



# Regional Board Report

## Information

**To:** Regional Board  
**From:** Director of Financial Services  
**Date:** January 16, 2025  
**Subject:** 2025-2029 Five-Year Financial Plan – DRAFT

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

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**Purpose:** To review the Regional District of Central Okanagan's draft 2025-2029 Five-Year Financial Plan.

### Executive Summary:

This Regional District of Central Okanagan's (RDCO's) draft 2025-2029 Five-Year Financial Plan (the Plan) ensures that the RDCO continues to deliver services for residents in an efficient and cost-conscious manner while appropriately outfitting protective services facilities and equipment, investing in critical infrastructure, and delivering on the RDCO Board of Director's Strategic Priorities while keeping pace with growth and inflation.

Existing and planned service levels are the main drivers of costs within the Plan. These drivers are a product of the needs and wants of the community, the priorities of the Board, and regulatory requirements.

The following are examples of budget impacts, though not an exhaustive list, driven by advancing the Regional Board's Strategic Priorities:

- Emergency Preparedness:
  - staffing to support the use of location-based technologies driven by the requirements of the Emergency and Disaster Management Act.
  - meeting operational requirements to ensure readiness to respond.
  - continuing to build reserves to replace infrastructure critical to emergency response services such as radio tower equipment and fire apparatus. The timing of the replacement of the latter is specified by the Fire Underwriters Service.
  - working towards a permanent home for Central Okanagan Search and Rescue.
- Environment & Climate
  - staffing to support development of a Soil Bylaw
  - advancing the implementation of a curbside food waste collection service
- Health & Wellness:
  - continuing the expansion of year-round accessibility to the RDCO parks system for all residents with constant investment for safe and secure spaces and trails
  - staffing to strengthen security and maintain industry standards for water & wastewater systems
- Transportation – establish a Regional Transportation Service as endorsed by the Board in 2024
- Truth & Reconciliation – continuing to build on the inclusive governance work started in 2024

The Plan also includes funding as necessary to conduct and complete Board endorsed Services Reviews to ensure the scope of work continues to deliver value and resources that are fiscally right sized.

The Plan includes \$69.9 million in operating expenditures for 2025. This represents an overall increase of \$4.0 million. The services provided to residents by the RDCO are labour intensive with remuneration costs making up one third of total expenditures. Not surprisingly, the main driver of the increase in expenditures is remuneration costs, which are projected to increase \$2.1 million. Approximately a third of this increase is driven by the increases negotiated in the new Collective Agreement. After remuneration, the next largest driver of increasing expenditures is general operating expenses which are projected to increase \$1.2 million.

The impact of the Plan, on each property owner, varies depending on the services they receive and the value of their property. For the average home in the Central Okanagan, with an assessment of \$884 thousand, the share of the total annual tax requisition for 2025 is \$624, an increase of \$53 per year over 2024.

Capital requirements within the Plan total \$24.6 million. These costs are funded predominantly through reserves, with funding from grants where available and debt when reserves are insufficient.

Overall, total reserve levels are projected to increase at the end of 2025. The goal is to continue to build these reserves in the coming years to support future asset replacement and renewal plans and to ensure there are sufficient funds to cover unplanned expenditures.

**Recommendation(s):**

**THAT** the Regional Board receive the report 2025-2029 Five-Year Financial Plan draft from the Director of Financial Services, dated January 16, 2025, for information.

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Report Approved by: Tania McCabe, CPA, CA, Director of Financial Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

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**Strategic Plan Alignment:**

- |                           |   |
|---------------------------|---|
| √ Emergency preparedness  | √ Truth and reconciliation                              |
| √ Health and wellness     | √ Environment and climate – Regional priority only      |
| √ Regional transportation | √ Growth and development – Electoral Area priority only |
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## Background:

### 1. FINANCIAL PLANNING PROCESS

Annually, the RDCO must develop a five-year financial plan inclusive of funding and expenditures for both operating and capital financial plans. The Plan is developed in alignment with legislation and, upon approval, provides authority for the operations of the RDCO for the five years of the financial plan. Final financial plan approval is required before March 31 of each year.

A draft financial plan is developed to allow service participants and local ratepayers to comment on and make recommendations to programming, funding requirements, and initiatives. The draft financial plan will be subject to changes due to final year-end adjustments, revised assessment information, and any other amendments from the Board before final approval.

The preparation of the Plan aims to fulfil four key financial planning goals (these goals are explained in more depth in the report to the Board on the Financial Planning Highlights on [December 15, 2022](#)):

- Optimization of existing resources for maximum community benefit.
  - Based on the Board's & community's priorities.
- Positioning the RDCO for current and future financial stability.
  - To allow for predictable tax requisitions over the years.
- Maintaining a transparent process.
  - Stakeholders are informed as to when and how to provide input on the financial plan.
- Creating a document that is understandable.
  - Clearly defined impacts on stakeholders.

There are also several factors that are important to consider:

- The Board's [Strategic Plan](#).
- The economic environment:
  - Inflation & interest rates – stabilized.
  - Supply chain challenges – improving.
  - Contractual requirements – mandatory and projectable.
- Existing and planned service levels:
  - The resources needed to deliver core services.
  - The impact of new initiatives.
- Infrastructure needs:
  - The advancement of capital improvements.

The Plan includes operating and capital plans, changes in reserve funds and impacts on tax requisitions and user fees.

For services funded through tax requisitions, costs are apportioned on an assessment basis. Historical growth trends vary on a participant basis. These differences will have an impact on the increases an individual resident may experience.

It's important to note that existing and planned service levels are the main drivers of the costs within the Plan. These drivers are a product of the needs and wants of the community, the priorities of the Board, and regulatory requirements. Major initiatives affecting the organization's services are addressed and coordinated through service planning.

## 2. 2025-2029 FIVE-YEAR FINANCIAL PLAN

The Plan advances the Regional Board's Strategic Priorities:

- Emergency Preparedness:
  - staffing to support the use of location-based technologies driven by the requirements of the Emergency and Disaster Management Act.
  - meeting operational requirements to ensure readiness to respond
  - continuing to build reserves to replace infrastructure critical to emergency response services such as radio tower equipment and fire apparatus. The timing of the replacement of the latter is specified by the Fire Underwriters Service.
  - working towards a permanent home for Central Okanagan Search and Rescue.
- Environment & Climate
  - staffing to support development of a Soil Bylaw
  - advance the implementation of a curbside food waste collection service
- Health & Wellness:
  - continuing the expansion of year-round accessibility to the RDCO parks system for all residents with constant investment for safe and secure spaces and trails
  - staffing to harden security and maintain industry standards for water & wastewater systems
- Transportation – establish a Regional Transportation Service as endorsed by the Board in 2024
- Truth & Reconciliation – continuing to build on the inclusive governance work started in 2024

## 3. OPERATING PLAN

The 2025 Plan includes operating expenditures of \$69.9 million, an increase of \$4.0 million (6.1%) over the 2024 Plan of \$65.9 million. Details of what is driving the increase in expenditures is provided in the section on Operational Expenditures (starting on page 6).

Appendix A - Financial Plan Summary - Comparison to Prior Year shows the year-over-year change in the Plan for each service. Appendix B - Financial Plan Summary - 2025 shows gross expenditures and revenue sources by service for 2025.

### OPERATIONAL FUNDING

Sources of funding vary by service and include the following:

- sale of services (various fees),
- property tax requisitions (including parcel taxes) collected from member municipalities and electoral areas,
- reserve transfers,
- grants, and
- other revenue.

The main source of funding for services is tax requisitions (including parcel taxes) and user fees. Other sources of funding, such as external grants and service fees, are used to reduce the RDCO's reliance on these main sources of funding.

The Table 1 outlines the year-over-year change in revenue by source.

Sources of Funding	2025	2024	Change
Tax requisition & parcel taxes	33,630,500	31,035,271	2,595,229
Services, rental & other	19,803,335	18,902,561	900,775
Grants	917,161	882,548	34,613
Transfers from reserves	2,249,564	1,687,971	561,594
Municipal debt	13,316,602	13,441,664	(125,062)
<b>TOTAL</b>	<b>\$ 69,917,163</b>	<b>\$ 65,950,014</b>	<b>\$ 3,967,149</b>

### **Tax Requisition**

Revenue raised through tax requisition and parcel taxes totals an estimated \$33.6 million, an increase of \$2.6 million over 2024. Table 2 summarizes the change in requisition from 2024 categorized by regional, sub-regional, local, and electoral areas.

Expenditure Type	2025	2024	Change \$
Regional	26,516,767	24,639,568	1,877,199
Sub-regional	1,004,519	1,034,992	(30,473)
Local	1,090,216	929,052	161,164
Electoral Area East	2,328,582	1,987,035	341,547
Electoral Area West	2,690,417	2,444,624	245,792
<b>TOTAL</b>	<b>\$ 33,630,500</b>	<b>\$ 31,035,271</b>	<b>\$ 2,595,229</b>

The following is the impact for the average valued home within the different parts of the Central Okanagan:

*Table 3 - Estimated Property Taxes for Average House*

	Average House Value	Annual Tax Per House	\$ Change per Avg House	Monthly Tax per House	Monthly \$ Change per Avg House
<b>Kelowna</b>	\$931,014	\$ 295	\$ 15	\$ 25	\$ 1.25
<b>Peachland</b>	919,625	274	17	23	1.42
<b>Lake Country</b>	1,014,613	297	9	25	0.78
<b>West Kelowna</b>	974,766	312	17	26	1.39
<b>Electoral Area West *</b>	545,663	1,386	150	116	12.52
<b>Electoral Area East *</b>	915,894	1,177	112	98	9.36
<b>AVERAGE</b>	<b>\$883,596</b>	<b>\$ 624</b>	<b>\$ 53</b>	<b>\$ 52</b>	<b>\$ 4.45</b>

\* excludes local service area taxes (eg fire protection, community centers, transit)

Appendix E – Tax Requisition Comparison provides a comparison of the 2025 tax requisitions to the 2024 amounts, by participating member and service.

## OPERATIONAL EXPENDITURES

Table 6 summarizes the operating expenditures of the RDCO into four key types, (operations, projects, transfers to reserve and municipal debt):

Type	2025	2024	Change \$	Change %
Operations	44,430,333	40,904,031	3,526,302	8.6%
Projects	1,818,540	1,585,185	233,355	14.7%
Transfers to reserves	10,351,687	10,019,134	332,554	3.3%
Municipal debt	13,316,602	13,441,664	(125,062)	-0.9%
<b>Total</b>	<b>69,917,163</b>	<b>65,950,014</b>	<b>3,967,149</b>	<b>6.0%</b>

### Operations

The RDCO provides a multitude of core services with annual operating expenditures ranging from \$1,000 to over \$10 million. These services are provided on a regional, sub-regional and local level and the participants for each can be different. Details on the changes for each service are provided in Appendix H – Service Summaries. For the lower cost services, a small change in dollar value can result in a significant change on a percentage basis. As a result, this report focuses on those services with significant changes. A significant change is a change greater than 5% and \$10,000.

The key areas where costs have increased for the Operations of all services are:

*Table 5 – Operating Expenditure Changes*

Type of Cost	Reason for Change
Remuneration (\$2.1M)	<ul style="list-style-type: none"> <li>• Negotiated CUPE collective agreement as per the Board’s mandate</li> <li>• New staffing to support the achievement of Board Strategic Priorities, current service levels and population growth.</li> <li>• Increases in training hours for first responders to meet regulatory standards.</li> </ul>
General operating expenses (\$1.2M)	<ul style="list-style-type: none"> <li>• Investments in sophisticated contract negotiations have helped to minimize increases.</li> </ul>
Operating Projects (\$0.4M)	<ul style="list-style-type: none"> <li>• A shift of infrastructure maintenance projects from the capital to the operating plans. These are funded from operating reserves or grants.</li> </ul>
Transfers to Reserves (\$0.3M)	<ul style="list-style-type: none"> <li>• Increases are made to planned transfers to capital reserves, to proactively plan for substantial future expenditures and reduce the financial impact on the years when those projects commence. Two thirds of the increase is for the Wastewater Treatment service.</li> </ul>

### Staffing Compliment

Appendix C - 2025 Staffing Resources shows the changes to staffing for 2025. The new positions are:

- Treatment Plant Operator Level 1 (1.0 FTE)
  - Supports scheduled maintenance identified in the Wastewater Treatment Plant (WWTP) Asset Management Plan and day to day operations. Improves coverage during leave periods, as well as supporting retention and succession planning.
  - Total loaded cost = \$104,000
- Network & Systems Analyst (1.0 FTE)
  - To support network security and Wastewater Treatment Plan (WWTP) operations, including capital planning and replacement, regularly planned software maintenance and a more rigorous security posture for the WWTP network and RDCO disaster recovery site which is housed within the WWTP. Supports the new requirements under the Emergency and Disaster Management Act (EDMA) legislation for business continuity of critical infrastructure.
  - Total loaded cost = \$107,000
- GIS Analyst (1.0 FTE)
  - To support the growth in the use of location-based technologies for analysis by member jurisdictions and provided by the GIS team (RDCO, WFN, Peachland, OBWB and SIR). This includes evacuation route mapping, Next Gen 9-1-1, apps during EOC activations and recovery, and land use mapping that enable strategic planning projects such as the Regional Employment Land Inventory, OCP updates and the Regional Growth Strategy update.
  - Total loaded cost = \$107,000
- Environmental Planner (1.0 FTE)
  - This new position is necessary to implement the RDCO Soil Deposit and Placement Bylaw, should the Board choose to advance this initiative.
  - Total loaded cost = \$120,000

The financial impact of the new positions is an additional \$437 thousand:

*Table 6 - Financial Impact of Staffing Changes*

POSITIONS	Cost ('000s)	FTE	Annual Cost/ Avg House		
			Municipalities	Electoral Area East	Electoral Area West
<u>New</u>					
Treatment Plant Operator Level 1	\$ 104	1.0	N/A	N/A	N/A
Network & Systems Analyst	107	1.0	\$ 2.17	\$ 6.71	\$ 7.08
GIS Analyst	107	1.0	\$ 1.34	\$ 11.92	\$ 20.42
Environmental Planner	119	1.0	\$ 2.25	\$ 38.35	\$ 69.31
	<b>437</b>	<b>4.0</b>	<b>\$ 5.76</b>	<b>\$ 56.98</b>	<b>\$ 96.81</b>
<u>Other Changes</u>					
Increased seasonal hours	-	0.7	\$ 0.68	\$ 0.66	\$ 0.39
	-	<b>0.7</b>	<b>\$ 0.68</b>	<b>\$ 0.66</b>	<b>\$ 0.39</b>
	<b>\$ 437</b>	<b>4.7</b>	<b>\$ 6.44</b>	<b>\$ 57.64</b>	<b>\$ 97.20</b>

Administration Overhead

The Regional District has several administration functions. The costs of providing these functions are covered through overhead rates that are included in the financial plans for each service. The allocation is determined in accordance with Board Policy 18-2023, which was adopted on November 30, 2023, after an extensive review process.

For 2025, there is an overall increase of \$0.3 million in the financial plans for the administration departments. This increase is driven in part by the annual inflationary adjustments to wages & benefits driven by the new Collective Agreement.

The impact of the increase in the Administration Overhead charge, on each of the services the Regional District provides, is dependent on the operating expenditures, staffing levels and technology usage for the service. The amount allocated to each service is provided in Appendix D – Administration Overhead Allocation as well as shown in Appendix B – Financial Plan Summary – 2025 & Appendix H – Service Summaries.

Projects

Operating projects are used to track the costs of short duration activities such as the multitude of planning projects that are included in workplans. Starting in 2024, for ease of reference and transparency, these costs are shown separately from ongoing operating costs.

Historically, irregular maintenance costs were included in the capital plan and funded from capital reserves (capital expenditures). Beginning in 2025, these maintenance costs are included with operating expenditures as they are operational in nature, (versus an improvement to assets). Where the expenditures are irregular, they are funded from operating reserves to minimize the impact on the annual tax requisition or user fees. This is consistent with the how capital projects are funded.

The planned operating projects by department, are:

*Table 7 - Operating Projects by Department*

Department	2025	2026	2027	2028	2029
0005 - Human Resources	20,000	-	-	-	-
1200 - Corporate Services	42,500	35,000	80,000	-	-
1220 - Engineering	13,500	-	-	6,000	-
1300 - Financial Services	32,460	-	4,000	-	5,000
1400 - Communication and Information Services	8,000	45,000	9,000	45,000	10,000
2400 - Fire services and Protection	123,500	-	-	-	-
2900 - Policing Liaison Services	9,960	-	-	-	-
2940 - Bylaw Services	99,450	5,150	2,100	-	-
4190 - Water	271,500	290,250	59,450	423,000	300,500
4200 - Sewer	470,000	451,000	406,000	157,000	131,000
4300 - Solid Waste	83,500	40,000	90,000	-	200,000
6100 - Planning Services	464,080	467,500	350,000	420,000	120,000
7100 - Parks Services	180,090	50,000	45,000	-	25,600
<b>Grand Total</b>	<b>\$ 1,818,540</b>	<b>\$1,383,900</b>	<b>\$1,045,550</b>	<b>\$1,051,000</b>	<b>\$792,100</b>

### **Transfers to Reserves**

Another component of operational expenditures is transfers to reserves. Total planned transfers to reserves have increased by \$0.3 million, (\$10.3 million for 2025 versus \$10.0 million for 2024). \$8.6 million of this is being transferred to capital reserves to fund the future replacement of assets or the acquisition of new assets. Please see Section 5 - Reserves for information on how reserves are funded and used.

### **Municipal Debt**

Municipal debt servicing is the final component of operational expenditures. All long-term capital financing by local governments is provided via the Municipal Finance Authority (MFA). As Municipalities cannot borrow directly from MFA, the RDCO borrows on their behalf. The annual servicing costs for this debt are included in the Plan and all costs are paid for by the municipality that borrowed the funds.

## **4. CAPITAL PLAN**

### **CAPITAL EXPENDITURES**

The capital portion of the Plan advances the Regional Board's Strategic Priorities, addresses infrastructure deficits, and enhances the RDCO parks, protective, water, and solid waste services. Total proposed spending in 2025 is \$24.6 million. This is an increase of \$3.4 million over 2024.

The 2025-2029 Capital Plan projects are provided in Appendix F - Capital Plan Expenditures. The funding sources for these projects are provided in Appendix G - Capital Plan Funding.

Capital plans are developed through the service planning and financial planning processes and capture the following factors:

- status of projects already in progress.
- condition of existing assets and infrastructure.
- regulatory, environmental, risk, and health and safety factors.
- new or renewal projects prioritized by the commissions, committees, or local service areas.

The total planned capital expenditure, by department, are:

Department	2025	2026	2027	2028	2029
1200 - Corporate Services	475,000	50,000	800,000	52,000	310,000
1220 - Engineering	10,000	-	-	-	-
1300 - Financial Services	30,900	30,900	30,900	30,900	30,900
1400 - Communication and Information Services	128,500	135,500	508,500	155,000	163,000
2400 - Fire services and Protection	5,848,293	1,618,928	2,267,885	2,226,856	1,361,793
2900 - Policing Liaison Services	-	63,000	-	-	-
2920 - Inspection Services	-	66,860	-	-	-
2940 - Bylaw Services	130,518	-	-	-	-
4190 - Water	474,000	350,000	500,000	13,670,467	19,847,100
4200 - Sewer	4,293,996	6,384,415	5,947,698	5,723,895	4,141,047
4300 - Solid Waste	6,980,000	250,000	-	-	-
7100 - Parks Services	6,274,675	2,328,550	1,830,700	2,321,100	755,900
<b>Grand Total</b>	<b>24,645,882</b>	<b>11,278,153</b>	<b>11,885,683</b>	<b>24,180,218</b>	<b>26,609,740</b>

Highlights of key capital projects planned for 2025 are provided in Table 11.

**Table 9 – Key Capital Plan Projects - 2025**

Department	Project	Description	Board Priority	Funding	Cost (000's)
Administration Services	Building renovations	HVAC upgrades	Environment & Climate	Reserves	\$265
Protective Services	Regional Rescue	Central Okanagan Search and Rescue facility construction	Emergency Preparedness	Grant	\$3,600
		Radio tower equipment upgrades	Emergency Preparedness	Reserves	\$566
	Joe Rich Fire	Replacement of the Rescue/Bush truck	Emergency Preparedness	Grant/Reserves	\$315
	North Westside Fire	Replacement of the pumper	Emergency Preparedness	Reserves	\$315
		Station 102 expansion	Emergency Preparedness	Reserves	\$300
Parks Services	Land acquisitions	Purchases are being considered. Details will	Health & Wellness	Reserves	\$3,792

		be provided when appropriate			
	Mission Creek Greenway	Gerstmar pedestrian bridge	Health & Wellness	Reserves	\$335
		Streambank stabilization work along Hollywood Road.	Health & Wellness	Reserves	\$300
	Grouse Complex Fire (GCF) recovery project	Assessment and recovery projects in four parks impacted by the GCF. Funding provided from the Provincial Disaster Assistance Fund	Health & Wellness	Disaster Assistance Funding	\$326
Solid Waste Services	Curb Side Organics	Implementation of a curb side food waste collection service	Environment & Climate	Grant & Local Government Contributions	\$6,600
Wastewater Services	Treatment Plant	Various equipment replacement projects	Environment & Climate	Reserves	\$2,160
		Replacement of the crane truck	Environment & Climate	Reserves	\$270

## CAPITAL FUNDING

The funding profile for 2025 shows a continuation of the firm reliance on reserves for capital investment reflecting a “save now” versus “pay later” approach. There is also an increase in funding from grants, particularly the use of the Growing Communities Fund grant. The ability to use grants reduces the need to rely on reserves. The planned use of development cost charges, third-party contributions and other sources make up a small portion of total capital funding for 2025, as shown in Table 12.

*Table 10 - Capital Plan Funding Profile*

Funding Sources	2025	2024	% of Total Funding	Change \$
Reserves	\$ 12,023,073	\$ 15,429,474	73%	\$(3,406,401)
Grants	12,122,809	2,910,276	14%	9,212,533
Debt	-	1,267,450	6%	(1,267,450)
Development Cost Charges	500,000	1,234,000	6%	(734,000)
Other	-	357,100	2%	(357,100)
<b>TOTAL</b>	<b>\$ 24,645,882</b>	<b>\$ 21,198,300</b>	<b>100%</b>	<b>\$3,447,582</b>

Staff continue to seek and secure senior government funding to pay for capital projects. Where feasible, internal capacity is deployed to deliver projects at a reduced cost to external engagements. Prioritization of capital investments is done to enable business transformation and improve operations. See Appendix G - Capital Plan Funding for details on the use of each funding source by project.

## 5. RESERVES

Reserves are a government's way of saving for future capital activities and one-time or limited duration operating activities. There are 155 reserve accounts for the various services. There are also reserves for Development Cost Charges and future park land purchases for a total of more than 160 individual reserves.

## **OPERATING RESERVES**

A key goal of financial planning is to enable financial stability and position each service area to absorb project and unanticipated costs. To achieve this goal, operating reserves can be used to match the duration of expenditures to the sources of funding. . When there is a large operating expenditure in a future year, operating reserves are used to fund all or a portion of the expenditure. To ensure sufficient operating reserves for this use, where these types of expenditures are planned, contributions to the operating reserve are initiated in the preceding years to appropriately build the reserve.

Operating reserves are also used to fund unplanned expenditures. To assist with the ability to fund these unplanned expenditures, year-end operating surpluses, when available, are transferred to operating reserves. Over time, the goal of this approach is to create a structurally balanced financial plan that facilitates financial sustainability in the Plan and operations.

What is considered a reasonable amount to hold in operating reserves varies from organization to organization. For the Regional District, the minimum threshold used is three months of operating expenditures, excluding operating projects, transfers to reserves and municipal debt servicing costs. This is approx. \$11.5M for the Regional District. Currently, the Regional District is just under this recommended minimum, though it is prudent to highlight that certain services have significant deficiencies.

A summary of the projected balance for each operating reserve is included in Appendix I – Projected Operating Reserves, which illustrates the health of these reserves. Those in a deficit will be reviewed each year to determine if planned transfers should be established or increased.

The projected operating reserve fund balances are also provided, by service, in Appendix H – Service Summaries.

## **CAPITAL RESERVES**

Capital spending, by its nature, is a limited duration expenditure with each capital project being identified along with its funding sources. The key funding source for most capital projects is reserves. Because of this, regular annual contributions are made into the reserves and then the reserves are drawn from when the funding is needed. This balancing of annual contributions into a reserve against the sporadic withdrawals is how the Regional District aims to achieve stability in tax requisitions.

It is critical to set minimum thresholds for capital reserves. Financial guidelines recommend using the average planned annual spending over the next five years. However, if there is a large capital outlay expected in the future, efforts should be made to build the reserves in the intervening years to be sufficient to fund the identified project.

Based on the Plan, \$8.1 million will be transferred into the various capital reserves, in 2025, and \$12.0 million will be transferred out, which will draw down the reserves at the end of 2025. For the remaining four years of the Plan, the transfers into capital reserves are expected to exceed the transfers out for capital projects, allowing the reserves to grow over time. This will improve the RDCO's financial

sustainability, which will in turn give the RDCO the ability to fund future capital projects without being reliant on other funding sources.

A summary of the projected balance for each capital reserve is included in Appendices J & K (Capital & Equipment Reserves Summary).

## **6. NEXT STEPS**

### **PUBLIC ENGAGEMENT**

The Plan is available on the Regional District's website. The public are invited to provide feedback in one of four ways:

1. RDCO's public engagement platform – [yoursay.rdco.com](https://yoursay.rdco.com)
2. Email to [finance@rdco.com](mailto:finance@rdco.com), subject line "2025-2029 Five-Year Financial Plan"
3. In person at the Committee of the Whole meeting to be held on January 30, 2025.
4. Mail: 1450 KLO Road, Kelowna, V1W 3Z4.

The deadline for submitting feedback is February 6, 2025. All feedback received will be presented to the Board, with any recommended amendments to the Plan, at the Board meeting to be held on February 20, 2025.

## REVIEW AND AMENDMENTS

The timeline for the remaining steps required to adopt the 2025-2029 Five Year Financial Plan Bylaw by the March 31, 2025, deadline is:

Date	Action
January 31, 2025	Opportunity for the public to provide comments on the 2025-2029 Financial Plan.
February 20, 2025	Board review of the public feedback, and any proposed amendments to the draft Plan and approval of the 2025-2029 Financial Plan
March 20, 2025	Board adoption of the 2025-2029 Five Year Financial Plan Bylaw

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### Considerations:

#### Organizational/External:

Financial impacts resulting from approval of the 2025 – 2029 Five-Year Financial Plan in terms of property value taxes, parcel taxes and service contracts will affect all municipal and electoral area funding partners.

#### Financial:

The report and associated appendices identify the financial impacts of the draft 2025 – 2029 Five-Year Financial Plan.

#### Legal/Statutory Authority:

Section 374 of the *Local Government Act* requires that a regional district must adopt, by bylaw, a financial plan by March 31. Division 1 of Part 11 of the *Local Government Act* fully describes the components and requirements of this process.

#### Alternate Recommendation:

THAT the Regional Board direct staff that the recommended amendments from the January 17, 2025 Regional Board Meeting be incorporated into the 2025-2029 Five-Year Financial Plan and brought to the Regional Board meeting on February 20, 2025 for approval

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Attachment(s):    Appendix A – Summary by Service – Comparison to Prior Year  
                           Appendix B – Summary by Service – 2025  
                           Appendix C – Staffing - 2025  
                           Appendix D – Administration Overhead - Comparison to Prior Year  
                           Appendix E – Tax Requisition – Comparison to Prior Year  
                           Appendix F – Capital Plan Expenditures  
                           Appendix G – Capital Plan Funding  
                           Appendix H – Service Summaries  
                           Appendix I – Projected Operating Reserves by Service  
                           Appendix J – Projected Capital Reserves by Service  
                           Appendix K – Projected Equipment Reserves by Service  
                           Appendix L – Projected Other Reserves by Service  
                           Draft 2025-2029 Five-Year Financial Plan -Presentation  
                           EA Property Tax Estimator Tool PowerPoint

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