



Zero per cent property tax increase a possibility for 2016

(Nanaimo BC – April 13) - A zero per cent property tax increase for the 2016 tax year was included in details surrounding this year's City of Nanaimo budget that were provided to Council during a staff presentation at the April 11th Committee of the Whole meeting.

Staff will be recommending a zero per cent tax increase for 2016 and an average of 1.26 per cent for each of the years 2017 through 2020.

“We are taking responsibility to be an excellent municipal government through strategic, long-term financial planning,” states Chief Administrative Officer Tracy Samra. “The zero per cent property tax increase option is significant in that many civic jurisdictions on Vancouver Island are budgeting for property tax increases. This is possible in Nanaimo due to changes and adjustments within senior management and the direction and priorities of the majority of city council.”

“We can do all of this without cutting important services for our citizens and taxpayers. The city has additionally approved the hiring of two new RCMP staff members from police contract reserves, which doesn’t require additional city funding.”

The 2016 budget consists of \$150.5M for operations and \$60.5M for capital projects for a total of \$211M. The City is able to fund general price increases, labor contracts increases and provide \$6.1M to asset management reserves without a property tax increase in 2016, while relying on cost containment and reduction measures and new revenue from construction growth.

Staff originally presented Council with plans for a 1.7 per cent tax increase, but together, they worked their way back to zero per cent through a combination of streamlining city management, deferring a decision on the hiring of four new RCMP members as requested under an old plan until a new plan is presented to the city, and \$1.4 million in new revenue from new development.

“We believe that we have recommended a responsive financial plan proposal for Council’s consideration and support,” says Victor Mema, Director of Finance. “We continue to explore cost effective options for our public safety operations and look forward to results of studies currently underway.”

More....

Cont... Zero per cent property tax increase a possibility for 2016

Other information shared included details on the City's long-term financial plan, the City's current budget capacity and time lines for the next budget cycle. Following the presentation, Council directed staff to prepare the 2016-2020 Financial Plan bylaw amendment and the 2016 Property Tax Rate Bylaw for approval at the next Council meeting.

Members of the public wishing to watch the April 11th budget presentation can do so by clicking on the link included in the online version of this news release.

QUICK FACTS

* City's financial reserve balances stand at \$103M in 2016 and are projected to grow to \$137M by 2020.

* The City has not funded recurring operational costs from reserve funds.

LINKS

2016 Budget presentation

Provided during the April 11 Committee of the Whole Meeting

<http://www.nanaimo.ca/meetings/VideoPlayer/Index/COW160411V>

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