

AGENDA FOR THE REGULAR FINANCE / POLICY OF THE WHOLE MEETING
TO BE HELD IN THE BOARD ROOM, CITY HALL
ON MONDAY, 2011-MAR-21, COMMENCING AT 4:30 P.M.

1. **CALL THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING TO ORDER:**
2. **INTRODUCTION OF LATE ITEMS:**
3. **ADOPTION OF AGENDA:**
4. **ADOPTION OF MINUTES:**
 - (a) Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall, on Monday, 2011-MAR-07 at 4:30 p.m. Pg.4-6
5. **PRESENTATIONS:**
6. **DELEGATIONS PERTAINING TO AGENDA ITEMS: (10 MINUTES)**
 - (a) Delegations Pertaining to the 2011 – 2015 Financial Plan
 - Mr. Drew Cooper
7. **COMMISSION REPORTS:**
8. **COMMITTEE REPORTS:**
 - (a) **Grants Advisory Committee – Three Year Permissive Exemption Review** Pg.7-61

Committee's Recommendation: That Council:

 1. *renew Permissive Tax Exemptions for another three years to those organizations identified on Schedule 'A' of this Report;*

AND:

 2. *deny a Permissive Tax Exemption to Downtown Nanaimo Business Improvement Association (RPTE-35);*

AND:

3. award *Permissive Tax Exemptions* to the following Applicants:
- Nanaimo Region John Howard Society (RPTE-08);
 - Nanaimo FOS Non-Profit Housing Society (RPTE-32);
 - Island Crisis Care Society (RPTE-42); and,
 - Nanaimo Minor Hockey Association (PTE-01);

AND:

4. award *Cash-in-lieu (Permissive Tax Exemptions)* for 2010 taxes to Nanaimo FOS Non-Profit Housing Society (RPTE-32) - \$2,105.85;

AND:

5. award *Cash-in lieu (Permissive Tax Exemptions)* for 2011 taxes as follows:
- Nanaimo FOS Non-Profit Housing Society (RPTE-32) - \$6,615.00;
 - Island Crisis Care Society (RPTE-42) - \$1,258.00; and,
 - Nanaimo Minor Hockey Association (PTE-01) - \$1,750.00.

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

ADMINISTRATION:

(a) **Hiring of an Executive Search Firm**

Pg.62-63

Staff's Recommendation: That Council approve the direct contract award for executive search services for the Economic Development Corporation's Economic Development Officer to Pinton Forrest and Madden.

CORPORATE SERVICES:

(b) **Purchasing Policy Revision**

Pg.64-81

Staff's Recommendation: That Council:

1. rescind the current Purchasing Policy dated 2007-OCT-15 and adopt the proposed Purchasing Policy dated 2011-MAR-21;

AND:

2. rescind policy "Use of Recycled Paper" dated 1990-AUG-20;

AND:

3. rescind policy "Donation of Obsolete Computer Equipment to Charitable Organizations" dated 2002-JUN-17;

AND:

4. rescind policy "Insurance Requirements for City Contractors" dated 1991-OCT-07.

10. **INFORMATION ONLY ITEMS:**

- (a) Report from Ms. L. Mercer, Manager, Revenue Services,
re: Assessment Roll Adjustments.

Pg.82-83

11. **CORRESPONDENCE:**

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

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

- (a) None.

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

16. **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*.

17. **ADJOURNMENT:**

MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2011-MAR-07 COMMENCING AT 4:30 P.M.

PRESENT: Mayor J. R. Ruttan, Chair

Members: Councillor W. L. Bestwick
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
D. W. Holmes, Assistant City Manager and General Manager of
Corporate Services
E. C. Swabey, General Manager of Community Safety and Development
I. Howat, Director of Strategic Relationships
T. L. Hartley, Director of Human Resources and Organizational Planning
(Arrived at 4:44 p.m.)
B. E. Clemens, Director of Finance
T. M. Hickey, Director of Engineering and Public Works
T. P. Seward, Director of Development
A. J. Tucker, Director of Planning
R. J. Harding, Director of Parks, Recreation and Culture
T. Moscrip, Senior Manager of Engineering
J. Kinch, Manager of Building Inspections
B. Sims, Manager of Water Resources
J. E. Harrison, Manager of Legislative Services
T. Wilkinson, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Finance / Policy Committee of the Whole Meeting was called to order at 4:30 p.m.

2. ADOPTION OF AGENDA:

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

3. 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-FEB-21 at 4:30 p.m. be adopted as circulated. The motion carried unanimously.

4. STAFF REPORTS:

CORPORATE SERVICES:

(a) Mileage for Council

It was moved and seconded that Council receive the report for information. The motion carried.

Opposed: Councillor Bestwick

(b) Millstone Sewer Trunk and Laterals Study – Consultant Selection

It was moved and seconded that Council award the consultant services for the Millstone Sewer Trunk and Laterals Study to Urban Systems Ltd./GeoAdvice Engineering Inc. in the amount of \$149,510 plus HST. The motion carried unanimously.

5. QUESTION PERIOD:

- Mr. Fred Taylor, regarding mileage for Council and how it would affect the budget.
- Mr. Ron Bolin, regarding the budget, and parking at Vancouver Island University.

6. 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):

- (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure might reasonably be expected to harm the interests of the municipality;
- (g) litigation or potential litigation affecting the municipality; and,
- (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 4:45 p.m.

Council moved out of "In Camera" at 6:30 p.m.

It was moved and seconded that Council ratify its motion to award the design of the emergency water supply line to Koers & Associates Engineering Ltd. at a cost of \$60,000, as passed at the "In Camera" Finance / Policy Committee of the Whole Meeting held 2011-MAR-07. The motion carried unanimously.

7. ADJOURNMENT:

It was moved and seconded at 6:35 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

MANAGER,
LEGISLATIVE SERVICES

REPORT TO COUNCIL

FROM: COUNCILLOR DIANA JOHNSTONE, CHAIRPERSON,
GRANTS ADVISORY COMMITTEE

RE: THREE YEAR PERMISSIVE TAX EXEMPTION REVIEW

COMMITTEE'S RECOMMENDATION: That Council:

1. Renew Permissive Tax Exemptions for another three years to those organizations identified on Schedule 'A' of this Report.

2. **Deny** a Permissive Tax Exemption to the following organization:

RPTE-35 – Downtown Nanaimo Business Improvement Association

3. **Award** Permissive Tax Exemptions to the following Applicants:

RPTE-08 – Nanaimo Region John Howard Society

RPTE-32 – Nanaimo FOS Non-Profit Housing Society

RPTE-42 – Island Crisis Care Society

PTE-01 – Nanaimo Minor Hockey Association

4. **Award** Cash-in-lieu (Permissive Tax Exemptions) for **2010** taxes as follows:

| | |
|--|------------|
| RPTE-32 – Nanaimo FOS Non-Profit Housing Society | \$2,105.85 |
|--|------------|

5. **Award** Cash-in-lieu (Permissive Tax Exemptions) for **2011** taxes as follows:

| | |
|--|------------|
| RPTE-32 – Nanaimo FOS Non-Profit Housing Society | \$6,615.00 |
|--|------------|

| | |
|--------------------------------------|------------|
| RPTE-42 – Island Crisis Care Society | \$1,258.00 |
|--------------------------------------|------------|

| | |
|---|------------|
| PTE-01 – Nanaimo Minor Hockey Association | \$1,750.00 |
|---|------------|

EXECUTIVE SUMMARY:

The Grants Advisory Committee has just completed a three year review of organizations currently receiving a permissive tax exemption under the City's "PROPERTY TAX EXEMPTION BYLAW 2010 NO. 7107". The Committee has met on several occasions since November, 2010 in order to undertake an exhaustive review. Minutes of all those meetings have been provided to Council as background to this report.

At the onset, the Committee chose not to review churches (whose building footprint receives statutory exemption under Section 224 of the *Community Charter*), senior citizens housing

☐ Council
☒ Committee *EPLOW*
☐ Open Meeting
☐ In-Camera Meeting
Meeting Date: *2011-MAR-21*

and community care facilities, the Port Theatre, the Nanaimo Museum, and all properties owned by Natures Trust. All these properties are recommended for renewal of their permissive tax exemptions. Additionally, the Nanaimo Tourism & Convention Bureau's application was not reviewed, as this organization is currently undergoing review as part of Council's Economic Development Strategy.

BACKGROUND:

During the course of the four month review, the Grants Advisory Committee also received and reviewed new applications for permissive tax exemption. Three organizations currently receiving exemption for properties owned or leased submitted applications for properties recently acquired. The Committee also received one new application for the Nanaimo Minor Hockey Association, clearing up some confusion on its occupation at the Nanaimo Ice Centre. Those recommendations are included in this report for Council's consideration.

Finally, no renewal applications were received from the following organizations:

| | |
|------------------------------------|---|
| BC Cancer Foundation | Closed its Nanaimo office at 203 4750 Rutherford Road |
| CVI Multicultural Society | Moving from City owned premises at 14-285 Prideaux Street at the end of March, 2011. Will submit a new application for new property on Wesley Street later this year. |
| Nanaimo Seniors Visiting Society | Moved from 2520 Bowen Road to 3156 Barons Road. May submit a new application this year. |
| Nanaimo Child Self Society | Will be moving from premises at 945 Waddington Road. May submit a new application this year. |
| Nanaimo Affordable Housing Society | Premises at 350 Prideaux Street now receive a full statutory exemption. |
| Nanaimo Region John Howard Society | Vacating City owned premises at 437 Wesley Street at the end of March, 2011. Will submit a new application. |

The Grants Advisory Committee stringently reviewed all organizations currently receiving exemption from taxes. With the exception of one organization, the Grants Advisory Committee recommends that all organizations remain on the City's permissive tax exemption bylaw for another three years. Upon review of the Downtown Nanaimo Business Improvement Association's application, the Committee felt that this organization was 'to the benefit of business owners in the downtown core only, and not to all residents of Nanaimo'. This organization was not recommended to receive further exemption from taxation.

This Report to Council is not to introduce the new 2011 Tax Exemption Bylaw. Rather, it is to identify those organizations that the Committee felt deserved to remain (or be placed) on this year's bylaw. As there will likely be other changes to the bylaw prior to the statutory deadline of October 31st of this year, Council may expect to receive the 2011 Property Tax Exemption Bylaw for consideration of First Three Readings by early October.

Council will also receive one additional report from the Grants Advisory Committee as a result of its three year review. That report will identify any recommended changes to policy and criteria that the Committee will submit for Council's consideration.

Respectfully submitted,



Councillor Diana Johnstone
Chair, Grants Advisory Committee

BEC/ck
FPCOW: 2011-Mar-21
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SCHEDULE 'A'

| Folio | Unit | House | Street | Organization | Estimated 2011 City portion of taxes |
|-----------|------|-------|--------------------|---|--|
| 85616.013 | 5&6 | 150 | Commercial Street | Assembly of BC Arts Councils | \$ 284 |
| 85616.001 | 1 | 150 | Commercial Street | Central Vancouver Island Centre for the Arts | 564 |
| 85616.010 | 10 | 150 | Commercial Street | Crimson Coast Dance Society | 439 |
| 85616.003 | 3 | 150 | Commercial Street | Mid-Island Science Technology & Innovation Council | 3,592 |
| 85616.002 | 2 | 150 | Commercial Street | Nanaimo Art Gallery | 7,682 |
| 05549.007 | 2 | 2300 | Bowen Road | Nanaimo BMX Association | 2,581 |
| 85616.009 | 9 | 150 | Commercial Street | Nanaimo Community Archives | 4,692 |
| 13552.001 | | 208 | Colvilleton Trail | Protection Island Lions Club | 14,590 |
| 13553.701 | A | 7 | Pirates Lane | Protection Island Ratepayers Association | 1,017 |
| 85616.004 | 4 | 150 | Commercial Street | Theatre One | 1,194 |
| 85616.007 | 7 | 150 | Commercial Street | Vancouver Island Symphony | 1,068 |
| 08283.925 | | 6175 | McGirr Road | McGirr Sports Society | 48,666 |
| 05549.008 | 3 | 2300 | Bowen Road | Nanaimo & District Equestrian Association/Vancouver Island Exhibition Society | 10,730 |
| 07151.002 | | 4295 | Victoria Avenue | Nanaimo Canoe & Kayak Club/Nanaimo Rowing Club | 515 |
| 89095.000 | | 100 | Wall Street | Nanaimo Curling Club | 11,617 |
| 07233.001 | | 3976 | Corunna Avenue | Wellington Community Association | 2,711 |
| 07234.001 | | 3922 | Corunna Avenue | Wellington Community Association | 4,220 |
| 85840.000 | | 1045 | Terminal Avenue N. | Canadian Mental Health Association | 5,641 |
| 19805.300 | | 2200 | Labieux Road | BC SPCA | 6,243 |
| 16019.000 | | 20 | Fifth Street | Boys and Girls Club of Central Vancouver Island | 6,889 |
| 16822.101 | | 1400 | Cranberry Avenue | Boys and Girls Club of Central Vancouver Island | 4,081 |
| 05438.015 | | 2332 | Brackenwood Place | Columbian Centre Society | 1,549 |
| 05438.020 | | 2330 | Brackenwood Place | Columbian Centre Society | 1,549 |

| | | | | | |
|-----------|-----|-------|-------------------|---|----------|
| 07281.000 | | 3793 | Norwell Drive | Columbian Centre Society | \$ 1,631 |
| 05910.000 | | 1717B | Kerrisdale Road | Crisis Pregnancy Centre of Nanaimo Society | 3,182 |
| 07498.255 | | 3156 | Barons Road | United Way Central & Northern Vancouver Island | 2,341 |
| 81165.000 | | 285 | Selby Street | Nanaimo Women's Resource Society | 3,629 |
| 16930.000 | | 880 | Victoria Road | Island Crisis Care Society | 1,554 |
| 84680.000 | | 355 | Nicol Street | Island Crisis Care Society | 1,554 |
| 05437.060 | | 2360 | Rosstown Road | Columbian Centre Society/Knights Mid Island Charitable Soc. | 2,136 |
| 81613.000 | | 1009 | Farquhar Street | Loaves & Fishes Foodbank Foundation | 3,201 |
| 81611.014 | 218 | 285 | Prideaux Street | Mid Island Metis Nation Association | 369 |
| 81611.013 | 212 | 285 | Prideaux Street | Mid-Island Intergroup Society | 408 |
| 85047.002 | | 1135 | Nelson Street | Nanaimo Child Development Centre Society | 29,749 |
| 05438.000 | | 2368 | Rosstown Road | Nanaimo & District Surfside Society | 1,870 |
| 81611.020 | 205 | 285 | Prideaux Street | Nanaimo 7-10 Club Society | 3,559 |
| 86175.000 | | 83 | Victoria Crescent | Nanaimo Association for Community Living | 20,887 |
| 05492.201 | | 198 | Holland Road | Nanaimo Christian School (1988) Society | 8,571 |
| 05949.692 | | 1729 | Boundary Avenue | Nanaimo Community Hospice Society | 1,549 |
| 86099.000 | | 375 | Selby Street | Nanaimo Conservatory of Music | 7,842 |
| 85998.000 | | 1191 | Seafeld Crescent | Nanaimo FOS Housing Society | 6,610 |
| 83252.000 | | 1070 | Townsite Road | Nanaimo Family Life Association | 3,917 |
| 17545.005 | | 271 | Pine Street | Nanaimo Foodshare Network Society | 3,906 |
| 05695.000 | | 2227 | McGarrigle Road | Nanaimo Region John Howard Society | 1,761 |
| 05431.100 | | 2373 | Rosstown Road | Nanaimo Theatre Group | 3,887 |
| 86055.000 | | 290 | Bastion Street | Nanaimo Youth Services Association | 10,699 |
| 16000.010 | | 750 | Fifth Street | Navy League of Canada Nanaimo Branch | 4,883 |
| 05990.102 | 2 | 2525 | McCullough Road | Nanaimo Branch of the Red Cross | 4,300 |
| 81611.007 | 206 | 285 | Prideaux Street | Options for Sexual Health | 2,554 |
| 07674.020 | | 6100 | Doumont Road | Pleasant Valley Social Centre | 2,887 |
| 07860.001 | | 6006 | Doumont Road | Pleasant Valley Social Centre | 2,254 |
| 16592.001 | | 195 | Fourth Street | Nanaimo Search & Rescue Society | 1,504 |

| | | | | | |
|-----------|--|------|-------------------|--|-----------|
| 16000.114 | | 901 | Fifth Street | Royal Canadian Airforce Assoc. 808 (Thunderbird) Wing | \$ 4,458 |
| 19805.301 | | 2250 | Labieux Road | St. John's Ambulance | 16,879 |
| 81676.000 | | 602 | Haliburton Street | Tillicum Haus Society | 12,710 |
| 16905.000 | | 927 | Haliburton Street | Tillicum Lelum Aboriginal Society | 10,670 |
| 17364.001 | | 479 | Tenth Street | Tillicum Lelum Aboriginal Society | 0 |
| 17364.002 | | 477 | Tenth Street | Tillicum Lelum Aboriginal Society | 2,446 |
| | | | | Vancouver Island Haven Society | 17,287 |
| 05446.012 | | 2491 | Kenworth Road | Nanaimo Recycling Exchange | 11,747 |
| | | | | Total | \$361,505 |

MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 Wallace Street
November 3, 2010, 9:00 a.m.

