
DISTRICT OF LAKE COUNTRY**BYLAW 989**

A BYLAW TO ESTABLISH DISTRICT RESERVE FUNDS

The Council of the District of Lake Country, in open meeting assembled, enacts as follows:

1. INTERPRETATION

- 1.1. Any enactment referred to herein is a reference to an enactment of British Columbia and regulations thereto, as amended, revised, consolidated or replaced from time to time and any Bylaw referred to herein is a reference to an enactment of the Council of the District of Lake Country, as amended, revised, consolidated or replaced from time to time.
- 1.2. Unless otherwise defined herein, all words or expressions used in this bylaw shall have the same meaning as defined in the *Local Government Act*, *Community Charter*, *Interpretation Act* or any successor legislation when used in this bylaw.
- 1.3. The headings contained in this bylaw are for convenience only and are not to be construed as defining or in any way limiting the scope or the intent of the provisions of this bylaw.
- 1.4. Schedule A is attached to and forms part of this bylaw and is enforceable in the same manner as this bylaw.

2. ESTABLISHMENT OF RESERVE FUNDS

- 2.1. The Reserve Funds listed in Column 1 of Schedule A are continued or established for the purposes specified in Column 2 of Schedule A.
- 2.2. Monies received in the manner set out in Column 3 of Schedule A shall be placed in the Reserve Fund established in in the corresponding Column 1 of Schedule A.

3. EXPENDITURE OF RESERVE FUNDS

- 3.1. Monies in reserve funds in Column 1 of Schedule A, together with interest earned on the fund balance, must be used for the purposes specified in the corresponding Column 2 of Schedule A.
- 3.2. Expenditure of monies in a Reserve Fund listed in Schedule A may be authorized by resolution of Council or by a bylaw adopted by Council.
- 3.3. All monies shall be expended in accordance with any applicable legislation including, but not limited to, the *Local Government Act* and *Community Charter*.

4. DISCONTINUATION AND TRANSFER OF RESERVE FUNDS

- 4.1. Monies held in the reserve fund identified in Column 1 of Table 4.2 are hereby transferred to the reserve fund named and established by this bylaw, in Column 2 of Table 4.2.

4.2. TABLE 4.2 - TRANSFER OF FUNDS

Column 1 – Reserve Fund	Column 2 – Transfer to Reserve Fund
Winfield Fire Protection Specified Area Emergency Building Renewal or Replacement Reserve Fund Establishment Bylaw 95-021	Fire Facilities and Equipment Reserve Fund
District of Lake Country Capital Works Reserve Fund Establishment Bylaw 95-024	Capital Reserve Fund
District of Lake Country Local Improvement Fund Bylaw 96-092	Capital Reserve Fund
Lake Country Fire Protection Specified Area Reserve Fund Establishment Bylaw 97-109	Fire Facilities and Equipment Reserve Fund
District of Lake Country Sewer System Utility Reserve Fund Establishment Bylaw 99-243	Sewer Capital Reserve Fund
Development Cost Charge Reserve Fund Establishment Bylaw 560, 2005	Development Cost Charge (DCC) Reserve Fund
Water Capital Works Reserve Fund Establishment Bylaw 696, 2008	Water Capital Reserve Fund
Climate Action Reserve Fund Establishment Bylaw 734, 2009	Climate Action Reserve Fund
Highway Access to Water Reserve Fund Bylaw 902, 2014	Access to Body of Water Reserve Fund
Transportation Infrastructure Reserve Fund Establishment Bylaw 952, 2016	Transportation Infrastructure Reserve Fund
Land Sale Reserve Fund Establishment Bylaw 953, 2016	Land Sale Reserve Fund
Community Works Gas Tax Reserve Fund Establishment Bylaw 961, 2016	Community Works Gas Tax Reserve Fund
Park Land Acquisition Reserve Fund Establishment 962, 2016	Parkland Acquisition Reserve Fund
Building Operational Reserve established by Resolution 16.01.006	Financial Stabilization Reserve Fund

5. REPEALS

5.1. The following bylaws, and any amendments thereto are hereby repealed in their entirety:

- (a) Winfield Fire Protection Specified Area Emergency Building Renewal or Replacement Reserve Fund Establishment Bylaw 95-021
- (b) District of Lake Country Capital Works Reserve Fund Establishment Bylaw 95-024
- (c) District of Lake Country Local Improvement Fund Bylaw 96-092
- (d) Lake Country Fire Protection Specified Area Reserve Fund Establishment Bylaw 97-109
- (e) District of Lake Country Park Land Acquisition Reserve Fund Establishment Bylaw 97-110
- (f) District of Lake Country Sewer System Utility Reserve Fund Establishment Bylaw 99-243
- (g) Development Cost Charge Reserve Fund Establishment Bylaw 560, 2005
- (h) Water Capital Works Reserve Fund Establishment Bylaw 696, 2008
- (i) Climate Action Reserve Fund Establishment Bylaw 734, 2009
- (j) Highway Access to Water Reserve Fund Bylaw 902, 2014
- (k) Transportation Infrastructure Reserve Fund Establishment Bylaw 952, 2016
- (l) Land Sale Reserve Fund Establishment Bylaw 953, 2016
- (m) Community Works Gas Tax Reserve Fund Establishment Bylaw 961, 2016
- (n) Park Land Acquisition Reserve Fund Establishment 962, 2016

6. SEVERABILITY

- 6.1. If any provision of this bylaw is held to be invalid by a court of competent jurisdiction, the provision may be severed from the bylaw and such invalidity shall not affect the validity of the remaining portions of this bylaw.

7. CITATION

- 7.1. This bylaw may be cited as "Reserve Fund Bylaw 989, 2017".

READ A FIRST TIME this 17th day of January, 2017.

READ A SECOND TIME this 17th day of January, 2017.

READ A THIRD TIME this 17th day of January, 2017.

ADOPTED this 7th day of February, 2017

Original Signed by James Baker
Mayor

Original Signed by Reyna Seabrook
Corporate Officer

Deleted and replaced by Bylaw 1218, 2023

Schedule A

No.	Column 1 – Reserve Fund Name	Column 2 – Reserve Fund Purpose	Column 3 – Reserve Funding
OPERATING RESERVE FUNDS			
1.	Financial Stabilization Reserve Fund	<ul style="list-style-type: none"> • To offset unrealized revenues — some of the District’s revenue sources (i.e. development fees, building permits) are cyclical in nature and thus are subject to downturns in the economy. The District tries to anticipate economic downturns during budget processes but despite best efforts may be exposed to the possibility of unrealized or declining revenues. Funds may be used during the budget process as a transfer from reserves to offset cyclical revenue declines. • One time and intermittent projects — the District undertakes certain on time and/or intermittent projects that are larger in terms of costs. If these projects were funded from property taxation, annual spikes and declines in taxation would result, therefore, it is not prudent to fund these projects from on-going property taxation revenue. Examples include master plan updates and Official Community Plan (OCP) updates. • Cyclical expenditures — the District has some cyclical expenditures that do not reoccur annually but may reoccur every two or more years. An annual cost would be determined and included as an expenditure in the Financial Plan with an offsetting transfer to the reserve until the year required. Some examples include elections or satisfaction surveys. 	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan • Transfer of any development revenues over and above established base amounts, if and when available
2.	Policing Reserve Fund	To offset the cost of special policing major crimes, DNA analysis costs or other unexpected expenditures. Major policing expenditures can come forward without any forewarning and it is often not possible to fund these projects via taxation or other reserves. Funds can also be used for capital expenditures as related to policing. As the District’s population grows, the funds in this reserve can be used in assisting with smoothing of additional policing costs to prevent spiking of tax rates related to policing.	<ul style="list-style-type: none"> • Annual allocation from the RCMP budget as provided for in financial plan • Excess traffic fine sharing revenue not utilized within the annual policing operations • Savings from the policing operational budget
3.	Solid Waste Reserve Fund	To assist with the funding of solid waste containers, which are required to be replaced or upgraded on a regular two to three year cycle. This reserve could also be used to assist with capital costs related to establishing infrastructure for the purposes of solid waste or recycling services.	<ul style="list-style-type: none"> • Annual allocation from solid waste operating budget as provided for in financial plan • Savings from the solid waste operational

No.	Column 1 – Reserve Fund Name	Column 2 – Reserve Fund Purpose	Column 3 – Reserve Funding
			budget
4.	Fire Operations Reserve Fund	To offset the cost of wildfire events not covered under other emergency funding. Major wildfire expenditures can happen in any year without any forewarning and it is often not possible to fund these events via taxation or other reserves.	<ul style="list-style-type: none"> • Annual allocation from Fire operational budget as provided for in financial plan • Unbudgeted revenue received as a result of fire crews being redeployed to fires outside of the District • Savings from the fire operational budget
5.	Insurance and Legal Reserve Fund	To provide a source of funds for liability claims not covered under our insurance policies and to offset the cost of major legal costs or claims of which the magnitude and timing is often indeterminable.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan • Savings from legal and insurance operational budget
6.	Capital Reserve Fund	To fund general capital projects that are not specifically funded from other established reserves or user fees. Capital projects that will be funded from this reserve are budgeted within the District’s long term capital plan.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in the financial plan
7.	Climate Action Reserve Fund	The District recognizes the importance of reducing greenhouse gas (GHG) emissions through projects that reduce fossil fuel consumption. Reducing GHG emissions is part of Lake Country’s commitment as a signatory to the BC Climate Action Charter. Funds in this reserve will be used for projects that reduce greenhouse gas emissions, replacement of equipment in the Hydroelectric Generating Station or early retirement of related debt, as funds permit.	<ul style="list-style-type: none"> • Net revenue earned by the Lake Country Hydroelectric Generating Station • Revenue from the Climate Action Revenue Incentive grant • Equivalent of what would be paid to purchase carbon offsets for the carbon produced by the District’s operations on an annual basis
8.	Transportation Infrastructure Reserve Fund	To fund designated road capital projects required for road operations or as identified under the District’s Transportation for Tomorrow plan.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan and as determined by Council resolution 15.12.301
9.	Equipment Acquisition and Replacement Reserve Fund	To fund the acquisition of municipal vehicles and equipment in accordance with an acquisition plan and the replacement of municipal vehicles and equipment according to planned replacement schedules.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan • Proceeds from the sale of municipal vehicles and equipment

10.	Fire Facilities and Equipment Reserve Fund	To fund the replacement of fire vehicles and equipment according to planned replacement schedules and planned maintenance, upgrades, additions or improvements to fire buildings.	<ul style="list-style-type: none"> • Annual allocation from fire operating budget as provided for in financial plan • Proceeds from the sale of fire vehicles and equipment • Funds received for amenity provisions under the Density Bonusing clause in the Zoning Bylaw
11.	Information Technology (IT) Reserve Fund	To fund information system and technology projects including communications systems. Technology can change rapidly within the information technology area and often comes at a large cost. This reserve is needed to keep pace with technology and to take advantage of technological improvement/efficiency opportunities. Due to the industry trend towards Software as a Service (SaaS) compared to Software as a Product more and more IT systems that used to be capital in nature are now considered operating and as such this reserve is intended to fund both capital and SaaS operating IT projects.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan
12.	Facilities Reserve Fund	To fund expenditures for major repairs, upgrading, replacement or expansion of municipal buildings, ancillary structures and site services that serve as public spaces.	<ul style="list-style-type: none"> • Annual allocation from general operating budget as provided for in financial plan
13.	Community Works Gas Tax Reserve Fund	To account for funds received and used pursuant to the Community Works Gas Tax Agreement. Projects funded by this account must be in compliance with acceptable uses as defined in the community Works Gas Tax Agreement. The intent is to spend all funds received, per our Community Works Gas Tax Agreement.	<ul style="list-style-type: none"> • Monies received pursuant to the Federal Community Works Gas Tax Agreement
14.	Water Capital Reserve Fund	To fund water utility capital projects required for water operations or as identified in the Water Master Plan.	<ul style="list-style-type: none"> • Annual allocation from water operating budget as provided for in financial plan
15.	Sewer Capital Reserve Fund	To fund sewer utility capital projects required for sewer operations or identified in the Sewer Master Plan.	<ul style="list-style-type: none"> • Annual allocation from sewer operating budget as provided for in financial plan
16.	Roads Maintenance Services Reserve Fund	If snow accumulations along roadways from clearing operations reach a level that impede further snow clearing operations, it is the responsibility of the District to remove (or pay a contractor to remove) the snow to a storage area. The frequency and cost of this is entirely dependent on unpredictable weather patterns. This reserve is to account for the risk being borne by the District and ensure funds are in place in the event of a heavy snowfall year.	<ul style="list-style-type: none"> • Annual allocation from transportation budget as provided for in financial plan

17.	Transit Reserve Fund	BC Transit bills are based on actual expenditures instead of budgeted expenditures. As ridership and expenses can fluctuate, the transit reserve fund is intended to allow the District to absorb the financial impact of unfavorable years and unforeseen events and provide the financial flexibility to pursue new opportunities in transit when they arise.	<ul style="list-style-type: none"> • Annual allocation from transit budget as provided for in financial plan
18.	Growing Communities Fund Reserve	In March 2023, the District received \$6,778,000 under the Growing Communities Fund (GCF), a grant from the Province of British Columbia with the principal objective <i>“to increase the local housing supply with investments in community infrastructure and amenities”</i> . <i>“As a condition of this funding, the grant must be placed in a segregated reserve fund established by bylaw under section 188 of the Community Charter for the Capital and Planning purposes of the GCF”</i> . This reserve is being established to track and facilitate the appropriate expenditures of the grant in line with the grant guidelines until it is fully spent.	<ul style="list-style-type: none"> • Provincial grant
19.	Kelowna Bulk Water Capital Improvement Reserve	As part of the District’s Bulk Water Supply Agreement with the City of Kelowna, <i>“DLC and Kelowna acknowledge and agree that developmental growth will occur in the Supply Area during the Term, and DLC will bill Kelowna for any required costs for DLC to incrementally increase the Design Demand and Peak Day Supply Capacity (above their initial and baseline amounts)”</i> . The purpose of this reserve is to segregate the funds received from the City of Kelowna related to developmental growth and use these funds on expenditures related to increasing the Design Demand and Peak Day Supply Capacity as necessary in line with the agreement.	<ul style="list-style-type: none"> • City of Kelowna to be billed for required costs to incrementally increase the Design Demand and Peak Day Supply Capacity as development occurs.
20.	Septage Facility Reserve Fund	As part of the Regional Septage Facility – Capital, Operating & Maintenance Agreement with the Regional District of Central Okanagan (RDCO), the District has the responsibility to <i>“Establish a Septage Facility reserve fund to be used for expenses related to Capital Improvement Works and Capital Renewal Works”</i> . The District will use these funds to plan and execute all of the Capital Renewal Works and Capital Improvement Works at the Regional Septage Facility in line with the agreement.	<ul style="list-style-type: none"> • Initially established through a Capital Reserve Transfer from RDCO. Ongoing funding will come from Capital Renewal Work Fees and Capital Improvement Works Fees from RDCO in line with the Regional Septage Facility – Capital, Operating & Maintenance Agreement.

STATUTORY RESERVE FUNDS			
21.	Development Cost Charge (DCC) Reserve Fund	As per subsection 188(2)(a) of the Community Charter, separate Reserves need to be established for DCC collections and use, under section 566 of the Local Government Act. The following DCC Reserves are hereby established for the purpose identified in Column 3 and are as follows: (i) Roads (ii) Sewer (iii) Parks (iv) Drainage (v) Water	<ul style="list-style-type: none"> Capital expenditures pursuant to the Local Government Act and the District's Development Cost Charge Bylaw of the day, as amended from time to time.
22.	Parkland Acquisition Reserve Fund	As per subsection 188(2)(b) of the Community Charter funds received from the sale or disposal of parkland as well as funds received pursuant to section 510 of the Local Government Act (parkland funds received upon subdivision) must be set aside in a reserve and be used exclusively to purchase parkland. The Parkland Acquisition Reserve has been established for accumulating and expending monies as per this requirement.	<ul style="list-style-type: none"> Monies received from the sale of park land under section 27 (2) (b) of the <i>Community Charter</i> [disposal of park land], or under section 510 (1) (b) of the <i>Local Government Act</i> [provision of park land on subdivision].
23.	Land Sale Reserve Fund	As per subsection 188(2)(e) of the Community Charter funds received from the sale of land and improvements must be set aside for paying any debt remaining in relation to the property and for acquiring land, improvements and other assets of a capital nature. The Land Sale Reserve has been established for accumulating and expending monies as per this requirement.	<ul style="list-style-type: none"> Proceeds from the sale of land and improvements
24.	Access to Body of Water Reserve Fund	Monies will be used to acquire property that Council considers will provide public access to the same body of water that is of at least equal benefit to the public.	<ul style="list-style-type: none"> Monies received pursuant to section 41 (1)(d) of the Community Charter, restrictions in relations to highway disposition, closure or alteration, must be placed to the credit of this Reserve fund.