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District of Lake Country
Report from the Director of Finance

ADF

To: Mayor and Council
Date Presented: November 17, 2009
Subject: 2009 Financial Plan Amendment

Issue

Whether or not to approve an amendment to the District's 2009 Financial Plan.

Recommendation

That 2009 Financial Plan Amendment Bylaw 730, 2009 be read a first, second and third time.

Background

The 2009 Financial Plan is before Council for amendment for the following reasons:

- To formalize, in bylaw form, five changes to the Financial Plan approved by Council since the plan was adopted;
- To increase the year-end transfer to the Transit and Road Reserves;
- To add three new projects to the capital budget;
- To eliminate one project from the capital budget; and
- To increase the budget of two projects.

Pursuant to the Community Charter, expenditures must not be made unless they are provided for within the Financial Plan. The individual amendments are presented below. The original schedule to the 2009 Financial Plan is attached for comparative purposes.

Funding from Council Contingency

The following is a summary of the transfers Council approved from Council Contingency:

- At the July 7th Regular Council Meeting, Council approved \$5,000 in funding for the Art Gallery from Council Contingency.
- At the September 1st Regular Council Meeting, Council approved the installation of Block Watch Signs funded from Council Contingency to a maximum of \$1,200.
- At the November 3rd Regular Council meeting, Council allocated \$20,000 towards a grant-in-aid to the Central Okanagan Foundation for Project Build 2

Trethewey Spray Park

At the September 15, 2009 Regular Council meeting, Council approved a \$200,000 increase to the Trethewey Spray Park. The 2009 budget is now \$532,595. Including 2008, the overall project budget is \$550,000. The funding source identified for the \$200,000 increase is the Capital Works Reserve. The Lakes development provided the original \$350,000.

Sodium Hypochlorite System

The installation of a hypochlorite system at the Okanagan Lake pumphouse has been added to the water capital budget. It is a required project as part of the Lakestone development approvals. Through discussions between the Engineering Department and the developer, it was determined that it would be more appropriate that the District of Lake Country undertake the project directly. The budget for this project is \$350,000 and is being funded completely by the developer.

- \$350,000 from a developer contribution

Hydroelectric Generating Station

The original budget for the Hydroelectric Generating Station was \$2.1 million in 2007. The budget was increased to \$3.1 million in 2008 and then again to \$3.7 million in 2009. The project is over-budget in 2009 and it is expected that an additional \$400,000 will be required to complete the funding of the project. The capital works reserve has been identified as the source of funding, with the expectation that the monies will be repaid over the next two or three years from the net revenue generated from the sale of electricity.

- \$400,000 funded from the Capital Works Reserve

Main Street

The Main Street project had a number of final issues that were carried over to 2009, including the landscaping within the highway medians and along Berry Road, burying the hydro poles in the vicinity of the roundabout, and some final property acquisition issues. In 2009 an additional \$30,000 is being requested from the Roads DCC Reserve to bring the total 2009 budget up to \$310,000. Additional funding is being requested in the 2010 capital budget to complete the project in terms of placing the overhead wiring underground.

- \$30,000 funded from a Transfer from the Road DCC Reserve

Konschuh/Berry Road Walkway

The Engineering Department is installing a paved walking path from Konschuh Road to the roundabout in the Town Centre. The total cost of the new capital project is \$18,000 and is being funded through a provincial grant from 2010 Legacies Now Society. The overall \$20,000 grant was originally approved in 2008. \$18,000 of the grant was to assist in funding the Vernon Creek/Town Centre trail and in improving the accessibility of the trail. Unfortunately the trail project was unsuccessful in its application for an \$820,000 grant from the provincial LocalMotion program. The trail is not proceeding at this time and it is not in the 2009 Financial Plan.

2010 Legacies Now has since approved the reallocation of the grant funding to this new walkway, which improves the accessibility to the Town Centre for residents living at the Lake Country Manor. The remaining \$2,000 has been used to hire sign interpreters for District events the past couple of years, as approved in the original funding agreement.

- \$18,000 funded from a 2010 Legacies Now Society – Measuring Up Grant

Art Gallery

At the July 7th Regular Council meeting, Council approved \$25,000 in funding towards the start-up costs for the Lake Country Art Gallery in 2009 and \$15,000 in funding in 2010. The 2009 funding sources for the project were identified as follows:

- \$5,000 from the Recreation Reserve (monies set aside in 2008)
- \$15,000 from the 2009 Parks & Recreation operation budget (monies that were being set aside in the Recreation Reserve in the 2009 budget to be used for the art gallery in the future)
- \$5,000 from Council Contingency

Within the Financial Plan bylaw during the years 2010 to 2013, an annual \$15,000 transfer to the Recreation Reserve for a future Art Gallery is now shown as an expense line item. This is the only amendment to the bylaw in the years following 2009.

Roadside Guardrails

The 2009 financial plan included a capital budget of \$30,000 for roadside guardrails with funding from the future capital reserve (carried over from 2008). It is recommended that this project be removed from the capital budget to offset the negative variance in the Engineering Department's operating budget. The 9-month Financial Report shows the department to be over-budget by \$101,000.

Copper Hills Park

The Copper Hills Park was added as a new capital project within the Parks & Recreation capital budget in 2009. The total budget of the new project is \$7,681. The funding sources are:

- \$3,521 from a contribution by the developer
- \$4,160 from two Canada Tree grants

Transit Reserve Transfer

It is anticipated that the transit function will be significantly under-budget in 2009. The budget was prepared based on BC Transit's cost estimate for the September 2008 transit service expansion, plus the cost estimate for the requested September 2009 expansion. The actual cost to date for the September 2008 expansion has been lower than originally anticipated and the September 2009 expansion was not approved by the Province of BC and BC Transit.

This budget amendment recommends that the estimated \$90,000 in budget savings be transferred to the Transit Reserve at year-end. The increased Transit Reserve fund will allow for greater flexibility in addressing future transit expansion opportunities and spreading any resultant tax impact of those future expansions over a greater number of years.

Road Reserve Transfer

As part of Main Street funding, latecomer fees totaling \$1,500,000 have been identified to be paid by property owners in the Town Centre at the time they proceed with their developments. The subdivision of Lot A, Plan KAP49388 Main Street (Winfield Plaza) was recently approved.

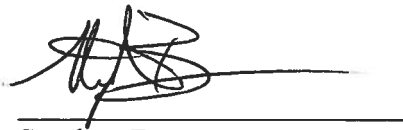
As part of the subdivision requirements, the property's \$88,000 latecomer charge related to Main Street will be paid.

These proceeds are being recommended to be transferred to the Road Reserve, which originally the front-ended (loaned) the Main Street project the developer's portion of contributions.

- \$88,000 in developer latecomer fees transferred to the Road Reserve

The Community Charter requires some form of public consultation prior to adopting a financial plan. An advertisement will be placed in the local newspaper(s) seeking public comment. In addition, this report and bylaw are available at the District's Customer Service Centre and on the website. All public comments received will be brought forward to Council prior to reconsideration and adoption of the bylaw.

Respectfully submitted,



Stephen Banmen
Director of Finance

DISTRICT OF LAKE COUNTRY

BYLAW 730

A BYLAW TO AMEND THE 2009 FINANCIAL PLAN

WHEREAS the Council of the District of Lake Country adopted "2009 Financial Plan Bylaw 715, 2009";

AND WHEREAS the Council deems it necessary to amend the 2009 Financial Plan;

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

1. Schedule "A" attached to Bylaw 715, 2009 is hereby replaced with Schedule "A" attached hereto and made part of this Bylaw.
2. This Bylaw may be cited as the "2009 Financial Plan Amendment Bylaw 730, 2009".

READ A FIRST TIME this day of , 2009.
READ A SECOND TIME this day of , 2009.
READ A THIRD TIME this day of , 2009.

RECONSIDERED AND ADOPTED this day of , 2009.

Mayor

Clerk

I hereby certify the foregoing to be a true and correct copy of the Bylaw cited as the "2009 Financial Plan Amendment Bylaw 730, 2009", as adopted by the Municipal Council on the day of , 2009.

Dated at Lake Country, B. C.

Clerk

**Schedule 'A' attached to
2009 Financial Plan
Amendment Bylaw 730, 2009**

	2009	2010	2011	2012	2013
Revenue					
Property Taxes	7,546,019	8,315,424	9,161,107	9,997,971	10,911,805
Parcel Taxes	853,067	939,330	1,030,791	1,102,863	1,199,190
Fees and Charges	5,987,249	6,394,276	6,700,438	6,973,248	7,277,338
Other Revenue	13,208,713	2,430,432	2,085,249	4,795,511	6,045,231
Proceeds from Borrowing	3,395,000	300,000	2,500,000	200,000	4,200,000
Transfer from Reserves	2,222,677	141,250	233,000	1,000,000	4,630,000
Transfer from DCC Reserves	1,539,688	862,677	1,251,383	1,413,191	3,677,346
Transfer from Surplus	2,127,640	467,178	442,167	505,317	339,742
Total Revenue	36,880,053	19,850,568	23,404,136	25,988,101	38,280,653
Expenditures					
General Municipal Operations	10,329,225	10,826,873	11,328,251	11,699,658	12,280,535
Water Operations	1,651,712	1,697,296	1,764,908	1,859,670	1,918,911
Sewer Operations	1,054,793	1,113,669	1,159,412	1,189,558	1,221,048
Principal & Interest on Debt	1,463,629	1,520,398	1,507,093	1,696,032	1,700,814
Capital Expenditures	19,982,666	2,640,000	5,406,750	7,009,000	18,378,000
Transfer to Reserves	1,477,698	1,369,020	1,551,567	1,842,143	2,082,377
Transfer to Surplus	920,330	683,313	686,156	692,040	698,968
Total Expenditures	36,880,053	19,850,568	23,404,136	25,988,101	38,280,653

EXISTING
SCHEDULE 'A'

Schedule 'A' attached to
2009 Financial Plan
Bylaw 715, 2009

	2009	2010	2011	2012	2013
Revenue					
Property Taxes	7,546,019	8,315,424	9,161,107	9,997,971	10,911,805
Parcel Taxes	853,067	939,330	1,030,791	1,102,863	1,199,190
Fees and Charges	5,987,249	6,394,276	6,700,438	6,973,248	7,277,338
Other Revenue	12,748,553	2,430,432	2,085,249	4,795,511	6,045,231
Proceeds from Borrowing	3,395,000	300,000	2,500,000	200,000	4,200,000
Transfer from Reserves	1,622,677	141,250	233,000	1,000,000	4,630,000
Transfer from DCC Reserves	1,509,688	862,677	1,251,383	1,413,191	3,677,346
Transfer from Surplus	2,059,119	467,178	442,167	505,317	339,742
Total Revenue	35,721,372	19,850,568	23,404,136	25,988,101	38,280,653
Expenditures					
General Municipal Operations	10,309,225	10,811,873	11,313,251	11,684,658	12,265,535
Water Operations	1,651,712	1,697,296	1,764,908	1,859,670	1,918,911
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Transfer to Surplus	757,330	698,313	701,156	707,040	713,968
Total Expenditures	35,721,372	19,850,568	23,404,136	25,988,101	38,280,653