

June 17, 2024

REGIONAL DISTRICT OF NANIAMO (RDN) TAXATION ISSUE – Executive Summary

The Issue: The rate and scale of the RDN's Tax increases are excessive and economically insensitive given:

- 1) The current economic climate of significant inflation reflecting high food, energy and borrowing costs and a possible recession.
- 2) This is putting pressure on everyone, young families and retirees included.
- 3) There is a lack of awareness that our region has a high proportion of taxpayers on fixed income and a limited number of high paying job opportunities.

Key Facts:

- 1) Total taxes are planned to increase 11.4% in 2024 and increase 64.7% over the next 5 years. That is an average of just over 11% per year or 6.22 times the forecasted inflation rate. (Area E's increase is 16.4% for 2024). Your taxes will double in just under 7 years vs 35 years if capped to inflation.
- 2) It is not just an area E problem. Without a Ravensong Capital Credit, total taxes are up 12.9% region wide.
- 3) Over 42.4% increase is within existing service levels, and a \$722,523 increase in planning related costs. Another huge increase is within Parks and Rec., not a priority in difficult economic times.
- 4) Over the next 5 years Massive Capital Spending of \$525.1 Million is planned. It burns all past surpluses of \$10.6 Million, requires \$299 Million in new borrowing, and \$72 Million in planned operating surpluses funded by excessive taxation.
- 5) These Capital Spending projects need to be spread over more years and the scale and approach to each must be challenged and refined to reduce the tax burden.
- 6) Debt Servicing Charges are expected to increase from \$7,246,644 to \$23,524,158 or 325% over the next 5 years.
- 7) Note, RDN wages and benefits will increase 39.5% over 5 years or 8.1% per year. This is 3.24 times the expected inflation rate.

The Root of the Problem

- 1) Economically insensitive RDN board members who lack true awareness of the economic capacity of the taxpayers.
- 2) A budgeting process without spending limits and or effective built-in controls of the 'Total Spending Level'.
- 3) The RDN Board Lacks Visibility of the Cost Structure of each Services and lack a detailed review of key Planned Capital Projects so that they can be assessed, and pressure tested for scope, scale, urgency, and speed to set priorities and bring fiscal balance to the financial plan.
- 4) Excessive Capital Spending in the 5-year window that is too much and too fast for the size and capacity of the tax base to fund. It must be reduced significantly (in the order of -120 million) and spread over a longer timeframe.
- 5) Expanding Administration & Planning costs are mirroring the capital overspend.

Our Belief

The people who work on our behalf are hard-working and well-intended and we value them. We believe they were largely unaware of the lack of capacity in the tax base from the citizen. Now that they have been informed, we are demanding financial balance and accountability.

We believe the issue ties to:

- 1) A poor planning process to cap overall spending and set related financial targets for departmental planning.
- 2) Ineffective approaches to define efficient project approaches, financially pressure test, effectively prioritize and time major projects.

What we Want!

- 1) Greater awareness, understanding and empathy for the true capacity of the tax paying citizens.
- 2) Total Tax Increased Capped to Inflation or growth of the tax base and income.
- 3) Total Spending Cap Related Planning Targets, by department (Service), driving the planning process each year.
- 4) Improved Governance for Delivery of true “Fiscal Balance”
 - a. Board Audit & Finance Committee make sure spending items are essential vs nice to have and that the approach, cost and timing of major spending items are vetted and tied to overall financial capacity.
 - b. CFO reporting to CAO
 - c. CAO responsible for planning process and budget integrity along with the implementation and management of a total spending cap.
 - d. Staff performance tied to service delivery and balanced fiscal budget delivery.
- 5) Recut Budgets Now
 - a. Reduce the rate of capital spending and spread it over time beyond 2028 and cut Parks and Rec. Land Purchases & Ravensong Expansion.
 - b. Dramatically reduce the planned Corporate Services Operating Costs and remove the 2027 major capital spending for a new Administration Building.

Our Approach

- 1) PATH A – Engage Directly with our RDN Leadership to confirm our analysis of the issue and validate, align to a set of solutions, and hold them to account.
- 2) PATH B – Engage our Fellow Citizens Directly on Mass across the RDN to create a ‘Powerful Coalition of RDN Taxpayers’ so that we are heard!
- 3) PATH C – A bold path - Under Development

How You Can Help

- 1) Join the Association & Ensure we have your email.
- 2) Share with your friends and neighbours within Nanoose and beyond.
 - Our presentations can be accessed on www.nnra.ca or use the briefing notes we are giving you tonight.
- 3) Give the RDN your input and demand “fiscal balance” and dramatically reduced capital spending.
 - Participate in the RDN’s On-line Survey at getinvolved.rdn.ca/rdn-budget-talks (Note: The RDN’s survey is open now until **July 5th**)
- 4) Write directly to the RDN Board Members and CAO
 - Let them hear your financial reality and how you feel about their rate of spending, lack of prioritization, and poor fiscal management. (All contact information is available on the RDN website under RDN Board)
- 5) Show up In-Person On-mass at two key RDN meetings. (Note: Get on our mailing list so we can provide reminders)
 - **July 5th**. - Public Invited to share their thoughts on priorities for 2025-2026
 - **November 5th** - Review of the Consolidated Budget for 2025-2029
 - **December 10th**. -Approval of the 2025-2029 Budget
- 6) Next Election - October 17th, 2026.