

Minutes of the *REGULAR BOARD MEETING* of the Regional District of Central Okanagan held at Regional District Offices, 1450 KLO Road, Kelowna, B.C. on Monday, March 26, 2012

Directors:

J. Baker (District of Lake Country)
C. Basran (City of Kelowna)
J. Edgson (Central Okanagan West Electoral Area)
K. Fielding (District of Peachland)
D. Findlater (District of West Kelowna)
G. Given (City of Kelowna)
W. Gray (City of Kelowna)
P. Hanson (Central Okanagan East Electoral Area)
R. Hobson (City of Kelowna)
D. Ophus (District of West Kelowna)
G. Zimmermann (City of Kelowna)
M. Werstuik, (Westbank First Nation)

Regrets:

A. Blanleil (City of Kelowna)

Staff:

H. Reay, Chief Administrative Officer
D. Plamondon, Director of Development Services
C. Radford, Director of Environmental Services
M. Rilkoﬀ, Director of Finance and Administrative Services
J. Roe, Manager – Public Works
B. Smith, Communications
M. Drouin, Corporate Services Coordinator (recording secretary)

1. CALL TO ORDER

Chair Hobson brought the meeting to order at 7:00 p.m.

2. ADDITION OF LATE ITEMS

8.2 Approval of Strategic Community Investment Funds - Gas Tax Agreement

Director Hanson requested Kelowna Mountain be added to the agenda (6.4)

3. ADOPTION OF THE AGENDA

#69/12

BAKER/HANSON

THAT the agenda be adopted as amended.

CARRIED

4. ADOPTION OF MINUTES

4.1 Regular Board meeting – March 8, 2012

#70/12

OPHUS/EDGSON

THAT the Regular Board meeting minutes of March 8, 2012 be adopted as amended:

- Resolution #63/12 – *change the word 'opposed' to 'supported the resolution'*

CARRIED

5. DELEGATIONS

5.1 Mary O'Callaghan – KPMG – Regional Rescue Service Review

Rod Miller introduced the KPMG consultant, Mary O'Callaghan. Highlights of the report were reviewed including: project objectives, approach, findings, recommendations and budget impacts. It was noted that the role of the regional fire chiefs group is undocumented; there is no formal mechanism to provide input on service delivery, budgeting, and governance. Agreements are out of date and sections of the previous agreement do not apply to current situations.

Recommendations include:

- Governance structure implementation
- Streamline budgeting process
- Introduce Regional Emergency Services Committee (RESC) committee and define mandate
- Role of Regional Emergency Services Manager (RESM) to replace manager of fire protection services
- Negotiate agreement with KFD for provision of services
- Develop and implement a standardized mechanism to track the number of rescues and associated costs
- Develop and implement a mechanism to track dispatch calls
- Develop criteria for services that should be delivered regionally
- Determine which costs should be included in non-RDCO levied administration and communicate this decision to jurisdictions
- Review capital budgeting process
- Review existing legislation and regulations and revise to reflect implementation of the proposed governance structure and related changes
- Revised spending authorities to streamline the process for spending from the RFP budget.

It was noted that the budget impacts for the above have not been reviewed nor considered.

Discussion:

- Concern was expressed that the 'Project Charter' which was presented by KPMG and followed for the service review is different than the Board approved Terms of Reference. It was believed the study would review each

individual service, admin overhead and budget impacts. How did this shift occur?

- Project charter was guiding document for KPMG report. Staff, including the fire chiefs, agreed to the project objectives and KPMG proceeded. The project objectives included:
 - develop a governance model for emergency management, dispatch and rescue services;
 - document the current budgeting and financial reporting processes and identify opportunities for improvement;
 - identify key elements of service agreements for emergency management, dispatch and rescue services; review and
 - report on current resource deployment, training hours and service levels.
- Staff note the service of regional rescue works well, that the main issue to be reviewed was the governance review. Staff wanted to focus on the recommendations and roadmap. Governance will be guided by the report.
- Technical chiefs committee should have a broader mandate and it should be defined. This has not been done in the past—no mechanism to look at the detail. There is currently no authority nor mechanism for all fire chiefs to have input. Criteria needs to be established – why are we doing this regionally, can it be done by a fire department.
- The review has not answered the question – who should provide services.
- Draft of the report was completed by the end of November as planned. It took that long to get the input from the various stakeholders—fire chiefs, administrators, staff.
- Who was consulted? The Stakeholder group included the fire chiefs and administrators. Why was the Regional Board not consulted in this process? The report dealt with the operational level.
- Were budget implications for any of the recommendations discussed? Would the 'manager position' not be a duplication of what Kelowna is currently doing? How is it determined that ¾ of the coordinator of regional rescue position is actually doing regional rescue?
- RDCO has to be responsible and accountable for the service – need defining of accountability. Role of Kelowna is to provide the service. Agreement needs to be clarified.

