




# 2023 – 2027 Draft Financial Plan Recap

*Special Finance & Audit  
Committee Meeting  
December 1 & 2, 2022*



## Projected Property Tax Increases *Updated*

	2023	2024	2025	2026	2027
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	1.0%
General Property Tax Increase	5.1%	4.1%	3.2%	1.8%	0.5%
<b>Total Municipal Taxes</b>	<b>6.1%</b>	<b>5.1%</b>	<b>4.2%</b>	<b>2.8%</b>	<b>1.5%</b>

Reserve Funding Allocated to Reduce Property Taxes

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

\* Projected tax increases do not include any impact of new asset retirement obligations (ARO).

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## Projected 2023 User Fee Increases *Updated*

Sewer User Fees <sup>1</sup>	4.0% Increase
Water User Fees <sup>2</sup>	5.0% Increase
Sanitation User Fees	2.3% Increase

<sup>1</sup>2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase  
<sup>2</sup>2% Water Asset Management Reserve Increase, 3% General Water User Rate Increase

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## Impact on a Typical Home *Updated*

Tax Paid by Average Home				
Based on 2022 Average Home of \$718,471				
	2022	2023	\$ Change	% Change
Property Taxes	\$2,456	\$2,606	\$150	6.1%
Municipal User Fees				
Water Fees*	457	480	23	5.0%
Sewer Fees	152	158	6	4.0%
Sanitation Fees	216	221	5	2.3%
<b>Total Municipal Taxes &amp; User Fees</b>	<b>\$3,281</b>	<b>\$3,465</b>	<b>\$184</b>	<b>5.6%</b>

Rounded to nearest dollar  
 Assumes a typical single family house with average Class 1 assessment change  
 \*Based on average seasonal usage.

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			CITY OF NANAIMO 2023 – 2027 DRAFT FINANCIAL PLAN
<u>Summary of Changes to Budget Drivers</u>			
Debt	81,846	0.06%	
Insurance	(22,100)	-0.02%	
Wages & Benefits	(93,454)	-0.07%	
Grants in Lieu	(83,464)	-0.07%	
Other	(29,916)	-0.02%	
<b>Total</b>	<b>\$(147,088)</b>	<b>-0.12%</b>	
Draft Property Tax Increase			6.2%
Net Changes			-0.1%
<b>Revised Draft Property Tax Increase</b>			<b>6.1%</b>
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			CITY OF NANAIMO 2023 – 2027 DRAFT FINANCIAL PLAN
<u>Potential Changes for Final Budget</u>			
<i>Estimates to be Updated</i>			
Items to be reviewed/updated prior to presentation of final budget in Spring.			
<ul style="list-style-type: none"> <li>• Growth</li> <li>• Projected interest income</li> <li>• Projected building inspection revenue</li> <li>• Projected interest expense – tax payment installments</li> <li>• Start date of three new RCMP members</li> <li>• Contracts – CUPE, IAFF, Mgmt, VICC, 911 PSAP</li> <li>• Recreation Sharing Agreement</li> <li>• Position vacancies</li> <li>• Debt – confirm timing and current interest rate on new short term borrowing</li> <li>• Asset retirement obligations</li> </ul>			
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# Items for Council Discussion

## #1a Utility Rate Review Recommendations

The 2023 – 2027 Draft Financial Plan is based on the new overhead allocation method from the General Fund to the Sewer and Water Funds and the proposed sewer and water user rate increases as detailed in the Utility Rate Review report presented at the Finance and Audit Committee meeting November 16, 2022.

**Option #1 Support New Overhead Allocation Method and Proposed Sewer and Water User Fee Increases – *No Motion Required***

**Option #2 Provide Alternative Direction to Staff**

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## #1b Utility Rate Review Recommendations

The Utility Rate Review report provides recommended changes to the Water and Sewer Utility rate structures.

Water Utility changes to:

- Customer Classifications
- Base Rate
- Volumetric Rate
- Multi-Family Option

Sewer Utility changes to:

- Customer Classifications
- Base Rate
- Volumetric Rate

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## #1b Utility Rate Review Recommendations *Continued*

**Option #1 Implementation of the Recommended Changes to the Water and Sewer Utility Rate Structures.**

**Motion**

That the Finance and Audit Committee recommend that Council direct staff to implement the recommended Water and Sewer Utility rate structures as presented to the Committee at the Special Finance and Committee meeting on November 24, 2022, to be effective January 1, 2023.

**Option #2 Status Quo – No Motion Required**

**Option #3 Provide Alternative Direction to Staff**

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## #2.a HR Advisor: OH & S Support

To provide capacity to allow for a more proactive approach to managing mental health and wellbeing issues in the work place and better manage the existing disability management workload.

### **Option #1 Add Position Effective April 1, 2023**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.07% in 2023

~ 0.02% in 2024

### ***Motion***

That the Finance and Audit Committee recommend that Council add a HR Advisor: OH & S Support position to the 2023 – 2027 Financial Plan effective April 1, 2023.

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## #2.a HR Advisor: OH & S Support *Continued*

### **Option #2 Add Position Effective July 1, 2023**

July 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.05% in 2023

~ 0.04% in 2024

### ***Motion***

That the Finance and Audit Committee recommend that Council add a HR Advisor: OH & S Support position to the 2023 – 2027 Financial Plan effective July 1, 2023.

### **Option #3 Status Quo – No Motion Required**

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## #2.b Records Management Clerk

To support the successful implementation of the Electronic Document Records Management System and after implementation ensure there is a dedicated resource to assist the Records & Information Specialist with the City's overarching records management requirements.

### **Option #1 Add Permanent Position**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.06% in 2023,  
~ 0.02% in 2024

### ***Motion***

That the Finance and Audit Committee recommend that Council add a Records Management Clerk position to the 2023 – 2027 Financial Plan effective April 1, 2023.

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## #2.b Records Management Clerk *Continued*

### **Option #2 Add a Temporary Position for 12 Months**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.05% in 2023,  
~ (0.03)% in 2024

### ***Motion***

That the Finance and Audit Committee recommend that Council add a temporary Records Management Clerk position for 12 months to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #3 Status Quo – No Motion Required**

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## #2.c Cemetery Clerk - Temporary

To complete the digitalization and maintenance of cemetery records, create and document process improvements and assist the cemetery review by providing cemetery information and statistics.

### **Option #1 Add a Temporary Full-Time Position for 15 months**

April 1, 2023 to June 30, 2024

#### **Funding Source:**

General Revenue ~ 0.05% in 2023  
~ (0.01)% in 2024

#### **Motion**

That the Finance and Audit Committee recommend that Council add a temporary full-time Cemetery Clerk position for 15 months to the 2023 – 2027 Financial Plan effective April 1, 2023.

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## #2.c Cemetery Clerk – Temporary *Continued*

### **Option #2 Add Temporary Part-Time Position for 27 months**

April 1, 2023 to June 30, 2025

#### **Funding Source:**

General Revenue ~ 0.03% in 2023  
~ 0.01% in 2024  
~ (0.02)% in 2025

#### **Motion**

That the Finance and Audit Committee recommend that Council add a temporary part-time Cemetery Clerk position for 27 months to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #3 Status Quo – No Motion Required**

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## #2.d Community Development Clerk

To increase administrative support to the Sustainability and Current Planning Sections to meet service level demands and achieve City Plan goals.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.06% in 2023  
~ 0.01% in 2024

### **Motion**

That the Finance and Audit Committee recommend that Council add a Community Development Clerk position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.e EV Ready Fleet Plan Study

Engage a consultant to help the City optimize the transition to electric-powered vehicles while ensuring performance and functionality of the fleet is maintained.

### **Option #1 Add Study for \$50,000 to Project Plan**

Funding Source:

Private Contributions – Up to \$10,000 to be confirmed upon approval of project  
Climate Action Reserve Fund - \$40,000

### **Motion**

That the Finance and Audit Committee recommend that Council add a \$50,000 project for an EV Ready Fleet Plan Study to 2023 of the 2023 – 2027 Financial Plan.

### **Option #2 Status Quo – No Motion Required**

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## #2.f Project Accountant

To support the project management group in the financial aspects of capital projects and support the infrastructure planning group with the development of Engineering and Public Works Project Plan.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.07% in 2023

~ 0.02% in 2024

### **Motion**

That the Finance and Audit Committee recommend that Council add a Project Accountant position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.g Road Safety & Performance Coordinator

To centralize control and oversight of driver safety and approve fleet efficiency by using available data to monitor fleet operations and utilization.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source: Reduction in contribution to Equipment Depreciation Reserve Fund in 2023. In 2024 fleet rates will be adjusted to incorporate cost impacting property taxes and user fees.

### **Motion**

That the Finance and Audit Committee recommend that Council add a Road Safety & Performance Coordinator position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.h Sewer Operator in Training

To provide additional resources to ensure a proactive vs reactive approach to the maintenance of sanitary sewer infrastructure which increases with population growth and development.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source:

Sewer User Fees

### ***Motion***

That the Finance and Audit Committee recommend that Council add a Sewer Operator in Training position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.i Water Operator in Training

To provide additional resources to ensure a proactive vs reactive approach to the maintenance of water distribution infrastructure which increases with population growth and development.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source:

Water User Fees

### ***Motion***

That the Finance and Audit Committee recommend that Council add a Water Operator in Training position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.j Fire Master Plan Implementation

### Recommendation #1

The staffing of two rescue units, one in Station #1 and one in Station #2 to mitigate many of the key shortcoming and risks identified in the Fire Master Plan and bring Nanaimo Fire Rescue closer in line with travel times, First Due Response and Effective Response Force goals recommended by the National Fire Protection Association 1710-2020 for low and medium hazard/risk incidents.

#### Option #1a Add Positions with No Change to Fire Fleet Plan

10 New Firefighters August 1<sup>st</sup> 2023 and 10 New Firefighters January 1<sup>st</sup> 2024

Station #1 Rescue Unit – Light Rescue Vehicle (LRV)

Station #2 Rescue Unit – Heavy Rescue Vehicle (HRV)

#### Funding Source:

General Revenue ~ 0.44% in 2023, ~ 1.21% in 2024, ~ 0.18% in 2025  
~ 0.26% in 2026 and ~ 0.29% in 2027

#### Motion

That the Finance and Audit Committee recommend that Council add 20 new firefighters, 10 in August 2023 and 10 in January 2024, utilizing existing planned fleet purchases, to the 2023 – 2027 Financial Plan.

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## #2.j Fire Master Plan Implementation

### Recommendation #1 Continued

#### Option #1b Add Positions and Purchase a New LRV for Station #2

10 New Firefighters August 1<sup>st</sup> 2023 and 10 New Firefighters January 1<sup>st</sup> 2024

Station #1 Rescue Unit – LRV

Station #2 Rescue Unit – LRV

#### Funding Source:

##### Firefighters:

General Revenue ~ 0.44% in 2023, ~ 1.21% in 2024, ~ 0.18% in 2025  
~ 0.26% in 2026 and ~ 0.29% in 2027

##### LRV – One Time Capital Cost

Funding Option #1 - General Revenue ~ 0.50% in 2023, ~ (0.47) in 2024

Funding Option #2 – Strategic Infrastructure Reserve

#### Motion

That the Finance and Audit Committee recommend that Council add 20 new firefighters, 10 in August 2023 and 10 in January 2024 and add the purchase of a light rescue vehicle for Station #2 to the 2023 – 2027 Financial Plan.

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## #2.j Fire Master Plan Implementation

### *Recommendation #1 Continued*

#### **Option #1c Add Positions and Purchase a New LRV for Station #2 and Cancel the Planned Purchase of a HRV**

10 New Firefighters August 1<sup>st</sup> 2023 and 10 New Firefighters January 1<sup>st</sup> 2024  
 Station #1 Rescue Unit – LRV  
 Station #2 Rescue Unit – LRV

#### Funding Source:

##### Firefighters:

General Revenue ~ 0.44% in 2023, ~ 1.21% in 2024, ~ 0.18% in 2025  
 ~ 0.26% in 2026 and ~ 0.29% in 2027

LRV – Reallocation of funds budgeted for HRV

#### **Motion**

That the Finance and Audit Committee recommend that Council add 20 new firefighters, 10 in August 2023 and 10 in January 2024, cancel the purchase of a heavy rescue vehicle and purchase a light rescue vehicle for Station #2 to the 2023 – 2027 Financial Plan.

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## #2.j Fire Master Plan Implementation

### *Recommendation #1 Continued*

#### **Option #2 Partial Implementation of Recommendation #1**

Add 10 New Firefighters effective August 1<sup>st</sup> 2023

#### Funding Source:

##### Firefighters:

General Revenue ~ 0.44% in 2023, ~ 0.37% in 2024, ~ 0.14% in 2025  
 ~ 0.14% in 2026 and ~ 0.13% in 2027

#### **Motion**

That the Finance and Audit Committee recommend that Council add 10 new firefighters effective August 2023 to the 2023 – 2027 Financial Plan.

#### **Option #3 Status Quo – No Motion Required**

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## #2.k Project Budget Accounting Clerk

To provide additional resources to effectively and efficiently manage the administration of the department's project workload.

### **Option #1 Add Position**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.08% in 2023, 0.01% in 2024

### **Motion**

That the Finance and Audit Committee recommend that Council add a Project Budget Accounting Clerk position to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #2 Status Quo – No Motion Required**

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## #2.l Recreation & Culture Assistant Coordinators

Two part-time positions to increase capacity within the department to enhance the delivery of recreation and culture services by increasing program capacity

### **Option #1 Add Two Part-Time Positions Over 2 Years**

One position effective April 1, 2023 and one position effective January 1, 2024.

Funding Source:

General Revenue ~ 0.04% in 2023, 0.05% in 2024

### **Motion**

That the Finance and Audit Committee recommend that Council add two part-time Recreation & Culture Assistant Coordinator positions, one effective April 1, 2023 and one effective January 1, 2024 to the 2023 – 2027 Financial Plan.

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## #2.I Recreation & Culture Assistant Coordinators *Continued*

### **Option #2 Add Two Part-Time Positions in 2023**

April 1<sup>st</sup> Implementation

Funding Source:

General Revenue ~ 0.08% in 2023, 0.01% in 2024

### ***Motion***

That the Finance and Audit Committee recommend that Council add two part-time Recreation & Culture Assistant Coordinator positions to the 2023 – 2027 Financial Plan effective April 1, 2023.

### **Option #3 Status Quo – No Motion Required**

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## #3 RCMP Contract

The 2023 – 2027 Draft Financial Plan budgets the RCMP contract at 95% for all years due to the history of vacancies and to minimize annual operating surplus.

### **Option #1 Change Percentage to 93% for 2023 only (95% for 2024 forward).**

Impact to 2023 Property Taxation ~ 0.54% reduction

Impact to 2024 Property Taxation ~ 0.50% increase

### ***Motion***

That the Finance and Audit Committee recommend that Council budget the RCMP contract at 93% for 2023 and 95% for 2024 to 2027 for the 2023 – 2027 Financial Plan.

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## #3 RCMP Contract *Continued*

### **Option #2 Change Percentage to 92% for 2023 only (95% for 2024 forward).**

Impact to 2023 Property Taxation ~ 0.80% reduction

Impact to 2024 Property Taxation ~ 0.75% increase

#### ***Motion***

That the Finance and Audit Committee recommend that Council budget the RCMP contract at 92% for 2023 and 95% for 2024 to 2027 for the 2023 – 2027 Financial Plan.

### **Option #3 Status Quo – No Motion Required**

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## #4 Other Grants

Expand the City's Other Grants program to address the variety of funding requests the City receives annually from organizations that do not currently follow under one of the City's established grant programs.

### **Option #1 Increase the Budget to \$30,000/year.**

Impact to 2023 Property Taxation ~ 0.02%

#### ***Motion***

That the Finance and Audit Committee recommend that Council increase the annual budget for Other Grants to \$30,000 for the 2023 – 2027 Financial Plan and direct staff return to the Committee with an updated policy for grant criteria and distribution.

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## #4 Other Grants *Continued*

### **Option #2 Increase the Budget to \$50,000/year.**

Impact to 2023 Property Taxation ~ 0.03%

#### ***Motion***

That the Finance and Audit Committee recommend that Council increase the annual budget for Other Grants to \$50,000 for the 2023 – 2027 Financial Plan and direct staff return to the Committee with an updated policy for grant criteria and distribution.

### **Option #3 Status Quo – No Motion Required**

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## #5 Reserve Funding

Revise the allocation of reserve funding used to lower property taxes.

#### **Current Allocation:**

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

#### **Revised Allocation:**

	2023	2024	2025
Special Initiatives Reserve	1,500,000	-	-

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## #5 Reserve Funding *Continued*

### **Option #1 Revise Allocation of Reserve Funding**

Impact to 2023 Property Taxation ~ 0.31% reduction  
Impact to 2024 Property Taxation ~ 0.53% increase  
Impact to 2025 Property Taxation ~ 0.15% reduction  
Impact to 2026 Property Taxation ~ 0.07% reduction

### ***Motion***

That the Finance and Audit Committee recommend that Council reallocate all the \$1.5 million in reserves for property tax reduction to 2023 in the 2023 – 2027 Financial Plan.

### **Option #2 Status Quo – *No Motion Required***

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## Next Steps



## Next Steps

December 5 <sup>th</sup>	<ul style="list-style-type: none"> <li>E- Town Hall</li> <li>User Rate Bylaws – First Three Readings</li> </ul>
December 7 <sup>th</sup> - If Required	<ul style="list-style-type: none"> <li>Additional Discussions for 2023 – 2027 Financial Plan – if required</li> </ul>
December 19 <sup>th</sup>	<ul style="list-style-type: none"> <li>2023 – 2027 Financial Plan Bylaw – First Three Readings</li> <li>Adoption of User Rate Bylaws</li> </ul>
January 2023	<ul style="list-style-type: none"> <li>Adoption of 2023 – 2027 Financial Plan Bylaw (Provisional Budget)</li> </ul>

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