



Accountability Report

Facilities

Mike Hurd, Superintendent of Facilities

March 12, 2018

Accountability Report

SOURCE DOCUMENTS:

- SRPSD Policy 8: Board Operations, item 8 states the following :
 - “8.0 Fiscal Accountability*
 - 8.2 Annually approve the five-year capital plan and review facilities master plan. Submit the five-year capital plan to the Ministry of Education by the due date.*
 - 8.4 Approve the submission of capital projects to the Ministry of Education, including emergency block capital projects.”*
- SRPSD Policy 13: Role of the Director of Education
 - “6.0 Continuous Improvement Planning and Reporting*
 - 6.1 Leads the strategic planning process including the development of Division goals, budget, student learning, facilities and transportation plans and implements plans as approved. Involves the Board appropriately (Board identification of priorities and outcomes, opportunity for Board input early in the process, final Board approval).”*
- SRPSD 2017 -2020 Strategic Plan
 - Core value related to the infrastructure and facilities indicates:
“Effective Infrastructure and Facilities

Long Term Outcome
Students will be supported in their learning by appropriate infrastructure and engaged communities.

Broad Strategies
 - Engage registered childcare providers in discussion related to programming, transitions and partnerships.
 - Lobby government to recognize the capital needs of the division at WP Sandin and Christopher Lake Public Schools.
Local Improvement Targets
 - The annual SRPSD Facility Cost Index shall not exceed 12%.
 - By June 2020, the facilities department will maintain an average of 300 service requests completed each month.
 - By June 2020, the facilities department will ensure that the incomplete preventative maintenance requests does not exceed 10% of the total preventative maintenance requests on file.
Specific Actions
 - Conduct audit of accessibility issues of concern in schools and division facilities to identify priorities for action.
 - Establish written processes to monitor the timely completion of maintenance of its facilities.
 - Engage rural municipalities in discussion to encourage development within rural school attendance areas.
- There are several Administrative Procedures that guide the work of the Facilities Department.

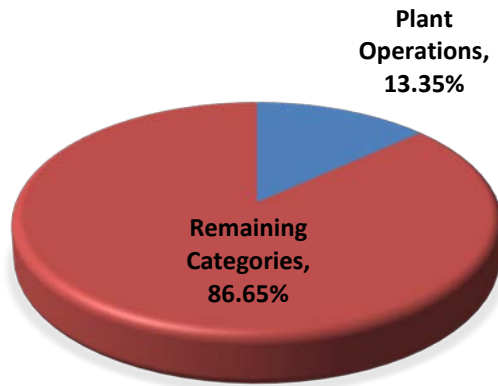
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EVIDENCE:

A. Budget

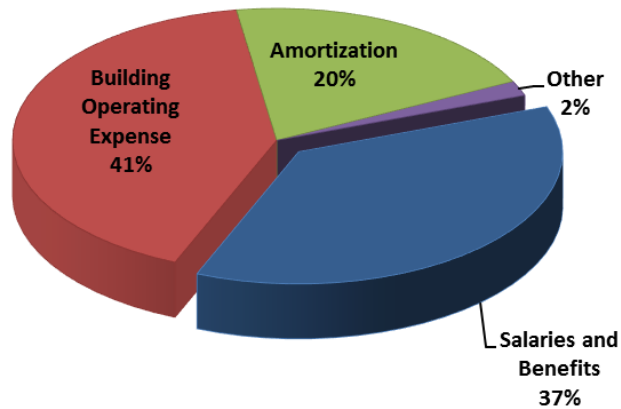
- Facilities operating budget is \$14.5 million.
- This includes PMR and capital expenditures.

PLANT OPERATIONS AND MAINTENANCE AS A PERCENTAGE OF BUDGET



Source: Budget 2016-17

Operating Budget

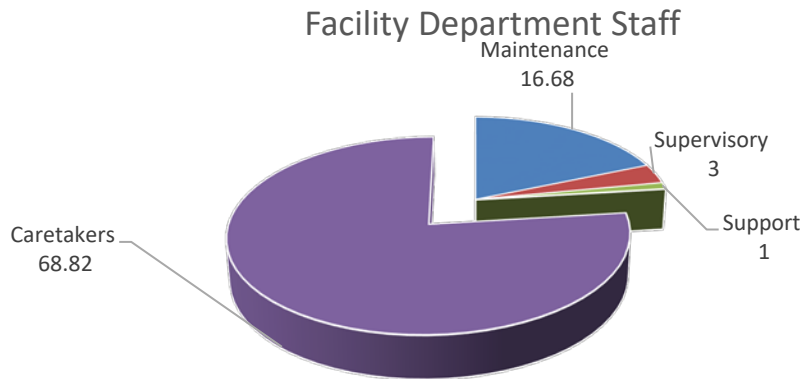


Source: Budget 2016-17

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B. Staff

- Total number of staff in the department – 87.55 FTE



- Caretakers assigned to schools based on the size of the facility.
- Maintenance tradespersons (carpenters, plumbers, electrician, and welder) are assigned to the Maintenance Centre and service all facilities in the Division.
- Due to the size of facility, Carlton Comprehensive Public High School has three full time maintenance staff permanently assigned to it.

C. Maintenance Services Delivery Methods

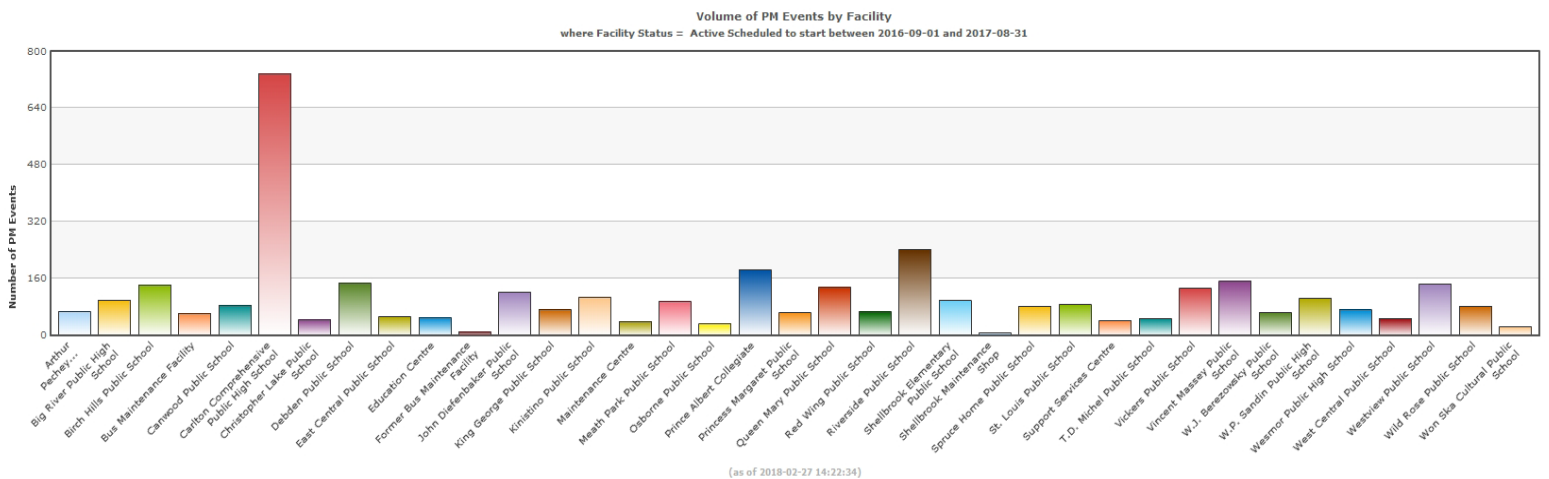
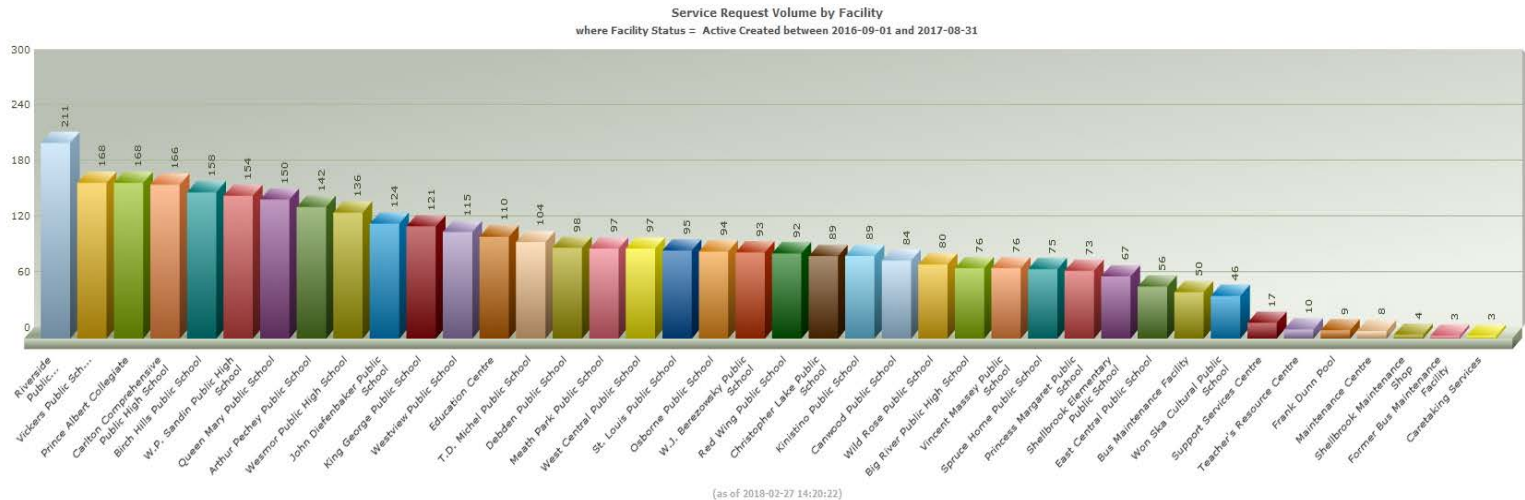
• Service Requests

- Service requests are submitted electronically through the Asset Planner software by school administration and caretakers. The support person distributes the requests to the appropriate maintenance staff.
- Approximately 250 service requests monthly.
- Service requests are reviewed quarterly to ensure targets for completion are being met.

• Preventative Maintenance Requests

- Maintenance staff performs regularly scheduled maintenance on facility and components, i.e., boilers, furnaces, air-handling units.
- Approximately 230 preventative maintenance requests monthly.
- Preventative maintenance requests are reviewed quarterly to ensure targets for completion are being met and discuss equipment that may be reaching the end of its lifecycle.

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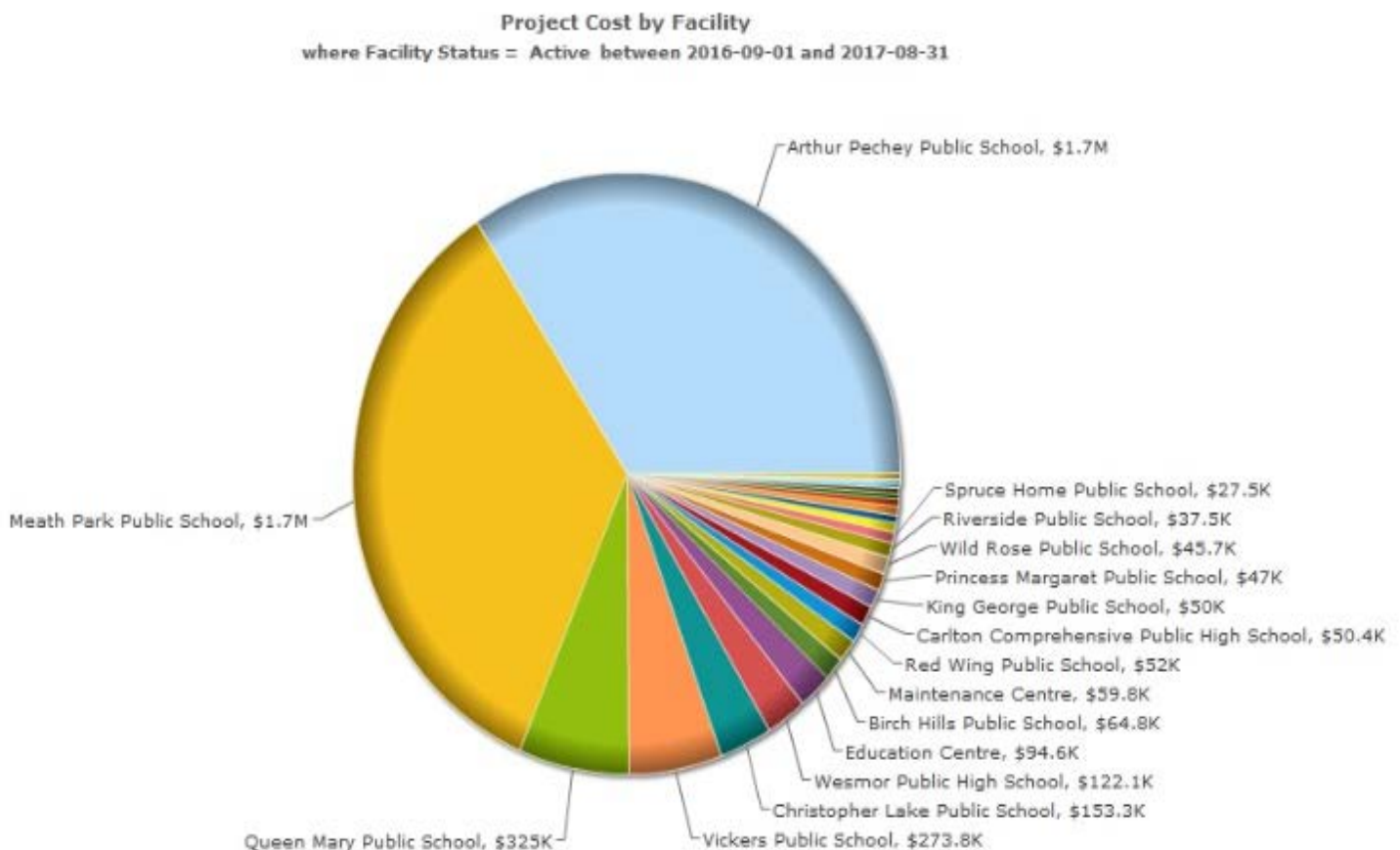
D. Projects

• Annual Small Projects

- SRPSD staff and contractors perform minor renovation projects throughout the year.
- Regular facility inspections and annual review meetings with principals and the use of the Asset Planner audit module determine work.
- Maintenance Centre staff undertook a large number of projects this past year some example are as follows:
 - Renovations to library, exterior painting, new soffit and fascia at Christopher Lake Public School.
 - Renovations and relocation of daycare at King George Public School.
 - Installation of suspended ceiling and new LED lighting at WJ Berezowsky (corridors).
 - Window replacement (partial) Canwood Public School.
 - Renovations to cooking lab at Carlton Comprehensive Public High School B-100.
 - New playground equipment installations at Red Wing, Princess Margaret, Birch Hills, Arthur Pechey, TD Michel and Westview Public Schools.

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- Classroom and staffroom floor replacement Red Wing, Spruce Home (partial).
 - Construction of garage at Wesmor Public High School.
 - Replacement of exterior doors and frames in a number of schools.
 - Replacement of lockers, washroom partitions in a number of schools.
- **Preventative Maintenance and Renewal (PMR)**
 - Ministry funding in addition to operating budget.
 - Based on square footage of facilities.
 - Board approve updated three-year PMR plan prior to June 30 of each year.
 - The division received \$1,750,000 in 2016-2017.
 - Preventative Maintenance and Renewal Projects are tracked on the Asset Planner software.
 - The software indicates work in progress and CAM (Capital Asset Management).



- **Major Projects**
 - Phase II of the Board-approved K-8 French Immersion program was complete prior to September school start up. This phase included six classrooms additional washrooms as well as a connecting link and site work including playground equipment - budget \$2 million.
 - Phase III of the project consisted of the construction of a multi-purpose (mini gym) space. This was constructed and complete by December 31, 2017 - budget \$500,000 K-8 project was completed under two years nearly doubling the program space at Arthur Pechey.
 - October 22, 2016 an unfortunate fire caused extensive damage to Meath Park Public School. The extent of the damage was to the gymnasium, change rooms, washrooms, kitchen and

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student lounge. Demolition and repairs took approximately ten months at a cost of \$1.7 million.

- A number of large roofing projects were undertaken throughout the division.
- Demolition of former PA Rural SD maintenance facility.
- Replacement of two roof top cooling units at Riverside Public School.
- Gym floor replacement École Vickers, Queen Mary mini gym and Wild Rose Public Schools.

E. Capital Planning

• Summary

The present level of the deferred maintenance backlog and facility renewal for the SRPSD portfolio is about \$53.12 million. The replacement value of the assets is estimated to be \$445 million based on cost per square foot analysis projections (in current year dollars). Using these two numbers, we find that the overall portfolio is just entering the “*Poor*” range (11% FCI) based on industry standards.

The current portfolio FCI of 11% (Poor) is common among school boards & public infrastructure in Canada and can be effectively managed with adequate funding and the application of capital planning strategies. However, capital needs are increasing faster than available funding and we expect the portfolio to migrate to the “*Critical*” range by 2042 based on an estimate of \$4 million of capital dollars available on average per year for deferred maintenance and capital renewal.

• Detailed Findings

○ Age Profile

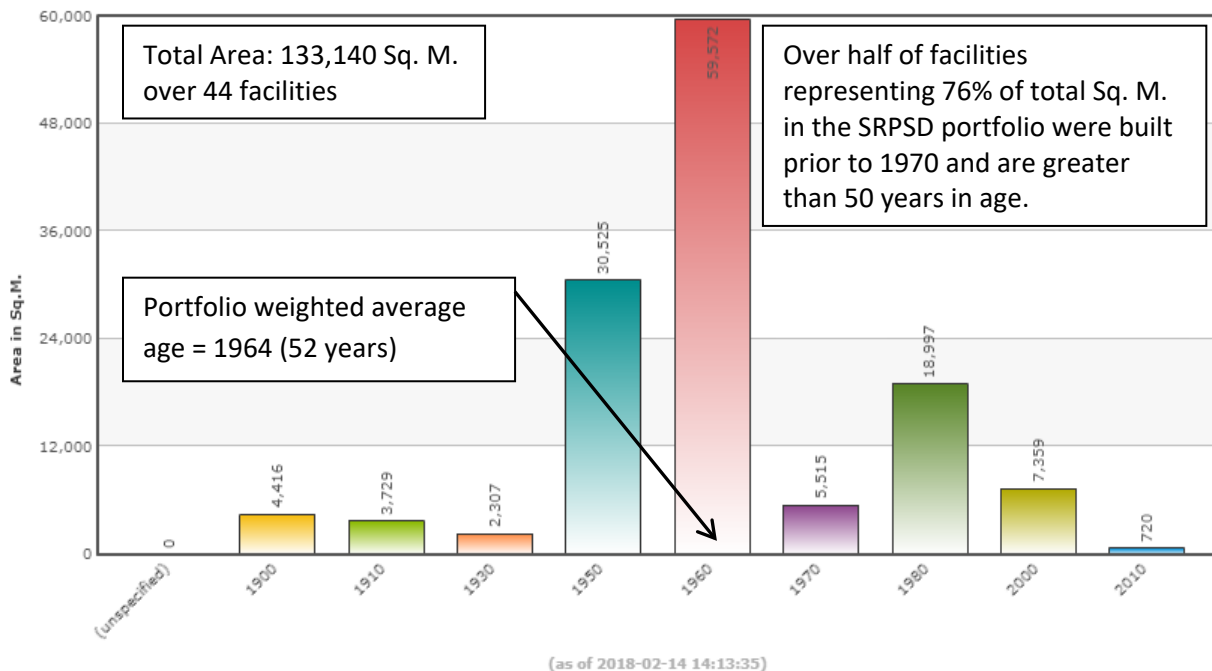


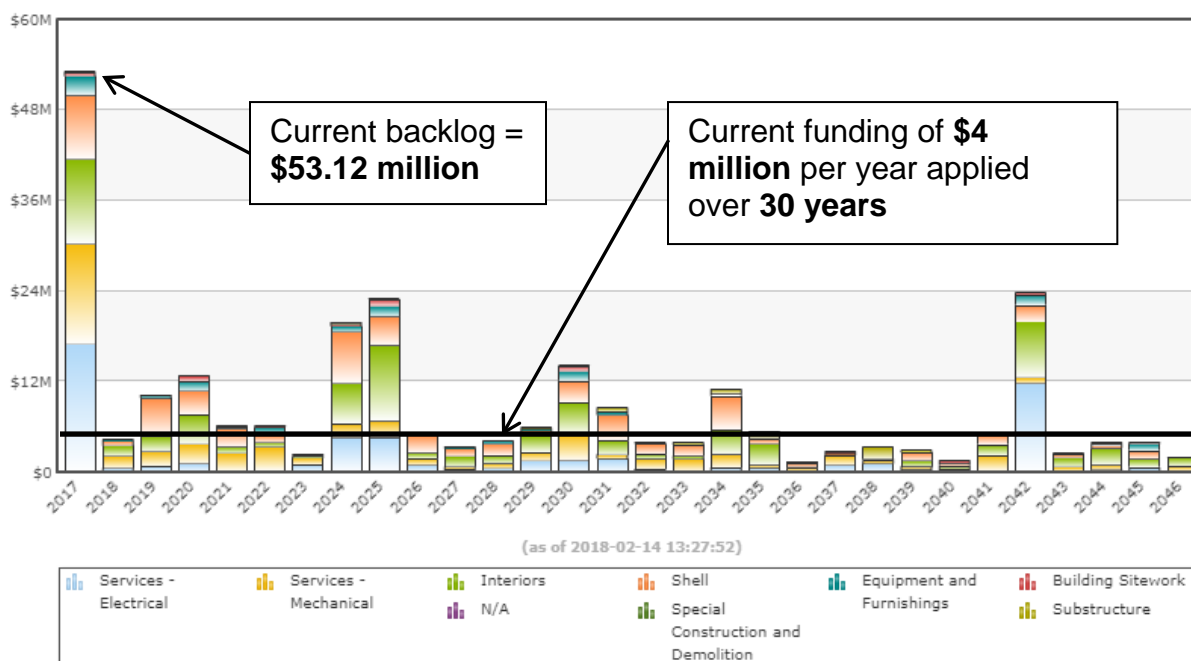
Figure 1: Age Profile of SRPSD Portfolio by Decade

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The building ages vary from 1908 to 2012 with a weighted average portfolio age of 52 years (circa 1964). Over half of the portfolio – 25 facilities – representing 76% of the total portfolio size were constructed prior to 1970 while the remaining 19 facilities were constructed between 1970 and 2012. As facilities age, they require increased maintenance and upkeep. The overall condition of the portfolio is directly attributable to the level of funding required for maintenance and building renewal.

Life Cycle Projections

Based on preliminary estimates of life cycle timing and costs, the present level of the “Deferred Maintenance Backlog” is estimated at approximately \$53.12 million prior to any funding as shown in Figure 2 below. Life cycle renewal costs for the major building elements have been established for each building to determine the Capital Renewal budget requirements over the next 30 years. These repair and replacement values are in current year dollars.



○ Capital Funding Analysis

How much funding is required?

Industry guidelines recommend an annual funding amount between 2% to 4% of the facility replacement value to adequately maintain them. In addition to an annual funding amount, special funds should be allocated to reduce the backlog of deferred maintenance.

Excluding special funds, the renewal funding required for SRPSD portfolio would translate to \$8.9 million annually (2% of \$445M replacement value).

Presently, the average funding for the SRPSD portfolio, allocated to deferred maintenance and capital renewal, is estimated to be \$4 million per year.

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Figure 3 below provides a graphical comparison of the cumulative renewal costs (top line) and the cumulative assumed current funding allocation (purple). The unfunded liability gap (light blue) in 30 years is approximately \$136 million.

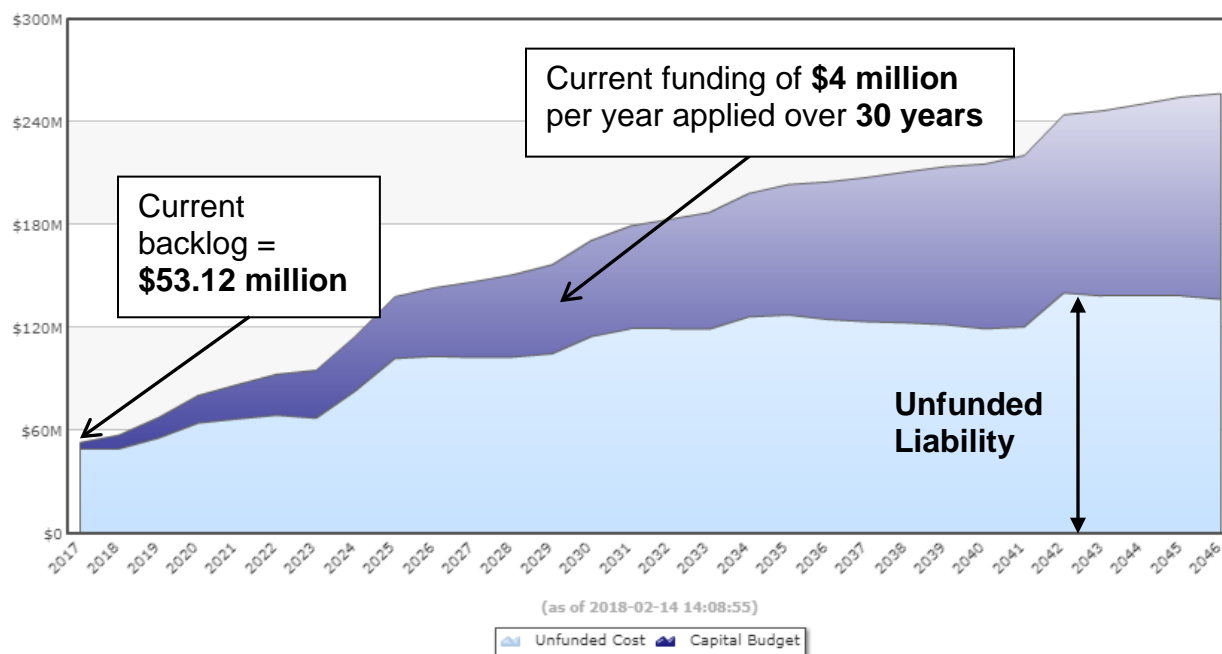


Figure 3: Cumulative Needs (top line) vs Available Funds (purple)

The unfunded figures represent the findings and results obtained from the life cycle renewal cost analysis.

