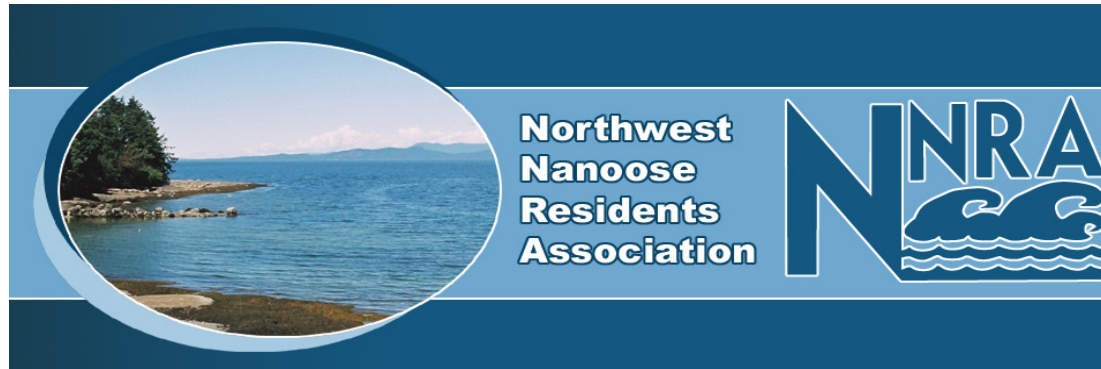




Regional District of Nanaimo (RDN) Excessive Taxation

AGM Presentation Based on 2025-2029 Financial Plan (Nov 5)

December 3rd, 2024
Nanoose Place

The RDN’s Planned 2024 Tax Requisition Increase is Excessive

		Property Tax Requisition (\$)			
		2023	2024	\$ Change	% Change
Total RDN	(Dec 12 Budget)	\$78,599,533	\$89,176,700	\$10,577,167	 13.5%
	(March 26 Budget)		\$87,590,992	\$8,991,459	 11.4%
Area E	(Dec 12 Budget)	\$ 3,635,480	\$ 4,320,056	\$ 684,576	 18.8%
	(March 26 Budget)		\$ 4,234,008	\$ 598,528	 16.4%

RDN increase is 5.7 times the expected rate of inflation for 2024 of 2.0%

Note: The increase is 12.9% when corrected for Ravensong Capital Reserve Credit of \$1,166,543

The 2024 Tax Requisition Increase is across all RDN services.

	Dec 12 th 2023 Budget		March 26 th 2024 Budget	
	\$ Change	% Change	\$ Change	% Change
Corporate Services	\$2,182,729	 30.5%	\$686,047	 9.6%
Devel. & Emerg. Services	\$2,136,173	 17.7%	\$2,097,916	 17.4%
Regional Community Utilities	\$2,821,239	 10.3%	\$2,831,933	 10.4%
Recreation & Park Services	\$ 772,486	 4.7%	\$ 682,950	 4.1%
Corrected for Ravensong Res.	\$1,939,029	 11.9%	\$1,849,493	 11.4%
Transportation Services	\$2,664,540	 16.9%	\$2,692,598	 17.0%
	\$10,577,167		\$ 8,991,459	

42.4% of the 2024 RDN tax increase is within Existing Service Levels

	Within Existing Service Levels		New Service Levels	
	Dec 12, 23	Mar 26, 24	Dec 12, 23	Mar 26, 24
Administration	+803,588	(511,669)	+526,724	+526,724
Electoral Area Planning	+151,048	+151,048	+87,076	+87,076
Regional Growth Strategy	+ 99,655	+ 99,655	+80,000	+80,000
Electoral Area Building Policy Advice			+87,076	+87,076
Community Grants			+128,300	+142,300
Feasibility Studies			+75,365	+75,368
Emergency Services	+332,573	+259,795		
Parksville Pool Feasibility			+170,000	
Ravensong	-1,166,543	-1,166,543		
Northern Community Rec.	+387,996	+387,996		
Regional Parks	+671,719	+671,719	+61,765	+61,765
Community Parks	+525,184	+433,084	+61,842	+61,842
Waste Water/Solid Waste	+1,076,911	\$1,019,820	+790,347	+790,347
Transit	+2,385,733	+2,385,733	+273,429	+48,399
Animal Cont/Haz. Prop./Noise Cont.			+68,420	+68,420
Other / Other Jurisdictions	+45,314	+84,065	+442,088	+758,381
TOTAL	\$5,313,172	\$3,814,703	\$2,410,3	\$3,063,320
	42.4% of 2024 Increase		34.1% of 2024 Increase	


 +\$1,330,312 increase reduced to \$15,055
 +\$722,523 Increase in planning


 +\$1,616,406 Increase in Parks & Rec.



26.1% of the 2024 Tax Increase is in these three areas

The RDN's Plans To Increase Taxes 64.7% Over The Next 5 Years, 6.22 Times the Rate of Inflation.

2024-2028 Amended Financial Plan (March 26, 2024)

Year	Total Tax Requisition	Annual \$ Change	Annual % Change
2023	\$ 78,599,532		
2024	\$ 87,590,992	+ 8,991,460	11.4%
2025	\$101,328,404	+13,737,412	15.7%
2026	\$111,366,541	+10,038,137	9.9%
2027	\$120,142,049	+ 8,875,508	8.0%
2028	\$129,467,253	+ 9,325,204	7.8%



+64.7% increase over 5 Years

Your taxes will double over 7 years vs. 35 years

2023-2028 Cumulative Increase



+\$157,097,583 vs \$24,218,166 at expected inflation

6.22 Times the Compounded Expected Inflation Rate over 5 years of 10.4%

Massive Capital Spending is planned over the next 5 years, burning past **surpluses** and driving significant **new borrowing**.

	2023	2024-2028	
Operating (Surplus)/Deficit	8,485,010	(71,831,879)	False Surplus
Capital Expenditures	65,224,970	525,063,126	HALF A BILLION Twice the rate of the last 5 years.
Transfers from Reserves	(35,733,205)	(156,668,488)	
Grants / Other	(8,156,061)	(53,070,847)	
New Borrowing	(14,363,734)	(298,582,264)	Significant New Borrowing
Net Capital Assets Funded By Operations	6,966,970	16,741,527	
Total Capital Financing Charges	7,246,664	76,118,609	Annual Financing Charges Increase 3.23 Times From 2023 to 2028
Net (Surplus)/Deficit for the period	22,698,644	21,028,257	
Transfers to Appropriated Surplus	205,830	970,000	
Transfers from Appropriated Surplus	(6,594,972)	(11,415,255)	
Prior Years (Surplus)/Deficit	(16,309,502)	(10,585,002)	Past Surplus Spent

Note: Operating Expenses grow 17.7% over next 5 years.

P15 RDN Budget

Given the number and significant size of the capital projects, they must be spread over more years to reduce planned tax increases.

	2024-2028 Capital Budget	Major Items
Corporate Services	40,168,781	Admin. Building \$34,830,000
Development & Emergency Services	27,477,294	5 New/Seismic Upgraded/Rebuild Fire Halls \$17.0 M
Regional & Community Utilities	289,183,316	WW -Departure Bay Pumping Station \$38.5 M WW-Departure Bay Forcemain Twinning \$45.3 M WW – Waste Water plant expansion \$104.6 M WW – Waste Water Outfall Replacement \$9.3M WW-Nanoose Forcemain Replacement \$7.2M Water-Nanoose Bulk Water \$4.3M Water-Rivers Edge Supply Upgrade \$3.4M Water-Nanoose Asbestos Cement Watermain Rplc. \$2.9M Water- Whiskey Creek AC Pipe Replacement \$2.2M Solid Waste Projects \$14.9M
Recreation & Parks	113,887,510	Land Purchases \$52.9 million (LD-2703 \$11.6, PR-0053 \$41.3) Ravensong Expansion \$31.5 million. Community Parks Capital Exp. \$5.4 million
Transportation	54,346,222	New Transit Operations & Ops Facility \$50.9 million

How Did We Get Here?

1 The Planning & Budgeting Process is Flawed

- Budgets process seem to be driven by broad strategic statements then staff create the department budgets without appropriate financial guardrails/spending limits.
 - Protect Vital lands & Ecosystems
 - Manage Impacts of Climate Change
 - Planning & Managing for Growth
 - Water Security
 - Provincial and Federal Advocacy

2 Limited or No Pressure Testing of the Speed, Timing, Cost or Approach to Major Projects & Project Investments

3 No Overall Spending Limit or Clear Financial Planning Targets to Drive Planning



**So, all projects end up in the financial plan
and spending ends up out of control.**

How Did We Get Here?

4

Economically Insensitive RDN Board Members who lack true awareness of the economic capacity of the tax payers.

- Older taxpayers on fixed income and younger tax payers make up the base.

	RDN	French Creek	Qualicum	Nanaimo	Nanoose	Parksville
Median Income	39,200	40,000	40,400	40,000	44,800	37,200
After Tax	36,000	36,800	37,200	36,800	40,400	34,400
Average Income	49,240	58,400	51,900	48,880	50,400	44,880
After Tax	42,520	48,400	43,720	42,440	39,600	39,600

- Higher Food Costs 2021-2024 Food Cost Increase 23.8% or +\$3133.14 to \$16,297 per hhld.
- Higher Rent or Mortgage Costs (Avg. 2br Apartment is \$2000/mo. with 2024 rent increases capped at 3.5%) let alone availability.
- Wage growth is not keeping up with the cost of living and in a flat economy (0.3% GDP Growth 2024) that isn't going to change.



So the tax base cannot fund a 64.7% RDN Tax Increase over the next 5 years.

What Do We Want?

A Significantly Improved Planning & Budget Development, Review and Approval Process

- 1 Greater awareness, understanding and empathy for the true capacity of the tax paying citizens.
- 2 Total Tax Increases Capped to Inflation / Borrowing Cap
- 3 Total spending cap related targets, by department, driving the planning process each year.
- 4 Improved Governance:
 - Board Audit & Finance Committee making sure spending items are essential vs nice to have and that the timing and pacing are tied to overall financial capacity.
 - CFO reporting to CAO
 - CAO responsible for planning process and budget integrity along with the implementation and management of the total spending cap (Fiscal Responsibility)

What Do We Want?

Recut 2024-2028 Budgets NOW.

-  **Reduce the rate of capital spending and spread it over time beyond 2028 and cut Parks & Rec Land Purchases & Ravensong Expansion**
-  **Dramatically reduce planned Corporate Services Operating Costs and remove the 2027-28 major capital spend for a new Administration Building.**

PATH A – DIRECT RDN ENGAGEMENT

Presentation to RDN Board (Completed)

- Share Presentation
- Confirm their current planning process, financial accountability structure and confirm our assumptions.
- Test the validity & process of a cap and improved planning processes with clear accountability.

CAO/CFO Meeting (CAO Refused Meeting) / Now has accepted

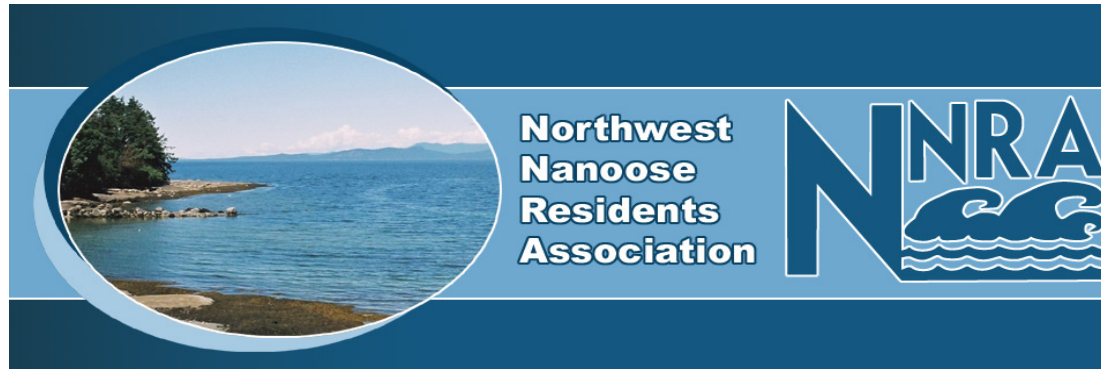
- Request a meeting with the CAO/CFO
- Share our presentation
- Understand the current planning process and overall financial management
- Build an understanding of the requirements & challenges to implementing our recommendations.

PATH B – PUBLIC ENGAGEMENT

- Share Presentation directly & electronically
- Educate and expand the public's voice and impact.

PATH C – LEGISLATIVE & POLICY AVENUES

- Under Development (Three Pronged Approach)
-



Regional District of Nanaimo (RDN)

Proposed Strategic Plan Improvements

May 7, 2024

Please remember in your last Strategic Plan you called for...

**“Citizens who are engaged &
knowledgeable on civic matters”**

We envision a future where...

(NNRA Board – The Blue will not be included on RDN slides. It will be voiced over)

citizens appreciate our elected regional leadership and staff and are aware of the positive projects that have been complete on their behalf

our RDN leaders and staff are provided simple visibility of department budgets and major projects to support effective decision making, service value delivery, and slow the speed of spending.

our regional leaders and staff are empathetic to citizens economic reality and ensure the Regional Taxes are aligned with the growth in the tax base and growth in incomes

This supports a truly sustainable community & economy.

What we see happening.....

- Budgets are running well ahead of both the growth in the number of tax payers and their income so current budgets are not balanced nor sustainable.
- There is a lack of simple visibility of the department level operating budgets & major capital/change projects to support the board in:
 - Rapid assessment
 - Project level pressure testing for urgency, approach, costs, timing.
 - Effective decision making
- The NNRA providing full visibility to citizens and not the RDN Board would be irresponsible on our part and not aligned with our vision.

Statements from the 2023 Strategic Plan

RDN's Role

- Responsible for **providing** a variety of local & multi jurisdictional **services** on behalf of our citizens
- Ensuring our services offer good value & strike a **balance** between the needs of the community and our citizen's ability to pay.

RDN's Commitments

- Be **transparent** in our decision making.
- Be **Fiscally Responsible** and Accountable

What is Needed

This Calls for Clear Simple **Visibility of the Plans & Budgets by Department To Support Rapid Board Assessment and Enhance Decision Making within each major service department**

By Service Department

Planned Changes - Visibility Needed

- Net Operating Costs (Increases & Savings)
- Recommended Investments in Service Expansion
- Investments in Service Improvement

Supporting Plans:

- Capital Plans
- Staffing Plans - Hiring/Downsizing Plans

How to Do It

A Simple Pre-planning Budget Mechanism set by the CAO & Board

1

- Set pre-planning **budget targets by department & total RDN** based on expected increases in the tax base and expected per capita income growth or consumer inflation.
- This sets out a guideline for 'balance' against which exceptions can be debated.
- It will be important to discern the difference between (Community Needs) and (Community Desires) as one tends to have a time urgency the other does not.

How to Do It

Improved Financial Plan Reports are required that better empower the boards **Visibility, Ability to Access & Make Decisions across each major service department**

2

Consolidated Financial Plans (Total RDN & By Department) that include:

- 5 years of history by line
- Annual % change for each year by line
- 5yr Compound Annual Growth Rate (CAGR) - Past 5 Yr. & Planned 5 Yr.

How to Do It

Improved Financial Plan Reports are required to better empower the Board's **Visibility, Ability to Access & Make Decisions across each major service department**

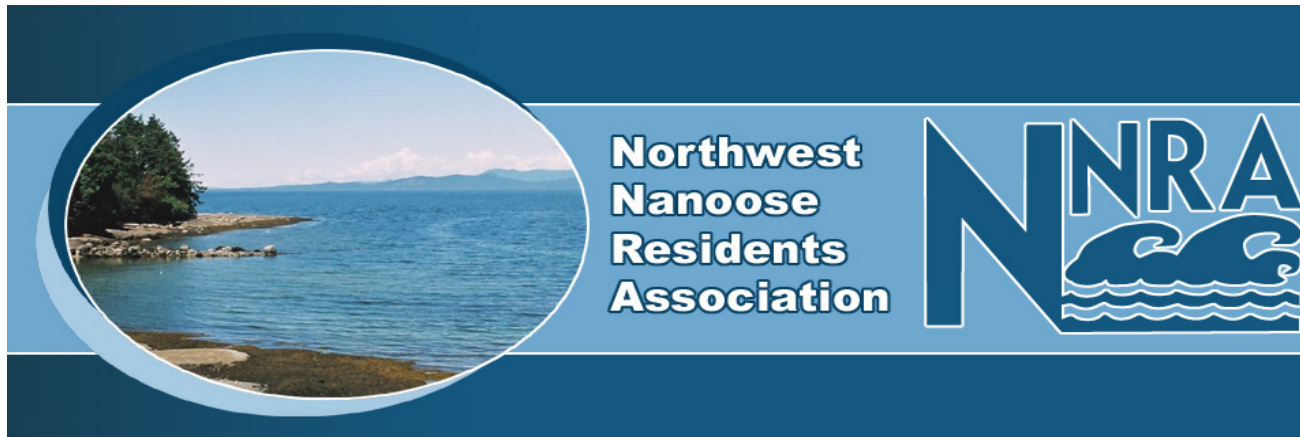
3

- Investments in Service Improvement (Bridge Charts)
 - Cost to deliver last years service level and reach – The Base
 - Expected Cost Changes/Savings
 - Planned expansions of service
 - Planned improvement of service
 - The New cost to deliver next years service level
- Capital Plans & Financing
- Staffing Plan including Hiring/Downsizing Plans

Details:

Each Major Change Outlines:

- The criticality of need or desire being addressed
- The timing urgency and flexibility (Timing Window)
- The Capital and/or Staffing Required
- The sequencing relationship with other changes (Dependencies/Precursors)



A Taxpayers View To Assessing The 2025-2029 RDN Financial Plan

November 19th, 2024

Based on 2025-2029 Financial Plan (Nov 5, 2024)

Taxpayers Overall Budget Assessment

Excessive Taxation continues across all service departments evidencing a lack of priority setting.

	2020	2021	2022	2023	2024	2025	3Yr.	5Yr.
Corporate Ser.	5,667,657	6,245,305	7,392,410	7,167,698	7,853,745	8,750,457	18.4%	54.9%
Plan. & Emerg.	3,152,368	3,011,031	10,816,976	12,062,530	14,160,466	15,717,268	45.3%	
Utilities	21,871,699	23,063,125	25,128,924	27,259,853	30,091,786	33,278,585	32.4%	52.2%
Parks & Rec.	13,050,292	12,933,482	14,565,052	16,312,498	16,995,443	19,205,339	31.9%	47.2%
Transit	18,444,835	19,657,840	14,293,996	15,796,954	18,489,552	19,391,824	35.7%	
Total	62,186,851	64,910,763	72,197,358	78,599,533	87,590,992	96,343,423	33.4%	55.0%
		4.4%	11.2%	8.7%	11.4%	10%		

Note: Emergency Service Moved from Transit Dept to Planning Dept end of 2021

The RDN's 2025-2029 Plan is worse than last year with a 66.9% increase over 5 years tracking at 6.4 times inflation.

	2024-2028 Financial Plan			2025-2029 Financial Plan		
Year	Total Tax Requisition	Annual \$ Change	% Chg.	Total Tax Requisition	Annual \$ Change	% Chg.
2023	\$ 78,599,532					
2024	\$ 87,590,992	+ 8,991,460	11.4%	\$ 87,590,992		
2025	\$101,328,404	+13,737,412	15.7%	\$96,343,423	\$8,752,431	10.0%
2026	\$111,366,541	+10,038,137	9.9%	\$111,376,994	\$15,033,561	15.6%
2027	\$120,142,049	+ 8,875,508	8.0%	\$124,109,154	\$12,732,170	11.4%
2028	\$129,467,253	+ 9,325,204	7.8%	\$134,909,572	\$10,800,418	8.7%
2029				\$146,168,647	\$11,259,075	8.4%

5 YEAR TAXPAYER IMPACT

	+64.7% vs. +10.4% for inflation	+66.9% vs. +10.4% for inflation
Incremental Out-of Pocket	\$ 157,097,583	\$ 174,952,820
Inflation Driven Increase	\$ 24,218,166	\$ 26,988,621
Excess Out-Of-Pocket	\$ 132,879,417	\$ 147,964,199

NOTE: The percent change in 2025 & 2026 have flipped but total 2026 spending level unchanged? Better Optics?

Massive Capital spending and associated huge **new borrowing, finance charges** and the manufactured **operating surplus** contribute to a plan that is worse not better.

	Annual Comparison		5 Year Comparison	
	2023	2024	2024-2028	2025-2029
Operating (Surplus)/Deficit	8,485,010	4,212,902	(71,831,879)	(105,574,492)
Capital Expenditures	65,224,970	170,146,822	525,063,126	516,925,833
Transfers from Reserves	(35,733,205)	(107,571,248)	(156,668,488)	(112,531,618)
Grants / Other	(8,156,061)	(23,445,770)	(53,070,847)	(53,070,847)
New Borrowing	(14,363,734)	(30,723,803)	(298,582,264)	(334,646,508)
Net Capital Assets Funded By Operations	6,966,970	8,406,001	16,741,527	16,352,343
Total Capital Financing Charges	7,246,664	7,209,229	76,118,609	105,860,488
Net (Surplus)/Deficit for the period	22,698,644	20,056,257	21,028,257	16,352,342
Transfers to Appropriated Surplus	205,830	972,000	970,000	335,130
Transfers from Appropriated Surplus	(6,594,972)	(10,443,259)	(11,415,255)	(7,446,528)
Prior Years (Surplus)/Deficit	(16,309,502)	(10,585,002)	(10,585,002)	(9,244,344)

Note: Operating Expenses grow 20.1% vs. 17.7% the 5 year period.

Little Has Changed. You are still over spending within a 5 year period and significantly burdening the Taxpayers.

1. The 'Fiscal Imbalance' between the taxpayer's ability to pay and spending is getting worse.
2. The 5 Year Compound Annual Growth Rate (5yr CAGR) is accelerating
 - 4.7% in 2014-2019
 - 7.1% in 2020-2024
 - 8.7% in 2024-2029
3. Hospital Tax is Increasing at 28.2% (Compounding for 5 years)
4. So The Combined Tax Burden is growing 90.2% over the next 5 years

WE CAN'T AFFORD THIS RATE OF CAPITAL SPENDING & TAXATION!

Taxpayers
Fiscal Balance & Financial Sensitivity
Assessment

You are creating the conditions for significant economic hardship & you are rapidly loosing the Public's trust.

1. Hospital Tax is a Total Tax Increase Multiplier.

- RDN Tax Increase +66.9%
- Hospital Tax Increase +246.3%
- Total Tax Increase **+90.2%**

2. Out-of-Pocket Costs Compound Over The 5 Years (It is not “just \$100”)

	2025	2026	2027	2028	2029	Total
RDN & Non-Hospital \$ Tax Increase	470	960	1,743	2,481	3,213	\$8,866
Cost of Living Increase	325	544	746	938	1,114	\$3,666
Total Discretionary Income Used By Tax & Inflation	795	1,504	2,488	3,419	4,327	\$12,532
% Discretionary Income	4.5%	8.5%	14.1%	19.3%	24.3%	

Note: Assessment is based on Average Nanaimo Home Value & Average Income with no assessment inc.

You Are Failing

- Collectively and individually you are failing your 'Fiduciary Responsibility' and 'Not Honouring' your commitment to 'Fiscal Balance'

FIDUCIARY RESPONSIBILITY TO THE PUBLIC

It is a duty-of-care, accountability and responsibility ensuring elected officials act in the best interest of their constituents, prioritize the public trust, and maintain transparency.

It underscores the importance of trustworthy representation in a democratic system where officials wield significant power over public resources.

- Do not continue to disregard growing taxpayer citizen feedback because it is costing you your 'social license' to continue.

WE EXPECT BETTER.

Please analyze and change your 2025-2029 financial plan with this in mind.

Their Response So Far, Double Down On the Myths

1

It is only \$100

- Cumulative Effect - .i.e. Area E +70% from 2020-2025 with significant cumulative out of pocket dollar impact.
- Does not include Hospital Tax which is growing at 28.2% each year

2

We can't cut, it will affect service levels

- Slow down rate of spending leads to fewer projects each year
- Slow down new hiring given projects have slowed (Currently +90)
- Significant reduction in work load for staff

3

Construction Costs Will Increase

- Do a better job negotiating with contractors
- Quote with detailed Request For Proposals (RFP's) and populate a cost database to power-up negotiations strength.
- Expand contractor pool.

Their Response So Far, Double Down On the Myths

4

Defer Your Taxes

- Not the intended use of this program.
- Rate is 5% and acts as a reverse mortgage and moves dollars from the responsible to the irresponsible.
- Eliminates a person's choice to do a CHIP reverse mortgage.
- Only for taxpayers 55+
- Reflects Staff and Board Members 'Financial Insensitivity for the Taxpaying Citizen'

Paid Staff Continue To Hamstring Our Boards Decision Making Ability (Consciously or Unconsciously)?

1

The Lump in the Snake

- The second year of each five year plan is the highest.
- Local Government Act Issues force decision by end of Dec or year two of the previous year's 5 year plan is the plan.

2

The Big Box Of Weeds

- Available Doesn't Mean Visible or Easy Assessments

3

It is In the Plan

- It is in the Master Plan, It was in Last Years Plan, You already approved it.

3

Time, What Time. Assessment, What Assessment.

- Assessments of plans insufficient for the decision making required
- Lack of lead time and/or agenda time to vet plans & projects.
- An all projects in plan approach (Local Gov't Act a problem here)

RDN **Taxpayer** **Alliance**

Details will be sent out when Mission, Objectives &
Action Plans are Ratified by Alliance Leadership