

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2021-OCT-20 AT 9:00 A.M.

Present: Mayor L. Krog, Chair
Councillor S. D. Armstrong (joined electronically)
Councillor D. Bonner (joined electronically)
Councillor T. Brown
Councillor B. Geselbracht (joined electronically 9:19 a.m.)
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
J. Le Masurier, Deputy Fire Chief
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
D. Bailey, Manager, Accounting Services
W. Fulla, Manager, Business, Asset and Financial Planning
J. McAskill, Manager, Facility Asset Planning
S. Gurrie, Director, Legislative Services
K. Gerard, 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, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2021-SEP-22, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. DELEGATIONS

- (a) John Davis, Mark Chase, Michele Ney and Dave Eaton re: Request for Field House as part of the Beban Park 10 Year Plan

John Davis, Mark Chase, Michele Ney and Dave Eaton, provided the Finance and Audit Committee (the Committee) with presentation regarding the addition of a field house in the Beban Park 10 Year Plan. Highlights included:

- Requesting an indoor field house be included in the Beban Park 10-year master plan that would include courts for pickle ball, tennis and badminton
- Beban is a good location because there is ample parking, centrally located, on a major bus route and has many nearby services
- Proposed structure would be 40,000 square feet with designated areas for each sport
- Pickle ball, badminton and tennis are growing sports in Nanaimo and an indoor surface is needed to ensure there is enough space for community members to play year round
- Benefits include increase in physical activity, onsite businesses such as a coffee/refreshment shop and/or equipment store, and potential for more full and part time employment
- Registration, pre-COVID-19, was approximately 1000 members but dropped during COVID-19 to just over 800; however, registration is increasing
- Funding has been set aside for the development of youth programs and awareness campaigns to increase youth participation and plan on working with School District #68 to assist with these initiatives

Committee discussion took place. Highlights included:

- The Beban Park Master Plan
- Infrastructure needs and proposals directed to the infrastructure sub-committee of the Mayor's Leaders' Table
- Cost of building and surfaces needed to play these sports

Councillor Geselbracht joined electronically at 9:19 a.m.

- (b) Shawn Owen and Rick Bevis, Mariners Volleyball Club re: Beach Volleyball Court Expansion at Bowen Park

Shawn Owen and Rick Bevis, Mariners Volleyball Club, provided the Committee with a presentation regarding the expansion of the beach volleyball court at Bowen Park. Highlights included:

- Volleyball is the second most played sport in the world with the largest membership being female
- Limited amount of beach volleyball space is deterring new memberships and forcing players and groups to go to Parksville where there are 30 courts available; in comparison, Nanaimo has 4 courts and only 3 can be rented out at a time

- The Mariners Volleyball Club (the Club) is interested in partnering with the City of Nanaimo (the City) to increase the amount of courts at the current facility, improve safety, fencing, and make the courts more accessible for spectators
- The Club has not been successful in finding a new suitable space that can accommodate more courts and improve safety
- The Club is willing to assist with funding and maintenance
- The courts are used by the Nanaimo District Secondary School Volleyball Academy which has approximately 100 athletes
- Registration is high and with more courts the Club could expand

Committee discussion took place. Highlights included:

- Location and cost of building a new facility and/or improving the existing one
- Addition of three more courts and the number of courts in Parksville

Committee discussion continued. Highlights included:

- Feasibility of adding the field and/or expansion of volleyball courts
- Creating a process for user groups to put forth proposals of this nature to the infrastructure sub-committee of the Mayor's Leaders' Table

Richard Harding, General Manager, Parks, Recreation and Culture, advised the Committee that the costs to increase the amount of courts would be approximately \$100,000. The Parks, Recreation and Culture Master Plan will be updated through the REIMAGINE Nanaimo process and the Beban Park Master Plan does outline new uses and development for areas of Beban Park.

5. REPORTS:

(a) Fossil Fuel Divestment and Responsible Investing

Laura Mercer, Director, Finance, provided the Committee with a verbal presentation regarding divestment and responsible investing. Highlights included:

- Staff looked at other municipalities in BC for best practices and the financial impact on the City if current investments were modified
- Municipalities are limited on types of investments and currently the City does not have any direct exposure to fossil fuel investments
- When the City goes to market Staff look at three things:
 1. Safety of investments (Triple A or Double A rating)
 2. Liquidity and cash flow needs
 3. Diversification in investments
- Socially responsible investment (SRI) has been incorporated into some BC municipalities investment policy but not all
- Staff requested that brokers for the City incorporate fossil fuel free investing and none of the thirty brokers contacted could offer this as an option
- Scotia Bank, which is the City's bank, has one investment option that is considered to be fossil fuel free and green or sustainable bank bonds are an option but are in low supply and offer a lower rate of return than conventional bonds

- Shortfall in annual interest of current investments compared to investing in fossil fuel free investments which would need to be made up through taxes or rate increases
- Responsible investing versus increase or decrease in property taxes and the effects on residents
- Option one in the Staff reports provides the City a way to achieve the goal of responsible investing over time while maintaining a lower tax rate

Committee discussion took place. Highlights included:

- Responsibility to tax payers to avoid property tax increases based on investing and option one allows responsible investing without putting current investments at risk
- Importing and exporting of goods and services to and from countries that are not socially responsible
- Local, Provincial and Federal emission reductions goals
- Taking a leadership role in fossil fuel free investing and creating the demand for these types of investments
- The City's investments in bonds and Guaranteed Investment Certificates (GICs)
- Investing annual tax return in local programs and services within the City
- Option two versus option three in the Staff report and the message that it sends to the community regarding the City's stance on climate change
- Option three could involve an approximate 1% property tax increase which would negatively effect residents
- Using a phased approach to socially responsible investing with a review every couple of years

It was moved and seconded that the Finance and Audit Committee recommend that Council update the current Investment Policy to include the following:

"Where possible, socially responsible investing (SRI) and green investing criteria will be applied to the selection of investments. The City's investment program will consider SRI products that adhere to statutory requirements and meet the objectives laid out in this policy. Organizations that adopt a socially responsible investment platform are preferred. Where SRI and green investments are within 5% of maximum available yields, SRI or green facilities will be exercised."

The motion carried.

Opposed: *Councillors Bonner, Brown, Geselbracht, and Hemmens*

Councillor Geselbracht moved that the Finance and Audit Committee recommend that Council update the current investment policy to include 10% of the City's portfolio be in socially responsible investments.

Councillor Armstrong called a Point of Order as this motion was an opposing motion to the motion that had just passed.

Mayor Krog ruled on the Point of Order that the motion was out of order.

Councillor Geselbracht challenged the ruling of the Chair.

Mayor Krog called the question “Shall the Chair shall be sustained?”

Opposed: *Councillor Geselbracht*

The Chair was sustained.

The Finance and Audit Committee recessed at 10:32 a.m.

The Finance and Audit Committee reconvened at 10:47 a.m.

(b) Electric Vehicle Charging Station Participation Agreement

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

Poul Rosen, Director, Engineering, spoke regarding the participation agreement. Highlights included:

- In early 2019 a motion was made to move forward with the participation agreement with the Regional District of Nanaimo (RDN) in the Mid-Island Electric Vehicle Network Project
- The CleanBC Communities Fund Application is now proceeding and Staff can engage with the RDN in the participation agreement and allocate funding for the program

Committee discussion took place regarding funding and extra costs for the charging stations, collaborating with the RDN and a fee for service model.

Poul Rosen, Director, Engineering, advised the Committee that with grant and the partnership with the RDN, the City will be installing five new charging stations for the cost of two and the funding will come from a contingency fund that has money set aside for small scale projects

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

1. Execute the attached Participation Agreement, dated June 23rd, 2021, to enter into contract with Community Energy Association to participate in the Mid-Island Electric Vehicle Charging Station Network;
2. Add a project to 2021 of the 2021-2025 Financial Plan, for the installation of four public, electric vehicle charging stations at City-owned sites within the community. These would be funded by a grant and a reallocation of existing resources; and
3. Collaborate with Regional District of Nanaimo staff to select specific locations within the area that optimize coverage.

The motion carried unanimously.

(c) Community Program Development Grant – Nanaimo Science and Sustainability Society

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

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Nanaimo Science and Sustainability Society (NS3) for a Community Program Development Grant in the amount of \$1,000 to assist in funding The Great Pumpkin Toss event for children and families. The motion carried unanimously.

(d) Serauxmen Stadium Project Update

Richard Harding, General Manager, Parks, Recreation and Culture, provided the Committee with an update regarding the Serauxmen Stadium project and the Staff report was intended to inform the Committee of unforeseen costs that have been identified.

6. ADJOURNMENT:

It was moved and seconded at 10:57 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER