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**TO:** Committee of the Whole                           **MEETING:** February 12, 2019  
**FROM:** Jeannie Bradburne  
          Director of Finance                           **FILE:** 1700-06  
**SUBJECT:** Regional District of Nanaimo 2019-2023 Financial Plan

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## **RECOMMENDATIONS**

1. That the Board approve the 2019-2023 Financial Plan as presented.
2. That “Southern Community Economic Development Service Amendment Bylaw No. 1648.02, 2019” be introduced, read three times and forwarded to the Inspector of Municipalities for approval.
3. That “Regional Parks and Trails Service Area Amendment Bylaw No. 1231.06, 2019” be introduced, and read three times.
4. That “Electoral Area ‘G’ Community Parks Service Amendment Bylaw No. 805.07, 2019” be introduced, and read three times.

## **SUMMARY**

The 2019-2023 Financial Plan is provided for the Board’s consideration. Included in the Financial Plan are the major initiatives set out in the Board approved operational plan. Key drivers include legislated wastewater, solid waste and water service standards, as well as increased demand from the community for increased services such as recreation and parks.

The 2019 Budget has been approved and forms part of the five-year plan. Minor amendments have been made, such as recent Board approved motions, updates to surplus and carry-forward amounts, updated costs from external organizations, and estimated tax implications now based on the 2019 completed roll.

The 2019-2023 proposed budget information is available on the RDN website for public access at [www.getinvolved.rdn.ca/](http://www.getinvolved.rdn.ca/) and [www.rdn.bc.ca/financial-reports](http://www.rdn.bc.ca/financial-reports).

Three bylaws require amendment in order to support the proposed 2019-2023 Financial Plan. Bylaw 1648.02 is included with this report to complete apportionment amendment required for the Southern Community Economic Development Service in order to accurately reflect the approved 2019 budget. Funds will only be requisitioned from Electoral Area B for work being done by the Gabriola Island Chamber of Commerce. Bylaw 1231.06 is required to be amended to increase the annual parcel tax by \$2 per the Board motion. Bylaw 805.07 is required as the proposed 2019-2023 Financial Plan exceeds the maximum amount that may be requisitioned for Electoral Area ‘G’ Community Parks Services, as set out in the service establishment bylaw.

## **BACKGROUND**

Regional Districts must prepare a five-year financial plan that must be approved, by bylaw, by March 31 each year<sup>1</sup>. The 2019 preliminary budget information was made available on the RDN website for public access at [www.getinvolved.rdn.ca/](http://www.getinvolved.rdn.ca/) and [www.rdn.bc.ca/financial-reports](http://www.rdn.bc.ca/financial-reports). Public consultation was sought and provided to the Board at the January 8, 2019 Committee of the Whole. It was moved and seconded *that the public consultation results be incorporated into the Board's deliberations on the proposed 2019 budget*.

At the January 22, 2019 Board Meeting, approval was given to the 2019 Budget so that work could begin on new initiatives and capital projects. It was noted that some amendments to the 2019 Budget would be brought forward as part of the five-year financial plan, including updated carry-forwards amounts, updated costs from external organizations, and any approved Board motions. These changes have been incorporated into the 2019-2023 Financial Plan as presented in this report.

The RDN provides 106 different services. Of those 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, just like for 2019, the RDN does not have an overall requisition increase that is applicable to every resident for each year of the 2019-2023 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 2019-2023 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, Bowser Village Treatment Facility, Chase River Pump Station and Forcemain Upgrade, 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 2019-2023 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 Mount Benson parking lot construction, land use agreements and preliminary construction planning for Nanaimo River Bridge – Morden

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<sup>1</sup> Local Government Act, Section 374 (1)

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, Little Qualicum River bridge construction, Meadowood Community Recreation Centre construction, and Huxley Park Phase II Development.

### **Transportation and Emergency Services**

Key projects for 2019-2023 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. Other initiatives include a South Area Plan, North Area Plan, and electronic fare technology.

Emergency services 2019-2023 proposed budget includes replacement of the Dashwood Fire Hall, Errington Satellite Fire Hall replacement, Bow Horn Bay Satellite Fire Hall, Cassidy Fire Hall upgrades and fire trucks for Dashwood, Bow Horn Bay, Nanoose Bay, Errington, Extension, and Coombs Hilliers. Key projects include the National Disaster Mitigation and Hazard Risk and Vulnerability Assessment Program, evacuation planning, a new RDN Emergency Plan, and an emergency communications trailer.

### **Strategic and Community Development**

Key projects for 2019-2023 include Sea Level Rise and Floodplain Mapping, Regional Affordable Housing Service Review, Business Licensing and Regional Economic Development Service Review, Official Community Plan Policy Reviews for Nanaimo Airport and Electoral Area F, Review of the Regional Growth Strategy, Cannabis Licensing Process Implementation, First Nation Engagement Strategy and Truth and Reconciliation Activities, Climate Change Adaptation and Community Resiliency, Green Building Rebate Programs, Online Building Application Portal and Online Bylaw Complaint Portal, Electoral Area Building Bylaw Review, Bylaw Dispute Adjudication System, and vehicle replacements for building inspection and bylaw services.

### **Corporate Services**

The key initiative in Corporate Services for 2019-2023 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 will involve the software purchase, ongoing licensing, and the creation of three permanent positions to manage the software and data.

Other initiatives include increased communications support to enhance public engagement, social media presence, and support RDN website updates, upgraded Board Audio Visual, increased finance support to enhance internal and external support and reporting, increased administration support to provide centralized meeting and administrative support for Board Committees.

**Capital Projects:**

The 2019-2023 Financial Plan includes \$170,379,447 of capital, broken down as follows:

<b>Year</b>	<b>Budget</b>
2019	\$74,294,717
2020	\$45,781,115
2021	\$26,720,087
2022	\$15,821,014
2023	\$7,762,514
Total	\$170,379,447

Attachment 5 includes a summary of the Five Year Capital Plan.

**Staffing Level Changes:**

Staffing level changes for 2019-2023 were highlighted in the 2019 Proposed Budget Overview Report presented on December 4, 2018 to the Committee of the Whole. 2019 staffing requests were approved as part of the 2019 Budget. Staffing requests for future years are provided in Attachment 6.

**Southern Community Economic Development Service**

Each service establishment bylaw establishes limits of the amount to be requisitioned and by whom. Southern Community Economic Development Service Amendment Bylaw No. 1648.01, 2018 amended Southern Community Economic Development Service Establishing Bylaw No. 1648, 2011 so that \$0 was apportioned to Electoral Areas A and C and \$65,000 was apportioned to Electoral Area B. The amendment was made for solely the 2018 year. As a result, another amendment is required for 2019 to leave the apportionment the same.

Bylaw 1648.02 is included with this report to complete the apportionment amendment required for the Southern Community Economic Development Service in order to accurately reflect the approved 2019 budget. Pending a review of the Southern Community Economic Development Service, Electoral Area A and C will not be requisitioned for this service in 2019. Funds will only be requisitioned from Electoral Area B for work being done by the Gabriola Island Chamber of Commerce.

**Regional Parks and Trails Service**

At the January 22, 2019 Board meeting, direction was provided *that the annual Regional Parks parcel tax be increased by \$2 effective January 1, 2019 and that the funds be placed in the Regional Parks Development Service Area Reserve Fund.* Regional Parks and Trails Service Area Amendment Bylaw No. 1231.06, 2019 will provide the authority to increase the parcel tax by \$2. The bylaw will require consent of at least 2/3 of the local service participants (the 7 electoral areas and 4 municipalities). The bylaw will be brought back for adoption once the appropriate level of consent is received.

### **Electoral Area 'G' Community Parks Services**

The revenue collected for a service may not exceed the requisition limits in the establishing bylaw for a service<sup>2</sup>. The revenue required to support the proposed initiatives in the Electoral Area 'G' Community Parks Service budget exceeds the limit in the establishing bylaw. As such, an amendment is required to the service establishment bylaw.

### **ALTERNATIVES**

1. That the Board provide direction to staff for recommended amendments to the 2019-2023 Financial Plan.
2. Other direction, as provided.

### **FINANCIAL IMPLICATIONS**

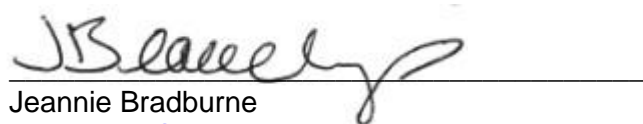
Yearly details of the tax requisition by service can be found in Attachment F for each Electoral Area and Municipality. Local service tax requisitions, if applicable, are located at the bottom of the report. Local service taxes are only paid if a property is located within the service boundary, which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

The 2019-2023 Financial Plan includes the following tax requisitions: \$51,756,147 (2019); \$54,699,217 (2020); \$57,245,869 (2021); \$59,714,354 (2022); \$61,461,371 (2023). 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 2019-2023 Financial Plan Volume 2 Binder.

### **STRATEGIC PLAN IMPLICATIONS**

Focus On Service And Organizational Excellence - As We Invest In Regional Services We Look At Both Costs And Benefits - The RDN Will Be Effective And Efficient



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February 1, 2019

Reviewed by:

- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

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<sup>2</sup> Local Government Act, Section 374 (10)

Attachments:

1. Southern Community Economic Development Service Amendment Bylaw No. 1648.02, 2019
2. Regional Parks and Trails Service Area Amendment Bylaw No. 1231.06, 2019
3. Electoral Area 'G' Community Parks Service Amendment Bylaw No. 805.07, 2019
4. Average Home Tax Change
5. 2019-2023 Capital Summary
6. Future Staffing Level Changes
7. Tax Requisition Forecast 2019-2023