

DATE OF MEETING DECEMBER 16, 2019

AUTHORED BY WENDY FULLA, MANAGER, BUSINESS, ASSET AND FINANCIAL PLANNING

SUBJECT **2020 – 2024 FINANCIAL PLAN BYLAW**

OVERVIEW

Purpose of Report

To introduce “Financial Plan Bylaw 2019 No. 7307” for first, second and third readings. |

Recommendation

That:

1. “Financial Plan Bylaw 2019 No. 7307” (To confirm and adopt the 2020 – 2024 Financial Plan) pass first reading;
2. “Financial Plan Bylaw 2019 No. 7307” pass second reading; and,
3. “Financial Plan Bylaw 2019 No. 7307” pass third reading.

BACKGROUND

The financial planning process is informed by policies and plans endorsed by Council including the *2019 – 2022 Strategic Plan*, the *Official Community Plan (OCP)* 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 15th 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 15th of each year.

The Draft 2020 – 2024 Financial Plan and 2020 Departmental Business Plans were presented to Council at the Finance and Audit Committee meeting on 2019-NOV-20 and a Special Finance and Audit Committee meeting 2019-NOV-22. At the 2019-NOV-25 Special Finance and Audit Committee meeting Council was advised of changes to the project plan since the preliminary project plan was presented in October as well as changes received since the draft Financial Plan was prepared. Council engaged in deliberations and provided additional direction to Staff for changes to the draft plan. On 2019-DEC-02 at a Special Finance and Audit Committee Meeting Council was presented with the Provisional 2020 – 2024 Financial Plan and engaged in deliberations and provided further direction to staff. Public consultation also included an eTown Hall on 2019-DEC-02. |

DISCUSSION

The Provisional 2020 – 2024 Financial Plan reflects the motions the Finance and Audit Committee made at the Special Finance and Audit Committee meetings on 2019-NOV-25 and 2019-DEC-02.

The provisional plan includes a number of initiatives to support Council priorities and enhance service levels:

- Investing in Our Community: through funding for new amenities including construction of the Harewood Youth Park, the multi-year replacement project for Fire Station #1 and the Metral Drive Complete Street project.
- Enhancing Public and Community Safety: with the addition of three RCMP officers in 2020 (15 over the next five years) and two new Prisoner Guards; an increase to the Bylaw Enforcement Officer schedule from 35 hours to 40 hours per week and an additional \$50,000 funding towards victim services.
- Strengthening Nanaimo’s Economy: through the implementation of an external Economic Development function and with the addition of a Manager of Economic Development Services.
- Supporting Good Governance and Effective Service Delivery: with the addition of a General Manager of Corporate Services, Deputy City Clerk, Urban Forestry Technician, and Director of IT.

The projected property taxes increases in the 2020 – 2024 Financial Plan are:

	2020	2021	2022	2023	2024
General Asset Management Reserve	1.0%	1.0%	1.0%	0.0%	0.0%
General Property Tax Increase	4.2%	1.9%	2.4%	1.9%	1.8%
Total Municipal Taxes	5.2%	2.9%	3.4%	1.9%	1.8%

Projected user fees rates are as follows:

	2020	2021	2022	2023	2024
Sanitary Sewer User Fee Increase	4.0%	4.0%	4.0%	0.0%	0.0%
Water User Fee Increase	7.5%	5.0%	5.0%	5.0%	5.0%

	2020	2021	2022	2023	2024
Sanitation User Fees	\$ 171	\$ 173	\$ 178	\$ 183	\$ 184

The projected impact to the typical home is \$109 for municipal taxes and \$158 including user fee increases or approximately \$13/month.

	2019	2020	\$ Change	% Change
Property Taxes	\$2,102	\$2,211	\$109	5.2%
Municipal User Fees				
Water Fees	\$552	\$594	\$42	7.5%
Sewer Fees	\$135	\$141	\$6	4.0%
Sanitation Fees	\$170	\$171	\$1	0.6%
Total Municipal Taxes & User Fees	\$2,959	\$3,117	\$158	5.3%

Rounded to nearest dollar

Assumes a typical single family house with average assessment change

Council will have opportunities to review and amend the 2020 – 2024 Financial Plan in April prior to final adoption and adoption of the Property Tax Rates Bylaw. The Final 2020 – 2024 Financial Plan in April will include any updates to estimates including changes to extended health benefit and pension rates and any additional directives from Council. Adopting the 2020 – 2024 Financial Plan Bylaw authorizes expenditures in the 2020 budget and allows the City to proceed in a timely manner to work on programs and projects. |

OPTIONS

- That “Financial Plan Bylaw 2019 No. 7307” (To confirm and adopt the 2020 – 2024 Financial Plan) pass first reading;
 - That “Financial Plan Bylaw 2019 No. 7307” pass second reading; and
 - That “Financial Plan Bylaw 2019 No. 7307” pass third reading.
 - The advantages of this option: Adopting the Provisional 2020 – 2024 Financial Plan Bylaw authorizes the expenditures in the 2020 budget and allows the City to proceed to work on programs and projects.
- That Council the report and request more information from Staff.
 - The disadvantages of this option: Delaying the adoption of the Provisional 2020 - 2024 Financial Plan may delay the start of programs and/or projects.
 - Financial Implications: The City will operate under year two of the approved 2019 - 2023 Financial Plan Bylaw until the Provisional 2020 – 2024 Financial Plan is adopted. |

SUMMARY POINTS

- The provisional plan supports Council priorities and enhances service levels through a number of initiatives and the addition of positions in the areas of public safety, economic development, environment and corporate services.
- The “Financial Plan Bylaw 2019 No. 7307” allows the City to proceed in a timely manner to work on 2020 programs and projects.

- Council will have opportunities to review the 2020 – 2024 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw.

ATTACHMENTS:

“Financial Plan Bylaw 2019 No. 7307” |

Submitted by:

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Concurrence by:

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