

A Regular Meeting of the Municipal Council of the City of Kelowna was held in the Council Chamber, 1435 Water Street, Kelowna, B.C., on Thursday, January 15, 2015.

Council members in attendance: Mayor Colin Basran, Councillors Maxine DeHart, Ryan Donn*, Gail Given, Tracy Gray, Charlie Hodge, Brad Sieben, Mohini Singh, and Luke Stack.

Staff members in attendance were: City Manager, Ron Mattiussi; Deputy City Clerk, Karen Needham; Director, Financial Services, Genelle Davidson; Financial Planning Manager, George King; Deputy City Manager Paul Macklem; Divisional Director Corporate & Protective Services, Rob Mayne; the Divisional Directors, Directors and Managers of the Strategic Services Division*, Community Planning & Real Estate Division*, Infrastructure Division*, Civic Operations Division*, Active Living & Culture Division*, Corporate & Protective Services Division*, Communications & Information Services Division*, Human Resources & Corporate Performance Division*; and Financial Services Accountant, Nicole Unruh.

(* denotes partial attendance)

1. CALL TO ORDER

Mayor Basran called the meeting to order at 8:31 a.m.

2. BUDGET DISCUSSION

The Director, Financial Services provided opening remarks and an explanation of the Budget Review Process.

OPERATING PROGRAM:

Strategic Services

A motion by Councillor Donn to amend the operating supplemental request for the Transit Real Time Service Monitoring System on page E13 from P2 to P1 was lost due to lack of a seconder.

Moved by Councillor Donn/Seconded by Councillor Hodge

B001/15/01/15 THAT the P2 operating supplemental request for Transit Service Enhancement and Expansion from page E12 be starred for further discussion.

Carried

Fire Department (includes Capital - Tab V)

Staff:

- Provided information on how *Shift Coverage* on page E25 is managed and the situations that may result in overtime.
- Provided information on the potential uses of the *Side by Side ATV* including fire incidents or rescue in remote areas, and assisting with snow removal at the McKinley station.
- Confirmed that currently remote area incidents require firefighters to hike in or use a helicopter if deemed necessary; are working with Civic Operations on a solution for snow removal at the McKinley station.
- Confirmed that reserve funding is only used for replacement equipment, therefore, as new equipment, this is a capital request.

Moved by Councillor Singh/Seconded by Councillor Gray

B002/15/01/15 THAT the P2 capital supplemental request for the Side by Side ATV/Trailer from page V4 be starred for further discussion.

Carried

Airport (includes Capital - Tab W)

Staff:

- Advised that the airport is self-funding and therefore there is no impact to taxation.
- Confirmed that the *Airport Master Plan Land Development Guideline* project (E45) includes the participation of staff from the Real Estate & Building branch and will include consideration of generating general revenues for the City.
- Confirmed the P2 request for *Transit Service Enhancement and Expansion (Airport)* on page E12 reflected mostly early morning, late evening and weekend staff demand as the airport continues to grow and offer more services.
- Commented that if the airport was to consider covering any additional transit service costs, further economic review would be required.
- Confirmed there is no increase to the Airport Improvement Fee (AIF) in this budget.
- Confirmed the four year *Flight to 2020 Capital Improvement Program* has fifteen million dollars in capital improvements projected for the first year.
- Announced the Drive to 1.6 Million passengers has been met a full year ahead.
- Confirmed the *Oshkosh Striker Replacement* on page W4 is manufactured in the United States and built to federally legislated specification requirements.

CAPITAL PROGRAM:

Real Estate

Staff:

- Responded to questions from Council regarding *Parking Equipment, Downtown* on page M4, including information on the use of cameras in the parkades for security and RCMP incident reviews, as well as an overview of the parking management strategy for the ongoing replacement of meters with pay stations.

There were no amendments to the Real Estate Capital budget as presented.

Building Capital

Staff:

- Responded to questions on the design of the *Ellis Street Parkade* on page N3, including street frontage presence and space for City of Kelowna staff and services currently located on the Central Green site.
- Provided details on the structural repairs to the *Glenn Avenue School* heritage building on page N5 as required under the terms of the lease with the Boys & Girls Club; confirmed the lease revenue does not cover maintenance costs.

