



REGIONAL DISTRICT OF NANAIMO

2023-2027 RECOMMENDED FINANCIAL PLAN

February 8, 2023 Municipal Focus



Introduction - Legislative Requirements

The Local Government Act provides the following Financial Plan legislative requirements:

- Must be adopted by Bylaw before March 31 each year
- Must be for a 5-year Period
- Must include Public Consultation

<https://www.getinvolved.rdn.ca/rdn-budget-talks>

The RDN has 106 service areas, each treated like their own entity. Surplus stays with the service (Page 7, 8 & 9 of the Budget Binder). Funds cannot be transferred from one service area to another.

NRHD is governed by different legislation and will be reviewed at the NRHD Board meeting March 14, 2023.

Introduction

- The 2023-2027 Recommended Financial Plan is based on the previously approved 2022-2026 Financial Plan.
- The Board Strategic Plan is also integrated along with direction received from the Board.
- Staffing Level recommendations, Service Level recommendations, adjustments for capital projects estimated to carry forward to 2023 and new capital items have been incorporated.

Introduction

The 2023-2027 Recommended Financial Plan includes the following:

- 2023 Assessment
- 2022 Actuals

Outstanding items yet to be incorporated are:

- Final Parcel Counts
- Final results for:
 - Englishman River & Arrowsmith Water Service Joint Ventures
 - Northern Community Sports Field Agreement,
 - Southern Community Recreation,
 - 911

External Impacts

- Some aspects of the budget are out of the control of the RDN
- Other jurisdictions' impact to the RDN
 - Library – 9.9%
 - 911
 - D68 – 6.4%
 - D69 – 3.8%
 - Northern Community Facilities & Sportsfields – 3.6% up to 7.4%
 - Southern Community Recreation – 8.3% down to 1.5%
- General Inflation : 3.0%



Property Taxes

- RDN has no ability to tax.
 - Requisitions are sent to Municipalities or the Surveyor of Taxes.
- Funds are received by August 1 each year
- $\text{Rate per } \$1,000 = \text{Total Funds Required} / \text{Total Assessment} / 1,000$
- In member summaries, the general services tax rate per \$100,000 is applied to the Average Residential Value to provide perspective on how change in assessments are affecting taxes
- Growth or Non-Market Change (NMC) is applied at 1.31% per BCAA

Financial Impact

Member Summaries



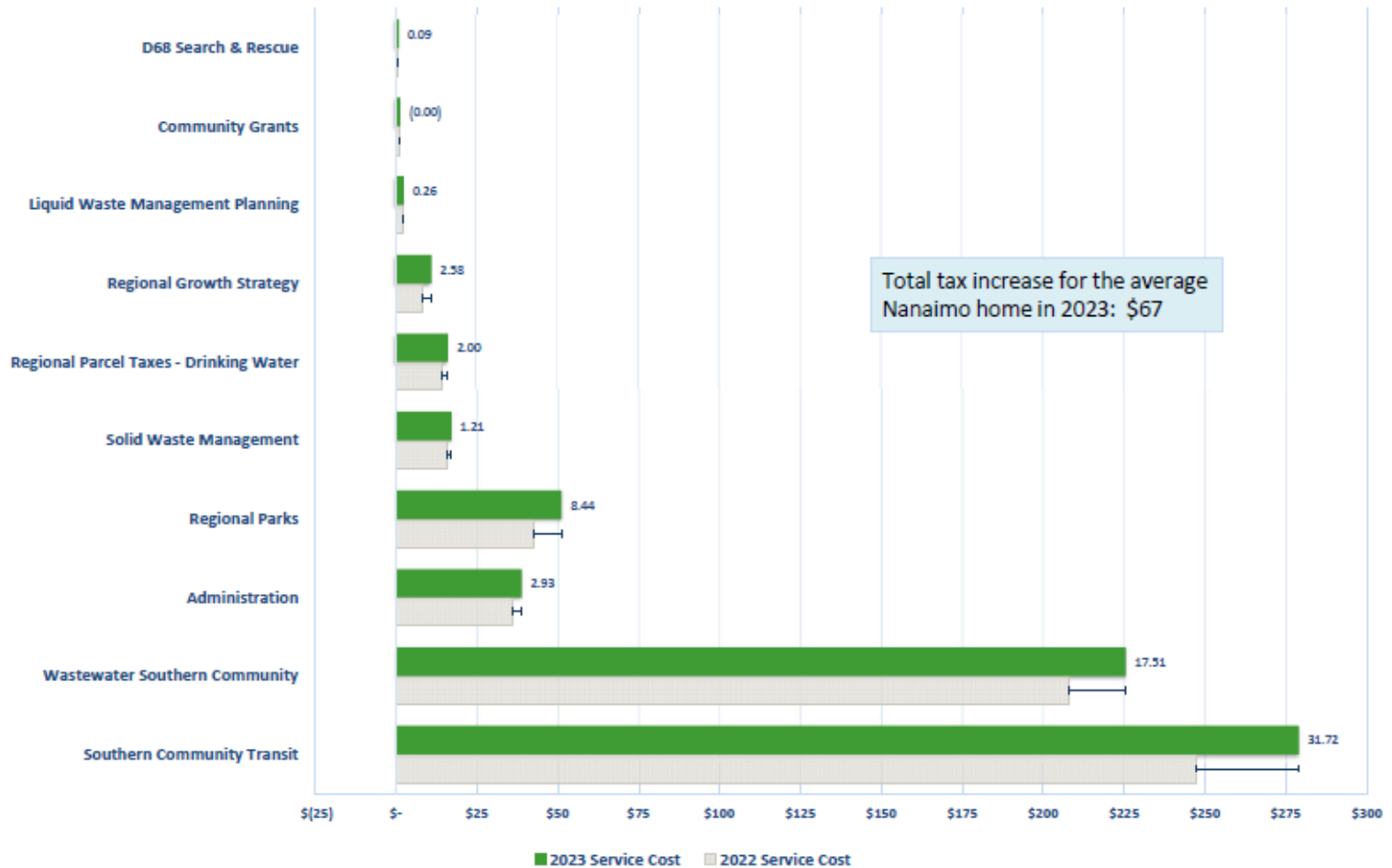
Overview of Estimated Property Tax Change

	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach
2023 Total Requisition	\$ 31,321,643	\$ 1,153,373	\$ 7,225,379	\$ 5,184,435
2022 Total Requisition	\$ 27,976,700	\$ 1,032,643	\$ 6,627,724	\$ 4,775,502
Change from prior year	\$ 3,344,943	\$ 120,730	\$ 597,655	\$ 408,933
General Services Property Tax				
2023	\$ 80.86	\$ 53.66	\$ 107.07	\$ 100.67
2022	\$ 81.58	\$ 55.28	\$ 111.60	\$ 101.80
Change per \$100,000	\$ (0.72)	\$ (1.62)	\$ (4.53)	\$ (1.13)
Regional Parcel Taxes				
2023	\$ 16.00	\$ 16.00	\$ 22.63	\$ 22.63
2022	\$ 14.00	\$ 14.00	\$ 18.63	\$ 18.63
Change per property	\$ 2.00	\$ 2.00	\$ 4.00	\$ 4.00
2023 Average Residential Value	\$ 774,771	\$ 1,176,431	\$ 753,356	\$ 960,113
2022 Average Residential Value	\$ 688,563	\$ 1,046,409	\$ 669,603	\$ 877,310
2023 RDN Property Tax based on average residential value	\$ 642	\$ 647	\$ 829	\$ 989
2022 RDN Property Tax based on average residential value	\$ 576	\$ 592	\$ 766	\$ 912
Change for average residential value	\$ 67	\$ 55	\$ 63	\$ 77

REGIONAL DISTRICT OF NANAIMO SERVICES

City of Nanaimo Home Tax Change

2023 Total Cost for the average City of Nanaimo home (\$774,771) = \$642



City of Nanaimo Services driving Tax Requisition Increase

Southern Community Transit (\$1,633,359)

2022 Expansion (5,000 hours Conventional) postponed to 2023 with reduction of 2023 tax requisition from \$14.9 million down to \$14.1 million

The tax requisition increase of \$1.6 million combined with an increase in carry forward surplus of \$1.7 million plus \$920,000 in surplus brought forward for the postponed expansion offset the following increases:

- \$3,724,167 increase in contribution to reserve in preparation for future expansion including facility considerations;
- \$116,522 for RDN share of two Transportation Supervisor positions recommended for 2023;
- \$150,000 for studies related to the redevelopment strategy;
- \$50,000 for scheduling software upgrades; and,
- General inflationary increase for operating costs including fuel and CNG.

City of Nanaimo Services driving Tax Requisition Increase

Southern Community Wastewater (\$925,960)

Tax requisition increase of \$925,960 combined with an increase in carryforward surplus of \$945,258 offset the following increases:

- \$634,000 Contribution to Reserve to fund robust 10 year capital plan including projects such as the GNPCC Grit and Sedimentation Tank Relining and GNPCC Wellington Pump Station Generator Upgrade,
- \$219,425 increase in Capital funded by operations,
- \$480,500 Incremental Debt Servicing Costs associated with the GNPCC Departure Bay Forcemain Re and Re project which completed in 2022,
- \$234,622 increase in General Admin Allocation based on an increase in prior year budgeted operating expenses year over year.

City of Nanaimo Services driving Tax Requisition Increase

Regional Parks (\$789,869)

- \$428,013 for increased park services due to higher usage which includes but is not limited to gate management, security patrols, washroom/garbage service and snow removal, as well as Regional Parks share of the new recommended Business Administrator position (Table 2A showing distributions for the Recreation positions included on page 9 of Feb 8 Agenda package),
- \$345,218 increase in contribution to reserve to fund future capital including Nanaimo River Morden Colliery Trail.

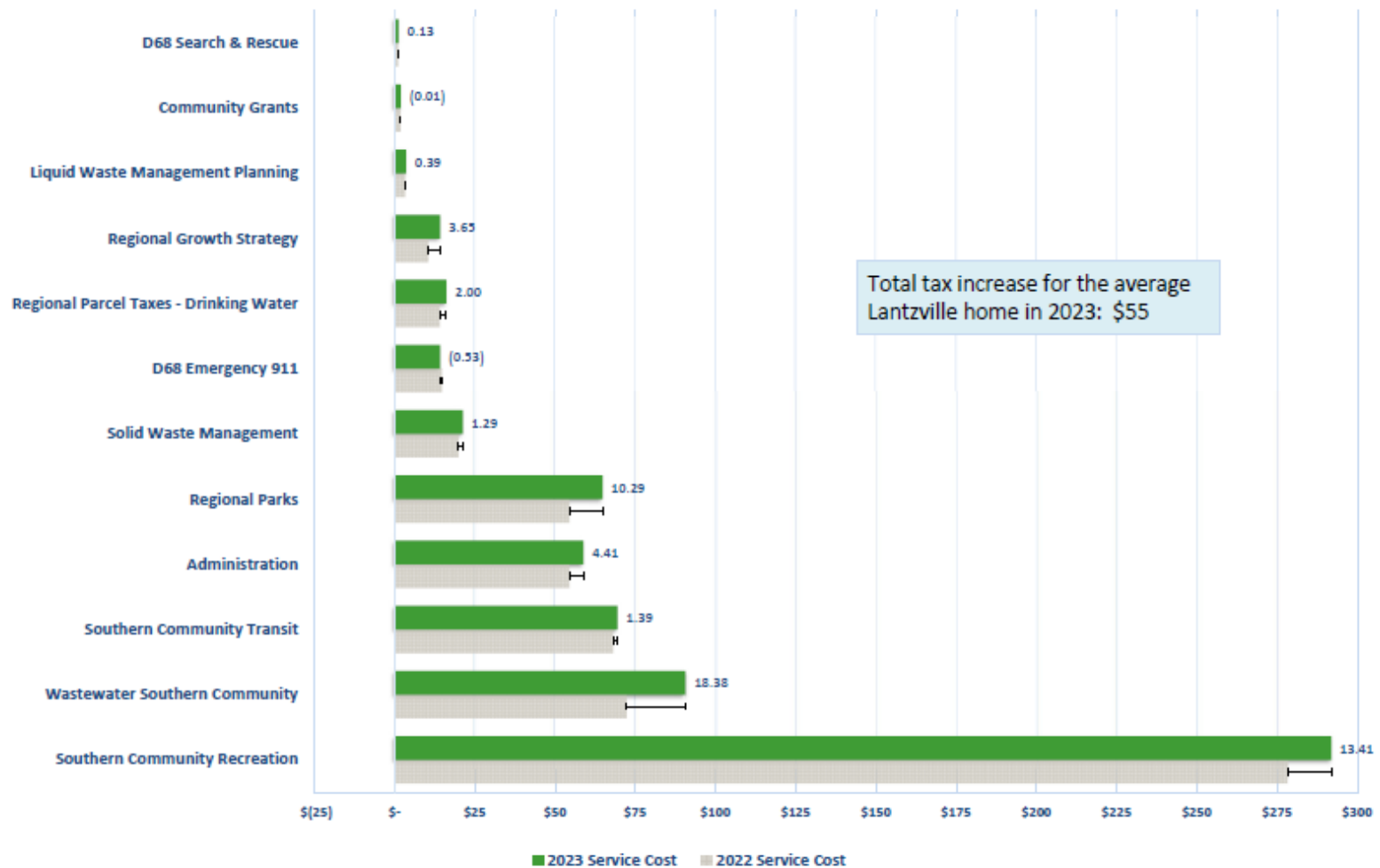
Recreation Positions Distribution – Table A2

