
CITY OF KELOWNA

MEMORANDUM

Date: April 20, 2009
File No.: 1700-20
To: City Manager
From: Financial Planning Manager
Subject: Amendment #1 to Five Year Financial Plan, 2008-2012
Report Prepared by: Melanie Antunes, Accountant

RECOMMENDATION:

THAT Council direct staff to amend Five Year Financial Plan 2008-2012 Bylaw No. 9991, as required by the *Community Charter*, to reflect changes in the Operating Budget and Capital Expenditure Program for 2008;

AND THAT the amending Bylaw No. 10188 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 \$100,000 from the Apple Bowl Track Curb Upgrade projects to the Apple Bowl Structural Repairs project.

Increase the Apple Bowl Stadium Light Upgrade capital project by \$75,000 from the operating repairs budget.



Works and Utilities

Increase the Works & Utilities Offsite and Oversize Capital Program by \$97,000 to complete utility work on Ethel Street with funding from the Offsite & Oversize Reserve.

Increase the Safety & Operational Improvements Capital Program by \$219,275 for various ICBC traffic safety improvements contributions received.

Transfer of \$83,756 is required for road works on Clifton 1 (Clifton – High) from roads project High 1 (COB – Mountain).

Transfer \$84,000 to the Gordon 6 (Casorso - Lanfranco) capital road project from Gordon 5 (Mission Creek – Casorso) to complete the design for Gordon 6 before the end of 2008.

Increase of \$1,119,989 to various DCC Roads and Land projects for DCC credits received by Developers for works done or Parkland sold to the City of Kelowna.

Increase the Casorso 1 (Benvoulin – Swamp) Roads project by \$271,394 with \$113,516 funding from the DCC Sector B Roads Reserve, and a transfer of \$157,878 from Highway Link – Richter and COB 3 (Highway 33 – McCurdy Road).

Transfer \$1,619,000 from road project Highway 33 (McKenzie – Gallagher) to Swamp Road and Highway 97 1 (Banks – Gordon), and cancel the remaining \$4,258,046.

Transfer of \$147,235 is required for property acquisition at Enterprise Way from Highway 97 Link – Richter capital project.

Transfer \$334,514 from DCC Roads project High 1 (COB – Mountain) to DCC Roads project High 2 (Mountain – Lynwood).

Transfer \$365,024 from Ellis Street (E Approach Improvements) and High 1 (COB – Mountain) for landscaping of Central Okanagan Bypass 1 (W. Cerise – Spall).

Increase the Equipment Capital Program by \$87,500 for increased costs on three pieces of heavy equipment with funding from the Equipment Replacement Reserve.

Transfer \$250,000 from Parking Lot Development to Cawston / St. Paul Parking Lot capital project due to cost increases that exceeded initial estimates.

Transfer \$720,000 from Surface Water Management capital project to Organics Compost Site capital project to allow composting, yard waste and wood waste recycling to occur outside the landfill footprint.

Increase the Compost Site Stationary Mixer capital equipment budget by \$105,000 with funding from the sale of the existing compost turner.

Transfer \$120,000 to Highway 97 Watermain Design from Gordon (Laurier to Leon) Water capital project to cover traffic management issues.

Increase Wastewater Capital Program by \$1,321,000 from debenture borrowing for the Southwest Rutland Local Area Service to complete the remaining works for the sewer area.

Transfer \$327,004 within the Electrical Utility Capital Program to Substation Condition Assessment Work and \$361,442 to Line Condition Assessment capital projects from various electrical capital projects.

Transfer \$165,033 from Capacity Driven O/H electrical capital project to Feeder Backup Mains electrical capital project.

Airport

Transfer \$77,022 from Heavy Equipment Storage Building capital project to cover charges for 2 unexpected major rebuilds on Airport equipment and the upgrade of radios for communication requirements.

Transfer \$225,000 from 2010 Development Program to U-Drive & International Terminals project.

Other Departments

Change funding source for Land Acquisition at 3076 Meikle Ave. from Debenture Borrowing to Land Acquisition Loan Reserve of \$712,500.

This amendment is being presented for Council approval for changes to the 2008 Financial Plan that have occurred since Final budget was approved in May of 2008.

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:



A. Thiessen, Financial Planning Manager

Approved for Inclusion:



K. Grayston, Director of Financial Services

MA

Attach.



FINANCIAL PLAN 2008 - 2012

	Amendment #1						
	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013-2020</u>
<u>REVENUE SOURCES</u>							
Property Value Tax	88,503,000	88,503,000	94,266,984	100,370,638	104,933,846	109,475,907	1,063,424,573
Parcel Taxes	3,571,599	3,571,599	3,980,829	3,658,134	3,953,091	4,256,439	41,346,097
Fees and Charges	93,107,254	93,477,254	95,887,807	99,082,464	101,751,893	104,487,006	1,014,963,501
Borrowing Proceeds	82,688,297	80,829,937	33,350,000	22,250,000	3,000,000	8,000,000	60,100,000
Other Sources	59,757,576	57,654,821	65,012,245	46,550,318	49,166,834	51,461,390	499,884,480
	327,627,726	324,036,611	292,497,865	271,911,555	262,805,663	277,680,742	2,679,718,652
<u>TRANSFERS BETWEEN FUNDS</u>							
Reserve Funds	17,164,142	14,648,872	3,381,356	2,734,676	2,459,516	4,786,128	31,110,341
DCC Funds	41,844,215	42,262,705	54,447,326	48,190,786	38,993,446	35,620,642	195,175,952
Surplus/Reserve Accounts	60,373,228	55,233,250	9,180,532	10,235,086	8,473,542	21,283,368	114,489,689
	119,381,585	112,144,827	67,009,214	61,160,548	49,926,505	61,690,137	340,775,982
Total	447,009,311	436,181,438	359,507,079	333,072,103	312,732,168	339,370,879	3,020,494,634
<u>EXPENDITURES</u>							
Municipal Debt							
Debt Interest	9,460,966	9,460,966	11,406,656	14,441,908	14,222,313	13,903,169	100,425,350
Debt Principal	5,416,331	5,416,331	8,940,895	14,310,341	14,252,501	14,020,274	104,962,189
Capital Expenditures	244,008,143	234,402,195	148,440,161	107,559,586	78,576,620	100,390,391	766,757,894
Other Municipal Purposes							
General Government	18,666,316	17,907,536	18,048,541	18,676,765	19,327,246	19,963,673	193,922,670
Planning & Development	7,018,356	6,964,411	6,805,046	7,079,779	7,366,389	7,655,817	74,366,905
Rec, Parks & Culture	26,179,823	25,874,815	26,609,758	27,470,281	28,397,968	29,336,824	284,971,377
Works & Utilities	72,719,235	72,399,214	74,554,387	77,724,805	80,682,085	84,174,865	817,655,883
Protective Services	32,877,147	32,103,834	33,317,846	34,542,635	36,066,754	37,354,803	362,856,233
Other	3,711,369	4,700,511	4,762,195	4,975,112	5,189,287	5,454,747	67,228,738
Airport	7,814,729	7,814,729	7,311,122	7,539,359	7,775,474	8,019,741	77,901,981
	427,872,415	417,044,542	340,196,606	314,320,572	291,856,638	320,274,303	2,851,049,219
<u>TRANSFERS BETWEEN FUNDS</u>							
Reserve Funds	4,889,252	4,889,252	4,857,094	4,932,449	4,965,089	5,021,070	44,878,183
DCC Funds	0	0	0	0	0	0	0
Surplus/Reserve Accounts	14,247,644	14,247,644	16,416,747	15,750,585	17,726,152	15,680,730	140,160,025
	19,136,896	19,136,896	21,273,841	20,683,034	22,691,241	20,701,800	185,038,208
Total	447,009,311	436,181,438	361,470,447	335,003,606	314,547,878	340,976,103	3,036,087,427