



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, June 18, 2025, 9:00 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

Absent: Councillor S. Armstrong
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
N. Vracar, Deputy Corporate Officer
J. Rose, Manager, Transportation
N. Sponaule, 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.

Mayor Krog advised of the recent passing of William (Bill) James Merilees and noted their many contributions to the community, including their extensive knowledge of local plants/trees, becoming an author, and being a strong supporter of Saysutshun, Buttertubs Marsh and various other causes.

* 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, 2025-MAY-21, at 9:00 a.m., be adopted as circulated. The motion carried unanimously.

4. PRESENTATIONS:

(a) 2026 - 2030 Financial Plan Development

Introduced by Laura Mercer, General Manager, Corporate Services.

Presentation:

1. Wendy Fulla, Director, Finance, provided an on-screen presentation included in the agenda package and advised the following:
 - The projected starting point for the 2026 property tax increase is 7.7%, and reflects the end of the Vancouver Island Conference Centre (VICC) debt, as well as the end of the City's five-year commitment to provide core funding for the Nanaimo Systems Planning Organization
 - In the past several years the City has invested in additional resources for public safety including additional fire fighters, RCMP members and Community Safety Officers
 - Base project funding is projected to increase by 5% to allow for growth in assets and inflation
 - In 2025, Council made a one-time reduction to base project funding of approximately \$795,000 as a result of moving Phase 2 of the Commercial Street implementation out of the five-year plan. This funding will be added to the 2026 – 2030 Financial Plan
 - RCMP contract costs for 2026 will include the first full year of the four new RCMP members and the public service employee position that was added in 2025. In April 2026, four additional RCMP members will be added
 - The 2026 budget includes funding for 758 full time employees, plus temporary, casual and contract employees

- The proposed budget will reflect a \$100,000 decrease in reserve funding, as 2025 is the final year that Council allocated reserve funding to lower property taxes as a result of the COVID-19 pandemic
- The City's borrowing limit is governed by the Liability Servicing Limit, which must not exceed 25% of the controllable and sustainable revenues for the year. As of 2023-DEC-31, the liability servicing limit was \$57.8 million with the 13.1% debt servicing cost of that limit
- The Liability Servicing Limit will be revised in the Fall following the Province's review and approval of the financial information the City has submitted for 2024
- Budget deliberations in the Fall will include a phased increase for the road maintenance budget, RCMP contract and a negative wage contingency for variances

Committee and Staff discussion took place regarding external borrowing for Wellcox Secondary Access project, budgeting for land acquisitions, and potential opportunity to extend the E&N Trail with Island Corridor Foundation to complete the south-end connection.

5. REPORTS:

(a) Allocation of Unallocated Pedestrian Funds

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

Presentation:

1. Jamie Rose, Manager, Transportation, provided an on-screen presentation included in the agenda package and advised the following:
 - The Pedestrian Unallocated Program was initiated in 2018 and has proven to be effective at increasing pedestrian mobility throughout the City
 - Raised crosswalks create improved pedestrian crossing opportunities and assist with speed management along corridors
 - The Townsite Road at St. Patrick Crescent intersection was prioritized due to concerns with speeding along Townsite Road, the wide crossing area for pedestrians, and the cycling infrastructure currently in place

- Wallace Street at Franklyn Street was proposed in an effort to slow down traffic and provide better connectivity to the downtown core and the upcoming transit exchange
- The Portsmouth Road at Applecross Road intersection was widely discussed at the Woodgrove Area Plan Open House, and many people in the area have noted this intersection as an area of concern

Committee and Staff discussion took place. Highlights included:

- A typical project cycle from idea to completion takes approximately two years, and there is a backlog of pedestrian improvement projects due to the increases in the budget in 2021 – 2023
- The Advisory Committee on Accessibility and Inclusiveness and the Public Safety Committee members have shared hesitations around funding the Wallace Street crosswalk and expressed interest in placing a raised crosswalk closer to an elementary school
- The Crosswalk Improvement Prioritization Tool takes proximity to elementary schools into consideration; however, comments/interest from the community is not included. The tool uses data to create a database which gives Staff a guideline to prioritize locations for pedestrian improvements
- The City meets with the School Board, RCMP and ICBC on a regular basis to discuss public safety, after-school travel plans and ways to educate parents and teachers on navigating in the community when sidewalks are not present

It was moved and seconded that the Finance and Audit Committee recommend that Council invest \$300,000 from the Pedestrian Unallocated budget for 2025 towards raised crosswalks at the following locations:

- Townsite Road at St. Patrick Crescent (\$100,000)
- Wallace Street at Franklyn Street (\$100,000)
- Portsmouth Road at Applecross Road (\$100,000)

It was moved and seconded that the motion be amended to remove the item titled “Wallace Street at Franklyn Street (\$100,000)”.

The vote was taken on the amendment.

The motion carried.

Opposed: *Mayor Krog, Councillors Perrino and Thorpe*

The vote was then taken on the main motion, as amended, as follows:

That the Finance and Audit Committee recommend that Council invest \$200,000 from the Pedestrian Unallocated budget for 2025 towards raised crosswalks at the following locations:

- Townsite Road at St. Patrick Crescent (\$100,000)
- Portsmouth Road at Applecross Road (\$100,000)

The motion carried unanimously.

Committee and Staff discussion took place. Highlights included:

- Prioritizing a raised crosswalk on Elizabeth Street at Howard Avenue as Howard Avenue receives a high number of complaints regarding speed, and due to its proximity to an elementary school
- Prioritizing a raised crosswalk on Waddington Road at Dufferin Crescent or Mary Ellen Drive at Dover Road
- If an additional site is not selected at this time, the additional \$100,000 would remain in the budget until another project is selected
- Crosswalk improvements on Mary Ellen Drive would require an increase to the budget as the project is estimated to cost \$150,000

It was moved and seconded that the Finance and Audit Committee recommend that Council invest \$100,000 from the Pedestrian Unallocated budget for 2025 towards a raised crosswalk at Elizabeth Street and Howard Avenue. The motion was defeated.

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

Committee and Staff discussion took place regarding the Wallace Street crosswalk being prioritized due to its location in an urban centre and future density in the area, and the Crosswalk Improvement Prioritization Tool scores of Waddington Road at Dufferin Crescent and Portsmouth Road at Applecross Road.

It was moved and seconded that the Finance and Audit Committee recommend that Council invest \$100,000 from the Pedestrian Unallocated budget for 2025 towards a raised crosswalk at Waddington Road at Dufferin Crescent. The motion carried.

Opposed: *Councillor Perrino*

6. OTHER BUSINESS:

Dale Lindsay, Chief Administrative Officer, provided a follow-up to discussion during the 2026 – 2030 Financial Plan Development presentation, and noted that the hiring of 20 additional fire fighters in 2023 is anticipated to alleviate the need for overtime; however, data is not available at this time. Staff will provide the Finance and Audit Committee with this data at a future meeting.

7. QUESTION PERIOD:

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

8. ADJOURNMENT:

It was moved and seconded at 10:12 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER