



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, May 21, 2025, 9:00 A.M.
Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

Members: Mayor L. Krog, Chair
Councillor S. Armstrong* (joined at 9:47 a.m., disconnected at 11:33 a.m.)
Councillor H. Eastmure* (vacated at 10:50 a.m., joined electronically at 11:01 a.m.)
Councillor B. Geselbracht*
Councillor E. Hemmens (vacated at 11:29 a.m.)
Councillor P. Manly
Councillor J. Perrino
Councillor I. Thorpe*

Absent: Councillor T. Brown

Staff: D. Lindsay, 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. Ing, Director, IT/CIO
D. Osborne, Director, Parks, Recreation and Culture
P. Rosen, Director, Engineering
N. Vracar, Deputy Corporate Officer
M. Bryson, Deputy Director, Civic Facilities
C. Davis, Deputy Director, Parks and Natural Areas
J. McAskill, Manager, Facility Asset Planning
J. Rose, Manager, Transportation
N. Sponaugle, Communications Advisor
A. Chanakos, 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, 2025-APR-16, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

4. PRESENTATIONS:

(a) 2026 - 2030 Draft Project Plan

Introduced by Laura Mercer, General Manager, Corporate Services.

Wendy Fulla, Director, Finance, provided an overview of the on-screen presentation included in the agenda package and advised the following:

- The 2026 – 2030 Draft Financial Plan has \$276.9 million in projects planned for the next four years
- Approximately 67% of projects address the renewal of existing infrastructure to maintain service levels
- 79% of project funding comes from reserves, with the General Asset Management Reserve Fund being the largest single source of funding
- In July 2024, Council provided approval for Staff to sign a 10-year Community Works Funding Agreement, which has been used to fund new City infrastructure and renew existing infrastructure. For the 2026 – 2030 Project Plan, Staff plan to continue using this reserve to fund projects that meet the program requirements

Committee and Staff discussion took place regarding major capital projects that have not been included in the 2025 – 2029 Financial Plan.

Poul Rosen, Director, Engineering, continued the presentation and advised the following:

- The integration between transit, pedestrians and cyclists has become an emerging issue following adoption of the provincial active transportation guidelines. The City participated in a pilot project

which included additional signage and road markings to create separate space for cyclists and pedestrians along Bowen Road and Front Street

- The Midtown Network has been a priority for the City, and over the last several years a number of active transportation links have been added to improve connectivity between Country Club Centre, the Nanaimo Regional General Hospital, Vancouver Island University and downtown
- Projects planned for the next few years include the Country Club Transit Exchange, Downtown Transit Exchange and upgrades to Albert Street and Wallace Street
- Upcoming roadwork includes traffic signal and paving upgrades on Bowen Road, adjacent to Beban Park, as well as a new traffic signal at East Wellington Road and Madsen Road

Committee and Staff discussion took place. Highlights included:

- Investing in less expensive, traditional bike racks would allow the City to have stock of bike racks that could be installed at various locations with minimal wait time
- A single secure bike unit with charging capabilities costs approximately \$30,000, plus site preparation, and can accommodate five bikes
- Staff hope to find a vendor that can provide a wide variety of end-of-trip facilities that will promote active transportation
- Bike valet programs help promote active transportation for large events; however, the program costs approximately \$2,000 per day
- The bike pod model at the Nanaimo Aquatic Centre (NAC) costs approximately \$10,000 per unit; however, they require a key to access the unit and a Staff member to administer the key
- Bike storage cages are cost-effective; however, they tend to only accommodate a select group of people, such as employees of a building

P. Rosen, Director, Engineering, continued the presentation and noted upgrades planned for Norwell Drive and the Country Club Transit Exchange, as well as upgrades to Hammond Bay Road in partnership with the Regional District of Nanaimo.

Councillor Armstrong joined the meeting electronically at 9:47 a.m.

Committee discussion took place regarding the option to include bike lanes along Hammond Bay Road.

P. Rosen, Director, Engineering, continued the presentation and provided an update on the Commercial Street upgrades and funding forecasts for traffic signals and road paving/maintenance.

Committee and Staff discussion took place regarding possible improvements to the Turner Road and Island Highway intersection, as well as improving active transportation routes between Longwood Station and Metral Drive.

P. Rosen, Director, Engineering, continued the presentation and advised that current funding levels for water, sanitary sewer and storm sewer are below the level they should be funded at, which results in Staff being required to triage projects to ensure work is prioritised appropriately.

Committee and Staff discussion took place regarding increasing property taxes to improve water and sewer funding levels in the future.

Jennifer McAskill, Manager, Facility Asset Planning, continued the presentation and reviewed upcoming facility projects and anticipated funding levels.

Mike Bryson, Deputy Director, Civic Facilities, continued the presentation and advised the following:

- Phase 1 of the NAC improvements included the installation of a glass wall and automatic door in the lobby. Phase 2 will include improvements to the Staff areas and conversion of the concession area into office space
- The 7 Potatoes Society has secured a \$250,000 grant to fund improvements to Room 6 at the Beban Social Centre. A portion of the room will be soundproofed to create a taiko drum practice space
- The Beban Complex roof replacement will take place over three phases, and will include roof over the pool area, Frank Crane Arena and the Beban Social Centre

Committee and Staff discussion took place regarding possible future repairs to the Centennial Building roof.

M. Bryson, Deputy Director, Civic Facilities, continued the presentation and reviewed upcoming recreation facility projects.

Charlotte Davis, Deputy Director, Parks and Natural Areas, continued the presentation and advised of the recent upgrades to Westwood Lake Park, as well as the new soft surface trail along the E&N Trail.

Committee discussion took place regarding the level of accessibility at the Westwood Lake beach and playground feature.

C. Davis, Deputy Director, Parks and Natural Areas, continued the presentation and advised the following:

- Projects for completion in 2025 include the installation of bleachers at the Harewood Artificial Turf Field and Q'unq'inuqstuxw Stadium, upgrades to the parking lot at Neck Point Park, and Harewood Centennial Park water park improvements
- Design work is taking place for the Maffeo Sutton Park washrooms, and will likely include replacement of the current building
- Upcoming planned projects include Japanese – Canadian legacy projects, Brechin dock upgrades and East Wellington Park improvements
- Phase 3 of Westwood Lake Park improvements is currently scheduled for 2030, and will provide a safer connection between First and Second Beach, improved accessibility to water and additional seating
- The installation of lighting along the E&N Trail between Northfield Road and Rock City Road is being considered; however, there is no estimated timeline for the project

W. Fulla, Director, Finance, advised the Committee that the deadline for Staff to submit project plans for consideration is approaching, and requested direction from the Committee regarding which projects to prioritize.

Committee and Staff discussion took place. Highlights included:

- Plans have been developed for 933 Park Avenue, and Staff are looking at how to incorporate the project into the Financial Plan
- Consideration to move Phase 3 of Westwood Lake Park improvements forward from 2030
- Funding from the Special Initiatives Reserves and the Strategic Infrastructure Reserve Fund could be allocated to priority projects; however, discretionary funding should not be allocated until budgets are in place for major upcoming projects

The Finance and Audit Committee recessed the meeting at 10:39 a.m.

The Finance and Audit Committee reconvened the meeting at 10:50 a.m.

Councillor Eastmure vacated the Shaw Auditorium at 10:50 a.m.

5. REPORTS:

(a) Nanaimo Aquatic Centre HVAC

Darcie Osborne, Director, Parks, Recreation and Culture, provided an overview of the report in the agenda package.

Committee and Staff discussion took place. Highlights included:

- Portions of the project will require the facility to be shut down; however, Staff would work to accommodate the public where possible through other aquatic facilities and beaches throughout the City
- The mechanical units to be replaced remove extra humidity in the air, which allows the pool to function properly, and helps the City meet the requirements for maintaining an indoor pool
- Delaying the project would create the potential risk of losing the \$3 million grant funding, as the deadline to spend the grant funding is 2028-MAR-31

Councillor Eastmure joined the meeting electronically at 11:01 a.m.

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the 2026 budget for the Nanaimo Aquatic Centre HVAC Equipment Upgrades project by \$6,740,951 funded by \$1,500,000 from the Facility Development Reserve Fund and \$5,240,951 from the General Asset Management Reserve Fund in the 2025 – 2029 Financial Plan. The motion carried unanimously.

(b) ERP Project - Budget Increase Request

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

Committee and Staff discussion took place regarding the spectrum of tasks the Enterprise Resource Platform (ERP) software is responsible for.

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the budget for the ERP project by \$1,900,000 funded by \$200,000 in 2025 and \$900,000 in 2026 from the General Asset Management Reserve Fund and \$800,000 in 2025 from the IT Reserve Fund in the 2025 – 2029 Financial Plan. The motion carried unanimously.

(c) Nanaimo Curling Club Assessment

D. Osborne, Director, Parks, Recreation and Culture, provided an overview of the report in the agenda package.

Committee and Staff discussion took place. Highlights included:

- The City is responsible for the roof and concrete slab of the Nanaimo Curling Club facility as part of the Co-Management Agreement. Following the condition assessment, it was determined that both are due for replacement
- Concern regarding the level of investment and the amount of community members who would benefit
- Consideration to use the Nanaimo Curling Club facility for other uses when it is not being utilized for curling
- These repairs fall under asset management, and the Nanaimo Curling Club is part of the City's infrastructure
- The City missed the opportunity to host curling for the 55+ BC Games due to unexpected chiller repairs. Keeping the building in good repair would provide the City with future hosting opportunities
- The condition assessment showed the structure itself is in good condition; however, it needs maintenance upgrades

Councillor Hemmens vacated the Shaw Auditorium at 11:29 a.m.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to prioritize necessary funds to sustain services at the facility including a new roof and suitable surface to support ice, while investigating additional programming for the facility. The motion carried unanimously.

Councillor Armstrong disconnected from the meeting at 11:33 a.m.

(d) Community Watershed Restoration Grants 2025

D. Osborne, Director, Parks, Recreation and Culture, provided an overview of the report in the agenda package.

Committee discussion took place regarding focusing grant funding on projects that the City has identified as priorities in the City Plan.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a total of \$20,000 in accordance with the Community Watershed Restoration Grant Guidelines and Criteria as attached to the Staff Report titled "Community Watershed Restoration Grant 2025", dated 2025-MAY-21, and that the grant allocations be as follows:

- a) Nanaimo Area Land Trust - \$4,166
Project: Maintenance of Beaver Dam to Secure Flows
- b) Wellington Action Committee - \$3,800
Project: Diver Lake Western Painted Turtle Protection
- c) Pacific Garden Co-Housing - \$7,034
Project: Habitat Restoration Project-Chase River
- d) Wildcoast Ecological Society - \$5,000
Project: East Wellington Park's Ecosystem Restoration and Wildlife Education Program

The motion carried unanimously.

(e) 2025 Community Environmental Sustainability Project Grant Applications

Jeremy Holm, Director, Planning and Development, introduced the report and advised that a grant application from School District 68 – Departure Bay Elementary School was missed in the Staff report.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a total of \$20,000 in accordance with the Community Environmental Sustainability Project Grant Guidelines and Criteria as attached, and that the grant allocations be as follows:

- a) Broombusters Invasive Plant Society - \$2,000
Project: Nanaimo Parkway Broom Removal 2025
- b) Frank J Ney Parent Advisory Committee - \$5,000
Project: FJN Elementary Outdoor Classroom
- c) Nanaimo Area Land Trust and Friends of Cottle Creek - \$5,000
Project: Monitoring Riparian Forest Health in Linley Valley
- d) Nanaimo Area Cycling Coalition Society - \$1,000
Project: Cycle in Nanaimo
- e) Nanaimo Science - \$1,500
Project: Science in the Park

- f) Nanaimo Climate Action Hub - \$3,000
Project: Nanaimo Climate Action and Solutions Expo
- g) School District 68: Departure Bay Elementary School - \$2,500
Project: Phase 2 of Wardropper Park Improvements

The motion carried unanimously.

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

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

6. QUESTION PERIOD:

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

7. 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:

- (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 the Council, could reasonably be expected to harm the interests of the municipality if they were held in public; and,
- (n) the consideration of whether a Council meeting should be closed under a provision of this subsection or subsection (2).

The motion carried unanimously.

The Finance and Audit Committee Meeting moved In Camera at 11:45 a.m.

The Finance and Audit Committee Meeting moved out of In Camera at 11:49 a.m.

8. ADJOURNMENT:

It was moved and seconded at 11:49 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

CHAIR

DEPUTY CORPORATE OFFICER