

**MINUTES**  
SPECIAL FINANCE AND AUDIT COMMITTEE MEETING  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,  
80 COMMERCIAL STREET, NANAIMO, BC  
THURSDAY, 2022-NOV-24, AT 9:00 A.M.

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Present: Mayor L. Krog, Chair  
Councillor S. Armstrong (joined electronically, disconnected at 9:30 a.m.)  
Councillor H. Eastmure  
Councillor B. Geselbracht (joined electronically at 10:57 a.m.; entered the Shaw Auditorium at 2:55 p.m.)  
Councillor E. Hemmens  
Councillor P. Manly  
Councillor J. Perrino  
Councillor I. Thorpe

Absent: Councillor T. Brown

Staff: J. Rudolph, Chief Administrative Officer  
D. Lindsay, General Manager, Development Services/Deputy Chief Administrative Officer  
R. Harding, General Manager, Parks, Recreation and Culture  
B. Sims, General Manager, Engineering and Public Works  
J. Van Horne, Director, Human Resources  
T. Doyle, Fire Chief  
J. LeMasurier, Deputy Fire Chief - Administration  
L. Bhopalsingh, Director, Community Development  
J. Elliot, Director, Public Works  
A. Groot, Director, Facilities and Parks Operations  
J. Holm, Director, Development Approvals  
L. Mercer, Director, Finance  
D. Osborne, Director, Recreation & Culture  
P. Rosen, Director, Engineering  
W. Fulla, Deputy Director, Finance  
A. Breen, Manager, Culture & Special Events  
L. Brinkman, Manager, Community Planning  
L. Clarkson, Manager, Recreation Services  
T. Daliran, Manager Sanitation, Recycling & Cemeteries  
C. Davis, Manager, Parks Operations  
D. Fournier, Manager, Municipal Infrastructure  
D. Fox, Manager, Building Inspections  
K. Gonzales, Manager, Aquatics  
D. Laberge, Manager, Bylaw Services  
J. McAskill, Manager, Facility Asset Planning  
B. Miller, Manager, Fleet Operations  
D. Mousseau, Manager, Development Engineering & Environmental Protection  
C. Negrin, Manager, Subdivision/Deputy Appr. Officer  
T. Pan, Manager, Sustainability (joined electronically)  
J. Rose, Manager, Transportation  
L. Rowett, Manager, Current Planning (joined electronically)  
M. Squire, Manager, Water Resources

D. Thompson, Manager, Roads & Traffic Services  
G. Bell, A/Manager, Arenas  
D. Johnston, A/Manager, Recreation Services  
B. Thomas, Assistant Manager, Transportation  
V. Bowering, Executive Assistant, CAO's Office  
J. Farrell, Administrative Coordinator  
A. Fipke, Project Engineer  
C. Lang, Project Engineer  
K. Robertson, Deputy City Clerk, Legislative Services (joined electronically)  
N. Sponaugle, Legislative Communications Clerk  
K. Lundgren, 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. INTRODUCTION OF LATE ITEMS:

- (a) Agenda Item 4(a) 2023 Department Business Plan Presentations – Add Development Services Business Plan.

3. APPROVAL OF THE AGENDA:

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

4. PRESENTATIONS:

(a) 2023 Department Business Plan Presentations

1. Development Services

Introduced by Dale Lindsay, General Manager, Development Services/ Deputy CAO.

- The Development Services Department includes Community Development; Bylaw, Community Safety & Parking; and Development Approvals
- Division's share of City Budget includes:
  - 2.9% Bylaw, Community Safety & Parking;
  - 1.2% Community Development; and,
  - 3.1% Development Approvals

Dave Laberge, Manager, Bylaw, continued the presentation and provided an overview of the Bylaw, Community Safety and Parking section. Highlights included:

- The Community Safety Officers (CSO) work primarily downtown and reduce the demand on police services
- Focus is on working with community to bring awareness of infractions and how they can be remedied
- Key achievements in 2022 include:
  - Development of the Downtown Nanaimo Community Safety Action Plan
  - Securing funding to undertake an evaluation of the City's downtown parkade facilities
  - Service agreement with Nanaimo Animal Control Services
  - Implementation of recommendations from the 2020 Animal Control Service Review Report
- Considerations and opportunities for 2023 include downtown security improvements including progression of the Community Safety Team and addressing social disorder and vulnerable population

Committee and Staff discussion took place. Highlights included:

- Bylaw enforcement is complaint driven
- Bylaw philosophy is not based on generating revenue, but rather have compliance to the rules
- The department makes every effort to bring about compliance before an issue is brought to Council
- Bylaw officers have a difficult job in light of the homeless crisis and addiction issues in the population
- The CSO team has responded to 597 calls since its inception August 2022
- CSO patrols are primarily done on foot and they work in teams of two or three
- CSO clean ups can be very significant and labour intensive

Lisa Bhopalsingh, Director, Community Development, continued the presentation and spoke regarding the Community Development Department. Highlights included:

- Community Development includes Community Planning and Sustainability
- 2022 achievements for Community Planning include:
  - The City Plan – Nanaimo Reimagined
  - Heath and Housing (Implementation of BC Housing Memorandum of Understanding, initiated Housing Research, Short-Term Rental Bylaw adoption and integrated health and housing into the City Plan )
  - Newcomers welcome reception to be held on 2023-NOV-11
  - Working with Snuneymuxw First Nation and integrating reconciliation throughout the City Plan
  - Many sustainability projects which will continue into 2023

- Key initiatives for 2023 include:
  - An integrated action plan, Te'tuxwtun concept plan, Park Avenue park land, and a Neighbourhood Associations' Supports policy
  - Health and housing affordable housing strategy projects will be coming to Council early 2023

Committee and Staff discussion took place regarding working with Snuneymuxw First Nation to update the signage in areas where the language is no longer appropriate.

Jeremy Holm, Director, Development Approvals, continued the presentation and presented the Development Approvals 2023 Business Plan. Highlights included:

- Development approvals includes Building Inspections, Current Planning, Engineering & Environmental Protection, Permit Centre and Business Licensing and Subdivision
- 2022 achievements include:
  - To date in 2022, there has been over \$372 million in construction and building permits issued
  - Short-term rental regulations implementation
  - Zoning bylaw amendments to support policies and objectives of the City Plan
  - Building permit function review implementation

Councillor Armstrong disconnected from the meeting at 9:30 a.m.

Committee and Staff discussion took place regarding the Fast Track Building Permit Program. More details on the program will be discussed at the Council orientation scheduled for 2022-NOV-28.

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

- 2022 achievements for the department include the continuation of the Tree Voucher Program
- 2023 considerations and opportunities include:
  - Retaining qualified staff
  - Building permit function review implementation
  - Participation in the Provincial Development Approvals Process Review Case Study
  - Modernizing software to improve customer interface and increase efficiency related to permitting and approvals
- 2023 key initiatives include the City Plan policy implementation, Tree Management and Protection Bylaw update, a comprehensive Soils Bylaw, Development Approval Procedures Bylaw update, Planning Function Review and Subdivision Control Bylaw update
- Business case not currently in the Draft Plan include:
  - Community Development Clerk – To increase administrative support to the Sustainability and Current Planning Sections

The Finance and Audit Committee Meeting recessed at 10:29 a.m.  
The Finance and Audit Committee Meeting reconvened at 10:46 a.m.

2. Parks, Recreation & Culture

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

- The Parks and Trail brochure lists the City's parks, trails and facilities and is updated annually
- The City's Activity Guide has increased publications from two to four times a year to accommodate the constant changes of COVID-19
- The Parks, Recreation and Culture Department includes Recreation and Culture Services and the Facility and Parks Operations
- COVID-19 resulted in an increased use of parks and trails

Councillor Geselbracht joined electronically at 10:57 a.m.

- Division's share of the City Budget is 10.4% Recreation and Culture, and 5.4% Facility and Parks Operations

Darcie Osborne, Director, Recreation & Culture, continued the presentation and provided an overview of the Recreation and Culture Services 2023 Business Plan. Highlights included:

- Recreation and Culture Services include Aquatics, Arenas, Business Services, Community Recreation and Culture and Events
- Focus is on individual and community wellness through a wide range of diverse programs, services and events
- 2022 achievements include:
  - Adapting to the constantly changing landscape of COVID-19
  - Reintroduced registered programs in early spring
  - Celebrated 40<sup>th</sup> anniversary of Leaders in Training program
  - Return of Swim to Survive program
  - Successful Environmental Stewardship Volunteer Programs and events in the parks
  - Building Safer Communities Program
  - Arenas ONE PLAN – Emergency Response Plan

Richard Harding, General Manager, Parks, Recreation and Culture, continued the presentation and spoke regarding updating the Parks, Recreation and Culture fees and charges.

Committee and Staff discussion took place regarding the Leisure Economic Access Pass (LEAP) program and a sponsorship program to offer free skates and swims to the public.

Richard Harding, General Manager, Parks, Recreation and Culture, continued the presentation and spoke regarding the feasibility study for a south-end community centre.

Darcie Osborne, Director, Recreation & Culture, continued the presentation. Highlights included:

- 2022 achievements include offering numerous programs, large-scale events and active transportation partnership
- 2023 key initiatives include the implementation of Aquatic Growth and Development Plan and completion of Community Special Events Tool Kit
- Business case not currently in the Draft Plan:
  - Recreation and Culture Assistant Coordinators – two part-time positions to increase capacity within the department to enhance the delivery of recreation and culture services by increasing programming capacity

Committee and Staff discussion took place regarding the need for lifeguards and working with the School Board to integrate lifeguard training into the School District curriculum.

Art Groot, Director, Facilities and Parks Operations, continued the presentation and provided an overview of the Facility and Parks Operations 2023 Business Plan. Highlights included:

- Facility and Parks Operations consists of three sections: Civic Facilities, Recreation Facilities & Custodial Services, and Parks Operations
- Parks operations oversees the care and maintenance of all City-owned parkland, natural areas, multi-use trail systems and outdoor activity venues
- Facility operations oversees Civic facilities and recreation facilities & custodial services
- 2022 achievements include:
  - Maffeo Sutton Park Inclusive Playground: Phase II
  - Neck Point Park universal washrooms and amenities
  - Renewal and upgrade to Brechin dock
  - Westwood lake amenity improvements: Phase I
  - Stadium District Improvements (Serauxmen Baseball Stadium and Stadium District Plaza)
  - Implementation of recommendations of the Natural Area Assessment Program at Westwood Lake and Bowen Park
  - Secured multi-year service and supply contracts
  - Installation of accessible beach mat at Departure Bay
  - Port Theatre improvements
  - Vancouver Island Conference Centre equipment replacement
  - Beacon House Community Centre renovation completion
  - Loudon Park Activity Centre

Committee and Staff discussion took place regarding the Loudon Park Activity Centre. Highlights included:

- Loudon Park will receive input from the Design Advisory Panel at its meeting on 2022-NOV-24
- Mitigating the number of trees that will be lost in the area and replanting native tree species

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

- 2022 achievements include the Harewood Centennial Park Artificial Turf Fields
- 2023 key initiatives include:
  - Improving facilities and parks
  - Building strong relationships with external stakeholders
  - Use of the City Plan
  - Review of programs, processes and services
- Business case not currently in the Draft Plan:
  - Project Budget Accounting Clerk – to provide additional resources to effectively and efficiently manage the administration of the department's project workload

The Finance and Audit Committee Meeting recessed at 11:56 a.m.

The Finance and Audit Committee Meeting reconvened at 1:00 p.m.

### 3. Engineering and Public Works

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

- Provided an overview of the Engineering and Public Works Department structure
- Division's share of the City Budget is 15.5% Engineering & Public Works, 2.4% Sanitary Sewer, and 7.2% Waterworks
- Returning to Council in the spring with an asset management update
- Cost uncertainty and inflation over the past several years poses strain on asset management
- Highly trained positions very difficult to fill
- High capacity developments creates strain in sewer capacity

Poul Rosen, Director, Engineering, continued the presentation and presented the Engineering Department's 2023 Business Plan. Highlights included:

- Engineering Department includes: Transportation, Capital Projects, Municipal Infrastructure, and Facilities Asset Management sections
- Engineering Department's share of the City budget is 2.7%
- 2022 achievements include:
  - Administration (over 300 permits processed in 2022, co-op student hired for four months of the year)
  - The Transit Redevelopment Strategy
  - Special Event Bike Valet and Transit Shuttle

- Active School Travel
  - UrbanLogiq Platform – data analysis platform
  - Transportation Impact assessment Guidelines
  - New Pedestrian Prioritization Tool
- Calls for services for transportation issues has increased; combined with a growing expectation for community engagement
- Key initiatives for 2023 include:
  - Development Cost Charge Review
  - Updates to policies and procedures to align with the City Plan
  - Building on programming to encourage car-free travel
- 2022 achievements include:
  - Completed two utility master plans, two drainage studies, and two sanitary studies
  - Update of the City's Manual of Engineering Standards and Specifications (MoESS)
  - Managed Sewer & Storm Flow and Rainfall Monitoring Program
  - Video inspection and condition assessment of 38 km of sewer pipe and 15.4 km of drainage pipe
- Storm water utility development is anticipated to be brought to Council in 2023
- 54 projects, with a value of \$70 million, were completed in 2022
- Implementation of the Negotiated Request for Proposal Document

Committee discussion took place regarding balancing the needs of active transportation and the needs of rapidly increasing number of vehicles and transit buses.

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

- Considerations for 2023 include adapting to the changing construction market conditions
- Asset management update will be coming forward in the spring of 2023
- Key initiatives for 2023 include updating policies for energy and emission reduction and a gap analysis for investment to meet emissions targets
- Business case not currently in the Draft Plan:
  - Project Accountant – To support the project management group in the financial aspects of capital projects and support the infrastructure planning group with the development of the Engineering and Public Works Project Plan

John Elliot, Director, Public Works, continued the presentation and provided an overview of the Public Works Department 2023 Business Plan. Highlights included:

- Public Works Department includes Fleet, Roads and Traffic, Sanitation & Solid Waste, Utilities, and Water Resources
- Public Work Department's share of the City budget is 12.8%
- 2022 achievements include:



- Administration staff providing relief to technical Staff
- Security presence with after-hours emergency contact and response
- Working with Information Technology (IT) Department to support the Corporate Asset Management System (CAMS)
- Injuries in the sanitation section have reduced by over 90% since the summer of 2018

Committee discussion took place regarding the reduction of injury claims with the introduction of the automated garbage trucks.

John Elliot, Director, Public Works, continued the presentation as follows:

- 2023 considerations and opportunities include
  - Disposal cost (tipping fees) continue to increase
  - Illegally dumped waste, needles, and littering problems in the downtown core continue to grow
  - Two permanent community clean teams will increase sanitation capacity in the downtown core and public spaces
- 2023 key initiatives include the Public Space Sanitation Enhancement Study, Recycling Self-Consolidation Study and public waste receptacles
- 2022 achievements include the three City cemeteries, and working with the Finance Department to digitize the records
- Roads and traffic achievements for 2022 include banner programs and holiday lighting
- Continue to look for automated technology to do condition assessment on transportation feature assets
- Overview of 2022 achievements for Sanitary Sewer, Rain Water and Drainage, and Fleet sections
- 2023 key initiatives include catch basin cleaning and inspection
- Business cases not currently in the Draft Plan:
  - EV Ready Fleet Plan Study – Engage with consultant to help the City optimize the transition to electric-powered vehicles
  - Road Safety & Performance Coordinator – To centralize control and oversight of driver safety and approve fleet efficiency by using available data to monitor fleet operations and utilization
  - Sewer Operator in Training – To provide additional resources to ensure a proactive vs reactive approach to the maintenance of sanitary sewer infrastructure which increases with population growth and development
  - Water Operator in Training – To provide additional resources to ensure a proactive vs. reactive approach to the maintenance of water distribution infrastructure which increases with population growth and development

Committee and Staff discussion took place. Highlights included:

- Cardboard has not diminished since it increased during the pandemic

- Reaching out to schools and educating students on reducing the contamination rate
- Have not seen a reduction in waste which could be attributed to more residents living together (young adults moving back home and secondary suites due to increased housing cost)
- The trend in increase waste volume is worrisome and will need to look at some different approaches to reduce the volume

The Finance and Audit Committee Meeting recessed at 2:41 p.m.

