Keith Culleton that the Finance and Operations Committee recommend to the Board, approval to purchase twenty five (25) buses at an average unit cost of \$118,236 (HST included) and two (2) mini buses at an approximate unit cost of \$75,000 (HST included); and borrow up to \$3,500,000.00 with an amortization period of twelve (12) years, with such approvals further subject to Ministerial approval. *Carried.*

4.4 Approval – NLESD Capital Priorities List 2017-2018 for Government of NL 2018 Budget submission

Jim Sinnott, Director of Facilities and Custodial Management, tabled the District staff recommendation for Capital Projects for 2017-2018 to be submitted to Government of Newfoundland and Labrador for 2018 budget. The list is largely a carry-over from last year's list, with the following changes:

Additions:

1. Corner Brook Bus Depot (rebuild from fire)
2. Bay d'Espoir Academy (rebuild from fire – changed from previous of simply being school replacement)
3. Bishop Feild: Essentially a notice that costs will be coming, with no other details as it is too early in the process to determine those.
4. St. Bernard's washrooms: The school does not meet code requirements for washroom space (1:25 girls, 1:30 boys) at present.

Deletions:

At the time of these request's addition to this list they were deemed necessary, but we are managing now and into the future. In general, population growth has slowed slightly in some areas, and class combining has freed up space such that extensions/modulars are not currently warranted. These requests can be re-added in later years if required.

1. Mt. Pearl modulars
2. St. Teresa's extension
3. St. Paul's (St. John's) extension
4. Juniper Ridge Intermediate extension

The following are suggested for removal for noted reasons:

5. Villanova Extension Phase 2: In light of Phase 1 being deferred in Budget 2016, a later capital project could encompass both phases.
6. Labrador East Housing: Housing situation has stabilized.
7. Lumsden extension: Area population changes means this former NCSD request can be revised upon possible future area review.

8. Lewisporte Academy extension/Intermediate closure: Area population changes means this former NCSD request can be revised upon possible future area review.
9. Stephenville Reorganization: Area population changes means this former WSD request can be revised upon future area review.

This list is considered, by management, to be an accurate and complete assessment of the District's Capital Priorities.

Motion:

Moved by Winston Carter, seconded by Peter Whittle that the Finance and Operations Committee recommend to the Board, approval of the Capital Priorities List as tabled at the November 6, 2017 meeting of the Finance and Operations Committee of the Board, with leave for District management to make modifications as required in consultation with the Government of Newfoundland Labrador. *Carried.*

4.5 School Transportation – 1.6 km Rule

This item was deferred to Board of Trustee meeting scheduled for November 25, 2017.

4.6 Bishop Feild Issue Overview

Jim Sinnott, Director of Facilities and Custodial Management provided an overview and update on Bishop Feild Elementary with regards to school inspection and associated timelines.

On October 23, 2017 a section of the gym ceiling – constructed of a heavy plaster supported by metal lath - spontaneously fell. NLESD immediately engaged a structural engineer to review the gym and broader school. The material that fell was perfectly dry, there were no recent occurrences of leaks in the spot that fell, though approximately 2 years ago a roof drain that had been leaking on the adjacent section was replaced.

The only way to fully inspect the condition of the ceiling is to drill out a core sample to see if it corroded. Multiple sample locations were chosen throughout the school in areas with no recent history of leaks. Several instances of corrosion of the lath were encountered in varying degrees, but some quite badly.

Consequently, since neither NLESD nor the Engineer could provide an assurance that nothing similar to the gym ceiling failure could occur again, the District closed the school and relocated students.

A full structural investigation of the school is required. Cracked concrete, roof and decades old damaged areas would need to be investigated, repaired and lead paint remediated in the process. Virtually the entire school has cracked plaster ceilings, impossible to test all so must be removed. Ceiling removal could expose structural issues (or affirm integrity).

Coal/boiler rooms are external to the building footprint and need to be eliminated. Excavation and infill of foundation wall are required. Significant investigation and repair of the brick work, including chimney removal, were previously recommended.

NLESD requested that the Department of Transportation and Works appoint a consultant for a complete building investigation/evaluation.

Transportation and Works is engaged in discussion with the most recent engineer to seek opinion, based on his existing knowledge and reports of others, as to whether he thinks an unqualified report could be feasibly obtained. Engineer is evaluating past reports and consulting peers before responding.

From a building evaluation perspective, there are three potential outcomes:

1. A report determines repairs are infeasible
2. A report considers repairs feasible – the decision on whether work proceeds is budget based.
3. An unqualified report is considered impossible by consultants – i.e. a qualified report is best case – this creates a decision point for TW/NLESD as to how acceptable that is.

*External to the facility assessment process, the Newfoundland and Labrador English School Board could review the school.

This item is for Information purposes only.

4.7 Trustee Remuneration

This item was deferred to Board of Trustee meeting scheduled for November 25, 2017.

5. Date of Next Meeting

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

6. Adjournment

Motion to adjourn by Peter Whittle at 1:25pm. *Carried.*