

**City of Kelowna  
Regular Council Meeting  
AGENDA**



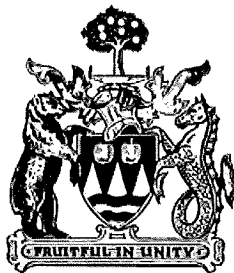
Monday, April 24, 2023  
9:00 am  
Council Chamber  
City Hall, 1435 Water Street

**Pages**

1. **Call to Order**
2. **Confirmation of Minutes** 2 - 4  
Regular AM Meeting - April 17, 2023
3. **Reports**
  - 3.1 **10-Year Capital Plan Update - Workshop 3 (Buildings)** 120 m 5 - 32  
To provide Council the opportunity to provide input on the Buildings Cost Centre in advance of Staff drafting the comprehensive 10-Year Capital Plan.
4. **Resolution Closing the Meeting to the Public**

THAT this meeting be closed to the public pursuant to Section 90(1) (e) and (k) of the Community Charter for Council to deal with matters relating to the following:

  - Disposition of Land
  - Provision of a Municipal Service
5. **Adjourn to Closed Session**
6. **Reconvene to Open Session**
7. **Termination**



**City of Kelowna**  
**Regular Council Meeting**  
**Minutes**

Date:	Monday, April 17, 2023
Location:	Council Chamber City Hall, 1435 Water Street
Members Present	Mayor Tom Dyas, Councillors Ron Cannan, Maxine DeHart, Charlie Hodge, Gord Lovegrove, Mohini Singh, Luke Stack, Rick Webber* and Loyal Wooldridge
Staff Present	City Manager, Doug Gilchrist; Deputy City Clerk, Laura Bentley; Divisional Director, Partnerships & Investments, Derek Edstrom; Divisional Director, Active Living & Culture, Jim Gabriel*; General Manager, Infrastructure, Mac Logan*; Finance Director, Joe Sass*; Parks & Buildings Planning Manager, Robert Parlane, Project Architect, Amy Johnston*
Staff Participating Remotely	Legislative Coordinator, Clint McKenzie*
Guests Participating Remotely	John Frittenburg*, President, The JF Group

(\*Denotes partial attendance)

**1. Call to Order**

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

**2. Confirmation of Minutes**

Moved By Councillor Hodge/Seconded By Councillor Lovegrove

THAT the Minutes of the Regular AM Meeting of April 3, 2023 be confirmed as circulated.

**Carried**

**3. Reports**

**3.1 Redevelopment of Parkinson Recreation Centre Functional Plan**

Staff:

- Displayed a PowerPoint Presentation outlining the updated functional program.
- Commented on the partnership letters of intent and public engagement.
- Outlined the main components of the functional program.
- Provided an update on the transportation considerations.

- Commented on the proposed funding strategy.
- Responded to questions from Council.

Councillor Webber joined the meeting at 9:24 a.m.

Moved By Councillor Wooldridge/Seconded By Councillor Singh

THAT Council receives the report from Parks and Buildings Planning, dated April 17, 2023, for the Redevelopment of Parkinson Recreation Centre Functional Plan

AND THAT Council endorses the amenities of the Functional Program, as generally described in this report, which will form the design of the redevelopment of the Parkinson Recreation Centre;

AND THAT Council directs staff to provide a Financial Strategy report based on the Functional Program in preparation for commencing the loan authorization bylaw process;

AND THAT Council directs staff to include a triple gym within the Athletics program in the proposed funding strategy to be brought back to Council;

AND THAT Council directs staff to include a 10-lane 25m pool within the Aquatics program in the proposed funding strategy to be brought back to Council;

AND THAT Council directs staff to include a kitchen for community programs, capable of supporting large-scale events within the General program in the proposed funding strategy to be brought back to Council;

AND FURTHER THAT Council directs staff to identify an opportunity to deliver demonstration affordable housing units on the Parkinson Recreation Centre site in partnership with other levels of government.

Carried  
Councillor Cannan - Opposed

Moved By Councillor Wooldridge/Seconded By Councillor Webber

THAT Council directs staff to explore opportunities to incorporate commercial spaces that support the functional program for Parkinson Recreation Centre.

Carried

The guest left the meeting at 10:56 p.m.

The meeting recessed at 10:56 a.m.

The meeting reconvened at 11:05 a.m.

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

Moved By Councillor Stack/Seconded By Councillor DeHart

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

- Acquisition of Park Land
- Disposition of Land
- Confidential Information from the Provincial and Federal Governments

5. **Adjourn to Closed Session**

The meeting adjourned to a closed session at 11:06 p.m.

6. **Reconvene to Open Session**

The meeting reconvened to an open session at 12:17 p.m.

7. **Mayor and Councillor Items**

Moved By Councillor Stack/Seconded By Councillor Singh

THAT Council reschedule the public hearing for OCP23-0004 480 Penno Road Bylaw 12499 to Tuesday June 20, 2023 starting at 4:00 pm in Council Chambers

AND THAT the City Clerk accept public correspondence beginning May 3, 2023.

