

BUDGET COMMITTEE MEETING MINUTES – JUNE 7, 2023

PUBLIC MEETING

Roll call:

Trustees:	Staff:
R. Hutcheon (Chair) B. Godkin (Vice-Chair) G. Elliott J. Morning J. Brown - regrets K. Maracle-regrets K. McGregor S. Ruttan T. Lloyd J. Neill E. Jackson (Student Trustee) J. Kolosov (Student Trustee)-regrets A. Wang (Student Trustee)-regrets	K. Burra, Director of Education C. Young, Superintendent of Business Services P. Carson, Manager of Financial Services L. Benjamin, Assistant Manager of Financial Services J. Silver P. Gollogly S. Sartor S. Hedderson S. McWilliams A. McDonnell
	Recorder: A. Galt, Administrative Assistant Producer: J. Douglas, Communications Officer

1. CALL TO ORDER

Chair Godkin called the meeting to order.

Chair Godkin stated that the Acknowledgement of Territory was recognized earlier in the meeting at the EPOC meeting.

2. ADOPTION OF AGENDA

Chair Godkin asked for any additions or objections to the agenda. There were no additions or objections.

MOVED BY: Trustee Hutcheon that the agenda, as presented, be approved. Carried.

3. DECLARATION OF CONFLICT OF INTEREST

None.

4. ACTION ITEMS

4.1 Budget Committee Minutes, May 24, 2023

MOVED BY: Trustee Neill that the minutes as presented be approved. Carried.

5. REPORTS FOR INFORMATION

5.1 Preliminary 2023-2024 Operating Budget Expenditures, C. Young, Superintendent of Business Services and P. Carson, Manager of Financial Services

Superintendent Young thanked Manager Carson and the financial services team for their work pulling the package together.

Manager Carson presented the Preliminary 2023-2024 Operating Budget Expenditures. Manager Carson highlighted the changes between the 22-23 revised estimates and the 23-24 estimates.

Classroom Teachers have increased \$4.2M or 3.1%. This increase is due to an addition of 7.5 FTE as a result of increased enrolment, Priorities and Partnership Fund (PPF) funding, labour framework provisions, qualification and experience changes, and statutory and ELHT premium adjustments, which is offset by the COVID-19 funding removal.

Educational Assistants or Teacher Assistants have increased \$220,000 or 1.3%. This increase is due to an addition of 0.50 FTE, labour framework provisions, and statutory and ELHT premium adjustments, which is offset by the COVID-19 funding removal.

Early Childhood Educators have increased \$186,000 or 3.9%. This increase is due to labour framework provisions, qualification and experience changes, and statutory and ELHT premium adjustments, which is offset by a reduction of 3.0 FTE due to declining enrolment in Kindergarten classes.

Textbooks and Supplies have decreased 135,000 or 2.1%. This decrease is mainly due to the reduction in PPF funded expenditures, which is offset by increased international homestay expenditures.

Computers have decreased \$2.2M or 38.0%. This decrease is a result of a reduction in Surplus and PPF funded expenditures.

Professionals / Paraprofessionals have decreased \$227,000 or 2.3%. This decrease is due to a reduction in student supervision expenses as a result of the COVID-19 funding removal, which is offset by labour framework provisions, and statutory and ELHT premium adjustments.

Library and Guidance have increased \$156,000 or 5.1%. This increase is due to an addition of 0.60 FTE as a result of an increase in enrolment, labour framework provisions, and statutory and ELHT premium adjustments.

Staff Development has increased \$55,000 or 4.3%. This increase is a result of the increase in PPF funded expenditures.

Principals and Vice Principals have decreased \$290,000 or 2.5%. This decrease is due to a reduction of 1.8 FTE as a result of the COVID-19 funding removal, which is offset due to experience changes, labour framework provisions, and statutory and ELHT premium adjustments.

School Office has increased \$217,000 or 3.2%. This increase is due to labour framework provisions, and statutory and ELHT premium adjustments, which is offset by the reduction of 0.80 FTE as a result of the COVID-19 funding removal.

Coordinators and Program Teacher Support has increased \$351,000 or 8.7%. This increase is due to an addition of 2.0 FTE as a result of PPF funding, labour framework provisions, and statutory and ELHT premium adjustments.

Continuing Education has decreased \$232,000 or 11.4%. This decrease is due to the reduction in the Personal Support Worker (PSW) and summer learning program expenditures, and decreased enrolment in Literacy and Numeracy, which is offset by labour framework provisions, and statutory and ELHT premium adjustments.

Board Administration has increased \$37,000 or 0.5%. This increase is due to labour framework provisions, and statutory and ELHT premium adjustments, which is offset by the reclassification of 2.0 FTE positions to other categories.

Transportation has increased \$839,000 or 4.3%. This increase is a result of increases in fuel and bus operator contract rates.

School Operations and Maintenance have decreased \$25,000 or 0.1%. This decrease is due to a reduction of 6.0 FTE as a result of the COVID-19 funding removal and reclassification of positions to other categories. This decrease is offset by labour framework provisions, statutory and ELHT premium adjustments and increased utility costs.

Other Non-Operating Expenses has decreased \$240,000 or 10.8%. This decrease is due to the elimination of the Ministry funded PPE In-kind. This decrease is offset by labour framework provisions, and statutory and ELHT premium adjustments.

In summary, the 23-24 Preliminary Operating expenditures of \$280.8M exceed the 23-24 Preliminary Operating revenues of \$278.2M by \$2.6M.

Manager Carson passed the floor over to Superintendent Young to walk through the appendices.

Superintendent Young explained that the appendices would provide more clarity with regards to the expenditures in specific areas.

On Appendix A, the Indigenous Education portfolio, the revenue is down to \$2.36M from \$2.81M and one time mitigation funding of \$406,000 in that. Superintendent Young pointed out the list of the expenditures that we expect to see, and the total expenses of \$2.36M.

Moving onto Appendix B, Equity & Inclusion. The province does not fund Equity and Inclusion for all school boards. The Limestone District School Board (LDSB) is not one of the boards that is funded. Trustees in the past have spoken very clearly about how important Equity and Inclusion work is at LDSB. Through staffing support as well as PD, about \$487,000 will be spent this year.

Moving through Appendix C, Special Education and Mental Health. This presentation was provided to SEAC as well. Total revenue for Special Education of \$34.4M. Total expenses of \$37.9M with a shortfall of \$3.5M. Additional resources that we provide to Special Education services throughout the Board at another \$2.7M, giving us \$6.245M in expenses that exceed revenue. Special Education is one of those areas where the money is sweated, but we continually spend more. That is not unlike all of the school boards within the province.

Appendix D is Programs Supported by Accumulated Surplus. With \$280M in expenses and \$278M in revenue, that leaves a deficit. We are funding that deficit by using accumulated surplus. We are using \$2.636M of our accumulated surplus funding for Equity and Inclusion, the Food Sharing Project, and Unfunded Statutory Benefit Increases. Pertaining to Unfunded Statutory Benefit Increases; the province talks about fully funded agreements. OPSBA lobbies for fully funded agreements with our labour partners. For this year, our number is \$703,000 of increases to statutory benefits that are not covered by the province. Support for the transportation deficit; we are running a transportation deficit of \$1.9M. We are supporting some of that through our regular budget, \$1.45M is supported by accumulated surplus.

Superintendent Young noted in the recommendation that this report be received for information purposes and offered to answer any questions.

Chair Godkin opened the floor for questions and discussion ensued.

5.2 2023-2024 Preliminary Capital Budget -Revenues and Expenditures, C. Young, Superintendent of Business Services and P. Carson, Manager of Financial Services

Manager Carson presented the 23-24 Preliminary Capital Budget – Revenue and Expenditures.

Manager Carson stated that in our reports, the 23-24 Preliminary Capital Budget – Capital Revenues of \$24.7M are balanced to the Capital Expenditures of \$24.7M.

For 23-24, the School Renewal allocation is \$4.4M, an increase of \$312,000 as compared to the 22-23 Revised Estimates amount of \$4.1M.

The School Condition Improvement allocation is \$16.9M, an increase of \$186,000 over the 22-23 Revised Estimates amount of \$16.7M.

The funding from each source matches the expenses, for example, school renewal revenue of \$4.4M matches the school renewal expense of \$4.4M.

Manager Carson noted this report is for information purposes and offered to answer any questions.

Chair Godkin thanked Manager Carson, opened the floor for questions and discussion ensued.

6. ACTION ITEMS

6.1 2024-2025, 2025-2026 Deficit Elimination Plan to the Board for Approval, C. Young, Superintendent of Business Services and P. Carson, Manager of Financial Services

Superintendent Young presented the 2024-2025, 2025-2026 Deficit Elimination Plan. Superintendent Young explained that when we run a deficit and fund that through our accumulated surplus, we need Trustees approval on a two-year plan to bring us out of a deficit position. Boards are allowed to run a deficit for two years, providing it does not exceed 1% of our operating revenues. After two years' time, we need Minister approval. This was suspended last year due to Covid. As per legislation, next year we will need to go to the Minister for approval to use our reserves. We can use up to 1% of our operating revenue (our surplus) as a value to fund our deficit.

In regard to the two-year deficit plan adjustments; in two years' time, 2024/2025 and at the end of 2025/2026, it would be an expectation for Equity and Inclusion to be funded by the Ministry. The Food Sharing Project reduction; food sharing is not an area that the Ministry specifically funds, which is why it is showing as funded by surplus and on the two-year deficit elimination plan. There is a two-year plan in place to address that to the Ministry. For Statutory Benefit Increases, there are discussions amongst the school boards throughout the province through OPSBA for the Ministry to come to the table and to fund that. It would be our expectation that the Ministry does come to the table to fund the Statutory Benefit Increases. For Transportation Efficiencies, we are looking at \$985,000 in Transportation Efficiencies by the end of 2025/2026. As expressed at the previous board meeting, there are going to be some decisions that need to be made with regards to transportation. There is an expectation that the Ministry will come to the table to fund some of the shortfalls from this new transportation grant and formula they have implemented that has caused this problem not only with Limestone, but also with our neighbouring boards throughout the province.

