



Governance & Services Committee

TO: Governance and Services Committee

FROM: Brian Reardon, CAO
Marilyn Rilkoff, Director of Financial Services

DATE: July 9, 2019

SUBJECT: Central Okanagan West Participation in West Kelowna Services

Purpose: To provide background information on two of the RDCO's services that result in an annual requisition transfer to the City of West Kelowna from Central Okanagan West Electoral Area.

Executive Summary:

At the February 21st, 2019 Governance & Services Meeting the following resolution was adopted:

"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."

Our records indicate there are two services in question:

1. Mount Boucherie Recreation Complex and Westside Senior Citizens Activity Centre, AND
2. Johnson Bentley Memorial Aquatic Centre.

These services were established by the RDCO and transferred to West Kelowna when they incorporated in December 2007. The service establishment bylaw boundaries do not match West Kelowna's municipal boundaries resulting in electoral area residents being taxed for a municipal service which they claim they do not use nor benefit from.

This report is for information only. Should the Committee wish to make a recommendation to the Board for follow-up action, a resolution to that effect would be in order.

RECOMMENDATION:

THAT the Governance & Services Committee receive for information the July 9, 2019 report from the CAO and Director of Financial Services regarding Central Okanagan West participation in West Kelowna Services (Johnson Bentley Memorial Aquatic Centre and Mount Boucherie Recreation Complex and Westside Senior Citizens Activity Centre).

Respectfully Submitted:

Brian Reardon, CAO

Marilyn Rilkoff, Director of Financial Services

Prepared by: Marilyn Rilkoff

Implications of Recommendation:

Strategic Plan: Provide proactive and responsive governance. Proactively anticipate needs and find innovative solutions. Conduct actions with respect, integrity and accountability.

General: Some residents in the electoral area have expressed that they do not feel that they should participate in the two services identified because they do not utilize the services.

Organizational: This would result in reduced staff time spent administering the transfers.

Financial: Members of Electoral Area Central Okanagan West would like to withdraw from the two services. This would result in lower tax rates to those residents.

Legal/Statutory Authority:

- *Local Government Act* (re: Tax Requisitions)
 - Johnson-Bentley Aquatic Centre Specified Area Establishment Bylaw and Loan Authorization By-law No. 329, 1987.
 - Mount Boucherie Recreation Complex and Westside Senior Citizens Activity Centre Local Service Establishment Bylaw No. 408, 1989.
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Background:

The following resolution was adopted at the February 21, 2019 Governance & Services Committee meeting during budget discussions:

#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

Historical Transitions -- RDCO's Westside Electoral Area:

- Over 20 years ago, there were two electoral areas on the Westside – Area G & Area Westbank (aka Area H). Each had its own EA Director.
- In 2002, Areas G & Westbank (H) became one – Electoral Area Westside (aka Area J) and had three EA Directors.
- Late 2007, West Kelowna incorporated -- After incorporation the area that was not within the municipal boundaries became known as the current EA Central Okanagan West (also aka Area J). Note: The current EA is parts of the old “Area G” that were not included in the municipal boundaries. Essentially all of the old “Area H” was included in the new municipality – this is important, as it relates to the bylaw information that follows).

The Issue: Two services were originally established by the RDCO. After incorporation, West Kelowna took over responsibility for the services whose boundaries did not match the municipal boundaries. Several EA Central Okanagan West properties remained in the services. EA Central Okanagan West taxpayers would like to exit the services as they assert that they do not benefit from them:

Prior to West Kelowna's incorporation, the RDCO had established and provided the following services (the bylaws are available on the RDCO's website as noted):

- Mount Boucherie Recreation Complex and Westside Senior Citizens Centre (Westside Recreation):
 - “Mount Boucherie Recreation Complex and Westside Senior Citizens Activity Centre Local Service Establishment Bylaw No. 408, 1989”.
 - <https://www.regionaldistrict.com/media/14624/Bylaw0408.pdf>
 - This bylaw encompassed all of the former “Area H”, and a portion of the former “Area G”, described in Schedule A of the bylaw.
 - A GIS map for the service is attached. It shows the service area boundaries per the RDCO bylaw, the municipal and EA boundaries, and the parcels within EA Central Okanagan West that are being taxed according to BC Assessment Authority.
- Johnson Bentley Memorial Aquatic Centre (JBMAC):
 - “Johnson-Bentley Aquatic Centre Specified Area Establishment Bylaw and Loan Authorization By-law No. 329, 1987”.
 - <https://www.regionaldistrict.com/media/14405/Bylaw0329.pdf>
 - This bylaw encompassed the whole of the former “Area H”, or “Westbank”. It should be noted that the old “Area G” which also formed part of the new municipality, was not included. In 1996, a referendum to add a portion of this area to the service was defeated. West Kelowna staff could confirm whether currently the original service boundaries still apply, or if they have been expanded so that the entire municipality pays for JBMAC after incorporation.
 - A GIS map for the service is attached. It shows the service area boundaries per the RDCO bylaw, the municipal and EA boundaries, and the parcels within EA Central Okanagan West that are being taxed according to BC Assessment Authority.

After incorporation in late 2007, in accordance with the newly formed municipal boundaries, provision of the services was transferred to the City of West Kelowna:

The Westside Recreation and JBMAC service area boundaries designated in the service establishment bylaws did not mirror the new municipal boundaries. As a result, some properties in the service areas remained in EA Central Okanagan West. According to BC Assessment information, the number of parcels taxed is as follows:

- Westside Rec – 268 Properties (same properties as JBMAC, plus Traders’ Cove area)
- JBMAC – 164 Properties

The related taxes have been received and transferred by the RDCO to the municipality annually. The amounts from 2009 to 2018, and the amount budgeted to be paid in 2019 are included in the table in the Financial Considerations section later in the report. In order to collect the taxes from these properties, the process is as follows:

- Each year, the City of West Kelowna advises the RDCO of its residential tax rate for these two services.
- This rate applied to the RDCO’s converted assessed values for the two service areas, and these amounts are included in the RDCO budget under cost centre 124 – Westside Recreation and cost centre 125 – JBMAC.
- The applicable taxes are thus requisitioned through the Surveyor of Taxes from the participating Electoral Area Central Okanagan West properties.

- Once the requisition amounts are received from the Surveyor of Taxes in August, the funds are then transferred to the City of West Kelowna.

The Electoral Area taxpayers and Electoral Area Directors (past and present) have expressed they would like to be excluded from these services. Inquiries were made, but there was no appetite on the part of West Kelowna to proceed with this request.

Financial Considerations:

The property tax requisitions collected by the Surveyor of Taxes on behalf of the RDCO are simply passed through to the City of West Kelowna.

Based on the budgeted figures for 2019, the impact on the average house assessed at \$739,500 was \$96.21 for Westside Recreation, and \$64.78 for Johnson Bentley Memorial Aquatic Centre (JBMAC).

Note: Actuals are shown for 2009-2018, and budget is shown for 2019.

Year	Cost Centre 124 – Westside Recreation	Cost Centre 125 – Johnson Bentley Memorial Aquatic Centre (JBMAC)
2019	B 31,208	B 12,371
2018	32,896	12,360
2017	32,454	12,152
2016	31,825	11,788
2015	34,770	11,546
2014	39,700	11,518
2013	*39,221	11,199
2012	*59,580	10,797
2011	58,586	10,296
2010	59,319	10,701
2009	56,767	12,662
2008	0	0

***Note:** In 2013, Mt. Boucherie Community Hall was turned into City of West Kelowna's municipal offices. The tax rate was adjusted by the City of West Kelowna to exclude the related costs, as only the Municipal properties benefited.

Organizational Issues:

Need to determine if and how properties are able to withdraw from the services. Many affected taxpayers and Electoral Area Director have indicated they no longer wish to participate.

External Implications:

If the electoral area properties are able to withdraw from the services, their taxes will be reduced.

Alternative Recommendation:

Continue with status quo.

Recommended Next Steps

If the Regional Board supports these recommendations:

- Provide a copy of this report to the City of West Kelowna Council for consideration.
- If supported by West Kelowna Council, approach the Provincial Ministry to determine how to rescind the services in the Electoral Area.

Considerations not applicable to this report:

- Policy

Attachment(s):

- Map – Boucherie Rec Complex LSA#5, Bylaw #408
- Map – Johnson Bentley Memorial Aquatic Centre SA#38, Bylaw #329