



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, October 16, 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 P. Manly Councillor J. Perrino Councillor I. Thorpe
Absent:	Councillor T. Brown Councillor E. Hemmens
Staff:	D. Lindsay, Chief Administrative Officer R. Harding, General Manager, Community Services/Deputy Chief Administrative Officer L. Mercer, General Manager, Corporate Services B. Sims, General Manager, Engineering and Public Works W. Fulla, Director, Finance J. Holm, Director, Planning and Development K. Gonzales, Manager, Police Support Services K. Robertson, Deputy Corporate Officer N. Vracar, Deputy Corporate Officer N. Sponaugle, Communications Advisor A. Chanakos, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Finance and Audit Committee Meeting was called to order at 9:00 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, 2024-SEP-25, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. REPORTS:

a. Nanaimo Restorative Justice Program Overview

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

Presentation:

1. Andrew Ferguson, Executive Director, and Kluane Buser-Rivet, Program Manager, Nanaimo Restorative Justice Program, provided a PowerPoint presentation which was included in the Agenda package. Highlights included:
 - Since its inception in 1998, the Nanaimo Restorative Justice Program has received annual funding of \$50,000 from the City; however, current funding levels are no longer adequate for the rising operational costs and additional staff hours needed to continue the Program
 - Other funding sources, including senior levels of government and grants, are being pursued
 - The Program is offered to both youth and adult offenders, and is available at no cost
 - The Nanaimo RCMP Detachment is the largest source of Program referrals, and Nanaimo has some of the highest referrals in BC
 - Restorative justice has proven to be three times more effective than the criminal justice system at reducing repeat offending
 - The Program provides Indigenous victims and offenders a justice process that prioritises cultural support and incorporates traditional forms of Indigenous justice practices

- Local schools have expressed interest to receive training for administrators on restorative justice principles
- The City of Victoria's Restorative Justice Program takes on the same number of files as Nanaimo, and operates with five staff members and 80 volunteers, compared with Nanaimo at one staff member and 10 volunteers
- They are seeking additional funding from City to support the core needs of the City of Nanaimo Restorative Justice Program

Committee discussion took place. Highlights included:

- Current annual program funding is \$83,000, with the majority of funding provided by the City of Nanaimo
- The Provincial Crown Contract prohibits the Program from soliciting the Province for any funds; however, supporters can advocate on behalf of the Program
- Ideal staffing levels would consist of four staff members, including a Program Manager, Indigenous Case Manager, General Case Manager, and Special Projects Manager
- The City of Victoria receives significant funds through their City, Regional District, and surrounding municipalities through line items in the RCMP budget, as well as significant Provincial funding
- Dissatisfaction with lack of funding from senior levels of government

Committee and Staff discussion took place. Highlights included:

- Consideration to review other sources of funding that may be available
- Consideration for adding up to \$150,000 as part of the 2025 budget deliberations given the importance of the Program and increasing demands for services
- Following the upcoming Provincial election, changes could occur regarding Provincial funding options

It was moved and seconded that the Finance and Audit Committee recommend that Council:

1. Add increasing the annual operating grant from \$50,000 to \$150,000 in 2025, for the Nanaimo Restorative Justice Program, as a decision point to the 2025 budget deliberations for Council's consideration; and,
2. Refer the report to a future Public Safety Committee Meeting.

The motion carried unanimously.

b. Neighbourhood Association Grant Program

Jeremy Holm, Director, Planning and Development, noted the original Neighbourhood Association Supports Policy identified an original grant budget of \$10,000 annually; however, an increasing number of established Neighbourhood Associations has prompted a request for increased funding.

Committee and Staff discussion took place. Highlights included:

- The current grant funding will not provide adequate funds if all 16 established Neighbourhood Associations request grants
- If Council supports the recommendation, each Neighbourhood Association could receive up to \$1,250 each

It was moved and seconded that the Finance and Audit Committee recommend that Council:

1. Add a decision point for Council consideration to the 2025 budget deliberations to increase the annual Neighbourhood Association Grant Program budget from \$10,000 to \$20,000 starting in 2025;
2. Allow annual grant totals to exceed \$1,000 per neighbourhood association; and,
3. Delegate annual grant approvals to the Director of Planning and Development for recognized neighbourhood associations when grant criteria is respected.

The motion carried unanimously.

c. Tourism Nanaimo Funding Request

Laura Mercer, General Manager, Corporate Services, noted that Tourism Nanaimo is requesting a one-time grant in order to fill the Sport Tourism Coordinator position early, and that funding can be provided by a surplus in the Corporate and Business Development area due to staff vacancies.

Committee and Staff discussion took place regarding the economic impact Sports Tourism has in the city, and the importance of providing assistance to fund the position in advance of the new year.

It was moved and seconded that the Finance and Audit Committee recommend that Council provide Tourism Nanaimo with an additional \$29,000 in grant funding for 2024 only, to fund a new Sport Tourism Coordinator position. The motion carried unanimously.

d. Quarterly Budget Transfer Report

Laura Mercer, General Manager, Corporate Services, noted that the City's Budget Transfer Policy requires disclosure of budget transfers that result in new projects over \$75,000, budget transfers over \$100,000 or transfers resulting in the delay or cancellation of a project. She outlined the four projects for the Q3 period.

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

Laura Mercer, General Manager, Corporate Services, noted that the report was provided in accordance with the City's Procurement Policy, outlining sole source and single submission purchases and policy compliance for July 1 – Sept 30, 2024.

f. Consideration of Other Grants - September 2024 Intake

Laura Mercer, General Manager, Corporate Services, noted that while two Other Grant requests were received, only one met the grant criteria, and recommended providing the full remaining amount of \$4,000 to the successful applicant.

It was moved and seconded that the Finance and Audit Committee recommend that Council:

1. Award an Other Grant under the Capital Projects category for \$4,000 to the Nanaimo Lodge No. 1052 – Loyal Order of Moose for the replacement of the HVAC system at 1359 Cranberry Avenue.

2. Deny an Other Grant to Vancouver Island University to support the upcoming Vancouver Island Leadership Conference, but direct Staff to provide information to Vancouver Island University with regard to other potential event funding sources.

The motion carried unanimously.

g. Permissive Tax Exemption Cash Grant Request

Laura Mercer, General Manager, Corporate Services, provided the following introductory comments:

- Connective Support Society applied for a 2024 permissive tax exemption (PTE) cash grant for their property at 2630 Labieux Road for full funding of property taxes in the amount of \$6,357.69
- The updated Permissive Tax Exemption Policy, approved by Council in July 2024, no longer includes the cash grant program for PTEs
- As the change in Policy occurred halfway through the year, funding was still available for 2024 in the amount of \$1,400, and could be awarded in lieu of a PTE cash grant

It was moved and seconded that the Finance and Audit Committee recommend that Council award the Connective Support Society Nanaimo with a permissive tax exemption cash grant in the amount of \$1,400 for the 2024 property taxation year. The motion carried unanimously.

h. 2025 Project Contingency

Laura Mercer, General Manager, Corporate Services, provided the following introductory comments:

- In 2023, Council approved creating one general fund contingency budget in place of multiple smaller budgets in different departments
- The 2024 contingency budget was calculated at 3% of the total 2024 general capital plan budget, and was set at \$870,000 with funding coming from the 2023 surplus
- The 2024 surplus would provide \$890,000 for the 2025 general fund contingency budget

Committee and Staff discussion took place regarding the use of these funds for capital project overruns.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to add a \$890,000 general fund project contingency budget for 2025 to the 2025 – 2029 Provisional Financial Plan funded from 2024 surplus. The motion carried unanimously.

i. Japanese Canadian Legacies Legacy Community Projects Fund

Laura Mercer, General Manager, Corporate Services, provided the following update:

- The City, with support from the Seven Potatoes Club, has applied for a grant through the Japanese Canadian Legacies Legacy Community Project Fund
- If successful, a \$500,000 grant would be used to install interpretive signs at historically significant locations in Nanaimo
- The intent is to facilitate tangible legacy projects that permanently provide knowledge and depict pre-war, war time and post-war experiences of Japanese Canadians from BC

5. QUESTION PERIOD:

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

6. ADJOURNMENT:

It was moved and seconded at 10:14 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER