

# Regional District of Central Okanagan

## Draft 2023 – 2027 Five-Year Financial Plan

Presented February 2, 2023

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# Purpose

- To present the Regional District of Central Okanagan's (RDCO) draft 2023 – 2027 Five-Year Financial Plan for review.



# Financial Plan Highlights

|            |                      |
|------------|----------------------|
| Bolstering | emergency management |
| Investing  | in infrastructure    |
| Meeting    | increasing demand    |
| Keeping    | pace with inflation  |

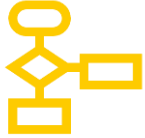
# Background



Legislative  
requirement



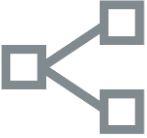
Financial  
planning  
guidelines



Draft plan



Similar to 2022



Focus on key  
information &  
changes

# Financial Planning Timeline

June to September

Department Preparation

October to December

Finance Review

February & March

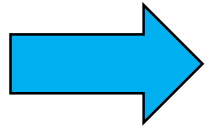
Board Review

February

Public Consultation

March

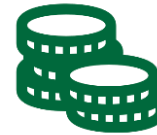
Board Approval



# Overview



Core service levels



Economic environment



Community needs and wants



Assessment values



Board initiatives



# Operating Expenditures

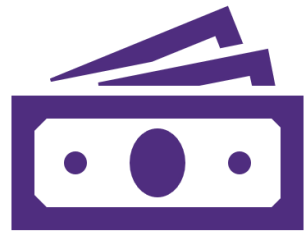
Overall  
increase  
3%

- Regional 4.0%
- Sub-regional 3.2%
- Local 4.4%

Key  
changes

- Transfers to reserves
- Salaries & benefits
- Contracted services
- Supply & equipment maintenance
- COVID expenses

# Overhead Rates



Cost pressures



Use of reserves





# Operating Funding (in '000's)

*Table 3: Summary of Financial Plan Operating Funding*

| Sources of Revenue        | 2023             | 2022             | Change \$       | Change %  |
|---------------------------|------------------|------------------|-----------------|-----------|
| Sale of service           | \$ 31,030        | \$ 28,365        | \$ 2,664        | 9%        |
| Tax requisition           | 27,156           | 23,758           | 3,398           | 14%       |
| Parcel taxes              | 900              | 860              | 40              | 5%        |
| Rentals and other revenue | 191              | 264              | (74)            | -28%      |
| Grants                    | 1,130            | 2,376            | (1,246)         | -52%      |
| Transfer from reserves    | 1,056            | 3,793            | (2,737)         | -72%      |
| <b>TOTAL</b>              | <b>\$ 61,462</b> | <b>\$ 59,416</b> | <b>\$ 2,046</b> | <b>3%</b> |

# Tax Requisition

Overall  
increase  
15%

- Regional 14%
- Sub-regional 14%
- Local 21%

Key  
changes

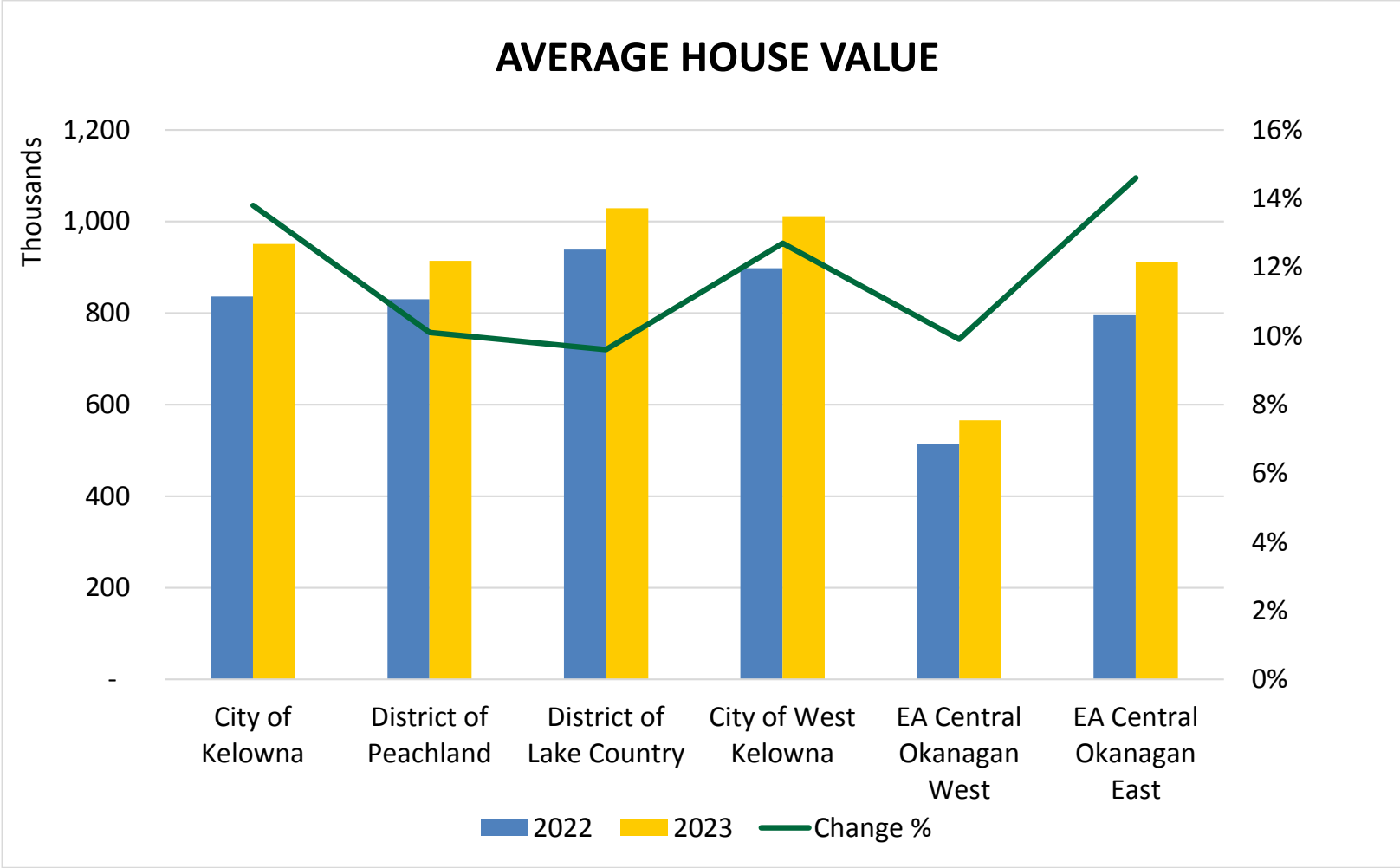
- Transfers from reserves
- Expenditure changes

# Tax Requisition

*Table 5 - Impact of Year Over Year Changes on Tax Requisition*

| Expenditure Type                  |                 | Year Over Year Change |
|-----------------------------------|-----------------|-----------------------|
| Gross expenditures                | Increase        | \$ 2,045,932          |
| Rental & other revenue            | Decrease        | 73,724                |
| Transfers from operating reserves | Decrease        | 2,737,009             |
| Grants                            | Decrease        | 1,246,069             |
| Parcel taxes                      | Increase        | (40,484)              |
| <b>SUBTOTAL</b>                   |                 | <b>\$ 6,062,250</b>   |
| Change in sales of service fees   | Increase        | (2,664,414)           |
| <b>Change in Tax Requisition</b>  | <b>Increase</b> | <b>\$ 3,397,836</b>   |

# Assessment Values



# Tax Requisition Per Average House

|                     |             |       |          |       |      |
|---------------------|-------------|-------|----------|-------|------|
| Kelowna             | \$951,000   | \$188 | \$16/mth | 8.5%  | \$15 |
| Lake Country        | \$1,029,000 | \$231 | \$19/mth | 4.4%  | \$10 |
| Peachland           | \$914,000   | \$209 | \$17/mth | 4.9%  | \$10 |
| West Kelowna        | \$1,012,000 | \$219 | \$18/mth | 7.0%  | \$14 |
| Electoral Area East | \$912,000   | \$595 | \$50/mth | 2.6%  | \$15 |
| Electoral Area West | \$566,000   | \$478 | \$40/mth | 14.0% | \$59 |



# Capital Projects

*Table 8 - Capital Plan by Department*

| Department                      | 2023 Capital Plan \$ | 2022 Capital Plan \$ | Change \$         | Change %  |
|---------------------------------|----------------------|----------------------|-------------------|-----------|
| Administrative Services         | \$ 978,308           | \$ 717,000           | \$ 261,308        | 36%       |
| Bylaw Services                  | 317,458              | 253,945              | 63,513            | 25%       |
| Engineering Services            | 18,000               | 11,500               | 6,500             | 57%       |
| Fire Services                   | 2,921,902            | 2,379,737            | 542,165           | 23%       |
| Fleet Services                  | 56,650               | 56,650               | -                 | 0%        |
| Inspection Services             | 170,425              | 105,263              | 65,162            | 62%       |
| Parks Services                  | 7,506,625            | 7,470,457            | 36,168            | 0%        |
| Protective Services             | 112,280              | 71,320               | 40,960            | 57%       |
| Sewer Services                  | 3,401,485            | 4,354,973            | (953,488)         | (22%)     |
| Solid Waste Management Services | 906,150              | 428,323              | 477,827           | 112%      |
| Water Services                  | 1,748,945            | 1,638,008            | 110,937           | 7%        |
| <b>TOTAL</b>                    | <b>\$ 18,138,228</b> | <b>\$ 17,487,176</b> | <b>\$ 651,052</b> | <b>4%</b> |

# Capital Project Funding

*Table 10 - Capital Plan Funding Profile*

| Funding Sources          | 2023 Capital Plan \$ | % of Total Funding | 2022 Capital Plan \$ | % of Total Funding |
|--------------------------|----------------------|--------------------|----------------------|--------------------|
| Reserves                 | \$ 14,684,519        | 81%                | \$ 15,885,707        | 91%                |
| Grants                   | 1,310,899            | 7%                 | 666,917              | 4%                 |
| Debt                     | 501,250              | 3%                 | 500,000              | 3%                 |
| Development Cost Charges | 1,257,260            | 7%                 | -                    | 0%                 |
| Donations & 3rd Party    | 215,800              | 1%                 | 257,000              | 1%                 |
| Operating                | -                    | 0%                 | 107,050              | 1%                 |
| Sale of redundant assets | 168,500              | 1%                 | 70,500               | 0%                 |
| <b>TOTAL</b>             | <b>\$ 18,138,228</b> | <b>100%</b>        | <b>\$ 17,487,174</b> | <b>96%</b>         |



# Reserves



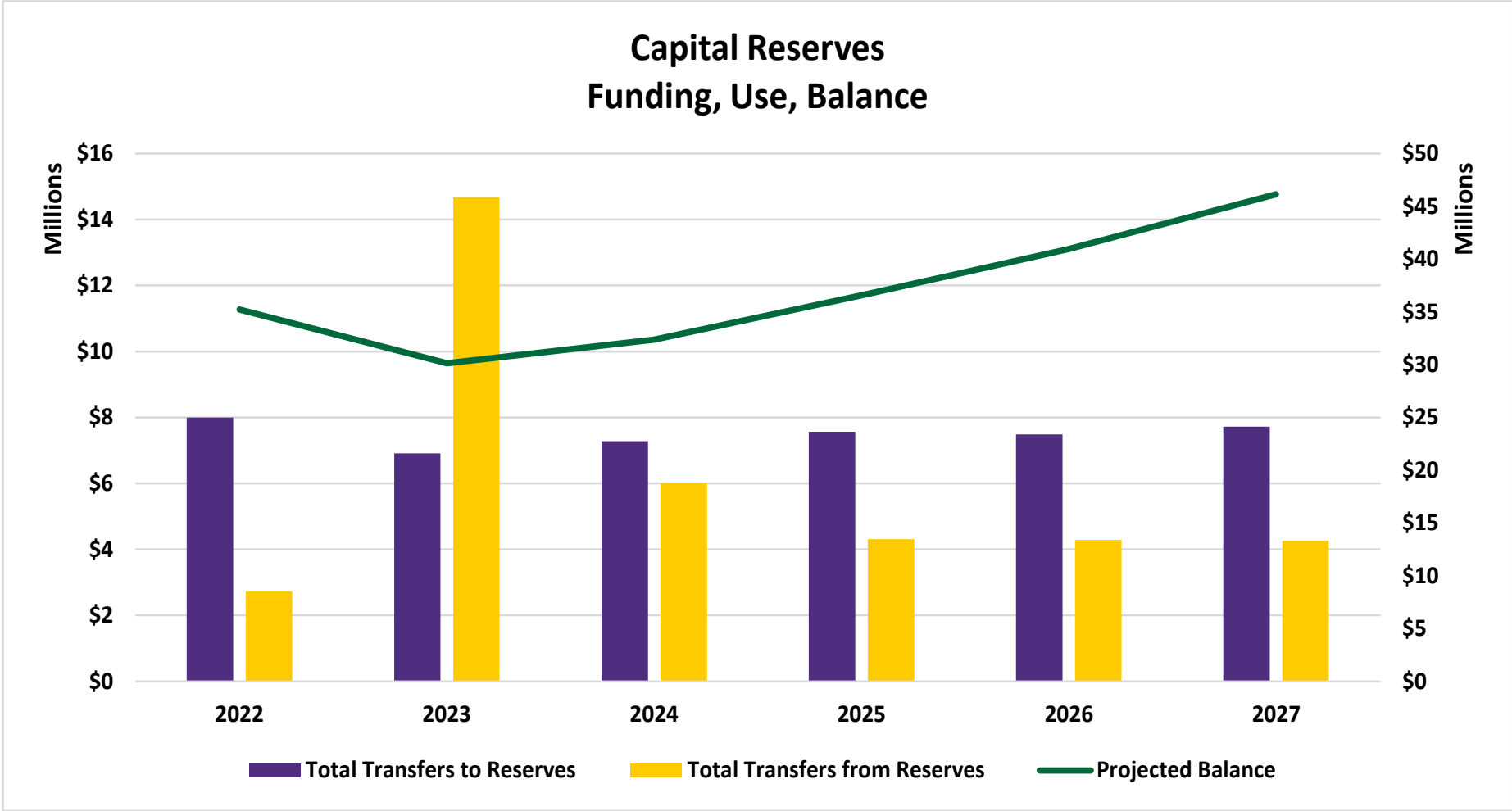
Operating



Capital



# Capital Reserves



# Questions



# Recommendation

*All Directors – Weighted Corporate Vote – Majority (LGA s.210)*

**THAT** the Regional Board receive for information the draft 2023-2027 Five-Year Financial Plan;

**AND THAT** any recommended amendments be incorporated into the 2023-2027 Five-Year Financial Plan and brought to the Regional Board meeting on February 16, 2023.