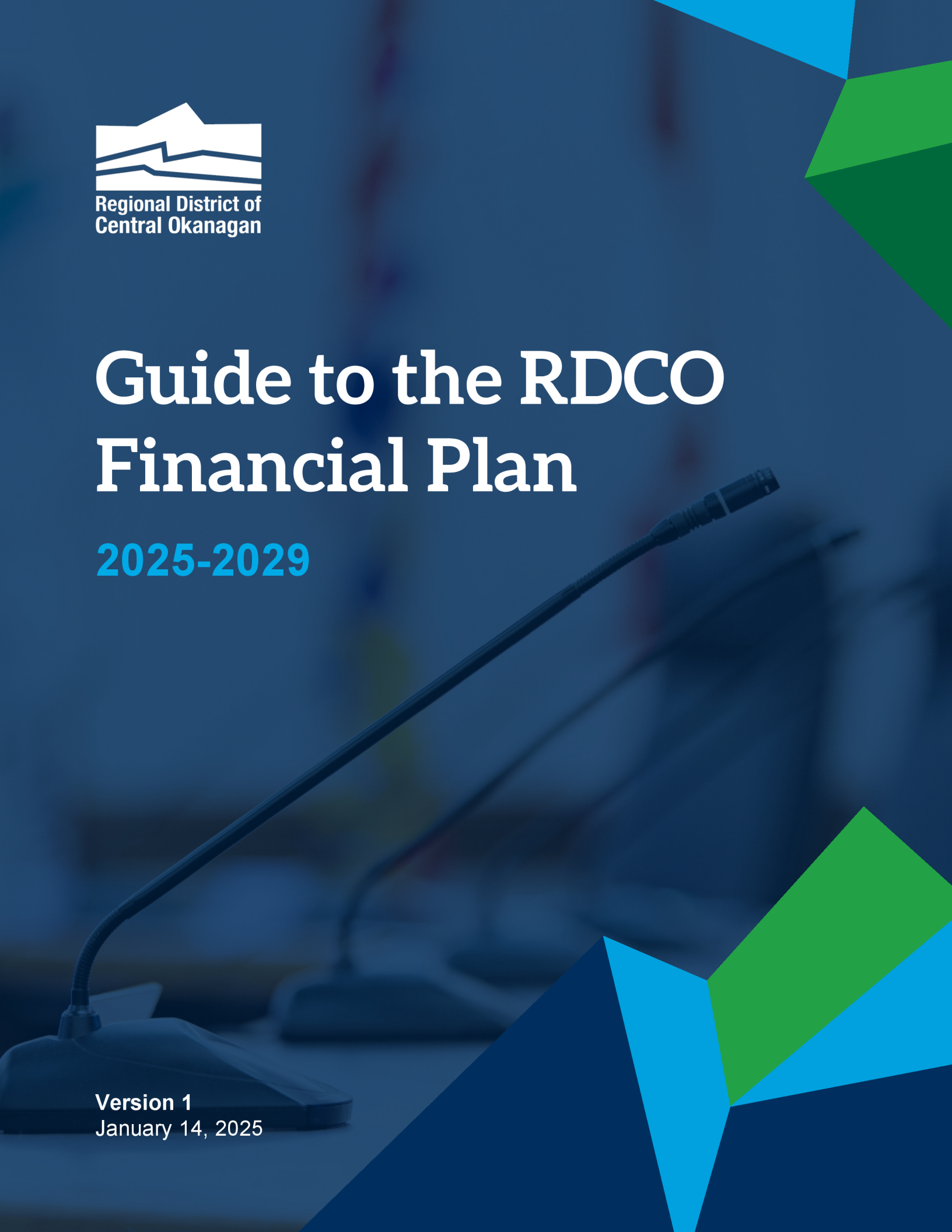
Regional District of Central Okanagan

Guide to the RDCO Financial Plan

2025-2029



Version 1
January 14, 2025



Introduction to the RDCO financial planning process

The purpose of this guide is to provide residents in the Central Okanagan with the background and information to participate in the Regional District of Central Okanagan's (RDCO) 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 financial 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 4:00 p.m. on February 6, 2025. The final financial plan must be approved by the Regional Board by March 31 of each year.

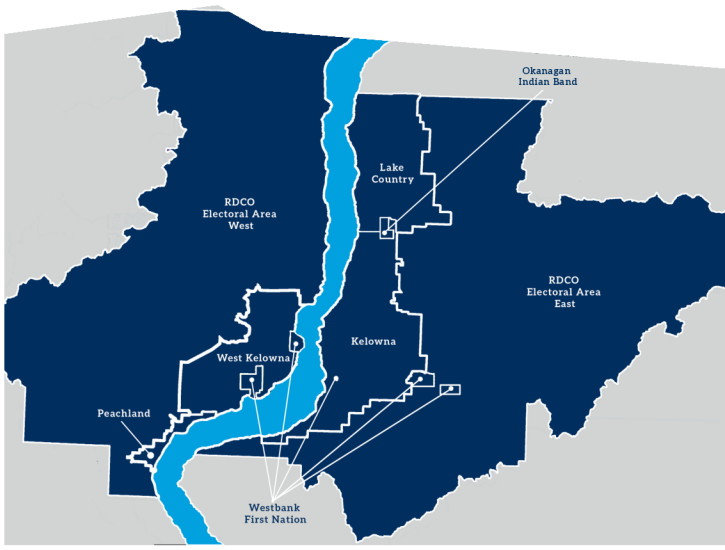
To learn more and to submit comments and questions, visit yoursay.rdco.com. This is the RDCO's online engagement channel where you will find all of the information about the 2025-2029 Financial Plan, including links to resources, meeting recordings and links to live stream meetings.

Understanding the RDCO

The 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 one of the fastest growing regions 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.



The Regional Board's strategic priorities drive the decisions of the 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 2025-2026 Regional Board (left to right starting at the back row) - Jordan Coble, Luke Stack, Rick Webber, Loyal Wooldridge, Charlie Hodge, Maxine DeHart, Patrick Van Minsel, Blair Ireland, Tom Dyas, Wayne Carson, Rick de Jong, Gord Milsom, 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).

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).

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).



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 RDCO vary depending on where residents live. There are over 70 individual services offered by the RDCO 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 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. **This ensures residents only pay for the services they receive.**



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 financial plan outlines the costs to support the organization and the services offered. This includes operational and capital costs, as well as funding reserves.

Operating costs

Costs associated with the delivery of programs and services and upkeep costs related to 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 to taxes 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).

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. This ensures that residents only pay for the services they receive. The financial plan breaks down the proposed 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 determined by the assessed value of a property. BC Assessment determines the assessed value of a property based on a valuation date of July 1st of each year. The property tax rate is applied to the assessed value of a property to calculate the total property taxes. Some property owners may qualify for assistance through the BC Property Tax Deferment Program.



Understanding the proposed 2025-2029 financial plan

The draft 2025-2029 Financial Plan focuses on continuing to deliver critical services to communities, advancing the priorities of the Regional Board and fulfilling regulatory requirements, all while keeping pace with growth and inflation. Priorities within the plan include a focus on emergency preparedness, stewardship of the environment and providing residents with avenues for improving or maintaining their health and wellness

Capital requirements within the financial plan total $24.6 million. These costs are funded predominantly through reserves, with funding from grants where available and debt when reserves are insufficient.The proposed financial plan outlines a 6% increase to the overall operating budget of the Regional District. This is an increase of $4 million dollars, bringing the budget from $65.6 million to $ 69.6 million. Existing and planned service levels are the main drivers of costs within the financial plan. These drivers are a product of the needs and wants of the community, the priorities of the Board and regulatory requirements.

Estimated property taxes for average house

Average tax impacts are broken down by community in the table below.

	Average house value		Annual tax per house		Change to annual taxes per average house
	2024	2025	2024	2025	
Kelowna	$941,369	$931,014	$280	$295	$15
Peachland	915,961	919,625	257	274	17
Lake Country	1,039,562	1,014,613	288	297	9
West Kelowna	985,608	974,766	295	312	17
Electoral Area West*	563,120	545,663	1,236	1,386	150
Electoral Area East*	945,195	915,894	1,065	1,177	112

These amounts are for RDCO services only. Taxpayers may also see provincial, municipal or other tax authorities on their annual tax notice.

Understanding Electroal Area tax notices

As an added service in response to requests for enhanced transparency, the RDCO launched the Property Tax Estimator Tool for residents in Electoral Area East and Electoral Area West. The tool is available January 17, 2025, at rdco.com/tax-estimator/. By searching property address in the tool, Electoral Area residents can see their property totals, including property taxes and parcel taxes for services delivered by the RDCO that residents would see on their annual tax notice.

Highlights of the financial plan

The key areas where costs have increased for the operations of all services include the following.

Type of cost	Cost	Reason for change
Remuneration	$2.1 million	• Negotiated CUPE collective agreement as per the Board's mandate. • New staffing to support the achievement of Board Strategic Priorities, current service levels and population growth. • Increases in training hours for first responders to meet regulatory standards.
General operating expenses	$1.2 million	• Investments in sophisticated contract negotiations have helped to minimize increases.
Operating projects	$0.4 million	• A shift of infrastructure maintenance projects from the capital to the operating plans. These are funded from operating reserves or grants.
Transfers to reserves	$0.3 million	• 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.

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
Curbside Organics	Advancing the implementation of a curbside food waste collection service.	Capital (grant funded)	$6,600,000	
Regional Rescue	Engineering, design and construction of a new facility for Central Okanagan Search and Rescue (COSAR).	Capital (grant funded)	$3,600,000	
Mission Creek Greenway	Gerstmar pedestrian bridge.	Capital	$335,000	
Environmental Planner	Necessary to implement the RDCO Soil Deposit and Placement Bylaw, should the Board choose to advance this initiative	Operating	$120,000	
Information Services	Staffing to support the use of location-based technologies driven by the requirements of the Emergency and Disaster Management Act.	Operating	$107,000	

Have your say on the RDCO financial plan

Residents across the Central Okanagan are encouraged to review the draft financial plan and submit their questions through any of the following avenues.



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, subject line "2025-2029 Financial Plan."
- Mail your questions or comments to 1450 KLO Road.

Please include your civic address of the property you either own or live in when providing comments or feedback on the financial plan.



In person

- Attend the January 30, 2025, budget meeting in person to ask questions and/or provide comments.

2025 financial planning process schedule



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



Initial presentation
Proposed financial plan is presented to the Board. The meeting is live-streamed.



In person comments
The public is invited to provide in person comments to the Board. The meeting is live-streamed.



Public consultation ends
Deadline for public feedback at 4:00 p.m.



Public feedback review
Public feedback is presented back to the Board for consideration. The meeting is live-streamed.



Budget approval & bylaw adoption
The Regional Board votes to approve and adopt the proposed budget bylaw. The meeting is live-streamed.


Regional District of
Central Okanagan