



MINUTES

SPECIAL FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, November 29, 2023, 9:00 a.m.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

Members:

Mayor L. Krog, Chair
Councillor S. Armstrong (arrived 1:43 p.m.)
Councillor T. Brown* (joined 1:13 p.m. disconnected 2:46 p.m.)
Councillor H. Eastmure
Councillor B. Geselbracht* (arrived 1:03 p.m.)
Councillor E. Hemmens
Councillor P. Manly
Councillor J. Perrino
Councillor I. Thorpe (vacated 1:03 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
K. Ing, Director, IT/CIO
L. Mercer, Director, Finance
P. Rosen, Director, Engineering
J. Van Horne, Director, Human Resources
A. Groot, A/Director, Admin Police Services
W. Fulla, Deputy Director, Finance
C. Davis, Manager, Parks Operations
J. McAskill, Manager, Facility Asset Planning
T. Pan, Manager, Sustainability
S. Gurrie, Director, Legislative Services (vacated 2:46 p.m.)
K. Robertson, Deputy Corporate Officer (arrived 2:46 p.m.)
N. Sponaugle, Communications Advisor
K. Lundgren, 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(b) Vancouver Island Regional Library – Add PowerPoint Presentation.

3. ADOPTION OF AGENDA:

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

4. PRESENTATIONS:

1. Nanaimo and Area Land Trust

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. Paul Chapman, Executive Director, Nanaimo and Area Land Trust (NALT), provided a PowerPoint presentation. Highlights included:
 - The new kiosk at Northfield Marsh
 - NALT's collaborates with the community as well as provides restoration efforts in watersheds and parks
 - Volunteer support is a key component and is increasing
 - NALT leverages the funds provided by the City and is requesting \$40,000 in support for 2024, adjusted for inflation in subsequent years

Committee discussion took place. Highlights included:

- One of NALT's major focus is the removal of invasive species, which has made a very positive impact in City parks
- Donations have been steady, even through COVID-19, and NALT is thankful for their supporters
- There have been an increase in both volunteers and volunteer hours

2. Vancouver Island Regional Library

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. Ben Hyman, Executive Director, Vancouver Island Regional Library, provided a PowerPoint presentation. Highlights included:
 - The Vancouver Island Regional Library's (VIRL) renewed vision is for a thriving, connected, cohesive, and empowered region of Island and coastal communities
 - VIRL has 900 daily visitors, 30,000 resident cardholders, 300 events attended by 10,000 people of all demographics and has the third largest collection in BC
 - All three Nanaimo branches are high-use
 - VIRL identified five strategic goals in response to community feedback
 - Investment in public libraries is essential to Canada's post-pandemic recovery, competitiveness, and resilience
 - Containment of legacy financial issues and a Finance and Audit Committee has been established by the Library Board
 - Largest pressures include wages and benefits which are up 22% and leases, security and utilities which are up 37%
 - Total budget is \$38 million, which is a 15% increase over 2023
 - VIRL is prioritizing provincial government relations, and revenue generating is a key part of VIRL's fifth strategic goal
 - Compared library costs between library branches of North Vancouver District, Kelowna and Coquitlam

Committee discussion took place. Highlights included:

- Increase in the budget for security, health and safety
- Pressures and impacts due to the overdose crisis and housing issues
- Grant received from Island Health for the installation of motion-detecting sensors to monitor for overdoses in washrooms
- VIRL always keeps its doors open on cold days or extreme heat and it is seeing much more demand
- Overdoses occurring in or near the branches takes a toll on VIRL staff
- The need for provincial funders to step in

3. Vancouver Island Conference Centre - 2024 Business Plan

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. Chuck Loewen, General Manager, Vancouver Island Conference Centre (VICC), provided a PowerPoint presentation. Highlights included:

- VICC is the hub for many other entities to provide economic impact for the City of Nanaimo

Laura Mercer, Director, Finance, presented the VICC's share of the City budget.

Chuck Loewen, General Manager, Vancouver Island Conference Centre, continued the presentation:

- VICC's roles include creating a positive economic impact, stimulating growth and providing for the cultural enrichment of the community
- Oak View Group (OVG360) is the third-party manager, and outsourced departments include Compass-Levy Canada for food and beverage and SW Event Technology for audiovisual (AV)
- Comparable competitor BC convention centres include Victoria, Whistler, Penticton and Prince George

Committee discussion took place regarding the promotion of the VICC as an affordable and scenic choice.

Chuck Loewen, General Manager, Vancouver Island Conference Centre, continued the presentation:

- Memorandum of Understanding between the VICC, Tourism Nanaimo and the Nanaimo Hospitality Association to work collaboratively to bring more events to Nanaimo
- Spoke regarding the OVG360's operations since 2017, their response to COVID-19, and refunds provided back to the City
- There are almost 500 hotel rooms within a five-minute walking distance from the VICC

- There has been an increase in conference events in 2023 and 2024 and these types of events have the greatest economic impact on the community
- Presented the VICC draft projected budgets for 2024
- The City borrowed \$30 million for the VICC project and debt will be retired in 2026 and 2027
- The 2024 draft budget includes an annual operating investment by the City of \$1,039,000 and a \$100,000 contingency budget for non-capital improvements
- The 2024 draft capital budget includes new projects such as modernizations for the elevators and replacement of firewalls and phone system
- Previously budgeted capital projects include phase two of the AV upgrade and installation of a new CCTV camera system in the parkade
- Key performance indicators are required to be reported monthly, quarterly and annually
- Listed the 2023 achievements noting one of the biggest achievements being related to collaboration and integration
- Partnership opportunities with Snuneymuxw First Nation
- Increased business use on the Hullo passenger ferry and onboard marketing
- Partnership with the City's Parks, Recreation and Culture Department for tradeshow and conventions

Committee discussion took place. Highlights included:

- Appreciation for the work being done and the efforts to collaborate with Tourism Nanaimo
- Encouraged community use of the facilities
- Incentives for multi-year contracts with groups and organization opportunities for rotations with other conference centers
- Food and Beverage staff and AV staff have a separate contract and VICC manages 18 staff members
- The VICC has returned approximately \$150,000 to the City every year with the exception of 2020 due to COVID-19
- The VICC catering attempts to serve as much locally sourced food products as possible
- Would be useful to gather feedback on conference attendee's experience in the surrounding area amenities

The Finance and Audit Committee recessed the meeting at 10:40 a.m.

The Finance and Audit Committee reconvened the meeting at 11:58 a.m.

4. Nanaimo Systems Planning Organization Society - 2024 Business Plan

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. John McCormick, Executive Director, Systems Planning Organization, and Don Bonner, Chair, Nanaimo Systems Planning Organization, provided a PowerPoint presentation. Highlights included:
 - The System Planning Organization (SPO) came from the key recommendations of the Health and Housing Action Plan
 - In addition to funding from the City, the SPO has brought in additional funding
 - The SPO has its own shared space and attends to its own operational needs
 - Officially incorporated in January 2023, it's important that the SPO stands on its own as an independent organization
 - Recently hired a Data Coordinator and in discussion with Snuneymuxw First Nation regarding an Indigenous Coordinator role
 - SPO mandate is to operate as a consultancy for community agencies, provide support and act as a collective voice
 - Working closely with community partners on Vancouver Island
 - Taking leadership in getting funding from BC Housing
 - Homeless Individuals and Families Information System (HIFIS) has been a long standing project and will allow for a much better integration with community members
 - 2024 operational plans include hiring an additional coordinator which will give the SPO four staff members
 - Upcoming initiatives include moving forward with a Health and Housing Task Force, setting up a Research Committee and Standards of Practice Committee and a coordinated access working group
 - Community agencies are calling for more shelter space
 - Nanaimo Comparative Study of Medium Sized Communities will be available on the SPO website
 - Provided an overview of key initiatives for 2024

