

DISTRICT OF WEST KELOWNA

BYLAW NO. 0118

A BYLAW TO AMEND THE 2011-2015 FINANCIAL PLAN

WHEREAS the Council shall, by bylaw, pursuant to Section 165 of the *Community Charter*, adopt in each year a five year financial plan; and

WHEREAS expenditures not provided for in the financial plan or the financial plan, as amended, are not lawful except in the event of an emergency;

THEREFORE BE IT RESOLVED THAT the Municipal Council of the District of West Kelowna in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. Title

This bylaw may be cited as the FINANCIAL PLAN BYLAW 2011 NO. 0118.

2. Schedule "A" attached hereto and forming part of this Bylaw shall be the Financial Plan of the District of West Kelowna for the period January 1, 2011 to December 31, 2015.

PASSED FIRST READING, January 18, 2011
PASSED SECOND READING AS AMENDED, April 12, 2011
PASSED THIRD READING AS AMENDED, April 12, 2011
ADOPTED, April 26, 2011

'DOUG FINDLATER'

MAYOR

'TRACEY BATTEN'

CITY CLERK

Schedule "A"

District of West Kelowna 2011 - 2015 Financial Plan

Consolidated Totals - Revenues Schedule "A"

Description	Forecast 2010	Requested 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Property Taxes	21,388,321	22,300,421	23,861,450	25,531,753	27,318,973	29,231,299
Property Tax Exemption	218,337	454,851	463,948	473,227	482,692	492,345
Trsf of 2007 Property Taxes from Province						
Utility Companies	376,971	421,572	430,003	438,604	447,376	456,323
Local Improvements	-	-	-	-	-	-
Grants-in-Lieu	308	308	314	320	327	333
Sales of Service	15,085,170	24,015,850	24,128,683	24,709,445	25,304,222	25,913,364
Other Revenue from Own Sources	2,546,145	2,213,248	2,257,513	2,302,663	2,348,716	2,395,691
Government Transfers	2,257,000	2,265,225	2,273,182	678,646	286,308	294,182
Government Grants	14,582,391	11,075,254	3,258,563	843,563	843,563	843,563
Transfer from Own Reserves	4,437,107	4,627,431	3,008,000	3,181,330	2,815,000	2,800,001
Transfer from Sewer Utility	-	-	-	-	-	-
Transfer from Water Utility	-	-	-	-	-	-
Transfer from Surplus to fund Capital	-	-	-	-	-	-
Transfers from Statutory Reserves						
Development Cost Charges	531,258	-	420,000	420,000	20,000	-
Equipment Replacement Fund	776,700	1,027,200	166,000	805,000	150,000	-
Capital Reserve	1,931,061	2,046,836	420,000	376,000	275,000	460,002
Local Improvement Reserve	-	-	-	-	-	-
Water Capital Reserve	-	-	-	-	-	-
Borrowing Proceeds	19,090,012	9,880,330	-	-	-	-
Sub-total	83,220,781	80,328,525	60,687,657	59,760,551	60,292,177	62,887,104
Collections for Other Governments	20,131,965	21,153,738	21,279,780	21,864,974	22,466,261	23,084,083
TOTAL REVENUES	103,352,746	101,482,263	81,967,437	81,625,525	82,758,438	85,971,187

**Consolidated Expenditures
Schedule "A" Continued**

	Forecast 2010	Requested 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015
Operating Expenditures						
General Government Services	6,103,074	6,340,321	6,268,378	6,515,400	6,693,885	6,877,279
Protective Services	9,336,829	9,837,638	10,097,395	11,071,007	11,672,406	11,985,147
Transportation Services	5,756,578	5,646,487	5,838,989	6,099,021	6,266,744	6,438,882
Environmental Health Services	3,126,611	9,183,384	8,935,429	10,209,609	10,490,745	10,779,022
Public Health Services	-	20,000	20,550	21,115	21,696	22,292
Environmental Development Services	2,522,035	3,024,840	2,745,589	2,471,028	2,538,389	2,608,152
Recreation & Cultural Services	5,164,713	5,287,268	5,274,046	5,418,395	5,566,714	5,719,111
Interest & Principal - Municipal Debt	3,823,167	6,447,564	6,492,106	5,743,251	5,705,891	5,826,421
Other Financial Fees	49,834	51,204	52,612	54,059	55,546	57,073
Transfer to Own Reserves	4,223,395	5,287,217	4,998,217	3,590,046	3,980,061	4,318,067
Transfer to Surplus	-	-	-	-	-	-
Transfer to General Revenue Fund	-	-	-	-	-	-
Transfer to Statutory Reserves						
Development Cost Charges Fund	2,350,000	600,000	600,000	600,000	600,000	600,000
Equipment Replacement Fund	575,773	574,842	824,141	648,609	641,790	846,487
Off-Street Parking Reserve Fund	-	-	-	-	-	-
Local Improvements Fund	-	-	-	-	-	-
Capital Reserve Fund	1,575,771	2,317,806	3,042,488	2,040,251	2,288,830	3,026,291
Available for supplemental budget requests	-	-	-	-	-	-
Sewer Capital Reserve	-	-	-	-	-	-
Water Capital Reserve	235,842	235,842	483,717	496,432	509,483	522,877
Total Operating Expenditures	44,843,623	54,854,412	55,673,657	54,978,221	57,032,177	59,627,101
Capital Expenditures						
General Government Services	92,784	105,785	250,000	200,000	150,000	150,000
Protective Services	6,524,509	899,029	86,000	750,000	75,000	75,000
Transportation Services	4,124,574	3,890,107	3,470,000	3,470,000	2,845,000	2,845,001
Environmental Health Services	26,986,260	19,880,736	1,000,000	-	-	2
Public Health Services	-	-	-	-	-	-
Recreation & Cultural Services	649,031	698,454	208,000	362,330	190,000	190,000
Total Capital Expenditures	38,377,158	25,474,111	5,014,000	4,782,330	3,260,000	3,260,003
Transfers to Other Governments	20,131,965	21,153,738	21,279,780	21,864,974	22,466,261	23,084,083
TOTAL EXPENDITURES	103,352,746	101,482,263	81,967,438	81,625,526	82,758,439	85,971,188

**District of West Kelowna
2011 Property Taxes by Class
General Operating
Schedule "A" Section "A"**

PROPERTY CLASS	Occurrences	2011 Assessment Value	TOTAL VALUE	MULT	Value incl Mult Factor	TAX RATE	TAX \$/CLASS
RESIDENTIAL	12,793	5,918,088,323	5,918,088,323	1.00	5,918,088,323	2.99716	\$ 17,737,434.08
UTILITIES	117	2,943,401	2,943,401	7.00	20,603,807	20.98009	\$ 61,752.82
SUPPORTIVE HOUSING	-	-	-	1.00	-	2.99716	\$ -
MAJOR INDUSTRY	2	14,654,000	14,654,000	3.40	49,823,600	10.19033	\$ 149,329.10
LIGHT INDUSTRY	47	75,910,600	75,910,600	2.80	212,549,680	8.39204	\$ 637,044.55
BUSINESS/OTHER	410	345,056,301	345,056,301	2.45	845,387,937	7.34303	\$ 2,533,759.55
MANAGED FOREST	-	-	-	3.00	-	8.99147	\$ -
REC/NON-PROFIT	54	11,165,600	11,165,600	1.00	11,165,600	2.99716	\$ 33,465.05
FARM	172	3,423,528	3,423,528	1.00	3,423,528	2.99716	\$ 10,260.85
TOTAL	13,595	6,371,241,753	6,371,241,753		7,061,042,475		\$ 21,163,046

**District of West Kelowna
2011 Property Taxes by Class
General Operating - Library
Schedule "A" Section "E"**

PROPERTY CLASS	Occurrences	2011 Assessment Value	TOTAL VALUE	MULT	Value incl Mult Factor	TAX RATE	TAX \$/CLASS
RESIDENTIAL	12,793	5,918,088,323	5,918,088,323	1.00	5,918,088,323	0.16108	\$ 953,270.81
UTILITIES	117	2,943,401	2,943,401	7.00	20,603,807	1.12754	\$ 3,318.81
SUPPORTIVE HOUSING	-	-	-	1.00	-	0.16108	\$ -
MAJOR INDUSTRY	2	14,654,000	14,654,000	3.40	49,823,600	0.54766	\$ 8,025.46
LIGHT INDUSTRY	47	75,910,600	75,910,600	2.80	212,549,680	0.45102	\$ 34,236.97
BUSINESS/OTHER	410	345,056,301	345,056,301	2.45	845,387,937	0.39464	\$ 136,172.97
MANAGED FOREST	-	-	-	3.00	-	0.48323	\$ -
REC/NON-PROFIT	54	11,165,600	11,165,600	1.00	11,165,600	0.16108	\$ 1,798.53
FARM	172	3,423,528	3,423,528	1.00	3,423,528	0.16108	\$ 551.45
TOTAL	13,595	6,371,241,753	6,371,241,753		7,061,042,475		\$ 1,137,375

Included in the Financial Plan is:

List of Parcel Taxes Included in Budget

RDCO

Sterile Insect Release	\$ 16,884
East Bound Trunk Sewer	21 889
Lakeview Trunk Sewer	42,899

District of West Kelowna

Shamrock/Ensign Street Lights	\$ 2,968
Brown Road Sidewalks	5,279
Mt. Boucherie #305 Sewer	33,289
Glenrosa #103 Trunk	82,786
Mt. Boucherie #303	90,080

Gellatly #503	1,315
Glenrosa #101	273

Lakeview #603	471
Green Bay	15,105

Taxation is a major revenue source for the General Fund and accounts for 27.96% of the 2011 total revenue estimated at \$80,328,525, excluding collection for other governments. Over the five-year period of the financial plan, the taxation requirement is estimated to increase annually by a growth factor of (2.00%) and an additional increase of 5.00%, which includes increase in cost of living and increase to reserves.

The current financial plan provides for \$22,300,421 to be generated from District of West Kelowna property tax base for General Government purposes.

The District has various policies that govern and affect the budget process and include:

1. Revenue Policy.
2. Surplus Funds Policy.
3. Debt Policy.
4. Reserve Fund Policy
5. Proportion of Taxes Allocated to Classes
6. Permissive Tax Exemptions
7. Development Cost Charges

Revenue Policy

The District will review fees/charges annually to ensure that they keep pace with changes in the cost-of-living as well as changes in the methods or levels of service delivery.

The District will actively pursue alternative revenue sources to help minimize property taxes.

The District will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges.

The District will establish cost recovery policies for fee-supported services. The Policies will consider whether the benefits received from the service are public and/or private.

The District will establish cost recovery policies for services provided for other levels of government.

General Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP).

The District will develop and pursue new and creative partnerships with government, community institutions (churches, schools), and community groups as well as private and non-profit organizations to reduce costs and enhance service to the community.

Surplus Funds

The *Community Charter* does not allow municipalities to plan an operating deficit (i.e. where expenditures exceed revenues). To ensure this situation does not occur, revenue projections are conservative and authorized expenditures are closely monitored. The combination of conservative revenue projections and controlled expenditures should produce a modest annual operating surplus.

Use of Surplus Funds

- a. Council will review options and provide direction to staff regarding the allocation of any operating surplus prior to completion of the budget process for the following year.
- b. To ensure the Accumulated Surplus is not excessive, the balance in the accumulated surplus account should not exceed a specific amount or guideline. The guideline is that Accumulated Surplus should not exceed 10% of the net operating budget.
- c. Accumulated Surplus funds above the 10% guideline shall be used to:
 - i. Fund capital expenditures or to increase reserves;
 - ii. Pay off capital debt, including internal borrowings;
 - iii. Stabilize City property tax and utility rate increases;
 - iv. Fund other items as Council deems appropriate.
- d. Staff will facilitate Council's review of the amount of Accumulated Surplus funds available on an annual basis.

Debt Policy

1. One-time capital improvements and unusual equipment purchases.
2. When the useful project life will exceed the term of financing.
3. Major equipment purchases.
4. Debt servicing is limited to no more than a 3% tax increase per year.
5. The maximum borrowing amount be limited to 15% (*Community Charter* allows for 25%) of the Districts revenues as defined by the *Community Charter*.
6. Reserves are to be considered as a funding source before debt.

Reserve Funds

Reserve funds shall be set aside to:

- a. Provide sources of funds for future capital expenditures;
- b. Provide a source of funding for areas of expenditure that fluctuate significantly from year to year (equipment replacement, special building maintenance, etc.);
- c. Protect the District from uncontrollable or unexpected increases in expenditures or unforeseen reductions in revenues, or a combination of the two; and
- d. Provide for working capital to ensure sufficient cash flow to meet the District's needs throughout the year.

Proportion of Taxes Allocated to Classes

It is Council's goal to ensure that there is a fair and equitable apportionment of taxes to each property class. The apportionment to each class is calculated using the multipliers determined by Council prior to preparing the annual tax rate bylaw. The tax multipliers will be reviewed and set by Council annually.

Permissive Tax Exemptions

Permissive tax exemptions will be approved annually by Council. All applications for permissive tax exemptions will be considered in accordance with the Permissive Tax Exemption Policy.

Development Cost Charges

Development cost charges will be used to help fund capital projects deemed to be required in whole or in part due to development in the community. These charges will be set by bylaw and reviewed at a minimum every year to ensure that project estimates remain reasonable and the development costs charges are aligned with the strategic goals of Council.