The Finance and Audit Committee Meeting reconvened at 2:55 p.m.

Councillor Geselbracht entered the Shaw Auditorium at 2:55 p.m.

(b) Utility Rate Review

Introduced by Laura Mercer, Director, Finance.

- The presentation is a continuation from the 2022-NOV-16 Special Finance and Audit Meeting
- Review of the Utility Rate Structure was to determine if the current rate structures for the water and sanitary sewer utilities effectively and efficiently support user equity, conservation and administrative efficiency
- Rate structures include three key elements: customer classifications, billing frequency, and schedule of charges
- Customer Classifications include Single Family (SF) Residential, Multi-Family (MF) Residential, Non-Residential
- Single Family Residential is the largest group and most homogeneous while Multi Family (MF) Residential can vary widely
- Non Residential include commercial, government, municipal and other properties
- The recommendation is to implement two new customer classifications for multi-family residential (Multi-Family 2 units and Multi-Family 3+ units)
- The new classifications will recognize the difference in service characteristics/demand patterns and enable different charges for new classifications
- Billing frequency includes three billing cycles per year and billing cycles do not align with calendar year or seasons
- Review confirmed that changes to billing should not be taken until water meter replacement program is completed
- Schedule of Charges for Water Utility
  - All users pay a base rate and a volumetric rate
  - Best practice recommends considering a base rate that increases with meter connection size
- SF residential have the greatest ability to manage water consumption while MF Residential has less ability as their water is consumed by multiple units

Committee discussion took place regarding incentives for a business or a large water user to put in systems that would decrease their water use.

Laura Mercer, Director, Finance, continued the presentation and spoke regarding the volumetric rate, best practice, and the recommendation.

Committee and Staff discussion took place regarding the recommended changes being in line with best practices and industry standards based on guiding documents including the American Water Works Association.

Laura Mercer, Director, Finance, continued the presentation and spoke regarding the schedule of charges for Sewer Utility. Highlights included:

- Currently, residential users pay a base rate only per residential unit and non-residential users pay a base rate per property feature and a volumetric rate applies after water usage exceeds 11,000 gallons per date
- Hotels, motels and campgrounds pay a decreasing volumetric rate
- Best practice recommends using a multi-part rate that includes a base rate and a volumetric rate
- Most other municipalities used a single volumetric rate based on metered water consumption
- Volumetric rate recommendation includes no changes to residential, and for non-residential implement a single volumetric rate and eliminate decreasing volumetric rates
- Implications of recommended changes would result in that customers with higher water consumption may see increase in sewer charges
- The purposes is to improve equitability in the system

Committee and Staff discussion took place regarding implementing a process by which a costumer could request to have their account reviewed and adjusted in cases where they are using water which is not impacting the sewer system.

Laura Mercer, Director, Finance, continued the presentation and spoke regarding the next steps:

- Recommendations will return for the Committee's consideration at the 2022-DEC-01 Special Finance and Audit Committee Meeting
- Based on the Committees decision, the bylaws will be presented for first three readings at the 2022-DEC-05 Regular Council meeting

Committee and Staff discussion took place. Highlights included:

- Vast majority of water use comes from single family residential
- Concerns that the single volumetric charge for non-residential may result in losing some incentive in water conservation
- Staff time to adjudicate costumers' requests for a sewer rate review and a rigorous structure will need to be in place
- The new meter replacement is a multi-year program in the later years of the 10 year plan
- Reviewing data collected for water usage
- Comparing the rate charged by other similar sized municipalities
- Regulating recycling of water for a large users such as car washes
- The opportunity for public input and communication strategy around this topic
- Options for including an agricultural rate

5. OTHER BUSINESS:

- (a) Jake Rudolph, Chief Administrative Officer, spoke regarding the upcoming budget meetings. Highlights included:
- Special Finance and Audit Committee meetings are scheduled for 2022-NOV-30, 2022-DEC-01 and 2022-DEC-02 as well as a tentative meeting scheduled for 2022-DEC-07
  - There is an eTown Hall scheduled for 2022-DEC-05

6. QUESTION PERIOD:

Council received no questions from the public regarding agenda items

7. ADJOURNMENT:

It was moved and seconded at 4:11 p.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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DEPUTY CITY CLERK