

**Variance Analysis of the Summary of Capital Results
for the Nine Months Ending 2018-SEP-30**

The following section provides an explanation of the significant project variances over \$1,000,000. Positive budget balance indicate that the project is under budget while a negative budget balance indicate that the project is over budget as at the date of reporting.

Boxwood Connector & Utility Project \$ 3,367,806

This project is for the design and construction of the site improvements for the Boxwood Connector Road project. Site improvements include a site grading, mitigation of contaminated soils, constructing an engineered wetland/detention pond and geotechnical improvements. The funding sources for this project are the general reserves (\$42,600), sewer reserves (\$45,000), water reserves (\$87,000), Roads DCC Statutory reserve funds (\$3,332,686), Drainage DCC Statutory reserve funds (\$100,000), Water DCC Statutory reserve funds (\$12,000), Sewer Fund Asset Management statutory reserve fund (\$69,000), and the Water Fund Asset Management statutory reserve funds (\$8,000). This project is currently in progress.

Chase River Trunk Sanitary Sewer \$ 6,160,587

This project includes a new pump station on Seventh Street at Park Avenue and a new forcemain connecting to the RDN trunk sewer on Woodhouse Street. The funding sources for this project are the water reserves (\$614,479) Sewer DCC Statutory reserve funds (\$853,428), Sewer Fund Asset Management statutory reserve funds (\$104,300) and internal borrowing (\$4,915,000). This project is currently in progress and out for tender with construction expected to begin in early 2019.

College Drive Area Watermain Twinning \$1,833,978

This project includes installation of a new water supply main along College Drive, and upgrade for capacity and fire flow of the Towers Reservoir and Towers Pump Station. The funding sources for this project are general taxation (\$87,000), the general reserves (\$8,000), sewer reserves (\$53,234), water reserves (\$2,770,068) Water DCC Statutory reserve funds (\$125,000), and the Water Fund Asset Management statutory reserve funds (\$375,000). This project is currently in progress.

Hammond Bay Corridor and Utility Project \$ 1,823,576

This project relates to the road and water main upgrades in this area. The funding sources for this project are the Roads DCC Statutory reserve funds (\$783,052), Water DCC statutory reserve funds (\$257,501) and the General Fund Asset Management statutory reserve funds (\$786,900). This project is currently in progress.

Property Acquisition: Seaspan Ferries Right of Way at #1 Port Drive \$2,797,333

This project relates to the right of way property purchase from Seaspan Ferries Corporation at 1 Port Drive. The acquisition of the right of way will unlock the property for future development and enable the City to secure a long term access across the property to the Nanaimo Assembly Wharves. This defers the need to replace the existing aging wooden trestle. The transaction closes on 2019-April-30. The funding sources for this project are the general reserve funds (\$1,520,000) and private contributions (\$1,500,000). This purchase is complete; however, the City is wrapping up the final costs of the purchase.

Fire Station #1 Replacement \$ 3,274,050

This project includes replacement of Fire Station #1. In May 2018, Council approved borrowing of \$17,000,000 to fund the construction of Fire Station #1. A project manager has been hired and the submissions for the RFP for an architect are currently being evaluated. This is a multi year project and it is anticipated to be completed in 2021. The funding sources for this project are the General Fund Asset Management statutory reserve funds (\$130,000) and borrowing (\$3,370,000). This project is currently in progress.

Waterfront Walkway – Northfield Creek & Nanaimo Shipyards – Design \$ 3,293,218
Waterfront Walkway – Various Segments – Design \$ 1,375,000

The Waterfront Walkway is one of Council's key priorities in the Strategic Plan. In 2017 Council adopted the Waterfront Walkway Implementation Plan. The Plan sets out a phasing of the project and identifies a number of 'quick wins' for 2018 and 2019. The functional design has been completed for the Northfield Creek Section. Staff are working with a consultant to further refine the plan with a goal of tendering the project in the fall of 2019. The funding sources for the year are private contributions (\$256,647), Community Works statutory reserve fund (\$2,350,000) and a Federal Grant (\$2,350,000). The funding agreement for this grant has not been signed as the City still has several outstanding conditions that need to be met by the March 31, 2019 deadline. The Northfield Creek and Shipyard sections are in progress. However, all the other sections have not been started.

Wellcox Access \$ 1,773,348

This project relates Phase I Front Street extension to the Wellcox property as well as design work for Phase II relating to the secondary access. The funding sources for the year are Community Works statutory reserve fund (\$1,800,000) and the General Fund Asset Management statutory reserve fund (\$213,652,000). This project is in progress.

DCC WS36 Vanderneuk Reservoir \$ 1,000,000

The project relates to property acquisition for a future reservoir to serve the north end of Nanaimo. It is expected to be built by 2030, but the land needs to be set aside now. The funding sources for the year are water reserves (\$150,000), Water DCC Statutory reserve funds (\$750,000) and Water Fund Asset Management statutory reserve fund (\$100,000). This project has not been started yet.

ATTACHMENT 1

Emergency Water Supply Pump Station

\$ 3,000,000

This project relates to the construction of a new pump station from Harmac to Duke Point Supply Main. This will allow the City to use the water in case of emergency. The funding source for the year is general water supply reserves (\$3,000,000). Construction has not started yet.

Bastion Bridge Rehab

\$ 1,823,711

This project relates to the rehabilitation and seismic retrofit of the Bastion Street bridge to extend its service life. The funding sources for the year are General Fund Asset Management statutory reserve fund (\$1,800,000) and general reserves (\$31,477). This project is currently not started but is in the que.