

Ashley St. Pierre, Chair

Craig Myles, Director of Education

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### **Finance Committee**

Tuesday, July 9, 2024 11:00 AM Zoom meeting

#### Committee Members Present

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

#### Staff Present

Wende Proulx, Manager of Finance  
Deb Bartlett, Communications Officer  
Lesley Marshall, Acting Executive Assistant

#### Absent, with regrets

Julie Bertram, Trustee

#### Guests

Jeanie Fuscaldo, Trustee  
Caren Gagne, Trustee  
Louise Sargent, Trustee

### **1. Call to Order**

The meeting was called to order at 11:00am. Following the roll call, it is noted that the meeting had quorum.

### **2. Declaration of Conflict of Interest**

The Chair called for declarations of conflict of interest; none arose.

Trustee Phillips posed questions on the process for declaring conflicts as it relates to budget deliberations. Discussion ensued regarding best practices for trustees.

Director Myles offered to follow-up on the item and provide more information to members.

### **3. Approval of Agenda**

**3.1. Motion:** *Moved by Trustee Phillips and seconded by Trustee Wesley. Carried*

*That the agenda for the meeting of July 9, 2024 be approved.*

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

*4.1. Motion: Moved by Trustee Phillips and seconded by Trustee Wesley. Carried  
That the minutes of the meeting held on June 4, 2024 be approved.*

#### **5. Business Arising**

##### **5.1 Review budget recommendations from SEAC**

*Motion: Moved by Superintendent Van Haesendonck and seconded by Trustee Phillips, Carried.*

*That, in reviewing and recommending the 2024-25 Estimates to the Board of Trustees for approval, the Finance Committee of the Near North District School Board receives and considers the SEAC budget recommendations as forwarded by the Board of Trustees.*

Superintendent Van Haesendonck noted that the SEAC budget recommendations were approved at the Board of Trustees meeting on June 11<sup>th</sup>, 2024.

##### **5.2 Review and recommendation of draft 2024-2025 Budget**

*Motion: Moved by Trustee Wesley and Seconded by Trustee Phillips. Carried.*

*That the Finance Committee of the Near North District School Board recommends the 2024-25 draft budget be presented to the Board of Trustees for approval.*

Superintendent Van Haesendonck was invited to speak regarding the draft 2024-2025 budget. She noted the report in the package presents a summary of the financial information for consideration when reviewing the motion for recommendation of approval to the Board of Trustees.

A compliant draft budget for the 2024-2025 school year was presented to the committee, with a surplus of \$61,324, revenue of \$188.8 million, and expenses of \$188.7 million.

Items highlighted by Superintendent Van Haesendonck included:

- Projected staffing full-time equivalent (FTE) has increased by 33.0 FTE
  - Of the increase in teaching FTE of 17.30, approximately 9.4 FTE was added in 2023-24 following the completion of the Estimates through the literacy and math PPF funding (now known as Responsive Education Program (REP) allocations) and that funding was continued in 2024-25
  - The 9.0 FTE in educational assistants is a change from budgeting for temporary EAs to introducing permanent positions
- The special education budget is projected to be a deficit of approximately \$609,000, funded by projected special education deferred revenue from 2023-2024, because of an increase in the Special Incidence Portion allocation following the completion of the 2023-24 estimates
- The Ministry introduced time limits in 2023 on school board renewal funding allocations and following the original release of the 2024-25 Estimates information, the Ministry provided an update on June 25, 2024 updating renewal funding time limits. All available funds from prior school years will expire on August 31, 2026; renewal allocations for 2023-24 will now expire on August 31, 2025; and, renewal allocations for 2024-25 will now expire

on August 31, 2026. From this point forward, boards will have two years to spend allocations.

- Subsequently capital and facilities departments endeavored in 2023-24 to increase the number of capital projects to utilize funds within the required timelines, and the capital budget for 2024-25 reflects that any unspent renewal funds from 2023-24 will have to be spent by August 31, 2025.
- 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 2024.
- The transportation deficit increased from \$1.65 million in 2023-24 to \$2.14 million as the funding increase is not sufficient to account for the projected inflationary increases that has been experienced in the contracts.
- The board received a significant reduction in its transportation funding transition component from \$1,122,061 in 2023-24 to \$361,609 in 2024-25, and as the board's overall allocation increased more than 3% (as a result of increased enrolment resulting in more eligible students), the board did not receive the 3% top-up funding provided to other boards
- Related to the Indigenous funding allocation, on June 21, the Ministry sent an email identifying that when the funding formulas were updated to reflect the change for the census data, the Ministry incorrectly phased in the full increase rather than the partial 1<sup>st</sup> year increase they planned to phase in for Board Action Plan funding.
- The Ministry provided sufficient information for the board to calculate the amount of overfunding included in the Estimates (approximately \$432,000), and this funding has been moved to deferred revenue so when the benchmarks are updated, and the error corrected for Revised Estimates (and funding reduced), the board will not be impacted.

Questions and comments from Committee Members regarding the budget were as follows:

Trustee Wesley questioned whether more detail could be provided, including a breakdown of items listed under consulting costs, office costs and software costs. It was suggested this would provide a clearer overview for trustees of those areas of spending. He also asked about how the board is moving forward with advancement in computer technology and artificial intelligence (AI).

