



2024 – 2028 Draft Financial Plan

*Special Finance & Audit Committee Meeting
November 22, 2023*

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Financial Plan Development To Date



Feb - July

- 10 year project plans updated
- Council direction on priorities and expectations for 2024 – 2028 Financial Plan
- Operating budgets developed
- Business Cases developed
- Business Plans updated

Aug - Oct

- Budgets reviewed by Finance
- Senior management review
- Budget materials prepared



2024-2028
Financial Plan
Presented to Council: Fall 2023

2024 – 2028 Financial Plan

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Financial Plan Development

Next Steps

November 22 nd & 23 rd	<ul style="list-style-type: none"> • 2024 – 2028 Draft Financial Plan Overview • Highlights of 2024 Departmental Initiatives
November 29 th	<ul style="list-style-type: none"> • Presentations from External Organizations • Highlights of 2024 – 2028 Draft Project Plan • Introduction of Current Decision Points/Discussion of Additional Decision Points
December 1 st	<ul style="list-style-type: none"> • Budget Recap • Decision Points – changes for inclusion in 2024 – 2028 Financial Plan
December 4 th	<ul style="list-style-type: none"> • eTown Hall • User Rate Bylaws – First Three Readings
December 6 th & 8 th - If Required	<ul style="list-style-type: none"> • Additional Discussions for 2024 – 2028 Financial Plan – if required
December 18 th	<ul style="list-style-type: none"> • 2024 – 2028 Financial Plan Bylaw – First Three Readings • Adoption of User Rate Bylaws
January 2024	<ul style="list-style-type: none"> • Adoption of 2024 – 2028 Financial Plan Bylaw (Provisional Budget)
February - April 2024	<ul style="list-style-type: none"> • Review and update Financial Plan for new information, direction from Council, changes to estimates
April – May 15, 2024	<ul style="list-style-type: none"> • Adoption of Amended 2024 – 2028 Financial Plan Bylaw (Final Budget) • Adoption of 2024 Property Tax Rates Bylaw

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Projected Property Tax Increases

	2024	2025	2026	2027	2028
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	1.0%
General Property Tax Increase	5.4%	6.4%	3.6%	1.6%	1.6%
Total Municipal Taxes	6.4%	7.4%	4.6%	2.6%	2.6%

Reserve Funding Allocated to Reduce Property Taxes

	2024	2025
Special Initiatives Reserve	300,000	100,000

Projected tax increases do not include final benefit rates or impact of Nanaimo Operations Centre Phase 1 borrowing. Benefit will be revised when final rates are received.

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Projected 2024 User Fee Increases:

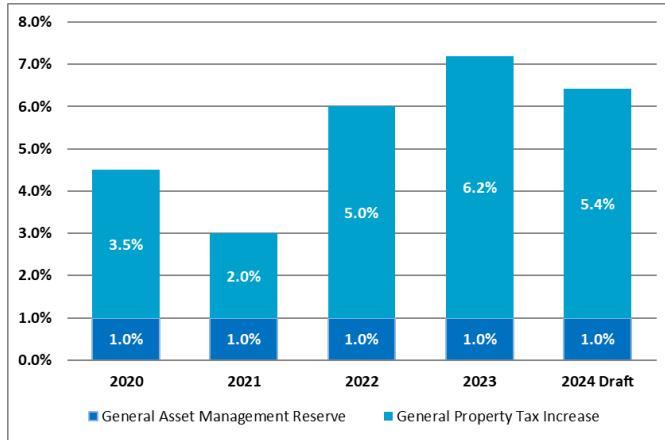
Sewer User Fees ¹	4.0% Increase
Water User Fees ²	6.0% Increase
Sanitation User Fees	3.2% Increase

¹2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase
²2% Water Asset Management Reserve Increase, 4% General Water User Rate Increase

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Property Tax History



10 Year Avg (2014 – 2023) – 3.3%

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Municipal Comparison

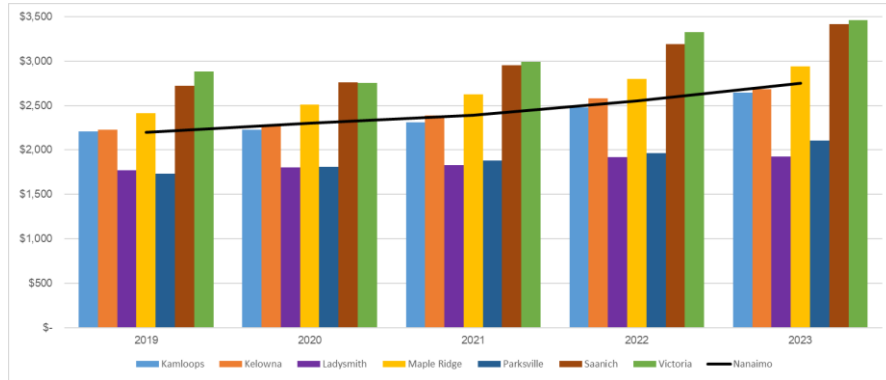
	2019	2020	2021	2022	2023
Kamloops	2,206	2,225	2,308	2,481	2,646
Kelowna	2,230	2,271	2,385	2,579	2,681
Ladysmith	1,770	1,805	1,827	1,922	1,925
Maple Ridge	2,417	2,513	2,627	2,801	2,938
Nanaimo	2,196	2,300	2,390	2,555	2,751
Parksville	1,732	1,808	1,884	1,962	2,103
Saanich	2,720	2,762	2,950	3,189	3,412
Victoria	2,880	2,756	2,992	3,322	3,458

Includes Vancouver Island Regional Library (VIRL). Since 2016, the City of Nanaimo has considered VIRL as a collection for other governments.
Source - BC Stats: 704 Taxes & Charges on a Representative House

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Municipal Comparison



Includes Vancouver Island Regional Library (VIRL). Since 2016, the City of Nanaimo has considered VIRL as a collection for other governments.
 Source - BC Stats: 704 Taxes & Charges on a Representative House

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Typical Home

excludes property taxes collected for the RDN, School District, Hospital and Vancouver Island Regional Library

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Impact on a Typical Home

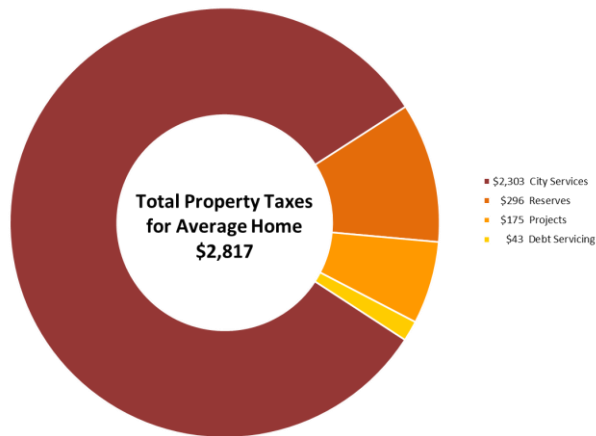
Tax Paid by Average Home				
Based on Average Home of \$808,873				
	2023	2024	\$ Change	% Change
Property Taxes	\$2,647	\$2,817	\$170	6.4%
Municipal User Fees				
Water Fees*	478	506	28	6.0%
Sewer Fees	158	164	6	4.0%
Sanitation Fees	221	228	7	3.2%
Total Municipal Taxes & User Fees	\$3,504	\$3,715	\$211	6.0%

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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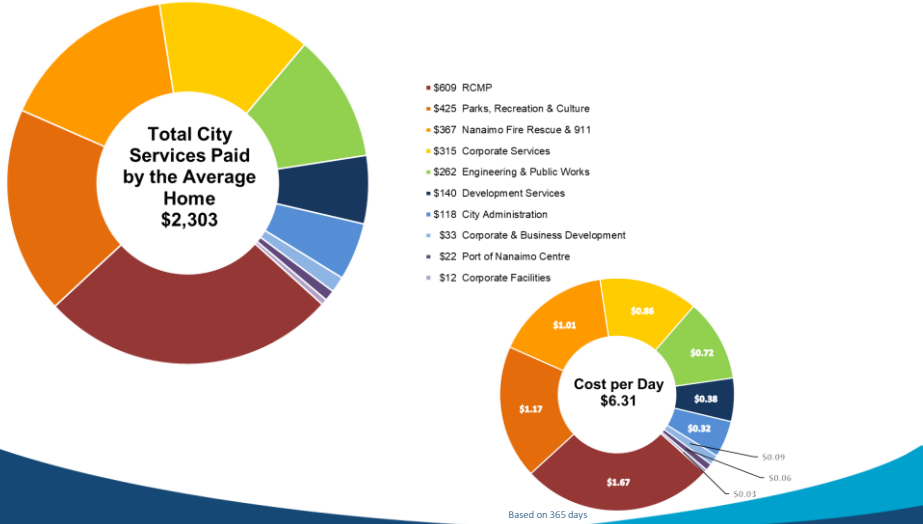
Total Property Taxes for Average Home



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Total City Services Paid by Average Home

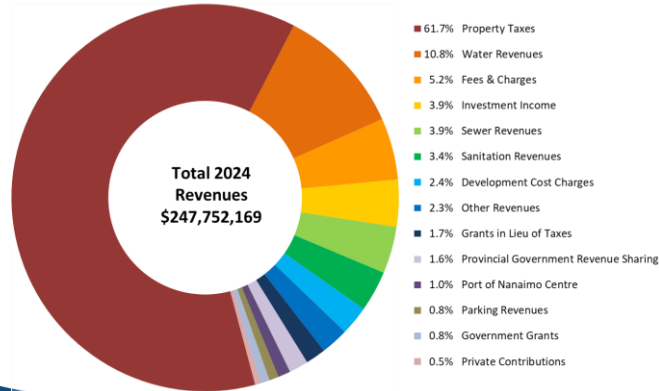


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Financial Summary

2024 Revenues

\$247.8 million provides funding for annual operating and maintenance, projects and contributions to infrastructure renewal reserves

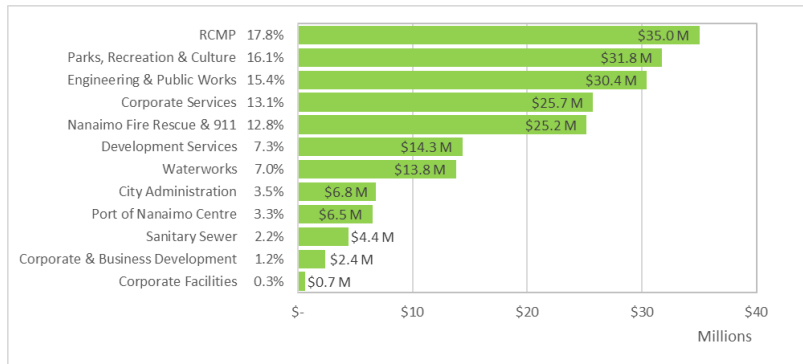


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2024 Operating Budget

\$197.0 million will be spent for annual operating and maintenance resources that deliver day-to-day City Services



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2024 Key Budget Drivers

Expenditure Increases/(Decreases)		
911 Services - Net		\$ 121,000
Asset Management		1,374,000
Cultural Grants - Operating Agreements		101,000
Ethics Commissioner		107,000
Elector Approval ¹		(267,000)
Garbage Collection - Services/Disposal Fees		116,000
Insurance - Corporate		193,000
IT Consulting		146,000
Landscaping - Parks Operations		226,000
Project Expenditures		
Base Funding	400,000	
Business Case Funding	26,000	426,000
RCMP Contract (budgeted at 95%) ²		3,847,000
SNIC ³		100,000
Utilities		176,000
Wages and Benefits ³		5,349,000
Subtotal Expenditure Increases		\$ 12,015,000

Rounded to nearest \$1,000

¹Includes wages & benefits

²Includes 3 new members effective April 1, 2024

³Includes 2.5 FTEs added in 2024 and full year for positions added in 2023 including 20 firefighters added August 1, 2023

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2024 Key Budget Drivers

Revenue (Increases)/Decreases		
Building Permit Revenue		\$ (165,000)
Investment Income		(2,000,000)
Subtotal Revenue Increases		\$ (2,165,000)
Funding (Increase)/Decrease from Reserves		
Transfer from Special Initiatives Reserve - Property Tax Reduction		(300,000)
Subtotal Funding Decreases		\$ (300,000)
Other Changes		\$ 476,000
Net Change		\$ 10,026,000
Less Increased Property Tax Revenues due to Growth		1,200,000
Net Impact		\$ 8,826,000

Rounded to nearest \$1,000

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Business Cases Not Included in Draft Plan

Business Case	Projected Impact to 2024 Property Taxes	Projected Impact to 2025 Property Taxes
Corporate Services		
Finance: Assistant Manager, Procurement	0.09% - April 1 st start	0.02%
IT: Client Support Technician	0.06% - April 1 st start	0.01%
Police: Executive Assistant	0.07% - April 1 st start	0.01%
Development Services		
Bylaw: Bylaw Steno	0.06% - April 1 st start	0.01%
ENGW		
Fleet: Mechanic, Emergency Vehicle Technician	0.07% - April 1 st start	0.03%
Fleet: Mechanic, Fleet Generator Technician	0.07% for fleet unit & adjustment to contribution to Equipment Depreciation Reserve Fund*	-0.06%, 2025 fleet rates adjustment, impacting property taxes and user fees.
Transit Stop Amenities Business Model	0.12%*	-0.09%

*Assumes capital costs funded from property taxes

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Business Cases Not Included in Draft Plan

Business Case	Projected Impact to 2024 Property Taxes	Projected Impact to 2025 Property Taxes
Nanaimo Fire Rescue		
Fire Clerk	0.05% - April 1 st start	0.01%
Parks, Recreation and Culture		
Parks: Natural Area Technician (2 positions)	0.54% - April 1 st start*	-0.24%
RCMP		
RCMP Mental Health Liaison Officer	0.10% - April 1 st start	0.03%
Conversion		
Community Development Clerk – Convert Temporary Part-Time Position to a PFT	0.04% - January 1 st start	

*Assumes capital costs funded from property taxes

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Debt

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Outstanding Debt at Dec 31, 2022

	Amount	Year Borrowing Repaid
External Borrowing (MFA)		
Fire Station #1	\$15,553,662	2038/2040/2041/2042
Fire Station #4	\$ 1,228,399	2027
Sanitation	\$ 673,273	2023/2025
Vancouver Island Conference Centre	\$ 8,920,005	2026/2027
Water Treatment Plant	\$14,926,574	2033/2034
Total External Borrowing	\$41,301,913	
Internal Borrowing		
DCC SS45: Chase River Pump Station & Forcemain	\$ 2,665,255	2039/2040
DCC SS19: Millstone Trunk South	\$ 3,310,001	2040/2041/2042
Total Internal Borrowing	\$ 5,975,256	

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2023 Planned New Debt

	Amount	Term
External Borrowing (MFA)		
Property Purchases ¹	\$4,993,150	5 Year
Sanitation ²	\$1,435,200	5 Year
Total External Borrowing	\$6,428,350	
Internal Borrowing		
DCC SS19: Millstone Trunk South	\$ 97,532	20 Year
Total Internal Borrowing	\$ 97,532	

