



**2019 Financial Plan
City of Nelson, Area E and Area F**

March 5, 2019



Agenda

- Summary of Regional District Service Delivery
- Service Area and Taxation Model
- Overall Assessments and Impact
- Sub Regional Assessments and Impact
- Summary of Taxation for 2019 – Major Changes
- Service by Service Discussion



RDCK Services

- Governance and Administration
- Planning and Land Use (Rural)
- Building Inspection (Rural and Municipal)
- Fire Protection
- Recreation, Parks
- Resource Recovery, Waste, Recycling
- Taxation to Fund Societies and Organizations providing service (library, community halls, museums)



Board Strategic Priorities

- In 2016 the Board identified six strategic priorities;
- Many of the new projects through the last elected term are linked to those strategic priorities;



RDCK Board Strategic Priorities

***WILDFIRE
MANAGEMENT***

***WASTE
MANAGEMENT
&
ALTERNATIVES***

***RECREATION,
PARKS &
TRAILS***

***WATER
PROTECTION
&
ADVOCACY***

***FOOD SECURITY
&
AGRICULTURE***

***COORDINATED
SERVICE
DELIVERY***



Regional District Model

- BC Specific
- Allows rural residents to benefit from services normally seen only in municipalities;
- Reduces the cost of those services for all by bringing in broader assessment base;
- Service in rural areas either covers the whole area or a defined portion based on benefit derived.



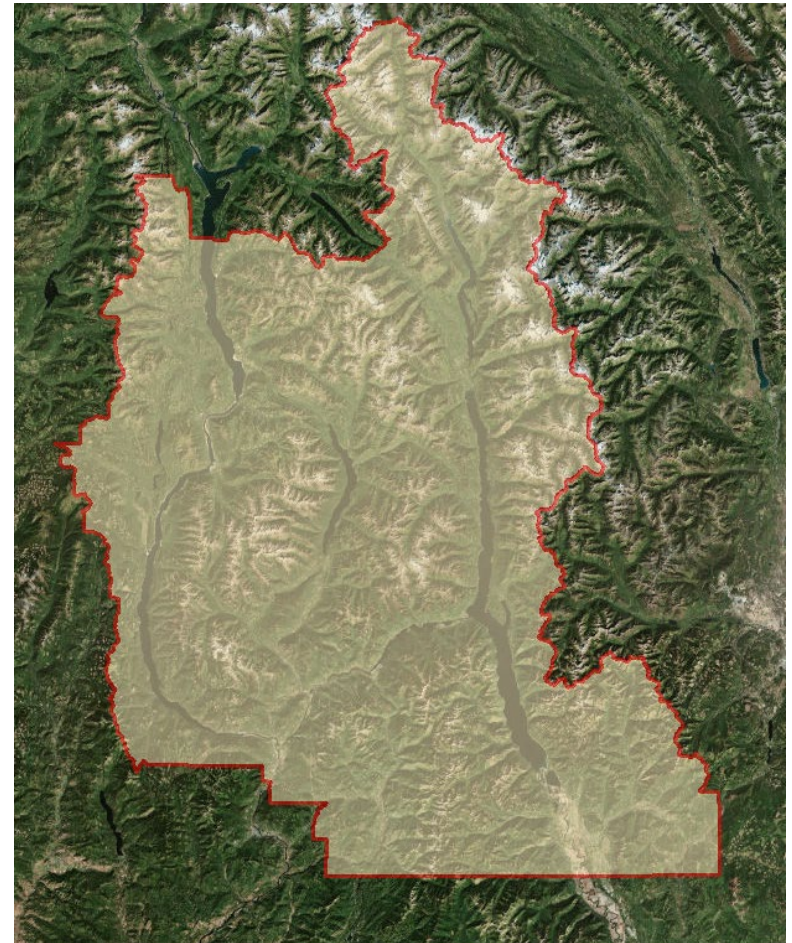
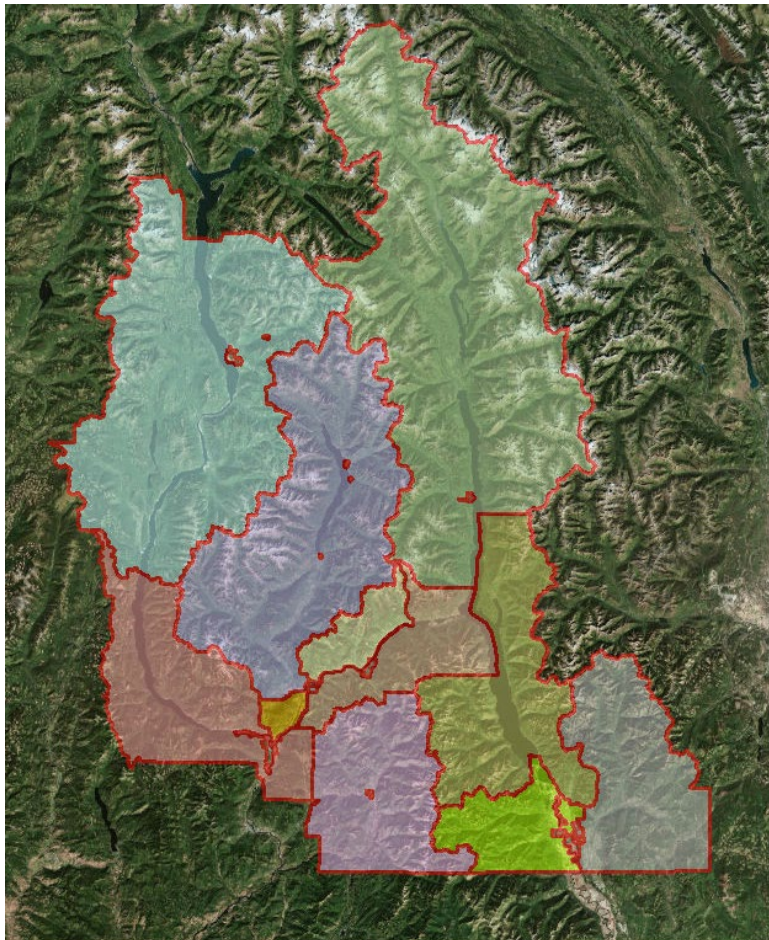
Defined Area

- Not all of a rural area may benefit from every service.
- When the service was established, an area was mapped out to best determine who would benefit.
- Some are easy to determine (fire protection, mosquito abatement).
- Some are more difficult (parks, recreation, contribution services).



Service Areas

- Once a service area is defined, everyone is now equal





RDCK Assessments

| | Assessments | | Change |
|---------------------------|--------------------|--------------------|---------------|
| | 2019 Revised | 2018 Revised | 2018 vs. 2019 |
| | A | B | (A-B)/A |
| ELECTORAL AREA 'A' | 73,201,360 | 70,911,867 | 3.23% |
| ELECTORAL AREA 'B' | 85,406,461 | 80,524,482 | 6.06% |
| ELECTORAL AREA 'C' | 39,039,912 | 35,873,332 | 8.83% |
| ELECTORAL AREA 'D' | 40,784,793 | 38,089,022 | 7.08% |
| ELECTORAL AREA 'E' | 104,669,822 | 96,254,985 | 8.74% |
| ELECTORAL AREA 'F' | 103,144,484 | 89,395,062 | 15.38% |
| ELECTORAL AREA 'G' | 42,902,746 | 38,612,116 | 11.11% |
| ELECTORAL AREA 'H' | 87,249,440 | 79,976,848 | 9.09% |
| ELECTORAL AREA 'I' | 45,537,173 | 42,047,116 | 8.30% |
| ELECTORAL AREA 'J' | 63,171,071 | 59,659,915 | 5.89% |
| ELECTORAL AREA 'K' | 40,574,643 | 39,397,312 | 2.99% |
| | | | |
| CITY OF CASTLEGAR | 195,597,471 | 184,243,161 | 6.16% |
| TOWN OF CRESTON | 86,205,821 | 82,500,873 | 4.49% |
| VILLAGE OF KASLO | 19,809,891 | 17,316,102 | 14.40% |
| VILLAGE OF NAKUSP | 26,737,415 | 24,319,276 | 9.94% |
| CITY OF NELSON | 289,602,307 | 259,806,013 | 11.47% |
| VILLAGE OF NEW DENVER | 8,868,788 | 7,760,430 | 14.28% |
| VILLAGE OF SALMO | 12,566,705 | 11,859,559 | 5.96% |
| VILLAGE OF SILVERTON | 5,290,178 | 4,539,750 | 16.53% |
| VILLAGE OF SLOCAN | 4,341,693 | 4,220,127 | 2.88% |
| | | | |
| | 1,374,702,174 | 1,267,307,348 | 8.47% |



Assessment Changes

- Many factors impact the assessment movement;
- Market vs. Non Market Change
- Market change means the current inventory of properties is worth more;
- Non market change means that there are more properties and the tax base grew in “numbers” as well as value



Impact of Assessments

- For services where the majority of areas and municipalities participate – Creston, Slocan, Areas A and K will see its share drop.
- Alternatively, Area F, G, Kaslo and Silvertown will take on a higher share.
- However, when it comes to your tax bill, what matters is what happened to your assessment compared to all others in the service area.



Nelson / Area E / Area F

| | <u>2018</u> | <u>2019</u> | <u>Change</u> |
|--------------------|-------------|-------------|---------------|
| ELECTORAL AREA 'E' | 96,254,985 | 104,669,822 | 8.74% |
| ELECTORAL AREA 'F' | 89,395,062 | 103,144,484 | 15.38% |
| CITY OF NELSON | 259,806,013 | 289,602,307 | 11.47% |

Assessments increased in the City and in Areas E and F, however at much higher percentages in Area F and slightly lower in Area E and the City of Nelson

This means that all else being equal, if taxation was the same overall dollar amount (say, \$100,000) for a shared service, that Area F taxpayers would pick up more of the tax burden, as a whole, than they did in 2018, and Area E and the City of Nelson would pick up less. This is exactly the opposite of 2018.

For every shared service, each resident pays the same rate/\$1,000, regardless of whether they live in Area F, Area E, or the City of Nelson.



Assessment & Rate / \$1,000

| | <u>2018</u> | <u>2019</u> | <u>Change</u> |
|--------------------|-------------|-------------|---------------|
| ELECTORAL AREA 'E' | 1.167 | 1.275 | 9.26% |
| ELECTORAL AREA 'F' | 2.002 | 2.025 | 1.15% |
| CITY OF NELSON | 1.374 | 1.361 | (0.95)% |

How do the rate per \$1,000 and assessments impact your tax bill?

The documents you have allow you, as a resident, to calculate your expected taxes based on your assessment.

The rate per thousand can be multiplied by the number of “thousands” in your assessment. So if your home was assessed at \$400,000 (400 “thousands”) and you live in Area F – your taxation would be $2.025 * 400 = \$810.00$ for service that all of Area F residents participate in.



Nelson / E / F– Services

- General Administration
 - Increase in 2019
 - Surplus for a number of years has been used
 - Closer to regular operating costs
 - Houses Director costs, Finance, Administration, Information Technology, Human Resources
- Projects in this service in 2019:
 - Kootenay Boundary Farm Advisors Program
 - National Disaster Mitigation Project
 - Parks & Trails Inventory.



Areas E / F– Services

- Rural Administration
 - Increase in taxation
 - Primary reason is allocation of administrative costs and costs related to fire inspections
 - Service takes on director expenses, 25% of fire service costs (except DFC), and bylaw enforcement
- Projects in this service in 2019:
 - Fire Safety Inspections
 - Fire Smart Ambassadors
 - Structural Protection Units



Areas E / F– Services

- Building Inspection
 - Decrease in Taxation despite increasing costs
 - Succession Planning in 2018 - 2020
 - Permit Fees over budget
 - Recruitment challenges = Implementation of Inspector Training program
- Planning
 - Increase of taxation
 - Department reorganization to enable a focus on long-term planning
 - Impact of Cannabis legalization



Nelson/E / F– Services

- Central Resource Recovery
 - Shared with Salmo/G/Kaslo/D
 - Tax increase in 2019 – has not been a tax increase in this service since 2015
 - Continued increases to operating costs – fuel, staffing
 - User fee analysis in 2019/2020 to look at balance between taxation and user pay.
 - Looking at Eco Depot in Nelson
 - Recycle BC agreement
 - Discussions continue on potential composting program
 - Update of Resource Recovery Plan



Nelson / E / F– Services

- Parks
 - Significant tax increase in 2019
 - Shared service with Salmo and Area G
 - Park Management plan implementation slated for 2019 at Balfour Beach
 - New irrigation system in Bonnington Park
 - No longer use Bonnington water district as a supply
 - Cottonwood Lake negotiations continue
 - Included in 2019 budget is a \$350,000 contribution to the City of Nelson's regional parks



Nelson / E / F– Services

- Nelson & District Recreation
 - Tax Increase - inflationary
 - Implementation of new POS/Registration system in 2018
 - Installation of new security cameras in 2018
 - New sound system for arena installed in 2018
 - Agreement with Nelson Leafs Jr hockey



Areas E and F Fire

- Blewett Fire (Contract with City of Nelson)
 - Increase of 3% per contract terms.
- Blewett/Beasley Fire (RDCK Fire Hall)
 - Increase in remuneration in this service (\$33,000)
 - New trucks for each hall purchased in 2018 are in service and at substantial savings



