

City of West Kelowna

2018 ANNUAL REPORT

westkelownacity.ca



ABOUT OUR COMMUNITY



West Kelowna is a visually stunning community on the central west shores of Okanagan Lake. Its neighbourhoods boast spectacular lake and mountain views and are steps to beaches, boat launches and vast parks and trails that offer superb biking, boating and hiking. The City is a primary gateway to the Okanagan Valley, which is consistently counted among Canada's top tourism destinations. The community continues to grow and urbanize at a steady rate; West Kelowna's population grew 1.4% from 34,407 in 2017 to 34,883 in 2018.

RESIDENTS	34,883
HOUSEHOLDS	13,400
BUSINESSES	2,267
PARKS AND TRAILS	139
AREA IN SQUARE KMS	123



VISIT US



FOLLOW US



LIKE US



WRITE US



COUPLE STOPS DURING A MT. BOUCHERIE HIKE TO ENJOY THE OKANAGAN LAKE VIEW.

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MEET MAYOR AND COUNCIL



On October 20, 2018 West Kelowna voters chose a new Mayor and Council for a four year term to end in 2022. Gord Milsom was elected as the third person to serve as Mayor since incorporation in 2007, replacing Doug Findlater who ran and won as a Councillor in the 2018 general local election. Carol Zanon, Jason Friesen, Jayson Zilkie, Rick de Jong and Stephen Johnston were also elected Councillors. Mayor and Council thanked former Councillors Bryden Winsby, Duane Ophus, Rosalind Neis and Rusty Ensign for their many years of service to the community.

2018 TO 2022 COUNCIL; FROM LEFT TO RIGHT

COUNCILLOR JASON FRIESEN

COUNCILLOR JAYSON ZILKIE

COUNCILLOR CAROL ZANON

MAYOR GORD MILSOM

COUNCILLOR DOUG FINDLATER

COUNCILLOR RICK DE JONG

COUNCILLOR STEPHEN JOHNSTON



MAYOR GORD MILSOM'S MESSAGE

I am honoured that West Kelowna citizens have chosen me to serve as their new Mayor - the third person that voters have entrusted with the position since the City incorporated 11 years ago. I thank the former Mayor and Council for the strong foundation they have built over the past several years and for leading our community on a path towards growth. Much work remains to be done and I believe the new Council and I are up to the task. We bring to our roles renewed energy, fresh perspectives and ideas and, most of all, a love for our community and a desire to ensure its success. Council and I will strive over the next four years to achieve our vision of making the City of West Kelowna a responsive, solution-oriented local government. We will reach out and partner together with our community and others to grow and prosper. We will also strive to uphold our mission to plan for tomorrow while ensuring that we take care of today as our city continues to evolve and flourish. We will run a modern, urban city that retains its rural character. I am committed to work hard as Mayor over the next four years to bring prosperity to our city and to make West Kelowna an even better place to call home.



VISION

THE CITY OF
WEST KELOWNA
IS A
RESPONSIVE,
SOLUTION-ORIENTED
LOCAL GOVERNMENT
THAT WORKS
IN PARTNERSHIP
WITH THE
COMMUNITY
AND OTHERS
TO CREATE
OPPORTUNITIES
FOR GROWTH
AND PROSPERITY



MISSION

PLAN FOR
THE FUTURE
WHILE
TAKING CARE
OF TODAY
AS IT
DEVELOPS
AND
OPERATE
A MODERN,
URBAN CITY
THAT RETAINS
ITS
RURAL
CHARACTER

ORGANIZATIONAL STRUCTURE



Mayor and Council employ one person - the Chief Administrative Officer. Under this One Employee of Council Policy, the CAO is responsible for developing the City's team of staff and leading them in carrying out Council's Strategic Priorities and staying on track with the related Operational Plan. Employees run the day-to-day operations of the city, provide a variety of programs and services on which citizens rely and maintain a vast network of municipal infrastructure. Staff also ensure that the city's services and vast infrastructure network are sustainable and able to meet future needs.



DIVISIONS



4

DIVISIONAL DEPARTMENTS



28

EMPLOYEES



180

FACILITIES



16

OPERATING BUDGET



\$68.64M



CHIEF ADMINISTRATIVE OFFICER'S MESSAGE

The state of the City of West Kelowna is strong. Growth is steady as new residents and businesses continually choose to move to our community. The municipality's population has grown 6.9% in the five years that I have served as CAO and staff is pressing forward with key projects designed to meet growth, modernize services and upgrade important infrastructure such as the Rose Valley Water Treatment Plant, a Multi Sport Dome and the successfully completed Boucherie Road Wine Trail Phase II. The combined effort and ideas of Council and staff put the municipality in an excellent position to adapt and evolve. Yes, as with all communities, West Kelowna faces new and emerging issues, such as climate change, housing affordability and homelessness; but, Council and staff remain focused on finding solutions for the City's betterment. It is extremely rewarding and a highlight of my 44-year career in local government to lead the City of West Kelowna. I am thankful for the support of Council, my great team of management and staff and the community in helping to pave a path to West Kelowna's future success.



MUNICIPAL SERVICES

- Aquatic Centre
- Arenas and Sports Courts
- Athletic Fields, Beaches, Parks and Trails
- Building Inspections and Permits
- Business Development and Licensing
- Bylaws and Bylaw Enforcement
- Cemetery
- Cleanup of Graffiti and Illegal Dumping
- Community Centres
- Crime Prevention and Policing
- Development Applications and Permits
- Engineering Services
- Fire Inspections and Permits
- Fire Prevention and Suppression
- Public Engagement and Outreach
- Recreational Programming
- Rescue Services (High Angle, Ice, etc.)
- Roads, Sidewalks and Streetlights
- Sanitary and Storm Sewers
- Waste Collection
- Water Distribution and Treatment

REGIONAL SERVICES

- Dog Control and Licensing
- Okanagan Basin Water Board
- Okanagan Regional Library
- Regional Parks
- Regional Transportation Planning
- Sterile Insect Release Program
- Tourism and Visitor Information Centre
- Transit
- Waste Reduction Office
- Waste Transfer Station
- Wastewater Treatment Plant

MOUNTAIN BIKERS TAKE A BREAK ON A SCENIC TRAIL IN ROSE VALLEY REGIONAL PARK.

DEFINING MOMENT - WINE TRAIL



With 180 degree views of Lake Okanagan and the Monashee Mountains and a half dozen wineries to enjoy, the Boucherie Road Wine Trail is a must visit destination in the City of West Kelowna. The road is a main artery through the community and its former rural state, which dated back many decades, could no longer handle all of today's transportation needs. With barely a road shoulder on which to walk or bike, pedestrians and cyclists were precariously close to up to 8,300 cars a day, some speeding by at more than 80km/h. The \$9.1 million project, which was completed from April to December, transformed 1.5km of rural road into a multi-use corridor with lit and treed boulevards, 2.0m-wide cycling lanes, 1.8m-wide sidewalks, new water mains, curbs and gutters and two new roundabouts at Hudson and Anders Roads. The City of West Kelowna would like to thank the Government of Canada, Province of British Columbia, ICBC and BC Hydro for contributing approximately \$800,000 in funding to the upgrades through a variety of grant programs including BikeBC and the Gas Tax Fund.

BOUCHERIE ROAD WINE TRAIL PHASE II AT ANDERS ROAD.



DEFINING MOMENT - PUBLIC WORKS AWARD

On August 27, the City of West Kelowna was very honoured to receive the American Public Works Association's Exceptional Performance in Adversity Award for 2018, given in recognition of significant 2017 flood response and recovery efforts. The City's team consisted of 27 Parks staff including 15 summer students, 23 Public Works staff, with three students, and 32 West Kelowna Fire Rescue personnel. For 100 days, West Kelowna crews, with assistance from BC Wildfire Service personnel and support from staff at the Regional Emergency Operations Centre, faced unprecedented flooding, which damaged boat launches, bridges, parks and roads. Water Quality Advisories were necessary for several weeks, public and private property was damaged and community infrastructure was put at risk. The BC Public Works Association nominated the City in recognition of the outstanding response and recovery efforts. Nearly 50 recovery projects began in 2017 and continued in 2018. The BC Disaster Financial Assistance Program gave 80% of the funding with the rest coming from City reserves.

DEFINING MOMENT - FIELD LIGHTS



OFFICIAL LIGHTING EVENT AT LOWER BOUCHERIE FIELD.

Athletic field lights were officially turned on in the City of West Kelowna during a Diamondbacks minor baseball game held on April 21. In recognition of the 150th Anniversary of Canada's confederation, the federal government invested in parks and rec improvements across the country. The City of West Kelowna received \$337,750 towards the \$1 million cost of installing lights at both the Lower Boucherie and Rosewood Sports Fields. The field lights maximize use by extending game and practice times during shorter daylight hours in spring and fall months. Sports associations had been requesting the lights for several years, but with no grant funding nor any major sponsorships, the project could not get off the ground due to many high priority needs in the City. Lower Boucherie Ball Field accommodates games and practices for minor baseball, fastball, softball and slo-pitch. The Rosewood Field is home to soccer teams and football clubs. The fields also host tournaments and can be used informally for many casual games such as flag football, bocce or ultimate Frisbee.



DEFINING MOMENT - WEBSITE AWARD

The City of West Kelowna's website earned the Web Marketing Association's Government Standard of Excellence Award for 2018. Entries from 40 countries were judged in nearly 100 categories. Entries were judged based on content, copy writing and design, innovation, navigation, interactivity and use of technology. The new site, which launched in May 2018, followed an intense six-month process with the objective of making it more intuitive and responsive. The website, redesigned by eSolutions Group, has a prominent search tool. The website offers more subscription options than before. It includes a more robust online request for service tool. The site has social media connectivity and features a searchable business directory. The City also asked that the design be adaptable to emerging technology with options to add new features in the future. The Web Marketing Association Awards were announced in September 2018. The City's website, westkelownacity.ca, had over 280,000 visits in 2018. The most daily visits, 2,827 occurred on October 20, election day, according to Google Analytics.



DEFINING MOMENT - NEW PARK



The City of West Kelowna acquired a 5.34ha piece of property at 2100 Westlake Road for future parkland development. The site is next to the future multi sport dome project, Mar Jok Elementary School and Rosewood Sports Field. The City bought the 3.64ha section in September 2018 for \$4.25 million for future sports field development; the Mar family donated the other 1.70 hectares for nature trails. The City used Development Cost Charges, fees that are levied on new developments, meaning no tax money was spent. City staff negotiated the land acquisition through the descendants of Mar Fee and Mar Jok. The two brothers emigrated from China in 1910; and in 1956, they bought 147.7 hectares in what is now known as Rose Valley Properties. The family used 24 hectares for raising chickens, geese, and bees and for growing asparagus. The two men were well known in the community for their hard work and kindness. They were also well known for their generosity. Soon after the City acquired the site, Council voted unanimously to name the property Mar Fee Park. No development plans have been finalized.

VIEW SOUTHEAST TO MAR FEE PARK AND MT. BOUCHERIE.



DEFINING MOMENT - CIVIC ELECTION

The General Local Election took place on Saturday October 20 and the results were officially declared on Wednesday, October 24. Chief Elections Officer Tracey Batten confirmed that Gord Milsom was the City of West Kelowna's third Mayor, replacing Doug Findlater, who ran as a Councillor candidate. Stephen Johnston, Jayson Zilkie, Rick de Jong, Doug Findlater, Carol Zanon and Jason Friesen were elected as Councillors. On Tuesday, November 6, at the inaugural ceremony at West Kelowna Council Chambers, Mayor Milsom and the new Councillors took their oaths of office, at which time they also thanked Council members Rusty Ensign, Rosalind Neis, Duane Ophus and Bryden Winsby for their many years of service. Ophus had not sought re-election after having served 11 years on four previous Councils in 2007, 2008, 2011 and 2014. Neis was West Kelowna's first Mayor in 2007 and 2008; she was a Councillor from 2008 to 2011 and 2014 to 2018. Winsby had served on West Kelowna Council since 2008 and Ensign had been a Councillor from 2014 to 2018.

DEVELOPMENT SERVICES



Promoting smart growth and exploring solutions for emerging social issues were high on the Development Services Division’s priority list in 2018. Staff remained focused on processing high volumes of building and development applications, encouraging compact and connected growth, establishing cannabis regulations, and seeking solutions for homelessness and safe and affordable housing. Council extended, by three months, from March to June, a successful Development Cost Charge Reduction incentive program for Westbank Centre, which encouraged several dense, amenity-rich projects downtown (photo). The Cannabis Act, permitting non-medical use of the substance and retail sales, became law in Canada on October 17. In July, in anticipation of legalization, City staff conducted community consultations on proposed zoning amendments to establish how many retail outlets to permit in West Kelowna, where to locate them and to establish their operating hours. A City record of 1,200 questionnaires were completed. After

DEPARTMENTS AND SERVICES

BUILDING INSPECTIONS AND PERMITS

CURRENT PLANNING

DEVELOPMENT APPLICATIONS AND PERMITS

DEVELOPMENT ENGINEERING

ECONOMIC DEVELOPMENT OFFICE

LONG RANGE PLANNING

LAND AGENT

SUBDIVISION APPROVALS

APPLICATIONS STATS

	2017	2018
Agricultural Land Reserve applications	6	4
Building permits	628	596
Development permits	37	50
Floodplain exemptions	1	2
Land use contract amendments	1	2
Official Community Plan amendments	5	0
Subdivisions	39	16
Temporary use permits	2	7
Variance permits	24	14
Zoning Bylaw amendments	19	8



DEVELOPMENT SERVICES

reviewing the public feedback, Council opted to permit four (later five) outlets, ban consumption in parks and public spaces and prohibit sales near schools. With concerns being raised about safety, crime and open drug use downtown, the City and Westbank First Nation joined efforts in July to conduct a Point in Time Count. The survey determined how many were experiencing homelessness, what services they required and if they were able to obtain them on the Westside, and explored root causes of homelessness. After seeing the results and later learning that the Westside Shelter Society was unable to secure a winter location, Council provided \$50,000 from the 2018 budget to advocate, plan and liaise with other agencies to explore service and housing options for the Westside. Funds also supported the Shelter Society after it joined with BC Housing to secure a location. In July, Council adopted zoning amendments to ensure farm workers had safe and affordable dwellings. Community concerns were raised previous months about the state of some housing.

2018 KEY EVENTS

FEBRUARY 16

Extended Westbank Centre DCC reduction incentive

MAY 21

Adopted Economic Development and Tourism Plan

JUNE 12

Updated the Sign Bylaw prohibiting animated signs

JUNE 25

Conducted a Development Application process audit

JULY 16

Sought input on non-medical cannabis retail sales

JULY 24

Adopted improved farm worker housing regulations

SEPTEMBER 04

Presented Point in Time Count survey findings

SEPTEMBER 07

Acquired 5.35 hectares of park at 2100 Westlake Rd.

OCTOBER 02 AND 09

Adopted non-medical cannabis retail regulations

Restricted cannabis consumption in public spaces

ENGINEERING AND PUBLIC WORKS



After a record year of flooding in 2017, flood-related issues continued in 2018. On March 23, torrential rains washed out part of Lower Glenrosa Road. Council declared a State of Local Emergency so mitigation work could be completed on private property upslope and road, sidewalk and embankment repairs could be expedited. In April and May, rising creek and lake levels again caused flooding concerns and several prevention measures were deployed in Gellatly and Green Bays (photo). Canadian Armed Forces personnel were called to assist in installing measures to protect civic infrastructure in Green Bay. Municipal crews also spent considerable time resolving climate-related water quality issues in 2018. Methods including aeration and siphoning were used constantly in Rose Valley Reservoir to reduce turbidity in the Lakeview System. The City pressed on with planning for construction of Rose Valley Water Treatment Plant, which will resolve water quality issues in the Lakeview, West Kelowna Estates, Pritchard and Sunnyside Systems. As an interim measure the



DEPARTMENTS AND SERVICES

CEMETERY

DRAINAGE, ROADS, SIDEWALKS AND STREETLIGHTS

FACILITIES

FLEET

PARKS AND RECREATION

TRANSIT AND TRANSPORTATION MANAGEMENT

UTILITIES: SEWER, WASTE MANAGEMENT AND WATER

BY THE NUMBERS

City owned facilities	16
City owned parkland in hectares	192
City owned parks	139
Recreational programs	650
Recreational program participants	3,920
Roads, length in lane kilometres	522
Sewer mains, length in kilometres	220
Sidewalk length, in kilometres	78
Utilities customers	14,460
Water mains in kilometres	277
Water systems	5

ENGINEERING AND PUBLIC WORKS

Pritchard System was connected to Sunnyside, with its deeper intake being less prone to turbidity issues. The connection ended a boil water notice that was required in the Pritchard System from May 15 through August 2. Engineering and Public Works staff also completed several community improvement projects such as the \$9.1 million upgrade of Boucherie Road Wine Trail and water main from Ogden to Stuart Roads. A \$650,000 pedestrian safety upgrade was completed on Daimler Drive from Old Okanagan Highway to Auburn Road (photo). And \$2.8 million in street and water main upgrades were completed along Webber Road with sidewalks added near Glenrosa Elementary School. In mid summer, Engineering, Purchasing and Economic Development staff were moved into leased office space in Lakeview Village Shopping Centre. The City's Facilities Department coordinated the move, which freed up much needed space in Municipal Hall where additional staff could be accommodated after renovations were completed in the summer.

2018 KEY EVENTS

JANUARY 23 TO DECEMBER 31

50 flood recovery and mitigation projects carried out

MARCH 23 TO 30

Flood repairs conducted on Lower Glenrosa Road

APRIL 10 TO DECEMBER 21

Boucherie Road Wine Trail Phase II improved

APRIL 17 TO MAY 31

Flood prevention measures at Gellatly and Green Bay

JUNE 04 TO NOVEMBER 29

Webber Road road, sidewalk, watermain upgraded

JULY 04 TO AUGUST 30

Daimler Drive pedestrian safety improvements

JULY 06 TO AUGUST 25

Music in the Park free concerts held until August 24

West Kelowna World Music Festival held August 25

JULY 10

Pritchard/Sunnyside Water Systems Interconnected

SEPTEMBER 18

New truck regulations adopted, restricted to Hwy 97

FINANCE, ADMINISTRATION AND PROTECTIVE SERVICES

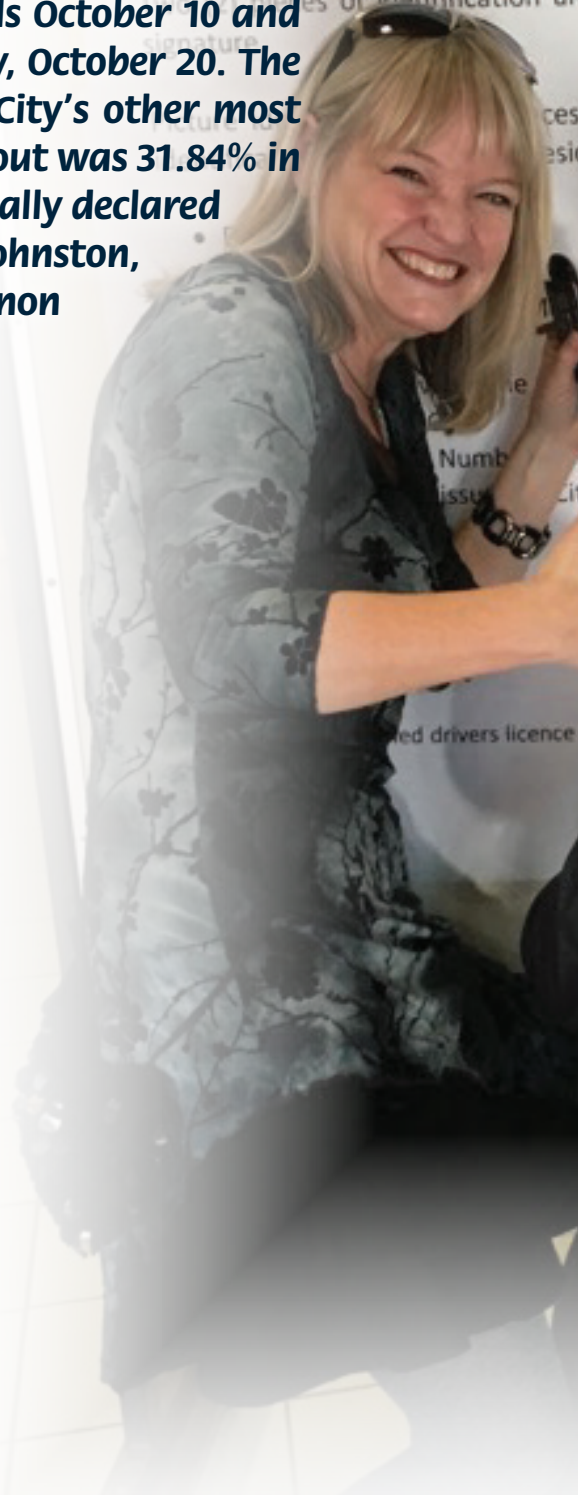
From creating the annual budget and issuing property tax notices to dealing with bylaw complaints and responding to emergencies, Finance, Administrative and Protective Services is a diverse and busy division. The year began with the introduction of the 2018 Budget and seeking public feedback regarding the 2.18% tax increase. The year wrapped up with a new Mayor and Council being sworn into office after voters cast ballots in a General Local Election (photo). Of 24,520 eligible voters, a total of 7,585 electors cast ballots at two advance polls October 10 and 16 and at four polling stations on General Election Day, October 20. The 29.13% voter turnout was average compared to the City's other most recent local government elections. Comparatively turnout was 31.84% in 2014 and 26.34% in 2011. The Chief Election Officer officially declared Gord Milsom as the City's new Mayor and Stephen Johnston, Jayson Zilke, Rick de Jong, Doug Findlater, Carol Zanon and Jason Friesen as West Kelowna's new Councillors. The group of seven took their oaths of office at

DEPARTMENTS AND SERVICES

- ACCOUNTING AND FINANCIAL MANAGEMENT
- BUSINESS LICENSING
- BYLAW ENFORCEMENT
- CORPORATE COMMUNICATIONS
- FIRE RESCUE
- LEGISLATIVE SERVICES
- PURCHASING
- REVENUE, REPORTING AND RISK MANAGEMENT

BY THE NUMBERS

Business Licences issued	2,267
Bylaw Enforcement complaints	5,584
Freedom of Information requests	44
Letters to Mayor and Council received	1,463
Media releases sent	139
New social media followers	1,190
Purchase orders issued	429
Purchase orders' value, in millions	21.7
Tax notices issued	14,460
Utility bills mailed	54,084



FINANCE, ADMINISTRATION AND PROTECTIVE SERVICES

an inaugural meeting November 6. Bylaw and Business Licensing staff were kept busy dealing with record complaints and applications in 2018. The department received 5,584 calls, up 53.4% from 3,641 2017. Parking and traffic violations continued to generate the most complaints, but a large number of new calls pertained to downtown enforcement. In August, Council agreed to hire security on a three-month trial basis to assist in patrolling the City Centre and monitoring bylaw issues. The security patrols were extended in November. The number of business licences issued in West Kelowna increased 4% in 2018 to 2,267 compared to 2,178 in 2017. Mayor and Council also received a considerable number of calls and correspondence throughout the year, with 1,463 letters and emails received, compared to 1,300 a year earlier. And social media continued to be a popular way for residents to connect with the City. The Christmas Light Up event and related posts reached more than 42,000 people on Facebook - a City record.



2018 KEY EVENTS

JANUARY 01

New sustainability-based water rates take effect

JANUARY 24

Talk Budget With Council open house held

APRIL 17 AND MAY 08

2018 - 2027 Financial Plan, Tax Rates Bylaws adopted

MAY 15

New City of West Kelowna website launched

MAY 30 AND JULY 02

Property tax notices issued

Property tax deadline

JUNE 01 TO JUNE 29

Annual Citizens' Survey conducted

SEPTEMBER 11

Website wins Standard of Excellence Award

OCTOBER 20 AND 24

General Local Election held; official results declared

NOVEMBER 06

Inaugural meeting of the new Council held

IN MEMORY OF CAPTAIN TROY RUSSELL



CELEBRATING THE LIFE OF A DIFFERENCE MAKER

West Kelowna Fire Rescue lost a brother and our City a hero, when Captain Troy Russell - son, husband and father of two and a 20-year fire fighter - passed away from cancer September 25. Capt. Russell's death was our fire department's first loss in the line of duty. His brain cancer was a direct result of his career as a fire fighter. Troy's Fire Rescue family affectionately used his nickname to dedicate an engine in his memory, calling it Nipsy's Rig. Atop Mt. Boucherie, beside his favourite hiking trail, a picnic table was installed. And Fire Rescue continues to host Troystastic Tuesday get-togethers in honour of Capt. Russell's belief that our relationships and deep connections make our lives more meaningful, rich and memorable. Capt. Russell's honour procession was held on Tuesday, October 9. His family and friends, fire fighters and engines and emergency services crews from across North America, proceeded along Ross Road to his funeral at Royal LePage Place where community members also gathered to pay respects. We will never forget Troy's infectious smile, love of life and sacrifice in the line of duty.



WEST KELOWNA FIRE RESCUE

BY THE NUMBERS

First responses	1,497
Alarms	189
Burning complaints	112
Motor vehicle accidents	266
Bush fires	26
Minor fires	28
Structure fires	16
Vehicle fires	22
Public service and public education events	368
Smoke sighted	31
Rechecks	8
Technical rescues	23
Fire inspections	476
Wildfire assessments	2
Burning permits	78



2018 KEY EVENTS

APRIL 17 TO MAY 31

Flood prevention measures deployed along lake

MAY 05

Hosted FireSmart Family Day

MAY 10

Held pushing-in event for new engine at Hall 32

JUNE 29

Toured new fire weather station with Council

JULY 04

Installed Butt Out fire prevention signs (photo)

OCTOBER 09

Held procession and funeral for Captain Russell

OCTOBER 29

Conducted smoke alarm awareness campaign

DECEMBER 04 AND 05

Held annual food bank collection drive (photo)

DECEMBER 12

Council adopted new Wildfire Protection Plan



DEPARTMENTS OF THE CHIEF ADMINISTRATIVE OFFICER

As West Kelowna grows and modernizes, a corresponding demand for new programs and services arises, resulting in a need to hire more staff and purchase and support the software, hardware, network systems and electronic devices that employees need to serve customers in our technologically advancing world. Growth and urbanization also put pressure on many related services including policing. In 2018, Council agreed to hire an additional 11 municipal FTEs, or full time equivalent positions, in the Building, Bylaw, Roads and Utility departments. RCMP also asked West Kelowna to consider hiring eight officers, in addition to the existing complement of 26, to deal with the growing number of calls for service. Council agreed to hire two officers and requested a review of the distribution of RCMP resources at the West Kelowna Detachment, which includes 20 officers who serve Peachland, Westbank First Nation, Highway 97C - the Connector - to Sunset Main, the Central Okanagan West and East Rural Electoral Areas and Big White. Calls for

DEPARTMENTS REPORTING TO THE CAO

COLLECTIVE BARGAINING AND LABOUR RELATIONS

COMMUNITY POLICING LIAISON

INFORMATION SYSTEMS ANALYSIS AND SUPPORT

HUMAN RESOURCES

OCCUPATIONAL HEALTH, SAFETY AND WELLNESS

NETWORK ANALYSIS AND SUPPORT

RCMP LIAISON

BY THE NUMBERS

Full time budgeted FTE complement	186.7
Total FTE compliment as of December 31	179.7
Number of staff positions filled	34
Resumes received	1,842
Number of help desk support requests	2,785
Average public WiFi users per month	1,154
Total calls for RCMP service	8,007
Violent offenses	555
Property offenses	1,448
Motor vehicle incidents	303
Traffic violation tickets issued	1,613



DEPARTMENTS OF THE CHIEF ADMINISTRATIVE OFFICER

RCMP service within the City of West Kelowna increased 1.5% in 2018 compared to 2017; violent crimes rose 11.4%; and, property offenses were down 4.5%. RCMP reported that no major crimes - murders nor attempted murders - occurred. Although more than 300 motor vehicle incidents were reported during the year, no fatalities occurred in the City of West Kelowna. The gradual addition of required new municipal employees over the past nine years reached a breaking point in 2018 and satellite offices had to be leased. A suitable location was found in Lakeview Village Shopping Centre. Information Services and Facilities crews teamed up to complete \$240,000 in leasehold improvements to accommodate the Economic Development, Engineering and Purchasing Departments. When staff moved in mid-summer, the departments again teamed up to reconfigure and renovate existing City Hall space and on-site portables to make room for employees. The changes also presented an opportunity to update and renovate Council Chambers (Photo).

2018 KEY EVENTS

JANUARY 16

New Safety Advisor position created

APRIL 17 TO AUGUST 17

Conducted leasehold upgrades at Lakeview Village

APRIL 27

Observed National Day of Mourning

MAY 06 TO 12

Hosted Occupational Health and Safety Week events

AUGUST 17 AND SEPTEMBER 17

Started renovations at equipment moves at City Hall

Completed renovations at City Hall and portables

SEPTEMBER 04

New commander in charge of RCMP Detachment

SEPTEMBER 27

Set up of new phone system at Aquatic Centre

NOVEMBER 14

Hosted National Take Your Kids to Work Day

DECEMBER 12

Started renovations in Council Chambers

CITIZENS' SURVEY RESULTS



2018 HIGHLIGHTS

The 11th annual survey was conducted in June. One thousand questionnaires were mailed to randomly selected property owners in 11 neighbourhood zones to poll them about how they felt regarding the level and quality of programs and services they receive and if the City should provide more, equal or less service in specified areas. City funds are limited, so a tool that identifies taxpayers' priorities is extremely helpful to Council as it aims to provide quality services, keep taxes low and build reserves for future needs. Staff compares results against previous findings to see what trends are forming.

In 2018 281 surveys were returned, low compared to recent years:

- 317 in 2017
- 360 in 2016 and 2015

The survey was made available for anyone to fill out and return; 42 voluntary surveys were received, the most ever. These surveys could not be included in the scientific results comprised of the mailed questionnaires, but the responses were provided to Council.

IMPORTANCE VERSUS QUALITY COMPARISON

Residents rank how they feel about the quality of services provided and how important it is for Council to invest in them. Roads and sidewalks rank high annually, but new atop the list of services failing expectations was Water Quality. Given the number of Boil Notices and Quality Advisories in 2018, due to Climate Change and aging infrastructure, the result is not surprising. The City planning a new Rose Valley Water Treatment Plant.

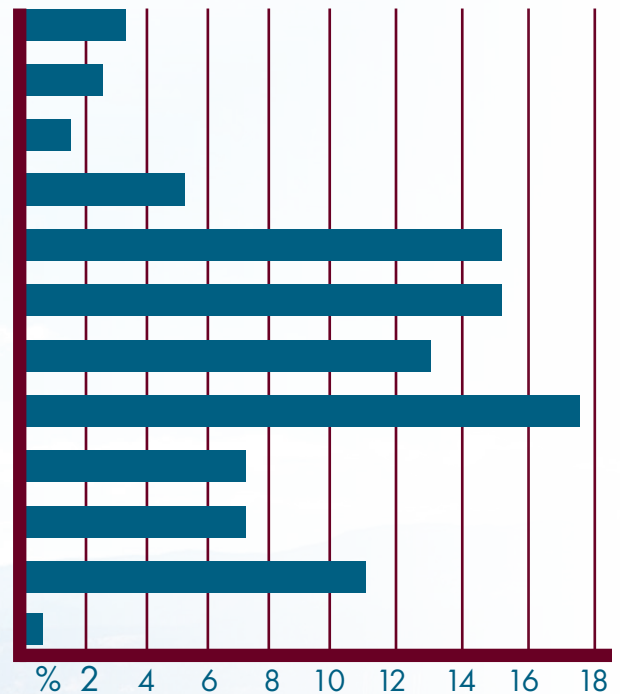
SERVICES FAILING EXPECTATIONS		SERVICES EXCEEDING EXPECTATIONS	
2018	2017	2018	2017
DRINKING WATER QUALITY	ROADS MAINTENANCE	RECREATIONAL TRAILS	ARENAS
ROAD MAINTENANCE	ROADS	SWIMMING POOL	PUBLIC LIBRARY
ROADS	ILLEGAL DUMPING CLEANUP	ARENAS	COMMUNITY HALLS AND CENTRES
STREET LIGHTING	SIDEWALKS	PUBLIC LIBRARY	SPORTS FIELDS SOCCER/FOOTBALL
SIDEWALKS	DEVELOPMENT AND GROWTH PLANNING	SPORTS FIELDS SOCCER/FOOTBALL	SPORTS FIELDS BASEBALL
ILLEGAL DUMPING CLEANUP	RECREATION PROGRAMS FOR TEENS	SPORTS FIELDS BASEBALL	SKATEBOARD AND BIKE PARKS
DEVELOPMENT AND GROWTH PLANNING	DEDICATED BICYCLE LANES	WEST KELOWNA WEBSITE	
RECREATION PROGRAMS FOR TEENS			
BUILDING INSPECTIONS			

FOR FULL RESULTS VISIT WESTKELOWNACITY.CA/CITIZENSSURVEY.

CITIZENS' SURVEY RESULTS

RESPONDENTS BY NEIGHBOURHOOD - SURVEY REPRESENTATIVE POPULATION

BEAR CREEK ROAD/WESTSIDE ROAD
BOUCHERIE CENTRE
CASA LOMA
GELLATLY/GOATS PEAK
GLENROSA
LAKEVIEW HEIGHTS
ROSE VALLEY/WEST KELOWNA ESTATES
SHANNON LAKE
SMITH CREEK
SOUTH BOUCHERIE
WESTBANK
WOULD NOT SAY



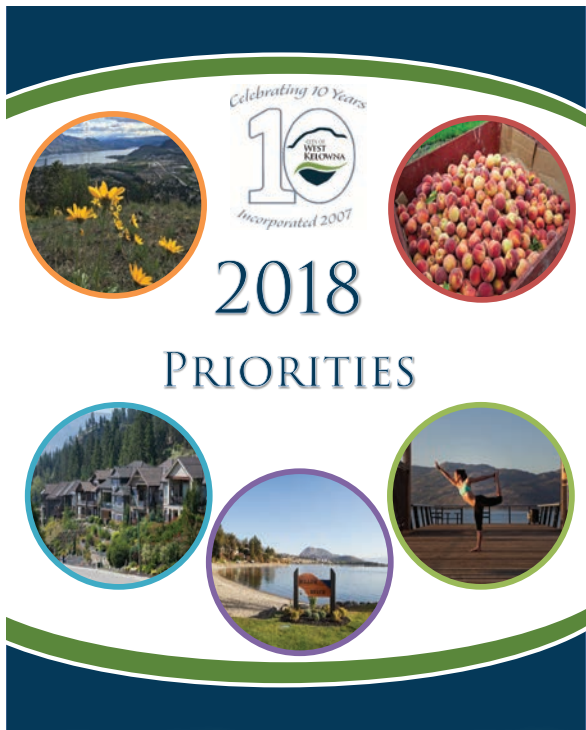
DEMOGRAPHICS

- 65% of respondents were 55 and over
- 47% were retired
- 23% work in Kelowna or north
- 16% work in West Kelowna
- One survey was received from someone aged 19 to 24
- 55% owned property in West Kelowna for 10 years or more

QUALITY OF LIFE

- 84% indicate their quality of life is good or very good; 82% said the same in 2017
- 45% of respondents say elected officials' performance is good or very good
- 55% said West Kelowna is growing at the right pace, up from 49% in 2017
- 38% feel that West Kelowna is growing too fast, down from 45% in 2017.

COUNCIL'S 2018 STRATEGIC PRIORITIES



Strategic plans help guide Mayor and Council's decision making process and establish short and long-term goals that are directed at helping our community prosper and flourish. Council strives to pursue goals that reflect the community's needs and wishes, that are sustainable and which also adhere to proven local government service delivery models and national infrastructure management best practices. The plan also establish goals for staff based on Council's vision and mission for the community. West Kelowna Council has conducted strategic planning sessions every year since 2008.

Since the plan is updated annually the goal posts can move based on what requests Council hears from the community, the number of requests made to staff throughout the year for various types of

services, infrastructure priorities that arise due to aging or growth or any findings that emerge from various master planning exercises. The plan can be adjusted to meet urbanization pressures, address technological advancements and to adapt to climate change, emerging social issues and emergencies.

From the Strategic Plan, the City's Operational Plan is created. The plan contains various tasks based on the current year's priorities, goals established over the next two to three years and carry over projects from previous years. Staff provides quarterly updates on the progress of the plan. To learn more, please visit the City's [website](#).



COUNCIL'S 2018 STRATEGIC PRIORITIES



Economic Development

Goal:

To diversify the tax base in the City of West Kelowna by investing in economic development, small business support and new revenue opportunities.

2018 Priorities

Project	Details	Status	Completion Date	Lead
1. Continue support for West Kelowna's own Economic Development function and Tourism	<ul style="list-style-type: none"> Implement Economic Strategic Plan Present annual work plans to Council 		Ongoing	GMDS
2. Development Process Review	<ul style="list-style-type: none"> Implement recommendations of review 	100%	April 2018	CAO
3. City Hall (land/building)	<ul style="list-style-type: none"> Purchase land Finance building (currently 2027) 		Ongoing	CAO
4. Explore Greater Westside Economic Development	<ul style="list-style-type: none"> Partner with Greater Westside Board of Trade and Westbank First Nation to host a Social Media Workshop for business Host roundtable for westside chairs of Economic Development Committees 		Ongoing	GMDS
5. Enhance role of the Economic Development Committee (EDC)	<ul style="list-style-type: none"> Increase referrals for EDC Incorporate activity reporting of EDC in quarterly reporting Invite EDC members to business visits 	100%	June 2018	GMDS



Infrastructure

Goal:

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

2018 Priorities

Project	Details	Status	Completion Date	Lead
1. Rose Valley Water Treatment Plant and Infrastructure System	<ul style="list-style-type: none"> Design & construction of Rose Valley Water Treatment Plant 	30%	Beyond 2018	GMEPW
2. Roads and Sidewalks Program	<ul style="list-style-type: none"> 2018 Road Rehab Program 2018 Pedestrian Improvement Program 	90% 100%	November 2018	GMEPW
3. Boucherie Road Upgrade – Phase 2	<ul style="list-style-type: none"> Construction of Phase 2 Boucherie Road 	100%	November 2018	GMEPW
4. Water Stewardship Program	<ul style="list-style-type: none"> Leak detection Drought & Source Water Protection Plan 	80%	December 2018	GMEPW
5. CNR Wharf – Phase II Design	<ul style="list-style-type: none"> Design and approve for Phase 2 Design 	90%	December 2018	GMEPW
6. Soccer Dome	<ul style="list-style-type: none"> Design and construction 	70%	Beyond 2018	GMEPW
7. Artificial Turf Field and Track Planning	<ul style="list-style-type: none"> Design artificial turf field and track 		Beyond 2018	GMEPW



Safety and Security

Goal:

To ensure West Kelowna is safe for all residents and visitors.

2018 Priorities

Project	Details	Status	Completion Date	Lead
1. Downtown Safety and Security (including washrooms)	<ul style="list-style-type: none"> Review security issues and hire required security 	100%	May 2018	CAO
2. Traffic Safety and Speed Enforcement	<ul style="list-style-type: none"> Hire 2 additional reservist restricted to traffic enforcement 	100%	April 2018	CAO
3. Glenrosa Emergency Route (Jackpine/Bear Main)	<ul style="list-style-type: none"> Grade road and improve drainage – province to do work 		Ongoing	CAO
4. Rural RCMP Detachment Review	<ul style="list-style-type: none"> Conduct study to determine work load between municipal and provincial 		September 2018	CAO
5. Update Zoning Bylaw in Consideration of Cannabis Act	<ul style="list-style-type: none"> Revise Zoning Bylaw and other applicable bylaws to respond to the Cannabis Act and corresponding provincial regulations 	100%	October 2018	GMDS



Service Delivery

Goal:

To ensure municipal governance and operations are as efficient and effective as possible

2018 Priorities				
Project	Details	Status	Completion Date	Lead
1. Transit Service Improvement, (Including Handi-Dart)	<ul style="list-style-type: none"> Review usage, efficiency, cost and revenue collected and make recommendations 	80%	August 2018	CAO
2. Communications Review	<ul style="list-style-type: none"> Investigate public engagement 	100%	August 2018	DCAO
3. Development Fees Review	<ul style="list-style-type: none"> Complete a review and comparative analysis of development application fees Initiate communication review 	60%	Beyond 2018	GMDS
4. Departmental Review Program	<ul style="list-style-type: none"> Determine department to be reviewed and hire consultant 	80%	Beyond 2018	CAO
5. Works and Services Bylaw Review	<ul style="list-style-type: none"> Housekeeping review to improve clarity and functionality of bylaw 	100%	June 2018	GMDS

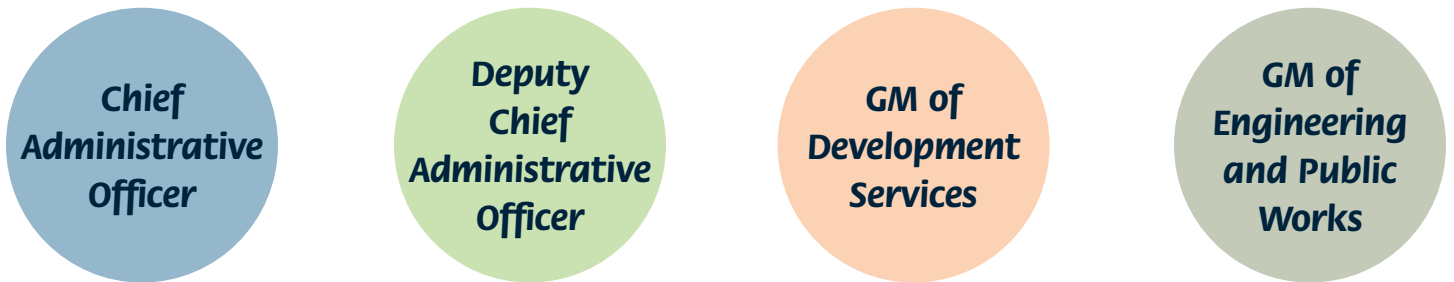
PERFORMANCE MEASURES



The City of West Kelowna is divided into four divisions that are overseen by the Senior Management Team, which consists of: The Chief Administrative Officer, the Deputy Chief Administrative Officer and General Manager of Finance, Administrative and Protective Services, General Manager of Development Services and General Manager of Engineering and Public Works. Collectively, approximately 30 departments and general service areas are contained within the four divisions.

Each division and its Departments are provided with an annual Operational Plan that is based on Council’s Strategic Priorities and the adopted 10-year financial and capital plans.

After every operating year, the City of West Kelowna prepares an annual report which includes performance measures, or the progress made in achieving the goals set out in the Operational Plan.



2018 Priorities

Chief Administrative Officer Operational Plan

Departmental Projects	Status	Start Date	Estimated Completion	Lead
Municipal RCMP Business Plan	10%		Beyond 2018	CAO
Regular Community Consultation on Initiatives			Ongoing	CAO
Facilitate 2018 Strategic Planning	100%			CAO
Strategic Plan Quarterly Updates for Council			Ongoing	CAO

2018 Priorities



Deputy Chief Administrative Officer

Departmental Projects	Status	Start Date	Estimated Completion	Lead
Purchasing Policy Update	100%	January 2018	September 2018	DCAO
Tender Document Update	100%	March 2018	July 2018	DCAO
Implementation of Online Bidding and Evaluation Tool Software	80%	May 2018	March 2019	DCAO
Implement e-Billing	80%	July 2018	February 2019	DCAO
Implement Automation of Purchasing Cards	50%	April 2018	Beyond 2018	DCAO
Launch New City Website	100%	October 2017	April 2018	DCAO
Communicate Water Rates, Water Treatment Plant and Other Capital Projects		Ongoing	Ongoing	DCAO
2018 Local Government Election	100%	January 2018	December 2018	DCAO
2018 Local Government Election, Election Bylaw Review	100%	January 2018	May 2018	DCAO
Review Business License Bylaw and Fees	25%	January 2018	December 2018	DCAO
Document Management Upgrade	100%	January 2018	June 2018	DCAO
Finalize Good Neighbour Bylaw	100%	Ongoing	September 2018	DCAO
Council Procedure Bylaw Amendments	100%	January 2017	September 2018	
Fire Services Priority Plan	100%	January 2018	December 2018	DCAO
Blue Card Command System Implementation	60%	2017	Beyond 2018	DCAO
Complete Community Wildfire Protection Plan Update	100%	March 2018	October 2018	DCAO
Develop and Implement New WKFR Performance Measurement and Metrics	25%	March 2018	Beyond 2018	DCAO



General Manager of Development Services Operational Plan

Departmental Projects	Status	Start Date	Estimated Completion	Lead
Farm Loop Wayfinding	80%	June 2017	Beyond 2018	GMDS
Wine Trail Wayfinding (Boucherie Construction)	80%	June 2017	Beyond 2018	GMDS
Parks Acquisition and Disposition Strategy	100%	January 2016	June 2018	GMDS
Official Community Plan Housekeeping Review (Concurrent with Zoning Bylaw Review/Minor Mapping Amendments)	5%	April 2018	Beyond 2018	GMDS
Update Zoning Bylaw in Consideration of Cannabis Act	100%	January 2018	November 2018	GMDS
Zoning Bylaw Housekeeping Review (Concurrent with Official Community Plan Amendment)	25%	April 2018	Beyond 2018	GMDS
Sign Bylaw Review	100%		February 2018	GMDS
Temporary Farm Workers Housing Zoning Regulation Review	100%	October 2017	August 2018	GMDS
Building Bylaw Review (Legislative Requirement)	15%		Beyond 2018	GMDS
Central Okanagan Planning Study (COPS) – Second Corridor (on hold)		Ongoing		GMDS
Development Services Enhancements		Ongoing		GMDS
Host Builders Roundtable	100%	December 2018	December 2018	GMDS
Host Legal Industry Roundtable			Beyond 2018	GMDS
Host Development Industry Roundtable		2018	Beyond 2018	GMDS
Works & Services Bylaw	100%	October 2017	June 2018	GMDS
Consideration of Building Step Code	80%	January 2018	Beyond 2018	GMDS
Promote CityView Portal		Ongoing		
Parkland Acceptance Policy	5%	March 2018	Beyond 2018	GMDS
Development Application Fees Review	70%	March 2018	Beyond 2018	GMDS
STPCO Regional Transportation Plan	30%	January 2018	Beyond 2018	GMDS

2018 Priorities

General Manager of Engineering & Public Works Operational Plan

Departmental Projects	Status	Start Date	Estimated Completion	Lead
Rose Valley Water Treatment Plant	30%	January 2017	Beyond 2018	GMEPW
2018 Road Rehab Program	90%	January 2018	November 2018	GMEPW
2018 Pedestrian Improvement Program	100%	January 2018	November 2018	GMEPW
Walkway Repairs (Trails)	30%	April 2017	November 2018	GMEPW
Boucherie Road – Stuart to Ogden Construction	100%	April 2017	December 2018	GMEPW
Gellatly Powers Creek Bridge Design	30%	March 2018	December 2018	GMEPW
Rosealee Lane Drainage Improvements	100%	December 2017	July 2018	GMEPW
Klein Road Drainage Improvements	100%	March 2018	July 2018	GMEPW
Drainage Partnership with Westbank First Nation		January 2018	December 2018	GMEPW
Athletic Field Lighting	100%	March 2017	April 2018	GMEPW
City Staff Office Space	100%	January 2017	May 2018	GMEPW
Public works Yard Concept Plan	70%	February 2017	May 2018	GMEPW
Water Leak Detection Program		April 2018	December 2018	GMEPW
Pettman Road Booster Station Upgrades	100%	April 2017	July 2018	GMEPW
Sunnyside Intake Upgrades	100%	April 2018	September 2018	GMEPW
East Boundary/Casa Rio Lift Station Upgrades	100%	August 2017	May 2018	GMEPW
Horizon Lift Station	100%	January 2017	December 2018	GMEPW
Emergency Back-Up Infrastructure for Municipal Operations	50%	January 2017	December 2018	GMEPW
Road Maintenance Review	75%	January 2017	December 2018	GMEPW
Flood Remediation	80%	November 2017	Beyond 2018	GMEPW

NEIGHBOURHOODS MAP











VIEW TOPOGRAPHICAL AND AERIAL PHOTO MAPS OF WEST KELOWNA AT WESTMAP.CA.

GENERAL NEIGHBOURHOOD POPULATIONS (NUMBERS ARE APPROXIMATE)

CASA LOMA	860
GELLATLY/GOATS PEAK	1,955
GLENROSA	6,156
LAKEVIEW HEIGHTS	4,050
ROSE VALLEY/WEST KELOWNA ESTATES	5,145
SHANNON LAKE	5,002
SMITH CREEK	1,370
SOUTH BOUCHERIE	2,784
WESTBANK	3,072
OTHER AREAS	3,000

FOR POPULATION ESTIMATES FROM THE PROVINCE OF BC, PLEASE VISIT BC STATISTICS.

- | | |
|--|---|
|  1,750 street lights |  10 dams |
|  522 lane km of road |  10 km of bike lanes |
|  277 km of water mains |  9 reservoir lakes |
|  220 km of sewer mains |  6 bridges |
|  139 parks and trails |  4 fire halls |
|  137 licensed vehicles/equipment |  3 community centres |
|  78 km of sidewalks |  2 arenas |
|  29 playgrounds |  2 boat launches |
|  25 sewer lift stations |  1 indoor aquatic centre |
|  21 km of multi-use trails |  1 museum and visitor centre |
|  21 unlicensed equipment |  1 RCMP detachment |
|  15 reservoirs |  1 water treatment plant |
|  12 water pump stations |  1 water chlorination facility |



FIREFIIGHTERS WASH ENGINE 32 PRIOR TO MAY 10 PUSHING IN CEREMONY AT HALL 32.

