

## ADMINISTRATIVE REPORT

**TO:** Board of Directors

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** February 22, 2024

**RE:** **RDOS 2024-2028 Five Year Financial Plan Bylaw 3053,2024**

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### **Administrative Recommendation:**

THAT Bylaw No. 3053, 2024, being a bylaw of the Regional District of Okanagan Similkameen to establish the 2024-2028 Financial Plan, be read a second time, and;

THAT the Bylaw 3053, 2024 be amended to include Appendix one, and;

THAT bylaw No. 3053, 2024 be read a 2<sup>nd</sup> time as amended.

### **Reference:**

Bylaw No. 3053, 2024 including Schedule “D” and “E” (attached).

### **Business Plan Objective:**

Providing the Board with a fiscally responsible financial plan.

### **Background:**

The draft 2024-2028 Five Year Financial Plan was read for the first time on January 18 with a target to have it fully adopted by March 7<sup>rd</sup>, 2024. To comply with legislation, the Board must approve the Budget by March 31<sup>st</sup>.

Since the Board gave first reading to the 2024-2028 financial plan, a consultation process was initiated and a number of amendments have been proposed for 2<sup>nd</sup> reading for consideration.

The budget, sitting at 1<sup>st</sup> reading, resulted in the following tax requisition.

## REGIONAL DISTRICT OKANAGAN-SIMILKAMEEN 2024 TOTAL REQUISITION SUMMARY

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Non-Market Growth %</u>	<u>Net Change %</u>
<b>RDOS PENTICTON</b>	\$ 3,074,761	\$ 2,537,608	\$ 537,153	21.17%	1.05%	20.12%
<b>RDOS SUMMERLAND</b>	1,116,473	944,706	171,767	18.18%	1.77%	16.41%
<b>RDOS PRINCETON</b>	152,344	116,462	35,882	30.81%	0.86%	29.95%
<b>RDOS OLIVER</b>	1,869,784	1,713,954	155,830	9.09%	1.44%	7.65%
<b>RDOS OSOYOOS</b>	1,157,152	1,030,070	127,082	12.34%	1.21%	11.13%
<b>RDOS KEREMEOS</b>	698,877	601,320	97,557	16.22%	1.07%	15.15%
	<b>8,069,392</b>	<b>6,944,120</b>	<b>1,125,272</b>	<b>16.20%</b>	<b>1.24%</b>	<b>14.96%</b>
<b>PENTICTON INDIAN BAND</b>	-	46,265	(46,265)	-100.00%		
<b>ELECTORAL AREA A</b>	1,649,787	1,541,512	108,275	7.02%	2.58%	4.44%
<b>ELECTORAL AREA B</b>	875,296	793,520	81,776	10.31%	5.35%	4.96%
<b>ELECTORAL AREA C</b>	2,646,065	2,478,883	167,182	6.74%	1.60%	5.14%
<b>ELECTORAL AREA D</b>	3,355,044	3,083,591	271,453	8.80%	0.99%	7.81%
<b>ELECTORAL AREA E</b>	2,821,187	2,587,328	233,859	9.04%	3.74%	5.30%
<b>ELECTORAL AREA F</b>	1,723,036	1,560,889	162,147	10.39%	1.54%	8.85%
<b>ELECTORAL AREA G</b>	1,240,534	1,097,296	143,238	13.05%	1.41%	11.64%
<b>ELECTORAL AREA H</b>	1,979,558	1,861,140	118,418	6.36%	2.10%	4.26%
<b>ELECTORAL AREA I</b>	2,230,071	2,097,712	132,359	6.31%	1.30%	5.01%
	<b>18,520,578</b>	<b>17,101,871</b>	<b>1,418,707</b>	<b>8.30%</b>	<b>2.04%</b>	<b>6.26%</b>
<b>TOTAL TAX REQUISITION FOR ALL BUDGETS</b>	<b>\$ 26,589,969</b>	<b>\$ 24,092,256</b>	<b>\$ 2,497,713</b>	<b>10.37%</b>	<b>1.49%</b>	<b>8.88%</b>

At first reading the Board reviewed the full time requests and directed staff to remove some of the request from the budget. Also deleted from the budget was backfilling of a communication position and of the unfilled position of the rural project manager. The following lists the position which are still tentatively approved and those which were not approved.

### Summary of 2024 FTE Requests

FTE No.	Title	Dept.	Approved	
FTE 01	Emergency Program Coordinator	Community Service	Yes	Early Approval Request at Feb. 8th meeting
FTE 02a	Senior Manager Protective Services	Community Service	Yes	Early Approval Request at Feb. 8th meeting
FTE 03	Facilities Attendant	Community Service	No	
FTE 04	Parks Lead Hand	Community Service	No	
FTE 05	Pest Control / Labourer	Utilities	Yes	Early Approval Given
FTE 06	Utilities - Student	Utilities	Yes	Tentative
FTE 07	System Operator 1	Utilities	Yes	Tentative
FTE 08	Utilities Coordinator	Utilities	Term Position	Early Approval Given
FTE 09	Engineering Technologist 1	Utilities	Yes	Early Approval Given
FTE 13	Purchasing Manager	Finance	Yes	Tentative
FTE 14	Electrician	Utilities	No	
FTE 15	Accountant II	Finance	Yes	Early Approval Given
FTE 16	Planning Technician	Planning	Pending	Pending
FTE 17	Communication Manager	Legislative Service	Yes - _No backfill	Early Approval Given
FTE 18	Corporate Initiative Coordinator	Legislative Service	No	

The tentative and early FTE approvals, as listed in appendix “A”, are including in the budget, are have been approved by the Board at first reading. Deducted from the budget are those positions which the Board did not approve. Appendix “A” details the adjustments made to reduce the wages from the budget.

The recommended amendments in Schedule “**D.1**” (also in Appendix “B”) are not official until the Board authorizes them. The Board may authorize these changes and read the budget a second time as amended.

Appendix “B” are amendments to the budget which are requested by Directors or staff.

If the Board approves requests made in appendix “B” the following tax requisition applies:

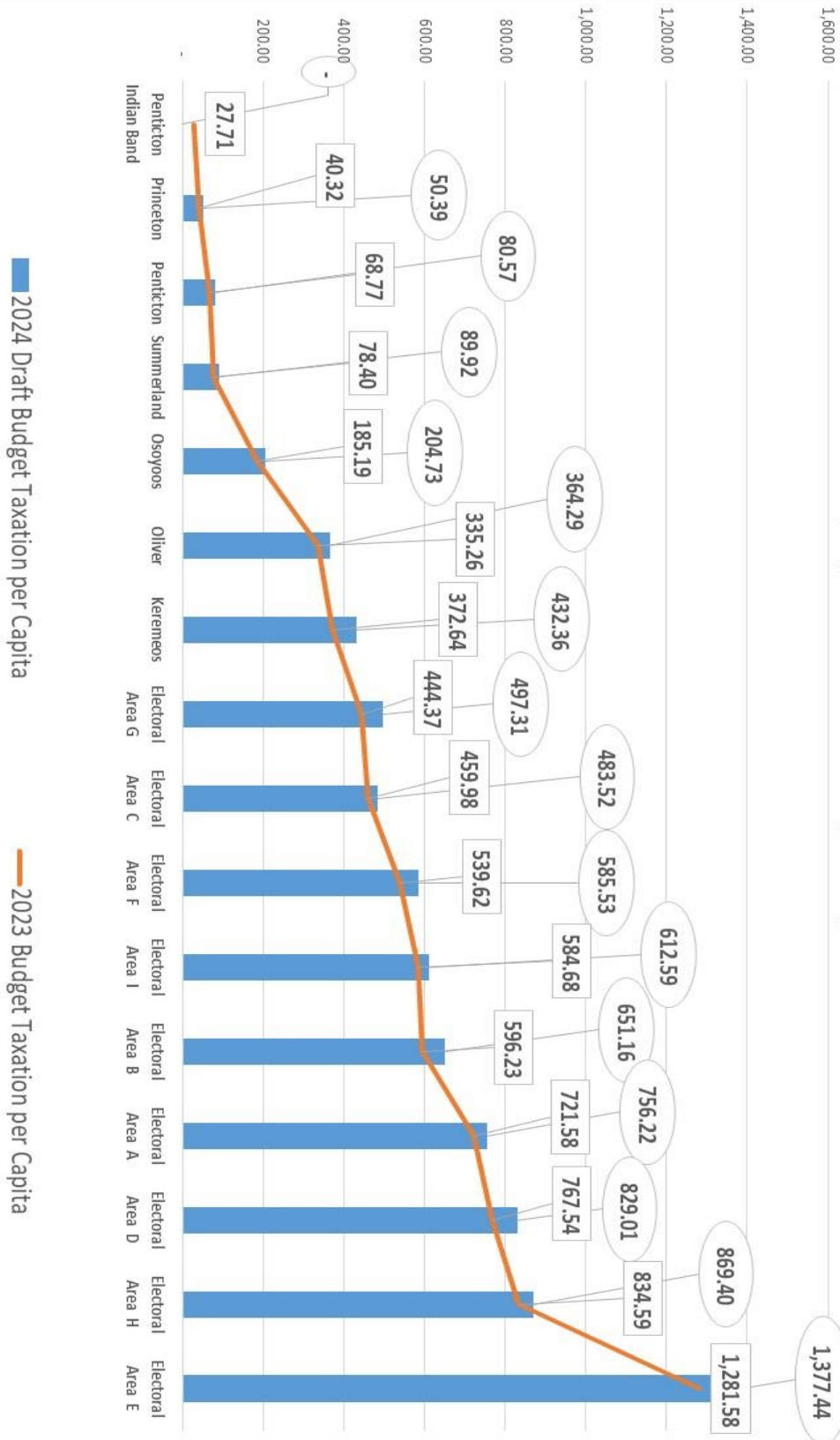
**REGIONAL DISTRICT OKANAGAN-SIMILKAMEEN  
2024 TOTAL REQUISITION SUMMARY**

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Non-Market Growth %</u>	<u>Net Change '</u>
<b>RDOS PENTICTON</b>	\$ 2,971,955	\$ 2,537,608	\$ 434,347	17.12%	1.05%	16.07
<b>RDOS SUMMERLAND</b>	1,082,818	944,706	138,112	14.62%	1.77%	12.85
<b>RDOS PRINCETON</b>	145,841	116,462	29,379	25.23%	0.86%	24.37
<b>RDOS OLIVER</b>	1,855,710	1,713,954	141,756	8.27%	1.44%	6.83
<b>RDOS OSOYOOS</b>	1,137,468	1,030,070	107,398	10.43%	1.21%	9.22
<b>RDOS KEREMEOS</b>	695,239	601,320	93,919	15.62%	1.07%	14.55
	<b>7,889,032</b>	<b>6,944,120</b>	<b>944,912</b>	<b>13.61%</b>	<b>1.24%</b>	<b>12.37</b>
<b>PENTICTON INDIAN BAND</b>	-	46,265	(46,265)	-100.00%		
<b>ELECTORAL AREA A</b>	1,617,555	1,541,512	76,043	4.93%	2.58%	2.35
<b>ELECTORAL AREA B</b>	871,897	793,520	78,377	9.88%	5.35%	4.53
<b>ELECTORAL AREA C</b>	2,616,828	2,478,883	137,945	5.56%	1.60%	3.96
<b>ELECTORAL AREA D</b>	3,329,310	3,083,591	245,719	7.97%	0.99%	6.98
<b>ELECTORAL AREA E</b>	2,775,545	2,587,328	188,217	7.27%	3.74%	3.53
<b>ELECTORAL AREA F</b>	1,693,358	1,560,889	132,469	8.49%	1.54%	6.95
<b>ELECTORAL AREA G</b>	1,226,853	1,097,296	129,557	11.81%	1.41%	10.40
<b>ELECTORAL AREA H</b>	1,940,493	1,861,140	79,353	4.26%	2.10%	2.16
<b>ELECTORAL AREA I</b>	2,197,346	2,097,712	99,634	4.75%	1.30%	3.45
	<b>18,269,185</b>	<b>17,101,871</b>	<b>1,167,314</b>	<b>6.83%</b>	<b>2.04%</b>	<b>4.79</b>
<b>TOTAL TAX REQUISITION FOR ALL BUDGETS</b>	<b>\$ 26,158,217</b>	<b>\$ 24,092,256</b>	<b>\$ 2,065,961</b>	<b>8.58%</b>	<b>1.49%</b>	<b>7.09</b>

The budget will be brought to the Board for Adoption at the March 7th Board meeting. The cut off for changes to the Budget will be Monday February 26.

**The following lists the RDOS participating member’s taxation using per capita as a comparison.**

## RDOS 2024 Taxation Per Capita Comparison as at Second Reading - Comparison to 2023 by Member Municipality and Electoral Area - Adopted Budget



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## **Change in Budget Philosophy**

The 2024 – 2028 budget objective is to ensure that each of the 162 service are self-sufficient, that is pay their own way. For the 2024 budget this change in philosophy resulted in municipal partner's share of expenses in the 911 and emergency services increasing and Electoral Areas decreasing emergency.

Also, the capital portion of the budget is not directly funded from taxes, in the past a portion of the capital funding was tax. The capital budget is funded from reserves, grants, gas taxes or donations. If funds are not adequate to fund the project then the operational side would have to increase the transfer to reserves which would then show up in the transfer from reserve in the capital budget.

### **Alternate Recommendation:**

**THAT** the change requests, as listed in Appendix "B" be approved as amended, and;

**THAT** Bylaw No. 3053, 2024 Regional District of Okanagan Similkameen 2023-2027 Five Year Financial Plan per Schedule "D" Operational Budget and "E" Capital Budget be read a second amended.

### **Attachments:**

**Appendix "A" – List of not approved FTEs and adjustments.**

**Appendix "B" - List of budget changes as requested by Directors and Staff, Board approval required.**

**Appendix "C" – Tax Comparison by Property Value and per Capita**

**Schedule "A" – Budget Summary by Program**

**Schedule "C" – 2024 Tax Requisition**

**Schedule "C.1" – Tax Requisition Comparison per Capita**

**Schedule "C.2" – Tax Requisition Comparison by Property Value**

**Schedule "D" – Detail Budget for Second and Third Reading - Operational Budget**

**Schedule "E" – Second and Third Reading Capital Budget**

**Schedule "F1 to F16 - Tax Requisitions and Detail Budget by Jurisdiction**

**Respectfully submitted:**

**JIM ZAFFINO**

J. Zaffino, Chief Administrative Officer