



MINUTES

SPECIAL FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, November 22, 2023, 9:00 A.M.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

- Members:
- Mayor L. Krog, Chair
 - Councillor S. Armstrong* (disconnected 12:31 p.m.)
 - Councillor T. Brown* (joined 9:01 a.m. disconnected 11:04 a.m.)
 - Councillor H. Eastmure
 - Councillor B. Geselbracht*
 - Councillor E. Hemmens
 - Councillor P. Manly
 - Councillor J. Perrino
 - Councillor I. Thorpe (vacated 12:55 p.m.)
- Staff:
- D. Lindsay, Chief Administrative Officer
 - R. Harding, General Manager, Parks, Recreation and Culture
 - B. Sims, General Manager, Engineering and Public Works
 - T. Doyle, Fire Chief
 - B. Corsan, Director, Corporate and Business Development
 - J. Holm, Director, Planning and Development
 - K. Ing, Director, IT/CIO
 - L. Mercer, Director, Finance
 - P. Rosen, Director, Engineering
 - J. Van Horne, Director, Human Resources
 - A. Groot, Acting Director, Admin Police Services
 - W. Fulla, Deputy Director, Finance
 - S. Gurrie, Director, Legislative Services
 - N. Sponaule, Communications Advisor
 - J. Tonella, Recording Secretary

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

1. CALL THE 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 5(c) 2024 Key Initiatives – Replace PowerPoint presentation titled “2024 Key Initiatives”.

3. ADOPTION OF AGENDA:

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

Councillor Brown joined the meeting electronically at 9:01 a.m.

4. PRESENTATIONS:

(a) 2024 - 2028 Draft Financial Plan

Introduced by Laura Mercer, Director, Finance.

A video was played regarding the draft Financial Plan and budget process.

Presentation:

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

- Outlined the timeline involved in developing the Financial Plan
- Once the project and operating budgets are completed, the Financial Planning Team provides the initial results to the Senior Leadership Team and business cases are evaluated for inclusion in the draft budget
- At the 2023-DEC-04 Regular Council Meeting, the City will be holding an eTOWN Hall meeting as well as bringing forward all of the utility rate bylaws for first three readings
- Staff plan to present the Financial Plan Bylaw to Council for first three reading 2023-DEC-18
- The projected property tax increase for 2024 is 1% for the General Asset Management Reserve contribution and 5.4% for General Property Tax increases, totaling a 6.4% increase for 2024
- In 2021, Council used the Special Initiatives Reserve to reduce taxes over four years

- The recommended User Fee increases for 2024 are 4% for sewer, 6% for water, and 3.2% for sanitation
- The 10-year average property tax increases is 3.3% (from 2014-2023)
- In regard to property taxes on a typical single family home, Nanaimo sits in the middle of the group compared to other municipalities of similar size; however, not all municipalities provide the same basket of goods, services, or fees
- Noted that the property tax increase only reflects the City portion of taxes and not property taxes collected for the Regional District of Nanaimo (RDN), School District, Hospital, and Vancouver Island Regional Library
- A 6.4% tax increase on a typical home valued at \$808,873 would equate to \$2,817 which is an increase of \$211
- Approximately \$8.4 million of general taxation was used as base funding for projects in 2024
- An additional \$695,000 in general taxation funding was used to fund projects related to the Fire Master Plan, approved by Council during the 2023-2027 Financial Plan deliberations
- \$247.8 million in revenue for 2024 provides funding for annual operations and maintenance, projects, and contributions to infrastructure renewal reserves; however, it excludes new borrowing and transfers from reserves that help fund expenditures as they are considered funding sources, not revenue sources
- The City's largest revenue source is taxation at 61.7%
- Revenues received from water and sewer cover the total cost of those departments as they are self-funding
- \$197 million will be spent for annual operating and maintenance resources that deliver day-to-day City Services
- The largest costs for the 2024 operating budget include the RCMP, representing 17.8% of total expenditures, Parks, Recreation and Culture at 16.1%, and Engineering and Public Works at 15.4%
- Reviewed budget drivers that make up the 6.4% (\$8.826 million) tax rate for 2024

