

MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2006-APR-03 COMMENCING AT 4:30 P.M.

PRESENT: Councillor W. J. Holdom, Chair

Members: Mayor G. R. Korpan
Councillor J. D. Cameron
Councillor L. D. McNabb
Councillor C. S. Manhas
Councillor L. J. Sherry
Councillor M. W. Unger

Absent: Councillor W. L. Bestwick
Councillor M. D. Brennan

Staff:	G. D. Berry	J. M. McNeill
	A. W. Laidlaw	Chief R. Lambert
	B. N. Mehaffey	S. Graham
	B. E. Clemens	K. L. Burley
	K. M. MacKenzie	K. King

1. ADOPTION OF MINUTES:

- (a) Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2006-MAR-20 at 4:30 p.m.

It was moved and seconded that the Minutes be adopted as circulated. The motion carried unanimously.

2. INTRODUCTION OF LATE ITEMS:

- (a) Councillor Holdom advised that a Supplemental Agenda had been distributed prior to the meeting.

3. DELEGATIONS PERTAINING TO AGENDA ITEMS:

It was moved and seconded that the Delegations be permitted to address Council. The motion carried unanimously.

- (a) Delegations pertaining to the City of Nanaimo 2006 – 2010 Financial Plan.

There was no one in attendance to speak to the Financial Plan.

- (b) Mr. Scott Thomson, 348 Wesley Street, Nanaimo, BC, regarding the Nanaimo Empire Days Society request for funding.

Mr. Thomson was previously authorized to address Council.

Mr. Thomson stated that:

- the Empire Days Society is not requesting funding specifically for its fireworks display, in fact, that would be the first thing they would cut from the program.
- they are currently raising about a third of their budget through donations, fund-raisers etc., one third through Bingo, and about a third from the City.
- he believes that the first time they came to the City was because their Bingo funds were gradually being reduced.
- they have talked to many major sponsors in town and many support the Bathtub Society.
- next year will be the 140th anniversary and they plan to have the Snowbirds as a feature attraction.
- because they work with volunteers, the cost for insurance last year was \$4,000. and this year they are paying \$6,000.
- the organization is run by volunteers; they have no paid staff.
- they do attract tourists to Nanaimo by advertising on Shaw Cable and through newspaper ads.
- their current cash flow would allow them to exist with no funding for about one year.

It was moved and seconded that the presentation be received. The motion carried unanimously.

4. PROCLAMATIONS:

- (a) Fire Chief R. Lambert, Nanaimo Fire Department, requesting that the week commencing 2006-APR-09 to 2006-APR-15 be proclaimed "NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK" in the City of Nanaimo.
(*Supplemental*)

It was moved and seconded that the week of 2006-APR-09 to 2006-APR-15 be proclaimed "NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK" in the City of Nanaimo. The motion carried unanimously.

5. REPORTS OF ADVISORY BODIES:

(a) Grants Advisory Committee – Nanaimo Empire Days Society Application for Funding Request

In 2004, Nanaimo Empire Days Society appealed to Council to fund the cost of the fireworks for their annual celebration. Council referred this request to the Grants Advisory Committee. The Committee had some difficulty with the application, as the size of the grant request (\$12,000.) was much larger than the budget available and the nature of the grant is quite different than the others reviewed by the Committee. Ultimately, the Grants Advisory Committee recommended that Council approve the grant, but that it be funded from Council contingency.

In 2005, Nanaimo Empire Days Society applied again and this time was referred to the Tournament and Festival Fund in Parks, Recreation and Culture. This Committee also had difficulty reviewing this application as their funding guidelines limit grant amounts to \$1,500. In the end, \$4,000 was funded from this budget and Council awarded the remaining \$8,000. from Council contingency.

Nanaimo Empire Days Society has again applied for \$12,000. to fund the fireworks display. The application was sent directly to the Grants Advisory Committee. Once again, the Committee struggled with the application, as the Committee's budget for "Other Grants" category is only \$5,345. In addition, the nature of the application makes it difficult to compare to the other types of applications received by the Grants Advisory Committee.

Some members of the Committee were in support of the application in principal, and all were supportive of the organization and community celebration. In the end, the Committee decided that it should be up to Council to determine whether this kind of expenditure should receive public funding.

Recommendation: That Council determine whether or not to grant \$12,000. to the Nanaimo Empire Days Society for their 2006 fireworks demonstration.

It was moved and seconded that the Nanaimo Empire Days Society be granted \$12,000. for their 2006 fireworks demonstration, but financial support be phased out over a period of three years and cut by one-third each year, commencing in 2007. The motion carried.

Opposed: *Councillors McNabb, Manhas and Sherry*

6. CITY MANAGER'S REPORT

CORPORATE SERVICES:

FINANCE:

(1) Grants to Non-Profit Organizations *(Supplemental)*

At the Regular Meeting of Council held 2006-JAN-23, Council passed the following motion:

"That Council request Staff to prepare a report outlining the current policies and practices used by Council when granting funds to external organizations. Staff is also requested to provide alternatives to the existing system."

A report was attached containing extensive background on grant payments made annually by the City of Nanaimo and Council was encouraged to read the full report.

A spreadsheet was also attached to the report which listed the grants paid by the City of Nanaimo to external organizations. Some of these may be considered to be payments for service, but Staff has interpreted Council's motion as broadly as possible in order to provide a more complete picture of the payments that are made by the City to non-profit organizations.

Grants Advisory Committee

All payments in this category receive scrutiny from the Grants Advisory Committee in accordance with the guidelines previously established by the Committee and endorsed by Council. The composition of the Committee reflects a variety of interest groups, though there is a greater representation from the 'social services' sector.

The Grants Advisory Committee has an extensive process to deal with the smallest amount of funding in any of the categories (about 2 percent of the total funding identified in the report). It may be possible to use the expertise of this committee to review additional kinds of grant funding.

Parks, Recreation & Culture

Like the previous category, most of the groups in this category are reviewed closely by a committee before recommendations are made to Council. Some (Port Theatre, Museum, NALT and Nanaimo Art Gallery) are only reviewed incrementally, and don't have to compete with other groups for funding. Other groups are generally required to apply each year for funding.

Celebrations & Events

Once the budget for the New Year's Eve event is removed, there will only be a budget for the in-kind activities carried out by City Staff in conjunction with these events. Currently, Staff makes the decision to do this based on past practice. If Council is concerned about this funding, Staff could provide a separate report for Council's consideration. It is a relatively small amount of money (about \$31,000.) to Provide support to the many parades and similar community events held each year and this amount has not changed significantly since 1999.

Tourism & Economic Development

Note that this budget does not include the budget for the City's Economic Development Office or for destination marketing.

This is one of the categories that increased the most, tripling in size since 1999. This reflects Council's focus on tourism and economic development and in particular, downtown revitalization. The Economic Development Office is reviewing the City's contract with Tourism Nanaimo, and Council will be reviewing an update of Film Nanaimo later this year.

The main reason for the increase in this category is the funding provided to the Downtown Nanaimo Partnership.

Other Grants/Payments

Most of the payments in this category are payments for services/programs that Council has previously decided to include in the budget (Archives, Victim Services, Restorative Justice).

The one that is different is the Social Service Community Grants which is reviewed by the Social Planning Advisory Committee (SPAC). At one point in time, these grants were reviewed by the Grants Advisory Committee with input from SPAC, but it was felt that the mandate of the Grants Committee was too narrow.

Where to go from here

One trend that emerges from reviewing these payments is that groups who appeal directly to Council tend to be more effective in being given funding, or increasing their existing funding. Groups that previously were required to "compete" each year for funding, like the Nanaimo Art Gallery and NALT, have been successful in getting their own line item in the budget. Once this occurs, the amount of scrutiny is reduced and annual funding is virtually assured. This may have been Council's intention, but it is clear that there has been a large incremental effect on the City's budget.

Another trend is the shift from social services grants to arts and cultural. When cultural grants were reviewed by the Grants Advisory Committee, the budget was approximately equal for the two categories (about \$25,000. each in the early 1990's). Since that time, the only increase in social service grants is the \$90,000. allocated from casino funding. Cultural grants now exceed \$240,000. (including the art gallery and event fund). Part of this is due to Council's policy decision to increase the cultural grant fund to \$2.00 per capita.

The questions for Council are:

1. Does this allocation of City funding still reflect Council's intentions?
2. Do agencies receiving these payments receive an adequate review process?

The current allocation reflects incremental decisions made over many years. If Council wishes to review and adjust these priorities, Staff could set up a seminar session for Council to discuss these issues.

With regard to the review process, most agencies do receive some kind of scrutiny either through the Grants Advisory Committee or through Parks, Recreation and Culture.

Council could increase the mandate of the Grants Advisory Committee. The Committee could be asked to review those organizations that directly appeal to Council for funding and/or the Social Service Grants from the casino fund. However, the current composition and policies of the Committee makes it difficult for them to deal with requests that may be perceived as political.

Another approach would be to utilize the new Finance and Policy Committee of the Whole. Any direct requests for funding could be referred to the Committee of the Whole, possibly accompanied by a report from Staff or from the Grants Advisory Committee where appropriate.

Alternatively, Council may decide that the status quo is working and not make any changes to the existing policies and practices.

Recommendation: That Council form a select committee, chaired by Councillor Unger (Grants Advisory Committee Chair), made up as follows:

- One member from the Parks, Recreation & Culture Commission;
- One member from the Cultural Grants Committee;
- One member from the Social Planning Advisory Committee; and,
- Three members of the general public.

This select committee would review the existing process and policies and report back to Council by 2006-SEP-30 with its recommendations.

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

7. INFORMATION ONLY ITEMS:

- (a) Report from Ms. P. Work, Benefits Administrator, re: Heart and Stroke Awareness.

It was moved and seconded that the Information Only Item be received. The motion carried unanimously.

8. CORRESPONDENCE:

- (a) Letter dated 2006-MAR-17 from Ms. Barbara Armstrong, Senior Development Officer, BC Cancer Foundation, 2410 Lee Avenue, Victoria, BC, requesting a letter of support and endorsement of the "Voices of Discovery Tour 2006" to be held in Nanaimo on 2006-MAY-17 and requesting a community gift of \$1,000. towards the visit.
- (b) Letter dated 2006-MAR-28 from Mr. Bill Sutherland, President, Canadian Association of Home & Property Inspectors (BC), requesting that Council forward a letter to the Honourable Premier Campbell regarding establishing standards for the BC Home and Property Inspection Industry.

It was moved and seconded that the Correspondence be received. The motion carried unanimously.

Item (b):

It was moved and seconded that a letter of support be forwarded to the Honourable Premier Campbell regarding establishing standards for the BC Home and Property Inspection Industry. The motion carried unanimously.

9. DELEGATIONS PERTAINING TO ITEMS NOT ON THE AGENDA:

- (a) Mr. Gerry Owen and Mr. Charlie Fox, 5343 Scenic Place, Nanaimo, BC, regarding their journey from Nanaimo to St. John's, Newfoundland to raise awareness about mental health and homelessness.

Mr. Owen and Mr. Fox were previously authorized to address Council.

Mr. Owen stated that:

- on May 1st he, Charlie Fox and Jan Nilsson will be riding bicycles from Nanaimo to Newfoundland.
- the purpose of the ride is to pick up on the work of a group started in Nanaimo by Ron Plecas, called "Open Minds, Open Windows", which was formed to address the stigma associated with mental illness.
- their budget for this ride will be about \$14,000. to \$15,000.
- they are raising money in the community with donations being about a third, a third from their own pockets, and are seeking funding from the City to assist with the last third.
- the ride itself is coast to coast and their intention is to highlight the fact that they are starting this in Nanaimo.

