

DATE OF MEETING | MARCH 20, 2024 |

AUTHORED BY | ART GROOT, DIRECTOR, ADMINISTRATIVE POLICE SERVICES |

SUBJECT | 580 FITZWILLIAM: RENOVATION PROJECT

OVERVIEW

Purpose of Report

To obtain Council approval for additional funding to complete the renovation project at 580 Fitzwilliam. |

Recommendation

That the Finance and Audit Committee recommend that Council direct Staff to increase the 2024 budget for the 580 Fitzwilliam Renovation Project by \$150,000 funded from the RCMP Contract Reserve.

BACKGROUND

The RCMP Detachment at 303 Prideaux Street is almost at maximum capacity and cannot accommodate the required space needed for both RCMP and City of Nanaimo staff growth. When Fire Station #1 was under construction, a decision was made to turn the Fire Rescue Headquarters at 580 Fitzwilliam Street, into additional space for RCMP and City of Nanaimo operations. To meet operational, IT, and security requirements the building needed to be upgraded and renovated to match the operational needs of the units and staff that will move into the improved facility.

The total approved budget for the project is currently \$1,295,000. |

DISCUSSION

To complete the project, an additional \$150,000 is required. The funding will be allocated to the purchase of City supplied furniture and fixtures that are required so that the renovated areas of the building can be moved into and create much needed space in the main Detachment for operational optimization and efficiency. \$25,000 will be allocated to contingency to address any possible last-minute items or issues that may occur. |

FINANCIAL CONSIDERATIONS

The additional budget increase will bring the total budget for the project to \$1,445,000. The RCMP Contract Reserve currently has a 2024 projected closing balance of \$4,438,433 with a minimum balance requirement of \$2,723,847. The reserve has sufficient capacity to fund the increase and have funding available to help address any potential shortfall on the RCMP contract.

OPTIONS

1. That the Finance and Audit Committee recommend that Council direct Staff to increase the 2024 budget for the 580 Fitzwilliam Renovation Project by \$150,000 funded from the RCMP Contract Reserve.
 - The advantages of this option: The renovation and upgraded project can be completed so that RCMP and City staff and operations can move into the additional space.
 - The disadvantages of this option: Funding will now be required to complete work that was not originally planned or budgeted for.
 - Financial Implications: The 2024-2028 Financial Plan would be amended for final to include the additional funding. There is no impact to taxation.

2. That the Finance and Audit Committee recommend that Council add a 2025 project to complete the necessary renovations and upgrades at 580 Fitzwilliam Street.
 - The advantages of this option: No increase to the 2024 project year.
 - The disadvantages of this option: The benefits and operational improvements would not be realised, and the renovation project would not be completed resulting in the renovated and upgraded facility remaining 90% vacant.
 - Financial Implications: The future project would require even more funding and have possible impact on taxation.

3. Finance and Audit Committee recommend that Council provide alternative direction.

SUMMARY POINTS

- The upgrade project at 580 Fitzwilliam needs additional funding to complete it.
- The main components of the additional funding request are City supplied furniture, fixtures, and a small contingency.
- Funding the project from the RCMP Contract Reserve has no impact on taxation.
- Delaying the work until 2025 would result in higher costs and 90% of the improved building remaining vacant.

Submitted by:

Art Groot, Director, Administrative
Police Services

Concurrence by:

Wendy Fulla,
Director, Finance

Dale Lindsay,
Chief Administrative Officer