

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2021-MAR-17, AT 9:01 A.M.

Present: Mayor L. Krog, Chair
Councillor S. D. Armstrong
Councillor D. Bonner
Councillor T. Brown (joined electronically 9:38 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. Harding, General Manager, Parks, Recreation and Culture
B. Sims, General Manager, Engineering and Public Works
T. Doyle, Fire Chief
J. Le Masurier, Assistant Chief, Education and Training, Fire Rescue Department
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
L. Wark, Director, Recreation and Culture
C. Davis, Manager, Parks Operations
W. Fulla, Manager, Business, Asset and Financial Planning
S. Pamminger, Manager, Infrastructure Planning and Energy
S. Gurrie, Director, Legislative Services
S. Snelgrove, Deputy Corporate Officer
K. Lundgren, 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. APPROVAL OF THE AGENDA:

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

3. ADOPTION OF THE MINUTES:

It was moved and seconded that minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2021-FEB-17, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. DELEGATIONS:

- (a) Peter Sinclair, Executive Director, Nanaimo Loaves and Fishes Food Bank, provided a PowerPoint presentation regarding a request for financial support from the City of Nanaimo (the City), in the amount of \$930,000, to build a warehouse and distribution centre at 1861 East Wellington Rd. He spoke regarding the success of the Nanaimo Loaves and Fishes Food Bank and the limitations of the current facility.

Committee discussion took place. Highlights included:

- Figures to evaluate food based on weight and dollar amount
- Nanaimo Loaves and Fishes' work is very valuable and appreciated
- Fundraising campaigns to raise funds for this project
- Potential partnerships with other groups for the use of the large scale kitchen in the new facility

5. REPORTS:

- (a) TK2140 Portable Radio Replacement - Fire Dispatch Transition

Introduced by Tim Doyle, Fire Chief.

- Advised the committee that \$58,000 has been added to year 2021 of the 2021-2025 Financial Plan for replacement of the Nanaimo Fire Rescue's portable radios
- The models currently in use are incompatible with Surrey's emergency signaling technology
- Emergency signalling technology allows the firefighter to signal the dispatch and provides information such as the unit number and the time of the call
- Surrey's communication consultant highly recommends the replacement of the radios

Committee discussion took place. Highlights included:

- The older models, that are being replaced, will be used for training purposes or situations where the emergency call button is not needed
- The information that is relayed to the dispatcher when the emergency signalling is activated (Unit ID number)

- (b) 2020 Budget CarryForwards

Introduced by Laura Mercer, Director, Finance.

- Informed the committee of the 2020 budget carried forward to 2021
- Carryforwards include projects that have not yet been completed and projects that have been delayed

(c) 2020 Surplus Allocation

Introduced by Laura Mercer, Director, Finance.

- Informed the committee of the 2020 surplus
- Listed some of the biggest drivers for the surplus. These included:
 - The COVID-19 Safe Restart Grant
 - Cost saving measures implemented prior to being aware of the COVID-19 Safe Restart Grant
 - Savings in the Parks and Recreation department due to COVID-19
 - Less traveling for conferences
 - Higher than anticipated revenues in business licensing
- The water fund recorded a deficit; user fees related to water are difficult to predict as it is based on many factors including consumption and weather

Councillor Brown joined electronically at 9:38 a.m.

- Advised leaving money in the reserve as a contingency measure

Jake Rudolph, Chief Administrative Officer, spoke regarding:

- Growth and the challenge to maintain service levels; particularly funding pressures in the RCMP
- Areas of interest may be brought forward for further discussion at the 2021-APR-14 Special Finance and Audit Committee meeting
- A large portion of the surplus funds are already committed to projects
- Consideration for the uncertainties of the future and unforeseen challenges

Committee discussion took place. Highlights included:

- Taking a conservative approach and leaving the money alone until the next budget
- Suggestion that part of the surplus be allocated to lowering taxes and sewer rates
- Desire to help the Nanaimo Loaves and Fishes with their ask for funding
- Recognizing the potential for a third wave of COVID-19

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the allocation of the 2020 operating surplus as follows:

1. General Fund
 - a. Special Initiatives Reserve \$7,482,599
 - b. Property Acquisition Reserve \$1,000,000Total: \$8,482,599
2. Sewer Fund
 - a. Sewer Reserve \$589,873
 - b. Sewer Financial Stability Reserve \$28,751Total: \$618,624

The motion carried unanimously.

(d) Kal's Replay Fund

Introduced by Laura Mercier, Director, Finance.

- Advised the committee that the City has submitted a grant application totaling \$28,519 to Kal Tire's RePlay Fund
- The funding will go towards the Harewood Centennial Park Accessible and Inclusive Playground Upgrade Project
- Funding expected to be announced April 2021

(e) Sponsorship Asset Inventory and Valuation for the City of Nanaimo, Request for Proposals to be Issued

Introduced by Laura Mercer, Director, Finance.

- The Request for Proposals (RFP) for a Sponsorship Asset Inventory and Valuation is ready to be issued and anticipate that the contract will be awarded late May 2021
- Consultants to provide a comprehensive Sponsorship Asset inventory and valuation. Deliverables will include:
 - Identifying all sponsorship assets
 - Developing both an outsource and internal (City-resourced) strategy
 - Drafting a Sponsorship Policy

Committee discussion took place. Highlights included:

- Pleased to see the Sponsorship Asset Inventory and Valuation project moving ahead
- Possibility of taking advantage of sponsorship opportunities in the short term
- This project will allow the City to generating additional revenue

(f) Port Theater - Chiller Equipment Renewal and Low Carbon Electrification Options

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

Scott Pamminger, Manager, Infrastructure Planning and Energy, gave an overview of the Port Theater chiller equipment renewal project. Highlights included:

- The chiller equipment that is used for cooling in the Port Theater is in need of replacement
- An electrification study was conducted that outlines three options
- Two of the presented options would reduce Green House Gas (GHG) emissions

Committee discussion took place regarding Option A (Air Source Heat Recovery Heat Pump) which would include the added benefit of both heating and cooling and has a better GHG emission than the other options.

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

1. Proceed with installing the recommended Option A – Air Source Heat Recovery Heat Pump system to replace the existing chiller; and,
2. Increase the budget for the Port Theatre Chiller Replacement project by \$500,799 in 2021 funded by \$150,000 from the Emission Reduction Reserve and \$350,799 from the General Asset Management Reserve.

The motion carried unanimously.

(g) Serauxmen Stadium Maintenance for 2021

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

- Requesting approval to amend the 2021 Parks Operations budget to include funding for additional facility and field maintenance of Serauxmen Stadium

Committee discussion took place. Highlights included:

- Funding to come from General Revenue as the maintenance of the stadium would be long term
- The Serauxmen Stadium is a tremendous asset to our community, a valuable investment, and another source of income for the City.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve adding \$59,113 to the 2021 Parks Operations Budget for Parks and Facility Operations to conduct additional facility and field maintenance of Serauxmen Stadium, to be funded from General Revenue. The motion carried unanimously.

(h) Beban Park Pool Improvements for 2021

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

- To obtain approval to amend the 2021-2025 Financial Plan to include funding for facility upgrades at Beban Park Pool
- Changes and upgrades will improve change rooms as well as reduce touch points in the facilities

Art Groot, Director, Facility and Parks Operations, spoke regarding the opportunity to take advantage of the current extended closure at Beban Park Pool to perform these upgrades.

It was moved and seconded that the Finance and Audit Committee recommend that Council amend the 2021-2025 Financial Plan to include \$255,000 in 2021 for change room and washroom upgrades at Beban Park Pool, to be funded from the Facility Development Reserve. The motion carried unanimously.

(i) Proposed Development of a Medium-Sized Stadium at NDSS Community Field

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

- At the 2020-JUL-27 Special Council Meeting, Council directed Staff to present the concept of a medium-sized stadium at NDSS Community Field to School District 68 and other stakeholders.
- Staff have received support from user groups
- Staff can provide a phased implementation plan for the development of a medium-sized stadium at the NDSS Community Field
- Using NDSS community field as the stadium-site is that it will benefit other surrounding venues, such as the Serauxmen Stadium and Rotary Bowl

Committee discussion took place. Highlights included:

- Requesting that the Advisory Committee on Accessibility and Inclusiveness provide feedback on the implementation plan
- Parking and transit
- Benefit of centralizing amenities in that area

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

1. The NDSS Community Field be designated as the medium-sized stadium site for the City of Nanaimo;
2. That a phased implementation plan with options and costing be developed for Council's review and consideration in making NDSS Community Field a medium-sized stadium;
3. That in development of the phased improvement plan, that shared amenities that would benefit Rotary Bowl and Serauxmen Stadium be included; and,
4. That the current Joint Use Agreement with School District #68 be updated to address any changes required of this location being a medium-sized stadium.

The motion carried unanimously.

6. OTHER BUSINESS:

(a) Nanaimo Loaves and Fishes Food Bank

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to review the Nanaimo Loaves and Fishes Community Food Bank's ask for funding, identify options and provide a report to Council for information. The motion carried unanimously.

7. ADJOURNMENT:

It was moved and seconded at 10:25 a.m. that the meeting adjourn. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

CORPORATE OFFICER