

BUDGET 2018

Sustainable | Effective | Transparent | Fiscally Responsible

ELECTORAL AREA "D"
**(Kaleden/Ok Falls/Heritage
Hills/Apex)**

BUDGET STRUCTURE

- A Regional District is different than a municipality
- A Regional District does not have 1 Budget
 - Create a separate budget for every service we operate
 - RDOS has 138 separate services and therefore, 138 separate budgets
- Separate budgets ensure only those who participate in the service pay for the service
- Each service must be self sustaining
- With a separate budget for each service, not every home in the same Electoral Area will see the same impacts from the budget because they may not all participate in the same services

TYPES OF RDOS SERVICES

Regional Services

- Examples include: 911 Emergency Call System, Emergency Planning, Regional Trails and General Government
- Services where majority of Electoral Areas and Municipalities participate
- For Regional Services, **all** of the properties in the Municipalities and Electoral Areas **contribute**

Rural Services

- Examples include: Building Inspection, Planning and Electoral Area Administration
- Services where majority of the Electoral Areas participate (no Municipalities)
- For Rural Services, **all** of the properties in the Electoral **Area contribute**

TYPES OF RDOS SERVICES

Local Services

- Examples include : Ok Falls Sewer, Fire Protection, Recreation and Transit
- Services where only a defined group of properties within an Electoral Area participate
- For Local Services, **only** those properties **within** the **defined** service **Area contribute**

RDOS BUDGET DOCUMENT

- Complete Budget document can be seen on our website under “Popular Links”: www.rdos.bc.ca
- Document is structured to show budgets by type:
Regional, Rural and Shared and then by Electoral Area
 - The Budget for Electoral Area "D" begins on page: 203
- The Budget document reflects cost allocations based on the **2017 Revised Assessment Roll** information.
- The following slides provide highlights of the RDOS 2018 Budget and how it relates to your Electoral Area – cost allocations are based on **2018 Completed Assessment Roll** information.

RDOS BUDGET PROCESS

- RDOS Staff begin to build a budget for each service in September/October

- Staff create “baseline operation budgets”
 - Inflationary/contract increases to the previous year’s budgets
 - Refinements necessary to meet regulatory requirements

- Five Year Financial Plan
 - 2018 Budget is prepared along with an addition 4 years forecasted

- Anything new or different Staff want to do must come forward as a “ Program Change Request”
 - Change Requests detail out the new or different items and identify the additional cost implications of the request
 - The Board considers each Change Request and if they approve it, the item gets added into the Draft Budget
 - This process helps ensure the Board is aware of what is new in the Budget

- Budgets and Change Requests are discussed with the Board during multiple Budget workshops throughout November/December



RDOS BUDGET PROCESS

- From those workshops, a Draft Budget is created and brought to the Board as a Budget Bylaw for 1st reading (or 1st and 2nd reading) in early January
 - The official title of the Draft Budget is “Five Year Financial Plan”
- The Draft Budget then goes out to the public for consultation throughout the month of January
- Feedback from the process is brought back to the Board with the Budget Bylaw for final reading and adoption in mid February or early March
- The Board can make changes to the Budget up until it is adopted
- By legislation, the Budget must be adopted by March 31

PROGRAM CHANGE REQUESTS

- The following slides summarize **ALL** the Program Change Requests (new / different items) included in the 2018 Draft Budget
- It is important to remember that **not every property** is impacted by every Change Request
- **Only those who participate** in a service pay for any additional costs arising from the Change Requests
- Some Change Requests impact taxes; some impact user fees; some impact both taxes and fees and others impact neither as they are funded from Reserve, Debt or Grants.

PROGRAM CHANGE REQUESTS

Position Related

- **Building Inspection (Tax funded)**
 - Building Inspection Clerk 1.0 FTE ongoing \$36,968 (partial year only for 2018)
- **OK Falls Landfill (User Fee funded)**
 - Staff for Saturday openings ongoing \$4,079
 - Contract costs ongoing \$6,375
- **Campbell Mountain Landfill (User Fee funded)**
 - Stat Holiday openings ongoing \$4,350
- **Fire Services (Tax funded)**
 - Administrative Support ongoing \$31,048 (1 FTE – half yr only for 2018)
- **Community Services - Parks (Tax funded)**
 - Extension of Seasonal Labourers ongoing \$30,751

PROGRAM CHANGE REQUESTS

Services/Equipment Related (Tax and Reserve funded)

- Legislative Services – Contract Bylaw Review \$29,000
- Information Services - Board Room video cameras \$5,000
- Fire Services Contract – Advisory Services \$40,250
- Vehicle Replacements Public Works –2 trucks \$80,000



2018 RDOS TOTAL BUDGET

	2018 (in Millions)	2017
RDOS OPERATING EXPENSES	\$31.3	\$30.6
CAPITAL EXPENDITURES	\$9.7	\$11.5
TOTAL RDOS BUDGET	\$41.0	\$42.1
MUNICIPAL DEBT PAYMENT (only Municipalities pay)	\$8.9	\$10.9

AREA "D" BUDGET ITEMS

Regional Services

- 911 Emergency Call System - increasing \$14,605
 - 911 Tower Project complete – increase attributed to full operational costs
- Okanagan Regional Library – decreasing \$3,807
 - Change in assessment mix is shifting costs to other participants

Rural Services

- Electoral Administration – increasing \$67,261
 - Budget increases due to staff time reallocation
 - Staff time tracked to individual services
- Electoral Area Planning – increasing \$18,590
 - Budget increases due to staff time reallocation – a portion reallocated from the Regional Growth Strategy service which is seeing a decrease of \$3,548
- Emergency Planning – increasing \$4,271
 - Hiring of an Emergency Management Coordinator as per the recommendations from Regional Fire Services Master Plan

AREA "D" BUDGET ITEMS

Rural Services

- Building Inspection – decreasing \$26,976
 - Transfer from stabilization reserve
- Mosquito Control – increasing \$4,915
 - More resources required for this program
- Subdivision Servicing – increasing \$13,367
 - Budget increases due to staff time reallocation
- Economic Development – increasing \$6,138
 - Decrease in prior year surplus
- Rural Projects – increasing \$170,102
 - Skaha Lake Sewer project pre-design work
 - Additional staff resources required for area projects

AREA "D" BUDGET ITEMS

Local Services

- Ok Falls Fire – increasing \$44,096
 - Fire Services Master Plan
- Ok Falls Recreation – increasing \$19,657
 - \$10K Lease for Heritage Hills not accounted for in prior year
- Kaleden Fire – increasing \$171,594
 - Fire Services Master Plan
- Kaleden Recreation – decreasing \$3,311
 - Proposed increase in fees and charges
- Apex Mountain Solid Waste Transfer Station – increasing \$27,531
 - Debt servicing costs
- Area D Transit – increasing \$6,572
 - Increase in contract costs



CAPITAL BUDGET

- RDOS Total Capital Budget \$8.1 Million
 - Large majority of funding comes from Reserves and/ or Grants (\$5 Million)

Area "D" Projects

- Rural Projects and Parks \$557,500 (funded by Gas Tax)
 - Pedestrian Bridge \$220,000
 - Skaha Estates Sewer pre-design \$337,500
- OK Falls Fire \$41,896 (funded by reserves)
 - Firefighting Equipment
- Kaleden Fire \$47,500 (funded by reserves)
 - Firefighting Equipment
- Sewage Disposal OK Falls \$878,082 (funded by Gas Tax)
 - Wetland Project Construction

CAPITAL BUDGET

Area "D" Projects

- Sun Valley Water \$164,217 (funded by Regionally Significant Gas Tax)
 - Water System Upgrades
- Apex Mountain Solid Waste Transfer Station \$338,700 (funded by debt)
 - Construction of transfer station
- Ok Falls Recreation \$591,500 (funded by Grant and Gas Tax)
 - Heritage Hills Park Upgrades
- Kaleden Recreation \$160,000 (funded by a mix of taxation, grant and Gas Tax)
 - Pioneer Park Upgrades

2018 USER FEES

- Some services are funded from User Fees and not from Taxes.
- **Garbage/Recycling**
 - Rates remaining at \$125 per household (Area D)
 - Rates remain unchanged at \$145 per household (Area DEF)
- **OK Falls Sewer**
 - Rates remain at \$856 per household
- **Sun Valley Water**
 - The Annual Domestic rate (Grade A) per Parcel (includes a 6 gallon per minute water allotment) is to be increased from \$844 to 1,736 for 30 parcels.
 - This water system was taken over by the RDOS on January 1, 2017 and now there is a better understanding of the costs. The increase in user fees is primarily required to cover costs associated with staff wages and basic system operation

2018 USER FEES

- **Kaleden Parks and Recreation** (see chart on following slide)
 - most significant increase proposed for the Community Hall
 - rationale for the increase was based on a review of other like facilities in the region.
 - expanded services - janitorial service, kitchen supplies/access.
 - increase in administrative duties required for weddings and weekend special events.
 - There was also inclusion of Recreation Program fees, which reflect a reduced rate for children and youth programs



2018 USER FEES

Kaleden Parks and Recreation proposed changes

3.1 Parks			
3.1.1	Kaleden Hotel Day Rate (Includes power)		\$ 400
3.2 Community Hall	<u>(rental includes Hall, Bar and Sound System)</u>		
3.2.1	Day Rate (8 am—midnight)		-
3.2.1.1.	Weddings		<u>\$2500</u>
3.2.1.1	Hotel Park and Hall		<u>\$375</u>
	With alcho		\$
			\$2800 <u>425</u>
	<u>Full Wee Meetings and Events</u>		<u>\$415</u>
3.2.1.2	Weekend Rate (6 pm Friday to noon		\$2700
3.2.2	Sunday) kend—(noon—Friday—to—noon		\$50
3.2.3	<u>Sunday) (includes Kitchen)</u>		\$150
	Hourly Rate		\$350
3.2.3.1	Hall (3 hour minimum)		\$100
	Add Kitchen (\$200)		
3.2.3.2	Children’s Birthday Parties		<u>700</u>
3.2.3.3	Kaleden Residents receive a 25% discount on all Rentals		
3.2.4	Damage Deposit – <u>required</u>		<u>30%</u> \$600
3.2.5	Sports Drop In Rates (2.5 hours) <u>Rental</u>		\$3
	<u>Rates (2 Hours)</u>		<u>\$4</u>
	<u>3.2.5.1 Drop In Per Person</u>		<u>\$2.50</u>
	<u>3.2.5.2 Individual Fee paid in advance per class</u>		<u>\$25</u> Free
3.2.6	<u>class</u>		No Chg
3.2.7	3.2.5.3 Club Fee		20%
3.2.8	Kaleden Youth Organized Groups		No Chg
3.2.9	Discount for Non-Profit Organizations		No Chg
	Discount for Local Charitable Fundraising		
	Local Groups Providing Community Events		

**Proposed changes presented in green

2018 AREA "D" REQUISITION

- The table on the following slide summarizes the Area "D" tax requisition required to support the 2018 Budget
- It shows the amounts needed to support Regional, Rural, Shared and Local services
- Overall, Area "D" residents will contribute \$3.592 Million in taxes
- The tax requisition has increased \$530,944 over 2017 (\$3.061)



2018 AREA "D" REQUISITION

	<u>2018</u>	<u>2017</u>	<u>CHANGE</u>
Total Regional and Rural Services	1,160,059	1,065,327	94,732
Total Electoral Area Services	423,834	253,015	170,819
Fire Protection Ok Falls	349,101	305,005	44,096
Recreation OK Falls	531,977	512,320	19,657
Fire Protection Kaleden	417,420	245,826	171,594
Recreation Kaleden	131,440	134,751	(3,311)
Area D Transit	99,772	91,964	7,808
Other Area D	82,346	55,053	27,293
Total Local Area Services	1,612,056	1,344,919	267,137
Other Services (Library, SIR, OBWB)	396,324	398,066	(1,742)
Total	3,592,271	3,061,327	530,944

HOW ASSESSMENTS IMPACT TAXES

- Assessment Notices are sent from BC Assessment to each property owner in early January
- It is **very important to review** your property's assessed value. If you feel it is not valued appropriately, you should make an appeal. Deadline for appeals is January 31st.
- You can **only appeal an assessment** notice. You **cannot appeal a tax** notice.
- Once the assessed value of a property is set, that is the amount used to calculate your tax bill

HOW ASSESSMENTS IMPACT TAXES

- For every service, the amount of tax needed to support the service is calculated as a “**mill rate**”
- The mill rate is an amount that is applied to every \$1,000 of assessed value to determine the amount of tax you will pay. Mill rates are set by the Surveyor of Taxes.
- The mill rate is different for different classes of property (i.e. residential, major industry and business)
- Calculation Examples:

Assessed value = \$400,000; Residential Mill Rate \$0.50;

Major Industry Mill Rate \$1.70; Business Mill Rate \$1.225;

- Residential Tax collected = $(400,000 / 1,000) = 400 \times 0.50 = \200
- Major Industry Tax collected = $(400,000 / 1,000) = 400 \times 1.70 = \680
- Business Tax Collected = $(400,000 / 1,000) = 400 \times 1.225 = \490

HOW ASSESSMENTS IMPACT TAXES

- For the majority of services, service costs are allocated based on assessed values of land and improvements
- Assessment Mix refers to how an Area's assessments change in relation to other Areas and Municipalities
 - How an Electoral Area's assessed value changes from year to year in relation to other Municipalities and Electoral Areas' assessed values determines how much of the cost of Regional, Rural and Shared Services are paid for by the Electoral Area
 - If assessed values in the Electoral Area change more than the average change, the Area will be paying more of the total service costs than they did the previous year
 - If they change less than the average, they will be paying less of the total service cost than they did in the previous year

HOW ASSESSMENTS IMPACT TAXES

- Your individual property's assessed value and how it changes from year to year also has an impact on what happens with your taxes
- If your assessed value is more than the “average residential property”, you will likely pay more for RDOS services
- If your assessed value is less than the “average residential property”, you will likely pay less for RDOS services.

2018 ASSESSMENTS

- Area “D” Assessments make up approximately 8.74% of the total Region’s assessed value
- That means for a service, such as Solid Waste Management Plan, where everyone in the Region is participating, Area "D" contributes 8.74% of the total tax dollars needed to run that service
- For example: In 2018, the Solid Waste Management Plan requires \$151,453 of tax funding. Area "D" will contribute approximately \$13,240 (8.74%) of that total

2018 ASSESSMENTS

- Area "D" Assessments are up 13.12% over last year
 - Area "D"'s increase is less than RDOS average increase of 13.55%
 - That means Area "D" is contributing slightly less of the total costs for Regional Services this year
 - Area "D"'s increase is less than the 8 Electoral Areas average increase of 14.66%
 - That means Area "D" is contributing less of the total costs for Rural services this year

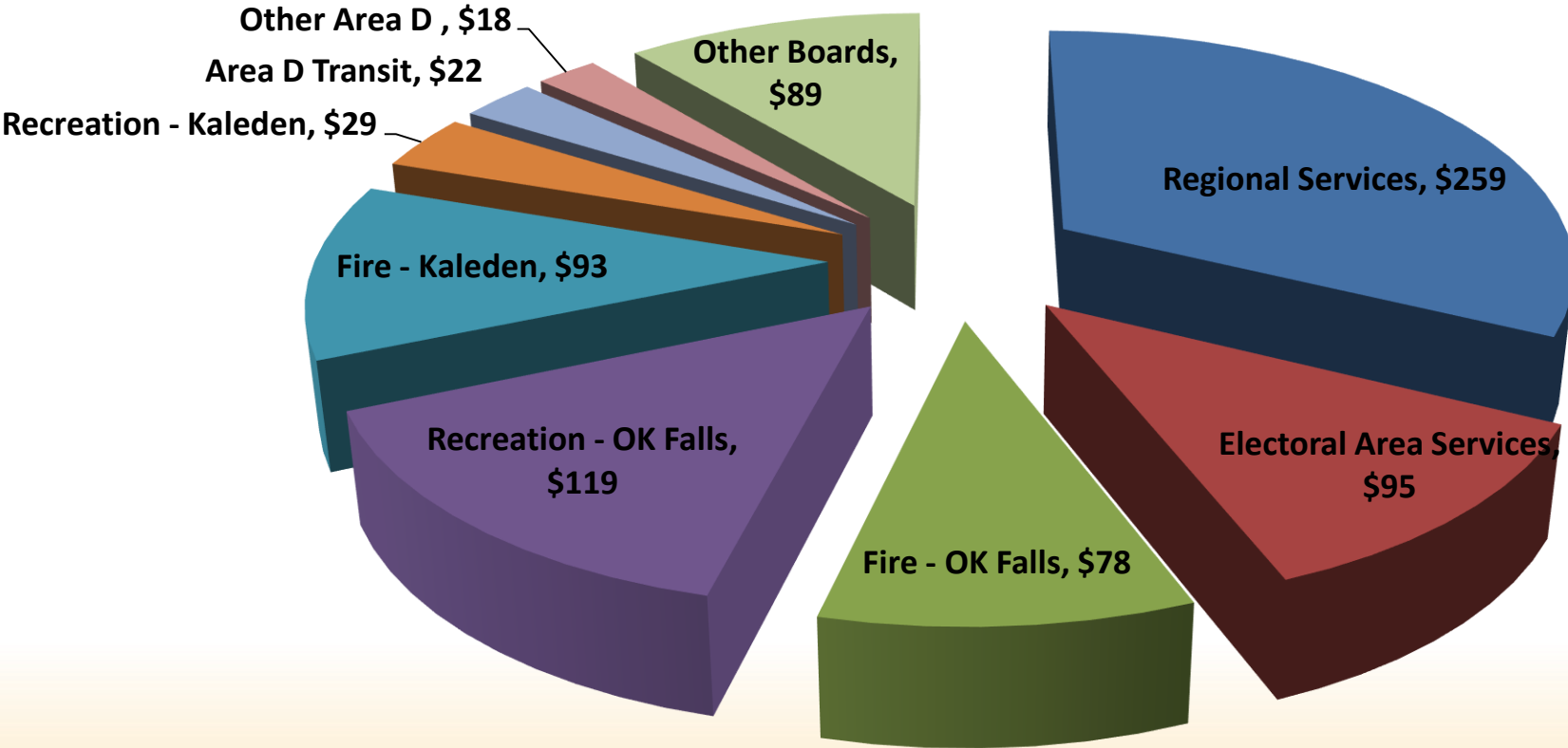
2018 PROPERTY TAX

- The graph on the following slide shows implications of the 2018 Budget for an “average residential property” valued at approximately \$418,120
- Average residential property will pay approximately \$804
- Mill rate approximation = \$1.92 per thousand
- Only an approximation as the rate incorporates all local services which not every property participates in
 - For example, rate includes both Kaleden and OK Falls Fire but not one property would participate in both
- Excludes implications for Sterile Insect Release
 - Parcel tax portion
- The graph indicates how the total \$804 is allocated to the different types of services the “average residential property” participates in



2018 PROPERTY TAX ALLOCATION

Average House \$418,120 Pays \$804



YOUR TAX BILL

- Your tax bill is sent to you by the BC Surveyor of Taxes
 - Your tax bill is **payable to the Surveyor of Taxes** and **not** the RDOS
 - The Surveyor of Taxes collects the total taxes owing and then sends the RDOS the portion requisitioned for RDOS services in early August
- The bill includes the cost of RDOS services as well as other services not under RDOS jurisdiction such as School Tax, Rural Tax and Police Tax
- To calculate the **RDOS portion** of your taxes:

2018 Total Assessment/1000 X mill rate (1.92)

For example, if your total assessment is \$400,000 the **RDOS portion** on your tax bill will be \$768 (400,000/1000 X 1.92)

Note: Homeowner grants are excluded from this calculation;

- These are estimates only as assessment data is subject to change due to appeals and adjustments



OKANAGAN SIMILKAMEEN REGIONAL HOSPITAL DISTRICT

2018 DRAFT BUDGET



OKANAGAN SIMILKAMEEN REGIONAL HOSPITAL DISTRICT (RHD)

- Same Board as RDOS but separate entity with a separate budget
- The purpose of the RHD is to provide capital funding for health care facilities in the Region
 - equipment
 - facility construction/renovation
- Typically, RHD funds 40% of Interior Health's Capital Budget for the Region
- Interior Health's Capital Budget for 2018 is \$8,455,750
 - at 40%, the RHD is contributing \$3,382,300 of that total



OKANAGAN SIMILKAMEEN REGIONAL HOSPITAL DISTRICT (RHD)

- Penticton Patient Care Tower Project
 - RHD contribution of \$117 Million expected to be funded approximately 53% from debt and the remainder from Reserves
- To accomplish this, the Board approved a plan to raise the “average residential property’s contribution to the RHD by \$5 annually from 2014 to 2018
 - The 2018 Budget reflects that plan with the “**average residential property**” valued at \$342,000 contributing \$111 in 2018 (\$106 in 2017)
- Expected Project Completion 2020

RHD BUDGET

	2018	2017
Tax Requisition	\$6,377,840	\$6,136,460
Other Income	130,000	280,000
Transfer from Reserve	3,030,000	19,150,000
Debenture Proceeds	26,640,000	22,638,000
TOTAL REVENUE	\$36,177,840	\$48,204,460
Salaries and Honorariums	\$68,400	\$67,000
Capital Grants	5,612,300	4,036,700
Patient Care Tower	26,640,000	41,288,000
Miscellaneous Expenses	11,000	11,000
MFA Debt Repayment	1,146,140	572,760
Transfer to Reserves	2,700,000	2,229,000
TOTAL EXPENSES	\$36,177,840	\$48,204,460
Estimated Tax Rate / \$1,000	\$0.2844	\$0.3112
Cost per Average Household \$342,000	\$111	\$106

AREA CONTRIBUTION TO HOSPITAL

- Area "D" has 8.743% of total assessed values in the Region
- That means Area "D" pays 8.743% of the total tax amount needed for the Hospital Budget
 - Total tax Requisition in 2018 is approximately \$6,378,000
 - Area "D" contributes \$557,607 of that total
- Area "D"'s average residential property" value = \$418,120
 - Average Area "D" home will contribute \$119 (2017 - \$116)
 - Equates to mill rate of \$0.2844 per thousand

PROPERTY TAX DEFERMENT PLAN

- Provincial program
 - Apply through the Province

- Available to:
 - People over 55
 - Surviving spouse
 - Person with disability
 - Families with children

- Only for principal residence
- For more information: BC Property Tax Website
- <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/defer-taxes>



REVIEW THE PLAN

- We encourage you to review the Budgets in more detail. The Budgets are posted in the Popular Links Section of the RDOS website

www.rdos.bc.ca

- If you have questions about the information provided for your Area or wish to provide general feedback to the Board on anything related to the Budgets, please email us by February 2, 2018 at

budget@rdos.bc.ca

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