

AMENDED

AGENDA FOR THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO BE HELD IN THE BOARD ROOM, CITY HALL, ON MONDAY, 2010-MAY-03, COMMENCING AT 4:30 P.M.

1. **CALL THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO ORDER:**
2. **INTRODUCTION OF LATE ITEMS:**
 - Add Item 6 (b) – Delegations Pertaining to Agenda Items – Mr. Leon Cake regarding Request for Proposal #1003 Primary Waterworks Supplier Follow Up Report.
3. **ADOPTION OF AGENDA:**
4. **ADOPTION OF MINUTES:**
 - (a) Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall, on Monday, 2010-APR-19 at 4:30 p.m. Pg. 4-10
5. **PRESENTATIONS:**
6. **DELEGATIONS PERTAINING TO AGENDA ITEMS: (10 MINUTES)**
 - (a) Delegations Pertaining to the 2010 – 2014 Financial Plan.
 - (b) Mr. Leon Cake, 5936 Schooner Way, Nanaimo, re: Request for Proposal #1003 Primary Waterworks Supplier Follow Up Report. Pg. 10.1
7. **COMMISSION REPORTS:**
 - (a) **Parks, Recreation and Culture Commission – City of Nanaimo Community Plan for Public Art** Pg. 11-12
Commission's Recommendation: That Council approve the City of Nanaimo Community Plan for Public Art.
 - (b) **Parks, Recreation and Culture Commission -- Civic Merit Awards for Sports / Arts and Culture Achievement** Pg. 13-19
Commission's Recommendation: That Council approve the proposed new City of Nanaimo "Civic Sport Merit Awards and Arts / Culture Merit Awards" Policy and "Selection Criteria – Civic Merit Awards for Sports / Arts and Culture" as attached to the report.

8. **COMMITTEE REPORTS:**

- (a) **Transportation Advisory Committee – Transit Connect Electric Alliance of BC** Pg. 20-21

Committee's Recommendation: That Council endorse the City's participation as a partner in the Transit Connect Electric Alliance of BC and is prepared to commit to the acquisition and evaluation of four to six Transit Connect Electric vehicles in 2011 and 2012, based on a subsidy of 33% of the cost of these new vehicles.

9. **STAFF REPORTS: (blue)**

CORPORATE SERVICES:

- (a) **2009 Annual Financial Report** Pg. 22-32

Staff's Recommendation: That Council approve the 2009 Annual Financial Report for the City of Nanaimo.

- (b) **Request for Proposal #1003 Primary Waterworks Supplier Follow Up Report** Pg. 33-42

Staff's Recommendation: That Council award Request for Proposal (RFP) #1003 to Corix Water Products for a five year term.

DEVELOPMENT SERVICES:

- (c) **Regulation of Blasting Activity** Pg. 43-47

Staff's Recommendation: That Council direct staff to develop guidelines and an education program regarding blasting within the City and bring a further report back to Council in one year to determine if establishment of a Blasting Bylaw is warranted.

- (d) **LED / Animated Signage** Pg. 48-53

Staff's Recommendation: That Council direct Staff to draft amendments to "Sign Bylaw No. 2850" that would permit LED/animated signage throughout the entire city on properties zoned for commercial and industrial use and on properties operated/owned by the City.

COMMUNITY SERVICES:

- (e) **Tender for a Vertical Split Stream Compactor Refuse Truck** Pg. 54-55

Staff's Recommendation: That Council authorize the purchase of a Shupak Compactor mounted on an Autocar Chassis from RayMax Equipment for a tender price of \$275,965.

10. **INFORMATION ONLY ITEMS:**

11. **CORRESPONDENCE:**

- (a) Letter dated 2010-APR-14 from Ms. Denise Savoie, MP, Victoria, Mr. Jack Layton, MP, Leader, New Democratic Party of Canada, and Ms. Jean Crowder, MP, Nanaimo-Cowichan, requesting a letter of support for Bill C-466, which would facilitate green commuter choices for Canadians by making employer-provided benefits for transit, carpooling and bicycle commuting tax-free at the federal level. Pg. 56-57

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

- (a) At the Regular Finance / Policy Committee of the Whole Meeting held Monday, 2010-APR-19, Councillor Unger put forward the following Notice of Motion:

"That Council review its purchasing policy."

14. **DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA:**
(10 MINUTES)

- (a) None.

15. **QUESTION PERIOD:** *(Agenda Items Only)*

16. **PROCEDURAL MOTION:**

It is moved and seconded that the following meeting be closed in order to deal with the following matters under the *Community Charter* Section 90(1):

- (c) labour relations or employee negotiations.

17. **ADJOURNMENT:**

MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2010-APR-19 COMMENCING AT 4:30 P.M.

PRESENT: Mayor J. R. Ruttan, Chair

Members: Councillor W. L. Bestwick
Councillor W. J. Holdom
Councillor D. K. Johnstone
Councillor J. A. Kipp
Councillor L. D. McNabb
Councillor J. F. K. Pattje
Councillor L. J. Sherry
Councillor M. W. Unger

Absent: D. W. Holmes, General Manager of Corporate Services

Staff: A. C. Kenning, City Manager
A. W. Laidlaw, General Manager of Community Services
E. C. Swabey, General Manager of Development Services
I. Howat, Director of Legislative Services
B. E. Clemens, Director of Finance
T. M. Hickey, Director of Engineering and Public Works
T. P. Seward, Director of Development
A. J. Tucker, Director of Planning
R. J. Harding, Director of Parks, Recreation and Culture
P. Kristensen, Director of Information Technology
T. Moscrip, Senior Manager of Engineering
S. Samborski, Manager of Recreation and Culture Services
S. Graham, Manager of Financial Planning & Payroll
J. E. Harrison, Manager of Legislative Services
T. Wilkinson, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Finance / Policy Committee of the Whole Meeting was called to order at 4:30 p.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Add Agenda Item 9 (e) – Staff Reports – Nanaimo Bastion Restoration.
- (b) Add Agenda Item 13 (a) – Other Business – Nanaimo Marine Rescue Society funding request.

- (c) Councillor Kipp advised that Mr. Darryl Wright was in attendance and wished to address Council as a late delegation regarding Request for Proposal #1003 Primary Waterworks Supplier.

It was moved and seconded that Mr. Wright be permitted to address Council as a late delegation with a five-minute time limitation.

- (d) Councillor Kipp advised that Mr. Leon Cake was in attendance and wished to address Council as a late delegation regarding Request for Proposal #1003 Primary Waterworks Supplier.

It was moved and seconded that Mr. Cake be permitted to address Council as a late delegation with a five-minute time limitation.

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2010-MAR-01 at 4:35 p.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

- (a) Mr. A. J. Tucker, Director of Planning, provided a PowerPoint presentation regarding Ipsos Reid Survey dated October 2009, entitled "Municipal Solutions for a Greener Earth 2009 – The City of Nanaimo".

6. DELEGATIONS PERTAINING TO AGENDA ITEMS:

- (a) Delegations Pertaining to the 2010 – 2014 Financial Plan.
- No one spoke to the 2010 – 2014 Financial Plan.
- (b) Mr. Darryl Wright, Andrew Sheret Limited, expressed concerns regarding the process and criteria for awarding Request for Proposal #1003 Primary Waterworks Supplier.
- (c) Mr. Leon Cake, Four Star Waterworks Ltd., expressed concerns regarding the process and criteria for awarding Request for Proposal #1003 Primary Waterworks Supplier.

7. COMMISSION REPORTS:

(a) Parks, Recreation and Culture Commission – Beban Park Facilities Redevelopment Plan

It was moved and seconded that Council approve the Beban Park Facilities Redevelopment Plan to guide future improvement to the facilities and that timing and funding of the improvements be included in the yearly capital plan review for consideration.

It was moved and seconded that the motion be amended to read: "That Council receive the Beban Park Facilities Redevelopment Plan as a guide to potential future improvement to the facilities, and that timing and funding of the improvements be included in the yearly capital plan review for consideration". The motion carried.

Opposed: Councillor Kipp

The vote was taken on the main motion as amended.

The motion carried.

Opposed: Councillor Kipp

8. COMMITTEE REPORTS:

(a) Grants Advisory Committee – 2010 Grants Advisory Committee Recommendations

It was moved and seconded that Council:

1. award an Other Grant to OG-02 – Nanaimo Volunteer & Information Centre Society for \$1,293.80; and,
2. deny an Other Grant to OG-03 – Nanaimo Dry Grad Society.

The motion carried unanimously.

(b) Social Planning Advisory Committee – 2010 Community Service Grants

It was moved and seconded that Council approve the allocation of the first round of 2010 Community Service Grants as noted below:

Applicant	Purpose	Amount Requested	Amount Recommended
MS Society Central Island	To ensure their ability to maintain and improve operations.	\$10,000	0
Columbian Centre Society	To help meet increased operating expenses.	\$ 5,000	0
Nanaimo Women's Resources Society	To assist in providing additional hours and programming options for the 'Stepping Out' program.	\$10,000	\$5,000

Applicant	Purpose	Amount Requested	Amount Recommended
Brechin Hill Community Association	To help fund a themed community picnic and for communication purposes.	\$ 2,000	0
Canadian Red Cross	To purchase three KCI Atmos Air 9000 mattresses which offer a therapeutic bed system for patients recovering from illness and injury.	\$10,000	0
Nanaimo Family Life Association	To assist in the costs of holding 24 workshops for the 'Essential Life Skills' program.	\$ 2,000	\$2,000
Pro Bono Law of BC	To provide 'Civil Pro Bono Duty Counsel' and 'Children's Lawyer' pilot projects for one year to determine whether they are successful.	\$10,000	0
Literacy CVI	To support an adult learning course in the humanities designed to foster reflective thinking and to encourage post secondary education.	\$ 5,000	0
Island Waters Fly Fishing Association	'Divas on the Fly Breast Cancer' project.	\$ 500	0
Start With Art Nanaimo	To assist with building upon the 'Studio 366' community building arts initiative for people with varying levels of disabilities.	\$ 3,800	\$ 2,000
Nanaimo & Region Disability Resource Centre	To upgrade equipment required to provide computer training to the blind and vision impaired.	\$ 4,265	\$ 3,500
Big Brothers Big Sisters of Central Vancouver Island	To implement an 'Ambassador Council' to provide outreach and be visible advocates.	\$ 3,500	0
Nanaimo Telephone Visiting Society	To assist in meeting basic expenses.	\$ 10,000	0
Nanaimo Region John Howard Society	To assist with the feasibility of developing a 'Community Court' for Nanaimo.	\$ 2,500	\$ 2,500
Boys & Girls Clubs of Central V.I.	To update a washroom in one of their 'Early Learning' program buildings.	\$ 2,000	0
Nanaimo Mother & Baby Society	To assist in continuing the 'Connect Complete Mother-Baby' program and the 'Doula Outreach' program.	\$ 10,000	0

Applicant	Purpose	Amount Requested	Amount Recommended
Surfside Recovery House	To assist with general operating expenses.	\$ 10,000	0
TOTAL		\$100,565	\$15,000

The motion carried unanimously.

9. STAFF REPORTS:

CORPORATE SERVICES:

(a) 2010 – 2014 Financial Plan Bylaw

It was moved and seconded that Council direct Staff to prepare an amendment to "FINANCIAL PLAN BYLAW 2010 NO. 7097", and prepare the 2010 Tax Rate Bylaw each for three readings on 2010-APR-26, based on the information contained in the report. The motion carried.

Opposed: Councillor Sherry

(b) Green Lake Local Area Services

It was moved and seconded that Council move forward with a process that may result in sanitary sewer services being provided to the Green Lake area. The motion carried unanimously.

It was moved and seconded that Council authorize Staff to proceed with a Local Area Service for sanitary sewer in the Green Lake area using a "petition for" process to be paid for using a parcel tax with a cost sharing formula of 60% City of Nanaimo and 40% local property owner. The motion carried unanimously.

(c) Revenue Policy

It was moved and seconded that Council endorse the draft Revenue Policy to be included as part of the 2010 – 2014 Financial Plan Bylaw. The motion carried.

Opposed: Councillor Sherry

(d) Request for Proposal #1003 Primary Waterworks Supplier

It was moved and seconded that Council award Request for Proposal #1003 to Corix Water Products for a five (5) year term. The approximate total value over the five (5) year term is \$5 million dollars.

It was moved and seconded that Council refer this matter back to Staff for a thorough review of the bidding process. The motion carried.

Opposed: Councillors Holdom and Pattje

(e) Nanaimo Bastion Restoration

It was moved and seconded that Council award the contract for Bastion Renovations, Tender #1022, to the low tenderer, Knappett Projects Inc., for the low bid of \$294,950. The motion carried unanimously.

10. INFORMATION ONLY ITEMS:

- (a) Report from Councillor McNabb, Chair, Parks, Recreation and Culture Commission, re: Beban Park Infrastructure Project – RInC Grant.
- (b) Report from Councillor McNabb, Chair, Parks, Recreation and Culture Commission, re: Voices of Nature Sponsorship Request.
- (c) Report from Mr. B. E. Clemens, Director of Finance, re: 2009 Surplus Allocation.
- (d) Report from Mr. K. Felker, Manager of Purchasing and Stores, re: Quarterly Contract Report.

11. CORRESPONDENCE:

- (a) Letter dated 2010-MAR-09 from Mr. D. W. (Dave) Smith, Executive Director, Coastal Community Network, 2814 Heath Drive, Victoria, inviting Council to become a member of the Coastal Community Network (CCN) at a cost of \$250.

12. OTHER BUSINESS:

- (a) Consideration of funding request from the Nanaimo Marine Rescue Society.

It was moved and seconded that the City contribute \$25,000 to the Nanaimo Marine Rescue Society. The motion carried.

Opposed: Councillor Sherry

13. NOTICE OF MOTION:

Councillor Unger advised that he would be bringing forward the following Notice of Motion for consideration at the Regular Finance / Policy Committee of the Whole Meeting to be held 2010-MAY-03:

"That Council review its purchasing policy."

14. QUESTION PERIOD:

- Mr. Fred Taylor re: the bidding process for request for proposals and tenders.

15. PROCEDURAL MOTION:

It was moved and seconded that Council move "In Camera" in order to deal with the following matters under the *Community Charter* Section 90(1):

- (c) labour relations or employee negotiations;
- (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under Section 21 of the *Freedom of Information and Protection of Privacy Act*.

The motion carried unanimously.

Council moved into "In Camera" at 6:55 p.m.

Council moved out of "In Camera" at 7:12 p.m.

16. ADJOURNMENT:

It was moved and seconded at 7:12 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DIRECTOR,
LEGISLATIVE SERVICES

LEON CAKE has requested an appearance before Council.

The requested date is May 03, 2010.

The requested meeting is:
FPCOW

Presenter's information

Address: 5936 Schooner Way
City: Nanaimo
Province: BC
Postal Code: V9V 1G1
Home Phone:
Email:

Details of Presentation:

RE: RFP #1003 SUPPLY OF WATERWORKS

<input type="checkbox"/> Council	Agenda Item	<input type="checkbox"/>
<input checked="" type="checkbox"/> Committee <i>Fpcow</i>	Delegation	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Open Meeting	Proclamation	<input type="checkbox"/>
<input type="checkbox"/> In-Camera Meeting	Correspondence	<input type="checkbox"/>
Meeting Date: <u>2010-MAY-03</u>		

REPORT TO: MAYOR AND COUNCIL

FROM: LARRY McNABB, CHAIR, PARKS, RECREATION AND CULTURE COMMISSION

RE: CITY OF NANAIMO COMMUNITY PLAN FOR PUBLIC ART

RECOMMENDATION:

That Council approve the City of Nanaimo Community Plan for Public Art.

EXECUTIVE SUMMARY:

Nanaimo's Community Plan for Public Art began in 2008 as a Legacy Project under the Cultural Capital of Canada Program. This plan updates and expands upon the "Art in Public Places Guidelines and Procedures" document that was approved by Council in 2003.

The Community Plan for Public Art was developed through a community planning process which included public open houses and involved artists, art managers, neighbourhood representatives, members of the public, and Staff.

The Community Plan for Public Art identifies the benefits of community public art in the urban fabric, Nanaimo's vision for public art, and goals for implementing public art projects in the future. The plan also lays out a number of guidelines and toolkits for artists and decision makers for developing and installing public art in an inclusive, fair and creative manner.

At their meeting of 2010-APR-28, the Parks, Recreation and Culture Commission passed a motion supporting the recommendation that Council approve the City of Nanaimo Community Plan for Public Art.

BACKGROUND:

Kari Huhtala LTD Consultants was hired to assist staff in the preparation of the Community Plan for Public Art.

Ten focus groups were held in the early stages of the planning process to gather public input including the participation of artists into the drafting of the plan. About 75 people attended the focus groups and shared their ideas on what public art is, what it means to Nanaimo, and where public art in Nanaimo could go.

The policies of Community Plan for Public Art were showcased at two open houses - the first in December 2008 and the second in January 2010. About 300 people reviewed the Plan's progress and policies at the events and shared their input through surveys and input sheets.

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☒ Committee *F/Plow*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

The input from experts and the general public was used to develop and tailor the policies of the Community Plan for Public Art to Nanaimo's unique context and develop future implementation priorities for the development of public art over the next 15 years.

At their meeting of 2010-APR-28, the Parks, Recreation and Culture Commission passed a motion supporting the recommendation that Council approve the City of Nanaimo Community Plan for Public Art. The finalized Plan is attached for Council's review.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Larry McNabb". The signature is fluid and cursive, with the first name "Larry" and last name "McNabb" clearly distinguishable.

Larry McNabb, Chair
Parks, Recreation and Culture Commission

Attachment

File: A4-1-2 / A3-35-7
2010-APR-29

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REPORT TO: MAYOR AND COUNCIL

FROM: LARRY McNABB, CHAIR, PARKS, RECREATION AND CULTURE COMMISSION

RE: CIVIC MERIT AWARDS FOR SPORTS / ARTS AND CULTURE ACHIEVEMENT

RECOMMENDATION:

That Council approve the proposed new City of Nanaimo "Civic Sport Merit Awards and Arts / Culture Merit Awards" Policy and "Selection Criteria – Civic Merit Awards for Sports / Arts and Culture" as attached to the report.

EXECUTIVE SUMMARY:

The Parks, Recreation and Culture Commission and Council have in the past, recognized individuals and groups for outstanding athletic endeavors in the area of sports in accordance with the attached Council Policy, "Merit Awards – Design and Procedures". The new Selection Criteria includes the recognition of individuals and groups for outstanding achievements in the area of arts and culture.

At their meeting of 2010-APR-28, the Parks, Recreation and Culture Commission passed a motion supporting the recommendation that Council approve the attached, new:

1. City of Nanaimo "Civic Sport Merit Awards and Arts / Culture Merit Awards" policy; and,
2. "Selection Criteria – Civic Merit Awards for Sports / Arts and Culture".

BACKGROUND:

The purpose of these awards will be to recognize individuals or groups that have brought honour to the City for outstanding achievements in the area of sports or arts and culture. Awards are given to individuals or groups who receive International, National, Western Canadian or Provincial honours.

Awards would be given for the following:

1. Winners (gold medal or 1st place) of a Provincial, Western Canadian, National or International Championship in sport, or,
2. Outstanding achievement (winner or "Gold" / highest standing) in visual or performing art in Provincial, Western Canadian, National or International festival / competition.
3. All individual recipients must reside in the City of Nanaimo and teams or groups must be based in Nanaimo with the majority of members residing in the City.

☐ Council
☒ Committee *E/PCW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

4. Achievements must be in an amateur activity unrelated to his or her livelihood (must not have been paid for their achievement). Special consideration may be given at the discretion of the Parks, Recreation and Culture Commission or City Council.

Recipients will be recognized at a regular meeting of Council (National or International achievement) or a special meeting of the Parks, Recreation and Culture Commission (Provincial or Western Canadian achievement). All recipients will receive a certificate of recognition and a medallion. Only one medallion will be given to a team / group.

Nominations must be made in writing using the attached Nomination Form, providing the details of the achievement and the recipients.

As there are some additions and changes to the attached, original, Council Policy approved 1981-JAN-15 that dealt with both general merit awards and awards for meritorious actions, it is proposed that a new Council Policy be established that will separate the "Civic Merit Awards for Sports / Arts And Culture Achievements" from a Council Policy (to be developed) specifically written for "Awards for Meritorious Actions".

At their meeting of 2010-APR-28, the Parks, Recreation and Culture Commission passed a motion supporting the recommendation that Council approve the attached, new:

1. City of Nanaimo "Civic Sport Merit Awards and Arts / Culture Merit Awards" policy; and,
2. "Selection Criteria – Civic Merit Awards for Sports / Arts and Culture".

Respectfully submitted,



Larry McNabb, Chair
Parks, Recreation and Culture Commission

Attachments – 3



PROPOSED



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 1
Approval Date:

SECTION: GENERAL ADMINISTRATION
SUBJECT: CIVIC SPORT MERIT AWARDS AND ARTS / CULTURE MERIT AWARDS

Purpose:

The purpose of these awards is to recognize individuals or groups for outstanding achievements in the area of sports or arts and culture. Awards are given to individuals or groups who receive International, National, Western Canadian or Provincial honours.

Selection Criteria:

Awards are given for the following:

1. Winners (gold medal or 1st place) of a Provincial or Western Canadian, National or International Championships in sport; or,
2. Outstanding achievement (winner or "Gold" / "Highest" standing) in visual or performing art in Provincial, Western Canadian, National or International festival / competitions;
3. All individual recipients must reside in the City of Nanaimo and teams or groups must be based in Nanaimo with the majority of members residing in the city;
4. Achievements must be in an amateur activity unrelated to his or her livelihood (must not have been paid for their achievement). Special consideration may be given at the discretion of the Parks, Recreation and Culture Commission or City Council.

Presentation:

Recipients will be recognized at a special meeting of Council (National or International achievement) or Parks, Recreation and Culture Commission (Provincial or Western Canadian achievement). All recipients will receive a certificate of recognition and a medallion. Only one medallion will be given to a team / group.

Medallion Design:

The design of medallions for winners of International, National, Western Canadian and Provincial Championships shall be as follows:

1. Pewter finish 2" round medallions with neck ribbons, boxed, one side to include a world globe and space for engraving, and the other side the words "City of Nanaimo", the City crest, and the words "International Award".
2. Gold-plated 2" square medallions with neck ribbons, one side to include a maple leaf (engraving area), a place for engraving the year, the words "Canadian Championship", and the other side the words "City of Nanaimo", the City crest, and the words "National Award".
3. Silver-plated 2" round medallions with neck ribbons, boxed, one side to include a maple leaf (engraving area), the words "Western Canadian Championship", and the other side the words "City of Nanaimo", the City crest, and the words "Award".
4. Gold-plated 1 1/2" round medallions with neck ribbons, one side to include the words "Provincial Championship", the City of Nanaimo Logo, an area for engraving, the word "Award", and the other side the words "City of Nanaimo" and the City crest.

Nominations:

Nominations must be made in writing using the appropriate form, providing the details of the event and the recipients.

Previous Revisions: 1981-JAN-15



**PROPOSED SELECTION CRITERIA
CIVIC MERIT AWARDS
FOR
SPORTS / ARTS AND CULTURE**

Purpose:

The purpose of these awards is to recognize individuals or groups that have brought honour to the city for outstanding achievements in the area of sports or arts and culture. Awards are given to individuals or groups who receive International, National, Western Canadian or Provincial honours.

Selection Criteria:

Awards are given for the following:

1. Winners (gold medal or 1st place) of a Provincial or Western Canadian, National or International Championships in sport; or,
2. Outstanding achievement (winner or "Gold" / highest standing) in visual or performing art in Provincial, Western Canadian, National or International festival / competition;
3. All individual recipients must reside in the City of Nanaimo and teams or groups must be based in Nanaimo with the majority of members residing in the city;
4. Achievements must be in an amateur activity unrelated to his or her livelihood (must not have been paid for their achievement). Special consideration may be given at the discretion of the Parks, Recreation and Culture Commission or City Council.

Presentation:

Recipients will be recognized at a special meeting of Council (National or International achievement) or Parks, Recreation and Culture Commission (Provincial or Western Canadian achievement). All recipients will receive a certificate of recognition and a medallion. Only one medallion will be given to a team / group.

Nominations:

Nominations must be made in writing using the appropriate form, providing the details of the achievement and the recipients.



**NOMINATION FORM
CIVIC MERIT AWARDS FOR SPORTS ACHIEVEMENT
ARTS / CULTURE ACHIEVEMENT**

INDIVIDUAL _____ OR TEAM/GROUP _____ (check one)

Nominee's Name _____

Address _____

City / Postal Code _____ Telephone _____

Date of Birth _____

Sport/Artistic Endeavour Represented _____

Club/Team/Organization Represented _____

Nominated by: _____ Signature _____

Address _____

City / Postal Code _____ Telephone _____

Date Submitted _____

Seconded by: _____ Signature _____

Address _____

City / Postal Code _____ Telephone _____

Please provide the details of the achievement on a separate sheet and attach all supporting letters, documents or materials.

EXISTING



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 1
Approval Date: 1981-JAN-15

SECTION:	GENERAL ADMINISTRATION
SUBJECT:	Merit Awards - Design and Procedures

1. The design of medallions for winners of Canadian, Western Canadian and Provincial Championships shall be as follows:
 - (a) Gold-plated 2" square medallions with neck ribbons, one side to include maple leaf and place for year of award with the words "Canadian Championship" with the reverse side to include the City crest and the words "City of Nanaimo National Award".
 - (b) Silver-plated 2" diameter round medallions with blue neck ribbons, with the top side to include maple leaf and place for year of award with the words "Western Canadian Championship", with the reverse side to include the City crest and the words "City of Nanaimo Award".
 - (c) Bronze 1 1/2" diameter round medallions with one side including the City crest and the words "City of Nanaimo Parks and Recreation" and the reverse side including the Parks and Recreation logo, place for year of award, and the words "Provincial Championship Award".
2. Before any public recommendation is made by any Council member, with respect to presentation of Merit Awards in recognition of the efforts of citizens involved in rescues or other meritorious actions, that the member submit the particulars for consideration "IN CAMERA" and that all such recommendations come forward as recommendations from the Committee.
3. Any recommendations, with respect to merit awards under 2, shall be made to the Committee "In Camera".

Previous Revision/s: 1979-JAN-29

REPORT TO COUNCIL

FROM: TRANSPORTATION ADVISORY COMMITTEE

RE: TRANSIT CONNECT ELECTRIC ALLIANCE OF B.C.

RECOMMENDATION:

That Council endorse the City's participation as a partner in the Transit Connect Electric Alliance of B.C. and is prepared to commit to the acquisition and evaluation of four to six Transit Connect Electric vehicles in 2011 and 2012 based on a subsidy of 33% of the cost of these new vehicles.

EXECUTIVE SUMMARY:

The City of Nanaimo has voluntarily endorsed the British Columbia Climate Action Charter and is committed to reducing greenhouse gas (GHG) emissions to be carbon neutral with respect to corporate operations by 2012.

The City's vehicle fleet emits over 2,000 tonnes of GHG per year. In continuing support of environmental sustainability and reducing the City of Nanaimo's carbon footprint, initiatives for the City fleet include:

- using biodiesel;
- purchasing hybrid electric or electric vehicles as a first consideration when replacing cars and light trucks in the fleet, and
- downsizing vehicle weight and engine size where possible.

On 2010-Mar-24, staff attended an information session hosted by the Fraser Basin Council regarding the Ford Transit Connect Electric light freight vehicle. The vehicle is now a prototype and Ford with Azure Dynamics, who is providing the electric drive technology, are proposing to place 100 units in B.C. over the next two years.

The outcome of the meeting was that a Transit Connect Electric Alliance of BC be established through the Fraser Basin Council. The City of Nanaimo has been invited to participate. To support this initiative, a proposal is being submitted to the BC Government's Innovative Green Energy Fund to provide \$23,100 per vehicle (33% of the \$69,750 estimated cost of these vehicles).

The Transit Connect electric will be delivered to North America, in a limited quantity in the fourth quarter of 2010. The Alliance will have access to one of the first 2010 vehicles with the balance being delivered in 2011 and 2012.

If the City is interested in purchasing Ford Transit Connect Electrics with the innovative Clean Energy Fund support, a non-binding letter of commitment must be provided to the Fraser Basin Council by 2010-May-14 that indicates how many vehicles will be purchased over 2011 – 2012.

☐ Council
☒ Committee *E/PCOW*
☒ Open Meeting
☐ In-Camera Meeting
 Meeting Date: *29-05-03*

BACKGROUND:

Based on operational need, four to six vehicles in the 2010, 2011 and 2012 fleet replacement schedule can be replaced with the Ford Connect Electric. The following table provides a comparative analysis of a Ford Connect four cylinder gas powered vehicle and a Ford Connect Electric. The comparison is based on 20,000 kilometres of use per year over a ten year life span. The Ford Connect Electric will be an early production vehicle so its durability and reliability are untested. We expect less annual maintenance on the electric vehicle because it does not have an engine or a conventional transmission.

Ford Connect	Gas	Electric
Range	640 km/ tank	130 km/charge
Speed	120 km/hr ?	120 km/hr
Capacity	Same	Same
Green House Gas Emissions	4 Tonnes/year	.088 Tonnes/year
Fuel Consumption	8.7 litres/100 kms	2 kw/hrs/100 kms
Price	\$24,642	\$69,750
ICE Grant		(\$23,100)
Fuel Cost	\$18,440	\$2,722
Carbon Tax (\$25 per Tonne)	\$1,000	\$22
Charging Station		\$800
Maintenance		(\$4,000)
Total Net Cost	\$44,082	\$46,194

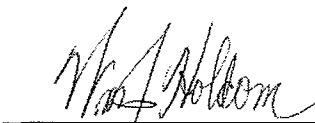
Even with the BC Government's Innovative Green Energy Grant the net cost of the Ford Connect Electric is estimated to be \$2,100 more than a Ford Connect Gas over the ten year expected life of each vehicle. Because there is an additional cost to purchasing the Connect Electric, key considerations for Council are:

- What value does the City of Nanaimo place on sustainable transportation?
- Should Nanaimo take a leadership role in this initiative?

Respectfully submitted,



Councillor Larry McNabb



Councillor Bill Holdom



Councillor Jim Kipp

TH/fg

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STAFF REPORT

REPORT TO: B.E. CLEMENS, DIRECTOR OF FINANCE

FROM: L.A. COATES, MANAGER, ACCOUNTING SERVICES

RE: 2009 ANNUAL FINANCIAL REPORT

STAFF'S RECOMMENDATION:

It is recommended that Council approve the 2009 Annual Financial Report for the City of Nanaimo.

EXECUTIVE SUMMARY:

The 2009 Annual Financial Report ("Report") for the City of Nanaimo has now been completed. The City's auditors, Church Pickard, have issued an unqualified opinion that the financial statements fairly represent the financial position of the City as at December 31, 2009. Ms. Lorana LaPorte of Church Pickard, will be in attendance should Committee members have any questions concerning their audit review.

BACKGROUND:

As noted in the Report, City Council has delegated to the management of the City the responsibility for the accuracy, integrity and objectivity of the financial information presented in the financial statements. The City's auditors are required to express an opinion as to whether the financial statements present the City's financial position and operating results in accordance with generally accepted accounting principles.

The Report contains the Consolidated Financial Statements as required by the *Community Charter* and meets the new reporting standards for local governments. There are two major changes – the new financial statement format and the amortization of tangible capital assets. The new financial statement format has all statements presented on a consolidated basis; there are no statements for the individual funds. The new model now reports expenses and does not include the amounts related to capital that were included in the expenditure model used in the past. An annual amortization expense has been recorded, to represent the consumption of tangible assets over their useful lives. All comparative 2008 amounts have been restated.

The Report continues to reflect a healthy financial position for the City of Nanaimo. Council's ongoing commitment to ensure the financial stability of the City will provide a strong framework in which to meet community requirements in future years.

☐ Council
☒ Committee *E/PCOW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

Highlights of the Report:

- Operating revenues exceeded expenses by \$1.5 million in 2009. These funds were added to the accumulated operating surplus, which totals \$15.4 million. The accumulated surplus balance now includes the funds returned to the City by the Municipal Finance Authority as debt surplus payments. This accounts for the significant change in the accumulated operating surplus as previously reported in 2008.

Accumulated Operating Surplus as previously reported	\$ 3.9 million
Debt surplus refunds from the Municipal Finance Authority	9.4
Operating revenues in excess of expenses for 2009	1.5
Restatements of surplus resulting from new reporting format	<u>.6</u>
	<u>\$15.4</u> million
Allocated to:	
General Fund	\$ 2.8 million
Sewer Fund	6.3
Water Fund	<u>6.3</u>
	<u>\$15.4</u> million

- Funds held in reserves total \$110 million at December 31, 2009 (2008 - \$106.5 million), allocated as follows:

Work in progress	\$ 18.0 million
Reserve accounts (surplus appropriations)	39.8
Development Cost Charges (developer contributions)	35.4
Statutory Reserves	<u>16.8</u>
	<u>\$110.0</u> million

A listing of reserve accounts is shown on page 16 of the Report. The majority of the funds have been set aside for specific projects or purposes.

Development Cost Charges (DCC) can only be used to fund projects specified in the DCC bylaws. DCC revenues in 2009 totaled \$4.3 million (2008 - \$4.6 million). The City continues to construct growth-related projects, which are funded from DCC's (\$4.8 million in 2009).

Statutory Reserves are established by bylaw and can only be used for the purposes specified in the bylaw. These are the statutory reserve funds and the balance at December 31, 2009:

Facility Development (Recreation) Reserve	\$ 2,438,319
Equipment Depreciation Reserve	4,717,272
Local Improvement Reserve	1,412,151
Community Works Reserve	4,616,999
Cemetery Care Fund	482,922
Parkland Dedication Reserve	216,544
Property Sales Reserve	2,398,747
Water Supply Parkland Acquisition Reserve	1,763
Old City Neighbourhood Parking Reserve	54,536
Knowles Estate Reserve	417,178

- Outstanding debt and debt servicing costs

	<u>2009</u>	<u>2008</u>
Outstanding debt	\$40.5 million	\$42.9 million
Per capita debt	\$474.00	\$515.00
Debt reduction during current year	\$2.4 million	\$2.4 million

Page 12 of the Report provides note disclosure of the outstanding debt and details of the principal reductions for the next five years.

- Tangible capital assets net book value totals \$534 million at December 31, 2009 (December 31, 2008 - \$522 million). A detailed schedule is found on page 25 of the Report. This is the first year where capital expenditures are not part of the statement of operations and amortization expense has been recorded. Capital expenditures were \$32.1 million (2008 - \$45.6 million)

Respectfully submitted,



Lorrie A. Coates
Manager, Accounting Services



Brian E. Clemens
Director of Finance



Douglas W. Holmes
General Manager of Corporate Services

Partners

John A. Annesley, C.A.*

Lorana LaPorte, C.A., CFP*

Grant McDonald, C.A.*

*incorporated



Church Pickard
Chartered Accountants

April 6, 2010

Mayor and City Councillors
City of Nanaimo
455 Wallace Street
Nanaimo, BC V9R 5J6

Dear Mayor and City Councillors:

We have completed our audit for the year ended December 31, 2009. During the course of our audit of the City of Nanaimo (City) we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities.

A separate letter was sent dated April 6, 2010 to Brian Clemens, Director of Finance, concerning our audit for the year ended December 31, 2009. Council may wish to receive a copy of this letter from management as an adjunct to this communication.

Responsibilities of the auditor

It is important for Council to understand the responsibilities that rest with the City of Nanaimo and its management and the responsibilities of the auditor:

- Management is responsible for the preparation of the financial statements, which includes responsibilities related to internal control, such as designing and maintaining accounting records, selecting and applying accounting policies, safeguarding assets, and preventing and detecting error and fraud;
- The auditor's responsibility is to express an opinion on the financial statements based on an audit thereof;
- An audit is performed to obtain reasonable, but not absolute, assurance as to whether the financial statements are free of material misstatements and, owing to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly misstatements concealed through collusion), even though the audit is properly planned and performed.

Audit approach

We were engaged to perform an audit of the financial statements of the City of Nanaimo for the year ended December 31, 2009. We adopted an audit approach that allowed us to issue an audit opinion on the financial statements of the City in the most cost-effective manner, while still obtaining the assurance necessary to support our audit opinion.

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Mayor and City Councillors
City of Nanaimo

April 6, 2010

Church Pickard follows a risk-based approach. This approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit effort in areas that we believe have a higher risk of being materially misstated and do less work in areas that are only low risk.

To assess risk accurately, we need to have a clear understanding of the City's business and the environment it operates in. Most of our understanding is obtained through discussions with management and staff. We appreciate the information that was provided to us about operations, internal controls, or anything else that was felt to be important to the audit as it corroborated what we had already learned from other sources, or it may have been new information to us. We also appreciate the insights provided to us on what are perceived to be risky areas as that made our audit more effective and efficient, which benefited all concerned.

Materiality

Materiality can be defined as follows:

"A misstatement or the aggregate of all misstatements in financial statements is considered to be material if, in light of surrounding circumstances, it is probable that the decision of a person who is relying on the financial statements, and who has a reasonable knowledge of business and economic activities (the user), would be changed or influenced by such misstatement or the aggregate of all misstatements. Ultimately, therefore, materiality decisions are based on professional judgement." (CICA Handbook S.5130, Aug-31).

Materiality in an audit is used as a guide for planning the nature and extent of audit procedures and for assessing the sufficiency of the audit evidence gathered. It is also used in evaluating the misstatements found and determining the appropriate audit opinion to express.

Since the determination of materiality is a matter of professional judgement, it is primarily dependent on our evaluation of the relative importance of accuracy in the financial statements to the various users of those statements. We view taxpayers and regulators as the most important users of the City of Nanaimo's financial statements. Canadian generally accepted auditing standards require the use of both quantitative and qualitative factors in determining materiality. For the audit of the City of Nanaimo for the year ended December 31, 2009, we have concluded that a materiality level of \$1,000,000 based on 1% of total revenues, and adjusted for qualitative factors is appropriate for the purposes of the audit.

The following new accounting standards were reflected in the 2009 financial statements:

- **CICA public sector accounting handbook Section 3150 - tangible capital assets**

This new section revises and replaces existing Section PS 3150 and applies to all levels of local government for fiscal years beginning on or after January 1, 2009. Briefly, the standards require the presentation and disclosure of all tangible capital assets according to the following:

.../3

PRESENTATION AND DISCLOSURE (Section PS 3150 - Tangible Capital Assets)

.40 The financial statements should disclose, for each major category of tangible capital assets and in total:

- (a) cost at the beginning and end of the period;*
- (b) additions in the period;*
- (c) disposals in the period;*
- (d) the amount of any write-downs in the period;*
- (e) the amount of amortization of the costs of tangible capital assets for the period;*
- (f) accumulated amortization at the beginning and end of the period; and*
- (g) net carrying amount at the beginning and end of the period.*

.41 Major categories of tangible capital assets would be determined by type of asset, such as land, buildings, equipment, roads, water and other utility systems, and bridges.

.42 Financial statements should also disclose the following information about tangible capital assets:

- (a) the amortization method used, including the amortization period or rate for each major category of tangible capital asset;*
- (b) the net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service;*
- (c) the nature and amount of contributed tangible capital assets received in the period and recognized in the financial statements;*
- (d) the nature and use of tangible capital assets recognized at nominal value;*
- (e) the nature of the works of art and historical treasures held by the government; and*
- (f) the amount of interest capitalized in the period.*

• **Financial statement presentation, Section PS 1200**

This section establishes standards for recognition, presentation and disclosure in government financial statements. The main features of the section are as follows:

- Governments are required to present a statement of financial position, statement of operations, statement of changes in net debt and a statement of cash flows.
- Financial statements should present net debt and accumulated surplus/deficit on the statement of financial position, annual surplus/deficit, the change in net debt, and changes in cash flows.
- Current year budget and actual figures are to be presented on both the statement of operations and the statement of changes in net debt.
- Funds and reserves are to be reported in the notes or schedules when the government chooses to report on them.

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Mayor and City Councillors
City of Nanaimo

April 6, 2010

Current developments in public sector accounting standards

- **Tax revenue, Section PS 3510**

This new section establishes recognition, measurement, presentation, and disclosure standards relating to tax revenue reported in the financial statements.

The main features of the new section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (they are often referred to as tax expenditures.)
- Tax revenue should be recognized when it is authorized and the taxable event occurs.
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

The section applies to fiscal years beginning on or after April 1, 2012. Earlier adoption is encouraged.

Definitions of transfers made through the tax system and tax concessions are provided in this section.

Also under the amended section, fines, penalties, and interest on taxes would be recognized separately from tax revenue in government financial statements.

Fraudulent or illegal activities

According to CICA General Assurance and Audit Standards Section 5135, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and with management. An auditor conducting an audit in accordance with generally accepted auditing standards obtains reasonable assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error. The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error, because fraud may involve sophisticated and carefully organized schemes designed to conceal it, such as forgery, deliberate failure to record transactions, or intentional misrepresentations being made to the auditor. Therefore, the assurance an auditor provides concerning lack of misstatements arising from fraud is necessarily lower than the assurance provided concerning those arising from error.

Through discussions with management and risk assessments, we determine areas where fraud risk could occur and conduct the appropriate audit testing. While we did not discover instances of fraud or misstatement due to fraud, our testing involved examining backup documentation for general ledger journal entries, analysing staff credit card usage, and examining petty cash procedures at parks and recreation facilities.

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Mayor and City Councillors
City of Nanaimo

April 6, 2010

Communication of unadjusted differences

Under the CICA Handbook section 5135, "The auditor's responsibility to consider fraud and error in an audit of financial statements" we are required to communicate to management and council the aggregate of unadjusted differences.

Unadjusted differences include differences in judgement. This does not necessarily mean that our judgements are more correct. Based on our audit testing for the year ended December 31, 2009, we have found the following aggregate unadjusted differences:

Assets	\$ 9,454	overstated
Liabilities	346,208	understated
Equity	529,623	overstated
Revenues	23,110	overstated
Expenses	197,091	overstated

The net effect of the unadjusted amount on the annual surplus in the City's Statement of Operations is an understatement of \$173,981. After considering both quantitative and qualitative factors with respect to the unadjusted differences, we agree with management that the financial statements are not materially misstated.

We would like to thank all the staff at the City who assisted us during our audit. As usual, staff members were friendly and cooperative. Please contact us if you have any questions.

Yours truly,

CHURCH PICKARD



Lorana LaPorte, CA, CFP

LL/wh

Enc.

cc: Brian Clemens, Director of Finance
Lorrie Coates, Manager of Accounting Services

Partners

John A. Annesley, C.A.*

Lorana LaPorte, C.A., CFP*

Grant McDonald, C.A.*

*incorporated



Church Pickard
Chartered Accountants

April 6, 2010

Brian Clemens, Director of Finance
City of Nanaimo
455 Wallace Street
Nanaimo, BC V9R 5J6

Dear Mr. Clemens:

We have completed our audit for the year ended December 31, 2009. During the course of our audit of the City of Nanaimo (City), we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities.

The matters identified were:

User rate accruals

The actual billings related to the 2008 year end were compared to the 2008 accrual by City staff and the difference was insignificant. We would suggest that they continue to perform this comparison at least once per year to ensure the accrual estimate remains reasonable.

Developer contributed assets

In two instances, the cost of developer contributed assets according to the master list spreadsheet provided by Engineering did not agree to the stats sheets for the files. The differences appeared to be due to keying errors in entering the information into the master list. Finance may want to consider requesting the stats sheets for the developer contributed assets each year to ensure the master list contains the correct values.

Liability accrued for legal claims

An estimate of 50% of the MIA deductible has been used for the last couple of years to accrue a liability for the outstanding legal claims. We suggest that this estimate be compared to the actual payments on claims settled during the period each year to ensure that the estimate remains reasonable.

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Brian Clemens, Director of Finance
City of Nanaimo

April 6, 2010

Reserve Purchase Orders

We noted an increase of 30% in the number of reserve purchase orders used in 2009 compared with 2008.

Filing T2 corporate tax return

We have been asked to prepare your 2009 T2 return and will provide the completed return to you before the filing deadline of June 30, 2010.

Current developments in public sector accounting standards

- Tax revenue, Section PS 3510

This new section establishes recognition, measurement, presentation, and disclosure standards relating to tax revenue reported in the financial statements.

The main features of the new section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (they are often referred to as tax expenditures.)
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Brian Clemens, Director of Finance
City of Nanaimo

April 6, 2010

Fraudulent or illegal activities

According to CICA General Assurance and Audit Standards Section 5135, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and with management.

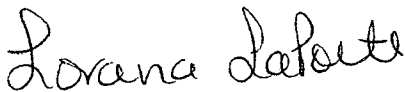
An auditor conducting an audit in accordance with generally accepted auditing standards obtains reasonable assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error. However, the assurance an auditor provides concerning lack of misstatements arising from fraud is necessarily lower than the assurance provided concerning those arising from error.

Through discussions with management and risk assessments, we determine areas where fraud risk could occur and conduct the appropriate audit testing. While we did not discover instances of fraud or misstatement due to fraud, our testing involved examining backup documentation for general ledger journal entries, analysing staff credit card usage, and examining petty cash procedures at parks and recreation facilities.

We would like to thank all the staff at the City who assisted us during our audit. As usual, the staff was friendly and cooperative. Please contact us if you have any questions.

Yours truly,

CHURCH PICKARD



Lorana LaPorte, CA, CFP

LL/wh

Enc.

cc: Lorrie Coates

2010-May-03

STAFF REPORT

REPORT TO: BRIAN CLEMENS, DIRECTOR OF FINANCE

FROM: KURTIS FELKER, MANAGER, PURCHASING & STORES

RE: REQUEST FOR PROPOSAL #1003
PRIMARY WATERWORKS SUPPLIER FOLLOW UP REPORT

STAFF'S RECOMMENDATION:

That Council award Request for Proposal (RFP) #1003 to Corix Water Products for a five year term.

EXECUTIVE SUMMARY:

At the 2010-APR-19 Finance/Policy Committee of the Whole Meeting, Council requested City Staff to conduct a thorough review of the procurement process for Request for Proposal #1003 Primary Waterworks Supplier.

The current practice for procuring waterworks supplies is to issue annual tenders by individual waterworks category, supplemented by "spot" buying. While this is a common practice in local government, it is not as efficient and does not provide the City of Nanaimo with the best possible value. By combining all waterworks products together and offering a five year term, the City is able to guarantee a vendor volume and cash flow, allowing the vendor to offer favourable pricing. It also allows the City to reduce the annual number of purchase orders issued for waterwork parts from 285 to 52 and the number of invoices for these products from 1,002 to 12 by implementing consolidated monthly invoicing. Additional benefits are included in the attached report.

Over the five year term of the agreement, potential savings are estimated at a total of \$490,000.00 if the proposal is awarded to the highest ranked proponent. It is estimated that the City will save:

- \$390,000.00 in direct material costs over the five year term as compared to the second highest ranked proponent.
- \$100,000.00 over the five year term by taking advantage of early payment discounts.

The issue of local preference was raised at the Committee of the Whole Meeting. The attraction of preferring local vendors is obvious. Certainly, the City believes in promoting local businesses and it is understandable that Council will wish to purchase from businesses that pay local taxes and employ local people. However, the obvious extension of a local preference policy is that other municipalities, for example Parksville, Victoria and Vancouver,

☐ Council
☒ Committee *E/P/CLW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: 2010-MAY-03

would only purchase from businesses located in their communities. This would restrict the ability of Nanaimo companies to do business elsewhere. One of the delegates at the last meeting specifically noted that his company has a supply contract with the City of Vancouver. This would not be possible if the City of Vancouver had a local preference policy. In addition, the definition of what is a "local" business can be problematic. It was for these reasons that the City removed any preference for local businesses from its purchasing policy many years ago.

A local preference policy also means that taxpayers would pay more than necessary to operate the City. Staff believe this would not be supported by the majority of taxpayers who expect the municipality to be run as efficiently as possible. Further, it is clear that senior governments, through agreements such as TILMA (Trade, Investment, and Labour Mobility Agreement) and AIT (Agreement on Internal Trade) are working to eliminate trade barriers and local preference.

The report identifies the following options for Council:

1. award as recommended; or
2. cancel the competition.

The Request for Proposal indicated any award would be made to the highest ranked proponent for a five year term. The RFP did not contain contract language that would allow an award to be made any differently. The Courts have not always supported this type of language in tender documents. If Council is considering awarding in a different manner than outlined in the RFP, it is strongly recommended Council obtain a legal opinion prior to doing so.

BACKGROUND:

DEFINITIONS:

Waterworks Products:

The term waterworks is used in reference to the parts required to maintain sewer, storm water and water supply infrastructure. Products are normally classified in the following categories:

- pipe
- valves
- fittings
- municipal castings
- water saddles
- cast concrete products
- corporation brass
- pipe and rubber couplings
- copper tubing

Primary Supplier:

The term primary waterworks supplier means one supplier would be awarded 75% - 90% of the City's waterworks parts supply business. The intent is to form a close working relationship with the highest ranked proponent for a five year term for the benefit of the City.

Request for Tender:

A competitive bid process whereby a supplier is chosen based on the lowest unit price. This is commonly used for short term contracts with clear specifications, such as a construction project.

Request for Proposal:

An RFP is a solicitation sent to potential suppliers with whom a close working relationship is being considered for a length of time. It is a competitive bid process whereby a supplier is selected based on the evaluation and scoring of multiple factors, not just price, to determine which supplier offers the best value to the organization. Other requested information may include basic corporate information and history, financial information, technical capability, product information such as stock availability, and customer references.

HISTORY:

Understanding the Waterworks Industry

Although parts are normally readily available in the marketplace from multiple sources, they are subject to significant price increases and moderate decreases because of the price sensitive commodities used in the manufacturing process. In instances of strong commodity demand, parts can become scarce, or, be subject to huge price increases as the demand for the commodity exceeds the supply.

Waterworks Purchasing History at the City of Nanaimo

The City Central Stores Department has traditionally purchased waterworks materials on a "spot buy" basis. That is, calling around to the various suppliers to obtain price quotes at the time of need. Awards are made based upon the lowest price at the time. More recently, the City has issued annual tenders by individual waterworks category, with the exception of pipe, that fixes the price for one year with an option to renew for an additional year if both parties agree to the terms of the negotiated extension. Because of the pricing volatility with pipe products, annual tenders for pipe have not been done because suppliers have not been able to provide firm pricing on a consistent basis.

The annual tender purchasing process for waterworks is quite common in the industry and is common procurement process for other municipalities both on Vancouver Island and the Lower Mainland. The Request for Proposal process with an extended contract term is not yet a common procurement method in the waterworks industry, but is very common in other industries such as office supplies, janitorial supplies and industrial supplies.

CURRENT SITUATION:

Central Stores' main inventory value is approximately \$390,000.00 of which \$220,500.00, or 57% is waterworks inventory.

In 2009, the Central Stores Department issued 285 Purchase Orders and processed 1,002 invoices to seven suppliers in order to purchase and pay for its waterworks parts.

With the exception of municipal castings which expire 2010-JULY-31, all of the City's annual tenders have expired. Some vendors have been continuing to offer the City the same prices as before, or new pricing has been verbally provided.

Since most of the tenders are expired and the pipe products are being purchased without a current tender, staff felt this was an excellent opportunity to issue a Request for Proposal to combine all of the products into a single proposal and obtain updated pricing.

OPPORTUNITIES:

Purchasing staff, in consultation with the Waterworks Department, determined there was considerable value and benefit for the City to issue a Request for Proposal as a supply initiative and develop a close working relationship with a strong supplier over the long term that best meets its needs to:

- Reduce material costs by combining all of the City's requirements in order to aggregate volume and leverage the City's buying power to obtain the lowest total cost.
- Reduce the amount of inventory investment in order to free cash flow to be utilized elsewhere in the organization.
- Reduce the amount of inventory space taken up by waterworks supplies, especially pipe, in the Public Works Yard so the space can be utilized for other priority purposes.
- Establish a pricing model that would be consistently applied throughout the term of the contract that would limit the price spikes associated with the acquisition of waterworks parts.
- Assure the City of supply when the market gets heated as the City would be treated as preferred customer with the selected supplier.
- Reduce the amount of processing associated with generating quotes, issuing POs, receiving invoices, and the costs of issuing cheques, stamps and envelopes. The goal is to issue one Purchase Order per week, 52 per year and have the vendor issue a consolidated monthly invoice which would mean processing only twelve invoices per year.

- Gain access to strong technical staff on the inside sales desk as well as outside sales representatives and/or technical specialists. This is extremely beneficial to not only the Central Stores staff, but also to the City's Engineering and Construction Departments because of their product knowledge.
- Provide assistance with the disposal of obsolete parts and issuing credits for the return of slow moving parts.
- Develop strong working relationships to get intimate knowledge of the City's operations in order to help assist with areas for improvement and increased business opportunities. For example, assist the City with developing recycling initiatives for pipe products currently being disposed at the landfill. Investigate the potential of supplying the City with other products it purchases such as irrigation equipment to see if costs can be lowered.

OUTCOMES:

Over the five year term of the agreement, potential savings are estimated at a total of \$490,000.00 if the proposal is awarded to the highest ranked proponent. It is estimated that the City will save:

- \$390,000.00 in direct material costs over the five year term as compared to the second highest ranked proponent.
- \$100,000.00 over the five year term by taking advantage of early payment discounts.

In addition to the potential cost savings, by awarding to the highest ranked proponent, other benefits to the City are:

- Technical training specialists available to the City at no extra charge.
- Treated as a preferred customer entitling the City to receive dedicated staff, assurance of 24/7 emergency response, assurance of inventory, and assurance of competitive pricing.
- Corix was the only supplier that has its own fleet of delivery trucks allowing them control over deliveries.

Although not specifically asked for, nor, did it form any part of the evaluation criteria, in its proposal, the highest ranked proponent has the ability to manufacture products at their site which at times will be beneficial to the Construction Department when a project is at the installation phase.

SUMMARY OF THE PROCUREMENT PROCESS:

2010-FEB-26: Request for Proposal issued by posting on the City website, BC Bid website and sent directly to the seven vendors with whom the City has historically done business.

- 2010-MAR-11: Mandatory pre-proposal meeting whereby the high level objectives of the proposal process was communicated to all seven suppliers that attended the meeting. The suppliers were given the opportunity to ask any questions and express any concerns they might have about the process. No concerns were communicated at that time. After the Q&A session, a tour of the Central Stores inventory areas was conducted for both the inside and outside storage areas.
- 2010-MAR-12: Addendum #1 issued to all suppliers clarifying the contract term was for five years, the length of time pricing was to be firm, and to clarify the billing model and options as well as the pricing model they were prepared to offer for the duration of the contract term. As well, clarification was issued regarding some technical questions about some of the material specifications. All seven suppliers signed and returned a copy of addendum #1 acknowledging receipt.
- 2010-MAR-17: Addendum #2 was issued to clarify the expectation around references as per questionnaire question #12 contained within the RFP. All seven suppliers signed and returned a copy of addendum #2 acknowledging receipt.
- 2010-MAR-26: Request for Proposal process closes with seven responses received.
- 2010-MAR-29 to 2010-APR-08: The proposals were evaluated and scored based upon the evaluation criteria contained within the RFP. All evaluations were conducted independently of one another by the members of the evaluation team. 2010-APR-07-08 site visits conducted, per the evaluation criteria, and a standard list of five interview questions were asked and responded to by employees of all seven proponents.
- 2010-APR-08: The evaluation team convened to compare their individual scores. The individual scores were combined and averaged to produce a final score for each of the evaluation criteria. The final scores were then added up and a highest ranked proponent was identified. There was consensus among the evaluation team that the highest ranked proponent represented the best value to the City. It was agreed by the panel to recommend to Council to award the proposal to the highest ranked proponent.
- 2010-APR-19: Award recommendation report submitted to Council.

Proposal Evaluation Criteria:

All seven proposals were evaluated and scored using only the evaluation criteria contained within the Request for Proposal. Each evaluator scored the proposals

independent of each another to ensure a structured and impartial evaluation process was followed.

Below are the evaluation criteria directly from RFP #1003 – Primary Waterworks Supplier.

“This contract will be awarded to the vendor that provides the best overall value to the City.”

Proposal review and selection of the successful vendor will be based on the following criteria:

- Quantity and experience of waterworks staff - **15%**
- Proven supply network and distribution chain - **25%**
- Proximity of warehouse and distribution warehouses to the City of Nanaimo Public Works Yard - **10%**
- References from similar large volume waterworks accounts in BC - **10%**
- Interview and Inspection of waterworks operation - **10%**
- Companies Financial Portfolio/Annual Sales - **5%**
- Parts Availability and Price - **25%**

Basis of Selection Criteria:

Quantity and experience of waterworks staff

This section was to determine the proponent's depth and expertise available to the City in order to service its account.

- what is the total number of waterworks employees at the local branch?
- is there a waterworks manager, inside sales and outside sales representatives provided for this contract?
- what is the total number of years experience in waterworks combined with any training/certification/qualifications?

Proven supply network and distribution chain

This section was used to determine the strength of the buying power of the proponent along with the number of other branch locations that could be utilized to support the City's account in order to provide the best pricing and best service response.

- what is the size of your facility and total value of waterworks inventory on hand?
- what is the total number of other branches in BC and the ability to supply from other branches?
- what is the process to ensure accurate order taking?
- process used for stock ordering and replenishing inventory?
- process used to maintain accurate inventory?

- process used to handle product returns and credits?
- what is the ability to provide 24 hour emergency call out and response times?
- what is your delivery fleet and ability to deliver directly to jobsites?

Proximity of warehouse and distribution warehouses to the City of Nanaimo Public Works Yard.

This section was used to determine delivery times and distances to other branches with the ability to pull stock quickly from other branches to support the City's account.

References from similar large volume waterworks accounts in BC

This section was an opportunity for the proponents to demonstrate their successful ability to service an account similar to the size of the City and to solicit from those customers positive feedback on the services and products provided. All reference letters were read and references were only contacted if additional information was required.

Interview and Inspection of waterworks operation

This section was an opportunity for members of the evaluation team to ask all seven of the proponents the same five verbal questions to test their technical knowledge and to make a firsthand assessment of the proponent's facility to ensure it could meet the City's needs:

- does staff have a sufficient level of technical knowledge?
- is inventory organized and the facility professionally operated?

Company's Financial Portfolio/Annual Sales

This section is used to determine whether the proponent is financially sound and will not run the risk of bankruptcy:

- does the Company have the financial resources available to service a large account such as the City with the right people and the ability to increase inventory to support the City's requirements?

Stock Availability and Pricing

This section is used to determine if the proponent can supply and provide competitive pricing. For the pricing section of the RFP, they were all supplied with a list of 194 items that showed the Stores material number, description and estimated annual usage. The proponents were asked to provide firm pricing until 2010-DEC-31 for all of the items. The list of 194 items are all normal stocking items based upon Engineering's Approved Product Listing and represents over 80% of the annual usage of waterworks products purchased in 2009.

Pricing is firm until 2010-DEC-31. All proponents were asked to provide a recommended pricing model for purchases after 2010-DEC-31. The highest

ranked proponent has recommended a very competitive manufacturer's "cost plus" pricing model that would fluctuate as their cost from the manufacturer goes up and down. Manufacturer's "cost plus" is defined as their cost from the manufacturer plus their fixed profit margin. For all price increases and decreases, the City will be provided with full disclosure letters from the manufacturers providing complete details of any price changes. This pricing model allows the City to benefit and leverage Corix's considerable buying power with the manufacturers.

The remainder of the Central Stores' inventory items is considered low value and/or low volume. Staff utilized what is known as the "Pareto Principle" or the 80/20 rule, 80% of your volume is derived from 20% of your items. The logic is to obtain the best pricing possible for the 20% of the items that represents the highest volume products and have a defined pricing model in place for the remainder of the 80% of the items which are considered low value and/or low volume. If items did not appear on the list, they might be now obsolete, or, considered as low value and/or low volume for the purposes of this section of the proposal.

Proposal Evaluation Results

The individual evaluation team member's scores were added together for each category of the evaluation criteria and averaged. The final ranking is below:

RANK:

- 1 Corix Water Products
- 2 Andrew Sheret Limited
- 3 Four Star Waterworks Ltd.
- 4 Mueller Flow Control
- 5 Wolseley Waterworks Group
- 6 Fred Surridge Ltd.
- 7 Emco Corporation Waterworks

Committee Recommendation

Based on the results of the combined evaluation scorecard, the committee, consisting of purchasing and waterworks staff, agreed the highest rank proponent represented the best value to the City. An award recommendation report was drafted and submitted to Council for their approval to proceed to award to the highest ranked proponent.

COUNCIL'S OPTIONS:

Council has the following options:

1. award as recommended; or
2. cancel the competition.

The Request for Proposal indicated any award would be made to the highest ranked proponent for a five year term. The RFP did not contain contract language that would allow an award to be made any differently. If Council is considering awarding in a different manner than outlined in the RFP, it is strongly recommended Council obtain a legal opinion prior to doing so.

Reissuing the RFP for a shorter period of time, such as one year, may not result in the same savings that are projected for the five year agreement.

Respectfully submitted,



Kurtis Felker, Manager
Purchasing and Stores



Brian Clemens, Director of Finance
Finance Department



Douglas Holmes, General Manager,
Corporate Services

Council: 2010-May-03
KF/BEC/ck

STAFF REPORT

TO: T. SEWARD, DIRECTOR OF DEVELOPMENT,
DEVELOPMENT SERVICES DEPARTMENT

FROM: D. MOUSSEAU, MANAGER, ENGINEERING & SUBDIVISION,
DEVELOPMENT SERVICES DEPARTMENT

RE: REGULATION OF BLASTING ACTIVITY

STAFF'S RECOMMENDATION:

That Council direct staff to develop guidelines and an education program regarding blasting within the City and bring a further report back to Council in one year to determine if establishment of a Blasting Bylaw is warranted.

EXECUTIVE SUMMARY:

Each year various departments at the City receive calls from residents concerned about blasting activity occurring in their area. The blasting activity may be part of a City capital works project, the land development process for a subdivision, or excavation required for construction of buildings. Currently, WorkSafeBC regulates blasting activity with regards to worker safety, but neither the City nor the Province regulates blasting activity. However, as the supply of flat, easily developable land diminishes, it is anticipated that future development will result in increased blasting activity and a subsequent increase in the number of calls from residents with concerns about blasting.

Regulation for blasting within the City was first brought before Council for consideration in March 1994 and again in March 2004. On both occasions, Council chose not to adopt a bylaw to regulate blasting within the City limits. However, as a result of the March 2004 meeting, the Business License Bylaw was amended to require blasting contractors to carry \$2 Million liability insurance, up from the previous \$1 Million.

Staff's recommendation on both previous occasions was not to adopt a Blasting Bylaw. This recommendation was based on consultation with municipalities that currently have blasting bylaws and advice from the City Solicitor that a Blasting Bylaw wouldn't necessarily decrease the potential for damage during blasting and that by adopting a bylaw that requires issuing a permit for blasting, the City could be exposed to increased liability.

Based on the current review of this issue, staff proposes to bring forward guidelines to ensure that the concerns expressed by the public are addressed and that the City is not exposed to increased liability. These guidelines would help facilitate that all blasting activity is preceded by adequate notification to owners/tenants of adjacent lands, that a pre-blast survey of the adjacent lands is completed and that seismic monitoring is conducted during the blasting.

☐ Council
☒ Committee *E/PCOW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

BACKGROUND:

To review the issue of blasting activity within Nanaimo, staff has consulted with a variety of parties including:

- local contractor/developer;
- local blaster;
- consulting civil engineer;
- residents (3 residents of the Rocky Point area);
- consulting geotechnical engineer with expertise in blasting;
- City Construction Division staff; and
- City solicitor.

In addition, staff has reviewed existing blasting regulation in place provincially and at other local governments. The information learned from this process is provided below.

Staff has identified a number of municipalities that have a Blasting Bylaw in place. These include the District of West Vancouver; the City of Surrey; the City of North Vancouver; the City of Burnaby; the City of Victoria; the City of Prince Rupert; the District of Peachland; the City of Coquitlam and the District of Saanich.

The extent of the regulatory process varies in the different municipalities from a requirement for an extensive blasting plan, to simply providing notification to the local government that blasting activity is planned. The bylaws from the municipalities listed above are summarized on the attached Schedule A.

As Council is aware, blasting is often the only option for placement of services or building foundations in rock. Rock breakers can be used in some circumstances, but the process is slower and results in extended periods of noisy activity and is ineffective in certain rock types. The City has used both rock blasting and rock breaking for removal of rock on its own projects. When the City has used blasting for rock excavation, standards have been developed and included in the contract documents to reduce the probability of issues resulting from the blasting activity.

Staff has met with representatives from the blasting and construction industry and understands that currently blasters are licensed and regulated by WorkSafeBC. However, WorkSafeBC's mandate is to ensure safety of workers where blasting occurs, rather than damage to structures caused by the blasting activity. In the industry, the responsibility for addressing damage caused by the blasting activity usually falls to the blaster's insurance company. Blasters that repeatedly cause damage find it increasingly difficult to obtain insurance and therefore stay in business. Reputable blasters follow management practices that include:

- conducting pre-blast surveys to ascertain the condition of buildings and structures that may be affected by the blast;
- providing advance notification to owners and residents of properties that may be affected by the blast activity; and
- completion of seismographic monitoring to quantify the degree of vibration caused by the blasting activity.

Industry representatives confirm that not all licensed blasting companies follow these practices.

From discussions with a local consulting engineer, staff understands that his engineering firm includes supplemental standards, requirements and direction with regards to rock excavation involving blasting in their contract documentation. Generally, this includes ensuring that the blasting company understands that it is responsible for any damage resulting from the blasting and that the blasting company monitors the blast with seismographic equipment. The consulting engineer states that this is his firm's procedure, but that it is not necessarily the procedure industry wide.

Staff has met with residents that have either previously experienced the impacts of blasting or have expressed concerns over blasting activity adjacent to their lands. The concerns and experiences expressed by the residents include:

- lack of notification regarding the blasting;
- damage caused by blasting;
- costs associated with dealing with the insurance companies. (One homeowner's house insurance paid \$7,210.21 for damage. The homeowner paid a \$1,000.00 deductible, plus an increase in insurance premiums of \$150.00/year for three years, as well as consultant fees to verify damages to support their insurance claim);
- lack of disclosure of information from the blasting company; and
- the blasting company did not have a business license and the fine for not having a business license is too low.

The residents have offered the following suggestions to improve the situation and address their concerns:

- all blasters to provide a security deposit to the City; and
- blasters be required to complete a pre-blast survey or compensate homeowners to complete their own pre-blast survey.

The local consulting engineer that staff contacted advised that the Federal Government regulates blasting "over pressure" impacts on fish to ensure that stocks are not jeopardized, but does not regulate damage to residential structures. The engineer also advised that utility companies such as gas, hydro, etc., may provide direction to blasters with regards to their concern about damage to their utilities, but there are no specific regulations that a blaster is required to follow. The engineer advised that generally the risk associated with blasting is categorized into low, medium and high and that each level should be given a differing degree of care attention. Levels of risk are determined by reviewing:

- location of the site;
- proximity to structures and utilities;
- proximity to fish-bearing water bodies;
- blast size;
- blast frequency; and
- mitigation measures employed.
- etc.

The evaluation and production of a detailed blasting plan by a blasting engineer can be very expensive and is only warranted for medium to high risk blasting.

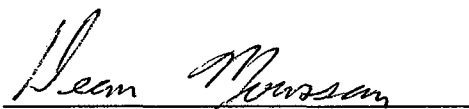
The City solicitor advises that preparing a Blasting Bylaw would provide the City with the strongest possible mechanism to control blasting, but would increase the City's exposure to liability. Also a Blasting Bylaw would require budget increases for staffing, legal fees and training. Once a municipality implements a Blasting Bylaw, the City becomes the focus for any and all issues/damage resulting from the activity.

Based on the above information, there are three possible options to consider.

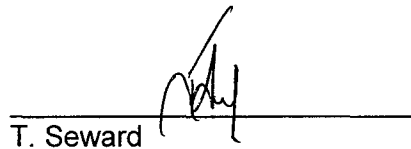
- Option 1 - Continue with the current practice of addressing concerns on a case-by-case basis and pursue voluntary compliance that blasting contractors meet accepted industry standards.
- Option 2 - Develop guidelines and an education program to require that all blasters raise the level of care and attention they employ when conducting blasting activity within the City.
- Option 3 - Develop a comprehensive bylaw to regulate blasting activity. This option would expose the City to increased liability, increased construction costs for developers and home builders, and requires specialized expertise that the City currently does not possess.

As an alternative to developing a bylaw specifically to require issuance of a permit to undertake blasting activity, staff recommends developing guidelines and an education program for blasters, developers and builders, as outlined in Option 2, thereby addressing the concerns and suggestions raised by the residents, without exposing the City to increased liability. Staff also recommends a further report on blasting be brought back to Council in one year, reviewing if a Blasting Bylaw is warranted or if establishment of guidelines and an education program has addressed the majority of concerns outlined in this report.

Respectfully Submitted,

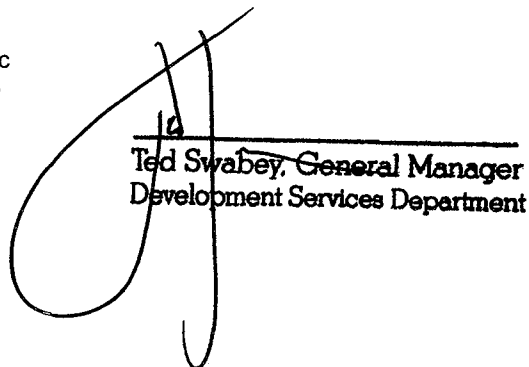


D. Mousseau, A.Sc.T.
Manager, Engineering & Subdivision



T. Seward
Director of Development

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Finance/Policy Committee of the Whole: 2010-May-03



Ted Swabey, General Manager
Development Services Department

SCHEDULE A
Review/History of Blasting Bylaws

Municipality	Adoption	Fee	Insurance	Requirements
Burnaby	1912	\$2.50	N/A	Speaks and understands English. No blasting between sunset and sunrise or on Sundays.
North Vancouver	1954	N/A	\$100,000	Speaks and understands English. No blasting within half an hour of before sunset and after sunrise. No blasting within 1000' of schools or hospitals without contacting the Administrator.
Peachland	1970	N/A	Required – Unspecified	Blasters Certificate.
Surrey	1971	N/A	\$3,000,000	WCB Blasters Certificate.
Prince Rupert	1985	Yes - as established through Council Bylaw	\$250,000	WCB Blasters Certificate. No blasting between 9:00pm and 9:00am or on Sundays. No Blasting within 300' of inhabited dwellings without precautions to protect property. No blasting within 1000' of schools or hospitals without contacting the Administrator.
Saanich	1992	\$30.00	\$2,000,000	WCB Blasters Certificate. Written permission from Chief Constable. Complete blasting within one month of issuance of permit.
Port Coquitlam	1995	\$25.00	\$5,000,000	WCB Blasters Certificate. No blasting between 4:00pm and 8:00am or on weekends. No blasting within 300m of a school or hospital or within 100m of any occupied dwelling without first notifying the occupant(s) of such dwelling.
West Vancouver	1996	\$60.00 to 750.00	\$5,000,000	WCB Blasters Certificate. Blasting Plan and Pre-Blast Survey. Two weeks' notice for pre-blast survey. Monitor to ensure ground vibration does not exceed 50 mm/sec. Blasting only allowed during hours specified on the permit. Notification within 48 hours of blasting and one week notice if blasting to continue for more than two days. No blasting within 300m of school or hospital without notifying the Director at least two hours before the approximate time of the blast. Sixty (60) days for affected owners to report damage.
Langford	2005	N/A	\$5,000,000	<u>Actually contained in the Subdivision and Development Servicing Bylaw.</u> Only applies to blasting volume in excess of 500m ² . \$10,000 fine for non compliance. Seismograph monitoring. Pre-blast risk assessment of occupied building within 200mm of the blast site. Notification within 48 hours of blasting and one-week notice if blasting to continue for more than two days.
Victoria	2006	\$150.00	\$5,000,000	WCB Blasters Certificate. Pre-blast Survey. Permit expires within one month. Notification to all properties within 100mm must be given at least 48 hours prior to commencement of blasting.

2010-APR-28

STAFF REPORT

REPORT TO: A. TUCKER, DIRECTOR OF PLANNING, DEVELOPMENT SERVICES

FROM: J. HOLM, MANAGER, PLANNING, DEVELOPMENT SERVICES

RE: LED / ANIMATED SIGNAGE

Council
Committee
Open Meeting
In-Camera Meeting
Meeting Date: 2010-MAY-03

STAFF'S RECOMMENDATION:

That Council direct Staff to draft amendments to "Sign Bylaw No. 2850" that would permit LED/animated signage throughout the entire city on properties zoned for commercial and industrial use and on properties operated/owned by the City.

EXECUTIVE SUMMARY:

As Council is aware, the Signage Committee and Staff have been researching and deliberating the potential for the use of LED/animated signage within Nanaimo since June of 2008. Council, at its regular meeting held 2009-Oct-05, did not support the Signage Committee's recommendation to prohibit LED/animated signage and further directed that the issue of LED/animated signage be referred back to Council for consultation. Further to this, it was decided that the reconsideration of this issue be undertaken by the Committee of the Whole with all members of Council in an attempt to capture as broad a community perspective as possible respecting LED/animated signage. The Committee of the Whole has received a powerpoint/seminar presentation from Staff and the additional public consultation has been completed; the results of which are attached as Schedule A.

Staff is now recommending that Council provide direction that amendments to the Sign Bylaw be undertaken and presented to Council at a subsequent Council meeting, which would incorporate regulations to allow LED/animated signage on commercial and industrial properties throughout the community.

BACKGROUND:

Public Input

Additional public consultation undertaken by Staff included a public open house, an on-line survey and an invitation to several stakeholder groups to attend the public open house. These groups included neighbourhood associations, the Downtown Nanaimo Business Improvement Association, local area sign companies and the Nanaimo Chamber of Commerce. The results of the public open house and survey as noted previously are attached as Schedule A to this report and highlight the relative split in concerns and interest around the use of LED/animated signage within the community. It is Staff's assessment that the results of this public consultation did not provide any clear direction of support or non-support for LED/animated signage. From the open house and survey, it's noted that there is public concern regarding impact this type of signage could have on the community. It is also clear that the business community and signage

industry are interested in using this type of signage. The results of the survey indicated that a slight majority, (52%) of respondents, did not support the use of LED/animated signage in Nanaimo. While the minority (48%) of survey respondents supported the use of LED/animated signage in the City of Nanaimo; a significant majority (70%) of those respondents, suggested that guidelines be adopted, along with any regulations permitting the use of LED/animated signage, to help guide the use of this type of signage.

Design Guideline Criteria

Should Council wish to proceed with incorporating regulations into the Sign Bylaw which would permit LED/animated signage, Staff recommends the following guidelines be incorporated:

- LED/animated signage would be encouraged to be architecturally integrated into “new developments” and, where possible, into existing sites;
- the maximum size of LED/animated signage is 100 sq.ft. and each property is limited to one LED/animated sign per road frontage, to a maximum of three signs. Larger signs would require a variance from Council;
- the location of LED/animated signage should be done in a manner to minimize the impact on adjacent residential development;
- restrict the use of LED/animated signage to static images only, with a prescribed minimum change time of six seconds;
- continuous video or scrolling type signage is not permitted;
- regulate and require automatic dimming of the LED/animated signage light intensity from day time to night time;
- third-party signage is permitted; however, shall be limited to those business goods and services available within the City of Nanaimo*; and
- window LED/animated signage is permitted, up to 50% of the window area, to a maximum of 100 sq.ft.

* It should be noted that although third-party advertising is currently permitted, it is not a large part of advertising due to the “static” nature of non-LED/animated signage. Staff anticipates that the use of LED/animated signage will result in a large amount of third-party advertising due to the ease of operating the digital text and as a revenue source to pay for the signs.

Summary

Council did not support Staff and the Sign Committee with its original recommendation not to permit LED/animated signage and directed Staff to seek further public input and return with amendments to the Sign Bylaw to permit this type of signage. Although somewhat cost prohibitive at this point in time, Staff anticipate the capital costs of using LED/animated signage will decrease significantly in the next few years and will result in this type of sign becoming more mainstream and prevalent throughout the community.

Given Council's desire to allow LED/animated signage, Staff does not believe it would be equitable to restrict them to the downtown area only and is recommending allowing them throughout the community. Staff recommends that Council review the results of permitting LED/animated signage a year after amendments to the Sign Bylaw are made to evaluate the impact this type of signage is having on the community.

Respectfully submitted,



J. Holm
Manager, Planning Division
DEVELOPMENT SERVICES DEPARTMENT

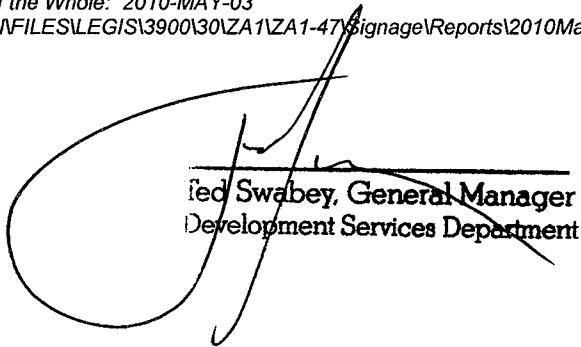


A. Tucker
Director of Planning
DEVELOPMENT SERVICES DEPARTMENT

ECS/hp

Committee of the Whole: 2010-MAY-03

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Ted Swabey, General Manager
Development Services Department

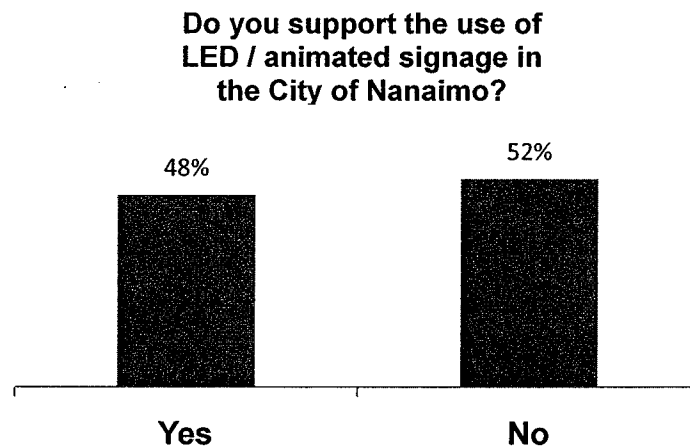
LED / Animated Signage Survey Results

The survey provided was designed in such a way that the first question asked was to determine whether or not the respondent was either in favour or not in favour of the use of LED / animated signage within the City of Nanaimo.

If the respondent was not in favour, they were instructed to provide any additional comments regarding their views and not fill out the remaining questions on the survey. If the respondent was in favour of the use of LED / animated signage within the City of Nanaimo, they were instructed to continue the survey. The remaining questions on the survey addressed design and location requirements for the proposed use of LED / animated signage within the City of Nanaimo.

Question # 1

Question 1 asked if the respondent was or was not in favour of the use of LED / animated signage within the City of Nanaimo. All of the 94 respondents responded to Question 1. 52% of respondents did not support the use of LED / animated signage within the city while 48% of respondents supported the use of LED / animated signage within the city.



Question # 2

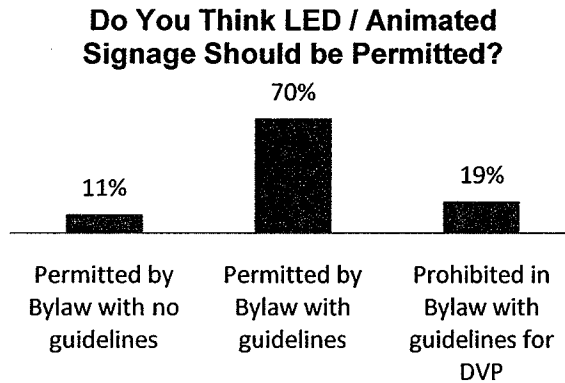
Question 2 was addressed to those respondents who indicated that they were in favour of the use of LED / animated signage within the city and specifically asked:

Do you think LED / animated signage should be:

- Permitted within the Sign Bylaw with no guidelines?
- Permitted within the Sign Bylaw through design guidelines?
- Prohibited within the Sign Bylaw, but permitted on a case by case basis as determined by Council?

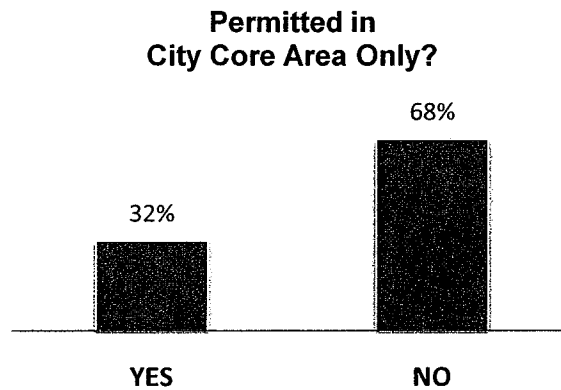
54 respondents answered Question 2. As Question 1 instructed the respondent who were not in favour of the use of LED / animated signage within the city to skip Questions 2, 3, 4, 5 and 6 and to provide additional comments. It can be deduced that the majority of people who responded to this question, as well as 2, 3, 4, 5 and 6, were in favour of the use of LED / animated signage within the city. Of the 54 respondents to Question 2, 70% indicated that LED / animated signage should be permitted within the Sign Bylaw through design guidelines.

This is a significant number and indicates that the respondents who are in favour of the use of LED / animated signage within the city are also in favour of regulating the design of this type of signage through design guidelines.



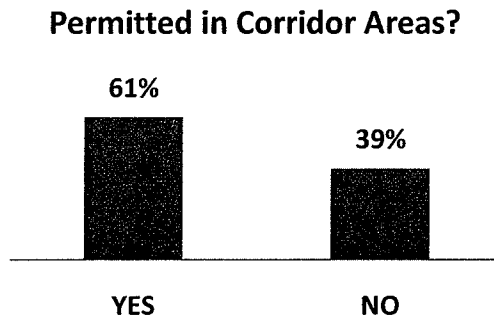
Question # 3

Question 3 asked the following: The current area where animated and revolving signage is permitted is in downtown Nanaimo. Do you support the use of LED / animated signage in this area of the city only? Of the 58 respondents to this question, 68% said no and 32% said yes.



Question # 4

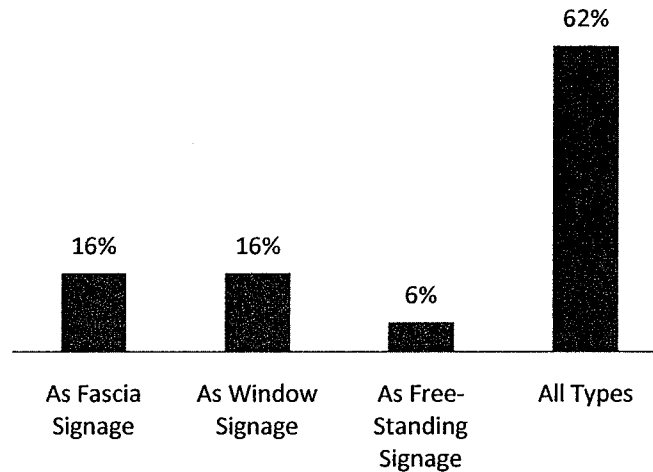
Question 4 asked if the respondent supported the use of LED / animated signage within the areas designated as 'Corridor' within the Official Community Plan. Of the 59 respondents to this question, 61% said yes and 39% said no.



Question # 5

Question 5 asked respondents in what format they would support LED / animated signage. Respondents were asked if they thought LED / animated signage should be permitted as fascia signage, window signage, free standing signage or all forms. 54 people responded to this question.

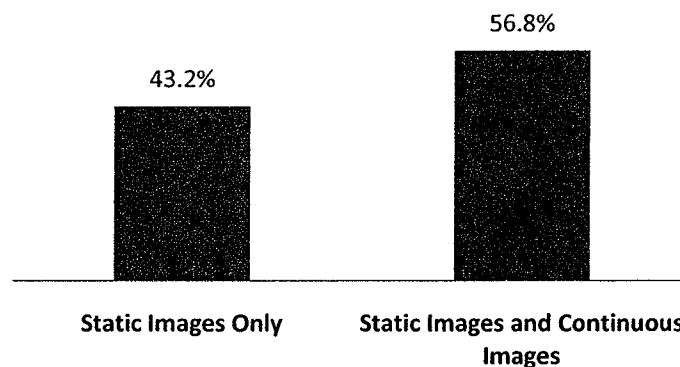
Permitted Types of LED / Animated Signage?



Question # 6

Question 6 was asked to determine if respondents supported the use of LED / animated signage in a static image function with the images changing every 6 to 10 seconds or both in a continuous video format where the images were in constant motion as in a TV or video screen, as well as static images. Of the 51 respondents, 56.8% supported both static images and continuous video while 43.2% supported static images only.

Either Static Images or Static Images and Continuous Video



Question # 7

Question 7 asked the respondent to provide any additional comments they had in regards to the use of LED / animated signage within the City of Nanaimo. Of the 52 respondents who chose to provide additional comments, 77% were not in favour of the use of LED / animated signage within the City of Nanaimo. The comments which were not in favour of the use of LED / animated signage within the City of Nanaimo spoke mainly to the aesthetic issues of outdoor advertising and traffic safety issues in regards to driver distraction.

STAFF REPORT

REPORT TO: T. HICKEY, DIRECTOR, ENGINEERING & PUBLIC WORKS

FROM: M. HACKING, MANAGER OF FLEET / SERVICE CENTRE
G. FRANSSEN, MANAGER, SANITATION, RECYCLING & CEMETERIES

RE: TENDER FOR A VERTICAL SPLIT STREAM COMPACTOR REFUSE TRUCK

STAFF'S RECOMMENDATION:

That Council authorize the purchase of a Shupak Compactor mounted on an Autocar Chassis from RayMax Equipment for a tender price of \$275,965.

EXECUTIVE SUMMARY:

On 2009-Jul-13, City Council passed a motion supporting the phasing in of a City-wide residential kitchen waste collection. Based on the results of the field test on the Cilaire route, adding kitchen waste services to the existing garbage and recycling service is expected to increase overall diversion from the landfill to 70%. The added diversion provided by kitchen waste collection and composting increases the life of the landfill and reduces greenhouse gas generation. The first phase of residential kitchen waste collection involving ten of the City's 30 routes will be initiated this fall.

This tender is for the purchase of a vertical split stream compactor refuse truck that will be used to service both garbage and kitchen waste collection simultaneously. When needed, this vehicle can be used to collect garbage or kitchen waste only.

BACKGROUND

Six tenders were received by the Manager of Purchasing and Stores as outlined below. The bids were evaluated based on the specifications for the compactor and chassis.

Vendor	Bid	Compactor	Chassis
Westvac Equipment Sales	\$261,866.05	Fanotech F175HE-24V	Peterbilt Model 320
Westvac Equipment Sales	\$267,087.05	Fanotech F175HE-24V	Autocar ACX64
RayMax Equipment Sales	\$268,030.00	Shupak S109-24	Mack LEU713 Terrapro
RayMax Equipment Sales	\$275,965.00	Shupak S109-24	Autocar ACX64
Rollins Machinery Ltd.	\$290,530.00	Labrie expert Comingle	Mack LEU713 Terrapro
Rollins Machinery Ltd.	\$297,905.00	Labrie expert Comingle	Autocar ACX64

The low bid for the Fanotech compactor does not meet specification. The hydraulically operated tipping chute for the wet waste covers the dumping area for the household garbage which delays the refuse collector, the compactor hopper door design has a round opening which limits the wet waste chute width and the height of the hopper is higher than that of the other compactor models.

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☒ Committee *ELPCOW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

The next lowest bid was the Shupak compactor which has a very effective design that meets specification. This compactor offers a 70" hopper opening, divided to allow for a 30" household solid waste dump as well as a separate 40" hydraulic wet waste dumping basket which is beneficial for the operator and the efficiency of collection.

The compactor can be mounted on either a Mack or Autocar chassis. The chassis specifications provide for ease of operation, driver ergonomics, fuel efficiency, optimized payload, service and reliability. The Autocar chassis provides better value because the Autocar vehicles that are now in the fleet have provided excellent service and reliability; it has a higher speed axle ratio which is more fuel efficient; and the Mack chassis needs approximately \$3,000 of minor upgrade to meet specification.

The \$275,965 for the purchase of a Shupak compactor mounted on an Autocar chassis from RayMax Equipment is in the Fleet Replacement Capital Budget. Delivery is expected in six months.

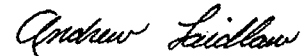
Respectfully submitted,



Tom Hickey, Director
Engineering & Public Works,



Mike Hacking, Manager
Fleet / Service Centre

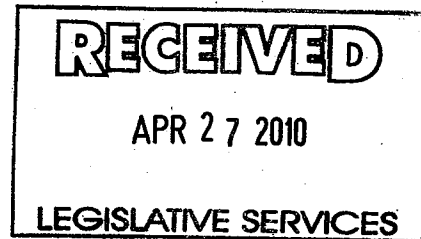


A.W. Laidlaw
General Manager
Community Services

TH/fg
g:\admin\reports\2010\SplitStreamRefuseTruckTender

April 14, 2010

Mayor John Ruttan
City of Nanaimo
455 Wallace Street
Nanaimo, BC V9R 5J6



RE: Federal legislation for transit and other green commuter choices

Dear Mayor Ruttan and Council,

Declining air quality and the threat of climate change demand creative ideas that encourage alternative commuting choices to the single-occupancy car.

We therefore write to ask for your support for Bill C-466, which would facilitate green commuter choices for Canadians by making employer-provided benefits for transit, carpooling and bicycle commuting tax-free at the federal level.

Across Canada, regional and municipal governments like yours are challenged to provide high-quality, accessible and affordable transit service to their residents within ever-tightening budgets. The annual choice between fare hikes, tax increases or operational deficits is not sustainable for the fiscal or social health of our communities.

Bill C-466 is a good first step toward alleviating this dilemma. In addition to increasing transit demand on individual and company-wide levels, it would assist long-term institutional planning for transit authorities by facilitating cost-effective bulk transit purchases by employers. The Bill is supported by the Canadian Urban Transit Association, which has advocated for this measure for over two decades.

Further, Bill C-466 incorporates other green commuter choices for the first time in Canadian history, in recognition of the exceptional efforts of Canadian cities to make sustainable transportation a priority in their municipal planning. Traffic congestion is increasingly recognized as a critical urban planning issue in need of cost-effective solutions, and the creation of viable, safe, user-friendly bicycle infrastructure requires increased demand and resources. Bill C-466 rewards green commuters and brings carpooling and bicycle commuting onto the radar of the federal government.

We recognize the gross fiscal imbalance between the federal government and Canadian cities that dates back to the downloading of social program costs during the 1990s. It is evidenced by today's cumulative \$238-billion municipal infrastructure deficit, and it is exacerbated by the continued requirement of cities to pay one third of shared project costs with only eight percent of national tax revenues. For that reason, the federal NDP remains committed to a national transit strategy and an increase in the municipal share of the gas tax.

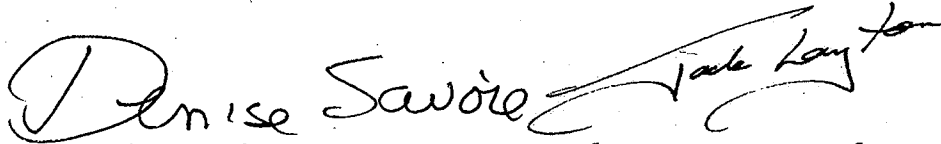
☐ Council
☒ Committee *E/PCOW*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2010-MAY-03*

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In the meantime, we respectfully ask for your written support of Bill C-466, addressed to the prime minister and copied to the Bill's sponsor, Denise Savoie, MP (Victoria). Any additional advocacy – in the media, to your residents, or in representations to your fellow municipal leaders and other levels of government – would be greatly appreciated. Please do not hesitate to contact Ms. Savoie's office at 613-996-2358 or savoid@parl.gc.ca to discuss other avenues to express your support and contribute to our campaign to pass C-466 into law.


Thank you for your attention.

In solidarity,

The block contains two handwritten signatures. On the left is the signature of Denise Savoie, written in a cursive style. On the right is the signature of Jack Layton, also in cursive, with a long horizontal flourish extending to the right.

Denise Savoie, MP
Victoria

Jack Layton, MP, Leader
New Democratic Party of Canada

The block contains a handwritten signature in cursive, which reads "Jean Crowder".

Jean Crowder, MP
Nanaimo-Cowichan