

DATE OF MEETING MAY 1, 2023

AUTHORED BY WENDY FULLA, DEPUTY DIRECTOR, FINANCE

SUBJECT 2023 – 2027 FINANCIAL PLAN AMENDMENT BYLAW

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2023 No. 7359.01” for first, second, and third readings.

Recommendation

1. That “Financial Plan Amendment Bylaw 2023 No. 7359.01” (To amend the 2023 – 2027 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2023 No. 7359.01” pass second reading; and
3. That “Financial Plan Amendment Bylaw 2023 No. 7359.01” pass third reading.

BACKGROUND

Council at the 2023-JAN-16 Council Meeting adopted the Provisional 2023 – 2027 Financial Plan Bylaw “Financial Plan Bylaw 2022 No. 7359”. The Financial Plan reflected decisions made by Council during the budget review process in 2022. A Final 2023 – 2027 Financial Plan Bylaw and a Property Tax Rates Bylaw must be adopted by 2023-MAY-15 to enable the calculation and collection of 2023 property taxes.

At the 2023-APR-19, Finance and Audit Committee meeting Council received an update on the proposed Final 2023 – 2027 Financial Plan and staff sought direction from Council for any additional changes to the budget. The update highlighted changes since the provisional budget was adopted including updates to estimates and directives from Council.

Council engaged in deliberations, which resulted in the following change:

- Elimination of the \$1,100,000 allocated from the Special Initiatives Reserve in 2023 to reduce 2023 property taxes.

At the same meeting the Finance and Audit Committee, based on staff reports, also recommended Council increase the budget for the Harewood Artificial Turf Field project by \$5,019,970 and the 580 Fitzwilliam St Building Upgrade project by \$395,000, both of these changes were incorporated for final.

DISCUSSION

The Final 2023 – 2027 Financial Plan (Financial Plan) is focused on public safety. The Financial Plan also includes investment to maintain more than \$3 billion (2017 Asset Management Update) 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 includes a number of initiatives to support the goals of City Plan: Nanaimo ReImagined:

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 watermains 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 Final 2023 – 2027 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	6.2%	6.2%	5.0%	2.7%	1.1%
Total Municipal Taxes	7.2%	7.2%	6.0%	3.7%	2.1%

The projected impact to the typical home is \$178.50 for municipal taxes or approximately \$14.88/month and \$219.03 including user fee increases.

	2022	2023	% Change
Assessment - Average Home	\$722,079	\$808,873	12.0%
Property Taxes	\$2,468	\$2,647	7.2%
Municipal User Fees			
Water Fees*	457	487	6.4%
Sewer Fees	152	158	4.0%
Sanitation Fees	216	221	2.3%
Total Municipal Taxes & User Fees	\$3,293	\$3,513	6.6%

Rounded to nearest dollar

Assumes a single family home with average Class 1 assessment change

*Based on average seasonal usage and new rate structure

OPTIONS

1. That “Financial Plan Bylaw 2023 No. 7359.01” (To amend the 2023 – 2027 Financial Plan) pass first reading;

That “Financial Plan Bylaw 2023 No. 7359.01” pass second reading; and

That “Financial Plan Bylaw 2023 No. 7359.01” pass third reading.
 - The advantages of this option: Adopting the 2023 – 2027 Financial Plan Amendment Bylaw authorizes the expenditures in the 2023 budget and calculation of the 2023 property taxes.
 - Financial Implications: Enables the calculation and collection of 2023 property taxes. Annual property taxes help fund City services and the project plan.
2. That Council table the report and request more information from Staff.
 - The disadvantages of this option: Additional meeting(s) will be required to complete adoption of bylaws by 2023-MAY-15.

- Financial Implications: The Property Tax Bylaw for the calculation and collection of 2023 Property Taxes cannot be adopted until the 2023 – 2027 Financial Plan Amendment Bylaw is adopted. |

SUMMARY POINTS

- The 2023 property tax increase will be 7.2%
- The “Financial Plan Amendment Bylaw 2023 No. 7359.01” must be adopted by 2023-MAY-15.
- This bylaw will allow Staff to calculate and collect 2023 property taxes. Annual property taxes help fund City service and the project plan.

ATTACHMENTS:

“Financial Plan Amendment Bylaw 2023 No. 7359.01” |

Submitted by:

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Concurrence by:

Laura Mercer
Director, Finance |