

MINUTES
FINANCE AND AUDIT COMMITTEE MEETING
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,
80 COMMERCIAL STREET, NANAIMO, BC
WEDNESDAY, 2023-JUL-19, AT 9:00 A.M.

- Present: Mayor L. Krog
Councillor S. Armstrong (joined electronically)
Councillor T. Brown (joined electronically)
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor P. Manly (joined electronically)
Councillor J. Perrino
Councillor I. Thorpe
- Absent: Councillor H. Eastmure
- Staff: R. Harding, A/CAO, General Manager, Parks, Recreation and Culture
D. Lindsay, General Manager, Development Services/Deputy Chief
Administrative Officer
B. Sims, General Manager, Engineering and Public Works
B. Corsan, Director, Corporate and Business Development
A. Groot, Director, Facilities and Parks Operations
L. Mercer, Director, Finance
D. Osborne, Director, Recreation and Culture
L. Brinkman, Manager, Community Planning
W. Fulla, Manager, Business, Asset and Financial Planning
M. Squire, Manager, Water Resources
T. Webb, Manager, Communications
S. Gurrie, Director, Legislative Services
N. Sponaugle, Communications Advisor
J. Tonella, Steno, 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, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2023-JUN-14 at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

(a) CMHC Housing Accelerator Funds

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

- Staff is seeking Council's support to submit a grant application to Canadian Mortgage and Housing Corporation (CMHC) under the Housing Accelerator Fund (HAF).

Lisa Brinkman, Manager, Community Planning, spoke regarding the application. Highlights included:

- The CMHC HAF has an objective to provide funding to local governments to help remove barriers to the housing supply;
- Application deadline is 2023-AUG-18;
- To be eligible for the HAF funding, three requirements must be met:
 1. Submit a housing supply growth target;
 2. Complete action plan initiatives; and
 3. Submit a Housing Needs Assessment Report.
- If successful with the application, the City will receive estimated funding of just over \$15 million to be used towards projects related to increasing the housing supply;
- Council received the 2023 Housing Needs Report at the 2023-JUN-19 Regular Council Meeting, which states that the City will need a minimum of 1,155 residential units per year for the next ten years;
- The proposed allocation of funds if the application is successful include:
 - Buttertubs Sanitary Sewer Capacity Solution;
 - Hammond Bay and Turner Area Sanitary Sewer (DCC) Project;
 - Purchase of properties for affordable and supportive housing; and,
- If the application is successful, Staff will report back to Council with more details.

Committee and Staff discussion took place. Highlights included:

- Staff is proposing a target housing supply growth of 1,175 residential units per year for the HAF application, which is close to the amount that has been met in the past 5 years;
- Buttertubs Sanitary Sewer Capacity Solution was chosen for funding allocation as the sewer is at capacity, and with housing units going in the area in the next several years, it is a high priority; and,
- Anticipating a large amount of growth in the coming years

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to submit an application to the Canada Mortgage and Housing Corporation - Housing Accelerator Fund (HAF), and commit to City Staff providing overall grant management, and that the application include an Action Plan with initiatives and proposed HAF funding allocation as outlined in the report dated 2023-JUL-19. The motion carried unanimously.

(b) Update of Reserve Policy and Minimum Balances

Introduced by Laura Mercer, Director, Finance.

- An update to the Reserves Policy is needed in order to include the Growing Communities Reserve Fund as well as to review the minimum reserve balances for three stability reserves;
- The Reserves Policy outlines maximum and minimum reserve balances which are reviewed every 5 years; and,
- 2023 surplus will be prioritized in replenishing the reserve funds to meet the 2024 minimum balances.

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

1. Amend Reserve Policy COU-231 to include the Growing Communities Reserve Fund; and,
2. Revise the minimum balances for the three (3) financial stability reserves, to be reviewed every five (5) years, as follows:
 - a. \$17,000,000 the General Financial Stability Reserve
 - b. \$600,000 for the Sewer Financial Stability Reserve
 - c. \$1,750,000 for the Water Financial Stability Reserve

The motion carried.

Opposed: *Councillor Brown*

(c) Midtown Water Supply Upgrade – 2024 Budget Update

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

- Staff is seeking Council direction on the funding source for the completion of the Midtown Water Supply Project Phase 2;
- To complete the work in 2024, a top up of \$4.6 million dollars is required;
- Staff suggest using funds from the Growing Communities Fund for the additional budget required in 2024; and,
- The total projected cost for the entire project is \$55.9 million.

Committee and Staff discussion took place. Highlights included:

- All costs have been locked down and committed until the end of 2024;
- If the Growing Communities Fund is used as a funding source, the remaining amount in the fund would be \$11 million;
- Due to the water main break along Bowen Road, this project was shifted ahead in the Capital Plan and provides a good example of why healthy reserves are needed.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to fund the additional \$4,595,259 required for the Midtown Water Supply project in the 2024-2028 Draft Financial Plan as follows:

- \$263,750 from the Water Supply DCC's Fund,
- \$263,750 from the Water Asset Management Reserve Fund,
- \$1,967,759 from Water Reserves, and
- \$2,100,000 from the Growing Communities Reserve Fund

The motion carried unanimously.

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

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

- Topic was previously presented at the 2023-MAY-17 Finance and Audit Committee Meeting;
- Staff recommend the development of a pilot project to implement a sponsorship program using the Vancouver Island Conference Centre (VICC) and the City of Nanaimo Stadium District.

Committee and Staff discussion took place. Highlights included:

- Council has full control of the naming of City-owned assets, and there is no requirement that the names be approved by the Province;
- Sponsorship programs will always have an end date;
- Concerns regarding the potential promotion of products that may be harmful to people's health or the environment, such as sugary drinks, alcohol and companies that contribute to climate change;
- Sponsorship opportunities can highlight local businesses and promote economic development;
- The Sponsorship, Advertising and Naming Rights Policy (the Policy) would provide the base criteria and guidelines and can be amended at any time by Council;
- Any sponsorship above \$40,000 would require Council approval, and any naming or renaming of an asset would also require Council approval regardless of the funding threshold;
- Sections 6.6 and 6.7 of the Policy outline the evaluation and review process for the Policy;
- If Staff is directed to develop a pilot project, Staff will return to Council with the details of the program;
- Request for more information on the details of the ethical scans; and,
- It may be a challenge to determine what is deemed as unhealthy when considering to exclude sponsorships from products that are harmful to health.

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

1. Endorse the Draft City of Nanaimo Sponsorship, Advertising and Naming Rights Policy as outlined in Attachment B of the report titled “Draft City of Nanaimo Sponsorship, Advertising and Naming Rights Policy”, dated 2023-JUL-19;
2. Receive the Executive Summary – City of Nanaimo Inventory Development & Valuation Report, Draft City of Nanaimo Sponsorship, Advertising and Naming Rights Policy, City of Nanaimo Sponsorship Strategy Report and City of Nanaimo 5-Year Sponsorship Revenue Projections – External Sales Strategy, as guiding documents; and,
3. Direct Staff to develop a pilot project to implement a sponsorship program using the Vancouver Island Convention Centre and the City of Nanaimo Stadium District – including the Nanaimo Aquatic Centre, Nanaimo Ice Centre and outdoor sports and events venues for Council’s review and consideration.

The motion carried.

Opposed: *Councillors Brown and Geselbracht*

(e) Allocation of BC Destination Development Funds to Stadium Upgrades

Richard Harding, Acting CAO/General Manager, Parks, Recreation and Culture, informed the Committee that the City was successful in obtaining a \$1 million Grant from the BC government’s Destination Development Fund based on an application to improve parking accessibility and other amenities for the Stadium District.

It was moved and seconded that the Finance and Audit committee recommend that Council amend the 2023-2027 Financial Plan to increase the Stadium District project budget by \$1.0 M funded from the successful Destination Development Fund grant application. The motion carried unanimously.

(f) Island Roots Market Co-Operative Report

Richard Harding, Acting CAO/General Manager, Parks, Recreation and Culture, updated the Committee on Staff’s meetings with the Island Roots Farmers’ Market (IRFM) in response to their delegation at the 2022-OCT-03 Council Meeting.

Committee discussion took place. Highlights included:

- The IRFM hours of operation are being kept the same;
- Staff are working with the IRFM regarding signage improvements;
- Rental rates for the Centennial Building are defined in the “Fees and Charges Bylaw 2021 No. 7336”; however, there are grants that can be applied for to reduce the cost of the rental; and,
- The importance of supporting local farms and local food as much as possible, and building a positive relationship with the Island Roots Farmers Market.

(g) Caledonia Park Practice and Security Lighting Funding Request

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

- Lighting equipment being removed from the Harewood Centennial Park for the artificial turf field project can be re-used at Caledonia Park to provide practice lighting; and,
- lighting could be installed prior to the Fall practice season.

Committee and Staff discussion took place regarding installing security alarms and cameras in light of previous break-ins to the VI Raiders' locker and equipment rooms.

It was moved and seconded that the Finance and Audit Committee recommend that Council add a project for \$111,100 funded from the Strategic Infrastructure Reserve Fund to the 2023-2027 Financial Plan, for the practice lights on the East and West sides of the Caledonia Park field and security lighting at Caledonia Park. The motion carried unanimously.

(h) Nanaimo Legion Bid to Host 2026 and 2027 Legion National Youth Track and Field Championships

Richard Harding, Acting CAO/General Manager, Parks, Recreation and Culture informed the Committee of a bid opportunity with the Legion, Nanaimo Track and Field Club and Tourism Nanaimo to host the 2026 and 2027 Legion National Youth Track and Field Championships.

Committee and Staff discussion took place. Highlights included:

- The benefit of sports tourism bringing economic dollars to the community;
- Bid is to ensure there is commitment from the community to host these events;
- Staff will look at alternative funding to offset the cost; and,
- The deadline for the bid application is 2023-JUL-21; therefore Staff would proceed based on the Committee's recommendation and if Council should not pass it, the bid would have to be pulled.

It was moved and seconded that the Finance and Audit Committee recommend that Council commit up to \$100,000 in 2024-2028 Financial Plan towards the Legion Branch 10 bid to host the 2026 and 2027 Legion National Youth Canadian Track and Field Championships through the Royal Canadian Legion Dominion Command together with Athletics Canada and funded from the Strategic Infrastructure Reserve Fund. The motion carried unanimously.

5. QUESTION PERIOD:

The Committee received no questions from the public regarding agenda items

6. ADJOURNMENT:

It was moved and seconded at 10:11 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER