

MINUTES
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2021-NOV-03, AT 9:00 A.M.

Present: Mayor L. Krog
Councillor S. D. Armstrong (joined electronically)
Councillor D. Bonner (joined electronically)
Councillor B. Geselbracht (joined electronically 9:02 a.m.)
Councillor E. Hemmens
Councillor Z. Maartman
Councillor I. W. Thorpe (arrived 10:35 a.m.)
Councillor J. Turley

Absent: Councillor T. Brown

Staff: J. Rudolph, Chief Administrative Officer
A. Groot, A/General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services
B. Sims, General Manager, Engineering and Public Works
J. Van Horne, Director, Human Resources
Supt. L. Fletcher, Nanaimo Detachment RCMP
T. Doyle, Fire Chief
B. Corsan, Director, Community Development
J. Elliot, Director, Public Works
J. Holm, Director, Development Approvals
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
L. Wark, Director, Recreation Services
T. Daliran, Manager, Sanitation, Recycling and Cemeteries
C. Davis, Manager, Parks Operations
M. Demecha, Manager, Civic Facilities
D. Fournier, Manager, Municipal Infrastructure
W. Fulla, Manager, Business, Asset and Financial Planning
K. Gonzales, Manager, Aquatics
J. McAskill, Manager, Facility Asset Planning
B. Miller, Manager, Fleet Operations
D. Myles, Manager, Utilities
J. Rose, Manager, Transportation
P. Stewart, Manager, Engineering Projects
K. Robertson, Deputy City Clerk
K. Gerard, Recording Secretary

1. CALL THE SPECIAL FINANCE AND AUDIT COMMITTEE MEETING TO ORDER:

The Special 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. PRESENTATIONS:

(a) Introduction

Jake Rudolph, Chief Administrative Officer, introduced the Special Finance and Audit Committee Meeting.

(b) Departmental Business Plan Presentations

1. Development Services

Introduced by Dale Lindsay, General Manager, Development Services.

- Development Services consists of Community Development and Development Approvals and accounts for 7.6% of the City operating budget

Presentations:

1. Bill Corsan, Director, Community Development, provided a PowerPoint presentation. Highlights included:

- Community Development consists of numerous inter-related departments including Real Estate, Sustainability, Permit Centre and Business Licensing, Economic Development, Bylaw Services and Parking and Community Planning
- Staff are in the process of creating the sustainability section and recruiting a Sustainability Manager

Committee discussion took place regarding the Community Development portion of the budget in comparison to other municipalities.

Jake Rudolph, Chief Administrative Officer, advised the Committee that in comparison to other like-size municipalities, the City of Nanaimo (the City) is average for budget amount and ranges based on how many sub departments are included under Development Services.

Bill Corsan, Director, Community Development, continued the presentation. Highlights included:

- Provided a review of 2021 achievements including major undertakings such as the REIMAGINE Nanaimo public engagement process, Downtown Security Action Plan and the BC Housing Memorandum of Understanding (MOU)

- Slides not contained in the PowerPoint include land acquisitions, such as the Jeans Burns property and the update of the Business Licence Bylaw and Short Term Rentals Bylaw
- Reviewed the 2022 Considerations and Opportunities
- There are numerous large projects planned for 2022 including the Sandstone Master Plan and the Green Thumb Nursery property
- Reviewed the 2022 key initiatives
- Business case not included in the draft budget is for a Development Service Clerk

2. Jeremy Holm, Director, Development Approvals, provided a PowerPoint presentation. Highlights included:

- Review of department which includes Subdivision, Current Planning, Building Inspections and Engineering, and Environment
- Development Approvals makes up 2.7% of the City's operating budget
- Reviewed the 2021 Achievements
- Projections for 2021 include \$319 million in construction value
- Approximately 1400 units approved through development permits in 2021
- At this time 55% of development is purpose built rentals and there is a high demand for additional rental units

Committee discussion took place regarding the total cost of construction at the time of permitting, accuracy compared to the actual cost of construction and the City's method for assessing construction value.

Jeremy Holm, Director, Development Approvals, advised the Committee that the City uses an industry standard, used by other municipalities, to assess construction value.

Jeremy Holm, Director, Development Approvals continued the presentation. Highlights included:

- Building permit function review will be coming forward to Council in December which will include an update on the fast track permit process currently being developed

Committee discussion took place regarding development and industry feedback regarding the fast track building permit initiative.

Jeremy Holm, Director, Development Approvals advised the Committee that feedback for the fast track process has been positive and Staff are continuing to work with industry professionals.

Jeremy Holm, Director, Development Approvals, continued his presentation. Highlights included:

- Community Amenity Contribution Policy is being updated and industry consultants have provided feedback on the draft policy
- BC Energy Step Code Implementation will be coming forward in January of 2022
- Reviewed the 2022 Considerations and Opportunities
- Business case not included in the draft financial plan is for a Planner in Current Planning

Committee discussion took place regarding the Tree Management and Protection bylaw update.

The Special Finance and Audit Committee recessed at 10:05 a.m.
The Special Finance and Audit Committee reconvened at 10:22 a.m.

2. Parks, Recreation and Culture

Introduced by Art Groot, A/General Manager, Parks, Recreation and Culture.

Presentations:

1. Lynn Wark, Director, Recreation Services, provided a PowerPoint presentation. Highlights included:
 - Recreation and Culture consists of Aquatics, Culture and Events, Arenas and Recreation; it accounts for 11.2% of the City's operating budget
 - Reviewed the 2021 Achievements in Aquatics, Arenas, Community Recreation, Business Services, Culture and Events
 - As of 2021-OCT-25 the new Ministerial Order from the Province was announced which means facilities are able to allow for full capacity but proof of vaccination is required to enter all indoor Parks and Recreation facilities
 - The first National Day for Truth and Reconciliation occurred 2021-SEP-30 and approximately 3000 people attended
 - Reviewed the 2022 Considerations and Opportunities
 - The REIMAGINE Nanaimo process has allowed for feedback on the programs and services offered to families and Staff have begun working on new services for 2022 based on this feedback

Councillor Thorpe entered the Shaw Auditorium at 10:35 a.m.

Committee discussion took place regarding growing trends in the community for new services and programs.

Lynn Wark, Director, Recreation Services, advised the Committee that the community is looking for more outdoor activities, more waterfront activities,

parallel programming where children and adults can take part in activities at the same time, additional social gathering space and more neighbourhood facilities.

Lynn Wark, Director, Recreation Services, continued the presentation. Highlights included:

- The Leaders in Training celebrates 40 years in 2022
- Proposed changes include:
 - \$25,000 annual operating budget added for maintenance of existing public art
 - \$25,000 annual increase to Public Art project to fund additional opportunities
 - \$50,000 increase to Nanaimo Art Gallery's annual operating grant
- The business case not included in the draft budget is the Aquatics Development Plan (ADP) which would support adequate supervision and leadership for Aquatics
- Aggressive recruitment of Staff would need to occur with ongoing training offered for those existing employees and new staff if the ADP is implemented
- Working with the School District #68 to offer a four credit program for high school students who would like to become lifeguards

Committee discussion took place regarding

- Determination of the ratio of lifeguards to users
- Business cases included in the draft budget versus the business case not included in the draft budget
- Potential for reduced services due to low staffing
- Increasing user fees to provide for additional staffing
- Lifesaving training and program decreased or stopped due to COVID-19

Kathy Gonzales, Manager, Aquatics, advised the committee that the *Health Act* designates a certain number of lifeguards to user and the Life Saving Society sets a standard of supervision, which can be adjusted, based on the types of activities occurring.

Lynn Wark, Director, Recreation Services, advised the Committee that:

- Staff have worked on an alternate plan but this plan would equate to a decrease in service levels as the current staffing levels are not sustainable
- Small increase in user fees will be coming forward to Council as part of the user fee review in 2022
- Registration for lifeguard training program has increased however; training was put on hold for a significant amount of time during COVID-19

2. Art Groot, Director, Facility and Parks Operations, provided a PowerPoint presentation. Highlights included:

- Parks Operations consists of Recreation Facilities and Custodial Services, Facilities and Parks Operations and Civic Facilities and accounts for 5.5% of the city operating budget
- Reviewed the 2021 achievements and 2022 Considerations and Opportunities

Committee discussion took place. Highlights included:

- Track repairs and the remediation work to ensure that the tree root system will not damage the Rotary Bowl track in the future

Art Groot, Director, Facility and Parks Operations, advised the Committee that long-term root remediation has been completed on the Rotary Bowl track.

Art Groot, Director, Facility and Parks Operations, continued the presentation. Highlights included:

- Reviewed the 2022 key initiatives
- Business cases not currently in the draft plan include:
 - A Parks, Trails and Natural Areas Supervisor
 - Parks Maintenance Worker – Playgrounds

The Special Finance and Audit Committee Meeting recessed at 11:35 a.m.

The Special Finance and Audit Committee Meeting reconvened at 12:30 p.m.

3. Engineering and Public Works

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

- Engineering and Public Works account for 16 % of the overall budget

1. Poul Rosen, Director, Engineering, provided a PowerPoint presentation. Highlights included:

- The Engineering department includes Transportation, Facilities Asset Management, Municipal Infrastructure and Capital Projects and accounts for 3.0% of the overall City budget
- Reviewed notable achievements in 2021 for the Transportation and Capital Projects
- Metral Drive Complete Street won the 2021 Institute of Transportation and Engineering Award
- 63 major capital projects, with a value of \$57 million, were completed or started in 2021
- Reviewed the 2022 Considerations and Opportunities

Committee discussion took place regarding request for proposals and the Sustainable Procurement Policy.

Poul Rosen, Director, Engineering, advised the Committee that negotiated request for proposals are one factor in the Sustainable Procurement Policy and Staff are working with the Purchasing Department to develop a tool to procure services.

Bill Sims, General Manager, Engineering and Public Works, advised the Committee that sustainable elements are built into the Request for Proposals process and are part of the selection criteria.

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

- Reviewed the notable achievements in Facility Asset Management with a note that Staff are looking at ways to reduce green house gas emissions (GHG) in City facilities

Committee discussion took place regarding GHG's, types of permits issued in 2021 and the implementation of a traffic signal technician position.

Poul Rosen, Director, Engineering, and Jen McAskill, Manager, Facility Asset Planning, advised the Committee that:

- The Nanaimo Aquatic Centre (NAC) is the largest contributor of GHG emissions at 1000 tons per year and Staff are looking at ways to reduce emissions from this facility
 - Permits issued in 2021 include oversize truck permits and utility company permits
 - The position of Traffic Signal Technician has been filled and is already making a positive impact on the City's ability to understand and improve traffic signals
2. John Elliot, Director, Public Works, provided a PowerPoint presentation. Highlights included:
- Public Works accounts for 13.0% of the City's budget in a number of areas such as Water Resources, Utilities, Roads and Traffic, Sanitation and Fleet
 - Engineering and Public Works Staff work closely together to plan, design, build, operate and maintain services and infrastructure
 - Reviewed notable achievements in 2021 and 2022 Considerations and Opportunities in administration, roads and traffic

Committee discussion took place regarding factors in road deterioration and the ways Staff can be proactive in road repair to save time and cost.

John Elliot, Director, Public Works, advised the Committee that Staff are addressing road issues as soon as possible to reduce cost and it has been identified that more funding needs to go towards road repair to prevent major issues from occurring.

John Elliot, Director, Public Works, continued the presentation. Highlights included:

- Reviewed the 2022 key initiatives in Roads and Traffic
- Reviewed the 2021 notable achievements in water supply and distribution

Committee discussion took place regarding water reduction.

John Elliot, Director, Public Works, advised the Committee that Staff work closely with the Regional District of Nanaimo (RDN) to educate residents on water reduction and use tools such as the toilet rebate program. He stated that the City needs to ensure we are promoting water reduction while ensuring there is enough funding to operate and maintain the system.

John Elliot, Director, Public Works, continued the presentation. Highlights included:

- Reviewed the 2022 Considerations and Opportunities in water supply and distribution
- Reviewed the 2022 initiatives for water supply and distribution
- Reviewed the notable achievements for sanitary sewer
- Reviewed the 2022 Considerations and Opportunities and 2022 initiatives for sanitary sewer
- Ensuring that end of life infrastructure is consistently included in the 5 year project plans
- Reviewed the 2021 notable achievements for rainwater (drainage) including catch basins and inspecting the condition of 10.1km of pipe
- Staff are addressing high water level events, now and in the future, due to climate change
- Reviewed the notable achievements in fleet including using social procurement when purchasing fleet vehicles
- Reviewed 2022 considerations, opportunities and key initiatives including the Green Fleet Strategy
- Reviewed 2021 notable achievements in solid waste management
- Reviewed 2022 considerations, opportunities and key initiatives in solid waste management
- The City has seen a 56% increase in solid waste over the past two years
- Automation in garbage collections has resulted in zero Workers Compensation Board claims this year
- Conducting and researching ways to educate residents on solid waste reduction as the current level is unsustainable
- Business case not included in the draft budget includes a Community Clean Team

Committee discussion took place. Highlights included:

- Existing sewer and water infrastructure and the increase in new development
- RCMP bike patrol and the Clean Team
- Incentives to encourage residents to recycle more
- Storm water utility review
- The natural asset management inventory

John Elliot, Director, Public Works, advised that Committee that:

- Sewer and water infrastructure is monitored by the Engineering Department and is reviewed each time a new development permit is applied for
- The new Zero Waste Coordinator will be working on programming to educate the community which will be coming to Council in the near future
- A consultant is currently reviewing the storm water utilities and researching at best practices

Poul Rosen, Director, Engineering, advised the Committee that:

- The storm water utility review is in the early stages but an update will be brought forward to Council by the end of 2021
- Natural asset management program and inventory is budgeted for 2023

Laura Mercer, Director Finance, provided the Committee with a brief update regarding the structure of the 2021-NOV-05 and 2021-NOV-10 Special Finance and Audit Committee meetings.

4. QUESTION PERIOD:

There was no one in attendance to ask questions.

5. ADJOURNMENT:

It was moved and seconded at 1:48 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

DEPUTY COPORATE OFFICER