

AGENDA FOR THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING  
TO BE HELD IN THE BOARD ROOM, CITY HALL,  
ON MONDAY, 2009-NOV-16, COMMENCING AT 4:30 P.M.

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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, 2009-NOV-02 at 4:30 p.m.

*Pg. 3-6*

5. **PRESENTATIONS:**

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

7. **COMMISSION REPORTS:**

8. **COMMITTEE REPORTS:**

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

**COMMUNITY SERVICES:**

(b) **Protective Services Issues (Staffing Levels and Budget)**

*Pg. 7-9*

*Staff's Recommendation: That Council:*

1. *proceed with implementation of the ten year fire plan with regard to the hiring of ten new firefighters in 2010 to complete 24/7 staffing of the Chase River Fire Station (fire station four);*

*AND:*

2. *implement the phasing in of new police resources over five years as set out in the report;*

*AND:*

3. *as a result of current economic conditions, request a staff report on the potential option to delay the planning, construction and staffing of the proposed new Fire Station #6 (Hammond Bay at Nottingham).*

Council are requested to bring their copy of the "Police Human Resources Study" as distributed at the Finance/Policy Committee of the Whole meeting 2009-SEP-21. Please notify the Legislative Services Department if you require an additional copy.

10. **INFORMATION ONLY ITEMS:**

- (b) Report from Mr. B.E. Clemens, Director of Finance, re: 2010 – 2014 Financial Plan. *Pg. 10-15*

11. **CORRESPONDENCE:**

12. **NOTICE OF MOTION:**

13. **OTHER BUSINESS:**

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

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

16. **PROCEDURAL MOTION:**

17. **ADJOURNMENT:**

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MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING  
HELD IN THE BOARD ROOM, CITY HALL,  
ON MONDAY, 2009-NOV-02 COMMENCING AT 4:30 P.M.

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PRESENT: Mayor J. R. Ruffan, Chair

Members: Councillor W. L. Bestwick  
Councillor W. J. Holdom  
Councillor D. K. Johnstone  
Councillor J. A. Kipp  
Councillor L. D. McNabb  
Councillor L. J. Sherry  
Councillor M. W. Unger

Absent: Councillor J. F. K. Pattje

Staff: A. C. Kenning, Deputy City Manager  
A. W. Laidlaw, General Manager of Community Services  
D. W. Holmes, General Manager of Corporate Services  
E. C. Swabey, General Manager of Development Services  
I. Howat, Director of Legislative Services  
T. L. Hartley, Director of Human Resources  
B. E. Clemens, Director of Finance  
T. P. Seward, Director of Development  
A. J. Tucker, Director of Planning  
J. Holm, Manager of Planning  
J. Horn, Social Planner  
J. E. Harrison, Manager of Legislative Services  
B. Anderson, Manager of Community Planning  
K. Sillem, Planning Assistant  
S. McMillan, Recording Secretary

1. CALL THE OPEN MEETING TO ORDER:

The Regular Finance / Policy Committee of the Whole Meeting was called to order at 4:34 p.m.

2. INTRODUCTION OF LATE ITEMS:

(a) Add Agenda Item 9 (d) – Staff Reports – December 2009 Calendar.

3. ADOPTION OF AGENDA:

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

4. ADOPTION OF MINUTES:

It was moved and seconded that Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2009-OCT-19 at 4:32 p.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

- (a) Mr. B. Anderson, Manager of Community Planning, provided a PowerPoint presentation, regarding an update on the Newcastle - Brechin and Southend Neighbourhood Plans.
- (b) Mr. K. Sillem, Planning Assistant, provided a PowerPoint presentation regarding LED Signage / Electronic Message Boards.

It was moved and seconded that the Delegations Pertaining to Items Not on the Agenda be moved forward to follow Presentations. The motion carried unanimously.

6. DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA:

- (a) Car Seat Safety PowerPoint Presentation by fourth year Nursing students, Kristina Brow, Quinn Frame and Jenny Haskins.

It was moved and seconded that Council send a letter to the Vancouver Island Health Authority (VIHA), requesting reconsideration of their current policy which bans child car seat checks on VIHA property, copying the Minister of Health and the Attorney General, and that a second letter be sent to the Insurance Corporation of British Columbia (ICBC) requesting the continuation of funding for car seat safety training. The motion carried unanimously.

7. STAFF REPORTS:

CORPORATE SERVICES:

- (a) Key Date Calendar for 2010

It was moved and seconded that Council adopt the Key Date Calendar and Acting Mayor Schedule for 2010. The motion carried unanimously.

- (b) Regional District of Nanaimo Pump and Haul Local Service Area Amendment Bylaw No. 975.51, 2009

It was moved and seconded that Council waive the consent requirements under Section 801.4 of the Local Government Act by consenting to the adoption of "REGIONAL DISTRICT OF NANAIMO PUMP AND HAUL LOCAL SERVICE AREA AMENDMENT BYLAW NO. 975.51, 2009" and that the Regional District of Nanaimo be notified accordingly. The motion carried unanimously.

- (c) Port Theatre Loan Guarantee

It was moved and seconded that Council rescind their offer made 2009-AUG-17 to guarantee a \$2 million line of credit for the Port Theatre Studio. The motion carried unanimously.

- (d) December 2009 Calendar

It was moved and seconded that the 2009 Key Date Calendar be amended to schedule the December meetings as follows:

December 3 .....Public Hearing  
December 7 .....Finance/Policy Committee of the Whole  
December 14.....Council Meeting (last meeting of the year)

The motion carried unanimously.

8. INFORMATION ONLY ITEMS:

- (a) Report from Mr. A. Tucker, Director of Planning, re: LED Signage / Electronic Message Boards.

9. CORRESPONDENCE:

- (a) Letter dated 2009-OCT-23 from the Departure Bay Neighbourhood Association, requesting Staff and Council to proceed with the upgrading of the existing Departure Bay beachfront walkway, and to meet with the community early in the design process.

It was moved and seconded that the request from the Departure Bay Neighbourhood Association to proceed with the upgrading of the existing Departure Bay beachfront walkway be referred to budget deliberations, and that the Departure Bay Neighbourhood Association be advised that Council cannot confirm that funding for the project will be included in the 2010 budget. The motion carried unanimously.

10. QUESTION PERIOD:

11. PROCEDURAL MOTION:

It was moved and seconded that the following meeting be closed 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;

*Community Charter* Section 90(2):

- (b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

Council moved into "In Camera" at 5:44 p.m.

Council moved out of "In Camera" at 6:34 p.m.

12. ADJOURNMENT:

It was moved and seconded at 6:34 p.m. that the meeting terminate. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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DIRECTOR,  
LEGISLATIVE SERVICES

# STAFF REPORT

REPORT TO: AL KENNING, CITY MANAGER

FROM: ANDY LAIDLAW, GENERAL MANAGER, COMMUNITY SERVICES

RE: PROTECTIVE SERVICES ISSUES (STAFFING LEVELS AND BUDGET)

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## STAFF'S RECOMMENDATION:

1. That Council proceed with implementation of the ten year fire plan with regard to the hiring of ten new firefighters in 2010 to complete 24/7 staffing of the Chase River Fire Station (fire station four).
2. That Council implement the phasing in of new police resources over five years as set out in the report.
3. That as a result of current economic conditions, Council request a staff report on the potential option to delay the planning, construction and staffing of the proposed new Fire Station #6 (Hammond Bay at Nottingham).

## BACKGROUND:

Budget submissions from Protective Services are considerable in the 2010 budget and extend over a five year period. Several factors have emerged over the last several months which now provide a clearer picture of anticipated future services and costs. These include requests by the RCMP for additional general duty members and initiation of planning for Fire Station #6 in 2010 budget.

### A. Fire Plan (2010)

1. The 2010 annual budget currently includes the costs of ten firefighters to complete 24/7 staffing at the Chase River Fire Station #4. The cost for 2010 is \$389,200 or an annualized cost (2011) of \$820,138. If Council wishes to alter or delay this component of the Fire Plan, notice should be provided at the earliest as staff are currently recruiting firefighters to fill these positions for Station #4 for implementation 2010-JUL-01.

Fire Plan (2010-2013): The Fire Plan currently provides that subsequent to the full staffing contingent for Chase River, staff will look to the development of Station #6. The proposed site has been purchased and is located at the corner of Hammond Bay and Nottingham Drive (Old Millers Farm). The Plan calls for the development of Station #6 and design costs in 2010 are \$150,000. The construction of Fire Station #6 is currently proposed to be funded from borrowing. This will require an alternate approval process (AAP) or referendum. Fire Station #4 was financed through an AAP. These costs are currently included in the budget. Plans for full implementation of Station #6 and budgetary issues are set out below:

☐ Council  
☒ Committee..... FPCOW  
☒ Open Meeting  
☐ In-Camera Meeting  
Meeting Date: 2009. Nov. 16

	Budget				
	2010	2011	2012	2013	2014
<b>Capital Cost - New Fire Station - #6</b>	<b>150,000</b>	<b>150,000</b>	<b>2,400,000</b>		
Additional Staffing - Fire Station #4	434,200	391,438			
Annual Operating Costs - Fire Station #6				479,669	371,253
Borrowing Costs - Fire Station #6			12,230	296,596	296,596
<b>Total Annual Increase - Operating Costs</b>	<b>434,200</b>	<b>391,438</b>	<b>12,230</b>	<b>776,265</b>	<b>667,849</b>
<b>Projected Annual General Taxation Increase</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>0.9%</b>

  

<b>Annual Borrowing Costs - Fire Station #4</b>	<b>306,143</b>	<b>306,121</b>	<b>306,098</b>	<b>306,075</b>	<b>306,051</b>
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Capital Cost - design for Fire Station #6 in 2010 and 2011 funded from reserves, construction in 2012 funded from borrowing

Council may wish to consider delaying Station #6 design, construction and staffing over a longer period of time. This will provide an option to spread the cost and reduce the budgetary impacts over an extended period. Staff can provide a further update with respect to this facility and its function within the overall fire services plan if requested.

The Fire Plan from 2009 to 2013 is being implemented by staff according to the schedule previously adopted by Council. If Council wishes to develop the Plan over a longer period of time, early notification should be provided providing for effective cost saving strategies.

#### B. Police Services:

Council received a presentation from the RCMP E Division on staffing issues with respect to the requirement for additional service levels based on a 2008 study. The request from the RCMP is an additional 24 general duty (GD) members to bring Nanaimo up to the standard identified in the report. The impacts of the PRIME system and case load management has reduced the ability of the RCMP for proactive policing and special teams. The budgetary impact for 2010 of meeting the request of 24 GD members and the ten support services is \$3.7 million or approximately 5% additional current annual budget. Staff consider this budgetary request financially difficult for Council and appended below is a five year implementation plan to reach the additional 24 GD members. Council can accelerate or delay this implementation as it wishes.

	IMPLEMENTATION					
	1 Year	5 Years				
	2010	2010	2011	2012	2013	2014
RCMP - Additional General Duty Members	24	5	5	5	5	4
Estimated \$/Member	125,500	125,500	125,500	125,500	125,500	125,500
<b>Projected Additional Cost</b>	<b>3,012,000</b>	<b>627,500</b>	<b>627,500</b>	<b>627,500</b>	<b>627,500</b>	<b>502,000</b>
Municipal Police Support Services Staffing - Additional FTEs:	10.0	2.0	2.0	2.0	2.0	2.0
<b>Projected Additional Cost</b>	<b>653,100</b>	<b>130,620</b>	<b>130,620</b>	<b>130,620</b>	<b>130,620</b>	<b>130,620</b>
<b>Total Projected Annual Increase - Operating Costs</b>	<b>3,665,100</b>	<b>758,120</b>	<b>758,120</b>	<b>758,120</b>	<b>758,120</b>	<b>632,620</b>
<b>Projected Annual General Taxation Increase</b>	<b>4.8%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.8%</b>



This five year plan calls for an approximate 1% tax increase each year from 2010 to 2014. However, the study was based on 2008 and it does not provide increases that the RCMP may request for 2010 to 2014. These additional resources were not costed into this budget projection.

Although this additional request for staffing can be accommodated within the current RCMP facility, future expansion is anticipated and is currently budgeted for 2012. This facility expansion is currently anticipated to be funded from borrowing through AAP or referendum.

C. Overview:

Protective Services are currently 30% of the overall City expenditures. This budget allocation is likely to increase with staffing requests from both Fire and Police Services. Council will need to consider the balance of these services, however, staff believe at this time, Fire Services has received more focus with the development of a ten year staged plan.

Policing resources have been increasing incrementally on the basis of 1:700 population ratio. However, the recent report from 'E' Division staffing has identified shortfalls that would alter this ratio.

Over time, advocacy roles for Fire Services have tended to be greater than those of Police Services perhaps with resulting increases to Fire Services at an accelerated rate relative to police. Adequate funding for all Protective Service needs to be balanced against Council's ability to fund the programs relative to other community services.

Council each year has the opportunity to review future expenditures in Protective Services and it is staff's opinion that planned expenditures could be shifted towards RCMP resourcing after the completion of Fire Station #4 staffing. A review of workloads identify that RCMP needs appear to be significant and pressing at this time. This is, of course, for Council's adjudication and review.

Respectfully submitted,



Andy Laidlaw  
General Manager, Community Services

g:\admin\council rpts\2009\ProtectiveServices-Issues

## FOR INFORMATION ONLY REPORT

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

FROM: B. E. CLEMENS, DIRECTOR OF FINANCE

RE: 2010 - 2014 FINANCIAL PLAN

### RECOMMENDATION:

That Council receive this report for information.

### EXECUTIVE SUMMARY

The 2010-2014 Financial Plan being presented by staff includes property tax increases as follows:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Blended	3.4%	6.1%	2.1%	3.1%	3.8%
Residential	4.6%	7.2%	3.1%	3.1%	3.8%
Commercial	3.4%	6.1%	2.1%	3.1%	3.8%
Industrial	-14.3%	-14.7%	-22.2%	3.1%	3.8%

There is also an annual increase of 5% to water fees and 6.4% to garbage/recycling fees but no increases for sewer are proposed.

Council has an opportunity to receive input from the public and make changes to the Financial Plan before adopting it in January. There will be additional opportunities to discuss and amend the Plan in March and April before the final budget and tax rates bylaws are required to be adopted in mid-May.

The total impact of the proposed budget on a typical single family home (assessed at \$350,000 in 2010) is \$100.76 or about a 4.5% increase over 2009. This is only for the City of Nanaimo portion of the tax bill. This does not include any other taxing agency (school, hospital, Regional District of Nanaimo), as these increases are not known at this time.

### DISCUSSION:

The 2010-2014 Financial Plan (also known as "the Budget") is being presented tonight for Council's information. The current timetable for adoption is as follows:

- January 11 Regular Council meeting (first three readings of bylaw)
- January 25 Regular Council meeting (adoption of bylaw)

☐ Council  
☒ Committee FPCOW  
☒ Open Meeting  
☐ In-Camera Meeting  
 Meeting Date: 2009-Nov-16

Time will be set aside at every Council and Committee of the Whole meeting between now and adoption for members of the public to address Council with their concerns about the budget. Staff will advertise in the local papers in order to solicit public input at these meetings. Additional meetings may be scheduled if so directed by Council.

There is flexibility in the schedule, but staff recommend that Council pass the Financial Plan Bylaw as soon as possible in the new year. At the latest, Council must adopt the new Financial Plan before the annual Tax Rates Bylaw is approved in May. This year, staff proposes to introduce the 2010-2014 Financial Plan Bylaw at the Regular Meeting of Council to be held January 11th. Until the new plan is adopted, City expenditures will be governed by the plan adopted by Council last May. The new financial plan has changes from the previous year and adopting it as soon as possible will authorize these changes. As part of the budget bylaw to be passed in May, Council will also be adopting policies related to sources of revenues. These will be outlined in a future report to Council.

The community will have additional opportunities to address Council in April and May, and Council will be able to review and amend the Plan before the Tax Rates Bylaw is finally approved in May.

Complete budget packages, including information on current and recommended higher service levels, as well as the 2010-2014 capital budget, have been provided to Council and are available to the public at City Hall. Draft budget information will also be available on the City's website. In the past, staff set up a question and answer forum on the City's website, and this will be done again this year.

Highlights of the proposed 2010 Budget are as follows:

- Estimated \$1,050,000 in tax revenue from new growth (compared to \$1,753,000 in 2009)
- Average property tax increase of 3.4% for all assessment classes in 2009
  - 4.6% residential
  - 3.4% commercial and other classes
  - 14.3% decrease in major industry
- User fees:
  - no change proposed for sewer rates
  - 5% increase in water rates to fund costs of water supply infrastructure
  - 6.4% increase in garbage and recycling fees to cover increased costs of the recycling contract plus the additional costs of new "split packer" vehicles to collect garbage and food waste.
- \$1,063,640 in higher service level requests are recommended by the City Manager and are included in the 2010 Budget. Most of this is to hire 5 new RCMP officers.

As noted above, there are different increases for some of the property tax classes. This is the second year of a four-year initiative by Council to reduce the major industry tax rate to be at the same level as the commercial rate. For many years, Council's policy was to keep the industrial tax rate at the average of all BC municipalities. Major industry has been a large taxpayer in this community for a long time. This is changing as two sawmills closed in 2006 and one of the City's largest taxpayers was under protection from creditors for part of 2008. Reducing tax levels for the major industry class will serve two purposes: it provides some relief to the remaining industrial taxpayers; and it helps to reduce the City's dependence on

this revenue source. In 2009, the City's industrial tax rate was at 94% of all BC municipalities that have industrial assessment. There will be opportunities for discussion on the appropriate levels of taxation for the various classes as Council develops the revenue policies required by recent changes in the *Community Charter*.

The previous (2009-2013) Financial Plan anticipated that there would be a 4.9% blended property tax increase in 2010 (6.1% for residential). While preparing this budget staff made a number of cuts and were able to reduce the previous estimate by 1.5%. These cuts impacted many parts of the City's budget, with the two largest areas being reductions to capital and other projects for Engineering & Public Works (\$445,000) and Parks, Recreation & Culture (\$627,000). Although these budgets were reduced from the original projection, both departments continue to have a capital program that is similar in size to the 2009 capital budget.

The proposed increase in the plan is higher than the current rate of inflation. Some of the factors that contribute to this are:

- 3.5% increase in CUPE wages in 2010 (an allocation has also been made for IAFF, which expires in 2010)
- 10 additional firefighters to bring Fire Station #4 up to 24/7 staffing in June (\$434,000)
- Increased operating subsidy for VICC (\$255,000)
- Funding for energy reduction projects (\$175,000)
- Increased snow & ice control budget (\$185,000)
- Reduced revenue for casino (\$300,000) and investment income (\$400,000)

The budget for the RCMP contract has been adjusted from 93% to 95% of the estimated cost. This is a return to the percentage that was used in 2008. The adjustment has been made because it appears that the RCMP have been more successful in 2009 in providing the number of officers required to reach our authorized strength. There will always be some shortfall due to staff absences, so staff will continue to monitor the situation and adjust the budget ratio as required.

#### Higher Service Level Requests

In recognition of current economic conditions, staff submitted very few requests for higher services this year. There are eight requests totalling \$1,635,404. The majority of these requests are for increased police staffing. The City Manager has recommended that \$1,063,640 in higher service requests be included in the budget package for Council's review.

The recommended requests are:

- 5 additional RCMP Members
- Police Support Steno (1.0 FTE)
- Watch Clerk (1.0 FTE)
- Exhibit Clerk (1.0 FTE)
- Comprehensive plan of Assembly Wharf/CP lands

Council may add or delete items as desired.

SUMMARY:

For the sake of illustration, staff have used \$350,000 as a typical assessed value for a single family home in 2010. The impact of the property tax increase for this home in 2010 is estimated at \$79.65, plus an additional \$14.36 for the increase in water rates and \$6.75 for garbage rates. That makes the total impact of the proposed budget \$100.76 or 4.5%. This does not include any other taxing agency (school, hospital, Regional District of Nanaimo), as these increases are not known at this time. This is shown in Appendix II.

Respectfully submitted,



B.E. Clemens  
Director of Finance



D.W. Holmes  
General Manager,  
Corporate Services

BEC/  
G:\ADMINISTRATION\Council\Reports\2010 Financial plan Nov 16 2009.docx

# APPENDIX I

## City of Nanaimo Higher Service Level Requests 2010 Provisional Budget

		FTEs	Cost \$	Other Funding \$	Impact on Taxation \$	
<b>Community Safety</b>						
Police Services	RCMP Members	8.00	1,004,000		1,004,000	R*
Police Services	Police Support Steno	1.00	63,416		63,416	R
Police Services	Watch Clerk	0.50	35,762		35,762	R
Police Services	Exhibit Clerk	0.50	31,292		31,292	R
<b>Total Community Safety Requests</b>		10.00	1,134,470	0	1,134,470	
<b>Development Services</b>						
Current Planning	Comprehensive plan of Assembly Wharf/CP Lands area of downtown		200,000		200,000	R
<b>Total Development Services Requests</b>		0.00	200,000	0	200,000	
<b>Parks, Recreation &amp; Culture</b>						
Civic Properties	Structural repair work on Bastion Building		175,000		175,000	
Community Development	Increase Tournament & Festival grants		25,000		25,000	
Recreation and Culture	Arts and Culture Manager	1.00	100,934		100,934	
<b>Total Parks, Recreation &amp; Culture Requests</b>		1.00	300,934	0	300,934	
<b>Total Higher Service Level Requests</b>		11.00	1,635,404	0.00	1,635,404	

\* Only 5 of the 8 requested RCMP members are recommended

City of Nanaimo  
Effect of 2010 Provisional Budget on a  
Typical Home with Average Water Consumption

	2009	2010	Budget increase	
PROPERTY TAXES			\$\$\$	%%%
Assessment *	350,000	350,000		
Tax rate - municipal only (includes library)	4.9472			
Property taxes **	1,731.52	1,811.17	79.65	4.6%
USER RATES ***				
Water consumption - 220 gal/day	287.15	301.51	14.36	5.0%
Sewer charges	96.98	96.98	0.00	0.0%
Garbage charges	105.25	112.00	6.75	6.4%
Total user rates	489.38	510.49	21.11	4.3%
Total Property Taxes & User Rates	2,220.90	2,321.66	100.76	4.5%

\* Assumes a typical house with the average assessment change

\*\* Excludes Home Owner Grant and taxes collected for other governments

\*\*\* Excludes Limited Income subsidies for seniors