Committee discussion took place. Highlights included:

- New Data Coordinator position will collate existing data as well as create new data
- HIFIS is a federally developed free tool that will be up and running in approximately two weeks
- A Health and Housing Task Force to evaluate the effectiveness of the SPO early in 2024
- Moving forward the SPO will manage the Point-in-Time (PIT) Count
- The SPO has access to data collected by Province's Integrated Data Project
- The SPO does not compete for grants that other community agencies would be seeking
- SPO website is now online at www.nanaimospo.com
- The SPO is not currently a hub for information on what's available in the community, but that doesn't mean that it couldn't be in the future
- Concerns that the City does not have a daytime resource centre and the breakfast program is not an efficient system
- SPO took on the coordinated access role as of 2023-APR-01
- The best resource to address homelessness is provincial funding
- Proactive prevention is important but it is also important to deal with those already unhoused

5. Nanaimo Prosperity Corporation 2024-2026 Business Plan

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. George Hanson, Strategic Advisor, Nanaimo Prosperity Corporation, provided a PowerPoint presentation. Highlights included:
 - The Corporation started work in January of 2023 with a single mandate to facilitate a thriving and resilient economy in the City of Nanaimo
 - The Corporation is presently recruiting a CAO to start in February 2024
 - The Nanaimo Prosperity Corporation's share of the City budget is 0.2%
 - The three classes of shareholders are equal at the Board table and directors will serve two and three-year terms

- Listed the Corporation's 2023 achievements including partnering with Tourism Nanaimo on brand development to be launched in the Spring of 2024
- Partnering with Tourism Nanaimo to bring together a video and photo library to have a solid collection of visual assets for both organizations
- Pilot project to attract engineering talent to Nanaimo for targeted social marketing
- Advocacy for Nanaimo Regional General Hospital improvements as well as other major infrastructure improvements for our community
- Doughnut Economics provides excellent background and action planning
- Learning from the experiences of other BC communities to ensure that we are prepared for potential emergency (fires, floods, etc.)
- Total 2023 Operating Budget is \$615,850 plus \$20,000 in kind contributions
- Approval of three year funding is critical for operational planning and attracting staff
- Proposal to increase the budget to create substantial opportunity to leverage funds to double or triple the impact

Committee discussion took place. Highlights included:

- The necessity of the office space requirement
- Senior experience and high level staff are needed to attract the necessary level of expertise
- Comprised of two senior staff members and any other needs will be contracted
- Potential collaboration or partnership with the Mid Island Business Initiative
- Without economic development and prosperity, the City can not provide the services that many people want provided

The Finance and Audit Committee recessed the meeting at 12:27 p.m.

The Finance and Audit Committee reconvened the meeting at 1:03 p.m.

Councillor Geselbracht entered the Shaw Auditorium at 1:03 p.m.

Councillor Thorpe vacated the Shaw Auditorium at 1:03 p.m.

6. Tourism Nanaimo Society - 2024 Business Plan

Introduced by Laura Mercer, Director, Finance.

Presentation:

1. Carly Pereboom, Executive Director, Tourism Nanaimo, provided a PowerPoint presentation. Highlights included:
 - Tourism Nanaimo Society was officially incorporated in April of 2022
 - The Society's share of the City budget is 0.4%
 - Provided an overview of the Society's mandate which includes a destination brand, research and development, increase overnight visitation, and visitor information services
 - New brand is launching in Spring of 2024
 - The Society is governed by a Board of Directors
 - Essential funding sustains the Society's operations, enabling it to function as the designated Destination Marketing Organization (DMO)
 - Core funding covers labor costs, the operation of the Board, office expenses, office support, social media, website development and other professional costs
 - Tourism Nanaimo rents an office space within the VICC and manages as an independent legal entity

Councillor Brown joined the meeting electronically at 1:13 p.m.

