

**Report to Committee of the Whole
March 18, 2013**



**Waterloo Region
District School Board**

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Director of Education

SUBJECT: Capital Priorities Update – March 2013

ORIGINATOR: This report was prepared by Marilyn Allen Marklevitz, Executive Superintendent of Business and Financial Services, Karen Newland, Controller of Financial Services, Ian Gaudet, Controller of Facility Services, Ron Dallan, Manager of Capital Projects and Dennis Cuomo, Manager of Planning, in consultation with Executive Committee.

PURPOSE:

The purpose of this report is to provide an update on Ministry approved Capital Priorities and to seek approval for expenditures for capital projects.

BACKGROUND:

In response to the Ministry of Education Memorandum 2012:B7 – Request for Capital Priorities dated March 29, 2012, a prioritized list of projects to be completed by the 2015 – 2016 school year was compiled for the Ministry. This was presented on May 14, 2012 and approved at Board on May 28, 2012. This list is presented in Appendix A. For the top ten priorities, business cases were developed and included in the School Facility Information System (SFIS) for Ministry consideration. Follow up discussions occurred with Ministry staff in order to arrive at the approvals which were eventually received.

In addition, other Board priority projects not driven by accommodation pressures and therefore unlikely to be funded by the Ministry were identified and presented to Board at the same time. These are on Appendix B. It is important to note that the timing of delivery and scope of projects being considered would be impacted by the Ministry's selection and timing for provincial capital funding.

The Ministry is providing funding for Full Day Kindergarten (FDK) additions at four of the five priorities presented in Appendix B. This generally advances other contemplated school renewal or major maintenance projects at these sites in our effort to minimize the duration of projects and gain cost efficiencies in construction.

The projects with accommodation pressures (growth) and/or projects undertaken in conjunction with an FDK project were identified as Ministry priorities for funding. The Ministry had asked that Boards focus on one or more of the needs as outlined below:

- Accommodation Pressures - Projects that would have been funded through New Pupil Place (NPP) grants under the previous funding formula to accommodate growth.
- Facility Condition - Projects that would have been funded through Prohibitive to Repair (PTR) and include replacement or major retrofit of schools with high renewal needs.
- School Consolidations - Projects resulting from Pupil Accommodation Reviews (PARs that would have historically been funded through PTR or Capital Priorities.)

The Capital Priorities list was compiled by a working team considering planning, facilities, financial, program and accessibility issues. The list reflected a prioritized assessment of needs based on enrolment,

development activity, building conditions and potential outcomes of Pupil Accommodation Reviews (PARs) underway or anticipated in the Region. New Ministry initiatives and regional economic activities will continue to impact the Board's capital needs and it is recognized that some priorities listed will continue to change over time. Other needs may become a priority or some may be addressed with other sources of funding.

STATUS:

Capital Priority Projects with Ministry Approvals and FDK Approvals

On January 24, 2013, the Ministry announced approved Capital Priorities for the Board. The approved projects, contemplated scope, and funding sources arising from the May 2012 submission are presented in Appendix C.

The Mackenzie King Public School and Breslau Public School projects resulted from a Pupil Accommodation Review that was completed in 2011 for the Breslau/Stanley Park communities. The third approval was for a new school related to growth.

The proposed scope of work and timing of each project are summarized as follows:

A. Mackenzie King Public School

Classroom addition including FDK and internal renovations for program enhancements to be tentatively completed for September 2014.

B. Breslau Public School

Classroom addition including FDK and internal renovations for program enhancements. Based on area needs, a childcare partnership will be reviewed with an existing partner at the site. Allowance for significant infrastructure improvements including power, sewer, and parking has also been included in the construction budget. It is anticipated the school addition will tentatively be completed for September 2014.

C. New South Kitchener (Groh Drive)

Identified as a need to accommodate growth in Southwest Kitchener, the Ministry has announced funding for a 600 pupil place school intended to be a JK – Grade 8 organization. The school site located on Thomas Slee Drive at Groh Drive in Kitchener is not yet owned by the Board. A draft agreement of offer is currently in development. The Board will seek a childcare partnership through a formal Request for Proposal (RFP) with a tentative school and childcare opening of September 2015.

Capital Priority Projects with FDK Approvals

Based on the Capital Priorities funding announcement, remaining Board priorities and available Board funds, the projects presented in Appendix D are being recommended to the Board for approval to maximize the use of capital funds to improve learning environments for students. These projects already have FDK approvals to build which makes them preferred projects from a construction efficiency perspective.

The proposed scope of work and timing of each recommended project is summarized as follows:

Westmount Public School

A number of options have been considered for this school to facilitate improvements. A consultant's report has identified a number of shortcomings. Driven by FDK investment at a facility that does not meet Board standards for program and infrastructure, a rebuild of Westmount Public School to accommodate 485 pupil places and consideration for a childcare partnership is recommended on the existing site. It is anticipated that FDK would be accommodated by September 2014 and that the rebuild would tentatively be complete by September 2015.

Manchester Public School

This project has been under consideration for some time and presents some unique challenges. Driven by FDK investment at a facility that is on the Municipal heritage registry, it is recommended that a two story, eight classroom addition be constructed complete with accessibility and infrastructure upgrades. Once FDK is accommodated in September 2013, ongoing improvements and upgrades would result in the demolition of the 1951 portion of the school (removal of four classrooms) and the project would tentatively be complete by September 2014.

Next Steps

Based on the Capital Priorities announcement, remaining Board priorities and available Board funds, staff will continue to research, consult and plan for a new priority submission when requested by the Ministry. It is anticipated that the proposed addition at Grand River C.I. will be a high priority.

Summary

With the above projects approved more than \$36M in capital would be committed to upgrade five schools and this would address five of the Board's 21 priorities identified in the Ministry Capital and Other Priorities list developed in 2012. In addition, it should be noted that Capital Priority 12 on Appendix A (Southwest Galt, Beechwood Road) was a placeholder project that was subject to the outcome of the West Galt Elementary Schools Accommodation Review (PAR) that subsequently resulted in the Tait Public School addition, thus addressing a sixth priority of those identified last year.

Currently, the Ministry is funding \$18.7M of this through Capital Priorities and FDK grants. The balance of funding (\$17.5M) is proposed to come from Board funding sources for such projects such as the School Condition Improvement (SCI), School Renewal (SR) funding and Committed Capital Funding (for the childcares). A significant portion would utilize Proceeds of Disposition as identified in the Capital Projects Funding Strategy Report of March 18, 2013.

COMMUNICATIONS:

The Ministry of Education will be kept up to date as part of the standard approvals processes and Capital Analysis Planning Template process. Schools will be informed as to the details of the projects planned. Public reports will be provided as required by the Ministry.

FINANCIAL IMPLICATIONS:

The recommendations presented in this report align with the Ministry funding for Capital Priorities and FDK to strategically invest in projects that will maximize value and improvements to learning environments.

Implementation of this plan will utilize Board resources to make substantial gains at sites that have been recognized in need of capital investment.

Use of available Board resources aligns with Ministry suggestions (see Appendix D1) and should position the Board more favourably to receive funding consideration from the Ministry in future years to address priorities.

STRATEGIC PLAN:

The six strategic directions that are used to guide the Board are:

- Engaging students, families, staff and communities
- Fostering wellness and well-being
- Pursuing student achievement and success for all
- Embracing diversity and inclusion
- Championing quality public education
- Promoting forward-thinking.

This report relates to the following strategic directions:

- Championing quality public education
- Promoting forward-thinking

RECOMMENDATION:

It is recommended:

That the Waterloo Region District School Board approve the expenditure of \$2,767,970 from the Capital Priorities Grant and \$931,894 from the Full Day Kindergarten Capital Funding Program for a total estimated cost of \$3,699,864 for a classroom addition and internal renovations at Mackenzie King P.S. to tentatively be completed for September 2014; and

That the Waterloo Region District School Board approve the expenditure of \$1,944,331 from the Capital Priorities Grant, \$1,863,788 from the Full Day Kindergarten Capital Funding Program, \$600,000 from the Proceeds of Disposition account and up to \$800,000 from a Committed Capital Reserve, for a total estimated cost of \$5,208,119, for a classroom addition, internal renovations, infrastructure improvements and childcare facility at Breslau Public School to tentatively be completed for September 2014; and

That the Waterloo Region District School Board approve the expenditure of \$10,308,479 from the Capital Priorities Grant, \$931,894 from the Full Day Kindergarten Capital Funding Program and up to \$800,000 from a Committed Capital Reserve, for a total estimated cost of \$12,040,373, for a 600 pupil place capacity JK – Grade 8 new school and a childcare facility to be constructed in South Kitchener at Groh Drive to tentatively open for September 2015; and

That the Waterloo Region District School Board approve the expenditure of \$1,864,000 from the Full Day Kindergarten Capital Funding Program, \$5,600,000 from the Proceeds of Disposition account, up to \$800,000 from a Committed Capital Reserve to be supplemented with School Renewal Funds in the amount of \$2,000,000, for an estimated total of \$10,264,000, for a rebuilt school and childcare facility at Westmount Public School to tentatively be completed for September 2015; and

That the Waterloo Region District School Board approve the expenditure of \$1,864,000 from the Full Day Kindergarten Capital Funding Program and \$1,000,000 from the Proceeds of Disposition account, to be supplemented with School Renewal Funds in the amount of \$700,000 and School Condition Improvement Grants in the amount of \$1,500,000, for an estimated total of \$5,064,000 for a classroom addition, accessibility and infrastructure needs at Manchester Public School to tentatively be completed for September 2014; and

That the Waterloo Region District School Board seek the required spending approvals for the use of Proceeds of Disposition funds from the Ministry of Education.

MINISTRY SUBMITTED CAPITAL PRIORITIES (AS OF MAY 2012)

**FACILITY SERVICES DEPARTMENT
BUSINESS SERVICES DIVISION
WATERLOO REGION DISTRICT SCHOOL BOARD
MARCH 18, 2013**

<i>Rank</i>	<i>Site</i>	<i>Description</i>	<i>Estimated Cost</i>
1	Mackenzie King P.S.	Accommodation (161pp)	\$ 3,385,008
2	Breslau P.S.	Accommodation (23pp)	\$ 437,680
3	South Kitchener (Groh Drive)	Accommodation (600pp)	\$ 11,240,373
4	Grand River C.I.	Accommodation (389pp)	\$ 9,275,069
5	Westmount P.S.	Accommodation/Condition (161pp)	\$ 3,078,632
6	Lackner Woods P.S.	Accommodation (46pp)	\$ 877,909
7	Elmira NW (Riverside)	Accommodation New & Exist (650pp)	\$ 12,032,963
8	Falconridge Drive	Accommodation (325pp)	\$ 6,851,103
9	Lexington P.S.	Accommodation (161pp)	\$ 3,301,721
10	West Waterloo (Vista Hills)	Accommodation (501pp)	\$ 9,561,577
11	Forest Glen P.S.	Accommodation (138pp)	\$ 2,564,889
12	Southwest Galt (Beechwood Rd)	Consolidation (650pp)	\$ 12,032,963
13	Chalmers Street P.S.	Accommodation (138pp)	\$ 2,814,749
14	West Kitchener (Rosenberg III)	Accommodation (650pp)	\$ 12,032,963
15	SE Cambridge Joint Campus	Accommodation (650pp)	\$ 12,032,963
16	Parkway P.S.	Accommodation (160pp)	\$ 3,109,762
17	Waterloo-Oxford District S.S.	Accommodation (210pp)	\$ 5,138,316
18	South East Cambridge (Greengate Blvd)	Accommodation (501pp)	\$ 9,561,577
Total			\$ 119,330,217

* Presented to the Waterloo Region District School Board Committee of the Whole on May 14, 2012 and approved May 28, 2012

OTHER CAPITAL PRIORITY PROJECT CONSIDERATIONS (AS OF MAY 2012)

**FACILITY SERVICES DEPARTMENT
BUSINESS SERVICES DIVISION
WATERLOO REGION DISTRICT SCHOOL BOARD
March 18, 2013**

<i>Site</i>	<i>Description</i>
Empire P.S.	FDK & Program
Grand River C.I.	Accommodation & Program
Westmount P.S.	Accommodation, FDK & Program
Manchester P.S.	FDK & Program
Meadowlane P.S.	FDK & Program

*** Presented to Waterloo Region District School Board Committee of the Whole
on May 14, 2012 and approved May 28, 2012**

**MINISTRY APPROVED CAPITAL PRIORITIES
AND ASSOCIATED RECOMMENDATIONS**

**FACILITY SERVICES DEPARTMENT
BUSINESS SERVICES DIVISION
WATERLOO REGION DISTRICT SCHOOL BOARD
MARCH 18, 2013**

<i>Rank</i>	<i>Site</i>	<i>Description</i>	<i>Estimated Budget</i>
1	Mackenzie King P.S.	Addition	
		Accommodation (Capital Priorities)	\$ 2,767,970
		FDK	\$ 931,894
		Subtotal Funding Mackenzie King P.S.	<u>\$ 3,699,864</u>
2	Breslau P.S.	Addition	
		Accommodation (Capital Priorities)	\$ 1,944,331
		Infrastructure incl. Power, Parking, Sewer (POD)	\$ 600,000
		FDK	\$ 1,863,788
		Childcare (Committed Capital or Schools First)	\$ 800,000
		Subtotal Funding Breslau P.S.	<u>\$ 5,208,119</u>
3	New South Kitchener (Groh Drive)	New School	
		Accommodation	\$ 10,308,479
		FDK	\$ 931,894
		Childcare (Committed Capital)	\$ 800,000
		Subtotal Funding New S. Kitchener Groh Dr.	<u>\$ 12,040,373</u>
<u>Funding Sources Summarized</u>			
		Total POD	\$ 600,000
		Total Committed Capital and/or Schools First	\$ 1,600,000
		Total Capital Priorities Funding	\$ 15,020,780
		Total FDK	<u>\$ 3,727,576</u>
		Total	<u>\$ 20,948,356</u>

Notes:

- * These 3 projects were submitted by the Board in May 2012 and were approved for capital priorities funding by the Ministry on January 24, 2013
- * FDK approvals for these locations have been received from the Ministry
- * Also included are supplemental funding sources to complete the project based on identified needs

**CAPITAL PRIORITY RECOMMENDATIONS
BOARD FUNDED PROJECTS**

**FACILITY SERVICES DEPARTMENT
BUSINESS SERVICES DIVISION
WATERLOO REGION DISTRICT SCHOOL BOARD
MARCH 18, 2013**

<i>Site</i>	<i>Description</i>	<i>Estimated Budget</i>
Westmount P.S.	Accommodation, FDK & Program	
	Rebuild	
	FDK	\$ 1,864,000
	POD	\$ 5,600,000
	School Renewal	\$ 2,000,000
	Childcare	
	Committed Capital	\$ 800,000
	Subtotal Westmount P.S.	<u>\$ 10,264,000</u>
Manchester P.S.	FDK & Program	
	Addition	
	FDK	\$ 1,864,000
	POD	\$ 1,000,000
	Accessibility & Program	
	School Condition Improvement	\$ 600,000
	Boilers	
	School Condition Improvement	\$ 900,000
	Roof and Parapets	
	School Renewal	\$ 700,000
	Subtotal Manchester P.S.	<u>\$ 5,064,000</u>
<u>Funding Sources Summarized</u>		
	Total School Condition Improvement	\$ 1,500,000
	Total School Renewal	\$ 2,700,000
	Total POD	\$ 6,600,000
	Total Committed Capital	\$ 800,000
	Total FDK	<u>\$ 3,728,000</u>
	Total	<u>\$ 15,328,000</u>

Appendix A: Ministry Response to Capital Priorities Grant Submissions

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Priority	Project	Response
1	Mackenzie King PS	This project was approved for 2012 Capital Priorities Grant. Please refer to Appendix B for funding details.
2	Breslau PS	This project was approved for 2012 Capital Priorities Grant. Please refer to Appendix B for funding details.
3	New South Kitchener Groh Drive	This project was approved for 2012 Capital Priorities Grant. Please refer to Appendix B for funding details.
4	Grand River CI	The Ministry is supportive of the project but did not approve it at this time due to limited capital funding. The Ministry may consider it in the future.
5	Westmount PS	This project was not considered for Capital Priorities Grant funding at this time. The board is requested to consider alternative solutions, including a possible addition/retrofit undertaken along with Full-Day Kindergarten. The Ministry notes the board could contribute approximately \$4.5M from existing proceeds of disposition to support this project.
6	Lackner Woods PS	This project was not considered for Capital Priorities Grant funding at this time. The board is requested to consider other schools/capacity in the area to manage this accommodation pressure.
7	Elmira NW	This project was not considered for Capital Priorities Grant funding at this time due to a lack of an immediate need as identified by the Ministry.
8	New Falconridge Drive	This project was not considered for Capital Priorities Grant funding as it was identified as a lower priority by the board.
9	Lexington PS	This project was not considered for Capital Priorities Grant funding as it was identified as a lower priority by the board.
10	New Vista Hills	This project was not considered for Capital Priorities Grant funding as it was identified as a lower priority by the board.