PERMISSIVE TAX EXEMPTIONS



BUILDINGS OF PUBLIC WORSHIP

PLACE OF WORSHIP

PLACE OF WORSHIP	ADDRESS	TAX EXEMPTION
Westbank United Church	3672 Brown Road	1069.37
St. George's Anglican Church	3690 Brown Road	2650.63
Westbank Bible Chapel	2412 Apollo Road	1233.05
Redeemer Lutheran Church	3637 Brown Road	1167.51
Our Lady of Lourdes Catholic Church	2547 Hebert Road	5167.02
Our Lady of Lourdes Catholic School	2547 Hebert Road	327.10
Highway Gospel Hall	2549 Hebert Road	1685.28
Sunridge Community Mennonite Church	1190 Stevens Road	9022.77
Lakeview Heights Baptist Church	2630 Alhambra Drive	3298.89
Grace Lutheran Church	1162 Hudson Road	4385.69
Westside Alliance Church	2011 Daimler Drive	2394.33
Glenrosa Congregation of Jehovah's Witnesses	3737 Glenway Road	4441.36
Powers Creek Community Church	3718 Glenway Road	1772.12
Westbank Seventh Day Adventist Church	3155 Glenrosa Road	110.45
Westbank Seventh Day Adventist School	3155 Glenrosa Road	5564.47
Emmanuel Assembly	2600 Hebert Road	1895.20

NOT FOR PROFIT ORGANIZATIONS

Green Bay Bible Camp	1449 Green Bay Road	87,221.31
Central Okanagan Community Foodbank	2545 Churchill Road	7824.55
Morning Star Bible Camp	3031 McIver Road	29837.66
Central Okanagan Boys and Girls Club	2629 Inverness Road	24397.04
Pathways Abilities Society	2476 Main Street	5254.19
Greater Westside Board of Trade	2372 Dobbin Road	3603.77

MUNICIPAL PROPERTY

Nature Trust of BC (Park Lease)	Westlake Road	1665.37
Westbank First Nation	Casa Palmero Drive	52.26

TOTAL 2018 PROPERTY TAX EXEMPTIONS

206099.58

For more information on property tax exemptions, related qualifications and applicable legislation, please call the City of West Kelowna's Finance Department at 778-797-8860.

Grants in Aid (Cash Grants)

Air Cadet League of Canada 909 Peregrine	1,750
Gellatly Bay Trails and Parks Society	2,000
Kelowna & District Safety Council	1,500
Kelowna Rowing Club	1,500
Liquid Lighting Swim Club	14,500
Okanagan Boys and Girls Club	3,500
Scouts Canada Lakeview	1,500
Scouts Canada Westside	1,500
Sukwtemsquilxw West Kelowna Arts Council	8,000
Telemark Nordic Club	2,500
Therapeutic Lake Cruises Society	1,200
West Kelowna Community Policing Society	7,000
West Kelowna Firefighters Association	3,000
West Kelowna Yacht Club	6,000
West Kelowna Youth Ambassador Program	3,500
West Kelowna Trail Crew Society	2,000
Westside Celebration Society	20,000
Westside Health Network Society	14,000
West Kelowna Shelter Society	20,000
Total	114,950

Grants in Aid (Non Cash Grants)

Minor Hockey	180,927
Kinsmen Club	1,416
Lakeview Heights Community Assoc.	453
Canadian Red Cross - West Kelowna location	12,000
Girl Guides of Canada	2,772
Lakeview Heights Thursday Niters AA Group	1,855
Royal Canadian Legion	1,910
Figure Skating	52,620
Ringette	30,717
Westside Youth Soccer Association	1,392
Minor Baseball	9,286
Girls Softball	550
Minor Football	2,106
Total	298,004

End of 2018 Annual Report

WE LOVE IT HERE

...and you will too!



A hand is shown at the top of the frame, holding a large bunch of ripe, golden grapes. The background is a bright, sunlit vineyard with green leaves and a wooden post visible. The sun is low in the sky, creating a strong lens flare effect that illuminates the grapes and the text.

City of West Kelowna

FINANCIAL STATEMENTS

westkelownacity.ca



City of West Kelowna December 31, 2018

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 accordance 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.

Warren Everton, CPA, CMA
Chief Financial Officer
May 14, 2019



KPMG LLP
200-3200 Richter Street
Kelowna, BC
V1W 5K9
Canada
Telephone (250) 979-7150
Fax (250) 763-0044
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To Mayor and Council of the City of West Kelowna

Opinion

We have audited the consolidated financial statements of the City of West Kelowna (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2018, and its consolidated results of operations, its consolidated changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.



Independent Auditors' Report, page 2

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control.



Independent Auditors' Report, page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

May 14, 2019

Kelowna, Canada



City of West Kelowna
Consolidated statement of financial position
December 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 3)	\$ 52,328,208	\$ 58,194,379
Accounts receivable (Note 4)	<u>21,280,191</u>	<u>16,987,050</u>
	<u>73,608,399</u>	<u>75,181,429</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	11,253,727	6,336,303
Security deposits	8,984,020	7,593,809
Deferred revenue (Note 6)	16,670,876	15,846,376
Deferred development cost charges (Note 7)	11,967,830	16,718,109
Debt (Note 8)	<u>18,820,360</u>	<u>20,980,417</u>
	<u>67,696,813</u>	<u>67,475,014</u>
Net financial assets	<u>5,911,586</u>	<u>7,706,415</u>
Non-financial assets		
Prepaid expenses and inventory	1,158,679	927,700
Tangible capital assets and work in progress (Note 9)	<u>374,105,915</u>	<u>358,887,030</u>
	<u>375,264,594</u>	<u>359,814,730</u>
Accumulated surplus (Schedule 2)	<u>\$ 381,176,180</u>	<u>\$ 367,521,145</u>

Contingent liabilities and commitments (Notes 13 and 14)


 Warren Everton, CPA, CMA
 Chief Financial Officer


 Gord Milsom
 Mayor, City of West Kelowna

AUDITED FINANCIAL STATEMENTS

City of West Kelowna

Consolidated statement of operations and accumulated surplus

Year ended December 31, 2018

	2018	2018 Budget (Note 16)	2017
Revenue			
Taxation - net (Note 10)	\$ 32,557,061	\$ 32,710,435	\$ 31,161,042
Sales of service and regulatory fees	21,828,684	23,670,729	19,030,597
Government transfers (Note 11)	2,537,243	44,026,499	2,842,988
Other (Note 12)	21,211,985	21,768,530	9,259,050
Total revenues	78,134,973	122,176,193	62,293,677
Expenses (Schedule 3)			
General government services	15,076,639	15,153,549	14,295,005
Protective services	18,449,910	15,650,863	14,771,327
Transportation services	5,650,858	5,373,199	5,091,641
Environmental & health development services	4,545,176	4,977,530	4,003,439
Recreation and cultural services	7,591,393	7,552,335	7,106,052
Water services	6,970,545	7,266,755	6,033,261
Sewer services	5,861,558	6,311,947	5,618,995
Storm drainage	333,859	222,410	221,622
Total expenses	64,479,938	62,508,588	57,141,342
Annual surplus	13,655,035	59,667,605	5,152,335
Accumulated surplus, beginning of year	367,521,145	367,521,145	362,368,810
Accumulated surplus, end of year	\$ 381,176,180	\$ 427,188,750	\$ 367,521,145



City of West Kelowna

Consolidated statement of changes in net financial assets (debt)

Year ended December 31, 2018

	2018	2018 Budget (Note 16)	2017
Annual surplus (deficit)	\$ 13,655,035	\$ 59,667,605	\$ 5,152,335
Acquisition of tangible capital assets and work in progress	(26,352,313)	(79,997,325)	(10,730,880)
Amortization of tangible capital assets	11,125,328	10,954,626	10,954,626
Loss on disposal of tangible capital assets	8,100	-	-
Net change in prepaid expenses and inventory	(230,979)	-	(131,898)
Increase (decrease) in financial assets	(1,794,829)	(9,375,094)	5,244,183
Net financial assets, beginning of year	7,706,415	7,706,415	2,462,232
Net financial assets, end of year	\$ 5,911,586	\$ (1,668,679)	\$ 7,706,415

AUDITED FINANCIAL STATEMENTS

City of West Kelowna Consolidated statement of cash flows Year ended December 31, 2018

	2018	2017
Cash provided by (used for)		
Operating activities		
Annual surplus	\$ 13,655,035	\$ 5,152,335
Adjustment for non cash items		
Amortization of tangible capital assets	11,125,328	10,954,626
Actuarial adjustment on debt	(640,210)	(607,475)
Acquisition of tangible capital assets through developer & donor contributions	(3,563,812)	(1,805,505)
Loss on disposal of tangible capital assets	8,100	-
(Increase) decrease in		
Accounts receivable	(4,293,141)	(1,364,166)
Prepaid expenses and inventory	(230,979)	(131,898)
Increase (decrease) in		
Accounts payable and accrued liabilities	4,917,424	(1,293,091)
Security deposits	1,390,211	2,585,430
Deferred development cost charges	(4,750,279)	4,752,970
Deferred revenue	824,500	13,182,402
	<u>18,442,177</u>	<u>31,425,628</u>
Financing activities		
Repayment of debt	(1,519,847)	(1,515,060)
	<u>(1,519,847)</u>	<u>(1,515,060)</u>
Capital activities		
Acquisition of tangible capital assets and work in progress	(22,788,501)	(8,925,375)
	<u>(22,788,501)</u>	<u>(8,925,375)</u>
Increase (decrease) in cash and cash equivalents	<u>(5,866,171)</u>	20,985,193
Cash and cash equivalents, beginning of year	58,194,379	37,209,186
Cash and cash equivalents, end of year	<u>\$ 52,328,208</u>	<u>\$ 58,194,379</u>
Supplementary cash flow information		
Interest paid	\$ 1,100,207	\$ 1,252,977



City of West Kelowna Notes to the financial statements December 31, 2018

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.

City of West Kelowna
Notes to the financial statements
December 31, 2018

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.



City of West Kelowna
Notes to the financial statements
December 31, 2018

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	2018	2017
General Fund	\$ 350,582	\$ 160,706	\$ 511,288	\$ 507,866
Water Funds	11,423	5,479	16,902	16,786
Sewer Fund	558,049	296,897	854,946	848,624
	<u>\$ 920,054</u>	<u>\$ 463,083</u>	<u>\$ 1,383,136</u>	<u>\$ 1,373,276</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 16).

City of West Kelowna
Notes to the financial statements
December 31, 2018

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 15.



City of West Kelowna
Notes to the financial statements
December 31, 2018

3. 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%.

4. Financial assets - Accounts receivable

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

	2018	2017
Property Taxes	\$ 2,620,564	\$ 2,418,211
Federal government	1,040,888	361,592
Provincial government	6,680,491	2,991,300
Other governments	3,280	17,397
Sewer funds	6,484,315	6,921,963
Utilities	3,774,146	3,164,647
Other	676,507	1,111,940
	<u>\$ 21,280,191</u>	<u>\$ 16,987,050</u>

5. Liabilities - Accounts Payable and accrued liabilities

	2018	2017
Trade accounts payables	\$ 3,874,951	\$ 1,588,062
Wages and payroll liabilities	1,799,369	1,657,811
Accrued liabilities	1,811,210	1,088,549
Other governments	3,577,559	1,981,350
Other	190,638	20,531
	<u>\$ 11,253,727</u>	<u>\$ 6,336,303</u>

City of West Kelowna
Notes to the financial statements
December 31, 2018

6. Liabilities - Deferred Revenue

Deferred revenue is comprised of the following:

	2018	2017
Property taxes	\$ 2,475,229	\$ 2,349,185
Recreation program fees	148,646	153,492
Cemetery perpetual care fund	135,201	124,724
Utility fees	150,118	141,917
Other	13,761,682	13,077,058
	<u>\$ 16,670,876</u>	<u>\$ 15,846,376</u>

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

7. 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.

	2018	2017
Balance, beginning of year	\$ 16,718,109	\$ 11,965,139
Contributions from developers	3,883,482	5,063,003
Interest on investments	263,475	171,074
Bylaw expenditures	(8,897,236)	(481,107)
Balance, end of year	<u>\$ 11,967,830</u>	<u>\$ 16,718,109</u>

DCC's are comprised of the following:

	2018	2017
Roads	\$ 6,590,408	\$ 9,114,762
Water	5,417,740	4,955,090
Parks	(200,141)	2,565,224
Sewer	45,325	24,763
Storm Sewer	114,498	58,270
	<u>\$ 11,967,830</u>	<u>\$ 16,718,109</u>



City of West Kelowna Notes to the financial statements December 31, 2018

8. 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	\$ 1,622,238	\$ -	\$ 120,896	\$ 58,324	\$ 1,443,018
MFA issue #105	4.90	2029	5,704,703	-	277,414	102,247	5,325,042
			<u>7,326,941</u>	<u>-</u>	<u>398,310</u>	<u>160,571</u>	<u>6,768,060</u>
Water funds							
MFA issue #101	2.25	2027	146,219	-	8,227	3,951	134,041
MFA issue #103	2.65	2028	90,596	-	4,720	1,998	83,878
Province of BC	4.95	2027	6,558,247	-	555,135	-	6,003,112
			<u>6,795,062</u>	<u>-</u>	<u>568,082</u>	<u>5,949</u>	<u>6,221,031</u>
Sewer fund							
MFA issue #70	2.10	2019	24,509	-	5,535	6,447	12,527
MFA issue #71	2.10	2019	74,853	-	16,906	19,692	38,255
MFA issue #71	2.10	2019	159,981	-	36,133	42,088	81,760
MFA issue #73	2.10	2020	16,305	-	2,516	2,682	11,107
MFA issue #73	2.10	2020	339,747	-	52,425	55,877	231,445
MFA issue #74	1.75	2021	181,535	-	19,295	22,823	139,417
MFA issue #74	1.75	2021	47,717	-	5,072	5,999	36,646
MFA issue #74	1.75	2021	56,053	-	5,958	7,047	43,048
MFA issue #74	1.75	2021	19,918	-	2,117	2,504	15,297
MFA issue #74	1.75	2021	21,481	-	2,283	2,701	16,497
MFA issue #74	1.75	2021	40,063	-	4,258	5,037	30,768
MFA issue #75	1.75	2021	7,398	-	786	930	5,682
MFA issue #75	1.75	2021	270,310	-	28,730	33,985	207,595
MFA issue #75	1.75	2021	108,693	-	11,553	13,665	83,475
MFA issue #77	1.75	2022	665,288	-	57,915	62,486	544,887
MFA issue #79	2.25	2023	798,137	-	59,265	58,075	680,797
MFA issue #85	2.00	2024	442,086	-	28,795	25,502	387,789

AUDITED FINANCIAL STATEMENTS

City of West Kelowna Notes to the financial statements December 31, 2018

8. Liabilities - Long-term debt (continued)

MFA issue #85	2.00	2024	\$ 27,859	\$ -	\$ 1,815	\$ 1,607	\$ 24,437
MFA issue #95	1.80	2025	455,057	-	33,913	16,360	404,784
MFA issue #99	1.75	2027	10,747	-	660	356	9,731
MFA issue #99	1.75	2027	707,598	-	43,433	23,430	640,735
MFA issue #101	2.25	2027	1,549,926	-	87,212	41,883	1,420,831
MFA issue #101	2.25	2027	363,043	-	20,428	9,810	332,805
MFA issue #101	2.25	2027	470,110	-	26,452	12,704	430,954
			<u>6,858,414</u>	<u>-</u>	<u>553,455</u>	<u>473,690</u>	<u>5,831,269</u>
Total long-term debt			\$ 20,980,417	\$ -	\$ 1,519,847	\$ 640,210	\$ 18,820,360

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

	2019	2020	2021	2022	2023
General Fund	\$ 398,310	\$ 398,310	\$ 398,310	\$ 398,310	\$ 398,310
Water Funds	596,063	625,456	656,330	688,760	722,825
Sewer Fund	553,453	494,879	439,938	359,886	301,971
	<u>\$ 1,547,826</u>	<u>\$ 1,518,645</u>	<u>\$ 1,494,578</u>	<u>\$ 1,446,956</u>	<u>\$ 1,423,106</u>

9. Tangible capital assets and work in progress

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

	2018 Net book value	2017 Net book value
General		
Land	\$ 108,667,254	\$ 102,331,062
Buildings	26,469,711	26,624,954
Equipment	6,420,357	6,526,443
Engineering structures	<u>115,646,151</u>	<u>106,070,566</u>
	<u>257,203,473</u>	<u>241,553,025</u>
Water infrastructure	59,985,666	58,540,438
Sewer infrastructure	<u>52,833,275</u>	<u>53,368,059</u>
Tangible capital assets	<u>\$ 370,022,414</u>	<u>\$ 353,461,522</u>
Work in progress	<u>\$ 4,083,501</u>	<u>\$ 5,425,508</u>
Tangible capital assets and work in progress (Schedule 1)	<u>\$ 374,105,915</u>	<u>\$ 358,887,030</u>



City of West Kelowna
Notes to the financial statements
December 31, 2018

10. Taxation - net

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

	2018	2017
General municipal purposes	\$ 32,557,061	\$ 31,161,042
Collections for other governments		
Provincial Government - Schools	14,895,183	14,294,497
Central Okanagan Regional Hospital District	2,600,869	2,568,146
Regional District of the Central Okanagan	3,378,614	3,354,549
British Columbia Assessment Authority	422,112	393,646
Municipal Finance Authority	1,976	1,704
	<u>53,855,815</u>	<u>51,773,584</u>
Transfers to other governments		
Provincial Government - Schools	(14,895,183)	(14,294,497)
Central Okanagan Regional Hospital District	(2,600,869)	(2,568,146)
Regional District of the Central Okanagan	(3,378,614)	(3,354,549)
British Columbia Assessment Authority	(422,112)	(393,646)
Municipal Finance Authority	(1,976)	(1,704)
	<u>(21,298,754)</u>	<u>(20,612,542)</u>
	<u>\$ 32,557,061</u>	<u>\$ 31,161,042</u>

11. Government transfers

	2018	2017
Provincial unconditional transfers (repayments)		
Sewer grants	(10,539)	648,993
Other	83,061	57,583
	<u>72,522</u>	<u>706,576</u>
Provincial conditional transfers		
Okanagan Basin Water Board grant	67,422	87,203
Other	143,900	124,211
	<u>211,322</u>	<u>211,414</u>
Federal unconditional transfers		
Traffic fine revenue sharing grant and Federal grants	450,205	551,219
	<u>450,205</u>	<u>551,219</u>
Federal conditional transfers		
Gas tax community works fund	1,803,194	1,373,779
	<u>1,803,194</u>	<u>1,373,779</u>
Total transfers from other governments	<u>\$ 2,537,243</u>	<u>\$ 2,842,988</u>

City of West Kelowna
Notes to the financial statements
December 31, 2018

12. Revenue - other

	2018	2017
DCC contributions (Note 7)	\$ 8,897,236	\$ 481,107
Cost recoveries	4,243,431	2,848,893
Development permits	1,301,231	1,529,738
Interest	874,386	510,777
Actuarial adjustment on long-term debt (Note8)	640,210	605,710
Licenses and permits	257,875	241,025
Penalties and interest on taxes	482,924	411,493
Rentals	533,665	532,880
Donations	3,639,953	1,941,079
Other	341,074	156,348
	\$ 21,211,985	\$ 9,259,050

13. 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, 2018, 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



City of West Kelowna

Notes to the financial statements

December 31, 2018

13. Contingent liabilities (continued)

Pension (continued)

pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 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 \$1,485,052 (2017-\$1,422,217) for employer contributions while employees contributed \$1,233,965 (2017-\$1,187,035) to the Plan in fiscal 2018.

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

14. Commitments

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

2019	\$	738,937
2020	\$	598,952
2021	\$	152,942
2022	\$	81,702
2023	\$	81,702
	\$	<u>1,654,235</u>

City of West Kelowna

Notes to the financial statement

December 31, 2018

14. 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. Accrued earned sick leave and vacation pay is included in wages and payroll liabilities.

Letters of Credit

The City is holding letters of credit in the amount of \$6,857,829 (2017-\$6,524,836), which are received as security related to performance deposits.

15. 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.



City of West Kelowna
Notes to the financial statements
December 31, 2018

15. 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.

City of West Kelowna
Notes to the financial statements
December 31, 2018

16. Budget

The budget amounts presented reflect the statutory financial plan as adopted by Council on April 17, 2018, 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. 0247, 2018	\$	-
Adjust for non-operating items included in Financial Plan:		
Acquisition of tangible capital assets		94,870,109
Repayment of principal portion of long-term debt		1,519,847
Net transfers from reserves		<u>(25,597,023)</u>
		<u>70,792,933</u>
Adjust for operating items excluded in Financial Plan:		
Amortization (actual)		<u>(11,125,328)</u>
		<u>(11,125,328)</u>
Budget surplus/(deficit) as per the statement of operations and accumulated surplus	\$	<u>59,667,605</u>



City of West Kelowna Schedule 1 - Schedule of tangible capital assets and work in progress December 31, 2018

		Equipment					
		Buildings & Land Improvements	Computer	Machinery	Office furniture & equipment	Small tools & equipment	Vehicles
Cost, beginning of year	\$102,331,062	\$ 38,944,524	\$ 3,874,967	\$ 2,177,170	\$ 872,932	\$ 1,547,820	\$ 8,261,638
Additions	6,336,192	841,640	456,709	83,559	47,564	154,700	277,524
Disposals	-	-	(3,900)	(17,120)	(81,000)	-	(25,886)
Cost, end of year	<u>\$108,667,254</u>	<u>\$ 39,786,164</u>	<u>\$ 4,327,776</u>	<u>\$ 2,243,609</u>	<u>\$ 839,496</u>	<u>\$ 1,702,520</u>	<u>\$ 8,513,276</u>
Accumulated amortization, beginning of year	-	12,319,570	3,335,140	1,104,215	627,710	929,326	5,203,026
Amortization	-	996,883	283,830	175,552	18,134	143,112	435,927
Disposals	-	-	(3,900)	(17,120)	(72,900)	-	(25,886)
Accumulated amortization, end of year	<u>-</u>	<u>\$ 13,316,453</u>	<u>\$ 3,615,070</u>	<u>\$ 1,262,647</u>	<u>\$ 572,944</u>	<u>\$ 1,072,438</u>	<u>\$ 5,613,067</u>
Net book value, end of year	<u>\$108,667,254</u>	<u>\$ 26,469,711</u>	<u>\$ 712,706</u>	<u>\$ 980,962</u>	<u>\$ 266,552</u>	<u>\$ 630,082</u>	<u>\$ 2,900,209</u>
Work in progress	<u>\$ -</u>	<u>\$ 263,793</u>	<u>\$ 407,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,299</u>	<u>\$ 1,112,800</u>
Tangible capital assets and work in progress	<u>\$108,667,254</u>	<u>\$ 26,733,504</u>	<u>\$ 1,120,685</u>	<u>\$ 980,962</u>	<u>\$ 266,552</u>	<u>\$ 709,381</u>	<u>\$ 4,013,009</u>

AUDITED FINANCIAL STATEMENTS

work in progress

Engineering structures

Solid waste carts	Infrastructure	Roads	Sidewalks	Storm drains	Water Infrastructure	Sewer Infrastructure	Total
\$ 1,537,145	\$ 12,568,230	\$231,855,076	\$ 6,378,012	\$ 3,366,462	\$ 88,268,684	\$ 68,003,576	\$ 569,987,297
-	2,735,700	10,971,743	1,431,397	750,543	3,064,902	542,148	27,694,321
-	-	-	-	-	-	-	(127,906)
<u>1,537,145</u>	<u>15,303,930</u>	<u>242,826,819</u>	<u>7,809,409</u>	<u>4,117,005</u>	<u>91,333,586</u>	<u>68,545,723</u>	<u>597,553,712</u>
545,812	2,616,344	142,339,018	2,055,728	1,086,124	29,728,246	14,635,517	216,525,776
61,487	756,851	5,176,358	134,710	245,879	1,619,674	1,076,931	11,125,328
-	-	-	-	-	-	-	(119,806)
<u>607,299</u>	<u>3,373,195</u>	<u>147,515,376</u>	<u>2,190,438</u>	<u>1,332,003</u>	<u>31,347,920</u>	<u>15,712,448</u>	<u>227,531,298</u>
<u>\$ 929,846</u>	<u>\$ 11,930,735</u>	<u>\$ 95,311,443</u>	<u>\$ 5,618,971</u>	<u>\$ 2,785,002</u>	<u>\$ 59,985,666</u>	<u>\$ 52,833,275</u>	<u>\$ 370,022,414</u>
<u>\$ -</u>	<u>\$ 347,187</u>	<u>\$ 44,545</u>	<u>\$ 63,864</u>	<u>\$ 941,236</u>	<u>\$ 822,798</u>	<u>\$ -</u>	<u>\$ 4,083,501</u>
<u>\$ 929,846</u>	<u>\$ 12,277,922</u>	<u>\$ 95,355,988</u>	<u>\$ 5,682,835</u>	<u>\$ 3,726,238</u>	<u>\$ 60,808,464</u>	<u>\$ 52,833,275</u>	<u>\$ 374,105,915</u>



City of West Kelowna
Schedule 2 - Schedule of accumulated surplus
December 31, 2018

	Balance, beginning of year
Reserves	
Capital - general	6,200,723
Capital - water	4,438,217
Capital - sewer	264,341
Community projects	5,207,668
Equipment replacement	3,567,465
Future expenses	1,997,276
Municipal facilities	3,911,338
Other	5,231,067
Policing	1,249,515
Property acquisition	1,604,679
Recreation	372,108
Road maintenance and snow clearing	618,618
Storm drainage	377,035
	<u>35,040,050</u>
Investment in non-financial assets	
Investment in tangible capital assets	<u>332,481,100</u>
Accumulated surplus	<u>\$367,521,145</u>

surplus

Transfer to	Transfer from	Interest	Balance, end of year
3,410,255	(4,570,922)	114,568	5,154,624
2,335,580	(3,094,937)	81,826	3,760,686
515,000	(560,942)	8,145	226,544
1,420,117	(4,268,762)	75,289	2,434,312
1,117,500	(615,194)	75,990	4,145,761
755,560	(785,813)	39,445	2,006,463
700,000	-	84,801	4,696,139
26,273,529	(27,230,670)	26,287	4,300,213
-	(627,895)	18,618	640,238
-	-	31,933	1,636,612
106,000	(337,579)	5,020	145,549
-	-	12,311	630,929
-	(196,680)	7,603	187,958
<u>36,633,541</u>	<u>(42,289,394)</u>	<u>581,836</u>	<u>29,966,028</u>
<u>29,854,376</u>	<u>(11,125,329)</u>	<u>-</u>	<u>351,210,152</u>
<u>\$ 66,487,917</u>	<u>\$ (53,414,723)</u>	<u>\$ 581,836</u>	<u>\$381,176,180</u>



City of West Kelowna
Schedule 3 - Schedule of segment disclosure
December 31, 2018

	General Fund		
	General government services	Protective services	Transportation services
Revenue			
Taxation-net	\$ 11,789,817	\$ 9,578,869	\$ 4,427,608
Sale of services and regulatory fees	-	1,773,650	748,736
Government transfers	2,291,530	188,470	361
Other	5,908,818	4,532,010	4,885,871
Total revenue	<u>19,990,165</u>	<u>16,072,999</u>	<u>10,062,576</u>
Expenses			
Amortization of tangible assets	8,311,336	-	-
Building and grounds maintenance	369,631	62,421	-
Civic grants	425,308	-	-
Contract services	804,938	269,532	2,422,035
Interest on long-term debt	463,977	-	-
Equipment maintenance and fuel	580,834	262,496	86,858
Library	-	-	-
Recoverable Emergency Operations	-	4,475,211	-
MP E-Division Contract	-	4,609,032	-
Supplies, small tools and equipment	456,786	363,903	113,639
Transit	-	-	2,030,461
Utilities	234,045	128,013	249,266
Wages, benefits & professional development	3,429,783	8,279,302	748,599
Total expenses	<u>15,076,638</u>	<u>18,449,910</u>	<u>5,650,858</u>
Annual surplus (deficit) for the year	<u>\$ 4,913,527</u>	<u>\$ (2,376,911)</u>	<u>\$ 4,411,718</u>

AUDITED FINANCIAL STATEMENTS

Environmental health & development services	Recreation & cultural services	Water services	Sewer services	Storm drainage	2018 Totals	2017 Totals
\$ 1,822,048	\$ 4,719,396	\$ -	\$ -	\$ 219,323	\$ 32,557,061	\$ 31,161,042
3,129,491	1,889,559	9,209,374	5,077,874	-	21,828,684	19,030,597
-	-	24,633	32,249	-	2,537,243	2,842,988
1,317,854	3,798,082	264,338	505,012	-	21,211,985	9,259,050
<u>6,269,393</u>	<u>10,407,037</u>	<u>9,498,345</u>	<u>5,615,135</u>	<u>219,323</u>	<u>78,134,973</u>	<u>62,293,677</u>
45,810	-	1,691,251	1,076,931	-	11,125,328	10,954,626
-	296,147	167,918	448	-	896,565	775,904
-	-	-	-	-	425,308	394,078
2,236,374	1,644,283	786,879	3,607,216	264,508	12,035,765	10,723,171
-	-	292,193	344,037	-	1,100,207	1,252,977
9,187	254,504	310,261	28,198	6,170	1,538,508	1,513,246
-	1,470,991	-	-	-	1,470,991	1,473,865
-	-	-	-	-	4,475,211	2,508,511
-	-	-	-	-	4,609,032	3,199,904
164,523	304,421	864,000	161,251	19,503	2,448,025	1,527,549
-	-	-	-	-	2,030,461	1,746,635
6,427	648,886	528,825	74,537	-	1,869,999	1,721,478
2,082,855	2,972,161	2,329,218	568,940	43,679	20,454,537	19,349,398
<u>4,545,176</u>	<u>7,591,393</u>	<u>6,970,545</u>	<u>5,861,558</u>	<u>333,860</u>	<u>64,479,937</u>	<u>57,141,342</u>
<u>\$ 1,724,217</u>	<u>\$ 2,815,644</u>	<u>\$ 2,527,800</u>	<u>\$ (246,423)</u>	<u>\$ (114,537)</u>	<u>\$ 13,655,036</u>	<u>\$ 5,152,335</u>

End of Financial Statements

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...and you will too!



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ON DECEMBER 06, 2007

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