

Staff Report for Decision

DATE OF MEETING February 7, 2022

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

SUBJECT 2021 – 2025 FINANCIAL PLAN AMENDMENT BYLAW

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2022 No. 7320.02” for first, second and third readings, for changes that have occurred since the bylaw was last amended on 2021-MAY-10.

Recommendation

1. That “Financial Plan Amendment Bylaw 2022 No. 7320.02” (To amend the 2021 – 2025 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2022 No. 7320.02” pass second reading; and,
3. That “Financial Plan Amendment Bylaw 2022 No. 7320.02” pass third reading.

BACKGROUND

The *Community Charter*, Section 165 (1) mandates that the City must adopt a financial plan, by bylaw annually. Further, *Community Charter*, Section 165 (2) provides that the financial plan may be amended from time to time, by bylaw. Budget bylaw amendments are required where new expenditures require additional sources of funding, or when budgets are transferred between operating and capital funds.

DISCUSSION

A number of revisions to the 2021 – 2025 Financial Plan were undertaken since the adoption of the final budget on 2021-MAY-10.

Details of the revisions that increased/decreased the overall City expenditure budget or provided new sources of funding are detailed below. Amounts do not necessarily reflect the final budget for the project as the project may have had an original budget and/or also received funding through a budget transfer(s).

- Property Acquisitions – Expenditure budget of \$4,934,474 added for various property purchases, funded by the Property Sales Reserve Fund, Property Acquisition Reserve Fund, Parkland Dedication Reserve Fund and Parks DCC Fund. Reports to Council 2021-MAY-17, 2021-JUL-26, 2021-OCT-04 & 2021-DEC-20.

- New Automated Garbage Truck (2022) – Expenditure budget increased by \$13,600 funded by a private contribution from Fortis Gas. Report to Finance and Audit Committee 2021-MAY-19.
- Police Operations Building: Security Gates – Expenditure budget of \$262,193 added, funded from payment in lieu of taxes (PILTs). Report to Council 2021-MAY-17.
- Nanaimo Search & Rescue Operations Centre Redevelopment – Expenditure budget of \$1,367,100 accelerated from 2022 to 2021. Report to Finance and Audit Committee 2021-MAY-19.
- Stadium District – Expenditure budget of \$2,500,000 added, funded from the Community Works Reserve Fund and the Special Initiatives Reserve. Report to Finance and Audit Committee 2021-MAY-19.
- Grant to Nanaimo Foodshare Society – Expenditure budget of \$10,000 added, funded from the Strategic Infrastructure Reserve. Presentation to Finance and Audit Committee 2021-JUN-16.
- Rotary Bowl: Oval Track Renewal – Expenditure budget of \$988,250 accelerated from 2024 to 2021, funded from Community Works Reserve Fund. Report to Finance and Audit Committee 2021-JUN-16.
- NAC: Roof Phase 2 – Expenditure budget increased by \$227,000, funded from the Facility Development Reserve Fund. Report to Finance and Audit Committee 2021-JUN-16.
- Sugarloaf Mountain Rock Slope – Expenditure budget increased by \$36,000 funded by a grant from the Municipal Insurance Association of British Columbia.
- Maffeo Sutton Park: Paving Stones – Expenditure budget increased by \$22,000 funded by a grant from the Municipal Insurance Association of British Columbia.
- Nanaimo Operations Centre: Conceptual Design – Expenditure budget increased by \$100,000, funded from payment in lieu of taxes (PILTs). Report to Finance and Audit Committee 2021JUL-21.
- Public Art: Welcome Pole – Expenditure budget increased by \$50,000, funded from the Strategic Infrastructure Reserve Fund. Report to Finance and Audit Committee 2021JUL-21.
- Fire Training Centre Remediation – Expenditure budget of \$275,300 added, funded from the General Asset Management Reserve Fund. Report to Finance and Audit Committee 2021JUL-21.
- Commercial Street Revitalization Plan – Expenditure budget of \$150,000 added, funded from payment in lieu of taxes (PILTs). Report to Finance and Audit Committee 2021JUL-21.
- SNIC Equipment – Expenditure budget increased by \$14,980 funded by a trade-in of transportation equipment (thermoplastic applicator).
- 2021 Local Development Approvals Grant – \$500,000 grant received from Union of BC Municipalities. Expenditure budget increased \$100,000 for work approved under grant not currently in plan. Funding source for Building Permit Function Review (\$25,000) and Building Permit Software (\$375,000) changed from Special Initiatives Reserve to grant. Report to Finance and Audit Committee regarding grant application 2021-APR-14.
- 2021 Housing Needs Report Grant – Expenditure budget of \$50,000 added, funded by a grant from Union of BC Municipalities. .
- 2021 Strengthening Communities' Services – \$2,500,000 (multi year) grant received from Union of BC Municipalities. Expenditure budget increased \$2,084,500 for work approved under grant not currently in plan. Funding source for 2021 Shower Program (\$50,000) changed from Housing Legacy Reserve to grant, and funding source for 2021 Community Connect Program (\$147,000) changed from Special Initiatives Reserve to grant. Report to Council regarding grant application 2021-MAR-29.

- BC Active Transportation Infrastructure Grant – \$500,000 grant received for Metral Complete Street Corridor Phase 2. Funding source for a portion of the cycling lane component changed from Community Works Reserve Fund to grant. Report to Governance and Priorities Committee regarding grant application 2021-JUL-26.
- 2021 Truth and Reconciliation Event – Expenditure budget increased by \$5,000 for Community to Community grant from Union of BC Municipalities.
- Electric Vehicle Charging Stations – Expenditure budget of \$62,849 added, funded by an in-kind private contribution from partnership with Regional District of Nanaimo. Report to Finance and Audit Committee 2021-OCT-20.
- Stadium District: Plaza – Expenditure budget increased \$614,000 by cancelling the Serauxmen Stadium Artificial Turf Infield project budgeted in 2023 and reallocating funds to 2021 for the Plaza. Report to Finance and Audit Committee 2021-NOV-05.
- Electric Vehicle (EV) Rebates – Expenditure budget for City fleet vehicles increased \$24,000 funded from rebates on three EV purchases. Rebates from iZev program and CleanBC.
- Brechin Boat Ramp: Dock Replacement – Expenditure budget of \$143,260 added, funded by \$50,000 private contribution from the Nanaimo Ocean Paddle Club and \$93,260 from the Brechin Boat Ramp Reserve. Report to Finance and Audit Committee 2021-DEC-15.
- Port Theatre: Chiller – Expenditure budget increased by \$329,806, funded by \$74,640 CleanBC grant and \$255,166 from the Climate Action Reserve Fund. Report to Finance and Audit Committee 2021-DEC-15.
- Lawn Bowling Green Repairs – Expenditure budget of \$10,000 added, funded by a \$10,000 private contribution from Nanaimo Lawn Bowling Club. Report to Finance and Audit Committee 2021-DEC-15.

Revisions due to budget transfers between operating and capital expenditures are summarized in Attachment A.

OPTIONS

1. That “Financial Plan Amendment Bylaw 2022 No. 7320.02” (To amend the 2021 – 2025 Financial Plan) pass first reading;

That “Financial Plan Bylaw Amendment 2022 No. 7320.02” pass second reading; and,

That “Financial Plan Amendment Bylaw 2022 No. 7320.02” pass third reading.
 - The advantages of this option: Amending the 2021 – 2025 Financial Plan Bylaw ensures that spending is within legal limits.
 - Financial Implications: The net effect of the changes is to increase the 2021 expenditures budget by \$14,374,312, decrease the 2022 expenditure budget by \$1,367,100, decrease the 2023 expenditure budget by \$614,020 and decrease the 2024 expenditure budget by \$988,250.
2. That Council table the report and request more information from Staff.

SUMMARY POINTS

- The “Financial Plan Amendment Bylaw 2022 No. 7320.02” captures budget changes with additional funding sources and budget transfers between operating and capital funds identified to the end of 2021.

ATTACHMENTS:

- Attachment A: Budget Transfers
- “Financial Plan Amendment Bylaw 2022 No. 7320.02”

Submitted by:

Wendy Fulla
Manager, Business, Asset and Financial
Planning

Concurrence by:

Laura Mercer
Director, Finance