



Facilities Renewal Report

Presented to the Board of Trustees – July 11, 2007

The Need for Facilities Renewal

Facilities renewal is a required strategy for School District 68 if we are to continue to provide quality educational programming for our students and provide that programming in seismically safe, energy-efficient and modern schools.

Elements of Facilities Renewal

- Maximize educational opportunities
- Ensure compliance with Ministry capacity utilization
- Establish clear process for projecting enrolment in order to determine space requirements
- Develop business cases for seismic upgrades
- Develop and implement an energy retrofitting plan
- Maintain capital asset base of district
- Consolidate existing space to reduce surplus space and create operational savings

Elements of Facilities Renewal

Facilities renewal is not specifically about closing schools. Closing schools is one, and only one, of the ways in which facilities renewal is accomplished as a strategy.

Facilities renewal is a complex strategy that has many inter-relationships and therefore requires extensive medium and long-term planning in order to bring about the desired results.

Recent History of Facilities Renewal

Many of the decisions that need to be made have already been identified and the conclusions supporting them made:

1. District-Wide Facilities Plan – Fall 2002
2. New Secondary North Reconsideration – September 2003
3. Alternatives to a New Secondary North – June 2004
4. Previous School Closure Processes – 2003 and 2005
5. South End Study – January 2006
6. Ministry-Approved Seismic Projects - 2005
7. Recent Facilities Renewal Reports by staff

Contextual Environments of Facilities Renewal

1. The district's educational direction and delivery models
2. The political and legislative environment
3. The inter-relationship between the district's operating and capital budgets
4. The condition of the district's building and facilities base

Educational Direction and Delivery Models

- Kindergarten to Grade 7 elementary schools
- Grades 8 to 12 secondary schools
- Growth of learning alternative programs and distributed learning

Political and Legislative Environment

- Provincial agenda
 - Controlling capital spending in the face of rising construction costs
 - Politically beneficial objectives
 - Largest commitment is to seismic mitigation
 - Capital projects will require “significant” financial contributions from districts

Political and Legislative Environment

Capital funding:

- Shared responsibility between Boards and province
- Ministry has three-year capital planning horizon
- Districts submit Five-Year Capital Plans
- Nothing will be approved in the first two years, unless it is a bus or it is for planning

Political and Legislative Environment

Capital Asset Management Framework:

- Districts are expected to develop long range plans
- Seismic projects now are combined with capital projects
- Feasibility studies are required to
 - Confirm project rationale
 - Define scope and determine costs
 - Identify project scheduling
 - Identify risk

Political and Legislative Environment

Capital Asset Management Framework

- Different Types of Requests:
 - Requests for new space
 - Replacement and rejuvenation requests
 - School consolidations

Political and Legislative Environment

Capital Asset Management Framework - New Space Requests

Ministry of Education Minimum Percentage Utilization Requirements (based on Operating Capacity)

FTE Enrolment	Elementary (Gr. 1-7)	Secondary (Gr. 8-12)	District Average
>7,500 (and all urban districts)	100%	110%	95%
5,000 to 7,499	95%	105%	90%
1,500 to 4,999	90%	100%	85%
<1,500	80%	90%	75%

Political and Legislative Environment

Capital Asset Management Framework - Replacement/Rejuvenation Requests

- Evaluated by the Ministry on two criteria:
 - Facility Audit Score
 - Capacity utilization analysis

Political and Legislative Environment

Recent Ministry Developments:

- Involvement of Ministry of Labour and Citizens' Services
- Accommodation Real Estate Services branch - MLCS/ARES
- Districts now have to do feasibility studies for submission with capital plan
- ARES involved in Phase 2 Feasibility studies

Inter-relationship between Operating and Capital Budgets

- The district faces two significant realities:
 - Current operating budget has a structural deficit and is not sustainable.
 - The district is not in compliance with Ministry capacity guidelines and therefore not eligible for the capital funding required to make efficiency improvements in its infrastructure.
- Both will continue, unless addressed, even when declining enrolment trend reverses.
- The district must minimize the impact infrastructure needs – most significantly facilities costs – have on the structural deficit

Condition of the District's Facilities

- Facilities audit scores provide a way to compare the physical conditions of school buildings
- Each building is assigned an audit score based on a 100-point scale
- School District 68's school buildings have scores ranging from a low of 33% to a high of 96% - 22 have scores of 59% or lower

Condition of the District's Facilities

- Ministry seismic mitigation program assessed all schools in 2004
- School District 68 has 29 elementary schools and eight secondary and alternate schools in need of seismic mitigation
- Total cost of the work required in the district is more than \$60 million (2004 estimates)

Components of the Facilities Renewal Plan

- Secondary school closure strategy
- Seismic upgrading of Wellington Secondary
- A series of elementary school closures
- Removal of capacity where closure is not practical
- Implement South-End study recommendations related to Ladysmith and Chase River/Cinnabar
- Relocation of current district support programs
- Address the increasing needs of the Learning Alternatives Programs
- Energy retrofitting program
- Create a plan to finance new construction

About Enrolment Projections

- Base enrolment projections are developed using Baragar demographics, plus local knowledge of consultants and district staff
- Base enrolment projections used in this report are the ones in the district's 2007-08 Five-Year Capital Plan
 - Kindergarten students are not included in these projections
 - International student enrolment has been added in to the base projections at the secondary level but not at elementary

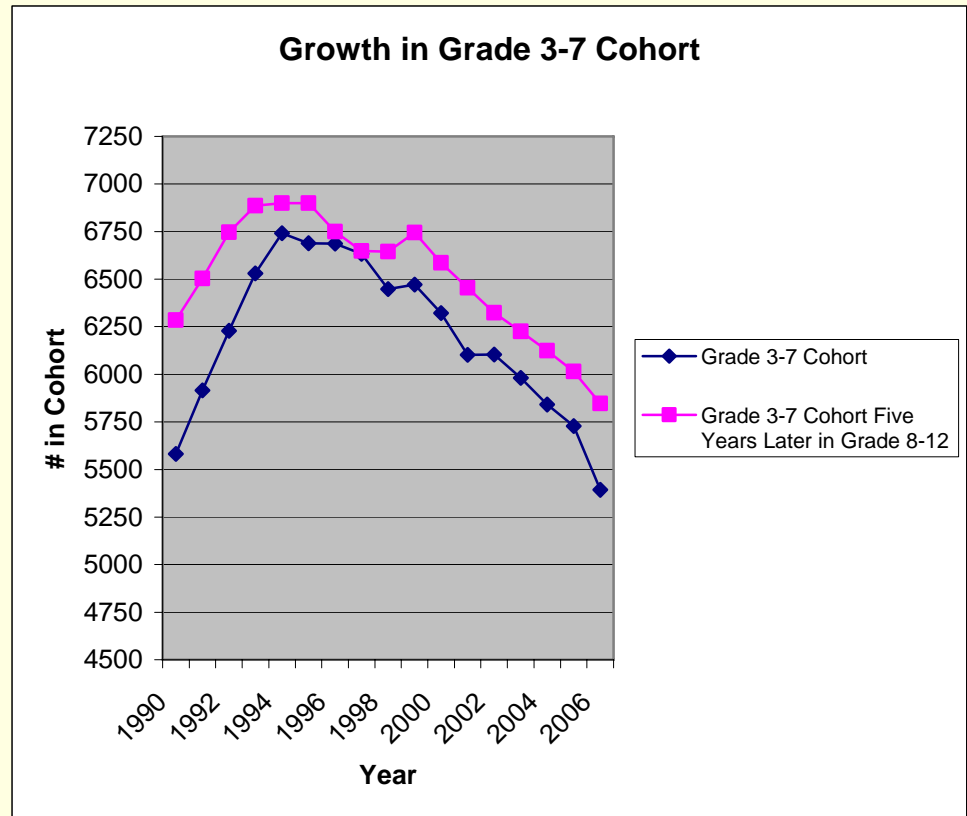
About Enrolment Projections

Changes in enrolment affect capital planning in three ways

- Enrolment may increase – requiring efficiency measures and/or new space
- Enrolment may decline – requiring consolidation or disposals of space
- Enrolment may remain stable but populations may shift within a district – long-term planning needed to avoid costly short-term solutions

About Enrolment Projections

Even though there has been growth in a cohort from in-migration, the overall district enrolment is still declining.



Capacity Utilization

- The Ministry expects School District 68 to have the following capacity utilization before we might expect to receive approvals in the capital planning process for new space:
 - Elementary schools - 100%
 - Secondary schools – 110%,
 - An overall district average of 95%
- Current and future capacity utilization:
 - Elementary schools – now at 86% - by 2011 at 82%
 - Secondary schools – now at 102% - by 2011 at 93%
 - District average – now at 93% - by 2011 at 87%

Projected Capacity Utilizations

School District No. 68 (Nanaimo-Ladysmith) Projected Capacity Utilization Percentages

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary	86%	84%	83%	82%	82%	82%	82%	83%	84%	85%	87%	88%	89%	90%	91%
Secondary	102%	101%	99%	98%	96%	93%	92%	90%	88%	88%	87%	88%	89%	91%	93%
District	93%	91%	90%	89%	88%	87%	86%	86%	86%	86%	87%	88%	89%	91%	92%

School District 68's Facilities Renewal Plan

- Implementing a secondary school closure strategy which will address the ongoing Dover Bay/Woodlands expansion projects and which may also lead to construction of new space;
- Completing the seismic upgrading of Wellington Secondary;
- Implementing a series of elementary school closures which will also require the construction of new space;
- Removal of capacity from the system where consolidation is not practical;

School District 68's Facilities Renewal Plan (continued)

- **Implementing the recommendations made in the South End Study, with respect to schools in Ladysmith and the Chase River/Cinnabar Valley area;**
- **Developing a strategy for the location of various current District support programs in the future infrastructure;**
- **Implementing a strategy to address the increasing needs in our Learning Alternatives programs;**
- **Implementing an energy retrofitting program for our schools;**
- **Developing a disposal plan for surplus assets;**
- **Creating a plan for financing new construction.**

Secondary Options

Currently Planned Feeder School Changes

- Current Board plan is to move Pleasant Valley students to Wellington and Coal Tye students to Woodlands, to relieve overcrowding at Dover Bay
- These boundary changes have been delayed to 2008

Secondary Options

School of Attendance by Feeder Schools

	# of Students in Catchment	# Attending Catchment Secondary	% Attending Catchment Secondary	# Attending Other Secondary	% Attending Other Secondary
Woodlands	811	559	69%	252	31%
Wellington	1,214	864	71%	350	29%
NDSS	963	708	74%	255	26%
John Barsby	1,028	590	57%	438	43%
Dover Bay	1,642	1,404	86%	238	14%
Total	5,658	4,125	73%	1533	27%

Secondary Options – Status Quo

Impact of the Dover Bay and Woodlands projects:

- Addition of 275 seats at Dover Bay and 200 at Woodlands will exacerbate the over-capacity problem.
- The projects would not likely be approved by the Ministry if they were part of our five-year capital plan process.
- The only reason they are still being considered is because the capital funding for new secondary spaces in Nanaimo had previously been approved by the Ministry.
- These two proposed projects represent capital money that had been approved by the Ministry prior to the current three-year capital planning process.
- In the last communication with the Ministry in August 2006 \$31.7 million has been allocated for the two projects

Dover Bay & Woodlands Funding

Dover Bay and Woodlands Capital Commitments As at August 2006

	Ministry	District	Total
Dover Bay	\$ 7,200,000	\$ 1,700,000	\$ 8,900,000
Woodlands	19,300,000	3,500,000	22,800,000
Totals	\$ 26,500,000	\$ 5,200,000	\$ 31,700,000

Secondary Options – Close Woodlands

Strategy would remove 700 spaces

- Cilaire would feed into Wellington
- French Immersion to Barsby
- Balance of Woodlands students to NDSS

Secondary Options – Close Woodlands 2011 Scenario

Impact of Closure of Woodlands on 2011 Capacity Utilization Percentages

School	Operating Capacity	Projected Enrolment	Projected		Capacity Utilization
			Enrolment after Closure	(Over) Under Capacity	
Dover Bay	1,225	1,176	1,176	49	96%
NDSS	1,400	1,072	1,494	(94)	107%
Wellington	900	951	1,121	(221)	125%
Barsby	1,000	735	1,021	(21)	102%
Cedar	425	493	493	(68)	116%
Woodlands		878	0	0	
	4,950	5,305	5,305	(355)	107%

Secondary Options – Close Woodlands 2016 Scenario

Impact of Closure of Woodlands on 2016 Capacity Utilization Percentages

School	Operating Capacity	Projected			Capacity Utilization
		Projected Enrolment	Enrolment after Closure	(Over) Under Capacity	
Dover Bay	1,225	1,075	1,075	150	88%
NDSS	1,400	1,017	1,351	49	97%
Wellington	900	856	1,019	(119)	113%
Barsby	1,000	735	1,088	(88)	109%
Cedar	425	396	396	29	93%
Woodlands		850	0	0	
	4,950	4,929	4,929	21	100%

Secondary Options – Close NDSS

Strategy would remove 1,400 spaces

- Mountain View would feed to Woodlands
- Fairview would feed to Barsby
- French Immersion to Wellington
- Gabriola would feed to Woodlands

Secondary Options – Close NDSS 2011 Scenario

Impact of Closure of NDSS on 2011 Capacity Utilization Percentages

School	Operating Capacity	Projected			Capacity Utilization
		Projected Enrolment	Enrolment after Closure	(Over) Under Capacity	
Dover Bay	1,225	1,176	1,176	49	96%
NDSS		1,072	0	0	
Wellington	900	951	1,237	(337)	137%
Barsby	1,000	735	1,155	(155)	116%
Cedar	425	493	493	(68)	116%
Woodlands	700	878	1,244	(544)	178%
	4,250	5,305	5,305	(1,055)	125%

Secondary Options – Close NDSS 2016 Scenario

Impact of Closure of NDSS on 2016 Capacity Utilization Percentages

School	Operating Capacity	Projected			Capacity Utilization
		Projected Enrolment	Enrolment after Closure	(Over) Under Capacity	
Dover Bay	1,225	1,075	1,075	150	88%
NDSS		1,017	0	0	
Wellington	900	856	1,209	(309)	134%
Barsby	1,000	735	1,105	(105)	111%
Cedar	425	396	396	29	93%
Woodlands	700	850	1,144	(444)	163%
	4,250	4,929	4,929	(679)	116%

Secondary Options – Close NDSS

Strategy would require space to be built at Wellington and Woodlands

- Better to build a new Woodlands than expand current school by 500 spaces.
- Wellington spaces could come from seismic upgrade

Requested Secondary Options – Conclusions

- Dover Bay and Woodlands expansions do not need to proceed
- Closing Woodlands would solve over-capacity problem
- The closure of NDSS would require the addition of about 300 spaces to Wellington and 400 – 500 to Woodlands – in this case it would be more feasible to build a new Woodlands

Secondary – Another Option

- Close both Woodlands and NDSS and build a new 1,100 seat secondary school
- This option requires the addition of 200-300 seats during the Wellington seismic upgrading
- Would result in significant operating savings and would replace the district's two oldest secondary schools with a new school
- Would eliminate the need for seismic upgrading and renovations at Woodlands and NDSS

Secondary – Another Option

Either the Woodlands site or the NDSS site would be suitable for new school

- At Woodlands it would be a new school
- At NDSS it could be attached to the Library Block
- MORE DETAILED ANALYSIS REQUIRED

Elementary Options

The Board asked staff to examine Option C with respect to elementary schools listed under Elementary Phase 1 and Phase 2 of the March 28th facilities renewal report to the Board, including the following schools:

- Mount Benson
- Departure Bay
- Rutherford
- Woodbank
- Cilaire
- Pauline Haarer
- Brechin
- Forest Park

Elementary Options

The following criteria need to be reviewed when considering schools for consolidation:

- Current and projected enrolment of the school and neighbouring schools
- Age and condition of the facility
- Seismic condition of the facility
- Size of site and suitability of the building for additions

Elementary Options

Staff propose that the following elementary schools be closed:

- Dufferin Crescent Elementary
- Mount Benson Elementary
- Rutherford Elementary
- Woodbank Primary

Elementary Options

Dufferin Crescent

- School could be closed in the fall of 2008
- Students moved to Forest Park (80%) and Brechin (20%)
- Transfer Elementary Learn@Home from Forest Park to Departure Bay and seek approval from Ministry to consider the use of 3 to 4 classrooms for our hybrid program as using capacity
- Operational savings estimated at \$272,000

Elementary Options

Mount Benson

- Close school in the fall of 2008
- Transfer students 1/3 to Pleasant Valley and 2/3 to Coal Tyee
- Will require the use of a portable or two at Coal Tyee for the next 5 years and then an addition of 3-4 rooms by 2013
- Operational savings estimated at \$250,000

Elementary Options

Rutherford Elementary

- Close school in 2008 or 2009
- Move students as follows:
 - 20% to Randerson Ridge
 - 25% to F.J. Ney
 - 55% to McGirr
 - Then transfer 16% of McGirr students to Seaview
- Will require an addition at F.J. Ney
- Operational savings estimated at \$300,000

Elementary Options

Woodbank Primary

- Close school in 2008 or 2009 and move the students to North Cedar Intermediate, which would become a K-7 school.
- Would require the use of four portables or the addition of up to four classrooms.
- Would keep the K-12 Model intact in Cedar at a reasonable cost
- Operational savings estimated at \$250,000 to \$300,000

Elementary Options

Other elementary schools that were also examined:

- Departure Bay – Learn@Home K-7 would move to this facility
- Cilaire – currently district's highest priority for renovation or replacement – capacity is needed if Dufferin is closed
- Pauline Haarer – not sufficient room at other French Immersion schools
- Brechin – capacity is needed if Dufferin is closed
- Forest Park – capacity is needed if Dufferin is closed

Elementary Options

Ladysmith zone elementary schools as outlined in South-End Study:

- Ladysmith Intermediate – replace with new K-7 school
- Ladysmith Primary – expand and consider converting to a K-7 school
- Davis Road Elementary – replace or expand

Elementary Options

Chase River, South Wellington, Cinnabar Valley and Cedar Zone:

- Chase River – may need expansion in the future
- South Wellington
 - request approval to complete seismic feasibility study
 - Board could decide future of school once study is complete
- Cinnabar Valley – could qualify for Ministry funding for expansion

Elementary Options

Barsby Zone Elementary Schools:

- South End Study recommended closure of one or more elementary schools in the Barsby zone
- Recommendation was made prior to implementation of Bill 33 regarding class size and composition
- Many classes in Barsby zone elementary schools have a number of designated students and are below the 23.25 standard set by Ministry capacity utilization standards
- District should ask the Ministry to recognize this reality when determining capacity utilization

Elementary Options

Removal of capacity where consolidation not an option:

- Remove seats from capacity utilization calculations through demolition, alternative uses or some agreement with the Ministry:
 - North Oyster – five classrooms – remove 116 seats
 - Gabriola - four classrooms – remove 93 spaces

District Support Programs

- Rutherford Life Skills – Move to empty space at another school
- District Resource Centre & Learning Resources Centre – should become part of the District Administration Centre but rent a space in the meantime
- District Administration Centre – set money aside to replace

Learning Alternatives

- Learn@Home K-7 to move to Departure Bay
- Construction of a new facility to house junior and senior learning alternatives as well as Learn@Home 8-12

Costs and Funding Sources

Three sources of capital funding:

- Already approved Ministry capital funding;
- Proceeds from the sale of existing properties that are not being used for educational purposes;
- Proceeds from the sale of sites resulting from school closures

Costs and Funding Sources

Should the Ministry approve the reallocation of the money that has been set aside for the Dover Bay and Woodlands projects to the construction of new secondary space and the disposal of surplus and closed school sites take place at estimated fair market values, the facilities renewal plan described in this report would be financially supportable without any further funding contribution from the Ministry.

Energy Retrofitting Program

- Analysis indicates a \$2,000,000 project is possible
- Annual savings of \$200,000 - \$250,000
- 10 year payback of financing supplied by energy management company

Estimated Operational Savings

From School Closures

Dufferin	272,000
Mount Benson	250,000
Rutherford	300,000
Woodbank	250,000
Two secondaries	1,000,000

2,072,000

From Energy Savings

200,000

Annual Savings

2,272,000

Estimated Operational Savings

- Estimated savings are conservative in nature
- Energy savings will only be realized once project costs are repaid
- Until then savings will be approximately \$2.0 million/year

Conclusions - Secondary

- The planned expansions at Dover Bay and Woodlands should not proceed.
- The District should put the money allocated to these projects to better use by closing both Woodlands and NDSS and building new space.
- The District should request that 300 seats be added to Wellington as part of the seismic upgrading of that project.

Conclusions - Elementary

- The following elementary schools should be proposed for closure: Dufferin, Mount Benson, Rutherford, and Woodbank.
- Capacity should be removed from North Oyster and Gabriola by way of demolition or alternate use.
- Space should be added to Coal Tyee, F.J. Ney and North Cedar Intermediate.
- Learn@Home K-7 would move to Departure Bay and the District should request that these student be included in the capacity utilization calculations.

Conclusions – Elementary (continued)

- Most of the recommendations from the South End Study should proceed:
 - Replacement of Ladysmith Intermediate as a K-7 school
 - Expansion of Ladysmith Primary and conversion to a K-7 school
 - Expansion or replacement of Davis Road Elementary
- Expansions to Cinnabar and Chase River as part of the normal Five-Year Capital Plan process
- The District should request that the Ministry to review the impact of class size and composition legislation on the capacity utilization calculation for Barsby zone elementary schools

Conclusions - District

- The renewal plan should consider construction of new space for Learning Alternatives, Learn@Home 8-12
- The plan should consider the construction of a new District Administration Centre
- The district should develop a disposal plan for surplus assets
- The district should implement an energy retrofitting project

Final Thought

On a clear day you can still only see where you have the courage to look.

..... Sheila Norgate