Committee and Staff discussion took place. Highlights included:

- The City is responsible for paying 90% of RCMP contracts but the City budgets for 95%. Any unspent money goes back into General Revenue or into the RCMP Contract Reserve
- Discussion regarding grants and potentially redoing the agreement the City has with the Military Museum

Laura Mercer, Director, Finance, continued her presentation. Highlights included:

- At 2022-DEC-31, the City had \$41.3 million in outstanding external debt for sanitation, Vancouver Island Conference Centre, Fire Station No. 4, Water Treatment Plant, and Fire Station No. 1
- New planned debt for 2023 includes external borrowing for property purchases and sanitation trucks, and internal borrowing for Millstone Trunk South
- New debt for the 2024-2028 Financial Plan includes the sewer project for the Hammond Bay and Turner Road area and external borrowing is expected to be needed in 2024
- Current projected outstanding external debt does not include the Nanaimo Operations Centre, RCMP Expansion, Waterfront Walkway, or the South End Community Centre
- As of December 31, 2022, the City is at 13.5% of its current debt servicing limit
- The City has two types of reserves, Operating Reserves created through an allocation of surplus and Statutory Reserves created through a bylaw
- For 2024, the expected closing balance for reserves is \$157.6 million and the vast majority are accounted for by plans or regulations

Committee and Staff discussion took place. Highlights included:

- Discussion regarding the 13.5% of the City's current debt servicing limit and how long-term borrowing is calculated
- The total contribution to the General Asset Management Reserve for 2024 was just over \$12.5 million
- Discussion regarding the increase in wages and benefits costs in 2024 due to the addition of 20 new firefighters

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

The Finance and Audit Committee Meeting reconvened at 10:32 a.m.

(b) Chief Administrative Officer Introduction

Dale Lindsay, Chief Administrative Officer, provided a verbal presentation. Highlights included:

- To ensure more time for Council discussion, the directors will not be coming up to present their 2024 key initiatives
- The Strategic Framework, adopted in June, helps Council with decision making
- Council endorsed a new Integrated Action Plan which includes how the City plans to further its goals
- Recognition of the new cycling lanes and sidewalks for active transportation within Nanaimo as well as the Midtown Gateway changing how residents get around
- The City's steps towards Truth and Reconciliation include training for Staff and elders coming to the City to build Staff's awareness
- Recognized Marriot Hotel downtown Nanaimo and Hullo ferry opening in 2023
- 20 new firefighters have been recruited to start in 2024 as well as three additional police officers
- The City is advocating for more health services including a Catheterization lab
- The City of Nanaimo received awards in 2023 including a Gold Award of Excellence in Policy Planning for City Plan, Visual Engagement Award at the International Association of Public Participation's Core Values Awards, and Public Works Association of BC 2023 Awards

Committee and Staff discussion took place regarding recognition of the new Neck Point Park bathrooms and improvements to Westwood Lake Park.

Due to audio issues, Dale Lindsay, Chief Administrative Officer, will re-present his update at the 2023-DEC-04 eTOWN Hall meeting.

The Finance and Audit Meeting recessed at 10:54 a.m.

The Finance and Audit Meeting reconvened at 11:02 a.m.

Councillor Brown disconnected from the meeting at 11:04 a.m.

(c) 2024 Key Initiatives

Laura Mercer, Director, Finance, presented the 2024 Key Initiatives and provided an overview for each department.

Administration

Human Resources:

- Provides professional human resource services, specialized advice, and support to the organization
- Increases Staff understanding through corporate training opportunities relating to First Nation's history, equity, diversity, inclusion, and 2SLGBTQIA+

Legislative Services and Communications:

- Responsible for running civic elections, referendums, and oversees the administration of Council and Committee meetings
- Continue to support the Advisory Committee on Accessibility and Inclusiveness (ACAI) and the newly established Public Safety Committee
- Staff will facilitate any Alternative Approval Processes (AAP) or referendums in 2024
- Continue to explore ways to improve access to Council and Committee meetings and related materials
- Ongoing implementation and maintenance of the City's Electronic Document Records Management System and Privacy Management Program
- Revise the City's internal style guide to ensure inclusive language is being used for municipal communications
- Continue to enhance the use of current technologies to improve internal and external communication and improve accessibility on the City's website

Corporate and Business Development:

- Responsible for managing the City's real estate assets, delivering economic development services, and providing oversight of the City's external agencies
- Working closely with the Downtown Business Association and the City's Engineering Department to help revitalize the downtown core

- Staff are working with Tourism Nanaimo and the Vancouver Island Conference Centre to ensure joint marketing, meetings, and event tourism have a maximum economic impact on the downtown core
- Continue to work with Staff from other departments to help deliver key projects from Council's Strategic Framework including the Waterfront Walkway, 1 Port Drive, South End Community Centre, RCMP Expansion, and multiple downtown capital projects
- Continue to work with the Communications Department to ensure the public has access to information regarding key City initiatives

Corporate Services

Finance:

- Safeguard the City's financial assets and plans in order to ensure financial stability and viability of the City
- Work started in 2023 to review and update the Development Cost Charge (DCC) bylaw and will continue in 2024
- Purchasing Department will continue to look for advancement opportunities for the Sustainable Procurement Program
- Revenue Services will continue to support the Cemetery Operations Review, recognizing process improvements and consistency with other municipalities
- Continue to work with Staff in other departments to help deliver key projects from Council's Strategic Framework including the Waterfront Walkway, South End Community Centre, Nanaimo Operations Centre, and RCMP Expansion

Information Technology:

- Provides leadership in the innovative application of technology, Geographic Information System (GIS) services, the City's website, desktop, mobile computing network, and voice technologies
- Finalize the City's Five-Year Technology Roadmap and Digital Strategy that incorporates the objectives of the Broadband Strategy as well as the Intelligent Community Plan
- Utilize cyber security audits to build a multi-year cyber security roadmap that includes hardware, software, and Staff training investments

Police Services and RCMP:

- The City contracts the RCMP for policing services and provides the building, equipment, and support staff through the Police Services Department
- Police Services Staff will support the RCMP and the City in the implementation of the design, development, and construction of a new detachment to address capacity issues
- Foot and bike patrols in the downtown core will continue into 2024
- Special Investigation Targeted Enforcement (SITE) is active in Nanaimo and RCMP are seeing success
- Continued investigation from the Senior Crime Unit regarding homicide files

Development Services

Integrated Action Plan Priority Items for Development Services have been impacted by the recently announced provincial legislation changes relating to land use planning. This could significantly impact their 2024 workplans and their business plan could change.

Bylaw, Community Safety and Parking:

- Responsible for bylaw enforcement, animal control, and the City-owned parking facilities and enforcement
- A contract was awarded for new CCTV systems to be installed in the Harbourfront Parkade and the Port of Nanaimo Centre Parkade to enhance public safety
- Continued training and development of the Community Safety Officers including advanced Crime Prevention Through Environmental Design (CPTED), trauma informed practices, and advanced response to overdoses

Community Development:

- Responsible for community planning, advancing reconciliation, and sustainability
- Work with BC Housing to identify opportunities for additional shelter and to establish a navigation centre
- Consultation completed regarding increasing housing options and pre-zoning for affordable housing
- Work to create a tenant relocation policy to support tenants impacted by redevelopment and displacement

- Prepare an area plan for the Woodgrove Secondary Urban Centre and \$200,000 will come from the Complete Communities Grant awarded to the City
- Administer the recent Council motion regarding allocating funds to support the rent bank and rent supplements programs and the BC Housing Memorandum of Understanding (MOU), land acquisition, and servicing commitments
- Staff will report to Council on the short-term vacation rental program including an evaluation of the impact of the new provincial legislation
- Continue to offer Heritage Building Tax Exemption Grants, Heritage Façade Grants, and Heritages Home Grants

Development Approvals:

- Responsible for business licensing, building permits, permitting subdivision development permits, rezoning, and approvals of development related engineering work and environmental management
- Work on reviewing the Delegation of Authority Bylaw and the impact of the new authority under the *Local Government Act* is expected to be informed by the Development Approval Process Review, presented in 2024

Engineering and Public Works

Engineering - Transportation:

- Initial point of contact for businesses, residents, and visitors to Nanaimo who have inquiries or concerns regarding mobility within the City
- Priority initiatives include developing end of trip facilities for short and long-term bicycle parking
- Enhance public safety through traffic calming

Engineering - Municipal Infrastructure:

- Responsible for the City's asset management and long-term needs for sanitary sewer and storm water
- Complete DCC review as it is an important revenue source that allows the City to build infrastructure to support growth
- Staff are continuing to review a Storm Water utility funding model
- Continue to support development review requirements for infrastructure and asset management

Committee and Staff discussion took place. Highlights included:

- Discussion regarding pedestrian safety, traffic calming, priority areas for sidewalks, and the Pedestrian Unallocated Budget
- Discussion regarding natural asset inventory
- City plans for parking downtown and discussion regarding street parking and parkades

Laura Mercer, Director, Finance, continued the presentation. Highlights included:

Engineering - Major Capital Projects:

- Responsible for the delivery of most capital projects in the City
- Manages the Third Street Pedestrian Upgrades, Downtown Transit Exchange, and Terminal Avenue Corridor projects
- Provides project management to other departments

Engineering - Facilities Asset Management:

- Responsible for project planning, asset management, some capital project delivery, and energy and emission management within facilities
- Update the Green Building Policy in 2024
- Identify the most effective priorities for implementation to meet the City's emission targets
- Finalize the Facility Asset Management Strategy

Public Works - Solid Waste Management:

- Provides weekly curbside collection of garbage, recycling, co-mingled kitchen/yard waste, and organic materials
- Increase operational efficiencies by updating route planning and increase truck hopper capacity to minimize travel times
- Reduce contamination through public education

Public Works - Water Supply & Distribution:

- Continue to deliver initiatives that will ensure a consistent supply of clean, safe, and affordable drinking water, while planning for growth, protecting the environment, managing aging infrastructure, and building resilience for climate change impacts

Public Works - Sanitary Sewer:

- Provides and maintains a safe, healthy, sanitary sewer collection system for residential, multi-family, commercial, and industrial properties
- Continue to work with the RDN towards reducing infiltration and inflow from the City's sewer system in support of the RDN's Liquid Waste Management Plan

Committee and Staff discussion took place regarding the impact climate change has on City infrastructure including overwhelmed storm drains and the costs associated.

Laura Mercer, Director, Finance, continued the presentation. Highlights included:

Public Works - Rainwater (Drainage):

- Responsible for infrastructure such as pipes, ditches, culverts, catch basins, and detention ponds
- Main goal in 2024 is to reduce sedimentation loading into sensitive streams, flood protection, and enhancing fish habitat in critical areas

Public Works - Fleet:

- Provides support, oversight, and maintenance of the City's transportation and mobile equipment inventory
- Fleet will look to complete an electrification study and implement feasible electric vehicle (EV) replacements where possible including EV charging stations on buildings and small equipment

The Finance and Audit Committee Meeting recessed at 11:55 a.m.

The Finance and Audit Committee Meeting reconvened at 12:31 p.m.

Councillor Armstrong disconnected from the meeting at 12:31 p.m.

Nanaimo Fire Rescue:

- Nanaimo Fire Rescue (NFR) will be undertaking FireSmart efforts to mitigate Nanaimo wildfire hazards including FireSmart fuel management initiatives and continuing to offer public education programs
- NFR trainers will attend the Wildfire Urban Interface Symposium to become more operationally prepared and will be building a structural

sprinkler protection unit to help protect the community in the event of a wildfire

- Continue Fire Loss Prevention through inspection of commercial and public buildings, building plan checks, business license inspections fire safety plan reviews, fire code and bylaw enforcement, public education, and fire investigations
- Renovations for Fire Stations No. 2, 3, and 4 to accommodate the 20 new firefighters and to be operational in 2025
- Vancouver Island Emergency Response Academy (VIERA) services over 280 fire departments and is gaining customers from outside the province
- Revenues generated from VIERA helps offset some operating costs in the NFR department

Committee and Staff discussion took place. Highlights included:

- Discussion regarding the training centre portable classroom accommodating growth
- Revenue from other fire departments using Nanaimo's training centre
- Converting from a Class A fire training centre to Class B will create a healthier environment for firefighters and the Public Works buildings next door
- \$900,000 in revenue generated through VIERA was budgeted in 2024, leaving \$50,000 to offset other costs within NFR

Parks, Recreation and Culture

Facility Operations:

- Oversees overall care and maintenance of many City-owned facilities
- Goal to make City facilities energy efficient
- Implement recommended improvements using the Rick Hansen Foundation assessment of facilities and the needs and suggestions of the Advisory Committee on Accessibility and Inclusiveness (ACAI)
- Play an active role in the South End Community Centre project
- Ensure City facilities are safe, well maintained, and accessible to all patrons
- Implement Capital Asset Management System (CAMS) project in 2024

- Improvements to Q'unq'inuqstuxw Stadium and mechanical and electrical improvements at facilities

Park Operations:

- Oversee the care and maintenance of all City-owned parkland, multiuse trail systems, and outdoor activity venues
- Partnerships with community groups focus on habitat restoration and invasive species removal
- Plan to continue the adoption and formalization of existing trails at Westwood Lake Park to increase safety and wayfinding
- Success with the beach access map program and Parks Operations would like to expand to Westwood Lake Park and Swy-A-Lana Lagoon
- Design work for the Maffeo Sutton Park washrooms commencing in 2024 for a universal facility
- Communication and engagement with the public regarding changes and park improvements
- Capital projects include Phase 2 of Westwood Lake Park improvements and a redeveloped track at Marie Davidson BMX Park

Committee and Staff discussion took place. Highlights included:

- Conflicts between mountain bikers and other users at Westwood Lake and potential options to separate the entrances for different activities
- A mountain bike wash station and repair units at parks

Councillor Thorpe vacated the Shaw Auditorium at 12:55 p.m.

Recreation and Culture:

Laura Mercer, Director, Finance, continued her presentation. Highlights included:

- Focus on individual and community wellness through programs, service delivery, program development, community special event implementation, and the provision of recreation and culture facilities and amenities
- Focus on the design and community engagement components of the South End Community Centre

- Continue the implementation of the sponsorship advertising and naming rates policy as directed by Council and the development of a pilot sponsorship project within the Stadium District
- The Leisure Economic Access Pass (LEAP) program helps support equitable access for children, youth, and families for City recreational programs and facilities
- Developing and supporting reconciliation events and learning opportunities to help break down barriers for a more inclusive city
- Work with Tourism Nanaimo and the planning committee for the BC 55+ Games
- Continue working with community partners to establish a Social Prescribing program for Nanaimo residents
- Parks and Recreation coordinators are looking into non-traditional programming spaces to offer events
- Develop a plan for implementing the Beban Park Master Plan

5. QUESTION PERIOD:

The Committee received no questions from the public regarding agenda items.

Laura Mercer, Director, Finance, noted that the Special Finance and Audit Committee Meeting scheduled for 2023-DEC-23 would be cancelled.

6. ADJOURNMENT:

It was moved and seconded at 1:03 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER