

AMENDED

AGENDA FOR THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO BE HELD IN THE BOARD ROOM, CITY HALL, ON MONDAY, 2011-SEP-19, COMMENCING AT 4:30 P.M.

1. **CALL THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO ORDER:**

2. **INTRODUCTION OF LATE ITEMS:**

- Add Item 9 (a-1) – Staff Reports – Community Wildfire Protection Plan Grant Resolution.
- Add Item 13 (a) – Other Business – Ratification of Appointments to Progress Nanaimo.

3. **ADOPTION OF AGENDA:**

4. **ADOPTION OF MINUTES:**

- (a) Minutes of the Special Open Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall, on Monday, 2011-AUG-29 at 3:00 p.m.

Pg. 6-9

5. **PRESENTATIONS:**

- (a) Mr. B. E. Clemens, Director of Finance, to provide a PowerPoint presentation to update Council on performance measures.

6. **DELEGATIONS PERTAINING TO AGENDA ITEMS: (10 MINUTES)**

7. **COMMISSION REPORTS:**

8. **COMMITTEE REPORTS:**

- (a) **Social Planning Advisory Committee – 2011 Community Service Grants**

Pg. 10-11

Committee's Recommendation: That Council approve the allocation of the second round of Community Service Grants as noted below:

<i>Applicant</i>	<i>Purpose</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>
Harewood Neighbourhood Association	To run an Adult computer skills program and a Family free gym drop-in program.	920.	920.

<i>Applicant</i>	<i>Purpose</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>
Nanaimo 7-10 Club Society	To provide local produce and eggs in its community breakfast and bag lunch program.	3,000.	3,000.
Nanaimo Community Gardens Society	Gleaning program.	3,000.	1,000.
Nanaimo Community Kitchens	Cooking on a Budget program.	4,000.	1,100.
Nanaimo Family Life Association	Seniors Wellness program.	580.	580.
Nanaimo Men's Resource Centre	Family Crisis Support Services program.	5,000.	2,500.
Nanaimo Region John Howard Society	To provide a free breakfast one weekend per month in September and October to individuals in need.	1,600.	1,600.
Nanaimo Women's Resources Society	Drop-in Support Services program.	10,000.	2,500.
Street Legal Nanaimo	Community support and legal advocacy and education for low income people dealing with debt issues.	3,500.	2,000.
The Salvation Army-Nanaimo Ministries	Hair cuts for homeless and low income men, women and children.	3,200.	1,600.
Tillicum Lelum Aboriginal Friendship Centre	Doula Service program for single mothers.	5,000.	2,000.
Nanaimo Citizens on Patrol	To provide additional patrols in areas most susceptible to crime.	2,500.	0
Nanaimo Community Hospice Society	Operational support.	2,550.	0
Nanaimo Foodshare Society	To offer Good Food Boxes free of charge to vulnerable families.	10,000.	0
Nanaimo-Ladysmith Schools Foundation	To purchase a Salad Bar Kit for use in schools once per month.	2,557.	0
Total		57,407	18,800

9. **STAFF REPORTS:** (blue)

COMMUNITY SAFETY AND DEVELOPMENT:

- (a) **Subdivision Approval – Park and Cash-In-Lieu – 5905 Butcher Road (SUB00900)** Pg. 12-15

Staff's Recommendation: That Council approve the payment of cash-in-lieu of park for the fee simple subdivision of lands described as Lot 4, District Lot 38, Wellington District, Plan 12388 at 5905 Butcher Road (SUB00900).

- (a-1) **Community Wildfire Protection Plan Grant Resolution** Pg. 15.1 – 15.2

Staff's Recommendation: That Council pass a resolution indicating support to apply to UBCM for the Community Wildfire Protection Plan Grant.

CORPORATE SERVICES:

- (b) **Appointment of Municipal Auditors** Pg. 16

Staff's Recommendation: That Council appoint KPMG LLP, Chartered Accountants, as the auditor for the City of Nanaimo.

- (c) **Amendments to Purchasing Policy** Pg. 17-19

Staff's Recommendation: That Council amend the Purchasing Policy to add the following section:

"24. The Owner may, in its absolute discretion, reject a Tender submitted by a Tenderer, if the Tenderer or any Officer or Director of the Tenderer is, or has been engaged in, either directly or indirectly, through another corporation in a legal action against the Owner, its elected or appointed officers and employees in relation to:

- (a) any other contract for works or services; or,
- (b) any matter arising from the Owner's exercise of its powers, duties, or functions under the Local Government Act or another enactment within five years of the date of this Call for Tenders.

In determining whether to reject a tender under this clause, the Owner will consider whether the litigation is likely to affect the Tenderer's ability to work with the Owner, its consultants and representatives, and whether the Owner's experience with the Tenderer indicates that the Owner is likely to incur increased staff and legal costs in the administration of this contract if it is awarded to the Tenderer."

(d) **Council Remuneration**

Pg. 20-26

Staff's Recommendation: That Council consider the following options:

(1) With regard to the implementation of a pay per meeting system there are two options:

(a) Remain with the current system;

OR:

(b) Direct staff to implement a pay per meeting system as described in this report.

(2) With regard to compensation levels for Council, there are a number of options:

(a) Continue with the existing system of annual adjustments based on CPI;

OR:

(b) Adopt a new policy that compensates Mayor and Council at the median rate of the twelve comparable communities, with implementation in 2012;

OR:

(c) Adopt a new policy that compensates Mayor and Council at the median rate of the twelve comparable communities, to be phased in over the next three years (2012 – 2014);

OR:

(d) Establish a citizen review panel to make recommendations to Council on remuneration;

OR:

(e) Refer the issue to the next Council;

OR:

(f) Council provide alternate direction.

COMMUNITY SERVICES:

(e) **Customer Service Levels for Engineering and Public Works**

Pg. 27-28

Staff's Recommendation: That Council adopt the customer service statements and the process to measure customer satisfaction.

10. **INFORMATION ONLY ITEMS:**

11. **CORRESPONDENCE:**

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

(a) **Ratification of Appointments to Progress Nanaimo**

Recommendation: That Council ratify the following appointments to Progress Nanaimo:

- Environment: Gail Adrienne, NALT
- Social Programs: Don Bonner
- Health and Wellness: Dr. Mel Petreman
- Business: Hadi Abassi
- Infrastructure: Wally Wells
- Transportation: vacant
- Education: John Neville

14. **DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA:
(10 MINUTES)**

(a) None.

15. **QUESTION PERIOD:** *(Agenda Items Only)*

16. **ADJOURNMENT:**

MINUTES OF THE SPECIAL OPEN FINANCE / POLICY COMMITTEE OF THE WHOLE
MEETING HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2011-AUG-29 COMMENCING AT 3:00 P.M.

PRESENT: Mayor J. R. Ruttan, Chair

Members: Councillor W. L. Bestwick
Councillor G. E. Greves
Councillor W. J. Holdom
Councillor D. K. Johnstone
Councillor J. A. Kipp
Councillor J. F. K. Pattje
Councillor L. J. Sherry
Councillor M. W. Unger

Staff: A. C. Kenning, City Manager
T. M. Hickey, General Manager of Community Services
T. L. Hartley, Director of Human Resources and Organizational
Planning
B. E. Clemens, Director of Finance
T. P. Seward, Director of Development
A. J. Tucker, Director of Planning
J. Ritchie, Senior Manager of Parks and Civic Facilities
L. Mercer, Manager of Revenue Services
J. E. Harrison, Manager of Legislative Services
T. Wilkinson, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Special Open Finance / Policy Committee of the Whole Meeting was called to order at 3:00 p.m.

2. INTRODUCTION OF LATE ITEMS:

(a) Delete Agenda pages 8-9 – Adoption of Minutes Agenda Item 4 (a).

3. ADOPTION OF AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2011-JUN-20 at 4:30 p.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

- (a) Mr. B. E. Clemens, Director, Finance, provided a PowerPoint presentation regarding Council's Permissive Tax Exemption policy.

6. COMMITTEE REPORTS:

- (a) Grants Advisory Committee – Permissive Tax Exemption Policy Review
(Report originally received 2011-JUL-25)
-

Councillor Holdom requested that the recommendations be dealt with separately.

It was moved and seconded that Council rescind the existing Grants Policy and Guidelines. The motion carried unanimously.

It was moved and seconded that Council may grant Permissive Tax Exemptions to organizations that primarily provide services to businesses. The motion was defeated.
Opposed: Mayor Ruttan, Councillors Bestwick, Greves, Holdom, Sherry and Unger

It was moved and seconded that Council may grant Permissive Tax Exemptions to organizations that provide services that are available from the private sector. The motion carried unanimously.

It was moved and seconded that Council adopt the Grants Policy and Guidelines as amended. The motion carried unanimously.

It was moved and seconded that Council send a letter to the Provincial and Federal governments regarding Council's concern for the downloading of provincial and federal responsibilities and costs. The motion carried unanimously.

- (b) Grants Advisory Committee – 2011 Grants Advisory Committee Recommendations

Councillor Sherry requested that the recommendations be dealt with separately.

It was moved and seconded that Council award a permissive tax exemption to Applicant PTE-11, Nanaimo Squash Club. The motion was defeated.
Opposed: Mayor Ruttan, Councillors Bestwick, Greves, Holdom, Johnstone, Pattje, Sherry and Unger

It was moved and seconded that Council award a permissive tax exemption to Applicant PTE-12, Royal Canadian Legion Branch #10, and Applicant PTE-10, Royal Canadian Legion Branch #256.

It was moved and seconded that Council amend the main motion to exclude the licensed lounge area (class 6 portion) from the permissive tax exemption. The motion carried.

Opposed: Councillor Sherry

The vote was taken on the main motion as amended.

The main motion carried as amended.

Opposed: Councillor Sherry

It was moved and seconded that Council deny a permissive tax exemption to Applicant PTE-13, Nanaimo Traveller's Lodge Society. The motion carried unanimously.

It was moved and seconded that Council deny cash-in-lieu of permissive tax exemptions to the following Applicants:

- PTE-11 Nanaimo Squash Club
- PTE-12 Royal Canadian Legion Branch #10
- PTE-13 Nanaimo Traveller's Lodge Society
- PTE-10 Royal Canadian Legion Branch #256

The motion carried unanimously.

It was moved and seconded that Council award an Other Grant to Applicant OG-05, Nanaimo & District BC SPCA (SNIP PROGRAM). The motion carried.

Opposed: Councillor Unger

It was moved and seconded that Council deny an Other Grant to Applicant OG-06, United Way Central & Northern Vancouver Island. The motion carried unanimously.

(c) Minutes of the Grants Advisory Committee Meeting held 2011-JUL-20

It was moved and seconded that Council receive the Minutes of the Grants Advisory Committee Meeting held 2011-JUL-20. The motion carried unanimously.

7. INFORMATION ONLY ITEMS:

- (a) Report from Ms. J. Harrison, Manager, Legislative Services, re: 2011 By-Election Financial Disclosure Statements.
- (b) Report from Mr. B. Corsan, Manager, Planning, re: Council Directed Amendments to City of Nanaimo Zoning Bylaw 2011 No. 4500.

8. NOTICE OF MOTION:

- (a) Councillor Pattje advised that he would be bringing forward a Motion regarding smart meters for consideration at the Regular Meeting of Council to be held 2011-SEP-12.

9. QUESTION PERIOD:

- Mr. Ron Bolin, permissive tax exemptions.
- Mr. Fred Taylor, permissive tax exemptions.

10. PROCEDURAL MOTION:

It was moved and seconded that Council move "In Camera" in order to deal with the following matters under the *Community Charter* Section 90(1):

- (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection of Privacy Act*.

The motion carried unanimously.

Council moved into "In Camera" at 4:51 p.m.

Council moved out of "In Camera" at 5:57 p.m.

Mayor Ruttan reported that the following motion had been adopted "In Camera":

"That Council make an exception to the City's Investment Policy as it relates to Letters of Credit, and accept a Letter of Credit from Peoples Trust for the project located at 775 Terminal Avenue only".

11. ADJOURNMENT:

It was moved and seconded at 5:57 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

MANAGER,
LEGISLATIVE SERVICES

REPORT TO: COUNCIL

FROM: SOCIAL PLANNING ADVISORY COMMITTEE

RE: 2011 COMMUNITY SERVICE GRANTS

COMMITTEE'S RECOMMENDATION:

That Council approve the allocation of the second round of Community Service Grants as noted below:

Applicant	Purpose	\$ Amount Requested	\$ Amount Recommended
Harewood Neighbourhood Association	To run an Adult computer skills program and a Family free gym drop-in program.	920.	920.
Nanaimo 7-10 Club Society	To provide local produce and eggs in its community breakfast and bag lunch program.	3,000.	3,000.
Nanaimo Community Gardens Society	Gleaning program.	3,000.	1,000.
Nanaimo Community Kitchens	Cooking on a Budget program.	4,000.	1,100.
Nanaimo Family Life Association	Seniors Wellness program.	580.	580.
Nanaimo Men's Resource Centre	Family Crisis Support Services program.	5,000.	2,500.
Nanaimo Region John Howard Society	To provide a free breakfast one weekend per month in September and October to individuals in need.	1,600.	1,600.
Nanaimo Women's Resources Society	Drop-in Support Services program.	10,000.	2,500.
Street Legal Nanaimo	Community support and legal advocacy and education for low income people dealing with debt issues.	3,500.	2,000.
The Salvation Army-Nanaimo Ministries	Hair cuts for homeless and low income men, women and children.	3,200.	1,600.
Tillicum Lelum Aboriginal Friendship Centre	Doula Service program for single mothers.	5,000.	2,000.
Nanaimo Citizens on Patrol	To provide additional patrols in areas most susceptible to crime.	2,500.	0
Nanaimo Community Hospice Society	Operational support.	2,550.	0
Nanaimo Foodshare Society	To offer Good Food Boxes free of charge to vulnerable families.	10,000.	0
Nanaimo-Ladysmith Schools Foundation	To purchase a Salad Bar Kit for use in schools once per month.	2,557.	0
Total		57,407	18,800

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EXECUTIVE SUMMARY:

SPAC, at their meeting held 2011-Jul-05, directed that the criteria for the second round of 2011 Community Service Grants should be:

“Proposals that address health and wellness of vulnerable families.”