Present: Councillor D. Johnstone, Chair W. Anderson
 J. Neville D. Burnett
 D. Bonner L. Avis
 F. Tellier

Regrets: J. Lekisch

Staff: B. Clemens, Director of Finance
 L. Mercer, Acting Manager, Revenue Services
 C. Knapp, Recording Secretary

1. INFORMATION ITEMS:

Permissive Tax Exemption Policies and Criteria

Committee members discussed points of interest in the criteria applied to permissive tax exemptions (PTEs) by other municipalities such as the City of Kelowna.

- Members recognized the fact that any recommendations to Council to change the current PTE policy or criteria needed to be done after the current review.
- Some of the items discussed included:
 - A cap on the total amount of permissive tax exemptions the City would allow per annum and how this cap could be administered.
 - The possibility of applying a maximum dollar amount of a grant per organization and how this cap could also be administered.
 - The feasibility of having a definitive deadline date for applications.
 - Recommending non-profits move more towards becoming self-sufficient.
- Members agreed to note items of concern as they arose during the review, with an aim to discuss and proceed with any recommendations at a last meeting of the Committee.

Protection Island Lions Club

Don Bonner stated that this information item appeared in the agenda package based on information he requested.

2. APPLICATIONS:

RPTE-01

Nanaimo Recycling Exchange Society

- This Society provides an extension of municipal services, but does not demonstrate a financial need.
- This Society has taken on the responsibility of recycling glass and Styrofoam. No other private industry business is currently doing that.
- Members thought these services well worth the cost and happy to have the services.

- The City has supported the Recycling Exchange since inception; however, it appears as though the Society no longer demonstrates financial need.
- The Society provides employment for many at-risk persons. These 'employees' are generally volunteers working community service hours through the John Howard Society's Restorative Justice Program.

MOVED by L. Avis, SECONDED by D. Burnett, that Michael Schellinck, Executive Director for the Nanaimo Recycling Exchange Society, be invited to appear at the next scheduled PTE review meeting to answer any questions the Committee may have, particularly respecting the Society's finances. CARRIED.

RPTE-02

Assembly of BC Arts Councils

B. Clemens clarified:

- The City of Nanaimo owns the building occupied by the Assembly of BC Arts Councils, but the building is managed by the Central Vancouver Island Centre for the Arts Society.
- The building would normally be exempt from taxation; however once it is occupied by anyone other than the City, the occupied space becomes taxable.
- Each non-profit group must apply for exemption individually.
- At one time, the City did have a couple of tenants who, by their very nature, were not eligible for exemption and who were taxed accordingly.
- This is a provincial organization, which happens to have their head office in Nanaimo.

Members noted:

- The Society's Directors were not from Nanaimo, but from all over British Columbia.
- The Society stated that any surplus at year end was directed to the Legacy Fund.
- Members did not know whether this was a provincial fund.

MOVED by D. Burnett, SECONDED by D. Bonner, that representatives of the Assembly of BC Arts Council be invited to attend one of the next few permissive tax exemption review meetings in order to answer any questions the Committee may have. CARRIED.

RPTE-03

Crimson Coast Dance Society

Don Bonner stated:

- He has a professional association with the Crimson Coast Dance Society as his business hosts them on the web. (Nominal fee representing \$25.00 per annum).
- He does the same for other non-profits that may also be making application for permissive tax exemptions.
- Would he be in conflict?

It was determined he would not be in conflict for this nominal amount.

Committee members noted:

- The Society receives an Operating Grant of \$16,000 and an Event Grant of \$4,000 from the City of Nanaimo. Are they eligible to receive a permissive tax exemption?

- Current Grants policy states that should a non-profit society receive a permissive tax exemption, that they should not receive an Other Grant (though it was recognized that this policy was restricted to the Other Grants category administered by this Committee).
- A number of non-profit societies receive multiple grants from the City and that this was not an uncommon occurrence.
- The Society receives a nominal amount from membership fees it charges.
- Could the Society simply not raise those fees in order to become more self-sustaining?

MOVED by B. Anderson, SECONDED by J. Neville, that the Crimson Coast Dance Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 10 150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review, with the recommendation going forward from the Committee that the Society look at increasing its membership fees with an aim to becoming self-sustainable within the next three years. CARRIED.

RPTE-04 Nanaimo Community Hospice Society

It was noted that the Nanaimo Community Hospice Society is not applying for a permissive tax exemption for the thrift store it operates, but rather for its offices.

MOVED by F. Tellier, SECONDED by L. Avis, that the Nanaimo Community Hospice Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 1729 Boundary Avenue, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-05 Nanaimo & District Surfside Society

MOVED by D. Bonner, SECONDED by B. Anderson, that the Nanaimo & District Surfside Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 2368 Rosstown Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-06 Options for Sexual Health

Members noted:

- All directors of the Society live in Vancouver.
- This organization is similar to the United Way, in that it is part of a larger (provincial) group, operating locally as well.
- This organization is supported by the United Way, who are quite picky about whom they provide support to.
- D. Bonner had personally interviewed this organization a number of years ago and could reaffirm that the organization met the United Way's criteria.
- How does this society serve Nanaimo residents?
- There appears to be a large amount of monies available provincially.

MOVED by J. Neville, SECONDED by D. Burnett, that representatives from Options for Sexual Health be invited to one of the Committee next permissive tax exemption review meetings in order to answer questions the Committee may have. CARRIED.

RPTE-07

Haven Society

- Though the Haven Society serves a broader geographical area, the permissive tax exemption application has to, by its very nature, be directed to the City of Nanaimo.
- The City of Nanaimo receives approximately \$23,000 from the Regional District of Nanaimo to go towards community service grants.
- Notwithstanding the above, members would like to ensure that the Haven Society approach other neighbouring cities and municipalities for funding.

MOVED by L. Avis, SECONDED by B. Anderson, that the Haven Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

3. NEXT MEETING DATE:

The next meeting of the Grants Advisory Committee Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, November 10, in the Economic Development Department's meeting room, located on the top floor of City Hall, 455 Wallace Street.

4. ADJOURNMENT:

MOVED by, SECONDED by, to adjourn the meeting at 10:33 a.m. CARRIED.

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MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
November 10, 2010, 9:00 a.m.

Present: Councillor D. Johnstone, Chair F. Tellier (9:26 a.m.)
 J. Neville D. Burnett
 D. Bonner L. Avis

Delegation: Michael Schellinck, Nanaimo Recycling Exchange

Regrets: J. Lekisch, W. Anderson, L. Mercer

Staff: B. Clemens, Director of Finance
 M. Tanner, Recording Secretary

1. DELEGATIONS: Mr. Michael Schellinck, Nanaimo Recycling Exchange (NRE)

Mr. Schellinck answered questions posed by Committee members:

- NRE's desire is to make the organization bigger and better; not to make more money, but to provide more access to recycling services to the community.
- The current site, at 1.25 acres, is too small. NRE has finalized the agreement to purchase neighbouring property at 2491 Kenworth and has purchased a 17,000 sq ft building to put on the new site.
- The past two years NRE was run in a way that allowed for saving for this expansion and the necessary infrastructure (fencing, paving, structures). Funding borrowed for the expansion is \$2,000,000, with monthly payments of \$14,000 commencing in December.
- NRE obtains staff through organizations such as John Howard, where individuals are required to perform Community Service.
- NRE also offers three month skill enhancement programs with organizations such as Food Share. Once the individual is finished the program and if there is an opening, they would love to have that trained individual continue to work for NRE.
- NRE has 22 paid staff: 5 staff in the market, 3 in the office, 2 educators/community liaison staff. Remaining staff work in the depot.
- NRE operates with approximately 1,200 volunteer hours/month.
- The Recycling Exchange has recently been informed that they will lose gaming revenue in the amount of \$35,000/year.
- Remaining funding for NRE is on the basis of tendered contracts such as with the City (the 3R's contract, complimenting curbside recycling programs offered by the City), in the amount of \$98,000/year.
- Finally, NRE also has a tendered contract with the Regional District of Nanaimo for Education Programs, a school-type service offered to School District 68 and 69 delivering one of eight workshops on topics such as conservation, composting, consumer to conserver, ecology etc.
- NRE does not compete with other businesses, as it does not provide collection services. Rather, it operates as a depot, known as an "MRF" Material Recovery Facility.
- NRE does not cater to commercial organizations, which other businesses do

Mr. Schellinck vacated the Boardroom at 9:40 a.m.

Committee members further discussed the application:

- Considering the new property purchase, would NRE return to the Committee in January for more money for 2011 taxes?
- B. Clemens responded that the property should not be taxable (to NRE) next year as the purchase is being structured in such a way that the permissive tax exemption will still apply.
- NRE has done a good job of fiscal management. However if this review were to occur in a few months' time, NRE would not be showing money in reserves.
- This review is for the 2012 – 2014 period, and on a long-term basis NRE would not be making money but breaking even.
- NRE provides services that the private business sector will not, as it is not profitable.

MOVED by D. Bonner, SECONDED by D. Burnett, that the Nanaimo Recycling Exchange remain on the City's Permissive Tax Exemption Bylaw for property it is purchasing at 2491 Kenworth Road, receiving exemption from taxes for the year 2012 and until the next review.

L. Avis stated she would not support the motion. Her concerns are the response to question no. 10 on the application (reduction in services, no landscaping at site, and reduction to recycling education programs) and her belief that these service reductions would not occur.

The Chair asked the recording secretary to record the vote: FOR – D. Johnstone, D. Bonner, D. Burnett, AGAINST – F. Tellier, L. Avis, NO VOTE – J. Neville.

B. Clemens advised the Committee that according to Robert's Rules of Order, if one does not vote it is taken to be a vote in favor of the motion and the only way one can truly abstain from voting is to not attend the meeting. JOHN NEVILLE'S 'NO' VOTE WAS RULED TO BE 'IN FAVOUR' AND THE MOTION PASSED 4 TO 2.

2. APPLICATIONS:

RPTE-08

Nanaimo Region John Howard Society

F. Tellier informed the Committee that the Nanaimo Region John Howard Society plans to vacate the premises it leases from the City at 437 Wesley Street in 2011, but the Society will submit an application for a Permissive Tax Exemption at a new location for the year 2012 on.

F. Tellier and J. Neville vacated the Board Room due to a conflict of interest.

MOVED by D. Bonner, SECONDED by L. Avis that the Nanaimo Region John Howard Society remain on the City's Permissive Tax Exemption Bylaw for property it: a) leases from the City at 437 Wesley Street (even though the Society has plans to vacate this location in 2011), and b) owns at 2227 McGarrigle Road and 961 Haliburton Street, receiving exemption from taxes for the year 2012 and until the next review. THE MOTION CARRIED.

F. Tellier and J. Neville returned to the Board Room.

RPTE-09

Nanaimo Women's Resources Society

D. Bonner questioned why the Municipal Tax portion of 2011 taxes for this property is more than that for the Nanaimo Region John Howard Society.

B. Clemens replied that it was most likely due to the assessment class of the properties: the John Howard properties would likely be assessed as Residential whereas the Women's Resources Society property was likely assessed as Commercial.

MOVED by F. Tellier, SECONDED by D. Bonner that the Nanaimo Women's Resources Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from Louise Fell at 285 Selby Street, receiving exemption from taxes for the year 2012 and until the next review. THE MOTION CARRIED.

RPTE-10

Royal Canadian Air Force Assoc. 808 (Thunderbird) Wing

It was noted that this organization is struggling financially and if the trend continues, the organization could be gone within a few years.

D. Bonner asked anyone if they were aware whether the part of the building the organization uses for a bar is included in the request.

B. Clemens replied that this would have to be looked into further and reviewed against the Bylaw.

MOVED by L. Avis, SECONDED by J. Neville, that the Royal Canadian Air Force Association 808 (Thunderbird) Wing remain on the City's Permissive Tax Exemption Bylaw for property it leases from the Crown at 901 Fifth Street, receiving exemption from taxes for the year 2012 and until the next review, with the recommendation that the Association look into other funding opportunities, such as the United Way, in order to continue operations and achieve success. THE MOTION CARRIED.

RPTE-11

Columbian Centre Society

The purpose of this society is to provide housing and support services for individuals with psychiatric disabilities who are unable to live independently and yet cannot stay in Psychiatric Wards of the hospital. The Society receives funding from the Vancouver Island Health Authority for its programs and collects rent from its residents, as determined by the Ministry of Housing and Social Development shelter allowance for Persons with Disabilities.

D. Johnstone asked whether this could be considered as another case of downloading from the Provincial Government. F. Tellier replied that in her opinion it was. D. Bonner pointed out that this Society has been on the Permissive Tax Exemption Bylaw for a long time and as such, he does not believe this application to be a result of recent provincial 'downloading'.

J. Neville questioned the surplus showing on the financials; F. Tellier explained that this represented funds put away for future expansion.

J. Neville replied that if this application were approved, and due to the concern about downloading, the Committee should consider recommending that taxes be included in the society's budget and should be paid by the provincial government.

MOVED by F. Tellier, SECONDED by L. Avis, that the Columbian Centre Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 2330/2332 Brackenwood Place and 3793 Norwell Drive and for property it leases from Knights Mid Island Charitable Society at 2360 Rosstown Road, receiving exemption from taxes for the year 2012 and until the next review with the recommendation that the Society include taxes in its operating budget in their application for funding to the Vancouver Island Health Authority. THE MOTION CARRIED.

The Committee further recommended:

- All letters sent to applicants contain the statement that receiving a Permissive Tax Exemption is not a guarantee and that organizations should be looking at other funding alternatives.
- In three years time, the new Review Committee should examine the minutes and Council Report put forward by this Committee, to ensure continuity in thought and process.

RPTE-12

Nanaimo Association for Community Living

D. Bonner stated that this Organization is mandated by the government to carry a surplus for various things such as repairs. He continued that there may not be a demonstration of financial need by this organization, but the services provided by this Organization to mentally and/or developmentally challenged members of society is needed and if the application were to be denied, the Organization would no longer be able to provide those needed programs.

J. Neville stated this is a classic example of government downloading and that these services were 100% funded and is a pure extension of services that were provided by the Provincial Government 15 years ago.

F. Tellier suggested writing a letter to the government, expressing the Committee's concerns about provincial downloading of responsibility.

B. Clemens advised that the Committee could make a recommendation to Council to write a letter to the government. He reminded the Committee that many organizations are nearly 100% funded by the government and also stated that most federally and provincially owned properties are not taxable; most pay 'Taxes in Lieu' of taxes, but are not required to do so.

D. Burnett suggested that the recommendation to Council to write a letter to the government wait until the entire review process is completed.

MOVED by F. Tellier, SECONDED by D. Burnett, that the Nanaimo Association for Community Living remain on the City's Permissive Tax Exemption Bylaw for property it owns at 83 Victoria Crescent, receiving exemption from taxes for the year 2012 and until the next review. THE MOTION CARRIED.

RPTE-13 Pleasant Valley Social Centre

J. Neville asked why this property was under consideration.

B. Clemens advised that this organization has been on the City's Permissive Tax Exemption Bylaw for many years, going back to when the City and Regional District of Nanaimo amalgamated. Pleasant Valley Social Centre services the community; an extension of the City's recreation facilities.

D. Bonner asked why the property is not owned by the City, to which B. Clemens responded that the City's costs to operate the facility would be more.

