

DATE OF MEETING FEBRUARY 5, 2024

AUTHORED BY WENDY FULLA, DIRECTOR, FINANCE

SUBJECT 2023 – 2027 FINANCIAL PLAN AMENDMENT BYLAW

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2024 No 7359.02” for first, second and third readings, for changes that have occurred since the bylaw was last amended on 2023-MAY-08.

Recommendation

1. That “Financial Plan Amendment Bylaw 2024 No. 7359.02” (To amend the 2023 – 2027 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2024 No. 7359.02” pass second reading; and
3. That “Financial Plan Amendment Bylaw 2024 No. 7359.02” pass third reading.

BACKGROUND

The *Community Charter*, Section 165 (1) mandates that the City must adopt a financial plan, by bylaw annually. Further, *Community Charter*, Section 165 (2) provides that the financial plan may be amended from time to time, by bylaw. Budget bylaw amendments are required where new expenditures require additional sources of funding, or when budgets are transferred between operating and capital funds.

DISCUSSION

A number of revisions to the 2023 – 2027 Financial Plan were undertaken since the adoption of the final budget on 2023-MAY-08.

Details of the revisions that increased/decreased the overall City expenditure budget or provided new sources of funding are detailed below. Amounts do not necessarily reflect the final budget for the project as the project may have had an original budget and/or also received funding through a budget transfer(s).

- Building Safer Communities Grant – Amend 2023 by \$565,629, 2024 by \$648,661 and 2025 by \$370,663 to reflect approved work plan, funded by a grant from the Building Safer Communities Fund funded by the Ministry of Public Safety & Emergency Preparedness.
- 2023 FireSmart Grant – Expenditure budget added of \$76,555, funded by a grant from the Community Resiliency Investment program funded by the Ministry of Forests. Report to the Finance and Audit Committee 2023-MAR-15.
- Hazzard Risk and Vulnerability Assessment and Risk Mapping – Expenditure budget added of \$300,000, funded by a grant from the Community Emergency Preparedness Fund funded by the Ministry of Emergency Management & Climate Readiness. Report to the Finance and Audit Committee 2023-MAR-15.
- Nanaimo Operations Centre (NOC) – Expenditure budget added of \$300,000, funded by the General Asset Management Reserve Fund. Report to Council 2023-MAY-01.
- Partners in the Park: Smuggler’s Park Community Garden – Expenditure budget increased \$15,000, funded by a private contribution from the Douglas Island Garden Society. Report to Finance and Audit Committee 2023-MAY-17.
- Partners in the Park: Rocky Point Playground at Harry Whipper Park – Expenditure budget increased \$80,000, funded by community fundraising (private contributions). Report to Finance and Audit Committee 2023-MAY-17.
- Public Works Days – Expenditure budget increased \$5,450, funded by private contributions from sponsors.
- Chase River Dams – Expenditure budgeted added of \$35,128, funded by a grant from the Municipal Insurance Association of BC.
- Woodgrove Area Plan – Expenditure budget increased \$200,000, funded by a grant from the 2023 Complete Communities program funded by Ministry of Housing. Report to Council 2023-JUN-05.
- Terminal Avenue Corridor Upgrades Phase 1 – Expenditure budget increased by \$1,556,158, funded by \$150,652 from General Capital Reserve, \$1,343,243 from General Asset Management Reserve Fund and \$62,263 from Water Asset Management Reserve Fund. Report to the Finance and Audit Committee 2023-JUN-14.
- Beban Pool: Steam Room Repairs – Expenditure budgeted added of \$60,000, funded by the Facility Development Reserve Fund. Report to the Finance and Audit Committee 2023-JUN-17.
- Neck Point Park Water Fountain – Expenditure budgeted added of \$10,110, funded by a private contribution from Dave and Maureen Kirk.
- Cool It! Climate Leadership Program – Expenditure budget increased \$489, funded by private contribution from Vancouver Island Sustainable Technology Association (VISTA).
- Nanaimo Fire Rescue Furniture & Equipment: Used Shipping Containers – Expenditure budget added of \$15,000 to reflect the donation of three used shipping containers from City of Saanich.
- Community Safety & Wellbeing Plan – Expenditure budget added of \$75,000, funded by a grant from Minister of Public Safety & Emergency Preparedness. Report to Council 2023-JUL-10.
- Pedestrian Improvements – Expenditure budget increased \$30,000, funded from the Strategic Infrastructure Reserve Fund. Report to the Governance and Priorities Committee 2023-JUL-17.
- Midtown Water Supply Upgrade – 2024 expenditure budget increased \$4,595,259 funded by \$263,750 from Water Supply DCC Reserve Fund, \$263,750 from Water Asset Management Reserve Fund, \$1,967,759 from Water Reserve and \$2,100,000 from

Growing Communities Reserve Fund. Report to Finance and Audit Committee 2023-JUL-19.

- Caledonia: Practice & Security Lighting – Expenditure budget added of \$111,000, funded by the Strategic Infrastructure Reserve Fund. Report to the Finance and Audit Committee 2023-JUL-19.
- Stadium District Improvements – Expenditure budget added of \$1,000,000, funded by Destination Development grant. Report to the Finance and Audit Committee 2023-JUL-19.
- Downtown Transit Exchange – Expenditure budgeted increased \$3,856,322 to reflect revised cost estimates, funded by the Regional District of Nanaimo and BC Transit (successful Investing in Canada Infrastructure Program – Public Transit Stream grant).
- Terminal Ave @ Wenworth St Pedestrian Signal – Expenditure budget increased \$33,000, funded by a grant from ICBC.
- Accessibility Upgrades: Rick Hansen Grant – Expenditure budget added of \$23,482, funded by a grant from the Rick Hansen Foundation. Report to the Advisory Committee on Accessibility and Inclusiveness 2023-SEPT-06.
- Rent Supplement Program – Expenditure budget added of \$150,000, funded by the Housing Legacy Reserve Fund (Online Accommodation Platform (OAP) funding). Report to Council 2023-SEPT-11.
- Rent Bank Program – Expenditure budget added of \$75,000, funded by the Housing Legacy Reserve Fund (Online Accommodation Platform (OAP) funding). Report to Council 2023-SEPT-11.
- Rotary Bowl Improvements – Expenditure budget added of \$256,900, funded by \$169,300 from Payments in Lieu of Taxes and \$87,600 from the General Asset Management Reserve Fund. Report to Finance and Audit Committee 2023-SEPT-13.
- 2023 Fleet Replacement Plan – Expenditure budget increased \$ 623,100, funded by the Equipment Depreciation Reserve Fund. Report to the Finance and Audit Committee 2023-SEPT-13.
- Facilities: GHG Emissions Reduction Study – Expenditure budget increased \$200,000, funded by a grant from Green Municipal Fund. Report to the Finance and Audit Committee 2023-MAR-15.
- NexGen 911 Grant – Expenditure budget added of \$45,000, funded by a grant from the Next Generation 911 funding program funded by the Ministry of Citizen’s Services.
- Commercial Street Improvements – 2024 expenditure budget increased \$3,985,000, funded by Growing Communities Reserve Fund and 2025 budget decreased \$1,998,800 (project accelerated to 2024). Report to the Finance and Audit Committee 2023-OCT-18.
- City Fleet – the expenditure budget for two planned fleet units were increased \$10,000 each, funded by a federal rebate for electric vehicles that will be received at point of sale.
- Day-Time Drop In Centre – Expenditure budget increased by \$7,120, funded by the Strategic Infrastructure Reserve Fund. Report to the Finance and Audit Committee 2023-OCT-18.
- DCC WS36 Vandernuek Reservoir – Expenditure budget of \$930,000 added, funded by Water Supply DCC Reserve Fund. Report to Council 2023-NOV-06.
- Property Acquisitions – Expenditure budget added of \$4,077,791 for various property purchases, funded by \$738,621 from Parks DCCs, \$169,170 from Parkland Dedication Reserve Fund, \$2,480,000 from the Property Acquisition Reserve Fund and \$1,600,000 from the Housing Legacy Reserve Fund and a reduction in short term borrowing of \$910,000. Reports to Council 2023-OCT-16 and 2023-DEC-04.

- Mobile Home Park Energy Study – Expenditure budget added of \$15,000, funded by the Climate Action Reserve Fund. Report to the Finance and Audit Committee 2023-NOV-15.
- Marie Davidson Bike Park Upgrades – Expenditure budget increased \$50,000, funded by a private contribution from Nanaimo BMX. Report pending to the Finance and Audit Committee 2024-FEB-21.
- Photocopier Purchases – Expenditure budget increased \$10,000, funded from the Photocopier Reserve Fund. Report pending to the Finance and Audit Committee 2024-FEB-21.
- Sanitation Fleet – External borrowing was reduced \$142,886 due to a Fortis grant in the amount of \$17,886 and \$125,000 in sanitation user fees collected for debt servicing being reallocated to fund purchase. The City received the units later than anticipated resulting in debt servicing costs being lower than budgeted, Funds were reallocated to reduce borrowing thereby reducing interest costs over the life of the borrowing. 2024 project budget was increased \$9,700 from savings in debt servicing costs.

Revisions due to budget transfers between operating and capital expenditures are summarized in Attachment A |

OPTIONS

1. | 1. That “Financial Plan Amendment Bylaw 2024 No. 7359.02” (To amend the 2023 – 2027 Financial Plan) pass first reading;

That “Financial Plan Bylaw Amendment 2024 No. 7359.02” pass second reading; and

That “Financial Plan Amendment Bylaw 2024 No. 7359.02” pass third reading.
 - The advantages of this option: Amending the 2023 – 2027 Financial Plan Bylaw ensures that spending is within legal limits.
 - Financial Implications: The net effect of the changes is to increase the 2023 expenditures budget by \$14,817,934, increase the 2024 expenditure budget by \$9,228,920, and decrease the 2025 expenditure budget by \$1,628,137.
2. That Council table the report and request more information from Staff. |

SUMMARY POINTS

- The “Financial Plan Amendment Bylaw 2024 No. 7359.02” captures budget changes with additional funding sources and budget transfers between operating and capital funds identified to the end of 2023.

ATTACHMENTS:

- Attachment A: Budget Transfers
- “Financial Plan Amendment Bylaw 2024 No. 7359.02”

Submitted by:

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Concurrence by:

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