

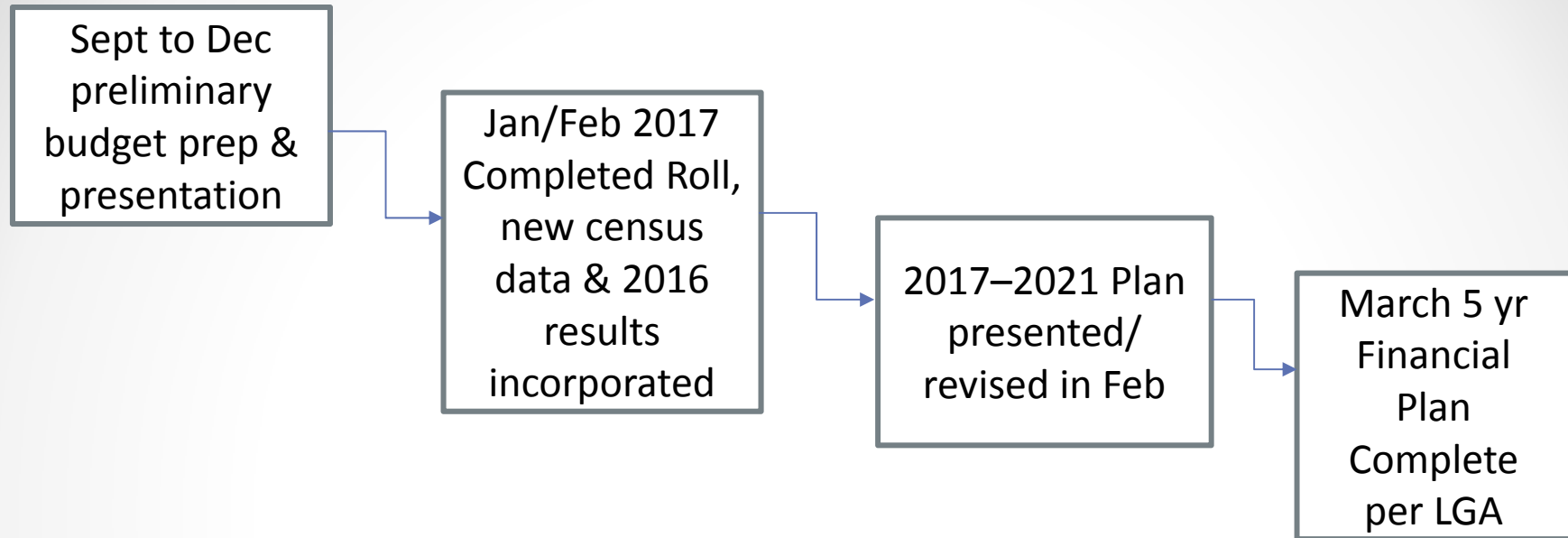


REGIONAL  
DISTRICT  
OF NANAIMO

# 2017 to 2021 Financial Plan Overview

Committee of the Whole  
February 14, 2017

# Financial Plan Review



- Feb 14 CoW review and any revisions to be incorporated during February
- New binders – Volume 2 Five Year Plans 2017 - 2021
- Final version of budget presented with bylaw at February 28, 2017 Board
- Statutory requirement to have five year plan complete in March

## 2017 Budget – Recent Updates

- Current assessment values – overall increase of 13.2% on RDN net taxable values total for 2017 Completed Roll (13.6% on residential)
- Identified carry forward items from 2016
- Final 2016 carry forwards by service, 2016 census changes, usage /assessment (40/60) allocation for Ravensong & Oceanside
- Final information from other jurisdictions, eg, recreation and sportsfields
- Known additions: Coastal Invasive Species Grant, Island Roots Market Coop Grant, Us and Them documentary showing, Volunteer appreciation event, Emergency Services restructure
- Pending items: Clean Water & Wastewater Fund Grant applications, BC Transit 3 year plans not received, Final assessment values to be received in March

## 2017 Budget – Recent Updates

	2017 Proposed	2017 Revised
<b>Member allocations – property tax/ agreement revenues</b>	<b>49,234,527</b>	<b>49,357,137</b>
Year over year total change (including local & utility services)	3.7%	3.9%
Year over year change for General Services	2.9%	3.1%
Change for new services or service levels	3.4%	3.6%
Change for other jurisdictions	0.3%	0.4%
Change for existing services	-0.8%	-0.9%

## 2016 Budget – Recent Updates

Change since November – General Service Requisition	
Various decreases	-\$64,260
Legislative & Electoral Areas 50 <sup>th</sup> Anniversary & Volunteer Appreciation, Feasibility Services	33,000
Increase for Island Roots Market Coop	25,000
Increase for Coastal Invasive Species Committee	16,500
Area A Community Parks & Recreation Services	15,000
Emergency Planning – table top exercise	9,000
Us & Them Documentary showing	5,000
Impact of changes for other jurisdictions	4,440
District 69 Victim Services Additional Funding	1,260
Net change	\$44,940
Possible changes not included, eg INFilm request	+/--\$?????

## 2017 Budget – Tax Requisition

	2017 \$	% of total	2021 \$	% of total
Liquid Waste Services	12,535,269	25.4%	16,164,175	27.0%
Transit Services	10,059,399	20.4%	12,237,232	20.5%
Water, Sewer, Streetlighting	4,720,815	9.6%	5,362,272	9.0%
Other Jurisdictions	4,323,871	8.8%	4,803,445	8.0%
Fire & Emergency Services	4,133,092	8.4%	4,941,795	8.3%
Oceanside/Ravensong Facilities	3,905,228	7.9%	4,165,030	7.0%
Regional & Community Parks	3,545,092	7.2%	3,975,129	6.6%
Community & Regional Planning	2,018,092	4.1%	2,287,848	3.8%
Electoral Area/Legislative Services	1,835,598	3.7%	2,160,947	3.6%
Other Recreation	1,339,473	2.7%	1,451,978	2.4%
Solid Waste	722,610	1.5%	1,259,076	2.1%
Bylaw Enforcement	262,558	0.5%	259,094	0.4%
Grants/Contribution Services	(43,960)	-0.1%	731,243	1.2%
	\$49,357,137	100%	\$59,799,264	100%

## 2017 to 2021 Financial Plan

### Property Value Changes Affecting Member Allocations

<b>Member Jurisdictions</b>	<b>2016 Average Residential Class Value</b>	<b>2016 Change in Residential Class Value</b>	<b>2017 Average Residential Class Value</b>	<b>2017 Change in Residential Class Value</b>	<b>New Residential folios 2016</b>	<b>New Residential folios 2017</b>
<b>Nanaimo</b>	335,518	5.0%	383,113	14.2%	324	504
<b>Lantzville</b>	492,038	8.1%	544,920	10.7%	3	2
<b>Parksville</b>	315,343	4.9%	347,726	10.3%	31	89
<b>Qualicum Beach</b>	409,085	4.5%	464,058	13.4%	53	3
<b>Area A</b>	328,037	2.0%	358,187	9.2%	5	-13
<b>Area B</b>	286,552	1.2%	308,448	7.6%	0	3
<b>Area C</b>	416,125	5.4%	456,403	9.7%	4	0
<b>Area E</b>	513,467	4.3%	575,236	12.0%	7	21
<b>Area F</b>	289,100	0.3%	321,334	11.1%	16	10
<b>Area G</b>	425,813	6.8%	477,510	12.1%	26	15
<b>Area H</b>	355,832	4.2%	394,030	10.7%	4	7

**2017 to 2021 Financial Plan**  
**Property Value Changes Affecting Member Allocations**  
**Compare \$500,000 Assessment Based Requisition 2016 to 2017**

<b>Member Jurisdictions</b>	<b>100% Assessment Based Requisition 2016</b>	<b>2016 Mil Rate</b>	<b>100% Assessment Based Requisition 2017</b>	<b>2017 Mil Rate</b>
<b>Nanaimo</b>	267,056	0.016	269,733	0.014
<b>Lantzville</b>	12,588	0.016	12,130	0.014
<b>Parksville</b>	42,394	0.016	42,254	0.014
<b>Qualicum Beach</b>	33,941	0.016	34,087	0.014
<b>Area A</b>	18,866	0.016	18,337	0.014
<b>Area B</b>	17,927	0.016	17,142	0.014
<b>Area C</b>	15,716	0.016	15,298	0.014
<b>Area E</b>	29,514	0.016	29,521	0.014
<b>Area F</b>	20,122	0.016	19,748	0.014
<b>Area G</b>	25,989	0.016	25,876	0.014
<b>Area H</b>	15,887	0.016	15,624	0.014



## 2017 to 2021 Financial Plan Population Change 2011 to 2016 Census

<b>Member Jurisdictions</b>	<b>2011 Census Population</b>	<b>2016 Census Population</b>	<b>Change</b>	<b>% Change</b>
<b>Nanaimo</b>	83,810	90,504	6,694	8.0%
<b>Lantzville</b>	3,601	3,605	4	0.1%
<b>Parksville</b>	11,977	12,514	537	4.5%
<b>Qualicum Beach</b>	8,687	8,943	256	2.9%
<b>Area A</b>	6,908	7,058	150	2.2%
<b>Area B</b>	4,045	4,033	(-12)	(-0.3%)
<b>Area C</b>	2,834	2,808	(-26 )	(-0.9%)
<b>Area E</b>	5,674	6,125	451	7.9%
<b>Area F</b>	7,422	7,724	302	4.1%
<b>Area G</b>	7,158	7,465	307	4.3%
<b>Area H</b>	3,509	3,884	375	10.7%
<b>Total</b>	145,625	154,663	9,038	6.2%

**2017 to 2021 Financial Plan**  
**Population Changes Affecting Member Allocations**  
**Compare \$500,000 Population Based Requisition 2016 to 2017**

<b>Member Jurisdictions</b>	<b>2016 Requisition</b>	<b>Mil Rate</b>	<b>2017 Requisition</b>	<b>Mil Rate</b>
<b>Nanaimo</b>	287,760	0.017	292,585	0.015
<b>Lantzville</b>	12,364	0.015	11,654	0.013
<b>Parksville</b>	41,123	0.015	40,456	0.013
<b>Qualicum Beach</b>	29,827	0.014	28,911	0.012
<b>Area A</b>	23,718	0.020	22,817	0.017
<b>Area B</b>	13,888	0.012	13,038	0.011
<b>Area C</b>	9,730	0.010	9,078	0.008
<b>Area E</b>	19,482	0.010	19,801	0.009
<b>Area F</b>	25,483	0.020	24,970	0.018
<b>Area G</b>	24,577	0.015	24,133	0.013
<b>Area H</b>	12,048	0.012	12,556	0.011

## 2017

### Budget – Electoral Area Change in General Services Tax Rates

	Area A Cedar Yellowpoint Cassidy	Area B Gabriola Mudge Decourcey Islands	Area C Extension E.Wellington Pleasant Valley	Area E Nanoose Bay	Area F Coombs Hilliers Errington	Area G French Creek San Pareil Surfside	Area H Bowser Deep Bay
<b>General Services Property Tax</b>							
2017	\$ 145	\$ 100	\$ 125	\$ 100	\$ 132	\$ 132	\$ 124
2016	\$ 156	\$ 99	\$ 142	\$ 108	\$ 150	\$ 148	\$ 142
Change per \$100,000	\$ (11)	\$ 1	\$ (17)	\$ (8)	\$ (18)	\$ (16)	\$ (18)
<b>Regional Parcel Taxes</b>							
2017	\$ 22	\$ 22	\$ 22	\$ 29	\$ 29	\$ 29	\$ 29
2016	\$ 22	\$ 22	\$ 22	\$ 29	\$ 29	\$ 29	\$ 29
Change per property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total change at \$100,000	\$ (11)	\$ 1	\$ (17)	\$ (8)	\$ (18)	\$ (16)	\$ (18)
Total change at \$200,000	\$ (22)	\$ 2	\$ (34)	\$ (16)	\$ (36)	\$ (32)	\$ (36)
Total change at \$300,000	\$ (33)	\$ 3	\$ (51)	\$ (24)	\$ (54)	\$ (48)	\$ (54)
Total change at \$400,000	\$ (44)	\$ 4	\$ (68)	\$ (32)	\$ (72)	\$ (64)	\$ (72)

## 2017 Budget – Municipal Change in General Services Tax Rates

	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach
<b>General Services Property Tax</b>				
2017	\$ 92	\$ 89	\$ 162	\$ 133
2016	\$ 98	\$ 98	\$ 180	\$ 154
Change per \$100,000	\$ (6)	\$ (9)	\$ (18)	\$ (21)
<b>Regional Parcel Taxes</b>				
2017	\$ 22	\$ 22	\$ 27	\$ 27
2016	\$ 21	\$ 21	\$ 27	\$ 27
Change per property	\$ 1	\$ 1	\$ -	\$ -
Total change at \$100,000	\$ (5)	\$ (8)	\$ (18)	\$ (21)
Total change at \$200,000	\$ (11)	\$ (17)	\$ (36)	\$ (42)
Total change at \$300,000	\$ (17)	\$ (26)	\$ (54)	\$ (63)
Total change at \$400,000	\$ (23)	\$ (35)	\$ (72)	\$ (84)

## 2017 Budget – Participation by Member

Member Jurisdiction	Member Participation 2016 Approved Budget	Member Participation 2017 Proposed Budget	Change from 2016	% Change from 2016
<b>Nanaimo</b>	\$17,138,676	\$18,227,254	\$1,088,578	6.4%
<b>Lantzville</b>	\$806,894	\$812,624	\$5,730	0.7%
<b>Parksville</b>	\$5,067,843	\$5,103,319	\$35,476	0.7%
<b>Qualicum Beach</b>	\$3,477,706	\$3,392,960	\$(84,746)	-2.4%
<b>Area A</b>	\$1,916,639	\$1,950,600	\$33,961	1.8%
<b>Area B</b>	\$1,192,701	\$1,287,416	\$94,715	7.9%
<b>Area C</b>	\$1,139,375	\$1,155,986	\$16,611	1.5%
<b>Area E</b>	\$2,138,590	\$2,219,422	\$80,832	3.8%
<b>Area F</b>	\$2,010,003	\$1,972,795	\$(37,208)	-1.9%
<b>Area G</b>	\$2,570,727	\$2,563,842	\$(6,885)	-0.3%
<b>Area H</b>	\$1,504,346	\$1,468,752	\$(35,594)	-2.4%



## 2017 -2021 Financial Plan

### Significant Plan Impacts - Capital

- GNPPC – secondary treatment, centrifuge, digester & DBPS \$78.5 million
- FCPPC – expansion/upgrades & interceptor/pump stations \$36.8 million
- Fire Departments – vehicle replacements and fire halls \$13 million
- Englishman River Water Service Joint Venture with Parksville \$7.8 million river intake/treatment plant + Nanoose Pump Station, \$1.6M grant RDN share
- Regional and Community Parks – \$6.3 million includes Morden Colliery \$2 million & multiple smaller & Community Works funded projects \$4.3 million
- Solid Waste Management – Berm construction, scale replacement, Cell 1 closure, landfill gas expansion, compactors & loader \$6.3 million





## 2017 -2021 Financial Plan

### Significant Plan Impacts – Capital continued

- Transit – Downtown exchange, Woodgrove & Country Club exchanges, CNG Generator \$5.6 million
- Nanoose Peninsula Water – \$2.7 million in projects to 2021
- Whiskey Creek Water Well Develop & Pump Station \$880,000 (\$290k grant)
- San Pareil Water – UV Treatment \$840,000 (\$690k grant)
- New borrowing - up to \$79 million on \$175 million total capital



# 2017 -2021 Financial Plan

## Significant Plan Impacts – Operational

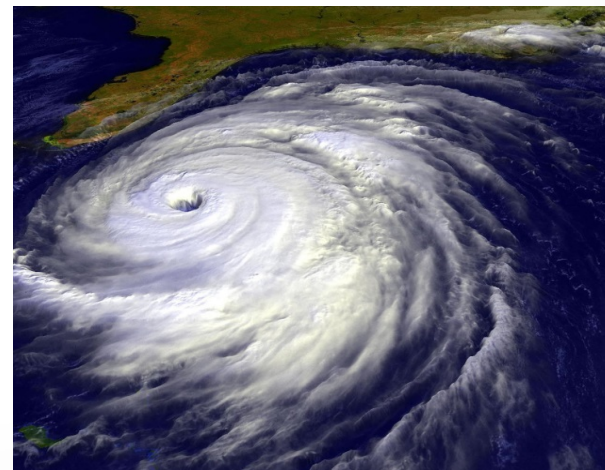
- Transit service expansions – 5000 North hours Sept 2017 + 5000 Sept 2018 + 5000 Sept 2020 Net cost of expansions = \$300,000 to \$400,000 each
- Southern Community Wastewater – secondary treatment, operating costs increase from \$4.8 million to \$6.2 million
- Northern Community Wastewater – expansion, operating costs increase from \$2.8 million to \$3.9 million
- Regional Services Review
- Asset Management implementation projects
- Solid Waste Management Plan impact of recommendations
- District 69 Recreation Master Plan impact of recommendations
- Regional Parks & Trails Master Plan 2018 + ongoing work with land trusts for new parkland
- Bylaw 500, Subdivision Servicing, Regional Growth Strategy & OCP Reviews
- Digital records management & web based customer service portals
- New services & service expansions (water, fire services, emergency planning)
- 2017 Collective Bargaining



# 2017 -2021 Financial Plan

## Risks to Plan

- Canadian \$ fluctuation, impact to capital projects
- Energy Costs – ongoing BC Hydro rate increases
- Economy – Global, Canadian and BC (BC Real GDP 1.6% growth estimate 2017)
- December BC CPI = 1.9% all items vs: construction index 2.3%
- January 2017 unemployment rate 5.6% BC & 5.3% Vancouver Island
- Impacts of real estate growth, Jan 2017 18-21% benchmark price increase
- RDN building permits 33% increase 2016 (1,456) vs 2015 (1,092)
- Interest Rates 1% rate change could = up to \$800,000 in extra debt servicing costs by 2021
- Natural disasters – fire, drought, flood

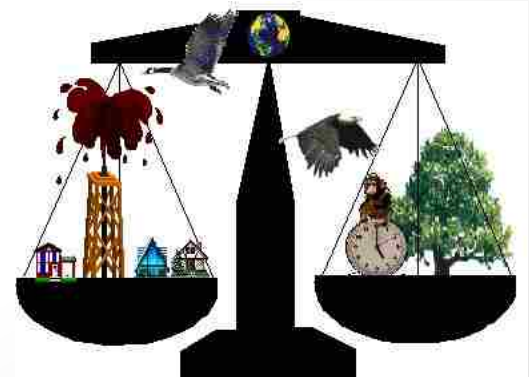


# 2017 -2021 Financial Plan

## Risks to Plan

### Mitigate through

- Continued grant funding applications
- Monitoring conditions and adjust plans as needed
- Conservative growth estimates 1% NTV increase vs: 2% CPI assumption
- Plan for timing of borrowing
- Value Engineering; third party expert support/oversite for large capital projects
- Design for efficiency and prudent innovation – CNG vs: hydro
- Expansion of emergency preparedness program



## REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN

### Revenues

	2017	2018	2019	2020	2021
<b>Total revenues</b>	<b>93,201,391</b>	<b>97,499,715</b>	<b>101,214,294</b>	<b>104,029,529</b>	<b>105,694,429</b>
	3.3%	4.6%	2.8%	2.8%	1.6%
Surplus applied	11,394,647	6,582,945	5,758,884	5,779,030	4,930,653

### Property, parcel tax & municipal participation revenues

- Individual service requisition projections by division are shown on website

	2017	2018	2019	2020	2021
Property tax revenues	49,357,137	53,302,525	56,063,884	58,167,617	59,799,264
	3.9%	8.0%	5.2%	3.8%	2.8%
Percent of total revenues	53%	55%	55%	56%	56%

ICF requisitions refund in 2017 creates 1.6% impact on gross (2% on general services) decrease in 2017, but increase in 2018 Same for Ravensong decrease another 1% at least

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## REGIONAL DISTRICT OF NANAIMO

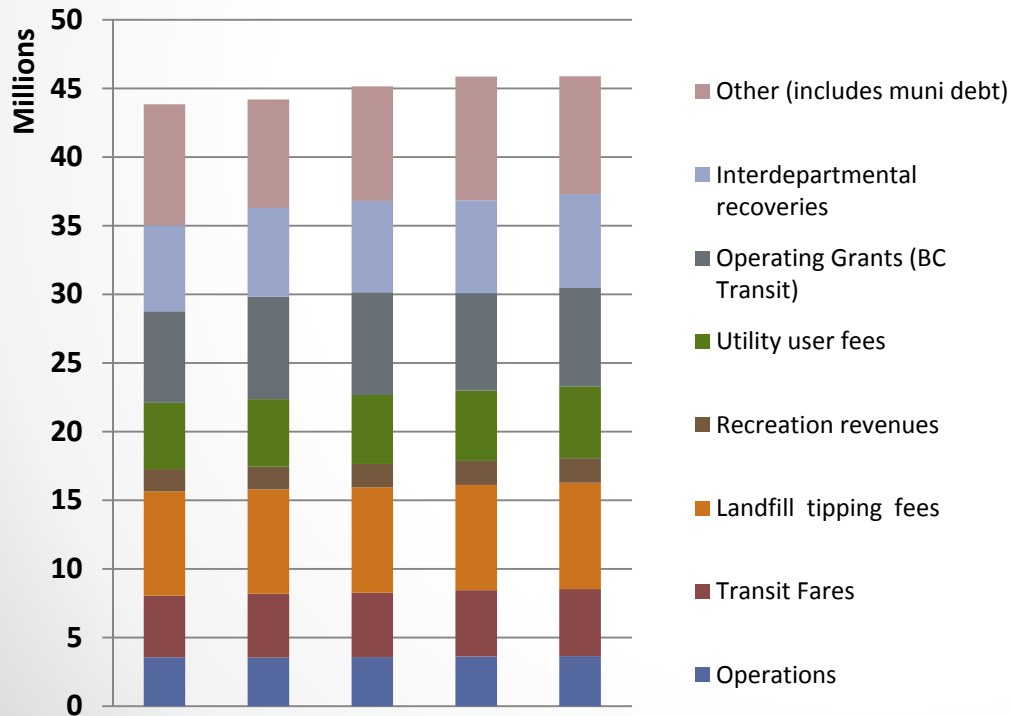
### CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – OPERATING REVENUES

	2017	2018	2019	2020	2021
<b>Total Revenues</b>	<b>93,201,390</b>	<b>97,499,715</b>	<b>101,214,295</b>	<b>104,029,530</b>	<b>105,694,430</b>
	4.4%	0%	1.0%	1.3%	0.9%
Operations	3,566,245	3,538,540	3,571,245	3,616,320	3,647,360
	1.9%	3.5%	1.0%	2.9%	1.0%
Transit Fares	4,486,980	4,646,880	4,693,350	4,828,945	4,877,235
	5.5%	0%	1.0%	0%	1.0%
Landfill tipping fees	7,600,000	7,600,000	7,676,000	7,676,000	7,752,760
	3.4%	2.6%	2.6%	2.6%	2.6%
Recreation revenues	1,612,865	1,655,275	1,699,165	1,743,995	1,790,090
	4.3%	2.0%	2.0%	2.0%	2.0%
Utility user fees	4,830,285	4,927,725	5,026,605	5,127,510	5,230,485
	-0.3%	11%	0.4%	-0.5%	1.0%
Operating Grants (BC Transit)	6,667,335	7,459,475	7,485,979	7,096,300	7,164,030
	-9.0%	2.9%	2.9%	1.7%	1.1%
Interdepartmental recoveries	6,277,855	6,463,030	6,653,435	6,767,275	6,844,485
	17.6%	-10%	5.5%	7.9%	-4.6%
Other (includes muni debt)	8,802,685	7,906,260	8,344,625	9,005,560	8,588,720

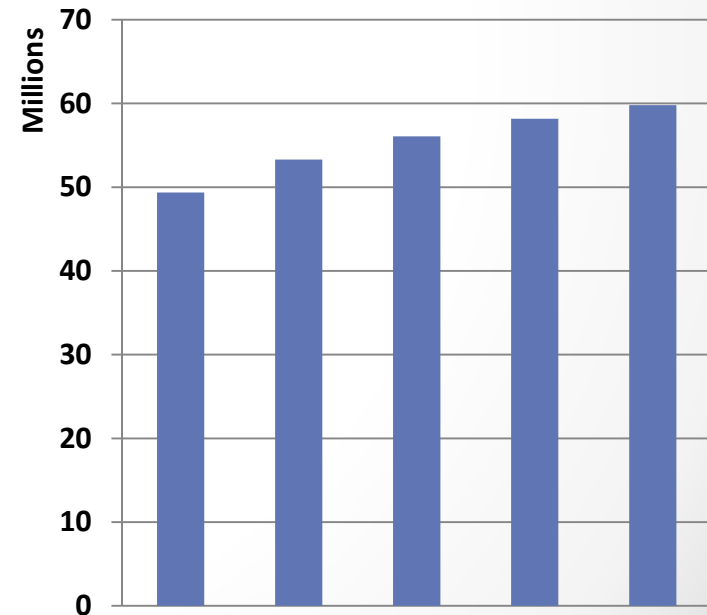
## REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – TOTAL REVENUES

	2017	2018	2019	2020	2021
<b>Total Revenues</b>	<b>93,201,391</b>	<b>97,499,715</b>	<b>101,214,294</b>	<b>104,029,529</b>	<b>105,694,429</b>
<b>Operating Revenues</b>	43,844,254	44,197,190	45,150,410	45,861,912	45,895,165
<b>Property tax revenues</b>	49,357,137	53,302,525	56,063,884	58,167,617	59,799,264

### Operating Revenues



### Property Tax Revenues



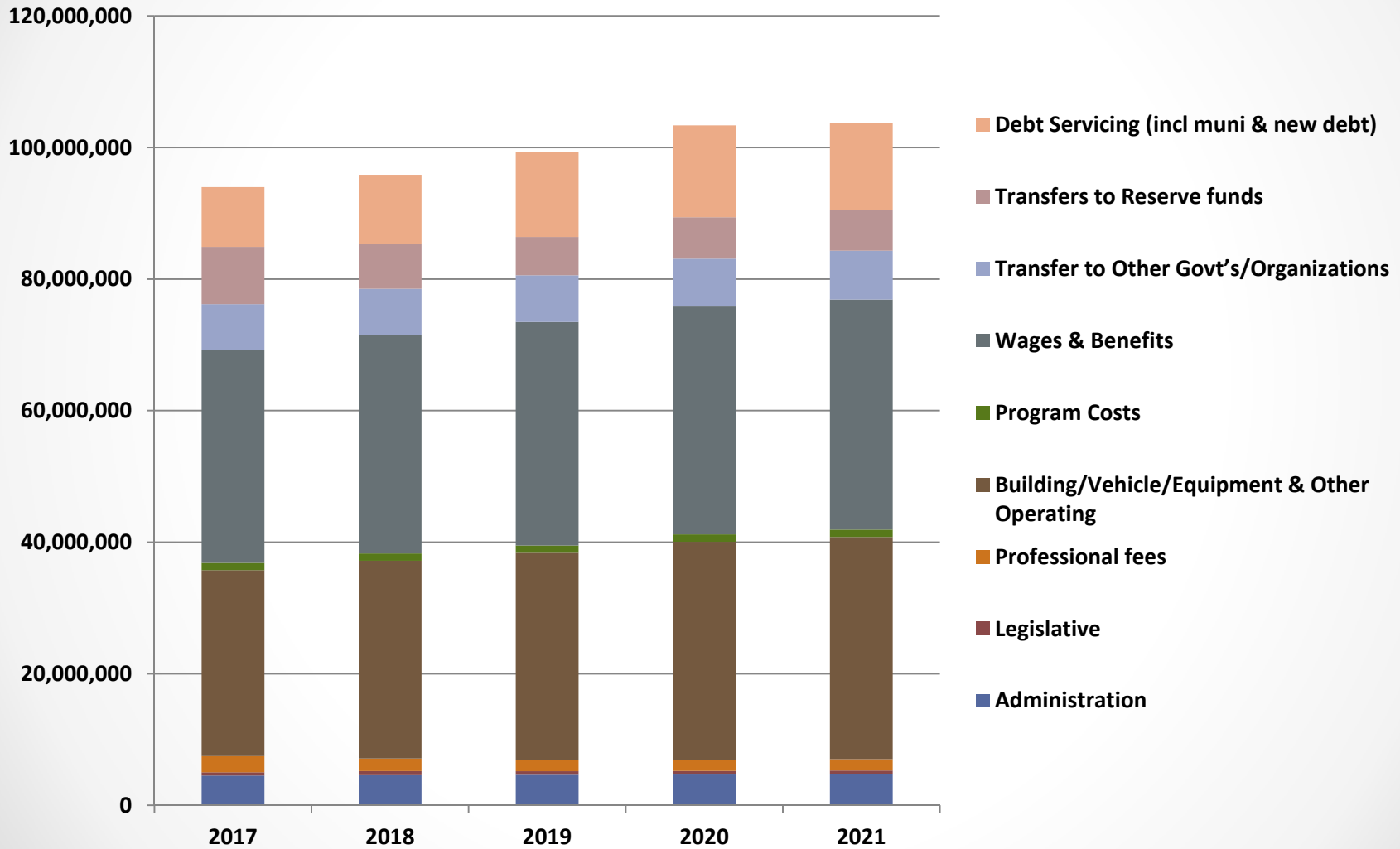
## REGIONAL DISTRICT OF NANAIMO

### CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – OPERATING EXPENDITURES

	2017	2018	2019	2020	2021
<b>Total Operating Costs</b>	<b>89,428,630</b>	<b>89,781,570</b>	<b>90,554,630</b>	<b>93,494,240</b>	<b>94,462,225</b>
	2.9%	0.4%	0.9%	3.2%	1.2%
Administration	4,521,660	4,591,555	4,639,395	4,687,520	4,737,195
	3.1%	1.5%	1.0%	1.0%	1.0%
Legislative	511,635	608,290	542,040	536,130	541,480
	2.7%	18.9%	-11%	-1.0%	1.0%
Professional fees	2,449,845	1,912,940	1,674,350	1,721,740	1,746,525
	-3.0%	-22%	-12.5%	2.8%	1.4%
Building/Vehicle/Equipment & Other Operating	28,269,740	30,062,380	31,536,610	33,125,640	33,762,010
	1.1%	6.3%	4.9%	5.0%	1.9%
Program Costs	1,109,240	1,103,650	1,114,425	1,125,370	1,129,490
	1.7%	-0.5%	1.0%	1.0%	0.4%
Wages & Benefits	32,313,525	33,233,790	33,954,470	34,633,540	34,979,890
	6.5%	2.8%	2.1%	2.0%	1.0%
Transfer to Other Govt's/Organizations	6,999,760	7,014,040	7,117,245	7,263,040	7,412,395
	-4.1%	0.2%	1.5%	2.0%	2.1%
Transfers to Reserve funds	8,719,390	6,756,360	5,820,305	6,312,380	6,229,290
	3.1%	-22.5%	-13.9%	8.5%	-1.3%
Debt Interest (existing)	4,533,830	4,498,565	4,155,790	4,088,870	3,923,955
	0.5%	-1.0%	-7.6%	-1.6%	-4.0%

# REGIONAL DISTRICT OF NANAIMO

## CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – OPERATING/DEBT EXPENDITURES



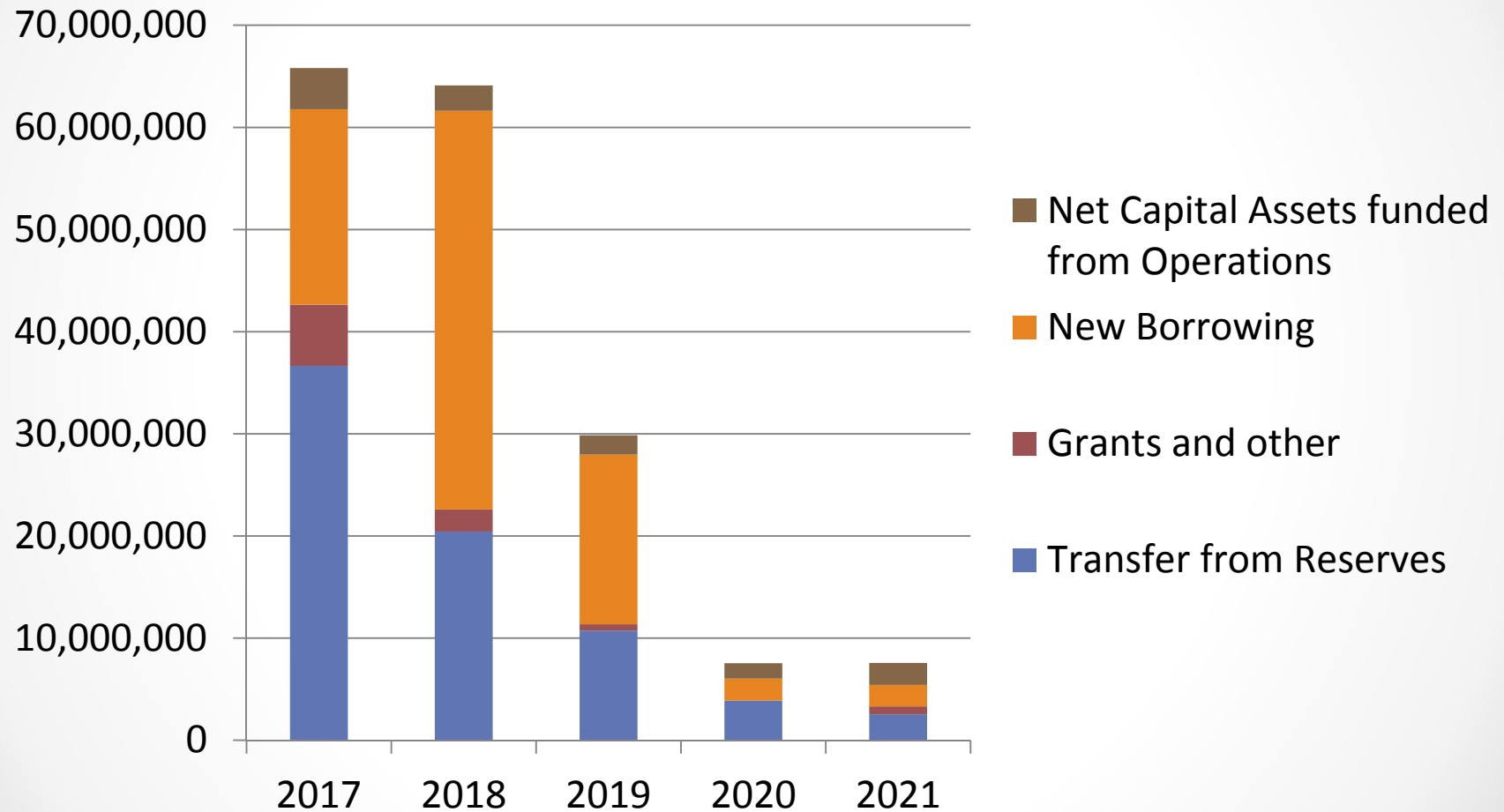
**REGIONAL DISTRICT OF NANAIMO**  
**CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – CAPITAL EXPENDITURES**

	2017	2018	2019	2020	2021
<b>Capital Expenditures</b>	<b>65,811,870</b>	<b>64,103,495</b>	<b>29,864,530</b>	<b>7,540,100</b>	<b>7,564,530</b>
Transfer from Reserves	(36,654,985)	(20,425,674)	(10,736,675)	(3,883,500)	(2,536,080)
Grants and other	(5,973,770)	(2,171,480)	(611,000)	-	(778,320)
New Borrowing	(19,144,870)	(39,031,525)	(16,618,795)	(2,150,000)	(2,100,000)
Net Capital Assets funded from Operations	4,038,245	2,474,815	1,898,060	1,506,600	2,150,130

	2017	2018	2019	2020	2021
<b>Capital Financing Charges</b>					
Existing debt (principal)	4,354,770	4,294,515	4,178,865	4,175,930	3,892,090
New debt (principal & interest)	191,450	1,772,875	4,562,595	5,701,140	5,866,650
Total Capital Financing Charges (includes muni/VIRL)	4,546,220	6,067,390	8,741,470	9,877,070	9,758,740



## REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2017 TO 2021 FINANCIAL PLAN – CAPITAL EXPENDITURES





REGIONAL  
DISTRICT  
OF NANAIMO

Budget summaries are on the  
web site at [www.rdn.bc.ca](http://www.rdn.bc.ca)

Questions?