

SPECIAL BOARD MEETING 11:00 am Monday, July 21, 2025

AGENDA

1. **Call to Order**
Land Acknowledgement
2. **Attendance and Declaration of Conflict of Interest**
3. **Review of the Agenda**
Special Board meeting process

Motion:

That the agenda for the Special Board meeting of July 21, 2025 be approved.

4. **Trustee Vacancies** ✓
5. **Finance Committee Reports**
- 5.1 Review of the 2025/26 Budget ✓

Motion:

That the Board approves the 2025-2026 budget as presented.

- 5.2 Motion:
That the Board approve the 2025-2026 Estimates In-Year Deficit Elimination Plan as presented.
- 5.3 Borrowing Resolution ✓ ✓ ✓

Motion:

That the Near North District School Board approves the Borrowing Resolutions for the period of September 1, 2025 to August 31, 2026.

- 5.4 Finance Committee Minutes ✓ (*for information*)
25-07-15 (unofficial)

6. **Adjournment**

Motion:

That on July 21, 2025, we do now adjourn at _____ pm.

Title:	Trustee Vacancy Process Report
Contact:	Craig Myles, Director of Education
Date Submitted:	Board of Trustees Special Board Meeting July 2025
Background	<p>School boards have a maximum of 90 calendar days to fill a trustee vacancy. Based on the resignation dates of June 11, 2025 (J. Fuscaldo) and July 1, 2025 (C. Phillips), the NNDSB must fill the vacancies no later than September 9 and September 28, 2025.</p> <p>Past practice of NNDSB shows filling vacancies via appointment of election runner-up.</p>
Education Act	<p>Under the <i>Ontario Education Act</i> s.221 (1), all vacancies on the board must be filled, unless the vacancy occurs within one month of the next municipal election. As per the <i>Education Act</i>, school boards can fill a trustee vacancy by one of the following means.</p> <p><u>Appointment Process (s.221(1)(a))</u> The <i>Act</i> is silent on the appointment process.</p> <p><u>By-Election (s.221(1)(b))</u> The Board has the option to run a by-election to fill a trustee vacancy. Any such by-election must adhere to the process as per the <i>Municipal Elections Act</i>. The municipal clerk oversees conducting the by-election and the Board must bear the financial cost and any other associated resources.</p>
OPSBA	<p><u>Appointment</u> The <i>Education Act</i> does not set out criteria for appointment. OPSBA endorses the following approaches to appointment:</p> <ul style="list-style-type: none"> • appointing the candidate who finished second in the last election • inviting interested persons to apply for the position • appointing a member of the community
Option 1	<p><u>By-election – Not Recommended</u></p> <ul style="list-style-type: none"> • approximate cost of \$150,000 or more • lengthy time commitment whereby the seat remains vacant • additional workload to board staff/community resources • a by-election could result in no additional candidate stepping forward as there were only two candidates from the “zone” for the original election thus committing Board finances/time/resources with no success

<p>Option 2</p>	<p><u>Appointment Options</u></p> <p>i) <u>Appointee - Not Recommended</u></p> <ul style="list-style-type: none"> • would not align with NNDSB commitment to building positive relationships with community members to foster an engaged and inclusive Board culture • perception of “tapping” and non-transparency • lengthy time commitment • additional workload on Board staff <p>ii) <u>Application Process- Not Recommended</u></p> <ul style="list-style-type: none"> • lengthy time commitment whereby the seat remains vacant • associated costs/commitment of resources • additional workload on Board staff • counter-productive to supporting a healthy democratic environment through which all trustees at the table have been elected • perception of “tapping” and non-transparency <p>Note: Option 1 or 2 appointment options would delay filling the seat. The appointment may not occur for some time, which would impact the busy fall season for trustees and the Board.</p> <p>iii) <u>Appoint election runner-up - Recommended</u></p> <ul style="list-style-type: none"> • upholds the integrity of the democratic process • most efficient process • no financial cost • insignificant impact on staff/Board resources • satisfies our voting public from the vacated region as it would recognize and respect the results of the electoral process in the choice of a previous candidate • provides vacated area voters with a familiar candidate from the vacated area to represent them • Board can immediately resume business of the Board
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<p>Concluding Rationale</p>	<p>In alignment with the 2021-2026 Multi-Year Strategic Plan, the Board is committed to Excellence in Relationships and Excellence in Communication.</p> <p>The recommended option speaks to the commitment to building positive relationships, communication, and transparency with community members across the region. It demonstrates fiscal responsibility with no cost to the Board. It has little impact on staff and physical resources. It fosters an engaged and inclusive Board culture that embraces a transparent democratic process and supports local decision making by endorsing the voters' second choice of candidate.</p>
<p>Recommendation</p>	<p>That the Near North District School Board pass a motion to fill the current trustee vacancies with the 2022 election runner-ups from zones 1 and 3.</p>

* Excerpts from the *Education Act*

Vacancies

221 (1) Subject to section 224, if the office of a member of a board becomes vacant before the end of the member's term,

(a) the remaining elected members shall appoint a qualified person to fill the vacancy within 90 days after the office becomes vacant, if a majority of the elected members remain in office; or
(b) a by-election shall be held to fill the vacancy, in the same manner as an election of the board, if a majority of the elected members do not remain in office. 1997, c. 31, s. 112; 2009, c. 25, s. 26.

Optional election

(2) Despite clause (1) (a), if members of the board are elected under the *Municipal Elections Act, 1996*, the remaining elected members may by resolution require that an election be held in accordance with that Act to fill the vacancy if the vacancy occurs,

(a) in a year in which no regular election is held under that Act;
(b) before April 1 in the year of a regular election; or
(c) after the new board is organized in the year of a regular election. 2002, c. 18, Sched. G, s. 10.

Same

(3) The secretary of the board shall promptly send to the clerk of the appropriate municipality a certified copy of the resolution under subsection (2). 1997, c. 31, s. 112.

Notice re clause (1) (b)

(4) Where clause (1) (b) applies, the secretary of the board shall promptly send to the clerk of the appropriate municipality a notice that clause (1) (b) applies and the notice shall be deemed to be a resolution indicating a by-election is required for the purposes of section 65 of the *Municipal Elections Act, 1996*. 1997, c. 31, s. 112.

Term of office

(5) A member appointed or elected to fill a vacancy shall hold office for the remainder of the term of the member who vacated the office. 1997, c. 31, s. 112.

** OPSBA, 2022-2026 Guide to Good Governance

Filling Vacancies Via Appointment:

All vacancies on the board must be filled unless the vacancy occurs within one month of the next municipal election ((*Education Act* [s. 224(a)]). A vacancy that occurs after the election but before the new board is organized shall be filled after the new board is organized. Ed. Act [s. 224(b)].

Three Approaches:

- appointing the candidate who came second in the last election
- inviting interested persons to apply for the position
- offering the appointment to a member of the community



Draft 2025-2026 Budget Report

Chair of the Finance Committee

Special Board Meeting – July 21, 2025

Executive Summary – 2025-2026 Estimates

The Near North District School Board is presenting a draft budget for the 2025-2026 school year, with an operating deficit of (\$1,274,822) and a deficit for compliance purposes of (\$730,233), with revenue of \$195.0 million and expenses of \$196.3 million.

The 2025-26 Estimates submission was due June 30, 2025 to the Ministry of Education, but boards were eligible to request an extension due to the late release of the Core Education Funding Formula. A request for extension was made to the Ministry, and an extension was granted to July 31, 2025 for the EFIS submission, which requires approval by the Board of both the Estimates and the In-Year Deficit Elimination Plan before submission.

Items of note:

- Projected enrolment decreased by 3.59% from 2024-2025 Estimates;
- Budgeted revenues have increased approximately 3.29%, and expenditures have increased approximately 4.00% from 2024-2025 Estimates;
- 71.4% of the budget is composed of salaries and benefits
- Projected staffing full-time equivalent (FTE) has decreased by 38.7 FTE
 - Of the decrease in teaching FTE of 24.8, 2.0 FTE was shifted to the Coordinators line, and the remaining reduction in FTE is due to lower enrolment, resulting in fewer required classrooms;
 - Lower enrolment also resulted in fewer kindergarten classrooms, therefore the Early Childhood Educator FTE was reduced, although some of that reduction was recognized during the fall reorganization in 2024-25;
 - On the Coordinators and System Principals line, a system principal position has been eliminated for 2025-26, but 2.0 FTE teacher coordinator/facilitator positions were moved from Teaching to this line, resulting in an increase of 1.0 FTE;
 - There is a reduction in both school administration and facility staffing due to the consolidation of schools in 2025-26;
- The special education budget reflects a deficit of approximately \$390,000, which will use up remaining projected special education deferred revenue;
- The transportation deficit is projected to be \$1.99 million, and although this is a small decrease from \$2.14 million in 2024-25 Estimates, the board's overall deficit position can be attributed to the transportation deficit that cannot be eliminated without further funding from the Ministry;
- School Generated Funds are projected with a deficit of \$51,200, anticipating that schools will begin to draw down their accumulated surplus with the implementation of the revised School Generated Funds Administrative Guideline.

