

DATE OF MEETING DECEMBER 16, 2024
AUTHORED BY WENDY FULLA, DIRECTOR, FINANCE
SUBJECT **2025 – 2029 Financial Plan Bylaw**

OVERVIEW

Purpose of Report

To introduce “Financial Plan Bylaw 2024 No. 7389 for first, second and third readings. |

Recommendation

That:

1. “Financial Plan Bylaw 2024 No. 7389” (To confirm and adopt the 2025 – 2029 Financial Plan) pass first reading;
2. “Financial Plan Bylaw 2024 No. 7389” pass second reading; and
3. “Financial Plan Bylaw 2024 No. 7389” pass third reading.

BACKGROUND

The financial planning process is informed by policies and plans endorsed by Council including the *2023 – 2026 Council Strategic Framework*, *City Plan: Nanaimo ReImagined*, and the *20 Year Investment Plan and Asset Management Plan Update*. In compliance with the *Community Charter*, the Financial Plan is developed through public consultation and Council direction. Prior to May 15th each year, Council must adopt both a Five-Year Financial Plan Bylaw and a Property Tax Rates Bylaw. Council may adopt a Five-Year Financial Plan Bylaw earlier to allow the City to proceed in a timely manner to work on programs and projects. This bylaw is referred to as the Provisional Financial Plan pending adoption of the Financial Plan by May 15th of each year.

A series of meetings were held to present the budget to Council and allow residents an opportunity to provide feedback on the budget before the Financial Plan Bylaw is adopted.

- The 2025 – 2029 Draft Financial Plan, 2025 Departmental Key Initiatives and the 2025 – 2029 Draft Project Plan were presented at a Special Finance and Audit Committee meeting on 2024-NOV-27;
- An eTown Hall was held 2024-DEC-02 to provide an additional opportunity for the public to engage with Council prior to budget deliberations;
- A number of external organizations who receive operating funding from the City provided an update to the committee at the 2024-DEC-04 Special Finance and Audit Committee meeting;

- At the 2024-DEC-06 Special Finance and Audit Committee meeting, a budget recap and decision points were presented to the committee. The committee engaged in deliberations and provided direction to staff for changes to the draft plan; and
- At the 2024-DEC-11 Finance and Audit Committee meeting the committee was provided with the provisional property tax increases and additional direction was provided to staff regarding decision points previously presented.

DISCUSSION

The 2025–2029 Provisional Financial Plan (Financial Plan) invests in services and infrastructure to support a community that is now over 100,000 strong with more than \$4.8 billion (2021) worth of assets.

Departmental business plans and project plans incorporate actions from the Integrated Action Plan as the City continues to make progress towards achieving the five city goals identified in *City Plan: Nanaimo ReImagined*.

Support of the five goal areas includes:

A Green Nanaimo – Resilient and Regenerative Ecosystems

- Climate action projects including Building Benchmarking, Cool It! Program, Community Environmental Sustainability Project Grant Program, EV Charging Infrastructure Rebate Programs, Home Energy Assessment Rebates and Home Retrofit Support Program.

A Connected Nanaimo – Equitable Access & Mobility

- Investment in infrastructure to support a robust, multi-modal network including new transit shelters, secure bike parking, and pedestrian improvements such as pedestrian flashers, audible signals and new sidewalks.

A Healthy Nanaimo – Community Wellbeing & Livability

- 20 new firefighters in support of the Fire Master Plan Implementation.
- Support for affordable housing including funding for supportive housing units at the former Travellers Lodge and annual contributions to the Housing Legacy Reserve Fund.
- Continued investment in the renewal and construction of new recreational amenities including new washroom facilities at Maffeo Sutton Park, a new Beban Outdoor Learning Centre and continued investment in the Stadium District.

An Empowered Nanaimo – Reconciliation, Representation & Inclusion

- Investment in arts and culture including operating grants to support cultural venues such as the Port Theatre, the Nanaimo Museum, and the Nanaimo Art Gallery. Funding for culture operating grants, culture project grants and downtown event revitalization funding.
- Continued funding for events to recognize National Indigenous People Day and Truth and Reconciliation Day.

A Prosperous Nanaimo – Thriving & Resilient Economy

- Funding for the Nanaimo Prosperity Corporation as they work to promote Nanaimo's dynamic economy and investment prospects.

- Funding to support Tourism Nanaimo, the designated Destination Marketing Organization for the City as it shapes the City’s tourism landscape.

The Financial Plan also reflects the motions the Finance and Audit Committee made at the Special Finance and Audit Committee meeting on 2024-DEC-06 and the Finance and Audit Committee meeting on 2024-DEC-11, including direction to:

- Add additional resources to support public safety:
 - 12 new RCMP members, four per year, starting in 2025 and budget the contract at 92% for 2025.
 - Add 10 new Community Safety Officers and 0.5 administrative support phased over 2025 and 2026.
 - Increase the annual operating grant to the Restorative Justice Program starting in 2025.
- Reduce base project funding from property taxation for 2025 by delaying the Commercial Street Implementation Phase 2 outside the five-year Financial Plan.
- Reduce the budget for wages & benefits to account for vacancies that arise during the year to minimize surplus.
- Add two new positions, one in Finance and one in Planning & Development to improve level of service and support increasing workloads.
- Increase funding for cultural with multi-year increases in both operating and project grant programs.
- Increase the Neighbourhood Association Grant Program budget effective 2025 to support neighbourhood associations to fund operational needs and/or community events.
- Increase the Nanaimo Prosperity Corporation base funding by \$149,150 effective 2025.

FINANCIAL CONSIDERATIONS

The projected property taxes increases in the Financial Plan are:

	2025	2026	2027	2028	2029
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	7.0%	6.1%	2.5%	2.1%	2.7%
Total Municipal Taxes	8.0%	7.1%	3.5%	3.1%	2.7%

Projected 2025 user rates increases are as follows:

- Water – 5.0%
- Sewer – 4.0%
- Sanitation – 5.7%

The projected impact to the typical home is \$227 for municipal taxes or approximately \$19/month (\$272 including user fee increases or approximately \$23/month).

Tax Paid by Average Home				
Based on Average Home of \$783,808	2024	2025	\$ Change	% Change
Property Taxes	\$2,843	\$3,070	\$227	8.0%
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	\$4,016	\$272	

Rounded to nearest dollar

Assumes a single family home with average Class 1 assessment change

*Based on 3 year average seasonal usage

Council will have opportunities to review and amend the Financial Plan in April prior to final adoption and adoption of the Property Tax Rates Bylaw. The 2025 – 2029 Final Financial Plan in April will include any updates to estimates and any additional directives from Council. Adopting the Financial Plan Bylaw authorizes expenditures in the 2025 budget and allows the City to proceed in a timely manner to work on programs and projects. |

OPTIONS

1. That “Financial Plan Bylaw 2024 No. 7389” (To confirm and adopt the 2025 – 2029 Financial Plan) pass first reading;

That “Financial Plan Bylaw 2024 No. 7389” pass second reading; and

That “Financial Plan Bylaw 2024 No. 7389” pass third reading.

 - The advantages of this option: Adopting the 2025 – 2029 Provisional Financial Plan Bylaw authorizes the expenditures in the 2025 budget and allows the City to proceed to work on programs and projects.

2. That Council table the report and request more information from Staff.
 - The disadvantages of this option: Delaying the adoption of the 2025 – 2029 Provisional Financial Plan may delay the start of programs and/or projects.
 - Financial Implications: The City will operate under year two of the approved 2024 – 2028 Financial Plan Bylaw until the 2025 – 2029 Provisional Financial Plan is adopted.

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SUMMARY POINTS

- The Financial Plan supports the Integrated Action Plan and Council’s Strategic Framework.
- The “Financial Plan Bylaw 2024 No. 7389” allows the City to proceed in a timely manner to work on 2025 programs and projects.
- Council will have opportunities to review and amend the 2025 – 2029 Financial Plan in April prior to adoption of the Property Tax Rates Bylaw.

ATTACHMENTS:

“Financial Plan Bylaw 2024 No. 7389”

Submitted by:

Wendy Fulla
Director, Finance

Concurrence by:

Laura Mercer
General Manger, Corporate Services