

2018 CRD Financial Plan

Presentation to CRD Committee of the Whole

Wednesday December 13, 2017

1

Planning Framework

2

**2018 Financial Plan Summary, Operating Budget,
Requisition**

3

Direction from Committee of the Whole

4

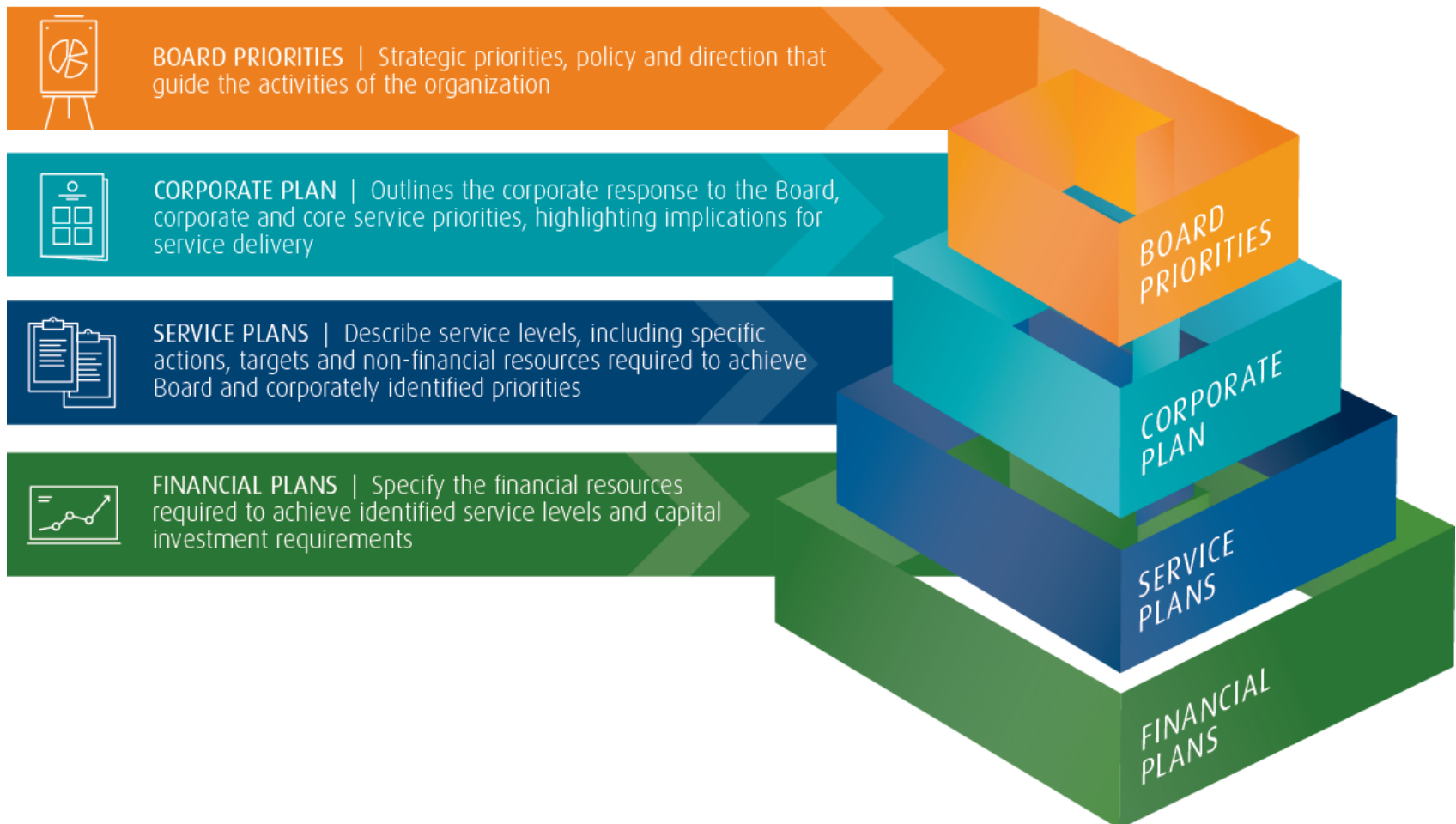
Budget Options

5

Summary of Impacts

Planning Framework

CRD



Financial Plan Summary

CRD

2018 OPERATING BUDGET



Capital Regional District
\$248.0M

2018 CAPITAL BUDGET



Capital Regional District
\$213.2M



Investing in the Future

Capital investment is almost 9x the rate of depreciation



Managing the Cost of Debt

Less than 9% of revenue is planned for long-term debt payments



Supporting Board and Corporate Priorities

Continued focus on CAWTP, Protective Services, and Active Multimodal Transportation



Diversifying Revenue Streams

Almost ½ of operating revenue comes from sale of services while just over ¼ from requisition

Operating Budget

CRD



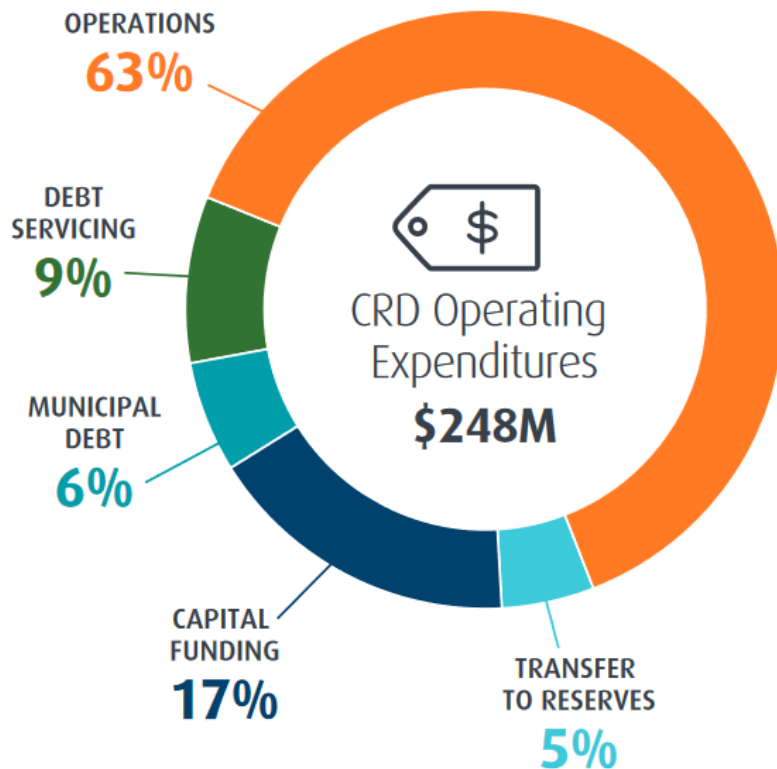
2017 \$239M



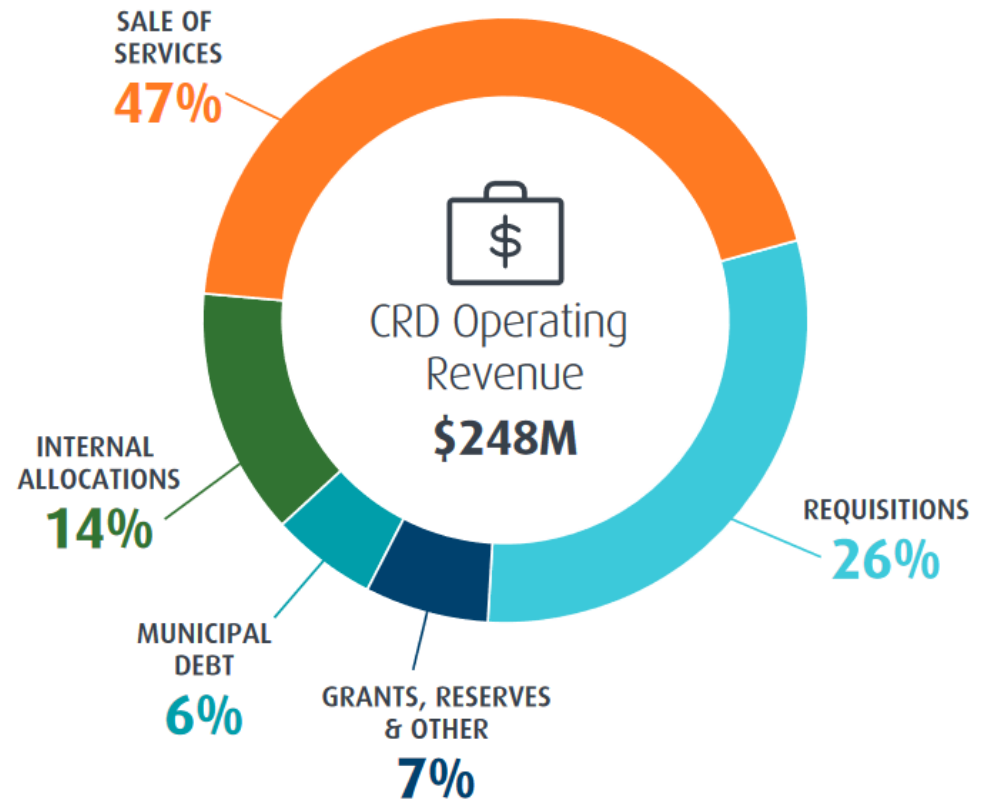
2018 \$248M

\$9.4M/+3.9%

Expenditures

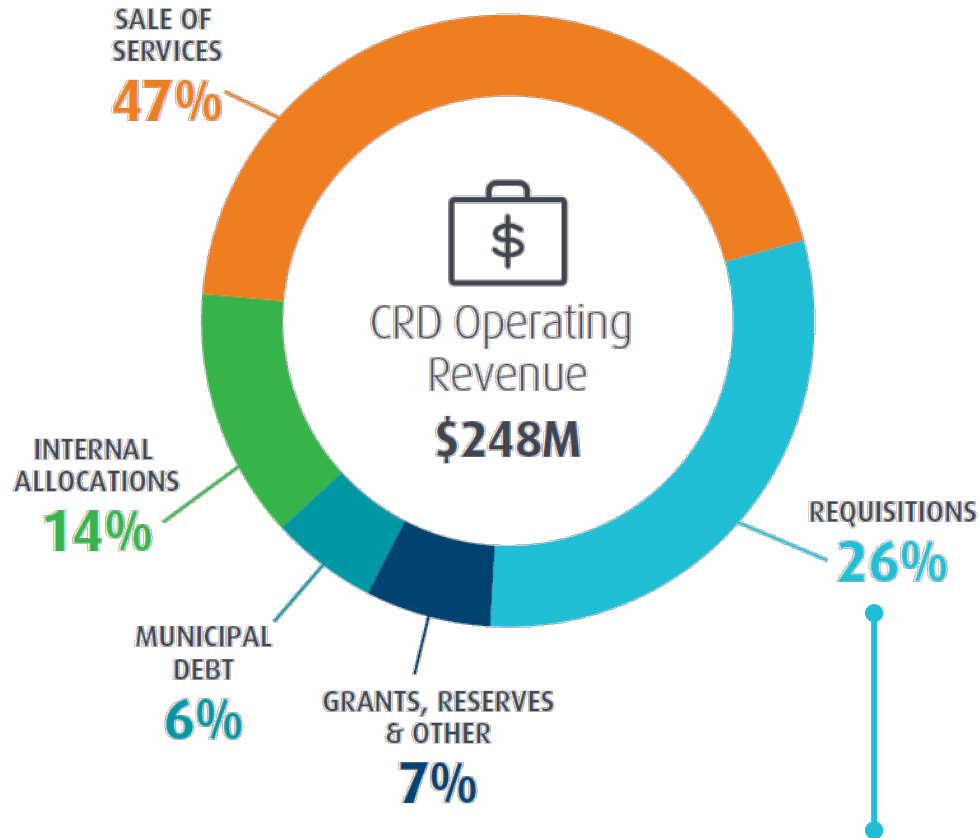


Sources of Revenue



2018 Operating Revenue Sources

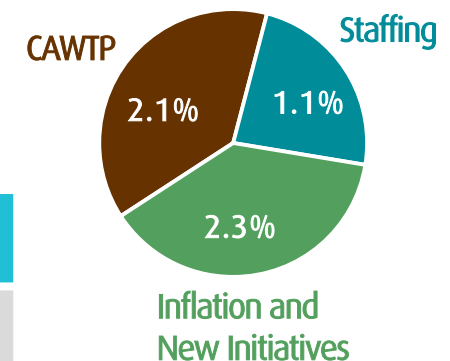
CRD



| | |
|--------------------------|---------------|
| Sale of Services | 116.4 |
| Requisitions | 64.3 |
| Internal Allocations | 34.2 |
| Municipal Debt | 14.8 |
| Grants, Reserves & Other | 18.4 |
| Total | \$248M |

Requisition (5.5% year-over-year increase)

| Description | Provisional Budget | 2017 Final | Δ \$ | Δ % |
|-------------|--------------------|------------|--------|------|
| Total | \$64.3M | \$60.9M | \$3.4M | 5.5% |



At the November 29, 2017 Committee of the Whole meeting; the 2018 Financial Plan was referred back to staff with the following direction:

1

Regional Growth Strategy; that there be no requisition in 2018 and there be a one-time draw down of the reserve to fund operating budget costs

2

For Regional Services; that options for a total 2% decrease in requisition (from 4.85% to 2.85%) be presented

3

For Sub-Regional Services; that requisition reduction options be provided for budgets exceeding the 2% materiality threshold

Summary - Directive 1

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

1 Regional Growth Strategy

| Ref | Changes to the Regional Growth Strategy | | | |
|------------------|---|--|-----------------|----------------|
| 1a | Regional Growth Strategy | One-time draw down of reserve to fund the 2018 operating cost for the RGS Service. Reserve fund balance will be reduced to \$332k. | (0.38) | (1.56) |
| Sub-Total | | | (\$0.38) | (1.56%) |

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|------------------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.2 | 24.6 | 1.6 | 6.52 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$63.9 | \$60.9 | \$3.0 | 4.87% |

Summary - Directive 2



| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

2 Options for Regional Services for 2% reduction (from 4.85% to 2.85%)

| Ref | Changes to Legislative & General Government | | | | |
|-----|---|---|------------------|-----------------|----------------|
| 2a | CAO & Legislative Services | Delay implementation of staff impacts timing of implementation of disability management program, Certificate of Recognition program | | (0.11) | (0.49) |
| 2b | Financial Services | Defer requisition for Climate Action Fund will impact timeline on multiple actions identified in Corporate Climate Action Strategy, and increases risk of 2020 GHG emissions target | | (0.10) | (0.43) |
| 2c | Financial Services | Defer financial systems development in budgeting, reporting, performance measurement. Will impact timeline on improved internal controls, policy & procedure review. | | (0.10) | (0.43) |
| | | | Sub-Total | (\$0.31) | (1.35%) |

Summary - Directive 2



| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

2 Options for Regional Services for 2% reduction (from 4.85% to 2.85%) *continued*

| Ref | Changes to Committee Recommended Service Levels | | | |
|------------------|---|--|-----------------|----------------|
| 2d | Climate Action & Adaptation | Defer staff for intended to support green building, annual reporting, collection of climate data and community support | (0.04) | (0.17%) |
| 2e | Land Banking & Housing | Defer feasibility study of a program or structure for a Social Purpose Real Estate Investment Trust | (0.06) | (0.24%) |
| 2f | Regional Parks | Defer adjustments to dog regulations in bylaws and increased focus of enforcement of existing regulations pertaining to dogs | (0.10) | (0.43%) |
| 2g | Regional Parks | Park patrol officers required for new park opening (4 Year Strategy) of the Sea to Sea Regional Park | (0.06) | (0.28%) |
| 2h | Regional Parks | Explores and confirms public view of land acquisition fund | (0.04) | (0.15%) |
| Sub-Total | | | (\$0.29) | (1.26%) |

Summary - Directive 2

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

2 Options for Regional Services for 2% reduction (from 4.85% to 2.85%) *continued*

| Ref | Total of All Options | | |
|-----|---|-----------------|----------------|
| | Changes to Legislative & General Government | (0.31) | (1.35%) |
| | Changes to Committee Recommended Service Levels | (0.29) | (1.26%) |
| | Total | (\$0.60) | (2.61%) |

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|--------------------------|---------------|---------------|--------------|--------------|
| Regional Services | 23.7 | 23.2 | 0.5 | 2.24 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$63.7 | \$60.9 | \$2.7 | 4.51% |

Summary - Directive 3

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

3 Options for Sub-Regional Services for budgets exceeding materiality threshold

| Ref | Changes to Budgets Exceeding Materiality Threshold | | | |
|------------------|--|--|-----------------|----------------|
| 3a | Regional Growth Strategy | One-time draw down of reserve to fund the 2018 operating cost for the RGS Service. Reserve fund balance will be reduced to \$332k. | (0.38) | (1.56) |
| 3b | Liquid Waste Management Planning | Reduction to LWMP service level in favour of more focus on project plant implementation and future operating requirements | (0.29) | (1.18) |
| 3c | Arts Grants | Use of surplus was recommended for transfer to reserve. The reduced transfer to reserve does not impact programming commitments but will result in requisition increase in 2019. | (0.01) | (0.05) |
| Sub-Total | | | (\$0.69) | (2.79%) |

Summary - Directive 3

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

3 Options for Sub-Regional Services for budgets exceeding materiality threshold *continued*

| Ref | Total of All Options | | |
|-----|---|-----------------|----------------|
| | Regional Growth Strategy, Liquid Waste Management Planning, Arts Grants | (0.69) | (2.79) |
| | Sub-Total | (\$0.69) | (2.79%) |

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|------------------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 25.9 | 24.6 | 1.3 | 5.29 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$63.6 | \$60.9 | \$2.7 | 4.38% |

Summary - All Options



| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 24.3 | 23.2 | 1.1 | 4.85 |
| Sub-Regional Services | 26.6 | 24.6 | 2.0 | 8.08 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$64.3 | \$60.9 | \$3.4 | 5.50% |

| Ref | Total of All Options (1-3) | | |
|-----|---|-----------------|----------------|
| | Changes to Legislative & General Government | (0.31) | (1.35) |
| | Changes to Committee Recommended Service Levels | (0.29) | (1.26) |
| | Regional Growth Strategy, Liquid Waste Management Planning, Arts Grants | (0.69) | (2.79) |
| | Sub-Total | (\$1.29) | (2.12%) |

| Service Group | 2018 | 2017 | Δ \$ | Δ % |
|-----------------------|---------------|---------------|--------------|--------------|
| Regional Services | 23.7 | 23.2 | 0.5 | 2.24 |
| Sub-Regional Services | 25.9 | 24.6 | 1.3 | 5.29 |
| Local Services | 0.2 | 0.2 | 0.0 | 4.02 |
| Electoral Areas | 13.2 | 12.9 | 0.2 | 1.80 |
| Total | \$63.0 | \$60.9 | \$2.1 | 3.38% |