

Minutes of the **GOVERNANCE & SERVICES COMMITTEE** meeting of the Regional District of Central Okanagan held at Regional District Offices, 1450 KLO Road, Kelowna, B.C. on Thursday, February 27, 2014

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Directors

J. Baker (District of Lake Country)  
C. Basran (City of Kelowna) *arrived at 8:35 a.m.*  
J. Edgson (Central Okanagan West Electoral Area)  
K. Fielding (District of Peachland)  
D. Findlater (District of West Kelowna)

G. Given (City of Kelowna)  
P. Hanson (Central Okanagan East Electoral Area)  
R. Hobson (City of Kelowna)  
D. Ophus (District of West Kelowna)  
L. Stack (City of Kelowna)  
G. Zimmermann (City of Kelowna)  
C. Derickson (Westbank First Nation)

Regrets:

W. Gray (City of Kelowna)

Staff:

B. Reardon, Chief Administrative Officer  
R. Fine, Director, Economic Development  
M. Kopp, Director of Parks & Police Services  
C. Radford, Director of Community Services  
M. Rilkoﬀ, Director of Finance & Administrative Services  
B. Smith, Communications  
M. Drouin, Manager - Corporate Services (recording secretary)

1. Call to order

Chair Hobson called the meeting to order at 8:32 a.m.

2. Addition of Late Items to the Agenda

There were no late items for the agenda

3. Adoption of the Agenda

#11/14

GIVEN/ZIMMERMANN

THAT the agenda be adopted.

CARRIED Unanimously

*Director Basran arrived at 8:33*

4. Finance & Administrative Services

4.1 Introduction of the 2014-2018 Financial Plan

M. Rilkoﬀ provided an introduction to the 2014 budget:

- Today's discussion is to show the impact of all initiatives previously identified.
- It is a working document for the Board to provide direction for the next meeting.

- Any changes identified will be brought back to the March 13<sup>th</sup> G & S meeting.
- The public meeting and final adoption of budget bylaw will be on March 28<sup>th</sup>.
- Tax requisitions are collected by the municipalities and provincial Surveyor of Taxes for the electoral areas and remitted to the RDCO.
- All services are separate they cannot be combined or intermingled.
- Each service is paid by a different combination of taxpayers.
- Calculation of the tax rate and impacts on an average home, by area was highlighted. Noting an increase to the requisition may be caused by a shift in assessment by area.
- In late 2013, the Board approved adding \$.035 per \$1,000 for regional parks acquisition. In addition, regional parks are asking for an additional \$.0193 for parks operating and development.
- Organization wide an increase of 4.33 FTE staff have been added to the budget.
- Tax requisition comparisons for 2014 (average of \$478,000) to 2013 (average of \$476,000) for each member area were highlighted.
  - City of Kelowna – increase of \$1,159,003 (regional parks increase: \$1,311,863)
  - Peachland – increase of \$49,622 (regional parks increase: \$55,969)
  - Lake Country – increase of \$142,686 (regional parks increase: \$138,605)
  - West Kelowna – increase of \$242,817 (regional parks increase \$318,747)
  - Electoral Area West – decrease of [\$5,637] (regional parks increase \$45,779)
  - Electoral Area East – increase of \$17,248 (regional parks increase of \$40,238)
  - WFN – Increase of \$89,638 (regional parks increase \$76,043, new service \$8,479 and other service net increase \$5.116)

2014 Average Residential Tax Change (based on 2014 house value) as follows:

	<u>2013</u>	<u>2014</u>
City of Kelowna	\$141.96	\$160.66
West Kelowna	160.22	175.33
Peachland	167.94	185.18
Lake Country	162.06	183.70
CO West	585.81	554.69
CO East	535.43	514.06

- Projected 5 year budgets for each service for operating and capital, projected tax rates and reserve balances are provided in the budget document.
- Budget sheets provide the 2013 budget and actuals, 2014 preliminary budget and 5-year plan projected for each service.

*Following Introduction the Board adjourned In Camera at 9:02 a.m.*

#12/14

BASRAN/STACK

THAT pursuant to Section 90 (c) of the *Community Charter* the Regional Board adjourn and convene to an 'In-Camera' session to discuss:

- labour relations or other employee relations

CARRIED Unanimously

#13/14

GIVEN/FINDLATER

THAT Councillor Derickson be invited to the In Camera meeting.

CARRIED Unanimously

*The Board reconvened from In Camera at 9:55 a.m.*

4.2 Budget Review by Service

Regional Rescue

Jason Brolund, Regional Rescue Coordinator, was in attendance to address issue related to the regional rescue budget. Staff reviewed the proposed budget including:

- Budgeted as status quo which includes increases in payroll and admin, equipment and maintenance. It was noted there is full contribution to reserve for a hazmat truck in 2017 and upgrades to communication equipment.
- Two scenarios were presented: reserve contribution of \$170,000 toward the hazmat truck and communication equipment; or reduction of the reserves from \$170,000 to \$50,000 in 2014 until the service review is completed.
- The question was raised if the reserves were not included could the truck still be purchased? Staff noted that the purchase may need to be deferred and recommended that it be included in the budget. The truck is ending its lifespan and will need to be replaced. The budget is realistic whether it's a truck and trailers.
- Hazmat is a core service, and cannot be contracted? In major fires, such as the recent commercial building fire, the hazmat team is deployed immediately. Our team gets there fast. Insurance company contracts hazmat teams for the cleanup.
- If the purchase was moved out one year will there be issues? Staff noted that the truck is at the end of its useful life. It is something that should be replaced. Efficiencies can be looked during the purchase process.

#14/14

OPHUS/BAKER

THAT the reserve contribution for the hazmat truck and communication equipment be reduced as presented from \$170,000 to \$50,000 for 2014.

CARRIED Unanimously

Staff reviewed the February 24, 2014 memo with the Committee:

General Increase to all budgets:

- Collective Agreement increase to payroll 1.5%
- Utilities 3%

- Administrative Overhead: Full service 0.7%, partial service 0.47%, minimal service 0.23%, engineering -0.7%. Administrative Overhead covers: administration, finance, human resources, information systems and engineering.

During review of the services, specific comment was raised as follows:

#### Westside Waste Disposal & Recycling Centre

Is there an opportunity for cost recovery with MMBC? There will be a few items but very small (styrofoam, disposal beverage containers will be collected.)

#### WWTP & Collector Systems

- Flow splitting information has caused shifts
- Asset renewal is budgeted at 30% level of asset to reserves. Staff recommended a 40% level.
- The stakeholder committee did not feel there was a strong rationale for increase in reserves. Currently there is only \$11,763 in reserves for a \$36m asset and \$195,177 at the end of 2015.
- Finance expressed their concern that appropriate reserves are not being budgeted. The Chair of the stakeholder committee indicated with the year the master plan will be completed which will provide more information on which to base this decision.
- Biosolid land application site—it was noted that if a site is not developed there will be additional costs added to the budget for hauling biosolids. A long term solution is required.

#### Inspection Services

In 2014, the tax levy for other bylaw enforcement is \$39,108 and staff is proposing continued requisition for building inspection. In 2014, that amount is \$29,196 (a reduction of \$64,250 from 2013).

#### Regional Parks

- As previously noted the Regional Board provided direction to staff for a tax increase of \$.035 for land acquisition which would result in increases of over \$16/household.
- Staff proposed an additional increase off \$.0193 for operating, development and service review costs. In future years, staff pointed out that as facility reserves are built, the tax rate should come down as there should be less need for transfer to capital for development projects.

Concern was expressed regarding the increase and requested options to reduce the parks budget. Staff reviewed potential options for consideration:

- Option B considerations included a \$279,194 reduction (park entrance signage, Friends of Fintry support, park management plan at Woodhaven Regional Park, Tourism Kelowna trail guide partnership, visitor services survey, iParks Navigator Mobile Phone App, regional parks service review, reduction in parks anniversary events)
- Option C considerations included a \$733,978 reduction (operational budget adjustment, Shannon lake fishing dock, Mission Creek spawning channel bear fencing, Okanagan Centre Harbour North breakwater, Mission Creek Cottonwoods bridge deck, Trails to Health reduction in funding)

-Option D considerations included a \$779,915 reduction in operation and capital and a small reduction in land acquisition scope.

*The Committee recessed at 11:10 a.m. and reconvened at 11:15 a.m.*

*Discussion:*

- It was noted that there is no point in purchasing property if development costs are not budgeted and the land therefore cannot be opened to the public. The principle is to put dollars into acquisition and development.
- The question was raised whether it is better to ask for a percentage decrease or a dollar value? A variety of options were presented to the Committee for consideration of approximately \$279,000 to \$780,000 but concern was noted that the Board has considered various acquisitions and those negotiations need to be protected.

**#15/14**

STACK/BAKER

THAT the following projects be removed from the regional parks budget: Mission Creek Cottonwoods Bridge Deck (\$154,500); satisfaction survey (\$45,000); Mission Creek Bear Fencing (\$15,000) and that further reductions be considered up to \$250,000.

CARRIED (Ophus, Edgson opposed)

Finance & Administrative Services

OBWB, SIR, Library – a concern was raised that it is not equitable for funding to be based on assessment. This is how the RDCO is required to tax.

Transportation Demand Management – it was noted that the municipal partners fund this service through Kelowna (STPCO agreement). The electoral areas remain in the TDM service as part of the STPCO agreement with funding transferred to Kelowna.

**#16/14**

STACK/FINDLATER

THAT pursuant to Section 90 (c) of the *Community Charter* the Regional Board adjourn and convene to an 'In-Camera' session to discuss land acquisitions.

CARRIED Unanimously

*The Committee adjourned at 12:15 p.m.*

*The Committee reconvened at 12:45 p.m. Councillor Derickson was not in attendance.*

5. Review of 2014 Regional Grant In Aid Allocations

It was noted that each electoral area director & municipal director(s) have reviewed the allocations for 2014. The information was passed on to staff for inclusion in the March 13<sup>th</sup> meeting.

6. Adjourn

There being no further business the meeting was adjourned at 12:47 p.m.

**CERTIFIED TO BE TRUE AND CORRECT**



R. Hobson (Chair)



B. Reardon (Director of Corporate Services)