



AGENDA
FINANCE AND AUDIT COMMITTEE MEETING

May 10, 2017, 9:30 AM
Board Room, Service and Resource Centre,
411 Dunsmuir 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** 4 - 6

Minutes of the Special Meeting of the Finance and Audit Committee held in the Board Room, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2017-APR-05 at 1:00 p.m.
 - b. **Minutes** 7 - 10

Minutes of the Regular Meeting of the Finance and Audit Committee held in the Board Room, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2017-APR-12 at 9:30 a.m.
 - c. **Minutes** 11 - 13

Minutes of the Special Meeting of the Finance and Audit Committee held in the Board Room, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2017-APR-19 at 10:00 a.m.
5. **PRESENTATIONS:**
 - a. **Procurement Transformation Project Update**

Stuart Wright, SGW Management Services Inc., to provide an update regarding Procurement Transformation Project.
 - b. **Island Roots Market Co-operative** 14 - 24

Larry Whaley to provide a presentation regarding Island Roots Market Co-operative.

6. REPORTS:

a. Travel Assistance Grant - Wellington Secondary School Band 25 - 26

Purpose: To obtain approval by the Finance and Audit Committee of a request for a Travel Assistance Grant.

Recommendation: That the Finance and Audit Committee approve the request from the Wellington Secondary School Band for a Travel Assistance Grant in the amount of \$1,200 for twelve (12) musicians to attend MusicFest Canada – Canadian Nationals being held in Niagara Falls, Ontario, during the period 2017-MAY-14 through 2017-MAY-19.

b. TeenFest 27 - 29

Purpose: To obtain Council approval for a funding request to support the TeenFest event in Nanaimo.

Recommendation: That the Finance and Audit Committee recommend Council approve a \$7,000 funding request from Tillicum Lelum Friendship Centre in support of the TeenFest event, with \$4,000 to be allocated from the Grants Advisory Committee contingency fund and \$3,000 from Council's Contingency Fund.

c. 2018 - 2022 Financial Plan Process 30 - 32

Purpose: To review the proposed 2018 – 2022 Financial Plan process with the Finance and Audit Committee and receive direction on property tax increases, service delivery changes, infrastructure investment program changes and public engagement.

Recommendation:

1. That the 2018 – 2022 Financial Plan Process report dated 2017-MAY-10 be received for information.
2. That the Finance and Audit Committee recommend that Council approve the "2018 – 2022 Financial Plan Development Calendar" outlined in Appendix A.

d. Quarterly Sole Source and Single Submission Purchase Report 33 - 37

Purpose: To provide information in compliance with the City's Procurement Policy (03-1200-01) regarding; sole source, single submission purchases and policy compliance.

Recommendation: That the Quarterly Sole Source and Single Submission Purchases report dated 2017-MAY-10 be received for information.

7. OTHER BUSINESS:

8. QUESTION PERIOD:

9. ADJOURNMENT:

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2017-APR-05, AT 1:00 P.M.

PRESENT: Councillor W. L. Bestwick, Chair

Members: Mayor W. B. McKay (arrived 1:07 p.m.)
Councillor M. D. Brennan (arrived 1:13 p.m.)
Councillor J. Hong
Councillor J. A. Kipp
Councillor I. W. Thorpe
Councillor W. M. Yoachim

Absent: Councillor G. W. Fuller
Councillor W. L. Pratt

Staff: T. Samra, Chief Administrative Officer (vacated 2:16 p.m.)
V. Mema, Chief Financial Officer
K. Fowler, Chief Sustainability Officer
D. Lindsay, Director of Community Development
D. Duncan, Deputy Director of Financial Services
L. Mercer, Manager of Accounting Services
W. Fulla, Manager of Finance, Business and Asset Planning
D. Fournier, Manager of Municipal Infrastructure
P. Stewart, Manager of Engineering Projects
A. Groot, Manager of Facility Planning and Operations
B. Sims, Manager of Water Resources
M. Loree, Financial Analyst
D. Johnstone, Communications and Digital Content Specialist (vacated 1:29 p.m.)
A. Coronica, Senior Financial Analyst
D. Blackwood, Client Support Specialist
S. Gurrie, A/City Clerk (arrived 1:11 p.m.)
K. Gerard, Steno
M. Brown, 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 1:03 p.m.

2. ADOPTION OF AGENDA:

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

3. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Finance and Audit Committee Meeting held in the Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2017-MAR-08 at 9:30 a.m. be adopted as circulated. The motion carried unanimously.

Mayor McKay entered the Board Room at 1:07 p.m.
S. Gurrie entered the Board Room at 1:11 p.m.
Councillor Brennan entered the Board Room at 1:13 p.m.

4. PRESENTATIONS:

- (a) Deborah Duncan, Deputy Director of Financial Services, Dale Lindsay, Director of Community Development, and Wendy Fulla, Manager of Finance – Business and Asset Planning, provided a presentation regarding the 20 Year Investment Plan, Asset Management Update, DCC Review.

It was moved and seconded that the presentation from Deborah Duncan, Wendy Fulla, and Dale Lindsay regarding the 20 Year Investment Plan, Asset Management Update, DCC Review be received for information. The motion carried unanimously.

T. Samra vacated the Board Room at 2:16 p.m.

5. REPORTS:

- (a) 20 Year Investment Plan and Asset Management Update

It was moved and seconded that the Finance and Audit Committee recommends that Council approve continuing the annual 1% property tax increase to 2022 for contributions to the General Asset Management Fund reserve, and include this change in the Annual 2017 – 2021 Financial Plan to be adopted by Council before 2017-MAY-15. The motion carried unanimously.

- (b) Development Cost Charge Bylaw

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to:

1. refer the draft development cost charge rates and framework to the Community Planning and Development and the Public Works and Engineering Committees for review and comment; and,
2. initiate public engagement, including consultation with relevant stakeholders, regarding a new development cost charge bylaw; and,
3. upon completion of the above, prepare a new development cost charge bylaw for Council's consideration.

The motion carried unanimously.

6. ADJOURNMENT:

It was moved and seconded at 2:35 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

MINUTES
OPEN FINANCE AND AUDIT COMMITTEE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2017-APR-12, AT 9:30 A.M.

PRESENT: Councillor W. L. Bestwick, Chair

Members: Mayor W. B. McKay (vacated 11:02 a.m.)
Councillor M. D. Brennan (vacated 10:03 a.m.)
Councillor J. Hong
Councillor J. A. Kipp
Councillor I. W. Thorpe (vacated 10:45 a.m.)
Councillor W. M. Yoachim
Councillor G. W. Fuller

Staff: V. Mema, Chief Financial Officer
B. McRae, Chief Operations Officer
P. Cooper, Director of Communications & Community Engagement
(entered 9:54 a.m.)
D. Lindsay, Director of Community Development
D. Duncan, Deputy Director of Financial Services
L. Mercer, Manager of Accounting Services
W. Fulla, Manager of Finance – Business and Asset Planning
D. Hiscock, Revenue Services Manager (vacated 9:56 a.m.)
D. Blackwood, Client Support Specialist
S. Gurrie, A/City Clerk
K. Gerard, Steno
J. Vanderhoef, Recording Secretary

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

The Open Finance and Audit Committee Meeting was called to order at 9:31 a.m.

2. INTRODUCTION OF LATE ITEMS

- (a) Mayor McKay advised that he would be bringing forward an item under Agenda Item 6 (g) - 2017 – 2021 Financial Plan Update regarding an alternate proposal for snow removal overages and road repairs.

3. ADOPTION OF AGENDA:

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

Councillor Fuller vacated the Boardroom at 9:34 a.m. declaring a conflict of interest due to his work with a non profit organization.

S. Gurrie vacated the Boardroom at 9:38 a.m.
P. Cooper entered the Boardroom at 9:54 a.m.

4. REPORTS:

(a) Permissive Tax Exemption – Three Year Review Update

It was moved and seconded that the Finance and Audit Committee direct Staff to prepare a report regarding the fiscal relationship between Island Corridor Foundation and the City, and contact the Regional District of Nanaimo for information. The motion carried unanimously.

It was moved and seconded that the Permissive Tax Exemption – Three Year Review Update report dated 2017-APR-12 be received for information. The motion carried unanimously.

Councillor Fuller returned to the Boardroom at 9:56 a.m.
D. Hiscock vacated the Boardroom at 9:56 a.m.

(b) City of Nanaimo Operating Results for the Year Ending 2016-DEC-31

It was moved and seconded that the Operating Results for the Year Ending 2016-DEC-12 report dated 2017-APR-12 be received for information. The motion carried unanimously.

Councillor Brennan vacated the Boardroom at 10:03 a.m.

(c) City of Nanaimo Capital Projects Results for the Twelve Months Ending 2016-DEC-31

It was moved and seconded that the Capital Project Results for the Twelve Months Ending 2016-DEC-31 report dated 2017-APR-12 be received for information. The motion carried unanimously.

(d) City of Nanaimo 2016 Surplus Allocation

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the allocation of the 2016 operating surplus as follows:

1.	General Fund	
a.	Unallocated General Surplus	\$1,378,000
2.	Sewer Fund	
a.	Unallocated Sewer Surplus	\$ 70,000
3.	Water Fund	
a.	Water Leveling Reserve	\$ 490,000
b.	Water Distribution Reserve	\$ 110,000
c.	Unallocated Water Surplus	\$ 64,000
		<u>\$ 664,000</u>

The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee advise Council to direct the Public Works and Engineering Committee, and Staff, to prepare a report outlining water usage as well as profits or losses, for this year compared with last year. The motion carried unanimously.

(e) Nanaimo Economic Development Corporation Operating Results for the Twelve Months Ending 2016-DEC-31

It was moved and seconded that the Nanaimo Economic Development Corporation Operating Results for the Twelve Months Ending 2016-DEC-31 report dated 2017-APR-12 be received for information. The motion carried unanimously.

(f) Vancouver Island Conference Centre Operating Results for the Twelve Months Ending 2016-DEC-31

It was moved and seconded that the Vancouver Island Conference Centre Operating Results for the twelve months ending 2016-DEC-31 report dated 2017-APR-12 be received for information. The motion carried unanimously.

S. Gurrie returned to the Boardroom at 10:35 a.m.

Councillor Thorpe vacated the Boardroom at 10:45 a.m.

Mayor McKay vacated the Boardroom at 11:02 a.m. Acting Mayor Bestwick assumed the Chair.

(g) 2017 – 2021 Financial Plan Update

It was moved and seconded the Finance and Audit Committee advise Council to direct Staff to maintain the 2017 tax rate at 1.5% and address the 2016/2017 road repairs through debt stabilization using the 2017 surplus reserves. The motion carried unanimously.

5. ADJOURNMENT:

It was moved and seconded at 11:13 a.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2017-APR-19, AT 10:00 A.M.

PRESENT: Councillor W. L. Bestwick, Chair

Members: Councillor M. D. Brennan
Councillor G. W. Fuller
Councillor J. Hong
Councillor J. A. Kipp
Councillor I. W. Thorpe
Councillor W. M. Yoachim (vacated 10:39 a.m.)

Absent: Mayor W. B. McKay

Staff: T. Samra, Chief Administrative Officer (entered 11:06 a.m.)
V. Mema, Chief Financial Officer
B. McRae, Chief Operations Officer
D. Lindsay, Director of Community Development
P. Cooper, Director of Communications and Engagement (vacated 11:23 a.m.)
D. Duncan, Deputy Director of Financial Services
L. Mercer, Manager of Accounting Services
W. Fulla, Manager of Finance – Business and Asset Planning
J. Slater, Senior Accountant
M. Lorrie, Financial Analyst
C. Sholberg, Community Heritage Planner
C. Barfoot, Recreation Coordinator
D. Blackwood, Client Support Specialist
J. Vanderhoef, Recording Secretary

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

The Finance and Audit Meeting was called to order at 10:15 a.m.

2. INTRODUCTION OF LATE ITEMS

- (a) Agenda item 6(b) – 2016 Annual Financial Statements - add presentation from L. Bates-Eamer, KPMG.

3. ADOPTION OF AGENDA:

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

4. ADOPTION OF MINUTES:

It was moved and seconded that the Minutes of the Meeting of the Finance and Audit Committee held in the Board Room, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2017-MAR-08 at 9:30 a.m. be adopted as circulated. The motion carried unanimously.

5. REPORTS:

(a) Heritage Facade Grant – Nanaimo Firehall #2 – 34 Nicol Street

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$14,316 Heritage Facade Grant to rehabilitate the exterior of the Nanaimo Fire Hall #2 building located at 34 Nicol Street. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council provide for the \$9,316 Heritage Facade Grant shortfall through a budget transfer from the Heritage Home Grant Program. The motion carried unanimously.

(b) 2016 Annual Financial Statements

Presentation:

1. L. Bates-Eamer, KPMG, provided an overview presentation regarding the 2016 audit findings for the City of Nanaimo.

It was moved and seconded that the Finance and Audit Committee receive for information the presentation from L. Bates-Eamer, KPMG, regarding an overview of the 2016 audit findings for the City of Nanaimo. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the 2016 Annual Financial Statements for the City of Nanaimo. The motion carried unanimously.

Councillor Yoachim vacated the Boardroom at 10:39 a.m.

(c) Downtown Event and Revitalization Funding Program – 2017 Downtown Event Grant Recommendations

It was moved and seconded that the Finance and Audit Committee recommend Council approve the 2017 Downtown Event Grant funding recommendations of \$115,841 for eligible applications. The motion carried unanimously.

C. Barfoot vacated the Boardroom at 10:43 a.m.

P. Cooper vacated the Boardroom at 10:54 a.m.

(d) Federal Gas Tax Fund – Strategic Priorities Fund Grant Application

It was moved and seconded that the Finance and Audit Committee endorse option ii. – Waterfront Walkway, from the Federal Gas Tax Fund – Strategic Priorities Fund Grant Application report dated 2017-APR-19. The motion carried unanimously.

T. Samra entered the Boardroom at 11:06 a.m.
P. Cooper returned to the Boardroom at 11:07 a.m.

It was moved and seconded that the Finance and Audit Committee endorse option iii. – Emergency Water Supply, from the Federal Gas Tax Fund – Strategic Priorities Fund Grant Application report dated 2017-APR-19. The motion carried.
Opposed: *Councillor Brennan*

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the Facilities and Park Amenities Condition Assessment Program for the Federal Gas Tax Fund – Strategic Priorities Fund under the Capacity Building Stream. The motion carried unanimously.

Councillor Fuller vacated the Boardroom at 11:17 a.m.
C. Barfoot returned to the Boardroom at 11:20 a.m.

(e) 2017-2021 Financial Plan Update

It was moved and seconded that the 2017 – 2021 Financial Plan Update report dated 2017-APR-19 be received for information. The motion carried unanimously.

Councillor Fuller returned to the Boardroom at 11:19 a.m.
P. Cooper vacated the Boardroom at 11:23 a.m.

6. QUESTION PERIOD:

- Leslie Barclay re: acoustics in the Boardroom, increase in policing expenditure and water expenses.

7. ADJOURNMENT:

It was moved and seconded at 11:24 a.m. that the meeting terminate. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER

Delegation Request

Larry Whaley has requested an appearance before the Finance and Audit Committee.

The requested date is May 10, 2017.

The requested meeting is:

Presenter's Information:

City: Nanaimo

Province: BC

Bringing a presentation: No

Details of Presentation:

Summary of what will be said:

- Review of the project we plan to build as a Community Partner at Beban Park
- Review of actions to date
- Request that the City provide charitable donation receipts to individuals and businesses that donate to this city owned community project.

Island Roots Market Co-operative



This two part 8880 square foot Year Round Community Market building (YRCM) and its additional 10,000 square foot covered outdoor market area is about eating local and healthy living. It promotes community connection, social transformation, environmental preservation and rebuilding a once flourishing local food industry. The YRCM will provide a permanent, year-round space for shoppers, vendors, farmers, artisans, artists, crafters and the community.

The building will be a permanent home to five anchor vendors¹: A baker, a butcher, a caterer, a deli and a green grocer. Two days each week these anchor vendors will be joined by seasonal and specialty vendors (30 to 40 during the winter and 80 to 90 in the summer). In winter, the seasonal and specialty vendors will be inside the bustling market building with the anchor vendors. In summer, vendors will spill out to fill the outdoor covered area with the fresh seasonal look, smells and tastes of Vancouver Island.

Everyone offering products for sale will have product knowledge from being involved in the production of those products and all products will be grown, baked, made, or caught on Vancouver Island or the adjacent islands. Wherever possible, value added product production will involve the use of ingredients from the same area.

The YRCM's demonstration/catering kitchen will be at the core of our growing local food culture, featuring local foods and beverages that will be consumed at the market, in the building's dining room and delivered to functions and activities throughout the Regional

¹ Anchor vendors will provide their own leasehold improvements (fixtures and equipment) and pay market rents for the space they occupy but will benefit from the use of common areas like washrooms, shared seating and the kids play area at no charge. Their combined rents will cover the monthly mortgage payments leaving the cost maintenance, operating and market staff to be covered by rents paid by other vendors.



District. The work of local artists will be proudly displayed, and available for sale.

The YRCM, when not being used as a market, will be available for other activities such as weddings, banquets, meetings, classes or other educational activities. The kitchen will double as a catering facility for local food, or be used as a backup for the two nearby commercial kitchens production from which will support the market.

As the local food culture and local food production grow the YRCM building will increase the time that seasonal and specialty products are made available to consumers without local producers being required to take additional time from their core business of producing local food. This will be done by offering vendors the option of leaving product at the YRCM to be sold by IRMC staff between our two weekly Market Days.

Project Rationale

In 2012, 'Growing Our Future Together' - the Regional District of Nanaimo's Agricultural Area Plan - identified development of a year-round farmers market as a priority action towards strengthening the local agriculture and aquaculture economy. In 2016 when the City Council asked the public to comment on its priorities, the largest group of online comments (25% of the total) were about local food, food security and food production.

On April 29, 2017 Nanaimo Community Gardens Society opened its new greenhouse just meters from the proposed location of the YRCM. Our market will support the work of, and provide a market and revenue source for, this exciting new agricultural training facility.

The proposed YRCM also aligns with the City of Nanaimo's Official Community Plan and Strategic Priorities regarding developing a sustainable food system.

This is further reflected in the recent Beban Park Master Plan, where 41% of visitors to the Complex currently use the short-term, seasonal farmers market, second only to visiting the social center and pool. When asked, visitors also expressed an overwhelming desire for an indoor year-round farmers' market at this location.

The YRCM is heavily driven by local farmers and vendors who expressed a desire for reliable markets for their products.

Project Description and Activities

The goals of the Year Round Community Market are:

- To increase the community's sustainability and food security.
- To increase economic activity in the area of Beban Park and create employment
- To increase the economic viability of local agriculture and provide a stimulus for



local food production.

- To provide a profitable venue for local farmers and producers to sell their wares year-round.
- To offer Nanaimo residents – and those from further afield – options that allow them to buy fresh local produce, year-round.
- To increase and support awareness and access to locally-sourced produce and products.
- To contribute to consumer awareness of the local food industry and provide opportunities for learning and engagement.
- To develop partnerships with other Vancouver-Island based organizations whose goals reflect those of the IRMC.
- To engage community members as volunteers.

Actions:

- Acquire and develop permanent market space in Beban Park including a multi-functional and environmentally responsible building. This building will have 3 key components consisting of the core, an indoor marketplace and an outdoor marketplace. The core will house the anchor vendors and include a comfortable, temperature controlled area for consumers to enjoy. The inside marketplace will allow the beauty of the outdoors in while keeping the harsh elements out. During market days, this indoor space will be opened up to allow vendors a dry, accessible place to set up during the inclement weather seasons. The outdoor marketplace will be a covered outdoor venue for the market to operate during warmer weather. This design allows the market to thrive in all conditions as well as provide optimal shopping conditions for all consumers. Our focus is to design and create a project that will attract a broad spectrum of residents from toddlers to seniors throughout the year, as well as appeal to the wide range of out of town shoppers and tourists that frequent the region.
- Obtain city council's approval to have the city issue receipts making donation to IRMC income tax deductible.
- Solicit contributions individuals, businesses and governments to cover all of the project costs except for \$625,000 to be obtained as a mortgage from VanCity Credit Union.
- Continue sales of Co-op Membership shares in the community as part of our fundraising efforts. Although shares purchases are not eligible for a tax receipt Council's approval of the receipting process will greatly assist this effort.
- Agree to terms of a lease between the City of Nanaimo and the Island Roots Market Cooperative for the designated land - pending
- Identify and arrange leases with anchor vendors (total lease payment to cover the monthly mortgage payments).
- Encourage local producers to see the YRCM as a viable opportunity to develop and build a market for their niche and seasonal products as well as providing them with an incubator situation that will lead to economic growth and spin-off businesses.
- Establish business terms and hours which meet the needs of vendors and



customers.

- Approach other Vancouver-Island based organizations with similar goals to explore opportunities for partnerships, e.g. Food Share (possible office space tenant), The CoCo Cafe (possible anchor), The Indigenous Peoples' Place of Culture, VIEx, the Cedar Market, etc.
- Develop a calendar of activities and workshops, possibly in co-operation with Nanaimo Foodshare, that meet existing customer needs and serve to promote the market.
- Promote the market and its activities in order to continue to raise awareness and to educate the public on the role of local food production in advancing the goals of food security and sustainability for Vancouver Island.

PROJECT TIMELINES

*Nov 2015 - Nanaimo Parks and Recreation Commission Approval

*Aug 2016- public input - City of Nanaimo

*Oct 2016 - Approved in Principle - City of Nanaimo

*Jan 2017 - \$25,000 RDN Grant approved for initial engineer, architect, Quantity Survey (QS)

*Feb 2017 - Architect contracted to prepare drawings and oversee development

*Apr 2017 - Amend Memorandum and Rules of IRMC making it non profit.

Apr 2017 - Sign lease for land at Beban Park

May 2017 - Quantity Survey report

May 2017 - Ask city council to approve issuing tax receipts (May 10 delegation)

May 2017 - Begin local fundraising

Nov 2017 - Development Permit Approval

Feb 2018 - Final drawings approved

Feb 2018 - Tenders Complete

Mar 2018 - Build Permit

Mar 2018 - Fundraising complete

April 2018 - Construction

Sept 2018 - Occupancy

Oct 2018 - Soft Opening

Dec 2018 - Grand Opening

* Successfully completed project preparations

PROJECT BENEFITS

1. **Expanded and sustainable markets for new and developing businesses -**

The YRCM will provide a good foundation for new vendors to the industry, offering a secure market from which they can learn the fundamental aspects of



direct sales. By being surrounded by seasoned vendors, they will develop skills and confidence and are more likely to be successful.

2. **Increased sales and employment at neighbouring businesses.** - By increasing traffic to the area, local businesses can expect to see consumer growth and increased sales. Studies have shown that businesses surrounding a farmer's market have seen an increase in revenue on market days. Studies also indicate that some businesses adjusted their hours to match those of the market, hired more staff, or made sure their best staff was present on those days. There is strong evidence, based on survey responses from market managers, surrounding business owners and customers, that farmers' markets have a positive impact on surrounding businesses.
3. **Development of new, and support for existing businesses in the area of the YRCM due to increased consumer traffic** - areas rich with consumer traffic become highly attractive to new and developing businesses. There are two underutilized commercial kitchens in the immediate vicinity of the YRCM. One, a production kitchen, is owned and operated by an individual who grew her business at the summer markets that take place on the proposed YRCM site. With the YRCM in operation, the close proximity of this kitchen will permit a number of small and startup businesses to prepare for food sale at the YRCM without the added expense of building their own kitchen or the health risks associated with transporting food longer distances. The second kitchen, is located across the parking lot from the YRCM site in the Beban Park Social Center. It is available for rent but scheduling difficulties and high rental rates mean it can only be used as an occasional back when other facilities are not available. The YRCM catering kitchen will fill a gap and support local caterers who need a facility in the area when the one at the Beban Social Center is not available to them.
4. **Increased Income security and Growth for Local Producers** - With a steady flow of customers to the market, vendors can confidently increase production. Creating a year-round market hub offers local producers a stable platform from which they can grow and develop their business. It gives them the security of knowing the public will have year round access to their goods without taking up precious food production time.



5. **Improved Community Economies** - The economic multiplier effect shows that a dollar spent on a local business yields two to four times the economic benefit of one spent elsewhere. Our market will keep consumer dollars in the region and support other local small businesses.
6. **Increased food security** - With the majority of our food coming from the mainland, being on an island leaves us vulnerable to food shortages, In the event of extreme weather, transport trucks would be unable to provide services to Vancouver Island and leave our community at risk . By supporting and even increasing local food production we provide an immediate improvement in our region's food security.
7. **Increase in overall community health** - Providing a space that allows the whole community to participate by integrating different social classes, generations and cultures results in greater civic welfare, and greater equality. Studies have shown that in order for a person to thrive, they must have a sense of meaning in their lives and a sense of belonging. Our YRCM will provide platforms for both to be developed by creating space where people from all walks of life can come together to learn, develop skills to a mastery level and contribute to the overall wellness of their region.

COMMUNITY CONSULTATION AND SUPPORT

The concept for the market came out of direct demands from local producers and existing farmer's market vendors, and was further supported in consultation with and input from stakeholders:

- The need for a permanent community market identified through a meeting of Occupy Nanaimo activists - a significant number indicated a desire to farm. This then raised the concern about having no place to sell farm products. November 2011
- Community input meetings held to develop a goal and a plan for achieving it - a year-round market. November 2011 to June 2012.
- Regional District of Nanaimo (RDN) approved Agricultural Area Plan suggesting a permanent indoor market - possibly at Beban Park, making it a priority for completion by 2017 and suggesting that local farmers' markets should take the lead on the development. August 2012
- Beban Park Master Plan adopted by the City of Nanaimo with emphasis on agriculture and community partnerships for future development. May 2015
- Nanaimo Parks and Recreation commission approved the IRMC's proposal for development at Beban Park. Nov 2015
- Meetings involving IRMC, Bowen Road Farmers Market Society (BRFM), Indigenous Peoples Place of Culture (IPPC - Nanaimo Aboriginal Centre, Mid Island Metis



Association, Boys and girls Club of Nanaimo), Nanaimo Equestrian Association (NEA), Vancouver Island Exhibition (VIEx) and city staff - discussing potential location of buildings to be constructed in accordance with the Beban Park Master Plan and the sharing of facilities to be built within Beban Park. December 2015 - June 2016

- A partnership formed between the IRMC and the BRFM which operated a Wednesday afternoon summer farmers market at Beban Park.
- Vancity Credit Union staff expressed support of the project and indicated willingness to provide a mortgage. May 2016
- City-mandated Open House on the proposed development at Beban Park revealed strong public support for the Year Round Community Market project.
- City Council's call for comments about priorities for the coming years resulted in 25% of online respondents identifying a year-round public market, local food production and/or food security as priorities. Oct 2016
- City Council approved the project in principle and instructed staff to negotiate land leases with each of the groups. Oct. 2016
- The Regional District of Nanaimo approved a \$25,000 Grant for engineering, architecture, and a quantity survey. January 2017

ORGANIZATION CAPACITY

As a registered Community Services (not for profit) Co-operative, our activities are guided by an elected board of directors. There are 9 board members in total. Elections are held in April of each year. Board members are local vendors and farmers as well as consumers. Each board member is deeply committed to agricultural growth in our region, responding to the needs of local consumers and supporting the goals of the IRMC.

Two paid part-time staff (more than one FTE when taken in total) fill the roles of Market Manager (.75 FTE) and Administrative Assistant (on call). An architect has been contracted to provide drawings and oversee the project.

Shares, which are available at the cost of \$10 each, allow members of the community to participate in meetings and support the development of the project.

Skilled support in the areas of public advocacy, accountancy, fundraising and communications is currently provided by in-kind services from local individuals and businesses.

Our organizational efforts are maximized by support and guidance from external organizations such as Regional District and City of Nanaimo staff.

Currently financial resources limit much of the work to volunteers, local vendors and producers whose collective knowledge and commitment drive the project. As the market develops, more resources will be committed to the various elements involved in bringing it to life.

PROJECT SUSTAINABILITY

The YRCM will begin operating with five rent-paying anchor vendor-staffed booths.



The baker, butcher, caterer, green grocer and deli operator will be joined by thirty to forty seasonal and specialty vendors for two market days each week in the winter and eighty to ninety for the same two days each week in the summer. (cash flow projection available on request)

Once fully operational at the two day per week level, the market days and hours of operation will be expanded by providing vendors the opportunity to leave product with market staff who will handle consumer transactions while producers tend to other parts of their small businesses.

Local vendors' and producers' involvement in the market will help build demand and create an ongoing awareness of the role of local produce and products in the economic life of Vancouver Island. Their own commercial goals will be supported by a regular, dependable growing markets, allowing farmers and producers in turn to hire more local workers.

The market will provide regular, year-round access to local produce and products to local consumers, and it will also be a destination - drawing customers and visitors from further afield, contributing to sustainable growth in tourism as well as local agriculture and production.

MARKET ASSESSMENT AND COMPETITIVE IMPACT

The YRCM addresses the needs and supports the demands of three major markets:

- 1) Local agriculture (farmers, growers, producers) seeking to expand and diversify their markets in order to contribute to food security and sustainability in the region. See item #2 and #3 under Project Benefits (above) for an example of how this will work.
- 2) Consumers who increasingly demand local produce and require access to diverse products.
- 3) Artists and crafters who seek an outlet for the items they produce.

A number of successful local seasonal farmer's market operate in the summer and early fall. The YRCM will work to a) avoid direct competition with these markets and their vendors, b) include operators and vendors from these markets in YRCM activities, c) maximize opportunities for vendors to participate in multiple markets, d) ensure consumers are aware of options available to them in terms of market open hours and activities, e) maximize opportunities to collaborate and share resources with other/seasonal markets in the area.

IRMC, which operates a 3 hour market each week in the winter, has partnered with a summer market in order to advance the YRCM, and is exploring opportunities to share promotional activities, coordinate schedules and support efforts to spread the word



about the value of shopping local with others.

FUNDING AND BUDGET

Requirement	Cost		Area - sq ft	cost per sq ft
Land	\$270,000		18,000	\$15
Services	\$50,000			
QS and Engineering Study	\$25,000			
Temperature Controlled Building	\$900,000		4500	\$200.00
Indoor Market	\$350,000		3500	\$100.00
Outdoor Market	\$500,000		10000	\$50.00
Total	\$2,095,000		18,000	\$116.00
Consultants	\$175,000			
Development Cost Charges	\$80,000			
Total including architect	\$2,270,000			

Funding Source	Amount	Commitment	
City of Nanaimo (land)	\$270,000	\$270,000	Land lease approved in principle, detailed lease pending
City of Nanaimo (services)	\$50,000		Request amount depends on QS report not yet completed
City of Nanaimo (Development Cost charges)	\$80,000		Amount depends on construction costs
Regional District Of Nanaimo	\$25,000	\$25,000	Approved to cover feasibility study (QS report)
Member Shares and individual donations	\$625,000	\$19,000	Fundraising drive pending City tax receipt approval
Credit Union	\$625,000	\$625,000	Approved in principle, details pending, can be increased if needed
Grants and Donations (other)	\$195,000		
ICET	\$400,000		
Total	\$2,270,000	\$939,000	





DATE OF MEETING May 10, 2017

AUTHORED BY MARY SMITH, MANAGER
RECREATION SERVICES
PARKS AND RECREATION

SUBJECT TRAVEL ASSISTANCE GRANT – WELLINGTON SECONDARY
SCHOOL BAND

OVERVIEW

Purpose of Report

To obtain approval by the Finance and Audit Committee of a request for a Travel Assistance Grant.

Recommendation

That the Finance and Audit Committee approve the request from the Wellington Secondary School Band for a Travel Assistance Grant in the amount of \$1,200 for twelve (12) musicians to attend MusicFest Canada – Canadian Nationals being held in Niagara Falls, Ontario, during the period 2017-MAY-14 through 2017-MAY-19.

BACKGROUND

The City of Nanaimo provides a contingency account for amateur sports and cultural groups, and individuals to travel within B.C. (excluding travel on Vancouver Island) and out of province to a Regional, National or International Championship. These funds are available to sports and cultural groups qualifying in Provincial or Regional competitions and the current policy provides \$50 per person to a maximum of \$1,000 per application for travel within B.C., or \$100 per person to a maximum of \$2,000 per application for travel outside of B.C. Requests are considered on a first-come, first-served, basis as funds remain available.

Staff review all Travel Assistance Grant applications and forward the recommendation to the Finance and Audit Committee for approval.

On 2017-MAR-21, Staff reviewed a Travel Assistance Grant application submitted by the Wellington Secondary School Band in the amount of \$1,200 for twelve (12) musicians to attend MusicFest Canada – Canadian Nationals being held in Niagara Falls, Ontario, during the period 2017-MAY-14 through 2017-MAY-19. Staff determined that this application met all of the grant criteria and recommend that the Finance and Audit Committee approve the application.


OPTIONS

1. That the Finance and Audit Committee approve the request from the Wellington Secondary School Band for a Travel Assistance Grant in the amount of \$1,200 for twelve (12) musicians to attend MusicFest Canada – Canadian Nationals being held in Niagara Falls, Ontario, during the period 2017-MAY-14 through 2017-MAY-19.
 - **Budget Implication:** To date there has been \$1,700 allocated from the 2017 travel grant contingency funds. If the above travel grant of \$1,200 is approved, \$4,600 will remain available for any additional 2017 travel grant requests.
 - **Engagement Implication:** Promotes excellence in sports and culture.
2. That the Finance and Audit Committee deny the Travel Assistance Grant.
 - **Budget Implication:** To date there has been \$1,700 allocated from the 2017 travel grant contingency funds. \$5,800 will remain available for additional 2017 travel grant requests.

SUMMARY POINTS

- Funds are allocated yearly for Travel Assistance Grants.
- The group applying meets all of the required criteria.
- To date there has been \$1,700 allocated from the 2017 travel grants contingency funds and \$5,800 remains available for 2017 travel grant requests.

