NEWS RELEASE

Distributed December 22, 2020

City Council reduces tax rates in 2021 provisional budget

Invests in building a healthy and connected community

Summary

The City of Nanaimo's 2021-2025 Provisional Financial Plan consists of a 2 per cent increase to cover operating costs and 1 per cent for the Asset Management Reserve for 2021. The final 2021 budget will be shared once other authorities such as the school board, Regional District of Nanaimo, BC Assessment and BC Transit levy their taxation amount by May 2021.The City's budget focuses on Council's commitment to investing in building a healthy and connected community. Below is a summary of some of the projects, initiatives and positions that will help achieve this.

GOVERNANCE EXCELLENCE

Taxation

The City has experienced significant revenue shortfalls in recreation, parking and casino revenues due to the COVID-19 Pandemic. To stabilize property taxes over the next three years, Council approved the allocation of $1,408,806 from the General Financial Stability Reserve and allocated an additional $1,755,437 from the Special Initiatives Reserve.Council approved the allocation of the full $6,693,000 from the Canada-BC COVID-19 Safe Restart Grant to offset revenue losses and pandemic expenditures from 2020.

ENVIRONMENTAL RESPONSIBILITY + LIVABILITY

Focus on growth and community infrastructure

Pedestrian and transportation improvements will continue throughout the city to create a more connected community. Such projects include:

- Metral Drive – Continuation of the award-winning Metral Drive Corridor project which aims to increase the safety and comfort for people who walk, bike, take transit and drive while ensuring that utility upgrades within the project area are completed with the proposed surface improvements.
- Mid-Town Gateway (Boxwood Connector) – is an extension of Boxwood Road with new connections to Bowen and Rosstown Road. This project will enhance mobility and safety for all travel modes in the Bowen/Northfield/Boxwood Area.
- Enhancing funding for pedestrian and cycling, including the Cycle track on Albert Street between Pine Street and Milton Street, which will create a continuous track connecting the Harewood/Vancouver Island University area and downtown.

The City owns and maintains over $3 billion in infrastructure assets such as roads, water mains, facilities, drainage, parks and the sewer system. As a result, nearly $72 million in water infrastructure projects are planned for the next five years, including a $20 million mid-town water supply upgrade scheduled to start in 2021. In addition to the engineering and public works-related infrastructure projects, the budget also plans for upgrades to community amenities such as the:

- Rotary Bowl Track Resurfacing Project– continues to support healthy and active programs for children and students from across the City.
- Long Lake Paddling & Rowing Centre – replacement of the 50-year-old structure with a multi-use boathouse to be used by the Nanaimo Canoe and Kayak Club, Nanaimo Rowing Club and the public. This project is contingent on a federal-provincial grant funding.

Proactively address social challenges and enhance public safety

The Community Clean Team pilot was extended. The pilot project was an initiative Council approved in November 2019, to help with the orderliness and cleanliness of the City's public spaces. The pilot will now be extended to the end of 2021.

The addition of a Digital Forensic Technician and a Major Case File Specialist will help Nanaimo RCMP advance active child exploitation investigations.

Health and Housing Task Force

Council extended the mandate of the Health and Housing Task Force until February 28, 2021 for task force members to engage their respective organizations on their role in implementing the Health and Housing Action Plan before returning to Council.

Council has earmarked $480,000 annually over the next five years. This commitment will be included in the Final 2021 – 2025 Financial Plan for recommendations and initiatives that will be presented for Council's consideration in the finalized Health and Housing Action Plan.

ENVIRONMENTAL RESPONSIBILITY

To ensure the City continues progress with its climate change adaptation, mitigation and environment protection strategies, the position of Manager of Sustainability was added to the 2021 budget.

ECONOMIC HEALTH

To ensure the City has capacity to implement a Sustainable Procurement Program, an additional Buyer position has been added to the 2021 budget.While no additional funding has been added to the provisional budget, Council has extended the mandate of the Economic Development Task Force until February 28, 2021. This will allow time for the task force members to engage their respective organizations on their role in implementing the Economic Development Strategy before returning to Council.

Where Your Taxes Go

The revenues collected through property taxes and user fees fund the above mentioned projects, initiatives and positions that continue to make Nanaimo a community that is livable, environmentally sustainable and full of opportunity for all generations and walks of life. Below are increases in the provisional plan:

- Property tax of 3%, equivalent to $67 (or $5.58 per month) for a typical household with an assessed value of $527,145
- Water user fees of 7.5%, equivalent to $44
- Sewer user fees of 4.0%, equivalent to $5
- Solid waste user fees of 10.5%, equivalent to $18

This equals an annual increase of $134 or roughly $11.17 per month in taxes and fees for a typical household.

For more information on the 2021-2025 Provisional Financial Plan, visit www.nanaimo.ca/goto/budget

Strategic Link: The 2021-2025 Provisional Financial Plan supports Governance Excellence through a number of new initiatives and additions to staffing levels to ensure effective service delivery to residents.

Key Points

- Adopting the 2021 – 2025 Provisional Financial Plan Bylaw authorizes the expenditures in the 2021 budget and allows the City to proceed to work on programs and projects.
- The City also collects fees and taxes on behalf of Regional District of Nanaimo (rdn.bc.ca), Vancouver Island Regional Library (virl.bc.ca), School District 68 (sd68.bc.ca) and BC assessment (bcassessment.ca). For more information on taxes related to the above mentioned agencies, please visit their respective websites.
- Council will consider and adopt the 2021 Property Tax Bylaw in April/May 2021.

Quotes

"COVID-19 has had a devastating impact on Nanaimo citizens and businesses. As a Council, we know that one of the ways we can help revive our local economy is by investing in City capital projects and initiatives that help create a healthy and more connected community while helping keep many businesses open and people employed. We are cautiously optimistic that 2021 will be a better year for many."

Leonard Krog
Mayor
City of Nanaimo

"This year's annual budget planning was a significantly more complex process given the changing financial landscape we experienced from the impacts of COVID-19. We are now at a stage where City staff have presented draft plans to Council and the public for their review and input. The Final 2021-2025 Financial Plan Bylaw will be presented for Council's final consideration in Spring of 2021."

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