



2024 Financial Plan Public Meeting Nakusp & Area K

Presented by: Yev Malloff
Date: March 4, 2024

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Agenda

- RDCK Services Overview
- 2023 General Summary
- Overall Assessments and Impact
- 2024 Overall Outlook
- Service by Service Discussion
- Sub Regional Assessments and Impact

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Preamble – DRAFT Budget

- Reminder that the current financial plan document is considered a “draft” until the board of directors adopts it at the March 21, 2024 board meeting.
 - A few year-end allocations and adjustments remain that may have an effect on items such as prior year surplus carry forwards.
 - Some services will have additional reviews of budget revisions at the director and committee/commission level over the coming weeks
 - Reviews are in progress regarding funding levels for shared and contribution services with several municipal and other partners
 - Public Information sessions are being held in coming weeks

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The RDCK has 186 services

- Each service is accounted for individually
- Surplus & deficits cannot be transferred between services

RDCK Services Model

- Governance and Administration
- Resource Recovery: Waste, Recycling, Organics
- Recreation & Parks
- Fire Protection
- Sustainability, Development, Planning and Land Use (Rural)
- Building Inspection (Rural and Municipal)
- Water Systems.
- Taxation to Fund Societies and Organizations providing service (library, community halls, museums, recreation).

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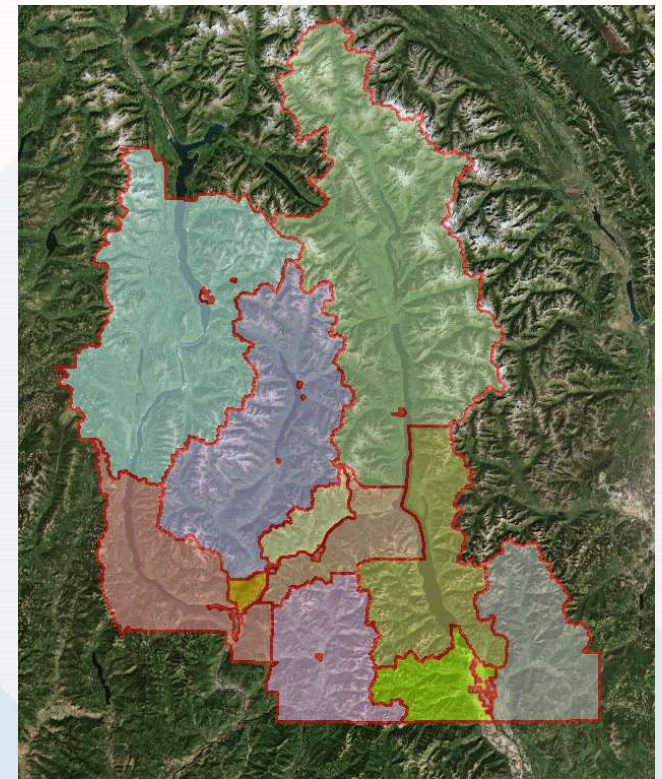
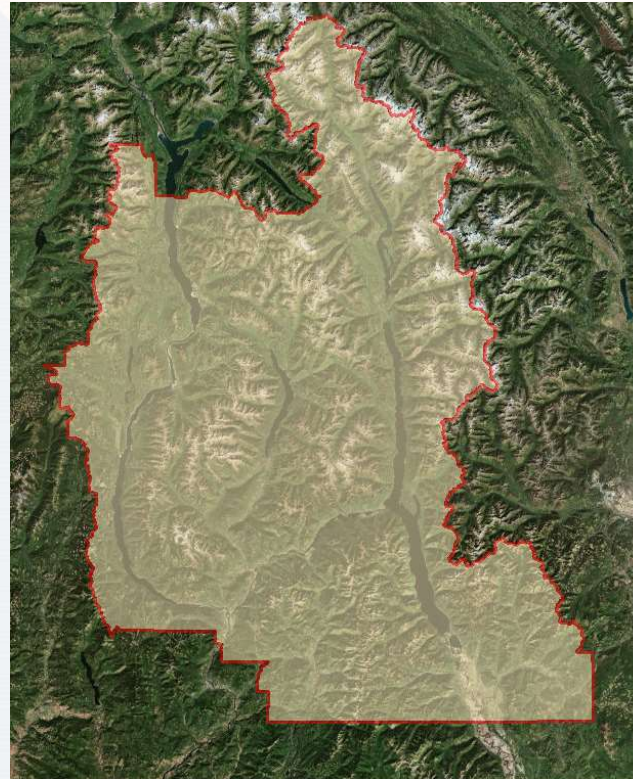


When looking at the map of the RDCK, think of each service as a puzzle piece of the larger RDCK area.

The map on the left shows the service area for General Administration – the entire RDCK.

The map on the right is an example on how service areas can be broken down by electoral area.

Regional District Model



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RDCK Board Strategic Priorities

**Organizational
Excellence**



**Energy Efficiency
and Environmental
Responsibility**

**Develop
Relationships and
Partnerships**



**Manage our Assets
and Service Delivery
in a Fiscally
Responsible Manner**



**Regional Approach
to Growth**

**Innovate to Reduce
the Impact of Waste**



Advocacy

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2023 Review

- Spending on wages, benefits, services and most other operating expenses is trending significantly under budget for 2023
 - Spending on wages is low as many positions remained unfilled through parts of the year
 - Services are curtailed, projects are postponed and other staff are stretched to cover as a result of reduced staffing levels
 - The Utilities construction crew was disbanded in 2023 due to labour shortages
- However, user fees and other sales of services revenue items (eg building permits) are also significantly under budget for 2023
- Capital Project expenditures are also under budget, largely offset by reduced borrowing and transfers from reserves to fund the projects.
- Prior year surpluses are carried forward to reduce taxation in future years



Assessment Changes

- Generally smaller increases in 2024 compared to 2023 . 2024 assessments are based on July 2023 property values.
- Does that mean taxation will go up or down by the same amount? No, it doesn't.

