



## School District No. 22 (Vernon)

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# 2017/18 Capital Budget Plan Report

April 7, 2017

## Introduction

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

The Board's Annual Budget Bylaw includes capital funds that include Bylaw Capital, Restricted Capital and Local Capital Funds. Capital fund budgets are based upon the Board's Five Year Capital Plan, Long Term Facilities Plan, and Local Capital Plans.

The Ministry of Education's Five Year Capital Plan Policy states the following:

'A board of education's five-year capital plan should reflect a strategy for balancing the supply of existing facilities against both current and projected enrolment demands. This plan should also reflect the replacement or rejuvenation of existing facilities, including seismic upgrades and building envelope remediation.

The five year capital plan must be based on a comprehensive School District Facilities Plan (SDFP). Such plans take into consideration education program requirements and trends; operating capacities and current condition of existing facilities; current and anticipated changes in land use; student yield rates; community demographics; local community and economic development strategies; and other long-term planning considerations.

The SDFP provides the rationale for specific projects that may be proposed as part of a board of education's five-year capital plan. The SDFP should outline concrete plans for a ten-year planning horizon with more general consideration for the longer term. The scope and emphasis of each SDFP will vary depending on the specific circumstances and priorities of each school district.

Five-year capital plans from school districts are used to develop the Ministry of Education capital plan for consideration of Treasury Board for an upcoming capital budget year.

Funding consideration for a capital project involving new school space, the renovation of an existing school, or the replacement of an existing school will only be considered if a supporting Project Identification Report (PIR) is provided as part of a five-year capital plan submission.

The Ministry of Education capital plan is developed on the basis of established ranking criteria for requested capital projects and anticipated future capital funding levels.'



The Board's Five Year Capital Plan is primarily intended to outline capital projects that the Board is requesting government to support, approve and finance. The project requests may include and provide for a school district funding component to help finance the project. For projects that are not eligible for Ministry capital funding Boards are expected to finance these locally through district funds.

Major capital project requests, if supported by the Ministry, may take a number of years to complete and therefore have estimated funding requirements over the years. If the project is initially supported by the Ministry, more detailed information will be required through a Project Definition Report to advance the project. These projects include Expansion and Replacement projects.

School districts are responsible to fund both the preliminary and detailed project development work required to advance projects for funding decisions. However, these costs can be recovered from the project budget if the project is approved and a Capital Project Funding Agreement is in place. Local Capital is intended to fund capital projects that are approved locally by the Board and not supported by the Ministry.

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

Local Capital includes funds from the sale of assets 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.

## **Background Information**

On June 22, 2016 the Board was presented with the Long Term Facilities Report. This report provided a number of recommendations that formed the basis for the Board's Five Year Capital Plan.

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 was submitted to the Ministry of Education.

On March 17, 2017, the Ministry provided a response to the Board's Annual Five-Year Capital Plan Submission outlining support for only the Fulton Secondary roofing project from the School Enhancement Program and for the replacement of one bus.



The Board approves annual transfers from operating to local capital through the budget process and through additional specific motions. On November 23, 2016 the board approved transfers in the amount of \$1,033,000 to support technology, vehicles, and equipment for the 2017/18 school year.

- \$ 845,000 Technology
- 130,000 Maintenance Vehicles
- 30,000 Maintenance Equipment
- 28,000 Custodial Equipment
- 10,000 Transportation Equipment

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 purchases over a number of years.

The district also continues to advance a number of capital projects and initiatives that were outlined in the Long Term Facilities Plan:

- 1) Replacement of Charles Bloom Secondary and that the Board engages in a consultation process with the Charles Bloom Secondary community to help determine the preferred option and alternative for the school project.
- 2) A boundary review for Kalamalka family of schools to reduce enrolment growth pressures on Coldstream Elementary, balancing enrolment with Lavington Elementary and Kidston Elementary.
- 3) The replacement and expansion of both Silver Star Elementary and BX Elementary.
- 4) A three classroom addition to Alexis Park Elementary.
- 5) A program option and grade information review for French Immersion.
- 6) The replacement of the school district board office.
- 7) The future of the five undeveloped sites owned by the district, Whitevale Elementary and the Dorothy Alexander property.
- 8) A catchment area review to determine if transportation efficiencies can be achieved while ensuring enrolment growth and school capacities are aligned.
- 9) Develop supplementary funding plans for facility improvement projects that are not supported through the Capital Plan Framework.



- 10) Options for alternate programs including accommodating alternate programs in current school district sites, the centralization of some programs in a district owned facility, major renovation or replacement requirements of the Dorothy Alexander Centre.
- 11) Maintenance operations facility and the bus garage facility are considered for future upgrades and improvements.

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 district receives annually approximately \$1.6 million to renovate and update school district facilities. The district has an uncommitted accumulated local capital balance of \$6.7 million. The district also has approximately \$400,000 remaining from the construction of Vernon Secondary School and \$120,000 from other sources that is restricted by the Ministry that could be used as contributions towards projects.

In addition, the Board has a number of surplus properties that have been identified for potential disposal and proceeds will be deposited into the Local Capital account.

### **Recommended Actions**

The following recommended actions are proposed to continue to advance capital initiatives. Other capital initiatives that are already being addressed through existing processes are not included.

- 1) That the Board determines a consultation process with the Charles Bloom Secondary community to help determine the preferred option and alternative for the school project.
- 2) That the Board changes the replacement and expansion projects of both Silver Star Elementary and BX Elementary to expansion projects and review Hillview Elementary as an option for an addition.
- 3) That the Board review Alexis Park Elementary and determine whether the project should be changed from a three classroom addition to a two classroom addition.
- 4) That the Board proceeds with the planning, renovation of existing space and new construction to replace portables for the school district board office.
- 5) That the Board proceeds with the planning and capital projects for the bus wash addition and the bus hoist project.



## **Rationale**

- 1) That the Board determines a consultation process with the Charles Bloom Secondary community to help determine the preferred option and alternative for the school project.**

Charles Bloom is an older facility that was designed for 600 students. Based upon current and projected enrolment, the district estimates that a replacement school would likely be designed for 400 students.

While the project is currently submitted as a replacement school of 400, consultation with the community and additional information will be required to determine the best option for addressing the educational and facility needs for a school in this community.

Three options were developed in the LTFP including the recommended option included in the Capital Plan. The two other options were for a major renovation of the existing school while retaining the current grade configurations or for a replacement K-12 school with the consolidation of enrolments from other schools.

The Board should engage the Charles Bloom community to help plan the preferred option for this capital project. The format and the timing of this consultation needs to be determined.

- 2) That the Board changes the replacement and expansion projects of both Silver Star Elementary and BX Elementary to expansion projects and review Hillview Elementary as an option for an addition.**

The Silver Star project is currently identified as a full replacement for a new school with a three (3) classroom addition to accommodate the long term growth at Silver Star.

BX is currently operating over capacity and has five (5) portables on site to address this overcapacity. This project is currently identified as a full replacement and expansion for a new school to accommodate the long term growth at BX.

Hillview's site may be more conducive to an addition and may support the areas enrolment growth.

The district has approximately \$400,000 remaining from the construction of Vernon Secondary School that is restricted by the Ministry that could be used as a contribution towards the BX project as outlined on the Five Year Capital Plan Summary.



Competing for capital project approvals and funding from the Ministry will continue to be challenging. Changing these projects to expansion projects will address the Board's space challenges and reduce the cost of the project improving the likelihood of being supported by the Ministry.

Attached is a draft addition concept for BX. The district is currently in the process of having draft addition concepts developed for Silver Star and Hillview.

**3) That the Board review Alexis Park Elementary and determine whether the project should be changed from a three classroom addition to a two or four classroom addition.**

The Alexis Park Elementary three (3) classroom expansion has been identified in the LTFP. An addition to Alexis Park is the preferred option as Alexis Park is the smallest of the three elementary schools in this family of schools and enrolment is projected to grow over capacity.

After a review of the Alexis Park site plan, it was determined that a three classroom addition may not be the most suitable for this site. The project site is more conducive to a two or four classroom addition. The district is currently in the process of having a draft addition concept developed for Alexis Park.

**4) That the Board proceeds with the planning, renovation of existing space and new construction to replace portables for the school district board office.**

The School Board Office (SBO) portable replacement and renovation was identified on the Capital Plan approved by the Board on September 28, 2016. The Board has written a letter to the Minister asking for financial support and has received a reply advising that any improvements to the school board offices will need to be funded from Annual Facility Grants and local capital funds.

In the Board's Long Term Facility report the need for replacements and improvements that required local funding was identified. The school district office is one of three projects identified to date. The LTFP suggested that supplementary funding plans be created for facility improvement projects that are not supported through the Capital Plan Framework. As the Minister has advised, this project is not supported through the Capital Plan Framework.

The Board was previously provided with a plan for the funding of this project through Local Capital. The Board decided to not support this project until the outcome of the Supreme Court decision was finalized. As that process has been finalized and government has committed to funding the implementation of that decision, this project is again being presented to the Board for their consideration.



The existing board office has the worst facility condition rating of all facilities in the school district. 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.

A revised financing plan for the Board to consider is suggested. The Board receives approximately \$1.6 million annually in facilities grants (AFG) for the renovation and upgrading of existing facilities. It is suggested that the Board use these AFG funds to support the renovation component of this project estimated at \$3.2 million.

For the construction of new space to replace the portables, it is suggested that the Board use the proceeds from the West Vernon property sale and proceeds from the sale of the additional surplus properties.

Local Capital funds would only be used for this project for equipment, site development and development cost charges. Local Capital funds would then be used on school facility improvements otherwise funded through AFG.

**5) That the Board proceeds with the planning and capital projects for the bus wash addition and the bus hoist project.**

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 and facility alterations to accommodate a bus hoist.

The LTFP suggested that supplementary funding plans for facility improvement projects that are not supported through the Capital Plan Framework. These two projects are not supported through the Capital Plan Framework.

The Board was previously provided with a plan for the funding of these two projects through Local Capital. The Board decided to not support these projects until the outcome of the Supreme Court decision was finalized. As that process has been finalized and government has committed to funding the implementation of that decision, these projects are again being presented to the Board for their consideration.

## **Recommendation**

That the Board of Education approves the Capital Budget Plan Report for consultation and the Recommended Actions be brought back to the Board on April 26, 2017.

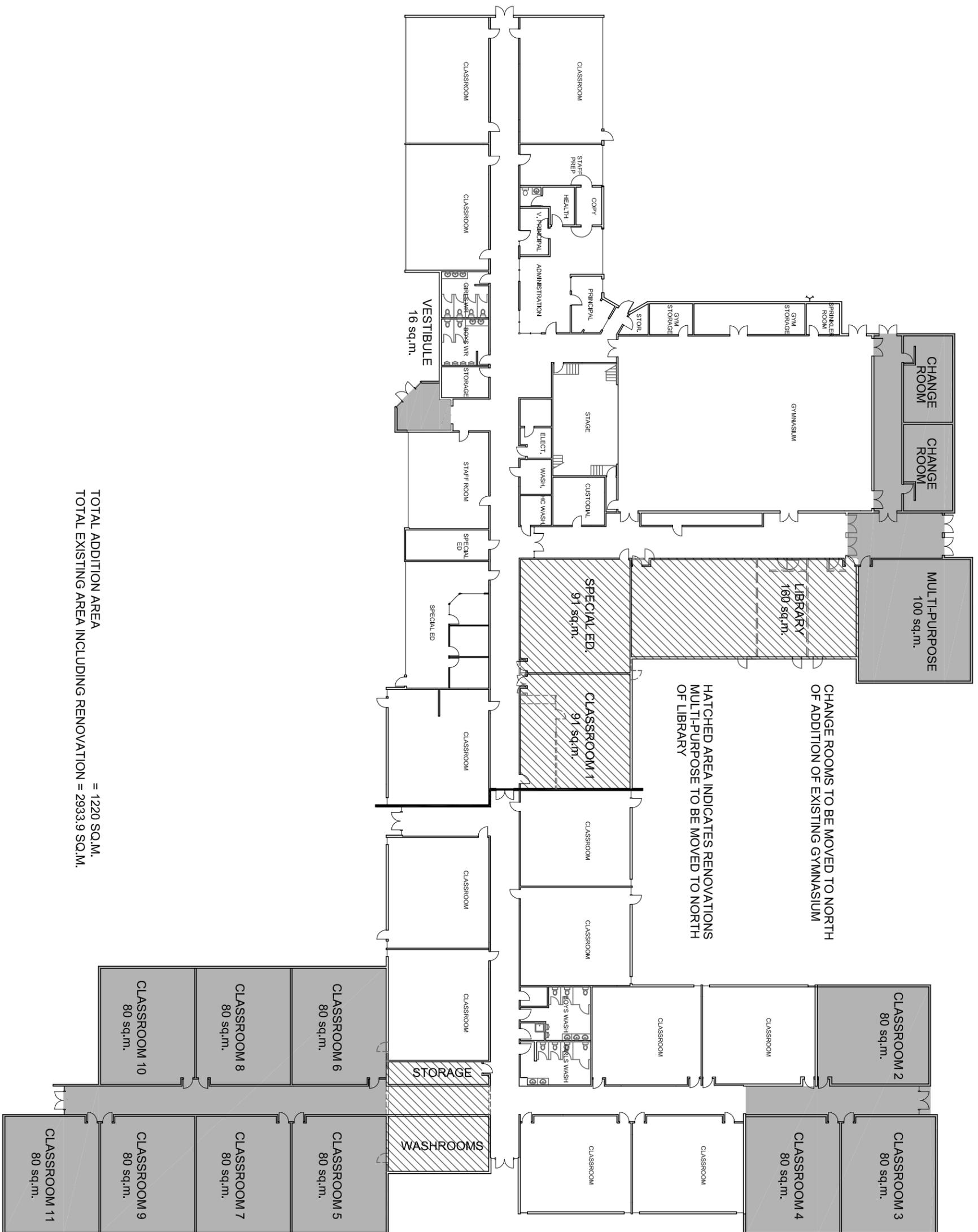
## 5 YEAR CAPITAL PLAN SUMMARY (2017/18)

**SCHOOL DISTRICT NO. 22 (Vernon)**

**September 28, 2016**

**Five (5) Year Capital Plan Summary (Revised)**

PRIORITY	PROJECT #	PROJECT TYPE	PROJECT DESCRIPTION	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Total Funding Request	School District Funding	Total Project Cost
1	New	EXP	Alexis Park Elementary three (3) Classroom Addition		290,000	2,030,000	580,000		\$ 2,900,000		\$ 2,900,000
									-		
1	New	REP	BX Elementary Replacement with ten (10) Classroom Addition	500,000	880,000	9,660,000	2,360,000		13,400,000	400,000	13,800,000
2	New	REP	Silver Star Replacement with three (3) Classroom Addition			1,250,000	8,750,000	2,500,000	12,500,000		12,500,000
3	New	REP	Charles Bloom Secondary Replacement (Right Sized)			2,000,000	14,000,000	4,000,000	20,000,000		20,000,000
4	New	REP	SBO - Replace portables with new space and renovate existing space						-	7,300,000	7,300,000
									-		-
1	New	BEP	Lavington Elementary Building Envelope Improvements		139,600	1,256,400			1,396,000		1,396,000
									-		-
1	New	SEP	Fulton Roof Replacment	1,036,350					1,036,350		1,036,350
2	New	SEP	Ellison Elementary Mechanical Upgrade	435,000	435,000				870,000		870,000
3	New	SEP	Lavington Elementary Mechanical Upgrade	490,000	640,000				1,130,000		1,130,000
4	New	SEP	WL Seaton Sawdust Extractor	198,000					198,000	66,000	264,000
5	New	SEP	Kalamalka Sawdust Extractor	246,675					246,675	82,225	328,900
6	New	SEP	Maintenance Shop Sawdust Extractor	323,800					323,800		323,800
7	New	SEP	Clarence Fulton Sawdust Extractor	262,600					262,600		262,600
8	New	SEP	Hillview Elementary Roof Replacement	175,435					175,435		175,435
9	New	SEP	Lavington Elementary Roof Replacement	272,000					272,000		272,000
10	New	SEP	Dorothy Alexander HVAC Replacement	400,000					400,000		400,000
									-		-
1	New	CNC	Seaton DDC Upgrade	292,500					292,500	97,500	390,000
									-		-
1	New	BUS	Bus Replacement ( C 76)	TBD					-		-
									-		-
<b>TOTALS</b>				<b>\$ 4,632,360</b>	<b>\$ 2,384,600</b>	<b>\$ 16,196,400</b>	<b>\$ 25,690,000</b>	<b>\$ 6,500,000</b>	<b>\$ 55,403,360</b>	<b>\$ 7,945,725</b>	<b>\$ 63,349,085</b>



TOTAL ADDITION AREA = 1220 SQ.M.  
 TOTAL EXISTING AREA INCLUDING RENOVATION = 2933.9 SQ.M.

<b>A2.1</b>	PROJECT TITLE	BX ELEMENTARY SCHOOL SD#22 VERNON B.C.	<table border="1"> <thead> <tr> <th>No.</th> <th>Issue</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td></td> </tr> </tbody> </table>	No.	Issue	Date	1			THESE DESIGN DOCUMENTS ARE PREPARED SOLELY FOR THE USE BY THE PARTY WITH WHOM THE DESIGN PROFESSIONAL HAS ENTERED INTO A CONTRACT AND THERE ARE NO REPRESENTATIONS OF ANY KIND MADE BY THE DESIGN PROFESSIONAL TO ANY PARTY WITH WHOM THE DESIGN PROFESSIONAL HAS NOT ENTERED INTO A CONTRACT.	 Suite 100 - 3313 32nd Avenue Vernon, British Columbia V1T 2M7 T: 250-542-1199 E: info@mqn.ca
	No.	Issue		Date							
1											
DRAWING TITLE	OPTION 1R MAIN FLOOR PLAN										
PROJECT:	17076										
SCALE:	NTS										
DRAWN BY:	Roy										
DRAWING:											