

**MINUTES**  
FINANCE AND AUDIT COMMITTEE MEETING  
BOARD ROOM, SERVICE AND RESOURCE CENTRE  
411 DUNSMUIR STREET, NANAIMO, BC  
WEDNESDAY, 2019-OCT-16, AT 9:00 A.M.

---

Present: Mayor L. Krog  
Councillor S. D. Armstrong  
Councillor D. Bonner  
Councillor T. Brown  
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 (vacated 11:59 a.m.)  
B. Sims, General Manager, Engineering and Public Works  
J. Van Horne, Director, Human Resources  
B. Corsan, Director, Community Development (arrived 9:37 a.m., vacated 11:29 a.m.)  
P. Rosen, Director, Engineering  
L. Mercer, Director, Finance  
W. Fulla, Manager, Business, Asset & Financial Planning  
K. Fry, Fire Chief  
G. Norman, Deputy Fire Chief - Administration  
M. Demecha, Manager, Civic Facilities  
M. Dunstan, Manager, IT Application Services  
F. Farrokhi, Manager, Communications  
D. Fournier, Manager, Municipal Infrastructure (vacated 11:59 a.m.)  
J. Rose, Manager, Transportation (arrived 9:17 a.m.)  
B. Wardill, Manager, Revenue Services  
B. Thomas, Assistant Manager, Transportation (vacated 11:59 a.m.)  
M. Willoughby, Supervisor, Geographic Info Systems (vacated 11:59 a.m.)  
C. Sholberg, Community Heritage Planner (arrived 11:58 a.m.)  
D. Blackwood, Client Support Specialist (vacated 9:04 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 8:59 a.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Mayor Krog requested that Agenda Item 7(a) Loudon Park Boathouse Project be moved to Agenda Item 4(a).

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-SEP-18 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

D. Blackwood vacated the Boardroom at 9:04 a.m.  
Councillor Brown vacated the Boardroom at 9:05 a.m.

(a) Loudon Park Boathouse Project

Richard Harding, General Manager, Parks, Recreation and Culture, provided a presentation regarding the following:

- Active recreational area for the community
- Provided background on the boathouse project
- Provided draft boathouse facility design plans

Committee discussion took place regarding:

- Increased usage of the facility in recent years
- Total project costs including upkeep and maintenance
- Float planes using the lake and speeds of power boats

Presentations:

1. Craig Rutherford, Kate Rutherford and Nancy Ford, provided a presentation on behalf of Long Lake Flatwater Training Centre Society, as follows:
  - Nanaimo Canoe and Kayak Club and Nanaimo Rowing Club work together in collaboration to serve the mid-island area, primarily Nanaimo and Lantzville
  - Common vision to enhance and increase participation in their sports
  - Idea of a new joint facility has been a goal for 20 years
  - Provide coaching and tools to help members achieve their goals
  - Nanaimo Canoe & Kayak Club host: summer camps, school groups, Vancouver Island University International Students, Youth with Special Needs, Canuck Autism Network and is a training facility for indigenous and canoe kayak camps

J. Rose entered the Boardroom at 9:17 a.m.

- Long Lake Flatwater Training Centre Society formed in 2015
  - provides financial separation for the two clubs
  - purpose is to develop, maintain and operate facilities to support paddling sports on Long Lake
  - promote rowing and paddling sports in the mid-island area
- Existing structures have been renovated multiple times and are aging
- Valuable boats are too large to house inside the current building
- Not enough space to do exercise inside the current structure
- Several break-ins during the last few years with many thefts
- Bathrooms are dated and do not provide change stalls
- Dock accessibility issues are limiting access for para athletes
- Provided conceptual drawings and proposed floor plans
- Hosting competitive events

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

- New building would provide a safe, clean facility for the community with accessible docks and paths
- Seeking a final design and cost estimate in order to move forward with fund raising capital
- Partnering with Rotary Club of Nanaimo North in a joint fund raising initiative and noted many other opportunities for fund raising

Committee discussion took place regarding:

- Average number of people using the facility – Nanaimo Rowing Club approximately 350 users annually and approximately 900 users for the Nanaimo Canoe and Kayak Club
- Fund raising goals
- Managing parking issues when hosting multiday events

2. Ed Poli, Rotary Club of Nanaimo North, provided a presentation as follows:

- Rotary Club of Nanaimo North chartered in 1972 and is a registered BC society
- Rotary Club of Nanaimo North has contributed more than \$1 million to the community through various organizations and clubs
- Want to commemorate the Rotary Club of Nanaimo North's 50<sup>th</sup> anniversary (2022) with a permanent addition to the community through the Loudon Boathouse project
- Committed to contributing \$100k

B. Corsan entered the Boardroom at 9:37 a.m.

Committee discussion took place regarding:

- Timeframe for receiving the contribution from the Rotary Club of Nanaimo North
- If money has been put aside in the budget for this project
- Amount of money being requested

- Capacity issues
- Options available for maintaining the current structure
- Funding from clubs

Councillor Thorpe noted that he and Councillors Brown and Turley are members of the Rotary Club Nanaimo North and asked if they would be considered to be in a conflict of interest.

Sheila Gurrie, Director, Legislative Services, stated that she could not determine if there was a conflict of interest, and that it was up to them to decide if they felt they were in conflict or not. She noted that they were not board members or the directing mind behind decision making.

Councillor Thorpe stated that he did not feel that he was in a conflict of interest regarding the Loudon Park Boathouse Project.

Councillor Turley also stated that he did not feel that he was in a conflict of interest regarding the Loudon Park Boathouse Project.

B. Corsan vacated the Boardroom at 9:50 a.m.

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

1. consider funding of \$123,750 during the 2020 financial plan review for detailed design and costing of the Loudon Boathouse (with \$15,000 coming from private contributions);
2. direct Staff to return with, final costing and funding options for Council's review and consideration during the 2021 budget review if design phase is approved; and,
3. direct Staff to work with the Long Lake Flatwater Training Centre Society and Rotary Club of Nanaimo North on fundraising and other sources of revenue for the project.

The motion carried unanimously.

Councillor Brown returned to the Boardroom at 9:55 a.m.

S. Gurrie, J. Rudolph and J. Van Horne vacated the Boardroom at 9:55 a.m.

5. PRESENTATIONS:

(a) 2020 - 2024 Preliminary Project Plan

Laura Mercer, Director, Finance, spoke regarding:

- Finance and Audit Committee 2019-SEP-18 requested more information on projects in current project plan
- Project plan presented is the first five years of a ten year plan
- Provided an overview of the timeline for the project plan

J. Rudolph and J. Van Horne returned to the Boardroom at 9:58 a.m.

- 2020 department business plans will be presented during the November 20<sup>th</sup> and 22<sup>nd</sup> Finance and Audit Committee meetings
- Presentation regarding 2020 – 2024 project highlights scheduled for November 25<sup>th</sup>
- E-town hall meeting and potential budget meeting scheduled for December 2<sup>nd</sup>
- Currently anticipating a tax increase similar to 2018 and cautioned against including additional projects

S. Gurrie returned to the Boardroom at 10:00 a.m.

- Reserves may appear flush but the vast majority are restricted in their use

Wendy Fulla, Manager, Business, Asset & Financial Planning, provided a presentation regarding:

- \$291 million planned investment over the next five years
- Noted two largest areas receiving investment are:
  - Transportation Infrastructure
  - Water Infrastructure
- Large portion of investment showing for Parks is tied to the Waterfront Walkway

Committee discussion took place regarding:

- Beban Park facility roof replacement scheduled for 2021 and 2022
- Presentation does not include changes as a result of business cases being added for draft financial plan

Wendy Fulla, Manager, Business, Asset & Financial Planning, continued her presentation and spoke regarding:

- Infrastructure investment highlights
- 2020 Project Plan breakdown and concurrent projects

Committee discussion took place regarding concurrent projects potentially generating a loss by digging up/removing items that are not at the end of their useful life.

Wendy Fulla, Manager, Business, Asset & Financial Planning, continued her presentation and spoke regarding:

- Project funding sources and the use of reserves for funding projects
- New reserve policy comes into effect 2020-JAN-01 and changes many general reserves to statutory reserves, hence the large increase in the percentage of statutory reserves used for funding

Committee discussion took place regarding a dollar amount for the 0.8% Grants and Private Contributions.

Wendy Fulla, Manager, Business, Asset & Financial Planning, continued her presentation and spoke regarding debt funding.

Committee discussion took place regarding the function of a Development Cost Charges (DCCs).

Wendy Fulla, Manager, Business, Asset & Financial Planning, continued her presentation and spoke regarding:

- Debt amount does not reflect the Port Theatre expansion project
- Funding from General Revenue
- Project Funding – Strategic Infrastructure Reserve
- Reserves Summary:
  - new reserve policy sets minimum balances on some of the reserves
  - 33% of the balance in 2020 is related to DCC reserves which can only be used for their intended purpose
  - Includes water and sewer reserves which can only be used for water and sewer infrastructure and make up 42% of the 2020 reserve balance

Committee discussion took place regarding:

- Meeting minimum requirements for reserves
- Clarification on amounts being allocated to property acquisition and pedestrian improvements
- Projected closing balance at the end of 2020 is just under \$3.5 million assuming no changes to the draft plan
- 20 year Asset Management Plan and how frequently that is updated
- How reserves are being replenished

Jake Rudolph, Chief Administrative Officer, noted that this presentation is intended to be an introduction to this year's budget process.

Matt Dunstan, Manager, IT Application Services, provided a presentation regarding current projects:

- 2019/2020 content management system project
- 2022/2023 replacement or upgrade of enterprise resource planning software

Committee discussion took place regarding a budget number for replacement of enterprise resource planning software and the need for Staff training.

Matt Dunstan, Manager, IT Application Services, continued his presentation and spoke regarding the corporate asset management systems which is not included in the ten year project plan.

Committee discussion took place regarding:

- Cost estimate for corporate asset management system
- Coordinating the various systems currently in use
- Need for electronic document management

B. Corsan returned to the Boardroom at 10:37 a.m.

- Difference between geographic information systems (GIS) and corporate asset management systems
- Role of artificial intelligence software in systems

S. Gurrie vacated the Boardroom at 10:42 a.m.

- Status of the Perfect Mind system

K. Fry vacated the Boardroom at 10:47 a.m.

The Finance and Audit Committee Meeting recessed at 10:48 a.m.

The Finance and Audit Committee Meeting resumed at 10:57 a.m.

Poul Rosen, Director, Engineering, provided a presentation regarding:

- Engineering and Public Works project overviews

K. Fry returned to the Boardroom at 10:59 a.m.

- Millstone Trunk Sewer project – making capacity for growth and reducing overflow risks

Committee discussion took place regarding the possibility of the Bowen Park portion of Millstone Trunk sewer construction being completed without removing trees.

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Rain events that have exceeded storm water capacity for drainage
- Eagle Point Catchment – to increase pipe capacity in priority locations to reduce flooding risk

Committee discussion took place regarding:

- Events being related to climate change and are they being tracked
- Development standards
- Having systems in place to handle routine rainfall and overland flow paths to deal with extreme weather events
- Charging for use of the storm water system

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding the Metral Drive complete streets corridor to connect the E&N trail to Woodgrove area and extend the active transportation spine.

Committee discussion took place regarding:

- Phases for implementation of Metral Drive complete streets
- On street parking being incorporated where possible
- School Districts support of the improved connectivity

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding the Boxwood Connector project. He noted that environmental consultation has been completed due to soil contamination and that the roundabout could present challenges relating to pedestrian safety.

Committee discussion took place regarding potential subdivision and sale of the southern parcel of the Boxwood property.

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Madsen Road Upgrades – continuation of Boxwood Road project and upgrading streets to improve the connection between Boxwood Road and East Wellington
- Off Bowen Bikeway – to provide an active transportation alternative to Bowen Road
- Cranberry Connector – new road connection for Cinnabar Valley to the North to enhance mobility to the area by increasing capacity, plan to start in 2027

Committee discussion took place regarding environment and property challenges related to the Cranberry Connector project.

B. Corsan vacated the Boardroom at 11:29 a.m.

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding Wakesiah Corridor Upgrades.

