



CITY OF NANAIMO

Revenue Policy Update

October 26, 2015

Presentation Outline:

- Context:
 - Legislation
- Current Revenue Policies
 - Revenue Profile and Performance
- Best Practices in Revenue Policies
- Next Steps

Legislative Provisions

- s.192 *Community Charter* of provide authority to raise revenue from municipal fees, property value taxes, parcel taxes, local service taxes, and utility taxes.
- s. 353 of *Local Government Act* grants authority to raise revenue through fines, penalties for contravention of a bylaw and revenue raised through agreement, enterprise, gift, grant or otherwise.
- s. 182 of the *Community Charter* grants municipalities authority to borrow or incur debt.
- s. 933 of the *Local Government Act* provides authority to recover development costs charges.

Purpose of Revenue Policies

1. Ensure that the municipality raises adequate funds to meet current and future operating and capital needs.
2. Regulate certain behavior or activity.
3. Incentivize community and economic development.
4. Promote or discourage certain behavior or activity.

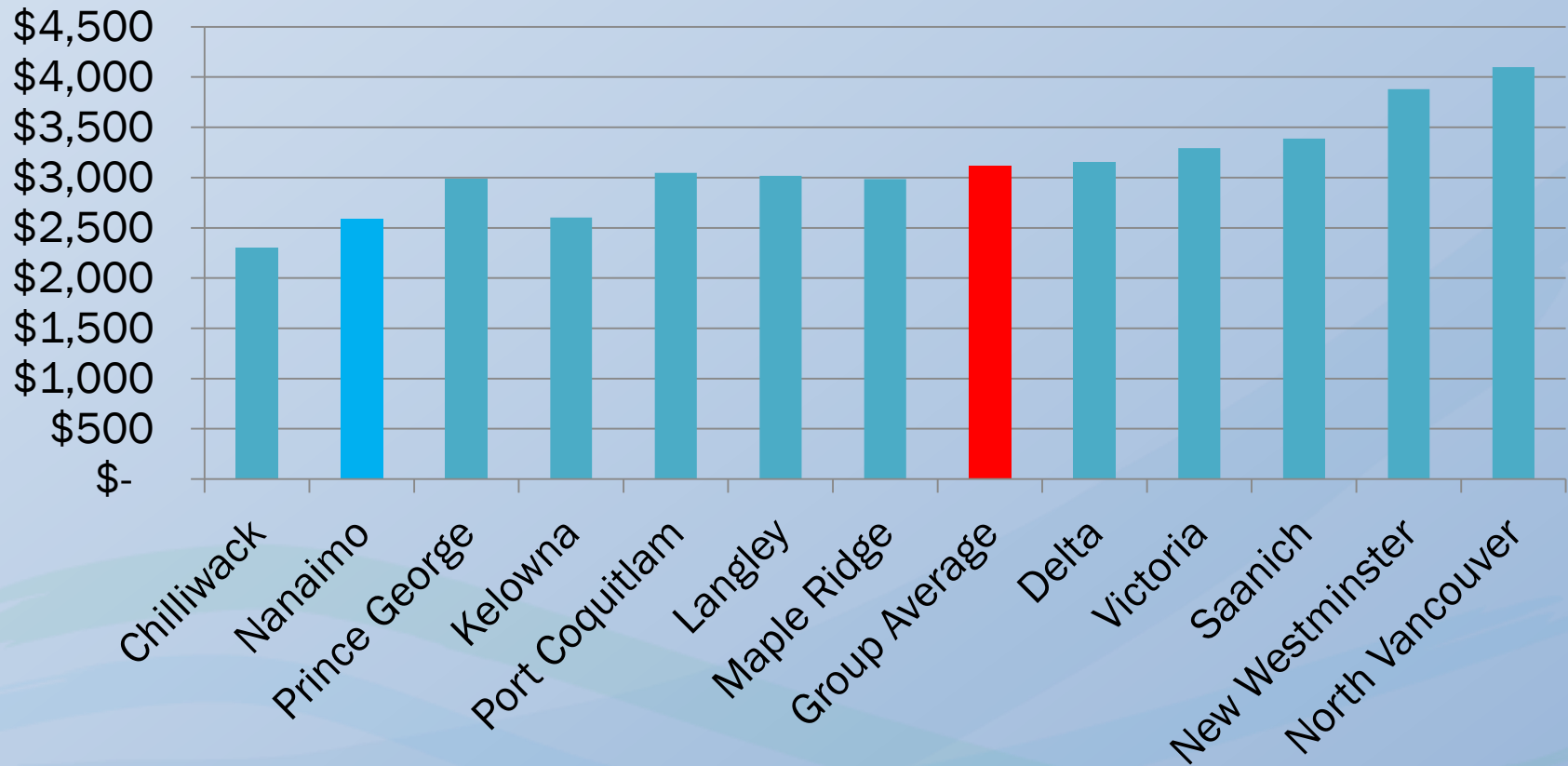
City of Nanaimo

Current Revenue Policies

1. Proportion of Revenue By Source:
 - Keep share of property taxes similar to comparable municipalities
 - Use parcel taxes where appropriate
 - Recover some costs through User Fees
 - Borrow for large capital projects with useful life longer than 20 years
 - Pursue new sources of revenue.

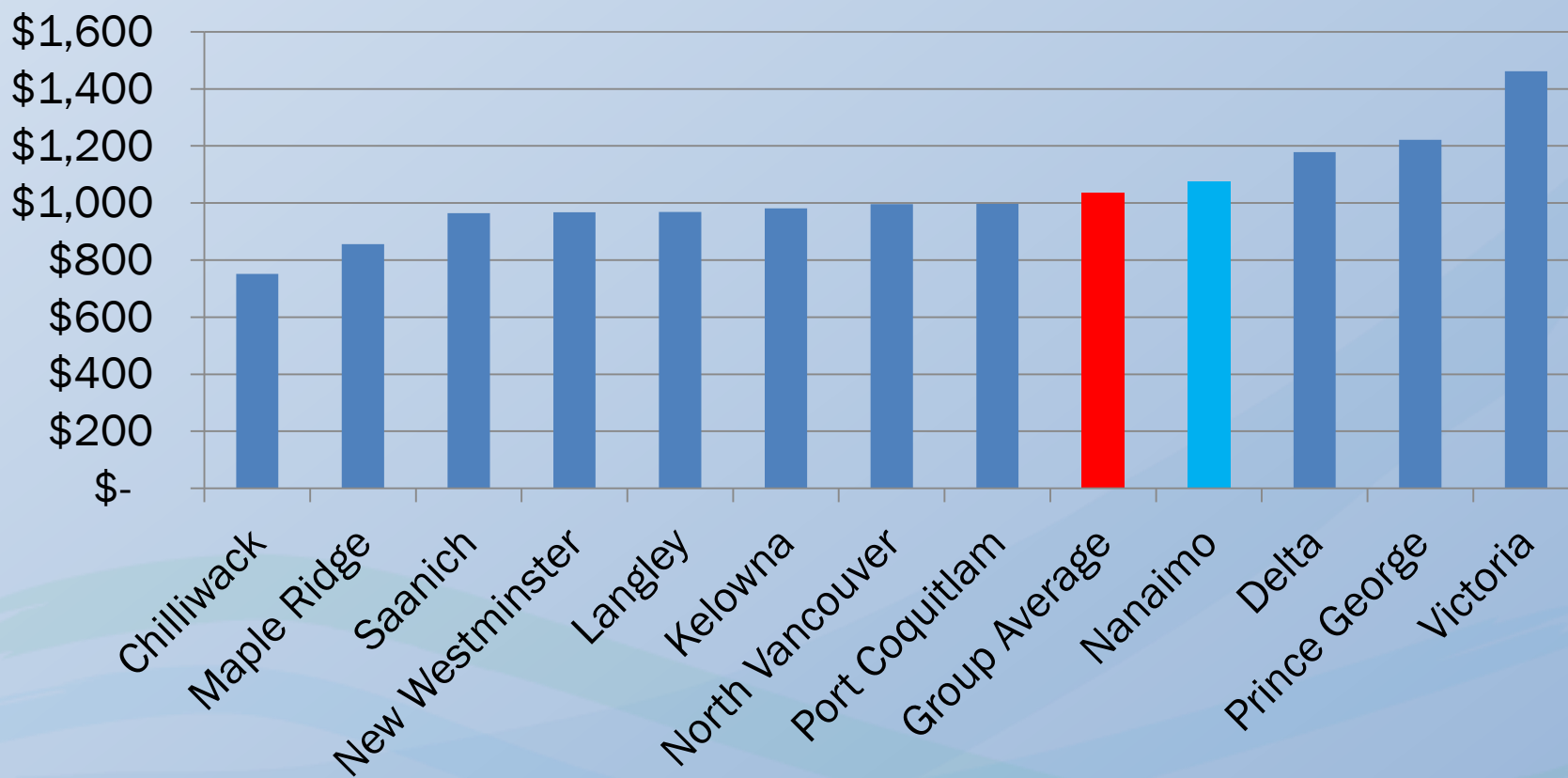
Affordability of Municipal Services

2015 Total Property Taxes and User Fees

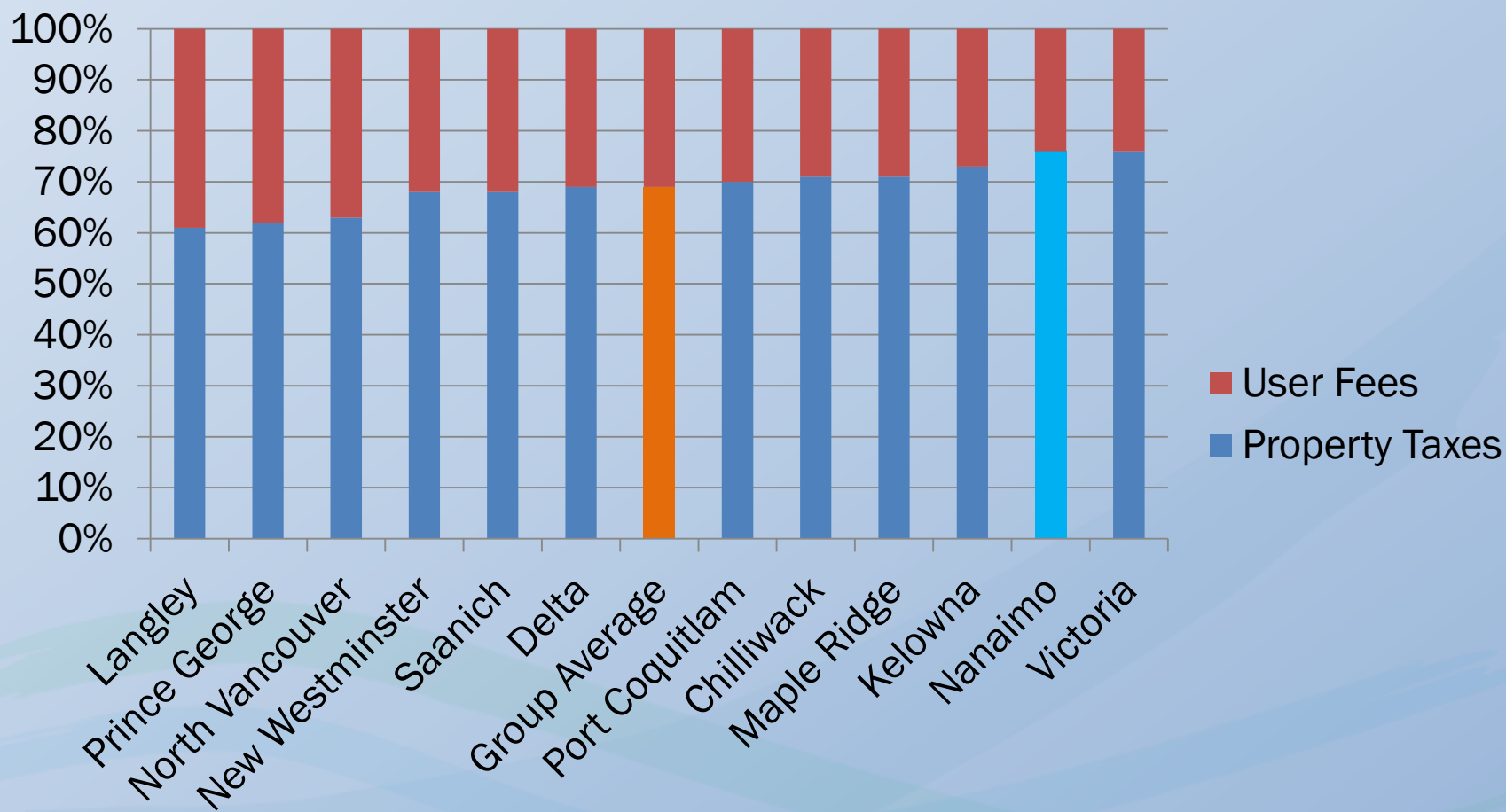


Municipal Taxes per Capita

2015 Municipal Taxes Per Capita

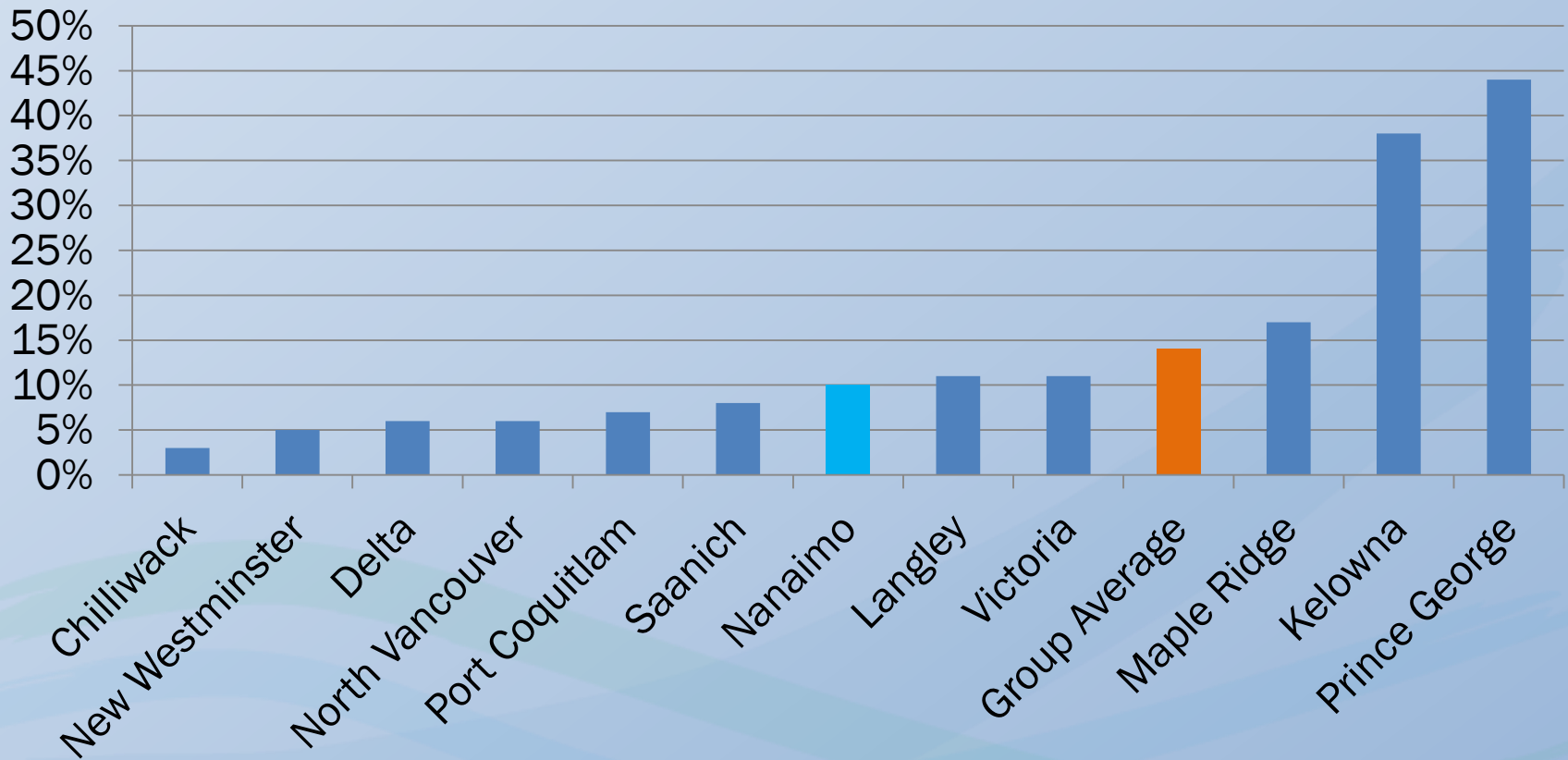


2015 Share of Property Taxes vs. User Fees



2013 Debt Service Limit Utilization

Debt Service Limit Utilization

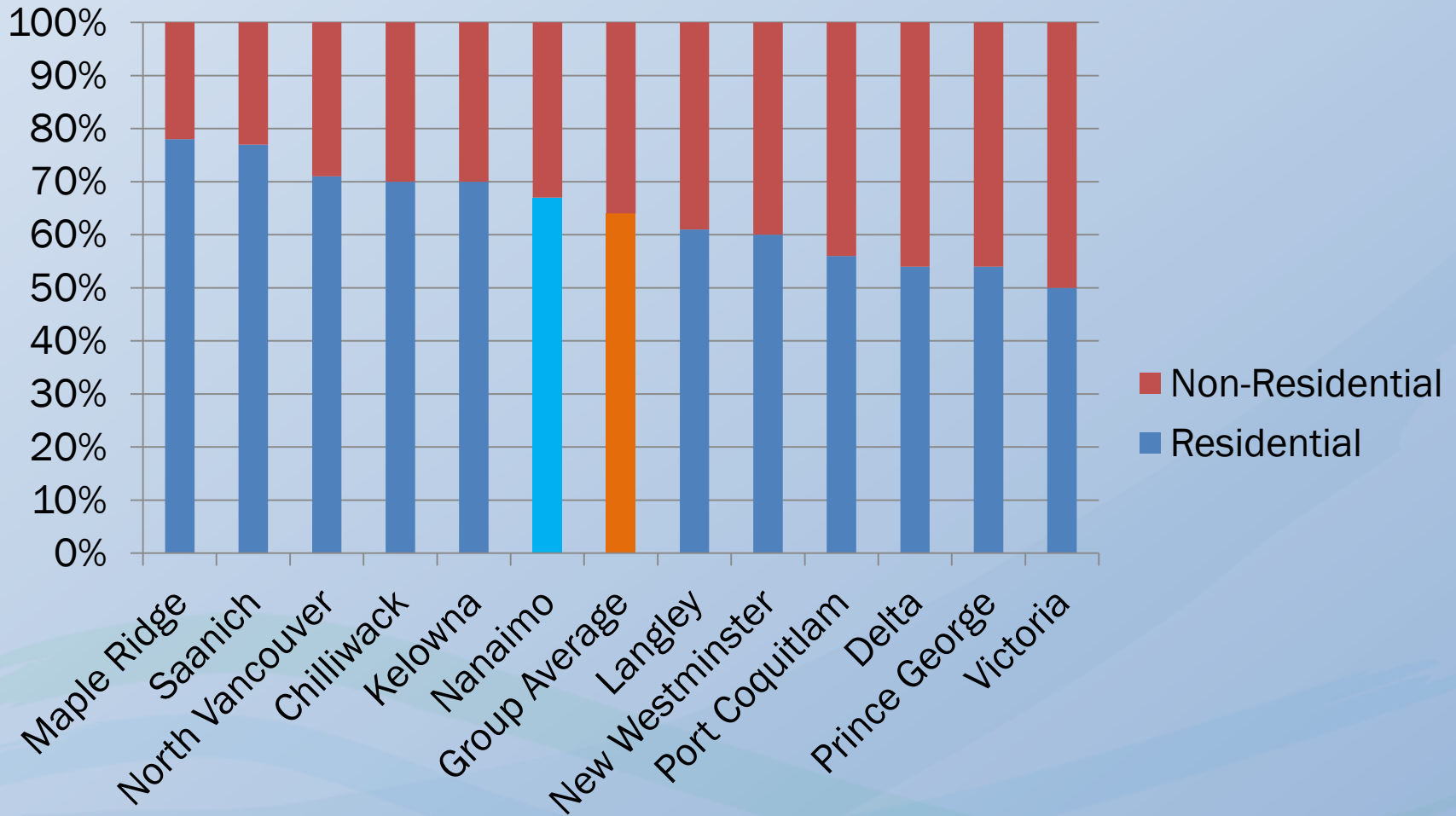


City of Nanaimo

Current Revenue Policies

2. Distribution of property taxes among the classes:
 - Maintain % of property taxes from residential taxpayers equal to average of similar municipalities.

2015 Property Tax Revenue Contribution By Class.



City of Nanaimo

Current Revenue Policies

3. Permissive Tax Exemptions:

- Recognize value provided by non-profit organizations through Permissive Tax Exemptions.

City of Nanaimo

Current Revenue Policies

4. Revitalization Tax Exemptions:

- Provide up to 10 years municipal taxes exemption for projects undertaken by landowners that meet defined City strategy objectives.

Best Practices in Revenue Policies

Primary Policies:

- a. Revenue diversification policy.
- b. User Fees and Charges policy.
- c. Grant policy.
- d. Use of one-time revenue policy.
- e. Use of unpredictable revenue policy.

Secondary Policies:

- a. Reserve policy.
- b. Investment policy.
- c. Debt policy.
- d. Capital budget financing policy.

Next Steps.....

- Draft a comprehensive revenue policy.
- Adopt a performance measurement framework for all revenue categories.
- Establish baseline performance targets.
- Review cost recovery rates for all User Fees and Charges.
- Adopt a cost allocation model.
- Finalize Development Cost Charges update.



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