

---

CITY OF KELOWNA

**MEMORANDUM**

---

**Date:** April 9, 2008  
**File No.:** 1700-20  
**To:** City Manager  
**From:** Financial Planning Manager  
**Subject:** Amendment #1 to Five Year Financial Plan, 2007-2011  
Report Prepared by: Jim Wunderlich, Financial Analyst

---

**RECOMMENDATION:**

THAT Council approves amending the Five Year Financial Plan, 2007-2011 Bylaw 9793 as required by the Community Charter, to reflect changes in the Operating Budget and Capital Expenditure Program for 2007;

AND THAT the amending Bylaw No. 9982 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:

---

**Recreation, Parks and Cultural Services**

---

Transfer \$76,394 to the Apple Bowl Curb Upgrading and Resurfacing project from the Apple Bowl Stadium Seating and High Jump Area upgrade projects.

Transfer \$83,585 from several smaller Civic Properties capital projects to the City Hall Council Chamber upgrade project.

Funding of \$104,000 is required for the Parks operating budget for unforeseen expenditures that exceeded initial budget projections by increasing the sale of services revenue in the Recreation Division.



Increase the Parks capital program by \$200,000 for Fuel Modification to recognize an additional Federal contribution.

---

## **Works and Utilities**

---

Provincial contributions for the Bicycle Network capital program (\$250,000) and ICBC capital contributions for traffic signals (\$134,450), road improvements to Casorso/Swamp and High 2 (\$317,250) and Pandosy intersection improvements (\$443,700) all add to the Transportation capital program.

Transfer \$2,078,627 from the High 1 road project to the High 2 and Clifton Road capital projects.

Increase the Swamp Road project by \$244,433 due to unforeseen natural difficulties. Funding is from the DCC Roads Reserves and the Arterial Roads Reserve.

Funding of \$487,008 is required for road works on Gordon 2-3 that exceeded initial budget projections with a transfer of \$347,572 from other Sector B DCC road projects and from the DCC and Arterial Roads Reserves.

Transfer \$166,396 to the Gordon 5 (S. of Casorso) capital road project with funding from the High 2 and Guisachan Road DCC projects.

Increase of \$1,200,333 in the DCC Road and Park programs is required to budget for DCC credits received by Developers for works they have done or for Parkland they have sold to the City.

Increase the roads capital program by \$388,562 for various DCC roads developer contributions received.

Transportation Parking Management requires \$118,066 from the Parking Reserve for on street meter replacement.

Transfer \$325,373 from several storm drainage projects that were completed in 2007 to the Moyer Road Wetlands drainage project.

Transfer \$168,851 to the Street Lights operating budget from Works & Utilities Administration Support and Storm Water Network operating budgets.

Transfer \$75,133 to the Poplar Point Pump Station Water capital project from the Cawston and Lawrence Avenue water projects.

Transfer \$164,763 to the Clifton Road Watermain projects from the Okaview PRV Interconnects and Lawrence Avenue water projects.

Transfer \$75,000 from the Raymer Avenue Lift Station Wastewater capital project to the Birch Avenue Lift Station project.

Electrical demand exceeded expectations resulting in a need to increase the bulk purchase and the revenues realized from increased sales by \$440,000.

Due to development growth, the Electrical capital budget was increased by \$171,684 for Transformer installations funded from the Future Electrical Requirements Reserve.

Transfer \$98,165 from the Hollywood Road Electrical capital project to cover the electrical works required at Mount Royal Drive.

Transfer \$791,808 to Feeder Back-up and Substation electrical capital works from Line Condition and other Electrical capital projects.

---

### Airport

---

Increase the capital budget \$100,120 to add a second Pay on Foot Station and other improvements to the economy parking lot extension.

---

### Other Departments

---

Increase of \$186,000 in the Temporary Debt Management operating budget for interest payments to homeowners participating in the Prepaid Tax program offset by increasing Investment Income.

This amendment is being presented for Council approval for changes to the 2007 Financial Plan that have occurred since Final budget was approved in May of 2007.

LEGAL/STATUTORY AUTHORITY: Section 165 - Financial Plan

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

EXISTING POLICY:

FINANCIAL/BUDGETARY CONSIDERATIONS:

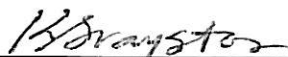
PERSONNEL IMPLICATIONS:

TECHNICAL REQUIREMENTS:

EXTERNAL AGENCY/PUBLIC COMMENTS:

ALTERNATE RECOMMENDATION:

Submitted by:



K. Grayston, Financial Planning Manager

Approved for Inclusion:



P. Macklem, Director of Financial Services

JW

Attach.



# FINANCIAL PLAN 2007 - 2010

	Amendment #1					
	2007	2008	2009	2010	2011	2012-2020
<b>REVENUE SOURCES</b>						
Property Value Tax	80,697,000	86,811,504	91,330,130	95,591,200	99,853,324	1,130,616,820
Parcel Taxes	3,491,643	3,379,520	3,045,470	2,385,523	2,081,430	23,258,880
Fees and Charges	66,069,941	67,769,344	70,618,809	73,493,409	76,092,883	850,297,612
Borrowing Proceeds	99,895,581	12,300,000	21,000,000	16,250,000	3,000,000	92,500,000
Other Sources	74,492,300	63,420,560	63,660,040	64,684,701	62,839,768	692,171,449
	324,646,465	233,680,928	249,654,450	252,404,833	243,867,405	2,788,844,761
<b>TRANSFERS BETWEEN FUNDS</b>						
Reserve Funds	13,424,137	4,954,523	4,208,307	2,493,803	4,928,766	35,683,857
DCC Funds	47,362,097	70,605,821	74,909,865	19,253,943	18,698,849	167,631,112
Surplus/Reserve Accounts	80,649,054	11,168,736	11,407,557	6,674,615	6,845,287	69,030,164
	141,435,288	86,729,080	90,525,728	28,422,361	30,472,902	272,345,132
Total	466,081,753	320,410,008	340,180,178	280,827,194	274,340,307	3,061,189,893
<b>EXPENDITURES</b>						
Municipal Debt						
Debt Interest	6,781,367	7,227,447	7,904,062	7,623,984	7,386,605	69,048,910
Debt Principal	4,087,556	5,169,465	5,160,177	5,008,667	4,955,040	54,619,891
Capital Expenditures	284,255,692	136,116,734	149,090,020	82,886,836	67,389,175	748,620,741
Other Municipal Purposes						
General Government	15,944,556	15,359,696	15,896,707	16,454,304	16,994,139	189,900,489
Planning & Corp. Services	6,522,763	6,210,325	6,461,604	6,723,757	6,988,483	78,092,596
Parks & Leisure Services	24,188,219	24,573,117	25,414,389	26,268,799	27,133,545	303,202,980
Works & Utilities	64,298,819	66,679,343	69,519,756	72,851,006	75,646,362	845,307,975
Protective Services	29,823,299	31,168,726	32,313,881	33,740,184	34,944,163	390,482,493
Other	7,473,754	4,082,157	4,300,715	4,520,649	4,791,982	67,790,390
Airport	6,956,345	6,352,034	6,543,607	6,741,738	6,946,650	77,625,130
	450,332,370	302,939,043	322,604,919	262,819,923	253,176,144	2,824,691,595
<b>TRANSFERS BETWEEN FUNDS</b>						
Reserve Funds	3,385,101	3,597,477	3,664,742	3,707,175	3,763,555	42,055,731
DCC Funds	0	0	0	0	0	0
Surplus/Reserve Accounts	12,364,282	13,873,488	13,910,517	14,300,096	17,400,608	194,442,566
	15,749,383	17,470,965	17,575,259	18,007,271	21,164,163	236,498,297
Total	466,081,753	320,410,008	340,180,178	280,827,194	274,340,307	3,061,189,893