

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE
411 DUNSMUIR STREET, NANAIMO, BC
WEDNESDAY, 2019-SEP-18, AT 9:00 A.M.

Present: Mayor L. Krog
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown (vacated 10:17 a.m.)
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. W. Thorpe
Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer
R. J. Harding, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services
L. Mercer, Director, Finance
J. Elliot, Senior Manager, Public Works (vacated 9:43 a.m.)
P. Rosen, Senior Manager Engineering
K. Fry, Fire Chief
G. Norman, Deputy Fire Chief - Administration
W. Fulla, Manager, Business, Asset and Financial Planning
J. Rushton, Manager, Purchasing and Stores (vacated 9:52 a.m.)
C. Davis, Manager, Sanitation, Recycling and Public Works
Administration (vacated 9:20 a.m.)
J. Evans, Manager, Fleet Operations (vacated 9:20 a.m.)
M. Squire, Manager, Water Resources (vacated 10:17 a.m.)
J. Rose, Manager, Transportation (arrived 9:26 a.m., vacated 9:43 a.m.)
M. Strain, Senior Project Manager (vacated 9:13 a.m.)
F. Farrokhi, Manager of Communications
D. Blackwood, Client Support Specialist (vacated 9:08 a.m.)
S. Gurrie, Director, Legislative Services
J. Vanderhoef, Recording Secretary

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

The Finance and Audit Committee Meeting was called to order at 9:01 a.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Remove - Agenda Item 6(a) - Delegation from Chris Beaton, Executive Director, Nanaimo Aboriginal Centre and Snuneymuxw First Nations, requesting financial support for Tribal Journey 2020.

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 Boardroom, Service and Resource Centre, 411 Dunsmuir Street, Nanaimo, BC, on Wednesday, 2019-JUL-17, at 9:00 a.m., be adopted as circulated. The motion carried unanimously.

5. REPORTS:

(a) Central Island Emergency Services Communications Partnership Funding

Introduced by Karen Fry, Fire Chief.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the 900Mhz link system and allocate \$30,000 from the E911 Reserve. The motion carried unanimously.

(b) Hammond Bay Road Widening and Storm Improvement Projects

Introduced by Poul Rosen, Director, Engineering.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the addition of \$195,107 from the Development Cost Charge (DCC) Roads Reserve for the Hammond Bay Road Widening and Utility Improvements Project. The motion carried unanimously.

(c) Harewood Youth Parks

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

Committee discussion took place regarding:

- Potential cost savings

D. Blackwood vacated the Boardroom at 9:08 a.m.

- Places like this support children within a community
- Community group being involved in the design aspect of the project
- A cover being installed over the facility in the future

It was moved and seconded that the Finance and Audit Committee recommend that Council direct staff to amend the 2019 – 2023 financial plan to accelerate Phase 2 of the Harewood Youth Park project to 2020 so that Phase 1 and Phase 2 can be constructed concurrently in 2020. The motion carried unanimously.

M. Strain vacated the Boardroom at 9:13 a.m.

(d) Additional Refuse Collection Fleet

Introduced by Charlotte Davis, Manager, Sanitation, Recycling and Public Works Administration, and Jason Evans, Manager, Fleet Operations.

Committee discussion took place regarding:

- Average life span of the sanitation trucks is approximately 10 years
- Used truck is needed in fleet until June 2020 and then would be a spare
- Additional driver position was scheduled to start in 2020, but with the addition of the used truck this extra driver could start in December 2019
- Improving preventative maintenance by managing routes better with more trucks
- Used truck is not taking the place of one of the new trucks planned

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

1. the purchase of two used refuse collection trucks for the purposes of adding one spare unit to the fleet for maintenance reasons and putting one additional collection vehicle in service in order to reduce route sizes; and,
2. accelerating the start date of the additional Refuse Collector from January 2020 to December 1, 2019.

The motion carried unanimously.

C. Davis and J. Evans vacated the Boardroom at 9:20 a.m.

(e) Consideration of New Permissive Tax Exemption Applications

Introduced by Laura Mercer, Director, Finance.

Committee discussion took place regarding:

- Timeframe on previous request to extend permissive tax exemptions to three or five years being implemented

It was moved and seconded that the Finance and Audit Committee recommend that Council award a Permissive Tax Exemption for the 2020 tax year to the Canadian Mental Health Association Mid-Island for property that is being leased (lower level) at 290 Bastion Street. The motion carried unanimously.

(f) One Time Bonus Gas Tax Payment

Introduced by Laura Mercer, Director, Finance.

Laura Mercer, Director, Finance, explained that the Metral Drive Complete Streets Phase 2 project was fully funded by the Community Works Fund and using the one

time bonus gas tax payment would free up money within the Community Works Fund for other projects.

Committee discussion took place regarding:

- The Metral Drive Complete Streets project funding

J. Rose entered the Boardroom at 9:26 a.m.

- Possibly delaying the implementation of LED lighting project
- Priority of projects
- The Metral Drive Complete Streets project would likely to be phased over two years
- Community feedback on areas that have received LED lighting replacement
- Ties together different parts of the community
- This project reflects Council's priority on active transportation
- \$3.7 million being allocated to the Georgia Greenway Project
- Changing to LED streetlights saves money, but taking more cars off of roads would provide more environmental impact

D. Lindsay vacated the Boardroom at 9:35 a.m.

- Reviewing Capital projects during a Governance and Priorities Committee meeting to better understand timeframes and status of projects

It was moved and seconded that the Finance and Audit Committee recommend that Council use the one-time bonus Gas Tax payment to fund the Metral Drive Complete Streets Phase 2 project. The motion carried unanimously.

J. Elliot, J. Rose and P. Rosen vacated the Boardroom at 9:43 a.m.

(g) Capitol Project Results for the Six Months Ending 2019-JUN-30

Introduced by Laura Mercer, Director, Finance.

Committee discussion took place regarding:

- Projects being completed or extended
- Staffs impressions on the current state of the budget/finances

(h) Council Expenses for the Six Months Ending 2019-JUN-30

Introduced by Laura Mercer, Director, Finance.

Committee discussion took place regarding the process if a Councillor exceeds their budget for the year.

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

Introduced by Laura Mercer, Director, Finance.

J. Rushton vacated the Boardroom at 9:52 a.m.

(j) Operating Results for the Six Months Ending 2019-JUN-30

Introduced by Laura Mercer, Director, Finance.

Committee discussion took place regarding:

- Grants in lieu of taxes have increased due to additional properties being added
- Capital asset loss reflects depreciated value of items that are replaced before they were scheduled

6. OTHER BUSINESS:

Committee discussion took place regarding:

- Discussion regarding sidewalk budget when there is a review of capital projects
- Status of committees and task forces will be discussed during September 30th Governance and Priorities Committee Meeting
- Traffic studies being done once projects are completed

P. Rosen returned to the Boardroom at 10:07 a.m.

- Reviewing capital projects to better understand what affect they have on the budget and taxation
- Being conscious of Council's Strategic Plan while reviewing the capital projects
- Status of homeless daytime drop in centre

Farnaz Farrokhi, Manager, Communications, spoke about communicating to the public regarding the scale and cost of projects to show the community where money is being invested.

Committee discussion continued regarding:

- Allocating more funding to public art
- Surpluses being allocated to reserves that can fund the most projects with the least limitations
- No current policy regarding surpluses

M. Squire vacated the Boardroom at 10:17 a.m.
Councillor Brown vacated the Boardroom at 10:17 a.m.

7. ADJOURNMENT:

It was moved and seconded at 10:20 a.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER