

REGIONAL DISTRICT OF NANAIMO

**BOARD MEETING
TUESDAY, SEPTEMBER 20, 2005**

**CIRCULATED REPORT
FOR AGENDA**

PAGES

ADMINISTRATOR'S REPORTS

- | | |
|-------|--|
| 2-10 | Regional Parks. (All Directors – One Vote) |
| 11-14 | Drinking Water/Watershed Protection Strategy Establishing Bylaw 1471. (All Directors – One Vote) |



REGIONAL DISTRICT OF NANAIMO			
CHAIR		GM Cms	
CAO		GM ES	
DA CCD		McF	
SEP 16 2005			
Board -			

MEMORANDUM

TO: Neil Connelly
General Manager of Community Services

DATE: September 16, 2005

FROM: Tom Osborne
Manager of Recreation and Parks

FILE: 6150 00 REPA

SUBJECT: Amendment of the Regional Parks Function to Include Municipalities

PURPOSE

To review approaches for a revised participation and funding structure for the Regional Parks Function and to provide for approval of an amendment to the Regional Parks Bylaw.

BACKGROUND

In 1995 the Regional Parks Function was established with the Electoral Areas only as participants. In 1999 the tax requisition for Regional Parks was increased from \$200,000 to \$400,000 with the intent of allocating \$200,000 annually for an acquisition fund. This requisition level was sustained for 1999 and 2000.

In 1999 a Regional Services Review was initiated and in December 2000 the Regional District and its member municipalities entered into a Regional Parks Services Agreement. The agreement provided for a municipal contribution to the operation and maintenance of Regional Parks allocated on a per capita basis. With participation of the municipalities in place, the costs allocated to the Electoral Areas for operations and maintenance was subsequently reduced.

At the conclusion of the Regional Services review and in order to accommodate the phasing in of some of the changes arising from the review, the Board passed a resolution to reduce the Regional Parks requisition from \$400,000 to \$300,000 for 2001 and to restore it to \$400,000 in 2002. The Regional Services Review document also made reference to a commitment to raise Regional Parks' contributions over the next three years. The total Regional Parks tax requisition subsequently increased to \$400,000 in 2003 rather than in 2002 and has since increased to \$560,000 in 2005.

Between 2002 and 2004 the cost of operations and maintenance comprised an increasingly larger proportion of the total budget. As a consequence, the amount allocated to acquisitions and capital development, which was funded by the Electoral Areas only, remained below the 1999/2000 \$200,000 level until 2005 when it increased to \$208,000 (\$153,000 plus \$55,000 for the local share of the Top Bridge project).

Regional Park acquisitions between 2000 and 2005 have included the Nanaimo River, Descanso Bay, Little Qualicum River, Little Qualicum River Estuary, Englishman River and Horne Lake Regional Parks. The acquisition of these parks and the construction of the Barclay Crescent Millennium Bridge, the McBey Creek Bridge on the Arrowsmith Trail, and the Haslam Creek Suspension bridge were achieved through a combination of partnerships, funding from the acquisitions portion of the Regional Parks service and planning and rezoning approvals in the Electoral Areas.

In June 2003, the District of Lantzville was incorporated and removed from Electoral Area 'D'. The Supplementary Letters Patent (SLP) for the District of Lantzville provides for them to be participants in

the Regional Parks function. However, as a municipality, staff treated the District in the same manner as the non-participating municipalities and in 2004 and 2005 the District participated in funding for operations and maintenance only. Recent advice on this approach suggests that legally, the District should have continued to be included as a full participant for both operations and capital. The amount related to 2004 and 2005 for acquisitions and capital is \$31,806.

The Regional Services Review also resulted in new sports field and recreation facilities cost sharing agreements to include Electoral Area funding for certain municipally provided services. It is important to note that the agreements for Regional Parks and the cost sharing of recreation facilities and sports fields were approved as a package in 2000. It is recommended that these agreements be reviewed with the intent of extending the length of the terms should there be full municipal participation in the Regional Parks Function.

Table 1 summarizes the net change for municipal and electoral areas as a result of the cost sharing agreements for regional parks, sportsfields, and recreation facilities that were implemented in 2000.

Table 1

	2000	2001	2002	2003	2004	2005
Regional Parks- Operations Requisition	200,000	131,250	200,000	250,000	316,000	352,000
New Municipal allocation		93,041	141,777	177,635	233,335	259,920
Electoral Area allocation	200,000	38,209	58,223	72,365	82,665	92,080
Regional Parks – Acquisitions (Electoral Areas only)	200,000	168,750	100,000	150,000	150,000	208,000
New D69 Sports fields		101,333	167,310	168,730	198,490	203,035
New D68 Facilities & Sports fields	305,400	515,396	611,874	642,955	645,750	643,940
Total funding	705,400	916,729	1,079,184	1,211,685	1,310,240	1,406,975
Net new Municipal	-	93,041	141,777	177,635	233,335	259,920
Net new Electoral Area	-	118,288	232,007	328,650	371,505	441,655

In 2005, the Regional Board adopted the Regional Parks and Trails Plan (2005 – 2015). Based on community input from RDN residents and an analysis of the current inventory, the following lands were identified as acquisition priorities:

- | | |
|--|--|
| <ul style="list-style-type: none"> Nanaimo Fire Suppression Camp (A) Mount Benson / Westwood Ridges (C) Little Mountain / Morison Creek (F) The Notch (E) Gainsburg Swamp (H) | <ul style="list-style-type: none"> Hamilton Marsh (F/G) French Creek Corridor (G) Mount Arrowsmith (C) Horne Lake DFO parcel (H) |
|--|--|

In addition to land acquisition, significant bridge crossings were also identified as priorities as follows:

Nanaimo River on Trans Canada Trail	Nanaimo River on Morden Colliery Trail
Benson Creek	Top Bridge
Nile Creek	E&N Route/ Island Rail Corridor Crossings

Consideration of municipal cost sharing in Regional Parks was deferred, as recommended at the conclusion of the Regional Service Review Phase II, to the end of the term of the current agreement (December 2005). At the Board's Ideas and Updates Meeting held on August 30, 2005, members were provided an overview of new approaches to fund the Regional Parks service, primarily focusing on increasing funds available for future Regional Park acquisitions. At a seminar held on September 13, 2005 that was hosted by the Regional Board, Board members and city councilors discussed potential funding approaches and then directed RDN staff and the four municipal administrators to meet and report back to the September 20, 2005 Board meeting with a recommendation to include all the municipalities and Electoral Areas as participants in the Regional Parks Function.

Requirements to Amend Regional Parks Function Bylaw

The establishing bylaw can be amended by consent of two thirds of the current participants (Electoral Areas and District of Lantzville). Municipal members would ratify their entry by giving Council consent on behalf of their electors. Approval of the Amendment Bylaw will provide voting, operational and budgeting authorities to all participants for the Regional Parks service.

ALTERNATIVES

1. Amend the service to add the three remaining municipalities of Nanaimo, Parksville and Qualicum Beach and apportion costs using the existing 50/50 assessment – population formula for acquisitions and per capita for operations.
2. Amend the service to add the three remaining municipalities of Nanaimo, Parksville and Qualicum Beach. Change the acquisitions funding approach from property taxes to a \$10.00 parcel / folio tax. Operations and maintenance cost sharing would be unchanged at a per capita basis and would continue to be collected as a property tax.
3. Amend the service as outlined in Alternative 2 above to include Nanaimo at a \$10.00 parcel / folio tax for capital acquisitions and allow for a four year phase in of the parcel / folio tax for the municipalities of Lantzville, Parksville and Qualicum Beach starting in 2007. This alternative would also provide for the \$31,806 catch up payment from Lantzville to be collected over a two year period beginning in 2007.

DISCUSSION AND FINANCIAL IMPLICATIONS

Any alternative which results in municipal participation for capital acquisitions means that parcels identified in the Regional Parks and Trails Plan can be purchased sooner rather than later. Without municipal contributions the earliest year the Board could consider acquiring new Regional Parks using uncommitted cash resources would be in 2008.

Other acquisition funding options outlined in the Regional Parks and Trail Plan 2005-2015 include the potential establishment of Regional Park and Trail development cost charges, a donation program and a special acquisition fund. It is recommended that the implementation of development costs charges be reviewed by staff as part of the 2006 work plan for the Board's consideration.

Requisition Rate

The requisition rate in the Regional Parks service establishing bylaw is set as a maximum of \$0.122 per thousand dollars of assessment. If the municipalities were participants in the Regional Parks service the rate of \$0.122 would generate \$1,700,000 (at 2005 assessment values). Staff, therefore, concludes that there is no need at this time to change the requisition amounts specified in the bylaw.

Other comments

All of the alternatives below assume that from 2006 onwards, the District of Lantzville will be treated as a full participant under the existing formulas. The District of Lantzville would however be assessed a separate amount of \$31,806 related to their proportion of the actual 2004 and 2005 requisitions for Regional Park capital and acquisitions.

It is also proposed that regardless of the final participant option chosen, that a one time assessment of \$200,000 be raised from the current participants to top up capital/acquisition funding levels intended from 2002 (\$100,000 / 2002, \$50,000 / 2003, \$50,000 / 2004). The catch up amount would be raised by a parcel tax of approximately \$9.11 per parcel. This amount coincidentally would pay off the encumbrances remaining on Descanso Bay Regional Park (\$160,000) and Little Qualicum River Estuary (\$40,000). Under normal circumstances the final payments for these two parks would occur in 2007.

Alternative 1 - Full Municipal Participation Using Current Funding Formula

Table 2 below shows the funding increase that can be achieved by including municipal jurisdictions as full participants at the same proportionate level as the current participants (that is by applying the current 50 / 50 assessment – population formula to the new members). New funding of about \$456,600 is generated or a new total of about \$665,000 per year. The overall requisition of approximately \$1,017,001 is less than the maximum level of \$1.7 million noted above.

Table 2

Potential requisition – full municipal participation with no decrease in EA/Lantzville support			
Participant	*Operations	Acquisition	Total
A	18,385	29,865	48,250
B	9,741	23,920	33,661
C	3,234	12,230	15,464
D	3,672	6,489	10,161
E	13,358	34,008	47,366
F	15,370	27,789	43,159
G	19,513	35,793	55,306
H	8,810	19,823	28,633
Lantzville	9,805	18,484	28,289
Total Current Participants	\$101,888	\$208,401	\$310,289

Nanaimo	202,304	357,761	560,065
Parksville	28,608	55,663	84,271
Qualicum Beach	19,200	43,176	62,376
Other Municipalities	\$250,112	\$456,600	\$706,712
Overall Total	\$352,000	\$665,001	\$1,017,001

* Note: This column is based on 2005 operational costs.

Alternative 2 – Full Municipal Participation using \$10.00 per Folio for Acquisition and Capital

Presently all of the funding for Regional Parks is raised from property taxes (the cost allocation formulas simply determine how much is raised from an individual jurisdiction.) Under Alternative 2, a parcel tax of \$10.00 would be levied for funding acquisitions/capital development rather than using assessment based taxes. Moving to a flat rate per parcel reduces property taxes for high value properties and may slightly increase property taxes for lower value properties, however, staff calculates that at a value of \$250,000 there is little or no difference between the assessment approach and a \$10.00 per folio charge. Table 3 below shows the change to each jurisdiction by moving to a “parcel” tax approach for Regional Parks acquisition/capital development. This alternative raises about \$35,000 less than the existing formula result shown in Table 2 (parcel taxes = \$629,970, formula = \$665,001). Operational and maintenance costs would be continued to be raised by property taxes and be apportioned on a per capita basis (column 1, Table 2).

Table 3

50/50 formula versus “parcel” tax approach for Acquisition and Capital			
Participant	50/50	\$10.00 per parcel	Change
A	29,865	31,000	1,165
B	23,920	37,810	13,890
C	12,230	8,420	3,810
D	6,489	4,990	(1,499)
E	34,008	32,580	(1,428)
F	27,789	32,210	4,421
G	35,793	34,560	(1,233)
H	19,823	23,970	4,147
Lantzville	18,484	13,890	4,594
Total Current Participants	208,401	219,430	11,029
Nanaimo	357,761	309,050	(48,711)
Parksville	55,663	57,280	1,617
Qualicum Beach	43,176	44,210	1,034
Other Municipalities	456,600	410,540	(46,060)
Overall Total	665,001	629,970	(35,031)

Table 4 below shows, for each participant, the total 2006 requisition for acquisition/capital that would result combining the \$200,000 one time top up for previous years (raised as a parcel tax of \$9.11 per folio) and applying a new \$10.00 parcel tax to all jurisdictions.

Table 4

Parcel Tax Approach Acquisition and Capital		
Participant	2006 One time \$200,000 plus new parcel tax at \$10.00 (total \$19.11)	2007 - \$10.00
A	58,373	31,000
B	71,196	37,810
C	15,855	8,420
D	9,396	4,990
E	61,348	32,580
F	60,651	32,210
G	65,076	34,560
H	45,136	23,970
Lantzville	*57,955	13,890
Total Current Participants	444,986	219,430
Nanaimo	309,050	309,050
Parksville	57,280	57,280
Qualicum Beach	44,210	44,210
Total Municipalities	410,540	410,540
Overall Total	\$855,526	\$629,970

* Lantzville amount includes \$31,806 for 2004 / 2005 catch up funding

Alternative 3 – Phased in Parcel Tax Approach for Acquisition and Capital

A further alternative to achieving full municipal participation would be to phase in the municipal contributions over a period of time. This particular alternative is shown on **Appendix 'A'** attached to this report and contains the following assumptions:

- Electoral Areas and Lantzville contribute one time amount (catch up) in 2006 of \$200,000 by way of a parcel tax (approximately \$9.11)
- Lantzville contributes \$15,900 in 2007 and 2008 totaling \$31,800 for 2004 / 2005 capital / acquisition funds.

- Electoral Areas raise current capital funds by applying a parcel tax of \$10.00 commencing in 2006
- City of Nanaimo raises current capital funds by applying a parcel tax of \$10.00 commencing in 2006
- District of Lantzville, City of Parksville and Town of Qualicum Beach phase in participation beginning in 2007 with a parcel tax of \$2.50 rising to \$10.00 by 2010. Should one of these municipalities decide to phase in to the \$10.00 rate over a shorter period of time, the Regional Parks Bylaw would be amended accordingly.

Should this phased in approach be selected, it is recommended that in 2007 the Regional Board commit to revisiting, updating and reprioritizing the Regional Parks Acquisition Plan. The updated plan would also take into account outcomes from the Regional Park Development Cost Charge Review that will have been completed in 2006. Prior to this time, lands already listed as priorities in the 2005 – 2015 Regional Parks and Trail Plan remain as priority acquisition areas.

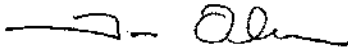
SUMMARY/CONCLUSIONS

Three approaches to a revised structure for the Regional Parks Function have been outlined for consideration. Based on feedback received from the seminars hosted by the Regional Board on August 30 and September 13, 2005 with fellow board members and municipal councilors, it is proposed that Alternative 3 be selected as the preferred option. This option will bring all parties into the service as full participants, address previous years' intentions for funding and move to the use of a parcel tax of \$10.00 per folio for future years' requisitions. The \$10.00 parcel tax would be implemented in 2006 for all the Electoral Areas and the City of Nanaimo. The District of Lantzville, City of Parksville and the Town of Qualicum Beach would implement the parcel tax over a four year period starting in 2007. Should the District of Lantzville, City of Parksville, and the Town of Qualicum Beach decide to phase in to the \$10.00 rate over a shorter period of time, the Regional Parks Bylaw would be amended accordingly. Capital funding will increase from a level of \$200,000 to about \$637,920 per year by 2010. Funding for operational costs would continue to be cost shared using the current per capita formula.

RECOMMENDATIONS

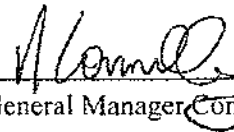
1. That the current participants in the Regional Parks service requisition a one time sum of \$200,000 in 2006 to pay in full the remaining \$200,000 owed for the acquisition of Descanso Bay and Little Qualicum River Estuary Regional Parks. This amount will be assessed as a parcel tax charge estimated at approximately \$9.11 per parcel.
2. That the District of Lantzville contribute \$31,800 with respect to 2004 and 2005 capital acquisitions funds that are due, to be paid in 2007 and 2008 in the amount of \$15,900 for each year.
3. That the Regional Parks service be amended to include the three municipalities of Nanaimo, Parksville, and Qualicum Beach.
4. That the apportionment formula for acquisitions/capital in the Regional Parks Bylaw be deleted and that funding for acquisitions/capital development be obtained through parcel taxes.
5. That the parcel tax rate for Electoral Areas A, B, C, D, E, F, G, H, and the City of Nanaimo be set at \$10.00 commencing in 2006.

6. That the parcel tax rates for the District of Lantzville, City of Parksville and the Town of Qualicum Beach be set at \$2.50, \$5.00, \$7.50 and \$10.00 in the years 2007, 2008, 2009 and 2010 respectively.
7. That the implementation of Regional Parks Development Costs Charges be reviewed as part of the 2006 work plan for the Board's consideration.
8. That the Regional Parks Acquisition Plan be revisited, updated and reprioritized in 2007 upon completion of the Regional Parks Development Cost Charges review. Prior to this time, lands already listed as priorities in the 2005 - 2015 Regional Parks and Trail Plan remain as priority acquisition areas.
9. That the sports field and recreation facilities cost sharing agreements for District 68 and 69 be reviewed in 2006 with the intent of providing longer term agreements.
10. That the Regional Parks Amendment Bylaw No. 1231.01 be given three readings and be forwarded to the municipalities of Nanaimo, Parksville and Qualicum Beach for consent and to the Inspector of Municipalities for approval.



Report Writer

COMMENTS:



General Manager Concurrance

Appendix 'A'

Pro- Forma Requisitions for Participants of the
 Regional Parks Acquisition and Capital

2006							
	One Time \$200,000 by parcel tax	Ongoing parcel tax (convert formula to parcel tax)	Total for 2006	2007	2008	2009	2010
	\$ 9.11	\$ 10.00		\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
A	28,241	31,000	59,241	31,000	31,000	31,000	31,000
B	34,445	37,810	72,255	37,810	37,810	37,810	37,810
C	7,671	8,420	16,091	8,420	8,420	8,420	8,420
D	4,546	4,990	9,536	4,990	4,990	4,990	4,990
E	29,680	32,580	62,260	32,580	32,580	32,580	32,580
F	29,343	32,210	61,553	32,210	32,210	32,210	32,210
G	31,484	34,560	66,044	34,560	34,560	34,560	34,560
H	21,837	23,970	45,807	23,970	23,970	23,970	23,970
Lantzville	12,654		12,654	-	-	-	-
				2007	2008	2009	2010
Lantzville catch up				15,900	15,900	-	-
	199,901	205,540	405,441	221,440	221,440	205,540	205,540
			\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Nanaimo		309,050	309,050	309,050	309,050	309,050	309,050
				\$ 2.50	\$ 5.00	\$ 7.50	\$ 10.00
Parksville			-	14,320	28,640	42,960	57,280
Qualicum Beach			-	11,053	22,105	33,158	44,210
Lantzville			-	3,473	6,945	10,418	13,890
New funds	-	309,050	309,050	337,895	366,740	395,585	424,430
Total funding	199,901	514,590	714,491	559,335	588,180	601,125	629,970

* Lantzville catch up totals \$31,800

* Electoral Areas C and D will be amalgamated after the 2005 Local Government Elections

TO: Members of the Board **DATE:** September 14, 2005

FROM: J. Finnie **FILE:** 5500-22-25
General Manager, Environmental Services

SUBJECT: **A Bylaw To Establish A Service To Review And Undertake Research With Respect To Drinking Water And Watershed Protection.**

PURPOSE:

To introduce for first three readings "Regional District of Nanaimo Drinking Water and Watershed Protection Research Service Establishing Bylaw No. 1471, 2005".

BACKGROUND:

The attached bylaw is presented following the Board's approval at its September 13, 2005, meeting to establish a steering committee to provide a forum intended to crystallize and develop a strategy for actions related to Drinking Water and Watershed protection. The service established under this bylaw is for research and analysis and is to be funded by a grant from the Community Works fund which has been established through the Federal Government's New Deal for Cities and Communities. This service can be established by each participating Electoral Area giving its consent to the bylaw.

If as a result of the committee's recommendations the Board wishes to pursue management or operational type activities, a new service would be established by referendum.

ALTERNATIVES:

1. Approve the bylaw as presented.
2. Amend the bylaw and approve it as amended.
3. Do not approve the bylaw.

FINANCIAL IMPLICATIONS:


The initial research and analysis activity is proposed to be funded from the New Deal for Cities and Communities as outlined above.

SUMMARY/CONCLUSIONS:

The Board has expressed a desire to move forward in considering its role and options related to managing Drinking Water and Watershed resources. Grant funding from the New Deal for Cities and Communities provides an opportunity to explore these topics at no new cost to taxpayers in the Electoral Areas. In order to expend the grant funds, staff recommends establishing a service for research and analysis. The service can be established by each Electoral Area Director giving consent to the bylaw.

RECOMMENDATION:

1. That "Regional District of Nanaimo Drinking Water and Watershed Protection Research Service Establishing Bylaw No. , 2005" be introduced for three readings and consent of the participants.
2. That "Regional District of Nanaimo Drinking Water and Watershed Protection Research Service Establishing Bylaw No. , 2005" having received three readings and consent of the participants be forwarded to the Ministry of Community Services for approval.


Report Writer John Finnie

COMMENTS:

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1471

**A BYLAW TO ESTABLISH A SERVICE TO UNDERTAKE
RESEARCH AND ANALYSIS REGARDING DRINKING WATER
AND WATERSHED PROTECTION**

WHEREAS the Board wishes to investigate and review research related to drinking water and watershed protection prior to establishing a service for this purpose;

AND WHEREAS the Board may authorize approval for a participating Electoral Area where the service can be established without borrowing;

AND WHEREAS the consent of the Directors from each participating Electoral Area has been obtained under Section 801.5(2) of the *Local Government Act*;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained under Section 801 of the *Local Government Act*;

NOW THEREFORE the Board of the Regional District of Nanaimo in open meeting assembled enacts as follows:

1. CITATION

This bylaw may be cited for all purposes as the “Regional District of Nanaimo Drinking Water and Watershed Protection Research Service Establishing Bylaw No. 1471, 2005”.

2. SERVICE

The service (the “Service”) established by this bylaw is the review and analysis of information related to drinking water and watershed protection.

3. BOUNDARIES

The boundaries of the Service Area (the “Service Area”) are the boundaries of Electoral Areas ‘A’, ‘B’, ‘C’, ‘D’, ‘E’, ‘F’, ‘G’ and ‘H’.

4. PARTICIPATING AREAS

The “Participating Areas” are Electoral Areas ‘A’, ‘B’, ‘C’, ‘D’, ‘E’, ‘F’, ‘G’ and ‘H’.

5. **COST RECOVERY**

As provided in Section 803 of the *Local Government Act*, the annual cost of providing the Service shall be recovered by one or more of the following:

- (a) property value taxes imposed in accordance with Division 4.3 of the *Local Government Act*
- (b) revenues raised by other means authorized by the *Local Government Act* or another Act;
- (c) revenues raised by way of agreement, enterprises gift, grant or otherwise.

6. **MAXIMUM REQUISITION**

In accordance with Section 800.1(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned for the Service is the greater of:

- (a) Nil; or;
- (b) the product obtained by applying a rate of \$0.00 per \$1,000 of net taxable value for land and improvements in the Service Area.

7. **APPORTIONMENT**

The net requisition after applying all other sources of revenues shall be apportioned among the Participating Areas on the basis of the proportion of each Participating Area's converted net taxable values for land and improvements.

Introduced and read three times this 20th day of September, 2005.

Received the approval of the Inspector of Municipalities this ____ day of _____, 2005.

Adopted this ____ day of _____, 2005.

CHAIRPERSON

DEPUTY ADMINISTRATOR