

DATE OF MEETING JULY 17, 2024

AUTHORED BY MIKE BRYSON, A/DIRECTOR, FACILITY & PARKS OPERATIONS

SUBJECT NANAIMO CURLING CLUB CHILLER FAILURE

OVERVIEW

Purpose of Report

To request funding for emergency repair of the Nanaimo Curling Club Chiller, as well as provide an update on the overall condition of the Curling Club.

Recommendation

That the Finance & Audit Committee recommend that Council provide a grant of \$67,950 to the Nanaimo Curling Club towards the purchase of a refurbished plate and frame chiller funded from the Strategic Infrastructure Reserve Fund.

BACKGROUND

The Nanaimo Curling Club (the Curling Club) operates under a Co-Management Agreement (the Agreement) with the City of Nanaimo. Through this Agreement, both parties are responsible for various portions of the facility's assets. The Curling Club was constructed in 1964 and the refrigeration plant is an ammonia system. There has recently been a catastrophic failure of a key component of the plant and its replacement has been addressed. The maintenance of the plant has been provided by a refrigeration company and inspected on a regular basis by Technical Safety.

At the 2024-JUN-19 Finance and Audit Committee meeting, the President of the Nanaimo Curling Club, Tom Weinreich, presented to Council and requested support to replace the broken chiller. Following the presentation, Council made the following motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to prepare a report on the conditions of the Nanaimo Curling Club and options for assisting the Club with securing an operational chiller. The motion carried unanimously.

This report is in response to Council's motion.

DISCUSSION

The Curling Club, with assistance from City staff, has explored several options for repair and replacement of the chiller. These include re-building the damaged portion of the existing unit, replacement of the entire system with a new chiller, or replacing with a refurbished unit.

The option that is the most feasible and fits within the timelines to allow the Curling Club to operate this season is to purchase a refurbished unit. The overall cost is \$128,000 and the Club is able to secure \$88,500, leaving the balance of \$67,950 of which the Club is requesting assistance from the City.

FINANCIAL CONSIDERATIONS

The following is a breakdown of purchasing a refurbished plate and frame chiller.

Used TK Plate and Frame Chiller	\$128,000
New Gaskets	\$ 21,000
GST (5%)	\$ 7,450
Total	\$156,450
Club Debenture	\$ 88,500
Amount from the City	\$ 67,950

The Strategic Infrastructure Reserve Fund is Council's reserve to support strategic initiatives and capital projects and is the most appropriate funding source to provide grant funding. The revised 2024 projected closing balance of the reserve if the grant is approved is \$1,837,826 with a minimum balance requirement of \$345,300.

OVERALL FACILITY CONDITION

Over the years, staff has made Council aware that the Curling Club is aging and will require some substantial upgrades over the next number of years. Three detailed assessments have been conducted on the facility including a total facility assessment in 2022 by RJC Engineering, a Seismic Project Identification Report (SPIR) by Herold Engineering in 2015, and a Geotechnical Report by Lewkowich Engineering Associates LTD in 2018.

From the overall condition assessment report, it was identified that several components of the Curling Club are at a critical state and should be addressed as soon as possible. The major ones would be the roof and the concrete slab. The roof is leaking and showing signs of deterioration to the point where replacement is the only viable option. The concrete slab shows signs of many surface cracks, has sunk in one corner, and there is currently at least one significant brine leak under the pad.

OPTIONS

1. That the Finance & Audit Committee recommend that Council provide a grant of \$67,950 to the Nanaimo Curling Club towards the purchase of a refurbished plate and frame chiller funded from the Strategic Infrastructure Reserve Fund
 - The advantages of this option: This unit is readily available and can be installed in time for the upcoming curling season.
 - The disadvantages of this option: Being a used system there is always a risk that it could have premature failure.
 - Financial Implications: The 2024 – 2028 Financial Plan will be amended at a later date to reflect the grant contribution.

2. That the Finance & Audit Committee recommend that Council reject the option to purchase a refurbished system.
 - The advantages of this option: Encourages the Nanaimo Curling Club to seek out further options for a system upgrade
 - The disadvantages of this option: Likely delay of the start of the upcoming curling season or possibly cause the Curling Club to shut down for the season.
 - Financial Implications: The Curling Club may incur lost revenue and increased repair costs.

3. That the Finance & Audit Committee provide alternate direction to staff.

SUMMARY POINTS

- The chiller at the Nanaimo Curling Club is experiencing catastrophic failure and is in need of repair or replacement.
- After review, it has been determined that a refurbished replacement is the best option.
- The facility is over 56 years old and based on detailed assessment will require substantial upgrades in the near future, if it is to remain open.

Submitted by:

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Concurrence by:

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Director, Finance

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Richard Harding
General Manager, Community Services and
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