#71/12

EDGSON/BAKER

THAT the presentation by Mary O'Callaghan – KPMG regarding the regional rescue service review be received.

CARRIED

6. DEVELOPMENT SERVICES

Fire Services

6.1 Regional Rescue Service Review (*All Directors - Unweighted Vote*)

Staff report dated March 26, 2012 outlined the background for the regional rescue service review and proposed recommendations.

It was noted there is still a lot of work to do: there should be administrative savings within the function—these costs need to be clearly understood; organizational structure needs to be costed out first (there should be savings in the service; need much clearer accountability in the relationship with the City of Kelowna); and the overview of the recommendations should not be done by staff, it needs to be done at the political level. The service review has gone seriously off the rails, how this occurred without direction of the Board has to be answered.

It was agreed that the regional rescue service is effective. The question needs to be answered whether it is efficient.

District of West Kelowna will continue to look at what they think they can do on their own. Concern was expressed that it is critical the service remain regional.

What is the purpose of the political committee? What are we hoping to achieve? Consensus on the following:

- Committee of five – four municipal and one regional appointee. WFN contracts the service directly—no appointee is required from WFN;
- Establish a structure;
- Develop criteria for the nine services – what is regional, what is local;
- Analyze each service criteria;
- Original terms of reference needs to be dealt with – administrative savings, contract with the City, look at staff structure, budgeting process;
- Work with technical staff to clarify issues;
- Committee terms of reference to be brought to the Board for review;
- Committee reports directly to the Board.

#72/12

EDGSON/FIELDING

THAT the Regional Board establish a political oversight select committee for the regional rescue service review consisting of five stakeholders (four municipal and one electoral area representative appointed by the Board Chair);

AND FURTHER THAT the select committee be tasked to work on 'next steps' using staff as technical advisory to the committee, report directly to the Board, and draft the committee's Terms of Reference for Board approval.

CARRIED

Inspection

6.2 Building Statistics – February 2012 (for information) (All Directors - Unweighted Vote)

#73/12

BAKER/EDGSON

THAT the building statistics for the month of February 2012 be received.

CARRIED

6.3 Regional Growth Strategy – General Strategic Priorities Fund Gas Tax Agreement (*All Directors - Unweighted Vote*)

#74/12

BAKER/GIVEN

THAT the Regional Board approves entering into the General Strategic Priorities Fund Agreement under the agreement on the transfer of Federal Gas Tax Revenues for the Regional Growth Strategy Review Update with UBCM in the amount of \$405,000.

CARRIED

6.4 Kelowna Mountain (added as a late item to the agenda)

Director Hanson discussed her wish to defer the South Slopes Official Community Plan and that Kelowna Mountain's zoning application be done concurrently while the OCP is underway. As well, the Director noted that she has requests from residents in June Springs for smaller lot sizes that she wants resolved.

It was noted the Board has provided direction that Kelowna Mountain is to be inserted into the OCP as a 'study area'. This direction is in conjunction with a recommendation from the City of Kelowna. It is proposed that first reading of the OCP will come forward April 12th, with a Public Hearing to follow in May and possible approval of the OCP by late spring. There is agreement with the Province that bylaw signoff will not be necessary. While this is happening a concurrent study and relevant professional reports can be done by Kelowna Mountain. Application for OCP amendment/rezoning could then be made for the development.

It was noted that should a specific development zone be inserted into the OCP process now, the OCP process would need to start again, engaging a new consultant, including new public, stakeholder and Ministry input. The cost of this process is unknown and has not been identified or budgeted in the 2012 Financial Plan to be approved on March 30th.

It was noted that one of the main advantages of having an OCP in place is environmental issues can be managed, as well as growth. The Board has recommended a study area be placed in the proposed OCP, which means there is no implied OCP designation that would support rezoning, but that all the required work would need to be done as in any other development application. A CD zone implies zoning will occur.

Kelowna Mountain will impact the City of Kelowna. The study area allows the opportunity for questions to be addressed including water, environment, drainage, sewage, traffic congestion, and possible boundary extension—all of which needs to be addressed. It was noted as there is no application at this time it is impossible to determine what the impact will be to either local government, but that there will be impact.

The area director stated that she has letters from residents regarding lot sizes in June Springs. Just because some residents 'want' smaller lots it may not be possible in a rural area. It was noted that is what a public hearing is for, those residents would have an opportunity to express their view to the Board at a public hearing and should the Board wish to make amendments to the proposed OCP it would be done following the public hearing.

#75/12

HANSON/GRAY

THAT the South Slopes OCP be deferred until after Kelowna Mountain has made application for rezoning and that the application be processed and considered by the Regional Board. A cheque will be issued from Kelowna Mountain and funds provided in the amount required for a Professional Planner to be hired that is knowledgeable with Resort Development. This planner would be under Contract with the Regional District and will solely work on the Kelowna Mountain Project.

DEFEATED (in favour Hanson, Gray)

Although Kelowna Mountain Development has stated they will contribute \$75,000 to address zoning and development issues relating to a specific application, staff will need to review what the actual costs will be when an application to initiate a study is received. Actual costs will depend upon: the state of readiness of the proponent, number of reports that need to be analyzed, the Terms of Reference determined by a technical committee which will include Kelowna and RDCO staff. As the RDCO does not know the scope of the proposal it would be premature to accept funds at this time.

7. ENVIRONMENTAL SERVICES

7.1 Water Utility Rates Review (*Stakeholder Vote - Unweighted Vote*)

Staff report dated March 13, 2012 provided options for consideration of a new water utility rate structure for Central Okanagan East and Central Okanagan West Electoral Areas. In February, Urban Systems presented a review of the five water systems current rate structure, long term capital reserves and long term financial viability of each system. At the conclusion of the process, it was determined that none of the systems have a rate structure or enough financial reserves to allow for long term capital replacement of existing works.

Staff outlined the various rate structure options for consideration: a rate structure based on 100% of the system's financial needs; 50% and 30%. Staff are recommending a rate structure based on 50%. It was noted that less than 20% of customers will be affected by the new consumption-based rate and this will occur particularly in the summer months when increased water is being used. Those that use more water will be the ones who will be required to pay more for increased use. It was noted that the RDCO has current water restrictions in place where outdoor water use is permitted twice per week during the summer months.

Director Hanson noted that she does not support the options presented until further discussion has occurred with her area residents.

Staff outlined the consultation which has taken place to date. Each property owner has received an individual letter notifying them of the increase proposed and the reasons why. The proposed rates are within the realm of other areas. Staff have had discussion with the Strata at Sunset Ranch and they realize their current rates are not sustainable. Staff note that the Board has authorized staff to move forward with grant applications but it is known that the Province, in reviewing grant applications, expect government mandate to be considered including monitoring, water conservation, water supply analysis and good asset management plan before requesting grant funds.

Concern was expressed that systems will have to be renewed/replaced and that IHA continues oversight of all water systems. Funds have to be put into reserves in advance in order to make it affordable to upgrade systems. Water is not free—it's very expensive to produce, process and deliver to residents doorsteps. Water is one of the most important issues long term, not just short term. The RDCO must be prepared to protect systems in the long term.

#76/12

EDGSON/HANSON

THAT the Regional Board endorse Option Two, a rate structure based on 50% of the system's financial need, in regard to a 2012 RDCO Water Utility Rate Structure for Central Okanagan West Electoral Area.

CARRIED

#77/12

EDGSON/HANSON

THAT the Regional Board approves for all RDCO water systems the commencement of water rate utility billing effective April 1, 2012 based on consumption.

CARRIED

8. NEW BUSINESS

8.1 Christmas Office Closure – 2012 (*All Directors - Unweighted Vote*)

#78/12

ZIMMERMANN/EDGSON

THAT the Regional District of Central Okanagan offices be closed for the Christmas holiday period – December 24-31, 2012.

CARRIED

8.2 Approval of Strategic Community Investment Funds - Gas Tax Agreement (*All Directors - Unweighted Vote*)

#79/12

FIELDING/BAKER

THAT the Regional Board approves entering into the 2012-2014 Strategic Community Investment Funds (Regional District Basic Grant) Agreement;

AND FURTHER THAT the Strategic Community Investment Funds – Regional District Basic Grant for 2012 of \$169,916 be directed toward the financing of the KLO roof project.

CARRIED (Ophus opposed)

9. DIRECTOR ITEMS

It was noted that various municipalities, as well as the Regional District received approval of various grant applications including the Joe Rich Community Sport Rink Upgrade, Westshore Community Park, and Regional Trails to Health Project.

10. ADJOURN IN CAMERA

#80/12

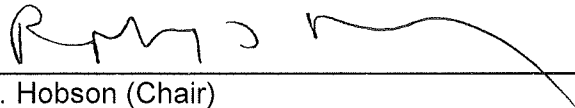
EDGSON/BAKER

THAT the Regional Board adjourn In Camera to discuss a last minute legal issue

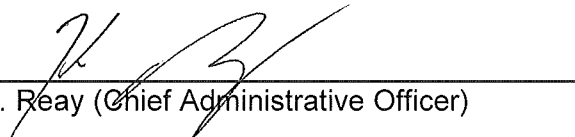
CARRIED

There being no further business the meeting was adjourned at 9:55 p.m.

CERTIFIED TO BE TRUE AND CORRECT



R. Hobson (Chair)



H. Reay (Chief Administrative Officer)