
City of Kelowna

MEMORANDUM

DATE: April 22, 2003
FILE: 1700-20
TO: City Manager
FROM: Director of Financial Services
RE: Amendment #4 to Bylaw 8788 – Five Year Financial Plan, 2002-2006

Report prepared by the Senior Accountant, Financial Planning

RECOMMENDATION:

THAT Council approve amendment #4 to the Five Year Financial Plan, 2002-2006 Bylaw 8788 as required by the Local Government Act, to reflect changes in the Operating Budget and Capital Expenditure Program for 2002.

BACKGROUND:

The City of Kelowna, in order to comply with section 327 of the Local Government Act (Financial Plan), amends the plan to provide for expenditures required after adoption of the Five Year Financial Plan Bylaw.

The amended financial plan is impacted on a departmental basis by contingency fund transfers, disbursements of Other Working Capital, transfers from the City Manager's training account and other transfers as permitted under the Budget Transfer Policy #261, which are excluded from the analysis below.

The attached Schedule A reflects the following material amendments and transfers that are being brought before Council for the first time:

1)

General Government

Increase the Land Acquisition capital budget by \$559,800 for land exchanges with funding from the Land Sales Reserve.

Increase the Land Acquisition capital budget by \$55,400 with funding from the RCMP Operations Reserve to purchase the previous Mission Water District building from the Water Utility for use as a community police office.

To change \$50,000 of Land Acquisition - DCC Roads Widening funding from Roads Sector I – Inner City to Sector B – South Mission.

2)

Planning & Development Services

Increase the Planning operating budget by \$5,000 to recognize a CMHC grant for a Neighbourhood Satisfaction Survey.

3)

Works and Utilities

Increase the Transportation Services capital budget by \$621,600, the Water Utility capital budget by \$145,700 and the Wastewater Utility capital budget by \$145,700, all from DCC Reserves, to account for DCC credits provided to developers for works they have completed.

Transfer \$50,000 from Other Working Capital to Conventional and Custom Transit for additional expenditures on vehicle and property maintenance and extra service hours required for schedule maintenance.

Increase the Wastewater capital construction budget by \$68,000 for expenditures required in Rutland specified areas 21-23 with funding from the service area reserves.

To change the funding on the Wastewater Treatment Facility capital project from borrowing (\$771,000) to Sewer Treatment DCC Reserves (\$385,000) and the Wastewater Utility (\$386,000)

To change the funding on the Springfield sewer trunk project from the Wastewater Trunk Reserve (\$600,000) to the Wastewater Utility, to be repaid by future DCC revenues.

4)

Parks and Leisure Services

To change a portion of the funding source for the Chapman Parkade capital project by reducing the borrowing amount by \$1,750,000 offset by increased funding from the Parking Reserve.

Increase the Recreation operating revenue budget by \$40,200 to provide additional funding for the Rotary Centre for the Arts capital budget.

Increase the Parks capital budget by \$106,500 from Parks DCC Reserve to account for DCC credits earned by developers for parkland they have provided to the City.

Increase the Parks capital budget \$32,000 for donations received for Collett Road beach access.

5)

AIRPORT

Increase the Airport capital budget by \$52,000 for entrance landscaping and a waterline extension with funding from the Airport Groundside Reserve.

This amendment is being presented for Council approval in accordance with Section 327 of the Local Government Act and provides for changes to the 2002 Financial Plan that have occurred since amendment #3 in October of 2002. The timing of this Financial Plan amendment follows completion of year-end work so that all budget requirements are addressed.

K. Grayston

Approved:

P. Macklem

Attach.



FINANCIAL PLAN 2002-2006

	<u>Amend #4 2002</u>	<u>Amend #3 2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>REVENUE SOURCES</u>					
Property Value Tax	58,945,000	58,945,000	61,146,654	64,028,571	66,000,000
Parcel Taxes	3,843,357	3,843,357	3,877,471	3,931,809	3,931,809
Fees and Charges	62,786,764	62,786,764	61,192,990	62,608,522	64,000,000
Borrowing Proceeds	22,346,520	13,055,810	1,102,800	812,300	0
Other Sources	35,646,614	35,366,957	39,587,691	30,729,957	28,000,000
	183,568,255	173,997,888	166,907,606	162,111,160	164,000,000
<u>TRANSFERS BETWEEN FUNDS</u>					
Reserve Funds	16,720,195	13,257,297	5,526,034	6,052,811	4,000,000
DCC Funds	12,262,312	11,868,130	14,827,618	15,208,816	15,000,000
Surplus/Reserve Accounts	37,234,215	31,144,486	11,914,988	3,223,127	4,000,000
	66,216,722	56,269,913	32,268,640	24,484,754	24,000,000
Total	249,784,977	230,267,801	199,176,246	186,595,914	189,000,000
<u>EXPENDITURES</u>					
Municipal Debt					
Debt Interest	7,654,387	7,654,387	10,643,387	10,660,132	10,000,000
Debt Principal	4,103,417	4,103,417	5,951,926	5,959,565	5,000,000
Capital Expenditures	110,130,077	90,679,160	64,800,392	48,335,032	47,000,000

Other Municipal Purposes

General Government	9,425,471	9,215,873	9,538,352	9,742,309	10,
Planning & Dev't Services	4,913,699	4,774,615	4,867,895	5,062,110	5,
Parks & Leisure Services	18,481,522	18,589,119	17,967,106	18,565,541	19,
Works & Utilities	47,720,921	47,228,241	45,978,516	47,124,940	48,
Protective Services	22,407,190	22,291,906	23,481,128	24,515,234	25,
Other	3,264,927	4,103,157	2,365,329	2,426,766	2,
Airport	4,609,930	4,609,930	4,686,128	4,905,522	5,

232,711,541	213,249,805	190,280,159	177,297,151	179,
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TRANSFERS BETWEEN FUNDS

Reserve Funds	1,310,453	1,310,453	1,473,677	1,533,283	1,
DCC Funds	0	0	0	0	
Surplus/Reserve Accounts	15,762,983	15,707,543	7,422,411	7,765,480	7,

17,073,436	17,017,996	8,896,088	9,298,763	9,
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Total	249,784,977	230,267,801	199,176,246	186,595,914	189,
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2002 Financial Plan