

CITY OF NANAIMO

BYLAW NO. 7307

A BYLAW TO CONFIRM AND ADOPT THE FINANCIAL PLAN

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The Municipal Council of the City of Nanaimo in open meeting assembled, ENACTS AS FOLLOWS:

1. Title

This Bylaw may be cited as the "Financial Plan Bylaw 2019 No. 7307".

2. Schedule "A" attached hereto and forming part of this Bylaw is hereby adopted and is the Financial Plan for the City of Nanaimo for the period 2020-JAN-01 to 2024-DEC-31.

3. The various items of expenditure set forth in Schedule "A" are hereby authorized.

4. Schedule "B" attached hereto and forming part of this Bylaw is hereby adopted and is the Statement of Revenue Objectives & Policies for the City of Nanaimo for the period 2020-JAN-01 to 2024-DEC-31.

5. The Financial Plan may be amended in the following manner:

(a) Funds may be reallocated in accordance with the City of Nanaimo's management policy on budget transfers.

(b) The Chief Financial Officer may transfer unexpended appropriations to Reserve Funds or Reserve Accounts for future expenditures.

PASSED FIRST READING: 2019-DEC-16

PASSED SECOND READING: 2019-DEC-16

PASSED THIRD READING: 2019-DEC-16

ADOPTED \_\_\_\_\_

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

**Schedule A**  
**City of Nanaimo**  
**2020 - 2024 Financial Plan**

	2020	2021	2022	2023	2024
Revenues:					
Revenue from Property Value Taxes	117,159,673	121,766,292	127,202,038	130,931,706	134,551,707
Revenue from Parcel Taxes	42,010	42,430	-	-	-
Revenue from Fees & Charges	51,585,667	53,263,007	56,808,614	58,389,488	59,914,030
Revenue from Other Sources	27,765,893	27,437,760	28,989,007	28,189,055	24,392,368
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	196,553,243	202,509,489	212,999,659	217,510,249	218,858,105
Expenses:					
General Operating Expenditures	136,101,517	136,469,419	139,711,180	143,080,251	146,741,209
Sanitary Sewer Operating Expenditure:	4,692,054	4,872,099	4,932,911	5,074,905	5,163,830
Waterworks Operating Expenditures	10,601,569	10,174,491	10,383,419	10,574,304	10,681,070
Interest Payment on Municipal Debt	1,817,183	1,783,113	2,139,497	2,360,079	2,441,868
Amortization	24,914,598	26,564,653	27,340,541	27,428,095	26,753,382
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Annual Surplus/Deficit	18,426,322	22,645,714	28,492,111	28,992,615	27,076,746
Add back:					
Amortization	24,914,598	26,564,653	27,340,541	27,428,095	26,753,382
Capital Expenditures					
General Capital Expenditures	27,390,759	46,060,462	44,206,646	32,336,832	22,341,246
Sanitary Sewer Capital Expenditures	6,446,625	8,175,450	5,386,700	5,351,800	5,914,807
Waterworks Capital Expenditures	9,818,850	8,841,860	10,785,250	15,580,166	10,608,450
Proceeds from Municipal Borrowing	(3,000,000)	(15,958,863)	(14,411,769)	(3,675,000)	(6,724,800)
Principal Payment on Municipal Debt	4,705,762	4,364,322	5,133,695	5,439,360	5,061,819
Transfers between Funds:					
Transfers to/(from) Accumulated Surplus	(2,021,076)	(2,272,864)	4,732,130	1,387,552	16,628,606
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Financial Plan Balance	-	-	-	-	-

## Schedule B

### City of Nanaimo Statement of Revenue Objectives & Policies

#### 1. Proportion of revenue by source

##### Property taxes

- The City of Nanaimo will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- Where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue.

##### Parcel taxes

- Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

##### Fees & Charges

- Wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of the costs recovered by fees and charges will vary with the nature of the service provided.

##### Proceeds of borrowing

- Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time (20 years or more).
- Council will consider a policy to identify an appropriate level of debt for the community.

##### Other sources of revenue

- The City will continue to seek other sources of revenue in order to reduce reliance on property taxes.
- The City will consider hydroelectric power generation where practical and environmentally supportable.

#### 2. Distribution of property taxes among the classes

- The City of Nanaimo will maintain the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.
- The City will attempt, over time, to reduce the commercial tax rate to the average of all BC municipalities.
- Between 2009 and 2013, the light and major industrial tax rates were reduced to the same level as the commercial tax rate.

3. Permissive Tax Exemptions

- The City of Nanaimo believes that Permissive Tax Exemptions are an appropriate way to recognize the value of the services provided to the community by non-profit organizations.
- Permissive Tax Exemption requests will be reviewed by the Finance and Audit Committee based on policies and guidelines approved by Council. The Committee will make recommendations to Council.
- Permissive Tax Exemptions will be reviewed at least every three years to ensure that the organization and property still meets the criteria established by Council.

4. Revitalization Tax Exemptions

- The City of Nanaimo believes that Revitalization Tax Exemptions are an appropriate tool to assist the City in realizing its strategic objectives.
- The City can exempt municipal taxes for up to ten years for projects undertaken by landowners, where the project meets defined objectives of a City strategy.
- Recipients of exemptions must enter into a Revitalization Tax Exemption Agreement with the City.
- Every Revitalization Tax Exemption must be approved by Council.