

ATTACHMENT A

CITY OF NANAIMO

BYLAW NO. 7436.01

A BYLAW TO AMEND THE 2026 - 2030 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 Amendment Bylaw 2026 No. 7436.01".

2. Amendments

"Financial Plan Bylaw 2025 No. 7436" is hereby amended as follows:

- (1) Delete Schedule "A" in its entirety and replace with the attached Schedule "A".
- (2) Delete Schedule "B" in its entirety and replace with the attached Schedule "B".

PASSED FIRST READING: _____

PASSED SECOND READING: _____

PASSED THIRD READING: _____

ADOPTED: _____

MAYOR

CORPORATE OFFICER

Schedule A
City of Nanaimo
2026 - 2030 Financial Plan

	2026	2027	2028	2029	2030
Revenues:					
Revenue from Property Value Taxes	180,195,594	195,201,689	205,855,505	215,927,432	223,298,720
Revenue from Parcel Taxes	228,230	174,655	176,287	177,936	179,602
Revenue from Fees & Charges	73,053,284	76,264,621	80,150,983	82,292,260	83,970,952
Revenue from Other Sources	42,252,702	30,899,467	31,726,755	32,619,754	27,842,996
	<u>295,729,810</u>	<u>302,540,432</u>	<u>317,909,530</u>	<u>331,017,382</u>	<u>335,292,270</u>
Expenses:					
General Operating Expenditures	216,685,094	213,272,635	222,010,769	226,450,814	233,681,953
Sanitary Sewer Operating Expenditure:	6,209,659	5,552,671	6,015,658	5,782,516	6,155,156
Waterworks Operating Expenditures	15,811,146	15,270,217	14,903,742	15,260,275	15,551,431
Interest Payment on Municipal Debt	2,482,566	2,476,928	3,528,619	4,960,552	5,277,857
Amortization	35,620,864	36,283,561	36,401,955	38,564,042	42,929,098
	<u>18,920,481</u>	<u>29,684,420</u>	<u>35,048,787</u>	<u>39,999,183</u>	<u>31,696,775</u>
Annual Surplus/Deficit					
Add back:					
Amortization	35,620,864	36,283,561	36,401,955	38,564,042	42,929,098
Capital Expenditures					
General Capital Expenditures	99,906,857	61,479,975	72,865,975	36,572,897	48,769,300
Sanitary Sewer Capital Expenditures	11,570,919	6,775,720	12,771,900	7,034,950	7,190,700
Waterworks Capital Expenditures	22,386,854	22,419,500	18,820,950	17,232,600	10,604,400
Proceeds from Municipal Borrowing	(10,570,000)	(26,775,000)	(35,530,000)	(4,175,300)	(10,869,800)
Principal Payment on Municipal Debt	4,543,997	3,962,778	3,559,475	4,752,019	5,059,186
Transfers between Funds:					
Reserve Funds	-	-	-	-	-
DCC Funds	-	-	-	-	-
Transfers to/(from) Accumulated Surplus	<u>(73,297,282)</u>	<u>(1,894,992)</u>	<u>(1,037,558)</u>	<u>17,146,059</u>	<u>13,872,087</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	180,195,594	60.9%
Parcel Taxes	228,230	0.1%
Fees & Charges	73,053,284	24.7%
Other Sources	42,252,702	14.3%
Total	295,729,810	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)	123,875,053	68.7%	1.000
Utilities (2)	870,918	0.5%	8.987
Supportive Housing (3)	-	0.0%	-
Major Industry (4)	2,552,423	1.4%	3.187
Light Industry (5)	3,158,778	1.8%	3.187
Business and Other (6)	49,311,693	27.4%	3.187
Managed Forest Land (7)	9,878	0.0%	5.630
Recreational/Non-Profit (8)	416,688	0.2%	2.563
Farm (9)	163	0.0%	0.116
Total	180,195,594	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 five 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.