



School Banking Update

To: Finance, Budget and Enrolment Committee

Date: 2 November, 2021

Report No.: 11-21-4196

Strategic Directions

- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the School Banking Update report be received.

Context

The purpose of this report is to update Trustees on the Toronto District School Board's (TDSB) school banking arrangement.

PACE Savings and Credit Union Limited (PACE), formerly North York Community Credit Union prior to 2007, has provided school banking services to the TDSB and former Toronto legacy school boards for over 30 years. There are approximately \$21M in TDSB petty cash and school generated funds accounts held at PACE.

At the June 1, 2021 Finance, Budget & Enrolment Committee private meeting, staff provided an update around PACE Credit Union's financial status and risk mitigating strategies. Staff also discussed the circumstances around the \$500M credit facility issued to PACE from the Financial Services Regulatory Authority of Ontario (FSRA) and why PACE was placed under FSRA's administration in early 2021.

TDSB has been engaging in ongoing discussions with FSRA and PACE's senior management regarding their financial status and FSRA's monitoring process. A copy of PACE's public client memorandum is enclosed in Appendix A, which provides further information around FSRA's governance role. FSRA has also indicated that they

continue to actively monitor PACE's financial condition, including daily monitoring of liquidity and weekly monitoring of capital. Based on recent communications with FSRA, there does not appear to be any immediate risk relating to TDSB's account balances. However, staff are monitoring the situation closely and are actively working on a plan to gradually migrate the accounts to another financial institution.

TDSB currently has an existing board-level banking agreement with CIBC, as they were awarded the banking contract through the public tendering process in 2018. CIBC has been providing banking services to TDSB since prior to amalgamation. CIBC has expressed that they are interested in providing school banking services to TDSB. They are currently reviewing the funds delivery service model and will provide TDSB with a service proposal some time in November 2021.

Action Plan and Associated Timeline

Staff will provide trustees with updates around any changes to the school banking arrangement at future FBEC meetings.

Resource Implications

If the TDSB cannot identify a financial institution with complimentary secure funds delivery service, these associated costs will require additional budget resources.

Communications Considerations

Communication around school banking arrangement changes will be sent to Principals and School Councils once a decision has been finalized.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

Appendix A: PACE Credit Union memorandum to members April 2021

From

Marisa Chiu, Interim Executive Officer, Finance at marisa.chiu@tdsb.on.ca or 416-395-3563.

Wendy Heis, Interim Assistant Comptroller of Finance at wendy.heis@tdsb.on.ca or 416-395-8041.