

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
BOARDROOM, SERVICE AND RESOURCE CENTER,
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2018-JUN-13, AT 9:00 A.M.

Present: Councillor I. W. Thorpe, Chair
Mayor W. B. McKay
Councillor S. D. Armstrong
Councillor M. D. Brennan
Councillor J. Hong
Councillor J. A. Kipp (vacated at 9:11 a.m.)

Absent: Councillor W. L. Bestwick
Councillor G. W. Fuller
Councillor J. Hong
Councillor W. M. Yoachim

Staff: D. Lindsay, Director of Community Development (arrived 9:10 a.m.)
M. Smith, Manager, Recreation Services (vacated 9:50 a.m.)
L. Mercer, Manager, Accounting Services
J. Rushton, Manager of Purchasing and Stores
W. Fulla, Manager, Business, Asset and Financial Planning
J. Slater, A/Manager Revenue Services
J. Horn, Planner (vacated 9:50 a.m.)
C. Sholberg, Community Heritage Planner (arrived 9:14, vacated 9:39 a.m.)
S. Gurrie, City Clerk
J. Vanderhoef, Steno (arrived at 9:23 a.m.)
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 9:10 a.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Mayor McKay advised that he would be bringing forward an item under Agenda Item - 7(a) Other Business – Update on Policy Changes as Recommended in the KPMG Audit.

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 Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, Nanaimo, BC, on Wednesday, 2018-MAY-09 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

5. REPORTS:

(a) Travel Assistance Grant - VIPL Upper Island Storm U18 Boys Soccer

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 Vancouver Island Premier League Upper Island Storm U18 Boys Soccer for a Travel Assistance Grant in the amount of \$250 for five (5) players to attend the BC Provincials Soccer Championships in Richmond, BC, to be held 2018-JUL-05 through 2018-JUL-08. The motion carried unanimously.

(b) Travel Assistance Grant - VIPL Upper Island Storm U17 Girls Soccer

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 Vancouver Island Premier League Upper Island Storm U17 Girls Soccer for a Travel Assistance Grant in the amount of \$550 for eleven (11) players to attend the BC Provincials Soccer Championships in Richmond BC, to be held 2018-JUL-05 through 2018-JUL-08, 2018. The motion carried unanimously.

(c) Community Program Development Grant - Haven Society

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 Haven Society for a Community Program Development Grant in the amount of \$656 to assist in funding summer 2018 recreational activities for outreach clients. The motion carried unanimously.

(d) Heritage Façade Grant - 499 Wallace Street

Introduced by Dale Lindsay, Director of Community Development.

It was moved and seconded that the Finance and Audit Committee recommend Council approve a \$9,715.13 Heritage Façade Grant for the Merchant's Bank of Canada building located at 499 Wallace Street to repair the building's exterior and install exterior lighting and wrought iron window boxes.

Committee discussion took place regarding:

- previous and current Heritage Façade Grant applications made for this location

- ensuring funds are still available for the other applicants if the grant is not used in time;
- adding 30 or 60-day timeframe to complete work;
- remaining consistent with current policy and if any changes should be made to policy;
- what will happen to the awarded funds if not used within the year by applicant; and,
- maintaining the heritage grant at \$20,000 per year or rolling unused portions into future years.

It was moved and seconded that if work does not proceed on the Merchant's Bank of Canada building within the 2018 budget year that the funds of \$9,715.13 will be available for other applicants in 2018 and rolled over into the 2019 Heritage Façade Grant if unused in 2018. The motion was defeated.

Opposed: Councillors Armstrong, Brennan, and Thorpe.

The vote was taken on the original motion as follows:

It was moved and seconded that the Finance and Audit Committee recommend Council approve a \$9,715.13 Heritage Façade Grant for the Merchant's Bank of Canada building located at 499 Wallace Street to repaint the building's exterior and install exterior lighting and wrought iron window boxes.

The motion carried unanimously.

C. Sholberg vacated the Boardroom at 9:39 a.m.

(e) Opioid Response Funding Applications

Introduced by Dale Lindsay, Director of Community Development.

Committee discussion took place regarding:

- dispersal of the provincial grant of \$100,000 to the Nanaimo Community Action Team (CAT) and substance abuse program to establish a connection between researchers and social services;
- how funds will be allocated; and,
- Mass Spectrometers to analyze contents of street drugs, particularly for fentanyl levels being miniaturized and made available to the public at street level.

It was moved and seconded that the Finance and Audit Committee receive the report titled "Opioid Response Funding Applications" dated 2018-JUN-13, for information. The motion carried unanimously.

- Laura Mercer, Manager of Accounting Services, noted that if a grant is received Finance will need to amend the 2018 budget to include those funds.

J. Horn and M. Smith vacated the Boardroom at 9:50 a.m.

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

Introduced by Laura Mercer, Manager, Accounting Services.

Committee discussion took place regarding:

- the completion of work by Herold Engineering;
- the new conference centre phone system was processed with approval and given to the lowest bidder;
- recent motor vehicle incident and insurance coverage; and,
- why single source purchases were used for power washing.

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-JUN-13, be received for information. The motion carried unanimously.

The Finance and Audit Committee meeting recessed at 9:53 with the intention to reconvene at 10:00 a.m.

The Finance and Audit Committee meeting reconvened at 10:04 a.m.

(g) Consideration of New Permissive Tax Exemption Applications

Introduced by Laura Mercer, Manager, Accounting Services.

Committee discussion took place regarding:

- City policy for back-dating tax exemptions;
- City policy for business with tax exemptions that are relocating; and,
- assistance to other lodges.

Janet Mason, Member of the Cavallotti Lodge 2018 Executive Board, spoke regarding difficulty of involving members, aging members unable to maintain property, decrease in hall rentals and the increase in taxes damaging sustainability for this year.

Laura Mercer, Manager of Accounting Services, noted that only \$5,000 is available from the Permissive Tax Fund, if the full grant is to be provided, the remaining \$7,715 would need to come from the Council Contingency Fund.

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

1. award a Permissive Tax Exemption for the 2019 tax year to the Nanaimo Unique Kids Organization (NUKO) for property that it leases at 60 Needham Street;
2. award a Permissive Tax Exemption Cash Grant for the 2018 tax year (pro-rated for the period from 2018-MAR-01 to 2018-DEC-31) to the Nanaimo Unique Kids Organization (NUKO) for the property that the organization began to lease on 2018-MAR-01. The value of the cash grant is approximately \$12,715, of which \$5,000 will be provided through a Permissive Tax Exemption Cash Grant and the residual \$7,715 coming from Council’s Contingency; and,

- 3 award a Permissive Tax Exemption for the 2019 tax year to the Felice Cavallotti Lodge for property that it owns at 2060 East Wellington Road.

The motion carried unanimously.

Committee discussion took place regarding:

- subsidizing rent and/or tax exemptions for landlords to encourage affordable housing options;
- how to incentivise private recycling companies to accept all types of recycling material; and,
- collaboration between profit, non-profit and City to address the public's recycling needs.

6. OTHER BUSINESS:

- (a) Update on Policy Changes as Recommended in the KPMG Audit

Committee discussion took place regarding:

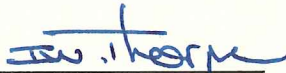
- the Regional District of Nanaimo's purchasing card policy;
- signing-off on Chief Administrative Officer's expenses;
- Finance Department is working on policy; and,
- establishing a hospitality policy and update the current travel policy.

7. QUESTION PERIOD:

- Tim McGrath re: purchasing card policy and expected date to be presented to Council.

8. ADJOURNMENT:

It was moved and seconded at 10:27 a.m. that the meeting terminate. The motion carried unanimously.



CHAIR

CERTIFIED CORRECT:



CORPORATE OFFICER