



## MINUTES

### FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, November 20, 2024, 9:01 A.M.  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE  
80 COMMERCIAL STREET, NANAIMO, BC

- Members:
- Mayor L. Krog, Chair
  - Councillor H. Eastmure
  - Councillor B. Geselbracht
  - Councillor E. Hemmens
  - Councillor P. Manly
  - Councillor J. Perrino
  - Councillor I. Thorpe (vacated 10:29 a.m., returned 10:44 a.m.)
- Absent:
- Councillor S. Armstrong
  - Councillor T. Brown
- 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
  - D. Osborne, Director, Parks, Recreation and Culture
  - N. Vracar, Deputy Corporate Officer
  - L. Brinkman, Manager, Community Planning
  - J. Rushton, Manager, Supply Chain Management
  - C. Wood, Manager, Social Planning
  - N. Sponaule, Communications Advisor
  - J. Vanderhoef, Recording Secretary

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

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

The Finance and Audit Committee Meeting was called to order at 9:01 a.m.

**2. PROCEDURAL MOTION:**

It was moved and seconded that the meeting be closed to the public in order to deal with agenda items under the *Community Charter*:

Section 90(1) A part of a Council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

The motion carried unanimously.

The Finance and Audit Committee moved In Camera at 9:02 a.m.

The Finance and Audit Committee moved out of In Camera at 9:07 a.m.

**3. INTRODUCTION OF LATE ITEMS:**

- (a) Agenda Item 8(e) Funding Request from Nanaimo Hornets Rugby Football Club – Add delegation from Drew Cooper.

**4. ADOPTION OF AGENDA:**

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

**5. 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-OCT-16, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

**6. PRESENTATIONS:**

1. Liette Bates-Eamer, Lead Audit Engagement Partner, KPMG re: KPMG Preliminary Audit Presentation

Introduced by Laura Mercer, General Manager, Corporate Services.

Liette Bates-Eamer, Lead Audit Engagement Partner, and Sarah Burden, Senior Manager, KPMG, joined via Zoom and provided a presentation regarding the KPMG Preliminary Audit. Highlights included:

- The City is required to have their financial statements audited every year
- KPMG conducts audits twice a year, an interim audit in the fall and a final audit in the spring
- Materiality for the City is \$4.4 million; however, any issues exceeding \$220,000 are reported to the City
- There are three new standards for revenue accounting, purchased intangibles, and public-private partnerships (which does not apply to the City)
- No significant risks are anticipated other than the one required by professional auditing standards which is to identify fraud risk from management override of controls

## 7. REPORTS:

### a. Rent Supplement Program Update

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

#### Presentation:

1. Christy Wood, Manager, Social Planning, Melissa Giles, Managing Director, BC Rent Bank, and Andrew Ferguson, Executive Director (joined via Zoom), Connective Supportive Society Nanaimo, provided a presentation. Highlights included:
  - Rent supplements are support payments to renters that bridge the gap between what an individual or family can afford to pay and what the actual cost of housing is
  - Supplements play a role in the prevention of homelessness and reduces the impact of poverty
  - During the 2023-SEP-11 Regular Council Meeting, Council approved the allocation of \$150,000 from the Online Accommodation Platform (OAP) fund in 2024, to be used to support rent supplement programs in Nanaimo
  - On 2024-FEB-06, the Canadian Mental Health Association Mid Island Branch (CMHA) was awarded \$22,500 and Connective Support Society Nanaimo (Connective) was awarded \$127,500
  - CMHA provides a program called Street Reach Outreach which works to connect individuals living in encampments to support services

- Connective uses the City-funding to enhance housing programs aimed towards preventing homelessness and helping individuals retain housing when they might not meet requirements for funding support or a rent bank loan

b. Nanaimo Region Rent Bank Update

Presentation:

1. Christy Wood, Manager, Social Planning, Melissa Giles, Managing Director, BC Rent Bank, and Andrew Ferguson, Executive Director, Connective Supportive Society Nanaimo, continued their presentation. Highlights included:

- The rent bank program is an eviction prevention and housing stability service that provides interest free loans to low-to-moderate income renter households facing eviction or in need of assistance to pay essential utilities because of a short-term financial crisis
- The Connective Society, operates the local rent bank through BC Rent Bank and has been providing rent bank loans since 2021
- Overview of the various funding sources provided to the Nanaimo Regional Rent Bank – Connective Support Society
- Funds are restricted to City of Nanaimo residents
- Increased demand for rent bank services
- Nanaimo has one of the highest loan approval rates and one of the strongest repayment rates
- Review of the preliminary demographic data collected from applicants

Committee discussion took place relative to items 7(a) and 7(b). Highlights included:

- How the Connective Society assesses applicant's housing affordability and helps with long-term financial planning
- Funds provided by the City are only used towards loan capital
- A desire to review results of the Connective Society's forthcoming study comparing the cost of presented programs and the costs associated with providing shelter when someone has lost their housing
- The number of residents accessing both programs and potential to direct resources more efficiently

- The desire for trend analysis and data on the success rate for loan repayment
- Presented programs are supportive and more flexible than options provided through BC Housing
- BC Housing considers presented programs funds as income and program operators affirm individuals' ability to cover the cost of housing

c. Online Accommodation Platform Funds

Introduced by Jeremy Holm, Director, Planning and Development.

Lisa Brinkman, Manager, Community Planning, provided a verbal update. Highlights included:

- Online Accommodation Platform (OAP) funds are collected from short-term rental platforms as part of the Municipal and Regional District Tax Program
- Summary of the recommended funding allocations supporting the programs discussed previously in the meeting
- Staff reviewed Happipad (a new online platform that promotes home sharing) and determined that there was not significant evidence of the program being successful at this time and are therefore not recommending funding for Happipad

Committee discussion took place. Highlights included:

- Clarification regarding capital improvement costs associated with 1030 Old Victoria Road and how the BC Housing project has evolved but the City is still responsible for capital improvements through the memorandum of understanding
- Staff will continue to monitor the Happipad program

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate the Online Accommodation Platform revenue in 2025 as follows:

- a. \$830,000 to acquisition of land and/or infrastructure/land improvements for affordable housing developments related to BC Housing and City of Nanaimo partnerships;
- b. \$150,000 for continued support to the rent supplement programs; and,

- c. \$150,000 for continued support to the Nanaimo Region Rent Bank program, administered by Connective Support Society Nanaimo.

The motion carried unanimously.

Councillor Hemmens vacated the Shaw Auditorium at 9:58 a.m. declaring a conflict of interest as she is on the Board of Directors for Loaves and Fishes Community Food Bank.

- d. Loaves and Fishes Warehouse Distribution Centre - Request to Waive Fees and Servicing Requirements

Jeremy Holm, Director, Planning and Development, provided introductory comments, including the following:

- The property at 1861 East Wellington Road, future site for the proposed warehouse, is owned by the City and leased to Loaves and Fishes for a 30-year period
- The building permit fees total \$69,569.75; however, there is no bylaw provision or grant funding to waive or offset these fees and the City does not waive these fees for City projects or other non-profit organizations
- The required works and services include \$37,037 for completion of access improvements on Hansen Road, as well as \$54,733.20 for asphalt replacement and curbing fronting the property on East Wellington Road
- The City is planning roadwork and infrastructure improvements on East Wellington Road in 2026. Due to the timing the City would enter into an agreement with Loaves and Fishes to collect the \$54,733.20 servicing contribution funds and use them towards the overall project

Committee discussion took place. Highlights included:

- Loaves and Fishes are still awaiting a response to their request for Federal Government funding and hesitation to support the request to the City prior to knowing the outcome of the federal funding request
- Including the servicing contribution fee in the overall roadway improvement project
- Potentially adding waiving of the building permit fees as a decision point during budget deliberations
- Clarification that Loaves and Fishes intends to proceed with the project regardless of the fees being waived and can apply for a development variance permit for works and services

- Staff can follow-up with Loaves and Fishes to discuss the development variance permit process and to enquire about the status of their federal funding request

Councillor Hemmens returned to the Shaw Auditorium at 10:14 a.m.

e. Funding Request from Nanaimo Hornets Rugby Football Club

Richard Harding, General Manager, Community Services and Deputy Chief Administrative Officer, provided introductory comments, including the following:

- The Nanaimo Hornets Rugby Football Club (the Club) has been located at May Richards Bennett Pioneer Park since the 1970s and has a clubhouse that is fully their responsibility
- The Club is seeking \$100,000 (subject to the Club successfully acquiring a provincial grant) to upgrade the current field lighting to a light-emitting diode (LED) and make improvements to bathrooms

Delegation

1. Drew Cooper provided an overview of the Club, including benefits of its programming, particularly their junior programs. The Club supports affordable programming with a unique approach that incorporates community development, sport, and social interaction.

Committee discussion took place. Highlights included:

- Clarification that the City owns the park land; however, the Club owns the clubhouse building
- The use of the upper field in the park is primarily for rugby
- Appreciation for the low barrier access to sport and programs offered through the Club
- The Club is able to rent the clubhouse for fundraising; however, there are limitations due to accessibility issues with the clubhouse washrooms which are part of the planned renovations

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the Nanaimo Hornets Rugby Football Club's funding request (for field lighting and upgrades to the clubhouse washrooms) and allocate \$100,000 from the Strategic Infrastructure Reserve Fund contingent on a successful grant application by the Club to the Province of BC's Community Gaming Capital Grants Program. The motion carried unanimously.

Councillor Thorpe vacated the Shaw Auditorium at 10:29 a.m.

f. Japanese Canadian Legacies Society - Legacy Infrastructure Project Grant

Richard Harding, General Manager, Community Services and Deputy Chief Administrative Officer provided introductory comments, including the following:

- The Society is seeking a grant of up-to \$1 million to add a cultural facility at Beban Park
- Deadline of 2024-DEC-01 for the grant application

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

1. Direct Staff to provide support to the 7 Potatoes Cultural Society for their grant application;
2. Provide a letter of support for the project;
3. Confirm the City would be responsible for the project construction and ongoing maintenance, if the grant application is successful; and,
4. Authorize Staff to enter into an agreement with 7 Potatoes that guarantees the use of the land for the project, if the grant application is successful.

The motion carried unanimously.

The Finance and Audit Committee meeting recessed at 10:31 a.m.

The Finance and Audit Committee meeting reconvened at 10:44 a.m.

Councillor Thorpe returned to the Shaw Auditorium at 10:44 a.m.

g. Sustainable Procurement Update

Introduced by Laura Mercer, General Manager, Corporate Services.

Jane Rushton, Manager, Supply Chain Management, was available to answer questions.

Committee and Staff discussion took place. Highlights included:

- The Canadian Council for Sustainable Procurement has ramped up their requirements for their sustainability rating scale
- Two Staff positions have been filled in the department and Staff hope to provide a more robust story/report when they come forward the next time



- Clarification regarding the process for soliciting feedback from vendors

**8. QUESTION PERIOD:**

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

**9. ADJOURNMENT:**

It was moved and seconded at 10:50 a.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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DEPUTY CORPORATE OFFICER