
City of Kelowna

MEMORANDUM

DATE: April 16, 2004
FILE: 1700-20
TO: City Manager
FROM: Director of Financial Services
RE: Amendment #2 to Bylaw 9027 – Five Year Financial Plan, 2003-2007

Report prepared by Jim Wunderlich, Senior Accountant

RECOMMENDATION:

THAT Council approve amendment #2 to the Five Year Financial Plan, 2003-2007 Bylaw 9215 as required by the Community Charter, to reflect changes in the Operating Budget and Capital Expenditure Program for 2003.

BACKGROUND:

The City of Kelowna, in order to comply with section 165 of the Community Charter (Financial Management), amends the financial 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

To increase the Utility Billing operating budget by \$85,000, with funding from General Reserves, for partial payment to BCG Services for transition costs.

To reallocate General Land capital acquisition funding from DCC Roads A (\$50,000); Roads D (\$50,000) and Roads E Reserves (\$37,000) to DCC Roads B Reserve in order to cover actual costs. Also, to fund \$85,000 from the Arterial Roads Reserve to cover DCC property requirements not available in the 2003 budget.

2)

Planning and Corporate Services

To increase the Planning Services operating budget by \$36,000 for the Heritage Register project with funding from the Federal Government.

3)

Works and Utilities

Increase the Roads capital program for design work on Water/Feeny Road (\$20,500) and Joe Riche Road overlay (\$47,200) with funding from Developer Contributions held in deferred revenue.

Increase the Gordon Drive Extension capital budget by \$89,400 for additional costs incurred because of compaction of the fill material used, with funding from the DCC Roads Sector B Reserve.

Increase Transportation capital funding by \$100,000 for a Green Municipal Enabling Fund capital grant received from the Federation of Canadian Municipalities for an alternate transportation feasibility study.

Increase the Transportation Services capital budget by \$1,140,250, the Water Utility capital budget by \$91,770, the Parks budget by \$205,690 and the Wastewater Utility capital budget by \$66,150, all from DCC Reserves, to account for DCC credits provided to developers for works they have completed.

Increase the Lakeshore/Gyro road improvement project by \$61,100 to provide for an increase in the project scope. Funding was transferred from the Casorso/Gordon project (\$38,400) which was cancelled and the Kingsway project (\$22,700) that was completed under budget.

Increase the Wastewater capital construction budget for expenditures required in Okaview Sewer Spec Area 28 (\$78,460, which reduced the 2004 budget accordingly for this project) as well as the Bulman Road Lift Station (\$67,580) with funding from connection area reserves and other government contributions.

Increase the Lakeshore/Barnaby/Chute Lake intersection capital budget by \$15,460 to cover costs that were higher than estimated with funding from the DCC Roads sector B reserve.

To budget \$84,600 for a study of the North End ground water supply options, funded from the Water Development Fund.

Transfer \$53,500 from the Electrical capital project, Lane N of Harvey Ave., to the Golfview Subdivision to provide for an increase to the project scope.

4)

Parks and Leisure Services

Increase the Cultural Services capital budget by \$45,000 for emergency repairs to the Community Theatre rigging system with funding from the Building Repair

Reserve.

Provide funding of \$112,400 from the Cultural Administration Office capital project to complete the capital requirements on the Rotary Centre for the Arts facility.

Increase the Chapman Parkade capital budget \$70,000 to cover additional costs for lane and utility works, funded by a Budget Amendment for \$35,000 from the Parking Reserve and a \$35,000 transfer from the Offsite and Oversize capital program.

Transfer \$170,000 from the Parking Lot General projects to the Chapman Parkade project with \$107,000 required for the commercial area fit out and \$63,000 for increased costs due to delays in the project.

Increase the Community Schools revenue and expenditure budgets by \$90,000 as the success of the program exceeded expectations.

Add \$11,650 to the Parks capital budget for donations received that were higher than anticipated and for \$2,000 from the Heritage Conservation reserve.

Increase funding for the Knox Mountain Pioneer Pavilion by \$51,000 for structural problems with the existing pavilion floor. Funding was transferred from the Cultural Administration Office project that did not proceed.

Transfer \$120,000 from the Parks capital program on Abbott Street to complete the Gyro Park improvement project.

Increase the Parks operations budget \$12,600 to cover additional security costs for natural areas, transferred from the Knox Mountain Park Fuel Modification capital budget.

Reallocate \$30,000 of Cemetery capital funding - to come from the Cemetery Replacement Reserve instead of the Cemetery Operating Reserve.

5)

Police Protection

Increase the Firearms Training Simulator budget by \$16,625 as it was determined that the actual cost was more than originally estimated. Funding is from a transfer from existing RCMP contract budget.

6)

Fire

Increase Fire department salaries \$50,000 as the budgeted salary vacancy was not able to be achieved, offset by an increase in Planning Services subdivision revenues.

Increase the Provincial Emergency Program operating budget by \$3,085,500 for

response and recovery costs related to the Okanagan Mountain Park Fire and subsequent flooding. Funding is from the Office of the Fire Commissioner (\$1,805,400), the Provincial Emergency Program (\$1,052,200) and from the Insurance Deductible Reserve (\$227,900).

7)

Airport

Transfer \$60,000 from the Airport capital program for Taxiway B to fund a new capital project for the development of replacement general aviation parking stalls required due to expansion at the Airport.

This amendment is being presented for Council approval for changes to the 2003 Financial Plan that have occurred since the review of Amendment #1 in December of 2003.

K. Grayston

Approved:

P. Macklem

Attach.



FINANCIAL PLAN 2003 – 2007

	Amend #2				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>REVENUE SOURCES</u>					
Property Value Tax	62,236,000	65,354,614	68,436,584	71,350,069	74,200,987
Parcel Taxes	3,746,401	3,840,242	3,950,269	4,040,138	4,101,061
Fees and Charges	65,534,767	67,016,429	68,401,008	69,884,546	71,421,601
Borrowing Proceeds	25,909,567	0	0	0	9,000,000
Other Sources	38,527,510	29,206,518	30,180,733	30,213,404	30,546,922
	195,954,245	165,417,803	170,968,594	175,488,157	189,270,571

TRANSFERS BETWEEN FUNDS

Reserve Funds	17,612,596	5,003,991	4,854,186	4,107,990	2,393,508
DCC Funds	10,130,418	14,625,948	13,863,930	16,794,660	12,253,245
Surplus/Reserve Accounts	35,006,683	15,108,715	9,993,212	6,460,070	10,354,183
	62,749,697	34,738,654	28,711,328	27,362,720	25,000,936
Total	258,703,942	200,156,457	199,679,922	202,850,877	214,271,507

EXPENDITURES

Municipal Debt

Debt Interest	7,288,935	8,031,614	7,946,804	7,809,714	7,498,601
Debt Principal	3,916,365	4,281,827	4,277,857	4,170,633	4,088,268

Capital Expenditures	111,675,642	57,871,860	54,656,219	52,653,055	59,670,333
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Other Municipal Purposes

General Government	9,739,510	9,826,107	10,197,916	10,476,101	10,837,731
Planning & Dev't Services	5,041,568	4,911,298	5,112,777	5,316,795	5,529,451
Parks & Leisure Services	19,380,059	18,896,884	19,484,374	20,117,136	20,773,499
Works & Utilities	50,015,807	49,246,123	50,724,769	52,219,152	53,769,678
Protective Services	29,877,343	23,647,364	24,508,473	25,381,234	26,288,477
Other	2,665,504	2,912,540	2,968,533	3,025,647	3,083,903
Airport	4,828,108	5,061,679	5,297,699	5,512,645	5,737,156

244,428,841	184,687,295	185,175,421	186,682,113	197,277,096
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TRANSFERS BETWEEN FUNDS

Reserve Funds	4,096,601	4,284,893	4,380,173	4,468,452	4,558,360
DCC Funds	0	0	0	0	0
Surplus/Reserve Accounts	10,178,500	11,184,268	10,124,330	11,700,311	12,436,050
	14,275,101	15,469,161	14,504,503	16,168,763	16,994,410
Total	258,703,942	200,156,457	199,679,922	202,850,877	214,271,507

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