



Budget Workshop

2016 – 2020 Financial Plan

April 11, 2016



Today's Workshop Framework

- Review 2016 – 2020 Financial Plan
 - Changes since Provisional budget adopted
 - Annual 2016 – 2020 Financial Plan bylaw and Property Tax Rate bylaw must be adopted by May 15
- Funding capacity and strategies
- Next budget cycle
 - Process for 2017 – 2021 Financial Plan

Property Tax Changes

Last planned annual 1% increase to General Asset Management Reserve is 2017

	2016	2017	2018	2019	2020
Provisional	0.0%	3.0%	2.0%	1.0%	1.0%
Annual	0.0%	2.8%	1.8%	0.7%	1.0%



2016 Estimated Impact on Typical Home \$348,363 Assessed Value

	Change %	CoN	RDN	VIRL	Total
Taxation	0.0%	\$ -			\$ -
Water Fees	7.5%	\$ 31.00			\$ 31.00
Sewer Fees	5.0%	\$ 5.61			\$ 5.61
Solid Waste Collection Fees	1.0%	\$ 1.00			\$ 1.00
		\$ 37.61	\$ -	\$ -	\$ 37.61
Vancouver Island Reginal Library	4.6%			\$ 3.66	\$ 3.66
Regional District of Nanaimo	4.9%		\$ 10.57		\$ 10.57
		\$ 37.61	\$ 10.57	\$ 3.66	\$ 51.84

2016 Provisional to Annual Budget: Changes Summary

		Change	Impact on Property Taxation
Revenues			
	Growth estimate updated	\$ 258,704	\$ 258,704
	Call Answer Levy	\$ 120,856	\$ 120,856
	Reduced RCMP rent recovery	\$ (129,951)	\$ (129,951)
		\$ 249,609	\$ 249,609
Annual Operating Expenditures			
	VICC	\$ (51,005)	\$ (51,005)
	Employee benefits	\$ 133,000	\$ 133,000
	Insurance	\$ 17,487	\$ 17,487
	IT: ERP Software Maintenance	\$ (55,000)	\$ (55,000)
	Police Services: 2 additional RCMP members (funded from reserves)	\$ 212,071	\$ -
	Police Services: DNA Testing	\$ 50,000	\$ 50,000
	Public Works: increased PW training program (1 yr only)	\$ 45,000	\$ 45,000
		\$ 351,553	\$ 139,482
Project Expenditures			
	Comprehensive Risk Management (fully funded from grant)	\$ 39,500	\$ -
	AVICC Conference	\$ 12,000	\$ 12,000
	Finance: Training, equipment	\$ 17,125	\$ 17,125
	Fire Station 1: Comprehensive Assessment	\$ 35,000	\$ 35,000
	NAC: Diving Board Retrofits (moved from 2017 to 2016)	\$ 30,000	\$ 30,000
	Middle Colliery Dam Assessment	\$ 75,000	\$ 75,000
		208,625	169,125
	Net impact	310,569	58,998
	575 Fitzwilliam: Roof replacement	\$ 80,000	\$ -
	Fire Headquarters: Seismic	\$ 45,816	\$ -
	Delay DCC Boxwood Connector projects	\$ (1,450,000)	
	Lower Colliery Dam Remediation	\$ 350,000	\$ -
	Net impact	(663,615)	58,998

2016 Financial Summary

Operating - \$M

	General	Sewer Utility Fund	Water Utility Fund	Total
Revenues				
Taxation	97.3			97.3
Fees/Charges	12.1	6.3	16.0	34.4
Other	19.1		0.1	19.2
	128.5	6.3	16.1	150.9
Expenditures				
Operating Expenditures	115.0	3.3	9.5	127.8
Projects	7.1	-	0.1	7.2
Transfer to Reserves	6.4	3.0	6.5	15.9
	128.5	6.3	16.1	150.9
Net	-	-	-	-

2016 Financial Summary

Projects - \$M

	General	Sewer Utility Fund	Water Utility Fund	Total
Project Expenditures				
2015 carryforwards	16.2	5.2	5.6	27.0
2016 Plan	18.3	6.7	8.5	33.5
	34.5	11.9	14.1	60.5
Project Funding				
Taxation	7.1	-	-	7.1
User Fees	-	-	0.1	0.1
Reserves				
2015 Carryforwards	16.2	5.2	5.6	27.0
2016 Plan	2.5	6.7	8.4	17.6
	18.7	11.9	14.0	44.6
Grants, private contributions	8.7	-	-	8.7
	34.5	11.9	14.1	60.5
Net	-	-	-	-



Provisional to Annual: Summary of 2017 – 2020 Changes

- Add Serauxmen Mariner Field lighting project
 - \$325,000 in 2017 contingent on \$150,000 private contributions
- Delayed DCC Boxwood Connector/utility projects
- VICC 5 year plan received, operating 'subsidy' lower in all years

Funding Capacity

Taxation, Reserves, Borrowing, Grants, Private Contributions



Funding Strategies

- Maintains a consistent level of funding from general taxation each year for projects ~ \$7 million
- Manage reserves
 - Contributions and withdrawals
 - Long term planning perspective – 10+ years
- Borrowing
- Grants
- Private contributions



Reserves Analysis

- Contingency Reserves
 - RCMP Contract, Snow/Ice Control, Uninsured Claims, Uncollected Taxes
- Council Initiatives Reserves
 - Housing Legacy, Sustainability, Regional Emission Reduction
- Capital Reserves
 - Property Acquisition, General Capital, Community Works Fund

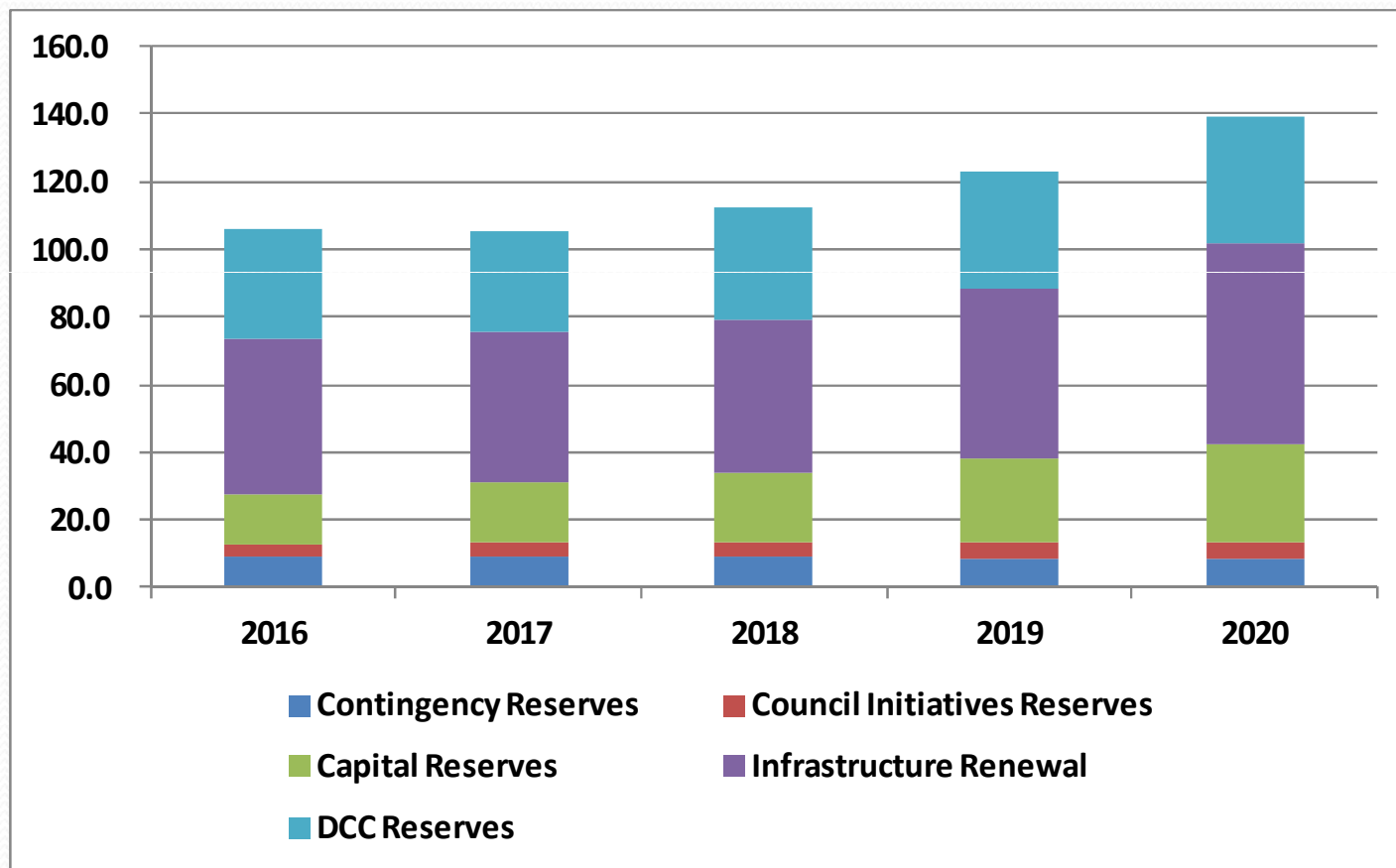


Reserves Analysis

- Infrastructure Renewal (Asset Management) Reserves
 - IT, Facility Development, Equipment Depreciation, Copier, General AM, Sanitary Sewer operating/AM, Water operating/AM
- Development Cost Charges Reserves
 - Roads, Drainage, Parks, Sanitary Sewer and Water

Reserves Analysis \$M:

Examples of projects not included/funded are
Fire Station #1, Public Works Yard





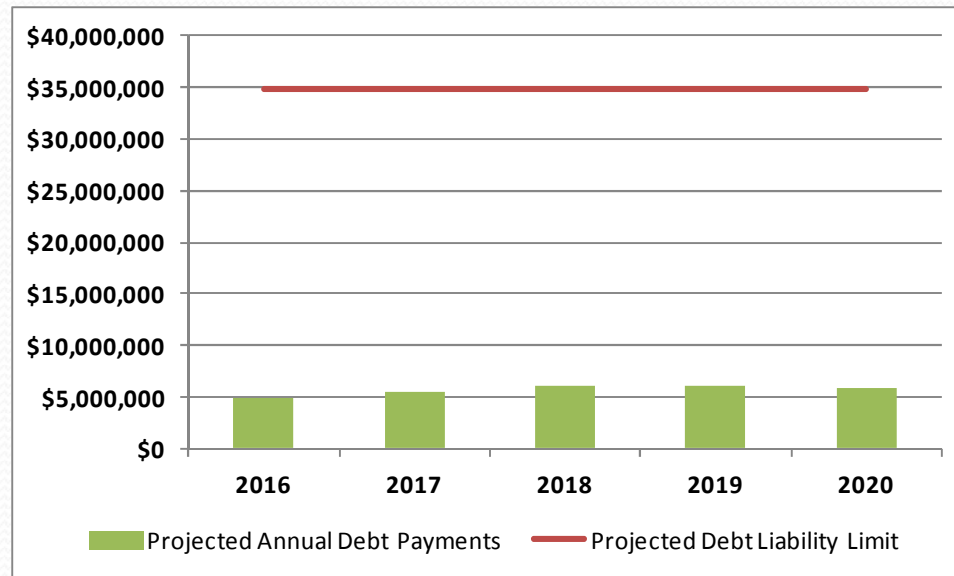
Debt Analysis

- Outstanding debt at December 31, 2015 \$47.8 million

Asset	Total Borrowing	Outstanding Borrowing	Annual Repayments	Last Payment Year
Parkade	\$ 2,747,000	\$ 925,896	\$ 186,000	2016
NAC	\$ 8,600,000	\$ 2,950,430	\$ 465,000	2020
VICC	\$ 30,000,000	\$ 20,027,721	\$ 2,300,000	2027
Fire Station #4	\$ 3,750,000	\$ 2,589,638	\$ 306,000	2027
WTP	\$ 22,500,000	\$ 21,279,908	\$ 1,600,000	2034
	\$ 67,597,000	\$ 47,773,592	\$ 4,857,000	

Debt Analysis

- The City's debt servicing limit is \$34 million as defined by the Community Charter
- The City's current annual debt servicing is \$4.9 million or 14% of current limit





2016 – 2020 Financial Plan: New Debt

- Police Operations Building expansion
 - \$6.6 million borrowing in 2017/2018, 20 year term
 - ~ \$616k/year (principle and interest)
- Wellcox Access
 - \$6.0 million borrowing in 2018, 20 year term
 - ~ \$560k/year (principle and interest)



2016 – 2020 Financial Plan: Grants, Private Contributions

- Port Theatre Expansion
 - 2016/2017 planned construction, total budget \$12.6M
 - \$12.6 funding grants/private contributions
- Nanaimo Yacht Club Waterfront Walkway
 - 2017 planned construction, total budget \$1.3 million
 - \$671k funding PILTS
 - \$579k funding Nanaimo Yacht Club
- Serauxmen Mariner Field Lighting
 - 2017 planned construction, total budget \$325k
 - \$150k private contribution, \$175k reserves




2016 – 2020 Financial Plan: Grants, Private Contributions

- DCC Boundary/Northfield Improvements
 - 2016 planned construction, total budget \$2.5 million
 - \$1.4 million Provincial government grant
- Leadership in Asset Management Program (LAMP), Comprehensive Risk Assessment
 - 2016, total budget
 - \$177 Federal government/UBCM grants

2016 Financial Plan and Property Tax Bylaws

2016 – 2020 Financial Plan: Bylaws

- Identify any specific changes this week
 - to enable changes to be made and meet May 15 deadline
- Budget bylaw to be prepared for Council's review and approval
 - April 18 Council Meeting or April 25 COW
 - May 2 Council Meeting or May 9 COW



Next budget cycle: 2017 – 2021 Financial Plan



Next budget cycle: 2017 – 2021 Financial Plan

- Council direction
 - 2016 – 2018 Blueprint
 - Current plans, including
 - Official Community Plan, planNanaimo (2008)
 - Transportation Master Plan (2014)
 - A Cultural Plan for a Creative Nanaimo (2014 – 2020)
 - Parks, Recreation and Culture Master Plan (2005)



Next budget cycle: 2017 – 2021 Financial Plan

- Next planning cycle has started for infrastructure projects
 - 10+ year planning horizon
 - Condition assessment programs
 - Current maintenance information
 - Current asset age/other information
 - Updating scope of work, timing and cost estimates
 - Identifying new projects
 - Business case and cost/benefit analysis



Next budget cycle: 2017 – 2021 Financial Plan

- 2016 Timeline
 - May – June
 - Long term financial planning workshops with Council
 - 20 Year Funding Capacity Analysis
 - Current DCC Review
 - 2016 – 2018 Blueprint
 - June – August
 - Departments prepare budgets
 - August – October
 - Finance reviews and finalizes draft budget, including analysis and preparation of budget documents
 - November – December
 - Budget review workshops with Council
 - December
 - Adoption of Provisional 2017 – 2021 Financial Plan