Market vs. Non Market Change

- Market change means the current inventory of properties is worth more; and
- Non market change means that there is more construction activity and the tax base grew in “numbers” as well as value.

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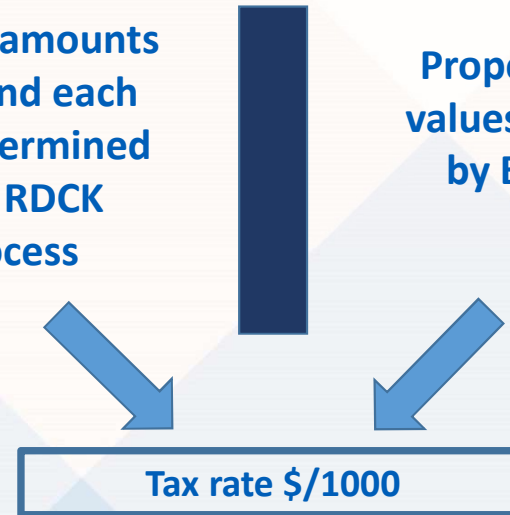
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How are annual property taxes for RDCK services calculated?

Tax requisition amounts required to fund each service are determined through the RDCK budget process

Property assessment values are determined by BC Assessment



X

Assessed value of each individual property

=

Property tax for each individual property

*** parcel taxes are separate

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Residential (Converted) Assessment Changes: 2023 to 2024

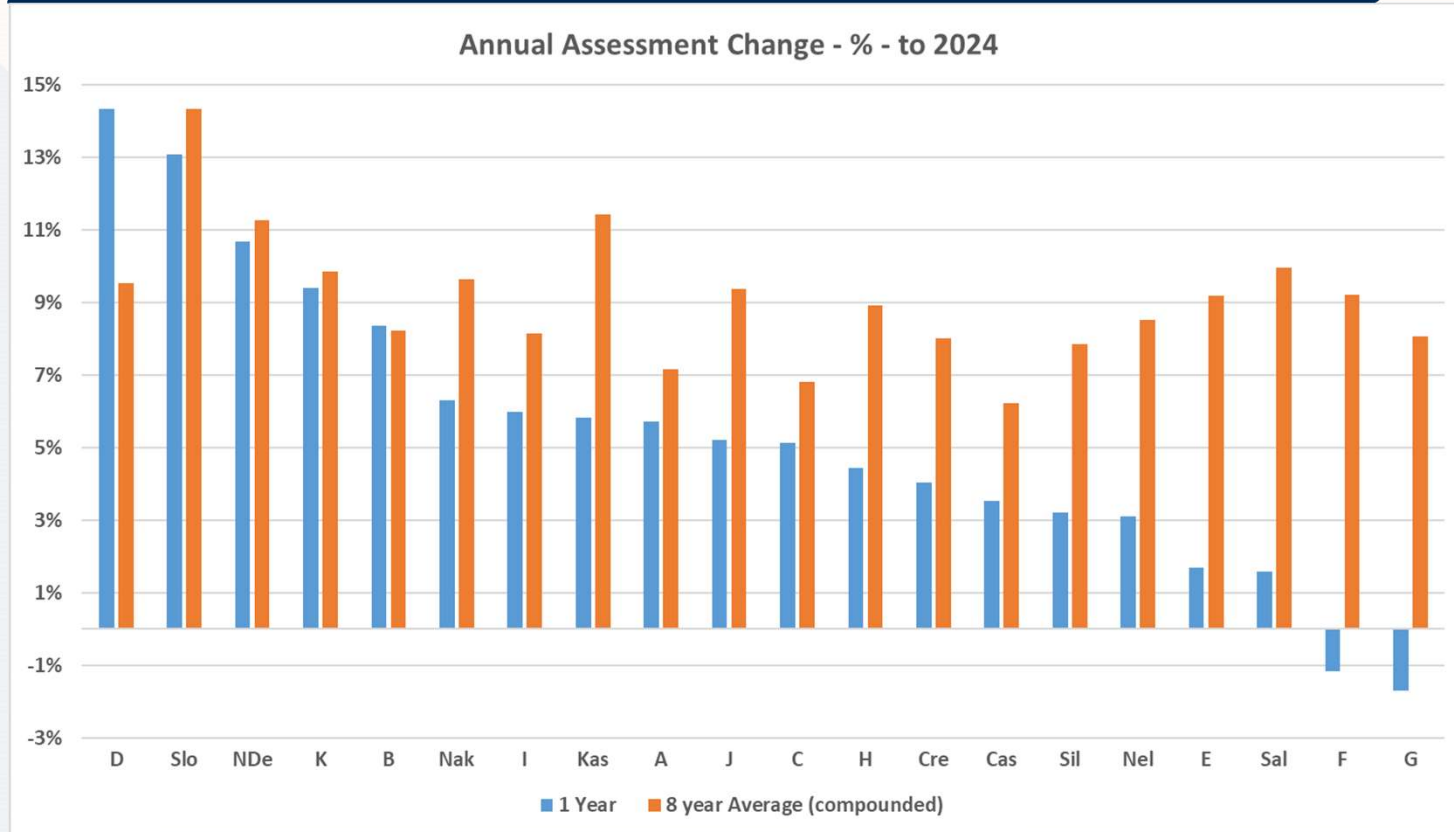
Tax Area	2023 Revised	2024 Completed	Total % Change	Market Change	Non Market Change
Electoral Area 'A'	\$ 115,523,982	\$ 122,128,742	6%	5%	0.9%
Electoral Area 'B'	136,271,199	147,668,239	8%	5%	3.0%
Electoral Area 'C'	56,879,481	59,796,279	5%	3%	1.9%
Electoral Area 'D'	59,339,013	67,846,066	14%	13%	1.0%
Electoral Area 'E'	166,283,287	169,089,107	2%	0%	1.5%
Electoral Area 'F'	157,783,451	155,933,832	-1%	-2%	0.6%
Electoral Area 'G'	65,154,183	64,040,055	-2%	-2%	0.4%
Electoral Area 'H'	140,433,312	146,669,237	4%	3%	1.6%
Electoral Area 'I'	67,584,313	71,630,754	6%	5%	0.8%
Electoral Area 'J'	103,761,728	109,168,899	5%	4%	1.1%
Electoral Area 'K'	68,208,552	74,614,420	9%	7%	2.1%
City of Castlegar	277,203,326	286,949,972	4%	3%	0.5%
City of Nelson	416,157,288	429,070,620	3%	1%	1.8%
Town of Creston	137,805,173	143,364,884	4%	3%	0.8%
Village of Kaslo	34,665,769	36,680,717	6%	4%	1.5%
Village of Nakusp	42,701,166	45,393,695	6%	5%	1.3%
Village of New Denver	17,100,722	18,926,586	11%	10%	0.7%
Village of Salmo	23,116,847	23,480,409	2%	1%	0.7%
Village of Silverton	8,307,346	8,573,269	3%	3%	0.1%
Village of Slocan	10,024,750	11,334,467	13%	13%	0.5%
	2,104,304,888	2,192,360,249	4%	3%	1.3%

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Annual Assessment Change: 1 Year vs 8 Year Average





Nakusp / Area K Assessment Change

	2023	2024	Change
Nakusp	42,701,166	45,393,695	+6.31%
Area K	68,208,552	74,614,420	+9.39%

Village of Nakusp		2024			2023		
		Assessment		Rate/\$1,000	Assessment		Rate/\$1,000
S100	GENERAL ADMINISTRATION	45,393,695	50,689	0.112	42,701,166	44,725	0.105
S102	GIS SERVICE	45,393,695	7,724	0.017	42,701,166	7,766	0.018
S103	BUILDING INSPECTION	45,393,695	29,570	0.065	42,701,166	24,311	0.057
S153	SEARCH & RESCUE - NAKUSP AND AREA K	45,393,695	8,751	0.019	42,701,166	8,735	0.020
S156	EMERGENCY COMMUNICATIONS 911	45,393,695	16,345	0.036	42,701,166	14,824	0.035
S159	EMERGENCY PLANNING-NAKUSP AND K	45,393,695	30,875	0.068	42,701,166	25,750	0.060
S177	CEMETERY-NAKUSP AND DEF K	45,393,695	12,400	0.027	42,701,166	11,985	0.028
S182	ANIMAL CONTROL- NAKUSP, DEF K	45,393,695	34,164	0.075	42,701,166	17,269	0.040
S188	REFUSE-WESTERN SUBREGION	45,393,695	50,053	0.110	42,701,166	48,128	0.113
S196	LIBRARY -NAKUSP AND DEF K	45,393,695	62,308	0.137	42,701,166	59,776	0.140
S208	SKI HILL - SUMMIT LAKE	45,393,695	5,296	0.012	42,701,166	5,381	0.013
S223	ARENA-NAKUSP AND K	45,393,695	247,936	0.546	42,701,166	237,120	0.555
S228	REC COMMISSION-NAKUSP AND K	45,393,695	10,638	0.023	42,701,166	10,828	0.025
S239	KOOTWEST - AREA D-K, DEF A, EX CRESTON	45,393,695	62,888	0.139	42,701,166	67,404	0.158
S295	NAKUSP MUSEUM	45,393,695	11,166	0.025	42,701,166	11,232	0.026
S296	ARROW LAKES HISTORICAL ARCHIVE	45,393,695	13,399	0.030	42,701,166	13,478	0.032
Regional Requisition		<u>654,202</u>			<u>608,712</u>		
Residential Rate per \$1,000 of Assessment		1.441 ←			1.426 ←		
Difference (\$) from prior year		45,490 ←			24,412		
Percentage Change from prior year		7.47% ←			4.18%		

Defined Area taxation amounts – Area K

Electoral Area K Nakusp Rural

		2024			2023		
		Assessment	Requisition	Rate/\$1,000	Assessment	Requisition	Rate/\$1,000
S139	FIRE PROTECTION - DEFINED AREA K	24,819,359	92,017	0.371	22,708,736	87,113	0.384
S143	FAUQUIER FIRE BRIGADE	6,677,557	17,481	0.262	6,348,899	17,212	0.271
S171	STREET LIGHTING-DEF K EDGEWOOD	2,514,109	6,700	0.266	2,281,692	8,300	0.364
S177	CEMETERY-NAKUSP AND DEF K	37,592,856	10,269	0.027	34,911,957	9,799	0.028
S182	ANIMAL CONTROL- NAKUSP, DEF K	19,067,791	14,351	0.075	17,332,930	7,009	0.040
S190	SEPTAGE DISPOSAL-WEST RURAL	70,838,595	-	-	64,786,396	-	-
S196	LIBRARY-NAKUSP AND DEF K	37,521,448	41,538	0.111	34,845,905	39,850	0.114
S212	RECREATION FAC-DEF K-BURTON HALL	13,867,589	19,021	0.137	13,041,620	18,783	0.144
S213	RECREATION FAC-DEF K-FAUQUIER HALL	7,192,153	13,473	0.187	6,474,151	11,235	0.174
S223	ARENA-NAKUSP AND K	37,483,844	204,734	0.546	34,811,803	193,310	0.555
S252	WATER UTILITY-DEF K-BURTON	1,961,537	-	-	1,877,218	-	-
S253	WATER UTILITY-DEF K-EDGEWOOD	2,506,409	-	-	2,273,887	-	-
S254	WATER UTILITY-DEF K-FAUQUIER	2,944,418	-	-	2,771,879	-	-
S293	EDGEWOOD FIRE BRIGADE	13,154,047	10,000	0.076	11,512,707	10,000	0.087
S294	EDGEWOOD LEGION HALL	13,252,306	5,183	0.039	11,601,839	5,126	0.044
S295	NAKUSP MUSEUM	35,916,228	8,834	0.025	33,334,094	8,768	0.026
S296	ARROW LAKES HISTORICAL ARCHIVE	35,916,228	10,601	0.030	33,334,094	10,522	0.032



