



**Budget Advisory Committee  
MINUTES  
Tuesday, December 7, 2021**

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**In Attendance:**

Board of Education:

Trustees Duncan (Committee Chair), Whiteaker, Paynter, Ferris, Hentze, Leonard

Staff:

Deb Whitten, Interim Superintendent

Kim Morris, Secretary-Treasurer

Colin Roberts, Interim Deputy Superintendent

Harold Caldwell, Associate Superintendent

Katrina Stride, Associate Secretary-Treasurer

Chuck Morris, Director of Facilities

Julie Lutner, Director of Finance – Budgets and Financial Reporting

Connor McCoy, President, Greater Victoria Principals Vice-Principals Association

Brenna O'Connor, Vice-President, Greater Victoria Principals Vice-Principals Association

Songhees Nation:

Ellie Dion, Education Liaison

Metis Nation Greater Victoria:

Caitlin Bird, President

Stakeholders:

Karin Kwan, VCPAC

Paula Marchese, VCPAC

Ilda Turcotte, GVTA

Jane Massy, CUPE 947

Taily Wills, CUPE 947

Darren Reed, CUPE 382

Katrina Legge, CUPE 382

Regrets:

Trustees McNally, Painter, Watters

Kalie Dyer, Education Director, Esquimalt Nation

Winona Waldron, President, GVTA

Shelly Niemi, Director, Indigenous Education Department

The meeting was called to order at 5:02 pm

## **Acknowledgement**

Chair Duncan recognized and acknowledged the Esquimalt and Songhees Nations on whose traditional territories we live, we learn, and we do our work.

## **Terms of Reference**

By consensus, the Committee recommended approval of the terms of reference as presented with the understanding that the Committee's progress would be reported regularly to the Board, and with one amendment: a link to a definition of cultural safety. Staff will work with Indigenous Education Department to insert an appropriate link.

### **ACTION:**

- Recommend to the Board approval of the Budget Advisory Committee Terms of Reference as presented once an appropriate link to the definition of cultural safety is inserted; and that Staff work with the Indigenous Education Department to source a link.

## **Talking Tables**

Committee members were asked the following questions:

1. Should Talking Tables be continued in future budget years?
2. What is one thing you liked about the event?
3. What is one thing you would improve on the event?

Comments in the chat highlighted the following:

- All commenters indicated the event should continue in future years
- Many comments indicated they would like the event to be in person in future years
- Like hearing diverse perspectives on a topic and for trustees to have an opportunity to hear from a variety of perspectives
- Appreciate meeting everyone and hearing their perspectives and priorities. I wouldn't change a thing
- Good opportunity to discuss with other parties
- Provides an opportunity for everyone to at least begin to understand each other
- An improvement would be the opportunity to define and explain everyone's unique role and it's implication ex.: Right Holders
- Encourages participation
- It provided a great opportunity to exchange ideas around the budget in a safe environment
- Very helpful and felt more a part of the budgeting process
- Whether Talking Tables is the appropriate venue for this I'm unsure but would like individuals to have the opportunity to speak about their specific priorities or interests respecting the budget
- There was lots of engagement from participants
- I might ask different questions and also provide a "free topic" "parking lot" break out
- I would have liked our facilitator to have maybe jumped in a few times as we had two people who really monopolized the content so maybe just a little reminder for the facilitators to watch for that - area of improvement!!!

## **Status Quo: What Does It Mean?**

The Committee discussed various budget methods: Status Quo, Base +, Base + Alignment and Zero Based. The Committee broke into three groups to discuss the following questions:

1. What budget option is most appropriate for SD61 and when?

2. What option(s) would you like to explore further? Groups reported back highlighting the following:

Reporting out from the breakout rooms highlighted the following:

- Money left at the end of the year is not one time, it's accumulated and explains the structural deficit
- Need to ensure proper contingency and reserve for unexpected events
- Interest in base + alignment may be best of both worlds; establish the base and apply to planning for alignment of residual
- We agreed zero base 3-5years is a good cycle because of workload
- Zero Base is intensive and would need to develop to have an in depth look at everything
- Looked at base + and Base + Alignment where a number of budget items would be status quo for some lines and then the additions through the +
- Difficult to define what is base; one person's base is not another person's base
- What costs would occur in moving to base+ or Base + alignment?
- Different departments may want to zero base in internally or use different methods depending on the experience of the leaders
- Can we do more than one or can there be a hybrid?
- Ministry requirements indicate must be alignment in spending to goals and how to portray the budget The Ministry forms not helpful because the rollup does not speak to advantages and disadvantages of one decision over another
- A better way may be to understand how schools are resourced to show what one school receives compared to another and why.
- Rollover budgets (status quo) maintain programs year over year. Programs like music are not necessarily curricular or prescribed – so we have to be aware of what would happen to those programs and how would they be in existence if we zero-based. We would want to think about how they would be affected?
- Recollection 4-5 years ago not zero based but fair bit of effort put into amounts allocated to different uses and different line items – it wasn't a budget approach per se but an effort to be more precise
- Years back we had to look for low hanging fruit for admin savings
- Previous admin staff were interested in the structural deficit and how it could be reduced by forecasting closer to zero.
- Less conservative

### **2018-2019 to 2024-2025 History & Projection**

The Committee reviewed 3 year historical operating revenues, expenditures and surplus/deficit, the current fiscal year and 2022-2023, 2023-2024 and 2024-2025 projections. Because of the structural deficit, deficits are projected as follows:

- 2022-2023 \$4.648 million
- 2023-2024 \$3.612 million
- 2024-2025 \$3.335 million

Staff warned that there is risk in projecting as much of the information is based on assumptions and estimates and that all projections are subject to change.

The Committee broke into three groups to discuss the following questions:

1. What do you notice about the data in the pack up and the charts?

## 2. What conclusions can you draw?

Reporting out from the breakout rooms highlighted the following:

- Staff to include enrolment for the historical years
- Discussed the struggle of using enrolment projections to create budget and trying to balance being as accurate as we can vs making sure we're not over estimating revenues (risk)
- Challenge of projection and balance how aggressive to be
- Surplus to cover deficit when you have it but what happens when surpluses are all used?
- We're getting there (with small reserve we have now) - how do we allocate and reduce our dependence on deficit over time?
- Using up budget in the year its allocated - schools sit with carry overs - lost opportunity
- within each year there's a story about revenue and expense
- When we look at it there is money saved in a year but not the next (i.e. COVID)
- Making assumptions and if clearly articulated can help us make decisions

### **Surplus Philosophy and Policy**

The Committee discussed aspects of surplus including its importance and how to create and maintain a surplus. The Committee also reviewed the draft revised surplus policy that went to the Operations Policy & Planning Committee on December 6, 2021. The policy has been drafted out of necessity following the Ministry's new policy. The Committee also review historical operating budget underspends which average 9.13% over 7 years, to understand if the District could take more risk in its budgeting to come closer to \$0 at year end, could this address part of the structural deficit each year.

The Committee broke into three groups to discuss the following questions:

1. What should the Board do when it has a surplus?
2. Should the Board hold unallocated operating surplus for contingency?
3. How much? Currently 1% contingency = \$2.1million
4. What should the Board consider if it makes more assumptions or takes more risk in its budget methodology?

Reporting out from the breakout rooms highlighted the following:

- No one disagreed with holding as surplus; almost a must
- 2%-4% is adequate
- Defining a rainy day fund and parameters around when to use
- Discussion how to buildup 2-4% surplus
- Strategy formulation could be longer term over 3-4 years
- Coming out of pandemic this year may not be a good year to do all at once; add a small amount this year and add more in fully functioning 'normal' year
- Try not to touch student services as the surplus is grown
- Could take more risk/less conservative approach to budgeting
- Needs to be higher than the 1% we currently have
- Aligning to MOE guidance
- Importance of being clear on decisions
- Surplus is a goal to strive for
- Talking and learning about how a conservative budget could lead to those funds being accessible
- Area that needs some analysis and deeper

## **Work Plan**

Building off the google doc input from Committee members, Senior Leadership Team and Financial Services Staff, the Committee reviewed the draft work plan in the agenda pack up. The work plan included the topic, the overall theme, the sequencing of the topics: January for infrastructure and February for learning, and suggested resource people and experts to invite. The Committee agreed to change the sequence of music as a topic to start in January given how important it is and how much discussion it created last spring, to give it more time to be discussed and understood.

## **Take Away**

Committee members were asked to provide one thing they would take away from the meeting and how representatives of groups were taking and bringing information from their associations/members. Responses were:

- Passing information on tomorrow at general meeting  
Reporting to our executive tomorrow evening and then to the membership this upcoming Saturday; will continue to do so once per month, or more frequently if something urgent arises
- We are sending emails to our membership, giving an overview of the meetings and asking for feedback on the "homework" items. Hopefully, we will get some good feedback
- we might come up with a shared google sheet in which we can paste the topics and have members input ideas or questions they would really like answers to so we can bring them back to this committee
- We had a meeting this morning in which our role in talking tables and budget advisory committee was reported out
- We have lot of expertise and diverse ideas in this group. I feel like we are all working well together. I look forward to collaborating with everyone in the coming months.
- great in-depth learning/instruction about budget processes
- Budgets have the potential to be hugely complex discussions that many may not feel they have the background to engage in. The more we can discuss the budget in terms that make sense to the "average" community member, the more accessible we will make the topic and hopefully, the greater the engagement and understanding
- Enjoyed the discussion -- especially learning about the various budget models and surplus recommendations. Hoping that we can continue to engage in a level of detail that makes all this understandable.

**Next Meeting: January 18, 2022 5 pm Zoom**

## **Adjournment**

The meeting adjourned at 7:10 pm.