



**BOARD OF TRUSTEES  
ELK ISLAND PUBLIC SCHOOLS**

SPECIAL  
MEETING

**THURSDAY, SEPTEMBER 1, 2022**

Board Room  
Central Services

**AGENDA**

Mission Statement: To provide high-quality, student-centred education that builds strong, healthy communities.

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- 9:00 am 1. **CALL TO ORDER** T. Boymook
2. **TREATY 6 ACKNOWLEDGEMENT**
3. **REQUEST TO ACCESS RESERVES** M. Liguori/C. Cole  
(encl.)
- ADJOURNMENT

## **RECOMMENDATIONS: BOARD OF TRUSTEES SEPT. 1/22**

3. That the Board of Trustees request approval from the Minister of Education to access:
  - operating reserve up to \$1 million and
  - capital reserves up to \$1.2 millionfor a total of \$2.2 million dollars in 2022-23 to fund the Salisbury Composite High School stormwater drainage project.



# RECOMMENDATION REPORT

**DATE:** Sept. 1, 2022

**TO:** Board of Trustees

**FROM:** Mark Liguori, Superintendent

**SUBJECT:** Request to Access Reserves

**ORIGINATOR:** Candace Cole, Secretary-Treasurer

**RESOURCE STAFF:** Leah Lewis, Director, Financial Services  
Carmine von Tettenborn, Director, Financial Services  
Cal Wait, Director, Facility Services  
Robert Derech, Assistant Director, Facility Services

**REFERENCE:** Policy 2: Role of the Board

**EIPS PRIORITY:** Enhance high-quality learning and working environments.

**EIPS GOAL:** Quality infrastructure for all.

**EIPS OUTCOME:** Learning and working environments are supported by effective planning, management and investment in Division infrastructure.

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## RECOMMENDATION:

**That the Board of Trustees request approval from the Minister of Education to access:**

- operating reserve up to \$1 million and
- capital reserves up to \$1.2 million

**for a total of \$2.2 million dollars in 2022-23 to fund the Salisbury Composite High School stormwater drainage project.**

## BACKGROUND:

Subsequent to the May 31, 2022 submission of the 2022-23 Budget, cost estimates were obtained for stormwater drainage work at Salisbury Composite High School (SAL). The updated costs in the fall of 2022 are estimated to be \$4.1 million before asbestos abatement. This includes a 15% contingency and consultant work estimated at 15%. There is significant work that will need to be done both inside the building and outside, underneath the parking lot, as the drainage pipe needs to be replaced.

The primary concern for the school is the stormwater drainage issues within the school and size of the storm sewer drainage lines from the school to the surrounding Strathcona County Municipal system.

To address the historical flooding experienced in the east exterior courtyard adjacent to the central administration area, as well as other areas, the recommendation to alleviate these occurrences is to increase the size of the stormwater drainage line from the existing 100mm (4") to 450mm (16") diameter.



# RECOMMENDATION REPORT

It is understood all storm lines leading from the school are undersized and in poor condition. An upgrade of the entire stormwater system is required.

Due to the invasive nature of the work and related disruption of the functionality of the school, the proposed work is to be undertaken in phases over several summer breaks in order to maintain circulation and functionality within the school.

Due to risk of flood issues further damaging the building, this work must proceed in a timely fashion. Work will commence in the 2022-23 year. As such, a Request for Proposal for the architect will be going out in September, followed by a Request for Proposal for the general contractor in December.

Before a project of this magnitude can be awarded, funding sources must be established. Administration is bringing forward the following recommendation to fund this project as follows:

- \$1.0 million from Division Unallocated Reserves. At the time of Spring budget, Division Unallocated Reserves were estimated to be \$3.9 million at Aug. 31, 2023, which is slightly less than the estimated reserve cap calculated at 3.15% of operating expenditures (\$4.2 million after removing school and department surplus of 1%). By reducing Division Unallocated Reserves to \$2.9 million, EIPS is reducing the risk that surplus at the end of 2022-23 will exceed the reserve cap. There is, however, less flexibility for the Division in the event of an emergent item. As per page 3 of Attachment 1 the reserve cap it below.

2021-22 Adjusted Budget Operating Expenses	\$ 192,824,630
Total Operating Reserve Maximum Limit based on 3.15% rate	6,073,976
Less estimated school & department carryforward reserves (1%)	1,875,340
<b>EIPS Division Reserves Maximum Limit</b>	<b>4,198,636</b>
<b>Division Reserves over (under) the Operating Reserve Limit</b>	<b>(276,497)</b>

- \$1.2 million from capital reserves. This would essentially deplete our capital reserves. While not ideal, this was the intent of our capital reserves – to fund items such as these.
- \$1.9 million from IMR (Infrastructure, Maintenance and Renewal) and CMR (Capital Maintenance and Renewal)
  - As discussed on Aug. 25, 2022, there will be deferred IMR carryforward of at least \$1 million. The remaining amounts can come from the 2023-24 IMR or CMR funding.
    - 2022 CMR is already committed and most of it spent (April 1, 2022 to March 31, 2023)
    - 2023 CMR is available April 1, 2023 to March 31, 2024 – estimated amount is \$1.15 million and 2024 CMR is estimated to be \$1.11 million
    - 2022-23 IMR is \$2.2 million.
- Funding the entire project from IMR and CMR is not an ideal option as that defers other work we need to complete at all of our schools.



# RECOMMENDATION REPORT

## **COMMUNICATION PLAN:**

Once approved, the Board Chair will send a letter requesting access to reserves. Facility Services will request Ministerial approval to move forward with a capital project greater than \$1 million. Once approval from the Minister has been received, the project will be awarded to the successful bidder.

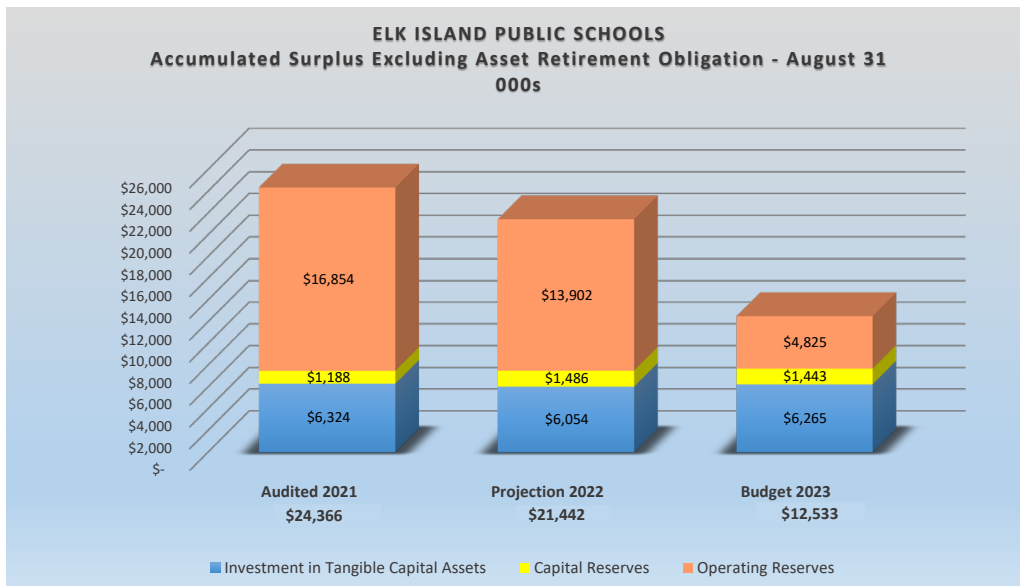
## **ATTACHMENTS:**

1. Reserve pages from the 2022-23 Spring Budget

Accumulated Surplus/(Deficit)						
	A=B+C+D+E+F	B	C	D	E Internally Restricted	
	Accumulated Surplus	Investment in Tangible Capital Assets	Asset Retirement Obligation <sup>1</sup>	Unrestricted Surplus	Operating Reserves	Capital Reserves
<b>Audited - August 31, 2021</b>	<b>\$ 24,366,813</b>	<b>\$ 6,324,280</b>		<b>\$ -</b>	<b>\$ 16,854,299</b>	<b>\$ 1,188,234</b>
Surplus/(Deficit)	(2,924,953)	-		(2,924,953)	-	-
Board Funded Capital Asset Additions	-	1,092,315		(309,115)	(80,655)	(702,545)
Net Amortization, Debt & Disposals	-	(1,362,400)		1,362,400	-	-
Net Reserve Transfers	-	-		1,871,668	(2,871,668)	1,000,000
<b>Projection - August 31, 2022</b>	<b>\$ 21,441,860</b>	<b>\$ 6,054,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,901,976</b>	<b>\$ 1,485,689</b>
Restatement for Asset Retirement Obligation	(14,227,860)		(14,227,860)			
Surplus/(Deficit)	(9,514,158)		(606,260)	(8,907,898)		
Board Funded Capital Asset Additions	-	1,562,714		(520,485)	-	(1,042,229)
Net Amortization, Debt & Disposals	-	(1,351,485)		1,351,485		
Net Reserve Transfers	-	-		8,076,898	(9,076,898)	1,000,000
<b>Budget - August 31, 2023</b>	<b>\$ (2,300,158)</b>	<b>\$ 6,265,424</b>	<b>\$ (14,834,120)</b>	<b>\$ -</b>	<b>\$ 4,825,078</b>	<b>\$ 1,443,460</b>

(1) Accounting standards requiring an Asset Retirement Obligation do not go into effect until the 2022-23 fiscal year.

- A. Accumulated surplus which includes investment in Board funded tangible capital assets, asset retirement obligations, unrestricted surplus, and internally restricted reserves
- B. Board funded (unsupported) tangible capital assets
- C. Asset Retirement Obligation
- D. Surplus/(Deficit) that is transferred to reserves
- E. Operating reserves including Schools - Operations, School Generated Funds, Central Services and Division Reserves
- F. Capital reserves available for future unsupported capital purchases



Reserves										
	A	B	C		D	E = A+B+C+D	F	G		I = E+F+G+H
	Audited 31-Aug-21	Contributions /(Use)	Capital Effect	Budget/Projection Transfer	Projected 31-Aug-22	Contributions /(Use)	Capital Effect	Budget Transfer	Projected 31-Aug-23	
<b>OPERATING RESERVES</b>										
Central Services	\$ 425,616	\$ (890,954)	\$ -	1,120,919	\$ 655,581	\$ (655,581)	\$ -	-	\$ -	-
Schools - Operations	1,061,301	370,750	-	(212,292)	1,219,759	(1,219,759)	-	-	-	-
School Generated Funds (SGF)	1,941,375	(436,476)	-	-	1,504,899	(601,960)	-	-	902,939	-
Central Services & Schools	3,428,292	(956,680)	-	908,627	3,380,239	(2,477,300)	-	-	902,939	-
COVID Costs	-	(236,518)	-	236,518	-	-	-	-	-	-
Focus on Unfinished Learning	-	(500,000)	-	1,000,000	500,000	(1,000,000)	-	500,000	-	-
Social Emotional Supports	-	(500,000)	-	500,000	-	-	-	-	-	-
Projects	-	(2,416,755)	(80,655)	3,095,410	598,000	(4,599,598)	-	4,001,598	-	-
Capital Effect Transfer to Support Operations	-	-	-	-	-	(831,000)	-	831,000	-	-
EIPS Division Allocated	-	(3,653,273)	(80,655)	4,831,928	1,098,000	(6,430,598)	-	5,332,598	-	-
EIPS Division Unallocated	13,426,007	1,685,000	1,053,285	(6,740,555)	9,423,737	-	831,000	(6,332,598)	3,922,139	-
	<b>\$ 16,854,299</b>	<b>\$ (2,924,953)</b>	<b>\$ 972,630</b>	<b>\$ (1,000,000)</b>	<b>\$ 13,901,976</b>	<b>\$ (8,907,898)</b>	<b>\$ 831,000</b>	<b>\$ (1,000,000)</b>	<b>\$ 4,825,078</b>	

B/F. Projected surplus (deficit), excluding Asset Retirement Obligation impact.

C/G. Capital Effect includes the net effect of unsupported capital transactions.

D. Budgeted transfers between EIPS Division Allocated/Unallocated Reserves as approved by the Board of Trustees; and projected transfers between EIPS Division Allocated/Unallocated Reserves to address completed projects, projected surpluses and expected deficits.

H. Budgeted transfers between EIPS Division Allocated/Unallocated Reserves as approved by the Board of Trustees.

	A	B	C		D	E = A+B+C+D	F	G		I = E+F+G+H
	Audited 31-Aug-21	Contributions /(Use)	Capital Effect	Transfers	Budget 31-Aug-22	Contributions /(Use)	Capital Effect	Transfers	Budget 31-Aug-23	
<b>CAPITAL RESERVES</b>										
Facility Services	\$ 17,229	\$ -	\$ -	\$ -	\$ 17,229	\$ -	\$ (17,229)	\$ -	\$ -	\$ -
Modular Connecting Link (SouthePoint School)	15,000	-	(10,160)	(4,840)	-	-	-	-	-	-
Aging Equipment at Schools	-	-	(100,000)	200,000	100,000	-	(100,000)	-	-	-
Information Technology	-	-	(377,385)	377,385	-	-	-	-	-	-
Various Capital Purchases - To be Determined	-	-	-	-	-	-	(100,000)	100,000	-	-
Kitchen CTS Renovations/Upgrades	-	-	-	-	-	-	(605,000)	605,000	-	-
Building Management System	-	-	-	-	-	-	(220,000)	660,000	440,000	-
Rudolph Hennig Office Renovation	-	-	(215,000)	215,000	-	-	-	-	-	-
EIPS Division Allocated	15,000	-	(702,545)	787,545	100,000	-	(1,025,000)	1,365,000	440,000	-
Opening Balance	1,156,005	-	-	-	1,156,005	-	-	-	1,156,005	-
Transfer (to)/from Capital Allocated	-	-	-	(787,545)	(787,545)	-	-	(1,365,000)	(2,152,545)	-
Transfer from Operating Reserves	-	-	-	1,000,000	1,000,000	-	-	1,000,000	2,000,000	-
EIPS Division Unallocated	1,156,005	-	-	212,455	1,368,460	-	-	(365,000)	1,003,460	-
	<b>\$ 1,188,234</b>	<b>\$ -</b>	<b>\$ (702,545)</b>	<b>\$ 1,000,000</b>	<b>\$ 1,485,689</b>	<b>\$ -</b>	<b>\$ (1,042,229)</b>	<b>\$ 1,000,000</b>	<b>\$ 1,443,460</b>	

B/F. Proceeds on disposal of unsupported assets year to date.

C/G. Use of reserves for purchases.

D. Budgeted transfer from Capital Unallocated Reserves to allocated projects, and transfer of \$1 million from Operating Reserves; and projected transfers for leftover funds from completed projects.

H. Budgeted transfer from Capital Unallocated Reserves to allocated projects, and transfer of \$1 million from Operating Reserves.

Operating Reserves - Projection																					
	A	B	C	D	E = A + B + C + D	F	G	H = F + G	I	J	K = I + J										
												Projections	2022-23		Budget	2023-24		Estimate	2024-25		Estimate
												31-Aug-22	Contribution /(Use)	Capital Effect	Transfer	31-Aug-23	Contribution /(Use)	Transfer	31-Aug-24	Contribution /(Use)	Transfer
<b>Central Services &amp; Schools (includes SGF)</b>	L	\$ 3,380,239	\$ (2,477,300)	\$ -	\$ -	\$ 902,939			\$ 902,939		\$ 902,939										
<b>Carryforwards from 2021-22</b>																					
Focus on Unfinished Learning		500,000	(1,000,000)		500,000	-					-										
Consultants: Assessment, Numeracy, Early Learning		393,000	(395,271)		2,271	-					-										
Career Pathways		130,000	(131,757)		1,757	-					-										
Professional Development (OTAGS) and Leadership		75,000	(50,000)		(25,000)	-					-										
<b>New Projects</b>																					
New Curriculum - Sub Costs			(212,500)		212,500	-					-										
New Curriculum - 5 FTE Teachers			(534,675)		534,675	-					-										
New Curriculum - Resources			(50,800)		50,800	-					-										
Illness			(200,000)		200,000	-					-										
Health & Wellness Initiatives			(50,000)		50,000	-					-										
Hand Sanitizer			(120,000)		120,000	-					-										
Common Exam Sub Release Time			(30,000)		30,000	-					-										
Consultant K-12 Education Technology - 1FTE			(131,757)		131,757	-					-										
Mental Health Strategic Plan - includes 3 FSLW FTE			(383,900)		383,900	-	(124,947)	124,947			-										
Readers/Writers Workshop			(60,000)		60,000	-					-										
Socio-economic Status Project			(150,000)		150,000	-					-										
Classified Salary Compensation Analysis			(100,000)		100,000	-					-										
Technology Evergreening - school staff computers			(500,000)		500,000	-					-										
Student Transportation Tyler Tablets			(270,866)		270,866	-					-										
SouthPointe School Modular Furniture & Equipment			(69,000)		69,000	-					-										
New Replacement School Start-Up Funds			-		-	-			(420,000)	420,000	-										
Video Surveillance			(134,112)		134,112	-					-										
Records Digitization			(25,000)		25,000	-					-										
Uninterrupted Power Source Devices & Batteries			(65,380)		65,380	-					-										
Routers			(18,333)		18,333	-					-										
Servers			(10,323)		10,323	-					-										
Communications - 1 FTE			(57,824)		57,824	-					-										
Board Governance			(30,000)		30,000	-					-										
Community Consultation			(10,000)		10,000	-					-										
MyBudgetFile Redesign Project			(20,320)		20,320	-					-										
Tableau project completion			(43,380)		43,380	-					-										
Contract Work - Survey Analysis			(25,000)		25,000	-					-										
Rural Schools Transition Funding			(419,400)		419,400	-					-										
Schools with Multiple Programs			(300,000)		300,000	-					-										
Capital Effect Transfer to Support Operations			(831,000)		831,000	-	(1,019,161)	1,019,161		(649,594)	649,594										
<b>EIPS Division Allocated Reserves</b>	M	1,098,000	(6,430,598)	-	5,332,598	-	(1,144,108)	1,144,108	-	(1,069,594)	1,069,594										
Capital Effect - Purchases from Operating Budgets		-	-	(520,485)	-	(520,485)	(300,000)	(820,485)	(300,000)	-	(1,120,485)										
Capital Effect - Annual Amortization		-	-	1,351,485	-	1,351,485	1,319,161	2,670,646	949,594	-	3,620,240										
Transfer to Allocated Reserves	N	-	-	-	(5,332,598)	(5,332,598)	(1,144,108)	(6,476,706)	(1,069,594)	(1,069,594)	(7,546,300)										
Transfer to Capital Reserves	O	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)	-	-	(1,000,000)										
EIPS District Reserve		9,423,737	-	-	-	9,423,737	-	9,423,737	-	-	9,423,737										
<b>EIPS Division Unallocated Reserve</b>	P	9,423,737	-	831,000	(6,332,598)	3,922,139	1,019,161	(1,144,108)	3,797,192	(1,069,594)	3,377,192										
<b>Total EIPS Division Reserves</b>	Q = M + P	10,521,737	(6,430,598)	831,000	(1,000,000)	3,922,139	(124,947)	-	3,797,192	(420,000)	3,377,192										
<b>Total Operating Reserves</b>	R = L + Q	\$ 13,901,976	\$ (8,907,898)	\$ 831,000	\$ (1,000,000)	\$ 4,825,078	\$ (124,947)	\$ -	\$ 4,700,131	\$ (420,000)	\$ 4,280,131										

2021-22 Adjusted Budget Operating Expenses	\$ 192,824,630
Total Operating Reserve Maximum Limit based on 3.15% rate	6,073,976
Less estimated school & department carryforward reserves (1%)	1,875,340
<b>EIPS Division Reserves Maximum Limit</b>	<b>4,198,636</b>
<b>Division Reserves over (under) the Operating Reserve Limit</b>	<b>(276,497)</b>
<b>Total Operating Reserve Minimum Limit based on 1% rate</b>	<b>1,928,246</b>