



LAKE COUNTRY

Life. The Okanagan Way.

2018 FINANCIAL PLAN

SUMMARY

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2018 – At a Glance

Proposed Total Tax Increase – 3.5% or \$399,313

- This is comprised of a 2% increase to fund general operations – continue the level of service from 2017
- And a 1.5% increase for the Transportation for Tomorrow program to support on the ongoing renewal of road infrastructure in the community

Estimated new taxes from growth – 4.6% or \$510,451

How is the District proposing to spend the estimated new taxes from growth?

Supplemental operating requests that will improve service	\$ 53,000
• See page 7 for list of details	
Supplemental staff requests that are required to maintain service	\$ 77,230
• See page 7 for list of details	
Improvements in the Transit Service	\$ 70,580
Increased maintenance on Pelmewash	\$ 37,500
• Pelmewash Parkway will transfer from the province to the District in August 2018, this estimates the winter months maintenance, additional maintenance funds will need to be added in 2019	
Additional Salaries for staff added in 2017	\$105,036
• The budget assumes staff will not be hired until the second quarter, require full funding of those positions in 2018	
Salaries for general portion of Waste Water Treatment Plant Staff	\$ 70,041
• In 2017 Council approved the District taking back operation of the Waste Water Treatment Plant from the contractor. A public works manager and a clerical staff were required to support this service and it was determined the salaries for those positions would support the services in Transportation as well. This represents the portion of those two positions that general taxation pays for (remainder is paid for by the water and sewer rate payers).	
Lake Country Health Planning request for Annual support	\$ 25,000
Addressing safety requirements for various equipment reviews and training	\$ 15,000
Remaining –increase to transfers to reserve or savings	<u>\$ 57,064</u>
Total	<u>\$510,451</u>



Parcel Taxes

The parcel tax amounts per household have remained the same, however the number of households in the community continues to grow so the District has seen increases in the revenue from parcel taxes of \$45,917. The average household pays the following parcel taxes:

Transportation for Tomorrow	\$125
Environmental Levy	\$ 75
Sewer User	\$275 (for those connected to sewer only)

What Budgetary Pressures are there for the District?

- RCMP costs continue to climb with the full cost of an RCMP member expected to be \$182,121 in 2018. The District pays 70% of that because in the 2016 census our population was still under the 15,000 threshold. The District expects to exceed 15,000 population in the next census in 2021 at which time the District will be required to pay 90% of policing costs.
- In addition, with a growing population the need for RCMP staff will grow. In working with the local RCMP administration, it has been suggested that the District consider adding two new members in the next few years to ensure the District does not fall behind in maintaining an adequate ratio of RCMP to population.



- The Road Maintenance Contract will be up for renewal in 2018. The contract will be awarded through a competitive process however the new cost of the contract is unknown. To try and provide some rate stability for rate payers, it is proposed in the 2018 Financial Plan that some services in the contract will be done by District staff in 2018.

- The Parks and Recreation Master Plan is nearing completion and will require the approval of Council in early 2018. The preliminary findings are that the maintenance and operations of District Parks and Facilities is well funded, however the renewal portion is not funded. This will require additional transfers to reserves to ensure the long term viability of the District's Parks and Recreation assets.
- Savings or reserves continue to be a pressing need for the District. The flood and fire events in 2017 highlighted the need for the District to have access to emergency funds. The Province emergency funds did cover almost all of the flood response costs and 80% of the flood recovery tasks. The District is responsible however for 20% of the flood recovery work required totaling \$338,940 which is funded from surplus. In the case of the fire event, the Province expects that the District pays costs associated with fires within its own boundaries. The Province supplies Provincial crews and aircraft to assist but the District forces are paid for by the District. The estimated cost of the Okanagan Centre fire in 2017 to the District was \$110,000. This amount will be funded by the General Surplus.



Capital Project Highlights

- 53 Project and Equipment Requests totaling \$13,989,250
- Pelmeash Parkway - \$2,750,000 – Conversion of the old highway to a local road with high value parks and active transportation amenities.
- Emergency preparedness requests such as:
 - Backup Generator for District Hall - \$100,000
 - Backup Generator for the Kal Lake Pumphouse - \$100,000
 - Emergency Second Exit for the Lakes Subdivision - \$200,000

- A new Multigenerational Activity Centre (MAC) to house the Boys and Girls Club and upgrade the Seniors Centre space - \$6,000,000 – the District is contributing \$1,000,000 and a grant has been applied for the rest
- Roundabout at Oceola and Lakehill Drive Intersection - \$1,250,000
- Predesign for a proposed Firehall - \$130,000

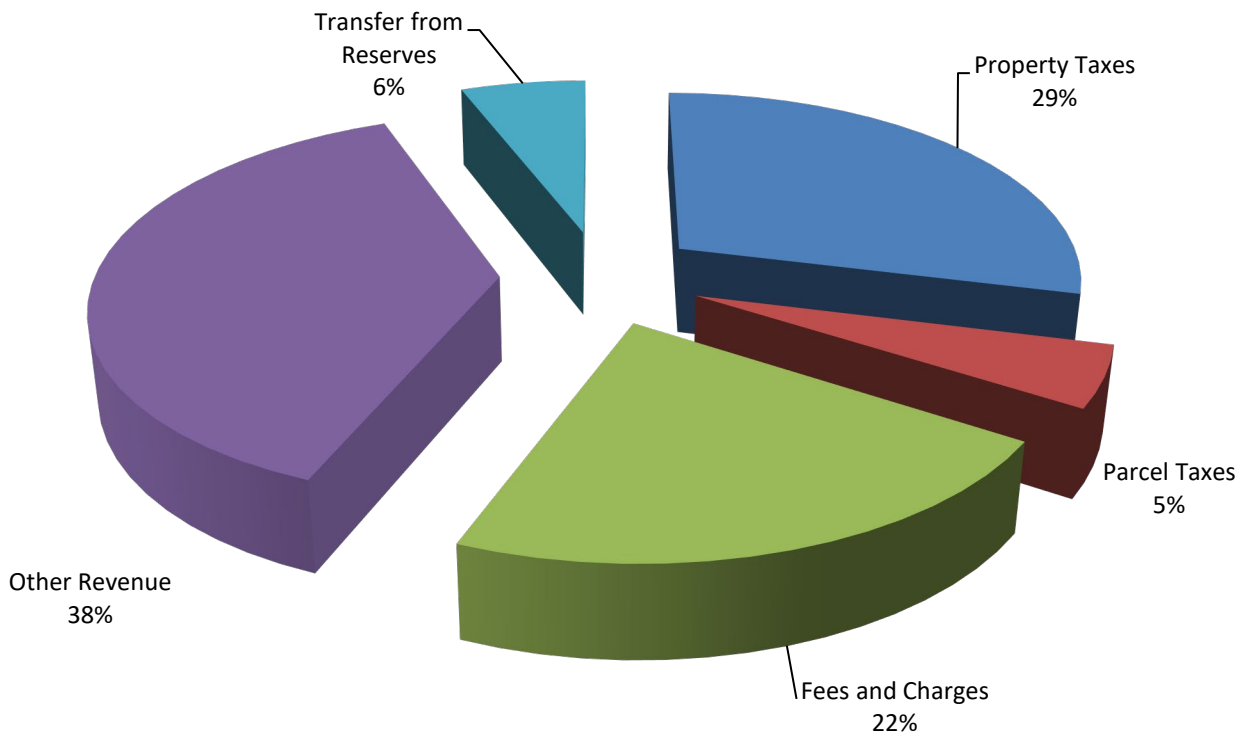
Where Does the Money Come From to Support District Services? REVENUES

Revenue	2017	2018	\$ Change	% Change
Property Taxes	11,265,750	12,176,215	910,465	8.1%
Parcel Taxes	2,095,580	2,141,497	45,917	2.2%
Fees and Charges	8,888,562	9,282,992	394,430	4.4%
Other Revenue	10,827,799	16,040,950	5,213,151	48.1%
Transfer from Reserves	3,511,488	2,479,190	(1,032,298)	-29.4%
Total Revenue	36,589,179	42,120,844	5,531,665	13.1%



