

The Regular Meeting of the Board of Trustees of Pembina Hills School Division was held on May 27, 2020 at Regional Office. In attendance was Trustee Tuininga and by video-conferencing were Trustees K. McElroy, W. Scinski, J. Carson, J. Comeau and J. Lefebvre. Also in attendance were Superintendent D. Garbutt, Secretary Treasurer T. Leigh and Recording Secretary C. Watson.

### **Call to Order**

Chair Tuininga called the meeting to order at 9:00 a.m.

### **Acknowledge Statement**

Chair Tuininga recited the acknowledgement statement from Administrative Procedure 60-20 Honoring First Nations, Métis and Inuit Culture.

### **Amendments to the Agenda**

The following amendments were made to the agenda:

- Add: Information Item # 5 - Letter from Minister LaGrange re ADLC Service Agreement.
- Add: Information Item #6 - Letter from Alberta Education re Accelerated Capital Maintenance & Renewal Funding
- Add: Committee Meetings - Pembina North Community School – Annual General Meeting
- Remove: Westlock Elementary School Council Meeting – Meeting did not occur due to technical difficulties

7804/05/20

### **Adopting the Agenda – May 27, 2020**

Moved by Trustee Comeau that the agenda be adopted as submitted and amended.

Carried

7805/05/20

### **Adopting the Minutes – May 13, 2020**

Moved by Trustee Scinski that the Minutes of the Regular Meeting of the Board of Trustees of Pembina Hills School Division held on May 13, 2020 be adopted as circulated.

Carried

### **Action Items**

#### **1. 2020-2021 Budgets**

- Pembina Hills School Division
- Alberta Distance Learning Centre

Secretary Treasurer Tracy Leigh presented the 2020-2021 Operating Budgets for Pembina Hills School Division (PHSD) and the Alberta Distance Learning Centre (ADLC), highlighting the following information:

Budget Highlights, Plans & Assumptions:

- Overall enrolment is expected to increase by 45 FTE or 0.65% over 2019-2020.
- The division has utilized operating reserves over the last 5 years and is expecting a reserve level of \$2,231,730 (3.84% of operating expenses) at the end of 2019-2020 making it necessary to restructure operations.
- Moved to centralized staffing of community schools to ensure equity and fairness across the division.
  - Certificated staff reductions of 4.6% FTE.
  - Uncertificated staff reductions of 14.7%.
- Assumption that students return to normal school in the fall with a requirement of additional Personal Protective Equipment (PPE).
- The budget presented is balanced and do not anticipate using operating reserves unless unexpected costs arise in the year. Need to apply to the Minister if we wish to use the reserves.

Budget Revenue

- Alberta Education funding commitment is \$51,797,848
- 2019-2020 Funding of \$50,787,000 the majority of the increase is from Bridge Funding which is to be reduced by 50% next year and eliminated the following year.

- The grant that saw the largest funding increase was Operations & Maintenance, a targeted grant.

#### Community School Allocations

- 4.6% decrease in Certificated FTE from 197.72 to 188.62
- 9.89% decrease in Program Assistant hours 169,336 to 152,599
- 9.8% decrease in Office Support hours 29,156 to 26,296
- 33% decrease in Library Support hours 5,761 to 3,860
- An increase of 9.3% in Discretionary Funds \$2,730,294 to \$2,983,913
- And increase of 5.7% in Total Allotted Funds \$27,867,433 to \$29,458,602

#### Program Allocations

- Specialized Learning Supports (SLS) team now serves Pre K PUF and areas formally supported by Regional Collaborative Service Delivery which is now eliminated due to funding cuts.
- SLS Team is funded through the Co-op Pool Allocation.
- We can move money out of Board & System Admin but cannot transfer in.

#### Fee Revenue

- Transportation increase from \$309,000 to \$313,400
- Basic Instruction decrease from \$30,240 to zero – now under sales
- Fees for Optional Courses increase from \$21,102 to \$21,500
- Activity Fees decrease from \$110,940 to \$100,600
- Extra-Curricular Fees increase from \$164,607 to \$207,500
- Non-Curricular Goods & Services decrease from \$12,440 to \$10,000. i.e., sports team costs, charges for locks, school IDs, etc.
- Non-Curricular Travel decrease from \$68,326 to \$60,000
- Total Fee Revenue decreases from \$716,689 to \$713,000

#### Total Budgeted Revenue

- 3% System Administration
- 9% Transportation
- 13% Operation & Maintenance
- 11% Vista Virtual School
- 64% Community Schools
- Federal Government funding is decreased as the French Monitor position at Barrhead Elementary School is eliminated
- Gifts and Donations budgeted lower due to the economic turn due to COVID-19

#### Budget Expenses

- Staffing Statistics – Certificated: reduction of 9.10 FTE for community schools which is 30 teachers less.
- Staffing Statistics – Non Certificated: reduction of 14.7% for community schools which is 48.3 support staff less.
- Pupil Teacher Ratio has gone up from 16.9 (2019-2020) to 17.48 (2020-2021).

#### What has changed from 2019-2020

- Division is funded based on Weighted Moving Average (WMA). Discretionary funds allocated to schools based on their individual WMA.
- Centralized staffing standards - set maximum FTE for certificated staff and maximum hours for support staff
- PUF Funding only for Pre-K. No funding for kindergarten students
- Minimum 400 hours for Pre-K
- Specialized Learning Supports are funded through Co-op Pool
- High School/Outreach block funded (no longer CEU funded)
- Online school grant rate for \$6,670.40 for students registered and completed 30 or more credits and \$1000 for students with less than 30 credits
- Operations & Maintenance and Board & System Admin targeted grants
- No longer funding food and beverages for division/school/board events or meetings
- Average teacher cost increased from \$104,300 to \$105,500. Average cost is based on salary, benefits, EI and CPP.
- Teacher directed PD - \$100/teacher
- Vista Virtual budget includes Adult Revenue budgeted at 2019-2020 projected actual of \$851,500 at April 30<sup>th</sup> (2019-2020 budget \$1,200,000)

- Vista Virtual School to begin offering summer school starting 2020. Summer school funding is based on the current funding manual and paid on CEUs.
- Didn't renew lease on smaller of the two locations in Calgary for 2020-2021
- Individual school budgets are balanced for 2020-2021

#### Facilities

- Targeted grant – ability to move funds in but not out of this envelope
- IMR grant - \$1,286,485
- Increased budgeted supplies for potential COVID-19 PPE and cleaning requirements. We do not know the requirements at this time but it could include masks, possibly taking student temperatures – provide bus driver protection.
- Facility costs for regional office & support service facilities in Barrhead & Westlock (total 4,508.17 m2) are the responsibility of the individual budgets of:
  - Facilities
  - Transportation
  - Board & System Admin
- Budget is balanced
  - Insurance premiums estimated at 10% increase over 2019-2020 rates
- Capital purchases
  - 2019-2020: 1 van replacement
  - 2020-2021: 2 van replacements

#### Transportation

- Increased transportation fees by 2.5% for in-town and rural routes
- Increased budgeted supplies for potential COVID-19 PPE and cleaning requirements
- No allowance for additional routes that may be required due to Covid-19 (assumption that Alberta Education would provide additional funding if required)
- Budget is balanced for 2020-2021
- Capital purchases
  - 2019-2020: 2 buses
  - 2020-2021: 6 buses (average tender price - \$125,000)

#### Board & System Administration

- Total Board & System Admin budgeted costs - \$2,779,149
  - Charged to PHSD budget - \$2,063,280
  - Charged to ADLC budget - \$715,869
  - Costs for services to be allocated to their function - \$760,516
- ADLC management services fee allocated to cover the cost of these services
- Operating reserve is currently at \$544,599
  - Projected to be \$331,421 at the end of 2019-2020
  - Projected to be \$428,107 at the end of 2020-2021

#### Operating Reserves

- Jurisdictions must explain planned use of accumulated surplus and operating reserves up to August 31, 2023
- Any combined balances related to unrestricted surplus (US) and operating reserves (OR) totaling less than 5% of annual operating expenditures may be explained as a contingency.
- Projected reserves as of August 31, 2021 = 3.78% of budget expenses

#### Capital Reserves

- Capital reserves are used to fund unsupported capital: Buses, fleet vehicles, other major capital components – e.g. roofs/mechanical systems for regional services buildings.
- 2019-2020 amount will be finalized after Fall 2020 audit.

#### Alberta Distance Learning Centre

- 2020-2021 Funding \$16,108,500 - 2019-2020 Funding \$17,354,540
- Decrease in budget of approximately of \$1.2 million
- No resource development
- No direction of new curriculum
- Uncertainty of ADLC as there is no funding after 2021-2022
- Risk will be that staff will be looking for other opportunities
- Decrease of certificated staff but increase of grid salary placement

- 7806/05/20 Moved by Trustee Carson that the Board adopt the 2020-2021 Operating Budget for Pembina Hills School Division, as presented, with revenues of \$58,972,522 and expenses of \$58,972,522. Carried
- 7807/05/20 Moved by Trustee Lefebvre that the Board adopt the 2020-2021 Operating Budget for the Alberta Distance Learning Centre, operating as a subsidiary of Pembina Hills School Division, as presented, with revenues of \$16,108,500 and expenses of \$16,108,500. Carried

## 2. 2021-2021 Rates Annex

- **Rates Annex 1 (RA1) Student Fees**

The rates for Adult Students at community schools for 2019-2020 are based on Alberta Education CEU funding rates. The new funding model for 2020-2021 no longer provides funding based on CEU's, the Division is funded based on a weighted moving average (WMA) of enrolments.

The High School Grant for 2020-2021 provides funding for enrolments in Grades 10-12 who are less than 20 years of age on September 1 at the following percentage of the base grant for \$6,670.40:

- 100% for their first, second and third years
- 50% for their fourth year
- 25% for their fifth year

The Adult Student rate proposed is \$190.58, which is relative to a full time 35-credit program at the one hundred percent base grant rate.

Vista Virtual School's adult student program fee was increased to \$130 per credit as of April 1, 2020 after an analysis of similar public and post-secondary program fees and markets. A further analysis was done on how much it costs to deliver this program on a per credit basis. The analysis shows that cost is approximately \$115 per credit and administration has indicated that the last fee increase had no effect on registrations; in fact, they have increased compared to this same time last year. We are recommending a marginal increase of \$5 to the adult student fee at Vista Virtual to \$135 per credit.

Due to the elimination of funding for ADLC over the next two years, we anticipate that Vista Virtual will be able to assist other school divisions with gaps in their programming when ADLC is no longer available to them. We are proposing a non-primary student fee of \$130 per credit to charge for the student instruction of other school divisions.

We've had inquiries from international students requesting student instruction with Vista Virtual so we are proposing the addition of a \$200 per credit fee for international students.

The fees proposed follow the *School Fees Regulation* released August 19, 2019.

- 7808/05/20 Moved by Trustee Carson that the Board adopt the 2020-2021 Student Fees – Rates Annex 1 (RA1) as presented, recommended and amended. Carried

- **Rates Annex 3 (RA3) Bus Rental & Shop Rates**

The Board annually reviews bus shop rates, including bus rental rates and labour rates for servicing vehicles.

At the February 12, 2020 regular board meeting, the Board approved a \$10 increase to both in town and rural rates for the 2020-2021 Transportation Fees – Rates Annex 4 (RA4). The fees were based on the prior year average cost of providing the service as well as comparisons with other jurisdictions.

It is recommended that the Board increase the bus rental rates to \$2.41 for external users and \$1.26 for internal users. These are increases of 6.4% and 3.4% respectively and based on actual expenses from 2018-2019. Outgoing Secretary Treasurer Tracy Meunier performed the analysis.

7809/05/20 Moved by Trustee Scinski that the Board adopt the 2020-2021 Bus Rental & Shop Rates – Rates Annex 3 (RA3) as recommended and presented.

Carried

- **Rates Annex 6 (RA6) Rental Rates – Division Owned Residence**

The Board approved the sale of the Swan Hills residence at the May 13, 2020 meeting. Pembina Hills School Division sold the Division owned property in Swan Hills. Since this was the only division owned residence, Rates Annex 6 is no longer required.

7810/05/20 Moved by Trustee McElroy that the Board approve the elimination of Division-Owned Residence – Rates Annex 6 (RA6) as recommended.

Carried

### 3. Insurance Provider

Pembina Hills School Division has been a part of the Alberta School Boards Insurance Exchange (ASBIE) insurance reciprocal since 2002 when the insurance reciprocal ALARIE at that time was dissolved. ASBIE is owned and governed by Alberta School Boards. When ALARIE dissolved, the Alberta Association of Municipal Districts & Counties (AAMD&C) also developed a liability insurance program to replace ALARIE, called Genesis. This reciprocal was to be offered through the existing Pembina Hills insurance agency, Jubilee Insurance Agencies but the pricing policy was not available when the board at the time made the decision to join ASBIE.

When the insurance premiums for 2019-20 were received by ASBIE last October, rates increased to \$993,550 from \$376,825 (164%). At that time, 100% of the school boards including PHSD gave notice to ASBIE of their intent to withdraw from the reciprocal and began searching for a new insurance provider. Nine of the school boards from ASBIE formed the purchasing group Alberta Risk Managed Insurance Consortium (ARMIC) in October 2019 and engaged Marsh Canada Ltd. to explore the insurance market opportunities. Pembina Hills signed a letter of intent to join ARMIC while exploring other options. Rural Municipalities of Alberta (RMA) which was the original reciprocal GENESIS created by Jubilee Insurance Agencies in 2002 has also submitted an insurance quote.

When looking at the three providers, the coverage and deductibles are similar between all providers but the premiums differ substantially. ASBIE had not provided a quote for 2020-2021, but has sent us what premiums would have been in 2019-20 under the new insurance model they have proposed. Under the new model the premiums for this year would have been \$661,755 which is a savings of \$331,795 over current rates but markets indicate that insurance rates are expected to increase. ARMIC has provided a quote of \$393,276 based on current year's pricing but they have indicated that rates for low risk subscribers are expected to increase by 10-20% over this year's premiums and high risk subscribers' premiums are expected to increase 100%. We are confident that we are a low risk subscriber since we have only had one property claim which is the highest risk to insurers due to recent fires and floods. ARMIC also requires us to acquire Cyber Insurance outside of the reciprocal.

The quote that was received by RMA is for \$349,152 but doesn't include facility user group, blanket student accident, volunteer accident, cyber, contract bus operator or standard garage coverage. The cost of this coverage is estimated to be an additional \$26,000 bringing them in at approximately \$375,000. Cyber insurance is included in the coverage. Even though RMA is a reciprocal, they are financial healthy and have been around since 1986. Their Minimal Capital Test (MCT) ratio is 400% and the minimum a reciprocal must have before they can flow saving onto subscribers through low or no reciprocal payments is 210%. As a member of RMA we would not

be part of the reciprocal but would simply purchase insurance.

- Pembina Hills representative will be Veronica Lindquist, Assistant Secretary Treasurer.
- Chair Tuininga would like further information on insuring school buildings based on right-sizing vs replacement cost and if we have higher deductibles for insurance, does this give the Division a cost-savings.
- We are already a member of RMA to realize cost savings at local businesses.
- Membership rate is \$240 per year.
- Insurance policy comes in effect November 1, 2020.

7811/05/20 Moved by Trustee Scinski that the Board withdraw from the Alberta School Boards Insurance Exchange (ASBIE) and join the Genesis Reciprocal Insurance Exchange. Carried

**4. Alberta School Board Association (ASBA) Spring General Meeting 2020 – Budget Bulletin**  
Trustee Jackie Carson provided an overview of the ASBA Spring General Meeting 2020 Budget Bulletin. After 115 years, the first virtual meeting of ASBA will be held on June 1, 2020. Chair Tuininga will send an email to ASBA for them to correct the school division names.

7812/05/20 Moved by Trustee Carson that Board receive the Alberta School Board Association Spring General Meeting 2020 Budget Bulletin as information. Carried

#### **Information Items**

The following information items were presented:

1. Alberta School Employee Benefit Plan – May 2020 Trustee Report
2. Electoral Ward Advertisement
3. Administrative Procedure 50-09 Student Code of Conduct
4. Administrative Procedure 50-10 Student Suspension and Expulsion
5. Letter from Minister LaGrange re ADLC Service Agreement
6. Letter from Alberta Education re Accelerated Capital Maintenance & Renewal Funding

#### **Committee Meetings – April 22, 2020 – May 12, 2020**

1. Alberta School Board Association – Zone 2/3 Meeting - Virtually
2. Busby School Council Meeting - Virtually
3. Dunstable School Citizenship Awards – Social Distancing
4. Dunstable School Council Meeting - Virtually
5. Neerlandia Public Christian School – Annual General Meeting - Virtually
6. Pembina Hills School Division – Board Planning – Virtually

#### **Celebrations**

1. Pembina Hills Mental Health Resources
2. Pembina Hills Year End Q&A

Trustees inquired about graduation ceremonies. Swan Hills, Barrhead Composite and R. F. Staples will be holding modified/virtual graduation ceremonies in late June. Schools are in the initially stages of planning and will get the messaging out to the parents.

**Board Calendar**

- An additional regular board meeting is needed for August 5<sup>th</sup> as the Alberta Government is aiming to communicate a finalized plan prior to August 1<sup>st</sup>. School authorities will be provided with enough time to prepare their schools as they transition into the 2020-2021 school year.
- The Ministry has previously indicated the focus for any possible return to school will be on the health and safety of students, teachers, staff and families.
- There are three possible scenarios that could exist come September, including restarting normal school operations, a partial re-opening of schools with some level of restrictions, or the continuation of teacher-directed at-home learning.

7813/05/20 Moved by Trustee Comeau that the Board approve the addition of a Regular Board Meeting on August 5, 2020.

**Land, Legal, Labour (In-Camera)**

7814/05/20  
11:19 a.m. Moved by Trustee Comeau that the meeting convene as an In-Camera Session to discuss land, labour, legal matters.

Carried

7815/05/20  
12:24 p.m. Moved by Trustee Carson that the meeting reconvene as a Regular Meeting.

Carried

7816/05/20 Moved by Trustee Lefebvre that the meeting recess until 1:05 p.m.

7817/05/20  
1:09 p.m. Moved by Trustee Carson that the meeting convene as an In-Camera Session to discuss land, labour, legal matters.

Carried

1:20 p.m. Superintendent Garbutt and Secretary Treasurer Leigh left the meeting.

2:20 p.m. Superintendent Garbutt and Secretary Treasurer Leigh rejoined the meeting.

7818/05/20  
2:28 p.m. Moved by Trustee McElroy that the meeting reconvene as a Regular Meeting.

Carried

**Adjournment**

7813/05/20 Chair Tuininga declared the meeting adjourned at 2:28 p.m.

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Board Chair

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Secretary Treasurer