




October 29 th & November 3 rd	<ul style="list-style-type: none"> Budget Overview Operating Budget Review – 2022 Business Plan Presentations
November 5 th	<ul style="list-style-type: none"> Project Budget Overview - Highlights of 2022 – 2026 Draft Project Plan
November 10 th	<ul style="list-style-type: none"> Introduction of Current Decision Points Discussion of Additional Decision Points
November 15 th	<ul style="list-style-type: none"> Budget Recap Decision Points – changes for inclusion in 2022 – 2026 Provisional Financial Plan
November 19 th If Required	<ul style="list-style-type: none"> E- Town Hall
December 6 th	<ul style="list-style-type: none"> Budget Recap and Recommendations for 2022 – 2026 Financial Plan – if required
December 20 th	<ul style="list-style-type: none"> 2022 – 2026 Financial Plan Bylaw – First Three Readings User Rate Bylaws – First Three Readings
February - April 2022	<ul style="list-style-type: none"> Adoption of 2022 – 2026 Financial Plan Bylaw (Provisional Budget) Adoption of User Rate Bylaws
April – May 15, 2022	<ul style="list-style-type: none"> Review and update Financial Plan for new information, direction from Council, changes to estimates
	<ul style="list-style-type: none"> Adoption of Amended 2022 – 2026 Financial Plan Bylaw (Final Budget) Adoption of 2022 Property Tax Rates Bylaw

2022 – 2026 Draft Financial Plan




2022 – 2026 Draft Financial Plan





Projected Property Tax Increases



	2022	2023	2024	2025	2026
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	1.0%
General Property Tax Increase	2.4%	2.6%	2.3%	1.9%	1.2%
Total Municipal Taxes	3.4%	3.6%	3.3%	2.9%	2.2%

Reserve Funding Allocated to Reduce Property Taxes

	2022	2023	2024	2025
Special Initiatives Reserve	1,900,000	1,100,000	300,000	100,000

* Does not reflect impact of changes to benefit rates including Worksafe BC. These changes will be included when final rates are received.

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Projected 2022 User Fee Increases

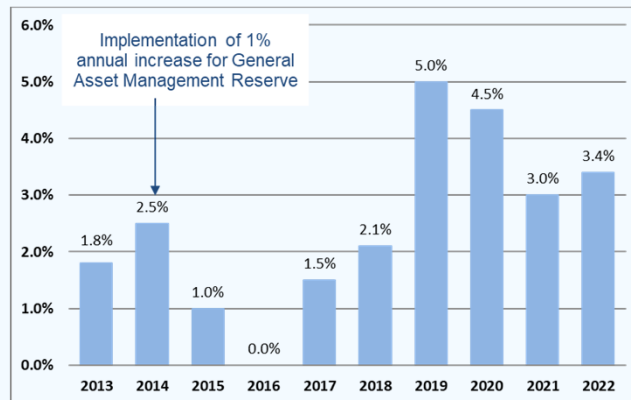
Sewer User Fees	4%
Water User Fees	5%
Sanitation User Fees*	\$193

* Does not reflect impact of recommendations from Refuse Truck Life Cycle & Funding Analysis or impact of new Recycle BC (MMBC) designated reception facility.

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Property Tax History



10 Year Avg (2012 – 2021) – 2.4%

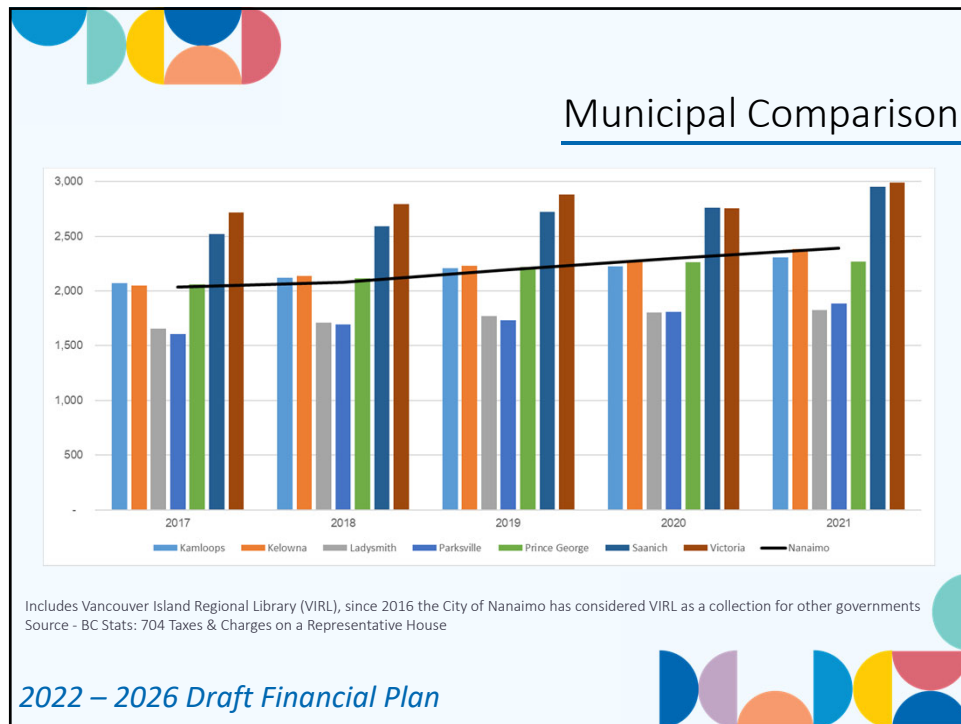
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Municipal Comparison

	2017	2018	2019	2020	2021
Kamloops	2,073	2,121	2,206	2,225	2,308
Kelowna	2,050	2,136	2,230	2,271	2,385
Ladysmith	1,653	1,708	1,770	1,805	1,827
Nanaimo	2,037	2,081	2,196	2,300	2,390
Parksville	1,608	1,693	1,732	1,808	1,884
Prince George	2,059	2,116	2,218	2,261	2,270
Saanich	2,521	2,590	2,720	2,762	2,950
Victoria	2,715	2,795	2,880	2,756	2,992

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

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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

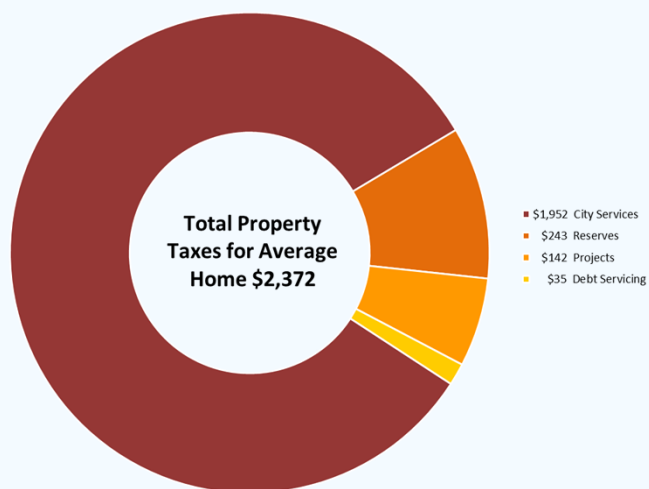
	2021	2022	\$ Change	% Change
Property Taxes	\$2,294	\$2,372	\$78	3.4%
Municipal User Fees				
Water Fees	638	670	32	5.0%
Sewer Fees	146	152	6	4.0%
Sanitation Fees	189	193	4	2.1%
Total Municipal Taxes & User Fees	\$3,267	\$3,387	\$120	3.7%

Based on \$544,227 assessed value (average for Nanaimo per BC Assessment)

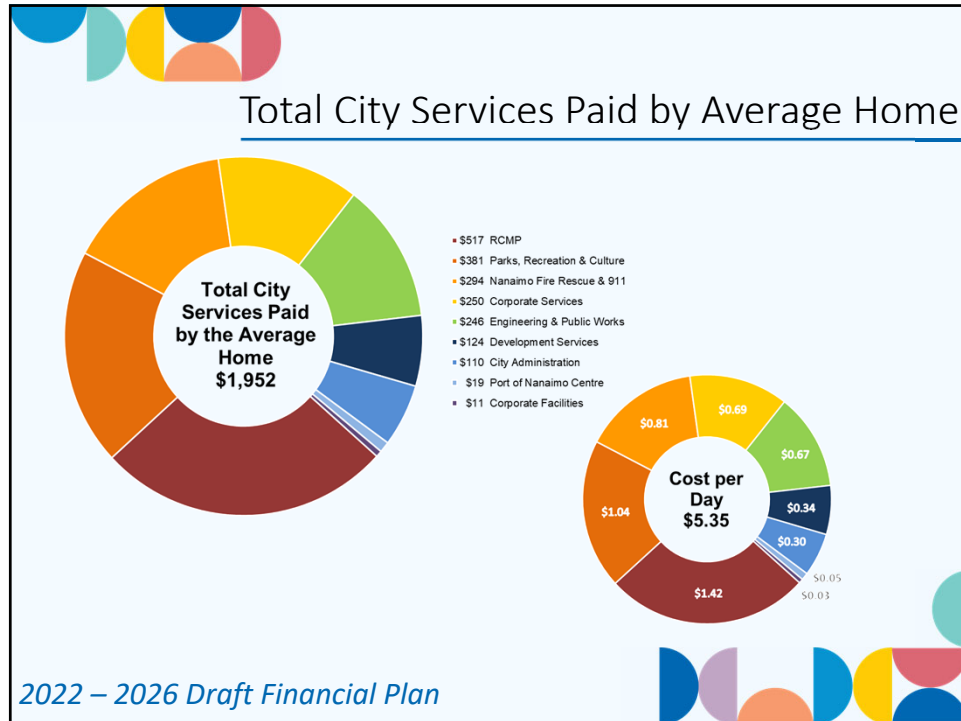
Rounded to nearest dollar
Assumes a typical single family house with average assessment change

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Total Property Taxes for Average Home



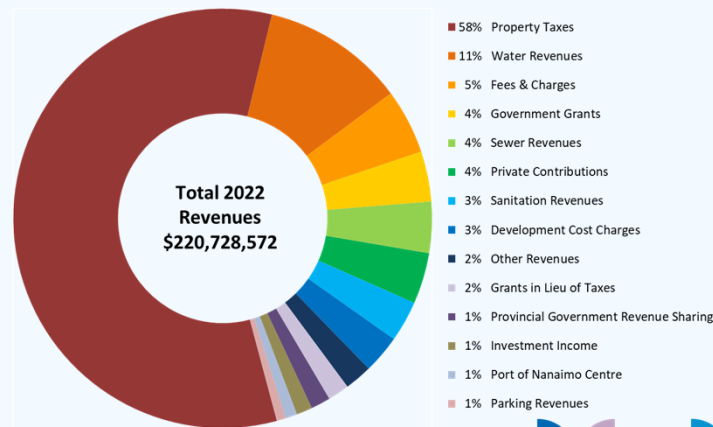
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Financial Summary

2022 Revenues

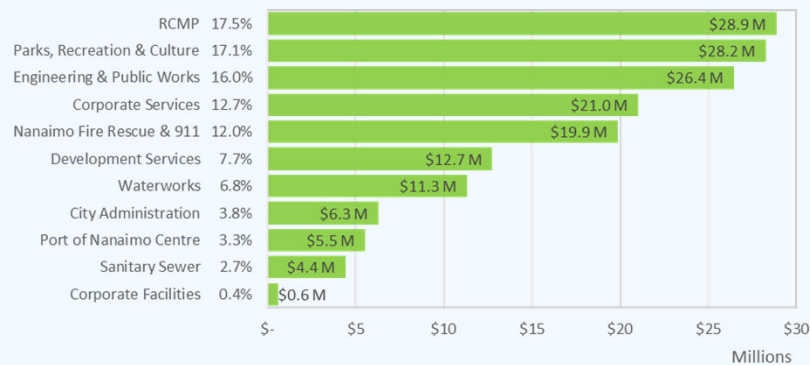
\$220.7 million provides funding for annual operating and maintenance, projects and contributions to infrastructure renewal reserves



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2022 Operating Budget

\$165.2 M will be spent for annual operating and maintenance resources that deliver day-to-day City Services



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2022 Key Budget Drivers

Expenditure Increases/(Decreases)	
Asset Management	\$ 1,233,000
Beban Park Complex - Physical Plant	278,000
Beban Pool ¹	150,000
Climate Action Reserve Contribution	119,000
Landscaping - Neighbourhood Parks	128,000
Nanaimo Prosperity Corporation	107,000
Parking - Net	(109,000)
Project Expenditures	
Annual general revenue funding	959,000
RCMP Contract (budgeted at 95%) ²	2,342,000
Software Licenses - includes new Building Permit, Microsoft 365	258,000
Staff Development	124,000
Transfer to Facility Development Reserve	531,000
Wages and Benefits	2,737,000
Subtotal Expenditure Increases	\$ 8,857,000

Rounded to nearest \$1,000

¹Excludes impact of wages and benefits and transfer to Facility Development Reserve

²Includes 3 new members effective April 1, 2022

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2022 Key Budget Drivers

Revenue (Increases)/Decreases	
Aquatic Revenue	(1,868,000)
Arenas Revenue	(207,000)
Building Permit Revenue	(200,000)
Casino Revenue	(672,000)
Facility Rental Revenue - Playfields, Recreation Centres	(378,000)
Grants in Lieu	(148,000)
RDN Recreation Sharing Agreement	(150,000)
Recreation Program Revenue	(254,000)
Subtotal Revenue Increases	\$ (3,877,000)

Rounded to nearest \$1,000

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2022 Key Budget Drivers

Funding (Increase)/Decrease from Reserves	
Transfer from General Financial Stability Reserve - Property Tax Reduction	1,409,000
Transfer from RCMP Contract Reserve	368,000
Transfer from Special Initiatives Reserve - Property Tax Reduction	(1,500,000)
Subtotal Funding Increase	\$ 277,000
Other Changes	\$ 77,000
Net Change	\$ 5,334,000
Less Increased Property Tax Revenues due to Growth	1,300,000
Net Impact	\$ 4,034,000

Rounded to nearest \$1,000

2022 – 2026 Draft Financial Plan

Business Cases Not Included in Draft Plan

Business Case	Projected Impact to 2022 Property Taxes
Corporate Services	
Manager, Financial Services & Special Projects	0.11% - April 1 st start
Supervisor, Technical Support	0.09% - April 1 st start
Police Services: Support Staff Resourcing Plan	Ideal Scenario – 0.44% (0.37% -2023, 0.19% -2024, 0.11% -2025, 0.09% – 2026) Moderate Scenario – 0.32% (0.33% -2023, 0.12% - 2024, 0.09% -2025, 0.03% -2026) Minimal Scenario – 0.26% (0.13% -2023, 0.14% -2024, 0.09% -2025, 0.02% - 2026)
Development Services	
Parkade Security Plan	Fund from Parking Reserve Fund
ENG PW	
Community Clean Team	Option #1 - 0.40%, Option #2 - 0.21% or fund from Strategic Infrastructure Reserve
Nanaimo Fire Rescue	
Manager, VIERA	Option #1 – 0.09% decrease - February 1 st start Option #2 – no change 2022, 0.04% increase in 2023
RCMP	
Geographically Targeted Bike Patrol Units	0.41% - April 1 st start

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Business Cases Not Included in Draft Plan

Business Case	Projected Impact to 2022 Property Taxes
Parks, Recreation and Culture	
Aquatics Development Plan	Option #1 - 0.26% Option #2 – 0.12% (0.06% - 2023, 0.07 % - 2024) Option #3 - tbd
Parks, Trails and Natural Areas – Lead Supervisor	0.17% - February 15 th start
Parks Maintenance Worker - Playgrounds	0.16% - April 1 st start

2022 – 2026 Draft Financial Plan

Debt

Outstanding Debt at Dec 31, 2020

	Amount	Year Borrowing Repaid
External Borrowing (MFA)		
Fire Station #1	\$ 4,990,930	2038/2040
Fire Station #4	\$ 1,656,156	2027
Sanitation	\$ 3,326,184	2022/2023/2025
Vancouver Island Conference Centre	\$12,410,510	2026/2027
Water Treatment Plant	\$16,923,056	2033/2034
Total External Borrowing	\$39,306,836	
Internal Borrowing		
DCC SS45: Chase River Pump Station & Forcemain	\$ 3,213,506	2039/2040
DCC SS9: Millstone Trunk South	\$ 1,049,646	2040
Total Internal Borrowing	\$ 4,263,152	


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2021 Planned New Debt

	Amount	Term
External Borrowing (MFA)		
Fire Station #1	\$11,160,000	20 Years
Sanitation – Truck*	\$ 459,600	5 Years
Total External Borrowing	\$11,619,600	
Internal Borrowing		
DCC SS19: Millstone Trunk South	\$2,876,819	20 Years
Total Internal Borrowing	\$2,876,819	

*Borrowing will occur in 2022 as truck is not scheduled to arrive until July 2022


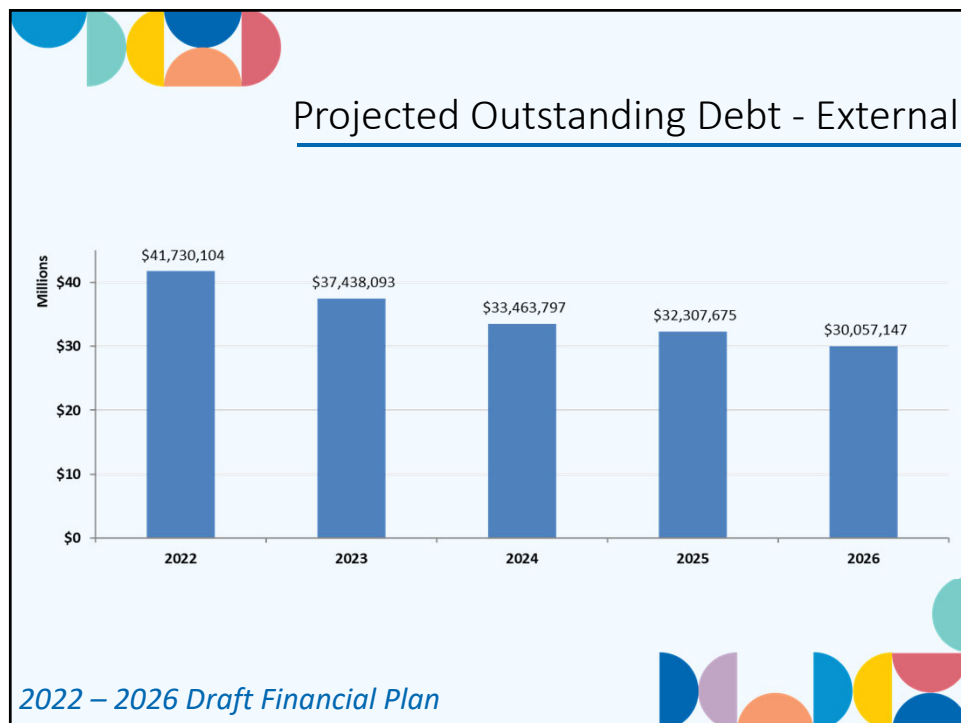
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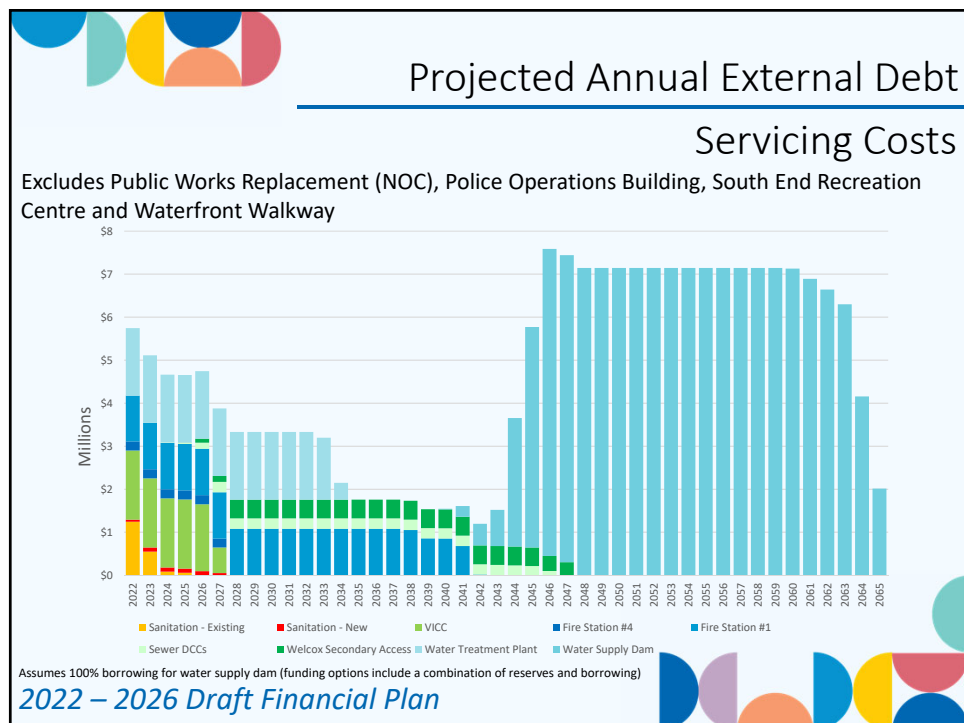
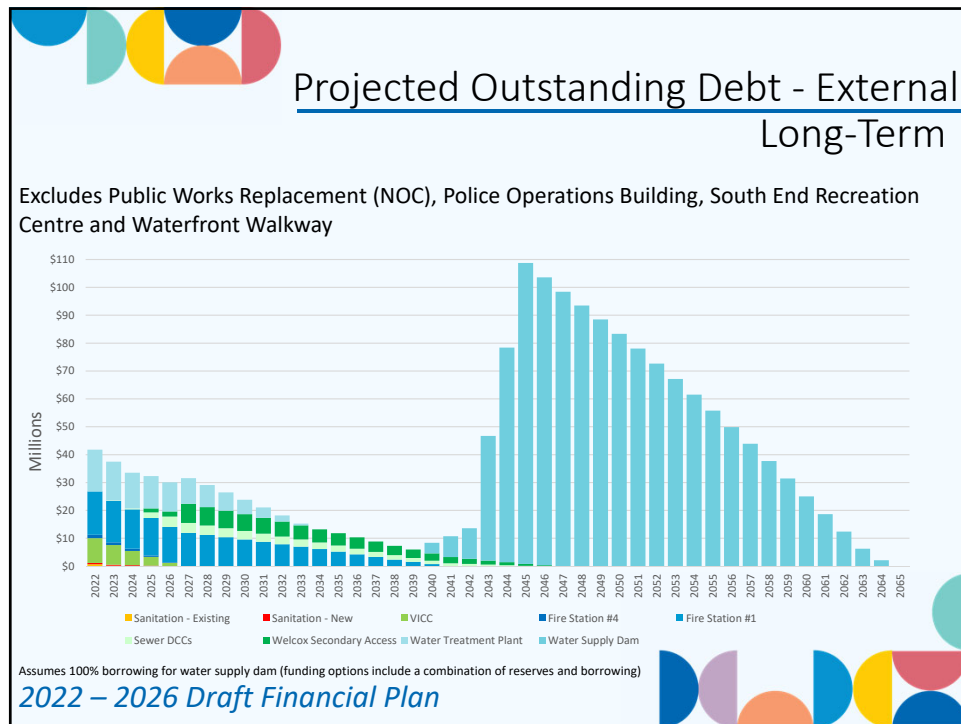


New Debt: 2022 – 2026 Financial Plan

	2022	2023	2024	2025	2026	Total
External Borrowing (MFA)						
Fire Station #1	\$ 280,269					\$ 280,269
Wellcox Secondary Access				\$1,400,000	\$ 500,000	\$1,900,000
DCC SS17: Millstone Trunk North		\$ 171,500		\$1,724,800		\$1,896,300
DCC SS48: Departure Bay Trunk			\$ 177,080		\$1,752,750	\$1,929,830
Total External Borrowing	\$ 280,269	\$ 171,500	\$ 177,080	\$3,124,800	\$2,252,750	\$6,006,399
Internal Borrowing						
Sewer DCC Projects		\$1,808,550		\$ 445,500		\$2,254,050
Total Borrowing	\$ 280,269	\$1,980,050	\$ 177,080	\$3,570,300	\$2,252,750	\$8,260,449

2022 – 2026 Draft Financial Plan



Debt Servicing Limit

- The Liability Servicing Limit is defined as 25% of municipality's controllable and sustainable revenues for the year
- City of Nanaimo limit at December 31, 2020 is \$44.4 M for annual principle and interest payments
- At December 31st the City was at 15.5% of current limit

2022 – 2026 Draft Financial Plan

Municipal Comparison


Debt Servicing Limits					
	2016	2017	2018	2019	2020 - Draft
Kamloops	42,257,694	44,590,765	45,613,405	48,992,036	47,983,763
Kelowna	65,056,358	70,309,126	79,457,574	81,643,095	76,112,942
Ladysmith	3,375,160	3,588,988	3,865,710	4,218,062	4,221,605
Nanaimo	38,379,597	40,133,329	43,120,716	44,839,046	44,370,220
Parksville	5,074,924	5,306,651	5,646,788	6,476,439	7,192,341
Prince George	41,228,230	41,257,408	43,189,822	44,378,172	42,886,107
Saanich	46,593,964	48,279,619	50,681,673	53,519,092	53,623,777
Victoria	54,727,929	57,248,034	62,102,416	64,465,215	61,120,784

Debt Servicing Cost % of limit					
	2016	2017	2018	2019	2020 - Draft
Kamloops	29.6%	30.4%	27.9%	34.9%	23.4%
Kelowna	51.1%	46.4%	45.7%	23.0%	19.8%
Ladysmith	20.1%	59.9%	37.9%	25.5%	40.7%
Nanaimo	15.8%	12.1%	11.0%	14.6%	15.5%
Parksville	8.7%	8.1%	7.8%	6.2%	6.9%
Prince George	45.6%	45.5%	41.8%	46.0%	64.0%
Saanich	6.6%	7.6%	10.1%	10.2%	11.6%
Victoria	11.1%	9.5%	9.6%	9.2%	10.1%

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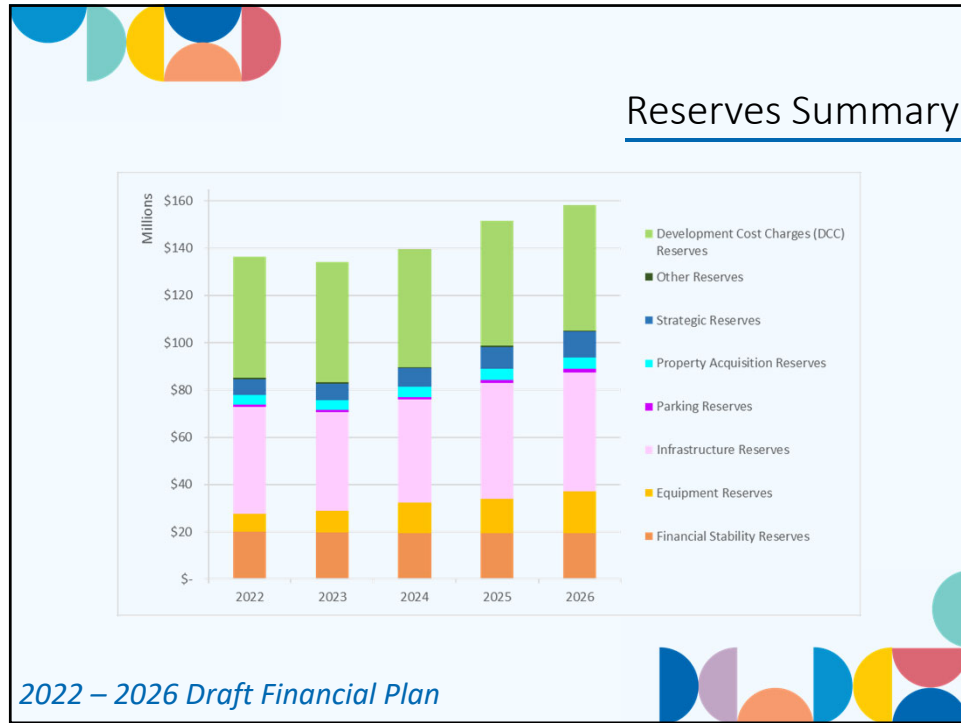
Reserves



Reserves

- Operating Reserves
- Statutory Reserves
 - Authorized by the Community Charter and/or City Bylaws
 - Can only be used as authorized by the Community Charter and the related Council Bylaw.
- Reserve Framework
 - Financial Stability Reserves
 - Equipment Reserves
 - Infrastructure Reserves
 - Parking Reserves
 - Property Acquisition Reserves
 - Strategic Reserves
 - Other Reserves
 - DCC Reserves

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Questions?