

DATE OF MEETING December 17, 2018

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SUBJECT **2019 – 2023 Financial Plan Bylaw**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Financial Plan Bylaw 2018 No. 7279 for first, second and third readings. |

### **Recommendation**

1. That “Financial Plan Bylaw 2018 No. 7279”, past first reading;
2. That “Financial Plan Bylaw 2018 No. 7279”, pass second reading; and
3. That “Financial Plan Bylaw 2018 No. 7279”, pass third reading.

## **BACKGROUND**

The financial plan process is informed by policies and plans endorsed by Council, including the Official Community Plan (OCP), the Strategic Plan Update and the 20 Year Investment Plan. In compliance with the *Community Charter*, the Financial Plan is developed through public consultation and Council direction. Prior to May 15<sup>th</sup> each year, Council must adopt both a Five Year Financial Plan Bylaw and a Property Tax Rates Bylaw. Council may adopt a Five Year Financial Plan Bylaw earlier to allow the City to proceed in a timely manner to work on programs and projects. This bylaw is referred to as the Provisional Financial Plan pending adoption of the Financial Plan by May 15<sup>th</sup> of each year.

The Draft 2019 – 2023 Financial Plan and 2019 department Business Plans were presented to Council at Special Finance and Audit Committee Meetings on 2018-NOV-26, 2018-NOV-27 and 2018-DEC-04. As well Council was advised of changes to the plan since the draft Financial Plan was prepared. At the 2018-DEC-05 Special Finance and Audit Committee, Council was provided with a recap of the Draft 2019 – 2023 Financial Plan and Council engaged in deliberations. Public consultation also included an eTown Hall on 2018-DEC-10.

The Provisional 2019 – 2023 Financial Plan reflects the motions from the Finance and Audit Committee approved by Council at the Special Council Meeting on 2018-DEC-10. As well as two motions made by Council at the Special Council Meeting on 2018-DEC-10, the addition of a Recycling and Policy Advisor and a Active and Sustainable Transportation Coordinator. The plan also reflects updates in estimates and the addition of the operating budget for Vancouver Island Emergency Response Academy (VIERA) operated by Nanaimo Fire Rescue. VIERA operations are anticipated to generate a small surplus.

Budget highlights include:

- Continued focus on public safety with the addition of 4 new career firefighters in 2019, 2 new Bylaw Enforcement Officers- Parking Patrollers in 2019 and 15 new RCMP members over a five-year period (2020 – 2024).

- A commitment to the City's 20 Year Investment Plan and asset management with:
  - Increased funding for projects; and
  - Confirmation of annual increases for asset management reserves - 1% annual increase in property taxes ending in 2022 for General Asset Management Reserve and annual increases in sanitary sewer (4%) and water user fees (2.5%) ending in 2022 and 2020 respectively for contributions to Sewer and Water Asset Management Reserves.
- Strategic Plan update with Council.
- Continuation of the multi-year project to replace Fire Station #1.
- Support for the Transportation Master Plan and the goal of doubling active transportation trips by the year 2041. Including expansion of cycling lanes and a new Active and Sustainable Transportation Coordinator to help advance the strategic tasks outlined in the plan.
- Phase 2 (2019) and Phase 3 (2020) of the LED streetlight conversion program.
- Construction of the Harewood Youth Park Phase 1 (2019), Phase 2 (2021) as per the Harewood Centennial Park Improvement Plan received by Council in 2013.

The projected property tax increases in the 2019 – 2023 Financial Plan are:

	2019	2020	2021	2022	2023
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	4.1%	2.6%	1.9%	1.6%	1.5%
<b>2019 - 2023 Financial Plan</b>	<b>5.1%</b>	<b>3.6%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>1.5%</b>

Projected user fee rates are as follows:

	2019	2020	2021	2022	2023
Sanitary Sewer User Fee Increase	4.0%	4.0%	4.0%	4.0%	0.0%
Water User Fee Increase	7.5%	7.5%	5.0%	5.0%	5.0%

	2019	2020	2021	2022	2023
Sanitation User Fees	\$ 170	\$ 171	\$ 171	\$ 176	\$ 180

Council will have opportunities to review and amend the 2019 – 2023 Financial Plan in April prior to final adoption of the Property Tax Rates Bylaw. The Final 2019 – 2023 Financial Plan in April will include any updates to estimates including increases in extended health benefit rates and any additional directives from Council. Adopting the 2019 – 2023 Financial Plan Bylaw authorizes expenditures in the 2019 budget and allows the City to proceed in a timely manner to work on programs and projects.

## **OPTIONS**

1. That "Financial Plan Bylaw 2018 No. 7279", pass first reading;

That "Financial Plan Bylaw 2018 No. 7279" pass second reading; and

That "Financial Plan Bylaw 2018 No. 7279" pass third reading

- **Budget Implication:** Adopting the Provisional 2019 – 2023 Financial Plan Bylaw authorizes the expenditures in the 2019 budget and allows the City to proceed to work on programs and projects.
  - **Legal Implication:** Adoption of the budget bylaw ensures that spending is within legal limits.
  - **Strategic Priorities Implication:** Taking Responsibility to be an excellent municipal government is a Council priority.
2. Table the report and request more information from Staff.
- **Budget Implication:** The City will operate under year two of the approved 2018 - 2022 Financial Plan Bylaw until the provisional 2019 – 2023 Financial Plan Bylaw is adopted.

### **SUMMARY POINTS**

- Prior to May 15<sup>th</sup> each year, Council must adopt both a Five Year Financial Plan Bylaw and a Property Tax Rates Bylaw.
- The Financial Plan Bylaw 2018 No. 7279 allows the City to proceed in a timely manner to work on 2019 programs and projects.
- Council will have opportunities to review the 2019 – 2023 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw.

### **ATTACHMENTS**

“Financial Plan Bylaw 2018 No. 7279”

#### **Submitted by:**

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#### **Concurrence by:**

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