

“FINANCIAL PLAN BYLAW 2016 NO. 7234”

Consolidated Version

2017-MAY-01

Includes amendments: 7234.01, 7234.02, 7234.03

CITY OF NANAIMO

BYLAW NO. 7234

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 2016 NO. 7234".

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 2017-JAN-01 to 2021-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 2017-JAN-01 to 2021-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 2016-DEC-19
PASSED SECOND READING 2016-DEC-19
PASSED THIRD READING 2016-DEC-19
ADOPTED 2017-JAN-09

W. B. MCKAY
MAYOR

S. GURRIE
CORPORATE OFFICER

SCHEDULE "A"

2017 - 2021 Financial Plan					
	2017	2018	2019	2020	2021
Revenues:					
Revenue from Property Value Taxes	99,930,241	103,321,708	107,107,116	110,957,971	113,890,781
Revenue from Parcel Taxes	40,774	41,182	41,594	42,010	42,430
Revenue from Fees & Charges	40,006,119	41,795,057	43,697,890	45,722,668	47,355,643
Revenue from Other Sources	34,487,103	28,234,265	24,887,606	25,238,621	25,218,236
	<u>174,464,237</u>	<u>173,392,212</u>	<u>175,734,206</u>	<u>181,961,270</u>	<u>186,507,090</u>
Expenses:					
General Operating Expenditures	126,852,472	118,858,802	119,861,819	122,308,108	125,109,638
Sanitary Sewer Operating Expenditures	4,525,476	4,280,431	4,339,756	4,395,536	4,450,832
Waterworks Operating Expenditures	9,765,920	9,349,453	9,372,689	9,805,665	9,512,518
Interest Payment on Municipal Debt	1,859,408	1,741,966	1,939,777	1,939,539	1,833,867
Amortization	23,527,325	23,424,366	23,346,056	22,920,790	22,920,790
	<u>176,530,591</u>	<u>167,685,988</u>	<u>179,460,097</u>	<u>181,389,638</u>	<u>183,827,643</u>
Annual Surplus/Deficit	7,933,636	15,737,194	16,874,109	20,591,632	22,679,445
Add back:					
Amortization	23,527,325	23,424,366	23,346,056	22,920,790	22,920,790
Capital Expenditures					
General Capital Expenditures	42,785,689	29,691,378	13,689,484	9,992,100	15,575,900
Sanitary Sewer Capital Expenditures	7,320,962	8,647,000	6,078,500	5,502,102	2,653,246
Waterworks Capital Expenditures	15,330,189	9,143,356	9,590,300	11,122,200	8,258,500
Proceeds from Borrowing	(5,695,967)	(7,100,000)	(1,650,000)	(1,000,000)	-
Principal Payment on Municipal Debt	3,041,989	3,166,486	3,560,322	3,764,575	3,280,171
Transfers between Funds:	-	-	-	-	-
Special Funds	-	-	-	-	-
DCC Funds	-	-	-	-	-
Transfers to/(from) Accumulated Surplus	<u>(31,321,901)</u>	<u>(4,386,660)</u>	<u>8,951,559</u>	<u>14,131,445</u>	<u>15,832,418</u>
Financial Plan Balance	0	-	-	-	-

(Bylaw 7234.01, 7234.02, 7234.03)

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 hydro electric 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 Grants Advisory 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.