

**MINUTES**  
FINANCE AND AUDIT COMMITTEE MEETING  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,  
80 COMMERCIAL STREET, NANAIMO, BC  
WEDNESDAY, 2023-MAY-17, AT 9:00 A.M.

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Present: Mayor L. Krog, Chair  
Councillor B. Geselbracht  
Councillor S. Armstrong  
Councillor H. Eastmure  
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. LeMasurier, Deputy Fire Chief - Administration  
B. Corsan, Director, Corporate and Business Development  
A. Groot, Director, Facilities and Parks Operations  
L. Mercer, Director, Finance  
D. Bailey, Acting Manager, Accounting Services  
C. Davis, Manager, Parks Operations  
D. Johnston, Manager, Recreation Services  
J. Matheson, Acting Manager, Accounting Services  
J. Slater, Manager, Financial Services and Special Projects  
T. Webb, Manager, Communications  
D. Walker, Financial Analyst  
C. Wood, Social Planner, Community Development  
S. Gurrie, Director, Legislative Services  
N. Sponaugle, Communications Advisor  
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, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2023-APR-19 at 8:30 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

(a) Fern Park Partners in Parks (PIP) Project Update

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

Presentation:

1. Charlotte Davis, Manager, Parks Operations, provided an overview of the Partners in Parks (PIP) program. Highlights included:

- The PIP program was initiated in 1982 as a method of developing green spaces, and \$100,000 is allocated to dedicated groups annually;
- The program has continued to expand, and it benefits from the knowledge and motivation from the community;
- The COVID-19 pandemic impacted the program as it became difficult for groups to meet, and the increase in prices stretched the \$100,000 thinner;
- Over 70 projects have been undertaken in neighbourhood parks over the past 30 years;
- There are two PIP project updates which include a change in scope for the Fern Park Project and cancellation of the Royal Oak Park Project; and,
- The two new potential PIP projects being brought forward for consideration include improvements to the Douglas Island Garden Society (DIGS) Community Garden and a Rocky Point Playground at Harry Wipper Park.

(b) Royal Oak Partners in Parks Project Cancellation

Richard Harding, General Manager, Parks, Recreation and Culture, informed the Committee that the Royal Oak Park Partners In Parks Project has been cancelled.

Committee discussion took place. Highlights included:

- The program has been cancelled; however, there is opportunity for the project to be refunded if there is a desire for it in the neighbourhood; and,
- Funds from cancelled projects will return to the PIP unallocated fund and will be available to other groups.

(c) Douglas Island Garden Society (DIGS) Partners in Parks Program Proposal

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

- Douglas Island Garden Society (DIGS) is located at Smugglers Park on Protection Island;
- They are seeking funds to replace the original, aging beds and to increase the size of the greenhouse;
- The Society was established in 2007 and has been very successful; and,
- The project is heavily aligned with the City Plan with respect to food security.

Delegation:

1. Jim Harris, President, Douglas Island Garden Society (DIGS), provided a presentation and spoke regarding the Society and the community garden on Protection Island. He noted the benefits of the garden which include sharing knowledge and harvests with Protection Island residents. He spoke regarding the fundraising and in-kind work that has been done, and that the Society is requesting funds through the PIP program to help with the expansion of the garden by increasing the size of the greenhouse and replacing aging beds.

Committee and Staff discussion took place. Highlights included:

- Food security is an area that the City wants to support and facilitate;
- Encroachment issue with expansion of the greenhouse has been resolved;
- The greenhouse is an important aspect of the project and would be utilized most of the year as it would provide shelter during winter weather;
- The Society has been doing their share in fundraising and in-kind goods and services;
- The percentage of PIP funding for projects is dependant on the project itself and the broadness of community benefit; and,
- One of the benefits of PIP projects is that while they are professionally installed, the neighbourhood participates in the installation.

It was moved and seconded that the Finance and Audit Committee recommend that Council award \$25,000 from the 2023 Partners In Parks (PIP) Program Fund, to the Douglas Island Garden Society proposed community garden improvements. The motion carried unanimously.

(d) Rocky Point Neighbourhood Park Improvement Request Under the Partners in Parks Program

Introduced by Charlotte Davis, Manager, Parks Operations.

- a formalized group from the Rocky Point Neighbourhood has identified a need for a toddler friendly playground that is accessible during school hours;
- Staff have identified a potential location adjacent to Harry Wipper Sports Field;

Mayor Krog vacated the Shaw Auditorium at 9:19 a.m. and Councillor Geselbracht assumed the Chair.

- Estimated total project cost is \$130,000 and the group is seeking \$50,000 awarded from the PIP funding.

Delegation:

1. Karolien Soylu, Rocky Point Neighbourhood Association, provided a PowerPoint presentation and spoke regarding their PIP request for funds to help build a playground in the neighbourhood. She spoke regarding the need for the playground, the many unique fundraising initiatives, the project bringing the community together and noted that a total of \$9,500 has been raised so far and they are still waiting to hear back from several grant applications.

Mayor Krog returned to the Shaw Auditorium at 9:26 a.m. and assumed the Chair.

Committee discussion took place regarding the incorporation of accessibility features in the proposed playground for those with mobility challenges.

It was moved and seconded that the Finance and Audit Committee recommend that Council award \$50,000 from the 2023 Partners In Parks (PIP) Program funds, to the proposed PIP Rocky Point Park improvements – including playground installation at Harry Wipper Park. The motion carried unanimously.

Charlotte Davis, Manager, Parks Operations continued the presentation and provided an overview of the financial implications of the four PIP reports presented on the PIP fund.

(e) Community Program Development Grant – Nanaimo Nature 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 Nature Society for a Community Program Development Grant in the amount of \$1,600 to assist in funding the Buttertubs Tour Guide Program. The motion carried unanimously.

(f) 3 Year Budget – Nanaimo Youth Resilience Strategy – Building Safer Communities Fund

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Introduced by Christy Wood, Social Planner, Community Development.

- Presented the 3-year budget for the Nanaimo Youth Resilience Strategy (the Strategy);
- The Strategy outlines six focus areas to prevent youth from engaging in gun and gang violence;
- Eligibility criteria for the Building Safer Communities Fund is set out by Safety Canada;
- Building Safer Communities funds are distributed on a yearly basis and funds must be spent in that year as they do not carry over to the next;
- Staff have proposed a 3-year budget to allocate the funds to support the implementation of the Strategy; and,

- The budget includes wages for a Specialized Recreation Coordinator position to oversee implementation of the Strategy.

Committee and Staff discussion took place. Highlights included:

- Safe Youth Gathering Spaces is a focus area identified by The Nanaimo Youth Resilience Steering Committee;
- Safe spaces would include elements of sports and recreation, cultural activities, food and youth culture, and Staff are looking to leverage existing spaces or City-owned facilities to establish these spaces;
- The Steering Committee includes representatives from School District 68, Snuneymuxw First Nation and youth; and,
- Elements from the Tillicum Lelum Neutral Zone study are included in the Strategy.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to proceed with a 3-year contribution agreement with Public Safety Canada using the Building Safer Communities Fund for the Nanaimo Youth Resilience Strategy as outlined in the 2023-MAY-17 Staff report, 3 Year Budget – Nanaimo Youth Resilience Strategy – Building Safer Communities Fund. The motion carried.

Opposed: Councillor Armstrong

(g) Council Spending and Amenities Policy Amendment

Jake Rudolph, Chief Administrative Officer, spoke regarding the opportunity to revisit the subject of Council remuneration, having support mechanisms in place for elected officials and introduced the Council Spending and Amenities Policy.

Sheila Gurrie, Director, Legislative Services, provided an overview of the proposed amendments to the Council Spending and Amenities Policy. Highlights included:

- Mayor and Council are compensated at the median rate of twelve comparable municipalities and this is done at the start of every Council term;
- Policies need amendments as prices have increased, particularly for costs associated with attending conferences;
- Since registration and travel costs for conferences vary each year depending on the location, Staff propose that section 5.4 of the policy be removed;
- The amendment includes removing section 8.1 as there is a shift towards paperless
- Due to the Federal tax benefit being discontinued in 2018, an adjustment has been made on remuneration.

Committee and Staff discussion took place. Highlights included:

- Legal fees structured around conflicts of interest are brought forward on an as-needed basis;
- The Acting Mayor is provided acting pay at a rate of 10% of the Mayor's base rate. Each councillor takes a rotation in the position and it is built into their annual rate of pay;
- Important to have further discussion around remuneration particularly in light of the increased cost of living;

- Renumeration is important to consider when attracting people to the position, especially in order to have a diverse group around the table;
- When the policy was developed, the inflation rate was steady and it wasn't anticipated that there would be such a drastic change in inflation;
- Currently in the Policy, the Consumer Price Index is applied to Mayor and Council's base rate of pay to a maximum of 2% per year;
- A fulsome review of the compensation process is overdue as it had previously been postponed due to COVID-19; and,
- It would be appropriate to have a discussion regarding Council remuneration and the Consumer Price Index in the third or fourth year of Council's term.

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the proposed amendments to the Council Spending and Amenities Policy as outlined in Attachment 1 to the 2023-MAY-17 report titled "Council Spending and Amenities Policy Amendment" by the Deputy City Clerk. The motion carried unanimously.

Finance and Audit Committee recessed the meeting at 10:30 a.m.  
Finance and Audit Committee reconvened the meeting at 10:45 a.m.

Councillor Hemmens vacated the Shaw Auditorium at 10:45 a.m.

It was moved and seconded that the Finance and Audit Committee recommend that Council remuneration be reviewed in the third year of Council's term (2025), and that any changes begin in the next Council's term commencing 2026. The motion carried unanimously.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to prepare a report, with options, for potentially increasing the maximum Consumer Price Index percentage rate that is annually applied to the Mayor and Council's base rate of pay as outlined in Section 2.1 of the Council Spending and Amenities Policy. The motion carried.

Opposed: *Councillors Geselbracht and Perrino*

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

Laura Mercer, Director, Finance, informed the Committee that for the period of 2022-OCT-01 to 2022-DEC-31, the City undertook 22 single and sole source purchases, 4 purchases in excess of \$250,000. There were no instances of non-compliance purchases.

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

Laura Mercer, Director, Finance, informed the Committee that for the period of 2023-JAN-01 to 2023-MAR-31, the City undertook 24 single and sole source purchases, 3 purchases in excess of \$250,000. There were no instances of non-compliance.

(j) Elimination of School Tax Credit for Industrial Properties

Laura Mercer, Director, Finance, informed the Committee of the Provincial changes to the industrial property tax credit.

- Effective for 2023, the Province of BC has eliminated the School Tax Credit for properties that were assessed in the Class 4 (Major Industry) category; and,
- In 2022, the City had 15 properties eligible for tax credits and these properties will see a financial impact as they will no longer receive this credit.

Councillor Hemmens returned to the Shaw Auditorium at 10:55 a.m.

(k) 2022 Statement of Financial Information

Introduced by Laura Mercer, Director, Finance.

- The *Financial Information Act* requires municipalities to prepare a Statement of Financial Information (SOFI); and,
- The report includes lists of City staff earning over \$75,000.

It was moved and seconded that the Finance and Audit Committee recommend that Council accept the 2022 Statement of Financial Information for filing with the Ministry of Municipal Affairs and Housing. The motion carried unanimously.

(l) Sponsorship Policy, Inventory Development and Valuation for the City of Nanaimo

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

Presentation:

1. Brent Barootes, President and CEO, Partnership Group - Sponsorship Specialists, provided a PowerPoint presentation. Highlights included:
  - Helping organizations identify what inventory they have to sell for sponsorship and helping them take it to market;
  - While advertisement is a “push” medium, sponsorship is a business relationship that should enhance the experience that is already there;
  - 85% of Canadians are open to the idea that buildings be named by corporate entities, while only 1 in 2 Canadians agree on renaming existing buildings;
  - Inventory Asset Valuation (IAV) for the City has been completed; and,
  - The value of all City assets is \$9.4 million, and the amount that could be generated annually is approximately \$850,000.

Committee discussion took place regarding the sponsorship program 5-year projections for operating costs.

Brent Barootes, President and CEO, Partnership Group - Sponsorship Specialists, continued the presentation and outlined seven recommendations:

1. Sponsorship when done right enhances the experience
2. Staffing levels to do this work do not presently exist
3. Need a policy and a strategy
4. Strategy needs endorsement of administration and Council – including a 5-year pilot mandate
5. Centralized (internal or external) sale model needs to be utilized
6. Recommend outsourcing sales for key properties for a short term, then bring all sales and services in-house after two to three years
7. Must fund a fulfilment position from the start – somebody that is working with various departments to ensure everything promised is delivered
8. Need to have excellent communication in regard to historically named properties
9. Must work in collaboration with stakeholders

Committee discussion took place regarding ways sponsorships can benefit the community such as the sponsor offering free public skates or swims, and the importance of negotiating these benefits.

Brent Barootes, President and CEO, Partnership Group - Sponsorship Specialists, continued the presentation and spoke regarding the two approaches for implementation and outlined the structure of the draft policy.

Committee and Staff discussion took place. Highlights included:

- Companies that do sponsorship receive a marketing receipt that can be written off as an operating expense;
- All assets listed in the IAV are City-owned and the naming of the facilities would be solely a Council decision and not required to go through the Province;
- Acknowledging that what the City does for sponsorship/advertisement reflects on the City;
- Concerns regarding potential promotion for products that are harmful to health and placing restrictions on sponsors;
- Building sponsorship as part of the Request for Proposal (RFP) Process
- Ensuring that funding is not replacing budgeting items;
- There is a fine line between advertising and endorsing and managing that risk;
- The sponsorship agreement with Shaw in the naming of the Shaw Auditorium of the Vancouver Island Conference Centre has expired;
- The Shaw Auditorium sponsorship agreement is unique due to Shaw's broadcast of the Regular Council Meetings and their investment in the technology in the room that has since been replaced;
- Opportunity to take advantage of resources;

Mayor Krog vacated the Shaw Auditorium at 12:04 p.m. and Councillor Geselbracht assumed the Chair.

- Important that businesses in the community do well and allowing them the opportunity to be promoted; and
- Ensuring sponsorships reflect community values.

Richard Harding, General Manager, Parks Recreation and Culture, noted that Staff will return to either the June or July Finance and Audit Committee Meeting for further discussion on this topic.

5. QUESTION PERIOD:

Council received no questions from the public regarding agenda items.

6. ADJOURNMENT:

It was moved and seconded at 12:10 p.m. that the meeting adjourn. The motion carried unanimously.

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C H A I R

CERTIFIED CORRECT:

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CORPORATE OFFICER