



Regional Board Report

Request for Decision

To: Regional Board
From: Director of Financial Services
Date: February 20, 2025
Subject: 2025-2029 Five-Year Financial Plan – DRAFT - Amended

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

Purpose: To consider the Regional District of Central Okanagan’s revised, draft 2025-2029 Five-Year Financial Plan.

Executive Summary:

The Regional District of Central Okanagan’s (RDCO’s) draft 2025-2029 Five-Year Financial Plan (“the Plan”) ensures the RDCO can continue to deliver services in an efficient and cost-conscious manner. At a high-level, significant budget entries include appropriately outfitting facilities and equipment to deliver protective services, investing in critical infrastructure, fulfilling the RDCO Board of Director’s Strategic Priorities, and keeping pace with growth and inflation.

Public consultation was carried out from January 16 to February 6, 2025. During the public consultation process, the public can provide written comment on the financial plan via mail, email, or through the RDCO public consultation platform (yoursay.rdco.com). Eight submissions were received. These are summarized, along with the staff’s responses, in the report. The public also had the opportunity to express comments in-person at the RDCO Committee of the Whole meeting held on January 30, 2025.

The Plan was presented to the RDCO Board of Directors at the January 16, 2025 Regular Board meeting, during which the Board approved 5 resolutions as direction to the CFO for budget adjustments. This report, along with the attachments, captures the impact of those resolutions on the Plan. Each of the resolutions passed triggered a reduction of the tax requisition. Updates to some expenditures being funded from reserves have been incorporated into the Plan and as such do not impact the 2025 tax requisition. The attachments have been updated to reflect these changes.

Compared to the first draft of the Plan, this updated Plan reduced the proposed increase in the tax requisition. Consequently, for the average home in the Central Okanagan, with an assessed value of \$884K, the share of the total annual tax requisition for 2025 will increase \$33 to \$604. This is a decrease of \$20/year from the draft Plan presented on January 16, 2025.

Recommendation(s):

THAT the Regional District of Central Okanagan's 2025–2029 Five-Year Financial Plan, as presented, be approved

AND THAT the Regional District of Central Okanagan's 2025–2029 Five-Year Financial Plan bylaw be prepared for the Board's consideration based on the approved 2025–2029 Five-Year Financial Plan.

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

Approved for Agenda: Sally Ginter, Chief Administrative Officer

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

Background:

There have been some amendments to the financial plan that was presented to the Board at the January 16, 2025, meeting. Those amendments are the result of either Board resolutions made at that meeting to amend the financial plan, or because of changes required to reflect better financial information.

Board Resolutions

The draft 2025-2029 Five-Year Financial Plan was presented to the Board for review at the January 16th, 2025, Regular Board meeting. During that meeting, the Board provided several resolutions. To amend the draft plan. They were:

1. Removal of Environmental Planner Position

The first resolution was to remove the funding for the Environmental Planner:

THAT the Regional Board directs staff to remove the Environmental Planner position from the draft 2025-2029 Financial Plan to reduce the impact of the tax requisition increase on residents

2. Regional Grant in Aid

The next two resolutions by the Board are related to the Regional Grant in Aid Policy and the funding that is provided to local organizations under this policy:

THAT the Regional Board directs staff to amend the Draft 2025-2029 Financial Plan to approve funding for Central Okanagan Community Gardens and Okanagan Film Commission at the 2024 funding levels

THAT the Regional Board directs staff to review the Regional Board Grant in Aid Policy #BP2013 (7.22) and report back to the Regional Board with proposed changes for consideration

3. Use of Operating Reserves

The last set of resolutions were made to reduce the financial impact on residents who participate in specific local area services:

Ellison Fire Protection Service Area:

THAT the Regional Board directs staff to increase the transfer from operating reserves in the Draft 2025-2029 Financial Plan for the Ellison Fire Department by \$50,000 in 2025 to reduce the impact of the tax requisition increase on residents.

Wilsons Landing Fire Protection Service Area:

THAT the Regional Board directs staff to increase the transfer from operating reserves in the Draft 2025-2029 Financial Plan for the Wilsons Landing Fire Department by \$45,000 in 2025 to reduce the impact of the tax requisition increase on residents.

Ellison Community Hall Service Area:

THAT the Regional Board directs staff to increase the transfer from operating reserves in the Draft 2025-2029 Financial Plan for the Ellison Community Centre by \$10,000 in 2025 to reduce the impact of the tax requisition increase on residents.

The following table shows the impact of these resolutions:

	House Value	Annual Tax Per House		
		Amended	Original	Change
Kelowna	\$931,014	\$292	\$295	\$15
Peachland	\$919,625	\$271	\$274	\$17
Lake Country	\$1,014,613	\$295	\$297	\$9
West Kelowna	\$974,766	\$308	\$312	\$17
Electoral Area West	\$545,663	\$1,317	\$1,386	\$150
Electoral Area East	\$915,894	\$1,138	\$1,177	\$112
Ellison Fire Protection	\$915,894	\$793	\$837	\$44
Wilsons Landing Fire Protection	\$545,663	\$824	\$893	\$69
Ellison Community Centre	\$915,894	\$132	\$140	\$8

The Board also requested additional information on the allocation of costs for the Electoral Area Planning service. I will speak to that in my presentation.

Other Amendments

Updates were required to the operating budgets for two services as well as the capital budget for another. In all three situations, the additional costs will be funded from reserves and will not have an impact on the tax requisition. They are:

1. Corporate Services – Operating – an additional operating project has been added to allow for a mid-term committees review to be completed.
2. Westside Sanitary Landfill – Operating – an increase in the costs to purchase a GEM analyser, in part due to the weakening Canadian dollar, have been reflected in the financial plan
3. Ellison Fire Protection – Capital – the current RFP process for a new fire apparatus has shown that the planned capital costs need to be increased, in part to reflect the weakening Canadian dollar.

Service	Expenditure			Funded From
	Original	Revised	Increase	
Corporate Services	\$1,876,727	\$1,898,727	\$22,000	Operating Reserves
Westside Sanitary Landfill	\$78,221	\$104,221	\$26,000	Landfill Reserve
Ellison Fire Protection *	\$781,100	\$881,100	\$100,000	Equipment Reserve

* the original budget for this project was part of the 2024-2028 Financial Plan.

Public Comments

One January 10, 2025, the Plan was made available to residents on the RDCO engagement platform yoursay.rdco.com. A news release and advertising were utilized to promote the public consultation process. Residents had until February 6, 2025, to submit questions and comments about the proposed financial plan via email, mail, or www.yoursay.rdco.com; or in person at the January 30, 2025, Committee of the Whole meeting.

During the public consultation period, eight submissions of public comments on the Plan were received, seven via email and one via regular mail. No comments were presented in person at the Committee of the Whole meeting or via the YourSay platform.

In general, the public comments focused on the themes below. The following table is a summary of the themes and staff responses.

Comment	Response
Lack of streetlights	Except for one service area (Scotty Creek Road) this is not a service provided by the Regional District. It could be provided if residents petitioned the Regional District to establish a new service for this purpose.
Lack of door-to-door garbage collection on the Westside	Both curbside collection and transfer stations options were provided to residents, and the latter option was chosen. The Solid Waste Management service will be reviewed in 2027 at which time changes could be proposed for consideration.
How are community hall classes paid for? Are they paid for from the tax requisition?	The tax requisition is collected to maintain and operate the community centre and grounds as well as provide public events and recreational programming. Fees for the latter are charged in accordance with the established agreement with the Joe Rich Ratepayers and Tenants Society.
Conditions at the Traders Cove and North Westside transfer stations.	A review of the transfer stations in Electoral Area West is part of the workplan for 2025.
What does Electoral Area Planning involve?	The Electoral Area Planning service provides support for land use in the Electoral Areas. This includes planning activities such as Official Community Plans, regional housing needs reports, updates to development permit standards as well as other activities related to land use such as environmental data mapping, groundwater monitoring, and creek restoration oversight.
What is the plan for roof repairs to the Gibsons House, in Kopje Regional Park?	A condition assessment was completed on this building in 2024. Required repairs identified in the assessment are planned in 2025 with a complete roof repair planned in 5-10 years with the timeline to be determined by regular condition assessments.
Weed control along roadside	These comments are related to services that are not established by the Regional District. The first three are provided by the Province of BC. The last one is provided by Eastside Water Ltd..
Limited snow removal	
Poor road condition	
Plans for Eastside Utilities water system.	

Summary

The Regional District has many services offered in different combinations to different residents. Services may be regional, sub-regional or local in nature. Because residents do not all receive the same services, residents only contribute to support the services they receive. This means that each service has its own, unique tax rate. This makes the financial planning process for regional districts complex. The Guide to the RDCO Five-Year Financial Plan has been provided to help residents understand this complexity and what it means to them.

The financial 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.

Next Steps

When the 2025–2029 Five-Year Financial Plan bylaw is brought back to the Board for adoption, it will include the addition of operating and/or capital projects, approved by the Regional Board for 2024, that were incomplete at the end of 2024. The inclusion of these projects will have no impact on the 2025 tax requisitions. The projects will be funded with reserves and this funding will be carried forward from 2024 along with the projects. The projects that will be brought forward fall within various RDCO services and will be summarized in the report to the Board for the adoption of the bylaw.

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 to amend the 2025-2029 Five-Year Financial Plan to incorporate the changes resolved by the Regional Board at the February 20, 2025, Regional Board Meeting

THAT the Regional District of Central Okanagan's 2025–2029 Five-Year Financial Plan be approved, as amended.

AND THAT the Regional District of Central Okanagan's 2025–2029 Five-Year Financial Plan bylaw be prepared for the Board's consideration based on the approved 2025–2029 Five-Year Financial Plan.

Attachment(s): Appendix A – Summary by Service – Comparison to Prior Year - updated
 Appendix B – Summary by Service – 2025 - updated
 Appendix C – Staffing - 2025 - updated
 Appendix D – Administration Overhead - Comparison to Prior Year
 Appendix E – Tax Requisition – Comparison to Prior Year - updated

Appendix F – Capital Plan Expenditures - updated
Appendix G – Capital Plan Funding - updated
Appendix H – Service Summaries - updated
Appendix I – Projected Operating Reserves by Service - updated
Appendix J – Projected Capital Reserves by Service
Appendix K – Projected Equipment Reserves by Service - updated
Appendix L – Projected Other Reserves by Service – updated
Appendix M – Public Comments
Amended Draft 2025-2029 Five-Year Financial Plan - Presentation