The Operating Accumulated Surplus Balance is at \$21.56M. That is what we have at the moment. If we draw down that surplus by \$2.6M at the end of 25-26, our balance will be \$18,927,000.

There is a recommendation to use \$2.6M of our accumulated surplus to fund our deficit, with a deficit elimination plan submitted to the Ministry to show how we could eliminate this within two years. Having said that, we have in excess of eight years to smooth this out using \$2.6M per year, of the \$21M.

Superintendent Young offered to answer questions.

Chair Godkin thanked Superintendent Young for the report, opened the floor for questions and a discussion ensued.

At Chair Godkin's suggestion, the motion to approve the deficit plan was tabled until after the presentation and approval of the budget report.

6.2 2023-2024 Consolidated Budget and Recommendation to the Board for Approval, C.
Young, Superintendent of Business Services and P. Carson, Manager of Financial Services

Manager Carson presented the 23-24 Consolidated Budget and Recommendation to the Board for Approval.

The 23-24 Preliminary Operating Budget Revenue totaling \$278.2M was presented at the May 24, 2023, Committee of the Whole Board Budget meeting. We have just presented the 23-24 Preliminary Operating Budget Expenditures totalling \$280.8 M. We are using \$2.6M of accumulated surplus to cover the difference, as previously mentioned. We also just presented the 23-24 Preliminary Capital Budget Revenues and Expenditures, each totalling \$24.7M.

The Ministry requires school boards to submit a consolidated PSAB budget. PSAB is Public Sector Accounting Board, which is shown on pages 31 and 32 of the package.

In Summary, our operating revenue is \$278.2M, capital is \$24.7M. We have PSAB adjustments for capital, school generated funds and amortization of employee future benefits. We have similar adjustments to our operating and capital expenses. New for 23-24, we have amortization of Asset Retirement Obligations (ARO) of \$1.2M. After all of these adjustments we are showing almost a \$4M deficit.

Our compliance report excludes some of the PSAB adjustments, the main one being the amortization of ARO of \$1.2M, leaving us with a deficit of \$2.6M for compliance purposes.

As reflected on this report, we are compliant since our deficit is less than 1% of our GSN allocation.

Manager Carson passed the floor to Superintendent Young.

Superintendent Young thanked Manager Carson and discussed Asset Retirement Obligations (ARO), which was new for this year. Facilities and Finance have done an extensive amount of work on this.

This involves booking as a liability/addressing the designated substances that are in facilities. Designated substances are included in the asset retirement obligations. Facilities and finance have done an in-depth review of all our facilities, and we have booked a paper liability on our books to cover the potential removal. If we were to sell all of our buildings today and we had to deal with all of that removal, what would that do to our balance sheet? Essentially, that is the basis of this liability. It is a paper exercise we are required to do. The Ministry understands we are required to do this and that is why the ARO piece is removed from the Compliance Report, leaving the surplus at \$2.636M. Booking that liability used some of our surplus as well, which is why our surplus was in excess of \$21M last year and it has been reduced to \$21M as a result of booking this liability for the ARO. When we depreciate the buildings, we depreciate the building portion, we do not depreciate the land. Then, when we turn and sell it, we recover whatever funds there are. Typically, when we are selling facilities, the building has long been depreciated but we are still required to book the liability of that removal.

This is the compliance report for the Ministry that we submit once Trustees approve. We are within 1% of the operating GSN at the \$2.64M. Superintendent Young pointed out the recommendation and offered to answer any questions.

Chair Godkin opened the floor to questions and discussion ensued.

MOTION: That upon Ministry approval, the Board approve the 2023-2024 Budget prepared on a PSAB basis with total revenues of \$299,802,046 and total expenditures of \$303,759,491.

*MOVED BY: Trustee Neill.
The motion is passed with two dissenting members.*

MOTION: That the Board approve the 2024-2025, 2025-2026 Deficit Elimination Plan as outlined in the Two-Year Deficit Elimination Plan.

MOVED BY: Trustee Hutcheon.

Chair Godkin asked if there were any objections to the motion, there were no objections to the Motion as presented. All in favour, carried.

4. OTHER BUSINESS

None at this time.

5. NEXT MEETINGS

Chair Godkin noted the tentative meeting on June 14, 2023, is not required.

6. ADJOURNMENT

MOVED BY: Trustee McGregor that the meeting be adjourned. Carried.



Meeting adjourned at 8:38 pm.

Limestone District School Board

Limestone District School Board is situated on traditional territories of the Anishinaabe & Haudenosaunee.

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