

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2021-SEP-22, 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
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. W. Thorpe

Absent: Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer
R. Harding, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services
B. Sims, General Manager, Engineering and Public Works
J. Elliot, Director, Public Works
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
L. Wark, Director, Recreation and Culture
D. Bailey, Manager, Accounting Services
L. Clarkson, Manager, Recreation Services
W. Fulla, Manager, Business, Asset and Financial Planning
S. Gurrie, Director, Legislative Services
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-JUL-21 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. PRESENTATION:

(a) 2022 - 2026 Financial Plan Timeline

Laura Mercer, Director, Finance, provided an overview of the 2022 - 2026 Financial Plan timeline and upcoming Finance and Audit Committee Meetings. Highlights included:

- 2021-OCT-29 and 2021-NOV-03 meetings will include department business plan presentations
- 2021-NOV-05 meeting includes highlights of operating and capital projects both included and not included in 2022 – 2026 Draft Financial Plan
- 2021-NOV-10 meeting includes a recap of projected tax and user fee increases as well as budget drivers
- E-Town Hall meeting on 2021-NOV-15
- 2021-NOV-19 meeting includes a second budget recap
- 2021-DEC-06 meeting includes first three readings for the 2022 – 2026 Financial Plan Bylaw and the 2022 Water, Sewer & Garbage Bylaws
- 2021-DEC-20 meeting includes adoption of the bylaws

5. REPORTS:

(a) Nanaimo Operations Center - Business Case

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

Presentation:

1. Poul Rosen, Director, Engineering, provided a PowerPoint presentation. Highlights included:
 - September 2020 Council allocated funding for the development of an architectural concept and cost estimate for the Public Works facility
 - Project website includes links to various documents for more in depth information
 - Issues and concerns with the existing Public Works facility include:
 - Condition of the original building constructed in the 1960's
 - Resiliency and emergency preparedness and the requirement of an operational facility in the event of a post disaster scenario
 - Capacity and operational efficiency with the increase in population
 - Exceeding Staff capacity and lack of office space

Committee discussion took place regarding whether an emergency contingency plan was currently in place for the Public Works facility in the event of a disaster in the near future.

Poul Rosen, Director, Engineering, continued his presentation. Highlights included:

- Issues and concerns with the existing Public Works facility (continued):
 - Control and security deficiency
 - Stair only access limits accessibility in some locations
 - Relocating the first aid room to a trailer to accommodate a women's change room
 - Lack of energy efficiency of the current building
 - Adaption to fleet electrification and charging capacity
- Provided an overview of the alternative options that were considered
- Project will need to be completed in four phases to allow operations to continue
- Provided renderings of the Nanaimo Operations Centre and noted the simplicity in design

Committee discussion took place. Highlights included:

- Noted the flat roof of the facility and potential opportunity to install a green roof
- The use of the land if the fire training tower is relocated

Poul Rosen, Director, Engineering, noted the operational benefit to the Fire Department to have the fire training tower in it's current location.

Committee discussion took place regarding the consideration for pre-engineered industrial structures.

Poul Rosen, Director, Engineering, advised that pre-engineered facilities do not tend to be very durable, provide less insulation and have a lesser projected lifespan. The durability of the facility is important for use as a post disaster structure; however, the storage facility might be able to be considered as a pre-engineered facility.

Art Groot, Director, Facilities and Parks Operations, continued the presentation and spoke regarding the current issues and plans for improvement for Parks Operations at the 89/91 Prideaux Street and 1151 Nanaimo Lakes Road locations.

Poul Rosen, Director, Engineering, continued the presentation. Highlights included:

- Overview of the timeline of the project's four phases
- Cost estimate and accounting for inflation due to the long duration of the project
- Returning to Council with options for funding

Committee discussion took place. Highlights included:

- BC Housing temporary housing next to the site
- Taking advantage of community and infrastructure grants

- Consideration for the potential opportunity to sell the Prideaux Street site and consolidate operations at the Labieux site

Bill Sims, General Manager, Engineering and Public Works, acknowledged that selling the Prideaux Street property is an option; however, the Prideaux Street site is a valuable resource in Parks Operations due to its location in the downtown.

Committee discussion continued regarding the limited available options regarding this project.

Jake Rudolph, Chief Administrative Officer, spoke regarding the Police facility undergoing a similar review process, upcoming projects and the City's current debt.

Committee discussion continued. Highlights included:

- Eligibility for federal grants
- Contingency measures to avoid the project going over budget
- The approval process for an operational building versus a community amenity
- Grant success rate based on a larger dollar project compared to a smaller project

(b) Community Program Development Grant – Salish Storm Hockey

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

Lynn Wark, Director, Recreation and Culture, informed the Committee that the Salish Storm Hockey Association submitted an application for a Community Program Development Grant:

- The association supports successful introduction into sport, promotes health benefits, and removes barriers such as financial and transportation barriers
- The application meets criteria for funding
- The organization submitted an application last year; however, due to COVID-19, they were unable to run the program

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the request from the Salish Storm Hockey Association for a Community Program Development Grant in the amount of \$4,500 to assist in funding the Storm the Ice program. The motion carried unanimously.

(c) Canada Community Revitalization Fund

Laura Mercer, Director, Finance, informed the Committee that the City has submitted a grant application for Maffeo Sutton Park Playground Phase 2 to the Canada Community Revitalization Fund, and expect to hear funding announcement this fall.

Committee discussion took place regarding the project design currently being incomplete.

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

Laura Mercer, Director, Finance, provided the Committee with a summary of the Quarterly Purchasing Report for the second quarter.

- (e) Council Expenses for the Six Months Ending 2021-JUN-30

Laura Mercer, Director, Finance, provided the Committee with a summary of Council expenses for the second quarter.

- (f) Operating Results for the Six Months Ending 2021-JUN-30

Laura Mercer, Director, Finance, provided the Committee with a summary of the operating results for the second quarter.

- (g) Project Results for the Six Months Ending 2021-JUN-30

Laura Mercer, Director, Finance, provided the Committee with a summary of the project results for the second quarter.

Committee discussion took place regarding project delays.

6. OTHER BUSINESS:

Councillor Bonner spoke regarding potential opportunity for online community engagement on the 2022 - 2026 Draft Financial Plan through the Bang the Table platform.

7. QUESTION PERIOD:

There was no one in attendance to ask questions.

8. ADJOURNMENT:

It was moved and seconded at 10:27 a.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER