

AGENDA
SPECIAL COMMITTEE OF THE WHOLE MEETING
BOARD ROOM, SERVICE AND RESOURCE CENTRE,
411 DUNSMUIR STREET NANAIMO, BC
FRIDAY, 2015-JAN-30, AT 9:00 A.M.

1. **CALL THE SPECIAL COMMITTEE OF THE WHOLE MEETING TO ORDER:**

2. **CORPORATE SERVICES:**

(a) Draft 2015-2019 Financial Plan

Presentations:

1. Supt. Mark Fisher, RCMP re: RCMP Staffing Plan
2. Mr. Craig Richardson, Fire Chief re: Fire Services Plan

(b) Draft 2015-2019 Financial Plan – Proposed Budget Reductions

To be introduced by Mr. Brian Clemens, Director of Finance.

Purpose: To propose budget reductions to the Draft 2015-2019 Financial Plan that will decrease the property tax increase from 1.8% to 1% in 2015.

Staff Recommendation: That Council approve the changes to the Draft 2015-2019 Financial Plan as identified in the Staff report to reduce the 2015 property tax increase to 1% and direct Staff to bring forward a 2015-2019 Financial Plan bylaw.

3. **QUESTION PERIOD:** *(Agenda Items Only)*

4. **ADJOURNMENT:**

ACTING MAYOR: COUNCILLOR KIPP
2015-JAN-19 to 2015-MAR-08

City of Nanaimo
REPORT TO COUNCIL

DATE OF MEETING: 2015-JAN-30

AUTHORED BY: B.E. CLEMENS, DIRECTOR OF FINANCE

RE: DRAFT 2015 – 2019 FINANCIAL PLAN – PROPOSED BUDGET REDUCTIONS

STAFF'S RECOMMENDATION:

That Council approve the changes to the Draft 2015-2019 Financial Plan to reduce the 2015 property tax increase to 1% and direct Staff to bring forward a 2015-2019 Financial Plan bylaw.

PURPOSE:

To propose budget reductions to the Draft 2015-2019 Financial Plan that will decrease the property tax increase from 1.8% to 1% in 2015.

BACKGROUND:

Council has been provided with copies of the Draft 2015- 2019 Financial Plan document.

The financial plan was presented to Council and the public at the Regular Meeting of Council held 2015-JAN-19. The estimated property tax increase for 2015 is 1.8%

Items impacting the proposed property tax rate increase for 2015 include 1% property tax increase for contribution to the Asset Management Reserve, wage and benefit increases, Vancouver Island Regional Library contract increase, RCMP contract increase for current staffing level and three additional RCMP members.

A Special Committee of the Whole meeting was held on 2015-JAN-21 for Council to begin their review of the Draft 2015 – 2019 Financial Plan. Council directed staff to provide budget reduction options that would reduce the property tax increase to 0% plus 1% for the contribution to the Asset Management Reserve. The total budget reduction required is \$744,000.

As Council is currently considering a Core Review for 2015, staff have not considered reductions that may impact service levels to City residents. Staff would not propose service level reductions without first checking in with Council to get direction on which types of services should be impacted.

Staff have identified budget reductions using the following approach:

- Maintain current service levels
- Reduce operating expenditures that would not impact services to City residents
- Eliminate projects that may be impacted by the Core Review process

Recommended 2015 budget reductions are:

- Service level change
 - Remove budget increase for 3 additional RCMP members - \$326,000 savings
- Current operating budgets
 - Reduce management consulting budgets - \$91,510 savings
 - Reduce staff training budgets - \$76,490 savings
 - Reduce firefighters clothing budget - \$25,000 savings
 - Increase Nanaimo Aquatic Centre revenues - \$75,000 (impact of 2014 rate increases greater than expected)
 - Net operating savings - \$268,000
- Projects
 - Eliminate Parks, Recreation and Environment Master Plan update - \$75,000
 - Reduce Linley Valley Park Development project - \$50,000
 - Eliminate Fire Training Centre contribution to reserve - \$25,000 savings
- Total budget reductions - \$744,000

Whether these changes impact 2016 to 2019 depends on if they are permanent changes or if they are deferring costs to future years. Deferring costs will increase taxes in future years.

Although it does not impact 2015 property taxes, a decision on whether to proceed with Fire Hall #6 in 2015 does have a significant effect on future taxes. In 2016, the increased costs for staffing are close to \$1 million. The fire plan will be the subject of a separate discussion at the 2015-JAN-30 Committee of the Whole meeting.

The changes proposed in this report will bring the 2015 property tax increase to 1%. Staff believe that further cuts would need to come from service reductions.

Additional information about the impact of these changes can be provided by staff at the meeting.

Respectfully submitted,



B.E. Clemens
Director of Finance