

Erika Lougheed, Chair

Craig Myles, Director of Education

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**Finance Committee**

Tuesday, December 5, 2023 11:00AM  
Zoom Meeting

Committee Members Present

Shane Hall, Committee Chair

Howard Wesley, Trustee

Julie Bertram, Trustee, arrived 11:10AM

Craig Myles, Director of Education, departed 11:56AM

Seija Van Haesendonck, Superintendent of Business

Staff Present

Wende Proulx, Manager of Finance

Marianne Speirs, Manager of Capital Projects

Saxon Yanta, Acting Executive Assistant

Regrets

Chantal Phillips, Trustee

**1. Call to Order**

SBO Van Haesendonck called the meeting to order at 11:05AM. Following the roll call, it was noted that the meeting had quorum.

SBO Van Haesendonck extended thanks to Trustee Steer for his past service on this committee and welcomed Trustee Bertram in his place.

**2. Election of Chair – SBO Seija Van Haesendonck**

SBO Van Haesendonck thanked Trustee Hall for his work as Chair of the Finance Committee for the last year. SBO Van Haesendonck opened up the floor for nominations for the Finance Committee Chair position.

Trustee Wesley nominated Trustee Hall for Chair. Trustee Hall accepted the nomination.

**2.1. Motion:** Moved by Trustee Wesley and seconded by Director Myles, that nominations be closed.

Trustee Wesley noted that Trustee Hall has done a fantastic job in the Chair position and looks forward to the coming year. Trustee Hall thanked Trustee Wesley for the nomination.

*2.2. Motion: Moved by Trustee Wesley and seconded by Director Myles, that Trustee Hall be acclaimed as the Chair of NNDSB's Finance Committee for a one-year term beginning immediately and ending at the close of the Board of Trustee's annual organizational meeting.*

SBO Van Haesendonck passed the meeting over to the Chair.

### **3. Declaration of Conflict of Interest**

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

### **4. Approval of Agenda**

*4.1. Motion: Moved by SBO Van Haesendonck and seconded by Director Myles, that the agenda for the meeting of December 5, 2023 be approved.*

### **5. Approval of Minutes from Previous Meeting**

As the September meeting did not have quorum, the June meeting minutes could not be approved. As such, both the June and September meeting minutes are being presented at today's meeting for approval.

*5.1. Motion: Moved by Trustee Wesley and seconded by SBO Van Haesendonck, that the minutes of the meeting held on June 6, 2023 be approved.*

*5.2. Motion: Moved by Trustee Wesley and seconded by SBO Van Haesendonck, that the minutes of the meeting held on September 5, 2023 be approved.*

### **6. Business Arising**

SBO Van Haesendonck was asked to speak to the August Quarterly Report.

This report was brought forward in September, but as the meeting did not have quorum it could not be approved. The information in that report was preliminary. Since this report was prepared, the financial statements have been audited and the year-end has been completed. The November quarterly report contained in this committee's package contains the most current information available.

*6.1. Motion: Moved by Trustee Wesley and seconded by Trustee Bertram, that the Finance Committee recommends the Quarterly Report for September 2023 be presented to the Board of Trustees for review.*

### **7. Review of Quarterly Report**

SBO Van Haesendonck was asked to speak to the December Quarterly Report.

This report reflects the audited consolidated financial statements. No Trustee Initiative Funds (TIF) have been expended to date, as no projects have been approved at this time.

It was noted that some funding is very prescribed, while other funding has more flexibility. School renewal is listed here as deferred revenue. There are two types of capital funding: school renewal and school condition improvement. School renewal funding is received from the Ministry, and funds are deferred if not spent. School condition improvement funding is an allocation. Funding is not received until it is spent and reported to the Ministry. As funds are not received in advance, it is not included in deferred revenue.

Trustee Hall asked what happens to unspent TIF budget and SBO Van Haesendonck responded that the surplus funds are rolled into the operational accumulated surplus.

Trustee Hall sought clarification regarding what is considered a Third-Party Grant. Manager Proulx responded that funds received through partnerships or prepaid VISA fees for international students fall into this category.

*7.1. Motion: Moved by Trustee Wesley and seconded by Trustee Bertram, that the Finance Committee recommends the Quarterly Report for December 2023 be presented to the Board of Trustees for review.*

## **8. New Business**

SBO Van Haesendonck was invited to speak to the review of the Terms of Reference (TOR). Staff made the recommendation to change the maximum number of Trustees. This suggestion originated from the annual organizational meeting and a discussion around committee membership as it relates to the size of committees. When a committee has 5 Trustees, it could be construed as having quorum and considered as a board meeting. Typically, there have been 4 Trustees serving on the Finance Committee and staff felt it was appropriate to reflect that in the TOR. Staff also suggest a minimum membership of 2 Trustees because of the important work the Finance Committee does with regards to budget approval and financial oversight.

Following some discussion regarding TOR section 6.0 Meetings, the committee agreed to revise the TOR to reflect that the Finance Committee meets on a quarterly basis with the option to add additional meetings as needed.

It was noted that procurement items valued at greater than \$300,000 have typically been brought directly to the Board for approval, and that it may be appropriate to bring these items forward through the Finance Committee first. It was also noted that sometimes there are procurement items of an urgent and operational nature that require approval; the example provided was snow removal at a school. Items such as this require immediate approval. Following a fulsome discussion, committee members were in agreement to accept urgent reports via email for consideration. In such circumstances, SBO Van Haesendonck will approach the Committee Chair with the item for consideration. If the Chair feels the item can be approved electronically, the report will be distributed to all committee members electronically with a request to review and provide feedback/approval to the report author via email. If the Chair determines that the item requires a meeting, a Finance Committee meeting will be called. It was felt that the wording of section 4.0 Reporting & Accounting in the TOR allows for this type of procedure to occur.

