

REGIONAL DISTRICT OF NANAIMO

2018 to 2022 Financial Plan Overview

Committee of the Whole
February 13, 2018



Fall 2017

- December 12, 2017 Preliminary Budget Approval

Jan 2018

- Year end information, 2018 assessments and any new information incorporated

Feb 2018

- Financial Plan Presentation & Bylaw introduced

March
2018

- 2018 to 2022 Financial Plan Bylaw must be adopted

- Binder Volume 2: Five year plans by service area + Overall summaries as of February 1
- Binder Pages 2 & 3: high level summaries by area, Pages 4 to 21, more detailed information
- Binder Pages 23-87: detailed member summaries with variance explanation for change in general services tax requisition for average residential value

Economic & Risk Factors

- Global, Canadian and BC Economy - Current Outlook for BC Real GDP 2018 – 3.2% for 2017 vs: 2.2% for 2018 projection
- BC CPI – 2.0% Dec 2017, projections are 1.7 to 2.1% for 2018
- Vancouver Island/Coast Unemployment – 5.3% Jan 2018 (BC = 4.8%)
- Vancouver Island Real Estate Board - Benchmark House Price Jan 2018
 - Nanaimo = \$514,400 vs: \$433,500 (Jan 2017) 18.7%
 - Parksville/Qualicum = \$519,700 vs: \$457,800 (Jan 2017) 13.5%
- Interest rates, Bank of Canada 1.25% overnight rate – possible increases to 1.75% (1% interest rate increase = \$682,000 additional cost)
- Canadian \$ fluctuation projected range \$0.78 to \$0.83 for 2018
- RDN building permits 1403 in 2017 vs: 1456 in 2016
- Strong construction market – higher prices for capital projects, competing priorities, eg, parks
- Natural Disasters - fire, drought, flood

Risks to Plan - Mitigation

- Continued grant funding applications
- Monitor conditions and adjust plans as needed
- Conservative growth estimates 1.5% assessments vs 2% CPI assumption
- Ongoing capital reserve development to fund asset replacement plans and reduce borrowing
- Value engineering: third party expert support/oversite for large capital projects
- Expansion of emergency preparedness program
- Maintain operating reserves for services linked to development (planning & building inspection)
- Adjust timing for capital projects where possible in competitive market

2018 Budget Recent Updates

- Current assessment values – overall increase of 17.4% on RDN net taxable values total for 2018 Completed Roll (18.5% on residential)
- Identified carry forward projects from 2017
- Final 2017 carry forward surpluses by service, usage/assessment (50/50) allocation for Ravensong & Oceanside
- Final information from Nanaimo, Parksville, Qualicum Beach for fire, recreation and sportsfields
- Known changes: Removal of INFilm funding, Board remuneration, Northern Recreation grants, Hazardous Properties
- Pending items: UBCM Gas Tax Strategic Priorities Fund Grant applications, BC Transit 3 year plans and special reserve information not received, Final assessment values to be received in March

2018 Budget – Recent Updates

	2018 Proposed	2018 Revised
Member allocations – property tax/ agreement revenues	53,436,228	53,498,934
Year over year total change (including local & utility services)	6.7%	6.8%
Year over year change for General Services	6.1%	6.1%
Change for new services or service levels	3.9%	4.1%
Change for other jurisdictions	0.5%	0.4%
Change for existing services	1.7%	1.6%

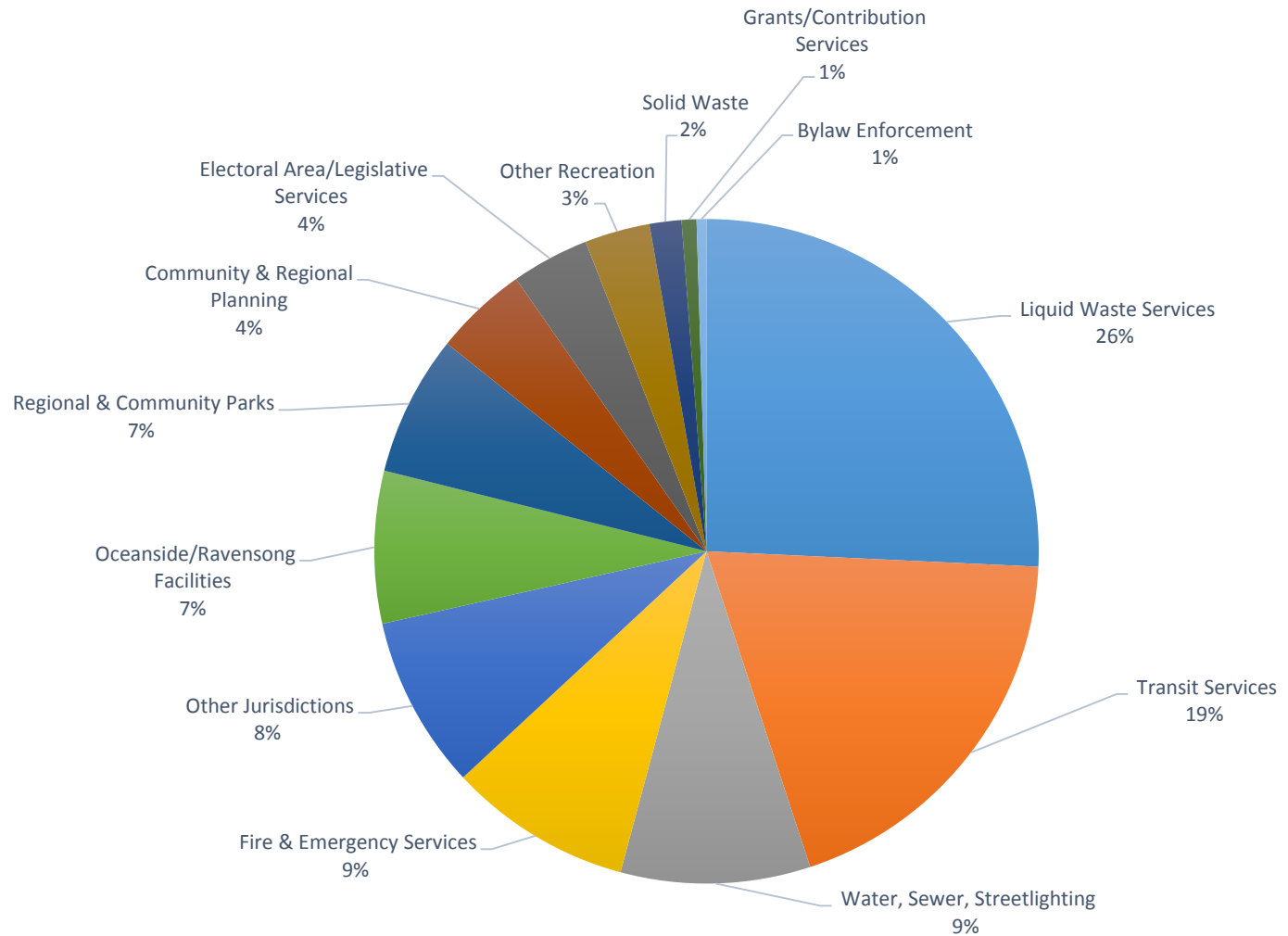
2018 Recent Updates

Change since December – General Service Requisition	
Various decreases	-\$6,030
Legislative & Electoral Areas Board Remuneration Plan	+77,000
Decrease for INFilm/Regional Economic Development	-50,000
Feasibility Services	+25,000
Other jurisdictions final information decrease	-15,700
Northern Community Recreation Grant Program	+12,500
Hazardous Properties decrease, provincial funding	-10,300
Electoral Area E Community Parks Decrease	-7,200
Regional Parks NALT Grant increase	+5,000
Net change General Services Requisition	\$30,270
Local services change	\$32,437

2018 to 2022 Budget Tax Requisition

	2018 \$	% of total	2022 \$	% of total
Liquid Waste Services	13,769,687	25.8%	16,212,676	25.9%
Transit Services	10,275,719	19.2%	12,273,826	19.6%
Water, Sewer, Streetlighting	4,934,075	9.2%	5,707,716	9.1%
Fire & Emergency Services	4,771,299	8.9%	5,896,072	9.4%
Other Jurisdictions	4,498,936	8.4%	5,040,532	8.1%
Oceanside/Ravensong Facilities	3,963,629	7.4%	4,290,162	6.8%
Regional & Community Parks	3,660,925	6.8%	4,142,702	6.6%
Community & Regional Planning	2,426,462	4.5%	2,860,351	4.6%
Electoral Area/Legislative Services	2,027,532	3.8%	2,534,528	4.0%
Other Recreation	1,697,224	3.2%	1,821,209	2.9%
Solid Waste	831,132	1.6%	1,191,216	1.9%
Grants/Contribution Services	386,535	0.7%	436,090	0.7%
Bylaw Enforcement	255,779	0.5%	296,188	0.4%
	\$53,498,934	100%	\$62,703,268	100%

2018 Budget Tax Requisition



2018 – 2022 Financial Plan

Significant Plan Impacts - Capital

- GNPCC – secondary treatment, centrifuge, digester, Departure Bay pump station, Chase River pump station \$70.2 million
- FCPCC – expansion/upgrades, interceptor/pump station expansion, Bay Avenue upgrade \$37.8 million
- Fire Departments – vehicle replacements and fire halls \$11 million
- Bowser Village Wastewater Treatment \$10.7 million
- Englishman River Water Service Joint Venture with Parksville \$6.7 million river intake/treatment plant + Nanoose Pump Station \$1.8M
- Regional and Community Parks includes Morden Colliery, Mt. Benson Parking, Little Qualicum Bridge, & multiple smaller & Community Works funded projects \$8.2 million (expense exceeds available funding, grants or other funding will be required)

2018 – 2022 Financial Plan

Significant Plan Impacts – Capital continued

- Transit – Downtown exchange, Woodgrove & Country Club exchanges, CNG Generator \$5.8 million
- Solid Waste Management – Cell 1 projects, landfill gas expansion, compactors & loader \$5.6 million
- Nanoose Peninsula Water – \$2.6 million in projects to 2022
- Nanoose Bay secondary treatment upgrade \$2.3 million
- Whiskey Creek Water Well Develop & Pump Station \$780,000 (\$290k grant)
- San Pareil Water – UV Treatment \$570,000 remaining (\$690k grant)
- New borrowing – up to \$68 million on \$185 million total capital

2018 – 2022 Financial Plan

Significant Plan Impacts - Operating

- Secondary treatment upgrade at GNPCC, operating costs increase from \$4.8 million to \$5.8 million
- FCPCCC expansion, operating costs increase from \$3.1 million to \$4.0 million
- Transit expansions, 5000 hours 2018, 2020, 2021 = \$300,000 to \$400,000 each
- Bowser Village Wastewater new service operating costs \$150,000
- Condition assessment & capital planning study all water services \$157,000
- Solid Waste Management Plan impacts
- 2018 Election & Collective Bargaining
- Bylaw 500, Subdivision Servicing, Regional Growth Strategy & OCP Reviews
- Asset Management implementation projects (grant application pending)
- District 69 Recreation Master Plan implementation
- Regional Parks & Trails Master Plan review
- Digital records management & web based customer service portals

2017 to 2018 Property Value Changes

Member Jurisdictions	2017 Average Residential Class Value	2017 Change in Residential Class Value	2018 Average Residential Class Value	2018 Change in Residential Class Value	New Residential folios 2017	New Residential folios 2018
Nanaimo	383,113	14.2%	447,025	16.7%	504	393
Lantzville	544,920	10.7%	640,711	17.6%	2	3
Parksville	347,726	10.3%	413,304	18.9%	89	38
Qualicum Beach	464,058	13.4%	544,372	17.3%	3	6
Area A	358,187	9.2%	429,057	19.8%	-13	7
Area B	308,448	7.6%	353,415	14.6%	3	13
Area C	456,403	9.7%	549,738	20.5%	0	12
Area E	575,236	12.0%	688,052	19.6%	21	-2
Area F	321,334	11.1%	383,737	19.4%	10	44
Area G	477,510	12.1%	551,994	15.6%	15	31
Area H	394,030	10.7%	487,660	23.8%	7	3

Compare \$500,000 Assessment Based Requisition 2017 to 2018

Member Jurisdictions	100% Assessment Based Requisition 2017	2017 Mil Rate	100% Assessment Based Requisition 2018	2018 Mil Rate
Nanaimo	269,612	0.014	266,417	0.012
Lantzville	12,373	0.014	12,501	0.012
Parksville	42,248	0.014	42,722	0.012
Qualicum Beach	34,110	0.014	34,152	0.012
Area A	18,321	0.014	18,884	0.012
Area B	17,149	0.014	16,919	0.012
Area C	15,325	0.014	15,488	0.012
Area E	29,533	0.014	30,305	0.012
Area F	19,822	0.014	20,326	0.012
Area G	25,870	0.014	25,859	0.012
Area H	15,636	0.014	16,427	0.012

2018 Property Tax Change – Municipalities

	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach
2018 General Tax Rate per \$100,000	89.20	80.10	143.40	121.40
2017 General Tax Rate per \$100,000	91.60	89.00	167.40	138.40
Change per \$100,000	(2.40)	(8.90)	(24.00)	(17.00)
2018 General Parcel Tax Levies	21.50	21.50	25.73	25.73
2017 General Parcel Tax Levies	22.00	22.00	27.10	27.10
Change per property	(0.50)	(0.50)	(1.37)	(1.37)
Average Residential Value 2018	447,025	640,711	413,304	544,372
Average Residential Value 2017	383,113	544,920	347,726	464,058
RDN Property Tax 2018 Average Value	420	535	618	687
RDN Property Tax 2017 Average Value	373	507	609	669
Change for average residential value	\$47	\$28	\$9	\$18

2018 Property Tax Change – Electoral Areas

	Area A	Area B	Area C	Area E	Area F	Area G	Area H
2018 General Tax Rate per \$100,000	123.60	93.40	107.40	91.10	119.90	121.90	110.00
2017 General Tax Rate per \$100,000	144.60	101.10	124.60	106.10	138.20	137.40	129.60
Change per \$100,000	(21.00)	(7.70)	(17.20)	(15.00)	(18.30)	(15.50)	(19.60)
2018 General Parcel Tax Levies	21.50	21.50	21.50	26.79	26.79	26.79	26.79
2017 General Parcel Tax Levies	22.00	22.00	22.00	29.16	29.16	29.16	29.16
Change per property	(0.50)	(0.50)	(0.50)	(2.37)	(2.37)	(2.37)	(2.37)
Average Residential Value 2018	429,057	353,415	549,738	688,052	383,737	551,994	487,660
Average Residential Value 2017	358,187	308,448	456,403	575,236	321,334	477,510	394,030
RDN Property Tax 2018 Avg Value	552	352	612	654	487	700	563
RDN Property Tax 2017 Avg Value	540	334	591	639	473	685	540
Change for average residential value	\$12	\$18	\$21	\$15	\$14	\$15	\$23

2018 Budget – Participation by Member

Member Jurisdiction	Member Participation 2017 Approved Budget	Member Participation 2018 Proposed Budget	Change from 2017	% Change from 2017
Nanaimo	18,235,346	20,282,069	2,046,723	11.2%
Lantzville	813,398	857,430	44,032	5.4%
Parksville	5,281,545	5,303,832	22,287	0.4%
Qualicum Beach	3,536,420	3,596,140	59,720	1.7%
Area A	1,951,724	1,987,013	35,289	1.8%
Area B	1,305,443	1,371,923	66,480	5.1%
Area C	1,156,986	1,171,050	14,064	1.2%
Area E	2,345,638	2,388,890	43,252	1.8%
Area F	2,056,852	2,119,575	62,723	3.0%
Area G	2,673,831	2,741,124	67,293	2.5%
Area H	1,535,160	1,581,604	46,444	3.0%
Total General Services	\$40,892,343	\$43,400,650		

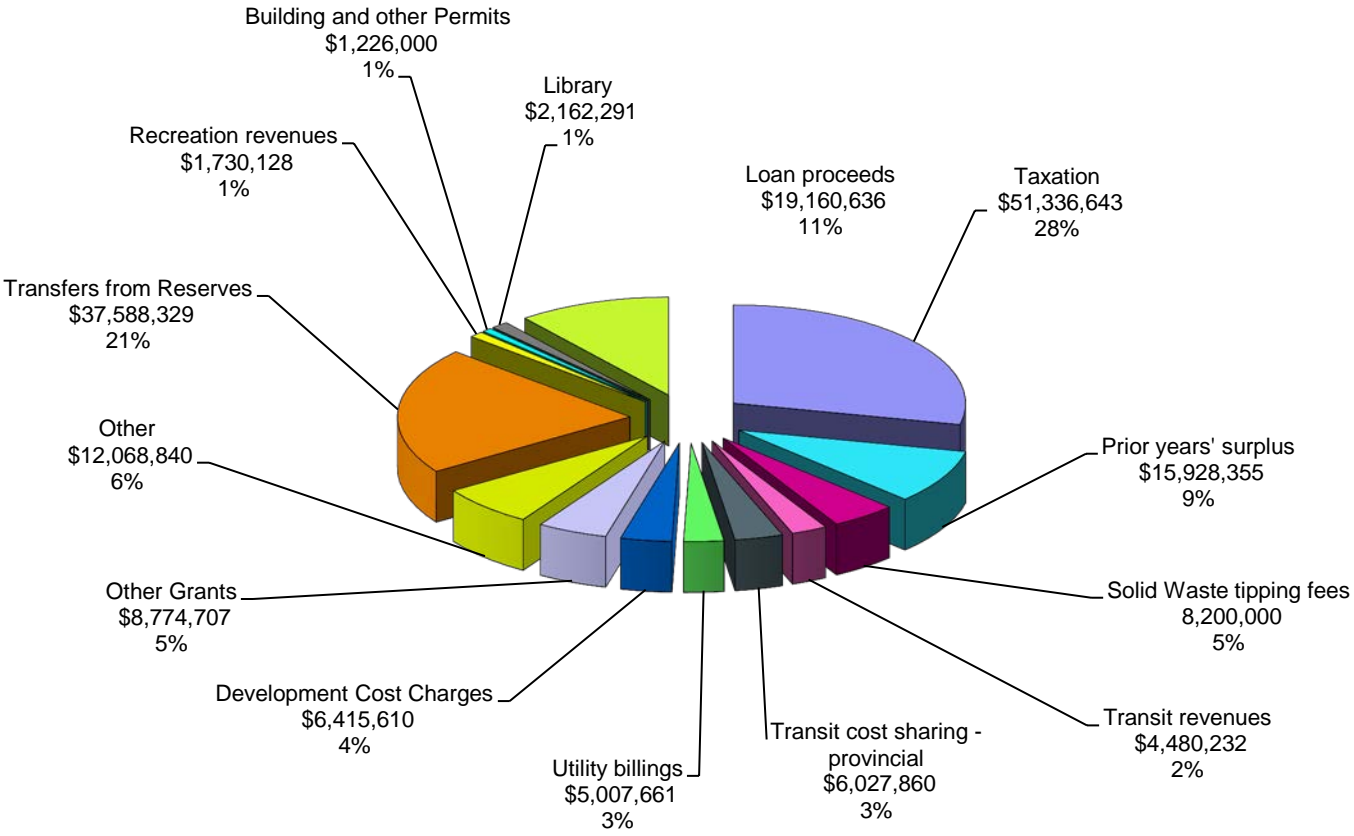
2018 Sources of Revenue

	2018	2019	2020	2021	2022
Property Tax Revenues	53,498,934	56,812,965	58,938,707	60,785,057	62,703,268
Change from prior year	6.8%	6.2%	3.7%	3.1%	3.2%
Operating revenues	45,740,472	46,934,421	47,261,297	47,730,343	48,308,918
Total revenue	99,239,406	103,747,386	106,200,004	108,515,400	111,012,186
Change from prior year	5.6%	4.5%	2.4%	2.2%	2.3%
Carry forward surplus applied	13,292,922	8,943,226	6,522,795	5,030,577	4,343,211

2018 Sources of Revenue – Operating Revenues

	2018	2019	2020	2021	2022
Operations (includes Building Inspection & Curbside Collection)	3,877,345	3,788,006	3,821,623	3,854,008	3,888,770
	8.7%	-2.3%	0.9%	0.8%	0.9%
Transit Fares	4,480,232	4,573,182	4,656,357	4,792,965	4,889,041
	-0.2%	2.1%	1.8%	2.9%	2.0%
Landfill Tipping Fees	8,200,000	8,282,000	8,282,000	8,364,820	8,364,820
	7.9%	1.0%	0.0%	1.0%	0.0%
Recreation Revenues	1,700,348	1,745,142	1,790,839	1,837,821	1,885,580
	5.4%	2.6%	2.6%	2.6%	2.6%
Utility User Fees	5,007,661	5,108,178	5,265,337	5,427,598	5,593,777
	3.7%	2.0%	3.1%	3.1%	3.1%
Operating Grants (includes BC Transit	7,275,841	7,409,573	7,624,061	7,290,071	7,323,802
	9.1%	1.8%	2.9%	-4.4%	0.5%
Interdepartmental Recoveries	7,075,864	7,310,872	7,408,458	7,490,310	7,741,599
	11.5%	3.3%	1.3%	1.1%	3.4%
Other (includes muni debt)	8,123,181	8,717,468	8,412,622	8,672,750	8,621,529
	-7.7%	7.3%	-3.5%	3.1%	-0.6%

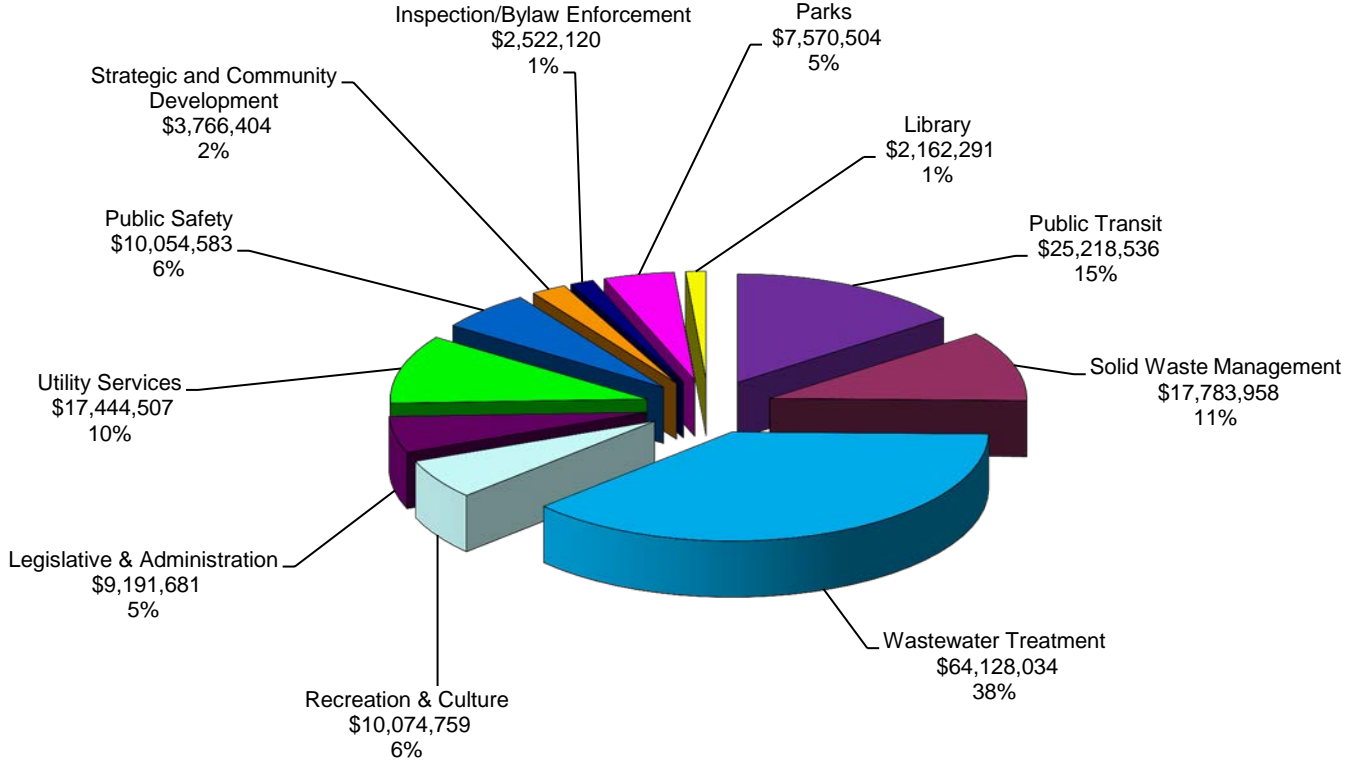
2018 Sources of Revenues including Capital



2018 to 2022 Operating Expenditures

	2018	2019	2020	2021	2022
Legislative	769,731	728,992	741,445	754,127	942,042
	50.4%	-5.3%	1.7%	1.7%	24.9%
Program Costs	1,417,666	1,389,938	1,266,705	1,278,634	1,290,756
	27.8%	-2.0%	-8.9%	0.9%	0.9%
Professional Fees	3,226,734	2,280,015	2,037,677	1,984,209	2,018,027
	30.9%	-29.3%	-10.6%	-2.6%	1.7%
Administration	4,733,448	4,809,115	4,841,794	4,915,359	4,991,609
	4.7%	1.6%	0.7%	1.5%	1.6%
Debt interest (existing debt)	4,627,007	4,241,826	3,996,881	3,832,919	3,766,722
	2.1%	-8.3%	-5.8%	-4.1%	-1.7%
Grants & Transfers to other governments/organizations	7,348,717	7,343,799	7,498,992	7,657,611	7,859,746
	-4.6%	-0.1%	2.1%	2.1%	2.6%
Transfers to reserve funds	11,426,143	9,720,110	8,823,084	7,764,667	7,454,786
	36.5%	-14.9%	-9.2%	-12.0%	-4.0%
Building/Vehicle/Equipment Operating	29,587,015	31,588,448	32,600,308	34,173,610	35,263,683
	4.4%	6.8%	3.2%	4.8%	3.2%
Wages & Benefits	34,034,732	34,850,603	35,552,609	36,263,654	36,958,938
	5.3%	2.4%	2.0%	2.0%	1.9%

2018 Expenditure Categories

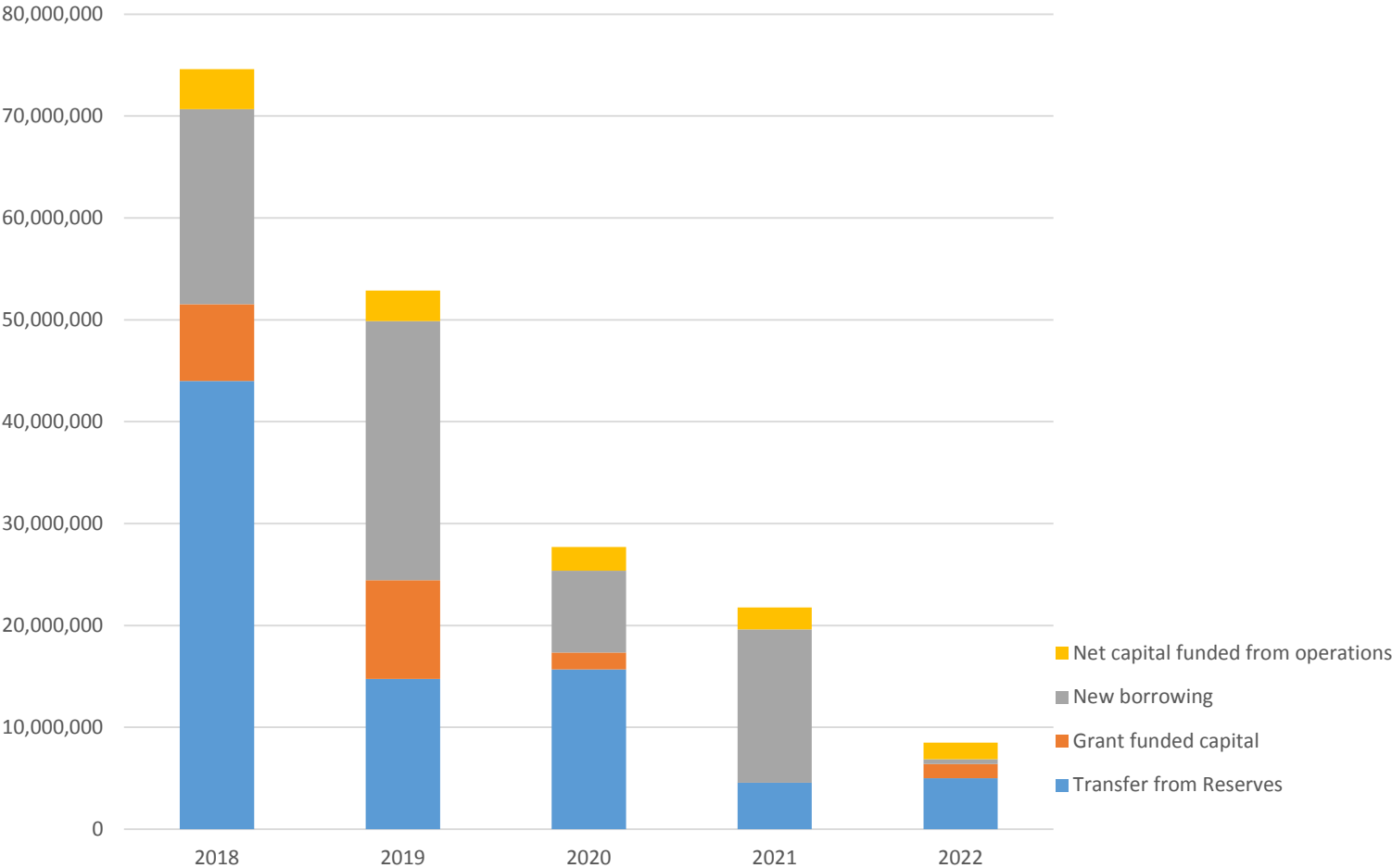


2018 to 2022 Capital Expenditures

	2018	2019	2020	2021	2022
Capital Expenditures	74,594,401	52,866,928	27,701,763	21,777,302	8,511,095
Transfer from Reserves	(44,003,939)	(14,748,363)	(15,684,029)	(4,569,052)	(5,013,720)
Grant funded capital	(7,526,726)	(9,685,679)	(1,656,000)	(10,000)	(1,388,633)
New borrowing	(19,160,636)	(25,451,773)	(8,046,655)	(15,045,793)	(463,280)
Net capital funded from operations	3,903,100	2,981,113	2,315,079	2,152,457	1,645,462

	2018	2019	2020	2021	2022
Capital Financing Charges					
Existing debt (principal)	4,958,635	4,595,643	4,588,207	4,304,759	4,162,453
New debt (principal & interest)	191,607	1,638,215	3,429,441	4,120,760	5,136,707
Total capital financing charges (includes municipal/VIRL)	5,150,242	6,233,858	8,017,648	8,425,519	9,299,160

2018 to 2022 Capital Project Funding



Nanaimo Regional Hospital District Impact

- Separate item on property tax, separate Provincial legislation
- Fund 40% of for designated facilities in NRHD
- NRGH, Oceanside, Trillium Lodge, Dufferin Lodge, Eagle Park Lodge
- Approximately \$17.70 per \$100,000 of assessment on \$7,409,526 total requisition
- NRHD Capital Projects current & future – total cost
 - Electrical Energy Plant Upgrade \$12.5 million underway
 - Boiler Plant Upgrade \$19.4 million
 - Intensive Care Unit Redevelopment \$28 million preliminary estimate
 - Additional MRI \$5.5 million preliminary estimate
- \$3.4 million annual grant for capital projects/equipment less than \$1.5 million

Member Summaries, Pgs 23 – 87 Binders

- Average Home Tax Change Chart
- History of participation in requisitions (dollars) - 2016 to 2018
- History of estimated tax rates (rate per \$1,000) - 2016 to 2018
- Variance explanations for average residential valued home 2017 to 2018 change
- Five year projected requisition amounts
- **All information posted on website www.rdn.bc.ca**

Questions??

