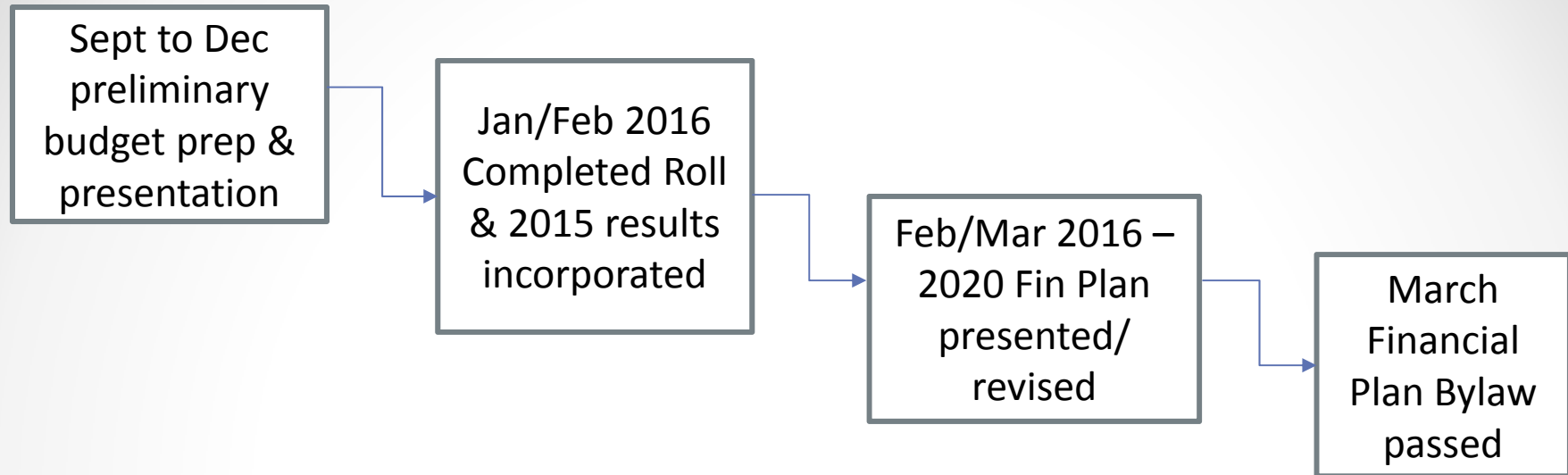




2016 to 2020 Financial Plan Overview

**Committee of the Whole
February 9, 2016**

Financial Plan Review



- Feb 9 CoW review and any revisions to be incorporated during February
- Final version of budget presented with bylaw at March 8, 2016 Committee of the Whole
- Financial Plan Bylaw passed at March 22, 2016 Board meeting

2016 Budget – Recent Updates

- Current assessment values – overall increase of 5.0% on RDN net taxable values total for 2016 Completed Roll (5.3% on residential)
- Identified carry forward items from 2015
- Known additions, Oceanside Victim Services, Ducks Unlimited, NALT, Goose Control, Nanaimo Aboriginal Centre Passive House

Pending items:

- Final 2015 results
- Final information from other jurisdictions, eg, recreation and sportsfields
- Final assessment values – received in March
- Further revisions to capital plans – over next few weeks
- Other changes pending February 9 Committee of the Whole

2016 Budget – Recent Updates

	2016 Proposed	2016 Revised
Member allocations – property tax/ agreement revenues	47,440,382	47,404,474
Year over year total change (including local & utility services)	5.3%	5.3%
Year over year change for General Services	5.2%	5.1%
Change for new services or service levels	3.2%	3.4%
Change for other jurisdictions	0.4%	0.4%
Change for existing services	1.6%	1.3%

2016 Budget – Recent Updates

Change since November	
Various decreases	-\$86,900
Increase for NALT funding	30,000
Increase for Goose Control Program	12,000
Increase for Ducks Unlimited Grant	1,000
Nanaimo Aboriginal Centre Passive House Project Support (possible funding from Regional Sustainability reserve funds)	0 to \$15,000
Net change	-\$43,900
Possible changes not included (D68 Marine Rescue funding, Nanaimo Victim Services, Nanaimo Travellers Lodge – pending Feb 9 presentation)	+ \$6,500/\$2,500/\$10,000 to \$25,000

2016 Budget – Tax Requisition

	2016 \$	% of total	2020 \$	% of total
Liquid Waste Services	11,367,985	24.0%	16,176,587	28.0%
Transit Services	9,584,364	20.2%	11,255,983	19.5%
Water, Sewer, Streetlighting	4,428,975	9.3%	5,132,800	8.9%
Oceanside/Ravensong Facilities	4,428,298	9.3%	4,732,886	8.2%
Other Jurisdictions	4,175,607	8.8%	4,667,736	8.1%
Fire Departments	3,442,641	7.3%	4,023,708	7.0%
Regional & Community Parks	3,293,988	7.0%	3,649,409	6.3%
Community & Emergency Planning	2,247,170	4.7%	2,545,152	4.4%
Electoral Area/Legislative Services	1,550,938	3.3%	1,855,291	3.2%
Other Recreation	1,295,642	2.7%	1,456,034	2.5%
Grants/Contribution Services	780,363	1.7%	883,670	1.5%
Solid Waste	578,088	1.2%	1,144,614	2.0%
Bylaw Enforcement	230,415	0.5%	249,385	0.4%
	\$47,404,474	100%	57,773,225	100%

2016 to 2020 Financial Plan

Property Value Changes Affecting Member Allocations

Member Jurisdictions	2015 Average Residential Class Value	2015 Change in Residential Class Value	2016 Average Residential Class Value	2016 Change in Residential Class Value	New Residential folios 2015	New Residential folios 2016
Nanaimo	319,625	1.9%	335,518	5.0%	269	324
Lantzville	454,990	(0.1%)	492,038	8.1%	0	3
Parksville	300,739	0.3%	315,343	4.9%	113	31
Qualicum Beach	391,440	3.2%	409,085	4.5%	7	53
Area A	321,649	(2.0%)	328,037	2.0%	-12	5
Area B	283,065	(1.7%)	286,552	1.2%	0	0
Area C	394,830	2.1%	416,125	5.4%	2	4
Area E	492,402	1.1%	513,467	4.3%	-3	7
Area F	288,252	8.8%	289,100	0.3%	-10	16
Area G	398,829	1.7%	425,813	6.8%	15	26
Area H	341,607	2.3%	355,832	4.2%	0	4

2016 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
General Services Property Tax							
2016	\$ 154	\$ 98	\$ 141	\$ 108	\$ 150	\$ 149	\$ 142
2015	\$ 155	\$ 91	\$ 141	\$ 110	\$ 149	\$ 152	\$ 146
Change per \$100,000	\$ (1)	\$ 7	\$ -	\$ (2)	\$ 1	\$ (3)	\$ (4)
Regional Parcel Taxes							
2016	\$ 21	\$ 21	\$ 21	\$ 28	\$ 28	\$ 28	\$ 28
2015	\$ 21	\$ 21	\$ 21	\$ 28	\$ 28	\$ 28	\$ 28
Change per property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total change at \$100,000	\$ (1)	\$ 7	\$ -	\$ (2)	\$ 1	\$ (3)	\$ (4)
Total change at \$200,000	\$ (2)	\$ 14	\$ -	\$ (4)	\$ 2	\$ (6)	\$ (8)
Total change at \$300,000	\$ (3)	\$ 21	\$ -	\$ (6)	\$ 3	\$ (9)	\$ (12)
Total change at \$400,000	\$ (4)	\$ 28	\$ -	\$ (8)	\$ 4	\$ (12)	\$ (16)

2016 Budget – Municipal Change in General Services Tax Rates

	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach
General Services Property Tax				
2016	\$ 98	\$ 97	\$ 180	\$ 154
2015	\$ 96	\$ 100	\$ 180	\$ 158
Change per \$100,000	\$ 2	\$ -3	\$ 0	\$ -4
Regional Parcel Taxes				
2016	\$ 20	\$ 20	\$ 26	\$ 26
2015	\$ 19	\$ 19	\$ 26	\$ 26
Change per property	\$ 1	\$ 1	\$ -	\$ -
Total change at \$100,000	\$ 3	\$ (2)	\$ -	\$ (4)
Total change at \$200,000	\$ 5	\$ (5)	\$ -	\$ (8)
Total change at \$300,000	\$ 7	\$ (8)	\$ -	\$ (12)
Total change at \$400,000	\$ 9	\$ (11)	\$ -	\$ (16)

2016 Budget – Participation by Member

Member Jurisdiction	Member Participation 2015 Approved Budget	Member Participation 2016 Proposed Budget	Change from 2015	% Change from 2015
Nanaimo	\$16,021,728	\$17,090,434	\$1,068,706	6.7%
Lantzville	\$770,741	\$800,481	\$29,740	3.9%
Parksville	\$4,830,820	\$5,069,475	\$238,655	4.9%
Qualicum Beach	\$3,367,466	\$3,477,377	\$109,911	3.3%
Area A	\$1,867,755	\$1,894,803	\$27,048	1.4%
Area B	\$1,083,109	\$1,178,177	\$95,068	8.8%
Area C	\$1,058,015	\$1,133,680	\$75,665	7.2%
Area E	\$2,089,850	\$2,134,981	\$45,131	2.2%
Area F	\$1,948,413	\$2,012,584	\$64,171	3.3%
Area G	\$2,447,341	\$2,573,360	\$126,019	5.1%
Area H	\$1,490,337	\$1,504,577	\$14,240	1.0%

2016 -2020 Financial Plan

Significant Plan Impacts - Capital

- GNPCC – marine outfall + secondary treatment by 2018/19 = \$95 million
- FCPCC – expansion/upgrades = \$38 million through 2019
- Transit –Downtown exchange \$2.8 million = RDN cost, building cost shared with BC Transit
- Solid Waste Management – North Berm construction, move maintenance & ops building, scale replacement = \$6.8 million
- Nanoose Peninsula Water – \$1.9 million in projects to 2020
- Englishman River Water Service Joint Venture with Parksville – \$7.9 million river intake/treatment plant, \$1.575 million Building Canada grant RDN share
- Regional and Community Parks – \$3.6 million E&N Trail, \$2 million Morden Colliery, multiple Community Works funded projects
- Ravensong Aquatic Centre – tbd possible expansion 2018 = \$9.4 million
- Fire Departments – vehicle replacements and fire halls \$12 million
- New borrowing - up to \$95 million on \$200 million total capital. Debt servicing costs increase \$7.5 million excluding municipal debt

2016 -2020 Financial Plan

Significant Plan Impacts – Operational

- Transit service expansions – 2000 hours Sept 2015, annualized to 5000 in 2016
BC Transit funding freeze to 2018, possible + 5000 hours conventional + 500 hours custom in 2018 & 2020
- New Gabriola Transit Contribution Service \$165,000
- Southern Community Wastewater – secondary treatment, operating costs increase from \$2.4 million to \$4.3 million
- Northern Community Wastewater – expansion, operating costs increase from \$1.7 million to \$2.9 million
- Liquid Waste Management Plan - \$270,000 Gas Tax funding for community sewer servicing project completion
- Solid Waste Management – impact of tipping fee decline of approximately \$1 million. 2015 operating costs cut \$500,000, tax requisition increase \$100,000
- Regional and Community Parks – ongoing operating/maintenance impacts of new trails and parks
- Bylaw 500, Subdivision Servicing, Regional Growth Strategy Review

2016 -2020 Financial Plan

Risks to Plan

- Canadian \$ fluctuation, impact to capital projects
- Energy Costs – ongoing BC Hydro rate increases
- Economy – Global, Canadian and BC
- Interest Rates 1% rate change could = up to \$1 million in extra debt servicing costs by 2020

Mitigate through

- Continued grant funding applications
- Monitoring conditions and adjust plans as needed
- Plan for timing of borrowing
- Value Engineering; third party expert support/oversite for large capital projects
- Design for efficiency and prudent innovation

REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN

Revenues

	2016	2017	2018	2019	2020
Total revenues	89,959,725	92,112,790	95,170,945	99,353,005	102,600,580
	4.4%	2.4%	3.3%	4.4%	3.3%
Surplus applied	11,521,355	6,554,070	4,591,522	3,673,430	3,189,850

Property, parcel tax & municipal participation revenues

- Individual service requisition projections by division are shown on website

	2016	2017	2018	2019	2020
Property tax revenues	47,404,475	50,148,165	53,036,685	55,689,260	57,773,255
	5.3%	5.8%	5.8%	5.0%	3.7%
Percent of total revenues	53%	54%	55%	56%	56%

REGIONAL DISTRICT OF NANAIMO

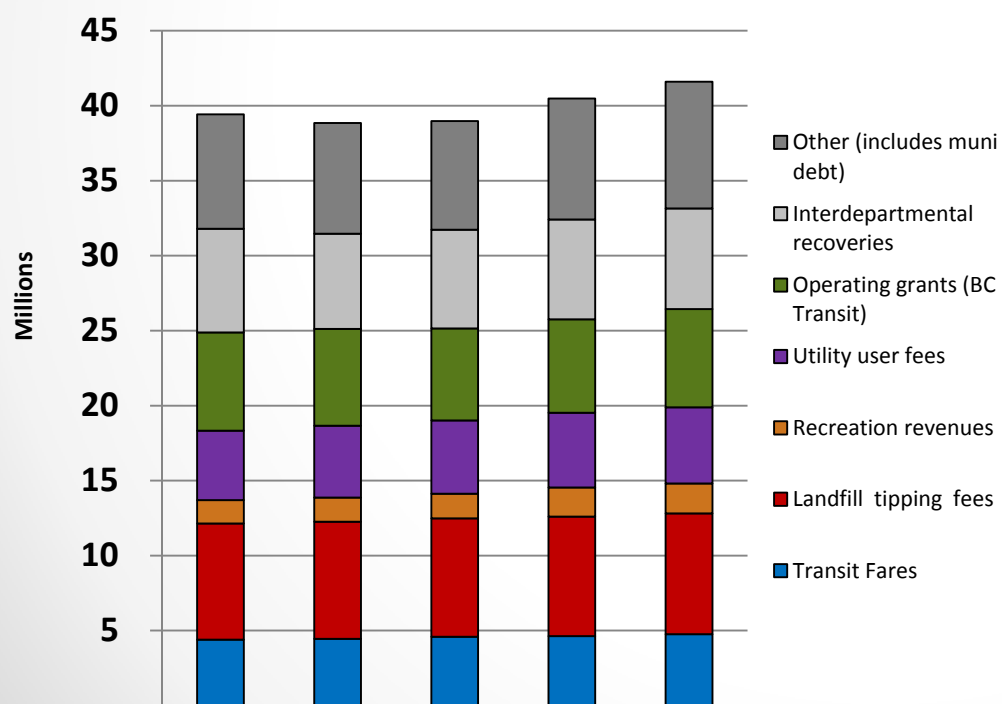
CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – OPERATING REVENUES

	2016	2017	2018	2019	2020
Total Revenues	89,959,725	92,112,790	95,170,945	99,353,005	102,600,580
	4.4%	2.4%	3.3%	4.4%	3.3%
Operations	3,135,785	3,121,700	3,159,000	3,187,500	3,227,565
	1.5%	(0.5%)	1.2%	0.9%	1.3%
Transit Fares	4,401,560	4,445,580	4,583,135	4,628,970	4,763,920
	(1.3%)	1.0%	3.1%	1.0%	2.9%
Landfill tipping fees	7,741,025	7,818,435	7,896,620	7,975,585	8,055,340
	6.5%	1.0%	1.0%	1.0%	1.0%
Recreation revenues	1,559,530	1,606,090	1,648,700	1,936,025	1,988,373
	5.2%	3.0%	2.7%	17.4%	2.7%
Utility user fees	4,629,750	4,788,550	4,885,190	4,983,235	5,083,290
	3.6%	3.4%	2.0%	2.0%	2.0%
Operating grants (BC Transit)	6,544,565	6,452,400	6,136,840	6,227,550	6,545,860
	(2.2)%	(1.4%)	(4.9%)	1.5%	5.1%
Interdepartmental recoveries	6,913,815	6,351,590	6,577,340	6,662,200	6,708,800
	3.7%	(8.1%)	3.7%	1.3%	0.7%
Other (includes muni debt)	7,629,221	7,380,281	7,247,437	8,062,682	8,454,177

