

# City of Kelowna

## Regular Council Meeting

### AGENDA



Monday, March 11, 2019  
9:00 am  
Council Chamber  
City Hall, 1435 Water Street

Pages

1. **Call to Order**
2. **Confirmation of Minutes** 3 - 4  
March 4, 2019
3. **Reports**
  - 3.1 **Infrastructure Planning Process** 60 m 5 - 23  
To provide Council with a detailed look at the processes used to develop the Annual and 10-Year Capital Plans.
4. **Resolution Closing the Meeting to the Public**

THAT this meeting be closed to the public pursuant to Sections 90(1)(b),(c),(e) and 90(2)(b) of the Community Charter for Council to deal with matters relating to the following:

  - municipal award;
  - labour relations;
  - disposition of land; and
  - negotiations with the Provincial Government
5. **Adjourn to Closed Session**
6. **Reconvene to Open Session**

7. Issues Arising from Correspondence & Community Concerns

7.1 Mayor Basran, re: Issues Arising from Correspondence

15 m

8. Termination



## City of Kelowna Regular Council Meeting Minutes

Date: Monday, March 4, 2019  
 Location: Council Chamber  
 City Hall, 1435 Water Street

Members Present Mayor Colin Basran, Councillors Maxine DeHart, Ryan Donn, Gail Given, Charlie Hodge, Brad Sieben, Mohini Singh, Luke Stack and Loyal Wooldridge

Staff Present City Manager Doug Gilchrist; City Clerk, Stephen Fleming

### 1. Call to Order

Mayor Basran called the meeting to order at 9:03 a.m.

### 2. Confirmation of Minutes

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

**(R209/19/03/04)** THAT the Minutes of the Regular AM Meeting of February 25, 2019 be confirmed as circulated.

Carried

### 3. Issues Arising from Correspondence & Community Concerns

#### 3.1 Mayor Basran, re: Issues Arising from Correspondence

Mayor Basran:

- Confirmed letter to the Minister of Education regarding the replacement of Rutland Middle School has been sent and is in the reader file.

Mayor Basran - UBCO Heat Athletic Scholarship Breakfast:

Moved By Councillor Dehart/Seconded By Councillor Stack

**(R210/19/03/04)** THAT Council authorize the Mayor to attend the UBCO Heat Athletic Scholarship Breakfast with costs from the Mayor - meals account (7240 104 1004 90022\*000\*\*).

Carried

Councillor Singh confirmed she will be absent from Council for the rest of March.

City Clerk:

-Confirmed morning Council meetings will remain in Council Chambers for a few more weeks as the elevator maintenance will continue until March 19<sup>th</sup>.

#### 4. Resolution Closing the Meeting to the Public

Moved By Councillor Singh/Seconded By Councillor Hodge

**(R211/19/03/04)** THAT this meeting be closed to the public pursuant to Sections 90(1)(k) and 90(2)(b) of the Community Charter for Council to deal with matters relating to the following:

- provision of a municipal service
- confidential negotiations with the Province

AND THAT a portion of the closed meeting be held outside of City Hall at the Kelowna Yacht Club, 1370 Water Street.

**Carried**

#### 5. Adjourn to Closed Session

The meeting adjourned to a closed session at 9:07 a.m.

#### 6. Reconvene to Open Session

The meeting reconvened to an open session at 10:01 a.m.

#### 3. Issues Arising from Correspondence & Community Concerns

##### 3.1 Mayor Basran, re: Issues Arising from Correspondence

Councillor Sieben – Bliss Bakery Incident:

- Inquired whether there is a security plan in place for the Metro cold weather shelter.

City Manager:

- Will have staff determine what security measures are in place.

The meeting adjourned back to closed session at 10:04 a.m.

Reconvened to an open session at 11:50 a.m.

#### 7. Termination

The meeting was declared terminated at 11:50 a.m.

\_\_\_\_\_  
Mayor Basran

/sf/cm

\_\_\_\_\_  
City Clerk

# Report to Council



**Date:** March 11<sup>th</sup>, 2019  
**File:** 0220-30  
**To:** City Manager  
**From:** Infrastructure Engineering Manager  
**Subject:** Infrastructure Planning Process

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## **Recommendation:**

THAT Council receives, for information, the report from the Infrastructure Engineering Manager dated March 11<sup>th</sup> 2019, with respect to the City's Infrastructure Planning Process.

## **Purpose:**

To provide Council with a detailed look at the processes used to develop the Annual and 10-Year Capital Plans.

## **Background:**

The population of Kelowna is expected to grow by 20,000 over the next 10-years and the City is faced with increasing pressure to deliver infrastructure to accommodate growth, enhance services and renew existing infrastructure assets. Total infrastructure investment required to support service delivery over the next 10 years is forecasted at \$1.53 billion and available funding is \$ 1.05 billion leaving a \$478 million deficit. Council has proactively introduced an Infrastructure Levy that will generate an additional \$50 million to fund infrastructure over the next ten years but more work is required to close the infrastructure deficit. This presentation is the first of three aimed at reviewing the current infrastructure planning process, identify funding strategies to help close the City's infrastructure deficit and update the *10-Year Capital Plan*. Three reports will be presented to Council as follows:

- Infrastructure Planning Process – March 11<sup>th</sup>
- Infrastructure Funding Strategies – March 25<sup>th</sup>
- *10-Year Capital Plan* Update – April 1<sup>st</sup>

The City has a rigorous infrastructure planning process that starts with the direction set by Council in the *2030 Infrastructure Plan*. Council endorsed the *2030 Infrastructure Plan* in April 2016, which set the direction for infrastructure investment until 2030. Recognizing that emerging issues and community priorities change, the *10-Year Capital Plan* was developed to respond to these changing conditions. The

*10-Year Capital Plan* is guided by the direction set in the *2030 Infrastructure Plan* but is updated annually to be responsive and practical. The *Annual Capital Plan* is, in turn, directed by the *10-Year Capital Plan* and capital projects are prioritized through a multiple bottom line analysis that considers economic, social and environmental factors. Figure 1 shows the infrastructure planning model and the hierarchy of the various planning documents. The *2030 Infrastructure Plan* is the highest level capital plan and is the link between the high level planning documents (above) like the *Imagine Kelowna*, *Official Community Plan*, *Council and Corporate Priorities* and the infrastructure delivery plans (below) which include the *10-Year Capital Plan* and the *Annual Capital Plan*. This infrastructure planning model starts with understanding community expectation and ends with providing infrastructure that delivers the expected services to the community.

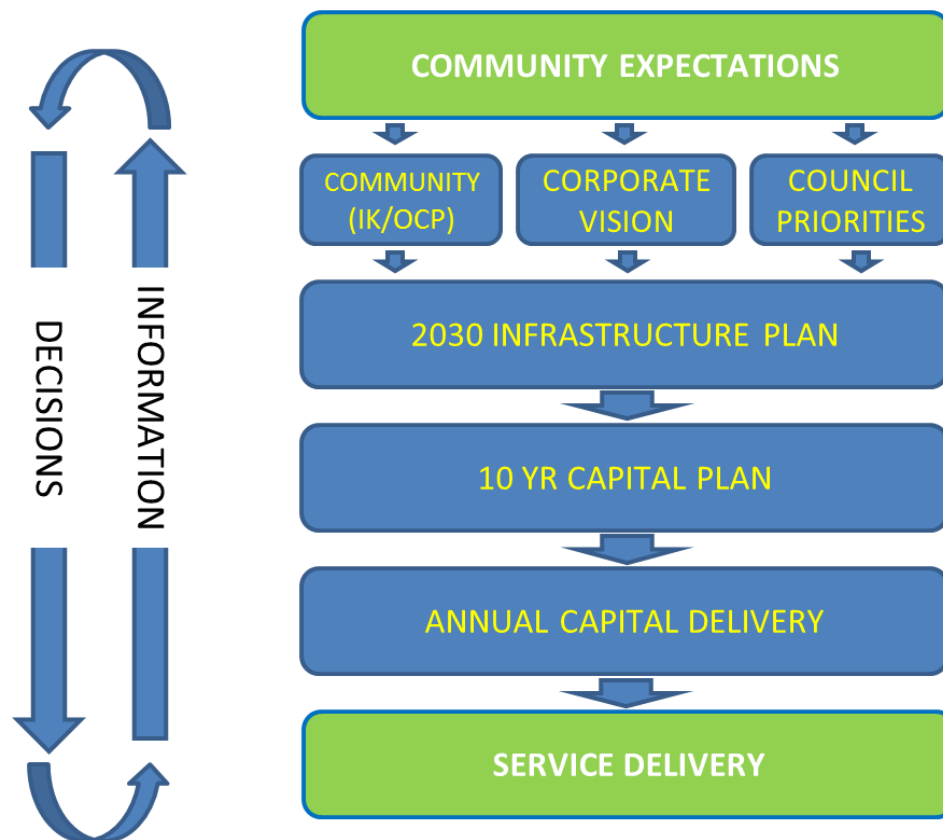


Figure 1. Infrastructure Planning Model.

The infrastructure planning process is a continuous process that begins with updates to the *10-Year Capital Plan* in January and ends with endorsement of the Provisional Budget in December. The following provides the estimated timeline for tasks and deliverables:

- Update *10-Year Capital Plan* – Q1
- *10-Year Capital Plan* endorsed by Council - Q2
- *Annual Capital Planning* process initiated – Q2
- Annual Capital Projects scored using multiple bottom line analysis and prioritized – Q3
- Project cost estimates reviewed for Annual Capital Projects – Q3
- *Annual Capital Plan* included in Provisional Budget – Q3

- City Manager review of Provisional Budget – Q4
- Council review and endorsement of Provisional budget – Q4

Figure 2. Illustrates the continuous capital planning cycle.

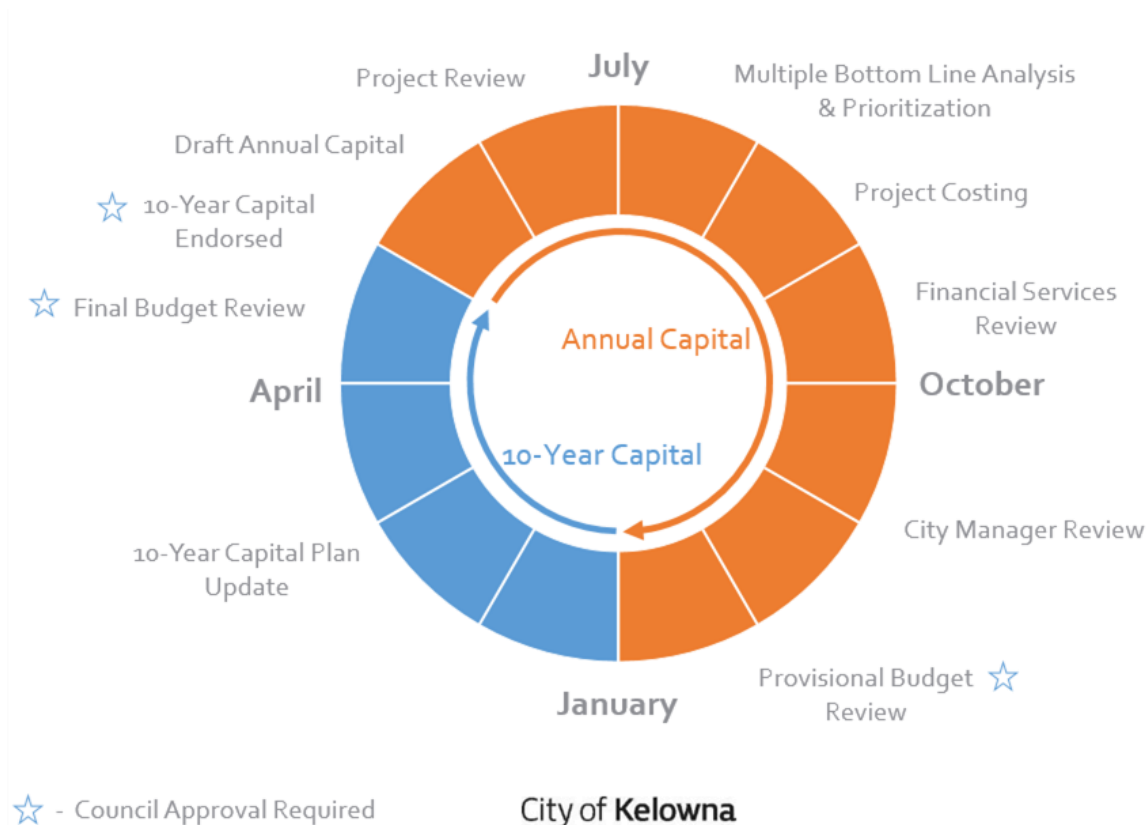


Figure 2. Capital Planning Cycle.

Adequate financing needs to be in place to schedule and undertake each capital investment. The *10-Year Capital Plan* looks at revenue sources whether it be rates, taxes, fees, development cost charges, grants, reserves or borrowing. As the City faces competing priorities, difficult decisions need to be made to optimize the spending to provide the most value to our residents and balancing needs versus wants. The *10-Year Capital Plan* provides the framework for long term planning and fiscal management and allows the City to look ahead and answer four fundamental questions:

- “What do we need?”
- “Why do we need it?”
- “How are we going to pay for it?”
- “How much will it cost to operate and maintain?”

Answering these questions allows the City to anticipate current and future cost pressures, stretch the limits of our revenues by source, and make the necessary decisions to put in place essential infrastructure to support a future Kelowna. By doing so, this plan will help maximize the investment in the community where and when it is most needed.

**Internal Circulation:**

Community Communications Manager  
Deputy City Manager  
Divisional Director, Community Planning & Strategic Investment  
Divisional Director, Corporate Strategic Services  
Divisional Director, Financial Services  
Divisional Director, Infrastructure  
Financial Analyst, Infrastructure Planning

**Considerations not applicable to this report:**

Financial/Budgetary Considerations:  
Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:  
Personnel Implications:  
External Agency/Public Comments:  
Communications Comments:  
Alternate Recommendation:

Submitted by:

J. Shaw, Infrastructure Engineering Manager

**Approved for inclusion:**



A. Newcombe, Divisional Director, Infrastructure

Attachment 1 – Infrastructure Planning Process Presentation

cc: Deputy City Manager  
Divisional Director, Community Planning & Strategic Investment  
Divisional Director, Corporate Strategic Services  
Divisional Director, Financial Services  
Divisional Director, Infrastructure





# Infrastructure Planning Process

March 11<sup>th</sup>, 2019





# Agenda

- ▶ Upcoming Workshops
- ▶ Infrastructure Planning Model
- ▶ 2030 Infrastructure Plan
- ▶ 10-Year Capital Plan
- ▶ Annual Capital Plan
- ▶ Multiple Bottom Line Analysis

# Council Workshop Schedule

- ▶ Infrastructure Planning Process – March 11<sup>th</sup>
- ▶ Infrastructure Funding Strategies – March 25<sup>th</sup>
- ▶ 10-Year Capital Plan Update – April 1<sup>st</sup>



# Infrastructure Challenge

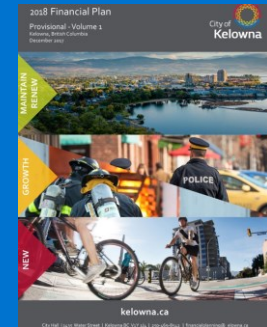
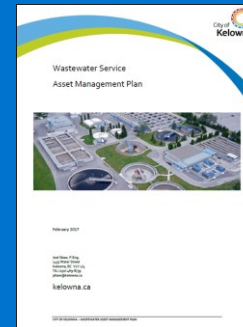
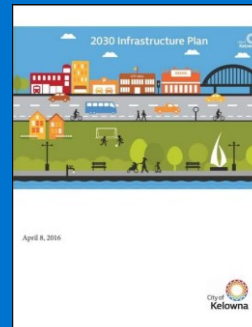
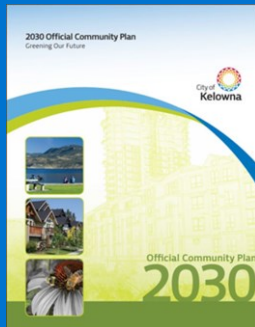
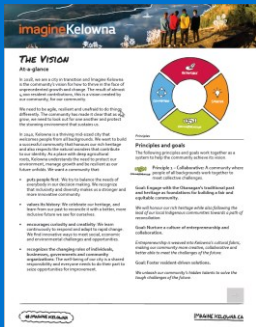
- ▶ Aging Infrastructure,
- ▶ Demand for more services,
- ▶ Growing community,
- ▶ Less funding for Infrastructure.



# Plan Alignment

Understanding  
Community Service  
Expectations

Delivering Infrastructure  
that supports Service  
Delivery



Imagine  
Kelowna

OCP

Council  
Priorities

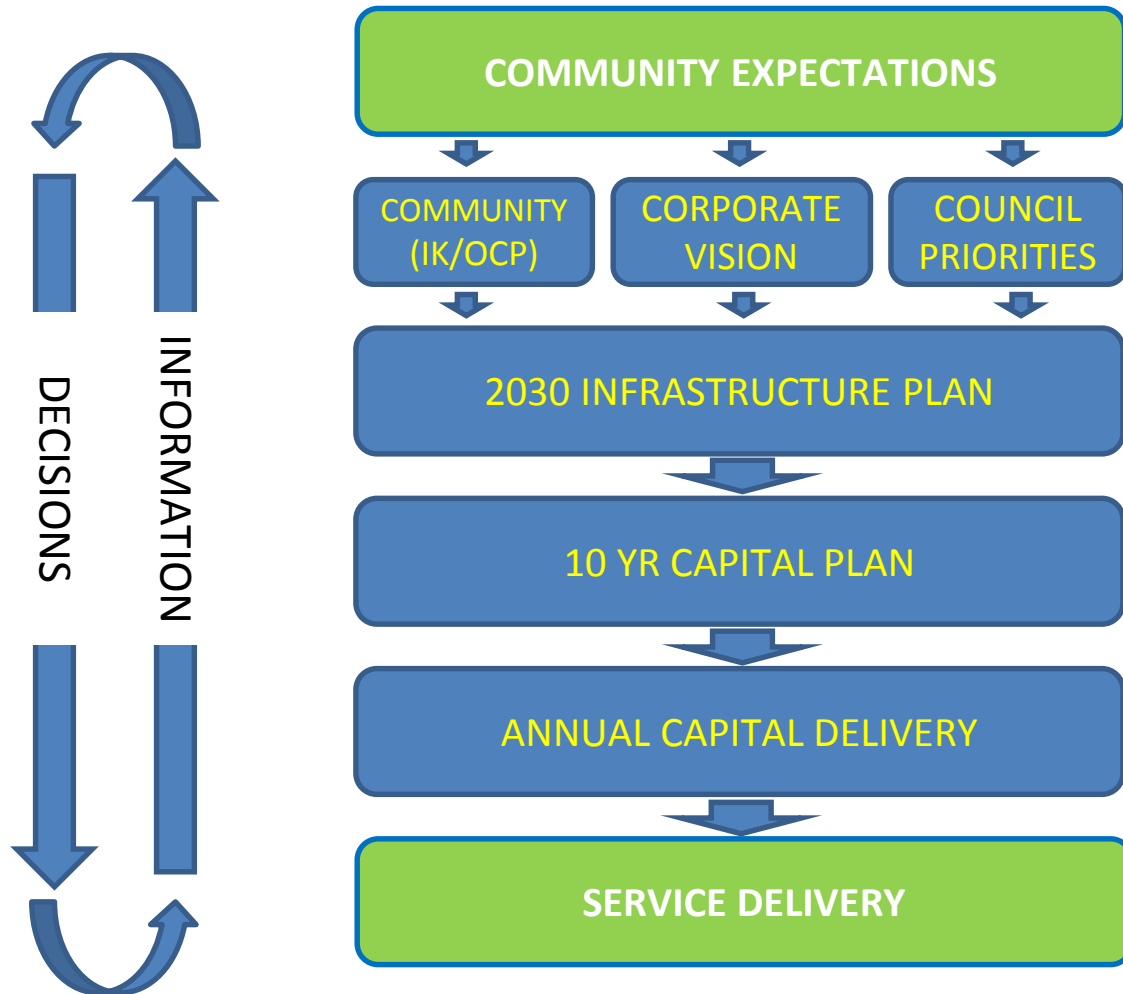
2030 Inf.  
Plan

10-Yr  
Capital Plan

Annual Capital  
Program



# INFRASTRUCTURE PLANNING MODEL



## GROWTH

20-Yr Servicing Plan  
(DCC)

## NEW/GROWTH

Infrastructure  
Master Plans

## RENEW

Asset Management  
Plans

### 2030 Infrastructure Plan



Operation &  
Maintenance  
Costs

Community  
Engagement

Financial Strategy

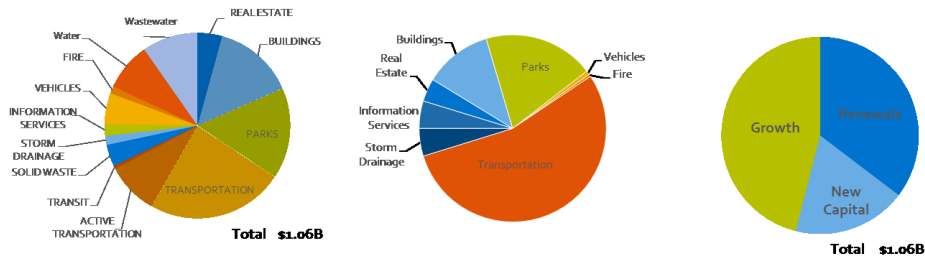
Service Levels<sub>15</sub>

City of Kelowna

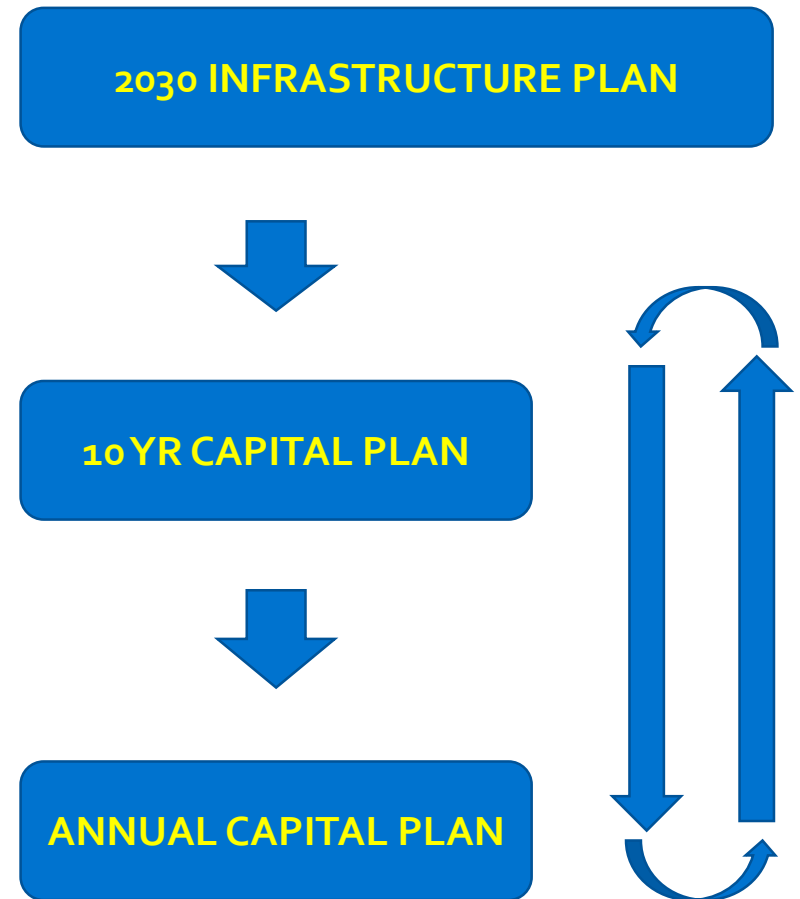


# Infrastructure Planning

- ▶ 2030 Infrastructure Plan set the direction.



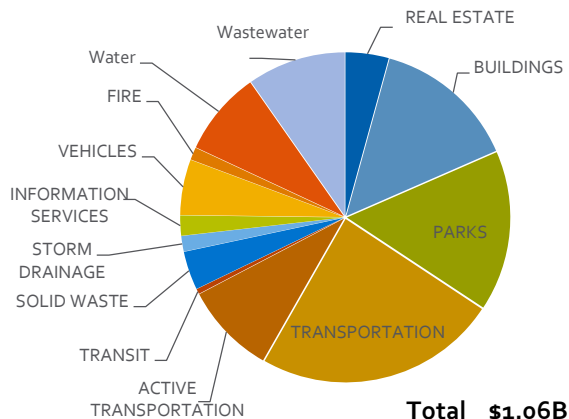
- ▶ 10-Year Capital Plan maintains direction and adjusts for change. *Updated annually.*
- ▶ Annual Capital Plan is directed by 10-Year and is responsive to emerging issues and priorities.





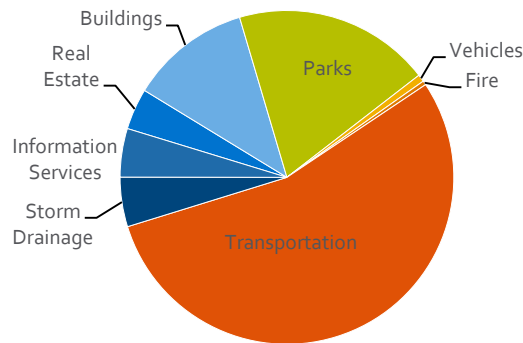
# Maintaining Direction

## ► Total Investment



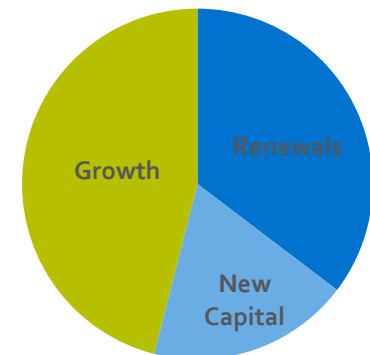
- Transportation - 33%
- Parks - 16%
- Buildings - 14%
- Wastewater - 10%
- Water - 8%
- Vehicles - 5%
- Solid Waste - 4%
- Real Estate - 4%
- Storm Drainage - 2%
- Information Services - 2%
- Transit - 1%
- Fire - 1%

## ► Tax / Gas Tax



- Transportation - 55%
- Parks - 19%
- Buildings - 12%
- Storm Drainage - 5%
- Information Services - 5%
- Real Estate - 4%
- Fire - 1%

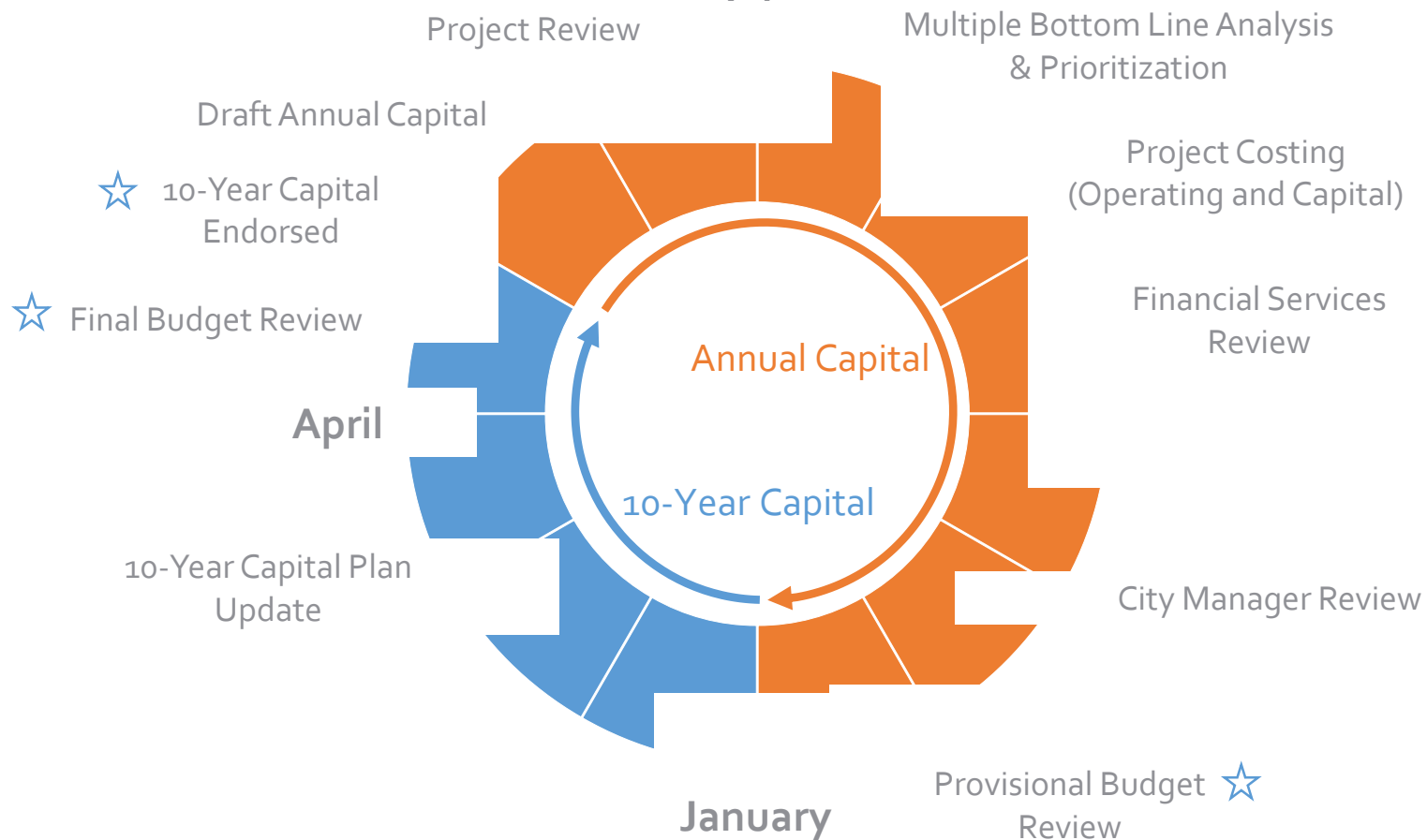
## ► New/Growth/Renew



- Growth - 46%
- Renew - 35%
- New - 19%

**Total \$1.06B**

# Capital Planning Cycle



# 10-Year Capital Plan

- ▶ Updated annually starting after Provisional Budget
- ▶ Update includes:
  - ▶ Infrastructure projects,
  - ▶ Capital costs and schedule,
  - ▶ Operational impacts,
  - ▶ Financial strategy,
  - ▶ Prioritize infrastructure based on available funding,
  - ▶ Identify funded (P1) and unfunded (P2) infrastructure
- ▶ Draft 10-Year Capital Plan presented to Council April
- ▶ Amendments made based on Council's direction
- ▶ 10-Year Capital Plan endorsed by Council in May.
- ▶ 10-Year Capital Plan forms basis of Annual Capital Plan.

# Annual Capital Process

- ▶ 10-Year Capital Plan used for first draft of Annual Capital Plan
- ▶ Capital Call Letter issued May
- ▶ Project Submission #1 June
- ▶ Interdivisional Meeting #1 June
- ▶ Additional Project Information June/July
  - ▶ Operational Impacts
  - ▶ Descriptions
  - ▶ Funding
- ▶ [MBL Analysis & Prioritization](#) July
- ▶ Interdivisional Meeting #2 July
- ▶ Project Charters entered into WP July
- ▶ Complete Work Plan Entries August
- ▶ Project Costing (Operating & Capital) August
- ▶ Final Review by Infrastructure Division August
- ▶ Submit to Finance September
- ▶ City Manager Review October
- ▶ Council Provisional Budget Review December

# Multiple Bottom Line Analysis

- ▶ Annual Capital projects scored and prioritized
- ▶ Projects scored against MBL criteria
  - ▶ Economic
  - ▶ Social
  - ▶ Environmental
  - ▶ Built Capital
- ▶ Projects prioritized and P1 and P2's determined based on funding allotment to cost centre



## *Keeping the Pace*

Continuing our Success on the  
Asset Management Journey

**CNAM 2019 Conference | May 6-9, 2019 | Kelowna, BC**



*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).