

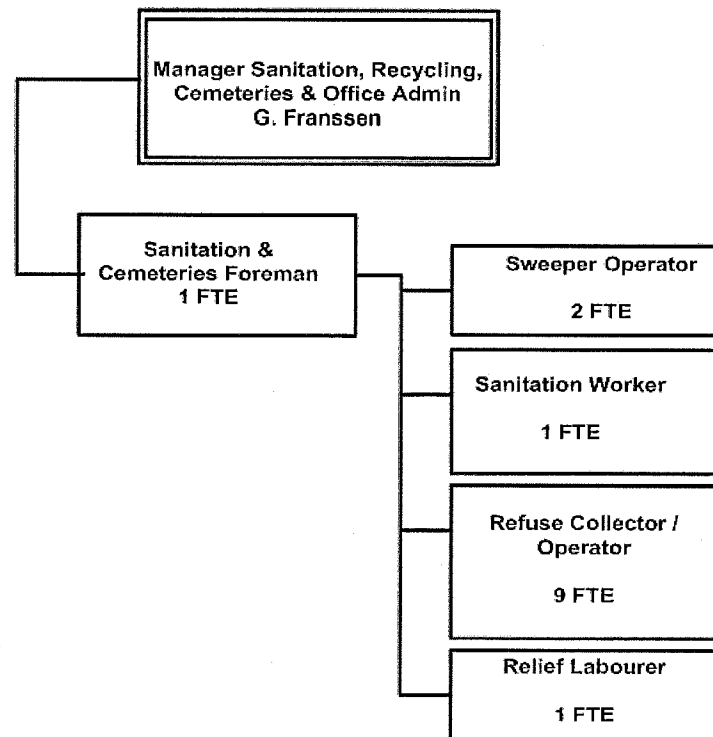
AGENDA
SPECIAL OPEN COMMITTEE OF THE WHOLE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE,
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2013-DEC-04, AT 9:00 A.M.

1. **CALL THE SPECIAL OPEN COMMITTEE OF THE WHOLE MEETING TO ORDER:**
2. **ADOPTION OF AGENDA:**
3. **PRESENTATIONS:**
 - (a) Mr. Tom Hickey, General Manager, Community Services, to provide a presentation regarding the 2014-2018 Financial Plan for Engineering and Public Works. Council discussion regarding the Financial Plan to follow the presentation.
4. **OTHER BUSINESS:**
5. **QUESTION PERIOD:** *(Agenda Items Only)*
6. **ADJOURNMENT:**

ACTING MAYOR: COUNCILLOR BESTWICK
2013-DEC-02 – 2014-JAN-19



**COUNCIL BUDGET REVIEW PILOT
ENGINEERING AND PUBLIC WORKS
SANITATION
December 4, 2013**



Engineering and Public Works - Sanitation - Current Level of Service

2014 - 2018 Financial Plan Review

Financial and Operational Planning includes:

Annual operating and maintenance activities to provide current service levels

Identify specific projects, supported by a long range asset management plan, for renewal of current facilities. Renewal projects focus on replacing major components of each facility.

Identify specific projects for upgrades to current facilities.

Significant Events

- Established food waste collection program that reduces waste to the landfill, full City wide collection started in 2011
- New recycling stewardship program for Packaging and Printed Paper (PPP) under Multi-Material British Columbia (MMBC) scheduled to begin May 19, 2014

Current Level of Service

Provide weekly residential food waste collection and bi-weekly garbage and recycling collection to over 26,000 residences on 35 routes. Collection of recycling is done by a contractor and residential food waste collection and garbage collection is undertaken by City staff.

The 2013 user fee for collection services is \$125.74 per household. User Fees, garbage tag sales and the sale of green bins are budgeted to fully fund the following services:

Service	% of Revenue
Annual Calendar Delivery	1%
Residential Garbage Collection	43%
Landfill Fees	25%
Nanaimo Recycling Exchange	3%
Curbside Recycling	19%
Street Waste Receptacles	1%
Cleaner Community Partnership	1%
Education & Promotion	2%
Administration & Discounts	5%
	100%

In 2012 3,745 tonnes of recycling, 4,021 tonnes of garbage and 3,256 tonnes of food waste was collected at the curbside.

Enhance the appearance of the City core and Business Improvement Association (BIA) by providing street and sidewalk amenities and sanitation services.

Provide scheduled street sweeping programs and services to address public safety and street sanitation.

The City receives a portion of the advertising revenue generated by bus shelters and benches provided by contractor.

Annual operating programs include:

Residential Garbage Collection / approximately 26,000 households

- weekly collection of residential food waste
- bi-weekly collection of residential garbage and specified recyclables
- production and delivery of annual collection schedules

Public education and promotion of 3R's programs, services and opportunities

- provide public education through two annual newsletters and other local media
- school and other 3R's programs via service arrangement with the Nanaimo Recycling Exchange (NRE)

Engineering and Public Works - Sanitation - Current Level of Service

2014 - 2018 Financial Plan Review

Residential Recycling Collection

- bi-weekly collection of residential recyclables - single family to 4-plex / approximately 26,000 households
- Community based recyclables collection services and open access to most stewardship programs through drop-off (NRE)

Street Cleaning

- specific Spring and Fall programs - sweep all city streets in Spring / SNIC material removal and Fall leaf and gutter program
- sweep downtown area streets weekly
- sweep downtown sidewalks bi-weekly
- scheduled street sweeping of all City streets at least once annually
- annual litter program covering approximately 200 km of roadside boulevards serviced by local not for profit groups

Bus Shelters and benches

- provision and maintenance of approximately 260 benches (contract service)
- provision and maintenance of approximately 40 bus shelters (contract service)
- provision and maintenance of approximately 6 City owned and serviced bus shelters
- provision and maintenance of approximately 12 City owned and serviced benches

Continuous Improvement Changes

- In 2012 curbside recycling and food waste collection diverted 64.2% of total garbage from the landfill.
- In 2012 under the food waste collection program 45.7% of garbage that previously would have gone to the landfill was diverted.

**Engineering and Public Works - Sanitation - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review**

Annual Operating and Maintenance Budget

Annual operating and maintenance budgets include:

- Staffing
- Contracted Services (eg recycling, RDN disposal fees)
- Vehicles, Equipment
- Materials and Supplies

Indirect costs that are incurred to support Sanitation operations such as payroll, accounts payable, human resources and senior management resources are not included in Sanitation operations actuals/budget.

Notes:

CUPE contract expires December 31 2013

2013 - 2017 Financial Plan includes inflationary increases for years 2 to 5 (2% increase for wages and benefits)

2014 Draft Budget does not include an increase for wages and benefits, a contingency is used for wages increases

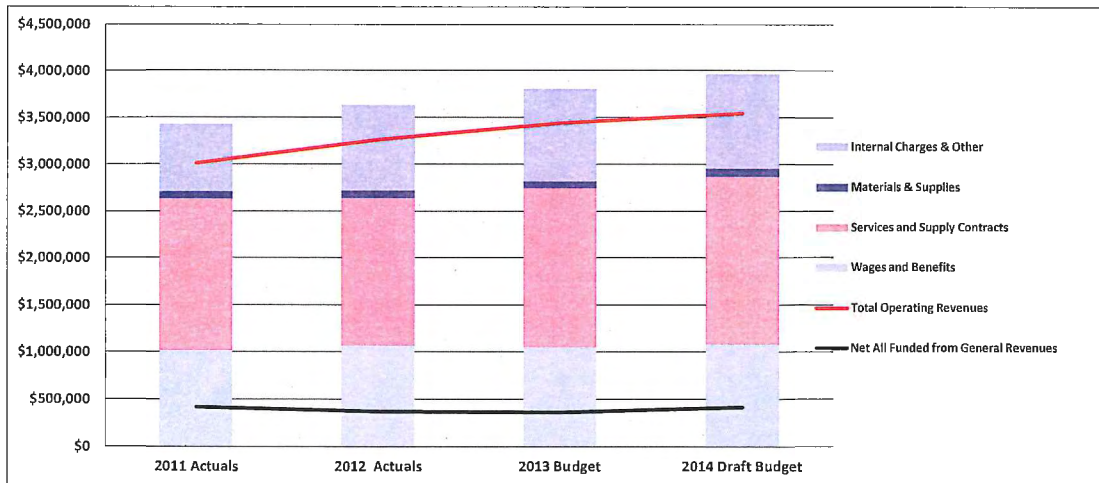
2014 and 2015 Draft Budgets are restated to include impact of proposed contract with MMBC and proposed contract increase with BFI

- 2014 user fees would be reduced from \$128.50 effective January 1, 2014 to \$94.50 in May 2014.

Sanitation	2013 - 2017 Financial Plan					2014 and 2015 Draft Budget Restated Assumes PPP with MMBC Contract and BFI Contract Changes are	
	2011 Actuals	2012 Actuals	2013 Budget	2014 Budget	2014 Draft Budget	2014 Draft Budget	2015 Draft Budget
Garbage User Fees	2,830,826	3,129,191	3,280,180	3,372,345	3,302,400	2,927,100	2,542,123
PPP Recoveries						465,300	941,774
Garbage Tags	89,468	97,985	95,000	95,950	95,000	95,000	95,950
City Property Rentals	61,401	31,533	45,000	45,450	35,000	35,000	35,350
Other Income	27,348	2,642	19,755	19,955	20,250	20,250	20,455
Total Operating Revenues	3,009,042	3,261,351	3,439,944	3,533,700	3,542,650	3,542,650	3,635,652
Wages and Benefits	1,013,625	1,065,834	1,049,009	1,069,990	1,081,400	1,081,400	1,103,028
Services and Supply Contracts	1,619,508	1,573,385	1,698,614	1,732,586	1,787,638	1,798,708	1,845,897
Materials & Supplies	77,414	80,632	70,440	71,849	85,575	85,575	87,287
Internal Charges & Other	713,934	908,753	980,888	1,000,483	1,002,078	982,595	1,022,100
Total Operating and Maintenance Expenditures	3,424,481	3,628,603	3,798,951	3,874,907	3,956,691	3,948,278	4,058,312
Net - Funded from General Revenues	415,438	367,252	359,007	341,207	414,041	405,628	422,660
Funded from General Revenues	12%	10%	9%	9%	10%	10%	10%
Estimated # of Households	24,832	25,861	26,085	26,398	26,400	26,400	26,717
User Fee \$/ Household	\$ 114.00	\$ 121.00	\$ 125.74	\$ 127.75	\$ 128.50	\$ 110.50	\$ 94.50
Cost per Capita	\$ 4.78	\$ 4.20	\$ 4.04	\$ 3.79	\$ 4.60	\$ 4.51	\$ 4.70
Budgeted FTEs	14.0						

Engineering and Public Works - Sanitation - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review

Expenditure Analysis





**COUNCIL BUDGET REVIEW PILOT
ENGINEERING AND PUBLIC WORKS
CEMETERIES
December 4, 2013**

Engineering and Public Works - Cemeteries - Current Level of Service

2014 - 2018 Financial Plan Review

Financial and Operational Planning includes:

Annual operating and maintenance activities to provide current service levels

Identify specific projects, supported by a long range asset management plan, for renewal of current facilities. Renewal projects focus on replacing major components of each facility.

Identify specific projects for upgrades to current facilities.

Significant Events

As a result of the lot line adjustment that removed part of the land attached to Townsite Cemetery, the development of the housing and commercial space will create some issues and needs. Known items have been recognized throughout the design and development process but financial implications are not fully recognized and timing will depend on construction of the Dufferin Crescent and Boundary housing portion of the project.

Current Level of Service

The City operates three cemetery sites: Nanaimo (Bowen Road) Cemetery, Townsite Road (Chinese) Cemetery and Wellington Cemetery.

Cemetery opening and closing services are provided to the public and funeral homes as needed. All graves include the supply of grave liners and the necessary manpower and equipment. The City also installs headstone markers, when markers are provided by the public. All marker installs and replacements require a permit.

Users are charged for services per the bylaw fee schedule that came into effect January 1, 2010.

The fees charge for Interment Rights Certificates and Memorial Marker Permits include a provision for the Cemetery Care Fund.

The Cemetery Care Fund is independent and is not included in the City's financial reporting. A separate bank account is maintained and interest income is earned.

This interest income can be used for the purpose of upkeep and maintenance of City cemeteries.

Annual operating and maintenance programs include:

Grounds Maintenance

- turf, flower, tree and shrub maintenance is performed by a contractor to provide safe and aesthetic cemetery grounds
- goose control
- annual rejuvenation/renovation of a section of cemetery grounds including re-levelling turf and headstones or other needed renovations. A 5 - 7 year rotation is used to ensure all areas are covered

Building Maintenance

- annual program to repair and maintain buildings and amenities

Cemetery Security

- night time security patrols of cemetery grounds performed by a contractor
- daily opening and closing of gates
- repairs due to vandalism

**Engineering and Public Works - Cemeteries - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review**

Annual Operating and Maintenance Budget

Annual operating and maintenance budgets include:

- Staffing: No dedicated staffing positions but a variety of City employees provide manpower for operations
- Contracted services (landscaping)
- Utilities

Indirect costs that are incurred to support the Cemeteries operations such as payroll, accounts payable, human resources and senior management resources are not included in Cemeteries operations actuals/budget.

Notes:

CUPE contract expires December 31 2013

2013 - 2017 Financial Plan includes inflationary increases for years 2 to 5 (2% increase for wages and benefits)

2014 Draft Budget does not include an increase for wages and benefits, a contingency is used for wages increases

Cemeteries	2013 - 2017 Financial Plan				
	2011 Actuals	2012 Actuals	2013 Budget	2014 Budget	2014 Draft Budget
Cemetery Services	45,405	37,510	34,775	35,123	37,775
Plot Sales	14,345	6,710	10,500	10,605	10,500
Interest Income	12,741	11,759	10,000	10,100	10,000
Total Operating Revenues	72,491	55,979	55,275	55,828	58,275
Wages and Benefits	35,254	31,691	39,762	40,557	37,600
Services and Supply Contracts	123,077	124,247	130,935	133,554	134,095
Utilities	27,828	28,281	30,650	31,263	34,650
Materials & Supplies	13,444	18,283	13,900	14,178	13,980
Internal Charges & Other	20,177	20,172	22,000	22,440	22,000
Total Operating and Maintenance Expenditures	219,780	222,675	237,247	241,992	242,325
Net Excluding Transfer to Cemetery Care Reserve	147,288	166,696	181,972	186,164	184,050
Transfer to Cemetery Care Reserve	10,340	6,348	7,500	7,500	7,500
Net - Operating Funded from General Revenues	157,628	173,044	189,472	193,664	191,550
Net - Funded from General Revenues	157,628	173,044	189,472	193,664	191,550
Funded from General Revenues	68%	76%	77%	78%	77%
Cost per Capita \$	1.81	\$ 1.98	\$ 2.13	\$ 2.15	\$ 2.13

Budgeted FTEs

Engineering and Public Works - Cemeteries - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review

Annual Operating and Maintenance Budget

Annual operating and maintenance budgets include:

- Staffing: No dedicated staffing positions but a variety of City employees provide manpower for operations
- Contracted services (landscaping)
- Utilities

Indirect costs that are incurred to support the Cemeteries operations such as payroll, accounts payable, human resources and senior management resources are not included in Cemeteries operations actuals/budget.

Notes:

CUPE contract expires December 31 2013

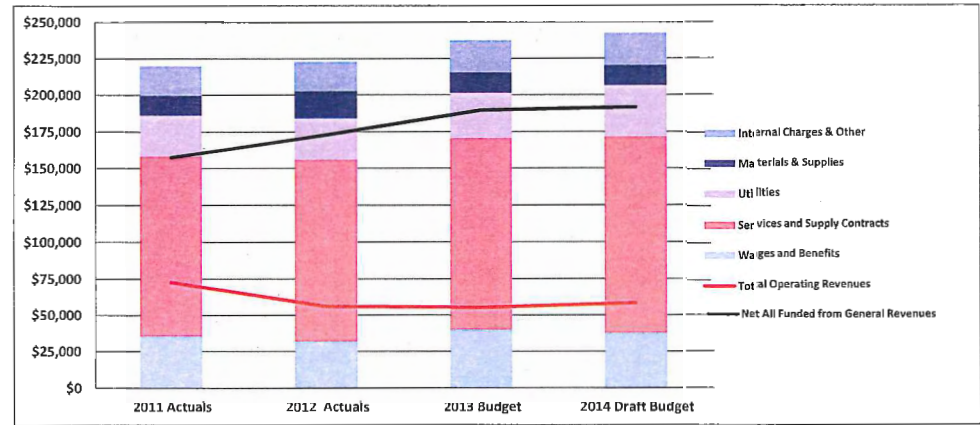
2013 - 2017 Financial Plan includes inflationary increases for years 2 to 5 (2% increase for wages and benefits)

2014 Draft Budget does not include an increase for wages and benefits, a contingency is used for wages increases

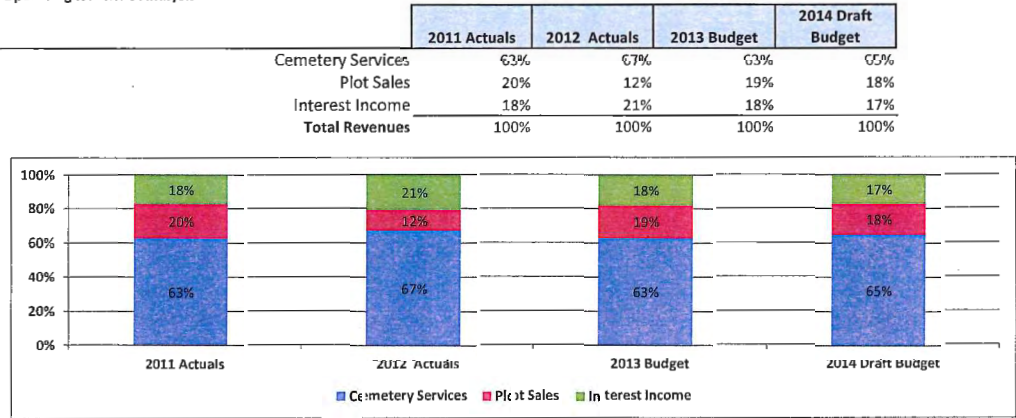
Cemeteries	2013 - 2017 Financial Plan				
	2011 Actuals	2012 Actuals	2013 Budget	2014 Budget	2014 Draft Budget
Cemetery Services	45,405	27,510	24,775	25,123	37,775
Plot Sales	14,345	6,710	10,500	10,605	10,500
Interest Income	12,741	11,759	10,000	10,100	10,000
Total Operating Revenues	72,491	55,979	55,275	55,828	58,275
Wages and Benefits	35,254	31,691	39,762	40,557	37,600
Services and Supply Contracts	123,077	124,247	130,935	133,554	134,095
Utilities	27,828	28,281	30,650	31,263	34,650
Materials & Supplies	13,444	18,283	13,900	14,178	13,980
Internal Charges & Other	20,177	20,172	22,000	22,440	22,000
Total Operating and Maintenance Expenditures	219,780	222,675	237,247	241,992	242,325
Net Excluding Transfer to Cemetery Care Reserve	147,288	166,696	181,972	186,164	184,050
Transfer to Cemetery Care Reserve	10,340	6,348	7,500	7,500	7,500
Net - Operating Funded from General Revenues	157,628	173,044	189,472	193,664	191,550
Net - Funded from General Revenues	157,628	173,044	189,472	193,664	191,550
Funded from General Revenues	68%	76%	77%	78%	77%
Cost per Capita \$	1.92 \$	1.98 \$	2.13 \$	2.15 \$	2.13
Budgeted FTEs	-				