Submitted by:



Mary Smith, Manager
Recreation Services

Concurrence by:



Richard Harding, Director
Parks and Recreation

DATE OF MEETING May 10, 2017

AUTHORED BY BRUCE ANDERSON, MANAGER, COMMUNITY AND CULTURAL PLANNING

SUBJECT TEENFEST

OVERVIEW

Purpose of Report

To obtain Council approval for a funding request to support the TeenFest event in Nanaimo.

Recommendation

That the Finance and Audit Committee recommend Council approve a \$7,000 funding request from Tillicum Lelum Friendship Centre in support of the TeenFest event, with \$4,000 to be allocated from the Grants Advisory Committee contingency fund and \$3,000 from Council's Contingency Fund.

BACKGROUND

The City has received a formal request from Tillicum Lelum Friendship Centre (Tillicum) for funding support in the amount of \$7,000 for the upcoming TeenFest event in Nanaimo. As a non-profit society, Tillicum Lelum Friendship Centre has agreed to be a partner in this year's Teenfest event, and is requesting a funding partnership with the City of Nanaimo to ensure the success of this annual event for teenagers. Tillicum is an eligible organization to receive funding from the City. This addresses the issue of the municipality not providing assistance to a business, as identified in the previous Staff Report to Council regarding TeenFest at its 2017-APR-03 meeting.

TeenFest is an annual event in Nanaimo being held in September this year. The funding request is in part to assist with the venue rental costs at Beban Park in the amount of \$4,000. Funding for this portion of the request is most appropriately drawn from the contingency fund of the former Grants Advisory Committee (current balance of \$4,600), which provides funding assistance associated with property. The request is also asking for assistance in the amount of \$3,000 to support other costs associated with putting on the event (such as advertising, signage, sound, and printing). This second portion of the request is more appropriately sourced from Council's Contingency Fund.

OPTIONS

1. That the Finance and Audit Committee recommend Council approve a \$7,000 funding request from Tillicum Lelum Friendship Centre in support of the TeenFest event, with \$4,000 from the Grants Advisory Committee contingency fund and \$3,000 from Council's Contingency Fund.

- **Budget Implication:** The funding request can be partially sourced from the Grants Advisory Committee contingency fund and from Council's Contingency Fund.
- **Strategic Priorities Implication:** Relates to the Strategic Plan community values of Social Equity and Active Lifestyle.

2. That the Finance and Audit Committee not recommend funding the TeenFest event.

SUMMARY POINTS

- A funding request to support the upcoming TeenFest event has been received from the Tillicum Lelum Friendship Centre.
- The \$7,000 request is proposed to be funded through an allocation of \$4,000 from the Grants Advisory Committee contingency fund and \$3,000 from Council's Contingency Fund.

ATTACHMENTS

Attachment A: Letter from Tillicum Lelum Friendship Centre

Submitted by:

Concurrence by:



Bruce Anderson

Manager, Community and Cultural Planning



For Dale Lindsay

Director, Community Development

ATTACHMENT A

TILLICUM LELUM ABORIGINAL FRIENDSHIP CENTRE

Administration Office

774-B Centre Street
Phone: (250) 753-4417
Fax: (250) 753-8122

Education Centre

927 Haliburton Street
Nanaimo, BC V9R 6N4
Phone: (250) 753-8291
Fax: (250) 753-6560

Health Centre

602 Haliburton Street
Phone: (250) 753-6578
Fax: (250) 754-1390



Courier/Mailing Address: 927 Haliburton St., Nanaimo, BC V9R 6N4

April 26, 2017

To Whom It May Concern,

We are writing this letter in support of our partnership with TeenFest. We are requesting Council partner with us for the event through a \$7000 donation which will be used for the venue as well as other aspects and costs associated with the event.

Tillicum Lelum attended TeenFest last year. Teen Fest is a wonderful way for teens and their families to connect with the community here in Nanaimo. The event can be used to engage and educate youth and families about resources in the community. Our community has benefitted each year that TeenFest has been here.

We are honoured to be approached to be a partner and we will be promoting TeenFest and The City Nanaimo through our channels.

Please call 250-753-8291 with any questions you should have.
Thank you for this opportunity.

Sincerely,

Dr. Grace Elliott Nielsen, OBC
Executive Director

DATE OF MEETING May 10, 2017

AUTHORED BY DEBORAH DUNCAN, DEPUTY DIRECTOR, FINANCIAL SERVICES

SUBJECT 2018 – 2022 FINANCIAL PLAN PROCESS

OVERVIEW

Purpose of Report

To review the proposed 2018 – 2022 Financial Plan process with the Finance and Audit Committee and receive direction on property tax increases, service delivery changes, infrastructure investment program changes and public engagement.

Recommendation

1. That the 2018 – 2022 Financial Plan Process report dated 2017-MAY-10 be received for information.
2. That the FAC recommend that Council approve the “2018 – 2022 Financial Plan Development Calendar” outlined in Appendix A.

DISCUSSION

The current 2017 – 2021 Financial Plan continued previous year’s purposeful budget tightening measures.

The average property tax increase for the past five years is 1.4% and included a 1% increase for contributions to the General Asset Management Reserve. These low tax increases have been accomplished through:

- Elimination of management positions
- Limited service level increases
 - 2 additional RCMP members added in 2016
 - 9 additional CUPE positions, majority due to new water treatment plant
- Changes to service delivery models
 - Transition of 911 PSAP services to Emergency Communications of British Columbia Inc. (EComm 911)
 - Transition of Economic Development and Tourism functions in house
- Reduction in budget estimates that caused recurring annual surpluses
 - RCMP contract
 - Conferences, seminars and staff travel
- New revenues
 - Fortis
- Reduction in debt interest expense
- Continued annual growth in the community

The 2018 – 2022 Financial Plan process is informed by Council's 2016 – 2019 Strategic Plan Update and is now underway. The proposed key steps are outlined in Appendix A.

