



REGIONAL
DISTRICT
OF NANAIMO

September 12, 2023

REQUEST FOR BUDGET AMENDMENT - TRANSFER FROM BUILDING RESERVE

RECOMMENDATION

1. That the Board approve an amendment to the 2023 – 2027 Financial Plan for \$500,000 in building renovations from the building reserve fund.
2. That the Board approve an amendment to the 2023 – 2027 Financial Plan to move approved funding in the amount of \$175,000 from operating expenses to capital expenses.

BACKGROUND

In an effort to accommodate the current and new 2023 staffing needs, two (2) areas of the Regional District of Nanaimo (RDN) Administration Building have been identified as requiring immediate renovation (a.k.a. Phase One Renovation). The two areas include the current Regional and Community Utilities (RCU) occupied area on the second floor and an area on the first floor which will accommodate the consolidation and relocation of the Human Resources Department (HR) from the second floor. The Renovations are expected to begin in October and all workstations operational by the end of 2023. Additional changes including shifting some staff within other areas of the building are expected at the same time, but these moves do not require physical changes to the building other than the installation of additional wall outlets, data ports, furniture, etc. during this phase.

To cope with the short turnaround time after the positions for the 2023 budget year were approved by the Board, the General Manager of Regional and Community Utilities, Development and Emergency Services, and the Chief Human Resources Officer developed a draft layout and collected feedback from the employees. During the process, an architect and a change management consultant were hired. Three engagement sessions (May 31st, June 1st and June 7th) were held, as well as an online questionnaire for staff to comment on and provide further feedback. The layout for RCU and HR areas was revised based on staff feedback through the engagement process. The updated layout plans will accommodate the new staffing levels for 2023 and provide equitable and appropriate workspaces for both current and new staff in the proposed areas of renovation. More renovation work will be needed in future phases to maximize all the office space in the building.

The second phase of densification within the Administration Building will involve areas that were not completed in Phase One renovation. These additional areas include Development and Emergency Services (first floor) and Corporate Services (second floor). Planning, engagement and implementation for the second phase will begin as soon as practical and pending approval of the 2024 budget with completion proposed by the end of 2024.

In tandem with Phase One and Phase Two renovations, the staff is exploring a reconfiguration of the RDN Board Chambers, as well as a consolidated front counter located on the main floor of the Administration building. For the reconfiguration of the Board chambers, staff will come with recommendations intended to position the Board to undertake governance in line with its strategic objectives in the context of the growing region.

The implementation of a consolidated front counter is intended to enhance public service and the safety of staff by creating one central interface between the public and staff. This project will bring together five (5) separate counters (three (3) located on the 2nd floor and two (2) on the main floors) and consolidate counter interactions for Finance, RCU, Legislative Services, Building and By-law and Planning.

The phases of densification, the Board Chambers renovations and the consolidated front counters are interim measures while an appropriate long-term solution for the Administration building is developed and implemented. During 2024, staff will also be looking at long-term options that will support the growth and service level needs of the RDN.

The approved 2023 budget for the staff accommodation was \$175,000 (\$100,000 for design and change management consultants, and \$75,000 for furniture and Electrical/Data). The original budget amount was intended to conduct no modification to the existing building's layout but to densify the building with more desks, which proved to be impractical. The amended budget increase of \$500,000 includes \$50,000 for demountable wall partitions as well as additional furniture for breakout/meeting rooms, \$15,100 for IT equipment, \$310,000 for demolition/construction, \$35,000 for Electrical/Data, \$15,000 for additional professional fees and includes a contingency for the completion of the project.

Should the Board not proceed with the budget amendment, the proposed Stage One Renovation cannot proceed and the working space for staff will not be optimized and, therefore, not support a good level of service to the public.

FINANCIAL IMPLICATIONS

The building Reserve Fund was developed to provide funding for renovations and future construction costs associated with the Administration Building. There are no other known conflicting demands on these funds (\$6,651,133) other than future phase renovations. There is no tax impact on the funding transfer from the reserve.

STRATEGIC PLAN ALIGNMENT

Growth Management - Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.

The renovation provides increased workstation capacity at the Administration Building to achieve the Board's approved service levels.

REVIEWED BY:

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