



**AGENDA**  
**FINANCE AND AUDIT COMMITTEE MEETING**

November 18, 2020, 9:00 AM - 12:00 PM  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE  
80 COMMERCIAL STREET, NANAIMO, BC

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Pages

**1. CALL THE MEETING TO ORDER:**

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

**2. 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:

(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality;

(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; and,

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

**3. INTRODUCTION OF LATE ITEMS:**

**4. ADOPTION OF AGENDA:**

**5. 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 Monday, 2020-OCT-21 at 9:00 a.m.

**6. PRESENTATIONS:**

- a. **KPMG Interim Audit Presentation** 11 - 31

Liette Bates-Eamer and Sarah Burden, KPMG, to present via Zoom.

**7. REPORTS:**

- a. **Cardena Road Storm Sewer** 32 - 33

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

*Purpose: To advise Council of a budget transfer greater than \$75,000 in order to construct a new storm sewer on Cardena Road.*

- b. **Watermain Replacement in Conjunction with RDN Sewer Project** 34 - 36

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

*Purpose: To present Council with an opportunity to undertake watermain replacements in collaboration with the Regional District of Nanaimo's Departure Bay Force Main sewer project.*

Recommendation: That the Finance and Audit Committee recommend Council direct Staff to proceed with watermain replacements along Meadow Lane and Kite Way, with a projected cost of \$550,000.

- c. **Housing First Rent Supplements** 37 - 45

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

*Purpose: To inform the Finance and Audit Committee of the Housing First Rent Supplement Program and obtain approval to provide \$35,000 for one year's worth of rent supplement funding to the Nanaimo Region John Howard Society.*

Recommendation: That the Finance and Audit Committee recommend that Council direct Staff to provide \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program for 2021.

- d. **Update on 2019/2020 Grant Application for Social Initiatives** 46 - 53

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

*Purpose: To provide the Finance and Audit Committee with an update on grant applications made by the City of Nanaimo to various Provincial programs that support social planning initiatives.*

- e. **Downtown Business Improvement Area** 54 - 90

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

*Purpose: To outline the process and considerations in establishing a new business improvement area in the Downtown core.*

Delegation:

1. Kim Smythe, CEO, Nanaimo Chamber

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

1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
2. Undertake the new Downtown Business Improvement Area as a Council initiative.

**f. Reserve Policy Update**

91 - 166

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

*Purpose: To revise the minimum and define the maximum reserve balances for the three (3) Financial Stability Reserves.*

Recommendation: That the Finance and Audit Committee recommends that Council revise the minimum and set a maximum balance for the three (3) financial stability reserves, to be reviewed every five (5) years, as follows:

Minimum Balances:

1. \$15,000,000 for the General Financial Stability Reserve
2. \$500,000 for the Sewer Financial Stability Reserve
3. \$1,700,000 for the Water Financial Stability Reserve

Maximum Balances:

60 days of prior year's budgeted general operating expenditures for all three (3) financial stability reserves.

**g. Council Expenses for the Nine Months Ending 2020-SEP-30**

167 - 186

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

*Purpose: To present the Finance and Audit Committee with a summary of Council expenses for the nine months ending 2020-SEP-30.*

**h. Operating Results for the Nine Months Ending 2020-SEP-30**

187 - 198

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

*Purpose: To present the Finance and Audit Committee with a summary of the operating results for the nine months ending 2020-SEP-30.*

- i. **Project Results for the Nine Months Ending 2020-SEP-30** 199 - 215

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

*Purpose: To present the Finance and Audit Committee with a summary of project results for the nine months ending 2020-SEP-30.*

- j. **COVID-19 Safe Restart Grant for Local Governments** 216 - 222

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

*Purpose: To provide the Finance and Audit Committee with information about the COVID-19 Safe Restart Grant for Local Governments.*

8. **OTHER BUSINESS:**

9. **ADJOURNMENT:**



**MINUTES**  
**FINANCE AND AUDIT COMMITTEE MEETING**  
**SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,**  
**80 COMMERCIAL STREET, NANAIMO, BC**  
**MONDAY, 2020-OCT-21, AT 9:00 A.M.**

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

Absent: Mayor L. Krog

Staff: J. Rudolph, Chief Administrative Officer  
R. Harding, General Manager, Parks, Recreation and Culture  
S. Legin, General Manager, Corporate Services  
D. Lindsay, General Manager, Development Services  
B. Sims, General Manager, Engineering and Public Works  
J. Van Horne, Director, Human Resources (joined electronically 9:04 a.m.)  
L. Mercer, Director, Finance  
P. Rosen, Director, Engineering  
A. Groot, Director, Facilities and Parks Operations  
G. Whiting, Deputy Fire Chief  
W. Fulla, Manager, Business Asset and Financial Planning  
F. Farrokhi, Manager, Communications (joined electronically)  
S. Gurrie, Director, Legislative Services  
K. Lundgren, 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, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2020-SEP-16 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS

(a) Facilities Valuation Study

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

Poul Rosen, Director, Engineering, spoke regarding the corporate Asset Management Plan and a facilities valuation study. Highlights included:

- The last major update to the Asset Management Plan was in 2016/2017 and Staff are planning another update in 2021/2022
- In the past, valuations have been done from an insurance requirement perspective rather than from a replacement perspective

Committee discussion took place. Highlights included:

- Difference between an insurance value perspective and a replacement value perspective would vary depending on factors such as age of the facility
- The scope and detail of a facilities valuation study
- Grant funding to be allocated towards hiring a Quantity Surveyor
- Facilities valuation data intended to inform the corporate Asset Management Plan
- Facilities valuation study depicts current replacement value rather than a projection of future costs

It was moved and seconded 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. The motion carried unanimously.

(b) Building Envelope Project at 25 Victoria Road

Richard Harding, General Manager, Parks, Recreation and Culture, spoke regarding the Building Envelope Restoration Project at 25 Victoria Road and advised that the report is provided as information update on the project.

(c) Community Resiliency Investment Program (FireSmart Community Funding and Supports Program)

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Geoff Whiting, Deputy Fire Chief, requested Council's support in applying for a \$49,600 grant from the Community Resiliency Investment Program. Highlights included:

- Funds will be used to promote wild fire prevention education and to conduct community based wild fire prevention activities
- Community Wild Fire Protection Plan, conducted in 2016, rated the City as having a low to moderate fire impact risk
- FireSmart weekends are included in planned activities and have previously received excellent reception from the community
- Activities have been reviewed and approved by a Wildfire Prevention Officer from the BC Wildfire Service

- No funding budgeted for this program outside of this grant

It was moved and seconded 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 motion carried unanimously.

(d) 2021 Social Planning Grant Increase

Dale Lindsay, General Manager, Development Services, spoke regarding an opportunity to add \$30,000 of available social grant funding to the 2021 Social Planning Grants Program.

Committee discussion took place. Highlights included:

- Various programs funded through this grant program
- The use of grant funding for the earlier opening of shelters

It was moved and seconded 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 motion carried unanimously.

(e) Asset Management Update

Introduced by Shelley Legin, General Manager, Corporate Services.

Presentation:

1. Laura Mercer, Director, Finance, provided a verbal presentation. Highlights included:
  - An overview and history of the Asset Management Plan
  - Based on recommendations from the 2012 Asset Management Update, three reserves were created: General Asset Management Reserve, Sewer Asset Management Reserve, and the Water Asset Management Reserve
  - Delay to the Asset Management Plan update
  - Staff recommend extending the 1% annual property tax increase for another five years or until the Asset Management Plan update is completed
  - Extension will allow Staff to continue long-term planning without funding constraints
  - Funding gap in the financial plan in the year 2025

Committee discussion took place. Highlights included:

- Long-term planning and smoothing out future tax bumps
- Maintaining the 1% consistency and avoiding the need to borrow
- Current impact of COVID-19 on residents

- Modifying the 10 year plan to avoid the expected funding shortfall in 2025

Wendy Fulla, Manager, Business Asset and Financial Planning, noted that the 2021 Draft Financial Plan will be coming to a Finance and Audit Committee meeting in November, and a funding gap in 2025 may result in rescheduling projects.

Laura Mercer, Director, Finance, continued her presentation as follows:

- Several factors have resulted in delaying the User Fee Review
- User Fee Review will come to Council January 2021, and Staff anticipate a recommendation to Council to increase the user fee rates
- To avoid a funding gap, Staff are recommending that the annual 2.5% water fee increase be extended to 2021
- For a single family household, increase would amount to approximately \$15.16 per year

Committee discussion took place. Highlights included:

- The importance of long-term planning
- The identification, maintenance and improvement of natural assets
- The rise in construction cost and aging facilities

It was moved and seconded that the Finance and Audit Committee recommend that Council approve 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. The motion carried.

Opposed: Councillor Bonner

It was moved and seconded that the Finance and Audit Committee recommend that Council approve 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 motion carried unanimously.

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

Shelley Legin, General Manager, Corporate Services noted that there were no instances of non-compliance.

- (g) 2021 Premium Cost Increases

Shelley Legin, General Manager, Corporate Services, informed the Committee of a significant increase in WorkSafeBC premiums and in liability insurance premiums.

Laura Mercer, Director, Finance, presented an overview of WorkSafeBC and liability insurance increases. Highlights included:

- WorkSafeBC premium estimated cost increase is approximately \$495,000

- Premium increase due to several factors: increase in employer-specific rating, increase in base rate, and increase of maximum wage per worker
- Staff continuously working towards reducing premium; however, some factors are not in Staff's control
- Liability insurance estimated 2021 premium cost increase of approximately \$121,124 from 2020. This increase partially due to the elimination of an increase cap that was previously put in place to soften increases
- Possibility that the premium may be reduced, but this will not be determined until Municipal Insurance Association of BC finalize premiums in December 2020

Committee discussion took place. Highlights included:

- Downward trend in liability insurance in 2019
- Large portion of premium increases due to factors out of Staff's control as well as claims from previous years
- Reducing the duration of the claim by returning workers to work with modified duties

Laura Mercer, Director, Finance, provided an update on the current collection of 2020 property taxes and noted a decrease in outstanding taxes this year compared to last year.

Committee discussion took place regarding factors that may have contributed to this year's decrease in outstanding taxes.

(h) Draft 2021 Key Date Calendar

Sheila Gurrie, Director, Legislative Services, spoke regarding the Finance and Audit Committee 2021 Key Date Calendar.

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

1. select the third 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.

The motion carried unanimously.

5. PROCEDURAL MOTION:

It was moved and seconded 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; 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.

The Finance and Audit Committee moved In Camera at 10:25 a.m.

The Finance and Audit Committee moved out of In Camera at 10:37 a.m.

6. ADJOURNMENT:

It was moved and seconded at 10:37 a.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER





# City of Nanaimo

Audit Planning Report for the year ended December 31, 2020

*KPMG LLP*

Prepared for the meeting on November 18, 2020

[kpmg.ca/audit](https://kpmg.ca/audit)

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.



The contacts at KPMG in connection with this report are:

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This Audit Planning Report should not be used for any other purpose or by anyone other than the Finance and Audit Committee and Management of the Entity. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Executive summary

## Areas of focus for financial reporting

Our audit of the City of Nanaimo (the “Entity” or the “City”) is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting. These include:

- Financial reporting considerations of COVID-19
- Presumed fraud risk of management override of controls

See pages 3-4.

## Effective communication

We are committed to transparent and thorough reporting of issues to management and the Finance and Audit Committee (the “Committee”). This is achieved through formal and informal meetings and communications throughout the year. If you have any comments you would like to bring to our attention, please contact Liette Bates-Eamer.

## Materiality

Materiality has been determined based on total expenses. We have determined materiality to be \$3,700,000 (2019 - \$3,700,000).

See page 5.

## Quality control and independence

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Committee’s approved protocols where required.

See page 6.

## New auditing standards

A new auditing standard, CAS 540 Auditing Accounting Estimates and Related Disclosures, is effective for the Entity’s 2020 fiscal year.

See page 8 for further details.

## Current developments

Please refer to Appendix 2 for the current developments updates, including COVID-19 resources.

# Audit and financial reporting impacts of COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. As the COVID-19 pandemic evolves, the Entity will continue to assess the impact on its operations and finances and consider the implications on financial reporting. We will analyze the impact of the COVID-19 pandemic situation on the audit of the financial statements for the year ended December 31, 2020 and discuss the audit and financial reporting implications with management.

We provide the following information for the review of the Committee and describe the additional procedures that we will be performing. As the COVID-19 pandemic is a dynamic situation, we will continue to update our Audit Plan as the situation warrants. We will communicate any additional changes to our Audit Plan to the Committee in our Audit Findings Report.

Considerations	Audit implications
<b>Conducting the audit work</b>	<ul style="list-style-type: none"> <li>– KPMG is fully paperless and poised to undertake a remote audit in an efficient manner if required. We have established a secure platform to facilitate the sharing of information with management. We have discussed the details of the audit with management, and we are ready to undertake the audit as planned and on schedule.</li> <li>– The ability for the audit to commence is highly fluid and dependent on management's ability to physically or digitally access underlying documents in a safe and healthy manner.</li> </ul>
<b>General considerations</b>	<ul style="list-style-type: none"> <li>– Many organizations have been required, out of necessity, to amend process activities and controls, and as such, segregation of duties and approval of transactions may also have been impacted.</li> <li>– We will obtain an understanding of what changes to process activities and controls have been implemented to determine if the planned audit procedures are appropriate. We have conducted preliminary discussions with management and will confirm our understanding of any significant changes by performing walkthroughs of transactions.</li> </ul>
<b>Planning and risk assessment</b>	<ul style="list-style-type: none"> <li>– We anticipate the operational impacts of COVID to be evident in multiple areas of the City's financial statements. Where we have planned to perform analytical procedures we will adjust our expectations in line with known COVID impacts (ex. reduced casino and recreational programs revenue etc.)</li> </ul>
<b>Financial reporting</b>	<ul style="list-style-type: none"> <li>– Currently, we expect that COVID-19 will continue to impact the City's operations and finances beyond December 31, 2020.</li> <li>– An assessment should be made by management of any COVID-19 financial implications. Significant actions undertaken by the City should be disclosed in a note to the financial statements, including a statement as to whether or not these factors present uncertainty over future cash flows, cause significant changes to assets and liabilities, and/or significantly impact future operations. Measurement of the estimated financial effect should be disclosed, or it should be stated if the effect is not determinable.</li> <li>– We will work with management to customize the wording of the COVID related disclosures for the City's specific situation.</li> <li>– Refer to our <a href="#">COVID-19 Financial Reporting</a> site.</li> </ul>

# Audit risks

## Professional requirements

Risk of material misstatement due to fraud resulting from management override of controls

## Why is it significant?

This is a presumed risk of material misstatement due to fraud.

## Our audit approach

As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments,
- Performing a retrospective review of estimates, and
- Evaluating the business rationale of significant unusual transactions.

## Inquiries required by professional standards

Professional standards require that we obtain your view on the risk of fraud. We make similar inquiries to management as part of our planning process:

- Are you aware of, or have you identified any instances of actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the entity?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls that management has established to mitigate these fraud risks?
- Has the Entity entered into any significant unusual transactions?

# Materiality

Materiality is used to identify risks of material misstatements, develop an appropriate audit response to such risks, and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors. To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality. Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.

Materiality determination	Comments	Amount
<b>Materiality</b>	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$3,700,000.	\$3,700,000
<b>Benchmark</b>	Based on total expenses for the year ended December 31, 2019 This benchmark is consistent with the prior year.	\$164,443,106
<b>% of Benchmark</b>	The prescribed range is between 0.5% and 3.0% of the benchmark. The corresponding percentage for the prior year's audit was 2.3%.	2.3%
<b>Audit misstatement posting threshold</b>	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the prior year's audit was \$185,000.	\$185,000

## We will report to the Committee:



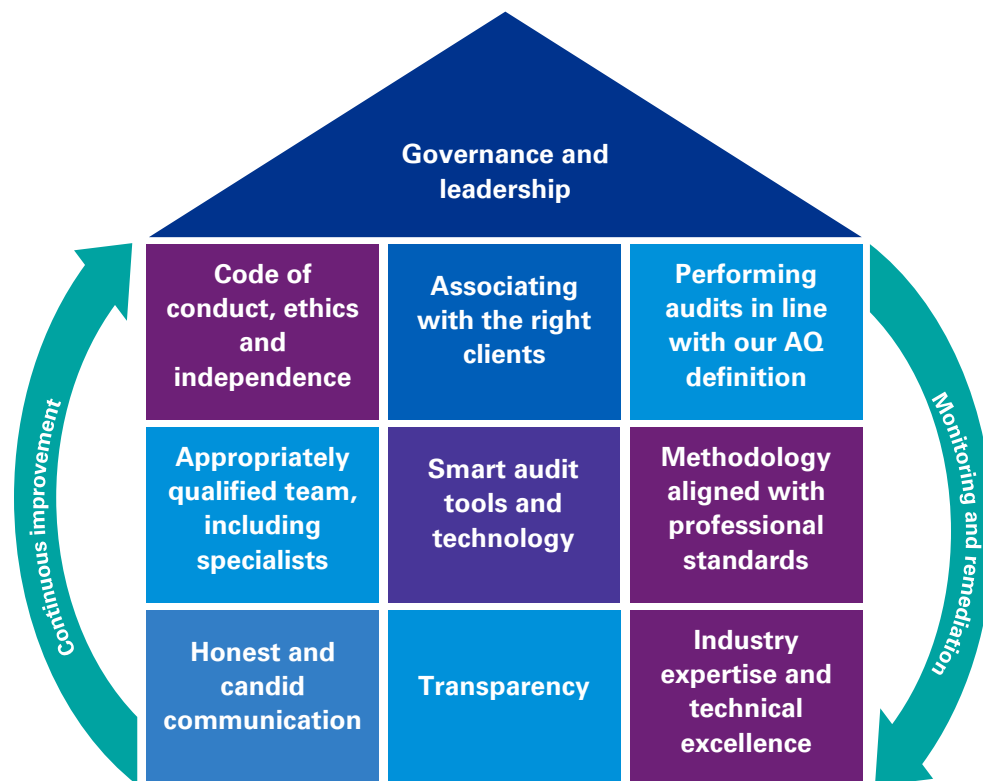
Corrected audit misstatements



Uncorrected audit misstatements

# Audit quality and transparency

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

## What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

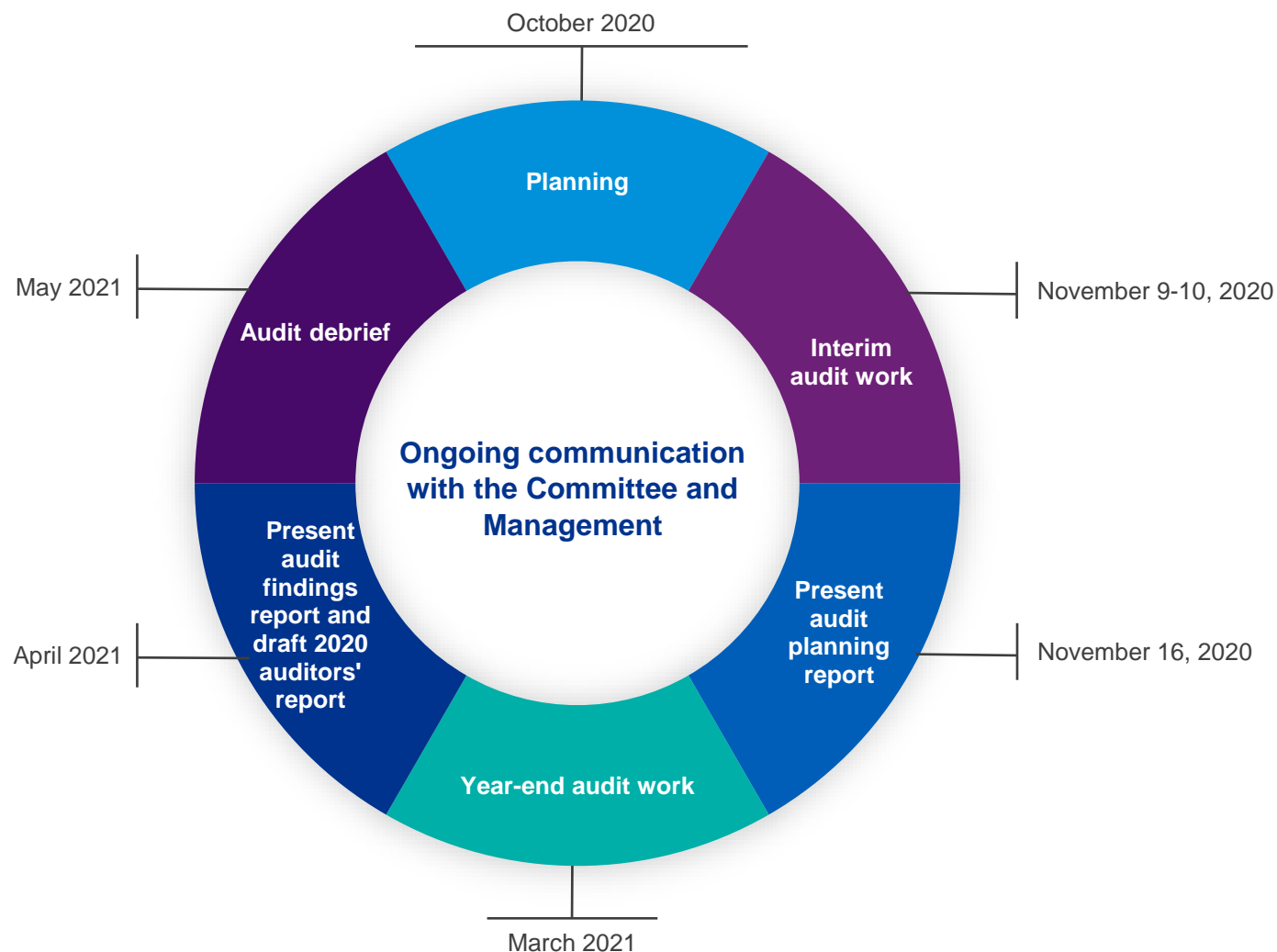
We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls, and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

# Key deliverables and milestones



# New auditing standard

Standard	Overview	Link
<b>CAS 540 Auditing Accounting Estimates and Related Disclosures</b>	<p>The new standard is effective for the Entity's 2020 fiscal year-end.</p> <p>Expected impact on the audit:</p> <ul style="list-style-type: none"><li>- More emphasis on the need for exercising professional skepticism.</li><li>- More granular risk assessment to address each of the components in an estimate (method, data, assumptions).</li><li>- More granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions).</li><li>- More focus on how we respond to levels of estimation uncertainty.</li><li>- More emphasis on auditing disclosures related to accounting estimates.</li><li>- More detailed written representations required from management.</li></ul>	<a href="#">CPA Canada Client Briefing</a>

# Appendices

**Appendix 1: Required communications**

**Appendix 2: Current developments**





# Appendix 1: Required communications

<b>Auditors' report</b>	<b>Engagement letter</b>
A copy of our draft auditors' report setting out the conclusion of our audit will be provided at the completion of the audit.	The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.
<b>Audit findings report</b>	<b>Management representation letter</b>
At the completion of the audit, we will provide our findings report to the Committee.	We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter will be provided to the Committee.
<b>Independence</b>	<b>Internal control deficiencies</b>
At the completion of our audit, we will re-confirm our independence to the Committee.	Control deficiencies identified during the audit will be communicated to management and the Committee.

# Appendix 3: Current developments and audit trends

**Current Developments**, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes regulatory and governance matters impacting public sector entities today, or expected to impact them over the next few years. We provide this information to help public sector entities understand upcoming changes and challenges they may face in their industry. Some of these developments may not impact the Entity directly, but we believe it is important for the Committee to understand what is happening in the sector.

Standard	Summary and implications
Impact of COVID-19	<ul style="list-style-type: none"> <li>– In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.</li> </ul>
Asset Retirement Obligations	<ul style="list-style-type: none"> <li>– The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19.</li> <li>– The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li> <li>– The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life.</li> <li>– As a result of the new standard, the public sector entity will have to: <ul style="list-style-type: none"> <li>• consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li> <li>• carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;</li> <li>• begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li> </ul> </li> </ul>
Revenue	<ul style="list-style-type: none"> <li>– The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19.</li> <li>– The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li> <li>– The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> </ul>

	<ul style="list-style-type: none"> <li>– The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> <li>– The accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> are effective for fiscal years commencing on or after April 1, 2022. The effective date was deferred by one year due to COVID-19.</li> <li>– Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.</li> <li>– Hedge accounting is not permitted.</li> <li>– A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.</li> <li>– In July 2020, PSAB approved federal government narrow-scope amendments to PS3450 <i>Financial Instruments</i> which will be included in the Handbook in the fall of 2020. Based on stakeholder feedback, PSAB is considering other narrow-scope amendments related to the presentation and foreign currency requirements in PS3450 <i>Financial Instruments</i>. The exposure drafts will be released in summer 2020 with a 90-day comment period.</li> </ul>
Employee Future Benefit Obligations	<ul style="list-style-type: none"> <li>– PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan.</li> <li>– PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard.</li> <li>– Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.</li> </ul>

# Appendix 3: Current developments and audit trends (continued)

Our discussions with you, our audit opinion and what KPMG is seeing in the marketplace - both from an audit and industry perspective - indicate the following is specific information that may be of particular interest to you.

## Thought leadership

Thought leadership	Overview	Link
<b>2019 Audit Quality and Transparency Report</b>	Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?	<a href="#">Link to report</a>
<b>Put your data to work to gain competitive advantage</b>	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	<a href="#">Link to report</a>
<b>Predictive analytics, it works</b>	CEOs recognize the value that predictive analytics delivers to their decision-making process.	<a href="#">Link to report</a>
<b>Creating the workforce of the future</b>	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	<a href="#">Link to report</a>
<b>Accelerate</b>	Introducing the new 2019/2020 Accelerate report, a KPMG report and video series offering insight into the key issues driving the Audit Committee agenda, including: <ul style="list-style-type: none"><li>– Digital disruption of the finance function</li><li>– Digital business brings increased cyber risk</li><li>– Taking the lead on data privacy</li><li>– Boards bracing for climate change</li><li>– Future-proofing your enterprise risk management</li></ul>	<a href="#">Link to report</a>
<b>Board Leadership Centre</b>	KPMG provides leading insights to help Board members maximize boardroom opportunities.	<a href="#">Link to site</a>

# Appendix 3: Current developments and audit trends (continued)

## COVID-19 pandemic resources

Resources	Summary	Links
<b>Resources for management and the Council</b>	<p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by federal, provincial and municipal news releases.</p> <ul style="list-style-type: none"><li>– Business continuity guide</li><li>– Immediate actions to take</li><li>– Medium to long-term actions</li><li>– Tax considerations and a summary of federal and provincial programs</li><li>– Legal considerations</li><li>– Financial reporting and audit considerations</li><li>– Global perspectives</li></ul>	<a href="#">COVID-19 Alerts (Live Link)</a>
<b>Return to the workplace</b>	<p>As all levels of government begin to take steps toward re-opening the country and restarting our economy, planning for the return to a physical workplace is quickly becoming a top priority for many organizations. With the guidelines for the pandemic continuing to evolve daily, there are many considerations, stages and factors employers need to assess in order to properly develop a robust action plan which can ensure the health and safety of their workforce.</p> <p>We have put together a Return to the Workplace guide to support an organization's planning efforts in preparing to return to physical workplace. Our guide includes a list of considerations, stages and factors that can help establish a robust action plan for your organization to safely return to work. The guide is supported by a dynamic playbook, which our team has developed to outline a comprehensive list of actions an organization can take, based on their unique situation and immediate needs.</p>	<a href="#">Website link</a> <a href="#">Link to guide</a>

[kpmg.ca/audit](https://kpmg.ca/audit)



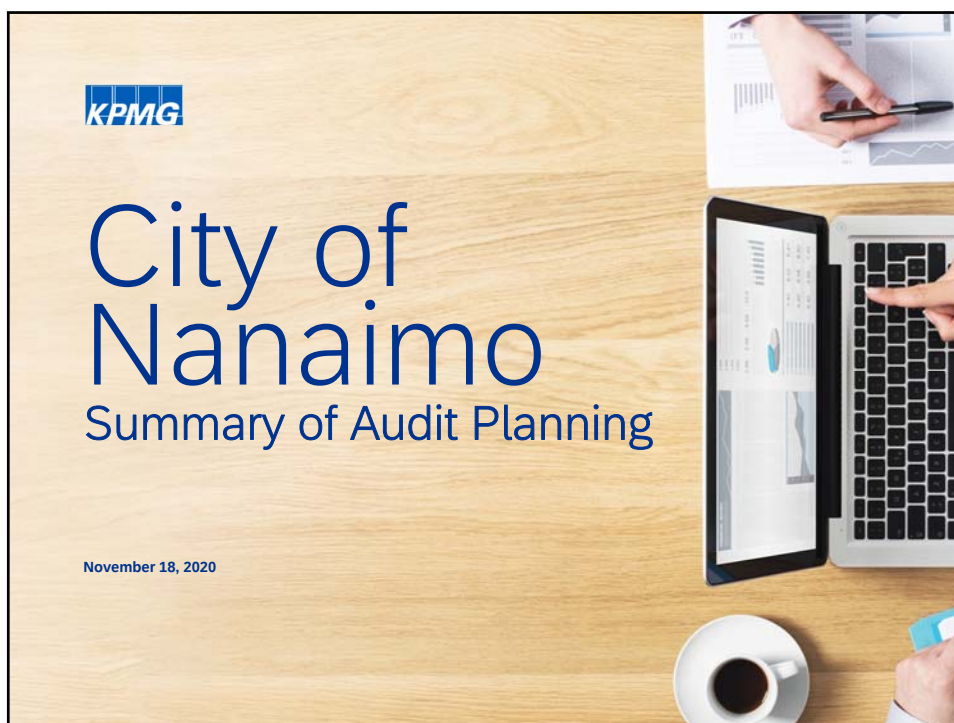
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## Audit team and independence

- The senior team members for the audit are:
  - Liette Bates-Eamer *Audit Engagement Partner*
  - Sarah Burden *Audit Senior Manager*
  - Lenora Lee *Quality Review Partner*
- Confirmation that the audit team and KPMG are independent
- Our fees are consistent with our audit proposal

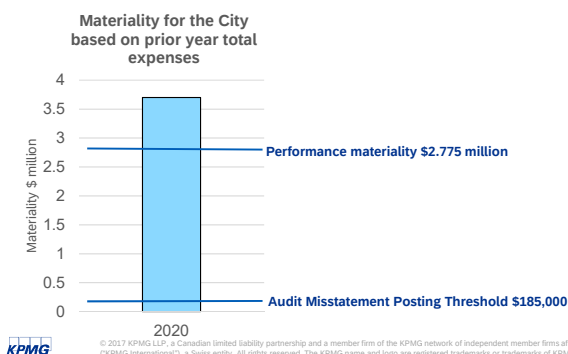


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## Materiality

- Materiality is set during planning and determines the level of testing and the threshold for reporting identified errors.
- Calculation of materiality based on relevant metrics from the financial statements: *Total expenses*
- Materiality for the City = \$3.7 million (2.3% of total expenses)



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## Audit approach

- **Significant risks:**
  - Professional auditing standards require us to include the fraud risk from management override of controls.
  - No other significant risks identified.
- **Annual inquiries of the Members of the Finance and Audit Committee**
  - Are you aware of any actual or suspected non-compliance of laws and regulations or fraud?
  - What are your views about fraud risks in the City?
  - How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the City?
  - Is the committee aware of tips or complaints regarding the entity's financial reporting?
  - Has the City entered into any significant unusual transactions?



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## Audit approach

- **Our approach to each ‘significant account or disclosure’ varies depending on the ‘inherent risk’.**
- ‘Significant account’ is a balance in the financial statements which we consider *could* contain a material error.
- ‘Inherent risk’ is the likelihood of a significant account including a material error due to its nature.
- Identified significant accounts and example procedures:

Significant account	Example procedure
Tangible capital assets	Agreeing additions to invoices
Salaries and benefits	Review assumptions made in calculations of future benefits
Cash and investments	Confirmation of balances with the bank
Revenue and receivables	Understand differences between budget and actual revenue
Expenses and payables	Test for any unrecorded expenses



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## Audit and financial reporting impacts of COVID-19

- **COVID-19 will continue to impact the City’s operations beyond December 31, 2020**
- Operational impacts will be evident in multiple areas of the financial statements (eg reduced casino and recreational program revenue and expenses)
- We will work with management to customize the wording of COVID related disclosures for the City’s specific situation
- We anticipate our audit will be conducted remotely



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## New auditing standard

Standard	Overview
<b>CAS 540 Auditing Accounting Estimates and Related Disclosures</b>	<p>The new standard is effective for the Entity's 2020 fiscal year-end.</p> <p>Expected impact on the audit:</p> <ul style="list-style-type: none"> <li>- More emphasis on the need for exercising professional skepticism.</li> <li>- More granular risk assessment to address each of the components in an estimate (method, data, assumptions).</li> <li>- More granular audit response designed to specifically address each of the components in an estimate (method, data, assumptions).</li> <li>- More focus on how we respond to levels of estimation uncertainty.</li> <li>- More emphasis on auditing disclosures related to accounting estimates.</li> <li>- More detailed written representations required from management.</li> </ul>



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## Current developments

Please refer to Pages 11 – 12 in our full report for details of upcoming Public Sector Accounting Standards changes



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DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

**SUBJECT CARDENA ROAD STORM SEWER**

## **OVERVIEW**

### **Purpose of Report:**

To advise Council of a budget transfer greater than \$75,000 in order to construct a new storm sewer on Cardena Road.

## **BACKGROUND**

In the winter of 2020, the City was advised by the owner of 4145 Jingle Pot Road that water coming from a municipal storm sewer system was causing flooding on their property. In 1982 a municipal storm sewer was constructed to service the Bates Road cul-de-sac and the storm sewer ended at the property boundary of 4145 Jingle Pot Road. A right-of-way was not established on 4145 Jingle Pot Road to convey municipal storm water through this property.

## **DISCUSSION**

Several options were reviewed including purchasing a right-of-way. The most cost effective option is to re-direct the water into a municipal storm sewer on Cardena Road. This solution requires approximately 100m of new storm sewer piping and would be constructed in late November 2020 by the City's Construction crew. The estimate to complete the work is \$90,000.

The \$90,000 required to cover these costs can be found within existing budgets in the 2020 – 2024 Financial Plan. Specifically, the Towers Reservoir Upgrade Project was delayed and re-budgeted to prioritize the Bowen Road Supply Main Project. The Towers Reservoir Upgrade Project included some storm sewer upgrades on the reservoir site.

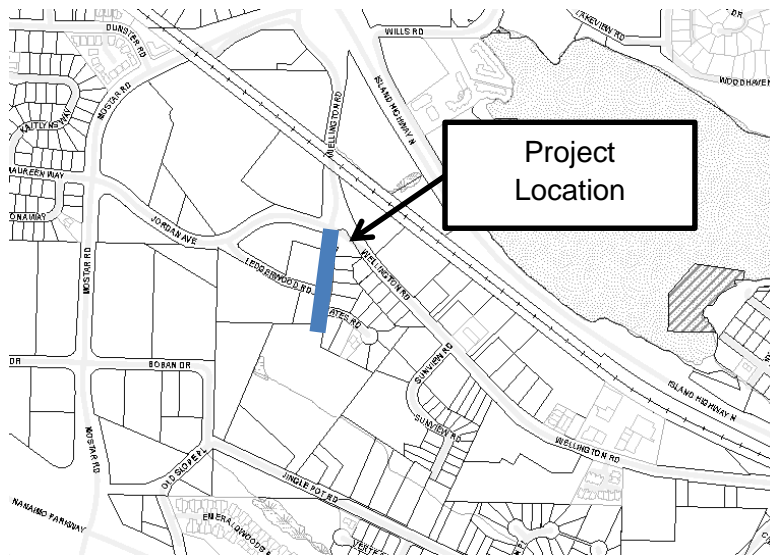
Given the magnitude of the budget transfer and the creation of a new project over \$75,000, specific disclosure to Council is warranted.

## **SUMMARY POINTS**

- The cost for the Cardena Road Storm Sewer is expected to be in the range of \$90,000.
- The project is required to address municipal storm drainage that is flooding private property.

- Funds are available within the 2020 – 2024 Financial Plan to cover the cost of the project.

## **PROJECT LOCATION**



### **Submitted by:**

Phil Stewart  
Manager, Engineering Projects

### **Concurrence by:**

Poul Rosen  
Director, Engineering

Laura Mercer,  
Director, Financial Services

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY POUL ROSEN, DIRECTOR, ENGINEERING

**SUBJECT WATERMAIN REPLACEMENT IN CONJUNCTION WITH RDN  
SEWER PROJECT**

## **OVERVIEW**

### **Purpose of Report**

To present Council with an opportunity to undertake watermain replacements in collaboration with the Regional District of Nanaimo's Departure Bay Force Main sewer project.

### **Recommendation**

That the Finance and Audit Committee recommend Council direct Staff to proceed with watermain replacements along Meadow Lane and Kite Way, with a projected cost of \$550,000.

## **BACKGROUND**

The Regional District of Nanaimo (RDN) is planning to undertake urgent sewer upgrades in the Stephenson Point area in 2021. The RDN needs to replace part of the Departure Bay Force Main sewer (the RDN sewer) that serves most of Nanaimo, conveying flows to the Greater Nanaimo Pollution Control Center (GNPCC). The location of the RDN sewer to be replaced is near/along Meadow Lane, Kite Way, and Planta Road to Hammond Bay Road.

With the location and size of the RDN sewer, the construction is expected to impact the existing watermains in the area. The watermains are asbestos cement (AC) installed in the early 1970's. Although there haven't been problems with the watermains, the disruption from the adjacent sewer construction will put it at significant risk. It is common for older AC pipes to become brittle and experience breaks either during adjacent construction or shortly thereafter, sometimes just after the road is repaved.

Independent of the RDN work, the City has plans to upgrade the watermains along Meadow Lane in 2024, to increase capacity.

## **DISCUSSION**

To ensure the watermains remain reliable and to take advantage of the planned larger construction project, there is an opportunity for the City to replace the watermains, in concert with the RDN project.

The cost to replace the watermains in the area is expected to be approximately \$550,000.

The project is proposed to be funded from Water Reserves that will be reallocated from a number of water projects that have been completed under budget in 2020. |

## **OPTIONS**

1. That Council direct Staff to proceed with the watermain replacements along Meadow Lane and Kite Way, with a projected cost of \$550,000.
  - The advantages of this option are that it will:
    - i. reduce the risk of unplanned disruption to the water service;
    - ii. renew pipes that are at their normal end of life;
    - iii. improve capacity of the watermains for population growth and fire fighting;
    - iv. take advantage of a larger adjacent project for economy of scale; and
    - v. improve certainty for the RDN project scope, risk, and timing.
  - Financial Implications: Funding can be reallocated from completed 2020 water projects.
2. That Council decline to proceed with the project.
  - The advantage of this option is that it defers the cost of replacing the watermains.
  - The disadvantages of this option are:
    - i. There will be considerable risk to the water service both during RDN construction and after.
    - ii. When the watermains are eventually replaced in the foreseeable future, there will be a need to cut new asphalt replaced for the RDN project restoration.
    - iii. When the watermains are replaced in the future, it will be more costly due to the unshared restoration costs and lack of economy of scale.
  - Financial Implications: Unspent funds will be returned to the Water Reserves to fund future water projects. |

## **SUMMARY POINTS**

- The Regional District of Nanaimo is replacing a major sewer in the Stephenson Point neighborhood in 2021.
- The City has an opportunity to replace the watermains adjacent to the Regional District of Nanaimo project at the same time.
- Replacing the watermains will reduce risk to the service, refresh the infrastructure, and improve capacity.

### **Submitted by:**

Poul Rosen  
Director, Engineering |

### **Concurrence by:**

Bill Sims  
General Manager,  
Engineering and Public Works

Laura Mercer  
Director, Finance |



## Attachment A

### Meadow Lane and Kite Way Water





DATE OF MEETING November 18, 2020

AUTHORED BY DAVID STEWART, SOCIAL PLANNER

SUBJECT HOUSING FIRST RENT SUPPLEMENTS

## **OVERVIEW**

### **Purpose of Report**

To inform the Finance and Audit Committee of the Housing First Rent Supplement Program and obtain approval to provide \$35,000 for one year's worth of rent supplement funding to the Nanaimo Region John Howard Society.

### **Recommendation**

That the Finance and Audit Committee recommend that Council direct Staff to provide \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program for 2021.

## **BACKGROUND**

In 2015, the City of Nanaimo provided a one-time grant of \$45,000 in support of Nanaimo's Housing First Initiative. The program started operation in 2016. The program places unhoused people or those at risk of becoming homeless into market rental units with staff support provided to those individuals funded through the Federal government's Reaching Home Strategy (previously the Homeless Partnering Strategy). An additional \$45,000 of City funding was provided in 2018 from the Housing Legacy Reserve (HLR). The Nanaimo Region John Howard Society (NRJHS) was awarded the grant and has partnered with the City to issue the funding and provide supports. NRJHS also issues similar rent supplements through three separate BC Housing funding streams. A summary of all John Howard Society managed rent supplement programs is included as Attachment A.

Individuals that receive the rent supplements live in private market housing. Supplements are provided directly to the landlord. The amount of rental supplement varies based on a person's income and cost of their unit with an upper limit of \$300 per monthly supplement. Individuals receive a supplement until they no longer need it or are switched to another form of subsidy. NRJHS re-evaluates the program every year to see who could move over to another subsidy or sooner if something changes in their income or where they live. Since 2016, NRJHS has supported a total of 45 individuals who maintain permanent housing through these supplements, including 27 individuals since funding was renewed in 2018. Individuals receiving subsidies were either homeless or at risk of becoming homeless before receiving the subsidies.

Those individuals receiving the subsidies are generally referred to the program by service providers in the community. A community oversight committee was established to review every referral. The members of the oversight committee are drawn from housing agencies and other community agencies who understand the challenges of chronic and episodic homelessness and often know about the clients. NRJHS also reports annually to the Nanaimo Homeless Coalition

on who is housed and works with other agencies to provide wraparound supports for those who are housed. |

## **DISCUSSION**

The City funding that was provided in 2018 will run out by the end of this year. NRJHS is requesting that the City provide an additional \$35,000 in funding to continue the Housing First housing subsidies program for an additional year. Should demand be lower than anticipated than the funds would be carried forward to future years beyond 2021. NRJHS's funding request is included as Attachment B. The funding source would once again be the Housing Legacy Reserve.

### **Housing Legacy Reserve**

The Housing Legacy Reserve (HLR) fund was established in 2005 to support and facilitate the implementation of affordable housing policies including the development of affordable housing projects, initiatives and research. The projected balance available in the HLR is \$ 2,626,896.

On 2020-JUL-27, Council committed \$90,603 from the HLR (funds received through the Online Accommodation Platform (OAP) tax) to support a rent bank which is also to be administered by NRJHS. The Housing First Rent Supplement Program differs from the rent bank in that, unlike rent bank loans, rent supplements are not expected to be paid back.

### **Policy Support and Need**

The need for additional housing supports in Nanaimo is evident. The Point-in-Time (PIT) count conducted on 2020-MAR-12 documented 433 people living unsheltered in Nanaimo. This represents a 25% increase in the number of homeless in Nanaimo compared to the 2018 PIT count. Organizations working directly with unsheltered individuals estimate the number of homeless in Nanaimo to be closer to 600. Continuing the rent supplements program will help those at risk of becoming homeless to be housed in market housing dispersed throughout the community.

Continuing to support low income and special needs housing, including providing between 100 to 120 rent supplements to facilitate independent living, is included as a policy direction and action within the *Affordable Housing Strategy*. The provision of rent supplements is also identified within *Nanaimo's Response to the Homelessness Action Plan*. |

## **OPTIONS**

1. That the Finance and Audit Committee recommend that Council direct Staff to provide \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program for 2021.
  - The advantages of this option: The funding will continue to support Nanaimo residents to find and maintain permanent market housing and both respond to and prevent homelessness. By placing individuals in existing market housing, the

program can respond quickly to the need for more affordable housing and can integrate and disperse access to existing market housing units throughout the City. Supporting a rent supplement program is consistent with the objectives of the Affordable Housing Strategy and Nanaimo's Response to the Homelessness Action Plan.

- The disadvantages of this option: By supporting individuals in finding and maintaining market housing, the program is somewhat dependent on private market landlords and vacancies in rental housing. Unlike using funding to construct new supportive or affordable units, the funding will not add units to the supply of rental stock.
  - Financial Implications: The requested funding will require a commitment of \$35,000 from the Housing Legacy Reserve. This funding request represents less than 1.5% of the current HLR balance and will not impact any other HLR funding commitments.
2. That the Finance and Audit Committee recommend that Council deny providing \$35,000 in funding from the Housing Legacy Reserve to the Nanaimo Region John Howard Society in order to continue to fund the Housing First Rent Supplement Program.
- The advantages of this option: Not committing the requested \$35,000 in funding will free up the Housing Legacy Reserve funds for other projects.
  - The disadvantages of this option: Not continuing the funding will limit the ability of NRJHS to support existing clients in their rent supplement programs. It may result in some individuals experiencing homelessness that may otherwise have been able to maintain their housing if the supplement funding was in place.
  - Financial Implications: The requested funding will remain within the Housing Legacy Reserve.
3. That the Finance and Audit Committee provide alternative direction. |

#### **SUMMARY POINTS**

- The City has partnered with the Nanaimo Region John Howard Society since 2015 to provide rent supplements for individuals experiencing and at risk of experiencing homelessness.
- NRJHS is requesting \$35,000 in additional funding to continue the program in 2021.
- Supporting a rent supplement program is consistent with the goals and objectives of the *Affordable Housing Strategy* and *Nanaimo's Response to the Homelessness Action Plan*.

#### **ATTACHMENTS**

- ATTACHMENT A: Nanaimo Region John Howard Society Rental Supplement Programs and Supplements Overview
- ATTACHMENT B: Nanaimo Region John Howard Society - City of Nanaimo Rental Supplement Proposal

**Submitted by:**

Lisa Bhopalsingh  
Manager, Community Planning

**Concurrence by:**

Laura Mercer  
Director, Finance

Bill Corsan  
Director, Development Services

Dale Lindsay  
General Manager, Community Development

# ATTACHMENT A



## **John Howard Society Rental Supplement Programs and Supplements Overview:**

The Nanaimo Region John Howard Society is resourced to provide 70 ongoing subsidies through 3 BC Housing and Canada Housing Benefit supplement programs, as well as 17 active participants with subsidies through the City of Nanaimo and support through our Housing First program. These supplement programs come with operational support to help identify eligible participants, find housing and help them maintain housing stability. These supports can include helping participants access supports for education, employment, cultural services, mental and physical health, as well as substance use options.

## **Rental Supplement Programs Breakdown:**

BC Housing HPP Program (Rental Support)	<p>Must be homeless, at risk of homelessness, or hidden homeless</p> <p>Must be:  Leaving incarceration  Leaving hospital or treatment settings  Women fleeing violence  Youth aging out of care (19-25)  People of aboriginal descent</p>	<p>30 Supplements</p> <p>1.5 FTE staffing support</p>	Times out March 2023
BC Housing CHB-HPP Supplement Program (Amended Rental Support)	<p>Must be homeless, at risk of homelessness, or hidden homeless</p> <p>Must be:  Leaving incarceration  Leaving hospital or treatment settings  Women fleeing violence  Youth aging out of care (19-25)  People of aboriginal descent</p>	<p>20 Supplements</p> <p>1 FTE staffing support</p>	<p>Supplements can be ongoing</p> <p>No new participants can be added after March 2021</p> <p>Staffing support times out March 2021</p>

BC Housing CHB Provincial Supplements for Incarceration (Community Supports Initiative)	<p>Must be NFA entering and/or exiting incarceration</p> <p>Specifically for those leaving incarceration who were on remand, bail, or have been sentenced</p>	<p>20 supplements</p> <p>1 FTE staffing support</p>	<p>Supplements can be ongoing</p> <p>No new participants can be added after March 2021</p> <p>Staffing support times out March 2021</p>
Reaching Home and City of Nanaimo Subsidy Program (Housing First)	<p>Targets chronically and episodically homeless individuals</p> <p>Must be Nanaimo residents</p>	<p>Actively support 17 participants</p> <p>45 historical participants since 2016</p> <p>Rental Supplements provided by City of Nanaimo</p> <p>2 FTE staffing support</p>	<p>Staffing support times out March 2021</p>

## ATTACHMENT B

# CITY OF NANAIMO RENTAL SUPPLEMENT PROPOSAL

NANAIMO REGION JOHN HOWARD SOCIETY

Reaching Home Rental  
Supplement Project  
Proposal

# JohnHoward

NANAIMO REGION JOHN HOWARD SOCIETY

## Introduction

The Nanaimo Region John Howard Society has operated the 'Housing First' project since 2016, where we focus on some of the hardest to house and vulnerable individuals in Nanaimo and help them find, secure, and maintain their own housing. This includes providing a rental supplement to landlords in order to maintain their housing. Participants work with case managers and other supports in the community to identify their goals and work towards becoming integrated back into society.

Since the start of the project, we have seen a dramatic change in the private market environment in which our participants search for housing. Private market rental vacancy has remained low, around 2%, and rental rates have increased. This causes participants, almost all of whom are on a fixed income, to struggle to afford most available private market rentals.

The Nanaimo Region John Howard Society asks for a contribution of \$35,000 for 1 years operations of rental supplements.

## The Housing First Program

Housing First is a Reaching Home funded program where case managers work with individuals experiencing chronic or episodic homelessness in the Nanaimo area to find housing and work on their goals. Since the start of the program in 2016, Housing First has worked with 45 individuals, with 17 participants being active to the program currently. Rental Supplements, provided through the City of Nanaimo, are given directly to their landlords to help with the cost of housing based on their income and the cost of the housing unit, with each participant being re-evaluated each year to determine their eligibility for other forms of income, such as the Shelterly Aid For Elderly Renters supplement, or change in their income from employment. Many of our participants no longer require the City supplement within 2-3 years.

## Changes to the Rental Market (CMHC)

The following data shows the increase in the average rent for both bachelor and 1 bedroom units using data from the Canadian Mortgage and Housing Corporation. Our participants predominately utilize these types of units for housing.

### Bachelor Units:

The average rent for a bachelor unit in Nanaimo has increased from \$636 to \$887. This represents an increase of 39.5%.

2016	2017	2018	2019	2020 (projected)
\$636	\$683	\$792	\$887	\$987

2020 projected numbers are based on an averaging of the annual percentage increase since 2016.

### 1 Bedroom Units:

The average rent for a 1 bedroom unit in Nanaimo has increased from \$759 to \$946. This represents an increase of 25%.



2016	2017	2018	2019	2020 (projected)
\$759	\$805	\$885	\$946	\$1018

2020 projected prices are based on an averaging of the annual percentage increase since 2016.

## City of Nanaimo Supplements

In 2018, the Housing First project was given \$45,000 to administer rental supplements for active Housing First participants to help maintain housing. This funding has been utilized for approximately 2 years to provide rental supplements for 16-20 participants per month, with a total of 27 individuals having benefitted from the last round of City supplements.

With our current active participant load and the average rental supplements per month, we are asking for a contribution of \$35,000 for 1 year's operations. This is based on the rental market increasing across the available types of unit's participants occupy since 2016, the projected continued increase to rental rates, the length of the previous funding lasted, and the average number of participants per year being assisted by the supplement.

## Summary

Since the beginning of the Housing First Program in 2016, we have successfully aided in the housing of 45 individuals. Housing First plays an integral role in the continuum of housing in Nanaimo by providing vital case management services to those participants. With private market rental rates increasing the supplements provided to the Housing First participants puts private market options back into reach financially for participants and gives them a reasonable choice in finding housing.

With a contribution of \$35,000 the John Howard Society can continue administering rental supplements for 1 year, providing housing options for some of our most vulnerable, homeless individuals as part of our effort to end homelessness in our community.

DATE OF MEETING November 18, 2020

AUTHORED BY KARIN KRONSTAL, SOCIAL PLANNER

**SUBJECT UPDATE ON 2019/2020 GRANT APPLICATIONS FOR SOCIAL INITIATIVES**

## **OVERVIEW**

### **Purpose of Report:**

To provide the Finance and Audit Committee with an update on grant applications made by the City of Nanaimo to various Provincial programs that support social planning initiatives.

## **BACKGROUND**

In addition to providing social planning grants to the community, the City also applies for and receives grant funding to support social planning initiatives. On 2019-OCT-28, Council received an information report on an application submitted to the Province of British Columbia's Community Action Initiative Community Wellness & Harm Reduction Grant for \$50,000 for the purpose of supporting a peer-run skills and employment program (see Attachment A for a detailed description of the grant purpose and deliverables). On 2020-JUL-14, Staff received notification that the City was successful in the grant application (the application review process was delayed due to COVID-19 and the City only recently received the funds).

Staff also provided an update to the Finance and Audit Committee at its 2020-JUL-15 meeting regarding two applications to the BC Healthy Communities Plan H Grant program:

- the Community Connectedness Grant for online resources for seniors (\$5,000); and,
- the Healthy Community Engagement Grant for enhanced engagement with vulnerable populations as part of REIMAGINE NANAIMO (\$15,000).

Unfortunately, both of these grant streams were highly competitive and the City was not successful with either application.

Additionally, on 2020-JUN-10, Council passed a motion directing Staff to receive the \$45,000 grant offered from the Canadian Medical Association (CMA) Foundation's COVID-19 Community Response Fund for Vulnerable Populations (this grant was provided without an application by the City). Council directed Staff to transfer the funds to the United Way Central and Northern Vancouver Island, to be administered along with COVID-19 emergency funding received through the Federal Government's 'Reaching Home' program in its capacity as the Community Entity for the Nanaimo Homeless Coalition.

This report provides an update on funding allocations.

## **DISCUSSION**

The \$45,000 grant from the CMA Foundation's COVID-19 fund was split between two Indigenous-focused programs to enhance their prior funding application awards through the

'Reaching Home' COVID Economic Response Fund Indigenous Homeless Stream. After subtracting the United Way's administrative fee of \$2,250 (a reduced fee of 5% compared to the regular administrative fee of 15%), the net amount of grant funds available totaled \$42,750. This funding decision was made through an application process reviewed by the Allocations Committee of the Nanaimo Homeless Coalition and then affirmed by Coalition members who had previously awarded partial funding to both of these programs. The two Indigenous programs described below are the Snuneymuxw First Nation's 'Wrapping of Blankets' project, and the Nanaimo Aboriginal Centre's 'MY Connections (Qa'thut)' project.

**Snuneymuxw First Nation's 'Wrapping of Blankets':** To provide client service supports supplemented by Indigenous Knowledge, free of cost to Nanaimo's Indigenous homeless population who are currently most at risk for contracting COVID-19 or experiencing death via drug overdose.

This project applied for the full amount of the \$150,000 available through the Reaching Home COVID Economic Response Fund (Nanaimo Indigenous Homeless Stream) and received \$80,000. When combined with the \$21,375 received from the CMA Foundation's COVID-19 grant, the project has received \$101,375 of the requested \$150,000 (67.5% of the requested funding).

**Nanaimo Aboriginal Centre's 'MY Connections (Qa'thut)':** A mobile, outreach-based support program for Indigenous youth based in a recreational vehicle (RV). Youth will be able to connect with outreach workers, receive basic needs items, and receive harm reduction supplies and supports.

This project applied for \$103,900 of the \$150,000 available through the Reaching Home COVID Economic Response Fund (Nanaimo Indigenous Homeless Stream) and received \$70,000 of the available funding. When combined with \$21,375 received from the CMA Foundation's COVID-19 grant, the project has received \$91,375 of the requested \$103,900 (88% of the requested funding) toward the purchase of an RV and wages for two youth outreach workers.

One of the challenges with the additional COVID-19 funding that has come through Reaching Home and the CMA Foundation is that organizations must spend it before 2021-MAR-31. This is not the case for the \$50,000 Community Action Initiative Community Wellness & Harm Reduction Grant, which can be spent up until 2022-MAR-31. Snuneymuxw First Nation Health Department has confirmed that despite the additional challenges posed by COVID-19, they are still interested in partnering with the City to operate the peer employment program. City staff will be working with Snuneymuxw over the coming months to coordinate transfer of the funding and provide any requested assistance with program deliverables.

## **CONCLUSION**

The City is pleased to have received additional Provincial grant funding during this period of intense demand on social service and health agencies due to COVID-19. The use of this funding addresses the disproportionate health and housing challenges faced by our Indigenous community members and helps make small steps towards achieving social equity and reconciliation objectives. We look forward to continuing to work with and support our First Nation's government and non-profit partners in this important work.

### **SUMMARY POINTS**

- The City of Nanaimo was selected to receive a \$50,000 Community Action Initiative Community Wellness & Harm Reduction Grant, which will be used to support an Indigenous peer employment program operated by Snuneymuxw First Nation Health Department.
- The City has also received a \$45,000 grant from the CMA Foundation's COVID-19 Community Response Fund for Vulnerable Populations, which has been administered by the United Way as Community Entity for the Nanaimo Homeless Coalition and split between two Indigenous-led health promotion/harm reduction projects (Snuneymuxw First Nation's 'Wrapping of Blankets' and Nanaimo Aboriginal Centre's 'MY Connections - Qa'thut').
- Between the Reaching Home COVID Economic Response Fund (Indigenous) funding, the CMFA Foundation fund and the CAI Grant, the City is supporting three projects that aim to provide assistance to Indigenous community members who are disproportionately impacted by mental health and related substance use disorders that lead to homelessness.

### **ATTACHMENTS**

Attachment A: Supplementary Grant Application Details for the 2019 Community Action Initiative Community Wellness & Harm Reduction Grant Application |

#### **Submitted by:**

Lisa Bhopalsingh  
Manager, Community Planning |

#### **Concurrence by:**

Laura Mercer  
Director, Finance

Bill Corsan  
Director, Community Development

Dale Lindsay  
General Manager, Development Services

## Addendum to City of Nanaimo CAI Harm Reduction Grant Application

### Overview

The City of Nanaimo will receive funding from the Overdose Emergency Response Centre (OERC) and will be responsible for distributing this funding to the Snuneymuxw Health Centre. The Snuneymuxw Health Centre is then responsible for distributing the funding as described in the budget of this Addendum. The goal for this initiative is to support Indigenous people with lived or living experience with substance use in improving their capacity for positive social engagement in the community. Peer engagement refers to interactions, collaborations, and partnerships with People Who Use Drugs (PWUD) with the purpose of supporting peers to engage in harm-reduction initiatives and positive social experiences. The program will reduce stigma among the broader Nanaimo region by providing PWUD, particularly Indigenous PWUD, with opportunities to demonstrate capacity for positive social engagement including participating in employment opportunities and providing mentorship to peers. This program will demonstrate to the Nanaimo region that PWUD have the ability to actively engage with their community in harm reduction initiatives.

### Goals

- Reduce stigma for Indigenous PWUD by identifying and engaging in positive social experiences, such as skill development and employment opportunities.
- Increase capacity for representation of Indigenous peers within the Nanaimo Community Action Team and broader public forums, and thereby increase the effectiveness of strategies to improve the health and well-being of Indigenous peers who are disproportionately represented among PWUD.
- Increase partnership between Snuneymuxw Health Centre, Island Health, and City of Nanaimo through the successful engagement and support of hired peers.
- Increase access to available resources for PWUD within Snuneymuxw First Nation through peer-to-peer engagement, skills training, education and employment of hired peers from Snuneymuxw.

### Milestones

Date	Outcomes/Indicators
Mid-April 2021	<p><b>Outcome:</b> Snuneymuxw Health Centre will hire two Indigenous peers with lived experience who are well-regarded within the community, at a rate determined by Snuneymuxw Health Centre.</p> <p><b>Indicator: Two Indigenous peers hired by April 15, 2021</b></p> <p><b>Outcome:</b> Snuneymuxw Health Centre will determine if they require the support of a consultant with knowledge of skill-building opportunities and an ability to provide networking with other peers and relevant organizations.</p> <p><b>Indicator: If necessary, consultant hired by April, 15, 2021</b></p>

<b>End of April 2021</b>	<p><b>Outcome:</b> First quarterly partnership meeting between peers, Snuneymuxw Health Centre (SHC) representative, City of Nanaimo (the City), and Island Health (VIHA) to provide networking and resources as requested to develop a skills and education acquisition plan for the hired Indigenous peers.</p> <p><b>Indicators:</b> <b>First Quarterly partner meeting held by April 30, 2021</b>  <b>Peer Skills and Education acquisition plan developed by April 30, 2021</b></p>
<b>April, May &amp; June 2021</b>	<p><b>Outcome:</b> Based upon the plan developed in April, peers will engage in skill development opportunities available through organizations such as AVI Health and Community Services (e.g. Overdose Awareness and Naloxone Training, ‘Street School’), Canadian Mental Health Association (e.g. Suicide Prevention (Community Gatekeeper Training), Understanding Addiction), Tillicum Lelum, and any other harm-reduction or peer capacity building opportunities offered in the community. If the consultant is hired, they will be responsible for identifying opportunities in the community; if they are not hired, SHC will take on this responsibility. SHC will screen these training opportunities for cultural relevancy and will provide de-brief support to peers upon completion of the programs. Additionally, peers will be invited by the Community Action Team to participate in monthly meetings to support Indigenous peer representation.</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>○ <b>If hired, consultant will provide list of available skills training/education opportunities</b></li> <li>○ <b>SHC will screen skills training/education opportunities for cultural safety and relevance and create list for hired peers</b></li> <li>○ <b>Various skills training obtained by peers employed by SHC</b></li> <li>○ <b>Indigenous peers attend monthly Community Action Team meetings</b></li> </ul> <p><b>Outcome:</b> If appropriate, peers will provide organizations or facilitators with feedback regarding their perspectives on cultural safety and relevancy of the training opportunities. This will nurture partnerships between Indigenous peers and community organizations.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Hired peers will provide feedback to SHC on strengths and challenges of skills/education opportunities</b></li> <li>○ <b>If appropriate, SHC will follow-up with organizations providing training and education to promote cultural safety and relevance in the future</b></li> </ul>
<b>Beginning of July 2021</b>	<p><b>Outcome:</b> Second quarterly partnership meeting between peers, SHC, the City, and VIHA will occur.</p> <ul style="list-style-type: none"> <li>• This meeting will update stakeholders on program development and identify goals for the next 3 months which should include exploring opportunities for positive social engagement and employment experiences for peers.</li> <li>• This meeting will also be an opportunity for the peers to provide feedback on their experiences in the program thus far.</li> </ul> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Second Quarterly Partners meeting held by July 7, 2021</b></li> <li>○ <b>List of Opportunities for positive Social Engagement for Peers developed for hired peers to consider</b></li> </ul>

	<p><b>Outcome:</b> Based upon peer's self-reported development and comfort with their skills, peers will identify any learning or skill development gaps and plan their peer engagement initiatives with SHC support.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Learning or skill development gaps identified by hired peers</b></li> <li>○ <b>Hired peers propose Peer Engagement Strategy to SHC by July 15, 2021</b></li> </ul>
<b>July, August &amp; September 2021</b>	<p><b>Outcome:</b> If applicable, peers will complete additional training.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Additional training/skills development completed by September 30, 2021</b></li> </ul> <p><b>Outcome:</b> Hired peers will begin carrying out their peer engagement plan which will involve some employment and skill building opportunities for other peers. The peer engagement plan may include:</p> <ul style="list-style-type: none"> <li>○ Hosting a series of culturally relevant support groups for Indigenous PWUD</li> <li>○ Collaborating with existing peer networks</li> <li>○ Engaging in street clean-up initiatives</li> <li>○ Distributing harm reduction supplies</li> <li>○ Educating businesses on trauma-informed practices</li> <li>○ Providing Naloxone training to businesses, peers, and the Snuneymuxw First Nation community</li> <li>○ Engaging in knowledge translation to the Snuneymuxw First Nation community by sharing information regarding relevant resources, training opportunities, and harm reduction strategies in the Nanaimo region</li> <li>○ Other opportunities identified by SHC and the peers</li> </ul> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>5 or more Indigenous peers or other PWUD engaged in positive social engagement and/or employment experience by September 30, 2021</b></li> </ul> <p><b>Outcome:</b> Feedback will be obtained from program participants around positive experiences, program challenges and suggestions for program development</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Formal and informal feedback collected by hired peers and reported to SHC</b></li> </ul>
<b>Beginning October 2021</b>	<p><b>Outcome:</b> Third quarterly partnership meeting between peers, SHC, the City, and VIHA will occur.</p> <ul style="list-style-type: none"> <li>○ This meeting will update stakeholders on program development and identify any support or resources needed by the peers or SHC based on feedback provided by peers and/or participants.</li> </ul> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Third quarterly partnership meeting held by October 15, 2021</b></li> </ul>

<b>October, November &amp; December 2021</b>	<p><b>Outcome:</b> Continue to carry out peer engagement plan.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>5 or more Indigenous peers or other PWUD continue to be engaged in positive social engagement and/or employment experiences.</b></li> <li>○ <b>Informal feedback collected from participants by hired peers and reported to SHC.</b></li> </ul>
<b>Beginning of January 2022</b>	<p><b>Outcome:</b> The fourth and final quarterly partnership meeting between peers, SHC, the City, and VIHA will occur.</p> <ul style="list-style-type: none"> <li>○ This meeting will update stakeholders on program development and provide an opportunity to plan for program sustainability. Other community partners who may be involved in the future sustainability of this program will be identified.</li> <li>○ The City and VIHA will identify new funding opportunities available which would support program sustainability.</li> <li>○ This meeting will also update stakeholders on feedback from participants in the community engagement plan.</li> </ul> <p><b>Indicator: Final Quarterly Partnership Meeting held by January 15, 2022.</b></p>
<b>January, February &amp; March 2022</b>	<p><b>Outcome:</b> Continue to carry out peer engagement plan.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>5 or more Indigenous peers or other PWUD continue to be engaged in positive social engagement and/or employment experiences.</b></li> <li>○ <b>Informal feedback collected from participants by Hired Peers and reported to SHC.</b></li> </ul> <p><b>Outcome:</b> Consult with community organizations regarding their ability to support the peer engagement plan beyond March 2021 and/or apply for funding through avenues identified at quarterly meeting.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Potential community partner or grants identified by February 28, 2022</b></li> </ul> <p><b>Outcome:</b> Begin working on the final report outlining strengths of the program, opportunities for future development, encouraging case examples, and positive outcomes. SHC and the Peers can report on these items in a way which is relevant to them.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Draft of Final Report completed by March 15, 2022</b></li> </ul>
<b>End of March 2022</b>	<p><b>Outcome:</b> Peers and SHC will provide a report on strengths of the program, opportunities for future development, encouraging case examples, and positive outcomes. SHC and the Peers can report on these items in a way which is relevant to them. This report will include suggestions for the sustainability of the Peer Engagement Program.</p> <p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>○ <b>Final report presented to all partners by March 31, 2022</b></li> </ul>



### Updated Budget

Item	Projected Cost
Snuneymuxw Health Centre Peer Engagement Coordinator (4 hours per week)	\$10,000
Indigenous peer leaders (2 @ \$20/hour, 8 hours per week)	\$20,000
Skills Training and Incidentals (travel, phone, etc)	\$5,000
Consultant (if required by Snuneymuxw Health Center)	\$2,000
Peers employed through the Peer Engagement Plan initiatives (offer Local Living Wage of \$17.55/hour)	\$10,000
Peer Engagement Initiative Supplies (e.g., support group refreshments, bus vouchers, venue rentals)	\$3,000
<b>TOTAL</b>	<b>\$50,000</b>

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

**SUBJECT DOWNTOWN BUSINESS IMPROVEMENT AREA**

## **OVERVIEW**

### **Purpose of Report**

To outline the process and considerations in establishing a new business improvement area in the Downtown core.

### **Recommendation**

That the Finance and Audit Committee recommend that Council:

1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
2. Undertake the new Downtown Business Improvement Area as a Council initiative.

## **BACKGROUND**

The Downtown Nanaimo Business Association has requested that Council establish a business improvement area (BIA) as a Council initiative in the Downtown core. The Downtown Nanaimo Business Association was created in 2020 for the purpose of administering a BIA in the downtown core.

In 2013, at the request of the Downtown Nanaimo Business Improvement Association (DNBIA), the City initiated the establishment of two Business Improvement Areas within the City to enable the Association to conduct Five Year Business Promotion Schemes. After following the provisions in the *Community Charter*, Bylaws 2013 No. 7168 and 7169 were adopted to create two (2) Business Improvement Areas and impose local area service taxes to be paid over to the DNBIA, the Applicant, to implement the Business Promotion Schemes for 2014 – 2018.

At a special general meeting held 2017-MAR-22, the DNBIA voted to dissolve their organization. With that action the Applicant to administer the Business Promotion Schemes no longer existed. There were two (2) years remaining of the BIA levy under the Bylaws at that time. With the dissolution of the DNBIA, the City repealed Bylaws No. 7168 and 7169 on 2017-MAY-01 so that no tax levy was collected in 2017 and 2018.

After the DNBIA dissolution in 2017, the Old City Quarter Association (OCQA) requested that Council establish a business improvement area (BIA) as a Council initiative in the former BIA #2 area. On 2017-MAY-08 Council adopted "OLD CITY QUARTER BUSINESS IMPROVEMENT AREA NO. 2017 NO. 7245". The Bylaw is in effect from 2017 to 2021.

A BIA was never re-established for the area identified in BIA1. The area in BIA1 covered a large portion of the Downtown Core.

## **DISCUSSION**

BIAs are provided for in the *Community Charter* Sections 210 through 215. BIAs can be established through one of two ways as Council initiatives; 'petition - against' or 'petition - for'.

In a 'petition for' process, owners of at least 50% of the parcels in the area representing at least 50% of the assessed value of land and improvements must sign a petition in favour of the local area service tax. A 'petition for' can be done by Council or an organization wishing to set up a BIA.

In a 'petition-against' process, owners of least 50% of the parcels in the area representing at least 50% of the assessed value of land and improvements must sign a petition in opposition to the local area service tax. A 'petition against' process can only be used when it is a Council initiated BIA.

Staff have been working with the Downtown Nanaimo Business Association representatives to map the area of the proposed BIA and identify the required steps to move forward. The map has been drafted (see Attachment A) and a petition will need to go out to all of the applicable properties to determine if there is enough support for a BIA to be created. If the petition is successful, then a bylaw is created and a BIA levy will appear on the applicable property tax notices for the term of the bylaw.

In summary, the following are highlights of the proposed BIA terms:

- 5 year term from 2021 through 2025;
- The resultant tax will be subject to a 1% increase per annum;
- The estimated total taxes to be collected in 2021 are yet to be determined.

The Downtown Nanaimo Business Association would administer the new BIA. Due to the resources required to administer the Council Initiative - Petition Against process, City staff will facilitate and oversee the administration of this process. Staff have the current capacity to undertake this project.

## **OPTIONS**

1. That Finance and Audit Committee recommend that Council:
  1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
  2. Undertake the new Downtown Business Improvement Area as a Council initiative.
    - **The advantages of this option:** This would allow a "petition against" process to be used and would likely result in a successful outcome for the Downtown Nanaimo Business Association.

- **The disadvantages of this option:** Additional administrative are required when a Council initiative – petition against process is used
  - **Financial Implications:** There would be no financial implications to the City as the City would receive an administration fee for administering the BIA petition process. The City would not provide a matching grant.
2. That Finance and Audit Committee recommend that Council:
1. Direct Staff to work with the Downtown Nanaimo Business Association leading to the establishment the New Downtown Business Improvement Area for a term of 5 years starting in 2021; and,
  2. Undertake the new Downtown Business Improvement Area as a Downtown Nanaimo Business Association initiative.
    - **The advantages of this option:** This would allow a “petition for” process to be used to create a new BIA in the downtown core.
    - **The disadvantages of this option:** Using the “petition for” process could make it more difficult to achieve a successful outcome for the Downtown Nanaimo Business Association. The City of Nanaimo is the keeper of all property information; therefore, City Staff would have to determine what could and could not be shared with the Downtown Nanaimo Business Association in order for them to administer the program. Staff would need to perform administrative tasks related to gathering and sharing this information which would be time consuming.
    - **Financial Implications:** There would be no financial implications to the City as the City would receive an administration fee for administering the BIA petition process. The City would not provide a matching grant.
3. Council may deny the request from the Downtown Nanaimo Business Association. |

#### **SUMMARY POINTS**

- The Downtown Nanaimo Business Association has requested that Council establish a new BIA in the Downtown core.
- The estimated tax to be collected Starting in 2021 and will be valid for 5 years.
- There will be no matching grant from the City of Nanaimo.

#### **ATTACHMENTS:**

- Attachment A – Downtown Business Association Information Package |

**Submitted by:**

Laura Mercer  
Director, Finance

**Concurrence by:**

Shelley Legin  
General Manager, Corporate Services

Sheila Gurrie  
Director, Legislative Services

Dale Lindsay  
General Manager, Development Services

Richard Harding  
General Manager, Parks, Recreation &  
Culture



September 28, 2020

Mayor & Council, City of Nanaimo  
Via: Email

**RE: DOWNTOWN NANAIMO BIA 2020**

Since 2017, the Nanaimo Chamber has been advocating for downtown Nanaimo's interests and a new Downtown Business group to replace the DNBA disbanded early that year. In addition to helping with safety and security community consultations and downtown promotions, the Nanaimo Chamber also organized the 'Commercial Street Night Market' to help re-animate Downtown streets and reintroduce this urban gem to residents and visitors.

Recognizing that our community's vital business and cultural center was at a disadvantage without a representative voice, in 2019 the Chamber formally stepped in to help stakeholders create a new org to speak to matters of Safety & Security, Community Development, Beautification and Programming. Numerous meetings followed at the Harbourfront Library where a groundswell of supporters -- property owners and merchants -- developed an eighteen-month plan to initiate funding for a BIA through a new association.

Teamwork resulted in the April 2020 approval of the new Downtown Nanaimo Business Association as a BC non-profit society with 12 Directors -- downtown property owners and business operators -- plus representation from the Nanaimo Chamber. This non-profit Society is now appealing for Council's assistance in procuring Business Improvement Area bylaw status enabling funding through provincial BIA legislation. In parallel, governance development of the DNBA, strategic and business planning would be prepared so that a Board of Directors has an operations plan to move forward with as funding arrives.

Downtown businesses, and the Nanaimo Chamber, request City Council **adopt this initiative as their own, begin a negative option voting process, and help provide the legislative power** for Downtown Nanaimo to lead its own way into the next exciting chapter of its future.





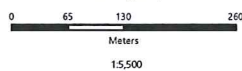
**City of Nanaimo**

Proposed BIA #1 (Revised August 21, 2020)

Legend

 BIA Boundary

Published: August 21, 2020



**CITY OF NANAIMO**  
THE HARBOR CITY  
GIS





## Confirmation of Filing Incorporation Application

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DOWNTOWN NANAIMO BUSINESS ASSOCIATION  
2133 BOWEN ROAD  
NANAIMO BC V9S 1H8

This confirmation letter has been sent to the primary and alternate email addresses.  
We welcome your feedback on our service. Take our [survey](#).

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Form Filed:	Incorporation Application
Name of Society:	DOWNTOWN NANAIMO BUSINESS ASSOCIATION
Incorporation Number:	S0073099
Business Number:	73627 6338 BC0001
Date and Time of Filing:	April 30, 2020 12:03 PM Pacific Time

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Your Society's receipt is available on the Filing History, where it can be viewed and printed at any time.

Your Certified Documents are available for you on the Filing History tab.

As part of your filing you were required to create a Registry key. Anyone with the key can access your society's information and complete filings for your society. The key should only be given to those who are authorized to complete filings on behalf of the society. Consider changing the key if you later have a turn-over within your organization.

The *Societies Act* requires all Societies and Extraprovincial Non-Share Corporations to file an annual report each calendar year and to promptly notify the registrar of any changes in its information. For information regarding these filings visit [www.gov.bc.ca/Societies](http://www.gov.bc.ca/Societies).

Review your documents carefully to ensure there are no errors or omissions. If errors or omissions are discovered, please contact the Corporate Registry for instructions.

PLEASE DO NOT REPLY TO THIS EMAIL. It was sent from an unmonitored email address and the Corporate Registry is unable to respond to any replies.



BC Registries  
and Online Services

Corporate Registry

Questions? Contact us at 1-877-526-1526  
[www.gov.bc.ca/Societies](http://www.gov.bc.ca/Societies)



**NAME & PURPOSE:** The name of the Society is the Downtown Nanaimo Business Association. The purpose of the Society is to strengthen the economic vitality of Downtown Nanaimo by undertaking business promotions and strategies that enhance the user experience and attracts growing numbers of residents and tourists to an increasingly attractive downtown.

## **DNBA BOARD – BYLAWS**

### **Board Composition**

1. Directors will be representative of the downtown business community, geographically and by category, and shall include representatives of the following stakeholder groups.
  - 2 representing retail operations
  - 2 representing property owners
  - 1 representing hospitality
  - 1 representing restaurants
  - 1 representing commercial/professional tenants
  - Of the three remaining Board members, two shall be representative of related business associations (Chamber, Tourism, NHA, Port, etc) and the third shall be a representative of City of Nanaimo. These will be ex-officio positions.
2. The representative of the City shall be appointed by the City of Nanaimo with the approval of the Board of the Association.

### **Board Meetings**

3. The Board of Directors shall meet monthly unless otherwise decided by the Board. Board meetings can either be conducted in person or virtually by agreement of a quorum.
4. Board members are required to attend and actively participate in monthly Board meetings. If an individual Board member misses three meetings in a row (see note below in “Directors & Their Role”), or intermittently attends Board meetings, or attends less than three quarters of official Board meetings in a year, the President shall have the authority to ask that individual to step down from the Board upon agreement by a majority of board members.
5. Directors are requested to advise in advance of meetings if they are unable to attend, as well as when they are unable to perform their tasks due to business, vacation or illness.
6. The President, or meeting Chair, will decide if meetings are to be cancelled due to lack of quorum.

7. The quorum of a Board meeting shall be no less than half the number of the Board of Directors, plus one -- meaning a total of five voting members -- at least one of which is a property owner and one of which is a tenant.
8. Only discussions recorded in DNBA minutes reflect decisions of the Board and Committees. The Board does not accept private discussions and agreements amongst Directors until they are brought to the Board for formal discussion, decision, and recording.

### **Directors & Their Role**

9. All Directors will be elected for a two-year term except for the inaugural board, half of whom will be appointed to a one-year term to establish a pattern of staggered elections and renewals for the future.
10. Directors shall not serve more than three terms of two years each. The Board of Directors may waive this provision on a case by case basis.
11. Directors are representative of the members of the DNBA and the downtown business community and they, operating as a Board, have the authority of the membership to act on its behalf between Annual General Meetings.
12. Directors are DNBA members in good standing and must be or represent a business or property owner within the boundaries of the DNBA or a member with ex-officio status as described in section #1.
13. The Directors, as a Board, shall support and further the mandate of the DNBA, represent the organization by bringing forward relevant issues; vote responsibly; review and understand the issues facing the Downtown and the DNBA; show solidarity with the DNBA by supporting any decisions of the Board and “speaking with one voice” through the President and Executive Director; serve as an ambassador for the DNBA and Downtown; and advocate on behalf of the DNBA, particularly with politicians and business leaders in the community.
14. Directors shall make the most of their community connections to assist the DNBA to achieve the goals laid out in its Strategic and Business Plans.
15. Directors shall assist staff, as volunteers, with special events, communications, and other special projects as required and their capacity allows.
16. Directors shall sit and actively participate on at least one committee.

17. A person shall cease to be a Director of the Board if one of the following occur:
- on death or permanent incapacitation;
  - written resignation, specifying the effective date of resignation;
  - holding a salaried position or serving in any contract capacity with the DNBA;
  - failure of a Director to disclose their interest, or that of a partner or shareholder, in a contract with the DNBA or failure to abstain from voting in favour of the proposed contract when it is presented to the Directors for approval; or a simple majority of the Board after a Director has been absent from three consecutive meetings without a reason acceptable to the Directors.
18. Directors shall promptly fill a vacancy on the Board between elections by an appointment supported by a majority of the Board. The appointed Director will hold office until the next Annual General Meeting at which time they are eligible for re-election.
19. A Director shall not be remunerated for serving on the Board but may be reimbursed for all expenses necessarily and reasonably incurred on behalf of the DNBA, if approved by the Board -- usually in advance.

#### **Executive**

20. The Directors shall elect from amongst themselves a President, Vice-President, Treasurer, and Executive Secretary who shall hold office at the pleasure of the Directors or until their resignation. At the first board meeting following the AGM, the Board shall review and confirm positions of the Executive.
21. The Executive Committee – comprised of the President, Past President, Vice-President, Executive Secretary, and Treasurer – shall serve as representatives of the Board between monthly Board meetings.
22. The Executive Committee may not override previous Board decisions or amend the budget.

23. The Executive Committee shall meet between Board meetings at their discretion or in emergencies

23. Quorum for all meetings of the Executive Committee is a majority of the members of the committee.

#### **President**

24. The President ensures the effective and efficient action of the Board in governing and supporting the DNBA, while overseeing Board affairs.
25. The President may hold the position for a maximum of two consecutive full terms excluding partial terms.
26. The President recommends to the Board which committees are to be established, seeks volunteers for committees, and coordinates individual board members' assignments.
27. The President appoints committee chairpersons and stays in touch with them to ensure their work is carried out.
28. The President is ex-officio of every committee.
29. The President is primary signing authority for all communications of the Board.
30. The President is responsible for dealing with the Directors on any issues of performance or conduct.
31. The President acts as the representative of the Board as a whole.
32. With the Executive Director, the President is the DNBA's media spokesperson.
33. The President represents the DNBA in the community and the community to the Board.
34. In concert with the Executive Director, the President develops agendas for Board, Executive, and Annual General meetings.

#### **Executive Committee Meetings**

35. The President serves as the Executive Director's primary point of contact providing direction and accountability. In the President's absence, this responsibility falls upon the Vice-President and then Past-President.

36. The President leads the search and selection committee for hiring senior staff.

37. The President convenes Board discussions on evaluation of Lead Staff, negotiating employee and contractor compensation and benefits packages, and ensures an annual staff appraisal is conducted by the Lead Staff.

**Vice-President**

38. The Vice-President acts in the President's absence and assists the President in their duties.

39. The Vice-President is generally selected to fulfill the role of successor to the President.

40. The Vice-President assists the President in recruiting and orientating new Board members and leading special projects of the Board.

**Treasurer**

41. The Treasurer oversees the review of, and action related to, the Board's financial responsibilities.

42. The Treasurer is responsible for reviewing all financial documents prepared by staff.

43. The Treasurer is responsible for reporting financial information to the Board, including monthly financial reports, audited/reviewed statements, and the proposed annual budget.

44. The Treasurer presents the audited statements and proposed annual budget to the membership at Annual General meetings.

**Committees of the Board**

45. The Board may delegate any, but not all, of its powers to such committees (excluding fiduciary powers), consisting of such members as they feel fit.



47. Committees shall include at least one Director, who will act as Chair or Co-Chair, and shall conform to any rules imposed on it by the Board, including reporting its activities to the Board in a timely fashion.

48. Subject to specific directions of the Board and an approved TOR, Committees shall determine their own procedures.

49. Decisions of Committees shall be decided by a majority of votes on that Committee and these decisions communicated to the Board as 'recommendations'. The Board decides how to act on these recommendations.

50. Electronic votes may be taken between Committee meetings, with the full agreement of a Committee, so long as that decision is subsequently confirmed in the minutes of the Committee.

51. In the event of a dispute, meetings shall be conducted in accordance with the provisions of the latest issue of Robert's Rules of Order.

52. Standing Committees are empowered only to make financial recommendations to the Board for its consideration and decision.

53. The Board may create "ad hoc" committees or 'task forces' to look into specific issues or initiatives. These committees do not have the longevity of a standing committee and are expected to quickly and efficiently conduct their business, report to the Board, and dissolve.

#### **Committee Chairs**

54. The Chair of a Committee works with staff to develop meeting agendas.

55. The Chair keeps the Committee focused on its goals and objectives.

56. The Chair fosters discussion, creative thinking, analysis and implementation of strategies.

57. The Chair ensures all Committee members have an opportunity to contribute.

58. The Chair acts as liaison with the Board to keep the Board informed of progress.

59. Staff supports the Chair and the Committee by ensuring that records are maintained and follow up is carried out.

#### **External Committees**

60. Committees which are external to the DNBA may have DNBA representation from either the Board or staff as determined by the Board or President.

61. External Committee representatives are required to report on a regular basis to the DNBA Board, relevant to formation of the Board's position or for information of the Board on specific details.

#### **Board & Committee Protocol**

62. Board and Committee members shall contact their respective Chairs with comments and concerns pertaining to issues arising or items in progress. The Chairs shall consolidate these discussions, brief the Staff and/or President, and report at the next Board meeting.

#### **Elections**

63. Each year the Board shall establish a Nominating Committee, comprised of members of the Board and led by the President. The Nominating Committee shall nominate sufficient candidates to fill the vacancies on the Board.

64. Members of the DNBA shall also have the opportunity to nominate candidates for the Board. Nominations must be seconded by two other members of the DNBA and be submitted in writing to the offices of the DNBA no later than 14 days before an Annual General Meeting. Nominees may be elected or acclaimed into office.

#### **Proposed Budget**

65. The DNBA annual budgets are approved by the DNBA membership and presented to City Council by the DNBA.

66. The Treasurer shall present the proposed annual budget to the membership, for its consideration, at the AGM. Staff and/or President shall subsequently present the approved budget to City Council each year.

67. Staff, in consultation with President and Committee Chairs, shall develop for consideration of the Board an annual budget. The proposed budget shall be formulated on the discussion and conclusions reached at an annual business planning session. The budget shall include specific budget breakouts within the areas of Administration, Marketing & Partnerships, Culture & Events, and Safety & Sustainability.

68. Any recommendations for spending outside the approved budget or changes to the approved budget shall be presented to the Board for its consideration, with suggestions which include funding options or shifts in account allocation.

#### **Administration**

69. Administrative costs shall not exceed 33% of the total annual budget.

70. Upon approval of the Annual Business Plan and associated annual budget by the Board, the staff are authorized – in concert with Committee Chairs and the Executive – to proceed with implementation of objectives and actions and the associated expenditure of funds.

71. Whenever possible, the DNBA shall purchase competitively-priced merchandise or services from businesses within its boundaries before making purchases outside Downtown Nanaimo.

72. Staff is authorized to spend up to \$2,500 per expenditure on initiatives associated with achievement of objectives contained within the Business Plan. Expenditures over that amount and outside of the approved budget require a 'minuted' approval of the Executive.

73. Directors or staff members seeking to change DNBA policies and/or procedures must first obtain a briefing from the President and staff on the background of the subject to clearly understand existing established process.

74. Changes should be developed in consultation with staff, the President and Board.

#### **Code of Conduct**

75. Board and Committee members are to be respectful of each other and staff during meetings including arriving on time and not interrupting briefings or speakers.

76. Board and Committee members should also be mindful of guests attending meetings and conduct themselves professionally and efficiently at all times.

#### **Conflict of Interest**

77. Board and Committee members are obligated to declare conflict of interest on discussions requiring such declaration and remove themselves accordingly.

78. Board and Committee members may also excuse themselves or step down, or be asked to step down, in the event of a perceived conflict of interest.

79. Board and Committee members, who feel someone in attendance may be in a conflict of interest position, must inform staff or the President to discuss possible conflict and action.

80. Board members running for political office must step down for the period of their election campaign, to avoid any perceived conflicts, or for a term determined by the Board. If not elected, the director may resume their role on the Board.

#### **Media Inquiries**

81. The President is the primary contact for media enquiries and may delegate staff to this role.

#### **Staffing**

82. The DNBA supports and operates in accordance with the B.C. Employment Standards Act. Salaries and benefits will be in accordance with local market conditions. Changes or additions to the staff's benefit package will be upon the recommendation of the Executive Committee.

#### **Staff Performance Evaluation**

83. The Executive Committee will conduct a performance evaluation of staff annually. Salary adjustments and annual bonuses will be based upon goals and objectives agreed upon in the Annual Business Plan.

#### **Car Allowance**

84. Staff and any Board members acting on authorized DNBA business, may be reimbursed for mileage at a rate of \$0.53/km or current Canada Revenue Agency automobile allowance guidelines.

#### **Non-Disclosure Agreements**

85. Staff, Board, and Committee Members may all be required to sign non-disclosure agreements acknowledging that, for a number of reasons, certain information shared in meetings and by correspondence may be privileged and is confidential.

## **Funding & Budgeting**

85. Membership Fees - Members (as defined by their geographic location) will be subject to an annual membership fee of \$50. This fee is primarily to be channeled to the costs of legal, financial, and administrative expenses of the Society.

86. Foundational funding may come from a BIA levy to be applied to all properties in the catchment area identified by the City of Nanaimo and could form the basis for annual budgeting.

87. Additional funding sources will be grant funders, primarily the City of Nanaimo Downtown Revitalization Fund. A focus of the operations and administration function of the DNBA will be investigation and application for this funding on a regular and timely basis.

88. Other funding sources such as senior levels of government, and non-government agencies, community foundations and special interest groups will also be explored whenever such opportunities are available.

89. Partnerships with business interests downtown and opportunities for additional, collaborative investments with these interests -- members and non-members -- will also be explored.

90. Cooperative promotional opportunities may be presented to members for their optional participation, e.g. seasonal promotions, etc.

## **Executive Committee – Terms of Reference**

**Role:** The Executive Committee oversees the overall operation of the DNBA and ensures the organization remains true to its mandate, mission, and vision. It serves as the representative of the Board between monthly meetings of the Board. It makes recommendations and vets nomination of members to the Board. The Executive Committee is also responsible for the performance of staff and provides guidance on all human resources issues. The Executive Committee is responsible to the Board of the DNBA.

### **Outputs:**

1. To identify, between Board meetings, any strategic issues relevant to Downtown and the DNBA and the corresponding appropriate actions to be taken by the Board or staff.
2. To vet the annual budget and monthly financial statements in advance of it going to the Board.
3. To vet the appointment of auditors/reviewers and annual audited/reviewed financial statements.
4. To provide guidance to staff about the on-going operation of the DNBA.
5. To evaluate the annual performance of staff, with an opportunity for the Board to provide input.

**Composition of the Committee:** The Committee will be comprised of the President, Vice-President, Secretary, Treasurer, and Past-President.

**Meeting Schedule and Quorum:** Meetings are scheduled to take place 7-10 days prior to Board meetings and are convened by the President. Two-thirds of the Committee members constitutes quorum and all provisions of the DNBA's Bylaws must be adhered to in conducting Committee meetings.

**Staff Liaison & Support:** Lead Staff; minutes recorded by Executive Secretary or designate. Minutes of Committee meetings are kept on file at the offices of the DNBA.

**Reports to:** The Executive Committee reports to the Board of Directors.



## **Marketing & Partnerships Committee – Terms of Reference**

**Role** To act as a planning and guidance resource for the DNBA Board of Directors and staff on marketing initiatives, sponsorships, and programs that meet the mandate and vision of the DNBA and are aligned with the goals outlined below.

### **Goals**

1. Create and execute an annual Marketing Plan as part of the Business Plan in collaboration with Staff.
2. Maximize awareness of downtown businesses and events through a strategic communications plan.
3. Create, develop and promote a unique identity for Downtown with consistent branding and key messages.
4. Collaborate with relevant community partners to leverage audience share -- City, Tourism Nanaimo, Hospitality Association, VICC, Old City Quarter, etc

### **Composition of the Committee:**

The committee will be composed of 4-6 individuals, all of whom are to be appointed to the committee for a two-year renewable term by the Board of Directors. The Board of Directors will also name a Chair or Co-Chairs of the Committee, who must sit on the Board of Directors.

### **Criteria and Basic Skills Required:**

All members in good standing as per the DNBA's Bylaws are eligible to serve on the committee. Members with knowledge of and/or experience in marketing, advertising and promotions as well as in a decision-making role with the organization they are affiliated with, are ideal candidates to serve on this committee.

### **Meeting Schedule and Quorum:**

Meetings are scheduled at the call of the Chair or Staff. A minimum of six meetings are to be held per year and additional meetings may be scheduled as required and convened by the Chair. A majority of the committee members constitutes quorum and all provisions of the DNBA's Bylaws must be adhered to in conducting committee meetings. Committee members absent for two consecutive meetings without a valid reason can have their appointment revoked.

**Staff Liaison:** Lead staff

**Reports to:** The Marketing & Partnerships Committee reports to the Board of Directors. Proposed policy positions will be taken to the Board of Directors by the Committee Chair. The Board of Directors may opt to review and vote on proposed policy positions electronically.

## Culture & Events Committee – Terms of Reference

**Role** To act as a planning and guidance resource for the DNBA Board of Directors and staff on event sponsorships, programs, and events that meet the mandate and vision of the DNBA and are in line with the goals outlined below.

### Goals

1. Support and promote existing events and festivals and attract new events and cultural activities to Downtown Nanaimo.
2. Maximize awareness of downtown businesses and increase visitations to Downtown Nanaimo by influencing market perceptions and creating new shopping habits.
3. Work with partners to ensure that Downtown is, and is seen to be, an attractive place to do business.
4. Promote the role of the DNBA to key external audiences -- the public, government, business through media and communications campaigns.

**Composition of the Committee:** The committee will be composed of 4-6 individuals, all of whom are to be appointed to the committee for a two-year renewable term by the Board of Directors. The Board of Directors will also name a Chair or Co-Chair of the committee. Committee Chairs must also sit on the DNBA Board of Directors.

**Criteria and Basic Skills Required:** All members in good standing as per the DNBA's By-Laws are eligible to serve on the committee. Members with knowledge of and/or experience in events, as well as in a decision-making role with the company they are affiliated with, are ideal candidates to serve on this committee.

**Meeting Schedule and Quorum:** Meetings are scheduled to take place at the call of the Chair or Staff. A majority of the committee members constitutes quorum and all provisions of the DNBA's Bylaws must be adhered to in conducting committee meetings.

## Safety & Sustainability Committee – Terms of Reference

**Role:** To act as a planning and guidance resource for the DNBA Board of Directors and staff on all matters relevant to the safety, sanitation, social order and sustainability of a friendly and welcoming atmosphere and conditions for Downtown Nanaimo. The Safety & Sustainability Committee is responsible to the Board of the DNBA.

**Goals:**

1. Provide overview and approval for strategies associated with keeping Downtown Nanaimo clean, safe, and sustainable.
2. Work with as many partners as possible to ensure the cleanliness, safety, & sustainability including building owners and managers, City, RCMP, and other community partners (non-profit community organizations, social services and other government agencies).
3. Explore strategies which will help reinforce Downtown Nanaimo's unique physical character and also create new and vibrant identities.
4. Ensure Downtown Nanaimo remains a sustainability leader through advocacy and administration of supportive programs to property and business owners.
5. Conduct walking tours and inspections of downtown with City Council and community leaders to assess progress on the above goal and to develop new strategies which contribute to the further enhancement of downtown.

**Authority:** All financial commitments by the Committee shall be made in the context of the break-out of the annual DNBA budget or shall be on the basis of recommendations to the Board. It may also recommend to the Board any strategic actions or financial investments relevant to Safety & Sustainability initiatives.

**Composition of the Committee:** The Committee will be comprised of 4-6 individuals, all of whom are to be appointed to the Committee for a two-year renewable term by the Board of Directors. The Board of Directors will also name a Chair and Co-Chair of the Committee. Committee Chairs must also sit on the DNBA Board of Directors.

**Criteria and Basic Skills Required:** All members in good standing as per the DNBA's Bylaws are eligible to serve on the Committee. Members with knowledge of and/or experience in community planning, sustainability, property and building management, or similar fields, as well as in a decision-making role with the organization they are affiliated with, are ideal candidates to serve on this committee.

**Meeting Schedule and Quorum:** Meetings are at the call of the Chair. A minimum of six meetings are to be held per year and additional meetings may be scheduled as required and convened by the Chair. A majority of the committee members constitutes quorum and all provisions of the DNBA's

Bylaws must be adhered to in conducting committee meetings. Committee members absent for two consecutive meetings without a valid reason can have their appointment revoked.

**Staff Liaison:** Lead Staff, and any significant contractors

**Reports to:** The Committee reports to the Board of Directors. Proposed policy positions will be taken to the Board of Directors by the Committee Chair and Staff. The Board of Directors may opt to review and vote on proposed policy positions electronically.



September 16, 2020

City of Nanaimo and Council,

With respect to the proposed Capital Plan for the Rotary Bowl, the Nanaimo Track + Field Club will contribute \$50K towards the track resurfacing project, specifically the proposed first phase of resurfacing the sprint straight in 2021.

The NTFC is currently soliciting grant funding from community partners to offset the loss of fundraising opportunities in 2020 due to the cancellation of programming from Covid-19. Combined with resumed fundraising efforts, we hope to contribute further funds to future phases of resurfacing the entire track oval.

The Rotary Bowl facility has been an indispensable community asset to the SD68 community, countless clubs and organizations and to the general public for many years. Since the start of the Covid-19 pandemic however, the track has become a sanctuary for Nanaimo residents who have discovered it as a safe, contained and accessible location to be active outdoors. Seniors, parents with young children and fitness enthusiasts of all ages have shared space at the track these past seven months. With fresh air and space to practice safe social distancing while engaging in physical activity, the Rotary Bowl will continue to be a popular community asset. On behalf of all these and future users of the Rotary Bowl track, the NTFC will do all it can to contribute to this legacy for the greater community.

Sincerely,

Tyler Heisterman (NTFC President) and NTFC Board of Directors





September 1<sup>st</sup>, 2018

**Re: Letter of support**

To Whom It May Concern:

As a member of the downtown business community, I feel it is essential that my interests and those of my neighbours are represented by a single voice issued from a collective body under the control of businesses and property owners downtown.

We currently have an opportunity through the Greater Nanaimo Chamber of Commerce, to explore this subject and identify the business case of a body going forward. The Chamber has recommended this Feasibility Study and is actively seeking funding for this purpose. We are among many businesses who support their initiative wholeheartedly. As a possible supporter or funder of this initiative, I hope you recognize the high value of this study, and the impact it could have in helping downtown Nanaimo realize success as a foundation for community economic development.

I also support the establishment of a Steering Committee to oversee this process and agree it should be primarily made up of downtown business representatives.

Please feel free to contact me should you have any questions.

Kind Regards,

A handwritten signature in black ink, appearing to read "Daryl West".

Daryl West  
General Manager





Dear Sir/Madam,

It is often said that you can't make a fortune with good will, and legacy must wait until later.

Although traditionally true in a capitalistic environment, these ideas are fallacy. I believe that Kim Smythe and his team at the Greater Nanaimo Chamber Of Commerce defies this and indeed means to accomplish both.

As the crisis' in Nanaimo continues to unravel and reveal ever weakening confidence in the city, especially downtown, their project seeks to offset this tailspin and attract both consumer and investment into the city core. They are preparing to deliver that safety net which will be one of the few opportunities in Nanaimo where business owners like myself can seek alternative refuge. I bet there are only a handful of businesses that make close to \$100,000,000 on Commercial St., and Koncept Nightclub being one of them, we are extremely thankful that there is a team and project like this that will strengthen our infrastructure and enable predictable security for the future.

The introduction of the Chambers' plan might seem uninteresting to most but for business owners in the area it actually shines a bright light of hope and some indulgence for investment in the future. With this project, Kim and the Chamber has done a great job shoring up all my questions proving limitless capability.

Regards,

Sebastian Barkovic  
Owner, Koncept Nightclub



143 Commercial Street, Nanaimo, BC V9R 5G5 CANADA

Telephone: 250-754-4531

[www.BastionJewellers.com](http://www.BastionJewellers.com)

September 4, 2018

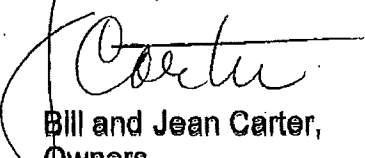
To Whom It May Concern,

As members of the downtown business community, we feel it is essential that our interests and those of our neighbours are represented by a single voice issued from a collective body under the control of businesses and property owners downtown.

We currently have an opportunity through the Greater Nanaimo Chamber of Commerce to explore this subject and identify the business case of a body going forward. The Chamber has recommended this feasibility study and is actively seeking funding for this purpose. We are among many businesses who support their initiative wholeheartedly. As a possible supporter or funder of this initiative, we hope you recognize the high value of this study and the impact it could have in helping downtown Nanaimo realize success as a foundation for community economic development.

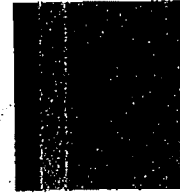
We also support the establishment of a steering committee to oversee this process and agree it should be primarily made up of downtown business representatives.

Sincerely,



Bill and Jean Carter,  
Owners  
Bastion Jewellers

NYLA Fresh Thread  
206 Commercial Street  
Nanaimo, BC V9R 5G7  
250-716-3331  
nylafreshthread@hoitmail.com



September 2nd, 2018

Re: Letter of support

To Whom It May Concern:

As a member of the downtown business community for the last five years, it is essential that downtown Nanaimo businesses are represented by a single voice issued from a collective body under the control of businesses and property owners.

We currently have an opportunity through the Greater Nanaimo Chamber of Commerce, to explore this subject and identify the business case of a body going forward. The Chamber has recommended this Feasibility Study and is actively seeking funding for this purpose. We are among many businesses who support their initiative wholeheartedly. As a supporter and/or funder of this initiative, I hope you recognize the high value of this study and the impact it could have in helping downtown Nanaimo realize success as a foundation for our community economic development.

I also support the establishment of a Steering Committee to oversee this process and agree it should be primarily made up of downtown business representatives.

Please feel free to contact me should you have any questions.

Kind Regards,

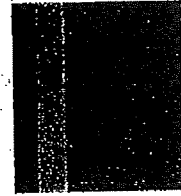
A handwritten signature in black ink, appearing to read 'Leon Drzewiecki', written over the 'Kind Regards,' text.

Leon Drzewiecki

Owner Operator, NYLA Fresh Thread Inc. Famous Franks Ltd.



Famous Franks  
206 Commercial Street  
Nanaimo, BC V9R 5G7  
250-716-3331  
alastorventurs@hoitmail.com



September 2<sup>nd</sup>, 2018

Re: Letter of support

To Whom It May Concern:

As a member of the downtown business community, it is essential that downtown Nanaimo businesses are represented by a single voice issued from a collective body under the control of businesses and property owners.

We currently have an opportunity through the Greater Nanaimo Chamber of Commerce, to explore this subject and identify the business case of a body going forward. The Chamber has recommended this Feasibility Study and is actively seeking funding for this purpose. We are among many businesses who support their initiative wholeheartedly. As a supporter and/or funder of this initiative, I hope you recognize the high value of this study and the impact it could have in helping downtown Nanaimo realize success as a foundation for our community economic development.

I also support the establishment of a Steering Committee to oversee this process and agree it should be primarily made up of downtown business representatives.

Please feel free to contact me should you have any questions.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Leon Drzewiecki', written over the typed name.

Leon Drzewiecki

Owner Operator Famous Franks Ltd. NYLA Fresh Thread Inc.

2018-09-02 10:00:00 AM [REDACTED]



COASTAL COMMUNITY  
CREDIT UNION

TOGETHER, LET'S DO  
GREAT THINGS

August 28, 2018

To Whom It May Concern:

As a member of the downtown business community, I feel it is essential that my interests and those of my neighbours are represented by a single voice issued from a collective body under the control of businesses and property owners downtown.

We currently have an opportunity through the Greater Nanaimo Chamber of Commerce, to explore this subject and identify the business case of a body going forward. The Chamber has recommended this Feasibility Study and is actively seeking funding for this purpose.

I support their initiative wholeheartedly. As a possible supporter or funder of this initiative, I hope you recognize the high value of this Study, and the impact it could have in helping downtown Nanaimo realize success as a foundation for community economic development.

I also support the establishment of a Steering Committee to oversee this process and agree it should be primarily made up of downtown business representatives.

Signed,

Craig Power  
Branch Manager  
Coastal Community Credit Union  
111-59 Wharf ST  
Nanaimo BC V9R 2X3  
(250) 741 3101

## Delegation Request

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### **Delegation's Information:**

Kim Smythe, CEO, Nanaimo Chamber, has requested an appearance before Council.

City: Nanaimo

Province: BC

### **Delegation Details:**

The requested date is November 18, 2020.

The requested meeting is:  
Finance and Audit

Bringing a presentation: No

Details of the Presentation:  
To speak regarding BIA for Downtown Nanaimo and answer questions.

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

**SUBJECT RESERVE POLICY UPDATE**

## **OVERVIEW**

### **Purpose of Report**

To revise the minimum and define the maximum reserve balances for the three (3) Financial Stability Reserves.

### **Recommendation**

That the Finance and Audit Committee recommends that Council revise the minimum and set a maximum balance for the three (3) financial stability reserves, to be reviewed every five (5) years, as follows:

#### Minimum Balances:

1. \$15,000,000 for the General Financial Stability Reserve
2. \$500,000 for the Sewer Financial Stability Reserve
3. \$1,700,000 for the Water Financial Stability Reserve

#### Maximum Balances:

60 days of prior year's budgeted general operating expenditures for all three (3) financial stability reserves.

## **BACKGROUND**

On 2019-MAR-11 at a Special Committee of the Whole meeting Staff presented the Draft Reserve Policy to Council for consideration. The purpose of the Policy is to:

- I. Establish responsible governance for the development, maintenance and use of the City's Reserves;
- II. Establish governance roles and responsibilities that ensure appropriate establishment and management of Reserves;
- III. Define principles and objectives for Reserves management that are appropriate for the City's financial position, and are reasonable, logical and necessary for delivery of sustainable, affordable services; and,
- IV. Ensure the City's Reserves management is compliant with the statutory and legal requirements of the Local Government Act and the Community.

At the 2019-JUL-22 Regular Council meeting, Council endorsed the summary of recommendations included in the “City of Nanaimo Reserves Review Report” that was presented at the 2019-JUL-17 Finance and Audit Committee meeting. A copy of this report is included in Attachment A. A Reserves Framework was established and included the following categories:

**1. Financial Stability Reserves:**

Mitigate specific risks or provide funding for future costs

**2. Equipment Reserves:**

Provide funding for equipment replacement

**3. Infrastructure Reserves**

Primary funding source for infrastructure renewal

**4. Parking Reserves**

Provide funding for renewal or upgrades to parking infrastructure/amenities or parking studies.

**5. Property Reserves**

For the purchase and sale of land.

**6. Strategic Reserves**

Provide funding for strategic initiatives and investment identified by Council.

**7. Other Reserves**

Either fulfil a specific administrative function, comply with a bequest or are for short-term purposes.

Section 7.2 of the Reserves Policy speaks to the subject of establishing target minimum and maximum reserve balances, where appropriate, to ensure that specific reserves are stable to fulfill their purpose but do not grow beyond their intended purpose.

The Government Finance Officers Association (GFOA) recommends a target balance in ‘working capital’ between 45 and 90 days of expenditure budgets. ‘Working capital’ for local governments can be equated to unrestricted operating reserve balances in the General Operating Fund, the Sewer Operating Fund and the Water Operating Fund.

If a reserve was reduced below its target minimum balance, the budget review process would both clearly disclose if/when a reserve balance fell below the minimum target and the strategy to restore the reserve’s balance to its minimum target.

Currently, only minimum balances are identified in the Reserves Policy.



## **DISCUSSION**

On 2020-MAR-17, the Province of BC declared a Provincial Health Emergency due to the COVID-19 Pandemic and it is still ongoing to this day. The Pandemic has caused financial hardships for many citizens and governments across Canada and the world as a whole.

Like all the municipalities in Canada, the City of Nanaimo has been adversely affected by the COVID-19 Pandemic. The organization has experienced loss of revenues from Casino, parking fees and Parks, Recreation and Culture (PRC) closures to name a few. To compensate for these losses, Staff have worked to reduce expenditures where possible. As the Pandemic continues with no fixed end date, it is a challenge to maintain level of service while keeping property taxes to a palatable level.

The Financial Stability Reserves were created for an event just like this. Staff have been working on how best to use these reserves without causing large property tax and user fee increases in futures years of the financial plan.

One scenario was to look at establishing a maximum balance in each of the financial stability reserves for five (5) years. At the end of the five (5) years, a review would be undertaken to determine if the balances are still sufficient or if changes are needed.

The current balance in each reserve is:

<b>Reserve</b>	<b>Current Balance</b>	<b>Minimum Balance Calculation</b>
<b>General Financial Stability Reserve</b>	\$16,408,806	60 days of prior year's budgeted general operating expenditures
<b>Sewer Financial Stability Reserve</b>	\$471,249	45 days of prior year's budgeted sewer operating expenditures
<b>Water Financial Stability Reserve</b>	\$1,701,055	60 days of prior year's budgeted water operating expenditures

The recommended minimum and maximum balance for each reserve are:

<b>Reserve</b>	<b>Minimum Balance</b>	<b>Maximum Balance Calculation</b>
<b>General Financial Stability Reserve</b>	\$15,000,000	60 days of prior year's budgeted general operating expenditures
<b>Sewer Financial Stability Reserve</b>	\$500,000	60 days of prior year's budgeted sewer operating expenditures
<b>Water Financial Stability Reserve</b>	\$1,700,000	60 days of prior year's budgeted water operating expenditures

As part of the Reserves Policy, reserves that are drawn down below their minimum balances must have a repayment schedule built into the next financial Plan. By adjusting the minimum balance and creating a maximum balance in the Financial Stability reserves, it will allow flexibility in dealing with the long-term COVID-19 effects without creating an automatic repayment trigger until the balance drops below the minimum.

The current Draft 2021-2025 Financial Plan assumes that operations, other than Casino revenues and investment income, are back to normal levels in 2022. As there are many unknowns with COVID-19 and no defined end date, having this funding available will help mitigate assumption risks.

The minimum balances would still maintain the reserves within the range that is considered best practices.

## **OPTIONS**

1. That the Finance and Audit Committee recommends that Council revise the minimum and set a maximum balance for the three (3) financial stability reserves, to be reviewed every five (5) years, as follows:

### Minimum Balances:

1. \$15,000,000 for the General Financial Stability Reserve
2. \$500,000 for the Sewer Financial Stability Reserve
3. \$1,700,000 for the Water Financial Stability Reserve

### Maximum Balances:

60 days of prior year's budgeted general operating expenditures for all three (3) financial stability reserves.

- **The advantages of this option:** Will allow the flexibility to smooth property tax and user fee increases that could result from the COVID-19 Pandemic in future years.
- **The disadvantages of this option:** The amounts in the reserves will not increase with the increase in the operating budget over the next five (5) years.
- **Financial Implications:** For 2021, no allocation, other than the \$700,000 for post-employment benefits, from the 2020 budget variance will be transferred to the General Financial Stability reserve. Setting a minimum and maximum balance for these reserves will allow the City to use funds without triggering an automatic payback, while still maintaining an adequate amount in each reserve.

2. That the Finance and Audit Committee recommends that Council deny revising the minimum reserve balances and imposing maximum balances for the General, Sewer and Water Financial Stability Reserves.

- **The advantages of this option:** No change to the Policy will be needed and the best practices established in 2019 will remain unchanged.
- **The disadvantages of this option:** Any use of these reserves will affect future years of the Financial Plan as a repayment plan will need to be established for any amount taken from the reserves.
- **Financial Implications:** The first \$1,055,770 of the 2020 budget variance will need to be allocated, in addition to the \$700,000 for the post-employment benefits, to the

General Financial Stability Reserve. This would bring the reserve to the minimum balance or alternatively if the budget variance is insufficient a repayment plan will need to be incorporated into the 2021-2025 Financial Plan. Currently the Draft 2021-2025 Financial Plan uses \$1.4 million from the General Financial Stability Reserve to reduce taxes in 2021 with no repayment budgeted. Without the recommended changes, a repayment plan would need to be implemented in future years of the plan.

3. That the Finance and Audit Committee provides alternative recommendations to Council.

#### **SUMMARY POINTS**

- Council adopted the Reserves Policy on 2019-JUL-22.
- Three (3) Financial Stability Reserves, one for each fund, were created to mitigate specific risks or provide funding for future costs.
- Minimum balances have been established for each reserve and an allocation of prior year surpluses are used to maintain these balances.
- Staff are recommending the revision of minimum balances and the establishment of a maximum balance in each of the three (3) Financial Stability Reserves, with a review to be performed every five (5) years to determine if the values are still appropriate.
- Setting a minimum and maximum balance for these reserves will leave room to use the funds without triggering an automatic payback, while still maintaining an adequate amount in each reserve.

#### **ATTACHMENTS:**

- Attachment A: City of Nanaimo Reserves Review Report 2019-JUL-17
- Attachment B: Reserve Policy

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# CITY OF NANAIMO RESERVES REVIEW REPORT

Updated July 17, 2019

An overview of the City's current reserves and recommended changes.

## REPORT OUTLINE

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## Executive Summary

The City of Nanaimo owns and operates over \$3 billion in equipment and infrastructure to deliver a wide range of needed and desired services to the community. The City's 2019 operating budget is \$145 million and significant investment is made each year in infrastructure renewal, new infrastructure required due to growth and in strategic initiatives. Sustainable financial management and long-term planning strategies support affordable services.

The City has taken prudent steps in establishing reserves to mitigate specific risks, for equipment and infrastructure investment, and for strategic initiatives. At the end of 2019, the City is projected to have \$77 million in reserves and an additional \$42 million in Developer Cost Charges (DCC) reserves. Predictable annual contributions to reserves effectively minimize annual property tax and user fee increases and provide funding for:

- Risk Mitigation
- Equipment and Infrastructure Investment
- Strategic Initiatives and Investment

A comprehensive review of the City's reserves has been undertaken and focused on two key questions:

- Does the City have the right reserves?
- Do the reserves have the right balances?

This report will outline the review process, findings and recommendations to date. Recommendations in this report will further improve the resiliency, sustainability and transparency of the City's management of its reserves. The review was supported by the Government Finance Officers Association (GFOA) best practices and will help convert current practices into policy.

## **Executive Summary (continued)**

The review developed a framework to enhance understanding and evaluation of the City's reserves. The Reserves Framework groups reserves with common purposes into the following categories:

- Financial Stability Reserves
- Equipment Reserves
- Infrastructure Reserves
- Parking Reserves
- Property Reserves
- Strategic Reserves
- Other Reserves

The review identified minimum target balances where appropriate for specific reserves and includes a roadmap for transitioning the City's reserves to the new framework.

This report was presented to Council at the 2019-MAR-11 Special Committee of the Whole meeting for information and discussion purposes. The report has been updated to reflect further review, direction from Council, and finalization of the City's 2018 financial statements.

Council's approval of a new Reserve Policy is now being sought to enable changes to be put in place for preparation of the 2020 – 2024 Financial Plan.



## A INTRODUCTION

The purpose of this report is to outline the results of a review of the City's reserves and to introduce a Reserve Policy for Council's consideration.

Staff have conducted a comprehensive review of the City's reserves to determine if each reserve is still relevant, to determine needed new reserves, and to determine target minimum and maximum balances for specific reserves.

The City has implemented reserves to mitigate risk and to implement funding strategies for strategic initiatives and investment in infrastructure:

- In 1982, Council approved the implementation of Development Cost Charges (DCCs) where the City collects monies from developers to support funding of new/expanded infrastructure required due to growth in compliance with Provincial legislation. Periodic reviews are completed to update infrastructure investment needs and DCC charges. In 2018, Council approved the current DCC charges.
- In 2013, Council approved the implementation of three asset management reserves: General Asset Management Reserve, Sewer Asset Management Reserve and Water Asset Management Reserve. Annual contributions to these reserves are through annual increases to property taxes for five years ending 2017, annual increases to sewer user fees ending in 2022 and annual increases in water user fees ending in 2020.
- In 2017, Council approved extending the annual increases to property taxes for an additional five years ending 2022 for the General Asset Management Reserve.
- In 2017, Council approved the creation of a Strategic Infrastructure Reserve to provide a funding source for strategic initiatives and investment. Contributions to this reserve are from the transition of annual Casino and Fortis revenues from the General Operating Fund.
- Internal charges for fleet, solid waste collection bins, computer and copier equipment are included in annual department budgets and are contributed to specific reserves that provide for fleet and bin replacement, upgrades to the City's IT infrastructure and for copier equipment replacement.
- Allocation of prior year's operating surplus have been allocated to specific reserves to mitigate risks and for infrastructure investment.

Establishing and managing reserves is an important component of the City's financial management and long term planning strategies. Reserves provide funding to mitigate risks, for infrastructure investment and to implement strategic initiatives. Predictable annual contributions to reserves minimize increases to property taxes and user fees.

## Infrastructure Investment Deficit

Aging infrastructure and the demand for new infrastructure due to growth is a challenge for municipalities. The City's 20 Year Investment Plan (2017) projected a needed infrastructure investment of \$1.1 billion over the next twenty years to maintain current service levels. Funding for this investment is from a combination of annual property taxes and user fees, reserves, debt and grants. Current funding sources do not support the \$1.1 billion investment. In 2018, Council approved continuing the annual 1% property tax increases and approved increases to Development Cost Charges to address the funding gap. As well, the City is currently completing reviews that may recommend increases to various user fees. Future updates to the City's 20 Year Investment Plan will monitor progress on closing the funding gap and the City's progress towards sustainable funding for infrastructure investment.

More than two thirds of the City's infrastructure investment plans are funded from reserves including development cost charges. This has reduced the City's reliance on debt or large annual increases to property taxes and user fees for infrastructure investment. The City's prudent approach to managing reserves is evident in this review and recommended changes focus on improving accountability, transparency and resiliency.

This report will provide important information on the development of the City's Reserve Fund Policy and help answer two types of questions:

- Does the City have the right reserves?
- Do the reserves have the right balances?

## B FINANCIAL MANAGEMENT AND PLANNING, RESERVE FUNDS AND THEIR PURPOSES

### 1 OVERVIEW

Prudent and robust financial management supports: delivery of day-to-day services to the community, needed investment in infrastructure and implementation of strategic initiatives.

The City's integrated planning framework is comprised of separate but complementary planning processes. These processes support alignment and integration of resources and activities to achieve the strategic goals and priorities set by Council.



The City's Five Year Financial Plan and 20 Year Investment Plan outline the utilization of reserves to fund renewal of infrastructure, new/upgraded infrastructure required due to growth and implementation of strategic priorities.

Establishing and managing reserves, which can be compared to 'savings accounts', supports the City's long-term financial stability and sustainability. Each year, monies contributed to reserves provide funding for investment in infrastructure, for implementing strategic initiatives and to mitigate risks. Funding needs for Infrastructure investment can vary from year to year and larger projects require long-term financial strategies to reduce the impact on future property taxes and user fees for the community.

Staff have completed a comprehensive review of the City's reserves and have developed a Reserve Policy for Council's consideration.

## 2 FUND STRUCTURE

The City's resources and operations are segregated into specific funds for accounting and financial reporting purposes. These funds include general, sewer and water operating funds, general, sewer and water capital funds and statutory reserve funds.

The Sewer Operating Fund tracks operating budgets that deliver day-to-day sanitary sewer services and the Sewer Capital Fund tracks capital investment in infrastructure to support that service. The Sewer Operating Fund also includes operating reserves.

The Water Operating Fund tracks operating budgets that deliver day-to-day water supply, distribution and treatment services and the Water Capital Fund tracks capital investment in infrastructure to support that service. The Water Operating Fund also includes operating reserves.

The General Operating Fund tracks annual operating budgets that deliver all the other day-to-day services provided by the City such as police, fire, parks and recreation, transportation, drainage and solid waste collection as well as corporate services. The General Capital Fund tracks capital investment in infrastructure that supports those services. The General Operating Fund also includes operating reserves.

Statutory Reserve Funds are established for specific purposes under Section 188 of the *Community Charter*. The legislation requires that money in a reserve fund must be used for the purpose for which the fund was established. Each Reserve Fund is implemented through a City bylaw that outlines the purpose of the reserve, the sources of contributions, and what the funds can be used for.

## 3 ACCUMULATED SURPLUS

The City's annual financial statements include the Consolidated Statement of Financial Position report. This report discloses the City's financial position at the end of each fiscal year and includes Net Financial Assets, Non-Financial Assets and Accumulated Surplus.

Accumulated Surplus includes the following year-end balances:

- Operating Surplus (General, Sewer and Water);
- Operating Reserves; and
- Statutory Reserves Funds.

Operating Surplus (General, Sewer and Water) is the accumulated unallocated operating surplus from prior years. The Operating Surplus for the year ended December 31, 2018 was \$5.5 million for the General Operating Fund, \$6.7 million for the Sewer Operating Fund and \$5.8 million for the Water Operating Fund. Currently, the surplus in each operating fund provide working capital for operating expenditures before property taxes

and/or user fees are collected. Maintaining appropriate working capital levels eliminates or reduces the need to borrow short-term externally and/or internally for operations.

Operating Reserves (General, Sewer and Water) are allocations of accumulated surplus which have been allocated to specific reserves in each operating fund. This report will provide information on these reserves and recommended changes.

Statutory Reserve Funds are specific reserve funds required by Provincial legislation or established by Council. Total Statutory Reserve Funds for the year ended December 31, 2018 was \$41.4 million. This report will provide information on these reserve funds and recommended changes.

## 4 RESERVES AND THEIR PURPOSES

The primary purposes of reserves are to provide funding for equipment and infrastructure investment, strategic initiatives and to mitigate risk. Reserves are an integral part of the City's financial and long term planning and support effective, efficient and sustainable delivery of services. Availability of funding supports optimum planning for the maintenance and replacement of city infrastructure.

Reserves are classified as Operating Reserves or Statutory Reserves and hold monies until needed. Reserves are like saving accounts or envelopes. Each reserve is set up for a specific purpose. Contributions and withdrawals are tracked and reported for each reserve.

Each Operating Reserve is included in the appropriate operating fund, General, Sewer or Water. While these reserves have specific purposes, they can also be used for any operating or capital purpose with Council's approval through the annual budget process.

Each Statutory Reserve is segregated into a Reserve Fund. These Statutory Reserves, also referred to as Reserve Funds, are required by Provincial legislation or established by Council and receive specific contributions that can only be used in compliance with the appropriate City bylaw and through the annual budget process. Each year interest revenue is allocated to each Statutory Reserve based on their balances.

This report and the accompanying Reserve Policy will use the term 'reserves' to refer to both Operating Reserves and Statutory Reserves.

### **Current Reserves Summary**

Appendix 1 provides an overview of the City's current reserves.

## 5 PRIMARY PURPOSE OF CITY RESERVES

The City's reserves can be classified into three primary purposes:

1. Risk Mitigation – Some of the City's reserves are used to mitigate risks of various types including risk of uncollected revenues or sudden unplanned expenditures to deliver services.
2. Equipment and Infrastructure Investment – Many of the City's reserves provide funding for renewal of equipment and infrastructure and for new/upgraded infrastructure required due to growth.
3. Strategic Initiatives and Investment – Some of the City's reserves provide funding for Council's priorities.

## 6 DEVELOPMENT COST CHARGES RESERVES

The City collects Development Cost Charges (DCCs) from developers to assist with the capital cost of infrastructure required due to growth. DCCs are imposed by bylaw pursuant to Section 933 of the *Local Government Act*. The City has implemented a Statutory Reserve for each type of DCC collected: Water Distribution, Roads, Drainage, Sewer, Parks and Water Supply. These bylaws include specific capital investment needed for development and funding from DCC reserves can only be used for these projects.

The City recently completed a review and update to its Development Cost Charges program. In 2018, Council adopted a new DCC bylaw to collect monies for roads, drainage, sanitary sewer, water and parkland development.

Specific projects for infrastructure required due to growth are not fully funded from DCC reserves. The City must assist with a minimum of 1% funding for DCC projects. As well, many DCC projects include a component that benefits existing residents. DCC projects require funding from both DCC and infrastructure reserves.

This report does not include a review of DCC reserves.

## C EVALUATION OF CITY RESERVES

### 1 OVERVIEW

The 2019 – 2023 Financial Plan indicates 59% funding for projects is from reserves and an additional 11% is from DCC reserves. These projects include strategic initiatives, infrastructure renewal and new/upgrades to infrastructure to address capacity and regulatory changes.

Utilization of reserves to accumulate monies and provide funding supports transparent and prudent long-term financial management strategies. The implementation and maintenance of reserves requires ongoing Council and management attention to ensure reserves are still relevant, utilized appropriately and clearly support the City's financial sustainability and strategic goals.

It is important to review the City's reserves to identify opportunities for creating new reserves, eliminating redundant reserves and updating the purpose of existing reserves to best support long-term financial management strategies. This review should ensure that each reserve contributes to stated financial management strategies and that the framework of reserves is efficient and effective.

### 2 USE OF OPERATING AND STATUTORY RESERVES

The City has two types of reserves: Operating Reserves and Statutory Reserves.

Operating Reserves are established for specific purposes. Funding from specific Operating Reserves can be re-allocated for other purposes at Council's discretion. Contributions to and use of funds is approved by Council during the annual budget process.

Statutory Reserves, required by Provincial legislation and/or are established by Council, are segregated into separate funds. Contributions to and use of monies from statutory reserves is subject to City bylaws and changes are only allowed through amendments to those bylaws. Statutory reserves require more administrative resources due to allocation of interest each year.

We recommend developing criteria to guide decisions when determining whether a reserve should be an Operating or a Statutory Reserve. This would support consistency and transparency for the management of City reserves.

We recommend that a Statutory Reserve be used for reserves that satisfy one or more of the following criteria:

- Reserve is required by Provincial legislation;
- Reserve facilitates contractual requirements or reporting;
- Reserve has specific annual contributions; and
- Reserve has specific long-term organizational purpose.

The Reserve Analysis below will include recommendations for changes to types of existing reserves.

### 3 EMPLOYEE POST-EMPLOYMENT BENEFITS

The City provides certain post-employment benefits to its employees. An actuarial valuation is used to estimate these benefits and they are recognized as a liability in the City's annual financial statements. This liability represents total estimated payments to current employees as they leave or retire from the organization. Each year actual costs are incurred as employees leave the organization.

A review of the years 2014 to 2018 indicates that the average annual actuarial adjustment for employee post-employment benefits is \$704,172. Starting in 2019, the City implemented changes to its financial processes for annual employee post-employment benefit costs.

Previously the City did not include the actuarial adjustment in the budget. Each year, the City used an allocation of the annual operating surplus to fund these costs. This process was consistent with several other municipalities.

To improve transparency the City has changed its financial process. The estimated 2019 adjustment is now included in the financial plan and will be funded from a reserve. An allocation of the 2019 General Fund operating surplus is expected to replenish the reserve.

The Reserve Analysis recommendations includes utilizing the new General Financial Stability Reserve for funding annual employee post-employment benefit costs. This change will require an annual allocation of General Fund operating surplus to maintain a target minimum balance in the new reserve.

### 4 RESERVES REVIEW AND ANALYSIS

The review of the City's reserves included evaluation of each reserve including its purpose, contribution sources and utilization for funding. Reserves are grouped by common purposes and recommendations are provided.



Reserves can share common purposes and a framework is used to enhance understanding and evaluation of the City's reserves.

The Reserves Framework includes the following categories:

- Financial Stability Reserves
- Equipment Reserves
- Infrastructure Reserves
- Parking Reserves
- Property Reserves
- Strategic Reserves
- Other Reserves

Total operating and statutory reserves have increased from \$70.5 million at the end of 2008 to \$113.5 million at the end of 2018. The 'purchasing power' of a \$1 in 2008 is not the same as in 2018, therefore, the impact of inflation needs to be considered when assessing the increase in total reserves.

Implementation of the Asset Management Reserves, the Strategic Infrastructure Reserve and the annual review and update of internal charges has been effective in increasing reserve balances and contributing to sustainable funding for equipment and infrastructure replacement and implementation of strategic priorities.

During the period 2009 to 2018, funding for projects from reserves (excluding DCC reserves) was 86% of total contributions to reserves for the same period.

#### **2009 – 2018 Reserve Utilization Summary**

<b>Reserve Type</b>	<b>Total Contributions</b>	<b>Total Withdrawals</b>	<b>% Utilization</b>
Sewer Reserves	\$23,027,360	\$21,227,102	92%
Water Reserves	\$59,483,967	\$47,466,149	80%
General Operating Reserves	\$86,051,611	\$83,769,477	97%
General Statutory Reserves	\$91,646,146	\$71,619,786	78%
<b>Total</b>	<b>\$260,209,084</b>	<b>\$224,082,514</b>	<b>86%</b>

Recommendations in this report include:

- Establishing new reserves;
- Maintaining existing reserves;
- Changes that require establishing a new Statutory Reserve and transferring balances from an Operating Reserve to the new Statutory Reserve; and,
- Elimination of an existing reserve.

These recommendations will:

- Ensure the City has a reasonable and prudent reserve framework;
- Establish reserves that adequately address risk, support long-term infrastructure plans and implement strategic goals;
- Utilize statutory and operating reserves consistently; and is
- Consistent with the City's proposed Reserve Policy.

#### 4.1 Financial Stability Reserves

The City has implemented reserves that mitigate specific risks or provide funding for future costs. The review of these reserves will outline recommendations for creating new reserves, eliminating reserves and changes to existing reserves.

The existing Financial Stability Reserves include:

- Allowance for Bad Debts Reserve
- Uninsured Claims Reserve
- Uncollected Taxes Reserve
- RCMP Contract Reserve
- Police Traffic Fines Reserve
- Sanitation Leveling Reserve
- Snow and Ice Control (Roads) Reserve
- Snow and Ice Control (Parks and Recreation Facilities) Reserve
- Water Leveling Reserve

#### **Recommended New Financial Stability Reserves**

Implementation of these new reserves will support the City's financial stability and resiliency.

#### **General Financial Stability Reserve**

The General Financial Stability Operating Reserve should be implemented to mitigate risk arising from lower than expected revenues or sudden unplanned expenditure needed to maintain delivery of City services (excluding sewer and water services). In addition, going forward, this reserve would fund annual payments for employee post-employment benefits. While employee post-employment expenses can vary year to year, the average over the last five years was \$704,172. Contributions to this reserve will be from an allocation of general operating surplus and/or a budget allocation. A minimum target balance is recommended.

Recommendations:

- Establish the General Financial Stability Operating Reserve;

- Establish the target minimum reserve balance;
- Include annual budget in the City's Five Year Financial Plan for the estimated annual cost of employee post-employment benefits and that this cost be funded from the General Financial Stability Reserve; and
- Each year, a priority for the allocation of the general operating surplus will be to maintain the minimum target balance for the General Financial Stability Reserve.

### **Sewer Financial Stability Reserve**

The Sewer Financial Stability Operating Reserve is analogous to the General Financial Stability Reserve. The purpose of this reserve is to mitigate risk arising from lower than expected revenues or sudden unplanned expenditure needed to maintain delivery of sewer services. Contributions to this reserve will be from an allocation of sewer operating surplus. A minimum target balance is recommended.

Currently, the City transfers the annual sewer operating surplus to the Sewer Operating Reserve. This reserve provides funding for projects to assess, renew or expand sewer infrastructure.

Recommendations:

- Establish the Sewer Financial Stability Operating Reserve; and
- Establish a minimum target reserve balance.

### **Water Financial Stability Reserve**

The Water Financial Stability Operating Reserve is analogous to the General Financial Stability Reserve. The purpose of this reserve is to mitigate risk from lower than expected revenues or sudden unplanned expenditure needed to maintain delivery of water services. Contributions to this reserve will be from an allocation of water operating surplus. A minimum target balance is recommended.

Currently, the City transfers the annual water operating surplus to the Water Operating Reserve. This reserves provide funding for projects to assess, renew or expand water infrastructure.

Annual revenues for water consumption can vary year to year depending on weather conditions during warmer months. As well, water conservation education and awareness is changing the community's demand for water. These factors increase risk to water revenue estimates.

Recommendations:

- Establish the Water Financial Stability Operating Reserve; and
- Establish a minimum target reserve balance.

### **Existing Financial Stability Reserves**

The City currently has operating reserves that mitigate specific risks. These reserves were implemented through allocations of prior year surplus or transfers from existing reserves and do not have annual contributions.

The new General, Sewer and Water Financial Stability Reserves will enable the elimination of some of the following reserves.

#### **RCMP Contract Reserve**

The RCMP Contract Operating Reserve, implemented in 2009, mitigates risks where actual expenditures are higher than the budget estimate for the RCMP contract.

In 2016, Council approved annual funding from this reserve for \$212,071 for additional RCMP members, which increased the service level with no impact on property taxes in 2016. Funding annual operating expenditures from reserves is not best practice and subsequent financial plans have reduced the funding from the reserve for the annual RCMP contract.

The 2018 reserve balance is \$2,944,185. The 2019 – 2023 Financial Plan includes funding from this reserve for RCMP members in 2019 for \$127,243, in 2020 for \$84,829 and in 2021 for \$42,415.

Recommendations:

- Maintain this Operating Reserve; and
- Establish a minimum target reserve balance.

#### **Sanitation Leveling Reserve**

The Sanitation Leveling Operating Reserve, implemented in 2018, mitigates risks due to unexpected cost increases during implementation of residential automated solid waste collection. User fees are calculated each year to recover costs for collection. This reserve can be used to mitigate risk from lower than expected revenues, sudden unplanned expenditures needed to maintain collection services and to stabilize user fees.

The 2018 reserve balance is \$429,222.

Recommendations:

- Maintain this Operating Reserve; and,
- Contributions will be an allocation of any annual residential collection operating surplus.

## **Snow and Ice Control Reserves**

The City has implemented two Snow and Ice Control (SNIC) Reserves to mitigate risks from actual SNIC costs higher than budget estimate. One reserve is for Roads and the second reserve is for Parks and Recreation facilities.

During the period 2009 to 2018, total contributions to this reserve were \$425,000 and funding from this reserve for severe winter maintenance was \$550,000. The 2018 balance for the combined reserves was \$275,000. The 2019 – 2023 Financial Plan includes annual budget allocations to replenish these reserves.

Recommendations:

- Combine balances into one Snow and Ice Control Operating Reserve;
- Establish a minimum target balance; and,
- Contributions will be an allocation of operating surplus or budget allocation to minimum target balance.

## **Traffic Fines Reserve**

The Police Traffic Fines Operating Reserve was implemented to mitigate risks due to unexpected decreases in annual traffic fines revenues. The B.C. government transfers net revenues from traffic violations to municipalities that are directly responsible for paying for policing. Revenues can vary year to year. Currently, the City transfers any traffic fines revenues in excess of the budget to this reserve.

During the period 2009 to 2018, total contributions to this reserve were \$3.3 million and funding from this reserve for traffic fines revenue shortfalls were \$2.3 million and for police building projects was \$877,921. The 2018 reserve balance is \$908,383.

Recommendations:

- Eliminate this Operating Reserve.

## **Uninsured Claim Reserve**

The Uninsured Claims Operating Reserve was implemented to mitigate risks not covered by the City's liability insurance. The City is insured through the Municipal Insurance Authority of British Columbia (MIA).

Funding from this reserve was used in 2013 in the amount of \$139,629 and in 2017 in the amount of \$147,553. The 2018 balance is \$2,587,805.

Recommendation:

- Eliminate this Operating Reserve.

### **Uncollected Taxes Reserve**

The Uncollected Taxes Operating Reserve was implemented to mitigate risks due to unexpected decreases in property tax revenues.

Funding from this reserve was used in 2009 in the amount of \$599,615, in 2013 in the amount of \$2,827, in 2014 in the amount of \$75,977, in 2015 in the amount of \$331,812 and in 2016 in the amount of \$359,503. The 2018 reserve balance is \$2,570,567.

Recommendations:

- Eliminate this Operating Reserve.

### **Water Leveling Reserve**

The Water Leveling Operating Reserve was implemented to mitigate risks from actual water revenues lower than budget estimate. Contributions to this reserve are from water operating surplus.

Funding from this reserve was used in 2011 in the amount of \$750,000 and in 2015 in the amount of \$490,000. The 2018 balance is \$1,900,000.

Recommendations:

- Eliminate this Operating Reserve.

### **Proposed Financial Stability Reserves Summary**

If above noted recommendations are implemented the City would have six Financial Stability Reserves:

- General Financial Stability Reserve
- Sewer Financial Stability Reserve
- Water Financial Stability Reserve
- RCMP Contract Reserve
- Snow and Ice Control Reserve
- Sanitation Leveling Reserve

### **4.2 Equipment Reserves**

The City currently has equipment reserves that provide funding for equipment replacement. Annual contributions to these reserves are through internal charges to user departments and reflected in their budget allocations. Funding from these reserves for equipment replacement is included in the annual budget process.

### **Automated Cart Replacement Reserve**

The Cart Replacement Operating Reserve, implemented in 2017, provides funding for replacement of residential carts used in solid waste collection. An internal charge to the Residential Solid Waste department will provide annual contributions to this reserve once borrowing for the initial cart purchase is completed.

This reserve does not have any contributions to date and the balance is \$0.

Recommendations:

- Establish a Cart Replacement Statutory Reserve; and
- Establish a minimum target minimum reserve balance.

### **Copier Replacement Reserve**

The Copier Operating Reserve provides funding for copier replacement. Internal charges to user departments provide annual contributions to this reserve. The City maintains a rolling life-cycle replacement plan for City copier equipment.

During the period 2009 to 2018, total contributions to this reserve were \$703,610 and total funding from this reserve for copier replacement were \$396,560. The 2018 balance is \$432,444.

Recommendations:

- Establish a new Copier Replacement Statutory Reserve; and
- Establish a target minimum reserve balance.

### **Equipment Depreciation Reserve**

The Equipment Depreciation Statutory Reserve provides funding for replacement of the City's fleet including fire apparatus, solid waste collection trucks, heavy-duty construction equipment, ice resurfacers and vehicles. Internal charges to departments provide annual contributions to this reserve. The City maintains a rolling life-cycle replacement plan for all City equipment and vehicles.

During the period 2009 to 2018, total contributions to this reserve were \$15.5 million and total funding from this reserve for replacement of the City's fleet were \$13 million. The 2018 balance is \$6,943,362. This Statutory Reserve is used each year to fund replacement of the City's fleet.

Recommendations:

- Retain this Statutory Reserve; and,
- Establish a target minimum reserve balance.

## **Information Technology (IT) Reserve**

The IT Operating Reserve provides funding for IT corporate infrastructure replacement and improvements. Internal charges to departments provide annual contributions to this reserve. Business cases are required for proposed new/upgraded IT infrastructure and are reviewed during the annual budget process. The City maintains a rolling ten-year investment plan for the City's IT infrastructure.

During the period 2009 to 2018, total contributions to this reserve were \$5.3 million and total funding from this reserve for IT infrastructure were \$6.4 million. The 2018 balance is \$954,567.

### **Recommendations:**

- Establish a new IT Statutory Reserve; and
- Establish a target minimum reserve balance.

## **4.3 Infrastructure Reserves**

The City currently has infrastructure reserves. These reserves are the primary funding sources for infrastructure renewal. Funding from these reserves is included in the annual budget process.

## **Brechin Boat Ramp Reserve**

The Brechin Boat Ramp Operating Reserve provides funding for improvements to the Brechin boat ramp. Net parking revenues from this location provides annual contributions to this reserve. As part of its facility plan, the City maintains a rolling ten-year plan for major maintenance/upgrades to the Brechin Boat Ramp.

During the period 2009 to 2018, total contributions to this reserve were \$268,568 and total funding from this reserve for maintenance/improvements to the Brechin Boat Ramp were \$218,290. The 2018 balance is \$74,488.

### **Recommendations:**

- Retain this Operating Reserve;
- Direct staff to provide additional information on the utilization of the Brechin Boat Ramp; and
- Consider eliminating this reserve.

## **Cemetery Care Reserve**

The Cemetery Care Statutory Reserve, established under the *Cemetery Care Act*, provides funding for ongoing care of the cemetery. Revenues from plot sales provide contributions



to this reserve. Interest earned on monies in this reserve are used to fund annual cemetery operating and maintenance expenditures.

During the period 2009 to 2018, total contributions to this reserve were \$108,951. The 2018 balance is \$584,618.

Recommendation:

- Retain this Statutory Reserve.

### **Community Works Reserve**

The Community Works Statutory Reserve was established in 2005 in compliance with an agreement between Union of BC Municipalities (UBCM) and the City. Annual grant funding from federal gas tax revenues is provided to local municipalities through an agreement between UBCM and senior governments. UBCM then enters into agreements with each municipality which includes specific approved uses for the grant funding. The City's current agreement with UBCM expires in 2024.

During the period 2009 to 2018 total contributions to this reserve were \$30.1 million and total funding from this reserve were \$23.9 million. The 2018 balance is \$8,569,140.

Recommendation:

- Retain this Statutory Reserve.

### **Facility Development Reserve**

The Facility Development Statutory Reserve provides funding for renewal of the City's contributing recreation facilities and for the construction of new recreation facilities that will contribute to the reserve. Annual contributions are provided by an allocation of contributing recreation facility revenues.

During 2009 to 2018 total contributions to this reserve were \$11.6 million and total funding from this reserve were \$10.1 million. The 2018 balance is \$3,210,785.

Recommendations:

- Retain this Statutory Reserve; and,
- Establish a target minimum reserve balance.

### **General Asset Management Reserve**

The General Asset Management Statutory Reserve, established in 2013, provides funding for long-term infrastructure investment (excluding sewer and water infrastructure). Council approved specific annual increases to property taxes to provide contribution to this reserve.

During 2013 to 2018 total contributions to this reserve were \$20 million and total funding from this reserve were \$10.3 million. The 2018 balance is \$11,258,946.

Recommendations:

- Retain this Statutory Reserve;
- Establish a target minimum balance;
- Consider improving clarity of the current bylaw to recognize that the City does fund a portion (assist and benefit for existing residents) of DCC infrastructure projects; and,
- Consider changes to the current bylaw that would allow funding for infrastructure renewal projects classified as operating.

### **General Capital**

The General Capital Operating Reserve was implemented to provide funding for capital investment. Contributions to this reserve are through an allocation of annual General Operating Fund surplus.

During the period 2009 to 2018, total contributions to this reserve were \$14.9 million and total funding for projects from this reserve were \$9.2 million. The 2018 balance is \$5.9 million.

Recommendation:

- Retain this Operating Reserve and allow funding for operating and capital projects; and
- Continue to allocate any residual annual operating surplus to this reserve.

### **NDSS Community Field Reserve**

The NDSS Community Field Maintenance Operating Reserve provides funding for major capital improvements to or replacement of the field. In 2017, the City entered into an agreement with School District #68 (SD #68) to manage utilization and maintenance of the field while SD #68 maintains ownership of the field. An annual contribution by the City and SD #68 and annual net field revenues provides contributions to this reserve.

The 2018 balance is \$30,300.

Recommendation:

- Establish a new NDSS Community Field Statutory Reserve.

### **Pipers Park Reserve**

The Pipers Park Operating Reserve provides funding for improvements to Pipers Park. Annual net rental revenues from facilities in this park provides contributions to this reserve.

During the period 2009 to 2018 total contributions to this reserve were \$43,929 and total funding from this reserve was \$0. The 2018 balance is \$43,929.

Recommendation:

- Retain this Operating Reserve while the facility is rented.

### **Sewer Asset Management Reserve**

The Sewer Asset Management Statutory Reserve, established in 2013, provides funding for long-term sewer infrastructure investment. Council approved specific annual increases to sewer user fees to provide contribution to this reserve.

During 2013 to 2018 total contributions to this reserve were \$5.8 million and total funding from this reserve were \$2.9 million. The 2018 balance is \$2,833,790.

Recommendations:

- Retain this Statutory Reserve;
- Establish a target minimum reserve balance which includes the Sewer Operating Reserve balance in the calculation;
- Consider improving clarity of the current bylaw to recognize that the City does fund a portion (assist and benefit for existing residents) of DCC infrastructure projects; and,
- Consider changes to the current bylaw that would allow funding for infrastructure renewal projects classified as operating.

### **Sewer Reserve**

The Sewer Operating Reserve provides funding for sewer infrastructure assessment programs and renewal. The sewer utility is a self-supporting enterprise and annual sewer user fees provides annual contributions to this reserve.

During 2009 to 2018 total contributions to this reserve were \$17.9 million and total funding from this reserve were \$18.3 million. The 2018 balance is \$11,241,903.

Recommendations:

- Retain this Operating Reserve; and,
- Establish a target minimum reserve balance which includes the Sewer Asset Management Reserve Fund in the calculation.

### **Vancouver Island Conference Centre (VICC) Reserve**

The VICC Operating Reserve provides funding for facility improvements that maintain its market competitiveness. Contributions to this reserve are from any unspent annual budget

allocation. An external contractor operates the VICC. The contractor provides a capital improvement plan to the City.

During the period 2009 to 2018 total contributions to this reserve were \$697,175 and total funding from this reserve were \$204,744. The 2018 balance is \$612,958.

Recommendation:

- Retain this Operating Reserve.

### **Water Asset Management Reserve**

The Water Asset Management Statutory Reserve, established in 2013, provides funding for capital water infrastructure renewal. Council approved specific annual increases to water user fees to provide contribution to this reserve.

During 2013 to 2018 total contributions to this reserve were \$7.3 million and total funding from this reserve were \$2.7 million. The 2018 balance is \$4,646,913.

Recommendations:

- Retain this Statutory Reserve;
- Establish a target minimum reserve balance which includes the Water Operating Reserve balance in the calculation;
- Consider improving clarity of the current bylaw to recognize that the City does fund a portion (assist and benefit for existing residents) of DCC infrastructure projects; and,
- Consider changes to the current bylaw that would allow funding for infrastructure renewal projects classified as operating.

### **Water Reserve**

The Water Operating Reserve provides funding for long-term water infrastructure investment. The water utility is a self-supporting enterprise and annual water user fees provides annual contributions to this reserve.

During 2009 to 2018 total contributions to this reserve were \$52.3 million and total funding from this reserve were \$44.8 million. The 2018 balance is \$20.7 million.

Recommendations:

- Retain this Operating Reserve; and,
- Establish a target minimum reserve balance which includes the Water Asset Management Statutory Reserve in the calculation.

#### 4.4 Parking Reserves

The City has operating Reserves and a Statutory Reserve to provide funding for renewal or upgrades to parking infrastructure or amenities.

##### **Fitzwilliam St Parking**

The Fitzwilliam St Parking Operating Reserve was implemented to facilitate a developer contribution for parking amenities at the City owned Prideaux Street Parking lot.

During 2009 to 2018 total contributions to this reserve was \$0 and total funding from this reserve was \$0. The 2018 balance is \$142,868.

Recommendations:

- Retain this Operating Reserve; and,
- Eliminate once all funding has been utilized for its intended purpose.

##### **Parking Reserve**

The Parking Operating Reserve provided funding for renewal of parking infrastructure and new parking infrastructure. Annual net revenues from the Parking business unit provide contributions to this reserve. The City maintains a rolling ten-year plan for new/renewal of parking infrastructure.

During the period 2009 to 2018, total contributions to this reserve were \$4.3 million and total funding from this reserve for parking infrastructure were \$3.2 million. Funding for renewal of parking infrastructure was also provided by the General Asset Management Reserve. The 2018 balance is \$1,539,025.

Recommendations:

- Establish a new Parking Statutory Reserve.

##### **Old City Neighbourhood Parking Reserve**

The Old City Neighbourhood Parking Statutory Reserve was established in 1993 to provide off-street parking spaces. Contributions to this reserve are from cash-in-lieu payments received from developers. The last contribution to this reserve was in 2010 and no funding has been used from this reserve in the past ten years.

The 2018 balance is \$90,891.

Recommendation:

- Retain this Statutory Reserve.

## 4.5 Property Reserves

The City has Statutory Reserves and an Operating Reserve for the purchase and sale of land. Both Statutory Reserves are required by the *Community Charter*.

The City undertakes a wide range of land acquisitions each year including rights of way for utilities, land for road widening and new parkland, as well as land for civic facilities and projects. In 2013, Council adopted the Property Management Strategy (PMS) that set out the framework for how the City acquires, disposes of, and manages land assets. Each year the PMS is updated to reflect Council priorities and will be further updated when the new Strategic Plan is adopted by Council in early 2019.

### **Parkland Dedication Reserve**

The Parkland Dedication Statutory Reserve provides funding for the purchase of parkland pursuant to Section 188 of the *Community Charter*. Cash-in-lieu payments received from developers are deposited to this Reserve Fund.

During the period 2009 to 2018, total contributions to this reserve were \$2.4 million and total funding from this reserve for purchase of parkland were \$1.9 million. The 2018 balance is \$1,149,945.

Recommendation:

- Retain this Statutory Reserve.

### **Property Acquisition Reserve**

The Property Acquisition Operating Reserve was established to provide funding for property acquisitions. Property acquisitions include property needed to expand City infrastructure, to implement strategic initiatives and for parkland. Contributions to this reserve are either by allocation of budget or operating surplus.

During the period 2009 to 2018, total contributions to this reserve were \$7.2 million and total funding from this reserve for property acquisitions were \$8.1 million. The 2018 balance is \$3,163,383.

Recommendation:

- Establish a Property Acquisition Statutory Reserve.

### **Property Sales Reserve**

The Property Sales Statutory Reserve receives monies from the sale of civic land and can only be used for capital projects pursuant to Section 188 of the *Community Charter*.

During the period 2009 to 2018, total contributions to this reserve were \$11 million and funding from this reserve were \$12.2 million. The 2018 balance is \$1,140,712.

Recommendation:

- Retain this Statutory Reserve; and,
- Council could consider a minimum target balance for this reserve.

#### 4.6 Strategic Initiatives and Infrastructure Reserves

The City has reserves to provide funding for strategic initiatives and investment identified by Council.

##### **Emission Reduction Reserve**

At the 2019-APR-29 Council Meeting, Council approved the creation of a new statutory reserve for the purpose of supporting projects, plans and initiatives that reduce the City of Nanaimo's community wide CO2 emissions to between 50% to 58% below 2010 levels by 2030, and between 94% and 107% below 2010 levels by 2050.

Action:

- Establish new Emission Reduction Statutory Reserve; and
- Confirm calculation and budget for annual contributions to the new reserve.

##### **Housing Legacy Reserve**

The Housing Legacy Operating Reserve was implemented to provide funding to support affordable housing in the community including but not limited to property acquisition and capital investment. Annual budget allocations provide contributions to this reserve.

During the period 2009 to 2018, total contributions to this reserve were \$1.5 million and total funding for projects from this reserve were \$1.5 million. The 2018 balance is \$2,364,066.

Recommendation:

- Establish a Housing Legacy Statutory Reserve; and
- Consider a maximum balance for this reserve.

##### **Regional Emission Reduction Reserve**

The Regional Emission Reduction Statutory Reserve, established in 2013, in partnership with the Regional District of Nanaimo (RDN), District of Lantzville, City of Parksville and Town of Qualicum Beach. The reserve will provide funding for investment in regional emission reduction initiatives. Annual budget allocations provides contributions to this reserve. To date no projects have been funded from this reserve.

The City is a participant in the Climate Action Revenue Incentive Program (CARIP) which is a conditional grant program that provides funding to local governments who have signed on to the BC Climate Action Charter. Under the Charter, local government signatories commit to take actions to become carbon neutral in the corporate operations and reduce community-wide emissions by creating more complete, compact and energy efficient communities. Annual contributions to the Regional Emission Reduction Reserve are calculated from the City's annual CARIP reporting and annual GHG emissions.

During the period 2013 to 2018, total contributions to this reserve were \$0.5 million and total funding from this reserve was \$0. The contribution for 2017 was \$75,575 based on GHGs reported in the 2016 CARIP report. The 2018 balance is \$549,218.

At the 2019-APR-29 Council Meeting, Council approved the creation of a new statutory reserve and the transfer of the balance in the Regional Emission Reduction Reserve to the new Emission Reduction Reserve.

Action:

- Eliminate this Statutory Reserve.

### **Special Initiatives Reserve**

In past years, at Council's direction, general operating reserves were set up for short-term initiatives. Contributions to these reserves were through an allocation of prior year operating surplus. This flexibility allows Council to respond to emerging issues that require short term funding and minimize impact on future property taxes increases. Examples include:

- allocation of prior year surplus to fund election expenses in the following year,
- allocation of prior year surplus to fund temporary staffing position in the following year.

Establishing a Special Initiatives Reserve will facilitate an allocation of prior year operating surplus for a specific initiative in a subsequent year.

Recommendation:

- Establish a Special Initiatives Operating Reserve.

At Council's direction, contributions to this reserve will be an allocation of year- end operating surplus for specific short-term initiatives.

### **Strategic Infrastructure Reserve**

The Strategic Infrastructure Operating Reserve, established in 2017, provides funding for strategic initiatives and capital infrastructure. Annual casino and Fortis revenues are being transitioned, over a five-year period, from the general operating fund to this new



reserve. These revenues can vary year to year. Annual contributions to this reserve are projected to be \$2.9 million.

During the period 2017 to 2018 total contributions to this reserve were \$3.6 million and total funding from this reserve were \$1.5 million. The 2018 balance is \$2,115,162.

Recommendation:

- Establish a Strategic Infrastructure Statutory Reserve; and
- Establish a target minimum reserve balance.

### **Strategic Partnerships Reserve**

The Strategic Partnership Operating Reserve, established in 2015, provides funding for consultation with Snuneymuxw First Nation regarding joint projects. An allocation of 2015 general operating surplus in the amount of \$250,000 was contributed to this reserve.

The 2018 balance is \$25,543.

Recommendation:

- Confirm if planned projects have been completed; and,
- Maintain this reserve.

### **Sustainability Reserve**

The Sustainability Operating Reserve provides funding for projects that reduce the City's energy consumption or lowers GHG emissions. Annual budget allocations provides contributions to this reserve.

During the period 2009 to 2018, total contributions to this reserve were \$1.5 million and total funding from this reserve for projects were \$2.0 million. The 2018 balance is \$426,655.

Simple payback analysis is required for proposed projects to ensure expected benefits exceed expenditures. The City has completed many projects to reduce energy consumption.

Recommendation:

- Establish a new Sustainability Statutory Reserve.

## **4.7 Other Reserves**

The remaining reserves fulfill either a specific administrative function, comply with a bequest or are for short-term purposes.

## **911 Reserve**

911 services are provided through two functions: 911 Public Safety Answering Point (PSAP) and 911 FireComm. The Central Island 911 Partnership manages 911 services for the City of Nanaimo, the Regional District of Nanaimo and the Cowichan Valley Regional District. In November 2015, the partnership entered into an agreement with Emergency Communications of British Columbia Incorporated (EComm 911) to provide PSAP services. Funding for 911 services is a cost share between the City (46%), the Regional District of Nanaimo (10%) and the Cowichan Valley Regional District (44%).

The 911 Operating Reserve provides funding for annual operating expenses and replacement/new/upgraded 911 equipment. An internal charge to the 911 department provides annual contributions to this reserve. The City maintains a rolling ten-year plan for replacement/new furniture and equipment required for 911 services.

During the period 2009 to 2018, total contributions to this reserve were \$504,130 and total funding from this reserve for projects were \$188,524. The 2018 balance is \$624,700.

Recommendations:

- Establish a new 911 Statutory Reserve.

## **Allowance for Bad Debts**

The Allowance for Bad Debts Operating Reserve was implemented to provide funding for small miscellaneous bad debt write-offs at year end. An allocation of surplus at each year end maintains the \$50,000 reserve balance.

Recommendation:

- Eliminate this Operating Reserve.

## **Casino Reserve**

Each year, the City receives from the B.C. Government an allocation of annual net earnings from casino operations. These revenues can vary year to year. The 2019 budget for casino revenues is \$2.4 million. Up to 2016, casino revenues were used to fund day-to-day services, community grants and debt repayment in the general operating fund. In 2016, Council approved the transition of casino revenues from the general operating fund to a new Strategic Infrastructure Reserve starting in 2017. The transition will be over five years and completed in 2021. Each year, the City must report how it uses casino revenues to the B.C. Government.

The Casino Operating Reserve was established with an allocation of casino revenues in prior years. The primary purpose of the reserve was to mitigate risk where casino revenues received by the City are lower than the budget estimate.

During the period 2009 to 2018, total contributions to the Casino operating Reserve were \$2.2 million and total funding from this reserve were \$1.0 million. Funding from this reserve has been used when casino revenues have been lower than the budget estimate. The 2018 balance is \$1,448,844.

Recommendation:

- Maintain this Operating Reserve;
- Utilize the available funding for eligible expenditures; and,
- Eliminate this reserve once all the funding has been allocated.

### **Colliery Dam Reserve**

The Colliery Dam Reserve was implemented to provide funding for major rehabilitation of the Lower Colliery Dam. The project has been completed. A balance of \$116,924 remains in this reserve.

Recommendation:

- Eliminate this Operating Reserve.

### **Firehall Improvements Reserve**

The Firehall Improvements Reserve was implemented to provide funding for improvements to City fire stations. A balance of \$396,414 remains in this reserve.

Recommendation:

- Eliminate this Operating Reserve

### **Fire Training Centre Reserve**

The Fire Training Centre Reserve was implemented to provide funding for improvements to the Fire Training Centre. A balance of \$178,675 remains in this reserve.

Recommendation:

- Eliminate this Operating Reserve

### **Knowles Estate Reserve**

The Knowles Estate Statutory Reserve, established in 2007, due to a bequest. Only accumulated interest may be spent for parks and sport facility improvements or equipment in the south end of the City.

During the period 2009 to 2018, total contributions to this reserve were \$92,829 and total funding for projects from this reserve were \$75,929. The 2018 balance is \$429,499.

Recommendation:

- Retain this Statutory Reserve.

### **Prior Year Carry-Forward Reserve**

The Prior Year Carry-Forward Operating Reserve was implemented in 2015 to enable efficient administration of budgets that needed to be carried forward from the current fiscal year to the following year.

The City's Financial Plan identifies specific budgets for projects to be completed each year. Where projects are not completed or delayed, budget may be carried forward to the following year. Under specific circumstances, operating budgets may also be carried forward from one fiscal year to the next. Prior to implementation of this reserve the City used many separate operating reserves to administer the carry forward of budgets from one fiscal year to the next.

The 2018 balance is \$3,380,118 which provided funding for projects in 2019 that were not completed or were delayed in 2018.

Recommendation:

- Retain this Operating Reserve.

### **Uncollected Parking Revenues Reserve**

The Uncollected Parking Revenues Operating Reserve was implemented to provide funding for small parking revenue write-offs at year end.

The 2018 balance is \$7,958.

Recommendations:

- Eliminate this Operating Reserve.

### **Vancouver Island Fire Academy Reserve**

The Vancouver Island Fire Academy Reserve was implemented to provide funding for development of fire training programs. A balance of \$507,451 remains in this reserve.

Recommendation:

- Eliminate this Operating Reserve.

## D TARGET BALANCES

### 1 OVERVIEW

As previously noted, the City maintains reserves to mitigate risks from unexpected decreases in revenues or increases in expenditures, to set aside money in advance for planned future obligations to employees, to set aside money for new/replacement of infrastructure that delivers City services and to implement strategic initiatives.

Establishing target minimum or maximum reserve balances, where appropriate, ensure that specific reserves are able to fulfill their purpose or do not grow beyond their intended purpose.

The review of the City's reserves included evaluating if a reserve should have a minimum or maximum balance and the appropriate methodology for determining the target balance. The review considered:

- Government Finance Officers Association (GFOA) best practices;
- The City's current annual contribution commitments to reserves; and,
- Known future funding needs for infrastructure renewal and strategic initiatives.

The GFOA, the professional association of government finance officials throughout Canada and the United States, has prepared statements of 'best practices' to assist local governments in developing financial management policies, practices and reporting.

The City's financial planning processes would strive to maintain the recommended target minimum reserve balances for the Five Year Financial Plan. If a reserve was reduced below its target minimum balance, the budget review process would both clearly disclose if/when a reserve balance fell below the minimum target and the strategy to restore the reserve's balance to its minimum target.

### 2 TARGET RESERVE BALANCES NOT REQUIRED

Where reserves have been established to segregate specific revenues, target minimum balances are not always appropriate and would unduly limit funding for projects and strategic opportunities and initiatives.

Due care will need to be taken to ensure that projects funded from these reserves include adequate contingencies to allow for unexpected cost increases.

We recommend that the following reserves do not require target minimum balances:

- 911
- Brechin Boat Ramp
- Casino
- Cemetery Care

- Community Works
- Emission Reduction
- Fitzwilliam St Parking
- General Capital
- Housing Legacy
- NDSS Community Field Maintenance
- Old City Parking
- Parking
- Parkland Dedication
- Pipers Park
- Prior Year Carry Forward
- Property Acquisition
- Property Sales
- Sanitation Levelling
- Special Initiatives
- Strategic Partnerships
- Sustainability
- VICC Reserve

These reserves can be fully utilized in the Five Year Financial plan and in the 10 Year Project Plan.

### 3 TARGET BALANCES FOR FINANCIAL STABILITY RESERVES

The Financial Stability Reserves mitigate risk from unexpected decreased revenues or increased expenditures. Each year, a robust planning process updates the City's Five Year Financial Plan and includes budgeted annual revenues and expenditures. The City also maintains ten and twenty year planning processes. Monthly and quarterly financial reports monitor financial results during the current year to identify emerging issues and provide the ability for management to take proactive actions.

Overall, the City's risks for unplanned expenditures or decreases in revenues are considered lower due to:

- Robust planning processes for both operating and capital activities;
- A stable and steady demand for services;
- Ability to control revenues and expenditures; and,
- Establishment of Equipment and Infrastructure Reserve Funds with annual contributions.

The GFOA recommends a target balance in 'working capital' between 45 and 90 days of expenditure budgets. 'Working capital' for local governments can be equated to unrestricted operating reserve balances in the General Operating Fund, the Sewer Operating Fund and the Water Operating Fund.

## **General Financial Stability Reserve**

The General Financial Stability Reserve will mitigate risks related to the General Operating Fund excluding the RCMP contract, snow and ice control, residential solid waste collection, sewer and water services. Separate reserves, identified below, will mitigate risks for the services not included in the General Financial Stability Reserve. The General Operating Fund includes the day-to day operating expenditures and revenues that deliver all City services excluding sewer and water services.

We recommend that the target balance for the General Financial Stability Reserve be equal to 60 days of the prior year's budgeted annual expenditures in the General Operating Fund (excluding the RCMP contract, snow and ice control and solid waste collection expenditures).

Contributions to the reserve to maintain the target minimum balance can be from general operating surplus or budget allocation.

## **RCMP Contract Reserve**

The Police Financial Stability Reserve will mitigate risk related to the RCMP contract. The City does not budget for 100% of the annual RCMP contract due to vacancies and to minimize an operating surplus. The annual operating budget estimate for 2019 was 92% of the RCMP contract and the estimate is increased to 93% for 2020.

We recommend that the target balance for the RCMP Contract Reserve be equal to the prior year's unbudgeted % of the contract expenditure plus provision for any other contingent liabilities related to the RCMP contract. Further changes to the annual budget % are not expected.

Contributions to the reserve to maintain the target minimum balance can be from general operating surplus or budget allocation.

## **Snow and Ice Control Reserve**

The Snow and Ice Control Reserve will mitigate risk due to a harsher winter weather and impact on the annual SNIC operating budget. The annual seasonal costs for SNIC control can vary significantly. During the period 2008 to 2017, the highest cost winter was \$1,449,888 in 2008 and the lowest cost winter was \$214,901 in 2015.

We recommend that the target balance equal the 2018 SNIC operating budget plus 50%. An analysis of seasonal SNIC expenditures for the period 2008 to 2017 showed the highest cost season was \$1.6 million (2008/2009 winter). The minimum reserve balance of \$1.2 million plus the annual operating budget would provide adequate funding for a severe winter. To provide a stable amount, the target minimum balance would be reviewed every three years.

Contributions to the reserve to maintain the target minimum balance can be from SNIC operating surplus, general operating surplus or budget allocation.

### **Sewer Financial Stability Reserve**

The Sewer Financial Stability Reserve will mitigate risks related to the Sewer Operating Fund. The Sewer Operating Fund includes the day-to-day operating expenditures and revenues that deliver sewer services.

We recommend that the target balance for the Sewer Financial Stability Reserve equal 45 days of the prior year's budgeted annual expenditures in the Sewer Operating Fund. Annual sewer user fees are a flat amount, therefore, risks to revenue volatility is much lower than the General Operating Fund.

Contributions to the reserve to maintain the target minimum balance can be from sewer operating surplus or budget allocation.

### **Water Financial Stability Reserve**

The Water Financial Stability Reserve will mitigate risks related to the Water Operating Fund. The Water Operating Fund includes the day-to-day operating expenditures and revenues that deliver water services.

We recommend that the target balance for the Water Financial Stability Reserve equal 60 days of the prior year's budgeted annual expenditures in the Water Operating Fund. Annual water revenues can vary depending on summer weather conditions.

Contributions to the reserve to maintain the target balance can be from water operating surplus or budget allocation.

## **4 TARGET BALANCES FOR EQUIPMENT AND INFRASTRUCTURE RESERVES**

There are two components for establishing target balances for equipment and infrastructure reserves.

The first component provides a 'contingency' to mitigate risks related to unplanned infrastructure renewal usually due to early failure or where expenditures for a planned project are higher than planned. The City undertakes a rigorous long-term planning process and development of detailed cost estimates and inclusion of a reasonable contingency for each project. However, unknown conditions, including market conditions and other issues can unexpectedly increase project costs.



The second component relates to the City's planned investment. The City has well developed planning processes that include condition and capacity assessment programs, monitoring maintenance and operational issues and comprehensive data collection for infrastructure. Each year the Five Year Financial Plan and 10-year project plan are updated to include planned project expenditures and funding sources. In addition, the City's continued commitment to developing and implementing asset management best practices contributed to the development of a 20 Year Investment and Asset Management Plan (March 2017). The 20 Year Plan used current infrastructure replacement costs to determine future funding needs. Historical costs used for amortization of costs in the City's accounting records do not reflect future costs the City will incur to replace, upgrade or construct new infrastructure.

Determining target balances for equipment and infrastructure reserves will consider both components. The GFOA does not offer recommendations for equipment and infrastructure reserve minimum balances and it would be difficult to compare to other municipalities where planning processes, maintenance programs and other conditions can vary significantly. We have looked to a reasonable approach that will provide a minimum balance that mitigates risks and will not negatively impact funding available for planned projects.

The recommended target minimum equipment and infrastructure reserve balances include:

- Contingency component
  - 1% of current infrastructure/equipment replacement cost; or,
  - Average of last 10 years project expenditures.
- Planned projects component – funding required for 10 year project plan.

### **Automated Cart Replacement Reserve**

For the Automated Cart Replacement Reserve the recommended target minimum reserve balance is based on 1% of current cart replacement cost.

The purchase cost of carts for the implementation of automated collection was \$4.2 million. Therefore, a target minimum reserve balance would be \$42,000 after funding allocated for the 10-year cart replacement plan. The minimum reserve balance would be effective once annual contributions to the reserve begin in 2023. To provide a stable amount, the target minimum balance would be reviewed every five to ten years.

A review of the 2019 – 2028 cart replacement plan indicates that this reserve does not fall below this minimum balance.

### **Copier Replacement Reserve**

For the Copier Replacement Reserve the recommended target minimum reserve balance is based on the average annual funding from this reserve for the past ten years.

Between 2008 and 2017, total funding from the Copier operating reserve was \$478,000, therefore, the average annual withdrawal was \$47,800. The minimum balance for this reserve would be \$50,000 after funding allocated for the 10-year copier replacement plan. To provide a stable amount, the target minimum balance would be reviewed every five to ten years.

A review of the 2019 – 2028 copier replacement plan indicates that this reserve does not fall below this minimum balance.

### **Equipment Depreciation Reserve**

For the Equipment Depreciation Reserve the recommended target minimum reserve balance is based on 1% of current equipment replacement cost.

The 20 Year Investment Plan indicated a current equipment replacement cost of \$27 million, therefore, a target minimum reserve balance would be \$270,000 after funding allocated for the 10-year equipment replacement plan. To provide a stable amount, the target minimum balance would be reviewed on the next update of the City's 20 Year Investment Plan/every five to ten years.

A review of the 2019 – 2028 equipment replacement plan indicates that this reserve does not fall below this minimum balance.

### **Facility Development Reserve**

For the Facility Development Reserve the recommended target minimum reserve balance is based on the average annual funding from this reserve for the past ten years.

Between 2008 and 2017, total funding from the Facility Development Reserve Fund was \$9.3 million, therefore, the average annual withdrawal was \$930,000. The minimum balance for this reserve would be \$1,000,000 after funding allocated for the 10-year Recreation Facility project plan. To provide a stable amount, the target minimum balance would be reviewed every five to ten years.

A review of the 2019 – 2028 project plan indicates that this reserve does not fall below this minimum balance.

### **General Asset Management Reserve**

For the General Asset Management Reserve the recommended target minimum reserve balance is based on .25% of current infrastructure replacement cost. The 20 Year Plan indicated a replacement cost of all infrastructure of \$1.4 billion, excluding sewer and water infrastructure. Therefore, a minimum reserve balance would be \$3.5 million after funding allocated for the 10-year infrastructure project plan. To provide a stable amount,

the target minimum balance would be reviewed on the next update of the City's 20 Year Investment Plan/every five to ten years.

A review of the 2019 – 2028 project plan indicates that the reserve does not fall below this minimum balance.

### **IT Reserve**

For the IT Reserve the recommended target minimum reserve balance is based on the average annual funding from this reserve for the past ten years.

Between 2008 and 2017, total funding from the IT operating reserve was \$5.7 million, therefore, the average annual withdrawal was \$570,000. The minimum balance for this reserve would be \$575,000 after funding allocated for the 10-year IT project plan. To provide a stable amount, the target minimum balance would be reviewed every five to ten years.

A review of the 2019 – 2028 IT project plan indicates that this reserve does not fall below this minimum balance.

### **Sewer Asset Management Reserve**

For the Sewer Asset Management Reserve the recommended target minimum reserve balance is based on .25% of current sewer infrastructure replacement cost. The 20 Year Plan indicated a replacement cost of sewer infrastructure of \$597 million. Therefore, a minimum reserve balance would be \$1.5 million after funding allocated for the 10-year sewer infrastructure project plan. To provide a stable amount, the target minimum balance would be reviewed on the next update of the City's 20 Year Investment Plan/every five to ten years.

As both the Sewer Operating Reserve and the Sewer Asset Management Reserve provide funding for sewer infrastructure investment, both reserve balances can be combined and compared to the above-noted target.

A review of the 2019 – 2028 project plan indicates that the total of both reserves does not fall below this target minimum balance.

### **Water Asset Management Reserve**

For the Water Asset Management Reserve the recommended target minimum reserve balance is based on .25% of current water infrastructure replacement cost. The 20 Year Plan indicated a replacement cost of water infrastructure of \$976 million. Therefore, a minimum reserve balance would be \$2.4 million after funding allocated for the 10-year water infrastructure project plan. To provide a stable amount, the target minimum

balance would be reviewed on the next update of the City's 20 Year Investment Plan/every five to ten years.

As both the Water Reserve and the Water Asset Management Reserve are used for water infrastructure investment, both reserve balances can be combined and compared to the above-noted target.

A review of the 2019 – 2028 project plan indicates that the total of both reserves does not fall below this minimum balance.

## 5 TARGET BALANCE FOR STRATEGIC RESERVE

### **Strategic Infrastructure Reserve**

Annual contributions to the Strategic Infrastructure Reserve are from annual revenues received from Fortis and from casino operations. These revenues can vary year to year. We recommend that the minimum target balance for this reserve equal 15% of the prior year's budgeted annual Fortis and casino revenues. The 2019 budget for these revenues is \$480,000 for Fortis and \$1,600,000 for casino for a total of \$2,080,000.

A review of the 2019 – 2028 project plan indicates that this reserve does not fall below the minimum balance.

## 6 REPLENISHMENT OF RESERVES

Where the City must use funding from a financial stability reserve and that reserve balance falls below the target minimum balance, a replenishment plan for that reserve will need to be developed. We recommend that the Reserve Policy state that a replenishment plan be adopted at the same time as the decision to reduce a reserve below its target minimum balance.

The GFOA recommends a suggested time-frame of one to three years for replenishment of reserves to minimum target balances. Extenuating circumstances may require a municipality to replenish reserves over a longer time-frame.

Strategies for replenishment can include:

- Allocation from operating surplus
- Budget allocations

Each year the City has experienced a general operating fund surplus. The amount can vary significantly year to year and is usually a result of higher than expected revenues or lower expenditures due to staff vacancies and other variances from budget. Many of the City's current reserves for risk mitigation were created from allocations of an operating surplus. This approach does not have an impact on property taxes.

Replenishment of reserves through a budget allocation will have an impact on subsequent year's property taxes unless budget reductions are made in other areas. For example, the 2019 – 2023 Financial Plan has a budget allocation to replenish SNIC reserves and this has had a minor impact on property tax increases.

Where the condition(s) that required the utilization of funding from one of the financial stability reserves is one-time, every effort should be made to replenish the reserve within the three-year time-frame. Examples could include a legal judgement against the City or a major wildfire.

Where the condition(s) that required the utilization of funding from one of the financial stability reserves is significant or permanent the next Five Year Financial Plan will need to address both the replenishment of the reserve and any needed change in the annual operating budget to avoid future budget shortfalls. An example could include where a senior government changes a revenue sharing agreement where annual revenues will decrease and the impact will start in the current year. This may create a need to use funding from the General Financial Stability Reserve for the current year if the annual operating surplus is not available or adequate to cover the revenue shortfall. The Five Year Financial Plan will need to include a budget allocation to replenish the General Financial Stability Reserve and a decrease to the annual revenue sharing budget. Council can approve extending the replenishment of the reserve past three years to spread the impact on property taxes over more years.

## 7 RECOMMENDED TARGET BALANCES SUMMARY

Appendix 2 provides a summary of reserves and recommended target minimum balances.

## 8 FINANCIAL IMPACTS

### **Target Balances**

Recommendations in this report include the reallocation of some reserve balances and unallocated surplus. These transfers are outlined in Appendix 4. Each reserve with a recommended minimum target balance will have the minimum target balance once all changes recommended in this report have been implemented.

### **Accumulated Surplus**

Accumulated surplus at the end of December 31, 2019 will be transferred to reserves as outlined in Appendix 4.

## Investment Income

Currently, the interest earned on Operating Reserves is allocated to the General Operating Fund and is a revenue source for day-to-day operations in that fund. The 2019 budget for investment income is \$1,900,000 and a portion is due to interest earned on monies in operating reserves.

The recommended changes in this report include the establishment of several new Statutory Reserves and the transfer of several Operating Reserve balances to the new Statutory Reserves. In compliance with the *Community Charter*, Section 189 interest earned on monies in a Statutory Reserve must be allocated to that reserve. The impact of this transfer of monies from Operating Reserves to Statutory Reserves will reduce the annual investment income in the General Operating Fund by an estimated \$230,000. This change will impact the 2020 budget. Interest income will be allocated to the new Statutory Reserves based on their balances and will increase funding available from these reserves.

## E SUMMARY OF RECOMMENDATIONS

With Council's approval, the following recommendations are intended to be fully implemented by January 1, 2020 and will be reflected in the 2020 – 2024 Financial Plan.

1. Establish the following new Operating Reserves:
  - a. General Financial Stability
  - b. Sewer Financial Stability
  - c. Water Financial Stability
  - d. Special Initiatives.
2. Establish new Statutory Reserves, approve related bylaws and transfer balances from corresponding Operating Reserves to new Statutory Reserves:
  - a. 911
  - b. Cart Replacement
  - c. Copier Replacement
  - d. Housing Legacy
  - e. Information Technology
  - f. NDSS Field Maintenance
  - g. Parking
  - h. Property Acquisition
  - i. Strategic Infrastructure
  - j. Sustainability
3. Establish new Emission Reduction Statutory Reserve and transfer balance from Regional Emission Reduction Reserve.
4. Eliminate the following reserves:
  - a. Allowance for Bad Debts
  - b. Colliery Dam
  - c. Firehall Improvements
  - d. Fire Training
  - e. Regional Emission Reduction
  - f. SNIC (two reserves combined into one reserve)
  - g. Traffic Fines
  - h. Uncollected Parking Revenues
  - i. Uncollected Taxes
  - j. Uninsured Claim
  - k. VI Fire Academy
  - l. Water Levelling.

## E SUMMARY OF RECOMMENDATIONS (Continued)

5. Transfer reserve balances as outlined in Appendix 4.
6. Approve the methodology for determining target balances for each reserve as outlined in Appendix 2 of this report.
7. Approve the Reserves Policy.
8. Direct staff to report annually to Council on the status of all City reserves as outlined in the Reserve Policy.



## Appendix 1: Existing Reserve Summary

Reserves	Type	Primary Purpose	Projected Balance - December 31, 2019
<b>Financial Stability Reserves</b>			
RCMP Contract	Operating Reserve	Risk mitigation for actual costs higher than budget estimate.	\$ 2,816,942
Sanitation Leveling Reserve	Operating Reserve	Risk mitigation during implementation of automated solid waste collection and repayment of borrowing.	\$ 488,875
Snow and Ice Control (Parks and Recreation)	Operating Reserve	Risk mitigation for actual costs higher than budget estimate.	\$ 150,000
Snow and Ice Control (Roads)	Operating Reserve	Risk mitigation for actual costs higher than budget estimate.	\$ 300,000
Traffic Fines	Operating Reserve	Risk mitigation for actual traffic fine revenues below budget estimate.	\$ 908,383
Uncollected Taxes	Operating Reserve	Risk mitigation for lower property tax collections due to assessment appeals/other.	\$ 2,759,115
Uninsured Claims	Operating Reserve	Risk mitigation for uninsured property and liability claims.	\$ 2,587,805
Water Levelling Reserve	Operating Reserve	Risk mitigation for actual revenues lower than budget estimate	\$ 1,900,000
<b>Subtotal Financial Stability Reserves</b>			<b>\$ 11,911,120</b>
<b>Equipment Reserves</b>			
Automated Cart Replacement	Operating Reserve	Planned projects	\$ -
Copier Replacement	Operating Reserve	Planned projects	\$ 396,476
Equipment Depreciation	Statutory Reserve	Planned projects	\$ 5,658,949
Information Technology (IT)	Operating Reserve	Planned projects	\$ 899,433
<b>Subtotal Equipment Reserves</b>			<b>\$ 6,954,858</b>
<b>Infrastructure Reserves</b>			
Brechin Boat Ramp	Operating Reserve	Planned projects	\$ 96,218
Cemetery Care	Statutory Reserve	Planned projects	\$ 592,118
Community Works Fund	Statutory Reserve	Planned projects that meet agreement criteria	\$ 5,916,671
Facility Development	Statutory Reserve	Planned projects for facility renewal/upgrade or for new community recreational facility.	\$ 2,872,657
General Asset Management	Statutory Reserve	Planned capital projects	\$ 3,646,476
General Capital	Operating Reserve	Infrastructure investment.	\$ 5,900,534
NDSS Community Field Maintenance	Operating Reserve	Planned projects for NDSS Community Field replacement/improvements	\$ 60,900
Pipers Park	Operating Reserve	Planned projects for improvements to Pipers Park	\$ 53,579
Sewer	Operating Reserve	Planned projects	\$ 8,493,384
Sewer Asset Management	Statutory Reserve	Planned capital projects	\$ 1,392,109
Vancouver Island Conference Centre (VICC)	Operating Reserve	Planned projects for VICC renewal	\$ 524,258
Water	Operating Reserve	Planned projects	\$ 9,268,426
Water Asset Management	Statutory Reserve	Planned capital projects	\$ 2,513,803
<b>Subtotal Infrastructure Reserves</b>			<b>\$ 41,331,133</b>

## Appendix 1: Existing Reserve Summary

Reserves	Type	Primary Purpose	Projected Balance - December 31, 2019
<b>Parking Reserves</b>			
Fitzwilliam St Parking	Operating Reserve		\$ 142,868
Old City Neighbourhood Parking	Statutory Reserve	Dedicated funding source	\$ 92,254
Parking Reserve	Operating Reserve	Planned capital projects	\$ 1,025,866
<b>Subtotal Parking Reserves</b>			<b>\$ 1,260,988</b>
<b>Property Acquisition Reserves</b>			
Property Acquisition	Operating Reserve	dedicated funding source	\$ 3,163,383
Parkland Dedication	Statutory Reserve	dedicated funding source	\$ 1,254,664
Property Sales	Statutory Reserve	dedicated funding source	\$ 1,157,823
<b>Subtotal Property Reserves</b>			<b>\$ 5,575,870</b>
<b>Strategic Initiatives Reserves</b>			
Housing Legacy	Operating Reserve	dedicated funding source	\$ 2,371,937
Regional Emission Reduction	Operating Reserve	dedicated funding source	\$ 634,329
Strategic Infrastructure	Operating Reserve	dedicated funding source	\$ 2,176,586
Strategic Partnerships	Operating Reserve	dedicated funding source	\$ 25,543
Sustainability	Operating Reserve	dedicated funding source	\$ 244,644
<b>Subtotal Strategic Reserves</b>			<b>\$ 5,453,039</b>
<b>Other Reserves</b>			
911 Furniture/Equipment Replacement	Operating Reserve	Planned projects	\$ 624,695
Allowance for Bad Debts	Operating Reserve		\$ 44,000
Casino Reserve	Operating Reserve		\$ 1,448,844
Colliery Dam Reserve	Operating Reserve		\$ 116,924
Fire Training Centre	Operating Reserve		\$ 178,675
Firehall Improvements	Operating Reserve		\$ 396,414
General	Operating Reserve	Transition of MSP changes	\$ 46
Knowles Estate	Statutory Reserve	dedicated funding source	\$ 397,656
Prior - Year Carry Forwards	Operating Reserve	Administrative	\$ -
Uncollected Parking Revenue	Operating Reserve	Administrative	\$ 7,958
Vancouver Fire Academy	Operating Reserve		\$ 507,451
<b>Subtotal Other Reserves</b>			<b>\$ 3,722,663</b>
<b>Total</b>			<b>\$ 76,209,671</b>

## Appendix 2: Recommended Reserve Minimum Target Balances

Reserve	Primary Purpose of Reserve	Recommended Basis for Target Balance	Recommended Minimum Target Balance	Minimum Target Recalculation Frequency
<b>Financial Stability Reserves</b>				
General Financial Stability	Risk Mitigation	60 days of prior year's budgeted general operating expenditures	\$ 16,408,806	Annually
RCMP Contract	Risk Mitigation	% of prior year's budgeted contract expense not budgeted	\$ 1,881,186	Annually
Sewer Financial Stability	Risk Mitigation	45 days of prior year's budgeted sewer operating expenditures	\$ 471,249	Annually
Snow and Ice Control	Risk Mitigation		\$ 1,200,000	Every 3 Years
Water Financial Stability	Risk Mitigation	60 days of prior year's budgeted water operating expenditures	\$ 1,701,055	Annually
<b>Equipment Reserves</b>				
Cart Replacement	Planned Project Expenditures	minimum 1% of replacement cost plus funding for 10 year replacement plan	\$ 42,000	Every 5 - 10 Years
Copier Replacement	Planned Project Expenditures	\$50k (last 10 year average) plus 10 year replacement plan	\$ 50,000	Every 5 - 10 Years
Equipment Depreciation	Planned Project Expenditures	minimum 1% of replacement cost plus funding for 10 year replacement plan	\$ 270,000	On update of 20 Year Investment Plan/ Every 5 - 10 Years
Information Technology	Planned Project Expenditures	\$575,000 (last 10 year average) plus 10 year project plan	\$ 575,000	Every 5 - 10 Years
<b>Infrastructure Reserves</b>				
Facility Development	Planned Project Expenditures	\$1 million (last 10 year average) plus 10 year project plan	\$ 1,000,000	Every 5 - 10 Years
General Asset Management	Planned Project Expenditures	minimum 0.25% of replacement cost plus funding for 10 year capital program	\$ 3,487,500	On update of 20 Year Investment Plan/ Every 5 - 10 Years
Sewer	Planned Project Expenditures			
Sewer Asset Management	Planned Project Expenditures	minimum 0.25% of replacement cost plus funding for 10 year capital program	\$ 1,492,500	On update of 20 Year Investment Plan/ Every 5 - 10 Years
Water	Planned Project Expenditures			
Water Asset Management	Planned Project Expenditures	minimum 0.25% of replacement cost plus funding for 10 year capital program	\$ 2,440,000	On update of 20 Year Investment Plan/ Every 5 - 10 Years
<b>Strategic</b>				
Strategic Infrastructure	Planned Project Expenditures	15% of prior year's budgeted annual contributions	\$ 312,000	Annually
<b>Other</b>				
Knowles Estate	Planned Project Expenditures	Compliance with bequest	\$ 385,952	Bequest

### Appendix 3: New Reserve Summary

Reserves	Primary Purpose	Reserve Type	Annual Contributions Source
<b>Financial Stability Reserves</b>			
General Financial Stability	Risk mitigation for unplanned expenses or decrease in revenues	Operating	Allocation of prior year surplus if available or budget allocation
RCMP Contract Financial Stability	Risk mitigation for unplanned expenses	Operating	Allocation of prior year surplus if available or budget allocation
Sanitation Leveling	Risk mitigation for unplanned expenses or decrease in revenues	Operating	Allocation of Sanitation Surplus or allocation from sanitation budget
Sewer Financial Stability	Risk mitigation for unplanned expenses or decrease in revenues	Operating	Allocation of net sewer revenues or sewer budget allocation
Snow and Ice Control	Risk mitigation for actual costs higher than annual budget estimate.	Operating	Allocation of prior year surplus if available or budget allocation
Water Financial Stability	Risk mitigation for unplanned expenses or decrease in revenues	Operating	Allocation of net water revenues or budget allocation
<b>Equipment Reserves</b>			
Cart Replacement	Planned cart replacement program	Statutory	Annual Internal Charges
Copier Replacement	Planned copier replacement program	Statutory	Annual Internal Charges
Equipment Depreciation	Planned equipment replacement	Statutory	Annual Internal Charges
Information Technology	Planned IT infrastructure projects, new/upgraded infrastructure supported by business case	Statutory	Annual Internal Charges
<b>Infrastructure Reserves</b>			
Brechin Boat Ramp	Renewal or improvements to the Brechin Boat ramp facilities	Operating	Parking revenues
Cemetery Care	Planned projects	Statutory	Annual Internal Charges
Community Works Fund	Planned projects that meet agreement eligibility criteria	Statutory	UBCM grant
Facility Development	Planned projects for facility renewal/upgrade or for new community recreational facility.	Statutory	Annual internal allocation
General Asset Management	Planned capital projects	Statutory	Allocation of annual property taxes
General Capital	Infrastructure investment	Operating	
NDSS Community Field Maintenance	Planned projects for NDSS Community Field replacement/improvements	Statutory	Net rental revenues if available
Pipers Park	Planned projects for improvements to Pipers Park	Operating	Net rental revenues if available
Sewer Asset Management	Planned capital projects	Statutory	Allocation of user fees
Sewer Operating	Planned projects	Operating	Net sewer operating revenues
Vancouver Island Conference Centre (VICC)	Planned projects for VICC renewal	Operating	Unspent annual budget allocation to contractor
Water Asset Management	Planned capital projects	Statutory	Allocation of user fees
Water Operating	Planned projects	Operating	Allocation of net water operating revenues

### Appendix 3: New Reserve Summary

Reserves	Primary Purpose	Reserve Type	Annual Contributions Source
<b>Parking Reserves</b>			
Fitzwilliam St Parking		Operating	
Old City Neighbourhood Parking	Creation of new off-street parking spaces	Statutory	Cash in Lieu payments from developers
Parking Reserve	Planned capital projects	Statutory	Net parking revenues
<b>Property Reserves</b>			
Parkland Dedication	Purchase of parkland only	Statutory	Cash in Lieu payments from developers
Property Acquisition	Property purchases	Statutory	Allocation of unspent annual budget for property acquisition
Property Sales	Planned capital projects	Statutory	Sale of civic land
<b>Strategic Reserves</b>			
Emission Reduction	Provide funding for projects, plans and initiatives that reduce the City's community wide CO2 emissions to specified targets in 2030 and 2050	Statutory	Annual budget allocation
Housing Legacy	Funding for development of strategies and partnerships with external agencies for low barrier housing	Statutory	Annual budget allocation
Special Initiatives	Provide funding for short-term initiatives	Operating	Allocation of prior year operating surplus
Strategic Infrastructure	Planned strategic and capital projects	Statutory	Annual Casino and Fortis revenues
Strategic Partnerships	Funding for joint initiatives	Operating	Allocation of prior year operating surplus
Sustainability	Planned sustainability projects. Projects supported by payback analysis	Statutory	Annual budget allocation
<b>Other Reserves</b>			
911	Annual operating and 911 infrastructure replacement/upgrade program	Statutory	Annual Internal Charges
Casino	Eligible expenditures	Operating	None
Knowles Estate	Planned sports facility improvements in South Nanaimo	Statutory	Required due to bequest
Prior Year Carry Forward	To facilitate budget carry forwards process	Operating	Specific project or operating budget allocations

**Appendix 4: Summary of Proposed Reserve Transfers and Allocations**  
Excludes transfers from Operating Reserves to corresponding Statutory Reserves

Transfers From	Projected Balance at Dec 31 2019	Transfers To							Total
		General Financial Stability Reserve	General Capital Reserve	RCMP Contract Reserve	SNIC (Combined) Reserve	Sewer Financial Stability Reserve	Sewer Operating Reserve	Parking	
<b>Transfers From</b>									
<b>Minimum Target Balances</b>		16,408,806		1,881,186	1,200,000	471,249		1,701,055	
<b>Projected Reserve Balance - Dec 31 2019</b>		-	5,900,534	2,816,942	450,000	-	8,493,384	1,025,866	9,268,426
<b>Transfers:</b>									
General Capital		4,679,656	(4,679,656)						-
RCMP Contract		1,716,892		(1,716,892)					-
<b>Allocations:</b>									
Allowance for Bad Debts	44,000	44,000							44,000
Colliery Dam	116,924		116,924						116,924
Fire Training Centre	178,675		178,675						178,675
Firehall Improvements	396,414		396,414						396,414
General	46	46							46
Traffic Fines	908,383			908,383					908,383
Uncollected Taxes	2,759,115	2,759,115							2,759,115
Uninsured Claims	2,587,805	2,587,805							2,587,805
VIERA	507,451	507,451							507,451
Unallocated Parking	7,958							7,958	7,958
Water Leveling	1,900,000								1,900,000
<b>Total Transfers and Allocations</b>		<b>11,787,514</b>	<b>(3,480,192)</b>	<b>(808,509)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,958</b>	<b>9,406,771</b>
General Unallocated Surplus	5,487,046	4,737,046			750,000				5,487,046
Sewer Unallocated Surplus	6,722,290					471,249	6,251,041		6,722,290
Water Unallocated Surplus	5,827,789								5,827,789
<b>Total Transfers and Allocations</b>		<b>4,737,046</b>	<b>-</b>	<b>-</b>	<b>750,000</b>	<b>471,249</b>	<b>6,251,041</b>	<b>-</b>	<b>18,037,125</b>
<b>Projected Reserve Balance Restated - Dec 31 2019</b>		<b>16,524,560</b>	<b>(3,480,192)</b>	<b>(808,509)</b>	<b>750,000</b>	<b>471,249</b>	<b>6,251,041</b>	<b>7,958</b>	<b>27,443,896</b>
<b>Minimum Target Over/(Under)</b>		<b>115,754</b>	<b>2,420,342</b>	<b>2,008,433</b>	<b>1,200,000</b>	<b>471,249</b>	<b>14,744,425</b>	<b>1,033,824</b>	<b>15,295,160</b>



# Council Policy

Policy Name:	Reserves Policy
Department Name:	Financial Services
Policy No.:	5-1840-01
Effective Date:	2019-JUL-22
Review Date:	2023-JUN-30

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## POLICY

The purpose of this Policy is to:

- I. Establish responsible governance for the development, maintenance and use of the City's Reserves;
- II. Establish governance roles and responsibilities that ensure appropriate establishment and management of Reserves;
- III. Define principles and objectives for Reserves management that are appropriate for the City's financial position, and are reasonable, logical and necessary for delivery of sustainable, affordable services; and
- IV. Ensure the City's Reserves management is compliant with the statutory and legal requirements of the *Local Government Act* and the *Community Charter*, and in accordance with Canadian public sector accounting standards.

## REASON FOR POLICY

The City of Nanaimo (the City) is committed to sustainable, prudent and transparent management of financial resources used to provide valued community services.

Reserves will be established and expended to:

- I. Provide for contingencies;
- II. Fund strategic initiatives and capital investment identified in strategic and master plans adopted by Council;
- III. Fund equipment and vehicle replacement;
- IV. Fund infrastructure renewal;
- V. Fund new/upgraded infrastructure required due to growth.

## AUTHORITY TO ACT

Delegated to Staff.

## PROCEDURE

### 1. Definitions

- I. Five Year Financial Plan: The City's annual budget required under the *Community Charter*
- II. Funds: The resources and operations of the City are segregated into General, Sanitary Sewer Utility, Waterworks Utility and Reserve Funds for accounting and budgeting purposes. The General and Utility Funds also have corresponding Capital Funds.

- III. Operating Reserves: Specific reserves in the City's operating funds (General, Sewer and Water) established for specified purposes.
- IV. Public Sector Accounting Board (PSAB): Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of Canada (PSAB) and the Chartered Professional Accountants of Canada.
- V. Reserves: All the City's Operating Reserves and Reserve Funds.
- VI. Reserve Funds: Specific reserve funds for specified purposes as required by and pursuant to specific legislation and City bylaws. Also referred to as Statutory Reserves.
- VII. Sustainability: The pillars of sustainability include ensuring that current socio-cultural, economic and environmental commitments are considered in investment decisions and do not compromise the ability of future generations to meet their own needs.

## **2. Acronyms and Abbreviations**

- I. CAO: Chief Administrative Officer
- II. The City: The City of Nanaimo

## **3. Responsibilities**

To implement the Reserve Policy the appropriate level of governance must be in place throughout the organization for decision-making.

3.1 Council is responsible for adoption, periodic review and updating the Reserves Policy.

3.2 The CAO is responsible for implementing the Reserves Policy.

3.3 The Director of Finance is responsible for:

3.3.1 Implementing internal processes and systems in compliance with this Policy;

3.3.2 Ensuring Reserves and Reserve Funds are established and maintained in compliance with this Policy;

3.3.3 Recommending target minimum and maximum reserve balances where appropriate;

3.3.4 Ensuring utilization of reserve funding is clearly disclosed in the City's Five Year Financial Plan and other long-term financial plans;

3.3.5 Recommending revisions or amendments to this Policy due to changes in applicable statutes, accounting standards or to support the City's long-term financial management.



#### **4. Scope and Applicability**

##### **4.1 Scope**

Reserves are either classified as Reserves in each of the City's operating funds or separate Reserve Funds. Reserve Funds are statutory reserves required by Provincial legislation or established by Council and receive specific contributions that can only be used in compliance with the appropriate City bylaw.

The City maintains reserves that provide funding to:

- I. mitigate risk;
- II. replace equipment;
- III. renew existing infrastructure;
- IV. construct new/upgraded infrastructure required due to growth;
- V. purchase land;
- VI. implement strategic initiatives and capital investment;
- VII. comply with special bequests; and
- VIII. facilitate specific functions or commitments.

##### **4.2 Unique Corporate Purpose**

Each Reserve must have a unique and specific corporate purpose.

##### **4.3 Corporate Context**

The management of the City's reserves is an integral part of the City's long-term planning, asset management, the City's Five Year Plan, the 10 Year Project Plan and the 20 Year Investment Plan.

##### **4.4 Implementation, Review and Reporting**

The implementation, review and reporting associated with this policy will be integrated within City business processes. Due to the importance of this policy, the management of the City's reserves will be reported to Council, and implementation of this policy reviewed periodically by Council.

#### **5. Benefits of Compliance**

Implementing this policy will improve the City's governance through enhanced accountability, performance, sustainability and resiliency.

#### **6. Principle Statements and Objectives**

Reserves shall be established, maintained and used in accordance with following principles and objectives.

##### **6.1 Affordability**

6.1.1 The City will consider impact on property taxes, utility and other user fees when implementing and managing reserves.

## **6.2 Long-Term Financial Sustainability and Resiliency**

6.2.1 The City will implement and manage reserves that support mitigation of risks arising from operating emergencies, unforeseen expenditures or decreases in revenues.

6.2.2 The City shall strive to implement and manage reserves to meet future financial obligations with respect to the City's strategic initiatives, investment in equipment and infrastructure, and fiscal needs.

6.2.3 The City will make informed decisions to implement and manage reserves that best support the long-term financial needs for City services and strategic priorities.

6.2.4 The City will develop and maintain financial plans that adequately identify the long-term funding needs and sources to sustain City services.

## **6.3 Transparency and Accountability**

6.3.1 All Reserves must be established, maintained and used for a specified purpose mandated by this policy, statute, or City Bylaw.

6.3.2 A Council Resolution or an Adopted Budget Bylaw is required for all appropriations from Operating Reserves and Reserve Funds.

6.3.3 The City will conduct an annual review of all reserves and report the results to Council.

6.3.4 The City's Five Year Financial Plan will provide a summary of projected reserve balance, contributions and withdrawals.

## **6.4 Statutory and Legal Requirements**

6.4.1 Reserves will be established to meet Provincial and Federal government legislation, City Bylaws or required by contractual agreement.

## **6.5 Accounting Standards**

6.5.1 Administration of Reserves must meet the accounting standards applicable to local governments (PSAB).

## **7. Administration**

The following key administrative processes will support implementation of the Reserve Policy. Additional information is provided in the City's Reserves Processes document.

### **7.1 Interest and Calculation Method**

All Reserve Funds will earn interest each year. Interest will be calculated based on the audited fund balance at the end of the prior year. The interest rate used will be determined on an annual basis.

### **7.2 Minimum and Maximum Balances**

A minimum and maximum balance may be established for a Reserve. A minimum balance will ensure that each fund is not depleted to the degree that it is no longer able to service its intended purpose. A maximum balance ensures that it does not grow beyond its intended purpose.

The annual allocation of General Operating Fund, Sewer Operating Fund and Water Operating Fund surplus will prioritize replenishment of reserves to minimum target balances.

The City's financial planning processes will strive to maintain the recommended target minimum reserve balances for the Five Year Financial Plan.

### **7.3 Repayment Period for Target Minimum Balances**

A time period will be specified for the repayment or replenishment of a Reserve with a specified minimum balance.

### **7.4 Reporting**

The City will develop and maintain annual reporting processes that provide decision makers with all relevant reserves information.

## **8. Reserves Framework**

The Reserves Framework groups reserves by common purposes and guidelines in compliance with this Policy. Reserve Funds are utilized to comply with Provincial legislation or contractual requirements and where specific annual contributions support long-term organizational purposes.

A description of each reserve is outlined below within the Reserves Framework.

### **8.1 Financial Stability Reserves**

#### **Description**

Financial Stability Reserves are required to ensure the ongoing financial stability and fiscal health of City operations. Each reserve is funded from an allocation of operating year-end surplus from the appropriate fund. The Financial Stability Reserves include:

- General Financial Stability Reserve
- RCMP Contract Financial Stability Reserve

- Sanitation Levelling Reserve
- Sewer Financial Stability Reserve
- Snow and Ice Control Financial Stability Reserve
- Water Financial Stability Reserve

### **Guidelines for Using Funds**

A Council resolution or an Adopted Budget Bylaw is required for all appropriations from the Financial Stability Reserve Funds.

All appropriations from the Financial Stability Reserves are to be considered in accordance with the following priorities:

1. Operating and Environmental Emergencies
  - a. These appropriations are the highest priority and are based on public safety and maintenance of current levels of service.
2. Revenue and Operating Expenditures Contingency
  - a. These appropriations are intended to stabilize the impacts of cyclical revenue downturns and cost increases that are largely temporary and not within the City's ability to adjust in the short-term.

## **8.2 Equipment Reserves**

### **Description**

Equipment Reserves are established to provide funding for equipment replacement. Currently, the City has established equipment reserves for the following:

**8.2.1 Cart Replacement Reserve Fund** – This reserve is to fund the replacement of residential carts used in solid waste collection. Internal charges to the Residential Solid Waste department provide annual contributions to this reserve.

**8.2.2 Copier Replacement Reserve Fund** – This reserve is to fund copier replacement. Internal charges to user departments provide annual contributions to this reserve.

**8.2.3 Equipment Depreciation Reserve Fund** – This reserve is to fund the replacement of the City's fleet including fire apparatus, solid waste collection trucks, heavy-duty construction equipment and vehicles. Internal charges to user departments provide annual contributions to this reserve.

**8.2.4 Information Technology (IT) Reserve Fund** – This reserve is to fund IT corporate infrastructure replacement and improvements. Internal charges to user departments provide annual contributions to this reserve.

## **8.3 Infrastructure Reserves**

### **Description**

Infrastructure Reserves are established to provide funding for infrastructure replacement and for new/upgraded infrastructure required due to growth. Currently, the City has established infrastructure reserves for the following:

**8.3.1 Brechin Boat Ramp Reserve** – This reserve is to fund improvements to the Brechin boat ramp. Annual contributions are from net parking revenues.

**8.3.2 Cemetery Care Reserve Fund** – This reserve is to fund ongoing care of the cemetery. Revenues from plot sales provide contributions to this reserve.

**8.3.3 Community Works Reserve Fund** – This reserve was established in 2005 in compliance with an agreement between the Union of BC Municipalities (UBCM) and the City. Annual grant funding from UBCM provides contributions to this reserve and funding from this reserve must meet the eligibility criteria in the agreement.

**8.3.4 Facility Development Reserve Fund** – This reserve is to fund renewal of the City's recreation facilities and for construction of new recreation facilities. Annual contributions are provided by an allocation of recreation facility revenues.

**8.3.5 General Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of infrastructure relating to transportation, storm drainage, facilities, parks amenities and major technology. Annual contributions are provided from an allocation of property taxes.

**8.3.6 General Capital Reserve** – This reserve is to fund capital projects. Contributions may be from an allocation of General Operating Fund surplus.

**8.3.7 NDSS Community Field Reserve Fund** – This reserve is to fund capital improvements to the field. Annual net revenues from the NDSS field operations are contributed to this reserve.

**8.3.8 Pipers Park Reserve** – This reserve provides funding for improvements to Pipers Park. Annual net revenues from the facilities in the park provides contributions to this reserve.

**8.3.9 Sewer Reserve** – This reserve provides funding for sewer infrastructure assessment programs and renewal. Annual contributions are from sewer user fees in excess of annual operating expenditures, debt repayment and transfer to the Sewer Asset Management Reserve.

**8.3.10 Sewer Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of sewer infrastructure. Annual contributions are provided from an allocation of sewer user fees.

**8.3.11 Vancouver Island Conference Centre (VICC) Reserve** – This reserve provides funding for improvement to VICC. Contributions to this reserve are from a budget allocation.

**8.3.12 Water Reserve** – This reserve provides funding for water infrastructure assessment programs and renewal. Annual contributions are from water user fees in excess of annual operating expenditures, debt repayment and transfer to the Water Asset Management Reserve.

**8.3.13 Water Asset Management Reserve Fund** – This reserve is to fund upgrading or replacement of water infrastructure. Annual contributions are provided from an allocation of water user fees.

## 8.4 Parking Reserves

### Description

Parking Reserves are established to provide funding for renewal of parking infrastructure and new parking infrastructure. Currently, the City has established parking reserves for the following:

**8.4.1 Fitzwilliam St Parking Reserve** – This reserve is to fund parking amenities at the City owned Prideaux Street parking lot.

**8.4.2 Parking Reserve Fund** – This reserve is to fund renewal of parking infrastructure or new parking infrastructure. Annual contributions are provided from net parking revenues.

**8.4.3 Old City Parking Reserve Fund** – This reserve is to fund the creation of new off-street parking spaces.

## 8.5 Property Reserves

### Description

Property Reserves are established to provide funding for property acquisitions. Currently, the City has established property acquisition reserves for the following:

**8.5.1 Parkland Dedication Reserve Fund** – This reserve provides funding for the purchase of parkland pursuant to the *Community Charter*, Section 188. Contributions are provided from cash-in-lieu payments from developers.

**8.5.2 Property Acquisition Reserve Fund** – This reserve provides funding for property acquisitions. Property acquisitions include property needed to expand City infrastructure, to implement strategic initiatives and for parkland. Contributions to this reserve are either by allocation of budget or operating surplus.

**8.5.3 Property Sales Reserve Fund** – This reserve provides funding for capital project pursuant to the *Community Charter*, Section 188. Contributions are provided from the sale of civic land.

## 8.6 Strategic Reserves

### Description

Strategic Reserves are established to provide funding for strategic initiatives identified by Council. Currently, the City has established strategic reserves for the following:

**8.6.1 Emission Reduction Reserve Fund** – This reserve provides funding for projects, plans and initiatives that reduce the City's CO2 emissions to specified targets.

**8.6.2 Housing Legacy Reserve Fund** – This reserve provides funding to support affordable housing in the community including but not limited to property acquisition and capital investment. Annual budget allocations provide contributions to this reserve.

**8.6.3 Special Initiatives Reserves** – This reserve will provide funding for short-term initiatives. Contributions to this reserve is from allocation of prior year general operating surplus.

**8.6.4 Strategic Infrastructure Reserve Fund** - This reserve provides funding for strategic initiatives and capital infrastructure. Annual contributions to this reserve are from casino and Fortis revenues.

**8.6.5 Strategic Partnerships Reserve** – This reserve provides funding to support consultation with Snuneymuxw First Nation regarding joint projects.

**8.6.6 Sustainability Reserve Fund** – This reserve provides funding for project expenditures that reduces the City's energy consumption or lowers GHG emissions. Annual budget allocations provide contributions to this reserve.

## **8.7 Other Reserves**

**8.7.1 911 Reserve Fund** – This reserve provides funding for operating and equipment for 911 operations. Annual contributions are through an annual internal charge to the 911 department.

**8.7.2 Casino Reserve** – This reserve is available to provide funding for eligible operating or capital expenditures. There are no further contributions to this reserve. This reserve will be eliminated when funding is fully allocated.

**8.7.3 Knowles Estate Reserve Fund** – This reserve is required due to a bequest. Only accumulated interest may be spent for parks and sport facility improvements in the south end of the City.

**8.7.4 Prior Year Carry-Forward Reserve** – This reserve is required to allow for unspent budgets to be carried forward to the following year. Where projects are not completed or delayed, budget may be carried forward to the following year. Under specific circumstances, operating budgets may also be carried forward from one fiscal year to the next.

## **9. Summary of City Reserves**

A summary of Reserves and Reserve Funds is provided in Schedule A.

**10. Review Date**

This Policy should be reviewed every 4 years.

**MANAGEMENT, REFERENCES AND APPROVAL:**

This policy shall be reviewed in 3 years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority:	Council
Approval Date:	Insert Approval Date
Revision Approval Dates:	Insert Date if applicable
Review Due:	Insert Date
Policy Manager:	Director of Financial Services
Department Contact:	Director of Financial Services
Legal References:	Insert if applicable
Cross References:	Insert if applicable



### **Appendix A**

The City has established a framework for Reserves. A Reserve Fund is established for each Statutory Reserve under the authority of the *Community Charter*. In addition to this policy, Statutory Reserves are supported by a bylaw that outlines the purpose and use of each fund.

A summary of reserves is provided below within a framework that supports the primary objectives of this Policy:

- I. Financial Stability Reserves
- II. Equipment Reserves
- III. Infrastructure Reserves
- IV. Parking Reserves
- V. Property Acquisition Reserves
- VI. Strategic Reserves
- VII. Special Reserves

## **1. Financial Stability Reserves**

### **Description**

Financial Stability Reserves are required to protect the City's financial stability and resiliency. The primary intent of these reserves is to mitigate risk by providing funding for unknown expenditures arising from operating emergencies or necessity.

### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Financial Stability Reserves.

#### **1. General Financial Stability Reserve**

Contributions to this reserve are through an allocation of General Operating Fund surplus or budget allocation

This reserve can be provide a source of funds where:

- I. Expenditures exceed planned due to emergency or necessity
- II. Revenues are below planned due to emergency or necessity

#### **2. RCMP Contract Financial Stability Reserve**

Contributions to this reserve are through an allocation of RCMP contract surplus, General Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where the actual annual RCMP contract costs exceed the budget estimate.

#### **3. Sanitation Levelling Reserve**

Contributions to this reserve are through an allocation of annual Residential Solid-Waste Collection surplus.

This reserve can provide a source of funds where:

- I. Expenditures exceed planned due to emergency or necessity
- II. Revenues are below planned due to emergency or necessity

#### **4. Sewer Financial Stability Reserve**

Contributions to this reserve are through an allocation of Sewer Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where:

- I. Expenditures exceed planned due to emergency or necessity
- II. Revenues are below planned due to emergency or necessity

#### **5. Snow and Ice Control Reserve**

Contributions to this reserve are through an allocation of annual SNIC surplus, General Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where the actual annual costs for snow and ice control exceed the budget estimate.

#### **6. Water Financial Stability Reserve**

Contributions to this reserve are through an allocation of Water Operating Fund surplus or budget allocation.

This reserve can provide a source of funds where:

- I. Expenditures exceed planned due to emergency or necessity
- II. Revenues are below planned due to emergency or necessity

## **2. Equipment Reserves**

### **Description**

Equipment Reserves provide a funding source for equipment and fleet replacement.

### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Equipment Reserves.

#### **I. Cart Replacement Reserve Fund**

Contributions to this reserve is through annual internal charge to the Residential Solid Waste Collection operating budget.

This reserve provides funding for replacement of residential automated solid waste collection carts.

#### **II. Copier Replacement Reserve Fund**

Contributions to this reserve is through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's copiers.

#### **III. Equipment Replacement Reserve Fund**

Contributions to this reserve is through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's fleet including vehicles, trucks, heavy equipment, fire apparatus and Zambonis.

#### **IV. Information Technology Reserve Fund**

Contributions to this reserve is through annual internal charges to user departments that are included in the department's annual operating budgets.

This reserve provides funding for replacement of the City's technology assets including data lines, server hardware and enterprise software.

### **3. Infrastructure Reserves**

#### **Description**

Infrastructure Reserves provide a funding source for renewal of current infrastructure and new/upgraded infrastructure required due to growth, new regulatory requirements or service level changes. Contributions to these reserves are through annual budget allocations.

#### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

#### **3.1 Brechin Boat Ramp Reserve**

Contributions to the reserve are through an allocation of annual net parking revenues at the Brechin Boat Ramp facility.

This reserve provides funding for renewal or improvements to the Brechin Boat Ramp facilities.

#### **3.2 Cemetery Care Reserve Fund**

Contributions to the reserve are through annual plot and head stone installation revenues. The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act.

Interest revenues earned by monies in this reserve are available to provide funding for annual cemetery care operating and maintenance expenditures.

#### **3.3 Community Works Reserve Fund**

Contributions to the reserve are through annual funding received from the Gas Tax Agreement (GTA) administered by the Union of British Columbia Municipalities (UBCM).

This reserve provides funding for specific types of infrastructure projects as allowed under the terms of the GTA.

#### **3.4 Facility Development Reserve Fund**

Contributions to the reserve are through a 20% allocation of contributing recreation facility and program revenues.

This reserve provides funding for renewal of contributing recreation facilities and can provide funding for new recreation facilities.

#### **3.5 General Asset Management Reserve Fund**

Contributions to the reserve are through budget allocations from annual property tax revenues.

This reserve provides funding for City infrastructure renewal excluding sewer and water infrastructure.

### **3.6 General Capital Reserve**

Contributions to the reserve are through allocations of General Operating Fund surplus.

This reserve provides funding for capital investment.

### **3.7 NDSS Community Field Maintenance Fund**

Contributions to the reserve are through budget allocation, contribution from School District 68 and net annual operating revenues from user fees for the field.

This reserve provides funding for major capital improvements or field replacement for NDSS Community Field.

### **3.8 Piper's Park Reserve**

Contributions to the reserve are through allocation of net annual operating revenues from rental of building located at Piper's Park.

This reserve provides funding for improvements to Pipers Park.

### **3.9 Sewer Asset Management Reserve Fund**

Contributions to the reserve are through budget allocations from annual sewer user fees.

This reserve provides funding for renewal of the City's sewer infrastructure.

### **3.10 Sewer Operating Reserve**

Contributions to the reserve are through annual net operating allocations from the Sewer Operating Fund.

The Sewer Operating Reserve provides funding for renewal or new/upgraded infrastructure required to maintain levels of service.

### **3.11 Vancouver Island Convention Centre Reserve**

Contributions to the reserve are through unspent annual budget allocation.

This reserve provides funding for renewal of the Port of Nanaimo Centre facility.

### **3.12 Water Asset Management Reserve Fund**

Contributions to the reserve are through budget allocations from annual water user fees.

This reserve provides funding for renewal of the City's water infrastructure.

### **3.13 Water Operating Reserve**

Contributions to the reserve are through annual net operating allocations from the Water Operating Fund.

The Water Operating Reserve provides funding for renewal or new/upgraded infrastructure required to maintain levels of service.

#### **4. Parking Reserves**

##### **Description**

Parking reserves provide a funding source for renewal and new/upgraded parking infrastructure including parkades and meters.

##### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

##### **4.1 Fitzwilliam St Parking Reserve**

There are no specified future contributions to this reserve.

This reserve provides funding for improvements to parking amenities at the Prideaux Street Parking lot.

##### **4.2 Old City Parking Reserve Fund**

Contributions to this reserve are from cash-in-lieu payments from developers.

This reserve provides funding for the creation of new off-street parking spaces

##### **4.3 Parking Reserve Fund**

Contributions to this reserve are through annual net operating allocations from parking operations.

This reserve provides funding for renewal of current parking infrastructure and new parking infrastructure.

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## **5 Property Acquisition Reserves**

### **Description**

Property Acquisition Reserves provide funding sources to purchase land needed for new infrastructure projects and for new parkland. Contributions to these reserves are through sale of City owned property and through annual budget allocations subject to Council approval.

### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

#### **5.1 Parkland Dedication Reserve Fund**

Contributions for this reserve are received from development in lieu of parkland and from the sale of City parkland. This reserve is required by the *Community Charter*.

This reserve provides funding for purchase of City parkland.

#### **5.2 Property Acquisition Reserve Fund**

Contributions to this reserve are through unspent annual budget allocation.

This reserve provides funding for the purchase of new land.

#### **5.3 Property Sales Reserve Fund**

Contributions for this reserve are received from the sale of City land and improvements. This reserve is required by the *Community Charter*.

This reserve provides funding for purchase of City land and improvements.



## **6 Strategic Reserves**

### **Description**

Strategic Reserves provide funding sources to advance and implement priorities identified in strategic and master plans adopted by Council.

### **Guidelines for Using Reserves**

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

#### **6.1 Emission Reduction Reserve Fund**

Contributions to the reserve are through annual budget allocation.

This reserve provides funding for projects, plans and initiatives that reduce the City's community wide CO2 emissions to between 50% and 58% below 2010 levels by 2030, and between 94% and 107% below 2010 levels by 2050.

#### **6.2 Housing Legacy Reserve Fund**

Contributions to this reserve are through annual budget allocation.

This reserve provides funding to support affordable housing in the community including but not limited to property acquisition and capital investment.

#### **6.3 Special Initiatives Reserve**

Contributions to this reserve are through an allocation of General Operating Fund surplus.

This reserve provides funding to implement specific initiatives in the subsequent year.

#### **6.4 Strategic Infrastructure Reserve Fund**

Contributions to this reserve are through annual budget allocation.

This reserve provides funding to implement Council's strategic initiatives and capital investment.

#### **6.5 Strategic Partnerships Reserve**

Contributions to this reserve are through an allocation of General Operating Fund surplus or budget allocation.

This reserve provides funding for consultation with Snuneymuxw First Nation regarding joint projects.

#### **6.6 Sustainability Reserve Fund**

Contributions to the reserve are through annual budget allocation.

This reserve provide funding for investigation and implementation of new equipment or infrastructure improvements that reduce the City's energy consumptions or will lead to lower GHG emissions and meet payback criteria.

## **7 Other Reserves**

### **Description**

Reserves can be established as a result of a bequest or for a one-time expenditure. The City currently has the following special reserves.

### **Guidelines for Using Funds**

An Adopted Budget Bylaw is required for all appropriations from the Infrastructure Reserves.

#### **7.1 911 Reserve Fund**

Contributions to this reserve is through annual internal charges that are included in the 911 operating budget.

This reserve provides funding for replacement of the City's 911 call answering equipment and furniture.

#### **7.2 Casino Reserve**

This reserve will be eliminated once all current funds have been allocated.

This reserve provides funding for eligible expenditures in compliance with Provincial agreement.

#### **7.3 Knowles Estate Reserve Fund**

This reserve was established as a bequest, with the accumulated interest to be used for park and youth sports facility improvements in the south end of Nanaimo.

#### **7.4 Prior Year Carry Forward Reserve**

Contributions to this reserve are budget allocations for specific projects or operating initiatives that were delayed or not completed in the current year.

This reserve provides funding for delayed or incomplete projects or operating initiatives to be completed in a subsequent year.

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY DAN BAILEY, MANAGER, ACCOUNTING SERVICES

**SUBJECT COUNCIL EXPENSES FOR THE NINE MONTHS ENDING 2020-SEP-30**

## **OVERVIEW**

### **Purpose of Report:**

To present the Finance and Audit Committee with a summary of Council expenses for the nine months ending 2020-SEP-30.

## **BACKGROUND**

Council member expenses are incurred in accordance with the Council Spending and Amenities Policy 1-0530-05. This policy establishes governance and control parameters regarding expenditures for and by elected officials.

## **DISCUSSION**

This report summarizes Council expenses for the nine-month period ending 2020-SEP-30.

Summary of Council expenses at 2020-SEP-30:

Name	Budget	YTD Actuals	Budget Variance
Mayor Krog	\$ 8,300.00	\$ 741.27	\$ 7,558.73
Councillor Armstrong	8,275.00	420.68	7,854.32
Councillor Bonner	8,275.00	2,011.91	6,263.09
Councillor Brown	8,275.00	1,460.63	6,814.37
Councillor Geselbracht	8,275.00	1,765.08	6,509.92
Councillor Hemmens	8,275.00	1,816.04	6,458.96
Councillor Maartman	8,275.00	1,591.58	6,683.42
Councillor Thorpe	8,275.00	1,394.94	6,880.06
Councillor Turley	<u>8,275.00</u>	<u>702.32</u>	<u>7,572.68</u>
Total	<u>\$ 74,500.00</u>	<u>\$ 11,904.45</u>	<u>\$ 62,595.55</u>

**Attachment A** lists the total year-to-date expenses for each member of Council. This listing gives a detailed summary of the overall expenses of an individual Council member as at 2020-SEP-30 compared to the annual budget for that individual.

### **SUMMARY POINTS**

- Mayor and Council have spent \$11,904.45 of the \$74,500 annual budget at 2020-SEP-30.

### **ATTACHMENTS**

Attachment A: Detailed Council Expense Summaries

#### **Submitted by:**

Dan Bailey  
Manager, Accounting Services

#### **Concurrence by:**

Laura Mercer  
Director, Finance

Shelley Legin  
General Manager, Corporate Services

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**LEONARD KROG**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD 2020</u>	<u>%</u>	<u>2019</u>
Sponsored Events/Hospitality	\$ 250.00	\$ 197.08	\$ -	\$ -		\$ 197.08	79%	\$ 570.37
Conferences/Travel - Other	750.00	454.99	(454.99)	190.82	-	190.82	25%	841.54
FCM	3,000.00	-	-	-	-	-	0%	3,981.25
UBCM	2,500.00	370.63	-	(17.26)	-	353.37	14%	2,446.75
AVICC	1,000.00	-	-	-	-	-	0%	1,201.17
Internet	800.00	-	-	-	-	-	0%	-
	<u>\$ 8,300.00</u>	<u>\$ 1,022.70</u>	<u>\$ (454.99)</u>	<u>\$ 173.56</u>	<u>\$ -</u>	<u>\$ 741.27</u>	<u>9%</u>	<u>\$ 9,041.08</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
LEONARD KROG 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
Jan 15, 2020	Monthly Networking Luncheon	Nanaimo			38.37				\$ 38.37
Feb 26, 2020	Chamber CEO Breakfast	Nanaimo			38.37				\$ 38.37
Feb 26, 2020	Nanaimo Sport Achievement Awards	Nanaimo			67.31				\$ 67.31
Mar 4, 2020	Equal Voice's International Women's Day Event	Nanaimo						28.85	\$ 28.85
Feb 27, 2020	CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18				\$ 24.18
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				353.37			\$ 353.37
Oct 27, 2020 - Oct 29, 2020	Economic Summit	Nanaimo				190.82			\$ 190.82
									\$ -
									\$ -
									\$ -
			\$ -	\$ -	\$ 168.23	\$ 544.19	\$ -	\$ 28.85	\$ 741.27

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**SHERYL ARMSTRONG**

	Budget	Q1	Q2	Q3	Q4	YTD 2020	%	2019
Sponsored Events/Hospitality	\$ 250.00	67.31	\$ -	\$ -	\$ -	\$ 67.31	27%	\$ 197.63
LGLA	-	-	-	-	-	\$ -		353.37
Conferences/Travel - Other	750.00	-	-	-	-	\$ -	0%	-
FCM	3,000.00	-	-	-	-	\$ -	0%	3,800.63
UBCM	2,500.00	348.10	-	5.27	-	\$ 353.37	14%	2,398.74
AVICC	1,000.00	-	-	-	-	\$ -	0%	-
Internet	775.00	-	-	-	-	\$ -	0%	-
	<u>\$ 8,275.00</u>	<u>\$ 415.41</u>	<u>\$ -</u>	<u>\$ 5.27</u>	<u>\$ -</u>	<u>\$ 420.68</u>	5%	<u>\$ 6,750.37</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
SHERYL ARMSTRONG 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air Fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
Feb 27, 2020	Nanaimo Sports Achievement Awards	Nanaimo						67.31	\$ 67.31
Sep 22, 2020 - Sep 24, 2020	UBCM Virtual Conference					353.37			\$ 353.37
									\$ -
									\$ -
									\$ -
			\$ -	\$ -	\$ -	\$ 353.37	\$ -	\$ 67.31	\$ 420.68



**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**DON BONNER**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD 2020</u>	<u>%</u>	<u>2019</u>
Sponsored Events/Hospitality	\$ 250.00	\$ 168.14	\$ -	\$ -	\$ -	\$ 168.14	67%	\$ 688.81
LGLA	-	-	-	-	-	-		353.37
Conferences/Travel - Other	750.00	180.72	-	-	-	180.72	24%	834.75
FCM	3,000.00	1,316.95	(1,316.95)	-	-	-	0%	3,771.54
UBCM	2,500.00	348.10	-	5.27	-	353.37	14%	2,198.61
AVICC	1,000.00	-	-	-	-	-	0%	915.75
Internet	\$ 775.00	1,309.68	-	-	-	1,309.68	169%	1,038.76
	<u>\$ 8,275.00</u>	<u>\$ 3,323.59</u>	<u>\$ (1,316.95)</u>	<u>\$ 5.27</u>	<u>\$ -</u>	<u>\$ 2,011.91</u>	<u>24%</u>	<u>\$ 9,801.59</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
DON BONNER 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
Jan 1, 2020 - Dec 31, 2020	2020 Internet Fees	Nanaimo						1,309.68	\$ 1,309.68
Jan 15, 2020	Monthly Networking Luncheon	Nanaimo			38.37				\$ 38.37
Feb 12, 2020	Monthly Networking Luncheon	Nanaimo			38.37				\$ 38.37
Feb 26, 2020	CEO Breakfast	Nanaimo			38.37				\$ 38.37
Feb 26, 2020	CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18				\$ 24.18
Feb 20, 2020	Equal Voice's International Women's Day Event	Nanaimo						28.85	\$ 28.85
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				\$ 353.37			\$ 353.37
Oct 27, 2020 - Oct 29, 2020	Economic Summit	Nanaimo				\$ 180.72			\$ 180.72
									\$ -
									\$ -
			\$ -	\$ -	\$ 139.29	\$ 534.09	\$ -	\$ 1,338.53	\$ 2,011.91

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**TYLER BROWN**

	Budget	Q1	Q2	Q3	Q4	YTD 2020	%	2019
Sponsored Events/Hospitality	\$ 250.00	\$ 67.22	\$ -	\$ -	\$ -	\$ 67.22	27%	\$ 209.66
LGLA	-	-	-	-	-	-		-
Conferences/Travel - Other	750.00	-	-	-	-	-	0%	598.02
FCM	3,000.00	-	-	-	-	-	0%	3,905.85
UBCM	2,500.00	-	-	353.37	-	353.37	14%	2,904.38
AVICC	1,000.00	-	-	-	-	-	0%	766.92
Internet	\$ 775.00	1,040.04	-	-	-	1,040.04	134%	-
	<u>\$ 8,275.00</u>	<u>\$ 1,107.26</u>	<u>\$ -</u>	<u>\$ 353.37</u>	<u>\$ -</u>	<u>\$ 1,460.63</u>	18%	<u>\$ 8,384.83</u>

**CITY OF NANAIMO**  
**STATEMENT OF FINANCIAL INFORMATION**  
**TYLER BROWN 2020 EXPENSES**  
**as at September 30, 2020**

[illegible]

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**BEN GESELBRACHT**

	Budget	Q1	Q2	Q3	Q4	YTD 2020	%	2019
Sponsored Events/Hospitality	\$ 250.00	\$ 62.55	\$ -	\$ -	\$ -	\$ 62.55	25%	\$ 335.98
LGLA	-	-	-	-	-	-		353.37
Conferences/Travel - Other	750.00	-	-	180.72	-	180.72	24%	874.22
FCM	3,000.00	-	-	-	-	-	0%	3,936.73
UBCM	2,500.00	348.10	-	5.27	-	353.37	14%	2,384.43
AVICC	1,000.00	378.61	(378.61)	-	-	-	0%	977.16
Internet	\$ 775.00	1,168.44	-	-	-	1,168.44	151%	1,091.40
	<u>\$ 8,275.00</u>	<u>\$ 1,957.70</u>	<u>\$ (378.61)</u>	<u>\$ 185.99</u>	<u>\$ -</u>	<u>\$ 1,765.08</u>	21%	<u>\$ 9,953.29</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
BEN GESELBRACHT 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
1-Jan-20 - 31-Dec-20	2020 Internet Fees	Nanaimo						1,168.44	\$ 1,168.44
Feb 21, 2020	Monthly Network Luncheon	Nanaimo			38.37				\$ 38.37
Feb 26, 2020	CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18				\$ 24.18
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				\$ 353.37			\$ 353.37
Oct 27, 2020 - Oct 29, 2020	Economic Summit	Nanaimo				\$ 180.72			\$ 180.72
									\$ -
			\$ -	\$ -	\$ 62.55	\$ 534.09	\$ -	\$ 1,168.44	\$ 1,765.08

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**ERIN HEMMENS**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD 2020</u>	<u>%</u>	<u>2019</u>
Sponsored Events/Hospitality	\$ 250.00	\$ 196.97	\$ -	\$ -		\$ 196.97	79%	\$ 514.72
LGLA	-	-	-	-	-	-		427.37
Conferences/Travel - Other	750.00	429.09	-	(248.37)	-	180.72	24%	439.52
FCM	3,000.00	-	-	-	-	-	0%	4,040.03
UBCM	2,500.00	348.10	-	5.27	-	353.37	14%	2,496.21
AVICC	1,000.00	378.61	(378.61)	-	-	-	0%	920.48
Internet	\$ 775.00	1,084.98	-	-	-	1,084.98	140%	1,412.40
	<u>\$ 8,275.00</u>	<u>\$ 2,437.75</u>	<u>\$ (378.61)</u>	<u>\$ (243.10)</u>	<u>\$ -</u>	<u>\$ 1,816.04</u>	<u>22%</u>	<u>\$ 10,250.73</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
ERIN HEMMENS 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
1-Jan-20 - 31-Dec-20	2020 Internet Fees	Nanaimo						1,084.98	\$ 1,084.98
Jan 15, 2020	Monthly Networking Luncheon	Nanaimo			38.36			\$	38.36
Jan 30, 2020	Registration for IPV & Acquired Brain Injury	Nanaimo			-			24.04	\$ 24.04
Feb 7, 2020	Monthly Networking Luncheon	Nanaimo			38.37			\$	38.37
Feb 26, 2020	CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18			\$	24.18
Feb 26, 2020	CEO Breakfast	Nanaimo			38.37			\$	38.37
Mar 6, 2020	Tickets to Yellow Rose Luncheon	Nanaimo			33.65			\$	33.65
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				353.37		\$	353.37
Oct 27, 2020 - Oct 29, 2020	Economic Summit	Nanaimo				180.72		\$	180.72
								\$	-
								\$	-
			\$	-	\$	-	\$	172.93	\$ 534.09
							\$	-	\$ 1,109.02
								\$	1,816.04



**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**ZENI MAARTMAN**

	Budget	Q1	Q2	Q3	Q4	YTD 2020	%	2019
Sponsored Events/Hospitality	\$ 250.00	\$ 158.69	\$ -	\$ -	\$ -	\$ 158.69	63%	\$ 672.60
Conferences/Travel - Other	750.00	-	-	180.72	-	180.72	24%	50.48
FCM	3,000.00	1,316.95	(1,316.95)	-	-	-	0%	-
UBCM	2,500.00	348.10	-	5.27	-	353.37	14%	2,654.95
AVICC	1,000.00	-	-	-	-	-	0%	-
Internet	\$ 775.00	898.80	-	-	-	898.80	116%	965.44
	<u>\$ 8,275.00</u>	<u>\$ 2,722.54</u>	<u>\$ (1,316.95)</u>	<u>\$ 185.99</u>	<u>\$ -</u>	<u>\$ 1,591.58</u>	19%	<u>\$ 4,343.47</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
ZENI MAARTMAN 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
1-Jan-20 - 31-Dec-20	2020 Internet Fees	Nanaimo						898.80	\$ 898.80
Jan 15, 2020	Monthly Networking Luncheon	Nanaimo			38.36				\$ 38.36
Feb 20, 2020	Equal Voice's International Women's Day Event	Nanaimo			-			28.85	\$ 28.85
Feb 26, 2020	CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18				\$ 24.18
Feb 29, 2020	Nanaimo African Heritage Society gala and dinner	Nanaimo			33.65				\$ 33.65
Mar 6, 2020	Zonta Club event - Yellow Rose Luncheon	Nanaimo			33.65				\$ 33.65
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				353.37			\$ 353.37
Oct 27, 2020 - Oct 29, 2020	Economic Summit	Nanaimo				180.72			\$ 180.72
								\$	-
			\$ -	\$ -	\$ 129.84	\$ 534.09	\$ -	\$ 927.65	\$ 1,591.58

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**IAN THORPE**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD 2020</u>	<u>%</u>	<u>2019</u>
Sponsored Events/Hospitality	\$ 250.00	\$ 144.05	\$ -	-	-	\$ 144.05	58%	\$ 373.80
LGLA	-	-	-	-	-	-		416.62
Conferences/Travel - Other	750.00		-	-	-	-	0%	382.64
FCM	3,000.00	990.38	(990.38)	-	-	-	0%	3,640.70
UBCM	2,500.00	-	-	353.37	-	353.37	14%	1,138.54
AVICC	1,000.00	-	-	-	-	-	0%	1,184.19
Internet	\$ 775.00	897.52	-	-	-	897.52	116%	963.00
	<u>\$ 8,275.00</u>	<u>\$ 2,031.95</u>	<u>\$ (990.38)</u>	<u>\$ 353.37</u>	<u>\$ -</u>	<u>\$ 1,394.94</u>	17%	<u>\$ 8,099.49</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
IAN THORPE 2020 EXPENSES  
as at September 30, 2020

Dates	Purpose	Location	Air Fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
1-Jan-20 - 31-Dec-20	2020 Internet Fees	Nanaimo						897.52	\$ 897.52
Feb 12, 2020	Monthly Networking Luncheon	Nanaimo			38.37				\$ 38.37
Feb 20, 2020	Nanaimo Sport Achievement Awards	Nanaimo						67.31	\$ 67.31
Feb 26, 2020	CEO Breakfast	Nanaimo			38.37				\$ 38.37
Sep 22, 2020 - Sep 24, 2020	UBCM Conference	Nanaimo				353.37			\$ 353.37
								\$	-
								\$	-
								\$	-
			\$ -	\$ -	\$ 76.74	\$ 353.37	\$ -	\$ 964.83	\$ 1,394.94

**STATEMENT OF FINANCIAL INFORMATION**  
**EXPENSES AS AT SEPTEMBER 30, 2020**  
**JIM TURLEY**

	Budget	Q1	Q2	Q3	Q4	YTD 2020	%	2019
Sponsored Events/Hospitality	\$ 250.00	\$ 168.23	\$ -	\$ -	\$ -	\$ 168.23	67%	\$ 460.58
Conferences/Travel - Other	750.00	299.86	(299.86)	180.72	-	180.72	24%	463.41
FCM	3,000.00	-	-	-	-	-	0%	-
UBCM	2,500.00	-	-	353.37	-	353.37	14%	-
AVICC	1,000.00	-	-	-	-	-	0%	524.12
Internet	\$ 775.00	-	-	-	-	-	0%	-
	<u>\$ 8,275.00</u>	<u>\$ 468.09</u>	<u>\$ (299.86)</u>	<u>\$ 534.09</u>	<u>\$ -</u>	<u>\$ 702.32</u>	8%	<u>\$ 1,448.11</u>

CITY OF NANAIMO  
STATEMENT OF FINANCIAL INFORMATION  
JIM TURLEY 2020 EXPENSES  
as at September 30, 2020

Dates		Purpose	Location	Air fare	Accommodation	Meals	Registration	Other Travel	Other	Total Cost
										\$ -
Feb 12, 2020		Monthly Networking Luncheon	Nanaimo			38.37				\$ 38.37
Feb 20, 2020		Nanaimo Sport Achievement Awards	Nanaimo						67.31	\$ 67.31
Feb 26, 2020		CEO Breakfast	Nanaimo			38.37				\$ 38.37
Feb 26, 2020		CHBA-VI Building Industry Forum Breakfast	Nanaimo			24.18				\$ 24.18
Sep 22, 2020 -	Sep 24, 2020	UBCM Conference	Nanaimo				353.37			\$ 353.37
Oct 27, 2020 -	Oct 29, 2020	Economic Summit	Nanaimo				180.72			\$ 180.72
										\$ -
										\$ -
										\$ -
				\$ -	\$ -	\$ 100.92	\$ 534.09	\$ -	\$ 67.31	\$ 702.32

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY DAN BAILEY, MANAGER, ACCOUNTING SERVICES

**SUBJECT OPERATING RESULTS FOR THE NINE MONTHS ENDING 2020-SEP-30**

## **OVERVIEW**

### **Purpose of Report:**

To present the Finance and Audit Committee with a summary of the operating results for the nine months ending 2020-SEP-30.

## **DISCUSSION**

The intent of this report is to provide the Finance and Audit Committee with a summary of the City's financial operating results for the nine months ending 2020-SEP-30 as compared to the 2020 Financial Plan. The COVID-19 pandemic has significantly affected the City. Below is a summary of the key impacts along with strategic actions taken by management to reduce the impact of COVID-19:

### *Key Impacts:*

- Increased costs for personal protective equipment (PPE), additional safety measures and the Parks Ambassador Program.
- Significant reduction in parking revenues due to travel restrictions and facility closures.
- Provincial revenue sharing losses due to the closure of casinos.
- Revenue shortfall at the Vancouver Island Conference Centre.

### *Cost Saving:*

- Initiating a hiring freeze, and repurposing Parks and Recreation staff to fill vacancies and seasonal positions.
- Implementing immediate expense saving measures at the Vancouver Island Conference Centre.
- Cutting expenditures for staff travel and conferences, space rental and service contracts.

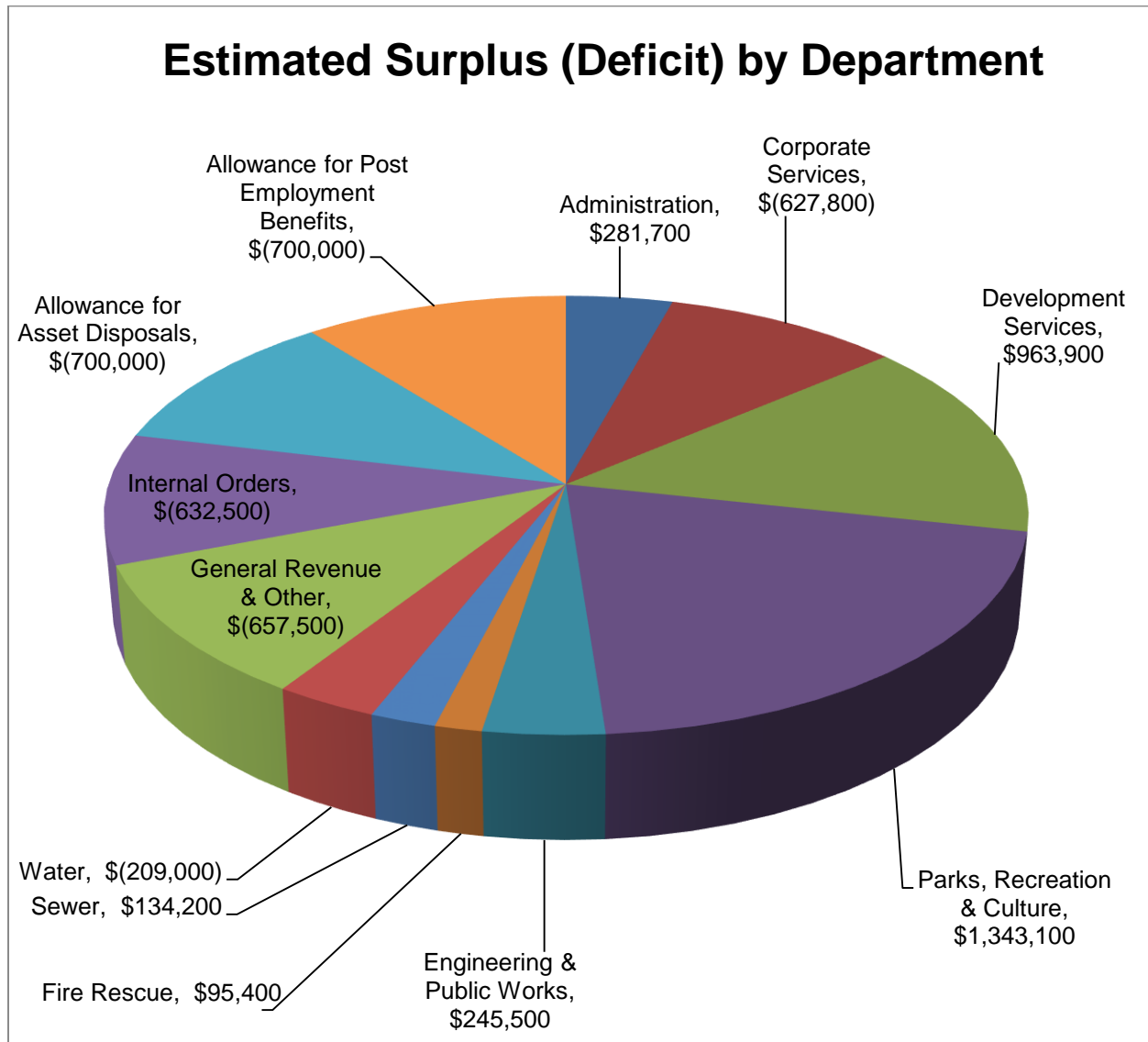
Summary of Operating Position at 2020-SEP-30:

<i><b>Operating Fund</b></i>	<i><b>Revenues</b></i>	<i><b>Expenditures</b></i>	<i><b>Surplus(Deficit) at September 30, 2020</b></i>	<i><b>Surplus(Deficit) Projected at Dec 31, 2020</b></i>
General	\$ 145,569,180	\$ 106,806,424	\$ 38,762,756	\$ 1,011,800
Sewer	16,547,611	16,691,260	(143,649)	134,200
Water	18,732,718	19,733,304	(1,000,586)	(209,000)
Surplus (Deficit)	<u>\$ 180,849,509</u>	<u>\$ 143,230,988</u>	<u>\$ 37,618,521</u>	937,000
Less:	Reserve required to fund disposals of capital assets and any associated gain or losses			(700,000)
Less:	Reserve required to fund post-employment benefits			(700,000)
	Total Surplus (Deficit)			<u>(463,000)</u>
Funding:	Special Initiatives Reserve Funding			388,200
	Reduction of Transfer From Operations to Water Reserve			209,000
	<b>Net Surplus (Deficit)</b>			<u><b>\$ 134,200</b></u>

The projected net operating surplus for the year is \$937,000. However, each year, the City is required to fund any disposals of tangible capital assets, along with any gains or losses associated with the asset disposals. During the last three years, the average amount of these adjustments has been around \$700,000. In addition, a \$700,000 reserve transfer is required to fund post employment benefits.



The projected surplus (deficit) by department, presented visually, is as follows:



Assuming an even distribution of revenues and expenditures throughout the year, the current financial performance benchmark would be approximately 75% versus budget. Where significant variances over \$100,000 have been identified, staff have provided comments in the departmental sections listed in **Attachment A**.

The summary of operating results by department is documented at a more detailed level in **Attachment B**. This report lists the total year-to-date revenue and expenditures for the functions within each department. This listing illustrates, at a glance, the overall status of an individual service as at September 30 compared to the overall budget for that service for the entire year. The variance column displays the surplus or deficit for the year for each department. Positive values increase surplus, while negative amounts (displayed in parentheses) decrease surplus.

\$2.8 million dollars of the 2019 year-end operating surplus was placed into the Special Initiatives Reserve to fund a COVID-19 related deficit. As shown in the table at the bottom of **Attachment B**, \$388,200 of Special Initiative Reserve funding will be applied to bring the projected general operating fund deficit to zero.

Each year the financial plan includes annual amounts to be transferred from sewer and water operations to the sewer and water operating reserves. As shown in the table at the bottom of **Attachment B**, the actual transfer from water operations will be reduced to bring the projected water deficit to zero.

On November 3, the City was informed that it will receive a \$6,693,000 COVID-19 Safe Restart Grant from the Province of BC. This funding is not reflected in this report. |

### **SUMMARY POINTS**

- The key financial impacts of COVID-19 are additional PPE costs, and reduced VICC, casino and parking revenue. Expense cutting and repurposing of staff have been key actions taken to reduce the impact of COVID-19.
- The overall projected operating surplus for the 2020 fiscal year is \$937,000, which is broken down between the general operating fund at \$1,011,800, the sewer operating fund at \$134,200 and the water operating fund at (\$209,000).
- A reserve of \$700,000 is required to fund any disposals of tangible capital assets and any associated gains or losses on disposal, and a reserve of \$700,000 is required to fund post-employment benefits. The net projected deficit is (\$463,000).
- COVID-19 deficit related funding from the Special Initiatives Reserve will be applied to bring the projected general operating fund deficit to zero. The annual transfer from water operations to the water operating reserve will be reduced to bring the projected water deficit to zero.

### **ATTACHMENTS**

- Attachment A: Variance Analysis of the Operating Results for the Nine Months Ending 2020-SEP-30 and Projections for the Year Ending 2020-DEC-31.
- Attachment B: Summary of the Operating Results for the Nine Months Ending 2020-SEP-30.

**Submitted by:**

Dan Bailey  
Manager, Accounting Services

**Concurrence by:**

Laura Mercer  
Director, Finance

Shelley Legin  
General Manager, Corporate Services

Dale Lindsay  
General Manager, Development Services

Bill Sims  
General Manager, Engineering & Public  
Works

Richard Harding  
General Manager, Parks, Recreation and  
Culture

**ATTACHMENT A**  
**Variance Analysis of the Operating Results**  
**for the Nine Months Ending 2020-SEP-30 & Projections for the**  
**Year Ending 2020-DEC-31**

On a monthly basis, each City department monitors its actual financial results as compared to the Financial Plan. The following section provides a summary of the projected surplus (deficit) by department for 2020, and includes an explanation for significant variances over \$100,000.

**City Administration**

The City Administration division shows year-to-date total revenues at 103% and expenditures at 66%. Based on the analysis of these accounts, at 2020-SEP-30, a net surplus of \$281,700 is projected which includes the following key variances:

- Human Resources – \$123,300 surplus – This surplus is due to a staff vacancy, and under spending on management consulting, travel and conferences due to COVID-19.
- Legislative Services – \$111,900 surplus – Vacancies including the Deputy City Clerk and Steno position along with under spending on travel and conferences and materials and supplies has resulted in this surplus.

**Corporate Services**

The Corporate Services division shows year-to-date total revenues at 81% and expenditures at 76%. Based on the analysis of these accounts, at 2020-SEP -30, a net deficit of (\$627,800) is projected. The key variances over \$100,000 are outlined below:

- General Administration – \$375,900 surplus – This is largely due to an aggregate surplus in the City's extended health and dental plan through Sun Life. \$250,000 was withdrawn from the account to bring it to the recommended balance. The City also received its 2018 COR (Worksafe) rebate totaling \$92,107 which contributed to the surplus.
- Information Technology – \$198,800 surplus – Vacancies including the Director of IT, and a reduction in conference and travel costs has resulted in this surplus.
- Police Services – \$224,500 surplus – Savings in wages due to vacant positions has resulted in this surplus.
- RCMP Severance Expense – (\$1,511,200) deficit – A settlement was reached between Public Safety Canada and the Province of B.C. to pay RCMP members severance for voluntary resignations and retirements as of March 31, 2012. The obligation for Nanaimo is \$2,621,613 of which \$1,110,413 was previously accrued.

## Development Services

The Development Services division shows year-to-date total revenues at 97% and expenditures at 65%. Based on the analysis of these accounts, at 2020-SEP-30, a net surplus of \$963,900 is projected. Areas with variances exceeding \$100,000 are outlined below:

- Permit Centre & Business Licencing – \$169,000 surplus – Business License revenue is forecasted to exceed budget by approximately \$110,000, which when combined with some wage and expense savings has resulted in this surplus.
- Economic Development – \$168,000 surplus – The projected surplus is due to the vacant Manager of Economic Development position, along with reduced spending for travel and conferences.
- Building Inspections – \$160,500 surplus – This projected surplus is due to the expectation that the volume of building inspections will be \$203,000 higher than anticipated for the year.
- Environment – \$107,000 surplus – This projected surplus is largely due to a vacant Urban Forestry technician position.
- Subdivisions – \$136,400 surplus – This projected surplus is due to vacant positions along with reduced spending for travel and conferences.

## Parks, Recreation and Culture

The Parks, Recreation and Culture division shows year-to-date total revenues at 43% and expenditures at 57%. Based on the analysis of these accounts, at 2020-SEP-30 there is a projected year-end surplus of \$1,343,100. The key variances over \$100,000 are as follows:

- Parks Operations – (\$307,700) deficit – This deficit is a result of reduced play field revenues due to COVID-19, higher snow removal costs and increased labour costs due to the redeployment of permanent staff to parks.
- Aquatics Operations – \$1,122,200 surplus – This surplus is a result of cost savings due to pool closures in mid march due to the pandemic.
- Culture & Events – \$125,200 surplus – This surplus is the result of vacancies in the first half of the year and the refund of grants due to COVID-19 cancellations.
- Recreation Services – \$262,100 surplus – Cost savings from community centre closures in mid March due to the COVID-19 pandemic have resulted in this surplus.

## Engineering and Public Works

The Engineering and Public Works division shows year-to-date total revenues at 81% and expenditures at 74%. Based on the analysis of these accounts, at 2020-SEP-30, a net surplus of \$245,500 is projected. Areas with variances exceeding \$100,000 are outlined below:

- Engineering – \$212,400 surplus – The projected surplus is largely due to position vacancies in Traffic/Transportation and Infrastructure Planning.
- Sanitation – (\$370,800) deficit – This deficit is a result of an increase in residential collection labour due to overtime required to maintain the level of service, and re-deployed staff time to

assist with cart management. In addition, tipping fees and automotive repairs are higher due to an increase in waste disposal.

- Storm Drainage – \$112,400 surplus – This projected surplus is largely the result of labour savings due to position vacancies.
- Transportation – \$273,200 surplus – This projected surplus is the result of unfilled vacancies along with street light savings through lower utility costs and contracted services.

### Fire Rescue

The Fire Rescue division shows year-to-date total revenues at 91% and expenditures at 71%. Based on the analysis of these accounts, at 2020-SEP-30, there is a projected year-end surplus of \$95,400.

### Utilities

The Utilities division shows year-to-date total revenues at 88% and expenditures at 91%. Based on the analysis of the water and sewer accounts, at 2020-SEP-30 there is a projected combined year-end deficit of (\$74,800). Areas with variances exceeding \$100,000 are outlined below:

- Sewer – \$134,200 surplus – Revenues are projected to be higher than budget due to higher than anticipated growth.
- Water – (\$209,000) deficit – Revenues are expected to be lower than budget due to weather conditions and the pandemic, and water expenses are higher than anticipated due to water main breaks.

### Other (VICC and Corporate Facilities)

The Other division shows year-to-date total revenues at 19% and expenditures at 45%. Based on the analysis of these accounts, at 2020-SEP-30, there is a projected year-end deficit of \$247,000. The key variance over \$100,000 is:

- VICC – (\$220,000) deficit – Revenues are significantly lower than budget as a result of the COVID-19 pandemic.

### General Revenue

The General Revenue division shows year-to-date total revenues at 97% and expenditures at 76%. The majority of revenues in this department relate to property taxation, which are recorded in May and June of each year. Correspondingly, the majority of expenditures relate to tax pay overs and transfers to reserve.

Based on the analysis of these accounts, at 2020-SEP-30 an estimated deficit of \$410,500 is expected. Areas with variances exceeding \$100,000 are outlined below:

- Investment Income – \$150,000 surplus – This estimated surplus is due to higher than anticipated cash flows from property taxation.
- Provincial Revenue Sharing – (\$655,100) deficit – This deficit is due to the closure of the casino. No further revenues are anticipated for the remainder of the year.

### Internal Orders and Capital Projects

Project variances do not typically impact operating surplus as any unfinished projects are carried forward to future years, and budget transfers are used to allocate monies between projects. In 2020, a projected year-end deficit totaling (\$632,500) is expected from the unplanned internal orders outlined below:

- COVID-19 Response Costs – (\$500,000) deficit – This deficit is the result of COVID-19 pandemic response costs including masks, sanitizer, glass panels, equipment rentals, software, hardware and security.
- Parks Ambassadors – (\$106,100) deficit – This deficit is a result of expenses incurred for the Parks Ambassadors Program that was not part of the 2020 financial plan.
- Water Safety Team 2020 – (\$26,400) deficit – This deficit is the result of water safety measures taken in response to COVID-19 facility closures.

## ATTACHMENT B

**City of Nanaimo  
Summary of Operating Results  
September 30, 2020**

	Revenues			Expenditures			Year to Date	September Projection
	2020 Annual Budget	2020 YTD Actual	Variance	2020 Annual Budget	2020 YTD Actual	Variance	Net Surplus (Deficit)	Annual Surplus (Deficit)
<b>Administration</b>								
CAO Office	-	-		1,058,475.00	613,886.25	58%	444,588.75	45,500
Communications	-	-		501,850.00	346,171.77	69%	155,678.23	1,000
Human Resources	100,112.00	93,958.68	94%	2,224,107.00	1,438,993.34	65%	778,960.34	123,300
Legislative Services	-	9,500.00	0%	2,180,622.00	1,519,150.90	70%	670,971.10	111,900
	<b>100,112.00</b>	<b>103,458.68</b>	<b>103%</b>	<b>5,965,054.00</b>	<b>3,918,202.26</b>	<b>66%</b>	<b>2,050,198.42</b>	<b>281,700</b>
<b>Corporate Services</b>								
Corporate Services Administration	-	-		241,093.00	168,436.20	70%	72,656.80	4,300
Financial Services and Purchasing	190,450.00	142,171.76	75%	4,440,010.00	3,253,015.98	73%	1,138,715.78	66,300
General Administration	789,200.00	381,835.14	48%	285,376.60	(362,059.90)	-127%	240,071.64	375,900
Grants in Aid & Special Celebrations	267,256.00	244,006.00	91%	360,706.16	305,354.00	85%	32,102.16	10,500
Information Technology	66,416.00	63,275.50	95%	4,316,344.00	3,150,312.22	73%	1,162,891.28	198,800
Emergency Management	-	-		224,348.00	156,449.84	70%	67,898.16	3,100
Police Services	2,329,561.00	2,122,536.17	91%	31,352,151.20	24,659,818.68	79%	6,485,307.69	224,500
RCMP Severance Expense								(1,511,200)
	<b>3,642,883.00</b>	<b>2,953,824.57</b>	<b>81%</b>	<b>41,220,028.96</b>	<b>31,331,327.02</b>	<b>76%</b>	<b>9,199,643.51</b>	<b>(627,800)</b>
<b>Development Services</b>								
<b>Development Services Admin</b>	-	-		968,313.00	691,374.34	71%	276,938.66	15,000
<b>Community Development</b>								
Permit Centre & Business Licencing	1,057,400.00	1,183,521.25	112%	567,589.00	383,224.64	68%	310,485.61	169,000
Bylaw Enforcement Including Parking	2,185,337.00	1,292,287.94	59%	3,770,198.00	2,184,287.78	58%	692,861.16	18,000
Community Planning	5,644.00	144,916.90	2568%	755,138.00	592,866.69	79%	301,544.21	75,000
Economic Development	-	-		502,053.00	118,871.15	24%	383,181.85	168,000
Real Estate	269,000.00	238,720.57	89%	559,643.00	403,252.21	72%	126,111.36	25,800
Social Planning	-	-		235,172.00	174,746.37	74%	60,425.63	(100)
<b>Development Approvals</b>								
Building Inspections	1,965,000.00	2,485,884.89	127%	1,796,814.00	1,360,223.11	76%	957,475.78	160,500
Current Planning	101,700.00	71,902.42	71%	884,826.00	583,571.00	66%	271,457.42	35,400
Engineering Development	11,000.00	6,580.00	60%	663,133.00	441,042.17	67%	217,670.83	53,900
Environment	85,000.00	78,819.95	93%	732,600.96	523,404.30	71%	203,016.61	107,000
Subdivisions	76,000.00	55,750.00	73%	459,457.00	243,713.71	53%	195,493.29	136,400
	<b>5,756,081.00</b>	<b>5,558,383.92</b>	<b>97%</b>	<b>11,894,936.96</b>	<b>7,700,577.47</b>	<b>65%</b>	<b>3,996,662.41</b>	<b>963,900</b>



# ATTACHMENT B

## City of Nanaimo Summary of Operating Results September 30, 2020

	Revenues			Expenditures			Year to Date	September Projection
	2020 Annual Budget	2020 YTD Actual	Variance	2020 Annual Budget	2020 YTD Actual	Variance	Net Surplus (Deficit)	Annual Surplus (Deficit)
<b>Parks, Recreation &amp; Culture</b>								
<b>PRC Administration</b>	44,000.00	24,970.96	57%	701,390.04	458,200.18	65%	224,160.82	3,700
<b>Facility &amp; Parks Operations</b>								
Parks Operations	350,440.00	242,033.06	69%	6,738,132.16	5,034,221.80	75%	1,595,503.42	(307,700)
Facility and Park Ops Admin	-	-		267,741.00	206,755.15	77%	60,985.85	(4,900)
Civic Properties	135,488.00	41,716.42	31%	116,001.92	50,125.99	43%	(27,895.65)	(50,600)
Facility Planning & Maintenance	12,500.00	25,000.00	200%	1,247,817.04	987,686.46	79%	272,630.58	(46,800)
<b>Recreation &amp; Culture</b>								
Aquatics Operations	3,056,859.00	805,015.60	26%	7,639,079.04	2,991,993.00	39%	2,395,242.64	1,122,200
Arena Operations	1,519,050.00	612,543.11	40%	3,010,326.12	1,614,644.42	54%	489,174.81	87,500
Culture & Events	44,000.00	21,558.56	49%	2,370,097.92	1,711,323.90	72%	636,332.58	125,200
Community Development - PRC	1,335,318.00	1,335,318.00	100%	54,500.00	27,000.00	50%	27,500.00	89,500
Recreation Services	2,436,603.00	700,622.16	29%	6,110,763.88	3,008,654.66	49%	1,366,128.38	262,100
Tourism	-	-		668,722.00	440,545.77	66%	228,176.23	44,000
Recreation and Culture Administration	-	-		181,485.00	116,667.87	64%	64,817.13	18,900
	<b>8,934,258.00</b>	<b>3,808,777.87</b>	<b>43%</b>	<b>29,106,056.12</b>	<b>16,647,819.20</b>	<b>57%</b>	<b>7,332,756.79</b>	<b>1,343,100</b>
<b>Engineering and Public Works</b>								
<b>ENGPW Administration</b>	-	-		188,808.00	125,983.72	67%	62,824.28	8,700
<b>Engineering</b>	6,300.00	3,598.18	57%	3,140,953.96	2,127,229.08	68%	1,011,023.06	212,400
<b>Public Works</b>								
Cemetery Operations	74,500.00	61,844.91	83%	283,597.84	179,602.22	63%	91,340.53	28,000
Fleet Operations	-	1,990.95	0%	(0.84)	1,990.95	0%	(0.84)	-
PW Support Services	450,000.00	594,537.58	132%	1,429,925.60	1,331,961.14	93%	242,502.04	(18,400)
Sanitation	6,190,045.00	4,736,434.54	77%	6,699,553.00	5,276,423.67	79%	(30,481.13)	(370,800)
Storm Drainage	41,500.00	29,923.60	72%	2,215,081.96	1,469,387.59	66%	734,117.97	112,400
Transportation	69,484.00	106,827.13	154%	6,371,666.36	4,521,873.04	71%	1,887,136.45	273,200
	<b>6,831,829.00</b>	<b>5,535,156.89</b>	<b>81%</b>	<b>20,329,585.88</b>	<b>15,034,451.41</b>	<b>74%</b>	<b>3,998,462.36</b>	<b>245,500</b>
<b>Fire Rescue</b>								
Emergency Services Communications 911	1,060,882.00	917,752.26	87%	1,616,666.00	1,228,167.16	76%	245,369.10	(900)
NFR Fire Services	916,258.00	877,927.46	96%	17,315,649.08	12,273,256.08	71%	5,004,062.46	96,300
	<b>1,977,140.00</b>	<b>1,795,679.72</b>	<b>91%</b>	<b>18,932,315.08</b>	<b>13,501,423.24</b>	<b>71%</b>	<b>5,249,431.56</b>	<b>95,400</b>

# ATTACHMENT B

## City of Nanaimo Summary of Operating Results September 30, 2020

	Revenues			Expenditures			Year to Date	September Projection
	2020 Annual Budget	2020 YTD Actual	Variance	2020 Annual Budget	2020 YTD Actual	Variance	Net Surplus (Deficit)	Annual Surplus (Deficit)
<b>Utilities</b>								
Sewer	17,575,414.00	16,191,146.67	92%	17,575,414.00	16,335,481.67	93%	(144,335.00)	134,200
Water	21,615,621.00	18,181,893.96	84%	21,615,621.00	19,183,627.78	89%	(1,001,733.82)	(209,000)
	<b>39,191,035.00</b>	<b>34,373,040.63</b>	<b>88%</b>	<b>39,191,035.00</b>	<b>35,519,109.45</b>	<b>91%</b>	<b>(1,146,068.82)</b>	<b>(74,800)</b>
<b>Other</b>								
Port of Nanaimo Centre Operations (VICC)	2,061,724.00	500,220.61	24%	3,132,435.00	1,319,682.70	42%	251,248.91	(220,000)
Port of Nanaimo Centre Debt Payments	637,771.00	-	0%	2,238,261.00	972,476.25	43%	628,013.75	
Corporate Facilities	-	1,016.28		564,512.00	398,965.33	71%	166,562.95	(27,000)
	<b>2,699,495.00</b>	<b>501,236.89</b>	<b>19%</b>	<b>5,935,208.00</b>	<b>2,691,124.28</b>	<b>45%</b>	<b>1,045,825.61</b>	<b>(247,000)</b>
<b>General Revenue</b>								
BIA Levy	42,010.00	42,009.81	100%	42,010.00	42,009.81	100%	-	
Grants in Lieu of Taxes	3,476,710.00	3,548,251.50	102%	-	-		71,541.50	67,600
Investment Income	1,900,000.00	1,930,660.09	102%	-	-		30,660.09	150,000
Misc Income	1,773,754.00	240,360.12	14%	1,193,554.00	154,667.19	13%	(494,507.07)	27,000
Provincial Revenue Sharing	2,625,000.00	531,844.47	20%	1,800,000.00	361,976.48	20%	(655,132.01)	(655,100)
Real Property Taxes	116,759,549.00	116,599,938.33	100%	-	-		(159,610.67)	
Transfer to/from Reserves	-	-		7,564,503.00	7,564,503.00	100%	-	
Transfers from Surplus	-	-		-	-		-	
VIRL Library	-	-		4,917,101.00	3,687,825.75	75%	1,229,275.25	
	<b>126,577,023.00</b>	<b>122,893,064.32</b>	<b>97%</b>	<b>15,517,168.00</b>	<b>11,810,982.23</b>	<b>76%</b>	<b>22,227.09</b>	<b>(410,500)</b>
Transfers to Capital	21,519,580.00	-	0%	24,337,697.00	-	0%	2,818,117.00	
Internal Orders	10,746,122.00	3,326,885.64	31%	15,546,473.00	5,075,971.06	33%	3,051,265.58	(632,500)
<b>Total All Services</b>	<b>227,975,558.00</b>	<b>180,849,509.13</b>	<b>79%</b>	<b>227,975,558.00</b>	<b>143,230,987.62</b>	<b>63%</b>	<b>37,618,521.51</b>	<b>937,000</b>
Less: Reserve required to fund disposals of capital assets and any associated gains or losses								(700,000)
Less: Reserve required to fund 2021 post employment benefits								(700,000)
Projected Deficit								<b>(463,000)</b>

Operating Fund	Surplus(Deficit) Projected at Dec 31, 2020	Special Initiatives Reserve Funding*	Reduction of 2020 Transfer from Operations to Reserve	Net Projected Surplus(Deficit) at Dec 31, 2020
General	(388,200)	388,200	-	-
Sewer	134,200	-		134,200
Water	(209,000)	-	209,000	-
<b>Total</b>	<b>(463,000)</b>	<b>388,200</b>	<b>209,000</b>	<b>134,200</b>

\*2.8 million was placed in the Special Initiatives Reserve to fund COVID-19 related deficit

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY COURTNEY MEURY, ACCOUNTANT

SUBJECT PROJECT RESULTS FOR THE NINE MONTHS ENDING 2020-SEP-30

## **OVERVIEW**

### **Purpose of Report:**

To present the Finance and Audit Committee with a summary of project results for the nine months ending 2020-SEP-30.

## **DISCUSSION**

Projects that satisfy specific requirements as outlined in the City's Capital Asset Policy are classified as capital expenditures and are accounted for in the City's capital funds. There are three (3) Capital funds: General Capital, Sewer Capital and Water Capital funds. Projects that are smaller in scope and below specific capitalization thresholds are classified as "Operating Projects" and are accounted for in the City's operating funds.

Funding for project expenditures come from a number of sources including general tax revenues, operating and statutory reserves, grants and borrowing. Unfinished projects at the end of the year are usually carried forward to be completed in the following year. Due to this, project variances usually do not impact the operating surplus value.

Attachment A outlines the summary of results by project type for the nine months ending 2020-SEP-30. The summary is divided into two sections: concurrent projects (i.e.: projects undertaken together to minimize disruption and maximize cost and service efficiencies) and all other projects.

Each section has been broken out into the following categories; which are defined as follows:

<b>Status</b>	<b>Description</b>
<b>Complete</b>	Project is fully complete and no additional costs are expected
<b>Substantially Complete</b>	Project is almost fully complete but there are a few minor costs still remaining to be incurred
<b>In Progress</b>	Project is currently underway
<b>Not Started</b>	Project has not been started but is anticipated to start by the end of the year
<b>Delayed</b>	Project has not been started or halted
<b>Other</b>	Project that does not fit into the categories above

For projects that have a 'Complete' status and come in under budget, any unused funds are transferred back to general reserves and/or other appropriate funding sources to fund future projects.

Attachment A lists the total year-to-date expenditures for each project. This listing illustrates at a glance the status of individual projects as at 2020-SEP-30 compared to the budget for the year.

The City of Nanaimo has a capital budget of \$75.4 million and an operating project budget of \$15.4 million in 2020. This includes \$33.3 million of carry-forwards from 2019.

Summary by Project Status as at 2020-SEP-30:

<b>Capital Project Status</b>	<b># of Projects</b>	<b>% of Total Budget</b>	<b>Annual Budget</b>	<b>Actual &amp; Committed Costs to Sep 30</b>	<b>Available Funds</b>
<b>Complete / Substantially Complete</b>	84	28%	\$20,976,825	\$16,858,504	\$ 4,118,321
<b>In Progress</b>	104	62%	46,555,294	29,245,139	17,310,155
<b>Not Started</b>	66	5%	4,107,912	525	4,107,387
<b>Delayed / Other</b>	<u>34</u>	5%	<u>3,818,462</u>	<u>930,366</u>	<u>2,888,096</u>
<b>Total</b>	<u>288</u>		<u>\$ 75,458,493</u>	<u>\$ 47,034,534</u>	<u>\$ 28,423,959</u>

<b>Operating Project Status</b>	<b># of Projects</b>	<b>% of Total Budget</b>	<b>Annual Budget</b>	<b>Actual &amp; Committed Costs to Sep 30</b>	<b>Available Funds</b>
<b>Complete / Substantially Complete</b>	61	9%	\$1,399,354	\$1,273,919	\$ 125,435
<b>In Progress</b>	200	76%	11,683,865	7,155,148	4,528,717
<b>Not Started</b>	46	12%	1,911,231	-	1,911,231
<b>Delayed / Other</b>	<u>7</u>	3%	<u>384,837</u>	<u>105,652</u>	<u>279,185</u>
<b>Total</b>	<u>314</u>		<u>\$ 15,379,287</u>	<u>\$ 8,534,719</u>	<u>\$ 6,844,568</u>
<b>Total Projects</b>	<u>602</u>		<u>\$ 90,837,780</u>	<u>\$55,569,253</u>	<u>\$35,268,527</u>

### **SUMMARY POINTS**

- \$47,034,534 of the \$75,458,493 capital budget has been spent or committed as at 2020-SEP-30.
- \$8,534,719 of the \$15,379,287 operating project budget has been spent or committed as at 2020-SEP-30.

### **ATTACHMENTS**

Attachment A: Summary of Project Results for the Nine Months Ending 2020-SEP-30

#### **Submitted by:**

Dan Bailey  
Manager, Accounting Services

#### **Concurrence by:**

Laura Mercer  
Director, Finance

Shelley Legin  
General Manager, Corporate Services

Bill Sims  
General Manager, Engineering & Public  
Works

Dale Lindsay  
General Manager, Development Services

Richard Harding  
General Manager, Parks, Recreation &  
Culture

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources					
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources	
CONCURRENT PROJECTS:													
COMPLETED PROJECTS													
P-5238	Bruce: Rehab, Drainage & Cycling	90,472	13,490	265	13,755	76,717				75,540	1,177		
P-5274	DCC R70 Bruce: Fourth to Pine - Cycling	103,680	20,197	10,112	30,309	73,371				73,371			
P-6253	Bruce Sanitary Sewer: Bruce to Catstream	32,022	5,724	91	5,815	26,207					26,207		
P-7385	Bruce Watermain: Fourth to 320 Bruce - Construction	51,607	9,541	-	9,541	42,066					42,066		
	Bruce Area Utility, Rehab & Cycling Project	277,781	48,951	10,469	59,420	218,361	Substantially Complete	-	-	148,911	69,450	-	
P-6191	DCC SS45 Eighth Street - Stage 1: Eighth and Douglas Mains & Pumpstations	606,325	417,530	83,723	501,253	105,072				37,826		67,246	
P-6236	DCC SS64 Seventh Sanitary Sewer: Georgia to Bruce	33,146	22,035	3,676	25,711	7,435				7,435			
P-6245	DCC SS56 Seventh St Sanitary Sewer: 583 Seventh to Georgia Phase 1	21,691	14,388	2,331	16,719	4,972				4,972			
P-6248	DCC SS54 Seventh St Sanitary Sewer: Stirling to Park Ave	54,113	33,611	24,727	58,338	(4,225)		(4,225)					
P-7298	Seventh St Watermain Park to Douglas - Construction	103,756	79,733	-	79,733	24,023					24,023		
	Chase River Trunk Sanitary Sewer	819,031	567,297	114,457	681,754	137,277	Substantially Complete	(4,225)	-	50,233	24,023	67,246	
P-9263	Tower Pump Station Rehab	1,224,405	53,415	68,664	122,079	1,102,326	Remainder of this project has been deferred for several years					1,102,326	
	College Drive Area Watermain Twinning	1,224,405	53,415	68,664	122,079	1,102,326	Substantially Complete	-	-	-	1,102,326	-	
P-6246	DCC SS55 Sixth St Sanitary Sewer: Bruce to Georgia Phase 1	13,316	579	2,737	3,316	10,000				10,000			
P-7335	Duke & Sixth Watermain - Construction	7,580	1,323	6,257	7,580	(0)							
	Duke & Sixth Street Utility Upgrade	20,896	1,902	8,994	10,896	10,000	Substantially Complete	-	-	10,000	-	-	
P-6258	Emerald Sanitary Sewer: 3301 Emerald to Uplands - Construction	5,000	3,040	-	3,040	1,960					1,960		
P-7406	Emerald Watermain: Ruby to Uplands	5,000	-	-	-	5,000					5,000		
	Emerald Area Utility & Rehab Project	10,000	3,040	-	3,040	6,960	Substantially Complete	-	-	-	6,960	-	
P-7386	Esplanade Watermain: Grace to Front	20,000	390	-	390	19,610					19,610		
	Esplanade Area Water & Rehab Project	20,000	390	-	390	19,610	Substantially Complete	-	-	-	19,610	-	
P-6228	First Street Alley Sanitary Sewer: Wakesiah to Ashlar	30,000	25,000	-	25,000	5,000					5,000		
	First Street Area Utilities	30,000	25,000	-	25,000	5,000	Substantially Complete	-	-	-	5,000	-	
P-5013	14 St: Cranberry to Frames Rehab	42,000	42,000	-	42,000	-							
P-6266	14 St RHB: Cranberry to Frames	18,000	18,000	-	18,000	-							
P-7306	14 St RHB: Cranberry to Frames	60,000	60,092	-	60,092	(92)		(92)					
	Fourteenth St Paving	120,000	120,092	-	120,092	(92)	Complete	(92)	-	-	-	-	
P-5135	DCC R84 & R103 Hammond Bay Rd	828,252	777,668	41,359	819,027	9,225				9,225			
P-7274	DCC W48 Hammond Bay Rd Watermain: Prince John to Stephenson Pt - Design	4,066	4,024	-	4,024	42				42			
	Hammond Bay Corridor & Utility Project	832,318	781,692	41,359	823,051	9,267	Substantially Complete	-	-	9,267	-	-	
P-5295	Howard Rehab: Second to Third	239,396	217,840	8,082	225,922	13,474				13,474			
P-7450	Howard Watermain: Second to Third	158,127	112,407	2,753	115,160	42,967					42,967		
	Howard Ave Area Watermain & Rehab	397,523	330,247	10,835	341,082	56,441	Complete	-	-	13,474	42,967	-	
P-7277	King Rd Watermain & Calder Rd Watermain	679,514	536,129	6,918	543,047	136,467					136,467		
	King/Calder Area Water & Rehab Upgrade	679,514	536,129	6,918	543,047	136,467	Substantially Complete	-	-	-	136,467	-	
P-5289	Laguna Way: Toms Turnabout Esmt to 5004, 5004 Laguna to Malaspina	683,748	456,466	24,312	480,779	202,969				202,969			
P-7350	Laguna Way Watermain: Toms Turnabout Esmt to 5004, 5004 Laguna to Malaspina	1,425,766	942,446	7,050	949,497	476,269					476,269		
	Laguna Area Water Project	2,109,514	1,398,913	31,363	1,430,275	679,239	Substantially Complete	-	-	202,969	476,269	-	
P-5204	Lambert Ave Drainage: 5th to 6th	31,708	3,175	6,714	9,889	21,819				21,819			
P-6183	Lambert Ave Sanitary Sewer: 5th to 6th	38,466	20,130	3,336	23,466	15,000				15,000			
P-7392	Lambert Ave Watermain: 5th to 6th	25,000	5,290	3,935	9,225	15,775					15,775		
	Lambert Ave Utility Upgrade	95,174	28,595	13,985	42,580	52,594	Substantially Complete	-	-	36,819	15,775	-	
P-5255	Pheasant Terrace & Rosstown Road	29,062	8,883	0	8,884	20,178				20,178			
P-7423	DCC WD73 Pheasant Terrace Watermain: Labieux to Rosstown	27,801	-	-	-	27,801				27,801			
P-7424	Starlight Trail Watermain: Pheasant Terr to Golden Meadows	27,436	-	-	-	27,436					27,436		
	Pheasant Terr Area Utilities, Storm Water & Rehab Project	84,299	8,883	0	8,884	75,415	Complete	-	-	47,979	27,436	-	
P-5257	Shamrock Place: Departure Bay Road to End	202,000	189,722	4,781	194,503	7,497				7,497			
P-7425	Shamrock Place Watermain: Departure Bay to Shamrock	281,615	266,055	6,268	272,323	9,292					9,292		
	Shamrock Place Water & Rehab Project	483,615	455,777	11,049	466,826	16,789	Substantially Complete	-	-	7,497	9,292	-	
P-7400	Sunset Watermain: Sealand to Parkway - Construction	5,000	-	-	-	5,000					5,000		
	Sunset Area Water & Rehab Project	5,000	-	-	-	5,000	Complete	-	-	-	5,000	-	
P-5013	Centennary Drive Rehab	41,735	11,749	-	11,749	29,986		29,986					
P-7305	Turnabout View & Centennary Drive Watermain: Road Rehab, Design & Construction	527,889	485,166	3,137	488,303	39,586					39,586		
	Turnabout View & Centennary Drive	569,624	496,915	3,137	500,052	69,572	Substantially Complete	29,986	-	-	39,586	-	
P-6238	Adbay Sanitary Sewer: 3286 Adbay to Departure Bay - Design	660	0	660	661	(1)		(1)					
P-7405	Uplands Dr Watermain: Dep Bay to Villa - Design & Construction	13,750	1,808	2,344	4,152	9,598					9,598		
	Uplands Area Utilities	14,410	1,808	3,004	4,812	9,598	Substantially Complete	(1)	-	-	9,598	-	
TOTAL PROJECTS 'COMPLETED'		7,793,104	4,859,046	324,235	5,183,281	2,609,823		25,669	-	527,149	1,989,759	67,246	

