
City of Kelowna

MEMORANDUM

DATE: November 20, 2007

FILE NO: 482-01

TO: City Manager

FROM: Director of Corporate Development
Director of Financial Services

RE: Regional Intergovernmental Service Review

RECOMMENDATION:

THAT the City contract with Robert Prosser and Associates Inc. to conduct a review of regional intergovernmental services and the impact of the creation of the new Westside municipality on the governance relationship between members of the Regional District of the Central Okanagan (RDCO) and between the City of Kelowna and RDCO;

AND THAT the 2007 Financial Plan be amended to include expenditures of up to \$40,000 to cover the review costs with funding of \$8,000 from existing budget (City Management Internal Audit Provision) and the remaining \$32,000 from the Franchise Fee Equalization Reserve.

BACKGROUND AND COMMENTS:

The creation of a new Westside municipality is a significant change in the governance relationship between members of the RDCO and, therefore, between the City of Kelowna and RDCO.

Expressed interest in a City of Kelowna boundary expansion to Joe Rich, Ellison and the south end of Lakeshore Road could impact governance at the regional level.

The Kelowna RCMP Detachment presently operates as an "integrated" police force providing manpower and support services (file management & storage, exhibit control & storage, holding cells, etc.) to the Westside municipal area. No system currently exists to satisfy the City that its taxpayers are not funding policing services on the Westside.

A broader discussion has begun about the future of 3 regional districts – Regional District of Central Okanagan, North Okanagan Regional District and the Regional District of Okanagan-Similkameen and, while not intended to address that potential valley wide governance change, this review may identify some useful base-line information.



The City of Kelowna is the single largest member of the RDCO. Kelowna taxpayers currently contribute approximately 71% of servicing costs shared by our RDCO partners plus an additional administration fee of 15% on all contracts and fees. A review of all services and cost allocation is vital to secure the interest of City taxpayers relative to the December 3, 2007 Westside incorporation as well as other regional relationships.

Focus of Review

The review will assess the 'as is' model for intergovernmental services currently provided to the City of Kelowna, the impact of Westside incorporation on delivery of regional intergovernmental services provided to the City of Kelowna and the methodology for cost allocation.

Deliverables

To prepare a position paper that will help guide Council and staff in determining:

- Impact of new Westside municipality on Kelowna taxpayers
- Who can optimize service delivery to meet standards and financial expectations of Kelowna taxpayers
- Financial and other governance impact of amalgamation with unorganized areas

'As Is' Model Review

The following are examples of the services and issues to be reviewed.

- Fire and Regional Rescue Services
 - Reciprocal agreement with the Westside
 - Coverage in the City if crews and equipment respond to a Westside event
 - Coverage agreements with south Lakeshore Road and Tower's Ranch
 - City cost for regional rescue services
- Regional Grants
 - Policy
 - Cost allocation to the City
- Transit and Transportation Demand Management
- Parks
- Recycling and Solid Waste Management
 - The RDCO provides services on a contract basis. The Westside landfill will be permanently closing in a few years and the City's Glenmore Landfill will become the sole regional landfill site. Analysis is required to determine the fairness and equity relative to both the City's and RDCO's roles in the provision of recycling and solid waste services.
- Other Shared Functions and contracted services
 - Executive Board and all administrative functions
 - Air quality monitoring
 - Regional planning
 - Electoral area planning
 - Weed control
 - Dog control
 - Line of vision
 - Untidy premises
 - Insect control

Other Intergovernmental Services

- Protective Services
 - Recovery of cost for RCMP general duty deployed from Kelowna
 - Recovery of costs for specialized services provided regionally from Kelowna
 - Recovery of costs for prisoner brought in from outside the City's boundary
 - Recovery of any other municipal costs for support services
 - Infrastructure and other costs to continue regional prisoner services
 - 9-1-1
 - Crime Stoppers
 - Victims / Witness Assistance
- Okanagan Basin Water Board
- Economic Development Commission
- Sterile Insect Release Program

'To Be' Model Development

Based on the review results, the City will be in a position to identify options to optimize service delivery, balancing the cost model versus efficiency for each service under each governance option. Confirmation of existing allocation methods or recommendations for alternative allocation methods will be included.

Development of the 'To Be' model will consider how services can be best managed and delivered in future.

- Benefit of altering the traditional governance model
- Whether the regional nature of the function supersedes the benefits of the City managing it
- Availability and location of expertise relative to a function
- Whether the governance of individual functions is conducive to future boundary extensions (i.e. Ellison, south end of Lakeshore Road)
- Review and recommendation regarding services allocation methods

The assistance of the RDCO will be vital to the success of the review. The review should be brought to the attention of the RDCO Board by Kelowna City Council members on that Board with a request that RDCO administration provide Robert Prosser & Associates Inc., as the City's agent, with information and support as requested.

INTERNAL CIRCULATION TO:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

LEGAL/STATUTORY AUTHORITY:

EXISTING POLICY: N.A.

FINANCIAL/BUDGETARY CONSIDERATIONS:

As noted in the recommendation.

PERSONNEL IMPLICATIONS: N.A.

TECHNICAL REQUIREMENTS: N.A.

EXTERNAL AGENCY/PUBLIC COMMENTS: N.A.

ALTERNATE RECOMMENDATION: none

Submitted by:



Rick Baker
Director of Corporate Development



Paul Macklem
Director of Financial Services