City of Kelowna
Regular Council Meeting
AGENDA

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

1. Call to Order

2. Confirmation of Minutes
   March 4, 2019

3. Reports
   3.1 Infrastructure Planning Process
   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

8. Termination
City of Kelowna

Regular Council Meeting

Minutes

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


Staff Present: City Manager Doug Gilchrist; City Clerk, Stephen Flaming

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 *(7246104100490022*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 19th.

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

City Clerk

/sf/cm
Report to Council

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

Recommendation:

THAT Council receives, for information, the report from the Infrastructure Engineering Manager dated March 11th, 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 11th
- Infrastructure Funding Strategies – March 25th
- 10-Year Capital Plan Update – April 1st

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
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
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 11th, 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 11th
- Infrastructure Funding Strategies – March 25th
- 10-Year Capital Plan Update – April 1st
Infrastructure Challenge

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

- $1.53B: Investment required over next 10 years for new infrastructure, renewal, and growth
- $478M: Estimated infrastructure deficit or unfunded infrastructure in the next 10 years
- 30%: Infrastructure investment allocated to renewal
- 70%: Infrastructure allocated to growth and improved services
- 35%: Assets in fair to poor condition and will need investment in the short-term to mid-term
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

City of Kelowna
INFRASTRUCTURE PLANNING MODEL

- Community Expectations
- Community (IK/OCP)
- Corporate Vision
- Council Priorities

- 2030 Infrastructure Plan
- 10 Yr Capital Plan
- Annual Capital Delivery
- Service Delivery

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%
Capital Planning Cycle

- **January**
  - 10-Year Capital Plan Update
  - Provisional Budget Review
  - 10-Year Capital Endorsed
  - Final Budget Review
- **April**
  - Draft Annual Capital
  - Project Review
- **July**
  - Project Costing (Operating and Capital)
  - Multiple Bottom Line Analysis & Prioritization
- **October**
  - Financial Services Review
  - City Manager Review
- **November**
  - Council Approval Required

**City of Kelowna**
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
Questions?
For more information, visit kelowna.ca.