



AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

February 20, 2019, 9:00 AM - 12:00 PM
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

		Pages
1.	CALL THE MEETING OF THE FINANCE AND AUDIT COMMITTEE TO ORDER:	
2.	INTRODUCTION OF LATE ITEMS:	
3.	ADOPTION OF AGENDA:	
4.	ADOPTION OF MINUTES:	
a.	Minutes Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium on Wednesday, 2018-AUG-08, at 9:00 a.m.	4 - 7
b.	Minutes Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium on Monday, 2018-NOV-26 at 9:00 a.m.	8 - 16
c.	Minutes Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium on Tuesday, 2018-NOV-27 at 9:00 a.m.	17 - 24
d.	Minutes Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium on Tuesday, 2018-DEC-04 at 9:00 a.m.	25 - 34
e.	Minutes Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium on Wednesday, 2018-DEC-05 at 9:00 a.m.	35 - 43
5.	PRESENTATIONS:	

6. REPORTS:

a. 2019 Finance and Audit Committee Key Date Calendar 44 - 46

To be introduced by Sheila Gurrie, City Clerk.

Purpose: To provide for the Finance and Audit Committee's consideration, the draft 2019 key date calendar.

Recommendation: That the Finance and Audit Committee recommend that Council approve the 2019 Finance and Audit Committee Key Date Calendar.

b. Request for Additional Funding - Bastion Street Parkade Infrastructure 47 - 48

To be introduced by Karen Fry, Fire Chief.

Purpose: To advise the Finance and Audit Committee that a capital project to repair critical infrastructure of the Bastion Street Parkade budgeted for \$242,000 for post tension strand construction will require an additional \$136,100 in funding to complete the required scope of work.

Recommendation: That the Finance and Audit Committee recommend that Council approve an additional \$136,100, funded from the Parking Reserve, to complete the Bastion Parkade Post Tension Strand Construction capital project.

c. Downtown Metered Parking 49 - 50

To be introduced by Bill Sims, Director, Engineering and Public Works.

Purpose: To obtain the Finance and Audit Committee's recommendation that Council approve adding a Downtown Parking Signage project to the 2019 budget.

Recommendation: That the Finance and Audit Committee recommend that Council approve adding \$17,500 to the 2019 budget for a Downtown Parking Signage project to be funded from the Parking Reserve.

d. Road Safety Funding Allocation 51 - 52

To be introduced by Bill Sims, Director of Engineering and Public Works.

Purpose: To obtain Council's approval to add three projects to the 2019 – 2023 Financial Plan based on a funding commitment from the Insurance Corporation of British Columbia (ICBC).

Recommendation: That the Finance & Audit Committee recommend to Council to approve the addition of three new projects in 2019 to install pedestrian warning flashers, to be funded by ICBC and the New Horizons Senior Program.

e. Quarterly Purchasing Report (Single and Sole Source), Instances of Non-Compliance Purchases and Purchases in Excess of \$250,000

53 - 57

To be introduced by Jane Rushton, Manager, Purchasing and Stores.

Purpose: This report provides information in compliance with the City's Procurement Policy (03-1200-01) regarding single and sole source purchases, awards in excess of \$250k and policy non-compliance.

Recommendation: That the report titled Quarterly Direct Award (Single and Sole Source), Purchases in Excess of \$250,000, and Instances of Non-Compliance Purchases, dated February 20, 2019, be received for information.

f. Automated Solid Waste Collection - Equipment Financing

58 - 59

To be introduced by Laura Mercer, Acting Director, Financial Services.

Purpose: To have the Finance and Audit Committee recommend that Council approve a borrowing resolution to finance an automated garbage truck through the Municipal Finance Authority's equipment financing program.

Recommendation: That the Finance and Audit Committee recommend that the Council of the City of Nanaimo authorizes up to \$432,396 be borrowed, under Section 175 of the *Community Charter*, from the Municipal Finance Authority, for the purpose of purchasing an automated garbage truck; and that the loan be repaid with five (5) years, with no rights of renewal.

7. OTHER BUSINESS:

8. QUESTION PERIOD:

9. ADJOURNMENT:

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2018-AUG-08 AT 9:00 A.M.

Present: Councillor G. W. Fuller, Acting Chair
Councillor S. D. Armstrong
Councillor W. L. Bestwick (arrived 9:17 a.m.)
Councillor M. D. Brennan
Councillor J. Hong (arrived 9:06 a.m.)
Councillor J. A. Kipp
Councillor I. W. Thorpe
Councillor W. M. Yoachim

Absent: Mayor W. B. McKay

Staff: J. Rudolph, Chief Administrative Officer
L. Mercer, Manager, Accounting Services
J. Rushton, Manager, Purchasing and Stores (vacated 9:18 a.m.)
M. Smith, Manager, Recreation Services (vacated 9:06 a.m.)
S. Snelgrove, Deputy Corporate Officer
G. Whitters, Recording Secretary

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

The Finance and Audit Committee Meeting was called to order at 9:02 a.m. Councillor Fuller, Acting Chair, advised that the Committee was meeting on the unceded lands of the Snuneymuxw First Nations.

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 Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2018-JUL-11, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

(a) Travel Assistance Grant – Nanaimo Baseball Association Mosquito Pirates

Introduced by Mary Smith, Manager, Recreation Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo Minor Baseball Mosquito Pirates for a Travel Assistance Grant in the amount of \$550 for eleven (11) players to attend the Mosquito AAA Tier 1 Provincial Championships held from 2018-AUG-02 through AUG-06. The motion carried unanimously.

(b) Travel Assistance Grant – Nanaimo Minor Baseball Association Mosquito Pirates A

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo Minor Baseball Mosquito Pirates A for a Travel Assistance Grant in the amount of \$600 for twelve (12) players to attend the Mosquito A Provincial Championships held from 2018-AUG-02 through AUG-06 in Cloverdale, BC. The motion carried unanimously.

(c) Travel Assistance Grant – Nanaimo Minor Baseball Association Tadpole Pirates

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo Minor Baseball Tadpole Pirates for a Travel Assistance Grant in the amount of \$500 for ten (10) players to attend the Tadpole Provincial Championships held from 2018-JUL-27 through JUL-29 in Cloverdale, BC. The motion carried unanimously.

(d) Travel Assistance Grant – Nanaimo District Lacrosse Peewee A

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo District Lacrosse Peewee A for a Travel Assistance Grant in the amount of \$850 for seventeen (17) players to attend the 2018 BCLA Minor Box Lacrosse Provincial Championships held from 2018-JUL-11 through JUL-15. The motion carried unanimously.

(e) Travel Assistance Grant – Nanaimo District Lacrosse Peewee C

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo District Lacrosse Peewee C for a Travel Assistance Grant in the amount of \$700 for fourteen (14) players to attend the 2018 BC Lacrosse Provincial Championships held from 2018-JUL-12 through JUL-15. The motion carried unanimously.

M. Smith vacated the Shaw Auditorium at 9:06 a.m.
Councillor Hong entered the Shaw Auditorium at 9:06 a.m.

(f) Quarterly Purchasing Report (Single and Sole Source), Instances of Non-Compliance Purchases and Purchases in Excess of \$250,000

Introduced Jane Rushton, Manager, Purchasing and Stores.

Committee discussion took place regarding the challenges of the purchasing policy, re-evaluation of the policy and hiring another person in the purchasing department. The Committee also discussed limiting discussion regarding financial issues at Council meetings by discussing items thoroughly at Finance and Audit meetings.

It was moved and seconded that the report titled “Quarterly Direct Award (Single and Sole Source), Purchases in Excess of \$250,000, and Instances of Non-Compliance Purchases”, dated 2018-AUG-08, be received for information. The motion carried.

Opposed: *Councillor Kipp*

It was moved and seconded that the Finance and Audit Committee refer the Purchasing Policy to the Chief Administrative Officer for review to determine if efficiencies or recommendations can be made and to return with a report at a future Finance and Audit Committee meeting. The motion carried.

Opposed: *Councillors Fuller and Kipp*

Councillor Bestwick entered the Shaw Auditorium at 9:17 a.m.

J. Rushton vacated the Shaw Auditorium at 9:18 a.m.

(g) Snuneymuxw First Nation Water and Sewer Connection Fee Credit Agreement

Introduced by Laura Mercer, Manager, Accounting Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the Water and Sewer Connection Fee Credit Agreement between the Snuneymuxw First Nation and the City of Nanaimo. The motion carried unanimously.

5. OTHER BUSINESS:

It was moved and seconded that the Finance and Audit Committee recommend that Council direct to Staff prepare a report outlining all money that the City has provided to the Snuneymuxw First Nation in the last few years. The motion carried unanimously.

6. QUESTION PERIOD:

No one in attendance wished to ask questions.

7. ADJOURNMENT:

It was moved and seconded at 9:27 a.m. that the meeting terminate. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC
MONDAY, 2018-NOV-26, AT 9:00 A.M.

Present: Mayor L. Krog
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown (arrived 9:03 a.m.)
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. Thorpe
Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer
R. J. Harding, Director of Parks and Recreation (arrived 9:04 a.m., vacated 11:46 a.m., returned 1:07 p.m.)
D. Lindsay, Director of Community Development
B. Sims, Director of Public Works and Engineering
J. Van Horne, Director of Human Resources
B. Corsan, Deputy Director, Community Development (arrived 1:31 p.m.)
K. Fry, Fire Chief
L. Mercer, Acting Director, Financial Services
W. Fulla, Manager, Business, Asset & Financial Planning
S. Peabody, A/Manager, Revenue Services (arrived 1:04 p.m., vacated 1:42 p.m.)
J. Rushton, Manager, Purchasing and Stores (arrived 1:04 p.m., vacated 1:42 p.m.)
M. Dunstan, Manager, IT Application Services (arrived 1:23 p.m.)
M. Blouin, Manager, Human Resources (arrived 10:56 a.m., vacated 11:57 a.m.)
M. Winchell, Manager, Human Resources (arrived 10:56 a.m., vacated 11:57 a.m.)
K. Williamson, Manager, Human Resources (arrived 10:56 a.m., vacated 11:57 a.m.)
D. Fox, Manager, Building Inspections (arrived 1:31 p.m.)
L. Rowett, Manager, Current Planning (arrived 1:31 p.m.)
H. Davidson, Manager, Permit Centre & Business Licensing (arrived 1:31 p.m.)
J. Holm, Subdivision Approvals Manager/Approving Officer (arrived 1:31 p.m.)
L. Bhopalsingh, Manager, Community and Cultural Planning (arrived 1:31 p.m.)
D. Mousseau, Manager Engineering and Environment (arrived 2:01 p.m.)
T. Webb, Communications Coordinator
S. Gurrie, City Clerk
S. Snelgrove, Deputy Corporate Officer
J. Vanderhoef, Recording Secretary

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

The Special Finance and Audit Committee Meeting was called to order at 9:02 a.m.

Councillor Brown entered the Shaw Auditorium at 9:03 a.m.

R. Harding entered the Shaw Auditorium at 9:04 a.m.

2. PRESENTATIONS:

(a) 2019 - 2023 Financial Plan - Operating Budgets

Jake Rudolph, Chief Administrative Officer, provided a presentation regarding the schedule for reviewing the 2019 – 2023 Financial Plan. He noted that the target date for approval of the draft budget is December 17th, but the final version will be adopted in May, 2019. He suggested that any items that require further review and discussion will be “flagged” to review at a later date. He noted that this is an entirely public process and aims to be transparent.

3. ADOPTION OF AGENDA:

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

2. PRESENTATIONS: (continued)

(a) 2019 - 2023 Financial Plan - Operating Budgets (continued)

- (1) 9:15 a.m. - 10:15 a.m. Budget Highlights - cost drivers, projected property tax increase, new borrowing, new positions

Laura Mercer, Acting Director, Financial Services, and Wendy Fulla, Manager, Business, Asset & Financial Planning, provided a presentation regarding the following:

- Proposed timeline for reviewing the 2019 – 2023 Financial Plan
- Planning Framework
- 3 main components - Operating Budgets, Projects, and Business Cases
- 2019 – 2023 Budget Timelines

Committee discussion took place regarding plans to expand the RCMP building.

Wendy Fulla, Manager, Business, Asset & Financial Planning, provided a presentation regarding the following:

- Projected Property Tax Increases and User Fees
- History of Property Tax Rates 2009 – 2019
- Comparisons to other municipalities
- Impact of property taxes on a typical home in Nanaimo
- Breakdown of total City Services paid by an average home
- \$184 million expected revenues for 2019
- \$143 million expected to be spent on Annual Operation and Maintenance Operating Budget
- 2019 Key Budget Drivers

Committee discussion took place regarding the following:

- Historical legal fee expenditures compared with recent year's expenses
- Clarification on what type of investment income the City is allowed to invest in
- Proposed RCMP contract budget and potential to expand the number of RCMP staff in the future
- Sources of revenue for the Port of Nanaimo Centre

Wendy Fulla, Manager, Business, Asset & Financial Planning, continued her presentation as follows:

- 2019 Key Budget Drivers (continued)
- 7 proposed new staff positions
- RCMP contract proposes adding 15 new members, 3 per year, over a 5 year period 2020 – 2024
- Debt outstanding at December 31st, 2017, was \$42.3 million
- 2018 New Debt includes Fire Station #1, Sanitation (trucks and carts) and Chase River Pump Station & Forcemain
- New Debt anticipated for 2019 – 2023 Financial Plan - Fire Station #1, Waterfront Walkway, Sanitation and Sewer DCC Projects
- Projected outstanding debt and debt servicing limit
- Operating and Statutory Reserves
- Reserves summary and the need for a healthy reserve balance

Committee discussion took place regarding the Regional Emission Reduction Reserve Fund, what it is for and how it is used and remuneration from the Regional District of Nanaimo for costs of the RCMP Contract.

Wendy Fulla, Manager, Business, Asset & Financial Planning, explained that the RCMP contract is only for RCMP members working within the City of Nanaimo.

Laura Mercer, Acting Director, Financial Services, spoke regarding some updates to the Projected Property Tax increases due to additional

information received after completion of the Draft Financial Plan including benefit changes (pension, CPP, EI and WorkSafe).

The Special Finance and Audit Committee Meeting recessed at 10:05 a.m.
The Special Finance and Audit Committee Meeting reconvened at 10:22 a.m.

(2) 10:30 a.m. - 11:00 a.m. Chief Administrative Office

Jake Rudolph, Chief Administrative Officer, provided a presentation regarding moving forward and the responsibilities of the Chief Administrative Office. He highlighted the following:

- Role of Chief Administrative Office (CAO)
- Organization chart outlining the Mayor and Council, Chief Administrative Officer, Department heads, and RCMP contract
- Layout of Business Plans and Planning Model
- 2018 Achievements – Service Delivery, Waste Collection, Discontent City, Governance
- 2019 Challenges and Opportunities - Governance, Fiscal, Strategic Plan, Briefings/Workshops, Relationships
- Key Issues - Homelessness/Housing, New Official Community Plan, Parks and Recreation Plan, Fire Hall #1, Harbourfront Walkway, Business Systems, Organization Structure

It was requested that Council receive a list of the positions that were requested but not brought forward with the proposed 7 new positions.

(3) 11:00 a.m. - 11:30 a.m. Legislative Services and Communications

Sheila Gurrie, Corporate Officer and City Clerk, provided an overview and presentation regarding the Legislative Services and Communications Departments. She spoke regarding the following:

- Two unique business units in one
- Legislative, policy and administrative expertise
- 2018 Achievements - Municipal Election, New Council Procedure Bylaw, Records Management System, e-SCRIBE software roll out, City-produced videos and increased social media presence
- Preparation and attendance at Council and Committee Meetings
- Freedom of Information (FOI) requests estimated at 437 requests for 2018

Committee discussion took place regarding the following:

- Posting responses to FOI requests on the City of Nanaimo website
- Posting “In Camera” Minutes on the City of Nanaimo website
- Percentage of the department budget spent on FOI processing

M. Blouin, K. Williamson and M. Winchell, entered the Shaw Auditorium at 10:56 a.m.

Sheila Gurrie, Corporate Officer and City Clerk, continued her presentation as follows:

- Liability Insurance Claims - 68 closed in 2018, and 54 active
- 2019 Key Challenges - New Council Orientation, Privacy Program roll out, new Council communications expectations
- 2019 Key Initiatives - Assist with Strategic Plan 2020, Records Management Program, improve Annual Communications Plan, increase internal communications activity
- Draft Operating Budget
- Proposed changes to the Budget - reinstatement of Communications Manager

Committee discussion took place regarding the following:

- Timeframe to see a Communications Manager hired if the draft budget is approved
- Staffing requirements needed to accommodate workload for this department
- Increase in wages shown on the proposed budget reflect the inclusion of the requested Communications Manager position

(4) 11:30 a.m. - 12:00 p.m. Human Resources

John Van Horne, Director of Human Resources, provided an overview and presentation regarding the Human Resources Department. He spoke regarding the following:

- Providing advice and support to staff
- Anticipating and responding to workforce trends (changing priorities in the workforce, developing talent within)
- Growth of the City and workforce (recent staff turnover)
- Work/life balance
- Wage negotiations included within the department budget
- 2018 Achievements - CUPE Local 401 collective agreement, in-house recycling collection letter of understating, expansion of online course offerings, management bylaw review and legacy staffing issues

Committee discussion took place regarding the following:

- Training provided by the Human Resources Department
- Annual training budget for each employee

John Van Horne, Director of Human Resources, continued his presentation as follows:

- Number of incidents per year - First Aid, Medical Aid and Lost Time
- Number of positions filled per year

Committee discussion took place regarding challenges of filling certain positions such as Water Treatment Operators and Building Inspectors.

John Van Horne, Director of Human Resources, continued his presentation as follows:

- Number of course enrolments
- 2019 Key Challenges - both collective agreements up for renewal, refreshing training offerings to staff, legacy litigation from former staff

Committee discussion took place regarding the City's reputation and how this has affected the caliber of applicants for various positions.

R. Harding vacated the Shaw Auditorium at 11:46 a.m.

John Van Horne, Director of Human Resources, continued his presentation as follows:

- 2019 Key Initiatives - CUPE Local 401 collective bargaining, Management Terms and Conditions review, Certificate of Recognition (COR) Audit and prepare for negotiations with IAFF Local 905
- Draft Operating Budget
- No proposed changes to the Human Resources Budget for 2019

Committee discussion took place regarding the following:

- Wage negotiations and flexibility within job descriptions
- Timeframe for hiring new staff
- Amendments to the proposed financial plan and working with an approved provisional budget

The Special Finance and Audit Committee Meeting recessed at 11:57 a.m.

The Special Finance and Audit Committee Meeting reconvened at 1:04 p.m.

(5) 1:00 p.m. - 1:30 p.m. Finance

Laura Mercer, Acting Director, Financial Services, provided an overview of the Finance Department and a presentation regarding the following:

- 2018 Achievements - Asset Management Policy approval, Supported DCC Bylaws review, Update Travel Policy, 2 Federal Gas Tax Fund Grants, completion of all statutory reporting requirements

R. Harding returned to the Shaw Auditorium at 1:07 p.m.

- 2019 Key Challenges - department reorganization, asset management interim update, accounting software upgrade
- 2019 Key Initiatives - financial policy development, implementing external auditor recommendations
- Recommendations from external auditors (KPMG) - Whistleblower Policy, Governance Policy, Reserve Policy and updated Travel Policy
- Draft Operating Budget
- No proposed changes to the Finance Budget 2019
- Buyer position was proposed but not included in the draft budget

Committee discussion took place regarding the following:

- Size of recent purchase orders
- Automation of the purchasing process

M. Dunstan entered the Shaw Auditorium at 1:23 p.m.

- Reorganization internally to address workload issues
- Software upgrades
- Purchasing Policy is up for review in 2020

(6) 1:30 p.m. - 2:00 p.m. Information Technology

Laura Mercer, Acting Director, Financial Services, and Mathew Dunstan, Manager, IT Application Services, provided an overview and presentation regarding the Information Technology (IT) department. They highlighted the following:

- Manage various software programs throughout the City
- Provide frontline support services to staff and the public
- Geographic Information Systems (GIS) services
- Technical Services
- 2018 Achievements - Parks and Recreation software implementation, IT Service Desk Software implementation, Capital Project Management System (CPMS) enhancement, Digital agendas and minutes software implementation

L. Bhopalsingh, B. Corsan, H. Davidson, D. Fox, J. Holmes and L. Rowett entered the Shaw Auditorium at 1:31 p.m.

- 2019 Key Challenges - security, innovation and enabling change, community and staff expectations
- 2019 Key Initiatives - Mobile GIS data collection for field workers, City Portal intranet upgrade, network security enhancements, Request for Information for Computerized Maintenance Management System, Electronic Records Management Pilot

- Draft Operating Budget
- No proposed changes to the IT Budget 2019
- Two positions were proposed but not included in the Draft Budget – Geographic Information Systems (GIS) position, and Client Support Specialist position

Committee discussion took place regarding the following:

- Clarification of Geographic Information Systems (GIS) position

The Special Finance and Audit Committee Meeting recessed at 1:42 p.m.
The Special Finance and Audit Committee Meeting reconvened at 1:58 p.m.

(7) 2:15 p.m. - 3:15 p.m. Community Development

Dale Lindsay, Director of Community Development, provided an overview and presentation regarding Community Development. He spoke regarding the following:

D. Mousseau entered the Shaw Auditorium at 2:01 p.m.

- Introduced the various managers of the Community Development sections
- 64 full time employees and roughly 6% of the City's Operating Budget
- 2018 Achievements - facilitate high volumes of development applications, new on-site parking bylaw, adoption of new Development Cost Charge Bylaw, Creation of Downtown Rehabilitation Tax Exemption program, support to Cannabis Task Force, Port Drive Waterfront Masterplan, Departure Creek restoration, Hospital Area Plan, Tree Voucher Program, Affordable Housing strategy and 2018 Temporary Public Art Program
- Projected number of construction permits for 2018 at 1,100 and the value of those permits
- 2019 Key Challenges - retention and attraction of qualified experienced staff, affordable housing, economic development function and land acquisition

Committee discussion took place regarding the following:

- Increasing the number of development approvals and their turnover rate, thereby increasing the tax revenue for the City
- \$600,000 is allocated towards land purchases annually and this amount has not been updated since 2005
- Housing legacy reserve balance is currently \$2.3 million

Dale Lindsay, Director of Community Development, continued his presentation as follows:

- 2019 Key Initiatives - Official Community Plan update, Liquor Control Strategy, Bylaws review, revitalization of 1 Port Drive

- 2018 Draft Budget Details and review of Grants and Subsidies
- Draft Operating Budget
- Draft Operating Expenditures and Revenues
- Proposed Changes to Budget:
 - 1 new full time Administrative support staff
 - Co-op Planning student – 4 month position
 - Continuation of Urban Clean-up program
 - Continuation of Shower Program
- Two positions where proposed but not included in the Draft Budget - Engineering Technician and Planner position

Committee discussion took place regarding the following:

- Does the City have a policy regarding the buying and selling of land
- Cellphone towers approval process
- Grant/funding of the Bathtub weekend

(8) 3:15 p.m. - 4:00 p.m. Question Period

There was no one in attendance wishing to ask questions.

Committee discussion took place regarding the following:

- entertaining questions from people who are watching online

5. ADJOURNMENT:

It was moved and seconded at 2:38 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC
TUESDAY, 2018-NOV-27, AT 9:00 A.M.

- Present: Mayor L. Krog
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. Thorpe (vacated 1:53 p.m.)
Councillor J. Turley
- Staff: J. Rudolph, Chief Administrative Officer
R. J. Harding, Director of Parks and Recreation (arrived 10:26 a.m., vacated 2:49 p.m.)
D. Lindsay, Director of Community Development (arrived 12:57 p.m., vacated 2:49 p.m.)
B. Sims, Director of Engineering and Public Works (arrived 10:02 a.m., vacated 2:43 p.m.)
J. Van Horne, Director of Human Resources (arrived 11:47 a.m.)
L. Mercer, Acting Director of Financial Services
K. Fry, Fire Chief (vacated 11:52 a.m.)
B. Wood, Assistant Fire Chief (arrived 9:49 a.m., vacated 11:20 a.m.)
J. Blair, Temp/Assistant Chief, Education and Training (arrived 9:49 a.m., vacated 11:20 a.m.)
Supt. C. Miller, OIC, Nanaimo Detachment RCMP (vacated 10:14 a.m.)
L. Fletcher, Operation Support Officer, Nanaimo Detachment RCMP (vacated 10:14 a.m.)
W. Fulla, Manager, Business, Asset & Financial Planning
M. Winchell, Manager, Human Resources (arrived 10:26 a.m.)
K. Lindsay, Manager, Emergency Program (arrived 9:49 a.m., vacated 11:20 a.m.)
D. LaBerge, Manager, Community Safety (arrived 11:15 a.m., vacated 11:52 a.m.)
J. Elliot, Senior Manager, Public Works (arrived 12:46 p.m., vacated 1:53 p.m.)
P. Rosen, Senior Manager, Engineering (arrived 12:46 p.m., vacated 1:53 p.m.)
M. Strain, Senior Project Manager (arrived 12:46 p.m., vacated 1:53 p.m.)
D. Myles, Manager, Roads and Traffic Services (arrived 12:46 p.m., vacated 1:53 p.m.)
D. Fournier, Manager, Municipal Infrastructure (arrived 12:46 p.m., vacated 1:53 p.m.)
J. Rose, Manager, Transportation (arrived 12:46 p.m., vacated 1:53 p.m.)
P. Stewart, Manager, Engineering Projects (arrived 12:46 p.m., vacated 1:53 p.m.)
J. Evans, Manager, Fleet Operations (arrived 12:46 p.m., vacated 1:53 p.m.)
M. Smith, Manager, Recreation Services (arrived 2:07 p.m., vacated 2:49 p.m.)
A. Britton, Manager, Parks Operations (arrived 2:07 p.m., vacated 2:49 p.m.)
L. Clarkson, Manager, Aquatics (arrived 2:07 p.m., vacated 2:49 p.m.)

E. Williams, Manager, Recreation Services (arrived 2:07 p.m., vacated 2:49 p.m.)
A. Groot, Manager, Facility Planning and Operations (arrived 2:07 p.m., vacated 2:49 p.m.)
M. Demecha, Manager Civic Facilities (arrived 2:07 p.m., vacated 2:49 p.m.)
S. Pamminger, Manager, Infrastructure, Planning and Energy (arrived 2:07 p.m., vacated 2:49 p.m.)
A. Halabourda, Acting Manager, Police Operational Support (vacated 10:14 a.m.)
D. Thompson, Acting Manager, Sani, Recycling, & PW Admin (arrived 12:46 p.m., vacated 1:53 p.m.)
D. Johnston, Assistant Manager, Aquatics (arrived 2:07 p.m., vacated 2:49 p.m.)
T. Webb, Communications Consultant (arrived 9:11 a.m.)
J. Farrell, Secretary, Parks (arrived 2:07 p.m., vacated 2:49 p.m.)
S. Gurrie, City Clerk
G. Whitters, Recording Secretary

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

The Special Finance and Audit Committee Meeting was called to order at 9:00 a.m.

2. ADOPTION OF AGENDA:

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

3. PRESENTATIONS:

(a) 2019 - 2023 Financial Plan - Operating Budgets

(1) 9:00 a.m. – 10:15 a.m. RCMP – Police Services

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP, provided a presentation regarding the RCMP which included the following information:

- Pressures, Staffing levels, Roles and Annual Policing Priorities
- Policing Services contract to expire in 2032
- Policing Costs: \$22.7 million budgeted
- City of Surrey cost for creating city police force
- Authorities of the RCMP: enforcement of provincial, municipal statutes, and maintaining law and order

Committee discussion took place regarding the number of police officers and RCMP buildings in Nanaimo.

T. Webb entered the Shaw Auditorium at 9:11 a.m.

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP continued his presentation regarding:

- Original RCMP building built in 1987
- Detentions of persons, Chauffeur Permits, Staff requirements and costs
- Authorized strength versus actual strength in police officers

Committee discussion took place regarding the safety of Nanaimo and the cost and source of overtime for police officers.

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP continued his presentation as follows:

- Street checks and Proactive Policing
- Cost of a constable
- Federal Government calling on officers for emergencies and impacts to local RCMP numbers

Anita Halabourda, Acting Manager of Police Operational Support, spoke regarding staffing of the Nanaimo RCMP Detachment which employs approximately 63.3 full-time Staff and described their roles and responsibilities.

Committee discussion took place regarding the Core Services Review, the reduction of guards and gender-specific guards. It was noted that searches of detained persons are done by police officers of the same gender.

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP continued his presentation as follows:

- Reactive policing which includes general duty, the domestic violence unit, forensic identification, serious crimes and police dogs
- Proactive policing which includes bike patrol, street crimes, drug section, traffic services, youth/community policing
- One officer liaisons at each Nanaimo high school
- Provincial Government funds eight officers that patrol areas of the Regional District of Nanaimo and Lantzville
- Federal Government funds two First Nations officers that police Snuneymuxw First Nation and Snaw-Naw-As First Nations
- Province pays for provincial officers office space
- Nanaimo is third on the Province's list for receiving increased resources
- Operational pressures: Increase in files, complexity of files, calls for service, and length of time to process files between offences and court dates

Committee discussion took place regarding diverting work to civilian employees, the reserve constable program, the auxiliary officer program and the role of security firms.

J. Blair, K. Lindsay, and B. Wood entered the Shaw Auditorium at 9:49 a.m.

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP continued his presentation regarding:

- Operational pressures - community growth, mental health calls and tech crimes

Committee discussion took place regarding collaborating with agencies to free up resources, success of Car 87 program in Vancouver and potential funding sources.

B. Sims entered the Shaw Auditorium at 10:02 a.m.

Cameron Miller, Superintendent, OIC, Nanaimo Detachment, RCMP continued his presentation as follows:

- Continued operational pressures including sex offenses, drug use, gangs, police vehicle replacements, police facility size and homelessness
- Adoption of policing priorities
- 2018/2019 policing priorities are violence in relationships, reducing crime within the community, enhancing road safety, enhancing youth safety and maintaining community and social programs
- Communication between the RCMP and Council
- Increasing police resources and a timeline for Federal approval of officers
- Request 15 additional officers to reduce load and manage files

Committee discussion took place regarding the following:

- Combining police, fire, and ambulance into one facility
- Lowering crime to attract people and investments in Nanaimo
- Budget impacts of hiring additional officers

L. Fletcher, A. Halabourda, Supt. C. Miller, vacated the Shaw Auditorium at 10:14 a.m.

The Special Finance and Audit Committee Meeting recessed at 10:14 a.m.

The Special Finance and Audit Committee Meeting reconvened at 10:30 a.m.

R. Harding and M. Winchell entered the Shaw Auditorium at 10:26 a.m.

B. Sims entered the Shaw Auditorium at 10:39 a.m.

(2) 10:30 a.m. – 11:15 a.m. Nanaimo Fire Rescue

Karen Fry, Fire Chief, provided a presentation and overview of Nanaimo Fire Rescue which included the following points:

- Responsibilities, Community Risk Reduction, locations, answering point of calls, emergency management, responding to medical emergencies

- Funds from partnerships with the Regional District of Nanaimo, the Nanaimo Fish and Game Club and Snuneymuxw First Nation
- Achievements including incident response, resilient minds training, emergency management, Fire Station #1, public education and Tent City
- Increased number of calls, number of overdoses and number of structure fires
- Response to medical incidents and motor vehicle accidents
- Challenges including mental health training, fire operations resourcing, increased overtime requirements, administrative capacity, Tent City, emergency management and the replacement of Fire Station #1
- 2019 Key Initiatives: Fire Station #1 rebuild, replacement of fire aerial apparatus, completion of three-year fire service delivery plan, review of fire training program, community outreach and education, community safety, emergency coordination centre, and staff turnover
- Proposed changes to budget: increased funding for overtime
- Changes not included in draft budget: new personnel - four firefighters, changes to Vancouver Island Emergency Response Academy and a Director of Public Safety

D. LaBerge entered the Shaw Auditorium at 11:15 a.m.

Committee discussion took place as follows:

- Requirements to staff the Hammond Bay area fire hall
- People at a greater risk of fires due to not working smoke alarms
- Requirements to test smoke alarms and replacement of smoke alarms
- Charging for fire investigations

J. Blair and B. Wood vacated the Shaw Auditorium at 11:20 a.m.

(3) 11:15 a.m. – 11:45 a.m. Bylaw Regulation and Security

Karen Fry, Fire Chief, provided a presentation regarding:

- Responsibilities of the bylaw department
- Recent achievements: filled Bylaw Manager position, completed recommendation to maintain Community Policing Services Office, completion of Hospital Area Parking Strategy with engineering and public works, review and updating of several bylaws, and ongoing animal control
- Increased number of calls and time involved in calls
- Doubling officers to attend encampments
- 2019 Key challenges: homelessness and encampments, parking meter vandalism and theft, staffing resources, implementation and rewriting of bylaws, and increased security calls

- 2019 Key Initiatives: hiring of two full-time employees, traffic membranes of Bastion Street Parkade and Harbour Front Parkade, implementation of the Hospital Area Parking Plan and a new vehicle
- Proposed changes to budget: three additional bylaw enforcement officers

Committee discussion took place regarding the following:

- Removal and replacement of parking meters
- Licence Plate Recognition
- Vehicle for parking enforcement
- Director of Public Safety position

J. Van Horne entered the Shaw Auditorium at 11:47 a.m.

K. Fry, and D. LaBerge vacated the Shaw Auditorium at 11:52 a.m.

The Special Finance and Audit Committee Meeting recessed at 11:51 a.m.

The Special Finance and Audit Committee Meeting reconvened at 12:46 p.m.

J. Elliot, J. Evans, D. Fournier, D. Myles, J. Rose, P. Rosen, P. Stewart, M. Strain and D. Thompson, entered the Shaw Auditorium at 12:46 p.m.

(4) 12:45 p.m. – 1:45 p.m. Engineering and Public Works

J. Rudolph entered the Shaw Auditorium at 12:47 p.m.

S. Gurrie entered the Shaw Auditorium at 12:51 p.m.

R. Harding and D. Lindsay entered the Shaw Auditorium at 12:57 p.m.

Bill Sims, Director of Engineering and Public Works, introduced management staff, provided an overview of key areas of service and spoke regarding:

- 2018 Achievements including major traffic and road projects, drinking water improvements, sanitary sewer, drainage, solid waste management, capital projects and natural asset management
- Key Challenges including parking management, alternative transportation planning and aging infrastructure

Committee discussion took place regarding:

- Active Transportation Coordinator position
- Partnerships with School District 68 and Island Health
- Permeable ground surfaces

Bill Sims, Director of Engineering and Public Works, continued his presentation as follows:

- Challenges including growth, capital project implementation, staff resources for projects, access to Port Authority lands, storm water infrastructure, climate change adaptation, aging public works facility, volume of capital projects and cemetery management

- 2019 Key Initiatives: Integrate Transportation Plan and Parks Master Trail Plan, update engineering standards, renew Water Supply Strategic Plan, update user rates, Cross Connection Control program, storm water master planning, sea level rise study, capital projects, and recycling improvements
- Proposed changes to budget including new personnel, new garbage trucks and routes, implementing Hospital Area Plan, Sustainable Parking Grant program, Cross Connection Control Grant program
- Changes not included in draft budget: new personnel - Project Managers, Asset Management Specialist, Manager of Utilities, Active Transportation Coordinator, Traffic Signal Technician, and a Recycling Policy Advisor/Educator

Committee discussion took place regarding:

- Public Works Day held May 23, 2018
- Parking regulation, parking meters and street activity permits
- Smart street lights and lease with BC Hydro
- Contract with Recycling BC
- Increase in and backlog of projects
- Aging infrastructure
- Public communication features with Public Works department
- Consideration of purchase of City of Nanaimo watersheds

J. Elliot, J. Evans, D. Fournier, D. Myles, J. Rose, P. Rosen, P. Stewart, M. Strain and D. Thompson vacated the Shaw Auditorium at 1:53 p.m.
Councillor Thorpe vacated the Shaw Auditorium at 1:53 p.m.

The Special Finance and Audit Committee Meeting recessed at 1:53 p.m.
The Special Finance and Audit Committee Meeting reconvened at 2:07 p.m.

A. Britton, L. Clarkson, M. Demecha, J. Farell, A. Groot, D. Johnston, S. Pamminger, M. Smith, J. Van Horne and E. Williams, entered the Shaw Auditorium at 2:07 p.m.

(5) 2:00 p.m. – 3:00 p.m. Parks and Recreation

Richard Harding, Director of Parks and Recreation, introduced management staff and provided a presentation as follows:

- Parks and Recreation sections - recreation services, parks operations, facilities, and staffing
- 2018 Achievements including upgrades to Harewood Centennial Park, Nanaimo District Secondary School Community Field, Oliver Woods boiler at Beban Park, lighting upgrades and implementation of PerfectMind
- Key Challenges including asset management and infrastructure renewal, facilities and park amenities, homelessness issues in parks and recreation facilities, changes in monitoring of ammonia plants

Committee discussion took place regarding needle clean up in parks and at École Pauline Haarar Elementary as well as park accessibility, and the redevelopment of Maffeo-Sutton playground.

Richard Harding, Director of Parks and Recreation, continued his presentation which included the following points:

- Key Initiatives including updates to the Parks, Recreation and Culture Master Plan, chiller replacement project at Frank Crane Arena, fees and charges review, facilities and park amenities condition assessment program, Skate Park project, light installation at Serauxmen Stadium, cultural event grants, and sport event grants
- Proposed changes to budget: arena maintenance workers, Special Events Coordinator position and the Harewood Youth Park
- 2019 Request For Purchase underway for a 5-year contract for all tourism services
- Changes not included in budget: Parks Custodians, temporary allocation clerk and other management positions

B. Sims vacated the Shaw Auditorium at 2:43 p.m.

A. Britton, L. Clarkson, M. Demecha, J. Farrell, A. Groot, R. Harding, D. Johnston, D. Lindsay, M. Smith, S. Pamminer and E. Williams, vacated the Shaw Auditorium 2:49 p.m.

(6) 2019-2023 Draft Financial Plan Recap

Laura Mercer, Acting Director, Financial Services, provided a presentation regarding the projected property tax increases, projected user fees, impact of fees on a typical home, and Staff changes.

The Finance and Audit Committee discussed funding for senior management positions and a closed meeting for further discussion. The Committee requested that they be provided with a list of items that they can work with/move around in the budget.

(7) Question Period

Jan Hastings spoke regarding the Nanaimo Recycling Exchange and Nanaimo's zero waste goals.

4. ADJOURNMENT:

It was moved and seconded at 3:11 p.m. that the meeting terminate. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC
TUESDAY, 2018-DEC-04, AT 9:00 A.M.

Present: Mayor L. Krog, Chair
Councillor I. Thorpe, Acting Mayor
Councillor S. D. Armstrong (arrived 9:02 a.m.)
Councillor D. Bonner
Councillor T. Brown
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer
R. J. Harding, Director of Parks and Recreation (arrived 9:20 a.m.)
D. Lindsay, Director of Community Development
B. Sims, Director of Public Works and Engineering
B. Corsan, Deputy Director, Community Development
K. Fry, Fire Chief (vacated 1:41 p.m.)
L. Mercer, Acting Director, Financial Services
W. Fulla, Manager, Business, Asset and Financial Planning
P. Rosen, Senior Manager Engineering
A. Groot, Manager, Facility Planning and Operations (arrived 9:49 a.m.)
M. Dunstan, Manager, IT Application Services (arrived 12:33 p.m., vacated 1:22 p.m.)
M. Strain, Senior Project Manager (arrived 12:53 p.m.)
L. Bhopalsingh, Manager, Community & Cultural Planning (arrived 12:53 p.m.)
J. Matheson, Financial Analyst (arrived 12:53 p.m.)
M. Miller, Financial Analyst (arrived 12:53 p.m.)
B. Wardill, Accountant (arrived 12:53 p.m.)
S. Gurrie, City Clerk
G. Whitters, Recording Secretary

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

The Special Finance and Audit Committee Meeting was called to order at 9:00 a.m.

2. ADOPTION OF AGENDA:

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

3. PRESENTATIONS:

(a) 9:00 a.m. – 12:00 p.m.

Councillor Armstrong entered the Shaw Auditorium at 9:02 a.m.

1. Introduction

Laura Mercer, Acting Director, Financial Services, spoke regarding the schedule for the day's proceedings.

2. Asset Management Video

A video from Federation of Canadian Municipalities titled "Why Invest in Asset Management" was played.

3. 20 Year Investment Plan/Background on Asset Management

Laura Mercer, Acting Director, Financial Services, provided a presentation on asset management which included the following information:

- Asset management process
- Asset management framework and ongoing improvements
- Lifecycle of assets
- Asset Management Steering Committee which included representatives from various City departments to lead development of City's Asset Management system including education and training, infrastructure lifecycle planning models, identifying funding strategies and governance
- City's asset management progress from 2008 to 2018

Committee discussion took place regarding:

- Forecasting to determine 1% increase in asset management funding and maintenance of funds
- Updates to ensure projects stay on track
- Continuous re-evaluation of asset management funds
- Rapid assessments of City facilities
- Leadership in Asset Management Program
- Level of service provided to community
- Purchase of park lands and their maintenance

R. Harding entered the Shaw Auditorium at 9:20 a.m.

Richard Harding, Director of Parks and Recreation, spoke regarding the Parks Master Plan and funds allocated to park maintenance.

Committee discussion took place regarding:

- Difference between renewal and maintenance of parks
- Tree management program

- Evaluation of renewal costs and revenue when bringing on new projects/development
- New assets included in 20-year investment plan as it is updated
- Funding of subdivision infrastructure
- Maintenance of infrastructure in relation to growth
- Taxing based on density

Laura Mercer, Acting Director, Financial Services continued her presentation which included the following information:

- 20 Year Investment Plan
- Long term planning directing attention toward emerging issues and allowing for proactive change
- Completion of the Development Cost Charge (DCC) review, updates to asset management models, and a funding strategy results being put into the 20 Year Investment Plan
- Infrastructure renewal plans and DCC projects
- 5 Year Financial Plan made up of renewal plans, DCC projects, 10 Year Plan and strategic initiatives
- Timing and cost refinement as plans are focused and knowledge gained
- Funding strategies include general revenue, private contributions, grants, DCC contributions and reserves, specific reserve, asset management reserves

Committee discussion took place regarding:

- Planning to cover asset maintenance, growth and aligning services to residents needs
- Components of larger facilities broken down by major components for asset planning
- Balance of the asset management reserves

A. Groot entered the Shaw Auditorium 9:49 a.m.

Laura Mercer, Acting Director, Financial Services, continued her presentation which included the following information:

- Projected funding surplus and shortfall
- Money from DCCs can only be spent on DCC projects
- 20 Year Investment Plan includes 5 Year Plan, and 10 Year Plan
- Strategies to reduce funding gap including continuation of annual 1% increase to General Asset Management Reserve, new DCC bylaw, asset management system improvements, grants and private contributions
- Grants coordinator position

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued the presentation regarding the 2016 Asset Management Update which included the following information:

- Projected closing balances for asset management reserves
- Improvements to asset management models
- 2016 current replacement value for all city infrastructure was 3 billion
- Asset management update which included renewal of existing infrastructure and new/upgraded infrastructure due to growth
- Majority of infrastructure in good condition
- Renewal and growth of sewer infrastructure and water infrastructure
- Continuous improvements to asset management by participating in Leadership in Asset Management Program, implementation of asset management governance process and information improvements
- Received grant for rapid condition assessment of facilities

Dale Lindsay, Director of Community Development, provided an overview regarding DCCs which included the following information:

- Review of DCC bylaw every 5 years with 2022 being the next date for review
- Definition and calculation of DCCs
- Authority to collect DCCs as outlined in the *Local Government Act*
- Collection and disbursement of DCCs
- DCC review process

Committee discussion took place regarding:

- Charges for storm water drainage
- Upcoming projects, their cost and how to balance costs
- Definition of assist in *Local Government Act* regarding DCCs
- Waiving DCCs

Laura Mercer, Acting Director, Financial Services, provided the closing slides which included the following information:

- Strategies to address shortfalls including adoption of new DCC bylaw in 2018, 1% property tax increase, user fee review and debt
- Continued development of City's asset management system through governance, risk management and monitoring levels of service provided
- Debt Policy and Reserve Policy to be completed in 2019

4. 10 Minute Scheduled Recess

A. Groot and R. Harding vacated the Shaw Auditorium at 10:37 a.m.

The Special Finance and Audit Committee recessed at 10:37 a.m.

The Special Finance and Audit Committee reconvened at 10:52 a.m.

5. Project Framework Update

J. Rudolph entered the Shaw Auditorium at 10:57 a.m.
D. Lindsay vacated the Shaw Auditorium at 10:57 a.m.

Poul Rosen, Senior Manager, Engineering, provided a presentation regarding the Project Management Framework which included the following information:

- Capital Projects Policy in place to protect City's interest for large expenditures
- Policy process started with Core Services Review and the Deloitte audits
- Council's policy is to ensure good outcomes of projects
- Chapters of the framework

Committee discussion took place regarding contingency for projects and impacts to projects from recent NAFTA agreement.

Poul Rosen, Senior Manager, Engineering, continued his presentation and spoke regarding identification, assessment and mitigation of risk as well as stakeholder management.

Mayor Krog vacated the Shaw Auditorium at 11:20 a.m. and Acting Mayor, Thorpe, assumed the Chair.

6. 2019-2023 Draft Project Plan

Mayor Krog returned the Shaw Auditorium at 11:25 a.m. and resumed the Chair.

Laura Mercer, Acting Director, Financial Services introduced the 2019-2023 Draft Project Plan and spoke regarding:

- 5 year budget for infrastructure is \$279 million, with \$56 million to be spent in 2019
- Project funding sources 2019-2023 include Waterworks Reserve, general revenues and user fees, grants and private contributions, debt, Statutory Reserves, General Reserves, Sanitary Sewer Reserves

Committee discussion took place regarding the balance of reserves, and the purchases of Linley Valley, Serauxmen Stadium, and the artificial turf field.

R. Harding entered the Shaw Auditorium at 11:28 a.m.

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued the presentation which included the following information:

- \$42.3 Million of outstanding debt as of December 31, 2017
- New debt from 2018

- Debt anticipated for 2019-2023 in the Financial Plan including external and internal borrowing

B. Corsan entered the Shaw Auditorium at 11:55 a.m.

Committee discussion took place regarding the following:

- Funding of the Waterfront Walkway
- Garbage truck sharing with the Regional District of Nanaimo
- Various reserves including:
 - Sanitation Leveling Reserve
 - General Financial Stability Reserve
 - Parkland Dedication Reserve
 - Uncollected Parking and Revenue Reserve
 - Snow Removal Reserve
 - Parks and Recreation Snow Removal Reserve
 - Uncollected Tax Reserve
 - Uninsured Claims Reserve
 - Regional Emissions Reduction Reserve
 - Property Acquisition Reserve
 - Housing Legacy Reserve
- Tax Deferment
- Casino revenue and Casino Reserve
- Best practises

R. Harding vacated the Shaw Auditorium 11:57 a.m.

The Special Finance and Audit Committee recessed at 11:57 a.m. and Mayor Krog vacated. The Special Finance and Audit Committee reconvened at 12:33 p.m.

M. Dunstan entered the Shaw Auditorium at 12:33 p.m.
Acting Mayor Thorpe assumed the Chair at 12:33 p.m.

(b) 1:00 p.m. – 3:00 p.m.

1. 2019-2023 Draft Project Plan (continued)

Dale Lindsay, Director of Community Development, the Community Development Project Highlights which included the following information:

- Strategic projects 2019-2023 including property acquisition, official community plan update and the housing legacy reserve
- Parks Infrastructure Projects including 2019-2023 phased development of waterfront walkway

Committee discussion took place regarding the following:

- The Official Community Plan
- Housing Legacy Reserve
- Property Acquisition
- Interaction between Official Community Plan and Transportation Master Plan

R. Harding and A. Groot entered the Shaw Auditorium at 12:38 p.m.

Bill Sims, Director of Engineering and Public Works, provided the Engineering and Public Works Project Highlights which included the following information:

- Strategic projects including Cross Connection Control Grant, Sustainable Parking Grant, and the 2019 Public Works Day
- Equipment and vehicle projects for 2019-2022 for the sanitation fleet
- Infrastructure projects for 2019-2023 including Bruce Ave and Lambert Ave Utility Upgrade, Boxwood connector and utility project, Fourth and Albert streets utilities and cycling project, Metral corridor and utility upgrade, Cranberry area utilities and connector project, Wakesiah drainage, cycling and rehab project
- Transportation Projects for 2019-2022 including Bastion Street Bridge, Downtown cycling and rehab projects, LED Light Conversion Phases 2 & 3, Wellcox Secondary Access
- Infrastructure Projects including sanitary sewer projects, Comox Area Sanitary Project, DCC SS45 Chase Rive Pump Station and water projects, 2019 Black Diamond Drive water main, and the College Drive Area water main twinning
- Engineering and Public Works projects not included in Draft Project Plan include the engineering and public works building, Terminal Ave to Nicol Street reimaged, grade separated bridge for South Downtown Waterfront Secondary Access

L. Bhopalsingh, J. Matheson, M. Miller, M. Strain and B. Wardill entered the Shaw Auditorium at 12:53 p.m.

B. Sims, Director, Engineering and Public Works, provided an overview regarding access to Port Lands project which included the rationale, scope, budget and future plans.

The Finance and Audit Committee discussed access to Port Lands which included roundabout construction, route of trucks arriving at the port and access at Farquhar Street.

Matthew Dunstan, Manager, IT Application Services, provided an overview of Information Technology project highlights which included the following:

- 2019/2021 Content Management System for records and documents to improve auditing abilities and speed of Freedom of Information requests, a central place for all documents

- 2022/2023 replacement of enterprise resource planning
- Information Technology projects not included in the Draft Project Plan include a Computerized Maintenance Management System (CMMS)

M. Dunstan vacated the Shaw Auditorium 1:22 p.m.

Richard Harding, Director, Parks and Recreation, provided an overview regarding Parks and Recreation project highlights for 2019-2020 and included the following information:

- Strategic project is the 2019/2020 Parks and Recreation Master Plan
- Facility projects for 2019-2021 including phase two of Nanaimo Aquatic Centre Roof Replacement, Frank Crane Arena chiller replacement, Beban Complex sloped roof and structure, and the facilities and park amenities Condition Assessment Program
- Parks infrastructure projects including Harewood Centennial Youth Park and Serauxmen Stadium field lighting
- Parks and Recreation projects not included in plan include: Beban Park complex – power distribution replacement, Departure Bay Activity Centre, curling club upgrades and replacements, Chase River Activity Centre seismic upgrade, Beacon House phase two, Serauxmen Stadium redevelopment and the Caledonia Park redevelopment

Karen Fry, Fire Chief, provided an overview of Public Safety project highlights which included the following information:

- Purchase of a ladder truck, two pumper trucks, rescue truck, and logistic truck
- Fire station #1 replacement,
- Bastion Street and Harbour Front Parkades phased membrane renewals
- Projects not included in Draft Project Plan include the police operations building expansion

Committee discussion took place regarding used vehicles, a timeframe on the parkades and the Equipment Depreciation Fund.

K. Fry vacated the Shaw Auditorium at 1:41 p.m.

2. Investing in Canada Infrastructure Program – Grant Program

Michelle Miller, Financial Analyst, provided an overview of the Investing in Canada Infrastructure Program a Community, Culture and Recreation Grant Program, and included details such as the aims of the grant, funding commitment by the federal and provincial government of up to 73.33% of the project cost, stacking rules, project eligibility, completion deadlines and application deadlines.

Richard Harding, Director, Parks and Recreation, provided an overview and presentation of the projects eligible for the grant including the Harewood Youth Park, the Maffeo-Sutton Playground and the Port Theatre expansion. His presentation included an outline of each of the potential projects which included:

Harwood Youth Park Overview:

- Timeline for the Harewood Youth Park includes six phases
- Community partners including Harewood Neighbourhood Association, Nanaimo Skateboard Association
- Linked to Parks, Recreation and Culture Master Plan 2005
- Phases currently in the Draft 2019-2023 Financial Plan
- Cost and funding
- Benefits of the project

Maffeo-Sutton Playground Overview:

- Current playground is at the end of life and is not inclusive or universally accessible
- Timeline for Maffeo-Sutton Playground includes three phases
- Details of the project
- Projected cost of phases and funds assigned to project in 2018-2022 Financial Plan
- Benefits of the project

Lisa Bhopalsingh, Manager, Community and Cultural Planning provided an overview on the Port Theatre Expansion which included the following information:

- Need for studio theatre and rehearsal spaces
- 2014 Council assigned funding and co-signed loan
- Project supported in the City's 2014-2020 Cultural Plan and Strategic Plan Update
- Expansion details
- Expansion Budget and process for budget bylaw amendment
- Benefits of the project
- Next steps

Committee discussion took place regarding shortfalls, which projects are ready to go, changes to the financial plan for the Port Theatre expansion and, implications in future for borrowing for the waterfront expansion.

3. Budget Recap

By unanimous consent Council agreed to postpone the Budget Recap to the 2018-DEC-05, Special Finance and Audit Meeting.

4. Question Period

No one in attendance wished to ask questions.

4. ADJOURNMENT:

It was moved and seconded at 2:09 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

ACTING MAYOR

CERTIFIED CORRECT:

CORPORATE OFFICER

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2018-DEC-05, AT 9:00 A.M.

Present: Councillor I. W. Thorpe, Chair
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor J. Turley

Absent: Mayor L. Krog

Staff: J. Rudolph, Chief Administrative Officer
R. J. Harding, Director of Parks and Recreation (arrived 9:10 a.m., vacated 11:22 a.m.)
D. Lindsay, Director of Community Development
B. Sims, Director of Engineering and Public Works
K. Fry, Fire Chief
T. Doyle, Deputy Fire Chief
L. Mercer, Acting Director, Financial Services
W. Fulla, Manager, Business, Asset & Financial Planning
A. Groot, Manager, Facility Planning & Operations
S. Gurrie, City Clerk (vacated at 10:50 a.m.)
S. Snelgrove, Deputy Corporate Officer
J. Vanderhoef, Recording Secretary

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

The Special Finance and Audit Committee Meeting was called to order at 9:00 a.m.

2. APPROVAL OF THE AGENDA:

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

3. PRESENTATIONS:

(a) Review and Wrap up Session 2019 – 2023 Draft Financial Plan

Introduced by Jake Rudolph, Chief Administrative Officer.

Laura Mercer, Acting Director, Financial Services, and Wendy Fulla, Manager, Business, Asset and Financial Planning, provided a presentation regarding:

- Projected Property Tax Increases – 5.41% for 2019
- Projected User Fees
- Key Drivers for Budget Increase
- Staff recommended changes – revise estimate for 2019 growth to reduce projected property tax increase by 0.10%
- Project Funding Levels – General Taxation

R. Harding entered the Shaw Auditorium at 9:10 a.m.

Wendy Fulla, Manager, Business, Asset and Financial Planning, presented the Finance and Audit Committee with topics for discussion beginning with Project Funding Levels – General Taxation.

Committee discussion took place regarding the effect of Waterfront Walkway expenses on the budget.

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued her presentation and spoke regarding the RCMP contract increase.

Committee discussion took place as follows:

- RCMP upcoming union vote and increases to the contract
- 3 additional officers are requested due to increase in workload and growth in the community

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued her presentation as follows:

- Strategic Infrastructure Reserve – extending the transition period to five years for Fortis Gas revenue
- Fortis Gas revenue previously went to General Revenue account
- Economic Development: 2019 – 2023 Draft Financial Plan is a status quo budget for Economic Development

Committee discussion took place as follows:

- Allocating money for economic workshops in the future
- Maintaining status quo for 2019 Draft Financial Plan and reassessing economic development next year with better understanding of community priorities and further deliberations

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued her presentation as follows:

- Asset Management – 1% annual increase for contribution to General Asset Management Reserve extended to 2022 to address infrastructure funding gap
- Rebuilding the Snow and Ice Reserves

Committee discussion took place regarding the increased funding of Snow and Ice Reserves compared to previous years.

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued her presentation as follows:

- Proposed new positions included in the Draft Plan – Manager Communications, two Bylaw Enforcement Officers, Community Development Administrative Support, Parking and Street Use Coordinator, Public Works Clerk/Dispatcher, and Special Events Coordinator
- Other proposed new positions – additional Automated Truck and Refuse Collector in 2020 and 2022
- Positions that were proposed but not included in the Draft Plan

Committee discussion took place as follows:

- Is there a business case to suggest whether or not some of the positions proposed could save the City money
- Allocating one year of funding towards a buyer position in Purchasing and Stores

Wendy Fulla, Manager, Business, Asset and Financial Planning, continued her presentation and spoke regarding the Fire Departments request for four additional firefighters.

Karen Fry, Fire Chief, spoke regarding the current Fire Department staff struggling to meet the required standards for emergency response times, the impact on firefighters relating to increased overtime and the resulting increased sick time and medical leaves.

The Committee discussed the potential timeframe for hiring additional firefighters.

Jake Rudolph, Chief Administrative Officer, suggested that the Finance and Audit Committee review each recommendation separately and make decisions to work from.

It was moved and seconded that the Finance and Audit Committee review each of the Staff recommendations, discuss their merits and provide a motion to modify, reject or accept. The motion carried unanimously.

Committee discussion took place regarding:

- Impact of reducing the 2018 Approved Funding - \$5.8 million

- List of projects and where funding for projects is allocated
- Restoring staffing levels and moving projects forward that have been stalled
- One Port Drive work has been allocated to 2018 expenditures

It was moved and seconded that the Finance and Audit Committee recommend that Council set the 2019 Draft Funding Level for Project Funding – General Taxation at \$6.9 million, a funding increase of \$1.1 million over 2018. The motion carried unanimously.

Committee discussion took place regarding the proposed RCMP contract increase.

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the RCMP contract to include 15 new members, 3 per year, over a 5 year period 2020 - 2024. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the growth estimate for 2019 to \$1.3 million from \$1.2 million. The motion carried unanimously.

Committee discussion took place regarding:

- Review of Strategic Infrastructure Reserve
- Possible obligations relating to the use of the Annual Casino Revenue Reserve
- Strategic Infrastructure Reserve Fund is used to cover debt financing, property acquisition and Waterfront Walkway borrowing
- Allocating \$400,000 to General Reserves instead of Strategic Infrastructure Reserve

It was moved and seconded that the Finance and Audit Committee recommend that Council extend the transition period of the annual Casino Revenue to the Strategic Infrastructure Reserve from 4 years to 5 years and eliminate the 2019 increase in funding. The motion carried.

Opposed: *Councillors Bonner, Brown, Hemmens*

Committee discussion took place regarding:

- Reassessing the long term financial plan in 2020
- Funding being allocated towards review of budget changes, consultation and community engagement
- Council Initiatives Reserve being used for other formats
- Budget for Economic Community Development Management position

It was moved and seconded that the Finance and Audit Committee recommend that Council maintain the status quo for Economic Development – Service Delivery in the 2019 - 2023 Draft Financial Plan. The motion carried unanimously.

The Special Finance and Audit Committee Meeting recessed at 10:22 a.m.
The Special Finance and Audit Committee Meeting reconvened at 10:40 a.m.

Laura Mercer, Acting Director, Financial Services, provided the Finance and Audit Committee with an updated proposed property tax rate of 4.91% for the 2019, based on the motions made so far during this meeting.

Committee discussion took place regarding asset management and unsustainable infrastructure being addressed.

It was moved and seconded that the Finance and Audit Committee recommend that Council continue with the 1% annual increase for contributions to General Asset Management Reserve, to address the infrastructure funding gap. The motion carried unanimously.

Committee discussion took place regarding:

- Funding within the Strategic Infrastructure Reserve being allocated towards projects associated with economic development
- Possible funding options for community engagement

Jake Rudolph, Chief Administrative Officer, suggested that a Committee of the Whole meeting be scheduled to discuss facilitation of community engagement.

It was moved and seconded that the Finance and Audit Committee recommend that Council move \$50,000, to create an internal order for Public Engagement, under the Office of the Chief Administrative Officer, to facilitate community engagement in the new year, to be funded from the Strategic Infrastructure Reserve. The motion carried unanimously.

Committee discussion took place regarding:

- Funding for worst case scenarios
- Severe winter this year could be covered by 2018 Surplus
- Possibility of amending the budget if there is a severe snow fall
- Combining the Engineering and Public Works Reserve and Parks and Recreation Reserve into one with a funding cap of \$800,000
- Risk tolerance

It was moved and seconded that the Finance and Audit Committee recommend that Council rebuild the Engineering and Public Works (ENGPW) Snow and Ice Reserve and the Parks and Recreation Snow and Ice Reserve as follows:

- ENGPW target balance - \$900,000 by end of 2022
- Parks and Recreation - \$300,000 by end of 2021

2019 budget for reserves - \$275,000

- \$200,000 – ENGPW
- \$75,000 – Parks and Recreation

The motion was defeated unanimously.

Opposed: Councillors Armstrong, Bonner, Brown, Geselbracht, Hemmens, Maartman, Thorpe, Turley

Committee discussion took place regarding:

- Reducing the Engineering and Public Works Reserve from \$200,000 to \$100,000, for one year
- Engineering and Public Works Reserve target balance becoming \$800,000

S. Gurrie vacated the Shaw Auditorium at 10:50 a.m.

It was moved and seconded that the Finance and Audit Committee recommend that Council reduce the contribution to the Engineering and Public Works Snow and Ice Reserve in 2019 to \$100,000. The motion carried unanimously.

Committee discussion took place regarding:

- Bringing staffing levels up to capacity
- Parking and Street Use Coordinator position – relieve workload in Engineering Department
- Cost recovery from ticketing covering the cost of bylaw enforcement position
- Implementation of the Active and Sustainable Transportation Coordinator
- Bylaw positions assisting with the RCMP workload

Wendy Fulla, Manager, Business, Asset and Financial Planning, provided the Finance and Audit Committee with an update on the proposed property tax rate with the additional changes included. The proposed rate is currently 4.81% for 2019 and the 2020 property tax rate has increased to 3.46%.

Committee discussion continued as follows:

- Making decision with the future in mind
- Concerns for public safety and the need for more bylaw officers
- \$100,000 removed from Snow and Ice Reserve being used to fund a staffing position

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the following new positions listed in the 2019 Draft Plan:

- City Administration - Manager, Communications
- Public Safety - Bylaw Enforcement Officer – Parking Patroller (Hospital Area Parking Strategy)
- Public Safety - Bylaw Enforcement Officer – Parking Patroller (CPSO Office)
- Community Development - Administrative Support
- Engineering and Public Works - Parking and Street Use Coordinator
- Engineering and Public Works - Public Works Clerk/Dispatcher
- Parks and Recreations - Special Events Coordinator

The motion carried unanimously.

R. Harding vacated the Shaw Auditorium at 11:22 a.m.

Committee discussion took place regarding:

- Request for additional automated truck and refuse collectors
- Working with the Regional District of Nanaimo and possibly sharing equipment
- Amortization and cost of new vehicles
- Funding of additional trucks and refuse collectors through Sanitation User Fees

It was moved and seconded that the Finance and Audit Committee recommend that Council include an additional Automated Truck and Refuse Collector in January 2020, truck to be budgeted in 2019, and another in July 2022, to be funded from the Sanitation User Fees. The motion carried unanimously.

Committee discussion took place regarding:

- Encouraging alternative modes of transportation
- Funding options to cover costs for new positions
- Decreasing the property tax rate
- Clarification regarding the proposed Active and Sustainable Transportation Coordinator position
- Priorities of staffing needs for 2019
- Developing active transportation options

Jake Rudolph, Chief Administrative Officer, suggested scheduling a Committee of the Whole meeting to discuss the City's current status regarding transportation.

Committee discussion continued regarding:

- Adding positions to the Draft Budget in the new year
- Using reserve funds to fund operations
- Potential infrastructure savings by getting more people off the roads
- Infrastructure needed to support cycling such as trails and bike lanes
- Optimal allocation of resources

It was moved and seconded that the Finance and Audit Committee recommend that Council add the Active and Sustainable Transportation Coordinator position to the Draft Plan. The motion was defeated.

Opposed: *Councillors Armstrong, Geselbracht, Thorpe, Turley*

Committee discussion took place regarding:

- GIS Technology falls under the Information Technology Department
- Adding GIS Technologist will not increase the 2019 Property Tax Rate

It was moved and seconded that the Finance and Audit Committee recommend that Council include a one year Temporary GIS Technologist position in 2019, to be funded from the 2018 Surplus. The motion carried unanimously.

Committee discussion took place regarding:

- Recycling Policy Advisor position being included in Sanitary User Fee Rates
- “3 R’s Contract” with Regional District of Nanaimo may provide funding or shared use of a Recycling Policy Advisor
- Marginal change to the Draft Budget with the inclusion of this position
- Discussions with the Nanaimo Recycling Exchange and non-profit organizations before adding an in house position
- Small impact to budget in future years
- Optimal timeframe for adding Recycling Policy Advisor position

It was moved and seconded that the Finance and Audit Committee recommend that Council add the Recycling Policy Advisor position to the Draft Plan, to be funded through Sanitation User Rates. The motion was defeated.

Opposed: *Councillors Armstrong, Geselbracht, Hemmens, Maartman, Thorpe, Turley*

Committee discussion took place regarding:

- Proposed Property Tax Rate 2019 and increases anticipated for 2020
- Timeframe for adoption of the provisional budget – first readings of bylaw potentially December 17th and adoption in January, 2019
- No time to hold a session regarding reserves prior to the adoption of the provisional budget
- One large entity defaulting on property taxes and risks related
- Restructuring of Reserve Policy
- Reserves are not planned to increase over the next few years
- Levelling out the increase in proposed property tax rates

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate \$1 million out of the Tax Reserve Fund and apply it towards other reserves in order to reduce the tax rate by 1%. The motion was defeated.

Opposed: *Councillors Armstrong, Brown, Geselbracht, Hemmens, Maartman, Thorpe, Turley*

Committee discussion took place regarding:

- Request for four career firefighters
- Increase number of firefighters to address the increased number of calls for service and relieve current workload
- Remuneration for staff who take mental health or sick leaves
- The four proposed firefighters would be assigned to current crews
- Ratio of paid firefighters versus on call firefighters across the Province and on call firefighters ability to meet required standards

It was moved and seconded that the Finance and Audit Committee recommend that Council include an additional four career firefighter positions to the 2019 Draft Plan. The motion carried.

Opposed: *Councillors Hemmens, Turley*

Sky Snelgrove, Deputy Corporate Officer, advised the Finance and Audit Committee that the recommendations made today would go forward to the next scheduled Council meeting 2018-DEC-10 to be adopted by Council prior to the draft bylaw being presented to Council for its first readings 2018-DEC-17.

Committee discussion took place regarding the timeframe for changes to the provisional budget.

Wendy Fulla, Manager, Business, Asset and Financial Planning, provided the Finance and Audit Committee with an update on the proposed property tax rate with the additional changes. The proposed property tax rate for 2019 is currently 4.97%.

It was moved and seconded that Finance and Audit Committee recommend that Council approve the Draft 2019 – 2023 Financial Plan with the proposed changes from 2018-DEC-05. The motion carried unanimously.

4. ADJOURNMENT:

It was moved and seconded at 12:30 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

DATE OF MEETING | FEBRUARY 20, 2019 |
AUTHORED BY | SKY SNELGROVE, STENO COORDINATOR, LEGISLATIVE SERVICES |
SUBJECT | 2019 FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR |

OVERVIEW

Purpose of Report

To provide for the Finance and Audit Committee's consideration, the draft 2019 key date calendar.

Recommendation

That the Finance and Audit Committee recommend that Council approve the 2019 Finance and Audit Committee Key Date Calendar.

BACKGROUND

The purpose of the Finance and Audit Committee (committee) is to assist Council in fulfilling its oversight responsibilities over the finance of the City in accordance with the provisions of the *Community Charter* by providing advice on financial matters, enterprise risk matters, community investment matters, subsidiary companies as well as service agreements. Delegations related to financial matters are directed to attend Finance and Audit Committee meetings.

Currently, the majority of City committees are not meeting until Council provides further direction. Staff have recognized the need for the Finance and Audit Committee, comprised of each member of Council, to continue to meet. The Committee Operating Guidelines state that the Corporate Officer is responsible for determining the regular schedule of days, times and locations for committees. Staff have prepared the attached key date calendar (Attachment A) for the committee's consideration.

The committee has historically met on the second Wednesday of the month from 9:00 a.m. to 12:00 p.m. in the Shaw Auditorium, Vancouver Island Conference Centre. In order to avoid having a morning meeting scheduled the day after the Regional District of Nanaimo's Board meeting or Committee of the Whole meeting, held on the second and fourth Tuesdays of the month, Staff recommend changing the meeting date to the third Wednesday of the month. The Chamber of Commerce holds a monthly luncheon where the Mayor is invited to attend, held on the second Wednesday of the month, conflicting with the original meeting schedule.

Staff recommend changing the location of the meeting to the Board Room, Service and Resource Centre, as using a City-owned facility will result in an average cost saving of approximately \$1300 per meeting. The costs for the meeting are primarily related to audio/visual technical equipment, now provided by the City, room rental and hospitality costs. Meetings would continue to be live streamed and video recorded from the Boardroom.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the 2019 Finance and Audit Committee Key Date Calendar.
 - **Budget Implication:** Hosting the meeting in City-owned facilities will result in a cost savings of approximately \$1300 per meeting.
 - **Engagement Implication:** Meetings will continue to be livestreamed to the City's website and a recording posted.
 - **Strategic Priorities Implication:** Open and transparent meetings lead to good governance.
2. That the Finance and Audit Committee provide alternate direction regarding the 2019 Key Date Calendar.

SUMMARY POINTS

- Committee meetings will be held on the 3rd Wednesday of the month from 9:00 a.m. to 12:00 p.m. in the Boardroom, Service and Resource Centre.
- Changing the meeting date to the third Wednesday of the month avoids conflicts such as the Chamber of Commerce Luncheon and Regional District of Nanaimo meetings the evening prior.
- Meetings will continue to be livestreamed to the website and recorded.

ATTACHMENTS

Attachment A – 2019 Finance and Audit Key Date Calendar

Submitted by:

Sky Snelgrove
Steno Coordinator, Legislative Services

Concurrence by:

Sheila Gurrie
City Clerk and Corporate Officer

ATTACHMENT A

City of Nanaimo

FINANCE AND AUDIT COMMITTEE KEY DATE CALENDAR – 2019

Finance and Audit Committee meetings are held in the Boardroom, Service and Resource Centre, 411 Dunsmuir Street, unless otherwise stated.

Committee	Start Time	End Time	Day of the Month
Finance and Audit Committee	9:00 a.m.	12:00 p.m.	3 rd Wednesday

March 20	Finance and Audit Committee
April 12 - 14	AVICC-Convention – Powell River
April 17	Finance and Audit Committee
<i>April 19</i>	<i>Good Friday</i>
<i>April 22</i>	<i>Easter Monday</i>
May 15	Finance and Audit Committee
<i>May 20</i>	<i>Victoria Day</i>
May 30 - June 2	FCM Conference – Quebec City
June 19	Finance and Audit Committee
<i>July 1</i>	<i>Canada Day</i>
July 17	Finance and Audit Committee
<i>August 5</i>	<i>BC Day</i>
<i>No Meeting in August</i>	
<i>September 2</i>	<i>Labour Day</i>
September 18	Finance and Audit Committee
September 23-27	UBCM Conference – Vancouver
October 16	Finance and Audit Committee
<i>October 14</i>	<i>Thanksgiving Day</i>
<i>November 11</i>	<i>Remembrance Day</i>
November 20	Finance and Audit Committee
December 18	Finance and Audit Committee
<i>December 25</i>	<i>Christmas Day</i>
<i>December 26</i>	<i>Boxing Day</i>

DATE OF MEETING FEBRUARY 20, 2019

AUTHORED BY DAVID LABERGE, MANAGER OF COMMUNITY SAFETY

**SUBJECT REQUEST FOR ADDITIONAL FUNDING – BASTION STREET
PARKADE INFRASTRUCTURE**

OVERVIEW

Purpose of Report

To advise the Finance and Audit Committee that a capital project to repair critical infrastructure of the Bastion Street Parkade budgeted for \$242,000 for post tension strand construction will require an additional \$136,100 in funding to complete the required scope of work.

Recommendation

That the Finance and Audit Committee recommend that Council approve an additional \$136,100, funded from the parking reserve, to complete the Bastion Parkade Post Tension Strand Construction capital project.

BACKGROUND

The Bastion Street Parkade was constructed in 1973 with additional levels added in 1991. Remedial work has been undertaken in three phases to replace the tension strands which reinforce the cast-in-place concrete construction at the recommendation of engineering consultants. The first phase of work was completed in 2014, and a second phase followed in 2015.

A 2015 engineering report recommended the replacement of additional tension strands, with an estimated probable cost of \$225,000, which provided a contingency and allowance for engineering, permits and testing.

The capital project for post tension strand construction was budgeted for \$242,000.00 to replace the wire strands in the parkade's structural beams and was to commence in February, 2018. The budget was determined by using costs from the first two phases with an allowance for inflation. This project is funded through the general asset management statutory reserve fund. \$10,316.08 has been spent in 2018 on this project.

There was only one bid received in relation to this RFP. The bid contractor, who has done work on the previous phases of the project, had a bid of \$332,220. An additional \$25,550 will be needed for consulting fees. The consultant also recommended that an additional \$10,000 be added in the event that additional concrete work is required. This will leave a shortfall of \$136,100. These additional costs will be funded from the parking reserve.

The replacement of the tension strands is essential to the structural integrity of the parkade infrastructure.

OPTIONS

1. That Finance and Audit Committee recommend that Council approve an additional \$136,100 to complete the Bastion Parkade Post Tension Strand Construction capital project.
 - a. **Budget Implication:** The final 2019 – 2023 Financial Plan will be amended to include the additional costs to be funded from the parking reserve.
2. That Council provide alternative direction to Staff.

SUMMARY POINTS

- The Bastion Street Parkade infrastructure requires remedial work to replace steel strands which reinforce the concrete structural beams.
- Two phases of work have been completed, a third phase is pending.
- \$242,000.00 has been budgeted to complete the third phase of work with \$10,316.08 costs spent to date.
- An additional \$136,100.00 in funding is required to complete the Bastion Parkade Post Tension Strand Construction capital project.

Submitted by:

David LaBerge
Manager of Community Safety

Concurrence by:

Karen Fry
Director of Public Safety

DATE OF MEETING February 20, 2019
AUTHORED BY JAMIE ROSE, MANAGER, TRANSPORTATION
SUBJECT DOWNTOWN METERED PARKING

OVERVIEW

Purpose of Report

To obtain the Finance and Audit Committee's recommendation that Council approve adding a Downtown Parking Signage project to the 2019 budget.

Recommendation

That the Finance and Audit Committee recommend that Council approve adding \$17,500 to the 2019 budget for a Downtown Parking Signage project to be funded from the Parking Reserve.

BACKGROUND

Downtown Nanaimo has metered parking in most retail or service areas. Metered or pay parking generates turn over and encourages motorists to only park for as long as they need to. This turn over enables more customers to access parking, and therefore, creates more opportunities for access to businesses.

In the fall of 2018, the individual parking meters in the Downtown area (west of Terminal Avenue) were subject to a significant amount of vandalism. Between September and November, approximately 100 meters were removed, damaged or destroyed by vandals. Initially, staff had the meters repaired or replaced as needed; however, the vandalism persisted and the repair and replacement costs quickly exhausted the annual maintenance budget. The loss of parking meters means motorists are permitted to park for extended periods of time, thereby limiting access to parking by others. Several businesses have expressed concerns regarding this, citing that the loss of parking turn over is affecting their operations. Understanding that an area wide parking study was planned for the downtown as part of the Downtown Mobility Project, and that recommendations from it would likely result in changes to the existing parking strategy. Engineering staff in consultation with Community Safety Staff are recommending that an effective interim solution would be to remove the remaining parking meters and install time limit parking. This approach would generate some parking turn over without the need to renew or repair all of the damaged meters.

In order to proceed with the installation of parking time limit signage, staff are recommending that Council approve adding \$17,500 to the 2019 budget for a Downtown Parking Signage project. Funding for the project will be from the Parking Reserve.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve adding \$17,500 to the 2019 budget for a Downtown Parking Signage project to be funded from the Parking Reserve.
 - **Budget Implication:** The final 2019 – 2023 Financial Plan will be amended to include the new signage project.
 - **Legal Implication:** Signage is required to enforce parking regulations.
 - **Political Implication:** Business owners on streets where meters have been removed are concerned by the lack of regulations and the resulting lack of parking availability for customers. Installing time restricted parking regulations will address this concern until such time as an area wide strategy is developed.

2. Wait until the completion of the Downtown Parking Study and then introduce recommendations through the 2020 – 2024 Financial Planning Process.
 - **Legal Implication:** Without parking signage, regulations can not be enforced and, therefore, availability of parking space will be limited.
 - **Political Implications:** Business owners on streets where meters have been removed are concerned by the lack of regulations and the resulting lack of parking availability for customers.

SUMMARY POINTS

- Short duration parking supports customer access to retail businesses.
- Absence of time limit parking restrictions reduces turn over limiting access to retail businesses.
- An area wide parking strategy is being developed as part of the Downtown Mobility Project.

Submitted by:

Jamie Rose
Manager, Transportation

Concurrence by:

Poul Rosen
Sr. Manager, Engineering

DATE OF MEETING | FEBRUARY 20, 2019 |

AUTHORED BY | JAMIE ROSE, MANAGER, TRANSPORTATION |

SUBJECT | ROAD SAFETY FUNDING ALLOCATION |

OVERVIEW

Purpose of Report

To obtain Council's approval to add three projects to the 2019 – 2023 Financial Plan based on a funding commitment from the Insurance Corporation of British Columbia (ICBC). |

Recommendation

That the Finance & Audit Committee recommend to Council to approve the addition of three new projects in 2019 to install pedestrian warning flashers, to be funded by ICBC and the New Horizons Senior Program.

BACKGROUND

Every year, Transportation Engineering Staff receive numerous calls for enhancements to existing crosswalks. Staff review each of these requests to determine if action is necessary. The review process assesses site condition, adjacent land use, driver behaviour, and pedestrian behaviour. If it is determined that changes are recommended, staff will prepare a design and estimate and will add the project into the financial plan through the next budget cycle.

Staff have assessed the following high-priority locations for pedestrian warning flashers:

- Hammond Bay Road at Williamson Road,
- Jingle Pot Road at Labieux Road, and
- Boundary Avenue at Nightingale Crescent

Staff's assessment is that it would be beneficial to add Rectangular Rapid Flash Beacons at these locations. The cost of these improvements is \$12,500 per location. The City presented a request to ICBC for each of these locations for Road Improvement Funding. Through this program, ICBC has committed to providing \$10,800 per location for the installation of pedestrian warning flashers. The additional \$1,700 per location will be funded from the New Horizons Seniors Grant Program which the City received funding for in 2016. |

OPTIONS

1. | That the Finance & Audit Committee recommend to Council to approve the addition of three new projects in 2019 to install pedestrian warning flashers, to be funded by ICBC and the New Horizons Senior Program.
 - **Budget Implication:** The final 2019 – 2023 Financial Plan will be amended to include the new projects.

- **Strategic Priorities Implication:** Installing pedestrian warning flashers supports the City's Policy of making pedestrian mobility the highest priority form of transportation.
2. Do not amend the 2019 - 2023 Financial Plan and plan to install pedestrian warning flashers at the locations in future years as funding permits.
- **Political Implications:** Not installing pedestrian warning flashers contradicts support for active transportation. |

SUMMARY POINTS

- Locations have been identified by the community as areas of concern.
- Staff have undertaken a technical assessment and support the installation of pedestrian warning flashers.
- ICBC has also reviewed these locations and is prepared to provide substantial financial support for each. |

Submitted by:

Jamie Rose
Manager, Transportation |

Concurrence by:

Poul Rosen
Sr. Manager, Engineering |

DATE OF MEETING FEBRUARY 20, 2019

AUTHORED BY JANE RUSHTON, MANAGER, PURCHASING AND STORES

SUBJECT QUARTERLY PURCHASING REPORT (SINGLE AND SOLE SOURCE), INSTANCES OF NON-COMPLIANCE PURCHASES AND PURCHASES IN EXCESS OF \$250,000

OVERVIEW

Purpose of Report

This report provides information in compliance with the City's Procurement Policy (03-1200-01) regarding single and sole source purchases, awards in excess of \$250k and policy non-compliance.

Recommendation

That the report titled Quarterly Direct Award (Single and Sole Source), Purchases in Excess of \$250,000, and Instances of Non-Compliance Purchases, dated February 20, 2019, be received for information

DISCUSSION

The City's Procurement Policy (03-1200-01) requires:

17 Reporting

17.1 On a quarterly basis, Council will be provided with an information report summarizing the following:

17.1.1 Sole source and single source purchases between \$25,000 and \$250,000;

17.1.2 Award of all purchases in excess of \$250,000; and,

17.1.3 Instances of Non-Compliance and action taken in each instance.

This report outlines results of the above processes for information. Further details are summarized in Attachments A and B of this report.

Sole Source Purchases

"Sole Source Purchase" means a non-competitive acquisition whereby the purchases for goods and or services are directed to one source where there is only one available Vendor or Contractor of that good and or service that meets the needs or requirements of the City. Sole source purchases go through an internal control review process and sign off covering justification, review of decision and costs.

Single Source Purchases

“**Single Source Purchase**” means a non-competitive acquisition whereby purchases for goods and or services are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

Due to staffing constraints, the City is not able at this time to undertake internal audits or reviews to determine policy compliance deviations. The City’s internal controls have been updated to flag non-compliance going forward using current Staff and if it is determined that the associated risks are significant additional resources will be requested from Council.

SUMMARY POINTS

- The City undertook thirteen (13) Single and Sole Source purchases subject to Procurement Policy (03-1200-01) reporting for a total amount of \$405,793.58 including PST for the period ending 2018-DEC-31.
- The City undertook two (2) Instances of Purchases Greater than \$250,000.00 subject to Procurement Policy (03-1200-01) reporting for a total amount of \$952,050 for the period ending 2018-DEC-31.
- No Instances of non-compliance purchases were recorded for the period ending 2018-DEC-31.

ATTACHMENTS

Attachment A – Q4 2018 – Sole Source Purchases: >\$25,000<=\$250,000

Attachment B – Q4 2018 – Purchases Greater than \$250,000 Summary

Submitted by:

Jane Rushton
Manager, Purchasing and Stores

Concurrence by:

Laura Mercer
Acting Director, Financial Services

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Reason/Comment
2312	Fleet Services	Alamein Mobile Technologies	Continuation of the City's GPS tracking software for 2019	\$25,000.00	One with which staff have specialized training and/or expertise.
2299	Public Works Fleet	AssetWorks	Continuation of the City's Fleet Asset Management Program for 2019 and 2020	\$33,709.46 US Funds	The program has been in use for many years. No immediate plan or funding to replace the program that currently provides the necessary asset management tools for Fleet.
2300	Engineering	Bentley Systems Inc	Continuation of the City's Water GEMS, FlowMaster, and Culvert Master software	\$6,345.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
2246	Fleet Services	BSM Technologies	Continuation of the City's GPS Monitoring software	\$47,000.00	One with which staff have specialized training and/or expertise.
2310	Information Technology	ESRI	Continuation of the City's application wrapper, Geocortex	\$15,755.75	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
2269	CAO Office	Jericho Strategies	Communication consulting services	\$45,796.61	One with which staff have specialized training and/or expertise.
2232	Traffic	Herold Engineering Ltd	Continuation of the City's Bridge Inspection program	\$8,500.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
2219	Engineering	Millennia Research Ltd	Archaeological Impact Assessment as part of the Esplanade Watermain Replacement Project, continued work	\$40,291.00	Where there is demonstrated value to continue consultant services into the next project phase

2311	Information Technology	Mpowered Ventures Ltd	Continuation of the City's mobile building inspection application	\$4,486.51	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
2292	Traffic	ND Graphics Inc	One time purchase of sign shop equipment	\$45,222.17	To ensure compatibility and interoperability with existing equipment.
1704	Information Technology	RMS Software Inc	Continuation of the City's ERMS Advantage Services that manage the City's emergency mass notification system	\$12,840.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
2309	Information Technology	Safe Software	Continuation of spatial Extract, Transform and Load,(ETL) tool for the city's GIS data and data rich applications	\$13,530.00	One with which staff have specialized training and/or expertise. Accumulated spend exceeds \$25,000.00
1122	Information Technology	Tempest Development Group	2019 Annual Support and Maintenance for the City's Tempest Software.	\$107,317.08	To ensure compatibility with existing equipment, facilities or to maintain specialized products by the manufacturer or representative.

File/ Competition #	Department	Vendor Name	Transaction Description	Amount (Includes PST)	Comment
2263	Engineering	Herold Engineering Ltd	Millstone Trunk SS Design	\$352,050.00	Two submissions received
2242	Roads & Traffic Services	Mainroad Maintenance Products LP	Supply and Delivery of Bulk Road Salt	\$600,000.00	Estimated award value for 2 year contract

DATE OF MEETING February 20, 2019

AUTHORED BY Wendy Fulla, Manager, Business, Asset and Financial Planning

SUBJECT AUTOMATED SOLID WASTE COLLECTION – EQUIPMENT FINANCING

OVERVIEW

Purpose of Report

To have the Finance and Audit Committee recommend that Council approve a borrowing resolution to finance an automated garbage truck through the Municipal Finance Authority's equipment financing program.

Recommendation

That the Finance and Audit Committee recommend that the Council of the City of Nanaimo authorizes up to \$432,396 be borrowed, under Section 175 of the *Community Charter*, from the Municipal Finance Authority, for the purpose of purchasing an automated garbage truck; and that the loan be repaid with five (5) years, with no rights of renewal.

BACKGROUND

At the Special Council Meeting held 2019-JAN-14, Council adopted the Provisional 2019 – 2023 Financial Plan Bylaw. The Provisional 2019 – 2023 Financial Plan contains borrowing for two new automated garbage trucks for the expansion of sanitation routes.

The Sanitation department prepared a business case to support the inclusion of an additional new automated garbage truck and refuse collector in 2020 and 2022 to address growth. Based on the lead-time required for delivery, the unit required for 2020 will be ordered early this year. Delivery is anticipated in December and the unit would go into service January 2020. The sanitation department will also be acquiring a used automated garbage truck in 2019 to provide for a standby vehicle in case another one is out of service.

The Municipal Finance Authority (MFA) provides equipment, short and long term borrowing to local governments and public institutions in B.C. The MFA Equipment Financing Program provides short term borrowing (one to five years) under section 175 of the *Community Charter* and requires a Council resolution for borrowing. This program offers low interest rates and no fees.

Staff recommend borrowing through the MFA Equipment Financing Program in 2019 to purchase the required automated garbage truck for the additional route to be added in 2020, due to growth. Repayment will be through sanitation user fees. A summary of the key borrowing information is provided below.

Borrowing	Current Interest Rate	Term	Year Repaid	Annual Payment	Total Interest Expense	Estimated Cost per Household
\$432,396	2.625%	5 Years	2024	\$92,373	\$29,513	\$3.22

OPTIONS

1. That the Finance and Audit Committee recommend “That the Council of the City of Nanaimo authorizes up to \$432,396 be borrowed, under Section 175 of the *Community Charter*, from the Municipal Finance Authority, for the purpose of purchasing an automated garbage truck; and that the loan be repaid with five (5) years, with no rights of renewal.”
 - **Budget Implication:** The Provisional 2019 – 2023 Financial Plan includes an estimate for the debt-servicing costs for both additional automated garbage trucks and refuse collectors required in the next five years.
2. The Finance and Audit Committee direct Staff to provide more information.
 - The tendering process for the acquisition of the additional automated garbage truck would be placed on hold pending Council’s direction.

SUMMARY POINTS

- The Provisional 2019 – 2023 Financial Plan includes two new automated garbage trucks and refuse collectors in the next five years to accommodate growth.
- The first of the two new automated garbage trucks will be acquired in 2019 to go in-service January 2020.
- Repayment costs for the borrowing will be funded from sanitation user fees.

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