

Mayor & Council
City of Nanaimo

Re: City Budget and upcoming Municipal Tax Rates

In 2020, Council and Staff undertook the Municipal Budget process as part of its ongoing planning and management of municipal financial requirements. Planning and management of the city's financial resources is, obviously, a continual process with a Five-Year Financial Plan continuously being updated to guide decision making and policy development that lays out the direction for management of the City.

We commend the City for its processes and procedures in its role of careful financial management. The Chamber Task Force on the Budget Process observation of the process heard of the work of staff to ensure Council received clear and concise information on every aspect of the City's financial plan in clearly defined service areas. They further shared this information openly with the community through the City's website. This open communications policy and plan led to a public E-Townhall held December 7, just days after Council members received the information. During this townhall, we were impressed by the depth of knowledge exhibited by Council members and the fact they were all taking ownership of budget details. Their familiarity demonstrated they had each spent considerable time in review of the data and had significant conversations among themselves, bureaucrats and community members.

We support the areas of special attention in the budget, specifically:

- Public Safety – ongoing increased attention required, as the Chamber has pointed to previously
- Waterfront Development – one key to the future of our economy
- Infrastructure – support of the continued 1% contribution to General Asset Management Reserve

We're also pleased that current planning respects and retains the knowledge and insight gained through the Core Services Review conducted in 2016.

I'm going to go against the grain of some past appraisals of City budgets and proposed tax increases. This year the Chamber of Commerce heartily applauds City Council and Staff in their Budget and tax deliberations and their prudent stewardship.

But we're also here to propose to Council that they request a report from staff with an analysis of the impact of freezing tax increases on commercial ratepayers for one year to assist and support the business community in Nanaimo. The Covid-19 pandemic continues to have a devastating effect on our economy and employment.

Beginning with a three-month voluntary closure in March 2020, followed by a slow return to local shopping, reductions in local consumer demand, increasing competition from a global online marketplace, continuing restrictions on food and beverage purveyors, and an uncertain environment in 2021, our local businesses deserve all the help they can get. This effort would show support for local business, help shape the brand of Nanaimo as business friendly, and support new efforts at outreach for economic development. Most importantly, it would be a vote of confidence in the business community, perhaps strengthening their resiliency just a bit more and encouraging them to hold on just a little longer.

BC Chamber's Mindreader Pulse Check (with whom we are partners) holds regular province-wide surveys on business conditions and then releases results in regional reports. December's report indicated that on Vancouver Island, we have the lowest level of business optimism in the province with 46% of businesses categorizing themselves in "poor or very poor shape". When asked if they were pessimistic or optimistic about the next 12 months, 36% indicated they were "pessimistic or very pessimistic", placing our region in second place only to the resource regions of northern BC. This is a situation we are trying to improve. If any of you would like, I'm happy to send out links to this report.

Thank you for your consideration of this review and request.

Sincerely,



KIM SMYTHE, President and CEO