



AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

July 20, 2022, 9:00 AM - 12:00 PM

SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

SCHEDULED RECESS 10:30 A.M

Pages

1. CALL THE MEETING TO ORDER:

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

2. INTRODUCTION OF LATE ITEMS:

3. ADOPTION OF AGENDA:

4. ADOPTION OF MINUTES:

a. Minutes

4 - 8

Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Wednesday, 2022-JUN-15, at 9:01 a.m.

5. PRESENTATIONS:

6. DELEGATIONS:

7. REPORTS:

a. Travel Assistance Grant - Nanaimo District Lacrosse Association U16 A2 Timbermen

9 - 14

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

Purpose: To obtain Council approval of a request for a Travel Assistance Grant.

Recommendation: That the Finance and Audit Committee recommend that Council approve a Travel Assistance Grant for the Nanaimo District Lacrosse Association (NDLA) U16 A2 Timbermen team in the amount of \$750 for fifteen (15) Nanaimo players to attend the 2022 BCLA Minor Box Lacrosse Provincial

Championships held from 2022-JUL-07 through 2022-JUL-10 in Coquitlam, BC.

- b. Quarterly Purchasing Report (Single and Sole Source, Purchases in Excess of \$250,000 and Instances of Non-Compliance Purchases)** 15 - 23
- To be introduced by Laura Mercer, Director, Finance.
- Purpose: To provide information in compliance with the City's Procurement Policy (COU-209) regarding single and sole source purchases, awards in excess of \$250,000 and policy noncompliance for the period 2022-JAN-01 to 2022-MAR-31.*
- c. Consideration of Security Check Grant** 24 - 27
- To be introduced by Laura Mercer, Director, Finance.
- Purpose: To obtain Council approval for the Security Check Grant application received from the Nanaimo District Senior Citizens Housing Development Society.*
- Recommendation: That the Finance and Audit Committee recommend that Council:
1. Award a Security Check Grant for \$500 to the Nanaimo District Senior Citizens Housing Development Society.
- d. Local Government Climate Action Program** 28 - 29
- To be introduced by Dale Lindsay, General Manager, Development Services/Deputy CAO.
- Purpose: To inform the Finance and Audit Committee of the new provincial Local Government Climate Action Program that provides local governments and Modern Treaty Nations with funding to support the implementation of local climate actions.*
- e. Metral Drive Complete Streets Phase 2 Funding** 30 - 33
- To be introduced by Bill Sims, General Manager, Engineering and Public Works.
- Purpose: To obtain the Finance and Audit Committee's approval for additional funding for Metral Drive Complete Street Project Phase 2.*
- Recommendation: That the Finance and Audit Committee recommend that Council direct Staff to increase the budget for Metral Drive Complete Street Project Phase 2 by \$1,400,000 funded by \$875,000 from the Community Works Reserve Fund, \$35,000 from the Sewer Reserve and \$490,000 from the Water Reserve.
- f. Mary Ellen Drive Intersection Improvement Funding** 34 - 37

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

Purpose: To advise the Finance and Audit Committee of a budget transfer greater than \$75,000 to construct intersection improvements on Mary Ellen Drive.

g. Kite Way and Meadow Lane Water Project

38 - 39

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

Purpose: To advise the Finance and Audit Committee of a budget transfer greater than \$75,000 to replace watermain along Meadow Lane and Kite Way.

8. OTHER BUSINESS:

9. QUESTION PERIOD:

10. ADJOURNMENT:

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2022-JUN-15, AT 9:01 A.M.

Present: Councillor I. W. Thorpe, Chair
Mayor L. Krog (arrived 9:17 a.m.)
Councillor D. Bonner (joined electronically)
Councillor T. Brown (joined electronically)
Councillor B. Geselbracht
Councillor E. Hemmens (joined electronically)
Councillor Z. Maartman
Councillor J. Turley

Absent: Councillor S. D. Armstrong

Staff: J. Rudolph, Chief Administrative Officer
R. Harding, General Manager, Parks, Recreation and Culture
B. Sims, General Manager, Engineering and Public Works
L. Fletcher, OIC, Nanaimo Detachment RCMP
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
D. Bailey, Manager, Accounting Services
W. Fulla, Manager, Business, Asset and Financial Planning
J. Slater, Manager, Revenue Services
S. Snelgrove, Deputy Corporate Officer
A. Mac Coll, Recording Secretary

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

The Finance and Audit Committee Meeting was called to order at 9:01 a.m.

3. APPROVAL OF THE AGENDA:

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

4. ADOPTION OF THE MINUTES:

It was moved and seconded that the Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Monday, 2022-MAY-18 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

(a) 2023-2027 Financial Plan Development

Introduced by Laura Mercer, Director, Finance. Highlights included:

- The budget process starts each February by updating the 10 year project plan
- Staff receive direction from the Finance and Audit Committee (the Committee) in June for the upcoming budget cycle, and once direction is received Staff begin working on operating budgets
- Business cases and plans from Staff are completed at the end of July with budget reviews between August and October
- Every November and December, Staff present 5 year plans and the business cases to Council
- The adoption of the provisional budget for the Financial Plan Bylaw is expected in January 2023
- The final budget will be presented to Council by May 15, 2023 with the preliminary property tax increase slated to be 5.5%
- Reserve funding to help with COVID-19 tax relief is set for 1.1 million for 2023
- Staff are working towards bringing the water and sewer rate review to Council in the Fall 2022 during the budget presentations with the sewer rate possibly changing due to the Recycle BC subsidy increase
- The Downtown Nanaimo Safety Review added 12 Community Safety Officers and 4 clean team members in 2022 with full costs realized in 2023
- 2023 year – 15 officers approved (3 officers per year for 5 years)
- RCMP contracting fees start September 1, 2022 with full costs realized in 2023

Council discussion took place regarding the RCMP positions in the budget and the ability to fill those positions.

Mayor Krog entered the Shaw Auditorium at 9:17 a.m.

Staff advised the Committee that there is a current analysis of staffing that show the projected requirements for the RCMP. The training facility in Regina was closed for two years and did not have the ability to train new recruits. When positions are authorized by municipalities, it puts them in a queue to receive an RCMP officer when one is available.

Laura Mercer, Director, Finance continued her presentation. Highlights included:

- The cost of four positions for the police services support staff resourcing plan are to be added over 5 years
- Staff are working on developing the draft 10 year project plan that will be presented to Council in the Fall of 2022
- 81% of project funding comes from reserves which represents 310 million dollars and 10% of project funding represents 7.5 million dollars comes from General Revenue that is budgeted to increase by 2% every year
- 5% of project funding is received from grant funding and private contribution and 4% comes external and internal borrowing (debt).

Council discussion took place regarding rising interest rates affecting the borrowing for projects like Vancouver Island Conference Centre as it has increased its debt payment. Generally the City applies for 20 year borrowing terms with a locked in rate.

Laura Mercer, Director, Finance continued her presentation. Highlights included:

- Under legislation, municipalities cannot borrow outside of its allowable limit which was 47.2 million at December 31, 2021 with 13.4% of that limit used

- The City's 20 year investment and asset management plan will be presented to Council in late 2022
- The five year plan will be reviewed and the timing of projects will be updated to spread them over 7 years to help be fiscally prudent with funding and building of capital projects
- Conditional assessments will affect the plan based on the results of the conditions assessment reviews that were completed on all major facilities
- Due to the pandemic, growth, and volatile economic times it has created three capacity issues funding, internal staff to manage, and contractors not being available

Council discussion took place. Highlights included:

- The preliminary tax rate increase will be 5.5% in 2023, and it is based on downtown public safety, RCMP contracts, wages and benefits, and asset management
- Caution taken when looking at new ambitious projects
- Capital projects that are a must have versus nice to have mindset can aide in lowering tax increases
- Paying off outstanding debt in advance to lower interest payments when short or long term borrowings come to an end of their term
- Communication to public about taxation and comparisons to other like size municipalities to show the City is lower in taxation amounts per household

Jake Rudolph, Chief Administrative Officer, advised that Nanaimo is one of the top 5 metropolitan areas with a large increase in growth each year. Infrastructure and growth pressures need to be maintained at a certain level to stay ahead and be fiscally sustainable. The taxation rate of Nanaimo compared to similar municipalities is several hundred dollars less in taxes per person while we are providing the same services that the other municipalities provide. Staff are looking at how to defer and delay warranted projects to help with the volatile market.

Councillor Bonner vacated the Shaw Auditorium at 9:13 p.m., stating a conflict of interest as he sits on the Board of Makerspace.

6. REPORTS:

(a) Consideration of New Permissive Tax Exemption

Introduced by Laura Mercer, Director, Finance.

It was moved and seconded that the Finance and Audit Committee recommend that Council award a Permissive Tax Exemption for the 2023 taxation year to the Makerspace Nanaimo Association for the portion occupied by the Association (16.80%) at 2221A McGarrigle Road. The motion carried unanimously.

(b) Nanaimo Search and Rescue Project

Introduced by Richard Harding, General Manager, Parks, Recreation and Culture.

Mr. Harding noted that project deficiencies were completed and any extra funds were re allocated to other projects.

(c) Purchase of 2021 Temporary Public Artwork, Seabed by Peter Achurch

Introduced by Richard Harding, General Manager, Parks, Recreation and Culture.

Committee discussion took place. Highlights included:

- The piece of art Seabed came from sea bed pieces, reused recycling pieces and repurposed materials
- The Art in Public Spaces working group made this recommendation
- Securing Seabed as a permanent piece of art that has been a fixture at VICC for the last two years

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the use of existing City funds to purchase the artwork Seabed, 2020, by artist Peter Achurch, and the addition of the artwork to the Public Art Inventory in 2022. The motion carried unanimously.

(d) Lenhart Bridge

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

- Project was added to the budget late in 2021 for \$240,000 with market conditions now increasing the expected cost
- The project provides good mobility for the Townsite and Hospital area with connections to downtown
- There is no exact number of years calculated for the remaining life of the bridge; however, it has a timber structure and timber deck that was replaced more than ten years ago

Committee discussion took place. Highlights included:

- The bridge is an important project that enhances the use of Bowen Park
- The project is a nice to have but not a must have when it is still in fair condition and the increase in cost is large
- Additional \$188,000 needed would be drawn from the Community Works Fund, but could be more expensive in the future as it will eventually need to be replaced
- Any money used from reserves does have to be replaced by taxation if there is not enough money from the government funded Community Works Fund

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to increase the budget for the Lenhart Bridge project by \$188,000. The motion was defeated.

Opposed: Councillors Brown, Hemmens, Thorpe, Turley

7. QUESTION PERIOD:

There were no members of the public in attendance to ask questions.

8. ADJOURNMENT:

It was moved and seconded at 10:17 a.m. that the meeting adjourn. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER

DATE OF MEETING JULY 20, 2022

AUTHORED BY LAARA CLARKSON, MANAGER, RECREATION SERVICES,
PARKS, RECREATION & CULTURE

SUBJECT TRAVEL ASSISTANCE GRANT – NANAIMO DISTRICT LACROSSE
ASSOCIATION U16 A2 TIMBERMEN

OVERVIEW

Purpose of Report

To obtain Council approval of a request for a Travel Assistance Grant. |

Recommendation

That the Finance and Audit Committee recommend that Council approve a Travel Assistance Grant for the Nanaimo District Lacrosse Association (NDLA) U16 A2 Timbermen team in the amount of \$750 for fifteen (15) Nanaimo players to attend the 2022 BCLA Minor Box Lacrosse Provincial Championships held from 2022-JUL-07 through 2022-JUL-10 in Coquitlam, BC.

BACKGROUND

The City of Nanaimo provides a contingency account for amateur sports and cultural groups, and individuals to travel within British Columbia (excluding travel on Vancouver Island) and out of province to a Regional, Provincial, National, or International Championship. The current policy provides \$50 per person to a maximum of \$1,000 per application for travel within B.C. or \$100 per person to a maximum of \$2,000 per application for travel outside of B.C. Grant funds are for City of Nanaimo residents only. Grant requests are considered on a first-come, first-served basis, as funds remain available. |

DISCUSSION

On 2022-JUL-04, Staff reviewed a Travel Assistance Grant application submitted by the Nanaimo District Lacrosse Association (NDLA) for the U16 A2 Timbermen team to attend the 2022 BCLA Minor Box Lacrosse Provincial Championships held from 2022-JUL-07 through 2022-JUL-10 in Coquitlam, BC.

The application form requests \$850 for seventeen (17) players however, since two (2) of the players are not City of Nanaimo residents the amount recommended is \$750 for the fifteen (15) Nanaimo players.

Staff determined that this application met all of the grant criteria and recommend that Council approve the application in the maximum amount of \$50 per person for the Nanaimo players, which is a total of \$750. |

FINANCIAL CONSIDERATIONS

Each year, a total of \$7,500 is allotted for Travel Assistance Grants and only \$500 has been allocated so far in 2022.

The application from the NDLA U16 A2 Timbermen meets all the requirements to be approved for \$750 in grant funding to support their travel to the 2022 BCLA Minor Box Lacrosse Provincial Championships held in Coquitlam, BC |

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the Nanaimo District Lacrosse Association (NDLA) U16 A2 Timbermen team for a Travel Assistance Grant in the amount of \$750 for fifteen (15) players to attend the 2022 BCLA Minor Box Lacrosse Provincial Championships held from 2022-JUL-07 through 2022-JUL-10 in Coquitlam, BC.
 - The advantages of this option: Meets the goal of helping local athletes travel to represent Nanaimo in attending a regional, provincial, national or international competition.
 - The disadvantages of this option: None identified.
 - Financial Implications: A balance of \$6,250 would remain for future Travel Assistance Grant applications in 2022.
2. That the Finance and Audit Committee recommend that Council deny the Travel Assistance Grant application.
 - The advantages of this option: The grant funds of \$750 would remain available for future grant applications in 2022.
 - The disadvantages of this option: The application from a youth sports group that fulfills all grant criteria would not be approved.
 - Financial Implications: The current balance of \$7000 would remain for future Travel Assistance Grant funding in 2022. |

SUMMARY POINTS

- Funding of \$7,500 is allocated yearly for Travel Assistance Grants.
- The application from Nanaimo District Lacrosse Association U16 A2 Timbermen team successfully meets all of the required criteria.
- To date, there has been \$500 allocated from the 2022 Travel Grants Contingency Funds and \$7,000 remains available for 2022 travel grant requests.

ATTACHMENTS:

Attachment A – Travel Assistance Grant Application Form

Attachment B – Travel Assistance Evaluation Form |

Submitted by:

Laara Clarkson
Manager, Recreation Services |

Concurrence by:

Richard Harding
General Manager, Parks, Recreation & Culture

Laura Mercer
Director, Finance |

ATTACHMENT A



CITY OF NANAIMO

APPLICATION FOR TRAVEL ASSISTANCE

Office Use

REC'D JUN 30/22 12:21 PM

ORGANIZATION: NDLA 16U - A2 Timbermen		DATE OF APPLICATION: 06/30/2022	
ADDRESS: [REDACTED]		PRESIDENT OR SENIOR OFFICIAL: Team Manager Jenny Bennett	
		SENIOR STAFF MEMBER: Brandie Terris	
		POSITION: Nanaimo District Lacrosse Association - President	
EMAIL: [REDACTED]		DESIGNATED CONTACT: Jenny Bennett	
TELEPHONE #1: [REDACTED]		TELEPHONE #2:	
TOTAL NUMBER OF PERSONS TRAVELLING: 23	TOTAL NUMBER OF COMPETITORS TRAVELLING: 17	TOTAL NUMBER OF COMPETITORS RESIDING WITHIN THE CITY OF NANAIMO: 17	TOTAL AMOUNT REQUESTED: \$850.00
DESTINATION: Port Coquitlam		DATE(S) OF EVENT: July 7 - 10 - 2022	
EVENT TO BE ATTENDED: 2022 BCLA Minor BOK Lacrosse Provincials			
PROVINCIAL/REGIONAL/NATIONAL CHAMPIONSHIP RECEIVED: 2022 Vancouver Island League & Playoff Champions			
PLEASE LIST ALL OTHER SOURCES OF FUNDING FOR THIS TRIP: Panaga Colpan sale (pending) Via Sport Ferry vouchers Parent funding			
WHY SHOULD THIS TRIP RECEIVE CITY FUNDING? After missing two seasons due to COVID, our team is very excited to represent Nanaimo and Vancouver Island as the only island A2 team at provincials. Due to COVID it has been more difficult to get support from local businesses than in the past.			
SIGNATURE: [Signature]		TITLE/POSITION: Team manager	DATE: 06/30/2022
* IN SIGNING THIS DOCUMENT I CONFIRM THAT I HAVE READ AND UNDERSTAND THE CRITERIA * NOTE: A BUDGET OUTLINING REVENUES AND EXPENDITURES FOR THIS TRIP MUST BE ATTACHED FOR CONSIDERATION.			

NDLA**16U A2 Nanaimo Timbermen****Provincial Budget****July 7-10, 2022****Funding**

Pending City Grant (\$50 per player)	850.00
Panago Pizza coupon sale (pending availability of coupons)	600.00
Via sport ferry vouchers	612.00
	<hr/>
	2,062.00

Expenses

Hotel fees (17 players x 229 per night x 3 nights)	11,679.00
Passenger Ferry fees	612.00

Shortfall	-\$ 10,229.00
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ATTACHMENT B

City of Nanaimo
Department of Parks, Recreation & Environment

Travel Assistance Grant Evaluation

APPLICANT: Nanaimo District Lacrosse Association DATE: July 4, 2022

CRITERIA	Meets Criteria (✓)	Does not meet Criteria (✓)	NOTES
A. Winner of a Regional, Provincial or National Championship (or equivalent)	✓		Vancouver Island Champions
B. Attending a Provincial, Regional, National, or International Championship	✓		BCLA Minor Box Lacrosse Provincials
C. Traveling out of Province Max. \$100 per person up to \$2,000 per group	N/A	N/A	
D. Traveling within BC (excluded: Van. Is.) Max. \$50 per person up to \$1,000 per group	✓		Port Coquitlam, BC
E. Other sources of funding identified	✓		
F. Grant recipient(s) reside in Nanaimo	✓		15 players out of 17 reside in the City
G. Application made by a local organization	✓		NDLA
H. Grant for participants only, not coaches or chaperones	✓		
I. Demonstrated financial need	✓		
J. Applicant is a non-profit organization	✓		
K. Budget & financial statements attached	✓		

RECOMMENDED FOR FUNDING (✓) : ✓ AMOUNT: \$750.00

OR

NO GRANT RECOMMENDED (✓) : N/A DOES NOT MEET CRITERIA: N/A

EVALUATOR: Laara Clarkson POSITION: Manager, Recreation Services

DATE OF MEETING JULY 20, 2022

AUTHORED BY JANE RUSHTON, MANAGER, PURCHASING AND STORES

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

OVERVIEW

Purpose of Report:

To provide information in compliance with the City's Procurement Policy (COU-209) regarding single and sole source purchases, awards in excess of \$250,000 and policy non-compliance for the period 2022-JAN-01 to 2022-MAR-31.

DISCUSSION

The City's Procurement Policy (COU-209) requires:

17 Reporting

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

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

This report outlines results of the above processes for information. Further details are summarized in Attachments A, B and C to this report.

Sole Source Purchases

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

Single Source Purchases

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

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

SUMMARY POINTS

- The City undertook twenty (20) Single and Sole Source purchases subject to Procurement Policy (COU-209) reporting for a total amount of \$693,115.39 CAD and \$6,820.00 USD including PST for the period ending 2022-MAR-31.
- The City undertook seven (7) purchases in excess of \$250,000 subject to Procurement Policy (COU-209) reporting for a total amount of \$6,286,938.53 including PST for the period ending 2022-MAR-31.
- The City undertook two (2) non-compliance purchases subject to Procurement Policy (COU-209) reporting for a total amount of \$242,014.23 for the period ending 2022-MAR-31.
- The City's Procurement Policy requires Staff to provide this information to Council on a quarterly basis.

ATTACHMENTS

Attachment A – Sole Source and Single Source Purchases >\$25,000<=\$250,000
Attachment B – Purchases Greater than \$250,000 Summary
Attachment C – Non-Compliant Summary

Submitted by:

Jane Rushton
Manager, Purchasing and Stores

Concurrence by:

Laura Mercer
Director, Finance

Bill Sims
General Manager, Engineering & Public Works

Dale Lindsay
Deputy CAO/Gen Manager, Development
Services

Richard Harding
General Manager, Parks, Recreation &
Culture

Bill Corsan
Director, Corp. & Business Development

Tim Doyle
Fire Chief

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2840	Nanaimo Fire Rescue	SMZ Solutions Inc	Managed Cloud Server and maintenance fees for 2022 for moodle learning management system software for VIERRA	\$4,400.00	To maintain specialized product and one with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25k
3065	Engineering and Public Works	Leuco Construction Inc	Sanitary Upgrade Nicol Street C1299`	\$36,175.00	One with which staff have specialized training and/or expertise.
2868	Engineering and Public Works	Lanarc 2015 Consultants Ltd	Westwood Lake Parking Lot Landscape Architecture Design	\$28,992.00	One with which staff have specialized training and/or expertise. Where there is demonstrated value to continue consultant services into the next project phase.
2896	Public Works – Sanitation	Driving Force	Equipment rental for the Community Clean Team	\$56,348.88	Where the absence of competition and no acceptable alternative or substitute exists.
2003	Development Engineering & Environmental Protection	Pearce Biological Consulting	Continuation of the Canada Goose Abundance, Distribution and Movement Study	\$13,275.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25k.
2378	Development Engineering and Environment Protection	EBB Environmental Consulting Inc	Continuation of the City's Egg Addling multi-year program	\$11,882.50	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25k.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
3076	Engineering and Public Works	Cascara Consulting Engineers Limited	Neck Point Park Washroom Building Tender and Construction Services	\$26,500.00	One with which staff have specialized training and/or expertise. Where there is demonstrated value to continue consultant services into the next phase.
3075	Parks Recreation and Culture	Blackbird Security Inc	Security Services for Recreation Facilities for the Provincial Health Officer requirement of Proof of Vaccination checking	\$51,605.50	One with which staff have specialized training and/or expertise. Urgently required.
3078	Corporate & Business Development	CBRE Hotels	Market update and management contract for Vancouver Island Conference Centre	\$30,000.00	One with which staff have specialized training and/or expertise. Where there is demonstrated value to continue consultant services into the next project phase.
2234	Nanaimo Fire Rescue	Island Communications Ltd	Radio replacements, repairs and maintenance on radio equipment for Nanaimo Fire Rescue	\$13,500.00	Where it can be demonstrated the product or service is available only through one authorized manufacturer, distributor, dealer, or, service provider. Accumulated spend exceeds \$25k.
2368	Parks Operations	Butler Concrete & Aggregate Ltd	Baseball diamond infield mix for 2022 requirements	\$15,000.00	To ensure compatibility with existing and to maintain specialized products by the manufacturer. Accumulated spend exceeds \$25k

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
3086	Parks and Facility Operations	Suttle Recreation Parks and Playgrounds	Relocate bleachers from Caledonia to the Stadium District	\$85,628.15	To ensure compatibility with existing equipment.
3080	Parks and Facility Operations	1953901 Alberta Ltd dba Steam 'N' Weeds	Purchase of steam machine for the control of weeds	\$32,320.21	Where there is an absence of competition and no acceptable alternative or substitute exists.
3100	Water Resources	Clear Water Controls Inc	Purchase, Installation, and commissioning of four (4) automatic shut-off valves	\$82,293.98	To ensure compatibility with existing equipment, facilities or to maintain specialized products by the manufacturer or representative. Where there is an absence of competition and no acceptable alternative or substitute exists. Where it can be demonstrated the product or service is available only through one authorized manufacturer, distributor, dealer, or service provider.
3107	RCMP	VERTIV Canada ULC	Urgently required to repair the failed UPS System	\$39,088.17	Urgently required on an emergency basis.
3090	Engineering	AME Group	Conduct an HVAC renewal and optimization study for the Nanaimo Aquatic Center to determine best allocation of funding	\$47,500.00	One with which staff have specialized training and/or expertise.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2982	Parks, Recreation & Culture	LANARC 2015 Consultants Ltd	Detailed design and construction administration for the Beban Outdoor Learning Centre	\$49,656.00	One with which staff have specialized training and/or expertise. Where there is demonstrated value in continuing consultant services into the next project phase.
2648	Nanaimo Fire Rescue	Scott Philp	Officer & Hazmat Curriculum Development	\$ 42,750.00	One with which staff have specialized training and/or expertise.
3123	Parks, Recreation & Culture	Cascara Consulting Engineers Limited	Design Drafting and Construction Services for BMX Race Track	\$26,200.00	One with which staff have specialized training and/or expertise.
2891	Engineering	Innovyze Incorporated	Water Utility Modeling Software annual maintenance	\$6,820.00 USD	To ensure compatibility with existing equipment and one with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25k

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Comment
3033-C1274	Engineering	Windley Contracting Ltd	Stadium District Plaza	\$947,900.00	Five compliant submissions were received
3009	Engineering	Archie Johnstone Plumbing & Heating Ltd	Port Theatre-New Variable Refrigerant Flow (VRF) System	\$983,604.30	One compliant submission was received
3036	Public Works Roads/Construction	Lafarge Canada Inc (dba Hub City Paving)	Asphalt Surface Restoration	\$702,925.00	One compliant submission was received
3026-C660	Water Resources	0848631 BC Ltd The EC Group	South Forks Water Treatment Plant-Shop Space Upgrades	\$625,000.00	Two compliant submissions were received
2337	Fleet	Rollins Machinery Limited	CNG Fuelled 60/40 Split Stream Automated Garbage Truck (Packer)	\$918,751.23	One compliant submission was received
2602	Nanaimo Fire Rescue	City of Surrey	Dispatch Services	\$549,776.00	Payment to other governmental authorities exemption
3024-C1261	Engineering	Knappett Industries (2006) Ltd	Hillside & Cottleview Utility Upgrade	\$1,558,982.00	Six compliant submissions were received

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2406	Parks, Recreation and Culture	Read Jones Christoffersen Ltd	Nanaimo Aquatic Centre Parapet Rebuild Consulting Engineering Services	\$93,200.00	Unknown building conditions have caused the scope to grow beyond the original request.
2919	Parks, Recreation and Culture	Twist Consulting	Provide tourism assistance to the City	\$148,814.23	Transitional costs related to Tourism Nanaimo.

DATE OF MEETING JULY 20, 2022

AUTHORED BY JAMIE SLATER, MANAGER, REVENUE SERVICES

SUBJECT CONSIDERATION OF SECURITY CHECK GRANT

OVERVIEW

Purpose of Report

To obtain Council approval for the Security Check Grant application received from the Nanaimo District Senior Citizens Housing Development Society.

Recommendation

That the Finance and Audit Committee recommend that Council:

1. Award a Security Check Grant for \$500 to the Nanaimo District Senior Citizens Housing Development Society.

BACKGROUND

Each year, the City of Nanaimo sets aside funding to help cover the cost of security check fees for eligible community organizations. Funding is available to community organizations that must have security checks carried out by the RCMP on employees or volunteers that are working for the community organization.

There is an annual maximum of \$500 under this grant program.

The criteria for awarding this grant includes the following:

- Must be able to identify services provided to residents of Nanaimo;
- Must be a non-profit organization;
- Must have sound financial and administrative management; and
- Must conform to all City of Nanaimo Bylaws and Policies.

DISCUSSION

The Nanaimo District Senior Citizens Housing Development Society has requested a Security Check Grant for \$500.

This organization operates a 'Meals on Wheels' program that provides nutritious hot meals to Seniors in the community who may be isolated or home bound and are unable to cook for themselves, and the program has been operating for over 50 years. Over 2,100 meals are provided each month, servicing the Nanaimo area 6 times per week, and Gabriola Island 3 times per week (Monday, Wednesday, Friday).

The organization meets all of the grant awarding criteria and there is sufficient budget available. There is a \$2,000 budget for this grant program for 2022 that has not yet been utilized in 2022.

OPTIONS

1. That the Finance and Audit Committee recommend that Council:

- Award a Security Check Grant for \$500 to the Nanaimo District Senior Citizens Housing Development Society.
 - **Advantages:** This grant will provide assistance in covering the costs of RCMP security checks that are required to be completed by volunteers working under the Nanaimo District Senior Citizens Housing Development Society.
 - **Disadvantages:** There are no disadvantages to note.
 - **Financial Implications:** There is a \$2,000 budget for Security Check Grants each year. Awarding a \$500 grant will leave \$1,500 of this budget remaining for the rest of 2022.

2. That the Finance and Audit Committee recommend that Council:

- Deny a Security Check Grant for \$500 to the Nanaimo District Senior Citizens Housing Development Society.
 - **Advantages:** No funds will be expended from the \$2,000 Security Check Grant budget.
 - **Disadvantages:** No assistance would be provided to the Nanaimo District Senior Citizens Housing Development Society, which contributes positively to the Community.
 - **Financial Implications:** There is a \$2,000 budget for Security Check Grants each year. If no grant is awarded, the entire \$2,000 budget will remain unexpended.

3. Council direction is sought.

SUMMARY POINTS

- A Security Check Grant application was received for \$500 from the Nanaimo District Senior Citizens Housing Development Society.
- This grant program is designed to help cover the cost of RCMP security check fees for eligible community organizations.
- The organization meets the grant award criteria for a Security Check Grant, and there are funds available.

ATTACHMENTS:

ATTACHMENT A: Grant Application |

Submitted by:

Jamie Slater
Manager, Revenue Services |

Concurrence by:

Wendy Fulla
Director, Finance (Acting) |



CITY OF NANAIMO APPLICATION FOR SECURITY CHECK GRANT

Office Use

ORGANIZATION: Nanaimo District Senior Citizens Housing Development Society		DATE: July 4, 2022
ADDRESS: J dba Nanaimo meals on wheels 1233 Kiwanis Cres		PRESIDENT: Heiko Behn
Nanaimo BC		SENIOR STAFF MEMBER: Lori Walker
VAS 541		POSITION: Executive Director
FAX: 250-740-2816	CONTACT: Michele Mazzarotto	
EMAIL: mownanaimovolunteers@gmail.com	TELEPHONE: 250-740-1819	
OVERVIEW OF YOUR ORGANIZATION'S PROGRAMS AND SERVICES OFFERED IN THE COMMUNITY: meals on wheels program provides nutritious hot meals to seniors in the community who may be isolated or home bound and are unable to cook for themselves.		
GEOGRAPHIC AREA SERVED BY THE ORGANIZATION: Nanaimo and Lantzville		
NO. OF FULL TIME STAFF: -	NO. OF PART TIME STAFF: 8	
NO. OF COMMUNITY VOLUNTEERS: 100+ (drivers)	NO. OF VOLUNTEER HOURS PER YEAR: 3,588 hours	
NO. OF MEMBERS: 10	MEMBERSHIP FEE: society \$10.00	
CLIENTS SERVED, LAST YEAR: 2,100 meals / month	CLIENTS SERVED, THIS YEAR (PROJECTED): 2,400 meals / month	
B.C. SOCIETY ACT REG. NO.: 50070460		
CURRENT BUDGET:		
INCOME: \$262,541	EXPENSE: \$262,541	
TOTAL GRANT REQUESTED: \$500		
NUMBER OF SECURITY CHECKS CARRIED OUT IN THE CURRENT CALENDAR YEAR? (PLEASE ATTACH ORIGINAL RECEIPTS) 48		
SIGNATURE: <i>[Signature]</i>	TITLE/POSITION: Executive Director	DATE: July 4/22

DATE OF MEETING July 20, 2022

AUTHORED BY TING PAN, MANAGER, SUSTAINABILITY

SUBJECT LOCAL GOVERNMENT CLIMATE ACTION PROGRAM

OVERVIEW

Purpose of Report:

To inform the Finance and Audit Committee of the new provincial Local Government Climate Action Program that provides local governments and Modern Treaty Nations with funding to support the implementation of local climate actions.

BACKGROUND

In 2021, the provincial Climate Action Revenue Incentive Program (CARIP) was discontinued. The City of Nanaimo began reporting under CARIP in 2008, and during the last three years of the program received an average of \$144,659 annually. The funding received was allocated to the Sustainability Reserve Fund to support plans and projects that reduce the City's energy consumption or lower greenhouse gas emissions (GHGs).

Since CARIP was the only funding source for the Sustainability Reserve, when CARIP was discontinued, the City consolidated the Sustainability Reserve Fund and Emission Reduction Reserve Fund into a new Climate Action Reserve Fund. The Climate Action Reserve Fund has an annual contribution of \$165,000 from property taxation and supports initiatives, plans, or projects that reduce community GHGs, as well as the reduction of energy consumption by City-owned facilities.

On 2022-MAY-16, the Province launched a new Local Government Climate Action Program (LGCAP) that provides local governments and Modern Treaty Nations with predictable and stable funding to support the implementation of local climate actions that reduce emissions and prepare communities for the impacts of a changing climate.

Eligible expenditures can include staffing, contracts, investments to improve energy efficiency, climate infrastructure, matching funds to leverage funding from the federal government or other parties, communications, and engagement.

2022 is the first year of reporting and funding disbursement. The first year of the program is designed to disburse funding efficiently and quickly. Additional program and reporting refinements are expected for year two of the program. The new program's funding formula is different from CARIP as it is not based on the equivalent amount of carbon tax the City pays for corporate operations, instead including a base funding amount and an additional amount calculated according to an adjusted per capita population allocation. The amount of funding the City will receive from LGCAP is \$325,082 per year for three years (2022 – 2024), more than double the previous annual amount the City received under CARIP. All funds from the first three years of the program, a total of \$975,246 for the City, are required to be spent no later than 2025-MAR-31. Funding must be used to achieve community and provincial climate objectives,

aligned with the CleanBC Roadmap to 2030 and/or a Climate Preparedness and Adaptation Strategy.

DISCUSSION

One of the eligibility criteria for funding applicants is to demonstrate climate investment equivalent to 20% of the provincial funding received. The current annual contribution of \$165,000 towards the Climate Action Reserve Fund will fulfill this eligibility requirement. The LGCAP funding will be allocated to the Climate Action Reserve Fund and used to fund projects that meet the criteria of the program.

The 2023-2027 Draft Financial Plan will include both community and corporate climate projects and initiatives funded from the Climate Action Reserve Fund for Council's consideration.

CONCLUSION

The City is eligible to receive \$325,082 from the new provincial Local Government Climate Action Program each year for three years starting 2022. A list of eligible community and corporate climate projects and initiatives will be identified and incorporated into the 2023-2027 Draft Financial Plan.

SUMMARY POINTS

- On 2022-MAY-16, the Province launched a new Local Government Climate Action Program that provides local government and Modern Treaty Nations with funding to support the implementation of local climate actions.
- The City is eligible to receive \$325,082 annually from the new program and will allocate this funding to the Climate Action Reserve Fund in addition to the current \$165,000 annual contribution.
- All funds from the first three years of the program must be spent no later than 2025-MAR-31. Staff will identify a list of eligible community and corporate climate projects to be incorporated into the 2023-2027 Draft Financial Plan.

Submitted by:

Ting Pan
Manager, Sustainability

Concurrence by:

Wendy Fulla
Manager, Business, Asset & Financial
Planning

Laura Mercer
Director, Finance

Lisa Bhopalsingh
Director, Community Development

Dale Lindsay
General Manager, Development
Services/Deputy CAO

DATE OF MEETING JULY 20, 2022

AUTHORED BY ANNALISA FIPKE, PROJECT ENGINEER, ENGINEERING

SUBJECT METRAL DRIVE COMPLETE STREET PHASE 2 FUNDING

OVERVIEW

Purpose of Report

To obtain the Finance and Audit Committee's approval for additional funding for Metral Drive Complete Street Project Phase 2.

Recommendation

That the Finance and Audit Committee recommend that Council direct Staff to increase the budget for Metral Drive Complete Street Project Phase 2 by \$1,400,000 funded by \$875,000 from the Community Works Reserve Fund, \$35,000 from the Sewer Reserve and \$490,000 from the Water Reserve.

BACKGROUND

Nanaimo is continually growing, evolving, and updating its policies and priorities to meet the needs of the community now and into the future. This is most prominently reflected in the recent adoption of City Plan: Nanaimo Reimagined. This comprehensive plan not only supports strategic sustainable land use development, but also integrates all forms of active mobility. Schedule 3 explicitly outlines the integration between walking, biking, and transit, with Metral Drive identified as a Primary Active Mobility Route as well as a Frequent Transit Route.

In keeping with the values placed on safe, sustainable mobility and sound asset management, the Metral Drive Complete Street project aims to increase the safety and comfort for people who walk, bike, take transit, and drive while ensuring that utility upgrades within the project area are completed with the proposed surface improvements.

Metral Drive's aging utilities and road structure provided an opportunity to bundle multiple capital upgrades together into a multi-year, multi-phased project aimed to replace watermain and storm drainage infrastructure, along with transportation upgrades including separated cycling and pedestrian facilities, treed boulevards, transit stops, LED street lighting, and fully protected intersections. This comprehensive project aims to achieve the City's goal to create and build a more sustainable, multimodal network that accommodates and moves people - not only motorists.

Metral Drive's modern design, along with Nanaimo's new Complete Streets Standards, has garnered attention nationally and internationally. This included the 2020 National Sustainable Urban Transportation Award from the Transportation Association of Canada, the 2021 Excellence in Sustainability Award from the Union of BC Municipalities, and the 2021 North

American Transportation Achievement Award from the Institute of Transportation Engineers for Complete Streets.

To date, the Metral Drive Project has included \$6.7 million in funding from the Community Works Reserve Fund and \$1 million in grant funding – as the recipient of a \$500,000 BC Provincial Government Active Transportation Grant in 2020 for Phase 1 and again in 2021 for Phase 2.

