

increased demand from the community for increased services such as transit, recreation and parks.

The 2020 Budget has been considered by the Board and forms part of the five-year plan. Minor amendments have been made, such as updates to surplus and carry-forward amounts, updated costs from external organizations, and estimated tax implications now based on the 2020 completed roll.

The 2020-2024 proposed budget information is available on the RDN website for public access at www.getinvolved.rdn.ca/ and www.rdn.bc.ca/financial-reports.

Five bylaws require amendments in order to support the proposed 2020-2024 Financial Plan. Bylaw 1231.07 is required to increase the annual Regional Parks and Trails parcel tax to \$20.00 per parcel per Board motion. Bylaw 1553.04 is required as the proposed 2020-2024 Financial Plan exceeds the maximum amount that may be requisitioned by Regional Growth Management, as set out in the service establishment bylaw. Bylaw 1556.04 is required to increase the annual Drinking Water and Watershed Protection parcel tax to \$12.00 per parcel as presented at the December 10, 2019 Board. Bylaw 1804 is required to use money in the Southern Community Sewer Service Development Cost Charge reserve¹ for the Greater Nanaimo Pollution Control Centre. Bylaw 1168.01 is required as the proposed 2020-2024 Financial Plan exceeds the maximum amount that may be requisitioned by Electoral Area G Noise Control, as set out in the service establishment bylaw.

BACKGROUND

Regional Districts must prepare a five-year financial plan that must be approved, by bylaw, no later than March 31 each year². The 2020 preliminary budget information was made available on the RDN website for public access at www.getinvolved.rdn.bc.ca/ and www.rdn.bc.ca/financial-reports. Public consultation was sought and provided to the Board at the January 14, 2020 Committee of the Whole. It was moved and seconded *that the public consultation results be incorporated into the Board's deliberations on the proposed 2020 budget.*

The 2020 Budget has received minor amendments since originally presented to the Board for updated carry-forward amounts, updated costs from external organizations, and estimated tax implications now based on the 2020 completed roll. In addition, the following changes for 2020 are presented in the 2020-2024 Financial Plan for the Board's consideration.

- Increase Stone Lake Drive Playground from \$80,000 to \$90,000, with the increase funded from Community Parks EA E.
- Add \$1,500,000 for Departure Bay Force Main Replacement and Repair at Planta and Hammond Bay Road capital project. The project will be entirely funded by Southern Community Wastewater Reserves. In December 2019, sewer gas release was noticed in a section of the Departure Bay Forcemain. Further investigation showed substantial sewer gas related corrosion due to the formation of a gas pocket in the pipeline. Based on preliminary work by AECOM's team of specialist pipeline rehabilitation and repair

¹ Local Government Act, Section 566

² Local Government Act, Section 374 (1)

engineers, it is expected that up to 500 metres of pipe will require replacement or relining. Ideally, this construction will take place in the summer of 2020 during summer low flow conditions. This pipeline carries seventy percent of the flow to GNPCC facility. Further investigation is ongoing. Pipeline integrity review and repair for the rest of the pipeline will continue as planned as part of the Departure Bay Pumphouse Upgrade Project in 2020/2021.

- Remove \$570,000 for San Pareil Water Service Area Expansion as the project did not receive electoral approval. The project was funded by \$100,000 Community Works Funds (CWF) and \$470,700 Loan Proceeds.
- Add \$29,000 for the DBPS CAT Head Gasket Maintenance in Southern Community Wastewater, funded from a reduction to the transfer to reserve.
- Add \$50,000 for Lee Road Pump Station Force Main Header Replacement in Northern Community Wastewater, funded from prior year's surplus.
- Increase tax requisition for Noise Control EA G from \$17,562 to \$22,952 as a result of a 2019 deficit from unanticipated legal expenses.
- Increase Meadowood Community Recreation Centre from \$1,350,000 to \$1,500,000, entirely funded by EA F Community Works Funds.

The RDN provides 106 different services and is proceeding with an alternative approval process to establish the 107th service for electronic vehicle charging stations. Of these services, 34 services, such as Wastewater & Solid Waste Management, Regional Parks, or Transit, are shared among multiple member jurisdictions. The remaining services are provided to a single member jurisdiction, such as Community Parks or Noise Control. Additionally, local area services provide for services such as fire, water, sewage collection, and street lighting. Local area services may be for a portion of an electoral area or may span boundary lines. Each resident only pays for those services that they receive. Each service is accounted for individually and funds cannot be transferred between services. As a result, the RDN does not have an overall requisition increase that is applicable to every resident for each year of the 2020-2024 Financial Plan, which would be the case for a municipality. The tax impact for any property is depended on the unique set of services received.

Departmental Highlights

Regional and Community Utilities

Key projects for 2020-2024 include completion of the Greater Nanaimo Secondary Treatment construction, French Creek Pollution Control Centre Expansion, Bay Avenue Pump Station Upgrades, Nanoose Secondary Treatment Plant Upgrades, Chase River Pump Station Upgrades, Solid Waste Capital Equipment Replacements, and implementation of the Board adopted Solid Waste Management Plan initiatives.

Recreation and Parks Services

Key projects for Recreation Services in 2020-2024 include implementation of the RDN Board direction on: concept design plan for expansion to Ravensong Aquatic Centre, review and consideration of a rubberized athletics track in the Oceanside area, development of a centralized land acquisition strategy for a future indoor/outdoor sport and recreation complex for Oceanside. Key projects in Parks Services include land use agreements and preliminary construction planning for Nanaimo River Bridge – Morden Colliery Trail, Regional Trail

development from Big Qualicum River to Alberni-Clayoquot Regional District, Benson Creek Falls access improvements, redevelopment plans for Jack Bagley Field, Errington Playground construction, Little Qualicum River bridge construction, Meadowood Community Recreation Centre construction, and Huxley Park Phase II Development.

Transportation and Emergency Services

Key projects include the update to three transit exchanges in Nanaimo as they are at capacity and enhancements to the exchanges will increase operational efficiency. This includes Woodgrove, Country Club, and Downtown. Service enhancements include 7,600 hours in 2020, 2,500 hours in 2021, 5,000 hours in 2022 and 20,000 hours in 2023.

Emergency services proposed 2020-2024 budget includes replacement of the Dashwood Fire Hall, Errington Fire Hall No. 2, Cassidy Fire Hall upgrades, Bow Horn Bay Fire Hall replacement, and fire trucks for Dashwood, Coombs Hillier, Errington, Nanoose, Extension, and Bow Horn Bay.

Strategic and Community Development

Key initiatives for 2020-2024 include Sea Level Rise and Floodplain Mapping, Social Needs Assessment Study, Climate Action Technical Advisory Committee, Climate Change and Transportation Review, creation of a Corporate Carbon Neutral 2023 Plan, Regional Services Review, Asset Management, Business Licensing, Regional Economic Development Service Review, Official Community Plan Policy Review for Nanaimo Airport and Electoral Area F, First Nation Engagement Strategy, and vehicle replacements for building inspection and bylaw services.

Corporate Services

The key initiative in Corporate Services for 2020-2024 is the Electronic Document Records Management System, which will provide the RDN with a records management system, ensuring that records are appropriately kept, while freeing up space and creating efficiencies in locating documents. The project was approved in 2019 and is currently underway. It will involve the software purchase, ongoing licensing, and the creation of three permanent positions to manage the software and data.

Other initiatives include implementation of new upcoming accounting standards, increased finance support to enhance internal and external support and reporting, increased IT support to enhance internal technical support, and implementation of recruiting software.

Capital Projects

The 2020-2024 Financial Plan includes \$157,995,567 of capital, broken down as follows:

Year	Budget
2020	\$71,931,281
2021	\$45,653,137
2022	\$18,890,260
2023	\$8,508,641
2024	\$13,012,248
Total	\$157,995,567

Attachment 7 includes a summary of the Five-Year Capital Plan.

Staffing Level Changes

Staffing level changes for 2020-2024 were highlighted in the 2020 Proposed Budget Overview Report presented on November 26, 2019 to the Committee of the Whole. Staffing requests for the next five years are provided in Attachment 8.

Regional Parks and Trails Service

At the October 22, 2019 Board meeting, direction was provided *that the Regional Board increase the Regional Parks Parcel Tax to \$20.00 in the 2020 budget and Five-Year Financial Plan*. Regional District of Nanaimo Regional Parks and Trails Service Area Amendment Bylaw No. 1231.07 will provide the authority to increase the parcel tax to \$20.00. The bylaw will require consent of at least 2/3 of the local service participants (the seven electoral areas and four municipalities). The bylaw will be brought back for adoption once the appropriate level of consent is received.

Regional Growth Management Service

The revenue collected for a service may not exceed the requisition limits in the establishing bylaw for a service³. The revenue required to support the proposed initiatives in the Regional Growth Management Service budget exceeds the limit in the establishing bylaw. As such, an amendment is required to the service establishment bylaw. This bylaw will be sent to the Inspector of Municipalities for approval prior to adoption.

Drinking Water and Watershed Protection Service

In order to support the Drinking Water and Watershed Protection Action Plan, as presented on December 10, 2019, an increase of the parcel tax from \$8.00 to \$12.00 is required. "Drinking Water and Watershed Protection Service Amendment Bylaw No. 1556.04, 2020" will provide the authority to increase the parcel tax.

Southern Community Sewer Service

The Board has approved the use of up to \$3,700,000 of Development Cost Charge Revenue for the Greater Nanaimo Pollution Control Centre in the budget. In order to be able to use the funds, an expenditure bylaw is required⁴. "Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1804, 2020" provides the authority to expend the Development Cost Charge funds per the budget.

³ Local Government Act, Section 374 (10)

⁴ Local Government Act, Section 566

Electoral Area G Noise Control

The revenue collected for a service may not exceed the requisition limits in the establishing bylaw for a service⁵. The revenue required to support the proposed initiatives in the Electoral Area G Noise Control budget exceeds the limit in the establishing bylaw. As such, an amendment is required to the service establishment bylaw. This bylaw will be sent to the Inspector of Municipalities for approval prior to adoption.

ALTERNATIVES

1. That the Board provide direction to staff for recommended amendments to the 2020-2024 Financial Plan.
2. Other direction, as provided.

FINANCIAL IMPLICATIONS

Yearly details of the tax requisition by service can be found in Attachment 9 for each Electoral Area and Municipality. Local service tax requisitions, if applicable, are located at the bottom of the report. Local service taxes are only paid if a property is located within the service boundary, which varies from the electoral area boundary. Services include fire, water, sewage collection, and street lighting.

The 2020-2024 Financial Plan includes the following tax requisitions: \$56,651,871 (2020); \$61,534,663 (2021); \$65,271,521 (2022); \$69,737,316 (2023); \$72,462,829 (2024). Unlike a municipality, an overall tax increase does not exist. Each property receives a combination of 106 services the RDN provides and as such, the financial implications vary widely by property.

Detailed financial information can be located in the 2020-2024 Financial Plan Volume 2 Binder.

STRATEGIC PLAN IMPLICATIONS

The Financial Plan provides for the financing required to support achieving the initiatives set out in the Strategic Plan. Each budget request indicates which Operating Plan Action is supported to ensure the Strategic Plan can be effectively implemented.



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Reviewed by:

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⁵ *Local Government Act*, Section 374 (10)

Attachments

1. Regional District of Nanaimo Regional Parks and Trails Service Area Amendment Bylaw No. 1231.07, 2020
2. Regional Growth Management Service Amendment Bylaw No. 1553.04, 2020
3. Drinking Water and Watershed Protection Service Amendment Bylaw No. 1556.04, 2020
4. Southern Community Sewer Service Area Development Cost Charge Reserve Fund Expenditure Bylaw No. 1804, 2020
5. Regional District of Nanaimo Electoral Area 'G' Noise Control Extended Service Establishment Amendment Bylaw No. 1168.01, 2020
6. Average Home Tax Change
7. 2020-2024 Capital Summary
8. Future Staffing Level Changes
9. Tax Requisition Forecast 2020-2024