



MINUTES

SPECIAL FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, December 3, 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 P. Manly
Councillor J. Perrino
Councillor I. Thorpe
- Absent: Councillor S. Armstrong
Councillor T. Brown
Councillor E. Hemmens
- 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
Supt. E. Rochette, Nanaimo Detachment RCMP
W. Fulla, Director, Finance
S. Gurrie, Director, Legislative Services
J. Holm, Director, Planning and Development
J. Van Horne, Director, Human Resources
D. Thompson, Manager, Roads and Traffic Services
N. Sponaugle, Strategic Initiatives Advisor
A. Chanakos, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Special Finance and Audit Committee Meeting was called to order at 9:00 a.m.

* Denotes electronic meeting participation as authorized by "Council Procedure Bylaw 2018 No. 7272"

2. INTRODUCTION OF LATE ITEMS:

- (a) Agenda Item 5(a) 2026 – 2030 Draft Financial Plan Recap and Council Decision Points – Replace PowerPoint presentation titled “2026 – 2030 Financial Plan Recap and Decision Points”.

3. ADOPTION OF AGENDA:

It was moved and seconded that the agenda, as amended, be adopted. The motion carried unanimously.

4. PRESENTATIONS:

- (a) 2026 - 2030 Draft Financial Plan Recap and Council Decision Points

Introduced by Laura Mercer, General Manager, Corporate Services.

Presentation:

1. Wendy Fulla, Director, Finance, provided an onscreen presentation included in the agenda package.

W. Fulla, Director, Finance, introduced the decision point regarding the Luminous Paths Festival, as outlined in the presentation included in the agenda package.

Committee and Staff discussion took place. Highlights included:

- Concern regarding raising property taxes for non-essential items; however, people may be disappointed if it is not held again next year
- A desire to see the festival held using current Parks, Recreation and Culture resources and grant funding
- A desire to see the festival taken over by a non-profit organization or the Downtown Nanaimo Business Improvement Association
- Suggested the festival be brought back in future years when there is less strain on property taxes

It was moved and seconded that consideration of the Luminous Paths Festival decision point be postponed until later in the meeting. The motion was defeated.

Opposed: *Mayor Krog, Councillors Perrino and Thorpe*

It was moved and seconded that the Finance and Audit Committee recommend that Council include the Luminous Paths Festival in the 2026 – 2030 Financial Plan, with annual funding starting at \$50,000 in 2026, increased by 2% per year, and that any sponsorship funding received be used to expand the scope of the festival. The motion was defeated.

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

By unanimous consent, the Committee agreed to postpone consideration of the remaining decision points until the end of Staff's presentation.

W. Fulla, Director, Finance, introduced the following decision points and provided options for the Committee's consideration:

- Improvements to the City's active transportation network
- An increase to the road maintenance budget
- A decision point regarding the RCMP contract
- A decision point regarding negative wage contingency
- A decision point regarding the Health and Housing Action Plan implementation
- Decision points regarding the E&N Trail Lighting Phase 1 and Westwood Lake Phase 3 for further consideration, as requested by the Committee at the 2025-NOV-28 Special Finance and Audit Committee Meeting

Committee and Staff discussion took place. Highlights included:

- There are currently no active transportation projects identified for the available funding
- Revising the Pedestrian Unallocated Program to a general Active Transportation Program provides Staff with greater flexibility to address a broader range of projects
- Increasing the Pedestrian Unallocated Program budget to \$600,000 would reduce funding in the Strategic Infrastructure Reserve for other projects

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the Pedestrian Unallocated Program budget to \$600,000, funded from the Strategic Infrastructure Reserve, for a five-year term effective 2026 and expand the scope to include all Active Transportation projects for the 2026 – 2030 Financial Plan. The motion carried.

Opposed: *Councillors Perrino and Thorpe*

Committee and Staff discussion continued. Highlights included:

- The annual road maintenance budget is split among various areas; however, the primary budget available is approximately \$750,000
- The road maintenance budget has an annual increase of approximately 5%; however, the increase does not coincide with increasing costs and expenses
- The road maintenance budget is restricted to maintenance projects and does not include full paving projects

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the road maintenance budget by \$750,000 over five years, at \$150,000 per year, in the 2026 – 2030 Financial Plan. The motion was defeated.

Opposed: *Mayor Krog, Councillors Geselbracht and Manly*

Committee and Staff discussion continued regarding the RCMP contract budget. Due to the recent history of vacancies, RCMP Staff were comfortable with budgeting the contract at 90% for 2026.

It was moved and seconded that the Finance and Audit Committee recommend that Council budget the RCMP contract at 90% for 2026 and 95% for 2027 to 2030 for the 2026 – 2030 Financial Plan. The motion carried unanimously.

Committee and Staff discussion continued. Highlights included:

- The Committee recommended maintaining the status quo regarding the negative wage contingency
- In order to implement the Health and Housing Action Plan, a temporary staff position would have no effect on 2026 property taxes; however, a permanent position, funded through property taxes, may provide better continuity of relationships needed for this work
- A desire to reevaluate programs and their effectiveness, before making long term commitments
- Staff provided a brief overview of BC Housing’s “Alignment Project”, which helps triage individuals from shelters into permanent housing, and noted that the proposed staff position would help support that project

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

1. For the 2026 – 2030 Financial Plan Council approve the addition of a staff member within the Social Development Section, along with related costs effective 2026-JAN-15; and,
2. That the unspent Health and Housing funding in 2025 be used to offset taxes related to the position for the first two years or until unspent funding runs out.

The motion was defeated.

Opposed: *Mayor Krog, Councillors Perrino and Thorpe*

It was moved and seconded that the Finance and Audit Committee recommend that for the 2026 – 2030 Financial Plan Council approve the addition of up to a two-year temporary staff member within the Social Development Section, along with related costs effective 2026-JAN-15, funded from unspent Health and Housing funds. The motion carried.

Opposed: *Councillor Geselbracht*

Committee and Staff discussion took place. Highlights included:

- The carry forward funding available due to the Committee's decision to opt for a temporary Staff position, and the various options for that funding
- E&N Trail Lighting Phase 1 and a desire to see the project go forward as planned
- Westwood Lake Phase 3 and a desire to see the project go forward as planned, with the need to improve the children's play area at Second Beach

Lisa Bhopalsingh, General Manager, Community Services and Deputy Chief Administrative Officer, advised the Committee that Staff were recently notified of an additional \$1,000 sponsorship for the Luminous Paths Festival, increasing the total available sponsorship funding to \$13,500.

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Councillor Geselbracht moved to reconsider the following motion:

“That the Finance and Audit Committee recommend that Council include the Luminous Paths Festival in the 2026 – 2030 Financial Plan, with annual funding starting at \$50,000 in 2026, increased by 2% per year, and that any sponsorship funding received be used to expand the scope of the festival.”

The motion to reconsider was seconded.

The motion to reconsider was voted on and was defeated.

Opposed: Mayor Krog, Councillors Perrino and Thorpe

8. QUESTION PERIOD:

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

9. ADJOURNMENT:

It was moved and seconded at 10:29 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER