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## City of Kelowna

# MEMORANDUM

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DATE: December 6, 2006  
FILE: 1700-20  
TO: City Manager  
FROM: Director of Financial Services  
RE: Amendment #1 to Five Year Financial Plan, 2006-2010

Report prepared by Jim Wunderlich, Financial Analyst

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### **RECOMMENDATION:**

THAT Council approves amending the Five Year Financial Plan, 2006-2010 Bylaw 9599 as required by the Community Charter, to reflect changes in the Operating Budget and Capital Expenditure Program for 2006;

AND THAT the amending Bylaw No. 9692 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:

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### **Recreation, Parks and Cultural Services**

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The Cultural Services operating budget is increased by \$8,500 for the design and printing of a public art guide brochure and by \$15,000 to repair damage to the Dancing Pedestrians sculpture and the bridge at Ben Lee Park. Both increases are funded from the existing art reserve.

Increase the Cultural Services operating budget \$85,300 for consulting services to develop a Cultural Services strategic plan. Funding is from the community celebrations reserve (\$70,000) and the arts development reserve (\$15,300).

Transfer \$42,900 to the Davie Park capital project for changes to the scope of the walkway with funding from the Parks Lighting (\$19,200) and Harris Park (\$23,700) capital budgets.

Increase the DCC capital program by \$156,038 to budget for DCC credits provided to developers for parkland dedicated to the City.

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## **Works and Utilities**

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Reorganization of the Transportation Division resulted in a transfer of funding from the Transportation Planning and Network Operations sections to the Traffic Signal Operations and the new Roadways Construction section.

Transfer \$385,000 to the Old Vernon Road project to complete road improvements at the same time as the Country Rhodes local service area works. Funding is from the Mugford/McIntosh (\$135,000) and Guischan (\$250,000) roads projects.

Increase the DCC capital program by \$72,011 to budget for DCC credits provided to developers for works completed and claimed.

Transfer \$76,110 from the Moyer Road Wetlands storm drainage capital project to provide for increased costs on the Gulley Road storm drainage project.

Transfer \$215,000 to the Hollywood Road project to improve street lighting in conjunction with the sanitary sewer installations and the Rutland Connections project. Funding is from the Abbott Street project (\$56,280), Safety & Operations capital (\$85,000) and the Rutland Undergrounding project (\$73,720).

An increase of \$19,866 is required in the Water capital budget from the Water Development Reserve for payment of Extended Service Area fees for existing City lots on Steele Road.

An increase in the Wastewater capital budget is required in the amount of \$20,000 to purchase sewer modeling software to assess the impacts of proposed future development on existing sewer infrastructure. The source of the funds will be the development fund reserve.

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## **All Departments**

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Increase various department operating budgets for management salary increases funded by a transfer from other working capital and an increase of \$59,880 funded from reserves and utility surplus.

This amendment is being presented for Council approval for changes to the 2006 Financial Plan that have occurred since the Final Budget review in May of 2006.

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K. Grayston, CGA  
Financial Planning Manager

Approved for inclusion

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Paul Macklem, CMA  
Director of Financial Services

PM/JW

Attach.

## Schedule A

### FINANCIAL PLAN 2006 - 2010

	Amendment #1 2006	2007	2008	2009	2010	2011-2021
<b><u>REVENUE SOURCES</u></b>						
Property Value Tax	74,660,000	78,702,009	84,824,512	89,006,020	93,628,331	1,074,885,659
Parcel Taxes	3,960,563	3,588,093	3,265,258	2,930,047	2,284,873	29,013,254
Fees and Charges	77,521,184	80,345,246	83,556,016	86,492,068	89,525,536	1,136,792,737
Borrowing Proceeds	50,510,220	19,650,000	10,200,000	13,000,000	250,000	6,000,000
Other Sources	52,676,704	35,033,911	37,627,221	36,997,101	38,182,516	454,987,377
	259,328,671	217,319,259	219,473,008	228,425,235	223,871,256	2,701,679,028
<b><u>TRANSFERS BETWEEN FUNDS</u></b>						
Reserve Funds	29,572,846	4,914,772	4,764,967	4,018,771	2,304,289	38,497,389
DCC Funds	41,681,552	18,585,133	39,309,758	40,792,036	17,152,271	173,116,902
Surplus/Reserve Accounts	59,056,503	15,413,493	9,471,189	8,702,586	14,272,372	157,837,293
	130,310,901	38,913,398	53,545,914	53,513,393	33,728,931	369,451,583
<b>Total</b>	<b>389,639,572</b>	<b>256,232,657</b>	<b>273,018,922</b>	<b>281,938,628</b>	<b>257,600,187</b>	<b>3,071,130,612</b>
<b><u>EXPENDITURES</u></b>						
<b>Municipal Debt</b>						
Debt Interest	6,664,833	6,329,339	7,447,722	7,908,213	8,497,041	58,043,066
Debt Principal	4,049,243	4,282,648	4,958,525	5,314,673	5,783,512	41,510,180
<b>Capital Expenditures</b>	<b>222,341,750</b>	<b>89,254,990</b>	<b>97,410,252</b>	<b>100,572,539</b>	<b>69,744,353</b>	<b>767,523,319</b>
<b>Other Municipal Purposes</b>						
General Government	9,940,177	9,788,157	10,099,057	10,420,225	10,753,132	136,542,964
Planning & Corp. Services	10,414,998	10,160,973	10,549,347	10,879,459	11,292,819	143,395,896
Parks & Leisure Services	22,098,788	21,860,757	23,817,925	24,598,911	25,409,113	322,644,206
Works & Utilities	59,180,073	59,909,819	61,887,349	63,930,139	65,992,571	837,971,810
Protective Services	28,187,917	29,011,485	30,006,345	31,285,824	32,621,122	414,222,086
Other	3,785,020	3,743,675	4,208,952	4,275,534	4,343,447	55,152,968
Airport	6,377,719	7,685,628	7,890,340	8,102,111	8,321,185	105,662,167
	373,040,518	242,027,472	258,275,815	267,287,628	242,758,294	2,882,668,661
<b><u>TRANSFERS BETWEEN FUNDS</u></b>						
Reserve Funds	4,122,545	3,564,895	3,652,183	3,739,740	3,777,535	47,967,033
DCC Funds	0	0	0	0	0	0
Surplus/Reserve Accounts	12,476,509	10,640,290	11,090,923	10,911,260	11,064,359	140,494,918
	16,599,054	14,205,185	14,743,106	14,651,000	14,841,894	188,461,951
<b>Total</b>	<b>389,639,572</b>	<b>256,232,657</b>	<b>273,018,922</b>	<b>281,938,628</b>	<b>257,600,187</b>	<b>3,071,130,612</b>