



Regional Board Report

Request for Decision

Approved for Board Consideration

A handwritten signature in black ink, appearing to read "Corie Griffiths".

Corie Griffiths, Deputy CAO

To: Regional Board

From: Lyle Smith, Director of Financial Services

Date: March 17, 2022

Subject: Draft 2022 – 2026 Financial Plan Update

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority – LGA 208

Purpose: To present an updated draft of the Regional District of Central Okanagan's (RDCO) 2022–2026 Financial Plan.

Executive Summary:

The first draft of the RDCO's 2022 – 2026 Financial Plan was presented to the Board at the March 03, 2022, regular meeting. At this meeting, a motion was passed to add two positions to the plan – a full-time Fund Development Coordinator and a part-time Corporate Services Administration Clerk. These two positions have been incorporated into the plan, along with some minor changes to other cost centre budgets based on updated information from staff and funding partners.

The RDCO's draft 2022 – 2026 Financial Plan presents an overall increase to operating revenue and expenditures in 2022 of \$1.45 million or 2.52%. The year-over-year 2022 General Property Tax increase is now \$0.86 million or 4.41% and is further broken down by funding partner in Appendix D.

The appendices requiring revision have been updated to reflect the changes mentioned. Any information that has been changed is identified in bold, red font.

Recommendation(s):

THAT the Regional Board receive for information the amended draft 2022 – 2026 Financial Plan;

AND THAT any further recommended amendments be incorporated into the draft 2022 – 2026 Financial Plan and brought to the Regional Board meeting on March 28, 2022.

Respectfully Submitted:

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Lyle Smith, Director of Financial Services

Attachment(s):

1. APPENDIX A – FINANCIAL PLAN SUMMARY
2. APPENDIX B – FINANCIAL PLAN SUMMARY BY DEPARTMENT
3. APPENDIX C – ASSESSMENT GRAPH
4. APPENDIX D – PROPERTY TAX SUMMARY BY FUNDING PARTNER
5. APPENDIX E – FUNDING SUMMARY BY FUNDING PARTNER
6. APPENDIX F – PROPOSED STAFFING RESOURCING
7. APPENDIX G – CAPITAL PLAN SUMMARY
8. APPENDIX H – YEAR-OVER-YEAR MATERIAL BUDGET CHANGES
9. APPENDIX I – COST CENTRE FINANCIAL PLANS

Strategic Plan Alignment:

Priorities: Sustainable Communities, Economic Development

Values: Transparency, Good Governance

Background:

At the March 03, 2022, Board meeting, a motion was passed to add two positions to the financial plan – a Fund Development Coordinator (Grant Writer) and a Corporate Services Administration Clerk. These two positions have been incorporated into the plan, along with some minor changes to other cost centre budgets based on updated information from staff and funding partners.

Overall expenses decreased by \$191,236 due to reprofiling the cash flow of specific projects in the Regional Planning cost centre.

The overall impacts of these changes to operating expenditures are shown in the following table:

	Gross Expenditure			
	2022	2021	Change	
			\$	%
Draft 1 - Total RDCO	59,188,615	57,544,399	1,644,216	2.86%
Draft 2 - Total RDCO	58,997,379	57,544,399	1,452,980	2.52%
Change	(191,236)	0	(191,236)	(0.33%)

Requisition decreased \$26,954 overall due to adding the Westbank First Nation (WFN) to the Mosquito Control program, as well as a slight increase due to updating the payment to the City of West Kelowna for Westside Recreation. Grants and Surplus decreased but were partially offset by an increase in Transfers from Operating Reserve due to the reprofiling of cash flow for the Regional Planning cost centre.

The overall impacts of these changes to operating funding are shown in the following table:

	Sales of Service	Rentals and Other Revenue	Grants	Surplus	Transfer from Reserve	Parcel Tax	Requisition		Change	
	2022	2022	2022	2022	2022	2022	2022	2021	\$	%
Draft 1 - Total RDCO	15,788,180	12,810,678	2,181,245	155,753	3,608,161	859,518	23,785,079	22,708,039	1,077,040	4.74%
Draft 2 - Total RDCO	15,818,799	12,810,678	1,978,845	(274)	3,771,686	859,518	23,758,126	22,708,039	1,050,087	4.62%
Change	30,619	0	(202,400)	(156,027)	163,525	0	(26,954)	0	(26,954)	(0.12%)

The changes to the plan are summarized as follows:

Addition of a full-time Fund Development Coordinator and a part-time Corporate Services Administration Clerk

Administrative cost centres were adjusted to increase transfers from Operating Reserves to fund the wages and benefits of these two positions for two-thirds of 2022. This strategy avoided increasing the overall administrative recovery and, as such, avoided increasing requisition to all other cost centres. The changes to these amounts can be seen in Appendix A, B, F and I.

Reprofiling of Grant Revenue due to timing

Staff received updated timing of specific grant revenue. Accordingly, the cash flow profile of said grants and associated expenses have been updated as provided in Appendix A, B, H and I.

Update to Sterile Insect Release Program parcel taxes

As a result of updated information from the SIR program, parcel taxes were adjusted slightly among the funding partners. The overall parcel tax amount remains the same. The changes to these amounts can be seen in Appendix E and I.

Added the Westbank First Nation to the Mosquito Control cost centre

The contract for Mosquito Control was amended in 2021 to include the WFN. This amendment occurred after the 2021 financial plan was adopted and was not incorporated into the plan. The service fee has been incorporated into the plan and has resulted in a lowered the tax requisition for all other funding partners (District of Peachland pays a service fee that was not affected). The changes to these amounts can be seen in Appendix A, B, D, E and I.

Update to Westside Recreation rates

The rates used to calculate payments to West Kelowna for this cost centre were updated by the City and resulted in a slight increase to requisition in this budget. The changes to these amounts can be seen in Appendix A, B, D, E and I.

Updated debt servicing payments for Regional Rescue

A correction regarding the funding source for purchasing a marine rescue boat resulted in a minimal interest payment in 2022 and principal and interest payments in subsequent years of the plan. The 2022 interest payment was offset by a transfer from Operating Reserve, avoiding an increase to requisition. The changes to these amounts can be seen in Appendix A, B, and I.

Considerations:**Organizational/External:**

Financial impacts resulting from approval of the draft 2022 – 2026 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 2022 – 2026 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.

Consideration not applicable:

- Alternate Recommendation
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