

DATE OF MEETING DECEMBER 19, 2022  
AUTHORED BY WENDY FULLA, DEPUTY DIRECTOR, FINANCE  
**SUBJECT 2023 – 2027 FINANCIAL PLAN BYLAW**

## **OVERVIEW**

### **Purpose of Report**

To introduce “Financial Plan Bylaw 2022 No. 7359” for first, second and third readings. |

### **Recommendation**

That:

1. “Financial Plan Bylaw 2022 No. 7359” (To confirm and adopt the 2023 – 2027 Financial Plan) pass first reading;
2. “Financial Plan Bylaw 2022 No. 7359” pass second reading; and
3. “Financial Plan Bylaw 2022 No. 7359” pass third reading.

## **BACKGROUND**

The financial planning process is informed by policies and plans endorsed by Council including *City Plan: Nanaimo Reimagined*, the *2019 – 2022 Strategic Plan* and the *20 Year Investment Plan*. In compliance with the *Community Charter*, the Financial Plan is developed through public consultation and Council direction. Prior to May 15<sup>th</sup> each year, Council must adopt both a Five Year Financial Plan Bylaw and a Property Tax Rates Bylaw. Council may adopt a Five Year Financial Plan Bylaw earlier to allow the City to proceed in a timely manner to work on programs and projects. This bylaw is referred to as the Provisional Financial Plan pending adoption of the Financial Plan by May 15<sup>th</sup> of each year.

The 2023 – 2027 Draft Financial Plan, 2023 Departmental Business Plans and the 2023 – 2027 Draft Project Plan were presented to Council at Special Finance and Audit Committee meetings on 2022-NOV-24, 2022-NOV-25 and 2022-NOV-30. At the 2022-DEC-01 Special Finance and Audit Committee meeting a budget recap and decision points were presented to Council. Council engaged in deliberations and provided direction to Staff for changes to the draft plan. Public consultation also included an eTown Hall on 2022-DEC-05. |

## **DISCUSSION**

The 2023 – 2027 Provisional Financial Plan (Financial Plan) is focused on public safety. The Financial Plan also includes investment to maintain more than \$3 billion worth of assets and provide infrastructure, amenities and services that support a growing community and make Nanaimo a place for living, working and playing.

The Financial Plan reflects the motions the Finance and Audit Committee made at the Special Finance and Audit Committee meeting on 2022-DEC-01, including direction to:

- Add 40 new firefighters, 20 in 2023 and 20 in 2025, and applicable fire apparatus to support the addition of a second crew at Fire Station #1 in 2023 and Fire Station #2 in 2025.
- Add 11 new positions to support growth – Cemetery Clerk (temporary), Community Development Clerk, HR Associate: OH&S Support, Project Accountant, Project Budget Accounting Clerk, Recreation & Culture Assistant Coordinators (2 part-time positions), Records Management Clerk, Road Safety & Performance Coordinator, Sewer Operator in Training, and Water Operator in Training.
- Add an EV Ready Fleet Plan Study.
- Adjust the RCMP contract budget based on anticipated vacancies.
- Increase the unallocated pedestrian improvement budget from \$300,000 to \$1,000,000 in 2023.

In July 2022, Council adopted City Plan: Nanaimo Reimagined which will provide strategic direction for the City for the coming 25 years. City Plan: Nanaimo Reimagined identifies five goals - A Green Nanaimo, A Healthy Nanaimo, A Connected Nanaimo, An Empowered Nanaimo and A Prosperous Nanaimo. The Financial Plan includes a number of initiatives to support these goals and enhance service levels:

### **A Green Nanaimo**

- Climate action projects including an EV Ready Fleet Plan, Nanaimo E-Mobility Strategy, Building Benchmarking, Home Energy Assessment Rebates and Community Environmental Project Grant program.
- Recycling Enhancement Study to explore long-term options for recycling self-consolidation.
- Continuation of the Midtown Water Supply project constructing two large water mains to enhance the water supply network and build resiliency within the core of the City.

### **A Connected Nanaimo**

- The Midtown Gateway project is transforming a legacy brownfield site into a revitalized neighbourhood gateway featuring complete street transportation corridors.
- Increasing the comfort and safety of all road users with projects including small scale street improvements, pedestrian crossing signal replacement program, updating of safer school travel plans, and traffic calming.

### **A Healthy Nanaimo**

- 40 new firefighters, 20 in 2023 and 20 in 2025.

- 3 new RCMP members in 2023 and 2024 as part of the final two years of a plan to add 15 new members over 5 years.
- 4 new police support positions in 2023, 2 in 2024 and 1 each in 2025 and 2026 as part of the final four years of a plan to add 15 new support positions over 5 years.
- First full year of the new Community Safety Officers and Community Clean Teams.
- Continued investment in the Stadium District, construction of the Harewood Centennial Turf Fields and a new bike park at Harewood Centennial Park to support an active community.

**An Empowered Nanaimo**

- Investment in recreational opportunities including Loudon Park Improvements and Westwood Lake Phase 2 for residents to enjoy open spaces and waterfronts.
- Continued funding for events to recognize National Indigenous People Day and Truth and Reconciliation Day.

**A Prosperous Nanaimo**

- Funding for the new Tourism Nanaimo Society to work with stakeholders to develop and market Nanaimo as a destination for visitors.
- Phasing of the Commercial Street Implementation Plan to revitalize the heart of Nanaimo’s downtown.

**FINANCIAL CONSIDERATIONS**

The projected property taxes increases in the Financial Plan are:

|                                  | 2023        | 2024        | 2025        | 2026        | 2027        |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0%        | 1.0%        | 1.0%        | 1.0%        | 1.0%        |
| General Property Tax Increase    | 6.3%        | 5.9%        | 4.2%        | 2.2%        | 0.9%        |
| <b>Total Municipal Taxes</b>     | <b>7.3%</b> | <b>6.9%</b> | <b>5.2%</b> | <b>3.2%</b> | <b>1.9%</b> |

Projected 2023 user rates increases are as follows:

|            |      |
|------------|------|
| Water      | 5.0% |
| Sewer      | 4.0% |
| Sanitation | 2.3% |

The projected impact to the typical home is \$179 for municipal taxes and \$220 including user fee increases or approximately \$18/month.

| <b>Tax Paid by Average Home</b>                |                |                |                  |                 |
|--|----------------|----------------|------------------|-----------------|
| <b>Based on 2022 Average Home of \$718,471</b> | <b>2022</b>    | <b>2023</b>    | <b>\$ Change</b> | <b>% Change</b> |
| Property Taxes                                 | \$2,456        | \$2,635        | \$179            | 7.3%            |
| Municipal User Fees                            |                |                |                  |                 |
| Water Fees*                                    | 457            | 487            | 30               | 6.4%            |
| 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>\$3,501</b> | <b>\$220</b>     | <b>6.7%</b>     |

Rounded to nearest dollar

Assumes a single family home with average Class 1 assessment change

\*Based on average seasonal usage and new rate structure

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 2023 – 2027 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 2023 budget and allows the City to proceed in a timely manner to work on programs and projects

## **OPTIONS**

1. That “Financial Plan Bylaw 2022 No. 7359” (To confirm and adopt the 2023 – 2027 Financial Plan) pass first reading;
  - That “Financial Plan Bylaw 2022 No. 7359” pass second reading; and
  - That “Financial Plan Bylaw 2022 No. 7359” pass third reading.
  - The advantages of this option: Adopting the 2023 – 2027 Provisional Financial Plan Bylaw authorizes the expenditures in the 2023 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 2023 – 2027 Provisional Financial Plan may delay the start of programs and/or projects.
  - Financial Implications: The City will operate under year two of the approved 2022 – 2026 Financial Plan Bylaw until the 2023 – 2027 Provisional Financial Plan is adopted.

## **SUMMARY POINTS**

- The Financial Plan focuses on public safety including the addition of 40 new fire firefighters, 6 new RCMP members and the first full year of 12 Community Safety Officers and 2 Community Clean Teams.

- The “Financial Plan Bylaw 2022 No. 7359” allows the City to proceed in a timely manner to work on 2023 programs and projects.
- Council will have opportunities to review and amend the 2023 – 2027 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw

**ATTACHMENTS:**

“Financial Plan Bylaw 2022 No. 7359”

**Submitted by:**

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**Concurrence by:**

Laura Mercer  
Director, Finance