

CITY OF NANAIMO

BYLAW NO. 7337

A BYLAW TO CONFIRM AND ADOPT THE FINANCIAL PLAN

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 2021 No. 7337".

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 2022-JAN-01 to 2026-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 2022-JAN-01 to 2026-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 Director of Finance may transfer unexpended appropriations to Reserve Funds or Reserve Accounts for future expenditures.

PASSED FIRST READING _____
PASSED SECOND READING _____
PASSED THIRD READING _____
ADOPTED _____

MAYOR

CORPORATE OFFICER

Schedule A
City of Nanaimo
2022 - 2026 Financial Plan

	2022	2023	2024	2025	2026
Revenues:					
Revenue from Property Value Taxes	130,665,002	137,047,218	142,827,833	148,237,744	152,731,979
Revenue from Parcel Taxes	151,500	153,015	154,545	156,091	-
Revenue from Fees & Charges	56,255,661	58,365,591	61,538,343	63,117,800	64,546,677
Revenue from Other Sources	38,004,610	28,764,908	25,444,483	25,121,203	24,859,781
	<u>225,076,773</u>	<u>224,330,732</u>	<u>229,965,204</u>	<u>236,632,838</u>	<u>242,138,437</u>
Expenses:					
General Operating Expenditures	156,145,566	152,640,189	156,473,966	159,578,636	161,975,588
Sanitary Sewer Operating Expenditure:	5,096,720	5,161,787	5,193,426	5,235,227	5,357,886
Waterworks Operating Expenditures	10,572,186	10,959,500	11,593,818	11,397,138	11,099,729
Interest Payment on Municipal Debt	1,894,391	1,900,660	1,899,402	1,910,491	1,934,579
Amortization	29,433,847	30,751,798	31,602,146	32,610,002	32,610,002
Annual Surplus/Deficit	<u>21,934,063</u>	<u>22,916,798</u>	<u>23,202,446</u>	<u>25,901,344</u>	<u>29,160,653</u>
Add back:					
Amortization	29,433,847	30,751,798	31,602,146	32,610,002	32,610,002
Capital Expenditures					
General Capital Expenditures	40,613,963	29,584,550	23,818,680	28,590,770	26,266,961
Sanitary Sewer Capital Expenditures	5,214,900	8,060,300	6,597,861	6,397,373	8,082,000
Waterworks Capital Expenditures	27,640,100	13,882,616	13,662,450	10,515,390	20,558,265
Proceeds from Municipal Borrowing	(1,255,869)	(171,500)	(177,080)	(3,124,800)	(2,252,750)
Principal Payment on Municipal Debt	4,956,853	4,638,977	4,344,488	4,475,877	4,700,072
Transfers between Funds:					
Transfers to/(from) Accumulated Surplus	<u>(25,802,037)</u>	<u>(2,326,347)</u>	<u>6,558,193</u>	<u>11,656,736</u>	<u>4,416,107</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.