



## MINUTES

### SPECIAL FINANCE AND AUDIT COMMITTEE MEETING

Friday, November 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  
Councillor T. Brown  
Councillor H. Eastmure  
Councillor B. Geselbracht\* (joined at 9:22 a.m.)  
Councillor E. Hemmens  
Councillor P. Manly  
Councillor J. Perrino  
Councillor I. Thorpe

Staff:

D. Lindsay, Chief Administrative Officer  
L. Bhopalsingh, 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  
W. Fulla, Director, Finance  
A. Groot, Director, Police Services  
S. Gurrie, Director, Legislative Services  
J. Holm, Director, Planning and Development  
D. LaBerge, Director, Public Safety  
K. Ing, Director, IT/CIO  
J. Van Horne, Director, Human Resources  
M. Bryson, Deputy Director, Civic Facilities  
C. Davis, Deputy Director, Parks and Natural Areas  
J. McAskill, Manager, Facility Asset Planning  
P. Stewart, Manager, Engineering Projects  
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 Special Finance and Audit Committee (The 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. PRESENTATIONS:**

(a) Chief Administrative Officer Introduction

Introduced by Dale Lindsay, Chief Administrative Officer.

- The current projected property tax increase is slightly below what was projected for 2026 in last year's financial plan
- The budget aligns with Council's policy initiatives and the Integrated Action Plan (IAP)
- Pressures around social service demands continue to factor into the budget
- Nanaimo has been given a Provincial Housing Target Order; however, while the focus is on housing, there is the demand in infrastructure and amenities that come along with it
- There are challenges across the country regarding maintaining existing infrastructure
- The Federal Government recently announced a Build Communities Strong Fund which supports upgrades to local infrastructure

(b) Budget Video

Laura Mercer, General Manager, Corporate Services, presented the 2026 - 2030 Financial Plan (Financial Plan) budget video.

Councillor Geselbracht joined the meeting electronically at 9:22 a.m.

(c) 2026 - 2030 Draft Financial Plan

Introduced by L. Mercer, General Manager, Corporate Services.

Wendy Fulla, Director, Finance, provided an on-screen presentation included in the agenda package. Highlights included:

- Outlined the projected financial plan timeline:

- 2025-NOV-28 Special Finance and Audit Committee Meeting includes presentations from external organizations and a preview of decision slides for Council
- 2025-DEC-01 Regular Council Meeting includes an eTown Hall and consideration of first readings of the user rates bylaws
- 2025-DEC-03 Special Finance and Audit Committee Meeting includes a budget update and decision points for the Committee
- 2025-DEC-15 Regular Council Meeting includes consideration of first readings for the 2026 – 2030 Financial Plan Bylaw
- Staff will return to Council in April 2026 to provide an update on the Financial Plan and seek any final direction before final adoption of the bylaw
- The draft projected property tax increase is 7.1% which includes 1% for asset management
- Future year projections reflect the debt servicing for the Vancouver Island Conference Centre and Fire Station 4 being paid out
- An update to the 20-year Investment Plan and Asset Management Plan will come to Council in 2027
- The estimated total municipal taxes and user fees increase on a typical home is approximately \$262
- Total City revenue is budgeted at \$289.2 million and annual operating and maintenance cost totals \$227.2 million
- Outlined the key budget drivers that influenced the projected property tax increase in 2026
- Two business cases for Council's consideration, not currently included in the draft Financial Plan, include the Luminous Paths Festival and the addition of resources to improve active transportation
- Provided an overview of outstanding debt as of 2024-DEC-31, new debt in the 2026 - 2030 Financial Plan, and projected outstanding debt
- Presented the 20-year outstanding debt for projects from 2026-2045 and the 20-year projected debt servicing
- The City is currently at 12.2% of its debt servicing limit
- The City's reserve policy governs the development, maintenance and use of reserves
- Projected closing reserve balance for 2026 is \$159.4 million

Committee and Staff discussion took place. Highlights included:

- The RCMP member position vacancies
- Residential water rates are on an expanding block rate and sewer rates are tied to the volume of water consumed
- Consideration for tiered rates for industrial water use
- The commercial water rate is a flat rate between step 2 and step 3 of the residential water rate 4-step system
- Reducing the RCMP contract budget from 92% to 90%
- When a new firetruck is purchased, typically the old truck is sold and the equipment is transferred over
- Firefighting equipment that has aged out is often donated
- The City's operating budget for this coming year is approximately \$227 million and a reduction of approximately \$1.6 million would equate to a 1% decrease in the property tax rate

D. Lindsay, Chief Administrative Officer, advised that the 2026 property tax increase was projected to be 7.7% in last year's financial plan and has been reduced to 7.1%. In addition, the recent Council decision to cease funding to the Nanaimo Systems Planning Organization Society (SPO) will reduce the property tax increase to approximately 6.9%. Staff will present potential options, to achieve the work tasked to the SPO, at the 2025-NOV-28 Special Finance and Audit Committee Meeting.

(d) 2026 Key Initiatives

L. Mercer, General Manager, Corporate Services, provided an overview of each department and their key initiatives for 2026 as outlined in the on-screen presentation. She noted that all the initiatives are included in more detail in each department's 2026 Business Plans which are included in the Committee's budget packages. The following departments were included:

- Human Resources Department
- Legislative Services Department and Communications
- Corporate and Business Development
- Finance Department
- Information Technology (IT) Department
- Public Safety Department
- Nanaimo Fire Rescue Department
- Police Services Department and RCMP
- Parks, Recreation and Culture

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

The Finance and Audit Committee reconvened the meeting at 10:48 a.m.

L. Mercer, General Manager, Corporate Services, continued the presentation and provided an overview of the following departments and their key initiatives for 2026:

- Engineering Department
- Public Works Department
- Planning and Development Department

Committee and Staff discussion took place. Highlights included:

- The development of a fieldhouse is identified as part of the Beban Park Master Plan
- Clarification that the conversion of the Nanaimo Aquatic Centre (NAC) concession into office space is due to issues in the space and shifting away from concessions in recreation facilities
- Improvements to the dam system is part of the long-term plan; however, water conservation efforts have pushed the need for it out for decades
- A combination of locations could be considered to allow physical access to the water at Maffeo Sutton Park
- A desire to improve the acoustics at Maffeo Sutton Park
- The Business Continuity Plan for each department could be made available to the public with redactions

Dave LaBerge, Director, Public Safety, provided an update on the Downtown Community Safety Action Plan including the extension of scope and hours for the Community Safety Unit, new vehicles and equipment to improve response time and advised that next year will be the final year of funding for the Vandalism Relief Grant. He noted that there is limited capacity to develop a Downtown Ambassador Program; however, that is something to be considered in the future.

Committee and Staff discussion took place. Highlights included:

- The Nanaimo Fire Rescue (NFR) Training Centre Classroom is for NFR firefighters, and Staff intend to seek a better cost estimate than what was provided last year
- Plans for the 2026 National Truth and Reconciliation Day event
- VIERA fire training is most cost effective when held off-site rather than offering the service in NFR's training centre

(e) 2026 - 2030 Draft Project Plan

W. Fulla, Director, Finance, provided an on-screen presentation included in the agenda package. Highlights included:

- The draft project plan includes \$374 million in projects over the next five years
- Approximately 80% of project funding comes from reserves with the General Asset Management Reserve being the largest funding source
- The new 10-year Community Works Funding Agreement under the Canada Community-Building Fund ends 2034-MAR-31

Committee and Staff discussion took place regarding the contributing funding sources to the various reserves.

Kerry Ing, Director, IT, provided an overview of the project highlights for IT and Geographic Information System (GIS). Highlights included:

- Phase 2 of the Vancouver Island Conference Centre audio upgrade
- Computer equipment replacement
- Network upgrade at Beban Park, Public Works and Fire Station 2
- Cyber security enhancements
- Online permit approval upgrades
- Ongoing improvements to GIS service offerings
- The continuing multi-year projects include the Enterprise Resource Platform (ERP) replacement, network upgrade and digital infrastructure
- New projects include Microsoft 365 migration, IT service management system and technology innovation

Committee and Staff discussion took place. Highlights included:

- The intention of the permit and approval upgrades is to improve the development permit application process by reducing staff time in following up with incomplete applications and improving user experience in application submissions
- Security concerns regarding artificial intelligence
- The City is legislated under the *Freedom of Information and Protection of Privacy Act* to conduct Privacy Impact Assessments any time the City takes on a new program, activity or software

Phil Stewart, Manager, Engineering Projects, provided an overview of the following project highlights for Engineering and Public Works:

- Projects completed this year included the Midtown Gateway Phase 2B, Commercial Street Phase 1, Railway Street Sewer, Hammond Bay Area Utilities Project and Third Street Utility and Road Upgrade
- The condition assessment program
- Studies to identify infrastructure needs to ensure the right projects are done at the right time

Committee and Staff discussion took place regarding the cost of the utilities condition assessment program in comparison to the large scale cost of the utility infrastructure.

P. Stewart, Manager, Engineering Projects, continued the presentation and provided an overview of the following project highlights for Engineering and Public Works:

- The pedestrian unallocated budget is allocated by Council every year
- The Hammond Bay Road Forcemain is a large cost share infrastructure project with the Regional District of Nanaimo
- The East Wellington Road at Madsen Road traffic signal project
- Bowen Road upgrades between Bowen Road and the Boxwood Road connector
- Millstone Trunk Sewer Central Project
- Country Club Urban Centre Mobility Upgrade Project

Committee and Staff discussion took place. Highlights included:

- A trail is not included in the Millstone Trunk Sewer Central Project; however, a trail is included in the park's masterplan for that area
- Concerns with pedestrian safety at the roundabout in the Country Club Urban Centre

Councillor Geselbracht disconnected from the meeting at 12:00 p.m.

The Finance and Audit Committee recessed the meeting at 12:00 p.m.

The Finance and Audit Committee reconvened the meeting at 1:00 p.m.

P. Stewart, Manager, Engineering Projects, continued the presentation and provided an overview of the following project highlights for Engineering and Public Works:

- The next phase of Commercial Street upgrades, scheduled in 2028, include the replacement of the Harbourfront Parkade roof membrane

- Millstone trunk sewer north upgrades at Maxey Road
- South Fork Dam seismic upgrades
- Tower reservoir upgrade construction to start in 2027
- The North End Water Supply Project is growth driven with the design starting in 2027
- Replacement of fleet vehicles

Tim Doyle, Fire Chief, continued the presentation and provided an overview of the following project highlights for Nanaimo Fire Rescue:

- The replacement of the front line rescue pumper
- Annual equipment replacement program
- New training centre classroom
- Renovations to Fire Station 7
- Plans include repurposing the City's older firetruck apparatus for Fire Station 7 as Protection Island is considered a small community which extends the life-cycle of the equipment

Jennifer McAskill, Manager, Facility Asset Planning, continued the presentation and provided an overview of the following project highlights for Facility projects:

- Improvements at City Hall and the Service and Resource Centre
- Parkade improvements include the replacement of EV-chargers, new CCTV cameras, renewal of waterproofing membrane and structural and drainage renewals
- RCMP detachment asset renewals are done in consideration of the facility replacement
- Facility renewals at the VICC include the roof replacement

Charlotte Davis, Deputy Director, Parks and Natural Areas, continued the presentation and provided an overview of the following project highlights related to public art:

- Temporary public art projects and Urban Design Roster projects
- Integration of public art features into Westwood Lake Park, Commercial Street and the Nanaimo Ice Centre

Mike Bryson, Deputy Director, Civic Facilities, continued the presentation and provided an overview of the following project highlights for recreation and culture facilities:

- Wapotec chemical system and clarity controllers have been added to Nanaimo Aquatic Centre (NAC) and Beban Pools
- Accessibility projects addressed as a result of audits funded by the Rick Hansen Foundation
- The bleachers at Q'unq'inuqwstuxw Stadium are anticipated to be completed by the end of 2025

C. Davis, Deputy Director, Parks and Natural Areas, continued the presentation and provided an overview of the following project highlights for Parks and Natural Areas:

- Parking lot projects at Neck Point Park and Serauxmen Stadium
- Westwood Lake Phase 2
- New bleachers and parking improvements at Harewood Centennial Park
- The trail improvements along the E&N trail

M. Bryson, Deputy Director, Civic Facilities, continued the presentation and provided an overview of Phase 1 of the Nanaimo Aquatic Centre (NAC) play structure.

J. McAskill, Manager, Facility Asset Planning, continued the presentation and spoke regarding the following project highlights for Parks and Natural Areas:

- Implemented dehumidification improvements at NAC to create a better patron experience and reduce green house gas emissions
- A multi-phased project to replace sections of the Beban Complex roof
- The replacement of the Nanaimo Curling Club roof and curling rink slab
- Facility renewals and improvements at the Port Theatre
- Civic property projects in 2026 and 2027

Committee and Staff discussion took place. Highlights included:

- The City's large investment into the OV Arts Centre
- Currently there are no plans to pave the E&N Trailway; however, there are plans to extend it

C. Davis, Deputy Director, Parks and Natural Areas, continued the presentation and provided an overview of the following project highlights for Parks and Natural Areas:

- Continuation of improvements to the Stadium District

- Brechin Dock Phase 2 - Replace wooden dock and boardwalk
- E&N Trail Lighting Phase 1
- A new amenity building at Maffeo Sutton Park
- Staff will be returning to the 2025-NOV-28 Special Finance and Audit Committee Meeting to discuss options for the Loudon Park improvements
- Park improvements in the areas between first and second beach at Westwood Lake Park

Committee and Staff discussion took place. Highlights included:

- Westwood Lake Phase 3 is estimated to be completed Spring of 2028
- The security additions at NAC have made an improvement despite initially being a learning curve for patrons scanning into the centre
- There are two mine shafts located under Serauxmen Field and to ensure safety, the shafts need to be capped
- Improvements to Serauxmen Stadium benefit the community and attract sports tourism

L. Mercer, General Manager, Corporate Services, advised that the 2025-NOV-28 Special Finance and Audit Committee Meeting will include presentations from external agencies, the introduction of the current decision points, opportunity for the Committee to include additional decision points, discussion on Loudon Park, options for implementing the Health and Housing Action Plan and a progress report on Council's Priority Action Plan.

**4. QUESTION PERIOD:**

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

**5. ADJOURNMENT:**

It was moved and seconded at 1:59 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

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CHAIR

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CORPORATE OFFICER