



AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

October 21, 2020, 9:00 AM - 12:00 PM
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

Pages

1. CALL THE MEETING TO ORDER:

[Note: This meeting will be live streamed and video recorded for the public.]

2. INTRODUCTION OF LATE ITEMS:

3. ADOPTION OF AGENDA:

4. ADOPTION OF MINUTES:

a. Minutes

5 - 10

Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2020-SEP-16, at 9:00 a.m.

5. PRESENTATIONS:

6. DELEGATIONS:

7. REPORTS:

a. Facilities Valuation Study

11 - 12

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

Purpose: To provide Council with an opportunity to use grant funding to improve the corporate understanding of Facilities replacement values.

Recommendation: That the Finance & Audit Committee recommend that Council approve accelerating \$50,000 in grant funding for the Facilities and Park Amenities Condition Assessment Program from 2021 to 2020 for the purposes of a facilities valuation exercise.

b. Building Envelope Project at 25 Victoria Road

13 - 21

To be introduced by Richard Harding, General Manager, Parks, Recreation and Culture.

Purpose: To provide an update to Council regarding the Phase Two Building Envelope Restoration Project at 25 Victoria Road, also known as the Harbour City Theatre.

c. Community Resiliency Investment Program (FireSmart Community Funding and Supports Program) 22 - 24

To be introduced by Geoff Whiting, Deputy Fire Chief.

Purpose: To gain Council's support in applying for funding through UBCM for FireSmart activities in the City of Nanaimo for 2021.

Recommendation: That the Finance and Audit Committee recommend that Council support the City of Nanaimo's application to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Supports Program) and if successful the project will be added to the 2021-2025 Financial Plan.

d. 2021 Social Planning Grant Increase 25 - 31

To be introduced by Dale Lindsay, General Manager, Development Services.

Purpose: To advise the Finance and Audit Committee of an additional \$30,000 of available social grant funding and obtain approval to make changes to the Social Response and Community Vitality Grant applications in order to provide this additional funding for community wellness and addiction response programs.

Recommendation: That the Finance and Audit Committee recommend that Council authorize Staff to advertise that an additional \$30,000 of Social Response Grant funding is available for projects that specifically address community wellness or addictions response.

e. Asset Management Update 32 - 58

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

Purpose: To provide Council with interim measures for the continuation of funding for asset management due to delays caused by the COVID-19 Pandemic.

Presentation:

1. Laura Mercer, Director, Finance.

Recommendation: That the Finance and Audit Committee recommend that Council approve:

1. Extending the annual 1% property tax increase contribution to the

General Asset Management Reserve for five (5) years or until the next asset management update and recommendations are presented to Council and include this change in the 2021 2025 Financial Plan; and,

2. Extending the annual 2.5% water user fee increase for 2021 for contributions to the Water Asset Management Fund reserve and include this change in the 2021 2025 Financial Plan.

f. Quarterly Purchasing Report (Single and Sole Source, Purchases in Excess of \$250,000 and Instances of Non-Compliance Purchases) 59 - 64

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

Purpose: To provide information in compliance with the City's Procurement Policy (03-1200-01) regarding single and sole source purchases, awards in excess of \$250,000 and policy non-compliance for the quarter 2020-JUL-01 to 2020-SEP-30.

g. 2021 Premium Cost Increases 65 - 68

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

Purpose: To provide Council with 2021 cost estimates for WorkSafeBC and liability insurance premiums.

h. Draft 2021 Key Date Calendar 69 - 76

To be introduced by Sheila Gurrie, Director, Legislative Services.

Purpose: To present for the Finance and Audit Committee's consideration, three options for the draft 2021 Key Date Calendar.

Recommendation: That the Finance and Audit Committee:

1. select either the third or fourth Wednesday of the month as their reoccurring meeting date;
2. hold meetings in-person at the Shaw Auditorium; and,
3. recommend that Council approve the selected 2021 Finance and Audit Committee Key Date Calendar.

8. OTHER BUSINESS:

9. PROCEDURAL MOTION:

That the meeting be closed to the public in order to deal with agenda items under the Community Charter

Section 90(1) A part of the Council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public;

(n) the consideration of whether a Council meeting should be closed under a provision of this subsection or subsection (2); and,

Community Charter Section 90(2):

(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

10. ADJOURNMENT:

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2020-SEP-16, AT 9:00 A.M.

Present: Mayor L. Krog, Chair
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. W. Thorpe
Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer
R. Harding, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services
B. Sims, General Manager, Engineering and Public Works
S. Legin, General Manager, Corporate Services
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
W. Fulla, Manager, Business, Asset & Financial Planning
D. Bailey, Manager, Accounting Services
F. Farrokhi, Manager, Communications
J. Matheson, Senior Accountant
S. Gurrie, Director Legislative Services
J. Vanderhoef, Recording Secretary

1. CALL THE FINANCE AND AUDIT COMMITTEE MEETING TO ORDER:

The Finance and Audit Committee Meeting was called to order at 9:00 a.m.

2. APPROVAL OF THE AGENDA:

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

3. ADOPTION OF THE MINUTES:

It was moved and seconded that the Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2020-JUL-15 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

(a) Public Works Facility Upgrades

Introduced by Bill Sims, General Manager, Engineering and Public Works.

Presentation:

1. Poul Rosen, Director, Engineering, provided a PowerPoint presentation. Highlights included the following:

- Noted challenges:
 - Buildings have been added to over the years, many parts of the buildings are trailers that were intended to be temporary structures but became permanent
 - Buildings are typically beyond their useful life span and are being sustained through maintenance
 - Detailed condition assessments have been completed and a report is being prepared
 - Buildings are at, or beyond, capacity with no room for future growth
 - The size of vehicles in the fleet has increased since the fleet maintenance facility was built resulting in repairs being made to vehicles outside
- Noted risks:
 - Seismic screening assessment identified the fleet maintenance facility as a high risk, creates Staff safety concerns and concerns related to disaster response/recovery situations when fleet must be maintained
 - Front entrance requires more securities and controls
- Noted opportunities:
 - Previous discussion regarding consolidation/collaboration projects between the Parks and Recreation department, Public Works department and the Engineering department
 - Providing room for growth to meet the needs of the community
 - Enhance reliability in the event of a natural disaster and provide an emergency response centre for Public Works
- Conducted a space needs assessment to review gaps in current needs compared with the anticipated needs
- Next step is to develop a project plan that includes architectural concepts, cost estimates and a funding plan for replacing these facilities

Committee discussion took place regarding the following:

- Providing a cost break down of all capital projects needing to be completed
- Estimated project cost ranges between \$30 - \$50 million
- Public Works being central to the delivery of basic services to the community and the building being long overdue for replacement

- Estimated timeframe for this project moving forward – potentially 4 – 5 years to complete process
- Fire Rescue services potentially relocating their training centre which could provide an opportunity to expand into that area and accommodate future growth
- Size of the site creating limitations and the possibility of a two story design for fleet services and administration
- Impact of the \$200,000 funding request on the existing financial plan – Stewart Avenue storm/sewer project has been delayed and funds would be reallocated from there
- Size of the site and if this is the optimal location for future growth - central location of the site and its industrial zoning are assets to this location for fleet deployment

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate \$200,000 from the existing 2020 - 2024 Financial Plan to further develop an architectural concept and cost estimate for renewal of the Public Works facility. The motion carried unanimously.

(b) Federation of Canadian Municipalities, Municipal Asset Management Program

Introduced by Shelley Legin, General Manager, Corporate Services.

Laura Mercer, Director, Finance, spoke regarding the need for a Council recommendation to complete the grant application, which, if successful, would provide \$50,000 to conduct the Level of Services Study: Asphalt.

Committee discussion took place regarding how the grant application relates to the previous work done to assess the condition of asphalt.

Bill Sims, General Manager, Engineering and Public Works, noted that this is an extension of the asphalt work to assess the condition of the asphalt and the next step is community consultation.

It was moved and seconded that the Finance and Audit Committee recommend that Council commits to conducting the Level of Service Study: Asphalt as detailed in the grant application to the Federation of Canadian Municipalities, Municipal Asset Management Program, and commits \$100,000 for 2021 in the 2021 – 2025 Financial Plan toward the costs of this initiative if the grant is successful. The motion carried unanimously.

(c) Consideration of New Permissive Tax Exemption Applications

Laura Mercer, Director, Finance, spoke regarding the following:

- All applications have met the requirements as outlined in the grant policy guidelines
- Some of the applications are already included in the list of Permissive Tax Exemptions and these applications relate to new properties the applicants have relocated to or acquired
- Applications from the Nanaimo Community Gardens and the Society for Equity, Inclusion and Advocacy are applying for the first time

Committee discussion took place regarding the following:

- Estimated property taxes being based on property assessments and square footage of the space used
- Previous core services review requested a review of the permissive tax exemption process and Staff plan to begin notifying participants this fall with a review planned for the beginning of 2021

It was moved and seconded that the Finance and Audit Committee recommend that Council:

1. Award a permissive tax exemption for the 2021 tax year to the Nanaimo Community Gardens Society for property that is being leased at 2300 Bowen Road (Beban Park);
2. Award a permissive tax exemption for the 2021 tax year to the Island Crisis Care Society for property donated at 3413 Littleford Road;
3. Award a permissive tax exemption for the 2021 tax year to the Society for Equity, Inclusion and Advocacy for space being leased at #403 – 489 Wallace Street;
4. Award a permissive tax exemption for the 2021 tax year to the Nanaimo Brain Injury Society for space being leased at #101 – 235 Bastion Street;
5. Award a permissive tax exemption for the 2021 tax year to the Vancouver Island Mental Health Society for property owned at 285 Rosehill Street; and,
6. Award a permissive tax exemption for the 2021 tax year to the Nanaimo Unique Kids Organization for property purchased at 60 Needham Street.

The motion carried unanimously.

- (d) Quarterly Purchasing Report (Single and Sole Source, Purchases in Excess of \$250,000 and Instances of Non-Compliance Purchases)

Laura Mercer, Director, Finance, noted that to date there were no instances of non-compliance.

- (e) Operating Results for the Six Months Ending 2020-JUN-30

Laura Mercer, Director, Finance, spoke regarding the following:

- COVID-19 has significantly effected the City's operations
- Anticipate a deficit of \$2.98 million at 2020-DEC-31
- Staff have attempted to mitigate the deficit by:
 - Redeploying Parks, Recreation and Culture staff to seasonal positions instead of hiring additional staff
 - Only filling additional position in critical situations
 - Implemented cost saving measures at the Vancouver Island Conference Centre (VICC)
 - Cut expenditures such as Staff travel, conferences, space rentals and in some cases service contracts
- Staff continue to look for cost savings and apply for grant funding to reduce the anticipated deficit
- A General Fund deficit will be off-set by up to \$2.8 million previously set aside from the 2019 Operating Surplus

- If the deficit is larger than \$2.8 million Staff will need to request funds from the Financial Stability Reserve to cover the difference; however, any funds taken from that reserve must be repaid
- Cash flows are doing well with approximately 90% of tax revenue collected at 2020-SEP-15
- Breakdown of anticipated deficit totalling \$2.98 million:
 - General Fund anticipated deficit of \$1.1 million
 - Sewer Fund anticipated deficit of \$27,000
 - Water Fund anticipated deficit of \$398,400
 - In addition to these funds Staff must account for a loss on disposal of assets that were retired before their end of life and estimate a \$700,000 cost for this
 - Funding for the Post Employment Benefit Liability estimated at \$700,000
- Biggest driver of the deficit within the General Fund is the RCMP Severance Expense. Previously underestimated quotes resulted in an additional \$1.5 million expense which needs to be incorporated into the financial statements

Committee discussion took place regarding repaying the RCMP Severance Expense in instalments over the next 13 years.

Laura Mercer, Director, Finance, noted that Staff plan to spread payments over the next 13 years.

Laura Mercer, Director, Finance, spoke regarding the following:

- COVID-19 response costs are estimated at \$330,000 for the year
- There is a loss of casino revenue estimated at \$655,000 and a parking operations loss estimated at \$382,000
- There has been a reduction in benefit costs of approximately \$250,000 and Parks, Recreation and Culture operations are projecting a surplus of \$738,000 due to facility closures

Committee discussion took place regarding how Nanaimo is faring in comparison to other comparable municipalities.

Laura Mercer, Director, Finance, spoke regarding the challenge of comparing other municipalities due to the different types of services provided and different approaches taken to address COVID-19.

Jake Rudolph, Chief Administrative Officer, noted that due to cost overtures a review of sanitation services is being done to inform the 2021 budget. This is an example of the uncertainties heading into the 2021 budget and the attempts being made to learn and adapt to how things might change.

Committee discussion took place regarding the following:

- Commended the work being done by Staff
- Process for withdrawing funds from the Financial Stability Reserve if needed
- Potential ways to reduce tax increases to citizens

- RCMP debt and potential costs resulting from ongoing union negotiations
- Council being kept up-to-date on projections and how decisions will impact the budget

(f) Council Expenses for the Six Months Ending 2020-JUN-30

Introduced by Laura Mercer, Director, Finance.

(g) Project Results for the Six Months Ending 2020-JUN-30

Laura Mercer, Director, Finance, spoke regarding the following:

- Report changed from past years to include operating projects and not just capital projects to make it more consistent when reviewing budget reports
- Total budget was just over \$90.5 million
- Just over \$64 million spent to date
- Funds available for all projects is \$26.4 million

Committee discussion took place regarding the following:

- Method of grouping projects: concurrent projects versus all other projects
- Status of completed and in progress projects and the process for identifying which projects are started first

Bill Sims, General Manager, Engineering and Public Works, noted that project managers discuss what projects should begin and at what stage; however, often projects do not coincide with the fiscal year and so some projects extend into the next year.

- Funding related to the Jingle Pot flashing lights project
- COVID-19 and delays in completion of projects – minimal impacts in timeframes
- No applications received for the CleanBC Better Homes rebate
- Action being taken on the Nanaimo sign project
- Balance of the Daily Drop-in Centre funding at \$200,000 and costs allocated towards Dr. Turner's work for the Health and Housing Task Force

5. ADJOURNMENT:

It was moved and seconded at 10:07 a.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER

DATE OF MEETING OCTOBER 21, 2020

AUTHORED BY POUL ROSEN, DIRECTOR, ENGINEERING

SUBJECT FACILITIES VALUATION STUDY

OVERVIEW

Purpose of Report

To provide Council with an opportunity to use grant funding to improve the corporate understanding of Facilities replacement values. |

Recommendation

That the Finance & Audit Committee recommend that Council approve accelerating \$50,000 in grant funding for the Facilities and Park Amenities Condition Assessment Program from 2021 to 2020 for the purposes of a facilities valuation exercise.

BACKGROUND

The City adopted the first corporate infrastructure Asset Management Plan in 2010. The plan has been refined and updated periodically, with the last major update occurring in 2017. The next major update is scheduled for 2021/2022, and is expected to include enhancements and refinement with a significant focus on the long term financial health of Facilities. |

DISCUSSION

The foundation of a Facilities Asset Management Plan is a good understanding of the inventory, condition, and value of the stock. The City has a reliable inventory of the buildings and is in the process of conducting detailed facility condition assessments with financial assistance from the Union of BC Municipalities (UBCM) Strategic Priorities Fund grant. Although facilities have all been valued from an insurance requirement perspective, the replacement value for all facilities has never been established from an asset management perspective. Without reliable replacement values, predicting future financial needs becomes vague. If Council chooses to proceed with this valuation exercise, it will provide a foundation for facilities asset management, which will improve clarity for future facilities decisions.

The facilities valuation exercise falls within the allowable expenditures of the approved grant and is anticipated to be in the range of \$50,000 to \$100,000, depending on the level of detail. |

OPTIONS

1. That the Finance & Audit Committee approve accelerating \$50,000 in grant funding for the Facilities and Park Amenities Condition Assessment Program from 2021 to 2020 for the purposes of a facilities valuation exercise.
 - The advantages of this option is it will provide funding for a facilities valuation exercise that will improve the corporate understanding of facilities asset management. By allocating the grant funding to the valuations exercise, it will reduce the funds available for detailed condition assessments in 2021.
 - Financial Implications: This change will be included in a future budget bylaw amendment for the 2020 – 2024 Financial Plan.
2. That the Finance & Audit Committee decline to proceed with amending the budget and conducting a facilities valuation exercise.
 - The advantages of this option is that the grant funding will remain allocated in 2021 and will be available for further condition assessments as needed.
 - The disadvantage of this option is that the City will continue to rely on outdated valuations that were not developed for the purpose of asset management.
 - Financial Implications: No budget bylaw amendment would be required for this option.

SUMMARY POINTS

- The City is planning an update to the corporate Asset Management Plan in 2021/2022.
- Facilities will be an important part of the update to the overall Asset Management Plan.
- Up-to-date and purpose-built valuations for facilities will form a foundation for the Facilities Asset Management Plan.
- Grant funding is available for the valuation exercise.

Submitted by:

Poul Rosen
Director, Engineering

Concurrence by:

Bill Sims
General Manager, Engineering and Public Works

Art Groot
Director, Facility and Parks Operations

Laura Mercer
Director, Finance

DATE OF MEETING OCTOBER 21, 2020

AUTHORED BY ART GROOT, DIRECTOR, FACILITY AND PARKS OPERATIONS
PARKS, RECREATION & CULTURE

SUBJECT BUILDING ENVELOPE PROJECT AT 25 VICTORIA ROAD

OVERVIEW

Purpose of Report:

To provide an update to Council regarding the Phase Two Building Envelope Restoration Project at 25 Victoria Road, also known as the Harbour City Theatre.

BACKGROUND

At the 2013-JAN-28 Council meeting, Council directed Staff to prepare a report regarding options identifying the minimum work required to upgrade the exterior of the City-owned theatre building located at 25 Victoria Road to permit operations to continue during 2013 and into the future.

As a follow-up to the original report Council requested that Staff report back on life-safety items requiring short-term remedial action. These items were listed as:

- Stucco Cladding – the stucco cladding on the Nicol Street side of the building has delaminated from the structure in several areas and is hanging by the wire mesh lathing.
- Brick Veneer – The brick veneer along the Nicol Street side at street level needs replacing.
- Brick Chimney – bricks need repointing.

The cost for this work, in 2013, was estimated to be \$160,000.

At the 2013-MAR-11 Regular, Open Council meeting, a motion was passed that Council direct Staff to proceed with replacing the stucco cladding and brick veneer along the Nicol Street side of the building with a rain screen exterior insulated wall system for the performing arts building for an estimated cost of \$160,000.

The partial building remediation for 25 Victoria Road was tendered in August 2013, closing in September. The lowest price bid came from Saywell Contracting Ltd. at \$144,178.02. There was an additional \$21,690.91 spent on design fees.

Once the Phase One project was complete in 2014, the total cost including design and contingencies, was \$200,081.41 (Attachment A).

Phase Two design and construction, originally proposed for 2018, was paused while the use agreement for the facility were negotiated and finalised with the current tenant.

DISCUSSION

Phase Two designs continued in 2019 and the actual construction project was carried forward to 2020. Tender document no. T-2731-2020 went to market 2020-AUG-24 and closed on 2020-SEP-23.

Four submissions were received and the lowest bid was approximately \$115,000 more than is affordable within the current budget of \$286,575. Taking into account this increase and the associated contingency of 10%, the project requires an addition of \$126,000 to the current budget in order to proceed.

The consultant's review of the bids confirmed that the price was reasonable and unexpected increases are due to market conditions, material costs, and a COVID premium. |

CONCLUSION

Staff have identified funding from current year projects that have come in under budget that will be used to cover the additional amount needed. This project will complete the upgrade and restoration of the building envelope at 25 Victoria Road. |

SUMMARY POINTS

- Phase I of the envelope remediation was completed in 2014.
- Phase II design was completed in 2019.
- Phase II tender is \$126,000 short in funds.
- Staff have identified funding sources for the shortage from 2020 projects coming in under budget.
- This project completes the exterior upgrades and replacement at 25 Victoria Rd.

ATTACHMENTS

ATTACHMENT A: Report to Council dated 2013-OCT-21.

ATTACHMENT B: Excerpt from Tender Package showing street views of 25 Victoria Road. |

Submitted by:

Art Groot
Director, Facility & Parks Operations
Parks, Recreation & Culture |

Concurrence by:

Richard Harding
General Manager
Parks, Recreation & Culture

Laura Mercer
Director, Finance |

ATTACHMENT A

City of Nanaimo REPORT TO COUNCIL

DATE OF MEETING: 2013-OCT-21

AUTHORED BY: RICHARD HARDING, DIRECTOR
PARKS, RECREATION AND CULTURE, AND,

TOM HICKEY, GENERAL MANAGER
COMMUNITY SERVICES

RE: NANAIMO CENTRE STAGE (25 VICTORIA ROAD) BUILDING REMEDIATION BUDGET

STAFF RECOMMENDATION:

That Council approve the transfer of an additional \$34,700 from the Asset Management reserve, increasing the Nanaimo Centre Stage project budget from \$160,000 to \$194,700.

PURPOSE:

To obtain Council approval to increase the project budget, to be funded from the Asset Management reserve.

BACKGROUND:

At the 2013-JAN-28 Council meeting, Council directed staff to prepare a report regarding options identifying the minimum work required to upgrade the exterior of the Nanaimo Centre Stage building located at 25 Victoria Road to permit operations to continue during 2013 (Appendix A).

As a follow-up to the original report Council requested that Staff report back on life-safety items requiring short-term remedial action:

- Stucco Cladding – The stucco cladding on the Nicol Street side of the building has delaminated from the structure in several areas and is hanging by the wire mesh lathing.
- Brick Veneer – The brick veneer along the Nicol Street side at street level needs replacing.
- Brick Chimney – The bricks need repointing.

The cost for this work was estimated to be \$160,000.

At the 2013-MAR-11 Regular, Open Council meeting, a motion was passed that Council direct Staff to proceed with replacing the stucco cladding and brick veneer along the Nicol Street side

of the building with a rain screen exterior insulated wall system for the Nanaimo Centre Stage building for an estimated cost of \$160,000.

DISCUSSION:

Design work and tender preparation for the partial remediation work occurred over the spring with Herold Engineering.

The partial building remediation for 25 Victoria Road was tendered on 2013-AUG-26 with a closing date of 2013-SEP-24. The lowest price bid came from Saywell Contracting Ltd. at \$144,178.02. In addition to the remediation contract of \$144,178.02, design fees were \$21,690.91.

Council was advised in the March 2012 report, remediation projects can uncover issues. The design engineer recommends that the City add a 20% contingency to this project. Rather than coming back to Council again while the project is underway, Staff recommend adding at this time a \$28,800 contingency. These funds would be used only if required.

To proceed with this work this year, Staff is requesting a transfer of \$34,700 from the Asset Management Reserve.

At its 2013-OCT-07 meeting, Council requested information about potential seismic or hazardous materials concerns for Nanaimo Centre Stage.

Seismic Conditions:

In January 2013, Council received a report regarding the seismic screening of City-owned buildings that was completed to support public safety and Occupational Health and Safety responsibilities. This screening process was developed by the National Research Council and is used across Canada. The Nanaimo Centre Stage building was included in the screening.

The screening determined which buildings have priority for further seismic evaluations and possible seismic upgrades. The screening considered factors such as age of design, occupancy, type of structure and soil conditions. Specific recommendations for seismic upgrading are not established during the screening process.

The 25 Victoria Road building rated as a low priority for further seismic evaluation. The City only plans to further evaluate the high priority buildings and some of the medium priority buildings for seismic condition and potential life safety issues. A low priority rating does not mean that the building meets today's seismic standards.

Hazardous Materials Assessment:

When renovating older buildings, it is standard practice to do a hazardous materials assessment. Buildings constructed before the mid-1980s often have asbestos and older buildings may have other issues. This assessment is done during the design process. In the Spring, Pacific Environmental did an assessment for the work that is being undertaken and found no asbestos or other hazardous materials of concern.

There is a possibility that asbestos containing or other hazardous materials be discovered in concealed areas during demolition. If hazardous materials are encountered during

deconstruction, additional testing will be conducted. Based on the testing results, a safework procedure for removal is produced and implemented.

Respectfully submitted,

Concurrence by:



RICHARD HARDING
DIRECTOR
PARKS, RECREATION AND CULTURE



TOM HICKEY
GENERAL MANAGER
COMMUNITY SERVICES

2013-OCT-15
File: A4-1-2 / D2-6 / M1-38
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APPENDIX A

City of Nanaimo

REPORT TO COUNCIL

DATE OF MEETING: 2013-FEB-18

AUTHORED BY: J.W. RITCHIE, SR. MANAGER OF PARKS AND CIVIC FACILITIES

RE: OPTIONS FOR NANAIMO CENTRE STAGE BUILDING INTERIM REMEDIATION

STAFF RECOMMENDATION:

That Council direction is sought.

PURPOSE:

This report provides options to deal with the short-term safety issues as well as long-term remediation work for the building.

BACKGROUND:

At the 2013-JAN-28 Council meeting, Council directed staff to prepare a report regarding options identifying the minimum work required to upgrade the exterior of the Nanaimo Centre Stage building located at 25 Victoria Road to permit operations to continue during 2013.

At the meeting of Council of 2012-DEC-03, Staff presented a report that outlined work needing to be done to this building in 2013 as well as over the next five years. This work was based on a condition assessment by Read, Jones, Christoffersen Ltd. (RJC) Consulting Engineers to conduct a Building Envelope Condition Assessment on the building at 25 Victoria Road. Based on their findings RJC recommend the following remediation work be completed:

No.	Description	Cost
A	Replace the stucco wall cladding on the South, East and North elevations with a rain screen exterior insulated wall system.	\$450,000.00
B	Replace all windows with thermally broken aluminum framed windows.	\$10,000.00
C	Replace glass block feature windows with aluminum framed window (frothing optional).	\$5,000.00
D	Reroof sloped roof area; install plywood, membrane, insulation, and metal roof.	\$100,000.00
E	Replace low slope roof perimeter flashing.	\$5,000.00
F	Install roof drain grates and proper downspouts at all drains.	\$5,000.00
G	Re-point exposed chimney; replace missing bricks.	\$5,000.00
H	Remove the parapet cap flashing and install a self-adhered membrane. Replace the existing cap flashing with new cap flashings, sloped to drain.	\$5,000.00
I	Perform assessment of existing structural systems.	\$15,000.00
Total Construction Costs		\$600,000.00
Engineering & Contingency		\$200,000.00
TOTAL		\$800,000.00

As a follow-up to the original report, staff asked RJC to outline any life-safety items requiring short-term remedial action:

- Stucco Cladding – the stucco cladding on the Nicol Street side of the building has delaminated from the structure in several areas and is hanging by the wire mesh lathing.
- Brick Veneer – This brick veneer along the Nicol Street side at street level needs replacing.
- Brick Chimney – bricks need repointing.

The cost for this work, that will need to be scheduled early in 2013 for one section of the exterior work, is estimated at \$160,000.

Staff provided Council in the 2013-2017 Capital Plan a phased approach to deal with the proposed work and allocate \$160,000 for the next five years to address the issues.

DISCUSSION:

Council has asked staff to provide information on what would be the minimum improvements required to keep the building operational in the short-term.

The safety issues regarding stucco cladding and brick veneer on the Nicol Street side of the building needs to be addressed.

As requested, Staff provide these options for Council's consideration:

Option 1 – Do nothing. The stucco clad areas show significant signs of deterioration which can lead to increased moisture ingress and the delaminating areas pose a safety risk to the public on the Nicol Street side of the building. The stucco will likely continue to deteriorate and may dislodge from the wall if left unattended. This is a risk management issue that does need attention.

Option 2 – Install walk-through scaffolding on the Nicol Street sidewalk to protect pedestrians from stucco that may becoming dislodged from the building. This scaffolding will have to be designed to protect both pedestrians and vehicles. Estimated cost: \$20,000.

This option provides a short-term solution and could be in place for a couple of years. This does not deal with the long-term issues of the building.

Option 3 – Replace the stucco cladding and brick veneer along the Nicol Street side of the building with a rain screen exterior insulated wall system. Estimated cost: \$160,000 (including design and removal).

Option 3 would be the first phase in the overall remediation of the building envelope at a total estimated cost of \$800,000 (excluding tax). However, the other phases of the building could be delayed but this will impact the long term integrity of building and may add additional costs if delayed too long.

In all of these options, none of the life-safety issues on the exterior of the building affect the use of the interior of the building. Occupancy within the building can continue in the short-term.

User of Building's Concerns

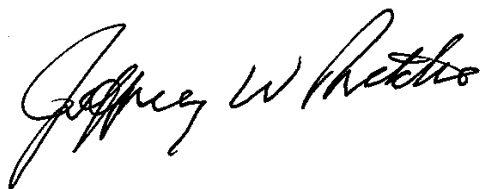
As requested, Staff met with a number of users of the building and the managers of the building (Centre of Arts the Society) on 2013-FEB-12 to review work required to be done to the building and also talk about fundraising options.

As expressed to Council, the groups' primary desire is to keep this venue open not only in the short-term but long-term and they support Option 3 and ask that Council continue to put funds in for the exterior restoration.

Even if another venue was available in the future, the groups require assurance now that the building will be operational for at least the next few years so they can secure events and shows over 2013-2014 and beyond.

Although the groups would be willing to look at other operational models for the building and possible fundraising options, at this point it is difficult for them to confirm any possibility without time to explore. The overall desire from the groups would be that this City building be retained and that capital and operating funds be allocated. Staff have offered to meet again with the groups to look at operating models and explore funding or granting options in more detail.

Respectfully submitted,



JEFF RITCHIE,
SENIOR MANAGER
PARKS & CIVIC FACILITIES
PARKS, RECREATION AND CULTURE

Concurrence by:



RICHARD HARDING
DIRECTOR
PARKS, RECREATION AND CULTURE



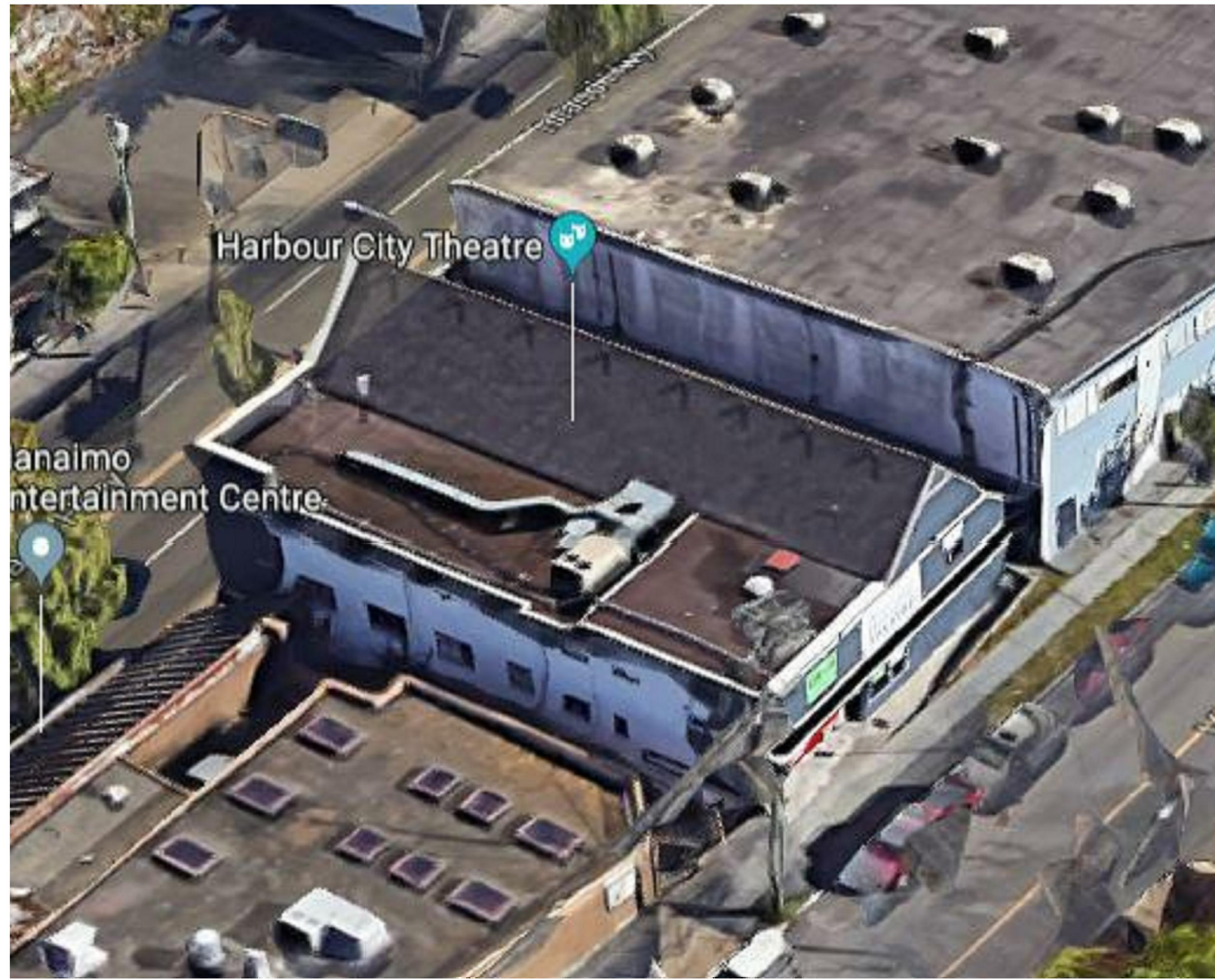
TOM HICKEY
GENERAL MANAGER
COMMUNITY SERVICES

Drafted: 2013-FEB-05

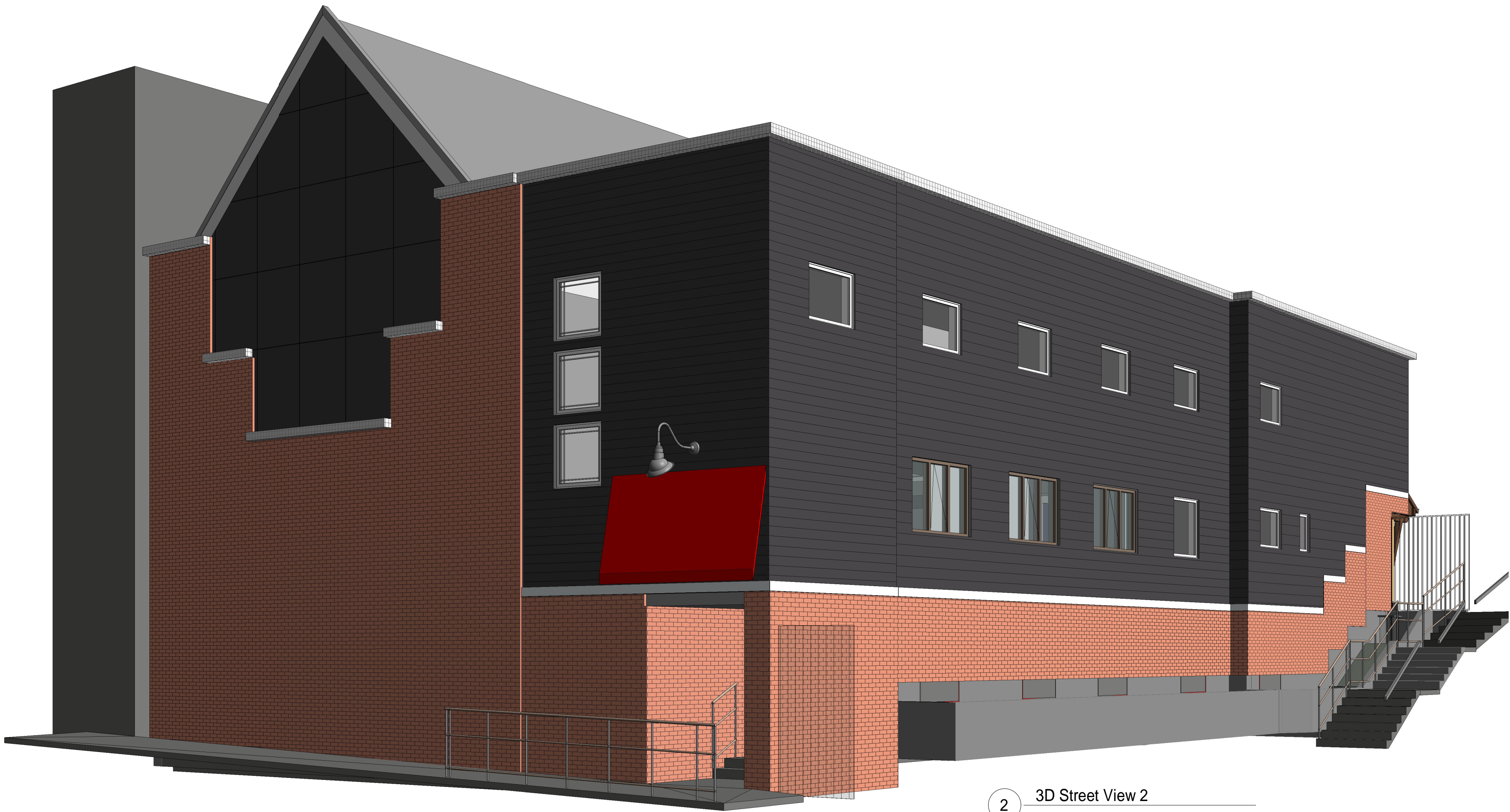
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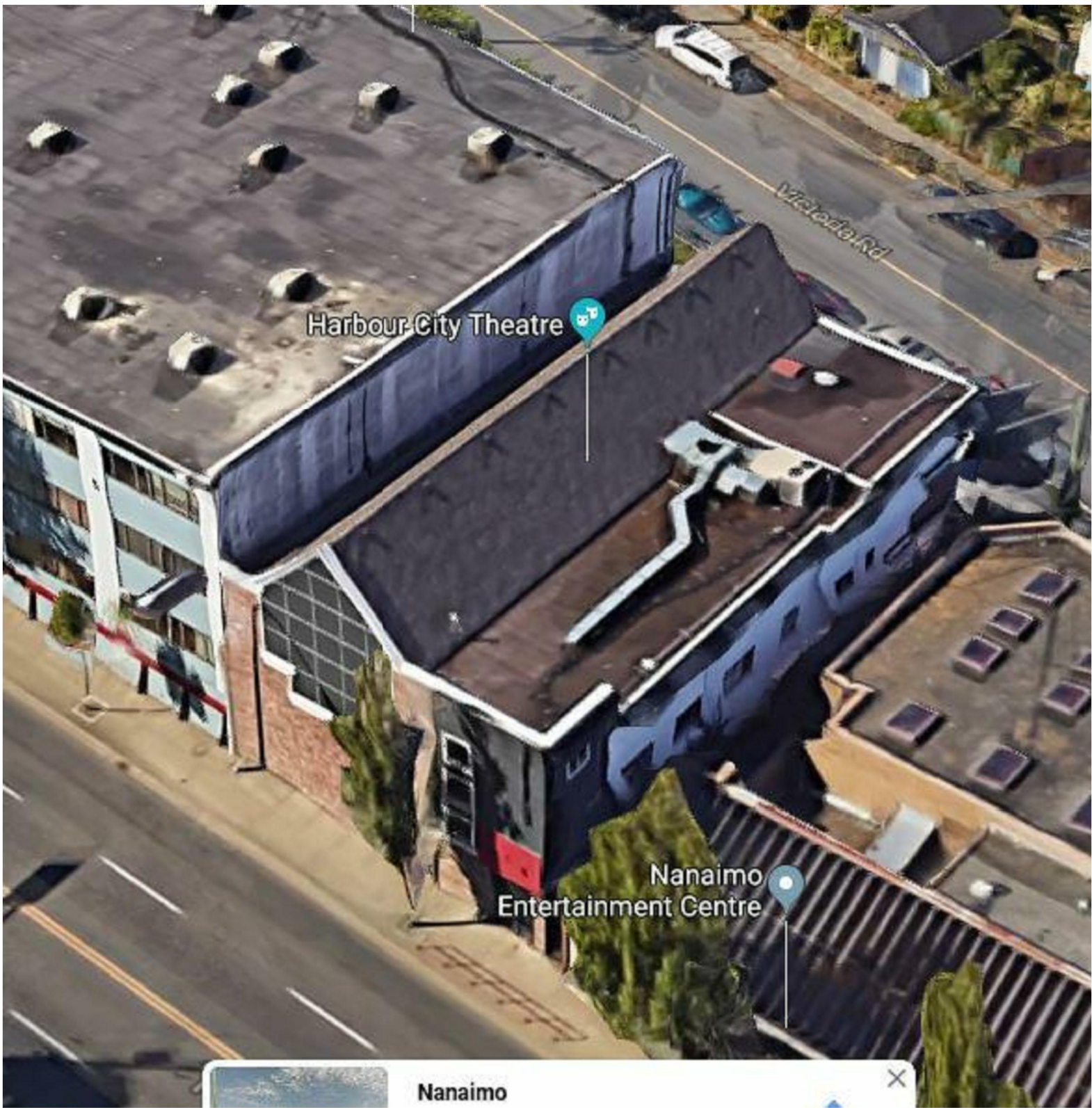
ATTACHMENT B



1 3D Street View 1
(STREET VIEW @ VICTORIA ROAD)



2 3D Street View 2
(STREET VIEW @ TRANS-CANADA HWY)



ISSUES		
No.	DATE	ISSUED FOR
1	2019.12.20	CLIENT REVIEW
2	2020.03.12	DEVELOPMENT PERMIT
3	2020.04.14	BUILDING PERMIT REVIEW
4	2020.04.14	TENDER REVIEW
5	2020.07.02	CO-ORDINATION
6	2020.07.29	BP & TENDER

ISSUED FOR
BUILDING PERMIT

ISSUED FOR TENDER

25 VICTORIA ROAD - PARTIAL BUILDING REMEDIATION (PHASE 2)

25 VICTORIA ROAD, NANAIMO, BC (NANAIMO CENTRE STAGE)
CITY OF NANAIMO

HEROLD
ENGINEERING LIMITED
Consulting Engineers
3701 Shenton Rd, Nanaimo, BC V9T 2H1
T: 250 751 8558 | F: 250 751 8559
mail@heroldengineering.co

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STREET VIEWS			
DESIGNED SW/LHY	DESIGN REVIEW JK	DRAFTED LHY	DRAFTING REVIEW KAR
PROJECT No. 0017-376	CLIENT DRAWING No.	SCALE	PERMIT No.
HEL DRAWING No. A-301	OF	REVISION 6	

DESTROY ALL DRAWINGS SHOWING PREVIOUS REVISION

DATE OF MEETING October 21, 2020

AUTHORED BY BRAD WOOD, ASSISTANT FIRE CHIEF – OPERATIONS

**SUBJECT COMMUNITY RESILIENCY INVESTMENT PROGRAM (FIRESMART
COMMUNITY FUNDING AND SUPPORTS PROGRAM)**

OVERVIEW

Purpose of Report

To gain Council's support in applying for funding through UBCM for FireSmart activities in the City of Nanaimo for 2021. |

Recommendation

That the Finance and Audit Committee recommend that Council support the City of Nanaimo's application to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Supports Program) and if successful the project will be added to the 2021-2025 Financial Plan.

BACKGROUND

The City has risk for wildland fires in a number of areas particularly within the interface with urban development. The FireSmart program is a community based wildland fire prevention initiative where communities come together as a group and FireSmart their neighborhoods. This initiative is being promoted by the Province to reduce the risk of damage caused by wildfires and grants are available through UBCM. Staff is making application for a FireSmart Community Funding grant and require a Council resolution to make this application. |

DISCUSSION

The current Community Wildfire Protection Plan rates the city as having a "Low with pockets of moderate" fire risk. In addition to this, the 2015 Hazard Risk and Vulnerability Analysis (HRVA) determined that the risk for wildland fires in the City is "Medium". While the forested areas in the City are decreasing as a result of development, areas of risk remain both within the City boundary and immediately outside the boundary with potential to affect City lands. In addition, there are a number of parks and Crown lands that interface with urban development contributing to interface fire potential.

Given the recent drought conditions and the number and severity of fires experienced in the 2020 fire season, a major wildfire event will quickly tax the resources of the fire department and other city agencies. Having the community involved in the application of FireSmart principles to their homes and property will build resiliency in the community and allow property and structures to

better withstand a wildland fire event and limit damage. This in turn allows resources to concentrate on controlling and extinguishing the spread of the fire.

The funding would assist in the development and promotion of a FireSmart program and to improve the City's approach and resiliency to community safety by reducing the risk of damage resulting from a wildfire within Nanaimo and neighbouring lands. Staff is requesting a contribution from UBCM for the amount of \$49,600,000 which is the full amount of total project costs.

OPTIONS

1. That the Finance and Audit Committee recommend that Council support the City of Nanaimo's application to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Supports Program) and if successful the project will be added to the 2021-2025 Financial Plan.
 - The advantages of this option: The funding would assist in the development and promotion of a FireSmart program and to improve the City's approach and resiliency to community safety by reducing the risk of damage resulting from a wildfire within Nanaimo and neighbouring lands. Community involvement and environmental protection are also key advantages of accessing the funding grants.
 - The disadvantage of this option is that FireSmart activities are reliant on the successful application.
 - Financial Implications – The activities are not in the current operating budget and will only be undertaken if the grant application is successful.
2. That the Finance and Audit Committee recommend that Council deny support to apply to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Supports Program).
 - The advantages of this option: No change to current operations or resources.
 - The disadvantages of this option: The lack of funding would result in not developing or promoting a FireSmart program and would not improve the City's approach and resiliency to community safety by reducing the risk of damage resulting from a wildfire within Nanaimo and neighbouring lands.
 - Financial Implications: If any FireSmart activities are required throughout the year, there will be limited funding available.

SUMMARY POINTS

- The FireSmart program is a community based wildland fire prevention initiative where communities come together as a group and FireSmart their neighborhoods.
- This initiative is being promoted by the Province to reduce the risk of damage caused by wildfires and grants are available through UBCM.
- Staff is requesting a contribution from UBCM for the amount of \$49,600.00 which is the full amount of total project costs.

Submitted by:

Brad Wood
Assistant Fire Chief - Operations

Concurrence by:

Karen Fry
Fire Chief

Concurrence by:

Laura Mercer
Director, Finance

DATE OF MEETING October 21, 2020

AUTHORED BY DAVID STEWART, SOCIAL PLANNER

SUBJECT 2021 SOCIAL PLANNING GRANT INCREASE

OVERVIEW

Purpose of Report

To advise the Finance and Audit Committee of an additional \$30,000 of available social grant funding and obtain approval to make changes to the Social Response and Community Vitality Grant applications in order to provide this additional funding for community wellness and addiction response programs.

Recommendation

That the Finance and Audit Committee recommend that Council authorize Staff to advertise that an additional \$30,000 of Social Response Grant funding is available for projects that specifically address community wellness or addictions response.

BACKGROUND

Each year since 2001, the City of Nanaimo has allocated a total of \$85,000 for social planning grants to non-profit societies and/or recognised faith groups to address social issues affecting Nanaimo residents. Currently, a total of \$60,000 of funding is directed toward Social Response Grants with the remaining \$25,000 dedicated to Community Vitality Grants. Social Response Grants are generally intended to support larger scale projects, whereas Community Vitality Grants are targeted towards smaller initiatives.

As part of all Cannabis Retail Store (CRS) rezoning applications, the City of Nanaimo requests a \$10,000 Community Amenity Contribution (CAC). As part of the CAC process, the applicant is asked to submit a proposal on where they would like their contribution to be directed. The proposal is reviewed and either accepted or rejected by Staff and, subsequently, referred to Council for final approval. Since 2018, the City has secured a total of \$30,000 that is directed to be used to support social programs, mental health and addiction treatment from the following CACs:

- Unit 105- 510 Fifth Street (RA417): \$10,000 towards social planning grant and development programs that focus on addictions and mental health;
- 52 Victoria Crescent (RA418): \$10,000 towards a community grant to support substance and addictions treatment programs; and,
- 111 Terminal Avenue (RA422): \$10,000 towards a community planning social development grant to support social programs.

While all three of the community contributions are worded slightly differently, they can all be used to support grants relating to addressing mental health, community wellness and substance use disorder (addictions) response.

DISCUSSION

In the past, applications for social planning grants were asked to respond to one or more of the following categories:

- Social Equity (projects that address issues related to poverty or social exclusion)
- Community Diversity (projects that support multiculturalism and the integration of newcomers)
- Community Wellness (projects that address social determinants of health)
- Vibrant Neighbourhoods (projects that build community by enhancing social connectivity)

The existing application criteria and guidelines for the City's social planning grants are included as Attachment A. Applicants may apply for all or a portion of the available funding. Typically, the Social Response Grant funds support multiple projects per year.

Given the specific criteria of the CAC contributions, the \$30,000 available must provide financial assistance to new or ongoing programs that provide support to individuals with or who are overcoming drug or alcohol addiction. Programs may include:

- Detox and treatment programs
- Counselling and support
- Peer support and employment programs
- Harm reduction/overdose prevention including:
 - needle exchange services (with Island Health approval);
 - education and outreach programs that inform users how to reduce the risks associated with using drugs and/or alcohol; and,
 - safe ride programs.

The *Nanaimo Action Plan to End Homelessness* supports programs which will increase capacity to intervene early in the pathways to addiction. Action 3 of *Nanaimo's Response to Homelessness Action Plan* encourages programs to integrate harm reduction with other supports. The additional \$30,000 currently available would allow further opportunity for the City to work toward these goals by financially supporting innovative community wellness programs that provide individuals with addiction treatments.

If approved, Staff are proposing to distribute the CAC funding by adding the \$30,000 amount to the 2021 Social Planning Grants program. This would increase the funding available for community wellness and addiction response programs applied for under the Social Response Grant to \$90,000 total. Programs that meet the current Social Response Grant criteria but are not a response to addictions would remain able to access up to \$60,000 under the current guidelines. Combining the funds in this way would provide a timely and consistent evaluation process for all social grant applicants; as well, the larger allotment of funds would allow for additional or larger-scale programs related to addiction response to be supported through the City's social grant program.

OPTIONS

1. That the Finance and Audit Committee recommend that Council authorize Staff to advertise that an additional \$30,000 of Social Response Grant funding is available for projects that specifically address community wellness or addictions response.
 - The advantages of this option: Adding the additional \$30,000 CAC funding to the existing Social Response Grant for 2021 will allow more flexibility in awarding grant money by allowing an applicant to access both funding sources should they meet both the general criteria for the existing Social Response Grants as well as the specific community wellness and addiction response criteria. Combining the funds eliminates the need to create an additional one-time grant in order to distribute the CAC funds.
 - The disadvantages of this option: The \$30,000 secured through CAC is tied to very specific criteria that may not appear to be directly related to the more general Social Planning Grant criteria; additionally, while social planning grants are awarded annually the CAC is one-time funding that varies annually. Combining the \$30,000 with the existing \$60,000 Social Response Grant for 2021 could potentially create confusion among grant applicants and result in a single grant with two different sets of criteria depending on funding. Clear communication would be needed to avoid to ensure that applicants who don't meet the community wellness and addictions criteria know that they are still potentially eligible for either the Social Response Grants or Community Vitality Grants.
 - Financial Implications: The additional \$30,000 was secured through rezoning Community Amenity Contributions and must be dedicated towards social grant programs that focus on addictions and mental health. This change will be incorporated into the Draft 2021-2025 Financial Plan. No additional municipal funds will be required.
2. That the Finance and Audit Committee recommend that Council fund \$30,000 of the \$85,000 allocated to Social Planning Grants in 2021 from the Community Amenity Contribution.
 - The advantages of this option: The recommendation will not increase the grant total beyond the budgeted \$85,000 awarded in previous years, as and such will free \$30,000 of previously budgeted funds for other purposes.
 - The disadvantages of this option: This option is not consistent with the direction Council provided when the Community Amenity Contributions were secured or consistent with the intent of the rezoning applicant's contributions. All three applicants provided the contribution as additional grant funding to support community wellness. The Province's *Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability Guide* notes community amenity contributions should not be used to fund annual operating costs or general revenue. By not providing the additional funding as intended, Council will miss an opportunity to provide additional support to local service agencies working to support individuals with or overcoming a substance use disorder. Given the \$30,000 CAC contribution must be directed towards community wellness and substance use response, the recommendation will decrease the amount of funding available for other social planning grant application.
 - Financial Implications: Directing the CAC funding towards the Social Planning Grant cost centre and not increasing the amount will save the City \$30,000 in the 2021- 2025 Financial Plan.

3. That the Finance and Audit Committee provide alternate direction regarding the use of the \$30,000 secured through Community Amenity Contributions.

SUMMARY POINTS

- The *Nanaimo Action Plan to End Homelessness* supports programs which will increase capacity to intervene early in the pathways to addiction.
- The City has provided up to \$85,000 annually in funding to support Social Response Grants (\$60,000) and Community Vitality Grants (\$25,000).
- The City has secured a total of \$30,000 as Community Amenity Contributions from three separate Cannabis Retail Store rezoning applications to support community wellness and addiction response programs.

ATTACHMENTS:

ATTACHMENT A: Social Planning Grant Guidelines

Submitted by:

Lisa Bhopalsingh
Manager, Community Planning

Concurrence by:

Laura Mercer
Director, Finance

Bill Corsan
Director, Community Development

Dale Lindsay
General Manager, Development Services



City of Nanaimo **Social Planning Grants**

Guidelines & Criteria

**For more information, please contact Community Planning
at 250-755-4464 or socialplanning@nanaimo.ca**

Introduction

The City of Nanaimo recognizes the importance of fostering a socially sustainable community that nurtures a caring, healthy, inclusive and safe environment, and which empowers all of its citizens to realize their aspirations. The Social Planning function, housed within the Community Planning section, has a mandate to support initiatives and actions that further the community's social objectives.

Purpose

The purpose of the Social Planning grant program is to assist organizations in responding to issues of a social nature with initiatives that enhance social cohesion, address the root causes and effects of poverty, contribute to the vitality of our community and foster social inclusion and social equity.

Eligibility Criteria

Organizations applying for funding must be based in Nanaimo and/or be proposing a project that primarily serves Nanaimo residents.

The following types of organizations are eligible to apply:

- A non-profit society incorporated under the BC Provincial Societies Act or federally designated as a registered charity;
- A recognized religious group with ongoing activities and a congregation; or,
- A neighbourhood association recognized by the municipality.

Strategic Priorities

The City of Nanaimo's strategic funding priorities for the Social Planning Grant program are as follows:

- Social Equity (e.g. Projects addressing issues related to poverty or social inclusion)
- Community Diversity (e.g. Projects that support an inclusive and equitable community)
- Community Wellness (e.g. Projects addressing the social determinants of health)
- Vibrant Neighbourhoods (e.g. Projects that build community by enhancing social connectivity)

Project proposals should respond to one or more of the above categories. Overall projects should support the "Livability" theme within the City's Strategic Plan including supporting "a City in which all people live, work, play, create and learn in a safe and connected community" and/or "support the provision of affordable and accessible housing for all community needs."

Grant Categories

There are two categories of Social Planning Grants, which are allocated on an annual basis:

- **Social Response Grants** (previously the Social Development Grant Program)
Intended for initiatives and projects of a more significant scope. The total budget available for this category is \$60,000; individual applications for up to \$60,000 will be accepted.
- **Community Vitality Grant** (previously the Community Service Grant Program)
Intended for projects of a smaller scale. The total budget available for this category is \$25,000; individual applications for up to \$10,000 will be accepted.

Ineligible Projects

Funds from the Social Planning Grants may not be used for the following purposes:

- Ongoing operational expenses incurred during the normal course of business;
- Projects occurring outside the City of Nanaimo; or
- Payment of pre-existing debts.

Projects will not be funded for more than two consecutive years in a row.

Ineligible Organizations

- Groups or organizations with outstanding balances owed to the City of Nanaimo.
- Organizations may not be eligible for Social Planning Grant funding if they have received other funding assistance through the City of Nanaimo within the same grant year period. Please contact socialplanning@nanaimo.ca with any questions you may have.

Application Review Criteria

30% - Merit

Proposal quality, project alignment with organization's mandate, community support

40% - Relevance/Feasibility

Does project reflect City's identified priorities?

What is the capacity and demonstrated ability of the applicant?

30% - Potential Impact

How many will be impacted? How great the impact? How critical is the issue being addressed?

Grant Process

Applications will be received and reviewed by the Social Planning section, and recommendations will be forwarded to the Finance and Audit Committee and then to Nanaimo's City Council for approval. Once disbursed, funding must be spent within the next twelve (12) months and a report provided at project completion or at the end of the twelve month period, whichever comes first. If the applicant chooses to submit an application for the following year, a report regarding the previous project funding grant must be received prior to the submission of the new grant.

DATE OF MEETING October 21, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

SUBJECT ASSET MANAGEMENT UPDATE

OVERVIEW

Purpose of Report

To provide Council with interim measures for the continuation of funding for asset management due to delays caused by the COVID-19 Pandemic.

Recommendation

That the Finance and Audit Committee recommend that Council approve:

1. Extending the annual 1% property tax increase contribution to the General Asset Management Reserve for five (5) years or until the next asset management update and recommendations are presented to Council and include this change in the 2021-2025 Financial Plan; and,
2. Extending the annual 2.5% water user fee increase for 2021 for contributions to the Water Asset Management Fund reserve and include this change in the 2021-2025 Financial Plan.

BACKGROUND

The City of Nanaimo's investment in infrastructure supports delivery of needed and desired services to the community. The estimated current replacement cost of the City's infrastructure is over \$3 billion. A robust asset management system and long term planning provides decision makers with critical information and analysis for prudent infrastructure investment and funding strategies.

In 2008, Staff began developing the City's asset management knowledge and capacity. The first asset management report, the '2010 Asset Management Plan' focused specifically on infrastructure such as roads, sewers, water facilities. The '2012 Asset Management Update' was expanded to include renewal of all City infrastructure, identified a funding gap and recommended strategies for closing the gap with the creation of asset management reserves.

In 2013, Council approved three new asset management reserves for the general, sewer and water funds. Annual increases to property taxes and user fees were approved to provide sustainable contributions to these reserves and were as follows:

- a 1% increase to property taxes in each year for the General Asset Management Fund reserve was approved to 2017.

- a 5% increase to sewer user fees each year for the Sewer Asset Management Fund reserve was approved for 2013 to 2017 and 4% annual increase for 2018 to 2022.
- a 2.5% increase to water user fees for each year for the Water Asset Management Fund reserve was approved to 2020.

At the 2017-MAR-17 Regular Council meeting, a '20 Year Investment Plan and Asset Management Update', that included both renewal and growth needs for the City was presented. The purpose of the update was attention directing, to allow Council to review and make decisions on the City's investment and funding strategies. The projected 20 year investment was \$1.1 billion with funding strategies providing \$794 million.

The total projected funding gap was \$258 million. The projected funding shortfall included \$117 million in development contribution charges for new/upgraded infrastructure required due to growth. The projected funding shortfall for renewal, strategic and new/upgraded infrastructure funded from general revenues and reserves was \$141 million.

Strategies approved by Council to close the funding gap included:

- Continuing the annual 1% increase to property taxes for contributions to the General Asset Management Fund reserve until 2022;
- Completing the current DCC review and adoption of new bylaw; and,
- Continuing the development of the City's asset management capacity including development of governance, risk management frameworks and performance monitoring. |

DISCUSSION

|An asset management update was planned to be completed in 2021 however, staffing constraints and the reprioritizing of the workload due to the COVID-19 Pandemic have delayed the update. The update is not anticipated to start until late 2021 or early 2022 and any recommendations out of this review will likely come to Council for consideration in late 2022 or early 2023.

The City is currently undertaking a condition assessment of all city facilities. As this condition information is incorporated into the Asset Management Plan, additional resources will be needed to meet funding requirements.

Extending the 1% asset management contribution for five years will allow staff to continue planning for the long term renewal of existing infrastructure while they work to complete an update of the Asset Management Plan.

Staff have undertaken a User Fee Review for water and sewer fees and this review is nearing completion. A report will be presented for Council's consideration and discussion in early 2021. Staff originally planned to bring the report to Council in 2020 but again, staff had to reprioritize workloads due to the COVID-19 Pandemic, which have resulted in delaying the project.

The User Fee review has focused on two (2) key areas:

- A Financial Review for each utility to determine future customer rate increases that are needed to support sustainable services; and,

- A Rate Structure Review for each utility to identify changes that improve user equity, conservation and administrative efficiencies.

Public consultation will be undertaken to educate and inform users on the proposed changes and allow users to provide their feedback.

The anticipated start date of any approved changes is 2022-JAN-01.

Based on Preliminary results on the User Rate Review, it is anticipated there will be a recommendation to extend the 2.5% increase for the water asset management reserve beyond 2020. This interim measure will ensure there is no funding gap due to the delay of the User Rate Review being presented to Council.

The 4% current increase for the sewer asset management reserve is in effect until 2022 and any recommended changes resulting from the User Fee Review will be presented to Council before then.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve:
 1. Extending the annual 1% property tax increase contribution to the General Asset Management Reserve for five (5) years or until the next asset management update and recommendations are presented to Council and include this change in the 2021-2025 Financial Plan; and,
 2. Extending the annual 2.5% water user fee increase for 2021 for contributions to the Water Asset Management Fund reserve and include this change in the 2021-2025 Financial Plan.
 - **The advantages of this option:** Allows staff to continue planning for the long term renewal of existing infrastructure while they work to complete an update of the Asset Management Plan. Approving this change now will allow staff to include the extended increases in the Provisional 2021-2025 Financial Plan.
 - **The disadvantages of this option:** Additional taxes and user fees would be incurred by taxpayers.
 - **Financial Implications:** This will allow staff to continue to fund the existing 10 year plan.
2. That the Finance and Audit Committee recommend that Council deny making any changes to the current Asset Management contribution plan.
 - **The advantages of this option:** Additional taxes and user fees would not be incurred by taxpayers.
 - **The disadvantages of this option:** Staff would have to delay projects due to funding shortfalls. The City could incur increased maintenance costs due to a delay in replacing assets.
 - **Financial Implications:** Funding shortfall would occur and result in projects being delayed.

3. That Council provide alternative instructions.

SUMMARY POINTS

- In 2008, staff began developing the City's asset management knowledge and capacity.
- In 2013, Council approved three (3) new asset management reserves for the general, sewer and water funds and annual allocations to these reserves were established.
- In 2017, a 20 Year Investment Plan and Asset Management update was presented to Council.
- A total projected funding gap of \$258 million was identified and strategies to close the funding gap were approved.
- An Asset Management update was planned for 2021 however due to organizational changes, staffing changes and the COVID-19 Pandemic, the update not anticipated to start until late 2021 or early 2022.
- Extending the 1% increase for the GFSR for five years will allow staff to continue planning for the long term renewal of existing infrastructure while they work to complete an update of the Asset Management Plan.
- Based on indications from the current User Fee Review that is underway, it is anticipated there will be a recommendation to extend the 2.5% increase for the water asset management reserve beyond 2020. This measure will ensure there is no funding gap in the Water Fund.

ATTACHMENTS:

Attachment A – March 23, 2017 City of Nanaimo 20 Year Investment Plan and Asset Management Update Report

Submitted by:

Laura Mercer
Director, Finance

Concurrence by:

Shelley Legin
GM, Corporate Services

Bill Sims
GM, Engineering and Public Works

CITY OF NANAIMO

20 Year Investment Plan and Asset Management Update

March 23, 2017



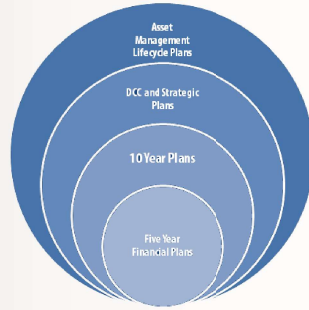
Executive Summary

The 20 Year Investment Plan and Asset Management Update will provide Council with an overview of the City's long term investment plans and funding strategies. The plan includes current investment in strategic initiatives and programs, annual investment programs for renewal of existing infrastructure and new/upgraded infrastructure required for growth to maintain current levels of service. The plan will support Council's review and decision making regarding current planning processes, the City's Asset Management System and funding strategies.

The City's planning processes include:

- Asset Management Lifecycle Plans for each infrastructure type
- Strategic Plans adopted by Council
- 10 Year Departmental Project Plans that incorporate AM and Strategic Plans
- Five Year Financial Plans

Projects are identified in longer range planning processes and prioritized in departmental 10 year plans and then in the City's Five Year Financial Plans. As projects move ahead in each planning process additional work is completed to refine timing and cost estimates and to coordinate with other types of infrastructure projects. Resource and funding constraints are considered when projects are included in the City's Five Year Financial Plan.



20 Year Investment Plan

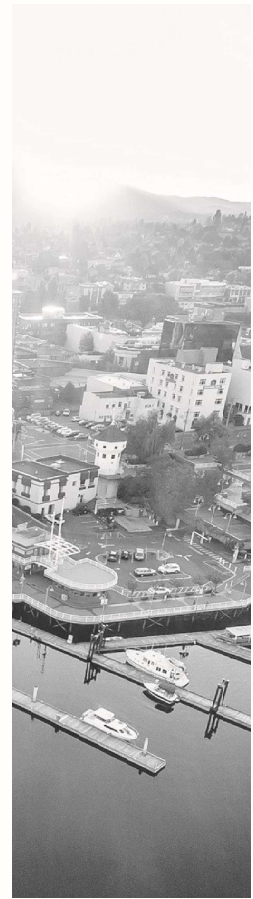
The 20 Year Investment Plan has been prepared for attention directing purposes and to allow Council to review and make decisions. Projected investment over the next 20 years is \$1.1 billion and current funding strategies may provide \$794 million. Strategies have been identified to address the projected funding shortfall of \$258 million. The projected shortfall includes \$117 million in development contribution charges for new/upgraded infrastructure. Completion of the current DCC review and new bylaw is intended address this shortfall.

The Asset Management Update will Provide:

- An overview of the City's AM System
- Infrastructure information by asset type – eg water, sewer, transportation
- AM System improvement initiatives

Staff Recommendations:

- Continue annual 1% property tax increases to 2022 for the General Fund Asset Management reserve.
- Complete DCC review and adopt new DCC bylaw.
- Develop financial policies including a Reserve Policy and a Debt Policy.
- Continue to develop the City's AM System including adoption of an AM Policy and an AM Strategy.
- Complete the next Asset Management Update in five years to re-assess the effectiveness of the City's asset management capacity and funding strategies.



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Long-Term Planning: 20 Year Investment Plan

Long Term Planning Framework

Long term plans support the delivery of a wide range of needed and desired services, and the implementation of Council's strategic priorities, for the community. Long term plans help prepare the organization to move ahead with needed investigation and design work, and with the timing and allocation of resources and funding.

City provided services include:

- Fire and Police protection
- Water
- Sanitary sewer
- Transportation
- Drainage
- Solid waste collection
- Recreation
- Culture
- Social



Strategic priorities are identified in the City's Official Community Plan, planNanaimo, the Community Sustainability Action Plan and in supporting master plans adopted by Council. Examples of strategic plans include the Strategic Plan Update (2016 – 2019), Transportation Master Plan, Cultural Plan for a Creative Nanaimo, Beban Park Master Plan Update and Harewood Centennial Park Improvement Plan. Implementation of these priorities requires investment in community partnerships, planning processes and infrastructure.

Asset management lifecycle plans are maintained for all types of City infrastructure. These attention directing plans support identifying needed condition assessment programs and are compared to current maintenance information to identify priority projects for infrastructure renewal.

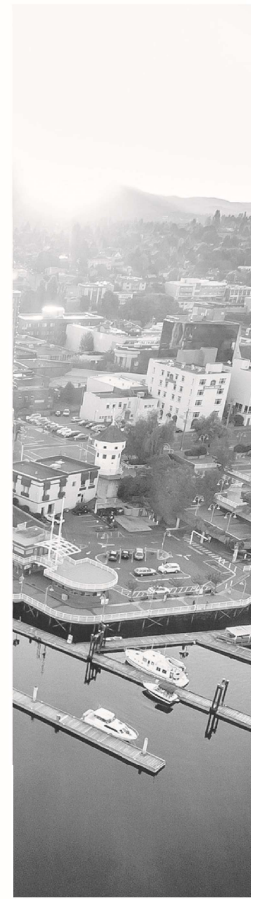
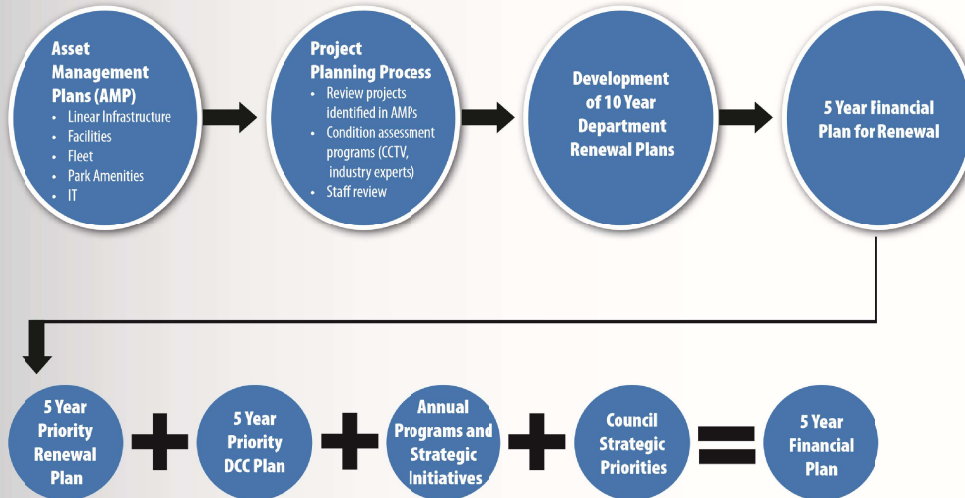
Review of the City's infrastructure capacity and identification of new/upgraded infrastructure needed due to growth are undertaken in periodic DCC Reviews. The last DCC review was completed in 2008. The current DCC review process is now ready for Council's review and direction and for stakeholder consultation. Detailed information will be provided in a separate DCC Review report.



Five Year Financial Plans

In accordance with the laws of British Columbia through the Community Charter, municipalities must prepare a five year financial plan each year. Priority projects are identified and included within the City's Financial Plans that minimize risk to delivery of services, support development in the community, and implement Council's strategic priorities and plans within reasonable funding levels.

Overview of the City's Long Term Planning Process



20 Year Investment Plan

The 20 Year Investment Plan has been prepared for attention directing purposes and to allow Council to review and make decisions. Projected investment over the next 20 years is \$1.1 billion and current funding strategies may provide \$794 million. Strategies have been identified to address the projected funding shortfall of \$258 million. The projected shortfall includes \$117 million in development contribution charges for new/upgraded infrastructure. Completion of the current DCC review and new bylaw may address this shortfall.

Components of the 20 Year Investment Plan include:

1. New/upgraded infrastructure investment identified in the current Development Cost Charges Review
2. Provisional 2017 – 2021 Financial Plan
 - a. Priority infrastructure renewal projects
 - b. Priority DCC projects
 - c. Strategic projects
 - i. Examples: Affordable Housing Strategy, Social Wellness Strategy, property acquisition, Harewood Centennial Park, new pedestrian, cycling and transit amenities
3. Departmental 10 year plans
 - a. Priority infrastructure renewal projects;
 - b. Priority DCC projects;
 - c. Projects where further investigation is ongoing/ required:
 - i. Examples: renewal of the Public Works Yard, renewal of the Curling Club facility, Beban Park: power distribution upgrade, renewal of recreational dams, renewal of the Departure Bay Activity Centre;
4. Infrastructure lifecycle plans.



Current Funding Strategies

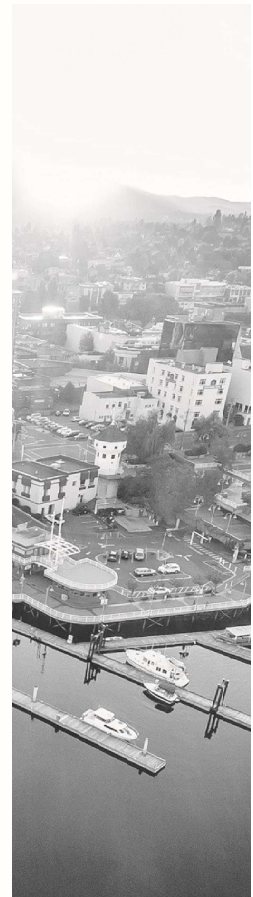
The City maintains reserves that fund the majority of annual investment plans. Annual contributions to these reserves are from general revenues, user fees, DCCs and senior government grant programs and reflect the City's current funding strategies

Current funding strategies in the 20 year plan include:

- \$7M allocation of annual general revenues to projects;
- Council's current commitment for increases to the City's asset management reserves through annual increases to property taxes and user fees (Appendix A);
- Contributions to specific reserves for IT, Equipment Replacement (Fleet) and Facility Development (Parks and Recreation);
- Current DCC bylaw rates and contribution levels to DCC reserves; and
- Community Works Fund.

The newly created Strategic Infrastructure Reserve, other senior government grants and private contributions have not been included in current funding strategies, except for transportation DCC projects. Approximately \$12 million in grant funding for specific transportation projects has been included in the 20 Year Investment Plan.

Borrowing can be used and repayment will spread funding needs over a longer period of time. The cost of debt has not been included in current funding strategies.



Long Term Planning Purpose and Risks

Significant diligence, collaboration and collection of the best available information is used to develop long term plans. The purpose of long term plans are attention directing to identify significant issues and allow time to develop and implement strategies. Variables that impact long term plans are:

- Changes to useful life or remaining useful life assumptions;
- Changes to timing and cost estimates;
- Unplanned liabilities which may impact contributions or require an unplanned allocation from reserves; and
- Inflation as all expenditures and revenues are reported in 2016 dollars.

As planning processes advance to detailed design, tender and construction phases changes in cost estimates may be realized.

As well, significant constraints both external and internal may impact the ability of the City to execute its investment plans. These constraints may include political, economic, social, technical, environmental and legal.



Excluded Projects

Pending ongoing assessments, renewal or replacement of Fire Station #1 and expansion of the Police Operations Building are not included in the 20 Year Investment Plan.

20 Year Investment Plan

The 20 year projected investment is \$1.1 billion. Current funding strategies provide up to \$794 million. The projected deficit is \$258 million. This deficit is divided between \$141 million for strategic priorities, annual programs and renewal of current infrastructure and \$117 million for new/upgraded infrastructure required for growth.

Summary Analysis				
Projected Infrastructure Investment		20 Year Total	%	
Transportation, Drainage, Fleet, Facilities, Parks		543,862,373	52%	
Sanitary Sewer		112,873,642	11%	
Water		394,776,602	38%	
		1,051,512,617	100%	
Current Funding Strategies		20 Year Total	%	
Transportation, Drainage, Fleet, Facilities, Parks		419,381,250	53%	
Sanitary Sewer		100,391,892	13%	
Water		274,046,546	35%	
		793,819,688	100%	
Projected Funding Shortfall		20 Year Total	%	
Transportation, Drainage, Fleet, Facilities, Parks		(124,481,123)	48%	
Sanitary Sewer		(12,481,750)	5%	
Water		(120,730,056)	47%	
		(257,692,929)	100%	
20 Year Total Project Funding Excess/ (Shortfall)		Total	DCC	Renewal/ Upgrade
General		(124,481,123)	(42,930,326)	(81,550,798)
Sanitary Sewer		(12,481,750)	(24,066,329)	11,584,579
Water		(120,730,056)	(49,846,834)	(70,883,222)
		(257,692,929)	(116,843,489)	(140,849,440)

Excludes proposed DCC Transportation project Brechin/Island Hwy/Northfield Intersection Upgrades. The project is anticipated to be a cost share, with senior government funding \$30M of the projected \$35M cost.



20 Year Investment Plan Analysis by Fund

The funding gaps are unique to each fund: general, sewer and water. It is important to also consider the need to maintain reasonable reserve balances to support the organization's financial resiliency and ability to respond to unexpected changes in investment timing or costs. Changes can occur due to early infrastructure failure, and cost estimates cannot be finalized until the detailed design and tender phases of each project.

General Fund

- Projected shortfall is \$124 million which includes \$43 million for DCC contributions.
- The funding gap is most significant in the first 10 years.
- Projects in the 20 Year Investment Plan include: Wellcox Access, Port Theatre Expansion, Waterfront Walkway Development (in front of Yacht Club), Curling Club facility renewal, Public Works Yard facility renewal and renewal of recreational dams.

Sewer Fund

- Projected DCC contributions shortfall is \$24 million.
- Projected balance in sewer reserves is \$11.6 million.
- The current 2017 – 2021 Financial Plan includes borrowing for DCC projects with repayment from non DCC reserves.

Water Fund

- Projected shortfall is \$121 million which includes \$50 million for DCC contributions.
- Funding gap is most significant in last 10 years of the plan due to construction of a new dam projected to start in 2027.

Debt

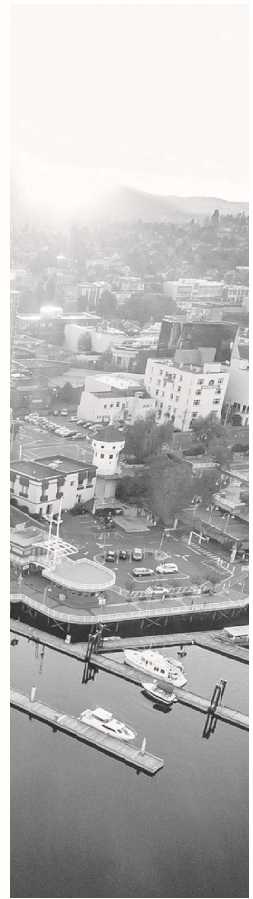
Borrowing is used to 'spread' funding needs over a longer period where appropriate. The cost of borrowing has not been included in the 20 Year Investment Plan.



Strategies to Reduce the Funding Gap

To address the funding needs for current infrastructure renewal, Council may consider strategies to reduce the gap between funding required and available funding. These strategies can include:

- Continue 1% increases to property taxes to 2022 for contribution to General Asset Management Reserve;
- Complete the DCC review and adoption of new bylaw;
- Decommission underutilized/inefficient infrastructure;
- Implement improvements to the City's AM System
 - o Develop governance documents including an Asset Management Policy and an Asset Management Strategy
 - o Develop levels of service
 - o Develop risk frameworks
 - o Develop performance monitoring;
 - o Ensure appropriate monitoring and application for grant funding and private contributions.



Asset Management Update

Why Asset Management?

Delivering services and achieving organizational objectives requires a robust asset management system. "Asset management translates the organization's objectives into asset-related decisions, plans and activities, using a risk based approach." (International Standard ISO 55000, 2014).

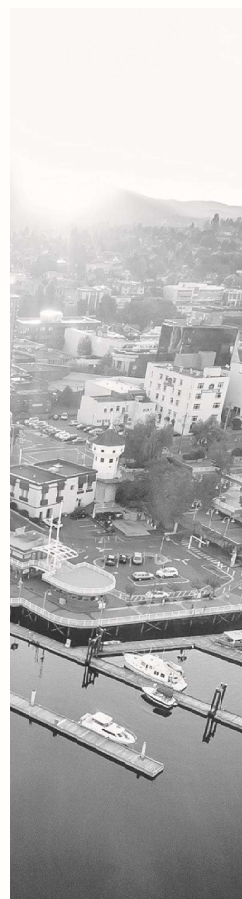
As outlined in ISO 55000, a robust asset management system must:

- Be informed by all stakeholders, regulatory and financial constraints.
- Be a key responsibility of leadership at all levels in the organization.
- Be a collaborative and integrated activity across the organization and include engineering, development environmental, social and financial disciplines.
- Include operating and performance monitoring and evaluation to ensure processes are achieving organizational objectives.
- Include continuous improvement initiatives that provide value in improving efficiency and effectiveness to achieving organizational objectives.

The required changes in financial reporting for municipalities in 2008 brought needed attention to aging infrastructure, and challenges facing local governments in funding operations, renewal and growth of their infrastructure. Asset management (AM) principles and practices were developed to help local governments face these challenges.

Increased global awareness and promotion of AM is evident in the Government of Canada's inclusion of asset management in the New Building Canada Plan and Gas Tax agreements. Furthermore, a growing number of provincial governments require or recommend demonstration of asset management capacity to determine local government's eligibility for grant funding.

The City of Nanaimo's investment in infrastructure supports delivery of needed and desired services to the community. The City faces operational, environmental, social and financial challenges in delivering these services due to: ageing infrastructure, growth, changing regulatory standards and the community's demand for new services. A robust asset management system (AM System) provides decision makers with information and analysis for infrastructure investment.



The City of Nanaimo has completed significant work in developing its asset management system and continues to improve collaboration, processes and information to support Council's decision making. In early 2013, Council received the City's first Asset Management Plan, '2012 Asset Management Update'. The update followed a multi-year process to: provide education and training, develop long term infrastructure renewal plans for all asset types and develop a funding strategy.

Council confirmed its support for the City's asset management system through:

- Creation of asset management reserves and annual contributions to those reserves through annual increases to property taxes and sewer and water user fees; and
- Included asset management as a strategic priority in its 2012 – 2015 Strategic Plan.



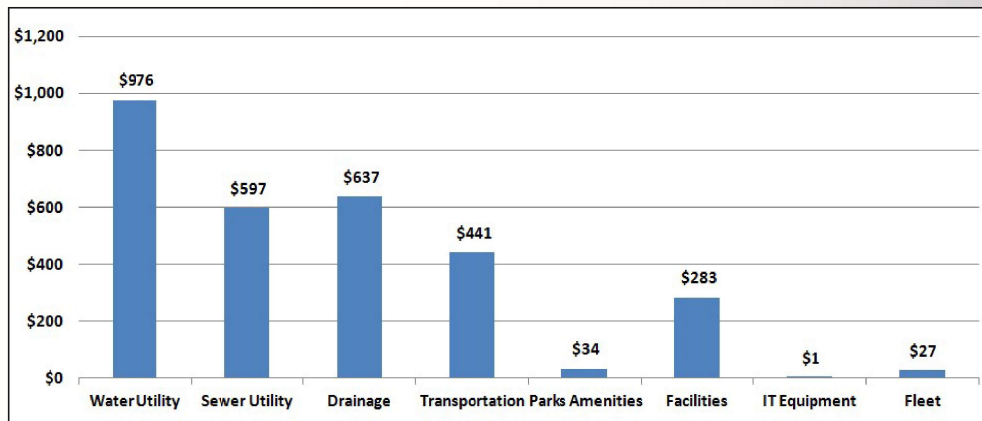
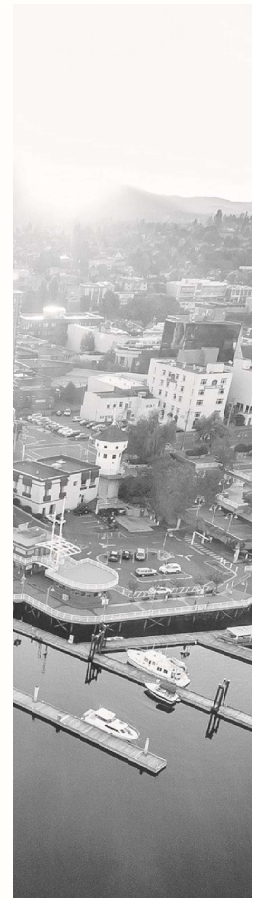
City Infrastructure Overview

The City provides a wide range of services to the community that require stewardship of a diverse group of assets. These assets provide needed and desired services to support the economic, environmental and social well being of the community.

The City currently owns and operates \$3 billion in infrastructure assets that support provision of police and fire protection, transportation, drainage, water, sewer, parks, recreation and cultural services.

The table below provides an overview of key asset types.

Infrastructure	Description	Current Asset Value - \$M	%
Water Utility	Water supply dams, water treatment plant, reservoirs, mains, control stations	976	33%
Sewer Utility	Mains, lift stations and forcemains	597	20%
Drainage	Mains	637	21%
Transportation	Roads, bridges, sidewalks, traffic signals, street lighting	441	15%
Parks Amenities	Playfields, playgrounds, trails, recreational dams	34	1%
Facilities	Civic offices, public works yard, fire and police buildings, parkades, recreation and cultural buildings	283	9%
IT Equipment	Fibre optic network, major servers	1	0%
Fleet	Cars, pickups, heavy equipment, sanitation equipment, fire apparatus, zambonis	27	1%
Total		2,996	100%



Asset Management Steering Committee

The City's Asset Management Steering Committee continues to lead and coordinate ongoing improvements to the organization's AM capabilities and competencies. The committee has representation from across the organization including engineering, development, facilities, IT and finance disciplines. Members of the committee lead specific initiatives such as review and updating infrastructure lifecycle planning models, participation in senior government programs and implementation of AM process and information improvements.

To date, the City's asset management activities have been primarily focused on:

- Development of organizational knowledge and capacity;
- Development and maintenance of long term asset management plans including renewal of current infrastructure and new/upgraded infrastructure required due to growth;
- Integrating asset management in strategic planning; and
- Participation in provincial and national asset management programs.

Presentations to Council later this year will provide more detailed information on the City's draft AM Policy and draft AM Strategy.

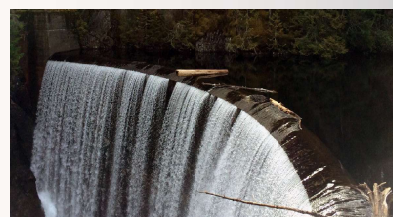


Asset Management Update

Asset Management includes all activities to operate, maintain, renew and construct infrastructure. The 2012 Asset Management Update focused on renewal of current infrastructure. Since then, further development of the City's AM System has included:

- Improvements to asset information, including implementation of condition assessment programs.
- Comprehensive review and update of long term renewal plans for all asset types, including useful life and replacement cost estimates.
- Comprehensive review and update of new/upgraded infrastructure required to accommodate growth.
- Participation in provincial and national asset management programs to develop AM governance, a risk framework and level of service measures to support the City's AM System.
- Increased cross-functional coordination through the Asset Management Steering Committee.
- Organizational changes and improvements to financial planning processes. Examples include creation of a Facilities management group and utilization of business cases.

The Asset Management Update includes both renewal of current infrastructure and new/upgraded infrastructure required due to growth.



Renewal of Current Infrastructure: Asset Management Lifecycle Plans

Asset management plans were prepared for each of the City's asset types (eg facilities, fleet, roads, drainage, sewer, water). The plans focus on renewal of current infrastructure include timing, costs and funding sources over the lifecycle of each asset type.

During 2016, cross-functional teams updated detailed asset management plans for all of the City's major asset types. This work required reviewing and updating complex models with:

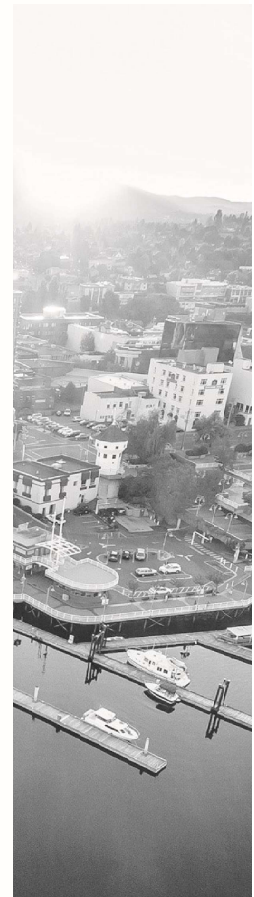
- Current inventory and condition data;
- Key assumptions for useful life or remaining useful life; and
- Projected infrastructure replacement timing and cost estimates.

New/Upgraded Infrastructure Due to Growth: Current DCC Review

The current DCC Review process included:

- Updated community growth estimates;
- Projected infrastructure investment including timing and cost;
- Proposed changes to current charges.

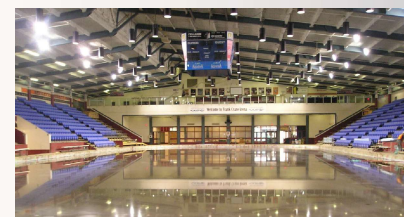
A separate DCC Review report will provide additional information and seek endorsement from Council for proceeding to next steps including stakeholder consultation and new DCC bylaw.



City Infrastructure Overview

The following sections provide updated information on each of the City's infrastructure types:

- Water Utility Infrastructure
- Sewer Utility Infrastructure
- General Fund
 - Transportation
 - Drainage
 - Parks Amenities
 - Facilities
 - Information Technology
 - Fleet



Water Utility Infrastructure

The City provides water that is clean and safe to drink with minimal service disruption, to satisfy all anticipated consumption and fire protection. The water utility is self funded through user fees which provide funding for annual operating and maintenance activities and for the infrastructure renewal program. In addition, development cost charges are collected from developers that provide funding for new/upgraded infrastructure required for growth.

The City's water system is made up of dams, reservoirs, facilities (pump/pressure reducing control stations), water treatment plant and over 600 kilometers of supply and distribution mains.

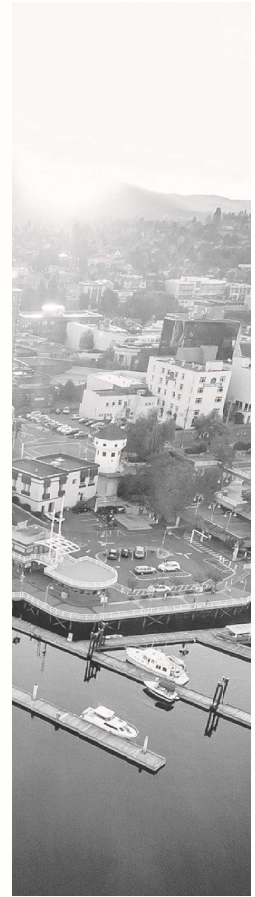
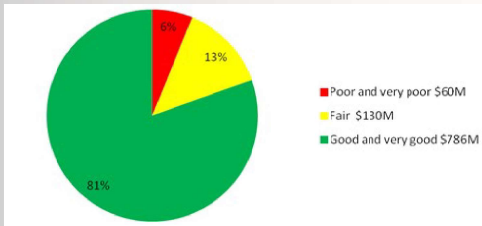
Department documents and processes are maintained to provide information on all infrastructure assets. Detailed information for mains including, location, material type and in-service year are maintained in the City's GIS system. Engineering drawings, often referred to as 'as built' drawings, are completed after construction of all water infrastructure and are the primary source of asset information.

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure;
- New/upgraded infrastructure required for growth.

Water Infrastructure Current Condition

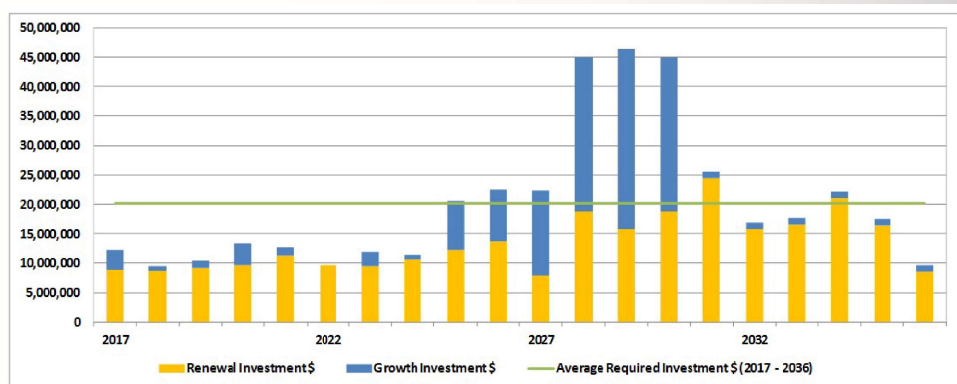
Condition of current infrastructure only, does not include capacity.



Water Infrastructure 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.

Due to growth, it is expected that a new dam will be needed to maintain adequate water supply. The cost of the new dam is estimated at \$88 million with design and construction anticipated to start in 2027.



Sewer Utility Infrastructure

The City provides sewer services that maintain public health and safety, with minimal service disruption and impact to the environment and property. The sewer utility is self funded through user fees which provide funding for annual operating and maintenance activities and for the infrastructure renewal program. In addition, development cost charges are collected from developers that provide funding for new/upgraded infrastructure required for growth.

The City's sewer system is made up of mains and facilities (lift stations). There are over 550 kilometers of sewer mains. Sewer treatment is provided by the Regional District of Nanaimo.

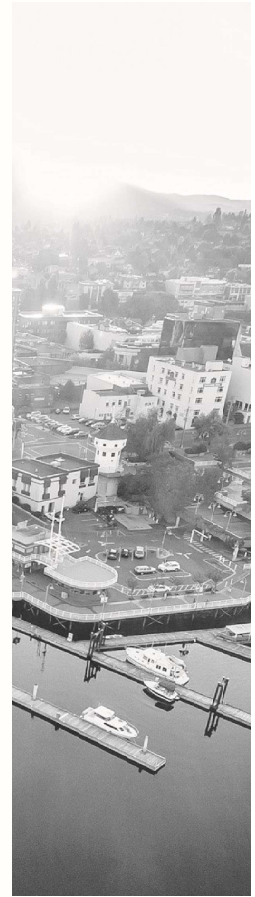
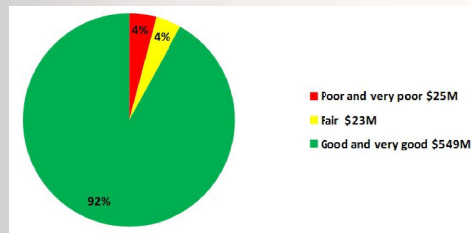
Department documents and processes are maintained to provide information on all infrastructure assets. Detailed information for mains including, location, material type and in service year are maintained in the City's GIS system. Engineering drawings, often referred to as 'as built' drawings, are completed after construction of all sewer infrastructure and are the primary source of asset information.

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure;
- New/upgraded infrastructure required for growth.

Sewer Infrastructure Current Condition

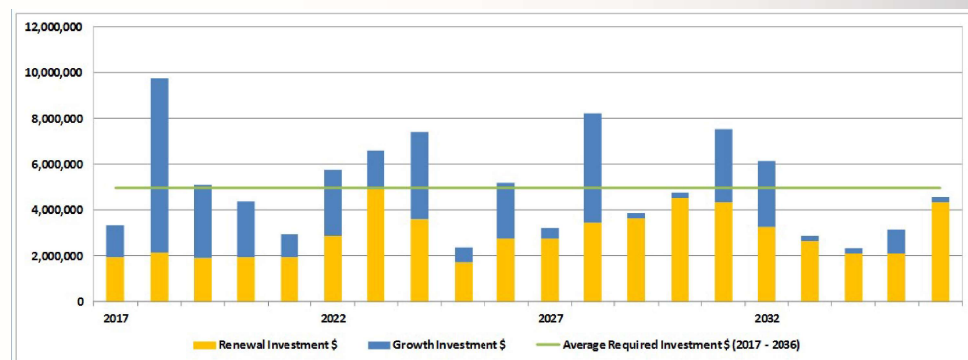
Condition of current infrastructure only, does not include capacity.



Sewer Infrastructure 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.

Due to growth, an upgrade to the Chase River Trunk is planned in 2018 for \$5M.



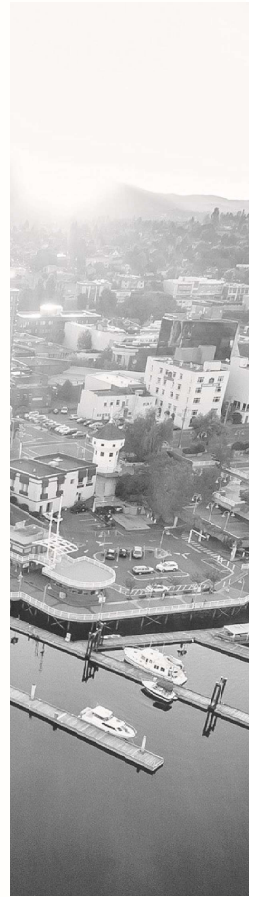
General Fund

Excluding the Water and Sewer Utilities, all other City services are primarily funded by property taxes. User fees are charged for some services including parks and recreation, solid waste collection and development services. In addition, development cost charges are collected from developers that provide funding for new/upgraded transportation, drainage and parks infrastructure required for growth.

General Fund long term infrastructure planning includes the following assets:

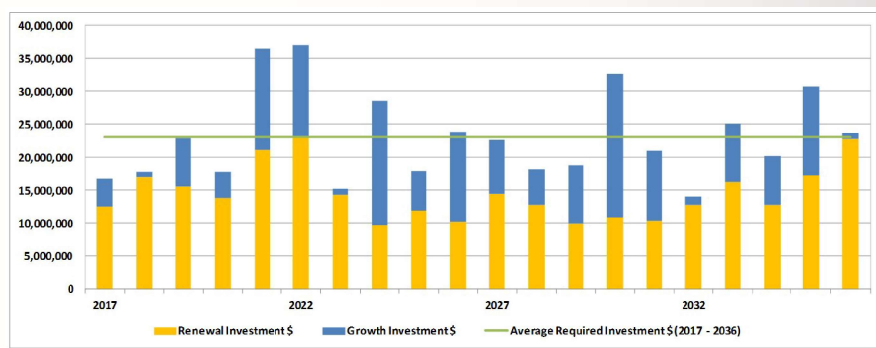
- Transportation
- Drainage
- Parks Amenities
- Facilities
- Information Technology
- Fleet

A summary of long term planning for the General Fund is followed by sections for each of the above-noted assets.



General Fund 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.



Transportation

The City provides transportation amenities that are safe, accessible, clean and convenient.

The City's transportation system includes roads (arterial, industrial, collector and local), bridges, sidewalks, traffic signals and street lights.

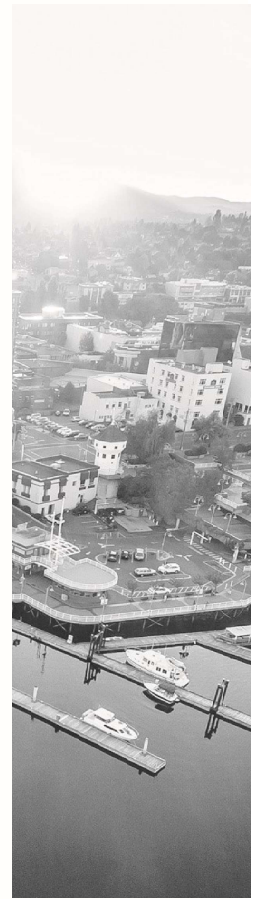
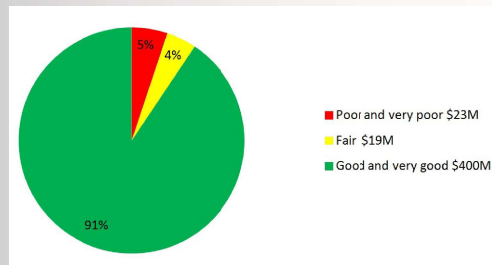
Detailed asset information for transportation infrastructure is maintained in the City's GIS system. Road inventory information is also maintained in the City's pavement management system (PMS). A condition assessment program is completed every three to five years that provides updated information to the PMS. Department documents are also maintained to provide additional information on bridges, sidewalks, traffic signals and street lighting.

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure;
- New/upgraded infrastructure required for growth.

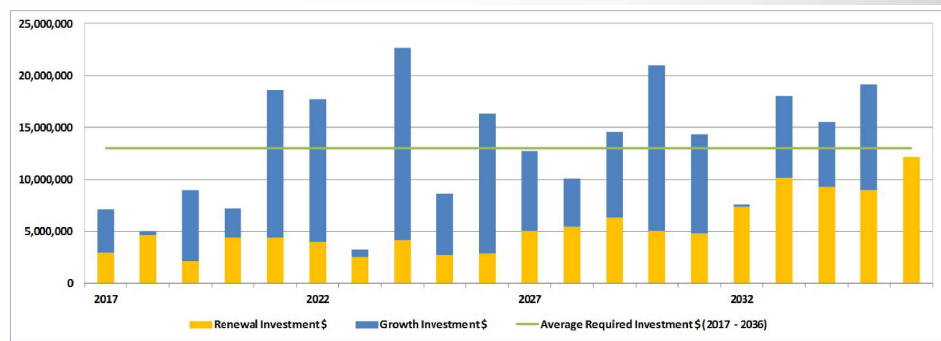
Transportation Infrastructure Current Condition

Condition of current infrastructure only, does not include capacity.



Transportation Infrastructure 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.



Drainage

The City provides a drainage system that minimizes impact to property and the environment.

The City's drainage system includes mains, ditches and retention ponds.

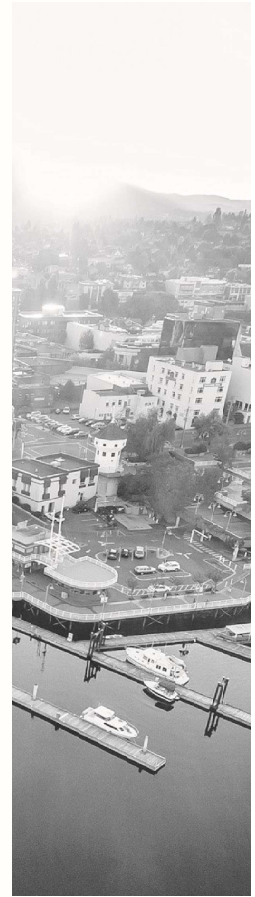
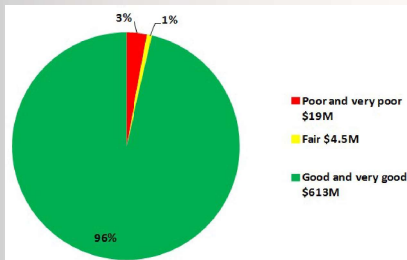
Detailed asset information for mains including location, material type and in service year are maintained in the City's GIS system. There is a ongoing data correction process underway to verify and update data in the GIS system. Engineering drawings, often referred to as 'as built' drawings, are completed after construction of drainage mains and are the primary source of asset information.

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure;
- New/upgraded infrastructure required for growth.

Drainage Infrastructure Current Condition

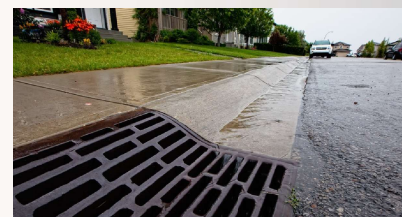
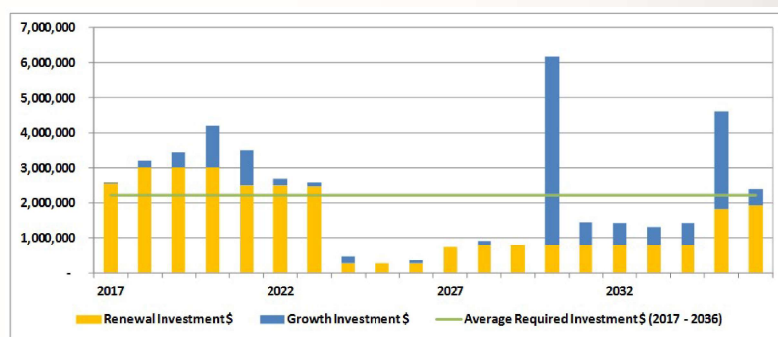
Condition of current infrastructure only, does not include capacity.



Drainage Infrastructure 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to resource and funding constraints.

Due to growth, it is expected that the development of a 'wet pond' for \$2.9 million will be constructed in 2030.



Parks Amenities

The City's current parks amenities include:

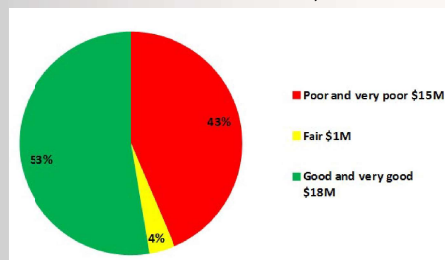
- 13 destination parks including Maffeo Sutton and Westwood Lake parks
- 87 neighbourhood parks
- 4 spray parks
- 23 sports fields including 2 artificial turf fields
- 61 playgrounds
- 12 tennis/sport courts
- 140 kilometres of trails
- 2 highway gateways
- 3 boat ramps
- 6 dams in recreational areas

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure;
- New/upgraded infrastructure required for growth.

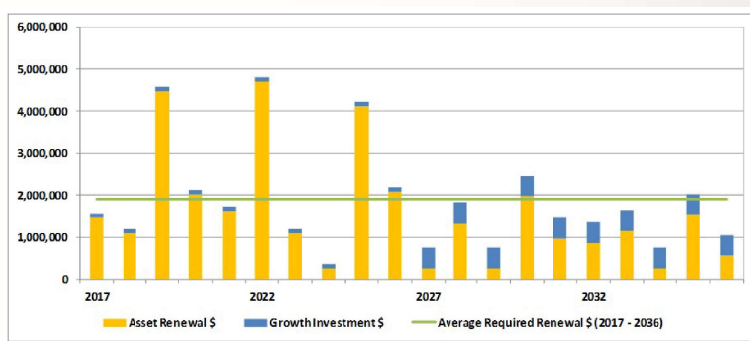
Parks Amenities Infrastructure Current Condition

Condition of current infrastructure only, does not include capacity.



Parks Amenities Infrastructure 20 Year Infrastructure Plan: Renewal and Growth

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.



Facilities

The City currently has over 100 facilities, which support delivery of services. These include:

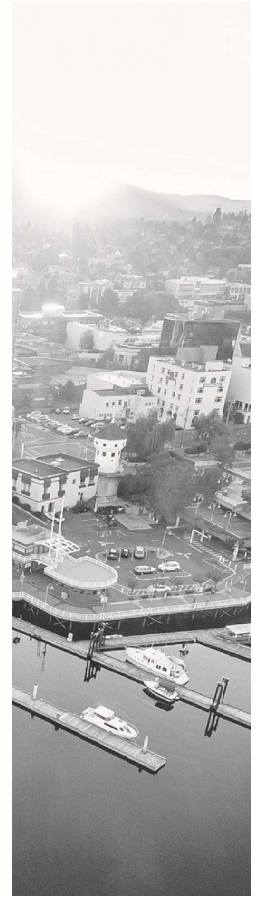
- Civic office buildings including City Hall and the Service and Resource Centre (SARC)
- Fire and police buildings
- Public works yards
- Recreation facilities including aquatic, arena and community centres
- Cultural facilities including the Port Theatre
- Parkades
- Port of Nanaimo Centre.

Asset management for buildings is complex, as they are made up of many components with different useful lives, different functions and different operating and maintenance requirements.

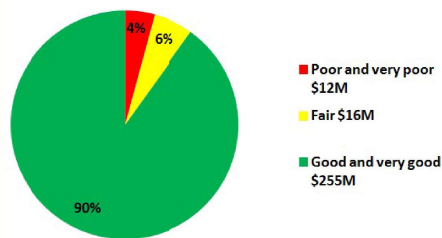
The facilities long term renewal plan is based on the replacement of existing components within each building to maintain current function and service levels. Department documents maintain inventory data for facilities and their components. Condition assessment programs have been implemented to support optimum functionality and replacement schedules for facilities. Ongoing energy saving initiatives will replace inefficient components with more energy efficient components. Significant work has been undertaken to improve facility asset information including the implementation of condition assessment programs.

The asset management update includes long term infrastructure investment plans for:

- Renewal of current infrastructure



Facilities Infrastructure Current Condition

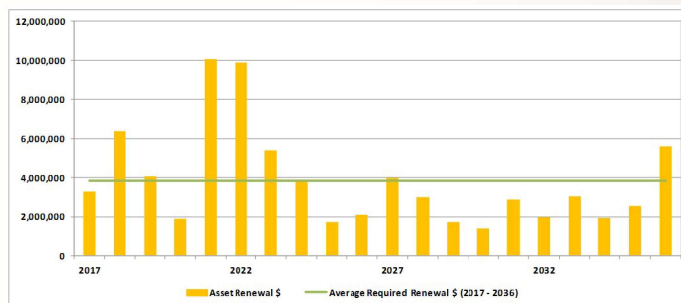


Facility Infrastructure 20 Year Infrastructure Renewal Plan: Renewal

The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.

The long term plan includes replacement of:

- Public Works Yard facility \$8.8M
- Departure Bay Activity Centre \$2.1M

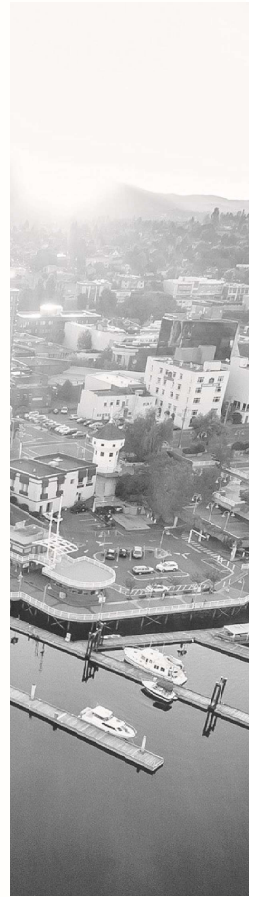
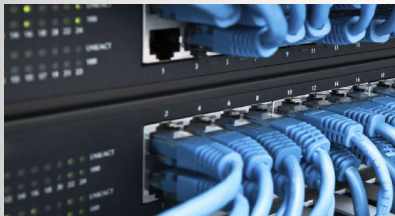


Information Technology

The City's technology equipment includes typical computer network hardware, software, communication infrastructure, radio systems and specialized equipment. These systems support over 140 business applications and 600 workstations distributed over many sites and supports day to day delivery of City services. Developing asset management plans for technology equipment is challenging as renewal can be required due to changing technologies, end of maintenance and support services as well as physical end of life. Replacement of assets may include different configurations and functionality as replacement with current functionality is no longer available.

The asset management update includes long term infrastructure investment plans for:

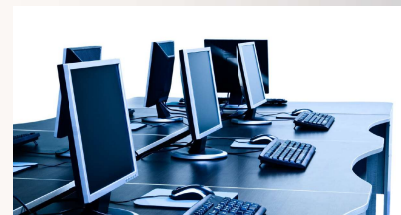
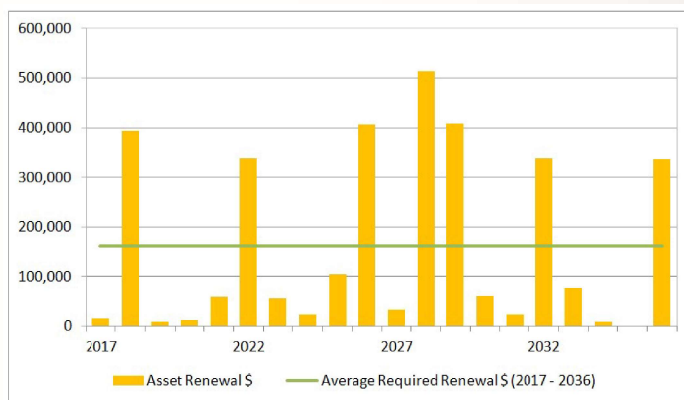
- Renewal of current infrastructure



Information Technology 20 Year Infrastructure Plan: Renewal

Includes only major IT hardware and fibre optic cable network.

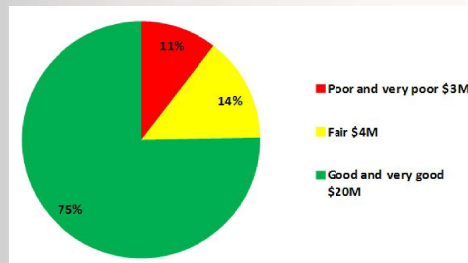
The graph is generated from the City's asset renewal models. Projected renewal needs in first five years will not be the same as projects in the City's approved Five Year Plan due to project prioritization, resource and funding constraints.



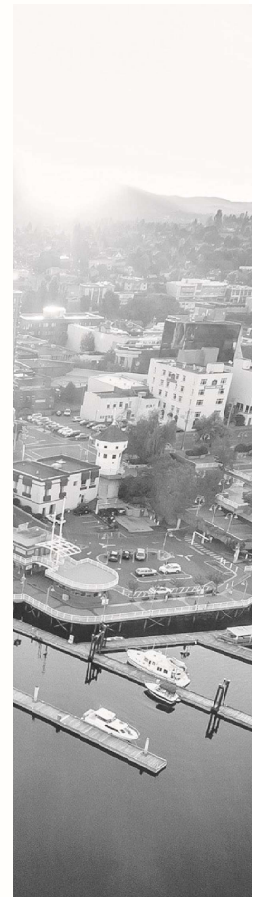
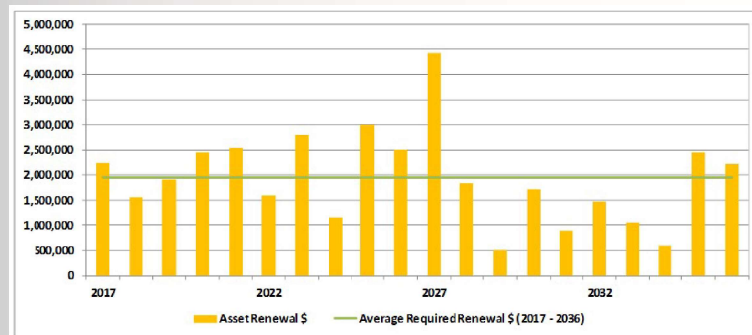
Fleet

The City's fleet includes cars, trucks, heavy equipment, solid waste collection equipment, fire apparatus and ice resurface equipment. The lifecycle of this equipment is relatively short lived compared to other City assets.

Fleet Current Condition



Fleet 20 Year Infrastructure Plan: Renewal



Continuous Improvement: The City's Asset Management System

The City's Asset Management Steering Committee is leading and coordinating the following AM improvement initiatives.

Sustainability

The City has participated in many sustainability initiatives to increase both awareness of environmental impacts in the community and to reduce the City's annual energy consumption.

The pillars of sustainability include environment, socio-cultural and economic components. While these factors are often included in the City's planning processes, there is a need to improve the transparency and consistency of applying sustainability criteria and objectives in the City's asset management system from strategic to operational levels.

Leadership in Asset Management Program (LAMP)

Nanaimo is one of 12 municipalities across Canada participating in a federal program to develop asset management tools. These tools include asset management governance documents and defined levels of service.

Expected benefits for the City are:

- Asset Management Policy (AM Policy) for Council's approval that will establish governance parameters for the management of the infrastructure used to provide City services. The policy will also describe guiding principles adopted in applying asset management to achieve the organization's objectives. These principles may include sustainability.
- Strategic Asset Management Strategy (SAMP) document that articulates how the organization deploys resources, processes and systems to meet AM objectives. The SAMP will focus on specific actions to be undertaken in the organization to improve/enhance its AM capabilities and competencies and to develop a structured set of actions aimed at enabling good, or where proven cost-effective, best AM practices.



- Defined levels of service (LOS) will identify specific performance measures at the operational, management and strategic level. These measures will inform infrastructure investment decisions and provide important feedback on the effectiveness of the City's AM system.

Risk Assessment Framework

Nanaimo is participating in a federal grant program to develop a risk framework that will support infrastructure investment decision making.

Staff Training

AM training and learning opportunities are provided to staff.

Information Management

AM is data intensive, and the City currently uses the GIS system and other systems and tools to maintain inventory and condition information on its assets. A GIS Strategic Plan is under way. A primary focus will be asset management information needs. A business case is being developed for a computerized maintenance management system (CMMS). This system would integrate operating activities with asset investment planning. Further development and implementation of condition assessment programs for facilities and parks amenities infrastructure will be included in future financial plans.



Appendix

Appendix A

Asset Management Reserves

In 2013, Council approved the following annual increases for contributions to asset management reserves. In 2017, the annual contribution to the General Asset Management Reserve will be \$4.7 million.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General AM Reserve	1.0%	1.0%	1.0%	1.0%	1.0%					
Sewer AM Reserve	5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Water AM Reserve	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%		

Below is a summary of contributions and withdrawals to the City's asset management reserves.

	Actual				2017 - 2021 Financial Plan						
	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
General Fund											
General Fund Asset Management	0	837,682	2,524,998	4,863,087	7,551,309	5,943,698	4,596,992	6,994,737	10,469,195		
Additions	897,309	1,822,389	4,394,824	3,777,925	4,723,913	4,701,921	4,709,745	4,753,458	4,797,070	34,578,554	
Withdrawals	59,627	135,073	2,056,735	1,089,703	6,331,524	6,048,627	2,312,000	1,279,000	2,413,000	21,725,289	
Balance @ December 31	837,682	2,524,998	4,863,087	7,551,309	5,943,698	4,596,992	6,994,737	10,469,195	12,853,265		
Sewer Fund											
Sanitary Sewer Asset Management	0	238,155	746,650	512,605	834,515	1,031,770	798,097	1,271,965	1,388,177		
Additions	238,155	508,495	793,114	1,093,156	1,415,425	1,688,327	1,968,368	2,273,314	2,587,906	12,566,260	
Withdrawals	0	0	1,027,159	771,245	1,218,171	1,922,000	1,494,500	2,157,102	1,628,246	10,218,423	
Balance @ December 31	238,155	746,650	512,605	834,516	1,031,770	798,097	1,271,965	1,388,177	2,347,837		
Water Fund											
Water Asset Management	0	308,840	943,649	1,225,984	1,135,280	2,311,281	3,986,835	2,622,744	3,162,909		
Additions	308,840	634,809	987,345	1,361,522	1,755,245	2,202,554	2,662,909	3,149,165	3,146,362	16,208,752	
Withdrawals	0	0	705,010	1,452,226	579,245	527,000	4,027,000	2,609,000	4,063,100	13,962,581	
Balance @ December 31	308,840	943,649	1,225,984	1,135,280	2,311,281	3,986,835	2,622,744	3,162,909	2,246,171		
In 2015, \$1.5M transferred from local improvement reserve to general asset management reserve											

In 2015, \$1.5M transferred from local improvement reserve to general asset management reserve

Definitions

Definitions

Asset: A useful or valuable resource with the intended purpose of providing a benefit or service.

Asset Management: An integrated approach involving planning, engineering and finance to effectively manage existing and new municipal infrastructure to maximize benefits, reduce risk and provide satisfactory levels of service to the community.

Asset Management Plan: A plan developed for the management of infrastructure assets that combines multi-disciplinary management strategies (including technical and financial) over the lifecycle of the asset type in the most cost-effective manner to deliver a specified level of service.

Asset Management Policy: Endorsed by senior management to establish responsible governance for the practice of asset management. The policy includes guiding principles in applying asset management to achieve the organization's objectives.

Asset Management Strategy: Focuses on specific actions to be undertaken in the organization to improve/enhance its AM capabilities and competencies and to develop a structured set of actions aimed at enabling good, or where proven cost-effective, best practices.

Asset Management System: A structured approach for the development, coordination and control of activities for managing assets that align organizational activities to deliver services and meet organizational objectives.

Asset Type: Group of assets that have similar characteristics and/or functionality.

Development Cost Charges (DCC): The Local Government Act allows the City to collect monies from developers to offset new/upgraded infrastructure investment needed for growth. The City of Nanaimo has enjoyed a prolonged period of steady growth and that growth is expected to continue. The City has been collecting DCCs since 2001. Periodic reviews of the expected investment in infrastructure and charges support Council's decision regarding rates. The current DCC review process is nearing completion.

ISO: International Organization for Standardization is an international standard setting body composed of representatives from various national standards organizations.

Level of service: A composite indicator that reflects the social, environmental and economic goals of the community and may include any of the following parameters: safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost and availability.

Definitions - con't

Lifecycle costs: Lifecycle costs refer to the total cost of ownership over the life of an asset. This may include but is not limited to capital costs, operating costs, maintenance costs, renewal costs, replacement costs, environmental costs and decommissioning costs.

Stakeholders: Internal and external people and organizations that can affect or be affected by the organization's actions. Examples include members of the community including businesses, Council, employees, unions, suppliers and other governments.

Sustainability: The pillars of sustainability include ensuring that the current social, economic and environmental commitments are considered in investment decisions and that those decisions will not compromise the ability of future generations to meet their own needs.

Upgrade: Investment in added or enhanced components to existing infrastructure assets designed to increase service capacity required for growth. Upgrading may also be required to meet building code changes, new regulations, adjusted service levels, or technology improvements.

Acronyms

AM	Asset Management
AM Policy	Asset Management Policy
DCC	Development Cost Charges
ISO	International Standards Organization
SAMP	Strategic Asset Management Strategy

DATE OF MEETING OCTOBER 21, 2020

AUTHORED BY JANE RUSHTON, MANAGER, PURCHASING AND STORES

SUBJECT **QUARTERLY PURCHASING REPORT (SINGLE AND SOLE SOURCE, PURCHASES IN EXCESS OF \$250,000 AND INSTANCES OF NON-COMPLIANCE PURCHASES)**

OVERVIEW

Purpose of Report:

To provide information in compliance with the City's Procurement Policy (03-1200-01) regarding single and sole source purchases, awards in excess of \$250,000 and policy non-compliance for the quarter 2020-JUL-01 to 2020-SEP-30.

DISCUSSION

The City's Procurement Policy (03-1200-01) requires:

17 Reporting

17.1 On a quarterly basis, Council will be provided with an information report summarizing the following:

- 17.1.1 Sole source and single source purchases between \$25,000 and \$250,000;
- 17.1.2 Award of all purchases in excess of \$250,000; and,
- 17.1.3 Instances of Non-Compliance and action taken in each instance.

This report outlines results of the above processes for information. Further details are summarized in Attachments 1 and 2 to this report.

Sole Source Purchases

"Sole Source Purchase" means a non-competitive acquisition whereby the purchases for goods and or services are directed to one source where there is only one available Vendor or Contractor of that good and or service that meets the needs or requirements of the City. Sole source purchases go through an internal control review process and sign off covering justification, review of decision and costs.

Single Source Purchases

"Single Source Purchase" means a non-competitive acquisition whereby purchases for goods and or services are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

Due to staffing constraints, the City is not able at this time to undertake internal audits or reviews to determine policy compliance deviations. The City's internal controls have been updated to flag non-compliance going forward using current Staff, and if it is determined that the associated risks are significant additional resources will be requested from Council.

SUMMARY POINTS

- The City undertook sixteen (16) Single and Sole Source purchases subject to Procurement Policy (03-1200-01) reporting for a total amount of \$690,497.27 including PST for the period ending 2020-SEP-30.
- The City undertook five (5) purchases in excess of \$250,000 subject to Procurement Policy (03-1200-01) reporting for a total amount of \$6,835,853.10 including PST for the period ending 2020-SEP-30.
- The City undertook no instances of Procurement Policy non-compliance purchases subject to Procurement Policy (03-1200-01) for the period ending 2020-SEP-30.
- The City's Procurement Policy requires Staff to provide this information to Council on a quarterly basis.

ATTACHMENTS

- Attachment 1 – Single and Sole Source Purchases >\$25,000<=\$250,000
- Attachment 2 – Purchases Greater than \$250,000 Summary

Submitted by:

Jane Rushton
Manager, Purchasing and Stores

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
General Manager, Corporate Services

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2707	Community Development	Low Hammond Rowe Architects	Architectural and Prime Consultant Services for SARC modifications	\$58,000.00	One with which staff have specialized training and/or expertise and where there is demonstrated value to continue consultant services into the next project phase
2637	Water Resources	Copcan Civil Limited	Repair and remediation of access road, concrete barrier and other infrastructure caused by heavy rainfall	\$89,421.24	Urgently required on an emergency basis
2497	Parks Recreation & Culture	Black and McDonald Limited	Remove/reduce the 24 foot high outfield fence down to 8 foot	\$55,283.13	Urgently required due to the state of the fence
2498	Information Technology	Mc Squared Design Group, Inc.	Audio Visual system design services for Shaw Auditorium & Rispin Committee Room in the Vancouver Island Conference Centre	\$75,000.00	One with which staff have specialized training and extensive experience and where there is demonstrated value to continue consultant services into next phase
2003	Engineering and Environment	Pearce Biological Consulting	Continuation of the Canada Goose Abundance, Distribution and Movement Study	\$6,000.00	One with which staff have specialized training and/or expertise and where there is demonstrated value to continue consultant services into the next project phase. Accumulated spend exceeds \$25k.
2722	Engineering	Herold Engineering Limited	Lost Lake civil engineering, storm sewer, sanitary sewer and road works and design	\$27,415.00	One with which staff have specialized training and/or expertise.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2406	Parks, Recreation and Culture	Read Jones Christoffersen Ltd. (RJC)	Engineering services for the Nanaimo Aquatic Center Roof Repair	\$55,200.00	One with which staff have specialized training and/or expertise and demonstrated value to continue consultant services into the next phase
2723	Engineering Projects	TELUS Communications Inc.	Relocation of overhead lines and installation of service to the new Fire Station #1	\$30,054.72	Where there is an absence of competition and no acceptable alternative or substitute exists; services are available through only one authorized service provider.
2688	Engineering Projects	BC Hydro	Design fees and portion of construction install ion for new power service to the new Fire Station 31	\$8,032.00	Where it can be demonstrated the product or service is available only through one authorized manufacturer, distributor, dealer or service provider. Accumulated spend exceeds \$25k.
2631	Engineering & Public Works	Alpin & Martin Consultants Ltd	Complete engineering survey and civil design for the replacement (upgrade) of the watermains along Trinity and Garside Drive	\$30,000.00	One with which staff have specialized training and/or expertise.
2410	Water Resources	Computrol Fuel Systems Inc.	Continuation of the City's automatic prebilling system for the Bulk Water Filling Stations	\$5,029.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25k.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2741	Construction Projects	Telus Communications Inc.	Relocation of Telus poles to the property line to allow for unimpeded pedestrian zone	\$50,491.30	Where there is an absence of competition and no acceptable alternative or substitute exists. Where it can be demonstrated the service is available only through one service provider.
2721	Real Estate	Colliers Project Leaders Inc.	Create a Civic Precinct Real Estate Strategy	\$51,200.00	One with which staff have specialized training and/or expertise.
2517	Engineering	Vannstruth Consulting Group Inc.	Refining the existing model from a Planning Area level to a more granular Traffic Area Zone level of detail using the same model as generated for the Region.	\$68,530.00	Where there is demonstrated value to continue consultant services into the next project phase.
2750	Water Resources	Test Right Rigging Ltd	South Fork Dam South abutment remediation	\$46,450.00	One with which staff have specialized training and/or expertise.
2733	Parks Recreation & Culture	Roto Rooter Plumbers Coastal Drain Cleaning Services Ltd	Supply and install touchless washroom fixtures in the Port Theatre	\$34,390.88	To ensure compatibility with existing equipment, facilities or to maintain specialized products by the manufacturer or representative.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Comment
2477	Construction	G&G Roofing Ltd	2020 Nanaimo Aquatic Center (NAC) Roof Repairs Phase 2	\$830,626.50	Four compliant submissions were received
2624	Engineering & Public Works	Raylec Power LP	LED Street Lighting Replacement Program Ph3	\$283,641.60	Three compliant submissions received
2629	Construction	Pacific Industrial & Marine Ltd	Marine Works for 2020	\$718,520.00	Four compliant submissions received
2649	Construction	Hazelwood Construction Services Inc.	Caspers Way Roads & Utility Project	\$1,043,648.00	Seven compliant submissions were received
2625	Engineering Projects	David Stalker Excavating Ltd	Metral Drive Complete Street Corridor Phase 1	\$3,959,417.00	Seven compliant submissions were received

DATE OF MEETING OCTOBER 21, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

SUBJECT 2021 PREMIUM COST INCREASES

OVERVIEW

Purpose of Report:

To provide Council with 2021 cost estimates for WorkSafe BC and liability insurance premiums.

DISCUSSION

The drafting of the 2021–2025 Financial Plan is currently underway and will be presented to Council in late November. Part of the draft preparation process is to incorporate updated premium rates as they are received. Staff has received premium estimates from both WorkSafe BC and liability insurance. As the premium increases for both are expected to be quite substantial, Staff felt that it was appropriate to bring it to your attention in advance of the Financial Plan presentations.

WorkSafe BC Premium

The City has been advised by WorkSafe BC that premiums for 2021 will be going up substantially. Preliminary calculations indicate an increase of approximately \$495,000 for the City as a whole. The bulk of the premium will be funded by general property taxation with remaining funding through sewer, water and garbage user fees.

Our WorkSafe BC premiums consist of a base rate which applies to all members of a classification unit (in our case, the classification unit is Local Government and Related Operations) as well as an employer-specific rate that is added to the base rate. The employer-specific rate reflects our performance relative to the group, and can result in either a surcharge or a discount to the base rate. The premium rate results from a complex calculation that actually reflects the City's claims costs from two, three and four years ago. So, while we have reduced claims costs overall in the past couple of years compared to the few years previous, it will take time for these improvements to be reflected in our premium rate.

The WorkSafe BC premium increase from 2020 to 2021 is based primarily on the following factors listed below.

1. Our employer-specific rating increased slightly, reflecting our proportion of the claims within the classification unit over the years 2017, 2018 and 2019.
2. The base rate for our classification unit rose almost 19%, compared with an increase of just over 5% in the previous year.

3. The maximum wage per worker, upon which WorkSafe bases its payments for things such as disability pensions, increased almost 15%. In comparison, the maximum wage rose by under 3% in the previous year.

The City continues to work on reducing both the number of time loss injuries, as well as the duration of those injuries. A key to this has been early intervention and disability management, along with the support of managers, union representatives, employees and their physicians. The final premium rate will be received before the end of November.

5 Year Cost Summary – WorkSafe BC:

Year	Amount	Rate %	Max Wage
2016	\$ 1,129,428	2.48%	\$ 80,600
2017	\$ 1,110,224	2.39%	\$ 81,900
2018	\$ 1,027,164	2.13%	\$ 82,700
2019	\$ 1,290,710	2.63%	\$ 84,800
2020*	\$ 1,287,526	3.29%	\$ 87,100
2021 Est	\$ 2,084,605	4.12%	\$ 100,000

* **NOTE:** Fourth quarter payment will not be paid until January 2021 – estimated total for 2020 is \$1,570,303

Liability Insurance Premium

The Municipal Insurance Association of BC (MIABC) provides the City's liability insurance coverage. The MIABC Board of Directors has set the preliminary liability insurance assessment rates for the 2021 policy.

The premium for 2021 is estimated at \$608,261, representing a \$121,124 increase over 2020. This estimate is intended for budgetary purposes and rates will be finalized after Board of Directors December meeting. The final invoice amount for the liability insurance assessment quoted on this estimate will not exceed this total estimate for the deductible level indicated.

According to MIABC, the economic disruption brought on by the pandemic has intensified the hardening insurance market as a whole, resulting in dramatic premium increases. Out of a necessity to fund claims adjusted to a higher risk environment, caps to limit year over year increases are not presented in the estimate as has been done previously. As such, the City is seeing a rate increase that is larger than in previous years as the caps limiting is no longer being used to soften any increase arising from experience rating, population growth and other factors.

- The assessment reflects year over year changes in our population and experience rating. Experience rating is based on our claims development in the 2015 to 2019 policy years.
- Experience premiums and discounts are calculated using the MIABC's member approved experience rating formula.

In advance of their December meeting, the Board will be examining a number of options to help mitigate the increase. MIABC staff will present recommendations to the Board following a review of possible alternatives with the Finance Member Advisory Group before rates are finalized in December.

5 Year Cost Summary – Liability Insurance:

Year	Amount
2016	\$ 468,215
2017	\$ 482,256
2018	\$ 497,430
2019	\$ 459,039
2020	\$ 487,137
2021 Est	\$ 608,261

CONCLUSION

The estimated premium for liability insurance has been included in the Draft 2021-2025 Financial Plan that will be presented to Council near the end of November. The WorkSafe BC rate change will be incorporated into the Provisional 2021-2025 Financial Plan once final rates are received.

Any changes to these rates after adoption of the Provisional Plan will be incorporate into the Final 2021-2025 Financial Plan as appropriate. |

SUMMARY POINTS

- Drafting of the 2021-2025 Financial Plan is currently underway and is updated to include premium costs as they are received.
- Preliminary 2021 rates for WorkSafe BC have been received and it is anticipated to cost an estimated \$495,000 more than 2020.
- A preliminary 2021 liability insurance premium has been received from MIABC and it is anticipated that the increase will be \$121,124 more than 2020.

Submitted by:

Laura Mercer
Director, Finance

Concurrence by:

Shelley Legin
GM, Corporate Services

John Van Horn
Director, Human Resources

Sheila Gurrie
Director, Legislative Services

DATE OF MEETING October 21, 2020

AUTHORED BY SKY SNELGROVE, STENO COORDINATOR & DEPUTY
CORPORATE OFFICER

SUBJECT **2021 FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR**

OVERVIEW

Purpose of Report

To present for the Finance and Audit Committee's consideration, three options for the draft 2021 Key Date Calendar.

Recommendation

That the Finance and Audit Committee:

1. select either the third **or** fourth Wednesday of the month as their reoccurring meeting date;
2. hold meetings in-person at the Shaw Auditorium; and,
3. recommend that Council approve the selected 2021 Finance and Audit Committee Key Date Calendar.

BACKGROUND

Prior to December 31st of each year, a key date calendar for the upcoming year is prepared for each Council committee or task force. Currently, Finance and Audit Committee (Committee) meetings are held monthly on the third Wednesday of the month from 9:00 am to 12:00 pm. Prior to the COVID-19 pandemic, meetings were held in person in the Boardroom, Service and Resource Centre and special budgetary meetings were held at the Conference Centre. In order to maintain physical distancing at meetings where all members of the committee are in attendance, meetings have been held in the Shaw Auditorium of the Vancouver Island Conference Centre.

DISCUSSION

Staff have prepared three versions of the draft 2021 Key Date Calendar for the committee's consideration.

Option one (Attachment A) maintains the status quo where meetings are held on the third Wednesday of the month from 9:00 am to 12:00 pm, in the Shaw Auditorium. The Shaw Auditorium is recommended as the location as physical distancing can be safely maintained. Staff note that with the upcoming change for Public Hearings to be held on the third Thursday of the month, Council's third week of the month will generally have three meetings: Council on Monday evening, Finance and Audit on Wednesday morning and Public Hearing on Thursday night. In

order to provide an option to spread out the workload for Council, the fourth Wednesday of the month to hold Finance and Audit Committee meetings is provided.

Option two (Attachment B) schedules committee meetings on the fourth Wednesday of the month from 9:00 am to 12:00 pm in the Shaw Auditorium.

Option three (Attachment C) provides that meetings are held virtually (over Zoom) and staff would be located in the Boardroom, Service and Resource Centre. Virtual meetings could be held on either date option. If the Committee chooses to hold virtual meetings, they would still need to select a meeting day. Only the chair, staff and pre-registered delegations would be present at the meeting location for virtual meetings.

In September 2021, the Union of British Columbia Municipalities Conference falls during the third week of the month; therefore, the September committee meeting will be held in the fourth week of the month. When selecting a day of the month for the Finance and Audit Committee meetings, other considerations include Governance and Priorities Committee meetings held on Monday's opposite Council meetings and Regional District of Nanaimo Regular Board meetings held on the fourth Tuesday of each month at 1:00 pm.

Staff are able to accommodate the workload associated with all meeting options. Meetings will continue to be live streamed and recorded regardless of location. Changing the meeting date to the first or second Wednesday of the month is not presented as an option due to other scheduling conflicts.

"Council Procedure Bylaw 2018 No. 7272" includes a clause that Regular Council Meetings will not be held in August to allow for a summer break. Finance and Audit Committee Meetings have not been scheduled in August in order to align with this schedule; however, special meetings may still be held, if required. |

OPTIONS

1. That the Finance and Audit Committee recommend that Council:
 1. hold Finance and Audit Committee meetings on the third Wednesday of the month, in-person in the Shaw Auditorium; and,
 2. approve option one (Attachment A) as the 2021 Finance and Audit Committee Key Date Calendar.
 - The advantages of this option: The meeting schedule will be maintained with Finance and Audit Committee meetings held on the third Wednesday of the month at the Shaw Auditorium.
 - The disadvantages of this option: If all scheduled meetings proceed Council will have three meetings in one week (Council, Finance and Audit and Public Hearing).
 - Financial Implications: Costs include room rental, food and beverage service, and external information technology support. The average cost of a three hour Finance and Audit Committee meeting held in the Shaw Auditorium is \$1,850.

2. That the Finance and Audit Committee recommend that Council:
 1. hold Finance and Audit Committee meetings on the fourth Wednesday of the month, in-person in the Shaw Auditorium; and,
 2. approve option two (Attachment B) as the 2021 Finance and Audit Committee Key Date Calendar.
 - The advantages of this option: The meeting schedule will be adjusted with Finance and Audit Committee meetings held on the fourth Wednesday of the month at the Shaw Auditorium.
 - The disadvantages of this option: Council may prefer to group their meetings together in one week. Two meetings will be held in the fourth week of the month (Governance and Priorities Committee and Finance and Audit Committee)
 - Financial Implications: Costs include room rental, food and beverage service, and external information technology support. The average cost of a three hour Finance and Audit committee meeting held in the Shaw Auditorium is \$1,850.
3. That the Finance and Audit Committee recommend that Council:
 1. hold meetings virtually;
 2. select either the third **or** fourth Wednesday of the month as their meeting day; and,
 3. approve Option three (Attachment C) for the 2021 Finance and Audit Committee Key Date Calendar.
 - The advantages of this option: Meetings will be held virtually with only the Chair, staff and delegations attending meetings in person in the Boardroom, Service and Resource Centre.
 - The disadvantages of this option: The Committee may find it challenging to conduct business electronically.
 - Financial Implications: Costs include beverage service and Zoom licence fees, approximately \$300/year. Zoom licence fees are applicable whether meetings are held electronically or in person as Zoom is used to facilitate other meetings. |

SUMMARY POINTS

- Three versions of the draft 2021 Finance and Audit Committee Key Date Calendar are presented for Council to choose a meeting day and method of delivery.
- Finance and Audit Committee meetings are currently scheduled from 9:00 am to 12:00 pm on the third Wednesday of the month in the Shaw Auditorium.
- Options to schedule Finance and Audit Committee meetings from 9:00 am to 12:00 pm on the third or fourth Wednesday of the month, in the Shaw Auditorium are provided.
- An additional alternative option to hold meetings electronically on either the third or fourth Wednesday of the month is provided.

ATTACHMENTS:

Attachment A: Option One – Draft 2021 Finance and Audit Committee Key Date Calendar
Attachment B: Option Two – Draft 2021 Finance and Audit Committee Key Date Calendar
Attachment C: Option Three – Draft 2021 Finance and Audit Committee Key Date Calendar |

Submitted by:

Sheila Gurrie
Director, Legislative Services |

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin,
General Manager,
Corporate Services |

ATTACHMENT A

City of Nanaimo

FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR – 2021

Finance and Audit Committee meetings are held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, unless otherwise stated.

Committee	Start Time	End Time	Day of the Month
Finance and Audit Committee	9:00 a.m.	12:00 p.m.	3 rd Wednesday, exception noted with *

January 1 *New Years Day*
January 20 **Finance and Audit Committee**

February 15 *Family Day*
February 17 **Finance and Audit Committee**

March 17 **Finance and Audit Committee**

April 2 *Good Friday*
April 5 *Easter Monday*
April 16-18 **AVICC Convention**
April 21 **Finance and Audit Committee**

May 19 **Finance and Audit Committee**
May 24 *Victoria Day*

June TBD **FCM Conference**
June 16 **Finance and Audit Committee**

July 1 *Canada Day*
July 21 **Finance and Audit Committee**

August 2 *BC Day*
No Meeting in August

September 6 *Labour Day*
September 13-17 **UBCM Conference**
September 22 **Finance and Audit Committee***

October 11 *Thanksgiving Day*
October 20 **Finance and Audit Committee**

November 11 *Remembrance Day*
November 17 **Finance and Audit Committee**

December 15 **Finance and Audit Committee**
December 25 *Christmas Day*
December 26 *Boxing Day*

ATTACHMENT B

City of Nanaimo

FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR – 2021

Finance and Audit Committee meetings are held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, unless otherwise stated.

Committee	Start Time	End Time	Day of the Month
Finance and Audit Committee	9:00 a.m.	12:00 p.m.	4th Wednesday

January 1 *New Years Day*
January 27 **Finance and Audit Committee**

February 15..... *Family Day*
February 24..... **Finance and Audit Committee**

March 24..... **Finance and Audit Committee**

April 2 *Good Friday*
 April 5..... *Easter Monday*
April 16-18..... **AVICC Convention**
April 28..... **Finance and Audit Committee**

May 24 *Victoria Day*
May 26 **Finance and Audit Committee**

June TBD **FCM Conference**
June 23..... **Finance and Audit Committee**

July 1 *Canada Day*
July 28..... **Finance and Audit Committee**

August 2 *BC Day*
No Meeting in August

September 6..... *Labour Day*
September 13-17..... **UBCM Conference**
September 22..... **Finance and Audit Committee**

October 11 *Thanksgiving Day*
October 27 **Finance and Audit Committee**

November 11..... *Remembrance Day*
November 24..... **Finance and Audit Committee**

December 22..... **Finance and Audit Committee**
 December 25..... *Christmas Day*
 December 26..... *Boxing Day*

ATTACHMENT C

City of Nanaimo

FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR – 2021

Finance and Audit Committee meetings are held electronically, unless otherwise stated.

Committee	Start Time	End Time	Day of the Month
Finance and Audit Committee	9:00 a.m.	12:00 p.m.	4th Wednesday

January 1 *New Years Day*
January 27 **Finance and Audit Committee**

February 15 *Family Day*
February 24 **Finance and Audit Committee**

March 24 **Finance and Audit Committee**

April 2 *Good Friday*
April 5 *Easter Monday*
April 16-18 **AVICC Convention**
April 28 **Finance and Audit Committee**

May 24 *Victoria Day*
May 26 **Finance and Audit Committee**

June TBD **FCM Conference**
June 23 **Finance and Audit Committee**

July 1 *Canada Day*
July 28 **Finance and Audit Committee**

August 2 *BC Day*
No Meeting in August

September 6 *Labour Day*
September 13-17 **UBCM Conference**
September 22 **Finance and Audit Committee**

October 11 *Thanksgiving Day*
October 27 **Finance and Audit Committee**

November 11 *Remembrance Day*
November 24 **Finance and Audit Committee**

December 22 **Finance and Audit Committee**
December 25 *Christmas Day*
December 26 *Boxing Day*

OR

ATTACHMENT C

Committee	Start Time	End Time	Day of the Month
Finance and Audit Committee	9:00 a.m.	12:00 p.m.	3rd Wednesday, exception noted with *

January 1 *New Years Day*
January 20 **Finance and Audit Committee**

February 15..... *Family Day*
February 17 **Finance and Audit Committee**

March 17..... **Finance and Audit Committee**

April 2 *Good Friday*
April 5..... *Easter Monday*
April 16-18..... **AVICC Convention**
April 21 **Finance and Audit Committee**

May 19 **Finance and Audit Committee**
May 24 *Victoria Day*

June TBD **FCM Conference**
June 16..... **Finance and Audit Committee**

July 1..... *Canada Day*
July 21 **Finance and Audit Committee**

August 2 *BC Day*
No Meeting in August

September 6..... *Labour Day*
September 13-17..... **UBCM Conference**
September 22..... **Finance and Audit Committee***

October 11 *Thanksgiving Day*
October 20 **Finance and Audit Committee**

November 11..... *Remembrance Day*
November 17..... **Finance and Audit Committee**

December 15..... **Finance and Audit Committee**
December 25..... *Christmas Day*
December 26..... *Boxing Day*