

CITY OF NANAIMO

BYLAW NO. 7371.01

A BYLAW TO CONFIRM AND ADOPT THE FINANCIAL PLAN

The Municipal Council of the City of Nanaimo in open meeting assembled, ENACTS AS FOLLOWS:

1. Title

This Bylaw may be cited as the “Financial Plan Amendment Bylaw 2024 No. 7371.01”.

2. Amendments

“Financial Plan Bylaw 2023 No. 7371” is hereby amended as follows:

- (1) Delete Schedule “A” in its entirety and replace with the attached Schedule “A”.
- (2) Delete Schedule “B” in its entirety and replace with the attached Schedule “B”.

PASSED FIRST READING: 2024-APR-29

PASSED SECOND READING: 2024-APR-29

PASSED THIRD READING: 2024-APR-29

ADOPTED: _____

MAYOR

CORPORATE OFFICER

Schedule A
City of Nanaimo
2024 - 2028 Financial Plan

	2024	2025	2026	2027	2028
Revenues:					
Revenue from Property Value Taxes	154,811,457	167,000,562	175,078,295	180,680,180	186,823,737
Revenue from Parcel Taxes	209,980	212,840	58,095	2,904	2,904
Revenue from Fees & Charges	61,961,575	64,187,645	67,681,324	69,366,455	70,940,409
Revenue from Other Sources	50,706,230	36,560,592	32,393,037	31,787,791	30,954,619
	<u>267,689,242</u>	<u>267,961,639</u>	<u>275,210,751</u>	<u>281,837,330</u>	<u>288,721,669</u>
Expenses:					
General Operating Expenditures	203,957,849	185,196,276	191,444,685	195,063,168	201,504,102
Sanitary Sewer Operating Expenditure:	5,565,654	5,133,918	5,286,632	5,340,885	5,398,154
Waterworks Operating Expenditures	14,291,505	13,878,576	13,521,979	13,923,840	13,616,697
Interest Payment on Municipal Debt	2,355,349	2,579,329	2,475,616	1,853,895	1,516,149
Amortization	32,277,097	33,035,013	34,164,334	34,160,680	35,470,153
Annual Surplus/Deficit	<u>9,241,788</u>	<u>28,138,527</u>	<u>28,317,505</u>	<u>31,494,862</u>	<u>31,216,414</u>
Add back:					
Amortization	32,277,097	33,035,013	34,164,334	34,160,680	35,470,153
Capital Expenditures					
General Capital Expenditures	92,153,149	39,498,890	30,388,461	25,846,147	28,516,502
Sanitary Sewer Capital Expenditures	8,025,592	10,408,200	4,580,300	5,059,600	6,776,300
Waterworks Capital Expenditures	34,969,001	10,301,600	16,322,100	8,850,900	10,991,800
Proceeds from Municipal Borrowing	(4,083,150)	-	-	-	-
Principal Payment on Municipal Debt	4,364,028	5,192,228	5,310,053	4,406,790	3,160,728
Transfers between Funds:					
Reserve Funds	-	-	-	-	-
DCC Funds	-	-	-	-	-
Transfers to/(from) Accumulated Surplus	<u>(93,909,735)</u>	<u>(4,227,378)</u>	<u>5,880,925</u>	<u>21,492,105</u>	<u>17,241,237</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Schedule B
City of Nanaimo
Statement of Revenue Objectives & Policies

1. Proportion of Revenue by Source

The City receives revenues from a variety of sources including property taxes and user fees. This funding pays for such services as police and fire protection, solid waste collection, management of roads, drainage, sanitary sewer, waterworks and parks infrastructure, along with the delivery of leisure and cultural services. Property taxes are the largest source of revenue as detailed in Table 1.

Table 1: Sources of Revenue

Revenue Source	\$ Total Revenue	% Total Revenue
Property Value Taxes	154,811,457	58%
Parcel Taxes	209,980	0%
Fees & Charges	61,961,575	23%
Other Sources	50,706,230	19%
Total	267,689,242	100%

Policies and Objectives

Property Taxes

- The City will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- Where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue.

Parcel Taxes

- Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

Fees & Charges

- Wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of the costs recovered by fees and charges will vary with the nature of the service provided.

Proceeds of Borrowing

- Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time (20 years or more).
- Borrowing will be consistent with the City’s Debt Management Policy.

Other Sources of Revenue

- The City will continue to seek other sources of revenue in order to reduce reliance on property taxes.
- The City will consider hydroelectric power generation where practical and environmentally supportable.

2. Distribution of Property Taxes Among the Classes

Table 2 outlines the projected distribution of property taxes amongst the property classes. Projected revenue from residential provides the largest proportion of property tax revenue. This class represents the largest portion of the tax base and utilizes the majority of City services. Between 2009 and 2013, the light and major industrial tax rates were reduced to the same level as the commercial tax rate.

Table 2: Projected Distribution of Property Tax Rates and Tax Class Ratios

Property Class	\$ Property Taxes	% of Total Property Taxation	Tax Class Ratios
Residential (1)	106,064,092	68.51%	1.000
Utilities (2)	843,870	0.55%	9.966
Supportive Housing (3)	-	0.00%	-
Major Industry (4)	2,037,715	1.32%	3.285
Light Industry (5)	2,780,382	1.80%	3.285
Business and Other (6)	42,705,003	27.59%	3.285
Managed Forest Land (7)	3,828	0.00%	5.480
Recreational/Non-Profit (8)	376,400	0.24%	2.594
Farm (9)	167	0.00%	0.132
Total	154,811,457	100%	

Policies and Objectives

- The City will attempt to keep the percentage of property taxes received from residential taxpayers at a level comparable to the average of similar municipalities.
- The City will attempt, over time, to reduce the commercial tax rate to the average of all BC municipalities.

3. Permissive Tax Exemptions

The City believes that permissive tax exemptions are an appropriate way to recognize the value of the services provided to the community by non-profit organizations. Each year, a list of these exemptions is included in the City’s Annual Report.

Policies and Objectives:

- Permissive tax exemptions are governed by the City’s Grants Policy and Guidelines, which outlines the criteria for which property tax exemptions may be granted.
- Permissive tax exemption requests will be reviewed by the Finance and Audit Committee and the Committee will make recommendations to Council.
- Permissive tax exemptions will be reviewed at least every three years to ensure that

the organization and property still meets the criteria established by Council.

4. Revitalization Tax Exemptions

The City believes that revitalization tax exemptions are an appropriate tool to assist the City in realizing its strategic objectives.

Policies and Objectives:

- The City can exempt municipal taxes for up to ten years for projects undertaken by landowners, where the project meets defined objectives of a City strategy.
- Recipients of exemptions must enter into a Revitalization Tax Exemption Agreement with the City.
- Every revitalization tax exemption must be approved by Council.