



## MINUTES

### SPECIAL GOVERNANCE AND PRIORITIES COMMITTEE MEETING

Monday, January 22, 2024, 7:00 P.M.  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE  
80 COMMERCIAL STREET, NANAIMO, BC

Members:

- Councillor T. Brown, Chair
- Mayor L. Krog
- Councillor S. Armstrong
- Councillor H. Eastmure
- Councillor B. Geselbracht\*
- Councillor E. Hemmens
- Councillor P. Manly
- Councillor J. Perrino
- Councillor I. Thorpe

Staff:

- R. Harding, General Manager, Community Services/Deputy CAO
- L. Mercer, General Manager, Corporate Services
- B. Sims, General Manager, Engineering and Public Works
- J. Elliot, Director, Public Works
- W. Fulla, Director, Finance
- S. Gurrie, Director, Legislative Services
- P. Rosen, Director, Engineering
- M. Lonsdale, Senior Project Manager
- M. Pearson, Legislative Communications Clerk
- K. Lundgren, Recording Secretary

#### 1. CALL THE MEETING TO ORDER:

The Special Governance and Priorities Committee Meeting was called to order at 7:00 p.m.

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

**2. INTRODUCTION OF LATE ITEMS:**

- (a) Remove Agenda Item 4 Question Period.

**3. APPROVAL OF THE AGENDA:**

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

**4. PRESENTATIONS:**

a. Nanaimo Operations Centre - Project Update

Bill Sims, General Manager, Engineering and Public Works, provided a PowerPoint presentation. Highlights included:

- The Public Works yard provides critical services for the City of Nanaimo
- Buildings are outdated and unable to keep up with service delivery
- Provided an overview of the timeline of the Public Works Yard
- The project requires phasing in order for the yard to continue to function 24/7
- A geotechnical and environmental investigation was undertaken in 2021
- Provided an overview of the key design principles of the project which includes a “fit for purpose” design
- A number of architects and experts have been involved in the planning to ensure maximum value
- Long-term borrowing is a sustainable way to fund a project of this size
- Alternative to long-term borrowing is to fund from property taxes
- The \$48.5 million total borrowing includes costs for construction, project delivery, allowance for inflation and contingency
- Public Works is the fourth emergency responder and is required to respond in a ‘post-disaster’ situation
- Project is currently at an early stage with a concept design. A detailed design will not be done until approval of electors is confirmed
- Key design elements of future phases include a storage facility, renovated truck barn, administrative facility and renovated central stores
- Based on feedback from the community regarding communication, the City has redone the project website to better present information

Delegations:

1. Valentina Cardinalli expressed concerns regarding the Alternative Approval Process (AAP), requested information on how the money will be spent, expressed concerns for the increases in taxes, and requested a more moderate proposal.

The Chair opened the floor to anyone in attendance who wished to speak to the Nanaimo Operations Centre - Project Update.

2. Ken Arthur expressed his desire for approval of electors being determined by a referendum, concerns regarding potential for cost overruns and noted concerns with some of the details of the project design.
3. Noni Bartlett spoke regarding the 2023-DEC-04 Regular Council Meeting Staff report and concerns regarding the calculations to determine the total number of electors of the area.
4. Derick Hanna spoke regarding the need for upgrades to the Public Works Yard; however, expressed concerns regarding inflation, tax increases and spoke regarding the project being done in a more economical fashion.
5. Sandy Bartlett requested clarification regarding the City's budget for referendums, and requested that this project go to a referendum.
6. Marley (did not state last name), spoke regarding increases in property taxes, and expressed concern over the cost of the project, financial impact on residents, and why the Public Works Yard wasn't addressed previously when identified.
7. (Did not state name) spoke regarding the accumulated interest on the borrowed funds.
8. Jennifer (did not state last name), expressed concerns with items included in the concept design and expressed concerns with the proposed Emergency Operations Centre and Fire Training Tower upgrades.
9. (Did not state name) expressed concern for fiscal responsibility, money spent on bike lanes, and concern that saving for the project hadn't been started years ago when the issue was identified.

Committee and Staff discussion took place regarding provincial and federal grants for funding bike lanes, number of staff working out of the public works building, bays for vehicle maintenance, and the current fleet/equipment.

10. (Did not state name) spoke regarding the AAP for the 2010 Beban Park Pitch & Putt and the low number of responses on previous AAPs.

Committee and Staff discussion took place regarding the downsides of contracting out services.

11. (Did not state name) expressed concern that the public has lost confidence in the town hall.
12. Gordon Willington, spoke regarding the increased cost of garbage collection after the new garbage trucks and expressed concern for the budgeted cost of the Public Works Yard project.

Bill Sims, General Manager, Engineering and Public Works, spoke regarding the development of the project budget.

13. Jeff Ainsley requested the report outlining the fair determination of the number of electors of the area, requested clarification on the City's maximum debt servicing limit, and expressed concern for the use of natural gas in the Fire Training Tower.

Sheila Gurrie, Director, Legislative Services, explained the calculation of the fair determination of electors was completed and noted that a copy of the document used to prepare the calculation would be made available.

14. Pat (did not state last name), spoke regarding the factors to consider when determining whether to use the AAP and expressed concern regarding the use of the AAP process for this project.
15. Susan Allan expressed concern regarding a lack of trust, the AAP process, and that the public is not informed enough.
16. Sandy Bartlett, spoke for a second time, regarding the determination of the number of electors.
17. (Did not state name) requested clarification regarding the estimated cost per household of \$77 per year.

Committee discussion took place regarding the allowance for inflation and contingencies included in the borrowing amount and the reasons behind breaking down the project into phases.

18. Kathy (did not state last name), expressed concern regarding the AAP process, requested a referendum, and expressed concern for future potential projects such as a new Police Station.

Committee and Staff discussion took place regarding the difference between an AAP and a referendum.

19. Greg Brown, requested that a referendum be held instead of an AAP and expressed concern regarding the AAP process, as well as concern for the City's asset management.

20. Paul Steel, requested clarification regarding the City's borrowing capacity, spoke regarding the consideration for the needs of the future, and requested the general public receive more detail on the cost and details of the project.

Bill Sims, General Manager, Engineering and Public Works, spoke regarding the value management study to refine the cost of the project.

Committee discussion took place regarding the City's borrowing capacity, the benefit of long-term borrowing, and ways to better communicate the detailed figures of the project to the public.

The Governance and Priorities Committee recessed the meeting at 9:08 p.m.

The Governance and Priorities Committee reconvened the meeting at 9:15 p.m.

The Chair re opened the floor to anyone in attendance who wished to speak to the Nanaimo Operations Centre - Project Update.

21. Leonard Robertson requested clarification on capital asset management and whether there was savings for the project.

Laura Mercer, Director, Corporate Services, advised that 1% is put away each year for asset management; however, in the past, other projects have been prioritized.

Leonard Robertson requested clarification on the use of the City's surplus.

Laura Mercer, Director, Corporate Service, outlined the 2022 surplus and the various items that it was allocated towards. She noted that accumulated surplus is not money that can be drawn from.

22. Irene Mirkovitch spoke regarding concerns regarding the AAP process, the benefits of a referendum in terms of public awareness,

and concerns regarding the amount of borrowing capacity the City has.

23. Sandy Bartlett, spoke for a third time, regarding concerns with the AAP process and the differences between an AAP and a referendum.
24. Ken Arthur, spoke for a second time, regarding concerns with the AAP process, the public not being informed, requested mail out ballots, and expressed concern regarding some of the details of the design.
25. Carol Wilde, spoke regarding concerns with the AAP process and the wording on the AAP elector response form causing confusion with the previous AAP.

Sheila Gurrie, Director, Legislative Services, advised that based on the feedback related to the wording on the Elector Response Forms, a note has been added on the City's website and the Elector Response Forms for clarification.

26. Pat (did not state last name), spoke for a second time, and requested clarification regarding the cost of borrowing over 20 years for phase one, and the anticipated cost to tax payers if all four phases pass.

Laura Mercer, Director, Corporate Services, advised that cost of borrowing would be \$31.5 million and noted that the most current numbers are just for phase one and numerous factors would impact the cost of borrowing for all four phases.

27. Sandy Bartlett, spoke for a fourth time, regarding concerns with the amended wording to the AAP elector response forms.
28. (Did not state name) requested clarification regarding contracting out services and why seismic upgrades were not considered for the project.

Bill Sims, General Manager, Engineering and Public Works, advised that seismic upgrades would not accommodate for growth, and contracting out services would not allow the turnaround time needed to service the vehicles.

29. Carol Wilde, spoke for a second time, and requested clarification on the amended wording on the elector response forms.

Sheila Gurrie, Director, Legislative Services, clarified that elector response forms, with or without the added wording, would be accepted.

**5. ADJOURNMENT:**

It was moved and seconded at 9:44 p.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER