

CITY OF NANAIMO

BYLAW NO. 7436

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 2025, No. 7436".

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 2026-JAN-01 to 2030-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 2026-JAN-01 to 2030-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: 2025-DEC-15

PASSED SECOND READING: 2025-DEC-15

PASSED THIRD READING: 2025-DEC-15

ADOPTED: _____

MAYOR

CORPORATE OFFICER

Schedule A
City of Nanaimo
2026 - 2030 Financial Plan

	2026	2027	2028	2029	2030
Revenues:					
Revenue from Property Value Taxes	179,986,276	191,747,612	198,606,689	205,383,774	211,405,530
Revenue from Parcel Taxes	58,095	2,904	2,904	2,904	2,904
Revenue from Fees & Charges	71,756,191	74,611,190	77,817,707	79,172,332	80,718,580
Revenue from Other Sources	36,344,065	30,557,393	31,431,019	32,213,587	27,333,997
	<u>288,144,627</u>	<u>296,919,099</u>	<u>307,858,319</u>	<u>316,772,597</u>	<u>319,461,011</u>
Expenses:					
General Operating Expenditures	204,371,605	210,333,375	217,004,667	220,047,578	226,062,139
Sanitary Sewer Operating Expenditure:	5,719,981	5,486,414	5,910,908	5,655,580	6,023,376
Waterworks Operating Expenditures	14,724,957	15,121,744	14,638,414	14,931,571	15,200,370
Interest Payment on Municipal Debt	2,338,585	1,766,796	1,482,440	1,483,486	1,650,892
Amortization	34,039,312	34,737,171	35,264,098	35,912,979	38,674,789
	<u>26,950,187</u>	<u>29,473,599</u>	<u>33,557,792</u>	<u>38,741,403</u>	<u>31,849,445</u>
Annual Surplus/Deficit					
	26,950,187	29,473,599	33,557,792	38,741,403	31,849,445
Add back:					
Amortization	34,039,312	34,737,171	35,264,098	35,912,979	38,674,789
Capital Expenditures					
General Capital Expenditures	57,699,553	42,020,325	46,974,375	34,241,447	48,816,400
Sanitary Sewer Capital Expenditures	7,335,100	4,365,970	9,574,200	6,692,500	7,190,700
Waterworks Capital Expenditures	13,544,000	16,535,000	12,425,550	16,547,700	10,604,400
Proceeds from Municipal Borrowing	-	-	-	(370,300)	(10,869,800)
Principal Payment on Municipal Debt	4,541,414	3,589,444	2,236,928	2,127,984	2,208,138
Transfers between Funds:					
Reserve Funds	-	-	-	-	-
DCC Funds	-	-	-	-	-
Transfers to/(from) Accumulated Surplus	<u>(22,130,568)</u>	<u>(2,299,969)</u>	<u>(2,389,163)</u>	<u>15,415,051</u>	<u>12,574,396</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Schedule B
City of Nanaimo
Statement of Revenue Objectives & Policies

1. Proportion of Revenue by Source

The City of Nanaimo (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	179,986,276	62.5%
Parcel Taxes	58,095	0.0%
Fees & Charges	71,756,191	24.9%
Other Sources	36,344,065	12.6%
Total	288,144,627	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)	123,420,129	68.6%	1.000
Utilities (2)	873,736	0.5%	8.665
Supportive Housing (3)	-	0.0%	-
Major Industry (4)	2,423,532	1.3%	3.122
Light Industry (5)	3,197,377	1.8%	3.122
Business and Other (6)	49,639,522	27.6%	3.122
Managed Forest Land (7)	7,900	0.0%	4.521
Recreational/Non-Profit (8)	423,911	0.2%	2.592
Farm (9)	169	0.0%	0.117
Total	179,986,276	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.