

AGENDA
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SERVICE AND RESOURCE CENTRE BOARDROOM, 411 DUNSMUIR STREET, NANAIMO, BC
TUESDAY, 2016-DEC-06, AT 9:30 A.M.

1. **CALL THE SPECIAL MEETING OF THE FINANCE AND AUDIT COMMITTEE TO ORDER:**
2. **INTRODUCTION OF LATE ITEMS:**
3. **ADOPTION OF AGENDA:**
4. **ADOPTION OF MINUTES:**
 - (a) Minutes of the Special Meeting of the Finance and Audit Committee held in the Service and Resource Centre Boardroom, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2016-NOV-16 at 9:30 a.m. Pg. 3-5
5. **ADMINISTRATION:**
 - (a) **2017 Key Date Calendar**

Recommendation: That the 2017 Key Date Calendar for the Finance and Audit Committee be adopted as presented. Pg. 6
 - (b) **Capital Project Results for the Nine Months Ending 2016-SEP-30**

Purpose: To present the Finance and Audit Committee with a summary of the capital project results for the nine months ending 2016-SEP-30. Pg. 7-16
 - (c) **Council Expenses for the Nine Months Ending 2016-SEP-30**

Purpose: To present the Finance and Audit Committee with a summary of Council expenses for the nine months ending 2016-SEP-30. Pg. 17-44
 - (d) **Nanaimo Economic Development Corporation Operating Results for the Nine Months Ending 2016-SEP-30**

Purpose: To present the Finance and Audit Committee with a summary of the Nanaimo Economic Development Corporation operating results for the nine months ending 2016-SEP-30. Pg. 45-51
 - (e) **Operating Results for the Nine Months Ending 2016-SEP-30**

Purpose: To present the Finance and Audit Committee with a summary of the operating results for the nine months ending 2016-SEP-30. Pg. 52-59

(f) **Vancouver Island Conference Centre Operating Results for the Nine Months Ending 2016-SEP-30**

Purpose: To present the Finance and Audit Committee with a summary of the Vancouver Island Conference Centre operating results for the nine months ending 2016-SEP-30.

Pg. 60-63

(g) **Procurement Policy Update**

Purpose: The purpose of this report is to provide the Finance and Audit Committee an updated draft procurement policy to incorporate best practices, guidance from the Office of BC Auditor General for Local Government and recommendations from the recently completed Core Services Review.

Staff Recommendation: That the Finance and Audit Committee recommend that Council amend “Purchasing Power Delegation Bylaw 2013 No. 7175” and related schedules.

Pg. 64-91

(h) **Bastion Street Bridge Rehabilitation**

Purpose: To present for the Finance and Audit Committee’s information, options for the rehabilitation of the Bastion Street Bridge.

Pg. 92-102

(i) **Ammonia Chiller Failure at Nanaimo Ice Centre**

Purpose: To advise Council of a \$176,216 budget transfer from the Facility Development Reserve for the replacement of the chiller at the Nanaimo Ice Centre.

Pg. 103-104

(j) **Replacement of Recreation Management Software**

Purpose: To update Council on the progress of the Recreation Management Software replacement.

Pg. 105-107

(k) **Establishment of Strategic Infrastructure Reserve Fund**

Purpose: The purpose of this report is to provide information and funding options for establishing a strategic infrastructure reserve fund.

Staff Recommendation: That the Finance and Audit Committee recommend that Council adopt the outlined fiscal leveraging strategy as outlined and a related Strategic Infrastructure Reserve Fund.

Pg. 108-112

6. **QUESTION PERIOD:**

7. **ADJOURNMENT:**

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SERVICE AND RESOURCE CENTRE BOARDROOM, 411 DUNSMUIR STREET, NANAIMO, BC
MONDAY, 2016-NOV-16, AT 9:30 A.M.

PRESENT: Councillor W. L. Bestwick, Chair

Members: Mayor W. B. McKay
Councillor J. A. Kipp
Councillor J. Hong
Councillor W. L. Pratt
Councillor W. M. Yoachim (vacated 9:40 a.m.)

Absent: Councillor G. W. Fuller
Councillor I. W. Thorpe
Councillor M. D. Brennan

Staff: V. Mema, Chief Financial Officer
B. McRae, Chief Operations Officer
D. Lindsay, Director of Community Development
D. Duncan, Deputy Director of Financial Services
C. Richardson, Fire Chief
A. Coronica, Senior Financial Analyst
A. Groot, Manager of Facility Planning and Operations
D. Fournier, Manager of Municipal Infrastructure
D. Hiscock, Revenue Services Manager
G. Foy, Manager of Transportation
P. Rosen, Senior Manager of Engineering
W. Fulla, Manager, Finance, Business, and Asset Planning
S. Snelgrove, Recording Secretary (vacated 10:30 a.m.)
M. Brown, Recording Secretary (arrived 10:30 a.m.)

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

The Special Finance and Audit Committee Meeting was called to order at 9:33 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 Minutes of the Special Open Meeting of the Finance and Audit Committee held in the Service and Resource Centre Boardroom, 411 Dunsmuir St, Nanaimo, BC, on Tuesday, 2016-NOV-01 at 9:30 a.m. be adopted as circulated. The motion carried unanimously.

Councillor Yoachim vacated the boardroom at 9:40 a.m.

4. ADMINISTRATION:

(a) User Rate Increase Bylaws

It was moved and seconded that the Finance and Audit Committee recommend that Council receive the report pertaining to:

- (a) "Sewer Regulation and Charge Amendment Bylaw 2016 No. 2496.29";
- (b) "Waterworks Rate and Regulation Amendment Bylaw 2016 No. 7004.12"; and,
- (c) "Municipal Solid Waste Collection Amendment Bylaw 2016 No. 7128.07"

The motion carried.

Opposed: *Councillor Kipp*

(b) Bulk Water Rates for South West Extension

It was moved and seconded that the Finance and Audit Committee recommend that Council receive the report pertaining to "South West Bulk Water Rate Amendment Bylaw 2016 No. 7099.05". The motion carried unanimously.

Councillor Kipp vacated the boardroom at 10:13 a.m. Discussion was suspended as quorum was lost at 10:13 a.m.

Councillor Kipp returned 10:14 a.m.

The meeting regained quorum and reconvened at 10:14 a.m.

S. Snelgrove vacated the boardroom at 10:30 a.m.

M. Brown arrived at 10:30 a.m.

- (c) Draft 2017 – 2021 Financial Plan Review (continued from the meeting held 2016-OCT-04)
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Presentation:

- 1. Ms. D. Duncan, Deputy Director of Financial Services

Councillor Pratt vacated the boardroom at 11:02 a.m. Discussion was suspended as quorum was lost at 11:02 a.m.

Councillor Bestwick vacated the boardroom at 11:03 a.m.

Councillor Pratt returned 11:04 a.m.

Councillor Bestwick returned 11:10 a.m.

The meeting regained quorum and reconvened at 11:11 a.m.

It was moved and seconded that the Finance and Audit Committee receive the Draft 2017 – 2021 Financial Plan Review for information. The motion carried unanimously.

7. ADJOURNMENT:

It was moved and seconded at 11:22 a.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

City of Nanaimo

FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR – 2017

Committee meetings are held in the boardroom on the first floor of the Service and Resource Centre Building at 411 Dunsmuir Street unless otherwise stated.

Committee	Start Time	Day of the Month
Finance and Audit Committee	9:30 a.m.	2 nd Wednesday

January 1.....New Year's Day
January 11 Finance and Audit Committee

February 8..... Finance and Audit Committee
February 13.....Family Day

March 8..... Finance and Audit Committee

April 12 Finance and Audit Committee
April 7-9 AVICC-Convention – Campbell River
April 14.....Good Friday
April 17.....Easter Monday

May 10 Finance and Audit Committee
May 22.....Victoria Day

June 1 to 4 FCM Convention - Ottawa
June 14..... Finance and Audit Committee

July 3.....Canada Day Stat
July 12..... Finance and Audit Committee

August 9..... Finance and Audit Committee
August 7.....BC Day Stat

September 4.....Labour Day
September 13..... Finance and Audit Committee
September 25 to 29 UBCM Conference - Vancouver

October 11 Finance and Audit Committee
October 9.....Thanksgiving Day

November 8..... Finance and Audit Committee
November 13.....Remembrance Day Stat

December 13..... Finance and Audit Committee
December 25.....Christmas Day
December 26.....Boxing Day

DATE OF MEETING December 6, 2016

AUTHORED BY LAURA L. MERCER, MANAGER OF ACCOUNTING SERVICES

SUBJECT **CAPITAL PROJECT RESULTS FOR THE NINE MONTHS ENDING 2016-SEP-30**

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of the capital project results for the nine months ending 2016-SEP-30.

DISCUSSION

Projects that satisfy specific requirements as outlined in the City's Capital Asset Policy are classified as capital expenditures and are accounted for in the City's capital funds. There are three (3) Capital funds: General Capital, Sewer Capital and Water Capital funds. Projects that are smaller in scope and below specific capitalization thresholds are classified as "operating projects" and are accounted for in the City's operating funds.

Funding for project expenditures comes from a number of sources including general tax revenues, operating and statutory reserves, grants and borrowing. Statutory reserve funding sources include Development Cost Charges, Equipment Replacement Reserve, Asset Management Reserve, Community Works Reserve and the Facility Development Reserve.

Unfinished projects at the end of the year are usually carried forward to be completed in the following year. Due to this, capital fund variances usually do not impact the operating surplus value.

Attached to this report is Appendix 2 which outlines the summary of the capital project results by project type for the nine months ending 2016-SEP-30. The summary is divided into two sections: Concurrent projects (i.e.: projects undertaken together to minimize disruption and maximize cost and service efficiencies) and all other capital projects.

Each section has been broken out into the following categories; which are defined as follows:

Status	Description
Completed	Project is fully complete and no additional costs are expected
Substantially Complete	Project is almost fully complete but there are a few minor costs still remaining to be incurred
In Progress	Project is currently underway
Not Started	Project has not been started but is anticipated to start by the end of the year
Delayed/Cancelled	Project has been halted or cancelled
Other	Project that does not fit into the categories above

For projects that have a 'Completed' status and come in under budget, the unused funds that are not transferred to other capital projects are transferred back to general reserves and /or other initial funding sources as appropriate to fund future projects.

Appendix 1 provides a brief explanation for individual projects with a budget variance in excess of \$1 million dollars.

Appendix 2 lists the total year-to-date expenditures for each project. This listing illustrates at a glance the status of individual projects as at 2016-SEP-30 compared to the budget for the year.

The City of Nanaimo has a capital budget of \$50 million for 2016. This is represented by 193 projects: 77 projects are now complete; 70 projects are in progress; 11 have not been started yet; 35 projects have been delayed or other; 53% of the 2016 budget has either been spent to-date or committed.

Summary by Project Status as at 2016-SEP-30:

<i>Project Status</i>	<i>% of Total Budget</i>	<i>Annual Budget</i>	<i>Actual Costs To Sept 30</i>	<i>Remaining Funding</i>
Completed / Substantially Complete	33%	\$ 16,644,229	\$ 14,627,212	\$ 2,017,017
In-Progress	41%	20,389,042	11,820,772	8,568,270
Not Started	1%	631,706	-	631,706
Delayed/Other	25%	<u>12,245,794</u>	<u>44,110</u>	<u>12,201,684</u>
Total		<u>\$ 49,910,771</u>	<u>\$ 26,492,094</u>	<u>\$ 23,418,677</u>

SUMMARY POINTS

- \$26,492,094 of the \$49,910,771 Capital Budget has been spent or committed as at 2016-SEP-30.

ATTACHMENTS

- Appendix 1: Variance Analysis of the Summary of Capital Results for the nine months ending 2016-SEP-30.
- Appendix 2: Summary of Capital Results for the nine months ending 2016-SEP-30.

Submitted by:



Laura L. Mercer
Manager of Accounting Services

Concurrence by:



Victor Mema
Chief Financial Officer

Appendix 1: Variance Analysis of the Summary of Capital Results for the nine months ended 2016-SEP-30

The following section provides an explanation of the significant project variances over \$1,000,000.

Boundary/Northfield Intersection Upgrade \$ 2,529,164

This project includes the upgrade of the Northfield Boundary Intersection and associated underground utilities. This project is in partnership with the Ministry of Transportation and Infrastructure who have agreed to contribute funding of \$1,422,886. The balance of the project is funded from general transportation reserve funds (\$267,626), general water reserve funds (\$30,000), ICBC contributions (\$95,000), and from the DCC statutory reserve funds (\$753,100). This project is currently on hold for up to a year per a Council motion made on 2016-MAY-09. Staff will return to Council in the Spring of 2017 seeking direction on whether to proceed with the project.

DCC SS17: Millstone Trunk Sanitary Sewer \$ 1,469,817

This project includes the upgrade of 1,130m of sanitary sewer between Jingle Pot Road and Maxey Road and at the intersection of Maxey Road and East Wellington Road. The project is anticipated to be under budget by approximately \$1,088,000 due to better than expected tender pricing. Current year funding sources are from the Sewer DCC statutory reserve fund (\$2,279,066) and general sewer reserves (\$1,024,000).

Port Theatre Expansion \$ 5,700,000

This project relates to the rehearsal hall expansion at the Port Theatre. The funding sources for the year are Provincial grants (\$2,300,000) and fundraising and sponsorship contributions (\$3,400,000). The City of Nanaimo and the Port Theatre Society are currently working together to secure funding for this project. This project has not been started yet.

APPENDIX 2

		2016 CAPITAL BUDGET	2016 YTD ACTUALS	COMMITMENTS	TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources				
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserve	Other Sources
CONCURRENT PROJECTS:												
COMPLETED PROJECTS												
P-5191	DCC R65 - 100 Line Road	5,000	2,000	-	2,000	3,000		-	-	-	3,000	
	DCC R65 100 Line Road - Phase 1	5,000	2,000	-	2,000	3,000	Complete	-	-	-	3,000	
P-5177	Beaufort Park Drainage	11,255	666	-	666	10,589					10,589	
P-6161	Beaufort Park Sanitary	18,000	12,339	-	12,339	5,661					5,661	
P-7262	Beaufort Park Area - Water Main	1,300	1,214	-	1,214	86					86	
	Beaufort Park Utility Project	30,555	14,219	-	14,219	16,336	Substantially Complete	-	-	-	16,336	
P-6162	Bradley/Park St. 1293RW Sanitary Sewer: Milestone to Terminal Design	50,000	-	-	-	50,000	Design work completed, construction budgeted for 2017	-	-	-	50,000	
	Bradley/Wall Storm & Sanitary Project	50,000	-	-	-	50,000	Complete	-	-	-	50,000	
P-5218	Cinnabar Dr. Drainage - Design	3,763	3,404	167	3,571	192					192	
P-7286	Cinnabar Dr. Water Main: Stacey to End - Design	23,817	17,641	838	18,479	5,338	Construction budgeted for 2017				5,338	
	Cinnabar Drive RHB & Utility Upgrade	27,580	21,045	1,005	22,050	5,530	Substantially Complete	-	-	-	5,530	
P-5174	Cliff St. Area Corridor: Skinner St. to Bastion St.	526,029	649,761	33,099	682,860	(156,831)		(156,831)			(94,714)	
P-6182	Cliff St. Corridor & Utility Sanitary Sewer - Design & Construction	462,546	509,232	48,028	557,260	(94,714)					(13,194)	
P-7325	Cliff St. Area Water - Design & Construction	532,288	511,463	34,019	545,482	(13,194)						
	Cliff Street Area Corridor & Utility Projects	1,520,863	1,670,456	115,146	1,785,602	(264,739)	Substantially Complete	(156,831)	-	-	(107,908)	
P-5212	Departure Bay Seawall & Utility Project	765,129	681,927	46,369	728,296	36,833		-	-	-	36,833	
	Departure Bay Seawall & Utility Project	765,129	681,927	46,369	728,296	36,833	Substantially Complete	-	-	-	36,833	
P-7284	Extension Road - Duke Pt. Main - Construction	31,249	31,249	-	31,249	-		-	-	-	-	
	Extension Road - Duke Pt. Main - Construction	31,249	31,249	-	31,249	-	Complete	-	-	-	-	
P-5197	Nanaimo Lakes Drainage & Rehab Project	1,362,580	1,421	1,314,118	1,315,539	47,041		-	-	-	47,041	
	Nanaimo Lakes DR & RHB Project	1,362,580	1,421	1,314,118	1,315,539	47,041	Substantially Complete	-	-	-	47,041	
P-7361	Old Victoria Road Water Main - Design & Construction	50,851	49,889	-	49,889	962		-	-	-	962	
	Old Victoria Road Water Main- Design & Construction	50,851	49,889	-	49,889	962	Complete	-	-	-	962	
P-7296	Roberta Rd Area Utility Upgrade	16,054	13,615	671	14,286	1,768	Construction budgeted for 2017	-	-	-	1,768	
	Roberta Rd Area Utility Upgrade	16,054	13,615	671	14,286	1,768	Substantially Complete	-	-	-	1,768	
P-6184	Robins St. Sanitary Sewer - Pipe 509596 @ Nicol	15,000	8,984	-	8,984	6,016		-	-	-	6,016	
P-7357	Robins St. Water Main: Strickland to Haliburton	105,104	105,104	-	105,104	-		-	-	-	-	
	Robins St. Utility Upgrade	120,104	114,088	-	114,088	6,016	Complete	-	-	-	6,016	
P-5173	Sherwood Forest Utility Upgrade Storm Construction	7,800	-	-	-	7,800		-	-	-	-	
P-7264	Sherwood Forest Utility Upgrade Water Main Construction	20,459	10,146	-	10,146	10,313		-	-	-	10,313	
	Sherwood Forest Utility Upgrade	28,259	10,146	-	10,146	18,113	Substantially Complete	-	-	-	18,113	
P-5219	Laguana Way Drainage	90,000	56,384	-	56,384	33,616		33,616				
P-7279	Tom's Turnabout Pressure Reducing Valve	193,000	20,780	-	20,780	172,220					172,220	
P-7353	Tom's Turnabout Area Utility Upgrade & Water Main	309,565	229,547	2,659	232,206	77,359					77,359	
	Tom's Turnabout Area Utility Upgrade	592,565	306,711	2,659	309,370	283,195	Substantially Complete	33,616	-	-	249,579	
P-5209	Victoria Rd. SW Utility Project - Roads	970,000	612,547	169,378	781,925	188,075		188,075				
P-6179	Victoria Rd. SW Utility Project - Sanitary Sewer	704,452	526,748	137,776	664,524	39,928				30,317	9,611	
P-7384	Victoria Rd. SW Utility Project - Water	60,000	49,286	11,668	60,954	(954)					(954)	
	Victoria Road SW & Utility Project	1,734,452	1,188,581	318,822	1,507,403	227,049	Substantially Complete	188,075	-	30,317	8,657	
	TOTAL PROJECTS 'COMPLETED'	6,335,241	4,105,347	1,798,790	5,904,137	431,104		64,860	-	30,317	335,927	
PROJECTS "IN-PROGRESS"												
P-5183	Beban Plaza Storm - Design	753,628	38,886	632,908	671,794	81,834					81,834	
P-6208	Beban Plaza Sanitary Sewer	239,960	22,412	191,776	214,188	25,772	Design work substantially complete; with construction expected September to December				25,772	
	Beban Plaza Utilities Project	993,588	61,298	824,684	885,982	107,606	In Progress	-	-	-	107,606	
P-5191	DCC R65 - 100 Line Road	160,000	56,834	10,065	66,899	93,101					93,101	

City of Nanaimo

Summary of Capital Results

Nine Months Ended September 30, 2016

		2016 CAPITAL BUDGET	2016 YTD ACTUALS	COMMITMENTS	TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources			
								General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserve
P-5198 P-7279	DCC R65 100 Line Road - Phase 2 Boundary Corridor Utility Townsite & Boundary Pressure Reducing Valve	160,000 5,500 152,787	56,834 - 3,082	10,065 - 571	66,899 - 3,653	93,101 5,500 149,134	In Progress	-	-	93,101 5,500	- - 149,134
P-5157 P-5164 P-5193 P-6174 P-7290	Boundary Area Corridor and Utility Project DCC R85 Boxwood Connector - Design/Construction DCC R49 Northfield: Bowen to Boxwood - Design Boxwood Connector Pond Drainage Boxwood Connector & Utility Project Sanitary Sewer - Design Boxwood Connector Water Services - Design	158,287 165,706 70,000 30,000 64,958 59,979	3,082 35,206 - - 19,958 9,979	571 - - - - -	3,653 35,206 - - 19,958 9,979	154,634 546,500 70,000 30,000 45,000 50,000	In Progress	-	-	5,500 546,500 57,400	- 149,134 12,600 - 45,000 50,000
P-5156	Boxwood Connector & Utility Project 1597 Boundary Works & Services - Parking Lot.	806,643 157,829	65,143 158,617	- -	65,143 158,617	741,500 (788)	In Progress Additional funding, \$61,000 from the Housing Legacy Fund, was approved by Council September 26, 2016 for completion of additional work.	30,000 (788)	-	603,900	107,600
P-4040 P-5170 P-6149	Boundary-Boundary-Works & Services Project Trailway Development and Rehab - Buttertubs Drive Buttertubs Dr- Bowen to Marsh DCC SS19 Millstone: Buttertubs Easement	157,829 165,800 196,895 3,873,098	158,617 90,507 90,793 1,985,466	- 69,272 68,451 987,199	158,617 159,779 159,244 2,972,655	(788) 6,021 37,651 900,443	In Progress	(788)	-	-	- 6,021 37,651
P-6191 P-7328	Buttertubs Utility Upgrade Project DCC SS45 Chase River Trunk Sanitary sewer Chase River Trunk Sanitary Sewer	4,235,793 300,000 300,000	2,166,756 3,211 3,211	1,124,922 35,285 35,285	3,291,678 38,496 38,496	944,115 261,504 261,504	In Progress Geotechnical and environmental investigation underway	-	-	900,443 261,504	43,672
P-6176 P-7335	Departure Bay Area Utility Project Sixth St. Sanitary Sewer: Bruce to Georgia - Design Sixth St. Water Main: Bruce to Georgia	37,000 40,000 36,000	23,110 23,110	10,974 10,974	34,084 34,084	2,916 40,000 36,000	In Progress	-	-	-	2,916 2,916
P-6209 P-7334	Duke & Sixth St. Utility Upgrade Garner Cres Sewer Sanitary Garner Cres Area Utility Upgrade	76,000 801,280 422,000	- 38,933 15,500	- 407,534 376,185	- 446,467 391,685	76,000 354,813 30,315	In Progress	-	-	-	76,000 354,813
P-5135 P-7274	Garner Cres Area Utility Upgrade DCC R84 Hammond Bay Rd DCC W48 Hammond Bay Rd Water Main	1,223,280 267,516 48,878	54,433 74,942 6,377	783,719 46,173 -	838,152 121,115 6,377	385,128 146,401 42,501	In Progress	-	-	30,315 107,784 42,501	354,813 38,617
P-7271	Hammond Bay Corridor & Utility Project Hammond Bay at Ivy Ln to Sherwood - Design	316,394 12,411	81,319 2,051	46,173 -	127,492 2,051	188,902 10,360	In Progress Construction budgeted for 2017	-	-	150,285 10,360	38,617
P-5204 P-6183	Hammond Bay at Ivy Ln Utility Project Lambert Ave. Utility Upgrade - Roads Lambert Ave. Utility Upgrade - Sanitary Sewer	12,411 30,000 60,000	2,051 - -	- - -	2,051 - -	10,360 30,000 60,000	In Progress	-	-	10,360	-
P-7306	Lambert Ave. Utility Upgrade Nanaimo Parkway & Cranberry Water Main	90,000 20,000	- 712	- -	- 712	90,000 19,288	In Progress	30,000 30,000	-	-	60,000 19,288
P-5222 P-6217 P-7309	Nanaimo Parkway & Cranberry Water Main Terminal South Terminal Sanitary Sewer: Rosehill to Bryden - Design Terminal Water Main: Stewart to Dawes & Mt. Benson - Design	20,000 80,000 120,000 18,000	712 42,854 80,609 10,894	- 8,118 21,370 3,053	712 50,972 101,979 13,947	19,288 29,028 18,021 4,053	In Progress	-	-	-	19,288
P-5208 P-7354	Terminal Ave South Utility Project Townsite/Holly Ave Area - Roads Townsite/Holly Ave Area - Water - Construction	218,000 115,000 239,081	134,357 - 239,081	32,541 40,582 -	166,898 40,582 239,081	51,102 74,418 -	In Progress	- 74,418	-	47,049	4,053
	Townsite/Holly Ave Corridor & Utility Project	354,081	239,081	40,582	279,663	74,418	In Progress	74,418	-	-	-
	TOTAL PROJECTS 'IN-PROGRESS'	9,159,306	3,050,004	2,909,516	5,959,520	3,199,786		133,630	-	2,102,457	963,699
NOT STARTED PROJECTS											
P-7298	Seventh St. Water Main: Park to Douglas - design	30,000	-	-	-	30,000					30,000
P-6188	Seventh St. Utility Upgrade Fillingar Cres Sanitary Sewer: 5100 Fillingar to 5190 Fillingar - Design	30,000 100,000	- -	- -	- -	30,000 100,000	Not Started Design anticipated to start this Fall upon completion of routing study	-	-	-	30,000 100,000
	Fillingar Cres Utility Upgrade	100,000	-	-	-	100,000	Not Started	-	-	-	100,000

City of Nanaimo

Summary of Capital Results
Nine Months Ended September 30, 2016

	2016 CAPITAL BUDGET	2016 YTD ACTUALS	COMMITMENTS	TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources			
							General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserve
TOTAL PROJECTS 'NOT STARTED'	130,000	-	-	-	130,000		-	-	-	130,000
DELAYED/CANCELLED PROJECTS										
P-5108 DCC R8 Boundary/Northfield Interim Improv - Arterial Surface	2,538,612	27,399	12,049	39,448	2,499,164			1,383,438	753,100	267,626
P-7362 Boundary Rd Water Main: Boundary/Northfield Intersection	30,000	-	-	-	30,000					30,000
Boundary/Northfield Intersection Upgrade	2,568,612	27,399	12,049	39,448	2,529,164	On Hold per Council motion	-	1,383,438	753,100	297,626
P-7342 DCC W47 College Dr. Twin	30,000	-	-	-	30,000					30,000
P-7343 Canosun & Langara Water Main - Design	10,000	-	-	-	10,000					10,000
College Dr. Area Water Main Twinning	40,000	-	-	-	40,000	Cancelled	-	-	-	40,000
TOTAL PROJECTS 'DELAYED/CANCELLED'	2,608,612	27,399	12,049	39,448	2,569,164		-	1,383,438	753,100	337,626
TOTAL CONCURRENT CAPITAL PROJECTS	18,233,159	7,182,750	4,720,355	11,903,105	6,330,054		198,490	1,383,438	2,885,874	1,767,252
							198,490	1,383,438	2,885,874	1,767,252

ALL OTHER PROJECTS:

COMPLETED PROJECTS

P-2206 Bastion St. Parkade Upgrade	2,902	2,902	-	2,902	-	Complete	-			
P-2208 Parking Equipment (License Plate Recognition)	33,396	7,233	-	7,233	26,163	Complete				26,163
P-2702 Telephone System Upgrade	89,240	77,849	-	77,849	11,391	Complete				11,391
P-2721 IT Backup System	14,584	14,584	-	14,584	-	Complete				-
P-3407 Fire Services: Replace Unit 7200 & 7201	485	485	-	485	-	Complete			-	
P-3717 Police Services Equipment - Control System	14,823	3,627	-	3,627	11,196	Complete	11,196			
P-3425 Fire Headquarters: Seismic Upgrade	301,079	138,326	57,666	195,992	105,087	Substantially Complete			105,087	
P-4030 Parks Ops: Equipment Replacement	44,000	41,592	-	41,592	2,408	Complete				2,408
P-4045 VIP Program - Janes PIP Park	2,840	-	-	-	2,840	Substantially Complete				2,840
P-4045 VIP Program - Community Greenhouse	25,000	23,991	-	23,991	529	Complete				529
P-4045 VIP Program - Oceanview Park	3,413	2,884	-	2,884	863	Substantially Complete				863
P-4045 VIP Program - Westdale- Leslie - PIP Park	49,108	10,800	37,445	48,245	2,916	Complete			2,916	
P-4140 Zamboni Replacement - Electric Conversion of Unit 809	40,000	25,591	11,493	37,084	2,916	Complete			14,642	
P-4165 Cliff McNabb Arena: Facility Amenities	198,250	183,608	-	183,608	14,642	Complete				138,980
P-4183 Lower & Middle Chase Dams	2,328,423	2,189,443	-	2,189,443	138,980	Substantially Complete				1,888
P-4189 NIC: Facility Amenities - Security	48,887	46,999	-	46,999	1,888	Complete				
P-4192 Kin Pool: Replace Cement Piping	49,000	48,726	-	48,726	274	Complete	274			
P-4202 NAC Structure: Repair Wall Leak	33,800	(1,268)	14,229	12,961	20,839	Substantially Complete			20,839	
P-4206 Behan Pool: HVAC	49,147	26,810	22,170	48,980	167	Substantially Complete			167	
P-4204 Merle Logan: Replace Artificial Turf Field	2,500	2,337	-	2,337	163	Complete				163
P-4220 E & N Trail: Preliminary Designs	193,760	6,632	9,559	16,191	177,569	Substantially Complete		50,000	83,809	43,760
P-4222 NIC: Mechanical	-	175,216	1,000	176,216	(176,216)	Substantially Complete	(176,216)			
P-4229 Caledonia/Curling Club: Parking Lot	110,000	-	-	-	110,000	Substantially Complete			110,000	
P-4232 Safety Surfacing: Comox Park	51,700	37,020	-	37,020	14,680	Substantially Complete	14,680			
P-4238 Behan Community Bike Park	34,000	20,565	11,000	31,565	2,435	Substantially Complete	2,435			
P-5014 Eng. Maintenance Equip.	15,000	14,028	-	14,028	972	Complete	972			
P-5060 Fleet Replacement - Unit #225, 265, 574, 223, 434, 435	1,055,000	1,096,175	-	1,096,175	(41,175)	Complete			(41,175)	
P-5154 Railway Crossing Upgrades	30,738	30,738	-	30,738	(0)	Complete				
P-5176 Wakesiah Wood Culvert	1,398	1,270	-	1,270	128	Complete	-			128
P-5178 Hammond Bay Easement	7,901	4,286	-	4,286	3,615	Complete				3,615
P-5200 Pedestrian Transportation Improvements - Wakesiah , Fitzwilliam	16,130	2,250	-	2,250	13,880	Complete				13,880
P-5200 Pedestrian Transportation Improvements - Metral @ Enterprise count down timer	14,100	-	-	-	14,100	Substantially Complete	14,100			41,633
P-5210 SNIC Equipment	93,582	51,949	-	51,949	41,633	Complete				

Summary of Capital Results

Nine Months Ended September 30, 2016

PROJECTS "IN-PROGRESS"

	2016 CAPITAL BUDGET	2016 YTD ACTUALS	COMMITMENTS	TOTAL YTD COSTS	REMAINING FUNDING	COMMENTS	Remaining Funding Sources			
							General Revenue Fund	Grants	Statutory Reserve Funds	General Revenue Reserve Other Sources
P-2708 LAN Upgrades	287,510	-	-	-	287,510	No spending year to date				287,510
P-3104 Property Acquisitions - Unallocated	600,000	-	-	-	600,000	No spending year to date	600,000			
P-4045 VIP Program - Unallocated	21,000	-	-	-	21,000	No spending year to date				21,000
P-5000 Street Design & Studies	36,721	-	-	-	36,721	No spending year to date	36,721			
P-5005 Storm Water Designs	20,000	-	-	-	20,000	No spending year to date	20,000			
P-5043 Road Infrastructure	9,762	-	-	-	9,762	No spending year to date	9,762			
P-6103 Sanitary Infrastructure	187,000	-	-	-	187,000	No spending year to date				187,000
P-6105 Sewer Designs	30,000	-	-	-	30,000	No spending year to date			75,000	30,000
P-6215 DCC Unspecified Road Design	75,000	-	-	-	75,000	No spending year to date				
P-7104 Water Infrastructure - Unallocated	106,593	-	-	-	106,593	No spending year to date				106,593
P-7105 Water Design	60,000	-	-	-	60,000	No spending year to date				60,000
P-7131 DCC Water Design & Usage	150,000	-	-	-	150,000	No spending year to date			150,000	
TOTAL PROJECTS 'OTHER'	1,583,586	-	-	-	1,583,586		666,483	-	225,000	692,103
TOTAL OTHER CAPITAL PROJECTS	31,677,612	9,255,166	5,333,823	14,588,989	17,088,623		1,044,447	2,600,000	2,186,942	7,673,144
TOTAL CAPITAL PROJECTS FOR 2016	49,910,771	16,437,915	10,054,178	26,492,094	23,418,677		1,242,937	3,983,438	5,072,816	9,440,397
										3,679,090

DATE OF MEETING December 6, 2016

AUTHORED BY LAURA L. MERCER, MANAGER OF ACCOUNTING SERVICES

SUBJECT COUNCIL EXPENSES FOR THE NINE MONTHS ENDING 2016-SEP-30

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of Council expenses for the nine months ending 2016-SEP-30.

DISCUSSION

Council member expenses are incurred in accordance with the Council Spending and Amenities Policy 1-0530-05. This policy establishes governance and control parameters regarding expenditures for and by elected officials. This report summarizes Council expenses for the nine month period ending 2016-SEP-30.

Summary of Council expenses at 2016-JUN-30:

<u>Name</u>	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD Actuals</u>
Mayor McKay	\$ 15,000.00	4,227.12	1,741.67	1,383.20	\$ 7,351.99
Councillor Bestwick	13,500.00	4,822.15	-	-	4,822.15
Councillor Brennan	8,500.00	4,092.24	957.69	1,101.73	6,151.66
Councillor Fuller	13,500.00	4,684.30	-	752.93	5,437.23
Councillor Hong	13,500.00	5,874.68	191.35	1,944.00	8,010.03
Councillor Kipp	13,500.00	1,028.83	-	610.82	1,639.65
Councillor Pratt	13,500.00	3,527.43	3,032.79	925.14	7,485.36
Councillor Thorpe	13,500.00	2,015.56	-	1,118.17	3,133.73
Councillor Yoachim	<u>13,500.00</u>	<u>4,831.66</u>	<u>-</u>	<u>706.73</u>	<u>5,538.39</u>
Total	<u>\$ 118,000.00</u>	<u>\$ 35,103.97</u>	<u>\$ 5,923.50</u>	<u>\$ 8,542.72</u>	<u>\$ 49,570.19</u>

Appendix 1 lists the total year-to-date expenses for each member of Council. This listing gives a detailed summary of the overall expenses of an individual Council member as at 2016-SEP-30 compared to the annual budget for that individual.


SUMMARY POINTS

- Mayor and Council have spent \$49,570.19 of the \$118,000 annual budget at 2016-SEP-30.

ATTACHMENTS

- Appendix 1: Detailed Council Expense Summaries.

Submitted by:



Laura L. Mercer
Manager of Accounting Services

Concurrence by:



Victor Mema
Chief Financial Officer

APPENDIX 1

STATEMENT OF FINANCIAL INFORMATION EXPENSES AS AT SEPTEMBER 30, 2016 BILL MCKAY

	Budget	Q1	Q2	Q3	YTD 2016	%	2015
Sponsored Events	\$ 1,500.00	\$ 394.23	\$ 236.15	\$ 166.92	\$ 797.30	53%	\$ 2,585.25
Hospitality	500.00	127.57	-	-	127.57	26%	1,094.95
Conferences/Travel - Other	500.00	1,599.66	328.39	89.84	2,017.89	404%	7,867.84
LGLA	-	-	-	-	-	0%	-
FCM	3,000.00	1,054.78	1,177.13	288.46	2,520.37	84%	2,838.32
UBCM	2,500.00	-	-	837.98	837.98	34%	2,545.98
AVICC	1,000.00	268.56	-	-	268.56	27%	737.04
Legal Fees	5,000.00	-	-	-	-	0%	3,068.23
China Trip	-	-	-	-	-	0%	6,428.96
Telephone/Internet	1,000.00	782.32			782.32	78%	1,135.80
	<u>\$ 15,000.00</u>	<u>\$ 4,227.12</u>	<u>\$ 1,741.67</u>	<u>\$ 1,383.20</u>	<u>\$ 7,351.99</u>	49%	<u>\$ 28,302.37</u>

BILL MCKAY 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	125.00	CLAY TREE - Gala Event - Mar 12
\$	45.00	NANAIMO AFRICAN HERITAGE SOCIETY - Black History Month Gala Dinner - Feb 27
\$	36.06	THE PORT THEATRE - "Dealing with People Who Drive You Nuts" Seminar - Jan 26
\$	34.33	GREATER NANAIMO CHAMBER - Networking Meeting - Feb 10
\$	62.50	NANAIMO DISTRICT MUSEUM - Sports Achievement Awards - Feb 12
\$	52.88	COAST WASTE MANAGEMENT - Workshop Feb 12
\$	102.88	PAYPAL *20UNDER40 - Top 20 under 40 Business & Community Achievement Awards - Apr 2
\$	38.46	CHBA-Building Construction Forum - Jan 14
\$	30.29	PAYPAL *CHEMISTRYCO - What's Next Nanaimo? Business and Breakfast
\$	34.33	GREATER NANAIMO CHAMBER - Luncheon
\$	34.32	GREATER NANAIMO CHAMBER - Luncheon
\$	34.33	GREATER NANAIMO CHAMBER - Luncheon
\$	34.33	GREATER NANAIMO CHAMBER - Luncheon
\$	40.38	GREATER NANAIMO CHAMBE - July Monthly Luncheon
\$	28.85	UNITED WAY - United Way Kick Off Breakfast - Sept 15
\$	63.36	LITERACY CENTRAL VANCOUVER ISLAND - Literacy CVI Event
<hr/>		
\$	797.30	

HOSPITALITY

\$	18.95	PETTY CASH - Reimburse meal re: Business Networking Meeting - Nov 19/15
\$	33.00	PETTY CASH - Reimburse Starbucks (China) - Nov 15/15
\$	5.27	PETTY CASH - Reimburse BC Ferries Meals - Republic of China Event - Oct 19/15
\$	26.20	BOLD KNIGHT RESTAURANT - 20160112 - Business Meeting re: Circle Square Consulting - Jan 12
\$	10.47	HOT CHAI EXPRESS - Meal - Bike Summit - Jan 23
\$	11.12	SMITTY'S FAMILY RESTAURANT - Meal - Nicole Norris (ICF) - Feb 5
\$	22.56	REWSTERS RESTAURANT - Lunch Meeting with James McIntyre (Cross & Co) - Feb 4
<hr/>		
\$	127.57	

CONFERENCES/TRAVEL

\$	174.40	Travel Exp Claim - BC Small Business Awards - Vancouver - Feb 9 -10 & Comox Feb 29 - Bike Coalition
\$	2.16	R PARKING VIHA -20151223 - BC Asscoiation of Hospital Auxilliary - Dec 23
\$	19.39	TROLLS - 2160105 - Travel Meal - Jan 5
\$	51.54	VANCOUVER TAXI - 2160105 - Travel from YVR R. Grant (Legal) - Jan 6
\$	16.30	BCF-HORSESHOE BAY - 20160106 - Travel from YVR R. Grant (legal) - Jan 5
\$	18.53	TAP & BARREL - COAL HARBOUR - 20160105 - Meeting in YVR with R. Grant - Jan 5
\$	4.81	CITY OF VICTORIA PARKING - 20160111 - Business Meeting - Jan 11
\$	102.88	SEAIR SEA - Flights - Jan 5
\$	549.48	AIR CANADA 0149797513274 - Flights to Fort St. John - BC Mayor's Caucus - May 1 - 4
\$	100.96	AIR CANADA 0149797513274 - Flights to Fort St. John - BC Mayor's Caucus - May 1 - 4
\$	45.43	TASF - 20077499129 - Flightes to Fort St. John - BC Mayor's Caucus - May 1 - 4
\$	201.92	CIVICINFO BC - BC Mayors' Caucus - Fort St. John, BC - May 1 - 3
\$	(201.92)	CIVICINFO BC - Mayor's Caucus Registration reimbursement - May 1 - 3
\$	230.36	PAN PACIFIC VANCOUVER - BC Small Business Awards - Feb 25 - 26
\$	124.04	HELIJET INTERNATIONAL - BC Small Business Awards - Feb 25
\$	124.04	HELIJET INTERNATIONAL - BC Small Business Awards - Feb 26
\$	35.34	TASF 20077529810 - Travel to Fort St. John, BC - May 1 - 5
\$	137.04	Travel Exp Claim - BC Community Achievement Awards - Victoria - May 25
\$	191.35	CONFERENCE BOARD OF CANADA - Western Business Outlook - May 19
\$	89.84	PARKING AND MILEAGE FOR VARIOUS FUNCTIONS
<hr/>		
\$	2,017.89	

BILL MCKAY 2016 EXPENSES

as at September 30, 2016

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$ 805.77	FCM 2016 - FED.OF CDN MUN - Registration - Jun 2 - 6
\$ 35.34	FCM 2016 - TASF 2016 0412 Travel Agent book flights - June 2 - 6
\$ 394.76	FCM 2016 - AIR CANADA 0141733103832 - WINNIPEG MB - June 2 - 6
\$ 747.03	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - June 2 - 6
\$ 288.46	FCM 2016 - Travel Claim for FCM CONFERENCE - June 2 - 6
<hr/>	
\$ 2,520.37	

UBCM (Date: September 26 - 30 in Victoria BC)

\$ 837.98	UNION OF BC MUNICIPALITIES - UBCM Conference Registration Sep 26 - 30
<hr/>	
\$ 837.98	

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$ 268.56	AVICC - CIVICINFO BC - Apr 8 - 10
<hr/>	
\$ 268.56	

LGLA (Date: February 3 - 5 in Richmond BC)

<hr/>	
\$ -	

TELEPHONE/INTERNET

\$ 667.68	Telus Internet Fee 2016
\$ 114.64	Call Display 2016

<hr/>	
\$ 782.32	

LEGAL COSTS

\$ -	
<hr/>	
\$ -	
<hr/>	
\$ 7,351.99	

STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
BILL BESTWICK

	Budget	Q1	Q2	Q3	YTD 2016	%	2015
Sponsored Events	\$ 375.00	\$ 38.46	\$ -	\$ -	\$ 38.46	10%	\$ 124.86
Hospitality/Meetings	\$ 375.00	11.74	-	-	11.74	3%	165.64
LGLA	\$ -	-	-	-	-	0%	-
Conferences/Travel - Other	\$ 250.00	-	-	-	-	0%	-
FCM	\$ 3,000.00	-	-	-	-	0%	-
UBCM	\$ 2,500.00	-	-	-	-	0%	2,003.79
AVICC	\$ 1,000.00	241.30	-	-	241.30	24%	-
Legal Fees	\$ 5,000.00	3,593.33	-	-	3,593.33	72%	-
Telephone/Internet/Etc	\$ 1,000.00	937.32			937.32	94%	745.18
	<u>\$ 13,500.00</u>	<u>\$ 4,822.15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,822.15</u>	<u>36%</u>	<u>\$ 3,039.47</u>

BILL BESTWICK 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$ 38.46 CHBA-VI - Building Industry Forum - Jan 14

\$ 38.46

HOSPITALITY / MEETINGS

\$ 11.74 WHITE SPOT #122 - Breakfast meeting with Core Services Consultants

\$ 11.74

CONFERENCES

\$ -

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01 FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$ (249.01) THE FAIRMONT WINNIPEG - FCM 2016 - Hotel Refund - Jun 2 - 6

\$ -

UBCM (Date: September 26 - 30 in Victoria BC)

\$ -

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$ 241.30 CIVICINFO BC - AVICC 2016 - Registration - Apr 8 - 10

\$ 241.30

BILL BESTWICK 2016 EXPENSES

as at September 30, 2016

TELEPHONE/INTERNET

\$	680.52	Shaw Internet Fee 2016
\$	256.80	Call Display 2016

\$	937.32
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LEGAL FEES

\$	1,029.66	REIMBURSEMENT FOR INVOICE 27432 - Cook Roberts Legal Fees
\$	2,563.67	REIMBURSEMENT FOR INVOICE 27683 - Cook Roberts Legal Fees

\$	3,593.33
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\$	4,822.15
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**STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
DIANE BRENNAN**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 144.86	\$ -	\$ 92.21	\$ 237.07	63%	\$ 403.71
Hospitality	375.00	-	-	-	-	0%	-
LGLA	-	840.28			840.28	0%	637.40
Conferences/Travel - Other	250.00	-	-	-	-	0%	397.79
FCM	3,000.00	1,773.03	957.69	133.18	2,863.90	95%	2,498.48
UBCM	2,500.00	233.41	-	876.34	1,109.75	44%	1,546.41
AVICC	1,000.00	241.30	-	-	241.30	24%	711.47
Legal Fees	-	-	-	-	-	0%	-
Telephone/Internet/Etc	<u>1,000.00</u>	<u>859.36</u>			<u>859.36</u>	<u>86%</u>	<u>921.42</u>
	<u>\$ 8,500.00</u>	<u>\$ 4,092.24</u>	<u>\$ 957.69</u>	<u>\$ 1,101.73</u>	<u>\$ 6,151.66</u>	<u>72%</u>	<u>\$ 7,116.68</u>

DIANE BRENNAN 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	35.00	Zonta Club Annual Luncheon - Mar 4
\$	36.06	THE PORT THEATRE - "Dealing with People Who Drive You Nuts" Seminar - Jan 26
\$	38.46	CHBA-Building Construction Forums - Jan 14
\$	35.34	THE GRAND HOTEL NANAIMO - International Woman's Day Event - Mar 6
\$	28.85	UNITED WAY - United Way Kick-Off Breakfast - Sep 15
\$	63.36	LITERACY CENTRAL VANCOUVER ISLAND - Literacy Central Vancouver Island Event
<hr/>		
\$	237.07	

HOSPITALITY

\$ -

CONFERENCES / TRAVEL

\$ -

LGLA (Date: February 3 - 5 in Richmond BC)

\$	135.31	TRAVEL EXPENSE CLAIM - LGLA Conference - Feb 3 - 5
\$	302.88	CIVICINFO BC - Local Gov't Leadership Academy - Feb 3 - 5
\$	250.17	RADISSON HOTEL VANCOUV - LGLA 2016 - Hotel - Feb 3 - 5
\$	151.92	HARBOUR AIR - LGLA 2016 - Flights - Feb 3 - 5
<hr/>		
\$	840.28	

UBCM (Date: September 26 - 30 in Victoria BC)

\$	233.41	UBCM 2016 - MAGNOLIA HOTEL & SUITE - Hotel charge - Sept 27 - 30
\$	676.44	UBCM 2016 - UNION OF BC MUNICIPALITIES - Conference Registration - Sep 26 - 30
\$	199.90	UBCM 2016 - UNION OF BC MUNICIPALITIES - Registration tsf from Tracy to Diane
<hr/>		
\$	1,109.75	

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$	241.30	AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10
<hr/>		
\$	241.30	

DIANE BRENNAN 2016 EXPENSES

as at September 30, 2016

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$ 718.25	FCM 2016 - Flights to Winnipeg - Jun 2 - 6
\$ 957.69	TRAVEL EXPENSE CLAIM - FCM Conference - Jun 2 - 6
\$ 805.77	FCM 2016 - FCM - FED.OF CDN MUN - Registration - Jun 3 - 5
\$ 133.18	FCM 2016 - Travel Exp Claim - FCM Annual Conference June 2 - 6
<hr/>	
\$ 2,863.90	

TELEPHONE/INTERNET

\$ 114.64	Call Display 2016
\$ 744.72	Shaw Internet 2016
<hr/>	
\$ 859.36	

LAWYER FEES

\$ -

\$ 6,151.66

STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
GORD FULLER

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 62.50	\$ -	\$ -	\$ 62.50	17%	\$ 174.08
Hospitality	375.00	4.65	-	63.36	\$ 68.01	0%	-
LGLA	-	-	-	-	\$ -	0%	-
Conferences/Travel - Other	250.00	-	-	-	\$ -	0%	-
FCM	3,000.00	-	-	-	\$ -	0%	-
UBCM	2,500.00	-	-	689.57	\$ 689.57	28%	-
AVICC	1,000.00	253.41	-	-	\$ 253.41	25%	-
Legal Fees	5,000.00	3,593.34			\$ 3,593.34	72%	-
Telephone/Internet/Etc	<u>1,000.00</u>	<u>770.40</u>			<u>\$ 770.40</u>	<u>77%</u>	<u>834.60</u>
	<u>\$ 18,937.23</u>	<u>\$ 4,684.30</u>	<u>\$ -</u>	<u>\$ 752.93</u>	<u>\$ 5,437.23</u>	<u>29%</u>	<u>\$ 1,008.68</u>

GORD FULLER 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

62.50 NANAIMO DISTRICT MUSEUM- Sports Achievement Awards - Feb 12

\$ 62.50

HOSPITALITY

\$ 4.65 THE VAULT CAFE INC - Coffee with Tracy Samra
\$ 63.36 LITERACY CENTRAL VANCOUVER ISLAND -Literacy Central Vancouver Island Event

\$ 68.01

CONFERENCES

\$ -

FCM (Date: June 3 - 5 in Winnipeg MB)

249.01 FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$ (249.01) FCM 2016 - THE FAIRMONT WINNIPEG - Hotel Refund - Jun 2 - 6

\$ -

UBCM (Date: September 26 - 30 in Victoria BC)

\$ 689.57 UBCM 2016 -UNION OF BC MUNICIPALITIES - Registration Sep 26 - 30

\$ 689.57

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$ 253.41 AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10

\$ 253.41

LGLA (Date: February 3 - 5 in Richmond BC)

\$ -

TELEPHONE/INTERNET

\$ 770.40 Shaw Internet 2016

\$ 770.40

GORD FULLER 2016 EXPENSES

as at September 30, 2016

LEGAL FEES

\$ 1,029.66	REIMBURSEMENT FOR INVOICE 27432 - Cook Roberts Legal Fees
\$ 2,563.68	REIMBURSEMENT FOR INVOICE 27683 - Cook Roberts Legal Fees

\$ 3,593.34

\$ 5,437.23

STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
JERRY HONG

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 100.96	\$ -	\$ -	\$ 100.96	27%	\$ 96.00
Hospitality	375.00	-	-	-	-	0%	18.50
LGLA	-	-	-	-	-	0%	349.66
Conferences/Travel - Other	250.00	-	191.35	-	191.35	77%	543.22
FCM	3,000.00	1,054.78	-	1,181.74	2,236.52	75%	2,424.04
UBCM	2,500.00	-	-	762.26	762.26	30%	2,671.29
AVICC	1,000.00	253.41	-	-	253.41	25%	711.47
Legal Fees	5,000.00	3,593.33			3,593.33	72%	-
Telephone/Internet/Etc	<u>1,000.00</u>	<u>872.20</u>			<u>872.20</u>	<u>87%</u>	<u>944.89</u>
	<u>\$ 13,500.00</u>	<u>\$ 5,874.68</u>	<u>\$ 191.35</u>	<u>\$ 1,944.00</u>	<u>\$ 8,010.03</u>	<u>59%</u>	<u>\$ 7,759.07</u>

JERRY HONG 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	38.46	CHBA-VI - Building Industry Forum - Jan 14
\$	62.50	NANAIMO DISTRICT MUSEUM- Sports Achievement Awards - Feb 12

\$	100.96
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HOSPITALITY

\$	-
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CONFERENCES

\$	191.35	CONFERENCE BOARD OF CANADA - Western Business Outlook - May 19
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\$	191.35
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FCM (Date: June 3 - 5 in Winnipeg MB)

\$	249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$	805.77	FCM 2016 - FCM - FED.OF CDN MUN - Registration - Jun 3 - 5
\$	1,181.74	FCM 2016 - Travel Exp Claim - FCM Annual Conference June 2 - 6

\$	2,236.52
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UBCM (Date: September 26 - 30 in Victoria BC)

\$	762.26	UBCM 2016 - UNION OF BC MUNICIPALITIES -Conference Registration Sep 26 - 30
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\$	762.26
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JERRY HONG 2016 EXPENSES

as at September 30, 2016

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$	253.41	AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10
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\$	253.41
----	--------

LGLA (Date: February 3 - 5 in Richmond BC)

\$	-
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TELEPHONE/INTERNET

\$	114.64	Call Display 2016
\$	757.56	Shaw Internet 2016
\$	872.20	

LEGAL FEES

\$	1,029.66	REIMBURSEMENT FOR INVOICE 27432 - Cook Roberts Legal Fees
\$	2,563.67	REIMBURSEMENT FOR INVOICE 27683 - Cook Roberts Legal Fees

\$	3,593.33
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\$	8,010.03
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**STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
JIM KIPP**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ -	\$ -	\$ -	\$ -	0%	\$ 57.69
Hospitality	375.00	-	-	-	-	0%	-
LGLA	-	-	-	-	-		-
Conferences/Travel - Other	250.00	-	-	-	-	0%	-
FCM	3,000.00	-	-	-	-	0%	-
UBCM	2,500.00	-	-	610.82	610.82	24%	1,004.09
AVICC	1,000.00	253.41			253.41	25%	497.29
Legal Fees	5,000.00	212.07			212.07	4%	-
Telephone/Internet/Etc	1,000.00	563.35	-	-	563.35	56%	564.69
	<u>\$ 13,500.00</u>	<u>\$ 1,028.83</u>	<u>\$ -</u>	<u>\$ 610.82</u>	<u>\$ 1,639.65</u>	<u>12%</u>	<u>\$ 2,123.76</u>

JIM KIPP 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$ -

HOSPITALITY

\$ -

UBCM (Date: September 26 - 30 in Victoria BC)

\$ 610.82 UNION OF BC MUNICIPALITIES - UBCM Registration - Sep 26 - 30

\$ 610.82

CONFERENCES

\$ -

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$ 253.41 CIVICINFO BC - AVICC 2016 - Registration - Apr 8 - 10

\$ 253.41

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01 THE FAIRMONT WINNIPEG - FCM 2016 - Hotel - Jun 2 - 6
\$ (249.01) THE FAIRMONT WINNIPEG - FCM 2016 - Hotel Refund - Jun 2 - 6

\$ -

TELEPHONE/INTERNET

\$ 448.71 Uniserve Internet Fee 2016
\$ 114.64 Call Display 2016

\$ 563.35

LEGAL FEES

\$ 212.07 REIMBURSEMENT FOR INVOICE 27432 - Cook Roberts Legal Fees

\$ 212.07

\$ 1,639.65

**STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
WENDY PRATT**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 170.63	\$ -	\$ 132.59	\$ 303.22	81%	\$ 220.10
Hospitality	375.00	-	-	-	-	0%	-
LGLA	-	840.28	-	-	840.28	0%	349.66
Conferences/Travel - Other	250.00	-	1,178.14	-	1,178.14	471%	397.79
FCM	3,000.00	1,054.78	1,854.65	-	2,909.43	97%	2,652.51
UBCM	2,500.00	233.41	-	792.55	1,025.96	41%	2,690.68
AVICC	1,000.00	253.41	-	-	253.41	25%	-
Legal Fees	5,000.00	-	-	-	-	0%	-
Telephone/Internet/Etc	<u>1,000.00</u>	<u>974.92</u>	<u>-</u>	<u>-</u>	<u>974.92</u>	<u>97%</u>	<u>1,056.17</u>
	<u>\$ 13,500.00</u>	<u>\$ 3,527.43</u>	<u>\$ 3,032.79</u>	<u>\$ 925.14</u>	<u>\$ 7,485.36</u>	<u>55%</u>	<u>\$ 7,366.91</u>

WENDY PRATT 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	38.46	CHBA-VI - Building Industry Forum - Jan 14
\$	34.33	GREATER NANAIMO CHAMBER - Luncheon
\$	62.50	NANAIMO DISTRICT MUSEUM- Sports Achievement Awards - Feb 12
\$	35.34	THE GRAND HOTEL NANAIMO - International Woman's Day Event - Mar 6
\$	40.38	GREATER NANAIMO CHAMBER - July Monthly Chamber Luncheon
\$	28.85	UNITED WAY - United Way Kickoff Breakfast - Sep 15
\$	63.36	LITERACY CENTRAL VANCOUVER ISLAND - Literacy Central Vancouver Island Event
<hr/>		
\$	303.22	

HOSPITALITY

\$ -

CONFERENCES

\$	291.89	Travel Expense Claim - 2016 High Ground Conference - Mar 31 - Apr 3
\$	490.38	Columbia Institute - Registration - 2016 High Ground Governance Forum - Mar 31 - Apr 2
\$	395.87	Harrison Hot Springs Resort - Hotel - 2016 High Ground Governance Forum - Mar 31 - Apr 2
<hr/>		
\$	1,178.14	

FCM (Date: June 3 - 5 in Winnipeg MB)

\$	249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel - Jun 2 - 6
\$	1,854.65	FCM 2016 - Travel Expense Claim - Winnipeg - Jun 2 - 6
\$	805.77	FCM 2016 - FCM - FED.OF CDN MUN - Registration - Jun 3 - 5

\$ 2,909.43

UBCM (Date: September 26 - 30 in Victoria BC)

\$	233.41	UBCM 2016 - MAGNOLIA HOTEL & SUITE - Hotel charges - Sept 25- 30
\$	792.55	UBCM 2016 - UNION OF BC MUNICIPALITIES - Conference Registration Sep 26 - 30

\$ 1,025.96

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$	253.41	AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10
<hr/>		
\$	253.41	

WENDY PRATT 2016 EXPENSES

as at September 30, 2016

LGLA (Date: February 3 - 5 in Richmond BC)

\$	302.88	LGLA 2016 - CIVICINFO BC - Local Gov't Leadership Academy - Feb 3 - 5
\$	135.31	LGLA 2016 - Travel Expense Claim - Local Government Leadership Academy- Feb 3 - 5
\$	250.17	LGLA 2016 - RADISSON HOTEL VANCOUVER - Hotel - Feb 3 - 5
\$	151.92	LGLA 2016 - HARBOUR AIR - Flights - Feb 3 - 5
<hr/>		
\$	840.28	

TELEPHONE/INTERNET

\$	114.64	Call Display 2016
\$	860.28	Shaw Internet 2016
<hr/>		
\$	974.92	

LEGAL FEES

\$	-
\$	-
<hr/>	
\$	-
<hr/>	
\$	7,485.36
<hr/>	

**STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
IAN THORPE**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 62.50	\$ -	\$ 92.21	\$ 154.71	41%	\$ 105.61
Hospitality	375.00	-	-	-	-	0%	45.33
LGLA	-	840.29			840.29	0%	142.65
Conferences/Travel - Other	250.00	-	-	-	-	0%	406.63
FCM	3,000.00	-	-	-	-	0%	-
UBCM	2,500.00	-	-	1,025.96	1,025.96	41%	-
AVICC	1,000.00	253.41	-	-	253.41	25%	-
Legal Fees	5,000.00	-	-	-	-	0%	-
Telephone/Internet/Etc	<u>1,000.00</u>	<u>859.36</u>	<u>-</u>	<u>-</u>	<u>859.36</u>	<u>86%</u>	<u>1,029.57</u>
	<u>\$ 13,500.00</u>	<u>\$ 2,015.56</u>	<u>\$ -</u>	<u>\$ 1,118.17</u>	<u>\$ 3,133.73</u>	<u>23%</u>	<u>\$ 1,729.79</u>

IAN THORPE 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	62.50	NANAIMO DISTRICT MUSEUM- Sports Achievement Awards - Feb 12
\$	28.85	UNITED WAY - United Way Kick Off Breakfast - Sep 15
\$	63.36	LITERACY CENTRAL VANCOUVER ISLAND - Literacy Central Vancouver Island Event

\$ 154.71

HOSPITALITY

\$ -

CONFERENCES

\$ -

LGLA (Date: February 3 - 5 in Richmond BC)

\$	135.31	LGLA 2016 - Travel Expense Claim - Richmond - Feb 3 - 5
\$	302.88	LGLA 2016 - CIVICINFO BC - Local Gov't Leadership Academy
\$	250.17	LGLA 2016 - RADISSON HOTEL VANCOUVER - Hotel - Feb 3 - 5
\$	151.93	LGLA 2016 - HARBOUR AIR - Flights - Feb 3 - 5

\$ 840.29

AVICC (Date: April 8 - 10 in Nanaimo BC)

\$	253.41	AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10
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\$ 253.41

IAN THORPE 2016 EXPENSES

as at September 30, 2016

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel Deposit - Jun 2 - 6
\$ (249.01)	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel Refund - Jun 2 - 6
<hr/>	
\$ -	

UBCM (Date: September 26 - 30 in Victoria BC)

\$ 233.41	UBCM 2016 - MAGNOLIA HOTEL & SUITE - Hotel charges - Sept 25- 30
\$ 792.55	UBCM 2016 - UNION OF BC MUNICIPALITIES - Conference Registration Sep 26

\$ 1,025.96

TELEPHONE/INTERNET

\$ 114.64	Call Display 2016
\$ 744.72	Shaw Intranet 2016
<hr/>	
\$ 859.36	

LEGAL FEES

\$	-
\$	-
<hr/>	
\$	-
<hr/>	
\$	3,133.73

**STATEMENT OF FINANCIAL INFORMATION
EXPENSES AS AT SEPTEMBER 30, 2016
BILL YOACHIM**

	<u>Budget</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>YTD 2016</u>	<u>%</u>	<u>2015</u>
Sponsored Events	\$ 375.00	\$ 62.50	\$ -	\$ -	\$ 62.50	17%	\$ 76.77
Hospitality	375.00	-	-	-	-	0%	-
LGLA	-	-	-	-	-	0%	-
Conferences/Travel - Other	250.00	-	-	-	-	0%	392.74
FCM	3,000.00	-	-	-	-	0%	-
UBCM	2,500.00	-	-	706.73	706.73	28%	2,574.04
AVICC	1,000.00	200.91	-	-	200.91	20%	-
Legal Costs	5,000.00	3,593.33			3,593.33	72%	2,752.15
Telephone/Internet/Etc	<u>1,000.00</u>	<u>974.92</u>			<u>974.92</u>	<u>97%</u>	<u>1,056.17</u>
	<u>\$ 13,500.00</u>	<u>\$ 4,831.66</u>	<u>\$ -</u>	<u>\$ 706.73</u>	<u>\$ 5,538.39</u>	<u>41%</u>	<u>\$ 6,851.87</u>

BILL YOACHIM 2016 EXPENSES

as at September 30, 2016

SPONSORED EVENTS

\$	62.50	NANAIMO DISTRICT MUSEUM - Sports Achievement Awards - Feb 12
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\$	62.50
----	-------

HOSPITALITY

\$	-
----	---

CONFERENCES

\$	-
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UBCM (Date: September 26 - 30 in Victoria BC)

\$	-
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AVICC (Date: April 8 - 10 in Nanaimo BC)

\$	200.91	AVICC 2016 - CIVICINFO BC - Registration - Apr 8 - 10
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\$	200.91
----	--------

BILL YOACHIM 2016 EXPENSES

as at September 30, 2016

FCM (Date: June 3 - 5 in Winnipeg MB)

\$ 249.01	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel Deposit - Jun 2 - 6
\$ (249.01)	FCM 2016 - THE FAIRMONT WINNIPEG - Hotel Refund - Jun 2 - 6
<hr/>	
\$ -	

UBCM (Date: September 26 - 30 in Victoria BC)

\$ 706.73	UBCM 2016 - UNION OF BC MUNICIPALITIES - Conference Registration Sep 26
<hr/>	
\$ 706.73	

LGLA (Date: February 3 - 5 in Richmond BC)

\$ -

TELEPHONE/INTERNET

\$ 114.64	Call Display 2016
\$ 860.28	Shaw Intranet 2016
<hr/>	
\$ 974.92	

LEGAL FEES

\$ 1,029.66	REIMBURSEMENT FOR INVOICE 27432 - Cook Roberts Legal Fees
\$ 2,563.67	REIMBURSEMENT FOR INVOICE 27683 - Cook Roberts Legal Fees
<hr/>	
\$ 3,593.33	
<hr/>	
\$ 5,538.39	

DATE OF MEETING December 6, 2016

AUTHORED BY LAURA L. MERCER, MANAGER OF ACCOUNTING SERVICES

**SUBJECT NANAIMO ECONOMIC DEVELOPMENT CORPORATION
OPERATING RESULTS FOR THE NINE MONTHS ENDING
2016-SEP-30**

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of the Nanaimo Economic Development Corporation operating results for the nine months ending 2016-SEP-30.

DISCUSSION

The intent of this report is to provide the Finance and Audit Committee with a summary of the Nanaimo Economic Development Corporation (NEDC) financial operating results for the nine month period ending 2016-SEP-30, as well as a projection of the year end variance when compared to the 2016 Budget.

Summary of NEDC Projected Operating Position at 2016-DEC-31:

	<i>Projected Surplus/(Deficit)</i>	<i>Budget</i>	<i>Variance</i>
City of Nanaimo Funding	\$ 1,375,450	\$ 1,375,450	\$ -
RDN Funding	177,000	177,000	-
Tourism	(632,123)	(681,964)	49,841
Economic Development	(376,147)	(382,878)	6,731
Square One	(113,906)	(85,200)	(28,706)
Overhead/Administration	<u>(405,909)</u>	<u>(402,408)</u>	<u>(3,501)</u>
Total Profit (Loss)	\$ 24,365	\$ -	\$ 24,365

Where significant variances have been identified, NEDC Staff have provided comments in the departmental sections listed in **Appendix 1**.

The summary of NEDC operating results is documented at a more detailed level in **Appendix 2**. This report lists the total year-to-date revenue and expenditures for each of the function. This listing illustrates, at a glance, the overall projected status of an individual function as at December 31 compared to the overall budget for that service for the entire year. The variance column displays the projected surplus or deficit for the year for each function. Positive values increase surplus, while negative amounts (displayed in parentheses) decrease surplus.

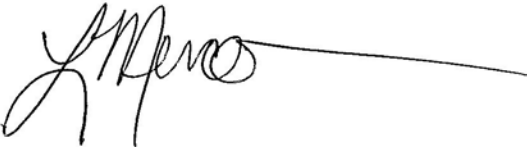
SUMMARY POINTS

- The overall NEDC projected surplus for the 2016 fiscal year is \$24,365.

ATTACHMENTS

- Appendix 1: NEDC Board Report – Financial and Operations Report to end of September, 2016.
- Appendix 2: Summary of the NEDC Operating Results for the nine months ending 2016-SEP-30.

Submitted by:



Laura L. Mercer
Manager of Accounting Services

Concurrence by:



Victor Mema
Chief Financial Officer

NEDC Board Report – Financial and Operations Report to end of September, 2016

Purpose

The purpose of this report is to provide an update on the financial and operations of NEDC and provide a more detailed update on major projects.

Year End Forecast

After 9 months of actuals and on the instruction of the Board we have built in a target of ending the year with a >\$20,000 surplus as a buffer to ensure NEDC achieves a balanced budget at year end. The main risk to achieving the balance budget is revenue through Square One desk rental and corporate sponsorship. To mitigate any potential shortfall in revenue the EcDev programs around promotional activity are being developed without, at this time, making any financial commitments.

Tourism

Marketing Campaigns – Share Vancouver Island

This campaign will finish at the end of this month and we are in the process of completing final reporting and financials to submit to DBC for reimbursement of the \$16,250. The outstanding funds from the municipality of Sooke are in process of being paid.

Partner	Amount	%	Received to date	Balance Outstanding
Destination BC	\$32,500	34	\$16,250	\$16,250
NEDC	\$13,000	13	\$13,000	\$0
Tofino	\$12,000	12	\$12,000	\$0
Sooke	\$7,500	8	\$ 3,750	\$3,750
Black Ball Ferry	\$31,300	33	\$31,300	\$0
Total Revenue	\$96,300	100	\$76,300	\$20,000
Expenses			Status to date	Balance Outstanding
Expenses	\$96,300		\$76,300	\$20,000
Delta	\$0		(\$0)	\$0

Marketing Campaigns – Nanaimo and Region Top ten

The Nanaimo & Region Top Ten” campaign combines traditional print media, video, digital marketing and social media channels that will resonate with travelers from BC and Alberta. This campaign will rely on citizens and past visitors to share their stories, thus building up a natural level of pride in the Nanaimo & Region. By combining a digital marketing campaign, social media, emotion evoking videos and a website we aim to reach a broad spectrum of short-haul travelers in BC and Alberta to increase tourism revenues in 2016.

An RFP was issued to appoint a creative / marketing firm to support this campaign with Array a Nanaimo based company being the successful applicant. The campaign is on track with the campaign launching in Alberta throughout July and BC in August and will run until December 2016.

Partner	Amount	%	Received to date	Balance Outstanding
Destination BC	\$146,000	50	\$73,000	\$73,000
NEDC	\$86,680	30	\$86,680	\$0
Nanaimo Airport	\$30,000	10	\$15,000	\$15,000
NHA	\$30,000	10	\$15,647	\$14,353
Total	\$292,680	100	\$190,327	\$102,353
Expenses			Spent to date	Balance Outstanding
Expenses Spent	\$292,680		\$240,544	\$ 52,136
Delta	\$0		-\$50,216	\$50,217

The balance of the Destination BC funding will be invoiced in October for processing and payment in 2016. The reporting and review of any variances will happen in the first quarter of 2017. Invoices for the balances remaining with our industry partners being Nanaimo Airport and the NHA were issued in September 2016.

Visitor Services

Tourism Nanaimo operates the Northfield Visitor Centre year round and the Bastion for the summer months and on cruise ship days. The Visitor Centers are managed by a combination of full time staff, seasonal staff and volunteers. The team also supports remote events by hosting a tourism tent or booth. The Northfield Visitor Centre expenses do not include any lease costs as the city provides the facility rent free in exchange for NEDC taking on the costs for cleaning the public bathrooms.

Category	Year End Forecast	Budget
Expenses		
Visitor Centre Wages	\$36,104	\$40,195
Visitor Services costs	\$39,865	\$34,700
Total Expenses	\$75,969	\$74,895
Revenue		
Innovation Fund	\$2,718	\$2,718
Intern staff funding	\$5,300	\$0
Destination DBC Funds	\$25,000	\$0
Total Revenue	\$33,018	\$2,718
Delta	-\$42,080	-\$72,177

Tourism Development Fund

To date the committee has allocated \$73,750 to the TDF fund with \$16,751 awaiting final reports from previous year's allocations. This leaves \$34,499 to allocate to TDF applications for the balance of the year.

Category	Amount
Past year awards awaiting reports	\$10,000
Past year awards disbursed in 2016	\$ 6,751
2016 Awards communicated	\$73,750
Total	\$90,501
2016 Budget	\$125,000
Balance	\$34,499

Square One

Square One is NEDC's tech incubator / co-working space that was launched in July 2014. The space is currently home to 17 different organizations. Revenues are generated through a combination of desk rentals and allocating corporate sponsorship. As a comparison in 2015 total desk rental was \$61,434 against a 2016 forecast of \$77,160. We are currently forecasting a year end contribution of \$103,992 to running Square One against a budget of \$85,200. In 2015 the contribution was \$131,995.

Category	Year End Forecast	Budget
Fixed Expenses	\$229,997	\$223,045
Variable Expenses	\$ 490	\$2,624
Total Expenses	\$230,488	\$225,669
Desk Rental	\$76,852	\$90,469
Sponsorship (Nanaimo Thrives)	\$40,000	\$50,000
Total Revenue	\$116,582	\$140,469
Delta	(\$113,906)	(\$85,200)

Nanaimo Thrives Partnership

The Nanaimo Thrives Partnership program has been designed to enable corporations to support NEDC by becoming a Partner at different levels of activation.

Partner	Committed / Indicated	Received
VIU	\$25,000	\$25,000
Shaw Business	\$5,000	\$ 5,000
Hazelwood Construction	\$5,000	\$ 5,000
DBL	\$2,000	
Integral Wealth Management	\$1,000	
MNP	\$5,000	\$ 5,000
Real Estate Webmasters	\$5,000	
Total	\$48,000	\$40,000

The committed / indicated is currently \$2,000 below the budget of \$50,000. There are 5 additional partners that we are at various stages of discussion with an upside potential of \$35,000. At this time, based on commitments and ongoing discussions, we are forecasting to meet the budget of \$50,000. At the end of September, we adjusted the forecast to reflect sponsorships invoiced. Any shortfall against the budget will be re-allocated from other areas.

APPENDIX 2

NEDC - Profit & Loss Variance Report
As of September 30, 2016

Revenue		Actual Year to Date	Forecast (Annual)	Budget Amount	Variance Annual (\$)
Fixed funding	City of Nanaimo	\$ 1,031,588	\$ 1,375,450	\$ 1,375,450	0
	RDN	\$ 177,000	\$ 177,000	\$ 177,000	0
Total fixed revenue		\$ 1,208,588	\$ 1,552,450	\$ 1,552,450	0
Expenses					0
Tourism - fixed expenses	Wages & benefits	\$ 211,017	\$ 294,242	\$ 289,440	-4,802
	Sport grants program	\$ 13,259	\$ 20,000	\$ 20,000	0
	Visitor Centre costs (Wages)	\$ 31,604	\$ 36,104	\$ 40,195	4,091
					0
Tourism - variable expenses	Marketing programs	\$ 341,566	\$ 446,972	\$ 430,359	-16,613
	Visitor services	\$ 31,413	\$ 39,866	\$ 34,700	-5,166
	Destination development	\$ 11,167	\$ 15,867	\$ 17,250	1,383
	TDF	\$ 66,658	\$ 125,000	\$ 125,000	0
	Other admin	\$ 5,567	\$ 9,846	\$ 14,000	4,154
Total tourism expenses		\$ 712,251	\$ 987,897	\$ 970,944	-16,953
Tourism - revenue	Stakeholder Sales	\$ 24,121	\$ 24,121	\$ 15,150	8,971
	Partnerships	\$ 64,164	\$ 76,664	\$ 69,630	7,034
	Sports Grant Program	\$ 20,000	\$ 20,000	\$ 20,000	0
	DBC - VIC subsidy	\$ 26,359	\$ 32,709	\$ 2,700	30,009
	DBC - open pool funding	\$ 108,750	\$ 198,000	\$ 178,500	19,500
	Retail sales	\$ 3,980	\$ 4,280	\$ 3,000	1,280
Total tourism revenue		\$ 247,375	\$ 355,775	\$ 288,980	66,795
Total tourism spend		\$ 464,877	\$ 632,123	\$ 681,964	49,841
Ec Dev - fixed expenses					
Ec Dev - variable expenses	Wages & benefits	\$ 171,470	\$ 233,870	\$ 221,598	-12,272
					0
	Innovation & Entrepreneurship	\$ 37,724	\$ 58,724	\$ 15,000	-43,724
	Attract & Develop Human Capital	\$ 9,000	\$ 9,000	\$ 1,000	-8,000
	Economic Environment & Infrastructure	\$ 23,995	\$ 23,995	\$ 26,000	2,005
	Build Community Profile	\$ 22,843	\$ 41,343	\$ 79,500	38,157
	Organizational Effectiveness & Communications	\$ 9,224	\$ 9,215	\$ 39,780	30,565
Total Ec Dev variable expenses		\$ 102,786	\$ 142,277	\$ 161,280	19,003
Total Ec Dev spend		\$ 274,257	\$ 376,147	\$ 382,878	6,731
Square One - fixed expenses					
	Square One wages	\$ 6,312	\$ 6,312	\$ 6,312	0
	Rent	\$ 79,659	\$ 106,601	\$ 106,000	-601
	Utilities & other costs	\$ 89,020	\$ 117,085	\$ 110,733	-6,352
					0
	Marketing, events & upgrades	\$ 390	\$ 490	\$ 2,624	2,134
Total Square One expenses		\$ 175,382	\$ 230,488	\$ 225,669	-4,819
Square One revenue					
	Desk Rental	\$ 61,377	\$ 76,582	\$ 90,469	-13,887
	Sponsorships	\$ 35,000	\$ 40,000	\$ 50,000	-10,000
	ICET / Western Divers.	\$ -			0
Total Square One revenue		\$ 96,377	\$ 116,582	\$ 140,469	-23,887
Total Square One spend		\$ 79,005	\$ 113,906	\$ 85,200	-28,706
Overhead & Admin - fixed costs					
	Wages & Benefits (ED / CEO)	\$ 134,657	\$ 177,557	\$ 181,392	3,835
	Communications & IT	\$ 16,870	\$ 22,270	\$ 15,000	-7,270
	Occupancy	\$ 71,016	\$ 93,225	\$ 83,429	-9,796
	Office Administration	\$ 12,384	\$ 15,365	\$ 14,587	-778
	Professional Fees	\$ 26,484	\$ 29,984	\$ 35,000	5,017
	Bank fees & other charges	\$ 3,970	\$ 5,020	\$ 5,000	-20
	Corporate Communications	\$ 2,508	\$ 3,808	\$ 3,500	-308
	Website Hosting & Maintenance	\$ 3,557	\$ 5,057	\$ 5,000	-57
	Other charges	\$ -	\$ -	\$ 500	500
					0
Overhead & Admin - variable costs					
	Board & Committee Costs	\$ 552	\$ 702	\$ 2,000	1,298
	Communications upgrades	\$ -	\$ 2,000	\$ 5,000	3,000
	Office Equipment & Furniture	\$ -	\$ -	\$ 1,000	1,000
	Recruiting & relocation	\$ 15,000	\$ 15,000	\$ 15,000	0
	Staff activities & teambuilding	\$ 421	\$ 921	\$ 1,000	79
Total overhead & admin		\$ 287,419	\$ 370,909	\$ 367,408	-3,501
Amortization & Pension adjustments Estimate 2016		\$ -	\$ 35,000	\$ 35,000	0
Contingency					
BALANCE		103,031	24,366	0	24,365

DATE OF MEETING December 6, 2016

AUTHORED BY LAURA L. MERCER, MANAGER OF ACCOUNTING SERVICES

SUBJECT **OPERATING RESULTS FOR THE NINE MONTHS ENDING 2016-SEP-30**

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of the operating results for the nine months ending 2016-SEP-30.

DISCUSSION

The intent of this report is to provide the Finance and Audit Committee with a summary of the City's financial operating results for the nine month period ending 2016-SEP-30, as well as a projection of the year end variance when compared to the 2016 Financial Plan.

Managers from all departments review monthly financial reports in order to identify budget variances as they occur, and to ensure that immediate action is taken to address any potential deficits.

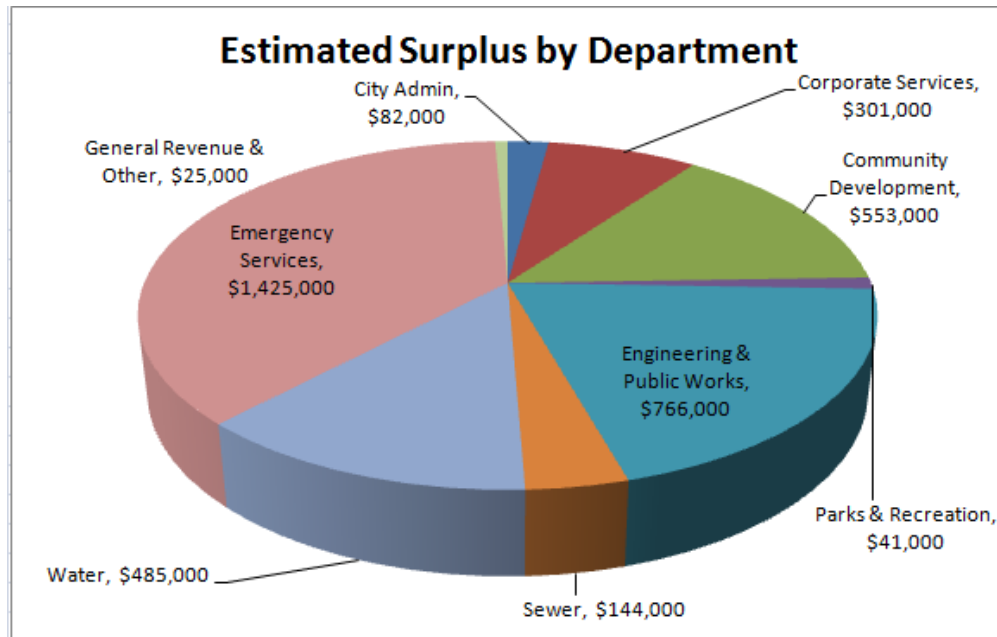
Summary of Projected Operating Position at 2016-DEC-31:

<i>Operating Fund</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Surplus/(Deficit)</i>
General Operations	\$ 154,454,504	\$ 151,261,504	\$ 3,193,000
Sewer Operations	14,146,145	14,002,145	144,000
Water Operations	<u>17,960,371</u>	<u>17,475,371</u>	<u>485,000</u>
Total Surplus	\$ 186,561,020	\$ 182,739,020	\$ 3,822,000

Assuming an even distribution of revenues and expenditures throughout the year, the current financial performance benchmark would be approximately 75% versus budget. Where significant variances over \$100,000 have been identified, Staff have provided comments in the departmental sections listed in **Appendix 1**.

The summary of operating results by department is documented at a more detailed level in **Appendix 2**. This report lists the total year-to-date revenue and expenditures for the functions within each department. This listing illustrates, at a glance, the overall status of an individual service as at December 31 compared to the overall budget for that service for the entire year. The variance column displays the surplus or deficit for the year for each department. Positive values increase surplus, while negative amounts (displayed in parentheses) decrease surplus.

The operating surplus generated by each department is represented visually as follows:



On an overall basis, the projected surplus for 2016 is consistent with expectations and also with financial results of previous years. Staff will continue to monitor monthly and quarterly financial performance and will take immediate action to address any negative variances.

SUMMARY POINTS

- The overall projected surplus for the 2016 fiscal year is \$3,822,000, which is broken down between the general operating fund for \$3,193,000, the sewer operating fund for \$144,000, and the water operating fund for \$485,000.
- On a monthly basis, department managers review financial reports to identify budget variances as they occur.

ATTACHMENTS

- Appendix 1: Variance Analysis of the Operating Results for the nine months ending 2016-SEP-30.
- Appendix 2: Summary of the Operating Results for the nine months ending 2016-SEP-30.

Submitted by:



Laura L. Mercer
Manager of Accounting Services

Concurrence by:



Victor Mema
Chief Financial Officer

APPENDIX 1 – Variance Analysis of the Operating Results for the Nine Months Ending 2016-SEP-30

On a monthly basis, each City department monitors its actual financial results as compared to the Financial Plan. The following section provides a summary of the anticipated surplus (deficit) by department, and also includes an explanation for significant variances over \$100,000.

City Administration

The City Administration department shows year-to-date total revenues at 69% and expenditures at 68%, resulting in an estimated surplus of \$82,000.

Corporate Services

The Corporate Services department shows year-to-date total revenues at 85% and expenditures at 69%.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$301,000 is expected. The majority of the surplus is made up of the following items:

- *Information Technology* – \$425,000 – Temporary vacancies in the department account for the majority of the projected surplus. Cost reductions in other areas including software license and maintenance costs have contributed \$60,000.

Community Services

Community Services is broken down into four (4) main areas:

Community Development

The Community Development department shows year-to-date total revenues at 99% and expenditures at 65%.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$553,000 is expected. The majority of the surplus is made up of the following items:

- *Building Inspections* - \$409,000 – The volume of building inspections and permits has exceeded expectations in the first three quarters and has resulted in a projected positive variance at year end.

Parks, Recreation and Environment

The Parks, Recreation and Environment department shows year-to-date total revenues at 81% and expenditures at 72%.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$41,000 is expected.

- Recreation Operations – \$121,000 – The projected surplus is due to some programs performing better than anticipated, including senior's programs, adult programs, and weight room operations.

Engineering and Public Works

The Engineering and Public Works department shows year-to-date total revenues at 68% and expenditures at 67%.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$766,000 is expected. The key variances from budget are:

- Engineering Services – \$158,000 – The projected surplus is due to temporary position vacancies.
- Transportation – \$434,000 – The majority of the projected surplus is due to \$300,000 from the snow and ice control budget, as a mild winter early in 2016 resulted in lower than anticipated costs for the first quarter. Temporary position vacancies and lower than anticipated street lighting utility costs account for the remainder.
- Support Services – \$219,000 – Unbudgeted WorkSafe BC recoveries are expected to create a positive variance of \$93,000. The surplus is also generated by temporary position vacancies and cost savings in Public Works yard maintenance.

Utilities

The Utilities department shows year-to-date total revenues at 78% and expenditures at 83%. Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$629,000 is expected.

- Sewer – \$144,000 – Sewer revenue is anticipated to be \$95,000 more than budget, and there is \$60,000 of contingency that will not be required to be used.
- Water – \$485,000 – Increased revenues can be attributed to a slight increase in overall use in 2016 (as compared to 2014 and 2015), combined with a 7.5% rate increase. Watering restriction messaging was also less prominent during 2016 than in previous severe drought years. Overall, 2016 water usage is higher than in 2015.

Emergency Services

The Emergency Services department shows year-to-date total revenues at 98% and expenditures at 71%.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated surplus of \$1,425,000 is expected. The key variances from budget are:

- Nanaimo Fire Rescue – \$382,000 – Approximately \$133,000 of the projected surplus is due to the net operations of the Vancouver Island Fire Academy, and the remainder of the surplus can be attributed to temporary vacancies in positions and cost savings in the area of equipment purchases and utility costs.
- RCMP – \$1,005,000 – The RCMP contract is expected to generate approximately \$1,005,000 of surplus due to staffing levels and availability being lower than anticipated.

Other (NEDC, VICC and Corporate Facilities)

The Other category shows year-to-date total revenues at 60% and expenditures at 60%, resulting in an estimated surplus of \$216,000.

- Port of Nanaimo Centre – \$136,000 – The net operations of the conference centre are projected to create a surplus of \$136,000 for the year due to higher than anticipated revenues.

General Revenues

The General Revenues department shows year-to-date total revenues at 98% and expenditures at 88%. The majority of revenues in this department relate to property taxation which are all recorded in May and June of each year. Correspondingly, the majority of expenditures relate to payovers to the Downtown Nanaimo Business Improvement Association and transfers to reserve.

Based on the analysis of these accounts, at 2016-DEC-31 an estimated deficit of (\$191,000) is expected. Comments on the variances from budget are as follows:

- Grants in Lieu of Taxes – (\$103,000) – Monies received from a variety of other government organizations were lower than anticipated, resulting in an overall deficit.
- Miscellaneous Revenue – (\$127,000) – This total includes tax penalty and interest charges, both of which were lower than budgeted for 2016.

City of Nanaimo
Summary of Operating Results
September 30, 2016

	Revenues			Expenditures			Year to Date	Sept Projection
	2016 Annual Budget	2016 YTD Actual	Variance	2016 Annual Budget	2016 YTD Actual	Variance	Net Surplus (Deficit)	December 2016 Surplus
ADMINISTRATION								
CAO Office	15,000	8,454	56%	381,640	324,567	85%	50,527	(64,000)
Communications	-	-	0%	322,896	231,604	72%	91,292	-
COO Office	-	-	0%	90,321	38,350	42%	51,971	19,000
Strategic Planning & Policy	-	-	0%	82,364	63,127	77%	19,237	9,000
Human Resources	152,314	14,224	9%	2,079,734	1,293,606	62%	648,038	65,000
Legislative Services, Bylaw, and Parking	2,063,908	1,739,877	84%	4,617,192	3,381,085	73%	912,076	53,000
Legislative Services, Bylaw, and Parking Projects	676,237	252,965	37%	745,837	308,055	41%	14,510	-
	2,937,839	2,015,520	69%	8,350,364	5,640,393	68%	1,787,652	82,000
CORPORATE SERVICES								
Financial Services and Purchasing	152,750	127,788	84%	3,728,019	2,804,859	75%	898,197	(67,000)
Information Technology	(45,000)	-	0%	3,403,497	2,172,319	64%	1,276,178	425,000
Police Support Services	1,682,012	2,052,405	122%	6,059,144	5,150,299	85%	1,279,238	(50,000)
Grants in Aid & Special Celebrations	31,593	31,593	100%	66,200	43,869	66%	22,331	(7,000)
Corporate - General Administration	105,200	89,520	85%	(551,170)	(841,366)	153%	274,516	-
Information Technology Projects	902,627	162,124	18%	902,627	162,124	18%	-	-
Financial Services and Purchasing Projects	46,932	5,932	13%	147,932	49,507	33%	57,425	-
Police Support Services Projects	30,000	7,769	26%	195,177	41,285	21%	131,660	-
	2,906,114	2,477,131	85%	13,951,426	9,582,897	69%	3,939,546	301,000
COMMUNITY SERVICES								
COMMUNITY DEVELOPMENT								
Community Development Administration	-	-	0%	379,020	269,909	71%	109,111	7,000
Development Services	-	-	0%	320,723	219,598	68%	101,125	-
Building Inspections	1,362,100	2,097,388	154%	1,702,427	1,247,414	73%	1,190,301	409,000
Engineering	37,500	37,076	99%	736,477	621,884	84%	114,169	21,000
Business Licenses	983,000	1,038,783	106%	205,057	140,577	69%	120,262	66,000
Real Estate	247,000	191,233	77%	649,557	501,005	77%	92,785	8,000
Current Planning & Subdivision	262,900	164,532	63%	1,608,909	1,022,183	64%	488,358	58,000
Social Planning	-	6,000	100%	574,766	387,242	67%	193,524	-
Culture & Heritage	46,500	21,777	47%	2,125,221	1,558,391	73%	542,107	44,000
Environment	86,000	-	100%	330,113	170,099	52%	74,014	(60,000)
Development Services Projects	-	-	0%	37,500	-	0%	37,500	-
Social Planning Projects	215,944	45,779	0%	223,444	38,292	17%	14,987	-
Planning Projects	479,988	151,562	32%	604,988	149,317	25%	127,245	-
Culture & Heritage Projects	171,876	102,754	60%	387,945	189,088	49%	129,735	-
Environment Projects	33,900	49,787	147%	121,050	21,960	18%	114,977	-
	3,926,708	3,906,670	99%	10,007,197	6,536,959	65%	3,450,200	553,000
COMMUNITY SERVICES								
PARKS & RECREATION								
Administration	45,000	42,331	94%	417,882	268,196	64%	147,017	18,000
Facilities Planning & Maintenance	82,920	104,652	126%	813,369	686,218	84%	148,883	(56,000)
Recreation Operations	2,353,978	2,036,705	87%	5,733,843	3,993,586	70%	1,422,984	121,000
Arena Operations	1,415,764	997,525	70%	2,638,471	1,741,061	66%	479,171	(17,000)
Aquatic Operations	2,696,283	2,081,803	77%	6,685,534	4,905,861	73%	1,165,192	69,000
Parks Operations	147,405	261,144	177%	5,623,323	4,518,819	80%	1,218,242	(95,000)
Civic Properties	127,878	95,909	75%	106,774	65,532	61%	9,273	(1,000)
Community Development	1,091,640	1,091,640	100%	156,900	151,585	97%	5,315	2,000
Facilities Projects	23,950	-	100%	78,950	14,397	18%	40,603	-
Operations Projects	354,413	238,519	67%	499,309	252,388	51%	131,027	-
Arena Projects	105,099	45,581	43%	135,099	62,333	46%	13,248	-
Aquatic Projects	325,932	242,003	74%	463,078	334,662	72%	44,487	-
Parks Operations Projects	258,309	105,897	41%	695,770	204,619	29%	338,738	-
Civic Properties Projects	7,384	7,384	100%	97,849	80,799	83%	17,050	-
Community Development Projects	-	-	0%	5,000	1,441	29%	3,559	-
	9,035,955	7,351,092	81%	24,151,151	17,281,497	72%	5,184,792	41,000
COMMUNITY SERVICES								
ENGINEERING & PUBLIC WORKS								
Engineering Services	14,600	(32)	0%	3,008,184	2,102,579	70%	890,973	158,000
Transportation	50,903	31,571	62%	5,266,386	3,467,730	66%	1,779,323	434,000
Storm Drainage	48,265	24,257	50%	2,012,528	1,424,775	71%	563,744	(26,000)
Sanitation	3,799,213	2,927,702	77%	4,253,998	3,205,286	75%	177,202	(16,000)
Cemeteries	69,900	48,829	70%	252,764	135,293	54%	96,400	(3,000)
Support Services	424,000	442,506	104%	1,279,238	1,391,359	109%	(93,615)	219,000
Fleet Operations	-	5,586	100%	(1)	5,252	100%	333	-
Engineering Services Projects	583,714	75,308	13%	707,814	101,783	14%	97,625	-
Transportation Projects	229,295	94,163	100%	1,080,133	432,693	40%	512,309	-
Storm Drainage Projects	195,588	69,352	35%	442,038	106,746	24%	209,055	-
Support Services Projects	64,142	15,491	24%	168,142	70,757	42%	48,734	-
Fleet Operations - Projects	69,100	20,955	30%	69,100	20,955	30%	-	-
	5,548,720	3,755,688	68%	18,540,324	12,465,210	67%	4,282,082	766,000

City of Nanaimo
Summary of Operating Results
September 30, 2016

	Revenues			Expenditures			Year to Date	Sept Projection
	2016 Annual Budget	2016 YTD Actual	Variance	2016 Annual Budget	2016 YTD Actual	Variance	Net Surplus (Deficit)	December 2016 Surplus
COMMUNITY SERVICES								
UTILITIES								
Sewer Utility	12,744,302	11,328,393	89%	12,744,302	11,820,747	93%	(492,353)	144,000
Water Utility	16,115,468	12,744,445	79%	15,985,468	13,736,571	86%	(1,122,126)	485,000
Sewer Operating Projects	1,285,843	517,578	40%	1,285,843	574,229	45%	(56,651)	-
Water Operating Projects	1,340,903	109,407	8%	1,470,903	134,408	9%	105,000	-
	31,486,516	24,699,824	78%	31,486,516	26,265,955	83%	(1,566,131)	629,000
EMERGENCY SERVICES								
Nanaimo Fire Rescue	231,223	434,704	188%	15,191,381	11,035,798	73%	4,359,064	382,000
Emergency Management	-	1,500	100%	188,756	136,277	72%	53,979	(2,000)
RCMP	162,071	212,936	131%	21,723,411	15,218,212	70%	6,556,065	1,005,000
Emergency Services Communications 911	942,675	761,286	81%	1,453,641	1,115,048	77%	157,204	40,000
Nanaimo Fire Rescue - Projects	79,218	32,206	41%	311,273	78,005	25%	186,256	-
Emergency Management - Projects	2,000	2,000	100%	14,000	14,123	101%	(123)	-
Emergency Services Communications 911 - Projects	57,525	414	1%	57,525	414	1%	-	-
	1,474,712	1,445,046	98%	38,939,987	27,597,876	71%	11,312,445	1,425,000
OTHER								
Port of Nanaimo Centre Operations (VICC)	2,122,026	1,267,122	60%	2,929,962	1,878,380	64%	196,678	136,000
Port of Nanaimo Centre Debt Payments	-	-	0%	2,735,577	1,174,976	0%	1,560,601	-
Economic Development (NEDC)	-	-	0%	1,627,373	1,225,881	75%	401,492	24,000
Corporate Facilities	-	312	0%	620,954	427,453	69%	193,814	56,000
Corporate Facilities Projects	30,000	24,563	82%	30,000	24,563	100%	-	-
	2,152,026	1,291,997	60%	7,943,866	4,731,253	60%	2,352,584	216,000
GENERAL REVENUE								
Real Property Taxes	96,793,560	92,663,214	96%	-	-	0%	(4,130,346)	(18,000)
Business Improvement Areas	231,923	231,923	100%	231,923	231,923	100%	-	-
Taxes in Lieu of Licenses	1,423,278	1,423,278	100%	-	-	0%	-	-
Grants in Lieu of Taxes	1,501,404	1,398,104	93%	-	-	0%	(103,300)	(103,000)
Investment Income	1,875,000	1,344,522	72%	5,000	-	0%	(525,478)	-
Miscellaneous Revenue	1,620,000	885,221	55%	300,100	299,836	100%	(734,515)	(127,000)
Provincial Revenue Sharing	2,525,000	1,269,075	50%	125,000	125,000	100%	(1,255,926)	149,000
Transfer to/from Reserves	-	-	0%	-	-	0%	-	(149,000)
Transfer to/from Surplus	200,000	200,000	100%	3,659,329	3,659,329	0%	-	-
Vancouver Island Regional Library	-	4,169,492	100%	4,112,345	3,084,258	0%	5,197,579	57,000
	106,170,165	103,584,828	98%	8,433,697	7,400,346	88%	(1,551,986)	(191,000)
Transfers to Capital	18,937,265	-	0%	22,771,492	-	0%	3,834,227	-
Total All Services	184,576,020	150,527,796	82%	184,576,020	117,502,385	64%	33,025,411	3,822,000

NOTE: Collections for Other Governments has not been included in this operating analysis

DATE OF MEETING December 6, 2016

AUTHORED BY LAURA L. MERCER, MANAGER OF ACCOUNTING SERVICES

SUBJECT VANCOUVER ISLAND CONFERENCE CENTRE OPERATING RESULTS FOR THE NINE MONTHS ENDING 2016-SEP-30

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of the Vancouver Island Conference Centre operating results for the nine months ending 2016-SEP-30.

DISCUSSION

The intent of this report is to provide the Finance and Audit Committee with a summary of the Vancouver Island Conference Centres (VICC) financial operating results for the nine month period ending 2016-SEP-30, as well as a projection of the year end variance when compared to the 2016 Budget.

Summary of Projected Operating Position at 2016-DEC-31:

	<i>Projected Surplus/(Deficit)</i>	<i>Budget</i>	<i>Variance</i>
Space Rental	\$ 235,852	\$ 238,836	\$ (2,984)
Food and Beverage	288,072	255,032	33,040
Miscellaneous/Other	145,369	126,053	19,316
Overhead/Administration	<u>(1,620,204)</u>	<u>(1,706,502)</u>	<u>86,298</u>
Total Profit (Loss)	\$ (950,911)	\$ (1,086,581)	\$ 135,670

Where significant variances have been identified, VICC Staff have provided comments in the departmental sections listed in **Appendix 1**.

The summary of VICC operating results is documented at a more detailed level in **Appendix 2**. This report lists the total year-to-date revenue and expenditures for each of the function. This listing illustrates, at a glance, the overall projected status of an individual function as at December 31 compared to the overall budget for that service for the entire year. The variance column displays the projected surplus or deficit for the year for each function. Positive values increase surplus, while negative amounts (displayed in parentheses) decrease surplus.

SUMMARY POINTS

- The overall VICC projected deficit for the 2016 fiscal year is \$(950,911).
- The actuals to budget variance is estimated to be \$ 135,670 at 2016-DEC-31.

ATTACHMENTS

- Appendix 1: Variance Analysis of the VICC Operating Results for the nine months ending 2016-SEP-30.
- Appendix 2: Summary of the VICC Operating Results for the nine months ending 2016-SEP-30.

Submitted by:



Laura L. Mercer
Manager of Accounting Services

Concurrence by:



Victor Mema
Chief Financial Officer

APPENDIX 1 – Variance Analysis of the VICC Operating Results for the Nine Months Ending 2016-SEP-30

Space Rental

The Space Rental function is showing a deficit of (\$2,984) compared to budget. This increase in costs is due to higher than expected set-up demands for events.

Food and Beverage

The Food and Beverage function is showing a surplus of \$33,040 compared to budget. This is due to increased attendance, up-selling and client consumption.

Miscellaneous/Other

The Miscellaneous/Other function is showing a surplus of \$19,316 compared to budget. This is due to increase demand in audio visual requirements in certain months for the meeting and conference markets.

Overhead and Administration

The Overhead and Administration function is showing a surplus of \$86,298 compared to budget. This is caused by:

- The Charter contract re-negotiation resulted in a \$12,000 savings for the year;
- Did not attend the Convention Centres of Canada conference in Ottawa because it took place during a very busy month of business at VICC;
- Atlific conference and photography service costs were deferred until 2017; and,
- Sales Manager Position was filled mid-way through the year.

APPENDIX 2

Vancouver Island Convention Centre

Summary of Operating Results

As at September 30, 2016

	YTD Actuals	Forecast (Annual)	Annual Budget	Annual Variance
Space Rental				
Space Rental	225,679			
Total Space Rental Revenues	225,679	336,783	332,048	4,735
Expenses				
Cleaning Supplies	3,559			
Commissions (Compass)	7			
Contract Services	2,291			
Banquet Expenses	57,098			
Banquet Rental Expenses	5,761			
Telephone/ Internet	530			
Total Space Rental Expenses	69,246	100,931	93,212	(7,719)
Total Space Rental Profit (loss)	156,433	235,852	238,836	(2,984)
Food and Beverage				
Food	649,117			
Beverage	71,088			
Banquet Rentals	17,905			
Service Charge	115,274			
Total Food and Beverage Revenues	853,384	1,296,098	1,145,808	150,290
Cost of Sales				
Food	532,322			
Beverage	73,874			
Total Food and Beverage Cost of Sales	606,196	915,386	808,912	(106,474)
Expenses				
Commissions (Compass)	48,371			
Equipment Rental	6,547			
Kitchen Supplies	924			
Equipment Repairs	6,067			
Licences and Taxes	110			
Total Food and Beverages Expenses	62,019	92,640	81,864	(10,776)
Total Food and Beverage Profit (loss)	185,169	288,072	255,032	33,040
Miscellaneous/Other				
Banquet Rentals	103,851			
Service Charge	11,643			
Miscellaneous	103,545			
Space Rental - Museum	20,104			
Space Rental - Retail	19,595			
Total Miscellaneous/Other Revenues	258,738	344,255	245,280	98,975
Expenses				
542 AV Rentals Cost	152,522			
Equipment Rental	2,229			
Total Miscellaneous/Other Expenses	154,751	198,886	119,227	(79,659)
Total Miscellaneous/Other Profit (loss)	103,987	145,369	126,053	19,316
Overhead and Administraiton				
Administration	376,258	514,201	531,484	17,283
Marketing	160,303	243,422	305,160	61,738
Utililities	128,057	183,061	214,281	31,220
Operating/Maintenance	425,842	590,471	571,577	(18,894)
Management Fee	68,049	89,049	84,000	(5,049)
Total Overhead and Administration Expenses	1,158,509	1,620,204	1,706,502	86,298
Total Overhead and Administration Profit (loss)	(1,158,509)	(1,620,204)	(1,706,502)	86,298
Net Profit (Loss)	(712,920)	(950,911)	(1,086,581)	135,670

DATE OF MEETING December 6, 2016

AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER

SUBJECT **PROCUREMENT POLICY UPDATE**

OVERVIEW

Purpose of Report

The purpose of this report is to provide the Finance and Audit Committee an updated draft procurement policy to incorporate best practices, guidance from the Office of BC Auditor General for Local Government and recommendations from the recently completed Core Services Review.

Recommendation

That the Finance and Audit Committee recommend that Council amend "Purchasing Power Delegation Bylaw 2013 No. 7175" and related schedules.

BACKGROUND

On 2013-JUL-08 Council adopted "Purchasing Power Delegation Bylaw 2013 No. 7175". Schedule A of this bylaw is the City's purchasing policy. Since then the Office of the BC Auditor General for Local Government has published guidance to municipalities on both capital and operational purchasing policy and best practices. The recently completed core services review recommended that the City update its procurement policy and procedures.

Given that the proposed policy update amounts to a complete redo, it is impossible to provide a redlined copy. A copy of the current policy is provided for reference. There are a few provisions that have been adopted from the current policy. The draft policy is foundational to the procurement transformation project that the Finance and Audit Committee endorsed in October 2016.

Once the procurement policy is amended, procedures will then be developed to support policy statements, will and direction from Council.

Finance and Audit Committee Meeting
2016-DEC-06

OPTIONS

1. That the Finance and Audit Committee recommend that Council amend “Purchasing Power Delegation Bylaw 2013 No. 7175” and related schedules.
 - **Legal Implication:** The updated policy is in compliance with Community Charter and other provincial agreements.
 - **Policy Implication:** The proposed policy changes will incorporate best policy practices.
 - **Political Implication:** Council will exercise its will and governance through the proposed policy.
2. The Finance and Audit Committee may provide additional direction to the proposed procurement policy.

SUMMARY POINTS

- The City of Nanaimo is undertaking a purchasing transformation project in response to the recommendations from the recent core services review.
- The procurement policy is the anchor for all procurement practices across the City and foundational to the purchasing transformation project underway.

ATTACHMENTS

- Attachment A – Draft Procurement Policy
- Attachment B – “Purchasing Power Delegation Bylaw 2013 No. 7175”

Submitted by:



Victor Mema
Chief Financial Officer



Council Policy

Policy Name: Procurement Policy
Department Name: Finance
Policy No.: (assigned by Legislative Services)
Effective Date: _____

Review Date: _____

STATEMENT

The City of Nanaimo (the “City”) is committed to fair, open and transparent acquisition of goods or services, construction-related services, consulting services, space leases and revenue contracts (collectively, the “Goods & Services”, each, the “Goods or Services”) that result in value-for-money for residents and other stakeholders.

PURPOSE AND OBJECTIVE

The purpose of this Policy is to establish governance parameters for the purchasing of all Goods & Services for the City.

The Policy is intended to:

- i. promote fair, open and transparent purchasing practices for the City’s purchase of Goods & Services;
- ii. protect the interests of the citizens of Nanaimo, ensuring the City obtains the best value for its expenditures; and
- iii. establish controls for approval, process, advertising and contract requirements appropriate for a public institution.

GENERAL

1 Definitions

In this Policy:

- 1.1 “**Administrative Directives**” means those directives issued by the Chief Administrative Officer in respect of practices and/or policies affecting the purchasing of Goods & Services that are applicable to all departments of the City;
- 1.2 “**Administrative Procedures**” means those procedures issued by a City staff member that set out the procedural requirements to be carried out in fulfillment of this Policy;
- 1.3 “**Appointed Officers**” means those individuals that are appointed to specific roles and form part of the administrative branch of the City;
- 1.4 “**Bond**” means a written agreement in which a surety company guarantees that a contractor will fulfill its obligations to a third party who has contracted with the contractor to perform

certain works and in which, if the contractor defaults on its obligations, the surety agrees to complete the obligations or pay for the completion costs to the third party;

- 1.5 **“Chief Administrative Officer”** means the person who is appointed to be the Chief Administrative Officer of the City;
- 1.6 **“Chief Financial Officer”** means the individual who is appointed to be the *Chief Financial Officer* of the City;
- 1.7 **“Competitive Bid Process”** is the process by which competitive bids are considered for a contemplated purchase from various Suppliers through processes where the bids are requested, received, evaluated and a *Contract* is awarded through a public process that promotes fairness and transparency.
- 1.8 **“Confidential Information”** means any information respecting the City, whether originated by an employee, whether in written, oral, electronic, mechanical or any other form, whether disclosed before or after the effective date of employment of an employee, whether specifically described as “confidential” and whether provided by the City or by anyone on behalf of the City.
- 1.9 **“Contract”** means a legally enforceable agreement between two or more parties. Legally binding contracts have six elements:
- (i) Offer;
 - (ii) Acceptance;
 - (iii) Contracting parties have the authority or capacity to enter into a binding agreement;
 - (iv) Legal consideration (something of value, often money) is exchanged;
 - (v) Lawful purpose; and
 - (vi) Genuine desire or intent to create a binding contract.
- 1.10 **“Community Benefit Clauses”** are a contractual requirement upon a contractor to deliver a wider social benefit as part of a *Contract*.
- 1.11 **“Council”** means the elected council members of the City of Nanaimo;
- 1.12 **“Department Manager”** means the manager of a City department who is the primary user or coordinator of the Goods or Services to be procured;
- 1.13 **“Department or Intradepartmental Guidelines”** means those procurement practice guidelines issued by a *Department Manager* specific to his/her department;
- 1.14 **“Emergency”** means a sudden, unexpected, or impending situation that may cause injury, loss of life, damage to the property, and/or interference with the normal activities of the City and which, therefore, requires immediate attention and remedial action;

- 1.15 **“Non-competitive Process”** is a process of determining a Supplier for goods or services in which the *Competitive Bid Process* is not followed.
- 1.16 **“Non-Compliance”** occurs when a contract for the purchase of Goods or Services was entered into, outside of the requirements of this Policy, and the circumstances were not otherwise exempt under section 4 of this Policy;
- 1.17 **“Project Manager”** means a City employee who, on behalf of his/her department, is overseeing the procurement and general management of the Goods or Services being procured;
- 1.18 **“Purchasing Manager”** means the manager of the City's central purchasing department, or his or her designate;
- 1.19 **“RFX”** – An acronym that means “request for X”, with X representing any of the formal bid documents used to obtain information or cost estimates for the procurement of goods, services or construction, including request for information (RFI), request for proposal (RFP), request for quotation (RFQ), request for tender (RFT), request for prequalification (RFPQ), and request for information (RFI).
- 1.20 **“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
- 1.21 **“Social or Sustainable Purchasing”** is a process whereby the City procures goods or services considering not only the economic value for money (price, quality, availability, functionality) but also the environmental, social and ethical impacts of these goods and services; and,
- 1.22 **“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.

2 Responsibilities

- 2.1 Council to:
- 2.1.1 Approve this Policy;
 - 2.1.2 Approve future amendments to this Policy; and
 - 2.1.3 Approve the Budget to cover the acquisition of Goods or Services that are not included in the current year's approved Budget.
- 2.2 Chief Administrative Officer to:
- 2.2.1 Implement this Policy;
 - 2.2.2 Bring forward future amendments to this Policy for Council's consideration; and
 - 2.2.3 Approve and issue Administrative Directive(s) required to implement this Policy.
- 2.3 Chief Financial Officer to:

- 2.3.1 Ensure compliance with this Policy as required;
- 2.3.2 Approve and issue Administrative Procedure(s) and/or Department or Intradepartmental Guidelines required to implement this Policy; and
- 2.3.3 Approve Sole and Single Source purchases.

2.4 Department Heads

- 2.4.1 Ensure compliance with this Policy;
- 2.4.2 Promote conduct and communication with vendors and contractors that is fair, professional and respectful;
- 2.4.3 Support procurement practises that promote and manage vendor development and performance;
- 2.4.4 Ensure funding is available for department purchases;
- 2.4.5 Approve Sole and Single Source purchases; and
- 2.4.6 Approve purchase contract content.

2.5 Manager of Purchasing and Stores to:

- 2.5.1 Represent the City as its Purchasing Agent;
- 2.5.2 Administer this Policy;
- 2.5.3 Oversee and control the purchasing of all Goods & Services;
- 2.5.4 Develop Administrative Procedure(s) and or Department or Intradepartmental Guidelines required to implement this Policy including but not limited to:
 - (i) General processes to be used to implement this Policy;
 - (ii) Processes to support local businesses within the provisions of applicable trade agreements;
 - (iii) Processes to support sustainable purchasing; and
 - (iv) Processes that support environmental stewardship.
- 2.5.5 Execute all approved contracts on behalf of the City for acquisition of Goods & Services; and
- 2.5.6 Maintain a repository of purchase contracts in accordance with the City Records Retention Policy.

3 Organization

- 3.1 The City is organized with a central purchasing department and all purchases covered by this Policy shall be conducted through the central purchasing department, except as otherwise permitted hereunder.

- 3.2 The City will have appointed at all times an individual to be the Manager of Purchasing and Stores to carry out the responsibilities set out in section 2.5.
- 3.3 Wherever possible, the City encourages City employees and volunteers to conduct purchasing through a consolidated or group purchasing basis, by combining all like purchases across departments or with other public agencies, to achieving efficiencies and economic value.
- 3.4 The procurement value thresholds and corresponding approval protocols will reflect the City's commitment to the following:
 - 3.4.1 responsible fiscal spending and management;
 - 3.4.2 fair, open and transparent procurement practices; and
 - 3.4.3 compliance with applicable trade agreements.

