

2017 Annual Report

Celebrating 10 Years



Incorporated 2007



We love it here... and you will too!

How It All Began

From humble beginnings as a rural farming community to the thriving city it is today, the city owes a great deal of gratitude to the pioneers, founders and agencies that created the foundation for incorporation in 2007.

The area was originally served by Westbank Irrigation District (est. 1922), Lakeview Irrigation District (est. 1951), Regional District of Central Okanagan (est. 1967) and the Province of British Columbia.

Over time, new neighbourhoods appeared, each with their own strengths and unique characteristics: Bear Creek, Boucherie Centre, Casa Loma, Lakeview, Gellatly Bay/Green Bay, Glenrosa, Rose Valley/West Kelowna Estates, Shannon Lake, Smith Creek, South Boucherie/Sunnyside and Westbank Centre.

Today, the City of West Kelowna is ranked the 28th most populous municipality in British Columbia, with 33,590 (BC Statistics, 2017) and is consistently ranked as one of the fastest growing in Canada.

The community owes its continuing vitality to the people that call it home and who dedicate their time and effort to the many groups and organizations that bind it together.

The City of West Kelowna is also grateful for its many partnerships with: The Government of Canada and the Province of British Columbia; and, local governments in the region including the City of Kelowna, District of Lake Country, District of Peachland, Regional District of Central Okanagan and Westbank First Nation.

June 16, 2007: A referendum was held asking if the Westside should become a standalone municipality or join Kelowna. Residents voted overwhelmingly in favour of moving from a regional to a municipal government, but were less decisive about incorporating as a standalone municipality (51.1%) or amalgamating with the City of Kelowna (48.9%).

December 6, 2007 Westside District Municipality was officially incorporated and the first Council took their oaths of office: Mayor Rosalind Neis and Councillors Doug Findlater, David Knowles, Gord Milsom, Duane Ophus, Heather Pilling, and Carol Zanon. The municipality's first Mayor and Council served for a term of one year.



ABOUT THE CITY OF WEST KELOWNA

A visually beautiful community and a four-seasons playground, West Kelowna is the primary gateway to the Okanagan Valley from B.C.'s most populous region, the Lower Mainland. The city's neighbourhoods are nestled among the western shores and hills of Okanagan Lake and boast:

- Arenas and attractions
- Beaches and parks
- Cross country skiing, hiking and mountain biking trails
- Shops and restaurants
- Vineyards and orchards
- Wineries and resorts

West Kelowna is the second most populous municipality in the Regional District of Central Okanagan and ranks fourth, by population, in the Okanagan. The community continues to grow rapidly with a population increase of 5.7% between the censuses in 2011 and 2016, according to Statistics Canada.

BY THE NUMBERS



10 YEARS OF ACHIEVEMENT: A LOOK BACK

July 2008 A Naming Committee made up of six community members began engaging the public about whether to rename Westside District Municipality; and, more than 1,500 suggestions were submitted. Then in December, following results of a community opinion poll, Mayor and Council adopted West Kelowna as the municipality's new name. The other finalists were (in vote order) Westbank, Westlake and Okanagan Hills.



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November 2008 The second local government election was held. Mayor Doug Findlater and Councillors David Knowles, Gord Milsom, Rosalind Neis, Duane Ophus, Bryden Winsby and Carol Zanon were elected for a three-year term.



February 2009 The Government of Canada and Province of British Columbia provided a \$6 million grant under the New Building Canada Fund to extend sewers to about 960 homes; and, a year later, they gave another \$5.1 million in grant funding under the same program to assist with further phases of the project. In total, sewers were extended to more than 1,450 homes by the time the project wrapped up three years later in November of 2012. It remains the largest city infrastructure project to date.



WEST KELOWNA MAYOR AND COUNCIL

Mission

To make informed decisions that meet community needs to protect, enhance and celebrate our West Kelowna home.

Vision

City of West Kelowna is an innovative local government that will make informed decisions to benefit the community by welcoming input and giving consideration to fiscal responsibility, environmental stewardship, healthy living and economic enhancement.



Elected November 15, 2014 From left to right: Councillors Bryden Winsby, Rusty Ensign, and Duane Ophus, Mayor Doug Findlater, and Councillors Rick de Jong, Carol Zanon and Rosalind Neis.

ATTENDANCE				
	Regular Council Meeting	Special Council Meeting	In Camera Council Meeting	Total
Mayor Doug Findlater	23	8	26	57/57
Coun. Rick de Jong	20	7	23	50/57
Coun. Rusty Ensign	23	8	26	57/57
Coun. Rosalind Neis	15	4	16	35/57
Coun. Duane Ophus	22	7	25	54/57
Coun. Bryden Winsby	22	8	25	55/57
Coun. Carol Zanon	21	7	24	52/57

MAYOR'S MESSAGE

On December 6, 2017 we celebrated our 10th anniversary as a new municipality.

Since incorporation in December 2007, me and my dedicated fellow members of West Kelowna Council, many of us who have been here from the start, have had our heads down, pouring over reports and making decisions to guide our community from its rural state into a vibrant, mid-size city.

It seems like yesterday we cut the ribbon at our first major project, the West Kelowna RCMP Detachment. Now, I'm hard-pressed to remember what our community looked like without it or many of the other major infrastructure projects that we've approved over the years: Gellatly Bay multi-use corridor upgrades, improvements on both Brown and Westlake Roads, the new Annette Beaudreau Amphitheatre and Skate Park, the Shannon Lake Road Bridge replacement and new lights for Lakeview Heights Tennis Courts and Lower Boucherie and Rosewood Sports Fields.

*"With each new test, West Kelowna residents show their tenacity, generosity and grit."
- Mayor Doug Findlater*

Every day, as I travel around this community and I see these improvements, I am proud of the decisions Council and I have made while being able to keep tax increases in check, avoid borrowing and make efforts to build our city's reserves to ensure that the money is there for many more improvements that will be needed in the future.

I am especially impressed with our ability as a community to withstand adversity. We have faced, I believe, more than our fair share of challenges including large forest fire threats in Glenrosa and Rose Valley in 2009, Seclusion Bay in 2010 and Mt. Boucherie and Smith Creek in 2014 and historic creek and Okanagan Lake flooding in 2017. Yet, with each new test, West Kelowna residents show their tenacity, generosity and grit. Our residents are truly our greatest asset.

This 2017 Annual Report, West Kelowna's 10th edition, highlights not only the achievements of 2017, but looks back on our first decade as municipality, BC's 51st city, and celebrates the many milestones along the way. I am truly amazed by what City staff have accomplished and humbled by what our residents contribute to make this community better. We certainly have come a long way and I am excited to see what great things are in store for the next 10 years.



June 2009 Following a \$1.1 million renovation, West Kelowna municipal hall was moved from Westbank Lions Community Centre to Mt. Boucherie Community Hall. Today, much of the city's primary administrative operations, such as the business of Mayor and Council, finance and planning continue to operate out of the facility, located at the base of Mt. Boucherie. Today, plans are in the works to renovate the facility again for more space for staff.



July 18 to 22, 2009 Forest fires in Glenrosa and Rose Valley threatened the safety of residents and property, and nearly destroyed Gorman Bros. Mill, one of the largest employers in the city. Nearly 12,500 people had to be evacuated from their homes while BC Wildfire and West Kelowna crews battled the fire.



April 2010 Construction began on Gellatly Road Upgrade Phase I, between the Cove Resort and Powers Creek Bridge, with funding aid from the Government of Canada and the Province of BC. The narrow road was transformed into a multi-use corridor; and, two more phases, built over the following four years, extended these waterfront amenities even further between Powers Creek Bridge and Boucherie Road.



May 2010 The City of West Kelowna and Westbank First Nation signed a Memorandum of Understanding stating that both governments would pursue a lasting relationship based on mutual respect, honour and recognition. Chief Robert Louie and Mayor Doug Findlater signed on behalf of each of their respective Councils at a ceremony at West Kelowna Fire Rescue Hall 31, which, to this day, serves both the City and Westbank first nation under a service agreement between the two governments.





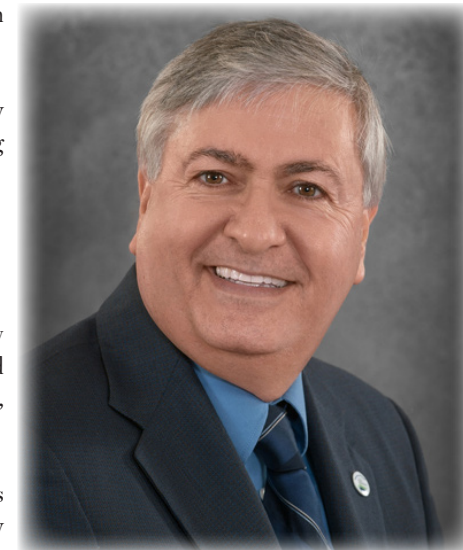
Looking out from Glenrosa over Goat's Peak, Westbank Centre, Gellatly Bay and South Boucherie.

CHIEF ADMINISTRATIVE OFFICER'S MESSAGE

In 2017, we faced one of our greatest threats as a community; historic flooding of both our creeks and Okanagan Lake.

During my 40-plus years in local government I have seen many responses to emergency events; but, the City of West Kelowna's response to 2017 flooding was truly humbling to witness.

*"The City of West Kelowna's response to 2017 flooding was truly humbling to witness."
- Jim Zaffino, Chief Administrative Officer*



Jim Zaffino

We first watched as crews from Public Works, Parks and Fire battled to stem the flow of raging creeks throughout our community as the water covered huge fields and swamped roadways. These men and women worked throughout the evening in troubling, cringe-worthy conditions.

The days of flooding turned into weeks and still these men and women took their turns at sandbagging, trenching, bailing, and pumping, for endless hours, employing literally every piece of equipment we own. The weeks turned into months as we watched our Okanagan Lake slowly creep higher, threatening private properties and public lands and infrastructure all along our extensive waterfront.

Our Public Works, Parks and Fire Department staff had to plan for every possibility, of which many came true. Many of our staff worked in a four-month Emergency Operations Centre created to support the flood fight, while all other staff worked to keep operations going, and were true heroes in their own right.

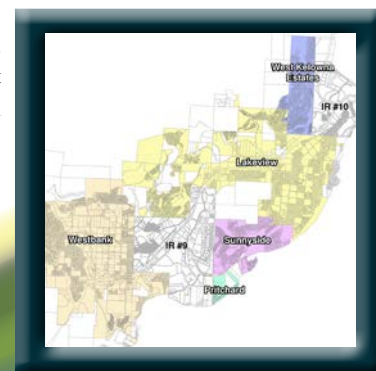
The efforts of staff saved the City and its people from staggering repair costs, but mostly instilled in all of us a great sense of comfort and pride, knowing that these heroes have the skills and the will to step up when we need them. I am truly honored to be a part of this incredible group of City of West Kelowna employees.

I am also happy to recognize the tremendous support we received from the BC Wildfire Service and the Province of British Columbia and the Regional Emergency Program and its many partners.

October 2010 The new RCMP detachment officially opened. The \$8.46 million, 1,767 square metre building, in the heart of West Kelowna's downtown, was constructed to a LEED Silver standard for elements such as solar water heating and a green roof. Currently, 54 staff work out of the West Kelowna RCMP Detachment, including city and provincial officers and support staff, as well as many volunteers in community policing.



January 1, 2011 West Kelowna officially took over the administration and operations of the Westbank and Lakeview Irrigation Districts. A ceremony was held to thank former trustees and staff for all their work running the systems over the decades. Today, the city runs five separate systems: Lakeview, Pritchard, Sunnyside, West Kelowna Estates and Westbank.



August 2011 The City of West Kelowna made its first land purchase. A private property at 1595 Pritchard Drive was bought for \$1.525 million to expand and improve Marjorie Pritchard Memorial Park - among the most popular green spaces in West Kelowna. The strategic investment created a



0.70 hectare park with 167 metres of beach front and a dock. Since then, improvements have been completed on parking, fencing and landscaping, and the dock.

August 2011 The Westbank Museum officially opened at its new home on Dobbin Road. West Kelowna invested \$150,000 into renovations of the municipally-owned building, which was once part of the old RCMP detachment. The renovation tripled the available space for the museum's artifacts and archives and gave the facility a more public profile along Highway 97. Operated by a local non-profit organization, the museum also serves as West Kelowna's Visitor Info Centre.



DEFINING MOMENTS

2017 Freshet Event

Spring of 2017 brought unprecedented flooding to the City of West Kelowna.

