

City of Nanaimo Budget in Brief



Draft 2017-2021 Financial Plan



Each year as part of the budget process, choices must be made to keep taxes affordable for our businesses and households.

In 2013, Council approved an annual 1% increase in property taxes for five years ending 2017 as well as annual increases to sanitary sewer and water user fees for contributions to asset management reserve funds. In 2015, the City started using these reserves to fund many asset renewal projects.

Core Services Review:

A Core Services Review (CSR) was completed in 2016. Recommendations focused on eleven areas: strategic planning, policy framework, staff capacity, finance policies, IT infrastructure, integrated maintenance, performance measures, community partnerships, grant mandates and monitoring, and efficiencies and streamlining. Work on many of the recommendations commenced in 2016. As recommendations are reviewed and approved by Council, they will be incorporated into the City's financial plans.

Strategic Plan Update:

Council completed a Strategic Plan Update in 2016. The purpose of the update was to build upon the community vision, values and commitments made under the City's previous 2012 – 2015 Strategic Plan. The update restates the City's commitment to the four values of sustainability: economic health, environmental responsibility, social equity and cultural vitality.

Five priority projects and two key initiatives were identified for 2016 – 2019. The five projects include 1 Port Drive/South Downtown Waterfront, Beban Park Facilities Redevelopment Master Plan, Sports and Entertainment Centre, Waterfront Walkway and Georgia Avenue Pedestrian/Cycle Bridge. The two initiatives are Affordable Housing and Property Acquisition.

The Draft 2017 – 2021 Financial Plan includes organizational changes and new projects that begin the process of implementing the Core Services Review recommendations and Council's Strategic Plan Update.

Budget Highlights

- 2017 Operating Budget: \$133 million
- 2017 – 2021 Capital Budget: \$203.6 million
 - 2017 Capital Budget: \$44.4 million
- **Proposed 2017 – 2021 Financial Plan would result in an overall property tax increase of \$2.2 million or 2.4% in 2017.** This increase does not include the impact of increased requisitions or levies from the Vancouver Island Regional Library, the Regional District of Nanaimo, School District 68, Island Health Authority, Municipal Finance Authority and BC Assessment.
 - Future property tax increases are 1.0% in 2018, 0.9% in 2019, 1.0% in 2020 and 0.5% in 2021
 - The 2017 property tax increase includes 1% for increased annual contribution to asset management reserve (started in 2013 for five years)
 - Water User Fees annual increase of 7.5% including 2.5% for increased contribution to asset management reserve to 2020
 - Sewer User Fees annual increase of 5% to 2017 and then 4% for 2018 to 2022 for increased contribution to asset management reserve
 - Garbage user fee increase of 2% in 2017 pending review of automated collection options and implementation timeline
- Including user fee increases for garbage, sewer and water, the average homeowner would see a total increase of \$82.97 for 2017 or 3.2%
- Two new positions added in 2017
 - Communication Specialist
 - Committee Clerk
- During 2016 significant organizational changes resulted in the elimination of four senior management positions, realignment of several City functions and the creation of a new senior leadership team to better implement the recommendations of the Core Services Review and Council's strategic plan.
 - Staffing changes
 - In 2016 eliminated four senior management positions and added four management and two CUPE positions
 - New positions are:
 - Chief Operating Officer (COO)
 - Chief Sustainability Officer (CSO)
 - Manager, IT Technical and Client Services
 - Manager, Community & Cultural Planning
 - Freedom of Information (FOI) and Claims Clerk
 - Social - Multicultural Planner

- Reporting changes
 - IT and Police Support Services now report to the Chief Financial Officer (CFO)
 - Environment, Culture and Heritage and Social Planning moved to the Community Development department and report to the Director of Community Development
 - Legislative Services now includes Bylaw Services and reports to the Chief Administrative Officer (CAO)
- The changes in reporting structure are reflected in prior year financial reporting for this report. Functional units are reported in new structure for both 2016 and 2017
- Provides capital investment:
 - \$179m for infrastructure renewal and new infrastructure to maintain current service levels for existing and new residents
 - \$6.9m Port Theatre expansion (in addition to \$5.7m budgeted in 2016), all projected funding is from borrowing, grants and private contributions
 - \$2.6m for Harewood Centennial Park multi use facility and outdoor lacrosse box
 - \$8m for new pedestrian, cycling and transit amenities recommended in the Transportation Master Plan, including \$990k for Georgia Ave Greenway
 - \$165,000 annual contribution to the Housing Legacy Reserve, \$200,000 to develop an Affordable Housing Strategy and a Social Wellness Strategy
 - \$600,000 annual allocation for property acquisition
 - \$500,000 for public art

Future Presentations:

Planned presentations include:

- Automated Collection to select preferred business model
- Asset Management Update
- Development Cost Charges (DCC) Update

The Draft 2017 – 2021 Financial Plan does not include any changes outlined in the above-noted presentations.

Labour Contracts:

The current contract with CUPE Local 401 expires on December 31, 2016. A contingency for wage increases has been included in the Draft 2017 – 2021 Financial Plan.

The 2017 expenditures noted for each department in this document include wage expenditures at 2016 rates.

Impact to Average City of Nanaimo Household

Based on \$348,363 assessed value (2016 average per BC Stats)

Planning for the future is important for a municipality and for a household. The total 2017 increase for property taxes and user fees for an average household is \$82.97.

Above excludes costs from the Vancouver Island Regional Library, the Regional District of Nanaimo, School District 68, Island Health Authority, Finance Authority and BC Assessment.

Budget Impact on a Typical Home With comparison to previous years

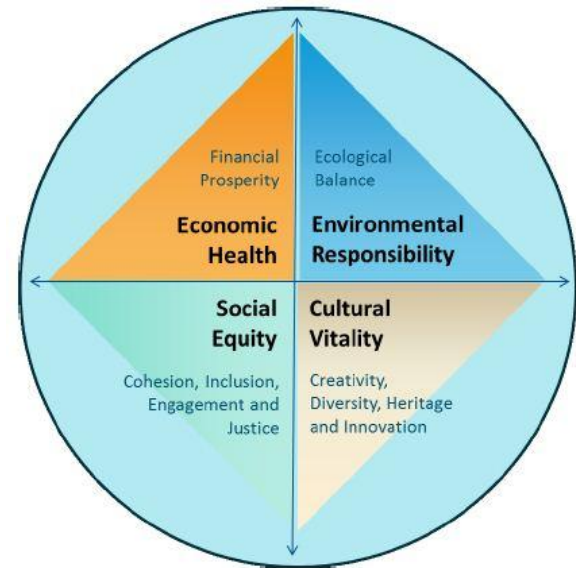
	2015	2016	Draft 2017
Taxation	\$20.78	\$0.00	\$41.75
Water Fees	\$28.84	\$31.00	\$33.33
Sewer Fees	\$5.35	\$5.61	\$5.89
Garbage Fees	(\$10.75)	\$1.00	\$2.00
Total	\$44.22	\$37.61	\$82.97

Strategic Objectives

Council completed a Strategic Plan update in 2016. The purpose of the update was to build upon the community vision, values and commitments made under the City's previous 2012 – 2015 Strategic Plan. The update restates the City's commitment to the four values of sustainability: economic health, environmental responsibility, social equity and cultural vitality.

Five priority projects and two key initiatives were identified for 2016 – 2019. The five projects are: 1 Port Drive/South Downtown Waterfront, Beban Park Facilities Redevelopment Master Plan, Sports and Entertainment Centre, Waterfront Walkway and Georgia Avenue Pedestrian/Cycle Bridge. The two initiatives are Affordable Housing and Property Acquisition.

The Draft 2017 – 2021 Financial Plan includes many initiatives linked to the Strategic Plan update including: Wellcox Access, Nanaimo Yacht Club Waterfront Walkway, Georgia Avenue Greenway and development of an Affordable Housing Strategy and Poverty Reduction Strategy. In addition, the plan includes significant investment in infrastructure renewal projects, annual social, cultural and sports grant programs, new cycling, pedestrian, transit and vehicle amenities and water conservation programs.



Balanced Scorecard

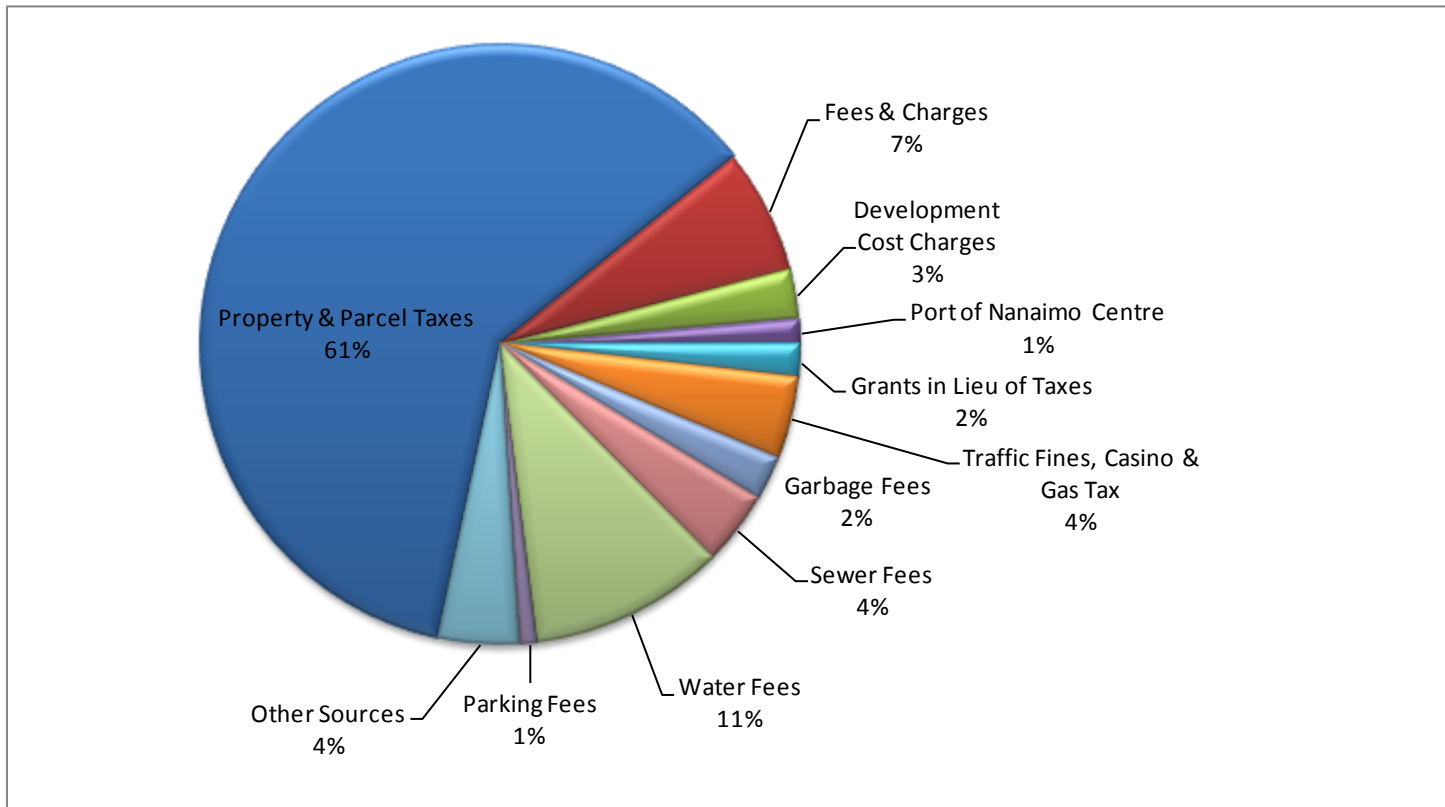
In 2013, the City developed a set of performance measurements, known as the Balanced Scorecard, to draw attention to performance results by examining quantifiable measures that extend beyond traditional methods of evaluating performance by emphasizing mainly financial results. The Balanced Scorecard initiative was a deliverable of the Strategic Plan, specifically the strategic priority.

The Balance Scorecard is updated throughout the year as information becomes available. For more information on the Balanced Scorecard please go to the City of Nanaimo's website <http://www.nanaimo.ca/>.

2017 Funding Revenues

The City receives revenues from several sources with the main contribution from property taxes and user fees. Examples of revenues from other sources includes: grants, interest income and the Regional Parks Agreement.

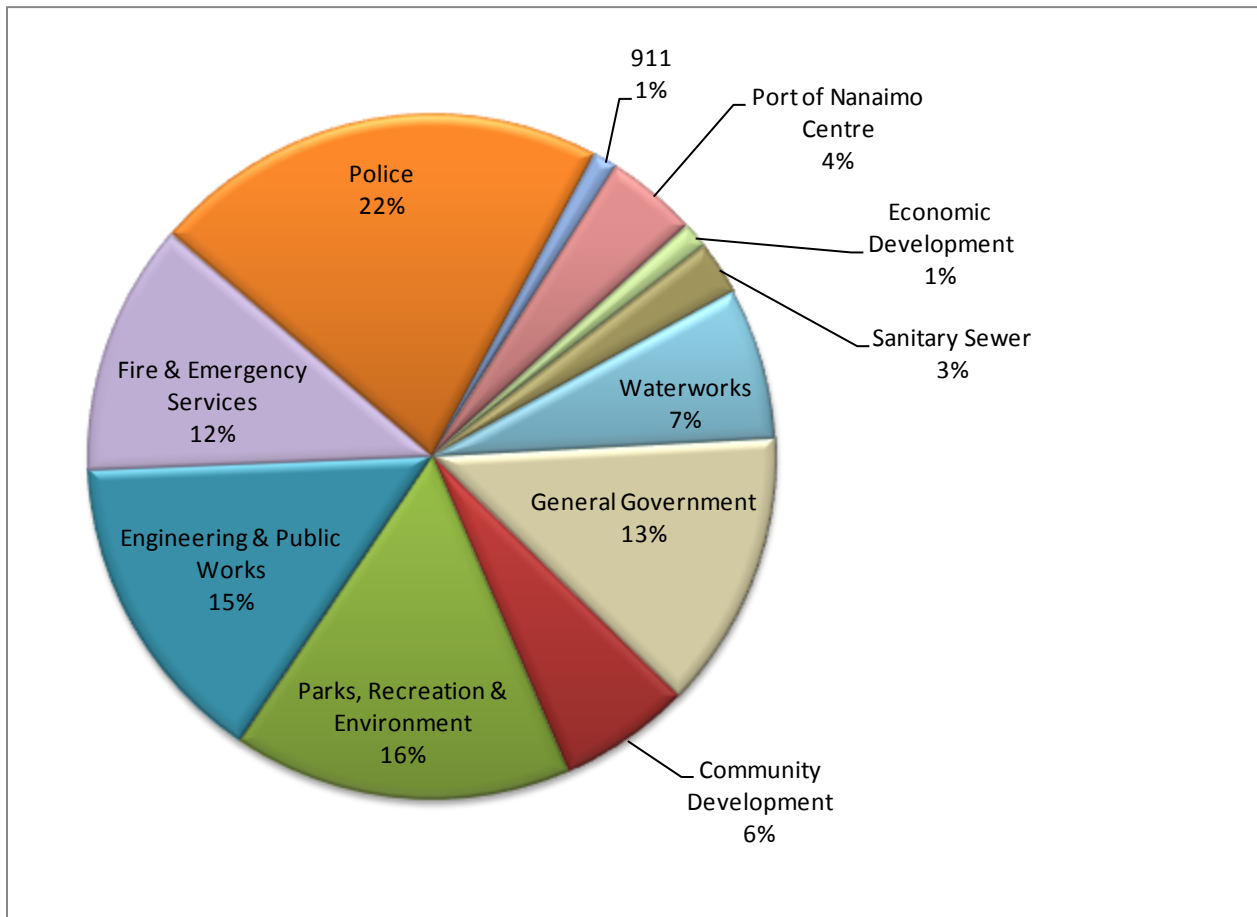
Total projected revenues for 2017 are \$165 million with 61% coming from property taxes. Annual revenues provide: funding for annual operating and maintenance expenditures, funding for project expenditures and funding for annual contributions to infrastructure renewal reserves.



2017 Operating Expenses by Departments

Annual operating expenses provide for the ongoing delivery of services to the community. Projected 2017 operating expenditures are \$133 million.

General government includes CAO Office, Legislative Services, Bylaw and Parking Services, HR, Finance and IT.



Department Summary:

Council

City Council as a whole acts as the executive board of the municipal corporation, developing and overseeing policy and the finances of the City of Nanaimo.

