



Governance & Services Committee

TO: Governance and Services Committee

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: March 12, 2021

SUBJECT: Draft 2, RDCO 2021 – 2025 Budget and Financial Plan

Purpose: This second draft of the RDCO 2021 – 2025 Budget and Financial Plan is provided to the Committee with minimal changes for discussion.

Executive Summary:

Minor changes were directed as a result of the February 25th Governance and Services Committee meeting, and additional information has been received and incorporated. The Committee may wish to provide further direction to staff for the revision of the Plan for the final budget meeting on March 29, 2021.

The budgets for the following cost centres have been amended:

- 142 – Regional Parks – Add \$5.7m capital to land acquisition strategy using reserves, add \$480k misc. capital revenues.
- 046 – Dog Control – Add \$37k re COVID Restart Grant Usage, and reduce expenses by \$21k. Add \$15k Capital for tablets.
- 303 – Falcon Ridge Water System – Add emergency \$15k Intake Restoration project funded by Community Works Funds.
- 012 – Grants – Electoral Area Central Okanagan West – Reduced by \$3.1k.
- 102 – Air Quality – Add \$40k for Chipping Program.
- 195 – Feasibility Funds – Add \$50k New Regional Transportation Service Study and \$50k Regional First Nations Engagement Service Study.

RECOMMENDATION:

THAT the Governance & Services Committee receive for information the updated and additional 2021 – 2025 Financial Plan documentation;

AND FURTHER THAT any recommended amendments discussed today be made and brought forward to the Regional Board's final budget meeting on March 29, 2021.

Respectfully Submitted:



Marilyn Rilkoff
Director of Financial Services

Approved for Committee's Consideration



Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan:	Supported in a fiscally responsible manner.
General:	The Financial Plan provides the resources approved by the Board to carry out the RDCO's mandate.
Organizational:	Each Department is responsible for operating within the approved Financial Plan.
Financial:	Current year funding is approved via bylaw and fiscal planning for next four years.
Legal/Statutory Authority:	Local Government Act and Community Charter. Financial Plan Bylaw is approved prior to March 31 st .

Background:

Draft 1 of the 2021 – 2025 Budget and Financial Plan was presented to the G&S Committee on February 25, 2021. Minor changes were requested and additional information received has been incorporated.

Financial Considerations:

The tax changes for RDCO General Taxes by Area from the Feb 25 to Mar 18 Drafts are shown below, and further detail is in Tab 4:

	2020 Total Tax per House. Avg House Value \$734,000	2021 House Value	Feb 25 Draft		Mar 18 Draft	
			2021	2021	2021	2021
			Total Tax per House	Change per Avg House over 2020	Total Tax per House	Change per Avg House over 2020
Kelowna	\$183.41	\$750,000	\$190.57	\$7.16 3.902%	\$190.38	\$6.97 3.800%
Peachland	213.45	754,000	\$222.05	\$8.61 4.032%	\$221.76	\$8.31 3.892%
Lake Country	210.68	774,000	\$225.38	\$14.70 6.977%	\$224.66	\$13.98 6.634%
West Kelowna	203.34	753,000	\$210.85	\$ 7.51 3.693%	\$210.59	\$7.25 3.566%
C. O. West	665.92	746,500	\$676.52	\$ 10.59 1.591%	\$674.42	\$ 8.49 1.275%
C. O. East	535.31	739,000	\$535.12	\$ (0.19) (-0.036%)	\$534.82	(\$0.49) (-0.091%)

The changes that follow are differences from the Draft #1 Financial Plan presented February 25th – See the Binder Updates attached, specifically the Tab 5 pages:

142 – Regional Parks (Pages 7-8): Add \$5.7m to Land Acquisition Strategy Capital, funded by reserves. This has a significant impact on the Forecast of Year End Reserve Balances in Tab 8, reducing the 2021 year-end balance from \$34.3m to \$28.47m. Add \$25k for donations, and \$450k of revenue for the Scenic Canyon Land Exchange which will be transferred to the Land Reserve.

046 – Dog Control (Pages 17-18): Add \$37k COVID Restart Grant as directed at Feb 25th Budget meeting. Reduce operating expenses by \$21k for training and education, advertising and collection fees during pandemic. There is a reduction of \$0.76 per average home from the February 25th budget draft. The proposed increase of \$2.37 is reduced to \$1.61. Add \$15k to capital for tablet purchases.

303 – Falcon Ridge Water System (Pages 41-42): Add \$15.9k for Intake Restoration Capital Project. Proposing use of CWF of \$15k to fund, and remainder from reserves (Tab 6).

012 – Grants – Electoral Area Central Okanagan West (Pages 110-111): Reduce budget by \$3.1k as directed at Feb 25th Budget meeting. A decrease of \$1.80 for homes in Central Okanagan West results from the February 25th budget draft. The proposed increase of \$1.37 is now a decrease of \$0.43.

102 – Air Quality (Pages 130-131): Add \$40k to chipping program for 2021 as directed at the March 11th Board Meeting. This results in an increase of \$0.42 per average home from the February 25th budget draft. The proposed increase of \$0.03 is now \$0.45. (Lake Country participates through service invoice rather than tax requisition).

195 – Feasibility Funds (Pages 163-164): Add expenditures of \$50k for new Regional Transportation Service Study. Add \$50k for Regional First Nations Engagement Service Study as directed at the March 11th Board Meeting. Utilize Regional Feasibility Funds. Current Balance is \$100k. If services are established, those new services will repay the feasibility fund. If not, the fund will need to be replenished in the future via contributions through 001 – Board.

In Summary (Tab 3):

Operating Budgets now total \$56.8m vs \$56.7m in Draft 1 (Tab 3 – Pages 1-8, 10, & 12)

Capital Budgets now total \$18.7m vs \$12.4m in Draft 1 (Tab 3 - Pages 5, 9, 11, & 13).

Organizational Issues:

Providing funding for services.

External Implications:

Property Tax rates and services provided to taxpayers.

Alternative Recommendations:

As Directed by the Committee.

Attachment(s):

Budget Binder Updates:

Tab 3: 2021 Budget Summary

- *Replace All Pages: 2021 Budget Summary*

Tab 4: Budget Impact: Tax Requisitions & Rates

- *Replace All Pages*

Tab 5: Budget & Financial Plans By Service

- *Replace the following:*
 - *Insert/Replace Usage and Contents Pages at the beginning*
 - *Pages 7-8*
 - *Pages 17-18*
 - *Pages 41-42*
 - *Pages 110-111*
 - *Pages 130-131*
 - *Pages 163-164*

Tab 6: Grants

- *Replace Page*

Tab 8: Budget 2021 Forecast For Year End Reserve Balances

- *Replace Page*

Tab 10: COVID Restart Grant Distribution

- *Replace All Pages*