

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2020-JUL-15, AT 9:00 A.M.

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

Absent: Councillor S. D. Armstrong

Staff: J. Rudolph, Chief Administrative Officer
R. Harding, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services
B. Sims, General Manager, Engineering and Public Works
L. Mercer, Director, Finance
A. Groot, Director, Facilities and Parks Operations
W. Fulla, Manager, Business, Asset & Financial Planning
L. Bhopalsingh, Manager, Community Planning
C. Sholberg, Community Heritage Planner
S. Gurrie, Director, Legislative Services
N. Sponaugle, Legislative Communications Clerk
K. Lundgren, Recording Secretary

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

The 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. ADOPTION OF THE MINUTES:

It was moved and seconded that the Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2020-JUN-17 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. PRESENTATIONS

(a) 2021-2025 Financial Plan Development

Laura Mercer, Director, Finance, provided a presentation regarding the development of the 2021-2025 Financial Plan. Highlights included:

- An overview of the proposed timeline
- Possible adaptations depending on the impact of the COVID-19 pandemic
- Projected property tax increase of 3.0%
- Factors contributing to the 3.0% tax increase include asset management, project expenditures, RCMP Contract, Emergency Medical Responder Training, retiring of Nanaimo Aquatic Centre debt, and changes in wages and benefits
- An overview of items related to the impact of COVID-19 pandemic that were not reflected in the 2021 – 2025 Financial Plan
- Other potential impacts to the budget include Economic Development, Nanaimo Art Gallery funding, Animal Control Service Review and post employment benefits
- Projects currently not in 2020-2024 Financial Plan include the RCMP Building, Public Works facility replacement, South End Recreation Centre, Fire Training Centre, Loudon Boathouse construction, Marie Davidson Bike Park construction, Search and Rescue Building and Serauxmen Stadium redevelopment
- New debt incorporated into the plan includes Fire Station #1, the Waterfront Walkway, sanitation (new garbage truck), and sewer Development Cost Charges Projects
- Projected outstanding debt to peak in the years 2032 and 2033
- The City currently is at 13% of debt servicing limit
- Staff seeking direction and input from Council on potential business cases, priorities and focus areas

Committee discussion took place regarding:

- Funding for the City's Economic Development function
- Challenge in balancing the need to provide support while maintaining fiscal responsibility

It was moved and seconded that Council direct Staff to prepare a business case for the creation of a mobile crisis response unit to respond to mental health and wellness calls. The motion carried.

Opposed: *Mayor Krog, Councillors Thorpe and Turley*

Committee discussion took place regarding:

- The responsibilities of municipalities required by the *Community Charter*
- Possibility of reallocating funding to include an alternate position in the RCMP that integrates mental health
- The need to address the long-term issue of homelessness and mental health

It was moved and seconded that Council direct Staff to update the business case for a Manager of Sustainability, which was prepared for the 2020 budget deliberations, and include information on whether the position would be eligible for the BC Hydro Community Energy Manager program. The motion carried unanimously.

It was moved and seconded that Council direct Staff to prepare a business case for a Manager of Housing to support the ongoing collaborative work identified by the Health and Housing Task Force. The motion carried unanimously.

It was moved and seconded that Council direct Staff to prepare a business case for the creation of an e-bike rebate program for Nanaimo residents with the potential for a separate stream for low-income individuals. The motion carried.

Opposed: Councillor Turley

It was moved and seconded that Council direct Staff to prepare a business case for an annual community watercourse restoration grant. The motion carried.

Opposed: Councillor Turley

Jake Rudolph, Chief Administrator Officer, advised that the Vancouver Island Conference Centre topic would require further analysis and suggested that Staff bring forward an information package at a forthcoming Governance and Priorities Committee meeting.

It was moved and seconded that Council defer consideration of the following motion to an upcoming Governance and Priorities Committee meeting for further discussion: “that Council direct Staff to prepare a business case for a study on the potential for maximizing community use of the Vancouver Island Conference Centre in addition to operating as a conference facility.” The motion carried unanimously.

Jake Rudolph, Chief Administrator Officer, spoke regarding the intent to report on the status of capital projects not currently included in the 2020-2024 Financial Plan.

It was moved and seconded that Council direct Staff to prepare a business case for an Indigenous Engagement Specialist for the purpose of better incorporating First Nations and urban indigenous perspectives and ways of knowing into our work and decisions. The motion carried unanimously.

The Finance and Audit Committee recessed at 10:58 a.m.

The Finance and Audit Committee reconvened at 11:10 a.m.

5. REPORTS:

(a) Nanaimo Search & Rescue Development (191 - 195 Fourth Street)

Introduced by Richard Harding, General Manager, Parks, Recreation and Culture.

Delegation:

1. Donna Hais, CEO and General Manager, R.W. (Bob) Wall Ltd, spoke regarding the status of the Nanaimo Search and Rescue development project and the immediate need to proceed with the project.

Committee discussion took place. Highlights included:

- The expected timeline to incorporate the project into the budget
- The portions of the project that need to be completed before occupation

(b) Port Theatre Window Replacement

Richard Harding, General Manager, Parks, Recreation and Culture, informed the Committee of a proposed replacement project for the Port Theatre windows.

(c) Serauxmen Stadium Fencing

Richard Harding, General Manager, Parks, Recreation and Culture, provided the Committee with an update regarding the replacement of the Serauxmen Stadium Fencing.

(d) Heritage Façade Grant - 45 Victoria Crescent

Introduced by Dale Lindsay, General Manager, Development Services.

Committee discussion took place regarding:

- Current condition of the building
- Chosen colour scheme appropriate for a downtown heritage building

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$10,000 Heritage Façade Grant for the Nanaimo Pioneer Bakery building located at 45 Victoria Crescent to repair and rehabilitate the building's wooden exterior and storefront, repaint the façade, and add a new awning. The motion carried unanimously.

(e) BC Healthy Communities Plan H Grant Applications

Dale Lindsay, General Manager, Development Services, informed the Committee of the application for two grants: the Community Connectedness Grant of \$5,000 and the Healthy Community Engagement Grant of \$15,000.

Committee discussion took place regarding:

- Back-up plan if the Healthy Community Engagement Grant is not received
- Continuation of services and funding expectations after grants are used

(f) Federation of Canadian Municipalities, Municipal Asset Management Program

Introduced by Laura Mercer, Director, Finance.

Committee discussion took place regarding how the Level of Service study will help determine the tolerable condition of asphalt.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve submission of an application to the Federation of Canadian Municipalities, Municipal Asset Management Program for \$50,000 for a Level of Service Study: Asphalt. The motion carried unanimously.

(g) Hammond Bay Road Widening and Utility Improvements Project

Bill Sims, General Manager, Engineering and Public Works, advised the Committee of a budget transfer to cover the additional costs associated with the construction of the Hammond Bay Road Widening and Utility Improvements Project.

Highlights included:

- Challenges that contributed to the additional costs included springs on the property and changes to traffic control

(h) Sanitation Service Review

Bill Sims, General Manager, Engineering and Public Works, spoke regarding Staff's intention to conduct a service review on the automated solid waste collection program.

Highlights included:

- Challenges with increased recycling during the COVID-19 pandemic
- Heavy workload for Staff
- Service review intended to ensure sustainability

Committee discussion took place regarding:

- Difficulties with cardboard collection
- Performance of used vehicles received from Kelowna
- Additional vehicle ordered and expected to arrive soon
- Agreement with Recycle BC
- Other potential options for cardboard collection, including the use of a dedicated vehicle for cardboard collection

(i) Fleet Replacement Plan

Bill Sims, General Manager, Engineering and Public Works, advised the Committee of a budget transfer to replace failing Water Supply Units.

6. ADJOURNMENT:

It was moved and seconded at 11:45 a.m. that the meeting adjourn. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

CORPORATE OFFICER