Budget Advisory Committee

Date: February 23, 2023

Presented to: Budget Advisory Committee Meeting 5

Presented by: Katrina Stride, Secretary-Treasurer

Territorial Acknowledgement

The Greater Victoria School District wishes to recognize and acknowledge the Esquimalt and Songhees Nations on whose traditional territories we live, we learn, and we do our work.

Approval of Minutes

Minutes from February 9, 2023 meeting (pages 2-5 of agenda package)

- To be approved by consensus

Information Technology for Learning

- Presented by Andy Canty, Director, Information Technology for Learning
- Joining via Zoom
- Department Profile Discussion (10 min)
- Please refer to pages 6-11 of the agenda package

Human Resource Services

- Presented by Jim Vair, Manager, Human Resource Services
- Department Profile Discussion (10 min)
- Please refer to pages 12-18 of the agenda package

Financial Services

- Presented by Julie Lutner, Associate Secretary-Treasurer
- Department Profile Discussion (10 min)
- Please refer to pages 19-26 of the agenda package

Custodial Services Options

- Presented by Mark Baggott, Manager, Building Operations
- Presentation and questions (25 mins)
- Later in agenda: Building Consensus – Small Group Discussion (20 mins)

Custodial Services Options

Working Group Process

Composition

1. 2 Day Custodians, 1 Evening Custodian
2. CUPE 382 President (previous custodian)
3. Middle & Elementary Principal
4. 2 Facilities Managers and Director

Objectives

1. Brainstorm options to deploy 10.0 FTE back into custodial
2. Compare benefits of day and evening custodial hours
3. Investigate additional (cost-free) implementations to recommend

Custodial Services Options

Working Group Recommendations

Option 1 – Revert to Pre-COVID 6:00am start

1. Add back 18.0 Day Custodians
2. Remove 8.0 Afternoon Custodians (cleaning area assigned to Day)

Options 2 – Revert to Pre-COVID 5:00am start

1. Same as above, with all 38 day custodians starting at 5:00am
2. 30 minutes of cleaning area reassigned from afternoon to day, with no change to afternoon shift time.

Custodial Services Options

Impact of +10.0 FTE

	Current	1: Revert w/ 6am start	2: Revert w/ 5am start
Annual Cost Increase	-	$668,658	$668,658
Cleaning Area (per employee)	26,257	23,981	23,981
Cleaning hours (Elem/Mid Day Custodian)	3.0	3.5	4.5
Service hours (Elem/Mid Day Custodian)	2.5	4.5	3.5
Health & Safety Impact	K/1 desktops – weekly 2-5 desktops – weekly Hallways/stairways – daily Vomit clean up – 2 hours Workload risk at night	K/1 desktops – daily 2-5 desktops – 2x/wk Hallways/stairways - 2x/day Vomit clean up – immediately Reduced injuries for night staff	K/1 desktops – daily 2-5 desktops – 2x/wk Hallways/stairways – 2x/day Vomit clean up – <1 hour Reduced injuries for night staff
Facilities Impact	$69,342 burden on grounds/trades	No burden on grounds/trades Safer site (broken glass/ice/needles)	No burden on grounds/trades Safer site (broken glass/ice/needles)

Custodial Services Options

Working Group Cost-Free Implementations

School-Based

1. Room Readiness Mandatory (“you tidy, we clean”)
2. Classroom rugs limited to K-3 – one per room
3. Centralized Recycling/Garbage in Middle/Secondary
4. One garbage per room at door entrance in Elementary
5. Reduce/limit personal furniture and small appliances in classrooms
6. Close classrooms/portables that are not used for regular instruction

District-Wide Custodial

1. Day Custodian gets into “flex” spaces throughout the day
2. Day Custodians manage entryway and stairwells to mitigate ingress of dust/dirt

Custodial Services Options

Alternative Data and Impact < 10.0 FTE

	Current	+3.0 Afternoon	+5.0 Afternoon	+7.0 Afternoon
Annual Cost Increase	-	$208,362	$347,271	$486,179
Cleaning Area (per employee)	26,257	25,530	25,067	24,621
Health & Safety Impact	K/1 desktops – weekly 2-5 desktops – weekly Hallways/stairways – daily Vomit clean up – 2 hours Workload H&S risk at night	K/1 desktops – 2x/wk 2-5 desktops – weekly Hallways/stairways – daily Vomit clean up – 2 hours Workload H&S risk at night	K/1 desktops – daily 2-5 desktops – weekly Hallways/stairways – daily Vomit clean up – 2 hours Workload H&S risk at night	K/1 desktops – daily 2-5 desktops – 2x/wk Hallways/stairways – daily Vomit clean up – 2 hours Workload H&S risk at night
Facilities Impact	$69,342 burden on grounds/trades	$69,342 burden on grounds/trades	$69,342 burden on grounds/trades	$69,342 burden on grounds/trades

2022-2023 Operating Surplus Estimate

Greater Victoria School District - Appropriated Surplus			
2022-2023 Surplus Projection			
	2022-2023 (Projection)	**2021-2022**	**Increase (Decrease)**
Project Budgets	$ 1,105,600	$ 1,719,483	$ (613,883)
School Level Funds	1,000,000	1,424,319	(424,319)
Purchase Order Commitments	800,000	1,273,565	(473,565)
Planned Surplus to Balance Budget	-	2,300,000	(2,300,000)
Unrestricted Operating Surplus - Contingency	1,172,813	1,172,813	-
Unrestricted International Surplus - Contingency	-	328,441	(328,441)
Projected Unappropriated Surplus	-	-	-
Accumulated Surplus (Deficit), end of year	**$ 4,078,413**	**$ 8,218,621**	**$ (4,140,208)**
Total Prior Year Operating Revenue	217,767,551	205,717,787	
Unrestricted Surplus as % of prior year operating revenue	0.54%	0.73%	

2022-2023 Operating Surplus Estimate

Planned Surplus to Balance Budget

- $0 in current year ($2.3M in prior year)
- Increased revenue completely offset by increased costs
- Breakdown on next page

2022-2023 Operating Surplus Estimate

Planned Surplus to Balance Budget = $0

- Revenue adjustments include:
  - Ministry Operating Grant $2.6M
  - Interest Income $1M
- Expense adjustments include:
  - Direct costs related to increased Ministry Operating Grant $1.8M
  - TTOC costs $2.6M
  - Teacher savings/hiring lag ($1.7M)
  - EA savings/hiring lag ($.6M)
  - Custodial services addition $.2M
  - International Education Gross Profit Reduction $.3M
  - Other (legal, utilities, insurance, crossing guards, JJEC, etc.) $.9M

2022-2023 Operating Surplus Estimate

Unrestricted Operating Surplus - Contingency

- $1.1M in current year ($1.1M in prior year)

Unrestricted International Surplus - Contingency

- $0 in current year ($.3M in prior year)
- Contingency used to balance budget in current year due to lower enrolment

2023-2024 Structural Deficit Estimate

2023-2024 Structural Deficit			
	22/23 Beginning Structural Deficit - **Presented to Board Apr 2022**		**$ 2,300,000**
	Add back One-Time 22/23 School Supply Reduction		800,000
	Add back One-Time 22/23 International Education Program Savings		150,000
	Add back One-Time 22/23 Operating Capital Expenses to Local Capital		886,005
	Remove One-Time 22/23 Elections Revenue		81,915
	Remove One-Time 22/23 Elections Expense		(322,580)
	Remove One-Time 22/23 Sundance-Bank Classroom & Maintenance Costs*		(153,688)
	22/23 Enrolment Growth - 25% overhead contribution (12 FTE x $7,885 x 25%)		(23,655)
	22/23 Salary Differential Funding Decrease		271,257
	23/24 Utilties Expense Increase (Gas and Carbon Tax)		452,566
	23/24 Investment Income Increase		(990,173)
	23/24 Enrolment Decline - 25% overhead contribution (9 FTE x $7,885 x 25%)		17,741
	23/24 Benefit Expense Increases		900,000
	23/24 International Education Program Tuition Rate Increase ($1,000/FTE x 891 x 36.72%)		(327,175)
	23/24 Sundance-Bank Costs (adding 2 divisions)		TBD
	Other Changes (salary increments, contract increases, interest rate etc.)		TBD
	Custodial Add-Back		TBD
2023-2024 Beginning Structural Deficit (estimate)			**$ 4,042,213**
	*additional $230K budgeted in Local Capital for capital costs		

2023-2024 Structural Deficit Estimate

We will have a more accurate estimate of the structural deficit as we continue to work on the 2023-2024 Annual (Preliminary) Budget.

- There are still many variables not yet incorporated
- Ministry funding not announced until Mid-March
- Pending Board decisions, such as the one for Custodial Services, may increase the structural deficit

Operating Capital Reserves

- Operating funds budgeted each year to refresh cyclical capital assets
- Historical Operating Capital Reserves:
  - **Childcare Capital Reserve $100K**
    - Funded from rental fees collected from childcare service providers
    - Funds used to repair and maintain childcare facilities
  - **Technology Replacement Reserve $200K**
    - Funded as part of operating budget
    - In IT4L, funds used to replace educator laptops and staff PCs/Chromebooks
    - In Facilities, funds used to install and replace tech packages
  - **Student Device Replacement Reserve $339K**
    - Funded as part of operating budget
    - Funds used to repair and replace student devices

Operating Capital Reserves

Operating Capital Reserves	2019-2020	2020-2021	2021-2022*	2022-2023**	2023-2024
Childcare Capital Reserve	$100,000	$100,000	$ 100,000	$ 100,000	$ 100,000
Technology Replacement Reserve - IT4L	200,000	100,000	80,000	80,000	750,000
Technology Replacement Reserve - Facilities	-	100,000	100,000	100,000	100,000
Student Device Replacement Reserve	339,270	339,270	-	-	1,119,240
Network Infrastructure 5-Year Plan	-	-	406,350	502,850	618,250
Total	**$639,270**	**$639,270**	**$ 686,350**	**$ 782,850**	**$ 2,687,490**

*Tech Replacement Reserve - IT4L and Student Device Replacement Reserve reduced due to Federal COVID funds

**Tech Replacement Reserve - IT4L and Student Device Replacement Reserve remained reduced in 2022-2023

Operating Capital Reserves

Student and Educator Device Requirement 2023/24			
Equipment	**Year 1 - 2023/24**		
Student Devices	*Refresh*	*Budget*	
Chromebook	2000	$	720,000
Mobile Device Repair	500	$	30,000
	Refresh Total	**$**	**750,000**
Teacher Classroom Laptops	*Refresh*	*Budget*	
HP ProBook 440 G9	868	$	807,240
Admin PC	300	$	312,000
	Refresh Total	**$**	**1,119,240**
Totals	**$**		**1,869,240**

Operating Capital Reserves

- **Network Infrastructure 5-Year Plan**
  - Funded from:
    - Operating surplus in Year 1
    - Local Capital Reserve in Year 2
  - Need $618,250 to be funded from operating budget in Year 3
  - Funds are used to purchase switches and access points in schools and upgrade technology equipment in the data centre
  - Investment required to ensure the District has a reliable and secure network
  - If investment does not continue, we will see areas within schools without access to Wi-Fi (students have identified Wi-Fi access as a budget priority)

Initial Network Infrastructure Five Year Plan and Budget - 2021/22 to 2025/26

Equipment	Year 1 - 2021/22			Year 2 - 2022/23			Year 3 - 2023/24			Year 4 - 2024/25			Year 5 - 2025/26		
School/Site Network	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*
Core Distribution Switch				37	15	$ 82,500		22	$ 121,000						
Distribution Switches	20										20	$ 38,000			
Access Switch	180	50	$ 135,000		20	$ 54,000		10	$ 27,000		20	$ 54,000		80	$ 216,000
PoE Switch	46	23	$ 85,100		23	$ 85,100									
PoE+ Switch							60	20	$ 74,000		20	$ 74,000		20	$ 74,000
Access Point	400	200	$ 180,000		200	$ 180,000		200	$ 180,000	360	160	$ 144,000			
		Refresh Total	**$ 400,100**		**Refresh Total**	**$ 401,600**		**Refresh Total**	**$ 402,000**		**Refresh Total**	**$ 310,000**		**Refresh Total**	**$ 290,000**
Data Center	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*	*End of Life*	*Refresh*	*Budget*
Core Switch Stack				2	2	$ 50,000									
Wireless LAN Controllers										1		$ 200,000			
Wireless Auth Servers							1	1	$ 200,000						
Wireless Mgmt Server													1	1	$ 100,000
Virtual Host Servers	4	*	$ 5,000		4	$ 40,000									
Backup Server	1	*	$ 1,250		1	$ 5,000									
Network Mapping Server				1	*	$ 1,250	1	*	$ 1,250	1	1	$ 3,000			
Primary Domain Controller				1	*	$ 1,250	1	*	$ 1,250	1	1	$ 5,000			
Database Server				1	*	$ 1,250	1	*	$ 1,250	1	1	$ 10,000			
SCCM Servers				2	*	$ 2,500	2	*	$ 2,500	1	1	$ 10,000			
Storage Array							1	*	$ 10,000	1	*	$ 10,000	1	1	$ 200,000
* warranty		**Refresh Total**	**$ 6,250**		**Refresh Total**	**$ 101,250**		**Refresh Total**	**$ 216,250**		**Refresh Total**	**$ 238,000**		**Refresh Total**	**$ 300,000**
Totals		**$**	**406,350**		**$**	**502,850**		**$**	**618,250**		**$**	**548,000**		**$**	**590,000**

$ -	$ 2,665,450

Building Consensus

Operating Surplus and Operating Reserve

- In small groups, choose a note taker and someone to report out
- Discuss the following questions for 10 minutes:
  - If there was an operating surplus projected for 2022-2023, would you use that surplus to help offset the 2023-2024 budget deficit?
  - The current operating reserve is $1.1M, which is .5% of the prior year operating revenue. District Policy states that the operating reserve should be at 2-4%. Would you increase the reserve for 2023-2024? Or would you plan to use some, or all, of this reserve to offset the 2023-2024 budget deficit?
  - Provide rationale.
- There are 5 minutes for some, or all, of the groups to report out to the larger group

Building Consensus

Operating Capital Reserves

- In small groups, choose a note taker and someone to report out
- Discuss the following questions for 10 minutes:
  - Outdated staff and student devices need to be replaced to support learning outcomes for students. Technology costs have increased significantly. There isn't enough budget to maintain student ratios or refresh devices in a timely manner. What should we add to the operating budget in 2023-2024 to address this issue?
  - The District has invested $900K in the first two years of a five-year network infrastructure plan. Year 3 of the plan costs $618K. If we do not proceed, we will lose Wi-Fi access in areas of schools. Should year 3 of this plan be added to the operating budget?
- There are 5 minutes for some, or all, of the groups to report out to the larger group

Building Consensus

Custodial Services Options

- In small groups, choose a note taker and someone to report out
- Discuss the custodial options for 15 minutes:
  - Which is your preferred option? Provide rationale.
  - If budget limitations required us to add fewer than 10 custodians, which of the alternative options would you choose? Provide rationale.
  - Should the District enforce some, if not all, of the cost-free implementations given the immediate positive impact on custodial workload?
- There are 5 minutes for some, or all, of the groups to report out to the larger group

Work Plan

- March 2, 2023 Budget Advisory Committee Meeting (via Zoom):
  - Music Options
  - BAC Priorities and Savings/Recoveries
  - Build/reach consensus on recommendations to the Board
    - Prior year surplus to balance budget
    - Unallocated surplus (contingency)
    - Recommendations related to chosen topics
    - Other recommendations

Work Plan

- March 9, 2023 Budget Advisory Committee Meeting (In-person):
  - March 7, 2023 Public Meeting Feedback
  - BAC Priorities and Savings/Recoveries
  - District Staff Priorities and Savings/Recoveries
  - Reach consensus and finalize recommendations to Board prior to public presentation on March 14, 2023

Work Plan

- March 14, 2023 Special Open Board Meeting:
  - Public presentation of Budget Advisory Committee recommendations to Board

Questions

- Do we need more time allotted to the meetings as we approach March 14, when the Committee presents its recommendations to the Board?

- Are there any questions from Committee members?

Next Meeting

- March 2, 2023 from 6:00-8:00pm
- Via Zoom

Adjournment