MOVED by D. Burnett, SECONDED by L. Avis, that the Pleasant Valley Social Centre remain on the City's Permissive Tax Exemption Bylaw for property it owns at 6006 and 6100 Doumont Road, receiving exemption from taxes for the year 2012 and until the next review. THE MOTION CARRIED.

3. NEXT MEETING DATE:

The next meeting of the Grants Advisory Committee Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, November 17, in the City Hall Boardroom, 455 Wallace Street.

4. ADJOURNMENT:

MOVED by L. Avis, SECONDED by F. Tellier, to adjourn the meeting at 10:50 a.m. THE MOTION CARRIED.

MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
November 17, 2010, 9:00 a.m.

Present: Councillor D. Johnstone, Chair F. Tellier (9:27 a.m.)
 J. Neville D. Burnett
 D. Bonner L. Avis

Delegation: Ms. Joan Westman deCarle, Ms. Lynde Webster and Ms. Karen Hansson,
Options for Sexual Health (Nanaimo)

Regrets: J. Lekisch, W. Anderson

Staff: B. Clemens, Director of Finance
 L. Mercer, Acting Manager, Revenue Services
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

MOVED by D. Bonner, SECONDED by D. Burnett, that the minutes from the November 10th 3 Year Permissive Tax Exemption meeting be adopted as amended (with L. Avis replacing D. Burnett as stating comments in the motion regarding the Nanaimo Recycling Exchange Society). CARRIED.

Staff clarified questions raised at the previous meeting:

- The 808 Thunderbird Wing is not being taxed on any part of the property, including the bar.
- The vacant property owned by the Pleasant Valley Social Centre at 6006 and 6100 Doumont Road is treed.

MOVED by D. Bonner, SECONDED by D. Burnett, that the minutes from the October 13, 2010 Regular meeting of the Grants Advisory Committee be adopted. CARRIED.

2. DELEGATIONS: Ms. Joan Westman-deCarle, Ms. Lynde Webster and Karen Hansson, all representatives of Options for Sexual Health, were in attendance to answer questions.

Representatives stated:

- Each community has a separate clinic within the province.
- The Nanaimo clinic has been in existence for 30 years.
- They provide sexual and reproductive health services to anyone. They promote health and education and specialize in birth control.
- Nurses are all certified and can undertake various examinations.
- Each clinic is provided an allocation of funding to cover wages, with monies remaining in the community.
- Revenues from the sale of birth control products are directed to this clinic.
- Nanaimo is the largest clinic within the province.
- The clinic only deals with people in this community, with the target age being 25 years.

- The Nanaimo clinic is the only clinic specializing in sexual and reproductive health.
- The clinic is Pro Choice and staff takes great measures to counsel individuals on choices. They also do extensive referrals.
- The education program here in Nanaimo is also the province's largest.
- Many of their clients are long-term clients.
- Nanaimo is the only clinic open 5 days per week.
- The clinic does operate with volunteers, with those volunteers receiving considerable training. The clinic uses volunteers who are training in the medical field such as interns and nurses.
- The clinic does receive funding from the School District for education in the schools, but in addition to gaming revenue, there are not enough funds to cover needs.
- The Board is a provincial board, but there is a director from the City of Victoria on the Board.
- There used to be a Board in Nanaimo, but now the branch is staff-run.
- Payroll and administration work is done in Vancouver.

The delegation departed the Boardroom.

Committee members noted the following:

- The United Way grants this organization money, and the United Way has a very vigorous screening program.
- The United Way has been supporting this agency for a long time and that its merits have been vetted by the United Way's Impact Council.
- Services provided by Options for Sexual Health were not provided by any other organization in the community.

MOVED by D. Bonner, SECONDED by J. Neville, that Options for Sexual Health remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 206-285 Prideaux Street, receiving exemption from taxes for the year 2012 and until the next review.

3. APPLICATIONS:

RPTE-14

Nanaimo 7-10 Club Society

Committee members reviewed the financial information provided by the Society.

B. Clemens stated that the Society has been encouraged to approach the Social Planning Advisory Committee for funding in 2011 rather than the Grants Advisory Committee.

MOVED by J. Neville, SECONDED by L. Avis, that the Nanaimo 7-10 Club Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 205 – 285 Prideaux Street, receiving exemption from taxes for the year 2012 and until the next review.

RPTE-15 Vancouver Island Symphony

L. Avis vacated the room due to a conflict of interest.

- Committee members asked staff to clarify what funding the Symphony received from the City of Nanaimo.
- The Symphony appeared before the Parks, Recreation & Culture Commission requesting that monies granted to them become a budget line item. This request was denied by the Commission.
- Members expressed concern at the amount of money the City already provides the Symphony. Some members felt the Symphony could afford to pay taxes and they could possibly look at increasing membership fees by as little as \$1.00.
- The Symphony had stated that they would need to vacate the premises leased from the City if they did not receive a permissive tax exemption.
- The economic benefit an organization provides to the City of Nanaimo should be considered when determining whether or not an organization should, in fact, be awarded a permissive tax exemption.
- It was noted that the Symphony has a (\$5,000) net bank balance.
- Members asked whether permissive tax exemptions could be reviewed annually.
- Staff confirmed that the Committee could ask Council for the authority to review permissive tax exemptions on an annual basis.
- Committee members felt that any correspondence to organizations receiving a permissive tax exemption should clearly state that permissive tax exemptions will be reviewed on a regular basis.
- Members would like to see organizations include the permissive tax exemptions in their budgets.

B. Clemens read the following statement from Council Policy (included as part of the Budget Bylaw):

Council deems permissive tax exemptions as an appropriate way to support and recognize community organizations that provide service to the community....

B. Clemens mentioned the fact that a few years prior, a Permissive Tax Exemption Review Committee was struck to review these very same issues this Committee is struggling with. Three Councillors formed part of the Committee – Merv Unger, Joy Cameron and Bill Holdom. The Permissive Tax Exemption Review Committee attempted to balance the issues with political reality. The end result of this review was status quo.

MOVED by D. Bonner, SECONDED by F. Tellier, that the decision on whether to award the Vancouver Island Symphony a permissive tax exemption be tabled until staff can confirm and clarify what grant monies the Symphony receives from the City of Nanaimo. CARRIED.

L. Avis returned to the Boardroom.

RPTE-16 Loaves & Fishes Food Bank

MOVED by D. Bonner, SECONDED by F. Tellier, that the Loaves & Fishes Foodbank Foundation remain on the City's Permissive Tax Exemption Bylaw for property it owns at

1009 Farquhar Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-17

Tillicum Haus Society/Tillicum Lelum Aboriginal Society

- It was noted that the taxes at Haliburton Street were assessed as Commercial class.
- The taxes on the Tenth Street property will be considerably higher when the new building (currently under construction) was complete.
- Members noted that the amount of tax exemption received in comparison to the number of clients served was high.

MOVED by F. Tellier, SECONDED by L. Avis, that the Tillicum Haus Society and Tillicum Lelum Aboriginal Society remain on the City's Permissive Tax Exemption Bylaw for property the societies own at 602 Haliburton Street (Tillicum Haus Society), 927 Haliburton Street and 477/479 Tenth Street (Tillicum Lelum Aboriginal Society), receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-18

Canadian Mental Health Association

- The Nanaimo Branch of the Canadian Mental Health Association is an agency within a larger agency, similar to Options for Sexual Health who appeared as a delegation on today's agenda.
- The Association was applying for a permissive tax exemption for the 'Clubhouse' at 1045 Terminal Avenue.
- The 'Clubhouse' offers lunches and programming on a drop-in basis.
- The Association does own other property, and it does pay taxes on those properties.

MOVED by D. Burnett, SECONDED by F. Tellier, that the Canadian Mental Health Association remain on the City's Permissive Tax Exemption Bylaw for property it leases at 1045 Terminal Avenue North, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-19

Theatre One

D. Bonner vacated the room due to a conflict of interest.

- Theatre One states that if they do not receive a permissive tax exemption, they would have to vacate the premises.
- Members were aware that the organization has been going through difficult times and there have been problems with its Board of Directors.
- The Parks, Recreation & Culture Commission has interviewed this group in the past.
- The organization experienced a deficit in 2009 and expects a deficit for 2010.
- Theatre One is in receipt of a 3 year Operating Grant from the Parks, Recreation & Culture Commission.

- Members were aware that Theatre One cancelled half of its season last year due to lack of funding, and that the organization is hanging on by its shoestrings.
- This organization may need to be reviewed next year (still in operation?)

MOVED by J. Neville, SECONDED by F. Tellier, that Theatre One remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 4-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

D. Bonner returned to the Boardroom.

RPTE-20 Canadian Red Cross -- BC coastal Region -- Nanaimo Branch

MOVED by D. Burnett, SECONDED by F. Tellier, that the Nanaimo Branch of the Canadian Red Cross-BC Coastal Region remain on the City's Permissive Tax Exemption Bylaw for property it leases at 2-2525 McCullough Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-21 Nanaimo Curling Club

Councillor Johnstone vacated the room.

- The City provides the premises at 100 Wall Street rent-free in addition to providing a permissive tax exemption. The total bill is almost \$50,000.
- Some members thought this venture similar to a private golf course or bowling alley.
- It was noted that a membership increase of just \$17.00 per member would pay for the taxes.
- D. Bonner did some research on curling clubs and can advise that Nanaimo's curling club membership fees are low compared to the rest of Canada. Fees ranged from \$400.00 to some tiny communities having fees of \$200+, with typical membership being in the range of \$500/year.
- Committee members working for the BC Senior Games stated they did not receive cooperation from the Nanaimo Curling Club during the games.
- The Curling Club has stated that it would liquidate its membership should it not receive a permissive tax exemption.

Committee members had questions regarding the financial information provided by the Curling Club. Namely, what the building costs represented, when the lease expires, etc. Questions also arose as to how to compare the Curling Club to other groups and enterprises within the City such as the Port Theatre Society, Double H Holdings (Pitch & Putt at Beban Park), McGirr Sports Society, the Nanaimo Yacht Club, the tennis club at Westwood Lake, etc.

It was noted that the Nanaimo Curling Club earns considerable revenue from the sale of sporting equipment, catering, coffee shop enterprise, etc.

B. Clemens stated that previous Grants Committees have struggled with deciding on whether or not to provide a permissive tax exemption to the Curling Club, and that the decision to tax the lounge was a compromise.

MOVED by D. Burnett, SECONDED by D. Bonner, to table a vote on the application from the Nanaimo Curling Club until such time that questions posed by the Committee in today's meeting can be answered by staff. CARRIED.

Councillor Johnstone returned to the Boardroom.

RPTE-22 Mid Island Intergroup Society

- Many members were not aware of how long this Society has been receiving an exemption.
- Does this society have any relationship with the Edgewood Foundation?
- The Society operates an office out of the Community Services Building on Prideaux Street.
- This Society has not applied for any other grants.
- It was noted the Society operates on a very tight budget and are 'in the hole'.
- The Society does provide a service.

MOVED by D. Burnett, SECONDED by D. Bonner, that the Mid Island Intergroup Society remain on the City's Permissive Tax Exemption Bylaw for property it leases at 212-285 Prideaux Street, receiving exemption from taxes for the year 2012 and until the next review, with the recommendation going forward from the Committee that the Society approach the Edgewood Foundation for funding. CARRIED

RPTE-23 McGirr Sports Society

- The City owns the land and the Society takes care of the land, with the City of Nanaimo contributing approximately \$110,000 per annum to maintain the fields.
- It was recognized that if the City of Nanaimo maintained the sports fields, it would cost more than what it currently does.

MOVED by L. Avis, SECONDED by F. Tellier, that the McGirr Sports Society remain on the City's Permissive Tax Exemption Bylaw for property it leases and maintains for the City at 6175 McGirr Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-24 St John Ambulance

- Members noted that St. John Ambulance makes a lot of money.
- Some members considered moving to deny a permissive tax exemption as this is an enterprising society that charges a fee for service and they make a lot of money.
- It was noted that last year's surplus did not appear in the bank account. Questions arose regarding the financial statements.

MOVED by F. Tellier, SECONDED by L. Avis, that St. John Ambulance be denied a permissive tax exemption, as they are an enterprising society charging for service and they earn considerable revenue doing so.

MOTION WITHDRAWN AND AMENDED: MOVED by F. Tellier, SECONDED by L. Avis, that representatives of St. John Ambulance be invited to appear at a meeting to answer questions posed by the Committee. CARRIED.

RPTE-25 Nanaimo Foodshare Network Society

- Members noted that the Society did not record the permissive tax exemption it receives in the Society's budget.
- It was recognized that most organizations are not sophisticated enough to record the exemption appropriately in their financial information.

MOVED by L. Avis, SECONDED by F. Tellier, that the Nanaimo Foodshare Network Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 271 Pine Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

4. ONGOING POLICY DISCUSSION:

The Committee did not have opportunity to discuss this agenda item.

5. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, November 24, in the City Hall Boardroom.

F. Tellier advised that she is scheduled to be away next week. J. Neville was not sure at this point in time whether or not he would be able to attend. J. Lekisch will likely still be unavailable, but it was determined that the Committee should have a quorum.

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MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
November 24, 2010, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis

Delegation: Ms. Junko Sakamoto, Executive Director, Assembly of BC Arts Councils

Regrets: J. Lekisch, W. Anderson, F. Tellier, J. Neville,

Staff: B. Clemens, Director of Finance
 L. Mercer, Manager, Revenue Services
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

B. Clemens explained the new format for Committee minutes. Minutes from the first two meetings will be redone in the new format and presented to the Committee for re-adoption.

Minutes from the November 17, 2010 meeting were on the agenda but could not be adopted as it was determined that the Committee did not have a quorum.

2. DELEGATIONS: Ms. Junko Sakamoto, Executive Director for the Assembly of BC Arts Councils was in attendance to answer questions pertaining to the Society's application (RPTE-02)

Ms. Sakamoto stated:

- They are a province-wide non-profit organization.
- The Society's primary goal is to service Arts Organizations through education and advocacy.
- They have developed kits on how to meet with MLAs and they assist other groups to prepare packages for funding.
- Staff attends financial meetings around the province and work closely with the provincial government.
- Issues are province-wide, and include gaming cuts.
- They are noting a lot of their members either closing their doors or moving towards volunteers only.
- The Assembly of BC Arts Councils currently has 3 fulltime paid staff, 2 auxiliary on contract and some sub-contractors. She has sometimes been the only paid staff member.
- The Society has a working board of 12-15.
- As they are located in Nanaimo, they work closely with Nanaimo groups.
- Their organization could work elsewhere and at one time used to exist in Parksville.
- It would be difficult to operate without a grant; as they are a non-profit organization relying on grant monies, it is always a struggle.

- They support the Centre for the Arts Nanaimo (CAN) and rent out three office spaces in the building.
- The location provides a benefit for CAN to share ideas back and forth.
- The Society just received a \$40,000 provincial grant in order to partner with other local groups for an event (2011 February Spirit Festival) and is currently waiting to do a cheque distribution to the Nanaimo Arts Council.
- The Society's website and print costs are quite substantial.

Ms. Sakamoto departed the Boardroom.

Committee members noted the following:

- The Assembly of BC Arts Councils could work its budget to justify the amount of taxes.
- As the Society occupies space in the CAN building, it would be difficult to grant a permissive tax exemption to one group and not to another.
- Though the permissive tax exemption was only \$284.00 per year, every small amount adds up.
- The principle of the CAN building is to house all arts groups together.
- This is the parent organization for all arts councils in British Columbia, who just happen to have their head office here.

This application will be tabled for further discussion and voting until such time the Committee has a quorum.

3. APPLICATIONS:

RPTE-26

Tourism Nanaimo

- This organization could be in transition by 2012 as they are looking for a new location.
- Staff clarified that if Tourism Nanaimo did move, they would need to submit a new application for permissive tax exemption.
- Tourism Nanaimo does currently receive a permissive tax exemption of approximately \$5,500.00; however they do pay the City rent of \$27,000 per year.
- The City of Nanaimo acts as a landlord and undertakes necessary repairs and maintenance to Beban House.
- If the building were not occupied, it would not be taxable; however, if another tenant moved in, we would be going through the same exercise.
- It was noted that salaries and wages are high and that the organization does not run any programs.
- This organization receives a lot of money, including \$310,000 from the City.
- The permissive tax exemption is in addition to the \$310,000 the City give Tourism Nanaimo.
- The City has had an agreement with Tourism Nanaimo since 1986. Tourism Nanaimo operates and reports back to the City of Nanaimo. The organization needs to provide monthly financial information to City staff.

