

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

Present: Councillor W. L. Bestwick, Chair
Mayor W. B. McKay
Councillor S. D. Armstrong
Councillor M. D. Brennan
Councillor G. W. Fuller
Councillor J. Hong
Councillor J. A. Kipp
Councillor I. W. Thorpe (arrived 9:05 a.m.)
Councillor W. M. Yoachim

Staff: D. Lindsay, Director of Community Development
R. J. Harding, Director of Parks and Recreation
J. Van Horne, Director of Human Resources (arrived 9:14 a.m.)
K. Fry, Fire Chief and Director of Public Safety
P. Rosen, Senior Manager Engineering
J. Elliot, Senior Manager of Public Works
L. Mercer, Manager, Accounting Services
W. Fulla, Manager, Business, Asset & Financial Planning
D. Hiscock, Manager, Revenue Services
A. Britton, Manager, Parks Operations
J. Slater, Senior Accountant
S. Gurrie, City Clerk
J. Vanderhoef, Recording Secretary

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

The Special Finance and Audit 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. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Regular Meeting of the Finance and Audit Committee held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Monday, 2018-MAR-14 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

Councillor Thorpe entered the Shaw Auditorium at 9:05 a.m.

4. PRESENTATIONS:

(a) 2018-2022 Financial Plan

Introduced by Laura Mercer, Manager of Accounting Services.

Wendy Fulla, Manager, Business, Asset & Financial Planning, provided a presentation regarding the 2018-2022 Financial Plan.

John Van Horne entered the Shaw Auditorium at 9:14 a.m.

Committee discussion took place regarding the following:

- traffic funds revenue being used towards crime reductions activity;
- addition of an in-house legal counsel position (City Solicitor);
- budget for 2018 legal expenses, and actual costs for 2017 legal expenses;
- business plan to assess the new City Solicitor position;
- funds related to Core Review under Operating and Capital Funds;
- strategy/method of preparing the Financial Budget;
- part two of the Core Review missing from 2018 Financial Budget;
- Regional District of Nanaimo expenses anticipated in the near future;
- strengthening the procurement policy, and use of SAP system;
- size of the budget, civil services, and putting caps on large projects;
- 2012 Staff report suggesting an increase in services by way of appointing a Communications Manager;
- RCMP contract increase from 92% to 93%, and request for total contract costs;
- funding and staffing relating to social issues and wellness;
- requested separating costs of operating and capital costs for better understanding;
- funding of unfunded liabilities such as sick leave;
- asset management;
- budget for downtown improvements;
- changes to staff positions being presented to Council separately with business plans, and the Director of Communications position being retained;
- timeframe for amendments to the budget;
- anticipated surplus estimated to be \$2.6 million, and how this can be used towards other expenses;
- proposed property tax rate is 3.1%, Staff have look at other offsets to avoid increasing the property taxes;
- reserves are not used to fund ongoing operating costs; and,
- removal of Bylaw Manager position and implementation of Manager of Community Safety position.

Councillor Hong vacated the Shaw Auditorium at 10:48 a.m.

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It was moved and seconded that the Finance and Audit Committee recommend that Council remove the City Solicitor position from the 2018 Budget, that funds allocated for that position be placed into the City's legal budget, and that a fully comprehensive business plan for the City Solicitor position be presented to Council in the 2019 budget.

It was moved and seconded that the following motion be referred to Staff:

"It was moved and seconded that the Finance and Audit Committee recommend that Council remove the City Solicitor position from the 2018 Budget, that funds allocated for that position be placed into the legal budget, and that a fully comprehensive business plan be presented to Council in the 2019 budget."

The motion carried.

Opposed: *Mayor McKay*

Councillor Bestwick requested that the Finance and Audit Committee hear anyone wishing to speak with respect to the 2018-2022 Financial Plan.

No one in attendance wished to speak with respect to the 2018-2022 Financial Plan.

Committee discussion took place regarding:

- part two of the Core Services Review being included in the budget for 2018; and,
- current management of the City being led by a committee of Senior Managers.

Councillor Hong returned to the Shaw Auditorium at 11:08 p.m.

Committee discussion took place regarding new staff positions, their roles, and the removal of previous positions.

It was moved and seconded that the Finance and Audit Committee recommend that Council, in the 2018 budget, reinstate the position of Director of Communication and provide Council with the accompanying 2012 Staff report for review. The motion carried.

Opposed: *Councillors Bestwick, Fuller, Hong, and Kipp*

It was moved and seconded that the Finance and Audit Committee recommend that Council remove the position of Manager, Treasury and Risk from the 2018 Budget. The motion was defeated.

Opposed: *Councillors Bestwick, Hong, Kipp, Fuller, Thorpe and Yoachim*

Committee discussion took place regarding funding of Health and Social Safety issues.

It was moved and seconded that the Finance and Audit Committee recommend that Council use appropriate reserves and/or 2017 surpluses, to reduce, or eliminate the costs associated with response to Health, Social, and Safety Issues. The motion was defeated.

Opposed: Mayor McKay and Councillors Armstrong, Brennan, Thorpe and Yoachim

It was moved and seconded that the Finance and Audit Committee reduce the RCMP contract from 93% to 92%, and that the 1% difference be taken from the 2017 surplus to be put towards the RCMP Reserve. The motion carried.

Opposed: Mayor McKay and Councillors Armstrong, Brennan, and Thorpe

It was moved and seconded that the Finance and Audit Committee recommend that Council cap the legal expenses budget at \$500,000.

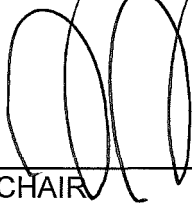
It was moved and seconded that consideration of the following motion be deferred to a future Finance and Audit Committee meeting:

"It was moved and seconded that the Finance and Audit Committee recommend that Council cap the legal expenses budget at \$500,000."

The motion carried unanimously.

5. ADJOURNMENT:

It was moved and seconded at 12:05 p.m. that the meeting terminate. The motion carried unanimously.



CHAIR

CERTIFIED CORRECT:



CORPORATE OFFICER