

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE

Agenda

Committee Members: Trustee VanWell, Chair
Trustee Martin
Trustee McMurphy

Staff Support: Jason Reid, Secretary-Treasurer
Dave Eberwein, Superintendent of Schools
Megan Cimaglia, Director of Finance
Rob Lumb, Director of Facilities
Cody Henschel, Director of Information Technology

Partner Representatives: Michael MacEwan, STA
Nola Welsh, CUPE
David Mark, SAA
Monique Hiltz, COPACS

Other Attendees:

Tuesday, January 11, 2022
10:30 am

A. PRESENTATIONS AND QUESTIONS

Information Technology RefreshEd Update

B. ITEMS FOR DISCUSSION

No Items.

C. ITEMS FOR RECOMMENDATION

1. Fiscal Forecast & Budget Sustainability

Staff Recommendation:

That the budget for supporting strategic priorities of \$338,744 be reallocated to increase the Contingency Reserve.

D. ITEMS FOR INFORMATION

1. Prospect Lake Traffic Management
2. Fiscal Forecast
3. Video Surveillance

E. FUTURE AGENDA ITEMS

1. Fiscal Forecast (Feb)
2. Report from BAC (Feb)
3. Amended Budget (Feb)
4. Parkland Track (Feb)
5. Energy Sustainability Plan (Feb)
6. Risk Management Report (Mar)
7. Childcare Leases (Mar/Apr)
8. Annual Facility Grant Plan (Mar)

To: Finance, Facilities & Technology Committee

Prepared By: Jason Reid
Secretary Treasurer

Subject: Fiscal Forecast & Budget Sustainability

Date: January 6, 2022

Purpose

The purpose of this briefing note is to review the budget sustainability implications of the January 2022 fiscal forecast, and to recommend that the budget for supporting strategic priorities of \$338,744 be reallocated to increase the Contingency Reserve due to increased financial risk.

Background

In September 2021, the Board approved appropriation of \$4,670,836 in accumulated surplus to fund expenditures in the 2021/22 Budget. This included allocation of \$1,913,589 for one time expenditures (district/school carry forwards and learning impacts of COVID), and allocation of \$2,757,247 to fund continuing expenditures in the budget.

Following confirmation of enrolment and funding in October 2021, the Board approved allocating the full unappropriated accumulated surplus balance of \$2,245,872 to the Contingency Reserve. In October, the Board also passed a motion directing staff to develop a plan, informed by strategic planning consultations in the fall, to allocate \$338,744 to support strategic priorities (this was the amount of the net funding growth following confirmation of enrolment).

Measuring Budget Sustainability

In this section I provide contextual information important for understanding the degree to which judgement needs to be applied when evaluating budget sustainability, and in particular when reflecting financial risk resulting from uncertainty.

As the district endeavors to manage expenditures within budget (in each department and school), actual expenditures are typically less than budgeted expenditures. These annual savings generate accumulated surplus, and using this accumulated surplus to fund continuing expenditures can be sustainable over time, but only to the extent it doesn't exceed average annual budget underspend. In some school districts, a more conservative approach is taken whereby continuing program expenditures are not usually funded with accumulated surplus. However, by finding the right balance between average annual underspend and appropriation of accumulated surplus, Saanich strives to maximize the amount of funding allocated to programs.

The table below shows the trends in annual operating surplus and accumulated surplus over the past 6 years.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Actual Operating Surplus/(Loss)	667,643	2,101,783	1,042,562	1,437,525	238,630	TBD
Accumulated Surplus (Amended Budget)						
Budget Carryforward Balances	1,033,348	1,685,378	2,021,682	2,278,489	1,754,693	1,913,589
Appropriated to Fund Continuing Expenses	195,217	-	969,869	1,262,064	4,199,683	2,757,247
Contingency Reserve (unappropriated)	200,000	410,830	1,206,440	1,700,000	723,702	2,245,872
Total Accumulated Operating Surplus	1,428,565	2,096,208	4,197,991	5,240,553	6,678,078	6,916,708
Increase/(Decrease)		667,643	2,101,783	1,042,562	1,437,525	238,630

After decreasing to a low of \$1,428,565 in 2016/17, accumulated surplus increased into a more sustainable range, and beginning in 2018/19 the Board appropriated \$969,869 in accumulated surplus to fund continuing expenditures. In 2018/19, if actual expenditures had equaled budgeted expenditures (but carry forwards remained unchanged) the operating loss for the year would have equaled \$969,869. The actual result for 2018/19 was instead an operating surplus of \$1,042,562. After accounting for the change in carry forward balances, this meant that actual expenditures were less than budget by about \$1.7 million.

Based on the experience in 2018/19, we were comfortable increasing the appropriation to \$1,262,064 in 2019/20. Accumulated surplus actually grew by \$1.4 million to \$6,678,078 in 2019/20, however this was not representative of a normal year. The results in 2019/20 were impacted favorably by the pandemic when in-class instruction was suspended in the spring of 2020. The district also restricted non-essential expenditures in the spring of 2020 to maximize accumulated surplus available in 2020/21.

In 2020/21, the appropriation of accumulated surplus for continuing expenditures increased significantly to \$4,199,683 to offset the forecasted financial impacts of the pandemic including reduced international program enrolment and domestic enrolment fluctuation. However, accumulated surplus actually grew by \$0.2 million in 2020/21, due largely to the additional pandemic funding received from the federal government; and to a lesser degree higher than budgeted international enrolment, and lower than budgeted employee benefit costs. As in 2019/20, the results in 2020/21 were not indicative of a normal year and are not predictive of future results.

In 2021/22, appropriation of accumulated surplus declined to \$2,757,247 reflecting a partial recovery in international enrolment and reduced domestic enrolment fluctuation. Based on our results relative to budget prior to the pandemic (i.e., in 2018/19), in my view appropriation of accumulated surplus to fund continuing expenditures longer term should not exceed \$1.5 million. However, a full recovery in international program enrolment in 2022/23 would increase net revenues by about \$1 million and, barring any other circumstances, would reduce this appropriation to a more sustainable level.

Fiscal Forecast

The January 2022 fiscal forecast is projecting higher than budgeted teacher replacement costs based on observed cost escalation in November/December. At this time, the overall closing unappropriated surplus is forecasted to exceed the contingency reserve by only \$0.4 million. With emergence of Omicron there is also a risk that replacement costs will escalate significantly (beyond what is currently reflected in the forecast), and that other unfunded pandemic costs will also be incurred.

If actual expenditures equaled budgeted expenditures (and carry forwards remained the same) accumulated surplus would decline by \$2,757,247. While this is likely a worst case scenario, any significant reduction in accumulated surplus would have negative budget implications in 2022/23.

Next Steps

Given the increased financial risk, it is prudent to take steps to protect the financial position of the school district. My recommendation is that the \$338,744 available to support strategic priorities instead be reallocated to the contingency reserve. This would increase the contingency reserve to \$2,584,616, and decrease accumulated surplus that is appropriated to fund continuing expenditures to \$2,418,503.

Allocation of these funds to contingency reserve effectively defers consideration of their allocation to the 2022/23 budget consultation process. In addition to financial uncertainty, another rationale for this deferral is the necessary focus of school operations on responding to Omicron as this time. With the focus on Omicron and its potential implications such as staff shortages, it would be challenging at this time to effectively deploy these funds in implementing new strategies.

Staff Recommendation

That the budget for supporting strategic priorities of \$338,744 be reallocated to increase the Contingency Reserve.

With Respect,



Jason Reid
Secretary Treasurer

JR/klg

	Prior Year Actual 2020	Prior Year Actual 2021	Amended Budget	Current Budget	Revenue/ Expenditures to November 30, 2021	Projected Revenue and Expenditure	Variance From Budget	Notes
Revenue								
621 Consolidated Revenue Grants	(69,978,199)	(73,905,419)		(76,339,332)	(23,198,981)	(76,642,541)	303,209	Note 1
627 Indig. Northern Affairs Canada (INAC) Recovery	3,281,144	2,886,687		3,048,231	944,658	3,048,231	-	
629 Other Ministry Of Ed Grants <i>includes Pay Equity, Ad hoc MOE grants, Grad adult funding</i>	346,623	(3,400,931)		(1,118,132)	(311,758)	(1,118,132)	-	
629 Classroom Enhancement Fund (CEF)	(7,617,267)	(6,953,957)		(8,548,168)		(8,548,168)	-	
630 Federal Grants <i>French Odyssey Grant, Jordan's Principle</i>	(52,923)	-		-	-	-	-	
645 Instructional Cafeteria Revenue	(111,259)	(125,874)		(68,000)	(55,334)	(68,000)	-	
646 Local Education Agreements/Direct Funding Indig.	(3,281,144)	(2,886,687)		(3,048,231)	(944,658)	(3,048,231)	-	
647 International and Out of Province Students	(7,086,493)	(3,064,401)		(5,389,075)	(5,243,783)	(5,389,075)	-	
649 Misc. Fees & Revenues <i>includes ad hoc grants received, recovery revenue from shared services, funding from municipalities</i>	(439,018)	(666,238)		(482,565)	(168,026)	(482,565)	-	
650 Text Book Deposit Receipts	-	-		-	-	-	-	
651 Community Use Of Facilities	(12,874)	(8,694)		-	(16,225)	(16,225)	16,225	
659 Other Rentals & Leases	(378,889)	(357,692)		(390,000)	(134,063)	(390,000)	-	
660 Exchange (Gain) Loss	15,273	1,110		-	(10,949)	(10,949)	10,949	
661 Interest On Short Term Deposits	(369,858)	(218,358)		(200,000)	(16,308)	(200,000)	-	
662 Appropriated Surplus (prior years carry forward amounts)	-	-		(4,670,836)	-	(4,670,836)	-	
672 Student Fees/Certifications	(101,790)	(98,350)		(75,000)	(44,900)	(75,000)	-	
Total Revenue	(85,786,674)	(88,798,804)	-	(97,281,108)	(29,200,327)	(97,611,491)	330,383	
Expenses								
105 Salaries - P/VP	4,548,388	4,632,111		4,871,576	1,903,881	4,798,340	73,236	
111 Salaries - Teachers (incl. POSR)	35,048,397	38,742,007		39,819,774	12,163,304	39,795,261	24,513	
307 - Teacher remedy	973,130	987,367		1,513,019	225,684	1,842,565	(329,546)	Note 2
Teacher remedy unspent	-	-		-	-	-	-	
122 Salaries - Support Staff (incl. In Service, WCB and First Aid)	8,034,024	8,642,755		9,574,318	3,016,227	9,467,494	106,824	
123 Salaries - Other Professionals	3,076,688	3,303,738		3,241,100	1,189,207	3,230,224	10,876	
131 Salaries - Educational Assistants	4,910,856	5,434,859		5,918,243	1,320,367	5,599,327	318,916	Note 3
143 Support Staff Replacement Costs	390,629	566,773		394,200	163,272	362,203	31,997	
146 Teacher Replacement Costs	2,242,596	2,692,913		2,731,985	1,009,363	2,919,083	(187,098)	Note 4
	59,224,708	65,002,523	-	68,064,215	20,991,305	68,014,498	49,717	
200 Benefits	14,261,495	15,519,136		16,770,810	4,701,371	16,760,867	9,943	
	14,261,495	15,519,136	-	16,770,810	4,701,371	16,760,867	9,943	
Services & Supplies								
Services	4,650,249	2,950,331		4,780,277	2,073,171	4,780,277	-	
Pro-D & Travel	528,389	490,829		793,327	216,477	793,327	-	
Rentals & Leases	92,429	105,124		150,000	65,770	150,000	-	
Dues & Fees	336,159	353,722		390,457	344,698	390,457	-	
Insurance	167,891	157,887		174,000	162,401	174,000	-	

Projection for Discussion Purposes - Actual Results May Differ From Projected

Prepared by Megan Cimaglia

	Prior Year Actual 2020	Prior Year Actual 2021	Amended Budget	Current Budget	Revenue/ Expenditures to November 30, 2021	Projected Revenue and Expenditure	Variance From Budget	Notes
Supplies	1,960,575	1,083,497		2,919,334	1,411,136	1,419,334	1,500,000	Note 5
Utilities	1,357,815	1,534,300		1,677,500	386,627	1,677,500	-	
	9,093,507	6,675,690	-	10,884,895	4,660,280	9,384,895	1,500,000	
Total Expenses	82,579,710	87,197,349	-	95,719,920	30,352,956	94,160,260	1,559,661	
Transfer from operating for purchase of capital assets	1,677,301	1,280,575		1,478,938	-	1,478,938	-	
Transfer from operating to support special purpose funds	-	-		-	-	-	-	
Transfer to local capital for asset replacement reserve	92,138	82,250		82,250	-	82,250		
(Surplus)/Deficit	(1,437,525)	(238,630)	-	0	1,152,629	(1,890,043)	1,890,044	
					Opening Unrestricted Surplus	(2,245,872)		
					Estimated School and District Carry Forwards	1,500,000		
					Estimated Closing Unrestricted (Surplus)/Deficit	(2,635,915)		

Amended Budget is the February *Amended Annual Budget*, which is being prepared for board approval expected on February 16, 2022.

Current Budget is the current working budget.

Certain comparative figures have been restated to conform with current year's presentation

Variance comments:

Note 1 - Provincial grants are forecasted to exceed budget primarily due to higher than expected supplement for salary differential.

Note 2 - Remedy is forecasted to exceed budget due to higher than expected class size remedy (article D.1.5).

Note 3 - Education Assistant (EA) salaries positive variance is due to several factors:

- Hiring lag in deployment of September EA funding.
- Estimated continued understaffing due to inability to consistently fill all EA positions.
- All positions are budgeted at the continuing rate of pay, but about 10% of positions are staffed with temporary employees who earn \$1.65 less per hour.

Note 4 - The negative variance in teacher replacement costs is due to higher than budgeted use of sick and emergency leave.

Note 5 - Assumption made in preparing this forecast is that departments and schools will spend their services and supplies budgets as allocated, other than the following:
(\$1,500,000) expected school and district carry forward

Leigh Glancie

From: Dave Eberwein
Sent: Friday, November 26, 2021 11:09 AM
To: Saanich Trustees
Cc: Leigh Glancie; Carly Hunter; Dave Eberwein; Jason Reid; Monica Braniff; Paul Mckenzie
Subject: Video Surveillance - Saanich Schools

Good morning Trustees,

Trustee Martin posed a question about video surveillance in our district. I've put together a bit of information about our video camera locations, provincial privacy regulations and our own AP181 – Use of Video Surveillance.

Saanich Schools Video Camera Locations

Location	Recording Location
Facilities Yard	Facilities
ILC tiny home	Facilities
Claremont Secondary (various)	School Administration
Stelly's Secondary (various)	School Administration
NSMS (various)	School Administration

Office of the Information & Privacy Commissioner for BC

The Office of the Information & Privacy Commissioner for British Columbia (OIPC) outlines the expectations for public bodies contemplating the usage of video surveillance. There are a number of relevant excerpts:

- *British Columbians are increasingly subject to routine and random surveillance of their ordinary, lawful public activities by public and private bodies. As surveillance increases, so do the risks of harm to individuals.*
- *Video and audio surveillance systems are particularly privacy intrusive measures because they often subject individuals to continuous monitoring of their everyday activities.*
- *Public bodies must not take steps to erode the right to privacy merely because they believe there is nothing to fear in an individual has nothing to hide. The loss of ability to control the use of one's own personal information is harmful in itself.*
- *A public body should use a video or audio surveillance system only where conventional means for achieving the same objectives are **substantially** less effective than surveillance **and** the benefits of surveillance **substantially** outweigh any privacy intrusion.*
- *Cameras should not be positioned to monitor areas outside the building or other buildings unless necessary to protect external assets or ensure personal safety.*
- *Public bodies should be prepared to justify use of surveillance cameras on the basis of quantified reports of incidents of theft, violence, or other breaches of security.*
- *Video monitors should not be located in such a position as would enable public viewing.*
- *Only the controlling officer or individuals authorized by that officer, or members of the police, should have access to the video monitors while they are in operation.*

AP181 - Use of Video Surveillance

Our district's Administrative Procedure mirrors the privacy legislation. Below are some relevant excerpts:

- *Consideration and subsequent approval of the use of video surveillance equipment may only be granted when there is evidence that human supervision is either impractical or has been shown to be ineffective and that video surveillance is likely to be effective for its stated purpose.*
- *Before video surveillance is introduced at a new site, a report must be provided to the Superintendent describing the circumstances that indicate the necessity of having surveillance at that site, including a discussion of less invasive alternatives and a District impact assessment for each surveillance area.*
- *Digital recordings shall be stored in a locked filing cabinet or in a secure manner in an area to which students and the public do not normally have access.*

School Processes

All schools with outbuildings have established processes to maintain safety and ensure efficient operations. Elementary schools in particular work to establish known routines for students for things like bathroom breaks, recess, lunch and after school dismissal. Each school is unique in its geography and location to various amenities like playgrounds, playfields and washrooms.

At Cordova Bay, the K/1 portable classroom that was discussed in the initial communication to senior staff has established routines for bathroom breaks including:

- *Three regularly scheduled bathroom breaks during the school day where the whole group goes to washroom with the teacher &/or EA;*
- *These supervised/scheduled breaks eliminate the need for students to be continually in and out of the portable;*
- *Water bottle fills happen with the EA when needed;*
- *The teacher communicates regularly with parents via newsletters on a variety of topics. At the recent parent-teacher conferences, bathroom processes were not mentioned as a concern;*
- *Outside of the scheduled breaks, the teacher accommodates bathroom breaks and students may go with a buddy if they prefer.*

The potential for installation of additional video recording devices is determined based on several considerations:

- *The level of risk or security threat in the situation;*
- *Have other means been explored in an effort to achieve a safe environment? (e.g. staff supervision, timetable changes, etc.);*
- *The effectiveness of cameras in reducing the risk (e.g. clarity of image / lighting, no live monitoring of video images)*

At this time, there is not sufficient justification to install cameras at school sites to monitor student movement between buildings due to potential child abduction. There is no historical evidence to support this type of monitoring, especially with the current means of supervision and scheduling in place.

Dave



DAVE EBERWEIN

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USE OF VIDEO SURVEILLANCE

Background

The District believes that video surveillance equipment may be used in carefully controlled circumstances in order to protect persons and/or property from harm.

The District recognizes both its legal obligation to provide appropriate levels of supervision in the interests of student and employee safety and that students and employees have privacy rights. Therefore, video surveillance must be carried out in a way that respects student and employee privacy rights.

A video recording is recognized to be subject to the provisions of the Freedom of Information and Protection of Privacy Act.

Procedures

1. A key responsibility of schools and the District is to maximize the safety and protection of individuals and of personal and District property.
2. Consideration and subsequent approval of the use of video surveillance equipment may only be granted when there is evidence that human supervision is either impractical or has been shown to be ineffective and that video surveillance is likely to be effective for its stated purpose.
3. Video surveillance procedures must be respectful of issues of protection of privacy and of security and subsequent use of any video images that have been captured and in accordance with the Freedom of Information and Protection of Privacy Act.
4. Before video surveillance is introduced at a new site, a report must be provided to the Superintendent describing the circumstances that indicate the necessity of having surveillance at that site, including a discussion of less invasive alternatives and a District impact assessment for each surveillance area.
5. Public notification signs, clearly written and prominently displayed, must be in place in areas that are subject to video surveillance. Notice must include contact information of the Principal or designated staff person who is responsible for answering questions about the surveillance system.
6. Video surveillance is not to be used in locations where appropriate confidential or private activities/functions are routinely carried out (e.g., change rooms, private conference/meeting rooms).
7. Video cameras will be installed only by a designated employee or agent of the District. Only designated employees or agents and the building administrator shall have access to the key that opens the camera boxes. Only these employees shall handle the camera or video recordings or have access to the computer or hard drive.
8. Digital recordings shall be stored in a locked filing cabinet or in a secure manner in an area to which students and the public do not normally have access.

9. Digital recordings may never be sold, publicly viewed or distributed in any other fashion except as provided for by this Administrative Procedure and appropriate legislation.
10. Video monitors or computers used to view digital recordings are not to be located in a position that enables public viewing. Digital recordings may only be viewed by the building administrator or individual authorizing camera installation, by the police, by parents and students (section 11), or by District staff with a direct involvement with the recorded contents of the specific digital recording, or employees of agents responsible for the technical operations of the system (for technical purposes only). Search and reviewing capabilities on digital systems must be protected by password access. If an employee or student is facing any disciplinary action, he may authorize his union representative or other advocate to also view the recording.
11. Parents with a request to view a segment of a recording that includes their child/children may do so. Students may view segments of a digital recording relating to themselves if they are capable of exercising their own access to information rights under the Freedom of Information and Protection of Privacy Act. Student/parent viewing must be done in the presence of an administrator. A student or parent has the right to request an advocate to be present. Viewing may be refused or limited where viewing would be an unreasonable invasion of a third party's personal privacy, would give rise to a concern for a third party's safety, or on any other grounds recognized in the Freedom of Information and Protection of Privacy Act.
12. Where an incident raises the prospect of a legal claim against the District, the digital recording, or copy of it, shall be sent to the District's insurers.
13. Digital recordings shall be erased within one month unless they are being retained at the request of the building administrator, District officer, employee, parent or student for documentation related to a specific incident, or are being transferred to the District's insurers or the police. Digital systems that use hard drives are to be configured so that they archive for 3 to 4 weeks and then loop.
14. Digital recordings retained under section 13 shall be erased as soon as the incident in question has been resolved, except that if the recording has been used in the making of a decision about an individual, the recording must be kept for a minimum of one year as required by the Freedom of Information and Protection of Privacy Act unless earlier erasure is authorized by or on behalf of the individual.
15. The Director of Facilities, in conjunction with each Principal, is responsible for the proper implementation and control of the digital surveillance system.
16. Digital monitoring is to be carried out in accordance with this Administrative Procedure. The District will not accept the improper use of video surveillance and will take appropriate action in any cases of wrongful use of the Administrative Procedure.

Reference: Sections 22, 65, 85 School Act
Freedom of Information and Protection of Privacy Act
Freedom of Information and Protection of Privacy Regulation

Approved: November 2020