In fall 2020, construction of Metral Drive Phase 1 was awarded to David Stalker Excavating Ltd. Phase 1 consisted of the 1.2km section between Mostar Road and Turner Road. Construction of Phase 1 was completed in summer 2021 and the final project costs were \$1,113,287 (18%) below the original project budget.

In summer 2021, construction of Metral Phase 2 was awarded to IWC Excavation. Phase 2 consists of the 1.7km section between Turner Road and Aulds Road.

It should also be acknowledged that since the completion of Phase 1, there has been a significant increase in land redevelopment activity which plays well into the land use envisioned through City Plan.

Once fully constructed, the Metral Drive Complete Street Project will complete an important active transportation link between the E&N Trail with Woodgrove Mall, increasing the safety and comfort for people who walk, bike, take transit, and drive along this corridor.

DISCUSSION

Although Phase 1 of the Metral Drive project was completed under budget, Phase 2 has experienced more construction challenges:

- A significant amount of unsuitable soils were found during excavation for utility work, and when constructing the sidewalks and cycle lanes. This resulted in much more excavation and removal of poor soils, and subsequent rebuilding with new gravels.
- Third-party utility changes created a need for retaining wall redesigns during construction.
- Fuel and asphalt prices have also increased significantly since the end of Phase 1 to now, the cost of asphalt has risen approximately 45%, and fuel is has increased nearly 35% since the summer of 2021.

The volatile construction market, been driven by increased materials costs, labour shortages, and global uncertainty, has also resulted in significant challenges to the project. Most recently, progress on curb, gutter and sidewalk work has stalled due to an industry-wide cement shortage in the Pacific Northwest. With these delays taken into account, Phase 2 of the project is expected to be complete fall 2022.

FINANCIAL CONSIDERATIONS

The total budget for Phase 2 is \$7.1 million and based on current financial projections, an additional \$1.4 million for a total of \$8.5 million is required to complete the project. There is sufficient funding in the reserves to fund the additional budget requirement; however, this could affect the timing of projects in the 2023 – 2027 Draft Project Plan.

OPTIONS

1. That The Finance and Audit Committee recommend that Council direct Staff to increase the budget for Metral Drive Complete Street Project Phase 2 by \$1,400,000 funded by \$875,000 from the Community Works Reserve Fund, \$35,000 from the Sewer Reserve and \$490,00 from the Water Reserve.
 - Financial Implications: \$1.4 million will be added to 2022 of the 2022 – 2026 Financial Plan for Metral Drive Complete Street Project Phase 2. The additional funding will come from the Community Works Reserve Fund, the Sewer Reserve and the Water Reserve. The 2022 – 2026 Financial Plan will be amended at a later date to include the budget increase.
2. That Council provide alternative direction. |

SUMMARY POINTS

- Increased materials cost, labour shortages, and recent global uncertainty have created a volatile market and cost uncertainty.
- The Metral Drive Complete Streets Project has received \$1 million in grant funding.
- The Metral Drive Complete Streets Phase 1 project expenses were \$1,113,287 under the amount budgeted for Phase 1.
- Metral Complete Streets Phase 2 is projected to be \$1.4 million over budget due to unexpected challenges during construction.

ATTACHMENTS

Attachment A – Metral Drive Rendering

Submitted by:

Annalisa Fipke
Project Engineer, Engineering |

Concurrence by:

Phil Stewart
Manager, Engineering Projects

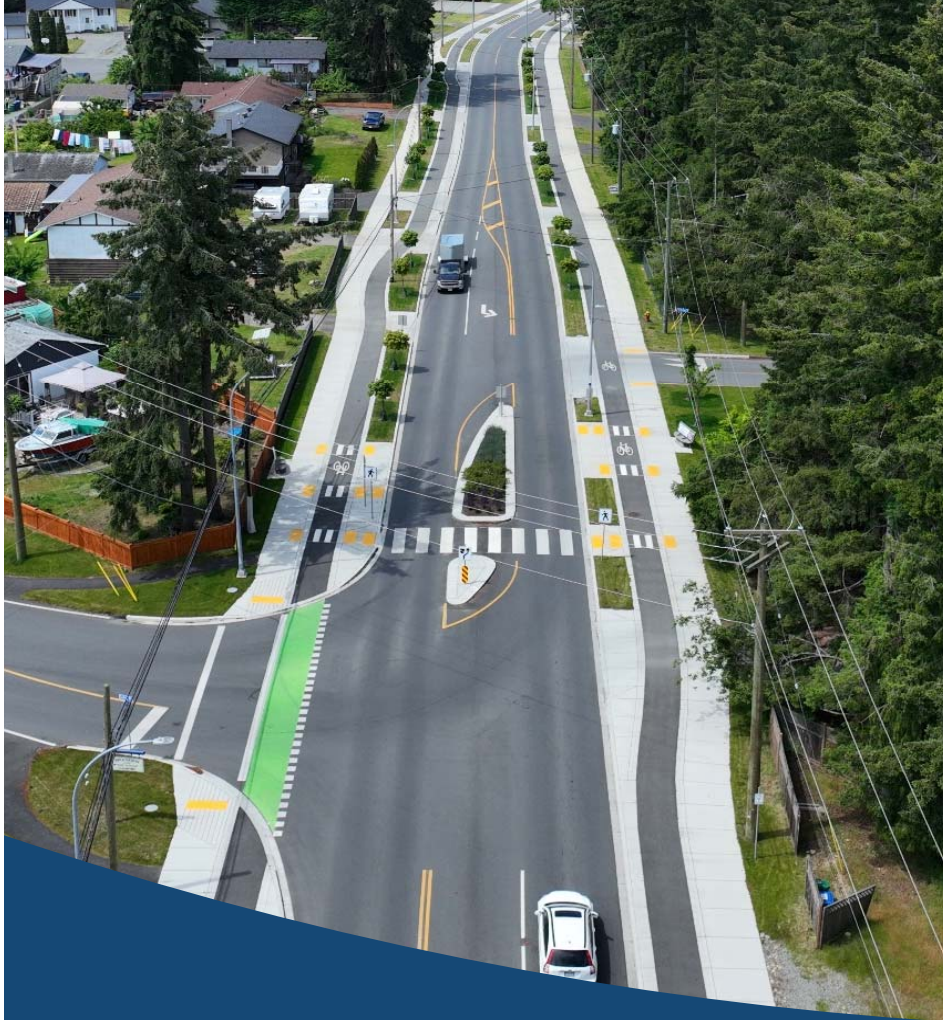
Poul Rosen
Director, Engineering

Bill Sims
General Manager, Engineering & Public Works

Laura Mercer,
Director, Finance |

Metral Drive Complete Street

Phase 1: Mostar - Turner



Phase 2: Turner - Aulds



DATE OF MEETING JULY 20, 2022

AUTHORED BY ANNALISA FIPKE, PROJECT ENGINEER

SUBJECT MARY ELLEN DRIVE INTERSECTION IMPROVEMENT FUNDING

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee of a budget transfer greater than \$75,000 to construct intersection improvements on Mary Ellen Drive.