Facility Condition Index (FCI)

The term Facility Condition Index (or FCI) is “a ratio of the cost of remedying capital deficiencies listed in the deferred maintenance backlog to the current replacement value”. The formula used for determining the FCI for a facility, or a component of the facility, is as follows:

$$F.C.I = \frac{\text{Unfunded Liability (\$)}}{\text{Current Replacement Value (\$)}}$$

Where the “Unfunded liability” represents the sum value of all capital deficiencies and renewal costs (at any given point in time) less the funding applied to the asset(s) for capital renewal. “Current Replacement Value” is defined as the total amount of expenditure in current dollars that would be required to replace the institution's facilities to its optimal condition.

As the FCI rating increases, facilities will experience:

- Increased failure risk to components
- Increased maintenance and operating costs of facilities
- Negative impacts on building occupants; Quality of Teaching & Learning

Figure 4 illustrates that the SRPSD Campus Portfolio has a deferred liability of 11% in the current year, which places the portfolio in the “Poor” range based on its current FCI rating. With \$4 million in annual funding for the SRPSD facilities, the FCI will migrate to the “Critical” range by 2042.

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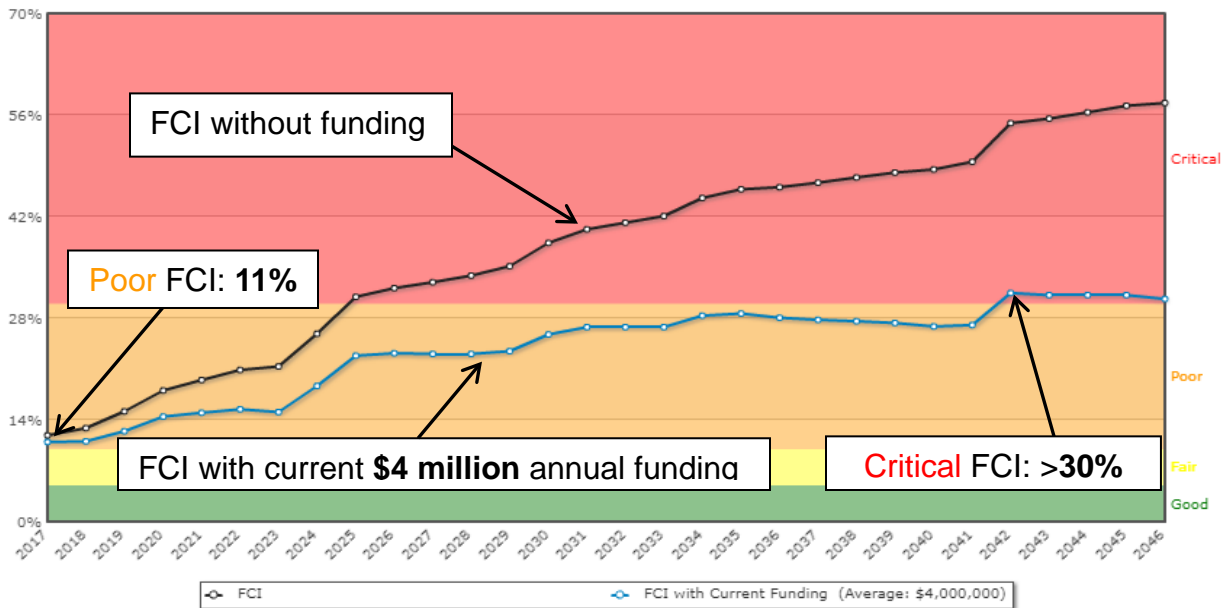


Figure 4: FCI & Backlog Funding Model for SRPSD Portfolio

Sustainability Target

Many real property owners have begun using 10% as an appropriate FCI level for their portfolios, stating that it is acceptable to carry a deferred backlog of up to 10% of the replacement value of the asset.

If the deferred backlog can remain around 10%, then the assets will be continually “sustained” at an acceptable level of risk that preserves the initial capital investment and minimizes impacts to campus occupants. This Sustainability Target compared to the Unfunded Liability is shown below in Figure 5.

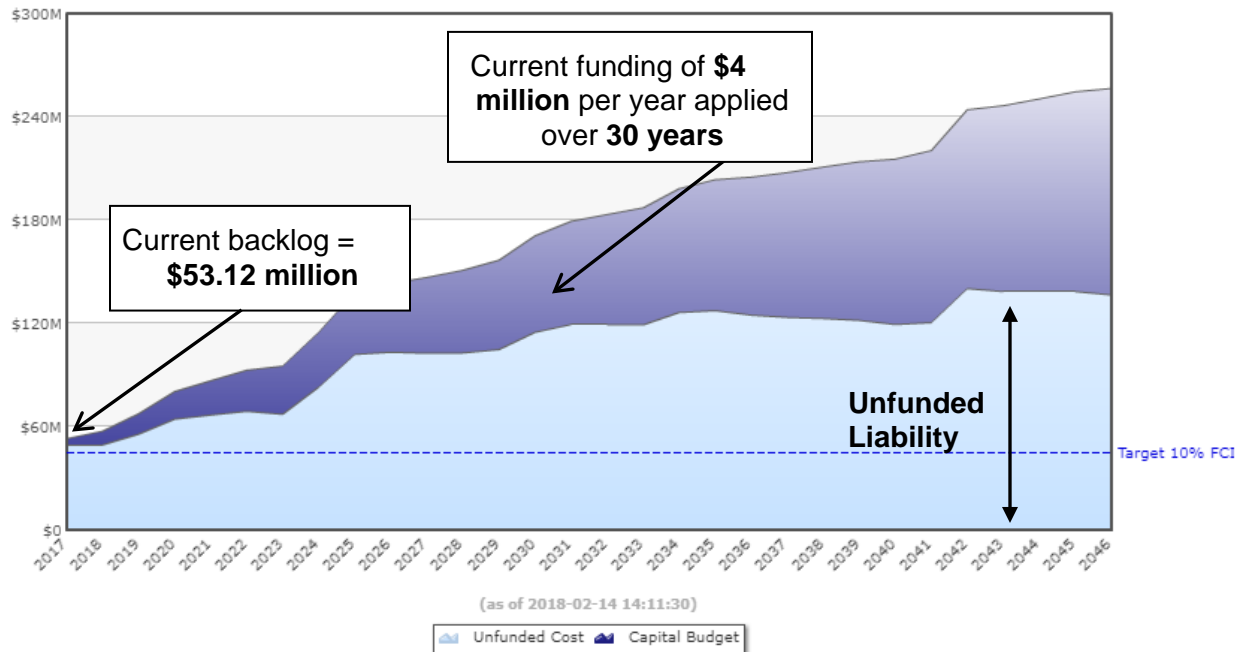
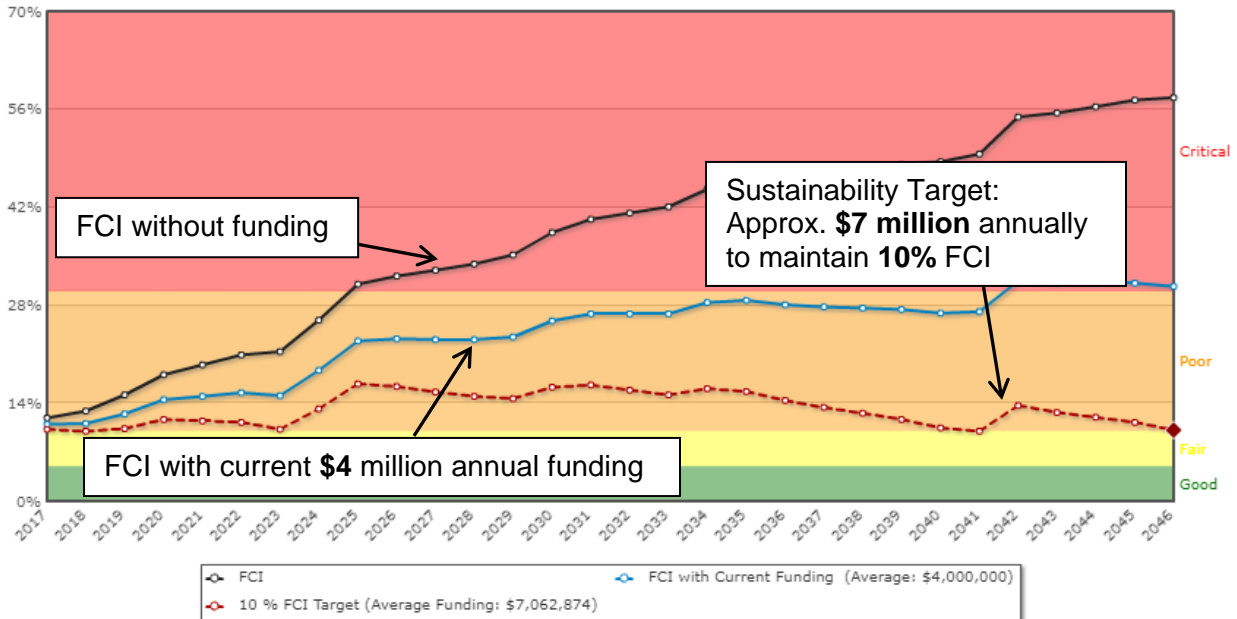


Figure 5: Unfunded Liability & Sustainability Target for SRPSD Portfolio

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The Sustainability Target funding levels are illustrated below in [Figure 6](#) in what is known as the Backlog Funding Model. Based on the projected future funding level a Facilities Condition Index (FCI) is calculated. **To maintain the facilities in a “Fair” state of repair (based on a 10% FCI rating), about \$7 million will need to be applied annually for the next 30 years.**



These levels of funding for capital and repair will ensure the building stock will be maintained at an acceptable level of risk preserving the initial capital investment. If the level of facility renewal funding is reduced, the exposure to risk will increase and the probability of premium renewal expenditures will increase.

Impact Analysis of Current Funding

In addition to demonstrating the need for additional funding, we have performed an impact analysis to demonstrate the impact of the current funding level. The results demonstrate that the \$4 million in annual capital funds does make a significant impact on the portfolio FCI and unfunded liability. The impact analysis is outlined below and demonstrated in [Figure 7](#).

With funding, the current FCI is 11% and the portfolio approaches critical in 2042:

Without funding, the current FCI is 12% and the portfolio approaches critical in 2025:

This demonstrates that the current funding of \$4 million annually extends the portfolio useful service life by 17 years, by utilizing the Critical range as our facility lifecycle benchmark (30% FCI).

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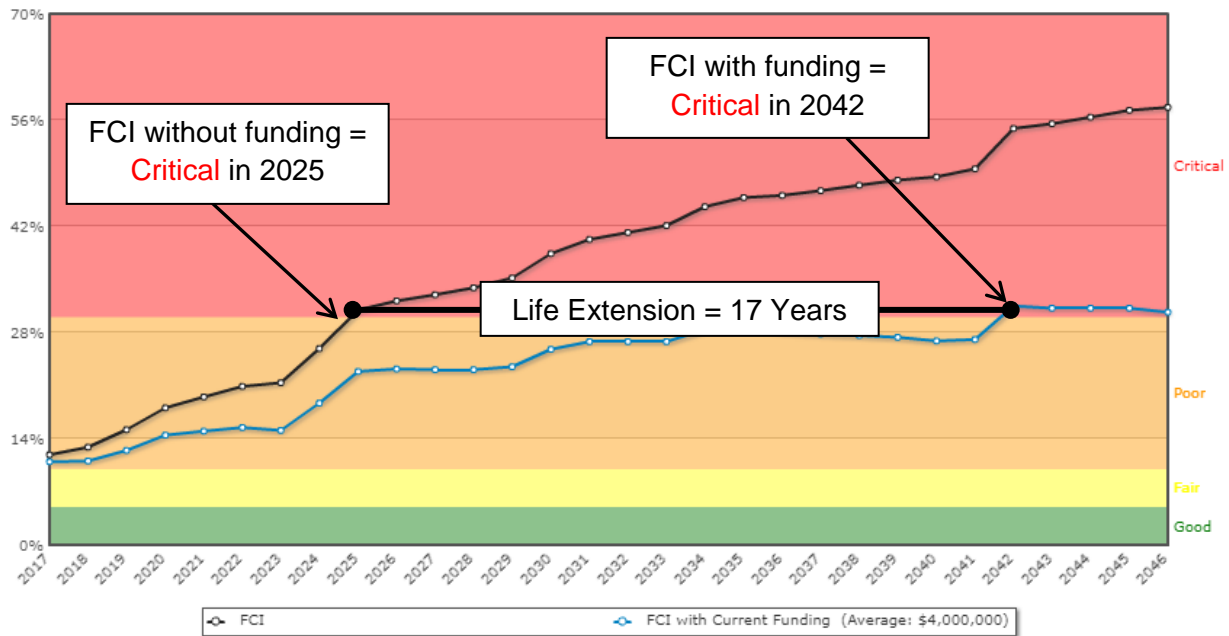


Figure 7: Impact Analysis & Useful Service Life Extension for SRPSD Portfolio

While additional funding would help to improve the FCI and sustain a 10% FCI, it is important to note that the current funding level does make a significant impact on the portfolio condition and the expected life of the facilities. If this funding level were to be reduced, it would have a clear impact on the FCI and the lifecycle of the SRPSD facilities.

F. Safety

- Active SRPSD safety program.
- COR status (Certificate of Recognition) for Maintenance Department.
- An internal audit was completed on the Maintenance Department in November 2017.
- Safe work practices and job procedures reviewed annually (October).
- Ongoing safety training for facilities staff.
- Weekly toolbox meetings – safety is always first and foremost.

Division safety initiatives

- Review of asbestos management plan
 - Reviewed existing asbestos audit and upgraded maintenance plan
- Occupational, Health and Safety
 - Ensuring that all schools and support facilities have an active Occupational Health and Safety committees and that the Co-Chairs are trained with Level I and II for compliance with the OH&S Regulations.
- Review of the Fire Safety Guidelines for Schools
 - Implementation of recommendations from the Fire Safety Audit and Inspections

G. Professional Development

- Facility staff regularly receives professional development in areas relating to their job – health and safety, first aid, etc.
- Asset Planner software training in Calgary in October 2017.
- Mechanical controls and building automation training (mechanical and electrical trades).
- All facilities staff have completed the new WHMIS Global Harmonization course.

H. Facilities Audit

- Utilize Asset Planner software to implement OPA recommendations into the Accountability Report.

I. Facility Department Initiatives

- Review preventative maintenance procedures and practices.
- Review of Caretaker Training Program.

ADMINISTRATIVE IMPLICATIONS:

A. Successes

- Regularly scheduled maintenance and repair of SRPSD facilities allows for the delivery of educational programming in a safe and well-maintained environment.
- Expedited and carried out Phase II and III of the Arthur Pechey French Immersion project on schedule and in time for 100% completion prior to school start up.
- Completion of restoration of Meath Park fire damaged areas on time for September school start up. The cost of restoration was 1.7 million.
- Increase in PMR funding is greatly appreciated and will assist in funding future projects.
- The 2016-2017 PMR budget was increased to \$1,700,000.00.

B. Challenges

- The age of SRPSD facilities (13 to 109 years).
- Continued budget reductions will have impact on services to facilities.
- Lack of funding for capital projects (i.e. W.P. Sandin Public High School).

GOVERNANCE IMPLICATIONS

1. Based upon the report, it is recommended the Board maintain current direction for ensuring the facilities budget remains at the level that best serves our facilities.

APPENDIX A



1 MAIN FLOOR PLAN
NTS

BUILDING PHASES	
	ORIGINAL
	2015 ADDITION
	2016 ADDITION
	2017 ADDITION
TOTAL	4148,1m²

