



2025 – 2029 Draft Financial Plan

**Special Finance & Audit
Committee Meeting
November 27, 2024**

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Financial Plan Timeline

| | |
|---------------------------------|---|
| November 27th | <ul style="list-style-type: none"> •2025 – 2029 Draft Financial Plan Overview •Highlights of 2025 Departmental Initiatives •2025 – 2029 Draft Project Plan |
| December 2nd | <ul style="list-style-type: none"> •eTown Hall •User Rate Bylaws – First Three Readings |
| December 4th | <ul style="list-style-type: none"> •Presentations from External Organizations •Introduction of Current Decision Points/Discussion of Additional Decision Points |
| December 6th | <ul style="list-style-type: none"> •Budget Recap •Decision Points – changes for inclusion in 2025 – 2029 Financial Plan |
| December 16th | <ul style="list-style-type: none"> •2025 – 2029 Financial Plan Bylaw – First Three Readings •Adoption of User Rate Bylaws |
| January 2025 | <ul style="list-style-type: none"> •Adoption of 2025 – 2029 Financial Plan Bylaw (Provisional Budget) |
| February - April 2025 | <ul style="list-style-type: none"> •Review and update Financial Plan for new information, direction from Council, changes to estimates |
| April – May 15, 2025 | <ul style="list-style-type: none"> •Adoption of Amended 2025 – 2029 Financial Plan Bylaw (Final Budget) •Adoption of 2025 Property Tax Rates Bylaw |

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Projected Property Tax Increases

| | 2025 | 2026 | 2027 | 2028 | 2029 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 1.0% | 0.0% |
| General Property Tax Increase | 7.7% | 3.4% | 1.9% | 2.0% | 2.7% |
| Total Municipal Taxes | 8.7% | 4.4% | 2.9% | 3.0% | 2.7% |


Reserve Funding Allocated to Reduce Property Taxes

| |
|-------------------------------------|
| 2025 |
| Special Initiatives Reserve 100,000 |

Projected tax increases do not include final benefit rates or impact of Public Works Yard Upgrade project borrowing (elector and Council approval required). Benefits will be updated for final budget.

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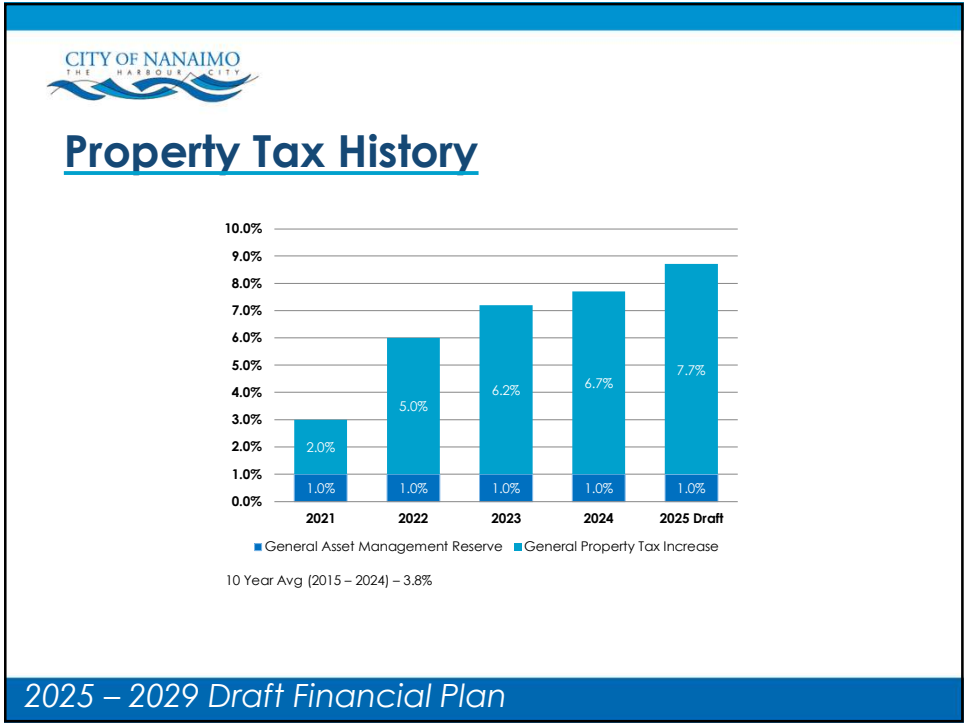
Projected 2025 User Fee Increases

| | |
|------------------------------|---------------|
| Sewer User Fees ¹ | 4.0% Increase |
| Water User Fees ² | 5.0% Increase |
| Sanitation User Fees | 5.7% Increase |

¹2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase
²2% Water Asset Management Reserve Increase, 3% General Water User Rate Increase

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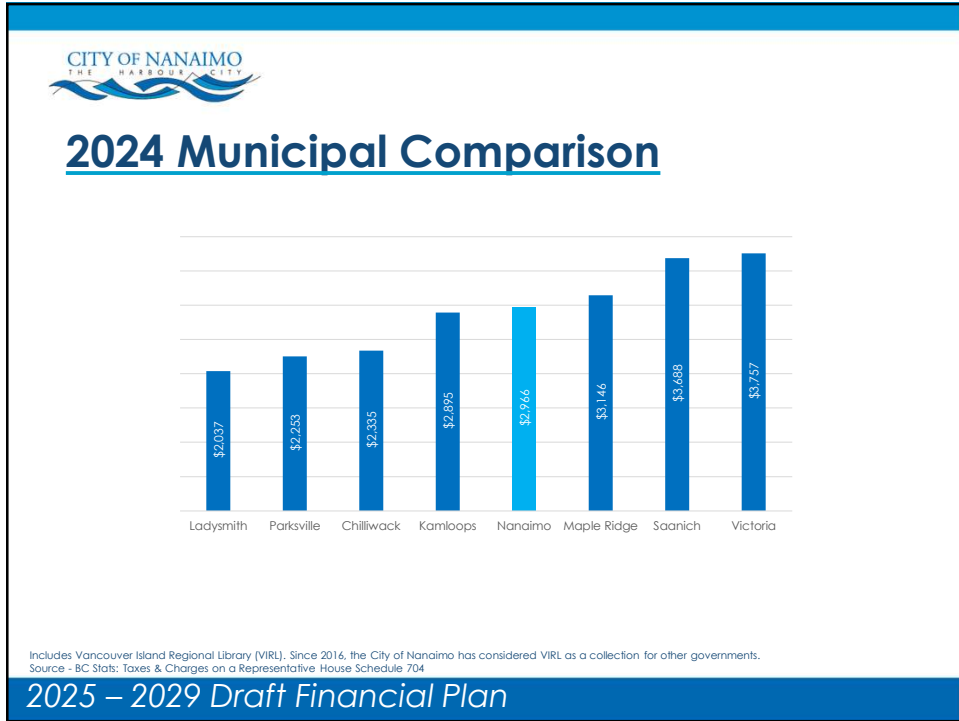
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Municipal Comparison

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------|--------------|--------------|--------------|--------------|--------------|
| Ladysmith | 1,805 | 1,827 | 1,922 | 1,925 | 2,037 |
| Parksville | 1,808 | 1,884 | 1,962 | 2,103 | 2,253 |
| Chilliwack | 1,911 | 1,988 | 2,111 | 2,175 | 2,335 |
| Kamloops | 2,225 | 2,308 | 2,481 | 2,646 | 2,895 |
| Nanaimo | 2,300 | 2,390 | 2,555 | 2,751 | 2,966 |
| Maple Ridge | 2,513 | 2,627 | 2,801 | 2,938 | 3,146 |
| Saanich | 2,762 | 2,950 | 3,189 | 3,412 | 3,688 |
| Victoria | 2,756 | 2,992 | 3,322 | 3,458 | 3,757 |

Includes Vancouver Island Regional Library (VIRL). Since 2016, the City of Nanaimo has considered VIRL as a collection for other governments.
Source - BC Stats: Taxes & Charges on a Representative House Schedule 704

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Typical Home

*excludes property taxes collected for the RDN, School District,
Hospital and Vancouver Island Regional Library*

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Impact on a Typical Home

| Tax Paid by Average Home | | | | |
|--|----------------|----------------|--------------|----------|
| Based on Average Home of \$783,808 | 2024 | 2025 | \$ Change | % Change |
| Property Taxes | \$2,843 | \$3,091 | \$248 | 8.7% |
| Municipal User Fees | | | | |
| Water Fees* | 508 | 533 | 25 | 5.0% |
| Sewer Fees | 165 | 172 | 7 | 4.0% |
| Sanitation Fees | 228 | 241 | 13 | 5.7% |
| Total Municipal Taxes & User Fees | \$3,744 | \$4,037 | \$293 | |

Rounded to nearest dollar
Assumes a typical single-family house with average Class 1 assessment change
*Based on average seasonal usage.

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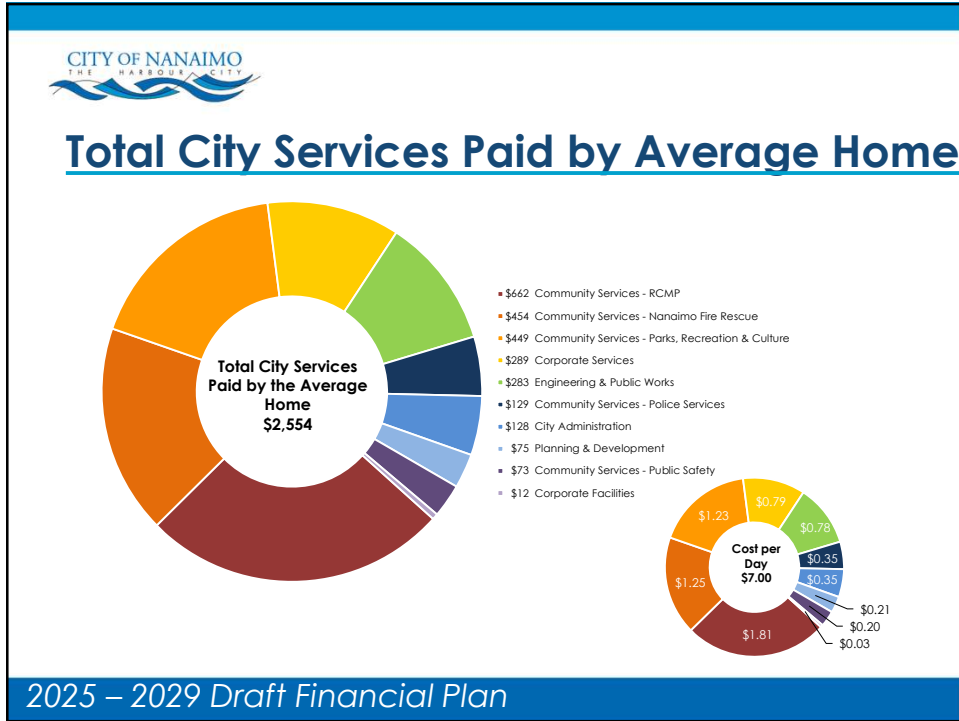
Total Property Taxes for Average Home

Total Property Taxes for Average Home \$3,091

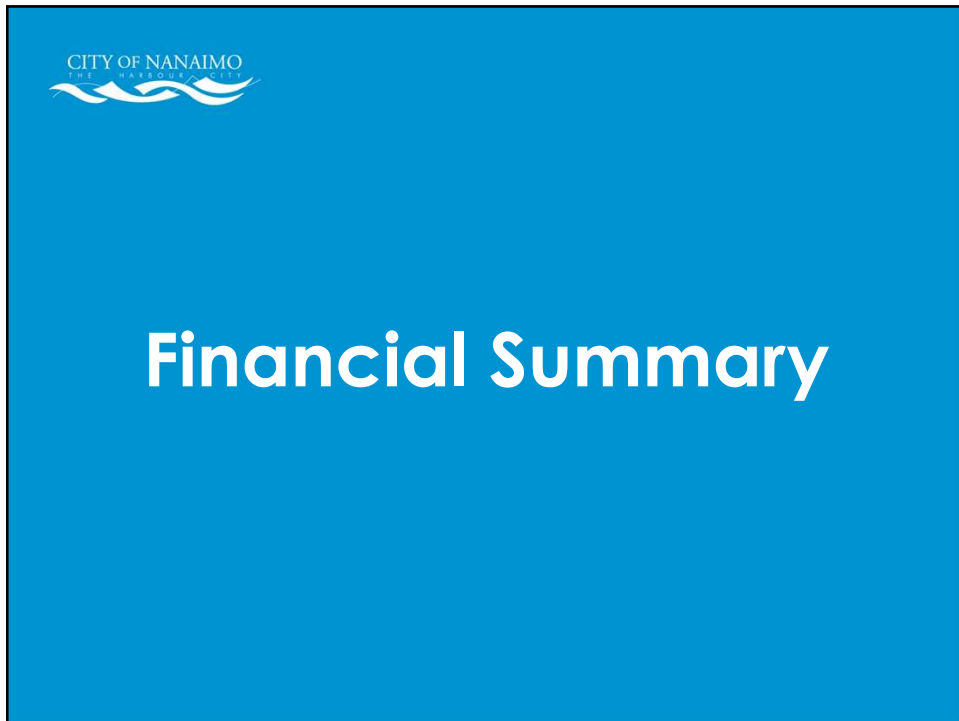
- \$2,554 City Services
- \$328 Reserves
- \$168 Projects
- \$41 Debt Servicing

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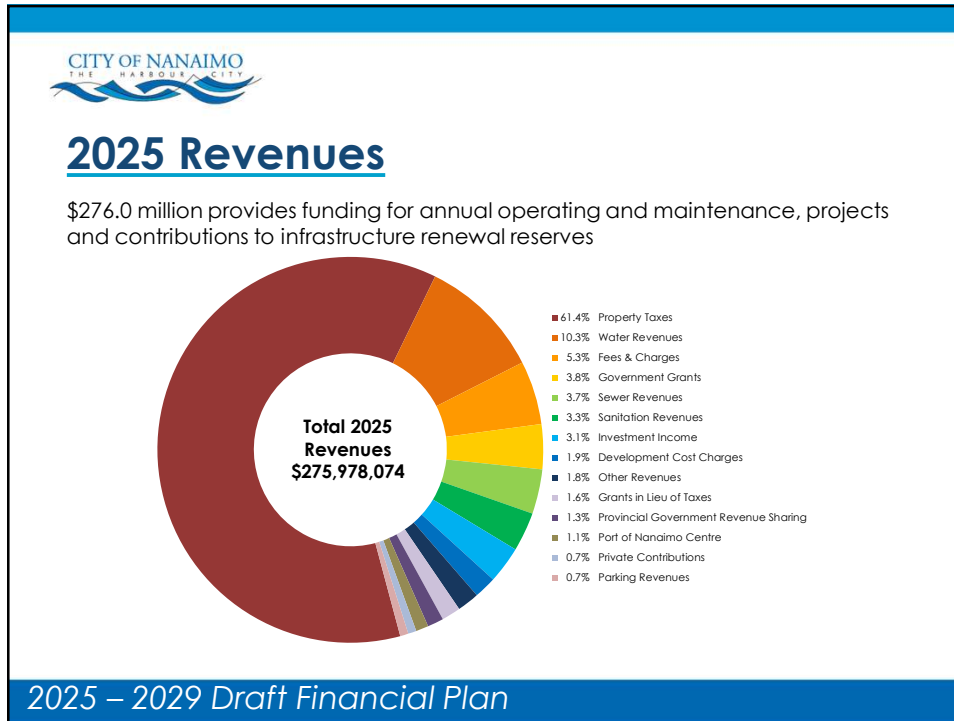
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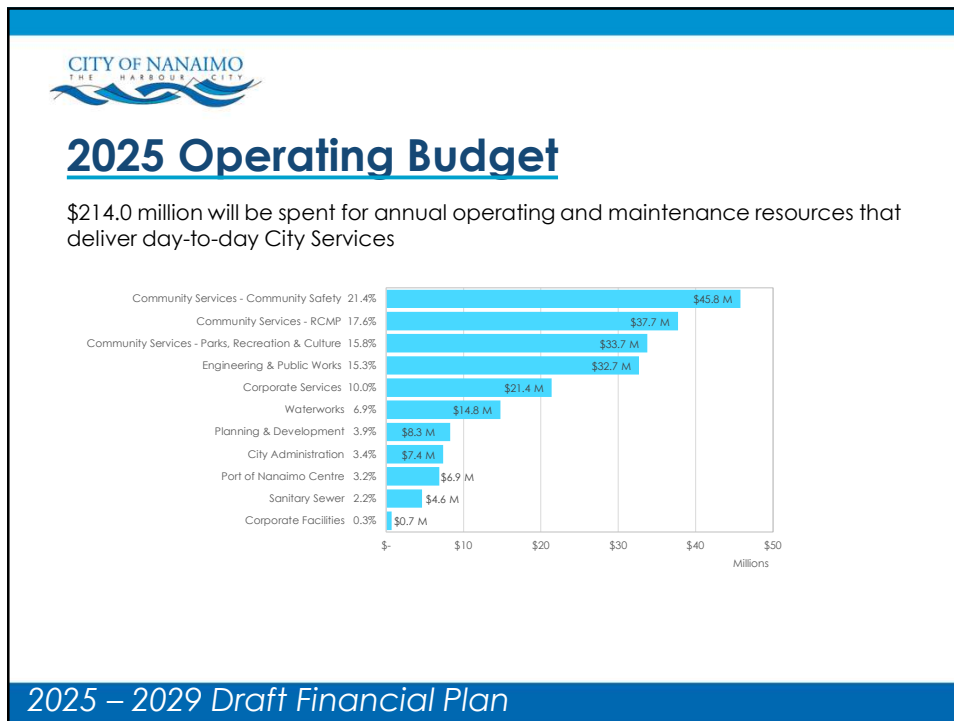
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2025 Key Budget Drivers

| Expenditure Increases/(Decreases) | | |
|---|-------------|----------------------|
| Asset Management | | \$ 1,499,000 |
| Fleet Charges | | 106,000 |
| Insurance - Corporate | | 116,000 |
| Internal Support - Sewer/Water | | (102,000) |
| IT Software & Subscriptions | | 537,000 |
| Janitorial Supplies | | 109,000 |
| NFR - Clothing & Footwear | | (144,000) |
| NFR - Fire Fleet Replacement | | 126,000 |
| Project Expenditures | | |
| Base Funding | 420,000 | |
| Business Case Funding | (1,213,000) | (793,000) |
| RCMP Contract (budgeted at 95%) | | 3,946,000 |
| Transportation - Traffic Signal Mgmt Software | | 176,000 |
| Wages and Benefits ¹ | | 7,251,000 |
| Subtotal Expenditure Increases | | \$ 12,827,000 |

Rounded to nearest \$1,000
¹Includes 20 New Firefighters January 1, 2025, 3 New Police Services Support position, 2 CAMS positions now funded from property taxes

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2025 Key Budget Drivers

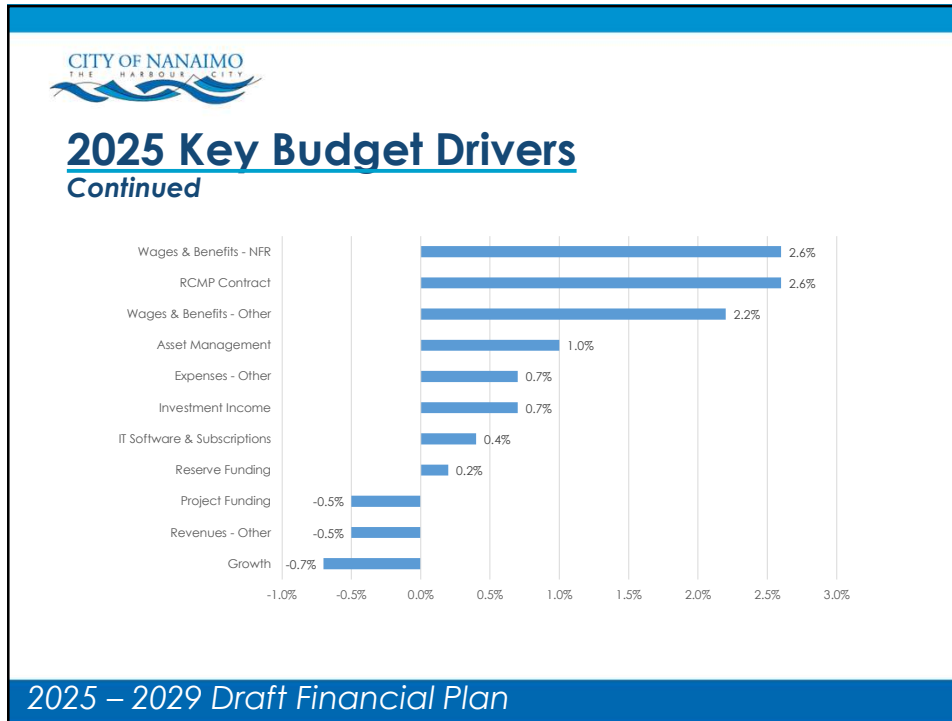
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| | | |
|--|-----------|----------------------|
| Revenue (Increases)/Decreases | | |
| Aquatics - Fees, Programs, Facility Rentals ² | | \$ (176,000) |
| Arenas - Fees, Programs, Facility Rentals ² | | (125,000) |
| Grants in Lieu | | (263,000) |
| Investment Income | | 1,100,000 |
| Provincial Grant: Summer Program - Camp Sunation/Integration | | (130,000) |
| Subtotal Revenue Decreases | | \$ 406,000 |
| Funding (Increase)/Decrease from Reserves | | |
| Transfer from Special Initiatives Reserve - CAMS Software License | | 102,000 |
| Transfer from Special Initiatives Reserve - Property Tax Reduction | | 200,000 |
| Subtotal Funding Decreases | | \$ 302,000 |
| Other Changes | | \$ 594,000 |
| Net Change | | \$ 14,129,000 |
| Less: Impact of Growth & Supplements | | |
| Supplementary Property Assessments | (89,000) | |
| Estimated Growth | 1,200,000 | 1,111,000 |
| Net Impact | | \$ 13,018,000 |

Rounded to nearest \$1,000
²Less transfer to Facility Development Reserve Fund

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Business Cases

Four business cases have been prepared for Council's consideration and are not included in the Draft Financial Plan

- Community Safety Action Plan Strategy
 - Increase staffing for Community Safety Officers Program
 - Increase resources for public space cleanliness
- Assistant Manager, Financial Planning
- Assistant Manager, Community Planning
- Additional RCMP members
 - 12 new members over 3 years (4 members per year)

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Outstanding Debt at Dec 31, 2023

| | Amount | Year Borrowing Repaid |
|--|---------------------|-----------------------|
| External Borrowing (MFA) | | |
| 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 |
| Total External Borrowing | \$38,170,336 | |
| Internal Borrowing | | |
| DCC SS45: Chase River Pump Station & Forcemain | \$ 2,504,578 | 2039/2040 |
| DCC SS19: Millstone Trunk South | \$ 3,128,776 | 2040/2041/2042 |
| Total Internal Borrowing | \$ 5,633,354 | |

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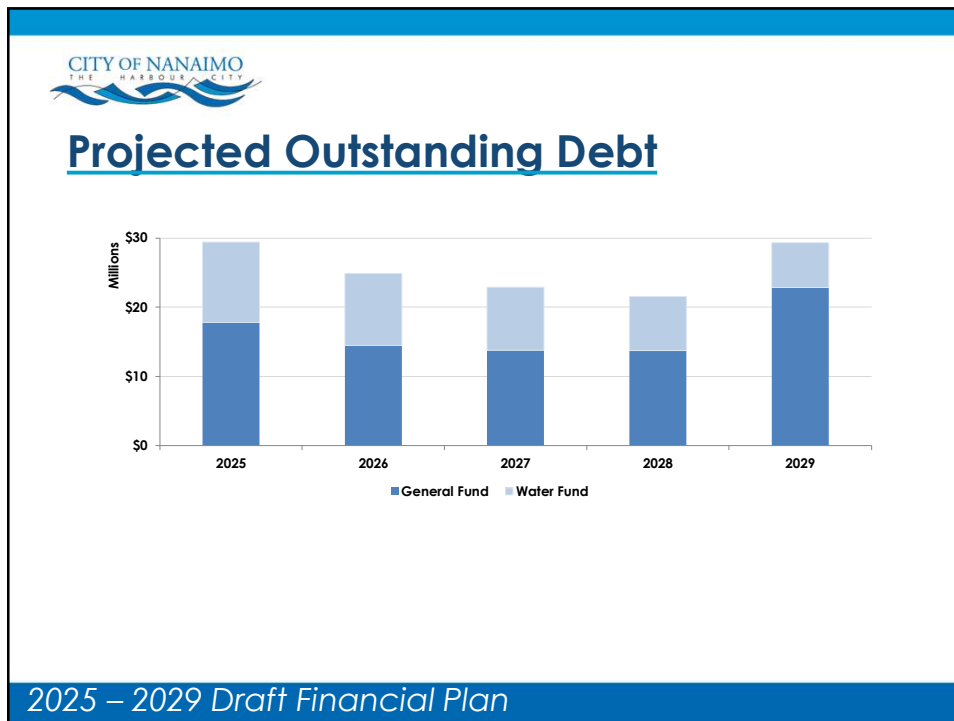


New Debt in 2025 – 2029 Financial Plan

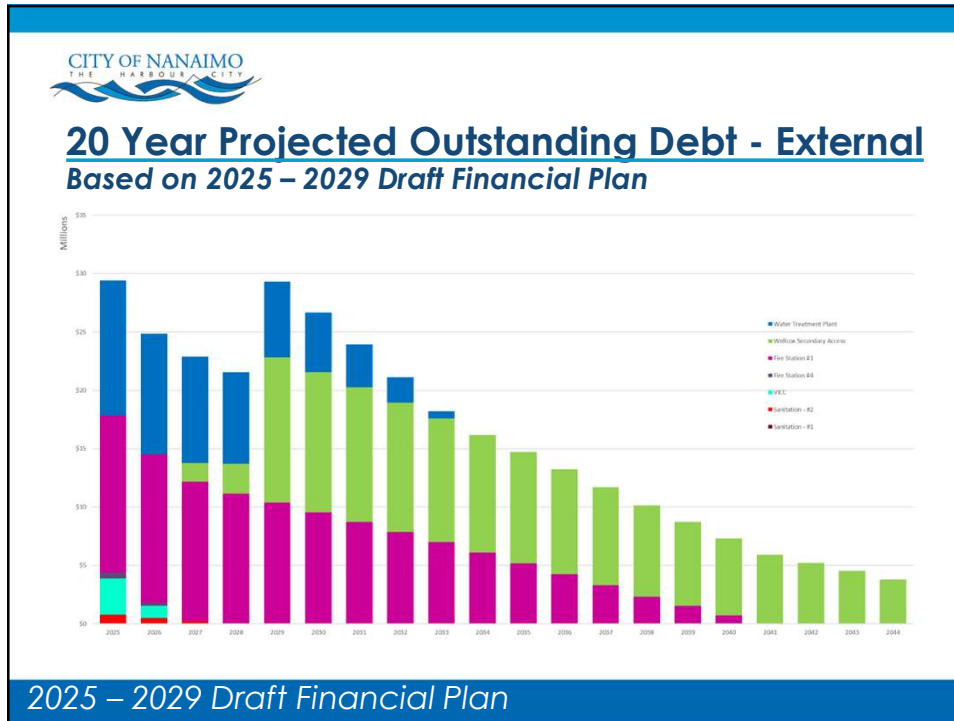
| | Amount | Term | Year of Borrowing |
|-------------------------------------|---------------------|---------|-------------------|
| External Borrowing (MFA) | | | |
| Wellcox Secondary Access | \$12,617,000 | 20 Year | 2027 - 2029 |
| Total External Borrowing | \$12,617,000 | | |
| Internal Borrowing | | | |
| DCC SS44: Hammond Bay & Turner Area | \$ 2,163,150 | 20 Year | 2025 |
| Total Internal Borrowing | \$ 2,163,150 | | |

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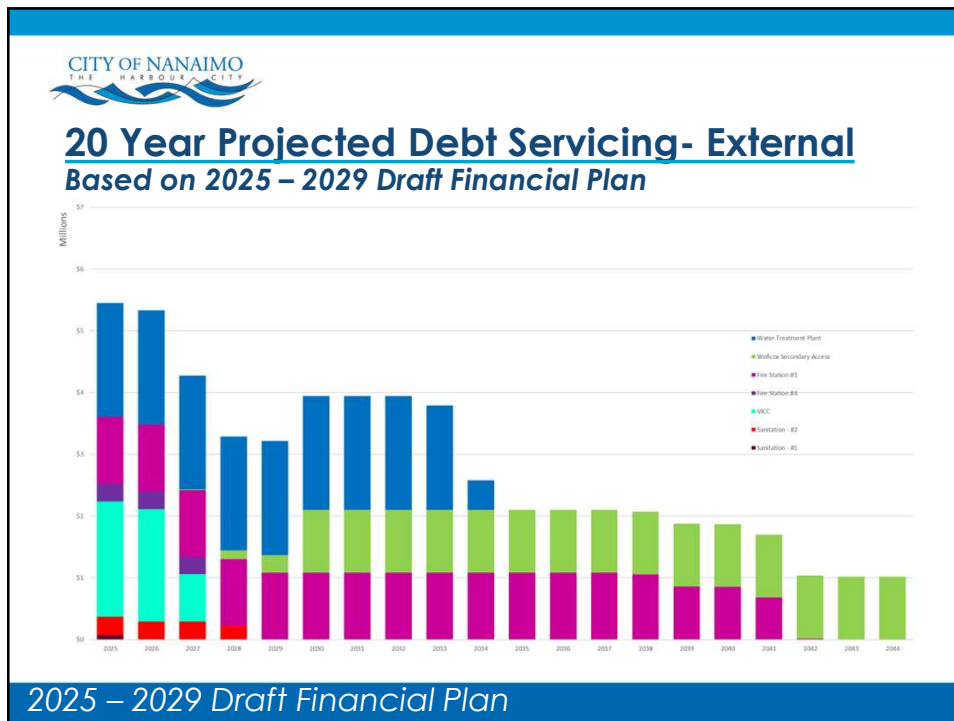
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Debt Servicing Limit

The Liability Servicing Limit is defined as 25% of municipality's controllable and sustainable revenues for the year.

The City's limit at December 31, 2023 was \$57.8M for annual principal and interest payments.

At December 31, 2023 the City was at 13.1% of current limit.

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Municipal Comparison

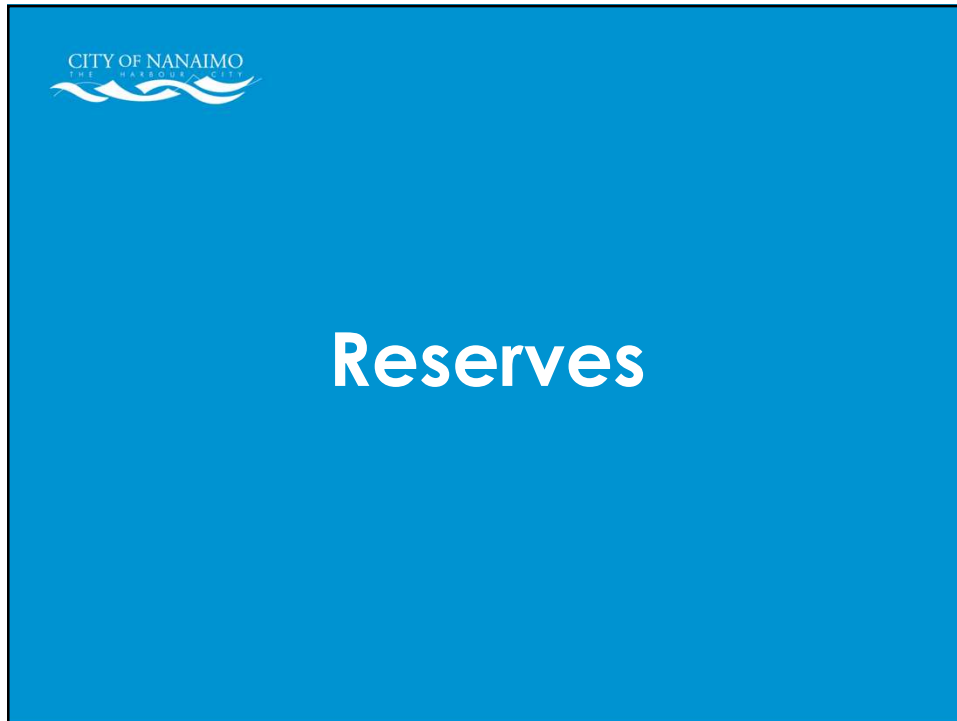
| | Debt Servicing Limits | | | | |
|----------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Chilliwack | 33,798,139 | 35,428,426 | 35,661,309 | 37,789,957 | 40,894,599 |
| Kamloops | 45,613,405 | 48,992,036 | 47,983,763 | 49,638,937 | 54,055,657 |
| Ladysmith | 3,865,710 | 4,218,062 | 4,224,355 | 4,532,646 | 4,845,620 |
| Maple Ridge | 33,714,975 | 35,965,266 | 36,683,133 | 38,436,615 | 42,094,456 |
| Nanaimo | 43,120,716 | 44,839,046 | 44,370,220 | 47,198,318 | 51,683,357 |
| Parksville | 5,646,788 | 6,476,439 | 6,477,091 | 6,977,432 | 7,554,169 |
| Saanich | 50,681,673 | 53,519,092 | 53,623,777 | 56,603,503 | 61,024,878 |
| Victoria | 62,102,416 | 64,465,215 | 61,120,784 | 63,755,199 | 69,550,746 |

| | Debt Servicing Cost % of limit | | | | |
|----------------|--------------------------------|--------------|--------------|--------------|--------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Chilliwack | 3.5% | 3.3% | 2.8% | 0.0% | 0.0% |
| Kamloops | 27.9% | 34.9% | 22.9% | 21.0% | 18.3% |
| Ladysmith | 37.9% | 25.5% | 40.7% | 37.5% | 55.8% |
| Maple Ridge | 37.6% | 20.9% | 22.6% | 18.4% | 21.6% |
| Nanaimo | 11.0% | 14.6% | 15.5% | 13.4% | 13.5% |
| Parksville | 7.8% | 6.2% | 7.7% | 7.0% | 5.8% |
| Saanich | 10.1% | 10.2% | 11.6% | 10.4% | 12.0% |
| Victoria | 9.6% | 9.2% | 10.1% | 10.2% | 9.4% |

Source - BC Stats; Liability Servicing Limit Schedule 602.1

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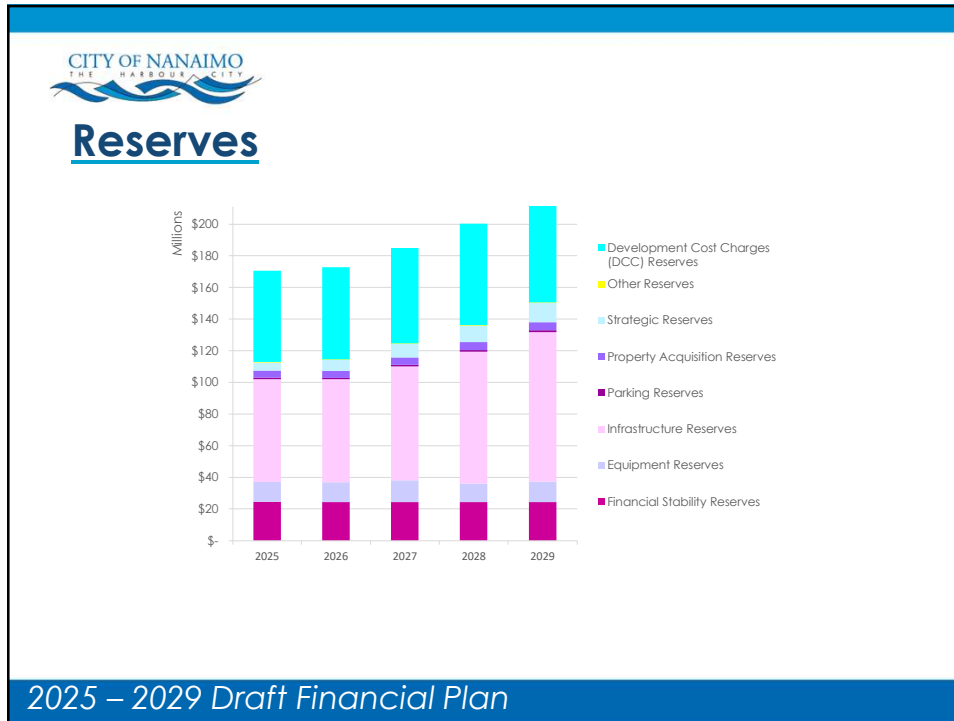
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Reserves

- Operating Reserves
- Statutory Reserves
 - Authorized by the Community Charter and/or City Bylaws
 - Can only be used as authorized by the Community Charter and the related City Bylaw.
- Reserve Framework
 - Financial Stability Reserves
 - Equipment Reserves
 - Infrastructure Reserves
 - Parking Reserves
 - Property Acquisition Reserves
 - Strategic Reserves
 - Other Reserves
 - Development Cost Charges (DCC) Reserves

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