The TOR will be updated based on today's feedback and shared with the Chair for review prior to being sent forward for Board approval.

*Motion: Moved by Trustee Wesley and seconded by SBO Van Haesendonck that the Finance Committee recommends the revised Terms of Reference be presented to the Board of Trustees for approval.*

#### **8.1. Review of draft 2024-2025 Budget Manual.**

SBO Van Haesendonck was invited to speak to the draft 2024-2025 Budget Manual. It follows the same format as last year's budget manual with updated timelines. This draft report will be reviewed by Executive Council following the Finance Committee's review. Following the committee's approval, it will be distributed out to relevant stakeholders.

The first action item regarding preliminary enrolment forecasting has been complete and will be shared at next week's Board meeting. Staff are working to an end date of June 30, 2024, for submission of the budget through EFIS. The intention is to bring it forward to the June Board meeting for approval. The proposed timelines may have to be adjusted depending on when the Ministry releases the GSN. If the Ministry releases the GSN later than normal, staff will discuss the staffing timelines within the collective agreements with the unions. The unions are typically amenable to short extensions when challenges are driven by outside stakeholders, i.e. the Ministry. Until the GSN is received, the department expectations are to budget at the same level from 2023-2024 and no higher. If there is a desire to increase program spending in one area, the expectation is that there will be a decrease in another program area to offset that.

In response to committee questions, SBO Van Haesendonck noted that the budget is presented to Trustees as a rolled up budget, not line by line. As newly identified needs arise within schools or departments throughout the school year, they are assessed through various avenues, and may include shuffling of budgets within a department or school. These operational discussions occur at the senior leadership level. If a significant budget increase is required, especially for a health and safety issue or an urgent item, the request may be brought forward to the finance committee or board (in particular capital project requests).

Moving forward, staff are considering having high dollar value procurement items filtered through the Finance Committee. Additionally, the annual capital projects list was previously presented directly to the Board, but it will now come to the Finance Committee for discussion and recommendation to the board.

#### **8.2. Review 2023-2024 Capital Projects List**

SBO Van Haesendonck was invited to speak to the 2023-2024 Capital Projects List. This report is similar in format to the report that was presented at the January 2023 Board meeting.

As noted earlier in today's meeting, there are two areas of capital funding from the Ministry: school renewal and school condition improvement that each come with unique parameters. The school condition improvement has a 70/30 rule: 70% must be spent on restricted components (foundation, windows, internal HVAC, plumbing, etc.) and 30% is more flexible. School renewal has fewer constraints and can be used on exterior projects

or grounds improvement, along with updates to the buildings. As such, staff try to use school condition improvement funding first.

In the spring, the Ministry introduced a new time limit for capital funding to ensure boards use the funding. Boards now have 2.5 years to use the allocation, in order to ensure capital funding does not remain unspent. On this year's capital projects plan, staff have identified a larger number of projects to focus on spending as much of the capital funding as possible.

Dollar values are not tied to projects partly because they are still being estimated. Additionally, as these projects are tendered publicly, staff want to ensure that bids received reflect the actual cost of the project and are not based on the available budget for the project. Some project tender costs may come in higher than anticipated and staff redistribute funding as needed.

In response to Trustee Bertram's question, SBO Van Haesendonck clarified how projects are selected at the various schools for completion. There are multiple ways a project can be identified:

- Approximately every five years, the Ministry of Education has a third party inspect each of the board's facilities over a certain age. The Ministry of Education inputs this information into the VFA database, and the school board receives a list of projects and timelines, along with estimated costs.
- Projects can be identified during routine repair work.
- The Facilities department receives requests directly for repairs. Projects are also identified by site supervisors and facilities and maintenance supervisors.
- Principals can also bring forward requests for projects.
- Special Education and other programs may identify projects required to meet unique student needs.

Facilities and capital staff look across all buildings to determine highest needs and how they can be addressed. Health and safety projects are also addressed throughout the year.

In response to a question from Trustee Wesley about there being no projects listed for the 2023-2024 for Northern Secondary School, SBO Van Haesendonck and Manager Speirs indicated they would contact the Principal to discuss their needs, and see if there is an urgent health and safety need that has not been addressed. SBO Van Haesendonck also clarified that some work is considered maintenance and does not meet the threshold to be considered a capital project. As such, those maintenance projects would not appear on this capital projects list. Lastly, the staff do have to prioritize projects so not all proposed projects can be addressed in a given year.

*Motion: Moved by Trustee Wesley and seconded by Trustee Bertram, that the Finance Committee recommends the 2023-2024 capital projects list be presented to the Board of Trustees for approval.*

**9. Next Meeting Date:** March 5, 2024 at 11:00AM via Zoom.

SBO Van Haesendonck noted there may be an item to bring forward to the Finance Committee for consideration in January. This may be a great opportunity to try the electronic email approval process. SBO Van Haesendonck will present the item to the Chair for his assessment to see if email approval is appropriate for the item.

SBO Van Haesendonck noted that this is S. Yanta's last meeting with us. She extended her thanks for being instrumental in keeping committees structured and organized. In the interim of hiring S. Yanta's replacement, questions can be brought forward directly to SBO Van Haesendonck.

Chair Hall extended his best wishes to S. Yanta.

## **10. Adjournment**

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

- 10.1.** *Moved by Trustee Bertram and seconded by SBO Van Haesendonck that there being no further business to discuss, on the Finance Committee stands adjourned at 12:13. -CARRIED.*