SPAC reviewed 15 applications at their meeting held 2011-Sep-06 and recommend the above-noted allocations.

BACKGROUND:

In 2006, Council directed that a review be conducted of the process used to make recommendations to Council regarding grants to non-profit organizations. The resulting report (2006-Oct-16) recommended that “Community Service Grants be reviewed by the Social Planning Advisory Committee...” In 2007, the Social Planning Advisory Committee commenced the role of reviewing applications for grants from the \$25,000 Community Service Grants fund. The above recommendations represent the second disbursement of 2011 funds available under that grant category (\$18,800).

Respectfully submitted,



Chair
Social Planning Advisory Committee

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Council / FPCOW Date: 2011-Sep-19

STAFF REPORT

REPORT TO: D. MOUSSEAU, MANAGER ENGINEERING & SUBDIVISION
COMMUNITY SAFETY & DEVELOPMENT

FROM: A. MCDONAGH, MANAGER SUBDIVISION APPROVALS
COMMUNITY SAFETY & DEVELOPMENT

RE: SUBDIVISION APPROVAL – PARK AND CASH-IN-LIEU
5905 BUTCHER ROAD (SUB00900)

STAFF'S RECOMMENDATION:

That Council approve the payment of cash-in-lieu of park for the fee simple subdivision of lands as described below:

Lot 4, District Lot 38, Wellington District, Plan 12388
Address: 5905 Butcher Road (SUB00900)

EXECUTIVE SUMMARY:

The City's Approving Officer has received an application from Williamson & Associates for a fee simple subdivision at the above-noted address. The City's Approving Officer coordinates the review of subdivision applications to ensure City bylaws and policies, as well as statutory requirements applicable to the subdivision of lands, are addressed.

As part of this review, the Parks, Recreation & Culture Department makes recommendations with respect to whether the City should acquire parkland or take cash-in-lieu, or a combination of the two options.

This subdivision application conforms with Zoning Bylaw 4500 and consists of five (5) single family lots zoned R-10 (Steep Slope Residential Zone).

The property is in close proximity to an existing 819m² park at 5633 Rutherford Road and a 1394m² park located at 5790 Kerry Lane. There is also a 34,391m² nature park and trail network at 5317 Rutherford Road (Attachment A). Dedication of the statutory requirement of 5% of the parent parcel (approximately 578m²) would yield parkland too small to be functional. Accordingly, the Parks, Recreation & Culture Department, along with the Approving Officer, recommend the payment of cash-in-lieu of park dedication with the approval of this subdivision as presented in the attached concept plan (Attachment B).

BACKGROUND:

Section 941 of the *Local Government Act* allows the City to authorize the owner of land being subdivided to dedicate lands to the community for parkland, or pay the cash-in-lieu equivalent thereof (or a combination of both) for any subdivision where the following criteria apply:

- a) the subdivision would result in three (3) or more fee-simple, or strata title lots being created; and

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- b) the smallest lot being created is less than two (2) hectares; or
- c) a subdivision creating fewer than three (3) or more lots where the parcel proposed to be subdivided was itself created by subdivision within the past five (5) years.

Section 941 provides for a dedication of parkland based on 5% of the original area of the parcel being subdivided. In those cases when the City does not wish to obtain parkland, subject to Council approval, the land owner is obligated to provide cash-in-lieu in an amount equal to 5% of the appraised market value of the lands being subdivided. These funds are then placed in a reserve for future acquisition of parks by the City.

Respectfully Submitted,



A. McDonagh, Manager
Subdivision Approvals

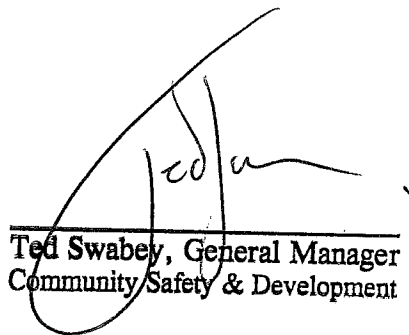


D. Mousseau, Manager
Engineering & Subdivisions



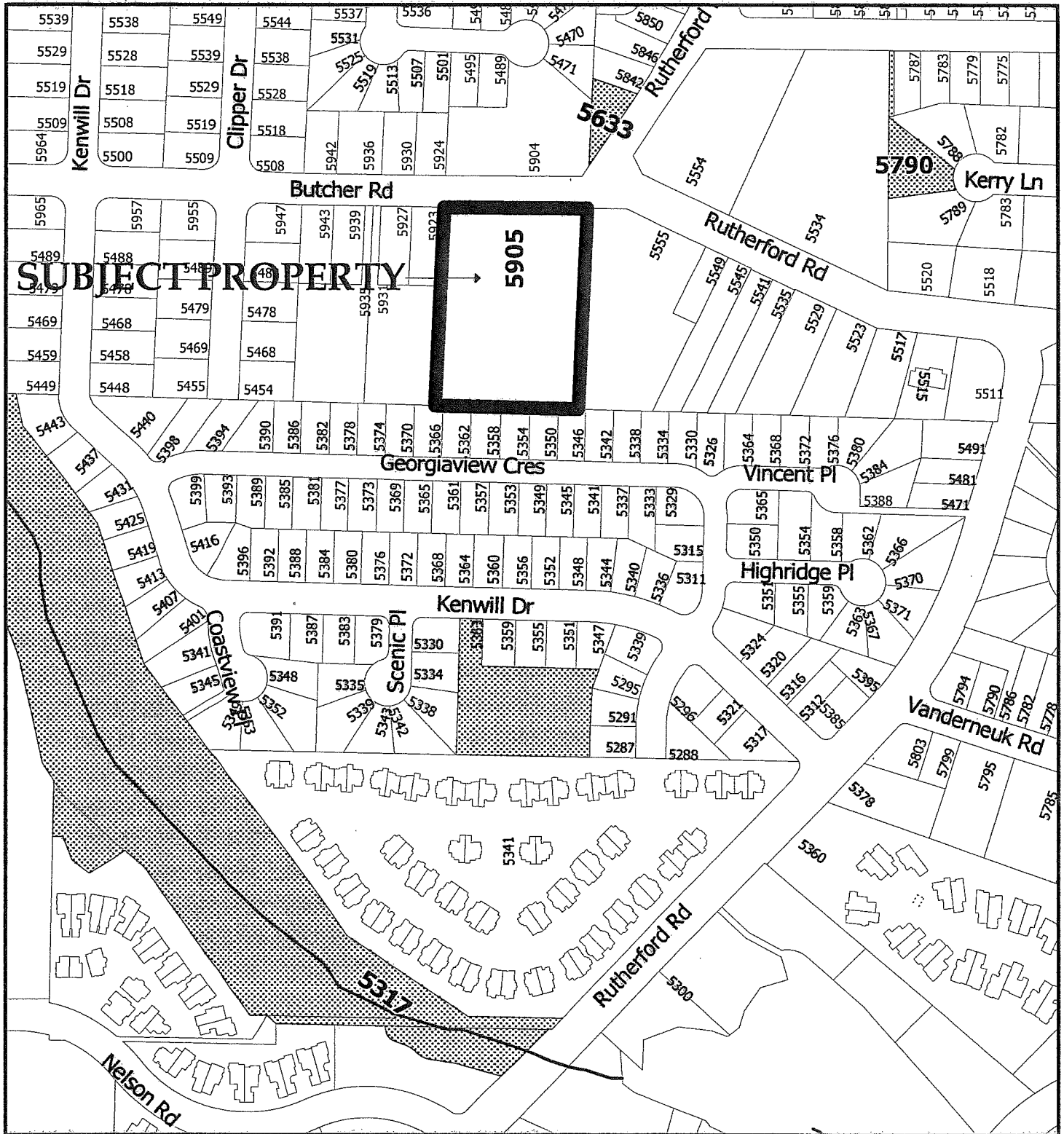
T. Seward, Director
Development

KS/AM/lr
COUNCIL: 2011-SEP-19
Prospero: SUB00900



Ted Swabey, General Manager
Community Safety & Development

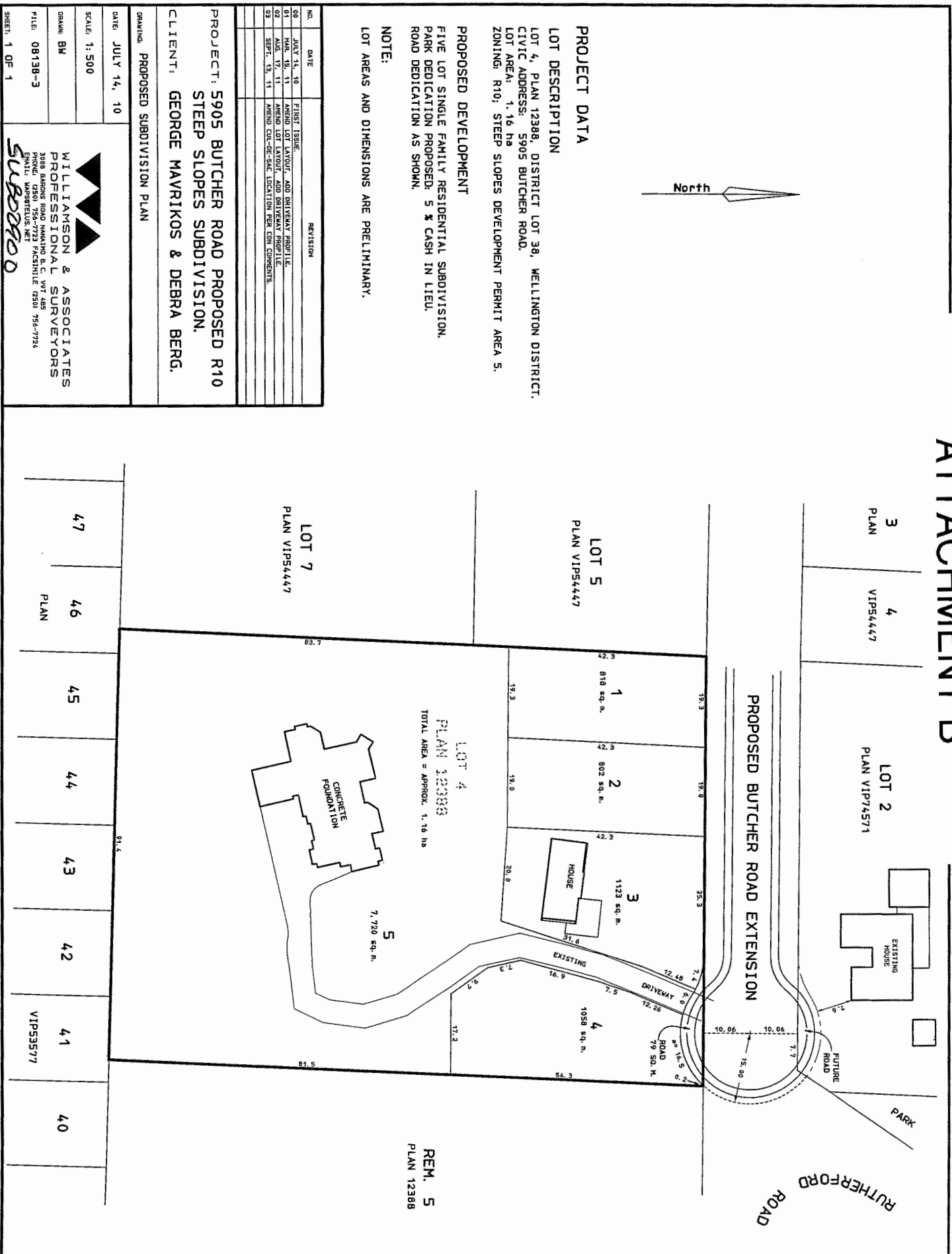
ATTACHMENT A



Parks

Location Plan
File : SUB00910
Civic: 5905 Butcher Road

ATTACHMENT B



STAFF REPORT

REPORT TO: TED SWABEY, GENERAL MANAGER COMMUNITY SAFETY & DEVELOPMENT

FROM: R. LAMBERT, FIRE CHIEF

RE: **COMMUNITY WILDFIRE PROTECTION PLAN GRANT RESOLUTION**

STAFF'S RECOMMENDATION:

That Council pass a resolution indicating support to apply to UBCM for the Community Wildfire Protection Plan Grant.

EXECUTIVE SUMMARY:

The City has significant risk for wildland fires in a number of areas particularly within the interface with urban development. Hazard mapping developed in 2004 is in need of updating and prior to taking advantage of fuel management initiatives a Community Wildfire Protection Plan is required. This initiative is being promoted by the Province to reduce the risk of wildfire and grants are available through UBCM. Staff is making application for a Community Wildfire Protection Plan funding grant and it will need Council resolution.

BACKGROUND:

After the 2003 Firestorms, the Fire Rescue Department initiated a number of programs to prepare for a major wildland interface fire. The City used a registered professional forester to conduct a risk hazard assessment to gain a better understanding of key risk areas. The assessment identified numerous wildland urban interface areas within the City as well as significant risk in the western and southern peripheries. Several forested tracts of land remain and there are a number of parks and Crown lands that interface with urban development contributing to an elevated interface fire potential.

Since that time, it is believed that conditions have changed and the risk assessment is in need of updating. In some cases, within wooded areas, ground fuels have multiplied and in other areas because of continued development, the interface or intermix presents an increased risk. There has also been considerable timber harvesting in the region over recent years.

More importantly, while the original assessment was a valuable tool, it was limited in scope as it only provided visual mapping and an outline of vegetation characteristics and did not address specific strategies to offset the risk to the community. There has never been a 'holistic' view to comprehensively manage the overall wildfire problem within the community. In order to acquire provincial funding for fuel management initiatives, a Community Wildfire Protection Plan (CWPP) must be referenced defining priorities in the community.

The City of Nanaimo is applying to the UBCM for funding to assist in the development of a Community Wildfire Protection Plan to improve the 'corporate' approach to community safety and reducing the risk of wildfire within Nanaimo and neighbouring lands.

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The intent of the CWPP is to address a comprehensive view of wildfire issues including hazard identification, mitigation strategies, public education as well as response strategies. In addition, the CWPP will also identify critical regions that identify Development Permit Areas requiring wildfire mitigation during the development phase. By updating and developing a comprehensive plan, the City of Nanaimo will have critical information and defined strategies that will allow us to work towards improved and effective management of the wildland interface risk.

The City of Nanaimo is requesting a contribution from UBCM for the maximum eligible cost of \$15,000, fifty percent of total project costs. The City's share will be funded through 'in kind' contributions, which include GIS mapping, staff time for organization, community and stakeholder consultation, focus group meeting time, vehicle mileage and meeting room rental. To complete this project staff will be redirected from other work duties to meet the CWPP Project work plan and it is anticipated that there will be a significant staff commitment possibly beyond the 'in kind' contribution to complete the project.

The application will be submitted before the October 14, 2011 deadline. In processing the application, UBCM requires Council resolution indicating support for the proposed activities and a willingness to provide overall grant management by Staff.

Respectfully submitted,



Ron Lambert
Fire Chief



for Ted Swabey
General Manager, Community Safety &
Development

STAFF REPORT

REPORT TO: B.E. CLEMENS, DIRECTOR OF FINANCE

FROM: L.A. COATES, MANAGER ACCOUNTING SERVICES

RE: APPOINTMENT OF MUNICIPAL AUDITORS

STAFF'S RECOMMENDATION:

That Council appoint KPMG LLP, Chartered Accountants as the auditor for the City of Nanaimo.

EXECUTIVE SUMMARY:

The *Community Charter*, section 169, requires appointment of the auditor of the municipality by the Council.

BACKGROUND:

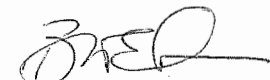
City staff recently sent out a request for proposals for auditing services for the fiscal years 2011 to 2013, with possibility of an extension for two additional years. Four proposals were received. After careful review, staff selected the proposal from KPMG LLP as the best value based on a comparison of experience, qualifications, audit strategy and methodology, pricing and value added services. KPMG LLP has the lowest price, a savings of 13.3% compared to the next lowest bidder. The annual fee of KPMG LLP is lower than the audit fee for the 2010 fiscal year.

For almost 50 years, the firm of Church Pickard has continuously provided audit services to the City of Nanaimo. There has been a successful working relationship during that time and should Council go forward with the staff recommendation, we would like to express our thanks to Church Pickard for the services they have provided the City of Nanaimo.


Respectfully submitted,



L. A. Coates
Manager, Accounting Services



B. E. Clemens,
Director of Finance



D. W. Holmes,
Assistant City Manager/
General Manager, Corporate Services

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Finance/Policy Committee of the Whole 2011-Sept-19
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STAFF REPORT

REPORT TO: D.W. HOLMES, ASSISTANT CITY MANAGER/GENERAL MANAGER
OF CORPORATE SERVICES

FROM: B. E. CLEMENS, DIRECTOR OF FINANCE

RE: AMENDMENTS TO PURCHASING POLICY

STAFF'S RECOMMENDATION:

It is recommended that Council amend the Purchasing Policy to add the following section:

"24. The Owner may, in its absolute discretion, reject a Tender submitted by a Tenderer, if the Tenderer or any Officer or Director of the Tenderer is, or has been engaged in, either directly or indirectly, through another corporation in a legal action against the Owner, its elected or appointed officers and employees in relation to:

- (a) any other contract for works or services; or
- (b) any matter arising from the Owner's exercise of its powers, duties, or functions under the *Local Government Act* or another enactment within five years of the date of this Call for Tenders.

In determining whether to reject a tender under this clause, the Owner will consider whether the litigation is likely to affect the Tenderer's ability to work with the Owner, its consultants and representatives, and whether the Owner's experience with the Tenderer indicates that the Owner is likely to incur increased staff and legal costs in the administration of this contract if it is awarded to the Tenderer."

EXECUTIVE SUMMARY:

During the review and update of the City of Nanaimo's Purchasing Policy earlier this year, a section was accidentally omitted from the policy. The section allowed the City to reject a tender where the Tenderer is involved in legal action against the City. The purpose of this section is to reduce costs to the City's taxpayers. The section has been successful in achieving that goal and staff believes that this section still has validity and should be included in the Purchasing Policy.

BACKGROUND:

At the Regular Meeting of Council held 2011-March-21, Council adopted a revised Purchasing Policy. It was recently noted that staff had inadvertently omitted a section of the policy that prohibits businesses from bidding on City business if they are engaged in lawsuits against the City.

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This section was originally added into the City's Purchasing Policy in the 1990's as a result of the time and expense that the City was incurring on lawsuits related to doing business with a group of related companies. The policy at that time was:

"That if this Tenderer or its Principals are engaged in a lawsuit against the City of Nanaimo in relation to work similar to that being tendered, the Owner is entitled to reject this tender."

This section was challenged by Sound Contracting Ltd. On 2000-DEC-21, the B.C. Supreme Court decided in the City's favour. The Court found that the City's policy was within its powers and the City was entitled to discriminate in the award of tenders because of legal action initiated by the Tenderer or its principals, as this was considered a valid business reason.

