

# Draft 2017 – 2021 Financial Plan Review General Fund

November 16, 2016

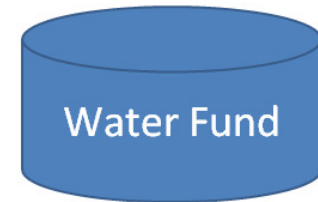
# General Fund: General Government, Community Development, Fire and Police, Transportation, Drainage, Sanitation Parks and Recreation



General Fund



Sewer Fund



Water Fund

# Projected Property Tax Increases

The approved annual 1% property tax increase for contribution to the General Asset Management Reserves ends in 2017

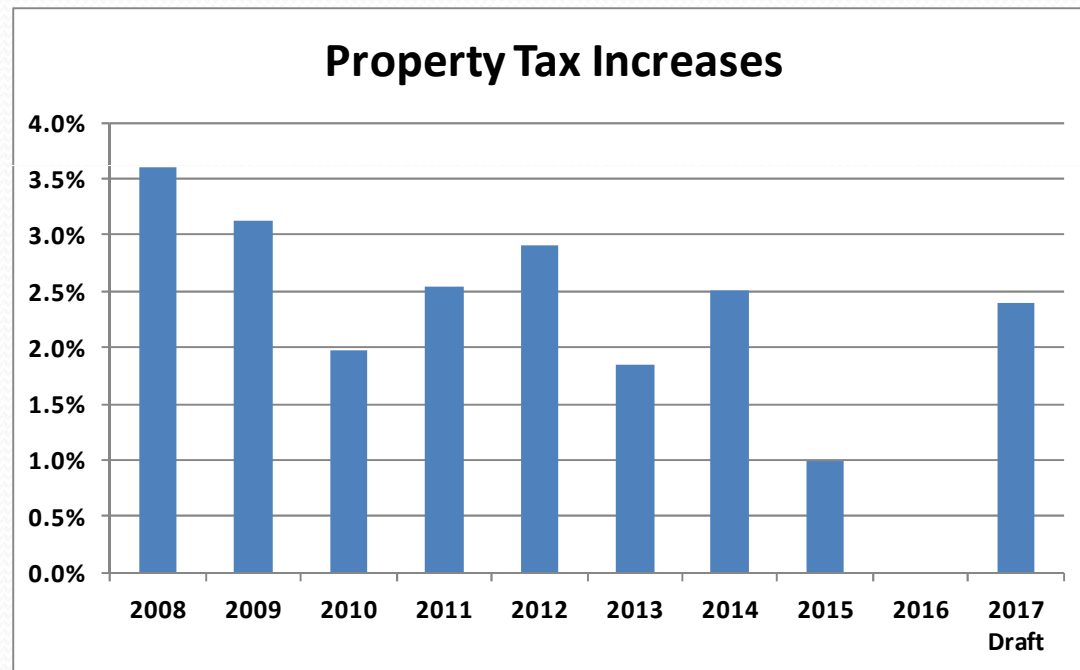
	2017	2018	2019	2020	2021
2016 - 2020 Financial Plan	2.8%	1.8%	0.7%	1.0%	
Draft 2017 - 2021 Financial Plan	2.4%	1.0%	0.9%	1.0%	0.5%

2018 to 2021 does not include an increase to the annual contribution to the General Asset Management Reserve

# Property Tax History

2009: Council policy to reduce industrial tax rates to same level as commercial, completed in 2014

2013: Council approved 1% annual increase for contributions to General Asset Management Reserve

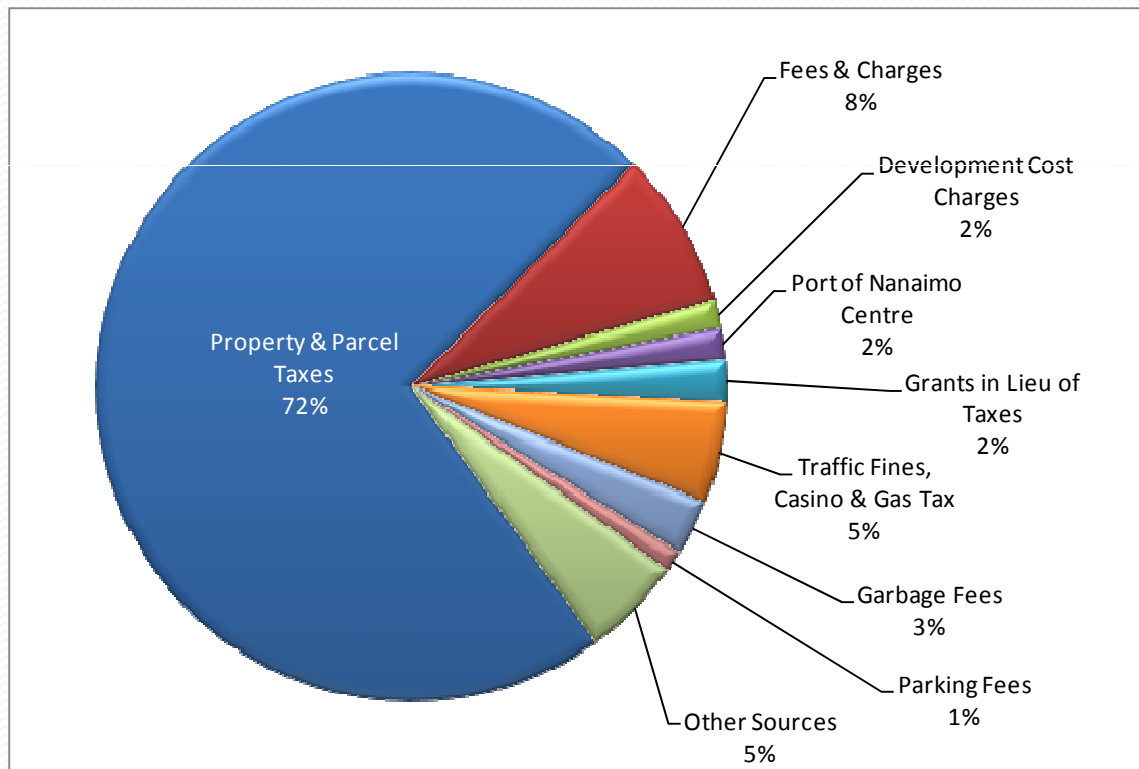


**Average annual increase (10 year) is 2.2%**



# 2017 Revenues:

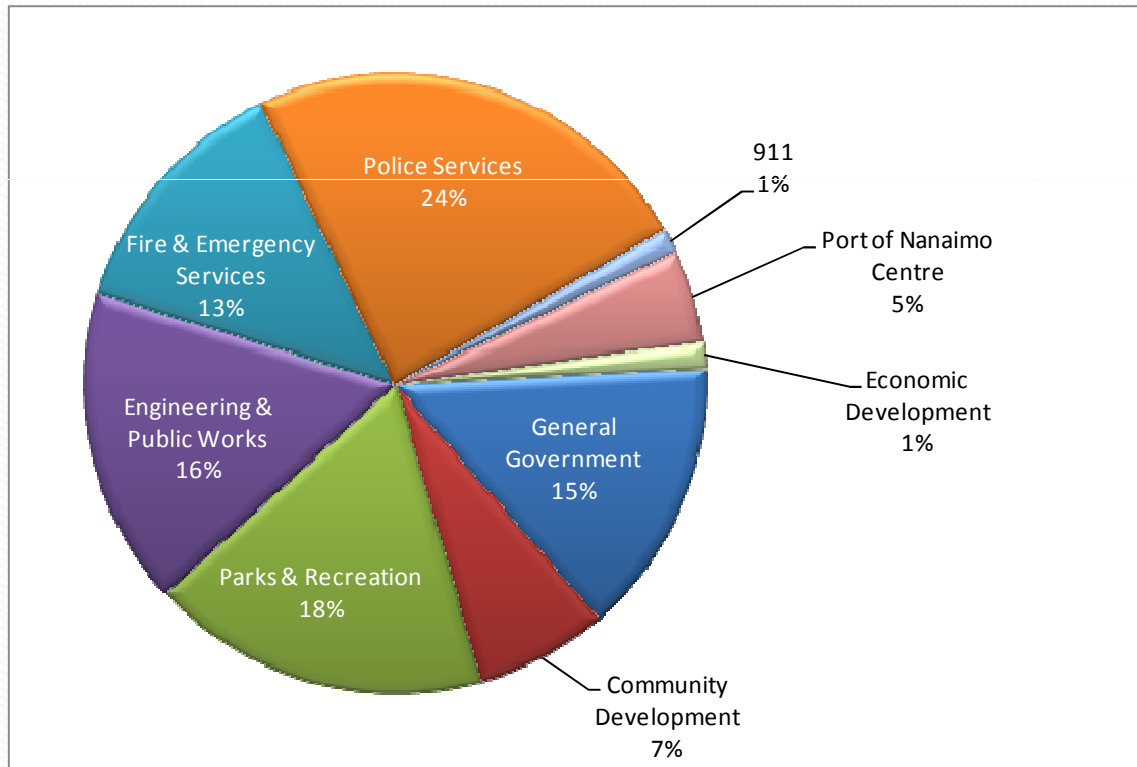
\$139 million provides funding for annual operating and maintenance, projects and contributions to infrastructure renewal reserves



# 2017 Operating Expenditures:

Annual operating and maintenance expenditures to deliver day to day City services

\$120m expenditures, net increase \$2.2 m



# Draft 2017 – 2021 Financial Plan:

## 2017 Key Budget Drivers

*does not include - recent Council decision to reduce guarding staffing, changes in solid waste collection*

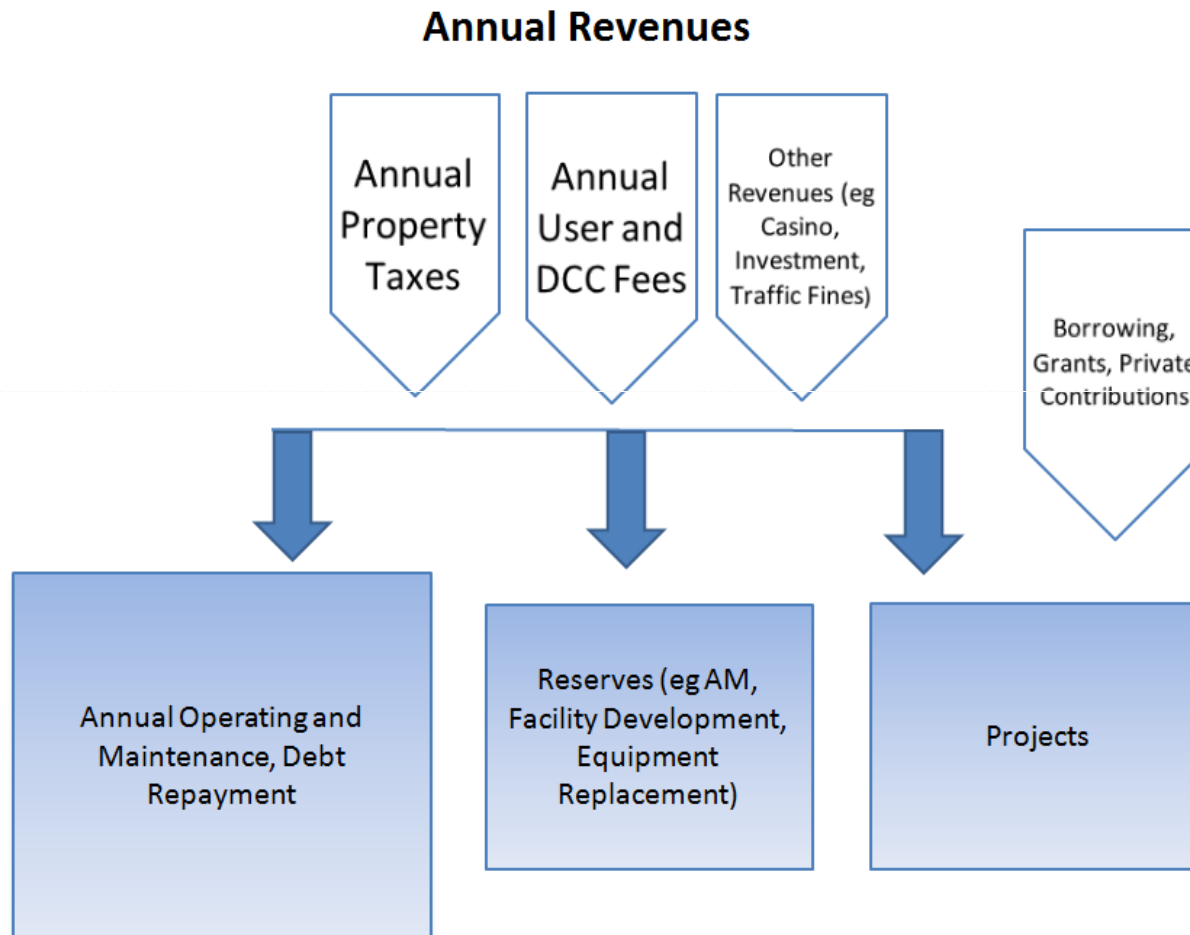
		\$
Increased contribution to the General Asset Management Reserve		964,125
<b>Labour:</b>		
Communication Specialist	77,145	
Committee Clerk	69,934	
IAFF contract	287,244	
Provision for Mgmt/CUPE	<u>965,000</u>	1,399,323
<b>RCMP contract</b>		854,749
<b>Snow and Ice Control</b>		(200,000)
<b>Debt:</b>		
New debt re Wellcox Access		<u>372,150</u>
		3,390,347
<b>Increased Property Tax Revenues due to Growth</b>		<u>1,200,000</u>
<b>Net Expenditures Increase (Decrease)</b>		<u><b>2,190,347</b></u>

# Draft 2017 – 2021 Financial Plan Review General Fund – Projects

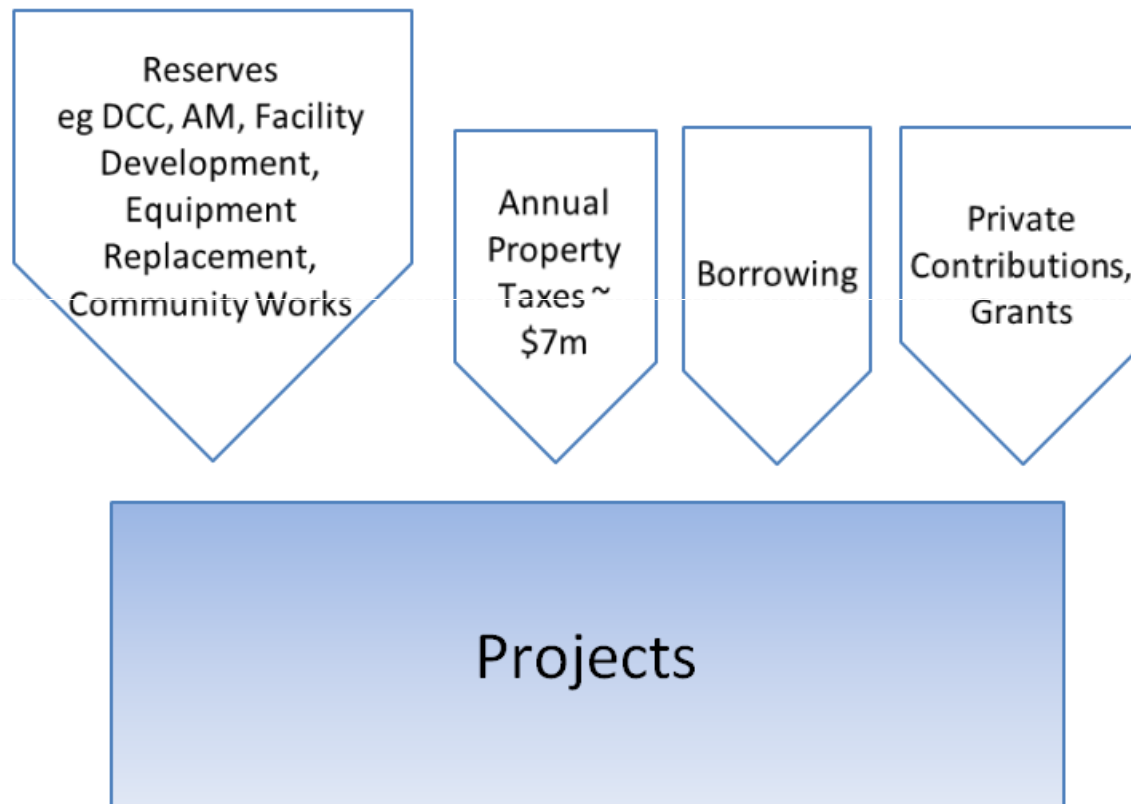
November 16, 2016



# Funding Analysis



# Funding Analysis





# Funding strategy

- ~ \$7.1m from general revenues
  - Fund ‘non capital’ projects
    - Studies, condition assessment programs
    - Contribution to Housing Legacy reserve
    - Infrastructure renewal below capital thresholds
  - Fund capital projects
    - Property acquisition
    - Road rehab
- Infrastructure renewal reserves
  - IT, Facility Development, Equipment Replacement and Asset Management
- Other reserves
  - General Capital, Community Works Fund, Sustainability, Housing Legacy





# 2017 – 2021 Financial Plan

## Project Planning and Reporting

- Summary by master plans/initiatives
  - Eg OCP, Asset Management, DCC Bylaws, Harewood Centennial Park Improvement Plan
    - Infrastructure renewal \$51m
    - New infrastructure (DCC) \$14m
    - Transportation Master Plan \$8m
    - Poverty Reduction \$1m
    - Property Acquisitions \$3m
- Summary by infrastructure type
  - Renewal projects and programs
  - New/upgrades





# 2017 – 2021 Financial Plan

## Project Planning and Reporting

- Overview
  - Majority for infrastructure renewal
    - Facilities – eg Beban roof, NAC roof (AM Reserve, Facility Development Reserve)
    - Road rehab/ Drainage mains
      - eg Terminal Ave South Utility project (AM Reserve)
    - Bastion Bridge (AM Reserve)
  - New programs for facility and drainage condition assessment programs (general revenue)
  - Port Theatre \$6.9m, total project budget \$12.6m (grants, private contributions, \$4.6m borrowing)



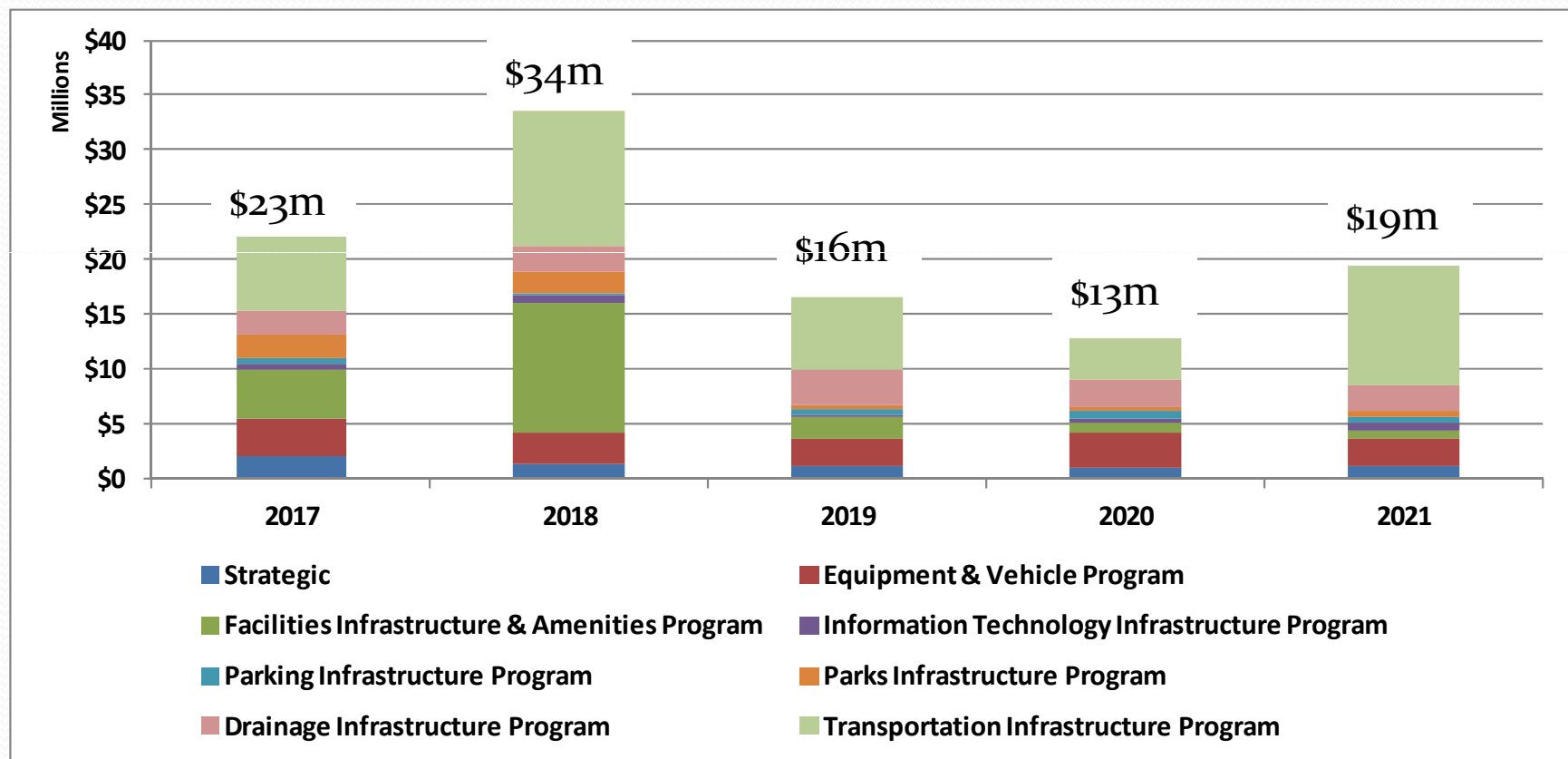
# 2017 – 2021 Financial Plan

## Project Planning and Reporting

- Overview
  - Harewood Centennial Park multi use facility/lacrosse box \$2.6m (Community Works Fund)
  - Nanaimo Yacht Club Walkway \$1.4m (PILTS)
  - Wellcox Access \$6.3m (\$300k general revenues, \$6m borrowing)
  - Strategic Priority - Georgia Ave Greenway pedestrian \$1m/cycling amenities (Community Works Fund)

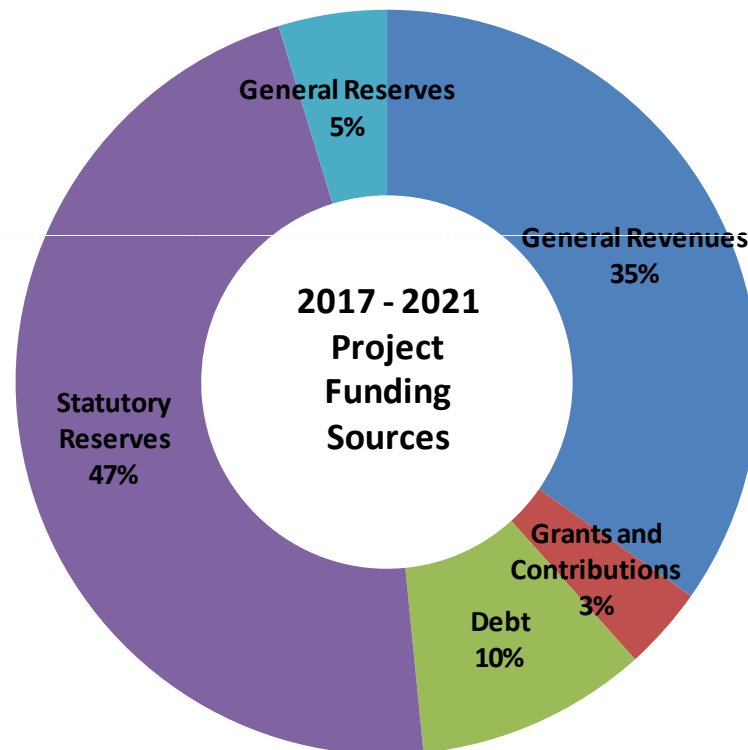
# 2017 – 2021 Financial Plan

## General Fund Projects - \$105m investment





# 2017 – 2021 Project Funding Sources



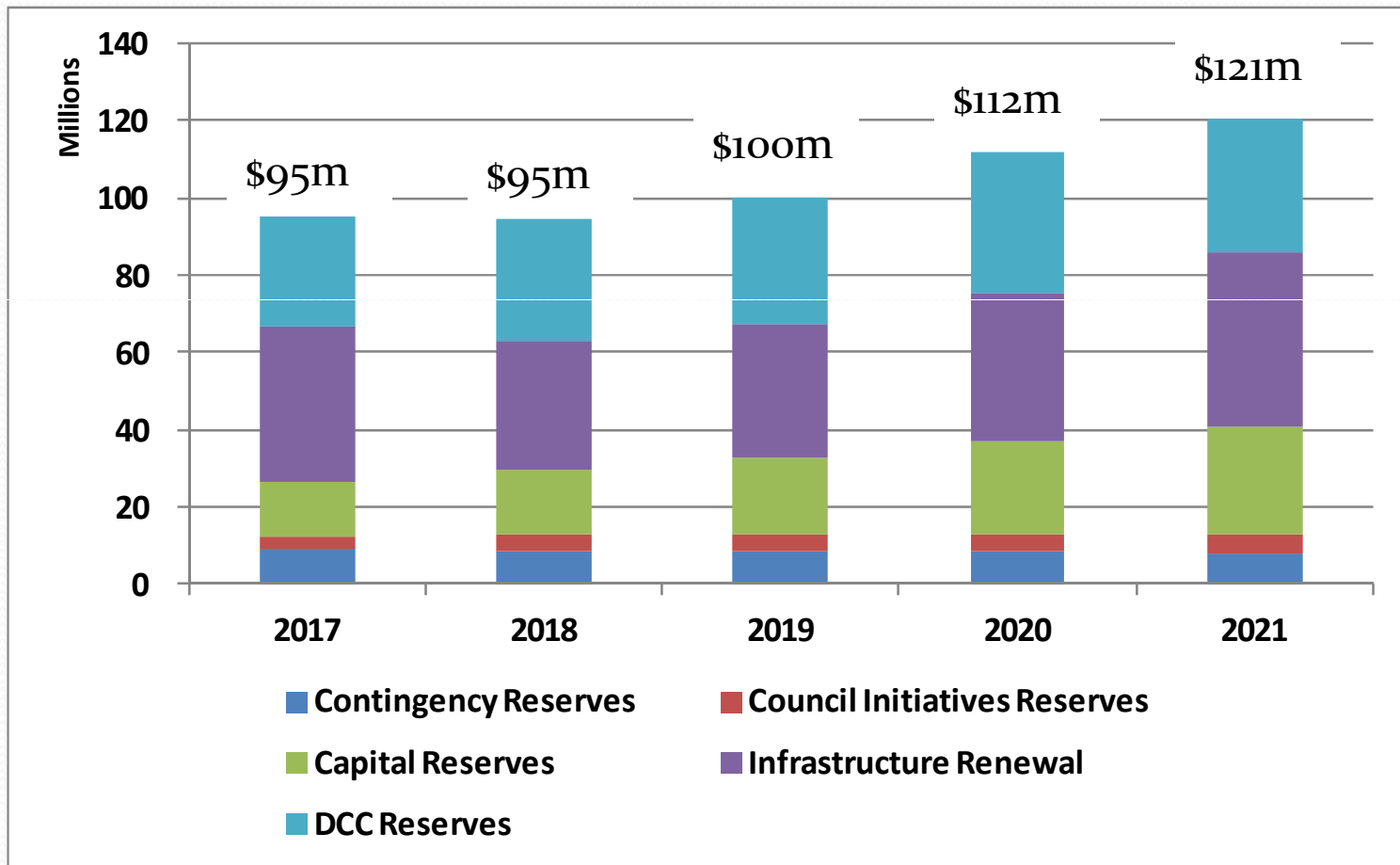


# Draft 2017 – 2021 Financial Plan Review General Fund – Reserves

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# Reserves Summary

## \$ million





# 2017- 2021 Project Funding

- Reserves
  - General Capital Reserve
    - Annual contributions vary, usually an allocation of prior year surplus, current balance \$5m
      - Serausmen Mariner Field Lights
        - \$389k plus \$150k grant, total project cost estimate \$539k
      - New excavator \$233k (business case completed)
  - Community Works Fund
    - Annual contributions \$3.6m, current balance \$6.1m
      - Harewood Centennial Park Improvement Plan
        - Multi –use Court, Lacrosse Box phases \$2.6m
      - Transportation Master Plan
        - Cycling amenities \$1.6m
      - Strategic Priority
        - Georgia Ave Greenway \$990k

# Draft 2017 – 2021 Financial Plan Review General Fund – Debt

November 16, 2016





## 2017 – 2021 Project Funding: Debt

- New Borrowing
  - Port Theatre - \$4.6m, annual debt servicing \$309k
  - Wellcox Access - \$6.0m, annual debt servicing \$403k
- Debt servicing limit is \$34 million
  - Current annual debt servicing is \$4.7 million or 14% of current limit (including the Water Treatment Plant)

# Draft 2017 – 2021 Financial Plan

## General Fund Debt

### Current Debt

Asset	Total Borrowing	Annual Repayments	Year Borrowing Repaid
NAC	\$ 8,600,000	\$ 465,000	2020
VICC	\$ 30,000,000	\$ 2,300,000	2027
Fire Station #4	\$ 3,750,000	\$ 306,000	2027
	\$ 42,350,000	\$ 3,071,000	

### New Debt

Asset	Total Borrowing	Annual Repayments	Year Borrowed
Port Theatre	\$ 4,600,000	\$ 300,000	2018
Wellcox Access	\$ 6,000,000	\$ 400,000	2018
	\$ 10,600,000	\$ 700,000	

# Draft 2017 – 2021 Financial Plan Review

Projects not in draft plan –  
studies/other work ongoing

November 16, 2016





# Draft 2017 – 2021 Financial Plan

Projects not included: studies/other work to be completed, business cases to be developed

- Examples
  - Strategic priorities
    - Events Complex
      - feasibility study started in 2016
    - Waterfront Development projects
  - Public Works buildings replacement
    - Current estimate \$8m





## Draft 2017 – 2021 Financial Plan

Projects not included: studies/other work to be completed, business cases to be developed

- Examples
  - Police Operations building expansion
    - Current estimate \$6.6m
  - Fire Station #1 renewal/replacement
    - Condition/space needs assessment to be completed in 2016/early 2017
  - Beban Park Complex power distribution replacement
    - Current estimate \$1.1m per pre design
  - Harewood Centennial Youth Park
    - Current estimate \$700k per concept design



# Draft 2017 – 2021 Financial Plan

Projects not included: studies/other work to be completed, business cases to be developed

- Examples

- Middle Colliery Dam
- Street Light Conversion
  - Change to LED lighting
- IT projects
  - Computerized Maintenance System
    - Current estimate \$250k plus staffing resources
  - ERP/SAP Upgrade
    - Current estimate \$435k
    - SAP support expected to end 2025

The image features a solid blue background. At the top, there are several wavy, horizontal lines in various shades of blue and cyan, creating a layered, water-like effect. In the bottom left corner, the date "11/16/2016" is printed in a small, white, sans-serif font.

11/16/2016



# Port Theatre Expansion Project

- 2016 – 2020 Financial Plan
  - 2016 \$5.7m
  - 2017 \$6.9m
  - Total \$12.6m fully funded from grants and private contributions
- Draft 2017 – 2021 Financial Plan
  - Project not started, 2016 budget will be carried forward
  - 2018 \$6.9m
  - Total \$12.6m
    - \$8.0m funded from grants and private contributions
    - \$4.6m funded from borrowing

	2017	2018	Total
Expenditures	5,700,000	6,900,000	12,600,000
Funding Sources:			
Borrowing		4,600,000	4,600,000
Grants, Private Contributions	5,700,000	2,300,000	8,000,000
	5,700,000	6,900,000	12,600,000

2016 \$5.7m budget carried forward to 2017