



MINUTES

FINANCE AND AUDIT COMMITTEE MEETING

Wednesday, March 20, 2024, 9:00 A.M.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

- Members:
- Mayor L. Krog, Chair
 - Councillor S. Armstrong* (disconnected 10:23 a.m.)
 - Councillor H. Eastmure
 - Councillor B. Geselbracht
 - Councillor E. Hemmens
 - Councillor J. Perrino
- Absent:
- Councillor T. Brown
 - Councillor P. Manly
 - Councillor I. Thorpe
- Staff:
- D. Lindsay, Chief Administrative Officer
 - L. Mercer, General Manager, Corporate Services
 - B. Sims, General Manager, Engineering and Public Works
 - W. Fulla, Director, Finance
 - A. Groot, Director, Administrative Police Services
 - K. Ing, Director, IT
 - D. Osborne, Director, Recreation and Culture
 - J. Holm, Director, Planning and Development
 - M. Bryson, Acting Director, Facility and Parks Operations
 - K. Robertson, Deputy Corporate Officer
 - T. Pan, Manager, Sustainability
 - J. Slater, Manager, Financial Services and Special Projects
 - P. Stewart, Manager, Engineering Projects
 - N. Sponaugle, Communications Advisor
 - J. Tonella, 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. INTRODUCTION OF LATE ITEMS:

(a) Add Agenda Item 6(j) Housing Accelerator Fund Update

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, 2024-FEB-21, at 9:00 a.m. be adopted as circulated. The motion carried unanimously.

5. PRESENTATIONS:

1. 2025 - 2028 Project Plan

Presentation:

1. Laura Mercer, General Manager, Corporate Services, introduced the project plan overview for 2025-2028.

Wendy Fulla, Director, Finance, continued the presentation. Highlights included:

- Staff will bring the 2024-2028 Financial Plan back to Council for review and adoption in April 2024
- Reviewed how projects align with the integrated action plan
- Components considered when developing the project plan include strategic projects and opportunities that arise in conjunction with planned projects that support Council's objectives
- Renewal projects make up the majority of the projects in the plan and help maintain current levels of service
- New Corporate Asset Management System (CAMS) software will help provide information on repair/maintenance of specific assets
- Upgrade projects are generally Development Cost Charge (DCC) projects required to support growth

- Project planning constraints include: staff capacity, available contractors, and supply chain challenges
- Projects are prioritized based on risk opportunities, maintaining levels of service, and alignment with Council priorities
- Larger capital projects that are currently not in the project plan include the Nanaimo Operations Center (NOC), Police Operations Building, Waterfront Walkway and the South End Community Center
- There are \$223.6 million in projects scheduled over the next four years
- The majority of funding for projects come from reserves
- A portion of general taxation is allocated to projects each year
- In 2023, the base funding for projects was set at \$8 million and the 20-year investment plan and recommendations were based on an annual 5% increase to that amount to address inflation and growth in city infrastructure

Project Highlights - Sustainability

Introduced by Wendy Fulla, Director, Finance.

Ting Pan, Manager, Sustainability, continued the presentation. Highlights included:

- Projects being wrapped up in 2024 include:
 - The Nanaimo Region Deep Energy Retrofit Feasibility Study
 - Consumption Based Emissions Inventory
- Projects starting in 2024 include:
 - The Nanaimo E-Mobility Strategy
 - Building Retrofit Road Map
- Council has supported the CleanBC Better Homes Municipal Top-up Rebate Program since April 2020
- In 2023, the City issued 607 rebates to help homeowners complete their retrofits

Committee and Staff discussion took place. Highlights included:

- Council has allocated \$296,000 over four years for top-up rebates

- A \$350 top-up is offered to homeowners and there is a \$50 rebate that the contractor can claim
- The Province gives up to \$6,000 for heat pump conversions
- Based on income, residents could claim up to \$29,000 from the Province for heat pump conversions, insulation, windows and doors

Ting Pan, Manager, Sustainability, continued the presentation:

- A report regarding establishing a home retrofit financing program and a feasibility study will be brought to Council and will likely require grant funding support
- An e-bike program is planned to be developed after the E-Mobility Strategy is complete
- In 2023, the Province had a successful e-bike rebate program

Committee and Staff discussion took place. Highlights included:

- Home retrofit financing options
- The E-Mobility Strategy will mostly be done through a consultant
- There is high demand for an e-bike share program
- The 2024 budget for the E-Mobility Strategy is \$120,000 funded from the Climate Action Reserve

Project Highlights - Information Technology

Introduced by Wendy Fulla, Director, Finance.

Kerry Ing, Director, Information Technology/Chief Information Officer, continued the presentation. Highlights included:

- Staff are working on updates to current systems that rely on numerous Excel spreadsheets, manual intervention, and maintenance
- Corporate Asset Management System (CAMS) allows information about a particular asset to be stored on a tablet so information can be accessed remotely
- Improved navigation on the City website to create a better user experience for citizens
- Completing phase one of the Development Permitting System to reduce the overall cycle time in issuing permits to developers

- Enterprise Resource Planning (ERP) replacement will allow for reducing cycle times for payroll and budgeting
- Continuing to engage security consultants to provide assessments on the City's cyber security
- The Network Redesign is a multi-year project to make changes in the connectivity within the facility and between facilities
- Cloud Migration Strategy involves moving Microsoft services that are located in servers to the Microsoft 365 Cloud environment
- Updates to the Geographical Information System (GIS)

Committee and Staff discussion took place regarding the City's security system.

Engineering and Public Works

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

- Due to the increase in carryforwards each year, Staff are working on creating a gap in the plan to allow for time to catch up on current projects

Phil Stewart, Manager, Engineering Projects, continued the presentation. Highlights included:

- Construction on the final phase of the Midtown Gateway 2B project is starting this year
- Phase 1 of Commercial Street construction is scheduled to start in September
- Ongoing DCC projects
- The majority of funding for transportation projects goes to maintaining existing infrastructure
- The base budget for pedestrian unallocated funds is \$300,000 per year and Staff will be returning to Council to review potential projects soon

Committee and Staff discussion took place. Highlights included:

- Sidewalk placements and pedestrian prioritization
- There is an 8-16 month cycle from when a project is initiated and when it is started

- Consideration of public impact regarding timing of construction

Phil Stewart, Manager, Engineering Projects, continued the presentation and spoke regarding upcoming projects.

- Rebuilding the underground infrastructure in the Townsite Road area over a number of years
- Hammond Bay Area Utilities Project to support growth in the area by upgrading sewer, intersections and road rehabilitation
- Road upgrades on Third Street/Fitzwilliam Street and replacing the underground infrastructure in that area
- Wexford Creek Culvert Upgrades to provide better flood protection and fish passage in the Southgate Area
- Millstone Trunk Sewer Central to upgrade sewer from East Wellington Road to Westwood Road
- Norwell Drive Project to renew pavement, signals and utilities
- East Wellington Road at Madsen Road traffic signal
- Towers Reservoir Upgrade to replace the existing sub-standard reservoir
- South Fork Dam requires seismic upgrades to comply with current standards and regulations
- Bowen Road repaving
- Listed a number of utility, transportation, and fleet projects over the next four years
- Ongoing programs and studies to understand the condition of assets and ensure the City is keeping up to date with growth

Committee and Staff discussion took place. Highlights included:

- \$30,000 is allocated for the Active School Travel programs to help the City work with schools and surrounding neighbourhoods to identify and prioritize concerns
- Drive-to-five programs have been implemented at a number of schools to reduce pick-up and drop-off traffic

Phil Stewart, Manager, Engineering Projects, continued the presentation and noted that the Regional District of Nanaimo (RDN) is planning to replace their large forcemain along Hammond Bay Road and that the City will have infrastructure to replace above ground and underground at that time.

Project Highlights – Facilities

Mike Bryson, Acting Director, Parks Recreation and Culture, continued the presentation. Highlights included:

- Staff continue to develop a Facility Asset Management Strategy
- Modernization of the freight elevators at the Vancouver Island Conference Centre (VICC)
- Upgrades to parkades including installation of CCTV cameras
- Facility renewals from 2025-2028 include:
 - Police Operations Building
 - City Hall
 - Nanaimo Fire Rescue Stations 2,3,4 and 7
 - VICC

Committee and Staff discussion took place regarding modernizing the current cameras outside City Hall and ensuring that all upgrades are done with a Privacy Information Assessment (PIA) first to ensure privacy of City staff and citizens.

Councillor Armstrong disconnected from the meeting at 10:23 a.m.

The Finance and Audit Committee Meeting recessed at 10:23 a.m.

The Finance and Audit Committee Meeting reconvened at 10:39 a.m.

Project Highlights - Parks Recreation and Culture

Mike Bryson, Acting Director, Parks Recreation and Culture, continued the presentation. Highlights included:

- Projects finalizing this year include:
 - The Harewood Centennial Park Artificial Turf Field
 - Marie Davidson BMX Bike Park Upgrade
 - Westwood Lake Beach Enhancement
 - Westwood Ridges Improvements
- Projects in progress include:
 - Cottle Lake Raised Boardwalk
 - Beban Park Pickleball Courts
- Staff are exploring systems to reduce the need for harsh chemicals in aquatic facilities
- Listed upgrades to various Parks and Recreation facilities

Committee and Staff discussion took place regarding Staff training through the Rick Hansen Foundation to become certified auditors.

Darcie Osborne, Director, Parks, Recreation and Culture, continued the presentation. Highlights included:

- Ongoing projects for 2024 include:
 - Replacing the roof at the Port Theatre
 - Adding additional Nanaimo 150 theme banners
 - Installation of 2024 Temporary Public Art

Mike Bryson, Acting Director, Parks Recreation and Culture, continued the presentation. Highlights included:

- Serauxmen Stadium improvements include bullpens, artificial turf infield and capping mine shafts
- New accessible washroom replacement at Maffeo Sutton Park

Committee and Staff discussion took place regarding having the Accessibility Committee on Accessibility and Inclusiveness (ACAI) review and provide input early in the design stage of the Maffeo Sutton Park washrooms.

Mike Bryson, Acting Director, Parks Recreation and Culture, continued the presentation. Highlights included:

- Re-roofing of Beban Pool/ Frank Crane
- Nanaimo Aquatic Centre (NAC) dehumidification improvements to maintain air quality and reduce greenhouse gas emissions

Darcie Osborne, Director, Parks, Recreation and Culture, continued the presentation. Highlights included:

- Beban Outdoor Learning Centre to create an accessible outdoor space for child, youth, and adult programs

Mike Bryson, Acting Director, Parks, Recreation and Culture continued the presentation and gave an overview of renewals and improvements to the Port Theatre that are scheduled to start in 2025 as well as Aquatic and Parks improvements and costs.

Darcie Osborne, Director, Parks, Recreation and Culture, continued the presentation. Highlights included:

- The City is continuing community partnerships to enable facility and infrastructure growth
- Working with the Seven Potatoes Society to redesign a room at Beban Park Social Centre and a heritage site at a local park

Committee and Staff discussion took place. Highlights included:

- The timeline of the South End Community Centre Project
- Third Street/Fitzwilliam Street upgrades
- Bike lanes and active transportation

6. REPORTS:

a. Hosting the 2025 AVICC Conference

Introduced by Karen Robertson, Deputy Corporate Officer, Legislative Services.

- The Association of Vancouver Island and Coastal Communities (AVICC) executive has asked Council to host the AVICC conference again in 2025 and every second year going forward
- The City is looking to co-host with the Regional District of Nanaimo (RDN)

Committee and Staff discussion took place noting that hosting this event will bring over \$500,000 into the Nanaimo economy.

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

1. Accept the invitation to host the AVICC conference at the Vancouver Island Conference Centre (VICC) in 2025 (April 11-13)
2. Approve adding a project to 2025 for \$48,000 for hosting the event, to be funded within existing project funding.
3. Extend an invite to co-host and cost share 50% of the AVICC Conference to the Regional District of Nanaimo (RDN) reducing the overall cost to the City to \$24,000.
4. Consider hosting the AVICC conference bi-yearly at the VICC and budget accordingly.

The motion carried unanimously.

b. 580 Fitzwilliam: Renovation Project

Art Groot, Director, Administrative Police Services, spoke regarding the renovation project at 580 Fitzwilliam. He noted that the renovations are

nearing completion; however, additional funding of \$150,000 is needed. This amount could be funded by the RCMP Contract Reserve and will not affect taxation.

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to increase the 2024 budget for the 580 Fitzwilliam Renovation Project by \$150,000 funded from the RCMP Contract Reserve. The motion carried unanimously.

c. 2023 Budget Carryforwards

Introduced by Laura Mercer, General Manager, Corporate Services.

- Each year, a review is done on operating and capital projects to determine what needs to be carried forward to the following year

Wendy Fulla, Director, Finance, continued the presentation. Highlights included:

- Budgets are carried forward for projects in progress, substantially completed, or delayed but anticipated to be completed within the end of the year
- At the end of 2023, \$94 million in project budgets and \$1.2 million in operating budgets were carried forward to 2024
- Project carryforwards can be due to capacity constraints internally and externally, cash flow, timing, and work plan changes
- Carryforwards will be reflected in the 2024-2028 final Financial Plan being brought back to Council next month

Committee and Staff discussion took place regarding the increase in dollar-wise carryforwards over the last few years.

d. 2024 Property Tax and Penalty Due Dates

Introduced by Jamie Slater, Manager, Financial Services and Special Projects.

- Property taxes are due every year on the first business day of July, this year being 2024-JUL-02
- By legislation, under the municipal tax regulation, penalties for unpaid taxes are at least 10%
- The City has a 2% penalty charge after the property tax due date and an 8% charge on the last business day of August
- Prior to COVID-19, there was a 5% and 5% split, but was switched to 2% and 8% to allow for flexibility and grace with payments

- It is common for residents to forget to claim their homeowners grants
Committee and Staff discussion took place regarding keeping the penalty charges the same.

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

1. Keep the property tax due date as the first business day in July each year.
2. Set the first property tax penalty rate at 2%; applied after the property tax due date each year.
3. Set the second property tax penalty rate at 8%; applied after the last business day of August each year.

The motion carried unanimously.

e. Capacity Funding for Housing Initiatives

Introduced by Jeremy Holm, Director, Planning and Development.

- The City of Nanaimo received \$619,936 from the Province to assist in implementing the recent provincial housing legislation
- Staff have looked into the impacts of the legislation on work plans over 2024-2025
- Five projects were identified that need additional funding
- Updates to the City Plan and zoning bylaw are needed in 2025 to address the housing needs report requirements
- The City will be contracting consulting services to help with the housing needs report; however, Staff are currently waiting on provincial guidance

Committee and Staff discussion took place. Highlights included:

- Funding received from the Province does not offset the staff costs of implementing the legislative changes
- Coordinating with leaders from other municipalities to implement the new legislation

It was moved and seconded that the Finance and Audit Committee recommend that Council endorse the allocation of \$619,936 in capacity funding provided by the Province to support the City of Nanaimo in meeting the legislative requirements in housing Bills 44, 46, and 47, as outlined in

the Staff Report titled "Capacity Funding for Housing Initiatives", dated 2024-MAR-20. The motion carried unanimously.

f. 2024 Local Government Development Approvals Program

Introduced by Jeremy Holm, Director, Planning and Development.

- A \$150,000 grant opportunity is being made available through the local government development approvals program
- The City is looking to support and accelerate a granular review of development approval processes
- Looking at recommending a consultant to do the business analysis and change management to support and accelerate work by around 20%
- This work would support Information Technology and would involve Staff in planning and development

It was moved and seconded that the Finance and Audit Committee recommend that Council support Staff's submission of the grant application to the Local Government Development Approvals Program for the Development Approvals Business Analysis and Process Improvements project, and direct Staff to provide overall grant management. The motion carried unanimously.

g. Parks and Open Spaces Fees and Charges Amendments

Introduced by Darcie Osborne, Director, Recreation and Culture.

- Parks, Recreation and Culture fees and charges were adopted in June 2023
- Unintended barriers were identified regarding the fee adjustments for the regular non-commercial parks and open spaces users and smaller, not-for-profit based events
- Staff consulted with park users to understand their concerns
- Staff recommend replacing fees based on a two-tier system that considers if the booking has a high or low impact on the park and park users
- High impact bookings would take the commercial rate which is similar to the current rate, and the lower impact bookings would be less than the current rate
- All fees would remain conditional on the current rate and discounts are applied to the user group classification

- Recommended adjustments to the percentage discounts for not-for-profit park users:
 - Commercial bookings remain full charge
 - Private groups receive approximately 10%
 - Not-for-profit (two adult groups) would receive 75% off, which is a new discount for only parks and open spaces
- Recommend adding Harewood Artificial Turf Fields to the parks bylaw process

Committee and Staff discussion took place regarding determining whether a booking is high or low impact.

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

1. Support the changes to the user rates for Parks and Open Spaces, fee implementation dates, and the field classification changes as outlined; and
2. Direct staff to bring forward an amendment to the “Fees and Charges Bylaw No. 7336” to incorporate the new Parks and Open Spaces fees, fee implementation dates, and field classification changes.

The motion carried unanimously.

h. Other Grant Request from Nanaimo Science & Sustainability Society

Introduced by Jamie Slater, Manager, Financial Services and Special Projects.

- The City received a grant application for an “In Kind” facility rental from the Nanaimo Science and Sustainability Society
- Request for up to 105 hours for the use of outdoor City park spaces
- “Science in the Park” is a free of charge program for Nanaimo residents
- The program allows children and caretakers to explore parks and beaches with the Nanaimo Science Outreach educators
- The grant is only for the free program “Science in the Park”

Committee and Staff discussion took place. Highlights included:

- Recognition of the work Elaine Parker, Executive Director, Nanaimo Science, has done

- The City has not received any other applications for outside park space rentals

It was moved and seconded that the Finance and Audit Committee recommend that Council direct Staff to award an 'In-Kind' facility rental 'Other Grant' to the Nanaimo Science & Sustainability Society to cover the costs of up to 105 hours for the use of outdoor City Park spaces. The motion carried unanimously.

i. 2024 Cultural Grant Funding Reallocation Recommendation

Darcie Osborne, Director, Recreation and Culture spoke regarding reallocating funds to the Culture & Event Program Grant fund as some organizations that put forward their applications were not able to follow through on their commitments.

It was moved and seconded that the Finance & Audit Committee recommend that Council approve the reallocation of available 2024 Culture & Event Project Grant funds as follows:

- **Applicant Name:** 8758999 Canada Society dba Artists' Collective Theatre (ACT Theatre)
- **Recommended:** \$6,000

The motion carried unanimously.

j. Housing Accelerator Fund Update

Introduced by Jeremy Holm, Director, Planning and Development.

- In August 2023, the City applied to the Canada Mortgage and Housing Corporation Housing Accelerator Fund (CMHC-HAF) for \$15,150,000 based on a formula of additional units expected to be built in the community from 2024-2026
- On 2024-FEB-2024, it was confirmed that the City was unsuccessful
- The requested grant was intended to be targeted to sanitary sewer upgrades and property acquisition to support affordable housing initiatives
- Nanaimo's application scored well and met the program criteria; however, the program is in high demand as 179 of 544 applicants were successful

Committee and Staff discussion took place. Highlights included:

- What the successful applications looked like

- Need for a more equitable approach for municipalities and a less rigorous application process
- Underground infrastructure was included in the application as those projects are necessary to support housing being built

7. QUESTION PERIOD:

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

8. ADJOURNMENT:

It was moved and seconded at 12:03 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

DEPUTY CORPORATE OFFICER