

DATE OF MEETING MAY 11, 2020

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

SUBJECT **2020 – 2024 FINANCIAL PLAN AMENDMENT BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Financial Plan Amendment Bylaw 2020 No. 7307.01” for first, second and third readings and adoption.

### **Recommendation**

1. That “Financial Plan Amendment Bylaw 2020 No. 7307.01” (To amend the 2020 – 2024 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2020 No. 7307.01” pass second reading;
3. That “Financial Plan Amendment Bylaw 2020 No. 7307.01” pass third reading; and
4. That “Financial Plan Amendment Bylaw 2020 No. 7307.01” be adopted.

## **BACKGROUND**

The Provisional 2020 – 2024 Financial Plan Bylaw “Financial Plan Bylaw 2019 No. 7307” was adopted by Council at the 2020-JAN-13 Council Meeting. The Financial Plan reflected decisions made by Council during the budget review process in 2019. A Final 2020 – 2024 Financial Plan Bylaw and a Property Tax Rates Bylaw must be adopted by 2020-MAY-15 to enable the calculation and collection of 2020 property taxes.

At the 2020-APR-20, Special Council meeting Council received an update on the proposed Final 2020 – 2024 Financial Plan. The update highlighted changes since the provisional budget was adopted including updates to estimates and directives from Council. Given the unforeseen impact of the COVID-19 pandemic, staff also provided two alternatives for Council’s information.

At the 2020-MAY-04 Council meeting, Staff sought direction from Council for the Final 2020 - 2024 Financial Plan. Council engaged in deliberations, and directed staff to prepare the Final 2020 – 2024 Financial Plan as presented on 2020-APR-20.

## **DISCUSSION**

The Final 2020 – 2024 Financial Plan 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* and supports 2020 Departmental Business Plans.

Budget highlights include:

- 15 new RCMP members, three per year over a five-year period, 2020 – 2024.
- Increased funding for Economic Development.
- Continuation of the multi-year project to replace Fire Station #1.
- Completion of the first lit baseball field in Nanaimo at Serauxmen Stadium.
- Construction of the Harewood Youth Park as per the Harewood Centennial Park Improvement Plan.
- Investment of over \$20 million in the next 5 years in cycling and pedestrian amenities.
- Metral Drive Complete Street project - this comprehensive project stretches from Mostar Road to Aulds Road and includes infrastructure improvements such as streetlights, sidewalks, cycling facilities as well as utility renewals and upgrades.

Summarized below are the projected property tax increases and the impact to the typical home.

### **Projected Property Tax Increases**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General Asset Management Reserve	1.0%	1.0%	1.0%	0.0%	0.0%
General Property Tax Increase	3.5%	2.0%	2.4%	1.9%	1.8%
<b>Total Municipal Taxes</b>	<b>4.5%</b>	<b>3.0%</b>	<b>3.4%</b>	<b>1.9%</b>	<b>1.8%</b>

### **Impact on Typical Home**

	<b>2019</b>	<b>2020</b>	<b>\$ Change</b>
<b>Assessment - Average Home</b>	<b>\$518,384</b>	<b>\$527,145</b>	<b>\$8,761</b>
Property Taxes	\$2,110	\$2,205	\$95
Municipal User Fees			
Water Fees	552	594	42
Sewer Fees	135	141	6
Sanitation Fees	170	171	1
<b>Total Municipal Taxes &amp; User Fees</b>	<b>\$2,967</b>	<b>\$3,111</b>	<b>\$144</b>

## **OPTIONS**

1. That “Financial Plan Amendment Bylaw 2020 No. 7307.01” (To amend the 2020 – 2024 Financial Plan), pass first reading;

That “Financial Plan Amendment Bylaw 2020 No. 7307.01”, pass second reading;

That “Financial Plan Amendment Bylaw 2020 No. 7307.01”, pass third reading; and,

That “Financial Plan Amendment Bylaw 2020 No. 7307.01”, be adopted.

- The advantages of this option: Adopting the 2020 – 2024 Financial Plan Amendment Bylaw authorizes the expenditures in the 2020 budget and calculation of the 2020 property taxes.
  - Financial Implications: Enables the calculation and collection of 2020 property taxes. Annual property taxes help fund City services and capital programs.
2. That Council table the report and request more information from Staff.
- The disadvantages of this option: Additional meeting(s) will be required to complete adoption of bylaws by 2020-MAY-15.
  - Financial Implications: The Property Tax Bylaw for the calculation and collection of 2020 Property Taxes cannot be adopted until the 2020 – 2024 Financial Plan Amendment Bylaw is adopted. |

### **SUMMARY POINTS**

- The 2020 property tax increase will be 4.5%.
- The “Financial Plan Amendment Bylaw 2020 No. 7307.01” must be adopted by 2020-MAY-15.
- This bylaw will allow staff to calculate and collect 2020 property taxes. Annual property taxes help fund City services and capital programs.

### **ATTACHMENTS:**

“Financial Plan Amendment Bylaw 2020 No. 7307.01” |

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#### **Concurrence by:**

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