

Facilities Day 2

February 6, 2026

Borrowing Capacity

\$7,000,000

Liability Servicing Limit (City)

Municipal Liabilities Regulation (BC Reg. 254/2004)

25% of specific revenues (stable, controllable, predictable)

= \$105,000,000

Maximum borrowing capacity

\$8,500,000

Assent Free Zone

Borrowing Capacity

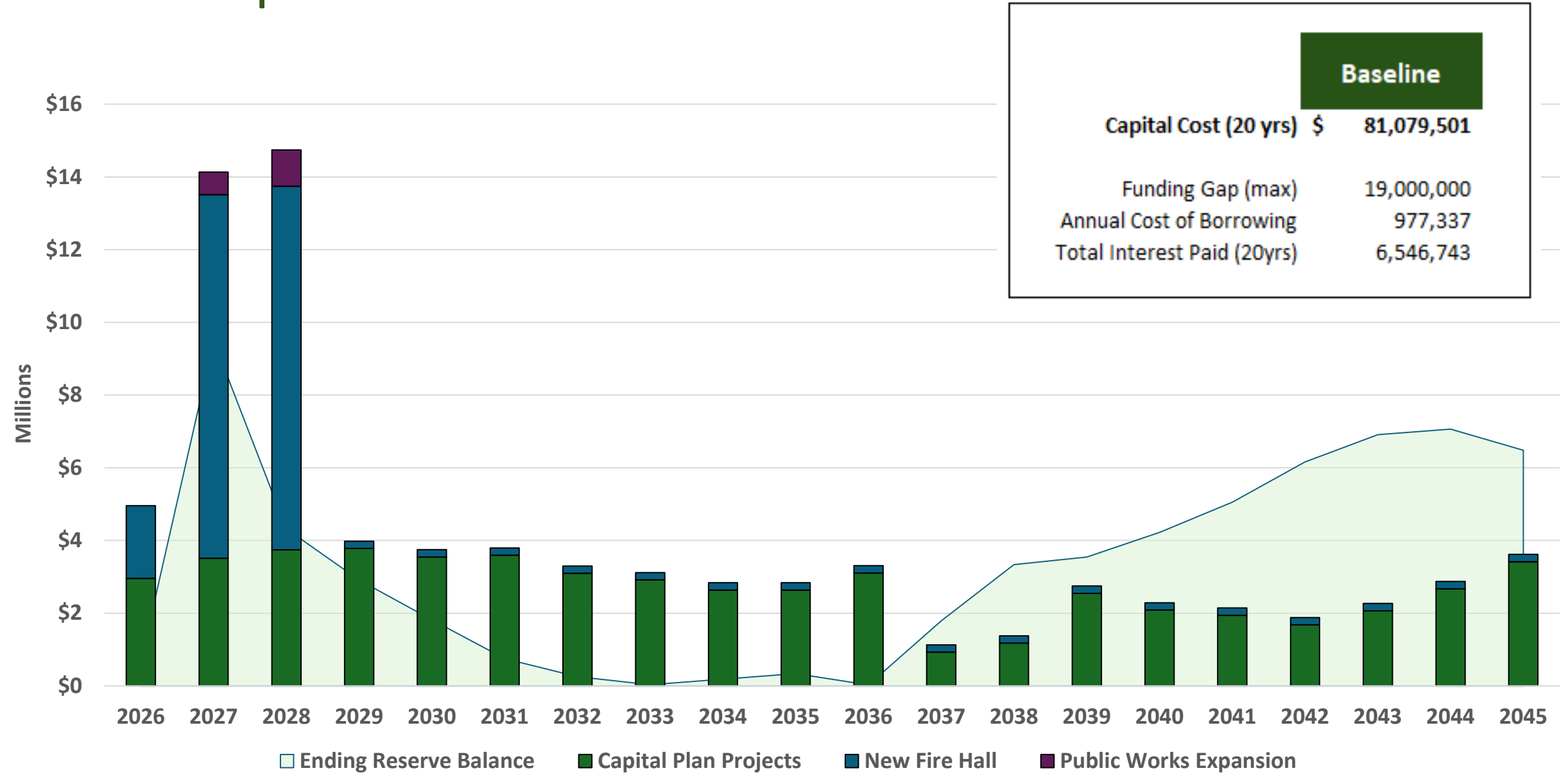
<u>Potential Future Debt</u>		<u>Amount</u>	<u>Annual cost</u>
Water Utility			
Five Mile Pipeline *		\$ 13,000,000	\$ 865,962
Wastewater Utility			
Forcemain	7,000,000		
WWTP (if no grant)	56,000,000	63,000,000	\$ 4,196,586
Equipment			
Ladder truck *		3,000,000	\$ 199,837
LAS Bylaw		750,000	\$ 49,959
Facilities			
Firehall *	13,000,000		865,962
Firehall (if no grant)	7,000,000		466,287
Remaining capacity	5,250,000	25,250,000	\$ 1,681,965
		\$ 105,000,000	\$ 6,994,310

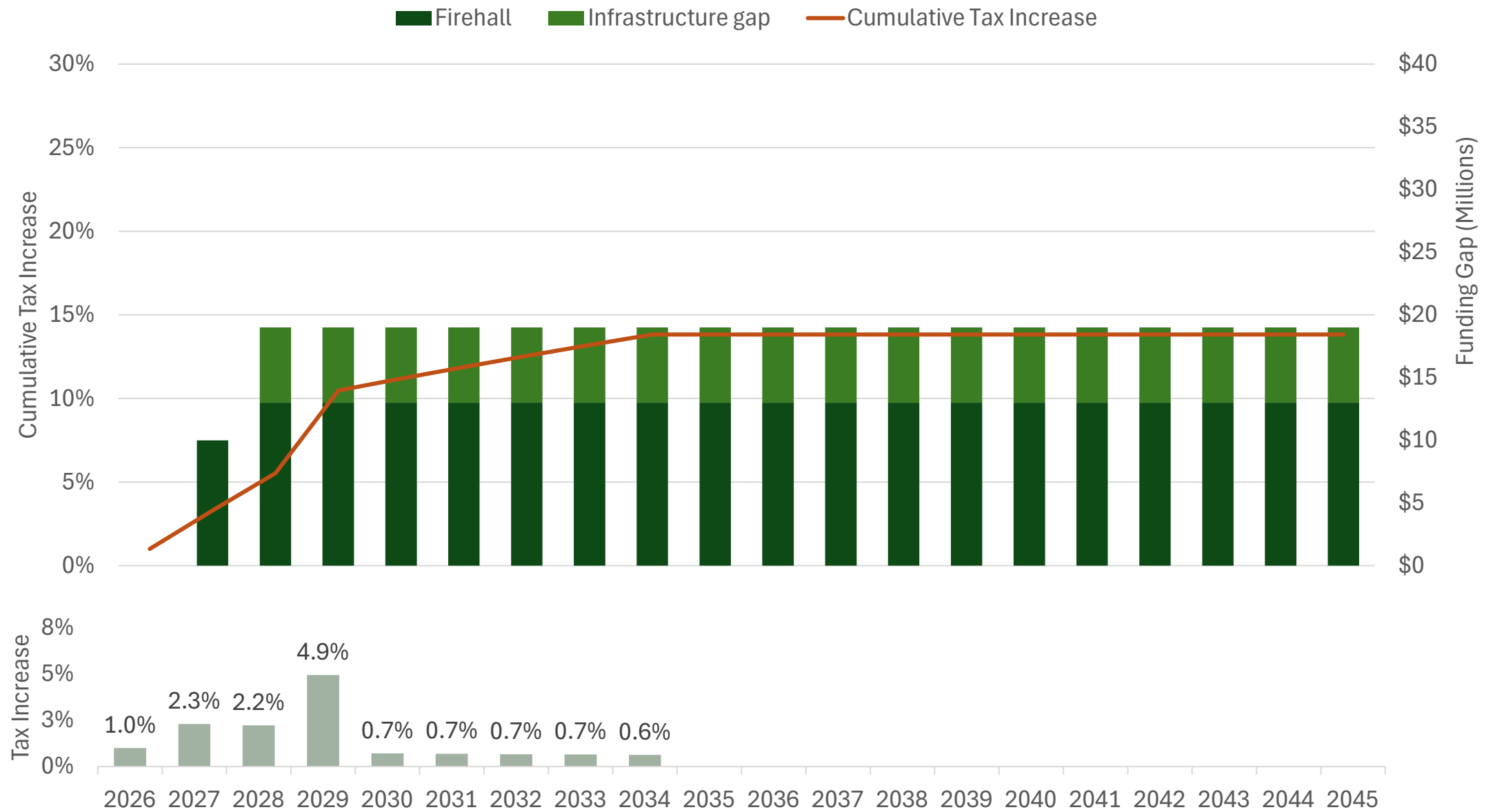
Projected Tax increases

Before additional reserve contributions / borrowing for facilities:

	2026	2027	2028	2029	2030
	Budget	Budget	Budget	Budget	Budget
Projected tax increases	6.75%	6.00%	5.00%	3.00%	4.50%

Base – as presented Jan 23

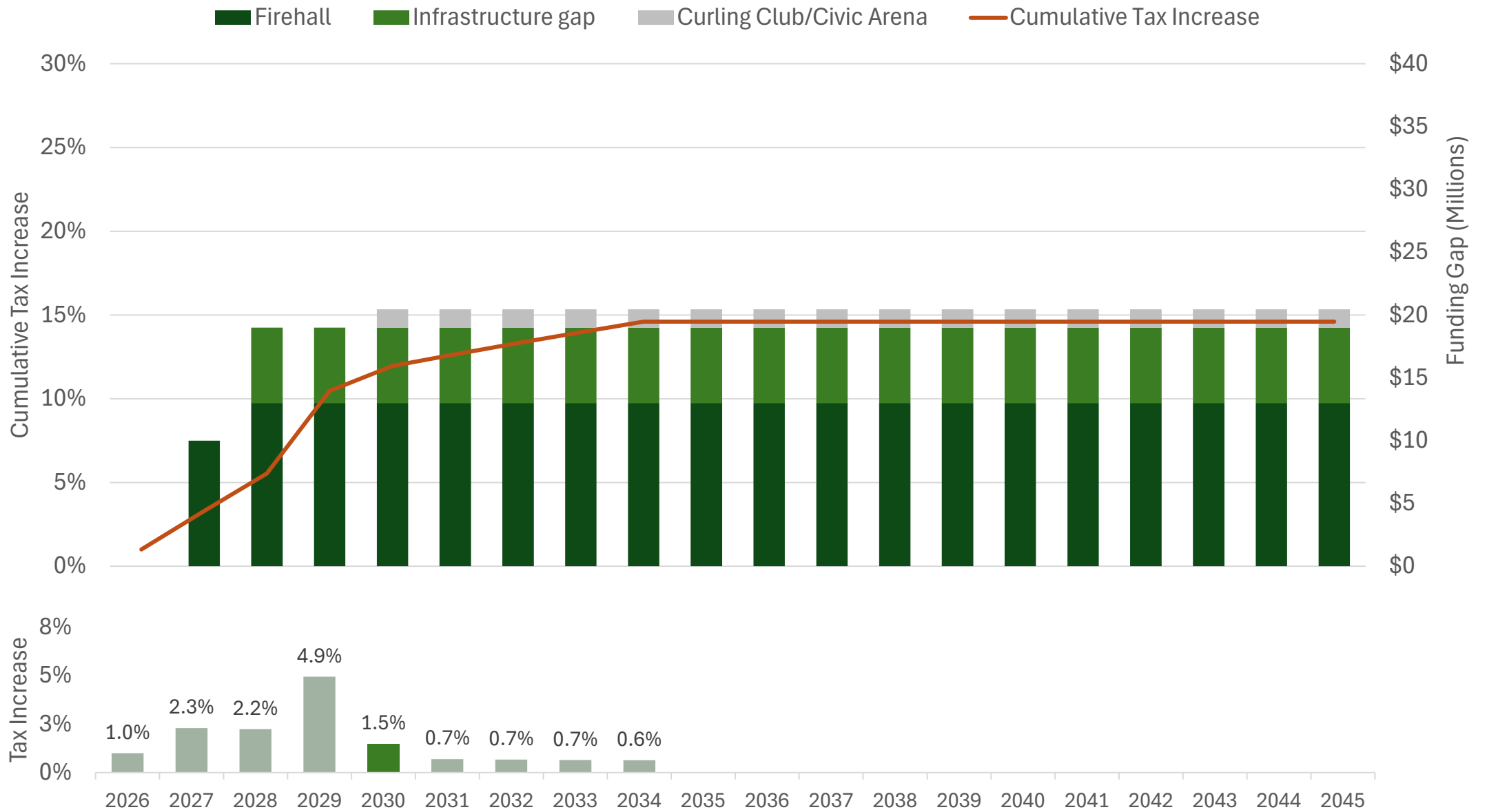




Base – as presented

Cumulative Taxation Increase

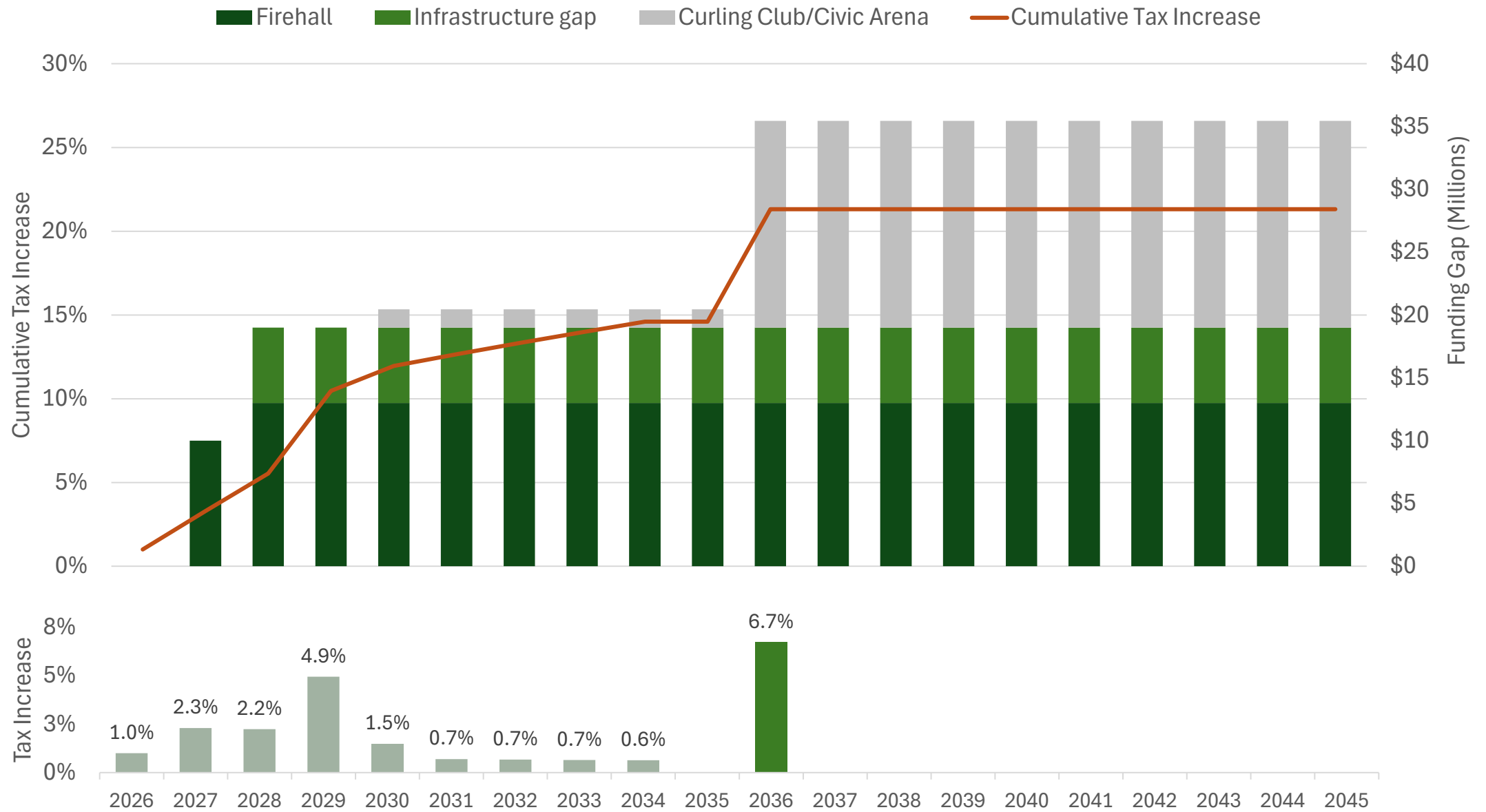
13.8%



Revised Curling Club estimate

Cumulative Taxation Increase

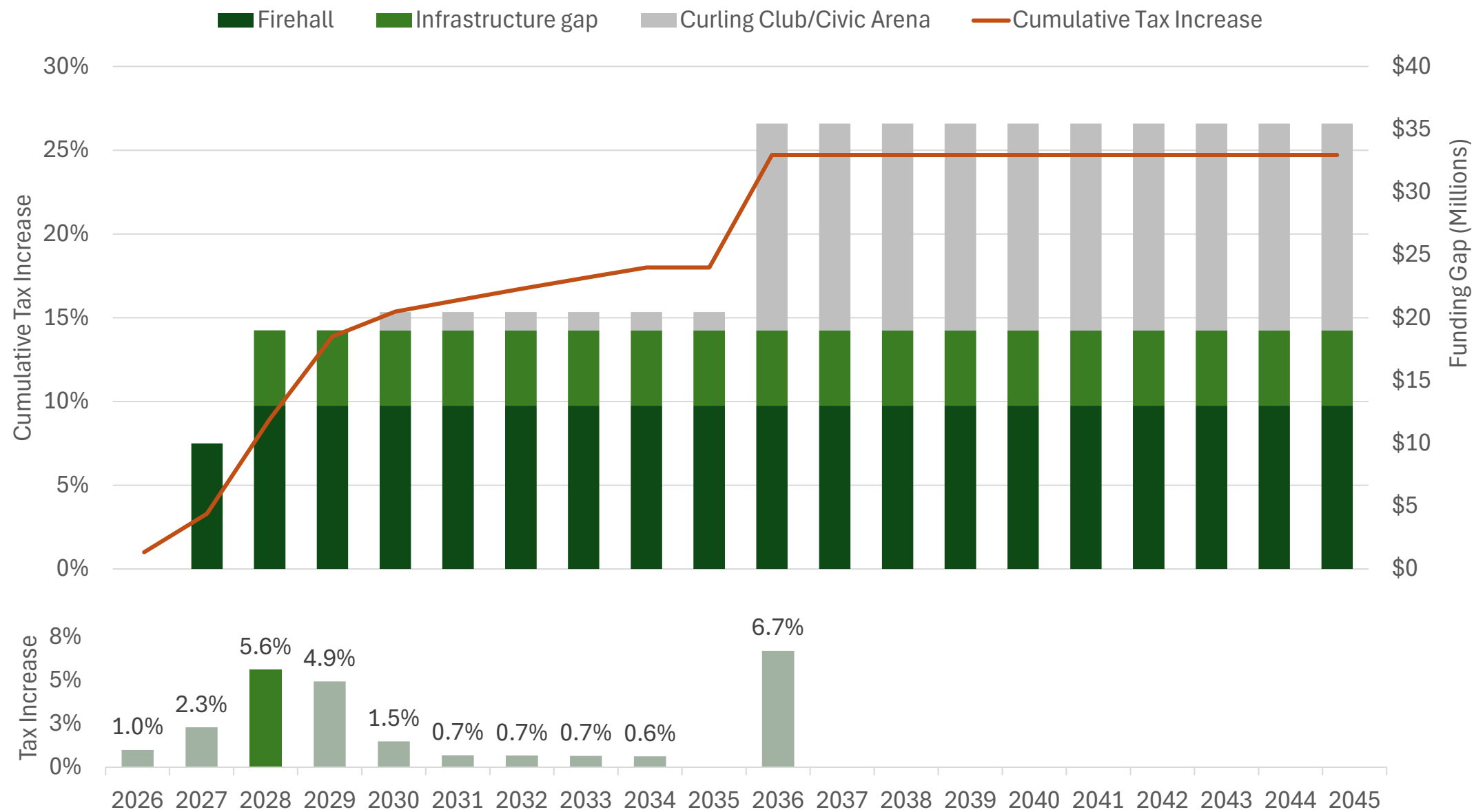
14.6%



Civic Roof Replacement

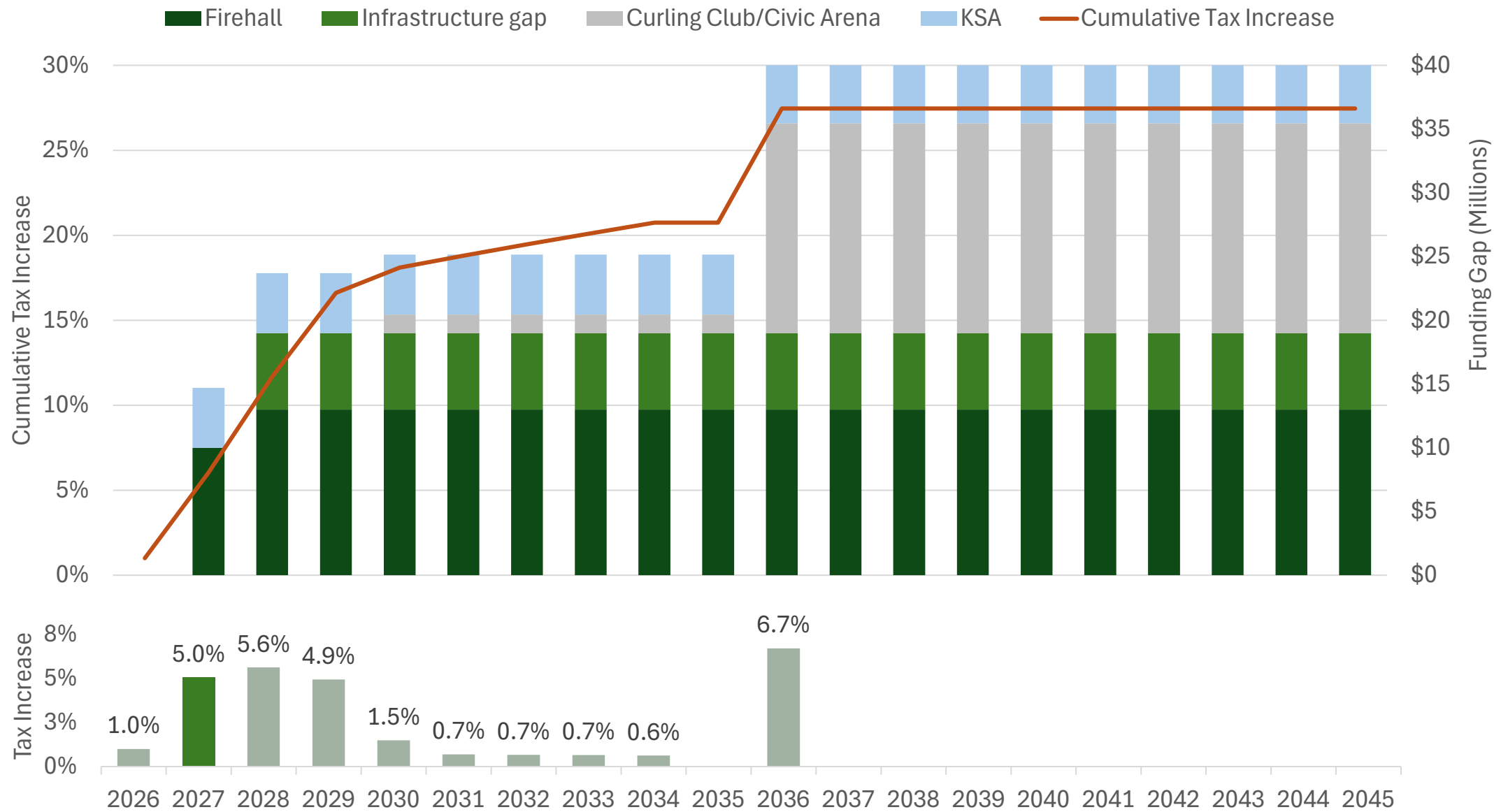
Cumulative Taxation Increase

21.3%



Borrowing for funding gap of \$6M

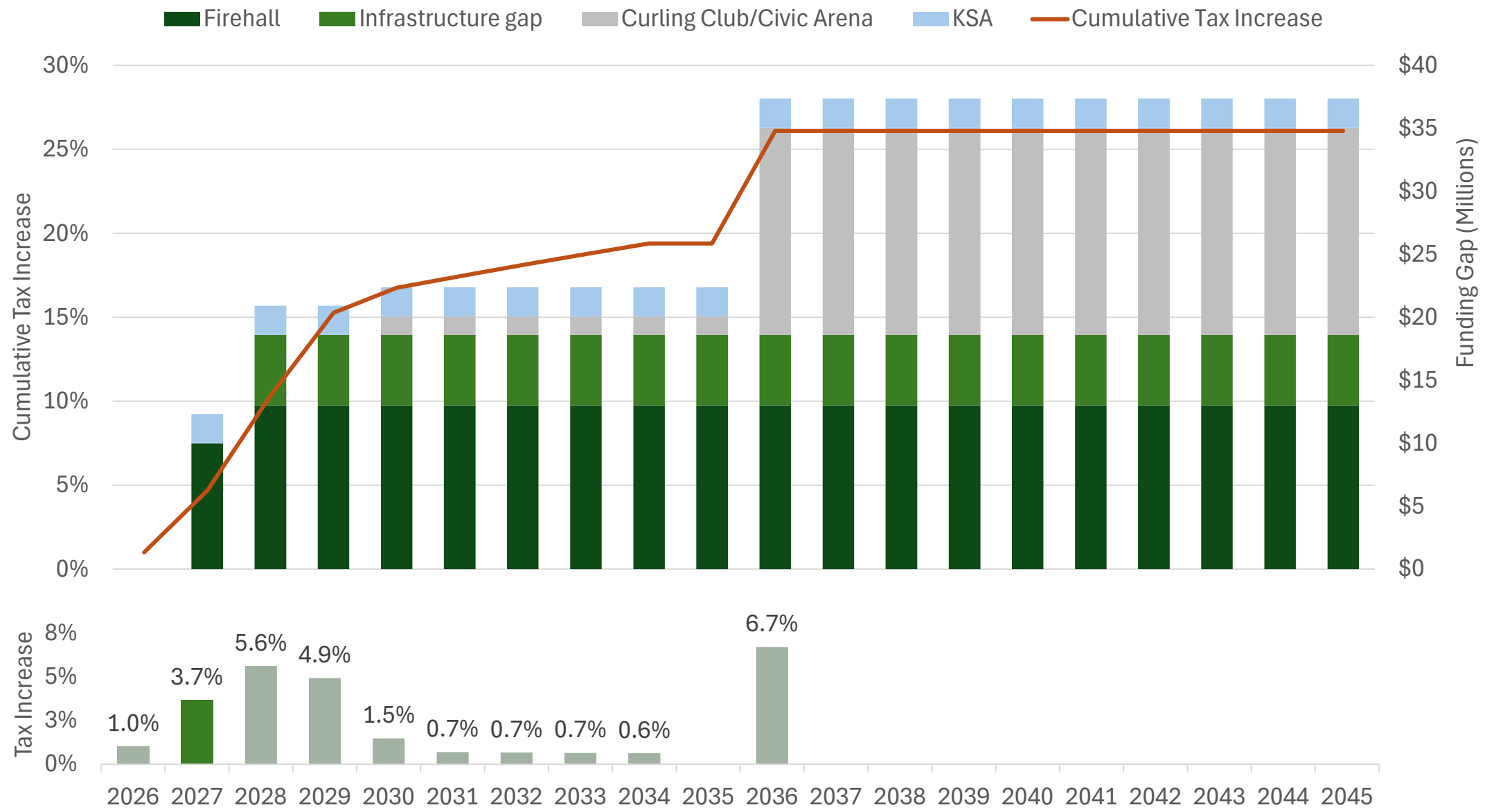
Cumulative Taxation Increase **24.7%**



KSA at nominal rents

Cumulative Taxation Increase

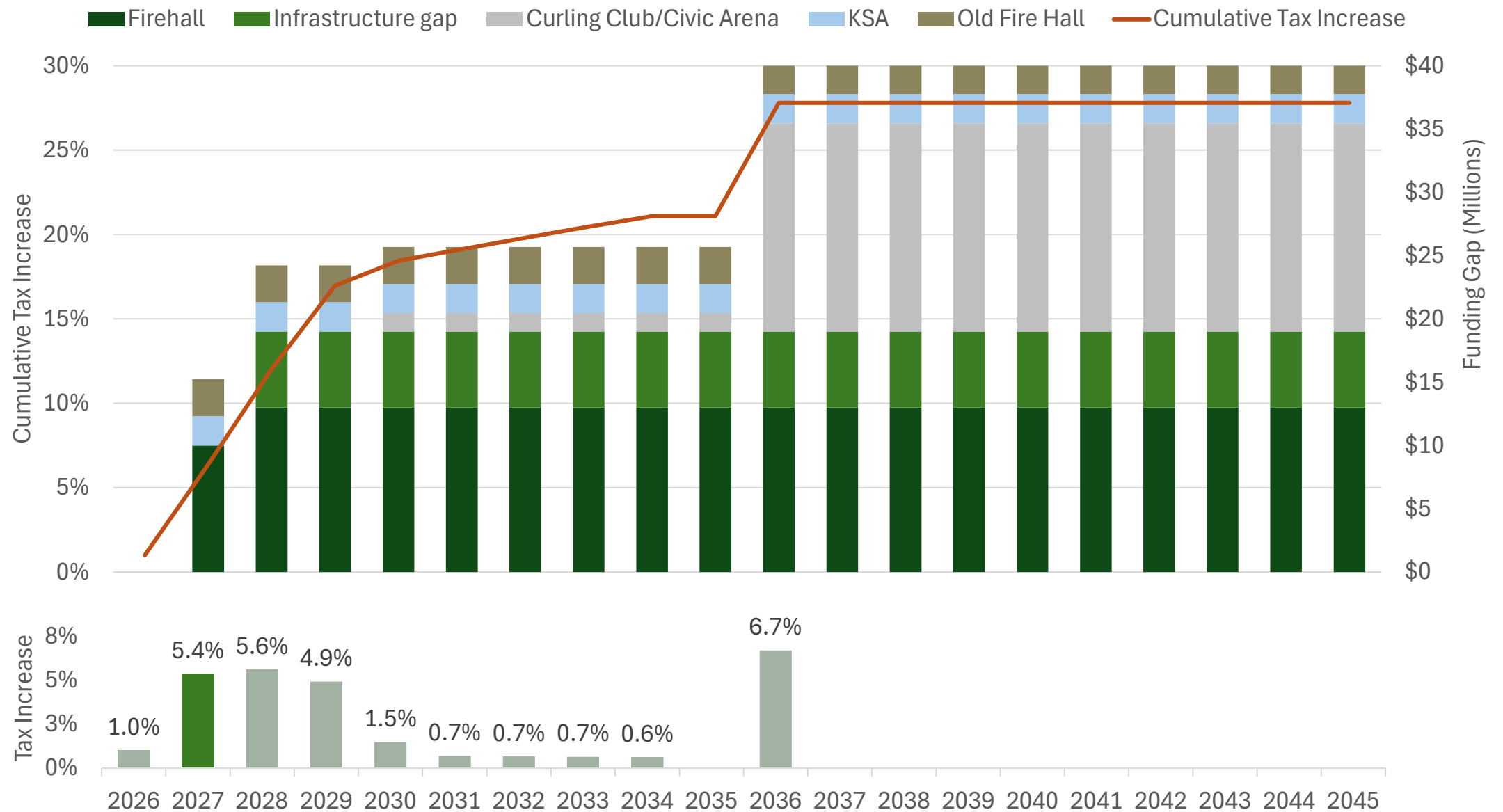
27.5%



KSA at market rent

Cumulative Taxation Increase

26.1%



Retain old Firehall – nominal rent

Cumulative Taxation Increase

27.8%

Recommended Strategy

Include Revised Base Case in Five Year Financial Plan

- Essential capital replacements
- Fire Hall replacement / PW expansion. Curling Club demo 2030 at new costing estimate
- Include potential property dispositions in 2028 budget
- **Ensures borrowing capacity remains available for essential City projects**

Look for opportunities to dispose of City properties prior to 2028

Do not include Civic Roof Replacement , KSA, or old Firehall capital projects in Capital Plan at this time

Projected Tax increases

With additional reserve contributions / borrowing for facilities:

	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
Projected tax increases	6.75%	6.00%	5.00%	3.00%	4.50%
Facilities	1.00%	2.30%	2.25%	5.00%	1.50%
	7.75%	8.30%	7.25%	8.00%	6.00%

An aerial photograph of the city of Nelson, British Columbia, Canada. The city is nestled in a valley, surrounded by dense green forests. In the background, a large, steep mountain rises, also covered in forest. To the right, a body of water (likely a lake or reservoir) is visible, with a road and some buildings along its shore. The city itself is a mix of residential houses and commercial buildings, with a prominent yellow building in the center. The overall scene is bright and sunny, with clear skies.

Thank you.

City of
NELSON