

**Attachment A: Variance Analysis of the Summary of Capital Results
for the Six Months Ending 2019-JUN-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.

Black Diamond Dr Watermain: Jingle Pot to Jingle Pot \$ 2,432,650

This project is for the construction of a watermain on Black Diamond Drive from Jingle Pot Road to Jingle Pot Road. Construction is anticipated to be tendered in September and completed in June 2020. The funding source for this project is Water Fund Asset Management statutory reserve funds. This project is currently in progress.

College Drive Area Watermain Twinning \$1,914,993

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. This is a phased project with the pump station scheduled for 2019 and the reservoir for 2020 with some of the pump station work now shifted to 2020. Additional funds were overlooked and budgeted in 2019 that will not be required. The funding sources for this project are general reserves (\$8,000), water reserves (\$2,508,831), Water DCC statutory reserve funds (\$112,026), and the Water Fund Asset Management statutory reserve funds (\$375,000). This project is currently in progress.

Haliburton St Area Watermain & Pedestrian/Cycling \$ 1,357,000

This project is for the installation of a watermain on Haliburton Street and for pedestrian and cycling facilities on Haliburton from Chase River Road to 967 Haliburton Street. Construction started in August, completion is planned for Spring 2020. This is a cost share between the RDN and the City. The funding sources for this project are general taxation (\$357,000), general reserves (\$30,000), water reserves (\$70,000) and the Water Fund Asset Management statutory reserve funds (\$900,000). This project is currently in progress.

Fire Station #1 Replacement \$ 1,729,051

This is a multi-year project with an approved budget of \$17 million to build and replace Fire Station #1. The consultant has submitted the development permit to the City and is currently working towards 50% consultant/owner documentation review and coordination. Building permit application is scheduled for October 2019 and RFP for construction tender is scheduled for December 2019. The project is scheduled to be completed September 2022. The funding sources for this project are the General Fund Asset Management statutory reserve funds (\$10,879) and borrowing (\$3,370,000). This project is currently in progress.

Waterfront Walkway

\$ 8,034,790

In 2017, Council adopted the Waterfront Walkway Implementation Plan. The Plan sets out a phasing of the project. The funding sources for the year are general reserves (\$1,000,000), PILTs (\$125,000), Community Works statutory reserve fund (\$2,350,000) and borrowing (\$5,241,660). The project cost estimate for the Northfield Creek section exceeded the budget and a feasibility study is underway to determine if a different approach will be possible. Construction of the section is dependent on the outcome of the feasibility study which is expected to be completed in the Fall of 2019. The #1 Port Drive section will be completed this Fall, design is in progress on the Nanaimo Shipyard section and design on other sections has been delayed.

DCC WS36 Vandernuk Reservoir

\$ 1,000,000

This project relates to the future construction of a reservoir to serve the north end of Nanaimo. 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 is currently not started and is not anticipated to be undertaken this year.