Engineering and Public Works - Cemeteries - Annual Operating and Maintenance
 2014 - 2018 Financial Plan Review

Expenditure Analysis

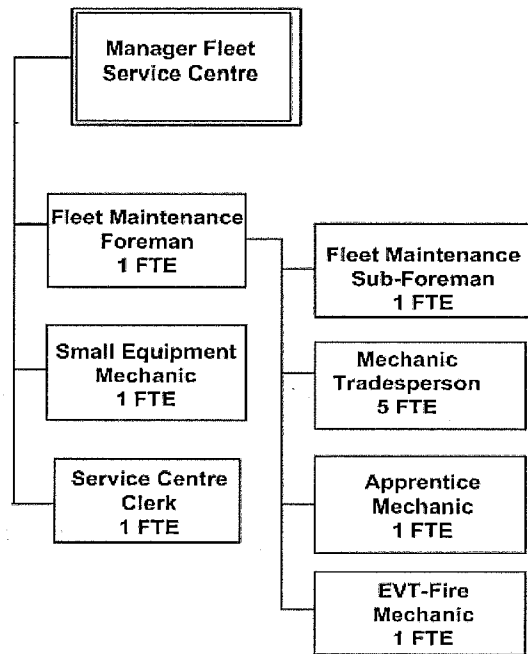


Operating Revenue Analysis





**COUNCIL BUDGET REVIEW PILOT
ENGINEERING AND PUBLIC WORKS
FLEET
December 4, 2013**



Engineering and Public Works - Fleet - Current Level of Service

2014 - 2018 Financial Plan Review

Financial and Operational Planning includes:

Annual operating and maintenance activities to provide current service levels

Identify specific projects, supported by a long range asset management plan, for renewal of current facilities. Renewal projects focus on replacing major components of each facility.

Identify specific projects for upgrades to current facilities.

Significant Events

Completed 3rd E3 fleet review. This independent review of our equipment benchmarks us against other fleets within BC and provides us with a rating and recommendations to improve or green our fleet.

Changes to Government regulations have resulted in different tooling and equipment being required to maintain our inspection facility licence. Over the years items such as headlight aiming equipment, gas analysers and decibel meters have become mandatory equipment.

Many fleet vehicles now require more expensive synthetic oils. The diversity of oils in newer equipment also creates additional costs as we now must carry a wider inventory of oils thereby increasing storage needs and dispensing equipment.

Fuel prices have increased significantly over the past few years.

Technology changes in vehicles have increased the need for more scan tools, laptops and software to diagnose, adjust and repair - onboard computer systems, fuel systems and tire pressure.

Backup radio repeaters and all associated equipment was transferred to an emergency radio trailer for use in a disaster or in the event of a repeater fail or tower fail.

In anticipation of Industry Canada's narrow banding compliance order the Public Works VHF repeater (which was past the end of its useful life) has been replaced and all radios are being upgraded to be narrow band compliant.

Current Level of Service

Fleet Operations is responsible for the purchase, insurance, maintenance and repair of all City fleet vehicles, the radio communications system and small equipment.

The fleet consists of a diverse range of equipment including trucks, cars, fire pumpers, vans, tractors, mowers, compressors, leaf blowers, zambonis, back hoes, flush trucks and more. Currently the fleet consists of approximately:

Vehicle Type	Department	#	Type	Department	#
Light Duty	City	55	Small Equipment, Trailers and Machinery	City	173
	Fire	8		City	31
Medium Duty	City	45	Zambonis	City	6
	Fire	5	Equipment and Machinery	Fire	7
Heavy Duty	City	51			
	Fire	15			

The Fleet Service Centre operates 3 shifts to provide off hour coverage for the servicing and repair of vehicles without creating downtime. Approximately 3,300 work orders are handle per year in the main shop and another 65 work orders are handle by the small equipment shop.

The Fleet Service Centre operates 6 service bays, 1 welding bay and 1 small equipment shop. Shop bays are equipped with two service pits and two vehicle lifts.

Engineering and Public Works - Fleet - Current Level of Service

2014 - 2018 Financial Plan Review

The City operates a Computrol fuel system and bulk fuel tanks are used by all City fleet vehicles as well as the RCMP fleet vehicles.

The Shop Foreman is the City of Nanaimo Driver Trainer and is responsible for training all City staff that operate fleet vehicles.

Administration of the GPS program for Public Works fleet vehicles. Benefits of the program include:

- Tracking of hourly vehicles
- Cost analysis and reduction
- Idle time monitoring
- Snow and ice control monitoring
- Customer response times
- Route planning
- Data collection

Continuous Improvement Changes

Anti-Idle Strategies:

- When possible tenders specs for new vehicles include anti-idle shut downs
- Incorporating in-cab heaters or dual batteries and on boarder charges in trucks to reduce the need for operators to idle
- When possible tender specs include LED lighting
- LED strobe lights and arrows sticks are now the fleet standard, this allows operators to shut engines down while operating emergency lighting
- Anti-idling training for staff

Electric Vehicles:

- Purchase of electric vehicles:
 - 3 Nissan Leaf with a projected lifecycle savings of \$6,000/each
 - 1 Electric zamboni with a projected lifecycle savings of \$24,000
- Electric vehicle conversions:
 - Ford Ranger EV conversion with a projected lifecycle savings of between \$6,000-\$18,0000
 - Zamboni EV conversion with a projected lifecycle savings of between \$27,000-\$40,000

Fleet Downsizing:

- Replaced 15 full size V8 powered trucks with 4 cylinder trucks
- Replace 4 full size vans with 4 cylinder vans

Alternative Fuels:

- Purchase of two 1 ton utility trucks that are dual fuel, CNG and gasoline, with a projected lifecycle savings of \$50,000/each
- Converted two 1/2 ton trucks to dual fuel, propane and gasoline, with a projected lifecycle savings of \$3,500 and \$20,000 respectfully
- Additional conversions to dual fuel are planned including another 1/2 ton truck to propane and gasoline, with projected lifecycle savings of \$20,000 and two garbage trucks to diesel and propane with a projected lifecycle savings of \$22,000/each.

Fuel Management:

- Initiated a bulk fuel tank sampling and analysis program
- Program found contamination in bulk fuel tanks that can result in poor operation, plugged fuel filters and fuel system failures
- Sampling conducted twice per year at no cost to the City
- Initiated a fuel additive program as a result of the sampling and analysis program

Tires:

- Recap heavy duty truck tires
- Typically can get four recaps per tire. Each recap saves approx. \$250 over a new tire for a single axle dump truck

Engineering and Public Works - Fleet - Current Level of Service

2014 - 2018 Financial Plan Review

Annual Operating Programs Include:

Fleet Maintenance Program

- Preventative maintain program on all fleet equipment
- Service work and annual inspection of approx. 162 pieces of mobile equipment
 - Four services are performed per annum on the typical fleet vehicle, higher use vehicles such as garbage trucks are serviced more frequently
 - Electric vehicles receive two services per annum
 - One service per annum for trailers
- Annual motor vehicle inspections
- Approx. 58 annual commercial vehicle inspections (CVIS)
- Service work and CVIS must be done within the standards and timelines of Government standards to maintain our designated inspection facility license
- Annual review of fleet rates
- Purchase and disposal of fleet vehicles
- Fleet replacement plan

Welding

- Welding bay equipped with oxy acct equipment, plasma cutter, mig and tig welders, metal sheer and break
- Repairs and projects to fleet equipment i.e. sanders, plows, trailers, truck boxes and in cab storage solutions, replacing floors in garbage packers etc
- Welding projects completed for other City departments i.e. building and installing steps and platform at Jump Creek, repairing or building handrails etc

Small Equipment

- Approx. 200 pieces of small equipment are provide for rental to City departments
- Service and repair fleet small equipment
- Service and repair small equipment owned by individual City departments
- Maintain inventory of equipment and supplies for all City departments small equipment
- Annual review of small equipment: usage, disposal of equipment at the end of their lifecycle or no longer required
- Purchase of small equipment to meet needs of department

Communications and Radios

- Repair, maintenance and replacement of radio communication system
- System consists of:
 - 45.6 meter radio tower
 - 1 VHF repeater for Parks and Recreation vehicles
 - 1 VHF repeater for Public Works vehicles
 - 1 UHF repeater that is currently inactive but can be quickly re-enabled if required
 - Emergency radio communications trailer
 - Three radio bases - Public Works Administration Office, Public Works Shop Facility and Parks Office at Prideux Street
 - Approx. 140 radios installed in fleet vehicles
 - Approx. 40 handheld radios
- Annual radio licensing from Industry Canada

Engineering and Public Works - Fleet - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review

Annual Operating and Maintenance Budget

Annual operating and maintenance budgets include:

- Staffing
- Contracted Services (fleet repairs - heavy duty equipment, fabricating, body work, glass replacement, testing etc)
- Materials and Supplies

Indirect costs that are incurred to support the Fleet operations such as payroll, accounts payable, human resources and senior management resources are not included in Fleet operations actuals/budget.

Interprogram Credits - City departments pay a monthly or hourly rate for use of fleet vehicles and small equipment maintained by Fleet Operations. This charges covers the annual operating and maintenance costs, including insurance, of the equipment and allow for a contribution to the reserve to fund the future replacement.

Transfer to Equipment Depreciation Reserve - the net credit from Fleet Operations are transferred to the reserve to fund future fleet and small equipment replacement

Notes:

CUPE contract expires December 31 2013

2013 - 2017 Financial Plan includes inflationary increases for years 2 to 5 (2% increase for wages and benefits)

2014 Draft Budget does not include an increase for wages and benefits, a contingency is used for wages increases

Fleet	2013 - 2017 Financial Plan				
	2011 Actuals	2012 Actuals	2013 Budget	2014 Budget	2014 Draft Budget
Other Revenue	8,244	10,812	-	-	-
Total Operating Revenues	8,244	10,812	-	-	-
Wages and Benefits	793,868	755,895	855,429	872,538	848,156
Services and Supply Contracts	332,208	294,634	316,700	323,034	342,720
Utilities	759	512	350	357	-
Materials & Supplies	1,030,081	1,125,172	1,074,300	1,095,786	1,068,475
Internal Charges & Other	26,365	28,054	26,772	27,110	19,654
Total Operating and Maintenance Expenditures	2,183,281	2,204,266	2,273,551	2,318,825	2,279,005
Net Excluding Transfer to Equipment Depreciation Reserve and Interprogram Credits	2,175,037	2,193,455	2,273,551	2,318,825	2,279,005
Transfer to Equipment Depreciation Reserve	453,839	640,809	306,015	312,126	522,517
Net Fleet Operations	2,628,876	2,834,264	2,579,566	2,630,951	2,801,522
Interprogram Credits	(2,628,876)	(2,834,264)	(2,573,417)	(2,624,678)	(2,802,292)
Net Operating Funded from General Revenues	(0)	(0)	6,149	6,273	(770)
Transfers from Reserves	1,882,180	918,278	2,017,904	652,000	-
Other Project Funding	93,732	115,324	-	-	-
Total Project Funding	1,975,912	1,033,602	2,017,904	652,000	-
Capital	1,958,976	1,008,330	1,948,955	627,000	-
Operating	16,936	25,272	68,949	25,000	-
Total Project Expenditures	1,975,912	1,033,602	2,017,904	652,000	-
Net - Funded from General Revenues	(0)	(0)	6,149	6,273	(770)
Total Operating & Maintenance Expenditures per Capita	\$ 25.11	\$ 25.19	\$ 25.61	\$ 25.76	\$ 25.32
Budgeted FTEs	12.0				

Engineering and Public Works - Fleet - Annual Operating and Maintenance
2014 - 2018 Financial Plan Review

Expenditure Analysis

