

Erika Lougheed, Chair

Craig Myles, Director of Education

Finance Committee

Tuesday, June 6, 2023 3:30PM
Zoom Meeting

Committee Members Present

Shane Hall, Committee Chair
Howard Wesley, Board Vice-Chair
Bill Steer, Trustee
Chantal Phillips, Trustee
Craig Myles, Director of Education
Seija Van Haesendonck, Superintendent of Business

Staff Present

Wende Proulx, Manager Finance
Deb Bartlett, Communications Officer
Saxon Yanta, Acting Executive Assistant

Regrets

1. Call to Order

The meeting was called to order at 11:03AM. Following the roll call, it is noted that the meeting has quorum.

2. Declaration of Conflict of Interest

The floor was opened for declarations of conflict of interest with none rose.

3. Approval of Agenda

Moved by Trustee Phillips, and seconded by Superintendent Van Haesendonck, that the agenda for the Finance Committee meeting of Tuesday, June 6, 2023 be approved. – CARRIED.

4. Approval of Minutes from Previous Meeting

Moved by Trustee Wesley and seconded by Trustee Phillips that the minutes of the previous meeting held on Wednesday, May 31, 2023, be approved. - CARRIED

5. Review of Quarterly Report

Chair Hall invited Superintendent Van Haesendonck to speak to the quarterly report.

Following Superintendent Van Haesendonck's review of the quarterly report, the floor was opened up for questions.

Trustee Phillips asked the following questions: how many NNDSB students attend Nbisiing Secondary School, does an individual have to identify as part of an indigenous community to attend Nbisiing Secondary School, do NNDSB students attend other educational institutions. Superintendent Van Haesendonck responded that she can share this information with the committee at its September meeting. She also provided some information about the Province of Ontario's reciprocal education agreement process. The more common arrangement is when students living on a First Nation attend a school funded by the Ministry of Education. In such situations, the First Nation pays tuition fees on behalf of the students to NNDSB. If a First Nations-operated school is an approved school by the Province, and NNDSB students register to attend that First Nations school the Ministry would fund NNDSB, and then those funds would be transferred to the First Nations school. There are two reporting dates; once the reports are sent to the Ministry the board receives funding from the Ministry and then transfers the funds directly to the First Nations.

Moved by Trustee Steer and seconded by Trustee Wesley that the Finance Committee recommends the Quarterly Report for June 2023 be presented to the Board of Trustees for review. - CARRIED

6. New Business

6.1. Review of Draft 2023-2024 Budget

Superintendent Van Haesendonck was invited to speak regarding the draft 2023-2024 budget. The report presents all the financial information that is needed to consider the motion for recommendation of approval to the Board of Trustees.

The first page indicates the presentation of an administratively compliant budget. The deficit is below 1% threshold (\$1.5M), so this is considered a compliant deficit budget.

The projected full-time equivalent (FTE) staffing decrease is expected to be eliminated at the time of revised estimates as a result of incoming grants.

The transportation deficit is \$1.65M and has a significant impact and is the primary reason for the board projecting deficit budget. As part of bringing a deficit budget to the Ministry, the Board has to approve an in-year deficit elimination plan which shows how the budget deficit will be eliminated over the next 3 years. Staff are preparing this report which will be presented at the time of budget approval. The Transportation Consortium is working on route consolidation which will be identified on the elimination plan. The elimination plan will also identify the use of attrition to find savings; when individuals resign or retire, managers will review the department needs to see if FTE can be reduced. The Human Resources Department will focus heavily on absence management in the 2023-24 school year, in order to find savings by reducing the need for occasional staff. There will also be a review of school operations and facilities costs. This is an ever-expanding cost area with inflation, and the department will try to find savings where possible.

There will be a goal to increase revenues as well, including allowing out of district students to attend the board's virtual schools. The board will pursue an agreement with boards that do not offer virtual school, which would result in a direct increase in revenue.

Page 3 of the report shows a breakdown by category. This indicates how much of the budget goes to salaries and benefits which is about 71%. Interest on debt is related to the financing received a number of years ago; the Ministry flows the board funding twice per year to cover both the principal and interest payments. The interest costs are reducing each year. The other new item is the amortization/ARO. A new accounting standard was introduced and now there's an asset retirement obligation related to the cost of remediating an asset upon retirement, such as removing asbestos or fuel oil tanks. The calculation model is provided by the Ministry and the board calculated the ARO. The ARO amortization was excluded from the compliance calculation.

Appendix A shows the comparative revenue summary. Staff development is returning to a more normal state. The Ministry has directed boards to set aside a provision based on salary costs due to central negotiations discussions. The provision accounts for 2 years of increases.

The special education deficit is being presented to SEAC next week. The deficit is approximately \$60,000 this year. Special Education always runs a deficit. This file is carefully enveloped. Funds are directed from non-enveloped areas of the GSN funding to cover overages on special education.

The motion for acceptance of the 2023-2024 budget is in the agenda. The expectation is that the budget should be submitted through EFIS by June 30, 2023.

Trustee Wesley asked a question about virtual learning and snow days. Superintendent Van Haesendonck clarified that virtual school funding is different than a hybrid learning approach, which the school board does not currently participate in. Apart from having technical resources available for all kids, there are other challenges such as licensing and collective agreements.

Trustee Steer commended staff on a streamlined financial report. He made the suggestion to include a summary at the beginning of the report, and include absences and student transportation as a note on the expense summary line.

Trustee Steer asked a question about absences. Superintendent Van Haesendonck clarified that the supply staff line includes EAs and ECEs. Manager of Finance Wende Proulx clarified that, if the employee is on a paid leave, the long term occasional (LTO) is charged to the supply code. If the employee is on an unpaid leave, then the cost for the LTO is charged to the instructional line.

In response to a question raised by Trustee Phillips, Superintendent Van Haesendonck noted that longer term enrolment changes are not expected to be significant. Enrollment is projected to increase a bit at some schools and decrease at others.

In response to a question raised by Trustee Phillips, Superintendent Van Haesendonck noted that the Ministry will be sending updated spending parameters for Indigenous Education funding. As such, this item is set aside in deferred revenue while the board awaits more specific information.

Trustee Phillips noted that some school boards have active transportation goals and wondered how this topic could be brought up within this school board. Director Myles noted the question and will bring it back to Executive Council to see where this question should be addressed.

Trustee Steer raised a question about including actuals in the financial report. Following an explanation of actuals by Superintendent Van Haesendonck it was noted that this item could be considered for possible inclusion in next year's budget report, although the actual financials would be two years behind the year behind projected. As a note, actuals are reviewed by the Audit Committee at the time that financial statements are issued.

Trustee Steer suggested that the motion to be presented to the Board be worded to include an in-year deficit elimination plan as part of the budget approval. The revised motion was put forward for Finance Committee consideration.

Moved by Trustee Wesley and seconded by Trustee Steer that the Finance Committee recommends the budget for the 2023-2024 year be presented to the Board of Trustees for approval including the in-year deficit elimination plan. - CARRIED

7. Next Meeting Date

The next meeting will be called on Tuesday, September 5, 2023 at 11:00AM via Zoom.

Calendar invites will be sent to all Finance Committee members on the same quarterly schedule.

Superintendent Van Haesendonck expressed her thanks to Manager Proulx, the finance team, and the Human Resources department, as well as Frank Albeartie. A lot of time and effort has been expended this spring in the preparation of the budgets and their work is greatly appreciated.

Chair Hall extended his thanks to all the staff, to Superintendent Van Haesendonck and the Trustees for their time and questions.

Director Myles extended his thanks to Superintendent Van Haesendonck, Manager Proulx, the finance team and Human Resources. This is a significant amount of work that can be very tedious and challenging. Director Myles noted that a deficit budget is somewhat common. He noted that the board always endeavours to be within boundaries, but sometimes there are factors outside of the board's control. This year the board has moved into a slight deficit - there are a lot of reasons for this: instability of global economy, transportation, fuel, staffing, materials costs. Director Myles thanked staff for doing their due diligence in keeping the board to a bare minimum deficit budget.

8. Adjournment

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

Moved by Trustee Wesley and seconded by Superintendent Van Haesendonck that there being no further business to discuss, on June 6, 2023, the Finance Committee stands adjourned at 12:24PM. -CARRIED.

Minutes: SH/SVH/sy.

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