



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, November 15, 2023, 8:59 A.M.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

- Members:
- Mayor L. Krog, Chair
 - Councillor S. Armstrong*
 - Councillor B. Geselbracht* (joined 9:02 a.m.)
 - Councillor H. Eastmure
 - Councillor E. Hemmens*
 - Councillor P. Manly
 - Councillor J. Perrino
 - Councillor I. Thorpe
- Absent:
- Councillor T. Brown
- Staff:
- D. Lindsay, Chief Administrative Officer
 - R. Harding, General Manager, Parks, Recreation and Culture*
 - B. Sims, General Manager, Engineering and Public Works
 - J. Holm, Director, Planning and Development
 - L. Mercer, Director, Finance
 - L. Brinkman, Manager, Community Planning
 - T. Pan, Manager, Sustainability
 - J. Slater, Manager, Financial Services and Special Projects
 - K. Robertson, Deputy Corporate Officer
 - N. Sponaule, Communications Advisor
 - J. Tonella, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Finance and Audit Committee Meeting was called to order at 8:59 a.m.

* Denotes electronic meeting participation as authorized by "Council Procedure Bylaw 2018 No. 7272"

2. ADOPTION OF AGENDA:

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

3. ADOPTION OF 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, October 18, 2023, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

Councillor Geselbracht joined the meeting electronically at 9:02 a.m.

1. Funding Request from CatNap Society

Introduced by Laura Mercer, Director, Finance.

Jamie Slater, Manager, Finance Services and Special Projects, provided information on the funding request from CatNap Society. Highlights included:

- The City received an application from the CatNap Society for an Other Grant request for \$36,000
- In 2022, the City awarded the CatNap Society with an Other Grant for \$15,000
- CatNap Society has been operating for over 22 years and is run by approximately 90 volunteers who donate over 30,000 hours per year
- Most costs incurred by the CatNap Society are veterinary costs to spay and neuter feral cats, resulting in keeping the feral cat population under control
- Funds are also used to treat cats with injuries, disease, and illness so they can be rescued and adopted
- Through discussions with the CatNap Society, \$25,000 would be required on an annual basis to continue the level of operations they are currently providing
- The request for 2024 is \$36,000; however, in future years the amount would be \$25,000
- This becomes a challenge, as requests that are seen on an annual basis no longer meet the definition of an emergency, making it hard to receive applications under the emergency category of the grant funding

- The City is looking into whether the CatNap Society warrants operating funding on an annual basis or not
- In 2020, an animal control review was completed and it was recommended that some level of financial assistance be provided to support the Catnap Society's activities
- This report has been brought forward so the Finance and Audit Committee can have more time to contemplate this request prior to making a decision at a future Finance and Audit Committee meeting

Committee and Staff discussion took place. Highlights included:

- A decision regarding funding for the CatNap Society will be made at the next Finance and Audit Committee meeting where a presentation slide will consider the levels of funding requested
- Clarification regarding funding from the City towards the Spay/Neuter Incentives Program (SNIP)
- In the past, the City has had requests from the Society for the Prevention of Cruelty to Animals (SPCA) for their SNIP program; however, most surgeries are now done through the Catnap Society
- The City does not provide the SPCA with operating funding
- If the CatNap Society did not assist, it would create additional workload for animal control

It was moved and seconded that the Finance and Audit Committee recommend that Council add a decision point for Council consideration to the 2024-2028 Financial Plan deliberations to consider providing ongoing funding to the CatNap Society for animal control services. The motion carried unanimously.

2. BC Hydro Sustainable Communities Fund - Mobile Home Park Energy Conservation and Emissions Reduction Strategy

Introduced by Laura Mercer, Director, Finance.

Ting Pan, Manager, Sustainability, provided information on the BC Hydro Sustainable Communities Fund - Mobile Home Park Energy Conservation and Emissions Reduction Strategy. Highlights included:

- The report recommends that Council support the City submitting an application to the BC Hydro Sustainable Communities Program in partnership with the Regional District of Nanaimo (RDN) to develop a "Mobile Home Park Energy Conservation and Emissions Reduction Strategy" (the Strategy)

- The City found that mobile home parks face some unique challenges when reducing their energy use and emissions while recognizing that they are the most affordable housing type in the community
- Nanaimo has 1,652 mobile homes in approximately 20 mobile home parks
- 10% of these mobile homes are still using oil heating and a significant portion are using natural gas
- There are electrical capacity issues at the park level and mobile homes are more complex to convert to heat pumps compared to single family homes
- BC Hydro has been focusing on mobile homes and have done their own study to help mobile homeowners transition to electric heat pumps
- The Strategy will help identify challenges and find cost effective solutions appropriate for the region
- Staff are proposing using \$15,000 from the Climate Action Reserve Fund as a cash contribution towards the Strategy
- The Strategy will also include equal contribution from the RDN
- The total cost of the Strategy is \$75,000

Committee and Staff discussion took place. Highlights included:

- The \$75,000 would be used to help the City develop a strategy for converting mobile homes to heat pumps as opposed to that money being used towards electrical upgrades
- A 2021 study by BC Hydro recognizes opportunities and programs that could support energy conservation
- The City plans to engage with both mobile home park owners and the individual homeowners

It was moved and seconded that the Finance and Audit Committee recommend that Council approve using \$15,000 from the Climate Action Reserve Fund to support a joint application to BC Hydro with the Regional District of Nanaimo for a “Mobile Home Park Energy Conservation and Emissions Reduction Strategy”. The motion carried unanimously.

3. Online Accommodation Platform Funds

Introduced by Jeremy Holm, Director, Planning & Development.

Lisa Brinkman, Manager, Community Planning, provided information regarding the City’s obligations to Destination BC to identify where the City

intends to allocate Online Application Platform (OAP) funds received. Highlights included:

- OAP funds received are part of the Municipal and Regional District Tax (MRDT) on short-term accommodations
- The report outlines a proposed allocation of the OAP revenue that the City has received to date, and the OAP revenue that the City expects to receive in 2024
- The City is required to report this information to Destination BC by the end of this month
- Since 2018, OAP funds have been collected from short-term rental accommodations as a 3% tax as part of the Provincial Municipal and Regional District Tax (MRDT) program for all short-term rental accommodations
- To date, the City has allocated OAP revenue to the rent bank program and rent supplement programs
- The City has received more OAP revenue since the pandemic due to the rise in tourism
- The City currently has \$588,986 of unallocated OAP revenue, and based on the trends of 2023, it is expected the City could accumulate \$350,000 of OAP revenue in 2024; however, due to the new provincial regulations for short-term rentals, this amount may be reduced
- The report to Destination BC should outline how the City intends to spend the anticipated \$938,986 of OAP revenue and a breakdown is listed in the Staff report
- The recommendations in the Staff report are consistent with City Plan Policy and actions in the Integrated Action Plan as well as the Provincial guidelines on how municipalities may use OAP funds

Committee and Staff discussion took place. Highlights included:

- Request for clarity regarding the guidelines from Destination BC and if the funds can be used towards shelter and what the funding can be used for next year
- Discussion regarding the importance in providing rent supplements to keep people in place

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate Online Accommodation Platform revenue in 2024 as follows:

1. \$438,986 to acquisition of land for affordable housing;
2. \$200,000 for continued support to rent bank and rent supplement programs; and,
3. \$300,000 for infrastructure and land improvements for BC Housing and City Memorandum of Understanding development projects.

The motion carried unanimously.

4. Update of Reserve Policy

Introduced by Laura Mercer, Director, Finance.

- With the addition of the new Harewood Centennial Turf Field Reserve Fund, the City needed to update the Reserves Policy

It was moved and seconded that the Finance and Audit Committee recommend that Council amend Reserve Policy COU-231 to include the Harewood Centennial Turf Field 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 9:25 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER