



2008 Annual Report



DISTRICT OF

WEST
KELOWNA



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A Message from the Mayor

Your Mayor and Council, elected November 15, 2008:
From left, Councillor Bryden Winsby, Councillor David Knowles,
Councillor Carol Zanon, Mayor Doug Findlater, Councillor Rosalind Neis,
Councillor Gord Milsom and Councillor Duane Ophus

Our first year was eventful and productive in establishing the Westside District Municipality, now the District of West Kelowna. We've made amazing progress considering the challenge of creating a large new municipality from scratch with a series of inherited, complex arrangements with other governments.

The first year was about building foundations for a successful local government. We found excellent staff, both through hiring and transferring. We created a plan and implementation strategy to affordably house our municipal functions. We finished the year within budget and created achievable long-term financial plans. We carried out budget and other public consultations and struggled with the sensitive issue of the name of the municipality. We conducted our first Citizen Survey, which helps us develop a baseline on citizens' views on service levels and taxation.

Early in our inaugural year, Council collectively developed a Strategic Plan for the first year. Every member of Council contributed to the creation of a vision and mission statement and supplied their ideas for developing the new District. We categorized and prioritized these ideas and assessed resources and timelines. This provided a focus and direction for Council and Staff throughout the year.

This past year, Regional District of Central Okanagan and District of West Kelowna have undergone a separation as mandated by incorporation. The transition of services is almost complete, with some division of assets, liabilities and properties still to be done. And at the same time the Regional District will be defining its role in the future. I thank and acknowledge the hard work of the Regional District Board and Staff in facilitating the successful transition and transfer of services to the District of West Kelowna in a seamless manner with minimal disruption.

Mission

To maintain, build and enhance a community that reflects the Okanagan Westside Lifestyle.

Vision

The District of Westside is an innovative local government with a Council that anticipates and responds to the needs of the community. Overall, Council seeks to promote the economic viability of our community, values our neighbourhoods and wishes to maintain a safe community.

The pages in this Annual Report are full of details about the important start-up work done; now we are able to focus on the needs of our community. We lack urban physical infrastructure. Our population has rapidly grown; our urban population has put strain on our rural roads and other infrastructure. And we have many aging homes which require sewer connections. We are actively engaging the public in planning and resolving the issues of roads, drainage, sidewalks, bike paths, sewer and parks infrastructure through a number of upcoming initiatives, including the Official Community Plan review and development of master plans for Drainage, Transportation and Parks and Recreation.

I am very pleased to be working with the very capable members of Council who have diverse views, abilities and skills. Together our Council, our staff and our partners will continue to move ahead in further creating a community that all our residents are proud to call our home.

Historical Background

Westbank Lions Hall on Main Street



Westside District Municipality, with its 28,793 citizens, was officially incorporated on December 6, 2007. Up until that day, the area was governed by the Regional District of Central Okanagan (RDCO) and the Province and was BC's largest unincorporated area. Three elected representatives from the Westside Electoral Area sat as Directors on the 11-member RDCO board to speak for citizens on the west side of Okanagan Lake, between Peachland and the W.R. Bennett Bridge. For many years the topic of incorporating the west side of Okanagan Lake into a stand-alone municipality was discussed at RDCO and provincial tables and at the community level. Three previous attempts at incorporation occurred: one in 1974 which ended before a referendum, a 1980 referendum resulted in 87% opposing incorporation and in 1993 a Westbank-only incorporation referendum was defeated by 66%.

But the June 16, 2007 referendum decided the governance question. Taxpayers voted 84% to change from Regional District to municipal status, and 51.1% in favor of incorporation over amalgamation with the City of Kelowna. The referendum was the culmination of the work of the Westside Governance Committee, a 12-member committee with six representatives elected at a community meeting and six appointed by Westside Electoral Area directors. This core group was joined by twelve ex-officio members representing the Westside irrigation districts, RDCO Directors, City of Kelowna Mayor and Council, and the Westbank First Nation Council. This valued work produced a close scrutiny of the different governance options available, presented in an 8-week public education initiative leading up to the referendum.

Four months after the referendum, area residents were participating in the first election campaign for a mayor and six councillors. On November 17, 2007 residents elected Mayor Rosalind Neis and Councillors Doug Findlater, David Knowles, Gord Milsom, Duane Ophus, Heather Pilling and Carol Zanon.

Mayor Neis and Council were inaugurated on December 6, 2007 in a ceremony attended by Hon. Ida Chong, Minister of Community Development, MLA Rick Thorpe and many dignitaries from neighbouring jurisdictions. The Letters Patent officially declared "Westside District Municipality" as an incorporated municipality.

An interim transition team of staff were appointed by the BC Government Ministry of Community Services and was led by interim Administrator Rod Drennan.



The District's Transition Team opened its office at the Westbank Lions Hall October 9, 2007

Progression of a New Municipality



2008 Strategic Priorities

On April 22, 2008, Council released its Strategic Priorities for 2008. This document was the result of several planning sessions and was used as the guiding document for departmental work plans and goals. The Strategic Priorities 2008 was updated quarterly for Council by staff and by the end of 2008; all priorities in each category were complete or in progress.

CATEGORY	PRIORITY ONE	PRIORITY TWO	PRIORITY THREE
FINANCE	Develop Financial Plan with a 10 year horizon to consider end of provincial transition funding	Develop Financial Plan for 2008 with fair tax rates	Secure municipal office space
INFRASTRUCTURE	Develop work plans to establish Development Cost Charge bylaws	Set plans and priorities for sewer, drainage and roads	Road upgrades to be undertaken based on priorities and ARGO contract to be reviewed
GROWTH MANAGEMENT	Official Community Plan review to be planned	Initiate a land inventory analysis and approach Province for possible land grants	Consider regulatory bylaws for hillside and subdivision development and workplans for outstanding neighbourhood plans
ECONOMIC ENHANCEMENT	Review, develop & enhance Business Plan for Mount Boucherie Complex	Develop Economic Development Plan	Council to support and promote town centre multi-use development
COMMUNICATIONS RELATIONSHIPS	Consultation with public on Strategic Priorities and Financial Plan	Identify process to permanently name the community	Develop comprehensive Communications process and policy
GOVERNMENT RELATIONS	Council to enhance relationship with Westbank First Nation and consider possible partnerships and connections	Council to support enhanced transit	Provide support for the development of a health care facility on the westside

March 17th 2008



Mayor Rosalind Neis signs federal Gas Tax Fund agreement providing \$4.4 million for green infrastructure projects.

April 22th 2008

After numerous meetings, Council establishes Strategic Priorities 2008, with top priorities listed in each of eight categories, including Infrastructure, Growth Management and Communications/ Relationships.

District's first budget adopted, with a municipal property tax requisition of \$16.6 million.

May 13th 2008

May 25th 2008



Grand opening of the W. R. Bennett Bridge, with the District donating a cake, baked in the shape of the bridge by Master Baker Peter Klein. It was 10 feet long, contained 60 lbs of chocolate and fed 1,900 people.

The District distributes its first property tax notices.

May 27th 2008

July 08 2008

Council approves three road improvement projects, including the \$1.01 million School Zone Safety Program, to be undertaken immediately, with safety as the key concern.

CAO's Message



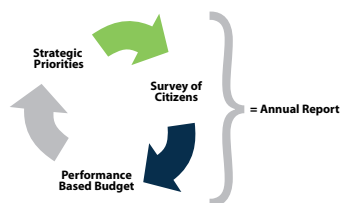
Chief Administrative Officer
Jason Johnson

This report is yet another milestone reached in the District of West Kelowna's fast-paced first year. Through the preparation of this first-ever Annual Report for West Kelowna, I was continually struck by just how much the District has accomplished in such a short time.

I am pleased to extend my thanks to the tremendous staff who have signed on to work for the District of West Kelowna. Repeatedly I am told that the challenge of building a municipal government structure from scratch was an enticing recruitment opportunity. Yet, I am continually in awe of the effort and enthusiasm displayed by staff and how they have taken Council's direction and made it reality.

In February 2008, the core management structure for the organization was established and directors for Corporate Services, Development Services, Financial Services, Human Resources and Parks, Recreation and Culture were placed. The established Westside Fire and Rescue also came under municipal jurisdiction. By year end, the Engineering Department was established.

Once the framework was built, Council asked that the transfer of employees from the Regional District of Central Okanagan (RDCO) be completed as soon as possible. We were legislated to transfer employees by December 31, 2008, but Council asked that the transfers occur at the earliest possible opportunity. Under that direction, Westside Fire & Rescue and Finance were transferred in the Spring, Utility Billing in August, Parks, Recreation and Culture and Development Services in September and Water in December. The early transfer resulted in a total cost savings of \$700,3530 for the District.



In 2008 Council passed its first budget and 10-year Financial Plan which established the District's intention to provide fiscally responsible management of transition funding by setting aside funds in municipal reserves each year. Council also prepared its Strategic Priorities document and launched the District's first Citizens' Survey. These three guiding documents are essentially staff's marching orders. The results of our efforts in these areas are provided to West Kelowna citizens in this Annual Report.

Throughout this inaugural year of the District of West Kelowna staff was directed by Council to look for cost and time savers and many were found, including the early transfer of staff and streamlining operations to reduce our numbers. I know 2008 will be a memorable one for its employees. It has been an exciting time and I can speak on behalf of all staff in saying we look forward to accomplishing Council's continuing goals and firmly establishing the District of West Kelowna.



July 11th 2008

First meeting of the Naming Committee. Six community members, Adam Less (Chairman - pictured), Deb Cochrane, Deborah Greaves, Lenetta Thordarson, Michael Trenn and Aime Beaulieu joined Mayor Neis and Councillors Findlater and Pilling in engaging the community in a the renaming of the municipality and solicited over 1,500 name suggestions.

August 19th 2008

Council adopts the area's first Development Cost Charge Bylaw pertaining to roads. This bylaw allows the District to collect funds from development for future infrastructure needs.

Naming Committee hosts a public forum on the name of the community, attended by approximately 300 individuals.

August 20 2008

September 16th 2008



Intermunicipal Services Agreement signed by Vernon Mayor Wayne Lippert, Kelowna Mayor Sharon Shepherd, Westside District Mayor Rosalind Neis and Penticton Mayor Jake Kimberley, with special guest, Hon. Blair Lekstrom, Minister of Community Development.

Executive Management Team

Your District of West Kelowna Executive Team:

Back from left: **Jim Zaffino**, Chief Financial Officer; **Dave Slobodan**, Director of Development Services; CAO **Jason Johnson**; **Marnie Manders**, Director of Human Resources.

Front from left: **Gary O'Rourke**, Director of Engineering Services; **Karen Burley**, Director of Corporate Services; Fire Chief **Wayne Schnitzler**; **Ray Boogaards**, Director of Parks, Recreation & Culture.



December 9th 2008

Council officially adopts the name "West Kelowna" as favoured in the opinion poll.



September 16th 2008



The District took over administration of the development of the Westside Public Safety Building (RCMP) from the Regional District of Central Okanagan, later re-tendering the project in an effort to save on construction costs.

Naming Committee presents recommendations to Council, with taxpayers to choose to remain "Westside District Municipality" or not, and to choose from the following four possible names: West Kelowna, Westbank, Westlake or Okanagan Hills.

September 30th 2008

October 27th 2008

The District distributes its first Citizens' Survey.

Municipal election and opinion poll. 42% of voters turned out at the polls. Elected were Doug Findlater (Mayor), Gord Milsom, Rosalind Neis, Duane Ophus, David Knowles, Bryden Winsby and Carol Zanon.

November 15th 2008

November 24th 2008

Prompted by recent mooring of several houseboats in Gellatly Bay, Council directs the development of a water zoning bylaw to administrate use of the bay.

December 1st 2008



Mayor and Council Inauguration.

Economic Snapshot

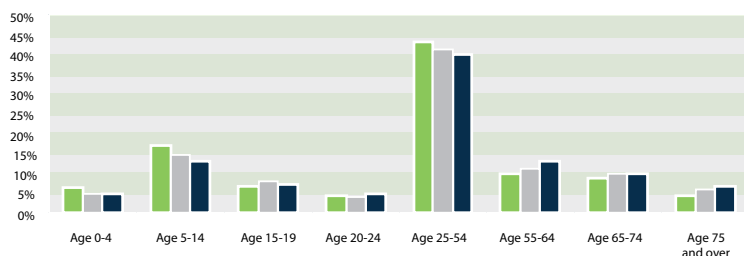
West Kelowna is a visually stunning community in all seasons; its physical landscape still dotted with evidence of its rich agricultural history. Vineyards, orchards and farm industry operate throughout this community. The District is nestled on the gently sloping hills on the central west shores of Okanagan Lake and each of its many neighbourhoods boast unique and breathtaking vistas.

The District of West Kelowna is the second largest municipality in the Central Okanagan, with an estimated population of 27,161 (District of West Kelowna 2009 Demographic Profile – RDCO). The total land area of the District of West Kelowna is 1,214 square kilometres. The communities of the District include Westbank, Shannon Lake, Glenrosa, Casa Loma, West Kelowna Estates, Rose Valley and Lakeview Heights. West Kelowna surrounds two self-governing reserves of the Westbank First Nation.

Population

The population of Central Okanagan West Electoral Area, of which West Kelowna makes up the vast majority, grew 11.4% between 2001 and 2006, according to the 2006 Census, compared to a provincial growth rate of 5.9% in the same period. West Kelowna's population density is 22.3 persons per hectare, compared to the provincial average of 4.4 persons per hectare. The largest number is in the age group of 40 to 59 years (31.4%). The population's median age is 42.7, compared to the provincial average of 40.8. The fastest growing age group between 1996 and 2006 was the 75 years and over age group which grew 88.9% and represents 6.8% of the total population. Population in the 5 to 14 years age group declined 2.7 % in the same period.

Central Okanagan West Population by Age Group 1991 to 2006



Source: District of West Kelowna Demographic Profile

The population is evenly split between males (49.9%) and females (50.1%).

■ 1996 ■ 2001 ■ 2006

Diverse Economy

West Kelowna has a diverse economy, including agriculture, manufacturing, tourism, retail and construction. West Kelowna has a labour force of 14,395 (as per 2006 census). The largest segment of the labour force is in retail trade (13.2%) and construction (12.4%) There are proportionately more people in the construction industry in West Kelowna (12.5%) than in the province overall (7.6%).

	West Kelowna				BC
	People	Percent	Male	Female	
Total experienced labour force 15 years and over	14,395	100.0%	7,585	6,810	2,193,115
Sales and service occupations	3,640	25.3%	18.7%	32.6%	25.3%
Trades, transport and equipment operators and related occupations	2,590	18.0%	31.4%	3.1%	15.5%
Business, finance and administration occupations	2,320	16.1%	6.7%	26.6%	17.1%
Management occupations	1,960	13.6%	16.2%	10.8%	10.5%
Occupations in social science, education, government service and religion	840	5.8%	3.8%	8.1%	8.1%
Health occupations	830	5.8%	2.2%	9.8%	5.5%
Natural and applied sciences and related occupations	635	4.4%	7.0%	1.5%	6.3%
Occupations unique to primary industry	590	4.1%	5.9%	2.1%	3.9%
Occupations unique to processing, manufacturing and utilities	500	3.5%	5.5%	1.2%	4.2%
Occupations in art, culture, recreation and sport	355	2.5%	2.1%	2.9%	3.5%

Labour Force by Occupation West Kelowna and BC, 2006

Most new employment is created by small and medium sized business.

The proportion of self-employed people in West Kelowna (17.6%) was slightly higher in 2006 than in BC overall (14.1%).

	West Kelowna				BC
	Both Sexes	Male	Female		
Total labour force 15 years and over by class of worker	14,395	100.0%	7,585	6,810	100.0%
Class of worker - Not applicable	130	0.9%	0.7%	1.3%	1.5%
All classes of worker	14,260	99.1%	99.4%	98.8%	98.5%
Paid workers	12,670	88.0%	87.7%	88.3%	89.0%
Employees	11,765	81.7%	79.7%	84.1%	84.1%
Self-employed (incorporated)	900	6.3%	8.0%	4.3%	4.9%
Without paid help	370	2.6%	3.4%	1.7%	1.8%
With paid help	535	3.7%	4.7%	2.6%	3.1%
Self-employed (unincorporated)	1,510	10.5%	11.3%	9.5%	9.2%
Without paid help	1,005	7.0%	6.9%	7.1%	7.1%
With paid help	505	3.5%	4.5%	2.3%	2.7%
Unpaid family workers	85	0.6%	0.3%	1.0%	0.3%

Labour Force by Class of Worker 2006

The median income of persons 15 years and over in West Kelowna for 2005 was \$26,442 compared to \$24,867 for BC overall. The average income in West Kelowna was \$34,951 compared to \$34,519 for BC. Overall, the median income of households in West Kelowna was \$60,639 compared to \$52,709 for BC overall.

	Both Sexes		BC
	Persons	Percent	
Population 15 years and over	23,650	100.0%	100.0%
Without Income	790	3.3%	4.8%
With Income	22,855	100.0%	100.0%
Under \$15,000	6,185	27.1%	32.7%
\$15,000 to \$24,999	3,980	17.4%	17.5%
\$25,000 to \$34,999	3,175	13.9%	13.5%
\$35,000 to \$44,999	2,310	10.1%	10.9%
\$45,000 to \$59,999	2,505	11.0%	10.8%
\$60,000 and over	3,260	14.3%	14.7%

Total income in 2005 of population 15 years and over West Kelowna and BC

Household Characteristics

In 2006, there were 10,205 households in West Kelowna, with an average household size of 2.7 people, slightly higher than the BC average of 2.5 people. Over two-thirds of West Kelowna households includes a couple (70.5%). Two person households were the most common household type in West Kelowna (41.9%), which was a higher proportion than for BC overall (34.2%).

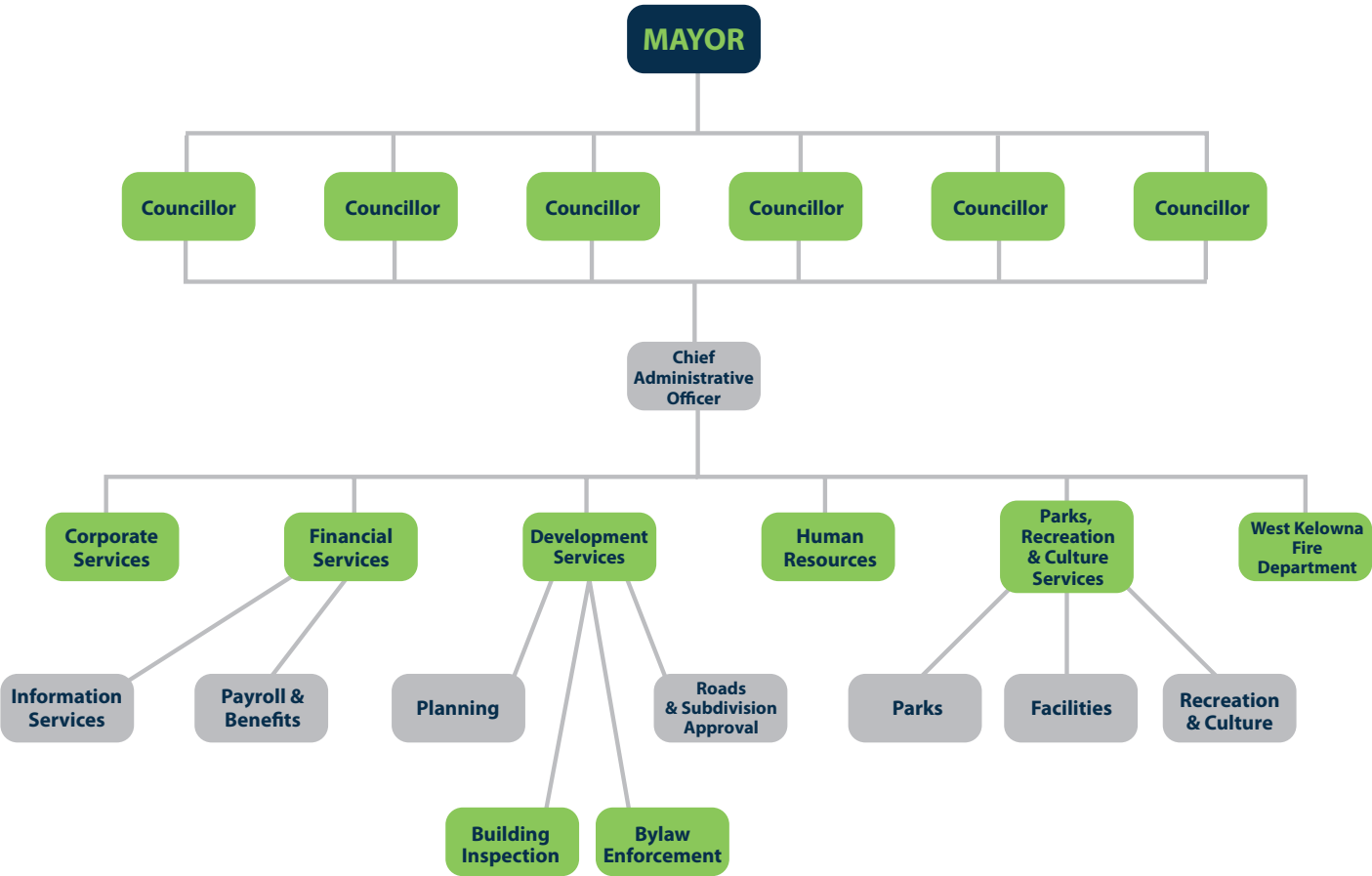
	West Kelowna		BC
	Households	Percent	
Total number of private households	10,205	100.0%	100.0%
1 person	1,690	16.6%	28.1%
2 persons	4,275	41.9%	34.2%
3 persons	1,550	15.2%	14.8%
4 to 5 persons	2,360	23.1%	19.6%
6 or more persons	320	3.1%	3.3%

In total, there were 10,205 dwellings in West Kelowna in 2006. The proportion of owned dwellings was higher for West Kelowna (88.0%) than for the province overall (69.7%). West Kelowna has a higher than average proportion of single-detached housing (75.3%) than BC overall (49.0%).

	West Kelowna		BC
	Dwellings	Percent	
Number of occupied private dwellings	10,205	100.0%	100.0%
Owned	1,690	16.6%	28.1%
Rented	4,275	41.9%	34.2%
Band housing	1,550	15.2%	14.8%
Single-detached house	2,360	23.1%	19.6%
Semi-detached house	320	3.1%	3.3%
Row house	10,205	100.0%	100.0%
Apartment, duplex	1,690	16.6%	28.1%
Apartment, building with 5 or more storeys	4,275	41.9%	34.2%
Apartment, building with under 5 storeys	1,550	15.2%	14.8%
Other single-attached house	2,360	23.1%	19.6%
Movable dwelling	320	3.1%	3.3%
Average number of rooms per dwelling	2,360	23.1%	19.6%
Average number of bedrooms per dwelling	320	3.1%	3.3%

Selected Dwelling Characteristics West Kelowna and BC, 2006

Organization Chart



Departments



Corporate Services

- Coordinates timely and accurate information provided to Council, the public and District staff
- Provides Corporate Communications, including website, intranet and media relations
- Administrates Council and Committee agendas, minutes, bylaws, policies and official records and coordinates official Council/Community functions
- Administers Oaths, Affirmations, Affidavits and Declarations on behalf of the District
- Oversees the Corporate Records Management System, Freedom of Information requests

2008 Highlights

The department administrated the 2008 local government election, with 8,349 ballots cast, 41.99% of eligible voters participating. The ballot included an opinion poll asking residents which name for the community they prefer.

The opinion poll resulted from the work of the District's first Council Committee, the Naming Committee. From July 2008 to October 2008, the Naming Committee of "Westside District Municipality" (as the District was then known) solicited input from residents through several public meetings and a call for name suggestions. The District received over 1,500 suggestion forms from its residents. Corporate Services supported the work of the naming committee and administered all public consultation. The Department implemented a Communications Strategy for the organization which identified the top priorities as the development of a more comprehensive website and an internal website for improved staff communications and the development of a media relations policy.

With 2008 being the first operational year as a municipality, Corporate Services, the first department established, spent much of the year developing foundational bylaws and policies to commence operations of the District including procedure, election, delegation and conflict of interest bylaws, as well as a policy identifying Council remuneration and expense provisions.

Council meetings are administrated through the Corporate Services Department.



Human Resources

- Responsible for recruiting and retaining superior quality staff
- Manages labour relations and administers collective agreements
- Oversees the employee compensation and benefit programs
- Maintains open communications and positive workplace relationships
- Coordinates staff development and training

2008 Highlights

The Department achieved a 3-year Collective Agreement with the International Association of Fire Fighters, Local 4457, that meets both the employees' needs and the District of West Kelowna's commitment to continue providing optimal levels of service to the community.

The Department was instrumental in the formation of the new municipality by successfully transferring 59 employees from the Regional District of Central Okanagan and hiring 38 new employees.

With the participation of all staff, Human Resources established the District of West Kelowna Mission Statement, Vision Statement and 26 Key Values that employees wish to maintain as an organization.

The Department established an operational Disability Management Program, a Health and Safety Policy and Committee, a compensation philosophy for management staff, and group benefits program for all District of West Kelowna employees.



One of the District's first staff meetings in the tight quarters at the Westbank Lions Hall.

Development Services

- Planning Division manages the Official Community Plan and Zoning Bylaw, administers development applications and performs strategic planning on behalf of the District including exploring environmental initiatives
- Building Division administers the District's Building, Zoning, and Safe Premises Bylaws and oversees building permits
- Bylaw Enforcement enforces all bylaws and issues business licenses

2008 Highlights

The Department was essentially one person, the Director, until September 8, when Development Services staff (many of whom elected to be transferred from the Regional District of Central Okanagan), started operations at the District.

Just two months later, the Planning Division launched a major Official Community Plan review, which will occupy much attention in 2009. The Planning Division began a review of seven Neighbourhood Plans and two Study Area Plans that were on hold at the RDCO until Westside Planning was operational. The Planning Division participated with the City of Kelowna in developing a Master Cycling Plan with completion expected in May 2009.

The Building Division transferred 1,000 West Kelowna building permit files from the RDCO. Completed files (approximately 1000) have been prepared for scanning and microfilming.

The Bylaw Enforcement Division reviewed a number of existing RDCO bylaws and began preparing a number of bylaws to present to Council for review, amendment or replacement. Many bylaw enforcement policies were reviewed.

The Department was responsible for renovations of Mt. Boucherie to house District operations, including Council Chambers and the renovation of the Fire Hall #31 addition, to make room for a new state-of-the-art ladder truck.



The Heritage Retirement
Residence to be constructed
in 2009/2010

Building Permit Statistics 2008

Total Building Permits Issued	Construction Value	Building Permit Fees	Development Cost Charges (incl.)	Completed Building Permits
555	\$92,836,048.50	\$2,171,002.26	\$821,122.10	751
Details of Building Permits Issued:		Building Permits Issued	Construction Value	
Single Family Dwelling		158	\$ 43,267,706.00	
Two Family Dwellings		3	\$ 475,360.00	
Multiple Family Dwellings (197 units total)		6	\$ 33,900,000.00	
Mobile Homes		3	\$ 567,175.00	
Residential Additions - Incl. Garages, Carports, Pools, Wood burning stoves, Demolitions		346	\$ 8,486,211.50	
Farm & Agriculture		1	\$ 32,000.00	
Commercial - New		3	\$ 1,025,000.00	
- Additions		25	\$ 983,992.00	
Industrial - New		1	\$ 2,500,000.00	
- Additions		1	\$ 273,219.00	
Institutional - New		1	\$ 19,385.00	
- Additions		7	\$ 1,303,000.00	

Construction at the Mt. Boucherie Centre in October

Bylaw Enforcement Complaint Statistics 2008

Illegal Suites	35
Noise	37
Unsightly Premises	87
Signs	8
Zoning – incl. parking	109
Business License	13
BC Building Code	14
Other	20
TOTAL of Complaints	323



Business License Statistics 2008

Business License – Municipal	1243
Business License – Inter-Community	218

Engineering Services

- Responsible for the design, construction, operation and maintenance of the District's Infrastructure, including roads and drainage, and the water and sewer utilities
- Engineering Division is responsible for the design, rehabilitation and improvement of infrastructure, including the review and co-ordination of servicing for new development and projection of future infrastructure requirements
- Operations Division is responsible for the maintenance and repair of roads, drainage, water and sewer utilities and other infrastructure and oversees the drainage function within District boundaries

2008 Highlights

The Engineering Department, which oversees approximately 290 kilometres of roads in the District, began work on projects deemed to be of immediate importance by Council.

The department, which consisted of two employees for much of the year with the Director joining the District in early 2009, administered the \$1.04 million School Zone Safety Program, launched by Council in July 2008, with all work completed by the end of the year. The program provided safety improvements to 10 schools through upgrades to sidewalks, signage, crosswalks and pavement markings.



The downtown core pavement markings were improved with turning arrows and crosswalks clearly defined at the intersections of Highway 97. The cost of the project was \$30,000.

The District's roads are maintained through a contract with the Ministry of Transportation. The District augmented the existing Ministry line painting program for the District with a further \$25,000 to include additional roads.

The Department also prepared grant applications for the District's Sewer Servicing Strategy, a seven-phase sewer installation project that will service 1,400 properties.

Long-term planning was initiated, with timelines set for the implementation of the Sewer Servicing Strategy and the Master Stormwater Management Plan.

Financial Services

- Provides Financial Management for the District, responsible for processing all invoices and payments, investing funds, providing accurate and complete financial statements, calculating annual property tax notices and quarterly utility billing notices and preparing tax rates, permissive exemption and financial bylaws on an annual basis
- Information Systems provides technical support for the District, including managing a network of servers and switches that contain all the corporate information and overseeing an IP-based phone system.
- Purchasing is responsible for procurement for the District and oversees all tender and proposal processes.

2008 Highlights

Financial Services was one of the first departments to be developed. The first several months were spent implementing internal controls for financial systems and processes. These processes were in place in time for the successful management of the District's first property tax collection.

The Department administered the efficient transfer of utility billing from the Regional District of Central Okanagan in September.

Information Services Division oversaw the technical separation of West Kelowna operations from the Regional District of Central Okanagan, including the purchase of \$763,200 in equipment. The Division ensured the solutions selected would be cost effective, while taking advantage of current technology for future growth.

The Financial Services Department oversaw the District's first Citizen's Survey, which produced statistically-accurate baseline data to be used for future planning purposes by the entire organization.



Shopping and leisure time on Main Street

Parks, Recreation & Culture

- Parks Division manages over 100 parks, covering approximately 120 hectares, providing park and facilities planning, construction and maintenance, urban forestry and community beautification
- Facilities Division operates and maintains District facilities, including Mt Boucherie Community Recreation Complex, Johnson Bentley Aquatic Centre, Webber Road Community Centre, firehalls and RCMP building
- Recreation and Culture Division provides opportunities for public programming, community development and health and wellness initiatives. The District is a registered Active Community, with the goal to increase activity levels among residents to build a healthier community

2008 Highlights

The Department transferred administration of Westside Parks and Recreation from the Regional District of Central Okanagan (RDCO) on September 1, 2008.

In the first year the Department reviewed existing agreements with Westbank First Nation, School District 23 and RDCO. It reviewed departmental work plans and initiated a district-wide review of assets.

The Parks Division instituted the Gifts and Legacies Program and installed six benches along the Gellatly waterfront. The Division participated in the development of the Major Lakes Marine Recreation study and developed a Westside Forest Management Committee and program implementation plan. Projects completed in 2008 were the Spirit Square Arbor, Town Centre Community Garden, Town Centre Dog Park and Park shop construction.

The Facilities Division developed the Mt. Boucherie Community Centre Business Plan, with provision for a possible portable floor. A Geothermal Heating System was installed at Mt. Boucherie Community Centre and a new roof was installed at the Johnson Bentley Aquatic Centre.

In partnership with Westbank First Nation, Recreation and Culture achieved a five-bloom ranking in the 2008 Communities in Bloom competition in the 20,001-55,000 population category. The Division finalized contracts with Active Network for Class Registration and Booking software. Recreation and Culture continued to partner with the RCMP and RDCO Crime Prevention on the RESPECT program which introduced new graffiti eradication techniques. The Division also produced quarterly editions of the Westside Leisure Guide and planned two successful community events, the Halloween Howl and the Westside Family Winterfest.

Park Type	Number
Athletic	9
Community	7
Linear	15
Neighbourhood	44
Open Space	15
Waterfront	17

West Kelowna Parks

National Communities In Bloom competition judges toured the new municipality in July 2008.





Fire & Rescue

- Protect the lives and property of citizens and visitors by providing excellence in emergency response, fire prevention, and public education
- Provide comprehensive fire prevention, medical first responder services and public fire and life safety education with highly-trained and well-equipped personnel
- Operations and services are delivered from 4 fire stations strategically located in the community, with two halls being staffed with full-time members
 - ▶ Fire Hall 31 – Downtown Station
 - ▶ Fire Hall 32 – Lakeview Heights
 - ▶ Fire Hall 33 – Rose Valley
 - ▶ Fire Hall 34 – Glenrosa
- Total protection area for West Kelowna Fire Rescue covers 12,140 hectares

2008 Highlights

A \$650,000 renovation project at Fire Station 31 on Old Okanagan Highway was begun and will provide a new truck bay to accommodate the District’s new ladder truck. Prior to incorporation, the scope of the project involved building a new station and was expected to cost millions. By updating the existing building, Council and staff accomplished a satisfactory result at a fraction of the cost.

Renovations to Fire Station 32 were completed on budget and on time, with much of the work completed in-house.

The Department moved some full-time staff from Station 31 to Station 32 to provide for 24-hour coverage at the Lakeview Heights station.

The Department oversaw the purchase and delivery of a state-of-the-art 100-foot ladder truck and implemented a new radio communication system.

The Department also began planning for the Opticom Intersection Pre-Emption Project, with installation expected in 2009. The project will allow for interruptions to routine traffic light timing at important intersections for emergency vehicles.

Category	2007 – Responses	2008 - Responses
Alarms	142	168
Burning Complaints, Campfire/Bonfire, Fire (Bush/Grass), Wildfire	145	175
Fire - Minor, Container, Chimney	47	53
Fire - Structural	47	16
Fire - Vehicle	24	29
First Response	991	1297
Fuel Spill/Leak, Gas Smell/Leak, Hazardous Material, Smoke Sight4d	64	63
MVA, MVA Extrication, Rechecks	294	354
Public Service (Flooding, CO)	71	97
Wires Down	8	4
Rescue	5	5
Total responses	1838	2261
Inspections	314	886



Performance Measurements



Financial

Goal

To develop a long-term financial plan with solid financial footing and strong capital reserves

Objectives

- Establish and deliver appropriate capital reserves
- Consider alternate ways of providing financing for infrastructure requirements – including public-private partnerships
- Ensure the District has cost effective operations for all functions
- Pursue public projects as revenue generators or revenue neutral

Accomplishments

- Reserves in 2008 were as follows:
Completed a business plan to determine the most cost effective method of constructing a Municipal Hall; determined that converting the Community Hall into a Municipal Hall would produce a cost savings. The budget for the conversion is \$1,800,000. It was determined that it would cost \$8,200,000 to construct a new Municipal Hall (excluding the land costs)

District of West Kelowna
2008 Ending Reserve Balances

Reserve	Amount
Reserves for Future Expenditures	\$ 3,958,643
Water	\$ 3,042,189
Sewer	\$ 2,774,103
Equipment Replacement	\$ 2,070,727
Capital	\$ 1,298,393
Total	\$ 13,144,055

Infrastructure

Goal

To have proper infrastructure to meet the long-term servicing needs of the Municipality.

Objectives

- Provide infrastructure in a cost effective, comprehensive and methodical manner by establishing priorities through a 5 -10 year capital plan
- Apply for infrastructure grants
- Explore public-private partnerships
- Implement cost recovery through development cost charges
- Value pedestrian connections/linkages

Accomplishments

- Began preparing for three master plans: Transportation, Drainage, and Parks and Recreation
- Prepared a comprehensive grant application for a seven-phase sewer project; a grant in the amount of \$6,000,000 was applied for in 2008 and subsequently approved
- Commissioned a Development Cost Charge study for roads; the study resulted in the District establishing DCC charges for roads
- Established initial 3 – 5 year financial plans for the operation, maintenance and capital programs associated with District roads, sewer and water utilities
- Held discussions/liased with the Ministry of Transportation and Infrastructure, and their road maintenance contractor (Argo Industries) regarding road maintenance issues and policies

Growth Management

Goal

To build on land use best practices that reflect on the District's community needs which include affordable and livable neighbourhoods, village centres for residents or tourists, and protection of the environment.

Objectives

- Understand the District's land inventory through a land use analysis;
- Review the Official Community Plan;
- Receive public input into how to best achieve mixed use development which encourages infill, reduces sprawl;
- Protect the environment;
- Preserve farm land where appropriate;
- Encourage multi-use development;
- Focus development in a different way;
- Develop pedestrian friendly neighbourhoods;
- Ensure development contributes in a fair & equitable manner;
- Implement an integrated approach to development and development decisions

Accomplishments

- **Land Use Analysis**
 - ▶ collected all Regional District of Central Okanagan land data
 - ▶ listed all areas
 - ▶ physical land inventories (ie. playground equipment)
 - ▶ began process of evaluation – land use analysis (completion in 2009)
- **Review the Official Community Plan (OCP)**
 - ▶ developed detailed work plan (outlining extensive preliminary consultation program)
- **Receive Public Input into How to Best Achieve Mixed Use Development**
 - ▶ set up OCP work plan to include the solicitation of public comment in order to assist with policy development
- **Protect the Environment**
 - ▶ maintained pesticide-free practice on municipal lands
 - ▶ continued water conservation practice
 - ▶ multi-agency – further reduction of water
 - ▶ explored further trails development
 - ▶ monitored public use of foreshore
 - ▶ worked with Interior Health to ensure public swim/beach water quality
 - ▶ reviewed environmental sensitive habitat areas
 - ▶ hazard tree removal program in public parks
 - ▶ wildlife, trees and habitat retention
- **Preserve Farm Land Where Appropriate**
 - ▶ committed to the creation of and participation on an Agricultural Advisory Committee
 - ▶ integrated an Agricultural Plan into the department work plan, and plan to coordinate policy developed work on the OCP

- **Encourage Multi-Use Development**
 - ▶ supported relevant multi-use development through the refinement of comprehensive development zones
 - ▶ initiated a comprehensive review of the existing OCP which will assist policy development proposed to support multi-use development as principle of smart growth
 - ▶ set up OCP work plan to include the solicitation of public comment in order to assist with policy development
- **Focus Development in a Different Way**
 - ▶ initiated a comprehensive review of the existing OCP to understand policy deficient areas with an eye to researching and refining these policy areas in the new OCP
 - ▶ set up OCP work plan to include the solicitation of public comment in order to assist with policy development
- **Develop Pedestrian Friendly Neighbourhood**
 - ▶ Linking of trails through neighbourhoods
- **Ensure Development Contributes in a Fair & Equitable Manner**
 - ▶ designed Development Cost Charges to address inequitable distribution of infrastructure such as roads and sidewalks
 - ▶ required provision of on-site amenities through design standards when development permits are required
- **Implement an Integrated Approach to Development and Development Decisions**
 - ▶ coordinated department processes and formalized with flowcharts to ensure awareness and consistency of application processing
 - ▶ instituted inter-departmental meetings and referral system to disperse information across departments
 - ▶ committed to the development of an Advisory Planning Committee



Economic Enhancement

Goal

To provide an environment within the municipality that promotes business friendly practices.

Objectives

- Provide the community with a diverse tax base and supportive climate for business
- Recognize the economic development assets of region which capitalize on unique opportunities within the District
- Ensure that taxation levels foster continued development in the community
- Partner with our neighbours on tourism initiatives (Chamber enhancements)
- Enhance tourism within the District

Accomplishments

- Reviewed the tax multiplier; the review resulted in the multiplier for Light Industry reducing from 3.40 to 3.20
- Partnered with Tourism to assist them in obtaining grants in order that they may have additional funds to meet their goals



Communications Relationships

Goal

To provide a high level of public communication, feedback and customer service to our constituents.

Objectives

- Provide clear consistent two-way communication with our citizens on community issues
- Provide a welcoming form of government
- Provide a committee-structure based on Strategic Plan
- Encourage participation in Council's activities

Accomplishments

- Launched an interim website in 2008 at www.districtofwestside.ca that provided a portal for news, events and contact information
- Established a news release protocol and distributed approximately 30 news releases from June to December 2008
- Established the Naming Committee, a committee of Council, in June 2008 with the mandate to seek input from the public on the possible renaming of the community and provide a recommendation to Council on how to proceed. The Committee was made up of six members of the community and three councillors. The Committee met six times, including hosting a public forum on the naming of the community which was very well attended.
- Prepared a Strategic Communications Plan for the District with the following top priorities to be immediately pursued:
 - ▶ Internet Development
 - ▶ Intranet (internal staff internet) Development
 - ▶ Newsletter to all residents
 - ▶ Organization Image (logo) Development
- Prepared a Council Media Relations Policy which recognizes that one of the most efficient methods of communicating with its residents, businesses and visitors is through the news media (radio, television, print and internet).
- Established a protocol for preparing Council Highlights after each meeting of Council and posting this information on the website.
- Engaged the public in the first district-wide statistically-accurate Citizen's Survey. The survey, which will be conducted annually, was sent to 1,000 residents and produced excellent baseline information in the District's first year.
- Established an internal e-newsletter to keep staff up-to-date

Government Relations

Goal

To develop positive relationships with all levels of government and where possible promote joint funding and partnership opportunities.

Objectives

- Work with other levels of government to provide local, regional, provincial and federal services
- Partner and have joint lobbying and cost sharing agreements
- Obtain maximum grant opportunities for District programs

Accomplishments

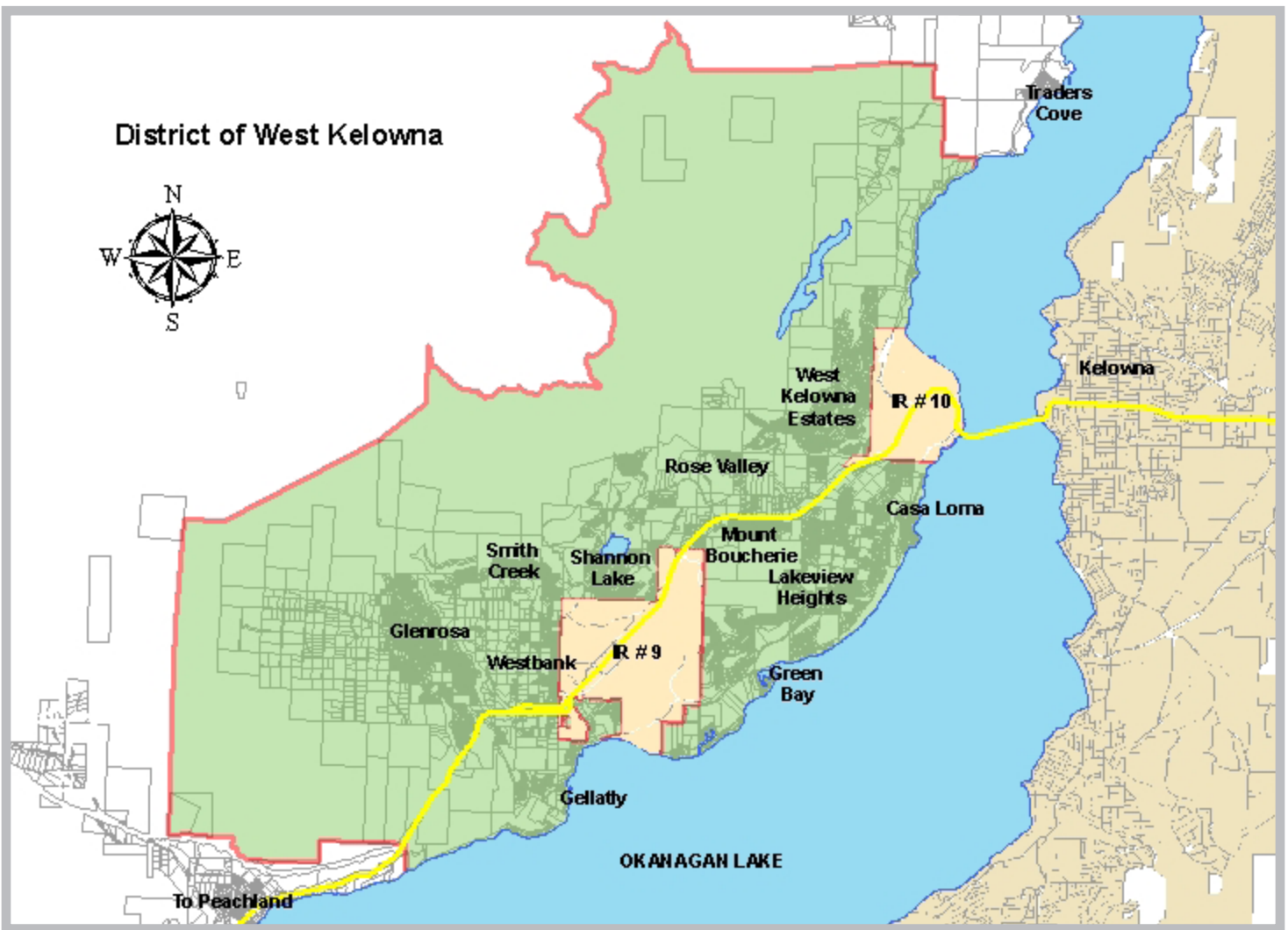
- Worked with the School District to review and update joint use agreements between the two levels of government. A grant in the amount of \$2,000 was applied for in 2008 and subsequently approved
- Committed to continued discussions with Westbank First Nation on subjects of mutual concern, with the goal of exploring partnerships where possible
- Successfully applied for a grant for the Westbank Irrigation District in the amount of \$10,000
- Applied for and received a Community Tourism Program Marketing Initiatives Grant in the amount of \$140,000; the grant was applied for on behalf of the Tourism Branch of the Chamber of Commerce and administered by the District
- Applied for and received a Visitor Information Centre Improvement Grant in the amount of \$17,406; the grant was applied for on behalf of the Tourism Branch of the Chamber of Commerce and administered by the District
- Successfully applied for and received grant funding for the Sewer Study in the amount of \$10,000
- Successfully applied for and received grant funding to inventory capital assets in the amount of \$10,000
- Successfully applied for and received grant funding to fund the Parks and Recreation Master Plan, in the amount of \$10,000
- Applied and received funding for the Pine Beetle program in the amount of \$97,500
- Successfully applied for and received grant funding for the Community Greening Program, in the amount of \$4,500
- Successfully applied for and received grant funding for the Community Wildfire Protection planning study, in the amount of \$15,000



Contact Information

District of West Kelowna
 2760 Cameron Road
 West Kelowna, B.C. V1Z 2T6
info@districtofwestkelowna.ca
www.districtofwestkelowna.ca

General Inquiry	(778) 797-1000
General Fax	(778) 797-1001
Mayor's Office & Administration	(778) 797-2210
Communications	(778) 797-2253
Parks, Recreation & Culture General Inquiry	(778) 797-8800
Facility Bookings	(778) 797-2265
Program Registration	(778) 797-8810
Inspections	(778) 797-8820
Bylaw Enforcement	(778) 797-8820
Planning	(778) 797-8830
Engineering	(778) 797-8840
Utility Billing	(778) 797-8850
Property Tax Inquiries	(778) 797-8860
Human Resources	(778) 797-8890





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A Message from the Chief Financial Officer

December 31, 2008 marked completion of the first full year of the District of West Kelowna's operation. Despite numerous challenges, the District posted positive financial results.

- **Cash and investments at the end of 2008 was \$23.17 million**
- **Capital Expenditures in 2008 was \$6.18 million**

The Financial Services Department conducted a review to establish a procurement process that met departmental operational needs in a cost-effective and expeditious manner while ensuring effective controls, accountability and mechanisms for reporting to Council. In addition, the District also established a purchasing card program for employees. This card system provides for a 2% cash rebate back to the District.

The District established a "made in West Kelowna" charge code system, which helps various departments control their budgets.

In 2008, the District completed its first Five and Ten-Year Financial Plan. The District's first budget included a tax increase which was set at 5% over the previous year. The 5% was established by reviewing the taxing authorities which tax this area and calculating the average amount. The increase was transferred directly into reserves.

The District will receive \$1,425,000 in restructuring assistance grant funding. These funds will go directly into reserve accounts. In 2008, District taxpayers did not pay directly for policing expenses but instead were taxed directly by the Surveyor of Taxes for \$1,300,000.

The annual budgeting process strives to maintain or enhance priority services delivered by District programs and services. This has been achieved through vigorous budget reviews, and the use of a Citizen Budget Survey.

Chief Financial Officer
Jim Zaffino, CGA



BDO Dunwoody LLP
Chartered Accountants
and Advisors

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Auditors' Report

To the Mayor and Council of District of West Kelowna

We have audited the consolidated statement of financial position of District of West Kelowna as at December 31, 2008 and the consolidated statements of financial activities, changes in financial position, equity in capital assets and statutory reserve fund operations for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Kelowna, British Columbia
June 4, 2009

The District of West Kelowna
BRITISH COLUMBIA

Consolidated Statement of Financial Position

December 31, 2008
(No comparative figures)

	<u>2008</u>	<u>2007 (Note 4)</u>
FINANCIAL ASSETS		
Cash	375,758	
Term Deposits	22,802,109	
Receivables		
Property Taxes	1,566,086	
Federal Government	295,966	
Province of B.C.	369,634	
Other Government Agencies	125,113	
Other	194,518	
	<u>\$ 25,729,184</u>	<u>\$ -</u>
LIABILITIES		
Payables		
Trade Accounts and Accrued Liabilities	6,439,283	
Other Govt Agencies	89,424	
Development Cost Charges	4,376,592	
Deferred Revenue (Note 2)	1,659,830	
Sundry Deposits	20,000	
Long-term Debt	20,840,143	
	<u>\$ 33,425,272</u>	<u>\$ -</u>
Net Financial Assets (Liabilities)	(7,696,088)	-
Physical Assets		
Capital Assets (Note 6)	186,259,681	
Net Position	<u>\$ 178,563,593</u>	<u>\$ -</u>
Municipal Position		
Equity in Physical Assets	165,419,538	-
Capital and Operating Fund	3,958,643	-
Statutory Reserve Funds	9,185,412	-
	<u>\$ 178,563,593</u>	<u>\$ -</u>


Chief Financial Officer

The District of West Kelowna
BRITISH COLUMBIA

Consolidated Statement of Financial Activities

For the year ended December 31, 2008
(No comparative figures)

	<u>2008</u>	<u>2008</u> Budget (Unaudited)	<u>2007 (Note 4)</u>
REVENUE			
Taxation - net	18,560,326	18,468,683	
Grants in Lieu of Taxes		308	
Sales of Services	3,089,166	3,475,818	
Other Revenue from Own Sources	2,304,129	1,264,907	
Contributions from Developers and Others	7,768	-	
Unconditional Transfers - Provincial Government	3,188,551	2,485,626	
Conditional Transfers - Federal Government	575,224	404,310	
Conditional Transfers - Provincial Government		100,000	
	<u>\$ 27,725,164</u>	<u>\$ 26,199,652</u>	<u>\$ -</u>
EXPENDITURE			
General Government Services	2,533,524	3,059,940	
Protective Services	5,198,127	6,085,722	
Transportation Services	1,725,139	2,560,329	
Environmental Health Services	578,101	510,077	
Environmental Development Services	826,890	932,649	
Recreation and Cultural Services	5,098,342	4,876,112	
Bank Charges and Interest	8,028	13,350	
Debt Interest	515,325	535,711	
Transfer of Net Debt from Regional District	12,755,817	-	
Capital Expenditures	6,181,959	19,504,472	
	<u>\$ 35,421,252</u>	<u>\$ 38,078,362</u>	<u>\$ -</u>
Net Revenue/(Expenditure)	(7,696,088)	(11,878,710)	-
Proceeds from Debt	22,082,615		
Debt Principal Repayments	(1,242,472)		
Increase/(Decrease) in Fund Balances	<u>\$ 13,144,055</u>	<u>\$ -</u>	<u>\$ -</u>

The District of West Kelowna
BRITISH COLUMBIA

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 2008
(No comparative figures)

	<u>2008</u>	<u>2007 (Note 4)</u>
Cash flows from (to)		
Operations		
Net increase(decrease) in financial equity	13,144,055	
Net increase in equity in capital assets	165,419,538	
Decrease(increase) in accounts receivable	(891,292)	
Decrease(increase) in taxes and utilities receivable	(1,566,087)	
Decrease(increase) in prepaid expenses	(95,642)	
Increase(decrease) in accounts payable	6,530,411	
Increase(decrease) in refundable deposits	20,000	
Increase(decrease) in deferred revenue	6,036,422	
Net cash from operations	<u>\$ 188,597,405</u>	<u>\$ -</u>
Financing		
Principal repayments on long-term debt	20,840,143	
	<u>\$ 20,840,143</u>	<u>\$ -</u>
Investments		
Expenditures on capital assets	(186,259,681)	
	<u>\$ (186,259,681)</u>	<u>\$ -</u>
Change in cash and short-term investments	23,177,867	-
Cash and short-term investments, beginning of year	0	
Cash and short-term investments, end of year	<u><u>\$ 23,177,867</u></u>	<u><u>\$ -</u></u>
Consisting of:		
Restricted cash		
Statutory reserves and deferred revenue	15,221,834	
Utilities	10,943	
	<u>\$ 15,232,777</u>	<u>\$ -</u>
Current funds	7,945,090	-
	<u><u>\$ 23,177,867</u></u>	<u><u>\$ -</u></u>

The District of West Kelowna
BRITISH COLUMBIA

Consolidated Statement of Equity in Capital Assets

December 31, 2008
(No comparative figures)

	<u>2008</u>	<u>2007 (Note 4)</u>
BALANCE, BEGINNING OF YEAR	-	
ADD		
Assets Acquired by Transfer (net)	159,237,577	
Federal Government	766,929	
Capital Reserve Fund	1,517,243	
Equipment Replacement Reserve Fund	978,259	
Electric Capital Reserve Fund	233,332	
Revenue Funds	879,820	
Reserves from Future Expenditures	892,279	
Other Contributions	7,768	
Internal Debt	906,331	
	<u>\$ 165,419,538</u>	<u>\$ -</u>
BALANCE, END OF YEAR	<u>\$ 165,419,538</u>	<u>\$ -</u>

The District of West Kelowna
BRITISH COLUMBIA

Consolidated Statement of Statutory Reserve Fund Operations

December 31, 2008
(No comparative figures)

	<u>2008</u>	<u>2007 (Note 4)</u>
BALANCE, BEGINNING OF YEAR	-	
ADD		
Transfers from Revenue Funds	12,057,808	
	<u>\$ 12,057,808</u>	<u>\$ -</u>
DEDUCT		
Transfers to Capital Funds	2,872,396	
BALANCE, END OF YEAR	<u>\$ 9,185,412</u>	<u>\$ -</u>

Summary of Statutory Reserve Fund Balances

Equipment Replacement	2,070,727	
Capital	1,298,393	
Sewer System Capital	2,774,103	
Water System Capital	3,042,189	
	<u>\$ 9,185,412</u>	<u>\$ -</u>

District of West Kelowna
Summary of Significant Accounting Policies

December 31, 2008

Nature of Business	The District is incorporated under the laws of British Columbia and is engaged in the operation of a municipality.
Basis of Presentation	It is the District's policy to follow Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of all funds of the District. All inter-fund transactions have been eliminated. The consolidated statements have been prepared by management using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.
Revenue Recognition	Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service of product is provided by the District. Grant revenues are recognized when the funding becomes receivable.
Physical Assets and Amortization	Capital asset expenditures are recorded on the cost basis. Cost includes interest on short term financing. Amortization is not recorded.
Debt Charges	The interest portion of debt charge is charged against current operating revenue in the year in which it is paid. Principal payments are recorded as a reduction of fund balances and net debt.
Vacation and Sick Pay	Vacation pay, which may be accumulated up to two weeks, is charged to expense in the year paid. Sick leave, which has a maximum accumulation of thirty-five weeks, is also charged to expense in the year it is accumulated. Earned sick leave is paid to a maximum of seventeen and a half weeks upon termination of employment.
Reserves	Reserves for future expenditures represents amounts set aside for future operating and capital expenditures. The District has also appropriated funds for future capital expenditures, the reserves are Capital and Equipment reserves. Expenditures from a reserve can only be made in accordance with by-law directives.
Development Cost Charges	Development Cost Charge (DCC) levies are restricted by by-law in their use for Water, Sewer and Road expansion, and the revenue is deferred until the expenditures are incurred. When DCC expenditures are made, a corresponding amount is recorded as a contribution from property owners and developers.
Financial Instruments	It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from its financial instruments unless otherwise noted. The fair values of the District's financial instruments approximate their carrying values, unless otherwise noted.

Budget Figures

The budget figures are from the Annual Budget Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

Commitments

The District has entered into various agreements and contracts for services, for periods ranging from one to five years.

Use of Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

December 31, 2008

1. Contingent Liabilities and Commitments

(a) Pension Liabilities

The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009, with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The District of West Kelowna paid \$253,620.74 for employer contributions to the Plan in fiscal 2008.

(b) Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a joint and several liability of the District and each member municipality within the District, including the District of West Kelowna. The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that, if at any time the schedule payments provided for in the agreements are not sufficient to meet the Authority's obligations with respect to such borrowing, the resulting deficiency becomes the liability of the member municipalities.

(c) Commitments

The District of West Kelowna has entered into one contract to purchase a fire truck in 2008. This truck is to be delivered in 2009 and the funds have been brought forward to the 2009 budget.

2. Deferred Revenues

Deferred Revenues includes:

- a prepayment amount of \$1,425,000 received from the Provincial Government for restructuring assistance. These funds will be transferred to reserves in 2009.
- a prepayment of \$100,000 received from the Provincial government for planning. This will be expended in 2009.
- a planning grant of \$100,000 was received from the Provincial government for planning in 2008. \$84,830 was unused in 2008 and therefore transferred to 2009. These funds will be expended in 2009.
- a prepayment of \$50,000 for a conditional grant for Spirits Square was received in 2008. The project will be completed in 2009 and the remainder of the funding will be received and all applied at that time.

3. Federal Gas Reporting

Gas tax funding is provided by the Government of Canada. The use of the funding is established by funding agreement between the District of West Kelowna and the Union of British Columbia Municipalities. Gas tax funding may be used toward designated public transit, community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

	<u>2008</u>	<u>2007</u>
Opening balance of unspent funds	-	-
Interest earned	3,302	-
Add: Amounts received during the year	404,311	-
Transfer from CORD	170,913	-
Less: Amounts spent during the year	<u>-</u>	<u>-</u>
Total Deferred Gas Tax Revenue	\$578,526	-

4. Comparative Figures

The District of West Kelowna was incorporated under letters patent on December 6, 2007 and therefore, does not have comparative figures for 2007.

5. Reporting Period

The reporting period for 2008 is from December 6, 2007 to December 31, 2008. This is allowed through the letters patent, and no financial statements were required in 2007.

6. Tangible Capital Assets

In anticipation of the new reporting requirements for 2009, the District of West Kelowna has a conceptual plan for valuation of costing and threshold development, staff has attended training sessions, and action plan meetings have been scheduled for addressing tangible capital assets reporting requirements. We are using GFOA software and recommended standards to value our current assets.

Capital Assets break down as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	6,164,584	-
Buildings	21,566,209	-
Machinery	8,510,141	-
Engineering Structures	36,133,648	-
Roads	113,885,099	-
	<u>\$ 186,259,681</u>	<u>\$ -</u>
Net Book Value		<u><u>\$ 186,259,681</u></u>

7. Expenditures by Object

	<u>2008</u>	<u>2007</u>
Advertising	63,001	-
Audit Fees	27,000	-
Bad Debts	7,383	-
Bank Charges	7,112	-
Building Maintenance	125,543	-
Capital Expenditures	6,181,959	-
Civic Grants	231,300	-
Communities in Bloom	517	-
Conferences & Seminars	73,415	-
Contingency Funds	96,647	-
Contract Services	3,809,732	-
RDCO Administration	421,544	-
Cost Relocation	27,910	-
Debt - Interest	515,325	-
Dues & Memberships	31,045	-
Equipment Maintenance & Fuel	212,132	-
Equipment Replacement Reserve Trsfr	849,793	-
Freight/Courier/Postage	28,105	-
Ground Maintenance	52,172	-
Hydrant Maintenance	73,634	-
Information Technology	405	-
Insurance Liability	180,438	-
Legal	141,500	-
Licenses	23,798	-
Marketing	39,726	-
Meetings - Food & Beverages	10,391	-
Miscellaneous	13,836	-
Net Debt from RDCO	12,755,817	-
Presentations, Awards & Recognition	11,036	-
Protective Equipment Maintenance	19,558	-
Public Relations	17,251	-
Publication & Subscriptions	5,173	-
Recoverable Costs	19,981	-
Recruitment Costs	53,930	-
Refunded Fees	2,782	-
Rental	282,336	-
Safety Training & Supplies	94,238	-
Snow Removal	23,970	-
Supplies	8,993	-
Supplies/Small Tools & Equipment	336,347	-
Training	16,239	-
Travel & Mileage	6,554	-
Uniforms	104,787	-
Utilities (Telephone/Water/Power)	759,026	-
Vandalism repairs	1,089	-
Wages/Salaries	7,647,467	-
Wellness	9,318	-
Grand Total	\$ 35,421,252	\$ -

8. Sewer System Utility Statements

Prior to 2009 and the Memorandum of Understanding (MOU) discussions, the Regional District of Central Okanagan (RDCO) did not break out the costs of sewer lines by area. Regular operating and maintenance expenses, if there were any for 2008, were taken care of by RDCO. There are no revenues to be detailed as the revenues are RDCO's and the expenses to that point are regarded as part of the entire system. Going forward, RDCO is examining their costs and fees.

RDCO collects the sewer fees from each municipality/partner. As such, the revenues and expenses are reflected in Regional District's Financial Statements, including the billing amounts that were charged by West Kelowna prior to the MOU discussions.

9. Incorporation of The District of West Kelowna

The District of West Kelowna was incorporated through letters patent on December 06, 2007 and accordingly these statements represent thirteen months of expenses rather than the normal twelve.

10. Assumption of Equity on Transfer of Assets

When the District of West Kelowna (DWK) was incorporated, the Central Okanagan Regional District, who governed the area, transferred a total of \$66,192,623 of assets (general, water and sewer funds) and the Province of BC transferred \$113,885,099 of roads (general fund). On the transfer of assets, the District assumed related Municipal Finance Authority debt of \$21,842,012. The resulting equity assumed is included in the equity in capital assets as December 31, 2008.

11. Commitments

The District has entered into various leases for equipment and services with terms varying from one to five years. The total lease commitments for 2009 are \$519,698.



Mixed Sources

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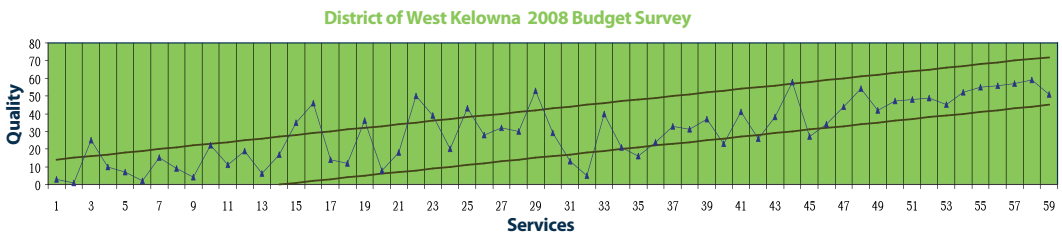
2008 Citizens' Survey



2008 Citizens' Survey

In October 2008, the District distributed its first Citizens' Survey. This statistically-accurate survey was produced in-house and provided important baseline information to the District for use in future planning on all levels. The survey was mailed to 1,000 randomly-selected residents. It was also provided on the District's website for anyone to download and submit.

The survey asked residents to comment on current services, desired services and municipal budgeting. The results of the survey look like this when plotted on a graph, with an upper and lower limit line established.



Services that fall outside the limits can indicate an imbalance between the service's importance and quality as ranked by citizens. For instance, the services listed below fall **above** the upper limit of the graph. This means the taxpayer evaluates the service quality lower than its importance. This may be interpreted in a number of ways:

- The quality may be improved by changing the methodology for providing the service.
- A review should be completed to determine if the low service quality is a perception or a reality.
- A review should be completed to determine if additional resources would increase the quality.

SERVICES	IMPORTANCE	QUALITY
Growth and Development Planning	92.94%	17.35%
Illegal Dumping, Cleaning Program	89.41%	15.59%
Sidewalks	86.18%	15.00%
Road Maintenance	96.47%	39.12%
Protection of Green Space	93.24%	29.12%
Building Inspection	87.94%	22.94%
Bylaw Enforcement	91.18%	28.52%
Economic Development	89.12%	25.59%
Sewage Treatment Collection	92.06%	58.53%

The services **below** fall below the lower limit of the graph. This means the taxpayer evaluates the service quality higher than its importance. This may be interpreted a number of ways. For services that exceed expectations, it does not necessarily imply the services are under par. It does state that the services provided are at a level higher than the taxpayer expects. This may be interpreted as:

- The resources invested in the service are higher than expected.
- A review should be completed to determine why the taxpayer evaluates the service quality lower than its importance.
- Would increasing the budget for the service increase the quality?

SERVICES	IMPORTANCE	QUALITY
Swimming Pool	85.00%	72.94%
Arenas	82.94%	54.41%
Public Library	85.29%	58.53%
Sports Field – Baseball/Softball	76.47%	37.65%
Sports Field – Maintenance	78.53%	39.41%
Sports Field - Soccer	77.06%	38.82%

The following services fall between the upper and lower limit of the graph. This means the service meets expectations.

SERVICES	IMPORTANCE	QUALITY
Community Centre/Hall	83.82%	42.35%
Yard Waste/Bulky Item Pickup	90.88%	66.76%
Playgrounds	81.47%	37.41%
Electronic Services provided online	76.47%	31.47%
Agri Irrigation System	57.65%	17.94%
Tennis Courts/Squash Courts	40.29%	15.59%
Ease of Travel by Car	94.41%	71.76%
Arena Maintenance	79.41%	34.71%
Recreation Programs for Children	69.12%	23.24%
Air Quality	95.59%	72.94%
Animal Control	77.06%	26.47%
Residential Recycling	95.88%	85.00%

SERVICES	IMPORTANCE	QUALITY
Beaches	87.94%	43.53%
Recreation Programs for Adults	81.47%	32.06%
Customer Service for Water	90.59%	50.00%
Ease of Travel by Transit	74.71%	20.88%
Boat Launch with Parking Facilities	61.18%	17.06%
Recreation Programs for Pre-School	60.00%	17.06%
Marina	57.65%	15.88%
Parks	92.65%	57.65%
Tourism Promotion	78.53%	26.47%
Museum	57.06%	15.29%
Trash Collection	85.59%	35.29%
Recreation Programs Overall	92.06%	58.53%
Fire Preventions	95.00%	61.18%
Recreation Programs for Seniors	77.65%	24.71%
Cemetery	51.76%	8.24%
Ease of Travel by Handy Dart Transit	47.94%	7.35%
Skateboard Park/Bike Parks	46.47%	7.35%
Fire Department/First Responder	95.59%	65.88%
Running Track	42.35%	2.06%
Fire Fighting	96.76%	74.41%
Drinking Water Quality	96.18%	68.53%
Noise Control	87.06%	37.06%
Walking/Jogging/Biking Trails	86.76%	35.29%
Water Conservation Efforts	93.53%	53.82%
Street Lighting	86.76%	34.41%
Emergency 911	96.18%	65.00%
Recreation Programs for Teenagers	72.94%	13.53%
Snow Control	94.71%	43.82%
Water Course Protection	85.00%	25.59%
Police Enforcement	95.59%	54.41%
Roads	95.29%	40.59%
Dedicated Bicycle Lane	76.76%	3.82%

The following is the statistical portion of the survey

1. In which area of the Westside District Municipality do you live? (see map page 11)

82	24.12%	Zone 1
84	24.71%	Zone 2
81	23.82%	Zone 3
89	26.18%	Zone 4
4	1.18%	No Answer
340	100%	

1.1 If you would like to attend Council Meetings, please select a time that would be most convenient for you.

44	12.94%	1:30 PM
10	2.94%	5:00 PM
37	10.88%	6:00 PM
147	43.24%	7:00 PM
102	30.00%	No Answer
340	100%	

Please Note: Data from questions 2 & 3 of the survey is presented on the preceding pages.

4. How do you rate the quality of special and seasonal family events in your community?

10	2.94%	Very Good
121	35.59%	Good
109	32.06%	Neither good nor bad
18	5.29%	Bad
3	0.88%	Very Bad
74	21.76%	No opinion
5	1.47%	No Answer
340	100%	

5. How do you rate your Parks and Recreation Department in keeping you informed and updated about the programs available?

29	8.53%	Very Good
144	42.35%	Good
92	27.06%	Neither good nor bad
27	7.94%	Bad
5	1.47%	Very Bad
38	11.18%	No opinion
5	1.47%	No Answer
340	100%	

7. In 2008, the Westside District Municipality relied on the following sources of revenue: property taxes; user fees and charges; long-term borrowing; reserves or savings; and government grants. In the future, what revenue sources do you feel the DWK should rely on to fund existing or new services?

7.1 Property Taxes:

49	14.41%	Rely More
204	60.00%	Same
49	14.41%	Rely Less
10	2.94%	Not Sure
28	8.24%	No Answer

	340	100%	
7.2 User Fees and charge:			
	170	50.00%	Rely More
	104	30.59%	Same
	19	5.59%	Rely Less
	14	4.12%	Not Sure
	33	9.71%	No Answer
	340	100%	

7.3 Long-term borrowing:

	52	15.29%	Rely More
	116	34.12%	Same
	89	26.18%	Rely Less
	42	12.35%	Not Sure
	41	12.06%	No Answer
	340	100%	

7.4 Reserves/Savings:

	65	19.12%	Rely More
	144	42.35%	Same
	53	15.59%	Rely Less
	40	11.76%	Not Sure
	38	11.18%	No Answer
	340	100%	

10. How would you rate air quality within the Westside District Municipality?

	33	9.71%	Very High
	161	47.35%	High
	101	29.71%	Neither High nor Low
	23	6.76%	Low
	5	1.47%	Very Low
	10	2.94%	No Opinion
	7	2.06%	No Answer
	340	100%	

11. If faced with the following realistic choices, what would you advise your Council to do?

	113	33.24%	Higher taxes with improved services
	168	49.41%	Same taxes with the same or less level of service
	20	5.88%	Lower taxes with reduced level of service
	22	6.47%	Not sure
	17	5.00%	No Answer
	340	100%	

Please Note: Question 12 solicited written comments. Data is available at the District Office.

13. In general how well does the Westside District Municipality government operate?

	11	3.24%	Very Well
	118	34.71%	Well
	91	26.76%	Neither well nor poor
	30	8.82%	Poorly
	78	22.94%	Not sure
	12	3.53%	Not Answered
	340	100%	

14. What is the single most important way you learn about the DWK budget each year?

58	17.06%	No Comment
146	42.94%	Newspapers
13	3.82%	TV
32	9.41%	Media
31	9.12%	Mail Out
1	0.29%	Council Meeting
12	3.53%	Newsletters
5	1.47%	Public Hearings
38	11.18%	Internet
4	1.18%	Other
0	0.00%	Phone call
0	0.00%	Internet
0	0.00%	Other
340		100%

15. Would you like to have more involvement in the Municipal Budget decisions?

133	39.12%	Yes
95	27.94%	No
101	29.71%	Not sure
11	3.24%	No Answer
340	100%	

15.1 If yes, please indicate the two best ways of helping you become more involved in the municipal budget process.

16	8.60%	No comment
35	18.82%	Random questionnaires
45	24.19%	Open Council meetings
32	17.20%	Mail out info to taxpayers
22	11.83%	Surveys
21	11.29%	Internet home page
11	5.91%	Have copies available
0	0.00%	Town Hall meetings
2	1.08%	Newsletters
1	0.54%	Phone calls
1	0.54%	More involved in planning
0	0.00%	Referendum vote
0	0.00%	Newsletters
0	0.00%	Well managed economy of scale
0	0.00%	Use media before it happens
0	0.00%	Council to speak to citizens
0	0.00%	Council is elected, they should deal with it
0	0.00%	Internet public input
0	0.00%	Give a voice
0	0.00%	Phone calls
0	0.00%	Newspaper
0	0.00%	Other
186	100.00%	

16. Taking all things into consideration, how would you rate your district Council's performance?

6	1.76%	Very High
70	20.59%	High
153	45.00%	Neither High nor Low
28	8.24%	Low
9	2.65%	Very Low
52	15.29%	No Opinion
22	6.47%	Not Answered

340 94%

17. Taking all things into consideration, how would you rate the level of service provided by the staff of DWK.

7	2.06%	Very High
79	23.24%	High
144	42.35%	Neither High nor Low
15	4.41%	Low
6	1.76%	Very Low
81	23.82%	No Opinion
8	2.35%	Not Answered
340	100%	

18. All marina facilities will be assessed for potential involvement by the private sector through joint ventures, contracting out or private sector models.

69	20.29%	Strongly Agree
120	5.29%	Agree
32	9.41%	Disagree
26	7.65%	Strongly Disagree
75	22.06%	No Comments
18	5.29%	Not Answered
340	100%	

19. The approval process for waterfront facilities to support boating be reviewed in each jurisdiction to develop consistent, transparent and efficient procedures and policies.

119	35.00%	Strongly Agree
147	43.24%	Agree
5	1.47%	Disagree
0	0.00%	Strongly Disagree
61	17.94%	No Comments
8	2.35%	Not Answered
340	100%	

20. The development and improvement of boat launches and supporting infrastructure be given high priority by RDCO and the local Municipalities.

71	20.88%	Strongly Agree
122	35.88%	Agree
72	21.18%	Disagree
15	4.41%	Strongly Disagree
51	15.00%	No Comments
9	2.65%	Not Answered
340	100%	

21. The issue of mooring buoy placement and maintenance is considered on a region-wide basis.

92	27.06%	Strongly Agree
151	44.41%	Agree
19	5.59%	Disagree
9	2.65%	Strongly Disagree
59	17.35%	No Comments
10	2.94%	Not Answered
340	100%	

22. New developments with waterfront access be reviewed for opportunities to provide additional facilities for public use.

161	47.35%	Strongly Agree
127	37.35%	Agree
16	4.71%	Disagree
5	1.47%	Strongly Disagree
23	6.76%	No Comments
8	2.35%	Not Answered
340	100%	

Please Note: Question 23 solicited written comments. Data is available at the District Office.

24. Do you support investment in economic development to diversify the economy and raise tax base in the community?

110	32.35%	Strongly Agree
140	41.18%	Agree
29	8.53%	Disagree
12	3.53%	Strongly Disagree
49	14.41%	No Comments
340	100%	

25. Please rank the importance of the following economic development initiatives.

25.1 Tourism development

146	42.94%	Very Important
145	42.65%	Somewhat Important
24	7.06%	Not Important
7	2.06%	Not Sure
18	5.29%	No Answer
340	100%	

25.2 Investment Attraction

192	56.47%	Very Important
112	32.94%	Somewhat Important
11	3.24%	Not Important
9	2.65%	Not Sure
16	4.71%	No Answer
340	100%	

25.3 Business Enhancement

197	57.94%	Very Important
101	29.71%	Somewhat Important
14	4.12%	Not Important
8	2.35%	Not Sure
20	5.88%	No Answer
340	100%	

25.4 Agricultural Assistance

116	34.12%	Very Important
135	39.71%	Somewhat Important
48	14.12%	Not Important
20	5.88%	Not Sure
21	6.18%	No Answer
340	100%	

25.5 Community Marketing

104	30.59%	Very Important
157	46.18%	Somewhat Important
31	9.12%	Not Important
22	6.47%	Not Sure
26	7.65%	No Answer
340	100%	

25.6 International Recruitment

35	10.29%	Very Important
120	35.29%	Somewhat Important
112	32.94%	Not Important
44	12.94%	Not Sure
29	8.53%	No Answer
340	100%	

25.7 Determining a location for a Downtown core

159	46.76%	Very Important
99	29.12%	Somewhat Important
47	13.82%	Not Important
22	6.47%	Not Sure
13	3.82%	No Answer
340	100%	

26. Are you interested in a community trail along the waterfront?

284	83.53%	Yes
37	10.88%	No
10	2.94%	No Comment
9	2.65%	No Answer
340	100%	

27. Please circle your gender.

174	51.18%	Male
136	40.00%	Female
30	8.82%	No Answer
340	100%	

28. In with age group are you?

9	2.65%	19 - 24
22	6.47%	25 - 34
47	13.82%	35 - 44
81	23.82%	45 - 54
86	25.29%	55 - 64
81	23.82%	65 or over
14	4.12%	No Answer
340	100%	



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