

REPORT TO COUNCIL



Date: April 11, 2012
File: 0220-20
To: City Manager
From: Angie Thiessen, Financial Planning Manager
Subject: Amendment #1 to Five Year Financial Plan, 2011-2015
Report Prepared by: Debra Hutton, Accountant

Recommendation:

THAT Council direct staff to amend the Five Year Financial Plan 2011-2015 Bylaw No. 10528 as required by the Community Charter, to reflect changes in the Operating Budget and Capital Expenditure Program for 2011;

AND THAT Bylaw No. 10679 being Amendment No. 1 to the Five Year Financial Plan 2011-2015 Bylaw No. 10528 be advanced for reading consideration;

Purpose:

To amend the Five Year Financial Plan as required by the Community Charter.

Background:

The City of Kelowna, in order to comply with section 165(1) of the Community Charter (Financial Management), amends the financial plan to provide for expenditures required after adoption of the Five Year Financial Plan Bylaw. These expenditures, in all cases, do not impact taxation demand but rather result in the shift of funding from one source to another and/or shifts in expenditures within, or from, one municipal purpose area to another.

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 Amendment Policy #262 and 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:

Real Estate & Building Services

Bring in funding of \$126,647 for the Prospera Place Reverse Osmosis system from the Prospera Place Deferred Revenue account, which is specifically collected for the maintenance of this facility.

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Civic Operations

General Fund

Redistribute \$229,600 from the Lakeshore Rd. (Dehart - V.T.) capital project to multiple sections of Lakeshore Rd to budget the DCC funding splits appropriately.

Establish road dedication of Gordon Drive through The Ponds property for access to Jacksmith Lake and Hillspring Pond. This includes DCC Reserve funding of \$102,255 and a transfer from General Land of \$18,045 for a total of \$120,300.

Bring in funding of \$313,000 from reserves to match the government grant funding for the Highway 33 Multi-Use Pathway as per the agreement between the City and the Province.

Amend the budget to record the capitalization of \$1,241,922 in DCC developer credits that were issued in 2011.

Transfer \$4,483,630 from the Rails with Trails project to the Hwy 97 Multi-Use Pathway to UBC Campus, and add a \$25,000 contribution from UBCO.

Establish budget to recognize \$133,065 funding from the Provincial Disaster Fund to assist with damage to various roads from the August 2011 storm.

Adjustment to shift \$270,400 of funding for the Cawston Ave Multi-Use path from the Non-Arterial Roads reserve instead of using Gas Tax funding. (maintain Federal contribution under 50%)

Cancel the \$275,000 purchase of a tracked excavator for the Landfill site. A request will be re-submitted in a future year. Operational changes and improvements at the Landfill have reduced the need for this equipment at this time.

Bring in \$2,698,940 in funding from the DCC Reserve instead of the Parkland Sales reserve for Glenmore Recreation Parkland purchases.

Shift in taxation funding of \$250,000 from Sutherland Multi-Use Corridor to Sidewalk Network.

Transfer \$571,600 of Infrastructure Stimulus grant funding from Gordon Bridge (Mission Creek) to the Sutherland Multi-Use Corridor, as approved by the province.

Transfer \$214,000 from Landfill Site Roads to Composting Site Paving for new works and cost overruns.

Transfer \$1,366,735 in Infrastructure Stimulus grant funding from the Mission Creek Bridge Project to the Cawston Avenue Multi-Use Corridor as approved by the Province.

Transfer \$1,187,000 in Infrastructure Stimulus grant funding from the Mission Creek Bridge Project to the Highway 33 Multi-Use Pathway as approved by the Province.

Electrical Fund

Bring in \$328,370 funding from electrical reserves for two electrical feeder projects that had higher than anticipated costs.

The Urgent Repairs project was over budget due in part to an extraordinary cable failure at Spall #4.

Funding of \$114,320 was moved from various projects that were under budget.

Change budgeted funding of \$3,889,388 for four electrical projects from Debenture Debt to Unspent Budget Reserve and Surplus to eliminate the borrowing requirement.

Transfer \$140,700 from the Reliability Feeder Upgrade project, which was under budget, to Secondary Upgrades in order to fund three capital projects completed in 2011 that required extra funding.

Transfer \$131,960 from Feeder Condition Upgrades, which was under budget, to the Copper Replacement Program, which had higher than anticipated costs.

Transfer \$707,150 from the City Infrastructure Project to the Main Switcher Replacement Project, which was a higher priority.

The costs for the Overloaded Transformer Project were higher than estimated and funding of \$133,410 was transferred from the Feeder Capacity Upgrades project which was under budget.

Wastewater Fund

Remove \$378,081 interim financing from the Brandt's Creek Tradewaste Plant project, to correctly allocate funding sources.

Add \$134,218 funding to the Byrns/Baron-Gordon sewer trunk project from DCC reserves, due to additional scope required on the project.

Transfer \$172,789 to the Byrns/Baron sewer trunk project to cover additional scope required in the project. \$74,517 came from the Lakeshore Trunk project (Sewer), \$59,223 from the Birch Lift Station Replacement Project and \$29,839 from Offsite & Oversize.

Transfer \$141,268 to the Ethel St. Sewer Upgrades project due to expanded project scope. The funding came from the Cawston Ave sewer project and the Elliot/Copeland Utility Upgrade project.

Water Fund

Remove \$208,070 of financing budget for North End Water Financing, as the full amount has been repaid.

Transfer \$686,620 from the UV Transmission Main to Adams Reservoir Project (Water Utility), which was completed under budget in 2011, to the main Cedar Creek Pump Station Project in order to support ongoing phases of construction.

Transfer \$103,458 to the Ethel St. Water Upgrades project due to expanded project scope. Funding of \$15,000 came from the Ethel Watermain project, \$67,458 from Cawston Ave, and \$21,000 from Okaview PRV Interconnection.

Other Departments

Reallocate various budget line items from Custom Transit to Conventional Transit resulting in a net decrease in Custom Transit and net increase in Conventional Transit of \$342,951.

Reduce Regional District training recovery for Fire Department by \$104,710. The original request included recovery for costs which were not recoverable.

Establish budget of \$1,748,980 to recognize the receipts and disbursements from the City Park Pavilion fire in March 2011.

Realign budgets for the Agresso Implementation project by transferring \$100,000 to the Sharepoint project and the balance of \$416,118 from operating to capital per TCA requirements.

This amendment is being presented for Council approval for changes to the 2011 Financial Plan that have occurred since Final budget was approved in May of 2011.

Legal/Statutory Authority: Community Charter section 165.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Community & Media Relations Comments:

Alternate Recommendation:

Submitted by:



A Thiessen, Financial Planning Manager

Approved for inclusion:



K. Grayston, Director of Financial Services

DH
Attach.