



## MINUTES

### FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, February 19, 2025, 9:00 A.M.  
Shaw Auditorium, Vancouver Island Conference Centre  
80 Commercial Street, Nanaimo, BC

**Members:**

Mayor L. Krog, Chair  
Councillor T. Brown (vacated at 10:36 a.m.)  
Councillor H. Eastmure  
Councillor B. Geselbracht (arrived at 9:10 a.m.)  
Councillor E. Hemmens  
Councillor P. Manly  
Councillor J. Perrino  
Councillor I. Thorpe

**Absent:**

Councillor S. Armstrong

**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  
T. Doyle, Fire Chief  
G. Whiting, Deputy Fire Chief  
A. Groot, Director, Police Services  
W. Fulla, Director, Finance  
J. Holm, Director, Planning and Development  
D. Osborne, Director, Parks, Recreation and Culture  
N. Vracar, Deputy Corporate Officer  
A. Breen, Manager, Culture and Special Events  
P. Stewart, Manager, Engineering Projects  
J. Knight, Capital Project Management Specialist  
J. B. Sine, Recreation Coordinator – Cultural Services  
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 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 following Minutes be adopted as circulated:

- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Wednesday, 2024-NOV-27 at 9:00 a.m.
- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, at 80 Commercial Street, Nanaimo, BC, on Wednesday, 2024-DEC-04 at 9:00 a.m.
- Minutes of the Special Finance and Audit Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, at 80 Commercial Street, Nanaimo, BC, on Friday, 2024-DEC-06 at 9:00 a.m.
- 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-DEC-11 at 9:01 a.m.

The motion carried unanimously.

**4. REPORTS:**

(a) Commercial Street Project

Introduced by Bill Sims, General Manager, Engineering and Public Works.

Presentation:

1. James Knight, Capital Project Management Specialist, provided an on screen presentation included in the agenda package and advised the following:
  - If the Harbour Front Parkade membrane is left unreplaced it will continue to deteriorate which may cause structural damage
  - Staff are proposing an updated phasing plan for the Commercial Street Project (the Project)

- Implementing the Albert Street to Terminal Avenue phase next would better align with the Downtown Transit Exchange Project and would help address the issue of construction fatigue for downtown businesses on Commercial Street

Committee and Staff discussion took place. Highlights included:

- Currently there is minimal damage from the leaking membrane in the Harbour Front Parkade; however, the longer it is left, the greater potential for damage

Councillor Geselbracht entered the Shaw Auditorium at 9:10 a.m.

- Concern for businesses on Victoria Crescent with both the Albert Street to Terminal Avenue phase of the Commercial Street Project and the Downtown Transit Exchange Project impacting that area
- Development of the former Jean Burns site at 6 Commercial Street
- Potential to strategize breaks in construction schedules during summer and Christmas seasons
- The Project attempts to retain existing trees; however, many trees need to be removed due to the orientation of the street and due to roots heaving the sidewalk

Delegations:

1. Virginia Coverdale, Owner, My Undies, spoke regarding construction fatigue for downtown Nanaimo business owners with both the Terminal Avenue Upgrades Project and the current phase of the Commercial Street Project taking place over a two-year period. The delegation expressed support for the project; however, shared financial concerns experienced by the businesses and requested a two-year break from the construction to provide some relief and a chance to recover.
2. Steven Johns, Vice-Chair, Downtown Nanaimo Business Association (DNBA), expressed the state of fatigue for downtown businesses noting that the appearance of construction deters customers. The delegation noted that DNBA supports the proposed next phase of construction being Albert Street to Terminal Avenue; however, requested a more aggressive timeline for subsequent phases to allow for the majority of the downtown core to be completed by 2028.

Committee and Staff discussion took place. Highlights included:

- The Committee has received mixed feedback from businesses regarding preferred timing for the Project
- The recommended timing for the phasing is subject to funding availability
- The Committee's endorsement for the proposed phasing would provide a framework for the five-year capital plan; however, approval from Council during budget discussions would still be required
- Mitigating the risk of underground voids
- The Project is driven by the goal to enhance the public space, and takes advantage of the opportunity to replace the underground infrastructure while the surface work is being done to avoid having to replace it later
- There is no pressure to complete the Project other than the Harbour Front Parkade membrane

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the Design Commercial Phasing Plan with the following phases moved from 2027/2028 to 2028/2029:

- Harbour Front Parkade Membrane Replacement;
- Diana Krall Plaza Improvements;
- Design Commercial – Diana Krall Plaza;

And, that an option for the Terminal Avenue to Skinner Street phase be considered to be moved to 2028/2029 as well.

The motion was defeated.

Opposed: *Mayor Krog and Councillors Geselbracht, Hemmens, Manly, Perrino, and Thorpe*

Committee discussion took place regarding the City's responsibility to consult with the downtown business community regarding the Project phasing.

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the Design Commercial Phasing Plan for consideration during the 2026 – 2030 Financial Plan deliberations. The motion carried.

Opposed: *Councillor Eastmure*

Councillor Brown vacated the Shaw Auditorium at 10:36 a.m.

The Finance and Audit Committee recessed the meeting at 10:36 a.m.

The Finance and Audit Committee reconvened the meeting at 10:52 a.m.

(b) Community Resiliency Investment Program (FireSmart Community Funding and Supports Program)

Introduced by Tim Doyle, Fire Chief.

Geoff Whiting, Deputy Fire Chief, spoke regarding the allocation of funding from the 2024 Community Resiliency Investment Grant, and the proposed allocation for the 2025 grant funding.

It was moved and seconded that the Finance and Audit Committee recommend that Council support the City of Nanaimo's application to the Union of BC Municipalities for the Community Resiliency Investment Program (FireSmart Community Funding and Supports Program) and if successful the 2025-2029 Financial Plan be amended to include this grant. The motion carried unanimously.

(c) Nanaimo Restorative Justice Program Funding

Introduced by Art Groot, Director, Police Services.

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

1. Approve a 5-year annual operating grant to the Restorative Justice Program for the term covering January 1, 2025 to December 31, 2029 based on \$150,000 for 2025; and,
2. Add a 2% annual increase for 2026 to 2029.

The motion carried unanimously.

(d) 2025 Culture Project Grant Additional Allocation

Introduced by Darcie Osborne, Director, Parks, Recreation and Culture.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the addition of Crimson Coast Dance Society to the list of 2025 Culture & Event Grant standby organizations, and Project Grant reallocation as follows:

- Applicant Name: Crimson Coast Dance Society
  - Recommended: \$3,476
- Applicant Name: Vancouver Island Symphony
  - Recommended: \$965

The motion carried unanimously.

(e) Heritage Façade Grant - 437 Fitzwilliam Street

Introduced by Jeremy Holm, Director, Planning and Development.

Committee discussion took place regarding the heritage conservation covenant that would be registered on the title of the property.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$8,137.50 Heritage Façade Grant for the Rawlinson & Glaholm Grocers building located at 437 Fitzwilliam Street to repaint the building's exterior. The motion carried unanimously.

(f) Heritage Home Grant - 469 Milton Street

Introduced by Jeremy Holm, Director, Planning and Development.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$2,500 Heritage Home Grant to update the exterior cladding and replace the roof's gutter system of the Milton Street Bungalow at 469 Milton Street. The motion carried unanimously.

(g) Security Checks and Other Grants Policy Update

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the revised Security Checks and Other Grants Policy as outlined in the Staff report dated 2025-FEB-19. The motion carried unanimously.

(h) Canada Housing Infrastructure Fund

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve submission of an application to the Canada Housing Infrastructure Fund for funding for the Millstone Trunk North Sewer System Project. The motion carried unanimously.

(i) UBCM Emergency Support Services Equipment and Training Program Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the grant application to the UBCM Emergency Support Services Equipment and Training Program for funding for the Nanaimo ESS Group Lodging Supplies regional project and support the City of Nanaimo providing overall grant management as the primary applicant. The motion carried unanimously.

(j) UBCM Emergency Operations Centres Equipment and Training Stream Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a grant application to the UBCM Emergency Operations Centres Equipment and Training Program for funding for the Nanaimo EOC Equipment Upgrade project and supports the City of Nanaimo providing overall grant management. The motion carried unanimously.

(k) Active Transportation Fund - Capital Project Stream 2025 Grant Application

Introduced by Laura Mercer, General Manager, Corporate Services.

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

1. Direct Staff to apply to the Active Transportation Fund – Capital Projects Stream 2025 for funding for the Bowen Road Bike Lane Expansion project; and,
2. With the project being contingent on a successful grant application, approve adding the Bowen Road Bike Lane Expansion project to the 2025 – 2029 Financial Plan at a total cost of \$1,900,000, funded by \$1,140,000 from the Active Transportation Fund – Capital Project Stream and \$760,000 from the Growing Communities Reserve Fund.

The motion carried unanimously.

(l) Quarterly Budget Transfer Report

Laura Mercer, General Manager, Corporate Services, provided an overview of the report in the agenda package.

(m) 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, provided an overview of the report in the agenda package.

**5. QUESTION PERIOD:**

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

**6. 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 meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

(c) labour relations or other employee relations; and,

Section 90(2) A part of a meeting must be closed to the public if the subject matter being considered relates to or is one or more of the following:

(d) a matter that, under another enactment, is such that the public must be excluded from the meeting.

The motion carried unanimously.

The Finance and Audit Committee Meeting moved In Camera at 11:11 a.m.

The Finance and Audit Committee Meeting moved out of In Camera at 11:17 a.m.

The Finance and Audit Committee Meeting reconvened the Open Meeting at 11:17 a.m.

**7. ADJOURNMENT:**

It was moved and seconded at 11:17 a.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

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CHAIR

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DEPUTY CORPORATE OFFICER