

2019 – 2023 Financial Plan Update



April 10, 2019

Development and Review to Date

- Finance and Audit Committee meetings:
 - Budget Overview and Departmental Business Plans presented November 26th and 27th, 2018
 - 2019 – 2023 Draft Project Plan presented December 4th, 2018
 - Budget Recap presented December 5th, 2018
- eTown Hall held on December 10th, 2018
- 2019 – 2023 Financial Plan Bylaw approved
 - Adopted at Council meeting on January 14th, 2019
 - Referred to as the Provisional Five Year Financial Plan

2019 – 2023 Financial Plan

Projected Property Tax Increase

	2019	2020	2021	2022	2023
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	4.0%	2.6%	1.9%	1.8%	1.4%
2019 - 2023 Financial Plan - Final	5.0%	3.6%	2.9%	2.8%	1.4%

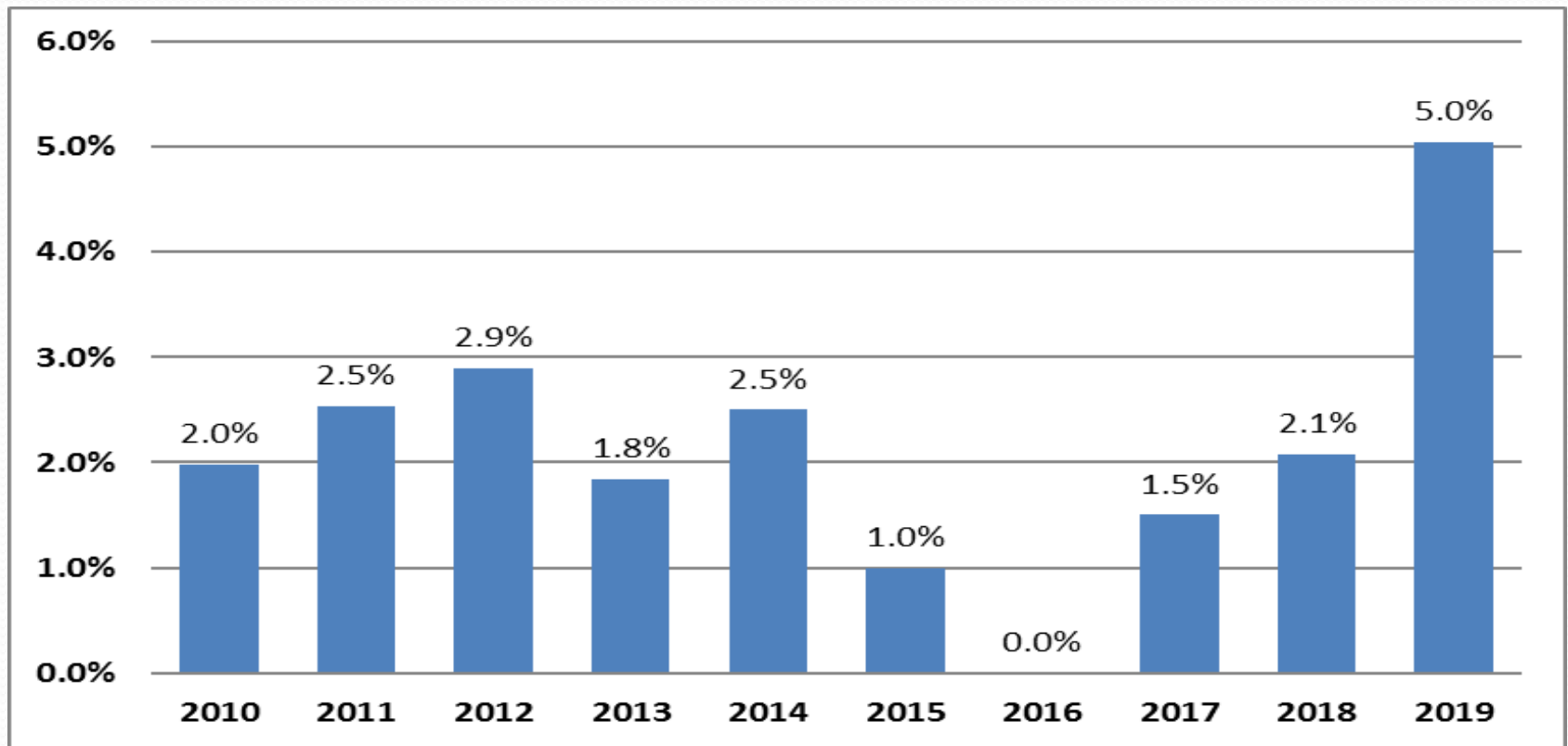
The approved annual 1% property tax increase for contribution to the General Asset Management Reserve currently ends in 2022

	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%
2019 - 2023 Financial Plan - Provisional	5.1%	3.6%	2.9%	2.6%	1.5%

Property Tax History

2009: Council policy to reduce industrial tax rates to same level as commercial, completed in 2014

2013: Implementation of 1% annual increase for General Asset Management Reserve extended in 2017 to 2022



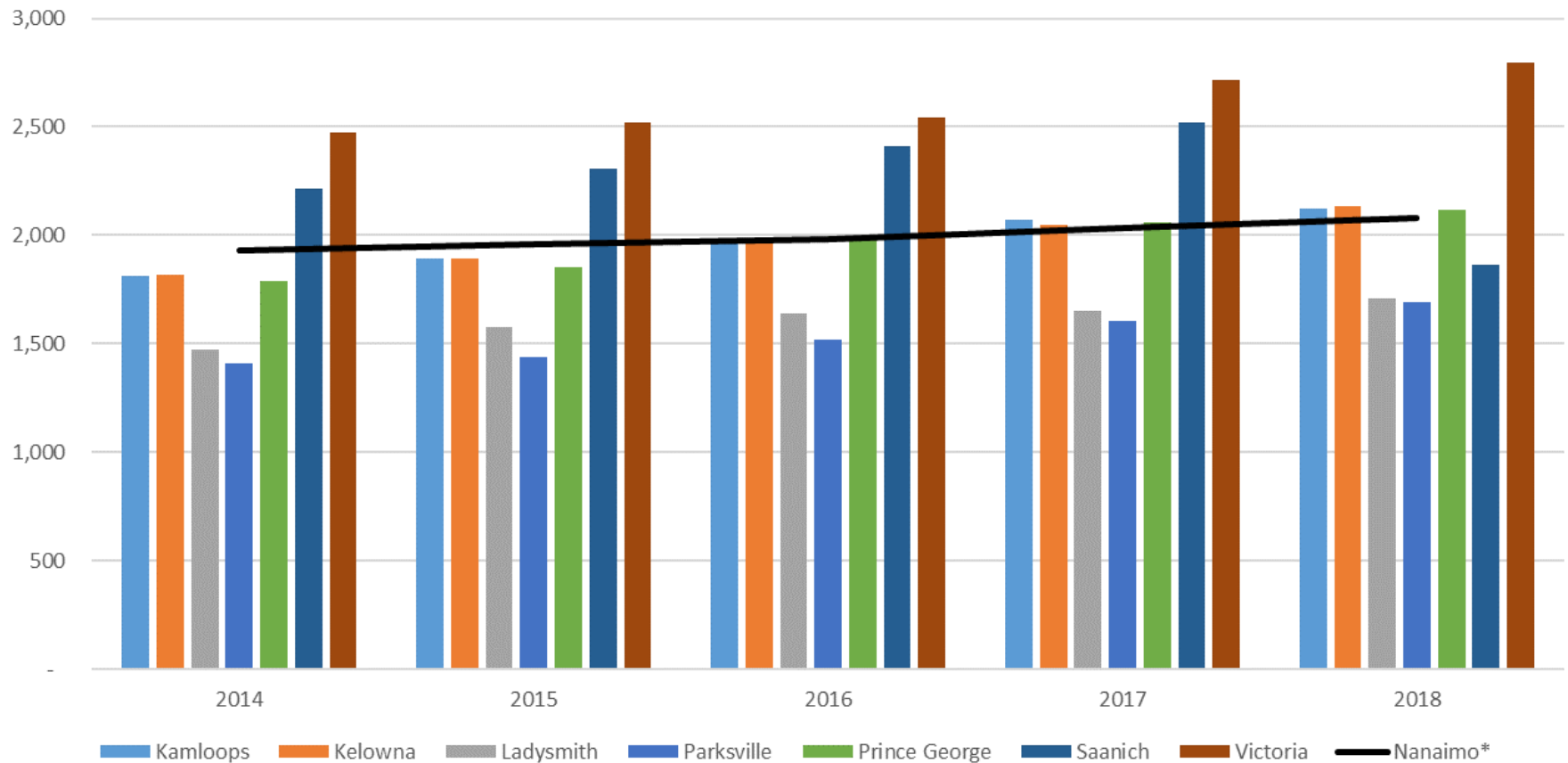
10 Year Avg (2010 - 2019) – 2.1%

Municipal Comparison

	2014	2015	2016	2017	2018
Kamloops	1,812	1,894	1,970	2,073	2,121
Kelowna	1,818	1,894	1,977	2,050	2,136
Ladysmith	1,471	1,578	1,638	1,653	1,708
Nanaimo*	1,931	1,961	1,982	2,037	2,081
Parksville	1,413	1,439	1,517	1,608	1,693
Prince George	1,792	1,853	1,979	2,059	2,116
Saanich	2,215	2,305	2,409	2,521	1,863
Victoria	2,472	2,518	2,544	2,715	2,795

* Includes Vancouver Island Regional Library (VIRL), since 2016 the City of Nanaimo has considered VIRL as a collection for other governments
Source - BC Stats: 704 Taxes & Charges on a Representative House

Municipal Comparison



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Typical Home

excludes property taxes collected for
the RDN, School District, Hospital and
Vancouver Island Regional Library

Impact on a Typical Home

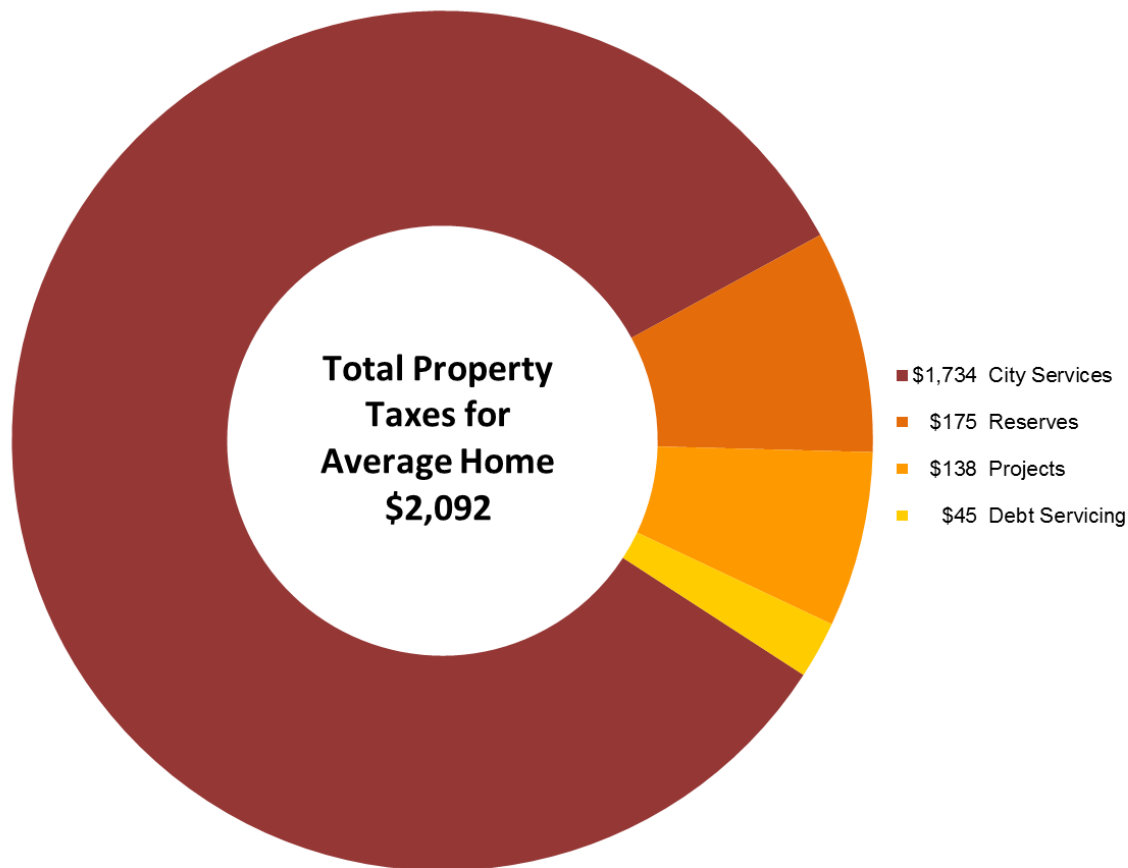
	2018*	2019*	\$ Change	%
Property Taxes	\$1,991	\$2,092	\$101	5.0%
Municipal User Fees				
Water Fees	\$514	\$552	\$38	7.5%
Sewer Fees	\$130	\$135	\$5	4.0%
Sanitation Fees	\$165	\$170	\$5	3.0%
Total Municipal Taxes & User Fees	\$2,800	\$2,949	\$149	5.3%

Based on \$464,403 assessed value (2018 average per BC Assessment)

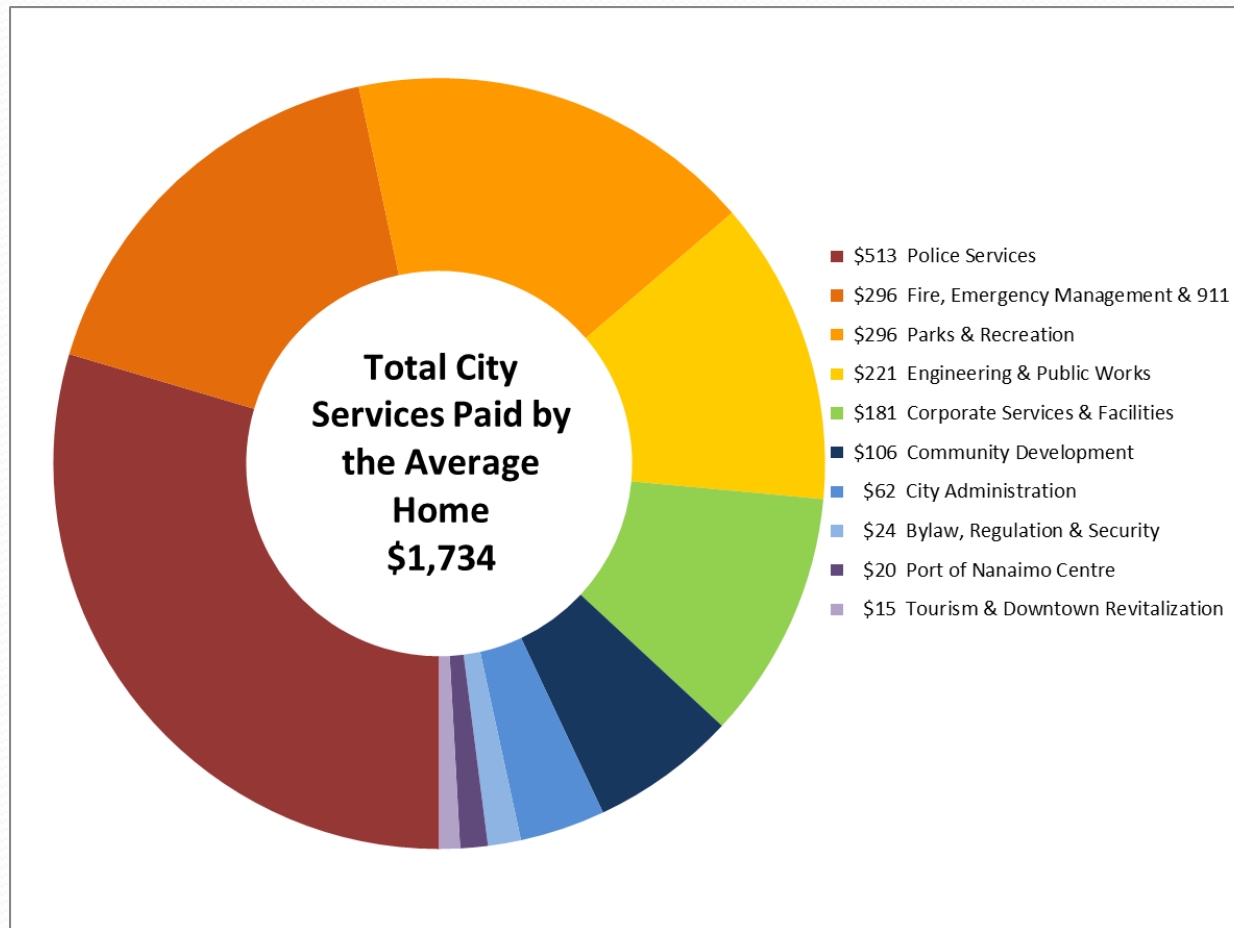
Assumes a typical single family house with average assessment change

* Rounded to nearest dollar

Total Property Taxes for Average Home



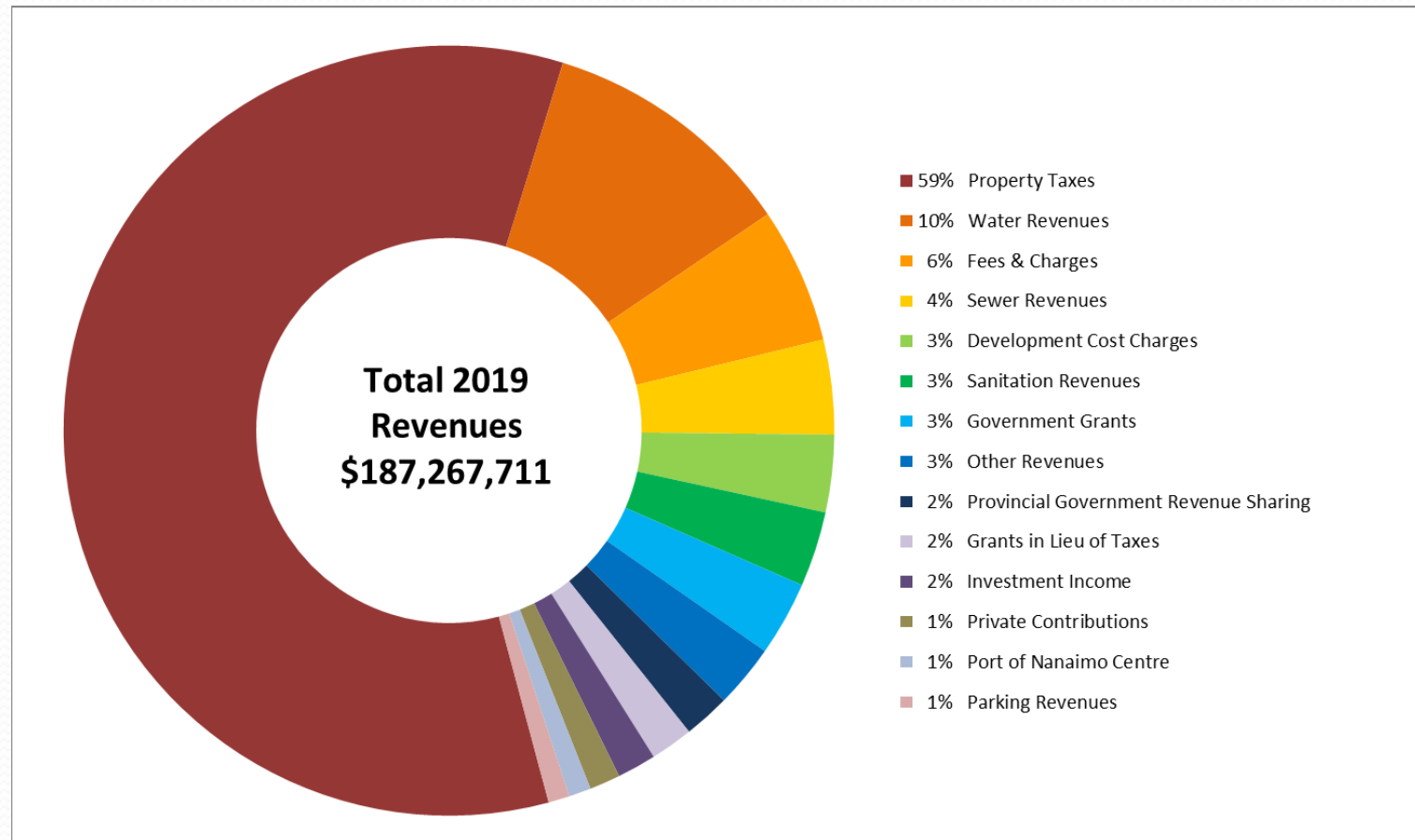
Total City Services Paid by Average Home



Financial Summary

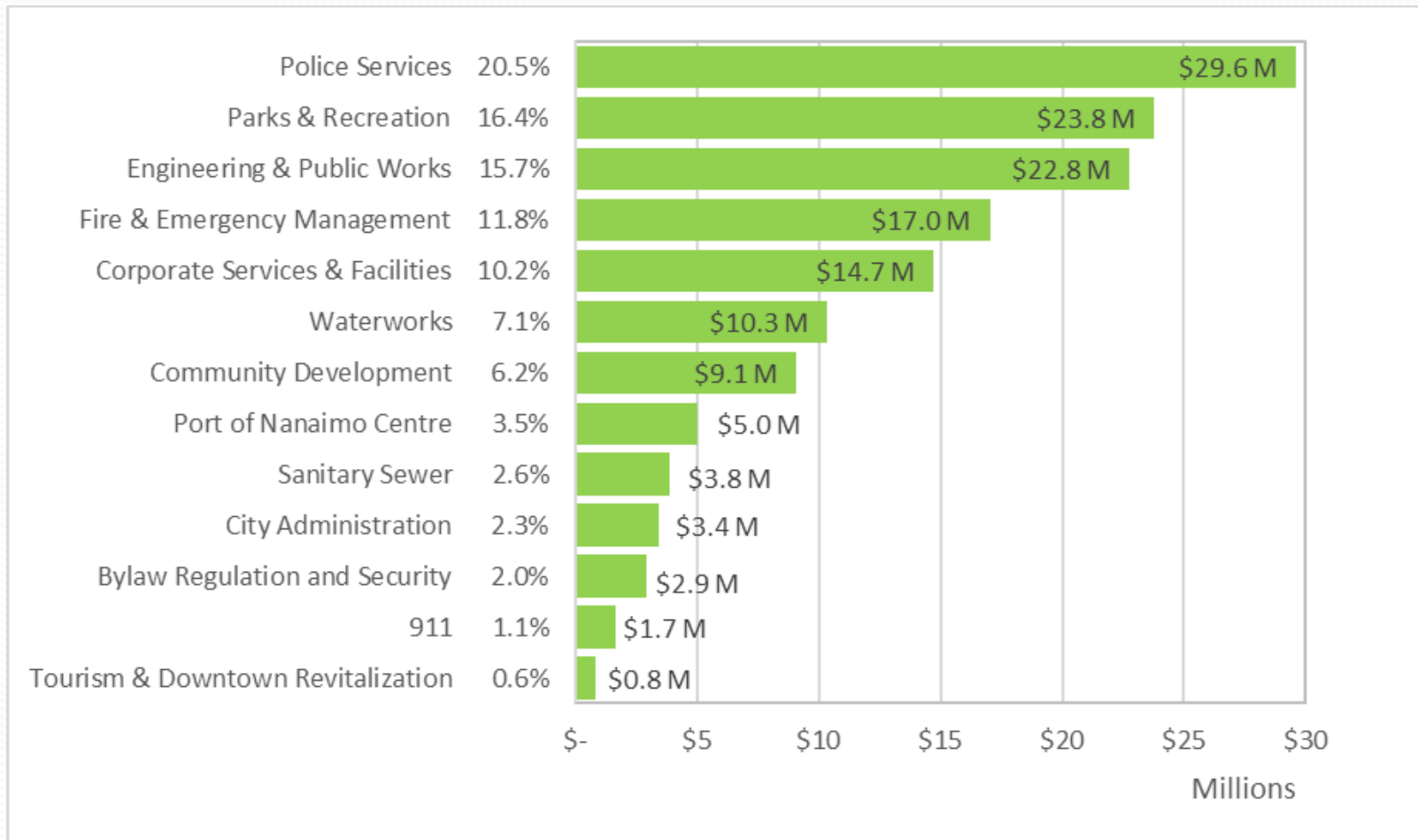
2019 Revenues

\$187 million provides funding for annual operating and maintenance, projects, contributions to infrastructure renewal reserves and VIRL



2019 Operating Budget

\$145 M will be spent for annual operating and maintenance resources that deliver day-to-day City Services.



2019 Key Changes – Provisional to Final

Changes that Impact Property Taxation

Changes

Wages and Benefits	190,245	0.19%
SPCA Snip Program Grant	12,500	0.01%
Projects	20,683	0.02%
Other	2,281	0.00%
Total Increase	225,709	0.23%
Less: Increase in growth	264,997	0.27%
Net Change	(39,288)	-0.04%
 Provisional rate	 5.08%	
Changes	 -0.04%	
	5.04%	

Project Changes Funded From General Revenue

Single Use Check Out Bags	15,350
Windstorm EOC Process	5,333 *
Chase Dams Hydrology Model	(100,000) moved to 2022
Economic Development Strategy	30,000
Organization Review	70,000
	20,683

*Total project \$16,000 balance funded from Water contingency

Changes – No Impact to Property Taxation

- Project Changes:
 - Harewood Youth Park
 - \$80,000 in additional private contributions
 - Offset by reduction in funding from Community Works Reserve
 - Serausmen Outfield Lights
 - Removed \$50,000 private contribution from Nanaimo Hospitality Association
 - Increased funding from Community Works Reserve
 - Chase River Pump Station and Forcemain
 - Reduced internal borrowing and increased funding from Sewer Asset Management Reserve to reflect change in allocation to existing residents under new DCC Bylaw approved by Council in 2018

Changes – No Impact to Property Taxation

- Projects:
 - Added/increased budget for the following projects as per Council approval:
 - Bastion Street Parkade
 - Chase River Pump Station and Forcemain Project (Water and Sewer)
 - Community Action Team Grant
 - Downtown Parking Signage
 - Gallows Point Dock & Ramp Repairs (information report to Finance and Audit Committee)
 - NAC Score Clock
 - New Horizon Seniors Grant Program
 - Pedestrian Flashers (3)
 - Rotary Bowl Repairs (information report to Finance and Audit Committee)
 - Waterfront Walkway Feasibility Study

Changes – No Impact to Property Taxation

- Projects:
 - Added/increased budget:
 - Automated Garbage:
 - increased expenditure budget by \$7,604
 - reduced borrowing to reflect successful Fortis grant application for \$33,415
 - Photocopier Replacement – increased budget \$20,000 funded from Photocopier Reserve
 - South Fork Log Boom - \$33,500 funded from Water Reserves
 - Project Removed
 - Police Services: Equipment Control System - \$59,700
 - Port Theatre: Flooring - \$100,500
 - Project Timing Changes:
 - Fire Station #1 – project timing updated
 - NAC Roof: Phase 2 - \$922,785 moved to 2020

Changes – No Impact to Property Taxation

- Operating Changes
 - Add budget for Post-Employment Benefits funded from 2018 surplus allocation as per Council report - \$700,000
 - Added revenue from Online Accommodation Platform and allocated funds to Housing Legacy Reserve as per Council report - \$50,000
 - Reduced parking revenue for loss of on-street single/double head meters - \$112,500 impact on transfer to Parking Reserve

Next Steps

- April 29th
 - Financial Plan Amendment Bylaw to Council for first three readings
 - Property Tax Bylaw to Council for first three readings
- May 6th
 - Financial Plan Amendment Bylaw and Property Tax Bylaw for adoption

Financial Plan Amendment Bylaw must be adopted by May 15th
Bylaws allows staff to calculate and collect 2019 property taxes