

**DRAFT**

**10 YEAR CAPITAL PLAN  
2009 - 2018**

City of Kelowna

April 2009  
Financial Services

10 Year Capital Plan - 2009-2018 City of Kelowna

**AGENDA**

- ▶ Objectives / Assumptions
- ▶ Plan Summary
- ▶ Department Summaries
- ▶ Plan Impacts
- ▶ Challenges / Flexibility
- ▶ Considerations

10 Year Capital Plan - 2009-2018 City of Kelowna

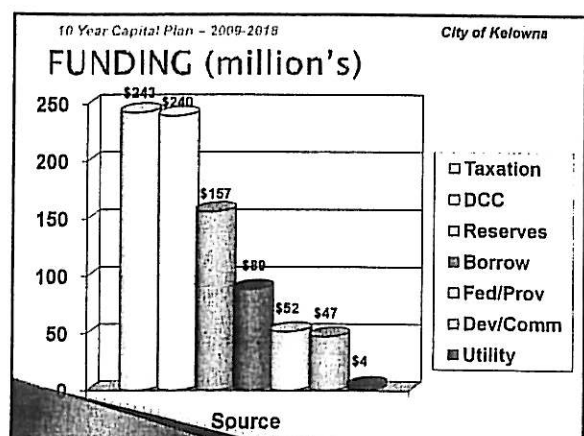
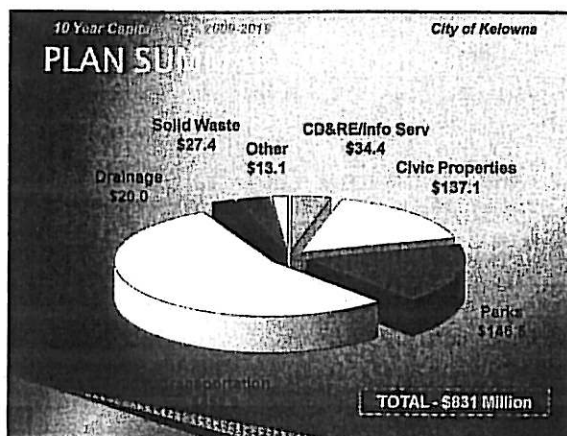
**OBJECTIVES**

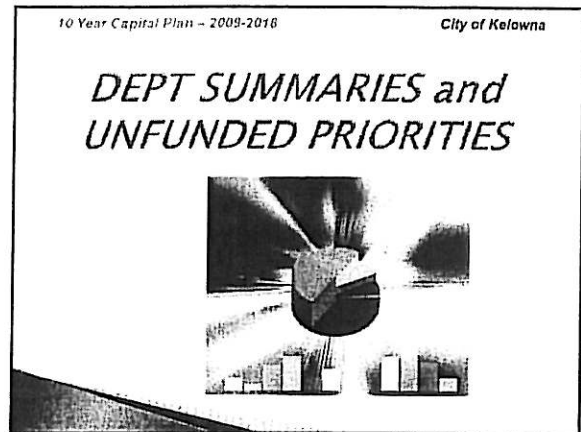
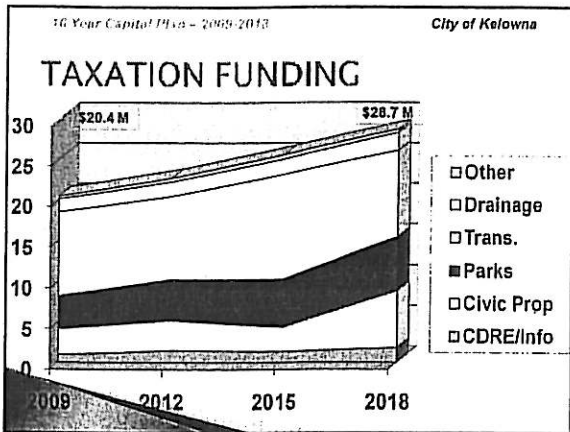
- Develop a plan that supports OCP, Strategic Plan, 20 Yr Serving Plan, etc.
- Guide & Inform Council
- Provide Staff with longer term direction
- Understanding of the City's financial position
- Manage the annual budget process
- Adoption of 5 yr capital program

10 Year Capital Plan - 2009-2018 City of Kelowna

**ASSUMPTIONS**

- Tax increases approximate inflation
- Growth changed from the OCP
- 40% of new construction tax revenue to annual taxation capital
- \$1.0 million in annual surplus available
- Current costs (2008) used in the plan
- Portion of Gas Tax Funding used



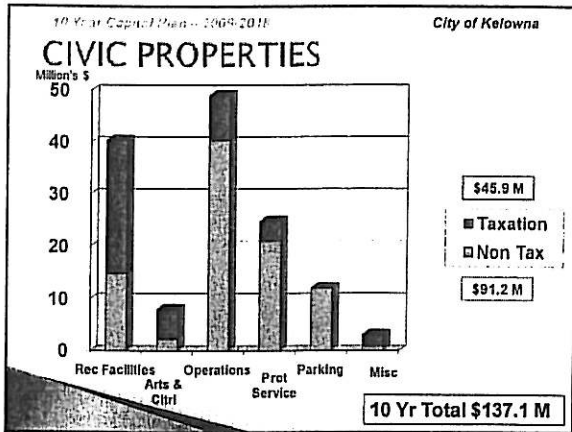


- 10 Year Capital Plan – 2009-2018 City of Kelowna
- ### CD&RE
- Land Assemblies / Development
- ◆ Central Green Site
  - ◆ Cedar Avenue
  - ◆ Rutland Town Centre
  - ◆ Tutt Property
  - ◆ *Manhattan Point P2*
  - ◆ *Tourism Kelowna P2*
- 10 Yr Total \$25.6 M

- 10 Year Capital Plan – 2009-2018 City of Kelowna
- ### INFORMATION SERVICES
- ▶ Front Office Equipment
  - ▶ Network & Server Equipment
  - ▶ Major Systems Projects
  - ▶ Communications
  - ▶ P2 Major Systems Projects
- 10 Yr Total \$8.9 M

- 10 Year Capital Plan – 2009-2018 City of Kelowna
- ### FIRE PROTECTION
- ▶ Vehicle & Equipment Requirements
  - ▶ Communications Upgrade
  - ▶ Reserve Status
  - ▶ New Hazmat Truck
- 10 Yr Total \$7.1 M

- 10 Year Capital Plan – 2009-2018 City of Kelowna
- ### POLICE PROTECTION
- ▶ Miscellaneous Capital Requirements
- 10 Yr Total \$0.3 M



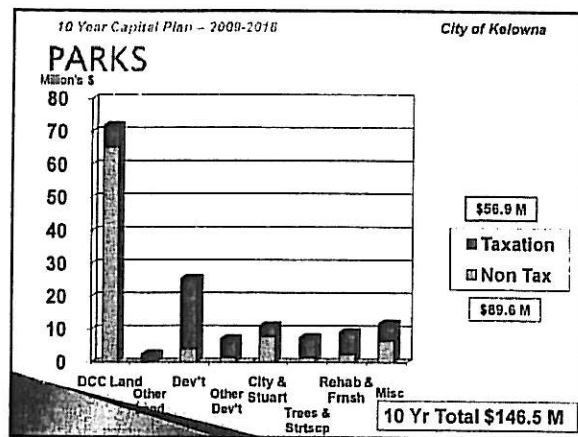
- 10 Year Capital Plan - 2009-2018 City of Kelowna
- ### CIVIC PROPERTIES
- ❖ Unfunded Priorities
    - ❖ Project Cost Escalation
    - ❖ Cultural Facilities Partnerships
    - ❖ Stadium/Turf Improvements
    - ❖ Athans YM/YWCA Gym Expansion
    - ❖ Waterfront Facilities
    - ❖ Operations Buildings

10 Year Capital Plan - 2009-2018 City of Kelowna

### RECREATION

- ▶ Recreation Facilities Equipment

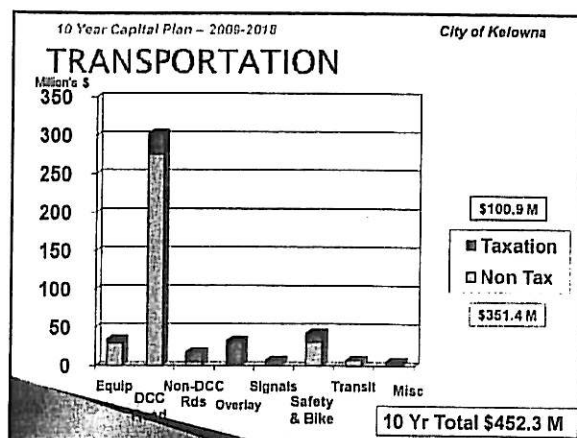
10 Yr Total \$1.5 M



10 Year Capital Plan - 2009-2018 City of Kelowna

### PARKS

- ❖ Unfunded Priorities
  - ❖ New Parks Development
  - ❖ Natural / Linear Land & Dev't
  - ❖ City Park Improvements
  - ❖ Stuart Park Phase 2
  - ❖ Cemetery Building



10 Year Capital Plan - 2009-2018 City of Kelowna

## Infrastructure Funding

**ALLOCATION OF FED/PROV INFRASTRUCTURE GRANT**

Provisional Budget	Taxation	DCC Reserve	Fed/Prov	Total
Gordon 5 (Mission Cr - Casorso)	2,065,000	4,299,000		6,364,000
Gordon 5B Bridge over Mission Creek	2,510,000	3,623,000		6,133,000
Gordon 6 (Casorso - Lanfranco)	1,328,000	1,772,000		3,100,000
	5,903,000	9,694,000		15,597,000
	38%	62%		

**Based on 50/50 Allocation of Grant Funding**

Final Budget	Taxation	DCC Reserve	Fed/Prov	Total
Gordon 5 (Mission Cr - Casorso)	-	2,121,333	4,242,667	6,364,000
Gordon 5B Bridge over Mission Creek	408,334	1,634,001	4,090,666	6,133,000
Gordon 6 (Casorso - Lanfranco)	294,667	738,667	2,066,667	3,100,000
	703,000	4,494,000	10,400,000	15,597,000
	5%	29%	67%	

10 Year Capital Plan - 2009-2018 City of Kelowna

## Infrastructure Funding

	Federal	Province	Municipal	Total
Active Transportation Network				
Lakeshore/Cawston/Wroughton	2,833,300	2,833,300	2,933,400	8,600,000
Municipal Funding				
Community Works Fund (2019)			2,800,000	2,800,000
Bike Path Reserve			132,400	132,400
Dayton St Ped Overpass/Abbott St	800,000	800,000	800,000	2,700,000
Municipal Funding				
Developer Contribution			500,000	500,000
Community Works Fund			340,000	340,000
Sidewalk Network Reserve			60,000	60,000
Local Motion				
Gordon Drive Pathways	350,000	350,000	700,000	1,400,000
Municipal Funding				
Permit Revenue Averaging Reserve			350,000	350,000
Bike Path Reserve (2008 Surplus)			350,000	350,000

10 Year Capital Plan - 2009-2018 City of Kelowna

## TRANSPORTATION

- ❖ Unfunded Priorities
  - ❖ Cost Escalations
  - ❖ DCC Road Reductions
  - ❖ Non-DCC Roads
  - ❖ Road Overlays
  - ❖ Town Centre Roads

10 Year Capital Plan - 2009-2018 City of Kelowna

## WORKS & UTILITIES

- ▶ Facilities Management
- ▶ Miscellaneous Works & Utilities Projects

10 Yr Total \$2.4 M

10 Year Capital Plan - 2009-2018 City of Kelowna

## STORM WATER MGMT.

- ▶ Hydraulic Upgrading
- ▶ Storm Water Quality
- ▶ Miscellaneous Drainage

10 Yr Total \$20.0 M

10 Year Capital Plan - 2009-2018 City of Kelowna

## SOLID WASTE MGMT.

- ▶ Landfill Drainage
- ▶ Landfill Gas Management
- ▶ South Area Development
- ▶ Bioreactor
- ▶ Site Closure

10 Yr Total \$27.4 M

10 Year Capital Plan - 2009-2018 City of Kelowna

## STREET LIGHTS


- ▶ Street Light Replacement & New Lights

10 Yr Total \$1.8 M

10 Year Capital Plan - 2009-2018 City of Kelowna

## PLAN IMPACTS

- ▶ Changing Taxation Capital
- ▶ Debt
- ▶ Reserve Balances
- ▶ Inflation



10 Year Capital Plan - 2009-2018 City of Kelowna

## CHANGING TAXATION CAPITAL

- ▶ \$242.6 Million at 40% of NC
- ▶ \$252.3 Million at 50% of NC
- ▶ \$232.9 Million at 30% of NC
  
- ▶ \$269.1 Million at 50% including 2009

10 Year Capital Plan - 2009-2018 City of Kelowna

## DEBT

- ▶ Policy to not exceed 5% of tax demand
- ▶ Appendices 7 & 8

10 Year Capital Plan - 2009-2018 City of Kelowna

## RESERVE BALANCES

	<u>Jan '09</u>	<u>Jan '08</u>
▶ Gen Res/Surp	\$37.1	\$37.8
▶ Capital Mach & Equip	30.6	31.8
▶ DCC Reserves	50.5	43.8
▶ Water Utility Res/Surp	4.3	4.5
▶ Sewer Utility Res/Surp	9.3	20.9
▶ Electrical Res/Surp	5.9	5.3
▶ Airport Res/Surp	18.3	5.6
▶ Library & Natural Gas	<u>3.5</u>	<u>3.1</u>
Totals	\$159.5	\$152.8

10 Year Capital Plan - 2009-2018 City of Kelowna

## INFLATION

- ▶ Reserves not used
- ▶ Additional annual surplus
- ▶ Tax increases > than 2%
- ▶ Efficiencies to reduce costs
- ▶ Delay of projects/scope changes
- ▶ Senior Gov't or Community funding
- ▶ Review of DCC Program

10 Year Capital Plan - 2009-2018 City of Kelowna


### CHALLENGES

- Cost Increases
- Projected Growth
- Availability of Budget Funds
- Unanticipated Demands/Funding
- Annual Surplus
- Large Projects
- Asset Management


10 Year Capital Plan - 2009-2018 City of Kelowna

### CONSIDERATIONS

- ▶ Priorities
  - DCC Changes
  - Park & Road Standards
  - Project Delays/Scope Changes
  - Partnership Opportunities
  - List
- ▶ Other ?



10 Year Capital Plan - 2009-2018 City of Kelowna



Questions / Discussion

**Funding Priorities***First 5 Years***Priority 1**

Rutland Town Centre Land	5,000,000
PRC Addition	2,500,000
Recreation Bldg Upgrades	1,600,000
Mission Rec Park Works	1,665,000
Arena / Sportsfield	8,500,000
City Hall	3,300,000
Cultural Facilities	3,000,000
Parks Dev't	6,970,000
City Park	3,800,000
Bernard Ave Streetscape	9,263,000
DCC Roads	
Non-DCC Roads	
Roads Overlay	
Gas Tax Funding - CWF	
Gas Tax Funding - SPF&RSP	
Combining Various Allocations	

**Priority 2**

Tourism Kelowna Site	?
Major Systems Projects	3,690,000
Hazmat Fire Truck	765,000
PRC Addition - Senior	1,200,000
YM/YWCA Gym	1,750,000
Artificial Turf Fields	4,000,000
Mission Rec Park Works	4,100,000
Apple Bowl Stadium	3,750,000
Canada Winter Games	?
Rutland Arena Slab/Roof	2,200,000
Fire Station	2,750,000
Cultural Facilities	15,600,000
Natural/Linear Park Land	9,000,000
Pks Dev't Central Green/Pie	8,000,000
Linear Park Devt	17,700,000
Stuart Park Phase 2	5,000,000
Rutland TC Streetscape	3,000,000
DCC Roads	
Non-DCC Roads	
Roads Overlay	
Sidewalks & Bike Paths	