The 2017 Freshet event was broken into two distinct phases: It began with the first phase in May, as heavy rains combined with winter snow pack melt to cause flash flooding; and, the second phase of inundation flooding happened in June as Okanagan Lake rose to historically high levels.

The City's flood response team included: 27 Parks staff, including 15 summer students; 23 Public Works staff, with three students; and, 32 personnel from West Kelowna Fire Rescue. Working continuously for 100 days, the team faced unprecedented challenges as flash flooding and rising lake levels caused bridge, park and road closures, threatened other civic infrastructure and water sources and ravaged private property all along the waterfront. The popular Gellatly Walkway had to be shut down and rebuilt; and high water levels meant boating wakes and wind caused significant damage to the fragile foreshore.



The City of West Kelowna was not alone in this struggle. Communities all along Okanagan Lake worked together with the Regional Emergency Program to staff a four-month-long Emergency Operations Centre activation. The centre was staffed by countless civic employees; and the response was supported by BC Wildfire Service personnel and many contractors and consultants.

In November, West Kelowna Mayor and Council amended the city's 2017 budget to include flood recovery projects. The estimated cost of the damage that the Spring Freshet event caused was \$5.2 million for 45 recovery projects.

DEFINING MOMENTS

Annette Beaudreau Amphitheatre

On April 6, 2017, the City's investment in Memorial Park was acknowledged with a BC Recreation and Parks Association Facility Excellence Award for the new Amphitheatre and Skate Park. The City built the facilities with financial assistance from the federal government through the Canada 150 Community Infrastructure Fund.

On July 7, during the first Music in the Park concert of the season, the amphitheatre was officially dedicated to Annette Beaudreau who spent decades working to improve recreation, culture and parks in West Kelowna. As a resident, community volunteer, and City employee, Annette planned and hosted activities and events that brought the community together and improved the health and spirit of all who attended. She was instrumental in setting the direction for the Recreation Department by introducing programs like Music in the Park and by championing facility and service upgrades, which ultimately led to amphitheatre construction. She was a friend and co-worker to hundreds and loved by her husband, Brad, and children, Alex and Jillian, who joined Mayor Doug Findlater in unveiling the plaque which is featured in the park.

Wonderful Water News

On March 17, the City of West Kelowna received a massive grant through the Clean Water and Wastewater Fund, paving the way for 18,500 residents to receive safe, clean drinking water within a few years. The current Rose Valley facility is a small plant that was built in 1977 and provides only chlorination treatment which no longer meets safe drinking water guidelines. The \$41 million federal and provincial grant will make the construction of the plant a reality at least five years ahead of schedule.

The City hired AECOM Canada Ltd. to design the new treatment Plant, to be located on Crown land accessed at the end of Rosewood Drive. The total construction cost of the new facility is \$49 million. The new plant will provide multi-barrier treatment including processes such as flocculation, sedimentation, filtration and chlorination. The City also plans to inter-connect four water systems, Lakeview, Pritchard, Sunnyside and West Kelowna Estates, all to be served by the new plant when completed in 2020.



September 2011 Kids Care Spray Park opened. The popular amenity was built for \$328,000. Of that, the Rotary Club of Westbank donated \$248,445, with Okanagan Kids Care and Westbank First Nation listed among major contributors to the campaign. West Kelowna provided the remaining funding. The water park and the adjacent, expanded Westbank Centre Park, continue to delight kids of all ages.



November 2011 A new West Kelowna Council was elected. Former Councillor Doug Findlater was elected Mayor; and, Rick de Jong and Bryden Winsby were voted in as new Councillors. Incumbents David Knowles, Gord Milsom, Duane Ophus and Carol Zanon were re-elected as Councillors to serve until November 2014. The new Council quickly got to work establishing priorities for the next three years.



January 2012 Renovations began on the Lakeview Heights Community Hall on Anders Road. A new roof, improved disabled access, high-efficiency windows and second floor walls were part of the improvements, which cost \$260,000. The renovations were completed to ensure that the 3,530-square-foot hall, which was moved from the Bear



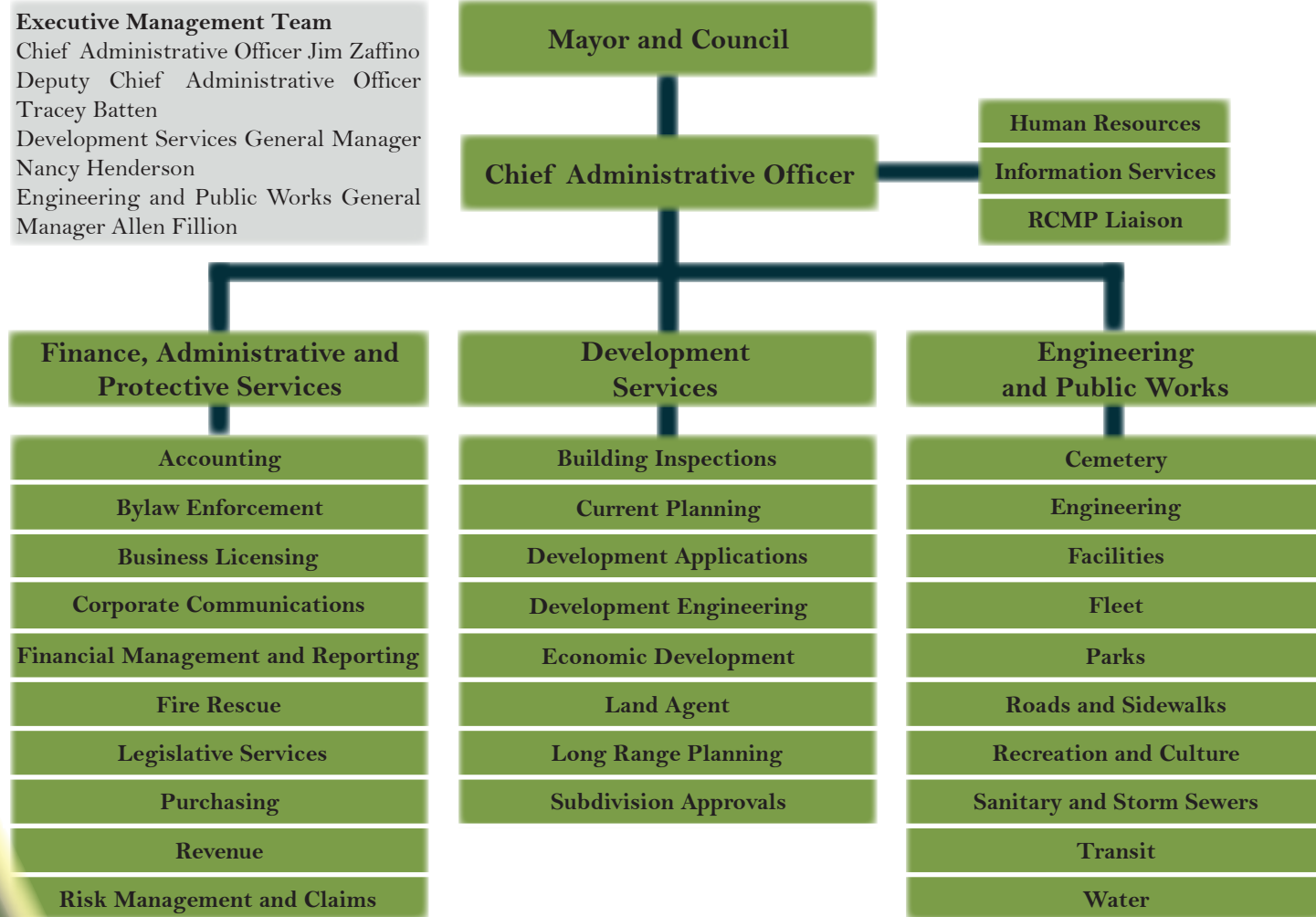
Creek Area in 1958, would remain in use for at least 25 more years. The facility was reopened during an official ceremony held March 26, 2012.

April 2012 Building on the growing acclaim and popularity of West Kelowna's wineries, the municipality began Phase I of the Boucherie Road Wine Trail Upgrade. The \$2.1 million project improved the section from Hayman to Stuart Roads adding sidewalks and a cycling lane, streetlights and boulevard trees. It officially opened November 16, 2012 at the same



time as a ceremony to mark the end of the three year sewer project, which had extended services to about 1,450 homes.

CITY ORGANIZATIONAL STRUCTURE



CITY ASSETS

West Kelowna's capital assets and works in progress had a net value of \$359.8 million in 2017. These assets included all lands and buildings, vehicles and equipment, roads and transportation infrastructure, and water and sewer facilities.

It's a lot to manage and maintain, but the City of West Kelowna ensures its assets are operated properly and well maintained to insure first, that residents and businesses receive quality services, and second, to extend the infrastructure's life as long as possible.

The municipality accounts for the wear and tear and depreciation of all of its infrastructure so that it can plan for the eventual need to upgrade and replace the assets. Here's a look at some of the assets that the City of West Kelowna owns, operates and maintains:

	1,750 street lights		15 unlicensed equipment		2 arenas
	522 lane km of road		12 water pump stations		2 boat launches
	277 km of water mains		10 dams		2 diversion channels
	220 km of sewer mains		10 head gates		1 children's spray park
	151 licensed vehicles/equipment		9 reservoir lakes		1 chlorination plant
	140 parks and trails		8 km of bike lanes		1 indoor aquatic centre
	74 km of sidewalks		6 bridges		1 museum and visitor centre
	28 playgrounds		5 water intakes (3 lake, 2 creek)		1 RCMP detachment
	26 sewer lift stations		4 fire halls		1 seniors centre
	21 km of multi-use trails		3 administrative buildings		1 water treatment plant
	15 reservoirs		3 community centres		Various computers/electronics

July 2012 Music in the Park's inaugural concert was held. The free, Friday-night summer concert series in Memorial Park had over 3,000 attendees in its first year. It has grown in popularity each year, thanks to exceptional acts and facility upgrades and the addition of food trucks and a kids zone. In 2017, between 800 and 1,300 concert-goers enjoyed each event with total attendance for the season of approximately 8,000 happy fans..



January 2013 Council approved \$300,000 in Westbank Cemetery improvements to transform the site into a green facility, improve accessibility and add mausoleums and columbariums. This original phase led to two more phases to add beauty and many more interment options to what was once a gravel facility that had only a few plots remaining for the community.



June to August 2013 West Kelowna improved and opened three new parks in the community. Paddlewheeler Park, on Pritchard Drive, featured a non-motorized boat launch and washroom facilities; Osprey Park in Green Bay offered a waterfront view and beautiful playground; Springer Park in Westbank Centre was improved with new playground equipment. These were just a few of the nine new beach accesses and parks that opened for residents and visitors to enjoy.



October 2013 Council, honoured members of the Johnson and Bentley families; and, community members took part in the 25th Anniversary dedication ceremony of Johnson Bentley Memorial Aquatic Centre. Young and old alike participated in activities and crafts at the event, enjoyed special anniversary cupcakes and viewed the newly renovated foyer and patio. A new, prominently displayed plaque, commemorating donors, who contributed to the centre's construction 25 years ago, was also unveiled during the event.



DEVELOPMENT SERVICES

2017 Highlights

The division had a busy year administering building permits with a record construction value of more than \$131 million in 2017. All together, 2017 permits were approved for 490 dwelling units, including homes, multi-family units, carriage houses and secondary suites. This was a 48% increase from 331 dwelling units in 2016. More residents were renovating as well with 209 applications in 2017, compared to 188 in 2016. Building inspectors conducted a total of 3,684 inspections in 2017, approximately 750 more than in 2016.

The division led a planning process on a growth management designation for Gellatly Bay, with Council adopting an Official Community Plan Amendment to create policy support for a future vision of the neighbourhood, which had been identified in 2017's Gellatly Village Study.

Long range planning staff undertook Zoning Bylaw amendments to update provisions for commercial cannabis facilities. A public hearing was held in May to obtain feedback on the proposed amendments. The amendments exclude cannabis from being grown in a greenhouse or nursery, which will reduce confusion and ensure that all commercial production, processing, storage and distribution of cannabis will fall within a single definition and align with associated zoning regulations.

On April 25, the division held an open house and presented an online survey to gather public feedback on proposed changes to secondary suite and carriage house regulations. The related Zoning Bylaw Amendments, which increased opportunities for suites and carriage homes by streamlining the process and reducing cost prohibitive factors, were adopted in September.

The department launched its CityView portal, which provides information to the public on development and building applications. It includes a notification feature, allowing community members to sign up to received information related to applications, even allowing searches by specific geographical areas.

DEPARTMENTS

Building Inspections

Current and Long Range Planning

Development Applications

Development Engineering

Economic Development Office

Land Agent

Subdivision Approvals

BY THE NUMBERS

Application Statistics	2017	2016
Agricultural Land Reserve	6	4
Building Permits	628	649
Development Permits	37	34
Floodplain Exemptions	1	0
Land Use Contract Amend.	1	1
OCP Amendments	5	5
Subdivisions	39	35
Temporary Use Permits	2	5
Variance Permits	24	22
Zoning Amendments	19	12

ENGINEERING AND PUBLIC WORKS

2017 Highlights

The Shannon Lake Bridge Replacement was completed at a cost of \$1.3 million. The new bridge over McDougall Creek was installed to ensure that large vehicles, fire trucks in particular, could be accommodated. Shannon Lake Road was also realigned. Despite some complications from spring freshet, the work was done on budget and schedule.

An open house was held for the Boucherie Road Wine Trail Phase 2 Upgrade; and, more than 300 people attended the public consultation opportunity to provide feedback on the proposed multi-use, arterial design. Improvements were designed from Stuart to Ogden Roads and included roundabouts at Hudson and Anders Roads.

On July 29, the popular community centre, operated by and bearing the name of the Westbank Lions, was officially transferred to the City of West Kelowna. The hall, at 2466 Main Street, was operated by the volunteer club for over 50 years. The Westbank Lions and the City of West Kelowna agreed that the community centre would be used for the benefit of citizens and not be transferred or redeveloped.

The City completed its LED Streetlight Pilot Project. Approximately 300 light fixtures in various locations were changed to the energy-efficient, longer-lasting bulbs. The City will consider a larger scale, longer term replacement program for all 1,750 streetlights.

New hiking and biking trails were developed in the Rose Valley area. In partnership with Recreation Trails and Sites BC, the City sanctioned trails for mountain bikers, runners and hikers alike. Some trails in Rose Valley were decommissioned in an effort to protect environmentally sensitive areas and the drinking water reservoir; and, a new parking area was created at the corner of Rosewood Drive and Roselee Lane to relieve some of the on-street parking pressure experienced on the roads in the area.

New LED lighting systems were installed at Anders Tennis Courts and Rosewood and Lower Boucherie Sports Fields to extend the playing season for users. The City was the happy recipient of a \$337,750 grant from Western Economic Diversification for the lights at the Rosewood and Lower Boucherie fields.

DEPARTMENTS

Cemetery

Drainage, Roads and Sidewalks

Facilities

Fleet

Parks, Recreation and Culture

Transit

Utilities: Sewer, Waste and Water

BY THE NUMBERS

City-owned parks	140
City-owned parkland (hectares)	122
Civic facilities	16
Recreation programs	666
Recreation participants	18,862
Road length (kilometres, kms)	261
Sewer main length (kms)	220
Sidewalk/walkway length (kms)	74
Water customers	11,000
Water main length (kms)	277
Water systems	5

May 2014 Work began on the Westlake Road Upgrade. The \$5.7 million project improved the arterial road to an urban standard complete with streetlights, sidewalks, curbs and gutters, cycling lanes, vehicle turning lanes, roundabout at Stevens Road and crossing signals at Rosewood Drive. Endangered turtles got a crossing too.



June 2014 Brown Road improvements between Main Street and Bering Road, were completed. Decorative lamp posts, sidewalks, pedestrian crossings, added signs, designated parking, curbs and gutters, and benches were installed and the road was repaved. The project cost \$3.16 million.



June 2014 CNR Wharf, a former ferry dock, was showing its age and presented a few safety hazards. In 2014, it was transformed thanks to a \$536,000 upgrade project and now delights visitors with features such as jumping towers and a zip line for swimmers. Many historic features were retained in the new design, including the metal lift pulleys. West Kelowna was honoured with a Special Heritage Project Award from the Central Okanagan's Heritage Society in April 2015 for the work on the wharf.



July 17 to 24, 2014 Following forest fires on Mt. Boucherie and Smith Creek that summer, a larger, more dangerous blaze broke out. This one, again above Smith Creek, quickly spread to 280 hectares in size, spreading along mountain ridges near Shannon Lake and Tallus Ridge. At the height of the wildfire, more than 2,500 people from 1,100 homes were evacuated. But, crews were fortunately able to save all the homes in Smith Creek, Tallus Ridge and Shannon Lake and the power line.



FINANCE, ADMINISTRATIVE AND PROTECTIVE SERVICES

BYLAW COMPLAINTS 2017

Animal control	51
Business licensing	52
Noise	86
Parking and traffic	848
Parks and open spaces	1,831
Signs	37
Smoke control	2
Unsanitary premises	151
Waste management/dumping	22
Zoning issues	154
Total	3,234

BUSINESS LICENCES

Municipal business licences	1,941
Non-residential business licences	237
Total	2,178



Your Community Open House

2017 Highlights

Comprehensive public consultation was conducted regarding new water rates. Working with Engineering staff, guided by the Water Utility Master Plan, and accounting for construction of the new \$49.4 million Rose Valley Treatment Plant, a new rate schedule was adopted to fund the City's five existing systems. New rates and commissioning of the new Rose Valley plant, will ensure that Council's goal for one water system, one quality of water and one rate will be achieved by the year 2021.

A partnership continued with WildSafe BC to help area residents understand how important it is to keep wildlife wild and out of West Kelowna neighbourhoods. Several initiatives were undertaken such as a sign program, newsletter articles and door-to-door visits by the WildSafe BC community coordinator, with a focus on problem areas.

Your Community Open House was held October 19. The all-in-one consultation session featured information and calls for input on a variety of topics such as truck routes, secondary suites and carriage houses, invasive mussels, capital projects and more.

DEPARTMENTS

Accounting and Financial Management
Business Licensing
Bylaw Enforcement
Corporate Communications
Fire Rescue
Legislative Services
Purchasing
Revenue and Risk Management

BY THE NUMBERS

Freedom of Information requests	46
Grants received (millions)	\$42.4
Letters to Mayor and Council	1,300
Media releases sent	137
New Facebook likes	435
New Twitter followers	365
Purchase orders issued	316
Purchase orders' value (millions)	\$19.3
Tax notices issued	14,777
Utility bills mailed	55,903

FIRE RESCUE SERVICES

2017 Highlights

Despite flood and fire threat, West Kelowna Fire Rescue hosted a very successful FireSmart Family Day on May 6 at Fire Station 31 on Old Okanagan Highway. The department also conducted FireSmart Community activities in Casa Loma, going door to door to educate residents on protecting their homes from wildfires. The program was made possible by a grant from the Province of British Columbia and the Union of BC Municipalities under the Strategic Wildfire Prevention Initiative.

2017 was an historic fire season in British Columbia. While West Kelowna was spared any significant fires, crews responded quickly to some close calls that could have turned for the worse. West Kelowna Fire Rescue also pro-actively enhanced service for the month of August: One full-time firefighter was added per shift at Station 32, moving from three to four crew members; a dedicated roster of paid-on-call firefighters for the Glenrosa and Rose Valley fire halls was created, ensuring immediate availability for call outs; and, one chief officer was on call 24/7. Firefighters also provided mutual aid to significant fires in the region including Okanagan Centre and Philpott Road.

West Kelowna Fire Rescue and Westbank First Nation personnel went door to door in October 2017 as part of a Fire Prevention Week campaign to ensure mobile home park residents had working smoke alarms. The results showed 63% of homes visited did not have working smoke alarms. Firefighters installed maintenance-free, 10-year smoke and carbon monoxide alarms at no cost for residents.

A successful food drive took place December 6 and 7. A whopping 430 boxes of food were donated and \$3,106 was collected for the Central Okanagan Food Bank. Crews even packed the truck and followed it to the food bank to help unload the colossal haul.



Firefighters load food collected during their holiday campaign in December

SERVICES

Emergency First Response
Fire inspections and permits
Fire prevention and suppression
Rescue services

BY THE NUMBERS

Category	2017	2016
Alarms	182	199
Burning complaints	125	110
Fire - bush	17	15
Fire - minor	49	28
Fire - structural	17	17
Fire - vehicle	23	12
First response	2,086	1,894
Motor vehicle accident	282	311
Public service	325	268
Smoke sighted	30	22
Technical rescue	22	n/a
Total responses	3,158	2,876
Inspections	767	1,355

October 2014 West Kelowna received a Sponsored Crown Land Grant, from Premier Christy Clark (the city's MLA at the time) and the Province of British Columbia, at 2515 Bartley Road. Obtaining the 4.63 hectare site fulfilled a long-time city goal to secure land for a future public works yard and firefighting training centre.



November 2014 The fourth and current Council was elected. Mayor Doug Findlater was re-elected as were four Councillors: Rick de Jong, Duane Ophus, Bryden Winsby and Carol Zanon. First-time Councillors Rusty Ensign and Rosalind Neis were also voted in. The new terms of office were set at four years versus three previously.



April 2015 Rosewood Sports Field officially opened. The \$890,000 project included a full size field, benches, bike racks, fencing and landscaping, accessible pathways, picnic tables, tiered bank seating and washroom. The Province of British Columbia contributed \$400,000 towards the project. Just two months earlier, a community recreational room in the new Mar Jok Elementary School opened next to the field. That facility was also contributed by the Province of BC under the Neighbourhoods of Learning Program.



June 26, 2015 West Kelowna officially became BC's 51st City. Premier Christy Clark, MLA for Westside-Kelowna, joined Mayor Doug Findlater in a ceremony to announce that the provincial government had approved reclassification from the provincial designation of District. West Kelowna had requested the new designation for many reasons, including the fact that the community was rapidly growing and urbanizing and to end latent confusion over the area's previous form of Regional District governance.



SERVICES UNDER THE CHIEF ADMINISTRATIVE OFFICER'S PORTFOLIO

HUMAN RESOURCES

- Collective bargaining
- Disability management
- Employee and labour relations
- Job classifications and compensation
- Management of benefits
- Occupational health and safety
- Recruitment and retention
- Return to work/stay at work programs
- Staff training and development

2017 Highlights

In February, Human Resources staff learned that their Health and Safety Program had received high marks for an external safety audit, which had been conducted in October 2016. The city had received an overall score of 88%; with 80% required to pass. The safety audit measured such elements as the city's overall safety commitment, programs and procedures, Return to Work/Stay at Work programs, hazard identification and control protocols, and inspections procedures and incident investigations.

The Information Services Department conducted two auctions on eBay to sell used computer equipment, electronics and mobile devices including:

- Cell and desk phones
- Desktop computers and monitors
- iPads and other tablets
- Miscellaneous network gear and computer accessories

One auction was held in June, the other in September. Proceeds were returned to the city's general revenues.

Human Resources reported that the City had 168.5 full-time equivalent (FTEs) employees in 2017; including firefighters and RCMP support staff.

INFORMATION SERVICES

- Business analysis and applications
- GIS (including maps and open data)
- Hardware and software
- Help Desk
- Information technology systems
- Network applications and monitoring
- Phones and other telecommunications
- Server maintenance and monitoring

RCMP LIAISON

- Community policing and protection
- Complaint response and resolution
- Criminal investigations
- Criminal record checks
- Fingerprinting
- Keeping the public peace
- Law enforcement
- Patrols
- School Liaison Officer
- Traffic enforcement



Staff fundraising in 2017 netted more than \$3,000 for local charities.

CITIZEN'S SURVEY

2017 Highlights

The 2017 Citizens' Survey, distributed in the mail in late April, was the tenth annual poll conducted by the City. The survey is the only anonymous, statistically-accurate polling of randomly-selected West Kelowna taxpayers and provides relevant, unbiased information directly from West Kelowna citizens for Council's consideration.

In 2017, the City received 317 completed surveys out of 1,000 mailed out. Previous years' returns are:

- 2016, 360 surveys returned
- 2015, 360 surveys returned
- 2014, 265 surveys returned

The significant findings from the 2017 Citizens' Survey follow.

Importance Versus Quality Comparison

This year's importance versus quality comparison closely mirrors previous years' results.

SERVICES NOT MEETING EXPECTATIONS		SERVICES EXCEEDING EXPECTATIONS	
2017	2016	2017	2016
Roads maintenance	Roads maintenance	Arenas	Recreational Trails
Roads	Snow clearing and removal	Public Library	Public Library
Illegal dumping cleanup	Roads	Community Centres/Halls	Arenas
Sidewalks	Sidewalks	Sports Fields: Soccer/Football	Sports Fields: Soccer/Football
Growth/development planning	Illegal dumping cleanup	Sports Fields: Baseball	Sports Fields: Baseball
Recreation programs for teens	Economic development	Skateboard/bike parks	West Kelowna's website
Dedicated cycling lanes			

Full Citizen's Survey results, including complete breakouts by neighbourhoods and age categories can also be found on the City of West Kelowna's website by visiting: www.westkelownacity.ca/citizensurvey.

October 2015 After 11 years of teamwork, the Partners in Bloom, City of West Kelowna and Westbank First Nation, received top honours in the National Communities in Bloom competition. The partnership effort, which included a new website and Most Beautiful Contest, earned a 5-Bloom

Bronze rating in the population category of 20,001 to 50,000.



June 2016 Two much-anticipated recreational facilities were built in Memorial Park: an outdoor event venue, now named Annette Beaudreau Amphitheatre, and a new skate park. The prominent features were transformed with Canada 150 Community Infrastructure Program funding assistance to celebrate the nation's sesquicentennial in July 2017.



March 17, 2017 Great water news! The City received word that it had been awarded \$41 million, via the Clean Water and Wastewater Fund, from the Government of Canada and the Province of British Columbia, for the construction of a new water treatment plant in Rose Valley. The plant will eventually serve all four systems that do not currently have multi-barrier water treatment: Lakeview, Pritchard, Sunnyside and West Kelowna Estates. The Westbank System had a treatment plant prior to incorporation.

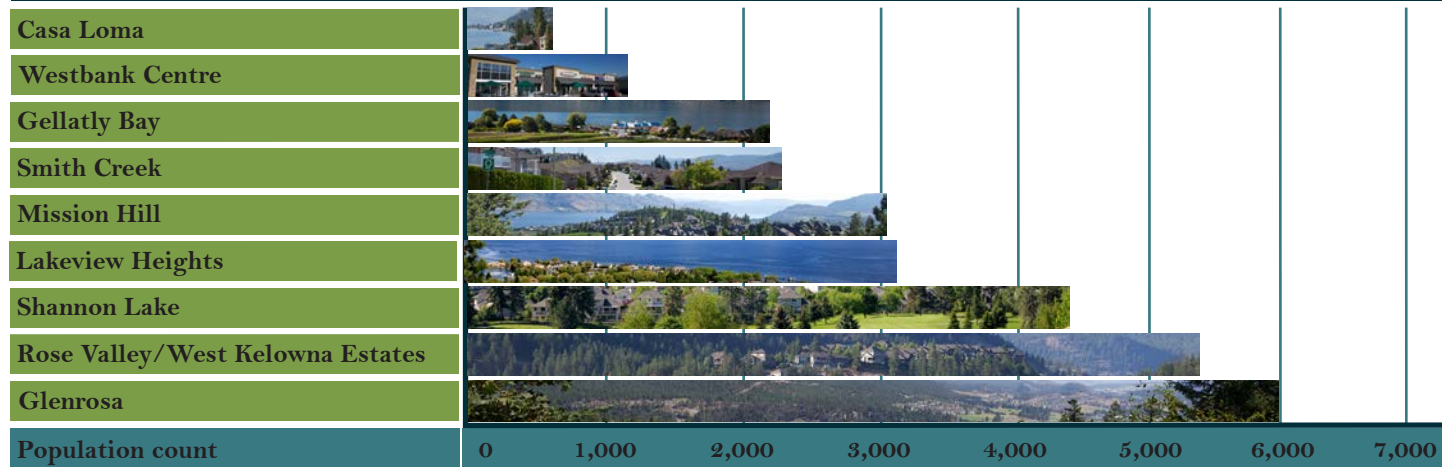


May 2017 Historic flooding hit West Kelowna. A torrential rain event in May followed on the heels of a wet spring; and, Powers Creek overflowed its banks and flooded Gellatly Road. McDougall and Smith Creeks also overflowed in sections. This was followed by an historic rise in the levels of Okanagan Lake, flooding many waterfront properties and threatening much of the city's infrastructure located along the waterfront. The 2017 freshet response lasted 100 days; no other city emergency has been nearly as long.

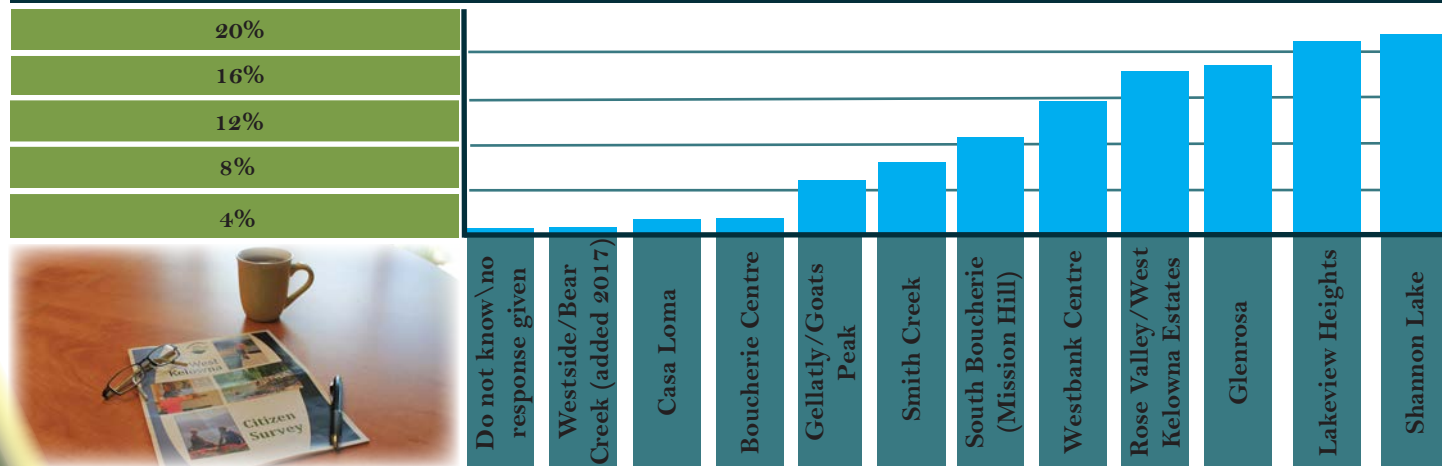


CITIZEN'S SURVEY

Population By Neighbourhood



Response Rate By Area



CITIZEN'S SURVEY

Demographics

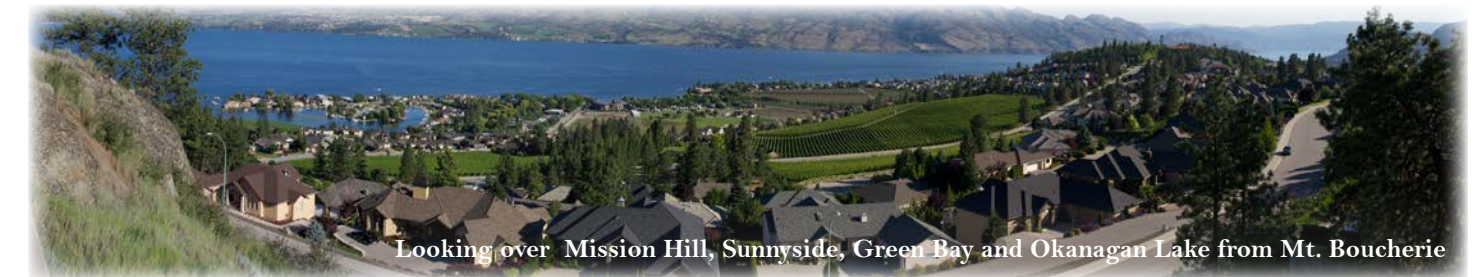
- In 2017, four surveys were submitted by people aged 19 to 24 years, equaling 1.26%; in 2016 no surveys were received from anyone in this age group.
- 64% of respondents were 55 years or older; in 2016, 68% of respondents were 55 years old or older.
- 48% of respondents were retired; 23% worked in Kelowna or north; 14% worked in West Kelowna.
- 56% of respondents indicated that they owned property in West Kelowna for 10 or more years.

Quality of Life

- 82% of respondents indicated their quality of life in West Kelowna was Good or Very Good. In 2016, 85% indicated Good or Very Good.
- 45% of respondents indicated the performance of their elected officials was Good or Very Good (down from 50% in 2016); 42% indicated performance was average.

Other Notable Indicators

- 45% of residents felt that the City of West Kelowna was growing too rapidly; the response in 2017 was significantly higher than 27% in 2016.
- 46% of respondents supported a 1% tax increase to fund discretionary infrastructure investments like parks, bicycle lanes and beautification.
- 80% of respondents did not support a tax increase to fund proactive Bylaw Enforcement.
- 62% of respondents rated the quality of special and seasonal events in West Kelowna, including Music in the Park, as good or Very Good.
- 80% of respondents never use transit; in 2016, 84% indicated they never use transit.



July 2017 Construction began on the Shannon Lake Bridge project. Replacement cost \$975,000 and was necessary as the bridge was at the end of its useful life and it lacked the load-bearing capability for emergency vehicles. Shannon Lake Road realignment and widening was also completed as part of the three month long project. Despite issues caused by the 2017 freshet earlier in the year, work finished on time and budget.



July 2017 The longest ever emergency activation for the City concluded after 100-days. City crews began the massive task of dismantling sandbags and disposing of sand and removing bladder dams and various other flood protection measures. Total damage was estimated at \$5.2 million for 45 repair and recovery projects. The required work forced many infrastructure projects that were planned for 2017 to be delayed into 2018 and beyond.



December 1, 2017 City of West Kelowna hosted its third annual Christmas Light Up on Brown Road with a special twist - a 10th birthday celebration for the municipality. The event was attended by hundreds of residents, who enjoyed cupcakes, activities, choirs, exceptional local talent such as country music recording artist Ben Klick, and of course a wonderful display of holiday lights all along Brown Road.



Mayor Findlater said he was extremely proud the many community improvements made over the past 10 years.

December 7, 2017 The City of West Kelowna officially turned 10; a special logo was designed to mark the occasion and the public was invited to stop in at City Hall to get a pin that was created for the milestone. Mayor Findlater said that he was very optimistic for the City of West Kelowna's next 10 years, and beyond. He said that the community would continue to thrive thanks to so many citizens who celebrate and cherish this special place that they call home.



MEASURING PERFORMANCE

Strategic Priorities

Council developed its 2014–2018 Strategic Plan early in its term establishing goals and objectives to meet its vision for the community.

Building on the accomplishments of previous strategic planning, West Kelowna Council refined its action plan for 2017 and beyond intending to meet the following overarching principles:

- Encouraging economic prosperity and development of all sectors
- Conducting necessary infrastructure improvements
- Creating walkable, connected neighbourhood hubs
- Fostering of relationships with MLA and MP
- Continuing to build a collaborative relationship with Westbank First Nation
- Providing ongoing community engagement and consultation opportunities
- Ensuring efficient and cost effective government operations.

West Kelowna Council conducts strategic planning every year and is provided quarterly progress updates on initiatives. This allows for West Kelowna Council to continue to engage with citizens and adjust its goals as needed as it works to make the city a beautiful place to live, work and play

CATEGORY OF FOCUS 1 INFRASTRUCTURE

Goal: To prioritize, construct and maintain West Kelowna's transportation, water, drainage and recreational infrastructure to support the needs of the community.

Objectives	Started or Finished in 2017	2018	2019
1. Continue to focus on our water resources.			
Construct Rose Valley Water Treatment Plant	X	X	X
Complete Water Rate Study	X	X	
Establish a drought plan	X	X	
2. Ensure transportation infrastructure supports our urban future and improve as required per Transportation Master Plan.			
Arterial Road Phased Improvement Plan	X	X	X
Highway 97 corridor	X	X	
3. Create a pedestrian friendly community.			
Sidewalk development	X	X	X
Trail development	X	X	X
4. Recreational amenities are important to our community.			
Recreational Facilities Master Plan			X
Develop sports field complex	X	X	X
5. Manage storm water.			
Update Storm Water Management Plan	X		
Review funding needs		X	

Priority 1.3: Trail development.



MEASURING PERFORMANCE

CATEGORY OF FOCUS 2: ECONOMIC AND FINANCIAL ENVIRONMENT

Goal: To diversify the tax base in the City by investing in: Economic development; small business support; new revenue opportunities.

Objectives	Started or Finished in 2017	2018	2019
1. Continue disciplined financial management,			
Create a plan for property acquisition and disposition	X	X	
Gravel Removal Royalty		X	
Investigate new revenue sources	X	X	X
2. Continue to support a diverse economy.			
Facilitate a healthy business climate	X	X	X
Promote tourism and encourage diverse attractions.	X	X	X

CATEGORY OF FOCUS 3: SUSTAINABILITY

Goal: To ensure the City of West Kelowna is in a position to respond to emerging issues, while balancing growth and prosperity with environmental and social needs.

Objectives	Started or Finished in 2017	2018	2019
1. Ensure land use strategies and development cost charges allow for growth in accordance with our Official Community Plan (OCP).			
Implement public notification process for development applications	X		
Minor review of OCP	X	X	
Continue to improve development services processes and time lines	X	X	X
Ensure we are positioned for growth to help generate infrastructure improvement funds	X	X	X
2. Continue to invest in a deliberate approach to planning and decision making in our community			
Ensure we are positioned for external funding	X	X	X
Ensure alignment between projects	X	X	X
Be committed to science and evidence based decision making	X	X	X
3. Address emergent social issues in the community.			
Identify social issues and the options to address the needs of the community	X	X	
Lobby the Interior Health Authority for increased services	X	X	X

Priority 2.1: Gravel removal royalty.



MEASURING PERFORMANCE

**CATEGORY OF FOCUS 4:
GOVERNANCE**

Goal: To ensure municipal governance and operations are as efficient and effective as possible.

Objectives	Started or Finished in 2017	2018	2019
1. Create sufficient and appropriate workspace for City staff.			
Develop a strategy for City Hall	X	X	
Develop a public works facility	X	X	
Provide interim workspace plan	X	X	
2. Value good governance and strong relationship building.			
Council Procedure Bylaw	X	X	
Work to improve Westbank First Nation relationship	X	X	X
3. Clarify bylaws and ensure they are relevant, adequately resourced and enforced.			
Review Bylaw Enforcement	X		

**CATEGORY OF FOCUS 5
PROTECTIVE SERVICES**

Goal: To ensure the City of West Kelowna is safe for all residents and visitors.

Objectives	Started or Finished in 2017	2018	2019
1. Ensure Council has input on policing priorities.			
Hold a workshop with RCMP on the city's policing priorities	X		
2. Emergency Evacuation Route.			
Glenrosa second egress	X	X	X
Forest service road evacuation route	X	X	X
3. Establish fire service priorities.			
Fire Services Priority Plan	X	X	
4. Establish Bylaw Enforcement priorities.			
Hold an annual priorities workshop	X	X	X

Priority 5.3: Establish fire service priorities.



MEASURING PERFORMANCE

DEPARTMENTAL PRIORITIES

The Operational Plan contains the stated priorities of each department to meet Council's stated goals, starting with the Chief Administrative Officer.

Priorities	Started or Finished in 2017	2018	2019
Chief Administrative Officer			
Facilitate planning of Council Strategic priorities	X	X	X
Regular community consultation sessions and initiatives	X	X	X
Transit Service Review	X	X	
Wireless back haul	X	X	X
Succession planning	X	X	X
Interim office space	X		
RCMP policing priority - road safety	X	X	X
RCMP policing priority - property crime	X	X	X
RCMP policing priority - drugs	X	X	X

**GENERAL MANAGER OF
FINANCE, ADMINISTRATIVE
AND PROTECTIVE
SERVICES**

Priorities	Started or Finished in 2017	2018	2019
Finance, Administrative and Protective Services			
Revenue technology advancements: online services, billing, etc.	X		
Develop and implement new fire rescue performance measurement and metrics	X		
2018 Local Government General Election		X	
UBCM resolutions/briefing notes	X	X	X
Community Recognition Plan	X		
Investigate need for disability committee		X	
Mosquito control service expansion	X		
Vehicle share - reserve parking		X	
Efficiency Review Action Plan	X		
Flag policy review	X		
Agenda management review	X		
Document management review	X		
Communications for Council Strategic Priorities	X		
Election Bylaw review	X	X	
Website development	X	X	

A Flag Policy Review was completed in 2017.



MEASURING PERFORMANCE

GENERAL MANAGER OF FINANCE, ADMINISTRATIVE AND PROTECTIVE SERVICES

Priorities	Started or Finished in 2017	2018	2019
Finance, Administrative and Protective Services Continued			
Special Events Bylaw	X	X	
Implement blue card command training	X		
Monitoring and communicating of fire danger	X		
Continue updating Good Neighbour Bylaw	X		

GENERAL MANAGER OF DEVELOPMENT SERVICES

Objectives	Started or Finished in 2017	2018	2019
Development Services			
Update Zoning Bylaw in consideration of the Cannabis Act		X	
Medical Marijuana Zoning Bylaw review (in anticipation of review of the federal regulations)	X		
Hillside guidelines OCP amendment	X		
Works and Services Bylaw housekeeping review	X	X	
Farm Loop way finding	X	X	
Wine Trail way finding	X	X	
Parks Acquisition and Disposition Strategy	X		
Parkland Acceptance Policy	X		
Safe Premises Bylaw review	X		
Gellatly Village Waterfront Plan	X		
OCP housekeeping review		X	
Zoning Bylaw housekeeping review (for temporary farm worker dwellings)	X	X	
Regulation and enforcement review for secondary suites and carriage houses	X		
Review improvements for development notification options	X		
Implement CityView portal reporting and measurement tools	X		
Sign Bylaw review	X	X	

A Sign Bylaw review began in 2017.



MEASURING PERFORMANCE

GENERAL MANAGER OF DEVELOPMENT SERVICES

Priorities	Started or Finished in 2017	2018	2019
Development Services Continued			
Building Bylaw review (as required by BC legislation)	X		
Central Okanagan Planning Study (2nd corridor) ongoing, under review by province	X	X	
Gellatly Village vision brochure	X		
Development Services enhancements	X		
Host development community round table	X		
Development Fees review	X		
CityView Public Portal launch	X		
Host builders round table	X		
Host legal industry round table	X		

GENERAL MANAGER OF ENGINEERING AND PUBLIC WORKS

Priorities	Started or Finished in 2017	2018	2019
Engineering and Public Works			
Complete drainage improvements in the Green Bay neighbourhood			X
Drainage Partnership with Westbank First Nation	X	X	
Rose Valley Water Treatment Plant	X	X	X
2017 Road Rehabilitation	X		
2018 Road Rehabilitation		X	
2017 Pedestrian Improvements	X		
2018 Pedestrian Improvements		X	
Walkway repairs	X	X	
Boucherie Road Wine Route Phase II		X	
Shannon Lake Road Bridge replacement	X		
Rosealee Lane drainage improvements	X	X	
Klein Road drainage improvements	X	X	
Recreation Programming and Facilities Master Plan			X
Master Drainage Plan update	X		
Athletic Field Lighting	X	X	

Athletic Field Lights were installed in 2017.

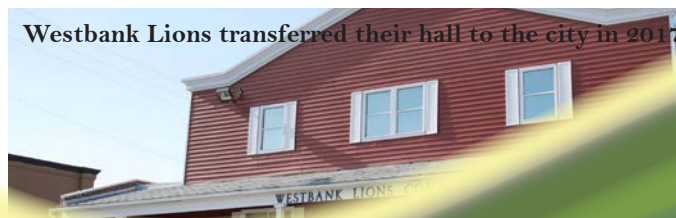


MEASURING PERFORMANCE

GENERAL MANAGER OF
ENGINEERING AND PUBLIC
WORKS

Priorities	Started or Finished in 2017	2018	2019
Engineering and Public Works Continued			
Artificial turf field planning	X	X	
Artificial turf field construction	X		
Vineyard Park improvements (playground construction)	X		
Pickle ball court improvements	X		
Anders Park Tennis Court lighting	X	X	
Wildhorse Park improvements	X		
CNR Wharf Phase II design	X	X	
Willow Park bank stabilization	X		
City staff office space	X		
Jim Lind Arena boiler replacement	X		
Woodpecker protection for Fire Hall 31	X		
Emergency generator for Fire Hall 31	X		
Takeover operations of Westbank Lions Community Centre	X		
Emergency backup infrastructure for city operations	X	X	
Public Works Yard concept plan	X	X	
Boucherie Road water main replacement		X	
Fire hydrant coverage	X		
Water Leak Detection Program		X	
Westbank water storage construction			X
East Boundary and Casa Rio Lift Station upgrades (design)	X		
East Boundary and Casa Rio Lift Station upgrades (construction)	X	X	
Soccer dome (domed multi-use facility concept)	X	X	
Booster station upgrades at Pettman Road (construction)	X	X	
Blackwood Reservoir telemetry	X		

Westbank Lions transferred their hall to the city in 2017.

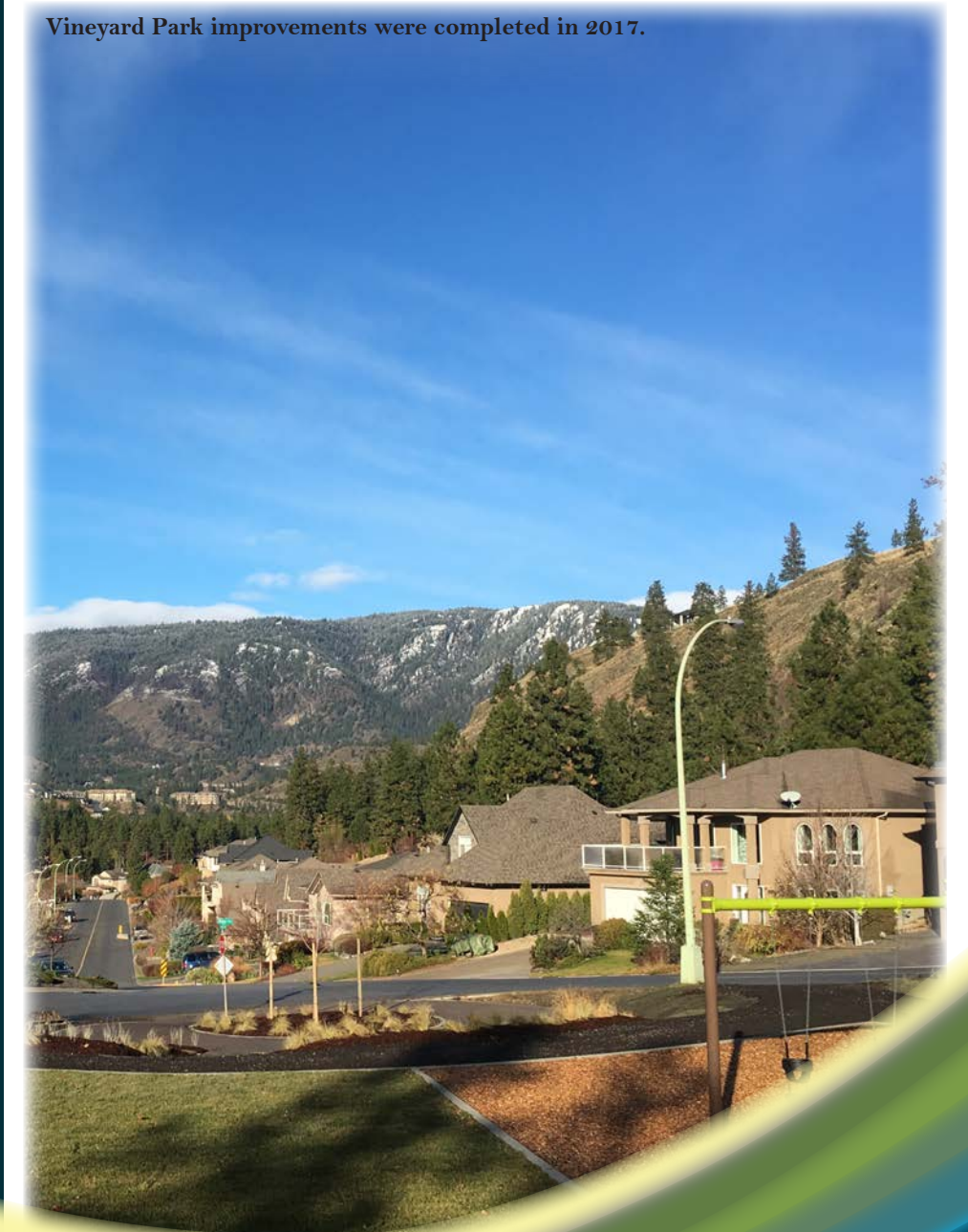


MEASURING PERFORMANCE

GENERAL MANAGER OF
ENGINEERING AND PUBLIC
WORKS

Priorities	Started or Finished in 2017	2018	2019
Engineering and Public Works Continued			
Sunnyside intake upgrades	X	X	
2017 Odour control	X		
Horizon Lift Station construction	X		
Water rate study	X	X	
Roads maintenance review	X	X	
Kinsman Park Plan	X		

Vineyard Park improvements were completed in 2017.



GRANTS IN AID

**NON-CASH
GRANTS IN AID 2017**

In kind amounts or facility and sports field fee subsidies are provided.

Canadian Red Cross	\$12,000
Girls Guides of Canada	\$2,692
Kinsmen Club	\$1,375
Lakeview Heights Community Association	\$440
Lakeview Heights Thursday Niters' AA Group	\$1,800
Mt Boucherie Figure Skating Club	\$51,098
Royal Canadian Legion	\$1,800
Westside Girls Softball	\$518
Westside Minor Baseball	\$8,998
Westside Minor Football	\$2,042
Westside Minor Hockey	\$175,691
Westside Ringette	\$29,826
Westside Youth Soccer	\$1,350
Total of all non-cash grants in 2017	\$289,630

**CASH
GRANTS IN AID 2017**

Organizations must apply each year and Council considers grant awards as part of their annual budget deliberations.

909 Peregrine Royal Canadian Air Cadets	\$1,750
Gellatly Bay Trails & Parks Society	\$2,000
Kelowna & District Safety Council	\$1,500
Kelowna Rowing Club	\$1,500
Liquid Lightning Swim Club	\$12,000
Okanagan Boys and Girls Club (Restorative Justice Program)	\$3,500
Westside Scouts	\$1,500
Lakeview Scouts	\$1,500
Suk [™] temsquilx [™] West Kelowna Arts Council	\$8,000
Telemark Cross Country Ski Club	\$2,500
Therapeutic Lake Cruises Society	\$1,200
West Kelowna Community Policing Society	\$7,000
West Kelowna Firefighters Association	\$3,000
West Kelowna Trail Crew Society	\$2,000
West Kelowna Yacht Club	\$6,000
West Kelowna Youth Ambassador Program	\$3,000
Westside Celebration Society	\$20,000
Westside Health Network Society	\$13,000
Total of all cash grants in 2017	\$90,950

**TOTAL GRANTS IN
AID IN 2017
\$380,580**

PERMISSIVE TAX EXEMPTIONS

**CHURCH EXEMPTIONS
2017**

The exemption also applies to mosques, synagogues, temples, etc.)

Church of Jesus Christ of Latter Day Saints	\$9,918.85
Emmanuel Assembly	\$1,980.16
Glenrosa Congregation of Jehovah's Witness	\$1,178.67
Grace Lutheran Church	\$4,364.84
Highway Gospel Hall	\$1,691.14
Lakeview Heights Baptist Church	\$3,246.47
Our Lady of Lourdes Catholic Church	\$5,720.46
Powers Creek Community Church	\$1,712.98
Redeemer Lutheran Church	\$1,285.44
St. George's Anglican Church	\$4,934.69
Sunridge Community Church	\$9,937.21
Westbank Bible Chapel	\$1,249.38
Westbank Seventh-Day Adventist Church	\$1,021.52
Westbank United Church	\$2,074.46
Westside Alliance Church	\$2,412.33
Total property tax exemptions for all churches in 2017	\$52,728.60

**NON PROFIT GROUP
EXEMPTIONS 2017**

This exemption is eligible mostly to registered society's that operate in the City of West Kelowna.

Greater Westside Board of Trade	\$3,697.75
Green Bay Bible Camp	\$88,475.86
Morning Star Bible Camp	\$30,192.97
Nature Trust of BC	\$1,823.02
Okanagan Boys and Girls Club	\$31,321.94
Westbank Lions Community Development Society	\$7,806.33
Westside Community Foodbank Society	\$7,556.33
Total property tax exemptions for all non profit groups in 2017	\$163,317.87

**PRIVATE SCHOOLS
EXEMPTIONS 2017**

Our Lady of Lourdes Catholic School	\$407.84
Westbank Seventh-Day Adventist School	\$6,000.70
Total property tax exemptions for all private schools in 2017	\$6,408.54

**TOTAL PROPERTY TAX
EXEMPTIONS IN 2017
\$222,455.01**

End of 2017 Annual Report. Next section: 2017 Audited Financial Statements.

**City of West Kelowna
December 31, 2017**

Management's Responsibility for Financial Reporting

The Council of the City of West Kelowna has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the City of West Kelowna. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Council annually reviews and approves the consolidated financial statements.

The City of West Kelowna's independent auditors, KPMG LLP, are engaged to express an opinion as to whether these consolidated financial statements present fairly the City's consolidated financial position, financial activities and cashflows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accords with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.

Jim Zaffino
Chief Administrative Officer & Chief Financial Officer
May 8, 2018



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www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To Mayor and Council of the City of West Kelowna

We have audited the accompanying consolidated financial statements of the City of West Kelowna, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of West Kelowna as at December 31, 2017, and its consolidated results of operations, its consolidated changes in net financial assets (debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 8, 2018

Kelowna, Canada

City of West Kelowna
Statement of financial position
December 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents (Note 4)	\$ 58,194,379	\$ 37,209,186
Accounts receivable (Note 5)	<u>16,987,050</u>	<u>15,622,884</u>
	<u>75,181,429</u>	<u>52,832,070</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	6,336,303	7,629,394
Security deposits	7,593,809	5,008,379
Deferred revenue (Note 7)	15,846,376	2,663,974
Deferred development cost charges (Note 8)	16,718,109	11,965,139
Debt (Note 9)	<u>20,980,417</u>	<u>23,102,952</u>
	<u>67,475,014</u>	<u>50,369,838</u>
Net financial assets (debt)	<u>7,706,415</u>	<u>2,462,232</u>
Non-financial assets		
Prepaid expenses and inventory	927,703	795,805
Tangible capital assets and work in progress (Note 10)	<u>358,887,027</u>	<u>359,110,773</u>
	<u>359,814,730</u>	<u>359,906,578</u>
Accumulated surplus (Schedule 2)	<u>\$ 367,521,145</u>	<u>\$ 362,368,810</u>

Contingent liabilities and commitments (Notes 14 and 15)

Jim Zaffino
 Chief Administrative Officer & Chief Financial Officer

Doug Findlater
 Mayor, City of West Kelowna

See accompanying notes to the financial statements.

City of West Kelowna
Statement of operations and accumulated surplus
Year ended December 31, 2017

	2017	2017 Budget (Note 18)	2016
Revenue			
Taxation - net (Note 11)	\$ 31,161,042	\$ 31,162,391	\$ 30,111,188
Sales of service and regulatory fees	19,030,597	18,302,808	17,168,170
Government transfers (Note 12)	2,842,988	43,266,774	2,782,655
Other (Note 13)	9,259,050	15,308,503	5,031,711
Total revenues	62,293,677	108,040,476	55,093,724
Expenses (Schedule 3)			
General government services	14,295,005	14,855,323	14,434,294
Protective services	14,771,327	12,665,631	11,717,618
Transportation services	5,091,641	5,286,735	5,158,736
Environmental & health development services	4,003,439	4,407,780	4,601,224
Recreation and cultural services	7,106,052	7,059,675	6,711,586
Water services	6,033,261	6,076,998	5,965,371
Sewer services	5,618,995	6,033,643	5,496,187
Storm drainage	221,622	212,577	217,348
Total expenses	57,141,342	56,598,362	54,302,364
Annual surplus (deficit)	5,152,335	51,442,114	791,360
Accumulated surplus, beginning of year	362,368,810	362,368,810	361,577,450
Accumulated surplus, end of year	\$ 367,521,145	\$ 413,810,924	\$ 362,368,810

See accompanying notes to the financial statements.

City of West Kelowna
Statement of changes in net financial assets (debt)
Year ended December 31, 2017

	2017	2017 Budget (Note 18)	2016
Annual surplus (deficit)	\$ 5,152,335	\$ 51,442,114	\$ 791,360
Acquisition of tangible capital assets and work in progress	(10,730,880)	(79,997,325)	(7,053,104)
Amortization of tangible capital assets	10,954,626	10,954,626	10,879,842
Net change in prepaid expenses and inventory	(131,898)	-	(391,192)
Increase (decrease) in financial assets	5,244,183	(17,600,585)	4,226,906
Net financial assets (debt), beginning of year	2,462,232	2,462,232	(1,764,674)
Net financial assets (debt), end of year	\$ 7,706,415	\$ (15,138,353)	\$ 2,462,232

See accompanying notes to the financial statements.

City of West Kelowna
Statement of cash flows
Year ended December 31, 2017

	2017	2016
Cash provided by (used for)		
Operating activities		
Annual surplus	\$ 5,152,335	\$ 791,360
Adjustment for non cash items		
Amortization of tangible capital assets	10,954,626	10,879,842
Actuarial adjustment on debt	(607,475)	(603,736)
Acquisition of tangible capital assets through developer & donor contributions	(1,805,505)	-
(Increase) decrease in		
Accounts receivable	(1,364,166)	(319,958)
Prepaid expenses and inventory	(131,898)	(391,192)
Increase (decrease) in		
Accounts payable and accrued liabilities	(1,293,091)	1,323,867
Security deposits	2,585,430	977,370
Deferred development cost charges	4,752,970	2,817,983
Deferred revenue	13,182,402	231,079
	<u>31,425,628</u>	<u>15,706,601</u>
Financing activities		
Repayment of debt	(1,515,060)	(1,625,504)
	<u>(1,515,060)</u>	<u>(1,625,504)</u>
Capital activities		
Acquisition of tangible capital assets and work in progress	(8,925,375)	(7,053,104)
Proceeds from disposal of tangible capital assets	-	-
	<u>(8,925,375)</u>	<u>(7,053,104)</u>
Increase (decrease) in cash and cash equivalents	20,985,193	7,027,993
Cash and cash equivalents, beginning of year	<u>37,209,186</u>	<u>30,181,193</u>
Cash and cash equivalents, end of year	\$ 58,194,379	\$ 37,209,186
Supplementary cash flow information		
Interest paid	\$ 1,252,977	\$ 1,426,706

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

1. Nature of operations

The City of West Kelowna ("the City") is a local government situated in the province of British Columbia, Canada. The City is subject to the laws and regulations of the provincial statutes of the *Community Charter*, the *Local Government Act*. West Kelowna was officially incorporated as Westside District Municipality on December 6, 2007. In 2008, the name was changed to District of West Kelowna. On June 26, 2015, West Kelowna was reclassified from District to Municipality. At that time, the City had become British Columbia's 51st city. The City provides community services to its taxpayers and is responsible for creating and maintaining an infrastructure to serve a population in excess of the full time residents.

2. Summary of significant accounting policies

The following is a summary of the City's significant accounting policies:

a) Basis of consolidation

The City's resources and operations are segregated into General, Water, Sewer, Storm Drainage, Statutory Reserve and Non-statutory Reserve Funds for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All interfund transactions and balances have been eliminated within the financial statements.

b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting and are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

c) Cash and cash equivalents

Management classifies all term deposits and highly liquid investments that are cashable on demand as cash equivalents.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

2. Summary of significant accounting policies (continued)

d) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives according to an estimated useful life as follows:

Asset class	Estimated useful life
Buildings	25-50 years
Building improvements	5-30 years
Computer	3-25 years
Infrastructure	3-20 years
Machinery	10-20 years
Office furniture and equipment	10-25 years
Roads	40 years
Sewer infrastructure	20-100 years
Sidewalks	50 years
Small tools and equipment	5-25 years
Solid waste carts	25 years
Storm drain	10-50 years
Vehicles	10-20 years
Water infrastructure	15-100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

The City has numerous works of art located throughout the City which are not reflected in these financial statements due to the subjectivity as to their value.

Tangible capital assets constructed and contributed by developers are recorded at their fair value and are capitalized into tangible capital assets and reflected in the statement of operations and accumulated surplus as revenue.

e) Work in progress

Work in progress represents capital projects under construction but not yet completed and are recorded at cost. Work in progress is not amortized.

f) Prepaid expenses and inventory

Prepaid expenses consist of amounts paid related to future years' expenses. Inventory consists of supplies held for construction and are recorded at lower of costs or replacement cost.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

2. Summary of significant accounting policies (continued)

g) Debt

Outstanding debenture debt is reported net of applicable sinking fund balances.

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

h) Municipal Finance Authority debt reserve deposits

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These amounts are contingent in nature and are not reflected in these accounts. The details of the cash deposits and demand notes at year end are as follows:

	Demand notes	Cash deposits	2017	2016
General Fund	\$ 350,582	\$ 157,284	\$ 507,866	\$ 611,882
Water Funds	11,423	5,363	16,786	16,683
Sewer Fund	558,049	290,575	848,624	890,858
	<u>\$ 920,054</u>	<u>\$ 453,222</u>	<u>\$ 1,373,276</u>	<u>\$ 1,519,423</u>

i) Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future expenses represent funds that are available to temporarily finance operations until planned revenues (i.e. property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by Council. Statutory reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by legislation.

j) Revenue recognition

Taxation revenues are recorded on the accrual basis and recognized in the year they are levied. Sale of services and regulatory fees are recognized when the service or product is provided by the City. Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the City, and a reasonable estimate of the amount to be received can be made. Other revenue from own services is recorded as it is earned and measurable. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City discharges the obligation that led to the collection of funds.

k) Budget figures

The budget figures are from the 10-Year Financial Plan Bylaw, adopted before May 15th of each year. Subsequent amendments have been authorized by Council to reflect changes in the budget as required by law. Such amendments are not reflected in the financial statement budget figures (note 18).

See accompanying notes to the financial statements.

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City of West Kelowna
Notes to the financial statements
December 31, 2017

2. Summary of significant accounting policies (continued)

l) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts, and disclosure of, assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of payroll liabilities, the measurement of an allowance for doubtful accounts receivable, the existence and measurement of any contingent liabilities and tangible capital asset estimated useful life and related amortization expense. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as the period of settlement if the amount is different.

m) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible and accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

n) Segmented disclosure

A segment is defined as distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of segments as well as presented financial information in segmented format in Note 17.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

3. Future accounting changes

The following future accounting changes will be effective for the City's 2018 and future financial statements. The City is reviewing the impact, if any, of these changes on its financial statements.

PS 1201 – Financial statement presentation (2019)

This section revises and replaces the existing Section PS 1200 - Financial statement presentation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 2200 – Related party transactions (2018)

This section establishes the definition of a related party, the criteria for identifying related parties of the City, the circumstances in which disclosure of the transaction with the related party would be required, and the required content of those disclosures, if necessary. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 2601 – Foreign currency translation (2020)

This section revises and replaces the existing Section PS 2600 - Foreign currency translation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3041 – Portfolio investments (2020)

This section revises and replaces the existing Section PS 3040 - Portfolio investments. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3210 – Assets (2018)

This new section provides guidance for applying the definition of an asset set out in Section PS 1000 Financial statement concepts and establishes general disclosure standards for assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3320 – Contingent assets (2018)

This new section defines and establishes disclosure requirements for contingent assets. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3380 – Contractual rights (2018)

This new section defines and establishes disclosure requirements for contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3420 – Inter-entity transactions (2018)

This section establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

3. Current and future accounting changes (continued)

PS 3450 – Financial instruments (2020)

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

4. Financial assets - Cash and cash equivalents

Cash and cash equivalents held by the City include cash and term deposits with interest rates between 1.05% and 2.06%.

5. Financial assets - Accounts receivable

Accounts receivable are recorded net of an allowance for doubtful accounts and are comprised of the following:

	2017	2016
Property Taxes	\$ 2,418,211	\$ 2,606,750
Federal government	361,592	581,663
Provincial government	2,991,300	1,434,193
Other governments	17,397	(34,195)
Sewer funds	6,921,963	7,350,987
Utilities	3,164,647	2,945,343
Other	1,111,940	738,143
	<u>\$ 16,987,050</u>	<u>\$ 15,622,884</u>

6. Liabilities - Accounts Payable and accrued liabilities

	2017	2016
Trade accounts payables	\$ 1,588,062	\$ 1,400,799
Wages and payroll liabilities	1,657,811	1,713,590
Accrued liabilities	1,088,549	663,960
Other governments	1,981,350	3,799,595
Other	20,531	51,450
	<u>\$ 6,336,303</u>	<u>\$ 7,629,394</u>

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

7. Liabilities - Deferred Revenue

Deferred revenue is comprised of the following:

	2017	2016
Property taxes	\$ 2,349,185	\$ 2,232,336
Recreation program fees	153,492	97,717
Cemetery perpetual care fund	124,724	115,739
Utility fees	141,917	151,563
Other	13,077,058	66,619
	<u>\$ 15,846,376</u>	<u>\$ 2,663,974</u>

As at December 31, 2017, other deferred revenue includes \$13,041,600 in respect of the City's 2018-2021 water infrastructure project.

8. Liabilities - Deferred development cost charges ("DCC's")

Pursuant to the provisions of the Local Government Act, DCC's are held in statutory reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCC's are recognized as revenue. Because these funds are restricted in nature they are shown as a liability.

	2017	2016
Balance, beginning of year	\$ 11,965,139	\$ 9,147,156
Contributions from developers	5,063,003	3,112,354
Interest on investments	171,074	125,919
Bylaw expenditures	(481,107)	(420,290)
Balance, end of year	<u>\$ 16,718,109</u>	<u>\$ 11,965,139</u>

DCC's are comprised of the following:

	2017	2016
Roads	\$ 9,114,762	\$ 6,257,380
Water	4,955,090	4,192,629
Parks	2,565,224	1,507,091
Sewer	24,763	2,485
Storm Sewer	58,270	5,554
	<u>\$ 16,718,109</u>	<u>\$ 11,965,139</u>

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

9. Liabilities - Debt

	Current interest rate (%)	Year of Maturity	Balance, beginning of year	Additions	Sinking fund payments	Actuarial adjustment	Balance, end of year
General fund							
MFA issue #95	1.80	2025	\$ 1,795,397	\$ -	\$ 120,896	\$ 52,263	\$ 1,622,238
MFA issue #105	4.90	2029	6,069,761	-	277,414	87,644	5,704,703
			<u>7,865,158</u>	<u>-</u>	<u>398,310</u>	<u>139,907</u>	<u>7,326,941</u>
Water funds							
MFA issue #101	4.52	2027	157,930	-	8,228	3,483	146,219
MFA issue #103	4.65	2028	97,056	-	4,720	1,740	90,596
Province of BC	4.95	2027	7,086,742	-	528,495	-	6,558,247
			<u>7,341,728</u>	<u>-</u>	<u>541,443</u>	<u>5,223</u>	<u>6,795,062</u>
Sewer fund							
MFA issue #66	4.82	2017	52,464	-	20,762	31,702	-
MFA issue #66	4.82	2017	2,751	-	1,089	1,662	-
MFA issue #70	2.10	2019	35,976	-	5,536	5,931	24,509
MFA issue #71	2.10	2019	109,867	-	16,906	18,108	74,853
MFA issue #71	2.10	2019	234,815	-	36,133	38,701	159,981
MFA issue #73	2.10	2020	21,279	-	2,516	2,458	16,305
MFA issue #73	2.10	2020	443,386	-	52,425	51,214	339,747
MFA issue #74	3.05	2021	221,648	-	19,295	20,818	181,535
MFA issue #74	3.05	2021	58,261	-	5,072	5,472	47,717
MFA issue #74	3.05	2021	68,439	-	5,958	6,428	56,053
MFA issue #74	3.05	2021	24,319	-	2,117	2,284	19,918
MFA issue #74	3.05	2021	26,228	-	2,283	2,464	21,481
MFA issue #74	3.05	2021	48,915	-	4,258	4,594	40,063
MFA issue #75	3.05	2021	9,032	-	786	848	7,398
MFA issue #75	3.05	2021	330,038	-	28,730	30,998	270,310
MFA issue #75	3.05	2021	132,711	-	11,553	12,465	108,693
MFA issue #77	3.05	2022	779,955	-	57,915	56,752	665,288
MFA issue #79	2.10	2023	909,890	-	59,265	52,488	798,137
MFA issue #85	2.00	2024	493,797	-	28,795	22,916	442,086

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

9. Liabilities - Long-term debt (continued)

MFA issue #85	2.00	2024	\$ 31,118	\$ -	\$ 1,815	\$ 1,444	\$ 27,859
MFA issue #85	2.00	2024	\$ 31,118	\$ -	\$ 1,815	\$ 1,444	\$ 27,859
MFA issue #95	1.80	2025	503,630	-	33,913	14,660	455,057
MFA issue #99	4.43	2027	11,724	-	660	317	10,747
MFA issue #99	4.43	2027	771,889	-	43,433	20,858	707,598
MFA issue #101	4.52	2027	1,674,056	-	87,212	36,918	1,549,926
MFA issue #101	4.52	2027	392,118	-	20,428	8,647	363,043
MFA issue #101	4.52	2027	507,760	-	26,452	11,198	470,110
			<u>7,896,066</u>	<u>-</u>	<u>575,307</u>	<u>462,345</u>	<u>6,858,414</u>
Total long-term debt			\$ 23,102,952	\$ -	\$ 1,515,060	\$ 607,475	\$ 20,980,417

The requirements for future repayments of principal on existing debt for the next five years are as follows:

	2018	2019	2020	2021	2022
General Fund	\$ 398,310	\$ 398,310	\$ 398,310	\$ 398,310	\$ 398,310
Water Funds	568,082	596,063	625,456	656,330	688,760
Sewer Fund	553,453	553,453	494,879	439,938	359,886
	<u>\$ 1,519,845</u>	<u>\$ 1,547,826</u>	<u>\$ 1,518,645</u>	<u>\$ 1,494,578</u>	<u>\$ 1,446,956</u>

10. Tangible capital assets and work in progress

Tangible capital assets and work in progress are comprised of the following:

	2017 Net book value	2016 Net book value
General		
Land	\$ 102,331,062	\$ 101,254,568
Buildings	26,624,954	26,202,261
Equipment	6,526,443	6,958,164
Engineering structures	106,070,566	111,569,864
	<u>241,553,025</u>	<u>245,984,857</u>
Water infrastructure	58,540,438	59,456,292
Sewer infrastructure	53,368,059	51,445,643
Tangible capital assets	<u>\$ 353,461,522</u>	<u>\$ 356,886,792</u>
Work in progress	\$ 5,425,505	\$ 2,223,981
Tangible capital assets and work in progress (Schedule 1)	<u>\$ 358,887,027</u>	<u>\$ 359,110,773</u>

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

11. Taxation - net

Taxation revenue comprises the following amounts collected less transfers to other governments:

	2017	2016
General municipal purposes	\$ 31,161,042	\$ 29,904,553
Collections for other governments		
Provincial Government - Schools	14,294,497	14,835,839
Central Okanagan Regional Hospital District	2,568,146	2,580,702
Regional District of the Central Okanagan	3,354,549	3,395,149
British Columbia Assessment Authority	393,646	438,146
Municipal Finance Authority	1,704	1,549
	<u>51,773,584</u>	<u>51,155,938</u>
Transfers to other governments		
Provincial Government - Schools	(14,294,497)	(14,835,839)
Central Okanagan Regional Hospital District	(2,568,146)	(2,580,702)
Regional District of the Central Okanagan	(3,354,549)	(3,188,514)
British Columbia Assessment Authority	(393,646)	(438,146)
Municipal Finance Authority	(1,704)	(1,549)
	<u>(20,612,542)</u>	<u>(21,044,750)</u>
	<u>\$ 31,161,042</u>	<u>\$ 30,111,188</u>

12. Government transfers

	2017	2016
Provincial unconditional transfers		
Sewer grants	648,993	-
Other	57,583	51,572
	<u>706,576</u>	<u>51,572</u>
Provincial conditional transfers		
Okanagan Basin Water Board grant	87,203	45,559
Other	124,211	406,638
	<u>211,414</u>	<u>452,197</u>
Federal unconditional transfers		
Traffic fine revenue sharing grant and Federal grants	551,219	923,218
Federal conditional transfers		
Gas tax community works fund	1,373,779	1,355,668
Total transfers from other governments	<u>\$ 2,842,988</u>	<u>\$ 2,782,655</u>

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

13. Revenue - other

	2017	2016
DCC contributions	\$ 481,107	\$ 420,290
Cost recoveries	2,848,893	648,984
Development permits	1,529,738	1,395,466
Interest earned	510,777	231,144
Actuarial adjustment on long-term debt	607,475	603,736
Licenses and permits	241,025	232,694
Penalties and interest on taxes	411,493	465,165
Rentals	532,880	591,740
Donations	1,941,079	23,221
Other	154,583	419,271
	<u>\$ 9,259,050</u>	<u>\$ 5,031,711</u>

14. Contingent liabilities

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the City and each member municipality within the Regional District including the City 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 scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities. As at December 31, 2017, the City does not anticipate being required to assume any of the Regional District's debt.

Municipal Insurance Association

The City is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with the other participants, would be required to contribute towards the deficit. Management does not consider external payments under this contingency to be likely and therefore no amounts have been accrued.

Legal actions

The nature of the City's operations are such that the City is subject to potential or ongoing litigation, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from ongoing litigation will be recorded in the accounts in the period in which the loss is realized. The City has insurance policies and financial reserves to offset associated risks.

Pension

The City and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

14. Contingent liabilities (continued)

Pension (continued)

pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City paid \$1,422,217 (2016-\$1,317,740) for employer contributions while employees contributed \$1,187,035 (2016-\$1,132,503) to the Plan in fiscal 2017.

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

15. Commitments

The City has entered into various operating leases for equipment and payments under contracts for services with terms varying from one to four years. The total lease commitments payable in each of the next four years are as follows:

2018	\$	652,984
2019	\$	621,560
2020	\$	135,759
2021	\$	51,240
	\$	<u>1,461,543</u>

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statement
December 31, 2017

15. Commitments (continued)

Vacation pay and sick leave

Vacation pay, which may be accumulated up to 10 days, is charged to expense in the year earned. The ALGEU Collective Agreement allows for the accumulation of sick leave to a maximum of 100 days, it is expensed in the year it is accumulated. Earned sick leave vests after 10 years of employment and is paid to a maximum of 50 days.

16. Letters of Credit

The City is holding letters of credit in the amount of \$6,524,836 (2016-\$6,663,764), which are received as security related to performance deposits.

17. Segmented information

The City of West Kelowna is a diversified municipal government that provides a wide range of services to its citizens. The City's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the City such as general government services, protective services, transportation services, environmental health and developmental services, and recreation and cultural services. The utility operations are comprised of the water, sewer and storm drainage systems, each accounting for its own operations and programs within their own funds. Operating results reported by the following segments are included in Schedule 3.

The various segments are described as follows:

a) General government services

This segment is responsible for a number of different functions including Legislative services, Administration, Finance and Information Services. Legislative services involves staff working closely with Council and community partners to coordinate the delivery of a wide range of functions and services. Administration is responsible for the Human Resources function, which oversees the recruitment and retention of people, management of labour relations, administration of collective agreements, employee compensation and benefit programs, staff training and development, employee health and safety and Work Safe BC regulations. Finance is responsible for the requisition of tax revenues from the Province and other taxing authorities and all treasury and accounting functions. Information Services includes an all-encompassing computer database and mapping system for properties in the City, which is used by City departments, other government agencies and members of the public.

b) Protective services

This segment is responsible for all the various services provided by the RCMP, Fire Services and Bylaw Enforcement designed to protect the lives and property of both citizens and visitors with a focus on emergency response, law enforcement, search and rescue, education and prevention.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

17. Segmented information (continued)

c) Transportation services

This segment is responsible for roads and maintenance, street lighting, traffic management and transit system.

d) Environmental health and development services

This segment is responsible for delivering health, planning and development services to the City. The specific functions include planning, building permits and inspections, business licensing, design and engineering services as well as tourism and economic development.

e) Recreation and cultural services

This segment is responsible for recreational program design, delivery and management, municipal facilities/parks development and maintenance and museum operations, as well as coordination of many recreational/sporting activities and groups.

f) Water services

This segment is responsible for the operation and maintenance of the five water systems that provide water services to the residents and businesses within the municipal boundaries of the City.

g) Sewer services

This segment is responsible for the operation and maintenance of the sewer collection system within the municipal boundaries of the City.

h) Storm drainage

This segment is responsible for the operation and maintenance of the storm drainage collection system within the municipal boundaries of the City.

See accompanying notes to the financial statements.

City of West Kelowna
Notes to the financial statements
December 31, 2017

18. Budget

The budget amounts presented reflect the statutory financial plan as adopted by Council on May 9, 2017, adjusted for amortization and other items for comparability with the actual results. The following table reconciles the balanced statutory financial plan to the budget surplus reported on the statement of operations and accumulated surplus.

Surplus as per 10 year Financial Plan Bylaw No. 0238, 2017	\$ -
Adjust for non-operating items included in Financial Plan:	
Acquisition of tangible capital assets	79,997,325
Repayment of principal portion of long-term debt	1,515,060
Net transfers from reserves	<u>(19,115,645)</u>
	<u>62,396,740</u>
Adjust for operating items excluded in Financial Plan:	
Amortization (actual)	<u>(10,954,626)</u>
	<u>(10,954,626)</u>
Budget surplus/(deficit) as per the statement of operations and accumulated surplus	<u>\$ 51,442,114</u>

See accompanying notes to the financial statements.

City of West Kelowna
Schedule 1 - Schedule of tangible capital assets & work in progress
December 31, 2017

	Equipment							Engineering structures							Total
	Buildings & Land Improvements	Computer	Machinery	Office furniture & equipment	Small tools & equipment	Vehicles	Solid waste carts	Infrastructure	Roads	Sidewalks	Storm drains	Water Infrastructure	Sewer Infrastructure		
Cost, beginning of year	\$101,254,568	\$ 37,537,954	\$ 3,562,913	\$ 2,173,384	\$ 872,932	\$ 1,309,935	\$ 8,085,274	\$ 1,537,145	\$ 12,092,060	\$231,698,118	\$ 6,363,664	\$ 3,366,462	\$ 87,590,572	\$ 65,040,358	\$ 562,485,339
Additions	1,076,494	1,406,570	312,053	3,787	-	237,883	203,761	-	476,170	156,958	14,349	-	678,112	2,963,218	7,529,355
Disposals	-	-	-	-	-	-	(27,397)	-	-	-	-	-	-	-	(27,397)
Cost, end of year	102,331,062	38,944,524	3,874,966	2,177,171	872,932	1,547,818	8,261,638	1,537,145	12,568,230	231,855,076	6,378,013	3,366,462	88,268,684	68,003,576	569,987,297
Accumulated amortization, beginning of year	-	11,335,694	2,954,170	918,925	604,514	816,306	4,805,177	484,327	1,943,882	137,219,948	1,928,431	858,177	28,134,281	13,594,714	205,598,546
Amortization	-	983,876	380,969	185,290	23,196	113,020	425,245	61,485	672,462	5,119,070	127,298	227,947	1,593,965	1,040,803	10,954,626
Disposals	-	-	-	-	-	-	(27,397)	-	-	-	-	-	-	-	(27,397)
Accumulated amortization, end of year	-	12,319,570	3,335,139	1,104,215	627,710	929,326	5,203,025	545,812	2,616,344	142,339,018	2,055,729	1,086,124	29,728,246	14,635,517	216,525,775
Net book value, end of year	\$102,331,062	\$ 26,624,954	\$ 539,827	\$ 1,072,956	\$ 245,222	\$ 618,492	\$ 3,058,613	\$ 991,333	\$ 9,951,886	\$ 89,516,058	\$ 4,322,284	\$ 2,280,338	\$ 58,540,438	\$ 53,368,059	\$ 353,461,522
Work in progress	\$ 32,733	\$ 60,847	\$ 170,781	\$ -	\$ -	\$ 36,944	\$ 399,062	\$ -	\$ 3,186,040	\$ 165,467	\$ -	\$ 998,558	\$ 283,761	\$ 91,312	\$ 5,425,505
Tangible capital assets and work in progress	\$102,363,795	\$ 26,685,801	\$ 710,608	\$ 1,072,956	\$ 245,222	\$ 655,436	\$ 3,457,675	\$ 991,333	\$ 13,137,926	\$ 89,681,525	\$ 4,322,284	\$ 3,278,896	\$ 58,824,199	\$ 53,459,371	\$ 358,887,027

City of West Kelowna
Schedule 3 - Schedule of segment disclosure
December 31, 2017

	General Fund								2017 Totals	2016 Totals
	General government services	Protective services	Transportation services	Environmental health & development services	Recreation & cultural services	Water services	Sewer services	Storm drainage		
Revenue										
Taxation-net	\$ 10,393,798	\$ 9,578,869	\$ 4,427,608	\$ 1,822,048	\$ 4,719,396	\$ -	\$ -	\$ 219,323	\$ 31,161,042	\$ 30,111,188
Sale of services and regulatory fees	-	1,778,385	696,036	2,897,559	1,654,341	7,104,346	4,899,930	-	19,030,597	17,168,170
Government transfers	1,890,864	215,339	590	-	-	44,414	691,781	-	2,842,988	2,782,655
Other	3,522,902	3,221,084	165	1,558,225	233,298	253,031	470,345	-	9,259,050	5,031,711
Total revenue	15,807,564	14,793,677	5,124,399	6,277,832	6,607,035	7,401,791	6,062,056	219,323	62,293,677	55,093,724
Expenses										
Amortization of tangible assets	8,211,449	-	-	43,918	-	1,658,456	1,040,803	-	10,954,626	10,879,842
Building and grounds maintenance	263,130	68,102	-	-	289,139	155,533	-	-	775,904	712,049
Civic grants	394,078	-	-	-	-	-	-	-	394,078	110,777
Contract services	449,593	262,815	2,241,794	1,836,620	1,490,077	718,185	3,577,861	146,226	10,723,171	11,234,007
Interest on long-term debt	483,769	-	-	-	-	320,966	448,242	-	1,252,977	1,426,706
Equipment maintenance and fuel	403,182	241,005	76,955	9,518	233,206	522,535	21,655	5,190	1,513,246	1,542,311
Library	-	-	-	-	1,473,865	-	-	-	1,473,865	1,410,926
Recoverable Emergency Operations	-	2,508,511	-	-	-	-	-	-	2,508,511	-
RCMP E-Division Contract	-	3,199,904	-	-	-	-	-	-	3,199,904	3,349,116
Supplies, small tools and equipment	321,450	443,604	75,000	77,158	258,276	232,472	112,442	7,147	1,527,549	1,613,380
Transit	-	-	1,746,635	-	-	-	-	-	1,746,635	1,796,136
Utilities	201,567	117,465	225,528	6,964	592,848	518,262	58,844	-	1,721,478	1,788,612
Wages, benefits & professional development	3,566,787	7,929,921	725,729	2,029,261	2,768,641	1,906,852	359,148	63,059	19,349,398	18,438,502
Total expenses	14,295,005	14,771,327	5,091,641	4,003,439	7,106,052	6,033,261	5,618,995	221,622	57,141,342	54,302,364
Annual surplus (deficit) for the year	\$ 1,512,559	\$ 22,350	\$ 32,758	\$ 2,274,393	\$ (499,017)	\$ 1,368,530	\$ 443,061	\$ (2,299)	\$ 5,152,335	\$ 791,360

City of West Kelowna
Schedule 2 - Schedule of accumulated surplus
December 31, 2017

	Balance, beginning of year	Transfer to	Transfer from	Interest	Balance, end of year
Reserves					
Capital - general	4,266,103	2,661,649	(791,911)	64,882	6,200,723
Capital - water	3,913,589	1,201,579	(727,723)	50,772	4,438,217
Capital - sewer	643,937	474,043	(861,662)	8,022	264,341
Community projects	3,954,316	1,355,667	(156,958)	54,644	5,207,668
Equipment replacement	3,185,883	980,000	(638,698)	40,278	3,567,465
Future expenses	1,224,278	1,063,860	(311,251)	20,389	1,997,276
Municipal facilities	3,497,154	370,000	-	44,186	3,911,338
Other	4,273,318	16,938,869	(15,997,224)	16,111	5,231,067
Policing	796,273	441,039	-	12,202	1,249,515
Property acquisition	1,585,651	-	-	19,028	1,604,679
Recreation	270,561	105,879	(8,164)	3,833	372,108
Road maintenance and snow clearing	611,281	-	-	7,336	618,618
Storm drainage	362,624	10,000	-	4,411	377,035
	<u>28,584,968</u>	<u>25,602,585</u>	<u>(19,493,591)</u>	<u>346,094</u>	<u>35,040,050</u>
Investment in non-financial assets					
Investment in tangible capital assets	<u>333,783,842</u>	<u>9,651,885</u>	<u>(10,954,627)</u>	<u>-</u>	<u>332,481,100</u>
Accumulated surplus	<u>\$362,368,810</u>	<u>\$ 35,254,470</u>	<u>\$ (30,448,218)</u>	<u>\$ 346,094</u>	<u>\$367,521,150</u>

See accompanying notes to the financial statements.

Incorporated under the Local Government Act of the Province of British Columbia, by Order of the Lieutenant Governor in Council, on December 6, 2007.

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