
City of Kelowna

MEMORANDUM

DATE: April 18, 2006
FILE: 1700-20
TO: City Manager
FROM: Financial Planning Manager
RE: Amendment #2 to Five Year Financial Plan, 2005-2009

Report prepared by Jim Wunderlich, Financial Analyst

RECOMMENDATION:

THAT Council approves amending the Five Year Financial Plan, 2005-2009 Bylaw 9414 as required by the Community Charter, to reflect changes in the Operating Budget and Capital Expenditure Program for 2005;

AND THAT the amending Bylaw No. 9598 be advanced for reading consideration by Council.

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:

Community Development & Real Estate

Increase the General Land Acquisition capital budget \$236,847 for land exchanges/road closures with funding from the Land Sales reserve.

Works and Utilities

Increase the Wastewater capital budget \$69,970, from deferred revenue, for sanitary sewer construction in Local Area Service #23.

Increase the Wastewater capital budget by \$185,300 to cover Local Area Service #20 costs, with funding from the Connection Area #20 Reserve.

Increase Water capital budget by \$153,600 as the duration and scope of the Poplar Point UV Disinfection contract exceeded the original estimates (additional engineering and inspection fees). Funding is from DCC Water reserves and the Water Quality Enhancement Reserve.

Increase Water capital budget by \$153,310 as the tendered amount for the Poplar Point Pump Station intake replacement exceeded the original budget. Funding is from DCC Water reserves and the Offsite & Oversize Reserve.

Increase the Water capital budget by \$64,330 for meter repairs exceeding budget. Funding is from Miscellaneous Contributions and from the Water Meter Replacement Reserve.

Increase Works & Utilities operating budget by \$120,000 for the One Tonne Challenge campaign with funding from the Federal Government.

Increase the Electrical operating budget by \$144,400 to cover increased bulk purchase of electricity offset by increased sales revenue.

The Electrical capital program is increased by \$61,490 for customer driven line extensions funded by developer/customer contributions.

Funds received by ICBC in the amount of \$398,834 were used for various road improvements including Benvoulin Road from Cooper to Springfield and installation of a solar powered flashing crosswalk at the intersection of Springfield Road and Wilkinson Road.

Increase the DCC capital program by \$278,308 for DCC credits provided to developers for roads (\$266,118) and sewer works (\$12,190) completed and claimed in 2005.

Increase the DCC Roads capital program by \$134,100 for additional costs on various projects with funding from DCC reserves; and transfer funding of \$61,460 from the East Approach Arterial and DCC roads budget to the Hwy Link – Pandosy roads budget.

Funding of \$190,140 for the Pasadena/Wilkinson Rd. local area service improvements from General reserves, CWME reserves and Local Area Service debentures.

Increase the Glenmore Road DCC project \$320,000 to cover developer contributions that were budgeted higher than actuals realized, with funding from the Arterial and DCC Roads reserves; to reverse ICBC funding duplicated for Dilworth Rd. and to cover Dilworth Rd. cost over-runs of \$82,450 with funding from the Arterial and DCC Rds. I Reserves.

Parks and Leisure Services

Increase the Civic Properties capital program \$69,000 for renovations to the Inspections Services area to accommodate new staff positions approved in 2005. Funding was provided from additional revenues from 2005 building permits.

Provincial Government funding of \$6,500,000 for the MDP Aquatic Centre/Legacy Stadium was received. Most of this funding was placed in deferred revenue and will be budgeted in 2006.

Increase the Parks DCC Land Acquisition capital program by \$203,900 to budget for DCC credits provided to developers for Parkland they sold to the City in 2005.

Increase Parks capital budget by \$62,730 for Community Contributions received after the 2003 fire which was used for the tree replanting program.

Increase Parks capital budget by \$470,000 for the Fuel Modification HRDC grant received in 2005 and to correct the original \$150,000 budget from Provincial grant to Federal grant.

Fire

Increase the Fire operating budget by \$98,500 for firefighter training hours recorded and to be used as time off at a later date. Funding was obtained by increasing the natural gas franchise fee revenue.

Fund Fire Recovery costs of \$294,600 not covered by the PEP program with funding of \$112,600 from the Storm Drainage Reserve and \$182,000 from the Insurance Deductible Reserve.

Airport

Increase the Airport Capital program by \$365,000 to cover costs that were higher than anticipated for the Westside commercial access tugway with funding from the Airport Groundside Reserve.

This amendment is being presented for Council approval for changes to the 2005 Financial Plan that have occurred since amendment #1 in October, 2005.

K. Grayston, CGA
Financial Planning Manager

Approved for inclusion

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Paul Macklem, CMA
Director of Financial Services

PM/JW
Attach.



FINANCIAL PLAN 2005 - 2009

	Amendment #2			
	2005	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>REVENUE SOURCES</u>				
Property Value Tax	70,210,000	70,210,000	73,400,774	76,700,641
Parcel Taxes	3,526,910	3,526,910	2,895,467	2,476,800
Fees and Charges	72,207,124	71,813,855	73,319,271	75,780,160
Borrowing Proceeds	22,991,171	22,822,120	1,200,000	19,650,000
Other Sources	44,072,593	35,991,909	40,679,735	39,436,224
	213,007,798	204,364,794	191,495,247	214,043,824
<u>TRANSFERS BETWEEN FUNDS</u>				
Reserve Funds	18,839,707	7,074,938	4,964,772	4,814,967
DCC Funds	36,563,165	28,380,908	21,235,271	15,157,092
Surplus/Reserve Accounts	53,043,307	40,732,434	11,659,167	8,806,752
	108,446,179	76,188,280	37,859,210	28,778,811
Total	321,453,977	280,553,074	229,354,457	242,822,636
<u>EXPENDITURES</u>				
Municipal Debt				
Debt Interest	6,396,531	6,396,531	6,401,961	6,330,408
Debt Principal	4,102,816	4,102,816	4,029,184	4,026,543
Capital Expenditures	166,285,112	126,079,000	74,289,278	83,430,119
Other Municipal Purposes				

General Government	8,905,739	8,801,035	8,799,607	9,065,671
Planning & Corp. Services	9,552,477	9,300,509	9,101,884	9,442,360
Parks & Leisure Services	21,251,633	21,075,426	21,157,365	21,884,177
Works & Utilities	54,547,855	54,050,057	53,831,467	55,370,187
Protective Services	27,002,395	26,636,044	26,809,425	27,724,278
Other	2,949,384	3,651,644	3,714,363	4,178,337
Airport	5,546,962	5,546,962	5,770,067	5,948,705
	306,540,904	265,640,024	213,904,601	227,400,785

TRANSFERS BETWEEN FUNDS

Reserve Funds	3,871,254	3,871,254	3,959,311	4,049,790
DCC Funds	0	0	0	0
Surplus/Reserve Accounts	11,041,819	11,041,796	11,490,545	11,372,061
	14,913,073	14,913,050	15,449,856	15,421,851
Total	321,453,977	280,553,074	229,354,457	242,822,636