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
PROJECTS "IN-PROGRESS"												
P-7418	DCC WD54 (60% Growth) Bartlett St Watermain, Pryde to end of Adams - Design	31,000	21,326	8,155	29,481	1,519				1,519		
	Adams Ave. Utility Project	31,000	21,326	8,155	29,481	1,519	In Progress	-	-	1,519	-	-
P-6195	Bartlett Street Sanitary Sewer: Venlaw Road and Morey Road - Design	65,000	36,596	28,404	65,000	-						
P-7371	Bartlett & Venlaw Area Watermain - Design	61,000	43,875	17,865	61,740	(740)		(740)				
	Bartlett & Venlaw Area Utility Upgrade	126,000	80,471	46,269	126,740	(740)	In Progress	(740)	-	-	-	-
P-5273	Bowen Road Rehab: Island Highway to Labieux	1,289,898	637,506	549,035	1,186,541	103,357				103,357		
P-7433	DCC WD55: Bowen Rd Watermain: Labieux to Island Hwy N	783,380	379,756	349,743	729,499	53,881				53,881		
	Bowen Road Area Watermain & Rehab	2,073,278	1,017,262	898,779	1,916,041	157,237	In Progress	-	-	157,237	-	-
P-5157	DCC R85 Boxwood Connector - Construction	1,166,962	432,148	225,712	657,860	509,102				509,102		
P-5164	DCC R49 Northfield Rd: Parkway to Boxwood	70,000	-	-	-	70,000				70,000		
P-5193	DCC SD60: Northfield Creek - Boxwood Connector Pond Drainage Ph 1	106,329	47,868	37,627	85,495	20,834				20,834		
P-6174	Boxwood Connector Sanitary Sewer	69,000	-	-	-	69,000					69,000	
P-7290	Boxwood Connector Watermain	37,000	-	-	-	37,000					37,000	
P-7414	DCC W78 Rosstown Rd Watermain: Boxwood to Bowen	20,000	-	-	-	20,000				20,000		
	Boxwood Connector & Utility Project	1,469,291	480,015	263,339	743,355	725,936	In Progress	-	-	619,936	106,000	-
P-5201	Bruce: 7th to 8th - Cycling	7,500	7,500	-	7,500	-						
P-6235	DCC SS57 Bruce & Murray	179,025	140,733	4,214	144,948	34,077				34,077		
P-6256	Bruce Sanitary Sewer: 930 Bruce to 8th St & Weber to 930 Bruce	420,788	332,158	14,656	346,814	73,974					73,974	
P-7449	Bruce Ave Watermain: Eighth to 867 Bruce	96,075	79,043	2,160	81,203	14,872					14,872	
P-7455	Bruce Ave Watermain: Deering to Eighth	61,000	49,448	1,432.19	50,880	10,120					10,120	
	Bruce Ave Sanitary Sewer & Cycling	764,388	608,882	22,463	631,345	133,043	In Progress	-	-	34,077	98,966	-
P-5201	Off Bowen Road: Morey Road to Casper Way - Cycling	189,266	69,784	119,907	189,691	(425)				(425)		
P-5220	Casper Way Drainage: Bowen to End	429,344	82,927	320,633	403,560	25,784				25,784		
P-5220	Off Bowen: Caspers Way to Hansen Rd - Cycling	314,456	18,234	52,708	70,941	243,515				243,515		
P-5220	Caspers Way: Bowen to Creekside - Rehab	165,000	22,318	126,025	148,343	16,657				16,657		
P-6275	Caspers Sanitary Sewer: 1632 Caspers to 1600 Caspers	268,500	36,766	208,317	245,083	23,417					23,417	
P-7370	Caspers Way Watermain: Bowen to Creekside	170,842	32,681	122,334	155,015	15,827					15,827	
	Caspers Way Rehab & Utility Project	1,537,408	262,709	949,923	1,212,632	324,776	In Progress	-	-	285,531	39,245	-
P-6239	Hillside Sanitary Sewer: Caldwell to 3572 Hillside - Design	15,000	-	-	-	15,000					15,000	
P-6265	Cottleview Sanitary Sewer: Stronach to Hillside - Design	37,000	6,000	-	6,000	31,000					31,000	
P-7329	Hillside Ave Watermain - Design	37,000	9,632	-	9,632	27,368					27,368	
P-7435	Cottleview Watermain: Stronach to Hillside - Design	40,000	-	-	-	40,000					40,000	
	Cottleview Area Utilities	129,000	15,632	-	15,632	113,368	In Progress	-	-	-	113,368	-
P-5306	Towers Reservoir Access Drainage: RES to Langara	111,000	-	-	-	111,000		111,000				
P-5306	1311 Langara Drive: Road & Sidewalk Frontage Improvements	70,000	-	-	-	70,000		70,000				
P-9265	DCC WS42 Tower RES Upgrades	3,846,340	32,318	11,798	44,116	3,802,224	Remainder of this project has been deferred for several years			3,745,026	57,198	
	DCC WS42 Tower RES Upgrades	4,027,340	32,318	11,798	44,116	3,983,224	In Progress	181,000	-	3,745,026	57,198	-
P-5239	Front: Terminal to Gabriola Ferry - Rehab	618,800	16,736	4,567	21,303	597,497				597,497		
P-5239	Downtown Cycling Loop: Comox to Victoria Cres - Cycling	483,733	65,873	44,760	110,633	373,100				373,100		
P-5239	Bastion St/Commercial St - Intersection Upgrade	50,000	3,124	876	4,000	46,000		46,000				
	Downtown Cycling & Rehab Project	1,152,533	85,733	50,203	135,936	1,016,597	In Progress	46,000	-	970,597	-	-
P-7379	Estevan Road Watermain: 1997 Estevan to Poplar	50,000	-	-	-	50,000					50,000	
	Estevan Utilities & Cycling	50,000	-	-	-	50,000	In Progress	-	-	-	50,000	-
P-6247	Fillinger Cres Sanitary Sewer: 5100 Fillinger to 5190 Fillinger - Construction	162,306	92,137	50,599	142,736	19,570				19,570		
P-7364	Fillinger Cres Watermain: Entwhistle to 5100 Fillinger - Construction	218,159	49,758	5,133	54,892	163,268					163,268	
	Fillinger Cres Utility Upgrade	380,465	141,896	55,732	197,628	182,837	In Progress	-	-	19,570	163,268	-
P-5253	Albert: Dunsmuir to Cat Stream and Catstream to Harewood - Cycling - Design	98,840	32,655	45,199	77,854	20,986				20,986		
P-5253	Fourth Drainage & Stirling Drainage - Design	85,000	28,031	38,937	66,968	18,032					18,032	
P-7437	Fourth St Watermain: Harewood to Pine - Design	35,000	12,544	16,000	28,544	6,456					6,456	
	Fourth St and Albert St Complete Street	218,840	73,230	100,136	173,366	45,474	In Progress	-	-	20,986	24,488	-
P-5278	Haliburton St: Chase River Rd to 967 Haliburton - Pedestrian & Cycling	651,995	200,478	14,252	214,730	437,265				300,000	137,265	
P-7438	Haliburton Watermain: 995 Haliburton to Island Hwy	1,043,274	998,043	33,257	1,031,300	11,974					11,974	
	Haliburton St Area Watermain & Pedestrian/Cycling	1,695,269	1,198,521	47,509	1,246,030	449,239	In Progress	-	-	300,000	149,239	-
P-5280	Holland Drainage: 221/225 Holland	20,000	-	-	-	20,000					20,000	
P-7439	Holland Watermain: Ashlee to Jingle Pot	20,000	149	-	149	19,851					19,851	
	Holland South Area Utilities	40,000	149	-	149	39,851	In Progress	-	-	-	39,851	-
50225	Metral Drive Phase 2 Drainage Study	65,000	43,190	14,185	57,375	7,625					7,625	
P-5221	Metral Corridor - Partial Land Acquisition	117,950	100,313	-	100,313	17,637				17,637		
P-5221	Metral: Turner to Mostar - Cycling	2,038,000	28,244	1,455,728	1,483,972	554,028				554,028		
P-5221	Metral: Turner to Mostar Stop Upg & Trn	79,137	22,518	55,878	78,396	741		741				
P-5221	Metral RHB: Turner to Dublin Way	330,000	-	218,540	218,540	111,460				111,460		

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	
											Reserves	Other Sources
P-5221	Metral RHB: Tulip - Metral to End	44,000	-	44,000	44,000	0				0		
P-5221	Metral Drive Streetlights	241,500	-	159,757	159,757	81,743					81,743	
P-5221	Metral: Turner to Mostar SW	1,367,753	94,465	960,647	1,055,112	312,641				312,641		
P-5221	Metral DR: Turner to Mostar	705,000	12,236	498,286	510,522	194,478					194,478	
P-7368	Tulip Place Watermain/Fernandez Place Watermain/Metral Drive Watermain	1,247,544	77,047	872,758	949,805	297,739					297,739	
Metral Drive Complete Street Corridor		6,235,884	378,013	4,279,779	4,657,792	1,578,092	In Progress	741	-	995,766	581,585	-
50230	Road Rehab: Morningside to Neck Point	5,000	-	-	-	5,000		5,000				
P-6263	Morningside Drive Sanitary Sewer: Hammond Bay to End	223,198	160,896	15,526	176,422	46,776					46,776	
P-7442	Morningside Dr Watermain: 970 Morningside to End	111,244	104,052	6,935	110,987	257					257	
Morningside Drive Area Utilities		339,442	264,948	22,461	287,409	52,033	In Progress	5,000	-	-	47,033	-
P-5325	Seabold & Ptarmigan Intersection Up Dr	150,000	-	90,000	90,000	60,000		60,000				
Seabold & Ptarmigan Intersection Dr Project		150,000	-	90,000	90,000	60,000	In Progress	60,000	-	-	-	-
P-5246	Stewart Drainage: 1000 Stewart to Outfall - Design & Construction	660,911	1,322	7,544	8,865	652,046				643,500	8,546	
P-5246	Stewart Drainage: CSP Replacement	30,000	-	-	-	30,000				30,000		
P-5246	Stewart Drainage: Rosehill Pedestrian Crossing, Townsite Pedestrian Crossing	59,000	-	-	-	59,000					59,000	
P-6261	Stewart Street Utilities Upgrade	135,473	405	4,568	4,973	130,500					130,500	
P-6261	Stewart Street Sanitary Sewer/Cherry Blossom Sanitary Sewer	79,000	-	-	-	79,000					79,000	
Stewart Ave Utilities Upgrade		964,384	1,727	12,112	13,839	950,545	In Progress	-	-	673,500	277,045	-
P-6224	Sunderland Ave Sanitary Sewer: 465 to 415 Sunderland	55,600	-	-	-	55,600					55,600	
P-6224	Sunderland Ave Sanitary Sewer: Townsite to Begbie	38,500	23,502	4,524	28,026	10,474					10,474	
P-6224	Johns Ave Sanitary Sewer: 440 Johns to End	76,500	-	-	-	76,500					76,500	
P-6224	Begbie Street Sanitary Sewer: Morpeth to Millstone	245,000	269,933	41,784	311,717	(66,717)					(66,717)	
P-7393	Begbie Watermain & Sunderland Watermain	243,623	188,862	37,756	226,618	17,005					17,005	
P-7393	Sunderland Watermain: Townsite to Riverside	110,000	-	-	-	110,000					110,000	
Sunderland & Begbie Area Utilities Project		769,223	482,297	84,065	566,361	202,862	In Progress	-	-	-	202,862	-
P-5259	Wakesiah Ave Drainage & Rehab - Design, Fifth Rehab	263,508	167,974	-	167,974	95,534		50,000		45,534		
P-5292	DCC R81: Wakesiah Ave Cycling: 3rd to 5th & 1st to 3rd	52,875	20,000	10,035	30,035	22,840				12,840	10,000	
Wakesiah Drainage, Cycling and Rehab Project		316,383	187,974	10,035	198,009	118,374	In Progress	50,000	-	58,374	10,000	-
P-5196	Wellcox Access: Design & Phase 1 Front Street Extension & Wellcox Secondary Access	255,615	116,659	14,043	130,702	124,913		50,000		74,913		
P-5291	Wellcox Storm Sewers	31,338	-	1,338	1,338	30,000				30,000		
Wellcox Access		286,953	116,659	15,381	132,040	154,913	In Progress	50,000	-	104,913	-	-
P-5299	White Street Rehab: Pryde Ave to End/White Street Drainage: Pryde to Millstone	407,000	7,530	7,524	15,054	391,946				391,946		
P-6226	White Street Easement/ White Street Sanitary Sewer	329,510	457	5,821	6,278	323,233					323,233	
White Street Area Rehab & Utilities Project		736,510	7,986	13,345	21,332	715,179	In Progress	-	-	391,946	323,233	-
TOTAL PROJECTS 'IN-PROGRESS'		23,493,591	5,457,748	6,981,483	12,439,231	11,054,360		392,001	-	8,378,979	2,283,380	-



City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
<b>NOT STARTED PROJECTS</b>												
P-5314	Departure Bay Road: Alan-A-Dale to Little John Way SW	50,000	-	-	-	50,000				50,000		
P-6240	DCC SS48 Departure Bay Trunk	25,000	-	-	-	25,000				25,000		
	<b>Departure Bay Area Watermain &amp; Sanitary Sewer Project</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>-</b>
P-6202	Dufferin Cres Sanitary Sewer: Seafield to Grant	32,000	-	-	-	32,000					32,000	
	<b>Dufferin Cres Sidewalk &amp; Utility Upgrade</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>-</b>
P-5276	DCC R102 Fifth St: Wakesiah to Shepherd - Pedestrian	27,551	-	-	-	27,551				27,551		
	<b>Fifth Street Area Cycling &amp; Rehab</b>	<b>27,551</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,551</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>27,551</b>	<b>-</b>	<b>-</b>
P-7422	Holland Watermain: Jingle Pot to East	110,000	-	-	-	110,000					110,000	
	<b>Holland Area Water &amp; Rehab Project</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>-</b>
P-6245	DCC SS56 Howard Ave: Seventh to Brookside Ph 2 - Design	38,000	-	-	-	38,000				38,000		
P-7440	Howard Watermain: Seventh to Brookside - Design	30,000	-	-	-	30,000					30,000	
	<b>Howard Ave Area Utilities</b>	<b>68,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>38,000</b>	<b>30,000</b>	<b>-</b>
P-7467	Labieux Watermain: Jingle Pot to Porcupine Trail	38,000	-	-	-	38,000					38,000	
P-7468	DCC W68 Labieux Road Watermain: Jingle Pot to Pheasant	78,000	-	-	-	78,000				78,000		
	<b>Labieux Rehab &amp; Utilities Project</b>	<b>116,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>78,000</b>	<b>38,000</b>	<b>-</b>
P-6264	Eighth Street Sanitary Sewer: 368 to 455 Eighth	36,000	-	-	-	36,000					36,000	
P-7395	Park Watermain: Eighth to Seventh	70,000	-	-	-	70,000					70,000	
	<b>Park Ave Utilities &amp; Rehab</b>	<b>106,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,000</b>	<b>-</b>
P-5260	Third Street Drainage: Howard to Georgia	40,000	-	-	-	40,000		40,000				
P-5271	DCC R90 third Street: Georgia to Howard Ave SW	50,000	-	-	-	50,000				50,000		
P-6200	Third Street Sanitary Sewer: 421 Third St to Fitzwilliam	20,000	-	-	-	20,000					20,000	
P-7426	Third Street Watermain: Howard to Georgia	25,000	-	-	-	25,000					25,000	
	<b>Third Street Area Utility &amp; SW Project</b>	<b>135,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,000</b>	<b>Not Started</b>	<b>40,000</b>	<b>-</b>	<b>50,000</b>	<b>45,000</b>	<b>-</b>
P-5231	Terminal Corridor Upgrades, Terminal Trench Drainage & Campbell Drainage	343,745	-	-	-	343,745				343,745		
P-6219	Terminal Trench Sanitary Sewer: Comox to Nicol - Design	40,000	-	-	-	40,000					40,000	
	<b>Terminal Trench &amp; Utility Project</b>	<b>383,745</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383,745</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>343,745</b>	<b>40,000</b>	<b>-</b>
P-7428	Lenhart Ave/Watermain Townsite to Riverside	14,000	-	-	-	14,000				14,000		
	<b>Townsite Area Utilities</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>-</b>
P-7478	Townsite Rd Watermain: Holly to Stewart	32,000	-	-	-	32,000				32,000		
	<b>Townsite Rd Watermain &amp; Rehab</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>Not Started</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>-</b>	<b>-</b>
<b>TOTAL PROJECTS 'NOT STARTED'</b>		<b>1,099,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,099,296</b>		<b>40,000</b>	<b>-</b>	<b>658,296</b>	<b>401,000</b>	<b>-</b>
<b>DELAYED/CANCELLED PROJECTS</b>												
P-6274	Bruce Ave: Siphon to Seventh St	54,000	-	-	-	54,000					54,000	
	<b>Bruce Rehab &amp; Utilities Project</b>	<b>54,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,000</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,000</b>	<b>-</b>
P-5277	Glenayr Rehab: Loat to Argyle	20,000	-	-	-	20,000				20,000		
P-6231	Glenayr Dr Sanitary Sewer: Argyle to Loat - Design	34,000	-	-	-	34,000					34,000	
	<b>Glenayr Sanitary &amp; Rehab Argle to Loat</b>	<b>54,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,000</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>34,000</b>	<b>-</b>
P-7388	Haliday Cr Watermain: Norfolk Hill to Fandell St	17,000	-	-	-	17,000					17,000	
	<b>Haliday Cr Utility Upgrade</b>	<b>17,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,000</b>	<b>-</b>
P-5254	Island Hwy S Cranberry Ave to 12th Pedestrian	22,449	-	-	-	22,449					22,449	
	<b>Island Highway Cranberry to 12th St</b>	<b>22,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,449</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,449</b>	<b>-</b>
P-7466	Norwell Watermain: Wellesley to Ross	52,000	-	-	-	52,000					52,000	
	<b>Norwell Drive Watermain &amp; Rehab Project</b>	<b>52,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,000</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,000</b>	<b>-</b>
P-5236	Townsite Rd: Holly St to Parkway Trail - Cycling - Design	32,000	-	-	-	32,000					32,000	
	<b>Townsite Area Cycling &amp; Pedestrian</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>Cancelled</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>-</b>
<b>TOTAL PROJECTS 'DELAYED/CANCELLED'</b>		<b>231,449</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,449</b>		<b>-</b>	<b>-</b>	<b>20,000</b>	<b>211,449</b>	<b>-</b>
<b>TOTAL CONCURRENT PROJECTS</b>		<b>32,617,440</b>	<b>10,316,794</b>	<b>7,305,718</b>	<b>17,622,512</b>	<b>14,994,928</b>		<b>457,670</b>	<b>-</b>	<b>9,584,424</b>	<b>4,885,589</b>	<b>67,246</b>

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
ALL OTHER PROJECTS:												
COMPLETED PROJECTS												
20147	SARC: Dual EV Charging Stations	21,420	21,084	336	21,420	0	Complete					
20154	Network Switches	20,436	18,638	-	18,638	1,798	Complete			1,798		
20190	VICC: AV Design	6,000	6,000	-	6,000	-	Complete					
20192	SARC: Security	10,580	8,579	-	8,579	2,001	Complete				2,001	
30105	New Horizons Seniors Grant Program	1,945	1,945	-	1,945	0	Complete					
30138	Fire: Gear Dryers	9,970	9,411	-	9,411	559	Substantially Complete	559				
30141	PlanH Social Connectedness Grant	1,831	1,831	-	1,831	-	Complete					
30150	Community Action Team Grant	200,000	200,000	-	200,000	-	Complete					
30169	Animal Control Service Review	20,545	20,533	-	20,533	13	Complete				13	
30173	Fire Comm: Next Gen 911 Review	74,542	71,430	-	71,430	3,112	Complete				3,112	
30177	Building Inspector Tablets	27,100	27,018	-	27,018	82	Complete	82				
40005	Oliver Woods Community Centre: HVAC		6,092	-	6,092	(6,092)	Complete, budget transfer pending			(6,092)		
40028	Beban Social Centre: Lights	26,288	26,288	-	26,288	-	Complete					
40036	Beban Pool: HVAC	15,000	-	2,990	12,010	2,990	Complete				12,010	
40037	Beban Pool: Mechanical	41,850	37,486	4,008	41,495	355	Complete			355		
40042	Beban Pool: Sauna	20,000	16,977	300	17,277	2,723	Complete			2,723		
40046	NAC: Flooring	66,430	38,625	11,614	50,239	16,191	Complete			16,191		
40047	NAC: Furniture and Equipment	4,899	4,504	-	4,504	395	Complete				395	
40058	Cliff McNabb Arena: Mechanical	-	12,423	-	12,423	(12,423)	Complete, budget transfer pending			(12,423)		
40105	Bowen Park Complex: Exterior	10,780	10,600	-	10,600	180	Complete			180		
40182	Coal Town Trail Signage/Mapping	2,422	3,529	-	3,529	(1,107)	Complete, budget transfer in October	(1,107)				
40195	Parks Ops: Equipment Replacement	29,912	46,284	-	46,284	(16,372)	Complete				(16,372)	
40202	NAC: Expansion Joints	10,000	15,000	-	15,000	(5,000)	Complete, budget transfer pending			(5,000)		
40217	Bowen Tennis Courts	31,160	27,625	-	27,625	3,535	Complete	3,535				
40280	NDSS Artificial Turf Field (City Share)		38,527	-	38,527	0	Complete					
40281	Bowen Park Complex: Interior	58,680	20,610	-	20,610	38,070	Complete			38,070		
40293	NAC: Lighting	1,250	-	791	791	459	Complete				459	
40314	Climate Change Resiliency Strategy	28,140	20,732	-	20,732	7,408	Complete		4,290		3,118	
40318	Utility Pole Replacement - Parks	39,100	-	-	-	39,100	Complete	39,100				
40330	Westwood Lake Outlet Bridge Replacement	20,100	18,618	-	18,618	1,482	Complete				1,482	
40331	Lions Great Bridge Review	11,830	11,580	-	11,580	250	Complete				250	
40343	Beban Pool: Grout Program	12,500	9,489	3,011	12,500	-	Complete					
40348	Sid Clark Sports Field Redevelopment	50,000	33,743	15,033	48,775	1,225	Substantially Complete				1,225	
40358	NAC: Swimsuit Dryer	15,670	8,177	1,354	9,531	6,139	Complete			6,139		
40360	NAC: Grout Program	15,000	13,994	1,006	15,000	-	Complete					
40361	NAC: Chlorine System	12,550	13,548	3,406	16,954	(4,404)	Complete, budget transfer pending			(4,404)		
40362	Beban Pool: Swimsuit Dryer	15,670	8,511	1,453	9,964	5,706	Complete			5,706		
40376	Chase River Activity Centre: Roof	19,800	20,935	-	20,935	(1,135)	Complete, budget transfer in October	(1,135)				
40381	Walkway: Robson St to Fitzwilliam St Imp	18,834	15,920	-	15,920	2,914	Substantially Complete			2,914		
40383	Wesley St: Landscaping Improvements	13,477	-	9,950	9,950	3,527	Substantially Complete			3,527		
40384	Beban Pool: Security Doors	22,000	13,257	-	13,257	8,743	Complete				8,743	
40386	Chase River Activity Centre: Lighting	11,581	11,581	-	11,581	0	Complete					
40392	Park Ambassadors Pgm - Pandemic	-	113,232	-	113,232	(113,232)	Complete	(113,232)				
40394	Chase River Activity Centre: Hose Tower Removal	36,600	19,546	-	19,546	17,054	Complete	17,054				
40414	Mountain Bike Skills Park	-	23,156	-	23,156	(23,156)	Complete, budget transfer pending	(23,156)				
50135	MoESS Review of Sections 10 & 11	6,348	-	6,126	6,126	222	Substantially Complete				222	
50139	Stewart Ave: Complete Street	49,764	26,166	19,537	45,703	4,061	Complete				4,061	
50143	Wexford & Tenth Area Storm Drainage Study	2,710	2,692	18	2,710	1	Complete				1	
50145	Public Works Yard Functional Study	12,560	8,940	-	8,940	3,620	Complete				3,620	
50154	Public Works Day	28,900	6,822	-	6,822	22,078	Complete	22,078				
50159	Jingle Pot @ Beringer Flasher	4,211	-	-	-	4,211	Substantially Complete				4,211	
50175	Complete Street Guideline: Terminal Ave: Poplar to Waddington - TRA	3,913	413	3,501	3,913	(0)	Substantially Complete					
50198	Curb and Sidewalk 6154 Brickyard	11,991	600	282	882	11,110	Substantially Complete				11,110	
50199	Transportation Network Review	8,000	4,550	3,450	8,000	-	Substantially Complete					
50206	Transportation PED: Fifth St @ Shepherd Ave Flash	22,138	-	-	-	22,138	Substantially Complete				22,138	
50208	Mostar @ Maureen Traffic Signal Timing	25,120	18,604	-	18,604	6,516	Complete				6,516	
50213	Public Works Yard: Paving	30,800	37,521	-	37,521	(6,721)	Complete	(6,721)				
50223	MoESS Peer Review	6,750	6,750	-	6,750	-	Complete					
50224	Wellington Bridge Review	30,000	15,057	-	15,057	14,943	Complete				14,943	

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
70024	Water: 107th @ Sawman	-	(1,148)	-	(1,148)	1,148	Complete	1,148				
80053	Sewer Engineering Standards Update	11,730	760	10,970	11,730	-	Complete					
80056	Place Rd Sanitary Sewer Routing Study	50,000	-	-	-	50,000	Complete				50,000	
P-2206	Bastion Street Parkade: Traffic Membrane Levels 1 - 8	1,043,700	942,128	1,083	943,211	100,489	Complete			100,489		
P-2958	VICC: Dell PowerEdge	16,243	10,454	-	10,454	5,789	Complete				5,789	
P-3104	Property Acquisitions - 933 Park Ave	5,213	5,213	-	5,213	-	Complete					
P-3104	Property Acquisitions - 155 Pryde Ave	150,000	161,612	-	161,612	(11,612)	Substantially Complete			(11,612)		
P-3104	Property Acquisitions - 421 Dunsmuir & 424 Wesley St	1,167,205	1,167,205	-	1,167,205	0	Complete					
P-3104	Property Acquisitions - 3646 Cottleview Drive	675,000	663,837	-	663,837	11,163	Substantially Complete			11,163		
P-3407	2020 Yamaha F115X13 Motor for Unit 7003	13,525	14,071	-	14,071	(546)	Complete, budget transfer in November			(546)		
P-3407	Fire Services: Replace Unit 702	1,560,000	1,553,716	-	1,553,716	6,284	Complete			6,284		
P-4031	Play Equipment Replacement - Maffeo Sutton Phase 1	481,501	480,157	5,047	485,204	(3,703)	Substantially Complete	(3,703)				
P-4045	PIP Program - Linley Point - Gyro Park	109	-	-	-	109	Complete					109
P-4045	PIP Program - Cinnabar Valley Park	10,271	10,241	-	10,241	30	Complete	20		10		
P-4082	Maffeo Sutton Improvements: Park Utilities	32,490	23,537	7,986	31,523	967	Complete	967				
P-4098	Serauxmen Stadium: Outfield Lights	1,075,734	1,043,991	16,062	1,060,053	15,681	Complete			15,681		
P-4131	Harewood Centennial Park - Youth Park Phase 1&2	585,293	565,180	4,454	569,634	15,659	Substantially Complete			15,659		
P-4205	Chase River Activity Centre: Parking Lot	44,960	-	38,456	38,456	6,504	Complete			6,504		
P-4208	Beban Social Centre: Building Fixtures - Flooring	49,430	49,430	-	49,430	-	Complete			-		
P-4214	Frank Crane Arena: Lighting	88,265	70,661	-	70,661	17,604	Complete			17,604		
P-4234	NAC Fans for AHU 1&2	15,196	1,191	13,976	15,167	29	Complete			29		
P-4236	Score Clock Serauxmen Stadium	10,830	10,830	-	10,830	-	Complete					
P-4239	Beban Social Centre: HVAC	15,000	2,713	-	2,713	12,287	Complete			12,287		
P-4240	Park Ops: Vehicles	10,287	13,015	-	13,015	(2,728)	Complete	(2,728)				
P-4247	NAC: Lap Pool Lighting	66,800	65,442	0	65,442	1,358	Complete			1,358		
P-4251	NAC: Domestic Water Lines	11,955	5,409	-	5,409	6,546	Complete			6,546		
P-4261	Oliver Woods Community Centre: Building Fixtures - Lighting	90,100	67,904	-	67,904	22,196	Complete			22,196		
P-5013	Black Diamond Drive Watermain JP-JP Road Rehab	90,000	80,018	-	80,018	9,982	Substantially Complete	9,982				
P-5057	Shop Equipment: Hydraulic Ironworker	23,330	23,250	-	23,250	80	Complete			80		
P-5060	Fleet Replacement - Unit# 260 & 270	130,000	-	96,993	96,993	33,007	Complete			33,007		
P-5060	Fleet Replacement - Unit# 409 & 410	338,000	-	337,902	337,902	98	Substantially Complete			98		
P-5069	McGarrigle Easement 3062 RW Drainage: Jeff to Fremont	235,000	152,349	4,693	157,041	77,959	Substantially Complete			77,959		
P-5200	Pedestrian Transportation Improvements - Extension Rd: SW	12,000	-	-	-	12,000	Complete			12,000		
P-5202	Bowen Rd @ Buttertubs Bus Bay - Transit	75,000	41,929	23,651	65,580	9,420	Substantially Complete	9,420				
P-5211	Wild Otter Esmt VIP52002 Drainage: Starlight to Willow Grouse - Construction	79,898	59,968	12,642	72,610	7,288	Complete			7,288		
P-5216	Small Tools: Breakers	32,000	24,707	-	24,707	7,293	Complete			7,293		
P-5229	Bastion Bridge Rehab	332,500	108,142	28,181	136,323	196,177	Substantially Complete			196,177		
P-5242	DCC R98 Jingle Pot @ Westwood New Signal Veh	21,252	8,847	6,708	15,556	5,696	Substantially Complete			5,696		
P-5243	Beaufort Park Pond Drainage - Design	1,080	-	1,080	1,080	1	Substantially Complete				1	
P-5244	Overlook Drainage: Oakridge to 3662 Oakridge Esmt	75,000	74,910	375	75,285	(285)	Substantially Complete	(285)				
P-5244	Sundown Drainage & Oakridge Drainage	84,000	39,125	4,473	43,599	40,401	Substantially Complete	40,401				
P-5264	DCC R97 Madsen Rd: East Wellington Rd to Griffiths Rd Corridor Improvements - Design	154,657	19,248	8,921	28,169	126,488	Complete			126,488		
P-5269	LED Street Light Conversion Phase 2	32,441	30,183	1,090	31,272	1,169	Substantially Complete			1,169		
P-5274	Bruce @ Fifth Traffic Signal	130,466	323	-	323	130,143	Substantially Complete			130,143		
P-5290	Departure Bay Slope Stabilization Wall	11,224	112	250	362	10,862	Complete			10,862		
P-5294	New Automated Truck 2019	440,000	2,505	437,677	440,182	(182)	Substantially Complete	(182)				
P-5302	Engineering Services Equipment: Plotter	24,064	10,622	-	10,622	13,442	Complete	13,442				
P-5302	Engineering Services Equipment: Survey Robot	52,756	52,756	-	52,756	(0)	Complete					
P-6251	DCC SS46 Richard Lake Truck Sewer: Easement 40 Maki Rd to Chase River Pump Station - Construction	7,036	-	-	-	7,036	Complete			7,036		
P-6266	Fourteenth St Sanitary Sewer: Cranberry to Catcher	5,805	-	-	-	5,805	Complete				5,805	
P-6268	Brookwood Pump Station	333,222	321,748	3,917	325,665	7,557	Substantially Complete				7,557	
P-6280	Roberta Rd East Developer Cost Share	46,463	46,463	-	46,463	(0)	Complete					
P-7104	Nelson Road WM Cost Share	57,260	16,125	-	16,125	41,135	Complete				41,135	
P-7279	Cinnabar & Stacey Pressure Reducing Valve Replacement	206,416	188,578	10,021	198,599	7,818	Substantially Complete			7,818		
P-7279	Addison Pressure Reducing Valve Replacement	221,379	177,059	15,385	192,444	28,935	Substantially Complete			28,935		
P-7306	Cranberry Rd Watermain: Extension to 14th - Construction	9,548	(3,920)	-	(3,920)	13,468	Complete				13,468	
P-7363	Black Diamond Dr Watermain: JP - JP: Jingle Pot to Jingle Pot - Design	25,512	32,959	2,656	35,615	(10,103)	Substantially Complete			(10,103)		
P-7363	Black Diamond Dr Watermain: JP - JP: Jingle Pot to Jingle Pot - Road Rehab	90,000	80,018	-	80,018	9,982	Substantially Complete			9,982		
P-7363	Black Diamond Dr Watermain: Jingle Pot to Jingle Pot	612,700	471,733	5,192	476,926	135,774	Substantially Complete			135,774		
P-7363	Coal Tyee Tr Watermain: Black Diamond to Black Diamond	247,800	244,994	2,806	247,800	-	Substantially Complete					
P-7363	Jingle Pot Rd Watermain: Parkway to Third	978,130	734,709	11,077	745,787	232,343	Substantially Complete			232,343		
P-7363	Cadboro PI Watermain: Coal Tyee to End	140,800	104,759	2,065	106,824	33,976	Substantially Complete			33,976		
P-7363	Chamber PI Watermain: Coal Tyee to End	97,800	80,206	1,581	81,787	16,013	Substantially Complete			16,013		

City of Nanaimo

Summary of Project Results  
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		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
P-7363	Lignite PI Watermain: Coal Tye to End	44,000	33,084	763	33,847	10,153	Substantially Complete			10,153		
P-7363	Crows Nest PI Watermain: Black Diamond to End	64,900	48,612	1,062	49,674	15,226	Substantially Complete			15,226		
P-7366	Jingle Pot Watermain: 4151 to 4215 Jingle Pot - Design & Construction	12,052	(3,188)	-	(3,188)	15,240	Complete				15,240	
P-7372	Richardson Road Watermain: 1805 Richardson to Ranchview - Design & Construction	367,865	334,617	1,506	336,124	31,742	Substantially Complete				31,742	
P-7404	Mountain View Crescent Watermain: Panorama View to Timber View	5,000	-	-	-	5,000	Complete				5,000	
P-7430	Bulk Water Filling Station #1 Cedar	7,130	-	-	-	7,130	Complete				7,130	
P-7430	Bulk Water Filling Station #2 Public Works Yard	9,128	-	-	-	9,128	Complete				9,128	
TOTAL PROJECTS 'COMPLETED'		14,583,075	11,740,275	1,208,867	12,949,141	1,633,934		5,539	4,290	1,348,746	275,249	109
PROJECTS "IN-PROGRESS"												
10540	Extreme Weather Shelter	5,000	718	-	718	4,282	In Progress	4,282				
20034	Photocopier Replacement Plan	32,500	26,345	4,306	30,651	1,849	In Progress			1,849		
20065	SARC: Furniture and Equipment	6,082	1,424	-	1,424	4,658	In Progress	4,658				
20075	IT Technical Infrastructure Renewal	23,100	5,536	-	5,536	17,564	Ongoing			17,564		
20081	User Fee Review	7,425	-	7,425	7,425	0	In Progress					
20091	Leg Svcs: Furniture and Equipment	6,300	2,634	-	2,634	3,666	In Progress	3,666				
20092	Furniture and Equipment	17,223	6,830	-	6,830	10,393	In Progress	10,393				
20103	HR: Furniture and Equipment	5,900	2,178	-	2,178	3,722	In Progress		3,722			
20129	Design Advisory Panel	2,500	13	-	13	2,487	Ongoing	2,487				
20130	Finance and Audit	8,000	1,850	-	1,850	6,150	Ongoing	6,150				
20132	Nanaimo Youth and Advisory	3,000	-	-	-	3,000	Ongoing	3,000				
20136	Water Supply Advisory	1,500	-	-	-	1,500	Ongoing	1,500				
20148	SARC: Exterior	19,250	-	-	-	19,250	In Progress	19,250				
20153	Mobile Network Security Audit	23,625	-	-	-	23,625	In Progress			23,625		
20157	Phone Replacement	2,707	1,513	-	1,513	1,194	In Progress	1,194				
20158	IT Furniture and Equipment	19,492	5,123	-	5,123	14,369	Ongoing	14,369				
20166	SCADA Security Audit	9,828	-	8,000	8,000	1,828	In Progress			1,828		
20174	Council Strategic Plan	10,000	5,752	-	5,752	4,248	In Progress				4,248	
20179	Economic Development Strategy	100,000	44,152	50,943	95,095	4,905	In Progress	4,905				
20180	Safety Initiatives	9,000	-	7,102	7,102	1,898	In Progress					1,898
20181	Environment Committee	5,000	62	-	62	4,938	Ongoing	4,938				
20182	Health and Housing Task Force	102,500	3,778	11,821	15,599	86,901	In Progress	2,500			84,401	
20183	Wireless Access Points	12,000	6,858	-	6,858	5,143	In Progress			5,143		
20185	VMWare Horizon	63,760	53,177	-	53,177	10,583	In Progress			10,583		
20189	Social Procurement Strategy	69,000	43,977	25,000	68,977	23	In Progress	23				
20191	Toward Parity Grant	5,000	3,676	-	3,676	1,324	Ongoing		1,324			
20193	Advisory Committee on Accessibility and Inclusiveness	5,000	68	-	68	4,932	Ongoing	4,932				
20194	Pandemic Response 2020	-	408,031	111,178	519,209	(519,209)	In Progress	(519,209)				
30001	Firefighting Equipment	44,560	26,273	5,884	32,157	12,403	In Progress	12,403				
30002	Fire Technology Program	69,110	50,802	-	50,802	18,308	In Progress	18,308				
30005	Fire: Furniture and Equipment	17,500	1,521	-	1,521	15,979	In Progress	15,979				
30025	Police Services: Furniture and Equipment	49,635	17,204	-	17,204	32,431	In Progress	32,431				
30026	Police Operations Building: HVAC - replace 3 units	20,000	6,500	-	6,500	13,500	In Progress	13,500				
30028	Downtown Façade Grants	40,000	70	-	70	39,930	Ongoing	20,000			19,930	
30031	Immigrant Welcome Reception	4,500	-	-	-	4,500	In Progress	4,500				
30061	Police Operations Building: Mechanical	140,000	4,692	23,595	28,287	111,713	In Progress				111,713	
30079	911 Furniture and Equipment	10,860	8,405	-	8,405	2,455	In Progress			2,455		
30084	Emergency Management: Furniture and Equipment	30,975	2,484	-	2,484	28,491	In Progress	3,491	25,000			
30085	Official Community Plan (OCP) Update	381,263	290,759	65,477	356,236	25,027	In Progress	25,027				
30091	Housing Legacy Reserve	160,000	-	-	-	160,000	Ongoing	160,000				
30103	UBCM CRI Fire Smart Grant	25,000	13,136	11,806	24,941	59	In Progress		59			
30117	Parking Strategy: Downtown	5,975	3,124	2,851	5,975	-	In Progress					
30128	Police Operations Building: Contingency	26,700	-	-	-	26,700	Ongoing	26,700				
30140	Urban Cleanup	45,000	28,600	16,400	45,000	-	Ongoing					
30142	Shower Program	38,950	27,479	8,084	35,563	3,387	Ongoing			3,387		
30152	Parking Study: Hospital Area Interim Review	30,000	-	-	-	30,000	In Progress			30,000		
30154	Hospital Area Parking Signage	21,563	18,631	-	18,631	2,932	In Progress			2,932		
30159	Waterfront Walkway Feasibility Study	233,136	88,580	94,664	183,244	49,892	In Progress				49,892	
30160	UBCM Community Child Care Planning Grant	125,000	67,800	51,210	119,010	5,990	In Progress		5,990			
30161	911 Svcs: Firewall Upgrade	29,918	-	5,233	5,233	24,685	In Progress			24,685		
30165	Community Action Sustainability Plan Update	75,000	-	-	-	75,000	In Progress			75,000		
30167	911 Svcs: Radio Repeater Mt Hayes	30,000	10,005	14,779	24,784	5,217	In Progress			5,217		

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
30168	Diana Krall Plaza Redevelopment Plan	20,000	10,000	10,000	20,000	-	In Progress					
30170	Firefighting EMR Equipment	6,750	6,357	-	6,357	393	In Progress			393		
30171	Fire Dept Review and Stn Location Study	114,475	-	111,615	111,615	2,860	In Progress	2,860				
30172	Cdn Hazards Emergency Response and Prep	11,000	3,837	-	3,837	7,163	In Progress		7,163			
30174	#1 Port Drive Redevelopment	300,000	148,812	83,778	232,590	67,410	In Progress					67,410
30178	Civic Precinct Strategy	120,000	10,000	41,200	51,200	68,800	In Progress	68,800				
40027	Beban Social Centre: HVAC	18,120	-	-	-	18,120	In Progress			18,120		
40031	Beach Access Upgrades	25,000	21,041	0	21,041	3,959	In Progress	3,959				
40033	Public Art	67,362	40,826	303	41,129	26,233	In Progress	26,233				
40049	NAC: Mechanical	33,800	1,172	845	2,017	31,783	In Progress			31,783		
40063	NIC: Mechanical	11,610	3,045	-	3,045	8,565	In Progress			8,565		
40083	Lower & Middle Chase Dams	13,560	11,878	1,681	13,560	0	In Progress					
40109	Playground Safety Surfacing	20,000	-	19,987	19,987	13	In Progress	13				
40130	Formal Dam Inspections: Recreational Dams	83,310	43,818	18,967	62,785	20,525	In Progress	20,525				
40134	Burn It Smart Woodstove Exchange Program	15,774	5,450	-	5,450	10,324	Ongoing		10,324			
40138	Invasive Plant Management Program	20,000	20,200	3,250	23,450	(3,450)	Ongoing	(3,450)				
40151	Beban Social Centre: Kitchen	15,000	-	7,655	7,655	7,345	In Progress			7,345		
40192	Portable Bleacher Replacement Program	18,000	-	-	-	18,000	Ongoing	18,000				
40209	150 Commercial St: Mechanical	140,000	8,640	125,591	134,231	5,769	In Progress				5,769	
40216	Condition Assess Program	56,182	25,925	8,551	34,477	21,705	Ongoing	21,705				
40224	Rotary Field House	44,375	27,197	-	27,197	17,178	In Progress	17,178				
40241	NAC: Moveable Floor	20,700	-	-	-	20,700	In Progress			20,700		
40244	Buttertubs Marsh Hydrology Study	12,480	5,818	3,942	9,760	2,720	In Progress	2,720				
40246	Civic Facilities: Investigation/Pre-Design	131,798	55,835	26,998	82,832	48,966	Ongoing	48,966				
40252	Colliery Dam: Improvements	12,968	-	12,548	12,548	420	In Progress				420	
40256	Park Ops: Communication System Upgrade	21,500	-	17,032	17,032	4,468	In Progress	4,468				
40277	Public Art: Parks	38,250	13,979	-	13,979	24,271	In Progress				24,271	
40279	Community Wellness	8,429	-	-	-	8,429	Ongoing		8,429			
40283	Westwood Lake Beach and Parking Lot Area Improvement Plan	51,750	7,015	3,480	10,495	41,255	In Progress				41,255	
40285	Energy Step Code Education and Rebate Form	39,267	4,238	-	4,238	35,029	Ongoing				35,029	
40290	Facilities: Equipment	5,950	1,416	-	1,416	4,534	In Progress	4,534				
40295	Park Amenities Condition Assessment Program	71,400	27,674	26,949	54,623	16,778	In Progress	16,778				
40300	City Hall Park: Lighting	17,150	-	16,000	16,000	1,150	In Progress	1,150				
40319	Civic Facilities: Cross Connection Control Program	144,827	9,126	8,349	17,474	127,353	Ongoing	84,175			43,178	
40320	Park Amenities: Cross Connection Control Program	20,510	-	5,000	5,000	15,510	In Progress				15,510	
40321	Park Amenities: Investigation/Pre-Design	47,100	30,190	15,315	45,505	1,595	In Progress	1,595				
40322	Facilities and Park Amenities Condition Assessment Program	371,916	261,971	109,945	371,916	(0)	Ongoing					
40325	Chase Dams Hydrology Model	25,000	-	25,000	25,000	-	In Progress					
40349	Harewood Multi-Use Court Improvements	8,000	-	-	-	8,000	In Progress	8,000				
40359	NAC: Waterslides	157,380	-	86,730	86,730	70,650	In Progress			70,650		
40363	Beban Pool: Waterslides	55,210	-	34,059	34,059	21,151	In Progress			21,151		
40365	Westwood Lake House Removal	61,285	37,079	-	37,079	24,206	In Progress	24,206				
40367	Natural Park Areas Assessment Program	25,000	8,783	-	8,783	16,218	In Progress	16,218				
40371	Maffeo Sutton Improvements	11,540	-	-	-	11,540	In Progress	11,540				
40375	Beban House: Renewal	59,500	28,873	21,724	50,597	8,903	In Progress	8,903				
40377	Watercourse Restoration and Enhancement Program	36,193	14,932	21,261	36,193	-	In Progress					
40379	Downtown Way-Finding Signage	117,546	13,889	97,486	111,374	6,172	In Progress			6,172		
40382	3D Nanaimo Sign	10,000	-	10,000	10,000	-	In Progress					
40385	Beban Complex: Thermal Study	50,000	29,050	12,450	41,500	8,500	In Progress				8,500	
40387	CleanBC Better Homes Rebate Program	100,000	-	-	-	100,000	Ongoing			100,000		
40389	NAC: Heating Plant Study	25,000	-	24,750	24,750	250	In Progress			250		
40390	Beban Complex Heating Plant Study	25,000	-	24,750	24,750	250	In Progress			250		
40391	Trans Canada Trail Signage	7,600	10,276	-	10,276	(2,676)	In Progress	(2,676)				
40393	Harewood Youth Park - Public Art	34,600	34,275	3,826	38,102	(3,502)	In Progress, Budget transfer in November			(3,502)		
40395	Beban Pool: 2020 Public Art	40,000	6,169	561	6,730	33,270	Ongoing				33,270	
40396	Water Safety Team 2020		26,422	-	26,422	(26,422)	In Progress	(26,422)				
40397	Port Theatre: Chiller Replacement Study	16,600	2,490	14,110	16,600	-	In Progress					
40413	Port Theatre: Touchless Fixtures	-		34,391	34,391	(34,391)	In Progress, budget transfer pending	(34,391)				
50000	Eng Svcs: Furniture and Equipment Replacement	25,000	6,414	1,040	7,454	17,546	Ongoing					
50007	Traffic Counts	20,000	450	13,990	14,440	5,560	Ongoing	5,560				
50033	Safer School Travel Program	3,255	-	3,255	3,255	-	In Progress					
50034	Transportation PED: Traffic Calming Program	34,000	1,979	293	2,272	31,728	Ongoing	31,728				
50035	City Orthos	85,000	64,153	2,718	66,871	18,129	In Progress	18,129				
50036	Integrated Survey Control Monuments	16,000	-	13,000	13,000	3,000	Ongoing	3,000				

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
50039	Railway Cross Repairs	45,888	52,486	2,575	55,061	(9,173)	Ongoing	(9,173)				
50040	Alternate Transp Education & Marketing	29,931	6,811	-	6,811	23,120	In Progress	23,120				
50048	Drainage: Infrastructure Condition Assessment Program	164,901	141,025	12,157	153,181	11,720	Ongoing	11,720				
50051	GIS Development	119,235	51,691	-	51,691	67,544	In Progress	45,000			22,544	
50052	Street Light Upgrades Annual Program	50,000	1,792	-	1,792	48,208	Ongoing	48,208				
50056	Sidewalks: Power Washing Downtown	50,000	-	-	-	50,000	Ongoing	50,000				
50057	Fill Deposit Sites	15,000	8,551	-	8,551	6,449	In Progress	6,449				
50058	Drainage Maintenance Equipment	19,300	1,513	-	1,513	17,787	Ongoing	17,787				
50059	PW Yard: Furniture and Equipment	30,900	17,831	-	17,831	13,069	In Progress	13,069				
50060	PW Yard Upgrades	65,000	63,759	3,635	67,394	(2,394)	In Progress	(2,394)				
50061	Fleet Small Tools Replacement	15,500	1,574	-	1,574	13,926	Ongoing			13,926		
50082	Wellcox Yard Trestle Maintenance	125,000	16,310	7,991	24,301	100,699	In Progress	100,000			699	
50086	Traffic Count Station Renewal	15,000	13,019	-	13,019	1,981	Ongoing	1,981				
50113	Transportation Model Recalibration	50,000	-	50,000	50,000	-	In Progress					
50116	Transportation: Local Road Paving	35,000	-	34,825	34,825	175	In Progress			175		
50121	Construction: Maintenance Equipment	27,270	12,825	-	12,825	14,445	Ongoing	14,445				
50124	Small Scale Street Improvements	30,000	7,489	14,693	22,182	7,818	In Progress	7,818				
50137	Transportation Population Projection Study	72,621	19,399	41,300	60,699	11,922	In Progress				11,922	
50140	DCC SD66: Citywide Drainage Studies	137,794	25,409	106,086	131,494	6,300	Ongoing	6,300				
50150	ENGPW Contingency: Projects	572	-	-	-	572	Ongoing	572				
50155	Purchasing: Lunch Room	25,527	1,720	2,176	3,896	21,631	In Progress	21,630			1	
50165	DCC R71 Cranberry Alignment Study	100,000	9,738	262	10,000	90,000	In Progress	23,400		66,600		
50172	Rapid Bus Corridor Study	90,000	10,000	-	10,000	80,000	In Progress	80,000				
50173	Update Pedestrian Improvement Prioritization	60,000	-	19,261	19,261	40,739	In Progress	40,739				
50174	Update Safer School Travel Plan	43,745	3,758	17,933	21,690	22,055	In Progress	22,055				
50181	Drainage Infra Monitoring Calibration	20,753	5,087	15,665	20,752	1	Ongoing	1				
50182	Downtown Street Lighting Replacement	5,596	3,000	596	3,596	2,000	In Progress				2,000	
50184	Traffic Engineering Software	60,000	-	60,000	60,000	-	In Progress					
50185	City Wide Lighting Study	51,576	-	6,576	6,576	45,000	In Progress				45,000	
50187	Active Transportation Data Collection	90,000	33,044	5,262	38,306	51,694	In Progress	51,694				
50188	Active Transportation Master Plan	175,000	172	-	172	174,828	In Progress	174,828				
50189	Signage Replacement Software	24,000	10,516	10,914	21,430	2,570	In Progress				2,570	
50190	Traffic Signal Management Software	150,000	-	15,150	15,150	134,850	In Progress	134,850				
50192	APL General Products Review	20,000	840	2,160	3,000	17,000	Ongoing				17,000	
50193	Wall St/Curling Club Crosswalk	15,000	-	-	-	15,000	In Progress	15,000				
50196	Sustainable Parking Grant Program	5,000	-	-	-	5,000	Ongoing	5,000				
50204	Single Use Check Out Bags	13,823	-	-	-	13,823	In Progress				13,823	
50205	Jackson Rd Street Light Design	2,375	-	2,375	2,375	-	In Progress					
50209	ENGPW Contingency: Developer Cost Shares	10,000	-	-	-	10,000	Ongoing	10,000				
50210	ENGPW Contingency: Develop & Ops Related Projects	29,125	-	-	-	29,125	Ongoing	29,125				
50211	ENGPW Contingency: Transportation Projects	41,000	-	-	-	41,000	Ongoing	41,000				
50216	Bylaw 5000 Review and Update	25,000	9,739	261	10,000	15,000	In Progress	15,000				
50221	5100 Block Lost Lake Road Stability Review	100,000	28,115	40,478	68,594	31,406	In Progress	31,406				
50226	4781 Hammond Bay Cost Share Road Works	25,000	-	-	-	25,000	In Progress	25,000				
50228	Transportation PED: Uplands @ McRobb Flash	20,000	-	-	-	20,000	In Progress			20,000		
50229	Transportation PED: Hammond Bay @ Nottingham Flash	20,000	-	-	-	20,000	In Progress			20,000		
50233	Departure Bay: Buffered Bike Lane	40,000	-	-	-	40,000	In Progress				40,000	
50235	Georgia Slow Street	85,000	-	11,000	11,000	74,000	In Progress	35,000			39,000	
70001	Water Ops: Maintenance Equipment	18,700	387	-	387	18,313	Ongoing				18,313	
70005	Water Studies	151,222	26,230	74,620	100,850	50,372	Ongoing				50,372	
70008	Water Infrastructure Condition Assessment Program	30,000	98	-	98	29,902	Ongoing				29,902	
70010	Water: Road Rehab	200,000	-	-	-	200,000	Ongoing				200,000	
70014	Water Meter Replacement Program	441,885	121,223	23,555	144,778	297,107	Ongoing				297,107	
70018	DCC WD51: Rebuild of City Wide Water Model and Calibration	160,926	28,869	132,156	161,025	(99)	In Progress, budget transfer in October				(99)	
70020	City Wide Fire Hydrant Testing	135,000	30,600	104,400	135,000	-	In Progress					
70021	APL Water Product Review	20,000	-	-	-	20,000	Ongoing				20,000	
70022	Cross Connection Control Grant	100,000	-	-	-	100,000	Ongoing				100,000	
80000	Sanitary Sewer: Maintenance Equipment	10,000	4,810	-	4,810	5,190	Ongoing				5,190	
80004	Sanitary Sewer Studies	167,091	60,851	99,058	159,909	7,182	Ongoing				7,182	
80005	Sewer Infra Monitoring and Model Calibration	260,464	32,678	141,699	174,377	86,087	Ongoing				86,087	
80006	Sewer Infrastructure Condition Assessment Program	423,494	154,438	174,156	328,594	94,900	Ongoing				94,900	
80021	Sanitary Sewer: Road Rehab	-	-	-	-	53,537	Ongoing				53,537	
80025	Sanitary Sewer: Harewood Wyes	35,000	10,382	4,952	15,334	19,666	In Progress				19,666	
80026	I & I Mains	52,500	30,029	2,644	32,673	19,827	Ongoing				19,827	

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
80027	I & I Services	52,500	(644)	-	(644)	53,144	Ongoing				53,144	
80028	I & I Manholes	35,000	(42)	-	(42)	35,042	Ongoing				35,042	
80030	DCC SS52 Study; Depart Bay Master Plan	69,195	54,396	14,799	69,195	0	In Progress					
80046	Sewer User Rate Review	22,018	8,120	-	8,120	13,898	In Progress				13,898	
80051	APL Sewer Products Review	20,000	-	-	-	20,000	Ongoing				20,000	
80058	Sanitary Sewer: 103 Ashlar Ave	35,000	-	-	-	35,000	In Progress				35,000	
90005	Toilet Rebate Program	30,000	9,600	-	9,600	20,400	Ongoing				20,400	
90007	Annual Dam Safety Review Water Supply Dams	26,830	14,314	8,172	22,486	4,344	Ongoing				4,344	
90008	Telemetry Upgrades	30,000	778	-	778	29,222	Ongoing				29,222	
90013	Water Supply: Appliance Rebate Program	10,000	1,870	-	1,870	8,130	Ongoing				8,130	
90020	Dam Safety Assessments/Upgrades	226,308	103,796	61,712	165,508	60,800	In Progress				60,800	
90021	Water Supply Strategic Plan	300,900	65,836	235,064	300,900	-	In Progress					
90024	Public Education of Water System	11,031	3,035	-	3,035	7,996	In Progress				7,996	
90026	WTP: Computer Equipment	46,500	2,218	-	2,218	44,282	In Progress				44,282	
90031	Water User Rate Review	24,841	19,266	-	19,266	5,575	In Progress				5,575	
90032	WTP: Membrane Aging Study	20,000	20,000	-	20,000	-	In Progress					
90035	Jump Creek Dam & South Fork Dam Study	289,132	102,703	24,229	126,932	162,200	In Progress		75,000		87,200	
90039	Duke Point Supply Main Cathodic Protection	160,000	-	19,590	19,590	140,410	In Progress				140,410	
90040	Cliffside Valve Repair/Replacement	50,000	-	-	-	50,000	In Progress				50,000	
P-2208	Parking Equipment: Parking Meters	139,725	-	-	-	139,725	In Progress			139,725		
P-2500	SAP Software	200,000	-	200,000	200,000	-	In Progress					
P-2714	Enterprise Content Management	256,880	6,519	53,246	59,765	197,115	In Progress			197,115		
P-2958	VICC: Audio Visual Upgrades	1,163,000	3,825	65,175	69,000	1,094,000	In Progress				1,094,000	
P-2959	SARC: Modifications	750,000	44,265	72,060	116,326	633,674	In Progress				633,674	
P-3104	Property Acquisitions - ROW #1 Port Drive	67,281	10,597	56,684	67,281	(0)	In Progress					
P-3402	Firefighting Equipment: Ram Small R1 & Ram Large R2	25,500	25,313	-	25,313	187	In Progress	187				
P-3407	Fire Services: Replace Units 703, 719, 720	2,205,460	270	2,078,185	2,078,455	127,005	In Progress			127,005		
P-3435	Fire Station #1: Replacement	4,209,305	981,133	2,745,133	3,726,266	483,039	In Progress - The project budget is allocated over multiple years to match cash flow projections					483,039
P-3742	Electric Vehicle Units #1-4	178,200	-	167,934	167,934	10,266	In Progress			10,266		
P-4031	Altrusa: Replace Asphalt Tike Track	34,300	247	34,037	34,284	16	In Progress	11		6		
P-4031	Maffeo Sutton Rotary	386,120	285,238	35,248	320,487	65,633	In Progress					65,633
P-4040	Trailway Development and Rehab - Parkway Trail	130,475	8,063	76,759	84,821	45,654	In Progress	45,654				
P-4040	Trailway Development and Rehab - Maffeo Sutton Park	52,000	14,540	300	14,840	37,160	In Progress				37,160	
P-4045	PIP Program - Cambie Park	21,466	13,189	-	13,189	8,277	In Progress				8,277	
P-4098	Serauxmen Field: Fencing	200,000	46,595	-	46,595	153,405	In Progress			153,405		
P-4131	Harewood Youth Park: Fencing	40,000	25,954	4,766	30,720	9,280	In Progress			9,280		
P-4131	Harewood Youth Park: Small Value Assets	18,300	4,430	-	4,430	13,870	In Progress			13,870		
P-4166	25 Victoria Road: Exterior	286,575	22,317	257,204	279,521	7,054	In Progress			7,054		
P-4170	NAC Facility Amenities: Play Structure	50,000	-	50,000	50,000	-	In Progress					
P-4181	Long Lake Paddling Centre	123,750	5,719	118,474	124,193	(443)	In Progress, budget transfer in October	(443)				
P-4216	Waterfront Walkway - #1 Port Drive	268,493	9,891	1,878	11,769	256,724	In Progress			256,724		
P-4219	Beacon House Phase 2	68,650	-	7,250	7,250	61,400	In Progress	61,400				
P-4242	NAC: Roof Phase 1 & 2	1,284,908	128,574	1,100,127	1,228,701	56,207	In Progress			56,207		
P-4245	Chase River Estuary Viewing Platform & Boardwalk	32,500	-	2,850	2,850	29,650	In Progress				29,650	
P-4254	Seabold Stairs	239,750	6,614	233,654	240,268	(518)	In Progress	(518)				
P-4257	Brannen Lake Boat Ramp	120,610	22,117	94,960	117,077	3,533	In Progress			3,533		
P-4257	Gallows Point Dock	739,644	21,877	584,349	606,226	133,418	In Progress			133,418		
P-4265	Beban Complex: Electrical Substation	98,925	3,750	43,250	47,000	51,925	In Progress			51,925		
P-4267	Lions Great Bridge Pile Remediation	200,170	8,566	73,593	82,158	118,012	In Progress			118,012		
P-4268	Rotary Bowl	14,300	-	14,300	14,300	-	In Progress					
P-4271	Diver Lake: Parking Lot	39,265	-	34,384	34,384	4,881	In Progress	4,881				
P-4272	Marie Davidson Bike Park Upgrades: Design	35,000	21,572	11,991	33,563	1,437	In Progress			1,437		
P-5010	Major Road Rehab: Victoria Road: Esplanade	509,346	465,983	3,720	469,703	39,643	In Progress			39,643		
P-5013	Prideaux: Victoria to Hecate Rehab	142,000	7,970	120,709	128,679	13,321	In Progress				13,321	
P-5060	Fleet Replacement - Unit# 231,247,405,416,426,565	924,065	227,672	575,145	802,818	121,247	In Progress				121,247	
P-5200	Victoria at Esplanade Pedestrian Crossing	75,000	-	-	-	75,000	In Progress				75,000	
P-5200	Front Street at Port Drive Pedestrian Crossing	110,000	10,034	10,616	20,650	89,350	In Progress				89,350	
P-5200	Waddington at St. George Pedestrian Crossing	75,000	-	-	-	75,000	In Progress				75,000	
P-5247	DCC SD57 Wexford Creek Drainage: Twelfth @ Quinn Ph 1	54,000	1,612	15,681	17,292	36,708	In Progress				36,708	
P-5247	DCC SD57 Wexford Creek Drainage: Lawlor @ Eleventh and Twelfth @ Lawlor Intersection - Ph 2	115,000	2,821	27,349	30,170	84,830	In Progress				84,830	
P-5247	DCC SD57 Wexford Creek Drainage: Channel Construction on Twelfth - Ph 1	89,000	3,626	35,163	38,790	50,210	In Progress				50,210	
P-5251	Georgia Ave Greenway Pedestrian/Cycling - Construction	48,388	8,629	13,207	21,836	26,552	In Progress				26,552	
P-5269	LED Street Light Conversion Phase 3	400,000	60,555	289,642	350,197	49,803	In Progress				49,803	



City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	
											Other Sources	
P-5297	Mary Ellen Dr Pedestrian Improvements	195,000	-	-	-	195,000	In Progress					195,000
P-5318	Downtown Street Lighting Replacement	449,000	80,288	269,980	350,268	98,732	In Progress	98,732				
P-6100	CCTV Camera System for unit 231-20	300,458	-	290,530	290,530	9,928	In Progress				9,928	
P-6107	Sanitary Sewer: Mill Street & Acacia Ave & Place Rd	310,000	139,685	14,323	154,008	155,992	In Progress			50,000	105,992	
P-6149	DCC SS19 Millstone Trunk South	3,283,797	811,701	1,826,659	2,638,359	645,438	In Progress			302,803		342,635
P-6227	Comox Area Sanitary Sewer - Design	14,911	5,093	9,496	14,589	322	In Progress			322		
P-6279	Nottingham & Arrow Way Area Utilities	59,000	-	57,815	57,815	1,185	In Progress				1,185	
P-7104	Dufferin Cr WM Cost Share	18,500	-	-	-	18,500	In Progress				18,500	
P-7140	Garside Watermain: Doumont to Garside	20,000	1,450	15,000	16,450	3,550	In Progress				3,550	
P-7279	East Wellington Pressure Reducing Valve Replacement - Design	293,486	13,624	1,682	15,306	278,180	In Progress			278,180		
P-7279	James Way Pressure Reducing Valve Replacement - Design	40,000	18,000	2,000	20,000	20,000	In Progress			20,000		
P-7369	Rutherford Road Watermain: Alder to Vanderneuk - Design	34,079	28,786	4,333	33,119	960	In Progress				960	
P-7390	Island Hwy Watermain - Design	23,975	17,126	1,122	18,249	5,726	In Progress				5,726	
P-7390	Island Hwy Watermain: Mackenzie to Melideo & Estuary to Melideo	696,000	-	661,556	661,556	34,445	In Progress				34,445	
P-7394	Nottingham & Arrow Way Watermain	65,000	-	63,698	63,698	1,302	In Progress			1,302		
P-7397	Roberta Road West Watermain: Centenary to Extension	307,634	1,040	-	1,040	306,594	In Progress				306,594	
P-7411	DCC WD72 Melideo Road Watermain: Old Victoria to Island Hwy	125,000	-	119,000	119,000	6,000	In Progress			6,000		
P-7451	Trinity Dr Watermain: College to End - Design	15,000	14,820	180	15,000	-	In Progress					
P-9259	Emergency Water Supply Pump Station - Design & Construction	583,512	269,580	303,389	572,969	10,543	In Progress				10,543	
P-9269	Lost Lake Reservoir #2 Rehab	75,000	-	2,227	2,227	72,773	In Progress				72,773	
TOTAL PROJECTS 'IN-PROGRESS'		34,745,568	7,754,777	16,206,279	23,961,056	10,784,512		1,627,180	133,289	3,206,099	4,662,329	1,155,615



City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
NOT STARTED PROJECTS												
20087	HR: Computer Lab	8,050	-	-	-	8,050	Not Started	8,050				
20165	Phone System	30,016	-	-	-	30,016	Not Started	11,500			18,516	
20176	Public Engagement	13,500	-	-	-	13,500	Not Started			13,500		
20186	Dual ISP Implementation	9,800	-	-	-	9,800	Not Started			9,800		
20187	Network Infrastructure Redesign	6,500	-	-	-	6,500	Not Started			6,500		
20188	Anti-Malware Software	28,775	-	-	-	28,775	Not Started			28,775		
20195	Sponsorship Project	100,000	-	-	-	100,000	Not Started				100,000	
30058	Police Operations Building: Flooring	27,350	-	-	-	27,350	Not Started				27,350	
30065	Police Operations Building: Roof	33,110	-	-	-	33,110	Not Started	33,110				
30094	Harbourfront Parkade: Mechanical	13,200	-	-	-	13,200	Not Started			13,200		
30095	Port of Nanaimo Centre Parkade: Mechanical	12,100	-	-	-	12,100	Not Started			12,100		
30145	Day-time Drop In Centre	200,000	-	-	-	200,000	Not Started	100,000			100,000	
30162	Police Annex: HVAC Study	6,750	-	-	-	6,750	Not Started	6,750				
30163	Police Annex: Lighting	35,250	-	-	-	35,250	Not Started	35,250				
30164	Police Annex: Structure	11,550	-	-	-	11,550	Not Started	11,550				
30175	Port of Nanaimo Centre Parkade: Fire Door	29,095	-	-	-	29,095	Not Started			29,095		
30180	Wellness and Harm Reduction Grant	50,000	-	-	-	50,000	Not Started		50,000			
40012	PRC Master Plan Update	150,000	-	-	-	150,000	Not Started	75,000			75,000	
40048	NAC: HVAC	51,560	-	-	-	51,560	Not Started			51,560		
40089	Cliff McNabb Arena: Interior	13,920	-	-	-	13,920	Not Started			13,920		
40133	Port Theatre: Windows	36,401	-	-	-	36,401	Not Started				36,401	
40146	150 Commercial St: HVAC	28,000	-	-	-	28,000	Not Started	28,000				
40152	Beban Social Centre: Furniture and Equipment	5,885	-	-	-	5,885	Not Started				5,885	
40268	Trailway Development and Rehab	12,850	-	-	-	12,850	Not Started	12,850				
40289	Frank Crane Arena: Interior	43,300	-	-	-	43,300	Not Started			43,300		
40297	Concrete Recreational Dam Program	75,000	-	-	-	75,000	Not Started				75,000	
40309	Beban House: Mechanical	26,550	-	-	-	26,550	Not Started	26,550				
40316	Sugarloaf Mountain Rock Slope	56,280	-	-	-	56,280	Not Started	56,280				
40354	Rotary Bowl Track Repairs	8,909	-	-	-	8,909	Not Started					8,909
40366	Neck Point House Removal	46,200	-	-	-	46,200	Not Started	46,200				
40368	Spray Park Repairs	6,050	-	-	-	6,050	Not Started	4,050				2,000
40370	Maffeo Sutton Lagoon Pump Chamber Decommission	29,420	-	-	-	29,420	Not Started	29,420				
40373	Beban Park: Participark Stand Management Phase 1	71,200	-	-	-	71,200	Not Started	71,200				
40374	Beban House: Interior	10,080	-	-	-	10,080	Not Started	10,080				
50067	Transportation Maintenance Equipment	5,300	-	-	-	5,300	Not Started	5,300				
50100	SNIC Equipment	8,500	-	-	-	8,500	Not Started	8,500				
50183	Wall St Box Culvert Structural Assessment	10,000	-	-	-	10,000	Not Started	10,000				
50212	PW Yard: Tank Gauge Replacement	6,880	-	-	-	6,880	Not Started	6,880				
50214	Howard and 7th Detention Pond Study	50,000	-	-	-	50,000	Not Started	50,000				
50222	Traffic Signal Tech Equip	11,900	-	-	-	11,900	Not Started	11,900				
50227	Downtown Sidewalks/Tree Repairs	40,000	-	-	-	40,000	Not Started	40,000				
50231	Drainage: 103 Ashlar: Doric Ave to Alley	30,000	-	-	-	30,000	Not Started	30,000				
50232	Road Rehab: Cost Share Rockwood Hgths Ph4	15,000	-	-	-	15,000	Not Started	15,000				
50234	Boxwood Walking Shoulder	45,000	-	-	-	45,000	Not Started	45,000				
70017	DCC WD51 City Wide Master Plan	250,000	-	-	-	250,000	Not Started			97,500	152,500	
80044	DCC SS52: Brechin Catchment Master Plan	152,000	-	-	-	152,000	Not Started			44,080	107,920	
P-2717	Corporate File Storage	171,400	-	-	-	171,400	Not Started			171,400		
P-2718	Network Servers - SARC	123,079	-	-	-	123,079	Not Started			123,079		
P-2958	VICC Facility Amenities: Security, Convection Oven	19,200	-	-	-	19,200	Not Started				19,200	
P-3104	Property Acquisitions - 421 Dunsmuir & 424 Wesley St - fencing	30,000	-	-	-	30,000	Not Started			30,000		
P-4031	Play Equipment Replacement - John Weeks Park	35,910	-	-	-	35,910	Not Started	23,341		12,569		
P-4031	Play Equipment Replacement - Ranchview Park	46,390	-	-	-	46,390	Not Started	30,153		16,237		
P-4040	Trailway Development and Rehab - Cottle Lake	162,655	-	-	-	162,655	Not Started	162,655				
P-4084	Port Theatre: Improvements - Flooring	82,500	-	-	-	82,500	Not Started	82,500				
P-4098	Sports Field Redevelopment: Outfield Safety Netting	70,487	-	525	525	69,962	Not Started				69,962	
P-4143	Oliver Woods Community Centre: Improvements	33,000	-	-	-	33,000	Not Started	33,000				
P-4195	NIC: Facility Amenities - Replace Score Clock	22,160	-	-	-	22,160	Not Started			22,160		
P-4201	Beban Pool: Mechanical	24,200	-	-	-	24,200	Not Started			24,200		
P-4212	Bowen Park Complex: Facility Amenities - Sound System	24,600	-	-	-	24,600	Not Started			24,600		
P-4216	Waterfront Walkway: Nanaimo Yacht Club	125,000	-	-	-	125,000	Not Started					125,000
P-4216	Waterfront Walkway: 1040-1600 Stewart Ave	100,000	-	-	-	100,000	Not Started					100,000

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	
											Other Sources	
P-4225	Port Theatre: Mechanical	211,400	-	-	-	211,400	Not Started			204,000	7,400	
P-4230	Oliver Woods Community Centre: Facility Amenities - Sound System	22,400	-	-	-	22,400	Not Started				22,400	
P-4234	NAC: HVAC	80,400	-	-	-	80,400	Not Started			80,400		
P-4255	Beban Complex: Equipment	10,000	-	-	-	10,000	Not Started	10,000				
P-5014	Transportation Maintenance Equipment	102,500	-	-	-	102,500	Not Started	84,500			18,000	
P-5057	Shop Equipment: Rotary 2 Post Hoist	25,000	-	-	-	25,000	Not Started			25,000		
P-5060	Fleet Replacement - Unit# 249, 412,572,573	525,000	-	-	-	525,000	Not Started			525,000		
P-5069	Island Highway Drainage: Along 2980 Island Highway - Design	15,000	-	-	-	15,000	Not Started			15,000		
P-5201	Comox Rd: Pine St to Wallace St - Cycling	15,000	-	-	-	15,000	Not Started			15,000		
P-5201	Boxwood Rd: Dufferin Cres to Meredith St (Design) - Cycling	10,000	-	-	-	10,000	Not Started			10,000		
P-5210	SNIC Equip: Sanders, Anti-Icing Tank, Front Plow Replacement	91,000	-	-	-	91,000	Not Started	81,000			10,000	
P-5216	Small Tools: Message Board (unit #6353)	21,000	-	-	-	21,000	Not Started			21,000		
P-5227	Construction Equipment - Trench Cage	12,000	-	-	-	12,000	Not Started				12,000	
P-5305	Boundary Ave and Dufferin Crescent Controller Upgrade	50,000	-	-	-	50,000	Not Started	50,000				
P-5319	Traffic Signal Tech Truck & Traffic Signal Tech Equip: Conflict Monitor	71,335	-	-	-	71,335	Not Started	71,335				
P-6107	Sanitary Sewer: Mt Benson, Fairbrook Easement, Wellesley, Railway Ave, View Lane	244,000	-	-	-	244,000	Not Started				244,000	
P-6199	Park Ave Sanitary Sewer: 6th Street to 740 Park - Design	60,000	-	-	-	60,000	Not Started				60,000	
P-6204	DCC SS47 Millstone Lateral Sanitary Sewer	37,000	-	-	-	37,000	Not Started			37,000		
P-6225	Rosehill Lane Sanitary Sewer: 540 Rosehill to Holly	165,000	-	-	-	165,000	Not Started				165,000	
P-6227	Bowen Rd Sanitary Sewer: Bowen Rd Easement to Girvin	16,000	-	-	-	16,000	Not Started			16,000		
P-7140	Arbot Watermain: Arbot Rd to Panorama Rd Looping Watermain	18,000	-	-	-	18,000	Not Started				18,000	
P-7417	Emerald Watermain & Crystal Watermain	51,000	-	-	-	51,000	Not Started				51,000	
P-9285	Water Treatment Plant: Garage/Storage Shed - Design	85,000	-	-	-	85,000	Not Started				85,000	
TOTAL PROJECTS 'NOT STARTED'		4,919,847	-	525	525	4,919,322		1,416,904	50,000	1,735,975	1,480,534	235,909

City of Nanaimo

Summary of Project Results  
Nine Months Ended Sep 30, 2020

		2020 BUDGET	2020 YTD ACTUALS	COMMITMENTS	2020 TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserves	Other Sources
<u>DELAYED/CANCELLED PROJECTS</u>												
20184	Assetworks Upgrade	67,350	-	67,350	67,350	-	On Hold					
30046	Fire Station #4: Exterior	31,120	-	-	-	31,120	Cancelled	31,120				
40311	Beban Pool: Chlorine System	5,325	9,390	2,250	11,640	(6,315)	On Hold, budget transfer pending			(6,315)		
40323	Trailway Development and Rehab: Harewood Centennial Perimeter Trail	24,342	16,663	-	16,663	7,679	On Hold				7,679	
40372	Beban Park: Field Stairs	16,700	-	-	-	16,700	Cancelled	16,700				
40388	Tribal Journeys 2020	200,000	-	-	-	200,000	Delayed				200,000	
50170	Frequent Transit Network	10,000	10,000	-	10,000	-	Cancelled, \$10,000 of project complete, remaining \$80,000 cancelled					
90016	Water Supply: Water Conservation Strategy	30,000	-	-	-	30,000	Cancelled				30,000	
P-2803	City Hall: Facility Amenities	20,330	-	-	-	20,330	On Hold	20,330				
P-2804	SARC: Facility Amenities	16,950	-	-	-	16,950	On Hold	16,950				
P-4040	Trailway Development and Rehab - Harewood Centennial Perimeter Trail Ph 3	39,250	-	-	-	39,250	On Hold	25,512		13,738		
P-4045	PIP Program - Fern Neighbourhood	53,000	-	-	-	53,000	On Hold				25,000	28,000
P-4045	PIP Program - Royal Oak	25,000	-	-	-	25,000	On Hold			12,500	12,500	
P-4131	Harewood Centennial Park - Playground	36,795	29	227	256	36,539	On Hold				5,330	31,209
P-4206	Beban Pool: HVAC	210,224	18,420	5,480	23,900	186,324	On Hold			121,020	65,304	
P-4216	Waterfront Walkway - Nanaimo Shipyard	518,332	917	7,780	8,697	509,635	Delayed			18,332	491,303	
P-4239	Beban Social Centre: HVAC - Ductless Heatpumps rms 1 - 3	112,000	-	-	-	112,000	Cancelled			112,000		
P-4249	Oliver Woods Community Centre: DHW and HVAC Upgrades	71,900	8,130	15,420	23,550	48,350	On Hold			48,350		
P-4255	Beban Complex: Facility Amenities	25,000	-	-	-	25,000	On Hold				25,000	
P-4258	Beban Complex: Water Service	51,800	2,895	-	2,895	48,905	On Hold			48,905		
P-5060	Fleet Replacement - Unit# 276	5,000	-	-	-	5,000	Cancelled			5,000		
P-5200	Pedestrian Transportation Improvements - Extension Rd: Crosswalk	23,000	-	-	-	23,000	Cancelled	23,000				
P-5200	Pedestrian Transportation Improvements - Uplands Dr: Pedestrian/Cycling	40,000	-	-	-	40,000	Cancelled			40,000		
P-5203	Wallace St/Fitzwilliam St: Intersection Upgrade - Design	36,000	-	-	-	36,000	Cancelled				36,000	
P-5309	Norwell Dr @ Departure Bay Int	50,000	-	-	-	50,000	Cancelled			50,000		
P-6107	Sanitary Sewer: White Eagle Easement & Strongitharne Easement	927,532	51,871	819,198	871,069	56,463	On Hold				56,463	
P-6107	Sanitary Sewer: Easement Bayshore Park	14,000	-	-	-	14,000	Cancelled				14,000	
P-6144	Garner Crescent Sanitary	33,726	-	-	-	33,726	On Hold				33,726	
TOTAL PROJECTS 'DELAYED/CANCELLED'		2,694,676	118,314	917,704	1,036,019	1,658,657		133,612	-	463,530	1,002,306	59,209
<u>PROJECTS OTHER</u>												
P-3104	Property Acquisitions: Unallocated	590,582	-	-	-	590,582	No Spending Year to Date			590,582		
P-4045	PIP Program - Unallocated	118,511	-	-	-	118,511	No Spending Year to Date	95,782		10,229	12,500	
P-5270	DCC Unspecified Drainage Projects	96,230	-	-	-	96,230	No Spending Year to Date			96,230		
P-6103	Sanitary Infrastructure - Unallocated	55,586	-	-	-	55,586	No Spending Year to Date				55,586	
P-6215	DCC Unspecified Sanitary Sewer Projects	100,000	-	-	-	100,000	No Spending Year to Date			100,000		
P-7104	Water Infrastructure - Unallocated	220,395	-	-	-	220,395	No Spending Year to Date				220,395	
P-7131	DCC Water Design/Projects	95,870	-	-	-	95,870	No Spending Year to Date			95,870		
TOTAL PROJECTS 'OTHER'		1,277,174	-	-	-	1,277,174		95,782	-	892,911	288,481	-
TOTAL ALL OTHER PROJECTS		58,220,340	19,613,366	18,333,375	37,946,741	20,273,599		3,279,017	187,578	7,647,262	7,708,899	1,450,842
TOTAL PROJECTS FOR 2020		90,837,780	29,930,160	25,639,093	55,569,253	35,268,527		3,736,687	187,578	17,231,685	12,594,489	1,518,088

DATE OF MEETING NOVEMBER 18, 2020

AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE

**SUBJECT COVID-19 SAFE RESTART GRANT FOR LOCAL GOVERNMENTS**

## **OVERVIEW**

### **Purpose of Report:**

To provide the Finance and Audit Committee with information about the COVID-19 Safe Restart Grant for Local Governments.

## **BACKGROUND**

On 2020-MAR-17, the Province of BC declared a Provincial Health Emergency due to the COVID-19 Pandemic. The Pandemic has had a significant impact on the City of Nanaimo. The key impacts are:

- Increased costs for personal protective equipment (PPE) and additional safety measures
- Significant reduction in parking revenues due to travel restrictions and facility closures
- Provincial Revenue sharing losses due to the closure of casinos
- Revenue losses from the closure of Parks, Recreation and Culture Facilities
- Revenue shortfalls at the Vancouver Island Conference Centre

To date, both the Federal and Provincial governments have provided relief to the following local governments:

- 2020-APR-16, Province of BC announced new COVID-19 supports for businesses and local governments (recap):
  - Authorizing local governments to borrow, interest-free, from their existing capital reserves to help pay for operating expenses, such as employee salaries.
  - Delaying provincial school tax remittances until the end of the year. This will provide significant relief to local governments facing cash flow issues.
  - Providing local government's greater flexibility to carry debt for an additional year.
  - These measures will provide local governments with the resources to meet their operational costs and required remittances to regional districts, regional hospital districts, TransLink and transit authorities, BC Assessment, the Municipal Finance Authority and other taxing authorities. This will ensure that other minor taxing authorities can count on receiving the full amount they bill to municipalities and the Province's surveyor of taxes before 2020-AUG-01.

- 2020-AUG-05 – Investing in Canada Infrastructure Program (ICIP) – COVID-19 Community Resilience Stream was announced. A new temporary COVID-19 Resilience stream, with over \$3 billion available in existing funding, has been created to provide provinces and territories with added flexibility to fund quick-start, short-term projects that might not otherwise be eligible under the existing funding streams. The Federal government is currently working on developing grant criteria that should be announced in the coming months.
- September 2020 - Community Economic Recovery Infrastructure Grant Program was announced – 100% funding up to \$1 million to support economic resilience, tourism, heritage and urban and rural economic development projects in communities impacted by COVID-19. The City applied for funding for the following projects:
  - Long Lake Rowing and Paddling Centre
  - Rotary Bowl Track Resurfacing

## **DISCUSSION**

On 2020-NOV-02, a letter from the Ministry of Municipal Affairs and Housing was received stating that Nanaimo would be awarded \$6,693,000 under the joint federal/provincial funded COVID-19 Safe Restart Grant for Local Government program. The grant program provides up to \$425 million for local governments impacted by COVID-19. The funding is designed to support local governments experiencing increased operating costs and lower revenues as a result of the Pandemic.

Eligible costs include:

- addressing revenue shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

A condition of the grant is that local governments will be required to report, on an annual basis, on how the grant funding was spent. This information will be included in the City's annual audited financial statements. The City would be required to report annually until all of the funding was used.

## **Draft Framework Suggested by Staff**

1. Funding Must Meet Eligibility Criteria
  - Draw down \$6.693 million fully in 2020 against eligible criteria
  - Budget variance for 2020 to be transferred to the Special Initiatives Reserve to address shortfalls and financial uncertainty.

2. Eligible 2020 Costs\*

Based on the projected revenue shortfalls and increased expenditures due to the COVID-19 Pandemic, the following 2020 costs have been identified:

a. 2020 Revenue Shortfalls

i. Parking Revenues

- Eliminate revenue loss in 2020 \$ 588,270
- This will generate a transfer to parking reserve for future project funding (approx. \$469,430)

ii. Casino Revenues

\$ 1,985,250

- Eliminate deficit funding in 2020
  - 33% shortfall in General Revenue \$ 655,130
  - 67% shortfall in Strategic Infrastructure Reserve \$ 1,330,120

iii. PRC Revenues

- Aquatics \$ 1,788,450
- Arenas \$ 592,970
- Recreation \$ 1,578,420

b. 2020 Expenditure Overages

- i. Pandemic Internal Order \$ 500,000
- ii. Park Ambassadors Internal Order \$ 106,100
- iii. Water Safety Team \$ 26,400
- iv. Increased operating costs for NAC
  - Additional wages \$ 100,000
- v. Facility Ambassadors tbd
- vi. Increased custodial tbd
- vii. Sanitation
  - Increased tipping fees and wages for increased volume \$ 453,820

\* Note – All amounts are estimates, as final values will not be known until 2020-DEC-31.

As a result of allocating the \$6.693 million in 2020, a budget carryforward will likely be generated. It is suggested that this budget carryforward for 2020 be allocated to the Special Initiatives Reserve.

### Special Initiatives Reserve

Currently the Special Initiatives Reserve has a balance of \$2.8 million from the 2019 surplus to be allocated to address pandemic related issues. Any budget variance for 2020 could be added to this reserve as well.

The following is a list of potential funding allocations from the Special Initiatives Reserve (which will be topped up as indicated with 2019 & 2020 budget carryforwards):

- \$1.4 million to reduce 2021 Property Taxation (in place of General Financial Stability Reserve)
- 2021 Pandemic Internal Order
- Reinstate 3 new positions to 2021-JAN-01
- Extension of Clean Team to 2021-DEC-31
- Downtown Public Safety

- Contingency for 2021 revenue shortfalls, unanticipated pandemic costs that exceed internal order
- Reinstatement of 2021 projects delayed or cancelled on a case by case basis. |

## **CONCLUSION**

The purpose of this report is to introduce the COVID-19 Restart Grant for Local Governments. Further discussion relating to the allocation of the COVID-19 Restart Grant for Local Governments will occur on 2020-NOV-30. |

## **SUMMARY POINTS**

- On 2020-NOV-02, the COVID-19 Safe Restart Grant for Local Government was announced.
- City of Nanaimo will receive \$6,693,000 in grant funding
- Reporting on how the funding is spent is a requirement of the grant.
- The grant funding will be reported in the annual financial statements until all of the funds are used.
- Fully allocate the \$6.693 million grant to offset losses in 2020.
- Any budget variance for 2020 could be transferred to the Special Initiatives Reserve.

## **ATTACHMENTS**

Attachment A: November 2, 2020 Letter from the Ministry of Municipal Affairs and Housing |

### **Submitted by:**

Laura Mercer  
Director, Finance |

### **Concurrence by:**

Shelley Legin  
General Manager, Corporate Services |

# ATTACHMENT A



November 2, 2020

Ref: 257671

Jake Rudolph  
Chief Administrative Officer  
City of Nanaimo  
455 Wallace St  
Nanaimo BC V9R 5J6

Dear Jake Rudolph:

The provincial government understands the fiscal impacts that COVID-19 has placed on local service providers. To help address these challenges, in September the Province of British Columbia announced nearly \$2 billion in joint federal/provincial spending, including: \$540 million for local governments, \$418 million for community infrastructure, and \$1 billion for transit, TransLink and ferries.

The \$540 million for local governments was further divided into three funding streams. Two of the streams ("Development Services" for \$15 million and "Strengthening Communities" for \$100 million) will be application-based funding. More information on these funding streams will be forthcoming.

The third stream will provide direct grants to local governments. This funding stream is called the "COVID-19 Safe Restart Grants for Local Governments" and will provide up to \$425 million for local operations impacted by COVID-19. This funding will support local governments as they deal with increased operating costs and lower revenue due to COVID-19. It will also ensure local governments can continue to deliver the services people depend on in their communities. Eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

I am pleased to advise you that **Nanaimo** is the recipient of a **\$6,693,000** grant under the COVID-19 Safe Restart Grant for Local Governments. This amount will be directly transferred to your local government in the coming days.

.../2



Under section 36 of the Local Government Grants Regulation, the amount of the grant to each local government is set by Minister of Municipal Affairs and Housing. The determination of this amount was based on a formula that applies to all municipalities.

This formula is based on two components: a flat funding amount and an “adjusted per-capita” amount. The flat amount is \$169,000, and the “adjusted per-capita” amount is \$308.34 per adjusted population.

The adjusted population formula is designed to ensure that larger municipalities receive more money than smaller ones, but that smaller municipalities receive higher per capita funding than larger ones. This is because small municipalities often lack a diverse tax base and the economies-of-scale to easily restart their operations.

An example of the funding formula (for a municipality of 43,000 people) is provided as an attachment to this letter. If you wish, you can apply this formula to your 2018 population of **97,619** to determine both your adjusted population and total funding amount. 2018 population data was used because it is the last year in which we have complete financial and demographic data for each municipality.

To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spent this grant. This will be part of your annual financial reporting under section 167 of the Community Charter. Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds, and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.

If you have questions or comments regarding this letter, please feel free to contact Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch, by email at: [Jennifer.Richardson@gov.bc.ca](mailto:Jennifer.Richardson@gov.bc.ca), or by phone at: 778 698-3243.

The provincial government welcomes this opportunity to support COVID-19 restart and recovery throughout British Columbia. We believe that this funding will contribute to the long-term recovery of local governments who are both critical service providers and crucial drivers in the British Columbia economy.

Sincerely,



Kaye Krishna  
Deputy Minister

Attachment

pc: Jennifer Richardson, Grants Analyst, Local Government Infrastructure and Finance Branch  
Laura Mercer, Chief Financial Officer, City of Nanaimo

**Attachment: Example Calculation for a Municipality with 43,000 People**

**City of Rockridge**

Population	<b>43,000</b>
Adjusted Per Capita Funding	<b>\$308.34</b> per adjusted population
Flat Funding Amount	<b>\$169,000</b>

**Funding model**

A		B					E = C (up tp 43,000)		F = E x D		F
Population Range		C=B-A	D	Rockridge Pop	Adjusted Pop Calc	Adjusted Pop					
From	to	Range	Adjustmen t Ratio	Rockridge Pop	Adjusted Pop Calc	Adjusted Pop					
-	2,000	2,000	1	2,000	= 2,000 x 1	2,000					
2,001	5,000	3,000	0.8	3,000	= 3,000 x 0.8	2,400					
5,001	10,000	5,000	0.6	5,000	= 5,000 x 0.6	3,000					
10,001	20,000	10,000	0.4	10,000	= 10,000 x 0.4	4,000					
20,001	40,000	20,000	0.2	20,000	= 20,000 x 0.2	4,000					
40,001	150,000	110,000	0.1	3,000	= 3,000 x 0.1	300					
150,001	900,000	750,000	0.05	-	= 0 x 0.05	-					
Sum				<b>43,000</b>		15,700	G=ΣF				
					Per capita funding	<b>\$308.34</b>	H				
					Funding per Adjusted Pop	4,840,938	I=GxH				
					Flat Funding Amount	<b>169,000</b>	J				
					Total Funding Amount	<b>5,009,938</b>	K=I+J				

Thus, a municipality with a population of 43,000 would have an adjusted population of 15,698. With per capita funding of \$308.34, the funding per adjusted population would \$4.84 million. Plus a flat funding amount of \$169,000, the total funding to this municipality would be \$5.009M.

The Population data was taken from the Ministry's Local Government Stats System for 2018 (Schedule 201).

<https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/statistics>