



## MINUTES

### FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, September 17, 2025, 9:00 A.M.  
Shaw Auditorium, Vancouver Island Conference Centre  
80 Commercial Street, Nanaimo, BC

Members:

Mayor L. Krog, Chair  
Councillor S. Armstrong\*  
Councillor T. Brown  
Councillor H. Eastmure (vacated at 10:43 a.m.)  
Councillor B. Geselbracht  
Councillor E. Hemmens  
Councillor P. Manly  
Councillor J. Perrino  
Councillor I. Thorpe (vacated at 11:00 a.m.)

Staff:

D. Lindsay, Chief Administrative Officer  
L. Bhopalsingh, General Manager, Community Services, and  
Deputy Chief Administrative Officer  
L. Mercer, General Manager, Corporate Services  
B. Sims, General Manager, Engineering and Public Works  
W. Fulla, Director, Finance  
A. Groot, Director, Police Services  
S. Gurrie, Director, Legislative Services  
D. Osborne, Director, Parks, Recreation and Culture  
P. Rosen, Director, Engineering  
C. Davis, Deputy Director, Parks and Natural Areas  
D. Bailey, Manager, Accounting Services  
P. Stewart, Manager, Engineering Projects  
M. Lonsdale, Senior Project Manager  
N. Sponaugle, Strategic Initiatives 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 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-JUL-16, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

**4. REPORTS:**

(a) “Nanaimo Builds for the Future” Plan Update

Introduced by Dale Lindsay, Chief Administrative Officer.

Presentation:

Laura Mercer, General Manager, Corporate Services, provided an on-screen presentation. Highlights included:

- An overview of recent Provincial legislation changes related to borrowing regulations
- An amendment to section 178 of the *Community Charter* increases the City’s short-term (to be repaid within five years) capital borrowing capacity to a total of \$14,979,450 without electoral approval
- Section 179 of the *Community Charter* governs rules for long-term borrowing. Under this section, the City can borrow without electoral approval if the City is within the approval-free liability zone
- The amendments to section 179 included increasing the approval-free liability zone from 5% of sustainable and controllable revenue to 10%
- Currently, the City’s Debt Management Policy states that all long-term debt, whether it’s in the approval-free liability zone or not, requires electoral approval; however, given the legislative changes, Council could consider amending this policy

Michael Lonsdale, Senior Project Manager, continued the presentation and provided an update on the Public Works Yard Project. Staff initiated an Integrated Project Delivery (IPD) approach when reviewing the Fleet Management Building and Public Works Administrative Building. The IPD approach facilitates collaboration with contractors and designers at the start of the design process. This is a new approach to project delivery for the City, and it allows the City to move away from cost estimates and towards more actual pricing.

Committee and Staff discussion took place. Highlights included:

- The contractors involved in the IPD process are generally the ones that will continue through with the project
- Contractual terms will include provisions for exit points at specific project milestones
- The timeline for the IPD validation work is difficult to predict, and Staff plan to return to Council in early 2026 with an update

M. Lonsdale, Senior Project Manager, continued the presentation and spoke regarding the RCMP Detachment Expansion Project providing a comparison to the City of Kamloops' development process for their RCMP Detachment Project. Staff believe that an IPD approach would suit the RCMP Detachment Expansion Project.

Committee and Staff discussion took place. Highlights included:

- The design requirements for an RCMP detachment are specific to local considerations; therefore, it is not possible to simply use the design from another municipality
- Ensuring adequate parking for the RCMP detachment personnel
- Clarification that the \$1.8 million allocated towards the IPD process constitutes the existing budget for the RCMP Detachment Expansion Project, and Staff will return to Council if more funding is needed to complete the process
- Given the advanced level of detail in validated projects, contingency amounts can be allocated with more specificity and thereby reduced in most instances
- A request that the report and/or analysis related to the rationale for the chosen location for the RCMP Detachment Expansion Project be recirculated to Council and accessible to the public

- The RCMP Detachment Expansion Project will not be ready in time to include a potential borrowing bylaw referendum question on the ballot for the upcoming municipal election
- The Public Works Yard Project will be brought back to Council in March 2026 and for Council direction at that time
- Reservations regarding the IPD approach due to costs and the volume of concurrent projects
- The Public Works Yard Project and the RCMP Detachment Expansion Project should be top priorities in terms of community needs
- The RCMP have been involved in all steps of the process and will continue to be involved going forward
- Part of the process will include looking at available funding from other levels of governments

Lisa Bhopalsingh, General Manager, Community Services and Deputy Chief Administrative Officer (CAO), continued the presentation and spoke regarding the South End Community Centre (SECC) Project. Highlights included:

- The land acquisition for the SECC Project has been announced
- Staff are requesting Council's consideration to proceed with funding to advance the project to the next stage; if approved, Staff will return to Council with more refined costs
- Staff will assess the current use of the IPD approach to inform whether an IPD approach will suit the SECC Project
- Provided an overview of potential features in the SECC which could include an indoor walking track, childcare, a library space, RCMP space, a performing arts space, and a community space

Committee and Staff discussion took place. Highlights included:

- Ongoing conversations with Island Health related to building a primary care space within the SECC
- With Council's approval of funding, Staff can further develop the project and explore partnerships and funding sources
- There will continue to be further public engagement on the project as well as engagement with the Advisory Committee on Accessibility and Inclusiveness
- Staff have explored facilities in other municipalities that have included housing; however, the current focus for the SECC project is on a community space

- A phased development approach for this project would be a possibility; however, building the entire project would have a better cost value than a phased approach
- Ensuring there is no conflict in the space between various user groups (e.g. sound travelling from the gymnasium to the performing arts space)
- Highlighting that the timing for two major projects (the RCMP Detachment Expansion Project and the SECC Project) will likely be coming forward to Council at the same time
- Acknowledging that the City is in a facility deficit when it comes to the community's needs

The Finance and Audit Committee recessed the meeting at 10:19 a.m.

The Finance and Audit Committee reconvened the meeting at 10:30 a.m.

Bill Sims, General Manager, Engineering and Public Works, continued the presentation and provided an overview of the Waterfront Walkway Project. Highlights included:

- The Waterfront Walkway Project has been a long-standing project and supported by both the community and the City Plan
- The cost estimates have recently been updated and are in the range of \$40 million
- Staff would seek Council direction regarding Council's preferred timing for this project

Committee discussion took place. Highlights included:

- There are currently no design concepts that incorporate additional parking into the Waterfront Walkway Project; however, the project is expected to serve as a viable commuter route between Departure Bay and downtown
- It is unlikely that the Waterfront Walkway Project would work well as a phased project
- The popularity of the walkway and its use as a commuter route to avoid traffic and hills
- The project design is in an advanced stage, and the next steps include riparian rights, Department of Fisheries and Oceans permitting and Snuneymuxw First Nation partnership
- The project mitigates anticipated sea level rise and contributes to the restoration of the foreshore habitat

Darcie Osborne, Director, Parks, Recreation and Culture, continued the presentation and spoke regarding the Beban Park Master Plan Implementation. Highlights included:

- Beban Park is a high-capacity facility catering to a wide variety of users
- Provided an overview of potential new facilities and improvements recommended in the Beban Park Master Plan. These include the following:
  - Multi-purpose indoor facility
  - Athletics and sports training centre
  - Indoor activity pavilion
  - Renovated agriplex barn
  - Accessibility improvements at Beban Pool

Councillor Eastmure vacated the Shaw Auditorium at 10:43 a.m.

- The proposed facilities/improvements could be implemented as a phased approach, and should Council elect to proceed with one or more of the components, Staff will return to Council with costing for those components

Committee and Staff discussion took place. Highlights included:

- Prioritizing the indoor activity pavilion is important as it offers weather protection and flexible use for a variety of user groups
- Many lease and license holders on the Beban Park grounds are willing to fundraise and/or work with the City on partnership opportunities
- Potential partnerships opportunities will influence Council decision on which components should be prioritized
- The addition of another ice surface has not been considered for Beban Park, as the Master Plan identified the need to fill other niches
- The proposed fabric and air-supported building structures are less expensive than solid structures
- Staff intend to seek an area with a natural slope for the amphitheater amenity

Councillor Thorpe vacated the Shaw Auditorium at 11:00 a.m.

L. Mercer, General Manager, Corporate Services, continued the presentation. Highlights included:

- The City's asset management funding gap is expanding, in particular with facilities
- Provided an overview of the staff recommendation and next steps which include the following:
  - Update the 'Debt Management Policy' to allow for borrowing without electoral approval when the City is within the allowable interest-free borrowing limit
  - Recognize the current priority projects for long-term borrowing as the Public Works Yard, the RCMP Detachment Expansion and the SECC
  - Complete the IPD work currently underway for the Public Works Yard Project and return to Council in early 2026 with confirmed project scope, detailed design, and costing
  - Proceed with an IPD for the RCMP Detachment Expansion Project and return in 2027 with a confirmed design and cost
  - Allocate \$2 million to advancing the Capital Development Plan of the SECC. Staff will present the design and costing in early 2027. Funding for this would come \$675,000 from the Growing Communities Fund and \$1.325 million from the Special Initiatives Reserves
  - That the Waterfront Walkway Project and the Beban Park Improvements be deferred until the detailed design and costing of the other priority projects are completed
- Provided a summary of the potential borrowing timeline

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

1. Direct Staff to update Council's Debt Management Policy to allow long-term borrowing without electoral approval when the City is within the allowable interest free borrowing limit;
2. Direct Staff to proceed with a Capital Development (Project Execution) Plan and costing for the South End Community Centre and allocate \$2 million to undertake this work funded by \$675,000 from the Growing Communities Fund and \$1,325,000 from the Special Initiatives Reserve; and,
3. Endorse the "Next Steps – Roadmap for Building for the Future" as outlined in the report titled "'Nanaimo Builds for the Future' Plan Update", dated 2025-SEP-17.

The vote was taken on each portion of the motion in seriatim.

That the Finance and Audit Committee recommend that Council direct Staff to update Council's Debt Management Policy to allow long-term borrowing without electoral approval when the City is within the allowable assent free borrowing limit. The motion carried unanimously.

Committee discussion took place. Highlights included:

- Hesitation to commit funding to the SECC Capital Development Plan at this time, with a request for further discussion on the potential for phasing
- The SECC Capital Development Plan would provide more refined cost options, allowing for advancing conversations around partnerships and grants
- The level of amenity cost charges associated with the SECC Project would be dependent on the commencement date of the project
- Concerns regarding the use of the Special Initiatives Reserve as a funding source for the SECC Capital Development Plan at this time, as it is a flexible funding source

That the Finance and Audit Committee recommend that Council direct Staff to proceed with a Capital Development (Project Execution) Plan and costing for the South End Community Centre and allocate \$2 million to undertake this work funded by \$675,000 from the Growing Communities Fund and \$1,325,000 from the Special Initiatives Reserve. The motion carried.

Opposed: *Councillors Brown and Geselbracht*

Committee discussion took place regarding the importance of being mindful of the commitment and up front costs associated with the IPD approach, as well as considerations related to the potential for a referendum during the upcoming election.

That the Finance and Audit Committee recommend that Council endorse the "Next Steps – Roadmap for Building for the Future" as outlined in the report titled "Nanaimo Builds for the Future' Plan Update", dated 2025-SEP-17. The motion carried.

Opposed: *Councillor Geselbracht*

(b) Council Expenses for the Six Months Ending 2025-JUN-30

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

Wendy Fulla, Director, Finance, advised that the annual budgets per individual Councillor expenses were based on what each Councillor anticipated that they would be spending (e.g. The conferences each Councillor planned to attend).

Committee discussion took place regarding the increased costs associated with attending conferences.

(c) Financial Results for the Six Months Ending 2025-JUN-30

L. 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. ADJOURNMENT:**

It was moved and seconded at 11:36 a.m. that the meeting adjourn. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER