



Salmon Arm

2017 Annual Report

City of Salmon Arm, British Columbia
For the fiscal period ending December 31, 2017



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2017 Annual Report

For the fiscal period ending December 31, 2017

The City of Salmon Arm 2017 Annual Report has been prepared by the Corporate and Financial Services Department pursuant to Section 98 of the Community Charter.



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Incorporated
May 4, 1905

City Area
18,541 hectares

Average City Elevation
358 metres

Population
19,661
(2016 Census)

Voters List
13,393
(2014)

Kilometers of Roads
243

Kilometers of Utilities
Watermains – 199
Sanitary & Storm - 239

Utility Connections
Water – 6,069
Sanitary – 5,035

Water Hydrants
799

Value of Building Permits
\$64,675,041 (2017)

Business Licenses Issued
1281 (2017)

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City Awards 2017

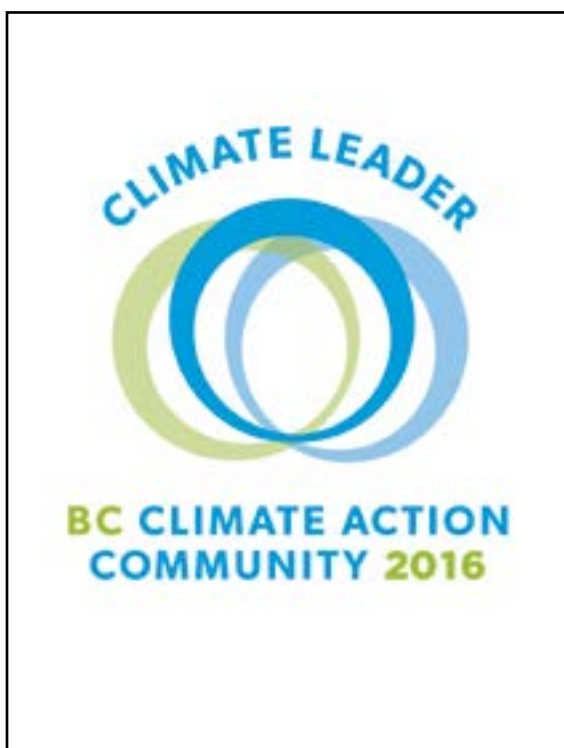
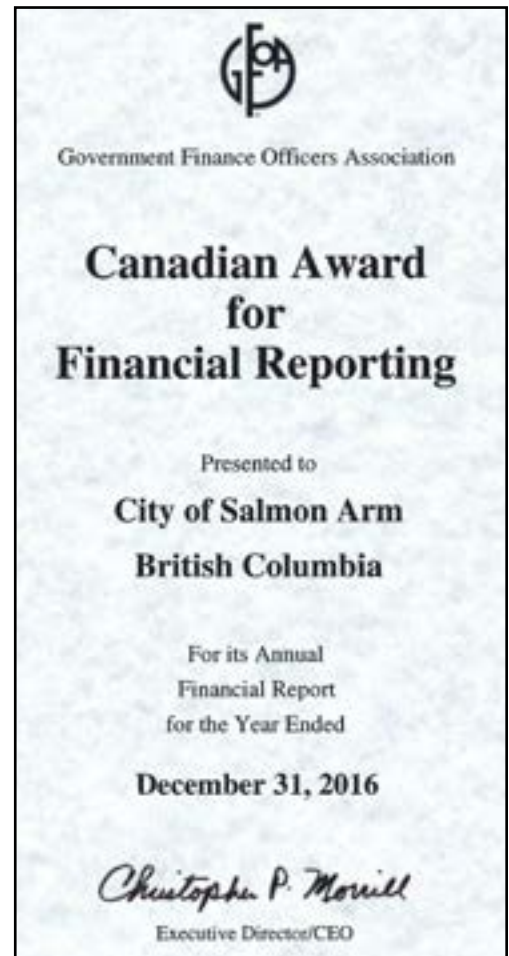
The City of Salmon Arm has received a national award for its 2016 Annual Report. This nationally recognized achievement was awarded by the Government Finance Officer's Association (GFOA) of the United States and Canada in recognition of the City of Salmon Arm's financial accountability, stewardship, responsibility, transparency and quality in financial reporting. "The Canadian Award for Financial Reporting recognizes excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal government and its management" quotes GFOA. It recognizes and encourages excellence in reporting and producing high quality financial reports.

The City of Salmon Arm's 2016 Annual Report has been judged by impartial Canadian Review Committee members to meet the high standards of

the program, including demonstrating a constructive "spirit of full disclosure".

The Canadian Award for Financial Reporting Achievement has been awarded to the Chief Financial Officer, Monica R. Dalziel, CMA. Dalziel advises that "it takes a team to create the City's Annual Report and their commitment and dedication to meet the stringent financial requirements of the Canadian Award for Financial Reporting". Thanks to the many City staff who contributed to this year's Annual Report. Dalziel also adds that the City of Salmon Arm is fortunate to have such high caliber staff that can produce a superior standard in financial reporting. This is the ninth year in a row that the City has received this national award.

The City of Salmon Arm's 2016 Annual Report can be viewed on the City's website at www.salmonarm.ca or a copy may be picked up at City Hall.



"As a signatory to the Climate Action Charter (Charter), the City of Salmon Arm has demonstrated its commitment to work with the Province and the Union of BC Municipalities (UBCM) to take action on climate change and to reduce greenhouse gas emissions in corporate operations and the broader community.

The joint Provincial-UBCM Green Communities Committee (GCC) has established the multi-level Climate Action Recognition Program as a way of acknowledging the progress and efforts being taken by local government leaders as they work to achieve their climate goals.

As a Charter signatory who has achieved Level 1 and Level 2 recognition, and demonstrated significant climate action (corporately or community wide) to reduce GHG emissions for the 2016 reporting year, the City of Salmon Arm has been awarded Level 3 recognition – 'Accelerating Progress on Charter Commitments'."

Message from the Mayor



2017 was an especially busy year for our City of Salmon Arm and I am pleased to touch upon a few of the highlights:

I had the pleasure of speaking at the Council of Forest Industries (COFI) conference and enjoyed the surprised reaction I received when I explained how industry in our community has shifted to a more technology focus. In fact, besides our agriculture, forestry and manufacturing sectors we have a huge tech cluster in Salmon Arm which even our own citizens may not be fully aware of. This is a legitimate source of employment for those who already reside here and also a draw for those who are looking to relocate to a place where they can have both a career and an amazing lifestyle.

Our Council successfully encouraged the provincial government to retain the accommodation at the Rappel Firefighters Base in Salmon Arm. We recognized both the important service that this base provides to our community and surrounding areas as well as the challenge firefighters would have finding temporary rental housing.

On a positive note 2017 saw 163 new units of housing added to our community's supply, which is the highest it has been in many years. We continue to see many applications for rezoning to allow secondary suites which further supports the accommodation needs of our growing city.

We saw our plans for Canada 150 events come to life throughout our historic 2017! It was a truly collaborative process that provided a year full of celebrations, highlighting a family picnic and fireworks at Canoe Beach.

Council along with a number of local organizations began working through an exciting branding project which should culminate in 2018. The branding project will identify our city's success stories, give us a new logo, and a new community brand. We are thankful to our Salmon Arm Economic Development Society SA EDS for leading this project. Under direction from Council we would also like to thank the Salmon Arm Economic Development Society for working through the process needed to bring the Municipal Regional District Tax (hotel tax) to fruition. The MRDT will bring in needed funds to promote tourism in our region.

I couldn't do the work that I do without help from the amazing citizens of Salmon Arm, our hard working city staff and your Council. A big thank you goes to our Councillors Ken Jamieson, Chad Eliason, Kevin Flynn, Alan Harrison, Tim Lavery and Louise Wallace Richmond for their outstanding commitment to our City.

Nancy Cooper
Mayor

Mayor and Council



The Mayor and Council for the City of Salmon Arm were each elected for a four-year term in November 2014. The next municipal election will take place in 2018. Each member of Council represents the City at large and is appointed to both City and regional committees.

Council meetings are held on the second and fourth Mondays of each month at City Hall beginning at 2:30 p.m. and reconvening at 7:00 p.m. for the hearing portion of the meeting. Meeting agendas are available from City Hall and the City's website. Residents are encouraged to attend open Council meetings.

Mayor Nancy Cooper
Nancy was elected as Councillor from 2003 – 2005 and was elected as Mayor in 2011.



Councillor Chad Eliason
Chad was elected to Council in 2006.



Councillor Kevin Flynn
Kevin was elected to Council from 2003 – 2010 and then again in 2014.



Councillor Alan Harrison
Alan was elected to Council from 1991 – 1996 and then again in 2006.



Councillor Ken Jamieson
Ken was elected to Council from 1987-1988 and then again in 2006.



Councillor Tim Lavery
Tim was elected to Council in 2014.



Councillor Louise Wallace Richmond
Louise was elected to Council in 2014.



Committee Appointments



Committee / Agency	Council Member Appointed
Agricultural Advisory Committee	Councillor Ken Jamieson
Community Heritage Commission	Councillor Louise Wallace Richmond
Development and Planning Services Committee	Mayor and Council
Downtown Parking Commission	Councillor Chad Eliason
Environmental Advisory Committee	Councillor Tim Lavery
Greenways Liaison Committee	Councillor Ken Jamieson
Shuswap Regional Airport Commission	Councillor Alan Harrison
Shuswap Regional Airport (Salmon Arm) Committee	Councillor Alan Harrison
Social Impact Advisory Committee	Councillor Louise Wallace Richmond
Water Use Efficiency Committee	Mayor Nancy Cooper
Canada 150	Councillor Louise Wallace Richmond





Committee / Agency	Council Member Appointed
Chamber of Commerce	Councillor Tim Lavery
Columbia Shuswap Regional District	Councillor Kevin Flynn / Councillor Chad Eliason
Columbia Shuswap Regional District (1st Alternate)	Councillor Tim Lavery
Columbia Shuswap Regional District (2nd Alternate)	Councillor Louise Wallace Richmond
Downtown Activity Centre (DAC)	Councillor Louise Wallace Richmond
Downtown Improvement Association (DSA)	Councillor Kevin Flynn
Economic Development Society	Councillor Tim Lavery, Councillor Kevin Flynn
Kelowna Airport Committee	Councillor Alan Harrison
Okanagan Regional Library	Councillor Tim Lavery
Roots and Blues	Councillor Alan Harrison
Salmon Arm Bay Nature Enhancement Society (SABNES)	Councillor Ken Jamieson
Salmon Arm Fall Fair	Councillor Alan Harrison
Shuswap Community Futures	Councillor Chad Eliason
Shuswap Community Foundation	Mayor Nancy Cooper
Shuswap Healthy Communities Coalition	Councillor Louise Wallace Richmond
Shuswap Recreation Society	Mayor Nancy Cooper, Councillor Kevin Flynn and Carl Bannister, Secretary
Shuswap Watershed Council	Mayor Nancy Cooper

Message from the Chief Administrative Officer



It is with great pride that I present the City of Salmon Arm's 2017 Annual Report, which highlights not only our strong financial position but the continued dedication of Council and Staff to deliver outstanding service to our residents and visitors.

In 2017 Council reached out to the citizens with Council Meetings at RJ Haney Heritage Village and Canoe Victory Hall. The Canada 150 celebrations and events, including an outstanding fireworks display and picnic at Canoe Beach, were well attended by citizens and visitors of all ages and were a huge success.

In collaboration with the Salmon Arm Economic Development Society, the City received the approval of the Province to begin collecting a 2% Municipal Regional District Tax. These funds will be used for tourism marketing, programs and initiatives and will further strengthen our vital tourism sector.

Staff have been working steadily to deliver the strategic initiatives identified by Council in the Corporate Strategic Plan while also continuing to meet our statutory requirements and plan for the future.

Salmon Arm is a thriving community with a wonderful balance of recreation and arts and culture. We look forward to your participation and input as the City continues to grow and are committed to ensuring that Salmon Arm remains a safe, prosperous and beautiful city to reside in.

A handwritten signature in black ink that reads "Carl Bannister". The signature is written in a cursive, slightly slanted style.

Carl Bannister, MCIP
Chief Administrative Officer

Financial Services Report



Box 40, 500 – 2 Avenue NE
Salmon Arm, British Columbia, V1E 4N2

May 17, 2018

In accordance with Section 98 of the Community Charter, the City of Salmon Arm (City) must include in its Annual Report audited annual financial statements for the previous year. Noted below are comments with respect to the financial status of the City.

The consolidated financial statements for the year ended December 31, 2017, were prepared by City staff, pursuant to Section 167 of the Community Charter and in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Accountants in accordance with Canadian generally accepted auditing standards. The role of the auditor is to examine the City's financial records and their opinion is expressed in the Auditors' Report on page 37.

The Financial Services Division is responsible for preparation and accuracy of the financial statements, including all disclosures. Both the 2017 Financial Statements and Annual Report provide users with an overview of the ongoing financial and operational performance of the City.

Significant changes to the revenue stream in the Consolidated Statement of Operations is attributed to increases in property taxes, user fees, building permits, developer funded offsite infrastructure works and grants utilized to upgrade works, services and facilities (Community Works Fund); and an increase in expenses. Increases to expenses are largely attributed to amortization, policing costs, fuel costs at the airport (offset by an increase to revenue), snow removal costs, flood control costs, wildfire costs (offset in part by cost recoveries), water usage and maintenance costs of parks and an increase in railroad crossing maintenance.

The Consolidated Statement of Financial Position encompassed changes resulting from an increase of approximately \$4 million in investments, a principal debenture debt repayments of approximately \$2.1 million with no new debt being

incurred in 2017, an increase to deferred revenue as a result of the collection of development cost charges of \$1.3 million and an overall increase in the capitalization of capital assets of \$1.9 million.

The City provides operating departments with monthly variance reports which facilitates an ongoing review of budgeted to actual costs for the current year. This review identifies when projects and operating costs are not on target, providing staff with an opportunity to adjust programs, revisit budget estimates and apprise management and Council of recommended corrective actions.

2017 Operating Results

The Consolidated Financial Statements consist of the following functions:

General Operating - net year-end surplus of \$71,406 which is within .31% of actual and budgeted revenues and expenses.

Regional Fire Training Centre - net year-end surplus of \$11,673 which was attributed to less than anticipated expenses.

Downtown Parking Specified Area - net year-end surplus of \$37,531 which was attributed to less than anticipated expenses.

Water Revenue - net year-end surplus of \$302,317 which was attributed to debenture debt repayments that did not occur in 2017 (i.e. Zone 5 Booster Station (project deferred) and the TCH Watermain (project deferred)); higher than anticipated interest on reserves and less than anticipated utility and chemical expenses at the Water Treatment Plant.

Sewer Revenue - net year-end surplus of \$85,225 which was attributed to revenues being higher and expenses associated with administrative, lift station maintenance and sewage treatment and disposal being less than anticipated.

Capital Spending and Reserves

Long term strategic planning developed in conjunction with public demand, input and expectations is critical to achieving the objectives of the local government.

Generally, local governments contribute between 25% and

50% of their tax levy towards capital spending (i.e. infrastructure, major park developments, reserves, etc.). Based on the 2017 Financial Plan, the City should contribute between \$4,137,800 and \$8,275,600. The City has, on average over the past five (5) years, directed approximately 38% or \$5,883,000 of its tax dollars collected to capital spending and transfers to reserves. In 2017, this ratio was 47% or \$7,779,000. The City continues to strive towards increasing this percentage to direct a larger portion of tax dollars towards capital spending (such as new and upgraded infrastructure and facilities) as opposed to operational spending (i.e. maintenance). Issues such as the economic climate of the community, efficiencies in municipal operations, community expectations, infrastructure economics and safety play a key role in the outcome of this ratio. Each year, during the budget process, Council struggles with balancing these important factors. Some municipalities may have an 'artificially' low tax rate if they are not maintaining adequate levels of capital spending. Municipalities with 'artificially' low tax rates generally put off dealing with their infrastructure needs and in later years are faced with deteriorating roads, non-existent reserves, significant tax hikes and infrastructure that is behind generally accepted replacement schedules.

The City has developed a long range infrastructure plan which has been evaluated by qualified independent professionals. The City's road infrastructure was re-evaluated in 2008 and this Pavement Management Study indicated that the condition index rating of the City's roads was '78', down from '90' in the year 2000. A decrease in the condition index rating indicates to the City that it must put more tax dollars into its road infrastructure maintenance to stop or slow down this deterioration. This re-evaluation provided the City with critical information regarding road condition indexes and road rehabilitation options and estimates which may lead to a shift in road upgrade priorities. While funding levels have increased over the years, the cost of a key product required to maintain the road infrastructure (i.e. liquid asphalt, which is linked to world oil prices) has increased faster than the road infrastructure maintenance budget. The City's spending level in future years will need to increase to sustain the road infrastructure at acceptable levels on an ongoing basis. The Pavement Management Study indicates that to maintain a condition index rating of '78' the City should be spending \$2.5 million annually on road infrastructure maintenance. In 2017, the City expended \$1,062,435 towards road infrastructure maintenance, up from \$789,640 in 2016. The funding allocation for 2018 of \$940,000 remains relatively

consistent with prior years. The remaining funding allocation for 2017 of \$197,060 will be carried forward to 2018 and included in the amount noted above.

During times of budget cutbacks, capital spending and transfer to reserves tend to be an easy target, as they are not readily apparent to the public. Snow removal, on the other hand, has an immediate and direct impact on the public and tends to generate more public feedback. The City must take a cautious approach to ensure that both transfer to reserves and maintenance of infrastructure are adequate for our community.

The City's Statutory Reserve Funds have increased by \$2,913,302 for a total of \$18,773,302. There is a certain level of capital spending from reserves that occurs annually. In 2017, the City replaced various public works vehicles and equipment and added a second swim platform at Canoe Beach from its reserve funds.

The City has established reserves for the replacement of both protective (i.e. fire and police) and public works equipment. As part of the City's strategic financial planning each year, based on the estimated life and the usage of the equipment, funds are set aside in a reserve to replace equipment when its useful life is finished. This eliminates the borrowing of funds for equipment replacements, delaying of purchases due to lack of funding, and/or significant tax increases.

The City's Reserve Accounts have increased by \$1,031,425 resulting in a year-end balance of \$17,253,811. The overall increase is attributed to the collection of developer contributions to future works (i.e. the developer portion of sidewalks, roads, watermains, etc.) and the transfer to the reserve for specific projects and building replacements such as:

- acquisition and upgrade of downtown parking lots;
- large scale drainage projects;
- initiatives to reduce energy consumption and green house gas emissions;
- upgrades to equipment;
- update of GIS ortho photos;
- pay down of debenture debt on the Law Courts/Civic Building;
- replacement of computer and office equipment;
- upgrades to server software;
- strategic wildfire plan;
- construction of a new tennis club facility;
- reconstruction of Shoemaker Hill;
- contingency for operational shortfalls regarding transit services, legal fees, policing costs, ice and snow removal and Recreation Centre and Shaw Centre;

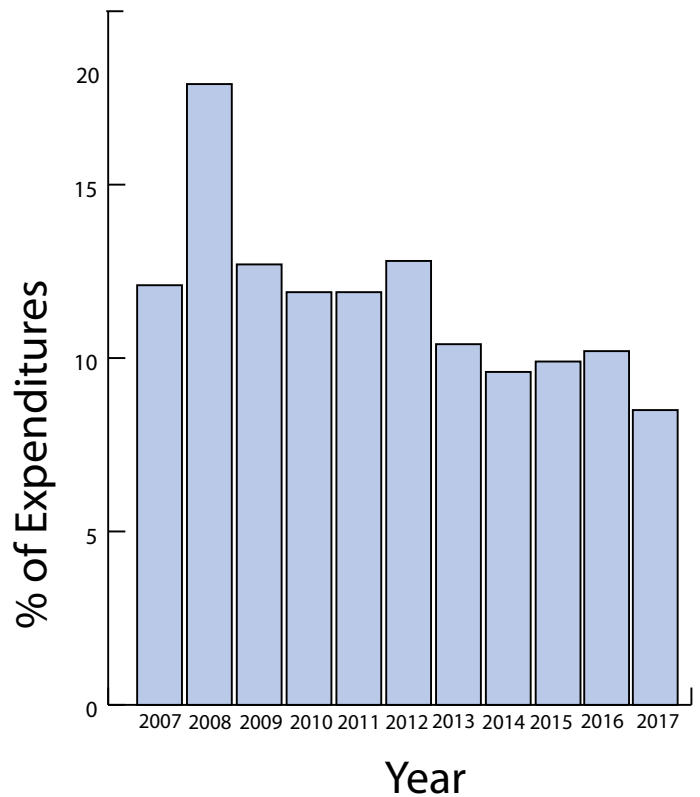
- improvements to highway intersections;
- contribution to the City's portion of construction of TCH West – Ministry of Transportation and Infrastructure project;
- construction of an underpass;
- long term acquisition and construction of park related projects;
- replacement of building components for the Shaw Centre, Recreation Centre, Little Mountain and Jackson Field-houses and Police Detachment and related equipment;
- future initiatives associated with Solid Waste and Recycling;
- improvements to Jackson Park;
- improvements to Peter Jannick Park;
- airport related projects (i.e. tree encroachments, runway lighting, etc.);
- cemetery related projects (i.e. development, storage building, columbarium, ect.); and
- wharf/marina dredging, float replacement, and major maintenance, etc.

In 2017, transfers from reserve accounts were made to complete capital and operational projects (i.e. undertake drainage projects, property acquisitions, upgrade to a glycol cooling system at the Shaw Centre, upgrades and repairs to roads attributed to flooding, construction of a pickleball court at Klahani Park, etc.) and for operational shortfalls and prior year incomplete projects (i.e. policing costs, transit services, ortho project, wages and benefits, pay down debenture debt on Law Courts/Civic Building, SAGA building roof replacement, etc.).

These reserve accounts are utilized similar to a savings account. The City contributes a predetermined amount to the reserve account on an annual basis and, once the funds required are accumulated, the City undertakes the works. Some reserve accounts are put in place to address unanticipated operating shortfalls, as was the case in 2013 wherein ongoing heavy snowfalls resulted in a transfer from the snow and ice removal reserve to supplement the budget provision.

Long Term Debt

Long Term Debt has decreased by \$2,103,648 as a result of a pay down of a debenture for the Soccer Field/Skateboard Park in Blackburn Park of \$110,000 and a payout of a sewer loan for \$140,304, in addition to annual debt repayments. The City has practiced good fiscal management of its debt load over the past several years and managed to reduce this debt substantially by taking advantage of early payout opportunities. The City has embarked on a number of payout initiatives with respect to several City debentures (i.e. sani-



This graph reflects that principle and interest payments on long term debt over the past ten (10) years are, on average, 11.6% of the total expenditures of the City.

tary sewer upgrade (2017), law courts/civic building (2016), waterfront walkway (2015 and 2005), civic building (2006), wharf reconstruction (2001) water pollution control centre upgrade (1998)), wherein a predetermined amount is set aside annually to allow the City to retire these debentures early, saving the City hundreds of thousands of dollars in interest. One (1) debenture and two (2) short term capital loans were retired in 2013 and the wharf reconstruction debenture was retired in 2014 resulting in the elimination of the Downtown Waterfront Enhancement Specified Area Tax Levy. In 2018, the City plans to undertake a short term capital debenture for three (3) high priority major storm water projects in the amount of \$835,000.

The City's long term debt falls under two (2) classifications – General debt and Utility debt. General debt is funded through general taxation while Utility debt is self-liquidating and repaid through water and sewer frontage taxes.

The borrowing limit established pursuant to Provincial Legislation is based on the City's ability to pay. Municipalities are empowered to borrow to a maximum of 25% of revenues. The City's debt capacity ratio is approximately 33.80% of the prescribed limit.



The outstanding debenture debt at the end of 2017 for each of the City's funds is:

General	\$ 12,286,817
Water (self-liquidating)	\$ 8,356,996
Sewer (self-liquidating)	\$ 2,842,643

Grants

The City is proactive in pursuing grant initiatives and programs and as such was successful in securing the following grants:

- Community Works Fund (Various Drainage Projects (i.e. 2 Street SE, 10 Avenue SW), Road Stability at 20 Avenue NE, Sidewalk, Curb and Gutter at 20 Street NE, etc.) - \$286,585;
- Strategic Priorities Fund (UV Light Disinfection System Upgrade) - \$20,050 of \$650,000;
- BC Clean Water and Waste Water Fund (Foreshore Sanitary Main) - \$1,375,500;
- Municipal Regional District Tax (Paid to Salmon Arm Economic Development Society) - \$160,602;
- Strategic Community Funds (Small Communities Grant) - \$212,730; and

- Strategic Community Funds (Traffic Fine Revenue Sharing Grant) - \$128,572.

At the time of writing this report, the City had successfully secured the following grants for 2018:

- Community Works Fund (Hudson Street Beautification, Various Roads and Sidewalk Projects) - \$1,908,795;
- Provincial Grant (Arterial Street Lighting) - \$3,350;
- Strategic Community Funds (Small Communities Grant) - \$215,000; and
- Strategic Community Funds (Traffic Fine Revenue Sharing Grant) - \$145,000.

The City is in a good financial position and strives to be innovative and creative in terms of service delivery that reflects Council priorities and community expectations. The City continues to be accountable in spending, sensitive to public needs and aims to preserve community infrastructure while balancing the economic conditions of the community.



Chief Financial Officer

Monica Dalziel, CPA, CMA

City Officials



Carl Bannister
Chief Administrative Officer



Monica Dalziel
Chief Financial Officer



Rob Niewenhuizen
Director of Engineering
and Public Works



Kevin Pearson
Director of Development Services



Erin Jackson
Corporate Officer



Brad Shirley
Fire Chief

Community Highlights



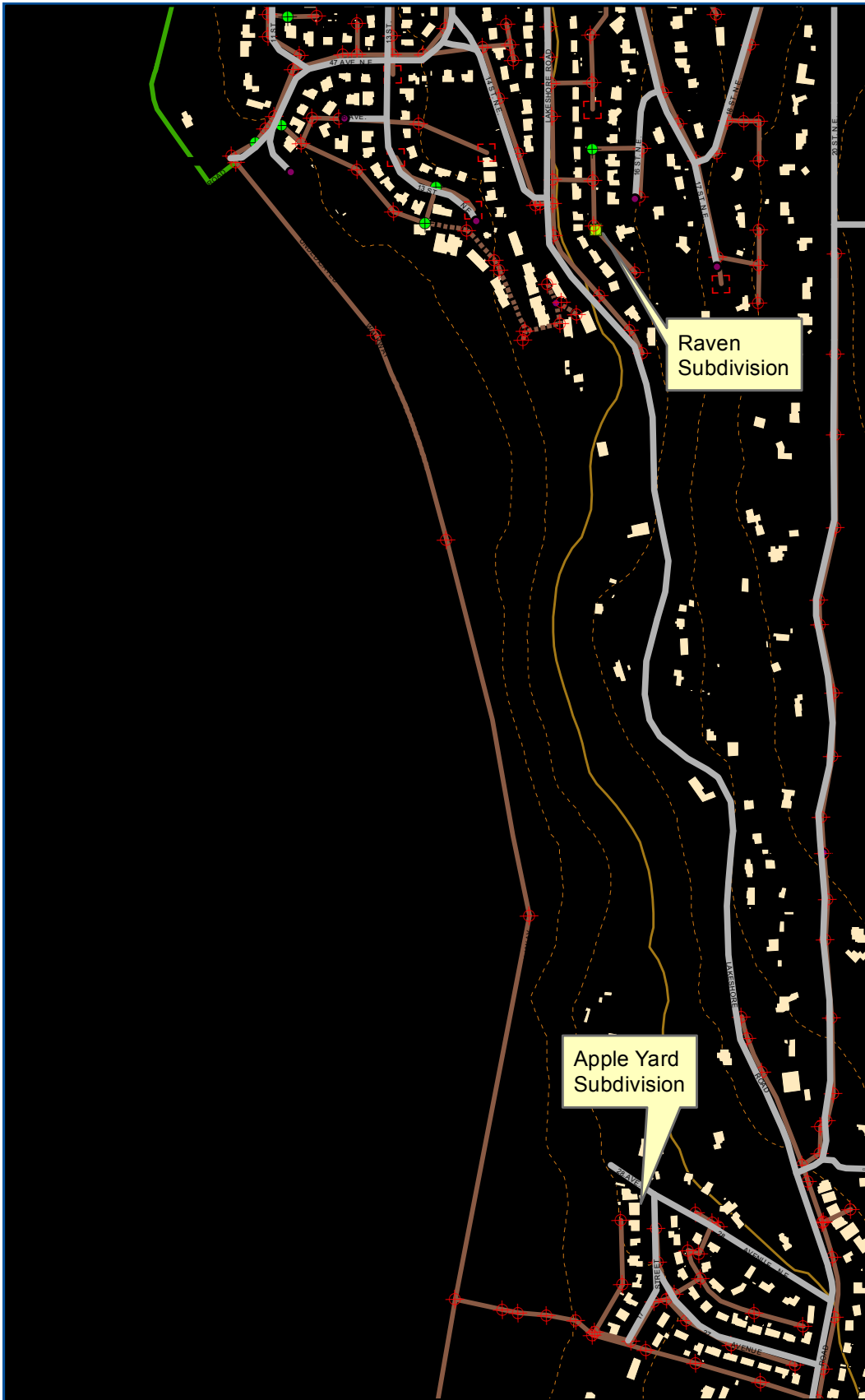
Projects 2017

Bike Repair Station: In partnership with the Shuswap Cycling Club the new Urban Rack – Repair Station was installed at the South Canoe Trail head. This station provides trail users the convenience of having some basic tools for bike maintenance.

South Canoe and McGuire Lake Washrooms: the installation of new seasonal public washrooms at both Locations.

Life Skills Pod: In partnership with a grant from TELUS the outdoor exercise pod was completed in Blackburn Park. This new exercise equipment was installed to help promote community wellness, active lifestyle, health and fitness in our parks.

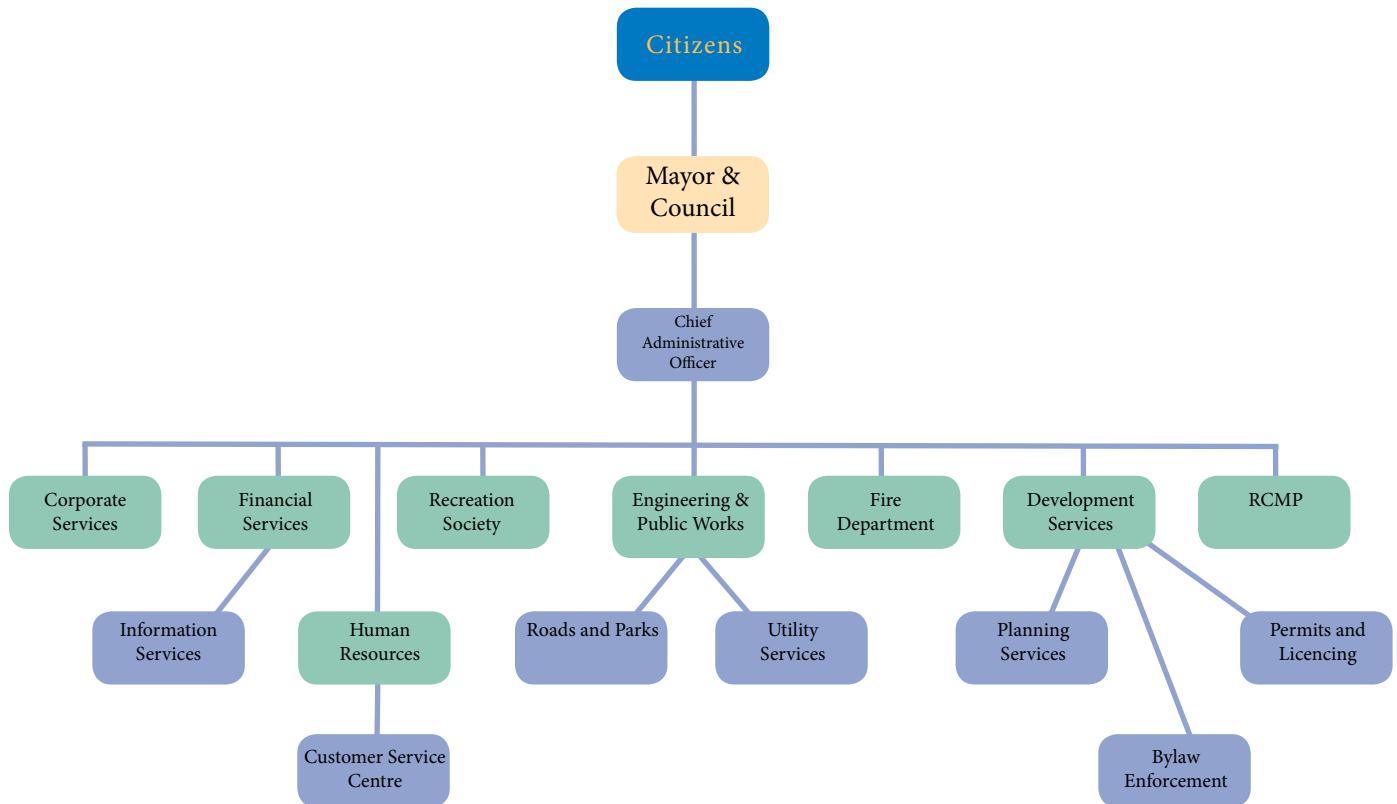




Stage 1 of the Foreshore Sanitary Sewer Main Rehabilitation Project is comprised of approximately 1,569 meters (or 1.5 km) of asbestos concrete (AC) pipe and is located along the Shuswap Lake between the Raven and Appleyard subdivisions. The pipe has reached its expected life span and will be replaced using a Cured-In-Pipe (CIP) relining. This CIP trenchless pipe replacement technology provides minimal ground disturbance reducing the environmental impact of the area.

Footfills Culvert and Metford Dam: Last year the City experienced several major weather related events, in May, 2017 and evening thunderstorms, combined with snowmelt from warmer temperatures, resulted in the flow and levels of all creeks in the City to rise. Several of the creeks were inundated by the increased flows causing culverts to be blocked by debris and localized flooding of property and roads. As a result of the damage caused by the freshet, as part of the restoration and repair of these affected areas the City replaced and repaired four major creek culverts. The Foothills Road Culvert was one of the larger project areas. Metford Dam spillway also required repairs as a result of the rise in creekflows in that area.

Organizational Chart



Strategic Plan



Our Vision

Salmon Arm is a community that has a comfortable, safe lifestyle and a vibrant feeling. The community deeply values the City's magnificent natural setting with its healthy ecosystems. The City is nestled between mountains and the shore of Shuswap Lake, offering beautiful scenery, greenery, rich agricultural land, and a desirable climate.

As the regional centre of the Shuswap, Salmon Arm has an abundance of recreational, educational, commercial, tourism, health care, and cultural opportunities and services. The strong and growing economy supports varied employment and shopping, and innovative businesses and industry.

The community is spirited, diverse and inclusive, with housing for residents of all ages and needs. Everyone works together towards a shared vision of a good quality of life for all.

In the vibrant city centre, people live, work, visit, meet, shop and spend time enjoying diverse artistic and cultural activities. Downtown's unique urban identity combines heritage preservation, a walkable environment, and high quality, mixed-use developments.

Green space extends throughout the city, including active recreation sites and natural parks with trails. The city abounds with safe walking and cycling opportunities connecting neighbourhoods, the city centre, natural areas and parks.

Our Values

- Commitment to pragmatic leadership
- Excellence in service delivery
- Foster trusted relationships with our partners
- Respect what makes us unique
- Enable future generations to inherit a city that is vibrant, prosperous and sustainable
- Encourage citizen participation and input
- Ensure an efficient government
- Facilitate flexible and balanced planning processes



Five Strategic Drivers

The City's vision provides a clear sense of what the community is striving for over the next ten (10) to fifteen (15) years, and it sets direction for policies that exist within the Official Community Plan. The main objective of the Corporate Strategic Plan is to translate the City's vision and policies into actions that are necessary to ensure tangible outcomes that provide real benefit to the community.

Through a series of discussions with City Council and staff, as well as a comprehensive survey of residents and community organizations, five key themes have emerged that will drive the City towards its vision. These strategic drivers include:



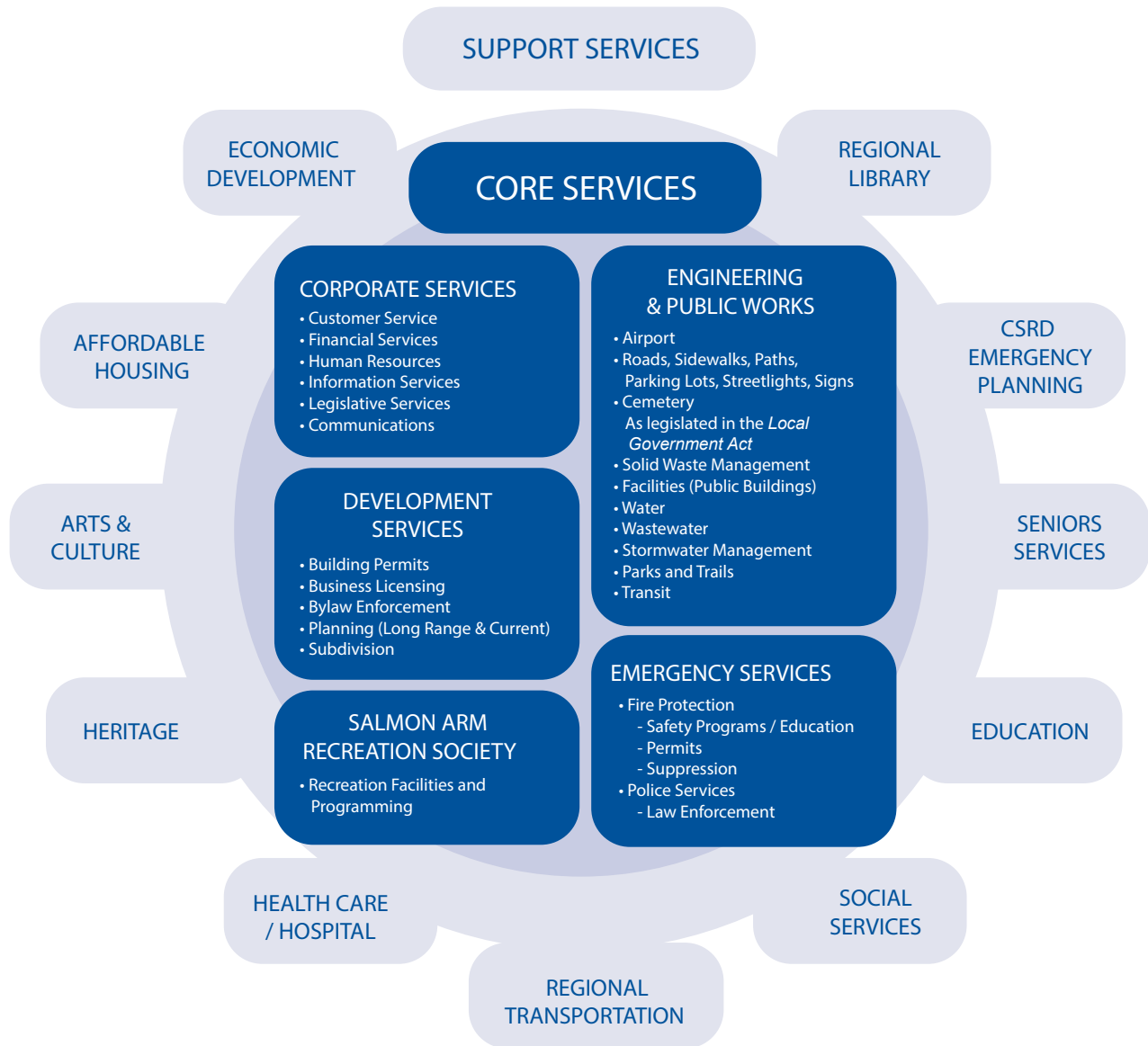
These strategic drivers represent several long term objectives that need to be achieved if Salmon Arm is to realize its community vision. The strategic drivers provide a balanced framework for ensuring that the City considers its investments and projects from a holistic perspective rather than unintentionally advancing one objective at the expense of another.

Keeping these strategic drivers in mind during planning will help the City balance aspirational objectives with operational considerations, and ensure that only those priorities deemed to be of the highest benefit to the community are undertaken. One of the main benefits of considering projects through the lens of multiple strategic drivers is that it brings more clarity to the issues at hand and allows greater collaboration between City Council, staff and the community.

Core Supplementary Service Achievements and Goals are identified by their strategic drivers.

Please visit City Hall or the City website at www.salmonarm.ca to view the Strategic Plan.

Core & Support Services












A collaborative and integrated approach has been taken in developing the City of Salmon Arm Corporate Strategic Plan (Plan) to ensure it accurately reflects the needs and interests of City Council, staff and the community. The Plan sets out the City's vision and values, and identifies five Strategic Drivers (People, Places, Assets, Environment/Waterfront, and Economy) which inform the list of Supplementary Core Services Projects to be undertaken over the next ten years. The Plan takes into account the efforts and resources required to deliver on core services, while also considering how these

services relate to other support services that are provided by other levels of government and organizations within the community.

The Plan also includes practical tools that can assist with decision making, prioritization of initiatives, and detailed project planning for future initiatives. The Plan, including the list of Supplementary Core Services Projects, is a living document that will be updated on an on-going basis as short term projects are completed, new priorities and projects arise, and new Councils are elected.

2017 Achievements

- Complete Blackburn Park life/skills pod; 
- Communications Strategy; 
- West Bay Connector Plan – ongoing; 
- Commenced Storm Water Master Plan; 
- Airport Card Lock Fuel System; 
- Foreshore Main Rehabilitation Phase 1; 
- Reviewed and updated Long Term Capital Plan including debt strategy; 
- Hosted Cultural Master Plan Open House; 
- Hosted TCH Corridor Safety Study; 
- Install a second swim dock at Canoe Beach;
- Upgrade Jackson Park sport court;
- Complete three pickle ball courts in Klahani Park;
- Refurbish Marine Park round-a-bout;
- Install drinking fountain at Ross Street Plaza;
- Update landscaping at City Hall;
- Negotiated a 3-year term renewal of the Silverbacks contract;
- Investigate options for the Restaurant space in Shaw Centre;
- Reorganize Aquatic structure and programming;
- Provided Fundamental Movement/Physical Literacy Leadership Training to various leaders in the community;
- Provided multi-sport coach development to enhance the quality of coaching in the community;
- Rebuilt Sauna;
- Installed new audio system on the pool deck;
- Renovated Main Concession at Shaw Centre;
- Implemented new digital preventative maintenance and safety system for the Refrigeration Plant;
- Awarded hosting agreement to be the home of BC Hockey Regional Centre;
- Hosted the 2017 BC Provincial High School Wrestling Championships;
- Successfully prepared and met the requirements for the Canadian Award for Excellence in Financial Reporting for the 2016 Annual Report;
- Recruited and trained new Utilities Clerk;
- Installed an emergency alert system and implemented associated security procedures at City Hall;
- Implemented automated remote cheque deposit and related policy and procedures;
- Implemented new Charge Out, Security Deposit and Future Works Contribution policy;
- Reduced the City's debt load by paying out a sanitary sewer debenture debt (\$140,304) and paying down a debenture debt for the Soccer Field/Skateboard Park in Blackburn Park (\$110,000);
- Reconciled and submitted grant claims under the BC Clean Water and Wastewater Fund (Foreshore Sanitary Main), Community Works Fund (various roads, drainage, sidewalks, etc.), and Strategic Priorities Fund (UV Light Disinfection System);
- Upgrade T1 to fibre bandwidth at the RCMP Detachment;
- Assisted with installation of Auris Hearing Loop in the Council Chambers;
- Analyzed and adjusted storm and sanitary sewer GIS data for the Master plan;
- Replaced decking on Moutel Bridge;
- Install pedestrian activated crossing signal on Canoe Beach Drive and Auto Road;
- Completed approximately 5 km under the Annual Paving Overlay Program;
- Investigate stability of Lakeshore Road slope;
- Installed recycling bins downtown;
- Continued intersection improvement investigations at 9 Ave NE & 30 Street NE;
- Completed 90% Ross Street Underpass - detailed design;
- Completed Phase 1 of the sidewalk replacement on 5 Street SE (5 Ave – Auto Road);
- Completed design of sidewalk on Lakeshore Road (26 Ave to 20 Street NE);
- Replaced Storm System at 2 Street SE;
- Design and installation of 1800mm culverts on Foothills Road, 42 & 50 Street NW creek crossings;
- Airport Runway Tree Encroachment Removal;
- Complete Radio Network Upgrades;
- Purchase new pump Mosquito Park lift station;
- Rebuild Mosquito Park sanitary pump;
- New sanitary force main Claires Cove lift station;
- Instrumentation and MCC upgrades at the WPCC;

- WPCC UV upgrade;
- Metford Dam new Turbidity Analyzer;
- Launched the Recycle Coach web and mobile application;
- Maintained recycling contamination rates to 1.2 % less than Recycle BC Program's Average;
- Extended the Residential Curbside Collection program to June 30, 2019;
- Installed 8 recycling receptacles throughout downtown;
- Achieved a solid waste diversion rate of 23.2%;
- South Canoe Trail Head Repair station;
- 434 Building Permits processed with a combined value of \$64.6 million;
- Completed firefighter training to Full Service Level;
- Completed Fire Underwriters survey;
- Ordered new Fire Tender for hall # 2;
- Enhanced Firefighter alerting system by implementing "I am responding";
- Increased paid on call firefighter benefits;
- 106 new residential lots created through the subdivision application process;
- Completion of Food Truck regulations and policies;
- Install new signage – Coyote Park and Park Hill;
- Achieved a 5.7% reduction in Serious vehicle collisions;
- Achieved a 47.5% reduction in Break and Enter and thefts;
- Construct Canoe Beach Connector Trail; and
- Hosted Marijuana Retailer / Dispensary Open House.



Future Goals

- Complete Blackburn Park recreation structure;
- Complete Blackburn Life Skills Pod;
- Install drainage Blackburn Field 1;
- Implement "Recreation Campus Redevelopment Plan" process to study the renovation or replacement of the Recreation Facility;
- Complete Storm Water Master Plan;
- Upgrade fuel system at Airport;
- Install Greenways connectors in various locations;
- Ross Street Underpass Presentations & Open Houses;
- Enhanced Social Media Communications;
- Replace Expo Signage;
- Replace Klahani backstop and dug outs Field 1;
- Replace 10 picnic tables in various parks;
- Re-purposing of underutilized restaurant space in the Shaw Centre;
- Implementation of new software solution for operational needs at SASCU Rec Centre;
- Replace downtown Christmas Tree;
- Hire Aquatics Manager for new position to manage Aquatics scheduling, programming and staffing;
- Provide NCCP Coaching and general training programs;
- Participate in National and Provincial health and wellness initiatives such as "Move for Health Day" and "Bike to Work Week";

- Continue working relationship with “Pacific Sport – Interior Region” and support their initiatives;
- Implement energy saving “Cold Water Flood” technology for maintaining ice;
- Update LED lighting in Spectator Arena to address shadow effects along boards;
- Upgrade Refrigeration Plant with additional ammonia detection and exhaust ventilation systems;
- Establish long-term lease with BC Hockey for their Okanagan Regional Centre;
- Explore early opening to accommodate hockey school business growth plans;
- Host BC Hockey Male and Female U16 camps;
- Prepare and meet the requirements for the Canadian Award for Excellence in Financial Reporting for the 2017 Annual Report;
- Prepare background financial information to recover costs associated with 2017 flooding through the Provincial Emergency Preparedness Program;
- Recruit and train Chief Financial Officer and Accountant positions;
- Implementation of an automated water meter reading program integrated into the accounting system;
- Review Electronic Funds Transfer (EFT) policy and authorized banking transfer limits;
- Participate in the analysis and replacement of Audio/Visual Equipment in Council Chambers;
- Participate in analysis and redesign of the City’s website;
- Update phones from analog to VoIP at the RCMP Detachment;
- Upgrade all workstations to Windows 10 and Office 2016;
- Switch fibre from Public Works and Fire Hall 3 to City Hall from Telus to Shaw;
- Upgrade existing servers from 2008 to new 2016 exchange server and migrate associated data;
- Complete priority listing for Pedestrian Crosswalk Signals;
- Complete approximately 5 km under the Annual Paving Overlay Program;
- Complete Hudson Street NE Beautification (Ross St – 4 Street NE);
- Complete intersection improvements at Narcisse Street & Beatty Avenue;
- Complete TCH corridor upgrades in cooperation with ICBC and MoTI;
- Secure funding for construction of Ross Street Underpass;
- Complete Lakeshore Road slope stability improvements;
- Shuswap Street – east side (5 Ave – 2 Ave);
- Complete Storm extension and upgrade on 10 Ave SE and 20 Street SE;
- Upgrade culvert on 44 Avenue NW for Gale Creek;
- Gas shack improvements;
- Airport Safety Management System Review and Update;
- WPCC Instrumentation Improvements;
- WPCC UV upgrade;
- Install sanitary main replacement 2nd Street SE (5-10 Ave SE);
- Metford Dam – Hypo Tank Storage;
- Metford Dam – New UVT analyzer;
- Metford Dam – Toe Berm Construction;
- Park Hill Reservoir Discharge Valve Upgrade;
- Prepare and award the RFP and new Service Contract for the Residential Curbside Collection Program to start July 1, 2019;
- Increase Recycle Coach active users and content;
- Design/build Urban Connector Hillcrest Development;
- Cress Creek rebuild;
- Hillcrest Subdivision greenways connector trail;
- Continue to manage core development services / applications in a timely manner;
- Implement local policy and application procedures for cannabis retail stores;
- Prepare bylaw to address nuisance street soliciting;
- Review costs and benefits for alternative and updated parking meter technology;
- Take delivery of new tender for Hall # 2;
- Replace Rescue 3 apparatus;
- Purchase and install monitors in each fire hall for who’s responding program;
- Purchase ATV type unit;
- Purchase storage container and place at Hall # 4;
- Have recruits complete content for Full Service Level; and
- Conduct 2018 General Municipal Election.

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City of Salmon Arm Departmental Services

Corporate & Financial Services

The Chief Administrative Officer (CAO) is statutorily appointed under the Community Charter and is responsible for the overall management of City operations and programs providing guidance and direction to Senior Managers. The CAO assists Council in establishing and implementing policies through municipal staff and ensures that all departments are working towards the same goals and objectives as Council.

Corporate Services:

The department provides legal and administrative support to City Council; it is responsible for recording resolutions, decisions and minutes of Council to allow the direction of Council to be carried out.

Legal and administrative services provided by this division include the preparation and execution of leases, agreements and legal documents and development of bylaws, policies and procedures, etc. This division manages the City's property and liability insurance portfolio and handles all insurance claims through an Insurance Risk Management and Claims Committee, including the self insurance program. It ensures the proper conduct of municipal elections and referenda. Legislative Services manages the corporate document management system, City Policies Manual and completion of the City's Annual Report.

Inquiries under the Freedom of Information and Protection of Privacy Act are handled through this division.

Financial Services:

The Financial Services Division provides financial expertise, information, guidance and advice on day-to-day operational matters to internal (Council, Managers and Departments) and external (taxpayers, developers, etc.) customers. This division develops financial policies and procedures which assist Council and guide staff in shaping the direction of the organization.

Staff provide accurate and full disclosure on the financial affairs of the City as set out in the Community Charter and Local Government Act. This information includes annual municipal reporting forms, operational and capital budgets, setting of annual property tax, water and sewer rates, annual financial statements, long term financial plans, investments, public bodies report, etc.

Long term growth management strategies such as the Long Term Financial Plan, Five (5) Year Capital Plan and the Long Term Equipment and Infrastructure Replacement Plans are

developed and implemented to better plan for our community.

Financial Services takes a leadership role in Emergency Management. For example, in both the 1998 and 2003 wildfire events, this division played a key role in coordinating the donation process, tracking expenditures at the Emergency Operation Centre, execution of various contracts such as communications, volunteers, etc.

The Division develops and implements financial controls which safeguard City assets (i.e. the collection and expenditure of funds) and prevent fraud and error. This division is staffed by four (4) accounting clerks, an accountant, a Financial Services Manager and the Chief Financial Officer. They are responsible for processing invoices, payroll for approximately 125 full and part time staff, calculation and collection of property taxes and utilities, preparation of annual budgets, etc.

Information Services:

The role of the Information Services Division is to provide reliable, stable and current technology systems to all City departments. This division maintains all servers, workstations, firewalls, printers, digital cameras, scanners, telephones, cellular phones, pagers, security systems, Geographic Information Systems (GIS) as well as the city website.

The vision of Information Services is to position the City with a predictable and balanced approach to managing technology where all departments can deliver services to their staff and the residents and businesses of Salmon Arm.

Information Services coordinates and manages short and long term strategic planning, acquisition of corporate computer equipment, software and services, and telecommunications equipment and services. This ensures the effective operation of the City's information services infrastructure and supports the various applications and processes of the municipality and its interaction with the citizens of Salmon Arm.

Recognizing the important role information technology (IT) systems play in the daily operation of the City, high availability and business continuity of information systems is a key priority

in the IT service delivery mechanism. Where required and cost effective, Information Services strives to implement products with a maximum amount of redundancy which provides a quick response solution to recover from serious failures, minimizing lengthy system outages and lost productivity.

The demand for information from both our internal and external customers continues to encourage the need for technology solutions. Our diverse group of users drives the need for these tools to ensure their effectiveness in sustaining the requirement for efficient fiscal management and decision-making.

Geographic Information Services:

Our spatial Geographic Information Systems (GIS) database provides support to Engineering & Public Works, Development Services, Finance Departments and Corporate Services for reporting and map generation. In addition, a public interactive mapping system is available on the City's website with the capability to search for zoning, legal descriptions and assessments.

GIS is an integral component of the City's Information Services Division and has become a significant and essential database which is relied upon by both staff and customers alike.

Human Resources

The role of the Human Resources department is to provide professional advice and guidance to the City regarding best practices in all areas of HR as well as legislative requirements.

Human Resources:

The Human Resources Department provides strategic direction, vision, and leadership to the City's management team and unionized employees (CUPE Local 1908 and IAFF Local 3791 employees). The Department is responsible for the recruitment and selection, performance management, disability management, labour relations, collective bargaining, health and safety, training and development of all employee groups.

In addition, the Health and Safety Division within HR ensures that the City is in compliance with WorkSafeBC and OHS regulations. The health and safety of the City's workforce is of the utmost importance and is integral to creating a positive culture.

Customer Service:

The City of Salmon Arm recognizes the importance of its citizens and endeavours to consistently provide quality customer service in a timely and efficient manner. City staff delivers both internal and external customer service that reflects the

growing and changing needs of our operations and citizens.

Although customer service is a priority and responsibility of all City staff, our Customer Service Centre (located at City Hall) is the first point of contact for the Public to receive information and support relating to:

- Building permits, inspections, licenses, and zoning;
- Recycling and solid waste management;
- Property taxes and utility billing;
- Dog licensing;
- Cemetery services;
- Parking and transit passes;
- Cashier payments; and
- General inquires.

Customer Service Representatives stay updated on changes and developments in the City's activities in order to provide knowledgeable services to the Public.

The hours of operation are Monday-Friday 8:30 a.m. – 4:00 p.m. (closed on statutory holidays).

In
2017

1168
Twitter Followers

472
Daily Visitors
on Website

285,627
Pageviews on
Website

Development Services

This department is responsible for the administration of the City's Official Community Plan, review and approvals of development and subdivision applications, along with building inspection, business licencing and bylaw enforcement. Department staff continually track development activity and keep apprised of legislative changes that may affect City policies and bylaws. Property owners and the development industry are the primary clientele of this department.

Planning and Development:

The core focus of planning staff in 2016 was on the administration of various types of applications including, but not limited to, subdivisions, rezonings and development permits which are reviewed for compliance with City bylaws, policies, guidelines and Provincial legislation. Staff processed 128 applications in 2017 (compared to 110 in 2016), many of which involved Council's approval of the rezoning of land for residential suites. Other initiatives and priorities in 2017 included compilation and reporting of the annual Climate Action/Carbon Neutral Progress Survey and commencement on a review of a policy and regulatory options for mobile food vendors. Department planners are appointed to the City's Development and Planning Services Committee, Greenways Liaison Committee, Design Review Panel, Agricultural Advisory Committee and Heritage Commission.

Bylaw Enforcement:

The majority of issues, complaints and violations handled by the Bylaw Enforcement Officer are parking and property related. Also included in this scope of services is a summer student parking enforcement position, and Animal Control which is contracted to a regional service provider. The Bylaw Enforcement Officer routinely liaises with the RCMP and participates on the Downtown Parking Commission, Traffic and Safety Committee and the Committee to Approve Public Events.

Building Inspection:

Building officials provide the public and the construction industry with quality service with the primary objective being to ensure the structural integrity of new buildings conform to the requirements of the BC Building Code and applicable City bylaws. Inspection services range from building and plumbing to signage and business occupancy. The number of building permits issued in 2017 was 434 with a combined value of \$64.6 million (an increase of 28 permits with a decrease in value of \$23.2 million compared to 2016). Single family residential development and residential suite construction continued from the previous year on a strong pace.

Business Licensing:

The City participates in the Province-wide business licensing and information sharing programs. There were 1281 active Business Licences at the end of 2017, 67 more than in 2016. Business licence applications are checked by development services staff for compliance with zoning bylaw requirements and business premises are inspected to ensure that they are safe for the public. Business license applications are checked by development services staff for compliance with zoning bylaw requirements, and business premises are inspected to ensure that they are safe for the public.

In
2017

434
Building Permits
Issued

143
New Homes
Constructed

106
New Residential
Lots Created

Engineering Services

Engineering oversees road and utility construction and design, transportation planning (including traffic, pedestrian and cycling planning, parking and road construction), utility planning, and environmental programs. The overall role of the department is to provide proactive planning, expansion, renewal, and maintenance advice. The department also prepares technical documents which accompany regulatory bylaws (such as water, sewer, subdivision and development servicing, highway and traffic control, etc). The department plays an integral role in the long-term planning of infrastructure design and costing, and managing the City's infrastructure to promote sustainability.

Shuswap Regional Airport (Salmon Arm) CZAM:

The Shuswap Regional Airport is managed by the City and is a class Code 2B non-instrumental 1,370 metre runway airport, servicing both commercial and private users. Airport services include 24/7 service and a terminal building (which includes commercial rental space) and the Salmon Arm Flying Club clubhouse. A new card lock aviation fuelling station will be constructed along with new above ground fuel tanks which will enhance the services at the Airport.

Transit Services:

The Shuswap Regional Transit System is provided in partnership with BC Transit, the CSRD, and the City of Salmon Arm. It is operated by First Canada ULC. The transit system is comprised of eight (8) buses which provide passenger service for five (5) fixed routes, as well as custom para-transit, and regional service to Blind Bay, Sorrento, Eagle Bay and the Adams Lake Band, plus a taxi-supplemented service to minimize operation and maintenance costs. The City has implemented free transit for students during the months of July and August.

Curbside Solid Waste and Recycling Collection:

The City of Salmon Arm provides a Residential Solid Waste and Recycling Curbside Collection Program to over 6,250 homes within the City limits. These include single-family residential dwellings, mobile homes and other eligible dwellings. Curbside collection of solid waste and recyclables is provided through our collection contractor, Waste Connections of Canada (formerly Progressive Waste Solutions). The City works in partnership with Recycle BC (formerly Multi Material BC) to administer the Curbside Recycling Program.

The City aims to provide the most efficient and cost-effective collection methods for its residents while maintaining low levels of contamination in order to maximize the quantity and quality of recycled commodities.

Yard Waste Collection:

The City provided two (2) Yard Waste Collection days in

2017 on May 8 and November 6. The program coincided with the CSRD's free yard waste events. Clippings (grass, lawn, and hedge), sod, flowers, weeds (non-invasive), leaves, vegetable stacks, shrubs, and shrub/tree branches (up to 1" diameter) were accepted in compostable paper bags.

The City collected 18.9 metric tons of yard waste during the Spring collection and 19.6 metric tons during the Fall collection. The waste was composted and will become available to residents as part of the CSRD's Kickin' Compost program.

Curbside Food Waste Collection Trial:

The City of Salmon Arm and the Columbia Shuswap Regional District collaborated to provide a Curbside Food Waste Collection Trial. The Trial ran from July 4 to September 30, 2016. The purpose of the program was to evaluate the different components of a food waste program and decide what would work best in our community. Trial properties included approximately 200 homes in the Ridge subdivision and in the area between Piccadilly Mall and Foothill Road along 10 Street SW.

The City received valuable feedback from residents and useful collection data. We hope to implement a citywide curbside food waste collection program in 2019.

Cemetery:

The City currently maintains Baker Cemetery and Mt. Ida Cemetery with Shuswap Memorial Cemetery to be added in November 2017.

Baker Cemetery is no longer active and is located at 6670 Trans Canada Highway NE.

Mt. Ida Cemetery is located at 2290 Foothill Road SW. The Old Section of the cemetery was established in 1894. The cemetery is approximately 110 acres of which only nine acres are suitable for cemetery development.

Shuswap Memorial Cemetery is located at 2700 20 Avenue SE. Phase 1 is scheduled to open in 2018, pending provincial approval of the City's Cemetery bylaw. Mounce Construction constructed Shuswap Memorial Cemetery.

Public Works

Public Works is comprised of two (2) divisions: Roads, Transportation and Parks; and Utilities (including water and wastewater treatment facilities). The role of the department is to ensure that pro-active planning and maintenance of the City's infrastructure takes place to facilitate cost-effective and timely capital works programs that maximize benefits to the community. This department seeks to foster good communications with the community, with a view to working together to achieve the best balance between cost and benefit.

Roads, Transportation and Parks:

This division provides a wide range of services to the community. The Roads group looks after maintenance and construction of municipal roads, snow removal and sanding, dust control, sidewalk maintenance, street lighting, traffic signage, bridge repair, storm drainage maintenance, rehabilitation of asphaltic roadways and traffic, and pedestrian safety. The department also looks after maintenance of city playing fields, wide-area mowing of major parks, boulevards and playing fields, planting, watering and weeding of flower beds, hanging baskets and down town planter boxes, cleaning and maintenance of public washrooms, maintenance and pruning of street trees, and garbage pickup in the parks. They also are in charge of public sidewalks and walkway snow removal.

Drainage:

The City of Salmon Arm, under both the Utilities and Roads Divisions, is responsible for the maintenance and ongoing development of the storm water collection system. The storm lines, ditches, catch basins, inlet/outlet structures, culverts, and retention ponds are maintained within the limits of available budgets, to ensure there are no issues with run-off water. The Utilities Division also utilizes a smoke testing program to identify potential cross connections existing throughout the collection system..

Utilities:

The Utilities Division provides for the efficient treatment and delivery of high-quality water and the collection and treatment of sanitary sewer through a schedule of systematic new improvements, upgrades, and replacements. This division plays an integral role in maintaining the health, safety, and well-being of the community.

The water and sewer utilities have self-liquidating funds that must provide for their own revenues through fees, taxes and other charges to support the expenditures required to operate and maintain infrastructure into the future.

Water Treatment/Distribution System:

The City's water is supplied by way of two (2) primary sources: East Canoe Creek at Metford Dam (approximately 10% of the water supply) and Shuswap Lake at Canoe Beach (approximately 90% of the water supply). A secondary water source at Rumball Creek provides untreated and non-disinfected water for irrigation at the Mt. Ida Cemetery. The water supply consistently meets the Canadian Drinking Water Guidelines, BC Drinking Water Protection Act and the Safe Drinking Water Regulations.

The distribution system includes approximately 205 km of watermain, varying in diameter from 100 mm to 600 mm. The City's waterworks system provides water through gravity and pump systems. The waterworks system is complex and is comprised of seven (7) pressure zones, 810 hydrants, six (6) pumping stations, fourteen (14) reservoirs and one (1) dam. There is a total storage capacity of 24,538 cubic meters servicing a population of approximately 14,000 people and over 6,900 connections. Approximately 25% of the City's customers are on water meters.

Sanitary Sewer System:

The City provides an enhanced tertiary level of treatment of wastewater at its Water Pollution Control Centre, meeting the guidelines set by the Ministry of Environment to protect the public and the environment. It operates both the Water Pollution Control Centre and seven (7) lift stations safely and at optimum efficiency.

In
2017

8.6M
Litres of Water
Treated Daily

20.6M
Litres of Water Treated
on Peak Summer Days

\$1.25M
Improving City
Parks

Police Services

The Salmon Arm Royal Canadian Mounted Police (RCMP) Detachment is committed to ensuring the safety of the community. As the policing environment becomes more complex, preserving the peace, upholding the law and providing quality service is achieved by focusing on the strategic priorities set through consultation with City Council and our community. The Detachment provides specific programs and services to achieve these priorities, including Public Education, Enforcement, Prevention and Protection activities.

Salmon Arm is policed by the RCMP. The Staff Sergeant in Charge of Salmon Arm Detachment reports to the District Officer at our South East District Headquarters, in Kelowna. The South East District RCMP Headquarters provides assistance and asset support to Salmon Arm Detachment. RCMP Specialized response teams, Police Dog Services, and tactical and additional investigative teams are deployed through this hub. Additionally, RCMP rotary and fixed wing aircraft and other specialty equipment is available upon request to support operations at the local detachment.

The Salmon Arm Detachment is responsible for policing within the City of Salmon Arm as well as the regional area of Columbia Shuswap Regional District and three (3) First Nations Communities: Adams Lake Band, Neskonlith Band and Little Shuswap Lake Band which are part of the Secwepemc Nation.

There are twenty four (24) regular member police officers who staff the Salmon Arm Detachment. Nineteen (19) of these officers are financially supported by the City of Salmon Arm. The remaining five (5) officers are financially supported by the provincial government. These members are supported in their duties by six (6) municipal employees, two (2) public service employees, a Police Based Victim Services section and volunteer RCMP Auxiliary and Salmon Arm Citizens Patrol support our operations.

Members of the Salmon Arm Detachment are involved in community policing initiatives, youth mentorship, and crime reduction with a mandate to enforce municipal bylaws, provincial statutes and Federal Acts. In 2017 our members and support staff handled 7250 calls for service / investigations.

The detachment encompasses three (3) sections: General Duty, which includes day to day policing, traffic enforcement and community policing measures; a Traffic Section; and General Investigation Section, which targets specific crimes

and individuals involved with drugs, major thefts and other high profile cases.

The Detachment has a close working relationship with many government agencies including Provincial and Federal Crown Counsel, Youth and Adult Probation Services, all Provincial Ministries, Work Safe BC, Interior Health Authority, the British Columbia Coroner's Service and the SAFE Society. In strategic partnership with community groups and these agencies (and other agencies) we work together to achieve common goals.

Police-based Victim Services is based in the RCMP Detachment and consists of both paid and volunteer staff. After undergoing an extensive training program to prepare them the Police Based Victim Services group provides support and information to victims of crime, persons affected by family tragedies and refers clients to local Community-based Victim Services as required.

Our local RCMP Auxiliary Constable program consists of volunteers that provide complimentary policing service to the community. Following successful completion of the six (6) month training program, these Auxiliary Constables have peace officer status when performing policing duties. The duties of the Auxiliaries center on community based initiatives. They work closely with regular members in crime reduction and public information initiatives.

Another important support to the local detachment is the Salmon Arm Citizens Patrol (SACP). The SACP is a dedicated group of volunteers who act as extra sets of eyes and ears for the local RCMP Detachment. The group patrols designated areas in Salmon Arm and Canoe and they also staff the "Speed Watch" speed-display boards within our City of Salmon Arm. SACP members also staff information booths at local events and venues, and are of assistance to local response teams during civil emergencies.

Fire Services

The City of Salmon Arm Fire Department provides community based fire suppression, prevention, public education and some rescue services to the residents of the City of Salmon Arm.

The Department operates out of four (4) fire halls located at:

- Fire Hall #1 – 6600 50 Street N.E. (Canoe)
- Fire Hall #2 – 200 30 Street S.E. (Broadview)
- Fire Hall #3 – 141 Ross Street N.E. (Downtown)
- Fire Hall #4 – 5160 40 Avenue N.W. (Gleneden)

The Fire Department is staffed by three (3) career officers, part time receptionist and approximately seventy paid on call fire fighters.

Fire protection services are provided to approximately 8,550 properties and inspection services to approximately 960 public buildings.

In addition to fire response, the fire department responds to rescue related calls including trench rescue, confined space rescue, hazardous material response, low angle rescue, ice rescue and elevator rescue. The department does not provide a medical first response however does assist the B.C. Ambulance service with lift assists and works closely with the Salmon Arm Rescue Unit at motor vehicle accidents which involve entrapment.

Fire Safety education to the citizens in the community continued and in 2017 several community events occurred including the Canada Day Children's Festival, Halloween celebrations in the downtown, Christmas holiday train, airport appreciation day, fire prevention presentations to seniors and youths, fire extinguisher training and many fire hall tours.

In 2017, the Fire Department in partnership with the Office of the Fire Commissioner, participated in the annual "Fire Prevention Week" campaign, a fire safety initiative promoted throughout the community.

The 2017 theme was "EVERY SECOND COUNTS – PLAN TWO WAYS OUT."

During Fire Prevention week, a number of initiatives were undertaken including fire chief for a day where each school child

in grades k-3 were able to enter a draw.

The Prevention branch also continues to provide smoke alarms to those in need and in 2017 provided and installed a number of alarms.

2017 also saw a Fire Underwriters Survey conducted where Certified Fire Protection Specialists conducted detailed field surveys of the fire risks and fire defenses maintained in our community. Results of this survey saw an improvement in the Public Fire Protection Classification™ (PFPC) grade.



**IN
2017**

7000
Man Hours attending
calls and training

800
Fire Inspections
completed

384
Calls for
Assistance

Recreation Services

The Shuswap Recreation Society, through a lease and operating agreement with the City, is responsible for providing recreational and leisure services at the Shaw Centre, the SASCU Recreation Centre and the Little Mountain Field House. The Society's mandate is to provide diverse family and adult-oriented leisure activities with a view to promoting active living and quality of life in the community. The Society strives to maximize the productivity of resources, provide good cost recovery of taxpayers dollars, and provide affordable recreational opportunities for the residents of Salmon Arm.

Salmon Arm Savings and Credit Union Recreation Centre:

The Recreation Centre provides a wide range of services including pool and facility rentals, racquetball and squash, weight training, programming, etc. to promote the health and wellness of our citizens.

Aquatic Services:

The Aquatics Division provides an indoor lap pool and hot tub, and sauna. It has been a priority of the aquatics staff to create a warm and inviting atmosphere. In addition to swimming lessons, four (4) levels of aquafit taught by certified instructors as well as special swim programs are provided to individuals who require rehabilitation exercises. Our Aquatics division is also a training centre for Water Safety Instructors, Lifeguards and First Aid (including automated external defibrillator training).

This facility is also used by competitive swim clubs. This quality environment has led to competitive teams and individuals who consistently prove themselves in provincial competition.

Programming Services:

The SASCU Recreation Centre provides various programs from preschool to seniors in addition to the facilitation of contractors who also provide recreational programming. Drop in programs such as Motoring Munchkins and Pickle Ball are very popular as are registered programs such as Wiz Kids and Volleyball. Each season the SASCU Recreation Centre publishes the 'Fun Guide' promoting the various programs and events for 'Salmon Arm Recreation' as well as providing contacts to organizations and participating private recreation providers. The Programming department also provides scheduling for the various recreational facilities within the City.

Little Mountain Fieldhouse:

The Little Mountain Fieldhouse is part of the Little Mountain Sports Field complex consisting of three (3) regulation

size soccer fields next to Little Mountain Park. It is a great venue for meetings, birthday parties, small weddings or any other function at a reasonable rate. Little Mountain Fieldhouse is large enough to seat 60 people comfortably and is equipped with a full kitchen.

Access Program:

The Shuswap Recreation Society also offers an Access Program which minimizes barriers for financially challenged members of the community.

Shaw Centre:

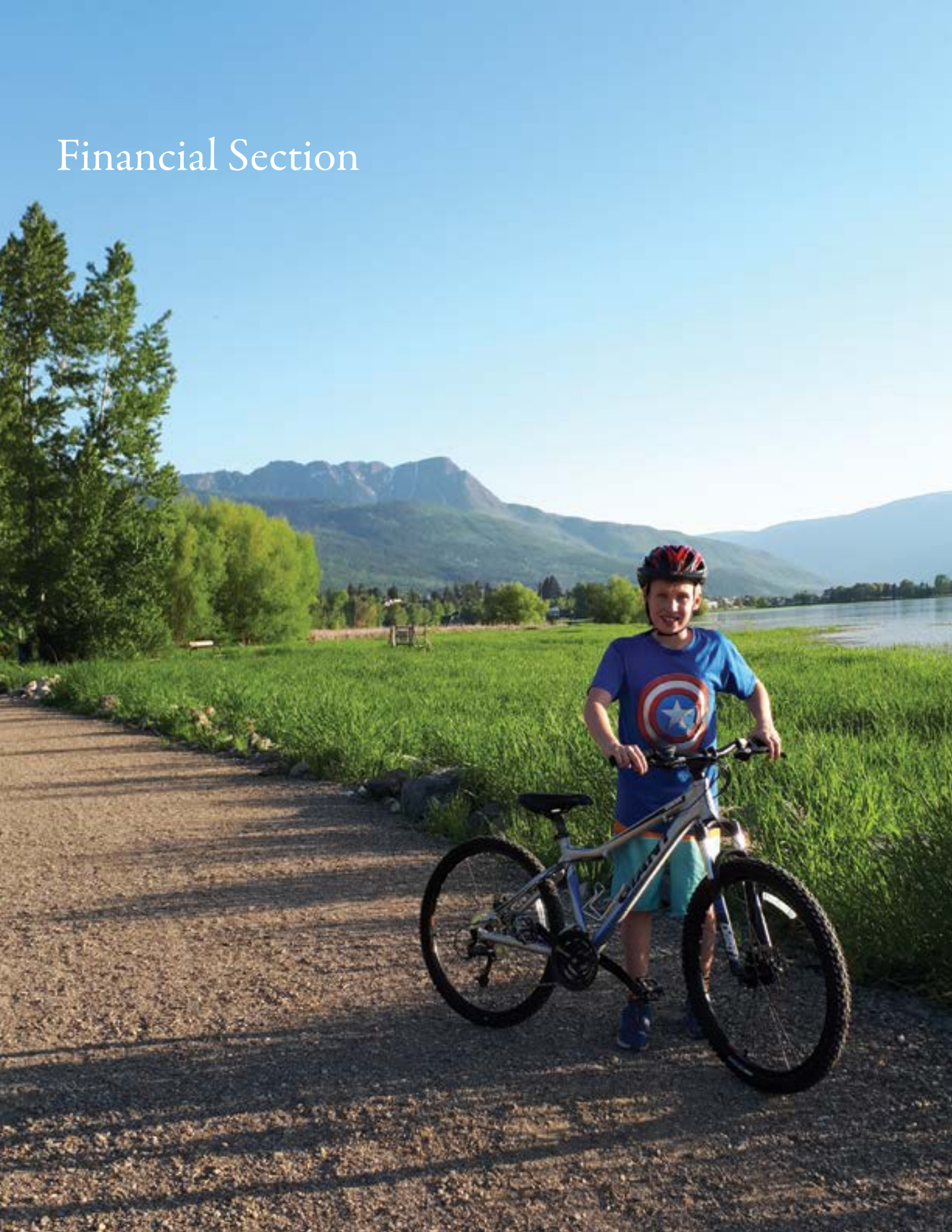
The Shaw Centre provides two (2) sheets of regulation sized ice during the winter season which converts to dry floor for the summer season. It has the capacity to handle events with in-house stage, icedecking, show power, chairs, tables, meeting rooms and dressing rooms. This complex also has a Restaurant / Catering service and retail space.

In addition to minor hockey, adult rec hockey, hockey school, ringette, speed skating, figure skating and lacrosse, the Shaw Centre promotes a variety of community events and concerts. The evidence of Shaw Centre's commitment to providing quality events can be found in the successful production of:

- Perennial host for Hockey BC High Performance Camps, including the U16 BC Cup, U17 Best Ever program, and the U 18 Female BC Cup;
- Numerous Concerts such as Blue Rodeo, Emerson Drive, Alice Cooper, Stompin Tom, Paul Brandt, Teri Clarke, Steve Earle, etc.
- National Ringette Competition; and
- Salmon Arm Homeshow.

The Shaw Centre is home to the Salmon Arm Silverbacks Junior 'A' hockey team. The Silverbacks have been providing fans with many years of exciting hockey action on the ice and home games have evolved into an eagerly anticipated social event for many Salmon Arm residents.

Financial Section



**The City of Salmon Arm
Consolidated Financial Statements
For the Year Ended December 31, 2017**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the City of Salmon Arm are the responsibility of management and have been approved by the Chief Financial Officer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the consolidated financial statements are based on management's best estimates and judgments. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City of Salmon Arm maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City of Salmon Arm's assets are appropriately accounted for and adequately safeguarded.

The City of Salmon Arm's Chief Financial Officer and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Chief Financial Officer and Council members meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. The independent auditor's report expresses their opinion on these consolidated financial statements. The auditors have full and free access to the accounting records and the Chief Financial Officer and Council of the City of Salmon Arm.



Chief Financial Officer



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BDO Canada LLP
 371 6th Street NE, Suite 201
 Edmonton, AB T5C 0R5, Canada

Independent Auditor's Report

To the Mayor and Council
 The City of Salmon Arm

We have audited the accompanying consolidated financial statements of the City of Salmon Arm, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Salmon Arm for the year ended December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants
 Salmon Arm, British Columbia
 April 23, 2018

1. The accompanying consolidated financial statements were prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements were prepared in accordance with the requirements of the City of Salmon Arm's financial reporting policy.

**The City of Salmon Arm
Consolidated Statement of Financial Position**

As at December 31	2017	2016
Financial Assets		
Cash	\$ 1,237,649	\$ 1,278,302
Investments	51,488,907	47,457,953
Accounts Receivable		
Property Taxes	999,677	1,056,893
Trade	1,205,167	1,195,014
Water and Sewer Levies	161,121	147,874
Inventories for Resale	49,806	61,159
M.F.A. Debt Reserve - Note 3	1,812,705	1,838,785
	56,955,032	53,035,980
Liabilities		
Accounts Payable and Accrued Liabilities	3,573,209	3,592,222
Deposits and Performance Bonds	1,045,422	857,083
Prepaid Property Taxes and Levies	2,673,430	2,605,079
Deferred Revenues - Note 4	13,554,846	11,599,145
M.F.A. Debt Reserve - Note 3	1,812,705	1,838,785
Long Term Debt - Note 1 and Schedule 1	23,486,456	25,590,104
	46,146,068	46,082,418
Net Financial Assets	10,808,964	6,953,562
Non-Financial Assets		
Tangible Capital Assets - Schedule 2	215,948,852	214,058,315
Prepaid Expenses	12,821	13,340
	215,961,673	214,071,655
Accumulated Surplus	\$ 226,770,637	\$ 221,025,217



Monica R. Dalziel, CFA, CMA

Chief Financial Officer

**The City of Salmon Arm
Consolidated Statement of Operations**

For The Year Ended December 31	2017	2017	2016
	Actual	Budget (Note 5)	Actual
Revenues			
Taxation - Net - Note 6	\$ 16,878,465	\$ 17,111,130	\$ 16,517,517
Transportation Parcel Tax - Note 6	932,520	920,000	914,040
Frontage Tax - Note 6	2,339,592	2,317,435	2,307,934
Grants - Schedule 3	2,277,568	6,879,325	1,789,596
Grants - Other	183,774	189,910	181,753
Sales of Services	7,044,803	6,481,440	6,713,650
Licences, Permits and Fines	928,862	671,225	747,834
Rentals, Leases and Franchises	981,405	977,485	1,028,331
Return on Investments	1,066,660	411,849	1,064,599
Penalties and Interest	205,762	217,000	240,864
Other Revenue from Own Sources	65,829	8,100	58,002
Other Contributions	2,828,480	307,810	5,213,301
	35,733,720	36,492,709	36,777,421
Expenses			
General Government Services	4,629,684	4,091,115	4,616,299
Protective Services	5,124,932	5,512,920	4,953,565
Transportation Services	9,275,439	5,008,830	8,341,397
Public Health Services	958,367	1,221,867	953,344
Development Services	1,185,604	1,358,955	1,071,100
Recreation and Cultural Services	3,155,520	3,278,860	3,175,296
Water and Sewer Services	5,658,754	4,107,648	5,539,941
	29,988,300	24,580,195	28,650,942
Annual Surplus	5,745,420	11,912,514	8,126,479
Accumulated Surplus, Beginning of Year	221,025,217	221,025,217	212,898,738
Accumulated Surplus, End of Year	\$ 226,770,637	\$ 232,937,731	\$ 221,025,217

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm
Consolidated Statement of Change in Net Financial Assets (Debt)

For The Year Ended December 31	2017	2017	2016
	Actual	Budget	Actual
Annual Surplus	\$ 5,745,420	\$ 11,912,514	\$ 8,126,479
Acquisition of Tangible Capital Assets	(9,122,802)	(16,520,025)	(11,859,855)
Amortization of Tangible Capital Assets	7,232,265	-	6,937,756
Disposal of Tangible Capital Assets	-	-	135,172
	3,854,883	(4,607,511)	3,339,552
Acquisition of Prepaid Expenses	(12,821)	-	(13,340)
Usage of Prepaid Expenses	13,340	-	11,304
Net Change In Net Financial Assets (Debt)	3,855,402	(4,607,511)	3,337,516
Net Financial Assets, Beginning of Year	6,953,562	6,953,562	3,616,046
Net Financial Assets, End of Year	\$ 10,808,964	\$ 2,346,051	\$ 6,953,562

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

**The City of Salmon Arm
Consolidated Statement of Cash Flows**

For The Year Ended December 31	2017	2016
Cash Flows From Operating Activities		
Annual Surplus	\$ 5,745,420	\$ 8,126,479
Items Not Involving Cash		
Amortization Expense	7,232,265	6,937,756
Disposal of Tangible Capital Assets	-	135,172
Changes in Non-Cash Operating Items		
Inventories for Resale	11,352	(10,452)
Accounts Receivable	33,816	(80,208)
Accounts Payable	(19,013)	500,191
Deferred Revenues	1,955,701	1,112,946
Deposits and Performance Bonds	188,339	224,703
Prepaid Property Taxes and Levies	68,351	107,701
Prepaid Expenses	520	(2,036)
	<u>15,216,751</u>	<u>17,052,252</u>
Cash Flows From Investing Activity		
Increase in Investments	<u>(4,030,954)</u>	<u>(3,317,887)</u>
Cash Flows From Capital Activity		
Acquisition of Tangible Capital Assets	<u>(9,122,802)</u>	<u>(11,859,855)</u>
Cash Flows From Financing Activities		
Actuarial Adjustments	(697,468)	(622,327)
Repayment of Long Term Debt	<u>(1,406,180)</u>	<u>(1,589,258)</u>
	<u>(2,103,648)</u>	<u>(2,211,585)</u>
Decrease In Cash During Year	(40,653)	(337,075)
Cash, Beginning of Year	1,278,302	1,615,377
Cash, End of Year	<u>\$ 1,237,649</u>	<u>\$ 1,278,302</u>

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm Summary of Significant Accounting Policies

December 31, 2017

Nature of Business	The City of Salmon Arm (City) is incorporated under the laws of British Columbia and is engaged in the operation of a municipality.														
Basis of Presentation	It is the City's policy to follow Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of all funds of the City. All inter fund transactions have been eliminated. The consolidated statements have been prepared by management using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.														
Revenue Recognition	Taxation revenues, net of collections for other governments, are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is provided by the City. Grant revenues are recognized when the funding becomes receivable.														
Expenses	Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.														
Investments	Investments are deposited with the Municipal Finance Authority and are held in short term bonds and a money market fund. The interest rate as at December 31, 2017 was approximately 0.97% (2016 - 1.11%). The City holds three \$100,000 Royal Bank debenture bonds due in 2083 with a floating interest rate. All investments are recorded at cost; the fair market value at December 31, 2017 was \$51,488,907 (2016 - \$47,383,482).														
Inventories	Inventories are stated at cost. Cost is generally determined on a first-in, first-out basis.														
Tangible Capital Assets and Amortization	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all cost directly attributable to the acquisition or construction of the tangible capital asset, including transportation, site preparation, design, engineering, and legal fees. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">40 to 75 years</td> </tr> <tr> <td>Machinery and Equipment</td> <td style="text-align: right;">5 to 35 years</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">5 to 25 years</td> </tr> <tr> <td>Information Technology Infrastructure</td> <td style="text-align: right;">4 to 10 years</td> </tr> <tr> <td>Parks Infrastructure</td> <td style="text-align: right;">10 to 75 years</td> </tr> <tr> <td>Utility Infrastructure</td> <td style="text-align: right;">10 to 100 years</td> </tr> <tr> <td>Transportation Infrastructure</td> <td style="text-align: right;">10 to 100 years</td> </tr> </table>	Buildings	40 to 75 years	Machinery and Equipment	5 to 35 years	Vehicles	5 to 25 years	Information Technology Infrastructure	4 to 10 years	Parks Infrastructure	10 to 75 years	Utility Infrastructure	10 to 100 years	Transportation Infrastructure	10 to 100 years
Buildings	40 to 75 years														
Machinery and Equipment	5 to 35 years														
Vehicles	5 to 25 years														
Information Technology Infrastructure	4 to 10 years														
Parks Infrastructure	10 to 75 years														
Utility Infrastructure	10 to 100 years														
Transportation Infrastructure	10 to 100 years														
Intangible Assets	Intangible assets include works of art and historic assets located throughout City Hall. They are not reflected in these consolidated financial statements.														
Long Term Debt	Long term debt is recorded net of any sinking fund balances. Debt charges, including interest and foreign exchange, are charged to current operations. Interest charges are accrued for the period from the date of the last interest payment to the end of the year.														

**The City of Salmon Arm
Summary of Significant Accounting Policies**

December 31, 2017

Reserves	Reserves for future expenditures represent amounts set aside for future operating and capital expenditures.
Government Transfers	Unrestricted government transfers are recognized as revenue in the year that the transfer is approved by the issuing government. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which related expenses are incurred, except where the grant or transfer is received for which the expense has not yet been incurred, then the grant or other transfer is included in deferred revenue. Transfers made to other organizations are expensed in the current year.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Budget Figures	The budget figures are from the Annual Budget Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.
Commitments	The City has entered into various agreements and contracts for services for periods ranging from one to five years.
Employee Future Benefits	The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.
Contaminated Sites	<p>Effective January 1, 2015, the City adopted the new Public Sector Accounting Standard PS3260 Contaminated Sites. The new standard can be applied retroactively or prospectively, and the City has elected to apply it prospectively.</p> <p>Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.</p> <p>Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the City accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability was recognized as at December 31, 2017.</p>

The City of Salmon Arm Summary of Significant Accounting Policies

December 31, 2017

Use of Estimates

The preparation of the consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these financial statements include the valuation of accounts receivable and amortization of tangible capital assets.

The City of Salmon Arm
Notes to Consolidated Financial Statements

December 31, 2017

1. Long Term Debt

Future principal requirements, not including sinking fund additions, on existing debt:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
2018	\$ 541,017	\$ 457,981	\$ 150,688
2019	541,017	457,981	150,688
2020	308,973	424,832	150,688
2021	308,973	424,832	150,688
2022	308,973	424,832	150,688
2023 and thereafter	3,313,628	2,590,763	914,487

2. Contingent Liabilities and Commitments

(a) Pension Liabilities

The employer and its employees contribute to the Municipal Pension 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 pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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 remain unchanged.

The City of Salmon Arm paid \$617,783 (2016 - \$599,740) for employer contributions while employees contributed \$526,139 (2016 - \$538,032) to the plan in fiscal 2017.

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

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

2. Contingent Liabilities and Commitments - Continued

(b) Columbia Shuswap Regional District

Columbia Shuswap Regional District (Regional District) debt is, under the provisions of the Local Government Act, a joint and several liability of the Regional District and each member municipality within the Regional District, including the City of Salmon Arm. The loan agreements with the Regional District 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 obligations with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

(c) Other

The City is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the consolidated financial statements. Settlement, if any, made with respect to these actions, would be expected to be accounted for as a charge to expenditures in the period in which realization is known.

(d) Equipment Leases

The City is the lessee of a postage machine and workstations valued at \$85,204 excluding taxes. The lease terms are February 2016 to May 2019. The City has no equity in the leased equipment, and the lease payments are disclosed as operating expenses of the year in which they are paid. Subsequent to the yearend, the City entered into an operating lease agreement for workstations valued at approximately \$89,379 with a lease term of March 2017 to July 2021.

Future annual lease payments are as follows:

2018	\$50,080
2019	35,443
2020	24,987
2021	12,494

(e) Contractual Obligation

The City has entered into a contract with the Shuswap Recreation Society to manage the Recreation and Shaw Centres and is contingently liable for deficits incurred when expenses exceed revenues. The City provides an annual provision for the operation and maintenance of these facilities.

(f) Guarantor Agreement

The City has entered into an agreement to act as a loan guarantor for \$750,000 to assist the Salmon Arm Tennis Club in the financing and construction of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC.

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

3. Reserves – Municipal Finance Authority

The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld as cash deposits 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 demand notes are contingent in nature.

The details of the cash deposits and demand notes at the year end are as follows:

	<u>Demand Notes</u>	<u>Cash Deposits</u>	<u>Total</u>
General Fund	\$ 638,813	\$ 377,579	\$ 1,016,392
Water Fund	404,702	191,144	592,846
Sewer Fund	<u>132,946</u>	<u>67,521</u>	<u>200,467</u>
	<u>\$1,176,461</u>	<u>\$ 636,244</u>	<u>\$ 1,812,705</u>

4. Deferred Revenues

	<u>December</u>	<u>Inflow</u>	<u>Interest</u>	<u>December</u>
	<u>31, 2016</u>	<u>(Outflow)</u>	<u>Interest</u>	<u>31, 2017</u>
BC Buildings Corporation	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Community Works Fund	2,937,826	492,816	29,778	3,460,420
Development Cost Charges	7,317,893	1,375,101	79,090	8,772,084
Recycling User Fee Rebate	208,528	2,453	-	210,981
Other	<u>134,898</u>	<u>(23,537)</u>	<u>-</u>	<u>111,361</u>
	<u>\$ 11,599,145</u>	<u>\$ 1,846,833</u>	<u>\$ 108,868</u>	<u>\$ 13,554,846</u>

Included in deferred revenue is a prepayment amount of \$1,000,000 received from British Columbia Buildings Corporation for future rental of the Law Courts facility to be used for annual rent payments commencing in 2021. Deferred revenue amounts of \$3,460,420 (2016 - \$2,937,826) have been received under the Community Works Fund for future restricted capital projects.

5. Budget

The City of Salmon Arm 2017 to 2021 Financial Plan Bylaw No. 4205 (Financial Plan Bylaw) was adopted by Council on April 24, 2017. The Financial Plan Bylaw was prepared utilizing a budget method consistent with Local Governments while the actual operating results have been prepared in accordance with the requirements of the Public Sector Accounting Standards (PSAB). The Financial Plan Bylaw was prepared on a modified accrual basis while the actual operating results utilizing Public Sector Accounting Standards requirements were prepared on a full accrual basis. The Financial Plan Bylaw projected the use of Reserve Fund transfers and prior year surpluses to balance the Financial Plan. Public Sector Accounting Standards requires that the actual operating results capitalize all tangible capital expenditures and that an amortization expense for tangible capital assets be included. The Financial Plan Bylaw expenses all tangible capital expenditures as opposed to including an amortization expense. As a result, the Financial Plan Bylaw figures presented in the Statements of Operations and Change in Net Financial Debt represent the Financial Plan Bylaw adopted by Council on April 24, 2017 with adjustments as follows:

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

5. Budget – Continued

Financial Plan Bylaw Surplus for the Year	\$ -
Add:	
Capital Grants	6,177,280
Capital Expenditures	16,520,025
Debt Repayment	1,509,660
Transfer to Reserve Accounts	2,033,470
Transfer to Reserve Funds	820,000
Transfer from DCC Reserve Funds	210,000
Other Developer Contributions	85,000
Less:	
Transfer from Prior Years Surplus	(960,176)
Transfer to Reserve Accounts	(652,455)
Transfer to Capital Reserve Accounts	<u>(13,830,290)</u>
Budget Surplus as per Statement of Operations	<u>\$11,912,514</u>

6. Taxation

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

	<u>2017</u>	<u>2016</u>
Taxes Collected		
Property Taxes	\$ 27,177,814	\$ 27,094,450
Transportation Parcel Tax	932,520	914,040
Frontage Tax - Water	1,421,539	1,405,770
Frontage Tax - Sewer	918,053	902,163
1% Utility Tax	291,817	294,442
	<u>30,741,743</u>	<u>30,610,865</u>
Collected for Other Governments		
Province of BC (school taxes)	7,669,949	7,955,097
BC Assessment Authority	179,302	201,338
Regional Hospital District	992,112	955,004
Columbia Shuswap Regional District	887,473	893,842
Okanagan Regional Library	692,625	692,212
Municipal Finance Authority	729	681
Downtown Improvement Area	168,976	173,200
	<u>10,591,166</u>	<u>10,871,374</u>
Net taxes available for Municipal Purposes	<u>\$ 20,150,577</u>	<u>\$ 19,739,491</u>

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

7. Trust Funds

In accordance with PSAB recommendations for local governments, trust funds are not included in the City's Consolidated Financial Statements. The City administers a Cemetery Maintenance Fund for the perpetual care and maintenance of the City owned and operated cemetery. As at December 31, 2017, the Trust Fund balance is \$345,669 (2016 - \$334,032) (Schedule 4).

8. Fire Training Centre Function

The City participates jointly with the Columbia Shuswap Regional District and other local governments to construct a Fire Training Centre. This function is not reflected in the financial statements of the City.

Investments	\$ 89,237
Due from the City of Salmon Arm	78,585
Capital Assets	<u>553,586</u>
Total Assets	<u>\$ 721,408</u>
Operating Surplus	\$ 167,822
Equity in Capital Assets	<u>553,586</u>
Total Liabilities and Equity	<u>\$ 721,408</u>

9. Segment Reporting

The City of Salmon Arm is a municipal government that provides a range of services to its citizens. The City is governed by an elected Council comprised of a Mayor and six (6) Councillors whose authority is set out in the Community Charter and Local Government Act. For management reporting purposes, the City's operations and activities are organized and reported by Fund. The General Fund has been further segmented for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

General Government Services – Legislative Services, Information Services, Customer Service, Financial Services and Human Resources. Legislative Services is responsible for the statutory obligations under the Community Charter and Local Government Act and provides the legal and administrative support to City Council. It is responsible for recording resolutions, decisions and minutes of Council to allow the direction and policies of Council to be carried out. Legislative Services manages the City's property and liability insurance portfolio, freedom of information inquiries, municipal elections and referendums, the corporate document management system, City Policy Manual and completion of the City's Annual Report and Civic Calendar. The role of the Information Services is to provide reliable, stable and current technology systems to all City departments. Information Services maintains all servers,

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

9. Segment Reporting – Continued

workstations, firewalls, printers, digital cameras, scanners, telephones, cellular phones, pagers, security systems, Geographic Information Systems (GIS) and the corporate website. Customer Service recognizes the importance of its customers and endeavours to provide quality services in a timely and efficient manner to reflect the growing and changing needs of our citizens. Customer Service representatives provide information and service in building inspection, cash payments, taxation, transit, pet and business licensing, etc. Financial Services provides financial expertise, information, guidance and advice on day-to-day operational matters to internal and external customers. Financial Services develops financial policies and procedures which assist Council and guide staff in shaping the direction of the City. Financial Services provides accurate and full disclosure on the financial affairs of the City as set out in the Community Charter and Local Government Act. This information includes annual municipal reporting forms, operational and capital budgets, setting of annual property tax and water and sewer rates, annual financial statements, long term financial plan, investments, public bodies report, etc. Long term growth management strategies such as the Long Term Financial Plan, Five (5) Year Capital Plan, and the Long Term Equipment and Infrastructure Replacement Plans are developed and implemented to better plan for our community. Human Resources is responsible for all issues surrounding the employees of the City of Salmon Arm. It represents the City in union negotiations and is key in setting human resource policies and procedures. Human Resources encourages and coordinates staff development, training and recognition programs to better and more efficiently deliver services to the community and plays a major role in recruiting, transferring, promoting and retaining the best people for the job.

Protective Services – Fire Prevention and Suppression, Police Protection, Bylaw Enforcement, Building Inspection, Business Licensing and Animal Control Services. The City provides community-based fire prevention and suppression services and responds to a geographical area of 84 square miles. It provides fire protection services to approximately 8,550 properties (residential, commercial, etc.) and inspection services to approximately 850 buildings. Fire Prevention and Suppression encompasses a Rescue Team designed, pursuant to WorkSafe BC, to provide rescue services to municipal employees who work in areas where identifiable hazards are present and manages the City Safety Program. The Police Department strives to provide a quality service to the community which includes calls for service, proactive enforcement and interaction with the community to gain insight into community concerns so that policing priorities may be set. Salmon Arm is policed by the Royal Canadian Mounted Police. Bylaw Enforcement encompasses all matters relating to the enforcement of City bylaws, and for the maintenance and accuracy of all files on matters relating to court actions on behalf of the City of Salmon Arm. Building Inspection addresses residential, commercial, institutional and industrial building construction within the City. The focus is to provide the public and the building industry with high quality service such that the structural integrity of the buildings constructed conform to the requirements of the BC Building Code and zoning, building and servicing bylaws and are safe for their intended purpose. Business Licensing is responsible for reviewing and issuing business licenses within the City. Business applications and premises are inspected to ensure that they are safe for the public and that they meet zoning bylaw requirements. Animal Control enforces the Animal Control regulations within the City and the issuance of dog licenses.

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

9. Segment Reporting – Continued

Transportation Services – This function is comprised of engineering, public works (transit, roadway systems, bridge repair, storm drainage, sidewalks, boulevards, street lighting, airport, downtown parking, etc.) utilities, parks, municipal facilities, marina/wharf, garage, vehicle and equipment fleet and cemeteries and provides a broad spectrum of services to the community. These services are provided in a participative fashion between City Council, the public, management and employees in a safe, effective, efficient and financially responsible manner. Transportation Services is responsible for the maintenance of over 243 kilometers (excluding the Trans Canada Highway and Highway 97B) of roadway, 69 kilometres of sidewalk, as well as, 109 kilometers of storm sewer complete with retention ponds and currently operates a +/- 70 unit municipal fleet of major vehicles and equipment.

Environmental and Development Services – Development Services, Community Development Services and Public Health and Welfare Services. Development Services provides community planning, subdivision and development application facilitation. Taking into account various Council approved policies, bylaws, and procedures, it provides Council with professional advice on land use planning issues and is the coordinating department for the processing and approval of development applications to meet the community's objectives. It also provides advice to other City departments, community and business groups, developers, property owners, and citizens. It is responsible for the creation and recommendation of bylaws, policies and procedures to maintain the community's quality of life. Community Development Services provides services regarding environmental concerns, heritage matters, etc. Public Health and Welfare Services provides cemetery services to the citizens of the City.

Recreational and Cultural Services – Recreational and Leisure Services (Multi-Use Facility, Auditorium and Pool), and Park and Wharf Services. Recreational and Leisure Services' mandate is to provide diverse family and adult oriented recreational activities with a view of promoting active living and quality of life in the community. The City strives to maximize the productivity of resources, to provide good cost recovery of the taxpayers' dollars and provide affordable recreational opportunities for the citizens of Salmon Arm. The Multi-Use Facility promotes community events and concerts, in addition to, hockey, ringette, speed skating, and figure skating. The Recreation Centre provides a wide range of services from pool and facility rentals, racquetball and squash, weight training, programming, etc. to promote the health and wellness of our citizens. Recreational programming such as scuba diving, summer French and music lessons, canoeing, babysitter courses, and summer soccer camps are all components of this function. The Parks and Wharf Services is proud to promote community pride in parks through the use and enjoyment of our many green spaces and natural amenities through carefully managed maintenance and improvement of park facilities. It projects a positive impression for citizens and visitors by ensuring that facilities, parks and playing fields are safe, clean and well-maintained while at the same time protecting the environment for future generations. The City maintains seven hundred and twenty (720) hectares of park land; this includes developed, natural, and passive parks, marinas, wharves, beaches, walking trails, lawn bowling, horseshoes and playing fields. Parks receive ongoing maintenance such as turf management, hanging flower baskets, downtown flower planters, irrigation systems, general park maintenance (bathrooms, garbage control), parkland design and construction, special events and sports field construction. The City

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements – Continued

December 31, 2017

9. Segment Reporting – Continued

works closely with community groups to achieve localized objectives such as neighbourhood parks where the efforts and contributions of local business owners, property owners, volunteers and the City come together to enhance and build new parks.

Utilities

The Utilities function, through a schedule of systematic new improvements, upgrades and replacements, strives to maintain and improve the efficient delivery and the high quality of water and sanitary sewer services to the community. It plays an integral role in maintaining the health, safety and well-being of the community.

The Water and Sewer Utilities are self-liquidating funds which must provide for their own revenues through fees, taxes and other charges to support the expenditures required to operate and maintain infrastructure into the future.

Water Utility Services – This Utility function provides for the delivery of safe drinking water to the citizens of Salmon Arm. The municipal water system consists of two main raw water sources, chlorine treatment systems for the water sources and an extensive water pumping, distribution and storage system. The City's water supply is by way of three (3) sources: East Canoe Creek at Metford Dam, Shuswap Lake at Canoe Beach and a minor water supply from Rumball Creek for irrigation at the Mt. Ida Cemetery. Treatment of the water sources (except Rumball Creek) is by primary disinfection with chlorine. The distribution system includes approximately 199 km of watermain varying in diameter from 100mm to 1000mm. The City waterworks system provides quality water through a gravity and pump system. The primary water sources are from Shuswap Lake – 80% and East Canoe Creek – 20%. The waterworks system is relatively complex and is comprised of eight (8) zones, seven hundred and ninety-nine (799) hydrants, seven (7) pumping stations, fourteen (14) reservoirs, and one (1) dam with a total storage capacity of 24,538 cubic metres and over 7,580 connections. The treatment process utilizes chlorination for the purposes of disinfection. The water supply consistently meets the Canadian Drinking Water Guidelines, BC Drinking Water Protection Act and the Safe Drinking Water Regulations.

Sewer Utility Services – The City provides effective collection and treatment of waste water to meet the guidelines set by the Ministry of Environment to protect the public and the environment. It operates both the treatment plant and seven (7) lift stations safely and at optimum efficiency. The sanitary sewer system has approximately 130 kilometers of mainline and 6,238 service connections.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in our Basis of Presentation Policy. For additional information, see the Consolidated Schedule of Segment Disclosure (Schedule 5).

**The City of Salmon Arm
Schedule 1 - Long Term Debt**

As at December 31

Bylaw #	Description	Maturity Date	Interest Rate	Balance Outstanding 2017	Balance Outstanding 2016
General Fund					
2841	Shaw Centre	2019	3.140	\$ 1,027,399	\$ 1,507,984
3184	Fire Hall and Little Mountain	2022	5.490	122,186	139,294
3334	City Hall and Law Courts	2034	5.950	7,260,603	7,528,202
3479	City Hall and Law Courts	2035	1.750	531,069	549,523
3569	Blackburn Park	2027	4.820	188,407	322,305
3758	Underpass 20/21 Street	2029	4.130	1,726,425	1,836,904
4048	New Cemetery	2040	2.750	966,708	993,812
4072	Blackburn Park Improvement	2035	2.750	464,020	482,319
				\$ 12,286,817	\$ 13,360,343
Water Fund					
2858	Water	2019	5.990	\$ 146,771	\$ 215,426
3458	Water	2025	1.750	284,494	310,343
3551	Water	2026	1.750	582,667	635,607
3576	Water	2028	4.650	5,801,501	6,215,131
3816	Water	2030	3.730	1,498,913	1,585,596
3793	Water	2041	3.250	42,650	43,699
				\$ 8,356,996	\$ 9,005,802
Sewer Fund					
3159	Sewer			\$ -	\$ 151,315
3207	Sewer	2023	5.491	1,172,171	1,336,294
4051	Sewer	2035	2.750	1,670,472	1,736,350
				\$ 2,842,643	\$ 3,223,959
				\$ 23,486,456	\$ 25,590,104

The gross interest paid relating to the above noted debt was \$1,594,915 (2016 - \$1,635,515)

The City of Salmon Arm
Schedule 2 - Consolidated Schedule of Tangible Capital Assets

As at December 31	2017	2016
General Fund		
Land	\$ 39,403,309	\$ 38,855,422
Buildings	24,090,734	24,416,850
Machinery and Equipment	1,857,961	1,840,998
Vehicles	2,005,913	2,276,547
Information Technology Infrastructure	187,489	149,506
Parks Infrastructure	5,492,240	5,539,794
Utility Infrastructure	14,229,704	14,590,070
Transportation Infrastructure	67,517,057	66,999,639
	\$ 154,784,407	\$ 154,668,826
Water Fund		
Buildings	\$ 13,682,711	\$ 13,843,468
Machinery and Equipment	959,124	866,738
Information Technology Infrastructure	68,442	43,363
Utility Infrastructure	19,913,657	19,698,693
	\$ 34,623,934	\$ 34,452,262
Sewer Fund		
Buildings	\$ 13,110,363	\$ 13,259,731
Machinery and Equipment	96,193	66,200
Information Technology Infrastructure	47,249	24,431
Utility Infrastructure	13,286,706	11,586,865
	\$ 26,540,511	\$ 24,937,227
	\$ 215,948,852	\$ 214,058,315

The City of Salmon Arm
Schedule 2 - Consolidated Schedule of Tangible Capital Assets - Continued

For The Year Ended December 31	Land	Buildings	Machinery and Equipment	Vehicles	Information Technology Infrastructure	Parks Infrastructure	Utility Infrastructure	Transportation Infrastructure	2017 Total
Cost									
Balance, Beginning of Year	\$ 38,855,422	\$ 72,251,014	\$ 6,067,099	\$ 4,693,245	\$ 1,494,337	\$ 10,467,765	\$ 69,311,326	\$ 118,063,638	\$ 321,203,846
Additions	547,888	874,587	548,250	-	152,860	237,740	2,757,592	4,003,885	9,122,802
Disposals	-	-	(25,123)	-	-	-	-	-	(25,123)
Balance, End of Year	39,403,310	73,125,601	6,590,226	4,693,245	1,647,197	10,705,505	72,068,918	122,067,523	330,301,525
Accumulated Amortization									
Balance, Beginning of Year	-	20,730,966	3,293,163	2,416,699	1,277,037	4,927,970	23,435,698	51,063,998	107,145,531
Amortization	-	1,510,828	408,908	270,634	66,980	285,295	1,203,153	3,486,467	7,232,265
Disposals	-	-	(25,123)	-	-	-	-	-	(25,123)
Balance, End of Year	-	22,241,794	3,676,948	2,687,333	1,344,017	5,213,265	24,638,851	54,550,465	114,352,673
Net Book Value, End of Year	\$ 39,403,310	\$ 50,883,807	\$ 2,913,278	\$ 2,005,912	\$ 303,180	\$ 5,492,240	\$ 47,430,067	\$ 67,517,058	\$ 215,948,852
For The Year Ended December 31									
Cost									
Balance, Beginning of Year	\$ 36,708,667	\$ 71,825,428	\$ 5,763,641	\$ 4,609,323	\$ 1,455,391	\$ 9,339,478	\$ 66,330,475	\$ 113,469,135	\$ 309,501,538
Additions	2,278,495	425,586	329,266	83,922	38,946	1,128,287	2,980,850	4,594,503	11,859,855
Disposals	(131,739)	-	(25,808)	-	-	-	-	-	(157,547)
Balance, End of Year	38,855,423	72,251,014	6,067,099	4,693,245	1,494,337	10,467,765	69,311,325	118,063,638	321,203,846
Accumulated Amortization									
Balance, Beginning of Year	-	19,249,458	2,936,221	2,146,064	1,216,973	4,648,387	22,283,436	47,749,611	100,230,150
Amortization	-	1,481,507	379,317	270,634	60,064	279,584	1,152,262	3,314,388	6,937,756
Disposals	-	-	(22,375)	-	-	-	-	-	(22,375)
Balance, End of Year	-	20,730,965	3,293,163	2,416,698	1,277,037	4,927,971	23,435,698	51,063,999	107,145,531
Net Book Value, End of Year	\$ 38,855,423	\$ 51,520,049	\$ 2,773,936	\$ 2,276,547	\$ 217,300	\$ 5,539,794	\$ 45,875,627	\$ 66,999,639	\$ 214,058,315

There were no tangible capital assets amortized that were either under construction, being developed or retired from service. Tangible capital assets that were contributed by developers for various infrastructure projects were \$2,349,942 (2016 - \$4,636,690). Due to the age of some City-owned lands such as parklands and land beneath roads and sidewalks, a nominal value \$1.00 has been assigned. Interest capitalized in the year was Nil (2015 - Nil).

The City of Salmon Arm
Schedule 3 - Grants From Federal and Provincial Governments

For The Year Ended December 31	2017	2017	2016
	Actual	Budget	Actual
General Fund - Grants in Lieu of Taxes			
Federal Government	\$ 16,899	\$ 18,000	\$ 16,848
Province of British Columbia	24,793	23,000	23,392
Provincial Government Agencies	60,755	80,000	77,098
	<u>\$ 102,447</u>	<u>\$ 121,000</u>	<u>\$ 117,338</u>
General Fund - Current Operating Grants			
Province of British Columbia			
Arterial Street Lighting	\$ 3,265	\$ 3,200	\$ 3,223
Brownsfield Study	(12,183)	-	45,400
Municipal Regional District Tax	160,602	187,845	-
Safety Provincial Emergency Preparedness	-	-	149,010
Small Communities Protection	212,730	215,000	216,249
Traffic Fine Revenue Sharing	128,572	175,000	162,604
	<u>\$ 492,986</u>	<u>\$ 581,045</u>	<u>\$ 576,486</u>
General Fund - Capital Grants			
Federal Government and Province of British Columbia			
Community Works Fund	\$ 306,635	\$ 2,100,000	\$ 1,095,772
BC Air Access Program	-	225,000	-
BC Museum Association	-	35,000	-
	<u>\$ 306,635</u>	<u>\$ 2,360,000</u>	<u>\$ 1,095,772</u>
Water Fund - Capital Grants			
Province of British Columbia			
BC Clean Water and Waste Water Fund	\$ -	\$ 1,743,000	\$ -
Sewer Fund - Capital Grants			
Federal Government and Province of British Columbia			
BC Clean Water and Waste Water Fund	\$ 1,375,500	\$ 1,424,280	\$ -
Strategic Priorities & Innovations Fund	-	650,000	-
	<u>\$ 1,375,500</u>	<u>\$ 2,074,280</u>	<u>\$ -</u>
Total Operating Grants	<u>\$ 595,433</u>	<u>\$ 702,045</u>	<u>\$ 693,824</u>
Total Capital Grants	<u>1,682,135</u>	<u>6,177,280</u>	<u>1,095,772</u>
Total Grants	<u>\$ 2,277,568</u>	<u>\$ 6,879,325</u>	<u>\$ 1,789,596</u>
Total Federal Grants	<u>\$ 170,216</u>	<u>\$ 1,393,000</u>	<u>\$ 564,734</u>
Total Provincial Grants	<u>2,107,352</u>	<u>5,486,325</u>	<u>1,224,862</u>
Total Grants	<u>\$ 2,277,568</u>	<u>\$ 6,879,325</u>	<u>\$ 1,789,596</u>

The City of Salmon Arm
Schedule 4 - Trust and Reserve Funds Statements
Balance Sheet

As at December 31	2017	2016
Assets		
Trust Funds		
Cash and Investments	\$ 345,669	\$ 334,032
Reserve Funds		
Cash and Investments	18,387,633	15,465,968
Other Receivables	40,000	60,000
	18,427,633	15,525,968
	\$ 18,773,302	\$ 15,860,000
Liabilities		
Trust Funds		
Fund Balances		
Perpetual Care	\$ 341,520	\$ 329,924
Klahani Park Playground Equipment	4,149	4,108
	345,669	334,032
Reserve Funds		
Development Cost Charge Reserve Funds - Note 4	8,772,084	7,317,893
Other Statutory Reserve Funds	9,655,549	8,208,075
	18,427,633	15,525,968
	\$ 18,773,302	\$ 15,860,000

The City of Salmon Arm
Schedule 4 - Trust and Reserve Funds Statements - Continued
Transactions

For The Year Ended December 31	2016	Interest	Contributions	Inter-Fund Transfers	Expenditures	2017
Trust Funds						
Perpetual care	\$ 329,924	\$ 3,322	\$ 8,274	\$ -	\$ -	\$ 341,520
Klahani Playground Equipment	4,108	41	-	-	-	4,149
Total Trust Funds	<u>334,032</u>	<u>3,363</u>	<u>8,274</u>	<u>-</u>	<u>-</u>	<u>345,669</u>
Reserve Funds						
Development Cost Charge - Sewer	2,195,592	23,924	438,357	-	-	2,657,873
Development Cost Charge - Water	2,315,108	25,118	453,507	-	-	2,793,733
Development Cost Charge - Drainage	1,299,124	13,827	188,244	-	-	1,501,195
Development Cost Charge - Parks	314,528	3,241	65,030	(12,810)	-	369,989
Development Cost Charge - Highways	1,110,695	12,146	242,773	-	-	1,365,614
Development Cost Charge - Underpass	82,846	834	-	-	-	83,680
Total Development Cost Charges	<u>7,317,893</u>	<u>79,090</u>	<u>1,387,911</u>	<u>(12,810)</u>	<u>-</u>	<u>8,772,084</u>
Equipment Replacement	2,405,243	28,230	-	525,000	(228,912)	2,729,561
General Capital	434,246	3,832	6,706	-	(15,450)	429,334
Fire Department Building and Equipment	202,019	2,225	-	25,000	-	229,244
Emergency Apparatus	981,420	11,219	-	246,500	-	1,239,139
Police Vehicle Replacement	263,604	2,845	-	25,000	-	291,449
Landfill Site Repurchase	216,501	2,180	-	-	-	218,681
Cemetery Development	141,450	1,501	-	10,000	-	152,951
Water Major Maintenance	653,055	6,576	-	100,000	-	759,631
Sewer Major Maintenance	2,061,611	20,759	15,210	291,500	-	2,389,080
Community Centre Major Maintenance	583,277	6,293	-	55,000	-	644,570
Cemetery Columbarium	65,105	694	-	5,000	-	70,799
Parks Development	200,544	4,570	295,996	-	-	501,110
Total Other Statutory Reserves	<u>8,208,075</u>	<u>90,924</u>	<u>317,912</u>	<u>1,283,000</u>	<u>(244,362)</u>	<u>9,655,549</u>
Total Reserve Funds	<u>15,525,968</u>	<u>170,014</u>	<u>1,705,823</u>	<u>1,270,190</u>	<u>(244,362)</u>	<u>18,427,633</u>
	<u>\$ 15,860,000</u>	<u>\$ 173,377</u>	<u>\$ 1,714,097</u>	<u>\$ 1,270,190</u>	<u>\$ (244,362)</u>	<u>\$ 18,773,302</u>

**The City of Salmon Arm
Schedule 5 - Consolidated Schedule of Segment Disclosure**

For The Year Ended December 31	General Government Services	Protective Services	Transportation Services	Environmental Development Services	Recreation and Cultural Services	Sewer Utility Services	Water Utility Services	Elimination Entries	2017 Total
Revenue									
Taxation	\$ 16,878,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,878,465
Transportation Parcel Tax	-	-	932,520	-	-	-	-	-	932,520
Frontage Tax	-	-	-	-	-	918,053	-	-	2,339,592
Grants	595,433	-	407,509	2,250	60,600	1,395,550	1,421,539	-	2,461,342
Sales of Service	85,725	190,460	1,461,133	943,141	937,187	2,023,270	2,472,830	(1,068,944)	7,044,802
Licenses, Permits, Fines, Franchise	1,386,907	958,425	32,741	90,710	165,495	21,000	9,150	(754,160)	1,910,268
Return on Investment	877,471	16,289	28,230	4,375	10,863	155,888	245,135	-	1,338,251
Other Contributions	217,046	-	1,575,644	-	323,806	337,383	374,600	-	2,828,479
Total Revenue	20,041,047	1,165,174	4,437,777	1,040,476	1,497,951	4,851,144	4,523,254	(1,823,103)	35,733,720
Expenses									
Wages and Benefits	1,943,104	1,417,577	1,598,300	655,590	1,651,084	673,727	864,177	-	8,803,559
Insurance	124,234	23,230	79,528	114	52,757	43,087	34,579	-	357,529
Community Grants	262,295	-	-	-	-	-	-	-	262,295
Professional and Legal Fees	48,872	-	-	4,436	-	-	-	-	53,308
Utilities and Property Taxes	86,229	65,526	292,690	7,119	112,677	259,939	395,204	(127,227)	1,092,157
Repairs and Maintenance	-	134,068	1,482,190	6,061	432,817	247,046	443,753	(75,195)	2,670,740
Contracts	148,630	2,946,152	980,018	1,221,155	709,464	32,328	10,000	-	6,047,747
Operating Expenses	547,090	465,546	485,308	265,150	680,057	523,299	483,534	(1,583,549)	1,866,435
Collections for Other Governments	7,349	-	-	-	-	-	-	-	7,349
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-
Amortization	858,332	147,623	4,259,755	-	312,422	721,476	932,658	-	7,232,266
Interest and Debt Issue Expenses	611,819	6,300	103,250	-	211,503	117,141	544,902	-	1,594,915
Total Expenses	4,637,954	5,206,022	9,281,039	2,159,625	4,162,781	2,618,043	3,708,807	(1,785,971)	29,988,300
Net Surplus (Deficit)	\$ 15,403,093	\$ (4,040,848)	\$ (4,843,262)	\$ (1,119,149)	\$ (2,664,830)	\$ 2,233,101	\$ 814,447	\$ (37,132)	\$ 5,745,420

The City of Salmon Arm
Schedule 5 - Consolidated Schedule of Segment Disclosure

For The Year Ended December 31	General Government Services		Protective Services		Transportation Services		Environmental Development Services		Recreation and Cultural Services		Sewer Utility Services		Water Utility Services		Elimination Entries		2016 Total		
	\$		\$		\$		\$		\$		\$		\$		\$		\$		
Revenue																			
Taxation	16,517,517																		16,517,517
Transportation Parcel Tax					914,040														914,040
Frontage Tax														1,405,771					2,307,934
Grants	1,437,350				457,149		16,250		60,600			902,163							1,971,349
Sales of Service	100,860		236,360		1,214,215		938,856		949,212		1,960,757		2,356,179		(1,042,789)				6,713,650
Licenses, Permits, Fines, Franchise	1,391,300		747,470		43,183		100,510		177,186		20,000		17,700		(721,184)				1,776,165
Return on Investment	994,541		11,131				4,042		7,122		127,404		219,225						1,363,465
Other Contributions	402,154		10,000		2,922,919				222,958		838,706		816,564						5,213,301
Total Revenue	20,843,722		1,004,961		5,551,506		1,059,658		1,417,078		3,849,030		4,815,439		(1,763,973)				36,777,421
Expenses																			
Wages and Benefits	1,870,261		1,485,652		1,471,456		674,173		1,699,525		644,405		861,558						8,707,030
Insurance	134,262		21,825		69,380		82		50,466		42,090		36,894						354,999
Community Grants	253,078																		253,078
Professional and Legal Fees	58,538						8,369												66,907
Utilities and Property Taxes	79,700		61,119		253,286		3,539		63,236		249,611		337,004		(81,611)				965,884
Repairs and Maintenance			125,566		1,134,087		4,754		408,532		236,146		446,654		(63,379)				2,292,360
Contracts	167,359		2,846,299		851,317		1,101,046		797,743		33,350		28,060						5,825,174
Operating Expenses	454,854		324,086		392,307		248,134		620,866		538,548		451,660		(1,566,416)				1,464,039
Collections for Other Governments	13,027																		13,027
Loss on Disposal of Capital Assets	131,739		3,433																135,172
Amortization	836,390		147,621		4,049,232				304,978		703,555		895,981						6,837,757
Interest and Debt Issue Expenses	620,949		6,300		103,250				214,968		117,773		572,275						1,635,515
Total Expenses	4,620,157		5,021,901		8,324,315		2,040,097		4,160,314		2,565,478		3,630,086		(1,711,406)				28,650,942
Net Surplus (Deficit)	\$ 16,223,565		\$ (4,016,940)		\$ (2,772,809)		\$ (980,439)		\$ (2,743,236)		\$ 1,283,552		\$ 1,185,353		\$ (62,567)				\$ 8,126,479

Annual Budget

The 2018 budget is based on essentially the same service levels as 2017 and strives towards maintaining a strong financial foundation for the City. It contains a number of reserve transfer allocations to ensure that goals set out in the Long Term Financial Plan are attainable. The budget is a plan for the upcoming year, as well as a preplan for future years which reflects the goals, objectives and priorities of the community. It establishes service levels, programs and special project work and addresses how they will be funded. It is a financial tool that ensures funds are available for the programs and services required by the community; essentially, it is a planning and managing tool. The budget also serves as a check and balance to ensure funds are not overspent.

The operating budget projects revenue and expenditures for the current operating year while the capital budget identifies the capital projects approved by Council which will be undertaken. Indicative of life, there are always more projects than funds. Council does its best to prioritize the needs of the community, all the while balancing electorate expectations, community safety and economics.

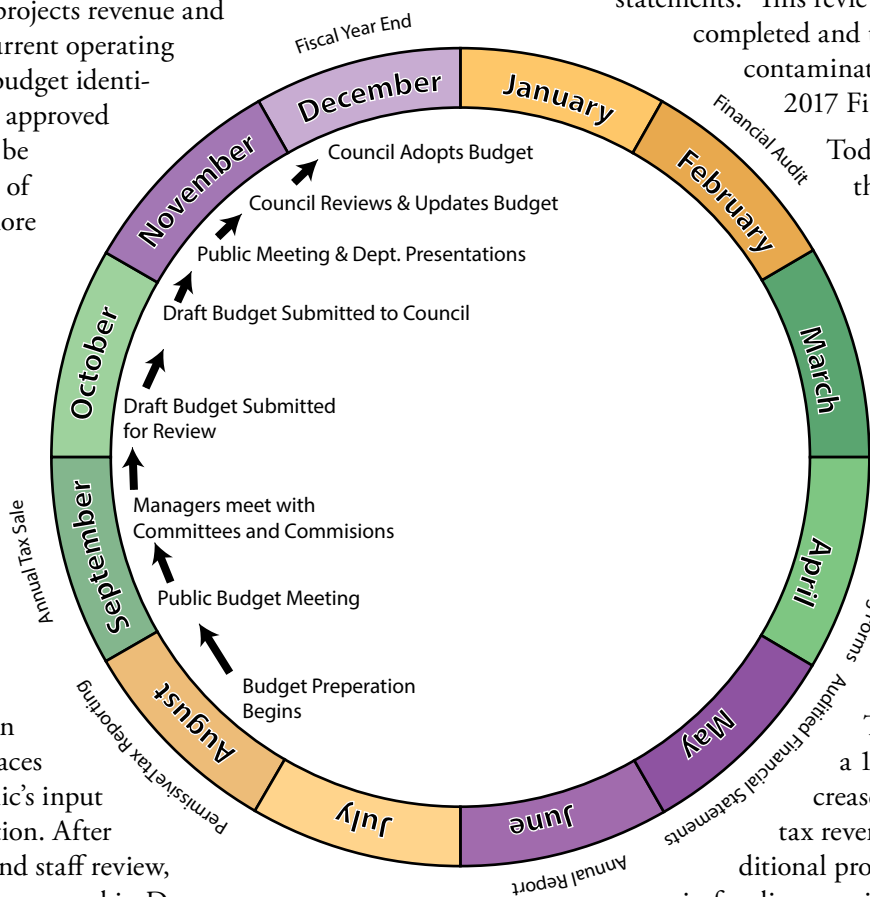
Prior to the development of the annual budget, public input is sought through a participative session held in September. Council places great value on the public's input and resulting consultation. After an extensive Council and staff review, the budget is generally approved in December of the preceding year.

Council strives to provide for a constant and predictable level of taxation. The budget focuses on the current year's operation and maintenance of water and sewer systems, transportation network, parks and recreation, fire and policing services, airport, cemetery, development and general administrative services. Council policies ultimately determine service levels.

Provincial downloading also has an impact on municipal budgets and has not only forced municipalities to take on existing services financially, but also to implement procedures and policies to address these services. Stringent Provincial Riparian Area Regulations and a province-wide business license scheme, both now administered at the municipal level, are but two (2) examples. Additionally, the introduction of new legislation governing tangible capital asset reporting for local governments and the development of specific tax and revenue policies and objectives puts an additional strain on the City's staffing and financial resources. In 2015, the City was required to account for and report liabilities associated with contaminated sites on City owned lands in its financial statements. This review and analysis has been completed and the City does not have any contaminated sites to disclose in its 2017 Financial Statements

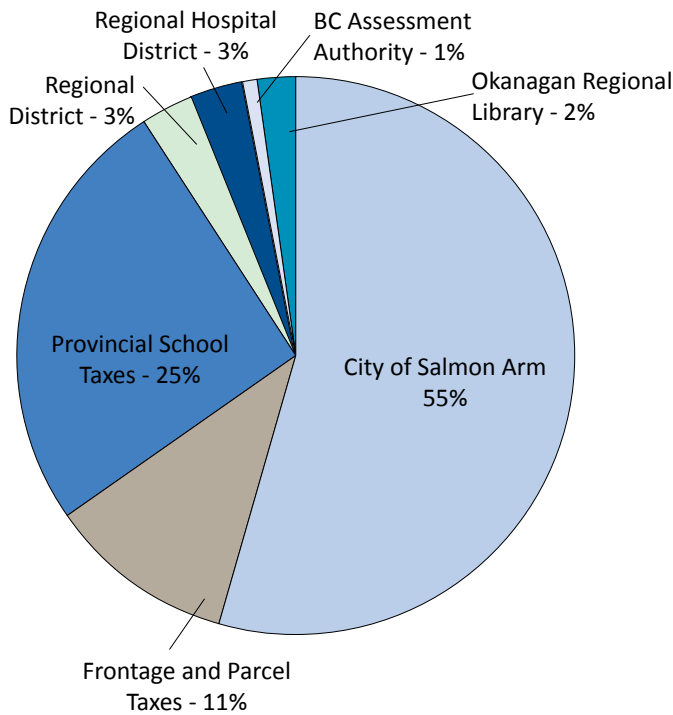
Today, all municipalities face the challenge of rising costs and limited revenues. Local governments must be innovative to stretch the amount of taxation dollars it collects from property owners; essentially, each municipality must explore new ways to do more with less. This equates to some very tough decisions during the budget process each year.

The 2018 budget includes a 1.53% property tax increase and new construction tax revenue of 2.15%. This additional property tax revenue assisted in funding cost increases such as policing costs, dust abatement, noxious weed control, wages and benefits, ice and snow control and transportation capital expenditures, etc. The budget includes the revitalization of Hudson Street (4 – 6 St NE), procurement of hybrid vehicles to reduce the City's carbon footprint, a recreational pool review, Canada Day celebration and development of both a communication strategy and strategic wildfire plan. Pursuant



to associated master plans, the budget also includes development of Blackburn Park ball diamonds and the replacement of Canoe Beach boat launch.

In 2017, Council reviewed its property tax multiple structure and equalized the general municipal property tax rate and associated multiple for Class 5 (Light Industry) and Class 6 (Business). In 2018, this resulted in a shift of \$17,925.84 in general municipal property taxes from Class 5 (Light Industry) to Class 6 (Business). This property tax strategy is in



This graph reflects that only 55% of the residential property tax bill is retained by the City to fund the annual budget

keeping with Council’s objective to maintain tax stability while maintaining equality between property classifications.

The budget provides for one (1) short term capital borrowing to address three (3) high priority projects. These projects include storm extension and upgrades at 10 Ave SE and culvert upgrades at 10 Ave NW and in Gleneden at 44 and 42 St.

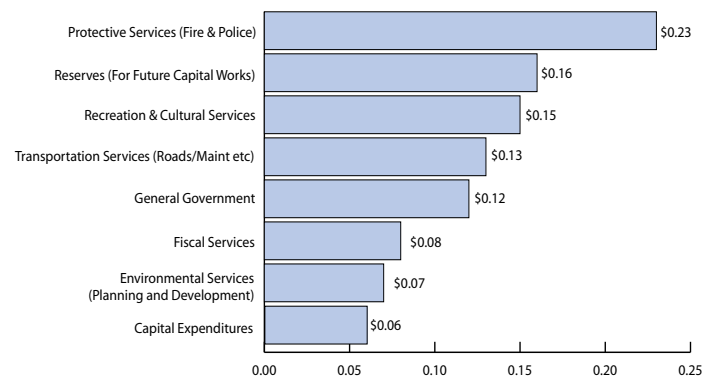
The use of long term debt and the accumulation of reserves to undertake certain projects is prudent and a combination of both funding mechanisms is a good strategy to maintain a healthy financial foundation. While long term debt should not be a means to finance all projects, projects with an expenditure threshold of one half million dollars or more should be financed through long term debt or a combination of debt and reserves. The reality is that there are some City projects that cannot be undertaken unless long term debt is accessed.

In 2018, the City entered into an agreement to facilitate an interest free loan for \$175,000 to assist the Salmon Arm Tennis Club in constructing an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm.

The Shuswap (Salmon Arm) Regional Airport will see a new automated aircraft fueling system providing 24 hour service. The City was fortunate to successfully obtain a grant for \$225,000 to assist with this fuel system upgrade.

The City implemented a Solid Waste Collection and Recycling Services Program for residential properties on a user-pay basis in 2011 and this successful program is in year eight (8). In 2014, the City implemented a curbside organic yard waste collection program with a view of expanding the program to a bi-annual program in 2015. By partnering with Multi-Materials British Columbia with respect to packaged and printed paper, the City was able to secure a rebate which reduced the user fee for 2015 by \$22.70 and a further \$11.30 in 2016 resulting in an overall lower user fee of \$101.00 per annum for its Solid Waste Collection and Recycling Services for residential properties. The City embarked on a Food Waste Collection pilot project in 2016 - implementation of this project will be considered in the future.

Staffing is provided on an average demand basis. Demand must be sustained over time to justify additional staffing levels. For example, as development increases staffing levels remain the same to ride out the flurry of activity. It can be extremely difficult to find available temporary or part-time staff skilled in a specific area such as building inspection or development services. Additional workloads are absorbed by technological advancement and the streamlining of existing processes. An ongoing review of current processes is required to accomplish high quality service levels with the same level of funding.

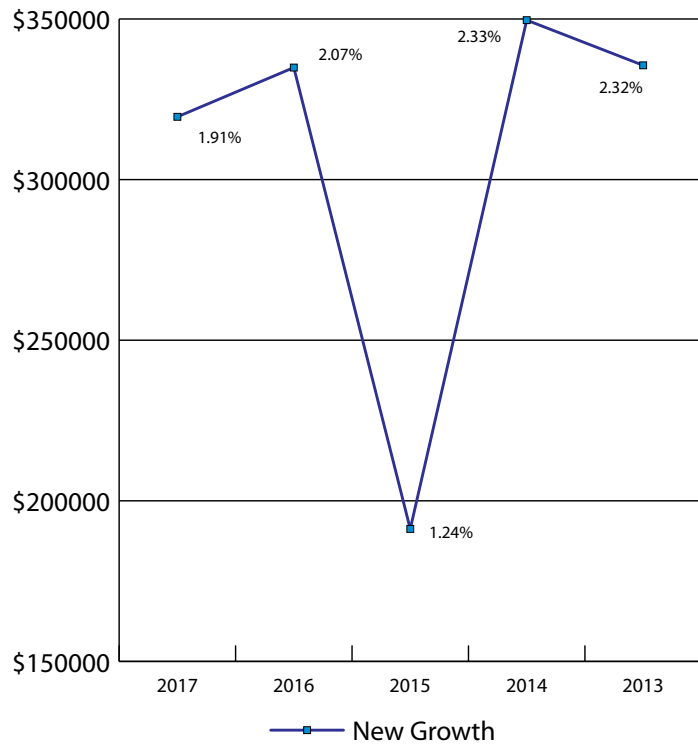


This graph reflects the portion of each municipal tax dollar that funds each function with the City’s annual budget. For example \$0.13 of each tax dollar levied funds transportation services

The City allocates annually funds for various large scale projects such as the Shoemaker/Auto Road extension, the construction of the West Bay Connector Trail, a Downtown Parkade as well as emergency operational activities, such as snow removal. The City establishes reserves to undertake works once the funds required have been accumulated. In 2018, the City continued to allocate a predetermined amount to reserves.

The Federal Government's Community Works Fund continued in 2018 and as a result the City's budget included a grant of \$1,908,795 towards capital projects.

Many City staff members participate in the budget development process each year. The onus is on senior staff to ensure the required financial and operational resources are utilized by each department for the intended purpose and that annual budget targets are met each year.



This graph reflects the new tax revenue that is generated each year as a result of new growth or construction in Salmon Arm. In 2017 the community derived new tax revenue of 1.91% or \$319,543.00



2017-2021 Financial Plan

Schedule "A" - Bylaw #4247

City of Salmon Arm 2017 - 2021 Financial Plan

	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Consolidated Revenues					
Property and MRDT Taxes - Net	17,160,605	17,949,420	18,308,408	18,674,577	19,048,068
Frontage & Parcel Taxes	3,258,610	3,306,090	3,372,212	3,439,656	3,508,449
Sales of Service	8,148,695	7,784,768	7,940,463	8,099,273	8,261,258
Revenue From Own Sources	2,544,139	2,420,790	2,469,206	2,518,590	2,568,962
Rentals	776,485	778,350	793,917	809,795	825,991
Federal Government Transfers	-	-	-	-	-
Provincial Government Transfers	336,015	363,350	370,617	378,029	385,590
Other Government Transfers	210,160	211,295	215,521	219,831	224,228
Transfer From Prior Year Surplus	961,901	285,300	291,006	296,826	302,763
Transfer From Reserve Accounts	3,051,020	659,397	672,585	686,037	699,757
Transfer From Reserve Funds	12,810	12,810	12,810	12,810	12,810
Total Consolidated Revenues	\$ 36,460,440	\$ 33,771,570	\$ 34,446,745	\$ 35,135,424	\$ 35,837,876
Consolidated Expenditures					
General Government Services	\$ 3,286,395	\$ 3,470,345	\$ 3,539,752	\$ 3,610,547	\$ 3,682,758
Protective Services	5,150,145	5,473,725	5,583,200	5,694,863	5,808,761
Transportation Services	5,118,750	4,916,430	5,014,759	5,115,054	5,217,355
Environmental Health Services	52,777	57,777	58,933	60,111	61,313
Environmental Development Services	2,335,500	2,571,110	2,622,532	2,674,983	2,728,483
Recreation and Cultural Services	3,899,770	4,249,145	4,334,128	4,420,810	4,509,227
Fiscal Services - Interest	1,638,138	1,598,638	1,630,611	1,663,223	1,696,487
Fiscal Services - Principal	1,509,660	1,155,895	1,179,013	1,202,593	1,226,645
Capital Expenditures	2,916,755	2,809,990	2,684,154	3,021,834	2,943,280
Transfer to Surplus	-	-	-	-	-
Transfer to Reserve Accounts	4,996,370	2,163,820	2,388,876	2,152,400	2,334,183
Transfer to Reserve Funds	1,370,880	908,680	926,854	945,391	964,298
Water Services	2,334,245	2,333,815	2,380,491	2,428,101	2,476,663
Sewer Services	1,851,055	2,062,200	2,103,444	2,145,513	2,188,423
Total Consolidated Expenditures	\$ 36,460,440	\$ 33,771,570	\$ 34,446,745	\$ 35,135,424	\$ 35,837,876

Schedule "A" - Bylaw #4247

**City of Salmon Arm
2017 - 2021 Financial Plan**

	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Capital Projects					
Finances Acquired					
General Operating Fund	2,225,180	1,886,000	1,959,154	1,896,834	1,953,280
Water Operating Fund	380,500	468,710	250,000	450,000	490,000
Sewer Operating Fund	311,075	455,280	475,000	675,000	500,000
Federal Government Grants	7,403,000	6,689,000	25,000	190,000	-
Provincial Government Grants	7,301,280	6,914,000	-	190,000	-
Prior Year Surplus	438,990	265,000	-	-	510,000
Reserve Accounts	5,797,595	3,552,245	629,700	875,000	690,000
Reserve Funds	1,505,500	2,610,500	1,287,500	698,500	2,808,750
Development Cost Charges	115,000	210,000	2,450,000	2,125,000	2,307,500
Short Term Debt	-	835,000	-	-	-
Long Term Debt	1,071,000	3,050,000	-	-	-
Developer Contributions	1,163,300	1,712,000	40,000	40,000	40,000
Total Funding Sources	\$ 27,712,420	\$ 28,647,735	\$ 7,116,354	\$ 7,140,334	\$ 9,299,530
Finances Applied					
Transportation Infrastructure	\$ 16,257,305	\$ 17,636,000	\$ 3,692,000	\$ 5,079,500	\$ 4,222,000
Buildings	4,572,985	5,908,500	335,476	117,000	197,000
Land	-	-	-	-	-
IT Infrastructure	1,204,665	668,500	115,000	125,000	721,500
Machinery and Equipment	1,442,260	1,930,000	656,378	383,834	1,192,780
Vehicles	125,000	391,500	-	90,000	35,000
Parks Infrastructure	778,765	474,165	322,500	260,000	966,250
Utility Infrastructure	3,331,440	1,639,070	1,995,000	1,085,000	1,965,000
Total Capital Expense	\$ 27,712,420	\$ 28,647,735	\$ 7,116,354	\$ 7,140,334	\$ 9,299,530
Departmental Summary:					
	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
General Government Services	\$ 999,500	\$ 721,000	\$ 108,500	\$ 108,500	\$ 193,500
Protective Services	859,500	1,130,000	55,000	145,000	805,000
Transportation Services	17,340,165	19,053,000	3,875,000	5,376,000	4,523,500
Environmental Health Services	60,295	72,665	-	12,500	2,500
Environmental Development Services	-	45,000	-	-	-
Recreation and Cultural Services	1,148,695	605,000	1,012,854	333,334	1,235,030
Water Services	4,150,555	5,848,070	1,590,000	490,000	2,040,000
Sewer Services	3,153,710	1,173,000	475,000	675,000	500,000
Total by Department	\$ 27,712,420	\$ 28,647,735	\$ 7,116,354	\$ 7,140,334	\$ 9,299,530

Average Residential Taxes

The City of Salmon Arm acts as a collection agency for other taxing authorities and as a result your property tax notice reflects taxes collected for municipal purposes as well as taxes collected for these other authorities.

Allocation of 2018 Property Taxes					
Based on \$373,430 Average Residential Assessment					
Municipal Taxes	2018 Net Cost	%	2018 Tax	2017 Tax	\$ Change
General Government Services	\$ 2,109,361	12.13%	\$ 182.82	\$ 180.06	\$ 2.76
Protective Services (Fire and Police)	4,023,754	23.12%	348.46	343.20	5.25
Transportation Services (Roads/Maintenance etc)	2,324,994	13.36%	201.36	198.32	3.04
Environmental Services (Planning and Development)	1,202,264	6.91%	104.14	102.57	1.57
Recreation and Cultural Services	2,520,197	14.48%	218.24	214.95	3.28
Fiscal Services	1,383,925	7.95%	119.82	118.01	1.81
Capital Expenditures	989,400	5.69%	85.76	84.46	1.29
Reserves (For Future Capital Works)	2,846,155	16.36%	246.57	242.85	3.72
Total General Municipal	<u>\$ 17,400,050</u>	<u>100.00%</u>	\$ 1,507.16	\$ 1,484.44	22.72
Water Frontage (based on 60 taxable feet)			124.80	124.80	-
Sewer Frontage (based on 60 taxable feet)			118.80	118.80	-
Transportation Parcel Tax (flat rate per parcel)			120.00	120.00	-
Total City of Salmon Arm Taxes			\$ 1,870.76	\$ 1,848.04	22.72
Collections For Other Agencies					
School (Province of BC)			\$ 757.84	\$ 720.57	\$ 37.27
Columbia Shuswap Regional District			86.49	77.72	8.77
Columbia Shuswap Regional District - SIR Levy			4.74	4.70	0.04
Regional Hospital District			92.95	93.48	-0.53
Okanagan Regional Library			66.25	65.13	1.12
B.C. Assessment Authority			15.05	14.74	0.31
Municipal Finance Authority			0.07	0.07	-
Total Other Agencies			\$ 1,023.39	\$ 976.41	\$ 46.98
Gross Property Taxes			\$ 2,894.15	\$ 2,824.45	\$ 69.70
Less: Home Owner Grant (\$1,045.00 if Over 65)			(770.00)	(770.00)	-
Net Property Taxes			\$ 2,124.15	\$ 2,054.45	\$ 69.70
Solid Waste Collection and Recycling			101.00	101.00	0.00
Net Amount Due			\$ 2,225.15	\$ 2,155.45	\$ 69.70

Tax Exemptions

Tax Exemptions Provided By Council For the Year 31 December 2017

	Municipal Taxes	Other Taxes	Total Taxes
1. Properties Used for Public Worship*			
Pentecostal Assemblies of Canada	\$ 2,459	\$ 3,241	\$ 5,700
Trustees of the Congregation of the Little Mountain Bible Chapel	2,031	2,238	4,269
Shuswap Community Church	7,020	8,202	15,222
Broadview Evangelical Free Church	35,993	23,858	59,851
St. Andrews Presbyterian Church (Trustees)	2,413	2,691	5,104
Salmon Arm Mennonite Church Society	1,871	1,625	3,496
British Columbia Corporation of the Seventh Day Adventist Church	2,372	2,636	5,008
Trustees of the Congregation of the Canoe United Church	699	680	1,379
The Church of Jesus Christ of Latter-day Saints	3,749	4,385	8,134
Cornerstone Christian Reformed Church	3,863	4,542	8,405
Deo Lutheran Church of Salmon Arm	4,257	2,971	7,228
Trustees of the Mount Ida Congregation of Jehovah Witnesses	3,351	3,777	7,128
Synod Diocese of Kootenay	1,918	2,105	4,023
Roman Catholic Bishop of Kamloops	4,700	5,493	10,193
First United Church Trustees	2,965	3,329	6,294
Trustees of the Congregation of Crossroads Free Methodist	1,300	1,382	2,682
Lakeside Community Church	1,150	1,345	2,495
Governing Council Salvation Army in Canada	1,639	1,787	3,426
Living Waters Community Church	1,606	1,752	3,358
	85,356	78,039	163,395
2. Properties Used for Charitable Purposes			
British Columbia Society of the Prevention of Cruelty to Animals	3,886	2,403	6,289
Salmon Arm Museum and Heritage Association	12,725	8,091	20,816
Scout Properties (BC/Yukon) Ltd.	1,219	1,289	2,508
Salmon Arm Rescue Unit	4,154	2,572	6,726
Good Samaritan Canada (Lutheran Social Service Organization) Inc.	62,208	42,245	104,453
Shuswap Recreation Society	2,988	1,834	4,822
Salmon Arm Folk Music Society	5,204	3,298	8,502
Gleneden Community Association	2,872	1,745	4,617
Salmon Arm Elks Recreation Society	9,122	6,357	15,479
Elks Recreation Children's Camp Society of BC	14,800	13,153	27,953
Shuswap Association for Rowing & Paddling	7,160	4,501	11,661
Nature Trust of BC	1,899	1,676	3,575
Shuswap Association for Community Living	4,037	2,592	6,629
Shuswap Independent Living Association	15,880	10,606	26,486
Shuswap Day Care Society	1,589	1,004	2,593
Canadian Mental Health Association	21,765	11,654	33,419
Shuswap Housing Society	8,292	5,591	13,883
Salmon Arm & Shuswap Lake Agricultural Association	69,755	44,144	113,899
Shuswap Area Family Emergency Society	8,611	4,271	12,882
Governing Council of the Salvation Army in Canada	7,664	4,807	12,471
Shuswap Family Resource and Referral Society	3,590	2,368	5,958
Shuswap District Art Council	8,320	4,187	12,507
Salmar Community Association	43,446	22,005	65,451

Tax Exemptions Provided By Council For the Year 31 December 2017

Salmon Arm Masonic Holdings Society	949	1,112	2,061
Churches of Salmon Arm Used Goods Society	17,337	10,619	27,956
Royal Canadian Legion - Branch 62	11,716	5,907	17,623
Shuswap Theatre Society	4,489	2,233	6,722
	<u>355,677</u>	<u>222,264</u>	<u>577,941</u>

3. Properties Used for Senior Recreation Purposes

Canoe Branch 92 of the Senior Citizens Association of British Columbia	2,825	1,719	4,544
Seniors' Fifth Avenue Activity Centre (Branch 109)	9,215	5,748	14,963
Shuswap Lake Senior Citizens' Society (Drop In Centre)	5,809	2,910	8,719
	<u>17,849</u>	<u>10,377</u>	<u>28,226</u>

4. Properties Used for Recreation and Other Purposes

City of Salmon Arm Leased Land (621/641 Ross Street NE)	4,246	2,260	6,506
Salmon Arm Golf Club Holdings Ltd.	11,286	11,067	22,353
Salmon Arm Fish & Game Club	2,628	2,502	5,130
Salmon Arm Tennis Club	1,782	1,479	3,261
Shuswap Recreation Society	220,340	142,461	362,801
Salmon Arm Lawn Bowling Society	1,657	1,055	2,712
Salmon Arm Curling Club	16,283	10,285	26,568
Salmon Arm Horseshoe Club	1,362	869	2,231
	<u>259,584</u>	<u>171,978</u>	<u>431,562</u>
Total Taxes Exempted by Council in 2017	<u>718,466</u>	<u>482,658</u>	<u>1,201,124</u>

* A portion is statutorily exempt.

Community Grants

The City of Salmon Arm supports voluntary non-profit organizations each year by allocating, through the Annual Budget process, a contribution to the Shuswap Community Foundation for distribution of cash grants within the community.

Summarized below is a listing of all grants awarded both through the City of Salmon Arm and the Shuswap Community Foundation.

Distributed Through the Shuswap Community Foundation

Aspiral Youth Partners Association	- Youth Programs	\$ 3,000.00
BC Special Olympics - Salmon Arm	- Programs, Pool Rental and Tournament Costs	3,000.00
Canadian Red Cross Society - Shuswap Branch	- Rental Costs (HELP Depot)	5,000.00
Jean Minguy Memorial Youth Academy	- Operating Costs	500.00
Literacy Alliance of the Shuswap Society	- Unplug and Play Family Literacy Week	1,500.00
Salmon Arm & District Pipe Band Society	- Rental of DAC	2,000.00
Salmon Arm & Shuswap Lake Agricultural Association	- Utilities	3,500.00
Salmon Arm Bay Nature Enhancement Society	- Hire Summer Student (Brighthouse Nature Centre)	3,500.00
Salmon Arm Children's Festival Society	- Children's Festival	3,000.00
Salmon Arm Lawn Bowling Club	- LED Lighting	3,000.00
Salmon Arm Museum and Heritage Association	- Montebello Project - McGuire Merchant Exhibit	5,500.00
Salmon Arm Secondary Dry Grad Committee	- Alcohol Free Event for Grads	1,500.00
Salmon Arm Sockeyes Swim Club	- Operating Costs	750.00
Shuswap Association for Community Living	- Utilities	1,200.00
Shuswap Association of Writers	- Word on the Lake	2,000.00
Shuswap District Arts Council	- WOW - Gazebo Rental	1,000.00
Shuswap Hospice Society	- Marine Peace Park - Teddy Bear Hospital	2,500.00
Shuswap Theatre Society	- Okanagan Zone Drama Festival	3,175.00
Smile Mission Oral Health Outreach Society	- Dental Hygiene and Dental Work for Refugees	1,000.00
Voice of the Shuswap Broadcasting Society	- Antenna Space Rental	4,000.00
		<u>\$ 50,625.00</u>

Distributed Through the City of Salmon Arm

BC SPCA - Shuswap Branch	- Operating	\$ 12,000.00
Downtown Improvement Association	- Community Clean-Up	413.00
Economic Development Society	- Community Branding	14,500.00
Fletcher Park Seniors' Resource Centre	- Operating	19,829.00
Katie and William Souza	- New Years Baby	100.00
S.A.F.E. Society	- Victims Assistance Program	27,000.00
Salmon Arm Citizens on Patrol Society	- Operating	5,000.00
Salmon Arm Folk Music Society	- Operating	50,000.00
Salmon Arm Lawn Bowling	- Greens Maintenance	11,253.00
Salmon Arm Museum and Heritage Association	- Building Insurance	4,403.00
	- Audit	5,000.00
	- Grounds Maintenance	3,065.00
	- Montebello Project	25,000.00
	- Operating	108,170.00

Distributed Through the City of Salmon Arm - Continued

Salmon Arm Rotary Club	- Transit Passes - Syrian Refugees	8,770.00
Salmon Arm Senior Citizens' Association - Branch 109	- Landscaping Maintenance	2,970.00
Salmon Arm Secondary School Wrestling Club	- 2017 Wrestling Championships	5,000.00
Salmon Arm & Shuswap Agricultural Association	- Hydrant Servicing	1,279.00
School District No. 83	- Jackson Campus Grounds Maintenance	9,560.00
	- Jackson Campus Fieldhouse Maintenance	7,221.00
	- Safeway Fields Maintenance	13,872.00
Shuswap Community Foundation	- Endowment Fund	5,000.00
Shuswap District Art Council/Shuswap Art Gallery Assoc.	- Operating	35,525.00
	- Building Maintenance	8,352.00
Shuswap Lake Senior Citizens' Society (Drop In Centre)	- Building Maintenance	5,374.00
Shuswap Theatre	- Ozone Festival	1,500.00
Shuswap Trail Alliance	- Operating	40,600.00
Southern Interior Local Government Association (SILGA)	- Gift Basket	108.00
		<u>\$ 430,864.00</u>
		<u>\$ 481,489.00</u>

Funds Provided to other Agencies

The City of Salmon Arm contracts with some outside agencies to provide services to the community.

		2017	2018 (Budget)
Funds Provided to Other Agencies			
Chamber of Commerce	- Visitor Centre	\$ 132,460	\$ 134,450
Downtown Salmon Arm	- Operating	168,976	179,045
Economic Development Society	- Operating	241,251	250,000
Economic Development Society	- MRDT Program	159,062	190,000
Okanagan Regional Library	- Operating	692,625	712,795
Regional District (See Below)	- Operating	887,473	991,125
Shuswap Watershed Council	- Operating	40,000	40,000
Shuswap Recreation Society - Little Mtn. Fieldhouse	- Operating	24,011	24,100
Shuswap Recreation Society - Shaw Centre	- Operating	620,636	677,620
Shuswap Recreation Society - Shaw Centre	- Capital	35,705	68,600
Shuswap Recreation Society - Recreation Centre	- Operating	481,359	590,500
Shuswap Recreation Society - Recreation Centre	- Capital	35,714	15,000
		\$ 3,519,272	\$ 3,873,235
Regional District - (Detail)			
General Government		165,471	178,723
911 Emergency Telephone Service		44,506	45,018
Feasibility Reserve		2,762	2,765
Solid Waste - Recycling		262,184	262,389
Shuswap Search & Rescue		41,782	42,135
Shuswap Emergency Preparedness		108,656	110,310
Milfoil Control		104,226	113,815
Weed Control		3,526	4,003
Tourism Shuswap		80,875	94,325
Film Commission		9,459	10,693
Sterile Insect Control - Levy		54,230	54,681
Rail Trail Corridor		-	66,077
Sterile Insect Control - Parcel Tax		8,655	8,365
Adjustments		1,141	(2,174)
		\$ 887,473	\$ 991,125

Public Bodies Report

Statement of Remuneration

For the Year Ended 31 December 2017

1. A statement showing the gross remuneration, bonuses and gratuities paid to each employee over \$75,000.00 during the Year 2017.

Name	Position	Remuneration
Bannister, Carl	Chief Administrative Officer	
	- Remuneration	\$ 163,178.33
	- Accumulated Prior Years Vacation Pay	18,108.76
Dalziel, Monica	Chief Financial Officer	140,057.68
Niewenhuizen, Robert	Director of Engineering & Public Works	
	- Remuneration	119,999.18
	- Accumulated Prior Years Vacation Pay	4,955.50
Pearson, Kevin	Director of Development Services	119,949.18
Shirley, Brad	Fire Chief	116,956.17
Tulak, Tracy	Manager of Financial Services	
	- Remuneration	100,957.65
	- Accumulated Prior Years Vacation Pay	5,972.68
Nickles, Jim	Fire Prevention Officer	99,116.08
Jackson, Erin	Corporate Officer	97,936.88
Hein, Robert	Manager of Roads & Parks	96,909.65
Roy, Maurice	Manager of Permits & Licensing	96,894.79
Rasmuson, John	Manager of Utilities	96,869.98
Webb, Rick	Chief Operator of Water Treatment Plant	93,789.03
Frese, Hart	Chief Operator of Waste Water Treatment Plant	89,681.90
Kipp, Larry	Supervisor of Utilities	86,975.35
Chernoff, Jason	Supervisor of Parks and Recreation	86,507.84
Moore, Christopher	Engineering Assistant II	85,737.18
Bailey, Michael	Fire Training & Operations Officer	85,252.24
Whanstall, Edward	Supervisor of Roads and Transportation	83,880.38
Gerow, Darin	Engineering Assistant II	82,319.75
Miller, Marcus	Operator III of Water Treatment Plant	80,289.20
Reidford, Joseph	Operator III of Water Treatment Plant	78,446.94
Stalker, Doug	Operator III of Waste Water Treatment Plant	78,237.52
Purves, Allan	Mechanic	76,823.11
Turlock, Jon	Planning and Development Officer	76,483.10
Adams, Kenneth	Mechanic	75,783.58
Patterson, Gregg	GIS Coordinator	75,405.85
Employee Wages Over \$75,000.00		2,513,475.48
Employee Wages Under \$75,000.00		4,506,463.54
Volunteer Fire Department Wages		291,650.75
Total		\$ 7,311,589.77

Note: There were two (2) severance agreements in place and the equivalent times compensated by the agreements was: Agreement No. 1 - 10 months, Agreement No. 2 - 3 months.

Statement of Expenses

For the Year Ended 31 December 2017

2. A statement of expenses paid to each employee during the Year 2017.

Name	Position	Expense
Bannister, Carl	Chief Administrative Officer	\$ 5,446.19
Dalziel, Monica	Chief Financial Officer	1,984.18
Niewenhuizen, Robert	Director of Engineering & Public Works	178.47
Pearson, Kevin	Director of Development Services	843.86
Shirley, Brad	Fire Chief	3,142.94
Tulak, Tracy	Manager of Financial Services	601.75
Nickles, Jim	Fire Prevention Officer	1,629.10
Jackson, Erin	Corporate Officer	2,938.09
Hein, Robert	Manager of Roads & Parks	-
Roy, Maurice	Manager of Permits & Licensing	-
Rasmuson, John	Manager of Utilities	178.47
Webb, Rick	Chief Operator of Water Treatment Plant	218.42
Frese, Hart	Chief Operator of Waste Water Treatment Plant	369.90
Kipp, Larry	Supervisor of Utilities	150.00
Chernoff, Jason	Supervisor of Parks and Recreation	1,044.28
Moore, Christopher	Engineering Assistant II	37.78
Bailey, Michael	Fire Training & Operations Officer	780.95
Whanstall, Edward	Supervisor of Roads and Transportation	184.13
Gerow, Darin	Engineering Assistant II	178.47
Miller, Marcus	Operator III of Water Treatment Plant	1,386.87
Reidford, Joseph	Operator III of Water Treatment Plant	1,118.42
Stalker, Doug	Operator III of Waste Water Treatment Plant	914.95
Purves, Allan	Mechanic	-
Turlock, Jon	Planning and Development Officer	-
Adams, Kenneth	Mechanic	-
Patterson, Gregg	GIS Coordinator	809.57
Expenses for Employee With Wages Over \$75,000.00		24,136.79
Expenses for Employee With Wages Under \$75,000.00		49,173.28
Total		\$ 73,310.07

Statement of Council Indemnities & Expenses

For the Year Ended 31 December 2017

3. A statement showing remuneration and expenses paid to each Elected Official during the Year 2017.

Name	Position	Remuneration	Expenses	Life & Health Benefit	Total
Cooper, Nancy	Mayor	\$ 55,621.68	\$ 9,157.79	\$ 2,686.68	\$ 67,466.15
Eliason, Chad	Councillor	22,579.95	6,125.52	1,090.74	29,796.21
Flynn, Kevin	Councillor	22,476.41	1,827.08	2,473.68	26,777.17
Harrison, Alan	Councillor	22,631.72	320.45	2,473.68	25,425.85
Jamieson, Ken	Councillor	22,424.64	2,861.59	2,473.68	27,759.91
Lavery, Timothy	Councillor	22,424.64	9,752.98	2,473.68	34,651.30
Wallace-Richmond, Louise	Councillor	22,631.72	8,886.79	2,473.68	33,992.19
Total		\$ 190,790.76	\$ 38,932.20	\$ 16,145.82	\$ 245,868.78

Statement of Payments Made for the Provision of Goods and Services

For the Year Ended 31 December 2017

4. A statement of supplier accounts paid \$25,000.00 or more during the Year 2017.

Name	Amount
1001833 BC Ltd.	\$ 45,880.12
1026763 BC Ltd.	295,226.58
6-4 Building Maintenance Ltd.	31,198.16
647354 BC Ltd. DbA Aardvark Pavement Marking	42,717.95
A & D Asphalt Solutions	162,098.64
Acutech Consulting	62,909.53
All Phase Electric Ltd.	34,645.74
All Terrain Construction Ltd.	82,582.50
Andrew Sheret Limited	29,528.00
Appeldoorn Developments Ltd.	37,602.23
Atlantic Industries Ltd.	32,269.06
Atticus Financial Group	48,060.66
Avenue Machinery Corp.	25,236.64
Barrow Construction	36,995.98
Bartlett Tree Experts	33,615.75
BC Assessment Authority	179,410.65
BC Hydro & Power Authority	1,017,468.18
BC Transit	616,723.00
Bernd Hermanski Architect Inc.	87,600.87
Black Press Group Ltd.	41,031.69
Blackburn Excavating Ltd.	223,988.32
Brenntag Canada Inc.	54,974.09
Brooke Downes Vennard LLP	537,158.16
BWP Consulting Inc.	31,500.00
Canadian Union of Public Employees	101,653.36
Canzea Developments Ltd.	30,207.34
Capri Insurance	167,907.00
Chance's Bulk Unloading Ltd.	122,677.45
Columbia Shuswap Regional District	3,850,598.08
Combined Mechanical Contractors Ltd.	35,205.45
Corix Control Solutions LP dba Interior Instruments	221,752.70
Corix Control Solutions LP	72,681.10
D Webb Contracting Ltd.	2,181,051.87
East West Transportation (2000) Corp.	127,436.38
Electric Motor and Pump Service Ltd.	131,985.05
EMCO Limited	58,076.39
Environmental Compliance Services	29,986.00
ESRI Canada	34,087.38
Fletcher Paine Associates Ltd.	49,992.49
Fortis BC - Natural Gas	82,126.23
Fraser Basin Council	40,000.00

Statement of Payments Made for the Provision of Goods and Services - Continued

For the Year Ended 31 December 2017

Name	Amount
Fred Surridge Ltd.	65,627.82
Gravel Contraction Ltd.	34,315.05
General Assembly Excavating (1994) Ltd.	367,952.52
Gentech Engineering Inc.	48,312.09
Grizzly Curb & Concrete Ltd.	35,252.49
Group Health Global - Trust	637,869.19
Guillevin International Inc.	41,230.37
Hack Sales & Service Canada LP	48,856.39
Hayward Gordon ULC	43,968.66
Hiebert, Betty	29,168.52
Houle Electric	33,627.76
ICBC	81,919.00
Inskip Electric Ltd.	42,248.04
K-9 Control Services	52,966.38
Kimco Controls Ltd.	67,541.24
KW Projects Inc. / 688184 BC Ltd. / 688185 BC Ltd.	47,917.79
Latina Landscapes & Maintenance Ltd.	58,275.00
Lawson Engineering and Development Services Ltd.	144,451.95
Leko Precast Shuswap Div. Ltd.	52,227.90
Little Mountain Ridge Developments Ltd.	161,965.13
Lordco Parts Ltd.	35,643.18
MADA Contracting	96,127.50
Magnum Wear Parts Ltd.	40,733.04
Mearl's Machine Works Ltd.	32,651.05
Minister of Finance	39,258.44
Mounce Construction Ltd.	52,631.20
Municipal Finance Authority of BC	239,796.95
Municipal Insurance Association of BC	101,170.45
Municipal Pension Plan	1,153,913.93
North Okanagan/Columbia Shuswap Regional Hospital	992,430.70
Okanagan Aggregates Ltd.	839,523.52
Okanagan Regional Library	692,625.08
Okanagan Traffic Control Inc.	47,572.48
Omega Communicatons Ltd.	153,688.55
Opus International Consultants (Canada)	141,548.37
Petrovalue Products Canada Inc.	296,610.38
Postage By Phone	26,250.00
Progressive Waste Solutions Canada Inc.	245,931.79
Protocol Technologies Inc.	38,218.69
Province of British Columbia	2,913,570.78
R.F. Binnie & Associates Ltd.	226,974.87
Receiver General for Canada - Payroll Remittances	2,003,472.97
Receiver General for Canada	3,191,502.00
Rectec Industries	116,021.28
Ricoh Canada Inc	35,560.61
Rocky Mountain Phoenix	27,410.20
S.A.F.E. Society	27,000.00
Salmon Arm Chamber of Commerce	132,520.00
Salmon Arm Downtown Improvement Association	185,762.53
Salmon Arm Economic Development Society	385,910.85

Statement of Payments Made for the Provision of Goods and Services - Continued

For the Year Ended 31 December 2017

Name	Amount
Salmon Arm Folk Music Society	51,400.00
Salmon Arm Golf Club	41,231.40
Salmon Arm Janitorial Ltd.	31,620.75
Salmon Arm Museum and Heritage Association	138,169.72
Salmon Arm Ready Mix Ltd.	124,135.50
Salmon Arm Savings & Credit Union	28,593.02
Salmon Arm Security Inc.	37,321.20
Salmon Arm Tree Toppers Ltd.	35,647.50
SealTec Industries Ltd.	47,450.82
Shuswap Community Foundation	62,500.00
Shuswap District Arts Council	43,025.00
Shuswap Hut and Trail Alliance	113,187.34
Shuswap Recreation Society	1,486,629.29
SLR Consulting (Canada) Ltd.	63,414.22
SRG West Arm Holdings Ltd.	59,039.60
Suncor Energy Products Partnership	239,334.66
Telus Communications and Services Ltd.	94,558.19
The Boathouse Marine & Leisure	108,331.38
Tiger Calcium Services Ltd.	120,916.20
Tomko Sports Systems Inc.	43,055.68
Trans Canada Trenchless Ltd.	29,006.25
Vadim Computer Management Group	81,502.77
W H Laird Holdings Ltd.	78,115.75
Waste Connections of Canada Inc.	379,212.58
Waterhouse Environmental Services Corporation	117,589.76
Williams Machinery LP	194,601.12
Willness Construction Ltd.	39,337.50
Wolseley Canada	47,784.49
Working Enterprises Consulting & Benefits	116,334.52
Worksafe BC	126,403.81
Zappone Bros Contracting Ltd.	89,091.07
Supplier Accounts Over \$25,000.00	32,004,112.54
Supplier Accounts Under \$25,000.00	2,410,651.06
Total	\$ 34,414,763.60

Summary of Payments Made for the Provision of Remuneration, Expenses, Goods and Services

For the Year Ended 31 December 2017

5. A summary statement showing the gross remuneration and expenses paid to each employee and suppliers during the Year 2017.

Section	Description	Amount
Section 1	Employee Wages	\$ 7,311,589.77
Section 2	Employee Expenses	73,310.07
Section 3	Council Indemnity and Expenses	245,868.78
Section 4	Supplier Accounts	34,414,763.60
		<u>\$ 42,045,532.22</u>

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Reporting Expenses by Function

Expenses by Function	2017	2016	2015	2014	2013
General Government Services	\$ 4,629,684	\$ 4,616,299	\$ 4,610,543	\$ 4,222,530	\$ 4,283,682
Protective Services	5,124,932	4,953,565	4,310,129	4,784,045	4,860,121
Transportation Services	9,275,439	8,341,397	8,188,846	8,023,435	7,799,404
Public Health Services	958,367	953,344	907,275	851,272	829,339
Development Services	1,185,604	1,071,100	996,815	1,011,871	992,508
Recreation and Cultural Services	3,155,520	3,175,296	3,076,276	3,061,072	2,986,326
Water Services	3,381,212	3,314,026	3,326,027	3,229,645	3,090,587
Sewer Services	2,277,542	2,225,915	2,256,152	2,073,967	2,152,298
	<u>\$ 29,988,300</u>	<u>\$ 28,650,942</u>	<u>\$ 27,672,063</u>	<u>\$ 27,257,837</u>	<u>\$ 26,994,265</u>

This table reflects total City expenses by function. For example, the City spent approximately \$9.3 million on transportation services, such as roads and infrastructure, as opposed to approximately \$5.1 million on protective services.

Reporting Expenses by Object

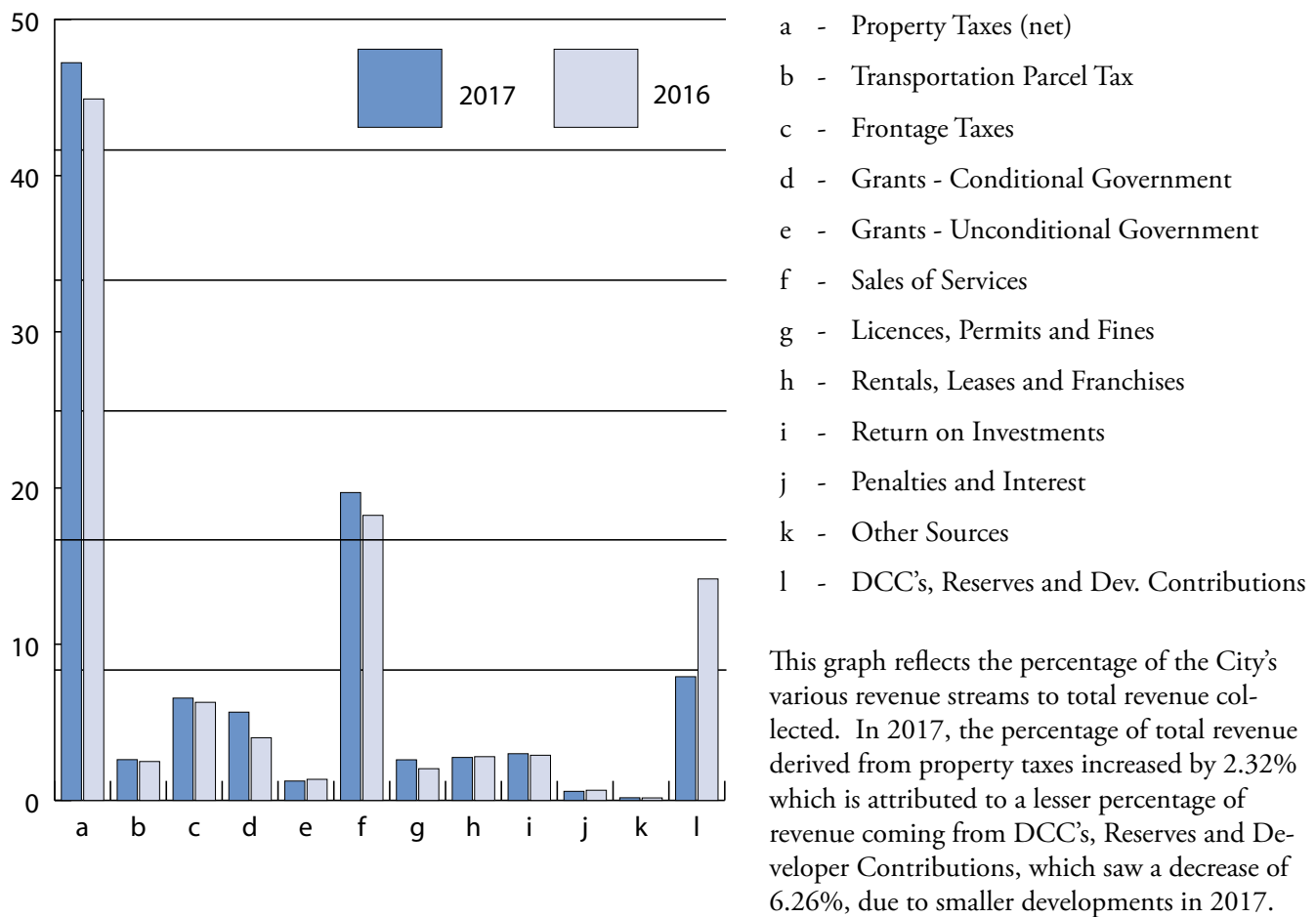
Expenses by Object	2017	2016	2015	2014	2013
Amortization Expense	\$ 7,232,266	\$ 6,937,757	\$ 6,671,645	\$ 6,417,440	\$ 6,260,869
Capital Expense	-	-	-	-	-
Collections for Other Governments	7,349	13,027	9,228	8,860	9,400
Community Grants	262,295	253,078	220,228	260,819	215,372
Contracts	6,047,747	5,825,174	5,017,110	5,185,473	5,521,852
Insurance	357,529	354,999	372,520	373,857	394,375
Interest and Debt Issuance Expense	1,594,915	1,635,515	1,679,523	1,661,909	1,814,731
Loss on Disposal of Capital Assets	-	135,172	3,553	26,138	-
Operating Expenses	1,866,435	1,464,039	1,621,837	1,593,264	1,605,740
Professional and Legal Fees	53,308	66,907	78,868	102,965	129,577
Repairs and Maintenance	2,670,740	2,292,360	2,449,497	2,385,109	2,284,189
Salaries, Wages and Benefits	8,803,559	8,707,030	8,574,989	8,277,350	7,865,734
Utilities and Property Taxes	1,092,157	965,884	973,065	964,653	892,426
	<u>\$ 29,988,300</u>	<u>\$ 28,650,942</u>	<u>\$ 27,672,063</u>	<u>\$ 27,257,837</u>	<u>\$ 26,994,265</u>

This table reflects total City expenses allocated by component within each City function. In 2017, of the total \$30.0 million expenses, the City spent \$1.6 million on interest and debt issuance expenses.

Revenues by Source and Type

Revenue Sources	2017	2016	2015	2014	2013
Property Taxes (net)	\$ 16,878,465	\$ 16,517,517	\$ 15,736,313	\$ 15,273,616	\$ 14,913,094
Transportation Parcel Tax	932,520	914,040	902,640	897,360	892,560
Frontage Taxes	2,339,592	2,307,934	2,250,212	2,232,729	2,212,968
Grants - Conditional Government	2,017,593	1,475,158	369,845	272,506	723,005
Grants - Unconditional Government	443,749	496,191	529,598	484,472	503,735
Sales of Services	7,044,803	6,713,650	6,717,504	6,280,616	6,381,041
Licences, Permits and Fines	928,862	747,834	659,638	700,906	604,183
Rentals, Leases and Franchises	981,405	1,028,331	1,101,246	1,045,810	1,055,060
Return on Investments	1,066,660	1,064,599	959,093	986,990	930,761
Penalties and Interest	205,762	240,864	201,326	207,724	226,041
Other Sources	65,829	58,002	44,994	64,003	45,470
DCCs, Reserves and Developer Contr	2,828,480	5,213,301	2,882,041	818,827	3,733,711
	\$ 35,733,720	\$ 36,777,421	\$ 32,354,450	\$ 29,265,559	\$ 32,221,629

This table reflects the City's various revenue streams. In 2017, the City collected \$2.4 million more in DCCs, Reserves and Developer Contributions than in 2016. The decrease, in part, is attributed to smaller developments that occurred in 2017.

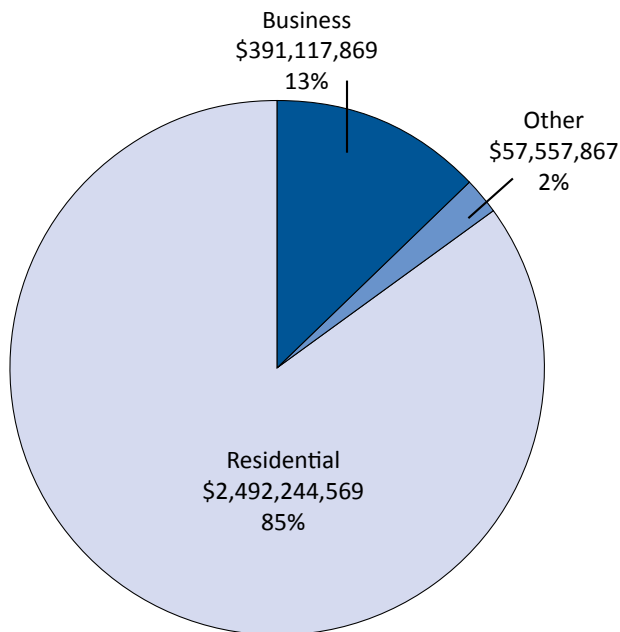


Taxable Assessments of Land and Improvements

Property Classifications	2017	2016	2015	2014	2013
Residential	\$ 2,492,244,569	\$ 2,299,196,782	\$ 2,108,769,085	\$ 2,051,869,384	\$ 2,095,518,459
Supportive Housing	56	56	58	58	58
Utilities	5,309,125	5,247,515	5,044,300	5,098,840	6,109,980
Major Industry	7,311,200	7,163,300	6,646,300	6,164,500	7,340,700
Light Industry	29,721,500	25,692,600	19,435,900	21,690,400	22,567,100
Managed Forest Land	26,200	18,400	-	-	-
Business	391,117,869	382,520,701	372,133,351	359,952,000	336,745,899
Recreation Non-Profit	6,333,300	6,544,600	6,923,200	6,949,800	7,323,400
Farm	8,856,486	8,732,378	8,652,216	8,772,603	8,943,235
	<u>\$ 2,940,920,305</u>	<u>\$ 2,735,116,332</u>	<u>\$ 2,527,604,410</u>	<u>\$ 2,460,767,585</u>	<u>\$ 2,484,548,831</u>

This table reflects the City's assessment base by property class for the past five (5) years.

Assessment Base by Property Class (General Net Taxable Values)



Class	Assessed Value	% of Total
Residential	2,492,244,569	85
Business	391,117,869	13
Other	57,557,867	2
	<u>\$ 2,940,920,305</u>	<u>100</u>

Other Includes:

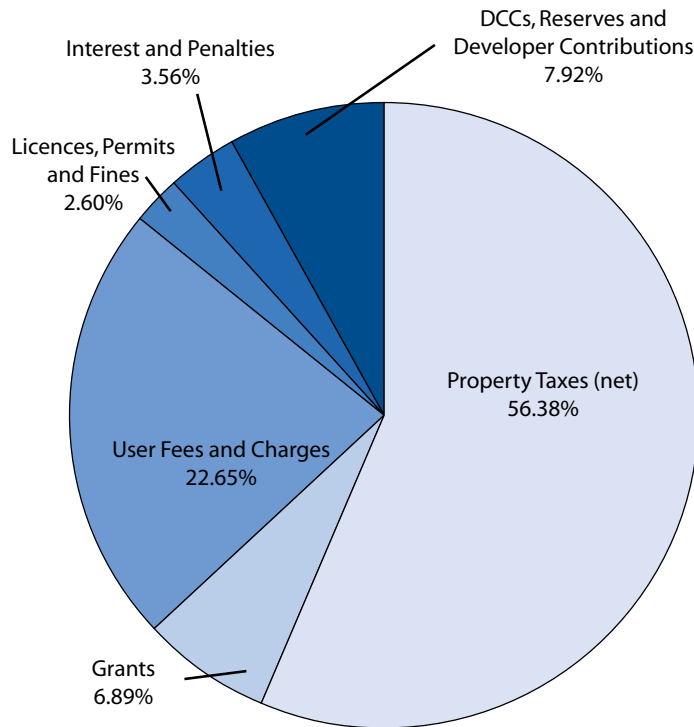
Utilities	5,309,125
Supportive Housing	56
Major Industry	7,311,200
Light Industry	29,721,500
Managed Forest Land	26,200
Recreation Non Profit	6,333,300
Farm	8,856,486
	<u>\$ 57,557,867</u>

This graph reflects that 85% of the assessment base in Salmon Arm is residential. Typically, business and industry provide the assessment base that is required to financially support services.

Revenue Sources Sorted by Category

Revenue	2017	2016	2015	2014	2013
Property Taxes (net)	\$ 20,150,577	\$ 19,739,491	\$ 18,889,165	\$ 18,403,705	\$ 18,018,622
Grants	2,461,342	1,971,349	899,443	756,978	1,226,740
User Fees & Charges	8,092,037	7,799,983	7,863,744	7,390,429	7,481,571
Licences, Permits and Fines	928,862	747,834	659,638	700,906	604,183
Interest and Penalties	1,272,422	1,305,463	1,160,419	1,194,714	1,156,802
DCC's, Reserves & Dev. Contributions	2,828,480	5,213,301	2,882,041	818,827	3,733,711
	<u>\$ 35,733,720</u>	<u>\$ 36,777,421</u>	<u>\$ 32,354,450</u>	<u>\$ 29,265,559</u>	<u>\$ 32,221,629</u>

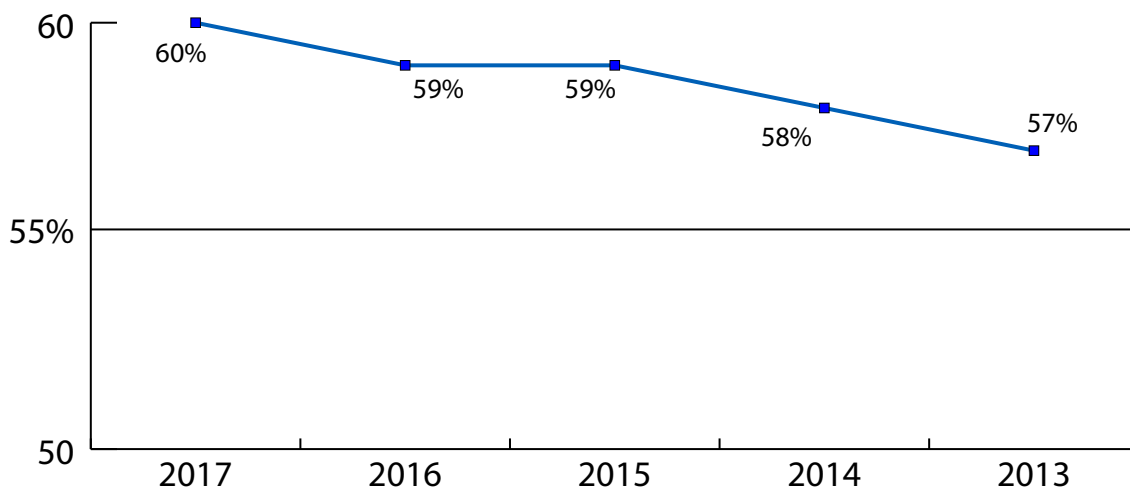
This table reflects the City's various revenue streams sorted by category. The City collected approximately \$8.1 million in user fees and charges for services such as rentals, parking and transit levies, airport fuel and oil sales, water and sewer user rates, and sanitation and recycling fees, etc.



This graph reflects the percentage of each revenue source by category.

General Municipal Taxes as a Percentage of Operating Revenue

Year	Tax Revenue	Total Revenue	% of Revenue
2013	14,436,986	25,237,217	57%
2014	14,893,906	25,529,959	58%
2015	15,369,669	26,148,558	59%
2016	16,151,905	27,254,923	59%
2017	16,546,850	27,793,036	60%



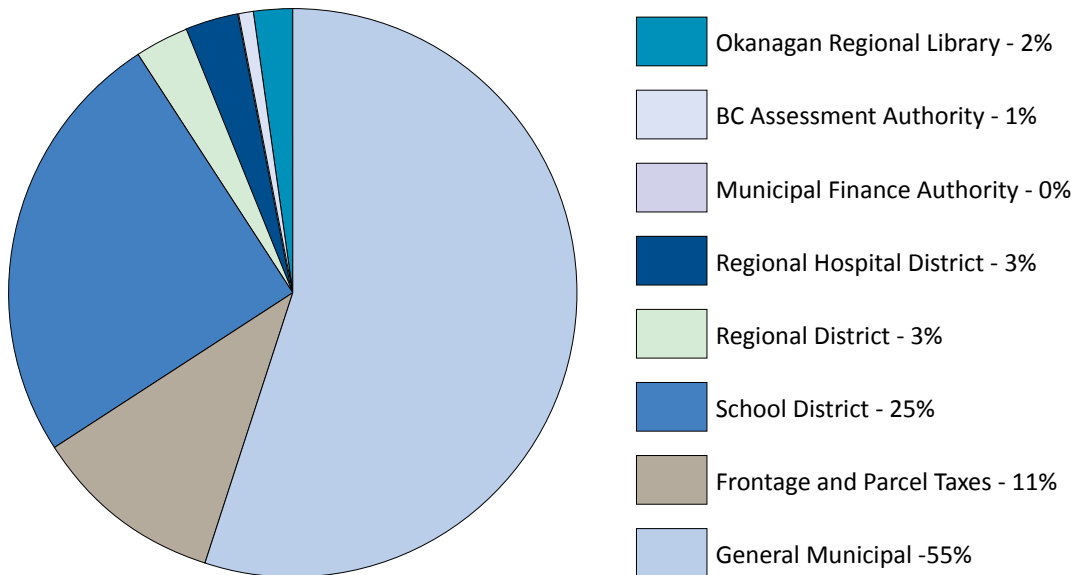
This table and graph reflects that in 2017, 60% of the City's general operating revenue to finance services was funded by property taxation.

Property Taxes Levied and Collected

Jurisdictions	2017	2016	2015	2014	2013
General Municipal	\$ 17,077,129	\$ 16,693,787	\$ 15,910,897	\$ 15,443,146	\$ 15,079,205
Frontage and Parcel Taxes	3,272,112	3,221,974	3,152,852	3,130,089	3,105,528
School District	7,669,949	7,955,098	7,794,084	7,718,808	7,642,594
Regional District	878,534	892,906	848,419	880,137	848,309
Regional Hospital District	981,438	954,053	916,299	905,285	867,757
Municipal Finance Authority	721	681	634	616	614
BC Assessment Authority	176,994	201,121	202,752	204,763	204,651
Okanagan Regional Library	684,866	691,246	672,796	669,418	639,749
	<u>30,741,743</u>	<u>30,610,866</u>	<u>29,498,733</u>	<u>28,952,262</u>	<u>28,388,407</u>
Total Current Taxes Levied	30,741,743	30,610,866	29,498,733	28,952,262	28,388,407
Current Taxes Collected	30,065,995	29,884,464	28,803,546	28,243,012	27,609,255
Percentage Collected	97.80%	97.63%	97.64%	97.55%	97.26%
Outstanding at Beginning of Year	1,056,893	1,022,194	1,064,048	1,170,207	1,371,098
Arrears Collected	732,964	691,703	737,041	815,410	980,042
Percentage Collected	69.35%	67.67%	69.27%	69.68%	71.48%
Total Tax Collections	<u>\$ 30,798,959</u>	<u>\$ 30,576,167</u>	<u>\$ 29,540,587</u>	<u>\$ 29,058,422</u>	<u>\$ 28,589,297</u>

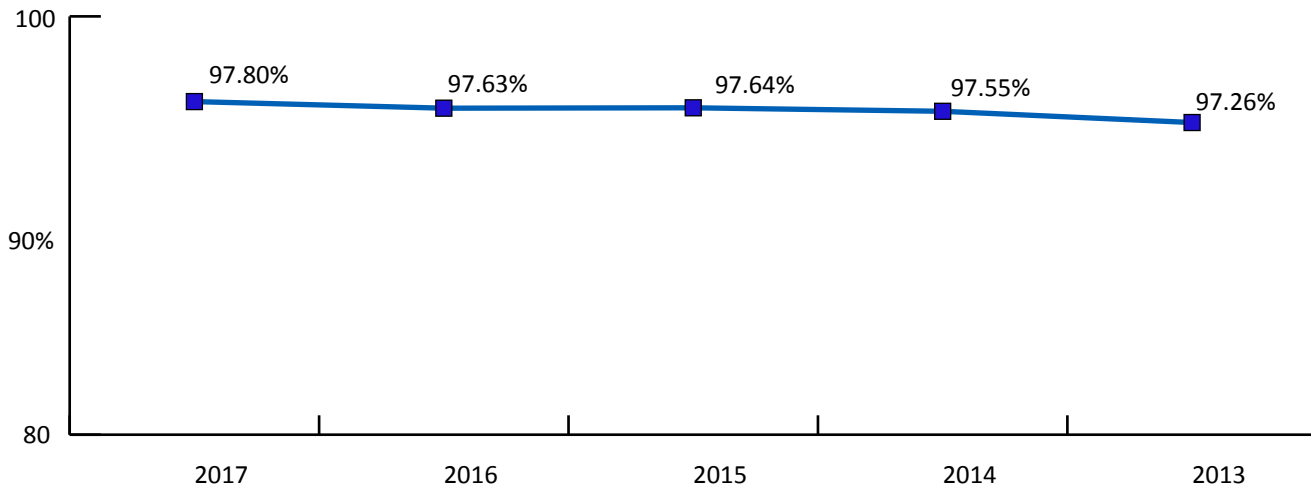
This table reflects the amount of taxes collected for general municipal purposes and for other jurisdictions (i.e. School District, Regional District, etc). The table also outlines the City's property taxation collection rates.

2017 Taxes by Jurisdiction



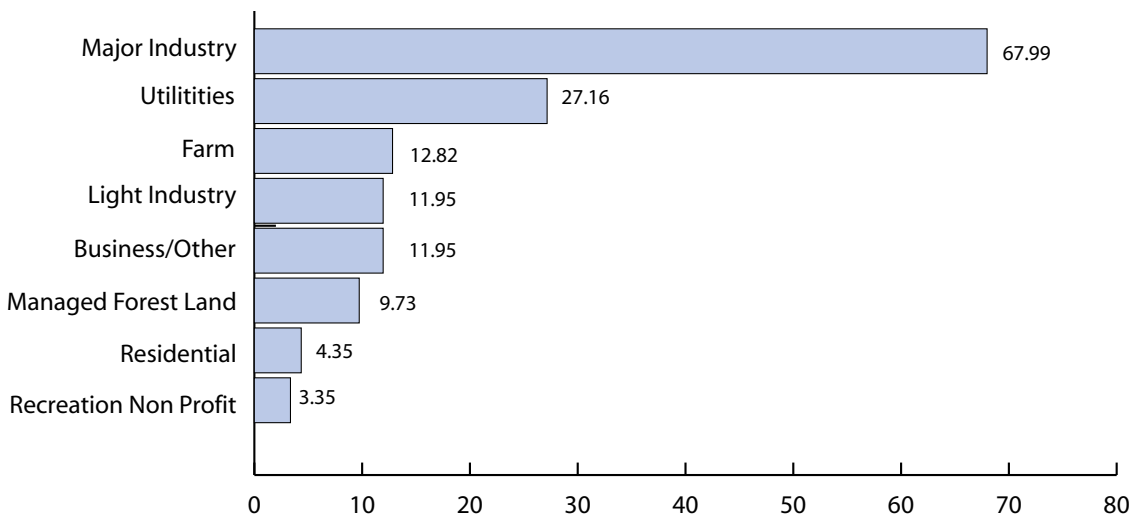
This graph reflects that of the total tax dollars (\$31 million) levied in 2017 by the City and other jurisdictions, only 55% (\$17.1 million) was for municipal services such as police, fire, roads, etc. and the remainder was for other jurisdictions.

Taxation Collection Rates



This graph reflects the percentage of property taxes collected in the year that the tax was levied.

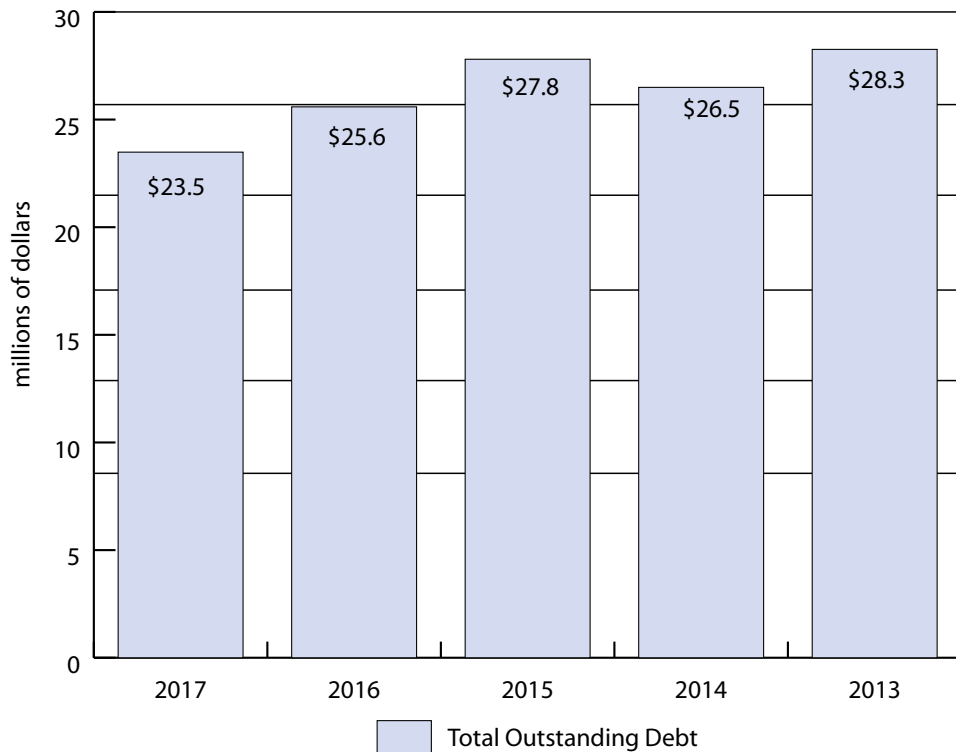
General Municipal Tax Rates



This graph reflects the tax rates that are charged on each \$1,000 of assessed property value for each classification of the property.

Debenture Debt

Gross Debt	2017	2016	2015	2014	2013
General	\$ 12,286,817	\$ 13,360,343	\$ 14,707,261	\$ 14,432,972	\$ 15,459,980
Water	8,356,996	9,005,802	9,629,324	10,228,545	10,804,416
Sewer	2,842,643	3,223,959	3,465,104	1,834,147	1,995,141
Total Outstanding Debt	\$ 23,486,456	\$ 25,590,104	\$ 27,801,689	\$ 26,495,664	\$ 28,259,537

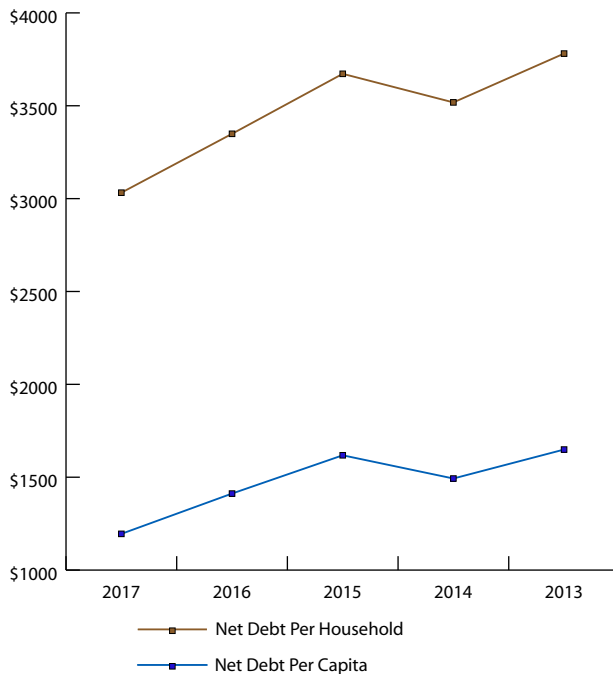


This table and graph reflects the long term debt outstanding at the end of each of the last five (5) years.

Debt Servicing Costs

Repayment Sources	2017	2016	2015	2014	2013
Property Tax Supported	\$ 1,577,268	\$ 1,902,010	\$ 1,845,072	\$ 1,687,668	\$ 1,780,737
Water Utility	1,002,883	1,030,256	1,046,557	1,056,193	1,057,057
Sewer Utility	408,134	279,697	178,686	166,514	207,824
Parks DCC Reserve	12,810	12,810	12,810	21,290	21,290
Total Debt Servicing Costs	\$ 3,001,095	\$ 3,224,773	\$ 3,083,125	\$ 2,931,665	\$ 3,066,908
Population	19,661	18,128	17,183	17,749	17,133
Net Debt Per Capita	\$ 1,195	\$ 1,412	\$ 1,618	\$ 1,493	\$ 1,649
Debt Service as a % of Total Expenses	7.7%	8.0%	9.1%	9.1%	8.9%
Debt Service as a % of Operating Expenses	8.5%	10.2%	9.9%	9.6%	10.4%
# of Households	7,746	7,640	7,571	7,532	7,475
Net Debt Per Household	\$3,032	\$3,349	\$3,672	\$3,518	\$3,781

Debt Per Capita



This graph reflects the equated amount of outstanding debt per individual and per household within the City.

Debt Capacity Limits

Debt Servicing	2017	2016	2015	2014	2013
Debt Servicing Limit	\$ 7,484,112	\$ 7,307,745	\$ 7,070,303	\$ 6,847,908	\$ 6,766,873
Debt Servicing Capacity Available	\$ 4,483,017	\$ 4,082,972	\$ 3,987,178	\$ 3,916,244	\$ 3,699,965

This table reflects the maximum debt servicing capacity as well as the remaining borrowing power available to the City to fund capital projects.

Statutory Reserve Funds and Statement of Surplus

Reserves and Surplus	2017	2016	2015	2014	2013
Statutory Reserve Funds, Development Cost Charges and Trust Funds					
Development Cost Charge - Sewer	\$ 2,657,873	\$ 2,195,592	\$ 1,764,148	\$ 1,771,231	\$ 1,491,011
Development Cost Charge - Water	2,793,733	2,315,108	1,872,739	1,569,612	1,261,369
Development Cost Charge - Drainage	1,501,195	1,299,124	1,082,171	950,397	817,414
Development Cost Charge - Parks	369,989	314,528	277,763	240,051	184,521
Development Cost Charge - Highways	1,365,614	1,110,695	863,853	702,792	551,708
Development Cost Charge - Underpass	83,680	82,846	82,084	545,237	555,329
Perpetual Care	341,520	329,924	315,596	304,658	293,321
Klahani Playground Equipment	4,149	4,108	4,069	4,019	3,955
Environment Sensitive Area Inventory	-	-	-	-	-
Equipment Replacement	2,729,561	2,405,243	1,935,121	2,001,232	2,277,391
General Capital	429,334	434,246	125,762	393,204	627,670
Fire Department Building and Equipment	229,244	202,019	150,605	123,945	67,715
Emergency Apparatus	1,239,139	981,420	769,110	583,580	743,348
Police Vehicle Replacement	291,449	263,604	257,590	229,603	201,202
Landfill Site Repurchase	218,681	216,501	214,512	211,852	208,461
Cemetery Development	152,951	141,450	130,235	118,703	106,913
Sewer Major Maintenance	2,389,080	2,061,611	1,733,458	1,405,631	1,230,613
Water Major Maintenance	759,631	653,055	768,769	613,419	751,200
Community Centre Major Maintenance	644,570	583,277	567,430	505,851	448,301
Cemetery Columbarium	70,799	65,105	90,015	83,940	77,651
Parks Development	501,110	200,544	137,074	180,980	135,420
	<u>\$ 18,773,302</u>	<u>\$ 15,860,000</u>	<u>\$ 13,142,104</u>	<u>\$ 12,539,937</u>	<u>\$ 12,034,513</u>

Statement of Operating Surplus

General Operating Fund - Surplus	\$ 18,455,003	\$ 17,539,812	\$ 16,561,520	\$ 14,620,548	\$ 13,401,095
Water Operating Fund - Surplus	1,823,281	1,746,745	1,983,838	1,819,413	1,688,594
Sewer Operating Fund - Surplus	2,461,214	2,246,555	716,853	682,395	525,847
	<u>\$ 22,739,498</u>	<u>\$ 21,533,112</u>	<u>\$ 19,262,211</u>	<u>\$ 17,122,356</u>	<u>\$ 15,615,536</u>
Total Reserves and Operating Surpluses	<u>\$ 41,512,800</u>	<u>\$ 37,393,112</u>	<u>\$ 32,404,315</u>	<u>\$ 29,662,293</u>	<u>\$ 27,650,049</u>

Statement of Annual and Accumulated Surplus

Accumulated Surplus, Beginning of Year	\$ 221,025,217	\$ 212,898,738	\$ 208,216,351	\$ 206,208,629	\$ 200,981,265
Annual Surplus	5,745,420	8,126,479	4,682,387	2,007,722	5,227,364
Prior Period Adjustment	-	-	-	-	-
Accumulated Surplus, End of Year	<u>\$ 226,770,637</u>	<u>\$ 221,025,217</u>	<u>\$ 212,898,738</u>	<u>\$ 208,216,351</u>	<u>\$ 206,208,629</u>

Statement of Annual and Accumulated Surplus (Detail)

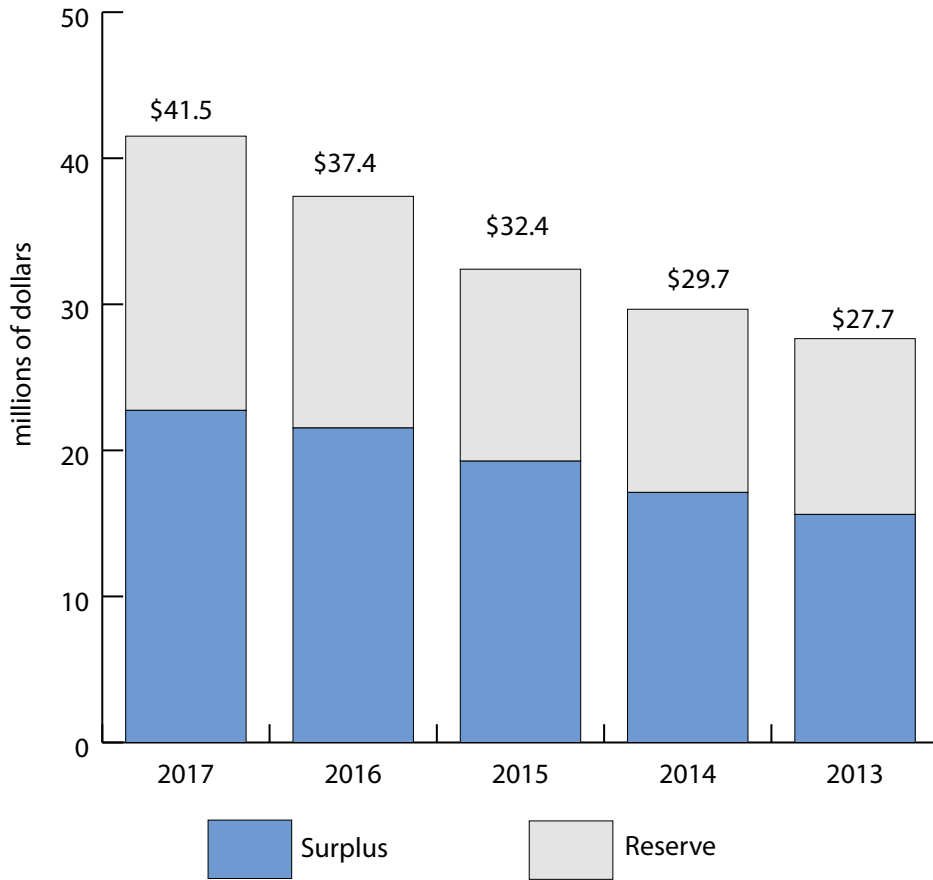
Statutory Reserves	\$ 9,655,550	\$ 8,208,075	\$ 6,879,681	\$ 6,451,940	\$ 6,875,886
Unexpended Capital Reserves	2,349,841	3,317,823	5,838,343	2,039,087	1,517,841
Surplus	3,177,476	3,193,422	2,800,790	2,320,573	2,184,338
Reserve Accounts	20,481,753	19,222,290	17,291,454	15,632,485	14,227,577
Consumable Inventory	(919,731)	(882,598)	(830,031)	(830,702)	(796,380)
Equity in Capital Assets	192,025,748	187,966,205	180,918,501	182,602,968	182,199,367
	<u>\$ 226,770,637</u>	<u>\$ 221,025,217</u>	<u>\$ 212,898,738</u>	<u>\$ 208,216,351</u>	<u>\$ 206,208,629</u>

Net Financial Debt (Detail)

Financial Assets	\$ 56,955,032	\$ 53,035,980	\$ 49,947,177	\$ 43,184,115	\$ 38,728,714
Financial Liabilities	(46,146,068)	(46,082,418)	(46,331,131)	(44,674,869)	(43,666,312)
Net Financial Debt	10,808,964	6,953,562	3,616,046	(1,490,754)	(4,937,598)
Non-Financial Assets	215,961,673	214,071,655	209,282,692	209,707,105	211,146,227
Accumulated Surplus, End of Year	<u>\$ 226,770,637</u>	<u>\$ 221,025,217</u>	<u>\$ 212,898,738</u>	<u>\$ 208,216,351</u>	<u>\$ 206,208,629</u>

This table reflects the balance in reserves that have been established by the City for future works, replacement of equipment (i.e. fire, police, public works, etc.), etc. It should be noted that a portion of the City's accumulated operating surplus is committed to undertake specific projects where an annual contribution is required before the works can be completed.

Statutory Reserve Funds and Surpluses



This graph reflects the balance in the reserves and accumulated operating surpluses over the past five (5) years.

Capital Expenses and Funding Sources

Capital Expenditure Categories	2017	2016	2015	2014	2013
Capital Expenditures					
Civic Facilities & Services	\$ 642,852	\$ 28,812	\$ -	\$ 27,404	\$ 44,000
Airport Services	-	48,288	-	-	28,346
Cemetery Services	18,040	1,012,526	105,062	1,114	64,846
Roads	3,357,826	3,776,232	2,479,862	1,611,611	3,970,549
Drainage	223,443	596,343	10,740	64,488	175,138
Sidewalks, Curbs and Gutters	298,560	134,658	155,371	19,491	242,340
Machinery and Equipment (Transportation)	269,715	151,054	650,874	883,813	219,319
Other (Transportation)	207,631	190,772	719,349	200,072	280,671
Fire Protection Services	28,636	39,458	48,220	68,049	139,320
Protective Services	20,894	163,341	18,336	44,140	24,108
Vehicles (Fire & Police)	-	41,392	225,494	122,164	127,434
Parks and Recreations Services	626,115	2,473,477	489,250	689,241	850,689
Water Utility	1,104,330	1,632,949	753,588	709,418	822,046
Sewer Utility	2,324,760	1,570,553	595,389	571,818	554,518
	<u>\$ 9,122,802</u>	<u>\$ 11,859,855</u>	<u>\$ 6,251,535</u>	<u>\$ 5,012,823</u>	<u>\$ 7,543,324</u>
Sources of Funds					
Tax Levy (Revenue)	\$ 2,895,591	\$ 2,467,191	\$ 2,248,062	\$ 2,711,177	\$ 2,315,044
Prior Year Surplus	125,783	59,252	99,700	10,000	-
Grants	1,682,135	1,095,772	192,481	93,117	510,350
Reserve Accounts	1,140,774	1,848,713	669,462	610,323	729,243
Reserve Funds	244,362	625,219	1,093,264	1,597,245	648,079
Contributions (DCC, Developer, Donation etc.)	2,349,942	4,636,690	2,700,074	602,099	3,446,814
Debt	-	-	3,266,880	-	300,000
Carry Forward - Expended	2,622,257	3,444,231	1,423,667	1,325,529	947,270
Carry Forward - Unexpended	(1,938,042)	(2,317,213)	(5,442,055)	(1,936,667)	(1,353,476)
	<u>\$ 9,122,802</u>	<u>\$ 11,859,855</u>	<u>\$ 6,251,535</u>	<u>\$ 5,012,823</u>	<u>\$ 7,543,324</u>

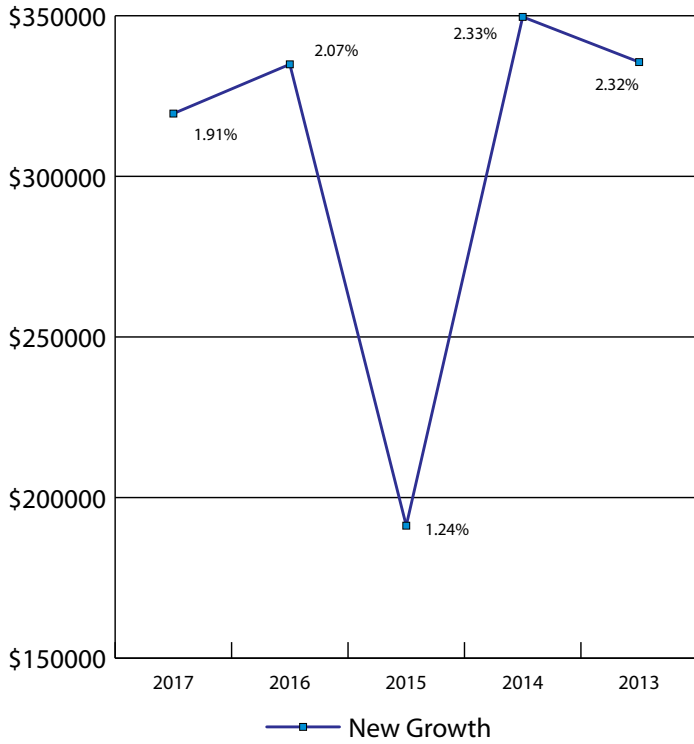
This table reflects the City's annual capital expenses and funding sources over the past five (5) years.

Principal Corporate Taxpayers and Percentage of Total Taxes 2017

Property Owner	Tax Levy	Percentage
Salmon Arm Shopping Centres Limited & Calloway Reit Inc.	\$ 654,052.62	2.128%
Piccadilly Place Mall Inc.	521,600.90	1.697%
R P Johnson Construction Ltd.	315,446.52	1.026%
Canoe Forest Products Ltd.	261,430.49	0.850%
Huber Developments Ltd. (and other multiple owners)	229,016.71	0.745%
Canoe Forest Products Ltd.	179,901.60	0.585%
Kaien Enterprises Ltd.	167,970.95	0.546%
Askew's Uptown Shopping Centre Ltd.	158,190.58	0.515%
BC Gas Utility Ltd.	151,119.65	0.492%
Canadian Pacific Railway Co.	136,414.34	0.444%
Salmon Arm Savings and Credit Union	128,959.20	0.419%
Salmon Arm Savings and Credit Union	119,848.35	0.390%
Lakeshore Village Ltd.	106,256.49	0.346%
BC Hydro and Power Authority	103,957.20	0.338%
Lakeside Manor Developments Ltd.	98,425.63	0.320%
USNR/Kockums Cancar Company	94,250.14	0.307%
0731010 BC Ltd.	92,599.14	0.301%
Shuswap Development Ltd.	92,040.77	0.299%
389481 BC Ltd.	87,540.69	0.285%
Shuswap Park Holdings Ltd.	81,985.54	0.267%
Westgate Building Ltd.	75,477.08	0.246%
Rocstan Developments Ltd.	71,228.80	0.232%
526761 BC Ltd.	66,925.76	0.218%
Salmik Holdings Ltd. & Shusal Holdings Ltd.	66,757.34	0.217%
Capolette Investments Ltd.	66,744.33	0.217%
BC Hydro and Power Authority	62,994.74	0.205%
BC Telephone Co.	61,665.84	0.201%
Salmon Arm Developments Ltd.	61,131.38	0.199%
0731010 BC Ltd.	60,656.81	0.197%
Edmar Holdings Ltd.	57,777.31	0.188%
688192 BC Ltd.	55,044.92	0.179%
Westview Gardens Development Ltd.	53,906.14	0.175%
Canoe Forest Products Ltd.	50,926.70	0.166%
Over Two Holdings Ltd.	50,194.85	0.163%
	<u>\$ 4,642,439.51</u>	<u>15.101%</u>

This table reflects the principal corporate taxpayers and the amount of property taxes that they pay in relation to the total amount of property taxes levied in 2017.

New Construction



This graph reflects the new tax revenue that is generated each year as a result of new growth or construction in Salmon Arm. In 2017, the community derived new tax revenue of 1.91% or \$319,543.00

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