

**2025 – 2029 Financial Plan
Recap and Decision Points**


Special Finance & Audit
Committee Meeting
December 6, 2024

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Budget Recap

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Projected Property Tax Increases

No Change

| | 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.
Benefits will be updated for final budget.

2025 – 2029 Revised Draft Financial Plan

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Projected 2025 User Fee Increases


No Change

| | |
|------------------------------|---------------|
| 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

2025 – 2029 Revised Draft Financial Plan

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Impact on a Typical Home


Updated

| Tax Paid by Average Home | | | | |
|--|----------------|----------------|--------------|----------|
| Based on Average Home of \$783,808 | 2024 | 2025 | \$ Change | % Change |
| Property Taxes | \$2,843 | \$3,090 | \$247 | 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 | \$4,036 | \$292 | |

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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Summary of Changes to Budget Drivers

| | | |
|------------------|-----------------|---------------|
| Wages & Benefits | 20,000 | 0.01% |
| Other | (45,000) | -0.03% |
| Total \$ | (25,000) | -0.02% |

| | |
|--|-------------|
| Draft Property Tax Increase | 8.7% |
| Revised Draft Property Tax Increase | 8.7% |

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Other Changes

- Added project contingency funded from projected 2024 surplus – as per the October Finance and Audit Committee meeting.
- Updated MRDT projected revenue and added 2025 Online Accommodation Platform Funds (OAP) revenue allocation – as per the November Finance and Audit Committee meeting.
- Added funding request from Nanaimo Hornets Rugby Football Club funded from the Strategic Infrastructure Reserve Fund – as per the November Finance and Audit Committee meeting.

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Potential Changes for Final Budget *Estimates to be Updated*

Items to be reviewed/updated prior to presentation of final budget in spring include:

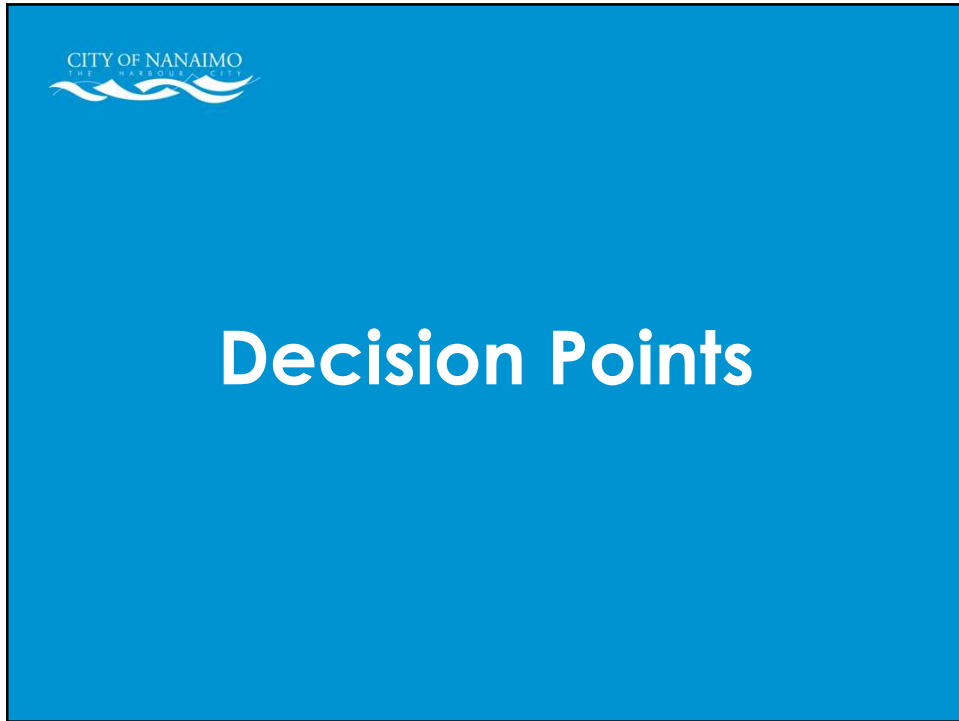
- Growth
- Projected interest income
- Projected building permit revenue
- Projected casino revenue
- Contracts – IAFF
- 911 Contract for Public Safety Answering Point (PSAP)
- Recreation Sharing Agreement
- Employee benefits

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#1 RCMP Contract

The 2025 – 2029 Draft Financial Plan budgets the RCMP contract at 95% for all years due to the history of vacancies and to minimize annual operating surplus.


Recommended Option
Option #1 Change Percentage to 92% for 2025 Only (95% for 2026 forward).
 Estimated Property Tax Impact

| 2025 | 2026 |
|--------|-------|
| -0.80% | 0.73% |

Motion
 That the Finance and Audit Committee recommend that Council budget the RCMP contract at 92% for 2025 and 95% for 2026 to 2029 for the 2025 – 2029 Financial Plan.

Decision Points

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#1 RCMP Contract *Continued*

Option #2 Change Percentage to 93% for 2025 Only (95% for 2026 forward).
 Estimated Property Tax Impact


| 2025 | 2026 |
|--------|-------|
| -0.53% | 0.48% |

Motion
 That the Finance and Audit Committee recommend that Council budget the RCMP contract at 93% for 2025 and 95% for 2026 to 2029 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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#2 Negative Wage Contingency

The 2025 – 2029 Draft Financial Plan budgets for a full staff complement for all property tax funded positions. In recent years, the City has had a higher rate of staff vacancies. To minimize annual operating surplus, a negative wage contingency could be budgeted to account for vacancies that occur during the year.

Recommend Option
Option #1 Reduce the General Fund Wages and Benefits Budget by \$750,000 for 2025 Only to Account for Vacancies


Estimated Property Tax Impact

| 2025 | 2026 |
|--------|-------|
| -0.50% | 0.46% |

Motion
 That the Finance and Audit Committee recommend that Council budget a \$750,000 negative wage contingency in the General Fund for 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#2 Negative Wage Contingency *Continued*

Option #2 Reduce the General Fund Wages and Benefits Budget by \$500,000 for 2025 Only to Account for Vacancies

Estimated Property Tax Impact

| 2025 | 2026 |
|--------|-------|
| -0.33% | 0.31% |

Motion
 That the Finance and Audit Committee recommend that Council budget a \$500,000 negative wage contingency in the General Fund for 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#3 2025 Base Project Funding General Revenue

2025 base project funding is budgeted at \$8.82 million. Three projects in 2025 have an allocation from base funding greater than \$250,000.

Base funding for 2025 only could be reduced by up to \$1.40 million by delaying one or more of the following projects outside the 2025 – 2029 Financial Plan.

- A. Commercial Street Implementation Phase 2
- B. Neck Point Park Parking
- C. Third & Fitzwilliam Area Upgrade – not recommended
 - General revenue funding represents 5.1% (\$323,000) of a \$6.4 million budget
 - City has submitted an Active Transportation Infrastructure Grant application for this project.

Timing of the projects would be revisited during the development of the 2026 – 2035 Project Plan.

Decision Points

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#3.A Commercial Street Implementation Ph 2

Diana Krall Plaza improvements (front half) is budgeted in 2025/2026 with a budget of \$2,298,000 that includes general revenue funding of \$795,456 in 2025 and \$875,100 in 2026.

The project could be delayed to outside the 2025 – 2029 Financial Plan and base project funding could be reduced by \$795,456. 2026 general revenue funding would be reallocated to other projects currently included in the 2025 – 2029 Financial Plan.

Estimated Property Tax Impact

| 2025 | 2026 |
|--------|-------|
| -0.53% | 0.49% |

Motion

That the Finance and Audit Committee recommend that Council reduce 2025 base project funding by \$795,456 and remove Commercial Street Implementation Phase 2 from the 2025 – 2029 Financial Plan.

Decision Points

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#3.B Neck Point Park Parking

Paving the gravel parking lot and marking parking stalls in Neck Point Park is budgeted in 2025 for \$287,300 funded from general revenue.

The project could be delayed to outside the 2025 – 2029 Financial Plan and base project funding could be reduced by \$287,300.

Estimated Property Tax Impact

| 2025 | 2026 |
|--------|-------|
| -0.19% | 0.18% |

Motion

That the Finance and Audit Committee recommend that Council reduce 2025 base project funding by \$287,300 and remove the Neck Point Parking Lot project from the 2025 – 2029 Financial Plan.

Decision Points

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#4 Business Cases

Four business cases have been prepared for Council's consideration

- A. Community Safety Action Plan Strategy
 - i. Increase staffing for Community Safety Officers Program
 - ii. Increase resources for public space cleanliness
- B. Assistant Manager, Financial Planning
- C. Assistant Manager, Current Planning
- D. Additional RCMP members

Decision Points

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#4.A Community Safety Action Plan Strategy

At the April 29, 2024, Governance and Priorities Committee meeting the Downtown Nanaimo Community Safety Action Evaluation and Strategy Alignment Report was presented. A motion was made for a business case to be prepared for Council's consideration during 2025 budget deliberations. The business case considers:

- i. Increased staffing for the Community Safety Officers Program
- ii. Increased resources for public space cleanliness

Decision Points

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#4.A.i Community Safety Officers (CSOs)

Option #1 Expansion of Community Safety Officer Program

Add nine full-time Community Safety Officers and one full-time Senior Community Safety Officer utilizing a phased approach by hiring five CSOs, one Senior CSO and converting the permanent part-time Bylaw Steno position to a permanent full-time position effective April 1, 2025. Add the remaining four CSOs effective April 1, 2026.

Funding Sources - Option #1A:

General Revenue
General Capital Reserve (Fleet Units & EV Charger)

2025 General Capital Reserve - \$119,600


2026 General Capital Reserve - \$ 82,100

Estimated Property Tax Impact

| 2025 | 2026 | 2027 |
|-------|-------|-------|
| 0.33% | 0.36% | 0.06% |

Decision Points

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#4.A.i Community Safety Officers


Continued

Motion
 That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Add nine full-time Community Safety Officers (CSOs), one full-time Senior Community Safety Officer and convert the part-time Bylaw Steno position to full-time, including related costs, utilizing a phased approach as follows;
 - a) Hire five CSOs, 1 Senior CSO and convert the part-time Bylaw Steno position to a full-time position effective April 1, 2025;
 - b) Add four CSOs effective April 1, 2026; and
2. Fund the two CSO fleet units and the EV charging station from the General Capital Reserve.

Decision Points

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#4.A.i Community Safety Officers

Continued

Funding Source - Option #1B: General Revenue

Estimated Property Tax Impact


| 2025 | 2026 | 2027 |
|-------|-------|-------|
| 0.41% | 0.34% | 0.02% |

Motion
 That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Add nine full-time Community Safety Officers (CSOs), one full-time Senior Community Safety Officer and convert the part-time Bylaw Steno position to full-time, including related costs, utilizing a phased approach as follows;
 - a) Hire five CSOs, 1 Senior CSO and convert the part-time Bylaw Steno position to a full-time position effective April 1, 2025; and
 - b) Add four CSOs effective April 1, 2026.

Decision Points


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#4.A.i Community Safety Officers
Continued

Option #2 Status Quo – No Motion Required

Decision Points

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#4.A.ii Public Space Cleanliness

Option #1 Increase Resources for Public Space Cleanliness
 Increase funding available for contracted services to assist with encampment cleanups and other social disorder cleaning services on an as needed, on call basis in 2025 by \$50,000 and 2026 by \$100,000. Add one full-time Superintendent, Sanitation, Recycling and Cemeteries effective April 1, 2025.

Funding Source: General Revenue
 Estimated Property Tax Impact


| 2025 | 2026 | 2027 |
|-------|-------|--------|
| 0.12% | 0.05% | -0.05% |

Motion
 That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Increase funding for contracted services for public space cleanliness by \$50,000 in 2025 and \$100,000 in 2026; and
2. Add a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective April 1, 2025.

Decision Points

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#4.A.ii Public Space Cleanliness

Continued

Option #2 Expansion of Community Clean Team Program
 Add a third Community Clean Team (2 FTEs) and one full-time Superintendent, Sanitation, Recycling and Cemeteries effective April 1, 2026.

Funding Sources - Option #2A:
 General Revenue
 General Capital Reserve (Fleet Unit & Roll-Off Bin)

2026 General Capital Reserve - \$219,500
 Estimated Property Tax Impact


| 2025 | 2026 | 2027 |
|-------|-------|-------|
| 0.00% | 0.21% | 0.07% |

Motion
 That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council:

1. Add a Community Clean Team (2 FTEs), a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective April 1, 2026;
2. Fund the Community Clean Team fleet unit and roll-off bin from the General Capital Reserve.

Decision Points

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#4.A.ii Public Space Cleanliness

Continued

Funding Source - Option #2B: General Revenue

Estimated Property Tax Impact

| 2025 | 2026 | 2027 |
|-------|-------|--------|
| 0.00% | 0.35% | -0.06% |

Motion
 That the Finance and Audit Committee recommend that for the 2025 – 2029 Financial Plan Council add a Community Clean Team (2 FTEs), a full-time Superintendent, Sanitation, Recycling and Cemeteries and related costs effective April 1, 2026;

Option #3 Status Quo – No Motion Required

Decision Points

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#4.B Assistant Manager, Financial Planning

Additional capacity to address increasing reporting requirements, information requests, grant opportunities and provide timely support to departments.

Option #1 Add a Full-Time Position

Funding Source: General Revenue
Estimated Property Tax Impact

| 2025 | 2026 |
|-------|-------|
| 0.08% | 0.03% |

Motion
That the Finance and Audit Committee recommend for the 2025 – 2029 Financial Plan that Council add an Assistant Manager, Financial Planning and related costs effective April 1, 2025.

Option #2 Status Quo – No Motion Required

Decision Points

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#4.C Assistant Manager, Current Planning

Additional capacity to address increasing workloads including the impact of Provincial legislative changes such as Bills 16, 44, 46 & 47.

Option #1 Add a Full-Time Position

Funding Source: General Revenue
Estimated Property Tax Impact

| 2025 | 2026 |
|-------|-------|
| 0.08% | 0.03% |

Motion
That the Finance and Audit Committee recommend for the 2025 – 2029 Financial Plan that Council add an Assistant Manager, Current Planning and related costs effective April 1, 2025.

Option #2 Status Quo – No Motion Required

Decision Points

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#4.D Additional RCMP Members

Add 12 new RCMP members over three years (four per year) to address community growth and demand for police services in the community.

Option #1 Add 12 New Members

4 members – April 1, 2025

4 members – April 1, 2026

4 members – April 1, 2027

Funding Source: General Revenue

Estimated Property Tax Impact

Based on City budgeting 95% of City's share of RCMP contract

| 2025 | 2026 | 2027 | 2028 | 2029 |
|-------|-------|-------|-------|-------|
| 0.38% | 0.49% | 0.51% | 0.16% | 0.05% |

Decision Points

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#4.D Additional RCMP Members

Continued

Motion

That the Finance and Audit Committee recommend that Council add 12 new RCMP members to the 2025 – 2029 Financial Plan; four on April 1, 2025, four on April 1, 2026, and four April 1, 2027.

Option #2 Committee to Provide Alternative Direction

The Committee to provide a recommendation on additional RCMP members for the 2025 – 2029 Financial Plan to address resourcing requirements and direct staff to return to the Committee with the projected budget impact.

Motion

To be determined based on Committee direction

Option #3 Status Quo – No Motion Required

Decision Points

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#5 Increase to Road Maintenance Budget

At the January 22, 2024, Governance and Priorities Committee meeting the results of the Asphalt Levels of Service study was presented. A motion was made for Council to consider increasing the annual road maintenance budget by \$1.5 million during 2025 budget deliberations.

Option #1 Add \$1.5 million to the Road Maintenance Operating Budget

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 1.0%

Motion

That the Finance and Audit Committee recommend that Council increase the road maintenance operating budget by \$1.5 million effective 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#5 Increase to Road Maintenance Budget *Continued*

Option #2 Add \$775,000 to the Road Maintenance Operating Budget

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.52%

Motion

That the Finance and Audit Committee recommend that Council increase the road maintenance operating budget by \$775,000 effective 2025 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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#6 Culture Grants

At the September 25, 2024, Finance and Audit Committee meeting a motion was made for Council to consider during 2025 budget deliberations:

- A. 10 % annual increase for five years (2025 – 2029) in Project Grant funding; and
- B. \$0.25 per capita annual increase for three years (2025 – 2027) in Operating Grant funding.

Decision Points

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#6.A Culture Grants – Project Grant Funding

Option #1 10% Annual Increase for Five Years (2025 -2029)


Funding Source: General Revenue
 Estimated Property Tax Impact

| 2025 | 2026 | 2027 | 2028 | 2029 |
|--------|--------|--------|--------|--------|
| 0.003% | 0.003% | 0.003% | 0.003% | 0.004% |

Motion
 That the Finance and Audit Committee recommend that Council add a 10% annual increase for Culture Project Grant funding for five years, starting in 2025 (2025 – 2029), increasing the budget from \$44,407 to \$71,519 by 2029, for the 2025 – 2029 Financial Plan.

Decision Points

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#6.A Culture Grants – Project Grant Funding

Continued

Option #2 10% Increase for 2025


Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.003%

Motion
That the Finance and Audit Committee recommend that Council add a 10% increase, increasing the budget from \$44,407 to \$48,848, for Culture Project Grant funding effective 2025 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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#6.B Culture Grants – Operating Grant Funding

Option #1 \$0.25 per Capita Annual Increase for Three Years (2025 -2027)
Rate will increase from the current \$3.00/capita to \$3.75/capita by 2027

Funding Source: General Revenue
Estimated Property Tax Impact

| 2025 | 2026 | 2027 |
|-------|-------|-------|
| 0.02% | 0.02% | 0.02% |

Motion
That the Finance and Audit Committee recommend that Council increase Culture Operating Grant funding annually by \$0.25 per capita for three years, starting in 2025 (2025 – 2027), for a rate of \$3.75 per capita by 2027, for the 2025 – 2029 Financial Plan.

Decision Points

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#6.B Culture Grants – Operating Grant Funding *Continued*

Option #2 \$0.50 per Capita for 2025

Rate will increase from the current \$3.00/capita to \$3.50/capita effective 2025

Funding Source: General Revenue

Estimated 2025 Property Tax Impact - 0.04%

Motion

That the Finance and Audit Committee recommend that Council increase Culture Operating Grant funding by \$0.50 per capita to \$3.50 per capita effective 2025 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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#7 Restorative Justice Program

At the October 16, 2024, Finance and Audit Committee meeting a motion was made for Council to consider during 2025 budget deliberations increasing the annual operating grant from \$50,000 to \$150,000 starting in 2025.

Option #1 Increase the Annual Operating Grant to \$150,000

Funding Source: General Revenue

Estimated 2025 Property Tax Impact - 0.07%

Motion

That the Finance and Audit Committee recommend that Council increase the annual operating grant for the Restorative Justice Program to \$150,000 effective 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#7 Restorative Justice Program *Continued*

Option #2 Increase the Annual Operating Grant to \$100,000

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.03%

Motion

That the Finance and Audit Committee recommend that Council increase the annual operating grant for the Restorative Justice Program to \$100,000 effective 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#7 Restorative Justice Program *Continued*

Option #3 Increase the Annual Operating Grant to \$85,000

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.02%

Motion

That the Finance and Audit Committee recommend that Council increase the annual operating grant for the Restorative Justice Program to \$85,000 effective 2025 for the 2025 – 2029 Financial Plan.

Option #4 Status Quo – No Motion Required

Decision Points

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#8 Neighbourhood Association Grant Program

At the October 16, 2024, Finance and Audit Committee meeting a motion was made for Council to consider during 2025 budget deliberations increasing the annual budget for the Neighbourhood Association Grant Program from \$10,000 to \$20,000 starting in 2025.

Option #1 Increase the Annual Operating Grant Budget to \$20,000

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.01%

Motion

That the Finance and Audit Committee recommend that Council increase the budget for the Neighbourhood Association Grant Program to \$20,000 effective 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#8 Neighbourhood Association Grant Program *Continued*

Option #2 Increase the Annual Operating Grant Budget to \$15,000

Funding Source: General Revenue
Estimated 2025 Property Tax Impact - 0.003%

Motion

That the Finance and Audit Committee recommend that Council increase the budget for the Neighbourhood Association Grant Program to \$15,000 effective 2025 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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#9 Nanaimo Prosperity Corporation

Option #1 Increase Base Funding to \$815,000

Increase base funding from \$515,850 to \$815,000 effective 2025.

Funding Source: General Revenue

Estimated 2025 Property Tax Impact - 0.20%

Motion

That the Finance and Audit Committee recommend that Council increase the base budget for the Nanaimo Prosperity Corporation from \$515,850 to \$815,000 effective 2025 for the 2025 – 2029 Financial Plan.

Decision Points

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#9 Nanaimo Prosperity Corporation *Continued*

Option #2 Increase Base Funding to \$665,000

Increase base funding from \$515,850 to \$665,000 effective 2025.

Funding Source: General Revenue

Estimated 2025 Property Tax Impact - 0.10%

Motion

That the Finance and Audit Committee recommend that Council increase the base budget for the Nanaimo Prosperity Corporation from \$515,850 to \$665,000 effective 2025 for the 2025 – 2029 Financial Plan.

Option #3 Status Quo – No Motion Required

Decision Points

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