

DATE OF MEETING JUNE 15, 2022

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PARKS, RECREATION & CULTURE

SUBJECT NANAIMO SEARCH AND RESCUE PROJECT

OVERVIEW

Purpose of Report:

To inform Council of the cancellation of a 2022 project at the Nanaimo Search and Rescue Operations Centre.

BACKGROUND

At the 2019-SEP-16 Regular Council meeting, Council unanimously approved a 25-year co-management agreement with Nanaimo Search and Rescue (NSAR) at 191-195 Fourth Street; and authorized the Mayor and the Corporate Officer to execute the agreement.

The 2-phase building renovation project was entered into the approved 2021-2025 Financial Plan during the project planning, deliberation, and approval process in 2020. Originally, the project was split over 2021 and 2022 with NSAR fully funding Phase 1 works and the City providing funds for Phase 2 in 2022. Total project cost was estimated at approximately \$2.6 million.

At the 2021-MAY-19 Finance and Audit Committee staff recommended that the Finance and Audit Committee recommend that Council approve moving the Phase 2 project budget of \$1,367,100 from 2022 to 2021 in the 2021-2025 Financial Plan. The recommendation was moved and seconded and the Finance and Audit Committee recommend that Council approve moving the Phase 2 project budget of \$1,367,100 from 2022 to 2021 in the 2021-2025 Financial Plan. The motion carried unanimously.

At the 2021-JUN-07 Regular Council meeting, Council approved the Finance and Audit Committee's recommendation to move the budget..

DISCUSSION

The 2022 Capital Plan included a \$125,000 project for addressing any possible deficiencies after the renovation project completed in the Fall of 2021. These funds were remaining from the 2021 capital project and carried forward to 2022. The project had completed on time and under budget.

It is common practice to wait for a period of time to allow for a building to operate for a number of months after a major renovation to observe if any deficiencies become apparent.

There were no deficiencies of note and City staff, in agreement with NSAR members, were comfortable in re-allocating these funds.

FINANCIAL CONSIDERATIONS

To date \$86,500 of the \$125,000 project budget has been reallocated to the following projects:

A. Bowen Park HVAC Repairs (IO 40154) : \$8,000

The ductless split heat pumps serving the upper floor administration offices required repairs and component replacement to function correctly and provide heat and cooling. This was not an expected expense for 2022.

B. Serauxmen Stadium Structural Improvements (IO 40464) : \$65,000

As part of ongoing improvements at Serauxmen Stadium, additional steel channel and angle brackets were required to improve the strength of the concrete that supports the seating area. This work was not originally planned for in 2022.

C. Art Gallery Flooring Replacement: \$13,500

Staff have been working with Art Gallery staff on various projects and improvements over the last few years. Replacement of flooring at the Art Gallery was to be coordinated to occur after renovations were completed earlier in 2022 for a total budget of \$26,800. This was an agreed upon cost share with the Art Gallery, but not formally entered into the 2022 capital plan. |

CONCLUSION

| Surplus funding from the NSAR project was able to be re-allocated to fund budget shortfalls for planned work and to help fund un-expected repairs or replacements that have occurred. |

SUMMARY POINTS

- Surplus 2021 funds from the NSAR Renovation Project were carried forward to address possible deficiencies in 2022.
- No deficiencies of note at the NSAR renovation project required funding from this budget in 2022.
- 2 unexpected 2022 projects required funding.
- 1 planned project that had no formal date required funding.
- All were funded from the existing 2022 Capital Plan Funds.

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