



## MINUTES

### FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, September 25, 2024, 9:00 A.M.  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE  
80 COMMERCIAL STREET, NANAIMO, BC

- Members:
- Mayor L. Krog, Chair
  - Councillor S. Armstrong\*
  - Councillor H. Eastmure
  - Councillor B. Geselbracht
  - Councillor E. Hemmens (vacated 9:02 a.m.; returned 9:15 a.m.)
  - Councillor P. Manly\*
  - Councillor J. Perrino
  - Councillor I. Thorpe
- Absent:
- Councillor T. Brown
- Staff:
- D. Lindsay, Chief Administrative Officer
  - R. Harding, General Manager, Community Services/Deputy Chief Administrative Officer
  - B. Sims, General Manager, Engineering and Public Works
  - W. Fulla, Director, Finance
  - J. Holm, Director, Planning and Development
  - D. Osborne, Director, Recreation and Culture
  - A. Breen, Manager, Culture and Special Events
  - T. Pan, Manager, Sustainability
  - K. Robertson, Deputy Corporate Officer
  - N. Vracar, Deputy Corporate Officer
  - J. Sine, Recreation Coordinator, Cultural Services
  - N. Sponaule, Communications Advisor
  - L. Young, Steno, Legislative Services
  - J. Vanderhoef, Recording Secretary

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

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

The Finance and Audit Committee Meeting was called to order at 9:00 a.m.

**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, 2024-JUL-17, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

Councillor Hemmens declared a conflict of interest as she is a member of the Loaves and Fishes Community Food Bank Board of Directors and vacated the Shaw Auditorium at 9:02 a.m.

**4. DELEGATION:**

1. Peter Sinclair, Loaves and Fishes Community Food Bank, re: Loaves and Fishes New Warehouse Distribution Centre Update and Request to Waive Building Permit Fees

Peter Sinclair, Executive Director, Loaves and Fishes Community Food Bank, expressed appreciation to the City for its continued support, including provision of land for the new warehouse, and provided the following updates:

- \$5.7 to \$7.2 million dollars is needed to complete construction of the new warehouse project
- Loaves and Fishes has requested \$7.2 million from the Federal Government
- If the Federal Government does not provide the funding a mortgage has been secured through Island Savings
- Loaves and Fishes is proactively requesting that the Committee recommend Council waive (or cover) the building permit fee and the service contribution agreement payment related to 1861 East Wellington Road which would significantly decrease the mortgage payments for the project

Committee and Staff discussion took place. Highlights included:

- Request for a Staff report outlining the cost implications of waiving the building permit fee and service contribution agreement payment

Jeremy Holm, Director, Planning and Development, estimated the cost of waiving the fees may be \$116,000.

Committee discussion continued regarding the following:

- The timeline to receive a Staff report and concerns of delaying construction of the project
- The Loaves and Fishes' request is contingent on whether or not they receive federal funding, with the organization paying the fees upfront to the City and requesting a refund if the federal funding is not provided

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to provide a report outlining the cost implications of waiving the building permit fee and service contribution agreement payment for the new Loaves and Fishes warehouse distribution centre located at 1861 East Wellington Road. The motion carried unanimously.

Councillor Hemmens returned to the Shaw Auditorium at 9:15 a.m.

## **5. REPORTS:**

### **a. Term Position - Sustainability Section**

Jeremy Holm, Director, Planning and Development, noted an increased workload for Staff in the Sustainability Section, and proposed reallocation of funds from existing project budgets and allocation of from the Climate Action Reserve Fund to fund a temporary full-time position.

Committee and Staff discussion took place. Highlights included:

- Potential impacts on the Building Retrofit Roadmap project as a result of funds being reallocated

Ting Pan, Manager, Sustainability, confirmed that a portion of funds will be left in the budget for the Building Retrofit Roadmap project.

Discussion continued regarding the following:

- The timeline for the temporary position and the possibility of the position being extended in the future

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to fund a temporary, full-time position

for approximately 12 months in the Sustainability Section with up to \$145,000 in funding as follows:

- Reallocate \$70,000 from the 2024 budget for the Building Retrofit Roadmap project;
- Reallocate \$40,000 from the 2024 budget for the E-Mobility Strategy project; and,
- Allocate \$35,000 from the Climate Action Reserve Fund.

The motion carried unanimously.

b. Vancouver Island Military Museum Operating Model Alignment

Introduced by Richard Harding, General Manager, Community Services/Deputy Chief Administrative Officer.

Darcie Osborne, Director, Recreation and Culture, highlighted the following:

- Staff are looking to align the operating model of the Vancouver Island Military Museum (VIMM) with other City co-managed cultural facilities such as the Port Theatre, the Nanaimo Art Gallery and the Nanaimo Museum
- The lease to the VIMM has been extended since 2022 and Staff have been working with VIMM to develop a plan to move forward within the current staffing and budget climate

Committee discussion took place. Highlights included:

- Ensuring fairness between comparable organizations and the continued operation of VIMM
- A request that financial details be provided during budget deliberations

It was moved and seconded that the Finance and Audit Committee recommend that Council approve realigning the Vancouver Island Military Museum operating model by:

- Ending the requirement to pay annual rent for 100 Cameron Road beginning in 2025;
- Directing Staff to assist the Vancouver Island Military Museum Board of Directors with establishing a general manager position; and,
- Directing Staff to begin working to establish a Co-Management Agreement with the Vancouver Island Military Museum.

The motion carried unanimously.

c. Allocation of Remainder of Funds from 2024 Community Watershed Restoration Grant

Introduced by Richard Harding, General Manager, Community Services/Deputy Chief Administrative Officer.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the following 2024 Community Watershed Restoration Grant:

**Applicant Name:** John Barsby School

**Project:** Chase River Stewardship and Riparian Area Restoration

**Amount:** \$2,634

The motion carried unanimously.

d. Culture and Event Grants - Processes Review and Recommendations

Introduced by Richard Harding, General Manager, Community Services/Deputy Chief Administrative Officer.

Presentation:

1. Jaime-Brett Sine, Recreation Coordinator, Cultural Services, provided a PowerPoint presentation. Highlights included:

- An overview of the three Culture and Events Grants available
- The last funding increase for cultural funding was allocated in 2014, and the last comprehensive review of cultural funding was also completed in 2014
- The issues identified during the grant program review such as appropriate levels of funding and identifying and reducing barriers
- The work/improvements completed so far through the review process and tasks that are ongoing
- The review found that the current funding is inadequate; however, grant applicants are satisfied with the processes and staff support
- Currently the City is meeting approximately 65%) of funding requests
- Information and statistics related to the impact of Arts, Culture and Heritage on communities

Committee and Staff discussion took place. Highlights included:

- Staff have seen some programs moving from the Project Grant fund to the Downtown Event Revitalization Funding Program
- Staff provide assistance to align organizations with suitable grant opportunities wherever possible
- Potentially using the Temporary Public Art funds to increase cultural funding

Recreation Coordinator, Cultural Services noted that the budget for temporary public art is small and there are benefits to the program as it provides opportunities for many artists to display diverse art.

Discussion continued regarding the following:

- Impacts on the City's budget and if the City would match funding levels of comparable municipalities
- The financial impact of increasing cultural grant funding versus anticipated population growth in Nanaimo
- The proposed increase would further the City's capacity to meet approximately 75% - 80% of funding requests (by the end of three years)
- A request to review comparisons to similar size and budget municipalities on Vancouver Island and a review of options related to operations, taxation increases, and the implications of a 5% increase instead of the recommended 10% to the grants over the five-year period

It was moved and seconded that the Finance and Audit Committee recommend that Council add a decision point for Council consideration to the 2025 budget deliberations for:

- a. 10% annual increase for five years (2025 – 2029) in Project Grant funding; and,
- b. \$0.25 per capita annual increase for three years (2025 – 2027) in Operating Grant funding.

The motion carried unanimously.

- e. Quarterly Purchasing Report (Single and Sole Source, Purchases in Excess of \$250,000 and Instances of Exceptions to Trade Agreements)

Introduced by Wendy Fulla, Director, Finance.

f. Active Transportation Infrastructure Grant 2024 Intake

Introduced by Wendy Fulla, Director, Finance.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to submit two applications under the 2024 intake of the Active Transportation Infrastructure Grant Program as follows:

1. Submit an application for 'Crosswalk Upgrades that Improve Active Transportation', with confirmation that the municipal share of funding of \$487,289 is available and supported, confirmation that the project is a municipal priority, and that the project is "shovel ready" and intended to be complete within the required timeline.
2. Submit an application for "Third Street Active Transportation Improvements", with confirmation that the municipal share of funding of \$459,000 is available and supported, confirmation that the project is a municipal priority, and that the project is "shovel ready" and intended to be complete within the required timeline.

The motion carried unanimously.

**6. QUESTION PERIOD:**

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

**7. ADJOURNMENT:**

It was moved and seconded at 9:53 a.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER