

CITY OF NANAIMO

BYLAW NO. 7389

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 "Financial Plan Bylaw 2024 No. 7389".

2. Schedule "A" attached hereto and forming part of this Bylaw is hereby adopted and is the Financial Plan for the City of Nanaimo for the period 2025-JAN-01 to 2029-DEC-31.

3. The various items of expenditure set forth in Schedule "A" are hereby authorized.

4. Schedule "B" attached hereto and forming part of this Bylaw is hereby adopted and is the Statement of Revenue Objectives & Policies for the City of Nanaimo for the period 2025-JAN-01 to 2029-DEC-31.

5. The Financial Plan may be amended in the following manner:

(a) Funds may be reallocated in accordance with the City of Nanaimo's management policy on budget transfers.

(b) The Director of Finance may transfer unexpended appropriations to Reserve Funds or Reserve Accounts for future expenditures.

PASSED FIRST READING: _____

PASSED SECOND READING: _____

PASSED THIRD READING: _____

ADOPTED: _____

MAYOR

CORPORATE OFFICER

Schedule A
City of Nanaimo
2025 - 2029 Financial Plan

	2025	2026	2027	2028	2029
Revenues:					
Revenue from Property Value Taxes	168,154,489	181,093,133	188,588,814	195,667,477	202,291,749
Revenue from Parcel Taxes	212,840	58,095	2,904	2,904	2,904
Revenue from Fees & Charges	63,796,959	66,455,636	69,152,605	70,750,020	72,050,372
Revenue from Other Sources	42,234,872	37,218,239	36,233,303	35,638,987	34,982,441
	274,399,160	284,825,103	293,977,626	302,059,388	309,327,466
Expenses:					
General Operating Expenditures	193,455,582	200,326,102	204,041,513	212,182,388	215,694,946
Sanitary Sewer Operating Expenditure:	5,311,709	5,448,883	5,473,202	5,526,280	5,618,897
Waterworks Operating Expenditures	14,365,707	13,897,244	14,295,622	13,984,367	14,333,005
Interest Payment on Municipal Debt	2,371,960	2,310,542	1,745,810	1,524,536	1,634,094
Amortization	33,035,013	33,457,632	34,160,680	35,469,796	37,578,721
Annual Surplus/Deficit	25,859,189	29,384,700	34,260,799	33,372,021	34,467,803
Add back:					
Amortization	33,035,013	33,457,632	34,160,680	35,469,796	37,578,721
Capital Expenditures					
General Capital Expenditures	34,665,195	36,277,210	32,785,440	28,346,150	40,331,300
Sanitary Sewer Capital Expenditures	8,479,800	5,240,000	5,544,700	9,381,330	5,848,100
Waterworks Capital Expenditures	9,142,100	14,193,000	15,706,950	12,900,900	14,264,200
Proceeds from Municipal Borrowing	-	-	(1,617,000)	(1,000,000)	(10,000,000)
Principal Payment on Municipal Debt	4,462,296	4,538,081	3,590,178	2,345,659	2,228,747
Transfers between Funds:					
Reserve Funds	-	-	-	-	-
DCC Funds	-	-	-	-	-
Transfers to/(from) Accumulated Surplus	2,144,811	2,594,041	12,411,211	16,867,778	19,374,177
Financial Plan Balance	-	-	-	-	-

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	168,154,489	61.3%
Parcel Taxes	212,840	0.1%
Fees & Charges	63,796,959	23.2%
Other Sources	42,234,872	15.4%
Total	274,399,160	100.0%

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)	115,114,778	68.5%	1.000
Utilities (2)	822,647	0.5%	9.015
Supportive Housing (3)	-	0.0%	-
Major Industry (4)	2,200,861	1.3%	3.305
Light Industry (5)	3,002,990	1.8%	3.305
Business and Other (6)	46,602,741	27.7%	3.305
Managed Forest Land (7)	4,131	0.0%	5.447
Recreational/Non-Profit (8)	406,171	0.2%	2.578
Farm (9)	170	0.0%	0.122
Total	168,154,489	100.0%	

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 Permissive Tax Exemption Policy, 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 five 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 the General Manager, Corporate Services.