- A review of how this organization operates is currently underway. A Committee has been struck to review this line item grant.
- Tourism Nanaimo provides visitor services to people visiting Nanaimo, whereas advertising Nanaimo as a destination is done by the City's Economic Development Department.
- Some members were of the opinion that Tourism Nanaimo does not fit the criteria; that it provides a service to businesses and, based on this, business should pay.
- Tourism Nanaimo and the Chamber of Commerce compete for business.
- Tourism Nanaimo promotes a business more if the business provides Tourism Nanaimo with more money.
- Would it be possible for a portion of a business license fee to be directed towards Tourism Nanaimo?
- Staff confirmed that provincial legislation does not allow for a business license fee to cover anything other than administration costs for having licensing in place.

Committee members in attendance recommended that Tourism Nanaimo be invited to appear as delegation to answer questions posed by the Committee.

This application was tabled for further discussion and voting until such time the Committee has a quorum.

RPTE-27 Mid-Island Science & Technology Innovation Council

Committee members in attendance recommended that representatives of Mid-Island Science & Technology Innovation Council be invited to appear as delegation to answer questions posed by the Committee.

4. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, December 1, in the City Hall Boardroom.

5. ADJOURNMENT:

The Committee adjourned at 10:00 a.m.

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MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
December 1, 2010, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis
 W. Anderson J. Neville
 F. Tellier

Delegation: Ms. Carolyn Tatton, Executive Director, Mid-Island Science, Technology & Innovation Council

Regrets: J. Lekisch

Staff: B. Clemens, Director of Finance
 L. Mercer, Manager, Revenue Services
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

MOVED by D. Bonner, SECONDED by J. Neville, that the minutes from the November 24, 2010 3 Year Permissive Tax Exemption Review meeting be adopted. CARRIED.

2. DELEGATION: Ms. Carolyn Tatton, Executive Director for the Mid-Island Science, Technology & Innovation Council was in attendance to answer questions pertaining to the Society's application (RPTE-27).

Ms. Tatton stated:

- The non-profit society supports businesses involved in science and technology, by offering free business coaching sessions and access to outside funding sources.
- There is 100 different ways the Society works to support business.
- They also offer a Science in School Program.
- MISTIC is working on its second innovation tradeshow in addition to an investor-ready forum for business growth and expansion.
- Its annual awards night is a prestigious affair, with many dignitaries in attendance.
- They are awaiting release of WD (Western Diversification) funds that will enable them to provide additional programs and science outreach.
- The Society spent more than it secured in outside funding in 2009, with MISTIC covering the shortfall.
- Last year, the Society earned approximately \$60,000 in corporate sponsorships.
- They do not charge a membership fee, as they do not wish to compete with other organizations that do charge a fee (i.e. Chambers of Commerce).
- Charging a fee for membership or service would eliminate clients that need the services, as many start-up businesses cannot afford to pay for the service.
- It would take a full time staff person to administer and manage memberships.
- Their group is the only one in BC that offered a First Nations Indigenous showcase.

- Last year they offered business coaching to 160 clients.
- Federal funds were applied to developing webinars for business coaching.
- MISTIC's budget for next year includes \$60,000 in funding from the National Research Council, \$170,000 from the BC Innovation Council, with the Federal Western Diversification 3-year contract matching the \$170,000 received from the Province's BC Innovation Council.
- They have secured two investors to work with MISTIC.
- They have a staff of 3, with 5 business coaches working on contract.
- Safe to say that at least 50% of clients are from Nanaimo.
- In last year's trade show, 40% of the exhibitors and 54% of attendees were from Nanaimo.
- 9 of 14 recent awards recipients were from Nanaimo and Nanaimo is seen as fourth in the province as leaders in technology.
- The Society does not include taxes into its budget, and they received a surprise last year when they were informed that they would need to apply for a permissive tax exemption and risk being turned down.
- Science World would not come into local schools without MISTIC, as Science World's funding was cut and they only go to 8 communities a year.
- MISTIC paid Science World \$10,000 to appear in Nanaimo.
- If MISTIC were not to receive a permissive tax exemption, they would need to secure another corporate sponsor, look for additional grant money, or cut staff.
- Staff did work a four day work week earlier this summer to reduce wage costs.
- They have applied for other grant funding, but so far have been turned down.
- Office expenses jumped 60% last year because of the Society's relocation.
- Our region has the highest decrease in enrolment in math and science programs, which is why they really focus on their Science Outreach Program.
- The School District does not contribute to funding this program, though it does offer in-kind funding through provision of rooms.
- They have applied to various universities, Microsoft and Apple, though it is difficult to secure funding from universities, particularly off-site ones.
- They do partner with Vancouver Island University and North Island Community College for the awards night.
- Work is underway to secure funding for a Big-Little Science Centre in Nanaimo within John Barsby School, providing web links to Prince George's Big-Little Science Centre.
- The Society's community contribution to Nanaimo residents is through individual Science Outreach Programs in the schools and in the economic spinoff from business.
- MISTIC has \$29,000 in cash and will ensure this year's budget is a balanced one.
- The Board has just formed a new Committee to look at alternate funding sources.
- They have not applied to the United Way for funding, as they are not a charitable organization.

D. Bonner suggested to Ms. Tatton that MISTIC could work in conjunction with other non-profit groups in Nanaimo that were charitable organizations, and that these charitable organizations could apply for funding through the United Way.

Ms. Tatton replied that she would take this suggestion forward. Ms. Tatton departed the Boardroom at 9:40 a.m.

Committee comments included:

- This was a business-related function.
- Council policy states that organizations are to provide services to the residents of Nanaimo, but that policy does not state what these services are (ambiguous).
- The Committee would like to see Council establish better guidelines and criteria with respect to 'services'.
- Organizations should show the taxes in their budgets.

Following a question posed by the Committee, B. Clemens will check to ensure that Parks, Recreation & Culture lease and occupancy agreements contain a clause stating that taxes are to be paid by the lessee or occupant.

MOVED by J. Neville, SECONDED by F. Tellier, that the Mid-Island Science, Technology & Innovation Council remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 3-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

3. APPLICATIONS AWAITING A VOTE:

RPTE-02

Assembly of BC Arts Councils

MOVED by D. Bonner, SECONDED by W. Anderson, that the Assembly of BC Arts Councils remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 5-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-15

Vancouver Island Symphony

L. Avis departed the Boardroom at 10:00 a.m., not returning due to another commitment.

Committee members noted the fact that the Vancouver Island Symphony receives annual contributions from the City in the amount of \$60,000. This was a consideration in the Committee's deliberations.

MOVED by D. Bonner, SECONDED by F. Tellier, that the Vancouver Island Symphony remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 7-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-21

Nanaimo Curling Club

D. Johnstone departed the Boardroom at 10:01 a.m., leaving D. Burnett as Chair.

MOVED by B. Anderson, SECONDED by J. Neville, that the Nanaimo Curling Club remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 100 Wall Street, receiving exemption from taxes for the year 2012 and until the next review.

Discussion:

- Some members wanted to see this organization weaned off of the tax exemption.
- The same benefit is not provided to bowling alleys or golf clubs within Nanaimo.
- Staff believes that if this facility was not run by the Curling Club, it would be run by the City.
- The Club provides services to an exclusive number of individuals in the community.
- A mere \$14.00 increase in membership fees would cover the taxes.

The motion on the floor was WITHDRAWN.

Committee members recommended that representatives from the Nanaimo Curling Club and Mr. Richard Harding, Director of Parks, Recreation & Culture Department, be invited to appear as delegations at a future Permissive Tax Exemption Review meeting to answer questions posed by the Committee.

4. APPLICATIONS NOT YET DISCUSSED:

RPTE-28

Wellington Community Association

MOVED by D. Bonner, SECONDED by D. Burnett, that the Wellington Community Association remain on the City's Permissive Tax Exemption Bylaw for property it owns at 3922 and 3976 Corunna Avenue, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-29

Nanaimo & District Equestrian Association

- The Nanaimo & District Equestrian Association co-leases the property with the Vancouver Island Exhibition Society.
- This group is in transition.
- The Society is trying to raise money in conjunction with the City of Nanaimo in order to build an agridome-like building on site.
- The buildings currently on site are in ill repair.
- This association supports other groups in Nanaimo like dog agility, etc.
- All Nanaimo residents benefit from the Vancouver Island Exhibition.
- Some members felt that this situation was no different than the curling club (City lease for nominal fee, supporting an exclusive number of residents).

MOVED by W. Anderson, SECONDED by D. Bonner, that the Nanaimo & District Equestrian Association remain on the City's Permissive Tax Exemption Bylaw for property it co-leases from the City at 3-2300 Bowen Road, receiving exemption for the year 2012 and until the next review. CARRIED.

RPTE-30

Nanaimo Conservatory of Music

Committee members recommended that representatives from the Nanaimo Conservatory of Music be invited to appear at a future Permissive Tax Exemption Review meeting to answer questions posed by the Committee.

RPTE-31

Central Vancouver Island Multicultural Society

- This organization has made almost \$300,000 profit over the last two years.
- Once again, the Committee struggled in determining the application of the criteria for demonstrated financial need and supporting organizations that provide service to the community.

Committee members recommended that representatives from the Central Vancouver Island Multicultural Society be invited to appear at a future Permissive Tax Exemption Review meeting to answer questions posed by the Committee.

RPTE-32

Nanaimo FOS Non-Profit Housing Society

- The Society's assets reside primarily with the land and buildings.
- Noted the Society had paid off the original building at Seafield Crescent in short order, but now have ongoing repairs and maintenance.
- The property at 505 Albert Street was just purchased by the Society in September 2010 and is not on the current Permissive Tax Exemption Bylaw.

MOVED by W. Anderson, SECONDED by F. Tellier, that the Nanaimo FOS Non-Profit Housing Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 1191 Seafield Crescent, at that the Society's newly acquired property at 505 Albert Street also be placed on this bylaw, receiving exemption for the year 2012 and until the next review. CARRIED.

MOVED by D. Bonner, SECONDED by D. Burnett, that the Nanaimo FOS Non-Profit Housing Society receive \$2,105.85 cash-in-lieu of permissive tax exemption, representing the proportionate share of 2010 taxes on property newly acquired by the Society at 505 Albert Street, with the letter going to the Society informing them that they will need to re-apply for a cash-in-lieu for 2011 taxes. CARRIED.

RPTE-33

Nanaimo Rowing Club

- The Nanaimo Rowing Club occupies a space at the boat house and another small storage building at the newly reconfigured Loudon Park.
- The Society co-leases space with the Canoe & Kayak Club, paying \$114.00/year for room rental and \$376.00/year for the boat house.
- This organization does reach out to the community.
- Was this seen as an extension of City services?
- Parks, Recreation & Culture's recent recognition and awards night had approximately 30 young rowers attend to receive awards. These rowers have brought recognition to the community.
- The organization works hard to fundraise and support youth.

MOVED by D. Burnett, SECONDED by F. Tellier. That the Nanaimo Rowing Club remain on the City's Permissive Tax Exemption Bylaw for property it co-leases from the City of Nanaimo at 4295 Victoria Avenue, receiving exemption for the year 2012 and until the next review. CARRIED.

RPTE-34

Boys & Girls Club of Central Vancouver Island

MOVED by F. Tellier, SECONDED by D. Burnett, that the Boys & Girls Club of Central Vancouver Island remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 1400 Cranberry Avenue and for property it owns at 20 Fifth Street, receiving exemption for the year 2012 and until the next review. CARRIED.

5. NEXT MEETING:

The next meeting of the Grants Advisory Committee's Permissive Tax Exemption Review is scheduled for 9:00 a.m. to 12:00 p.m., Wednesday, January 12th, 2011, in the City Hall Boardroom.

6. ADJOURNED:

MOVED by F. Tellier, SECONDED by W. Anderson, to adjourn the meeting at 10:55 a.m. CARRIED.

MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
January 19, 2011, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis
 W. Anderson J. Neville
 F. Tellier J. Lekisch

Regrets: L. Mercer, Manager, Revenue Services

Staff: B. Clemens, Director of Finance
 C. Knapp, Recording Secretary
 S. Samborski, Senior Manager, Recreation & Culture Services

1. APPROVAL OF MINUTES:

MOVED by J. Lekisch, SECONDED by F. Tellier, that the minutes from the October 13, 2010 Regular meeting of the Grants Advisory Committee be adopted as presented.
CARRIED.

D. Burnett stated that she would like it noted in the minutes from the December 1, 2010 Three-Year Permissive Tax Exemption Review Meeting that the Vancouver Island Symphony (application RPTE-15) already receives \$60,000 from the City of Nanaimo in funding and that this factor was considered in the Committee's deliberations.

MOVED by J. Lekisch, SECONDED by F. Tellier, that the minutes from the December 1, 2010 3 Year Permissive Tax Exemption Review Meeting be adopted as amended.
CARRIED.

2. INFORMATION ITEMS:

Received.

3. APPLICATIONS:

RPTE-35 Downtown Nanaimo Business Improvement Association

- This organization (at the time called Downtown Nanaimo Partnership Society) used to occupy space in the City-owned building at 150 Commercial Street.
- The Association relocated and applied for a permissive tax exemption for new leased premises at A10 Victoria Crescent.
- The Grants Advisory Committee's recommendation to deny the Association a permissive tax exemption was overturned by Council in October, 2009.

MOVED by D. Burnett, SECONDED by L. Avis for discussion purposes, that the Downtown Nanaimo Business Improvement Association be denied a renewal of its permissive tax exemption for property leased at A10 Victoria Crescent.

Members comments:

- The Association already receives some \$212,00 in grants funding from the City of Nanaimo.
- The Association receives support from over 700 businesses in addition to the City's support.
- Noted that the approximate 33-38% administration costs are extremely high.
- The Association benefits businesses and is for commercial gain.
- Recommended that before denying this application, the Committee should invite representatives of the Association to appear before the Committee to answer questions.

MOVED by L. Avis, SECONDED by D. Burnett, that representatives of the Downtown Nanaimo Business Improvement Area be invited to a future meeting of the Permissive Tax Exemption Review Committee to answer questions posed by Committee members. CARRIED.

RPTE-36 BC SPCA

- The Committee recalled that it had interviewed this organization last year and at the time was satisfied of the fact that monies remained in the community.

MOVED by L. Avis, SECONDED by F. Tellier, that the Nanaimo Branch of the BC SPCA remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 2200 Labieux Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-37 United Way Central & Northern Vancouver Island

Both D. Bonner and W. Anderson vacate the Boardroom.

MOVED by J. Lekisch, SECONDED by J. Neville, that the United Way Central & Northern Vancouver Island remain on the City's Permissive Tax Exemption Bylaw for property it leases at 3156 Barons Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

D. Bonner and W. Anderson return to the Boardroom.

RPTE-38 Nanaimo Theatre Group

L. Avis stated that she would support this application:

- The group is facing major renovations yet seldom asks for money.
- This group also assists other organizations by supplying its building to them.

Committee members discussed the concession located within the building:

- Similar organizations pay taxes on the square footage of a building occupied by a concession.
- The revenue generated by this particular concession is immaterial.
- The Airforce Squadron was also allowed a concession in its application.
- The application form for permissive tax exemptions should clearly ask whether an organization has a concession, what revenue from the concession amounted to, and the square footage of the concession as a percentage of the building's footprint.

Members further discussed:

- This organization is no different than other organizations that do not fully comprehend the benefit of the permissive tax exemption they receive.
- If organizations were made to include taxes in their budgets, they would have a better understanding of the benefit of the tax exemption provided by the City.
- When letters go out at the end of this process, members would like it mentioned that receiving a permissive tax exemption was not a 'given' and that organizations should strive to show taxes in their budgets.
- Recommended that a new application form for permissive tax exemption renewals be developed, with an additional question added: "How have you recognized the City's contribution over the last three years"?
- It was suggested that, instead of giving PTE's organizations be given cash grants each year and be required to pay their taxes.

B. Clemens stated:

- Many smaller organizations would not be sophisticated enough to include permissive tax exemptions in their budgets.
- The City publishes two advertisements annually identifying the dollar value of permissive tax exemptions received by an organization by the City of Nanaimo (municipal portion of foregone revenue). This information is available to the public.
- It would cost the City more to issue cheques directly to organizations for their taxes, as the total tax bill would have to be considered, and not just the municipality's portion of taxes.

MOVED by L. Avis, SECONDED by D. Burnett, that the Nanaimo Theatre Group remain on the City's Permissive Tax Exemption Bylaw for property it owns at 2373 Rosstown Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-39

Crisis Pregnancy Centre of Nanaimo Society

- This agency supports clients from Duncan to Bower (similar to the Haven Society's geographic area).
- The agency has never made application for funding to the United Way.
- The agency undertakes a lot of fundraising.
- The Society (in question 10) asks whether there are any additional funds they may apply for beyond the Grants in Aid program. C. Knapp will inform the Society of all available City grant funding.
- D. Bonner stated that as a representative of the United Way, he will contact this Society to inform them of funding options through the United Way.

MOVED by F. Tellier, SECONDED by D. Bonner, that the Crisis Pregnancy Centre of Nanaimo Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 1717B Kerrisdale Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-40 Nanaimo Search & Rescue Society

MOVED by D. Burnett, SECONDED by D. Bonner, that the Nanaimo Search & Rescue Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo and Regional District of Nanaimo at 195B Fourth Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-41 Nanaimo Family Life Association

- Some members questioned whether this could be deemed as downloading of provincial responsibility.
- This organization has always been non-profit, and has a lot of volunteers.
- Both VIHA and the federal government support the Association.

MOVED by D. Bonner, SECONDED by F. Tellier, that the Nanaimo Family Life Association remain on the City's Permissive Tax Exemption Bylaw for property it owns at 1070 Townsite Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-42 Island Crisis Care Society

MOVED by J. Lekisch, SECONDED by F. Tellier, that consideration of this application be deferred until additional budget information is received. CARRIED.

RPTE-43 Nanaimo Child Development Centre Society

MOVED by D. Bonner, SECONDED by F. Tellier, that the Nanaimo Child Development Centre Society remain on the City's Permissive Tax Exemption Bylaw for property the Society owns at 1135 Nelson Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-44 Nanaimo Canoe Kayak Club

It was noted that this club rents City owned premises in conjunction with the Nanaimo Rowing Club and that the Rowing Club's application had already been recommended for renewal.

MOVED by D. Burnett, SECONDED by D. Bonner, that the Nanaimo Canoe Kayak Club remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 4295 Victoria Avenue, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-45 Nanaimo Youth Services Association

- This organization has a substantial budget.
- Noted that the Association does list taxes in its budget.
- The Association is both provincially and federally funded.
- Noted that the School District does not contribute to this organization.
- The Association is in a deficit position and has demonstrated financial need.
- The Association serves a lot of residents in Nanaimo.

MOVED by D. Bonner, SECONDED by L. Avis, that the Nanaimo Youth Services Association remain on the City's Permissive Tax Exemption for property it owns at 290 Bastion Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-46 Nanaimo Art Gallery

- This group occupies space in the City-owned building at 150 Commercial Street.
- All other non-profit groups in this building have already been awarded a permissive tax exemption.

MOVED by D. Bonner, SECONDED by J. Lekisch, that the Nanaimo Art Gallery remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 2-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-47 Protection Island Lions Club

- This application was deemed similar to those of the Wellington and Pleasant Valley Community Associations.
- This group does a lot of good for the Islanders, in addition to providing monies to other agencies.
- The Club maintains the parks and beach area for the City.
- The Parks, Recreation & Culture Commission has supported many programs instituted by this organization.
- Taxes would be very high for the property, as it is waterfront property.

MOVED by F. Tellier, SECONDED by J. Lekisch, that the Protection Island Lions Club remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo at 208 Colvilleton Trail, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-48 CVI Centre for the Arts – Nanaimo

C. Knapp informed the Committee that while CVI Centre for the Arts still manages the City-owned building at 25 Victoria Road, it is now vacant as Theatre BC/BC Drama Association have vacated the premises.

D. Johnstone stated that this organization is in the process of applying for funding to repair the plumbing problem in the building.

B. Clemens advised that the City is committed to keeping 25 Victoria Road as an Arts Building.

MOVED by D. Bonner, SECONDED by D. Burnett, that CVI Centre for the Arts Nanaimo remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 1-150 Commercial Street and 25 Victoria Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-49 Nanaimo Christian School (1988) Society

Committee members discussed:

- Legislation regarding permissive tax exemptions.
- Whether this private school is accessible to all members of the community.
- What other private schools may be/are exempt.

MOVED by J. Neville for discussion purposes, SECONDED by L. Avis, that the Nanaimo Christian School (1988) Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 198 Holland Road. DEFEATED.

Further discussion:

- Clarified the school did, in fact, demonstrate financial need.
- Need to ascertain whether the school is accessible to all members of the community.

W. Anderson noted that Section 7 (e) in Council's Policy states:

- (e) the services should be used primarily by residents of the City of Nanaimo, and the organization's regulations must allow all Nanaimo residents to participate;

MOVED by J. Neville, SECONDED by L. Avis, that staff phone the Nanaimo Christian School to clarify whether the school and its services are accessible to all members of the community. CARRIED.

RPTE-50 Nanaimo Community Archives

MOVED by D. Bonner, SECONDED by F. Tellier, that Nanaimo Community Archives remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 9-150 Commercial Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

Remaining Applications:

MOVED by J. Neville, SECONDED by F. Tellier, that letters be sent to remaining organizations that have yet to submit an application for renewal of permissive tax exemption, informing them of a February 1, 2011 deadline and that they risk losing their exemption if applications are received after this date. CARRIED.

RPTE-21 Nanaimo Curling Club

Councillor Johnstone departed the Boardroom

B. Clemens welcomed S. Samborski, Senior Manager, Recreation & Culture Services, who will explain the relationship the Nanaimo Curling Club has with the City of Nanaimo.

S. Samborski stated:

- The Curling Club has a licence to operate the City-owned facility, at a cost of \$1.00/year.
- Curling rinks are historically are a money-losing venture.
- The Nanaimo Curling Club operates with a considerable number of volunteers.
- Union wages and off-season expenses would make this venture increasingly expensive for the City to operate.
- The City of Nanaimo has an optimum agreement with the Nanaimo Curling Club that is the envy of other municipalities.
- The Nanaimo Curling Club recently installed an elevator in the building with their own funds, other than a small grant contribution from the Parks, Recreation & Culture Commission.
- The City of Nanaimo would be hard-pressed not to offer curling in Nanaimo.
- Curling clubs across Canada typically struggle for members, as membership ebbs and flows following special events like the Olympics.
- The Nanaimo Curling Club attempts to get the younger crowd out through workshops in addition to hosting free workshops for adults.
- It would be tough for the City to make use of vacant rink space in the summer, as the City already experiences vacant space in other venues.
- The Nanaimo Curling Club does not apply for an operating grant.
- A *rough estimate* for the City to manage this facility would be in the range of \$250,000 - \$500,000/year.

Members commented:

- The Curling Club could generate enough money to pay taxes if they increased membership fees by as little as \$17/pp.
- Other sporting endeavours such as bowling alleys are not subsidized like curling.
- The CVI Multicultural Society is able to pay market value rent, so why not this club?

B. Clemens stated that providing recreational services is part of the core services of a municipality, whereas providing multicultural services is not.

J. Lekisch vacated the Boardroom. She wished to abstain from voting as she had not reviewed the application package.

MOVED by F. Tellier, SECONDED by J. Neville, that the Nanaimo Curling Club remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 100 Wall Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

Both D. Johnstone and J. Lekisch returned to the Boardroom.

4. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, January 26, 2011, in the City Hall Boardroom.

It is anticipated that the Committee will require two additional meetings, including the one above, to get through all remaining applications and delegations.

A separate meeting will be held to recap all the Committee's recommendations to Council regarding changes to policy and criteria.

Regular Meetings of the Grants Advisory Committee will return to the 3:00 p.m. time every third Wednesday of the month, commencing in March.

5. ADJOURNED:

MOVED by F. Tellier, SECONDED by J. Lekisch, to adjourn the meeting at 10:43 a.m.
CARRIED.

MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
January 26, 2011, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis
 W. Anderson J. Neville
 F. Tellier (9:12 a.m.) J. Lekisch

Regrets: L. Mercer, Manager, Revenue Services

Staff: B. Clemens, Director of Finance
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

MOVED by D. Burnett, SECONDED by L. Avis, that the minutes from the January 19, 2011 3 Year Permissive Tax Exemption Review meeting be adopted.

D. Burnett wanted to amend the minutes to include the statement that the Parks, Recreation & Culture Commission has supported several of the programs instituted by the Protection Island Lions Club (vs. the way the minutes read that the Protection Island Lions Club had appeared before the Parks, Recreation & Culture Commission – implying that they were continually asking for money).

MOVED by D. Burnett, SECONDED by L. Avis, that the minutes from the January 19, 2011 3 Year Permissive Tax Exemption Review Meeting be adopted as amended. CARRIED.

2. INFORMATION ITEMS:

Received.

RPTE-49 Nanaimo Christian School (1988) Society

B. Clemens reported that he had yet to make contact with representatives from the Christian School. He clarified that the footprint of the school's building was statutorily exempt (similar to churches). The Committee could choose to exempt the some 6.0 acres of land surrounding the building.

Committee members noted:

- The City does not spend money on the grounds. The grounds are maintained by the school and are used by others in the community.
- There are many programs operating on site that are accessible to all residents of Nanaimo.

MOVED by D. Burnett, SECONDED by W. Anderson, that the Nanaimo Christian School (1988) Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 198 Holland Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

3. THE GREAT SHAKEOUT BC:

Committee members joined City Hall staff by participating in Canada's largest earthquake evacuation drill.

4. DELEGATION FROM ST. JOHN'S AMBULANCE – RPTE 24:

Terra Skirrow, Branch Mgr., and Chris Chan, Regional Director of St. John's Ambulance, appeared as a delegation (10:10 a.m.) to answer questions posed by the Committee.

Mr. Chan stated:

- The Society does show a considerable amount of revenue from its business side.
- They are a unique nonprofit society that considers its volunteers as shareholders.
- The business function of the operation is to support its volunteers.
- The building is also utilized as a relief centre for emergency purposes.
- The Society offered a total of 10,000 volunteer hours last year, and treated 494 patients.
- Local events have to have First Aid attendants on site.
- If hourly fees were to be charged for attendants, organizations would be paying between \$24-\$30/hour for these services.
- With the economy in recovery from a recession, it would be difficult to increase revenues through the Society's business side.
- This is the Society's 100th year in Nanaimo.
- The Society did not hit its budget targets for 2010.

Ms. Skirrow stated:

- The Society does have another brigade in Duncan, but the majority of services offered are to residents of Nanaimo.
- Acknowledged that the Society does not show taxes in its budget, but could look at doing so in future.
- The Society is now focused on purchasing a new mobile for the Brigade.

The delegation vacated the Boardroom at 10:20 a.m.

Committee members noted:

- This Society has no money in the bank.
- Any surplus or deficit in the Society's budget is covered by the BC Region.
- This Society operates as an enterprising nonprofit. It is time to wean this organization off of its permissive tax exemption and treat it like a business.
- The services provided by the Society are essential.
- This organization operated on a 'shoestring' years ago, and as a result of a lot of work and many volunteer hours this Society is now one of the best in BC.

- MOVED by D. Burnett, SECONDED by D. Bonner, that the St. John's Ambulance Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 2250 Labieux Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

OG-01 NANAIMO VOLUNTEER & INFORMATION CENTRE SOCIETY

- This is a worthwhile organization to support and this is a significant event in the community.
- It is important to recognize the role volunteers play in the community.
- This organization has not applied for funding from the Parks, Recreation & Culture Commission this year.
- The Society did not apply for funding for this event in 2007 and 2008, though members were not sure whether or not the volunteer luncheon was held these years.
- Noted that in 2005 and 2006 the Grants Advisory Committee chose to fund ½ the cost of the facility rental.

CONTINUATION OF PTE REVIEW:

MOVED by W. Anderson, SECONDED by L. Avis, that the Island Crisis Care Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 355 Nicol Street and 880 Victoria Road, receiving exemption from taxes for the year 2012 and until the next review, and that the Society's newly acquired property at 870 Victoria Road also be placed on the City's 2011 Tax Exemption Bylaw, with the City paying cash in lieu 2011 property taxes, estimated to be \$1,258.00. CARRIED.

RPTE-51

VANCOUVER ISLAND EXHIBITION SOCIETY

This property is leased from the City of Nanaimo along with the Nanaimo & District Equestrian Association, for which the Committee has already recommended a renewal of permissive tax exemption.

Members noted:

- The VIEX wants to build an Agriplex on site in the future.
- The Parks, Recreation & Culture Commission has asked the Vancouver Island Exhibition Society to approach the Regional District of Nanaimo for funding.
- The Parks, Recreation & Culture Commission has also informed this Society that it would be in their best interest to hire a professional fundraiser. VIEX responded that they would change its fundraising endeavours.
- This Society has worked towards the creation of a community garden and has also provided assistance to the community by helping to design 'good housing' for chickens.

MOVED by F. Tellier, SECONDED by J. Lekisch, that the Vancouver Island Exhibition Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo with the Nanaimo & District Equestrian Association at 3-2300 Bowen Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-52

PROTECTION ISLAND RATEPAYERS ASSOCIATION

MOVED by D. Burnett, SECONDED by F. Tellier, that the Protection Island Ratepayers Association remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo and the Nanaimo Port Authority at 7A Pirates Lane, receiving exemption from taxes for the year 2012 and until the next review.

Discussion:

- The Association operates what is referred to as the 'community dock'.
- Noted in the financial statements that the Port Authority charges the Association moorage fees.
- Also noted the \$1,000 expense for directors' and officers' insurance. This is high in relation to the \$9,000 in expenses incurred by the Association.
- Is the City in effect subsidizing fees to moor a boat?
- The Parks, Recreation & Culture Commission has provided money to the Association for help with the erosion problem.
- Could the Association not look at an increase in fees to members?
- The dock is used by tourists, by the school bus and emergency vehicles, and by boats and barges dropping off supplies.
- No overnight moorage is permitted here.
- The City provides services to the residents of Protection Island, including garbage and bylaw services.
- It is technically possible for the City of Nanaimo to impose a local improvement levy to cover the permissive tax exemption, but staff doesn't know if this would be supported by Council.

- It may be that this used to be a government-run dock and that the government no longer wanted to maintain the dock and downloaded the responsibility to the City.
- The annual permissive tax exemption amount of approximately \$1,505.00 is a cheap price for the City to have the dock maintained.

THE MOTION CARRIED.

6. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, February 2, 2011, in the City Hall Boardroom.

7. ADJOURNED:

MOVED by D. Burnett, SECONDED by D. Bonner, to adjourn the meeting at 10:29 a.m.
CARRIED.

MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
February 2, 2011, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis
 W. Anderson

Regrets: F. Tellier, J. Neville, J. Lekisch

Staff: B. Clemens, Director of Finance
 L. Mercer, Manager, Revenue Services
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

MOVED by D. Burnett, SECONDED by L. Avis, that the minutes from the January 26, 2011 3 Year Permissive Tax Exemption Review meeting be adopted.

MOVED by, SECONDED by, that the minutes from the XXXXXX 3 Year Permissive Tax Exemption Review Meeting be adopted as amended. CARRIED.

2. INFORMATION ITEMS:

Received.

3. DELEGATION FROM DOWNTOWN NANAIMO BUSINESS IMPROVEMENT ASSOCIATION – RPTE 24:

Terra Skirrow, Branch Mgr., and Chris Chan, Regional Director of St. John's Ambulance, appeared as a delegation (10:10 a.m.) to answer questions posed by the Committee.

Ms. Hostetter stated:

- The Society does show a considerable amount of revenue from its business side.
- They are a unique nonprofit society that considers its volunteers as shareholders.
- The business function of the operation is to support its volunteers.
- The building is also utilized as a relief centre for emergency purposes.
- The Society offered a total of 10,000 volunteer hours last year, and treated 494 patients.
- Local events have to have First Aid attendants on site.
- If hourly fees were to be charged for attendants, organizations would be paying between \$24-\$30/hour for these services.
- With the economy in recovery from a recession, it would be difficult to increase revenues through the Society's business side.
- This is the Society's 100th year in Nanaimo.

- The Society did not hit its budget targets for 2010.

Ms. Skirrow stated:

- The Society does have another brigade in Duncan, but the majority of services offered are to residents of Nanaimo.
- Acknowledged that the Society does not show taxes in its budget, but could look at doing so in future.
- The Society is now focused on purchasing a new mobile for the Brigade.

The delegation vacated the Boardroom at 10:20 a.m.

Committee members noted:

- This Society has no money in the bank.
- Any surplus or deficit in the Society's budget is covered by the BC Region.
- This Society operates as an enterprising nonprofit. It is time to wean this organization off of its permissive tax exemption and treat it like a business.
- The services provided by the Society are essential.
- This organization operated on a 'shoestring' years ago, and as a result of a lot of work and many volunteer hours this Society is now one of the best in BC.
- Recognized that until the Committee sorts out the criteria for awarding of permissive tax exemptions (in particular those criteria around the matter of financial need), that the Committee did not feel it could deny this organization an exemption. Exemptions have already been granted to other organizations who did not have demonstrated financial need (i.e. Nanaimo Recycling Exchange).

MOVED by D. Burnett, SECONDED by D. Bonner, that the St. John's Ambulance Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City at 2250 Labieux Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

4. 2011 OTHER GRANT APPLICATION:

OG-01

NANAIMO VOLUNTEER & INFORMATION CENTRE SOCIETY

MOVED by D. Bonner, SECONDED by J. Lekisch, that the Nanaimo Volunteer & Information Centre Society receive an Other Grant in the amount of \$1,408.06 representing 'in-kind' funding for the rental of Beban Park for the Society's annual Volunteer Appreciation Luncheon.

Member comments included:

- This is a worthwhile organization to support and this is a significant event in the community.
- It is important to recognize the role volunteers play in the community.
- This organization has not applied for funding from the Parks, Recreation & Culture Commission this year.

- The Society did not apply for funding for this event in 2007 and 2008, though members were not sure whether or not the volunteer luncheon was held these years.
- Noted that in 2005 and 2006 the Grants Advisory Committee chose to fund ½ the cost of the facility rental.

THE MOTION CARRIED.

CONTINUATION OF PTE REVIEW:

RPTE-42 ISLAND CRISIS CARE SOCIETY

MOVED by W. Anderson, SECONDED by L. Avis, that the Island Crisis Care Society remain on the City's Permissive Tax Exemption Bylaw for property it owns at 355 Nicol Street and 880 Victoria Road, receiving exemption from taxes for the year 2012 and until the next review, and that the Society's newly acquired property at 870 Victoria Road also be placed on the City's 2011 Tax Exemption Bylaw, with the City paying cash in lieu 2011 property taxes, estimated to be \$1,258.00. CARRIED.

RPTE-51 VANCOUVER ISLAND EXHIBITION SOCIETY

This property is leased from the City of Nanaimo along with the Nanaimo & District Equestrian Association, for which the Committee has already recommended a renewal of permissive tax exemption.

Members noted:

- The VIEX wants to build an Agriplex on site in the future.
- The Parks, Recreation & Culture Commission has asked the Vancouver Island Exhibition Society to approach the Regional District of Nanaimo for funding.
- The Parks, Recreation & Culture Commission has also informed this Society that it would be in their best interest to hire a professional fundraiser. VIEX responded that they would change its fundraising endeavours.
- This Society has worked towards the creation of a community garden and has also provided assistance to the community by helping to design 'good housing' for chickens.

MOVED by F. Tellier, SECONDED by J. Lekisch, that the Vancouver Island Exhibition Society remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo with the Nanaimo & District Equestrian Association at 3-2300 Bowen Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-52 PROTECTION ISLAND RATEPAYERS ASSOCIATION

MOVED by D. Burnett, SECONDED by F. Tellier, that the Protection Island Ratepayers Association remain on the City's Permissive Tax Exemption Bylaw for property it leases from the City of Nanaimo and the Nanaimo Port Authority at 7A Pirates Lane, receiving exemption from taxes for the year 2012 and until the next review.

Discussion:

- The Association operates what is referred to as the 'community dock'.
- Noted in the financial statements that the Port Authority charges the Association moorage fees.
- Also noted the \$1,000 expense for directors' and officers' insurance. This is high in relation to the \$9,000 in expenses incurred by the Association.
- Is the City in effect subsidizing fees to moor a boat?
- The Parks, Recreation & Culture Commission has provided money to the Association for help with the erosion problem.
- Could the Association not look at an increase in fees to members?
- The dock is used by tourists, by the school bus and emergency vehicles, and by boats and barges dropping off supplies.
- No overnight moorage is permitted here.
- The City provides services to the residents of Protection Island, including garbage and bylaw services.
- It is technically possible for the City of Nanaimo to impose a local improvement levy to cover the permissive tax exemption, but staff doesn't know if this would be supported by Council.
- It may be that this used to be a government-run dock and that the government no longer wanted to maintain the dock and downloaded the responsibility to the City.
- The annual permissive tax exemption amount of approximately \$1,505.00 is a cheap price for the City to have the dock maintained.

THE MOTION CARRIED.

5. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, February 2, 2011, in the City Hall Boardroom.

6. ADJOURNED:

MOVED by D. Burnett, SECONDED by D. Bonner, to adjourn the meeting at 10:29 a.m.
CARRIED.

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MINUTES OF THE GRANTS ADVISORY COMMITTEE
THREE-YEAR PERMISSIVE TAX EXEMPTION REVIEW MEETING
HELD IN THE CITY HALL BOARDROOM, 455 WALLACE STREET
February 2, 2011, 9:00 a.m.

Present: Councillor D. Johnstone, Chair D. Burnett
 D. Bonner L. Avis
 W. Anderson

Regrets: F. Tellier, J. Neville, J. Lekisch

Staff: B. Clemens, Director of Finance
 L. Mercer, Manager, Revenue Services
 C. Knapp, Recording Secretary

1. APPROVAL OF MINUTES:

MOVED by L. Avis, SECONDED by D. Burnett, that the minutes from the January 26, 2011 3 Year Permissive Tax Exemption Review meeting be adopted. CARRIED.

MOVED by L. Avis, SECONDED by D. Burnett, that the minutes from the November 3rd, 10th and 17th 3 Year Permissive Tax Exemption Review Meetings be adopted. CARRIED.

2. INFORMATION ITEMS:

Received.

3. NANAIMO TELEPHONE VISITING SOCIETY:

B. Clemens reported:

- The Nanaimo Telephone Visiting Society is currently on the City's Permissive Tax Exemption Bylaw for property leased at 2520 Bowen Road.
- The Society has now relocated to space subleased from PacificCare, at 3156 Barons Road and has contacted staff regarding the submission of a new application for permissive tax exemption.
- Until approximately 10 years ago, the City of Nanaimo did not provide permissive tax exemptions unless the occupant owned or held the property in question.
- At the time, there was a lot of discussion around the definition of the word 'held' and it was deemed that this did not include leased premises.
- BC Assessment Authority subsequently changed its definition of the word 'held' to include leases.
- The Grants Advisory Committee started to accept leases as an appropriate form of occupancy for permissive tax exemptions; the first incidence was for a church that was not being statutorily exempted by the Community Charter.
- This opened the door to others.
- The Committee may want to reconsider this matter. Do we want to continue to provide PTE's to those organizations who don't own their property?
- It would be possible to 'grandfather' those organizations already receiving exemption.

- The City does receive a letter from the landlord at the time of initial application, with the landlord stating that the benefit of the permissive tax exemption will 'flow through' to the tenant.

D. Bonner reported that the United Way also subleases property from PacificCare at this location.

L. Avis stated that this Society has recently changed its name to the Nanaimo Seniors Visiting Society, reflecting that the Society does more than simply reaching out to seniors on the telephone.

MOVED by L. Avis, SECONDED by W. Anderson, that the Committee review the principal of providing permissive tax exemptions to occupants who lease or sublease premises prior to receiving any new applications from the Nanaimo Seniors Visiting Society or any other organization. CARRIED.

Staff will provide the Committee with a listing of organizations who currently fall into this sub-lease category.

4. DELEGATIONS:

Downtown Nanaimo Business Improvement Association – RPTE-35

Corry Hostetter, General Manager, appeared as a delegation to answer questions posed by the Committee.

Ms. Hostetter stated:

- Residential density in the downtown core is the biggest factor in the success of its businesses.
- Part of the Association's Strategic Plan is ensuring the continuity of a downtown security contract (currently with Footprints Security) so that both residents and businesses feel secure.
- The Association is funded by business and the matching grant the City of Nanaimo provides proves Nanaimo supports revitalization in the downtown core.
- They do have a volunteer program and work with Leaders in Training and the high schools for students requiring volunteer hours to graduate.
- They are developing a new volunteer program, modeled on the Port Authority's program.
- In 2008 they had over 400 volunteers, including those participating in the Cruise Ship Ambassador Program.
- The Business Improvement Levy caps out at approximately \$520.00 per property. Every downtown property owner pays this levy, with the City of Nanaimo providing matching funds.

B. Clemens clarified:

- The Business Improvement Levy is a voluntary tax levy, with revenue to be used to support marketing programs only.

- The City of Nanaimo matches revenue collected via this levy (approximately \$209,000) to ensure that the Association has funding that can be used in ways other than marketing programs.
- The tax is basically a parcel tax, not a business tax. Each property owner pays the levy, based on a sliding scale.
- Small property owners pay approximately \$200.00, with a cap of approximately \$520.00 for large properties.
- Smaller businesses have more to gain by being part of the cooperative.
- This plan was originally put together by the Downtown Nanaimo Partnership, with the scheme approved by Council.
- The plan was to keep the tax clean, affordable and predictable.

Ms. Hostetter replied to the question 'How is this Association different than the Chamber of Commerce'?

- The Downtown Nanaimo Business Improvement Association focuses on the downtown core only.
- There are two Business Improvement Areas in the downtown core, taking in the Old City Quarter and downtown area.
- The Board and Marketing Committee believes that they should be providing a service for businesses to advertise, which is why they do not charge a fee for advertising on top of the business improvement levy.

Ms. Hostetter further commented:

- If the Association does a good job revitalizing business in the downtown core, then they are doing a good job for citizens who will benefit from a vibrant downtown.
- When the Association provided a dedicated sales rep to work out security contracts, several businesses returned to the program.
- They provided tools to the security company to allow them to enter incidents in 'real time' that businesses can view online.
- Nanaimo Economic Development Commission, the Vancouver Island Economic Alliance and the Downtown Nanaimo Business Improvement Association may have overlapped services in the past, but the new Board is focusing more on advocating for downtown business owners, leaving economic development to the Commission and the Economic Development Office.
- The Association does have \$50,000 in its budget for capital projects.
- The Association provides assistance for things like façade improvement grants, where up to 50% of improvements may be covered, to a limit of \$10,000 per business.

D. Johnstone stated that this method of a business improvement levy was one of the first instituted within the Province.

Ms. Hostetter departed the Boardroom at 9:35 a.m.

MOVED by D. Burnett, SECONDED by D. Bonner, that the Downtown Nanaimo Business Improvement Association be denied a renewal of its permissive tax exemption for premises leased at A10 Victoria Crescent, as the Association is to the benefit of business owners in the downtown core only, and not to all residents of Nanaimo.

D. Johnstone stated that she felt the Downtown Nanaimo Business Improvement Association met the criteria of the 'quality of life' aspect, as a revitalized downtown core is more attractive to tourists.

B. Clemens clarified:

- All tourism and economic development agencies in Nanaimo are currently participating in a review of service.
- Members may expect to see a more streamlined approach to economic development in Nanaimo.
- The City of Nanaimo currently provides downtown security during the day.
- The Chamber of Commerce had previously applied for a permissive tax exemption and was denied.
- Nanaimo has the only Business Improvement Levy where the City provides matching funds.

THE MOTION CARRIED.

Tourism Nanaimo Society – RPTE-26

B. Clemens advised that this delegation was pulled from the agenda as Tourism Nanaimo is currently going through a structural review and may subsequently change locations. The Society is already on the bylaw for exemption in 2011, so we have a few months to figure out what will happen in 2012.

Nanaimo Conservatory of Music – RPTE-30

Kathleen Darby, Executive Director, appeared as a delegation to answer questions posed by the Committee.

Ms. Darby stated:

- They are a registered charity, providing music education and ancillary activities.
- They are able to provide services beyond what others (private music instructors) provide.
- The Conservatory provides bursaries, and has exceeded its budget of \$5,000 this year.
- They also give out scholarships for need and merit.
- Costs are reasonable, and accessibility is available to all as they offer some services for a very minimal cost – i.e. joining folk band for a fee of \$100.00/year.
- The Conservatory also supports educational programs open to the general public.
- All recitals are free, and they keep working towards letting the community become aware of this.
- They are currently working with the Nanaimo Arts Council on the Spirit Festival occurring at the end of this month on February 25th and 26th.
- 3 Concerts during Spirit Festival will be available at a cost of \$10.00 each, less than the cost of a movie.
- The Conservatory does receive a Cultural Operating Grant. This year it is \$7,400, with last year's grant at \$7,200.

- The Conservatory did not receive a Cultural Operating Grant in 2009 though she does not have knowledge of any grant prior to 2009 as she was not with the Conservatory.
- The Conservatory would be pleased to recognize the City of Nanaimo for the benefit of the permissive tax exemption in any way the Committee sees fit.
- She will recommend to the Board that the Conservatory record the permissive tax exemption benefit in its budget as an in/out expense item.
- The Conservatory was fortunate to have received Gaming funds prior to the closure of that program, as funds were used to totally renovate the building.
- The Conservatory does show revenue from credit card fees (3% premium charged on some accounts) though they are discouraging the use of credit cards in future due to the expense incurred to utilize them.

Ms. Darby vacated the Boardroom at 11:05 a.m.

MOVED by L. Avis, SECONDED by W. Anderson, that the Nanaimo Conservatory of Music remain on the City's Permissive Tax Exemption Bylaw for property it owns at 375 Selby Street, receiving exemption from property taxes for the year 2012 and until the next review. CARRIED.

5. CONTINUATION OF PTE REVIEW:

RPTE-53

MID-ISLAND METIS NATION ASSOCIATION

MOVED by L. Avis, SECONDED by D. Burnett, that the Mid-Island Metis Nation Association remain on the City's Permissive Tax Exemption Bylaw for property leased from the City at 218 285 Prideaux Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-54

NANAIMO BMX ASSOCIATION

MOVED by D. Bonner, SECONDED by D. Burnett, that the Nanaimo BMX Association remain on the City's Permissive Tax Exemption Bylaw for property leased from the City at 2-2300 Bowen Road, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

RPTE-55

NAVY LEAGUE OF CANADA NANAIMO BRANCH

MOVED by D. Bonner, SECONDED by L. Avis, that the Navy League of Canada Nanaimo Branch remain on the City's Permissive Tax Exemption Bylaw for property it owns at 750 Fifth Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

NEW 2011 APPLICATION:

PTE-01

NANAIMO MINOR HOCKEY ASSOCIATION

B. Clemens stated:

- The Nanaimo Minor Hockey Association has occupied space at the Nanaimo Ice Centre on Third Street for a couple of years; however the BC Assessment Authority only recently became aware of its occupation.
- There had been confusion between the Assessment Authority and staff regarding this occupancy.
- The Association had previously been on the City's Permissive Tax Exemption Bylaw for premises leased from the City of Nanaimo at Bowen Park.
- As the Association was previously exempt from taxes, they were not expecting to have to pay taxes this year.
- The permissive tax exemption amount is an estimate. \$3,400 is an estimate of the municipal portion of 2011 taxes, with total taxes estimated at \$5,700.

Members noted:

- The Association did have financial means to pay taxes.
- The Community does receive the benefit of services provided by volunteers with the Association.

MOVED by D. Bonner, SECONDED by D. Burnett, that the Nanaimo Minor Hockey Association be placed on the City's 2011 Permissive Tax Exemption Bylaw for premises leased from the City of Nanaimo at 750 Third Street, receiving exemption from taxes for the year 2012 and until the next review. CARRIED.

MOVED by L. Avis, SECONDED by W. Anderson, that the Nanaimo Minor Hockey Association receive \$1,700.00 cash-in-lieu of 2011 taxes, representing one half of the estimated municipal portion of taxes. CARRIED.

6. NEXT MEETING:

The next 3 Year Permissive Tax Exemption Review Meeting is scheduled for 9:00 a.m., Wednesday, March 2, 2011, in the Economic Development Meeting Room, top floor, 455 Wallace Street.

7. ADJOURNED:

MOVED by D. Burnett, SECONDED by D. Bonner, to adjourn the meeting at 11:10 a.m. CARRIED.

March 15, 2011

STAFF REPORT

TO: A.C. KENNING, CITY MANAGER

FROM: I. HOWAT, DIRECTOR OF STRATEGIC RELATIONSHIPS

RE: HIRING OF AN EXECUTIVE SEARCH FIRM

RECOMMENDATION:

That Council approve the direct contract award for executive search services for the Economic Development Corporation's Economic Development Officer to Pinton Forrest and Madden.

EXECUTIVE SUMMARY:

On 2011-MAR-14 Council approved the establishment of the Economic Development Corporation. It is now a priority to proceed with the hiring of a new Economic Development Officer with the skill set to run this corporation. Staff are recommending the use of an executive search firm that has a broad spectrum of knowledge of executive searches ranging from the private sector to foundations, societies and governments. Pinton Forrest and Madden have that skill set, are familiar with Nanaimo and Vancouver Island, and their fee is consistent with that of many other executive search firms.

BACKGROUND:

With Council's approval of the Economic Development Corporation, the responsibility to hire the economic development officer will become the responsibility of the board of directors of the corporation. The hiring for this position is critical to the success of this model requiring strong communication skills, a strong understanding of the business community, a healthy respect for the function, role and responsibility of local government and a demonstrated ability to successfully carry out the strategic direction. The Economic Development Officer will be the Chief Executive Officer (CEO) of the corporation.


In an effort to expedite the hiring process staff are proposing to contract the services of an executive search firm to commence the process on behalf of the corporation. The executive search firm will commence with meeting key stakeholders, identification of technical and cultural requirements and the creation of an executive profile that describes the ideal candidate. The position would be advertised, but approximately 80% of their successful candidates are sourced through "headhunting". A short list of candidates will be presented to the corporation's hiring committee and interviews will proceed out of that review. This process can exceed 12 weeks, depending on the strength of the candidates, and then the candidate would have to provide notice which would add another four weeks.

The leading executive search firms have similar if not the same fee and payment structures, which is 28% of the first year's base salary billed over four milestones. Given that the cost of this service is the same across various firms the decision becomes one of fit. Staff have selected Pinton Forrest and Madden based on:

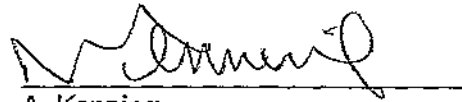
- balanced recruitment portfolio of approximately 50% public sector and 50% private sector,
- Vancouver based firm
- good professional reputation
- they have experience on Vancouver Island and Nanaimo.
- recent searches that we can identify with are the City Manager of Victoria, Assistant Deputy Minister in Economic Development and the CEO of the Nanaimo Port Authority.

There will be no incremental impact to budget as a result of this decision. The fee of 28%, HST, and disbursements can be covered through a budget reallocation from the Economic Development Officer salary budget, which is currently vacant.

Respectfully submitted,



I. Howat
Director of Strategic Relationships



A. Kenning
City Manager

IH/jdk

Finance/Policy Committee of the Whole
2011-MAR-21

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STAFF REPORT

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

FROM: K. FELKER, MANAGER, PURCHASING & STORES

RE: PURCHASING POLICY REVISION

STAFF'S RECOMMENDATIONS:

1. That Council rescind the current Purchasing Policy dated October 15, 2007 and adopt the proposed Purchasing Policy dated March 21, 2011; and
2. That Council rescind policy "Use of Recycled Paper" dated 1990-AUG-20; and
3. That Council rescind policy "Donation of Obsolete Computer Equipment to Charitable Organizations" dated 2002-JUN-17; and
4. That Council rescind policy "Insurance Requirements for City Contractors" dated 1991-OCT-07.

EXECUTIVE SUMMARY:

Council's current Purchasing Policy has not been substantially reviewed and revised since 1987. Current tender limits are the same as contained in Council's original 1977 Purchasing Policy. Current award approval limits are the same as were in the 1987 version of Council's Purchasing Policy. Staff is recommending that Council approve the proposed Purchasing Policy dated March 21, 2011. (APPENDIX D)

Staff has performed a comprehensive review and has enclosed the new policy for Council's approval. Highlights of changes include:

- Adjustment of the tender and approval authority limits to reflect inflation.
- Security requirements at discretion of project manager.
- Added section on Liability Insurance for City contractors.
- Comprehensive definition of 'best value'.
- Clarification regarding surplus disposal.
- For simplification, combined the three Purchasing Policy tables into one.
- Included purchasing card and single/sole source selection section.
- Prior to issuing, Council will be advised via Information Reports on Tenders more than \$250,000 and Council approval will be required for Request for Proposals more than \$250,000.
- Listed examples of items exempted from tender process.
- Updated the sustainability section based on input from Environmental Planner and Energy Manager.
- Removed the procedures section from the policy.

Staff recommends Council rescind three existing policies as the new proposed Purchasing Policy incorporates them within it. The policies are "Use of Recycled Paper", "Donation of Obsolete Computer Equipment to Charitable Organizations" and "Insurance Requirements for City Contractors". Copies of these policies are in Appendix A.

A local purchasing preference clause is not included in the new policy.

DISCUSSION:

Council's original Purchasing Policy was implemented in 1977. In 1987, Council formed a Purchasing Task Force instructing staff to review Council's Purchasing Policy. The outcomes of this process are primarily what are still in place today.

Current tender limits are the same as was established in 1977. Due to inflation, \$1.00 in 1977 is equivalent to approximately \$3.70 in 2011.

Current contract award approval authority limits are the same as was established in 1987. Due to inflation, \$1.00 in 1987 is equivalent to approximately \$1.95 in 2011.

The proposed Purchasing Policy updates both tender and approval authority limits to reflect the effects of inflation.

Limits and Award Authority

Below is a synopsis of current and proposed tender limits and contract award approval authority.

Definitions:

Tender Limits: The rules for obtaining Tenders and Request for Proposals and the levels at which each of these processes will be used.

Contract Award Approval Authority: The defined levels of authority that can award Tenders and Request for Proposals.

2007 Tender Limits (*Current Purchasing Policy*)

| | |
|--------------|---|
| \$0 - \$5K | City Purchasing Agent obtains at least 3 quotations wherever possible |
| \$5K - \$25K | City Purchasing Agent obtains at least 3 written quotations wherever possible |
| Over \$25K | City Purchasing Agent shall publicly tender |

2011 Proposed Tender Limits (*Recommended Purchasing Policy*)

| | |
|---------------|---|
| Up to \$25K | Quotations or fee proposals at the discretion of the Purchasing Agent |
| \$25K - \$75K | Publicly tender or issue invitational tenders to a minimum of three suppliers |
| Over \$75K | City Purchasing Agent shall publicly tender |

A complete history of tender limits is contained in Appendix B

2007 Contract Award Approval Authority (Current Purchasing Policy)

| | |
|-----------------|--|
| \$0 - \$5K | Low Bid and Greater Value: City Purchasing Agent |
| \$5K - \$100K | Low Bid: City Purchasing Agent and Representative of User Department Greater Value: Director of Finance and Director of User Department |
| \$100K - \$250K | Low Bid and Greater Value: Assistant City Manager/General Manager, Corporate Services |
| Over \$250K | Low Bid and Greater Value: City Council |

2011 Proposed Contract Award Approval Authority (Recommended Purchasing Policy)

| | |
|----------------|--|
| Up to \$25K | Low Bid and Greater Value: City Purchasing Agent and Representative of User Department |
| \$25K - \$75K | Low Bid and Greater Value: City Purchasing Agent and Representative of User Department |
| \$75K - \$250K | Low Bid: Director of Finance and Director of User Department Greater Value: Assistant City Manager/General Manager, Corporate Services or Director of Finance |
| Over \$250K | Low Bid: Assistant City Manager/General Manager, Corporate Services, or, Director of Finance, or City Council Greater Value: City Council |

A complete history of contract award approval authority limits is contained in Appendix C.

Security

Current Council Policy requires security for all public tenders except:

- a) Vehicles
- b) Equipment & Machinery
- c) Materials and Supplies
- d) Services under \$50,000

It is recommended to make security requirement decisions the discretion of the project manager as the Risk Management function has been decentralized to the end user departments. It allows the project manager to perform their own risk assessment and tailor security requirements specifically to the project's needs. In addition, for smaller construction jobs (\$0 - \$200,000) the \$50,000 and up limit is somewhat restrictive as many smaller contractors have not qualified for bonding or do not wish to have cash flow tied up in a project and elect not to bid because of the security requirements.

Liability Insurance

The existing purchasing policy does not contain any liability insurance requirements for City contractors. Council has a separate policy that defines liability insurance requirements. By incorporating liability insurance requirements into the proposed Purchasing policy, this would enable Council to rescind policy "Insurance Requirements for City Contractors" dated 1991-OCT-07. Dollar amounts will be established by the City Purchasing Agent and be contained in the Purchasing procedure manual.

Best Value

Current policy indicates "Purchasing decisions within the City shall be made to ensure best value based on quality, services, and price". This clause is fairly generic and open to interpretation.

A more comprehensive definition is included in the new policy to eliminate or reduce any ambiguity.

"Purchasing decisions shall be made to ensure best value. Best value will be determined by the disclosed evaluation criteria. Evaluation Criteria may include, but is not limited to; price, delivery, quality, warranty, environmental and fair trade/ethical considerations, qualifications, experience and service. In the absence of evaluation criteria, lowest price will be deemed the determining factor."

Surplus Disposal

Current policy does not include any provision to donate items to non-profit organizations, other than obsolete computer equipment, to use items as a trade in allowance, or provide clarification regarding employees and surplus items.

The new clause is more comprehensive and allows Council to rescind policy "Donation of Obsolete Computer Equipment to Charitable Organizations" dated 2002-JUN-17.

Combined Purchasing Policy Tables

The three tables have been combined into one, subjecting all procurement to the same dollar thresholds and approval authority. Tender/Proposal evaluation methodology is no longer included as part of policy, rather leaving these procedural decisions to the project manager to tailor the evaluation criteria and methodology specifically to the individual project's needs.

Sole Source/Single Source

Under the current policy, any direct contract award over \$25,000 must have prior Council approval. The new policy provides clarification around purchasing cards and sole source/single source direct award contracts and introduces levels of approval authority. Council will receive quarterly Information Reports on sole source/single source purchases between \$25,000 - \$250,000.

Tenders/RFPs over \$250,000

User Departments will advise Council with an Information Report prior to issuing any tender over \$250,000. This process will bring to Council's attention to any large tenders prior to issuing. Unless unusual circumstances arise, Council will not be required to provide final award approval. Final approval will rest with the Assistant City Manager/General Manager, Corporate Services, or Director of Finance.

End User Departments will request Council approval via a Staff Report prior to issuing any Request for Proposal over \$250,000. This process will bring to Council's attention any large Proposals prior to issuing. Council will also be required to approve the final award once the highest ranking proponent has been identified.

Procurement Exceptions

The new policy lists examples of items exempt from tendering..

Procedures Removed

Purchasing and Stores procedures have been removed from policy in order to allow ease of updating to ensure the procedures are as up to date as possible.

Sustainable Purchasing

This section has been updated, encouraging staff to consider environmental, social, and economic factors when procuring goods, services and construction on behalf of the City, allowing Council to rescind policy "Use of Recycled Paper" dated 1990-AUG-20.

Local Preference

Currently, the City of Nanaimo does not have a local preference policy.

Several British Columbia Public Institutions currently have a local preference policy similar to what the City of Nanaimo had in earlier versions of its Purchasing Policy:

"Preference shall be given to local suppliers where quality, service, and price are equivalent".

This is known as a "tiebreaker" local preference clause.

Some examples of public institutions with this type of local preference policy are School District No.68 (Nanaimo/Ladysmith), VIU, VIRC, District of Saanich and City of Kelowna.

Vancouver Island Municipalities and Districts without a local preference policy are the Regional District of Nanaimo, City of Parksville, North Cowichan District, Cowichan Valley Regional District, City of Duncan, City of Victoria, and City of Port Alberni.

The Town of Ladysmith has a 5% local preference policy meaning that if a local bidder is within 5% of the lowest bid, the local firm would be awarded the contract. Similarly, for RFP's if a local proponent is within 5% of the highest ranking proponent, the local firm would be awarded the RFP. In Ladysmith, a local supplier is defined as a business located within the municipal boundaries of Ladysmith.

Arguments for a local preference policy are it attempts to:

- Protect local jobs.
- Create new jobs.
- Strengthen the local economy by keeping taxpayer money within the community.

These benefits are difficult to measure.

Arguments against a local preference policy:


- "Local" is a challenge to define and administer. Many vendors in nearby communities may become upset if they are not included in the definition of local, feeling they already contribute greatly to the City's economy and will now be at a disadvantage.
- "Local" businesses benefit from the spinoff spend when a contract is awarded to a "non local" firm through the hiring of local sub-contractors and locally bought materials.
- Potential exists to pay more for the same goods, services and construction. Goods and services might be able to be purchased cheaper elsewhere and cost of items already purchased locally might become more expensive as local vendors realize they do not have to be as competitive.
- Number of bidders may be reduced once they become aware of the local advantage. Potential bidders might not feel it is worth the time and effort to generate a tender if they know they are at a disadvantage from the beginning.
- Possibility of retaliatory actions from other communities. If the City of Nanaimo initiated a local preference policy it may encourage other municipalities to adopt similar policies and could have an adverse effect on local businesses by restricting their access to business opportunities in those communities.
- Does not promote an open, fair, and transparent tendering process as encouraged by the Provincial and Federal Governments through their trade agreements.

Some options available to Council:

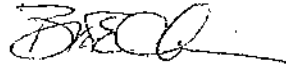
1. Adopt the proposed Purchasing Policy dated March 21, 2011 as recommended. This provides staff with more flexibility to issue invitational tenders or publicly issue tenders as deemed appropriate by the Project Manager and the Purchasing Agent.
2. Include local preference as a "tiebreaker" as contained in earlier versions of Council's Purchasing Policy. "Preference shall be given to local suppliers where quality, service, and price are equivalent".
3. Include local preference with a fixed limit (i.e. 5%) for all tenders regardless of value.
4. Include local preference with a fixed limit (i.e. 5%) for tenders less than \$75,000 or any other amount as desired. This is known as a cap system.
5. Include local preference with a declining limit (i.e. 5% on tenders up to \$250,000, 2.5% on tenders valued over \$250,000).

Staff is of the opinion that the disadvantages of a local preference policy outweigh its advantages and recommend Council adopt the proposed Purchasing Policy dated March 21, 2011.

Respectfully submitted,



K. Felker, Manager,
Purchasing & Stores



B.E. Clemens, Director of Finance

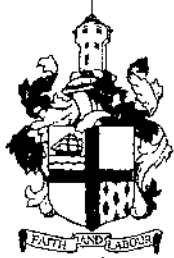


D.W. Holmes, Assistant City Manager/
General Manager, Corporate Services

COUNCIL: 2011-March-14

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APPENDIX A



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 1
Approval Date: 1990-AUG-20

| | |
|-----------------|------------------------------|
| SECTION: | PURCHASING |
| SUBJECT: | Use of Recycled Paper |

The City to purchase recycled photocopy paper instead of "new" paper at an additional annual cost of \$4,000.

| |
|---------------------------|
| Previous Revision/s: None |
|---------------------------|



CITY OF NANAIMO

COUNCIL POLICY MANUAL

Pages: 1 of 1

Approval Date: 2002-JUN-17

| | |
|-----------------|--|
| SECTION: | PURCHASING |
| SUBJECT: | Donation of Obsolete Computer Equipment to Charitable Organizations |

Staff authorized to donate obsolete computer equipment to worthwhile charitable organizations.

| |
|---------------------------|
| Previous Revision/s: None |
|---------------------------|



CITY OF NANAIMO

COUNCIL POLICY MANUAL

Pages: 1 of 1

Approval Date: 1991-OCT-07

| | |
|-----------------|---|
| SECTION: | ENGINEERING, PUBLIC WORKS AND TRANSPORTATION |
| SUBJECT: | Insurance Requirements for City Contractors |

The City's liability requirements for contractors established as follows:

1. Limit of Liability - \$2 Million for Construction Contracts over \$100,000. and Blasting Contracts, and the Transportation and Manufacture of Explosives.
2. Limit of Liability - \$1 Million for Small Construction, Repair and Service Contracts under \$100,000. and Property Occupiers.

| |
|---------------------------|
| Previous Revision/s: None |
|---------------------------|

APPENDIX B

HISTORY OF TENDER LIMITS

1977 Tender Limits

| | |
|--------------|--|
| \$0 - \$5K | City Purchasing Agent obtains verbal or written quotations |
| \$5K - \$25K | City Purchasing Agent obtains written bids or quotations |
| Over \$25K | City Purchasing Agent shall publicly tender |

1987 Tender Limits

| | |
|--------------|---|
| \$0 - \$5K | City Purchasing Agent obtains at least 3 quotations wherever possible |
| \$5K - \$25K | City Purchasing Agent obtains at least 3 written quotations wherever possible |
| Over \$25K | City Purchasing Agent shall publicly tender |

2007 Tender Limits (*Current Purchasing Policy*)

| | |
|--------------|---|
| \$0 - \$5K | City Purchasing Agent obtains at least 3 quotations wherever possible |
| \$5K - \$25K | City Purchasing Agent obtains at least 3 written quotations wherever possible |
| Over \$25K | City Purchasing Agent shall publicly tender |

2011 Proposed Tender Limits

| | |
|---------------|--|
| Up to \$25K | Quotations or fee proposals at the discretion of the Purchasing Agent |
| \$25K - \$75K | Issue "invite" tender documents to a minimum of three suppliers or publicly tender |
| Over \$75K | City Purchasing Agent shall publicly tender |

APPENDIX C

HISTORY OF AWARD APPROVAL LIMITS

1977 Contract Award Approval Authority

| | |
|----------------|--|
| \$0 - \$50K | Low Bid: City Purchasing Agent and Department Head Greater Value: Director of Finance |
| \$50K - \$100K | Low Bid and Greater Value: City Administrator |
| Over \$100K | Low Bid and Greater Value: City Council |

1987 Contract Award Approval Authority

| | |
|-----------------|--|
| \$0 - \$5K | Low Bid: City Purchasing Agent and Representative of User Department Greater Value: Director of Finance |
| \$5K - \$100K | Low Bid: City Purchasing Agent and Representative of User Department Greater Value: Director of Finance and Director of User Department |
| \$100K - \$250K | Low Bid and Greater Value: City Administrator |
| Over \$250K | Low Bid and Greater Value: City Council |

2007 Contract Award Approval Authority (*Current Purchasing Policy*)

| | |
|-----------------|--|
| \$0 - \$5K | Low Bid and Greater Value: City Purchasing Agent |
| \$5K - \$100K | Low Bid: City Purchasing Agent and Representative of User Department Greater Value: Director of Finance and Director of User Department |
| \$100K - \$250K | Low Bid and Greater Value: Assistant City Manager/General Manager, Corporate Services |
| Over \$250K | Low Bid and Greater Value: City Council |

2011 Proposed Contract Award Approval Authority

| | |
|----------------|--|
| Up to \$25K | Low Bid and Greater Value: City Purchasing Agent and Representative of User Department |
| \$25K - \$75K | Low Bid and Greater Value: City Purchasing Agent and Representative of User Department |
| \$75K - \$250K | Low Bid: Director of Finance and Director of User Department Greater Value: Assistant City Manager/General Manager, Corporate Services or Director of Finance |
| Over \$250K | Low Bid: Assistant City Manager/General Manager, Corporate Services, or Director of Finance, or City Council Greater Value: City Council |

APPENDIX D



CITY OF NANAIMO COUNCIL POLICY MANUAL

Pages: 1 of 6

Approval Date: March 21, 2011

| |
|---|
| SECTION: PURCHASING SUBJECT: Purchasing Policy |
|---|

Purpose:

To establish principles for the acquisition, sale, or, lease of goods and services by the City of Nanaimo.

Objective:

To ensure goods and services are acquired through a fair, open and transparent process that protects the interests of taxpayers and maintains the controls necessary for a public institution.

Policy:

1. The City will have a Purchasing Agent who will manage and oversee the acquisition of all goods and services and disposal of assets on behalf of the City. All formal solicitations such as, but not limited to, Tenders, Request for Proposals, Request for Qualifications, Request for Information, Request for Expressions of Interest, Notices of Intent, and Notices of Sale shall be issued and received by the Purchasing Agent on behalf of the City.
2. Purchasing decisions shall be made to ensure best value. Best value will be determined by the disclosed evaluation criteria. Evaluation Criteria may include, but is not limited to; price, delivery, quality, warranty, environmental and fair trade/ethical considerations, qualifications, experience and service. In the absence of evaluation criteria, lowest price will be deemed the determining factor.
3. Prior to issuing any Tender over \$250,000, Council will be provided with an Information Report. Unless there are unusual circumstances, the Assistant City Manager/GM, Corporate Services, or Director of Finance will have authority to award tenders over \$250,000 to the low bidder. If the tender award recommendation is other than the low bidder, a Staff Report shall be provided for Council's approval. Prior to issuing any Request for Proposal over \$250,000, Council will be provided with a Staff Report for approval to proceed. Council approval will be required to award all Request for Proposals over \$250,000.
4. The City will cooperate with other public agencies to purchase jointly where efficiencies may be gained and savings may accrue.

5. City employees are expected to conduct themselves with personal integrity, ethics, honesty and diligence when acquiring goods and services. Employees are to avoid placing themselves in situations where their personal interests actually or potentially conflict with the interests of the City. A conflict may occur when an actual or potential interest benefits the employee, any member of the employee's family, friends or business associates.
6. City purchasing contracts will include relevant language from collective agreements pertaining to the provision of any municipal service, function or construction.
7. City employees will not be allowed to accept business gifts from vendors other than items of nominal value.
8. The City Purchasing Agent shall have the authority to dispose of any vehicles, equipment, furniture, materials, or supplies no longer required by the City, but that may still have some economic value. Disposal of items will be by way of sale at public auction, sale by public offer, transfer to another department, trade in allowance, or donated to non-profit organizations. For non-profit organizations, the Purchasing Agent will establish a list of interested organizations and will offer items on a rotational basis. Wherever possible, items that cannot be sold or donated will be recycled, limiting the amount sent to the landfill. City employees may not be given any surplus items and will not be able to buy surplus items directly from the City unless the sale is through a third party auction.
9. City Purchasing Agent will establish and maintain written purchasing procedures separately from this policy.
10. The City will, on occasion, contract for the development of specifications for the purchase of goods or services. The firm or individual that is contracted to develop the specifications will be prohibited from bidding on the contract to supply the same goods or services (except for design/build projects) unless prior written approval of the Assistant City Manager/GM, Corporate Services, or Director of Finance has been obtained.
11. Request for Proposals will contain wording that the City reserves the right to negotiate enhancements or changes to the preferred Proposal with the proponent.
12. Exceptions to this policy will be by prior approval of City Council only.
13. The Purchasing Agent shall have the authority to bypass normal procedures in the event of emergency or where the cost or delay to the City would be prohibitive. Council will be provided an Information Report summarizing these types of purchases shortly after any event.
14. In the instance where only one tender or proposal is received after publicly tendering or inviting multiple vendors to bid, an analysis will be performed by the User Department to determine whether or not it represents good value for the taxpayer. Written approval will be required before awarding as follows:

- Up to \$25,000 Purchasing Agent

- Over \$25,000 up to \$250,000 Assistant City Manager/GM, Corporate Services, or Director of Finance
- Over \$250,000 City Council

On a quarterly basis, Council will be provided an Information Report summarizing these purchases between \$25,000 - \$250,000.

15. The value of any contract, or, purchase agreement is determined by the total estimated dollar value of the fixed term of the contract, excluding tax.
16. The Purchasing Agent shall endeavor to competitively tender for goods and services on a regular basis. A competition may be waived and direct awarded in circumstances such as, but not limited to:
 - A. Purchase Cards: The Purchase Card is intended to provide a simplified purchasing/payment tool for the acquisition of low dollar value goods, services and construction directly from suppliers within the card's defined limits.
 - B. Sole Source or Single Source Purchases:
 - to ensure compatibility with existing equipment, facilities or to maintain specialized products by the manufacturer or representative.
 - one with which staff have specialized training and/or extensive experience.
 - where there is an absence of competition and no acceptable alternative or substitute exists.
 - for the purchase of used equipment or at auction.
 - where it can be demonstrated the product or service is available only through one authorized manufacturer, distributor, dealer, or, service provider.
 - item is purchased for testing or trial use.
 - for matters involving high security and/or to protect the confidentiality of the City.
 - urgently required on an emergency basis (e.g. life/death, health, safety, critical equipment or facility breakdown).
 - a Notice of Intent to Direct Award is posted electronically and is not challenged.
 - where there is demonstrated value to continue consultant services into the next project phase (i.e. from design to construction)
 - any other situation where it is clearly demonstrated there is only one viable source of supply.

Values and authority levels to Sole Source or Single Source Purchases as follows:

- Up to \$25,000 Purchasing Agent
- Over \$25,000 up to \$250,000 Assistant City Manager/GM, Corporate Services, or Director of Finance
- Over \$250,000 City Council

On a quarterly basis, Council will be provided an Information Report summarizing sole source and single source purchases between \$25,000 - \$250,000.

17. Security is at the discretion of the Department Representative and is recommended for Construction tenders (Structural or Civil works) valued over \$200,000.00. Security can

be requested for any other type of tender or proposal call, at the discretion of the User Department, if deemed to be in the best interest of the City. Security is defined as, but not limited to, Bid Bonds, Performance Bonds, Labour and Material Payment Bonds, Irrevocable Letters of Credit, Certified Cheques, Cheques, and Money Orders. Any alternate arrangements should have the prior written approval of the Director of Finance.

18. All amendments to existing Purchase Orders shall be in accordance with the current SAP workflow and the approval levels contained therein.
19. All vendors conducting business on City property must possess current Commercial General Liability Insurance, with the City of Nanaimo named as additionally insured, and/or Professional Liability Insurance in amounts satisfactory to the City's Purchasing Agent. Specific amounts will be contained in the Purchasing procedure manual.
20. All vendors with employees conducting business on City property, must possess current WorkSafe BC coverage showing the firm is a member in good standing and remittance is up to date.
21. Some expenditures are not the result of any procurement process including, but not limited to, general expenses, utilities, training and education. Lists below are not comprehensive but are for illustrative purposes:

General Expenses:

- Licenses / permits (vehicles, elevators, etc.)
- Postage
- Periodicals, Magazines, Subscriptions
- Media Advertisements
- Liability Insurance from the Municipal Insurance Association

Utilities:

- Hydro/Heating Fuel/Natural Gas
- Water / Sewer / Garbage / Recycle
- Telephone / Fax/Internet

Training and Education

- Courses/Seminars/Staff Training/Development/Workshops
- Conventions
- Memberships
- Related travel

22. The City will procure goods and services with due regard to the City's commitment to encourage the use of environmentally-friendly and fair trade/ethical products, services and practices. All City departments that make purchases of goods and services or contract with others to make purchases should consider the environmental, social and economic value of the goods and services being purchased with the intent to shift spending away from goods and services that negatively impact the environment and society towards products and services that are more environmentally sound and socially beneficial.

The City should purchase and use materials, products and services which are better for the environment, better for society and provide better value for money on a life cycle cost assessment basis.

Environmental factors to be considered, but are not limited to:

- Pollutant releases, especially persistent bioaccumulative toxins (PBTs)
- Waste generation/minimal packaging
- Greenhouse gas emissions
- Recycled or post consumer waste content
- Energy consumption and efficiency
- Water quality
- Products and services that are third party certified such as, but not limited to: "Greenseal", "FSC", "SFI", "Eco Logo" or "Energy Star".

Social factors to be considered include, but are not limited to:

- Community and employee health and safety
- Fair trade practices

Economic factors to be considered include, but are not limited to:

- Life cycle cost assessment
- Cost avoidance and cost savings
- Fiscal impact and responsibility

City departments should use, where feasible, products that perform and have the least damaging/most beneficial environmental impact, including new environmentally preferable products, reusable products, recycled content, and recycled products. Recognizing its role as a major purchaser of goods and services, the City shall seek opportunities to encourage and influence markets for environmentally preferable products through employee education; supporting pilot testing of potential new products; adopting innovative product standards, specifications, and contracts.

Process:

- Staff of User departments, should review and modify existing specifications and write new specifications to include the use of environmentally sound products, equipment and processes.
- Environmentally preferred products should meet or exceed the same engineered standards for the traditional products with respect to performance, structural integrity, life span and safety.
- Purchasing Agent will remain alert to sources of recycled materials, products made from recycled materials and other environmentally beneficial products and services, bringing such information to the attention of the user departments.
- Any significant impact on budgets must have prior written approval of the Assistant City Manager/General Manager of Corporate Services.

PURCHASING POLICY – LEVELS OF RESPONSIBILITY

| <u>Purchases of:</u> | <u>Authority to Make Low Bid Purchases</u> | <u>Authority to Make Greater Value Purchases</u> | <u>Quotation or Public Tender</u> | <u>Advertising Requirements</u> |
|---|---|---|---|--|
| 1. Materials & supplies 2. Vehicles & equipment 3. Service contracts 4. Construction contracts 5. Consulting services | | | | |
| Up to \$25,000 | Purchasing Agent and Representative of User Department | Purchasing Agent and Representative of User Department | Quotations or fee proposals at the discretion of the Purchasing Agent | At discretion of Purchasing Agent to invite bidders or post electronically on City website and/or BC Bid |
| Over \$25,000 but not exceeding \$75,000. | Purchasing Agent and Representative of User Department | Purchasing Agent and Representative of User Department | Formally issue Tender or Request for Proposal documents to a minimum of three suppliers or publicly tender. | At discretion of Purchasing Agent and User Department to invite bidders or post electronically on City website and/or BC Bid |
| Over \$75,000 but not exceeding \$250,000. | Director of Finance and Director of User Department | Assistant City Manager/GM, Corporate Services, or Director of Finance | Public Tender | Shall be posted electronically on City Website and BC Bid |
| Over \$250,000. | Assistant City Manager /GM, Corporate Services, or Director of Finance, or City Council | City Council | Public Tender | Shall be posted electronically on City website and BC Bid |

Mar 14, 2011

INFORMATION ONLY REPORT

REPORT TO B. E. CLEMENS, DIRECTOR OF FINANCE

FROM L. MERCER, MANAGER REVENUE SERVICES

RE: ASSESSMENT ROLL ADJUSTMENTS

STAFF'S RECOMMENDATION:

That Council receive the report.

DISCUSSION:

We are now in receipt of additional assessment roll adjustments from BC Assessment processed as "2009 Supplementary 19" which was received in 2011; and "2010 Supplementary 12" which was received in 2011

The attached schedule summarizes the assessment adjustments and the impact on property taxation levies.


The impact of these two assessment adjustments for 2009 and 2010 received in 2011 is to decrease gross taxation by \$248,896.61, which includes a decrease in the municipal portion of \$195,121.26.

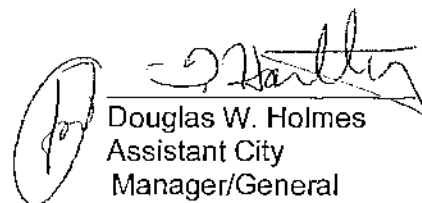
The impact of all 2009 and 2010 assessment adjustments received in 2011 is to decrease gross taxation by \$280,407.13 which includes a decrease in the municipal portion of \$213,887.56.

Council has previously set aside these monies in reserve anticipating these appeals.

Respectfully submitted,


Laura Mercer
Manager, Revenue Services


Brian E. Clemens
Director of Finance


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

LM/am/s

FPCOW: 2011-03-21
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CITY OF NANAIMO

2011 ASSESSMENT ADJUSTMENT SCHEDULE

| YEAR | SUPPLEMENTARY | GENERAL, DEBT, AND LIBRARY | OTHER AGENCIES | TOTAL ADJUSTMENTS |
|-------------------|---------------|-------------------------------|----------------------|-----------------------|
| 2009 | 19 | (86,654.17) | (17,190.63) | (\$103,844.80) |
| 2010 | 12 | (108,467.09) | (36,584.72) | (\$145,051.81) |
| Total Adjustments | | <u>(\$195,121.26)</u> | <u>(\$53,775.35)</u> | <u>(\$248,896.61)</u> |