

CITY OF NANAIMO
THE HARBOUR CITY

2021 – 2025 Provisional Financial Plan Recap



December 9, 2020


CITY OF NANAIMO
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Projected Property Tax Increases

	Pandemic 2021	Recovery - New Normal 2022	2023	2024	2025
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	1.0%
General Property Tax Increase	2.5%	2.3%	2.2%	2.1%	1.7%
Total Municipal Taxes	3.5%	3.3%	3.2%	3.1%	2.7%

Funding from Special Initiatives Reserve reduces property taxes in 2021, 2022 & 2023
 Funding from General Financial Stability Reserve reduces property taxes in 2021

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Projected Property Tax Assumptions

Assumptions:

Pandemic

- Continued restrictions on group/event sizes - impacting recreation revenue, VICC revenue
- Beban Pool remains closed
- No Casino revenue - reopening date not confirmed
- Reduced parking revenue
- Global economy impact - lower return on City investments

Recovery

- Recreation and Parking revenues return to pre pandemic levels
- Beban Pool reopens January 1, 2022
- Casino revenue recovers to ~75% in 2022 and 100% in 2023 of pre pandemic budget
- Investment return recovers to ~75% in 2022 and 100% in 2023 of pre pandemic budget

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December 4th Council Directives

2021 – 2025 Provisional Financial Plan

i. Corporate Asset Management System

Undertake a phased approach for implement of a CAMS

Implementation Phase 2021 - 2024:

- 4 years
- \$2.8 million
- 3 dedicated staff

Ongoing:

- 2 dedicated staff and related expenses, annual licensing and mobile fees
- 2025 approx. cost \$450,900
- Funding Source – General Revenue

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Corporate Asset Management System to the 2021 – 2025 Financial Plan starting in 2021. Implementation to be funded by \$2.15 million in funding from the Community Works Fund and \$660,900 in funding from the Special Initiatives Reserve. Annual operating costs to be funded from General Revenue.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan

ii. Buyer

To ensure capacity to implement the Sustainable Procurement Program and continue to garner benefits from the 2017 Procurement Policy

- July 1st Implementation

Funding Source:

- General Revenue ~ 0.06% in 2021

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Buyer position to the 2021 – 2025 Financial Plan effective July 1, 2021.

The motion carried.

2021 – 2025 Provisional Financial Plan

iii. Police Services

Police Services – two additional positions to support RCMP operations

- a) Digital Forensic Technician
- b) Major Case File Specialist

Funding Source:

- General Revenue ~ 0.09% for Digital Forensic Technician
- General Revenue ~ 0.09% for Major Case File Specialist

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Digital Forensic Technician position and a Major Case File Specialist position to the 2021 – 2025 Financial Plan effective January 1, 2021.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan

iv. Police Mental Health Outreach Team – Council Request

An enhanced policing model that uses a specialized team to assist vulnerable citizens who have contact with police or require an emergency response.

Once fully implemented annual cost would be approx. \$0.61 to \$1.35 million, ~ 0.54% to 1.19%

Funding Source:

- General Revenue

Motion:

No motion made

2021 – 2025 Provisional Financial Plan



v. Annual Community Watercourse Restoration Grant – Council Request

Establish a dedicated Community Watercourse Restoration Grant program with an annual funding pool of \$20,000

Funding Source:

- General Revenue ~ 0.02%

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add an Annual Community Watercourse Restoration Grant program to the 2021 – 2025 Financial Plan, to be funded from the Special Initiatives Reserve in 2021 and 2022.

The motion carried.

2021 – 2025 Provisional Financial Plan



vi. Manager, Social Planning – Council Request

Increase capacity to oversee implementation of the City's social planning responsibilities and advance social planning initiatives

Funding Source:

- General Revenue ~ 0.15%

Motion:

No motion made

2021 – 2025 Provisional Financial Plan



vii. Manager, Sustainability – Council Request

Oversee the City's current climate change adaptation, mitigation and environment protection initiatives and meet the commitments of the BC Hydro Community Energy Manager Offer program

- July 1st Implementation
- Funding commitment under BC Hydro's Community Energy Manager Offer to be confirmed

Funding Source:

- General Revenue ~ 0.05% in 2021 based on successful grant application

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Manager, Sustainability, to the 2021 – 2025 Financial Plan effective July 1, 2021 and apply to the BC Hydro Community Energy Manager Offer program to fund a portion of the position. The motion carried

2021 – 2025 Provisional Financial Plan



viii. Indigenous Engagement Specialist – Council Request

Resourcing of indigenous relations and engagement

Motion:

No motion made

2021 – 2025 Provisional Financial Plan



ix. Municipal Enforcement Officers (MEOs)

Change MEOs from a 35 to a 40 hour work week

Funding Source:

- General Revenue ~ 0.02%

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council increase the hours of the Municipal Enforcement Officers from a 35 to a 40-hour workweek in the 2021 – 2025 Financial Plan effective January 1, 2021.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan



x. eBikes Rebate Program – Council Request

Establish a eBike grant program with an annual funding pool of \$10,000

Potential Funding Source:

- Emission Reduction Reserve

Motion:

No motion made

2021 – 2025 Provisional Financial Plan



xi. Community Clean Team

In November 2019, the City piloted the “Social Disorder Response Team”, a collaborative approach to effectively and efficiently maintain the orderliness and cleanliness of the City’s public spaces. In May 2020, Council extended the pilot to December 31, 2020.

Extend the pilot for an additional 12 months to December 31, 2021 at a projected cost of \$248,300.

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council extend the Community Clean Team pilot to December 31, 2021, to be funded from the Special Initiatives Reserve.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan



xii. Municipal Services Inspector

Increase internal capacity, which will allow for more projects to be inspected by City inspectors rather than external consultants

- Position includes purchase of a fleet vehicle (hybrid anticipated)
- Position will be partially funded by Sewer and Water

Funding Source:

- General Revenue ~ 0.11% in 2021

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add a Municipal Services Inspector position to the 2021 – 2025 Financial Plan effective January 1, 2021 and an additional unit to the City Fleet funded from the Emission Reduction Reserve.

The motion carried.

2021 – 2025 Provisional Financial Plan

xiii. Project Engineer

Increase internal capacity to manage City projects and reduce the use of contract project managers

- Position will be partially funded by Sewer and Water

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council add the position of Project Engineer, to be funded from the Special Initiatives Reserve in 2021 and 2022.

The motion carried.

2021 – 2025 Provisional Financial Plan

b) Art Gallery Next Phase

At the June Finance and Audit Committee, Council was provided with options to support the Nanaimo Art Gallery's plan for phased development at the Arts Centre at 150 Commercial. The draft budget currently includes the following options:

1. Increase to operating grant of \$50,000/yr – total 2021 operating grant of \$221,111
 - a) Operating grant increases 2% annually under current agreement
2. Allocation of \$10,000 annually to the Nanaimo Art Gallery for capital expenditures
3. Allocation of \$25,000 in 2021 for the development of a feasibility report of the concept of an Arts Centre and Nanaimo Art Gallery's Phase 3 facility project

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate \$25,000 in 2021 for the development of a feasibility report on the concept of an Arts Centre and Nanaimo Art Gallery Phase 3 facility project funded from the Strategic Infrastructure Reserve.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan

c) Start Date of New Positions Delayed

To reduce 2021 Property Taxes the start dates of the three (3) new positions approved in the 2020 – 2024 Financial were delayed to late Summer

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council reinstate a January 01, 2021, start date for the following positions, to be funded from the Special Initiatives Reserve:

- a. Manager, Facility Assets
- b. Junior Financial Analyst
- c. Assistant Accountant

The motion carried unanimously

2021 – 2025 Provisional Financial Plan

d) Reinstate Projects

To reduce 2021 Property Taxes projects where delayed, cancelled or scope was reduced.

For Council Consideration:

Reinstate select projects from list of projects adjusted to reduce property taxes

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council reinstate the following 2021 projects with funding to be allocated from the Special Initiatives Reserve:

2021 – 2025 Provisional Financial Plan

d) Reinstate Projects Continued

Section	Category	Project Name (SAP)	2021 Budget	Notes
Nanaimo Fire Rescue	Renewal	Fire Services: Emergency Pre-Emption Devices	55,080	
Engineering Services	Renewal	Integrated Survey Control Monuments	5,000	
Drainage	Renewal	Drainage: Infrastructure Condition Assessment Program	100,000	
Engineering Services		ENGPW Contingency: Projects	50,000	
Engineering Services	New	ENGPW Contingency: Developer Cost Shares	50,000	
Transportation		ENGPW Contingency: Transportation Projects	50,000	
Transportation	Renewal	Railway Crossing Repairs	34,000	
Public Works Yard	Renewal	PW Yard: Paving	25,680	
Transportation	Upgrade	Bowen Corridor Traffic Signal Management Hardware Upgrade	250,000	Projected moved to 2022. Total budget 2022 - \$500k
Transportation	New	Bowen Park Trailway Lighting	100,000	Reduced budget from \$200k to \$100k
Facilities	Renewal	Civic Facilities: Condition Assessment Program	100,000	
Parks	Renewal	Bleacher Replacement Program - Portable	18,360	
Parks	Renewal	Park Amenities Condition Assessment Program	10,000	
Parks	Renewal	Park Amenities: Investigation/Pre-Design	10,000	
Parks	New	Parks/Facility Accessibility	25,000	
Total			883,120	

The motion carried.

2021 – 2025 Provisional Financial Plan

e) Community Connect Pilot Extension

Request from Community Connect to cost share continuation of enhanced neighbourhood safety program between January 1 - June 30, 2021

Property Owners	\$ 36,750 (20%)
City Grant	\$147,000 (80%)

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate \$147,000 from the Special Initiatives Reserve to Community Connect to allow for the continuation of an enhanced neighbourhood safety program between January 1, 2021 and June 30, 2021.

The motion carried.

2021 – 2025 Provisional Financial Plan



f) Public Art

Increase the annual funding for Public Art
2021 Draft Budget - \$50,000

Motion:

No motion made

2021 – 2025 Provisional Financial Plan



g) Public Works Day

Public Works Day for 2021
2021 Draft Budget \$15,000

Motion:

No motion made

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY

h) Association of Vancouver Island Coastal Communities (AVICC)

AVICC conference will be removed for provisional budget
2021 Draft Budget \$15,175

No motion needed

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY

i) COVID Internal Order

Allocate \$500,000 to a 2021 COVID Internal Order to cover continuing and potential new costs related to pandemic:

- Personal protective equipment for staff
- Security at SARC and City Hall
- Additional or extension of facility ambassadors
- Other related COVID costs

Motion:

It was moved and seconded that the Finance and Audit Committee recommend that Council allocate \$500,000 from the Special Initiatives Reserve to a 2021 COVID Internal Order to cover continuing and potential new costs related to the pandemic.

The motion carried unanimously.

2021 – 2025 Provisional Financial Plan

j) Snow and Ice (SNIC)

Requested Level of Service

- Add:
 - Sidewalks on bus routes and arterials, within 6 urban nodes
- Incremental Scope:
 - Approx. 88km of sidewalk, split roughly evenly between residential and commercial frontages
 - Approx. 44hrs of effort per event
 - Combination of machine and hand work (crews of 2)
 - Require 7 new machines (1 per urban node, 1 spare)
 - Require min. 24 staff to provide 24/7 service

2021 – 2025 Provisional Financial Plan

j) Snow and Ice (SNIC) Continued

Preliminary Cost Impact

- Equipment
 - Capital: \$315k -> \$1.26m, dependent on equipment selected
 - O&M: unknown
- Labour
 - Est. \$62k/24hr/event
 - Assume 5d event -> \$310k

Motion:

No motion made

2021 – 2025 Provisional Financial Plan

k) Active Transportation

Resource requirements to execute Council's strategic plan

Increase current annual allocation of \$300,000 for unallocated pedestrian/transportation improvements

Motions:

1. It was moved and seconded that the Finance and Audit Committee recommend that Council allocate an additional \$700,000 (for a total of \$1 million) in the 2021 Budget for pedestrian infrastructure and improvements to be funded from the Strategic Infrastructure Reserve.
The motion carried.
2. It was moved and seconded that the Finance and Audit Committee recommend that Council add the Albert Street Project (from Milton Street to Pine Street) to the 2021 Budget with \$300,000 funded from the Strategic Infrastructure Reserve and \$1 million funded from the Special Initiative Reserve, for project delivery in 2021 - 2022.
The motion carried.

2021 – 2025 Provisional Financial Plan

Other Motions

Other motions made by Council at the Special Finance and Audit Committee meeting:

Motion:


It was moved and seconded that the Finance and Audit Committee recommend that Council reserve \$400,000 from the Special Initiative Reserve and \$100,000 from the Daytime Resource Centre, to be allocated in the 2021 Budget, for the recommendations coming from the Health and Housing Task Force.

The motion carried unanimously.


Alternative Funding Source:

The Housing Legacy Reserve may be an appropriate funding source for select recommendations from the Health and Housing Task Force

2021 – 2025 Provisional Financial Plan



Impact of Council Directives and Benefit Update



2021 Changes That Impacted Property Taxes

Benefit Changes	295,239	0.26%
Fund Nanaimo Art Gallery Feasibility Study From Strategic Infrastructure Reserve	(25,000)	-0.02%
Increase Municipal Enforcement Officers From 35 to 40 Hr Work Week	22,704	0.02%
Internal Support - Sewer and Water Fund	(29,063)	-0.03%
Other	(2,479)	0.00%
Positions - includes related expenses and one-time costs:		
Buyer - Effective July 1st	65,520	0.06%
Digital Forensic Technician	104,578	0.09%
Manager Sustainability - Effective July 1st	88,912	0.08%
Major Case File Specialist	98,711	0.09%
Municipal Services Inspector*	95,788	0.08%
Remove AVICC Conference	(15,175)	-0.01%
	Total	0.62%
	699,735	0.62%
Starting Property Tax Increase Dec 4th		2.9%
Net Changes		0.6%
Proposed Provisional Property Tax Increase		3.5%

*Net savings from elimination of 3 month temp position

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY

2021 Other Changes

Funded From Special Initiatives Reserve	
Corporate Asset Management System	40,500
Community Connect Grant - Pilot Extension	147,000
Community Clean Team - Pilot Extension	248,300
Community Watercourse Restoration Grant	20,000
Pandemic Response 2021	500,000
Positions:	
Assistant Accountant Jan 1 - Aug 31, 2020	90,515
Junior Financial Analyst Jan 1 - Aug 14, 2020	28,887
Manager, Facility Assets Jan 1 - Aug 31, 2020	98,346
Project Engineer	155,000
VIU Bikeways - Albert St	<u>1,000,000</u>
Subtotal	<u>2,328,548</u>

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY

2021 Other Changes

Funded From Special Initiatives Reserve Continued	
Projects Reinstated:	
Fire Services: Emergency Pre-Emption Devices	55,080
Integrated Survey Control Monuments	5,000
Drainage: Infrastructure Condition Assessment Program	100,000
ENGPW Contingency: Projects	50,000
ENGPW Contingency: Developer Cost Shares	50,000
ENGPW Contingency: Transportation Projects	50,000
Railway Crossing Repairs	34,000
PW Yard: Paving	25,680
Bowen Corridor Traffic Signal Management Hardware Upgrade	250,000
Bowen Park Trailway Lighting	100,000
Civic Facilities: Condition Assessment Program	100,000
Bleacher Replacement Program - Portable	18,360
Park Amenities Condition Assessment Program	10,000
Park Amenities: Investigation/Pre-Design	10,000
Parks/Facility Accessibility	<u>25,000</u>
Total	<u>3,211,668</u>

\$400,000 was earmarked in Special Initiatives Reserve for Health and Housing Recommendations

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY

2021 Other Changes

Funded From Strategic Infrastructure Reserve		
Pedestrian Improvements Unallocated - Increase	700,000	
VIU Bikeways - Albert St	300,000	
	Total	1,000,000
Funded From Community Works Fund		
Corporate Asset Management System	751,079	
	Total	751,079
Funded From Emission Reduction Reserve		
Municipal Services Inspector - Fleet Unit	48,290	
	Total	48,290

2021 – 2025 Provisional Financial Plan

CITY OF NANAIMO
THE HARBOUR CITY


Impact on a Typical Home

	2020	2021	\$ Change	% Change
Property Taxes	\$2,204	\$2,282	\$78	3.5%
Municipal User Fees				
Water Fees	594	638	44	7.5%
Sewer Fees	141	146	5	4.0%
Sanitation Fees	171	189	18	10.5%
Total Municipal Taxes & User Fees	\$3,110	\$3,255	\$145	4.7%

Based on \$527,145 assessed value (average for Nanaimo per BC Assessment)

Rounded to nearest dollar
Assumes a typical single family house with average assessment change

2021 – 2025 Provisional Financial Plan



Strategic Infrastructure Reserve

Estimated based on allocating COVID-19 Restart Grant funding to offset
Casino Revenue

	2021	2022	2023	2024	2025
Projected Opening Balance	2,853,517	1,280,038	1,020,155	2,259,570	3,517,576
Contributions					
Interest	30,771	17,123	24,415	43,006	61,876
Casino Revenue		1,256,250	1,675,000	1,675,000	1,675,000
Fortis Revenue	440,000	440,000	440,000	440,000	440,000
Total Annual Contributions	470,771	1,713,373	2,139,415	2,158,006	2,176,876
Withdrawals					
Property Acquisitions	600,000	600,000	600,000	600,000	600,000
Harewood Centennial Park - Turf Field	119,250	1,073,256			
Nanaimo Art Gallery - Feasibility Study	25,000				
Ped Transportation Improvements Unallocated	1,000,000	300,000	300,000	300,000	300,000
VIU Bikeways - Albert Street	300,000				
Total Withdrawals	2,044,250	1,973,256	900,000	900,000	900,000
Projected Closing Balance	1,280,038	1,020,155	2,259,570	3,517,576	4,794,452

minimum target balance \$320,183

2021 – 2025 Provisional Financial Plan



Special Initiatives Reserve

Estimated based on allocating COVID-19 Restart Grant funding to offset
revenue shortfalls and pandemic expenses in 2020

	2021	2022	2023	2024	2025
Projected Opening Balance	6,573,515	2,561,847	1,404,447	966,947	766,447
Withdrawals					
2021 Pandemic Response	500,000				
2021 Projects Reinstated	883,120				
Community Watercourse Restoration Grant	20,000	20,000			
Community Clean Team - Pilot Extension	248,300				
Community Connect Grant - Pilot Extension	147,000				
Corporate Asset Management System	40,500	182,400	237,500	200,500	
Health and Housing Task Force - Reserve Funds	400,000				
Project Engineer	155,000	155,000			
Property Tax Reduction	400,000	800,000	200,000		
Start Date Reinstated to January 1 (3 Positions)	217,748				
VIU Bikeways - Albert Street	1,000,000				
Total Withdrawals	4,011,668	1,157,400	437,500	200,500	-
Projected Closing Balance	2,561,847	1,404,447	966,947	766,447	766,447

2021 – 2025 Provisional Financial Plan



Options

- Reduce 2021 projected property tax increase by allocating additional funds from the Special Initiatives Reserve for property tax reduction - currently \$400,000 allocated from this reserve for 2021
- To lessen the impact in future years of increasing one-time reserve funding reduce General Revenue funding to projects – not to fall below \$7 million target in 2022 to 2025

2021 – 2025 Provisional Financial Plan



Next Steps

- 2021 – 2025 Financial Plan Bylaw to Council for first three readings December 21st
- 2021 - 2025 Financial Plan Bylaw adopted by Council January 2021

2021 – 2025 Provisional Financial Plan