4 Application of Policy

- 4.1 The Policy applies to all employees, volunteers and other authorized personnel responsible for purchasing Goods & Services for the City, responsible for approving the purchase of Goods & Services, or responsible for executing contracts for the purchase of Goods & Services, on behalf of the City.
- 4.2 The Policy does not apply to the following:
 - 4.2.1 Purchase of land and improvements;
 - 4.2.2 Disposition of land and improvements owned by the City;
 - 4.2.3 Licenses, leases and/or agreements related to real property owned by the City;
 - 4.2.4 Procurement and payment of goods and services including, but not limited to:
 - (i) courses, seminars, staff training, development training, workshops;
 - (ii) conventions;
 - (iii) association fees and membership dues;
 - (iv) payroll deductions;
 - (v) grants to other agencies and associations;
 - (vi) debt payments;
 - (vii) payment of damages or settlements;
 - (viii) petty cash replenishments;
 - (ix) RCMP contract payments;
 - (x) payments to partners for co-sponsored programs;
 - (xi) purchase of utility services, such as hydro, gas, internet and phone;

- (xii) general postage; and
 - (xiii) refundable employee expenses, including but not limited to travel expenses, parking, hotel, airline charges, mileage allowances, meals and related incidentals.
- 4.2.5 Recurring annual charges including, but not limited to, payment to other governmental authorities and investments; and
- 4.2.6 Hiring of regular, temporary and casual employees by the City.

5 Methods of Procurement

5.1 Sourcing

- 5.1.1 Sourcing is a process used to continually improve and re-evaluate supply chain activities. Sourcing may be used in circumstances where the internal information available regarding either the type of procurement that is required or the capabilities of the market to deliver the requirement is insufficient.

Sourcing allows the City to gain information from the supplier community without entering into a binding agreement between the City and pre-qualified respondents. Language must be clearly defined in the terms and conditions of these documents to ensure there is no obligation on the part of the City to call on any pre-qualified respondent to supply such goods, services or construction.

(i) **REQUEST FOR INFORMATION (RFI)**

The purpose of a RFI is to gather general supplier or product information and gather information regarding the interest of the supplier community for a potential business opportunity. This method may be used when researching a contemplated procurement and the characteristics of an ideal solution are still unknown.

Responses to a RFI typically contribute to the Competitive Bid Process and issuance of an RFX. An RFI should be utilized for resolving targeted questions about the required acquisition, market sounding, seeking combinations of industry leading practices, suggestions, expertise and reciprocate concerns and additional questions from respondents. The information collected may also facilitate the selection of the best method of procurement.

(ii) **REQUEST FOR PRE-QUALIFICATION (RFPQ)**

A RFPQ is used to gather information regarding a supplier's capability, capacity and qualifications, with the intention of creating a list of pre-qualified suppliers. The purpose of this process is designed to reduce effort devoted to

the Competitive Bid Process and may be used when the any of following criterion applies:

- 5.1.2 To understand which respondents have the capabilities required by the City to complete a specific work discipline, requirement or project, as the first stage of a two-stage solicitation (followed by an RFX), whereby only prequalified respondents will be invited to take part in the competitive process.

5.2 Low Value Purchase (LVP)

- 5.2.1 Purchases that are random in nature, not included in a standing agreement, not available from inventory and under the value of \$5,000 do not require a purchase order. LVP requirements should be purchased using a procurement card.

5.3 Competitive Bid Process

- 5.3.1 The Municipality obtains comparative pricing for purchases whenever possible to maximize value for money and to comply with legislation governing public procurement. All purchases exceeding \$25,000 must use an open, transparent and non-discriminatory competitive selection process whereby competitive bids are obtained. The Competitive Bid Process is used to ensure competitive value for funds expended and to provide companies the opportunity to support City operations and projects. Competitive Bidding will comply with federal and provincial requirements for open tendering through an electronic tendering system (example: BC Bids) using the following primary RFX documents used for soliciting competitive bids:
 - (i) Request for Quote (RFQ). An RFQ is used to solicit competitive bids, valued between \$25,000 and \$75,000 for services and \$25,000 and \$200,000 for construction, when the solutions, specifications, performance standard(s) and timeframe(s) are defined;
 - (ii) Request for Tender (RFT). An RFT is used to solicit competitive bids, valued over \$75,000 for goods and services and over \$200,000 for construction, when the solutions, specifications, performance standard(s) and timeframe(s) are defined. Tenders are opened publicly and are typically awarded to the bidder with the lowest cost; and
 - (iii) Request for Proposal (RFP). An RFP is an alternative to the RFT, normally for the provision of services, and allows the vendor an opportunity to propose a solution to the City's requirement, which may include providing unique skills. This is used for all purchases over \$75,000 for goods and services and over \$200,000 for construction. The selection of the successful vendor is based on the evaluated best overall value to the City.

- 5.3.2 In accordance with the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA) there will be no local preferences for purchases within the City.

5.4 Non-Competitive Process

The City will use the Competitive Bid Process for purchases whenever possible. However, it is recognized that situations will exist where competitive selection is not practical. Any consideration to use a non-competitive selection process must be taken carefully and with an honest view of the conditions surrounding the purchase. Provided all competitive opportunities have been exhausted a Non-competitive Purchase may be conducted using Single or Sole sourcing methods to make a purchase of Goods, Services or Construction.

All Non-competitive Purchases must be approved in writing by the Department Head.

A Notice of Intent to Award must be posted publicly prior to contracting a Non-competitive Purchase.

5.4.1 Single Source Procurement

A Single Source purchase may be conducted for the procurement of Goods, Services or Construction where there may be more than one supplier capable of delivering the same goods or services. A Single Source purchase shall not be pursued for the purposes of avoiding competition between suppliers or to discriminate against suppliers. Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency. Single Source purchases shall be arranged by the Purchasing and Stores Manager and shall be included in the quarterly report to Council prepared by the Chief Administrative Office or his/her designate. The circumstances where single source purchases are allowed are as follows:

- (i) Where an unforeseeable Emergency situations exists;
- (ii) For matters involving security, or confidential issues, a purchase may be made in a manner that protects the confidentiality or security of the Contractor or the City.
- (iii) Where a contract is to be awarded under a cooperative type agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization include rules for awarding contracts that differ from the obligations set out in this Policy.
- (iv) Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel,

asphalt, compound and pre-mixed concrete for the use in the construction or repair of roads;

- (v) In absence of a receipt of any bids in response to a call for bid in accordance with this Policy,
- (vi) where the City has a lease or rental contract with a purchase option and such purchase option could be beneficial to the City;
- (vii) where the project is highly sensitive or confidential and broadcasting it via open competition is not appropriate;
- (viii) where the work is a continuation or follow-up assignment to be undertaken by the original service provider, and an appropriate procurement process cannot otherwise be undertaken for other reasons provided in this Policy;
- (ix) where there is an operational requirement requiring compatibility, standardization and uniformity with existing equipment and, in order to satisfy this requirement, the Goods or Services must be procured from a specific vendor (e.g. servicing by a specific supplier required for warranty purposes; same machinery required for operational purposes); or
- (x) in the absence of a receipt of any bids in response to a call for tenders.

5.4.2 Sole Source Procurement

A Sole Source Purchase may be conducted for the procurement of Goods, Services or Construction where the good or service is unique to a vendor. Sole Source Purchases shall be arranged for by the Purchasing and Stores Manager and shall be included in the quarterly report to Council prepared by the Chief Administrative Office or his/her designate. The circumstances where sole source purchases are allowed are as follows:

- (i) Where there is only one available source usually due to a patent or copyright of the technology required, technological compatibility with existing equipment or uniqueness of the service provided; or
- (ii) Where Goods are offered for sale to the City by bid, auction or negotiation such purchase will be deemed to be a Sole Source Purchase and the Chief Financial Officer may authorize the submission of a Bid or the conduct of negotiations where the Chief Financial Officer determines the purchase to be clearly in the best interest of the City;

5.5 Unsolicited Bids

- 5.5.1 Unsolicited bids received by the City will be reviewed by the Department Head and the Purchasing Manager or designate. Award of an unsolicited bid is done so on a

non-competitive basis; therefore, the single or sole source purchase provisions of this policy will apply.

6 Vendor Management

6.1 The City values the expertise, experience and quality of work provided by Suppliers. To nurture and maintain lasting relationships and acceptable quality of goods and services, the City will manage all Vendors per the Purchasing and Stores - Vendor Management Procedures.

6.2 Purchasing and Stores will be responsible to enforce the terms of contracts wherever possible and appropriate. Department Heads/Project Managers will be responsible to document vendor performance in the contract file by means of a Vendor Performance Evaluation form.

In the event of a poor performance rating, Purchasing and Stores and Department Heads/Project Managers will develop Vendor Performance Corrective Action plans to bring performance back to an acceptable level. If acceptable performance is not restored, the Chief Administrative Officer may take appropriate action to reduce risk to the City.

6.3 Exclusion of Vendors

6.3.1 The City may, in its absolute discretion, exclude a vendor from participating in a procurement process or reject the submission of a vendor if:

- (i) the vendor, or any of its officers or directors has been engaged, or is currently engaged, directly or indirectly, in a legal action against the City, its employees or elected or appointed officers in relation to:
 - (a) any other procurement process;
 - (b) any other contract for Goods & Services; or
 - (c) any matter arising from the City's exercise of its powers, duties, or functions under the Local Government Act, the Community Charter, or another enactment, within five years of the date of the procurement in question.; or
- (ii) a Vendor has failed to declare a potential conflict of interest when responding to a procurement request.

7 Contract Management

7.1 All contracts, tender documents, addenda and amendments to tender documents, notices of awards, bonds, letters of credit, notices of intent to contract, change order, purchase orders, renewals, extensions, and any other forms of commitment and contracts will be on terms and conditions approved by the City's legal counsel. Any material deviation from the approved terms and conditions of any document requires the prior approval of the City's legal counsel.

The concurrence of the City's legal counsel is required on any contract which is unique or deviates from the terms and conditions previously approved by the City's legal counsel.

- 7.2 Any continuous or repetitive series of contracts that appear to be structured to avoid the contracting authority limits set out in this policy will be reviewed by the Purchasing and Stores Manager and reported to the Chief Financial Officer.
- 7.3 All contracts must be endorsed by the Vendor prior to being endorsed by the City.
- 7.4 Overall management of rental and lease agreements for equipment is the responsibility of the Purchasing and Stores Manager. All rent to purchase agreements shall be established per the Competitive Selection procedure. The following are examples of items that would use rent to purchase agreements:
- 7.4.1 Construction machinery and equipment (tractors, compressors, backhoes, cranes, etc.);
 - 7.4.2 Cars and trucks; and
 - 7.4.3 Other miscellaneous items such as vending machines, etc.
- 7.5 Purchasing and Stores will maintain all records and relevant supporting documents for purchase contracts in accordance with the City's Records Retention Policy.
- 7.6 City Department staff are responsible for providing Purchasing and Stores any contract related documentations, including change documentation, in a timely manner, to enable contract changes to be prepared appropriately in advance of any change in work.
- 7.7 Contract durations shall be limited to a maximum of 5 years unless otherwise approved by the Chief Administrative Officer or Chief Financial Officer.

8 Sustainable Procurement

- 8.1 The City will procure goods with due regard to the City's commitment to encourage use of environmentally friendly products.
- 8.2 City departments will use, where feasible, products that perform and have the least damaging/most beneficial environmental impact, including new environmentally preferable products, reusable products, recycled content and recycled products.
- 8.3 At its discretion, the City will include a *Community Benefit Clause* in its *Requests for Proposals* and insist that such a clause form part of resultant obligations within final contract language.

9 Compliance Obligations

- 9.1 All employees, volunteers and other authorized personnel responsible for purchasing Goods & Services, responsible for approving the purchase of Goods & Services, or responsible for executing contracts for the purchase of Goods & Services, on behalf of the City, must adhere to this Policy.

- 9.2 All employees and volunteers are expected to conduct themselves with personal integrity, ethics, honesty and diligence when acquiring Goods & Services on behalf of the City and must comply with the City HR. 4.1, Code of Conduct Policy as amended.
- 9.3 All competitive procurement opportunities shall be advertised in BC Bid, or similar public notice forum.
- 9.4 All procurement shall be in accordance with all applicable legislation and trade agreements.

10 Non-Compliance

- 10.1 Directors, managers and supervisors are responsible to ensure that all employees conduct procurement business in compliance with the rules, regulations and administrative procedures.
- 10.2 All employees, volunteers and vendors are expected to report all incidents of Non-Compliance with this Policy in accordance with the City's Whistle Blower Policy.
- 10.3 No adverse consequences to the reporting employee or volunteer will arise as a result of any such report made in good faith, even if the substance of the report is unfounded. The City shall, in respect of Non-Compliances for procurement, document the Non-Compliance and determine notification and corrective actions to address recurrences of the Non-Compliance.
- 10.4 All incidents of Non-Compliance shall be documented and reported to the Chief Financial Officer and Council.

11 Consequences of Non-Compliance

- 11.1 Non-compliance may result in additional costs, duplication of effort, liabilities, and delays in the provision of procurement services and may damage the credibility of the City and its employees.
- 11.2 In accordance with the Human Resources Policy, employees who do not comply with this administrative procedure will be held personally accountable for their actions if they are working outside of their authorities. These actions could result in a reprimand, suspension or termination of employment.

12 Exemptions

- 12.1 This Policy may not apply to the circumstances listed below provided the purchase procedure applied is not used to avoid competition, discriminate between suppliers, or protect suppliers:
- 12.1.1 Procurements:
- (i) of used equipment;
 - (ii) of goods at auctions;
 - (iii) from philanthropic institutions, prison labour or persons with disabilities
 - (iv) from a public body or a non-profit organization;
 - (v) of services provided by lawyers and notaries;

- (vi) of goods intended for resale to the public.

13 Confidentiality

- 13.1 Employees in possession of and trusted with *Confidential Information*, the disclosure of which would be highly detrimental to the best interests of the Municipality, must maintain the confidentiality of such *Confidential Information* the Municipality is obligated to protect.
- 13.2 Employees shall not use any Confidential Information for their own benefit, nor disclose any *Confidential Information* to any person (person includes any corporation or other association), during their employment or after their employment ceases. Individuals shall adhere to the BC Freedom of Information and Protection of Privacy Act.

14 Prohibitions

- 14.1 The following activities are prohibited under this Policy:
- 14.1.1 The dividing of contracts or purchases to avoid the requirements or thresholds of this Policy or any other policy or administrative directive.
- 14.1.2 Committing the City to contract without the appropriate level of authority to do so.
- 14.1.3 Purchasing of any Goods & Services for personal use by:
- (i) any member of City Council, or by any person on their behalf;
 - (ii) Appointed Officers;
 - (iii) employees of the City or their immediate families, that could result in a perceived conflict of interest unless that conflict has been disclosed, acknowledged and approved by the Chief Administrative Officer in the case of City employees and by Council in the case of Council members and Appointed Officers.
- 14.1.4 No Contract shall be entered into, and no expenditure shall be authorized or incurred unless Council has provided funds for such purpose in the annual budget or otherwise agreed to the provision of such funds and, no expenditure shall be authorized or incurred for more than the funds provided;
- 14.1.5 No Goods and Services shall be purchased from an officer or employee of the City, or from any immediate relative or associate of such officer or employee, unless the extent of the interest of such officer or employee has been fully disclosed and the purchase has been approved by the Chief Administrative Officer;
- 14.1.6 No officer or employee of the City shall be permitted to purchase any Personal or Real Property which has been declared surplus by the City unless obtained through a public process;
- 14.1.7 No employee or Council member shall purchase, on behalf of the City, any Goods, Services or Construction, except in accordance with this Policy;

- 14.1.8 No employee or Council member shall utilize City assets, contracts, processes or policies to procure Goods, Services or Construction for personal advantage, except for supplier offered employee discount programs or any goods or services procured, on behalf of the City specifically for employee wellness or other human resource initiatives;
- 14.1.9 No employee or Council member shall use Personal Property for personal advantage, except where such Personal Property is offered through City programs open to the public;
- 14.1.10 Where an applicable national (e.g.: Agreement on Internal Trade (AIT)) or international trade agreement conflicts with this Policy, the trade agreement shall take precedence.

15 Construction and Performance Security and Statutory Holdbacks

- 15.1 The City may, in its absolute discretion, require a vendor to provide security for the vendors' performance of construction-related services.
- 15.2 The City is required to comply with the Builders' Lien Act and retain 10% holdback made to a contractor pursuant to a contract under which a lien may arise.

16 Disposal of Excess Goods (Except Lands)

- 16.1 The Manager of Purchasing and Stores shall have authority to dispose of any vehicles, equipment, furniture, materials, or supplies no longer required by the City ("Excess Goods"), but that may still have some economic value.
- 16.2 The methods of disposal of Excess Goods shall be by whatever method is determined to be most beneficial for the City and appropriate for the goods to be disposed of.
- 16.3 Employees are not permitted to receive Excess Goods, and such goods may not be purchased by employees directly from the City, unless the sale for such goods is being conducted through a third-party auction.

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.

18 Other

- 18.1 Best value for purchases of Goods & Services will be determined based on the evaluation criteria set out in the applicable procurement process document(s). In the absence of

evaluation criteria, preference shall be given to the lowest priced submission, having regard for nuanced costs that may impact the lowest price.

- 18.2 The City may, on occasion, contract for the development of specifications to be used for the procurement of Goods & Services. In that case, the firm or individual that is contracted to develop the specifications will not be eligible to participate in the procurement process that utilizes the specifications for the purposes of soliciting bids.
- 18.3 All vendors providing general services or construction-related services on City property will be required to provide insurance in amounts as specified in the contract between the City and the vendor for such works, or at the discretion of the City if no such amounts are specified, with the City named as additional insured.
- 18.4 The City, at its discretion, will cooperate with other public agencies to purchase jointly where efficiencies may be gained.
- 18.5 City procurement documents will include relevant language from collective agreements pertaining to the provision of any municipal service, function or construction.

MANAGEMENT, REFERENCES AND APPROVAL:

This policy shall be reviewed in 3 years from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority: Council

Approval Date: _____

Revision Approval Dates: _____

Review Due: _____

Policy Manager: Chief Financial Officer

Department Contact: Manager of Purchasing and Stores

Legal References: *BC Community Charter*

BC Freedom of Information and Protection of Privacy Act

Other References: New West Partnership Trade Agreement

Auditor General for Local Government – BC, Improving Local Government Procurement Processes through Procurement Policy enhancements, Procurement Performance Metrics and Reporting and Vendor Performance Management, January 2016

City of Nanaimo, HR 4.1 Code of Conduct Policy

Mayor

Corporate Officer

Insert Date

Attachment B

CITY OF NANAIMO

BYLAW NO. 7175

A BYLAW TO PROVIDE FOR THE DELEGATION OF PURCHASING POWERS

WHEREAS pursuant to the *Community Charter*, Council may provide for the delegation of its powers, duties and functions including those specifically established by any enactment to its officers and employees, its committees or its members, or to other bodies established by Council;

AND WHEREAS it is deemed desirable and expedient to delegate the powers, duties and functions set out in this Bylaw;

NOW THEREFORE the Council of the City of Nanaimo in open meeting assembled, ENACTS AS FOLLOWS:

1. Title

This Bylaw may be cited for all purposes as the "PURCHASING POWER DELEGATION BYLAW 2013 NO. 7175".

2. Delegation of Purchasing Power

The City of Nanaimo hereby delegates all of the powers, duties and functions of Council to authorize the execution of contracts and/or purchases of goods and services on behalf of the City to the following officers and employees:

- (a) City Manager;
- (b) General Manager of Corporate Services;
- (c) Director of Finance; and,
- (d) Manager of Purchasing and Stores

subject to the limitations on that delegated authority as set out in the City's Purchasing Policy attached to this Bylaw as Schedule "A", and subject to the approved financial plan. For clarity, notwithstanding the fact that the City Manager is not named by office in the Purchasing Policy attached hereto, the City Manager is delegated the powers, duties, and functions allocated to each of the General Manager of Corporate Services, Director of Finance, and Manager of Purchasing and Stores in the Purchasing Policy.

This section does not authorize the execution of any agreement that requires elector approval under section 175 of the *Community Charter*, whether as a result of the stated term of the agreement or any provision for extension or renewal.

3. Scope of Bylaw

For clarity, subject to the *Community Charter*, unless a power, duty or function of Council has been expressly delegated by this Bylaw or another City bylaw, all of the powers, duties and functions of Council remain with Council.

4. Delegation of Persons Holding Position

Where this Bylaw delegates a power, duty or function to a named position, the delegation of the power, duty or function is to the person who from time to time holds the position and to any person who, from time to time, is the deputy of that person so appointed by Council. To the extent the Manager of Purchasing and Stores is unavailable to exercise the powers, duties and functions set out in section 2 of this Bylaw, the Buyer is appointed the Manager of Purchasing and Stores' deputy.

5. No Delegation by a Delegate

For clarity, a person to whom a power, duty or function has been delegated under this Bylaw has no authority to further delegate to another person any power, duty or function that has been delegated by this Bylaw.

6. Severability

If any section, subsection, or paragraph of this Bylaw is found invalid by a decision of a Court or competent jurisdiction, the invalid section, subsection, or paragraph shall be severed without effect on the remainder of the Bylaw.

PASSED FIRST READING 2013-JUN-24
PASSED SECOND READING 2013-JUN-24
PASSED THIRD READING 2013-JUN-24
ADOPTED 2013-JUL-08

J. R. RUTTAN
MAYOR

K. KING
CORPORATE OFFICER

SCHEDULE "A"

PURCHASING POLICY

Purpose:

To establish principles for the acquisition, sale, or, lease of goods and services by the City of Nanaimo.

Objective:

To ensure goods and services are acquired through a fair, open and transparent process that protects the interests of taxpayers and maintains the controls necessary for a public institution.

Policy:

1. The City will have a Manager of Purchasing and Stores who will manage and oversee the acquisition of all goods and services and disposal of assets on behalf of the City. All formal solicitations such as, but not limited to, Tenders, Request for Proposals, Request for Qualifications, Request for Information, Request for Expressions of Interest, Notices of Intent, and Notices of Sale shall be issued and received by the Manager of Purchasing and Stores on behalf of the City.
2. Purchasing decisions shall be made to ensure best value. Best value will be determined by the disclosed evaluation criteria. Evaluation Criteria may include, but is not limited to; price, delivery, quality, warranty, environmental and fair trade/ethical considerations, qualifications, experience and service. In the absence of evaluation criteria, lowest price will be deemed the determining factor.
3. Prior to issuing any Tender over \$250,000, Council will be provided with an Information Report. Unless there are unusual circumstances, the General Manager of Corporate Services, or Director of Finance will have authority to award tenders over \$250,000 to the low bidder. If the tender award recommendation is other than the low bidder, a Staff Report shall be provided for Council's approval. Prior to issuing any Request for Proposal over \$250,000, Council will be provided with a Staff Report for approval to proceed. Council approval will be required to award all Request for Proposals over \$250,000.
4. The City will cooperate with other public agencies to purchase jointly where efficiencies may be gained and savings may accrue.
5. City employees are expected to conduct themselves with personal integrity, ethics, honesty and diligence when acquiring goods and services. Employees are to avoid placing themselves in situations where their personal interests actually or potentially conflict with the interests of the City. A conflict may occur when an actual or potential interest benefits the employee, any member of the employee's family, friends or business associates.

6. City purchasing contracts will include relevant language from collective agreements pertaining to the provision of any municipal service, function or construction.
7. City employees will not be allowed to accept business gifts from vendors other than items of nominal value.
8. The Manager of Purchasing and Stores shall have the authority to dispose of any vehicles, equipment, furniture, materials, or supplies no longer required by the City, but that may still have some economic value. Disposal of items will be by way of sale at public auction, sale by public offer, transfer to another department, trade in allowance, or donated to non-profit organizations. For non-profit organizations, the Manager of Purchasing and Stores will establish a list of interested organizations and will offer items on a rotational basis. Wherever possible, items that cannot be sold or donated will be recycled, limiting the amount sent to the landfill. City employees may not be given any surplus items and will not be able to buy surplus items directly from the City unless the sale is through a third party auction.
9. The Manager of Purchasing and Stores will establish and maintain written purchasing procedures separately from this policy.
10. The City will, on occasion, contract for the development of specifications for the purchase of goods or services. The firm or individual that is contracted to develop the specifications will be prohibited from bidding on the contract to supply the same goods or services (except for design/build projects) unless prior written approval of the General Manager of Corporate Services, or Director of Finance has been obtained.
11. Request for Proposals will contain wording that the City reserves the right to negotiate enhancements or changes to the preferred Proposal with the proponent.
12. Exceptions to this policy will be by prior approval of City Council only.
13. The Manager of Purchasing and Stores shall have the authority to bypass normal procedures in the event of emergency or where the cost or delay to the City would be prohibitive. Council will be provided an Information Report summarizing these types of purchases shortly after any event.
14. In the instance where only one tender or proposal is received after publicly tendering or inviting multiple vendors to bid, an analysis will be performed by the User Department to determine whether or not it represents good value for the taxpayer. Written approval will be required before awarding as follows:
 - Up to \$25,000 Manager of Purchasing and Stores
 - Over \$25,000 up to \$250,000 General Manager of Corporate Services, or Director of Finance
 - Over \$250,000 City Council

On a quarterly basis, Council will be provided an Information Report summarizing these purchases between \$25,000 – \$250,000.
15. The value of any contract, or, purchase agreement is determined by the total estimated dollar value of the fixed term of the contract, excluding tax.

16. The Manager of Purchasing and Stores shall endeavor to competitively tender for goods and services on a regular basis. A competition may be waived and direct awarded in circumstances such as, but not limited to:
- A. Purchase Cards: The Purchase Card is intended to provide a simplified purchasing/payment tool for the acquisition of low dollar value goods, services and construction directly from suppliers within the card's defined limits.
 - B. Sole Source or Single Source Purchases:
 - to ensure compatibility with existing equipment, facilities or to maintain specialized products by the manufacturer or representative;
 - one with which staff have specialized training and/or extensive experience;
 - where there is an absence of competition and no acceptable alternative or substitute exists;
 - for the purchase of used equipment or at auction;
 - where it can be demonstrated the product or service is available only through one authorized manufacturer, distributor, dealer, or, service provider;
 - item is purchased for testing or trial use;
 - for matters involving high security and/or to protect the confidentiality of the City;
 - urgently required on an emergency basis (e.g. life/death, health, safety, critical equipment or facility breakdown);
 - a Notice of Intent to Direct Award is posted electronically and is not challenged;
 - where there is demonstrated value to continue consultant services into the next project phase (i.e. from design to construction);
 - any other situation where it is clearly demonstrated there is only one viable source of supply.

Values and authority levels to Sole Source or Single Source Purchases as follows:

- Up to \$25,000 Manager of Purchasing and Stores
- Over \$25,000 up to \$250,000 General Manager of Corporate Services, or Director of Finance
- Over \$250,000 City Council

On a quarterly basis, Council will be provided an Information Report summarizing sole source and single source purchases between \$25,000 – \$250,000.

17. Security is at the discretion of the Department Representative and is recommended for Construction tenders (Structural or Civil works) valued over \$200,000. Security can be requested for any other type of tender or proposal call, at the discretion of the User Department, if deemed to be in the best interest of the City. Security is defined as, but not limited to, Bid Bonds, Performance Bonds, Labour and Material Payment Bonds, Irrevocable Letters of Credit, Certified Cheques, Cheques, and Money Orders. Any alternate arrangements should have the prior written approval of the Director of Finance.
18. All amendments to existing Purchase Orders shall be in accordance with the current SAP workflow and the approval levels contained therein.

19. All vendors conducting business on City property must possess current Commercial General Liability Insurance, with the City of Nanaimo named as additionally insured, and/or Professional Liability Insurance in amounts satisfactory to the City's Manager of Purchasing and Stores. Specific amounts will be contained in the Purchasing procedure manual.
20. All vendors with employees conducting business on City property, must possess current WorkSafe BC coverage showing the firm is a member in good standing and remittance is up to date.
21. Some expenditures are not the result of any procurement process including, but not limited to, general expenses, utilities, training and education. Lists below are not comprehensive but are for illustrative purposes:

General Expenses:

- Licenses / permits (vehicles, elevators, etc.)
- Postage
- Periodicals, Magazines, Subscriptions
- Media Advertisements
- Liability Insurance from the Municipal Insurance Association

Utilities:

- Hydro/Heating Fuel/Natural Gas
- Water / Sewer / Garbage / Recycle
- Telephone / Fax/Internet

Training and Education

- Courses/Seminars/Staff Training/Development/Workshops
- Conventions
- Memberships
- Related travel

22. The City will procure goods and services with due regard to the City's commitment to encourage the use of environmentally-friendly and fair trade/ethical products, services and practices. All City departments that make purchases of goods and services or contract with others to make purchases should consider the environmental, social and economic value of the goods and services being purchased with the intent to shift spending away from goods and services that negatively impact the environment and society towards products and services that are more environmentally sound and socially beneficial.

The City should purchase and use materials, products and services which are better for the environment, better for society and provide better value for money on a life cycle cost assessment basis.

Environmental factors to be considered, but are not limited to:

- Pollutant releases, especially persistent bioaccumulative toxins (PBTs)
- Waste generation/minimal packaging
- Greenhouse gas emissions
- Recycled or post consumer waste content
- Energy consumption and efficiency
- Water quality

- Products and services that are third party certified such as, but not limited to: "Greenseal", "FSC", "SFI", "Eco Logo" or "Energy Star".

Social factors to be considered include, but are not limited to:

- Community and employee health and safety
- Fair trade practices

Economic factors to be considered include, but are not limited to:

- Life cycle cost assessment
- Cost avoidance and cost savings
- Fiscal impact and responsibility

City departments should use, where feasible, products that perform and have the least damaging/most beneficial environmental impact, including new environmentally preferable products, reusable products, recycled content, and recycled products. Recognizing its role as a major purchaser of goods and services, the City shall seek opportunities to encourage and influence markets for environmentally preferable products through employee education; supporting pilot testing of potential new products; adopting innovative product standards, specifications, and contracts.

Process:

- Staff of User departments, should review and modify existing specifications and write new specifications to include the use of environmentally sound products, equipment and processes.
- Environmentally preferred products should meet or exceed the same engineered standards for the traditional products with respect to performance, structural integrity, life span and safety.
- The Manager of Purchasing and Stores will remain alert to sources of recycled materials, products made from recycled materials and other environmentally beneficial products and services, bringing such information to the attention of the user departments.
- Any significant impact on budgets must have prior written approval of the General Manager of Corporate Services.

23. Preference shall be given to suppliers located within the Regional District of Nanaimo where quality, service, and price are equivalent.
24. The City may, in its absolute discretion, reject a Tender submitted by a Tenderer, if the Tenderer or any Officer or Director of the Tenderer is, or has been engaged in, either directly or indirectly, through another corporation in a legal action against the City, its elected or appointed officers and employees in relation to:
 - (a) any other contract for works or services; or,
 - (b) any matter arising from the City's exercise of its powers, duties, or functions under the *Local Government Act* or another enactment within five years of the date of this Call for Tenders.

In determining whether to reject a tender under this clause, the City will consider whether the litigation is likely to affect the Tenderer's ability to work with the City, its consultants and representatives, and whether the City's experience with the Tenderer indicates that the City is likely to incur increased staff and legal costs in the administration of this contract if it is awarded to the Tenderer.

25. A Request for Prequalification is a subjective and low cost method of evaluating and screening potential vendors and specialized service providers for subsequent participation in a competitive bidding process. Prequalification can also be used to establish a standardized list of materials and goods.

It is in the interest of the taxpayer to have a process that is as inclusive as possible. Accordingly, prequalification of vendors or service providers must only be used in limited circumstances, and where it is determined that there is a need to pre-qualify them because of special expertise requirements, such as specific environmental considerations, or specialized public safety requirements, or other clearly identified criteria. The prequalification process must not be used to limit the number of qualified bidders.

The purpose of prequalifying vendors and specialized service providers is to ensure that each potential vendor can demonstrate they have the expertise and resources to complete the work required. Responses to the Request for Prequalification are evaluated and the list of qualified vendors is then invited to participate in the subsequent Request for Tender/Proposal process. Thus, the actual Request for Tender/Proposal is open only to those vendors which were successful in the Prequalification stage. For this reason, it is vital that the Prequalification process is both open and fair. Criteria for selection must be explicit and capable of providing guidance for evaluation.

The use of prequalification may be considered for:

- (a) Complex work requiring, but not limited to, specialized expertise, equipment, materials, safety, environmental, technological, or financial considerations. For projects valued over \$250,000, if prequalification is to be used, notification must be included in the Report to Council prior to commencing the procurement process. For complex work valued over \$25,000 up to \$250,000, if prequalification is to be used, justification must be included and written approval from the General Manager of Corporate Services, or Director of Finance must be obtained prior to commencing the procurement process.
- (b) Creating a standardized list of materials and goods such as Engineering and Public Works "Approved Products List".

The general administrative procedures for issuing the Request for Prequalification and advertising the opportunity will be in accordance with Council's Purchasing Policy.

A Request for Prequalification for General Contractors and specialized service providers may be evaluated on, but not limited to, the following criteria:

- (a) Company Qualifications, Experience and References in similar work and other work;
- (b) General Company information regarding legal structure, ownership, key personnel, location, areas of expertise and size of projects completed;
- (c) Financial stability and Bonding capabilities;
- (d) Company Health and Safety policies including Letters of Clearance and Certifications;
- (e) Current Workload and availability;
- (f) Company's Quality Control program;
- (g) Company Warranties/Guarantees offered;
- (h) Ability to obtain security clearance;
- (i) Any other criteria the Project Manager deems important.

When choosing evaluation criteria for vendors and specialized service providers, it is important to understand the goal of the process is to identify vendors who are clearly capable of carrying out the work on behalf of the City. Evaluation criteria should be weighted and must be directly relevant to the work at hand. Only weighted evaluation criteria contained in the Request for Prequalification is be used when evaluating potential vendors. To be prequalified, a vendor must achieve the reasonably established minimum score as identified in the prequalification document.

Appropriate staff and/or project consultants will evaluate and rank the submissions, create a list of vendors that have achieved the minimum score and which will be invited to participate in the subsequent Request for Tender/Proposal. All qualified vendors will be permitted to compete.

Unsuccessful vendors will be provided a debriefing opportunity in order to review their scoring and to discuss the strengths and weaknesses of their submission.

PURCHASING POLICY – LEVELS OF RESPONSIBILITY

<u>Purchases of:</u>	<u>Authority to Make Low Bid Purchases</u>	<u>Authority to Make Greater Value Purchases</u>	<u>Quotation or Public Tender</u>	<u>Advertising Requirements</u>
1. Materials & supplies 2. Vehicles & equipment 3. Service contracts 4. Construction contracts 5. Consulting services				
Up to \$25,000	Manager of Purchasing and Stores and Representative of User Department	Manager of Purchasing and Stores and Representative of User Department	Quotations or fee proposals at the discretion of the Manager of Purchasing and Stores	At discretion of Manager of Purchasing and Stores to invite bidders or post electronically on City website and/or BC Bid
Over \$25,000 but not exceeding \$75,000.	Manager of Purchasing and Stores and Representative of User Department	Manager of Purchasing and Stores and Representative of User Department	Formally issue Tender or Request for Proposal documents to a minimum of three suppliers or publicly tender.	At discretion of Manager of Purchasing and Stores and User Department to invite bidders or post electronically on City website and/or BC Bid
Over \$75,000 but not exceeding \$250,000.	Director of Finance and Director of User Department	General Manager of Corporate Services, or Director of Finance	Public Tender	Shall be posted electronically on City Website and BC Bid
Over \$250,000.	General Manager of Corporate Services, or Director of Finance, or City Council	City Council	Public Tender	Shall be posted electronically on City website and BC Bid

DATE OF MEETING December 6, 2016

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

SUBJECT **BASTION BRIDGE REHABILITATION**

OVERVIEW

Purpose of Report

To present for the Finance and Audit Committee's information, options for the rehabilitation of the Bastion Street Bridge.

DISCUSSION

The Bastion Street Bridge was originally constructed in 1936 and upgraded in 1978. A detailed condition assessment completed in June, 2014 found that the Bastion Street Bridge is now in a condition that significant maintenance and rehabilitation work is required.

At the 2016-JUN-20 Council meeting, Council directed Staff to return to Council with a report regarding the replacement cost options. The 2016-JUN-20 Council Report is attached as Attachment A.

Four options were evaluated:

- **Rehabilitation and Seismic Retrofit (Recommended Option):** This option was the recommended option in the 2016-JUN-20 Council Report. It addresses the current maintenance requirements, improves the seismic performance and extends the service life of the bridge. We have assumed that the bridge will require major maintenance again after 20 years and then replacement 10 years beyond that.
- **Rehabilitation Only:** This option consists of implementing only the rehabilitation recommendations for the bridge. This approach extends the service life of the bridge but does not address the seismic vulnerabilities in any way. We have assumed that the bridge will require major maintenance again after 20 years and then replacement 10 years beyond that.
- **Bridge Replacement:** A replacement bridge will address all condition needs for the bridge and the new bridge would be constructed to current seismic codes. It also presents other opportunities for improvements to the bridge and to the surrounding area.
- **Bridge Replacement in 10 years:** This option consists of undertaking essential maintenance only for the next 10 years, then replacing the bridge at that time. The bridge does not present any condition needs that are immediate safety concerns and with essential maintenance being completed, the bridge could last another 10 years.

However, with only the essential maintenance being completed, the bridge would likely be in a condition that rehabilitation to extend the life of the bridge would not be possible. This option allows the City to defer the major capital expenditure of bridge replacement and develop plans for the future crossing. This option does not address the current condition needs or seismic vulnerabilities that have been identified until replacement is completed.

The options were evaluated by comparing:

- The costs over time of each option
- Construction impacts
- Seismic risk
- Construction risk
- Other opportunities

Cost

The expected costs and timing of the various options are summarized in the table below:

Option	2017	2026	2036	2046
<i>Rehabilitation and Seismic Retrofit (Recommended Option)</i>	\$1,850,000	\$0	\$250,000	\$5,945,000
<i>Rehabilitation Only</i>	\$670,000	\$0	\$250,000	\$5,945,000
<i>Bridge Replacement</i>	\$5,945,000	\$0	\$0	\$0
<i>Bridge Replacement in 10 years</i>	\$50,000	\$5,945,000	\$0	\$0

Construction Impacts

Rehabilitation of the bridge is expected to take approximately 6 months and the bridge will be closed to vehicle traffic for approximately 6-8 weeks. There is possibility that the bridge could remain open to pedestrians during construction and it is expected that the construction timing can be arranged so that the closure avoids peak tourist seasons, thus reducing the impact of the project on the local business community.

It would take 6-8 months to remove the existing bridge and construct a new one and during this time it would be closed to all users. Given the lengthy closure, it is less likely that the construction timing could be arranged to avoid peak tourist season.

Risk

Three areas of risk were evaluated:

- Seismic Safety Risk – Is there a risk that someone around the bridge could be harmed during a seismic event?
- Seismic Damage Risk – Is there a risk that after a seismic event the bridge will be rendered unusable?
- Construction Risk – What are the expected construction risks?

Option 1 Rehabilitation and Seismic Retrofit (Recommended Option)

- Seismic Safety Risk – Addressed by retrofitting the bridge to achieve a Safety 1 designation.

- Seismic Damage Risk – While the bridge would remain in place after a seismic event, there is the possibility that major damage would occur which would require significant upgrades or replacement.
- Construction Risk – The work proposed for the retrofit is commonly done in the Province and presents a low risk for significant construction delays or cost increases.

Option 2 Rehabilitation only

- Seismic Safety Risk – A seismic event would likely cause permanent damage to the bridge, potentially resulting in a partial or full collapse of the bridge. This presents a safety risk to anyone around the bridge at that time.
- Seismic Damage Risk – After a seismic event, the bridge would require significant upgrades or replacement.
- Construction Risk – The work proposed for the retrofit is commonly done in the Province and presents a low risk for significant construction delays or cost increases.

Option 3 Replacement Bridge

- Seismic Safety Risk – Addressed by constructing the bridge to current seismic codes.
- Seismic Damage Risk – After a seismic event, the bridge would likely only require minor repairs.
- Construction Risk – Construction risks to a new bridge include poor geotechnical conditions and the possibility of contaminated soils. These risks have the potential to both increase the costs of the project and cause delays during construction.

Option 4 Replacement Bridge in 10 years

- Seismic Safety Risk – For the next 10 years there would be a risk to anyone around the bridge during a seismic event. This would be addressed after the new bridge is constructed by constructing the bridge to current seismic codes.
- Seismic Damage Risk – If a seismic event occurred before the new bridge is constructed, the timeline for the new bridge would need to be accelerated. After the new bridge is constructed, the bridge would likely only require minor repairs after a seismic event.
- Construction Risk – Construction risks to a new bridge include poor geotechnical conditions and the possibility of contaminated soils. These risks have the potential to both increase the costs of the project and cause delays during construction.

Other Opportunities

There are several other aspects which could be considered as part of this project.

- Old City Quarter/ Downtown Nanaimo Gateway
A gateway structure between the Old City Quarter and Downtown Nanaimo could be constructed as part of any of the options. It would add approximately \$70,000 to the cost of Options 1 or 2 and \$50,000 for Options 3 or 4.

- **Aesthetic Considerations**
 - **Options 1 & 2**

There are minor opportunities to change the bridge aesthetics in Options 1 or 2 such as, incorporating additional lighting features on the underside of the bridge and/or providing a space for public art such as a mural on the columns. Significant changes to the look and feel of the bridge are unlikely.
 - **Options 3 & 4**

Changes to the aesthetics could be more significant if a new bridge is constructed. It should be noted that the costs are based on a fairly basic and functional bridge. Bridges which have significant architectural detailing or features can increase the cost of a structure substantially.
- **Transportation Network Improvements**

Some improvements to the transportation network around the Bastion Street Bridge were discussed as part of the “Terminal-Nicol Re-imagined” Study, such as pedestrian access between Terminal Avenue and Wallace Street and widening of Terminal Avenue.

 - **Options 1 & 2**

It would be challenging to add the pedestrian connection to Wallace Street as part of the project. The costs for this initiative would likely be in excess of \$100,000 and has not been accounted for in the cost estimates.
Widening Terminal Avenue would not be possible at the Bastion Bridge crossing due to the location of the bridge columns.
 - **Options 3 & 4**

It would be possible to design new features such as a pedestrian connection into a new structure; however, there would be some cost implications which have not been accounted for in the cost estimates.
A new bridge could be constructed with one column. There is the possibility that the location of the column could be designed which would facilitate a wider Terminal Avenue.

OPTIONS

That the Finance and Audit Committee receive the Bastion Bridge Rehabilitation report for information.

Four replacement or rehabilitation options were evaluated for the Bastion Street Bridge.

1. That Council:

1. direct Staff to proceed with the rehabilitation and seismic retrofit of the Bastion Street Bridge to achieve a Safety 1 designation as described in Option 1 of this report.

This option is recommended as it completes maintenance requirements, reduces the seismic safety and damage risk, represents a low construction risk, has a moderate immediate cost, and defers large expenditures for 30 years.

2. provide direction on including a Gateway structure as part of the project.

- **Budget Implication:** The expected costs for this option are \$1,850,000 in 2017, \$250,000 in 2036 and \$5,945,000 in 2046.

- **Engagement Implication:** The Bridge would be closed for 6-8 weeks in this option; however, it could remain open to pedestrians and the timing could be arranged to avoid peak tourist season.
- **Risk Implication:** The seismic safety risk would be addressed by this option, the bridge would likely need significant repairs or replacement after a seismic event and the construction risks are low.
- **Strategic Priorities Implication (Transportation):** The Bastion Street Bridge is an important link to downtown. Completing this rehabilitation would continue to ensure that the link is functional for years to come.
- **Strategic Priorities Implication (Asset Management):** Completing the rehabilitation to the bridge would extend the functional life of the bridge by 20 to 30 years.

Other Considerations: A gateway structure could be added to the project for an additional \$70,000. Minor aesthetic improvements and public art opportunities could be incorporated into the project. Improvements to the transportation network would be challenging to incorporate into this option.

2. That Council direct Staff to proceed with the rehabilitation of the Bastion Street Bridge recommended in the Condition Assessment Report and defer the seismic upgrades.