City Manager:

- Advised that staff is currently preparing a building asset strategy that will be presented for Council consideration at a future meeting.

Staff:

- Confirmed that the request for structural repairs to the *Cameron House* on page N7 is in addition to the \$330,000 approved in previous budgets, however, the level of repair has not yet been determined.

Moved by Councillor Sieben/Seconded by Councillor Gray

B003/15/01/15 THAT the P1 capital request for Cameron House, Structural Repairs from page N7 be starred for further discussion.

Carried

City Manager:

- Advised more information would be provided if necessary.

Staff:

- Provided priority criteria for *Civic Building Roof Replacement* on page N8 and confirmed the need for roof repair on a portion of Parkinson Recreation Centre.
- Confirmed the *Queensway Jetty Retaining Wall Repairs* on page N8 is repair, not full replacement.

The meeting recessed at 10:00 a.m. The meeting reconvened at 10:13 a.m.

Parks Capital

There were no amendments to the Parks Capital budget as presented.

Transportation Capital

Staff:

- Confirmed that with the *Canyon Creek Partnering Agreement* on page P12, if the development does not proceed, the city has a mortgage in form of letter of credit to cover costs of the KLO bridge reconstruction.

There were no amendments to the Transportation Capital budget as presented.

Solid Waste Capital

There were no amendments to the Solid Waste Capital budget as presented.

Storm Drainage Capital

There were no amendments to the Storm Drainage Capital budget as presented.

Street Lights Capital

There were no amendments to the Street Lights Capital budget as presented.

Information Services Capital

Staff:

- Provided background information on the *Office equipment replacement program* from page T3/T4, confirming that savings are projected in the budget and that replacement only occurs when necessary with funds carried over if not used.

There were no amendments to the Information Services Capital budget as presented.

Vehicle & Mobile Equipment Capital

There were no amendments to the Vehicle & Mobile Equipment Capital budget as presented.

Water Capital

Staff:

- Confirmed that any Water Capital P2 requests funded by the utility that were added as a P1 would reduce our annual surplus.

There were no amendments to the Water Capital budget as presented.

Wastewater Capital

There were no amendments to the Wastewater Capital budget as presented.

OPERATING PROGRAM:

City Administration

City Manager:

- Confirmed that the *Strategic Priority Projects* operating request on page D9 is new and that the funds would be used for exploring opportunities presented as new strategic projects that are not identified in the 10yr capital plan, without using funds from reserves.

Staff:

- Confirmed that the amount of the request was determined by averaging the costs associated with previous emergent strategic projects, including the soccer dome, innovation centre, and CN rail funding.

Moved by Councillor Hodge/Seconded by Councillor Sieben

B004/15/01/15 THAT the P1 capital request for Strategic Priority Projects from page D9 be starred for further discussion.

Carried

Infrastructure

There were no amendments to the Infrastructure operating budget as presented.

Community Planning & Real Estate

Staff:

- Confirmed the *Parking Strategy - Hospital District Area Plan Development* on page G19 will fund an external consultant working with IHA and utilizing in house City expertise as well.

There were no amendments to the Community Planning & Real Estate operating budget as presented.

Active Living & Culture

Staff:

- Confirmed the *Community Neighbourhood Association* project on page H11 would involve hiring an external contractor to look at best practices and engage with stakeholders; the project will involve City staff expertise and support teams.

City Manager:

- Indicated this project will help inform the building of strong resilient neighbourhoods.
- Clarified the funding request on page H12 in preparation for *Canada's 150th Celebration* will include support for activities and initiatives beyond Canada Day celebrations.
- Confirmed there are no Federal funds announced at this time, but staff will investigate any funding opportunities as they arise.

Staff:

- Directed Council to the late item submitted by Active Living & Culture and requested a motion.