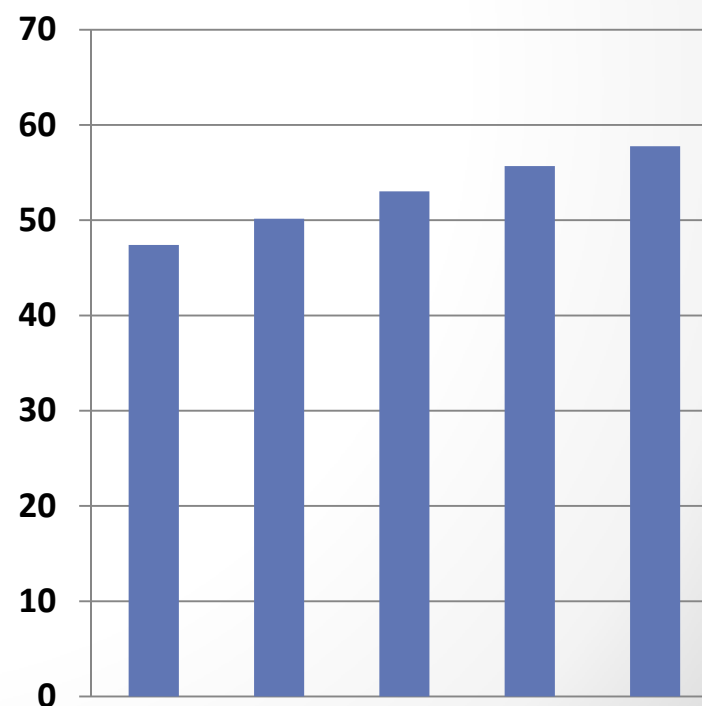
REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – TOTAL REVENUES

	2016	2017	2018	2019	2020
Total Revenues	89,959,725	92,112,790	95,170,945	99,353,005	102,600,580
Operating Revenues	42,555,251	41,964,626	42,134,262	43,663,747	44,827,325
Property tax revenues	47,404,475	50,148,165	53,036,685	55,689,260	57,773,255

Operating Revenues



Property Tax Revenues



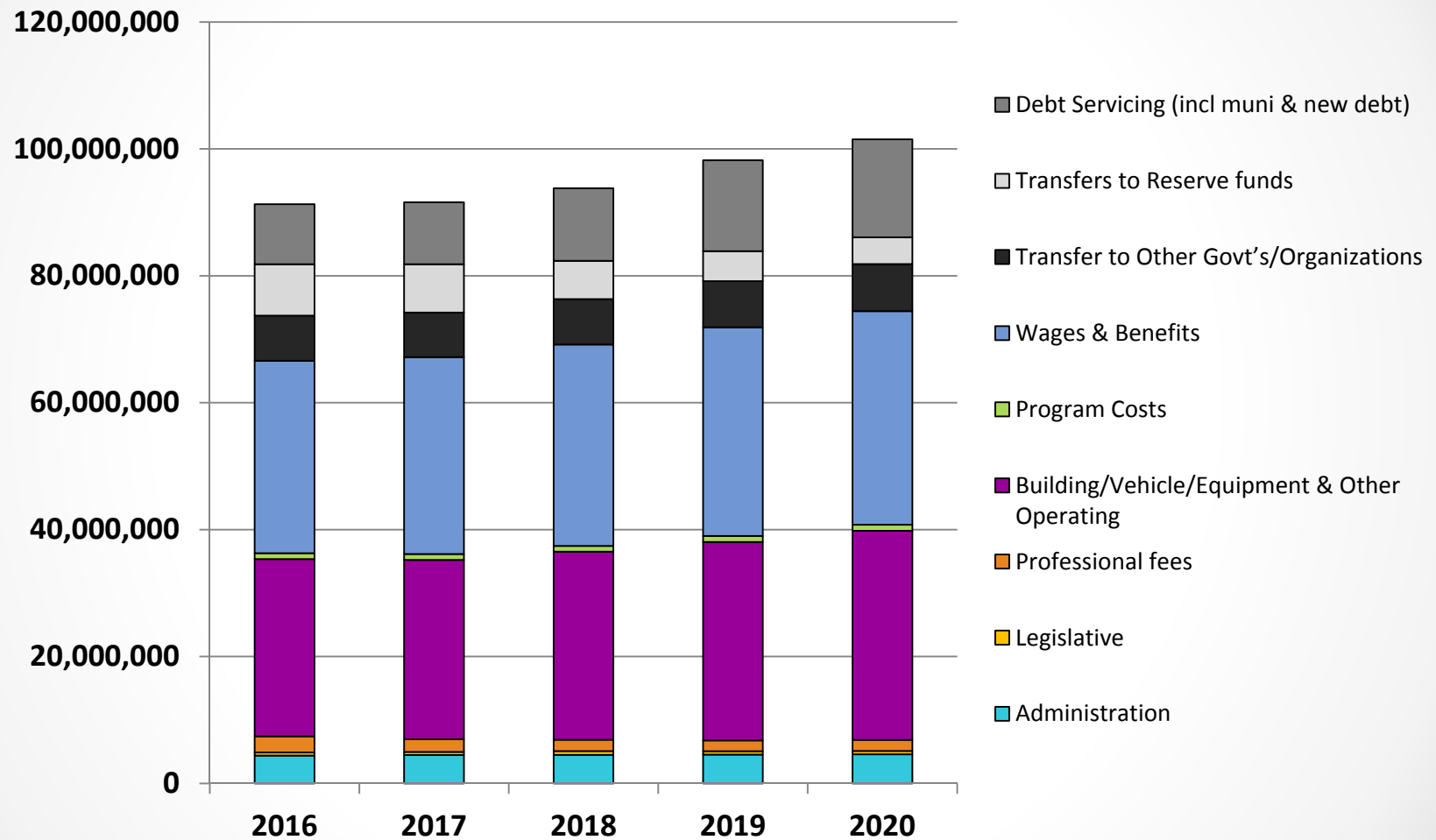
REGIONAL DISTRICT OF NANAIMO

CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – OPERATING EXPENDITURES

	2016	2017	2018	2019	2020
Total Operating Costs	86,334,575	86,148,227	86,656,159	87,982,809	90,097,186
	3.5%	(0.2%)	0.6%	1.5%	2.4%
Administration	4,387,180	4,466,940	4,504,665	4,543,411	4,582,474
	4.7%	1.8%	0.8%	0.9%	0.9%
Legislative	498,394	504,768	601,283	534,966	529,010
	2.7%	1.3%	19.1%	(11.0%)	(1.1%)
Professional fees	2,527,668	1,971,995	1,778,006	1,704,358	1,758,341
	3.9%	(22.0%)	(9.8%)	(4.1%)	3.2%
Building/Vehicle/Equipment & Other Operating	27,933,978	28,286,849	29,640,911	31,274,869	32,953,727
	1.8%	1.3%	4.8%	5.5%	5.4%
Program Costs	946,870	910,341	914,149	936,558	946,756
	8.8%	(3.9%)	0.4%	2.5%	1.1%
Wages & Benefits	30,319,473	31,048,831	31,730,824	32,898,413	33,647,353
	4.3%	2.4%	2.2%	3.7%	2.3%
Transfer to Other Govt's/Organizations	7,099,449	7,014,357	7,148,857	7,271,590	7,441,011
	0.6%	(1.2%)	1.9%	1.7%	2.3%
Transfers to Reserve funds	8,108,279	7,613,511	6,046,926	4,719,716	4,206,121
	12.9%	(6.1%)	(20.6%)	(21.9%)	(10.9%)
Debt Interest (existing)	4,513,284	4,330,635	4,290,538	4,098,928	4,032,393
	(3.3%)	(4.0%)	(0.9%)	(4.5%)	(1.6%)

REGIONAL DISTRICT OF NANAIMO

CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – OPERATING/DEBT EXPENDITURES



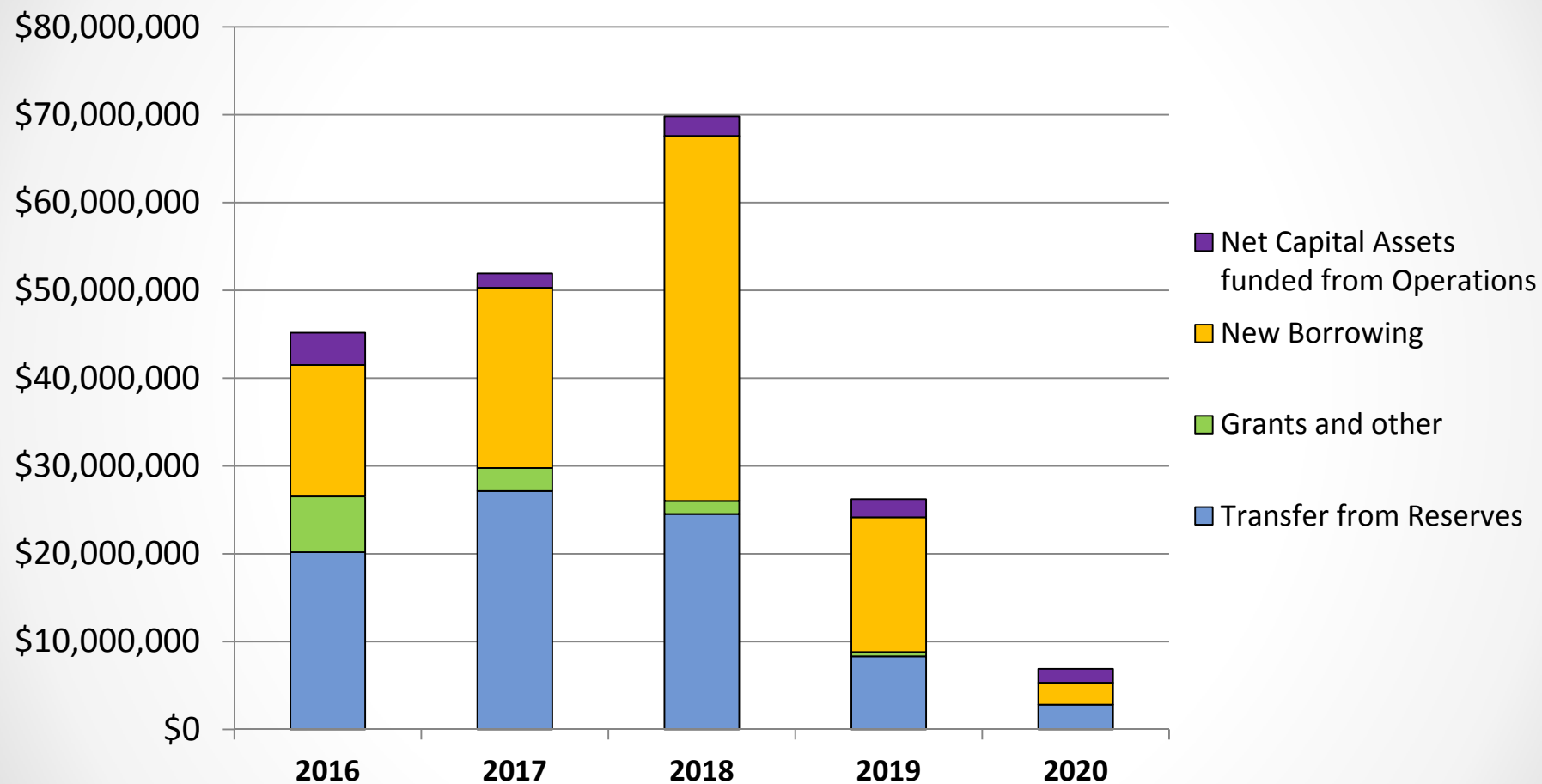
REGIONAL DISTRICT OF NANAIMO

CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – CAPITAL EXPENDITURES

	2016	2017	2018	2019	2020
Capital Expenditures	45,162,019	51,926,754	69,825,669	26,215,207	6,893,699
Transfer from Reserves	(20,182,323)	(27,144,489)	(24,536,878)	(8,319,238)	(2,819,000)
Grants and other	(6,351,060)	(2,628,980)	(1,487,500)	(478,320)	-
New Borrowing	(14,974,713)	(20,532,635)	(41,571,030)	(15,364,613)	(2,500,000)
Net Capital Assets funded from Operations	3,653,923	1,623,650	2,230,261	2,053,036	1,574,699

	2016	2017	2018	2019	2020
Capital Financing Charges					
Existing debt (principal)	4,787,627	4,113,010	4,048,588	3,853,511	3,851,321
New debt (principal & interest)	150,885	1,336,093	3,093,300	6,381,741	7,560,959
Total Capital Financing Charges (includes muni/ VIRL)	4,938,512	5,449,103	7,141,888	10,235,252	11,412,280

REGIONAL DISTRICT OF NANAIMO CONSOLIDATED 2016 TO 2020 FINANCIAL PLAN – CAPITAL EXPENDITURES





Budget summaries are on the
web site at www.rdn.bc.ca

Questions?