

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.