

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2021-JUL-21, AT 9:00 A.M.

Present: Mayor L. Krog, Chair
Councillor D. Bonner
Councillor T. Brown
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. W. Thorpe (arrived 9:06 a.m.)
Councillor J. Turley

Absent: Councillor S. D. Armstrong

Staff: J. Rudolph, Chief Administrative Officer
S. Legin, General Manager, Corporate Services
D. Lindsay, General Manager, Development Services
B. Sims, General Manager, Engineering and Public Works
T. Doyle, Fire Chief (joined electronically)
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
L. Wark, Director, Recreation and Culture
J. Bevan, Manager, Culture and Special Events
W. Fulla, Manager, Business, Asset and Financial Planning
S. Pamminger, Manager, Infrastructure Planning and Energy
K. Robertson, Deputy City Clerk
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 9:00 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 the Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2021-JUN-16 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

(a) Live Fire Training Center Remediation

Introduced by Tim Doyle, Fire Chief.

- Nanaimo Fire Rescue (NFR) conducts live fire training to ensure personnel are prepared and ready to respond to fire emergencies
- NFR's Live Fire Training facility has been in place for 36 years
- Comprehensive review conducted by Herold Engineering Ltd. identified areas of the building needing remediation due to structural damage
- If the training centre is not repaired, NFR firefighter training will be required to be done elsewhere
- The advantage of training on shift allows firefighters to maintain emergency response readiness with no additional overtime costs
- Local training strengthens expertise and increases morale and safety

Councillor Thorpe entered the Shaw Auditorium at 9:06 a.m.

- Generating additional revenue through facility rentals to other fire departments
- Reviewed costs and considerations associated with relocating fire training to another site
- Off-duty training costs and ensuring personnel are available to respond to calls
- Facility remediation would allow for future conversion to gas which would eliminate the smoke produced
- Anticipating a maintenance budget and other costs associated with an aging facility

Committee discussion took place. Highlights included:

- Length of time the facility will be out of commission during remediation
- Training other fire departments

Tim Doyle, Fire Chief, noted that a large portion of fire training has been suspended due to COVID-19.

Committee discussion continued. Highlights included:

- The use of the space for expansion of the Public Works Department and option of selling the property
- Ongoing maintenance cost, and offsetting costs by renting out the facility to other fire departments
- Anticipated increase to the annual maintenance budget in the 2022 – 2026 Draft Financial Plan
- Revenue generation through training and expected cost recovery
- Relocating the Fire Training Centre to another site

Tim Doyle, Fire Chief, noted that the benefit of the current training location being in central Nanaimo allows firefighters to be on duty to respond to calls while in training. Alternatively, when resources are too far away, positions will need to be backfilled.

Committee discussion continued. Highlights included:

- Advantages of training while on duty
- Decision for a future conversion to gas would be made at a later date and is not needed to be done concurrently with remediation

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Live Fire Training Facility Remediation project in the amount of \$275,300 to the 2021 budget funded from the General Asset Management Reserve Fund. The motion carried unanimously.

(b) Funding Request for Commercial Street Revitalization Plan

Introduced by Dale Lindsay, General Manager, Development Services.

- Seeking Council's support in adding \$150,000 to the Financial Plan for a comprehensive revitalization plan for the Commercial Street corridor
- Number of investments and projects in the downtown area
- Many Commercial Street elements are nearing end of life and increasing demand for outdoor and social spaces in the downtown area
- The plan will guide investment in the downtown
- Downtown Nanaimo Business Improvement Association (DNBIA) would be a significant contributor in this process

Committee discussion took place. Highlights included:

- Support for investment and drawing attraction to the downtown core
- Redevelopment of Diana Krall Plaza
- Funding source of Payments in Lieu of Taxes (PILTS)
- Clarification that with Council support, Staff would proceed with engaging a consultant to develop an engagement strategy and produce a detailed plan of standards and expectations for Commercial Street corridor

Dale Lindsay, General Manager, Development Services, noted that the plan includes a number of factors such as transportation servicing elements and general public realm, and spoke of the importance of bringing in external expertise.

Jake Rudolph, Chief Administrative Officer, added that this plan would inform all the departments on how to proceed with their respected capital.

Committee discussion continued. Highlights included:

- Engagement with Council during the process and request that more than one option be presented
- Alignment with REIMAGINE NANAIMO vision of a thriving and diverse downtown

It was moved and seconded that the Finance and Audit Committee recommend that Council amend the 2021 – 2025 Financial Plan to add \$150,000 in 2021 for a Commercial Street Revitalization Plan funded from Payments in Lieu of Taxes. The motion carried unanimously.

(c) Update on Welcome Pole at Sway'a'Lana/Maffeo Sutton Park and Request for Additional Funds

Introduced by Art Groot, Director, Facility and Parks Operations.

Committee discussion took place. Highlights included:

- Chief Wyse, Snuneymuxw First Nation, indicated strong support for this project at the last Protocol Agreement Working Group (PAWG) meeting
- Additional \$50,000 was not originally anticipated but well worthwhile
- Available grants for projects focused on Indigenous peoples

Julie Bevan, Manager, Culture and Special Events, informed the committee that the project initiator, Nanaimo Aboriginal Centre, secured a grant for this project through Canadian Heritage and the City can not apply for additional funding.

Committee discussion continued regarding funding from the Strategic Infrastructure Reserve and no current reserve specifically for public art.

Laura Mercer, Director, Finance, noted that the \$50,000 that is allocated annually for public art has already been committed. The Strategic Infrastructure Reserve would be most appropriate as there are no restrictions.

Committee discussion continued. Highlights included:

- First Nation culture strongly based on oral tradition, and Chief Wyse, Snuneymuxw First Nation, speaking in support of the project
- Value in terms of reconciliation far outweigh the additional monetary cost

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

- a. approve the proposed location of the pole at Sway'a'Lana/Maffeo Sutton Park as identified on Attachment "C" to the staff report; and
- b. amend the 2021-2025 Financial Plan to include an additional \$50,000 for the installation of the Welcome Pole funded from the Strategic Infrastructure Reserve.

The motion carried unanimously.

(d) Community Program Development Grant - Nanaimo Climate Action Hub Society

Introduced by Art Groot, Director, Facility and Parks Operations.

Committee discussion took place. Highlights included:

- Strong engagement and energy from the Nanaimo Climate Action Hub Society
- As funding is available, the City will still accept late Community Program Development grant applications
- Lobbying and the political nature of the organization
- Nanaimo Climate Action Hub Society dealing with a critical and urgent issue of climate change

- Good investment for more engagement in our community regarding climate change
- Acting fairly to both the popular and unpopular opinions

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo Climate Action Hub Society for a Community Program Development Grant in the amount of \$3,000 to assist in funding the Community Climate Circles program. The motion carried.

Opposed: *Councillors Thorpe and Turley*

(e) Cancellation of Beban Ductless Split Heat Pumps

Art Groot, Director, Facility and Parks Operations, informed the Committee of the cancellation of the ductless split heat pumps at the Beban Social Centre.

(f) Nanaimo Operations Center - Phase 2 Environmental Assessment

Introduced by Bill Sims, General Manager, Engineering and Public Works.

- Public Works facilities are in need of upgrades and renewals
- Potential contamination of some areas of the Public Works site have been identified which is not uncommon in an industrial setting
- To gain assurance of the extent of the contamination, Staff are recommending a Stage 2 environmental site investigation to provide clarity for accurate budgeting of any potential project at Public Works

Committee discussion took place. Highlights included:

- Partnering opportunities with other organizations that require similar operations and infrastructure, such as School District 68
- Potential partnership with the Regional District of Nanaimo (RDN)

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the budget for the Public Works Facility: Conceptual Design by \$100,000 to undertake a Stage 2 environmental site investigation funded from Payments in Lieu of Taxes. The motion carried unanimously.

The Finance and Audit Committee recessed at 10:23 a.m.

The Finance and Audit Committee reconvened at 10:38 a.m.

(g) Ending the B.C. Climate Action Revenue Incentive Program (CARIP)

Introduced by Bill Sims, General Manager, Engineering and Public Works.

- The province is removing the CARIP funding stream
- The Union of BC Municipalities (UBCM) is lobbying the province to provide a sustainable source of funding to invest in climate action
- Requesting that Council write to the province regarding the implications of the program's end

Committee discussion took place. Highlights included:

- Disagreement with the province's decision to end the program without much consultation with municipalities
- Eliminating the requirement for municipalities to report their emissions removes a detailed data base

It was moved and seconded that the Finance and Audit Committee recommend that Council send a letter to Premier John Horgan, the Minister of Municipal Affairs, the Minister of Environment and Climate Change Strategy, and the Union of B.C. Municipalities outlining the value of the BC Climate Action Revenue Incentive Program (CARIP) and the implications of the program's end. The motion carried unanimously.

(h) Sustainability and Emission Reduction Reserve Funds

Introduced by Laura Mercer, Director, Finance.

- The Sustainability Reserve Fund and Emission Reduction Reserve Fund are two statutory reserves that support energy/emission reduction
- With the Climate Action Revenue Incentive Program (CARIP) funding ending, the Sustainability Reserve Fund no longer has an annual funding source
- Staff recommended that these two reserves be consolidated into one and set an annual allocation of \$165,000
- This would reduce the amount of Staff time to calculate the budget for those reserves
- Recommended change would result in a 0.1% property tax increase

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

1. Direct Staff to include in the 2022 – 2026 Draft Financial Plan for Council consideration a new funding strategy for the Emission Reduction Reserve based on an annual allocation of \$165,000.
2. Direct Staff to transfer the balance in the Sustainability Reserve Fund to the Emission Reduction Reserve Fund and return to Council with an updated Emission Reduction Reserve Fund Bylaw that includes supporting both energy and emission reduction projects and initiatives.

The motion carried unanimously.

5. ADJOURNMENT:

It was moved and seconded at 10:50 a.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER