



Governance & Services Committee

TO: Governance and Services Committee

FROM: Carol Teschner
Financial Manager

DATE: March 11, 2019

SUBJECT: Draft 2, RDCO 2019 – 2023 Budget and Financial Plan

Purpose: This second draft of the RDCO 2019 – 2023 Budget and Financial Plan is provided to the Board with minimal changes for discussion.

Executive Summary:

Minor changes were directed as a result of the February 21st 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 25, 2019.

The budgets for the following cost centres have been amended:

303 – Falcon Ridge Water System	Change to 2018 Capital Budget
171 – Okanagan Regional Library	Change to Transfer to Library Board
117 – Sterile Insect Release	Change to Parcel Tax Levies

RECOMMENDATION:

THAT the Governance & Services Committee receive for information the updated and additional 2019 – 2023 Financial Plan documentation;

AND FURTHER THAT staff be directed to bring forward any recommended amendments discussed today to the Regional Board's final budget meeting scheduled for March 25, 2019.

Respectfully Submitted:

Carol Teschner
Financial Manager

Approved for Committee's Consideration

Brian Reardon, CAO

Background:

The tax changes for RDCO General Taxes by Area from the Feb 21 to Mar 14 Drafts are shown below:

**REGIONAL DISTRICT OF CENTRAL OKANAGAN 2019 BUDGET
Total Taxes per Average House for General Services by Area**

	<i>2018 Total Tax per House. Avg House Value \$693,000</i>	<i>2019 House Value</i>	Feb 21 Draft		Mar 14 Draft	
			2019	2019	2019	2019
			Total Tax per House	Change per Avg House over 2018	Total Tax per House	Change per Avg House over 2018
Kelowna	\$181.77	\$736,000	\$182.28	\$0.51 0.285%	\$182.28	\$0.51 0.285%
Peachland	209.89	736,000	\$209.93	\$0.04 0.014%	\$209.93	\$0.04 0.014%
Lake Country	206.95	732,000	\$205.79	(\$1.16) -0.562%	\$205.79	(\$1.16) -0.562%
West Kelowna	200.52	739,500	\$201.80	\$ 1.28 0.639%	\$201.80	\$1.28 0.639%
C. O. West	611.95	739,500	\$642.15	\$ 30.20 4.934%	\$634.61	\$ 22.67 3.704%
C. O. East	497.44	735,500	\$515.82	\$ 18.38 3.695%	\$508.33	\$10.89 2.190%

Note – There is a general tax levy for SIR to all properties included in the above rates that did not change. There is also a parcel tax levied by SIR to individual qualifying properties based on acreage farmed.

The changes below are differences from the Draft Financial Plan presented February 22nd -- See Tab 8 Changes attached:

Engineering Services:

303 – Falcon Ridge Water System (Pages 13-14): Change to 2018 Capital (Budget Amendment dated January 29, 2019). Reduced Transfer to Reserves by \$3,479 to mitigate year end deficit due to equivalent higher than expected costs for various minor line items. Also adding emergency capital pump repair \$4,978. Due to low reserve balance, reduced Reservoir capital project from \$695,351 to \$683,971 as funds won't be spent in 2018.

Fiscal Services:

171 - Okanagan Regional Library (Pages 111-112): An appeal of the population portion of allocation formula was filed with the Okanagan Regional Library. The appeal was successful, resulting in reduced Tax Requisitions for the Electoral Areas.

Tax Requisition:	<u>Draft 1</u>	<u>Draft 2</u>	<u>Change</u>
Electoral Area West	179,613	166,387	(13,226)
Electoral Area East	163,082	151,073	(12,009)
Total Tax Requisition	342,695	317,460	(25,235)

Corporate Services:

117 – Sterile Insect Release (Pages 140-141): Revised total parcel tax levies by area:
2018 Actual &

Parcel Taxes:	<u>Draft 1</u>	<u>Draft 2</u>	<u>Change</u>
Electoral Area West	4,579	4,579	-
Electoral Area East	52,689	51,324	(1,365)
Kelowna	319,073	307,121	(11,952)
Peachland	794	794	-
Lake Country	102,330	97,424	(4,906)
West Kelowna	13,948	13,259	(689)
Total Parcel Tax	493,413	474,501	(18,912)

Attachments:

Budget Binder Updates:

Tab 6:

- *Replace All Pages: 2019 Budget Summary*

Tab 7:

- *Replace All Pages: 2019 Tax Requisitions & Rates*

Tab 8: Replace Budget Page Changes:

- *Pages 13 – 14: 303 – Falcon Ridge Water System*
- *Pages 111-112: 171 – Okanagan Regional Library*
- *Pages 140-141: 117 – Sterile Insect Release*