- Provided an overview of a number of the 2023 achievements and listed upcoming opportunities in 2024
- Looking at areas to co-host events and collaborative efforts
- Working with Business Improvement Areas (BIA) to establish an events calendar for Downtown Nanaimo
- Looking at the visitor guide and website as key touch points and ensuring they are representative of the community
- Key initiatives include implementing actions in the Sports Tourism Strategy, Coordinating Marketing Strategy, and attracting off-season events
- A key marketing objective is to increase positive sentiments of Nanaimo with both visitors and residents

Committee discussion took place. Highlights included:

- Largest funding application is with PacifiCan which is specific to providing tourism opportunity

7. 2024-2028 Draft Project Plan

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

- In 2024, water infrastructure projects make up 24% of the total budget and the most significant project in this section is the continuation of the Midtown Water Supply Project
- Provided an overview of bigger projects contained in the following categories: transportation infrastructure, water infrastructure, parks infrastructure, equipment and vehicles, and facilities infrastructure and amenities
- Overview of 2024 general fund projects
- Overview of project funding sources, and reserve funds account for the largest funding source
- Overview of general revenue funding by year
- The further out in the 10 year plan, the less accurate the estimates are; therefore, flexibility in reserves is needed to address cost changes
- The current Gas Tax Agreement ends on 2024-MAR-31 and announcement on a new agreement is expected in the spring
- Presented the 20-year projected outstanding debt and the 20-year projected debt servicing costs
- The City's debt servicing limit at December 31, 2022, was \$51.7 million and the City was at 13.5% of it's servicing limit

Ting Pan, Manager, Sustainability, provided a update on Sustainability project highlights:

- Adoption of the BC Zero Carbon Step Code
- Launched the Acting for Climate Together (ACT) volunteer program
- Launched an electric vehicle charger rebate program
- Delivered the Cool it! Climate Leadership Program
- 2024 projects include the City Plan Monitoring Strategy implementation and the Home Retrofit Support Program

Councillor Armstrong entered the Shaw Auditorium at 1:43 p.m.

Kerry Ing, Director, Information Technology, provided an overview of the Information Technology project highlights.

- Building the “Digital Foundation” and upgrading software, processes and infrastructure
- Major accomplishments include updating the solid waste management platform, cybersecurity, Wi-Fi services at Serauxmen Stadium and will soon be launching the Development Permitting System
- Major capital investments rely on Geographic Information System (GIS). The information is geolocated and forms the building block for the City
- Replacement of legacy Systems Applications and Products (SAP) system
- Will be working with consultants to ensure applications can support the pace of change of technology

Committee and Staff discussion took place. Highlights included:

- All data stored in the Microsoft Cloud remains in Canada
- The public has some access to the City’s GIS Web Map

Poul Rosen, Director, Engineering, provided the projects highlights for Engineering and Public Works Department:

- A number of important projects are underway or completed including the Albert Street Complete Streets project
- Identified some gaps in the City Plan Active Transportation Network that would be desirable to fill
- The vast majority of transportation funding is going towards renewal of existing infrastructure

Committee discussion took place regarding maintaining the road system as it ages.

Poul Rosen, Director, Engineering, continued the presentation, and provided an overview of the following projects:

- Commercial Street upgrades
- Pedestrian unallocated funding

Committee and Staff discussion took place. Highlights included:

- Staff vacancies and difficulties in recruiting transportation professionals to fill City positions

- Pedestrian safety at intersections

Poul Rosen, Director, Engineering, continued the presentation, and provided an overview of the following projects:

- Midtown Gateway Phase 2
- Comox Road and Wall Street intersection

The Finance and Audit Committee recessed the meeting at 2:32 p.m.

The Finance and Audit Committee reconvened the meeting at 2:46 p.m.

Councillor Brown disconnected from the meeting at 2:46 p.m.

Sheila Gurrie, Director of Legislative Services left the meeting and Karen Robertson, Deputy Corporate Officer assumed the role of Clerk for the purposes of meeting the requirements as set out in Section 148(a) of the *Community Charter*.

Poul Rosen, Director, Engineering, continued the presentation and provided an overview of the following projects:

- Midtown Water Supply Phase 1 and 2
- Millstone Trunk Sewer Central Sewer upgrades from East Wellington Road to Westwood Road
- Hammond Bay Area Utilities Project (sewer upgrades, intersection upgrades and road rehabilitation)
- Townsite area utilities
- Third Street and Fitzwilliam Street utility and road upgrades between Howard Avenue and Selby Street
- Wexford Creek culvert upgrades to provide flood protection and fish passage in the South Gate area
- Towers Reservoir update which needs to be upgraded for capacity issues
- Norwell Drive Project as the infrastructure on Norwell Drive has reached its end of life
- East Wellington Road at Madsen Road traffic signal
- Bowen Road repaving between Labieux Road and Rosstown Road
- Seismic upgrades to the South Fork Dam
- Fleet purchases

Richard Harding, General Manager, Parks Recreation and Culture, and Bill Sims, General Manager, Engineering and Public Works, presented the project highlights for facilities. Highlights included:

- Parkade improvements

- Facility renewal at Police Services at 303 Prideaux Street
- Renewal and improvements at corporate facilities
- Nanaimo Fire Stations facility renewals and improvements at Fire Stations 2, 3, 4 and 6 and the Nanaimo Fire Rescue Training Centre
- VICC asset renewals
- Facility Condition Assessment Program used to inform asset management and project planning

Richard Harding, General Manager, Parks Recreation and Culture, introduced the Parks, Recreation and Culture Project Highlights.

- 2023 project highlights include: Westwood Lake Park, Neck Point washrooms, lighting at Caledonia Park, beach accessibility improvements, Harewood Centennial Park and Beban Park second artificial turf replacement
- Other highlights include public art and the Nanaimo Aquatic Centre boat removal and boiler replacement
- Continued development of the Stadium District
- Westwood Lake Amenities Phase 2 improvements
- Maffeo Sutton Park washroom replacement
- Beban Outdoor Learning Centre to create an accessible, outdoor learning space
- Port Theatre improvements
- Public Art Program
- Nanaimo Aquatic Centre dehumidification improvements
- Sports Court redevelopment
- Trailway development and rehabilitation

Committee discussion took place regarding moving the Dover Road pickleball court due to the noise in the residential area.

Laura Mercer, Director, Finance, continued the presentation:

- Due to funding challenges, Staff need to prioritize projects and identify ones that could be delayed, have their budgets reduced, or be removed from the plan altogether
- Provided an overview of projects that had changes or are not included in the draft plan but have potential to be
- There is funding available in the Growing Communities Fund that could be used to fund these projects should Council consider adding these projects into the plan

- Presented the larger scale Engineering and Public Work projects that are not included in the plan but will need to be at some point
- Presented the Parks, Recreation and Culture projects currently not included in the plan

Committee and Staff discussion took place. Highlights included:

- Staff anticipate that the Community Works Fund will be renewed; however, the dollar amount is unknown until the spring
- Pickleball and Tennis courts are free for public use and are growing in popularity
- Concern for damage if the Nanaimo Curling Club boiler fails, and the Club will be presenting to Council in the new year

It was moved and seconded that the following decision points be added to the 2023-DEC-01 Special Finance and Audit Meeting for discussion:

- Pickle Ball Courts (New)
- Lighting of Specific Natural Turf Fields
- Public Art (New)

The motion carried.

Opposed: *Councillor Geselbracht*

8. Introduction of Items for Council Discussion

Laura Mercer, Director, Finance, advised the Committee to review the items for discussion prior to the 2023-DEC-01 Special Council Meeting.

7. **QUESTION PERIOD:**

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

8. **ADJOURNMENT:**

It was moved and seconded at 4:00 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

CORPORATE OFFICER