

Minutes of the **GOVERNANCE & SERVICES COMMITTEE** meeting of the Regional District of Central Okanagan held at Regional District Offices, 1450 KLO Road, Kelowna, BC on Thursday, February 21, 2019

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Directors: J. Baker (District of Lake Country)  
M. Bartyik (Central Okanagan East Electoral Area)  
C. Basran (City of Kelowna)  
W. Carson (Central Okanagan West Electoral Area)  
M. DeHart (City of Kelowna) *arrived at 8:55 a.m.*  
C. Fortin (District of Peachland)  
G. Given (City of Kelowna)  
C. Hodge (City of Kelowna)  
S. Johnston (City of West Kelowna)  
G. Milsom (City of West Kelowna)  
B. Sieben (City of Kelowna)  
L. Stack (City of Kelowna)

Absent: T. Konek (Westbank First Nation)  
L. Wooldridge (City of Kelowna)

Staff: B. Reardon, Chief Administrative Officer  
T. Cashin, Director of Community Services  
J. Foster, Communication Manager  
C. Griffiths, Director of Economic Development  
D. Komaike, Director of Engineering Services  
M. Kopp, Director of Parks Services  
M. Rilkoff, Director of Financial Services  
M. Drouin, Manager - Corporate Services (recording secretary)

**1. CALL TO ORDER**

Chair Given called the meeting to order at 10:22 a.m.

This meeting is being held on the traditional territory of the Syilx/Okanagan Peoples.

**2. ADDITION OF LATE ITEMS**

There were no late items to the agenda.

**3. ADOPTION OF THE AGENDA**

**#GS10/19**

**BAKER/FORTIN**

THAT the agenda be adopted.

CARRIED unanimously

#### 4. **CORPORATE SERVICES**

##### 4.1 CAO Year-End Review (Surplus/Deficit Charts)

The CAO provided a presentation outlining:

- Expectations for the 2019 Financial Plan
  - Holding the line on residential tax increases
  - Most requisition increases in line with growth
  - Additional contributions to reserves
  - Minor staffing increases
  - Positioning upcoming priority infrastructure investments
- The surplus/deficit for each service was highlighted
- Progress on 2015-2018 strategic priorities was outlined
- The RDCO's operating plan will be adjusted as necessary to align with the Board's new strategic priorities when finalized.
- RDCO's Organization Chart presented.

#GS11/19

**BAKER/STACK**

THAT the CAO Year-End Review report be received for information.

**CARRIED unanimously**

#### 5. **FINANCIAL SERVICES**

##### 5.1 Director of Financial Services to Provide an Overview of the 5-Year Financial Plan (2019-2023)

##### 5.1.1 Director of Financial Services Report - 2019 Budget and 5-Year Plans Presentation

Staff report dated February 13<sup>th</sup> outlined the general tax change comparison.

	<i>2018 Total Tax per House. Avg House Value \$693,000</i>	<i>2019 House Value</i>	<b>Feb 21 Draft</b>	
			<b>2019</b>	<b>2019</b>
			Total Tax per House	Change per Avg House over 2018
Kelowna	\$181.77	\$736,000	\$182.28	\$0.51 0.285%
Peachland	209.89	736,000	\$209.93	\$0.04 0.010%
Lake Country	206.95	732,000	\$205.79	(\$1.16) -0.562%
West Kelowna	200.52	739,500	\$201.80	\$ 1.28 0.639%
C. O. West	611.95	739,500	\$642.15	\$ 30.20 4.934%
C. O. East	497.44	735,500	\$515.82	\$ 18.38 3.695%

Staff provided an overview of the budget process highlighting:

- \$9.5m capital and infrastructure improvements/additions
- Asset management reserves-over \$92.6m in actual capital expenditures in the last ten years.
- Outstanding debt on capital for RDCO services equals \$6.9m, \$4.74m in MFA long term financing.
- Reserve balances – forecasting \$23,380,891 in 2019
- FTE comparisons outlined
- Overhead rates comparison from 2018 to 2019
- How tax rates are calculated for individual services outlined
- Regional districts do not have just one tax rate and do not collect taxes: municipalities and the Province collect taxes which are then paid to RDCO in August
- Surpluses within services is used to offset tax and to set aside into operating reserves
- General requisitions for each area was outlined.
- Service costs for the municipalities range from \$182 (Kelowna) \$210 (Peachland) per average home for services provided to residents

Discussion on the need to set a minimum and possibly a maximum for reserves in each service area.

*Director Basran left the meeting at 12:25 p.m.*

There was consensus at this time to allow the public in attendance to address their concern with the financial plan.

- Shelley Sweeney, 7244 Hwy 97S – (Brent Rd area) noted there are approximately 42 mostly permanent residents in this area. She expressed opposition to being taxed for the West Kelowna Johnson Bentley Pool (\$148 in 2018) and Senior Center (\$175) on her individual notice. In addition, concern was expressed on their road maintenance and drainage and needs help with MOTI (It was noted that RDCO has no authority over roads and drainage in the electoral areas).

It was noted that the tax requisition stems from the time West Kelowna incorporated.

**#GS12/19** JOHNSTON/MILSOM

THAT staff be directed to bring forward an information report including tax requisition information and the history of the Johnson Bentley Pool and Senior Center affecting the Central Okanagan West electoral area residents.

CARRIED unanimously

### 5.1.2 Draft 1 - 2019-2023 Budget & Financial Plan - Summary Highlights Review

Staff report dated February 14, 2019 was reviewed highlighting increases /decreases for specific services

- It was noted the Province has reduced the administration grant as the population in the Central Okanagan has increased to over \$200K.
- Water systems – what is the timeline for addressing the operating fees and ‘what ifs’. Staff noted mid 2019 a report will be coming forward to the Board for consideration. Rates have not changed since 2016. Also need to know what IHA filtration requirements may be in the future—staff are in discussion with IHA.
- Discussion ensued regarding the changes which are occurring with recycling.

### **#GS13/19** SIEBEN/CARSON

THAT staff be directed to report following meetings with Recycle BC regarding contamination of recycling.

#### CARRIED unanimously

- Okanagan Regional Library – staff highlighted an issue with the increase to apportionment formula for the electoral areas. An appeal has gone forward to the Library Board. Staff is hoping for a reduction in tax requisition. Further information will be forthcoming at the second budget meeting in March.
- Regional Board – Early Years Partnership Program (ie: previous CATCH) grant of \$5K has been ongoing. It was noted the program has lost their provincial funding. It is understood the program is being closed however this will be confirmed in the next week if so, the funding will be removed from the budget.
- Regional Grant In Aid – consensus to continue funding Community Gardens regionally.
- Starling Control – Director Bartyik confirmed the Central Okanagan East will participate in the program through their grant in aid.

Staff again reviewed next steps. The second draft budget will be brought forward on March 14<sup>th</sup>, with final approval March 25<sup>th</sup>.

### 5.2 Invitation for the Public to Comment on the 2019-2023 Financial Plan

Members of the public were invited to address the Board on the financial plan.

- There were no further comments.

5.3 Recommendation to Forward Budget to the March 14, 2019  
Governance & Services Meeting

**#GS14/19**

**HODGE/JOHNSTON**

THAT the Governance & Services Committee receive for information the 2019- 2023 Financial Plan documentation;

AND FURTHER THAT staff be directed to bring forward any recommended amendments discussed today to the Governance & Services Committee budget meeting scheduled for March 14, 2019.

CARRIED unanimously

**8. NEW BUSINESS**

It was noted the Westside Learning Lab – grand opening is Saturday Feb 23.

**9. ADJOURN**

There being no further business the meeting was adjourned at 1:55 a.m.

**CERTIFIED TO BE TRUE AND CORRECT**

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G. Given (Chair)

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B. Reardon (Chief Administrative Officer)