

ADDENDUM
REGULAR COMMITTEE OF THE WHOLE MEETING
SHAW AUDITORIUM, 80 COMMERCIAL STREET, NANAIMO, BC
MONDAY, 2016-DEC-12, AT 4:30 P.M.

6. ADMINISTRATION:

- (a) Committee of the Whole – Venue Change – Add delegation Mr. Tim McGrath.

7. CORPORATE SERVICES:

- (a) Insert the following report as Agenda Item 7(a):

Establishment of Strategic Infrastructure Reserve Fund

Purpose: The purpose of this report is to provide information and funding options for establishing a strategic infrastructure reserve fund.

Staff Recommendation: Council adopt the creation of a new Strategic Infrastructure Reserve and related funding and budget changes that will provide sustainable annual contributions to the new reserve and a budget estimate change to reduce the impact on property taxes.

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[NOTE: Renumber the remaining Agenda sections.]

- (b) Replace page 3 of the Downtown Nanaimo Business Association Budget Presentation (page 64 of the Agenda) with the attached page.
- (b) Downtown Nanaimo Business Improvement Association Budget Presentation – correct clerical error in presenter's name to Ms. Corry Hostetter.
- (b) Downtown Nanaimo Business Improvement Association Budget Presentation – Add delegation Mr. Tim McGrath.
- (c) Replace page 3 of the Nanaimo Economic Development Corporation Budget 2017 Report (page 130 of the Agenda) with the attached page.
- (c) Nanaimo Economic Development Corporation Budget 2017 – Add the following delegations:
 - 1. Mr. Tim McGrath
 - 2. Mr. Dave Lawrence

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8. **COMMUNITY SERVICES:**

- (a) Extreme Weather Shelter for Youth

[NOTE: Document to be circulated.]

10. **NOTICE OF MOTION:**

- (a) Mayor McKay Notice of Motion re: Sighting of Medical Marijuana Dispensaries

At the Regular Council Meeting held 2016-DEC-05, Mayor McKay advised he would be bringing forward the following Notice of Motion:

“That Council direct staff to provide wording for a bylaw for Council’s review that would facilitate the following:

- a) That no marijuana dispensaries are permitted to locate within 500 metres of any place where children and youth under 19 years of age assemble or congregate.

That includes, but is not limited to:

- 1) Parks
 - 2) Child care centres
 - 3) Recreation facilities
 - 4) Elementary Schools
 - 5) Secondary Schools
 - 6) Youth gathering places, i.e. church halls, youth organization facilities
- b) This bylaw is in effect immediately upon adoption and will include any and all future considerations for specific zoning of Marijuana Dispensaries.”

13. **DELEGATIONS (not related to a Report to Council): (5 MINUTES)**

- (c) Add Ms. Sandy McLellan to convey South End Community Association’s support for the TN ReImagined presentation.
- (d) Add Mr. Leo Boon to present a review of the TN ReImagined plan as presented to Council.
- (e) Add Mr. Tim McGrath to speak to the TN ReImagined report.

15. **PROCEDURAL MOTION:**

Add - That the meeting be closed to the public in order to deal with agenda items under the *Community Charter*:

Section 90(1) A part of a Council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public;
- (n) the consideration of whether a Council meeting should be closed under a provision of this subsection or subsection (2); and,

Section 90(2):

- (b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

DATE OF MEETING December 12, 2016

AUTHORED BY VICTOR MEMA, CHIEF FINANCIAL OFFICER

SUBJECT ESTABLISHMENT OF STRATEGIC INFRASTRUCTURE RESERVE FUND

OVERVIEW

Purpose of Report

The purpose of this report is to provide information and funding options for establishing a strategic infrastructure reserve fund.

Recommendation

Council adopt the creation of a new Strategic Infrastructure Reserve and related funding and budget changes that will provide sustainable annual contributions to the new reserve and a budget estimate change to reduce the impact on property taxes..

BACKGROUND

The City has prudently established a number of reserve funds that provide funding for infrastructure renewal and for new and upgraded infrastructure required due to growth. Annual contributions to these reserves provide funding for planned projects. The City currently has limited fiscal strategies to proactively address reserving funds for longer term strategic priorities. The establishment of a new Strategic Infrastructure Reserve Fund, fashioned according to provisions in the *Community Charter 188 (1) and 189 (1) – (5)*, can provide a funding source for Council's strategic priorities.

General revenues include annual property taxes, casino revenues, Fortis revenues and investment income. General revenues fund City services including police, fire, transportation, parks and recreation services and annual transfers to infrastructure renewal reserves. In addition to funding from reserves, general revenues also provide annual funding for capital projects and debt repayment.

The City will need to identify a sustainable funding source for the new reserve. Staff are recommending redirecting specific annual revenues now include in general revenues to the new reserve.

The proposed annual contributions to the new reserve could be:

- Transition annual casino revenues (\$2.4m) from general revenues to the new reserve
- Transition annual Fortis revenues (\$525,000) from general revenues to the new reserve
- Annual contributions to the new reserve will be \$3m starting in 2020

Staff are recommending the following budget estimate change that will reduce required funding from general revenues:

- Reduce annual budget estimate for the RCMP contract from 95% to 92%.

- This new estimate will more closely match actual annual staffing levels and costs and eliminate the recurring annual surplus related to this contract.
- The City has an RCMP contract reserve balance of \$3m that is available if staffing levels for the RCMP contract should exceed the annual budget estimate.
- This change in the budget estimate will help minimize the impact on property tax increases due to the change in casino and Fortis annual revenues to fund the new reserve.

No other budget changes are required.

The annual reporting requirement for casino revenues identifies how the City 'spends' these revenues. The use of casino revenues is not restricted. Past reporting for the casino revenues has identified policing and social programs for these revenues. The redirection of casino revenues to the new reserve will not affect the current service level for the RCMP contract or the current budget allocations for social programs.

The Strategic Infrastructure Reserve will provide funding for strategic capital projects or debt repayment for same.

OPTIONS

1. Council adopt the creation of a new Strategic Infrastructure Reserve, the transition of annual casino and Fortis revenues from general revenues to the new reserve and the change in the RCMP budget estimate.
 - **Budget Implication:** The new reserve and funding strategy will provide opportunities for Council to implement strategic priorities will less impact on property taxes. This will allow the City to access debt funding without increasing property tax for delivery of strategic infrastructure.
 - **Legal Implication:** The outlined strategy is in compliance with the Community Charter and Local Government Act.
 - **Policy Implication:** This practice will keep property tax rates in the City of Nanaimo low.
 - **Strategic Priorities Implication:** This strategy will enhance chances to deliver strategic infrastructure.
 - **Political Implication:** This strategy will allow for delivery of strategic infrastructure while keeping property tax low.
2. Council do not adopt the creation of a new Strategic Infrastructure Reserve.
 - **Budget Implication:** The City will not use funding sources available to build strategic infrastructure and be forced to increase property taxes over time or wait for grants and lose control over delivery of strategic infrastructure initiatives.
 - **Legal Implication:** No implications.
 - **Policy Implication:** This practice will not keep property tax rates in the City of Nanaimo low.
 - **Strategic Priorities Implication:** This strategy will not enhance chances to deliver strategic infrastructure.
3. **Political Implication:** This strategy will not allow for delivery of strategic infrastructure while keeping property tax low.

SUMMARY POINTS

- The establishment of a new Strategic Infrastructure Reserve will provide a sustainable funding strategy for implementing strategic priorities for the City.
- Redirecting annual casino and Fortis revenues will provide \$3m in annual contributions to the new reserve.
- The change to the budget estimate for the RCMP contract more closely reflects actual staffing levels and costs and will reduce the recurring annual surplus. This change will help minimize the impact on property tax increases caused by the redirection of casino and Fortis revenues to the new reserve.
- Projected property tax increases are: 2% in 2017, 1.8% in 2018, 1.7% in 2019, 1.5% in 2020 and 0.4% in 2021.

Submitted by:



Victor Mema
Chief Financial Officer

- **Budget Implication:** loss of major events such as the Bathtub Days Street Fair, and Harvest Festival. Loss of projects and programs such as graffiti and vandalism grants, tree light maintenance, and RAIC charrette outcomes projects.
- **Engagement Implication:** loss of volunteer engagement and momentum from committees and board at all levels
- **Strategic Priorities Implication:** DNBIA strategic priorities would be redeveloped to align with the organizations ability to execute & implement plans.
- **Political Implication:** DNBIA property owners voted for the bylaw terms with the understanding that there would be a matching operating grant from the City for the entire 5 year term. The DNBIA expects that if the matching grant was to be discontinued or reduced before the end of the bylaws, that our members would be unwilling to continue to allow the City to collect the self-imposed tax levy.

SUMMARY POINTS

- To carry out the BIA bylaws and funding at status quo until the end of the bylaw term on December 31st, 2018.
- For Council to approve the DNBIA operating grant at full funding to avoid minimal disruption to projects, member expectations, and planned priorities until the end of our bylaws on December 31st 2018.

ATTACHMENTS

- Attachment A - Draft DNBIA Budget Scenarios 2016-17 - presentation supplement
- Attachment B - DNBIA Budget Presentation - City Council 2016
- Attachment C - "Business Improvement Area No.1 (BIA 1) Bylaw 2013 No. 7168" and "Business Improvement Area No.2 (BIA 2) Bylaws 2013 No. 7169"

Submitted by:

Corry Hostetter

Corry Hostetter, Executive Director
Downtown Nanaimo Business Improvement
Association

Concurrence by:

V. Mema

V. Mema
Chief Financial Officer

SUMMARY POINTS

- To establish base funding for the partnership agreement between the City of Nanaimo and the Nanaimo Economic Development Corporation in the amount of \$683,634.
- To approve the 2017 Nanaimo Economic Development Corporation's budget in the amount of \$1,211,422 for the delivery of Economic Development initiatives and funding tourism activities until 2017-MAR-30

ATTACHMENTS

- Attachment A – Nanaimo Economic Development Corporation's Budget 2017, which includes Economic Development and Q1 Tourism Nanaimo.
- Attachment B – Nanaimo Economic Development Corporation's Budget 2017 Council Presentation.

Submitted by:



Amrit Manhas
Acting CEO, Nanaimo Economic
Development Corporation

Concurrence by:



V. Mema
Chief Financial Officer