



DATE: June 28, 2023

TO: Board of Trustees

FROM: Shawna Warren, Superintendent

ORIGINATOR: Liliana LeVesconte, Associate Superintendent, Corporate Services
Denis Henderson, Director, Facilities

GOVERNANCE POLICY: [Policy 405- Budget Development and Transparency](#)

ADDITIONAL REFERENCE: *Education Act:* Sections 139(1)(2), 143,180,183,184
Assurance Domain - [Governance](#)

SUBJECT: 2022-2023 Capital Projects Funded through Capital Reserves

PURPOSE:

For approval. Motion required.

RECOMMENDED MOTION:

- a) That the Board of Trustees approve the Capital Projects for 2022-2023 as presented at the June 28, 2023, Public Board meeting.

BACKGROUND:

During the 2022-2023 Budget approval and reserve mitigation planning, several capital projects were highlighted for executing, utilizing our Capital Reserves.

2022-2023 Capital Projects and Access to Reserves

(Historical - As prepared during the 2022-2023 budget process)

PROJECT NAME	ANTICIPATED COMPLETION	COST ESTIMATE
STURGEON HEIGHTS WEIGHT/GYM ROOM	2022-2023	\$100,000
REDWATER FRONT ENTRANCE	2022-2023	\$250,000
LIGHTING RETROFIT PROJECT	2022-2023	\$1,835,630
GIBBONS SCHOOL ENTRANCE*	2022-2023	\$250,000
LANDING TRAIL ROOF*	Summer 2023	\$574,730
		\$3,010,360

*These projects would proceed subject to the value scoping solution for the Capital Plan priorities.

In addition to these projects, the Division set aside \$600k for O&M Asbestos Remediation and Shop Design.

Based on the opening balance for capital reserves, the Division has \$4.46M in Capital Reserves. The Division budgeted \$3.61M for capital projects, which will reduce capital reserves to \$851k.



Schedule of Reserves for the Year Ending August 31, 2023

	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM							
		TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
AFS Balance at August 31, 2022	\$ 6,240,994	\$ 6,341,158	\$ 4,461,103	\$ 5,741,158	\$ 98,200	\$ -	\$ 686,875	\$ 600,000	\$ 3,644,222	\$ -	\$ 31,806
Operating surplus (deficit)	\$ (2,337,972)										
Board funded tangible capital asset additions	\$ (1,584,462)	\$ -	\$ (3,610,360)	\$ -	\$ -	\$ -	\$ (600,000)	\$ -	\$ (3,010,360)	\$ -	\$ -
Amortization of tangible capital assets	\$ 4,370,347										
Capital revenue recognized	\$ (3,886,994)										
Budgeted amortization of ARO tangible capital as	\$ 83,920										
Estimated disposal tangible capital assets	\$ 505,038										
Net transfers to operating reserves		\$ -						\$ -		\$ -	
Net transfers to capital reserves	\$ (2,500,000)		\$ 2,500,000		\$ (98,200)				\$ 2,598,200		\$ -
Balance at August 31, 2023	\$ 890,871	\$ 6,341,158	\$ 3,350,743	\$ 5,741,158	\$ -	\$ -	\$ 86,875	\$ 600,000	\$ 3,232,062	\$ -	\$ 31,806

The Lilian Schick Roof project was not completed in 2021-2022 as anticipated. The project was completed during the 2022-2023 school year and the cost will offset most of the remaining balance in capital reserves.

The contribution to capital reserves this year was budgeted at \$2.5M, however, that amount will be dependent on the ability to meet the minister-approved unrestricted surplus ending balance as of August 31, 2023, of \$300k.

The following capital projects will require capital reserve funds to offset the **estimated costs of \$3.4M:**

- \$1.8M Energy Retrofit** – LED Lighting replacement to take place before August 31, 2023 (Ochre Park School, Redwater School, Namao School, Guthrie School, Bon Accord Community School, Lilian Schick School, Landing Trail School). Lighting and controls upgrade includes:
 - Retrofit all light fixtures with highly efficient LED fixtures;
 - Utilize dimmable fixtures to control the brightness in classrooms and create electrical efficiency; and
 - Utilize occupancy/motion sensors with time delay shutoffs to minimize the consumption of electricity.
- \$550k SCHS Field House.** Pembina Pipeline has verbally committed to matching Division funding. Schematic design and documents are still in progress and are anticipated to begin during Summer 2023 and continue into the new school year.
- \$450k Sidewalks** (Gibbons School and Landing Trail School). This project is intended to be completed by August 31, 2023 to maintain safe sidewalks for students and staff.
- \$600k O&M Shop Asbestos Remediation and Redesign.** During the 2021-2022 school year, an environmental assessment was conducted and asbestos remediation was recommended in the O&M Shop. During the planning stages of this project which also identified a required decant for certain sections, the shop was redesigned to meet the functional needs of the facilities operations.