

DATE OF MEETING DECEMBER 18, 2023

AUTHORED BY WENDY FULLA, DEPUTY DIRECTOR, FINANCE

SUBJECT 2024 – 2028 Financial Plan Bylaw

OVERVIEW

Purpose of Report

To introduce “Financial Plan Bylaw 2023 No 7371” for first, second and third readings. |

Recommendation

That:

1. “Financial Plan Bylaw 2023 No. 7371” (To confirm and adopt the 2024 – 2028 Financial Plan) pass first reading;
2. “Financial Plan Bylaw 2023 No. 7371” pass second reading; and
3. “Financial Plan Bylaw 2023 No. 7371” pass third reading.

BACKGROUND

The financial planning process is informed by policies and plans endorsed by Council including the *2023–2026 Council Strategic Framework*, *City Plan: Nanaimo Reimagined*, and the *20 Year Investment Plan and Asset Management Plan Update*. In compliance with the *Community Charter*, the Financial Plan is developed through public consultation and Council direction. Prior to May 15th 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 15th of each year.

The 2024 – 2028 Draft Financial Plan, 2024 Departmental Key Initiatives and the 2024 – 2028 Draft Project Plan were presented to Council at Special Finance and Audit Committee meetings on 2023-NOV-22, and 2023-NOV-29. At the 2023-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 2023-DEC-04. |

DISCUSSION

The 2024 – 2028 Provisional Financial Plan (Financial Plan) supports Council's Strategic Framework (Framework) and includes investment to maintain more than \$4.8 billion (2021) worth of assets.

The Financial Plan integrates the six key focus areas of the Framework as the City works towards building a stronger, more sustainable and more resilient community.

Support of the Frameworks six key focus areas includes:

Implementing City Plan Action Plans and Key City Management Plans

- Departmental business plans, project plans and 2024 key initiatives incorporate actions from the *Integrated Action Plan for City Plan: Nanaimo Reimagined*.

Social, Health and Public Safety Challenges

- Funding to support the Nanaimo Systems Planning Organization in its work to improve coordination and organization of existing health and housing resources.
- Funding for a daytime warming centre.
- Implementation of the Nanaimo Youth Resilience Strategy funded by the Building Safer Communities grant.

Maintaining and Growing Current Services

- First full year of 20 new firefighters that started in August 2023 and an additional 20 new firefighters in 2025 in support of the Fire Master Plan Implementation.
- Three new RCMP members in 2024, the final year of a plan to add 15 members over five years.
- Continuation and completion of Phase 2 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.

Capital Projects

- Westwood Lake Improvement Project Phase 2 for residents to enjoy open spaces and waterfronts.
- Phasing of the Commercial Street Implementation plan to revitalize the heart of Nanaimo's downtown.
- In conjunction with the Regional District of Nanaimo and BC Transit undertake the construction of a new Downtown Transit Exchange
- Construction of new washrooms at Maffeo Sutton Park, a destination park in the heart of Nanaimo that hosts countless community special events.

Communicating with the Community

- Redesign of Nanaimo.ca to improve user experience when searching for information.

Governance and Corporate Excellence

- Continuation of the implementation of a new cloud-based enterprise resource planning software that will streamline financial processes.

The Financial Plan also reflects the motions the Finance and Audit Committee made at the Special Finance and Audit Committee meeting on 2023-DEC-01, including direction to:

- Increase base funding to the Nanaimo Prosperity Corporation from \$412,692 to \$515,850 per year.
- Approve five-year operating grants to the Nanaimo Area Land Trust and CatNap Society to support the work they under take in the community.
- Increase the 2024 snow and ice control budget (SNIC) to 5-Year average.
- Add funding to recognize Nanaimo 150 as 2024 marks 150 years since the City incorporated in 1874.
- Increase the Downtown Event Grants program to \$250,000 per year.
- Add 11 new positions to support growth and improve level of service: Assistant Manager - Procurement, Executive Assistant - Police Services, Client Support Technician, Community Development Clerk, Emergency Vehicle Technician, Fleet Generator Technician, Fire Clerk, two Natural Area Technicians, Steno Bylaw (part-time), and Transit Planning Specialist.
- Add additional project funding for transit stop amenities, Extension Road traffic calming and 8 new pickleball courts at Beban Park.

FINANCIAL CONSIDERATIONS

The projected property taxes increases in the Financial Plan are:

	2024	2025	2026	2027	2028
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	1.0%
General Property Tax Increase	7.0%	6.0%	3.6%	1.6%	1.6%
Total Municipal Taxes	8.0%	7.0%	4.6%	2.6%	2.6%

Projected 2024 user rates increases are as follows:

- Water – 6.0%
- Sewer – 4.0%
- Sanitation – 3.2%

The projected impact to the typical home is \$213 for municipal taxes and \$254 including user fee increases or approximately \$21/month.

Based on Average Home of \$808,873	2023	2024	\$ Change	% Change
Property Taxes	\$2,647	\$2,860	\$213	8.0%
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	\$3,758	\$254	7.2%

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 2024 – 2028 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 2024 budget and allows the City to proceed in a timely manner to work on programs and projects.

OPTIONS

1. That “Financial Plan Bylaw 2023 No. 7371” (To confirm and adopt the 2024 – 2028 Financial Plan) pass first reading;

That “Financial Plan Bylaw 2023 No. 7371” pass second reading; and

That “Financial Plan Bylaw 2023 No. 7371” pass third reading.
 - The advantages of this option: Adopting the 2024 – 2028 Provisional Financial Plan Bylaw authorizes the expenditures in the 2024 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 2024 – 2028 Provisional Financial Plan may delay the start of programs and/or projects.
 - Financial Implications: The City will operate under year two of the approved 2023 – 2027 Financial Plan Bylaw until the 2024 – 2028 Provisional Financial Plan is adopted.

SUMMARY POINTS

- The Financial Plan supports Council’s Strategic Framework.
- The “Financial Plan Bylaw 2023 No. 7371” allows the City to proceed in a timely manner to work on 2024 programs and projects.
- Council will have opportunities to review and amend the 2024 – 2028 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw.

ATTACHMENTS:

“Financial Plan Bylaw 2023 No. 7371” |

Submitted by:

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Concurrence by:

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