- **Budget Implication:** The expected costs for this option are \$670,000 in 2017, \$250,000 in 2036 and \$5,945,000 in 2046.
- **Engagement Implication:** The Bridge would be closed for 6-8 weeks in this option; however, it could remain open to pedestrians and the timing could be arranged to avoid peak tourist season.
- **Risk Implication:** The seismic safety risk and the seismic damage risk would not be addressed by this option. The bridge would likely need significant repairs or replacement after a seismic event and there is a risk to anyone around the bridge during a seismic event. The construction risks are low for this option.
- **Strategic Priorities Implication (Transportation):** The Bastion Street Bridge is an important link to downtown. Completing this rehabilitation would continue to ensure that the link is functional for years to come.
- **Strategic Priorities Implication (Asset Management):** Completing the rehabilitation to the bridge would extend the functional life of the bridge by 20 to 30 years.
- **Other Considerations:** A gateway structure could be added to the project for an additional \$70,000. Minor aesthetic improvements and public art opportunities could be incorporated to the project. Improvements to the transportation network would be challenging to incorporate into this option.

3. That Council direct Staff to not upgrade the Bastion Street Bridge and to plan for its immediate removal and replacement.

- **Budget Implication:** The expected costs for this option are \$5,945,000 in 2017.
- **Engagement Implication:** The bridge would be closed for 6-8 months in this option. It is unlikely that the timing could be arranged to avoid peak tourist season.

- **Risk Implication:** The seismic safety risk and the seismic damage risk would be addressed immediately. There are some risks expected during construction, such as poor geotechnical conditions and possibility of contaminated soils.
 - **Strategic Priorities Implication (Transportation):** The Bastion Street Bridge is an important link to downtown, completing this rehabilitation would continue to ensure that the link is functional for years to come.
 - **Other Considerations:** A gateway structure could be added to the project for an additional \$50,000. Aesthetic improvements and public art opportunities could be incorporated to the project, as well as some improvements to the transportation network.
 - **Strategic Priorities Implication (Asset Management):** The expected serviceable life of a new bridge is 75-100 years, assuming regular maintenance including a mid life rehabilitation after about 40 years.
4. That Council direct Staff to not upgrade the Bastion Street Bridge and to plan for its removal and replacement in 10 years.
- **Budget Implication:** The expected costs for this option are \$50,000 in 2017 and \$5,945,000 in 2026.
 - **Engagement Implication:** The bridge would be closed for a short time for the essential maintenance in 2017 and for 6-8 months during construction of a new bridge in 2026. It is unlikely that the construction timing of a new bridge could be arranged to avoid peak tourist season.
 - **Risk Implication:** The seismic safety risk and the seismic damage risk would remain for the next 10 years, but addressed after the construction of a new bridge. There are some risks expected during construction of a new bridge such as poor geotechnical conditions and possibility of contaminated soils.
 - **Strategic Priorities Implication (Transportation):** The Bastion Street Bridge is an important link to downtown, completing this rehabilitation would continue to ensure that the link is functional for years to come.
 - **Other Considerations:** A gateway structure could be added to the project for an additional \$50,000. Aesthetic improvements and public art opportunities could be incorporated into the project, as well as some improvements to the transportation network.
 - **Strategic Priorities Implication (Asset Management):** The expected serviceable life of a new bridge is 75-100 years, assuming regular maintenance including a mid life rehabilitation after approximately 40 years.

SUMMARY POINTS

- Four different replacement or rehabilitation options were evaluated.
- Expected costs, risks, community impact and other opportunities for improvement were considered in the evaluation.

ATTACHMENTS

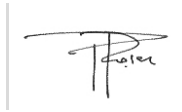
Attachment A: Council Report dated 2016-JUN-20

Submitted by:



Phil Stewart
Manager, Engineering Projects

Concurrence by:



Poul Rosen
Senior Manager, Engineering

DATE OF MEETING June 20, 2016

AUTHORED BY PHIL STEWART, MANAGER, ENGINEERING PROJECTS

SUBJECT BASTION STREET BRIDGE REHABILITATION

OVERVIEW

Purpose of Report

To advise Council of the current condition of the Bastion Street Bridge and to obtain Council's approval to proceed with the upgrades to the Bastion Street Bridge.

Recommendation

That Council direct staff to proceed with the rehabilitation of the Bastion Street Bridge recommended in the Condition Assessment Report and the upgrades required to achieve a "Safety 1" designation as described in Option 1 of this report.

BACKGROUND

The Bastion Street Bridge was originally designed and constructed in 1936 by the Province of British Columbia Public Works Department. A subsequent bridge upgrade was completed in 1978 which increased the height of the bridge deck and saw the construction of a new superstructure.

A detailed Condition Assessment Report was completed in June 2014. The assessment found that the Bastion Street Bridge is now in a condition that significant maintenance and upgrades are required. Removal of the fascia panels, rehabilitation of the bridge deck, replacement of the expansion joints, and reinforcement of the substructure are among the repairs which are recommended. The report recommended that the fascia panels be removed immediately, and the remaining rehabilitation be completed by January 2018. In 2015, the majority of the fascia panels were removed and the remaining repairs were scheduled to be designed in 2016 and completed in 2017.

A further assessment of the Bastion Street Bridge was completed to determine seismic capability of the structure. The portion of the Bastion Street Bridge constructed in 1936 was not designed for seismic resistance and the sections upgraded in 1978 were done in accordance with the code at the time, which did not address many of the seismic provisions included in the current Bridge Code, CSA S6, Canadian Highway Bridge Design Code, 2014. The seismic assessment determined that some components of the Bastion Street Bridge are not expected to resist the current design earthquake prescribed in the Bridge Code. As a result, the design seismic event would likely cause permanent damage to the bridge, potentially resulting in a partial or full collapse of the bridge.

The BC Ministry of Transportation, Seismic Retrofit Design Criteria is a document that is used as a benchmark for bridge retrofits in BC and designates various seismic performance levels for

projects. The “Safety 1” designation is a retrofit performance level with the goal of collapse prevention. It is proposed that the Bastion Street Bridge be upgraded to a seismic standard of “Safety 1”. For the Bastion Street Bridge, after a 1:475 return period earthquake, the damage would require the bridge to be closed for repair, but it would likely not cause collapse. Reinstatement of the structure may require extensive repairs and potentially reconstruction of bridge components.

The estimated cost to complete the rehabilitation, as outlined in the Condition Assessment Report, and reinforce the seismic resiliency to achieve the “Safety 1” designation, is estimated at \$1.7 million.

OPTIONS

A number of options were explored as part of the work and are presented below. Removal of the Bastion Street Bridge was not considered to be a viable option as it is an important component of the road network and critical link to downtown.

1. That Council direct staff to proceed with the rehabilitation of the Bastion Street Bridge as recommended in the Condition Assessment Report, and the upgrades required to achieve a “Safety 1” designation.
 - **Budget Implication:** The 2016-2021 Five Year Financial Plan includes a 2017 budget of \$550,000 for the rehabilitation. The current estimate would require an additional \$1.15 million for both the rehabilitation and seismic reinforcement. With this option, staff will adjust the project budget in the 2017-2022 Five Year Financial Plan.
 - **Engagement Implication:** Community consultation and communication will be required prior to construction to ensure the community is aware of the Bastion Street bridge closure and alternate routes.
 - **Strategic Priorities Implication (Transportation):** The Bastion Street Bridge is an important link to downtown Nanaimo; completing this rehabilitation would continue to ensure that the link is functional for years to come.
 - **Strategic Priorities Implication (Asset Management):** Completing the rehabilitation to the Bastion Street Bridge would extend the functional life of the bridge by 20 to 30 years, at which time another major rehabilitation or renewal would likely be required.
2. That Council direct staff to proceed with the rehabilitation of the Bastion Street Bridge as recommended in the Condition Assessment Report, and defer the seismic upgrades.
 - **Budget Implication:** The 2016-2021 Five Year Financial Plan includes a 2017 budget of \$550,000 for the rehabilitation and the most current estimate of the rehabilitation is \$650,000. With this option, staff will adjust the project budget in the 2017-2022 Five Year Financial Plan.
 - **Engagement Implication:** Community consultation and communication will be required prior to construction to ensure the community is aware of the Bastion Street bridge closure and alternate routes.
 - **Strategic Priorities Implication:** The Bastion Street Bridge is an important link to downtown Nanaimo; completing these repairs and upgrades would continue to ensure that the link is functional for years to come.

- **Strategic Priorities Implication (Asset Management):** Completing the rehabilitation to the Bastion Street Bridge would extend the functional life of the bridge by 20 to 30 years, at which time another major rehabilitation or renewal would likely be required.
 - **Add Other Implications:** During a significant seismic event, the Bastion Street Bridge could collapse, putting the public on or under the bridge at risk. Also, a future seismic retrofit would be more expensive and difficult than if it was completed at the same time as the Bastion Street Bridge rehabilitation.
3. That Council direct staff to not upgrade the Bastion Street Bridge and to plan for its removal and replacement.
- **Budget Implication:** Removal and replacement of the Bastion Street Bridge is expected to be in excess of \$5 million.
 - **Engagement Implication:** Removal of the existing Bastion Street Bridge and replacement of the bridge would be substantially more disruptive than the proposed seismic and rehabilitation.
 - **Engagement Implication:** Community consultation and communication will be required prior to construction to ensure the community is aware of the bridge closure and alternate routes.
 - **Strategic Priorities Implication:** The Bastion Street Bridge is an important link to downtown Nanaimo; replacing the bridge would ensure a viable link for the foreseeable future.
 - **Strategic Priorities Implication (Asset Management):** The expected serviceable life of a new bridge is 75-100 years assuming regular maintenance, and including a mid life rehabilitation after about 30-40 years.

SUMMARY POINTS

- A Condition Assessment Report found that the Bastion Street Bridge is in a condition that significant maintenance and upgrades are required.
- The rehabilitation required for the Bastion Street Bridge and the proposed seismic upgrades is estimated at \$1.7 million (planning level estimate).
- The life expectancy of the Bastion Street Bridge, after the rehabilitation, is at least 20 years.
- The replacement cost of the Bastion Street Bridge is estimated to be in excess of \$5 million.

Submitted by:



Phil Stewart
Manager, Engineering Projects

Concurrence by:



Geoff Goodall
Director, Engineer and Public Works

DATE OF MEETING December 6, 2016

AUTHORED BY RICHARD HARDING, DIRECTOR
PARKS AND RECREATION

ART GROOT, MANAGER
FACILITY PLANNING & OPERATIONS

SUBJECT AMMONIA CHILLER FAILURE AT NANAIMO ICE CENTRE

OVERVIEW

Purpose of Report

To advise Council of a \$176,216 budget transfer from the Facility Development Reserve for the replacement of the chiller at the Nanaimo Ice Centre.

DISCUSSION

On 2016-JUN-27, during start up at the Nanaimo Ice Centre (NIC), the ammonia chiller serving the ice surface for NIC 1 experienced a mechanical failure, resulting in the inability to start the ice plant for seasonal start up. The mechanical failure damaged the chiller beyond repair. The standard life expectancy of a chiller is in the 15-20 year range. The chiller at NIC has been in service for 10 years. Staff are working with the City of Nanaimo's insurance agency to determine the value of coverage for repair, materials, labour, revenue loss, and the remake of the ice surface based on the mechanical failure issues. The insurance claim is still under review.

The ammonia chiller is an important piece of mechanical equipment in the ice plant. The chiller enables compressed ammonia to cool down the brine (salt water mix) so that ice can be made. Emergency replacement was the only option to have the facility operational for this season of ice use.

A new 'plate and frame' style chiller was installed in August and is operational.

SUMMARY POINTS

- The chiller at NIC #1 failed during start up and was replaced at a cost of \$176,216.
- An insurance claim has been submitted.
- Funds will be transferred from the Facility Development Reserve and will be included in the next 2016 Financial Plan budget bylaw amendment. Proceeds from the insurance claim will be repaid to the Facility Development Reserve.

Submitted by:



Art Groot, Manager
Facilities Planning & Operations

Concurrence by:



Richard Harding, Director
Parks and Recreation

DATE OF MEETING December 6, 2016

AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER

SUBJECT REPLACEMENT OF RECREATION MANAGEMENT SOFTWARE

OVERVIEW

Purpose of Report

To update Council on the progress of the Recreation Management Software replacement.

DISCUSSION

Parks and Recreation utilizes ACTIVE Network Class software to manage all financial transactions related to community use of recreation services (point of sale, rental bookings, registration processes, internet registration and financial reporting). In 2015, more than \$6.6 million dollars were processed through the Class software.

Class is a robust software system that many North American recreational organizations purchased over the past two decades. At the time there were few alternatives in the marketplace and Class software became a common application in many municipalities. The software is hosted on a server locally and is compatible with the municipality's financial transaction system (Moneris).

ACTIVE Network served notice that it will no longer support the Class software product after 2017, making it necessary to replace the current registration software.

ACTIVE Network's market share in its Class software is significant. All communities currently using Class are faced with the decision to either maintain the existing system unsupported or migrate to a new Recreation Management Software program.

Maintaining the existing system, unfortunately, will not be an option as the unsupported system would not meet Payment Card Industry (PCI) compliance. Without compliance we would be unable to accept credit or debit card payments.

Staff worked with its counterparts in other municipalities and identified an opportunity to work together in developing requirements for the replacement system and to procure a product that will meet those requirements.

At the 2015-APR-13 Committee of the Whole Meeting, Council endorsed Staff's recommendation to enter into a multi-city RFP with the Corporation of Delta leading the process.

Using an independent facilitator, 24 communities entered into the multi-city RFP development for a Parks and Recreation Management Software (PRMS).

PRMS Vision:

- Leverage the strength of our people to determine exactly what we need today and in the future
- Learn about best practices from one and other
- Use our collective volume to get a better deal
- Provides greater uniformity across Western Canada
- Create a larger community to work with vendor(s) after implementation and support each other

The 19 month process brought together subject matter experts from around the province to assist in the development of the RFP criteria and final evaluation. The collaboration was broken in to two Phases:

Phase #1 Dec 2014 – Jul 2015:

- Socialize the Idea of a multi city RFP
- Information to CAO and Councils
- Develop RFP Requirements and
- Finalize community participation and commitment

Phase #2 Jul 2015 – Dec 2016:

- Bid Preparation – exhaustive evaluation of software requirements
- RFP Posting
- RFP Review and product demonstrations
- Final Bid Evaluations
- Award and Implementation

Staff feels the multi-city approach was highly beneficial for all communities involved and applaud the work and energy all communities put into the process, especially the Corporation of Delta.

The evaluation of the RFP bids has been completed. In the early 2017 the results of the PRMS collaboration will be forwarded to staff. A report to Council will follow with the options to either participate in the final selection of the multi city RFP or to seek an independent RFP for a different recreation software product.

SUMMARY POINTS

- City of Nanaimo enters into a multi-city RFP for the replacement of Recreation Management Software program.
- The multi-city RFP process is complete.
- The RFP results will be brought to council for their consideration.

Submitted by:


A handwritten signature in black ink, appearing to read 'V. Mema', is written over a vertical line that starts from the 'Submitted by:' label and extends downwards.

Victor Mema
Chief Financial Officer

DATE OF MEETING December 6, 2016

AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER

SUBJECT ESTABLISHMENT OF STRATEGIC INFRASTRUCTURE RESERVE FUND

OVERVIEW

Purpose of Report

The purpose of this report is to provide information and funding options for establishing a strategic infrastructure reserve fund.

Recommendation

That the Finance and Audit Committee recommend that Council adopt the outlined fiscal leveraging strategy as outlined and a related Strategic Infrastructure Reserve Fund.

BACKGROUND

The City of Nanaimo (the City) will benefit from establishing a Strategic Infrastructure Reserve Fund fashioned according to provisions in the *Community Charter 188 (1) and 189 (1) – (5)*. The City can fund the Strategic Infrastructure Reserve Fund by redirecting current revenue and expenditure streams at minimal impact to property tax rates.

The City has a number of reserve funds that address asset management, renewal and upgrades. The City has limited fiscal strategies that proactively address reserving funds for longer term infrastructure priorities.

The proposed strategy redirects revenue and expenditure streams over a period of three years towards funding the Strategic Infrastructure Reserve Fund; gaming revenue, RCMP contract funding levels and annual funding of general capital program.

The City receives approximately \$2,400,000 in gaming revenue annually. This funding is currently directed to general revenue. The City has received \$46 million in total since 1999. Of this total the City has spent \$17 million towards debt service for the Vancouver Island Conference Centre, \$15 million for property tax reduction for a number of years, \$6 million in funding for additional RCMP members, \$3 million in social grants, \$1.3 million in destination marketing, \$1.4 million on Sealand Park remediation and a number of other minor expenditures.

The City also receives \$525,000 annually from Fortis BC under an operating fee agreement. This funding is currently directed to general revenue.

The City also budgets for the RCMP contract at 95%. However, the City has experienced perennial surpluses due to vacancies created through member transfers or other operational occurrences. The City has set up a reserve where to direct such surpluses for future funding of the RCMP contract costs. This reserve currently has a balance of \$3 million.

Staff are proposing that the Finance and Audit Committee consider a fiscal strategy directing some funding towards a Strategic Infrastructure Reserve Fund as follows:

1. Over a period of four years, in a phased approach direct gaming revenue from general operating revenue in the amount of \$2,400,000 at current annual receipts.
2. Direct \$525,000 annual Fortis revenue from the operating agreement.
3. Fund RCMP contract at 92%.
4. Reduce general revenue funding for the capital program by \$550,000 in 2017, \$600,000 in 2018, and \$200,000 in 2019. Increased funding from renewal reserves will be used in those years.

The above strategy is summarized in Appendix 1. and the transfers would then provide initial funding to the Strategic Infrastructure Reserve Fund. Annual contributions from these identified sources will ramp up to \$5.6 million per year by 2021 as outlined in Appendix 2.

Funds in the Strategic Infrastructure Reserve will fund strategic capital projects and can be used for debt service for the same.

Impact on property tax rates are outlined at the bottom of Appendix 1. based on the draft 2016-2021 financial plan currently being developed. The impact is an increase of 3.3% over a period of five years.

OPTIONS

1. Finance and Audit Committee recommend that Council adopt the outlined fiscal leveraging strategy as outlined and a related Strategic Infrastructure Reserve Fund.
 - **Budget Implication:** This fiscal strategy will provide funding for strategic infrastructure overtime lessening increases and impact on property taxes. This will allow the City to access debt funding without increasing property tax for delivery of strategic infrastructure.
 - **Legal Implication:** The outlined strategy is in compliance with the Community Charter and Local Government Act.
 - **Policy Implication:** This practice will keep property tax rates in the City of Nanaimo low.
 - **Strategic Priorities Implication:** This strategy will enhance chances to deliver strategic infrastructure.
 - **Political Implication:** This strategy will allow for delivery of strategic infrastructure while keeping property tax low.
2. Finance and Audit Committee may amend the strategy outlined.
3. Finance and Audit Committee may reject the strategy outlined in this report.
 - **Budget Implication:** The City will not use funding sources available to build strategic infrastructure and be forced to increase property taxes over time or wait for grants and lose control over delivery of strategic infrastructure initiatives.
 - **Legal Implication:** No implications.
 - **Policy Implication:** This practice will not keep property tax rates in the City of Nanaimo low.

- **Strategic Priorities Implication:** This strategy will not enhance chances to deliver strategic infrastructure.
- 4. **Political Implication:** This strategy will not allow for delivery of strategic infrastructure while keeping property tax low.

SUMMARY POINTS

- The City of Nanaimo has an opportunity to redirect gaming revenue, Fortis revenue, a portion of annual funding of capital program from property taxes and fund a strategic infrastructure reserve fund at \$5.6 million per year by 2021.
- The funds in the strategic infrastructure reserve can be used for delivery of strategic assets or debt service for the same. At the level of \$5.6 million annual funding, the City can access \$100 million in infrastructure funding through the Municipal Finance Authority at low interest rates.
- The outlined fiscal strategy will have no impact on projected property tax increases for the 2017-2021 Financial Plan. Projected property tax increases are: 2% in 2017, 1.8% in 2018, 1.7% in 2019, 1.5% in 2020 and 0.4% in 2021.

ATTACHMENTS

- Appendix 1 – Fiscal Leveraging Strategy
- Appendix 2 – Projected Strategic Infrastructure Reserve Balances

Submitted by:



Victor Mema
Chief Financial Officer

APPENDIX 1

City of Nanaimo Fiscal Leveraging Strategy

Tax Impact Strategy

1% of Taxes		926,812	961,319	990,306	1,018,656	1,046,018
	2016	2017	2018	2019	2020	2021
Draft 2017 - 2021 Financial Plan - Property Taxes	96,793,560	100,182,198	102,494,726	104,697,187	107,006,483	108,852,702
less VIRL	(4,112,345)	(4,112,345)	(4,256,277)	(4,405,247)	(4,559,430)	(4,719,010)
RCMP contract change (95% to 92%)		(712,995)	(732,864)	(751,329)	(770,301)	(789,749)
Increase/(Reduce) Transfer to General Capital Program		(550,000)	(600,000)	(200,000)	-	-
Transfer Fortis Revenues to General Capital Reserve		525,000	525,000	525,000	525,000	525,000
Casino Revenues change		800,000	1,600,000	2,000,000	2,400,000	2,400,000
	92,681,215	96,131,858	99,030,585	101,865,611	104,601,752	106,268,943
less prior year growth		1,600,000	1,200,000	1,200,000	1,200,000	1,200,000
		94,531,858	97,830,585	100,665,611	103,401,752	105,068,943
Projected Property Tax Increase Restated		1,850,643	1,698,726	1,635,026	1,536,142	467,191
		2.0%	1.8%	1.7%	1.5%	0.4%
Net Change in Property Tax Rate		-0.1%	-0.8%	-0.8%	-0.6%	0.0%

APPENDIX 2

City of Nanaimo Strategic Infrastructure Reserve Fund

Community Works Fund annual contributions	3,587,994	3,587,994	3,758,349	3,758,349	3,758,349
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	2017	2018	2019	2020	2021
Funding flow to the Strategic Infrastructure Reserve					
Community Works Fund (50% annual contributions)	1,793,997	1,793,997	1,879,175	1,879,175	1,879,175
Fund RCMP Contract at 92%	712,995	732,864	751,329	770,301	789,749
Reduce annual general capital transfer	(550,000)	(600,000)	(200,000)	-	-
Fortis Revenue	525,000	525,000	525,000	525,000	525,000
Casino Revenues	800,000	1,600,000	2,000,000	2,400,000	2,400,000
	3,281,992	4,051,861	4,955,504	5,574,475	5,593,923
Reserve Balance, Opening	-	3,281,992	7,333,853	12,289,357	17,863,832
Reserve Balance, Closing	3,281,992	7,333,853	12,289,357	17,863,832	23,457,755

New debt to be funded from Community Works Fund and new Casino Revenues reserve

Both the Community Works Fund revenues and Casino revenues are subject to change.