



Guide to the RDCO five-year financial plan

2024-2028

Version 1
January 25, 2024



2024-2028
Five-Year
Financial
Plan

Introduction to the RDCO financial planning process

The purpose of this guide is to provide residents in the Central Okanagan with the background and overview to successfully participate in the annual financial planning process.

Each year, regional districts across British Columbia are required under the Local Government Act to adopt a five-year Financial Plan. The Plan outlines the RDCO's revenues, expenses and tax requisition policy for the next five years. By planning ahead, the RDCO can ensure a sustainable financial future.

A draft financial plan is compiled by staff and brought forward to the Regional Board for review and comment. The draft plan takes into account the Board's strategic priorities, the current economic environment, existing and planned service levels and infrastructure needs.

To ensure the financial planning process is transparent and reflects the community's needs, the RDCO invites residents to review the plan and share their thoughts by February 12, 2024. The final financial plan must be approved by the Regional Board by March 31 of each year.

To learn more and to submit comments and questions, please visit yoursay.rdco.com. This is the RDCO's online engagement channel where you will find all of the information about the 2024-2028 financial plan, including links to resources and live stream meetings.

We look forward to hearing from you!

Understanding the RDCO

The Regional District of Central Okanagan (RDCO) is one of 27 regional districts, a government structure unique to the Province of British Columbia.

The region includes approximately 3145.5 square km of land and is ranked as the fastest growing region in Canada. More than 235,472 people call the Central Okanagan home.

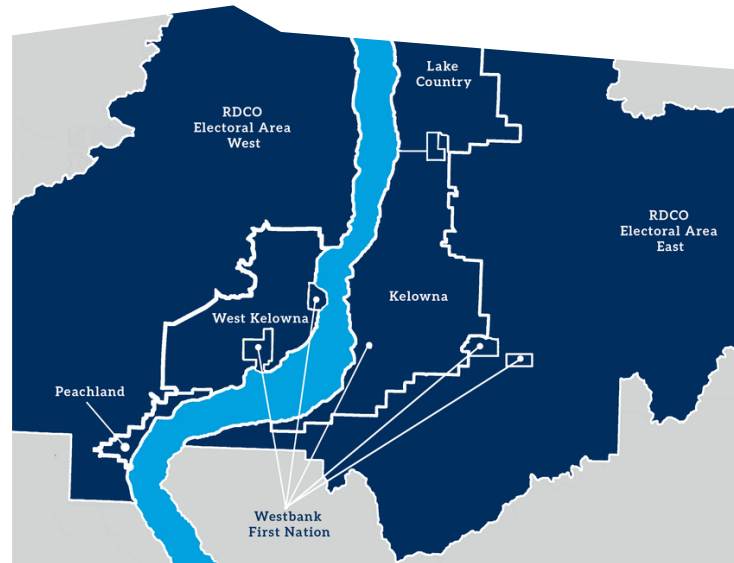
The RDCO is composed of four municipalities, Westbank First Nation and two unincorporated electoral areas.

Municipalities /Nations:

- Kelowna
- Lake Country
- Peachland
- West Kelowna
- Westbank First Nation

Unincorporated electoral areas

- Central Okanagan East
- Central Okanagan West



Based on population, municipal councils appoint elected representatives to the Regional Board, while residents in the electoral areas directly elect one director each to represent them. Westbank First Nation Chief and Council appoint a non-voting representative to the Board. Through a Services Agreement with the RDCO, Westbank First Nation funds and receives specified services from the Regional District.



A set of strategic priorities form of the backbone of decisions made by the Regional Board. These priorities outline important goals, services and community needs which the Board wishes to focus on and informs the development of staff workplans.

Photo:

The 2023-2024 Regional Board (left to right) - Jordan Coble, Gord Milsom, Wayne Carson, Ron Cannan, Blair Ireland, Charlie Hodge, Loyal Wooldridge, Mohini Singh, Tom Dyas, Gord Lovegrove, Stephen Johnston, Patrick Van Minsel, Kevin Kraft.

Understanding the strategic priorities for 2023 - 2026

In August 2023, the Board released their strategic priorities for 2023-2026. Success measures and actions identified for each priority are outlined in the [Regional Board Strategic Priorities document](#).

Growth and Development

The Electoral Area Services Committee (EASC) identified responsible land use planning as a strategic priority to safeguard the environment and climate (electoral).

Environment and Climate

The RDCO is committed to climate action and the environment by reducing our corporate impact, adapting to climate change and delivering innovative services that better manage greenhouse gas emissions (regional).

Emergency Preparedness

The RDCO will build on emergency response strengths while positioning the organization to respond to growing community needs and changes in provincial legislation (regional and electoral).

Truth and Reconciliation

The RDCO is actively committed to Reconciliation with the syilx / Okanagan people within the Central Okanagan. The RDCO strives for collaboration through a meaningful and ethical government-to-government working relationship with the syilx /Okanagan people (regional and electoral).



Health and Wellness

The RDCO will make purposeful investments in health care for physical and mental health benefits (regional and electoral).

Transportation

The RDCO will encourage the efficient and safe movement of people and goods within the Central Okanagan (regional and electoral).



Understanding RDCO services

Services offered by the Regional District vary depending on where residents live. There are over 72 individual services offered by the Regional District to different combinations of residents. Services may be regional, sub-regional or local.

Since different residents receive different levels of service depending on their location, residents also contribute different levels of taxes to support those services. Each service budget is separate, and all assets, revenues, expenses, reserves, surpluses or deficits remain within the service budget.



Regional services

All property owners within the Central Okanagan contribute to funding region-wide services such as regional parks, dog control and licensing, economic development, 9-1-1 and recycling.



Sub-regional services

Property owners within a participating area contribute to funding sub-regional services such as the mosquito control program, Westside Wastewater Treatment and Crime Prevention.



Local services

Acting as the local government for communities within the unincorporated electoral areas, the RDCO provides local services such as community parks, building inspection and bylaw enforcement, water systems and fire protection.

Understanding RDCO financial plans

The five-year financial plan outlines the costs to support the organization and the services offered. This includes operational and capital costs, as well as funds towards reserves.

Operating costs

Costs associated with the delivery of programs and services and upkeep costs related to the RDCO infrastructure and facilities.

Example: Compensation for on-call volunteer firefighters.

Capital costs

Costs to replace and renew existing infrastructure and the cost to build new infrastructure and facilities. Capital costs are funded predominantly through reserves with funding from grants where available and debt where reserves are insufficient.

Example: the purchase of new equipment for a fire department.

Reserves

Reserves are a way of saving for future capital activities as well as one-time or limited duration operative activities. Reserves take a “save now” versus “pay later” approach, where smaller portions of funds are put away over time to support future costs, rather than incurring a large increase in one year.

Example: Ongoing funding for the future replacement of a fire truck.

Funding services

To fund services, the RDCO relies on user fees, taxes, reserve transfers, grants and other revenue. The main source of funding for services is taxes (tax requisitions).

Additionally, unlike municipalities, the Regional District does not have one tax rate. Where you live determines the services you receive and therefore the taxes you pay. The financial plan breaks down the suggested average tax rates for each community based on the proposed expenses.

The Regional District does not collect taxes directly. It requisitions funds from:

- Each local government on behalf of their residents (i.e. Kelowna, Lake Country, West Kelowna and Peachland).
- The Province, which collects property taxes in each unincorporated electoral area.

The amount of property taxes you pay is also impacted by the assessed value of your property. BC Assessment determines the assessed value of your property based on a valuation date of July 1st of each year. Your property tax rate is applied to the assessed value of your property to calculate your total property taxes. Some property owners may qualify for assistance through the BC Property Tax Deferral Program.

Your property taxes

Assessed value
*Set by BC
Assessment



Property tax rate
*Set by your local
government



Your property
taxes
*Due July 1

Understanding the proposed 2024-2028 financial plan

The draft 2024-2028 Financial Plan was developed to advance the Regional Board's strategic priorities and focuses on continuing to improve emergency preparedness, supporting the health and wellness of residents and increasing planned operational spending to ensure the regional district keeps pace with growth and inflation.

The capital portion of the financial plan is \$14.5 million, a 21% decrease. These costs are funded predominantly through reserves, with funding from grants where available and debt where reserves are insufficient.

The proposed financial plan outlines a 6.7% increase to the operating budget of the Regional District. This is an increase of \$4.1 million dollars, bringing the budget from \$61.4 million to \$ 65.6 million. The financial plan proposes a 8.5% average increase for property owners in the Central Okanagan. Existing and planned service levels are the main driver of the costs in the financial plan. These drivers are a product of the needs and wants of the community, priorities of the Board and regulatory requirements.

It is important to note that regional district financial plans differ from municipal budgets and tax impacts vary depending on the area residents live and the services they receive. Average tax impacts are broken down by community in the table below.

Estimated property taxes for average house

	Average house value	Annual tax per house	\$ Change per avg house over prior year	Monthly tax per house	% Change per avg house over prior year	Monthly \$ change per house over prior year
Kelowna	\$ 938,890	\$ 276	\$ 6	\$ 23	2.2%	\$ 0.50
Peachland	\$ 909,909	\$ 254	\$ 10	\$ 21	4.2%	\$ 0.86
Lake Country	\$ 1,030,807	\$ 284	\$ 13	\$ 24	4.7%	\$ 1.05
West Kelowna	\$ 983,129	\$ 293	\$ 6	\$ 24	2.0%	\$ 0.49
Electoral Area West*	\$ 548,313	\$ 1,193	\$ 169	\$ 99	16.5%	\$ 14.06
Electoral Area East*	\$ 934,851	\$ 1,043	\$ 59	\$ 87	6.0%	\$ 4.95
AVERAGE	\$ 890,983	\$557	\$ 44	\$ 46	8.5%	\$ 3.65

* excludes local service area taxes (e.g. fire protection, community centers, transit)

Highlights of the financial plan

Overall, the key areas where costs have increased for all services include:

Type of Cost	Cost	Reason for Change
Transfer to reserves	\$1.8 million / 2.9%	Increases are made to planned transfers to capital reserves to ensure sufficient funds for capital expenditures into the future.
Remuneration	\$739,000 / 1.3%	Cost of living adjustments and proposed new staffing.
General operating expenses	\$765,00 / 1.2%	General increase in costs that has been kept to a minimum through focused contract negotiations.
Operating projects	\$548,000 / 0.9%	Various one-time expenditures funded from operating reserves or grants.
Debt servicing	\$236,000 / 0.4%	New borrowing for the Okanagan Regional Library.

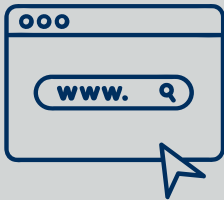
Key initiatives aligned with the Board's strategic priorities

The table below outlines significant initiatives included in the financial plan that meet actions outlined within the Board's strategic priorities for 2023-2026.

Item	Description	Operating/ Capital	Budget	Strategic Priority
Parks Conservation Officers (PCO)	To improve the ability to provide access to regional parks on a year-round basis the addition of two PCOs is proposed.	Operating	\$178,000	
Parks Operators	Staff are proposing the conversion of three seasonal positions to full time positions. The increase will allow some parks to be opened for public access all year round.	Operating	\$84,000 (\$28,000 x3)	
Regional Rescue	Engineering and design for a new facility for Central Okanagan Search and Rescue (COSAR),	Capital (grant funded)	\$400,000	
Curbside Organics	Public education, outreach as well as service design for curbside organics collection.	Capital (grant funded)	\$450,000	
Kalamoior Trail	Improvements to trail network to increase the options for active transportation.	Capital (grant funded)	\$311,000	
Regional Parks accessibility projects	Multi-year projects to improve accessibility in regional parks.	Capital (grant funded)	\$393,000	

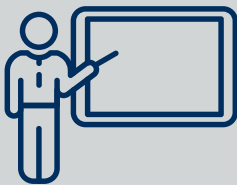
Have your say on the RDCO financial plan

Residents across the Central Okanagan are encouraged to review the draft financial plan and submit questions and comments on programming, funding requirements and initiatives



Online

- Ask a question or leave a comment in the online forum at yoursay.rdco.com
- Submit a question or comment via email to finance@rdco.com.
- Please include your civic address of the property you either own or live in.
- Mail your questions or comments to 1450 KLO Road. Please include your civic address of the property they either own or live in.



In person

- Attend the February 8, 2024, budget meeting in person to ask questions and/or provide comments.

2024 Budget Schedule



Public consultation begins

Information available at yoursay.rdco.com. Public can begin commenting.



Public feedback review

Public feedback is presented back to the Board for consideration.



Initial presentation

Proposed budget is presented to the Board. The meeting is live-streamed.



Budget approval

The Regional Board votes to approve the proposed budget,



In person comments

The public is invited to provide in person comments to the Board.



Bylaw adoption

The budget is adopted by the Regional Board.



Public consultation ends

Deadline for public feedback.

