

# Schedule "A"

City of West Kelowna 2020 - 2024 Financial Plan						
Consolidated Totals Revenue Schedule "A1"						
Description	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Property Taxes	33,009,059	35,068,825	36,822,264	38,663,375	40,596,542	42,626,367
Property Tax Exemption	206,099	206,099	209,190	212,328	215,513	218,745
Utility Companies	600,359	593,304	602,203	611,236	620,405	629,711
Parcel Tax	1,144,010	1,144,010	1,085,436	1,030,495	1,030,495	1,030,495
Sales of Service and Recoveries	33,227,959	34,585,335	35,620,088	38,130,607	38,663,840	39,205,419
Other Revenue	1,403,318	1,409,100	1,372,875	1,382,292	1,391,831	1,401,479
Government Grants and Operating Reserves	1,636,753	2,006,326	1,634,494	1,637,710	1,708,974	1,644,286
Capital Funding Sources	14,000,090	18,221,136	33,038,132	27,354,087	24,529,905	11,847,585
Sub-total	85,227,648	93,234,134	110,384,681	109,022,130	108,757,505	98,604,088
Collections for Other Governments	21,866,002	21,930,300	22,263,641	22,584,380	22,909,797	23,253,443
TOTAL REVENUES	\$ 107,093,650	\$ 115,164,434	\$ 132,648,322	\$ 131,606,510	\$ 131,667,302	\$ 121,857,531

City of West Kelowna 2020 - 2024 Financial Plan						
Consolidated Totals Expenditure Schedule "A2"						
Description	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Operating Expenditures						
General Government Services	7,901,324	8,521,571	8,129,816	8,251,764	8,443,540	8,501,173
Protective Services	15,395,288	16,339,302	16,660,491	16,973,714	17,293,428	17,619,775
Transportation Services	7,367,483	7,740,593	7,898,188	8,016,661	8,136,911	8,258,964
Environmental Health Services inc Storm Sewer	14,956,512	15,242,299	15,667,541	17,409,400	17,670,016	17,934,541
Storm Sewer Utility	350,500	348,998	354,233	359,547	364,940	370,414
Cemetery	186,525	160,569	162,025	163,502	165,002	166,525
Environmental Development Services	4,349,063	4,535,174	4,603,104	4,666,554	4,742,136	4,807,569
Recreation & Cultural Services	7,599,378	8,322,470	8,482,305	8,609,142	8,737,882	8,868,552
Property Tax Exemption Offset	206,099	206,099	209,190	212,328	215,513	218,745
Interest & Principal - Municipal Debt	3,343,425	3,124,513	3,359,901	3,642,035	3,633,184	3,624,151
Other Financial Fees	24,056	24,056	24,416	24,783	25,154	25,532
<b>Transfer to Reserves:</b>						
Capital Infrastructure - New	3,719,664	4,518,902	4,263,120	4,849,200	5,334,119	5,334,119
Capital Infrastructure - Renewal	111,716	213,781	66,523	69,384	61,234	63,744
Equipment Replacement	600,000	660,000	1,460,000	1,760,000	1,760,000	2,060,000
Storm Sewer	-	-	-	-	-	-
Future Expenditures	702,800	450,000	525,049	763,358	1,108,276	1,219,103
Accumulated Surplus	-	-	-	-	-	-
Gas Tax (Community Works)	1,420,117	1,420,117	1,420,117	1,420,117	1,420,117	1,420,117
Property Acquisition Reserve	700,000	700,000	700,000	700,000	700,000	700,000
Recreation	106,554	107,116	219,540	269,540	269,540	269,540
Sewer Capital	120,000	450,000	456,750	463,601	470,555	477,614
Water Capital	1,927,440	1,927,440	2,168,370	2,348,243	2,373,795	2,399,730
Available for supplemental requests 2020 to 2024	139,614	-	515,870	695,172	1,302,258	2,416,594
Total Operating Expenditures	\$ 71,227,558	\$ 75,012,998	\$ 77,346,549	\$ 81,668,043	\$ 84,227,600	\$ 86,756,503
Capital Expenditures						
General Government Services	578,690	628,685	657,984	450,279	1,022,187	313,212
Protective Services	281,000	1,376,130	1,291,000	1,194,400	390,600	1,429,000
Transportation Services	5,872,974	9,700,716	12,481,000	2,492,000	3,420,000	3,265,000
Environmental Health Services (water Sewer, Cemetery)	6,759,026	2,578,205	3,146,806	7,240,073	3,271,118	5,334,073
Public Health Services	-	-	-	-	-	-
Recreation & Cultural Services	508,400	3,437,400	15,111,342	15,052,335	15,673,000	919,000
Storm Sewer	-	500,000	350,000	925,000	753,000	587,300
Total Capital Expenditures	14,000,090	18,221,136	33,038,132	27,354,086	24,529,905	11,847,585
Transfers to Other Governments	21,866,002	21,930,300	22,263,641	22,584,380	22,909,797	23,253,443
TOTAL EXPENDITURES	\$ 107,093,650	\$ 115,164,434	\$ 132,648,322	\$ 131,606,510	\$ 131,667,302	\$ 121,857,531

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Taxation is a major revenue source for the General Fund and accounts for 36% of the 2020 total revenue estimated at \$115,164,434, including collection for other governments but excluding transfers from reserves. Over the five-year period of the financial plan, the taxation requirement is estimated to increase annually by a growth factor of 1.44% in 2020 and 1.5% for the remaining years. In addition, inflationary factors and transfers to reserves are included in the proposed 4.8% increase for 2020 with subsequent increases leveling back down to 3.5% in 2021 to 2024.

The current financial plan provides for \$35,068,825 to be generated from City of West Kelowna property tax base for General Government purposes.

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

1. Revenue Policy
2. Reserve Fund Policy
3. Grant-In-Aid Policy
4. Permissive Tax Exemption Policy
5. Development Cost Charge Policy

### Revenue Policy

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

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

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

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

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

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

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

### Reserve Fund Policy

It is essential that local governments maintain adequate levels of reserve balances to mitigate current and future risks, ensure stable tax rates and demonstrate financial commitment to long range infrastructure and master plans. The following guiding principles form the basis of the Policy:

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- Sufficient reserve funds are important in achieving financial health and stability for the City of West Kelowna.
- Reserve goals need to be consistent with and supportive of established long term financial plans.
- Reserve fund management needs to conform to the statutory and legal requirements of the *Local Government Act* and the *Community Charter*, generally accepted accounting principles (GAAP) and public sector accounting board (PSAB) recommendations.

### Grant in Aid Policy

Each year, as part of its annual budget process, Council will determine the amount of funding to be provided for all municipal Grants in Aid including: Community Project grants, Corporate grants, In-Kind Contribution grants, Special Events grants and Community Events grants. Council will through its annual budget process, determine the amount of funding to be allocated to the grant program. Council will retain the right to make the final decision on both the overall grant allocation and the individual grant. All applications for grants in aid will be considered in accordance with the Grant in Aid Policy.

### Permissive Tax Exemption Policy

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

### Development Cost Charge Policy

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

Other guiding principles that are important during the budget process and preparation of the financial plan:

### Surplus Funds

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

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### Use of Surplus Funds

- a. To ensure the Accumulated Surplus is not excessive, the balance in the accumulated surplus account should not exceed a specific amount or guideline (guideline contained in the Reserve Fund Policy)
- b. Staff will facilitate Council's review of the amount of Accumulated Surplus funds available on an annual basis.
- c. Allocation of accumulated surplus over the guideline shall be done in compliance with the Reserve Fund Policy

### Debt Policy

The City of West Kelowna may consider debt financing under the following guidelines:

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

### Proportion of Taxes Allocated to Classes

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

# Schedule "A"

City of West Kelowna 2020 - 2024 Financial Plan						
General Revenue Fund - Revenues Schedule "B1"						
General Fund - Revenues	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Property Taxes	33,009,059	35,068,825	36,822,264	38,663,375	40,596,542	42,626,367
Property Tax Exemptions (all governments)	206,099	206,099	209,190	212,328	215,513	218,745
Utility Companies	600,359	593,304	602,203	611,236	620,405	629,711
Parcel Tax Funding	-	-	-	-	-	-
Grants-in-Lieu	-	-	-	-	-	-
<b>Sales of Service and Recoveries</b>						
General Government						
Administration - General	5,002,184	5,398,149	5,479,121	5,561,308	5,644,728	5,729,399
Administration - Utilities	1,571,212	1,659,841	1,684,739	1,710,010	1,735,660	1,761,695
Administration on Capital Projects	200,000	200,000	200,000	200,000	200,000	200,000
Administration and Protective Services	3,379,280	3,592,747	3,723,358	3,792,780	3,863,670	3,936,018
Engineering and Public Works	917,418	837,190	855,831	868,662	881,685	894,904
Environmental Health Services	3,539,003	2,808,713	2,851,829	2,893,857	2,936,530	2,979,857
Recreation Services	267,638	254,600	258,419	262,295	266,230	270,223
Facilities	1,562,775	1,709,950	1,732,974	1,758,969	1,785,353	1,812,134
Development Services	1,811,709	1,846,525	1,631,388	1,655,611	1,680,198	1,705,153
Other Income	189,000	103,000	104,545	106,113	107,705	109,320
Investment Income	490,000	500,000	507,500	515,113	522,840	530,683
Sewer Fund - Interest Income	121,000	150,000	115,478	106,309	96,971	87,445
Cemetery Fund - Principal payment	27,735	27,735	27,735	27,735	27,735	27,735
Cemetery Fund - Interest Income	35,765	35,765	35,765	35,765	35,765	35,765
Penalties and Interest on Taxes	407,218	460,000	446,600	453,300	460,099	467,001
<b>Government Grants and Operating Reserves</b>						
Prior Year Surplus Carried Forward	-	375,000	-	-	-	-
Government Grants	1,466,477	1,470,117	1,470,867	1,471,628	1,472,401	1,473,185
Transfer from Reserves - Operating Purposes	129,067	120,000	121,800	123,627	193,481	127,364
<b>Capital Funding Sources:</b>						
Transfers from Reserves and DCC's	7,241,064	15,642,931	21,141,326	12,114,014	13,702,564	6,513,512
Donations	-	-	-	-	-	-
Debt Proceeds	-	-	8,800,000	8,000,000	7,556,223	-
	62,174,061	73,060,490	88,822,932	81,144,035	84,602,298	72,136,217
Collections for other Governments	21,866,002	21,930,300	22,263,641	22,584,380	22,909,797	23,253,443
<b>TOTAL GENERAL REVENUES</b>	<b>\$ 84,040,063</b>	<b>\$ 94,990,790</b>	<b>\$ 111,086,573</b>	<b>\$ 103,728,415</b>	<b>\$ 107,512,095</b>	<b>\$ 95,389,660</b>

# Schedule "A"

City of West Kelowna 2020 - 2024 Financial Plan						
General Revenue Fund - Expenses Schedule "B2"						
General Fund - Operating Expenses	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
<b>General Government Services</b>						
Legislative Services	349,714	379,458	385,150	390,927	396,791	402,743
Administration	328,254	378,712	384,393	390,159	396,011	401,952
Grants in Aid cash	122,150	122,150	123,982	125,842	127,730	129,646
Grants in Aid non Cash	310,314	310,314	314,969	319,693	324,489	329,356
Library Grant	1,529,052	1,600,118	1,624,120	1,648,482	1,673,209	1,698,307
Financial Administration	1,467,380	1,542,186	1,565,319	1,588,799	1,612,631	1,636,820
Corporate Services	941,649	780,495	792,202	804,086	884,147	828,389
Corporate Initiatives&Communications		511,900				
Human Resources	982,238	850,950	863,714	876,670	889,820	903,168
Information Services	1,870,573	2,045,287	2,075,966	2,107,106	2,138,713	2,170,793
<b>Protective Services</b>						
R.C.M.P.	5,880,445	6,002,554	6,177,092	6,269,749	6,363,796	6,459,253
Fire	9,514,843	10,336,748	10,483,399	10,703,965	10,929,632	11,160,522
<b>Transportation Services</b>						
Roads & Maintenance	3,902,722	4,001,856	4,061,884	4,122,812	4,184,655	4,247,424
Street Lighting	394,137	442,059	448,690	455,420	462,252	469,185
Traffic Control Equipment	37,095	45,951	46,640	47,340	48,050	48,771
Bylaw	660,262	741,175	752,292	763,577	775,030	786,656
Transit System	2,373,266	2,509,552	2,588,681	2,627,511	2,666,924	2,706,928
Solid Waste and Recycling Services	3,190,530	2,505,438	2,544,244	2,581,883	2,620,086	2,658,862
Storm Sewer Utility	350,500	348,998	354,233	359,547	364,940	370,414
Cemetery	186,525	160,569	162,025	163,502	165,002	166,525
<b>Environmental Development Services</b>						
Planning	2,180,841	1,425,969	1,447,359	1,469,069	1,491,105	1,513,472
Building & License	1,283,141	1,282,574	1,301,812	1,321,340	1,341,160	1,361,277
Design & Engineering	559,912	866,495	879,492	892,685	906,075	919,666
Development Engineering		620,188	629,491	638,933	648,516	658,244
Tourism & Economic Development	325,169	339,948	344,950	344,527	355,280	354,910
<b>Recreation &amp; Cultural Services</b>						
Recreation	1,399,145	1,514,277	1,536,593	1,559,244	1,582,235	1,605,571
Facilities	3,381,360	3,635,385	3,725,312	3,781,192	3,837,910	3,895,479
Parks	2,710,873	3,068,308	3,114,332	3,161,047	3,208,463	3,256,590
Museum	108,000	104,500	106,068	107,659	109,273	110,912
Property Tax Exemption Offset	206,099	206,099	209,190	212,328	215,513	218,745
Financial Services Interest	24,056	24,056	24,416	24,783	25,154	25,532
Interest & Principal - Municipal Debt	862,287	643,374	643,374	643,374	643,374	643,374
<b>Transfer to Reserves:</b>						
Capital Infrastructure - New	3,719,664	4,518,902	4,263,120	4,849,200	5,334,119	5,334,119
Capital Infrastructure - Renewal	111,716	213,781	66,523	69,384	61,234	63,744
Equipment Replacement	600,000	660,000	1,460,000	1,760,000	1,760,000	2,060,000
Storm Sewer	-	-	-	-	-	-
Future Expenditures	702,800	450,000	525,049	763,358	1,108,276	1,219,103
Accumulated Surplus	-	-	-	-	-	-
Gas Tax (Community Works)	1,420,117	1,420,117	1,420,117	1,420,117	1,420,117	1,420,117
Property Acquisition Reserve	700,000	700,000	700,000	700,000	700,000	700,000
Recreation	106,554	107,116	219,540	269,540	269,540	269,540
Available for supplemental requests 2018	-	-	-	-	-	-
Available for supplemental requests 2019	-	-	-	-	-	-
Available for supplemental requests 2019	139,614	-	-	-	-	-
Available for supplemental requests 2020	-	-	265,490	269,472	273,514	277,617
Available for supplemental requests 2021	-	-	250,380	254,136	257,948	261,817
Available for supplemental requests 2022	-	-	-	171,564	174,138	176,750
Available for supplemental requests 2023	-	-	-	-	596,658	605,608
Available for supplemental requests 2024	-	-	-	-	-	1,094,802
Available for supplemental requests 2025	-	-	-	-	-	-
Available for supplemental requests 2026	-	-	-	-	-	-
Available for supplemental requests 2027	-	-	-	-	-	-
Available for supplemental requests 2028	-	-	-	-	-	-
Available for supplemental requests 2029	-	-	-	-	-	-
<b>Total Operating Expenditures</b>	<b>54,932,997</b>	<b>57,417,559</b>	<b>58,881,606</b>	<b>61,030,021</b>	<b>63,343,511</b>	<b>65,622,704</b>
Capital Expenditures	7,241,064	15,642,931	29,941,326	20,114,014	21,258,787	6,513,512
Transfers to Other Governments	21,866,002	21,930,300	22,263,641	22,584,380	22,909,797	23,253,443
<b>TOTAL GENERAL EXPENDITURES</b>	<b>\$ 84,040,063</b>	<b>\$ 94,990,790</b>	<b>\$ 111,086,573</b>	<b>\$ 103,728,415</b>	<b>\$ 107,512,095</b>	<b>\$ 95,389,660</b>

# Schedule "A"

City of West Kelowna 2020 - 2024 Financial Plan						
Revenues Schedule "C" Sewer						
Sewer Utility	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenues						
User fees	1,372,756	1,826,326	1,845,721	1,861,830	1,878,135	1,894,623
Parcel taxes	1,113,453	1,113,453	1,054,879	999,938	999,938	999,938
Interest income	132,600	132,600	135,252	137,957	140,716	143,531
Sewer surplus	215,594	0	0	0	0	0
Collections for RDCO Waste Water Treatment Plant	3,593,236	3,935,250	3,994,279	4,054,193	4,115,006	4,176,731
Grants	-	-	-	-	-	-
Okanagan Basin Water Board	41,209	41,209	41,827	42,455	43,091	43,738
Reserve - Future Expenditures	505,608	450,000	652,000	916,850	693,870	504,000
Transfer from Statutory Reserves						
Local Improvements	-	-	-	-	-	-
Capital Reserve	180,161	89,928	-	-	-	-
Development Cost Charges	329,231	-	-	108,150	86,130	-
TOTAL REVENUES	7,483,848	8,065,811	7,723,958	8,121,372	7,956,886	7,762,560
Expenditures						
Environmental Health Services	5,114,395	5,364,385	5,444,851	5,526,524	5,609,422	5,693,563
Interest & Principal - Municipal Debt	1,113,453	1,113,453	1,054,879	999,938	999,938	999,938
Interest - to General Fund	121,000	121,000	115,478	106,309	96,971	87,445
Transfer to Reserves:						
Capital Infrastructure - New	120,000	450,000	456,750	463,601	470,555	477,614
Total Operating Expenditures	6,468,848	7,048,838	7,071,958	7,096,372	7,176,886	7,258,560
Capital Expenditures	1,015,000	1,016,973	652,000	1,025,000	780,000	504,000
TOTAL EXPENDITURES	\$ 7,483,848	\$ 8,065,811	\$ 7,723,958	\$ 8,121,372	\$ 7,956,886	\$ 7,762,560

# Schedule "A"

City of West Kelowna 2020 - 2024 Financial Plan						
Revenues Schedule "D" Water						
Water Utility	Final 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Revenue						
User fees	9,314,498	10,035,386	13,141,416	19,055,186	15,491,619	17,993,443
Parcel tax	30,557	30,557	30,557	30,557	30,557	30,557
Other revenue	310,658	310,658	315,817	320,980	326,144	331,311
Water surplus	170,000	170,000	350,000	350,000	350,000	350,000
Transfer from Statutory Reserves						
Development Cost Charges	640,000	-	-	-	-	-
Water Reserves	3,580,258	1,240,383	-	-	-	-
Internal Debt	-	-	-	-	-	-
Capital Debt	1,004,818	320,849	-	-	-	-
Grants	-					
Developer/Donation	518,950	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>15,569,739</b>	<b>12,107,833</b>	<b>13,837,791</b>	<b>19,756,722</b>	<b>16,198,320</b>	<b>18,705,312</b>
Expenditures						
Environmental Health Services	6,651,588	7,372,476	7,678,445	9,300,993	9,440,508	9,582,115
Interest & Principal - Municipal Debt	1,246,685	1,246,685	1,546,170	1,892,414	1,892,900	1,893,394
<b>Transfers to Reserves:</b>						
Reserve trsf - re Rose Valley	1,362,753	1,362,753	1,533,097	1,703,441	1,728,993	1,754,928
Reserve trsf re Powers Creek	564,687	564,687	635,273	644,802	644,802	644,802
<b>Total Operating Expenditures</b>	<b>9,825,713</b>	<b>10,546,601</b>	<b>11,392,985</b>	<b>13,541,650</b>	<b>13,707,203</b>	<b>13,875,239</b>
Capital Expenditures	5,744,026	1,561,232	2,444,806	6,215,073	2,491,118	4,830,073
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,569,739</b>	<b>\$ 12,107,833</b>	<b>\$ 13,837,791</b>	<b>\$ 19,756,722</b>	<b>\$ 16,198,320</b>	<b>\$ 18,705,312</b>