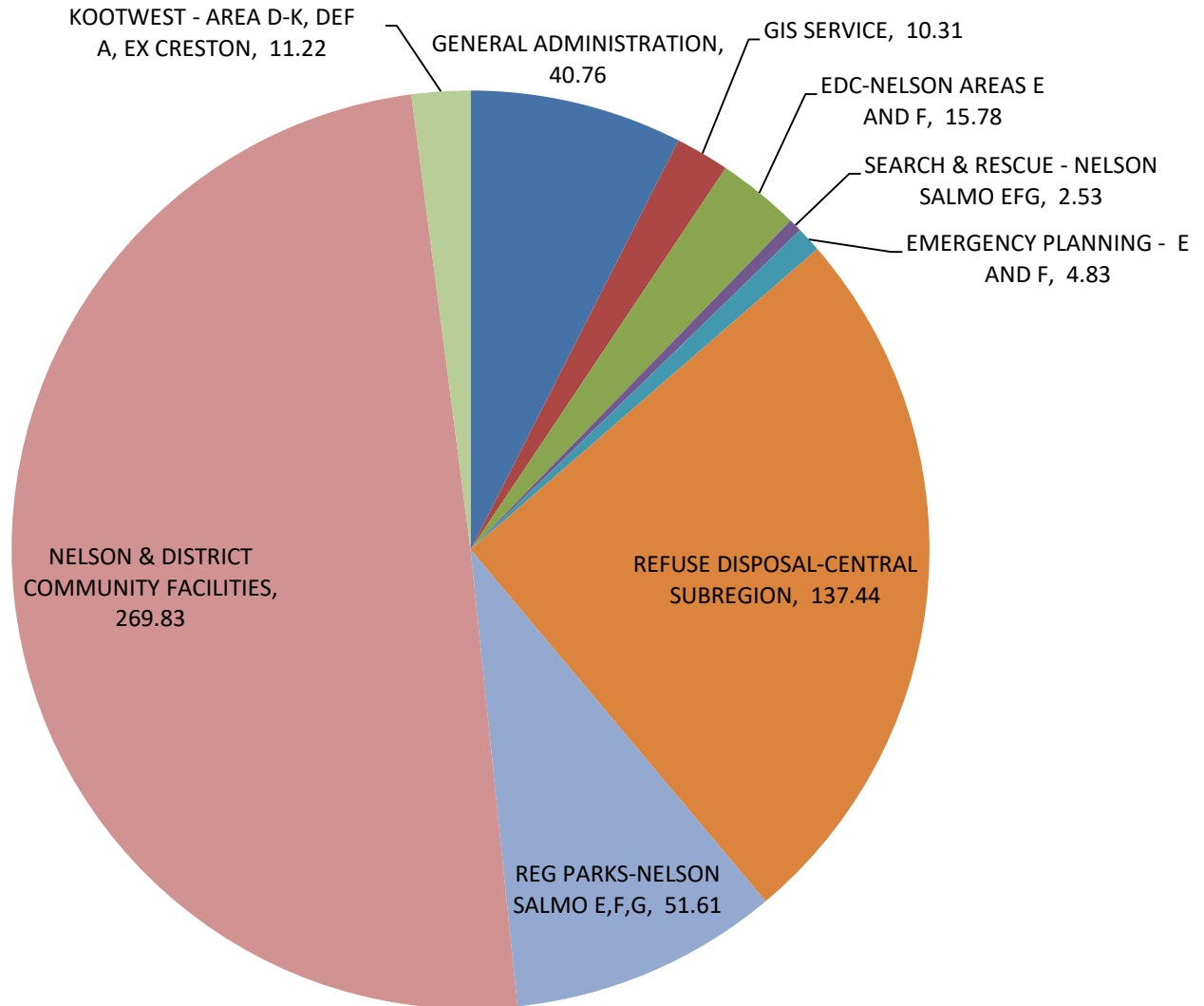
Areas E and F - Fire

- Balfour/Harrop Fire Department
 - Increase in remuneration in this service (\$17,500)
 - Taxation decrease impact is 0.042/\$1,000
- North Shore Fire Department
 - Increase in Taxation in this Service (40%)
 - Capital Improvements – Purchased land fire hall is on and plans for a Hall Expansion
 - Impact is \$0.092/\$1,000 (\$36.80 on \$400,000)



City of Nelson

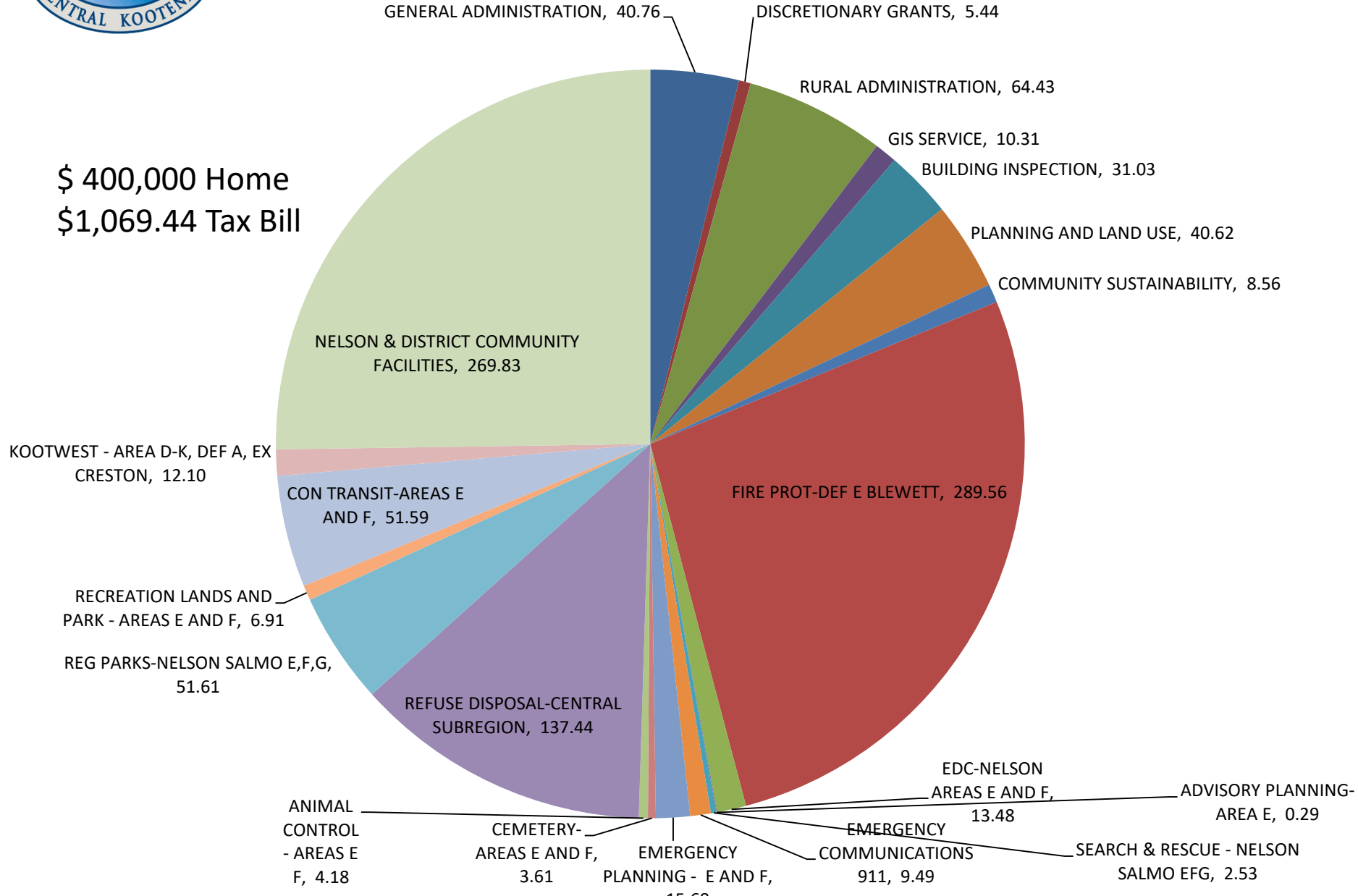
\$ 400,000 Home
\$ 544.30 Tax Bill





Area E (Blewett – Contract Fire Protection)

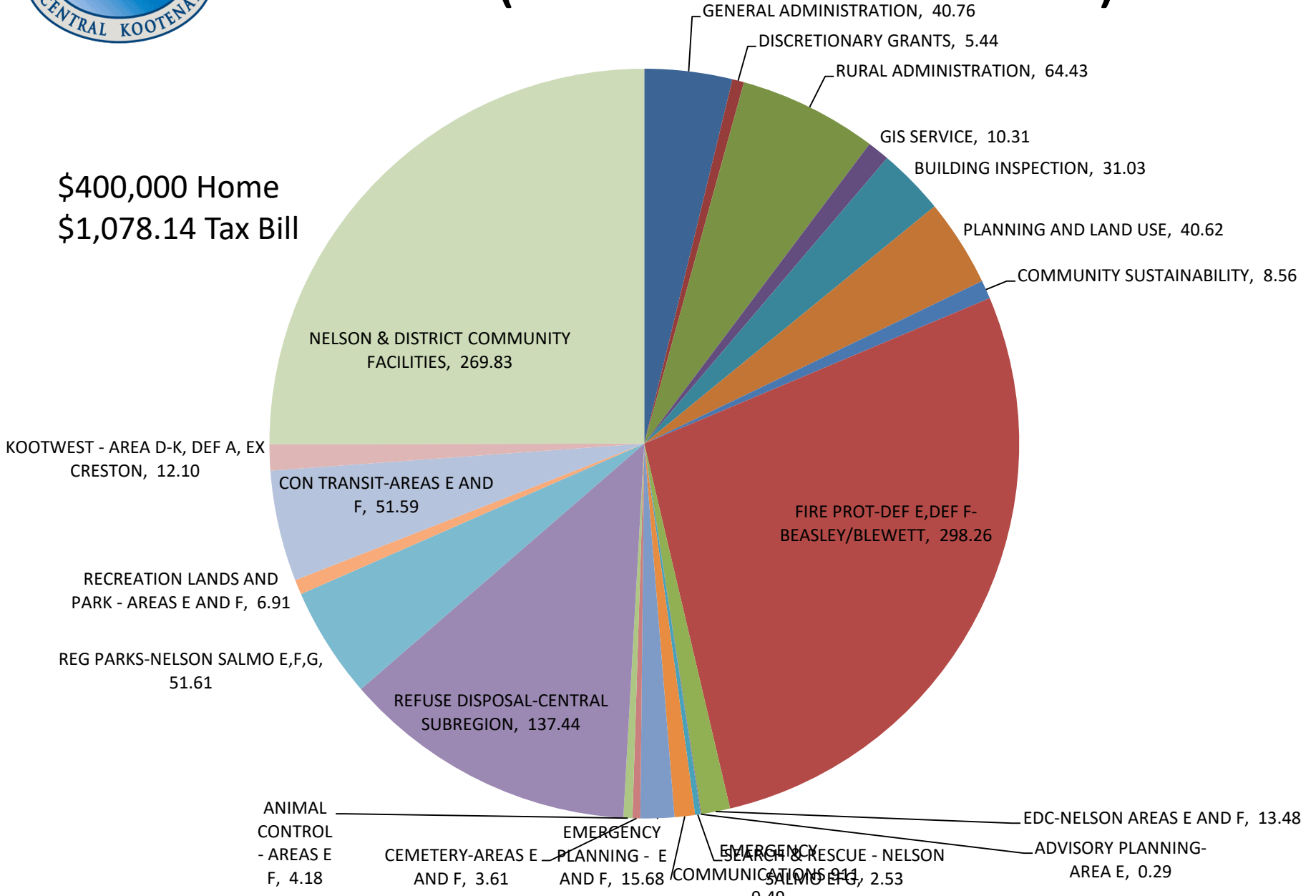
\$ 400,000 Home
\$1,069.44 Tax Bill





Area E (Blewett Fire- RDCK)

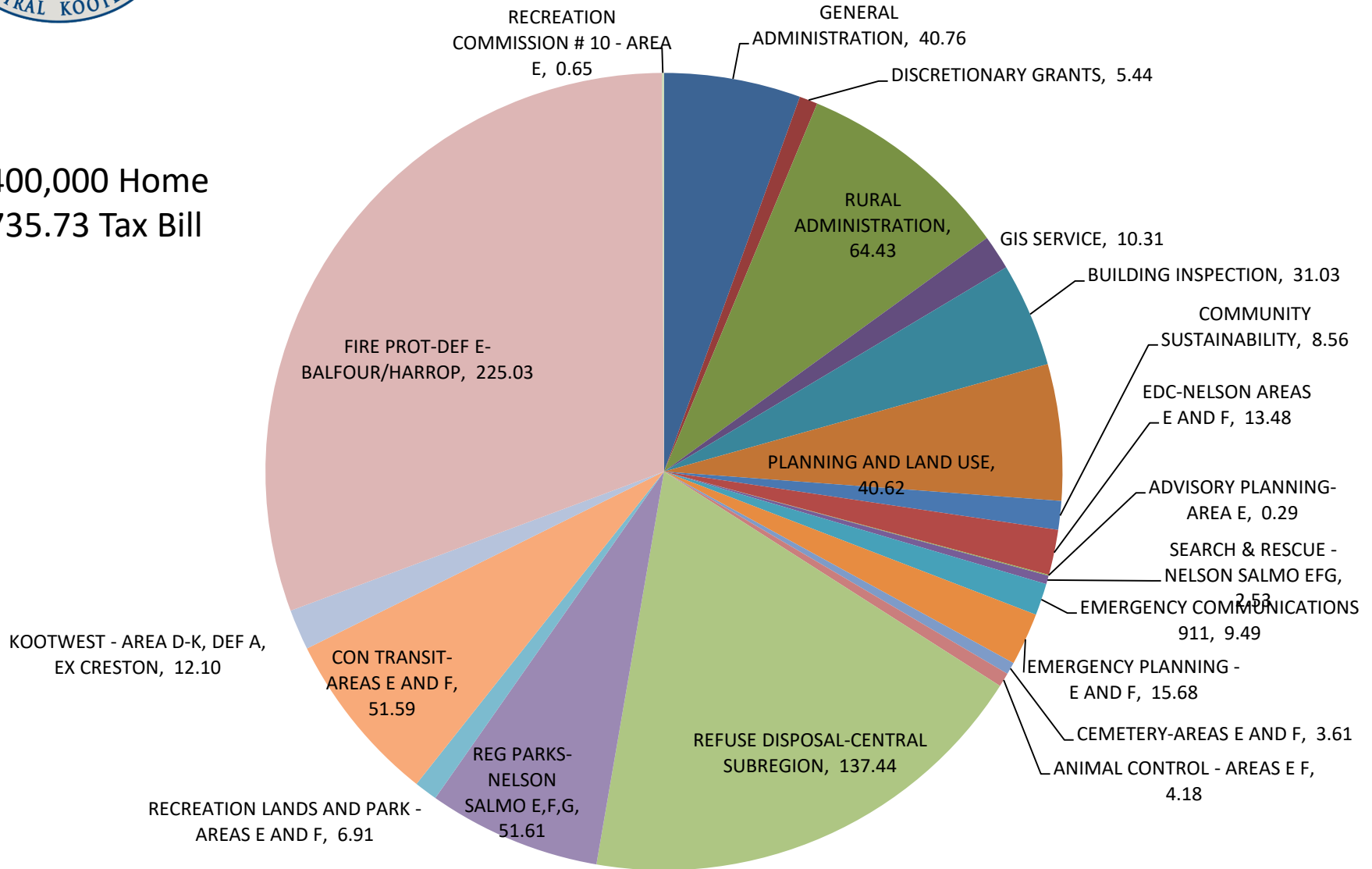
\$400,000 Home
\$1,078.14 Tax Bill





Area E (Balfour/Harrop Procter)

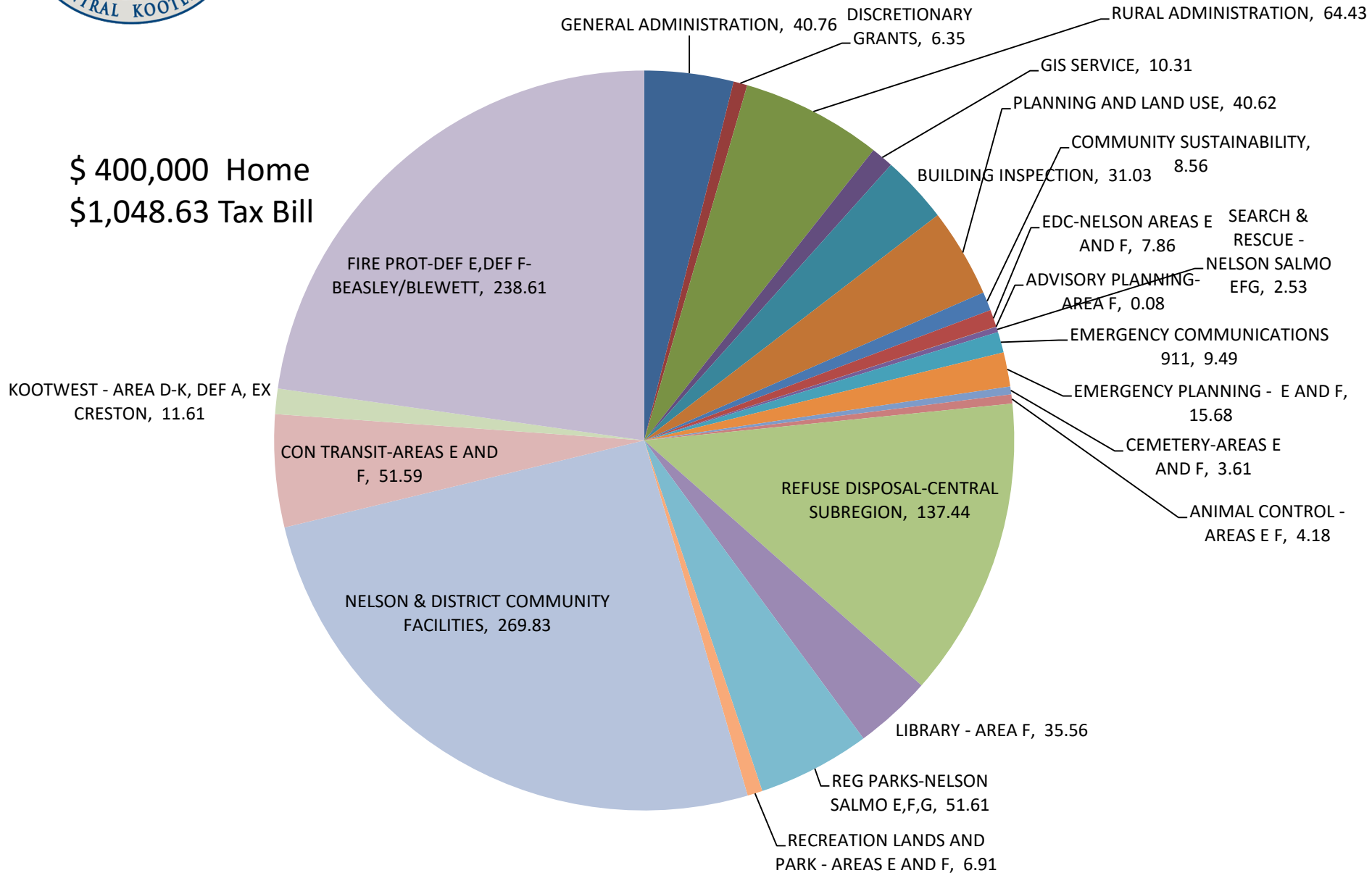
\$400,000 Home
\$735.73 Tax Bill





Area F (Beasley Fire- RDCK)

\$ 400,000 Home
\$1,048.63 Tax Bill





Area F (Northshore Fire- RDCK)

GENERAL ADMINISTRATION, 40.76

DISCRETIONARY GRANTS, 6.35

RURAL ADMINISTRATION, 64.43

GIS SERVICE, 10.31

BUILDING INSPECTION, 31.03

PLANNING AND LAND USE, 40.62

COMMUNITY SUSTAINABILITY,

EDC-NELSON AREAS E AND F, 7.86

ADVISORY PLANNING-AREA F, 0.08

SEARCH & RESCUE - NELSON

SALMO EFG, 2.53

EMERGENCY COMMUNICATIONS

911 - 9.49

EMERGENCY

PLANNING - E AND F,

CEMETERY-AREAS E AND F,

3.61

ANIMAL CONTROL -

AREAS E F, 4.18

\$ 400,000 Home
\$ 1,019.96 Tax Bill

FIRE PROT-DEF F N SHORE, 209.94

KOOTWEST - AREA D-K, DEF A, EX
CRESTON, 11.61

CON TRANSIT-AREAS E AND F,
51.59

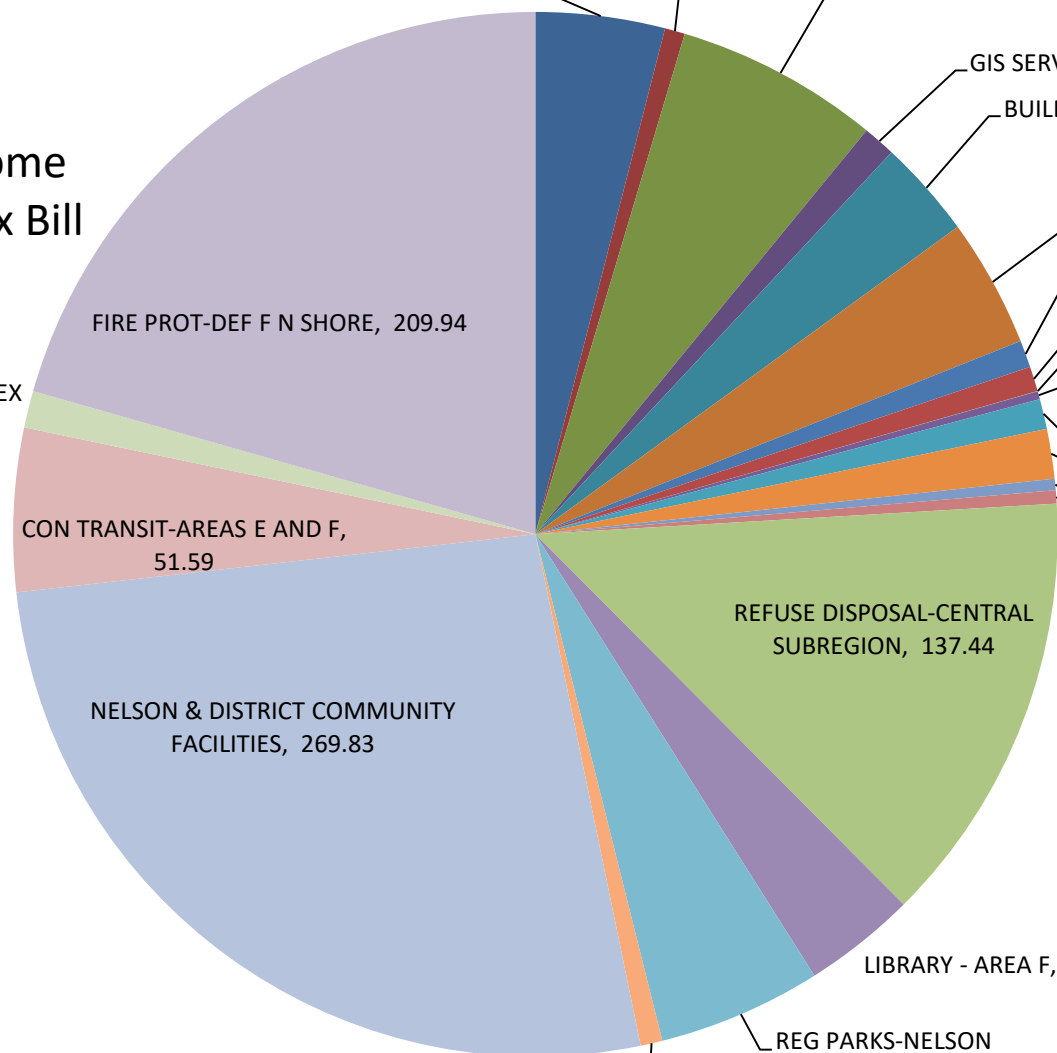
NELSON & DISTRICT COMMUNITY
FACILITIES, 269.83

REFUSE DISPOSAL-CENTRAL
SUBREGION, 137.44

LIBRARY - AREA F, 35.56

REG PARKS-NELSON
SALMO E,F,G, 51.61

RECREATION LANDS AND
PARK - AREAS E AND F, 6.91





Thank You