



## School District No. 22 (Vernon)

... a great place to learn

# Local Capital Budget Plan Overview

September 28, 2016

## Introduction

The Board manages its financial resources in three district areas: the operating fund, special purpose funds, and capital funds.

This report deals with the Local Capital account which is one of the capital funds. Local Capital is intended to fund capital projects that are approved locally by the Board.

Purchases for computers, equipment, furniture, vehicles, and other improvements that are required to be capitalized, funded out of operating revenues, need to be purchased through the Capital Fund. Budgets are established to cover the costs of these items through interfund transfers for Tangible Capital Assets Purchased and Local Capital.

Local Capital includes funds from the sale of assets, interest income, and transfers from other funds. Capital projects that are not supported by the government through the Ministry of Education's Capital Plan funding need to be funded through School District Funding.

The attached plan provides a four year Local Capital Budget Plan.

## Background Information

The Board has an accumulated local capital balance for \$6,679,289.

The Board approved transfers from operating to local capital through the budget process and through additional specific motions. For the current 2016/17 year, the board has approved transfers in the amount of \$778,000 to support technology, vehicles, and equipment. It is recommended that the Board increase the transfers for technology as outlined in the 2016/17 budget update. These annual transfers are necessary to maintain our vehicles and equipment and support the technology plan.

The Board has a number of surplus properties that have been identified for potential disposal. While the Board has not determined which properties will be disposed or when, it is anticipated that the Board will dispose of at least some of these properties and proceeds will be deposited into the Local Capital account.



Annual allocations to Local Capital support the ongoing projects necessary to maintain our vehicles and equipment and support the technology plan. Any unused funds are maintained in each account and carried forward to the next year. This allows the departments responsible to plan replacements appropriately and smooth the purchase activity over a number of years.

A number of school improvements that are not funded by the Ministry are often required. Budgets are being recommended to help support a number of items such as, but not limited to, the replacement of school shop equipment, chairs and staging, commercial kitchen equipment, window coverings, stage curtains, and upgrading classrooms for technology installations and other improvements.

In the Board's Long Term Facility report, the need for replacements and improvements that required local funding were identified. These included a bus wash addition, facility alterations to accommodate a bus hoist and the replacement of portables at the board office and the renovation of the existing board office space.

On September 28, 2016, the Board was provided with a Five (5) Year Capital Plan Summary. (Attached) The Board approved this summary and the plan has been submitted to the Ministry of Education.

The Capital Plan included a number of projects and the Plan identified the Total Funding Request to the Ministry that was required for projects to advance and identified projects that would be funded through School District Funding.

Major capital projects that are eligible and should be funded by the Ministry require approval and support from the Province. These projects cannot advance until the Ministry supports the project. For projects that are not eligible for funding or are required to be funded through school district funding, these projects may advance without Ministerial approval.

The School Board Office (SBO) portable replacement and renovation was identified on the Capital Plan and approved by the Board. The Minister has advised the Board that the project will not be funded and that the Board would need to fund this project locally when approved by the Board. This project is now included in the Local Capital Budget Plan.

The SBO project is currently estimated for new construction of approximately 700 sq. meters to replace portables and renovation of the existing 1,334 sq. meters.

Currently there is 626 sq. meters of space located in temporary portables that are in very poor condition. This space accommodates Itinerant teaching staff, Aboriginal Education staff, meeting space including the Board Room, and warehouse space. To replace these portables requires the construction of new space.



The existing board office has the worst facility condition rating of all facilities in the school district. This project retains this space, but reconfigures and renovates the space.

The Local Capital Budget Plan supports the commencement of planning processes in 2016/17, then the construction of new space to replace the temporary portables, and then the renovation of the existing board office space. Information will be provided to the Board as this project proceeds.

This four year budget plan will be updated each year.

### **Recommendation**

That the Board of Education approve the Local Capital Budget Plan as presented.