The valid business reasons included the high costs to the taxpayers involved in defending against legal action and the City's experience which shows that a Tenderer or its principal involved in a suit against the City on one contract issue is more likely to initiate new actions against the City related to the tendered work. Because of this likelihood, there are also higher taxpayer costs related to contract supervision to minimize the risk of future claims and lawsuits. Most of this legal action is for frivolous and nuisance reasons or the claims turn out to be unfounded. Many of these actions do not proceed to trial, but nevertheless considerable staff and legal time is spent for research and physical attendance at Discoveries and meetings with legal counsel. Rarely does the City cover its taxpayers' legal expenses and staff costs incurred in defending itself.

After the decision of the Supreme Court, the City's solicitors were engaged to re-draft the policy. The following wording was developed for inclusion in the City's Purchasing Policy and all City tender documents:

"The Owner may, in its absolute discretion, reject a Tender submitted by Tenderer if the Tenderer, or any Officer or Director of the Tenderer, is or has been engaged, either directly or indirectly, through another corporation in a legal action against the Owner, its elected or appointed officers and employees in relation to:

- (a) any other contract for works or services; or
- (b) any matter arising from the Owner's exercise of its powers, duties, or functions under the *Local Government Act* or another enactment within five years of the date of this Call for Tenders.

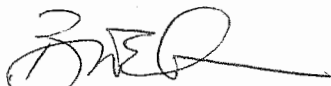
In determining whether to reject a Tender under this clause, the Owner will consider whether the litigation is likely to affect the Tenderer's ability to work with the Owner, its consultants and representatives and whether the Owner's experience with the Tenderer indicates that the Owner is likely to incur increased staff and legal costs in the administration of this contract if it is awarded to the Tenderer."

The revised policy is broader than the original one. It allows the City to reject tenders from Tenderers involved in legal action against the City or its officers that includes any matter – not just from Tenderers involved in legal action against the City in relation to work similar to that being tendered. This broader application is invoked only where the litigation is likely to affect the Tenderer's ability to work with the City, its consultants, and representatives, and where the City's experience with the Tenderer indicates that the City is likely to incur increased staff and

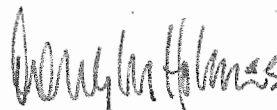
legal costs in the administration of the contract if it is awarded to the Tenderer. The reason the policy was broadened is that experience has shown that litigation on a non-contracting issue by a contractor does have spillover effects on contract administration. The City has numerous examples of a contractor claiming that a City decision on an unrelated issue, such as a development matter, has influenced a contractor to make extra financial claims on a construction contract. This results in unexpected and unnecessary costs for the City (i.e. the taxpayer). It is prudent and responsible, therefore, to protect the general taxpayer by broadening the policy to include all litigation on any matter.

Since the adoption of this policy, the costs incurred by the City to defend against these claims have dropped dramatically. Its omission from the current version of the Purchasing Policy was entirely accidental, and staff recommends that Council amend the policy to include the wording drafted by our Solicitor.

Respectfully submitted,



B.E. Clemens
Director of Finance



D.W. Holmes
Assistant City Manager/General Manager,
Corporate Services

BEC/ck
FPCOW: 2011-Sep-19

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STAFF REPORT

REPORT TO: D.W. HOLMES, ASSISTANT CITY MANAGER/GENERAL MANAGER
OF CORPORATE SERVICES

FROM: B. E. CLEMENS, DIRECTOR OF FINANCE

RE: COUNCIL REMUNERATION

STAFF'S RECOMMENDATION:

Options are provided for Council's consideration.

- 1) With regard to the implementation of a pay per meeting system there are two options:
 - a) Remain with the current system; or
 - b) Direct staff to implement a pay per meeting system as described in this report.
- 2) With regard to compensation levels for Council, there are a number of options:
 - a) Continue with the existing system of annual adjustments based on CPI; or
 - b) Adopt a new policy that compensates Mayor and Council at the median rate of the twelve comparable communities, with implementation in 2012; or
 - c) Adopt a new policy that compensates Mayor and Council at the median rate of the twelve comparable communities, to be phased in over the next three years (2012 – 2014); or
 - d) Establish a citizen review panel to make recommendations to Council on remuneration; or
 - e) Refer the issue to the next Council; or
 - f) Council provide alternate direction.

EXECUTIVE SUMMARY:

Council has asked for a report on implementing a Council remuneration system that is based, in part, on the number of meetings attended by Council members. If a system was developed that was similar to the RDN model, then Councillors would receive approximately 10% of their compensation for this "pay per meeting". Assuming that Council does not want to increase the overall compensation budget, this means that some Councillors would receive less pay than they do now, and others would receive more.

Twelve comparably sized municipalities were surveyed on a variety of issues related to Council compensation. This survey indicates that remuneration in Nanaimo has fallen behind other municipalities, with the Mayor being 11.4% lower than his peers and Councillors 24.2% lower.

☐ Council
☒ Committee *F/PLow*
☒ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2011-SEP-19*

BACKGROUND:

At the Special Open Meeting of Council held 2011-May-30, Council passed the following motion:

“ ... that Council direct Staff to provide a report outlining remuneration options for members of Council sitting on committees, commissions and other appointed bodies, as members, chair and vice-chair of same, similar to the remuneration structure of the Regional District of Nanaimo.”

The Regional District of Nanaimo (RDN) uses a model that has a base rate plus allowances for the chairperson and for electoral area directors, plus additional pay for attendance at certain meetings.

The base rate is intended to cover up four regularly scheduled Board or Committee meetings, Ideas and Updates meetings and up to one additional informational seminar per month. In addition to the base rates, certain meetings are compensated for as follows:

1. Vice Chairperson of the Board (\$160 per meeting chaired)
2. Committee Chairperson (\$110 per meeting chaired)
3. Committee Vice Chairperson (\$85 per meeting)
4. Alternate Director (\$85 per meeting)
5. Select Committees (\$70 per meeting)
6. Scheduled Standing Committees (\$70 per meeting)
7. Advisory Standing Committees (\$70 per meeting)
8. Public Hearings (\$70 per meeting)
9. Public Information Meetings (\$70 per meeting)
10. Other meetings where appointed by the Board to represent the RDN at other Regional District business meetings (\$70 per meeting)
11. Attending meetings with senior levels of government or representing the RDN at locations outside the district (\$110 per meeting)

In addition, where a Committee meeting, Public Hearing, Public Information meeting or Other Business meeting exceeds four hours in length, the rate is increased to \$110.

To assist with the analysis of how such a system might work for City Council, staff obtained information on compensation paid to RDN Board directors. This showed that, in 2010, pay for meetings made up about 13% of the total compensation paid to area directors. For City of Nanaimo Councillors sitting as RDN directors, the average was lower, with pay for meetings equalling about 5% of total compensation.

If Council desired, a similar structure could be created for the City of Nanaimo. A base rate could be developed to include Council meetings, Finance/Policy Committee of the Whole meetings, Public Hearings and seminar sessions (including “lunch & learn sessions”). This would account for around six meetings each month. Then, payment could be made for each additional meeting, similar to the RDN model. Staff has prepared a City model using a number of assumptions that will be shown in this report. Any of these assumptions can be changed if Council disagrees with them.

One such assumption is that staff has excluded the Mayor from the “pay per meeting”. This is because the level of compensation paid to the Mayor would appear to be based on the assumption that it is a full time position, unlike Regional Directors or City Councillors.

Staff has reviewed the list of Council appointments and identified 23 different committees, commissions, liaison committees and external board appointments (see appendix for details). Based on the 2011 meeting schedule, this could generate about 180 meetings per year. As often more than one Councillor attends a meeting, the total number increases to about 280, or an average of 35 meetings per Councillor. The actual number attended is probably a little smaller due to statutory holidays and meeting cancellations, but it is a reasonable estimate to develop a City model.

Using a structure where each Councillor who chairs one of these meetings receives \$110 and each Councillor who attends one receives \$70, the total compensation paid for meetings would be \$21,650, or about 10% of the amount that will be paid to Councillors in 2011 (similar to the RDN). Based on current committee assignments, the actual amount paid to individual Councillors would vary from \$1,750 to \$4,230 for the year. These estimates all assumed perfect attendance, i.e., no meetings were cancelled and each Councillor was present 100% of the time.

If Council were to pursue a pay per meeting approach, Council might also want to consider an additional stipend when the Acting Mayor is required to assume the chair of a Council, FPCOW, seminar session or Public Hearing. Currently, Councillors receive no additional pay when they are Acting Mayor. In comparable municipalities it is common practice for there to be some kind of Acting Mayor pay. As the Mayor's base pay is often about three times that of a Councillor, it may be appropriate to pay \$210 for each of these meetings where a Councillor assumes the chair in the Mayor's absence.

Staff surveyed 12 comparable size municipalities – the six above Nanaimo and the six immediately below. None of these municipalities use a pay per meeting system. Although this method of compensation is common for Regional Districts, it does not appear to have been adopted by municipalities. This is probably due in part to the difference in the structures of the two kinds of organizations with Regional District Boards being made up of a combination of electoral area directors and municipal council members.

There are pros and cons to a pay per meeting system. On one hand, it seems reasonable to compensate based on the amount of time that Councillors contribute, although meetings are only a portion of a Councillor's time commitment. On the other, a cynical person might look at any new committee as a way for Councillors to increase their own pay. It may also become a factor when Council considers reducing the number of committees, or the number of Councillors on a particular committee.

For the above reasons, along with the additional complexity and record keeping required, staff does not recommend going to a pay per meeting system for Councillors.

Council remuneration review

While contacting the other municipalities to perform the review of a pay per meeting system, staff also took the opportunity to survey these twelve municipalities on their compensation packages for Council. The questions included the following topics:

- Salary, including Acting Mayor pay
- Vehicle allowances
- Travel, including per diem amounts

- Benefits provided to Council members
- Methods of determining annual increases for Council salaries

Council salaries

The summary results of the salary portion survey are shown below. The table shows amounts currently being paid (2011). A couple of municipalities have already approved increases for 2012.

	Mayor	Councillor	Population (2009)
Highest	\$103,032	\$44,048	118,507
Lowest	\$72,684	\$23,342	55,583
Median	\$89,839	\$34,582	83,970
Nanaimo	\$79,547	\$26,414	82,937
Difference (\$)	\$10,292	\$8,168	
Difference (%)	11.4%	24.2%	

Only one municipality pays their mayor less than Nanaimo. Only two have base rates for Councillors that are lower than Nanaimo, and one of these has approved an increase of almost 30% for 2012. Additionally, nine of the twelve municipalities have some kind of compensation for the Acting Mayor. This can range from \$350 to \$1,000 per month with one municipality providing an additional pay of \$20 per day for periods of five days or longer.

One municipality provides the Mayor with a transition allowance in the year in which they depart office. This allowance is equal to one month of pay for every year in office, to a maximum of six months, paid out at the end of the Mayor's term of office. It is not paid if the Mayor resigns during mid-term, unless it is for health reasons. One other municipality has a separation allowance for the Mayor and Councillors.

Vehicle allowances

Of the twelve municipalities, two provided the Mayor with a leased vehicle and four provided the Mayor with a vehicle allowance ranging from \$200/month to \$1,194/month. One of these gave the Mayor the option of a City vehicle instead of a lease. Two provided vehicle allowances to Councillors (\$200/month and \$664/month). One had a \$100/month allowance for the Acting Mayor. Three provided some kind of mileage for travel in town when no vehicle allowance was paid. Nanaimo does not provide Council with any vehicle allowance or mileage for in-town travel.

Travel

Travel policies were too varied to be easily summarized. Nearly all paid Council members with a per diem amount when travelling on City business. The average was \$75 per day, compared to \$60 paid by the City of Nanaimo. If meals were provided at a conference, these were generally deducted from the per diem. The RDN does not currently deduct from the per diem when meals are provided.

Like Nanaimo, most policies and amounts were comparable to the policy on staff travel. Almost all paid mileage for out of town travel at 52 cents per kilometre (same as Nanaimo).

Benefits

Municipalities were asked what benefits were provided to their Council members and who paid for them. The table below indicates whether each benefit is paid by the taxpayers (City paid), paid by individual Council member, or not provided. For example, three municipalities pay BC Medical for their Council members, six have the individuals pay for their own and three do not provide the benefit at all. The last column indicates whether the City of Nanaimo pays for this benefit. (The alternative is that the benefit is not provided – the City of Nanaimo does not have any Council member paid benefits). Some responses have been simplified for inclusion in this table.

	City paid	Council paid	Not provided	Nanaimo
BC Medical	3	6	3	City paid
Life Insurance	6	2	3	Not provided
Accident Insurance	8	0	3	Not provided
LTD	3	3	6	Not provided
Extended Health	5	5	2	City paid
Dental	5	5	2	City paid

Methods of determining annual increases

Five of the municipalities used some kind of comparator communities to calculate their annual increase. One of these has a policy of being at 60% of the comparator group.

Four of the municipalities use some kind of CPI to do annual adjustments, as does the City of Nanaimo.

One municipality calculates the increase for elected officials as the lesser of the increase received by exempt staff or the average public sector increase ("the average of the wage adjustment for the fourth quarter of the previous year, and for the public administration industry as published by Human Resources and Skills Development Canada as the Average Annual Percentage Wage Adjustments by Quarter").

The remaining two municipalities did not disclose a method of determining annual increases.

If Council is content with the level of compensation they receive, then using a form of CPI is an effective and objective way to maintain that level. However, although it will keep pace with changes in the cost of living, the gap between the Nanaimo and municipalities will continue to grow.

Conclusion

It is clear that Council remuneration for the City of Nanaimo has fallen considerably behind comparable communities. In particular, the base salary for Councillors is more than 24% below the median of the twelve comparators and this gap will widen as the lowest municipality increases pay for Councillors by almost \$7,000 per year.