Moved by Councillor Given/Seconded by Councillor Sieben

B005/15/01/15 THAT the late item operating request for Kelowna Museums - Sports Hall of Fame from the page following H16 be amended from P3 to P1, deleting the item from Budget.

Carried

Council:

- Requested a discussion of P2 item *Festivals Kelowna Grant Increase* on page H16.

Councillor Donn declared a conflict, as Festivals Kelowna is his employer, and left the meeting at 11:25 a.m.

Staff:

- Commented that the requested increase in grant funding is to provide Festivals Kelowna with additional leverage to build more sponsorships for the New Year's Eve event.
- Confirmed existing budget has been used over the previous two years to gain sponsorship, however, as the event continues to grow and new opportunities arise, there have been additional costs; example, the video projection on City Hall for the 2014 event.

Council:

- Commented that with Stuart Park increasing in size, need to consider animating this space as well.

Moved by Councillor Stack/Seconded by Councillor Hodge

B006/15/01/15 THAT the P2 operating request for Festivals Kelowna Grant Increase from page H16 be starred for further discussion.

Carried

Prior to Councillor Donn returning to the meeting, and to avoid Councillor conflict when reviewing starred items at the end of the meeting, Council then passed the following motion:

Moved by Councillor Stack/Seconded by Councillor Hodge

B007/15/01/15 THAT the P2 operating request for Festivals Kelowna Grant Increase from page H16 be removed from the starred items list and moved from P2 to P1.

Carried

Councillor Donn returned to the meeting at 11:36 a.m.

Civic Operations

Staff:

- Noted a budget correction to *Pavement Repairs* on page I19, by changing the taxation amount of \$11,800 to \$0.00.
- Directed Council to the late item submitted by Civic Operations in relation to the *Park Maintenance Contract Annual Increase* on page I20 and requested a motion.

Moved by Councillor Given/Seconded by Councillor Stack

B008/15/01/15 THAT the late item operating request for the Park Maintenance Contract from the page following I36 be amended from P3 to P1, thereby reducing the taxation impact on the Park Maintenance Contract Annual Increase on page I20 from \$50,000 to \$31,000.

Carried

Staff:

- In response to a question from Council on *Green Bike Lane Markings* on page I25, confirmed they have received lots of positive feedback from both the biking community and motorists.
- Provided clarification on comments found under *Security Camera Maintenance* on page I26 that there is currently no city policy to expand the security camera network, rather they are added in areas of concern in consultation with the City Risk Manager.
- Provided information on the pilot project for an *Energy Specialist Coordinator* from page I28, including the initial part time status, funding from the reserve, and the anticipated cost savings that will result in a positive return on investment in the future.
- Confirmed the addition of *Handrails at the Apple Bowl/Rutland West* from page I28 is based on priority and may impact other civic properties in the future.

Moved by Councillor DeHart/Seconded by Councillor Singh

B009/15/01/15 THAT the P2 operating request for Pickleball Courts from page I36 be starred for further discussion.

Carried

Staff:

- Confirmed the addition of six additional *Pickleball Courts* would eliminate the final two of four tennis courts immediately adjacent to PRC, however, they can be used for learn to play tennis groups.
- Provided information on the local pickleball club organization which has contributed to the cost, and which has been awarded the Western Nationals for the next 3 years.

The meeting recessed at 12:12 p.m. The meeting reconvened at 12:53 p.m.

Corporate & Protective ServicesPolice Services

Staff:

- Confirmed there are six additional members in this budget, three (3) approved as part of the Prosser report for *RCMP Resourcing* on page J32, and three (3) additional members under *RCMP - 3 Regular Members* on page J33 that fall under growth expectations from the Prosser report.

There were no amendments to the Corporate & Protective Services operating budget as presented.

Communications & Information Services

Staff:

- Confirmed the *Pesticide Free Program* reduction request on page K13 relates to elimination of the in-person workshop portion only; access to all program information has been moved on-line.
- Directed Council to the late item submitted by Communication and Information Services in relation to the *Office 365 Subscription* following page K13 and requested a motion.

Moved by Councillor Given/Seconded by Councillor Donn

B010/15/01/15 THAT the late item expenditure reduction request for the *Office 365 Subscription* from the page following K13 be amended from P3 to P1, thereby reducing the taxation impact by \$38,390.

Carried

Human Resources & Corporate Performance

There were no amendments to the Human Resources & Corporate Performance operating budget as presented.

Director, Financial Services:

- Provided an update with respect to the current status, with starred items: Transit Service Enhancement and Expansion, Side by Side ATV/Trailer, Cameron House Structural Repairs, Strategic Priority Projects, and the Pickleball Courts, and the addition of Festivals Kelowna as a P1, there is a 3.41% tax rate prior to consideration of starred items.

The meeting recessed for a break at 1:23 p.m. The meeting reconvened at 1:33 p.m.

Wrap-Up & Discussion

Council considered the following starred items individually:

Cameron House Structural Repairs (N7)

Council:

- Would like more dialogue and discussion with regards to a heritage strategy.

Moved by Councillor Hodge/Seconded by Councillor Singh

B011/15/01/15 THAT the starred item, P1 capital request for Cameron House Structural Repairs from page N7 be moved to P2, and be revisited as part of final budget.

DEFEATED

Mayor Basran and Councillors Donn, Given, Gray and Sieben – Opposed.

Moved by Councillor Given/Seconded by Councillor Sieben

B012/15/01/15 THAT the starred item, P1 capital request for Cameron House Structural Repairs from page N7 be revisited as part of final budget;

AND THAT, prior to final budget, Council directs staff to hold a Council workshop to discuss heritage priorities;

AND FURTHER THAT Council directs staff not to spend any existing funds on Cameron House repairs (\$330,000) until the Council workshop has been held.

Carried

Strategic Priority Project (D9)

A motion by Councillor Hodge that the P1 operating request for Strategic Priority Projects from page D9 be reduced by \$30,000 was lost due to lack of a seconder.

Council deferred further discussion until the end of starred items.

Transit Service Enhancement and Expansion (E12)

Moved by Councillor Donn/Seconded by Councillor Hodge

B013/15/01/15 THAT the P2 operating request for Transit Service Enhancement and Expansion from page E12 be moved to P1.

DEFEATED

Mayor Basran and Councillors DeHart, Given, Gray, Singh and Stack – Opposed.

Pickleball Courts (I36)

Moved by Councillor Stack/Seconded by Councillor DeHart

B014/15/01/15 THAT the P2 operating request for Pickleball Courts from page I36 be moved to P1.

Carried

Side by Side ATV/Trailer (V4)

Moved by Councillor Hodge/Seconded by Councillor Singh

B015/15/01/15 THAT the P2 operating request for Side by Side ATV/Trailer from page V4 be moved to P1.

Carried

Mayor Basran and Councillor Given – Opposed.

Director, Financial Services:

- Provided an update, indicating Council's discussion thus far of the starred items would result in a 3.46% tax increase; confirmed this included the full operating request of \$180,000 for the P1 Strategic Priority Project budget item.

Moved by Councillor Given/Seconded by Councillor Hodge

B016/15/01/15 THAT the operating request for Strategic Priority Projects from page D9 be removed from starred items and remain a \$180,000 P1 request as presented in the 2014 Budget.

Carried

Council had no further questions or comment on the 2015 provisional budget.

Moved by Councillor Hodge/Seconded by Councillor Sieben

B017/15/01/15 THAT the 2015 Financial Plan, as amended by Council, and resulting in a 3.46% tax increase, be approved subject to Final Budget considerations.

Carried

4. COUNCILLOR ITEMS

Councillor Stack:

- Recommended baseline budget information, as found in Civic Operations, be included in all sections of the annual provisional budget documents in the future.

Director, Financial Services:

- Advised that the information will be included in the future.

Councillor Hodge:

- Expressed a concern with policing costs being dictated by the Federal Government and suggested that UBCM lobby that 90% is too high.

5. TERMINATION

The meeting was declared terminated at 2:33 p.m.

Certified Correct:

Mayor

Deputy City Clerk

/kln/slh