

DISTRICT OF WEST KELOWNA

BYLAW NO. 0124

A BYLAW TO ESTABLISH THE TAX RATES UPON REAL PROPERTY FOR THE DISTRICT OF WEST KELOWNA AND TO PROVIDE FOR THE PAYMENT OF TAXES FOR THE YEAR 2011

WHEREAS the Council shall, pursuant to Section 197 of the *Community Charter*, in each year, adopt a bylaw to impose rates on all taxable land and improvements according to their assessed value to provide the money required for purposes specified in the *Community Charter*;

AND WHEREAS the Council may, pursuant to Section 235 of the *Community Charter*, establish an Alternative Municipal Tax Collection Scheme, including penalties to be applied in relation to payments made after a tax due date established by such bylaw;

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 "TAX RATES BYLAW 2011 NO. 0124".

2. Definition

"ALTERNATIVE MUNICIPAL TAX SCHEME" means the Scheme for the payment of taxes established under Sections 9, 11, and 12.2 of this bylaw.

"CHIEF FINANCIAL OFFICER" means the person duly appointed by Council, and includes his Deputy.

"DISTRICT" means the District of West Kelowna

3. Tax Rate Multiplier

That the Multiplier factor used to establish the Tax Rate be adopted as follows:

PROPERTY CLASS	Code	MULTIPLIER
RESIDENTIAL	01	1.00
UTILITIES	02	7.00
SUPPORTIVE HOUSING	03	1.00
MAJOR INDUSTRY	04	3.40
LIGHT INDUSTRY	05	2.80
BUSINESS/OTHER	06	2.45
MANAGED FOREST	07	3.00
REC/NON-PROFIT	08	1.00
FARM	09	1.00

4. Tax Rates for General Municipal Purposes

Tax rates for all lawful general purposes, as shown in column 'A' of Schedule 'A' Page 1 attached hereto and forming a part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value as shown upon the Real Property Tax Roll for general municipal purposes for the District of West Kelowna for 2011.

5. Tax Rates for Regional District of Central Okanagan

Tax rates for the payment of the Regional District of Central Okanagan requisition, excluding tax rates for the S I R requisition under Section 6 as shown in column 'B' of Schedule 'A' Page 1 attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value on the basis provided under Section 26 of the *Hospital District Act* and as shown upon the Real Property Tax Roll for the District of West Kelowna for 2011.

6. Tax Rates for Regional District of Central Okanagan SIR Program

Tax rates for the payment of the Regional District of Central Okanagan requisition for the SIR Program, excluding tax rates for the Regional Parks Function under Section 6 as shown in column 'C' of Schedule 'A' Page 1 attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land according to their assessed value on the basis provided under Section 26 of the *Hospital District Act* and as shown upon the Real Property Tax Roll for the District of West Kelowna for 2011.

7. Central Okanagan Regional Hospital District

Tax rates for the payment of the Central Okanagan Regional Hospital District requisition, as shown in column 'D' of Schedule 'A' Page 1 attached hereto and forming part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value on the basis provided by Section 26 of the *Hospital District Act* and according to their assessed value as shown upon the Real Property Tax Roll for the District of West Kelowna for 2011.

8. Tax Rates for General Municipal Purposes – Library

Tax rates for all lawful general purposes, as shown in column 'E' of Schedule 'A' Page 1 attached hereto and forming a part of this Bylaw, are hereby imposed and levied on taxable land and improvements according to their assessed value as shown upon the Real Property Tax Roll for general municipal purposes – Library for the District of West Kelowna for 2011.

9. Alternative Municipal Tax Scheme

- 9.1 Unless section 9.2 applies, the rates and taxes named under this Bylaw are due and shall be paid in accordance with sections 9, 10, and 11 of this Bylaw on or before July 7, 2011.
- 9.2 An owner may elect to pay the rates and taxes named under this Bylaw in accordance with the General Municipal Tax Collection Scheme established under Division 10 of Part 7 of the *Community Charter* by giving written notice of that election to the Chief Financial Officer at his office at the District of West Kelowna offices on or before June 11, 2011.
- 9.3 If an Owner does not make an election under Section 9.2, the Alternative Municipal Collection Scheme applies to the rates and taxes payable to that Owner.

10. Rates and Taxes Payable to Chief Financial Officer

The rates and taxes named under this Bylaw shall be levied, raised and collected for the purposes stated, and shall be payable to the Chief Financial Officer at his office at the District offices.

11. Penalties

Upon the 8th day of July, 2011, or as soon thereafter as is practicable, the Chief Financial Officer shall add to the unpaid balance of the current year's taxes, in respect of each parcel of land and the improvements as shown upon the Real Property Tax Roll of the District for 2010:

- (a) ten (10) percent of the amount unpaid as of 4:30 pm on the 7th day of July, 2011.

12. Supplementary Tax Rolls

- 12.1 Upon receipt of a Supplementary Tax Roll from B.C. Assessment, the Chief Financial Officer shall levy taxes in accordance with the rates specified in Schedule 'A' of this Bylaw according to the taxable values as shown on the Supplementary Tax Rolls.
- 12.2 For each Supplementary Tax Roll, the Chief Financial Officer shall add penalties to the unpaid amounts as follows:
- (a) Where Supplementary Tax Notices are sent before the 7th day of June, 2011, penalties shall be added as set out in Section 11 of this Bylaw.
- (b) Where Supplementary Tax Notices are sent after the 7th day of June, 2011; ten (10) percent shall be added on any amount unpaid after 30 (thirty) days.

13. R.D.C.O. Parcel Tax (under collection for other governments)

- (a) Sterile Insect Release Program parcel tax levy for 2011 is \$16,884;
- (b) The Sewer parcel tax levy for 2011 is \$42,899 for Lakeview #605, and \$21,889 for East Boundary Road Sewer (Lakeview 608);
- (c) Westside Landfill/Transfer Station parcel tax levy for 2011 is \$315,143.

PASSED FIRST READING AS AMENDED, April 12, 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

District of West Kelowna 2011

Tax Rate

Schedule "A"

	(A)	(B)	(C)	(D)	(E)					
Description	General Municipal	% Collected Municipal	Regional District	% Collected Regional District	Regional District (Land Only)	% Collected Regional District (Land Only)	Regional District Hospital	% Collected Regional District Hospital	Regional Library	% Collected Regional Library
01	2,99716	0.31962	0.04421	0.32398	0.16108				0.16108	
Taxable Value	5,918,088,323	5,903,249,503	2,938,744,402	5,903,249,503	5,918,088,323				5,918,088,323	
Total Collected	\$ 17,737,458	\$ 1,886,797	\$ 129,922	\$ 1,912,535	\$ 953,286	83.81%	82.57%	79.08%	\$ 82.57%	83.81%
02	20,98009	1.11866	0.15474	1.13392	1.12754				1.12754	
Taxable Value	2,943,401	23,272,501	1,188,400	23,272,501	2,943,401	0.29%	1.14%	0.11%	2,943,401	0.29%
Total Collected	\$ 61,753	\$ 26,034	\$ 184	\$ 26,389	\$ 3,319	0.29%	1.14%	0.11%	\$ 3,319	0.29%
03	2,99716	0.31962	0.04421	0.32398	0.16108				0.16108	
Taxable Value	-	-	-	-	-	0.00%	0.00%	0.00%	-	0.00%
Total Collected	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%
04	10,19033	1.08670	0.15032	1.10152	0.54766				0.54766	
Taxable Value	14,654,000	14,654,000	6,302,000	14,654,000	14,654,000	0.71%	0.70%	0.58%	14,654,000	0.71%
Total Collected	\$ 149,329	\$ 15,925	\$ 947	\$ 16,142	\$ 8,025	0.71%	0.70%	0.58%	\$ 8,025	0.71%
05	8,39204	1.08670	0.15032	1.10152	0.45102				0.45102	
Taxable Value	75,910,600	75,910,600	55,736,900	75,910,600	75,910,600	3.01%	3.61%	5.10%	75,910,600	3.01%
Total Collected	\$ 637,045	\$ 82,492	\$ 8,378	\$ 83,617	\$ 34,237	3.01%	3.61%	5.10%	\$ 34,237	3.01%
06	7,34303	0.78306	0.10832	0.79375	0.39464				0.39464	
Taxable Value	345,056,301	345,056,301	225,077,666	345,056,301	345,056,301	11.97%	11.82%	14.84%	345,056,301	11.97%
Total Collected	\$ 2,533,759	\$ 270,200	\$ 24,380	\$ 273,888	\$ 136,173	11.97%	11.82%	14.84%	\$ 136,173	11.97%
07	8,99147	0.95885	0.13264	0.97193	0.48323				0.48323	
Taxable Value	-	-	-	-	-	0.00%	0.00%	0.00%	-	0.00%
Total Collected	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	\$ -	0.00%
08	2,99716	0.31962	0.04421	0.32398	0.16108				0.16108	
Taxable Value	11,165,600	9,386,100	9,374,400	9,386,100	11,165,600	0.16%	0.13%	0.25%	11,165,600	0.16%
Total Collected	\$ 33,465	\$ 3,000	\$ 414	\$ 3,041	\$ 1,799	0.16%	0.13%	0.25%	\$ 1,799	0.16%
09	2,99716	0.31962	0.04421	0.32398	0.16108				0.16108	
Taxable Value	3,423,528	1,711,738	1,711,738	1,711,738	3,423,528	0.05%	0.02%	0.06%	3,423,528	0.05%
Total Collected	\$ 10,261	\$ 547	\$ 76	\$ 555	\$ 551	0.05%	0.02%	0.06%	\$ 551	0.05%
Total Collected	\$ 21,163,069	\$ 2,284,994	\$ 164,302	\$ 2,316,167	\$ 1,137,390	100.00%	100.00%	100.00%	\$ 1,137,390	100.00%

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 that \$22,300,421 be generated from District of West Kelowna property tax base for General Government purposes.

The District has various policies which 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.