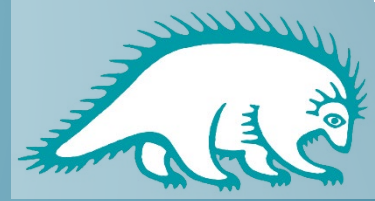


Taxation Engagement Session #4: How tax dollars can be spent

September 14, 2022

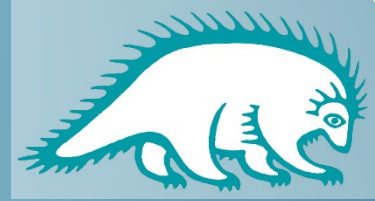
Okanagan Indian Band, 12420 Westside Rd. Vernon BC V1H 2A4 (P) 250-542-4328

Sub Department if necessary (P) 250-558-XXXX



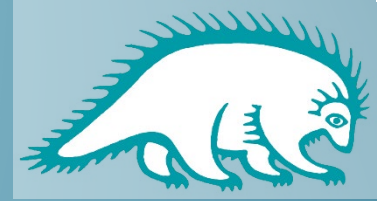
Agenda

- Ernest Jack – Nation member w/ 20 years of property tax exp.
- Financial picture of OKIB
- Diff between user fees and taxes
- Current Taxes collected
- Where Property tax dollars can be spent
- Examples from other communities
- Future outlook



Review of 2022-23 Budget

- **End of 2022 surplus**
- **Own Source Revenues are increasing (FCRSA, Leases, Lottery Funds)**
- **Expecting \$750k from OKIBGC by end of this fiscal year (March 2023)**
- **\$800k from Lottery Fund is set aside for O'Keefe payments**
 - **Claim advance would open this up for capital/special projects**
- **OKIB is in a very health financial situation at present**



Fiscal Outlook

Financial Situation for 2022-23 Fiscal	
Funds from Operating Surplus	\$2,125,765
O'Keefe Loan Payments	<u>-\$800,000</u>
Balance remaining for 2022-23 fiscal	\$1,325,765
COVID Funding Balance	\$2,790,833
Ottawa Trust Balance	<u>\$4,833,164</u>
	\$7,623,997

- O'Keefe Range loan interest payments are expected to be reimbursed and full loan retired at the end of 2022

OKIB COVID-19 Funding Budget - Updated September 2022

2022-23

Surplus Funding Available at April 1, 2022	2,414,724
September 2022 ISC Distribution	1,033,914
ONA Donation from 2020-21 moved to Health Covid fund	(17,805)
Total Funds Available	<u>3,430,833</u>

2022-23 Budgeted Expenditures:

Health	Elder snow ploughing 2022-23	50,000
Health	Elders Heating Program for those in need (on and off reserve) 2022-23	180,000
C&C	Arbor opening celebration	40,000
Administration	Arrow Lake specific claim legal fees	300,000
Administration	Drinking water legal fees	70,000

Subtotal 2022-23 Budgeted Expenditures: 640,000

Total 2022-23 Expenditures 640,000

Contingency balance unallocated 2,790,833

Covid Budget Update

Some financial room for rainy days/Capital projects

Own-Source Revenue and Uses

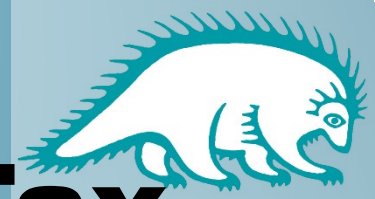


Own Source Revenues:			
Lease Revenues - SRI & Round Lk			1,113,333
FCRSA - Forestry Cut Distribution			1,784,343
BC Gaming Revenues			801,205
Group of Companies Dividends			750,000
Net Other Band Revenues and Admin Fees			1,611,000
Total Own Source Revenues			6,059,881
Expenditures from Own Source Revenues:			
Expenditure Description	Total Cost	Funded Program or Other	Funded by Own Source Revenue
Administration Department	1,620,000	650,000	970,000
Human Resources Department	280,000		280,000
Communications	203,000		203,000
Band Membership	60,000	17,500	42,500
Chief and Council	596,000	28,774	567,226
Chief and Council Legal and Extraordinary	300,000		300,000
Comprehensive Community Plan Project	100,000	50,000	50,000
Fire Department	373,430	313,430	60,000
Emergency Home Improvements	75,000		75,000
Public Works and Housing Administration	550,000		550,000
PWH Equipment Maintenance	85,000		85,000
Band Buildings	527,000	312,000	215,000
Parks - Churches - Cemeteries/Funerals	77,000	10,000	67,000
Municipal Services	205,000	195,000	10,000
Housing	1,140,000	953,000	187,000
Other Projects	272,390		272,390
Total Expenditures from Own Source Revenues			3,934,116
Balance of Own Source Revenues Remaining:			2,125,765



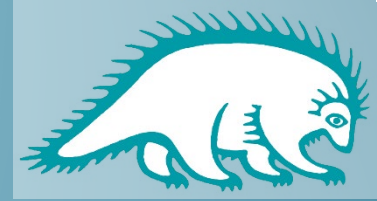
Stability of Own-Source Revenue

- **Forestry Consultation Revenue Sharing Agreement**
 - Depends on trees harvested year to year
 - Large recent percentage increase
 - Allowable cut is decreasing
- **Lease Revenues (SRI and Round Lake)**
 - Very Stable
- **Group of Companies Dividend**
 - Unstable
 - May want to keep profits to reinvest in businesses in future
- **Lottery Funding**
 - Relatively stable (decrease during COVID but back up again)



Difference b/w User Fees and Tax

- | | |
|--|---|
| <ul style="list-style-type: none">• User Fees must be allocated to specific activity and cannot be spent on other priorities<ul style="list-style-type: none">• Example: Fire Service Fees can only be spent on the FD Dept• User Fees are difficult to collect – administrative burden is high• Without legal authority delinquency is high and no recourse for non-payment | <ul style="list-style-type: none">• Taxes can be spent on a wide range of priorities and are not limited to specific uses• Taxes are already being collected with high rates of success<ul style="list-style-type: none">• 90% on IR#7 ; 98% on IR#1• Backed by legal authority, enabling stiffer penalties for non-payment |
|--|---|



Property Tax Currently being collected

Total Taxes collected

2021:

\$3,374,132

After paying for fire services at IR#6&7 OKIB would expect to retain roughly **\$3M.**

This doesn't include new folios that would increase the tax revenue

Okanagan Indian Band - Property Tax Collected Statistics

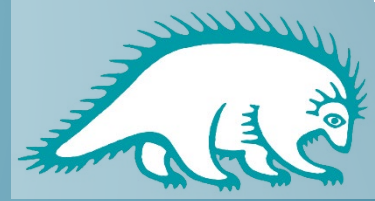
	2020	2021
Okanagan #1 (source MoF)		
Actual Assessment		\$435,305,600
Taxable Assessment		\$418,396,600
Total Taxes Collected	\$960,111	\$924,999
School Taxes Collected	\$751,326	\$745,523
School Taxes/Total Taxes	78%	81%
Collection Success	not available	98%

Priest Valley #6 (source MoF)


Actual Assessment		\$106,743,900
Taxable Assessment		\$93,797,000
Total Taxes Collected	\$694,926	\$743,373
School Taxes Collected	\$384,768	\$398,929
School Taxes/Total Taxes	55%	54%
Collection Success	not available	not available

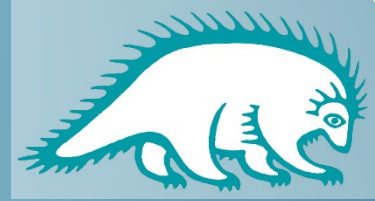
Duck Lake #7 (source City of Kelowna)

Actual Assessment		\$305,105,100
Taxable Assessment		\$282,065,900
Total Taxes Collected	not available	\$1,705,760
School Taxes Collected	not available	\$527,892
School Taxes/Total Taxes	not available	31%
Collection Success	not available	90%
		88.80%



Duck Lake IR#7 Example

- Approximate current tax revenues from SRI Lease to City of Kelowna/Province
 - \$283,000
- With proposed development on the rest of OKIB band land site (pending designation)
 - \$860,000
- Total:
 - \$1,143,000 every year with increases as values 

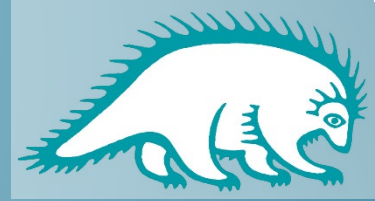


Where Taxes can be spent

Property taxation revenues collected by OKIB can be spent almost anywhere so long as the money is spent on services that benefit the community.

Spending must be done in accordance with a Strategic plan that establishes long range vision for the OIKB Indian Band and its members. Based on the Strategic plan, multi-year financial plans are developed for purposes of informing OKIB's decision-making expenditures in a manner that is consistent with and supports the Band's vision as set out in the Strategic plan. A budget for each year of the multi-year plan will developed for Council approval.

Once a budget is approved an **Annual Expenditure Law** must be made. Expenditure Laws set out categories and subcategories under which expenditures can be made.

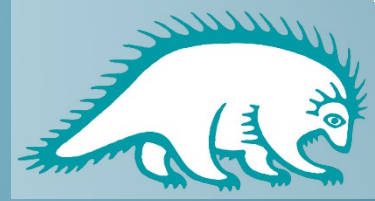


General Government Expenditures

Executive and Legislative: *spending for political and law-enactment aspects of the OKIB, which includes salaries and other expenditure items for elected and appointed officials and their staff.*

General Administrative: *includes outlays for central accounting, auditing, budgeting, and staffing; tax administration and collection; memberships in associations; and administrative costs of servicing the local revenue account debt.*

Other General Government: *includes spending of a general nature that cannot be allocated to more specific functions. It would include such things as property assessment services, intergovernmental services, conferences, public open-house events; general accident and damage claims; fire and public liability insurance; and litigation costs.*



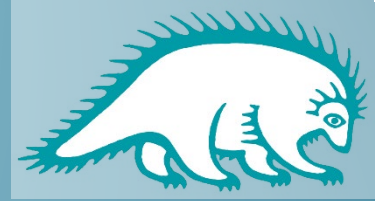
Protection Services

Policing: *not only includes spending to establish, train, operate, maintain and equip a police force but also expenditures to purchase police services.*

Firefighting: *includes expenditures for the prevention, protection, suppression and investigation and extinction of fires; specialized training facilities; fire trucks and other firefighting equipment. Revenues can also be used to purchase firefighting services from other governments or private agencies (under service contracts).*

Regulatory matters: *spending can be made on a wide range of services that ensure public safety objectives are met, for example: inspection of buildings, electrical systems, plumbing and gas installations and other systems that could cause safety problems.*

Other protective services: *spending for special actions to cope with emergency situations. It also includes expenditures for animal and pest control services and activities of a protective nature that are not covered in other subcategories.*



Transportation

Roads and Streets: *includes expenditures made on highways, secondary roads, roads to resource areas, and related storm sewers (that are separate from sanitary sewers). It also includes the costs of removing debris, leaves, and other deposits, street lighting, and expenses related to traffic control.*

Snow and Ice removal: *includes costs of snow and ice removal and surface sanding.*

Parking: *includes planning, maintaining, constructing, and operating parking facilities.*

Public Transit: *includes expenditures on research and planning and includes capital and operating subsidies to public transportation systems.*

Other Transportation: *includes expenditures that cannot be further identified as falling within another category, or that overlap with several subcategories*



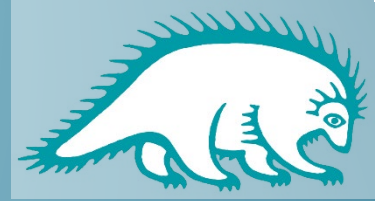
Recreation and Cultural Services

Recreation: includes outlays for sporting and recreational services such as those for stadiums, community centres, swimming pools, beaches, marinas, golf courses, skating rinks, arenas, parks and playgrounds.

Culture: outlays for archives, historic sites, art galleries, museums, libraries, centers for performing arts.

Heritage Protection: expenditures on the research, management, identification, and protection of OKIB heritage sites

Other Recreation and Culture: includes administrative expenditures of departments and agencies with activities spanning both recreation and culture and for miscellaneous services associated with recreation and culture.



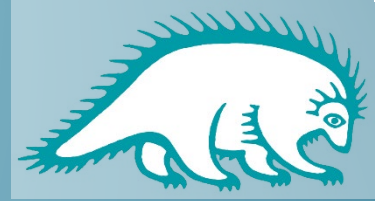
Community Development

Housing: *all OKIB outlays on housing (excepting rent supplements/subsidies)*

Planning & Zoning: *expenditures for planning boards, research and planning, official plans, and the operation of departments and agencies entrusted with matter relating to planning and zoning.*

Community Planning: *This subcategory includes expenditures of departments and agencies engaged in community renewal projects, general land assembly, and other expenditures specifically related to community and regional development and assistance.*

Economic Development Program: *expenditures on actions taken to provide economic opportunities.*



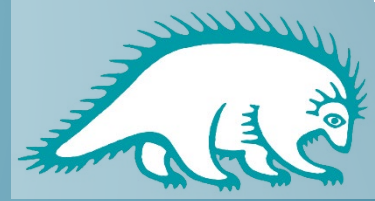
Community Development

Tourism: *expenditures in respect of tourist bureaus and the promotion of tourism.*

Trade and Industry: *promotion, protection and development of general industrial and commercial activities. Includes department expenses as well as grants and subsidies to foster business concerns.*

Land rehabilitation & Beautification: *all expenditures related to land rehabilitation and beautification.*

Other regional planning and Development: *includes all community development expenditure that cannot be identified with any specific community development subcategory.*



Environment Health Services

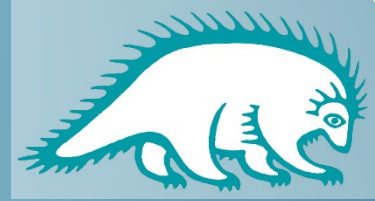
Water purification and supply: *outlays for construction, operation and maintenance of water acquisition, treatment and distribution facilities.*

Sewage collection and disposal: *expenditures for the construction, operation and maintenance of sewage removal and treatment facilities.*

Garbage, waste collection, and disposal: *outlays for garbage, waste collection, and disposal and expenditures for incinerators, and garbage/waste dumps.*

Recycling: *includes expenditures for the construction, maintenance, operation, and management of recycling facilities and programs.*

Other Environmental services: *includes miscellaneous expenditures relating to the environment that cannot be identified with any specific category or that applies to several subcategories.*



Other Services

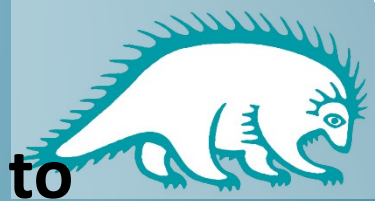
Health: *all expenditures made to ensure that health services are made available to members.*

Social programs & Assistance: *actions taken by OKIB to offset or forestall situations where the well being of individuals or families is threatened by circumstances beyond their control. This includes community service programs such as those directed at youth, elders, or the disabled.*

Agricultural development: *outlays for drainage and irrigation, agricultural research and development, agricultural protection and quality control, inspection and veterinary care of farm animals, and weed and agricultural product pest control. Includes expenditures made to control, regulate, and promote farm products, and for soil surveys and conservation.*

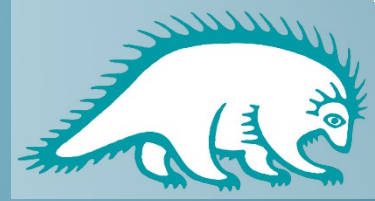
Education: *costs of developing, improving and operating educational systems and for specific educational services.*

Other Services: *includes expenditures that cannot be directly identifiable with another subcategory.*



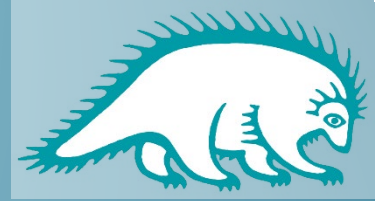
Some examples of where property tax revenues have been used to benefit communities directly:

- Multipurpose community centers
- Playgrounds
- Housing
- Powwow arbour
- Fire Hall
- Post-Secondary Education Funding
- Pre school and after school programs
- Youth programs
- Cultural and Language programs
- Water and wastewater systems improvements for member-housing
- Capital project design (engineering and planning)



The Songhees Wellness Centre is a 55,000 sq.ft multi-purpose building which houses the Nation's Governance and Administration Offices, Local Services, Education Services, and Health Centre. Sports facilities include a fitness studio, international-sized wood floor multi-sport court, bleacher seating for 350 and team change rooms. There is an industrial kitchen, computer lab, elders centre, youth centre, and a Gallery Cafe. The \$25 million facility was financed and funded by Songhees Nation apart from \$1 million in federal funding. Financing was provided by VanCity and the First Nations Finance Authority.





Join Us For Our

GRAND OPENING CELEBRATION!



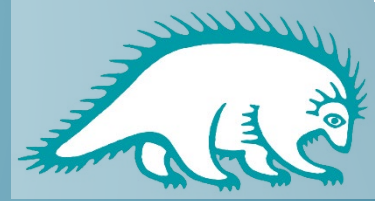
June 28 2022

12:30 p.m.

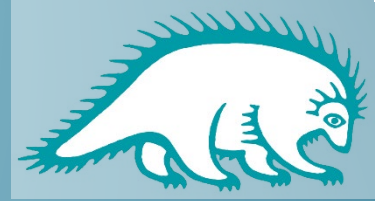
7256 Chilliwack River Road Chilliwack, BC

The Skowkale First Nation partnered with Aitchelitz and Yakwekwioose to build a community building and large playground that is used by all three communities.

This is a copy of the invitation that was sent out to community members.



2/3 of the cost for the Tk'emlúps arbour was funded with property tax revenues.



Future Outlook

- With OKIB's improving financial position we may be able to do new projects in the future. Own source revenue is not completely stable.
- With taxation revenue we would be able to move much quicker to resolve long-standing issues for members and administration. It is estimated that there is a \$35 million infrastructure backlog.
 - New Health Campus/Admin Buidling
 - Buidling lots for members to access housing on-reserve
 - Increased Post-Secondary education funding
 - New school/daycare/Komasket Park improvements/Recreation Centre
 - Road/pathway improvements
 - Increased culture and Language programming
 - Second Firehall
 - More savings into the Trust account
 - Potential for per member disbursements