Photo Credit: Chrissie Cole

2018 - Where does the Money Come From? Total Municipal Revenue - \$42,120,844



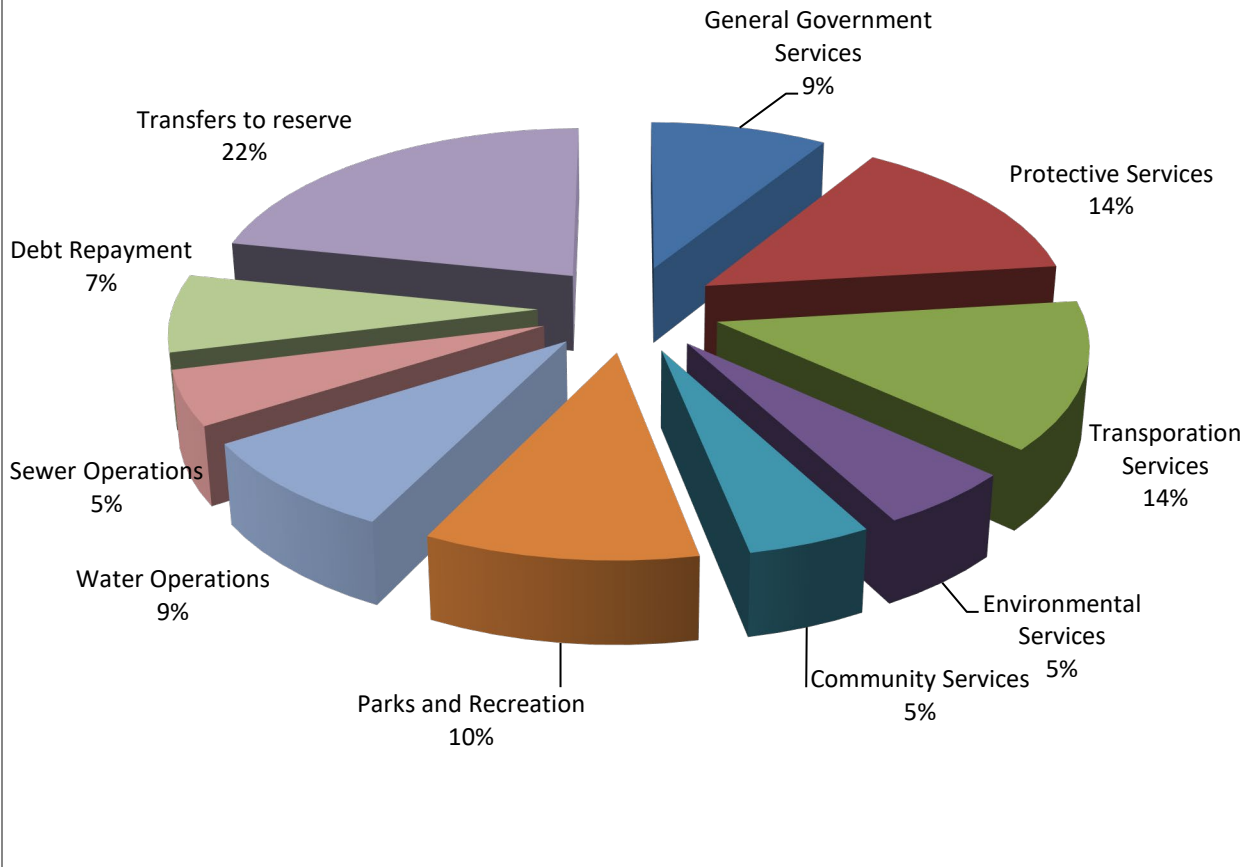
How does the District Spend the Money Collected? EXPENSES, DEBT AND TRANSFERS

(Excludes Amortization)

Department	2017	2018	\$ Change	% Change
General Government Services	2,373,082	2,539,951	166,869	7.0%
Protective Services	3,719,132	4,031,542	312,410	8.4%
Transportation Services	3,604,153	3,885,281	281,128	7.8%
Environmental Services	1,414,915	1,514,616	99,701	7.0%
Community Services	1,285,954	1,358,013	72,059	5.6%
Parks and Recreation	2,888,571	2,995,745	107,175	3.7%
Water Operations	2,349,327	2,472,633	123,306	5.2%
Sewer Operations	1,396,698	1,440,634	43,936	3.1%
Debt Repayment	2,158,984	2,038,251	(120,733)	-5.6%
Transfers to reserve	5,869,766	6,189,333	319,567	5.4%
Capital	16,717,330	-	(16,717,330)	-100.0%
	43,777,912	28,465,998	(15,311,914)	-35.0%

