



AGENDA

Special Public Board Meeting

June 28, 2024

Item	Responsibility
1 Call to Order – 9:00 a.m.	S. Binder
2 Motion to Convene into Special Committee of the Whole Closed (Private) Session	nil
3 Reconvene to the Special Public Board Meeting	nil
4 Acknowledgement of Traditional Lands	S. Lewis
5 Roll Call	S. Binder
6 Approval of Agenda	S. Binder
7 Declarations of Conflict of Interest	nil
8 Reports from Staff	
(a) Easthill Elementary School Project Update	B. Wilson
(b) Borrowing Resulation Amendment #1 to the Credit Agreement dated May 2, 2024	B. Wilson
9 Adjournment	S. Binder

Decision __ Information X

To: Hastings and Prince Edward District School Board

From: Bryce Wilson, Superintendent, Business Services
Kim Horrigan, Senior Manager, Facility Services

Re: Easthill Elementary School Project Update

Purpose

This report provides an update on the construction of the new Easthill Elementary School (EES).

Link to Strategic Plan

5.3 "Ensure Responsible Communication" - Improve public relations by providing information that is timely, transparent, and accessible for all.

Background

The construction of the new Easthill Elementary School (EES) for 472 pupils on the site of the existing Queen Elizabeth School in Belleville is the result of the consolidation of Queen Elizabeth School and Queen Victoria School. EES is expected to be ready for full occupancy by August 2024 with an opening date of September 2024. The total funding allocated by the Ministry of Education for this project is \$22,526,346.

The contractor began construction in October 2021. The latest schedule submission of the new building and for the demolition of Queen Elizabeth Belleville is:

Description	Date
Construction Commencement	October 2021
Anticipated Substantial Completion	August 2024
School Opening	September 2024
Anticipated Project Completion (Abatement, Demolition and Site Improvements)	December 2024

Current Situation

The costs of the construction of the new school have increased since first approved by the Ministry of Education in 2018. The most recent Approval to Proceed (ATP) from the Ministry dated June 24, 2024 is for funding in the amount of \$22,526,346.

Construction costs have risen since the tender was awarded to the contractor, Garritano Bros. Ltd., in September 2021 in the amount of \$14,025,000. These cost escalations include:

- increases in material costs due to inflation,
- unique site costs,
- increased costs due to winter conditions,
- increased costs in hazardous material removal and demolition, and
- additional consultant fees related to the increase in construction cost.

The Ministry has indicated in the new ATP an additional \$4,831,656 in funding as a result of the cost escalations. The approved ATP was received on Monday June 24, 2024 and will include:

- the use of an additional \$3,445,052 of HPEDSB's proceeds of disposition,
- the use of \$217,548 of Schools-First Child Care Capital Retrofit,

- new funding of \$1,169,056 has been committed by the Ministry with a breakdown of, \$65,595 in Capital Priorities and \$1,103,461 Child Care Capital.

Effect on Financial Position

The proceeds of disposition and Schools-First Child Care Capital Retrofit dollars are both accounted for within deferred revenue on HPEDSB's statement of financial position (as a liability). The net effect on the statement of financial position will be an equal decrease to both the cash and deferred revenue lines.

Use of Proceeds of Disposition

Proceeds of disposition are derived from the disposal of real property. These funds are held by the Board and are to be used only for the following (per O.Reg 446/98):

- (a) school sites that provide or are capable of providing pupil accommodation, and additions or improvements to such school sites;
- (b) school buildings, fixtures of school buildings, fixtures of school properties, and additions, alterations, renovations or major repairs to school buildings, fixtures of school buildings or fixtures of school properties;
- (c) furniture and equipment to be used in school buildings;
- (d) library materials for the initial equipping of libraries in school buildings;
- (e) installations on school properties to supply school buildings on the properties with water, sewer, septic, electrical, heating, cooling, natural gas, telephone or cable services, and alterations, replacements or major repairs to those installations; and
- (f) changes to the level, drainage or surface of school properties.

The Ministry has issued the ATP with direction to utilize \$3,445,052 of HPEDSB's proceeds of disposition, these funds have a very specific use and require the Ministry's approval which has been indicated in the ATP.

As a result of the additional ATP, specifically the new funding dollars, HPEDSB will need to amend the borrowing resolution to the credit agreement for EES.

Appendices

Appendix A – Ministry of Education ATP Letter dated June 24, 2024



Ministry of Education

Ministère de l'Éducation

Capital Program Branch

Direction de programme
d'immobilisation

315 Front Street West
15th Floor
Toronto ON M7A 0B8

315, rue Front Ouest
15^e étage
Toronto (Ontario) M7A 0B8

June 24, 2024

Ms. Katherine MacIver
Director of Education
Hastings and Prince Edward District School Board
156 Ann Street
Belleville, ON K8N 1N9

Dear Katherine MacIver,

The ministry has received your board's request for a revised approval to proceed in the amount of \$22,526,346, including additional funding for the construction of a 472-pupil place Easthill Elementary School and a three-room child-care centre in Belleville, Ontario.

Ministry staff have reviewed the supporting information provided by your board for the additional funding and based on our review, the ministry grants your board a revised approval to proceed in the amount of \$22,526,346, as shown in the following chart:

Easthill Elementary School	
Project ID#: 29 – 029	
Funding Envelope	Funding Amount
<i>Original Funding</i>	
Capital Priorities	\$ 14,277,112
Full Day Kindergarten	\$ 1,215,800
Child Care Capital	\$ 1,580,697
Proceeds of Disposition	\$ 621,081
Subtotal	\$ 17,694,690
<i>Additional Funding Request:</i>	
Capital Priorities	\$ 65,595
Child Care Capital	\$ 1,103,461
Schools-First Child Care Capital Retrofit	\$ 217,548
Proceeds of Disposition	\$ 3,445,052
Subtotal	\$ 4,831,656

Katherine MacIver

-2-

Total	\$22,526,346

Your board is responsible and will be held accountable for implementing appropriate measures to ensure that the cost for this project is within \$22,526,346. Your board must receive ministry approval if the total cost of this project exceeds the amount the ministry has granted in this approval letter.

Please note that the Child Care Capital funding and Schools-First Child Care Capital Retrofit funding allocation that you have received for this project can only be used to address the capital costs related to the implementation of the child-care centre.

The additional funding approval is subject to the Lieutenant General in Council's approval of a future Core Education Funding regulation amendment.

Please refer to the attached **Appendix A - Communications Protocol**, for detailed requirements regarding public communications, events and signage related to the project.

Should you have any questions regarding this issue, please contact your Capital Analyst assigned to your board. The list can be found at https://efis.fma.csc.gov.on.ca/faab/Contact_Us.htm.

Sincerely,

Original Signed By:

Didem Proulx
Assistant Deputy Minister
Capital and Business Support Division

Attached: Appendix A – Communications Protocol: Public Communications, Events and Signage

c: Paul Bloye, Director, Capital Program Branch
Andrea Dutton, Director, Capital Policy Branch
Bryce Wilson, Superintendent of Business Services, HPEDSB
Juliee Harrison, Children's Services Manager, County of Hastings

Decision X Information

To: Hastings and Prince Edward District School Board

From: Bryce Wilson, Superintendent, Business Services

Re: Borrowing Resolution Amendment #1 to the Credit Agreement dated May 2, 2024

Purpose

To recommend approval of an amendment to the credit agreement to meet current capital expenditures of the Hastings and Prince Edward District School Board (HPEDSB).

Link to Strategic Plan

5.3 "Ensure Responsible Communication" - Improve public relations by providing information that is timely, transparent, and accessible for all.

Background

Ensuring effective management of all resources is a strategic priority for HPEDSB. Part of the effective management of all resources includes establishing various credit facilities with HPEDSB's financial institution to meet the operating and capital expenditures of the board until funds are received from the Ministry.

Current Situation

From time to time, the credit agreement requires amending to reflect changes in funding and expenditures. Until the capital grant payments are received, HPEDSB is required to have a borrowing resolution, as shown in Appendix A, in place to provide cash flow for operating and capital expenditures.

Demand Bridge Loan – Easthill Elementary School

On March 13, 2018, HPEDSB received an approved funding letter from the Ministry to construct a 472-pupil place replacement elementary school for Queen Elizabeth Public School (QEB) along with a 3-room childcare centre (1 infant, 1 toddler and 1 preschool) to support the consolidation of Queen Victoria School.

HPEDSB received additional funding from the Ministry in April 2021 in the amount of \$934,592 to support the cost of the demolition of QEB and unique site costs for the project, and again in September 2021 in the amount of \$2,202,157 and in May 2023 in the amount of \$1,894,029 to support the additional construction costs.

On June 24, 2024, HPEDSB received additional Capital Priorities and Child Care Capital funding from the Ministry in the amount of \$1,169,056.

Based on Ministry approval, the amount for the Easthill Elementary School bridge loan is set at \$5,528,460.

Recommendation

Moved:

Seconded:

That the Hastings and Prince Edward District School Board approve the borrowing resolution in order to meet current capital expenditures of the board.

- **Authorizing the borrowing of a sum of up to \$5,528,460 from the Canadian Imperial Bank of Commerce, in order to meet short-term borrowing requirements for the demolition of an existing building and the construction of a new K-8 elementary school, Easthill Elementary School on the Queen Elizabeth (Belleville) site under the Capital Priorities Grant, Full Day Kindergarten and Child Care Capital programs.**

Appendices

Appendix A – Borrowing Resolution

HASTINGS AND PRINCE EDWARD DISTRICT SCHOOL BOARD

BORROWING RESOLUTION

Demand Bridge Loan – Easthill Elementary School

WHEREAS the Hastings and Prince Edward District School Board (hereinafter called the Board) finds it necessary to borrow up to the sum of \$5,528,460 by way of a demand bridge loan for the demolition of an existing building and the construction of a new K-8 elementary school on the Queen Elizabeth (Belleville) site under the Capital Priorities Grant, Full Day Kindergarten and Child Care programs.

AND WHEREAS the estimated current revenues of the Board have not yet been received or fully received and such revenues hereafter to be received are sufficient to repay all unpaid sums borrowed hereunder and interest thereon:

THEREFORE the Board enacts as follows:

1. That the Chair and Treasurer are hereby authorized on behalf of the Board, pursuant to the orders to borrow by way of a demand bridge loan, a sum or sums not exceeding the aggregate of \$5,528,460 to meet capital expenditures of the Board for the demolition of an existing building and the construction of a new K-8 elementary school, Easthill Elementary School on the Queen Elizabeth (Belleville) site under the Capital Priorities Grant, Full Day Kindergarten and Child Care programs, and are hereby authorized to give, on behalf of the Board, to the lender a promissory note or credit agreement signed by the Chair and Treasurer for the monies borrowed hereunder with interest and other charges that may be agreed upon from time to time with the bank.
2. The Treasurer of the Board is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all monies comprising of current revenue of the Board hereafter received.

DATED this 28th day of June 2024.

WITNESS the corporate seal

Chair

Treasurer