

Council adopts 2017-2021 Financial Plan; Extra funds allocated for roads and facilities

NELSON – Council adopted the 2017-2021 Financial Plan Bylaw and related bylaws at a Special Meeting on Friday May 5, 2017. Although the budget reflects what was presented during the budget public consultation in February and March, Council made the decision last week to contribute \$140,000 more to the building reserve to help fund our aging facilities. Council also carried through on its commitment to double the amount spent on roads by increasing the paving budget by \$600,000 per year.

Road maintenance was a key issue that Council was hearing from the community, in part, a response to the deterioration caused by this winter's severe weather. As part of this year's budget deliberations, Council received a report from its Director of Public Works & Utilities that indicated that the City needed to invest more into resurfacing roads and maintaining City owned facilities.

Parking meter fee increases coupled with the creation of additional parking stalls will add \$155,000 to the annual paving budget. These additional revenues will allow the City to meet a recommended target of road resurfacing once every 30 years. This cuts the road resurfacing timeframe in half from the current timeframe of 60 years, which is unsustainable.

The preliminary facilities assessment identified that Council will need to invest up to \$1,000,000 per year to maintain and upgrade its \$140,000,000 of facilities. The funding for City facilities will come in part from taxation recouped through a negotiated Regional District tax reduction (\$140,000) and profits from office space leases at 310 Ward Street (\$180,000), with the balance coming from existing capital funding sources.

Although the municipal portion of your tax bill shows a larger than normal increase, residents and businesses will see a reduction in other taxes. For example, \$235,000 which is the City's portion of the reduced taxation for the Nelson and District Community Complex service was used to reduce Regional District taxes. The bottom line is, average residential taxation will go up 2.25% and businesses will see an average taxation decrease of 0.5%.

Total taxes and levies for an average Nelson home assessed at \$353,866 go up \$87.00 per year in 2017. That includes an annual increase of \$11.00 for the water utility; \$8.00 for the sewer utility; and for the 11th straight year, there is no increase for the solid waste and recycling levy.

As with previous identified infrastructure deficits, Council is taking immediate action with this year's financial plan by supporting the ongoing investment that is required to maintain city roads and facilities.

The 2017 budget maintains the City's ongoing focus on infrastructure, investment in the downtown and waterfront and community livability. New initiatives for the 2017 Budget include:

- Continue with the development of a long-term sustainable infrastructure management plan;
- Approximately \$9.5 million for city-wide road, sidewalk and utility upgrades, with Hall Street Phase II making up \$6.3 million of those upgrades;
- A grant of \$4.5m from the Federal and Provincial governments to complete vital underground and above ground infrastructure improvements during Phase 2 of the Hall Street project including addressing ongoing flooding issues and the development of a new waterfront park at the foot of Hall Street;
- Planning for the replacement of underground and streetscape revitalization in the downtown;
- A reduction of \$350,000 in the Nelson and District Community Recreation Complex service budget, while still maintaining \$300,000 of the additional funding for 2017 to complete the final renovations and fund needed equipment replacement; reallocating \$140,000 of this taxation savings to the City's building reserve fund;
- A grant of \$253,500 from the Federal government and \$100,000 from Areas E & F of the RDCK to continue facility upgrades at the Civic Centre Complex;
- Funding the overage in the snow plowing budget that occurred in January – March 2017;
- Funding for an additional Police Officer, plus one police support person as required by the provincial government; and,
- Negotiated wage agreements fully funded, with all supplies and services budgets held at a 0% increase for 2017.

Other budget highlights include:

- Working with the private sector on moving the Railtown District plan forward, as well as making strategic public sector investment such as improvements to Cottonwood Park and the Farmers Market;
- Completion of the final touches to Phase 1 of the Hall Street plan, including IODE Park, a public washroom and a parking kiosk;
- Economic development activities such as continued improvements in the downtown; fostering the technology sector through investment and training; exploring a Nelson Innovation Centre; becoming an Intelligent Community;
- Technology improvements including the launch of an overhauled City website; increasing community engagement capabilities; expanding Nelson Fibre;
- Community energy sustainability initiatives including the Eco-Save program; installing electric vehicle charging stations; the launch of the solar array garden; completion of the 25kv Uphill conversion project;
- Housing initiatives including supporting the Nelson CARES affordable housing project; private sector housing projects (especially rental housing); policy and bylaws updates; the completion of the City land inventory,
- Managing the water supply through conservation; improving emergency source capabilities; updating the water master plan; securing a secondary source; and,
- Update of the Emergency response plan including the City's capacity to respond to emergencies and investment in wildfire mitigation planning and implementation.

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