Superintendent Van Haesendonck acknowledged it is a balancing act to know how much detail to provide, and as such the report is structured in a manner that zeroes in on impactful changes. It was also noted that the language utilized on the comparative expense summary comes directly from the Ministry forms, and consultants are in most instances are board staff, not third parties.

Superintendent Van Haesendonck also noted that the board has moved away from inhouse development of software programs to software vendors that offer tailored options for school

boards, meeting Ministry requirements which have increased software licensing and maintenance fees over time, but has reduced hardware costs and allowed IT staff to redirect their efforts to other priority items. She also agreed that AI is becoming more prevalent and identified the challenge of incorporating AI into business processes appropriately, and noted that the board is gradually making use of AI features in existing software.

Trustee Phillips questioned whether it was expected that next year's budget process would differ from the 2024-25 budget, which saw some delays in reaching expected target timelines.

Superintendent Van Haesendonck explained that the impact of the work related to Bill 124 spanned several departments, some of which have experienced significant staff turnover. Key staff who would otherwise be working on the budget were required to redirect their focus to completing tasks associated with Bill 124 well into the end of June, while keeping daily operations of the board moving forward. Barring unanticipated circumstances and with a normal Ministry release schedule of budget information, she noted that the board can expect a return to a more regular budget cycle. Superintendent Van Haesendonck also expressed her gratitude to all the staff for their extensive efforts to meet the extended timeline.

Trustee Phillips noted concern regarding the transportation deficit.

Superintendent Van Haesendonck acknowledged the work that has gone into bringing costs in line with funding, and noted contract structures pose challenges with the new funding formula. She advised conversations are ongoing to identify opportunities to create an expenditure process that has the potential to provide a more balanced budget. The NNDSB will continue to advocate in conjunction with the other partnering boards and the consortium in continuing dialogue.

Trustee Phillips noted her appreciation for the permanent EA positions created, but questioned whether the deficit being covered by deferred funds can be maintained beyond 2024-25.

Superintendent Van Haesendonck advised that some of the special education investments into the system in the 2024-25 budget may be one-time investments to provide supports in specific schools. Superintendent Graves and the Special Education team requested the ability to direct the deferred revenue to bring in additional supports, with the intention of reviewing all of the supports through the 2024-25 year to ensure that the outcomes are achieved as expected. She also noted that the team is mindful that the Ministry is continuing its review of the SIP funding process, which may result in funding formula changes after 2024-25, and necessitate changes to staffing or resources.

Following approval of the motion, Director Myles thanked the committee members for their questions and comments and acknowledged that provincially school boards are struggling with their budgets. The Director also thanked staff for their hard work preparing the budget.

## **6. New Business**

### **6.1 Borrowing Resolutions**

Motion: Moved by Trustee Wesley, Seconded by Trustee Phillips. Carried.

*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 June 29, 2024 to August 31, 2024, and the fiscal year 2024-2025.*

Superintendent Van Haesendonck advised that the included borrowing agreement is a new item for the Finance Committee, as borrowing resolutions are typically brought to the Board of Trustees at a board meeting. The Board completes this approval process annually to ensure access to line of credit funds in the event of cash management challenges, and to provide construction-based term loans to bridge gaps in receiving capital funding from the Ministry.

Superintendent Van Haesendonck explained that RBC, as part of an industry-wide change, is no longer offering Banker's Acceptance facilities, and has moved to Canadian Overnight Repo Rate Average (CORRA). The information was not received with sufficient time to include in the June board package, but this is a time-sensitive item as the board does not currently have access to borrowing facilities due to the change in the facilities effective June 28, 2024, and requires board approval of the new facilities to ensure access to the loans if required.

#### **6.2 NNDSB 2024-014 Electrical Service Upgrades, West Ferris Secondary School – Tender Award**

*Motion: Moved by: Trustee Phillips, seconded by SBO Van Haesendonck. Carried. That the Finance Committee of the Near North District School Board recommends that the Board of Trustees awards tender NNDSB 2024-014 Electrical Service Upgrades, West Ferris Secondary School to Bernard Rochefort Limited for \$544,000.00 plus HST.*

Superintendent Van Haesendonck advised that this is an opportunity to complete some upgrades to the Electrical Service at West Ferris Secondary School while other work is taking place. The tender requested add-on pricing for electrical panels replacement, and circuit tracing and mapping. The recommendation includes accepting the base bid with the add on for replacement of panels only. This item is slightly over the existing budget, however savings on other capital projects allows for reallocation to cover the budget overage.

#### **7. Next Meeting Date: Tuesday, September 17, 2024 at 11:00 am via Zoom**

Trustee Hall thanked all Trustees for taking the time to attend and review the finance committee package, and also thanked Superintendent Van Haesendonck and the finance team for their work preparing the budget.

#### **8. Adjournment**

*Motion: Moved by Trustee Wesley and seconded by Director Myles. Carried  
There being no further business to discuss, on July 9, 2024, the Finance Committee stands adjourned at 12:15 pm.*