Budget Summary

2017 Draft Expenditures	\$	980,000
2016 Approved Expenditures	\$	956,363
Budget Change	\$	23,637
Change by %		2.5%
2017 FTEs		9.0
2016 FTEs		9.0
Change		-
Change by %		0.0%



Chief Administrator's Office

The Chief Administrative Officer (CAO) serves Council directly and acts as the primary connection between staff and City Council. This office provides direction for staff recommendations that reflect relevant facts, options and professional opinion pertaining to issues considered by Council.

The CAO takes the lead role in managing the implementation of the policy direction which has been established by Council and is the senior staff leader and accordingly, provides managerial leadership, control and direction to all City departments and operations.

2016 Organization Change: The CAO's Office also includes the communications function which supports both internal and external City communications.

2017 Change: Communications Specialist position is added.



Budget Summary

2017 Draft Expenditures	\$ 762,525
2016 Approved Expenditures	\$ 677,226
Budget Change	\$ 85,299
Change by %	12.6%

2017 FTEs	6.0
2016 FTEs	5.0
Change	1.0
Change by %	20.0%

Legislative Services

The Legislative unit provides legislative, policy and administrative expertise and services to Council and City departments to ensure the City conducts its business in a manner consistent with City bylaws and Provincial legislation. The unit is also coordinates records management services, public records access requests which provides access to important City records.

2016 Organization Change: Freedom of Information (FOI) Clerk position added.

2017 Change: Committee Clerk position added.



Core Services

- Implement and maintain information management infrastructure
- Legislative Services: administrative support and governance advice to Council and Council committees, official records of Council and Committees of Council, maintain, consolidate and revise City bylaws, administer civic elections
- Archives and Records Management including Freedoms of Information, Protection of Privacy and claim functions

Budget Summary

2017 Draft Expenditures	\$ 1,829,386
2016 Approved Expenditures	\$ 1,671,278
Budget Change	\$ 158,108
Change by %	9.5%

2017 FTEs	9.0
2016 FTEs	7.0
Change	2.0
Change by %	28.6%

Bylaw Regulation and Security (includes Parking)

This department provides: bylaw enforcement for property maintenance, noise, traffic and highways, and signs, animal control, as well as management of the City's parking facilities.

Core Services

- Bylaw enforcement
- Animal control
- Management of parking facilities and services
- Downtown security

Budget Summary

2017 Draft Expenditures	\$ 2,507,363
2016 Approved Expenditures	\$ 2,661,741
Budget Change	\$ (154,378)
Change by %	-5.8%

2017 Draft Revenues	\$ 1,878,820
2016 Approved Revenues	\$ 1,833,150
Budget Change	\$ 45,670
Change by %	2.5%

2017 FTEs	12.0
2016 FTEs	12.0
Change	-
Change by %	0.0%



Human Resources

The Human Resources Department provides specialized advice, assistance and support to the organization in the areas of: recruitment and selection; training and employee development; employee and labour relations; job classification, compensation and benefits; health & safety; and disability management. The Department also plays a key role in supporting employee wellness and social activities as well as honouring our long-serving employees and retirees.

Core Services

- Recruiting, retaining and developing employees
- Employee orientation and recognition
- Employee and labour relations
- Promoting and supporting a safe, healthy, respectful and productive work environment



Budget Summary

2017 Draft Expenditures	\$ 1,957,637
2016 Approved Expenditures	\$ 2,089,734
Budget Change	\$ (132,097)
Change by %	-6.3%

2017 Draft Revenues	\$ 8,086
2016 Approved Revenues	\$ 12,314
Budget Change	\$ (4,228)
Change by %	-34.3%

2017 FTEs	12.0
2016 FTEs	12.0
Change	-
Change by %	0.0%

Proposed initiative for 2017

- Conclude a collective agreement with CUPE Local 401

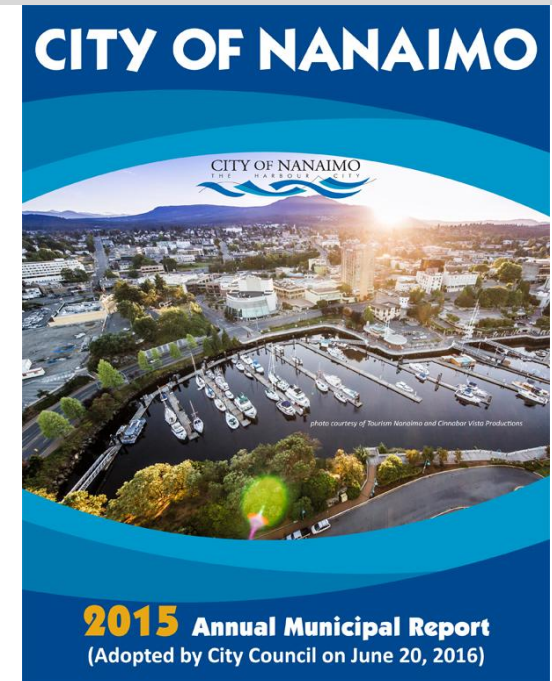
Finance and Purchasing

The Finance and Purchasing department is responsible for safeguarding the City's financial assets and planning to ensure the financial stability and viability of the City. The department provides financial support and stewardship that supports City departments delivering current and future services. The department provides financial reporting and control and is responsible for the implementation of financial management policies.

2016 Organization Change: Clerical support position moved to Finance from IT.

Core Services

- Financial Planning
- Accounting Services
- Revenue Services
- Payroll
- Purchasing



Budget Summary

2017 Draft Expenditures	\$ 3,784,133
2016 Approved Expenditures	\$ 3,674,710
Budget Change	\$ 109,423
Change by %	3.0%

2017 Draft Revenues	\$ 153,750
2016 Approved Revenues	\$ 152,750
Budget Change	\$ 1,000
Change by %	0.7%

2017 FTEs	36.0
2016 FTEs	34.7
Change	1.4
Change by %	3.9%

Proposed initiatives for 2017

- Contribute to Asset Management Update
- Contribute to DCC Review
- User Rate Review Update
- Review and update financial procedures and policies
- Cost allocations analysis

Information Technology

The Information Technology business unit manages the City's information systems and processes and compliance with statutory regulations.

2016 Organization Changes:

- Director of IT and Legislative Services position eliminated
- Manager, IT Technical and Client Services position added
- Clerical support position moved from IT to Finance

Core Services

- Implement and maintain information management infrastructure
- Responsible for the security of systems and information



Budget Summary

2017 Draft Expenditures	\$ 2,681,989
2016 Approved Expenditures	\$ 2,960,625
Budget Change	\$ (278,636)
Change by %	-9.4%

2017 FTEs	19.0
2016 FTEs	20.0
Change	(1.0)
Change by %	-5.0%

Proposed initiatives for 2017

- Network reliability and security upgrades
- Support replacement of Recreation Management Software
- Complete implementation of new City website
- Implement Service Desk Updates

Police Services

The City contracts with the RCMP for policing services and the current contract is for 140 members. The City provides the building and support staff for the RCMP. Support staff provides administrative, financial, reception, clerical, custodial and guarding functions.

From 24/7 patrol and criminal investigations to community-based education and crime prevention programs, the Nanaimo RCMP detachment and municipal employees deliver high quality and effective services to the citizens of Nanaimo. The RCMP made "Safe Homes, Safe Communities" its national objective and in conjunction with Council identified three priorities: Crime Prevention, Youth and Traffic with specific strategies and initiatives.



Core Services (Units)

- Bike Unit
- General Investigations Section (GIS)
- Municipal Traffic Unit
- Youth/School Liaison (SLO)
- Community Policing (CPS)
- General Duty (GD)
- Serious Crime (SCU)
- Police Dog Service (PDS)
- Forensic Identification Services (FIS)

Budget Summary

2017 Draft Expenditures	\$ 28,615,179
2016 Approved Expenditures	\$ 27,782,555
Budget Change	\$ 832,624
Change by %	3.0%

2017 Draft Revenues	\$ 1,630,783
2016 Approved Revenues	\$ 1,632,012
Budget Change	\$ (1,229)
Change by %	-0.1%

2017 FTEs	63.8
2016 FTEs	63.6
Change	0.2
Change by %	0.3%

2017 RCMP members	142.0
2016 RCMP members	142.0
Change	-
Change by %	0.0%

Council approved the following priorities for 2017

- Crime Prevention
 - Mental Health Issues
 - Prolific Offender Management
 - Violence in Relationships
 - Liquor Control Strategy
 - Sex Offence and Child Pornography Investigations
 - Drug Enforcement – Marihuana Dispensaries
 - Drug Enforcement - Fentanyl Trafficking
- Youth
 - Youth Intervention & Diversion
 - Community Partnerships for the Empowerment of Youth
 - School Liaison Program
- Traffic
 - Detection & Prevention to Reduce Impaired Driving
 - Vehicle Operational Safety
 - Waterfront & Marine Safety

Nanaimo Fire Rescue

Nanaimo Fire Rescue (NFR) provides emergency response to fires, medical and rescue incidents, natural disasters, and provides specialized services such as hazardous materials and technical rescue response. Additionally, community risk reduction is achieved through fire prevention programs and public education. Currently, four fire stations located throughout the City are operated 24/7 by 81 career firefighters supported by on call firefighters. These services provide for the preservation of life, property and the environment, which contributes to the well-being of the community.

Emergency Management develops and supports the City's ability to respond to major emergency and disaster events. This section also provides public education, manages a volunteer program and supports interagency and interdepartmental initiatives.

911 services are provided through two functions: 911 Public Safety Answering Point (PSAP) and 911 FireComm. The Central Island 911 Partnership manages 911 services for the City of Nanaimo, the Regional District of Nanaimo and the Cowichan Valley Regional District.



Core Services

- Fire Prevention
- Fire Operations
- Emergency Response
- Training
- Emergency Management
- Emergency call answering and dispatch (911)

Budget Summary

2017 Draft Expenditures	\$	16,721,516
2016 Approved Expenditures	\$	16,223,778
Budget Change	\$	497,738
Change by %		3.1%

2017 Draft Revenues	\$	1,408,131
2016 Approved Revenues	\$	1,173,898
Budget Change	\$	234,233
Change by %		20.0%

2017 FTEs		106.8
2016 FTEs		106.8
Change		0.0
Change by %		0.0%

Proposed initiatives for 2017

- Construct steel training tower at Training Centre
- Completion of Fire Station #1 facility study

Community Development

Community Development has a broad range of policy, regulatory and program responsibilities including: land use planning, planning applications including zoning, development and variance permits, building inspection services and land acquisition and dispositions.

2016 Organization Changes:

- Environment, Culture and Heritage and Social Planning functions move to Community Development
- Senior Manager, Culture and Heritage position eliminated
- Manager, Community and Cultural Planning position added
- Social – Multicultural Planned position added

Core Services

- City wide planning, including the Official Community Plan, planNanaimo
- Culture and Heritage
- Social Planning
- Service centre
- Zoning/rezoning applications
- Development approvals
- Current policy and regulatory initiatives
- Building inspections and permits
- Business licensing
- Real Estate
- Subdivision
- Environmental planning



Budget Summary

2017 Draft Expenditures	\$ 8,265,121
2016 Approved Expenditures	\$ 8,486,631
Budget Change	\$ (221,510)
Change by %	-2.6%

2017 Draft Revenues	\$ 2,891,401
2016 Approved Revenues	\$ 2,894,000
Budget Change	\$ (2,599)
Change by %	-0.1%

2017 FTEs	58.0
2016 FTEs	56.0
Change	2.0
Change by %	3.6%

Proposed initiatives for 2017

- Port Drive Waterfront Master Plan
- Climate Adaptation Strategy
- Hospital Area Plan
- Affordable Housing Strategy
- Social Wellness Strategy
- Archaeological Overview Assessment
- Expanded public art program
- Cultural Plan Implementation
- Liquor Control Strategy

Parks and Recreation

The Parks, Recreation and Environment department works with community organizations to assist them in providing specialized local services and amenities. The department also delivers a wide range of programs and services to the community. Opportunities for recreation and sports, enjoying outdoor spaces, parks and natural areas support healthy lifestyles, social connections and economic benefits for the community. City facilities are well maintained to create a positive and welcoming experience for organized groups or casual activity.



Core Services

- Recreation
 - Operation of three community centres: Beban Park Complex, Bowen Centre and Oliver Woods Community Centre
 - Provide a wide range of community recreation programs that includes: sports, outdoors, music, dance, language, arts, seniors, children and youth, fitness and wellness programs
- Arenas
 - Operation of Frank Crane Arena, Cliff McNabb Arena and the Nanaimo Ice Centre
- Aquatics
 - Operation of Beban Pool and Nanaimo Aquatic Centre
 - Co mange Kin Pool, and summer lifeguarding at Westwood Lake
- Parks
 - Maintain over 754 hectares of park and open spaces
 - Maintain and renew
 - 13 destination City Parks and over 80 Neighbourhood Parks
 - 23 Sports Fields, including 2 artificial turf fields
 - 61 playgrounds
 - 4 Spray Parks
 - 12 Tennis/ Sports Courts
 - Over 140 kilometers of trails
- Facilities Management
 - Maintenance and renewal of City facilities

Budget Summary

2017 Draft Expenditures	\$ 21,217,244
2016 Approved Expenditures	\$ 21,050,179
Budget Change	\$ 167,065
Change by %	0.8%

2017 Draft Revenues	\$ 8,081,355
2016 Approved Revenues	\$ 8,046,868
Budget Change	\$ 34,487
Change by %	0.4%

2017 FTEs	127.8
2016 FTEs	127.8
Change	-
Change by %	0.0%

Proposed initiatives for 2017

- Replacement of the registration and point of sale system
- Completion of the Harewood Multi use facility
- Installation of lighting at Serauxmen Mariner Field
- Expansion of facility condition assessment program
- Facility renewal projects
- New public art program to support 'art in the park' initiatives
- Purchase electric ice re-surfacer (replacement unit), will reduce GHG emissions
- Installation of REALice unit at NIC, will allow use of cold water for ice cleaning
- Continued implementation of the Colliery Dam Park Improvement Process and Action Plan (2016)

Engineering and Public Works

Engineering and Public Works is responsible for managing nearly \$2 billion in built assets and infrastructure. This essential infrastructure delivers key services to the public, including water distribution, drainage and sanitary sewer collection, garbage collection, and-modal transportation amenities. The department plans, designs, constructs, operates and maintains these core services and maintains the corporate fleet that includes passenger vehicles, trucks and construction equipment.

The department conducts studies and plans, and coordinates the capital works programs for transportation, drainage, water and sewer systems. The department has also led City wide waste reduction and recycling and water conservation programs.

2016 Organization Change: Director of Engineering and Public Works position eliminated.

Solid Waste Collection

The Draft 2017 – 2021 Financial Plan includes the current service delivery model for solid waste collection. Currently, the City uses manual collection for solid waste. Pending Council's review and decision, the 2017 – 2021 Financial Plan will be updated to reflect service delivery changes to automated solid waste collection.

Core Services

- Asset Management Planning
- Infrastructure Design and Construction Management
- Solid Waste Management
- Transportation system operations and maintenance, snow and ice control
- Drainage, sanitary sewer and water infrastructure operations and maintenance
- Fleet operations and maintenance
- Engineering GIS Services



Budget Summary

2017 Draft Expenditures	\$ 15,532,971
2016 Approved Expenditures	\$ 15,389,775
Budget Change	\$ 143,196
Change by %	0.9%

2017 Draft Revenues	\$ 4,523,721
2016 Approved Revenues	\$ 4,406,881
Budget Change	\$ 116,840
Change by %	2.7%

2017 FTEs	146.0
2016 FTEs	147.0
Change	(1.0)
Change by %	-0.7%

Proposed initiatives for 2017:

- Complete Asset Management Update
- Asset Management Initiatives:
 - Asset Management Leadership in Asset Management Program (LAMP)
 - Comprehensive Risk Framework For Asset Management
- Road, drainage, sewer and water infrastructure renewal programs including
 - Terminal avenue Utility Upgrade
 - Hammond bay Road Improvements
 - Bastion Bridge Upgrade
- Implementation of automated solid waste collection, service delivery model still to be confirmed
- Transportation Master Plan projects
 - Cycling improvements on Bruce Ave, Wakesiah Ave, Estevan St, Turner Ave,
 - Georgia Avenue Greenway (pedestrian/cycling amenities)
- LED Streetlight Conversion Study/Business Case
- Water
 - Construction of pump station for emergency water supply system
 - Implementation of cross connection control program
 - Water Supply Strategic Plan