Balanced In-Year Position Requirement

- Although the NNDSB is not presenting a balanced budget, the board's projected 2025-26 Estimates in-year deficit for compliance purposes of (\$730,233) is lower than the allowable limit of 1% of operating allocation (\$1,667,569), so Minister of Education approval is not required.

- The board is required to prepare and submit an in-year deficit elimination plan as part of its 2025-26 approved Estimates submission, with further detail provided in Appendix B.

School Board Administration Expense compliance

- The board's total adjusted Administration Operating Expenses amount is \$5,243,342, which is lower than the Expense Limit of \$8,823,144, therefore the board is compliant.

Facilities and Transportation Expense compliance

- The board's adjusted Facilities and Transportation Gross Expenses amount is \$34,275,575, which is lower than the Facilities and Transportation Limit of \$36,463,744, therefore the board is compliant.

Motions for Approval:

THAT the Near North District School Board approves the 2025-2026 budget as presented.

That the Near North District School Board approves the 2025-2026 Estimates In-Year Deficit Elimination Plan as presented.

Appendix A – 2025-2026 Estimates Information

2025-2026 Staffing (FTE)			
	2025-2026 Budget	2024-2025 Budget	FTE Change from 2024-2025 Budget
<u>Classroom & Support Staff</u>			
Teaching	662.20	687.00	-24.80
Para-professionals	86.50	87.50	-1.00
Educational Assistants	178.00	183.00	-5.00
Early Childhood Educators	38.00	46.00	-8.00
Library & Guidance	28.70	26.80	1.90
Co-ordinators & System Principals	22.00	21.00	1.00
Total Classroom Staff	1,015.40	1,051.30	-35.90
<u>Support Staff</u>			
School Administration	93.40	94.90	-1.50
Board Administration	36.30	35.30	1.00
Facility Services	115.80	118.10	-2.30
Other Support Staff	3.00	3.00	0.00
Total Support Staff	248.50	251.30	-2.80
Total NNSB Staff	1,263.90	1,302.60	-38.70

Near North DSB Enrolment - ADE			
	2025-2026 Budget	2024-2025 Budget	Change from 2024-2025 Budget
<u>Elementary</u>			
JK/SK	1,050.00	1,222.00	-172.00
Gr. 1 - 3	1,954.00	2,043.00	-89.00
Gr. 4 - 8	3,468.00	3,604.00	-136.00
Indigenous Students	136.00	130.00	6.00
Visa Students			0.00
Total Elementary	6,608.00	6,999.00	-391.00
<u>Secondary</u>			
Pupils of the Board	3,027.00	2,962.50	64.50
Indigenous Students	71.00	93.00	-22.00
Visa Students	10.00	23.00	-13.00
Total Secondary	3,108.00	3,078.50	29.50
Total Enrolment	9,716.00	10,077.50	-361.50

Near North DSB 2025-2026 Budget Summary				
	2025-2026 Budget	2024-2025 Budget	\$ Change from 2024- 2025	Notes
Revenues				
Provincial legislative grants	168,444,173	159,317,222	9,126,951	1
Provincial grants - other	2,193,185	6,695,876	-4,502,691	2
Federal grants and fees	3,110,058	3,116,163	-6,105	
Other fees and revenues	657,090	500,073	157,017	3
Other revenues - school boards	781,212	791,042	-9,830	
Investment Income	100,000	0	100,000	4
School generated funds	3,205,800	2,743,211	462,589	5
Amortization of deferred capital contributions	16,517,296	15,633,216	884,080	
Total Revenue	195,008,814	188,796,803	6,212,011	
Expenses				
Instruction	135,505,290	129,572,264	5,933,026	7
Administration	5,308,841	4,615,921	692,920	8
Student transportation	17,164,577	16,301,170	863,407	9
Pupil accommodation	34,654,726	34,059,934	594,792	
Other	393,202	1,407,749	-1,014,547	10
School generated funds	3,257,000	2,778,441	478,559	11
Total Expenses	196,283,636	188,735,479	7,548,157	
Annual Accumulated Surplus/(Deficit)	-1,274,822	61,324	-1,336,146	

Notes for Budget Summary:

Revenue

- When the 2024-25 Estimates were prepared, the funding formula did not reflect the benchmark increments for all negotiated salary increases, so there was a labour provision included in the "Other Ministry of Education Grants" section, but all salary benchmark changes are now reflected in the individual allocation formulas, resulting in an overall increase to "Provincial legislative grants". The funding formula also continues to change as the Ministry phases in the 2021 Statistics Canada census updates. The board is projecting an enrolment decrease of 332.50 "pupils of the board" (students funded by the Ministry), which will result in an off-setting decrease to all enrolment-based allocations in "Provincial legislative grants".
- When the 2024-25 Estimates were prepared, the funding formula did not reflect the benchmark increments for all negotiated salary increases, so there was a labour provision included in the "Other Ministry of Education Grants" section of \$4.9 million, but as the individual allocation formulas have been adjusted, the provision was eliminated in 2025-26, resulting in an overall decrease to "Provincial grants – other".
- Other fees and revenues have increased to reflect historical revenues for items such as rebates, administrative fees and other miscellaneous revenues.
- Investment income is normally budgeted as a zero dollar item during Estimates to be conservative, but the board has consistently generated interest income in its bank account over the last few fiscal years, so an updated forecast of interest revenue was included in the Estimates.
- The 2025-26 School Generated Funds revenue projection is based on current year.

Expenses

6. All salary and benefit retroactive benchmark changes have now been reflected in expenditures, as well as a further salary increment as of September 1, 2025, resulting in staffing cost increases in most areas despite having reduced staffing as a result of decreased enrolment and the school consolidation.
7. In addition to salary and benefit increases, within the Instruction line, Continuing Education has increased in expenditures in line with increased funding generated by a focus on the Prior Learning Assessment and Recognition program through enhanced staffing, as well as ensuring that both student enrolment and FTE is properly aligned with funding.
8. The staffing expenditures for Administration were not fully reported in the Administration line in the 2024-25 Estimates (the cost related to grid increments was included in the labour provision), therefore there is an overall increase as a result of salary grid increments, both retroactive and as of September 1, 2025. In 2025-26, the Parent Engagement allocation has been combined with the Trustee funding, therefore the expenditures have been realigned with the funding, and reflected in the Administration envelope. There is also a realignment of salaries and benefits to correspond with the appropriate funding envelopes, increased contractual services, and an inflationary increase adding to these expenditures.
9. Student Transportation costs have increased as a result of updated operator rates which had not yet been finalized when the 2024-25 Estimates were completed.
10. The Other line included the provision for labour contingencies budgeted in the 2024-25 Estimates at the direction of the Ministry of Education, but was eliminated in 2025-26, as the costs are now fully recognized on the individual line items.
11. School Generated Funds expenditures are anticipated to increase as the revised Administrative Guideline is implemented, and schools continue to direct fundraised amounts to benefit the students who completed the fundraising.

Operating Expenses (by Category)				
	2025-2026 Budget	2024-2025 Budget	\$ Change from 2024- 2025 Budget	Notes
Expense Category				
Salaries & Benefits	140,205,685	134,703,112	5,502,573	1
Staff Development	627,547	624,767	2,780	
Supplies & Services	14,835,683	13,838,005	997,678	2
Interest on Debt	1,433,747	1,548,654	-114,907	3
Rental Expenses	153,300	133,500	19,800	
Fees & Contractual Services	21,511,008	20,966,079	544,929	4
Other Expenses	414,702	693,392	-278,690	
Amortization/ARO Amortization	17,101,964	16,227,970	873,994	
Total Expenses by Category	196,283,636	188,735,479	7,548,157	

Notes for Operating Expenses by Category:

1. Salaries and Benefits are 71.4% of expenditures, consistent with 2024-25 Estimates.
2. School Generated Funds expenditures are included in the Supplies and Services category, which is \$3,257,000, 22% of the total (2024-25 - \$2,778,441, 20% of the total).

As the projected expense for School Generated Funds increased by \$478,559, the remaining amount of Supplies and Services increased by \$519,119, which is a reasonable increase of 4.7%, given inflationary challenges.

3. Interest on Debt is related to interest on debentures, and there is a declining balance, requiring lower payments each year.
4. 80% of Fees and Contractual Services is the cost of transportation for the board. From 2024-25 to 2025-26, transportation expenditures increased by \$863,407, so the remaining Fees and Contractual Services budget actually decreased by \$318,478.

Core Education Capital Budget

The Core Ed funding formula provides facility renewal grants (School Renewal and School Condition Improvement) to fund upgrading and renovation of school facilities. A facility renewal project would normally be a project that would cost more than \$10,000 and would result in an improvement to the energy efficiency, lifespan or change or increase use of the facility.

More specific details on proposed capital projects will be brought forward to the Finance Committee for review and recommendation to the Board of Trustees for approval in late fall 2025.

Capital Budget			
	2025-2026 Budget	2024-2025 Budget	\$ Budget Change
School Renewal	5,825,649	3,544,000	2,281,649
School Condition Improvement	7,765,845	7,543,256	222,589
Total Capital Budget	13,591,494	11,087,256	2,504,238

Capital Update – New Builds

The government provides funding to school boards to build new or add-on to existing schools based on the needs of the school community and the Board. All capital projects are approved by the Ministry of Education.

Current construction projects include:

- JK – 12 Build in Parry Sound –The new school is scheduled to open in September 2025, with continuing site improvement and warranty work through the 2025-2026 school year.

Appendix B – 2025-2026 Estimates In-Year Deficit Elimination Plan

As per the *Core Education Funding: Technical Guide for School Boards 2025-26*, “School boards are required to have balanced budgets, which require total spending to be equal to, or less than, total revenue. However, there are circumstances where an in-year deficit is permissible under O. Reg. 280/19 if there were prior surpluses (called accumulated surplus). The draw on the accumulated surplus is limited to ensure that this action does not place the school board at undue financial risk. The draw on the accumulated surplus is limited to the lesser of the following:

- 1) the school board's accumulated surplus from the preceding year
- 2) one per cent of the school board's operating revenue

Carrying a deficit larger than this amount requires approval from the Minister of Education.”

The board’s projected 2025-26 Estimates in-year deficit for compliance purposes of (\$730,233) is lower than the allowable limit of 1% of operating allocation (\$1,667,569), so no approval is required from the Minister of Education.

As part of its submission in EFIS, the NNDSB must submit an In-Year Deficit Elimination Plan (IYDEP) to indicate the measures it will take to eliminate the deficit for compliance purposes of (\$730,233) by the end of 2026-2027, and this plan must be approved by the Board of Trustees.

The Board of Trustees previously approved an IYDEP for the 2024-25 Revised Estimates that projected to reduce the deficit for compliance purposes from (\$1,535,203) to (\$298,357) by end of 2025-2026. Although the projected 2025-26 deficit for compliance purposes is (\$730,233), the proposed 2025-26 deficit for compliance purposes has been reduced by approximately \$800,000, even with a further reduction in enrolment from 2024-25 Revised Estimates.

The following has been prepared as a submission for the In-Year Deficit Elimination Plan to eliminate the deficit for compliance purposes by the end of 2026-2027:

2026-2027

Revenue Increase – identify current expenses that can be directed toward specific allocations to reduce deferred revenues - \$150,000

Expense Decrease – right-sizing of operation costs commensurate with lower enrolment – (\$445,233)

Expense Decrease – absence management improvements resulting in a reduction of supply staff costs – (\$100,000)

Expense Decrease – reduce transportation costs following closure of McDougall – (\$35,000)

BOARD REPORT

Title:	Royal Bank Borrowing Resolutions
Contact:	Chair of the Finance Committee, Trustee Hall
Date Submitted:	July 21, 2025
Background	<p>To meet the Board's temporary financing needs, the Board of Trustees annually approves two borrowing resolutions for the forthcoming fiscal year. One resolution provides financing for operational needs and the other resolution provides financing for capital requirements. The borrowing rates and expectations are detailed in the resolution.</p> <p>The operation loan resolution provides financing in the event that the board requires an operating line of credit as its cash flow has been impacted by unforeseen circumstances (the Ministry reduces monthly advances for example). There is no cost to the board except when monies are borrowed.</p> <p>The capital loan resolution provides financing to meet short-term obligations with respect to capital costs. Although the majority of the board's ongoing capital projects are funded by the Ministry, the board must expend the funds first, then request reimbursement at two reporting periods throughout the year, which can significantly delay Ministry reimbursement, sometimes up to six or more months following the initial expenditures. This can affect the board's cash flow strategy, resulting in a need for short-term financing, particularly if the board has undertaken a large capital project, or many smaller capital projects.</p>
Recommendations	That the Finance Committee of the Near North District School Board recommends that the Board of Trustees approves the Borrowing Resolutions for the period of September 1, 2025 to August 31, 2026.



**ONTARIO
DISTRICT SCHOOL BOARDS
INCLUDING SEPARATE DISTRICT SCHOOL BOARDS
RESOLUTION RE BORROWING FOR CURRENT
EXPENDITURES AND DEBT CHARGES**

WHEREAS the **Near North District School Board** in the Province of Ontario (herein called "the Board") deems it necessary to borrow the sum of \$ **20,000,000.00** Dollars to meet the current expenditures and debt charges payable in the fiscal year of the Board until the current revenue and cash respectively have been received (as respectively defined in Sub-section (1) of Section 1 of the Education Act);

AND WHEREAS the amount authorized to be borrowed by this resolution in respect of current expenditures and debt charges together with the total of any similar borrowings heretofore made by the Board under Section 243 of the Education Act that have not been repaid and any accrued interest thereon does not exceed the unreceived balance of the estimated current revenues of the Board (exclusive of revenue from education development charges) and the authorized amounts to be borrowed from time to time hereunder shall not exceed the maximum sum referred to above.

BE IT THEREFORE RESOLVED THAT:

1. For the purposes aforesaid the Board borrow from **ROYAL BANK OF CANADA** (herein called "the Bank") the sum of **\$20,000,000.00** dollars by way of a loan agreement or promissory note(s) payable not later than **August 31, 2026** and bearing interest at the rate of RBP Less 0.75% or CORRA plus 1.10% per annum, as well after as before maturity, default and judgement, with interest on overdue interest at the same rate as the principal;
2. The Treasurer together with the Chair or Vice-Chair of the Board be and they are hereby authorized and empowered for and on behalf of the Board to sign such loan agreement or promissory note(s) as may be necessary and to affix thereto the Board's seal;
3. The Treasurer of the Board be and is hereby authorized and directed to apply in payment of all or any sums borrowed as aforesaid, together with interest thereon, all or any of the current revenues of the Board collected or received by the Board and all or any other moneys that may lawfully be applied under the Education Act and the regulations made thereunder for such purpose;
4. The Treasurer of the Board is hereby authorized and directed to furnish to the Bank at the time any amount is borrowed under this resolution in respect of current expenditures a statement showing the amount of the estimated current revenues of the Board (exclusive of revenue from education development charges) for the current year not yet received, or, where the estimates for the current year have not been adopted, a statement showing the estimated revenues of the Board as set forth in the estimates adopted for the previous fiscal year and the amount of the revenues of the current year already received and also showing the total of any amounts borrowed under Section 243 of the Education Act in the current year that have not been repaid; and
5. The Bank shall not be bound to establish the necessity of the borrowings authorized by this resolution or their application for the purposes aforesaid and may rely on a certified copy of this resolution as proof that the borrowings are validly authorized and on any statement furnished by the Treasurer under paragraph 4 of this resolution as proof of the facts stated therein.

We hereby certify that the foregoing is a true and accurate copy of a resolution of the above mentioned Board duly passed at a meeting therefore duly convened and held at the City of North Bay on the 21st day of July, 2025; and, that the said resolution is in full force and effect, unamended.

As witness the seal of the Board this 21st day of July, 2025

(Corporate Seal)

Head of Board

Treasurer (or Secretary-Treasurer)



**ONTARIO
DISTRICT SCHOOL BOARDS
INCLUDING SEPARATE DISTRICT SCHOOL BOARDS
RESOLUTION RE BORROWING FOR CURRENT
EXPENDITURES AND DEBT CHARGES**

WHEREAS the **Near North District School Board** in the Province of Ontario (herein called "the Board") deems it necessary to borrow the sum of \$ **20,000,000.00** Dollars to meet the current expenditures and debt charges payable in the fiscal year of the Board until the current revenue and cash respectively have been received (as respectively defined in Sub-section (1) of Section 1 of the Education Act);

AND WHEREAS the amount authorized to be borrowed by this resolution in respect of current expenditures and debt charges together with the total of any similar borrowings heretofore made by the Board under Section 243 of the Education Act that have not been repaid and any accrued interest thereon does not exceed the unreceived balance of the estimated current revenues of the Board (exclusive of revenue from education development charges) and the authorized amounts to be borrowed from time to time hereunder shall not exceed the maximum sum referred to above.

BE IT THEREFORE RESOLVED THAT:

1. For the purposes aforesaid the Board borrow from **ROYAL BANK OF CANADA** (herein called "the Bank") the sum of **\$20,000,000.00** dollars by way of a loan agreement or promissory note(s) payable not later than **August 31, 2026** and bearing interest at the rate of RBP Less 0.75% or CORRA plus 1.05% per annum, as well after as before maturity, default and judgement, with interest on overdue interest at the same rate as the principal;
2. The Treasurer together with the Chair or Vice-Chair of the Board be and they are hereby authorized and empowered for and on behalf of the Board to sign such loan agreement or promissory note(s) as may be necessary and to affix thereto the Board's seal;
3. The Treasurer of the Board be and is hereby authorized and directed to apply in payment of all or any sums borrowed as aforesaid, together with interest thereon, all or any of the current revenues of the Board collected or received by the Board and all or any other moneys that may lawfully be applied under the Education Act and the regulations made thereunder for such purpose;
4. The Treasurer of the Board is hereby authorized and directed to furnish to the Bank at the time any amount is borrowed under this resolution in respect of current expenditures a statement showing the amount of the estimated current revenues of the Board (exclusive of revenue from education development charges) for the current year not yet received, or, where the estimates for the current year have not been adopted, a statement showing the estimated revenues of the Board as set forth in the estimates adopted for the previous fiscal year and the amount of the revenues of the current year already received and also showing the total of any amounts borrowed under Section 243 of the Education Act in the current year that have not been repaid; and
5. The Bank shall not be bound to establish the necessity of the borrowings authorized by this resolution or their application for the purposes aforesaid and may rely on a certified copy of this resolution as proof that the borrowings are validly authorized and on any statement furnished by the Treasurer under paragraph 4 of this resolution as proof of the facts stated therein.

We hereby certify that the foregoing is a true and accurate copy of a resolution of the above mentioned Board duly passed at a meeting therefore duly convened and held at the City of North Bay on the 21st day of July, 2025; and, that the said resolution is in full force and effect, unamended.

As witness the seal of the Board this 21st day of July 21, 2025

(Corporate Seal)

Head of Board

Treasurer (or Secretary-Treasurer)

Ashley St. Pierre, Chair

Craig Myles, Director of Education

Finance Committee
Tuesday July 15th, 2025 at 2:30PM
Zoom Meeting

Committee Members Present

Shane Hall, Committee Chair
Julie Bertram, Trustee
Howard Wesley, Trustee
Seija Van Haesendonck, Superintendent of Business

Staff Present

Stephanie Courchesne, Executive Assistant to the SBO
Maureen Egan, Executive Assistant to the Director
Brett Hanson, Communications Officer
Wende Proulx, Manager of Finance

Guests Present

Caren Gagne, Trustee
Louise Sargent, Trustee
Bill Steer, Trustee

Absent with Regrets

Craig Myles, Director of Education

1. Call to Order

Chair Hall called the meeting to order at 2:33 PM. Following the roll call, it was noted that the meeting had quorum.

2. Declaration of Conflict of Interest

The Chair called for declarations of conflict of interest with none noted.

3. Approval of Agenda

3.1. *Motion: Moved by Trustee Wesley and seconded by Trustee Bertram that the agenda for the meeting of July 15th, 2025 be approved. CARRIED.*

4. Approval of Minutes from Previous Meeting

4.1. *Motion: Moved by Superintendent Van Haesendonck and seconded by Trustee Wesley, that the minutes of the meeting held on June 17th, 2025 be approved. CARRIED.*

5. Business Arising

5.1. Review and Recommendation of the Draft 2025-2026 Budget

Superintendent Van Haesendonck provided a presentation on the Draft Budget for the 2025–2026 fiscal year. She noted that the draft budget reflects an operating deficit of \$1.27 million and a compliance deficit of \$730,000. The distinction between these figures stems from specific exclusions in the Ministry’s compliance calculations, including non-cash items such as amortization of asset retirement obligations and the school generated funds deficit. The projected revenue for the year is \$195.0 million, while projected expenditures total \$196.3 million.

Superintendent Van Haesendonck explained that as the compliance deficit remains below the threshold of 1% of operating allocation, the Board is not required to seek pre-approval from the Minister of Education. The Board is required to submit an In-Year Deficit Elimination Plan, which outlines the steps it will take to return to a balanced budget position by the end of 2026-2027. The Board remains compliant with ministry calculations for school board administration expenses and a combined compliance calculation for facilities and transportation expenditures.

Superintendent Van Haesendonck then shared some items of note, including the impact of a decline in student enrollment. A projected decrease of 3.59% in enrollment has contributed to staffing reductions totaling 38.7 full-time equivalent (FTE) positions. These staffing reductions span various categories, including classroom teachers, early childhood educators, and a System Principal position. Additionally, the upcoming school consolidation has resulted in a further decrease in administrative and facility staff FTE.

Although transportation remains in a deficit, Superintendent Van Haesendonck reported an improvement over the previous year, with the shortfall expected to decrease from \$2.14 million to \$1.99 million due to changes in the funding formula, specifically the inclusion of funding for the non-rebatable HST. School Generated Fund activity is projected to increase, and with an updated administrative guideline encouraging in-year spending, the Board anticipates a drawdown of the School Generated Fund accumulated surplus.

Salaries and benefits, which make up 71.4% of the Board’s total expenditures, increased by \$5.5 million. This rise is attributed to catch-up from previously under-budgeted retroactive salary benchmarks and negotiated compensation adjustments. Contractual services costs have also increased, though 80% of that line item is tied to transportation costs, and once the increase in transportation costs of \$863,000 is removed, the contractual services budget decreased approximately \$318,000.

The Capital Budget was presented as an estimate only, with the understanding that specific projects would be submitted for approval in the fall. Superintendent Van Haesendonck

explained the limitations of Capital Funding and the Ministry's directive to prioritize building condition, accessibility, and health and safety over enhancements such as athletic facilities.

A new addition to the report, Appendix A, outlines the In-Year Deficit Elimination Plan. The proposed plan achieves a balanced budget by the 2026–2027 fiscal year. It includes strategies such as aligning staffing levels with enrollment, reassessing the use of deferred revenues, and a reduction in transportation costs once McDougall Public School is closed and students move into the Parry Sound K-12 build. An important component of the plan is the assumption that enrollment will stabilize or improve. If enrollment continues to decline, further realignment of staffing and resources will be necessary.

Chair Hall opened the floor for questions and discussion following Superintendent Van Haesendonck's review of the draft budget.

Trustee Wesley emphasized the risk of continuing to operate in a deficit, particularly in light of recent provincial interventions in other boards that failed to meet financial compliance, and asked whether there is a way in which the board could achieve a balanced budget immediately. He also noted declining enrollment compared to neighboring boards and expressed concern that the condition of school facilities, such as the state of Chippewa's track, may be contributing to declining enrollment. He stressed the importance of ensuring that capital projects help retain and attract students.

Superintendent Van Haesendonck acknowledged the limitations placed on capital spending and reiterated that many facility-related decisions are constrained by ministry guidelines. She noted that although track and field upgrades would be an enhancement to school facilities, it is challenging to prioritize these types of projects within available funding and noted that, as has been shared by the Director previously, these projects may need to be pursued through alternative sources such as school-based fundraising, especially as upgrades to track and field facilities are projected to cost millions of dollars. Superintendent Van Haesendonck addressed Trustee Wesley's question about whether a balanced budget could be achieved immediately, and explained the difficulty of making further staffing adjustments due to collective agreement language, such as staffing timelines and protected complement (job security) provisions. She also noted that due to the size of the deficit, achieving a reduction in expenditures of \$730,000 would be challenging without further reduction of FTE, as 71.4% of the budget is related to salaries and benefits. She also mentioned that the budget had already been carefully reviewed for spending reductions that would have the least impact on student services and supports, while responding to the lower enrolment. Lastly, the board is carrying a \$1.99 million transportation deficit, and although the deficit was reduced slightly due to a funding formula change, this is a long-standing systemic deficit that will remain until further funding is received to eliminate the deficit that existed prior to the introduction of the new transportation funding formula.

Trustee Bertram requested a more detailed breakdown of salary and benefit expenditures. Superintendent Van Haesendonck explained that instructional FTE accounts for the majority of salary and benefit costs at \$126.8 million (90.5%), followed by facilities FTE (\$9.6 million, 6.9%) and administrative FTE including trustees (\$3.8 million, 2.6%).

The committee members then discussed the proposed deficit elimination plan, which included a line item to "right-size staffing commensurate with lower enrolment" in the amount

of \$445,233. To address expressed concerns about the perception of endorsing staffing cuts, Superintendent Van Haesendonck proposed to amend the language in the deficit elimination plan presented to the Board to refer to “right-sizing of operating costs” rather than specifically referencing staffing reductions. This revision was intended to allow for flexibility in how cost savings are achieved as the 2026-27 budget is prepared, and to recognize the Committee’s preference to prioritize service levels and avoid staff reductions where possible.

The first motion was amended to reflect the removal of “for approval” at the end of the motion.

Motion: Moved by Trustee Wesley and seconded by Trustee Hall that the Finance Committee of the Near North District School Board recommends the 2025-26 Draft Budget be presented to the Board of Trustees. CARRIED.

Motion: Moved by Trustee Wesley and seconded by Trustee Bertram that the Finance Committee of the Near North District School Board recommends the 2025-2026 Estimates In-Year Deficit Elimination Plan be presented as amended to the Board of Trustees for approval. CARRIED.

6. New Business

6.1 Borrowing Resolutions

The committee was provided with an update regarding the annual borrowing resolutions. There are no changes to the borrowing resolutions from what was previously presented during the same period last year. The committee emphasized the importance of ensuring that all necessary approvals are in place and expressed hope that the board will adopt the resolution at its upcoming meeting.

Motion: Moved by Trustee Bertram and seconded by Trustee Wesley that the Finance Committee of the Near North District School Board recommends that the Board of Trustees approves the Borrowing Resolutions for the period of September 1, 2025 to August 31, 2026. CARRIED.

7. Next Meeting Date: September 16, 2025 at 11:00AM via Zoom.

8. Adjournment

With no further business to note, Committee Chair Hall tabled the following motion:

Motion: Moved by Trustee Bertram and seconded by Trustee Wesley that there being no further business to discuss, on July 15th, 2025, the Finance Committee stands adjourned at 3:49pm. CARRIED.