	Business Administrator		Chief Facility Operator - Aquatics and Satellite Rural Recreation Facilities		Program Secretary		Superintendent - Recreation Program Services		Total \$ for Each Service
	%	\$	%	\$	%	\$	%	\$	
Ravensong	13.30%	14,596	70%	75,907					90,504
Oceanside Place	13.30%	14,596							14,596
Northern Community Recreation	13.30%	14,596			80%	32,484	15%	22,396	69,476
Gabriola Island Recreation	2.19%	2,403				-	5%	7,465	9,869
Area A Recreation & Culture	2.19%	2,403	10%	10,844	5%	2,030	35%	52,257	67,535
Regional Parks	33.40%	36,655							36,655
Area A Community Parks & Halls	3.19%	3,501							3,501
Area B Community Parks & Halls	3.19%	3,501							3,501
Area C (Ext) Community Parks & Halls	1.59%	1,745							1,745
Area C (EW) Community Parks & Halls	1.59%	1,745				-	-	-	1,745
Area E Community Parks & Halls	3.19%	3,501	5%	5,422	5%	2,030	5%	7,465	18,418
Area F Community Parks & Halls	3.19%	3,501	15%	16,266		-	20%	29,861	49,628
Area G Community Parks & Halls	3.19%	3,501		-	5%	2,030	5%	7,465	12,996
Area H Community Parks & Halls	3.19%	3,501			5%	2,030	5%	7,465.3	12,996
Southern Community Recreation & Culture						-	10%	14,931	14,931
Total	100%	\$ 109,746	100%	\$ 108,439	100%	\$ 40,605	100%	\$ 149,306	\$ 408,096

REGIONAL DISTRICT OF NANAIMO SERVICES

District of Lantzville Home Tax Change

2023 Total Cost for the average District of Lantzville home (\$1,176,431) = \$647



District of Lantzville Services driving Tax Requisition Increase

Southern Community Wastewater and Regional Parks – reviewed on slide 12 & 13

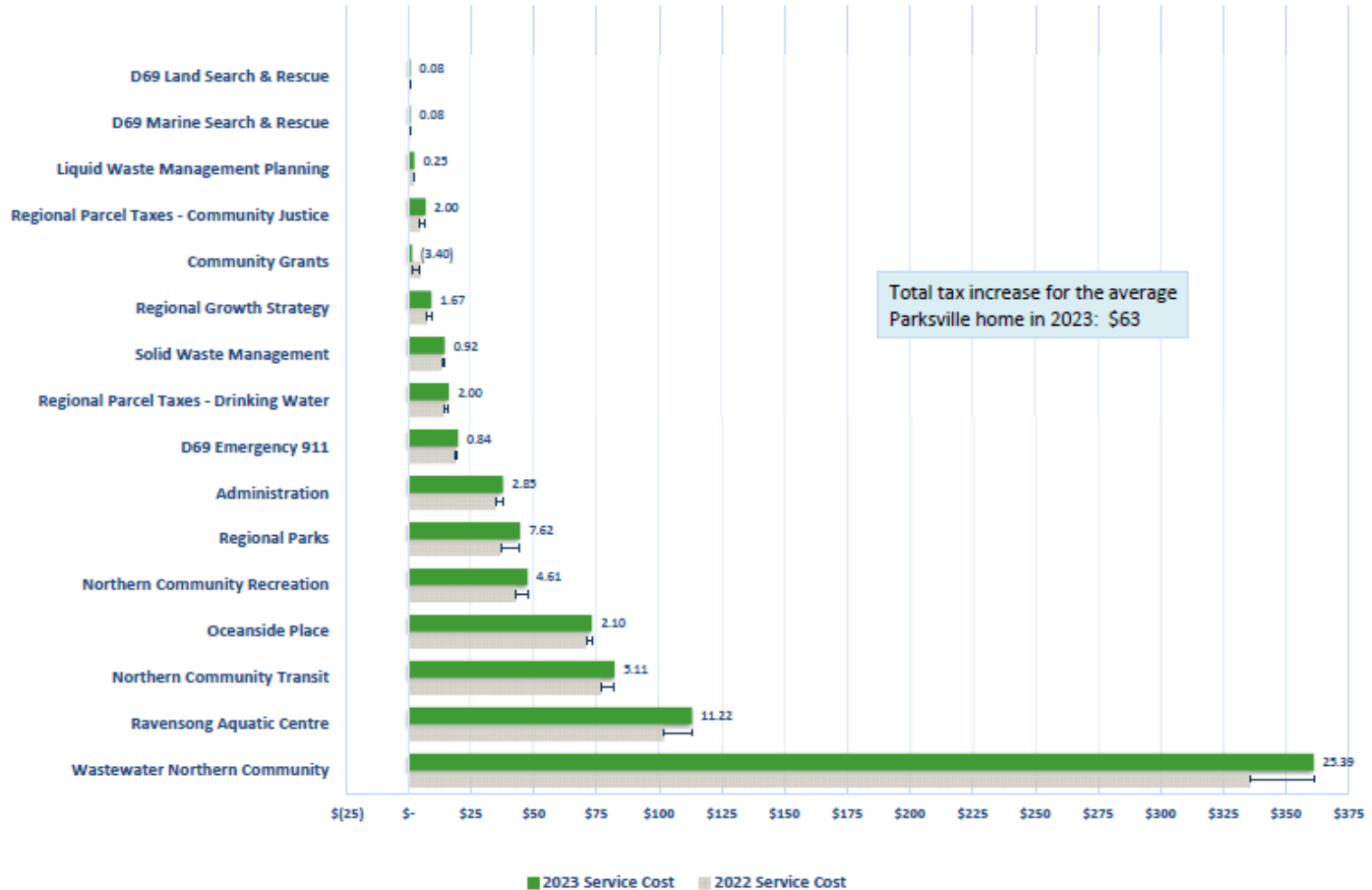
Southern Community Recreation (\$114,573)

- City of Nanaimo actual Facilities and Sportsfield 2022 results are below estimates previously provided so this tax requisition will be decreased by \$94,209 to \$1,405,924 which will result in a tax requisition change over 2022 of \$20,364 instead of \$114,573;
- This will be incorporated into the financial plan bylaw presentation for February 28, 2023;
- Both RDN and City of Nanaimo costs are shared within this tax requisition – in this case reduction in City of Nanaimo costs are favorably impacting this tax requisition.

REGIONAL DISTRICT OF NANAIMO SERVICES

City of Parksville Home Tax Change

2023 Total Cost for the average City of Parksville home (\$753,356) = \$829



City of Parksville Services driving Tax Requisition Increase

Northern Community Wastewater (\$403,058)

Tax increase of \$403,058 combined with \$165,938 increase in surplus carryforward offset the following increases:

- \$150,000 for 2 new positions (Instrumentation Technician and Operator/Maintenance) recommended for the expansion of the facilities allowing the department to retain necessary knowledge about the plant operations in house,
- \$470,540 increase in the contribution to reserve for capital asset management program.

City of Parksville Services driving Tax Requisition Increase

Ravensong (\$308,508)

The expansion project is budgeted \$9.7 million for Phase 1 in 2024 and \$21.7 million for Phase 2 in 2026,

The \$308,508 increase in tax requisition is due to the following:

- \$140,000 Additional Amendment Bylaw 899 Referendum,
- \$43,716 increase for the conversion of the Aquatic Maintenance Worker from part time to full time,
- \$90,504 increase for share of costs associated with recommended new position for Business Administrator and Chief Facility Officer per Table A2,
- general inflation for chemicals and heating costs.

Regional Parks – Slide 13

City of Parksville Services driving Tax Requisition Increase

Northern Community Transit (\$221,329)

- \$16,655 associated with the Handydart Dispatcher position conversion from part time to full time,
- General inflationary increase in operating costs including fuel and CNG.

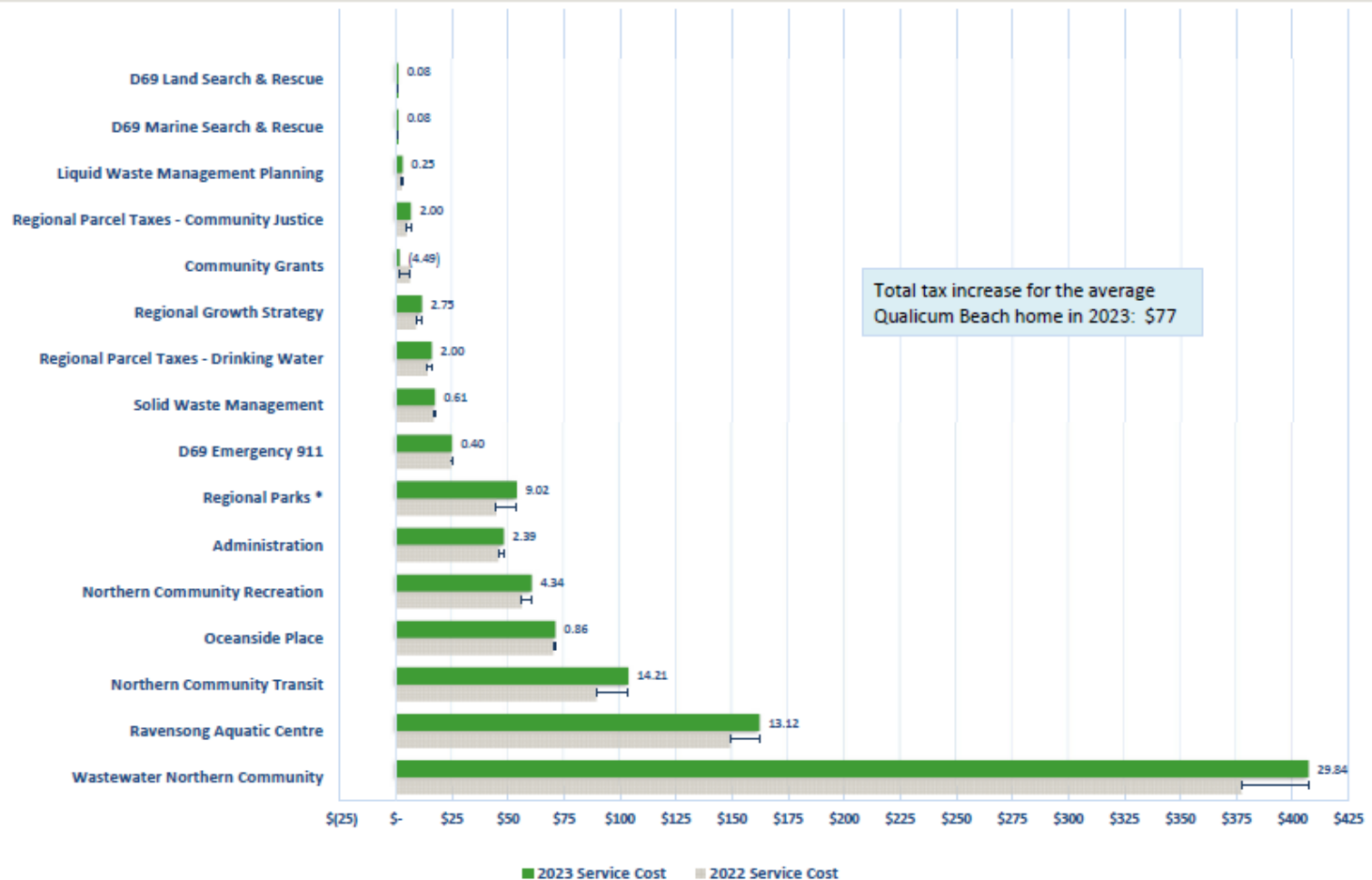
Northern Community Recreation (\$158,176)

- Tax requisition has come down from Jan 17 presentation by \$18,028;
- New position allocation is \$69,476 (Table A2);
- The other most significant influence is the decrease in carryforward surplus of \$118,865.

REGIONAL DISTRICT OF NANAIMO SERVICES

Town of Qualicum Beach Home Tax Change

2023 Total Cost for the average Town of Qualicum Beach home (\$960,113) = \$989



Town of Qualicum Beach Services driving Tax Requisition Increase

Northern Community Wastewater – Slide 18

Northern Community Transit – Slide 20

Ravensong – Slide 19

Regional Parks – Slide 13

Northern Community Recreation – Slide 20

Requisition Comparison

Page 22 & 23 in the 2023 – 2027 Financial Plan provide more analysis on changed service levels and changes within service levels

	2020		2021		2022		2023	
Prior Year Tax Revenues	\$ 57,265,572		\$ 62,186,851		\$ 64,910,783		\$ 72,197,358	
Changed service levels	3,230,950	5.6%	852,696	1.4%	3,334,082	5.1%	3,701,131	5.1%
Changes for Other Jurisdictions	261,683	0.5%	(199,822)	-0.3%	202,078	0.3%	409,766	0.6%
Changes within existing service levels	752,849	1.3%	1,404,423	2.3%	2,557,557	3.9%	2,523,662	3.5%
Local Services Property/Parcel Tax Revenues - Change	675,797	1.2%	666,634	1.0%	1,192,856	1.8%	1,576,339	2.2%
	\$ 62,186,851	8.6%	\$ 64,910,782	4.4%	\$ 72,197,358	11.2%	\$ 80,408,255	11.4%
Total Annual Current Tax Revenues	\$ 62,186,851		\$ 64,910,782		\$ 72,197,358		\$ 80,408,255	
Total Annual Previous Tax Revenues	57,265,572		62,186,851		64,910,783		72,197,358	
Change	\$ 4,921,279	8.6%	\$ 2,723,931	4.4%	\$ 7,286,574	11.2%	\$ 8,210,897	11.4%

Financial Plan Timeline

- Dec 6: Staffing, New Service Levels & Capital
- Jan 17: Financial Plan-Divisional/Departmental Focus

- Feb 3: Target date for Financial Plan binder distribution
- Feb 8: Financial Plan Municipal Member Summary Focus
- Feb 9: Financial Plan Electoral Area Member Summary Focus

- Feb 14: Updated Financial Plan-Divisional/Departmental Focus
- Feb 28: Recommended Adoption of Financial Plan Bylaw

The Financial Plan Bylaw must be adopted by March 31 of each year in accordance with the Local Government Act.

Questions?