

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2018-MAY-09 AT 9:00 A.M.

Present: Councillor W. L. Bestwick, Chair
Mayor W. B. McKay (vacated 11:00 a.m.)
Councillor M. D. Brennan
Councillor G. W. Fuller
Councillor J. Hong
Councillor J. A. Kipp
Councillor I. W. Thorpe

Absent: Councillor S. D. Armstrong
Councillor W. M. Yoachim

Staff: R. J. Harding, Director of Parks and Recreation
D. Lindsay, Director of Community Development (arrived 10:51 a.m.)
B. Sims, Director of Engineering and Public Works
J. Van Horne, Director of Human Resources
B. Corsan, Deputy Director of Community Development
K. Fry, Fire Chief and Director of Public Safety (arrived 9:03 a.m.)
L. Mercer, Manager, Accounting Services
W. Fulla, Manager, Business, Asset and Financial Planning
J. Slater, Senior Accountant
S. Gurrie, City Clerk
K. Gerard, Recording Secretary
G. Whitters, Steno

1. CALL THE FINANCE AND AUDIT COMMITTEE MEETING TO ORDER:

The Finance and Audit Committee Meeting was called to order at 9:01 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 following Minutes be adopted as circulated:

- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium on Wednesday, 2018-APR-04, at 9:00 a.m.
- Minutes of the Finance and Audit Committee Meeting held on Wednesday, 2018-APR-11 at 9:00 a.m.

The motion carried unanimously.

4. PRESENTATIONS:

(a) Carly Trobridge, President, Nanaimo Search and Rescue, regarding 1151 Nanaimo Lakes Road

Carly Trobridge, President, Nanaimo Search and Rescue, provided the Finance and Audit Committee with a presentation regarding the results of the Phase 1 feasibility study on the City owned property at 1151 Nanaimo Lakes Road and requested funding from the City of Nanaimo to complete the needed upgrades to sewer, water and hydro.

Finance and Audit Committee discussion took place regarding:

- the existing building on site and upgrades to ensure it is seismically sound;
- if the existing building could be renovated to accommodate the Nanaimo Search and Rescue operation;
- infrastructure upgrades for the new facility; and,
- options of renting, leasing or attaining a mortgage to pay for the new building.

It was moved and seconded that the Finance and Audit Committee refer the request for funding from the Nanaimo Search and Rescue, to complete the needed upgrades to sewer, water and hydro to Staff for further consultation between Staff and Nanaimo Search and Rescue. The motion carried.

Opposed: Councillors Fuller and Kipp

Councillor Kipp called a point of order regarding whether the motion included the Mayor's suggestion of researching what can be done with the existing property.

Mayor McKay called a point of order regarding debating a motion after it has been voted on.

(b) KPMG Presentation

Nancy Adie-McKay, Partner, Audit, KPMG and Liette Bates-Eamer, KPMG, provided Council with a Summary of Audit Findings for their audit of the City of Nanaimo 2017 Financial Statements.

Finance and Audit Committee discussion took place regarding:

- best practices in other communities/municipalities and how the City of Nanaimo compares;
- approval of expenses;
- addressing the four areas found with significant deficiencies; and,
- whether the report should have been viewed "In Camera" rather than in an open meeting.

Councillor Brennan called a point of order regarding discussion of "In Camera" information needing to continue in an "In Camera" meeting.

Sheila Gurrie, City Clerk, stated that the KPMG Audit report was brought forward correctly as in past practice and FOI policies were checked to ensure this report could be brought forward publically. Staff were not given direction to have the KPMG audit findings brought forward to an "In Camera" meeting.

Committee discussion continued regarding best practices regarding uncovered liabilities, commitment contingencies, reserves, surpluses; and how the City can implement these recommendations.

Councillor Brennan called a point of order regarding discussion of the KPMG audit.

It was moved and seconded that the Finance and Audit Committee receive the delegation from Nancy Adie-McKay, Partner, Audit, KPMG and Liette Bates-Eamer, KPMG, regarding the KPMG audit, for information. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to work with the KPMG auditors to implement recommendations noted as significant control deficiencies named under Appendix A, in the report titled "2017 Annual Financial Statements", dated 2018-MAY-09, and bring forward a report to a future Council meeting. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct staff to obtain a legal opinion regarding the release of the Human Resources personal matters outlined on Page 75 of the Finance and Audit Committee Meeting Agenda, dated 2018-MAY-09, and report back to Council at a future "In Camera" Council meeting. The motion carried.

Opposed: Mayor McKay, Councillors Brennan and Thorpe

Mayor McKay called a point of order regarding listening devices in the Douglas Rispin Room.

5. REPORTS:

Councillor Brennan vacated the Shaw Auditorium at 10:55 a.m.

(a) 2017 Annual Financial Statements

Introduced by Laura Mercer, Manager, Accounting Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the 2017 Annual Financial Statement for the City of Nanaimo. The motion carried.

Opposed: Councillor Hong

Councillor Brennan returned to the Shaw Auditorium at 10:59 a.m.

(b) Travel Assistance Grants

Introduced by Richard Harding, Director of Parks and Recreation.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the following Travel Assistance Grants:

- Cedar Community Secondary Senior A Basketball - \$50 for one (1) player to attend the Senior Boys Single A Island Basketball Championships in Ucluelet, BC, held 2018-FEB-22 through 2018-FEB-24;
- Vancouver Island University Mariners Volleyball Club - in the amount of \$350 for seven (7) players to attend the Provincial Championships Club Volleyball held 2018-APR-20 to 2018-APR-22 in Richmond, BC;
- Vancouver Island Special needs Hockey Association - in the amount of \$900 for eighteen (18) athletes to attend the 2018 Adaptive Hockey Challenge in Kelowna, BC from 2018-MAR-30 to 2018-APR-01; and,
- Wellington Secondary School Band - in the amount of \$600 for six (6) musicians to attend MusicFest Canada – Canadian Nationals in Toronto, Ontario held from 2018-MAY-14 through 2018-MAY-19.

The motion carried unanimously.

Mayor McKay vacated the Shaw Auditorium at 11:00 a.m.

(c) Maffeo Sutton Park Inclusive Playground Grant Funding Applications

Introduced by Richard Harding, Director of Parks and Recreation.

It was moved and seconded that the Finance and Audit Committee receive the report titled "Maffeo Sutton Park Inclusive Playground Grant Funding Applications", dated 2018-APR-11, for information. The motion carried unanimously.

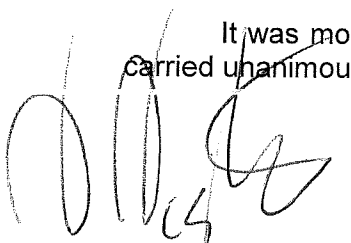
(d) Westdale Sanitary Sewer Upgrade Project

Introduced by Bill Sims, Director of Engineering and Public Works.

It was moved and seconded that the report "Westdale Sanitary Sewer Upgrade Project", dated 2018-MAY-09, be received for information. The motion carried unanimously.

6. ADJOURNMENT:

It was moved and seconded at 11:03 a.m. that the meeting terminate. The motion carried unanimously.



CHAIR

CERTIFIED CORRECT:



CORPORATE OFFICER