- they have recently received the endorsement of the Canadian Mental Health Association (CMHA) and they are going to be promoting their ride in local events across the country, the first event will be in Kamloops.
- starting on May 7th the CMHA will be concentrating on the ride as their primary promotional campaign.
- he has worked in a human resources/labour relations field for a long time and knows the enormous cost that mental health issues present to major employers in this area and to society as a whole.
- Affordable Housing Nanaimo tracked hospital attendances of mental health clients who live in affordable housing projects, five years before and five years after coming into simple affordable housing and found that 1000 hospital nights in five years was the average for each of those individuals prior to coming into affordable housing and in the five years following the average stay was 80 nights.
- he believes that we have made tremendous strides with respect to people with physical disabilities but people with mental illness are still attached with a stigma that needs to be addressed.

It was moved and seconded that consideration of the funding request be postponed until replies from the Rotary Club and other organizations have been received. The motion carried unanimously.

- (b) Mr. Michael Schellinck, Executive Director, Nanaimo Recycling Exchange Society, 2214 McCullough Road, Nanaimo, BC, requesting financial support for the development of a large full-service community recycling centre.

Mr. Schellinck was previously authorized to address Council.

Mr. Shellinck stated that:

- they plan to move their little recycling depot, located on McCullough Road and expand it at 2477 Kenworth Road.
- in 2005, they had 1.5 million units of material coming through their facility.
- one of the biggest complaints that they get from users is that the Nanaimo Recycling Exchange (NRE) is just too difficult to get into so they opt not to use it.
- if they can create an easily accessible, safe, well laid out facility the participation rates will increase.
- the new location at Kenworth Road is about 6,000 square metres; it is flat and possible to have an entrance and an exit at both ends of the lot.
- it is centrally located and zoned I-2, which allows for a recycling depot.
- one of the interesting characteristics of this site is that there is no residential housing within close proximity.
- the Regional District of Nanaimo (RDN) has recently implemented a licensing bylaw for any facility handling waste materials, including recyclables, and there are strict guidelines that have to be met in order to make the site safe, clean and presentable at all times.
- one of the biggest requirements is that all material has to be contained inside a structure.
- you cannot operate without this licence and you must produce a plan.
- the NRE looks at the whole recycling picture and finds out what areas are not covered by the other programs.
- florescent tubes are an example of materials that are considered a negative item, meaning that it costs money to recycle them.

- the NRE is not designed to compete against private industry; they want to provide a recycling solutions for the community, as well as taking those materials that commercial recycling facilities don't really want, such as batteries, florescent tubes and oil.
- they work with the City, RDN, and other groups, and attend special events in order to have a presence in the community and provide people with options for recycling.
- the NRE assists people who want training to build new skills, works with the John Howard Society and has a number of special needs individuals that work for the NRE that have never had jobs before.
- they are requesting a one-time contribution of \$75,000. from the City toward the purchase of the property at Kenworth Road and are also requesting that the Labieux Road recycling containers be removed and established within the new NRE location.
- the NRE plans to provide increased hours and have staff in attendance to ensure that the facility is properly used.
- he also invited the City and the RDN to select a representative to sit on the NRE Board, so that future programs and services can be discussed by the three organizations, to enable a greater cooperative arrangement for providing a full-service, one-stop recycling centre that is geared to our community.

It was moved and seconded that Staff prepare a report regarding the Nanaimo Recycling Exchange Society's request for \$75,000. to go toward the purchase of property at 2477 Kenworth Road as it relates to priorities in the budget. The motion carried unanimously.

10. ADJOURNMENT:

It was moved and seconded at 5:35 p.m. that the meeting terminate. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

MANAGER,
LEGISLATIVE SERVICES