



Oliver – Status Update

Taxes, Debt, Reserves

January 12, 2026

Agenda

- Oliver Property Taxes – 2018-2025
- Operational Efficiencies
- Property Taxes– Rate Setting and Operational Requirements
- Property Taxes - 2018-2025 Comparative Municipalities
- Property Taxes - 2025 Provincial Comparisons
- Debt Levels per Capita
- Reserves – History and Trends
- Path to Financial Stability
- 2026 Property Taxes Recommendation

Oliver Property Taxes – 2018-2025

Year	Average House Value	Municipal Tax Revenue	Annual Increase	Total	
2018	\$359,615	\$600	\$50		
2019	\$391,377	\$646	\$46		
2020	\$399,940	\$647	\$1		
2021	\$424,717	\$713	\$66		
2022	\$564,578	\$904	\$191	\$354	2018-2022 RCMP
2023	\$622,922	\$953	\$49		
2024	\$624,998	\$994	\$41		
2025	\$633,370	\$1,055	\$61	\$151	2023-2025

Increase since 2017 \$505

- Municipal taxes increased by **\$354** between 2018 and 2022, from \$550/average house to \$904/average house
- The annual increase was 10.75% for combined increase of **53.75%** (cumulative 64.12%)
- Increases between 2023 and 2025 averaged **\$50/average house**

**** increases above do not include Parks & Rec, Fire or other taxing bodies ****

January 25, 2021 Report to Council from DFO

- *In 2018 staff estimated that the **policing costs would be approximately \$1.05M**. The police tax that was collected by the Province as part of the school taxes was approximately \$275k for a net difference of \$775,000 or a tax increase of **54%** in 2017 dollars. A strategy was developed by Council and staff to increase the tax base by 9% per year commencing in 2018. This 9% tax increases were levied in 2018 and 2019 and was abandoned in 2020 due to Covid19.*
- *The tax increases were to be dedicated in their entirety to capital works projects. The operations of the Town of Oliver continued to operate **without any increases to service levels or increased contracted services amounts**.*
- *It was stated that any future capital works, if approved, would need to be financed by borrowing, reserves, grants, sales of assets or taxation increase.*
- *A significant tax increase was projected for 2022 to cover the RCMP contract costs.*

Efficient Operations

As per a staff report presented during the 2021 budget deliberations,

In 2018 and 2019 Council adopted 9% tax increases. These increases were applied towards capital projects. In effect what has occurred in the operating budget of the Town of Oliver is a zero percent increase since 2017. The only taxation growth that has occurred is Non Market Change. This growth has been further reduced by 50% as the Non Market Change increase has been transferred to the Policing Reserve.

The impact of the zero percent increase in operating expenditures has continually challenged staff to be creative and continue to be as effective, efficient and economical as possible.

Staff stepped up to the challenge put forward in 2021 and we have continued to look for opportunities over the past few years to limit operational spend:

- Limited our growth in FTE's, zero additions between 2023 and 2025
- Delay on filling new positions (i.e. Full-Time Fire Chief, RCMP Clerk)
- Reorganized duties to streamline customer service (i.e. Finance Front Counter)
- Utilization of consultants (i.e. Grant Writing, Occupational Health and Safety, Records Management)
- Work with partners versus creating new Town roles (i.e. RDOS for Emergency Operations)
- Utilization of technology (i.e. Ionizers, Electronic Time Sheets, eBilling for Taxes and Utilities)
- Departmental line by line review of revenues and expenses with multi-year comparisons
- Budget for minimal annual transfer to general reserve (not to exceed amortization)

Factors Impacting Past Tax Increases

Knowledge Transfer – Finance Team

- Staffing Changes Impacting Budget Presentations (Six budgets between 2018 and 2024 - prepared by 5 CFO's and one DFO)
- The CFO in place for the 2018 budget that included the proposed annual increases of 9% for RCMP costs left the Town in November 2018.
- A new CFO completed the budgets for 2019 and 2020 and worked on the budget with the previous Deputy Finance Officer in 2021.
- A new CFO completed the 2022 budget and left the Town in April 2022.
- The next CFO, current CAO, completed the 2023 budget.
- A new CFO, current CFO, completed the 2024 and 2025 budgets.

Other Factors Putting Pressure on Tax Rate Increases

- Comparisons to Osoyoos (Impacted 2018-2023 increases)
- Covid in 2020 with Government funding (Impacted 2020 increase)
- RCMP policing costs starting 2022 (Impacted 2023+ increases)
- Two years of high inflation (Impacted 2023 increase)
- BC Growing Community Funds in 2023 (Impacted 2024 increase)
- Closure of BC Tree Fruits in 2024 (Impacted 2025 increase)
- Water and Sewer Rate Increases (Impacted 2025 increase)

- *Staff need to bring forward budgets that address long-term financial stability, while considering short-term challenges. In hindsight, recommendations for increases like 2022 should have been brought forward between 2023 and 2025.*
- *Without the \$4 million in funding from other levels of government for Covid and infrastructure, plans with larger increases would have been necessary. This additional funding bought us time but didn't solve our long-term funding problem.*

As highlighted in this presentation, staff could have done a better job in the last few years providing Council with the data they need, to support the decisions they make, to fulfill the Town's operational and infrastructure funding requirements.

Inflation versus Operational Requirements

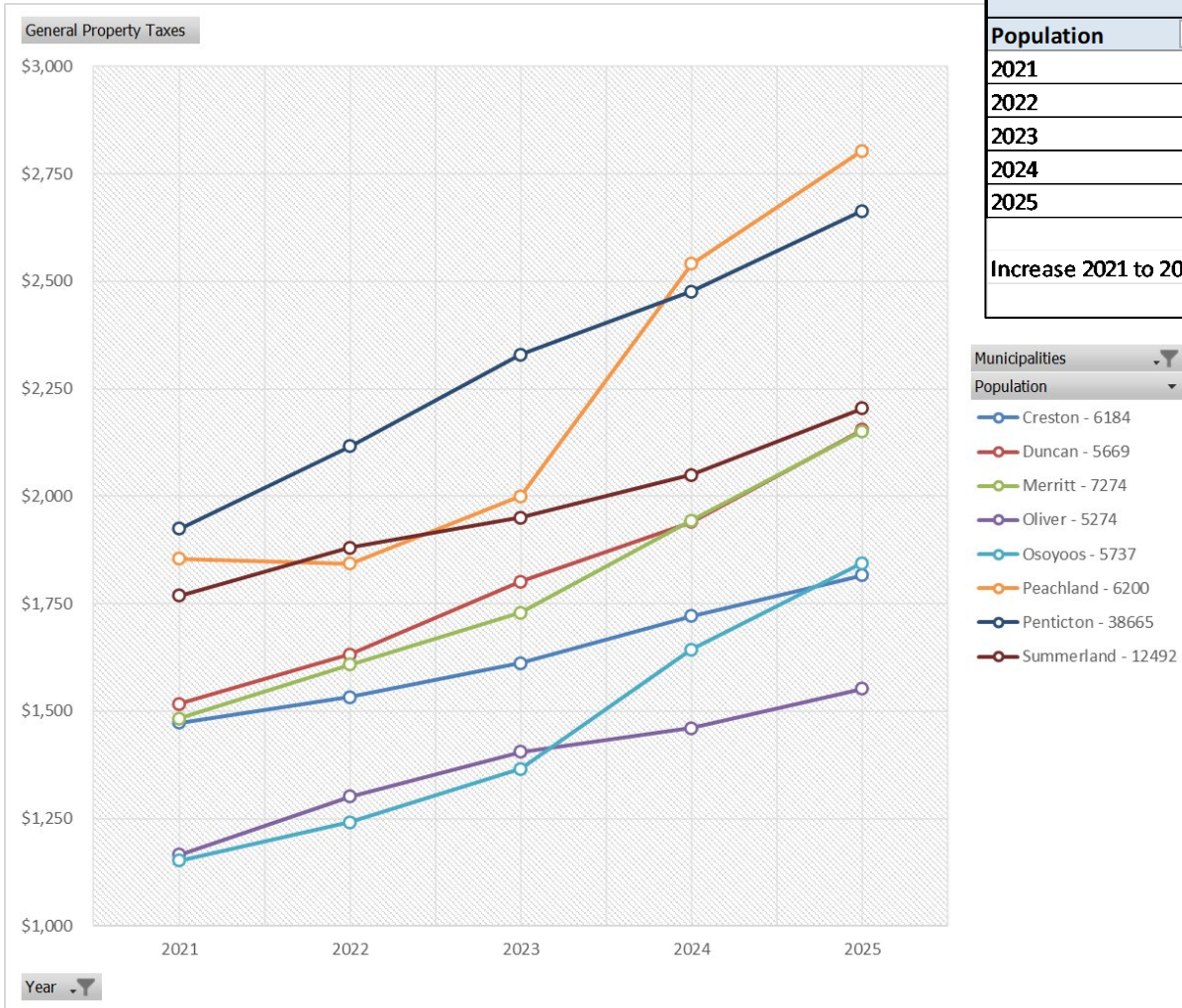
Going back to 2021, Oliver and Osoyoos collected a similar amount of property taxes per average household, approximately \$1,150. This was \$300+ lower than communities like Creston and Merritt and much lower than other Okanagan communities. Property taxes in Oliver are now much lower than Osoyoos, and even further behind comparative communities.

- Inflation has been a factor in building the expenditure side of the budget and has also been a factor when setting tax rates. It is common for municipalities, and the media, to compare % tax increases to other municipalities.
 - **Example:** The Peachland increase in 2025 was 10% or \$263/property. A similar \$263/property increase in Oliver in 2025 would have been 18%. The focus would have been on the % increases instead of the similar dollar impact.

Year	BC Inflation	CUPE Wage Increase	BC	CUPE
2018	2.70%	2.00%		
2019	2.30%	2.00%		
2020	0.80%	2.50%		
2021	2.80%	2.50%		
2022	6.90%	2.25%	15.50%	11.25%
2023	3.90%	2.25%		
2024	2.60%	8.00%		
2025(est)	2.20%	4.00%	8.70%	14.25%
	24.20%	25.50%		
	Blended Average Inflation	24.85%		
	Non-RCMP increase- 2023-2025	15.86%		
	Tax Increases Over (Under) Inflation	-8.99%		

Property tax increases need to be based on long-term operational requirements

Property Taxes - 2021-2025 Comparative Municipalities



	Creston	Duncan	Merritt	Oliver	Osoyoos	Peachland	Penticton	Summerland		
Population	6,184	5,669	7,274	5,274	5,737	6,200	38,665	12,492		
2021	\$ 1,473	\$ 1,517	\$ 1,483	\$ 1,166	\$ 1,152	\$ 1,854	\$ 1,924	\$ 1,769		
2022	\$ 1,533	\$ 1,632	\$ 1,608	\$ 1,301	\$ 1,242	\$ 1,843	\$ 2,116	\$ 1,881		
2023	\$ 1,612	\$ 1,801	\$ 1,729	\$ 1,405	\$ 1,366	\$ 2,000	\$ 2,330	\$ 1,951		
2024	\$ 1,721	\$ 1,940	\$ 1,944	\$ 1,461	\$ 1,644	\$ 2,541	\$ 2,477	\$ 2,050		
2025	\$ 1,816	\$ 2,155	\$ 2,151	\$ 1,552	\$ 1,844	\$ 2,804	\$ 2,664	\$ 2,205		
Increase 2021 to 2025	\$ 343	\$ 638	\$ 668	\$ 386	\$ 692	\$ 950	\$ 740	\$ 436	\$ 607	Average
	23%	43%	45%	26%	47%	64%	50%	30%	41%	

- Taxes per Representative House have been historically lower than other communities with similar services (Fire, Policing, Recreation)
- Oliver and Osoyoos were significantly below comparative municipalities in 2021.
- Average Oliver tax increases over the last five years were \$221 below the other communities.
- The spread between Oliver and comparative communities will grow if we don't match or exceed the \$/household annual increases.

**** THE TAX GAP IS GROWING ****

Property Taxes - 2025 Provincial Statistics

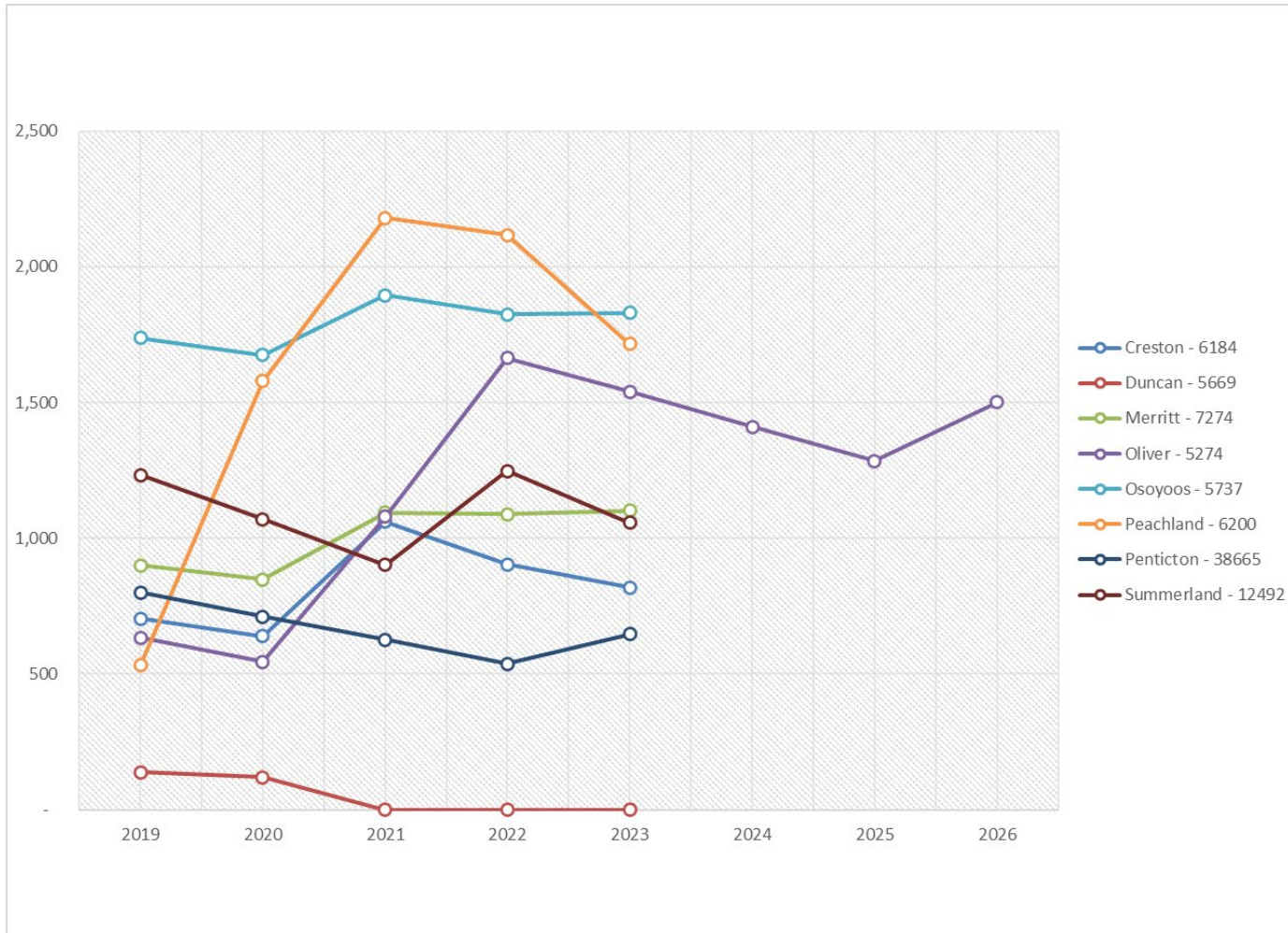
Source: LGDE – Province of BC website (Populations between 5,000 and 15,000)

These RD values may include recreation or other services performed by the RD that are part of Oliver's general taxes.

Municipalities	Population	Year	House Value ¹	School	General Municip	Regional Distric	RD Percent Genera	RD - General	General Municipal+ Adjustmen	RD - Adjuste	Hospita	Other	Total Res Variable Rate Tax
Quesnel	10236	2025	358,188	835	1,405	541		0	1,405	541	269	13	3,063
Trail	8406	2025	406,057	708	1,407	1,073		0	1,407	1,073	64	15	3,267
Castlegar	9227	2025	526,529	917	1,490	665		0	1,490	665	83	19	3,174
Kitimat	9168	2025	371,500	747	1,524	20		0	1,524	20	201	47	2,539
Oliver	5274	2025	633,370	1,014	1,055	648	53%	343	1,552	305	129	22	3,022
Armstrong	5767	2025	649,453	997	1,647	141		0	1,647	141	150	23	2,958
Gibsons	5093	2025	1,053,440	1,213	1,659	1,524		0	1,659	1,524	77	244	4,717
Creston	6184	2025	435,965	712	1,816	967		0	1,816	967	176	16	3,687
Osoyoos	5737	2025	732,293	1,172	1,564	291		0	1,844	291	151	26	3,484
Hope	6842	2025	644,691	949	1,879	475		0	1,879	475	65	23	3,391
Spallumcheen	5779	2025	653,567	1,003	1,952	101		0	1,952	101	144	23	3,223
Kent	7115	2025	769,491	1,133	2,054	72		0	2,054	72	78	28	3,365
North Saanich	13340	2025	1,563,864	1,669	2,059	520		0	2,059	520	193	588	5,029
Smithers	5661	2025	499,480	961	2,066	624		0	2,066	624	270	18	3,939
Ladysmith	9903	2025	721,217	964	2,109	991		0	2,109	991	274	26	4,364
Williams Lake	11369	2025	412,729	820	2,119	506		0	2,119	506	306	93	3,844
Metchosin	5331	2025	1,279,703	1,541	2,122	334		0	2,122	334	158	481	4,636
Merritt	7274	2025	459,630	791	2,151	293		0	2,151	293	139	67	3,441
Duncan	5669	2025	585,499	764	2,155	697		0	2,155	697	223	21	3,860
Coldstream	11553	2025	1,011,130	1,393	2,178	720		0	2,178	720	234	36	4,561
Summerland	12492	2025	874,427	1,208	2,205	181		0	2,205	181	181	31	3,806

- Oliver's general property tax per average house value was **\$1,552** in 2025.
- Three of the four communities reporting lower general property taxes reported large regional district charges that may include services that are part of Oliver's general property tax amount.
- The combined **\$3,022** in property taxes for Oliver was the **3rd** lowest in this group in 2025, behind Armstrong and Kitimat.

Debt per Capita



- Our debt levels spiked in 2021 and 2022 with the completion of the Gallagher Siphon project.
- In 2023, Oliver's debt per capita of \$1,539 was lower than Osoyoos and Peachland but more than 2x higher than Penticton.
- Anticipated borrowing for 2026 will drive our debt per capita back up to \$1,500/resident.

**** DEBT/CAPITA TRIPLED SINCE 2020 ****

Annual Contributions to Reserves

Reserves - Water & Sewer	2018-2024	Average
Water	3,623,413	452,927
Sewer	2,945,426	368,178
	6,568,839	821,105

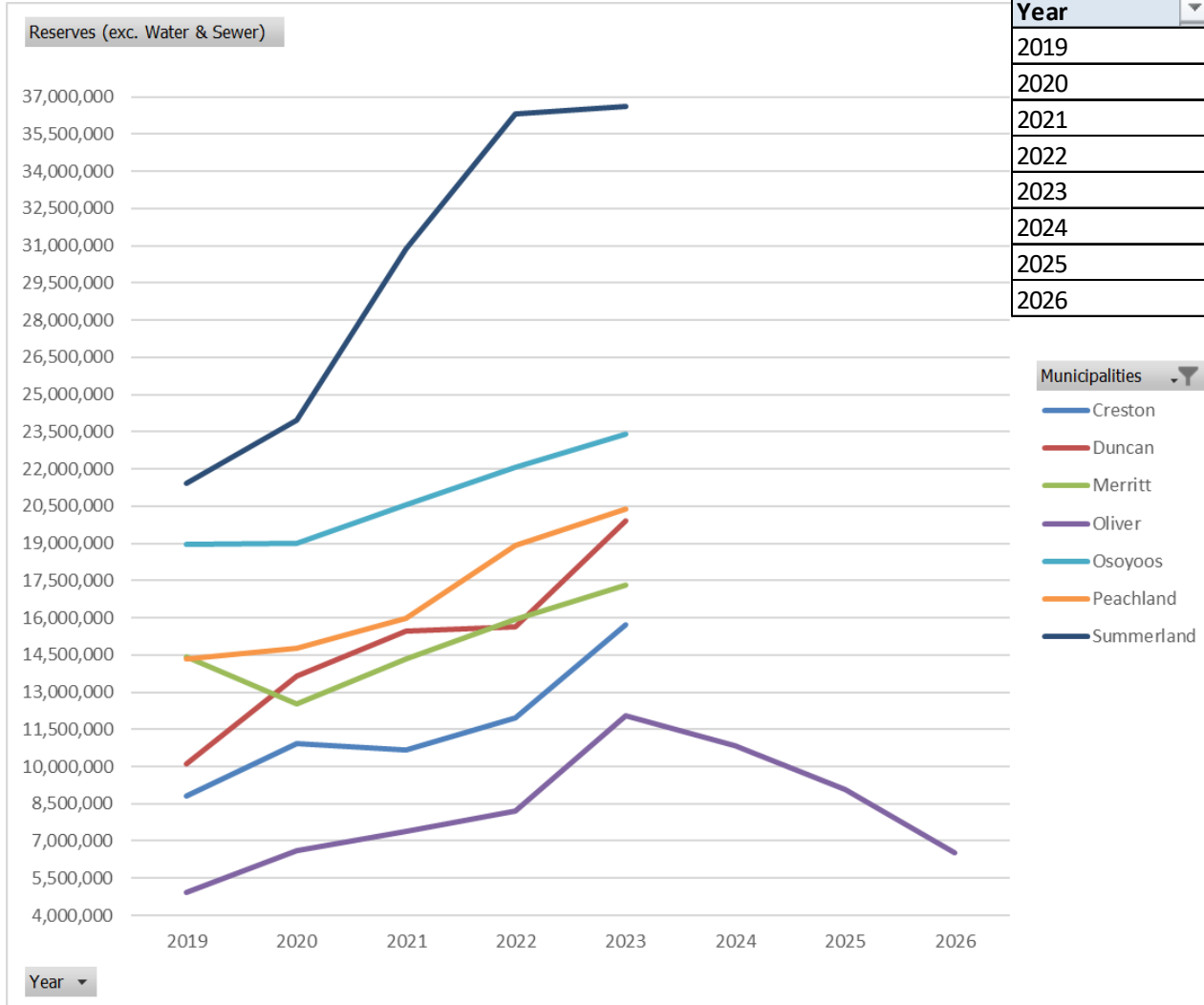
Reserves - General	2018-2024	Average
Capital Reserve	114,600	14,325
Equipment Reserve	932,899	116,612
General Reserve	1,885,178	235,647
Policing Reserve	255,994	31,999
Unrestricted	2,099,447	262,431
	5,288,118	661,015

Reserve - Fire/Joint and Grants	2018-2024	Average
Fire Department - Joint Reserve	1,138,873	142,359
BC Growing Communities Fund	2,769,000	346,125
Covid Safe Restart Grant	1,591,000	198,875
Local Government Housing Initiatives	175,243	21,905
Community Works	1,923,017	240,377
Climate Action	463,232	57,904
	8,114,189	1,014,274

- **Water & Sewer**
 - Funded through utility rates
- **General**
 - The Fire Department – Joint Reserve is shared with the Rural Fire Protection District
 - Unrestricted reserve is portion of our annual surplus not allocated to a general reserve account
 - Approximately \$660k annually is generated through municipal taxes (excluding fire) to cover the replacement of Town assets and to cover extraordinary policing costs
- **Grants**
 - Reserves are not normally established for operating grants that are utilized within two years or less
 - BCGC Reserve – must be spent by 2028

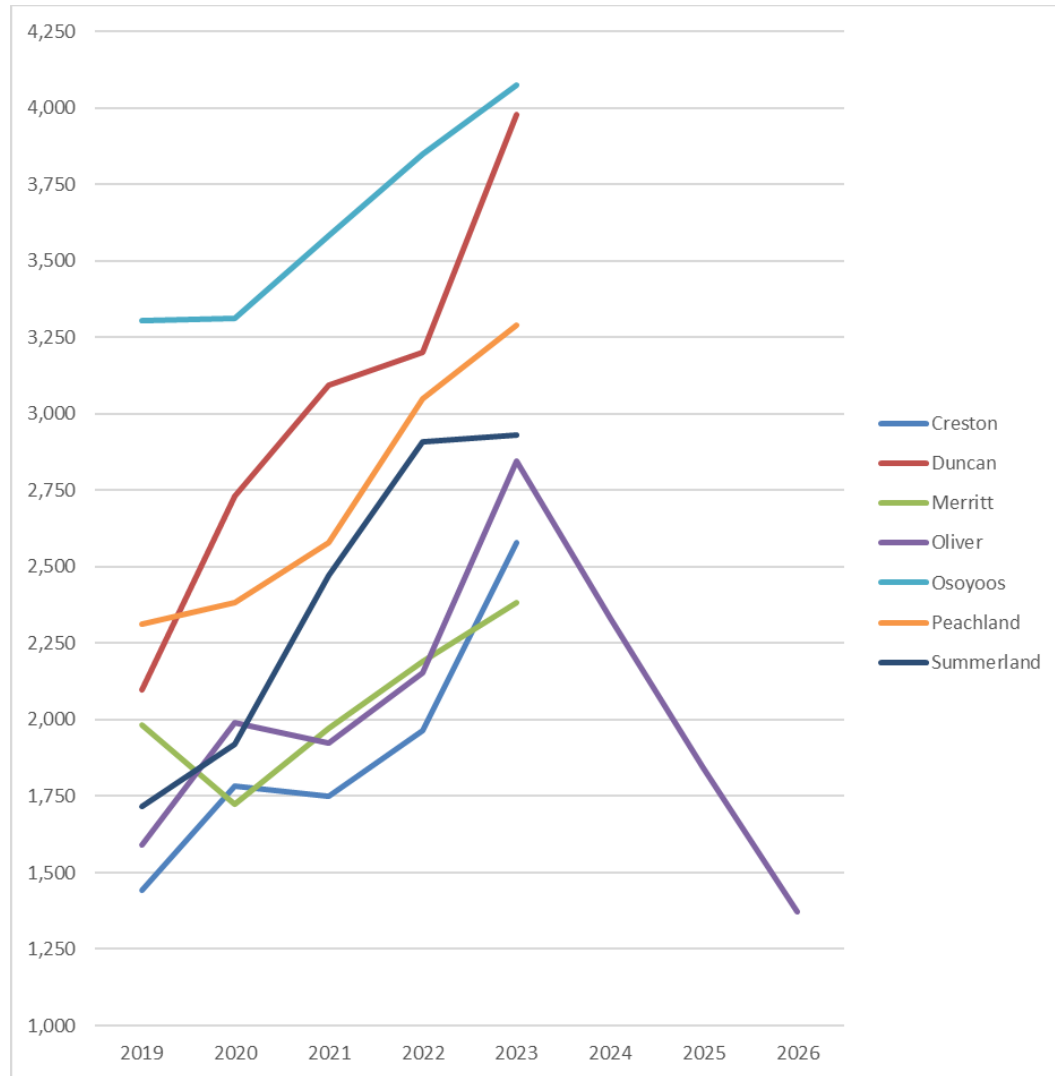
Reserve Balances

Reserves (exc. Water & Sewer)	Municipality						
Year	Creston	Duncan	Merritt	Oliver	Osoyoos	Peachland	Summerland
2019	8,806,727	10,115,688	14,432,662	4,946,817	18,964,045	14,340,161	21,438,619
2020	10,915,042	13,668,105	12,543,967	6,603,306	19,010,173	14,781,175	23,966,140
2021	10,683,631	15,472,967	14,348,874	7,385,124	20,562,937	15,993,396	30,888,080
2022	11,976,500	15,649,089	15,942,477	8,207,188	22,087,636	18,896,748	36,320,789
2023	15,731,125	19,888,955	17,330,294	12,065,614	23,385,632	20,400,420	36,607,004
2024				10,834,538			
2025				9,051,967			
2026				6,513,327			



- The Town received government funding of \$4,360,000 in the past five years for infrastructure and operational expenses.
 - 2020 Covid - \$1,591,000
 - 2023 BCGC Funding - \$2,769,000
- Reserves have steadily declined since 2023 with transfers out for capital exceeding transfers in from surpluses and interest.
- 2025 and 2026 projections are based on completed and proposed projects along with forecasted surplus and interest.

Reserves per Capita



- Our reserves per capita increased to \$2,846 in 2023 with the receipt of the BCGC Funding.
- The 2026 forecast of \$1,372/capita is the lowest level since 2019, even with a significant 2026 property tax increase.

**** RESERVES/CAPITA TRENDING DOWN ****

The Impact of Low Property Taxes

Property taxes are the **most predictable source of revenue** for annual transfers to operating and capital reserves.

Maintaining low property taxes, with minimal contributions to general operating and capital reserves, will have the following implications:

- **We will have limited reserves available for critical repairs or infrastructure replacement.** If our backup plan is to borrow, long-term borrowing requires advance planning, and we have limited ability to borrow from water and sewer reserves.
- **Additional debt funding will impact future transfers to reserves.** If we rely on debt financing for major infrastructure projects, the annual repayment of debt and interest on these projects will reduce our annual surplus and subsequent transfers to reserves.
- With the expected reduction in grant opportunities, there will be **more competition for fewer grants in the next few years.** Grant funders may ask for higher co-funding, which will require the Town to have access to reserves.

**** The lack of grant funding, high debt levels and diminishing reserves will result in the deferral of potentially critical projects with an increased risk of infrastructure failure. ****

The Path Forward to Financial Stability

Financial stability means having the ability to meet our current and future financial obligations and service demands, without a substantial reliance on debt or grants. This is achieved through predictable revenue streams, sound financial management, and adequate reserves.

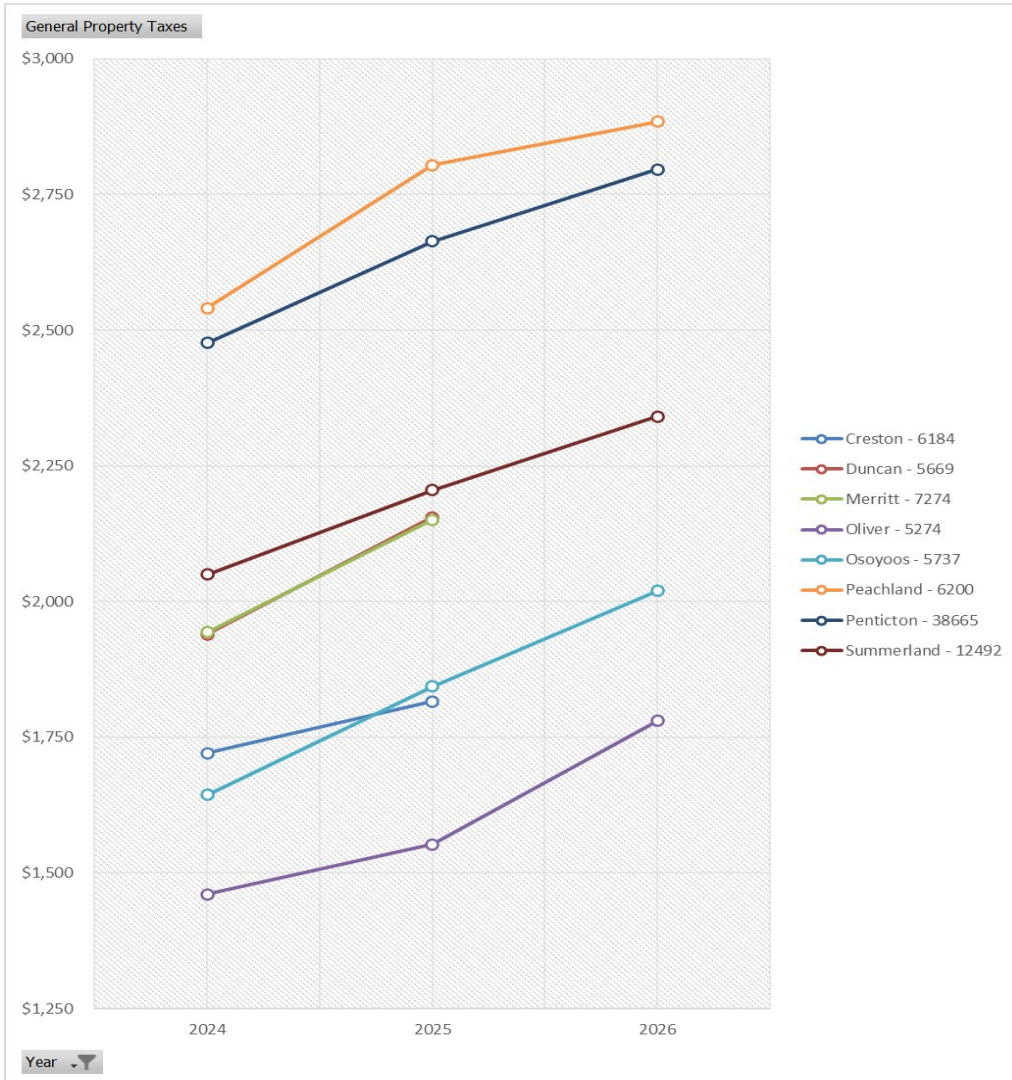
The staff recommendation is as follows:

The 2026-2030 financial plan, and subsequent plans, need to include significant annual contributions to general reserves.

- A slow and steady build up of reserves will allow future Councils to pursue critical infrastructure projects identified in our Asset Management Plan.
- Ideally, our future capital plans will include critical, non-grant funded, projects in each of the five years. The plans should include critical projects in the first year that can be completed with or without the reliance on grant funding or debt.

2026 Property Taxes

(with proposed increases for surrounding municipalities)



	Oliver	Osoyoos	Peachland	Penticton	Summerland	Average
Population	5,274	5,737	6,200	38,665	12,492	
2024	\$ 1,461	\$ 1,644	\$ 2,541	\$ 2,477	\$ 2,050	
2025	\$ 1,552	\$ 1,844	\$ 2,804	\$ 2,664	\$ 2,205	
2026	\$ 1,780	\$ 2,020	\$ 2,884	\$ 2,796	\$ 2,341	
Increase 2025	\$ 92	\$ 200	\$ 263	\$ 187	\$ 155	\$ 177
Increase 2026	\$ 228	\$ 176	\$ 80	\$ 132	\$ 136	\$ 150
Total 2025 and 2026	\$ 319	\$ 376	\$ 343	\$ 319	\$ 291	\$ 330
2 Year Increase vs. Oliver		\$57	\$24	-\$0	-\$28	

- 2026 proposed increase of **\$228** per average house.
- 2026 increase is higher than the one-year average and **lower than two-year averages.**
- Oliver's 2026 general property tax will still be **\$240 lower** than Osoyoos, **\$561 lower** than Summerland and **\$1,004 lower** than Peachland.
- Oliver's 2-year increase of **\$319** is the same or lower than Osoyoos, Peachland & Penticton.
- Peachland was able to limit their 2026 tax increase by transferring **\$418,313** from their Unspent Surplus reserve account.

Questions

