

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2023-FEB-15 AT 9:00 A.M.

Present: Mayor L. Krog, Chair
Councillor Armstrong (joined electronically)
Councillor H. Eastmure
Councillor Geselbracht
Councillor E. Hemmens
Councillor P. Manly
Councillor J. Perrino
Councillor I. Thorpe

Absent: Councillor T. Brown

Staff: J. Rudolph, Chief Administrative Officer
R. Harding, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services/Deputy Chief Administrative Officer
B. Sims, General Manager, Engineering and Public Works
T. Doyle, Fire Chief
L. Bhopalsingh, Director, Community Development
B. Corsan, Director, Corporate and Business Development
A. Groot, Director, Facilities and Parks Operations
S. Gurrie, Director, Legislative Services (joined electronically)
K. Ing, Director, IT/CIO
L. Mercer, Director, Finance
D. Osborne, Director, Recreation and Culture
P. Rosen, Director, Engineering
J. McAskill, Manager, Facility Asset Planning
P. Stewart, Manager, Engineering Projects
J. Slater, Manager, Financial Services and Special Projects
T. Webb, Manager, Communications
M. Elliott, Project Manager, Engineering
C. Sholberg, Community Heritage Planner
K. Robertson, Deputy City Clerk
N. Sponaule, Communications Advisor
E. Bassett, Steno, Legislative Services
A. Chanakos, 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. INTRODUCTION OF LATE ITEMS:

- (a) Agenda Item 7(d) Neighbourhood Association Grants 2023 – Replace recommendation to add an additional applicant and adjust the grant funding total.
- (b) Agenda Item 7 (a) Terminal Avenue Corridor Upgrades Phase 1 – Add the following delegations:
 - 1. Kevan Shaw
 - 2. Jason Flett

3. APPROVAL OF THE AGENDA:

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

4. ADOPTION OF THE MINUTES:

It was moved and seconded that the following minutes be adopted as circulated:

- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2022-NOV-23 at 9:00 a.m.
- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street Nanaimo, BC, on Wednesday, 2022-NOV-30, at 9:00 a.m.
- Minutes of the Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2022-DEC-14, at 9:00 a.m.

The motion carried unanimously.

5. REPORTS:

(a) Terminal Avenue Corridor Upgrades Phase 1

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

- The project was originally planned for 2022 but was carried forward due to staffing challenges
- Project timing is largely driven by the need to upgrade the underground infrastructure
- The project will improve the pedestrian feel of the street to create a more urban street rather than a highway
- Options for redevelopment of the former Jean Burns site will come forward in the spring

- The Ministry of Transportation and Infrastructure have stepped up their contribution from \$1 million to \$1.2 million because Terminal Avenue is highway road
- The City is working with the Regional District of Nanaimo and BC Transit on the downtown transit exchange, which is a separate project from the Terminal Avenue Corridor Upgrades
- Staff intend to release a public tender in the next few weeks with construction to start this summer
- Italian Square Park and Pioneer Square Park will be refurbished during the construction process

Richard Harding, General Manager, Parks, Recreation and Culture continued the presentation. Highlights included:

- Upgrading the roadways with new vegetation provides a good opportunity to upgrade the two existing parks
- Both parks are entranceways to the community and are utilized by the public
- The intent is to make them attractive and accessible to all

Committee and Staff discussion took place. Highlights included:

- The landscape design of the two parks will aim to allow for public enjoyment of the space but discourage erecting structures or camping
- Traffic flow will remain unchanged with the exception of the Gordon Street and Port Place Mall intersections which will be narrower to slow down traffic

Delegations:

1. Kevan Shaw spoke regarding the proposed location of the transit exchange project and expressed concern about potential social disorder that may occur in the area.
2. Jason Flett spoke regarding the proposed location of the transit exchange project reducing the amount of parking in the area and the potential to have one central transit hub for various modes of transit in a different location.

Committee and Staff discussion took place regarding the potential design of the greenspaces and concerns regarding the budget.

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

1. Authorize the Mayor and Corporate Officer to enter into a Cost Share Agreement with the Ministry of Transportation and Infrastructure for the Terminal Avenue Corridor Upgrades Phase 1.
2. Increase the budget for the Terminal Avenue Corridor Upgrades Phase 1 project by \$1,371,178 in 2023 funded by \$805,054 from the General Asset Management Reserve Fund, \$346,124 from the Water Asset Management Reserve Fund and \$220,000 in private contributions.

The motion carried.

Opposed: *Councillor Perrino*

(b) Consideration of New Permissive Tax Exemptions

Introduced by Laura Mercer, Director, Finance.

- One organization requested to be put on the Permissive Tax Exemption (PTE) Bylaw for the 2024 tax year
- Boys and Girls Club Central Vancouver Island met the grant criteria, and are applying for the property they occupy at 1985 Boxwood Road
- In addition, the organization applied for a PTE Cash Grant for their 2023 property taxes as they missed the deadline for a PTE on the 2023 bylaw and are seeking tax relief
- \$5,000 is allocated annually for PTE Cash Grants

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

1. Award a Permissive Tax Exemption for the 2024 taxation year to the Boys and Girls Club Central Vancouver Island, for the portion of the property that it leases at 1985 Boxwood Road.
2. Award a Permissive Tax Exemption Cash Grant for the 2023 taxation year to the Boys and Girls Club Central Vancouver Island, for the portion of the property that it leases at 1985 Boxwood Road, to a maximum of \$5,000, to be funded from the existing \$5,000 cash grants operating budget.

The motion carried unanimously.

(c) Consideration of Other Grant Application – Fairway Gorge Paddling Club

Introduced by Laura Mercer, Director, Finance.

- There is an annual budget of \$7,000 for Other Grants with \$1,500 of the 2023 funds spent to date

Councillor Manly vacated the Shaw Auditorium at 10:02 a.m.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve an “Other Grant” in the amount of \$5,500 to the Fairway Gorge Paddling Society to host the Nanaimo Dragon Boat Festival in Nanaimo, with funding from the existing ‘Other Grants’ budget.

The motion carried unanimously.

Councillor Manly returned to the Shaw Auditorium at 10:03 a.m.

(d) Neighbourhood Association Grants 2023

Introduced by Lisa Bhopalsingh, Director, Community Development.

- Nine of the fourteen Neighbourhood Associations applied for 2023 grant funding

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the 2023 Neighbourhood Association Grant funding recommendation of \$8,662.47, in accordance with the Guidelines and Criteria, as follows:

- **Applicant name:** Bradley Street Neighbourhood Association
Recommend: \$762.47
- **Applicant name:** Chase River Neighbourhood Association
Recommend: \$1,000
- **Applicant name:** Departure Bay Neighbourhood Association
Recommend: \$1,000
- **Applicant name:** Harewood Neighbourhood Association
Recommend: \$1,000
- **Applicant name:** Nanaimo Old City Association
Recommend: \$1,000
- **Applicant name:** Newcastle Community Association
Recommend: \$1,000
- **Applicant name:** Protection Island Neighbourhood Association
Recommend: \$1,000
- **Applicant name:** South End Community Association
Recommend: \$1,000
- **Applicant name:** Wellington Action Committee
Recommend: \$900

The motion carried unanimously.

(e) Junior All Native Tournament and Sport Tourism Funds

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

- In 2022, Council provided Chief Wyse, Snuneymuxw First Nation, a letter of support to make a bid to host the Junior All Native Tournament for 2023
- The majority of the funding would cover the opening ceremonies held at Frank Crane Arena

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the use of funds of up to \$16,000 from the \$20,000 Sports Tourism 2023 cost centre towards costs associated with JANT 2023, including Opening Ceremony costs and special event licencing costs. The motion carried unanimously.

(f) 2024 – 2027 Project Plan

Laura Mercer, Director, Finance, provided a PowerPoint presentation. Highlights included:

- Staff will return in March to seek Council direction on projects
- There is approximately \$235.5 million in projects over the next four years

Councillor Armstrong disconnected from the meeting at 10:12 a.m.

- Project highlights include:
 - \$17.1 million in new or upgrades to transportation infrastructure, including the Midtown Gateway project
 - \$30.3 million for new upgrades of water infrastructure including the Midtown Water Supply upgrades
 - \$11.4 million for parks infrastructure including the Stadium District and Westwood Lake Phase 2 Improvements
 - \$21.6 million for equipment and vehicles including computer equipment, Fire Department aerial units, a new fire engine for Station 2 and two Zambonis
 - \$14.4 million for road rehab, including Bowen Road and Third Street projects
- Project costs are primarily funded from Reserve funding
- \$3.6 million is provided from grants and private contributions
- Debt funding is available for the Millstone Trunk Central DCC project
- The 20 year investment targets a \$7 million per year general funding level
- Years 2024-2027 of the plan have General Revenue Funding increasing 5% per year to keep up with inflation
- For 2023 the expected closing balance for reserves is \$140.5 million
- The outstanding external debt balance does not include the Nanaimo Operations Centre, Police Operations Building, South End Community Centre and Waterfront Walkway
- Based on the City's 2021 financial statements, the annual debt servicing limit is \$47.2 million, and at December 31, 2021, the City was at 13.4% of that limit
- In 2021, the City was at a debt per capita of \$451

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

- Ongoing assessments of community infrastructure are done throughout the year which helps develop the Capital Plan
- Transportation projects already established in the plan include \$5.4 million for active transportation, \$10.7 million for road network upgrades and \$27.3 million for existing infrastructure maintenance
- Utility projects are driven by asset management, condition and risk mitigation
- Phase 3 of the Midtown Water Supply project provides an opportunity to enhance the transportation network from Rutherford Road to Vanderneuk Road with the addition of bike lanes
- Ongoing challenges include asset management, supporting growth, managing risk, and limited resources

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

- Facilities and Parks Operations, in partnership with Engineering, is responsible for operating, maintenance and capital projects in other facilities, including police, fire, parkades, public works, admin buildings and cultural facilities
- The City is in its sixth year of the Facility Condition Assessment Program, and will be graduating into parks and park amenities in the near future
- The Stadium District will have more work coming in next four years to create a medium sized stadium
- Every year funds are dedicated for trail redevelopment projects
- Sport courts are on a 3-5 year replacement schedule to keep them safe and usable
- The gravel parking lot on Howard Avenue at Harewood Centennial Park is planned to connect to Seventh Street for the upcoming artificial turf field project to provide extra parking
- Artificial turf fields are on a 10-year cycle for replacement
- Project delays are primarily caused by immediate repair due to graffiti, vandalism or unwanted behavior and is usually not budgeted for

Lisa Bhopalsingh, Director, Community Development, continued the presentation. Highlights included:

- The Home Retrofit Support Program, CleanBC Better Homes top up, Building Retrofit Roadmap scheduled for 2024, and EV Charging Infrastructure Rebate Program are examples of low cost projects that have high impact on achieving Greenhouse Gas targets

Kerry Ing, Director, IT/CIO, continued the presentation. Highlights included:

- The implementation of the Enterprise Resource Planning software will replace current aging financial software and is expected to launch in March, with all components going live in June 2025
- The Corporate Asset Management System, a new software to track, map and manage the City's assets, will go live in March for Sanitary and Sewer, with the remaining components being launched in 2024
- Enterprise Document Records Management software has been implemented for a few years and will continue into 2025 to move all City documents to the new software
- Ongoing challenges include securing the City's digital future and ensuring the City has the necessary fibre connectivity

6. QUESTION PERIOD:

The Finance and Audit Committee received one question from the public regarding an agenda item.

7. PROCEDURAL MOTION TO PROCEED IN CAMERA:

It was moved and seconded that the meeting be closed to the public in order to deal with agenda items under the *Community Charter*:

Section 90(1) A part of the Council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (d) the security of the property of the municipality;
- (e) the acquisition, disposition, or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality; and,
- (n) the consideration of whether a Council meeting should be closed under a provision of this subsection or subsection (2).

The motion carried unanimously.

The Finance and Audit Committee moved In Camera at 11:06 a.m.

The Finance and Audit Committee moved out of In Camera at 12:20 p.m.

8. ADJOURNMENT:

It was moved and seconded at 12:20 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CITY CLERK