



AGENDA SPECIAL COUNCIL MEETING

Wednesday, March 18, 2020, 9:00 A.M. - 12:00 P.M.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

Pages

1. CALL TO ORDER:
2. PROCEDURAL MOTION:
3. INTRODUCTION OF LATE ITEMS
4. APPROVAL OF THE AGENDA:
5. ADOPTION OF THE MINUTES:
6. MAYOR'S REPORT:
 - a. Update Regarding COVID-19
7. PRESENTATIONS:
8. CONSENT ITEMS:
9. DELEGATIONS:
10. REPORTS:
 - a. 2019 Budget Carryforwards

5 - 9

To be introduced by Shelley Legin, General Manager, Corporate Services.

Purpose: To provide the Council with a summary of the 2019 budgets carried forward to 2020.

b. 2019 Surplus Allocation

10 - 23

To be introduced by Shelley Legin, General Manager, Corporate Services.

Purpose: To provide Council with information regarding the allocation of the 2019 operating surplus.

Presentation:

1. Laura Mercer, Director, Finance.

Recommendation: That Council approve the allocation of the 2019 operating surplus as follows:

1. General Fund

a. Special Initiatives Reserve	\$2,013,000
b. General Capital Reserve	2,955,073
c. General Financial Stability Reserve	759,874
d. Strategic Partnership Reserve	<u>200,000</u>
	<u>\$5,927,947</u>

2. Sewer Fund

a. Sewer Reserve	\$ <u>581,616</u>
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3. Water Fund

a. Water Distribution Reserve	<u>\$ 1,069,989</u>
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Total Surplus Allocation	<u>\$ 7,579,552</u>
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c. Interim Business Property Tax Relief Program

24 - 32

To be introduced by Shelley Legin, General Manager, Corporate Services.

Purpose: To provide Council with information on the recently tabled Provincial Interim Business Property Tax Relief program.

Recommendation: That Council delay consideration on implementing the Interim Business Property Tax Relief program to 2021 pending further investigation.

d. Tire Stewardship BC Community Grant Program and Kal's Replay Fund

33 - 35

To be introduced by Shelley Legin, General Manager, Corporate Services.

Purpose: To advise Council that the City has applied for three grants totaling \$82,555 from the Tire Stewardship BC Community Grant Program and Kal's Replay Fund.

- e. BC Active Transportation Infrastructure Grants Program 36 - 38
- To be introduced by Shelley Legin, General Manager, Corporate Services.
- Purpose: To advise Council that the City has applied for three grants totalling \$827,866 from the BC Active Transportation Infrastructure Grant Program.*
- f. Leisure Economic Access Program (LEAP) Review 39 - 49
- To be introduced by Richard Harding, General Manager, Parks, Recreation and Culture.
- Purpose: To initiate a review and update of the Leisure Economic Access Policy (LEAP) to ensure the program is effectively meeting its goals of providing citizens with affordable access to public recreation services in today's community.*
- Delegation:
1. Shauna McAllister re: LEAP cards being accessible to low income families.
- Recommendation: That Council:
1. approve a review and update of the LEAP program in 2020; and,
 2. refer the review of the program to the Advisory Committee on Accessibility and Inclusiveness to develop recommendations for changes for Council's consideration.
- g. Electrification and Geoexchange Options for Reducing Greenhouse Gas Emissions 50 - 57
- To be introduced by Richard Harding, General Manager, Parks, Recreation and Culture.
- Purpose: To obtain Council's approval to use funds from the Emissions Reduction Reserve Fund to study the feasibility and potential options at each facility for upgrades to the heating plants at the Nanaimo Aquatic and Beban Park Recreation Centres, with the goal of significantly reducing greenhouse gas emissions.*
- Recommendation: That Council:
1. direct Staff to proceed with studying the feasibility and potential options at each facility for upgrades to the heating plants at the Nanaimo Aquatic and Beban Park Recreation Centres with the goal of significantly reducing greenhouse gas emissions; and,
 2. approve funding of \$50,000 from the "Emission Reduction Reserve Fund Bylaw 2019 No. 7298" to complete these studies.

h. Millstone Trunk Sewer Project Funding

58 - 59

To be introduced by Bill Sims, General Manager, Public Works and Engineering.

Purpose: To obtain Council's approval to modify the 2020 Sewer Project Plan in the 2020 – 2024 Financial Plan.

Recommendation: That Council approve the following changes to the 2020 budget:

- Decrease the budget for Comox Area Sanitary Project by \$1,140,000, funded from the Sewer Asset Management Reserve Fund and;
- Increase the budget for DCC SS19: Millstone Trunk South by \$1,140,000, to be funded from internal borrowing and the Sewer Asset Management Reserve Fund.

11. **BYLAWS:**

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

- a. Correspondence from The Boat for Hope Nanaimo Committee, dated 2020-FEB-27, re: Boat for Hope Sponsorship Opportunities

60 - 65

14. **QUESTION PERIOD:**

15. **ADJOURNMENT:**

DATE OF MEETING | MARCH 18, 2020 |

AUTHORED BY | WENDY FULLA, MANAGER, BUSINESS ASSET & FINANCIAL PLANNING |

SUBJECT | 2019 BUDGET CARRYFORWARDS |

OVERVIEW

Purpose of Report:

To provide the Finance and Audit Committee with a summary of the 2019 budgets carried forward to 2020.

BACKGROUND

At the end of each year where a project has not been completed or where a project was delayed/not started, budgets are carried forward to the following year.

Unspent project budgets funded from general revenue contribute to operating surplus and unspent project budgets funded from reserves are returned to reserves to fund future projects.

Projects that are delayed or not started at year-end and are not anticipated to be undertaken in following year are not carried forward.

DISCUSSION

Total carryforwards from 2019 to 2020 were \$33,554,098, \$33,344,166 for projects and \$209,932 for operating.

During the process, three projects were added to the 2020 project plan funded by projects that were under budget.

Fire Department Review and Station Location Study

This project will provide an operational and strategic plan for Nanaimo Fire Rescue (NFR). Following up on the previous 2004 10 year Standard of Response Study – a review of NFRs responses will be compared to industry requirements and standards and will also look at long term growth and fire station locations.

Budget - \$72,000

Two Bus Shelters - Boundary @ Nelson, Northbound & Boundary @ Nelson, Southbound

As part of the RDN Local Area Transit Plan – South Nanaimo, the Route 30 changed. This change resulted in two existing City owned shelters becoming obsolete. In an effort to maintain level of service to the community and continue to support mass transit, there is a need to take steps to provide shelters on the new route. Staff considered relocating the two existing shelters; however, they are at end of life and would not survive the relocation process. The City is planning on partnering with RDN Transit and BC Transit to procure and install two new shelters.

Budget - \$25,000 each

A breakdown of all carryforwards is provided in the table below:

Summary of Project Carryforwards (cfwds) By Department

Division	Department/Area	2019 Budget	Total Cfwd	Project Status of Cfwds by \$'s		
				Substantially Completed	In Progress	Delayed/Not Started
Administration	CAO Office	73,437	-	-	-	-
	Human Resource	16,900	-	-	-	-
	Legislative Services	254,163	128,500	-	128,500	-
	Total Administration	344,500	128,500	-	128,500	-
Corporate Services	Civic Properties	147,371	12,000	-	12,000	-
	Emergency Management	16,333	11,000	-	-	11,000
	Financial Services	55,475	17,048	7,425	9,000	623
	IT	1,165,912	617,920	9,828	384,467	223,625
	Police Services	278,250	177,435	-	150,085	27,350
	PoNC/VICC	110,943	22,243	6,000	16,243	-
	Total Corporate Services	1,774,284	857,646	23,253	571,795	262,598
Development Services	Bylaw & Parking	1,856,117	717,808	5,975	690,270	21,563
	Community Planning	1,863,646	1,103,143	1,945	931,198	170,000
	Economic Development	30,000	-	-	-	-
	Environment	213,088	79,464	-	79,464	-
	Real Estate	11,904,831	475,106	63,281	286,825	125,000
	Total Development Services	15,867,682	2,375,521	71,201	1,987,757	316,563
ENG PW	ENG PW	27,425,669	7,642,442	129,903	6,435,916	1,076,623
	Sewer	13,173,943	3,506,121	100,283	2,830,112	575,726
	Water	26,983,556	10,616,689	287,495	9,792,194	537,000
	Total ENG PW	67,583,168	21,765,252	517,681	19,058,222	2,189,349
Nanaimo Fire Rescue	FireComm	159,547	134,460	-	59,918	74,542
	Nanaimo Fire Rescue	5,238,831	3,869,805	-	3,769,305	100,500
	Total Nanaimo Fire Rescue	5,398,378	4,004,265	-	3,829,223	175,042
Parks and Recreation	Aquatics	1,381,595	629,557	28,401	601,156	-
	Arenas	1,203,987	-	-	-	-
	Civic Properties	14,898	-	-	-	-
	Culture	664,205	514,338	-	514,338	-
	Facilities	544,680	195,548	-	195,548	-
	Parks Ops	4,332,579	2,490,456	94,003	2,119,203	277,250
	Recreation	786,867	383,083	-	233,883	149,200
	Total Parks, Recreation and Culture	8,928,811	4,212,982	122,404	3,664,128	426,450
Total All		99,896,823	33,344,166	734,539	29,239,625	3,370,002
% of Total Carried Forward				2%	88%	10%

Attached to this report are two appendices, one which provides a breakdown of project carryforwards by department with funding source and one which provides a detailed breakdown of projects carried forward.

On Attachment A, please note that carryforwards for Park Operations Internal Orders exceed remaining budget as a result of unbudgeted expenditures related to the 2018 Windstorm Event. The Windstorm Event project captured citywide costs for the event that were not eligible for recovery under the Disaster Financial Assistance Recovery Plan from Emergency Management BC. In total \$320,105 was charge to the Windstorm Event project in 2019.

SUMMARY POINTS

- Each year, budgets for projects that are still in progress or were delayed/not started are carried forward to the following year.
- Total carryforwards from 2019 to 2020 were \$33,554,098, \$33,344,166 for projects and \$209,932 for operating.

ATTACHMENTS

Attachment A – 2019 Project Carryforward Breakdown by Department with Funding Source

Submitted by:

Wendy Fulla
Manager, Business, Asset & Financial
Planning

Concurrence by:

Laura Mercer
Director, Finance

Attachment A
2019 Carryforward Analysis

Division/Department	Project Type	2019 Budget	Expenditures	Budget Surplus/(Deficit)	%
Projects					
Administration					
CAO Office	Internal Orders	73,437	73,437	-	0%
Human Resources	Internal Orders	16,900	10,582	6,318	37%
Legislative Services	Internal Orders	254,163	71,638	182,525	72%
Total Administration		344,500	155,657	188,843	
Corporate Services					
Corporate Civic Facilities	Internal Orders	120,485	66,871	53,614	44%
	Capital	26,886	26,886	-	0%
Emergency Management	Internal Orders	16,333	5,333	11,000	67%
Financial Services	Internal Orders	55,475	32,283	23,192	42%
IT	Internal Orders	602,322	322,753	279,569	46%
	Capital	563,590	72,146	491,444	87%
Police Services	Internal Orders	278,250	44,160	234,090	84%
	Capital	-	-	-	0%
PoNC/VICC	Internal Orders	21,000	10,533	10,467	50%
	Capital	89,943	-	89,943	100%
Total Corporate Services		1,774,284	580,965	1,193,319	
Development Services					
Development Approvals					
Environment	Internal Orders	213,088	124,360	88,728	42%
Community Development					
Bylaw & Parking	Internal Orders	176,203	88,455	87,748	50%
	Capital	1,679,914	450,230	1,229,684	73%
Community Planning	Internal Orders	1,863,646	650,923	1,212,723	65%
Economic Development	Internal Orders	30,000	35,910	(5,910)	-20%
Real Estate	Capital	11,904,831	3,419,214	8,485,617	71%
Total Development Services		15,867,682	4,769,092	11,098,590	
ENGPW					
ENGPW	Internal Orders	2,004,110	1,179,581	824,529	41%
	Capital	25,421,559	17,349,427	8,072,132	32%
Sewer	Internal Orders	1,491,263	887,059	604,204	41%
	Capital	11,682,680	8,003,407	3,679,273	31%
Water	Internal Orders	2,409,252	1,042,163	1,367,089	57%
	Capital	24,574,304	12,097,835	12,476,469	51%
Total ENGPW		67,583,168	40,559,473	27,023,695	

Amount Cfdw	Funding Source of Carryforward			
	General Revenues	General Reserves	Stat Reserves	Other ¹
-				
-				
128,500	110,000	13,500		5,000
128,500	110,000	13,500	-	5,000
12,000	12,000			
-				
11,000				11,000
17,048	9,623	7,425		
161,040	77,916	83,124	-	-
456,880	165,000	256,880	35,000	
177,435	110,485	66,950		
-				
6,000	6,000			
16,243	16,243			
857,646	397,267	414,379	35,000	11,000
79,464		46,168		33,296
48,083	20,545	27,538		
669,725		352,728	316,997	
1,103,143	120,000	654,367		328,776
-				
475,106		331,774	18,332	125,000
2,375,521	140,545	1,412,575	335,329	487,072
716,152	553,953	140,189	7,190	14,820
6,926,290	697,841	468,992	5,319,457	440,000
440,578		405,198	35,380	
3,065,543		1,662,435	1,015,060	388,048
970,575		931,443		39,132
9,646,114		6,301,851	3,344,263	
21,765,252	1,251,794	9,910,108	9,721,350	882,000

Attachment A
2019 Carryforward Analysis

Division/Department	Project Type	2019 Budget	Expenditures	Budget Surplus/(Deficit)	%
Nanaimo Fire Rescue					-
FireComm	Internal Orders	159,547	24,464	135,083	85%
NFR	Internal Orders	258,145	214,942	43,203	17%
	Capital	4,980,686	1,211,381	3,769,305	76%
Total Nanaimo Fire Rescue		5,398,378	1,450,787	3,947,591	
Parks, Recreation and Culture					
<i>Facilities and Park Ops</i>					
Facilities	Internal Orders	544,680	344,488	200,192	37%
	Capital		-	-	0%
Civic Properties	Internal Orders	14,898	14,898	-	0%
	Capital		-	-	0%
Parks	Internal Orders	1,129,163	811,575	317,588	28%
	Capital	3,203,416	1,165,080	2,038,336	64%
<i>Recreation and Culture</i>					
Aquatics	Internal Orders	332,226	219,095	113,131	34%
	Capital	1,049,369	426,178	623,191	59%
Arenas	Internal Orders	106,274	91,979	14,295	13%
	Capital	1,097,713	1,070,151	27,562	3%
Culture	Internal Orders	319,905	100,102	219,803	69%
	Capital	344,300	6,525	337,775	98%
Recreation	Internal Orders	339,468	100,023	239,445	71%
	Capital	447,399	42,425	404,974	91%
Total Parks, Recreation and Culture		8,928,811	4,392,519	4,536,292	
	Internal Orders	12,830,233	6,567,607	6,262,626	49%
	Projects	87,066,590	45,340,886	41,725,704	48%
Total Projects		99,896,823	51,908,493	47,988,330	48%
Cost Centres					
	Human Resources				
	Finance				
	Community Planning				
	Information Technology				
Total Cost Centres					
Grand Total - All		99,896,823	51,908,493	47,988,330	

Amount Cfwd	Funding Source of Carryforward			
	General Revenues	General Reserves	Stat Reserves	Other ¹
134,460	74,542	59,918		
100,500	100,500			
3,769,305			1,560,000	2,209,305
4,004,265	175,042	59,918	1,560,000	2,209,305
195,548	84,473			111,075
523,029	363,531	150,589		8,909
1,967,427	234,537	543,794	799,952	389,144
48,474	14,149	34,325		
581,083	89,204	15,196	476,683	
203,763	65,500	138,263		
310,575	28,975		281,600	
196,983	164,338	24,216		8,429
186,100	25,000	22,400	138,700	
4,212,982	1,069,707	928,783	1,696,935	517,557
5,273,775	1,887,555	2,783,213	42,570	560,437
28,070,391	1,256,800	9,956,050	13,306,044	3,551,497
33,344,166	3,144,355	12,739,263	13,348,614	4,111,934
89,872	89,872			
48,000	48,000			
5,644	5,644			
66,416		66,416		
209,932	143,516	66,416	-	-
33,554,098	3,287,871	12,805,679	13,348,614	4,111,934

¹Private contributions, grants, borrowing, sale of assets

Staff Report for Decision

DATE OF MEETING MARCH 18, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

SUBJECT 2019 SURPLUS ALLOCATION

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee information regarding the allocation of the 2019 operating surplus.

Recommendation

That the Finance and Audit Committee recommend that Council approve the allocation of the 2019 operating surplus as follows:

1.	General Fund	
	a. Special Initiatives Reserve	\$ 2,013,000
	b. General Capital Reserve	2,955,073
	c. General Financial Stability Reserve	759,874
	d. Strategic Partnership Reserve	200,000

		\$ 5,927,947
		=====
2.	Sewer Fund	
	a. Sewer Reserve	\$ 581,616
		=====
3.	Water Fund	
	a. Water Distribution Reserve	\$ 1,069,989
		=====
	Total Surplus Allocation	\$ 7,579,552
		=====

BACKGROUND

The compilation of the 2019 draft financial statements is in progress and the audit by KPMG LLP started on 2020-MAR-09. In preparing the financial statements, staff needs to allocate the surplus prior to finalization of the audit.

Any remaining operating surplus funds are considered unallocated surplus and can be used to fund unexpected future liabilities.

In order to help stabilize future funding sources and minimize the impact on tax rates, a Reserve Policy was established in 2019. This policy provides guidance with respect to the development, maintenance and use of City Reserve Funds. The policy also institutes minimum and maximum balances, where appropriate, to ensure sufficient reserves are on hand at any given time. As outlined in the Policy, the first use of surplus funds is to bring the reserves up to the identified minimum balance.

The primary objectives of the reserve policy is to support financial resiliency by:

- Providing funds for operating emergencies
- Ensuring sustainable funding for infrastructure
- Ensuring stable and predictable property tax levies

DISCUSSION

The City of Nanaimo accounts for its budgets within three funds: general fund, sewer fund and water fund.

The unaudited financial results, including surplus for allocation, for the year ended 2019-DEC-31 are as follows for each of the funds:

General Fund

In the general fund the surplus was \$5,927,947 at 2019-DEC-31. This represents 4% of the budget.

The surplus is made up of the following major variances:

Type	Amount	Explanation
Wages and Benefits	\$2,066,000	Vacant positions throughout the City
Revenues:		
• Interest Income	1,116,100	Higher interest income due to rising interest rates
• Building Permits	560,400	Higher than anticipated revenues
• PRC Fees & Admissions	209,500	Higher than anticipated revenues
• Grants In Lieu	181,700	Higher than anticipated revenues
• Penalties & Interest on Taxes	114,300	Higher than anticipated revenues
Contracted Services	507,300	Expenditures were less than anticipated
Hardware, Software and Associated Licenses & Maintenance	286,700	Expenditures were less than anticipated
Janitorial Supplies	154,100	Expenditures were less than anticipated
Insurance	132,600	Expenditures were less than anticipated
Vancouver Island Conference Centre	(164,000)	Deficit due to 2017 & 2018 incentive fees paid in 2019
RCMP Contract	(232,000)	Contract settlement liability for the year was higher than anticipated

Staff propose the 2019 general fund surplus be allocated to reserves as follows:

Special Initiatives Reserve **\$2,013,000**

The special initiatives reserve was established through the creation of the new Reserve Policy. The purpose of this reserve is to fund emerging issues that require short term funding and minimize impact on future property tax increases through contributions from prior year operating surplus. Funding for the following projects are being recommended:

VICC Audio Visual Upgrades **\$ 1,163,000**

A review of the current audio visual (AV) system at the Vancouver Island Conference Center was undertaken in 2019. The review found that the AV equipment was failing as it uses outdated technology and a complete upgrade is needed. The estimated cost to replace existing equipment is \$1,163,000.

SARC Building Upgrades **\$ 750,000**

With the organization restructuring that took place in 2019, changes to the SARC building need to be undertaken. This allocation will cover the necessary construction and furniture costs of this project. When the SARC building was built in 2012, the third floor was intended accommodate any growth in the future.

Sponsorship Project **\$ 100,000**

Sponsorships provide an effective means of generating new revenue streams and alternative resources to support facilities, events and programs for all organizations. At the 2020-FEB-24 Council meeting, Council endorsed the Finance and Audit Committee recommendation to complete a feasibility study, develop a sponsorship strategic plan and policy. This allocation would cover the estimated cost of the project.

General Capital Reserve **\$ 2,955,073**

This will increase the General Capital Reserve and provide Council with the maximum flexibility in the future. These funds could be used, in whole or part, for any future capital project that is a Council priority.

General Financial Stability Reserve **\$ 759,874**

Like the Special Initiative reserve, this reserve was established through the creation of the new Reserve Policy in 2019. The purpose of this reserve is to mitigate risk arising from lower than expected revenues or sudden unplanned expenditures needed to maintain delivery of City services. Contributions to this reserve are from allocations of general operating surplus and/or a budget allocation. The minimum target balance for this reserve is calculated at 60 days of the prior year's budgeted general operating expenditures and the target is currently \$16,408,806. To meet this balance, \$759,874 will need to be allocated from surplus. Most of this change is due to funding the Post Employment Benefits liability that is budgeted for in 2020.

Post Employment Benefits - \$700,000

Per Public Sector Accounting Board (PSAB) requirements, the City must to account for the cost of post employment benefits in the financial statements. The City hires an actuarial consulting firm to value the present day cost of these benefits and we adjust the liability each year to their estimate. By putting money aside in a reserve each year this reduces the

reliance on current year surpluses to absorb the cost. The three (3) year average of liability adjustments is approximately \$700,000.

Strategic Partnership Reserve

\$ 200,000

The Strategic Partnership Reserve was established in 2015 and provides funding for consultation with Snuneymuxw First Nation regarding joint projects.

Sewer Fund

The sewer fund recorded a surplus of \$581,616 at 2019-DEC-31. This represents 11% of the budget.

User fees relating to sewer use were higher than anticipated by \$ 279,000. An unspent sewer contingency of \$71,000 and \$128,000 from debt costs made up the majority of the remaining variance. The debt variance is due to a timing difference between when the budget anticipated borrowing and when we actually borrowed. The combination has enabled \$581,616 to be transferred to the sewer reserves for future projects.

Water Fund

The water fund recorded a surplus of \$1,069,989 at 2019-DEC-31. This represents 8% of the budget.

User fees and connection fees relating to water use were higher than anticipated by \$638,000. An unspent water contingency of \$115,000, and \$205,000 from position vacancies made up the majority of the remaining variance. The combination has enabled \$1,069,989 to be transferred to the water reserves for future projects.

Summary

If a municipality has a small surplus it means that tax rates were appropriately set to meet current year operations. However, it does not provide any excess monies to be transferred to reserves for the funding of future projects or cover any unexpected operating costs that may occur.

If low surplus values are sustained year after year, tax rates can potentially become more volatile as a larger percentage of funding for unexpected events and/or projects will need to come from current year taxes rather than reserves.

In 2019, the City of Nanaimo's accumulated surplus of all three (3) funds was \$7,393,853. By transferring these excess surplus funds to reserves this year it means that the need for future year tax increases are mitigated as these monies can be used to cover any unexpected operating costs, drops in revenue sources or fund future projects.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the allocation of the 2019 operating surplus as follows:

1.	General Fund	
	a. Special Initiatives Reserve	\$ 2,013,000
	b. General Capital Reserve	2,955,073
	c. General Financial Stability Reserve	759,874
	d. Strategic Partnership Reserve	200,000

		\$ 5,927,947
		=====
2.	Sewer Fund	
	a. Sewer Reserve	\$ 581,616
		=====
3.	Water Fund	
	a. Water Distribution Reserve	\$ 1,069,989
		=====
	Total Surplus Allocation	\$7,579,552
		=====

- The advantages of this option: Transferring excess surplus funds to reserves this year means that the need for future year tax increases are mitigated as these monies can be used to cover any unexpected operating costs, drops in revenue sources or fund future projects.
 - The disadvantages of this option:
 - Financial Implications: \$7,579,552 was reserved to fund general, sewer and water projects and operations in the future
2. That Council direct specific surplus funds to different and/or specific priorities. |

SUMMARY POINTS

- The General fund recorded an operating surplus of \$5,927,947 or 4% of approved budget in 2019.
- The Sewer Fund recorded an operating surplus of \$581,616 or 11% of approved budget in 2019.
- The Water Fund recorded an operating surplus of \$1,069,989 or 8% of approved budget in 2019.

- A Reserve Policy was established in 2019 and provides guidance with respect to the development, maintenance and use of City Reserve Funds to ensure appropriate funding levels are available at all.

Submitted by:

Laura Mercer |
Director, Finance

Concurrence by:

Shelley Legin
GM, Corporate Services |



Background and Context

- In 2019, a Reserve Policy was established to stabilize future funding sources and minimize the impact on tax rates
 - institutes minimum and maximum balances, where appropriate, to ensure sufficient reserves are on hand at any given time
 - per Policy, the first use of surplus funds is to top reserves up to the required minimum balance
- The primary objectives of the Reserve Policy is financial resiliency by:
 - providing funds for operating emergencies
 - ensuring sustainable funding for facilities/infrastructure
 - ensuring stable and predictable property tax levies

2019 Surplus by FUND

Sewer Fund	\$ 581,616	(11% of budget)
Water Fund	\$1,069,989	(8% of budget)
General Fund	<u>\$5,927,947</u>	(4% of budget)
TOTAL	<u>\$7,579,552</u>	

Key Drivers – Sewer Fund

- User fees were higher than anticipated by \$ 279,000
- Unspent contingencies of \$71,000 and \$128,000 from debt costs made up the majority of the remaining variance
 - debt variance is due to a timing difference
- The combination has enabled \$581,616 to be transferred to the sewer reserves for future projects

Key Drivers – Water Fund

- User fees and connection fees relating to water use were higher than anticipated by \$638,000.
- Unspent water contingencies of \$115,000 and \$205,000 from position vacancies made up the majority of the remaining variance.
- The combination has enabled \$1,069,989 to be transferred to the water reserves for future projects

Key Drivers – General Fund

Type	Amount	Explanation
Wages and Benefits	\$2,066,000	Vacant positions throughout the City
Revenues:		
• Interest Income	1,116,100	Higher interest income due to rising interest rates
• Building Permits	560,400	Higher than anticipated revenues
• PRC Fees & Admissions	209,500	Higher than anticipated revenues
• Grants In Lieu	181,700	Higher than anticipated revenues
• Penalties & Interest on Taxes	114,300	Higher than anticipated revenues
Contracted Services	507,300	Expenditures were less than anticipated
Hardware, Software and Associated Licenses & Maintenance	286,700	Expenditures were less than anticipated
Janitorial Supplies	154,100	Expenditures were less than anticipated
Insurance	132,600	Expenditures were less than anticipated
Vancouver Island Conference Centre	(164,000)	Deficit due to 2017 & 2018 incentive fees paid in 2019
RCMP Contract	(232,000)	Contract settlement liability for the year was higher than anticipated

Pressures and Opportunities

Special Initiatives Reserve \$2,013,000

- *Purpose of this reserve is to fund emerging issues that require short term funding and minimize impact on future property tax increases through contributions from prior year operating surplus. Funding for the following projects are being recommended:*

1. VICC Audio Visual Upgrades \$ 1,163,000
2. SARC Building Upgrades \$ 750,000
 - built in 2012, the third floor was intended accommodate future growth
3. Sponsorship Project \$ 100,000
 - Council endorsed the Finance and Audit Committee recommendation to complete a feasibility study, develop a sponsorship strategic plan and policy.

Pressures and Opportunities

General Financial Stability Reserve \$ 759,874

- *Purpose of this reserve is to mitigate risk arising from lower than expected revenues or sudden unplanned expenditures needed to maintain delivery of City services.*
- Contributions to this reserve are from allocations of general operating surplus and/or a budget allocation.
- The minimum target balance for this reserve is calculated at 60 days of the prior year's budgeted general operating expenditures and the target is currently \$16,408,806.
- To meet this balance, \$759,874 will need to be allocated from surplus.
 - Most of this change is due to funding the Post Employment Benefits liability that is budgeted for in 2020.

Pressures and Opportunities

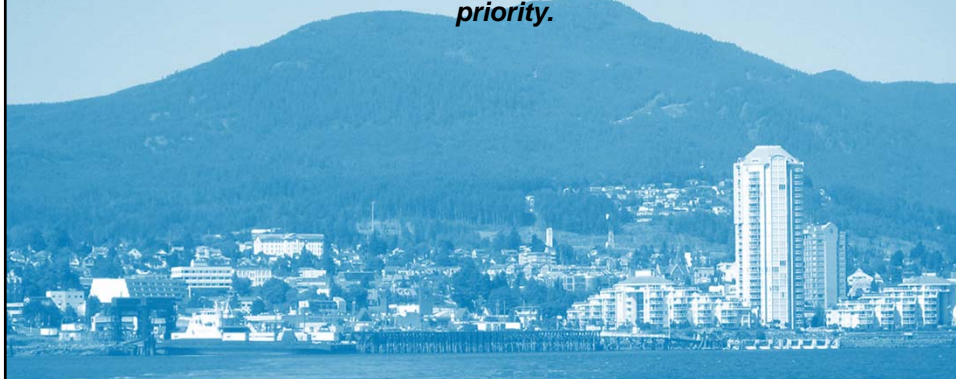
Strategic Partnership Reserve \$ 200,000

- *The Strategic Partnership Reserve was established in 2015 and provides funding for consultation with Snuneymuxw First Nation regarding joint projects.*

Pressures and Opportunities

General Capital Reserve \$2,955,073

This will increase the General Capital Reserve and provide Council with the maximum flexibility in the future. These funds could be used, in whole or part, for any future capital project that is a Council priority.



Considerations for Discussion

- The compilation of the 2019 draft financial statements is in progress and the audit by KPMG LLP started on March 9.
- To prepare final financial statements, staff need to allocate the surplus prior to finalization of the audit March 23.

OPTION 1

Allocate 2019 Surplus as follows:

1.	General Fund	
	a. Special Initiatives Reserve	\$ 2,013,000
	b. General Capital Reserve	2,955,073
	c. General Financial Stability Reserve	759,874
	d. Strategic Partnership Reserve	200,000
		=====
		\$ 5,927,947
		=====
2.	Sewer Fund	
	a. Sewer Reserve	\$ 581,616
		=====
3.	Water Fund	
	a. Water Distribution Reserve	\$ 1,069,989
		=====
	Total Surplus Allocation	\$ 7,579,552
		=====

OPTION 2

Council direct specific surplus funds to different and/or specific priorities.

Next Steps

- To provide the Finance and Audit Committee information regarding the allocation of the 2019 operating surplus
- Finance and Audit to recommend allocation to Council for approval March 23, 2020



Questions?

DATE OF MEETING | MARCH 18, 2020 |

AUTHORED BY | BARBARA D. WARDILL, MANAGER, REVENUE SERVICES |

SUBJECT INTERIM BUSINESS PROPERTY TAX RELIEF PROGRAM

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with information on the recently tabled Provincial Interim Business Property Tax Relief program. |

Recommendation

That the Finance and Audit Committee recommend that Council delay consideration on implementing the Interim Business Property Tax Relief program to 2021 pending further investigation.

BACKGROUND

On 2020-FEB-24, the Province of BC announced that they tabled legislation for an Interim Business Property Tax Relief program. The Interim Business Property Tax Relief Program would allow municipalities to temporarily give small businesses, non-profits and arts and culture organizations relief from property taxes, while the Province continues to work with local governments and key stakeholders to develop a permanent solution. Municipalities would choose whether to use the program, as well as how many properties to exempt, and to what extent.

Under the current property assessment system, properties are valued based on highest and best use which means land with a single-storey commercial building on it may be valued as if it were being used as a multi-storey residential tower. This can result in tax spikes for many small business tenants who are often responsible for property tax under terms of their lease agreement but who do not benefit from the development potential of the properties they are leasing.

The proposed legislation would enable municipalities to exempt, by bylaw, a portion of the Class 5 (Light Industry) and/or Class 6 (Business and Other) value of certain properties from taxation if they have at least one tenant responsible for property taxes. Council would decide whether to use legislation, have latitude in selecting properties and determine how to redistribute the tax burden to other business properties not granted the exemption.

Under the proposed legislation, Council has the ability to set certain criteria thresholds properties would have to meet to be eligible for this exemption. These include:

- Base year (2015 or any year thereafter), to use as comparison to the current tax year;
- Percentage increase in assessed Class 5/6 land value over base year (e.g., the combined Class 5/6 land value for 2020 must be 50% higher than it was in 2015);

- Minimum land value percentage of total assessed value (e.g., for the current tax year, the portion of the total assessed value of the property attributable to land must be 80%); and
- Percentage of the exemption by property, area or kind (e.g., all properties in neighbourhood X receive a 10% exemption).

The eligible properties would also be partially exempt from Provincial School Tax. However, municipalities would still be required to raise the same amount of school tax as would have been raised without the exemption and would be required to change the school tax rates to redistribute the school tax burden to other businesses. |

DISCUSSION

While there are merits to the proposed interim program, implementation of this program in 2020 would be extremely challenging given the number of features of the program and the late announcement.

Timeline

The timeline to implement for the 2020 property tax year is very short. Legislation was tabled February 24th, 2020 and the deadline imposed by the Province for Council to pass a bylaw exempting certain properties is April 22nd, 2020. Council would need to consider this at the April 6th, 2020 Council meeting. This would only allow 6 weeks to evaluate the program and implement the proposal, rushing or even bypassing the vetting process of the new program.

This legislation proposes transferring the tax burden of both municipal and school taxes among the remaining taxpayers. More time is needed to determine how to best implement this program.

The risk of unintended consequences for a rushed implementation is high. The implementation of the proposed legislation without sufficient public consultation and proper due diligence creates risks for Council such as potential legal challenges, errors and omissions in inclusion/exclusion of properties and undermines the impacts on tax revenues.

Lack of Information

A review of individual critical leasing terms are required to implement the program fairly to those small business in need. At this time B.C. Assessment nor the City of Nanaimo has the data base of contractual agreements necessary to identify who would receive the exemption.

Staff have discussed with several municipalities throughout B.C. and many are recommending to respective Councils to not implement the program for 2020.

CONCLUSION

Given the short timeline, implementing the proposed legislation does not allow for adequate public consultation or due diligence of investigating possible unintended consequences. The current version of this legislation does not provide municipalities with a framework that will fairly and/or effectively provide small business with a tax relief solution. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council delay consideration on implementing the Interim Business Property Tax Relief program to 2021 pending further investigation.
 - The advantages of this option:
 - Allows Staff time to fully investigate all aspects of implementing this tax relief program.
 - The disadvantages of this option:
 - Delays the assistance to tenants in commercial properties who are disproportionately affected by an increase in property taxes.
 - Financial Implications: none
2. That the Finance and Audit Committee recommend that Council implement the Interim Business Property Tax Relief program for the 2020 property tax year.
 - The advantages of this option:
 - Assists tenants in commercial properties who are disproportionately affected by an increase in property taxes.
 - The disadvantages of this option:
 - Implementation of this program would result in an increased tax burden to the non-exempt property tax classes.
 - No reduction in School Tax owing to the Province as the tax burden lies with remaining property tax classes.
 - Timeline does not permit adequate public consultation and proper implementation.
 - Exemption may not benefit the intended group if data base of lease information cannot be obtained.
 - Financial Implications: Implementing the proposed program would not result in a decrease in tax revenues if the exempt amount was redistributed to the remaining non-exempt properties. There could be significant costs associated with system modifications to support implementation, legal fees, risk management, as well significant staff time to ensure all possible recipients are considered for the exemption.

SUMMARY POINTS

- This proposed legislation offloads tax burden to remaining property tax classes
- Significant costs associated with implementation, 2020 timeline extremely challenging
- Need for public consultation, possible unintended consequences due to lack of appropriate timeline for due diligence.

ATTACHMENTS:

- Appendix A –Proposed legislation – Interim Business Property Tax Relief

Submitted by:

Barbara D. Wardill
Manager, Revenue Services

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
GM, Corporate Services

|

ATTACHMENT A



BRITISH
COLUMBIA

NEWS RELEASE

For Immediate Release
2020MAH0032-000322
Feb. 24, 2020

Ministry of Municipal Affairs and Housing

Tax relief for small businesses, non-profits, arts and culture groups

VICTORIA – A new Interim Business Property Tax Relief program will allow local governments to provide immediate property tax relief for the 2020 tax year.

This relief will apply to small businesses and non-profits, as well as arts and culture organizations, that are struggling with high lease costs as a result of years of rapidly increasing property values.

"Years of an out-of-control real estate market have resulted in unexpected tax spikes for many small businesses that pay property taxes as part of their commercial leases," said Selina Robinson, Minister of Municipal Affairs and Housing. "People have been asking for help, and today we're offering a way for local governments to provide that help. This new program empowers local governments to provide immediate relief to the small businesses and organizations most affected by skyrocketing property taxes in their communities."

Recognizing the challenges look different in each municipality, this tax relief program will allow municipalities to exempt, by bylaw, a portion of the assessed value of those properties most affected by this issue in a way that works for their community.

The changes enable significant relief for small businesses and others who have been calling for changes for over a decade. It will reduce the taxes paid by these properties, reducing lease costs for tenants with triple-net leases. The legislation gives municipalities maximum flexibility to tailor the way they identify properties in need of relief in their communities and to set the amount of tax exemption for selected properties.

To help communities meet the timeline to deliver relief for the 2020 tax year, ministry staff have worked with interested communities since advance notice of the legislation was given in January. The Province has worked with municipalities to help them prepare for implementation and will further support them by providing a model bylaw, staff advice, a user guide and procedural changes.

This program is an interim solution while the Province continues to work with local governments and the Union of British Columbia Municipalities, as well as business and community stakeholders on a permanent solution that will work for communities of all sizes throughout the province.

This legislation, the municipal affairs and housing statutes amendments act, also introduced four other minor amendments to the Assessment Act, Local Government Act, Community Charter and the Vancouver Charter.

Quotes:

Michael Hind, CEO, Tri-Cities Chamber of Commerce –

“We appreciate the provincial government's efforts to address the large commercial-property tax increases threatening many small businesses around B.C., including in the Tri-Cities. The proposed interim measures are a step in the right direction, but we continue to stress the need for the provincial government to develop a comprehensive long-term solution.”

Brian McBay, executive director, 221A and chair, City of Vancouver Arts and Culture Advisory Committee, Cultural Spaces Committee –

“Vancouver is being emptied out of music and performing art venues, art galleries and artist studios. The city reported over 20 cultural spaces with approximately 400 artists were closed in the last year. The cultural sector is in a crisis and the Province's tax measures are the right step toward halting the closure of art spaces that bring joy and humanity to our democracy.”

Learn More:

For more information about the municipal affairs and housing statutes amendment act, visit:
<https://news.gov.bc.ca/21630>

A backgrounder follows.

Contact:

Ministry of Municipal Affairs and Housing
Media Relations
778 584-1255

Connect with the Province of B.C. at: news.gov.bc.ca/connect

BACKGROUND

For Immediate Release
2020MAH0032-000322
Feb. 24, 2020

Ministry of Municipal Affairs and Housing

Key elements of Interim Business Property Tax Relief program

The Interim Business Property Tax Relief legislation sets standard requirements that all local governments implementing it should meet, while offering significant flexibility to tailor their approach beyond these basic requirements.

This basic framework requires a property to be assessed in a commercial class – Class 5 (Light Industry), Class 6 (Business and Other) or a combination of the two – and have at least one tenant responsible for all or a portion of the property taxes to qualify for the exemption.

Local governments that choose to use the legislation will need to pass a bylaw to set further parameters to identify properties where the taxes have increased significantly due to a spike in land value in their communities. Those parameters include:

- a base tax year of 2015 or later to use as comparison to the current taxation year. For example, a municipality where property values began to spike in 2017 could choose 2016 as the base year.
- a minimum percentage of increase in commercial land value since the chosen base year. For example, a municipality can determine that the land value of the commercial portion of the property (Class 5/6) for 2020 must be 50% higher than it was in a 2016 base year to qualify;
- a minimum percentage of the total property value that must be land value. For example, a municipality can require that in order to qualify for the exemption, 80% of the property's total assessed value must be the value of the land (not the building); and
- the percentage of the exemption by property, area or kind. For example, a municipality can decide that eligible properties in neighbourhood B will receive a 10% exemption on the commercial portion (Class 5/6) of the property.

To support local governments wanting to implement this tool this year, the Province has extended the deadline for when communities must have their bylaw passed to April 22, rather than March 31, 2020, and is providing them with staff advice, a model bylaw and a user guide.

Municipalities will be required to publish the public notice of the bylaw only once, instead of twice. Third reading and adoption of the bylaw can happen on the same day.

Contact:

Ministry of Municipal Affairs and Housing
Media Relations
778 584-1255

BACKGROUNDER

INTERIM BUSINESS PROPERTY TAX RELIEF

POTENTIAL BENEFITS

- If passed, the legislation would enable municipalities to provide immediate, short-term property tax relief for commercial property tenants who have been struggling for years with unexpected and significant property tax increases, particularly small businesses, non-profits and arts and culture organizations.
- If municipalities choose to use the tool, they would be able to exempt, by bylaw, a portion of the commercial (Class 5 – Light Industry and Class 6 – Business and Other) property value from taxation; this would result in lower property taxes for commercial lessees who are required to pay all or a portion of these taxes under the terms of their leases.

DURATION OF THE INTERIM SOLUTION

- This legislation would allow municipalities to give targeted relief for up to five years (through the 2024 tax year), while the Province continues to work with local governments and key stakeholders on a permanent solution.
- However, we do not think it will take five years to find a permanent solution that works for everyone; once we introduce a longer-term mitigation strategy, this interim solution would be rescinded, and the permanent fix would replace it.

SUPPORT FOR MUNICIPALITIES

- To help municipalities meet the tight timelines for 2020, we pre-announced the legislation and have been engaged in several outreach efforts with interested municipalities under the terms of non-disclosure agreements. We also extended the bylaw adoption deadline and adjusted notification and adoption requirements for 2020, and BC Assessment is providing property data when requested so municipalities can run some preliminary numbers.
- As well, we have prepared a user guide, model bylaw and sample notice to provide further support for implementation.
- If your municipality is interested in implementing the Interim Business Property Tax Relief program for 2020, please contact Brian Currie at Brian.Currie@gov.bc.ca or (250) 356-6075 for more information.

ELIGIBILITY REQUIREMENTS

- The legislation would have a basic framework requiring a property to be assessed as commercial and occupied by at least one commercial tenant responsible for property taxes in whole or in part, the amount of which varies with the amount of tax imposed.

- The legislation would also require a municipality to set certain criteria thresholds properties would have to meet to be eligible for this exemption. This is to ensure municipalities have flexibility and autonomy in addressing their unique community needs, at the local level. These include:
 - Base year (2015 or any year thereafter), to use as comparison to the current tax year;
 - Percentage increase in assessed Class 5/6 land value over base year (e.g., the combined Class 5/6 land value for 2020 must be 50% higher than it was in 2015);
 - Minimum land value percentage of total assessed value (e.g., for the current tax year, the portion of the total assessed value of the property attributable to land must be 80%); and
 - Percentage of the exemption by property, area or kind (e.g., all properties in neighbourhood X receive a 10% exemption).
- This issue looks very different in each community. A top-down, blanket approach from the Province would be moving in the wrong direction; municipalities are in the best position to address the issue in their communities and determine what specific properties need relief.
- It would be up to municipalities to determine annually which properties are eligible and the amount of the exemption.

MUNICIPAL TAX REVENUE IMPLICATIONS

- Municipalities would be able to decide whether to give up the municipal tax revenues those properties would have generated or redistribute the tax burden within or among classes by adjusting tax rates.

INTERIM SOLUTION VS. SUB-CLASS PROPOSAL

- Introducing a new sub-class would have further complicated an already complex assessment system, required a new methodology for valuing “development potential”, and was legislatively challenging to implement. Precedent-setting changes to the assessment system need to be done thoughtfully and with great care as they have a significant impact and potential for unintended consequences.
- The UBCM resolution was only endorsed by a small margin (54% Yes, 46% No) and while it reflects a strong desire on the part of municipalities to provide relief to small businesses, it was also clear that there was significant concern about whether that approach would work for all municipalities, not just those in Metro Vancouver.
- This interim solution would allow municipalities to give businesses and organizations immediate relief while the Province continues to work with local governments and key stakeholders to develop a permanent solution that works for everyone.

FLOW-THROUGH TO SCHOOL TAXES

- This exemption would flow through to school taxes.
- Municipalities would be required to raise the same amount of school tax revenue as would have been raised without the exemption by adjusting school tax rates for Class 5 and/or Class 6.

DATE OF MEETING | March 18, 2020 |

AUTHORED BY | ADAM CORONICA, SENIOR FINANCIAL ANALYST |

**SUBJECT | TIRE STEWARDSHIP BC COMMUNITY GRANT PROGRAM AND
KAL'S REPLAY FUND |**

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee that the City has applied for three grants totaling \$82,555 from the Tire Stewardship BC Community Grant Program and Kal's Replay Fund.

BACKGROUND

Tire Stewardship BC (TSBC) Community Grant Program

The TSBC Community Grant Program provides financial assistance for community projects that use BC recycled tire rubber. Eligible projects must be fully public and wheelchair accessible.

Funding may only be used towards the purchase, freight and installation of recycled rubber products made from recycled BC tires. The recycled tire products must be professionally installed and include a warranty for both the installation and product.

The program provides matching funding to a maximum of \$30,000. Only one application per applicant is permitted per year.

The grant application deadline was 2020-FEB-28. Funding announcements are expected 2020-APR-08.

Kal's Replay Fund

Kal's Replay Fund provides financial assistance for community projects that use Canadian recycled tire rubber in provinces/territories where Kal Tire does business.

Funding may be used towards:

- the purchase, freight and installation of recycled rubber products made of scrap tires generated in Canada
- signage that promotes Kal's Replay Fund and educates the public about tire recycling.

There is no funding limit or matching requirement, but preference is given to projects that pursue multiple funding sources. Applicants are encouraged to apply for funding from their provincial tire stewardship organization (e.g. TSBC).

The grant application deadline was 2020-FEB-29. Funding announcements are expected by the end of April 2020.

DISCUSSION

The City has applied for \$82,555 in grants for two projects that meet the eligibility requirements of the TSBC Community Grant Program and Kal's Replay Fund. These projects were approved by Council in the 2019 – 2023 Financial Plan. Any grants received will offset and reduce funding used from reserves.

Project Name	Grants Applied For
Maffeo Sutton Park Inclusive Playground (Phase 1)	\$55,802
Harewood Centennial Park Accessible and Inclusive Playground Upgrade	\$26,753

Maffeo Sutton Park Inclusive Playground (Phase 1)

Phase 1 of this project will see a portion of the existing playground removed and feature new, inclusive playground equipment for children ages 5 to 12. Improvements will be made to the safety surfacing, which includes pour in place rubber. Construction is scheduled to begin in March 2020 and be complete in May 2020. Total project budget is approximately \$607,000.

The cost of purchasing and installing the pour-in-place rubber surfacing is \$55,802. The maximum contribution available from the TSCB Community Grant Program would be \$27,901. The maximum contribution available from Kal's Replay Fund would be \$55,802. If successful, combined grants from TSBC and Kal's Replay Fund would cover the entire cost of the rubber surfacing.

Harewood Centennial Park Accessible and Inclusive Playground Upgrade

Phase 1 of this project includes the removal of all pea gravel surfacing from 10,000 square feet and replacing with a combination of wood fibre surfacing and pour-in-place rubber safety surfacing, and installation of an accessible wheelchair swing. Construction is scheduled to begin in August 2020 and be complete in September 2020. Total project budget is approximately \$37,000.

The cost of purchasing and installing the pour-in-place rubber surfacing is \$26,753. If successful, a grant from Kal's Replay Fund would offset the entire cost of the rubber surfacing.

CONCLUSION

The City is actively pursuing other revenues such as grants to help offset the costs of Parks, Recreation & Culture playground upgrade projects.

SUMMARY POINTS

- The City has applied for three grants totalling \$82,555 from the TSBC Community Grant Program and Kal's Replay Fund.
- Funding announcements are expected in April 2020.
- Grants applications were submitted for the Maffeo Sutton Park Inclusive Playground project and Harewood Centennial Park Accessible and Inclusive Playground Upgrade project.
- If successful, these grants will reduce funding used from reserves.
- These projects are expected to be completed in 2020.

Submitted by:

Adam Coronica
Senior Financial Analyst

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
GM, Corporate Services

DATE OF MEETING | MARCH 18, 2020 |

AUTHORED BY | ADAM CORONICA, SENIOR FINANCIAL ANALYST |

SUBJECT | **BC ACTIVE TRANSPORTATION INFRASTRUCTURE GRANT PROGRAM** |

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee that the City has applied for three grants totalling \$827,866 from the BC Active Transportation Infrastructure Grant Program.

BACKGROUND

The Province of BC's Active Transportation Infrastructure Grant Program (ATIG), provides financial assistance for community projects that focus on infrastructure that support safe, human-powered modes of active transportation for daily commuting to school, recreation, work, socializing, and errands.

To be eligible for ATIG, projects must be:

- part of an Active Transportation Network Plan (ATNP), Cycling Network Plan, Active Transportation policy or referenced in an Official Community Plan and/or a Regional Growth Strategy
- at the stage where construction can begin once provincial funding has been announced
- open for public use once completed.

Projects costing under \$1M must be complete by the end of March 2021. Projects costing over \$1M must be complete by the end of March 2022.

For communities with a population over 25,000, the Province provides cost-share funding of 50% of up to a maximum of \$500,000 per project.

Communities can apply for multiple projects, but must prioritize the projects.

The Province will give preference to active transportation projects that:

- improve community connectivity
- improve safety
- improve economic opportunities
- improve physical and mental health
- improve air quality and reduce greenhouse gases.

The deadline for the first grant intake was 2020-FEB-20. Provincial funding announcements are expected in May 2020. Another grant intake is anticipated in the fall of 2020.

DISCUSSION

The City has applied for \$827,866 in grants for three active transportation projects that meet the eligibility requirements of the ATIG program. These projects were approved by Council in the 2019-2023 and 2020-2024 financial plans. Any grants received will offset and reduce funding used from reserves.

Priority	Project Name	Grant Applied For
1	Metral Drive Complete Street – Corridor & Utility Upgrades	\$500,000
2	Front Street Cycle Track	\$241,866
3	Caspers Way Multi-use Path	\$ 86,000

Metral Drive Complete Street – Corridor & Utility Upgrades

Phase 1 of this project includes 1.2 km of continuous sidewalks, unidirectional protected cycle tracks, raised intersections, curb extensions and marked crosswalks on Metral Drive from Mostar Drive to Turner Road. Construction is scheduled to begin in spring 2020 and be complete in the spring/summer of 2021. Total transportation related project budget (excluding utility upgrades) is approximately \$3.5M.

Front Street Cycle Track

This project includes provision of a 3.5 m cycle track on the existing Front Street roadway with a barrier separating it from traffic. Cycle traffic signals will be provided. Intersections will be rebuilt to narrow crossings and the Chapel Street slip lane will be removed. Construction is scheduled to be complete in 2020. Total project budget is approximately \$484K.

Caspers Way Multi-use Path

The project is a 100 meter long, four meter wide permeable rubber multiuse path connecting Caspers Way to Morey Road as part of the Off-Bowen Cycling Master Plan. Construction is scheduled to be complete in 2020. Total project budget is \$172K.

CONCLUSION

The City is actively pursuing other revenues such as grants to help offset the costs of active transportation projects.

SUMMARY POINTS

- The City has applied for three grants totalling \$827,866 from the BC Active Transportation Infrastructure Grant Program.
- The Province is expected to make funding announcements in May 2020.
- Grants applications were submitted for the Metral Drive Complete Street – Corridor & Utility Upgrades project, Front Street Cycle Track project, and Caspers Way Multi-use Path project.
- If successful, these grants will reduce funding used from reserves.
- These projects are expected to be completed in 2020 or early 2021.

Submitted by:

Adam Coronica
Senior Financial Analyst

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
GM, Corporate Services |

DATE OF MEETING March 18, 2020

AUTHORED BY RICHARD HARDING, GENERAL MANAGER, PARKS, RECREATION
AND CULTURE

SUBJECT LEISURE ECONOMIC ACCESS PROGRAM (LEAP) REVIEW

OVERVIEW

Purpose of Report

To initiate a review and update of the Leisure Economic Access Policy (LEAP) to ensure the program is effectively meeting its goals of providing citizens with affordable access to public recreation services in today's community.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. approve a review and update of the LEAP program in 2020; and,
2. refer the review of the program to the Advisory Committee on Accessibility and Inclusiveness to develop recommendations for changes for Council's consideration.

The Leisure Economic Access Policy (LEAP) program was established by the City of Nanaimo in 1993 to help provide citizens with affordable access to public recreation services (see Attachment A). LEAP has been reviewed and updated periodically to correspond with inflation and to accommodate family size but has not undergone a full review for some time.

The LEAP program provides access to the City of Nanaimo recreation facilities for families in financial need that are living in the City of Nanaimo, City of Lantzville and the surrounding area, including Electoral Area A (Cranberry, Cedar, South Wellington), Area B (Gabriola Island), and Area C (Extension, East Wellington).

Eligible LEAP cardholders are entitled to a 50 per cent course fee discount (to a maximum of \$40) for four courses per year. In addition, participants are issued a Swim/Skate/Gym Pass for 50 free admissions throughout the year (some programs may not qualify for the discount). The LEAP application details the eligibility requirements and benefits of the program (see Attachment B).

Although historically a popular program, LEAP participation rates have decreased over the years and, in particular, the number of children participating. A thorough review of the program to assess if it continues to meet the needs of the community would be timely. Further, the LEAP review would be a fitting project to include in the work plan of the recently formed Advisory Committee on Accessibility and Inclusiveness.

The review would include, but would not be limited to, the following:

- an update to the purpose of the program;
- financial criteria to access the program;
- barriers to participation;
- targeted populations;
- services included and not included; and,
- financial impact of any proposed changes.

The goal would be to commence the review of the LEAP program immediately and complete the update in 2020. Recommendations for changes along with their financial impacts to operating budgets would be presented to Council for consideration.

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. approve a review and update of the LEAP program in 2020; and,
 2. refer the review of the program to the Advisory Committee on Accessibility and Inclusiveness to develop recommendations for changes for Council's consideration.
 - The advantages of this option: A thorough review of the LEAP program is overdue, and an update may help increase affordable access to public recreation services for children and adults in the community.
 - The disadvantages of this option: Staff and Committee resources would be required.
 - Financial Implications: Any changes to the program to increase accessibility will most likely have financial impacts on operating revenues.
2. That the Finance and Audit Committee not recommend a review of the LEAP program at this time.
 - The advantages of this option: Staff and Committee resources will not be impacted.
 - The disadvantages of this option: The LEAP program will continue unchanged without an assessment of whether it is continuing to meet the needs of the community.
 - Financial Implications: None
3. That the Finance and Audit Committee provide alternative direction.

SUMMARY POINTS

- A thorough review of the Leisure Economic Access Program (LEAP) program to assess if it is meeting current community needs is overdue.
- The LEAP program review would be a fitting project to refer to the Advisory Committee on Accessibility and Inclusiveness.
- Recommendations for changes along with their financial impacts to operating budgets would be presented to Council for consideration in 2020.

ATTACHMENTS:

Attachment A: Leisure Economic Access Policy (LEAP)
Attachment B: LEAP Application Form

Submitted by:

Richard Harding
General Manager, Parks, Recreation and Culture

Concurrence by:

Laura Mercer
Director of Finance

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CITY OF NANAIMO
DEPARTMENT OF PARKS, RECREATION AND CULTURE

LEISURE ECONOMIC ACCESS POLICY
(LEAP PROGRAM)

Policy Goal:

To ensure that all residents of Nanaimo have access to programs and services provided by the City of Nanaimo, Department of Parks, Recreation and Culture.

Policy Statement:

All citizens of Nanaimo shall have access to programs and services provided by the Department of Parks, Recreation and Culture regardless of ability to pay.

Policy Objectives:

1. Special programs will be targeted to groups and communities statistically in economical need (e.g. A free floor hockey program for children with volunteer instructor offered at Princess Royal School).
2. A Leisure Economic Access Policy (LEAP) Card will allow a 50% reduction in program fees and a "children's rate" for swim, fitness centre and skate admission to persons meeting the Assistance Eligibility Criteria.
3. A Swim/Skate Pass will entitle children (under 19 years) of families meeting the above criteria to 50 free swim or skate sessions in a one year period.

Assistance Eligibility Criteria:

A Leisure Economic Access Policy (LEAP) Card will be issued to City of Nanaimo, Electoral Area A (Cranberry, Cedar, South Wellington), Electoral Area B (Gabriola), Electoral Area C (Extension) and Electoral Area D (Lantzville, East Wellington) residents who meet one of the following criteria:

1. Referral: Any person who has been referred by a recognized social service or advocacy agency - examples are Ministry of Social Services, Ministry of Health, Citizens Advocacy, Legal Aid, Nanaimo Independent Living Resource Centre, Haven House, Canadian Mental Health. This is a non exhaustive list which may change from time to time. The referring agencies will certify that the applicant meets the limited income criteria and will stamp and sign the application form (attached).
2. Proof of financial assistance: Any person who can show proof of income assistance- GAIN cheque stub, GAIN For Handicapped cheque stub or Ministry Transit Pass, B.C. Care Card (H2 designation), B.C. Senior's Supplement.
3. Others in Need: Any person dependent upon a limited income who cannot afford to participate in recreational programs or services. A verbal declaration may be accepted or proof of income may be required by the Director of Parks, Recreation and Culture or his\her designate. The following gross annual incomes "Low Income Cut-offs for Family Units in the City of Nanaimo" are a guide to who will be eligible to request assistance. These income levels are based on a \$3000 reduction from the Statistics Canada Low Income Cut-offs for Family Units (April 23\93).

Low Income Cut-offs for Family Units in the City of Nanaimo

Family Size	Gross Annual	Gross Monthly
1 person	\$10,021	\$835
2 persons	14,650	1220
3 persons	19,434	1620
4 persons	22,830	1900
5 persons	25,221	2100
6+ persons	27,632	2300

Those living independently who may be dependent upon others for financial support (e.g. students) must consider total family income including that of the supporting individual.

Upon meeting the eligibility criteria above, a Leisure Economic Access Policy (LEAP) Card for adults and a Leisure Economic Access Policy (LEAP) Card along with a Swim/Skate Pass for those under 19 years old will be issued.

Limitations:

1. The Leisure Economic Access Policy (LEAP) Card and Swim/Skate Pass will be valid for one year only from the time of issue.
2. One recreational program per season per individual may be accessed with the LEAP Card. Programs available with this card may be restricted. Extra supplies or equipment costs would not be discounted.
3. The Department of Parks, Recreation and Culture retains the right to suspend or alter this program without notice.
4. The LEAP card and Swim/Skate Pass may be canceled for non-observance of the rules.
5. All LEAP Card applicants must fill out a volunteer information form and be prepared to volunteer time with the department or another designated community organization.

A Reserve Fund for this Program will be established in the amount of \$1500 for the remainder of 1993 and \$5000 budgeted for 1994.

Additional Notes:

1. People with a disability whether or not they are eligible to receive a LEAP Card, who require the assistance or support of an aide in order to participate are entitled to have that person admitted at no charge.
2. The Leisure Economic Access Policy (LEAP) will be advertised in each Leisure Guide.

File A3-46
AP/policy2/May31/1993



CITY OF NANAIMO PARKS, RECREATION & CULTURE

LEAP CARD (LEISURE ECONOMIC ACCESS POLICY) GUIDELINES

Leisure Economic Access Policy (LEAP) Cards are for use by City of Nanaimo residents whose limited income does not allow them to participate in recreational programs operated by the Department of Parks, Recreation and Culture, City of Nanaimo. In order to qualify for the card, you must meet one of the following criteria:


1. **Referral:** You receive services from a recognized social service or advocacy agency - examples are Ministry of Social Services, Ministry of Health, Citizens Advocacy, Legal Aid, Nanaimo Independent Living Resource Centre, Haven House, Canadian Mental Health. The staff of the agency have certified that you meet the limited income criteria and have stamped and signed the front of this form. You will receive a LEAP Card when you present this form to Beban or Bowen Park offices.
2. **Proof of financial assistance:** You receive one of the following forms of assistance:
GAIN - please show cheque stub
GAIN for Handicapped - please show cheque stub or Ministry Transit Pass
Medical Services Plan - Premium Reduced - please show B.C. Care Card
B.C. Senior's Supplement - please show proof of acceptance
You will receive a LEAP Card when you show one of the above documents with a completed application form to a staff member at Beban or Bowen Park.
3. **Others in Need:** If you do not receive one of the forms of assistance described above, you live in Nanaimo, and cannot afford to participate in the Department of Parks, Recreation and Culture programs, you may meet our definition of others in need. The following gross annual or monthly incomes are a guide to who is eligible to request assistance.

Family Size	Gross Annual	Gross Monthly
1 person	\$10,021	\$835
2 persons	14,650	1220
3 persons	19,434	1620
4 persons	22,830	1900
5 persons	25,221	2100
6+ persons	27,632	2300

Those living independently who may be dependent upon others for financial support (e.g. students) must consider total family income including that of the supporting individual. Please check category 3 on the reverse and give the form to a staff member at Beban or Bowen Park.

For more information call 756-5200.

CITY OF NANAIMO
Parks, Recreation & Culture



**Swim / Skate
PASS**

LEAP APPLICATION FORM

Parks and Recreation
250-756-5200



Date Received/Location/Staff

The LEAP (Leisure Economic Access Pass) program provides access to the City of Nanaimo recreation facilities for families in *FINANCIAL NEED* that are living in the City of Nanaimo, City of Lantzville, and the surrounding area, including Electoral Areas A (Cranberry, Cedar, South Wellington), B (Gabriola Island), and C (Extension, East Wellington).

STEP 1 - Applicant Information - Each person living in the house **MUST** be listed. Please list main contact first.

Street Address

City

Province

Postal Code

Email

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

Primary Phone Number

Additional Phone Numbers

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Last Name

First Name

M/F

Date of Birth (DD/MMM/YY)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

STEP 2 - Eligibility - All persons 19 years & older **MUST** provide Notice of Assessments from the previous tax year.

Post-secondary students are NOT eligible for the LEAP Program.

CHECKLIST - You must bring the following:

- ☐ Completed Application
- ☐ Photo ID (adults) & Proof of Residency
- ☐ Income Tax Notice of Assessment (19 years & older)
- ☐ T1 General if NOA Line 150 is less than \$9,000 (self-employed/rental income)
- ☐ Canada Child Benefit Statement (all dependents listed)
- ☐ Other Income (child/spousal support, investment, etc.)

Don't have your Notice of Assessment?

Call Canada Revenue Agency at **1-800-959-8281**.

Don't have your Canada Child Benefit Statement? Call Child Benefit Information at **1-800-387-1193**.

What is an acceptable proof of residency? Photo ID, rent receipt, residential tenancy agreement or utility bill (hydro/phone/gas/etc.) in the name of the applicant.

OFFICE USE ONLY

Line 150 NOA

\$ *all adults*

T1 Lines 162-170

\$ *gross self employment income all adults*

T1 Line 160

\$ *gross rental income*

Child Benefits

\$ *1 month x 12 for yearly total, include Universal Child Tax Credit*

Other Income

\$ *investment, band, homestay student, child/spousal support*

TOTAL Yearly Gross Household Income

\$

LEAP APPLICATION FORM page 2

Parks and Recreation
250-756-5200



STEP 3 - Signature of Consent

I (print name) declare that the information contained on this form is true and correct to the best of my knowledge and I have fully disclosed my family income. If requested, I agree to meet with a representative of the City of Nanaimo and will provide the financial information that is required. Any inaccurate or false information provided in order to secure financial assistance will result in the termination of LEAP cards and withdrawals from any courses registered for under the program. I have provided this information to the City of Nanaimo, Parks and Recreation department to be used to determine my eligibility for the LEAP program. It is considered confidential and will not be disclosed except as required by law.

Signature

Date

I understand that LEAP is valid for 1 YEAR ONLY from the date of issue and that I must fill out a new application with all required information again after my current LEAP has expired.

Initial

FOR YOUR INFORMATION

Family household annual income needs to be below the Statistics Canada Low Income Cut-offs (LICOs) for eligibility in the LEAP program. Statistics Canada uses "the economic family, that is, all persons living in the same dwelling and related by blood, marriage, common-law relationships or adoption". We need to gather this information from you. Each person living in the house must be listed on this application. Each person 19 years and older must provide a Notice of Assessment, as the total gross household income is the determining factor for qualification.

Gross Household Low Income Cut-offs

updated in 2017 (LICOs)

1 person	2 people	3 people	4 people	5 people	6 people	7 people
\$21,687	\$26,997	\$33,190	\$40,298	\$45,705	\$51,548	\$57,392

Bring in your completed application to the front desk at any of the following City of Nanaimo Recreation Centres:
Beban Park, Bowen Park, Nanaimo Aquatic Centre, Nanaimo Ice Centre, Oliver Woods Community Centre

PLEASE ALLOW 7 TO 10 DAYS FOR PROCESSING APPLICATIONS.

THIS FORM WILL EXPIRE 30 DAYS FROM THE DATE SIGNED.

Updated 2019-Feb-13

Freedom of Information & Protection of Privacy Act Statement:

Information collected on this form, or provided with this form, is collected under the general authority of the *Community Charter* and the *Freedom of Information and Protection of Privacy Act*, and is protected in accordance with the Act. Personal information will only be used by authorized staff to fulfill the purpose for which it was originally collected, or for a use consistent with that purpose. For further information regarding the collection, uses, or disclosure of personal information by the City of Nanaimo, please contact the Legislative Services department at 250-755-4405.

OFFICE USE ONLY

Processed at

Class Account Updated

Processed by

Notes

Date

Delegation Request

Delegation's Information:

Shauna McAllister has requested an appearance before Council.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is March 18, 2020.

The requested meeting is:
Finance and Audit

Bringing a presentation: No

Details of the Presentation:

LEAP cards are not accessible to low income families, as the criteria for eligibility uses non taxable income (CRA) like Child Tax Benefit to determine. Please stop using non-taxable income (CTB) as determining factor fro LEAP cards.

DATE OF MEETING March 18, 2020
AUTHORED BY SCOTT PAMMINGER, MANAGER, INFRASTRUCTURE PLANNING AND ENERGY

SUBJECT **ELECTRIFICATION AND GEOEXCHANGE OPTIONS FOR REDUCING GREENHOUSE GAS EMISSIONS**

OVERVIEW

Purpose of Report

To obtain Council's approval to use funds from the Emissions Reduction Reserve Fund to study the feasibility and potential options at each facility for upgrades to the heating plants at the Nanaimo Aquatic and Beban Park Recreation Centres, with the goal of significantly reducing greenhouse gas emissions.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. direct Staff to proceed with studying the feasibility and potential options at each facility for upgrades to the heating plants at the Nanaimo Aquatic and Beban Park Recreation Centres with the goal of significantly reducing greenhouse gas emissions; and,
2. approve funding of \$50,000 from the "Emission Reduction Reserve Fund Bylaw 2019 No. 7298" to complete these studies.

BACKGROUND

Council's resolution of a state of climate emergency in April 2019 and creation of "Emission Reduction Reserve Fund Bylaw 2019 No. 7298" (Attachment A) to support projects, plans and initiatives that reduce the City's greenhouse gas (GHG) emissions demonstrate a strong commitment to environmental responsibility.

Of all the City's building facilities, the boiler plants at the Nanaimo Aquatic and Beban Park Recreation Centres produce the largest amount of emissions due to their consumption of natural gas for heating pool water, domestic hot water, and room spaces.

Reducing or possibly eliminating natural gas consumption would yield very significant reductions in the City's corporate greenhouse gas (GHG) emissions.

DISCUSSION

Through regular asset management and condition assessment practices, it has been identified that the three large boilers in the Nanaimo Aquatic Centre heating plant and the one remaining older boiler at Beban Park Recreation Centre are near end-of-life and will soon need replacing within the next two to four years.

Although natural gas fired boilers have traditionally been the lower cost heating source and have improved their efficiency dramatically in recent years, zero emissions electric boilers, heat pumps, and geo-exchange energy coupling are some of the possible options to consider.

In BC, electricity is considered almost carbon-free and is a clean renewable energy source. Switching to electrified solutions, where feasible, would provide the least emissions and impact on the environment but would yield higher than existing operating costs.

A study of the options and feasibility of heating plant upgrades (see Attachment B for scope of studies) will ensure appropriate solutions are implemented which consider operational, financial and environmental responsibility factors.

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. direct Staff to proceed with studying the feasibility and potential options at each facility for upgrades to the heating plants at the Nanaimo Aquatic and Beban Park Recreation Centres with the goal of significantly reducing greenhouse gas emissions; and,
 2. approve funding of \$50,000 from the "Emission Reduction Reserve Fund Bylaw 2019 No. 7298" to complete these studies.
- The advantages of this option are that these analyses demonstrate a corporate commitment which considers operational, financial and social responsibility aimed at less impact on the environment over time.
- The disadvantages of this option: The Emissions Reduction Reserve Fund would be depleted by \$50,000.
- Financial Implications: Funding of \$50,000 from the Emissions Reduction Reserve Fund is required for these studies. The current available balance in the fund is \$348,538. Approximately 14 percent of the funds would be allocated to these studies.

2. That the Finance and Audit Committee recommend that Council direct Staff to include funding through the 2021-2025 Capital Planning process for a study of the feasibility and potential options at each facility for upgrades to the heating plants at Nanaimo Aquatic Centre and Beban Park Complex with the goal of significantly reducing emissions.
 - a. The advantage of this option would be that funding for the study would not be drawn from the Emissions Reduction Reserve Fund, thereby leaving funds available for other climate action initiatives.
 - b. The disadvantages of this option: The studies would be delayed and earlier opportunities for potential financial incentives may be missed.
 - c. Financial Implications: Funding of \$50,000 for the study would need to be sourced from the 2021-2025 Capital Plan budget.
3. That the Finance and Audit Committee provide alternative direction. |

SUMMARY POINTS

- The City's natural gas boilers significantly contribute to corporate greenhouse gas emissions.
- Boilers at Nanaimo Aquatic and Beban Park Recreation Centres are near end-of-life and will need replacing within the next two to four years.
- Study funding from the Emissions Reduction Reserve will ensure options and feasibility for heating plant upgrades will consider operational, financial and environmental factors.
- An all-electric option can significantly reduce emissions but would yield higher operating costs.

ATTACHMENTS:

- Attachment A: "Emission Reduction Reserve Fund Bylaw 2019 No. 7298" |
- Attachment B: Terms of Reference for Nanaimo Aquatic Centre and Beban Park Complex – Study of Options and Feasibility for Heating Plant Upgrades

Submitted by:

Scott Pamminger
Manager, Infrastructure Planning and
Energy

Concurrence by:

Laura Mercer
Director, Finance

Art Groot
Director, Facility and Parks Operations

Richard Harding
General Manager, Parks, Recreation and
Culture

ATTACHMENT A

CITY OF NANAIMO

BYLAW NO. 7298

A BYLAW AUTHORIZING THE CITY OF NANAIMO TO ESTABLISH THE EMISSION REDUCTION RESERVE FUND

WHEREAS the City of Nanaimo has a strategy to address the need to fund projects, plans and initiatives to reduce the City of Nanaimo's carbon dioxide (CO₂) emissions;

AND WHEREAS Section 188 of the *Community Charter* authorizes Council to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

AND WHEREAS money in this reserve fund, and interest earned on it, must be used only for the purpose for which the fund was established;

AND WHEREAS monies received through budget transfers or other Council approved allocations and interest earnings on those proceeds have been segregated in a reserve fund.

THEREFORE BE IT RESOLVED that the Council of the City of Nanaimo in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. This Bylaw may be cited as "EMISSION REDUCTION RESERVE FUND ESTABLISHING BYLAW 2019 NO. 7298".
2. Amounts included in the financial plan adopted under Section 165 of the *Community Charter* or other allocations approved by Council, may from time to time be paid into this reserve fund.
3. The accumulated funds in the Emission Reduction Reserve Fund will be used to support projects, plans and initiatives that reduce the City of Nanaimo's CO₂ emissions.
4. This Bylaw shall take effect on 2020-JAN-01.

PASSED FIRST READING: 2019-NOV-04
PASSED SECOND READING: 2019-NOV-04
PASSED THIRD READING: 2019-NOV-04
ADOPTED: 2019-NOV-18

L. E. KROG
MAYOR

S. GURRIE
CORPORATE OFFICER

ATTACHMENT B

NANAIMO AQUATIC CENTRE & BEBAN PARK RECREATION CENTRE

Options - Feasibility Analysis for Heating Plant Upgrades

Background

The City is committed to implementing appropriate measures which reduce energy and emissions, and lessen negative impact on the environment.

The City has a goal of reducing its' 2007 corporate GHG emissions by at least 45% before 2030, aligning with the Intergovernmental Panel on Climate Change (IPCC) recommendation to limit the increase in the earth's average temperature to 1.5C.

Current Situation

City buildings which use the most energy and emit the largest greenhouse gas emissions are the Nanaimo Aquatic Centre (NAC), (2002) and the Beban Park Recreation Complex (BPRC), (1975).

NAC Heating Plant:

- ❖ 3 – 2,000,000 BTUs/hr., Thermal Solutions (Model: EVCA2000 BN1-UAF) condensing boilers installed in 2011.
- ❖ Boilers installed were not appropriate for application as they are not serviceable in place, due to lack of ceiling clearance
- ❖ The boilers must be physically removed from the boiler room to clean their heat exchangers, with higher than normal maintenance costs.
- ❖ Recent condition assessments of these boilers and poor maintenance concerns suggest these boilers should be replaced within the next 3 to 5 years.

BPRC Heating Plant:

- ❖ Received a substantial upgrade in 2017/18.
- ❖ 1 of the 2 original 5,200,000 BTUs/hr., Clever Brooks Atmospheric boilers was replaced with 2 new high-efficiency Clever Brooks (Model: CFC 700 – 2500) 2,500,000 BTUs/Hr., condensing boilers, along with new piping, valves, controls, variable-speed circulation pumps, heat recovery coils with HV-1.
- ❖ Replacement of the second old boiler is scheduled for replacement in 2024.
- ❖ Design of an entirely new electrical service for BPRC is scheduled for 2020, and construction to following in 2022.

The City is considering a Preliminary (Stage 1) Mine water Geo-exchange Suitability Assessment to explore the underground coalmine water at both sites.

Project Scope of Work

As the equipment mentioned above is nearing the end of their economic life, the City of Nanaimo seeks professional consulting engineering services to complete a review of these facility heating plants, and provide an Options - Feasibility Analysis to improve operations, maintenance, energy efficiency, and reduce greenhouse gas (GHG) emissions, *which meets the operational needs at each facility*.

The work should include, *but not be limited to*:

- ❖ Detailed site inspection to verify and define 'as-built' conditions
- ❖ Review facility heat load requirements, and electrical utility capacity (current and future needs based on options presented)
- ❖ HVAC system upgrade options analysis and feasibility including:
 - Business-as-usual (like-for-like): condensing boilers (appropriate for room to be serviceable)
 - Heat pumps
 - Electric boilers
- ❖ Include analysis and summary of:
 - Costing (anticipated annual energy and maintenance, engineering design and contract administration for each option, capital and installation, utility upgrades necessary, etc.)
 - Savings and GHG emissions reductions (kWh, GJ, tCO₂e, \$, Incremental value of GHG Emission Reductions, etc.)
 - Financial life-cycle analysis (Simple payback, Internal Rate of Return, Net Present Value, etc.)
 - Environmental benefits
 - Utility, Federal or Provincial funding options
 - Facility Utility Accounts and Rates
- ❖ Conclusions / Recommendations
 - Option(s)
 - Budgets
- ❖ A detailed report
- ❖ Consultant completing an application to CleanBC Incentive Program, or other suitable Incentive Programs, for option selected by the City of Nanaimo.

DATE OF MEETING MARCH 18, 2020

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

SUBJECT MILLSTONE TRUNK SEWER PROJECT FUNDING

OVERVIEW

Purpose of Report

To obtain Council's approval to modify the 2020 Sewer Project Plan in the 2020 – 2024 Financial Plan.

Recommendation

That the Finance and Audit Committee recommend that Council approve the following changes to the 2020 budget:

- Decrease the budget for Comox Area Sanitary Project by \$1,140,000, funded from the Sewer Asset Management Reserve Fund and;
- Increase the budget for DCC SS19: Millstone Trunk South by \$1,140,000, to be funded from internal borrowing and the Sewer Asset Management Reserve Fund.

BACKGROUND

The Millstone Trunk Sewer was constructed in 1976 and services the central portion of Nanaimo. Several sections of the Trunk Sewer have already been upgraded to accommodate growth within the City. In 2020 and 2021 four more sections are part of the planned upgrade:

- Location 1 – Pryde Vista Golf Course (2020)
- Location 2 – Bowen Park (2021)
- Location 3 – Comox Road (2020)
- Location 4 – Pearson Bridge (2021)

Staff have discovered that Location 3 - Comox Road, planned for 2020, was incorrectly identified on the project plan as part of the "Comox Area Sanitary Project", instead of part of "DCC SS19: Millstone Trunk South". To allow for the planned upgrade of the Millstone Trunk Sewer to be constructed as planned in 2020, the 2020 Sewer Project Plan needs to be modified.

The overall expenditure budget for sewer capital projects will remain unchanged, but the funding sources will change as DCC SS19: Millstone Trunk South is a 60% growth project. The portion allocated to growth, less the assist factor, \$672,600, will be funded from internal borrowing with the balance of \$467,400, funded from the Sewer Asset Management Reserve Fund. An internal borrowing resolution will be brought to Council with the final 2020 – 2024 Financial Plan for this change.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the following changes to the 2020 budget:
 - Decrease the budget for Comox Area Sanitary Project by \$1,140,000, funded from the Sewer Asset Management Reserve Fund and;
 - Increase the budget for DCC SS19: Millstone Trunk South by \$1,140,000, to be funded from internal borrowing and the Sewer Asset Management Reserve Fund.
2. That the Finance and Audit Committee decline approval of the recommendation:
 - The project will not be able to be constructed in 2020 and will have to be re-budgeted for in 2021.

SUMMARY POINTS

- Four sections for the Millstone Trunk Sewer are being upgraded in 2020 and 2021.
- Location 3 – Comox Road was incorrectly identified in the 2020 – 2024 Financial Plan and the 2020 Sewer Project Plan needs to be modified.

Submitted by:

Phil Stewart
Manager Engineering Projects

Concurrence by:

Bill Sims
General Manager, Engineering & Public Works

Laura Mercer
Director, Finance



Saturday August 15th, 2020

Sponsorship Opportunities

The Variety Boat for Hope is a fun-filled day on the water around the beautiful Nanaimo Harbour where children with special needs live out their best pirate adventure. Kids of all ages hunt for treasure and experience life as it is meant to be...fun and exciting! The day is capped off with a hearty barbecue, children's activities and live entertainment.

Boat for Hope is about more than just a day in the sun. Through the generous support of local skippers, the business community, and amazing volunteers, funds are raised to change the lives of BC's kids with special needs.



27 February 2020

To whom it may concern

We are excited to announce that Waterfront Suites & Marina, located at 1000 Stewart Avenue, will be hosting Boat for Hope Nanaimo on Saturday August 15th, 2020.

Boat for Hope is a day of pirate-themed adventure, hosted by a committee of local volunteers for children, their families and caregivers who are supported by Variety the Children's Charity. The excitement begins by boarding boats and heading out onto the ocean for a fun-filled pirate adventure!

Once out on the seas, attendees will stop by several "Treasure Stations" where generous sponsors deliver some bounty (loot bags) for the children to take home. During this time, many "marauders" are in the area causing friendly havoc with pirates they meet engaging in non-stop water battles on the "high seas." After our attendees return to shore, they are welcomed to a BBQ and party to celebrate their victory over the pesky pirates.

In 1998, James Safronek spoke with some of his close friends about a dream - of sharing his love of boating with children and their families who were not as fortunate as he was. James knew that experiencing the open water was something not everyone had an opportunity to do. It didn't take long for these friends to put a plan in place and Boat for Hope was born.

Every year we continue to bring many valued skippers, sponsors and volunteers together, many of whom support the event year after year. James' vision of Boat for Hope continues and what started in Vancouver as an idea and dream has inspired others around the world to host similar events. Since the first Boat for Hope event, our committees have raised over \$2.5 million for Variety - the Children's Charity here in BC. We are thrilled to be bringing Boat for Hope to Nanaimo for the first time this summer.

If you have any questions regarding our event, please feel free to reach out to Odai Sirri (Committee Chair) at nwsales@poralu.com or Katelynn Potter (Development Coordinator, Variety the Children's Charity) at katelynn.potter@variety.bc.ca

We are also excited to introduce you to the individuals who form the Boat for Hope Nanaimo Committee,

Gordon Lee
Ken Schley

Greg Peacock
Marilyn Sullivan

Matt Price
Nick Webster

Rick Rispin

We hope that you support this wonderful cause and look forward to hosting a successful event for our community!

Warmest regards,



Odai Sirri
Chair, The Boat for Hope Nanaimo Committee
www.boatforhope.ca



Sponsorship Opportunities

Title Sponsorship

AREAS OF RECOGNITION

\$10,000

- Corporate logo/name integrated into the event logo
- Prime seating on a skipper's boat for 8 guests
- Opportunity to provide remarks at the Skippers Banquet
- Your corporation recognized by the MC during the event
- Business bio featured on Boat for Hope website
- Opportunity to provide short quote for Boat for Hope website
- Announcement of partnership on social media
- Logo inclusion in a Boat for Hope ad in Variety's newsletter reaching 40,000+ supporters
- Corporate logo integrated with the event logo on all electronic and print materials including invitations and sponsor kit
- Opportunity to meet a Variety family
- Opportunity for staff to volunteer on event day



Sponsorship Opportunities

Treasure Island Sponsorship

AREAS OF RECOGNITION

- **\$5000 or \$2500 x 2**
- Prime seating on a skipper's boat for 4 guests
- Opportunity to provide remarks at the Skippers Banquet
- Announcement of partnership on social media
- Your corporation recognized by the MC during the event
- Corporate logo on large screen at Skippers Banquet
- Logo inclusion in a Boat for Hope ad in Variety's newsletter, reaching 40,000+ supporters
- Corporate logo integrated with the event logo on all electronic materials including invitations and sponsor kit
- Opportunity to meet a Variety family
- Option to include a corporate promo item in the 'treasure' bag the pirates receive
- Opportunity for staff to volunteer on event day

Waterfront Party Sponsorship

AREAS OF RECOGNITION

\$5000 or \$2500 x 2

- Corporate logo inclusion on all promotional materials and signage pre, during and post event (print and digital)
- Announcement of partnership on social media
- Your corporation recognized by the MC during the event
- Corporate logo on large screen at Skippers Banquet
- Corporate logo displayed in area of recognition
- Opportunity to meet a Variety family
- Opportunity for staff to volunteer on event day



Sponsorship Opportunities

Treasure Station Sponsorship

AREAS OF RECOGNITION

\$3,000

- Recognition at sponsored Treasure Station
- Corporate logo inclusion on all promotional materials and signage pre, during and post event (print and digital)
- Announcement of partnership on social media
- Your corporation recognized by the MC during the event
- Corporate logo on large screen at Skippers Banquet
- Corporate logo displayed in area of recognition
- Opportunity to meet a Variety family
- Opportunity for staff to volunteer on event day

Pirate Ship Banner Recognition

AREAS OF RECOGNITION

You can help change the life of a child and have your name displayed at the event on our Pirate Ship Banner.

- ☐ **\$1,000 Large Recognition**
- ☐ **\$500 Small Recognition**

CONTACT

For more information please contact Meghan Bradner

Director, Development
Variety - the Children's Charity
meghan.bradner@variety.bc.ca
Direct: 604.268.3883

Greg Peacock

Sponsorship
Boat for Hope (Nanaimo)
greg@newglobal.ca
(778).269.4024



I'm Interested in Participating

Listing as it would appear in event materials

Contact name

Title

Company name

Address

Province

Postal Code

City

Work phone

Cell phone

Email

Signature (by signing I confirm my sponsorship commitment and will submit payment)

Sponsorship

☐ Title ☐ Waterfront ☐ Treasure Island ☐ Treasure Station ☐ Activity Station

Pirate Ship Banner Recognition

I want to make a gift in support of BC's kids with special needs.

A tax receipt will be issued for the full amount of your generous donation.

Name to be displayed on Pirate Ship Banner: _____

☐ \$1,000 - Large Recognition ☐ \$500 - Small Recognition

Payment options

☐ Enclosed is my cheque of \$ _____ (make payable to Variety - the Children's Charity)*

☐ Please charge \$ _____ to my credit card ☐ Visa ☐ Mastercard ☐ Amex

Name on Card* _____ Credit card number _____

Security code (3 digits on back of card) _____ Expiry date _____ Signature _____

*As per the CRA, Variety may only issue a tax receipt in the same name that appears on the credit card or cheque used for payment. Sorry, refunds are not available.

Please return this form via email to: Meghan Bradner | meghan.bradner@variety.bc.ca | Phone: 604.268.3883