

DATE OF MEETING APRIL 29, 2024

AUTHORED BY WENDY FULLA, DIRECTOR, FINANCE

SUBJECT 2024 – 2028 FINANCIAL PLAN AMENDMENT BYLAW

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2024 No. 7371.01” for first, second and third readings.

Recommendation

1. That “Financial Plan Amendment Bylaw 2024 No. 7371.01” (To amend the 2024 – 2028 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2024 No. 7371.01” pass second reading; and
3. That “Financial Plan Amendment Bylaw 2024 No. 7371.01” pass third reading.

BACKGROUND

Council at the 2024-JAN-15 Council Meeting adopted the Provisional 2024 – 2028 Financial Plan Bylaw “Financial Plan Bylaw 2023 No. 7371”. The Financial Plan reflected decisions made by Council during the budget review process in 2023. A Final 2024 – 2028 Financial Plan Bylaw and a Property Tax Rates Bylaw must be adopted by 2024-MAY-15 to enable the calculation and collection of 2024 property taxes.

At the 2024-APR-17, Finance and Audit Committee meeting Council received an update on the proposed Final 2024 – 2028 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:

- Budget the RCMP contract at 92% for 2024 and 95% for 2025 to 2028 in the 2024 – 2028 Financial Plan.

At the same meeting the Finance and Audit Committee, based on staff reports, also recommended Council increase the IT base operating budget by \$144,300 in 2024 and an additional \$68,910 in 2025, funded by property taxation and increase the 2024 budget for the Marie Davidson BMX Park Redevelopment by \$330,000 funded by Growing Communities Fund Reserve.

DISCUSSION

The Final 2024 – 2028 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 area 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.

FINANCIAL CONSIDERATIONS

The projected property taxes increases in the Final 2024 – 2028 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	6.7%	6.2%	3.1%	1.5%	1.7%
Total Municipal Taxes	7.7%	7.2%	4.1%	2.5%	2.7%

The projected impact to the typical home is \$204 for municipal taxes or approximately \$17/month.

	2023	2024	\$ Change	% Change
Assessment - Average Home	\$806,636	\$783,808	(\$22,828)	-2.8%
Property Taxes	\$2,639	\$2,843	\$204	7.7%
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	\$3,496	\$3,741	\$245	7.0%

Rounded to nearest dollar

Assumes a single family home with average Class 1 assessment change

*Based on average seasonal usage

OPTIONS

- That “Financial Plan Bylaw 2024 No. 7371.01” (To amend the 2024 – 2028 Financial Plan) pass first reading;
That “Financial Plan Bylaw 2024 No. 7371.01” pass second reading; and
That “Financial Plan Bylaw 2024 No. 7371.01” pass third reading.
 - The advantages of this option: Adopting the 2024 – 2028 Financial Plan Amendment Bylaw authorizes the expenditures in the 2024 budget and calculation of the 2024 property taxes.
 - Financial Implications: Enables the calculation and collection of 2024 property taxes. Annual property taxes help fund City services and the project plan.
- 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 2024-MAY-15.
 - Financial Implications: The Property Tax Bylaw for the calculation and collection of 2024 Property Taxes cannot be adopted until the 2024 – 2024 Financial Plan

Amendment Bylaw is adopted.

SUMMARY POINTS

- The 2024 property tax increase will be 7.7%.
- The “Financial Plan Amendment Bylaw 2024 No. 7371” must be adopted by 2024-MAY-15.
- This bylaw will allow Staff to calculate and collect 2024 property taxes. Annual property taxes help fund City services and the project plan.

ATTACHMENTS:

“Financial Plan Amendment Bylaw 2024 No. 7371.01” |

Submitted by:

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Concurrence by:

Laura Mercer
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