¹Borrowing is not anticipated to occur in 2023
²Actual amount borrowed \$1,292,314

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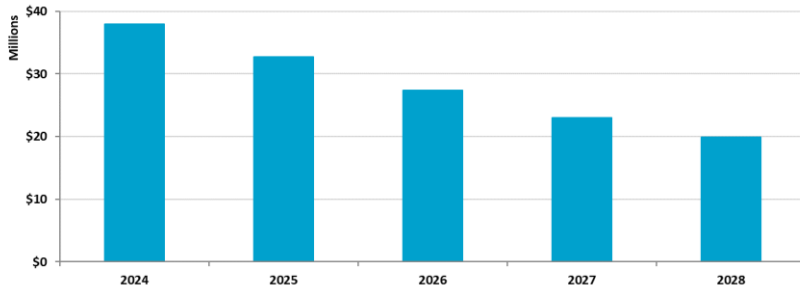
New Debt Included in 2024 – 2028 Financial Plan

	Amount	Term	Year of Borrowing
Internal Borrowing			
DCC SS44: Hammond Bay & Turner Area	\$2,163,150	20 Year	2024
Total Internal Borrowing	\$2,163,150		

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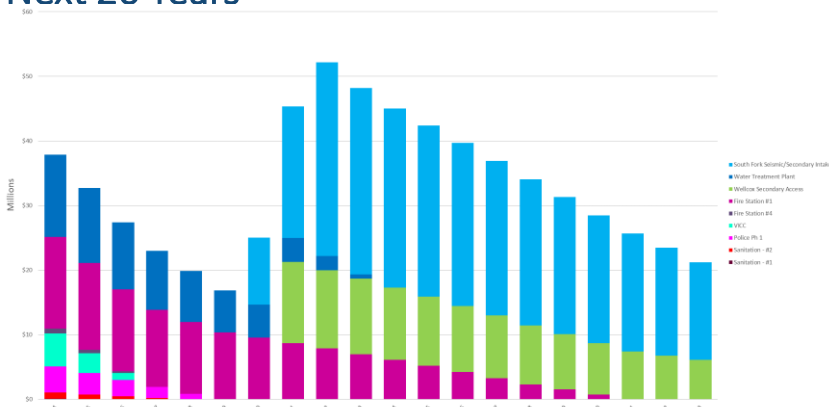
Projected Outstanding Debt - External



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Projected Outstanding Debt – External Next 20 Years

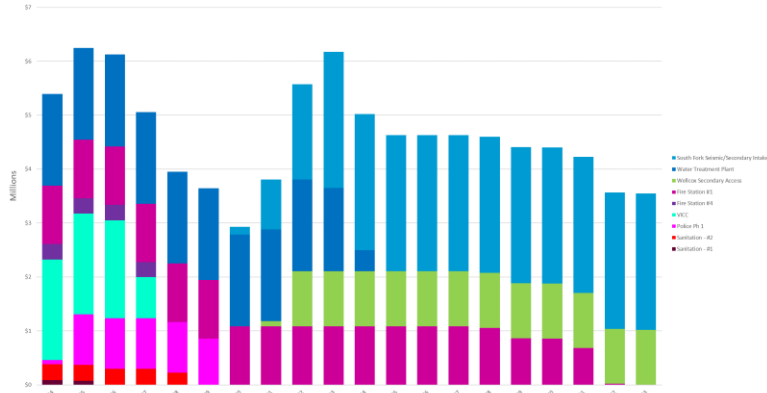


Includes current borrowing in Financial Plan, Wellcox Secondary Access and South Fork Seismic Upgrades and Secondary Intake. Excludes Nanaimo Operations Centre Ph 1 - 4, Police Operations Building – Future Phases, South End Community Centre, Waterfront Walkway, Major Recreation Facility Reno and Future Fire Station.

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Projected Annual External Debt Servicing Costs - Next 20 Years



Includes current borrowing in Financial Plan, Wellcox Secondary Access and South Fork Seismic Upgrades and Secondary Intake. Excludes Nanaimo Operations Centre Ph 1 - 4, Police Operations Building – Future Phases, South End Community Centre, Waterfront Walkway, Major Recreation Facility Reno and Future Fire Station.

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Debt Servicing Limit

- The Liability Servicing Limit is defined as 25% of municipality’s controllable and sustainable revenues for the year
- City of Nanaimo limit at December 31, 2022 is \$51.7 M for annual principle and interest payments
- At December 31, 2022 the City was at 13.5% of current limit

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Municipal Comparison

Debt Servicing Limits					
	2018	2019	2020	2021	2022
Kamloops	45,613,405	48,992,036	47,983,763	49,638,937	54,055,657
Kelowna	79,457,574	81,643,095	74,141,942	82,304,903	92,117,777
Ladysmith	3,865,710	4,218,062	4,224,355	4,532,646	4,845,620
Maple Ridge	33,714,975	35,965,266	36,683,133	38,436,615	42,094,456
Nanaimo	43,120,716	44,839,046	44,370,220	47,198,318	51,683,357
Parksville	5,646,788	6,476,439	6,477,091	6,977,432	7,554,169
Saanich	50,681,673	53,519,092	53,623,777	56,603,503	61,024,878
Victoria	62,102,416	64,465,215	61,120,784	63,755,199	69,550,746

Debt Servicing Cost % of limit					
	2018	2019	2020	2021	2022
Kamloops	27.9%	34.9%	22.9%	21.0%	18.3%
Kelowna	45.7%	23.0%	20.3%	15.4%	13.4%
Ladysmith	37.9%	25.5%	40.7%	37.5%	55.8%
Maple Ridge	37.6%	20.9%	22.6%	18.4%	21.6%
Nanaimo	11.0%	14.6%	15.5%	13.4%	13.5%
Parksville	7.8%	6.2%	7.7%	7.0%	5.8%
Saanich	10.1%	10.2%	11.6%	10.4%	12.0%
Victoria	9.6%	9.2%	10.1%	10.2%	9.4%

Source - BC Stats: 602.1 Liability Servicing Limit

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Reserves

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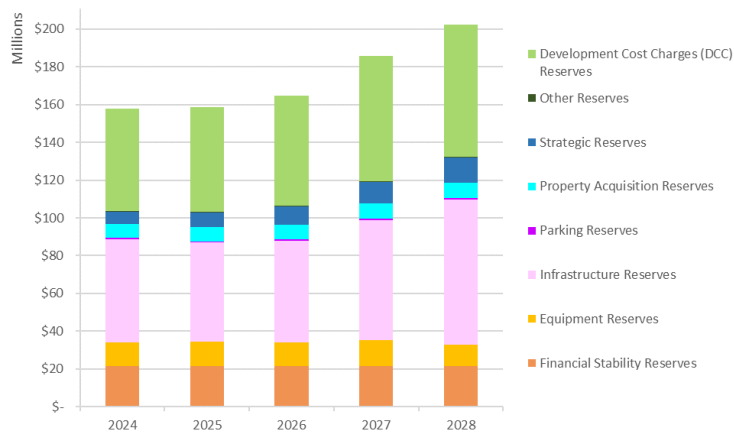
Reserves

- Operating Reserves
- Statutory Reserves
 - Authorized by the Community Charter and/or City Bylaws
 - Can only be used as authorized by the Community Charter and the related City Bylaw.
- Reserve Framework
 - Financial Stability Reserves
 - Equipment Reserves
 - Infrastructure Reserves
 - Parking Reserves
 - Property Acquisition Reserves
 - Strategic Reserves
 - Other Reserves
 - Development Cost Charges (DCC) Reserves

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Reserves Summary



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