¹ 2018 Capital Plan has not yet been approved

2018 Where Does the Money Go? Total Expenses \$28,465,998



Supplemental Requests

There are two groups of supplemental operating requests for 2018. One is the supplemental operating expenses as requested by staff that represents an increase from the current level of service that is funded.

2018 Operating Supplementals

<i>Department</i>	<i>Explanation</i>	<i>One Time Funding</i>	<i>OnGoing Funding</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
Community Services	Community Investment Marketing		5,000	5,000	5,000	5,000
Community Services	Okanagan Collaborative Conservation Program		2,500	2,500	2,500	2,500
				7,500	7,500	7,500
Protective Services	Paid on Call Wages		10,000	10,000	10,200	10,404

Administration	IT Contract Assistance	30,000	30,000	30,600	31,212
Infrastructure - Parks	Beasley Community Centre Janitorial Services	5,500	5,500	5,610	5,722
Total			53,000	53,910	54,838

The second group is the additional staff requested for 2018. It is anticipated that if approved by Council, the staff would not be hired until after March 31, 2018, therefore representing a savings of 25% in the first year. The full amount of the salary will be factored into the future years.

Department	Explanation	One Time Funding	OnGoing Funding	2018	2019	2020
2017 Staff Supplementals						
Protective Services - Fire	Fire Inspector - New 2018 <i>1st year Savings of 25% - estimated due to hiring after March 31, 2018</i>	95,862		71,897	97,779	99,735
Infrastructure - Transportation	Public Works Operator <i>Funded from savings in the roads maintenance contract 1st year Savings of 25% - estimated due to hiring after March 31, 2017</i>	72,956		54,717	74,415	75,903
Infrastructure	Engineering Summer Student <i>Funded 1/3 Water, 1/3 Sewer, 1/3 Transportation</i>	16,000		16,000	16,320	16,646
Infrastructure - Water	Lead Water Operator <i>Funded 100% Water User Fees 1st year Savings of 25% - estimated due to hiring after March 31, 2017</i>	90,844		68,133	92,661	94,514
				210,747	281,175	286,799
Operating Supplementals				53,000	53,910	54,838
Staff Supplementals				210,747	281,175	286,799
TOTAL				263,747	335,085	341,637
Funded by General Fund				184,947		
Funded by Water Fund				73,466		

Funded by Sewer Fund	5,333
	263,747
Funded by General Fund	184,947
Less: Funded by roads contract	(54,717)
Total to be funded by Growth	130,230

2018 Full Time Equivalent Positions

Department	2016 Full-Time Equivalents	Supplemental Requests	Added in 2017	Notes	2017 Full-Time Equivalents
General Government Services	16				16
Protective Services	9.5	1		(a)	10.5
Transportation Services	5.5	1	1	(b) & (c)	7.5
Environmental Services	3				3
Community Services	11				11
Parks and Recreation	12.8				12.8
Water Operations	8.7	1		(d)	9.7
Sewer Operations	1		5	(c)	6
Total Staff	67.5	3	6		76.5

(a) Supplemental Request for Fire Inspector

(b) Supplemental Request for a Public Works Operator

(c) Added in 2017 as a result of Council's decision to bring the Waste Water Treatment Plant operation in house

(d) Supplemental Request for a Water Operator

Salaries, Wages & Benefits

Department	2017 Salaries, Wages & Benefits	2018 Salaries Wages & Benefits	\$ Change	% Change
General Government Services	1,711,600	1,791,126	79,526	4.6%
Protective Services	856,664	912,356	55,692	6.5%
Transportation Services	554,417	604,779	50,362	9.1%
Environmental Services	293,689	305,307	11,618	4.0%
Community Services	941,714	985,964	44,250	4.7%
Parks and Recreation	937,490	992,558	55,068	5.9%
Water Operations	845,600	901,295	55,695	6.6%
Sewer Operations	91,443	411,208	319,765	349.7%
Total	6,232,617	6,904,593	671,976	10.8%

The increase in wages and salaries has several different components:

- 1% increase in overhead allocations – significant increases have been announced in both contributions and maximum earning caps for both CPP and EI and this increase will help smooth that transition. Those increases for 2018 have been offset by a decrease in Worksafe rates and medical service plan contributions.
- 2% increase in contractual salary obligations for unionized staff
- The full salary for all employees hired in 2017 has now been included in the budget, where the 2017 budget would have reflected a reduced amount depending on when the position was budgeted to be filled.
- An increase in staff related to assuming the operation of the Waste Water Treatment Plant as indicated above.

District Savings Amounts – Reserves

To ensure the long term viability of the District, adequate reserves must be set aside to cover emergency situations (such as those encountered in 2017), cover long term capital commitments and provide a source of funding when grant opportunities are presented and the District must be able to fund their portion.

The 2018 Financial Plan is able to support increases to both Sewer and Water reserves for 2018. The general reserves do dip in 2018 based on the planned capital projects. However those reserves are expected to be replenished in future years based on the 5 year Financial Plan and the 5 year Capital Plan. The money is put away into reserves to support years where larger projects proceed. In the case of 2018, \$1,000,000 has been budgeted to support the grant application for the Multigenerational Activity Centre which has been proposed to provide a new home for the Boys and Girls Club in Lake Country.

Reserve Type and Name	Expected Opening Balance	Budgeted Transfers to Reserve	Budgeted Transfers from Reserve	Expected Ending Balance
	1-Jan-18			31-Dec-18
General Reserves				
Capital Works Reserve	1,656,299	1,324,752	1,990,000	991,051
Climate Action Reserve	840,984	42,476	42,000	841,460
Vehicles & Equipment	832,836	197,996	546,000	484,832
Facility Reserve	72,137	112,932	150,000	35,069
Financial Stabilization	263,906	-	18,500	245,406
Fire Reserve	904,085	529,600	158,000	1,275,685
Gas Tax	494,846	546,398	1,000,000	41,244
General	2,005,429	-	20,000	1,985,429
IT Reserve	94,867	100,000	120,250	74,617
Solid Waste Reserve	588,101	(2,683)	40,000	545,418
RCMP Reserve	521,675	(72,561)	-	449,114
Road Reserve	79,617	1,099,924	980,000	199,542
Total	8,354,782	3,878,834	5,064,750	7,168,866
Sewer Reserves				
Sewer Capital Reserve	609,352	468,924	418,000	660,276
Sewer General	490,280	50,000	-	540,280
Total	1,099,632	518,924	418,000	1,200,556

Water Reserves				
Water Capital Reserve	2,643,416	2,017,525	519,000	4,141,941
Water General	345,896	26,659	-	372,555
Total	2,989,311	2,044,184	519,000	4,514,495

Statutory Reserves - DCCs				
Parkland DCC	1,701,992	280,000	-	1,981,992
Parks Dev DCC	185,741	100,000	49,000	236,741
Road DCC	2,105,033	850,000	575,000	2,380,033
Sewer DCC	266,232	370,000	297,000	339,232
Drainage DCC	527,079	5,000	-	532,079
Water DCC	(632,796)	700,000	161,000	(93,796)
Total	4,153,281	2,305,000	1,082,000	5,376,281

Other Statutory Reserves				
Land Sale Reserve	45,286	-	-	45,286
Access to Body of Water	180,806	-	-	180,806
Total	226,092	-	-	226,092

2018 Capital Projects

The capital projects recommended by staff on the following pages represent the strategic priorities of Council, the development needs of the community, the priorities identified in the District’s various master plans and the required maintenance and renewal of the District’s assets.

All capital projects have been funded from various reserves or government contributions with the exception of three projects:

OK Centre Dock Replacement – the District has applied for funds from the Province under the Disaster Financial Assistance which pays for 80% of eligible projects

MAC – Multigenerational Activity Centre that is planned for the future home of the Boys and Girls Club in Lake Country which is has “unfunded” for \$5,000,000. The District has applied for a grant for this project. The project will only proceed if that grant is received.

Moberly Water System – this project is funded by debt to be paid for by the users of this water system for the upgrades required to join the District’s water infrastructure.

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2018
	Engineering					
2018-01	Solid Waste Carts	Solid Waste	Furn & Equip	20,000	Solid Waste Reserve	40,000
	General Government					
2018-02	Office Furniture Upgrades	Admin	Furn & Equip	50,000	Capital Works Reserve	15,000
2018-03	Computer Hardware	Admin	IT Infrastructure	68,750	IT Reserve	68,750
2018-04	Photocopier	Admin	IT Infrastructure	14,000	IT Reserve	14,000
2018-05	2018 Air Photos	Admin	Operation	37,500	IT Reserve	37,500
2018-06	Website - Recruitment	Admin	Operation	8,500	Financial Stabilization	8,500
2018-07	Website - Geolocation	Admin	Operation	2,500	Financial Stabilization	2,500
2018-08	Community Wildfire Protection Plan - Update	Admin	Operation	30,000	Financial Stabilization	7,500
	Community Wildfire Protection Plan - Update	Admin	Operation		Unfunded	22,500
	Infrastructure					
	Facilities					
2018-09	District Hall - Functional & Renewal Interior Space Construction	Facilities	Building	1,000,000	Capital Works Reserve	100,000

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2018
2018-10	District Hall - Back up generator	Facilities	Building	100,000	Facility Reserve	100,000
2018-11	3151 Hill Road Buildings - Asset Disposal	Facilities	Land Improv	50,000	Capital Works Reserve	50,000
	<i>Parks</i>					
2018-12	OK Centre Dock Replacement	Parks	Land Improv	100,000	General	20,000
	OK Centre Dock Replacement	Parks	Land Improv		Unfunded	80,000
2018-13	MAC - Multigeneration Activity Centre	Parks	Building	6,000,000	Capital Works Reserve	750,000
	MAC - Multigeneration Activity Centre	Parks	Building		Gas Tax	250,000
	MAC - Multigeneration Activity Centre	Parks	Building		Unfunded	5,000,000
2018-14	Oyama Ismus Beach Area Enhancement	Parks	Land Improv	100,000	Capital Works Reserve	51,000
	Oyama Ismus Beach Area Enhancement	Parks	Land Improv		Parks Dev DCC	49,000
2018-15	Woodsdale Packinghouse Park Tennis Courts - Resurfacing	Parks	Land Improv	35,000	Capital Works Reserve	35,000
2018-16	Parks Signage	Parks	Land Improv	50,000	Capital Works Reserve	50,000
2018-17	Indoor Swimming Pool and Fitness Centre - Planning	Parks	Land Improv	50,000	Facility Reserve	50,000
2018-18	Entrance Signs - Budget Increase	Parks	Land Improv	35,000	Capital Works Reserve	35,000
	Transportation					
2018-19	Pelmewash Parkway Construction	Transportation	Engineering Structures	2,750,000	Capital Works Reserve	600,000
	Pelmewash Parkway Construction	Transportation	Engineering Structures		Government Contribution	1,000,000

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2018
	Pelmewash Parkway Construction	Transportation	Engineering Structures		Gas Tax	750,000
	Pelmewash Parkway Construction	Transportation	Engineering Structures		Road Reserve	400,000
2018-20	Oceola Roundabout (Phase 3)	Transportation	Engineering Structures	1,250,000	Road Reserve	550,000
	Oceola Roundabout (Phase 3)	Transportation	Engineering Structures		Capital Works Reserve	70,000
	Oceola Roundabout (Phase 3)	Transportation	Engineering Structures		ICBC Contribution	55,000
	Oceola Roundabout (Phase 3)	Transportation	Engineering Structures		Road DCC	575,000
2018-21	Emergency Exit Lakes Subdivision	Transportation	Engineering Structures	200,000	Capital Works Reserve	200,000
2018-22	Pretty Road - Design	Transportation	Engineering Structures	30,000	Road Reserve	30,000
2018-23	Bottom Wood Lake Rd – Beaver to Berry Design	Transportation	Engineering Structures	75,000	General Surplus	40,500
	Bottom Wood Lake Rd – Beaver to Berry Design	Transportation	Engineering Structures		Road DCC	34,500
	Equipment - Infrastructure					
2018-24	Mower 60" Zero Turn	Parks	Vehicle & Mach	35,000	Vehicles & Equipment	35,000
2018-25	Ice resurfacers	Parks	Vehicle & Mach	120,000	Vehicles & Equipment	120,000
2018-26	LED Message Boards x 2	Transportation	Furn & Equip	60,000	Vehicles & Equipment	60,000
2018-27	Pickup Trucks - transportation	Transportation	Vehicle & Mach	35,000	Vehicles & Equipment	35,000
2018-28	Front Snow Plow for 1 ton Pickup	Parks	Vehicle & Mach	10,000	Vehicles & Equipment	10,000
2018-29	Utility Locator Radio Detection	Transportation	Furn & Equip	5,000	Vehicles & Equipment	5,000
2018-30	Skid Steer with Attachments	Transportation	Vehicle & Mach	106,000	Vehicles & Equipment	106,000
2018-31	Tractor Plus Flail	Transportation	Vehicle & Mach	150,000	Vehicles & Equipment	150,000
2018-32	Fleet Electric Car	Transportation	Vehicle & Mach	42,000	Climate Action Reserve	42,000

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2018
	Protective Services					
2018-33	computer - P-81 & L71	Fire	IT Infrastructure	8,000	Fire Capital Reserve	8,000
2018-34	Firehall predesign	Fire	Building	130,000	Fire Capital Reserve	130,000
2018-35	Paving - Station 81	Fire	Land Improv	10,000	Capital Works Reserve	10,000
2018-36	Renovate gear and audio room - Station 81	Fire	Building	5,000	Fire Capital Reserve	5,000
	Vehicles & Equipment					
2018-37	SCBA - replacement units	Fire	Furn & Equip	15,000	Fire Capital Reserve	15,000
	Sewer					
2018-38	Seymour Ave Sewer Repairs	Sewer Infrastructure	Sewer System	200,000	Sewer Capital Reserve	200,000
2018-39	Lodge Road Lift Station Upgrade	Sewer Infrastructure	Sewer System	300,000	Sewer Capital Reserve	3,000
	Lodge Road Lift Station Upgrade	Sewer Infrastructure	Sewer System		Sewer Trunkmain DCC	297,000
	Sewer - Vehicles & Equipment					
2018-40	Two pickup trucks	Sewer Infrastructure	Sewer-Vehicles	70,000	Sewer Capital Reserve	70,000
2018-41	Sewer Service Truck	Sewer Infrastructure	Sewer-Vehicles	145,000	Sewer Capital Reserve	145,000

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2018
	Water					
2018-42	Kal Lake Pumphouse back up generator	Water Infrastructure	Water system	100,000	Water Capital Reserve	100,000
2018-43	Kelowna Bulk Water System Improvements	Water Infrastructure	Water system	100,000	Water Capital Reserve	100,000
2018-44	Moberly Water System	Water Infrastructure	Water system	645,000	Debt	645,000
2018-45	Okanagan Lake Pump House Upgrades and Treatment System - Design	Water Infrastructure	Water system	350,000	Water Capital Reserve	189,000
	Okanagan Lake Pump House Upgrades and Treatment System - Design	Water Infrastructure	Water system		Water DCC	161,000
	Water - Vehicles & Equipment					
2018-46	New Pickup Truck - Water	Water Infrastructure	Water - Vehicles	35,000	Water Capital Reserve	35,000
2018-47	Skid Steer - Replacement	Water Infrastructure	Water - Vehicles	85,000	Water Capital Reserve	85,000
2018-48	Tidy Tank (Fuel Tank)	Water Infrastructure	Water - Vehicles	5,000	Water Capital Reserve	5,000
2018-49	Trailer	Water Infrastructure	Water - Vehicles	25,000	Vehicles & Equipment	25,000
2018-50	Boat	Water Infrastructure	Water - Vehicles	5,000	Water Capital Reserve	5,000
						\$13,937,250