RDOS Area "D" Service & Boundary Study
Fact Sheets
December 2021 - DRAFT

ADMINISTRATION SERVICES

➢ What services are provided?

General administration services consist of a variety of functions that support the elected officials of the RDOS and their work, as well as the overall management of the organization, including the following services:

- Corporate Facilities
- Finance
- General Government
- Human Resources
- Legislative Services
- Information Services
- Electoral Area Administration
- Grants in Aid
- Rural Projects, and,
- Equipment Purchases.

Together these services include all of the functions that support the Board and Committee meetings, elections and referenda, finance, human resources, information systems, communications, as well as property, record and risk management. Corporate Facilities, Finance, Human Resources, Legislative Services and Information Services is charged out as an administrative overhead based on the Board's policy.

➢ Who delivers the service?

General government and administration services are delivered primarily by RDOS staff under the direction of the Chief Administrative Officer (CAO), who is responsible for service delivery and organizational management. The RDOS CAO is supported by a senior management team comprised of 9 positions: Managers of Legislative Services, Human Resources, Finance, Information Services, Engineering, Operations, Community Services, Planning and Building & Bylaw Enforcement. The senior management team oversees a total complement of approximately 100 full- and part-time staff.

In addition to the RDOS functions and services, all electoral area residents pay a fee to the office of the Surveyor of Taxes, to cover the cost of collecting taxes on behalf of the province. The Surveyor imposes a fee on taxpayers of $5.25 for each $100 in property taxes levied by regional districts and improvement districts. This fee covers the cost of administration, enforcement and bad debts.

➢ Who makes decisions?

Decisions regarding general government and administrative services are made by the RDOS Board of Directors. Some services apply to all electoral areas and member municipalities, in which case decisions regarding policies and spending would be made by the full Board. Other services which apply just to electoral areas (such as electoral areas administration), would be made by only those Board members representing the areas participating in the service (i.e. electoral area representatives). The CAO is then responsible to implement the directives of the Board, including administrative decisions that occur at the staff level.

➢ What is spent by RDOS on the services?

The total amount spent for general government and administration can be broken down into:

- the 2021 budgeted cost for RDOS general government;
- the 2021 budgeted cost of electoral area administration services;
- the 2021 budgeted cost for general services unaccounted for through other services, such as grants in aid and rural projects in Area "D."
- the Surveyor of Taxes fee for collecting the regional district's taxes (Area "D" amount).

Total budgeted costs for 2021 are shown in Figure 1. The amounts in Figure 1 for represent the total cost of these services, and not the portion that Area "D" residences pay for through tax requisition. The portion for the Grants in Aid, Rural Projects and Surveyor of Taxes is the amount only for Area "D".

It is worth noting that some costs reflect an unusual year. Rural projects, for instance, included a $103,250 cost for the Centennial Park Washrooms (funded through Gas Tax), as well as an extra $40,000 contingency and $45,000 allocation to the operating reserve, all of which resulted in a budget for 2021 that is considerably higher than the more typical $40,500 budget in 2022 and 2023.

➢ How are the costs recovered?

While administration encompasses many services, several of these services are paid by allocating administration costs to each individual service, and recovering that amount from that service and attributing the "recoveries" to some of the administrative services. Accordingly, several of these services are not paid for through directly through tax requisition, but instead are recovered from the individual services. Where amounts have been recovered from individual services already referenced in other fact sheets, those will not be double counted here. Services that are funded primarily from administrative recoveries include Corporate Facilities, Finance, Human Resources, Information Services, Legislative Services and Equipment Purchases.

General government, electoral area administration, rural projects and grant in aid services are not recovered through internal "recoveries" and instead are recovered through property taxes on the basis of converted assessment, including land and improvements. Other revenue sources for general and electoral area government include small portion of grants in lieu of taxes, provincial grants, interest income and miscellaneous revenue.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
RDOS General Government	$1,606,663
Electoral Area Administration	$2,463,411
Area "D" Grants in Aid	$21,457
Area "D" Rural Projects[2]	$227,209
Surveyor of Taxes	$134,833
Corporate Facilities	$532,899
Finance	$160,729
Human Resources	$168,607
Legislative Services	$320,230
Equipment Purchases	$43,028
Information Services	$907,750
Total	**$6,586,816**

1 Cost estimates are from adopted 2021 budget figures
2 2021 was estimated at a higher than usual cost for Rural Projects due to a Gas Tax funded project in Area "D" (centennial park washroom), as well as higher contingency, and some surplus funds that were earmarked for the operational reserve. The total budgeted cost of the Centennial Park Washroom in 2021 was $103,260.

Reserve accounts are created for most services in order to set aside funds for future expenditures. All reserve funds associated with general government and administration are shown in Figure 2.

Figure 2
Reserve Totals
Administration

Service	Reserve Total[1]
General Government Capital	$259,919
General Government Feasibility Fund	$157,509
Rural Area Feasibility Fund	$75,624
Information Systems (Operating Reserve)	$91,062
Information Systems Renewal	$101,889
Electoral Area "D" Community Gas Tax	$614,209
GIS Mapping	$85,149

1 Reserve totals are as at the end of 2020.

The Surveyor of Taxes charges a fee of 5.25% calculated on the total Regional District taxes levied to each property. The amount therefore varies per property, based on services received and assessed value. This amount has not been included in the RDOS rates referenced in individual service *Fact Sheets*, as not to double count.

➢ What is the cost to the typical resident?

Figure 3 provides the cost to a typical Area "D" residence for general administration services. The 2021 property tax impact of administration services provided by RDOS to Area "D" is approximately $525,618. This translates into $175 on a home assessed at $450,000. In addition, owners pay the surveyor of taxes fee of 5.25% on the total amount of regional district taxes collected, bringing the total to $220.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.	Res. Rate	Owing[1]
Area "D" General Government	$76,225	0.0564	$25.38
Area "D" EA Admin	$406,785	0.3010	$135.43
Grants in Aid	$16,762	0.0124	$5.58
Rural Projects	$25,846	0.0191	$8.61
Surveyor of Taxes	$134,833	0.0998	$44.89
Total	**$660,451**		**$219.89**

1 Impact is calculated on a home assessed at $450,000

➢ What impact would incorporation have on these services?

Incorporation is not expected to have a significant impact on any of the administrative services referenced in this Fact Sheet. The services that are delivered to all electoral areas would be delivered to a smaller service area, and those delivered just to Electoral Area D would be adjusted depending on the incorporated area. Where services lose contributions from the newly incorporated municipality (i.e. electoral area administration), there may be a corresponding reduction in the costs for those services, resulting in minimal changes to the overall taxation requirements.

The primary impact of incorporation on these services is therefore governance, rather than any direct change to the service, service level, or service cost.

Once incorporated, a municipality would no longer contribute to electoral area administration costs, nor grants in aid or rural projects. Those same types of priority projects could be funded through the new municipality. Residents would continue to contribute to the General Government costs that are shared amongst all the municipalities and electoral areas in the RDOS.

As a municipality, residents would no longer pay the provincial Surveyor of Taxes. Instead the municipality would be responsible for issuing tax notices and collecting and remitting taxes to the appropriate authority.

As noted previously, a municipal council member would represent the municipality as a director on the RDOS Board, and the municipal director would participate in discussions and decisions regarding regional services in which the municipality participates