

DATE OF MEETING JUNE 14, 2023
AUTHORED BY LAURA MERCER, DIRECTOR, FINANCE
SUBJECT **2024 - 2028 DRAFT PROJECT PLAN**

OVERVIEW

Purpose of Report:

To provide the Finance and Audit Committee with an overview of projects currently in years 2024–2027 of the approved 2023-2027 Financial Plan as well as seek direction from the Committee on projects or initiatives they would like to see incorporated into the 2024–2028 Draft Financial Plan.

BACKGROUND

The 2023–2027 Final Financial Plan (Financial Plan) was adopted on 2023-MAY-08 and development of the 2024–2028 Draft Financial Plan is now underway. As part of this process Staff are currently updating the 10 Year Project Plan, the first five years of this plan will form the 2024-2028 Draft Project Plan that will be presented to Council this Fall.

Updating the 10 Year Project Plan includes revisions to project estimates, timing, and scope based on new information as well as incorporating any new projects or initiatives that have emerged since the last update.

DISCUSSION

In developing the draft budget, Staff look to support alignment and integration of resources and activities to achieve the strategic goals and priorities set by Council. With this in mind, before work is completed on preparing the 2024–2028 Draft Project Plan, Staff are looking to the Committee to provide additional direction on projects or initiatives they would like to see incorporated.

At the 2023-FEB-15 Finance and Audit Committee meeting, Staff presented highlights of the 2024–2027 Project Plan. The purpose of the presentation was to provide Council with an overview of projects in years 2024 to 2027 of the approved 2023–2027 Provisional Financial Plan as well as to identify any emerging issues and challenges related to project planning.

At that meeting Engineering and Public Works, Facilities, Parks, Recreation and Culture, Information Technology and Sustainability projects as well as emerging issues for each area were presented. A copy of the 2023-FEB-15 presentation is included in Attachment A for reference.

The 2023-2027 Financial Plan includes approximately \$236.7 million in projects in years 2024 to 2027 with funding from a combination of reserves, grants, private contributions, internal borrowing, and general revenue. A link to the full 2023–2027 Financial Plan can be accessed at: <https://www.nanaimo.ca/your-government/budget-finance/budget-information>

Table 1: 2023–2027 Project Plan Summary

2023 - 2027 Project Plan

Summary by Major Expenditure Category and Funding Source

| | | | | | | 2023 - 2027 | 2024 - 2027 |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| | 2023 | 2024 | 2025 | 2026 | 2027 | Total | Total |
| TOTAL PROJECT EXPENDITURES | | | | | | | |
| Strategic | 12,927,084 | 2,018,450 | 3,838,050 | 3,631,100 | 1,807,250 | 24,221,934 | 11,294,850 |
| Equipment & Vehicle Program | 8,334,040 | 5,676,458 | 5,266,950 | 5,786,950 | 6,288,600 | 31,352,998 | 23,018,958 |
| Facilities Infrastructure & Amenities Program | 13,069,727 | 5,170,900 | 7,819,580 | 3,362,900 | 6,938,900 | 36,362,007 | 23,292,280 |
| Information Technology Infrastructure Program | 5,641,383 | 2,341,950 | 757,300 | 624,600 | 338,700 | 9,703,933 | 4,062,550 |
| Parking Infrastructure Program | 2,095,205 | 121,400 | 43,300 | 243,000 | 65,700 | 2,568,605 | 473,400 |
| Parks Infrastructure Program | 21,081,401 | 9,433,858 | 1,651,900 | 1,697,800 | 3,025,200 | 36,890,159 | 15,808,758 |
| Sanitary Sewer Infrastructure Program | 11,735,578 | 11,273,837 | 2,536,302 | 7,145,711 | 4,019,130 | 36,710,558 | 24,974,980 |
| Storm Drainage Infrastructure Program | 6,196,351 | 3,736,140 | 7,661,940 | 5,406,425 | 7,069,068 | 30,069,924 | 23,873,573 |
| Transportation Infrastructure Program | 35,229,088 | 11,444,502 | 11,643,005 | 14,157,730 | 8,476,050 | 80,950,375 | 45,721,287 |
| Water Infrastructure Program | 47,504,516 | 18,167,613 | 9,915,416 | 16,061,780 | 20,083,426 | 111,732,751 | 64,228,235 |
| Total Projects | 163,814,373 | 69,385,108 | 51,133,743 | 58,117,996 | 58,112,024 | 400,563,244 | 236,748,871 |
| TOTAL FUNDING SOURCES | | | | | | | |
| Development Cost Charges (DCC) Reserves | 19,378,578 | 8,356,219 | 3,081,204 | 9,225,845 | 7,778,294 | 47,820,140 | 28,441,562 |
| Operating and Statutory Reserves | 112,535,105 | 49,057,560 | 34,996,807 | 39,621,151 | 39,999,680 | 276,210,303 | 163,675,198 |
| Grants/Private Contributions | 15,513,875 | 173,929 | 3,935,732 | 10,000 | 10,000 | 19,643,536 | 4,129,661 |
| General Revenue | 8,669,380 | 9,095,000 | 8,820,000 | 9,261,000 | 9,724,050 | 45,569,430 | 36,900,050 |
| PILT's | 1,191,553 | 300,000 | 300,000 | - | 600,000 | 2,391,553 | 1,200,000 |
| Borrowing (Internal & External) | 6,525,882 | 2,402,400 | - | - | - | 8,928,282 | 2,402,400 |
| Total Funding | 163,814,373 | 69,385,108 | 51,133,743 | 58,117,996 | 58,112,024 | 400,563,244 | 236,748,871 |

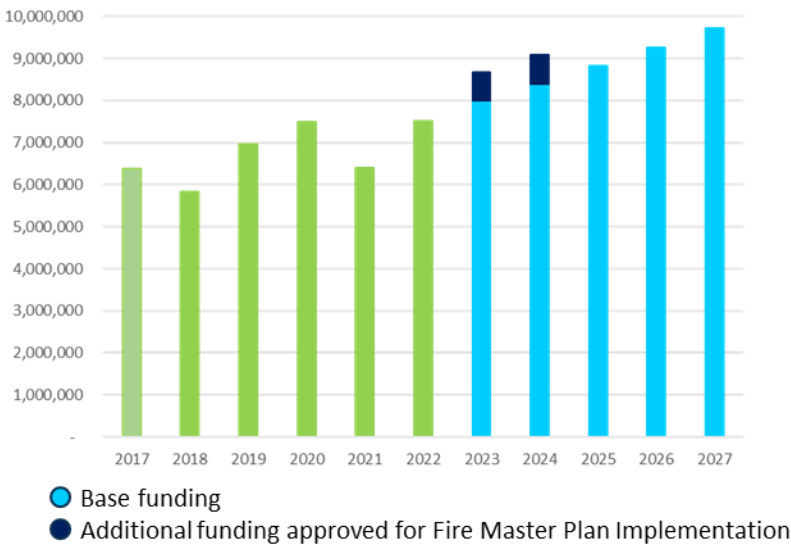
Table 2: Significant projects included in 2024-2027

| Project | Description |
|--|--|
| Mid-Town Gateway | Major transformation project in the Northfield/Bowen Road area |
| Mid-Town Water Supply | Multi-phase, multi-year project to construct 2 large water pipes to replace aging infrastructure in the central and northern areas of the City |
| Stadium District Improvements | Includes bleachers at Q'unq'inuqwstuxw Stadium, artificial turf field at Serauxman Stadium, media coaching booth and a bullpen |
| Westwood Lake Phase 2 Improvements | Includes an amenity building and beach improvements |
| Commercial Street Upgrades | Implementation of Phases 2 of the Design Commercial vision |
| Nanaimo Aquatic Centre: Mechanical Renewal | Includes mechanical and HVAC upgrades and is contingent on a successful grant application |

Due to the increase in inflation the market has seen over the last several years, starting in 2024 base funding (\$8.0 million in 2023) from general revenue for projects has been budgeted to increase by 5% per year.

In 2024, a total of \$9,095,000 in project funding is budgeted from general revenue. This is a combination of base funding of \$8,400,000 and \$695,000 in additional funding approved by Council for fire station renovations related to the Fire Master Plan Implementation business case.

Table 3: General Revenue Funding



In addition to the current Project Plan, the City has several significant projects that are in various stages of development but have not yet been included in the Project Plan. The proposed source of funding for these projects under development is primarily borrowing.

Major projects under development include:

- Nanaimo Operations Centre (NOC)
- Police Operations Building
- Waterfront Walkway
- South End Community Centre

These project will be incorporated into the Project Plan once Council and electoral approval for borrowing have been obtained.

NEXT STEPS

Staff will take any direction the Committee provides and will incorporate this information into the 10 Year Project Plan update. The first five years of this plan will become the 2024-2028 Draft Project Plan and will be presented to Council in the Fall of 2023.

SUMMARY POINTS

- The 2023–2027 Financial Plan has been adopted by Council and work has begun on developing the 2024–2028 Draft Financial Plan.
- At the 2023-FEB-15 Finance and Audit Committee meeting staff presented a summary of projects included in years 2024–2027 of the 2023–2027 Provisional Financial Plan.
- Direction from the Committee is being sought for additional guidance on projects or initiatives they would like to see incorporated into the 2024-2028 Draft Project Plan.

ATTACHMENTS

Attachment A: 2024 – 2027 Project Plan |

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