Tax Requisition Rate / \$1,000

	<u>2023</u>	<u>2024</u>	<u>Change</u>
Village of Nakusp	1.426	1.441	+1.10%
Area K	0.725	0.742	+2.39%

Taxation Change - All Areas (not including non-market change adjustment)

Regional District of Central Kootenay
Assessment & Taxation Summary - 2024 & 2023 Comparative
Electoral Areas and Municipalities

	Assessments		Change 2024 vs. 2023 (A-B)/B	2024 Taxation Subtotal C	Defined Area Taxation D	Total Taxation 2024 C + D = E	Total Taxation 2023 F	Change (F-E)/F
	2024 Completed A	2023 Revised B						
ELECTORAL AREA 'A'	122,128,742	115,523,982	5.72%	1,535,755	1,096,355	2,632,110	2,411,432	9.2%
ELECTORAL AREA 'B'	147,668,239	136,271,199	8.36%	3,671,213	973,462	4,644,675	4,169,459	11.4%
ELECTORAL AREA 'C'	59,796,279	56,879,481	5.13%	1,515,707	389,026	1,904,733	1,750,088	8.8%
ELECTORAL AREA 'D'	67,846,066	59,339,013	14.34%	867,322	424,012	1,291,334	1,129,381	14.3%
ELECTORAL AREA 'E'	169,089,107	166,283,287	1.69%	2,124,919	1,453,337	3,578,256	3,283,272	9.0%
ELECTORAL AREA 'F'	155,933,832	157,783,451	-1.17%	2,952,625	787,396	3,740,021	3,545,774	5.5%
ELECTORAL AREA 'G'	64,040,055	65,154,183	-1.71%	1,069,075	428,777	1,497,852	1,336,489	12.1%
ELECTORAL AREA 'H'	146,669,237	140,433,312	4.44%	1,174,012	1,885,934	3,059,946	2,860,032	7.0%
ELECTORAL AREA 'I'	71,630,754	67,584,313	5.99%	1,041,823	675,274	1,717,097	1,529,625	12.3%
ELECTORAL AREA 'J'	109,168,899	103,761,728	5.21%	1,881,449	752,711	2,634,161	2,334,632	12.8%
ELECTORAL AREA 'K'	74,614,420	68,208,552	9.39%	526,282	454,208	980,490	896,914	9.3%
CITY OF CASTLEGAR	286,949,972	277,203,326	3.52%	3,868,081		3,868,081	3,402,554	13.7%
TOWN OF CRESTON	143,364,884	137,805,173	4.03%	3,205,010		3,205,010	3,056,079	4.9%
VILLAGE OF KASLO	36,680,717	34,665,769	5.81%	685,463		685,463	649,271	5.6%
VILLAGE OF NAKUSP	45,393,695	42,701,166	6.31%	654,202		654,202	608,712	7.5%
CITY OF NELSON	429,070,620	416,157,288	3.10%	5,394,081		5,394,081	4,967,164	8.6%
VILLAGE OF NEW DENVER	18,926,586	17,100,722	10.68%	156,003		156,003	150,283	3.8%
VILLAGE OF SALMO	23,480,409	23,116,847	1.57%	364,319		364,319	334,485	8.9%
VILLAGE OF SILVERTON	8,573,269	8,307,346	3.20%	75,664		75,664	77,302	-2.1%
VILLAGE OF SLOCAN	11,334,467	10,024,750	13.06%	213,695		213,695	187,969	13.7%
	<u>2,192,360,249</u>	<u>2,104,304,888</u>	4.18%			<u>42,297,194</u>	<u>38,680,917</u>	9.35%

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2024 Overall Outlook

- Projected overall tax increase of approximately 9.3% for 2024 over 2023 in the draft preliminary budget. The net average change for RDCK property owners is 7.9% with non-market assessment change factored in.
- CPI Increase on staff salaries and Director stipends – 6.2%. The 2024 CPI increase is a catchup from prior years because of the smoothing calculation (effectively a two year average rather than a one year average) that is used. Historical wage increases in the public sector (using BCGEU as a proxy) have matched inflation changes over both the previous 7 and previous 24 years.
- Inflation and supply chain constraints will continue to have a cost impact across many services and projects/initiatives, with many purchases exceeding published Consumer Price Index (CPI) values
- Interest rate increases are continuing to put pressure on both short term and long term borrowing costs with a partial offset from increased investment income.
- Continued work on implementing Asset Management Program, including an external consultant’s recommendations expected in the late spring of 2024.



2024 Overall Outlook – Strategic Plan Alignment

- Focus on implementing, and tying initiatives, work plans and goals to the strategic plan approved by the board in December 2023 including
 - Effectiveness and efficiency of operations and administration
 - Transparency and engagement with the public
 - Continue focus on core services
 - Manage assets and service delivery in a fiscally responsible manner

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S100: General Administration (Nakusp / Area K)

- *Includes Corporate Administration, Finance, Information Technology, Human Resources, CAO, and municipal directors.*
- *6.2% wage & director stipends increase*
- *Mileage rate set by CRA increased to \$0.70/km on January 1, 2024*
- *Catch up on post-pandemic training opportunities for staff continue*
- *Increased spend on IT cyber security and transition to Microsoft 365*
- *\$70K for completion of new website – approved by board in 2023*
- *Year over year taxation increase is 11%.*



S101: Rural Administration (Area K only)

- *Service houses rural director expenses, fire services overhead and bylaw services*
- *6.2% CPI increase in salaries and director stipends over 2023*
- *\$474K UBCM fire training grant supports staff wages, equipment and other training costs.*
- *15.0% total increase in requisitions for 2024 mainly driven by full staffing compliment in bylaw and fire services and 6.2% CPI wage increase.*
- *Includes \$75K for a fire services command unit to be funded from reserves*



Nakusp / Area K

Building Inspection (S103)

- Permit revenue softened from peak 2021/22 years with lower construction values, however small increase in permits issued compared to last year
- Updated Building Bylaw Fees and Charges and permit application checklists for applicants
- New staff on-boarded and supporting customer service and improvements to permit processing times
- Digitization of historic permit files underway

Planning (S104 - Area K Only):

- Operations are stable and on budget
- Receiving Provincial funding to address housing regulation

Projects:

- New Provincial Legislation and Changes to Housing Regulations
- Subdivision Servicing Bylaw
- Housing Needs Assessment update
- Watercourse and Wildfire Development Permit Area
- Review and revise Floodplain Bylaw

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Nakusp / Area K

GIS (S102)

- Slight decrease to taxation, operations are stable
- Service is continuing to establish new funding models for internal and external projects
- Looking for opportunities to advance our technology capabilities and utilize previously acquired data assets

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Area K

Community Sustainability (S105: Area K Only)

Projects:

Protection of Drinking Water & Watersheds

- Watershed Governance Initiative – Building capacity & data access within the region to influence what happens in our watersheds, investigating Natural Asset Management for Quartz Creek
- Providing support for ground water monitoring with Living Lakes
- Slocan Lake & River Partnership
- Kootenay Lake Partnership

Climate Action

- RDCK Climate Actions – redrafting the Climate Action Plan to incorporate engagement feedback
- Community Climate Ambassadors – 2 year partnership with Youth Climate Corps to provide climate action information to residents (first year complete)
- Annual reporting through State of Climate Action (SoCA)

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Area K

Community Sustainability con't.

Food & Agriculture

- Central Kootenay Food Policy Council (CKFPC)
- Kootenay & Boundary Farm Advisors
- Pilot Regenerative Educational Community Food Garden - Elk Root Conservation

Energy

- Investigating grid resilience for rural communities – pilot with LINKS (north end of Kootenay Lake)
- Supporting increased energy efficiency of corporate and community facilities

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Nakusp / Area K

Emergency Management (A101 - funded from S159)

- Multi-jurisdictional/agency planning and preparation underway for the potential of seasonal flooding, wildfires, and drought;
- Implementing the new Emergency and Disaster Management Act;
 - Emergency plans, risk assessment, coordination and consultation, and more
 - Updating of bylaw, policies, procedure documents aligning to new regulations
- Continuing the Neighbourhood Emergency Preparedness Program (NEPP) throughout the RDCK, adding community-lead guides and templates as online resources for communities;
- Ongoing FireSmart Home Partners and Neighbourhood Recognition supported by 7 seasonal staff providing free home assessments
 - Homeowner rebates of up to \$5,000 cash for households that complete FireSmart work based on assessment recommendations; and
- Continuing revision of Community Wildfire Resilience Plans (CWRPs) using the CRI allocation-based funding to update additional electoral area CWPPs in 2024, and move these onto the CWRP template..

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Nakusp / New Denver / Silverton / Slocan / Castlegar / Areas H, I, J, K

West Resource Recovery (\$188)

- 4% taxation increase
- 10% Tipping Fee increase to ALL rates (to be prorated & adjusted)
- Legacy Landfill Assessments (Stage 1)
- OOT & NAK Hydrogeological Assessment
- OOT Design, Operations, Closure Plan (DOCP)
- Transfer station upgrade construction in 2024 (SLO, ROS & NAK)
- Central – West Compost Facility began operations in Q3 2023
 - Reduces volume of organics from OOT landfill extending its life and reducing emissions

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Nakusp, Area K

Recreation Service (\$228)

- Maximum taxation for service is \$28,125
 - Maximum taxation updated in 2016 from \$22,500 to \$28,125
 - Service is going through changes in how to balance direct programming and granting to recreational organizations.
 - 2023 Grants:
 - Music in the Park – Arrow Lakes and District Arts Council
 - Burton Community Association
 - Fauquier Community Club Society
 - Inonoaklin Recreation Commission (not an RDCK Commission)
 - Edgewood Community Club
 - Nakusp Elementary – After School Clubs

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Nakusp, Area K

Contribution Services in Area K and Nakusp:

- Arrow Lakes Historical Archives (S296) 2023 - \$22,170 – 2024 - \$23,197
- Nakusp Museum (S295) 2023 - \$19,065 - 2024 - \$18,170
 - This service is at the maximum requisition so the grant amount will decrease over time as overhead allocations increase.
- Nakusp and District Sports Complex (S223)
 - 2023 - \$442,000 – 2024 - \$450,84
- Nakusp Cemetery (S177) - \$20,800 – no change in grant
- Nakusp Library (S196) - 3% increase as per agreement
 - 2023 - \$100,722 – 2024 - \$102,736



Area K

Water Utility Services

Burton Water (\$252)

- 15% Water user fee increase and 6.6% Water parcel tax increase in 2024 to fund aging water line replacement
 - Design in 2024
 - Construction in 2025 and 2026
- Second well rehabilitation and pump replacement in 2024

Edgewood Water (\$253)

- 6% Water user fee increase and 10% Water parcel tax increase in 2024
- Standby generator at new well and reservoir site in 2024

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Area K

Water Utility Services Fauquier Water (\$254)

- 10% Water user fee increase and 10% Water parcel tax increase in 2024 for inflationary and near future water line replacements

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Area K

Fire Protection Service – Defined K (S139)

- Budget is as per the contract with Nakusp
- 5.6% increase in requisition

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Nakusp & Area K

Emergency 911 (\$156)

- *Service is seeing increased taxation (\$548K in 2024 vs \$505K in 2023) as costs increase and revenue decreases*
 - *Increased contract services costs for 911 dispatch (South Okanagan: \$80K to \$115K) and Fire Dispatch (Fraser Fort George: \$273K to \$297K)*
 - *Fluent IMS - \$7K addition starting in 2024*
 - *\$45K for GIS Services to integrate Next Generation 911 (NG911) in 2024*



Nakusp & Area K

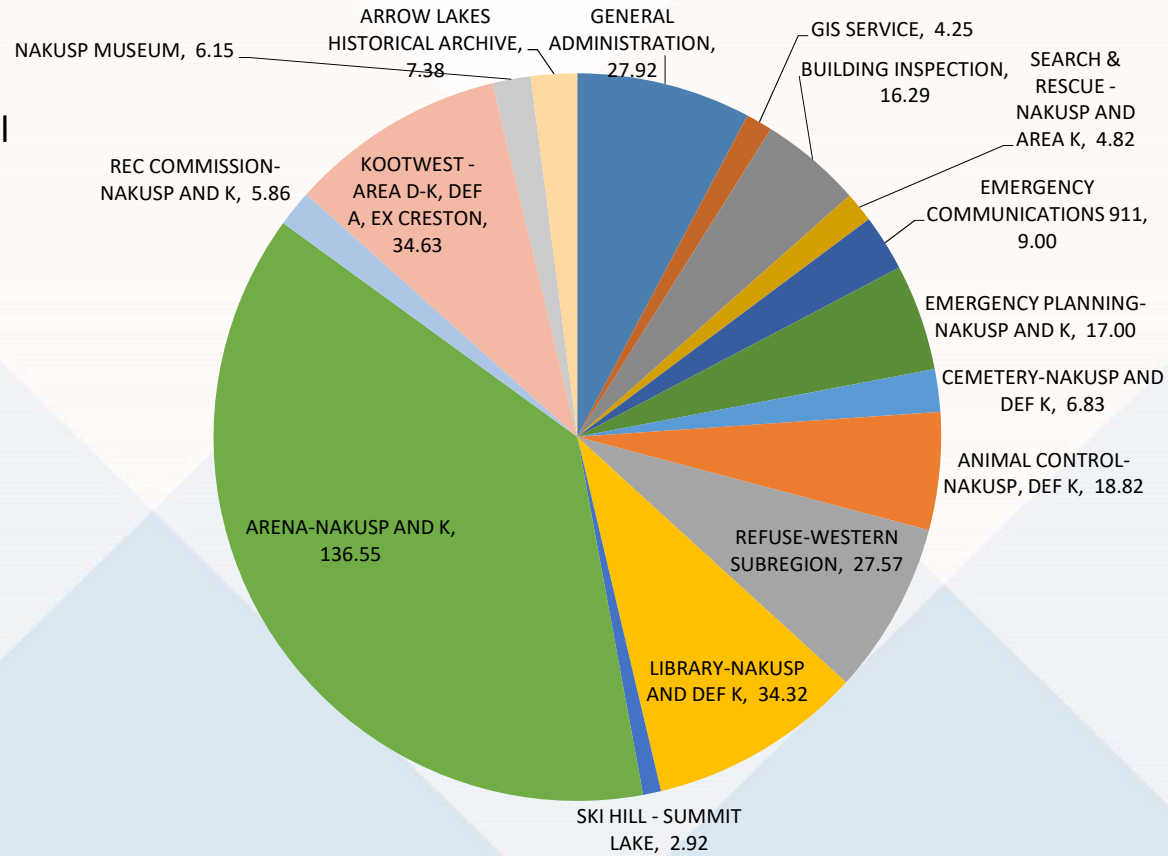
Transit

- Kootenay Lake West S239
 - Participants include Nakusp and Area K
 - Use of \$100,000 in reserves to offset 22% increase in operating costs related to change of contractor, wage increases, facilities costs and service expansion
- Potential combination of three RDCK West Transit services into one service with one apportionment formula



Village of Nakusp – RDCK Tax Bill

Per \$ 250,000 of Home Value
 \$ 360.29 Tax Bill
 \$ 365.38 - 2023



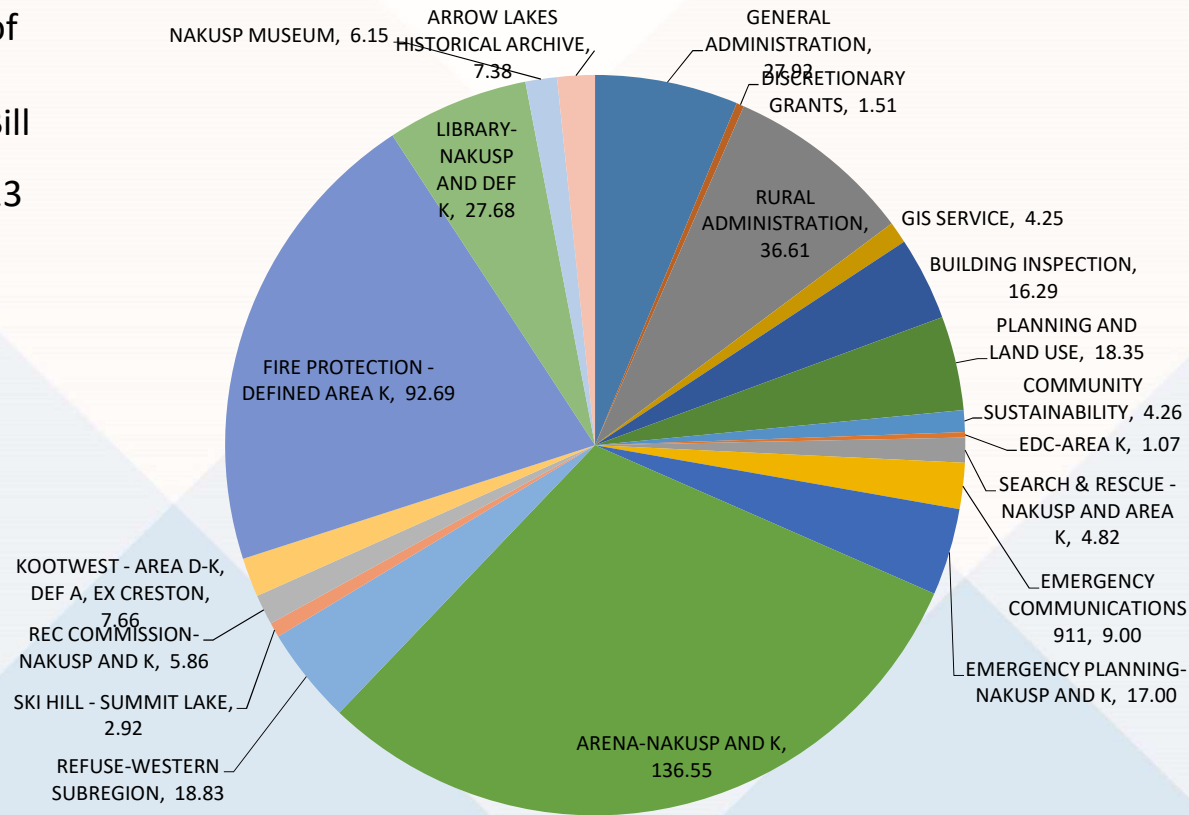
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Area K (Fire Protection) – RDCK Tax Bill

Per \$ 250,000 of Home Value
 \$ 446.77 Tax Bill
 \$ 450.01 - 2023



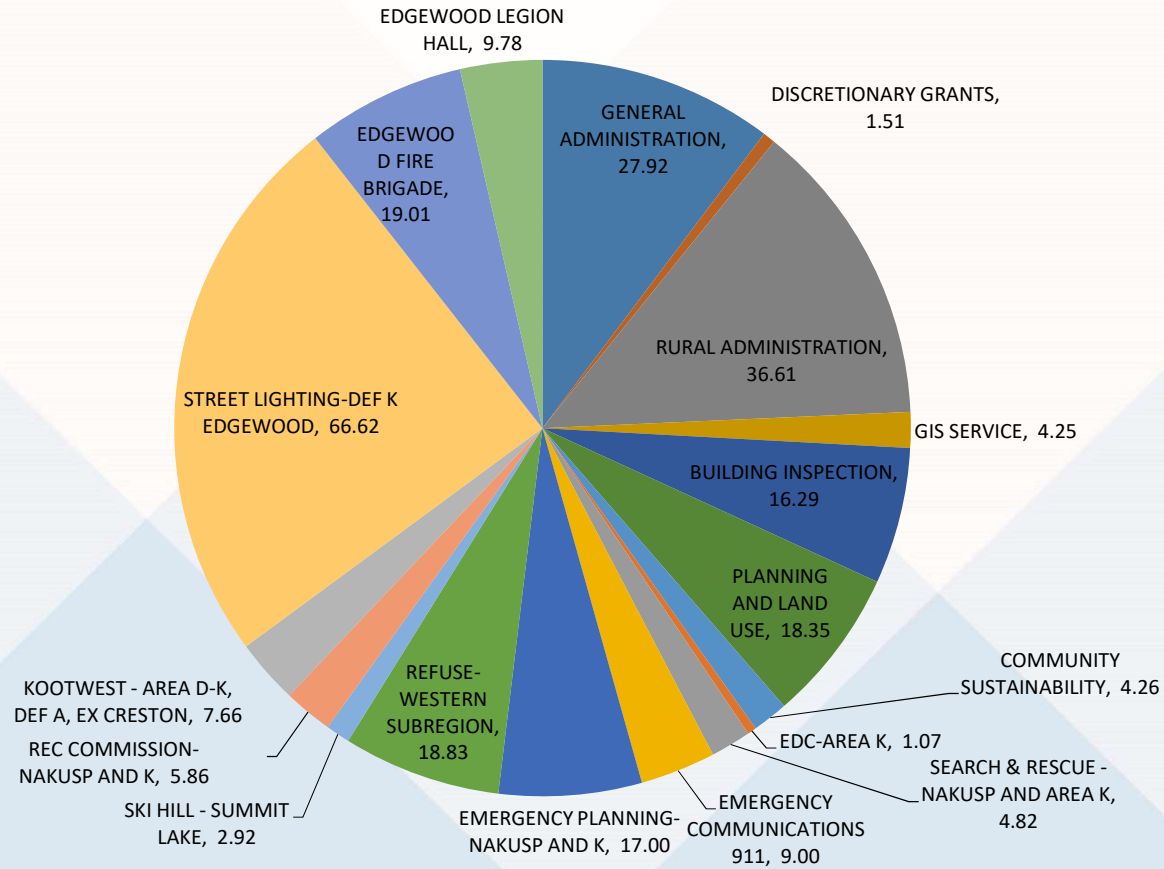
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Area K - Edgewood – RDCK Tax Bill

Per \$ 250,000 of Home Value
 \$ 271.74 Tax Bill
 \$ 295.93 - 2023



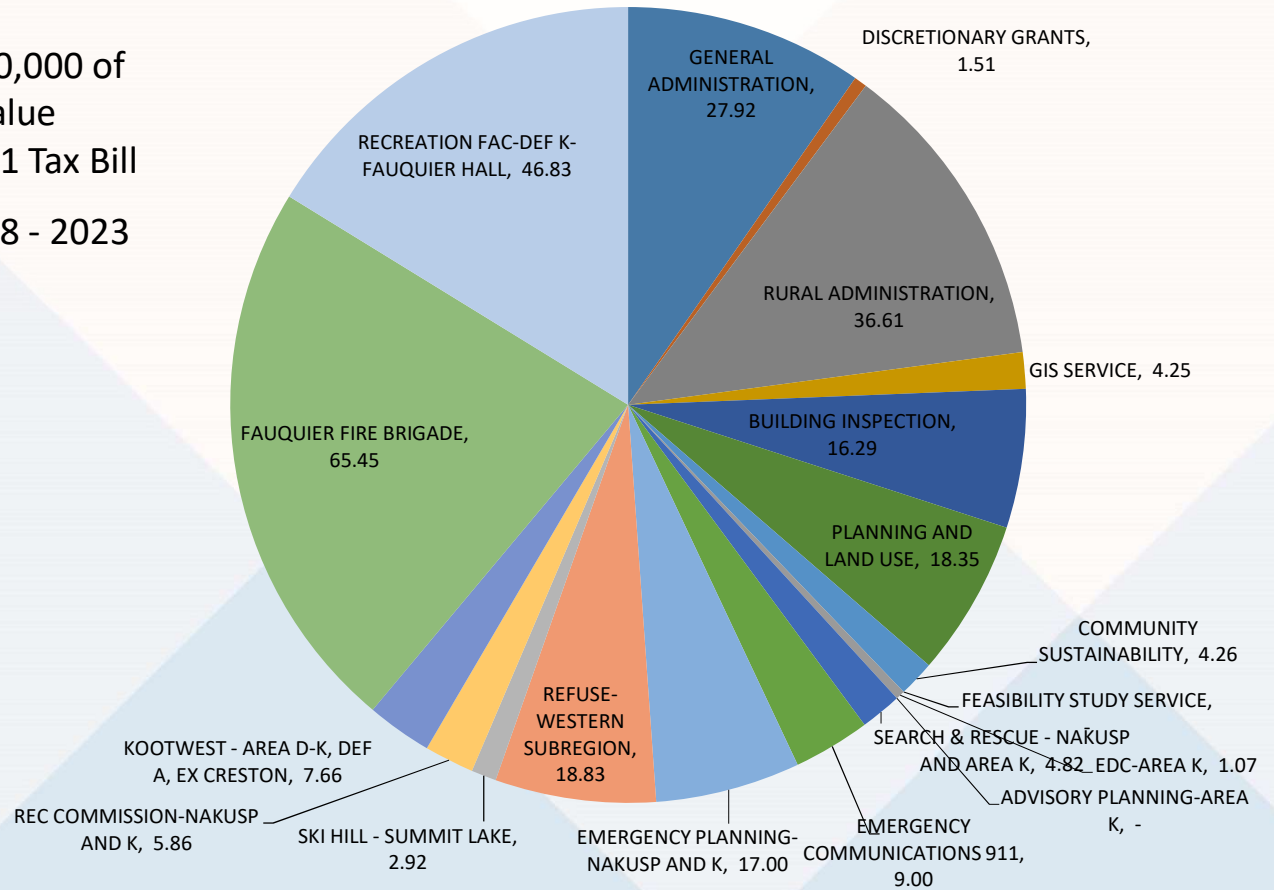
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Area K - Fauquier – RDCK Tax Bill

Per \$ 250,000 of Home Value
 \$ 288.61 Tax Bill
 \$ 283.38 - 2023



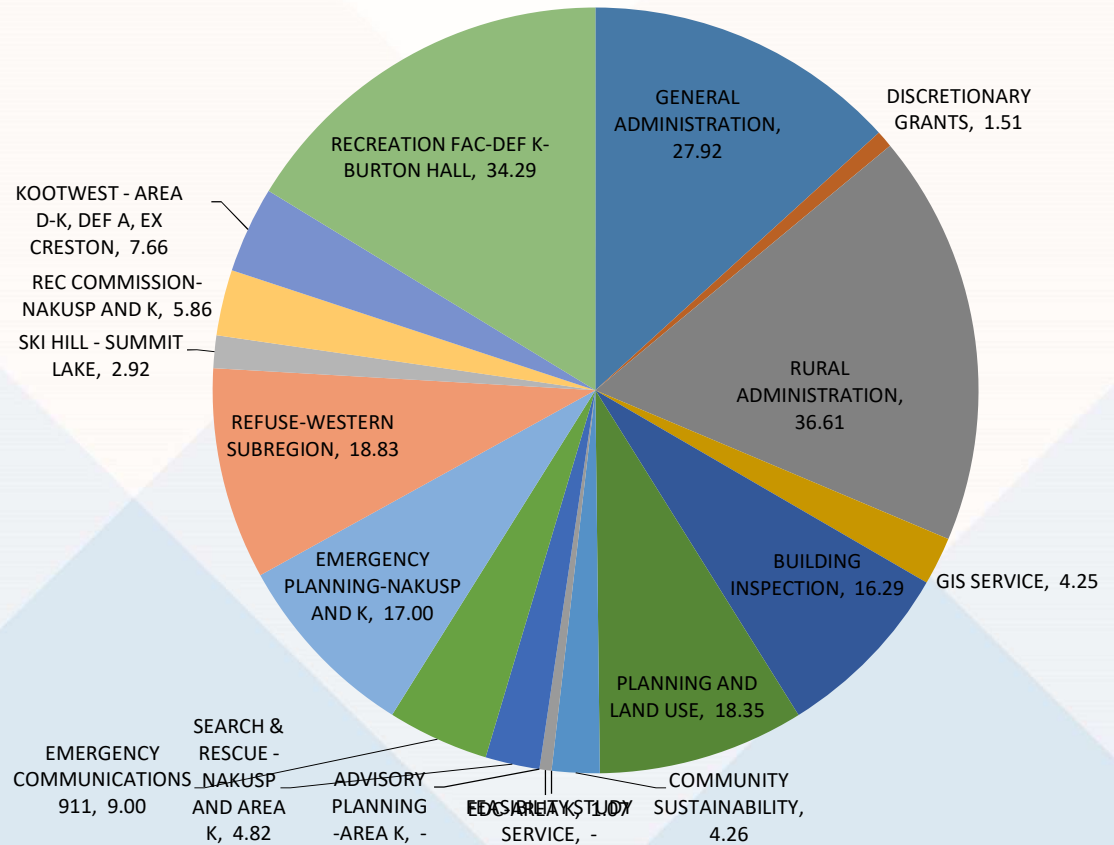
rdck.ca

This presentation contains DRAFT budget numbers subject to change and is for discussion purposes only



Area K - Burton – RDCK Tax Bill

Per \$ 250,000 of Home Value
 \$ 210.62 Tax Bill
 \$ 208.23 - 2023





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