Whether or not to close the gap with other municipalities is a political decision. It is a difficult challenge for Council to establish its own pay. Unfortunately, there is really no objective, arm's length way to set Council salaries. In 2007, Council sent a letter to ask the Province to

implement legislation similar to Bill 37 *Member's Remuneration and Pensions Statutes Amendment Act* that would apply to local government elected officials. The Minister of Community Services responded that such legislation would be inconsistent with the principles underlying the *Community Charter*. It was recommended, if Council thought there was broad local government support for such legislation, that Nanaimo work through UBCM. This does not appear to have been followed up with UBCM.

One method that has been tried in other communities is to use a committee of citizens, ideally using members who have past local government experience. This has also been tried in Nanaimo and experience shows that these committees rely heavily on comparisons with other communities. Therefore, they are likely to draw the same conclusions as this report – that Nanaimo's Council compensation is low.

Perhaps the most opportune time to make any significant changes to Council remuneration is for a Council to implement changes in the final year of their term that won't take effect until the first year of the next Council (e.g. 2012). By doing this, Council members may or may not benefit from any increases that are recommended.

Respectfully submitted,



B.E. Clemens
Director of Finance



D.W. Holmes
Assistant City Manager/General Manager,
Corporate Services

BEC/ck
FPCOW: 2011-Sept-19

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APPENDIX
CITY OF NANAIMO
COUNCIL COMMITTEES, COMMISSIONS AND OTHER MEETING REQUIREMENTS

	No. Meetings per year	No. of Councillors attending	Total Meetings	Mayor
Basic				
Council	19	8	152	19
Finance/Policy Committee of the Whole	20	8	160	20
Public Hearings	12	8	96	12
Seminar sessions (incl. "lunch & learn")	20	8	160	20
Total "Basic" meetings	71	32	568	71
City Committees				
Advisory Committee on Environmental Sustainability	11	1	11	
Cultural Committee	12	2	24	
Design Advisory Panel	12	0	0	
Grants Advisory Committee	12	1	12	
Parcel Tax Review Panel	1	3	3	1
Parks Committee	12	1	12	
Plan Nanaimo Advisory Committee	11	2	22	
Recreation Committee	12	2	24	
Safer Nanaimo Working Group	6	2	12	
Social Planning Advisory Committee	11	1	11	
Transportation Advisory Committee	12	4	48	
Water Supply Advisory Committee	6	0	0	6
Commissions				
Nanaimo Athletic Commission	6	3	18	
Nanaimo Community Heritage Commission	10	1	10	
Parks, Recreation & Culture Commission	12	3	36	
Liaison Committees				
Nanaimo First Nations Liaison Committee	6	2	12	6
School Joint Use Committee	2	3	6	
External Board Appointments				
Municipal Insurance Association	1	1	1	
Nanaimo Chamber of Commerce	12	0	0	12
Nanaimo Airport Commission	4	1	4	
Nanaimo Port Authority/Liaison Committee	4	2	8	4
Tripartite Liaison Committee	1	4	4	1
Vancouver Island Regional Library Board	5	1	5	
Total additional meetings	181		283	30

Average number of meetings per Councillor

35.4

STAFF REPORT

REPORT TO: AL KENNING, CITY MANAGER

FROM: DEBORAH DUNCAN, MANAGER, FINANCE, COMMUNITY SERVICES,
TOM HICKEY, GENERAL MANAGER, COMMUNITY SERVICES

RE: CUSTOMER SERVICE LEVELS FOR ENGINEERING & PUBLIC WORKS

STAFF'S RECOMMENDATION:

That Council adopt the customer service statements and the process to measure customer satisfaction.

EXECUTIVE SUMMARY:

In 2010-Nov, Council received the Engineering and Public Works Asset Management Plan. The Asset Management Plan is expected to help:

- Council in making service level and investment decisions;
- staff with the planning and management of the assets, and
- taxpayers by sustaining value for the services provided.

The next step in the development of the Asset Management Plan is to define and measure customer levels of service. Council provided input on the customer service statements and on the process to measure customer satisfaction. The customer service statements in this report have been updated based on Council's input.

BACKGROUND:

Levels of service are established to meet customer, environmental and regulatory expectations. It is important that levels of service are monitored and evaluated to determine if the City is delivering the right level of service at the right cost. Establishing levels of service will help Council make operating and capital budget decisions and will impact future levels of property taxation. The budget allocations enable staff to manage the assets and maintain service levels.

The City delivers a broad range of services to the community. In May 2004, City Council used IPSOS Reid to do a Quality of Life Survey for Nanaimo. One of the survey questions rated customer satisfaction with services provided by the City. A variety of services were listed and satisfaction levels for these services ranged from 82% to 95% of customers being satisfied. IPSOS Reid commented that residents were highly satisfied with Nanaimo's services – overall, better than other municipalities in BC.

To help improve the process of monitoring and evaluating customer satisfaction, staff have developed customer service statements for Engineering and Public Works. Staff is seeking Council's input on the wording, intent and interpretation of these statements. Based on Council's input, staff will edit these customer service statements and at a subsequent meeting ask for Council adoption.

☐ Council
☒ Committee E/PCOW
☒ Open Meeting
☐ In-Camera Meeting
 Meeting Date: 2011-SEP-19

If Council believes there is value in defining and measuring service levels, staff will extend this process to involve other departments so that customer service statements are developed for all of the City's major customer services.

When the customer service statements for all departments have been adopted by Council, these statements will be used together with performance measures to get feedback from the community via a survey, and through focus groups, to measure customer satisfaction with current levels of service. This process links to the balanced scorecard initiative that is being developed to help determine how well the City is doing at meeting its goals. Council can then choose to increase, maintain or reduce service levels based on customer feedback.

Water:

- The City provides water that is clean and safe to drink with minimal service disruption, to satisfy all anticipated consumption and fire protection.

Sanitary Sewer:

- The City provides sewer service that maintains public health and safety, with minimal service disruption and impact to environment and property.

Drainage:

- The City provides a drainage system that minimizes impact to property and environment.

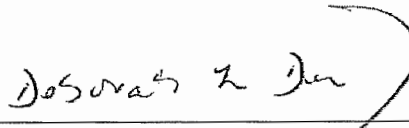
Streets, Sidewalks, Signs and Street Lighting:

- The City provides streets, sidewalks, signs and street lighting that are safe, accessible, clean and convenient.

Garbage, Kitchen Waste/Recycling:

- The City provides scheduled garbage, kitchen waste and recycling services to maximize recycling, to be convenient and reliable, and to help maintain community health and sanitation.

Respectfully submitted,



Deborah Duncan, Manager
Finance, Community Services



T. Hickey, General Manager
Community Services

Council: 2011-Sept-19
TH/fg

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