Committee discussion took place regarding:

- Moving Wakesiah Corridor upgrades ahead two or three years
- Potential to use green municipal funds to proceed with the Wakesiah Corridor Upgrades as soon as possible
- Assistance from School District and Vancouver Island University (VIU)
- Expansion of traffic lanes not planned, addition of bike lane and utilities being upgraded

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding Downtown Cycle Loop. He noted that a report regarding the Downtown Cycle Loop is scheduled to come before Council.

Committee discussion took place regarding cycling infrastructure being added on Maffeo Street to Wallace Street.

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Albert Street and Fourth Street – to provide a buffered bike lane and provide an active transportation connection from downtown to VIU

- Wellcox Secondary Access – an additional road connection from the Port Lands into downtown
- Terminal Trench Upgrades – utility renewal and street upgrades to renew end of life infrastructure and take opportunity to upgrade streetscape

Committee discussion took place regarding:

- Infrastructure replacement done in the 1990s
- Water main breaks resulted in replacing the water main ahead of schedule

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Street Lights – often included in major transportation projects, LED streetlight conversion, phase one completed last year, four phases planned
- 2022 – 2024 Transportation Projects – 30% increase in pedestrian/cycling upgrades

Committee discussion took place regarding potentially not doing road rehabilitation and allocating those funds toward other projects.

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Sidewalks – lots of interest from the public, limitations related to paving and implementing new sidewalk projects
- Provided a GIS map outlining the City's active transportation infrastructure and planned improvements for the next five years
- Cost of building sidewalks

Committee discussion took place regarding:

- Alternative drainage methods for storm water drainage
- 700 Block of Haliburton being a candidate for sidewalks

Sheila Gurrie, Director, Legislative Services, noted that the meeting was scheduled until 12:00 p.m. and suggested an additional meeting might be needed for this presentation. She suggested extending the meeting an additional hour or reviewing some of the time sensitive agenda items and returning to this presentation at a future meeting.

By unanimous consent the Finance and Audit Committee agreed to receive the Engineering and Public Works presentation before reviewing Agenda Item 7(d) Community Resiliency Investment Program (FireSmart Community Funding and Supports Program).

Poul Rosen, Director, Engineering, continued his presentation and spoke regarding:

- Notable changes from previous plan
- Projects not included in the plan:
  - Public Works facility renewal
  - Increase in asphalt renewal funding
  - Funding for streetlight infill (dark spots)
  - Georgia Greenway extension

Committee discussion took place regarding cost of building sidewalks.

C. Sholberg entered the Boardroom at 11:58 a.m.

D. Lindsay, D. Fournier, B. Thomas and M. Willoughby vacated the Boardroom at 11:59 a.m.

6. REPORTS:

- (a) Community Resiliency Investment Program (FireSmart Community Funding and Supports Program)

Introduced by Karen Fry, Fire Chief.

It was moved and seconded that the Finance and Audit Committee recommend that Council support the City of Nanaimo's application to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Support Program) and if successful the 2020-2024 Financial Plan be amended to include this grant. The motion carried unanimously.

- (b) Heritage Façade Grant Application - 34 Victoria Crescent

Introduced by Dale Lindsay, General Manager, Development Services.

It was moved and seconded that the Finance and Audit Committee recommend Council approve a Heritage Façade Grant of up to \$20,000 for the Queen's Hotel located at 34 Victoria Crescent to repaint the building's exterior, as well as install new brick cladding, a new awning system, new signage (including a vintage refurbished Queen's sign), and new exterior lighting to the building's Victoria Crescent façade. The motion carried unanimously.

Sheila Gurrie, Director, Legislative Services, noted that Staff estimate Agenda Item 7(b) Downtown Priority Projects - Update and Funding Request will require an hour to review and suggested this item be rescheduled for another meeting. She suggested that a Special Finance and Audit Committee meeting could be scheduled for 2019-OCT-21 at 4:30 p.m. prior to the start of the Regular Council meeting at the Vancouver Island Conference Centre.

7. QUESTION PERIOD:

No one in attendance wished to ask questions.

8. ADJOURNMENT:

It was moved and seconded at 12:04 p.m. that the meeting terminate. The motion carried unanimously.

\_\_\_\_\_  
CHAIR

CERTIFIED CORRECT:

\_\_\_\_\_  
CORPORATE OFFICER