



AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, March 19, 2025, 9:00 a.m. - 12:00 p.m.
Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

SCHEDULED RECESS AT 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 - 11

Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2025-FEB-19, at 9:00 a.m.

5. PRESENTATIONS:

a. 2026 - 2030 Project Plan

[Note: PowerPoint presentation to be distributed on the addendum.]

6. DELEGATIONS:

7. REPORTS:

a. 2024 Surplus Allocation

12 - 17

To be introduced by Wendy Fulla, Director, Finance.

Purpose: To provide the Finance and Audit Committee with information pertaining to the recommended allocation of the 2024 operating surplus.

Recommendation: That the Finance and Audit Committee recommend that Council approve the allocation of the 2024 operating surplus as follows:

1. General Fund

a. RCMP Contract Reserve	1,411,438
b. General Financial Stability Reserve	1,094,545
c. Special Initiatives Reserve	<u>5,290,000</u>
	<u>\$7,795,983</u>

2. Sewer Fund

a. Sewer Reserve	<u>\$342,240</u>
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- b. 2024 Budget Carryforwards 18 - 22

To be introduced by Wendy Fulla, Director, Finance.

Purpose: To provide the Finance and Audit Committee with a summary of the 2024 budgets carried forward to 2025.

- c. Retaliatory Tariffs Between Canada and the United States 23 - 24

To be introduced by Wendy Fulla, Director, Finance.

Purpose: To present the Finance and Audit Committee with a brief overview of the proactive efforts undergone to establish methods of dealing with the United States tariffs, the retaliatory Canadian tariffs and the impacts to the City's supply chain.

- d. Loudon Park Improvements 25 - 33

To be introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

Purpose: To provide Council with funding options to advance the proposed improvements to Loudon Park.

Delegations:

1. Ashley Rowe
2. Kiersten Mort, Nanaimo Rowing Club
3. Nolan Messer
4. Kate Rutherford, Long Lake Flatwater Training Centre Society

Recommendation: That the Finance and Audit Committee recommend that Council direct Staff to increase the budget by \$6,169,373 funded by \$4,000,000 from the Special Initiatives Reserve and \$2,169,373 from the Strategic Infrastructure Reserve Fund to proceed with the current design for the Loudon Park improvements.

8. OTHER BUSINESS:

9. QUESTION PERIOD:

10. ADJOURNMENT:



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, February 19, 2025, 9:00 A.M.
Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

Members:

Mayor L. Krog, Chair
Councillor T. Brown (vacated at 10:36 a.m.)
Councillor H. Eastmure
Councillor B. Geselbracht (arrived at 9:10 a.m.)
Councillor E. Hemmens
Councillor P. Manly
Councillor J. Perrino
Councillor I. Thorpe

Absent:

Councillor S. Armstrong

Staff:

D. Lindsay, Chief Administrative Officer
R. Harding, General Manager, Community Services/Deputy Chief Administrative Officer*
L. Mercer, General Manager, Corporate Services
B. Sims, General Manager, Engineering and Public Works
T. Doyle, Fire Chief
G. Whiting, Deputy Fire Chief
A. Groot, Director, Police Services
W. Fulla, Director, Finance
J. Holm, Director, Planning and Development
D. Osborne, Director, Parks, Recreation and Culture
N. Vracar, Deputy Corporate Officer
A. Breen, Manager, Culture and Special Events
P. Stewart, Manager, Engineering Projects
J. Knight, Capital Project Management Specialist
J. B. Sine, Recreation Coordinator – Cultural Services
N. Sponaugle, Communications Advisor
K. Lundgren, Recording Secretary

* Denotes electronic meeting participation as authorized by "Council Procedure Bylaw 2018 No. 7272"

1. CALL THE MEETING TO ORDER:

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

2. ADOPTION OF AGENDA:

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

3. ADOPTION OF MINUTES:

It was moved and seconded that the following Minutes be adopted as circulated:

- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2024-NOV-27 at 9:00 a.m.
- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, at 80 Commercial Street, Nanaimo, BC, on Wednesday, 2024-DEC-04 at 9:00 a.m.
- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, at 80 Commercial Street, Nanaimo, BC, on Friday, 2024-DEC-06 at 9:00 a.m.
- Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2024-DEC-11 at 9:01 a.m.

The motion carried unanimously.

4. REPORTS:

(a) Commercial Street Project

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

Presentation:

1. James Knight, Capital Project Management Specialist, provided an on screen presentation included in the agenda package and advised the following:
 - If the Harbour Front Parkade membrane is left unreplaced it will continue to deteriorate which may cause structural damage
 - Staff are proposing an updated phasing plan for the Commercial Street Project (the Project)

- Implementing the Albert Street to Terminal Avenue phase next would better align with the Downtown Transit Exchange Project and would help address the issue of construction fatigue for downtown businesses on Commercial Street

Committee and Staff discussion took place. Highlights included:

- Currently there is minimal damage from the leaking membrane in the Harbour Front Parkade; however, the longer it is left, the greater potential for damage

Councillor Geselbracht entered the Shaw Auditorium at 9:10 a.m.

- Concern for businesses on Victoria Crescent with both the Albert Street to Terminal Avenue phase of the Commercial Street Project and the Downtown Transit Exchange Project impacting that area
- Development of the former Jean Burns site at 6 Commercial Street
- Potential to strategize breaks in construction schedules during summer and Christmas seasons
- The Project attempts to retain existing trees; however, many trees need to be removed due to the orientation of the street and due to roots heaving the sidewalk

Delegations:

1. Virginia Coverdale, Owner, My Undies, spoke regarding construction fatigue for downtown Nanaimo business owners with both the Terminal Avenue Upgrades Project and the current phase of the Commercial Street Project taking place over a two-year period. The delegation expressed support for the project; however, shared financial concerns experienced by the businesses and requested a two-year break from the construction to provide some relief and a chance to recover.
2. Steven Johns, Vice-Chair, Downtown Nanaimo Business Association (DNBA), expressed the state of fatigue for downtown businesses noting that the appearance of construction deters customers. The delegation noted that DNBA supports the proposed next phase of construction being Albert Street to Terminal Avenue; however, requested a more aggressive timeline for subsequent phases to allow for the majority of the downtown core to be completed by 2028.

Committee and Staff discussion took place. Highlights included:

- The Committee has received mixed feedback from businesses regarding preferred timing for the Project
- The recommended timing for the phasing is subject to funding availability
- The Committee's endorsement for the proposed phasing would provide a framework for the five-year capital plan; however, approval from Council during budget discussions would still be required
- Mitigating the risk of underground voids
- The Project is driven by the goal to enhance the public space, and takes advantage of the opportunity to replace the underground infrastructure while the surface work is being done to avoid having to replace it later
- There is no pressure to complete the Project other than the Harbour Front Parkade membrane

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the Design Commercial Phasing Plan with the following phases moved from 2027/2028 to 2028/2029:

- Harbour Front Parkade Membrane Replacement;
- Diana Krall Plaza Improvements;
- Design Commercial – Diana Krall Plaza;

And, that an option for the Terminal Avenue to Skinner Street phase be considered to be moved to 2028/2029 as well.

The motion was defeated.

Opposed: *Mayor Krog and Councillors Geselbracht, Hemmens, Manly, Perrino, and Thorpe*

Committee discussion took place regarding the City's responsibility to consult with the downtown business community regarding the Project phasing.

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the Design Commercial Phasing Plan for consideration during the 2026 – 2030 Financial Plan deliberations. The motion carried.

Opposed: *Councillor Eastmure*

Councillor Brown vacated the Shaw Auditorium at 10:36 a.m.

The Finance and Audit Committee recessed the meeting at 10:36 a.m.
The Finance and Audit Committee reconvened the meeting at 10:52 a.m.

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

Introduced by Tim Doyle, Fire Chief.

Geoff Whiting, Deputy Fire Chief, spoke regarding the allocation of funding from the 2024 Community Resiliency Investment Grant, and the proposed allocation for the 2025 grant funding.

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 2025-2029 Financial Plan be amended to include this grant. The motion carried unanimously.

(c) Nanaimo Restorative Justice Program Funding

Introduced by Art Groot, Director, Police Services.

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

1. Approve a 5-year annual operating grant to the Restorative Justice Program for the term covering January 1, 2025 to December 31, 2029 based on \$150,000 for 2025; and,
2. Add a 2% annual increase for 2026 to 2029.

The motion carried unanimously.

(d) 2025 Culture Project Grant Additional Allocation

Introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the addition of Crimson Coast Dance Society to the list of 2025 Culture & Event Grant standby organizations, and Project Grant reallocation as follows:

- Applicant Name: Crimson Coast Dance Society
 - Recommended: \$3,476
- Applicant Name: Vancouver Island Symphony
 - Recommended: \$965

The motion carried unanimously.

(e) Heritage Façade Grant - 437 Fitzwilliam Street

Introduced by Jeremy Holm, Director, Planning and Development.

Committee discussion took place regarding the heritage conservation covenant that would be registered on the title of the property.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$8,137.50 Heritage Façade Grant for the Rawlinson & Glaholm Grocers building located at 437 Fitzwilliam Street to repaint the building's exterior. The motion carried unanimously.

(f) Heritage Home Grant - 469 Milton Street

Introduced by Jeremy Holm, Director, Planning and Development.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$2,500 Heritage Home Grant to update the exterior cladding and replace the roof's gutter system of the Milton Street Bungalow at 469 Milton Street. The motion carried unanimously.

(g) Security Checks and Other Grants Policy Update

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the revised Security Checks and Other Grants Policy as outlined in the Staff report dated 2025-FEB-19. The motion carried unanimously.

(h) Canada Housing Infrastructure Fund

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve submission of an application to the Canada Housing Infrastructure Fund for funding for the Millstone Trunk North Sewer System Project. The motion carried unanimously.

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(i) UBCM Emergency Support Services Equipment and Training Program Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the grant application to the UBCM Emergency Support Services Equipment and Training Program for funding for the Nanaimo ESS Group Lodging Supplies regional project and support the City of Nanaimo providing overall grant management as the primary applicant. The motion carried unanimously.

(j) UBCM Emergency Operations Centres Equipment and Training Stream Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a grant application to the UBCM Emergency Operations Centres Equipment and Training Program for funding for the Nanaimo EOC Equipment Upgrade project and supports the City of Nanaimo providing overall grant management. The motion carried unanimously.

(k) Active Transportation Fund - Capital Project Stream 2025 Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

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

1. Direct Staff to apply to the Active Transportation Fund – Capital Projects Stream 2025 for funding for the Bowen Road Bike Lane Expansion project; and,
2. With the project being contingent on a successful grant application, approve adding the Bowen Road Bike Lane Expansion project to the 2025 – 2029 Financial Plan at a total cost of \$1,900,000, funded by \$1,140,000 from the Active Transportation Fund – Capital Project Stream and \$760,000 from the Growing Communities Reserve Fund.

The motion carried unanimously.

(l) Quarterly Budget Transfer Report

Laura Mercer, General Manager, Corporate Services, provided an overview of the report in the agenda package.

(m) Quarterly Purchasing Report (Single and Sole Source, Purchases in Excess of \$250,000 and Instances of Exceptions to Trade Agreements)

Laura Mercer, General Manager, Corporate Services, provided an overview of the report in the agenda package.

5. QUESTION PERIOD:

The Committee received no questions from the public regarding agenda items.

6. 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 a meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(c) labour relations or other employee relations; and,

Section 90(2) A part of a meeting must be closed to the public if the subject matter being considered relates to or is one or more of the following:

(d) a matter that, under another enactment, is such that the public must be excluded from the meeting.

The motion carried unanimously.

The Finance and Audit Committee Meeting moved In Camera at 11:11 a.m.

The Finance and Audit Committee Meeting moved out of In Camera at 11:17 a.m.

The Finance and Audit Committee Meeting reconvened the Open Meeting at 11:17 a.m.

7. ADJOURNMENT:

It was moved and seconded at 11:17 a.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

DEPUTY CORPORATE OFFICER

DATE OF MEETING MARCH 19, 2025
 AUTHORED BY DAN BAILEY, MANAGER, ACCOUNTING SERVICES
 SUBJECT 2024 SURPLUS ALLOCATION

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with information pertaining to the recommended allocation of the 2024 operating surplus.

Recommendation

That the Finance and Audit Committee recommend that Council approve the allocation of the 2024 operating surplus as follows:

1. General Fund	
a. RCMP Contract Reserve	1,411,438
b. General Financial Stability Reserve	1,094,545
c. Special Initiatives Reserve	<u>5,290,000</u>
	<u>\$ 7,795,983</u>
2. Sewer Fund	
a. Sewer Reserve	<u>\$ 342,240</u>

BACKGROUND

The compilation of the 2024 draft financial statements is in progress and the audit by KPMG LLP commenced on 2025-MAR-03. In preparing the financial statements, the operational surplus needs to be allocated to reserves prior to the finalization of the year-end audit.

In order to help stabilize future funding sources and minimize the impact on property tax rates, a Reserve Policy was adopted in 2019. The policy provides guidance with respect to the development, maintenance and use of reserves including the requirement of minimum and maximum reserve balances where appropriate.

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

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

As outlined in the policy, the first use of operating surplus funds is to ensure all reserves with an identified minimum balance are projected to be at or above that balance in the approved financial plan.

DISCUSSION

The City of Nanaimo accounts for its budget within three operating funds: general, sewer and water. The total combined net operating surplus for the year is \$6,942,883 (unaudited) and breaks down as follows:

General Fund	7,795,983 surplus
Sewer Fund	342,240 surplus
Water Fund	(1,195,340) deficit
Total	\$6,942,883 surplus

A summary of surplus results by department is documented at a more detailed level in **Attachment A**. This report lists the 2024 total surplus (deficit) by function within each City department and includes analysis for any variances that exceed \$100,000.

The unaudited financial results for each operating fund at 2024-DEC-31 and the recommended surplus allocation for each fund are as follows:

1. General Fund

The general fund surplus was \$7,795,983 at 2024-DEC-31. This represents 3.7% of the total general operating expenditures budget as per financial statement presentation. This surplus is largely due to the following:

Source	Reason	Amount
RCMP Contract	Costs lower than expected due to member vacancies	\$ 1,411,000
Investment Income	Interest rate reductions slower than anticipated	\$ 599,000
Wages & Benefits	Savings due to vacancies and wage recoveries	\$ 4,752,000
Recreation Revenue	Increased facility usage and program participation	\$ 1,229,000

Staff propose that the 2024 general operating fund surplus be allocated to reserves as follows:

RCMP Contract Reserve **\$ 1,411,438**

The RCMP Contract Reserve is used to fund RCMP contract costs that exceed the budget estimate. Funding from the reserve is also being used to help offset some of the costs of addressing the space needs challenges at the detachment. The \$1,411,000 RCMP operating surplus will be allocated to the RCMP Contract Reserve as previously directed by Council.

The balance at 2024-DEC-31 in the RCMP Contract Reserve, prior to the allocation, was \$5,704,931.

General Financial Stability Reserve

\$ 1,094,545

The General Financial Stability Reserve is used to mitigate risk by providing funding for unknown expenditures arising from operational emergencies or necessities. The Government Finance Officer's Association (GFOA) recommends that the target range for the reserve is between 45 and 90 days of annual operating expenditures. The projected 2025 closing balance of the reserve is currently at exactly 45 days of annual operating expenditures. A top-up of \$1,094,545 is recommended to bring the projected 2025 closing reserve balance to 48 days of operating expenditures.

The balance at 2024-DEC-31 in the General Financial Stability Reserve, prior to the allocation, was \$17,722,062.

Special Initiatives Reserve

\$ 5,290,000

The Special Initiatives Reserve is used to fund short-term initiatives funded by an allocation of prior year general operating surplus. Staff are recommending that funds be allocated to the reserve to support three initiatives:

- \$890,000 for 2025 project contingency: At the 2024-OCT-16 Finance and Audit Committee meeting, Council directed staff to allocate \$890,000 from the 2024 general fund operating surplus to be used as a 2025 project contingency budget.
- \$400,000 to provide support services to the unhoused population: \$100,000 of the \$500,000 Council allocated to this initiative in 2023 is still available. Staff are recommending that \$400,000 of the 2024 operating surplus be allocated to this initiative to bring this amount back to \$500,000.
- \$4,000,000 to support a Council priority project or initiative.

The balance at 2024-DEC-31 in the Special Initiatives Reserve, prior to the allocation, was \$4,585,385.

2. Sewer Fund

The sewer fund surplus was \$342,240 at 2024-DEC-31. This represents 6.1% of the total sewer operating expenditures budget as per financial statement presentation. The majority of the surplus results from higher than anticipated user fee revenues. Staff propose that the 2024 sewer operating fund surplus be allocated to the Sewer Reserve to be used to fund future sewer projects.

The balance at 2024-DEC-31 in the Sewer Reserve, prior to the allocation, was \$14,631,522.

3. Water Fund

The water fund recorded a deficit of \$1,195,340 at 2024-DEC-31. This represents 7.7% of the total water operating expenditures budget as per financial statement presentation. This deficit is largely due to lower than anticipated user fees. Expenditures were also higher than planned due to more service connection renewals and meter replacements than anticipated.

To mitigate the water fund deficit, the annual transfer from water operations to the Water Reserve will be reduced by \$1,195,340. The 2024 financial plan includes a \$8,360,370 contribution from water operations to the water operating reserve to fund future water projects. The actual transfer from water operations will be \$7,165,030 to account for the operational deficit.

The balance at 2024-DEC-31 in the Water Reserve, prior to the reduction, was \$12,473,617.

SUMMARY

The surplus for the general fund represents 3.7% of the total general operating expenditures budget as per financial statement presentation. As the municipality is not permitted to run a deficit it is reasonable that the City has an operating surplus. A small surplus means that tax rates were appropriately set to meet current year operations.

Transferring the operating surplus in the general and sewer funds to reserves allows these monies to be used to cover any unexpected operating costs or drops in revenue, or to fund future projects. This reduces the potential for more volatile changes in property tax rates or user fees for unexpected events and/or projects.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the allocation of the 2024 operating surplus as follows:

1. **General Fund**

a. RCMP Contract Reserve	1,411,438
b. General Financial Stability Reserve	1,094,545
c. Special Initiatives Reserve	<u>5,290,000</u>
	<u>\$ 7,795,983</u>

2. **Sewer Fund**

a. Sewer Reserve	<u>\$ 342,240</u>
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- The advantages of this option: Transferring excess surplus funds to reserves this year means that the need for future year tax increases are mitigated as these monies can be used to cover any unexpected operating costs, drops in revenue sources or to fund future projects.
- Financial Implications:
 - \$8,138,223 is reserved to fund general and sewer projects and operations in the future.

2. That Council direct specific surplus funds to other priorities. |

SUMMARY POINTS

- The general fund recorded an operating surplus of \$7,795,983, or 3.7% of the total general operating expenditures budget as per financial statement presentation. Staff propose that the 2024 surplus be allocated to reserves as follows:

a. RCMP Contract Reserve	1,411,438
b. General Financial Stability Reserve	1,094,545
c. Special Initiatives Reserve	<u>5,290,000</u>
	<u>\$ 7,795,983</u>

- The sewer fund recorded an operating surplus of \$342,240 or 6.1% of the total sewer operating expenditures budget as per financial statement presentation. Staff propose that this surplus be allocated to the Sewer Reserve.

- The water fund recorded an operating deficit of \$1,195,340 or 7.7% of the total water operating expenditures budget as per financial statement presentation. This deficit is funded from the Water Reserve.

ATTACHMENTS:

Attachment A: Summary of 2024 Surplus

Submitted by:

Dan Bailey
Manager, Accounting Services

Concurrence by:

Wendy Fulla
Director, Finance

Richard Harding
General Manager, Community Services &
Deputy CAO

Bill Sims
General Manager, Engineering & Public
Works

Jeremy Holm
Director, Planning & Development

Laura Mercer
General Manager, Corporate Services

Attachment A: Summary of 2024 Surplus
December 31, 2024

	2024 Actual	2024 Budget	Surplus (Deficit)	Analysis
CITY ADMINISTRATION				
CAO Office	1,128,536	1,058,070	(70,466)	Wage and benefit savings due to several partial year vacancies combined with contracted services and employee expense savings
Communications	638,280	641,229	2,949	
Human Resources	2,159,627	2,459,468	299,841	
Legislative Services	2,719,841	2,817,423	97,582	
	\$ 6,646,284	\$ 6,976,190	\$ 329,906	
CORPORATE SERVICES				
Administration	283,790	300,469	16,679	Wage and benefit savings due to multiple vacancies combined with travel and conference savings
Financial Services & Supply Chain Mgmt	5,201,967	5,668,689	466,722	
Information Technology	5,726,855	6,107,592	380,737	Wage and benefit savings as a result of vacancies combined with unspent consulting
General Administration	430,567	(402,682)	(833,249)	Post employment benefits provision
Grants in Aid & Special Celebrations	108,356	104,550	(3,806)	
Corporate Facilities	808,478	743,439	(65,039)	
Corporate & Business Development				
Administration	227,212	395,852	168,640	Senior management position vacancy combined with consulting savings
Economic Development	712,790	688,753	(24,037)	Higher than anticipated VICC revenues
Port of Nanaimo Centre	2,993,213	3,123,039	129,826	
Real Estate	234,309	179,737	(54,572)	
Tourism	781,653	752,653	(29,000)	
	\$ 17,509,190	\$ 17,662,091	\$ 152,901	
COMMUNITY SERVICES				
COMMUNITY SAFETY				
Administration	153,939	150,205	(3,734)	
Public Safety				
Bylaw/CSO	3,250,211	3,473,966	223,755	Unspent consulting budget combined with higher than planned revenue
Parking	212,222	213,891	1,669	
Social Planning	597,256	660,667	63,411	
Nanaimo Fire Rescue				
Emergency Management	229,848	284,621	54,773	Higher than anticipated VIERA revenues combined with wage and benefit savings and unplanned wage recoveries
Emergency Services Communications 911	739,983	737,252	(2,731)	
Fire Services	24,278,159	24,941,805	663,646	
Police				
Police Support Services	5,456,907	6,863,260	1,406,353	Wage and benefit savings as a result of numerous vacant positions
RCMP Contract	32,349,925	33,761,363	1,411,438	
	\$ 67,268,450	\$ 71,087,030	\$ 3,818,580	Savings due to numerous member vacancies
PARKS, RECREATION & CULTURE				
Administration	325,522	310,327	(15,195)	
Facility & Parks Operations				
Administration	463,378	494,408	31,030	Staff vacancies combined with vandalism cost savings
Civic Properties	(7,064)	7,299	14,363	
Facility Planning & Maintenance	1,133,404	1,310,120	176,716	
Parks Operations	12,626,910	12,966,612	339,702	Savings due to the park attendant programs not proceeding combined with a delay in the start of the two natural area technicians
Recreation & Culture				
Administration	412,965	407,003	(5,962)	Increased facility usage and utility cost savings
Aquatics Operations	4,998,944	5,326,865	327,921	
Arena Operations	1,430,244	1,702,248	272,004	Higher than expected facility rental revenue and program participation
Community Development	(1,302,742)	(1,281,845)	20,897	
Culture & Events	3,266,117	3,361,675	95,558	Increased program revenue and facility rental revenue
Recreation Services	4,171,896	4,374,728	202,832	
	\$ 27,519,574	\$ 28,979,440	\$ 1,459,866	
	\$ 94,788,024	\$ 100,066,470	\$ 5,278,446	
PLANNING & DEVELOPMENT				
Administration	819,154	1,104,039	284,885	Wage and benefit savings as a result of a position vacancy combined with unspent consulting
Building Inspections	25,463	(72,943)	(98,406)	
Community Planning	781,768	851,208	69,440	Wage and benefit savings as a result of vacant positions
Current Planning	861,720	992,357	130,637	
Engineering Development	671,260	765,038	93,778	Higher than anticipated business licence and permit revenues
Environment	288,778	284,362	(4,416)	
Permit Centre & Business Licencing	(766,383)	(627,311)	139,072	
Subdivisions	452,037	438,194	(13,843)	
Sustainability	349,747	358,553	8,806	
System Planning Organization (SPO)	480,000	480,000	-	
	\$ 3,963,544	\$ 4,573,497	\$ 609,953	
ENGINEERING & PUBLIC WORKS				
Administration	283,309	280,962	(2,347)	
Engineering	3,395,813	3,893,499	497,686	Wage and benefit savings due to multiple staff vacancies
Public Works				
Cemetery Operations	188,438	211,310	22,872	Numerous staff vacancies, utility cost savings and snow and ice control savings
Drainage	2,917,339	2,822,749	(94,590)	
Fleet Operations	(34,706)	11,630	46,336	
Sanitation	1,428,870	1,345,642	(83,228)	
Support Services	1,192,328	1,264,134	71,806	
Transportation	7,955,064	8,723,734	768,670	
	\$ 17,326,455	\$ 18,553,660	\$ 1,227,205	
GENERAL REVENUE				
BIA Levy	-	-	-	Higher than anticipated revenues from the contributing entities
Grants in Lieu of Taxes	(4,157,978)	(4,004,966)	153,012	
Investment Income	(7,498,571)	(6,900,000)	598,571	Slower than anticipated interest rate reductions
Miscellaneous Income	316,612	(7,900)	(324,512)	Increase in outstanding BC Assessment appeals estimate
Provincial Revenue Sharing	(769,765)	(844,800)	(75,035)	
Real Property Taxes	(154,643,073)	(154,811,457)	(168,384)	Supplementary tax adjustments
Transfer to/from Reserves	12,314,925	12,314,925	-	
Vancouver Island Regional Library	6,408,370	6,422,290	13,920	
	\$ (148,029,480)	\$ (147,831,908)	\$ 197,572	
Total General Fund	\$ (7,795,983)	\$ -	\$ 7,795,983	Higher than expected revenues
Sewer Fund	\$ (342,240)	\$ -	\$ 342,240	Lower than anticipated user rate revenue combined with higher service renewal and meter replacement costs
Water Fund	\$ 1,195,340	\$ -	\$ (1,195,340)	
Total All Services	\$ (6,942,883)	\$ -	\$ 6,942,883	

DATE OF MEETING MARCH 19, 2025
 AUTHORED BY WENDY FULLA, DIRECTOR, FINANCE
 SUBJECT **2024 Budget Carryforwards**

OVERVIEW

Purpose of Report:

To provide the Finance and Audit Committee with a summary of the 2024 budgets carried forward to 2025.

BACKGROUND

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

Unspent project budgets, that are not carried forward, as project was completed or cancelled and were funded from general revenue contribute to operating surplus and unspent project budgets funded from reserves are returned to reserves to fund future projects.

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

DISCUSSION

The total 2024 budget carried forward from 2024 to 2025 was \$77,088,026, \$75,688,119 for projects and \$1,399,907 for operating.

Breakdown of Significant Carryforwards:

Project	Amount	Project Status @ Dec 31, 2024
Midtown Gateway Transportation & Utility Project	8,197,622	In progress
Townsite Area Utility Upgrades - Phase 1	6,560,620	In progress
Property Acquisition - 7 Projects	5,754,802	4 in progress, 3 substantially complete
Commercial Street Implementation Ph 1B	4,798,610	In progress
Loudon Park Improvements	4,776,602	In progress
Stadium District	4,535,872	In progress
Midtown Water Supply Upgrades	3,312,704	Substantially complete
Fire Fleet - 7 Units	3,532,341	All in progress
Westwood Lake Improvements	2,666,471	In progress
City Fleet - 18 Units	2,229,643	13 in progress, 2 substantially complete, 3 not started
Total	46,365,287	

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

Division	Department/Area	2024 Budget	Total Cfwd	Project Status of Cfwd by \$'s		
				Substantially Completed	In Progress	Delayed/Not Started
Administrative Services	City Administration	150,000	92,000	-	92,000	-
	Human Resource	35,905	4,809	-	4,809	-
	Legislative Services	112,950	5,000	-	5,000	-
	Total Administrative Services	298,855	101,809	-	101,809	-
Community Services	Nanaimo Fire Rescue	7,458,138	5,391,644	12,150	4,553,038	826,456
	Police Services	5,444,604	4,528,364	16,497	4,511,867	-
	Public Safety	5,356,197	1,173,108	-	1,143,308	29,800
	PRC: Facility & Park Ops	26,311,871	16,269,837	357,521	14,637,839	1,274,477
	PRC: Recreation & Culture	5,627,668	2,255,508	138,719	1,672,942	443,847
	Total Community Services	50,198,478	29,618,461	524,887	26,518,994	2,574,580
Corporate Services	Corporate & Business Development	18,495,374	7,017,343	197,109	6,739,834	80,400
	Corporate Services Admin	100,000	100,000	-	-	100,000
	Corporate Civic Facilities	245,373	132,939	1,751	19,188	112,000
	Finance	77,976	23,750	-	23,750	-
	Information Technology	4,473,245	826,763	1,751	770,312	54,700
	Total Corporate Services	23,391,968	8,100,795	200,611	7,553,084	347,100
Planning & Development	Planning & Development	2,651,639	1,753,218	19,190	1,714,028	20,000
	Total Planning and Development	2,651,639	1,753,218	19,190	1,714,028	20,000
ENGPW	ENG PW	55,734,483	20,727,324	374,261	17,154,465	3,198,598
	Sewer	10,098,317	2,662,005	100,855	2,174,820	386,330
	Water	37,435,284	12,724,507	3,616,881	8,915,275	192,351
	Total ENG PW	103,268,084	36,113,836	4,091,997	28,244,560	3,777,279
	Total All	179,809,024	75,688,119	4,836,685	64,132,475	6,718,959
	% of Total Carried Forward			6%	85%	9%

The reasons for projects being carried forward can vary year to year and may be impacted by a variety of factors including:

- Capacity constraints – internal staffing resource challenges including attraction of qualified staff for vacancies as well as vendor capacity (construction contractors).
- Delays in approvals – a variety of challenges may arise including community acceptance of project and regulatory or permitting approvals.
- Workplan changes - other priorities or opportunities may emerge during the year requiring staff to reprioritize work plans.
- Impact to services – minimize disruption to service to residents particularly facility projects that may impact facility users.
- Cash flow timing – the timing of project expenditures may not align with the forecast at the time the project budget was approved.

Included with the report is an attachment, which provides a breakdown of project carryforwards by department with the funding source.

CONCLUSION

The 2025 – 2029 Final Financial Plan Bylaw will reflect the revised 2025 budget amounts that include the 2024 budgets carried forward.

SUMMARY POINTS

- Each year, budgets for projects that are still in progress or were delayed/not started are carried forward to the following year.
- Total carryforwards from 2024 to 2025 was \$77,088,026, \$75,688,119 for projects and \$1,399,907 for operating.

ATTACHMENTS

Attachment A – 2024 Carryforwards Analysis: Breakdown by Department with Funding Source.

Submitted by:

Wendy Fulla
Director, Finance

Concurrence by:

Darcie Osborne
Director, Parks Recreation & Culture

Bill Sims
General Manager, Engineering & Public
Works

Laura Mercer
General Manager, Corporate Services

Attachment A
2024 Carryforward Analysis

Department	Project Type	2024 Budget	Total Expenditures ¹	Less: Sub divider Assets	Expenditures Restated	Budget Surplus	%
Projects Administration							
CAO Office	Internal Orders	150,000	58,000	-	58,000	92,000	0%
Human Resources	Internal Orders	35,905	27,919	-	27,919	7,986	22%
Legislative Services	Internal Orders	94,150	55,644	-	55,644	38,506	41%
	Capital Projects	18,800	11,311	-	11,311	7,489	40%
Total Administration		298,855	152,874	-	152,874	145,981	
Community Services							
Nanaimo Fire Rescue	Internal Orders	827,839	486,757	-	486,757	341,082	41%
	Capital Projects	6,630,299	1,524,398	-	1,524,398	5,105,901	77%
Parks, Recreation and Culture	Internal Orders	7,249,072	2,479,253	-	2,479,253	4,769,819	66%
	Capital Projects	24,690,467	11,733,343	910,001	10,823,342	13,867,125	56%
Police Services	Internal Orders	317,610	71,467	-	71,467	246,143	77%
	Capital Projects	5,126,994	844,732	-	844,732	4,282,262	0%
Public Safety	Internal Orders	4,422,421	1,835,782	-	1,835,782	2,586,639	58%
	Capital Projects	933,776	618,061	-	618,061	315,715	34%
Total Community Services		50,198,478	19,593,793	910,001	18,683,792	31,514,686	
Corporate Services							
Corporate Civic Facilities	Internal Orders	79,282	51,804	-	51,804	27,478	35%
	Capital Projects	166,091	51,840	-	51,840	114,251	69%
Corporate Service Admin	Internal Orders	100,000	-	-	-	100,000	100%
Corporate and Business Development	Internal Orders	253,707	273,292	-	273,292	(19,585)	0%
	Capital Projects	18,241,667	6,622,075	-	6,622,075	11,619,592	64%
Finance	Internal Orders	77,976	35,342	-	35,342	42,634	55%
Information Technology	Internal Orders	1,247,923	438,923	-	438,923	809,000	65%
	Capital Projects	3,225,322	2,102,296	-	2,102,296	1,123,026	35%
Total Corporate Services		23,391,968	9,575,572	-	9,575,572	13,816,396	
Planning & Development							
	Internal Orders	2,651,639	803,662	-	803,662	1,847,977	70%
Total Planning & Development		2,651,639	803,662	-	803,662	1,847,977	
ENGPW							
ENGPW	Internal Orders	17,068,611	5,401,993	-	5,401,993	11,666,618	68%
	Capital Projects	38,665,872	23,792,492	3,590,915	20,201,577	18,464,295	48%
Sewer	Internal Orders	1,748,000	956,291	-	956,291	791,709	45%
	Capital Projects	8,350,317	5,095,380	478,897	4,616,483	3,733,834	45%
Water	Internal Orders	1,593,942	753,067	-	753,067	840,875	53%
	Capital Projects	35,841,342	23,285,466	609,849	22,675,617	13,165,725	37%
Total ENGPW		103,268,084	59,284,689	4,679,661	54,605,028	48,663,056	
	Internal Orders	37,918,077	13,729,196	-	13,729,196	24,188,881	64%
	Capital Projects	141,890,947	75,681,394	5,589,662	70,091,732	71,799,215	51%
Total Projects		179,809,024	89,410,590	5,589,662	83,820,928	95,988,096	53%
Cost Centres							
Accounting Services: ERP Project							
Building Inspections: IT Consulting							
Cemetery Clerk: Temporary Position							

Carryforwards					
\$	Funding Source				Variance After Cfwds
	General Revenues	General Reserves	Stat Reserves	Other ²	
92,000	-	-	-	92,000	-
4,809	-	-	-	4,809	3,177
5,000	5,000	-	-	-	33,506
-	-	-	-	-	7,489
101,809	5,000	-	-	96,809	44,172
358,307	51,641	13,710	-	292,956	(17,225)
5,033,337	555,873	632,376	3,836,581	8,507	72,564
4,790,118	2,062,777	1,243,028	441,026	1,043,287	(20,299)
13,735,227	862,111	3,059,936	8,732,661	1,080,519	131,898
241,884	8,915	232,813	-	156	4,259
4,286,480	8,445	3,681,142	596,893	-	(4,218)
861,177	158,204	431,772	55,135	216,066	1,725,462
311,931	-	-	311,931	-	3,784
29,618,461	3,707,966	9,294,777	13,974,227	2,641,491	1,896,225
20,939	20,939	-	-	-	6,539
112,000	50,286	61,714	-	-	2,251
100,000	-	-	100,000	-	-
4,700	4,700	-	-	-	(24,285)
7,012,643	-	1,038,307	5,787,081	187,255	4,606,949
23,750	6,663	-	17,087	-	18,884
527,629	104,677	87,038	335,914	-	281,371
299,134	27,880	75,000	196,254	-	823,892
8,100,795	215,145	1,262,059	6,436,336	187,255	5,715,601
1,753,218	232,683	91,797	270,189	1,158,549	94,759
1,753,218	232,683	91,797	270,189	1,158,549	94,759
2,816,876	1,024,847	1,058,326	444,128	289,575	8,849,742
17,910,448	442,020	1,676,672	15,624,693	167,063	553,847
512,942	-	447,692	65,250	-	278,767
2,149,063	-	888,847	1,260,216	-	1,584,771
549,463	-	549,463	-	-	291,412
12,175,044	-	5,047,471	7,127,573	-	990,681
36,113,836	1,466,867	9,668,471	24,521,860	456,638	12,549,220
12,662,812	3,681,046	4,155,639	1,728,729	3,097,398	11,526,069
63,025,307	1,946,615	16,161,465	43,473,883	1,443,344	8,773,908
75,688,119	5,627,661	20,317,104	45,202,612	4,540,742	20,299,977
41,445	41,445				
12,700		12,700			
84,457	47,407	37,050			

Attachment A

2024 Carryforward Analysis

Department	Project Type	2024 Budget	Total Expenditures ¹	Less: Sub divider Assets	Expenditures Restated	Budget Surplus	%
Council Ethics Commissioner/Legal Expenses							
Director Corporate & Business Development:							
Furniture & Equipment							
Electoral Approval							
Grant: Approved							
Health & Housing: SPO							
IT: Temporary Position							
New Natural Area Technicians: Computers & Phones							
NFR: Clothing & Footwear							
Sustainability Initiatives: Term Position							
Sustainability Initiatives: Mgmt. Consulting							
Total Cost Centres							
Grand Total - All		179,809,024	89,410,590	5,589,662	83,820,928	95,988,096	

¹Total expenditures includes unbudgeted subdivider assets

²Private contributions (cash and in-kind), grants, sale of assets

Carryforwards					
\$	Funding Source				Variance After Cfwds
	General Revenues	General Reserves	Stat Reserves	Other ²	
98,925	98,925				
7,500	7,500				
310,678	32,938	277,740			
28,000		28,000			
471,737	471,737				
99,430	99,430				
8,580	8,580				
62,942	62,942				
141,361			141,361		
32,152			32,152		
1,399,907	870,904	355,490	173,513	-	
77,088,026	6,498,565	20,672,594	45,376,125	4,540,742	

DATE OF MEETING MARCH 19, 2025

AUTHORED BY JANE RUSHTON, MANAGER, SUPPLY CHAIN MANAGEMENT

SUBJECT RETALIATORY TARIFFS BETWEEN CANADA AND THE US

OVERVIEW

Purpose of Report:

To present the Finance and Audit Committee with a brief overview of the proactive efforts undergone to establish methods of dealing with the US tariffs, the retaliatory Canadian tariffs and the impacts to the City's supply chain.

DISCUSSION

The intent of this report is to provide the Finance and Audit Committee with a summary of the proactive effort taken thus far to mitigate the risk of the reciprocal tariffs implemented and being considered at the Federal government level and safeguards taken to offset the uncertainty in the supply chain.

The announcement on March 4, 2025, regarding the retaliatory tariffs will have an impact on the cost of goods and materials coming into Canada required by the City. Supply Chain Management will need to establish strategies that allows for the management of:

1. In-progress Contracts,
2. Open market opportunities, and
3. Future bidding opportunities

Thus far Supply Chain Management has:

1. Met with the Engineering Department to discuss opening the Approved Product List to broaden the scope of what the City can accept in terms of product standards. This larger conversation will be led by Engineering.
2. Discussed including the Country of Origin in open bid opportunities to capture the products that may be impacted to ensure negotiations focus on the specific products affected and not the entire contract.
3. Created a specific clause for RFx documents to assure the bidding community that the City would be fair in its treatment of any potential tariffs that directly impact the price after award.
4. Met with the Procurement Managers from the mainland and the island to discuss other strategies.
5. Attended a legal review session *Navigating Trade Tensions: Tariffs, Sanctions, and Procurement in Canada* sponsored by the Ontario Public Buyers Association and led by a procurement lawyer who is a leading authority in public procurement practices.

Items 4 and 5 above both highlighted that the Trade Agreements are still valid, and with that having a local preference is prohibited.

However, within the Trade Agreements there exists the latitude to procure local under the thresholds of \$75,000 with Goods and Services and \$200,000 with Construction and the City can and will continue to pursue these where applicable.

For this report, Supply Chain Management conducted an analysis of 1,038 vendors reveals the City only directly procures from 13 US vendors however there is a lack of information on second tier vendors and lower and this could have a negative impact on the supply chain depending on the commodities selected and the tariffs imposed. Where feasible and applicable, the City will encourage our vendor base to avoid the procurement of products that have a potential for the City budgets to be impacted or the supply chain to be disrupted.

Analysis of those same 1,038 vendors reveals that 21% are within Nanaimo City limits. This number is a mix of open market awards and single source contracts which speaks to the fact that the City is doing a satisfactory job in finding local businesses with skills that meet our day-to-day requirements.

Supply Chain Management will continue to monitor the events as they unfold and will employ strategies as required to ensure an uninterrupted supply chain and to lessen where feasible, the impact on City budgets.

SUMMARY POINTS

- Supply Chain Management is proactively developing strategies to address the impact of the reciprocal tariffs.
- 13 of the 1,038 vendors examined are direct US contracts. Indirect contract information is not available.
- 21 per cent of the 1,038 vendors examined are within City limits.
- Supply Chain Management will continue to monitor the situation

Submitted by:

Jane Rushton
Manager, Supply Chain Management

Concurrence by:

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services

DATE OF MEETING MARCH 19, 2025

AUTHORED BY DARCIE OSBORNE, DIRECTOR OF PARKS, RECREATION AND CULTURE
MIKE BRYSON, DEPUTY DIRECTOR CIVIC FACILITIES

SUBJECT LOUDON PARK IMPROVEMENTS

OVERVIEW

Purpose of Report

To provide Council with funding options to advance the proposed improvements to Loudon Park.

Recommendation:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$6,169,373 funded by \$4,000,000 from the Special Initiatives Reserve and \$2,169,373 from the Strategic Infrastructure Reserve Fund to proceed with the current design for the Loudon Park improvements.

BACKGROUND

Loudon Park is a very popular and active lakefront area throughout the year, particularly during the summer months when it is an active swimming area. It is also home to both the Nanaimo Rowing Club and the Nanaimo Canoe and Kayak Club. Both organizations have been active at this location for over 20 years and provide a variety of youth and adult rowing and paddling services, lessons and programs.

The desire for improvements and new facilities at Loudon Park (the “Park”) has been identified for many years, with the primary need being improved parking, new barrier free public washrooms to replace the 1960s washroom, new playground, covered boat storage, accessible fishing pier, improved swim area and updated trails and access. There have been a number of planning and design processes since 2010 on moving forward with improvements to the Park. Phase 1 improvements to the Park were completed in May of 2012.

In 2019, Council approved an Activity Centre that would house all the required building improvements into one building, this has been in the detailed design phase since 2019, facing challenges primarily related to cost and available budget.

Existing Approved Building

The current design was completed to detailed design and contract documents in 2023, however the project did not advance to the market due to projected costs exceeding budget.

The overall projected costs at that time was estimated at approximately \$7,927,000. Within the scope of the project, staff also identified options to reduce scope and modify the design which could potentially reduce the estimated cost by \$500,000 to \$1.2M.

A building permit was received in 2023; however, with projected costs exceeding available funds, a decision was made not to go to market, and to further review possible scope reductions for the project before proceeding to the tender and construction phase. The building permit has since expired.

DISCUSSION

As noted above, over the past year, Staff have worked on ways to reduce the existing approved project and also explored (by working with user groups) an alternative option. Both options are reviewed in further detail with regards to scope, cost and budget, schedule, and other factors.

Current Design

The design highlights prominent architectural features such as mass timber, a curved roof, and glazing throughout.

The design involves removal of the existing washroom and club storage building, construction of the building, site development and playground. The building is centrally located on the property with the playground located on the south side of the building. The design has a gross floor area of 983m². It is estimated that approximately 29 trees will need to be removed to accommodate the design.

Financial Considerations

The cost for the design is estimated at \$10,832,000 (See Table 1 for detailed breakdown). Changes to the design cost estimate since the December 2022 Class B estimate include slight changes required as a result of changes in building code, primarily around accessibility.

Concerning the design phase, the building code has been revised since the design was originally completed; it is anticipated that it will take a few months to refresh the design and make adjustments to account for changes to the building code.

Funding Options

An additional \$6,169,373 in funding is required to proceed with the design. On today's agenda, the 2024 Surplus Allocation report recommends putting \$4,000,000 into the Special Initiatives Reserve for Council priority initiatives. If Council approves that recommendation, then \$4,000,000 in the Special Initiatives Reserve could be used to fund this project. The remaining \$2,169,373 could be funded from Council's Strategic Infrastructure Reserve (SIR) Fund, The revised 2025 projected closing balance of the SIR would be \$1,511,990 with a minimum balance requirement of \$351,780.

If Council chose to use the entire \$4,000,000 to fund this project, there will be less funding available for other priority projects. Projects such as the Public Works Yard Upgrades, RCMP Detachment and South End Community Centre will all be looking for funding in the near future,

as well adjusting the timeline of the Commercial Street Improvements will require additional funding.

Alternate Design

The alternate design is currently at a schematic design level and features two separate buildings. The first building, is primarily a pre-engineered steel warehouse style building with insulated metal panels for the boat storage, and has a light timber framed component for the club space. The second building is a light timber frame barrier free public washroom building built in the location of the existing public washrooms.

This alternative design has approximately 40% less area at 599m² than the current design as it only addresses the basic needs. It is estimated that approximately 15 trees will need to be removed to accommodate this design.

Financial Considerations

The cost for this alternative design is estimated at \$6,539,000 (See Table 1 for detailed breakdown). This design was estimated at a Class C level due to the current preliminary concept level of design, and thus has higher percentage of contingency carried. Costs for design and contract administration are greater for this as the design has yet to be developed. In this design with the location of the boat storage, the existing rowing dock and the accessible fishing pier do not require relocation, which is a reduction to overall costs.

Since the alternative design is still at a preliminary stage of design, it will need to go through the detailed design process, which is likely to add an additional time to the project schedule. However, this design is projected to have slightly less time on site since a component of this building is a pre-engineered structure.

Funding Options

An additional \$1,876,373 in funding is required to proceed with this alternative design. Again, if Council approves the recommended 2024 Surplus Allocation the funding needed could be allocated from the \$4,000,000 in the Special Initiatives Reserve. This would leave \$2,123,627 of this funding available for other Council priority projects or initiatives.

FINANCIAL SUMMARY

Total actuals and commitments on the project to date are \$491,130. The 2025 provisional budget for this project currently has \$4,662,627 uncommitted on a total 2025 budget of \$4,776,602. An updated construction cost estimate was completed in October 2024 for both the Current Design as well as the Alternate Design, see below.

Schedules for both options were developed and have been used to estimate escalation and other time dependent costs, such as project management.

Table 1 - Forecasted Cost Comparison

Description	Current Design Forecasted Cost	Alternative Design Forecasted Cost
Planning, Design, and Contract Admin Fees	\$ 565,000	\$ 703,000
Construction - General Contractor	7,973,000	4,315,000
Construction – Other Owner Costs	65,000	65,000
Other (Permits, DCCs, 3 rd . Party Utilities)	164,000	98,000
Float / Dock Relocate and Signage	280,000	-
Contingency (Option A 10%, Option B 15%)	960,000	818,000
Allowance for Escalation on Construction Costs	825,000	540,000
Total	10,832,000	6,539,000
Available Budget	4,662,627	4,662,627
Additional Funds Required	\$ 6,169,373	\$ 1,876,373

The projected cost to complete the project for either option exceeds the available uncommitted funds.

OPTIONS

Option 1:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$6,169,373 funded by \$4,000,000 from the Special Initiatives Reserve and \$2,169,373 from the Strategic Infrastructure Reserve Fund to proceed with the current design for the Loudon Park improvements.

- The advantages to this option are: Meets the identified improvements needed to the Park facilities.
- The disadvantages to this option are: Fully allocates the \$4 million allocated from 2024 surplus for a Council priority project or initiative and requires funding from Council's Strategic Infrastructure Reserve Fund.
- Financial implications: The 2025-2029 Financial Plan will be amended for final to reflect the changes.

Option 2:

That the Finance and Audit Committee recommend that Council direct staff to increase the budget by \$1,876,373 funded from the Special Initiatives Reserve to proceed with the alternate design for the Loudon Park improvements.

- The advantages to this option are: Leaves \$2,123,627 available for Council to allocate to another priority project or initiative.
- The disadvantages to this option are: Is approximately 40% less area at 599m² and only addresses the basic needs.
- Financial implications: The 2025-2029 Financial Plan will be amended for Final to reflect the changes.

Option 3:

That the Finance and Audit Committee provide alternate direction.

SUMMARY POINTS

- Loudon Park is a very popular and active lakefront area throughout the year, particularly during the summer months and is home to both the Nanaimo Rowing Club and the Nanaimo Canoe and Kayak Club.
- This project has been in the detailed design phase since 2019, facing challenges primarily related to cost and budget.
- Current Design (mass timber design, one single building) was approved and a building permit received but did not proceed as project exceeded funds available.
- The Alternative Design has approximately 40% less area at 599m² and only addresses the basic needs (pre-engineered warehouse type building with stick built portion for club space, and a separate stick built washroom building)
- Additional funding is required to move the project forward.

Submitted by:

Mike Bryson, Deputy Director Civic Facilities

Darcie Osborne
Director, Parks, Recreation & Culture

Concurrence by:

Wendy Fulla,
Director, Finance

Laura Mercer
General Manager, Corporate Services

Dale Lindsay
CAO

Delegation Request

Delegation's Information:

Ashley Rowe has requested an appearance before the Finance and Audit Committee.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is 2025-MAR-19

Bringing a presentation: Yes

Details of the Presentation: The history, community benefit and needs of the Nanaimo Canoe and Kayak Club.

Delegation Request

Delegation's Information:

Kiersten Mort, Nanaimo Rowing Club, has requested an appearance before the Finance and Audit Committee.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is 2025-MAR-19

Bringing a presentation: Yes

Details of the Presentation: To discuss concerns regarding the current facilities at Loudon Park for the Nanaimo Rowing Club, Nanaimo Canoe & Kayak Club, and families, including washrooms, training facilities and equipment storage.

Delegation Request

Delegation's Information:

Nolan Messer has requested an appearance before the Finance and Audit Committee.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is 2025-MAR-19

Bringing a presentation: No

Details of the Presentation: To discuss the current boathouse facility and the impacts the new building will have for Loudon Park users.

Delegation Request

Delegation's Information:

Kate Rutherford, Long Lake Flatwater Training Centre Society, has requested an appearance before the Finance and Audit Committee.

City: Nanaimo

Province: BC

Delegation Details:

The requested date is 2025-MAR-19

Bringing a presentation: Yes

Details of the Presentation: To present the goals of the Long Lake Flatwater Training Centre Society and the important role Loudon Park should be meeting in the community.