

DISCUSSION

The 2022 – 2026 Provisional Financial Plan (Financial Plan) has been developed as COVID-19 continues to impact both the local and global economy. The Financial Plan is based on a return to a “new normal”.

The City has continued to adapt service delivery to comply with provincial health orders while providing for the safety of staff and customers. The Financial Plan is based on all recreational facilities being open in 2022 and revenues returning to pre-pandemic levels in recreation and parking.

The Financial Plan reflects the motions the Finance and Audit Committee made at the Special Finance and Audit Committee meetings on 2021-NOV-10, 2021-NOV-19 and 2021-NOV-22. The Financial Plan includes a number of initiatives to support Council priorities and enhance service levels:

Livability

- Enhancements to Public Safety:
 - 15 new RCMP members, three per year over a five-year period, 2020 – 2024.
 - 4 new geographically targeted RCMP bike patrol members effective April 1, 2022.
 - 15 new police support services positions over a five-year period to adequately and better support contracted RCMP members beginning in 2022.
- Extension of the Community Clean Team Pilot to December 31, 2022.
- Allocation of \$480,000/year for 2021 – 2025 to support recommendations and initiatives in the Health and Housing Action Plan.
- Completion of the multi-year project to replace Fire Station #1.
- Enhanced investment in 2022 for pedestrian amenities, budget for unallocated pedestrian amenities increased from \$300,000 to \$1 million.
- Investment in recreation opportunities including Loudon Park Improvements, Marie Davidson Bike Park Improvements and Maffeo Sutton Playground Phase 2.
- Funding for two annual Snuneymuxw-led reconciliation events.
- Two new positions in Parks Operations to proactively manage parks assets.

Economic Health

- Funding for the new Nanaimo Prosperity Corporation to help advance the City’s economic development priorities.

Governance

- Continuation of the multi-year project to implement a Corporate Asset Management System to enhance the City’s ability to track and manage assets, and aid future decision-making.
- Addition of a Supervisor of Technical Support to support the City in a proactive approach to cyber threats.
- A Manager, Financial Services and Special Projects to allow the department to effectively and efficiently meet current and future expectations and demands.
- Implementation of the Aquatics Development Plan to provide resources to create and sustain an enhanced team-based workplace environment.

Environmental Responsibility

- Fixed annual contribution the Climate Action Reserve Fund to support energy and emissions management initiatives, plans and projects.

FINANCIAL CONSIDERATIONS

The projected property taxes increases in the Financial Plan are:

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| General Property Tax Increase | 4.9% | 2.9% | 2.3% | 1.9% | 1.2% |
| Total Municipal Taxes | 5.9% | 3.9% | 3.3% | 2.9% | 2.2% |

Projected 2022 user rates are as follows:

- Water – 5% increase
- Sewer – 4% increase
- Sanitation - \$216 annual fee

The projected impact to the typical home is \$134 for municipal taxes and \$199 including user fee increases or approximately \$17/month.

| | 2021 | 2022 | \$ Change | % Change |
|--|----------------|----------------|--------------|-------------|
| Property Taxes | \$2,294 | \$2,428 | \$134 | 5.9% |
| Municipal User Fees | | | | |
| Water Fees | 638 | 670 | 32 | 5.0% |
| Sewer Fees | 146 | 152 | 6 | 4.0% |
| Sanitation Fees | 189 | 216 | 27 | 14.3% |
| Total Municipal Taxes & User Fees | \$3,267 | \$3,466 | \$199 | 6.1% |

Council will have opportunities to review and amend the Financial Plan in April prior to final adoption and adoption of the Property Tax Rates Bylaw. The 2022 – 2026 Final Financial Plan in April will include any updates to estimates and any additional directives from Council. Adopting the Financial Plan Bylaw authorizes expenditures in the 2022 budget and allows the City to proceed in a timely manner to work on programs and projects

OPTIONS

1. That “Financial Plan Bylaw 2021 No. 7337” (To confirm and adopt the 2022 – 2026 Financial Plan) pass first reading;

That “Financial Plan Bylaw 2021 No. 7337” pass second reading; and

That “Financial Plan Bylaw 2021 No. 7337” pass third reading.

- The advantages of this option: Adopting the 2022 – 2026 Provisional Financial Plan Bylaw authorizes the expenditures in the 2022 budget and allows the City to proceed to work on programs and projects.
2. That Council table the report and request more information from Staff.
- The disadvantages of this option: Delaying the adoption of the 2022 – 2026 Provisional Financial Plan may delay the start of programs and/or projects.
 - Financial Implications: The City will operate under year two of the approved 2021 – 2025 Financial Plan Bylaw until the 2022 – 2026 Provisional 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 Police Services/RCMP, Parks, Recreation and Culture, and Corporate Services.
- The “Financial Plan Bylaw 2021 No. 7337” allows the City to proceed in a timely manner to work on 2022 programs and projects.
- Council will have opportunities to review and amend the 2022 – 2026 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw.

ATTACHMENTS:

“Financial Plan Bylaw 2021 No. 7337” |

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