

NEWS RELEASE

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Council sets 2020 property tax rate

Tax notices arriving in mailboxes end of May

Summary

At their meeting on May 11, 2020, Nanaimo City Council adopted the 2020 Property Tax Rates and the final 2020-2024 Financial Plan bylaws. The 2020 tax rate addresses balancing the short and long-term impacts of COVID-19 on City operations and to Nanaimo residents and businesses.

Unlike other levels of government, legally, municipalities do not have the ability to run deficits. The final 2020-2024 Financial Plan approved by Council set the property tax rate at 4.5 per cent and allows the City flexibility going forward. The City's Special Initiatives Reserve has funding available to help cover a potential shortfall in 2020 revenues or other costs incurred as a result of the COVID-19 pandemic or from facility closures. Council will also have greater flexibility in setting the tax rate for 2021, which will help lessen the financial impact to property owners.

Another measure Council has taken to reduce pressures to residents and businesses has been to push back the penalty date for late property tax payments to October 1, 2020. Residents are encouraged to pay their property taxes by the due date of July 2, 2020. Paying taxes on time provides the City with the needed cash flow to provide critical municipal services to the community.

For more information on the financial plan, visit www.nanaimo.ca/goto/budget.

Strategic Link: Adopting a Financial Plan contributes to Council's priority of governance excellence.

Key Points

- The 2020 Property tax rate is 3.5 per cent (an additional \$95/year or \$7.92/month for a typical household), with one additional per cent directed towards the General Asset Management Reserve.
- The City has been impacted by the COVID-19 pandemic with revenue loss from facility closures and recreation programming cancellations due to the COVID-19 pandemic. As well, in excess of 200 City staff have been impacted through City facility closures and program cancellations. These include full-time, part-time, and casual employees as well as contracted persons.

Quotes

"I'm pleased to see the collaboration from both Council and staff to create a budget that focuses on both immediate and long-term impacts during this time of uncertainty. In the end, we chose to balance community needs, the unique challenges of this year, citizen's ability to pay and our collective responsibility not to shift paying for current expenditures to future budgets."

Leonard Krog
Mayor
City of Nanaimo

"The funded 2020-2024 Financial Plan enables the City to provide the residents of Nanaimo with essential municipal services and infrastructure along with a strong capital program that will contribute to sustained and accelerated economic recovery."

Laura Mercer
Director, Finance
City of Nanaimo

Quick Facts

- The Financial Plan bylaw must be adopted by May 15 of each year.
- The City owns and maintains over \$3 billion in infrastructure assets. This includes City-owned roads, drainage, vehicle fleet, facilities, parks, land and open spaces. It also includes the sanitary sewer collection system and the entire water supply, treatment and distribution system.

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