

ADMINISTRATIVE REPORT

TO: Board of Directors

FROM: B. Newell, Chief Administrative Officer

DATE: January 05, 2023

RE: RDOS 2023-2027 Five Year Financial Plan Bylaw No. 2988, 2022

Administrative Recommendation:

THAT the change requests, as listed in appendix one of the January 5, 2023 RDOS 2023-2027 Five Year Financial Plan Bylaw No. 2988, 2022 Administrative Report, be approved, and:

THAT Bylaw No. 2988, 2022, being a bylaw of the Regional District of Okanagan Similkameen to adopt the 2023 – 2027 Five Year Financial Plan be read a first time.

Reference:

Bylaw No. 2988, 2022 including Index I (requested amendments to budget):

Background:

The draft 2023-2027 Five Year Financial Plan has been reviewed by the Board at the November 18th and December 2nd meetings of the Corporate Services Committee. The proposed date for adoption for the Five Year Financial Plan is March 2nd, 2023. To comply with legislation, the Board must approve the Budget by March 31st.

Since the second workshop held on December 2nd, there has been a number of adjustments proposed. The requested changes are due to the following

- Director requested so that service may be improved or to adjust the tax requisition.
- New Information which required the budget to be amended.
- Secondary review by managers which will create a more accurate budget representation.
- Preliminary approval of Program Changes.

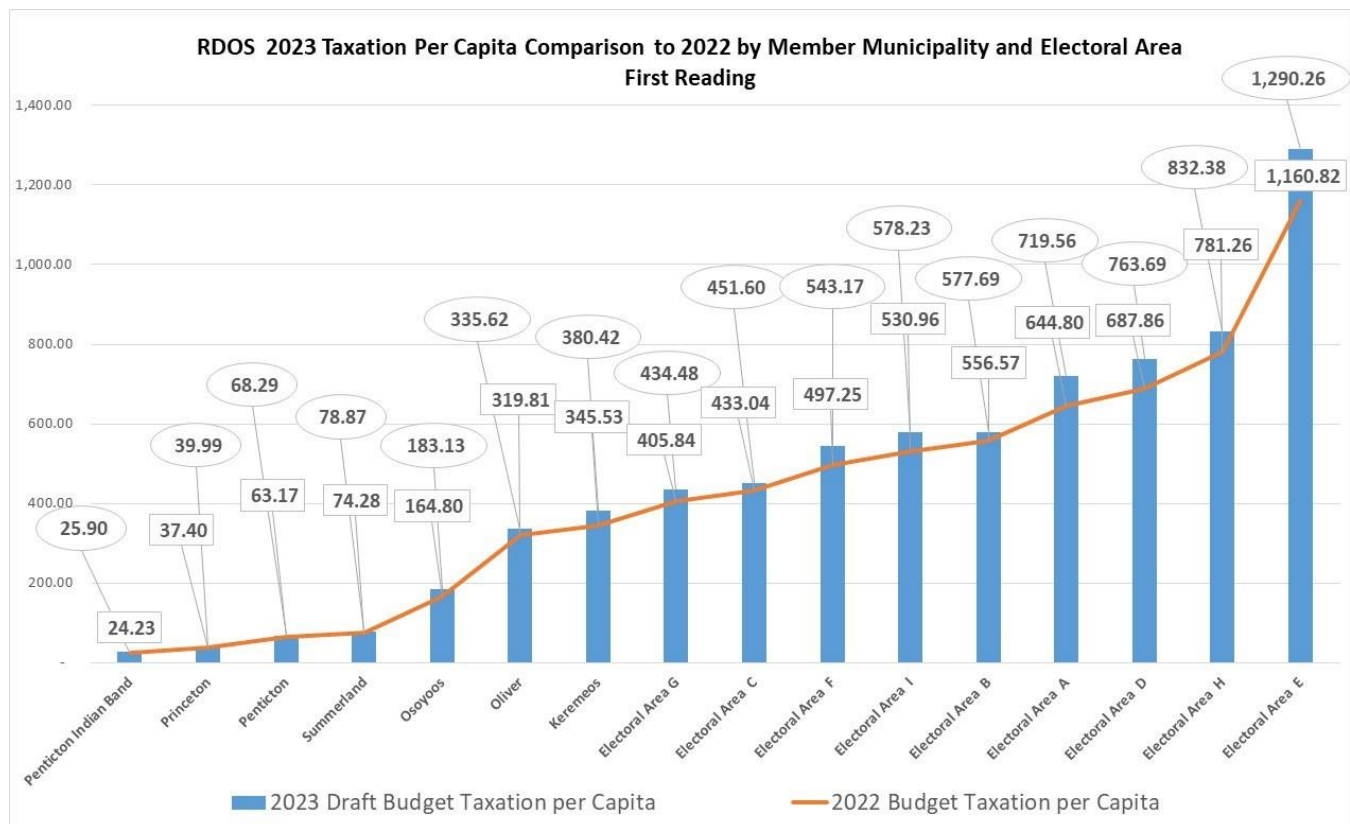
The amendments in Index 1 lists the services which have been affected and the change to the budget. The Board will review all the requests at the January 5th Board Meeting and will either accept or reject the amendments. The deliberation on the amendments will be considered during the PowerPoint presentation.

Comparison of 2022 vs 2023 Budgets

2023 RDOS Draft Budget Comparison With 2022

	2023		2022	
	(In millions)			
RDOS Operational Budget	\$	46.30	\$	42.50
Municipal Debt Repayment	\$	7.31	\$	6.08
Capital Projects	\$	20.20	\$	28.20
Total RDOS Budget	\$	73.81	\$	76.78

Of the \$46.3 million operational budget 9.42% which is \$4,363,295 are transfers to capital or operational budget.



**REGIONAL DISTRICT OKANAGAN-SIMILKAMEEN
2023 TOTAL REQUISITION SUMMARY**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>	Est. 2023 <u>Non-Market</u> Growth %	Net <u>Change %</u>
PENTICTON	\$ 2,519,006	\$ 2,330,139	\$ 188,867	8.11%	1.37%	6.74%
SUMMERLAND	949,700	894,516	55,184	6.17%	1.40%	4.77%
PRINCETON	115,743	108,247	7,496	6.92%	2.91%	4.01%
OLIVER	1,709,663	1,629,089	80,574	4.95%	0.82%	4.13%
OSOYOOS	1,017,443	915,621	101,822	11.12%	0.61%	10.51%
KEREMEOS	611,717	555,620	56,097	10.10%	0.30%	9.80%
	6,923,271	6,433,232	490,039	7.62%		
PENTICTON INDIAN BAND	43,177	40,398	2,779	6.88%		
ELECTORAL AREA A	1,539,137	1,379,229	159,908	11.59%	2.11%	9.48%
ELECTORAL AREA B	773,526	745,248	28,278	3.79%	2.00%	1.79%
ELECTORAL AREA C	2,444,072	2,343,591	100,481	4.29%	0.56%	3.73%
ELECTORAL AREA D	3,066,994	2,762,446	304,548	11.02%	1.82%	9.20%
ELECTORAL AREA E	2,599,874	2,339,046	260,828	11.15%	3.10%	8.05%
ELECTORAL AREA F	1,570,862	1,438,057	132,805	9.24%	0.67%	8.57%
ELECTORAL AREA G	1,071,851	1,001,203	70,648	7.06%	1.50%	5.56%
ELECTORAL AREA H	1,857,881	1,743,778	114,103	6.54%	2.19%	4.35%
ELECTORAL AREA I	2,074,108	1,904,560	169,548	8.90%	1.05%	7.85%
	16,998,305	15,657,158	1,341,147	8.57%		
TOTAL TAX REQUISITION FOR ALL BUDGETS	\$ 23,964,753	\$ 22,130,788	\$ 1,833,965	8.29%		

The following is a list of material increases/decreases or additions to the 2023 budget which were not in the 2022 operational budget.

a

Summary of Material Increase to Operational Budget		
ELECTORAL AREA ADMINISTRATION	Salary & Wages	\$ 256,161
REFUSE DISPOSAL - PENTICTON/D3	-Salaries & Wages - \$96,545 -Contract Services - Wood Waste Chipping - \$136,000 -Reduction in Transfer to Various Reserves - (\$28,176) -Various Contract Services - \$342,211	\$ 328,852
WATER SYSTEM - SAGE MESA	- Operational Recoverable Work \$209,907 -Transfer to Operational Reserve - \$30,456 - Salaries & Wages - \$16,532	\$ 282,834
ARENA - OSOYOOS/A	-SALARIES & WAGES - \$14,736 - Purchase of Zamboni Debt Servicing - \$23,400 - Utilities - \$20,400 - Equipment Maintenance - \$23,400	\$ 307,390
RECREATION COMM - OK FALLS	-Transfer to Reserve - \$87,700 -Parks Improvements - \$11,000 -Parks Maintenance - \$20,700 -Contract Services - \$8,294	\$ 169,424
RECREATION COMM - KALEDEN	-Transfer to Capital Reserves - \$47,000 -Salaries & Wages Net Increase - \$16,068 -Insurance Property - \$6,161 -Community Works Gas Tax - \$18,500	\$ 80,871
TRANSIT - SOUTH OKANAGAN	- RANSFER TO OP RESERVE \$43,248	\$ 50,959
CEMETERY - ELECTORAL AREA D	New Service	\$ 44,253
LEGISLATIVE SERVICES	-CONSULTANTS \$33,700 -CONTRACT SERVICES -\$20,200 -COMMUNICATIONS \$15,440 -TRANSFER TO OPERATIONAL RESERVES \$27,270	\$ 159,100
GENERAL GOVERNMENT	-Contracts City of Penticton -\$50,000	\$ 492,673
EMERGENCY PLANNING	- Grants \$450,738 - EOC SANDBAG OPERATIONS \$15,000 -EOC SUPPLIES \$10,000	\$ 502,544
FIRE PROTECTION - KEREMEOS AREAS B & G	-Honorariums - Firefighters - \$36,824 -Transfer to Vehicle Reserve - \$5,000 -Transfer to operating Reserve - \$8,590	\$ 66,849
BUILDING INSPECTION	-TRANSFER TO OPERATIONAL RESERVE \$147,649 -CONTRACTS \$20,000 -SALARIES & WAGES \$33,912	\$ 216,434
REFUSE DISPOSAL- OLIVER	-Transfer to Capital Reserve - \$275,202 - Contract Service Operations - \$131,298 -Salaries & Wages - \$24,010	\$ 398,497
RECREATION FACILITY - KEREMEOS/AREAS B&G	-Salaries & Wages - \$44,261 -Transfer to Capital Reserve - \$38,800 -Transfer to Operational Reserve - \$17,482	\$ 104,933
PARKS - OLIVER/C	-Operations - \$29,717 - Transfer to Reserves - \$39,560	\$ 76,720
CEMETERY - ELECTORAL AREA D	-New Service	\$ 44,253
WATER SYSTEM - OKANAGAN FALLS	- New Service	\$ 767,818
CORPORATE FACILITIES	-CAPITAL Covid Funded Capital Projects and Lease (\$105,715)	\$ (97,215)
ELECTORAL AREA D - RURAL PROJECTS	RURAL PROJECT - OFID EXPENSES (\$60,000) CONTINGENCY (\$15,000) TRANSFER TO OPERATING RESERVE (\$41,800) SPECIAL PROJECTS - WAGES (\$14,757)	\$ (134,667)
SUBDIVISION SERVICING	-TRANFER TO OPERATING RESERVE (\$21,489) -SALARIES & WAGES (\$99,749)	\$ (112,286)
RGS - SUB REGIONAL	-TRANSFER TO OPERATING RESERVE (\$62,429) -SALARIES & WAGES (48,174)	\$ (127,531)
ECONOMIC DEVELOPMENT - AREA D	-SALARIES & WAGES (\$41,913) TRANSFER TO RESERVES (\$30,440)	\$ (76,124)
	Net Change in Operational Expense	\$ 3,802,742

Increase in taxes over 2022 for property valued at \$600,000

Member Municipality/Electoral Area	Increase in Taxes 2022 vs 2023
Penticton	\$ 8.72
Summerland	\$ 7.45
Princeton	\$ 5.24
Oliver	\$ 30.38
Osoyoos	\$ 22.91
Keremeos	\$ 88.19
Penticton Indian Band	\$ 3.49
Electoral Area A	\$ 90.52
Electoral Area B	\$ 67.84
Electoral Area C	\$ 48.23
Electoral Area D	\$ 99.58
Electoral Area E	\$ 114.34
Electoral Area F	\$ 96.98
Electoral Area G	\$ 87.53
Electoral Area H	\$ 51.62
Electoral Area I	\$ 90.59

It is important to note that the above increases may change as the budget goes through second and third reading.

The requisition amounts appearing in Schedule “D” (operational budget) and Schedule “E” (capital) as attached to the bylaw are considered preliminary and are subject to change, with the Board’s approval, before final adoption.

Net percentage tax increase after non market growth is considered. The definition of non-market Growth is new construction, residential and other which occurred and the assessment was not part of the previous year’s tax calculations.

An example is as follows:

2022 Assessment valued at \$10,000,000, the tax rate would be calculated on the \$10 million. However during 2022 new construction added an additional \$1,000,000 to the areas assessment, the tax rate for the 2023 year would be based on \$11,000,000.

Staff has sent out invitations to all member municipalities and electoral areas and asked how they would like to have the budget presented. In Addition, one overall presentation will be taped and made available on line. If an in-person consultation is requested first the tape will be shown and then a question and answer section will be held.

If no in person consultation is requested, the taped briefing is available on line and questions can be submitted to the Manager of Finance.


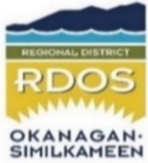
Respectfully submitted:

“Jim Zaffino, Manager of Finance”

_____ Jim Zaffino, Finance Manager

Attachments
Requested Budget Adjustment
List - Appendix One. Budget
Schedules A thru G

Attachments:

REGIONAL DISTRICT OF OKANAGAN SIMILKAMEEN	
2023 - 2027 BUDGET FOR FIRST READING	
LIST OF SCHEDULES	
	
A:	2023 Budget Summary by Program
B:	2023 Material Budget Variance by Program
C:	2023 Tax Requisition Summary and by Member Municipality and Electoral Area
C1:	2023 Tax Requisition Comparison on a per capita basis
C2:	2023 Tax Requisition Comparison for Various Property Values
D:	2023 - 2027 Operational Budget
D1:	Operating Carry Forwards
E:	Capital Budget
E1:	Capital Budget Funding
E2:	Capital Project Carried Forward
F1:	Penticton
F2:	Summerland
F3:	Princeton
F4:	Oliver
F5:	Osoyoos
F6:	Keremeos
F7:	Penticton Indian Band
F8:	Electoral Area "A"
F9:	Electoral Area "B"
F10:	Electoral Area "C"
F11:	Electoral Area "D"
F12:	Electoral Area "E"
F13:	Electoral Area "F"
F14:	Electoral Area "G"
F15:	Electoral Area "H"
F16:	Electoral Area "I"
G:	Tier & Administration charge 2022 and 2023

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

BYLAW NO. 2988, 2022

A bylaw to adopt the 2023-2027 Five Year Financial Plan

WHEREAS the Local Government Act requires that the Board must, by bylaw, adopt the financial plan for the current year prior to March 31;

AND WHEREAS the Annual Budget for the current year has been duly prepared and based on a five-year financial plan;

NOW THEREFORE, the Board of the Regional District of Okanagan-Similkameen in open meeting assembled enacts as follows:

1 Citation

1.1 This Bylaw shall be cited as the "Regional District of Okanagan-Similkameen 2023-2027 Five Year Financial Plan Bylaw No. 2988, 2022

2 Interpretation

2.1 The Financial Plan of the Regional District of Okanagan-Similkameen for the years 2023-2027 shall be as per Schedule "D" and "E" as attached hereto and forming part of this bylaw.

READ A FIRST TIME

READ A SECOND TIME

READ A THIRD TIME

ADOPTED

ROOS Board Chair

Corporate Officer