

DATE: February 28, 2017

TO: Board of Trustees

FROM: Trustee Michelle Draper, Caucus Committee Chair

SUBJECT: Report #2 of the Caucus Committee (From the Meeting Held February 14, 2017)

ORIGINATOR: Karen Mills, Director Board and Superintendent Relations

REFERENCE: [Trustees' Handbook](#) – Caucus Committee - Section 5.4
[Trustees' Handbook](#) – Section 6 – Board Committees
[School Act](#) - Section 61

ISSUE

The Board approved the following recommendations at the March 3, 2015, Board meeting: That a resolution be approved directing that Section 5.4 of the Trustees' Handbook be revised to give the Caucus Committee final decision-making power on certain types of matters, and yet constrain that power so it is used only when absolutely necessary.

The following recommendation was approved at the February 14, 2017, Caucus Committee meeting:

Transfer of Funds from Unrestricted Surplus to Capital Reserves

1. That \$15,000,000 be transferred from Unrestricted Surplus to Capital Reserves, be approved.

BACKGROUND – Recommendation 1

Based on the audited financial statements for the year ended August 31, 2016, the District has a total of \$99.5 million accumulated operating reserve funds including a \$3 million school generated fund (SGF) surplus, which is internally restricted, leaving a net balance of \$96.5 million and an accumulated capital reserve balance of \$57.1 million.

On November 29, 2016, the Proposed Distribution of the 2015-2016 District Surplus report was presented and the Board approved the following recommendations:

1. That the 2016-2017 planned use of surplus funds – Phase I totaling \$60.8 million released in conjunction with the 2016-2017 fall revised budget be approved .
2. That the 2016-2017 planned use of surplus funds – Phase II totaling \$6.8 million and the 2017-2018 planned use of surplus funds totaling \$16.5 million be approved.
3. That the use of capital reserves in 2016-2017 and 2017-2018 for \$11.1 million and \$5 million be approved.

Based on the figures included in the November 29, 2016, report and factoring in the above approved recommendations (which include both 2016-2017 and 2017-2018), the District forecasted an ending

accumulated operating surplus balance of \$34 million, and a capital reserve balance of \$41 million by August 31, 2018.

Factoring in the recommended transfer of \$15 million approved at the February 14, 2017, Caucus Committee meeting, and the revised forecasted ending balances would be \$19 million in accumulated operating surplus and \$56 million in capital reserve funds by August 31, 2018.

KM:sj