The current Five Year Plan projects a 2.1% property tax increase for 2018 and uses the following assumptions:

- 1% increased contribution for General Asset Management Reserve
- Current levels of service maintained
- Current staffing levels maintained
- Planned infrastructure investment program
- Planned strategic initiatives
- 2018 Election expenditures
- Estimated inflationary and contract increases

The Finance and Audit Committee's direction is required to enable an efficient and effective budget process and can include:

- Clear expectations regarding property tax increases
- Changes in service levels and guiding principles to be followed
- Changes in infrastructure investment programs and guiding principles to be followed
- Requests for additional operating resources
- Requests for new infrastructure investment programs
- Inclusion of strategic projects and initiatives and funding strategies

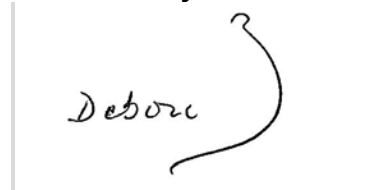
SUMMARY POINTS

- The 2018 – 2022 Financial Plan process is now underway.
- The Finance and Audit Committee's direction is required to set clear expectations that will enable an efficient and effective budget process.

ATTACHMENTS

- Appendix A: 2018 – 2022 Financial Plan Development Calendar

Submitted by:



Deborah Duncan
Deputy Director, Financial Services

Concurrence by:



Victor Mema
Chief Financial Officer

APPENDIX A
2018 – 2022 Financial Plan Development Calendar

May 2017	Planning information and direction communicated to departments
June to August 2017	Departments prepare operating budgets and finalize project plans Business cases are prepared where appropriate
September to October 2017	Financial Planning review and completes plan preparation, analysis and reporting
November to December 2017	Council review and public consultation
December 2017	2018 – 2022 Financial Plan (Provisional) and 2018 User Fees bylaws adopted
January to March 2018	Estimates finalized – eg growth, RDN and other levies
April/May 2018	2018 – 2022 Financial Plan (Annual) bylaw amendment and 2018 Property Tax Bylaw adopted

DATE OF MEETING May 10, 2017

AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER/DEPUTY CITY MANAGER

SUBJECT QUARTERLY SOLE SOURCE AND SINGLE SUBMISSION PURCHASES

OVERVIEW

Purpose of Report

This report provides information in compliance with the City's Procurement Policy (03-1200-01) regarding; sole source, single submission purchases and policy compliance.

Recommendation

That the Quarterly Sole Source and Single Submission Purchases report dated 2017-MAY-10 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 Appendices 1, 2 and 3 to 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 will be updated to flag non-compliance going forward using current staff and if it is determined that the related risks are significant additional resources will be requested from Council.

SUMMARY POINTS

- The City undertook two (2) Sole Source purchases subject to Procurement Policy (03-1200-01) reporting for a total amount of \$368,411.01 for the period ending 2017-MAR-31.
- The City undertook six (6) Single Source purchases subject to Procurement Policy (03-1200-01) reporting for a total amount of \$427,208.80 for the period ending 2017-MAR-31.
- The City undertook three (3) purchases in excess of \$250,000 subject to Procurement Policy (03-1200-01) reporting for a total amount of \$3,558.878.46 for the period ending 2017-MAR-31.
- The City's internal controls will be reviewed regarding recent policy and procedural changes and once complete, a report outlining Procurement Policy non-compliance will be issued at the end of each quarter.

Submitted by:


A handwritten signature in black ink, appearing to read 'V. Mema', with a long horizontal stroke extending to the right.

Victor Mema
Chief Financial Officer/Deputy City Manager

APPENDIX 1
Q1 2017 – Sole Source Purchases: >\$25,000<=\$250,000

File/ Competition #	Department	Vendor Name	Transaction Description	Amount	Reason/Comment
1941	Information Technology	Esri Canada	Three year renewal of ESRI Small Local Government Enterprise License Agreement for ESRI Software at \$63,000.00 per year	\$189,000.00	To ensure compatibility with existing equipment.
1942	Information Technology	Microsoft Canada	To renew Software Assurance on Microsoft Software products.	\$179,411.01	To ensure compatibility with existing equipment. Only one authorized distributor.

APPENDIX 2
Q1 2017 – Single Source Purchases: >\$25,000<=\$250,000

File/ Competition #	Department	Vendor Name	Transaction Description	Amount	Reason/Comment
1883	Public Works	Corix Water Products LP	Water Meters	\$175,000.00	Ordering in large quantities secures better pricing.
1940	Community Development	Ernst & Young Orenda Corporate Finance Inc	Selection of an operator for a passenger ferry	\$60,000.00	Demonstrated value to continue consultant services into next phase. 50/50 cost share with NPA.
1944	Public Works	RGH Pacific Emergency Services Inc	Pre emptio equipment for emergency vehicles	\$40,000.00	To ensure compatibility with existing equipment.
1913	Public Works	Rollins Machinery Limited	Rent to purchase used garbage truck	\$73,500.00	Purchase of used equipment.
1885	Parks	Ross Rivers Enterprises Ltd	Top Dressing, floating, and overseeding of sports fields	\$39,708.80	Notice of Intent posted on City of Nanaimo website and BC Bid, no challenges received
1924	Public Works	Think & Build Velo Solutions GmbH	Stevie Smith Bike Park	\$39,000.00	Ensure compatibility with existing equipment.

APPENDIX 3
Q1 2017 – Purchases: >\$25,000

File/ Competition #	Department	Vendor Name	Transaction Description	Amount	Comment
1824	Parks	Acer Landscaping Ltd	Landscape Services for Arterials, Major Collectors, and Highways	\$296,100.00	Two Year Contract @ \$148,055.00 per year
1837	Public Works	Hazelwood Construction Svc (1999) Inc	Terminal Avenue Utility Upgrade	\$2,307,778.46	Construction Schedule requires work to be completed by Oct 31, 2017
1252	Public Works	Chevron Canada	Supply of Regular Gasoline and Diesel Fuel	\$955,000.00	BCPPBG Member Fuel Supply Contract