REGIONAL DISTRICT OF NANAIMO

REGIONAL DISTRICT OF NANAIMO
COMMITTEE OF THE WHOLE
REVISED AGENDA

Tuesday, June 11, 2019
3:00 P.M.
Board Chambers

This meeting will be recorded

Pages

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. ADOPTION OF MINUTES

3.1 Regular Committee of the Whole Meeting - May 14, 2019 — 4

That the minutes of the Regular Committee of the Whole meeting held May 14, 2019, be adopted.

4. DELEGATIONS

*4.1 Marlee Brown, re Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 – 3125 Van Horne Road, Electoral Area F — *9*

*4.2 Brian Millward, re Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 – 3125 Van Horne Road, Electoral Area F — *20*

5. CORRESPONDENCE

6. COMMITTEE MINUTES

That the following minutes be received for information:

6.1 Solid Waste Management Plan Monitoring Committee - May 15, 2019 — 23

7. CORPORATE SERVICES

7.1 Quarterly Financial Report – First Quarter – 2019 — 25

That the Financial Report for the period January 1, 2019 to March 31, 2019 be received for information.

7.2 2018 Annual Financial Report and Statement of Financial Information 39

That the 2018 Annual Financial Report and the Statement of Financial Information be approved as presented.

7.3 Microsoft Enterprise Licence Agreement 2019 - 2022 87

That the Board approve a three-year Enterprise Licence Agreement with Microsoft for 2019 to 2022 for the use of Microsoft software products by the Regional District of Nanaimo (RDN) for $146,375 per year at total cost of $439,125.

8. STRATEGIC AND COMMUNITY DEVELOPMENT

8.1 Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 – 3125 Van Horne Road, Electoral Area F 89

1. That the Board receive the Summary of the Public Meeting held on April 16, 2019, Public Submissions and Comments and Petition of Support regarding Non-Medical Cannabis Retail Store Licence Application No. PL2019-043.

2. That the Board adopt the resolution supporting Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 attached to this report as Attachment 2.

9. BUSINESS ARISING FROM DELEGATIONS

10. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

10.1 Parcel Tax for Regional Parks and Trails Capital Funds

Director Gourlay provided notice of the following motion at the May 7, 2019 Regional Parks and Trails Select Committee meeting:

That the Board review the amount of parcel tax for Regional Parks and Trails capital funds effective for the 2020 budget.

10.2 Regulation of Cannabis Production 117

Director Wilson provided notice of the following motions at the May 28, 2019 Board meeting:

1. That the Board refer the issue of regulation of cannabis production in the Regional District of Nanaimo to the Agricultural Advisory Committee for its deliberation, comment and recommendations on regulating cannabis in the Regional District of Nanaimo.

2. That the Chair on behalf of the Board write a letter to Doug Donaldson, Minister of Forests, Lands, Natural Resource Operations & Rural Development, echoing the words of Union of BC Municipalities President, Arjun Singh, in his letter of May 22, 2019, and asking that the Minister consider a moratorium on all non-soil bound cannabis production until such time as local governments can create or amend local bylaws and regulations to deal with this issue.

11. NEW BUSINESS

12. ADJOURNMENT

REGIONAL DISTRICT OF NANAIMO

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE REGULAR COMMITTEE OF THE WHOLE MEETING

Tuesday, May 14, 2019
3:22 P.M.
Board Chambers

In Attendance:	Director I. Thorpe	Chair
	Director B. Rogers	Vice Chair
	Director K. Wilson	Electoral Area A
	Director V. Craig	Electoral Area B
	Director M. Young	Electoral Area C
	Director L. Salter	Electoral Area F
	Director C. Gourlay	Electoral Area G
	Director S. McLean	Electoral Area H
	Director L. Krog	City of Nanaimo
	Director S. Armstrong	City of Nanaimo
	Director D. Bonner	City of Nanaimo
	Director T. Brown	City of Nanaimo
	Director B. Geselbracht	City of Nanaimo
	Director E. Hemmens	City of Nanaimo
	Director J. Turley	City of Nanaimo
	Director E. Mayne	City of Parksville
	Director A. Fras	City of Parksville
	Director M. Swain	District of Lantzville
	Director B. Wiese	Town of Qualicum Beach
Also in Attendance:	P. Carlyle	Chief Administrative Officer
	S. De Pol	A/Gen. Mgr. Regional & Community Utilities
	G. Garbutt	Gen. Mgr. Strategic & Community Development
	T. Osborne	Gen. Mgr. Recreation & Parks
	D. Wells	Gen. Mgr. Corporate Services
	D. Pearce	Director of Transportation & Emergency Services
	T. Mayea	Legislative Coordinator
	C. Golding	Recording Secretary

CALL TO ORDER

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved, as amended, to include the following items under New Business:

Notice of Motion - Regional District of Nanaimo and City of Nanaimo Partnership in Hosting the 2020 Association of Vancouver Island and Coastal Communities Convention

Directors' Roundtable

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

Regular Committee of the Whole Meeting - April 9, 2019

It was moved and seconded that the minutes of the Regular Committee of the Whole meeting held April 9, 2019, be adopted.

CARRIED UNANIMOUSLY

DELEGATIONS

Peter Webber, Regional Transportation Planning, and Dave Edgar, Transportation Planning Engineer, Ministry of Transportation and Infrastructure, re Cathedral Grove Pedestrian and Traffic Safety Study

Peter Webber provided an overview of the pedestrian and traffic safety issues in Cathedral Grove and detailed the results of the safety study and next steps.

Dr. David Witty, Director, Mount Arrowsmith Biosphere Region, re Mount Arrowsmith Biosphere Roundtable Representation

Dr. David Witty provided an overview of the Mount Arrowsmith Biosphere Region Roundtable and invited the Board to appoint a Board representative and to reappoint the Drinking Water and Watershed Protection Coordinator to the Mount Arrowsmith Biosphere Region Roundtable.

CORRESPONDENCE

It was moved and seconded that the following correspondence be received for information:

Leonard Krog, Mayor, City of Nanaimo, re Climate Emergency

CARRIED UNANIMOUSLY

It was moved and seconded that the correspondence from Leonard Krog, Mayor, City of Nanaimo, regarding Climate Emergency be referred to the Transit Select Committee.

CARRIED UNANIMOUSLY

CORPORATE SERVICES

Regional District of Nanaimo Board Live Web Streaming Review

It was moved and seconded that the Board web cast Committee of the Whole and Board meetings for a capital cost of $5,000 plus an annual ongoing cost of $19,900 per year for streaming and closed captioning services; and further, that staff be directed to track viewership and feedback and report back to the Board in December 2019 to ensure that there is a cost-benefit review of the provision of additional service to the public.

CARRIED UNANIMOUSLY

REGIONAL AND COMMUNITY UTILITIES

Bylaw 1788 – A Cross Connection Control Regulation Bylaw, Water Services

It was moved and seconded that "Regional District of Nanaimo Cross Connection Control Regulation Bylaw No. 1788, 2019" be introduced and read three times.

CARRIED UNANIMOUSLY

It was moved and seconded that "Regional District of Nanaimo Cross Connection Control Regulation Bylaw No. 1788, 2019" be adopted.

CARRIED UNANIMOUSLY

It was moved and seconded that "Regional District of Nanaimo Bylaw Notice Amendment Bylaw No. 1786.01, 2019" be introduced and read three times.

CARRIED UNANIMOUSLY

It was moved and seconded that "Regional District of Nanaimo Bylaw Notice Amendment Bylaw No. 1786.01, 2019" be adopted.

CARRIED UNANIMOUSLY

Chase River Forcemain Replacement – Engineering Scope Change

It was moved and seconded that the Board authorize staff to negotiate a revised fee with CH2M Hill Canada (now Jacobs Engineering) for engineering services for the Chase River Forcemain No.1 and City of Nanaimo Haliburton Street upgrades, not to exceed a total contract value of $435,000 (excluding GST).

CARRIED UNANIMOUSLY

BUSINESS ARISING FROM DELEGATIONS

Mount Arrowsmith Biosphere Roundtable Representation

It was moved and seconded that Board and/or staff representation to the Mount Arrowsmith Biosphere Roundtable be referred to staff to prepare a background report and recommendations.

CARRIED UNANIMOUSLY

MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

Conventional Transit Service

It was moved and seconded that the following motion be referred to the Transit Select Committee:

> That a report be prepared outlining the options and implications of offering conventional transit service 365 days a year.

CARRIED UNANIMOUSLY

Electoral Area H Community Works Funds

It was moved and seconded that pending project approval by the Union of BC Municipalities, up to $150,000 of unallocated 2019 Electoral Area H Community Works Funds be allocated to the Deep Bay Improvement District in order to support the replacement of critical drinking water infrastructure.

CARRIED UNANIMOUSLY

NEW BUSINESS

Notice of Motion - Regional District of Nanaimo and City of Nanaimo Partner In Hosting the 2020 Association of Vancouver Island and Coastal Communities Convention

Chair Thorpe provided notice of the following motion:

That the Regional District of Nanaimo write to the City of Nanaimo offering to partner in hosting the 2020 Association of Vancouver Island and Coastal Communities Convention.

Directors' Roundtable

Directors provided updates to the Board.

IN CAMERA

It was moved and seconded that pursuant to Section 90 (1) (e) of the *Community Charter* the Committee proceed to an In Camera meeting for discussions related to the acquisition of land or improvements.

CARRIED UNANIMOUSLY

TIME: 4:11 PM

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 4:22 PM

_____

CHAIR

Delegation: Marlee Brown, re Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 – 3125 Van Horne Road, Electoral Area F

Summary: It is my hope that together with government and community support, we will be able to provide government regulated, quality tested and secure access to the newly legalized cannabis industry, in an effort to minimize the risk of illegal access and black market transactions.

Action Requested: Board support regarding PL2019-043.

From: marlee brown

Date: 2019-06-03 3:58 PM (GMT-08:00)

To: Ian Thorpe <ian.thorpe@nanaimo.ca>, "Rogers, Bob" <bob.rogers@rdn.bc.ca>, "Wilson, Keith" <keith.wilson@rdn.bc.ca>, "Craig, Vanessa" <vanessa.craig@rdn.bc.ca>, "Young, Maureen" <Maureen.Young@rdn.bc.ca>, "Salter, Leanne" <leanne.salter@rdn.bc.ca>, "Gourlay, Clarke" <clarke.gourlay@rdn.bc.ca>, "McLean, Stuart" <stuart.mclean@rdn.bc.ca>, Leonard Krog <leonard.krog@nanaimo.ca>, Sheryl Armstrong <sheryl.armstrong@nanaimo.ca>, Tyler Brown <tyler.brown@nanaimo.ca>, Ben Geselbracht <ben.geselbracht@nanaimo.ca>, Erin Hemmens <erin.hemmens@nanaimo.ca>, Ed Mayne <mayor@parksville.ca>, Adam Fras <councillorfras@parksville.ca>, Mark Swain <mayor.swain@lantzville.ca>, Brian Wiese <mayor@qualicumbeach.com>, Don Bonner <don.bonner@nanaimo.ca>, Jim Turley <jim.turley@nanaimo.ca>

Subject: Application No. PL2019-043

Dear Respected Board Member,

I am the applicant for Non-Medical Cannabis Retail Store License Application No. PL2019-043, located at 3125 Van Horne Rd in Electoral Area F. The application will go before the Committee of the Whole on June 11th, 2019 at 3:00pm.

The purpose of this communication is to introduce myself to you and give you a bit of background information on myself and what's been happening. I will try to keep it brief as I know you are all very busy and appreciate your time.

- I grew up in the Qualicum Beach and have family in Coombs and Port Alberni – this is my home
- I'm a Registered Nurse, currently working in Vancouver waiting to take a course on Rural/Remote Nursing and plan to follow-up with a Masters
- Leanne Salter, Director of Electoral Area F has indicated support of this application, along with, Colleen Murray, Founder/Director of Arrowsmith Independent School (formerly Morning Glory School); and Dr. Kevin Elder, Superintendent of School District 69 has no voiced concerns.
- Face-to-face communication with community members is well underway to gain an understanding of their perspective and obtain their support. (I will update you via email later as we get closer to the meeting)

It is my hope that, together with government and community support, we will be able to provide government regulated, quality tested, and secure access to the newly legalized cannabis industry in an effort minimize the risk of illegal access and black-market transactions.

Thank you for your time, commitment, and direction towards continued community care, support, and representation.

Kind Regards,
Marlee Brown, BScN
[redacted]

From: marlee brown

Sent: Friday, June 7, 2019 09:00

To: Redpath, Nicholas

Subject: letter and photo

Hi Nick,



Regards,

Marlee

With Gratitude,

Colleen Murray

Founder/Director

Arrowsmith Independent School & Preschool

861 Hilliers Rd. Qualicum Beach, BC V9K 1X5
Phone: 250-752-2722 Fax: 250-752-8558
Email: arrowsmithschool@shaw.ca
Website: arrowsmithindependentschool.ca

May 17th, 2019

Re: Marley Brown's application no. PL 2019-043
3125 Van Horne Rd
Qualicum Beach B.C>
Subject Property lot 6 dis lot 7
Camron district, plan 22313

I am writing in response to a visit from applicant Marley Brown. She came to the school to follow up on a letter written anonymously from a community member against her application, due to the proposed sites proximity to Morning Glory School. She wanted to be diligent in her application process. I appreciate Ms. Brown coming to our school to directly talk about these concerns, and to seek input from me, as Director of Arrowsmith Independent School. (Formerly Morning Glory School)

Upon reading the letter in question, it became clear to me that the person who wrote it clearly was not speaking truth, as many of their points were totally incorrect. Allow me to share my insight. I will go down the letter and clarify the facts pertaining to the writers false statements:

I, and the families involved in our school community are well aware of the intention to open a non-medical use cannabis store at 3125 Van Horne Rd, as many of us daily drove by the huge application signage board for all to see. During that time, I received NO concerns from families about that application. Our school is over 1 km away from the proposed site, and in NO WAY "just around the corner from the school" as the letter states. I brought up the subject with our school community, and the general consensus is that having a legal retail store far enough from our school does not pose an immediate threat or concern to our school community.

The writer also states that "since the dispensary down the highway moved in, there's been an influx of very questionable people in the neighborhood as well as drug paraphernalia and needles being found..." Although I DO agree that there is a higher element of theft, and questionable people in the neighborhood, it is wrong to state that is because of the dispensary. The type of criminal activity increasing in our neighborhood is not a result of marijuana users, but homeless people who may be drug dependent who have been driven out of town and are building a settlement in the forest, as well as squatting on a property as close as 2 doors down

from our school. THAT is a concern for me, not a proposed legal cannabis store over a kilometer away.
The writer refers to his children attending Morning Glory School in the present tense. Morning Glory school closed 3 years ago, and I have owned and run Arrowsmith Independent School from that day forward. Clearly, this is a false statement.

They refer to "a family right across the road who started a Facebook group for crime watch." I know this family, and we are working together, with the RCMP to facilitate a community meeting to address the huge problem of theft and individuals living in the woods trafficking stolen goods with their ATV's. It is ignorant to assume that cannabis = crime, and that the issues in Hilliers area have anything to do with cannabis users going rampant.

I could go on to point out the many incorrect "facts" and assumptions the writer made, but it is not a good use of anyone's time. I trust that you can use your logic to discern that someone whose strong opinion is backed by incorrect statements and assumption, from the comfort of their own home anonymously, should not be considered the voice of the neighborhood.

It is our obligation as educators to equip our students with knowledge and facts, to give them the tools to discern for themselves. The changing stigma of Cannabis is a great example of this. I really appreciate Marley Brown approaching me to clarify this letter, as it gave us an opportunity to discuss our approach to the "cannabis talk" with our students. Being a registered nurse, she has unique insight into the facts and science behind cannabis use, and I look forward to working with her to develop opportunities to educate our students about the cautions and hard facts about cannabis.

I welcome you to contact me with any questions or concerns. My phone number at the school is 250-752-2722, and email is colleen.arrowsmithschool @shaw.ca

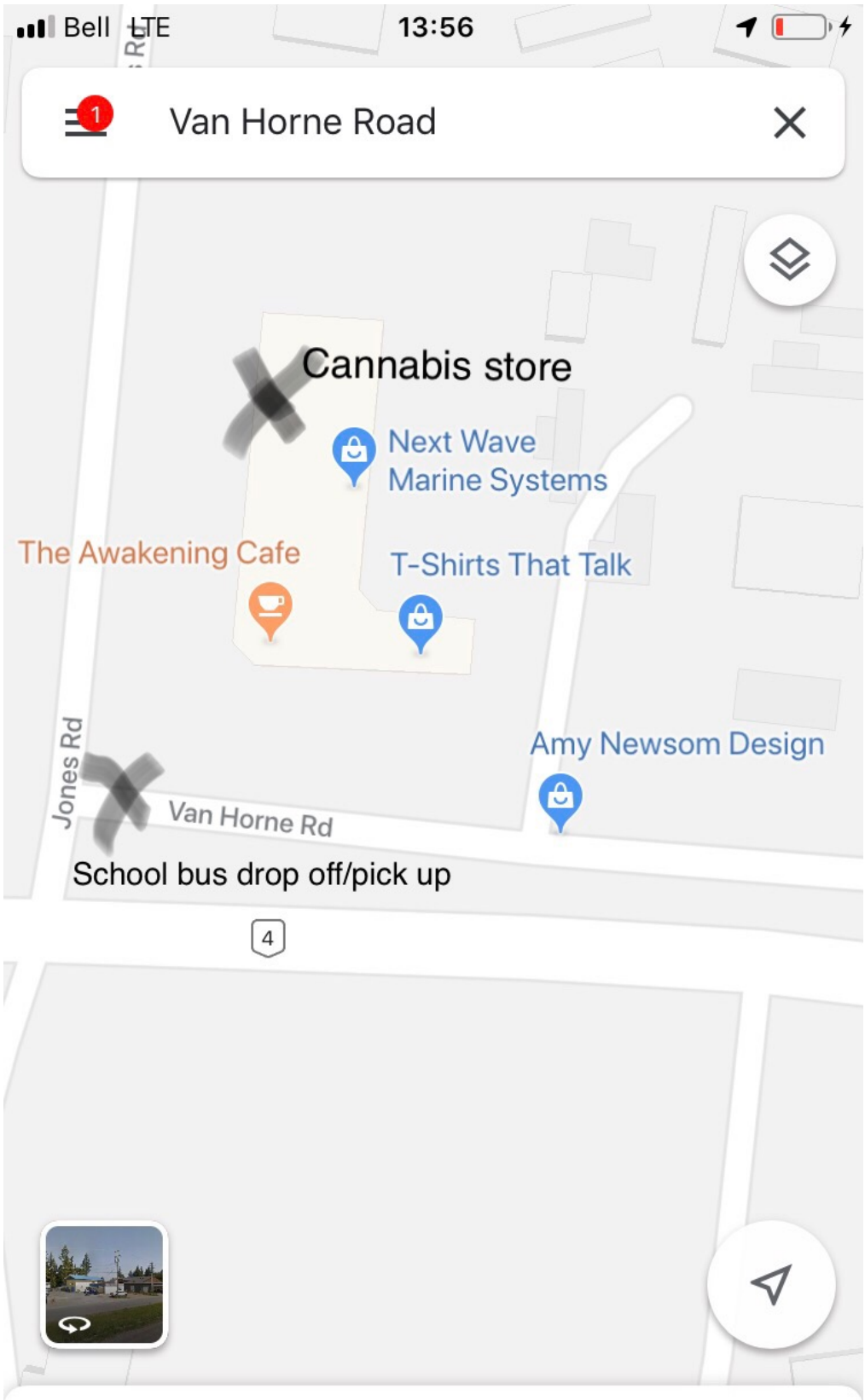
Thank you for reading this letter, and I hope it was helpful to clarify a few things.

With Gratitude,

Colleen Murray
Founder/Director
Arrowsmith Independent School


Front of Cannabis store.
Tinted windows.
No advertising.


Cannabis store not visible
METAPHYSICAL READER
PALMISTRY
NUMEROLOGY
CELTIC ANIMAL CARDS
School bus drop off/pick up



Van Horne Rd

Nanaimo F, BC



Front view of plaza


AWAKENING
Front view of plaza



The driveway in to unit 8 off Jones Rd.
The locked gate is access to the
loading area behind the building.

Delegation: Brian Millward, re Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 – 3125 Van Horne Road, Electoral Area F

Summary: To clarify any questions or concerns regarding PL2019-043, provide a background on the cannabis industry, Pros vs Cons of legal vs illegal cannabis.

Action Requested: Board support regarding PL2019-043.

Legal vs Illegal Retail Dispensaries

	LEGALLY LICENCED NON-MEDICAL CANNABIS RETAIL STORE	ILLEGAL CANNABIS RETAIL STORE
	Must be licenced by Health Canada and follow stringent rules and regulations	Do not answer to anyone or have any rules or regulations to follow. They are subject to raids by police authorities that will confiscate the illegal merchandise and the employees present can be charged with possession and sales.
	Product is obtained from approved government operations and is purchased through the Liquor Cannabis Regulation Branch, which has been quality tested and is sold in sealed packages.	Product is obtained from illegal growers, not tested for quality or safety for consumption and may contain other deadly illicit drugs like fentanyl, LSD, coke or heroin and is just as unsafe as product sold on the streets.
	Cannot make medical claims about the products, they are strictly recreational use (no different than selling alcohol at a liquor store). Medicinal marijuana comes with a prescription that should be filled at a legal medical marijuana licenced facility whereby patients can claim their prescription purchases for tax purposes	Make medical claims for health benefits, do not require a prescription and cannot claim these purchases on income taxes, and again are using the same untested, illegally obtained product as above.
	Requirement by Health Canada to have High security and surveillance around and inside the premises so everything and everyone is monitored and recorded around the clock. Any questionable activity can be reviewed and acted upon.	No requirement for any type of security on their premises.
	Every package of cannabis sold has a product label, is dated and has a unique bar coding that identifies exactly what facility the product was purchased from and where the consumer bought it. This makes it very traceable.	Product most often sold in unsealed packages, paid for with cash and is not at all traceable back to the supplier. So there is no liability to anyone selling tainted products.
	Customers must show photo ID and are required to be 19 years of age or older to enter the premises. Fines and store closures will be levied to stores not in compliance.	Although some illegal dispensaries will ask for ID, there are under no obligation to sell only to customers over the age of 19. They can sell to anyone that walks through their doors that has the money to pay for product.
	Windows must be tinted so that product is not visible to people walking by the store. Signage cannot display pictures of cannabis or indicate that it is a dispensary of any kind and you cannot have street signs advertising or promoting cannabis sales.	Illegal operations do not follow these guidelines
	There are legal limits to the amount of product a licenced store can sell to a customer, just as there are legal limits to the amount of alcohol an individual can purchase. This limits the amount of	Can sell as much as they want to anyone. This person can turn around and go sell it to kids or could have collected a bunch of money from his/her friends and went in to buy it for everyone.

	product one obtains and makes it difficult for someone who is of age to come into the store and buy a whole bunch of products and turn around and sell it back to minors.	
	Just as you are not legally allowed to go into a liquor store, come out and crack open a can of beer, you are also not permitted to do this with product purchased from a licenced non-medical cannabis retail store. Customers are supposed to take their product home and consume it there.	Some illegal stores have lounges inside their premises or outside for their customers to go out and enjoy their purchase and have a visit with others afterward.
	Smell – there is none in a licenced facility. Products are sold in sealed packages so there is no smell until the package is opened.	Packages are not sealed and smoking outside the premises is not regulated so the smell will linger and draw attention to it.
	LEGALLY LICENCED NON-MEDICAL CANNABIS RETAIL STORE	**ILLEGAL CANNABIS RETAIL STORE**

NOTES:

1. If this application is denied, the illegal dispensaries in the area will continue to operate under no guidelines or regulations and will continue to distribute illegal, untested, potentially laced drugs to whoever has the money to pay for them.
2. As long as there are no legally licenced non-medical cannabis retail stores in operation in the area, there is no obligation on the part of authorities to remove the illegal operations because of the claims they make with respect to the medical benefits of the product they are selling. When there is a legal facility operating, the Liquor & Cannabis Regulation Branch is obligated to investigate complaints of illegal operations and can ask the local authorities for their assistance in shutting them down.
3. Cannabis is now a legal substance that is accessible to anyone over the age of 19. No different than alcohol and it is not going to go away. We are trying to make the purchase of cannabis in this community safe and keep it out of the reach of minors.

For more information, you can call Marlee Brown at 250-240-5090 or Nicole Richard at 250-816-3864, or via email at nicole.richard88@gmail.com.

If you do not support this application, you will be endorsing the operation of illegal dispensaries in your community that are selling cannabis from illegal growers which is untested, untraceable, unregulated and may possibly contain illicit drugs such as LSD, fentanyl or heroine.

The legalization of cannabis is no different than alcohol and it isn't going to go away. Which type would you rather have in your community? The sooner a licenced facility is operating in your community, the faster we can work toward shutting down the illegal operations.

If we do not have written community support, the application for a licenced facility will be defeated and the illegal store will continue to operate. If you would like to express your support for this application (PL2019-043), please email Nick Redpath at the RDN: NRedpath@rdn.bc.ca by May 27th, 2019

REGIONAL DISTRICT OF NANAIMO

REGIONAL DISTRICT OF NANAIMO

MINUTES OF THE SOLID WASTE MANAGEMENT PLAN MONITORING COMMITTEE MEETING

Wednesday, May 15, 2019
3:00 P.M.
Board Chambers

In Attendance:	Director B. Geselbracht	Chair
	Director D. Bonner	City of Nanaimo
	Ron Bolin	Member at Large
	Gregg Cherrington-Kelly	Member at Large
	Bob Colclough	Member at Large
	Craig Evans	Member at Large
	Jan Hastings	Member at Large
	Bill Manners	Member at Large
	Alec McPherson	Member at Large
	Jim McTaggart-Cowan	Member at Large
	Fred Statham	Member at Large
	Balakrishna (Viraat) Thammanna	Member at Large
Regrets:	Dean Jones	Member at Large
	Michelle MacEwen	Member at Large
	Peter Urquhart	Member at Large
	Wally Wells	Member at Large
Also in Attendance:	Kyle Young	District of Lantzville
	Larry Gardner	Mgr. Solid Waste Services
	Meghan Ebueza	Solid Waste Planner
	Rebecca Graves	Recording Secretary

CALL TO ORDER

The Chair called the meeting to order and respectfully acknowledged the Coast Salish Nations on whose traditional territory the meeting took place.

APPROVAL OF THE AGENDA

It was moved and seconded that the agenda be approved as presented.

CARRIED UNANIMOUSLY

INVITED PRESENTATIONS

Staff presented on the following items.

- Solid Waste Management Plan
- Solid Waste Management Plan Monitoring Advisory Committee Terms of Reference
- Communications

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

CARRIED UNANIMOUSLY

TIME: 5:46 PM

_____

CHAIR

REGIONAL DISTRICT OF NANAIMO

STAFF REPORT

TO:	Committee of the Whole	**MEETING:**	June 11, 2019
FROM:	Manvir Manhas Manager, Capital Accounting & Financial Reporting	**FILE:**	1870-01

SUBJECT: Quarterly Financial Report – First Quarter – 2019

RECOMMENDATION

That the Financial Report for the period January 1, 2019 to March 31, 2019 be received for information.

SUMMARY

Overall, all services are within budget or under budget and this trend is expected to continue through 2019. Total operating revenues are at 22% of the budget, with Building Inspection operating revenues at 29% of the budget. Regional & Community Utilities revenues (17%) will increase after the first utility services billing which occurs at the end of May. Total operating expenditures are at 18% benchmark. The majority of variances are due to timing differences in recording revenues and expenses. Capital spending is at 10% of the budget due to the timing of capital projects and the drawdown accounting approach where transfers from reserves and Development Cost Charge revenues are recorded only when project expenses are incurred.

BACKGROUND

The Regional Board is provided with quarterly financial progress statements in order to review budget trends. Other than taxation revenue, which is accrued evenly through the year and shows at 25% of budget, revenues and expenses are incurred as projects are completed. Variances are explained below at an organizational level and specific service variations are explained in Attachment 1.

Economic Overview

Canada

The Canadian economy was operating at close to potential and then slowed in the fourth quarter of last year. The pace of economic activity in the fourth quarter of 2018 was weaker than expected, and the weak growth is estimated to have continued into the first quarter of 2019. Economic growth is expected to pick up for the second half of 2019, and GDP growth is projected to increase from 1.2% in 2019 to about 2% in 2020 and 2021[1]. Core measures of inflation continued to hover at about 2%, and despite the CPI decrease to 1.6% in the first quarter of 2019, inflation is expected to remain close to 2% through 2020 and 2021. The Bank

[1] Bank of Canada Monetary Policy Report, April 2019

of Canada continues to hold the overnight lending rate at 1.75% based on current economic data.

British Columbia (Content provided by TD Economics[2])

After several years of blockbuster growth, B.C.'s economy is estimated to have slowed to a still-decent 2% in 2018. An extended housing market correction and a likely moderation in consumer spending are expected to fuel a further downshift in 2019. Still, in light of healthy investment intentions, strong labour markets, and decent public finances, growth in the province should remain above the national average over the next two years, extending an impressive trend that has been in place since 2014.

B.C.'s deepening housing market slowdown is likely to put a larger damper on growth this year. The province's housing market has been the most hard-hit (Chart 1) by the implementation of tighter mortgage rules, rising interest rates, and B.C. government policy measures. Resale activity declined a disappointing 25% in 2018, and the market has shifted well into buyer's territory. Housing demand is likely to stabilize later this year – albeit at low levels. Nevertheless, loose market conditions are likely to lead to price declines, with only a muted uptick likely in 2020.

The correction underway is expected to become more visible in consumer-oriented data in 2019. That said, household spending is likely to remain resilient. British Columbia's labour markets are undisputedly the strongest in the country. Wage growth, which has been healthy, will receive an added boost from scheduled minimum wage increases. These conditions will continue to provide support to household spending in the face of rising debt-servicing costs.

At the same time, non-residential investment should partially counter weaker homebuilding. Construction on the LNG Canada terminal and the Costal GasLink pipeline should deliver a substantial boost to growth, with the bulk of the impact expected in 2020 and 2021. Statistics Canada's Capital and Repair Expenditure survey placed B.C. at the top for 2019 (Chart 2). Combined with decent past performance and the above projects, the 12.9% increase in intentions is a sign that confidence is strong in the province.

Meanwhile, B.C.'s government finances still lead the country. The FY2019-20 budget contained minor changes, with an emphasis on continued surpluses. Capital expenditures on education, healthcare, and transportation infrastructure will add modestly to debt, but should support growth while keeping the taxpayer-supported debt/GDP ratio near 16%.

Regional District of Nanaimo

The positive economic indicators for the Regional District of Nanaimo (RDN) continue with 181 building permits issued by the RDN in the second quarter vs. 163 in 2018. Average single family dwelling prices for April 2019 at $586,595 in Nanaimo and $662,136 in Parksville/Qualicum are up 6% and 8% respectively over April 2018; however, the number of sales is down by 15% and 5% respectively[3].

The unemployment rate of 3.7% for Vancouver Island/Coast for April 2019 is well below the 4.6% provincial rate, which was the lowest in Canada during the month of April[4]. BC Ferries

[2] TD Economics Provincial Economic Forecast (March 14, 2019)
[3] Vancouver Island Real Estate Board Single Family Home Average Sales Price, April 2019
[4] Statistics Canada, Labour Force Survey, April 2019, The Daily, May 10, 2019

March 2019 Year to Date Vehicle and Passenger traffic declined 1.39% and 1.57% at Departure Bay, but increased at Duke Point by 2.18% and 1.63% over March 2019[5].

There are a number of factors that will impact the Canadian, BC and Vancouver Island economies in 2019 and forward including interest rate changes, the Canadian dollar fluctuations, climate change, trade agreement battles and global politics. These areas have had some negative effects on the Island economy; however, at this time, BC and Vancouver Island are expected to continue to show growth.

Overall Summary by Division (Attachment 2)

The Overall Summary by Division provides an overview of the year-to-date results at a divisional level.

Capital Accounts

Overall capital spending is at 10% of budget due to the timing of capital projects, in particular the $31.5 million allocated for 2019 to the secondary treatment project at the Greater Nanaimo Pollution Control Centre for which the construction is currently underway. The timing of capital projects also impacts professional fees (8%). Capital projects use a drawdown accounting approach where grant revenues and transfers from reserves and Development Cost Charge revenues are recorded when project expenses are incurred which in turn impacts transfers from reserves (22%), capital grant revenues (1%), and new borrowing (2%). Other major capital works underway or beginning in 2019 are the Nanoose Bulk Water Joint Venture project, design work for the French Creek Pollution Control Centre, San Pareil Water Treatment upgrades, Chase River Pump Station and Forcemain upgrades, Mount Benson Parking Lot construction, Meadowood Community Recreation Centre construction and the design work for Dashwood Volunteer Fire Hall replacement and Huxley Skatepark.

Operating Accounts

Total operating revenues are at 22% of the budget, with Building Inspection operating revenues at 29% of the budget. Regional & Community Utilities revenues (17%) will increase after the first utility services billing which occurs at the end of May.

Operating expenditure accounts are at 17% or more of budget other than professional fees (8% impacted by capital as noted above), community grants (0%) and program costs (8%). Community Grants (0%) reflect the timing of grants to various organizations which will be disbursed fully over the summer and the fall. Program costs reflect the Drinking Water/Watershed Protection rebate programs in Regional & Community Utilities (5%) which are currently underway and expected to be fully allocated by the year-end. Recreation and Parks program costs at 11% are incurred predominantly in the spring and summer when most children and youth programming is completed.

Expenditures for Debt Interest (19%) and Debt Principal (8%) are lower than budget because of the timing of debt payments made on behalf of municipalities and the Vancouver Island Regional Library.

Transfers to Reserve (0%) approved in the annual budget are completed and recorded in August when tax revenues are received from the Province and the municipalities.

[5] BC Ferries, Traffic Statistics System Total Vehicle and Passenger Counts by Route for March 2019

Total operating expenditures are $20 million or 18% of budget, which reflect the items discussed above and those in Attachment 1.

Summary of Operating Results by Department (Attachment 3)

The Summary of Operating Results by Department lists the total year-to-date revenues and expenditures for services within each organizational division at March 31. The majority of the variances are due to the timing of capital and operating projects and the related revenue accruals.

Contract Awards

During the first quarter, the following contracts (greater than $100,000) were awarded by the Regional District of Nanaimo totaling over $2,395,256.

Date	Description	Awarded Vendor	Awarded Amount
January 2019	Web Mapping Software	ESRI	$151,810
January 2019	Mount Benson Regional Park Parking Lot	Milestone Equipment Contracting	$526,758
January 2019	White Heather Lane Firewater Storage Tank	David Stalker Excavating	$166,351
March 2019	French Creek Pollution Control Centre Additional Engineering	AECOM	$222,172
March 2019	Oceanside Place Energy Upgrades & Chiller Replacement	Fraser Valley Refrigeration	$380,920
March 2019	Ravensong Aquatic Centre Mechanical Upgrades	Archie Johnstone Plumbing & Heating	$699,250
March 2019	Greater Nanaimo Pollution Control Centre Wastewater Treatment Chemicals	Waterhouse Environmental Services	$100,170
March 2019	Parks & Trails Landscape Services	Strain Landscapes	$147,825

ALTERNATIVES

1. Receive the financial report for the period January 1, 2019 to March 31, 2019 for information.

2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

There are no significant variances impacting the overall budget for the period ending March 31, 2019. Capital projects are ongoing and all RDN services are forecast to be within budget for 2019.

STRATEGIC PLAN IMPLICATIONS

Quarterly financial progress statements provide information to identify budget trends and to allow for improved financial planning. This directly supports the Board governing principles to "Be Transparent and Accountable" and to "Show Fiscal Restraint" through prudent use of tax dollars and to deliver the services expected by residents of the Region as cost effectively and economically as possible.

Manvir Manhas
mmanhas@rdn.bc.ca
May 23, 2019

Reviewed by:

- J.Bradburne, Director of Finance
- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

Attachments:

1. List of variances for March 31, 2019 quarterly reporting
2. Overall Summary by Division March 31, 2019
3. Summary of Operating Results by Service March 31, 2019

ATTACHMENT 1

Services with variances (Less than 15% or more than 35% of the budget spent) as at March 31, 2019 are as follows:

Services	Expenditures	Explanation of variance
CORPORATE SERVICES		
Community Grants	0% expenditures	Expenditures are impacted by the timing of grants which will be disbursed fully over the summer and the fall.
Community Works Fund Projects	0% expenditures	Expenditures are impacted by the timing of transfers to other organizations which are usually completed in August when tax revenues are received from the Province and the municipalities.
Feasibility Studies	0% expenditures	Expenditures are impacted by timing of projects and timing of transfer to reserves which will be completed in August.
Municipal Debt Transfers	6% expenditures	Expenditures are impacted by timing of debt payments made to the Municipal Finance Authority on behalf of municipalities.
STRATEGIC & COMMUNITY DEVELOPMENT		
Economic Development South	0% expenditures	Expenditures reflect timing of grant payments to Gabriola Chamber of Commerce which happen after August 1.
Economic Development North	0% expenditures	Expenditures reflect timing of grant payments to recipients which happen after August 1.
Strategic Initiatives/Asset Management	8% expenditures	Expenditures reflect the timing of grant funded asset management replacement cost study project as well as timing of regional service review.
Unsightly Premises	2% expenditures	Expenditures reflect that there have been no unsightly property cleanup costs incurred to date this year.
Hazardous Properties	2% expenditures	Expenditures reflect that there have been no hazardous property cleanup costs incurred to date this year.
REGIONAL & COMMUNITY UTILITIES		
Northern Community Wastewater	7% expenditures	Timing of major projects impacts capital expenditures and recognition of reserve/DCC revenues. FCPCC Plant Expansion project will incur more costs during the year and will impact both revenues and expenses.
Nanoose Bay Bulk Water	14% expenditures	Timing of transfer to Parksville for RDN share of ERWS joint venture impacts expenses.
Water Services	3%-25% expenditures	Services showing lower expenditures are impacted by timing of projects resulting in lower capital expenditures which also impacts the revenues transferred in from reserves.
Sewer Fairwinds/Wastewater Nanoose	10% expenditures	Timing of projects impacts capital expenditures and professional fees.
Solid Waste Management	14% expenditures	Expenditures are impacted by capital project timing.
Community Works Fund Projects	7% expenditures	Timing of projects impacts capital expenditures and professional fees.

ATTACHMENT 1

Services with variances (Less than 15% or more than 35% of the budget spent) as at March 31, 2019 are as follows:

Services	Expenditures	Explanation of variance
RECREATION & PARKS SERVICES		
Regional Parks	9% expenditures	Expenditures are impacted by timing of capital projects and timing of transfer to reserves which will be completed in August.
Community Parks	4%-20% expenditures	Timing of capital and development projects impacts expenditures. Major capital works underway or beginning in 2019 are the Meadowood Community Recreation Centre construction (EA F) and Huxley Park skatepark (EA B).
Area A Recreation & Culture	6% expenditures	Expenditures are impacted by transfer to reserves which will be completed in August.
Ravensong Aquatic Centre	14% expenditures	Timing of projects impacts capital expenditures and professional fees.
Southern Community Recreation & Culture	0% expenditures	Expenditures are impacted by transfer to City of Nanaimo for facilities and sportsfields agreement completed in August.
Community Works Fund Projects	1% expenditures	Timing of projects impacts capital expenditures and professional fees. Major capital works underway or beginning in 2019 are the concept planning for Jack Bagley field redevelopment (EA E) and upgrades to the Little Qualicum Hall (EA G).
TRANSIT & EMERGENCY SERVICES		
Transit - Gabriola Transit Contribution	94% expenditures	Expenditures reflect the timing of transfers to the Gabriola Community Bus Foundation completed in March.
Fire - French Creek, Wellington and Parksville Local	1%-2% expenditures	Expenditures reflect fire service contracts with Parksville, Qualicum and Nanaimo where funds are transferred in August.
Fire - Extension	3% expenditures	Timing of engine truck purchases impacts expenditures and related transfer from reserve revenues.
Fire - Cassidy Waterloo	4% expenditures	Expenditures are impacted by timing of transfer to the Cranberry Fire Protection District which will be completed in May.
Emergency Planning	13% expenditures	Timing of capital projects and grant funded operational planning projects impacts expenditures.
D68 Search & Rescue	5% expenditures	Expenditures reflect the timing of transfer to the Nanaimo Search & Rescue to be completed in August.
D68 E911 and D69 E911	1%-6% expenditures	Expenditures reflect the timing of transfers to the City of Nanaimo and North Island 911 corporation to be completed in August.
District 69 Community Justice	0% expenditures	Expenditures are impacted by timing of transfer to Oceanside Victim Services which will be completed in August.

REGIONAL DISTRICT OF NANAIMO

GENERAL REVENUE FUND
As of March 31, 2019

	CORPORATE SERVICES			STRATEGIC & COMMUNITY DEVELOPMENT		
	Actual 2019	Budget 2019	% Used	Actual 2019	Budget 2019	% Used
OPERATING REVENUES						
TAX REQUISITION	-1,299,743	-5,198,966	25%	-630,841	-2,523,363	25%
OPERATING GRANTS	-70,915	-1,399,550	5%	-35,900	-266,080	13%
OPERATING REVENUE	-4,700	-55,730	8%	-423,472	-1,717,133	25%
OTHER REVENUE	-1,907,142	-11,797,644	16%	-162,825	-1,191,419	14%
TOTAL OPERATING REVENUES	**-3,282,500**	**-18,451,890**	**18%**	**-1,253,038**	**-5,697,995**	**22%**
OPERATING EXPENDITURES						
OFFICE OPERATING	54,061	259,675	21%	101,456	477,959	21%
COMMUNITY GRANTS	0	129,650	0%	0	0	0%
LEGISLATIVE	204,789	754,712	27%	0	0	0%
PROFESSIONAL FEES	37,453	525,751	7%	51,609	851,815	6%
BUILDING - OPER & MAINT	219,968	376,645	58%	9,328	40,813	23%
VEH & EQUIP - OPER & MAINT	72,860	440,244	17%	50,325	83,328	60%
OTHER OPERATING COSTS	243,865	1,624,791	15%	215,205	991,633	22%
WAGES & BENEFITS	1,221,974	5,001,882	24%	766,349	3,386,251	23%
PROGRAM COSTS	45	0	0%	6,750	417,346	2%
DEBT - FINANCING - INTEREST	473,534	2,628,175	18%	0	0	0%
DEBT - FINANCING - PRINCIPAL	0	3,323,387	0%	0	0	0%
TRANSFER TO RESERVE FUND	1,152	307,066	0%	1,969	127,270	2%
TRANSFER TO OTHER GOV'T/AGENCIES	580,769	3,541,692	16%	0	114,695	0%
TOTAL OPERATING EXPENDITURES	**3,110,470**	**18,913,670**	**16%**	**1,202,991**	**6,491,110**	**19%**
CAPITAL ASSET EXPENDITURES						
CAPITAL EXPENDITURES	42,749	1,276,591	3%	2,015	58,875	3%
TRANSFERS FROM RESERVES	-34,050	-950,000	4%	0	-12,500	0%
CAPITAL GRANTS AND OTHER	0	0	0%	0	0	0%
NEW BORROWING	0	0	0%	0	0	0%
NET CAPITAL ASSETS FUNDED FROM OPERATIONS	**8,699**	**326,591**		**2,015**	**46,375**	
ACCUMULATED SURPLUS						
NET (SURPLUS) DEFICIT	-163,331	788,371		-48,032	839,490	
TRANSFER TO APPROPRIATED SURPLUS	0	0		0	127,847	
TRANSFER FROM APPROPRIATED SURPLUS	0	-134,465		0	-481,847	
PRIOR YEARS (SURPLUS) DEFICIT	-1,046,423	-991,878		-2,087,504	-2,087,504	
CURRENT YEAR UNAPPROPRIATED (SURPLUS) DEFICIT	**-1,209,754**	**-337,972**		**-2,135,536**	**-1,602,014**	

REGIONAL DISTRICT OF NANAIMO

GENERAL REVENUE FUND
As of March 31, 2019

	REGIONAL & Actual 2019	COMMUNITY Budget 2019	UTILITIES % Used	RECREATION & Actual 2019	PARKS Budget 2019	SERVICES % Used
OPERATING REVENUES						
TAX REQUISITION	-5,166,380	-20,665,507	25%	-2,997,285	-11,989,129	25%
OPERATING GRANTS	-51,303	-165,312	31%	-14,392	-123,022	12%
OPERATING REVENUE	-2,931,844	-17,027,209	17%	-433,563	-1,858,995	23%
OTHER REVENUE	-406,355	-1,928,725	21%	-3,725	-24,515	15%
TOTAL OPERATING REVENUES	**-8,555,882**	**-39,786,753**	**22%**	**-3,448,965**	**-13,995,661**	**25%**
OPERATING EXPENDITURES						
OFFICE OPERATING	534,455	2,210,193	24%	178,317	750,926	24%
COMMUNITY GRANTS	0	0	0%	0	0	0%
LEGISLATIVE	0	0	0%	0	1,500	0%
PROFESSIONAL FEES	194,896	1,253,108	16%	13,687	796,145	2%
BUILDING - OPER & MAINT	328,628	1,586,923	21%	144,325	820,502	18%
VEH & EQUIP - OPER & MAINT	394,621	1,797,552	22%	33,265	222,647	15%
OTHER OPERATING COSTS	2,068,367	12,493,613	17%	208,224	1,447,096	14%
WAGES & BENEFITS	2,400,272	9,786,362	25%	1,346,980	5,095,337	26%
PROGRAM COSTS	10,412	205,685	5%	83,028	752,110	11%
DEBT - FINANCING - INTEREST	274,585	1,472,772	19%	101,785	412,858	25%
DEBT - FINANCING - PRINCIPAL	289,657	1,158,621	25%	90,781	442,083	21%
TRANSFER TO RESERVE FUND	1,242	9,095,949	0%	180	2,069,924	0%
TRANSFER TO OTHER GOV'T/AGENCIES	0	0	0%	78,300	1,921,666	4%
TOTAL OPERATING EXPENDITURES	**6,497,135**	**41,060,778**	**16%**	**2,278,872**	**14,732,794**	**15%**
CAPITAL ASSET EXPENDITURES						
CAPITAL EXPENDITURES	7,134,528	59,744,543	12%	81,568	5,647,176	1%
TRANSFERS FROM RESERVES	-6,538,020	-21,791,740	30%	-59,318	-2,997,915	2%
CAPITAL GRANTS AND OTHER	-68,131	-10,554,505	1%	-18,526	-2,313,762	1%
NEW BORROWING	-481,977	-24,452,140	2%	0	0	0%
NET CAPITAL ASSETS FUNDED FROM OPERATIONS	**46,400**	**2,946,158**		**3,724**	**335,499**	
ACCUMULATED SURPLUS						
NET (SURPLUS) DEFICIT	-2,012,347	4,220,183		-1,166,369	1,072,632	
TRANSFER TO APPROPRIATED SURPLUS	0	0		0	0	
TRANSFER FROM APPROPRIATED SURPLUS	0	-1,593,441		0	-755,912	
PRIOR YEARS (SURPLUS) DEFICIT	-6,241,768	-6,216,920		-1,395,393	-1,391,893	
CURRENT YEAR UNAPPROPRIATED (SURPLUS) DEFICIT	**-8,254,115**	**-3,590,178**		**-2,561,762**	**-1,075,173**	

REGIONAL DISTRICT OF NANAIMO

GENERAL REVENUE FUND
As of March 31, 2019

	TRANSIT & SERVICES Actual 2019	EMERGENCY Budget 2019	% Used	TOTAL REVENUE Actual 2019	FUND Budget 2019	% Used
OPERATING REVENUES						
TAX REQUISITION	-4,241,301	-16,965,205	25%	-14,335,550	-57,342,170	25%
OPERATING GRANTS	-1,649,012	-6,851,189	24%	-1,821,522	-8,805,153	21%
OPERATING REVENUE	-1,260,602	-4,576,274	28%	-5,054,181	-25,235,341	20%
OTHER REVENUE	-451,715	-1,827,965	25%	-2,931,762	-16,770,268	17%
TOTAL OPERATING REVENUES	**-7,602,630**	**-30,220,633**	**25%**	**-24,143,015**	**-108,152,932**	**22%**
OPERATING EXPENDITURES						
OFFICE OPERATING	428,160	1,752,914	24%	1,296,449	5,451,667	24%
COMMUNITY GRANTS	0	0	0%	0	129,650	0%
LEGISLATIVE	0	0	0%	204,789	756,212	27%
PROFESSIONAL FEES	4,948	323,183	2%	302,593	3,750,002	8%
BUILDING - OPER & MAINT	136,011	498,299	27%	838,260	3,323,182	25%
VEH & EQUIP - OPER & MAINT	1,476,412	5,303,849	28%	2,027,483	7,847,620	26%
OTHER OPERATING COSTS	879,865	4,111,045	21%	3,615,526	20,668,178	17%
WAGES & BENEFITS	3,830,787	13,649,259	28%	9,566,362	36,919,091	26%
PROGRAM COSTS	4,389	17,300	25%	104,624	1,392,441	8%
DEBT - FINANCING - INTEREST	44,015	179,413	25%	893,919	4,693,218	19%
DEBT - FINANCING - PRINCIPAL	57,745	261,416	22%	438,183	5,185,507	8%
TRANSFER TO RESERVE FUND	511	1,542,343	0%	5,054	13,142,552	0%
TRANSFER TO OTHER GOV'T/AGENCIES	729,082	3,212,966	23%	1,388,151	8,791,019	16%
TOTAL OPERATING EXPENDITURES	**7,591,925**	**30,851,987**	**25%**	**20,681,393**	**112,050,339**	**18%**
CAPITAL ASSET EXPENDITURES						
CAPITAL EXPENDITURES	166,486	7,567,532	2%	7,427,346	74,294,717	10%
TRANSFERS FROM RESERVES	-166,486	-5,251,541	3%	-6,797,874	-31,003,696	22%
CAPITAL GRANTS AND OTHER	0	-1,969,991	0%	-86,657	-14,838,258	1%
NEW BORROWING	0	0	0%	-481,977	-24,452,140	2%
NET CAPITAL ASSETS FUNDED FROM OPERATIONS	**0**	**346,000**		**60,838**	**4,000,623**	
ACCUMULATED SURPLUS						
NET (SURPLUS) DEFICIT	-10,705	977,354		-3,400,784	7,898,030	
TRANSFER TO APPROPRIATED SURPLUS	0	0		0	127,847	
TRANSFER FROM APPROPRIATED SURPLUS	0	-612,922		0	-3,578,587	
PRIOR YEARS (SURPLUS) DEFICIT	-2,282,561	-2,289,060		-13,053,649	-12,977,255	
CURRENT YEAR UNAPPROPRIATED (SURPLUS) DEFICI	**-2,293,266**	**-1,924,628**		**-16,454,433**	**-8,529,965**	

REGIONAL DISTRICT OF NANAIMO

SUMMARY OF OPERATING RESULTS
For the period ending March 31, 2019

	Revenues 2019 Actuals	Revenues 2019 Budget	% Used	Expenditures 2019 Actuals	Expenditures 2019 Budget	% Used	Surplus 2019 Actuals	Surplus 2019 Budget
CORPORATE SERVICES								
Administration								
Corporate Administration Summary	2,859,238	9,769,088	29%	1,869,064	9,493,596	20%	990,174	275,492
Community Grants	39,629	129,850	31%	0	129,850	0%	39,629	0
Community Works Fund Projects - Corporate Services	5,000	1,238,615	0%	5,000	1,238,615	0%	0	0
Electoral Area Administration	388,910	1,024,109	38%	224,295	961,630	23%	164,615	62,479
Regional Library	741,512	3,243,950	23%	741,512	3,243,950	23%	0	0
Feasibilty Studies	15,331	89,696	17%	0	89,696	0%	15,331	0
Municipal Debt Transfers	307,791	5,010,689	6%	307,791	5,010,689	6%	0	0
House Numbering	5,559	22,236	25%	5,559	22,236	25%	0	0
TOTAL	4,362,970	20,528,233	21%	3,153,221	20,190,262	16%	1,209,749	337,971
STRATEGIC & COMMUNITY DEVELOPMENT								
EA Community Planning	890,711	2,495,925	36%	431,949	2,173,558	20%	458,762	322,367
Economic Development South	16,250	192,847	8%	0	192,847	0%	16,250	0
Economic Development North	14,396	51,896	28%	39	51,896	0%	14,357	0
VIHA Health Network Funding	7,029	44,695	16%	7,029	44,695	16%	0	0
Strategic Initiatives/Asset Management	66,414	835,169	8%	66,414	810,516	8%	0	24,653
Regional Growth Strategy	283,607	805,825	35%	136,366	717,976	19%	147,241	87,849
Building Inspection	1,785,201	2,746,726	65%	385,444	1,593,361	24%	1,399,757	1,153,365
Bylaw Enforcement								
Bylaw Enforcement	110,941	386,781	29%	110,941	386,781	29%	0	0
Animal Control EA A,B,C,LANTZ	34,667	78,842	44%	14,390	75,653	19%	20,277	3,189
Animal Control E,G & H	41,227	121,417	34%	22,137	119,822	18%	19,090	1,595
Animal Control EA F	15,705	30,880	51%	4,868	28,192	17%	10,837	2,688
Unsightly Premises	18,739	177,910	11%	2,936	177,910	2%	15,803	0
Hazardous Properties	31,533	198,150	16%	2,984	191,844	2%	28,549	6,306
Noise Control	24,122	62,783	38%	19,509	62,783	31%	4,613	0
Community Works Fund Projects - Strategic & Community Deve	0	50,000	0%	0	50,000	0%	0	0
TOTAL	3,340,542	8,279,846	40%	1,205,006	6,677,834	18%	2,135,536	1,602,012

REGIONAL DISTRICT OF NANAIMO

SUMMARY OF OPERATING RESULTS
For the period ending March 31, 2019

	Revenues 2019 Actuals	Revenues 2019 Budget	% Used	Expenditures 2019 Actuals	Expenditures 2019 Budget	% Used	Surplus 2019 Actuals	Surplus 2019 Budget
REGIONAL & COMMUNITY UTILITIES								
RCU - Administration	107,775	403,585	27%	107,775	403,585	27%	0	0
RCU - Engineering	45,187	292,309	15%	45,187	292,309	15%	0	0
Wastewater Management								
Liquid Waste Management Planning	263,749	456,302	58%	52,399	309,734	17%	211,350	146,568
Wastewater Southern Community	10,023,910	46,657,906	21%	7,914,272	46,556,787	17%	2,109,638	101,119
Wastewater Northern Community	2,820,774	11,103,430	25%	665,551	10,173,313	7%	2,155,223	930,117
Wastewater Duke Point	217,544	452,834	48%	71,024	361,285	20%	146,520	91,549
Water Supply								
Water - Surfside	8,823	88,919	10%	4,977	84,495	6%	3,846	4,424
Water - French Creek	49,263	210,457	23%	31,518	190,904	17%	17,745	19,553
Water - Whiskey Creek	41,761	653,519	6%	20,003	639,099	3%	21,758	14,420
Water - Decourcey	5,805	17,479	33%	1,232	15,273	8%	4,573	2,206
Water - San Pareil	94,308	572,957	16%	57,866	544,158	11%	36,442	28,799
Water - Driftwood	1,395	5,911	24%	1,478	5,910	25%	(83)	1
Water - Englishman River	45,405	175,988	26%	21,466	149,777	14%	23,939	26,211
Water - Melrose Place	22,012	106,459	21%	10,502	97,439	11%	11,510	9,020
Water - Nanoose Peninsula	695,692	2,786,309	25%	380,605	2,554,672	15%	315,087	231,637
Water - Bulk Water Nanoose Bay	828,803	4,937,709	17%	663,414	4,861,541	14%	165,389	76,168
Water - Bulk Water French Creek	4,965	36,851	13%	4,965	36,851	13%	0	0
Water - San Pareil Fire	18,484	74,212	25%	18,553	74,212	25%	(69)	0
Water - Westurne Heights	12,509	31,987	39%	3,204	27,135	12%	9,305	4,852
Drinking Water/Watershed Protection	268,735	732,466	37%	117,513	694,875	17%	151,222	37,591
Streetlighting	30,592	119,762	26%	21,327	115,172	19%	9,265	4,590
Sewer Collection								
Sewer - French Creek	214,887	1,164,780	18%	282,951	1,158,048	24%	(68,064)	6,732
7551 / 2851 SewerFairwinds / Wastewater Nanoose	593,130	1,533,841	39%	132,769	1,285,829	10%	460,361	248,012
Sewer - Pacific Shores	30,583	88,582	35%	20,068	83,222	24%	10,515	5,360
Sewer - Surfside	17,111	39,835	43%	5,414	35,870	15%	11,697	3,965
Sewer - Cedar	82,405	250,313	33%	39,639	205,451	19%	42,766	44,862
Sewer - Barclay	78,471	246,998	32%	48,110	230,429	21%	30,361	16,569
Sewer - Reid Road Debt	906	3,624	25%	906	3,624	25%	0	0
Sewer - Hawthorne Rise Debt	2,486	9,942	25%	2,485	9,942	25%	1	0

REGIONAL DISTRICT OF NANAIMO

SUMMARY OF OPERATING RESULTS
For the period ending March 31, 2019

	Revenues 2019 Actuals	Revenues 2019 Budget	% Used	Expenditures 2019 Actuals	Expenditures 2019 Budget	% Used	Surplus 2019 Actuals	Surplus 2019 Budget
Englishman River Stormwater	4,286	8,276	52%	512	6,334	8%	3,774	1,942
Cedar Estates Stormwater	4,737	8,424	56%	311	6,244	5%	4,426	2,180
Solid Waste								
Solid Waste Management	4,367,514	14,669,960	30%	1,805,484	13,336,220	14%	2,562,030	1,333,740
Solid Waste Collection & Recycling	828,396	5,489,315	15%	1,024,812	5,291,323	19%	(196,416)	197,992
Community Works Fund Projects - Regional & Community Utilit	53,373	738,754	7%	53,373	738,754	7%	0	0
TOTAL	21,885,776	104,395,499	21%	13,631,665	100,805,320	14%	8,254,111	3,590,179
RECREATION & PARKS SERVICES								
Regional Parks	1,193,641	4,912,780	24%	416,102	4,680,326	9%	777,539	232,454
Community Parks								
Community Parks - Area A	90,223	290,556	31%	33,037	255,098	13%	57,186	35,458
Community Parks - Area B	159,110	763,000	21%	44,013	719,002	6%	115,097	43,998
Community Parks - Area C (Extension)	70,267	125,606	56%	15,696	87,434	18%	54,571	38,172
Community Parks - Area C (East Wellington)	47,354	132,732	36%	16,078	112,532	14%	31,276	20,200
Community Parks - Area E	54,026	172,656	31%	33,559	168,577	20%	20,467	4,079
Community Parks - Area F	99,169	1,201,151	8%	47,155	1,172,062	4%	52,014	29,089
Community Parks - Area G	70,484	229,440	31%	32,265	210,794	15%	38,219	18,646
Community Parks - Area H	126,663	299,653	42%	40,314	253,250	16%	86,349	46,403
Area A Recreation & Culture	81,691	355,171	23%	14,907	254,421	6%	66,784	100,750
Northern Community Recreation	593,968	2,494,588	24%	384,318	2,334,959	16%	209,650	159,629
Oceanside Place	804,977	3,374,780	24%	602,654	3,176,125	19%	202,323	198,655
Ravensong Aquatic Centre	1,095,468	4,455,284	25%	614,021	4,327,251	14%	481,447	128,033
Gabriola Island Recreation	47,644	143,157	33%	46,578	123,544	38%	1,066	19,613
Southern Community Recreation & Culture	371,144	1,405,002	26%	3,371	1,405,002	0%	367,773	0
Community Works Fund Projects - Parks & Recreation Services	16,373	1,099,587	1%	16,373	1,099,587	1%	0	0
TOTAL	4,922,202	21,455,143	23%	2,360,441	20,379,964	12%	2,561,761	1,075,179

REGIONAL DISTRICT OF NANAIMO

SUMMARY OF OPERATING RESULTS
For the period ending March 31, 2019

	Revenues 2019 Actuals	Revenues 2019 Budget	% Used	Expenditures 2019 Actuals	Expenditures 2019 Budget	% Used	Surplus 2019 Actuals	Surplus 2019 Budget
TRANSIT & EMERGENCY SERVICES								
Transit								
Transit Southern Community	6,934,074	29,043,530	24%	5,720,418	27,642,521	21%	1,213,656	1,401,009
Transit - Gabriola Transit Contribution	34,976	139,906	25%	131,650	139,906	94%	(96,674)	0
Transit -Gabriola Island Taxi Saver	5,274	9,755	54%	110	8,440	1%	5,164	1,315
Transit Northern Community	1,173,992	2,937,827	40%	626,438	2,495,018	25%	547,554	442,809
Gabriola Island Emergency Wharf	6,275	18,407	34%	1,821	18,407	10%	4,454	0
Fire Protection								
Fire - Administration	61,333	268,479	23%	51,636	268,479	19%	9,697	0
Fire - Meadowood	34,889	139,557	25%	34,889	139,557	25%	0	0
Fire - Nanaimo River	4,448	17,792	25%	409	17,792	2%	4,039	0
Fire - Coombs Hilliers	291,008	900,059	32%	231,573	900,059	26%	59,435	0
Fire - Errington	164,386	762,926	22%	249,737	762,926	33%	(85,351)	0
Fire - French Creek	198,552	722,501	27%	9,898	697,560	1%	188,654	24,941
Fire - Nanoose Bay	271,375	1,194,087	23%	148,250	1,194,087	12%	123,125	0
Fire - Wellington	26,174	90,325	29%	1,536	90,325	2%	24,638	0
Fire - Cassidy Waterloo	59,203	206,161	29%	8,533	206,161	4%	50,670	0
Fire - Dashwood	184,162	857,007	21%	254,271	857,007	30%	(70,109)	0
Fire - Extension	45,545	432,180	11%	12,566	432,180	3%	32,979	0
Fire - Parksville Local	39,635	146,724	27%	2,575	145,559	2%	37,060	1,165
Fire - Bow Horn Bay	106,950	662,329	16%	171,959	662,329	26%	(65,009)	0
Emergency Planning	101,940	672,876	15%	81,097	636,968	13%	20,843	35,908
D68 Search & Rescue	15,800	51,234	31%	2,540	49,635	5%	13,260	1,599
D69 Marine Search & Rescue	1,900	7,600	25%	25	7,600	0%	1,875	0
D69 Land Search & Rescue	2,563	10,250	25%	62	10,250	1%	2,501	0
D68 E911	50,343	174,313	29%	10,898	171,090	6%	39,445	3,223
D69 E911	187,776	719,872	26%	5,375	719,872	1%	182,401	0
Community Justice								
D68 Community Justice	4,111	16,445	25%	111	16,445	1%	4,000	0
D69 Community Justice	44,997	142,005	32%	31	129,344	0%	44,966	12,661
TOTAL	10,051,681	40,344,147	25%	7,758,408	38,419,517	20%	2,293,273	1,924,630
Total RDN	**-44,563,171**	**-195,002,868**	**23%**	**28,108,741**	**186,472,897**	**15%**	**-16,454,430**	**-8,529,971**

REGIONAL DISTRICT OF NANAIMO

STAFF REPORT

TO:	Committee of the Whole	**MEETING:**	June 11, 2019
FROM:	Manvir Manhas Manager, Capital Accounting & Financial Reporting	**FILE:**	1870-20

SUBJECT: 2018 Annual Financial Report and Statement of Financial Information

RECOMMENDATION

That the 2018 Annual Financial Report and the Statement of Financial Information be approved as presented.

SUMMARY

The Board approved the 2018 consolidated financial statements of the Regional District of Nanaimo (RDN) at the May Special Board meeting. MNP LLP, the RDN's external auditors, confirmed the Regional District remains in sound financial health with a good balance of assets to liabilities and highly liquid cash reserves to meet annual costs.

As the statements now have final audit approval, they are included in the Regional District's Annual Report and Statement of Financial Information (SOFI). The SOFI, including the board remuneration report, ensures the RDN complies with the requirements of the *Local Government Act* and the *Financial Information Act.*

BACKGROUND

The Regional District must prepare a Statement of Financial Information to comply with the *Financial Information Act.* The SOFI contains the audited consolidated financial statements, the schedule of Board expenses and remuneration, schedule of employee expenses and remuneration (over $75,000), a schedule of supplier payments (over $25,000) and information on community grants provided during the year.

The full edition of the annual report consisting of departmental highlights, approved consolidated financial statements, supplementary departmental revenue and expense schedules as well as statistical data is provided as a separate handout.

The annual report and SOFI will be posted to the Regional District's web site for public access.

Statement of Financial Information (Attachment 1)

The *Financial Information Act* requires that the Statement of Financial Information be approved by the Board. Regional Districts are also required by Section 376 of the *Local Government Act* to report on Board and Committee member expenses and remuneration *(page 33 of Attachment 1)*. Total 2018 remuneration for Board members and their alternates was $492,618. Board members' expenses totalled $95,597 in 2018.

ALTERNATIVES

1. That the 2018 Annual Financial Report and the Statement of Financial Information be approved.

2. That alternate direction be provided to staff.

FINANCIAL IMPLICATIONS

The annual audit fee of $27,300 was included in the Finance Department's 2018 budget.

STRATEGIC PLAN IMPLICATIONS

Regional Districts are required by the *Local Government Act* to present annually the results of its financial audit and to include a report on Board and Committee member expenses and remuneration in the Statement of Financial Information. Compliance with this requirement directly supports the Board governing value to *Be Transparent and Accountable*, which demands transparency in financial reporting and that Directors are accountable to the public.

Manvir Manhas
mmanhas@rdn.bc.ca
May 31, 2019

Reviewed by:
- J.Bradburne, Director of Finance
- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

Attachments:
1. 2018 Statement of Financial Information



REGIONAL DISTRICT OF NANAIMO

STATEMENT OF FINANCIAL INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2018

(In compliance with the Financial Information Act of British Columbia, Chapter 140)

REGIONAL DISTRICT OF NANAIMO

The information contained in this booklet represents the Regional District of Nanaimo's filing under the Financial Information Act for the year ended December 31st, 2018 and has been presented to and received by the Board of the Regional District of Nanaimo at a meeting held June 11, 2019.

The financial summary information included in this report is extracted from the 2018 audited annual financial statements prepared by the Regional District. The full text of the financial statements may be obtained from the Regional District offices or through its website at www.rdn.bc.ca/financial-reports.

Signed in accordance with the requirements of the Financial Information Regulation, Schedule 1, and Section 9(2).

_____

Ian Thorpe
Chairperson

_____

Jeannie Bradburne
Director of Finance

DRAFT

REGIONAL DISTRICT OF NANAIMO

STATEMENT OF FINANCIAL INFORMATION
For the year ended December 31, 2018

INDEX

	Page
CONSOLIDATED FINANCIAL STATEMENT SECTION	
MANAGEMENT RESPONSIBILITIES	1
AUDITOR'S REPORT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS	4
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7-24
SCHEDULES AND REPORTS SECTION	
SCHEDULE OF GENERAL REVENUE FUND REVENUE AND EXPENSES	25
SCHEDULE OF LONG-TERM DEBT- summary by function	26
SCHEDULE OF LONG-TERM DEBT - detailed	27-29
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS	30
SCHEDULE OF DIRECTORS REMUNERATION AND EXPENSES	31
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES	32-34
STATEMENT OF SEVERANCE AGREEMENTS	35
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES	36-40
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS	41-42

Management's Responsibility

To the Members of the Board of the Regional District of Nanaimo:

This statement is provided to clarify and outline the roles and responsibilities of the management team, the elected Board of Directors and the independent auditors in relation to the preparation and review of the Regional District of Nanaimo's annual financial results.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements**,** including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Regional Board of Directors is composed entirely of Directors who are neither management nor employees of the Regional District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for delegating the authority for approval of the consolidated financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the Regional District's external auditors. The external auditors have full and free access to the Board and management to discuss their audit findings.

MNP LLP, an independent firm of Chartered Professional Accountants, has been appointed by the Regional Board of Directors to audit the consolidated financial statements and report to them; their report follows.

April 23, 2019



Director of Finance

Independent Auditor's Report

To the Members of the Board of the Regional District of Nanaimo:

Opinion

We have audited the consolidated financial statements of the Regional District of Nanaimo (the "Regional District"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows and related schedules on pages 25 to 34 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional District as at December 31, 2018, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information on pages 35 to 49 have been presented for purposes of additional analysis and are unaudited. We do not express an opinion on these schedules because our examination did not extend to the detailed information therein.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Regional District to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nanaimo, British Columbia

May 14, 2019

MNP LLP

Chartered Professional Accountants

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		2018	2017
Financial Assets			
Cash and cash equivalents	(Note 2)	**$ 72,294,954**	$ 84,180,386
Portfolio investments	(Note 4)	**38,958,504**	34,193,566
Accounts receivable	(Note 3)	**9,191,113**	8,925,705
Other jurisdictions debt receivable	(Note 12)	**63,393,569**	60,630,952
Other assets	(Note 5)	**25,578**	579,903
		183,863,718	188,510,512
Financial Liabilities			
Accounts payable	(Note 7)	**11,641,834**	7,534,004
Other liabilities	(Note 8)	**4,417,209**	4,433,281
Unfunded liabilities	(Note 9)	**17,343,908**	15,088,181
Deferred revenue	(Note 10)	**28,026,410**	28,663,666
Short-term loans	(Note 6)	**644,128**	277,473
Long-term debt	(Note 11)	**99,074,842**	95,489,278
		161,148,331	151,485,883
Net Financial Assets		**$ 22,715,387**	$ 37,024,629
Non-financial Assets			
Tangible capital assets	(Note 13)	**247,356,919**	211,111,824
Inventories		**48,131**	47,831
Prepaid expenses		**1,988,931**	1,896,230
		249,393,981	213,055,885
Accumulated Surplus	(Note 15)	**$ 272,109,368**	$ 250,080,514

Contingent Liabilities (Note 21)
Commitments (Note 27)

APPROVED:



Jeannie Bradburne, CPA, CGA, MBA
Director of Finance

The accompanying notes are an integral part of these consolidated financial statments

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018

		Budget (Note 17)	**2018**	2017
Revenue				
Property taxes		$ 50,174,213	**$ 50,174,213**	$ 48,026,015
Operating revenues		23,294,734	**25,622,661**	24,712,090
Government transfers and grants	(Note 14)	20,085,544	**14,361,310**	9,287,684
Developer contributions		6,415,610	**5,523,891**	2,535,951
Other income		1,920,309	**2,270,728**	1,111,434
Portfolio investment income		75,000	**782,014**	527,288
Other investment income		75,000	**891,472**	367,376
Payments in lieu of taxes		149,290	**595,566**	197,398
		102,189,700	**100,221,855**	86,765,236
Expenses				
General Government		3,484,094	**3,944,873**	3,761,080
Strategic and Community Development		4,746,014	**3,654,080**	3,304,814
Wastewater and Solid Waste Management		21,623,141	**26,522,152**	26,217,493
Water, Sewer, and Street lighting		4,985,648	**5,709,202**	5,566,153
Public Transportation		20,838,947	**21,272,863**	19,601,485
Protective Services		5,816,894	**5,833,445**	5,471,779
Parks, Recreation, and Culture		11,031,605	**11,256,386**	11,438,820
		72,526,343	**78,193,001**	75,361,624
Surplus for the year		$ 29,663,357	**$ 22,028,854**	$ 11,403,612
Accumulated surplus, Beginning of the year		250,080,514	**250,080,514**	238,676,902
Accumulated surplus, End of the year	(Note 15)	$ 279,743,871	**$ 272,109,368**	$ 250,080,514

The accompanying notes are an integral part of these consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget (Note 17)	**2018**	2017
Surplus for the year	$ 29,663,357	**$ 22,028,854**	$ 11,403,612
Acquisition of tangible capital assets	(72,943,091)	**(43,667,027)**	(20,700,693)
Amortization of tangible capital assets	-	**7,335,406**	7,216,168
Proceeds on disposal of tangible capital assets	-	**37,082**	444,701
Loss on disposal of tangible capital assets	-	**49,444**	155,258
Change in prepaid expenses	-	**(92,701)**	(481,462)
Change in inventories	-	**(300)**	(4,432)
Decrease in Net Financial Assets	(43,279,734)	**(14,309,242)**	(1,966,848)
Net Financial Assets, Beginning of the year	37,024,629	**37,024,629**	38,991,477
Net Financial Assets, End of the year (Pg. 3)	$ (6,255,105)	**$ 22,715,387**	$ 37,024,629

The accompanying notes are an integral part of these consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

		2018	2017
Operating Transactions			
Surplus for the year		**$ 22,028,854**	$ 11,403,612
Non-cash items included in surplus			
Amortization of tangible capital assets		**7,335,406**	7,216,168
Contributed tangible capital assets		**-**	(2,266,000)
Loss on disposal of tangible capital assets		**49,444**	155,258
Debt actuarial adjustments		**(401,611)**	(347,372)
Change in non-cash working capital balances related to operations			
Increase in accounts receivable		**(265,408)**	(2,779,902)
(Decrease) Increase in other assets		**554,325**	(485,674)
Increase in accounts payable		**4,107,831**	1,239,534
(Decrease) Increase in deferred revenues		**(637,256)**	7,926,583
Decrease in other liabilities		**(16,072)**	(96,573)
Increase in prepaid expenses		**(92,701)**	(481,462)
Increase in inventory		**(300)**	(4,432)
Increase in unfunded liabilities		**2,255,727**	2,290,730
Cash provided by operating transactions		**34,918,239**	23,770,470
Capital Transactions			
Acquisition of tangible capital assets		**(43,667,027)**	(18,434,693)
Proceeds on disposal of tangible capital assets		**37,082**	444,701
Cash used in capital transactions		**(43,629,945)**	(17,989,992)
Investment Transactions			
Cash provided by (used in) investment transactions		**(4,764,938)**	(2,633,826)
Financing Transactions			
Short and long-term debt issued		**3,325,512**	16,779,875
Repayment of short and long-term debt		**(1,734,300)**	(1,172,801)
Cash provided by financing transactions		**1,591,212**	15,607,074
Net change in cash and cash equivalents		**(11,885,432)**	18,753,726
Cash and cash equivalents, Beginning of the year		**84,180,386**	65,426,660
Cash and cash equivalents, End of the year (Pg. 3)	(Note 2)	**$ 72,294,954**	$ 84,180,386

The accompanying notes are an integral part of these consolidated financial statements

The Regional District was incorporated in 1967 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of district wide local government services to the residents of seven electoral areas and four municipalities within its boundaries. These services include general government administration, bylaw enforcement, planning and development services, building inspection, fire protection and emergency response planning, public transportation, parks and recreation, water supply and sewage collection, wastewater disposal, solid waste collection and disposal, and street lighting.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The Regional District follows Canadian public sector accounting standards issued by the Public Sector Accounting Board (PSAB) of CPA Canada.

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the activities related to all funds belonging to the one economic entity of the Regional District. In accordance with those standards, inter-departmental and inter-fund transactions have been removed to ensure financial activities are recorded on a gross basis. The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements include the Regional District of Nanaimo's proportionate share of the Arrowsmith Water Service (a joint venture agreement with the City of Parksville and Town of Qualicum Beach) and the Englishman River Water Service (a joint venture agreement with the City of Parksville). The Regional District's share of the joint ventures is accounted for on a proportionate basis as follows:

Arrowsmith Water Service	22.4%
Englishman River Water Service	26.0%

Any inter-entity transactions are eliminated on consolidation.

(b) Cash and cash equivalents

Cash equivalents are carried at cost and have a maturity period of less than three months.

(c) Portfolio investments

Portfolio investments are carried at cost less any amortized premium and have a maturity period of greater than one year. It is the intention of the Regional District to hold these instruments to maturity. Any premium has been amortized on a straight-line basis using the earlier of the date of maturity or call date.

(d) Non-Financial Assets

i. Tangible capital assets

Tangible capital assets are physical assets that are to be used on a continuing basis, are not for sale in the ordinary course of operations and have useful economic lives extending beyond a single year. Section 3150 of Public Sector Accounting Handbook requires governments to record and amortize the assets over their estimated useful lives. Tangible capital assets are reported at historical cost and include assets financed through operating budgets, short-term and long-term debt, and leases. Tangible capital assets, when acquired, are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of the tangible capital asset less any estimated residual value is amortized on a straight-line basis over estimated useful lives as follows:

Asset Category	Useful Life Range (years)
Land	n/a
Land Improvements	15 - 50
Building	20 - 50
Equipment, Furniture & Vehicles	5 - 20
Engineering Structures	
Water	25 - 75
Sewer	45 - 75
Wastewater	30 - 75
Solid Waste	20 - 50
Transportation	20 - 50

In the year of acquisition and in the year of disposal, amortization is recorded as half of the annual expense for that year. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions (examples are parklands as a result of subdivision, donated land and infrastructure built by property developers which is transferred to the Regional District) are recorded as assets and revenues at their fair value at the date of receipt.

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(e) Debt servicing cost

Interest is recorded on an accrual basis.

(f) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, other jurisdictions debt receivable, short-term loans, accounts payable, other liabilities and long-term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risk arising from these financial instruments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue recognition

Revenues are recorded on an accrual basis and are recognized in the period in which they are earned.

Property tax revenues and payments in lieu are recognized as revenue when levied. Operating revenues such as user fees, tipping fees, garbage, and recycling collection fees are recognized when charged to the customer, when amounts are measurable and when collectability is reasonably assured. Interest on investments is recorded when earned on an accrual basis. Development cost contributions are recorded as deferred revenues when received and recognized as revenue in the year in which the associated expenses are incurred. Donations of tangible assets are recognized as revenue on the date of receipt. Other revenues are recognized as revenue when amounts can be reasonably estimated and collectability is reasonably assured.

The Regional District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Regional District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

(h) Expense recognition

Operating expenses are recorded on an accrual basis. Expenses under the accrual basis are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

Estimates of employee future benefits are recorded as expenses in the year they are earned. Landfill closure and post closure costs are recognized as costs as landfill capacity is used.

(i) Contingent liabilities

Contingent liabilities are recognized in accordance with PS 3300, which requires that an estimate be recorded when it is likely that a future event will confirm that a liability has been incurred by the financial statement date and that the amount can be reasonably estimated.

(j) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of employee retirement benefits, landfill closure and post closure liabilities, likelihood of collection of accounts receivable, useful lives of tangible capital assets and provisions for contingencies. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Regional District is responsible for. Actual results may vary from those estimates and adjustments will be reported in operations as they become known. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Regional District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2018.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(l) Adoption of new accounting pronouncements

PS 2200 Related Party Disclosures
Effective January 1, 2018, the Regional District adopted the recommendations relating to PS 2200 *Related Party Disclosures*, as set out in the CPA Canada public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

There was no material impact on the consolidated financial statements of adopting the new Section.

PS 3210 Assets
Effective January 1, 2018, the Regional District adopted the recommendations relating to PS 3210 *Assets,* as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section provides guidance for applying the definition of assets set out in PS 1000 *Financial Statement Concepts*. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

There was no material impact on the consolidated financial statements of adopting the new Section.

PS 3320 Contingent Assets

Effective January 1, 2018, the Regional District adopted the recommendations relating to PS 3320 *Contingent Assets,* as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the basis for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

There was no material impact on the consolidated financial statements of adopting the new Section.

PS 3380 Contractual Rights

Effective January 1, 2018, the Regional District adopted the recommendations relating to PS 3380 *Contractual Rights*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

This new Section establishes disclosure standards on contractual rights and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

There was no material impact on the consolidated financial statements of adopting the new Section.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on restructuring transactions. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier adoption is permitted.

The Regional District does not expect application of the new Standard to have a material effect on the consolidated financial statements.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

PS 3420 Inter-entity Transactions

Effective January 1, 2018, the Regional District adopted the recommendations relating to PS 3420 *Inter-entity Transactions,* as set out in the CPA Canada public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

The new Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features of the new Section are:

i. Under a policy of cost allocation, revenues and expenses are recognized on a gross basis.
ii. Transactions are measured at the carrying amount, except in specific circumstances.
iii. A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
iv. The transfer of an asset or liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
v. Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*.

There was no material impact on the consolidated financial statements of adopting the new Section.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on hand, cash on deposit at financial institutions and investments held in the Municipal Finance Authority of British Columbia investment funds.

	2018	2017
Cash	$ 34,224,626	$ 46,711,631
Cash equivalents	38,070,328	37,468,755
	$ 72,294,954	$ 84,180,386

3. ACCOUNTS RECEIVABLE

	2018	2017
Province of British Columbia	$ 268,731	$ 314,588
Government of Canada	2,128,518	971,278
Regional and local governments	955,112	654,769
BC Transit Annual Operating Agreement	2,800,997	1,001,008
Accrued investment interest	196,322	240,029
Developer DCC instalments/contributions	243,000	2,834,716
Other trade receivables	2,598,433	2,909,317
	$ 9,191,113	$ 8,925,705

4. PORTFOLIO INVESTMENTS

	2018	2017
Investments at cost less amortized premium	$ 38,958,504	$ 34,193,566

As at December 31, 2018, the following investments were held by the Regional District:

	Investment	Amortized Purchase Price	Accrued Interest	Total Book Value	Market Value at December 31, 2018
BNS	2.81% deposit note	$ 5,180,568	$ 1,595	$ 5,182,164	$ 5,180,568
TD	2.39% deposit note	5,089,488	51,655	5,141,142	5,141,142
CCCU	2.85% deposit note	3,174,293	744	3,175,036	3,174,293
BMO	3.14% coupon note	3,000,000	13,678	3,013,678	2,999,788
AGROVE	2.45% deposit note	2,966,649	41,220	3,007,869	3,007,869
TD	1.50% extendible note	2,500,000	9,247	2,509,247	2,395,122
BMO	1.85% extendible note	2,802,000	9,089	2,811,089	2,767,308
BMO	1.60% extendible note	2,050,000	6,580	2,056,580	2,004,987
BMO	2.15% extendible note	2,000,000	1,849	2,001,849	1,927,961
TD	2.00% extendible note	2,000,000	15,995	2,015,995	1,973,961
BMO	2.50% extendible note	2,000,000	7,123	2,007,123	1,990,709
BMO	2.00% extendible note	1,515,000	7,397	1,522,397	1,504,556
TD	2.00% extendible note	1,500,000	7,775	1,507,775	1,490,801
CONEXUS	2.85% deposit note	995,000	7,847	1,002,847	1,002,847
CONEXUS	2.85% deposit note	995,000	7,458	1,002,458	1,002,458
CONEXUS	2.85% deposit note	995,000	7,070	1,002,070	1,002,070
TD	1.00% deposit note	195,506	-	195,506	195,365
		$ 38,958,504	$ 196,322	$ 39,154,826	$ 38,761,806

5. OTHER ASSETS

	2018	2017
Security deposits for building or development permit applications	$ 25,578	$ 579,903

6. SHORT-TERM LOANS

During 2018, the Regional District entered into one additional short-term loan agreement totalling $475,000 with the Municipal Finance Authority. In 2018, principal payments of $108,345 were made. The maturity dates of the loans range between 1 to 5 years. The interest rates for these loans are variable, which at December 31 was 2.79%.

	2018	2017
Compactor	$ -	$ 43,121
Land - Community Parks EA B	112,800	150,400
Trailer and Kubota	3,676	8,952
Land - Community Parks EA F	60,000	75,000
Fire Trucks - Errington Volunteer Fire Department	467,652	-
	$ 644,128	$ 277,473

Short-term loan payments for the next five years are:

2019	2020	2021	2022	2023	TOTAL
$146,930	$145,645	$148,004	112,797	$90,752	$644,128

7. ACCOUNTS PAYABLE

	2018	2017
Payable to Federal Government	$ 222,731	$ 198,935
Payable to Provincial Government	831,091	785,638
Payable to other local governments	159,037	1,119,919
Trade and other payables	10,428,975	5,429,512
	$ 11,641,834	$ 7,534,004

8. OTHER LIABILITIES

	2018	2017
Wages and benefits payable	$ 1,738,230	$ 1,711,006
Retirement benefits payable - see note 9(a) i	2,051,001	2,243,138
Permit deposits	627,978	479,137
	$ 4,417,209	$ 4,433,281

9. UNFUNDED LIABILITIES

Unfunded liabilities represent the estimated amount of cumulative future expenses required to meet obligations which result from current operations. These liabilities are related to contractual employment obligations and landfill operations which are governed by Provincial statute. Special reserves which have been set aside to meet those obligations are described below.

(a) Employee Benefits

i. Retirement Benefits - The Regional District provides vested sick leave benefits to its employees who retire where they can qualify for a one time payout of up to 60 days of their accumulated unused sick leave. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on service. The actuarial valuation was calculated at December 31, 2018.

The accrued post-employment benefits are as follows:

	2018	2017
Balance, beginning of year	$ 1,797,849	$ 1,777,474
Current service costs	161,076	149,400
Benefits paid	(178,123)	(156,899)
Interest cost	50,011	54,096
Amortization of Net Actuarial Loss/ (Gain)	(25,592)	(26,222)
Balance, end of year	$ 1,805,221	$ 1,797,849

The significant actuarial assumptions adopted in measuring the Regional District's post-employment benefits are as follows:

	2018	2017
Discount Rate	3.30%	2.90%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

Retirement benefits payable	2018	2017
Balance reported in Note 8	$ 2,051,001	$ 2,243,138
Consolidation adjustment for actuarial valuation	(245,780)	(445,289)
Accrued benefit balance, end of year	$ 1,805,221	$ 1,797,849

ii. Other – Includes vacation pay adjustments and statutory and other benefits provided for in the collective agreement and which are paid in the normal course of business in the following year. The vacation pay liability at December 31, 2018 is $128,143 (2017, $109,294). The statutory benefits liability at December 31, 2018 is $198,329 (2017, $144,842).

(b) Landfill Closure and Post Closure Maintenance Costs

In accordance with PS 3270, liabilities with respect to permanently closing and monitoring a landfill are incurred as landfill capacity is used. Landfill Closure costs include placing a permanent cover over the face of the landfill. Post Closure Maintenance costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 200 years after the landfill is permanently closed.

9. UNFUNDED LIABILITIES (CONTINUED)

i. Landfill Closure costs - are estimated based on the open area of the remaining unused capacity of the landfill site. In 2009, a revised design and operations plan was approved for the landfill which provides additional airspace for future needs. This plan extended the estimated life of the landfill to 2030 which has since been updated to 2042 based on most recent usage data. The plan includes remediation and reuse of previously filled areas as well as extending perimeter berms for the development of new airspace.

At December 31, 2018, there were approximately 1,610,994 cubic meters of airspace available for waste and daily cover. Landfill Closure costs are estimated at $12,077,404 (2017, $9,677,527). As at December 31, 2018, $2,079,798 (2017, $1,843,650) has been set aside in reserves for this purpose. The balance of Landfill Closure costs are expected to be funded by a combination of future reserve account contributions, operating budgets and/or borrowing.

ii. Post Closure Maintenance costs – are costs estimated to manage the closed landfill for a statutory period of 200 years (increased from 25 years in 2015). Post Closure Maintenance costs are estimated using a number of factors including the percentage of landfill capacity already filled, the probable closure date, the regulated monitoring period, the estimated annual maintenance costs and a present value discount rate which is the difference between the long-term MFA borrowing rate and the 5 year average Consumer Price Index. The current estimate for annual Post Closure Maintenance costs are $575,000 for year 1-5; $475,000 for year 6-10; $275,000 for year 11-25; and $100,000 for year 26-200. Total Post Closure Maintenance costs are estimated to be $5,185,813 (2017, $5,601,807) based on 66% of the total landfill capacity being filled at this date, a 24 year lifespan to 2042, final closure in 2043, and a discount rate of 1.63%. Post Closure Maintenance costs are expected to be funded by annual budget appropriations in the years in which they are incurred.

The remaining liability to be recognized is estimated to be $8,893,172 (2017, $7,871,171) based on the remaining capacity of 1,610,994 cubic meters of airspace, which is 34% of the total landfill capacity.

Unfunded Liability Balances	2018	2017
Employee Retirement Benefits	$ (245,780)	$ (445,289)
Employee Other Benefits	326,471	254,136
Landfill Closure Costs	12,077,404	9,677,527
Post Closure Maintenance Costs	5,185,813	5,601,807
Unfunded Liability	$ 17,343,908	$ 15,088,181
Reserves On Hand	$ 2,079,798	$ 1,843,650

10. DEFERRED REVENUE

	December 31, 2017	Restricted Inflows	Revenue Recognized	December 31, 2018
Development Cost Charges	$ 17,424,967	$ 3,803,580	$ (5,459,058)	$ 15,769,489
Gas Tax Revenue Transfer program – Community Works Fund	8,310,258	1,912,630	(841,875)	9,381,013
Clean Water/Wastewater Revenue Transfer program	2,414,272	43,815	-	2,458,087
Other	514,169	71,515	(167,863)	417,821
	$ 28,663,666	$ 5,831,540	$ (6,468,796)	$ 28,026,410

10. DEFERRED REVENUE (CONTINUED)

Development Cost Charges - are amounts collected or payable as a result of new subdivision or building developments under the authority of Section 559 of the *Local Government Act.* The purpose of Section 559 is to collect funds for infrastructure which will be built as a result of population growth. Development Cost Charge bylaws have been enacted for the future expansion of wastewater treatment facilities, sewer, water and a bulk water system.

Community Works Fund - is a component of the federal government's "Investing in Canada Program" which was established to transfer a portion of gas tax revenues to local governments to address infrastructure deficits. Additional information on the Regional District of Nanaimo's use of the Community Works Fund grants is included in the schedule on Pg. 35.

11. LONG-TERM DEBT

Debt is recorded and payable in Canadian dollars. It is the current policy of the Municipal Finance Authority to secure debt repayable only in Canadian dollars.

Details of long-term debt, including debt issue numbers, maturity dates, interest rates and outstanding amounts, are summarized in the Schedule of Long-Term Debt on pages 28 to 31.

	2018	2017
Long-Term debt - Regional District services	$ 35,681,273	$ 34,858,326
Vancouver Island Regional Library	14,363,594	14,785,940
Member municipalities	49,029,975	45,845,012
Total Long-Term Debt	$ 99,074,842	$ 95,489,278

Payments of principal on issued debt of the Regional District, not including member municipalities, for the next five years are:

2019	2020	2021	2022	2023	Thereafter	TOTAL
$2,038,970	$2,034,934	$2,035,047	$1,966,777	$1,963,871	$25,641,674	$35,681,273

12. OTHER JURISDICTIONS DEBT RECEIVABLE

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities and other jurisdictions borrow funds from the Municipal Finance Authority. The annual cost of servicing this debt is recovered entirely from the borrowing jurisdiction. However, the Regional District is joint and severally liable for this debt in the event of default.

	2018	2017
Town of Qualicum Beach	$ 3,240,555	$ 3,703,491
City of Parksville	4,837,242	1,258,210
City of Nanaimo	40,952,178	40,883,311
Vancouver Island Regional Library	14,363,594	14,785,940
	$ 63,393,569	$ 60,630,952

13. TANGIBLE CAPITAL ASSETS

Net Book Value	2018	2017
Land	$ 43,190,799	$ 42,610,826
Land improvements	10,896,759	11,191,795
Buildings	30,387,874	31,821,555
Engineered structures	94,203,199	97,312,780
Equipment, furniture and vehicles	10,870,848	8,415,197
Assets under construction	57,807,440	19,759,671
	$ 247,356,919	$ 211,111,824

The Consolidated Schedule of Tangible Capital Assets (Pg. 27) provides details of acquisitions, disposals and amortization for the year.

14. GOVERNMENT TRANSFERS AND GRANTS

	2018	2017
Federal Government		
Operating transfers	$ 349,023	$ 924,166
Capital transfers	7,133,951	1,560,519
	$ 7,482,974	$ 2,484,685
Provincial Government		
Operating transfers	$ 6,374,154	$ 5,940,806
Capital transfers	504,182	862,193
	$ 6,878,336	$ 6,802,999
Total Government Transfers and Grants	$ 14,361,310	$ 9,287,684

15. ACCUMULATED SURPLUS

The financial operations of the Regional District are divided into three funds: capital fund, general revenue fund and reserve fund. For accounting purposes, each fund is treated as a separate entity.

General Revenue Fund – represents the accumulated operating surplus of the Regional District which has not otherwise been allocated by the Board as reserves for special purposes.

Capital Fund – represents amounts which have been expended by or returned to the General Revenue Fund or a Reserve Fund for the acquisition of tangible capital assets and includes related debt and refunds of debenture debt sinking fund surpluses.

Reserves - represents that portion of the accumulated operating surplus that has been set aside to fund future expenses. It includes both statutory reserves created by bylaw under the authority of the *Local Government Act* and reserve accounts, which may be used by the Board without legislative restrictions.

The Accumulated Surplus consists of individual fund surpluses (deficits) and reserves as follows:

	2018	2017
Unappropriated Surplus (Page 36)	13,053,647	12,297,424
Appropriated Surplus		
Reserve for future expenditures	4,863,180	3,906,208
Landfill closure	2,079,798	1,843,650
Property insurance deductible-fire departments	31,588	31,010
Liability insurance deductible	156,041	153,187
Regional Sustainability Initiatives	12,693	12,467
Dashwood Fire	10,144	453
San Pareil Boundary Amendment	10,263	10,097
Regional parks and trails donations	69,462	57,921
Vehicle fleet replacement (various departments)	553,235	1,007,139
	20,840,051	19,319,556
Net investment in Tangible capital assets (Note 16)	211,031,519	175,976,025
Capital Fund advances	171,261	4,779,379
Unfunded liabilities	(17,343,908)	(15,088,181)
	214,698,923	184,986,779
Restricted Reserve Funds (Page 33)	57,410,445	65,093,735
Accumulated Surplus (Page 3)	$ 272,109,368	$ 250,080,514

16. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in tangible capital assets represents the historic cost of capital expenses less debt obligations incurred to purchase and develop the infrastructure.

	2018	2017
Tangible capital assets (Pg. 3)	$ 247,356,919	$ 211,111,824
Short-term loans (Pg. 3)	(644,128)	(277,473)
Long-term debt - Regional District only (Note 11)	(35,681,273)	(34,858,326)
Net investment in Tangible capital assets (Note 15)	$ 211,031,519	$ 175,976,025

17. BUDGET FIGURES

Budget figures represent the Financial Plan Bylaw adopted by the Board on March 27, 2018. The financial plan includes capital expenses but does not include amortization expense. The financial plan forms the basis for taxation and fees and charges rates which may be required for a particular year. The following reconciliation of the budgeted "Surplus for the year" shown on Pg. 4 is provided to show which items must be added or removed to reflect to the budgeted financial plan values which are shown compared to actual expenses on Pg. 36 (General Revenue Fund Schedule of Revenue and Expenses).

		2018 Budget
Budgeted Surplus for the year (Pg. 4)		$ 29,663,357
Add:		
Transfers from reserves		37,241,862
Proceeds of borrowing		15,119,726
Prior year operating surplus		12,146,812
Less:		
Capital expenses		(72,943,091)
Prior Year consolidation adjustments		
Debt principal repayments/actuarial adjustments		
Budgeted principal payments	$ 4,958,635	
Add: Actuarial Adjustments	401,611	
Less: Principal payments for member municipalities	(3,188,064)	(2,172,182)
Transfer to reserves		(10,433,016)
Consolidated Budgeted Surplus, per Regional District of Nanaimo Financial Plan Bylaw No. 1771 (Pg. 36)		$ 8,623,468

18. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS

The Regional District secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2018, the Regional District had debt reserve funds of $545,125 (2017, $535,176).

19. NORTH ISLAND 9-1-1 CORPORATION

A 9-1-1 emergency call answering service is provided by the North Island 9-1-1 Corporation, which is owned by the Regional Districts of Comox Valley, Strathcona, Mount Waddington, Alberni Clayoquot, Nanaimo, and Powell River. The shares in the corporation are owned as follows:

Alberni Clayoquot	3 shares
Comox Valley	6 shares
Strathcona	4 shares
Mount Waddington	1 share
Nanaimo	5 shares
Powell River	2 shares

The Regional District's investment in shares of the North Island 9-1-1 Corporation is recorded at cost as it does not fall under the definition of a government partnership (PS 3060.06). The Regional District's share of the corporation is equal to 23.8% and the degree of control is proportionate to the ownership share. As no benefits are expected from the ownership, it has not been accounted for as an equity investment.

20. PENSION LIABILITY

The Regional District of Nanaimo and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from the local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan was at December 31, 2015, indicated a $2.224 billion funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, $1.927 billion was transferred to the rate stabilization account and $297 million of the surplus ensured the required contribution rates remained unchanged.

The Regional District of Nanaimo paid $2,175,914 (2017, $2,036,380) for employer contributions to the Plan in fiscal 2018.

	2018	2017
Employer Portion	$ 2,175,914	$ 2,036,380
Employee Portion	1,921,741	1,782,863
	$ 4,097,655	$ 3,819,243

21. CONTINGENT LIABILITIES

Contingent liabilities are recognized by the Regional District in accordance with PS 3300.15. As at December 31, 2018, there were outstanding claims against the Regional District, however, no liability has been accrued because amounts are undeterminable and the likelihood of the Regional District having to make payment is uncertain.

22. ENVIRONMENTAL REGULATIONS

The Regional District is subject to environmental regulations which apply to a number of its operations. These regulations may require future expenses to meet applicable standards and subject the Regional District to possible penalties for violations. Amounts required to meet these obligations will be charged to operations when incurred and/or when they can be reasonably estimated.

23. EXPENSES BY OBJECT

	Budget	2018	2017
Operating goods and services	$ 36,984,174	$ 33,994,163	$ 34,053,190
Wages and benefits	34,034,730	33,100,265	30,547,859
Debt interest	1,507,439	1,507,439	1,253,676
Amortization expense	-	7,335,406	7,216,168
Unfunded expenditures (Note 9)	-	2,255,728	2,290,731
Total Expenditures by Object	$ 72,526,343	$ 78,193,001	$ 75,361,624

24. ARROWSMITH WATER SERVICE AND ENGLISHMAN RIVER WATER SERVICE JOINT VENTURES

The Arrowsmith Water Service (AWS) was formed in 1996 as a joint venture between the Regional District of Nanaimo, the City of Parksville and the Town of Qualicum Beach. The AWS was established to develop a bulk water supply available to the participants in the service and to construct the Arrowsmith Dam as a first step in that development as well as to provide for protection of the fisheries habitat of the Englishman River.

The Englishman River Water Service (ERWS) is a joint venture between the City of Parksville and the Regional District of Nanaimo, formed to secure a bulk water supply from the Englishman River. This regional partnership supplements existing well supply sources owned and operated by the City of Parksville and Nanoose Bay Peninsula Water Service Area. The ERWS development plan includes a new river water supply intake, new water treatment plant and distribution system.

Financial results and budget for the joint ventures are consolidated in the Regional District of Nanaimo's financial statements proportionately based on the joint venture agreements: 22.4% of the Arrowsmith Water Service and 26% of the Englishman River Water Service.

The following table summarizes the financial statements of the two joint ventures.

	Arrowsmith Water Service 2018	Englishman River Water Service 2018
Financial assets	$ 369,630	$ 3,127,772
Non-financial assets	6,457,416	33,855,482
Accumulated surplus	6,827,046	36,983,254
Revenues		
Joint venturer contributions	$ 110,087	$ 6,341,942
Capital grant	-	4,492,229
	110,087	10,834,171
Expenses		
Operating	80,087	16,708
Annual surplus (deficit)	$ 30,000	$ 10,817,463

25. CONTAMINATED SITES

At the reporting date, only one site was identified as potentially contaminated due to past industrial use at this site and on the neighbouring property; these findings remain unchanged from the December 31, 2015 year end. For this site there is insufficient information to determine whether contamination exceeding the relevant environmental standard is likely to exist, or whether remediation is required. The future cost and responsibility for remediation of this site is not currently determinable.

26. SUBSEQUENT EVENTS

On March 26, 2019, the decision was made to discontinue the Bowser Village Centre Sewer Servicing project. The RDN was awarded a joint Federal and Provincial Clean Water and Wastewater Fund of up to $7.6 million, with $2.4 million being received in 2017. Development Cost Charges towards the project in the amount of $2.6 million were received in 2018. Project funding will be returned in 2019, and the design cost of $0.3 million will be written off.

27. COMMITMENTS

As at December 31, 2018, the regional district had the following significant commitments:

NAC Constructors Ltd. – for the Greater Nanaimo Pollution Control Centre Secondary Treatment Upgrade. Scheduled for completion in 2019, this project has a remaining commitment of $26,974,439.

Circular Waste British Columbia Inc. – for the Solid Waste Organics Processing Agreement. This 20-year agreement, which expires December 7, 2038, provides for a minimum payment of $1,350,000 in the first year and is adjusted for inflation in each of the subsequent years.

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

REGIONAL DISTRICT OF NANAIMO
GENERAL REVENUE FUND
SCHEDULE OF REVENUE AND EXPENSES
as at December 31, 2018
(UNAUDITED)

	Corporate Services (Schedule A)	Strategic & Community Development (Schedule B)	Regional & Community Utilities (Schedule C)	Recreation & Parks Services (Schedule D)	Transportation & Emergency Services (Schedule E)	**Actual 2018**	Budget 2018	Actual 2017
REVENUES								
Tax requisition	$ 4,560,777	$ 2,401,480	$ 19,395,804	$ 10,839,337	$ 16,168,924	**$ 53,366,322**	$ 53,366,322	$ 50,044,837
Government transfers & grants	372,860	213,120	7,410,957	306,464	6,057,909	**14,361,310**	20,088,044	9,287,684
Payments in lieu of taxes	83,394	11,164	252,372	27,359	221,277	**595,566**	146,790	197,398
Investment income	446,104	-	-	-	-	**446,104**	150,000	269,174
Operating revenues	20,327	1,980,976	7,549,347	1,783,444	5,077,619	**16,411,713**	15,755,723	15,757,906
Disposal fees	-	-	9,228,498	-	-	**9,228,498**	8,200,000	9,183,048
Other revenues	10,969,052	1,278,267	33,854,291	1,301,022	4,132,964	**51,535,596**	73,189,006	28,556,125
	16,452,514	5,885,007	77,691,269	14,257,626	31,658,693	**145,945,109**	170,895,885	113,296,172
EXPENSES								
General administration	196,549	398,616	1,819,837	616,361	1,528,510	**4,559,873**	4,733,549	4,366,160
Professional fees	343,673	446,791	994,132	130,111	143,950	**2,058,657**	3,306,734	1,655,189
Community grants	116,340	-	-	-	-	**116,340**	131,940	730,367
Legislative	745,940	-	-	8	-	**745,948**	769,731	462,439
Program costs	-	188,612	150,656	669,533	20,793	**1,029,594**	1,417,666	1,091,895
Vehicle and Equip operating	225,625	88,567	2,036,679	163,918	5,106,578	**7,621,367**	7,499,288	7,016,525
Building operating	404,015	37,313	1,516,463	712,070	467,067	**3,136,928**	3,329,755	3,122,063
Other operating	1,295,795	679,591	10,733,341	978,541	3,704,036	**17,391,304**	18,708,613	16,041,217
Wages & benefits	4,272,380	2,804,880	8,151,221	4,635,185	13,236,599	**33,100,265**	34,034,730	30,547,859
Capital expenses	355,653	40,736	40,262,602	1,406,406	1,962,390	**44,027,787**	72,943,091	19,314,823
	7,955,970	4,685,106	65,664,931	9,312,133	26,169,923	**113,788,063**	146,875,097	84,348,537
OPERATING SURPLUS	8,496,544	1,199,901	12,026,338	4,945,493	5,488,770	**32,157,046**	24,020,788	28,947,635
Debt retirement								
- interest	2,593,741	-	930,220	406,506	170,713	**4,101,180**	4,778,205	4,260,584
- principal	3,188,060	-	1,138,218	417,350	178,738	**4,922,366**	4,958,634	4,376,812
Reserve contributions	357,218	756,055	9,190,573	2,667,561	2,091,162	**15,062,569**	10,433,016	12,657,542
Transfers to other govts	2,455,444	70,000	-	1,780,274	3,008,990	**7,314,708**	7,374,277	7,518,341
	8,594,463	826,055	11,259,011	5,271,691	5,449,603	**31,400,823**	27,544,132	28,813,279
CURRENT YEAR SURPLUS (DEFICIT)	(97,919)	373,846	767,327	(326,198)	39,167	**756,223**	(3,523,344)	134,356
Prior year's surplus applied	1,144,342	1,713,657	5,474,439	1,721,590	2,243,396	**12,297,424**	12,146,812	12,163,068
NET OPERATING SURPLUS	$ 1,046,423	$ 2,087,503	$ 6,241,766	$ 1,395,392	$ 2,282,563	**$ 13,053,647**	$ 8,623,468	$ 12,297,424

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
LONG-TERM DEBT SUMMARY BY FUNCTION
DECEMBER 31, 2018

	2014	2015	2016	2017	**2018**
REGIONAL DISTRICT					
RAVENSONG AQUATIC CENTRE	313,224	-	-	-	$ **-**
OCEANSIDE PLACE ARENA	3,954,686	3,580,996	3,192,358	2,788,175	**2,367,824**
REGIONAL PARKS	1,984,688	1,912,964	1,838,371	1,760,795	**1,680,115**
COMMUNITY PARKS	310,004	285,373	259,679	232,873	**204,906**
WASTEWATER MANAGEMENT			5,000,000	19,813,921	**19,064,025**
FIRE PROTECTION	4,352,441	4,160,535	4,189,644	3,994,473	**3,791,669**
SEWER SERVICES	1,822,604	1,956,994	1,848,406	1,735,515	**1,618,149**
WATER SUPPLY SERVICES	2,891,369	2,587,690	3,176,528	4,532,574	**6,954,583**
VANCOUVER ISLAND REGIONAL LIBRARY	15,957,989	15,582,525	15,192,042	14,785,940	**14,363,594**
TOTAL REGIONAL DISTRICT	31,587,005	30,067,078	34,697,031	49,644,266	**50,044,866**
MEMBER MUNICIPALITIES	52,213,097	53,520,830	49,751,819	45,845,012	**49,029,976**
TOTAL LONG-TERM DEBT (Pg. 3)	83,800,102	83,587,908	84,448,850	95,489,278	$ **99,074,842**

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2018

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	**2018 DEBT O/S**	2017 DEBT O/S
OCEANSIDE PLACE ARENA								
	MFA 97	CDN	1365	Apr 19,2023	4.830	6,470,646	**2,367,824**	2,788,175
	TOTAL OCEANSIDE PLACE ARENA					6,470,646	**2,367,824**	2,788,175
REGIONAL PARKS								
	MFA 126	CDN	1629	Sep 26,2033	3.850	2,053,653	**1,680,115**	1,760,795
	TOTAL REGIONAL PARKS					2,053,653	**1,680,115**	1,760,795
COMMUNITY PARKS								
ELECTORAL AREA B								
	MFA 78	CDN	1299	Dec 03, 2022	2.250	100,000	**28,454**	34,741
	MFA 79	CDN	1303	Jun 03, 2023	5.250	80,000	**27,793**	32,583
	MFA 81	CDN	1304	Apr 22, 2024	4.900	80,000	**32,583**	37,145
	MFA 93	CDN	1305	Apr 06, 2025	5.100	80,000	**32,676**	36,891
	MFA 97	CDN	1306	Apr 19, 2026	4.660	80,000	**39,633**	43,768
	MFA 101	CDN	1307	Apr 11, 2027	2.250	80,000	**43,768**	47,745
	TOTAL COMMUNITY PARKS					500,000	**204,906**	232,873
FIRE PROTECTION SERVICES								
MEADOWOOD FIRE								
	MFA 110	CDN	1587	Apr 08, 2030	4.500	1,773,410	**1,224,664**	1,303,033
NANAIMO RIVER FIRE								
	MFA 99	CDN	1488	Apr 19,2027	4.430	20,761	**10,285**	11,358
NANOOSE BAY FIRE								
	MFA 130	CDN	1617	Oct 14, 2034	3.000	2,790,000	**2,392,136**	2,497,528
COOMBS-HILLIERS FIRE								
	MFA 139	CDN	1538	Oct 5, 2026	2.100	200,000	**164,584**	182,554
	TOTAL FIRE PROTECTION SERVICES					4,784,171	**3,791,669**	3,994,473
SEWER SERVICES								
BARCLAY CRESCENT SEWER								
	MFA 102	CDN	1486	Dec 01, 2027	4.820	895,781	**490,086**	534,615
CEDAR SEWER								
	MFA 106	CDN	1571	Oct 13, 2029	4.130	926,180	**597,026**	639,592
	MFA 106	CDN	1572	Oct 13, 2029	4.130	27,200	**17,533**	18,784
	MFA 106	CDN	1573	Oct 13, 2029	4.130	108,800	**70,134**	75,134
	MFA 106	CDN	1574	Oct 13, 2029	4.130	61,200	**39,450**	42,263
	MFA 110	CDN	1584	Apr 08, 2030	4.500	232,286	**160,410**	170,675
	MFA 117	CDN	1626	Oct 12, 2031	3.250	51,620	**37,928**	40,122
						1,407,286	**922,481**	986,570
HAWTHORNE RISE SEWER								
	MFA 131	CDN	1696	Apr 8, 2035	2.200	173,300	**154,265**	160,829
REID ROAD SEWER								
	MFA 133	CDN	1709	Oct 2, 2035	2.750	57,650	**51,318**	53,501
	TOTAL SEWER SERVICES					$ 2,534,017	**$ 1,618,149**	$ 1,735,515

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2018

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	**2018 DEBT O/S**	2017 DEBT O/S
WATER - SAN PAREIL								
	MFA 81	CDN	1367	Apr 22, 2019	4.900	89,476	**8,210**	16,029
	MFA 97	CDN	1395	Apr 19, 2021	4.660	40,000	**9,984**	13,059
	MFA 106	CDN	1395	Oct 13, 2024	4.130	94,439	**44,526**	50,981
	MFA 117	CDN	1395	Oct 12, 2026	3.250	49,056	**29,706**	32,806
						272,971	**92,426**	112,875
WATER - SAN PAREIL FIRE IMPROVEMENTS								
	MFA 127	CDN	1689	Apr 07, 2034	3.300	1,114,600	**955,654**	997,758
						1,114,600	**955,654**	997,758
WATER - DRIFTWOOD								
	MFA 80	CDN	1301	Oct 03, 2023	4.900	100,614	**34,954**	40,979
						100,614	**34,954**	40,979
WATER - MELROSE TERRACE								
	MFA 103	CDN	1539	Apr 23, 2018	4.650	14,349	-	1,701
						14,349	-	1,701
BULK WATER - FRENCH CREEK								
	MFA 69	CDN	1127	Sep 24, 2018	4.650	503,655	-	38,490
						503,655	-	38,490
BULK WATER - NANOOSE								
	MFA 69	CDN	1128	Sep 24, 2018	4.650	864,095	-	66,035
	MFA 74	CDN	1226	Jun 01, 2021	5.900	2,195,223	**479,701**	624,621
	MFA 80	CDN	1239	Oct 03, 2023	4.900	176,295	**61,246**	71,802
	MFA 142	CDN	1242	Oct 04, 2037	3.150	168,875	**162,590**	168,875
	MFA 142	CDN	1244	Oct 04, 2037	3.150	1,476,000	**1,421,070**	1,476,000
	MFA 146	CDN	1243	Sep 19, 2038	3.200	2,536,370	**2,536,370**	-
	MFA 146	CDN	1245	Sep 19, 2038	3.200	314,142	**314,142**	-
						7,731,000	**4,975,119**	2,407,333
NANOOSE BAY PENINSULA WATER								
	MFA 139	CDN	1723	Oct 05, 2036	2.100	350,000	**323,558**	336,975
	MFA 139	CDN	1750	Oct 05, 2036	2.100	557,200	**515,105**	536,463
						907,200	**838,663**	873,438
WESTURNE HEIGHTS								
	MFA 142	CDN	1720	Oct 04, 2037	3.150	60,000	**57,767**	60,000
						60,000	**57,767**	60,000
	TOTAL WATER SUPPLY MANAGEMENT					10,704,389	6,954,583	4,532,574
WASTEWATER SERVICES								
SOUTHERN COMMUNITY WASTEWATER								
	MFA 139	CDN	1742	Oct 05, 2036	2.100	5,000,000	**4,622,261**	4,813,921
	MFA 142	CDN	1762	Oct 04, 2037	3.150	15,000,000	**14,441,764**	15,000,000
	TOTAL WASTWATER MANAGEMENT					20,000,000	**19,064,025**	19,813,921
DEBT HELD FOR OTHER JURISDICTIONS								
VANCOUVER ISLAND REGIONAL LIBRARY								
	MFA 117	CDN	1634	Oct 12, 2041	3.250	8,000,000	**6,873,381**	7,053,867
	MFA 126	CDN	1674	Sep 26, 2038	3.850	8,610,000	**7,490,213**	7,732,073
	TOTAL - VANCOUVER ISLAND REGIONAL LIBRARY					$ 16,610,000	**$ 14,363,594**	$ 14,785,940
TOTAL LONG-TERM DEBT - REGIONAL DISTRICT						$ 63,656,876	**$ 50,044,866**	$ 49,644,266

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2018

FUNCTION	ISSUER	FUNDS	BYLAW NUMBER	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	**2018 DEBT O/S**	**2017 DEBT** O/S
CITY OF PARKSVILLE								
	MFA 68	CDN	1109	Mar 24, 2018	4.650	1,200,000	**-**	91,706
	MFA 69	CDN	1129	Sep 24, 2018	4.650	1,970,000	**-**	150,550
	MFA 74	CDN	1227	Jun 01, 2021	5.900	290,000	**63,371**	82,516
	MFA 75	CDN	1238	Dec 01, 2021	5.690	1,050,000	**229,446**	298,763
	MFA 78	CDN	1283	Dec 03, 2022	2.250	765,000	**217,670**	265,767
	MFA 93	CDN	1420	Apr 06, 2025	5.100	800,000	**326,755**	368,908
	MFA 145	CDN	1745	Apr 23, 2043	3.150	4,000,000	**4,000,000**	-
	TOTAL CITY OF PARKSVILLE					10,075,000	**4,837,242**	1,258,210
TOWN OF QUALICUM BEACH								
	MFA 136	CDN	1729	Nov 30, 2025	2.750	4,629,364	**3,240,555**	3,703,491
	TOTAL TOWN OF QUALICUM BEACH					4,629,364	**3,240,555**	3,703,491
CITY OF NANAIMO								
	MFA 72	CDN	1197	Jun 01, 2020	6.450	4,500,000	**658,564**	**966,732**
	MFA 73	CDN	1219	Dec 01, 2020	6.360	4,100,000	**600,025**	**880,801**
	MFA 99	CDN	1489	Oct 19, 2026	4.430	15,000,000	**7,431,107**	**8,206,571**
	MFA 101	CDN	1489	Apr 11, 2027	2.250	15,000,000	**8,206,571**	**8,952,209**
	MFA 102	CDN	1530	Dec 01, 2027	2.250	3,750,000	**2,051,643**	**2,238,052**
	MFA 126	CDN	1688	Sep 26, 2033	3.850	13,300,000	**10,880,868**	**11,403,371**
	MFA 127	CDN	1694	Apr 07, 2034	3.300	9,200,000	**7,888,046**	**8,235,575**
	MFA 146	CDN	1774	Sep 19, 2038	3.200	3,235,354	**3,235,354**	**-**
	TOTAL CITY OF NANAIMO					68,085,354	**40,952,179**	40,883,311
TOTAL LONG-TERM DEBT - MEMBER MUNICIPALITIES						$ 82,789,718	**$ 49,029,976**	$ 45,845,012
TOTAL LONG-TERM DEBT						$ 146,446,594	**$ 99,074,842**	$ 95,489,278

See notes to consolidated financial statements

REGIONAL DISTRICT OF NANAIMO

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

REGIONAL DISTRICT OF NANAIMO

SCHEDULE OF DIRECTORS REMUNERATION AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

Name	Position	Remuneration[1]	Expenses[2]
Veenhof, B.	Area H Director (Chairperson)	$ 60,646.23	$ 16,957.64
McPherson, A.	Area A Director	33,910.65	12,213.00
Houle, H.	Area B Director	33,270.65	9,731.77
Craig, Vanessa	Area B Director	4,380.98	1,003.56
Young, M.	Area C Director	37,546.91	8,175.73
Rogers, B.	Area E Director	37,933.34	14,138.44
Fell, J.	Area F Director	30,205.65	8,742.74
Salter, L	Area F Director	4,043.48	455.92
Stanhope, J.	Area G Director	31,370.17	11,408.28
Gourlay, C.	Area G Director	4,380.98	2,665.60
McLean, S.	Area H Director	4,255.98	1,248.22
Colclough, B.	Lantzville Director	15,161.62	130.74
Swain, M.	Lantzville Director	1,868.14	124.48
McKay, B.	Nanaimo Director	15,276.62	274.88
Bestwick, B.	Nanaimo Director	14,581.62	242.00
Kipp, J.	Nanaimo Director	13,456.62	66.00
Hong, J.	Nanaimo Director	14,401.62	138.29
Fuller, G.	Nanaimo Director	13,456.62	212.14
Thorpe, I.	Nanaimo Director	21,624.48	308.31
Yoachim, B.	Nanaimo Director	13,331.62	176.00
Brennan, D.	Nanaimo Director	14,401.62	168.67
Armstrong, S.	Nanaimo Director	3,823.14	142.88
Bonner, D.	Nanaimo Director	1,868.14	124.48
Brown, T.	Nanaimo Director	2,418.14	124.48
Geselbracht, B.	Nanaimo Director	1,868.14	124.48
Hemmens, E.	Nanaimo Director	1,868.14	124.48
Krog, L.	Nanaimo Director	2,493.14	174.76
Turley, E.	Nanaimo Director	2,118.14	124.48
Lefebvre, M.	Parksville Director	14,206.62	673.35
Oates, K.	Parksville Director	14,276.62	576.42
Fras, A.	Parksville Director	2,118.14	2,302.32
Mayne, E.	Parksville Director	1,868.14	124.48
Westbroek, T.	Qualicum Beach Director	17,699.76	1,483.26
Wilson, K.	Area A Alternate Director	4,611.26	435.29
McLean, J.	Area F Alternate Director	625.00	235.71
Maartman, Z.	Nanaimo Alternate Director	125.00	15.71
Beil, M.	Parksville Alternate Director	1,125.00	228.15
Total Remuneration and Expenses		**$ 492,618.12**	**$ 95,597.14**

[1]Remuneration includes gross salary and applicable benefits. One third of the salary is a tax free expense allowance.

[2]Expenses include travel, conferences, and mileage expenses, and are not limited to those bestowing a personal benefit.

Prepared under the Financial Information Regulation, Schedule 1, Section 6(2)

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Employee Name	Position	Base Remuneration[1]	Other Remuneration[2]	Total Remuneration	Expenses[4]
Exempt Staff					
ALEXANDER, RANDAL	General Manager, Regional & Community Utilities	$ 170,683.50	$ 4,320.94	$ 175,004.44	$ 1,996.11
ARMET, THOMAS	Manager, Building & Bylaw Services	116,433.80	2,063.64	118,497.44	585.15
BANMAN, DEAN	Manager, Recreation Services	122,606.35	1,787.07	124,393.42	1,190.08
BEAUCHAMP, ERICA	Superintendent, Transit Planning & Scheduling	97,090.94	1,166.06	98,257.00	4,303.52
CARLYLE, PHYLLIS	Chief Administrative Officer	259,102.74	46,989.71 [3]	306,092.45	32,858.47
CHESTNUT, MIKE	Superintendent, Aquatic Services	94,915.10	1,161.36	96,076.46	2,069.31
DEPOL, SEAN	Manager, Waste Water Services	142,476.65	2,109.63	144,586.28	1,282.48
DOBBS, MARK	Superintendent, Parks Operations & Capital Projects	98,859.50	1,623.86	100,483.36	894.69
FELKER, KURTIS	Purchasing Manager	116,948.65	1,777.71	118,726.36	2,938.26
GARBUTT, GEOFFREY	General Manager, Strategic & Community Development	170,113.50	5,978.24	176,091.74	5,691.83
GARDINER, DOUGLAS	Fire & Rescue Service Coordinator	86,987.25	3,005.57	89,992.82	2,773.28
GARDNER, LARRY	Manager, Solid Waste Services	122,624.20	13,072.04	135,696.24	3,524.40
HADDOU, JAMES	Project Engineer	90,941.61	78.97	91,020.58	41.67
HAHTO, HARSIMRIT	Human Resources Advisor	86,714.30	5,516.22	92,230.52	1,723.02
HAMILTON, JANE	Superintendent, Landfill Operations	99,293.35	11,772.88	111,066.23	2,390.56
HILL, JACQUELINE	Manager, Administrative Services	118,518.75	1,782.37	120,301.12	7,531.67
HOLM, JEREMY	Manager, Current Planning	108,828.52	11,511.91	120,340.43	712.94
IDEMA, WENDY	Director, Finance	147,183.66	37,324.06	184,507.72	822.71
KING, HANNAH	Superintendent, Recreation Program Services	98,827.23	1,623.86	100,451.09	3,458.93
LOUDON, CAROL	Executive Assistant	72,825.45	5,461.32	78,286.77	4,315.44
LUNDMAN, IAN	Superintendent, Wastewater Services	98,249.07	6,293.69	104,542.76	3,027.55
MANHAS, MANVIR	Manager, Capital Accounting & Financial Reporting	117,518.75	3,782.37	121,301.12	4,189.68
MARCELLUS, JOHN	Superintendent, Arena Services	99,539.86	1,623.86	101,163.72	1,446.09
MARSHALL, DARREN	Manager, Transit Operations	117,674.70	10,901.09	128,575.79	3,450.37
MARSHALL, WENDY	Manager, Parks Services	116,622.80	1,326.12	117,948.92	2,504.36
MAUCH, MAURICE	Project Engineer	101,540.60	28,274.16	129,814.76	386.67
MAYEA, PATRICIA	Legislative Coordinator	80,972.78	1,399.11	82,371.89	2,510.34
MIDGLEY, CHRISTOPHER	Manager, Strategic Initiatives & Asset Management	118,518.75	2,271.15	120,789.90	53.05
MILLER, BRANDON	Superintendent, Fleet & Transit Service Delivery	99,865.85	1,782.32	101,648.17	1,492.85
MOILANEN, LISA	Communications Coordinator	81,216.42	2,050.56	83,266.98	2,545.94
MOODY, MICHAEL	Manager, Information Services	118,900.46	1,783.92	120,684.38	3,425.26
MOORE, TIFFANY	Manager, Accounting Services	121,668.75	2,882.37	124,551.12	6,308.51
OSBORNE, THOMAS	General Manager, Recreation & Parks Services	166,587.75	8,037.03	174,624.78	6,254.07
PEARCE, DANIEL	Director, Transportation & Emergency Services	145,151.10	5,880.00	151,031.10	3,263.45
ROUTLEDGE, BENJAMIN	Superintendent, Scale & Transfer Services	95,078.86	4,610.10	99,688.96	708.48
SQUIRE, MICHAEL	Project Engineer	91,958.84	1,545.10	93,503.94	2,661.81
ST PIERRE, GERALD	Project Engineer	106,490.98	1,318.60	107,809.58	7,005.76
THOMPSON, PAUL	Manager, Long Range Planning	122,637.13	1,359.17	123,996.30	2,504.29
WELLS, DELCY	General Manager of Corporate Services	139,227.90	1,759.95	140,987.85	1,682.22
CUPE Staff					
APPLETON, BRENT	Transit Mechanic	76,796.96	1,294.40	78,091.36	1,962.40
BAILDHAM, RILEY	Building Inspector	78,654.95	1,251.00	79,905.95	1,081.95
BAJWA, SONAM	Special Projects Coordinator	79,788.70	20.00	79,808.70	327.38
BANDURKA, GREG	Dispatch - HandyDART	79,303.06	824.40	80,127.46	-
BANNATYNE, CLAYTON	Chief Facility Operator (Ravensong and Oceanside)	78,328.08	374.40	78,702.48	1,293.52
BENTLEY, PAUL	Serviceperson Driver	74,265.72	1,294.40	75,560.12	-
BESSELING, LAWRENCE	Operator 3 - FCPCC	82,377.30	904.40	83,281.70	1,414.80
BLOCK, PETER	Serviceperson Driver	92,103.27	1,314.40	93,417.67	-
BOOGAARDS, STEPHEN	Planner	75,678.23	1,274.40	76,952.63	526.86
BRAND, JENNIFER	Building Inspector	74,751.55	864.40	75,615.95	1,598.43
BROOKS, THOMAS	Dispatch - HandyDART	74,989.93	1,404.40	76,394.33	-
CHILDS, MICHAEL	Information Systems Technologist	74,547.15	884.40	75,431.55	27.98
CHOI, BYEONG TAEK	Serviceperson Driver	96,170.57	1,294.40	97,464.97	135.00
CHURKO, DEBORAH	Engineering Technologist	76,237.51	1,274.40	77,511.91	1,751.52
CRAMER, KELSEY	Parks Planner	75,694.03	1,354.40	77,048.43	2,065.74
DINGJAN, SONNY	Serviceperson Driver	77,239.41	20.00	77,259.41	-
DORKEN, HEATHER	Utilities Technician 3	79,988.32	1,661.63	81,649.95	448.09
DOUMONT, COREY	Serviceperson Driver	77,037.58	20.00	77,057.58	-

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Employee Name	Position	Base Remuneration[1]	Other Remuneration[2]	Total Remuneration	Expenses[4]
EDWARDS, ANDREW	Serviceperson Driver	78,041.06	-	78,041.06	-
FARMER, RYAN	Serviceperson Driver	75,200.82	-	75,200.82	-
FEARN, LAINA	Accountant	75,751.51	1,274.40	77,025.91	6,102.78
FEE, STEWART	Assistant dispatch	110,734.73	1,314.40	112,049.13	-
GREEN, GREIG	Transit Shop staff	77,803.51	1,274.40	79,077.91	-
GREVELING, TREVOR	Transit Mechanic	77,013.67	762.00	77,775.67	3,313.73
GUIZZETTI, KEVIN	Transfer Station Supervisor - Solid Waste	77,758.95	1,274.40	79,033.35	200.43
HALE, BRIAN	Utilities Technician 3	83,833.07	1,274.40	85,107.47	327.96
HERMAN, JOHN	Operator 3 - FCPCC	75,959.66	884.40	76,844.06	2,820.77
HILL, WILLIAM	Chief Operator - Equipment and Maintenance	79,166.57	1,274.40	80,440.97	-
HOOVER, CRAIG	Senior Operator - GNPCC	82,808.70	1,434.40	84,243.10	290.51
HORSBURGH, SHARON	Sustainability Coordinator	82,773.97	1,314.40	84,088.37	1,365.46
HUGGINS, STEPHEN	Serviceperson Driver	78,764.37	20.00	78,784.37	-
JAWORSKI, LYNDON	Utilities Technician 2	80,342.82	1,394.40	81,737.22	2,729.74
JONES, LESLIE	Serviceperson Driver	89,744.24	944.40	90,688.64	-
KAIN, RANDY	Dispatch - HandyDART	79,907.63	1,274.40	81,182.03	-
KALLEN, TONY	Operator 3 - GNPCC	80,107.00	3,611.76	83,718.76	1,710.09
KAROD, SODI	Serviceperson Driver	77,057.97	20.00	77,077.97	-
KAYE, JEREMY	Instrumentation Technician	77,369.94	1,454.40	78,824.34	2,644.25
KELLER, GREG	Senior Planner	85,509.39	1,984.43	87,493.82	742.45
KERMAN, CHRIS	Senior Operator - FCPCC	91,553.78	3,022.05	94,575.83	4,671.94
KUZIEK, PETER	Serviceperson Driver	99,232.54	691.29	99,923.83	485.39
LANCASTER, BRADLEY	Utilities Technician 2	79,841.05	1,334.40	81,175.45	386.08
LIEW, ALEX	Serviceperson Driver	83,824.45	996.90	84,821.35	-
LINTHORNE, IVY	Payroll Coordinator	74,137.86	1,354.40	75,492.26	1,747.53
LUSSIER, RENEE	Parks Planner	75,474.76	1,294.40	76,769.16	1,614.34
MACDONALD, RYAN	Information Services Coordinator	83,618.76	766.41	84,385.17	-
MACLENNAN, RICHARD	Chief Mechanic	81,564.04	900.00	82,464.04	-
MACLEOD, SHANE	Environmental Technician	81,317.66	-	81,317.66	1,134.16
MARKS, KRISTEEN	Planner	75,749.58	1,314.40	77,063.98	618.61
MATTHEWS, JOHN	Serviceperson Driver	82,948.43	1,274.40	84,222.83	149.95
MCCULLOCH, ELAINE	Parks Planner	76,583.08	1,274.40	77,857.48	3,552.64
MICHEL, JOAN	Parks and Trails Coordinator	75,855.80	824.40	76,680.20	1,642.36
MOORE, STEVEN	Serviceperson Driver	78,089.86	-	78,089.86	-
MUELLER, LORENA	Wastewater Program Coordinator	75,719.92	374.40	76,094.32	3,042.11
NORUM, SHELLEY	Wastewater Coordinator	75,752.24	824.40	76,576.64	662.90
OMAN, TRAVIS	Parks Technician	75,336.02	1,274.40	76,610.42	2,111.74
PARENTEAU, BARRY	Serviceperson Driver	78,107.77	-	78,107.77	-
PARKS, LARRY	Maintenance Operator - GNPCC	76,015.10	900.00	76,915.10	502.14
PERRAULT, KRISTA	Serviceperson Driver	75,199.10	20.00	75,219.10	-
PHILLIPS, SHANE	Utilities Technician 2	75,228.34	1,314.40	76,542.74	192.51
PISANI, JULIE	Drinking Water and Watershed Protection Coordinator	77,631.15	1,428.27	79,059.42	5,129.06
POWELL, RYAN	Laboratory Technician - GNPCC	77,864.66	1,354.40	79,219.06	1,038.42
QUALIZZA, ALEXANDER	Serviceperson Driver	80,474.00	-	80,474.00	-
RACETTE, ERIC	Transportation Services Mechanic	84,844.30	1,274.40	86,118.70	20.00
RAI, HARJINDER	Serviceperson Driver	82,955.95	1,294.40	84,250.35	-
REDPATH, NICHOLAS	Planner	76,153.59	1,570.63	77,724.22	1,742.71
RITCHIE, JANENE	Serviceperson Driver	79,279.46	901.90	80,181.36	-
ROACH, JEREMY	Serviceperson Driver	79,998.75	-	79,998.75	-
ROGERS, IAN	Maintenance Operator - GNPCC	73,988.93	1,274.40	75,263.33	577.14
SAKAI, DAVID	Transportation Services Dispatcher	93,288.91	494.40	93,783.31	-
SCHAEFER, GERALD	Building Inspector Supervisor	82,970.64	1,274.40	84,245.04	2,437.32
SCHILE, JOY	Senior Planner	83,514.59	824.40	84,338.99	689.86
SCOW, GARY	Serviceperson Driver	75,833.52	394.40	76,227.92	-
SHORT, ADAM	Transit Dispatcher Assistant	76,043.68	1,274.40	77,318.08	129.95
SHORTMAN, JIM	Serviceperson Driver	79,570.77	1,334.40	80,905.17	-
SIMPSON, COURTNEY	Senior Planner	86,156.67	2,128.69	88,285.36	1,978.92
SINGBEIL, DONALD	Transit Bodyman	101,097.17	1,274.40	102,371.57	129.91
SINGBEIL, JEFFREY	Operator 2 - GNPCC	83,132.80	1,534.40	84,667.20	1,357.24
SKEELES, GEOFFREY	Transit Shop Staff	77,391.28	1,274.40	78,665.68	20.00

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Employee Name	Position	Base Remuneration[1]	Other Remuneration[2]	Total Remuneration	Expenses[4]
SKWARCZYNSKI, ROBERT	Chief Operator - GNPCC	86,165.26	1,434.40	87,599.66	3,142.27
SOPER, KAREN	Supervisor - Landfill	78,024.33	1,274.40	79,298.73	1,652.54
SPENCER, OLIVIA	Building Inspector	74,232.59	884.40	75,116.99	603.54
STEARMAN, RANDALL	Utilities Technician 2	79,390.91	2,878.10	82,269.01	314.60
STEFANIW, TREVOR	Transit Dispatch Assistant	107,440.52	1,454.40	108,894.92	100.00
STOROZUK, JOHN	Serviceperson Driver	78,338.50	1,274.40	79,612.90	-
SUHAN, ZACHARY	Operator 3 - GNPCC	82,223.06	1,494.40	83,717.46	856.93
TAIT, JOHN	Bodyshop Person	78,671.54	1,274.40	79,945.94	29.95
THORNTON, HALEY	Serviceperson Driver	79,962.20	-	79,962.20	-
VAN OSSENBRUGGEN, CHRIS	Regional Parks Operations Coordinator	83,617.01	1,274.40	84,891.41	364.00
WARNER, DEREK	Serviceperson Driver	94,319.53	1,334.40	95,653.93	-
WATT, JEREMY	Operator 2 - GNPCC	74,897.87	941.90	75,839.77	2,031.24
WEBSTER, PARIS	Operator 2 - GNPCC	77,603.35	1,354.40	78,957.75	568.24
WELZ, DAVID	Chief Operator - Water Services	85,901.03	2,043.38	87,944.41	8,197.27
WHELDON, DAVID	Parks Technician	75,919.73	824.40	76,744.13	-
WHITE, BERNARD	Trainer	77,123.37	909.36	78,032.73	670.59
WICKMAN, MARTIN	Operator 3 - FCPCC	78,680.18	1,314.40	79,994.58	458.57
YAMASAKI, DALE	Transit Dispatch	84,766.39	534.40	85,300.79	-
YONGE, MACKENZIE	Serviceperson Driver	78,735.12	-	78,735.12	-
ZMURCHYK, CRAIG	Serviceperson Driver	79,162.05	1,294.40	80,456.45	-
Total Individual Remuneration Paid over $75,000		**12,469,513.80**	**353,579.39**	**12,823,093.19**	**228,161.78**
Total Summary Remuneration Paid under $75,000		**15,031,066.57**	**213,966.34**	**15,245,032.91**	**169,742.16**
Total Remuneration and Expenses Paid		**$ 27,500,580.37**	**$ 567,545.73**	**$ 28,068,126.10** [5]	**$ 397,903.94**

[1]Base remuneration includes any form of salary, wages, gratuities, taxable benefits, payment into trust or any form of income deferral paid by the corporation to the employee or on behalf of the employee during the fiscal year being reported upon, whether or not such remuneration is reported under the Income Tax Act (Canada), but does not include anything payable under a severance agreement.

[2]Other Remuneration includes Medical Services Plan premiums, group life insurance benefits, vehicle benefits, bonuses as well as one time payouts such as retiring allowances. It also includes overtime in relation to an EOC that was compensated by the Province.

[3]Other Renumeration includes RRSP contributions in lieu of pension contribution.

[4]Expenses as defined by the Financial Information Act includes travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee, or to a third party on behalf of the employee, and which has not been included in 'remuneration', is not limited to expenses that are generally perceived as perquisites, or bestowing personal benefit, and may include expenditures required for employees to perform their job functions, and excludes benefits of a general nature applicable to all employees pursuant to an agreement such as medical, dental, counselling, insurance and similar plans. Parking and meals are also included in expenses.

[5]The variance between the financial statements and the total earnings paid on the Statement of Remuneration and Expenses is due to several factors including:

-the Statement of Remuneration and Expenses is based on actual payments made in the year whereas the financial Statement figure is based on accruals.
-the financial statements include employee benefits expenses including Municipal Pension Plan premiums, Employment Insurance premiums, Canada Pension Plan contributions, Long Term Disability, Medial, Dental and Worksafe premiums.

REGIONAL DISTRICT OF NANAIMO

STATEMENT OF SEVERANCE AGREEMENTS

There was one severance agreement under which payments commenced between the Regional District of Nanaimo and its non-unionized employees during fiscal year 2018.

This agreement represent 2 months of compensation based on the value of salary and benefits.

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

Supplier	Amount
619048 BC LTD	$ 26,584.52
A C E COURIER SERVICES	37,877.18
A C TAXI LTD	26,510.65
ABOVE AND BEYOND CUSTOM BUILDING	34,036.95
ACME SUPPLIES LTD	26,096.66
AECOM CANADA LIMITED	1,206,662.03
AQUATECH WEST	106,430.11
ARCHIE JOHNSTONE PLUMBING & HEATING LTD	31,886.49
ARROWSMITH COMMUNITY RECREATION ASSOCIATION	75,323.92
ATS TRAFFIC BC	38,501.40
AURORA ROOFING LTD	64,151.30
AVENSYS SOLUTIONS	36,182.33
BAKER SUPPLY LTD	30,163.03
BC HYDRO	1,506,586.62
BC TRANSIT	3,792,250.00
BEAVER ELECTRICAL MACHINERY LTD	191,225.87
BERK'S INTERTRUCK LTD	91,495.25
BLACK PRESS GROUP LTD	115,535.13
BLUE WAVE DEVELOPMENTS LTD	55,891.34
BOW HORN BAY VOLUNTEER FIRE DEPARTMENT	292,115.20
BRANDT TRACTOR LTD	260,903.65
BRENNTAG CANADA INC	29,353.09
CAN WEST MECHANICAL INC	37,625.20
CANADA POST CORPORATION	39,282.39
CANADIAN UNION OF PUBLIC EMPLOYEES	371,551.27
CASTLE FLOORS CARPET ONE FLOOR & HOME	29,832.47
CCEM STRATEGIES LTD	28,494.82
CH2M HILL CANADA LIMITED	48,419.15
CHEMTRADE CHEMICALS CANADA LTD	322,837.13
CINDY NESSELBECK RI	36,772.84
CINTAS	37,072.69
CITY OF NANAIMO	1,631,693.73
CITY OF PARKSVILLE	4,068,022.51
CLEARTECH INDUSTRIES INC	68,739.69
COAST ENVIRONMENTAL LTD	144,650.86
COASTAL ANIMAL CONTROL SERVICES OF BC LTD	121,800.00
CO-GEN MECHANICAL SERVICES LTD	170,929.52
COPCAN CIVIL LTD	114,930.22
CORIX WATER PRODUCTS LP	48,493.67
CRANBERRY FIRE PROTECTION DISTRICT	60,050.00
CULLEN DIESEL POWER LTD	69,860.90

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

Supplier	Amount
DASHWOOD VOLUNTEER FIRE DEPT	426,307.00
DAVID STALKER EXCAVATING LTD	99,389.69
DAVIES PARK & ASSOCIATES(VANCOUVER)INC	43,086.62
DBL DISPOSAL SERVICES LTD	285,667.16
DEBRO CONTRACTING	36,164.95
DELL CANADA INC	328,145.88
DUNCAN ELECTRIC MOTOR LTD	94,294.67
DYNAMIC SPECIALTY VEHICLES LTD	68,085.49
E S R I CANADA LIMITED	51,871.75
EBBWATER CONSULTING	110,239.11
ECONICS SERVICES INC	26,197.50
ELECTION SYSTEMS & SOFTWARE INC	32,441.88
ERRINGTON VOLUNTEER FIRE DEPT	389,748.00
EXTENSION VOLUNTEER FIRE FIGHTERS ASSOCIATION	26,515.09
FINNING CANADA	219,931.48
FOOTPRINTS SECURITY PATROL INC	60,486.34
FORTISBC-NATURAL GAS	110,436.52
FOUNTAIN TIRE STORES	44,367.82
FOUR STAR WATERWORKS LTD	59,415.24
FRASER VALLEY REFRIGERATION LTD	72,987.76
G & G ROOFING LTD	100,423.80
G3 CONSULTING LTD	127,647.54
GABRIOLA ISLAND CHAMBER OF COMMERCE	65,000.00
GABRIOLA RECREATION SOCIETY	80,521.00
GARDAWORLD CASH SERVICES CANADA CORPORATION	26,252.92
GEOWARE INC	35,611.96
GOW GREGORY	25,000.00
GRAEMOND HOLDINGS LTD	54,758.28
GRAND & TOY	72,531.63
GREAT WEST EQUIPMENT	108,065.01
GREATPACIFIC CONSULTING LTD	129,783.31
GREGG DISTRIBUTORS (BC) LTD	99,383.87
GROVER COMMUNICATIONS INC	36,837.83
GUILLEVIN INTERNATIONAL CO	315,572.21
HARRIS COMPUTER SYSTEMS	122,043.45
HARRIS OCEANSIDE CHEVROLET BUICK GMC LTD	80,819.70
HAYLOCK BROS PAVING LTD	37,498.43
HEROLD ENGINEERING LIMITED	82,741.98
HPS POWER LTD	39,509.14
HUB CITY PAVING	26,884.41
HUB FIRE ENGINES & EQUIPMENT LTD	1,344,084.98

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

Supplier	Amount
INSURANCE CORPORATION OF BC	328,578.00
ISLAND WESTCOAST DEVELOPMENTS LTD	161,191.52
KAL TIRE	120,146.62
KNAPPETT INDUSTRIES (2006) LTD	80,236.48
KOERS & ASSOCIATES ENGINEERING LTD	133,973.59
KTI LIMITED	25,488.11
LAIRD WHEATON GM	49,566.47
LEUCO CONSTRUCTION INC	80,862.06
LIDSTONE & COMPANY	42,517.37
MAGNUM DISPOSAL SERVICES	356,909.49
MARCEL EQUIPMENT LIMITED	634,725.00
MARK'S WORK WEARHOUSE (BC)	26,387.47
MAXXAM ANALYTICS	44,298.73
MCELHANNEY CONSULTING SERVICES LTD	195,561.73
METRO MOTORS LTD	46,154.08
MICHELIN NORTH AMERICA (CANADA) INC	79,660.60
MICROSOFT CORPORATION	128,437.33
MID ISLAND CONSUMER SERVICES CO-OP	32,348.47
MILESTONE EQUIPMENT CONTRACTING INC	52,513.31
MINISTER OF FINANCE	325,549.49
MNP	62,986.88
MONK OFFICE	63,050.20
MONKEY BUSINESS GYMNASTICS	57,657.90
MOTION CANADA	51,537.08
MUNICIPAL INSURANCE ASSOCIATION OF BC	138,804.62
MUNICIPAL PENSION PLAN	2,175,913.66
NAC CONSTRUCTORS LTD	29,664,336.55
NAI COMMERCIAL CENTRAL VANCOUVER ISLAND LTD	508,335.84
NANAIMO ORGANIC WASTE LTD	1,435,104.83
NOORT INVESTMENTS	81,779.97
NORTH ISLAND 911 CORP	667,725.00
NORTON ROSE FULBRIGHT CANADA LLP	130,424.63
OPUS INTERNATIONAL CONSULTANTS (CANADA)	52,032.32
ORCA HEALTH & SAFETY CONSULTING INC	46,158.45
PACIFIC BLUE CROSS	1,713,252.44
PACIFIC NORTHWEST RAPTORS	108,796.87
PARKLAND REFINING (BC) LTD	408,086.65
PARKSVILLE HEAVY EQUIPMENT	149,218.92
PBX ENGINEERING LTD	33,990.45
PETRO-CANADA (SUPERPASS)	142,997.94
PIPE-EYE VIDEO INSPECTIONS & SERVICES	41,565.83

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

Supplier	Amount
PRICE'S ALARM SYSTEMS LTD	31,957.27
PRINT THREE	33,939.85
PURE TECHNOLOGIES	132,273.75
RECEIVER GENERAL FOR CANADA	1,405,634.28
RED WILLIAMS WELL DRILLING LTD	26,704.27
RIDGELINE MECHANICAL LTD	415,517.60
RLC PARK SERVICES	43,091.14
ROCKY POINT ENGINEERING LTD	41,788.03
SCHOOL DISTRICT NO 69 (QUALICUM)	46,128.41
SECURIGUARD SERVICES LIMITED	78,001.43
SHAW CABLE	35,250.06
SHAW ELECTRICAL SERVICES LTD	175,772.43
SHORELINE EQUIPMENT	27,119.16
SMITH CAMERON PROCESS SOLUTIONS	98,165.76
SOUTHWESTERN FLOWTECH & ENVIRONMENTAL LTD	29,274.00
SPARTAN CONTROLS LTD	43,392.16
STANTEC CONSULTING LTD (SCL)	77,724.31
STAR WEST PETROLEUM LTD	54,267.25
STEWART MCDANNOLD STUART	103,974.44
STRAIN LANDSCAPES	118,466.61
STRATEGIC MAPPING INC	58,218.30
SUTTLE RECREATION INC	100,748.62
SYLVIS ENVIRONMENTAL SERVICES INC	481,704.08
TELUS COMMUNICATIONS	114,733.91
TELUS MOBILITY	75,690.43
TELUS SERVICES INC	100,104.31
THE INFORMATION PROFESSIONALS	40,201.80
TIMOTHY PLEY AND ASSOCIATES	34,000.00
TOWN OF QUALICUM BEACH	321,563.46
TREE ISLAND INDUSTRIES LTD	68,208.41
TRINEX INTERNET SOLUTIONS INC	91,950.24
UNIVAR CANADA LTD	78,677.10
UPTIME REFRIGERATION	27,055.71
VADIM COMPUTER MANAGEMENT GROUP	45,372.27
VAN ISLE WATER	34,823.42
VANCOUVER ISLAND UNIVERSITY	29,428.80
VWR INTERNATIONAL CO	53,205.64
WAJAX INDUSTRIAL COMPONENTS LP	29,437.64
WALCO INDUSTRIES LTD	67,753.04
WARMLAND GARAGE DOORS SERVICE	44,475.10
WASTE CONNECTIONS OF CANADA INC	3,118,671.74

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF PAYMENTS FOR SUPPLIES AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2018

Supplier	Amount
WATERHOUSE ENVIRONMENTAL SERVICES CORPORATION	148,779.40
WATT CONSULTING GROUP	32,098.50
WEST BAY MECHANICAL LTD	97,675.24
WESTERN FINANCIAL GROUP	27,620.00
WESTERRA EQUIPMENT LP	191,327.17
WILLIS CANADA INC.	257,116.00
WINDLEY CONTRACTING LTD	416,109.22
WOOD ENVIRONMENT & INFOSTRUCTURE SOLUTIONS	50,654.39
WOODGROVE CHRYSLER	103,581.83
WORKSAFEBC	585,380.09
WORLDSOURCE FINANCIAL MANAGEMENT	30,890.00
XCG CONSULTANTS LTD	128,890.55
YOUNG ANDERSON BARRISTER & SOLICITORS	29,404.86
ZEIDLER ARCHITECTURE	51,010.86
Total Suppliers paid over $25,000	**71,987,440.47**
Total Suppliers paid under $25,000	**4,958,103.63**
Total Suppliers paid	**$ 76,945,544.10**

The Regional District prepares its records using generally accepted accounting principles. This will result in differences between amounts recorded as an expense in the financial statements and the amount paid to a vendor in the year. The amounts reported here represent actual cash outlays in 2018 - some of which relate to goods or services received and recorded in 2017.

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Recipient		Amount
893 BEAUFORT SQUADRON AIR CADETS	$	4,500.00
ARROWSMITH AGRICULTURAL ASSOCIATION		1,788.00
ARROWSMITH COMMUNITY RECREATION ASSOCIATION		7,331.00
ARROWSMITH SEARCH & RESCUE SOCIETY		10,000.00
BALLENAS SECONDARY SCHOOL		900.00
BARD TO BROADWAY THEATRE SOCIETY		1,590.00
BCSPCA		200.00
BOW HORNE BAY COMMUNITY CLUB		2,500.00
BOWSER TENNIS CLUB		1,399.00
CEDAR COMMUNITY ASSOCIATION		3,160.51
CENTRAL VAN. ISLAND JOB OPPORTUNITIES SOCIETY		20,000.00
COASTAL INVASIVE PLANT SPECIES COMMITTEE		17,000.00
COMMUNITY FUTURES CENTRAL ISLAND		5,000.00
CORCAN MEADOWOOD RESIDENTS ASSOCIATION		4,668.00
DIST 69 MINOR SOFTBALL ASSOCIATION		2,000.00
DIST 69 FAMILY RESOURCE ASSOCIATION		106,617.00
ECHO PLAYERS THEATRE GROUP		7,500.00
ERRINGTON CO-OP PRESCHOOL		1,300.00
ERRINGTON ELEMENTARY SCHOOL		4,300.00
ERRINGTON WAR MEMORIAL HALL ASSOCIATION		6,829.00
FORWARD HOUSE COMMUNITY SOCIETY		8,500.00
GABRIOLA ARTS COUNCIL		5,000.00
GABRIOLA COMMUNITY BUS FOUNDATION		140,200.00
GABRIOLA SENIOR CITIZEN'S ASSOCIATION		42,000.00
HABITAT FOR HUMANITY		3,000.00
INCLUSION PARKSVILLE SOCIETY		2,500.00
INNOVATION ISLAND TECHNOLOGY ASSOCIATION		4,250.00
ISLAND FUTURES SOCIETY		1,000.00
JOHN HOWARD SOCIETY		5,000.00
KWALIKUM SECONDARY SCHOOL		1,000.00
LADYSMITH VICTIM SERVICES		1,000.00
LIGHTHOUSE COMMUNITY CENTRE SOCIETY		36,000.00
LIGHTHOUSE COUNTRY BUSINESS ASSOCIATION		5,900.00
LIGHTHOUSE COUNTRY MARINE RESCUE SOCIETY		10,500.00
MUDGE ISLAND CITIZENS SOCIETY		3,100.00
NANAIMO AND AREA LAND TRUST		35,000.00
NANAIMO DISABILITY RESOURCE CENTRE		1,300.00
NANAIMO FOODSHARE SOCIETY		2,500.00
NANAIMO MARINE RESCUE SOCIETY		17,500.00
NANAIMO RCMP VICTIM SERVICES PROGRAM		10,000.00
NANAIMO SEARCH & RESCUE SOCIETY		5,975.00

REGIONAL DISTRICT OF NANAIMO
SCHEDULE OF COMMUNITY GRANTS AND CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Recipient	Amount
NANAIMO WOMEN'S RESOURCES SOCIETY	2,500.00
NANOOSE BAY ACTIVITIES AND RECREATION SOCIETY	8,935.86
NANOOSE PLACE SENIORS	650.00
OCEANSIDE BUILDING LEARNING TOGETHER SOCIETY	2,000.00
OCEANSIDE COMMUNITY ARTS COUNCIL	1,000.00
OCEANSIDE COMMUNITY SAFETY VOLUNTEERS	64,220.00
OCEANSIDE MINOR LACROSSE ASSOCIATION	2,000.00
OCEANSIDE TRACK & FIELD CLUB	5,000.00
OCEANSIDE WOMENS HOCKEY TRAVEL TEAM	1,555.00
PARKSVILLE & DISTRICT CHAMBER OF COMMERCE	4,286.00
PARKSVILLE CURLING CLUB	4,814.00
PARKSVILLE GOLDEN OLDIES	1,500.00
PARKSVILLE INDOOR SLOW PITCH LEAGUE	1,600.00
PARKSVILLE LIONS CLUB	10,750.00
PARKSVILLE SENIORS ATHLETIC GROUP	1,350.00
PARKSVILLE VOLLEYBALL CLUB	2,500.00
PEOPLE FOR A HEALTHY COMMUNITY	1,500.00
PEOPLE IN PAIN NETWORK SOCIETY	2,000.00
QUALICUM BEACH CHAMBER OF COMMERCE	5,240.00
QUALICUM BEACH COMMUNITY GARDEN SOCIETY	3,817.00
QUALICUM BEACH STREAMKEEPERS SOCIETY	7,824.00
QUALICUM COMMUNITY EDUCATION & WELLNESS	1,500.00
RAVENSONG AQUATIC CLUB	1,500.00
RAVENSONG MASTERS SWIM CLUB	1,200.00
ROYAL CANADIAN LEGION-BRANCH 211	490.00
ROYAL CANADIAN LEGION-BRANCH 49	2,000.00
ROYAL CANADIAN LEGION-BRANCH 76	1,500.00
SCHOOL DISTRICT NO 69 (QUALICUM)	25,000.00
THE GABRIOLA ISLAND HISTORICAL & MUSEUM	12,300.00
THE HOPE CENTRE	750.00
THE MEN'S CENTRE	2,000.00
THE PORT THEATRE SOCIETY	73,124.00
TOWN OF QUALICUM BEACH	1,500.00
TOZAN CULTURAL SOCIETY	1,000.00
TULNUXW LELUM BOWSER CULTURAL LEARNING SPACE	28,975.66
VANCOUVER ISLAND NORTH FILM COMMISSION	50,000.00
WILKINSON HERITAGE HOMESTEAD	150,000.00
YOUNGLIFE CANADA (QUALICUM BEACH)	750.00
Total Community Grants and Contributions	**$ 1,038,439.03**

These amounts are not included in Schedule of Payments for Supplies and Services.

REGIONAL DISTRICT OF NANAIMO

STAFF REPORT

TO:	Committee of the Whole	**MEETING:**	June 11, 2019
FROM:	Gary Jurasek IT Manager	**FILE:**	2240-20-MICR

SUBJECT: Microsoft Enterprise Licence Agreement 2019 - 2022

RECOMMENDATION

That the Board approve a three-year Enterprise Licence Agreement with Microsoft for 2019 to 2022 for the use of Microsoft software products by the Regional District of Nanaimo (RDN) for $146,375 per year at total cost of $439,125.

SUMMARY

The Regional District of Nanaimo uses the Microsoft platform for its desktop and server-based systems. There are no other cost-effective, enterprise-wide software systems available that would meet the RDN's business needs.

The proposed Enterprise Licence Agreement (ELA) with Microsoft permits the RDN to pay for the cost of software upgrades over the term of the three-year agreement in equal payments to keep software current. This is specifically critical as software providers require the latest versions of software on the enterprise systems are used, as well as there is a need for the RDN to keep current with data and network security.

The total cost of the Microsoft ELA is allocated amongst the RDN departments based on the number of users per department and the specific enterprise software systems required by those departments. By renewing an ELA with Microsoft, it is estimated that organizationally, the average annual cost savings would exceed $106,098.

BACKGROUND

The Regional District of Nanaimo (RDN) has standardized most of its software on the Microsoft platform for use across the organization. Microsoft software is found on desktop personal computers (PCs), laptops and on server-based software systems with additional licences for each device accessing server-based software and services. Software providers require the use of Microsoft software, and they are regularly upgrading to current versions of Microsoft to be more competitive in the marketplace. Providers also require the RDN to upgrade software for compatibility reasons. Additionally, upgrading Microsoft software allows the RDN to take advantage of increased security measures to ensure proper data integrity and network security.

Without an “Enterprise Licence Agreement” (ELA) with Microsoft, purchased licences can be installed and utilized, but cannot be upgraded. This means that the licence versions you own

are what you are allowed to operate. When they become outdated, you must purchase them again.

The RDN is currently enrolled in a three-year ELA with Microsoft which provides the ability to upgrade to newer versions of software whenever required for a set annual cost. The current ELA expires June 28, 2019. Staff recommend entering into a new three-year agreement with Microsoft. If the RDN does not renew the ELA, the RDN must pay full licence costs for any upgrades which may be required, which would increase our costs and complicate administration of our software licencing. The annual cost of the ELA with Microsoft for software is built into the RDN's departmental operational budgets.

ALTERNATIVES

Provide alternative direction to staff.

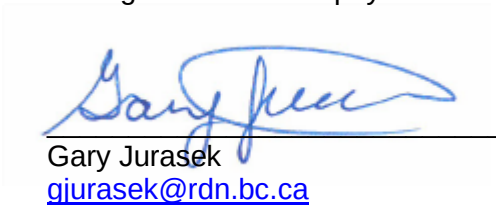
FINANCIAL IMPLICATIONS

The cost of the Microsoft ELA is $146,375 per year for three years. The three-year total is $439,125. Our costs have increased by approximately 20 percent overall due to a combination of additional users and services being added to our organization and Microsoft increasing their licencing costs.

Alternative - If the Board does not renew the Microsoft ELA, the cost of operating without an agreement would exceed $757,421 to repurchase the software upon upgrading. Assuming one upgrade within three years of the agreement will be required, the annual cost would average $252,473. This would result in a substantial yearly increase to the RDN's operational budget of $106,098. It is not unlikely that more than one upgrade could be required within the three-year period. It should be noted that the calculations are based on 2018 licenced staff numbers, and the $106,098 is a conservative number.

STRATEGIC PLAN IMPLICATIONS

Growth Management: Provide effective regional land use planning and responsible asset management for both physical infrastructure and natural assets.



Gary Jurasek
gjurasek@rdn.bc.ca
June 5, 2019

Reviewed by:
- D. Wells, General Manager, Corporate Services
- P. Carlyle, Chief Administrative Officer

REGIONAL DISTRICT OF NANAIMO

STAFF REPORT

TO:	Committee of the Whole	**DATE:**	June 11, 2019
FROM:	Nick Redpath Planner	**FILE:**	PL2019-043

SUBJECT: Non-Medical Cannabis Retail Store Licence Application No. PL2019-043
3125 Van Horne Road – Electoral Area F
Lot 6, District Lot 7, Cameron District, Plan 22313

RECOMMENDATIONS

1. That the Board receive the Summary of the Public Meeting held on April 16, 2019, Public Submissions and Comments and Petition of Support regarding Non-Medical Cannabis Retail Store Licence Application No. PL2019-043.
2. That the Board adopt the resolution supporting Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 attached to this report as Attachment 2.

SUMMARY

A referral has been received from the Liquor & Cannabis Regulation Branch (LCRB) to consider an application for a non-medical cannabis (NMC) retail store licence for property located at 3125 Van Horne Road in the Hilliers area. The proposed licence would allow for a NMC retail store to operate seven days a week, from 11:00 am to 6:00 pm in an existing building. The proposed NMC retail store licence application requires a resolution from the Regional District of Nanaimo (RDN) Board before it can be processed by the LCRB. If no resolution or a resolution of non-support is provided, the LCRB will not consider the application any further. The RDN is requested by the LCRB to consider the impact the proposed store may have on the community, as well as to consult with neighbouring property owners prior to providing a resolution.

The proposed NMC retail licence application went before the Electoral Area Services Committee (EASC) at its regular meeting held on May 14, 2019. At this meeting, the following motions were defeated by the EASC:

> *"That the Board receive the Summary of the Public Meeting held on April 16, 2019 and Public Submissions and Comments regarding Non-Medical Cannabis Retail Store Licence Application No. PL2019-043"; and*
>
> *"That the Board adopt the resolution supporting Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 attached to this report as Attachment 2"*

The motions were both defeated by the EASC and at the meeting, no new motions were provided. Following this meeting the applicant requested that final consideration of the referral

be delayed pending local consultation to discuss and address concerns raised by the public at the Public Meeting (PM) on April 16, 2019 and at the EASC. Upon notifying the Province of the outcome of the EASC meeting, they indicated that a motion regarding the referred NMC retail store licence must come from the entire Regional District Board and not a land use planning committee. Based on direction from the province and the request by the applicant to work to address concerns raised by the public, this application is now before the Committee of the Whole for consideration.

Following the May 14 EASC meeting, the applicant has undertaken further public consultation and has submitted a petition in support of the proposed NMC retail store containing 50 signatures from residents of the surrounding community that is attached for Board consideration. The majority of the signatures are within close proximity to the store, 25 of which fall within the 300 metre public notification radius.

The proposed licence application is consistent with Board policies and zoning requirements for NMC retail stores. Through additional outreach by the applicant, steps have been taken to provide information to address the local community concerns and negative impacts are not anticipated from the proposed NMC retail store. Given compliance with Board policies and land use regulations, it is recommended that the prepared resolution in support of the NMC retail store licence be forwarded to the LCRB, pending Board consideration.

BACKGROUND

The LCRB has referred an application to the RDN for a NMC retail store licence from Nicole Richard of Coombs Classy Grass Inc. This application was originally considered at the EASC at its regular meeting held on May 14. At this meeting, the following motions were defeated by the EASC:

> *"That the Board receive the Summary of the Public Meeting held on April 16, 2019 and Public Submissions and Comments regarding Non-Medical Cannabis Retail Store Licence Application No. PL2019-043"; and*
>
> *"That the Board adopt the resolution supporting Non-Medical Cannabis Retail Store Licence Application No. PL2019-043 attached to this report as Attachment 2"*

The motions were both defeated by the EASC and at the meeting, no new motions were provided. Following this meeting the applicant requested that final consideration of the referral be delayed pending local consultation to discuss and address concerns raised by the public at the PM held on April 16, 2019 and at the EASC. Upon notifying the Province of the outcome of the EASC meeting, they indicated that a motion regarding the referred NMC retail store licence must come from the entire Regional District Board and not a land use planning committee. Based on direction from the Province and the request by the applicant to work to address concerns raised by the public, this application is now before the Committee of the Whole for consideration.

All applications for a NMC retail store licence must be submitted to the LCRB as they are the issuing authority. Once an application is received, the LCRB will notify the local government of the area where the proposed store will be located. If the local government chooses to make a recommendation on the application, the LCRB requests that the local government consider the

community impacts and views of nearby residents of the proposed NMC retail store licence application.

The proposed NMC retail store is to be located within an existing building located at 3125 Van Horne Road Alberni Highway in Hilliers. The property is zoned Commercial 3 (C-3) pursuant to the "Regional District of Nanaimo Electoral Area 'F' Zoning and Subdivision Bylaw No. 1285, 2002". The existing C-3 zoning on the property includes 'Retail Store' as a permitted principal use. The proposed retail store is compatible with adjacent uses as neighbouring properties along Van Horne Road are also zoned C-3 (see Attachment 6).

The property is located to the north of Van Horne Road and bordered by Jones Road to the west, a commercially zoned property to the east and a commercially zoned property and mobile home park to the north (see Attachment 1 – Subject Property Map).

Other uses on the subject property within the existing building include a clothing store, coffee shop and other commercial businesses that are all serviced by an on-site well and sewage system.

It is important to note that through consultation on the issue of retail cannabis sales by the Province, the RDN Electoral Areas chose to consider this type of sale of goods like other retail sales, not require rezoning for the use and adopted "Board Policy B1.24 - *Non-Medical Cannabis Retail Store Licence Applications*" to ensure that local input was considered in order to inform a resolution on the issuance of a NMC licence.

Proposed Development

The applicant requests a motion of support from the RDN Board as part of their ongoing application with the LCRB to operate a provincially licensed retail store to sell non-medical cannabis out of an existing building located at 3125 Van Horne Road in Hilliers.

The proposed hours of operation for the retail store are from 11:00 am to 6:00 pm, seven days a week. The proposed retail shop will be approximately 167 m^2 in size and located in unit number eight within the north west portion of the existing building (see Attachment 3 – Proposed Site Plan). The applicant will require a building permit prior to the commencement of construction associated with the proposed retail licence.

Cannabis Retail Implications

Applicants for a NMC retail store licence must submit a licence application to the LCRB. When an application is received, the LCRB will notify the local government of the area where the proposed store will be located. Upon receipt of notice, local governments can choose not to make any recommendation in respect of the application, ending the licence application as the LCRB cannot issue a licence without a positive recommendation from the associated local government. If the local government chooses to make a recommendation on the application, the LCRB requests that the local government gather the views of the nearby residents affected by the NMC retail store application. If the local government makes a recommendation to deny the application then the LCRB may not issue the licence. If the local government makes a recommendation in favour of the application, then the LCRB has discretion whether or not to issue the licence, but must consider the local government's recommendation.

If the local government decides to consider the notice of application and to provide comments and recommendations on the licence application, it must gather the views of residents of the area if the location of the proposed store may affect nearby residents. Recommendations and comments provided from the local government to the LCRB must:

- be in writing;
- show that the local government has considered the location of the proposed store;
- include the views of the local government on the general impact on the community if the application is approved;
- include the views of residents if the local government has gathered resident's views, and a description of how they were gathered;
- include the local government's recommendation as to whether the application should be approved or rejected and provide the reasons upon which the recommendation is based; and
- provide any supporting documents referenced in their comments.

The Board resolution is required to take the form of the resolution included as Attachment 2. The content of the resolution has been prepared for the Board's consideration. This resolution may be amended as deemed necessary by the Board.

Board Policy B1.24 Implications

Board Policy B1.24 also provides the RDN Board criteria for consideration of community impacts including the location of the establishment, proximity to sensitive uses and other existing non-medical cannabis retail stores, size and proposed hours of operation, socio-economic information, OCP and zoning policies and referral responses received through public notification. A community impact statement to address criteria within Board Policy B1.24 was submitted by the applicant (see Attachment 5 – Community Impact Statement).

Parcels directly adjacent to the property with the exception of the manufactured home park to the north east are commercially zoned but currently being used as residential. The area is identified as a village centre and current zoning would allow for the expansion of a wide variety of commercial and light industrial activities along Jones and Rinvold Roads (see Attachment 6 – Zoning Map). The retail and commercial building that is the proposed location of the NMC retail store has been there for several years and the proposed NMC retail store will be occupying an existing vacant unit in the building. The proposed location for the NMC retail store is in an existing building and no new development is required for this proposal.

Board Policy B1.24 establishes a separation distance of 300.0 metres between the proposed NMC retail store and any existing licensed NMC retail stores and sensitive uses, including schools, playgrounds, community centres and daycares, which are in operation at the time the application is made. The proposed NMC retail store meets all of the 300.0 metre separation requirements of Board Policy B1.24.

Related to community impacts and included in Board Policy B1.24 are considerations of parking from the proposed use. The property has adequate existing on-site parking to accommodate the existing commercial building and the proposed NMC retail store. All parking can be accommodated on site and parking on the street is not required.

To address Socio-Economic information related to the proposed NMC retail store, the applicant states that the store will increase business to surrounding businesses and also create employment as workers will be needed to operate the store.

The proposed NMC retail store is in a location that is consistent with Board Policy B1.24 and complies with all zoning regulations. If approved by the LCRB, the proposed NMC retail store will not require further planning approvals from the RDN (a building permit is required to convert the existing space into a retail store).

Intergovernmental Implications

The applicant's proposal has been referred to the RDN Building Department, the local RCMP, local BC Ambulance Service, Coombs-Hilliers Volunteer Fire Department, MOTI, Island Health, Snaw-Naw-As First Nation and School District 69.

A RDN Building Permit will be required prior to commencement of any construction necessary for the proposed NMC retail store. Island Health responded that the existing sewage disposal system must be in compliance with the Sewerage System Regulation. The Ministry of Transportation and Infrastructure responded with no objections to the proposed store. The Coombs-Hilliers Volunteer Fire Department expressed no objections and requested an up to date floor plan in PDF format for pre fire planning purposes, an up to date contact list and co-operation from the applicant during inspection and pre plan visits. No other agencies provided any comment or expressed any concerns with the application.

The Province has indicated that any motion provided by a Regional District must come from its entire Board and not a land use planning committee unless otherwise delegated. Therefore this application is now before the Committee of a Whole for consideration and not the EASC.

Public Consultation Implications

As part of the required public notification process for the PM, pursuant to Board Policy B1.24, a PM was held on April 16, 2019 with sixteen members of the public in attendance. To notify the public of the PM, the applicant is required to post a notice on the subject parcel advertising the date, time and location of the PM and that the property is subject to a NMC retail store licence application. The RDN is required to advertise the PM in two editions of the local newspaper. A notice of application sign was posted on the property on April 5, 2019 and notice was published in the April 9, 2019 and April 11, 2019 editions of the Parksville Qualicum Beach News.

Additionally, property owners and tenants located within a 300.0 metre radius received a direct notice of the PM for the NMC retail store licence application. As part of the public notification process, three responses were received prior to the PM. Of the three responses, two were in opposition and one stated no objection (see Attachment 7 – Public Submissions and Comments). The applicant has satisfied all public notification requirements as set out in Board Policy B1.24.

"Board Policy B1.24 - *Non-Medical Cannabis Retail Store Licence Applications*" outlines the process employed by the RDN in the review and processing of requests for local government resolutions for NMC retail store licence applications. The public consultation component of Board Policy B1.24 requires a Public Meeting (PM), public notice sign on the property, mail out notice to adjacent property owners within 300.0 metres and advertisements in two editions of

the local newspaper. All of the notification requirements were satisfied and a PM took place March 26, 2019 (see Attachment 4 – Summary of Public Meeting).

At the PM, concerns were raised by members of the community surrounding traffic and access to the store off of the Alberni Highway, security, safety and street lighting.

The proposed store is accessed by both Van Horne Road and Jones Road. Access is provided to both Van Horne Road and Jones Road by the Alberni Highway. Access onto Van Horne Road from the Alberni Highway is to the east of the property and is facilitated by an existing left turn lane and deceleration lane. Access onto Jones Road from the Alberni Highway currently has no left turn lane or deceleration lane. The Ministry of Transportation and Infrastructure (MOTI) have jurisdiction over roads and were sent a referral of the licence application for comment. The response from MOTI stated no objection to the proposed NMC retail store and raised no concerns over the impacts on traffic or access that the proposed store may have.

Access concerns off of the Alberni Highway onto Jones Road is a broader issue as this applies to patrons of all businesses on Jones and Van Horne Roads, not just those who will be visiting the NMC retail store. Should this be deemed a significant concern the RDN could request MOTI to either upgrade the intersection or prohibit left turns from Highway 4 to mitigate potential traffic concerns. Many of the existing parcels on Jones and Rinvold Roads are currently being used for residential use but are zoned for commercial/industrial use resulting in increased traffic as those lots are developed for commercial and industrial uses.

Security concerns were raised citing that the store may cause increased crime in the area from attempted theft of the stores product or clientele consuming cannabis and driving impaired. NMC retail stores are required by the LCRB to have stringent security systems and measures in place to deter any type of attempted theft and driving under the influence is illegal and enforced by the RCMP.

Concerns surrounding the influence this store may have on the safety of children who frequent the area were raised. The LCRB has strict rules surrounding store signage to prevent youth being attracted and no one under the age of 19 is permitted to enter a NMC retail store.

Concerns were raised about customers of the store consuming the product in nearby neighbourhoods and increased traffic issues as there is a lack of street lighting in the area surrounding the store. The proposed store hours are 11:00 am to 6:00 pm which will be during daylight hours for the majority of the year. To address the concerns raised by the public, additional street lights on Jones Road and Rinvold Road could be provided through the establishment of a local service area.

Concerns identified at the May 14, 2019 EASC meeting included the location of a nearby school bus stop in relation to the proposed store, concerns raised from neighbouring residents, existing illegal dispensaries in the area and that the area is residential in nature. To address the concerns from neighbouring residents, the applicant has submitted a petition in support of the proposed NMC retail store containing 50 signatures from residents of the area. The majority of the signatures are within close proximity to the store, 25 of which fall within the 300.0 metre public notification radius.

Zoning concerns that the area is residential were raised. The area is designated as a village centre and surrounding properties are also zoned commercial and a large number of

commercial and industrial uses are currently permitted. In the Hilliers Village Centre existing uses are varied and include multi-residential and manufactured homes, large lot single residential, retail and highway commercial services, manufacturing and food production. As is typical in the nodes in Electoral Area F, there is a wide variety of developed uses that reflect the lack of historic zoning regulations. The proposed NMC retail store reflects the OCP policy and zoning for the area.

The bus stop located in the vicinity of the proposed store is operated by School District 69 who were sent a referral of this application and did not express any concerns regarding the location of the existing bus stop in relation to the proposed NMC retail store. Furthermore, through the licensing process, the Province also implements strict parameters around advertisement and signage of these stores to prevent influencing and attracting youth.

Illegal dispensaries exist in the area and throughout the region. The RCMP have created a task force to close any dispensary that is operating without a valid licence issued by the Province. Staff have passed on concerns regarding these dispensaries to ensure the task force is aware of resident concerns in the area.

Following the EASC Meeting, additional public consultation was undertaken by the applicant to address concerns. The applicant visited neighbouring residents to provide information on their concerns, engaged to get feedback and asked to sign a petition of support. In response to this outreach, the applicant has provided a petition containing 50 signatures of support from nearby residents in close proximity to the store which is attached for Board consideration (see Attachment 8 – Petition of Support).

ALTERNATIVES

1. To approve the attached resolution in support of the application.
2. To provide a resolution that does not support the application.

FINANCIAL IMPLICATIONS

The proposed development has no implications related to the Board 2019 – 2023 Financial Plan.

STRATEGIC PLAN IMPLICATIONS

The application has been reviewed and the proposal supports the Board's 2016-2020 Strategic Plan, specifically the Strategic Priority to Focus on Economic Health by supporting business to foster economic development.

Nick Redpath
nredpath@rdn.bc.ca
June 5, 2019

Reviewed by:

- P. Thompson, Manager, Current Planning
- G. Garbutt, General Manager, Strategic & Community Development
- P. Carlyle, Chief Administrative Officer

Attachments

1. Subject Property Map
2. Resolution for Coombs Classy Grass Inc. Non-Medical Cannabis Retail Store Licence
3. Proposed Site Plan
4. Summary Report of Public Meeting
5. Community Impact Statement
6. Zoning Map
7. Public Submissions and Comments
8. Petition of Support

Attachment 1
Subject Property Map



Attachment 2
Resolution for Coombs Classy Grass Inc. Non-Medical Cannabis Retail Store Licence

Be it resolved that:

1. The Board of the Regional District of Nanaimo recommends the endorsement of the non-medical cannabis retail store licence application referral from the Liquor and Cannabis Regulation Branch for Coombs Classy Grass Inc.

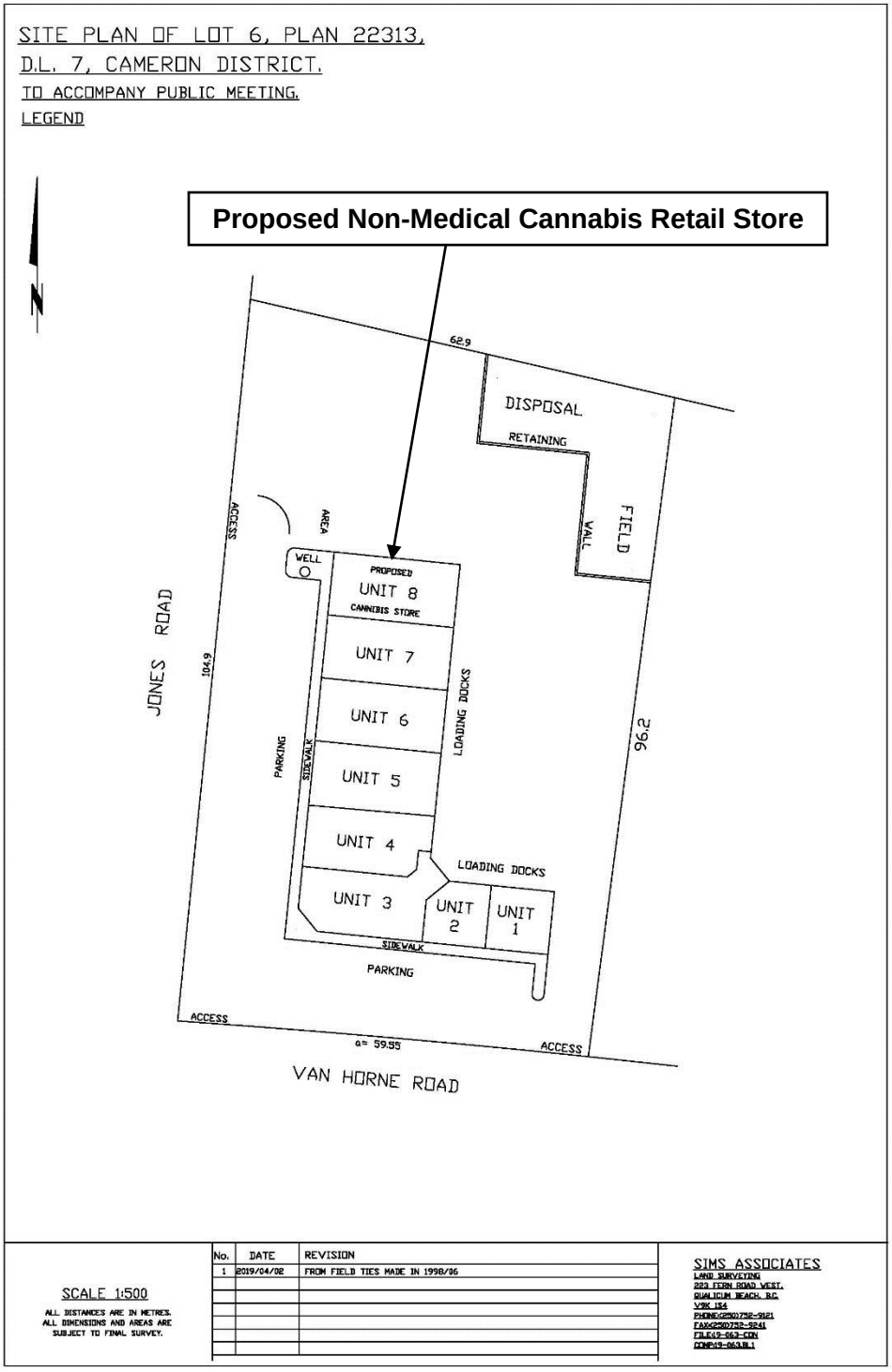
2. The Board's comments on the prescribed considerations are as follows:

    a. Community Impact – The proposed non-medical cannabis (NMC) retail store is within the Commercial 3 Zone of Regional District of Nanaimo Electoral Area 'F' Zoning and Subdivision Bylaw No. 1285, 2002, which includes 'Retail Store' as a permitted principal use. Uses directly adjacent to the property are commercially zoned with the exception of a mobile home park to the north east. Uses within the existing building are all commercial in nature and the proposed retail store should not pose any potential impacts to surrounding land uses. Regional District of Nanaimo (RDN) Board Policy B1.24 - *Non-Medical Cannabis Retail Store Licence Applications* establishes a separation distance of 300.0 metres between the proposed NMC retail store and any existing licensed NMC retail stores and sensitive uses, including schools, playgrounds, community centres and daycares, which are in operation at the time the application is made. The proposed NMC retail store meets all of the 300.0 metre separation requirements. Concerns were raised by members of the community surrounding traffic and access to the store off of the Alberni Highway, security, safety and street lighting. The proposed licence application is consistent with Board Policy B1.24 and zoning requirements for NMC retail stores and community concerns have been noted; therefore, if approved by the LCRB, the proposed NMC retail store is not anticipated to have any negative community impacts.

    b. Public Notification – A Public Meeting (PM) to discuss the proposed NMC retail store licence application was held on April 16, 2019. Sixteen members of the public attended the PM. Concerns expressed by residents in attendance included traffic and access to the store off of the Alberni Highway, security, safety and street lighting (see Attachment 4 – Summary of the Public Meeting). As part of the required public notification process for the PM, pursuant to Board Policy B1.24, the applicant posted a notice of application sign on the subject parcel on April 5, 2019 advertising the date, time and location of the PM and that the property is subject to a NMC retail store licence application. The RDN is required to advertise the PM in two editions of the local newspaper and a notice was published in the April 9, 2019 and April 11, 2019 editions of the Parksville Qualicum Beach News. Additionally, property owners and tenants located within a 300.0 metre radius of the subject property received a direct notice of the PM for the NMC retail store licence application. As part of the public notification process, three responses were received prior to the PM. Of the three responses, two were

in opposition and one stated no objection (see Attachment 7 – Public Notification Responses). The applicant undertook additional public consultation by visiting residents in the surrounding community to provide information on their concerns, engaged to get feedback and asked to sign a petition in support of the proposed store, receiving 50 signatures in total, the majority of which being in close proximity to the propose store (see Attachment 8 – Petition of Support). All public notification requirements within Board Policy B1.24 have been completed and community concerns raised through the public notification process have been noted.

Attachment 3
Proposed Site Plan



Attachment 4
Summary of the Public Meeting (Page 1 of 3)

Held at the Arrowsmith Hall
1014 Ford Road, Coombs
Tuesday, April 16, 2019, at 6:00 pm
Non-Medical Cannabis Retail Store Licence Application No. PL2019-043

Note: This summary of the meeting is not a verbatim recording of the proceedings, but is intended to summarize the comments and questions of those in attendance at the Public Meeting.

There were 16 members of the public in attendance at this meeting.

Present for the Regional District of Nanaimo:

Alternate Director Julian Fell, Electoral Area F (the Chair)
Paul Thompson, Manager of Current Planning
Nick Redpath, Planner

Present for the Applicant:

Helen Sims, Sims Associates
Rachel Hamling, Sims Associates
James Wright, Applicant
Nicole Richard, Applicant

The Chair opened the meeting at 6:00 pm, outlined the evening's agenda, and introduced the RDN staff and the applicants in attendance. The Chair then stated the purpose of the Public Meeting and asked RDN staff to provide background information concerning the development application.

Nick Redpath, Planner, provided a brief summary of the proposed non-medical cannabis retail store licence application, supporting documents provided by the applicant, and the application process.

The Chair invited the applicant to give a presentation of the development proposal.

Rachel Hamling of Sims Associates presented an overview of the proposal.

Nicole Richard, Applicant, provided a summary of the process to date and what the Provincial application process entailed and an overview of the security/criminal record checks and building requirements necessary to attain a licence.

Following the presentation, the Chair invited questions and comments from the audience.

Glen Drage, 3073 Rinvold Road, raised concerns about the proposed stores location being in close proximity to a school bus stop and people purchasing the cannabis and smoking it outside of the store.

Attachment 4
Summary of the Public Meeting (Page 2 of 3)

Nick Redpath, Planner, responded that Board Policy B1.24 had separation distances of 300.0 metres from schools and that the provincial building standards for these stores were required to be discreet as to not attract or influence youth.

James Wright, Applicant, stated that he would be providing a safe product and that you are not permitted to smoke the product in front of the store.

Oliver Fisher, 3253 Melon Road, stated that he has lived in the area for a long time and taken the bus that stops in front of this area and does not think the advertisement or existence of the store will influence people.

Daniel Durocher, 3090 Rinvold Road, stated he has been in the area for a long time and had concerns about customers smoking the product right away and driving impaired. He felt that it would also cause traffic issues due to visitors and will not benefit residents in the area and felt the store would be better located in Qualicum and not in a rural area as it would be closer to services. Mr. Durocher also raised concerns about the lack of street lighting in the area and that the response time for police to arrive would be too long at this rural location.

Sarah Oliver, 3253 Melon Road, stated that she was in support of the store and commended the applicant's for going through the proper processes. She also noted that cannabis is legal now and we have to accept it and it is up to the RCMP to enforce illegal behavior and that alcohol is more of a concern.

Glen Drage, 3073 Rinvold Road, asked what will happen to the existing illegal dispensaries.

Nick Redpath, Planner, stated that the RCMP had created a task force to shut down illegal dispensaries but the timeline for this is unknown.

Daniel Durocher, 3090 Rinvold Road, asked how many of these applications the RDN had received.

Nick Redpath, Planner, stated that this was the second licence referral that the RDN had received and that a public meeting for another proposed retail store in Coombs had taken place the previous month.

Daniel Durocher, 3090 Rinvold Road, expressed concern about customers staying in the neighbourhood and smoking cannabis.

James Wright, Applicant, explained that the store will only be open until 6 PM and did not expect that customers would idle in the neighbourhood to consume the product as it is illegal to smoke in a vehicle.

Daniel Durocher, 3090 Rinvold Road, stated that he is against the proposed location of the store as there are no street lights, it will cause traffic issues, it is too close to school bus stops and it will disrupt the neighbourhood. He stated that it should be in a different location in a more populated area.

Attachment 4
Summary of the Public Meeting (Page 3 of 3)

Rachel Sims, Agent, noted that it is difficult to plan stores around bus stops as they are all over and always changing.

David Fisher, 3253 Melon Road, stated that he is in support of the proposed store and that the building was safe, secure and appropriately zoned for the proposed use.

Daniel Durocher, 3090 Rinvold Road, asked what happens if the alarm goes off and expressed concerns with theft.

James Wright, Applicant, explained that a top of the line security system will be installed and that the provincial security requirements were very stringent.

Jack Smith, 110-3105 Rinvold Road, expressed concerns with Jones Road as there is no left turn here and that turning off the highway to go to the store would cause issues as there is no proper turn lane and feels there is a lack of street lighting that needs to be addressed.

The Chair asked if there were any further questions or comments.

Being none, the Chair thanked those in attendance and announced that the Public Meeting was closed.

The meeting was concluded at 6:40 pm.



_____

Nick Redpath
Recording Secretary

Attachment 5
Community Impact Statement (Page 1 of 4)

March 15, 2019

#8 - 3125 Van Horne Rd

Qualicum Beach, BC

V9K 2R3

RE: RDN File No: PL2019-043 Liquor/Cannabis Application Form

Community Impact Statement:

i) The location of the Non-Medical Cannabis Retail Store (NMCRS) is: #8 - 3125 Van Horne Rd, Qualicum Beach, BC.

ii) There are no existing NMCRS in operation at this time. In accordance with RDN Policy B1.24, there are no schools, playgrounds, community centres or daycares in operation within 300 metres.

iii) The store unit is 1800 ft^2 (167 m^2), with anticipated store hours of 11:00am to 6:00pm, 7 days per week.

iv) There is one liquor primary establishment within a 10km radius.

v) Traffic is constant along the highway with increased volume during summer months due to tourism. The building is located on the corner of Van Horne Road and Jones Road with safe and convenient access and egress from both roads. There are 34 paved parking spots along the building store fronts and parking is also available along the side streets, if required.

vi) The Official Community Plan and zoning for this location allows for 'retail store' as a permitted use. This is reflected in the RDN NMCRS Licence Application Policy B1.24. Zoning for this building is Commercial 3 (C-3).

Attachment 5
Community Impact Statement (Page 2 of 4)

vii) With respect to population, density, and trends in the surrounding community, the Whiskey Creek/Hilliers area primarily consists of rural residential and commercial properties. Although, the population of Whiskey Creek/Hilliers area is not recorded, due to the rural setting, the population is relatively low. This location is the next up and coming area for commercial and residential development. It is the gateway to and the west coast. There are several illegal cannabis locations that have been operating prior to cannabis legalisation and continue to operate without government approval and licencing.

viii) Relevant socio-economic information:

a. A new business will increase employment in the area as two to four employees will be needed to operate the retail outlet, which is expected to increase as business grows.

b. A NMCRS will increase traffic to the area. This will be of benefit to other businesses in the area due to the increased volume of consumers.

c. The taxes collected from the sale of non-medical cannabis will contribute to local government funding, economy and community.

ix) Referral responses and comments received through public notification have not been received at this time as the Public Meeting is in the process of being scheduled. We look forward to comments from the community.

x) The impact on the community if the application is approved:

a. This is a government regulated industry which means that the products sold in a legal facility have been through stringent screening and controlled processes which is important from a Health and Safety aspect, and reduces liability for the vendor.

Attachment 5
Community Impact Statement (Page 3 of 4)

b. A legal dispensary must adhere to the strict security guidelines, whereas illegal dispensaries are not controlled nor screened and, therefore, the potential health risk to consumers is increased.
c. A legalized dispensary prohibits minors from entering and/or purchasing product, therefore making it difficult for minors to obtain access to cannabis product. It is mandatory that government ID is required to show proof of age.
d. The proposed location is in a predominantly rural area. The location may deter minors from accessing the NMCRS.
e. This NMCRS will not make medical claims, meaning any medical claims regarding products must be left to medical professionals and licenced medical distribution facilities. Health Canada provides cannabis products for medical use directly from their distribution network. Patients who use products for medical purposes purchase cannabis through medically licenced facilities, which allows patients to acquire cannabis products related to their specific health concerns.
f. Government regulated products have a Certificate of Authenticity (COA) itemizing the ingredients and the percentage of THC in every product sold. Illegal dispensaries do not adhere to any standards. Products sold illegally are completely unregulated, posing a risk to the consumer and a liability to the establishment. Illegal dispensaries, in essence, are laundering money and illegally distributing a controlled substance and other contraband products, such as, shatters, extracts, and edibles.
g. Taxes have been synced up for medical and recreational cannabis and, in so doing, will discourage recreational users from abusing the medical system.

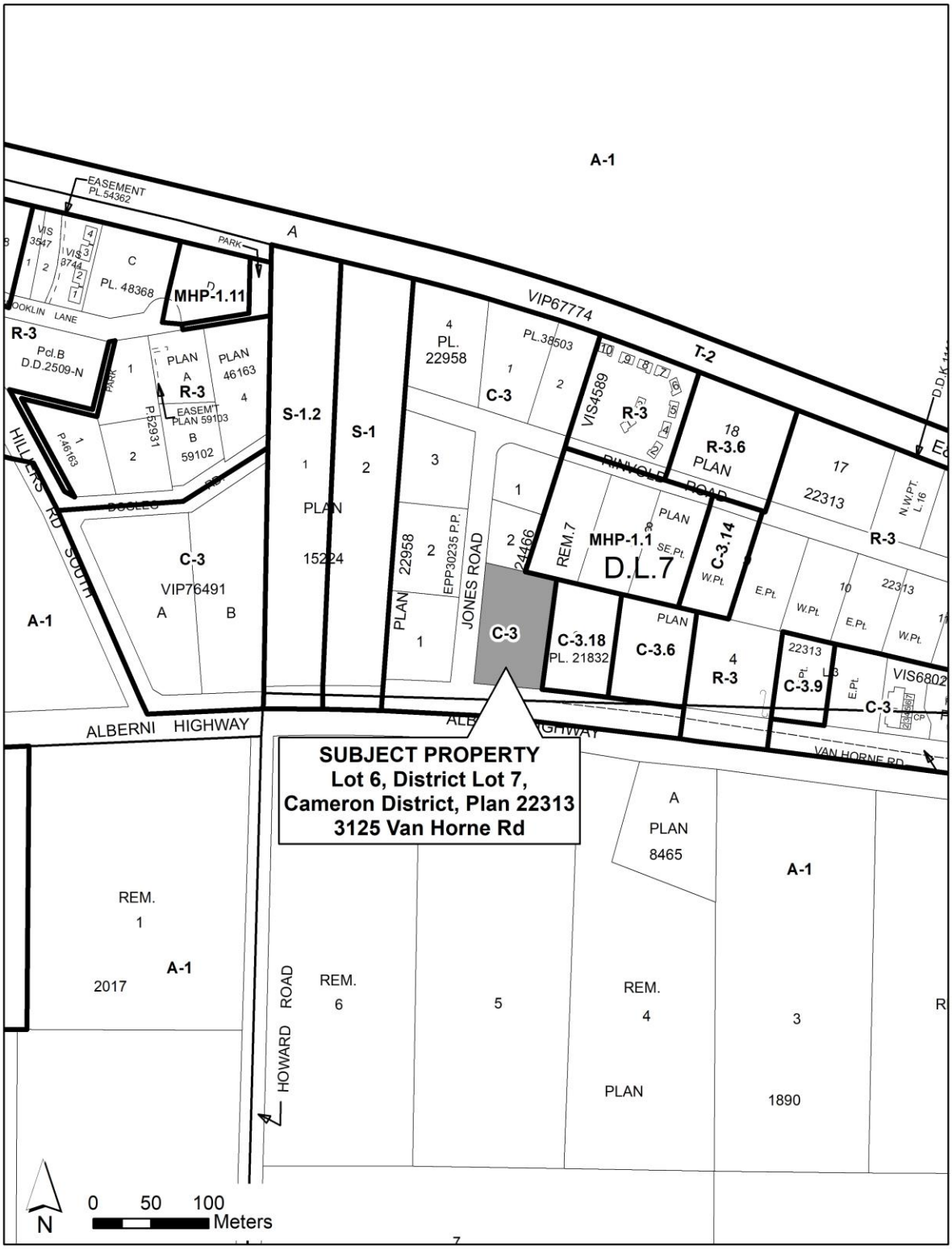
Attachment 5
Community Impact Statement (Page 4 of 4)

h. There is a very strict set of requirements and guidelines that have to be followed through the application process with the Liquor and Cannabis Regulation Branch this process will eliminate those who are not equipped or prepared to follow the guidelines, adhere to the rules, and unable to pass the security screening processes. Prior to approval of a NMCRS Licence, the facility is required to pass a comprehensive inspection.
For example:
    1. There must be ample security in place via cameras which cover all areas of the store.
    2. Cannabis product must be stored in a secured location.
    3. There can be no product directly accessible to the public – Product must be behind counters or in locked display cases.
    4. The facility must be clean.
    5. Windows and doors must be tinted so that products cannot be seen through the glass.
    6. Cannabis products and paraphernalia can only be purchased from government approved distribution facilities.
    7. A licence will only be granted to the owners of a NMCRS when they pass a thorough security screening.

i. Negative impacts on the community could potentially be that increased taxes may drive users to the black market and illegal dispensaries. The tax dollars earned through legal NMCRS puts funds back into the community which is positive for the economy in general.
This NMCRS will impact other business in applying for a NMCRS licence within a 300 meter radius. However, this radius is dictated through current RDN Policy.

4

Attachment 6
Zoning Map



Attachment 7
Public Submissions and Comments (Page 1 of 3)

[redacted]

RECEIVED
APR 10 2019
REGIONAL DISTRICT

April 1st, 2019

Planning and the Province of British Columbia
Concerned citizen

6300 Hammond Bay Road.
Nanaimo, BC V9T 6N2

Application no. PL2019-043
3125 Van Horne Rd.
Qualicum beach, BC
Subject Property lot6 dis lot 7
Camron district, plan 22313

Dear Planning and the Province of British Columbia:

This is from a concerned citizen in the area of Hillers. I have grandchildren and children in the area and I feel that non-medical marijuana would be a serious issue to have in our neighborhood for one reason it's very close to the school around the corner. Second reason, kids out in the country are far more impressionable and influenced being so far out of town they get bored and then they get interested in these things. There used to be a situation where kids would go to the neighbours 35 years ago where the dinosaurs are that wasn't good. Third reason is since the dispensary on the highway moved in there's been an influx of very questionable people in the neighbourhood as well as drug paraphernalia found in front of neighbours' homes at the corner as well such as needles being found. I walk my dog and have seen this first hand. I think this would be a problem for families including mine in the area and especially being so close to Morning Glory school where my children attend. I believe there's a family right across the road even of very young people that are known that started a group on Facebook for crime watch since they had been broken into and are worried. Lastly, this is not a very good access from the highway and is very dangerous it would be a lot more dangerous with non-medical high potency.
The thing that you all are missing is that it does cause mental illness, anxiety and a host of other issues, most have seen this first hand living it this area since the 70's. I think this is crazy in itself. For medical reasons great but this has gone too far. Wrong neighbourhood and an unsafe spot. Please find somewhere else, thank you for reading.
If you want people that are busy trying hard to make end meet the taxes are very high to voice their concerns have a way for them to do it online or anonymously. I am too tired to go to a meeting to embarrass myself and have people mad at me. I hear no one goes to these meeting for that reason. We need a better system so I can vote online. Like the pipeline or other things that people to help decide make it convenient and you will find the truth people don't want to get involved or have their live disrupted.

Sincerely,
Very concerned citizen

Attachment 7
Public Submissions and Comments (Page 2 of 3)

From: Hamilton, Karen on behalf of Planning Email
To: Redpath, Nicholas
Subject: FW: cannabis store license 3125 van horne, hilliers
Date: Monday, April 08, 2019 2:42:52 PM

---

fyi

From: Andy Rigg [redacted]
Sent: Monday, April 08, 2019 1:09 PM
To: Planning Email
Subject: cannabis store license 3125 van horne, hilliers

I will not attend meeting
I have no objection.
Alex Rigg
3054 rinvold
hilliers

Attachment 7
Public Submissions and Comments (Page 3 of 3)

From: Planning Email
To: Redpath, Nicholas
Subject: FW: non-medical cannabis on Van Horne Road application
Date: Monday, April 15, 2019 11:03:45 AM
Attachments: image001.png
image002.jpg
image003.jpg
image004.png

Samantha Syme
Board of Variance Secretary, Strategic & Community Development
Regional District of Nanaimo
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2
T: (250) 390-6564 | Email: ssyme@rdn.bc.ca

RDN

This email is confidential and may be privileged; it is for the use of the named recipient(s) only. If you are not an intended recipient of this email, please notify the sender immediately and do not copy or disclose its contents to any person or body. Any use of this email by an unintended recipient is prohibited. The accuracy or completeness of the information attached to, or disclosed in this email is not guaranteed by the sender.

From: Ryan K. [redacted]
Sent: Monday, April 15, 2019 8:44 AM
To: Planning Email
Subject: non-medical cannabis on Van Horne Road application

This email is in regards to the application for a non-medical cannabis retail store licence for a Van Horne Road. I do not believe this should proceed as there is currently a cannabis store less than a block away (on highway 4) from this proposed location.

Ryan Kyle

Sent from Outlook

Attachment 8
Petition of Support (Page 1 of 5)

Petition to the Regional District of Nanaimo, Board of Directors

WE, THE UNDERSIGNED, HEREBY PETITION the Regional District of Nanaimo, Board of Directors to adopt the resolution ***supporting*** Non-Medical Cannabis Retail Store Licence Application No. PL2019-043, located at #8 – 3125 Van Horne Road in Area F.

WE STATE OR BELIEVE:

1. That the petitioners are residents of Area F in the Regional District of Nanaimo.
2. That product sold in a licenced, Non-Medical Cannabis Retail Store is purchased solely from government approved suppliers through the Liquor & Cannabis Regulation Branch.
3. That the cannabis products being sold have been quality tested to ensure they are not laced with any illicit drugs, are safe for human consumption, sold in sealed packages and are traceable from the point of sale all the way back to the facility where it was grown.
4. That the premises will be securely monitored running 24-hour surveillance.
5. That a licenced, legally operated, Non-Medical Cannabis Retail Store, if adopted, could potentially save lives, make it more difficult for minors to obtain illegal and unsafe cannabis, and would drive out any illegally operating dispensaries in the area.

#	SIGNATURE	NAME	LEGAL ADDRESS	DATE
		Ken LOTT	3073 Van Horne Road	May 22/2019
		BILL BORSTROM	1005 HAMMA ROAD	MAY 22, 201
		Brandie Wark	34567 gertrude	May 22/201
		Frankie Michaluk	102 3102 Rinvold Rd	May 22/201
		LINDA HARWOOD	107-3105 RINVOLD RD	MAY 22/19
		Evelyn Olonick	3-3100 RINVOLD Rd	May 22/19
		Stewart Corrigan	#4-3100 Rinvold Rd	May 22/19
		Brian Knox	#3-3100 Rinvold Rd	May 22/19
		BEV. Merriman	#5-3100 RINVOLD RD	May 22/19
		STEVE DOUGAN	9-3100 RINVOLD RD	May 22/19
		Corinna Leonzio	10-3100 Rinvold Rd	May 22/19
		JACQUELYN ROSS	12-3100 RINVOLD RD	" 22/19
		Alexa Grier	3100 #17 Rinvold Rd	May 22/19
		JOANNE CAMBLY	3100-#18 RINVOLD	May 22/19
		RICK MENZIES	3097A VAN HORNE	MAY 22/19

Attachment 8
Petition of Support (Page 2 of 5)

Petition to the Regional District of Nanaimo, Board of Directors

WE, THE UNDERSIGNED, HEREBY PETITION the Regional District of Nanaimo, Board of Directors to adopt the resolution ***supporting*** Non-Medical Cannabis Retail Store Licence Application No. PL2019-043, located at #8 – 3125 Van Horne Road in Area F.

WE STATE OR BELIEVE:

1. That the petitioners are residents of Area F in the Regional District of Nanaimo.
2. That product sold in a licenced, Non-Medical Cannabis Retail Store is purchased solely from government approved suppliers through the Liquor & Cannabis Regulation Branch.
3. That the cannabis products being sold have been quality tested to ensure they are not laced with any illicit drugs, are safe for human consumption, sold in sealed packages and are traceable from the point of sale all the way back to the facility where it was grown.
4. That the premises will be securely monitored running 24-hour surveillance.
5. That a licenced, legally operated, Non-Medical Cannabis Retail Store, if adopted, could potentially save lives, make it more difficult for minors to obtain illegal and unsafe cannabis, and would drive out any illegally operating dispensaries in the area.

#	SIGNATURE	NAME	LEGAL ADDRESS	DATE
		A. COULTER	3091 VAN HORNE RD	05/22/19
		M. CRADDOCK	#1 1278 OLD ALBERNI HWY	05/22/19
		Cynthia Lott	3073 Van Horne Rd	5/22/19
		A. MICHELS	3115 Rivwold	5/22/19
		Jim Werdal	3061 Rivwold Rd	05/22/19
		Joe Pallen	1949 Swayne	05/22/19
			1280 Winning Way	05/22/19
		1313 CHATSWORTH	1313 CHATSWORTH	05/23/19
		Justin Townsend	1317 Brooklyn Lane	05/23/19
		STEWART DENNEY	1115 STATION RD	05/23/19
		KRISTIE TOOMBS	347 PARK VIEW PL	05/23/19
		Katlin Toombs	3027 Vanhorne rd	05/23/19
		Duncan Coombs	3027 Vanhorne rd	05/23/19
		Darren Coombs	3027 Van horne rd	05/23/19
		CHRISTINE Bales	450 PRATT Rd	05/23/19

Attachment 8
Petition of Support (Page 3 of 5)

Petition to the Regional District of Nanaimo, Board of Directors

WE, THE UNDERSIGNED, HEREBY PETITION the Regional District of Nanaimo, Board of Directors to adopt the resolution ***supporting*** Non-Medical Cannabis Retail Store Licence Application No. PL2019-043, located at #8 – 3125 Van Horne Road in Area F.

WE STATE OR BELIEVE:

1. That the petitioners are residents of Area F in the Regional District of Nanaimo.
2. That product sold in a licenced, Non-Medical Cannabis Retail Store is purchased solely from government approved suppliers through the Liquor & Cannabis Regulation Branch.
3. That the cannabis products being sold have been quality tested to ensure they are not laced with any illicit drugs, are safe for human consumption, sold in sealed packages and are traceable from the point of sale all the way back to the facility where it was grown.
4. That the premises will be securely monitored running 24-hour surveillance.
5. That a licenced, legally operated, Non-Medical Cannabis Retail Store, if adopted, could potentially save lives, make it more difficult for minors to obtain illegal and unsafe cannabis, and would drive out any illegally operating dispensaries in the area.

#	SIGNATURE	NAME	LEGAL ADDRESS	DATE
		MICHAEL BALES	950 PRATT RD	23 MAY 19
		Bill Bales	3035 Rinvold	23 May 19
		Lisa Drake	3030 Rinvold Rd.	19 K 142

Attachment 8
Petition of Support (Page 4 of 5)

Petition to the Regional District of Nanaimo, Board of Directors

WE, THE UNDERSIGNED, HEREBY PETITION the Regional District of Nanaimo, Board of Directors to adopt the resolution ***supporting*** Non-Medical Cannabis Retail Store Licence Application No. PL2019-043, located at #8 – 3125 Van Horne Road in Area F.

WE STATE OR BELIEVE:

1. That the petitioners are residents of Area F in the Regional District of Nanaimo.
2. That product sold in a licenced, Non-Medical Cannabis Retail Store is purchased solely from government approved suppliers through the Liquor & Cannabis Regulation Branch.
3. That the cannabis products being sold have been quality tested to ensure they are not laced with any illicit drugs, are safe for human consumption, sold in sealed packages and are traceable from the point of sale all the way back to the facility where it was grown.
4. That the premises will be securely monitored running 24-hour surveillance.
5. That a licenced, legally operated, Non-Medical Cannabis Retail Store, if adopted, could potentially save lives, make it more difficult for minors to obtain illegal and unsafe cannabis, and would drive out any illegally operating dispensaries in the area.

#	SIGNATURE	NAME	LEGAL ADDRESS	DATE
		Bill Preston	3243 Melon Rd.	May 22/19
		Pat Jeremy	Box 669 Coombs	" 23/19
		Tom FRAKAS	5320 ALBERNI HWY	" "
		EAMON STINSON	1745 PRATT RD	MAY 24/19
		LAUREN STINSON	1745 PRATT RD	MAY 23/19
		Logan Sayle	Box 5 R.R. 1	May 23/19
		Curt MacIsaac	3-3125 Van Horne	May 23/19
		JOANNA WELBURN	3670 Gellert rd	May 23/19
		Laura M'Kenzie	2100 Parkway Pl.	May 23/19
		Amy Newson	#3-3125 Van Horne Rd	May 23/19
		Adam Jenkinson	#8-3117 VAN HORNE	MAY 23/19
		Dave Semple	#6 3100 Rinvold	May 23
		Darren Caldwell	3046 Rinvold Rd QB	May 23/19
		Brooke Bennett	3131 Rinvold Rd QB	June 6/19

Attachment 8
Petition of Support (Page 5 of 5)

Petition to the Regional District of Nanaimo, Board of Directors

WE, THE UNDERSIGNED, HEREBY PETITION the Regional District of Nanaimo, Board of Directors to adopt the resolution ***supporting*** Non-Medical Cannabis Retail Store Licence Application No. PL2019-043, located at #8 – 3125 Van Horne Road in Area F.

WE STATE OR BELIEVE:

1. That the petitioners are residents of Area F in the Regional District of Nanaimo.
2. That product sold in a licenced, Non-Medical Cannabis Retail Store is purchased solely from government approved suppliers through the Liquor & Cannabis Regulation Branch.
3. That the cannabis products being sold have been quality tested to ensure they are not laced with any illicit drugs, are safe for human consumption, sold in sealed packages and are traceable from the point of sale all the way back to the facility where it was grown.
4. That the premises will be securely monitored running 24-hour surveillance.
5. That a licenced, legally operated, Non-Medical Cannabis Retail Store, if adopted, could potentially save lives, make it more difficult for minors to obtain illegal and unsafe cannabis, and would drive out any illegally operating dispensaries in the area.

#	SIGNATURE	NAME	LEGAL ADDRESS	DATE
	Fallon	IAN FALLON	#4-3125 Vanhorne Rd Qualicum Beach B.C.	May 24/19
		Peter Leanza	#10-3100 Rinvold Road Qualicum	May 26/19
	Margaret Kresina	M. Kresina	910 Jones Rd Q.B.	May 26/19
	Stan Kresina	S. Kresina	910 Jones Rd Q.B.	May 26/19

May 22, 2019

The Honourable Doug Donaldson
Minister of Forests, Lands, Natural Resource Operations & Rural Development
Parliament Buildings
Victoria, BC, V8V 2C2

RE: Shift in Provincial Policy on Cannabis Production in the ALR

Dear Minister Donaldson,

In June 2018, the president of the Union of BC Municipalities (UBCM) met with you to discuss emerging concerns about the production of cannabis in the Agricultural Land Reserve (ALR). At that time Minister Popham had declared a conflict of interest in relation to cannabis production.

Although UBCM was pleased with the outcomes of that meeting, we now have concerns about the position that the provincial government has recently taken on this file. Specifically, UBCM is concerned with the legislative and regulatory amendments that were made in February 2019 and which shifted provincial policy on cannabis production in the ALR.

In early May the Agricultural Land Commission (ALC) released their "Revised Information Bulletin 04 – Cannabis Production in the ALR." At that time UBCM became aware that, effective February 22, 2019, the *Agricultural Land Commission Act* and the ALR Use, Subdivision and Procedure Regulation (now the ALR General Regulation) were amended, and the ALR Use Regulation was created.

Within these amendments, the provincial policy on cannabis production in the ALR shifted in order to recast all cannabis production in the ALR as farm use – meaning that applications to the ALC are no longer required for any form of cannabis production.

The UBCM Executive discussed this issue at their May 2019 meeting and would like to identify our key concerns as well as a number of questions that we have.

Lack of Consultation

UBCM was not consulted on the legislative and regulatory changes that have changed the characterization of cannabis production in the ALR. We understand that the changes did not directly impact the *Local Government Act,* but we strongly believe that the amendments have significant impacts on our members and that UBCM should have been consulted.

Based on this, we would like clarification on:

- The rationale for the changes to consider all cannabis production in the ALR as farm use
- The reason that UBCM and/or local governments were not consulted in advance of the amendments

In addition, the Minister's Advisory Committee on the Revitalization of the ALC and ALR conducted a consultation process to gain local government and other stakeholder feedback. Based on this, the committee recommended in its December 2018 final report that an immediate moratorium on non-soil bound production be established and that the ALC be provided with the authority to consider all cannabis-related applications. We understand from discussions with Ministry of Agriculture staff why a moratorium was not considered, but we could like clarification as to:

- Why the Committee's recommendation to provide the ALC with the authority to consider all cannabis-related applications was not pursued

Delay in Informing Local Governments

As it appears that many local governments were unaware of the change to consider all cannabis production as farm use, and that consequently the ALC would no longer be considering applications for cannabis production, the amendments have had the effect of creating a 3-month gap in which some forms of cannabis production may have been unregulated in terms of ALC oversight and/or local government land use regulation. Given the requirements for creating or amending local government bylaws, it is foreseeable that this gap could continue to exist for many more months.

Based on this, we would like clarification on:

- Why the change was not immediately communicated to local governments
- The general status of applications that may have been made to the ALC for non-farm use cannabis production since February

Monitoring & Enforcement

As the ALC no longer has a vetting role in proposals for cannabis production on the ALR, it is implied that monitoring and enforcement of allowable land use will increasingly be a local government responsibility.

Based on this, we would like clarification on:

- The extent to which local governments are now expected to provide monitoring and enforcement of allowable ALR land use in relation to cannabis production
- How the Minister's Bylaw Standards, or other guidance documents, will be revised or developed to support local governments in this role

Please note that separate correspondence is being prepared for Minister Popham in regards to the impacts of Bill 15 on our members, and the lack of consultation on that file.

UBCM supports collaboration as the best means to develop policy solutions to address concerns. As such, we look forward to your response to the concerns we have raised and the specific issues that we have asked for clarification on.

Sincerely,



Arjun Singh

President, UBCM

cc: Jennifer Dyson, Chair, Agricultural Land Commission

Lorie Hrycuik, Executive Director, Corporate Governance, Policy & Legislation Branch, Ministry of Agriculture

Mary Shaw, Executive Director, Cannabis Legalization and Regulation Secretariat

Arlene Anderson, Manager - Legislation, Corporate Governance, Policy and Legislation Branch, Ministry of Agriculture