




CITY OF NANAIMO  
THE HARBOUR CITY

# 2025 – 2029 Financial Plan Development

*Finance & Audit Committee Meeting  
June 19, 2024*

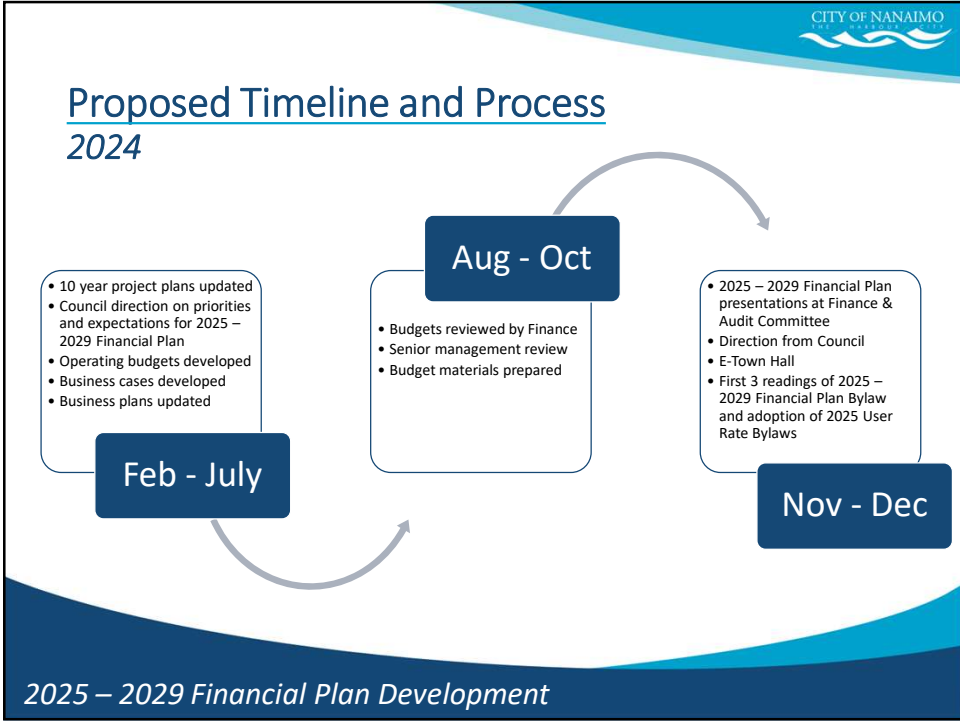
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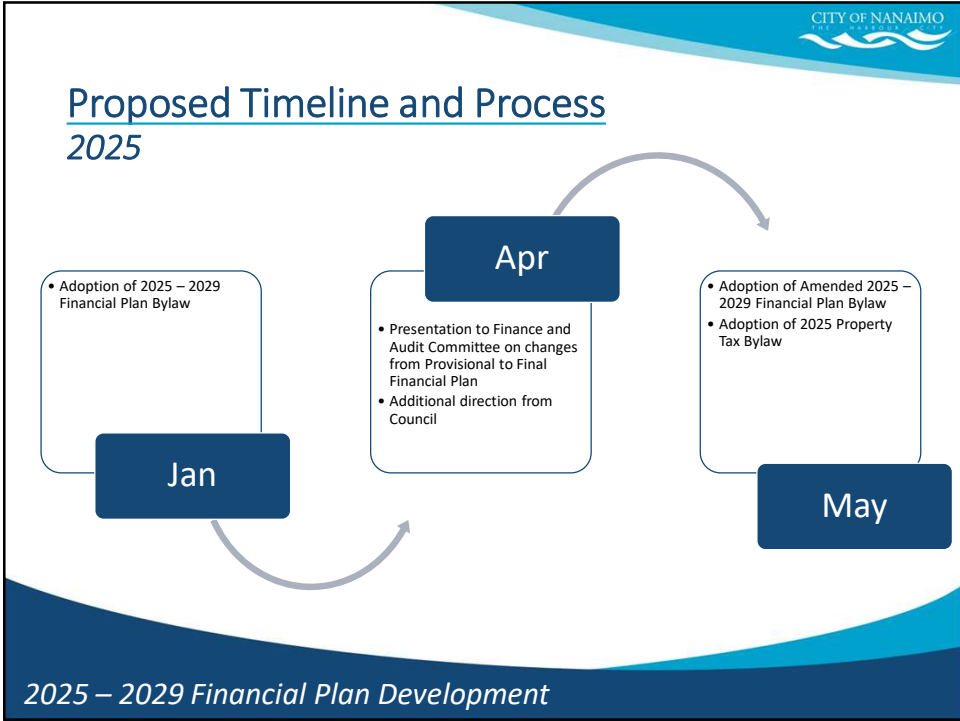
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# Proposed Timeline

2



3



4

# Budget Starting Point

Year 2 of 2024 – 2028 Approved Financial Plan

5

## Projected Property Tax Increases Based on 2024 – 2028 Financial Plan

	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%
<b>Total Municipal Taxes</b>	<b>7.7%</b>	<b>7.2%</b>	<b>4.1%</b>	<b>2.5%</b>	<b>2.7%</b>

Reserve Funding Allocated to Reduce Property Taxes

	2024	2025
Special Initiatives Reserve	300,000	100,000

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6

## 2025 Projected User Fee Increases Based on 2024 – 2028 Financial Plan

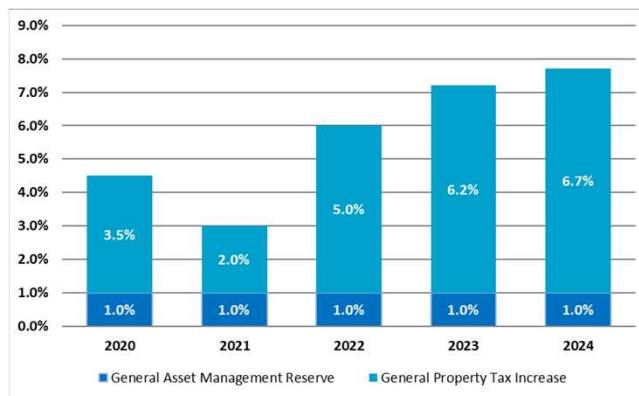
Sewer User Fees <sup>1</sup>	4.0% Increase
Water User Fees <sup>2</sup>	5.0% Increase
Sanitation User Fees	3.1% Increase

<sup>1</sup>2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase  
<sup>2</sup>2% Water Asset Management Reserve Increase, 3% General Water User Rate Increase

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7

## Property Tax History



10 Year Avg (2015 – 2024) – 3.8%

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8

## 2025 Budget Driver Highlights Based on 2024 – 2028 Financial Plan

<b>Expenditure Increases/(Decreases)</b>		
Asset Management		1,487,000
Debt - Net		859,000
IT Consulting		102,000
IT Software & Subscriptions		399,000
Project Expenditures		
Base Funding	420,000	
Business Case Funding	(1,213,000)	(793,000)
RCMP Contract (budgeted at 95%)		2,828,000
Wages and Benefits <sup>1</sup>		6,304,000
<b>Subtotal Expenditure Increases</b>		<b>\$ 11,186,000</b>
<b>Revenue (Increase)/Decreases</b>		
Investment Income		500,000
<b>Subtotal Revenue Increases</b>		<b>\$ 500,000</b>
<b>Funding (Increase)/Decrease from Reserves</b>		
Transfer from Special Initiatives Reserve - Property Tax Reduction		200,000
<b>Subtotal Funding Decreases</b>		<b>\$ 200,000</b>
<b>Other Changes</b>		<b>\$ 75,000</b>
<b>Net Change</b>		<b>\$ 11,961,000</b>
Less: Impact of Growth/Supplements		1,200,000
<b>Net Impact</b>		<b>\$ 10,761,000</b>

Dollars are rounded to nearest \$1,000

<sup>1</sup> Includes 20 New Firefighters January 1, 2025, 1 New Police Services Support position, 2 CAMS positions now funded from property taxes

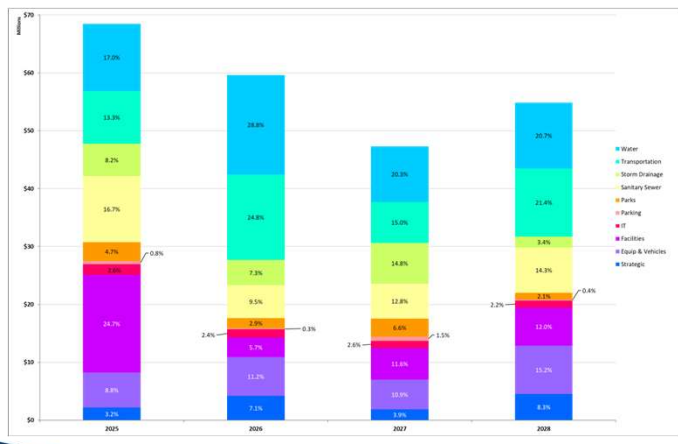
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9

# Projects

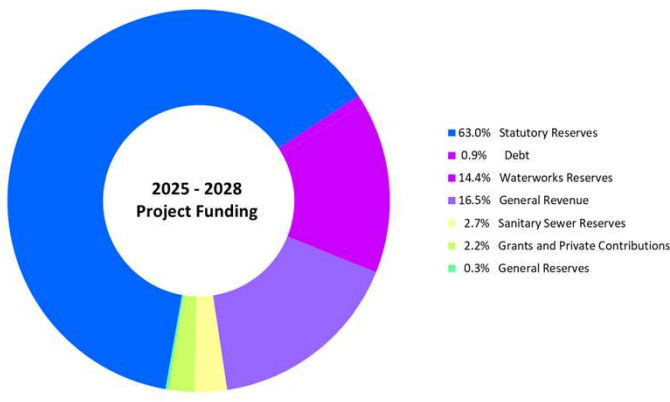
10

## 2025 – 2028 Project Expenditures \$230.2M Based on 2024 – 2028 Financial Plan



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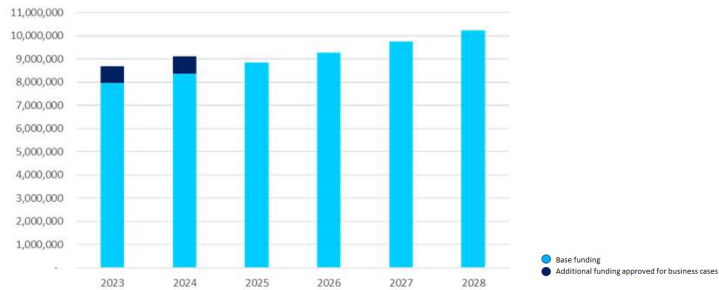
## Project Funding Sources Based on 2024 – 2028 Financial Plan



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## Project Funding Sources

- General Revenue – 5% annual increase on 2023 base funding of \$8.0M



- Reserves – statutory and operating
- Borrowing
- Other – private contributions, grants

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13

## Constraints



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14

## Larger Capital Projects *Currently Not in Project Plan*

- Nanaimo Operations Center (NOC)
- Police Operations Building – Addressing Space Needs
- Waterfront Walkway
- South End Community Center

### **Other Future Capital Needs:**

- Fire Station
- Beban Park Complex Renovations/Upgrades
- Water Supply Dam

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15

## Outstanding Debt at Dec 31, 2023

	Amount	Year Borrowing Repaid
<b>External Borrowing (MFA)</b>		
Fire Station #1	\$14,862,807	2038/2040/2041/2042
Fire Station #4	\$ 999,325	2027
Sanitation	\$ 1,389,119	2025/2028
Vancouver Island Conference Centre	\$ 7,051,037	2026/2027
Water Treatment Plant	\$13,868,048	2033/2034
<b>Total External Borrowing</b>	<b>\$38,170,336</b>	
<b>Internal Borrowing</b>		
DCC SS45: Chase River Pump Station & Forcemain	\$ 2,504,578	2039/2040
DCC SS19: Millstone Trunk South	\$ 3,128,776	2040/2041/2042
<b>Total Internal Borrowing</b>	<b>\$ 5,633,354</b>	

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16



## New Debt

Based on 2024 – 2028 Financial Plan

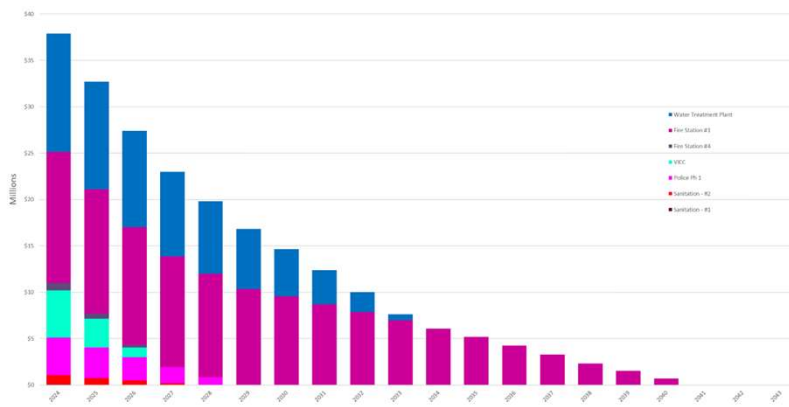
	2024	2025	2026	2027	2028	Total
<b>External Borrowing (MFA)</b>						
Property Purchase	\$4,083,150					\$4,083,150
<b>Internal Borrowing</b>						
Sewer DCC Projects		\$2,163,150				\$2,163,150
<b>Total Borrowing</b>	<b>\$4,083,150</b>	<b>\$2,163,150</b>				<b>\$6,246,300</b>

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17

## Projected Outstanding Debt – External

Next 20 Year Based on 2024 – 2028 Financial Plan

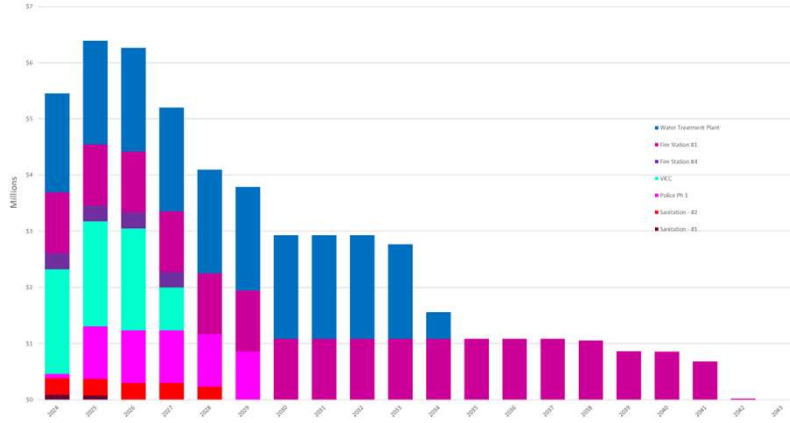


Includes current borrowing and new borrowing in the approved 2024 – 2028 Financial Plan.  
Excludes borrowing for major capital projects under development.

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18

## Projected Debt Servicing Costs – External Next 20 Years Based on 2024 – 2028 Financial Plan



Includes current borrowing and new borrowing in the approved 2024 – 2028 Financial Plan.  
Excludes borrowing for major capital projects under development.

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19

## 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, 2023 is \$61.8 M for annual principle and interest payments
- At December 31<sup>st</sup> the City was at 12.3% of current limit

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20

## Next Steps

21

### Budget Preparations

- Focus on
  - Maintaining current service levels
  - Supporting the Integrated Action Plan and Council's Strategic Framework
- 2025 property tax increase target
  - 2025 draft budget will target **7.2%** as per approved 2024 – 2028 Financial Plan.
- Current Council motions – budget deliberations decision points
  - Business case for the expansion of the Community Safety Officer and Clean Team programs.
  - Consider increasing the annual road maintenance budget by \$1.5 million a year.
- Additional direction from Council?

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22