

“FINANCIAL PLAN BYLAW 2020 NO. 7320”
Consolidated Version

2022-FEB-28

Includes Amendment: 7320.01, 7320.02

CITY OF NANAIMO

BYLAW NO. 7320

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 the “Financial Plan Bylaw 2020 No. 7320”.

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 2021-JAN-01 to 2025-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 2021-JAN-01 to 2025-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: 2020-DEC-21

PASSED SECOND READING: 2020-DEC-21

PASSED THIRD READING: 2020-DEC-21

ADOPTED: 2021-JAN-18

(Bylaw No 7320.01, 7320.02)

Schedule A
City of Nanaimo
2021 - 2025 Financial Plan

	2021	2022	2023	2024	2025
Revenues:					
Revenue from Property Value Taxes	122,268,799	127,950,069	133,635,339	139,172,637	144,133,598
Revenue from Parcel Taxes	192,430	151,500	153,015	154,545	156,091
Revenue from Fees & Charges	49,418,203	55,922,785	59,076,490	60,726,511	62,445,085
Revenue from Other Sources	28,144,277	30,429,663	27,798,260	23,836,791	24,138,780
	<u>200,023,709</u>	<u>214,454,017</u>	<u>220,663,104</u>	<u>223,890,484</u>	<u>230,873,554</u>
Expenses:					
General Operating Expenditures	149,646,358	142,504,106	145,758,849	150,231,306	152,920,517
Sanitary Sewer Operating Expenditures	5,227,820	5,011,583	5,223,181	5,265,165	5,309,320
Waterworks Operating Expenditures	10,695,620	10,382,606	10,581,182	10,715,378	11,101,005
Interest Payment on Municipal Debt	1,670,593	1,938,141	2,149,178	2,309,045	2,332,114
Amortization	27,384,507	29,433,847	30,751,798	31,602,146	32,610,002
Annual Surplus/Deficit	<u>5,398,811</u>	<u>25,183,734</u>	<u>26,198,916</u>	<u>23,767,444</u>	<u>26,600,596</u>
Add back:					
Amortization	27,384,507	29,433,847	30,751,798	31,602,146	32,610,002
Capital Expenditures					
General Capital Expenditures	73,866,654	44,047,714	34,012,040	29,452,754	31,751,425
Sanitary Sewer Capital Expenditures	11,608,382	5,624,500	6,652,950	6,140,607	5,383,550
Waterworks Capital Expenditures	20,299,920	16,102,250	13,975,766	15,315,800	8,704,155
Proceeds from Municipal Borrowing	(13,308,450)	(12,630,269)	(9,628,700)	(500,000)	(7,805,648)
Principal Payment on Municipal Debt	4,373,983	4,997,244	5,172,523	5,120,156	5,278,353
Transfers between Funds:					
Transfers to/(from) Accumulated Surplus	<u>(64,057,171)</u>	<u>(3,523,858)</u>	<u>6,766,135</u>	<u>(159,727)</u>	<u>15,898,763</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

Property taxes

- The City of Nanaimo 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).
- Council will consider a policy to identify an appropriate level of debt for the community.

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

- The City of Nanaimo will maintain 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.
- Between 2009 and 2013, the light and major industrial tax rates were reduced to the same level as the commercial tax rate.

3. Permissive Tax Exemptions

- The City of Nanaimo believes that Permissive Tax Exemptions are an appropriate way to recognize the value of the services provided to the community by non-profit organizations.
- Permissive Tax Exemption requests will be reviewed by the Finance and Audit Committee based on policies and guidelines approved by Council. 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 of Nanaimo believes that Revitalization Tax Exemptions are an appropriate tool to assist the City in realizing its strategic objectives.
- The City can exempt municipal taxes for up to ten 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 Council.