BACKGROUND

Mary Ellen Drive was constructed in 1999 to an Urban Arterial standard and provides a link between two provincial highways. Over the past 23 years, the community has guided the re-development of the area to include a more comprehensive mix of land uses. The 2008 Official Community Plan, 2014 Transportation Master Plan, and most recently the City Plan have all advanced the evolution of this area to become a walkable, live, work, play community. These changes have highlighted growing operational and safety concerns:

- Long Crossing Distances - The area is not pedestrian friendly and the crosswalk is not located at a natural crossing location. The crosswalk is currently on the west side of the intersection, which is not directly connected to the sidewalk network. It is also closest to the Parkway, where vehicles approach at higher speeds.
- High Speeds - The 1999 design principles for Mary Ellen Drive include wide lanes, too many lanes, and a free flow nature off the Parkway. These factors contribute to higher speeds, which are not pedestrian friendly and could result in severe collisions.
- Congestion & Driver Confusion - The multitude of travel lanes and absences of intersection right-of-way control, forces drivers to make more decisions which increases the risk for driver error. This intersection is also subject to periods of high demand (congestion) during busy shopping times, which further exacerbates the situation, leaving vulnerable road users, such as pedestrians, at greatest risk.

In 2014, a design was developed for a full-scale roundabout at the entrances to Woodgrove Crossing and Woodgrove Centre, to address some of these concerns. The intent was for the project to be a cost share between the City and the developers; however, rising project costs and higher priority projects for the City, the roundabout was not constructed.

DISCUSSION

Community contributions have been received from development properties over time, with the intent of supporting pedestrian mobility along the Mary Ellen corridor. In total, there is \$205,382 in developer contributions available to improve this intersection.

A large, full-scale roundabout would be significantly costly; however, staff identified an opportunity to pursue a lower cost option which would make use of existing infrastructure and limit the direct costs to the City. This option would achieve many of the positive impacts of a full-scale roundabout, at a lower cost.

The key features of the planned upgrade include:

- Relocating the crosswalk to the eastern leg of the intersection away from the free-flow Parkway exit, and to better align with pedestrian desire lines.
- Reducing the pedestrian exposure in the crosswalk from five lanes down to a two lane two-stage crosswalk.
- Improving operations in the intersection, while managing speeds and reducing conflict points.

ICBC has completed a Road Safety Audit for the design and their comments have been integrated into the final design. They have committed to financially contributing to the project; however, at this time the amount is unknown. Any contributions from ICBC on this project will offset City funding.

The cost for the upgrades are expected to be in the range of \$365,000, based on the pricing we have received from the contractor, and construction would be expected to happen this fall.

FINANCIAL CONSIDERATIONS

The project budget will be increased from \$195,000 to \$365,382 funded by a budget transfer of \$160,000 and an additional \$10,382 in developer contributions (total developer contributions \$205,382). The budget transfer consists of \$115,000 from a project that came in under budget, and \$45,000 from cancelled projects.

SUMMARY POINTS

- Operational and safety concerns at the intersection of Mary Ellen at Woodgrove have been addressed with the proposed improvements.
- Cost for the Mary Ellen Roundabout is expected to be \$365,382. Of this, \$205,382 is being funded through community contributions, and the remaining \$160,000 will be funded by the City of Nanaimo.
- ICBC has also committed to funding a portion of the project, with confirmation of total contribution still to occur.
- Funds are available within the 2022 – 2026 budget to cover the additional costs of the project.

ATTACHMENTS

Attachment A – Mary Ellen Rendering

Submitted by:

Annalisa Fipke
Project Engineer, Engineering

Concurrence by:

Phil Stewart
Manager, Engineering Projects

Poul Rosen
Director, Engineering

Bill Sims
General Manager, Engineering and Public Works

Laura Mercer
Director, Finance

Mary Ellen Drive

Artistic Rendering



Existing

DATE OF MEETING JULY 20, 2022

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

SUBJECT KITE WAY AND MEADOW LANE WATER PROJECT

OVERVIEW

Purpose of Report:

To advise the Finance and Audit Committee of a budget transfer greater than \$75,000 to replace watermains along Meadow Lane and Kite Way.

BACKGROUND

In November of 2020, Council directed Staff to proceed with watermain replacements along Meadow Lane and Kite Way, as part of a cost share with the Regional District of Nanaimo (RDN) and the upgrades to the Departure Bay Force Main sewer that serves most of Nanaimo, conveying flows to the Greater Nanaimo Pollution Control Centre.

With the location and size of the RDN sewer, the construction impacted 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 carries significant risk. It is common for older AC pipes to become brittle and experience breaks during adjacent construction or shortly thereafter, sometimes just after the road is repaved.

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

DISCUSSION

The City's portion of the project was budgeted at \$550,000. Construction of the project is now complete and the project costs will be \$867,000. Several factors contributed to the project being over budget, including:

- The project was tendered during the summer of 2021 which was an extremely busy construction market, and the prices reflected the markets limited capacity.
- Unexpected poor geotechnical conditions were encountered, which led more material needing to be removed and replaced than expected.
- During construction, several culverts were discovered in poor condition and needed to be replaced.

The additional \$317,000 required to cover these costs can be found within the 2022 budget and will be allocated from water infrastructure contingency, a project under budget and projects reprioritized to future years. Given the magnitude of the budget transfer, specific disclosure to Council is warranted. |

SUMMARY POINTS

- The costs for the Kite Way and Meadow Lane Project, exceeded the budget by about \$317,000.
- The project exceeded the budget due to an extremely busy construction market, poor geotechnical conditions and culverts that were discovered in poor condition during construction that needed to be replaced.
- Funds are available within the 2022 budget to cover the additional costs of the project.

Submitted by:

Phil Stewart
Manager, Engineering Projects |

Concurrence by:

Poul Rosen
Director, Engineering

Bill Sims
General Manager, Engineering and Public Works

Laura Mercer
Director, Finance |