



News Release

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2021-2025 RDCO Financial Plan Approved

The Regional District of Central Okanagan Board has approved the 2021 – 2025 Financial Plan.

The 2021 RDCO budget totals just over \$56.8-million compared with \$57-million in 2020.

Board Chair Gail Given says, “This year’s budget is fiscally conservative and considers the realities of COVID-19. It addresses the pandemic challenges we’re still facing but also advances projects based on the Board’s priority areas. These include Environment, Economic Development, Sustainable Communities, Transportation and Mobility. Operating costs are keeping pace with growth and inflation in the Central Okanagan and include some minor staffing increases. We’re also focused on building our capital reserves to address future infrastructure needs.”

In 2020, the Regional District received a Provincial COVID-19 Restart program grant of more than \$1.1-million. Just over \$481,000 of that was used in 2020 to offset costs incurred for the RDCO response and recovery and lost revenues due to the pandemic. In 2021, the remaining \$625,800 is allocated to offset additional anticipated costs for COVID-related programs and services. Recently the Province announced an additional \$357,000 in Restart program funding for the RDCO in 2021, which will be appropriately allocated later this year.

In this budget an estimated \$18.7-million in important Capital and infrastructure improvements are proposed including approximately:

- \$10.7-million for Regional Parks
- \$4.5-million for liquid waste systems
- \$1.15-million for new equipment and supplies for the Regional Emergency Program and RDCO fire departments

Since 2009 the Regional District has used reserves and leveraged grants to complete over \$99-million in Capital projects.

At the end of 2020 there was just over \$4.2-million in outstanding capital debt compared with \$4.5-million in 2019. As a result of good fiscal planning with reserve contributions, the RDCO continues to provide needed services to our growing region while building its reserves. It hasn’t required financing to replace assets for decades. At the end of 2020 financial reserves total just over \$36.9-million. That’s an increase of \$6.23-million over 2019.

Unlike municipalities, the Regional District does not collect taxes directly. It requisitions funds from each local government on behalf of their residents and the Province which collects property taxes in each Electoral Area. The RDCO is conscious of the financial impacts COVID-19 is having on all governments.

The tax impacts for general services on the average home that was assessed at \$734,000 in 2020 are shown below. Market value increases varied by area from 2020 to 2021. The actual tax rate varies from neighbourhood to neighbourhood and municipality, depending on the local services provided by the Regional District.

If a home went up or down by more than the average market value, the owner will pay more or less than the numbers estimated.

Member	2021 House Value	Total Tax per House	Net Incr / (Decr) on the home from 2020
Kelowna	\$750,000	\$190.38	\$6.97
Peachland	\$754,000	\$221.76	\$8.31
Lake Country	\$774,000	\$224.66	\$13.98
West Kelowna	\$753,000	\$210.59	\$7.25
C.O. West	\$746,500	\$674.42	\$8.49
C.O. East	\$739,000	\$534.82	(\$0.49)

The Central Okanagan Regional Hospital District (CORHD) Board also approved its Five Year Financial Plan. Each year, ratepayers within the Hospital District contribute up to 40% of the funds for approved capital and equipment services. The 2021 budget includes \$10.2-million in new capital project funding.

Hospital Board Chair Given says, “The challenges we’ve all faced over this past year with the pandemic shows just how important health care is across our region. The Hospital District’s funding contributions to bolster our health resources are important, well leveraged and bring a huge return. For every 40 cents we spend, Interior Health and the Provincial Government contribute 60 cents to the economy for the capital investment portion of these much needed projects.”

Interior Health has indicated that in the next ten years, there will be several potential capital projects coming forward. In order to continue to build reserves to fund these and reduce the possible need to borrow, the Hospital District Board has agreed to an annual four per cent increase starting in 2021. That means this year the average household in the Central Okanagan will contribute \$196.49 (up \$7.56 from 2020) towards capital improvements and new health equipment in the region.

This fall, there will be a large debt refinancing initiative carried out, which due to lower interest rates, is anticipated to result in a significant debt payment reduction. This should enable increased transfers to reserves in 2022, to assist with meeting Interior Health requests.

Central Okanagan property owners may be eligible for the Provincial Homeowner Grant. Information will be available on your Property Tax Notice or visit the Ministry of Finance website: www.sbr.gov.bc.ca/individuals/Property_Taxes/Home_Owner_Grant/hog.htm

Some property owners may qualify for assistance through the BC Property Tax Deferment Program. Information about this program and who qualifies is available on the BC Government website: www.sbr.gov.bc.ca/individuals/Property_Taxes/Property_Tax_Deferment/ptd.htm

For more information on Regional District of Central Okanagan budgeting visit rdco.com/budgets.

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RDCO Financial Plan Backgrounder

The Regional District of Central Okanagan is one of 27 regional districts, unique to the Province of BC. The form of regional local government is modeled as a federation, composed of four municipalities:

- Kelowna
- West Kelowna
- Lake Country
- Peachland

and two unincorporated electoral areas:

- Central Okanagan East
- Central Okanagan West

Based on population, municipal councils appoint the elected representatives to the Regional Board, while residents in the electoral areas directly elect one Director each to represent them. Westbank First Nation Chief and Council appoint a non-voting representative to the Board.

The Regional Board determines how local services will be financed and has outlined its Strategic Priorities, providing staff direction on implementing this vision.

Regional Districts differ from municipalities because they don't have just one tax rate. The RDCO has more than 80 individual services provided and paid for by different combinations of taxpayers.

The member municipalities receive a basket of 18 – 20 general regional services like:

- Economic Development
- Regional Parks
- Dog Control
- 9-1-1
- Regional Rescue/Emergency Planning.

These services account for a relatively small share of the total average tax bill for property owners ranging from just over \$190 in Kelowna to slightly more than \$224 in Lake Country.

The Regional District is also the local government for residents in the two electoral areas providing them with 29 general services such as:

- Fire Prevention
- Planning
- Community Parks
- Building Inspection
- Bylaw Enforcement

These services account for average taxes of \$534.82 for property owners in the Central Okanagan East Electoral Area and \$674.42 for those in the Central Okanagan West Electoral Area. A decrease in requisitions for Transportation Demand Management and the Okanagan Regional Library has partially offset increases for Electoral Area Planning, Electoral Area Fire Prevention, Electoral Area Governance and Regional and Community Parks.

Specific communities within the electoral areas also fund additional services received from four paid-on-call fire departments, three community halls and six water systems that provide drinking water to more than 1,000 properties.

Westbank First Nation also receives several services from the Regional District including:

- Regional Parks
- Regional Rescue
- Economic Development
- Okanagan Basin Water Board

Cost sharing for Regional District services is based on the assessed value of properties in accordance with a service agreement.