

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 Friday, March 30, 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)

Regrets:

A. Blanleil (City of Kelowna)
M. Werstuik, (Westbank First Nation)

Staff:

H. Reay, Chief Administrative Officer
M. Kopp, Director of Parks Services
D. Plamondon, Director of Development Services
C. Radford, Director of Environmental Services
M. Rilkoff, Director of Finance and Administrative Services
B. Smith, Communications
M. Drouin, Corporate Services Coordinator (recording secretary)

1. **CALL TO ORDER**

Chair Hobson called the meeting to order at 9:00 a.m.

2. **ADDITION OF LATE ITEMS**

There were no late items to the agenda

3. **ADOPTION OF THE AGENDA**

#81/12

EDGSON/BAKER

THAT the agenda be adopted.

CARRIED

4. **FINANCE DEPARTMENT**

4.1 2012 – 2016 Financial Plan Introduction

a) Review of changes following the March 8, 2012 Governance & Services Committee meeting

M. Rilkoﬀ provided an overview of the budget changes including:

- Total operating budget of \$58m for 2012 (44.04% is debt, including municipal MFA payments; 48.83% is operating expenses; 7.59% is transfers to capital and reserves).
- Capital budget for 2012 is approximately \$22m
- Transfer to capital and reserves is \$4,587,593
- Changes to the mosquito control program were highlighted. The Board approved an enhanced mosquito control program. Central Okanagan West grant in aid increased to reflect the mosquito control program.

Director Gray arrived at 9:12 a.m.

- WWTP, lift stations and collector system – updated flow data resulted in a shift to WFN due to new development/growth.
- Regional District basic administration grant – transferred to capital to pay down short term debt relating to the roof project.
- Adjusted parcel tax roll from SIR
- Pending issues were highlighted: WFN may withdraw from transit service do have their own direct operating agreement; fringe area planning allocation yet to be determined; regional rescue service review effects on the budget; and building inspection current shortfall is \$33,010 (staff reviewing possibility of contracting out this service with member municipalities).

b) Review of 2012 Tax Rates

The residential tax rates for a home assessed at \$499,000 were reviewed (including the draft rates from the February 17, March 8 and March 30 final budget discussions)

City of Kelowna - \$(2.74)

District of Peachland - \$(4.65)

District of Lake Country - \$(0.85)

District of West Kelowna – \$(5.79)

Central Okanagan West Electoral Area - \$(4.67)

Central Okanagan East Electoral Area - \$14.88

4.2 Public Comment on 2012 – 2016 Financial Plan

Chair Hobson opened the floor to any members of the public who wished to comment on the 2012 – 2016 Financial Plan.

- Marsali Maclver, Central Okanagan West Electoral Area – expressed concern regarding the increase in water rates and questioned why North Westside residents didn't have consultation before rates were increased. It was noted that the area director has addressed residents at various community meetings. Staff circulated information directly to each resident informing them of the changes proposed. The Board has agreed to the 50% increase at this time. An open house will be held in the community on April 18th.

- Dave Robertson, North Westside resident – would like a public meeting on the water rates being imposed, not just an open house. Do water rates go into the specific service or general revenue? The RDCO does not have a general revenue account. Revenue goes directly into the service and remains as an asset of that service. How is the money going to be spent? Staff noted that the intent of the public information session is to go over the water improvement for future upgrades and asset capital 20-year renewal plans.

Staff noted that as a result of the Urban Systems report received in February letters were sent to residents to highlight the funding gap and long term concerns regarding each water system. Residents have had the opportunity to contact staff or the director with any concerns or questions. Mr. Robertson stated that residents should have input on how money is spent on the fire departments and the community hall maintenance.

4.3 Regional District of Central Okanagan 2012 - 2016 Financial Plan Bylaw No. 1305, **1st, 2nd and 3rd readings and Adoption** (All Directors - Weighted Vote)

In discussion, concern was raised by some directors regarding:

- o How administration is calculated. In review of previous budget documents it was noted that there has been an increase to administration (specific increases in Finance, HR, EDC, 911, WWTP). Staff note that administration is allocated to the services. An in-depth analysis of administration overhead was done in 2011 and presented to the Board. The Board at that time adopted a new policy which affected the rates for various services. Overhead rates have gone down significantly since the incorporation of West Kelowna.
- o Operational costs increased over the 5-year plan, the question was raised how committed is the Board to implement the proposed 5-year plan?
- o Why has there been an increase in the Joe Rich Hall administration costs? A decision was made by the Board that all community halls receive the same admin overhead. Overhead costs are specific to the service.
- o The Board needs to ensure taxes are spent wisely and determine the level of service they wish to provide for each service. It was noted that service reviews are being done including dog control and the oversight committee for regional rescue.
- o 911 service - with the expansion of the 911 service to the various regional district has there been economies of scale with the expanded service? The contract is managed by the RCMP and the Regional District must follow their schedule/staffing requirements. In the past this has caused unforeseen cost increases. The RDCO is now entering into a contract with the RCMP to provide staffing which will mean more control of the service. It was suggested that staff provide further background information for the 911 service – how it started, expansion of economies of scale, operation costs, service expansion.

- o The Board will need to address the question whether the RDCO's current model is what we want going forward. These questions will be addressed over the next year as the Board begins to review services provided.

#82/12

EDGSON/BAKER

THAT Regional District of Central Okanagan 2012 - 2016 Financial Plan Bylaw No. 1305, 2012 be given first, second and third readings and adopted this 30th day of March 2012.

CARRIED

- 4.4 Regional District of Central Okanagan Temporary Borrowing Bylaw No. 1306, **1st, 2nd and 3rd readings and Adoption** (All Directors - Weighted Vote)

#83/12

EDGSON/BAKER

THAT Regional District of Central Okanagan Temporary Borrowing Bylaw No. 1306, 2012 be given first, second and third readings and adopted this 30th day of March 2012.

CARRIED

5. ENVIRONMENTAL SERVICES

- 5.1 Regional District of Central Okanagan Water Systems Fees and Regulations Amendment Bylaw No. 1307 **1st, 2nd and 3rd readings and Adoption** (Stakeholder [Central Okanagan West and Central Okanagan East] - Weighted Vote)

#84/12

EDGSON/HANSON

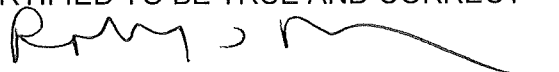
THAT Regional District of Central Okanagan Water Systems Fees and Regulations Amendment Bylaw No. 1307, 2012 be given first, second and third readings and adopted this 30th day of March 2012.

CARRIED

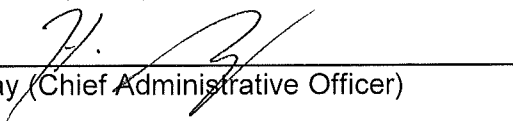
6. ADJOURN TO A REGIONAL HOSPITAL DISTRICT MEETING

There being no further business the meeting was adjourned at 10:20 a.m.

CERTIFIED TO BE TRUE AND CORRECT



R. Hobson (Chair)



H. Reay (Chief Administrative Officer)