



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, 2026-MAR-18, 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 J. Perrino
- Absent: Councillor S. Armstrong
Councillor T. Brown
Councillor P. Manly
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
W. Fulla, Director, Finance
S. Gurrie, Director, Legislative Services
J. Holm, Director, Planning and Development
D. Osborne, Director, Parks, Recreation and Culture
C. Davis, Deputy Director, Parks and Natural Areas
D. Bailey, Manager, Accounting Services
L. Brinkman, Manager, Community Planning
L. Young, Zoom Moderator
K. Lundgren, Recording Secretary

1. CALL THE MEETING TO ORDER:

The 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) Remove Agenda Item 10. Procedural Motion to Proceed In Camera.

3. ADOPTION OF AGENDA:

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

4. 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, 2026-FEB-18, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

5. REPORTS:

- (a) Consideration of Deferred Item "Council Spending and Amenities Policy Update"

L. Mercer, General Manager, Corporate Services, advised that the discussion regarding the Council Spending and Amenities Policy was deferred from the 2026-FEB-18 Finance and Audit Committee Meeting.

Committee and Staff discussion took place. Highlights included:

- Support for maintaining the status quo under the current Council Spending and Amenities Policy
- Compensation is based on the median rate of comparable municipalities
- The policy would be in effect for the new Council's term

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

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Continue to annually apply the BC Annual Percent Consumer Price Index (CPI) to the prior year's base compensation amount to a maximum of 2% per year as per the current Council Spending and Amenities Policy.
- c. Provide no reimbursement for Dependant Care expenses to Mayor and Council.

The motion carried unanimously.

(b) Development Cost Charge Reduction Bylaw

L. Mercer, General Manager, Corporate Services, advised that at the 2025-JUL-07 Regular Council Meeting, Council directed Staff to proceed with a new development cost charge (DCC) reduction bylaw, and provided an overview of the potential financial impacts of the proposed bylaw.

L. Brinkman, Manager, Community Planning, advised that the proposed DCC reduction bylaw continues to offer a 50% DCC reduction for not-for-profit rental and supportive housing and provided an overview of the proposed changes to the eligibility criteria.

Committee and Staff discussion took place. Highlights included:

- The proposed DCC reduction bylaw would not apply to temporary supportive housing
- As the proposed DCC reduction bylaw will be separate from the “City of Nanaimo Development Cost Charge Bylaw 2017 No. 7252”, Council will have more flexibility to adjust the reduction percentage
- Consideration that the reductions to DCCs will put pressure on taxation to cover the loss in revenues
- There will still be opportunity for applicants to come forward to Council and request further DCC reductions
- Support for the proposed eligibility criteria that eliminates the requirement that 30% of the units in the development be affordable
- The majority of the affordable housing projects over the past five years have been BC Housing projects; therefore, the DCC reduction is more likely to relieve costs for the Province than for developers
- Concern that the DCC reductions for the Province would essentially be downloading cost on to the City
- Possibly adjusting the eligibility criteria so DCC reductions only apply to not-for-profit housing registered societies

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to proceed with a Development Cost Charge (DCC) Reduction Bylaw, with a 75% DCC reduction for not-for-profit rental and supportive housing, and with eligibility criteria as proposed in the Staff Report titled “Development Cost Charge Reduction Bylaw”, dated 2026-MAR-18. The motion was defeated.

Opposed: *Mayor Krog, Councillors Eastmure and Hemmens*

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to proceed with a Development Cost Charge (DCC) Reduction Bylaw, with a 50% DCC reduction for not-for-profit rental and supportive housing, and with eligibility criteria as proposed in the Staff Report titled “Development Cost Charge Reduction Bylaw”, dated 2026-MAR-18. The motion carried.

Opposed: *Councillor Perrino*

(c) Heritage Façade Grant - 426 Fitzwilliam Street

J. Holm, Director, Planning and Development, informed the Committee that a Heritage Façade Grant application for \$20,000 was received for the Angell’s Trading Building.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve a \$20,000 Heritage Façade Grant to replace and paint the exterior wood siding; replace the awning; and replace the lighting for the Angell’s Trading building at 426 Fitzwilliam Street. The motion carried unanimously.

(d) 2025 Budget Carryforwards

L. Mercer, General Manager, Corporate Services, provided a brief summary of the 2025 budgets carried forward to 2026.

(e) 2025 Surplus Allocation

L. Mercer, General Manager, Corporate Services, provided an overview the recommended allocation of the 2025 operating surplus.

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

1. Approve the allocation of the 2025 operating surplus as follows:

A.	General Fund	
a.	Special Initiatives Reserve	5,475,135
b.	RCMP Contract Reserve	4,015,860
c.	Property Acquisition Reserve	1,700,000
d.	Snow and Ice Control Reserve	<u>257,000</u>
		<u>\$ 11,447,995</u>
B.	Sewer Fund	
a.	Sewer Reserve	<u>\$ 340,938</u>
C.	Water Fund	
a.	Water Reserve	<u>\$ 1,592,953</u>

2. Amend the 2026 – 2030 Financial Plan to include the following:

- A. A \$149,900 grant to the Children's Health Foundation of Vancouver Island in 2026 to support the Home Away from Home project, funded from the Special Initiatives Reserve.
- B. An ongoing annual allocation of \$250,000 for all five years of the Financial Plan to support DCC Waivers and Reductions provided for non-market (affordable) housing units, with the 2026 amount funded from the Special Initiatives Reserve.

The motion carried unanimously.

(f) Kal's Replay Fund 2026 Intake

L. Mercer, General Manager, Corporate Services, advised that the City has submitted a grant application to the Kal's Replay Fund for up to \$20,000 for the Barney Moriez Park Improvements Project.

The Finance and Audit Committee recessed the meeting at 9:47 a.m.

The Finance and Audit Committee reconvened the meeting at 9:49 a.m.

(g) Changes to Provincial Home Owner Grant Program

L. Mercer, General Manager, Corporate Services, advised that the Province has announced that, effective 2027-JAN-01, the Home Owner Grant Program will be reduced. While there will be no financial impact to the City, property owners will be paying more on their tax levy. Additional changes also include compounding interest on the property tax deferral program which will significantly increase the interest on deferred taxes.

Committee discussion took place regarding the anticipation that residents may mistake the tax increases from these provincial changes as City-driven.

(h) Partners in Parks Policy - COU-252

L. Bhopalsingh, General Manager, Community Services and Deputy Chief Administrative Officer, encouraged the public to engage with the City's Partners in Parks (PIP) program.

Darcy Osborne, Director, Parks, Recreation and Culture, introduced the proposed Partners in Parks Policy.

It was moved and seconded that the Finance and Audit Committee recommend that Council approve the City of Nanaimo Partners in Parks Policy COU-252, as outlined in the Staff Report titled "Partners in Parks Policy - COU-252", dated 2026-MAR-18. The motion carried unanimously.

6. QUESTION PERIOD:

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

7. ADJOURNMENT:

It was moved and seconded at 9:57 a.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER