

April 26<sup>th</sup> presentation

Susan MacKenzie

The aim of my presentation is to provide rationale as to why SCITS is the most cost effective building with a minimum of uncertainty to consolidate students to.

Since the initial staff report, the five and ten year capital costs and the facility condition index for SCITS and St. Clair have changed so many times that we need to revisit these reports and also rely on what information the Ministry of Education provides. Funding approval for renewal needs is directly linked to the Ministry's Condition Assessment Program and it is funding that is the single most critical component for school boards.

I'd like to read you a portion of a letter written to Director Costello from the Assistant Deputy Minister of Education (April 8, 2016). It can be found on the LKDSB website.

It says;

"Assessments are conducted by a third-party assessment team, VFA, which has been contracted by the Ministry. VFA's assessors include engineering and architectural professionals who have significant expertise in assessing school condition and renewal needs. During the assessment of the site and building, the assessors are required to identify renewal events (repair or replacement) that should be completed in a five year window."

The Ministry completed its 5 year renewal needs condition assessment for SCITS in 2014. Anything beyond 2018 are internally projected numbers by Board staff (as stated by Mr. McKay at the March 29<sup>th</sup> Board meeting) and are not verified by the Ministry. It is worth noting that beyond 2018, an opportunity exists to influence the renewal needs.

The ministry's condition assessment for St. Clair was completed in 2011. The backlog of capital work at St. Clair is ministry verifiable for 2015. Again, beyond this assessment period renewal needs are internally generated staff projections. Trustee Fletcher made a worthwhile comment at the April 12<sup>th</sup> board meeting whereby he noted St. Clair does not show any significant renewal needs beyond 2015.

On April 5<sup>th</sup>, I emailed Mr. McKay with a request for the capital cost breakdown for the 2015 to 2024 Projected Total Cost of Facility Work as it was presented in the Initial Staff Report (pages 12 & 13 under FCI Data). There was an email communication between Mr. McKay and VFA that I think was accidentally copied to me. I would like to read you the directive from Mr. McKay to VFA:

"Could you please generate the report that is being requested (in the below email?) I would like to keep continuity between your presentation at the working committee meeting for SCITS and St. Clair and this request. I would then forward your email onto Susan."

This further validates how numbers can be influenced to create continuity to suit a circumstance. Not unexpectedly, the information I received corresponded with what was presented at the March 21 working ARC meeting not the Initial Staff Report as I had requested. Continuity in reporting has been lacking throughout this accommodation review and it has created considerable confusion.

Upon another request to Mr. McKay, he provided me with the full condition assessment reports done by VFA for both schools. The SCITS report is 54 pages in length, the St. Clair report 105 pages in length. It goes without explanation as to why the St. Clair report is almost double the length of the SCITS report.

The schools respective condition reports show SCITS with an FCI of 22% and St. Clair's 40%. I encourage the trustees to obtain the reports from Mr. McKay prior to May 10<sup>th</sup>. They are detailed and thoroughly describe the conditions of the schools. I fully appreciate and understand the Facility Condition Index will change as renewal work is completed, but please keep in mind that Ministry funding is directly tied to the Condition Assessment Report, not Board projections.

I would also like to address page 34 of the Final Staff Report. It is a summary of Asbestos, Accessibility, Building Code and Structural capital costs provided by Board hired consultants.

I applaud Trustee Sasseville for her questions about asbestos at the April 12<sup>th</sup> board meeting. Her questions have merit in determining the short and long term asbestos assessments for both schools.

To further expand upon the asbestos assessment costs and the architect's report on Accessibility and Building Code costs, it should be noted that pre-existing conditions do not have to be addressed unless there will be a major renovation undertaken. We know SCITS does not require a major renovation, therefore, the \$17 million in capital costs provided by Board hired consultants would only apply to St. Clair. On the same page that pegs capital costs at \$17 million for St. Clair, the report re-affirms its intent to apply for a \$14 million capital grant to undertake work at St. Clair. A \$3 million shortfall exists before the funding application is even prepared.

The 2015/16 renewal grants budget for the Lambton Kent District School Board was \$16.5 million for the entire district. I ask you to put yourselves in the position of the Ministry. You have two School Consolidation Capital funding applications before you. One is for a school requiring \$14 million in capital renewal, the other requires \$6 million. Which application would you move to the top of the pile? Don't be misled into thinking the LKDSB could also apply for a \$14 million grant for SCITS. It could not, SCITS simply does not have the renewal needs to support such a large grant. SCITS would however make a strong \$6 million School Consolidation Capital business case.

Then there is the School Condition Improvement Grant. This is where one would think an opportunity would exist to bolster a funding application using the high renewal needs of St. Clair. According to the (1) Ministry's Projected School Board Funding for the 2016/17 School Year, the LKDSB is projected to receive \$8.2 million. Even if St. Clair's renewal needs did bolster the School Condition Improvement Grant, there is no guarantee it would be spent on St. Clair.

This can be likened to a home improvement loan. You get some of your improvements done but then decide the electrical work can wait because you want to use your borrowed money for a vacation. It is not until the lights go out that you realize a quick fix and a long term debt was not the end result you anticipated.

The Ministry's Condition Assessment Report clearly identifies the SCITS building superior to that of the St. Clair building. Your decision as the Board of Trustees comes down to an assessment of risk.

Do you risk shuttering a solid building that provides a learning environment with valuable teaching spaces such as air conditioned classrooms, a large manufacturing shop and an auditorium based on the hopes of a successful funding application?

Please reflect upon the risk associated with approving the recommendations of the Final Staff Report as presented and instead, consider approving a different outcome. You are in a position to maximize your

financial opportunities by taking a steady low risk approach. Consolidate St. Clair students to the SCITS site, reduce your capital backlog by taking the St. Clair site off your books, sell the land to a developer and stay on course with your identified consolidation phases.

(1) [www.edu.gov.on.ca/eng/funding/1617/2016\\_funding\\_en.pdf](http://www.edu.gov.on.ca/eng/funding/1617/2016_funding_en.pdf)