Carried

Moved By Councillor Lovegrove/Seconded By Councillor Wooldridge

THAT Council approves a financial contribution of \$5,000 from Council Contingency in support of the Better World Club's Project Mini Forests.

Carried

Moved By Councillor Hodge/Seconded By Councillor Cannan

THAT Council direct staff to schedule FortisBC as a delegation to an upcoming Council meeting.

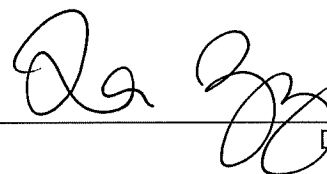
Carried

8. **Termination**

The meeting was declared terminated at 12:17 p.m..

\_\_\_\_\_  
Mayor Dyas

lb/cm



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Deputy City Clerk

# Report to Council



**Date:** April 24<sup>th</sup>, 2023  
**To:** Council  
**From:** City Manager  
**Subject:** 10-Year Capital Plan Annual Update – Workshop #3 (Buildings)  
**Department:** Financial Services

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**Recommendation:**

THAT Council receives, for information, the report from Financial Services dated April 24<sup>th</sup>, 2023, with respect to this year’s annual update to the 10-Year Capital Plan with focus on the Buildings Cost Centre;

AND THAT Council direct staff to proceed with the approach recommended in Option B for the Buildings Cost Centre for inclusion in this update to the 10-Year Capital Plan;

AND FURTHER THAT Staff return to Council with the comprehensive 10-Year Capital Plan that balances all capital cost centres prior to final endorsement.

**Purpose:**

To provide Council the opportunity to provide input on the Buildings Cost Centre in advance of Staff drafting the comprehensive 10-Year Capital Plan.

**Background:**

This report is the third in a series of reports that will inform and afford Council an opportunity to provide input and direction in the development of this year’s annual update to the 10-Year Capital Plan (Capital Plan). The first report provided an overview of this year’s process and sequencing for this year’s update and the second report focused on the redevelopment of the Parkinson Recreation Centre Functional Plan.

*Previous Council Resolution*

Resolution	Date
THAT Council receives, for information, the report from Financial Services dated April 3 <sup>rd</sup> , 2023, with respect to the process for this year’s annual update to the 10-Year Capital Plan.	April 3 <sup>rd</sup> , 2023

THAT Council receives the report from Parks and Buildings Planning, dated April 17, 2023, for the Redevelopment of Parkinson Recreation Centre Functional Plan;	April 17 <sup>th</sup> , 2023
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**Discussion:**

In Workshop #1 Council was asked what infrastructure and services were most important to them and several themes emerged (not listed in order of priority):

- Enhanced investment (or accelerated delivery) of pedestrian and traffic safety,
- Arts & Cultural investment, performing arts centre,
- Environmental stewardship, climate, GHG reduction and urban forest,
- Improve transit,
- Recreational facilities – expanding and renewal of existing,
- Improve traffic flow,
- Affordable housing,
- Partnerships.

These themes will be used to help direct investment as we develop the Capital Plan in conjunction with Council.

To guide these decisions, the City maintains a rigorous capital planning process that aligns with Council priorities, Imagine Kelowna and the Official Community Plan. The [10-Year Capital Plan](#) provides the framework for long-term planning and fiscal management and helps balance competing infrastructure needs within limited funding and capacity to deliver infrastructure.

The capital planning process is being modified this year to include additional touchpoints to allow Council more opportunity to shape the direction of the Capital Plan through priority alignment workshops. **The focus of this report to Council is the Buildings Capital Cost Centre.**

The City manages 154 buildings with an estimated replacement value of \$1.24 billion. The adopted Capital Plan forecasts \$290 million in capital investment but we know that is expected to grow because of inflationary pressures and increased need to replace aging assets. The City’s asset management program is maturing and condition assessments from existing Buildings indicate a significant investment is required to keep building assets in a state of good repair.

The services provided by the Buildings cost centre are describe in the categories below.

**Table 1-** Buildings service categories.

Parks & Recreation	Community & Cultural	Civic & Protective Services	Transportation & Public Works
<ul style="list-style-type: none"> <li>• Washrooms</li> <li>• Pavilions</li> <li>• Field Houses</li> <li>• Rec centres &amp; pools</li> <li>• Arenas</li> <li>• Stadiums</li> </ul>	<ul style="list-style-type: none"> <li>• Activity centres</li> <li>• Library</li> <li>• Art Gallery</li> <li>• Theatre</li> <li>• Museums</li> </ul>	<ul style="list-style-type: none"> <li>• City Hall</li> <li>• Police Stations</li> <li>• Fire Halls</li> </ul>	<ul style="list-style-type: none"> <li>• Public Works Yard</li> <li>• Cemetery</li> <li>• WWTF Admin</li> </ul>

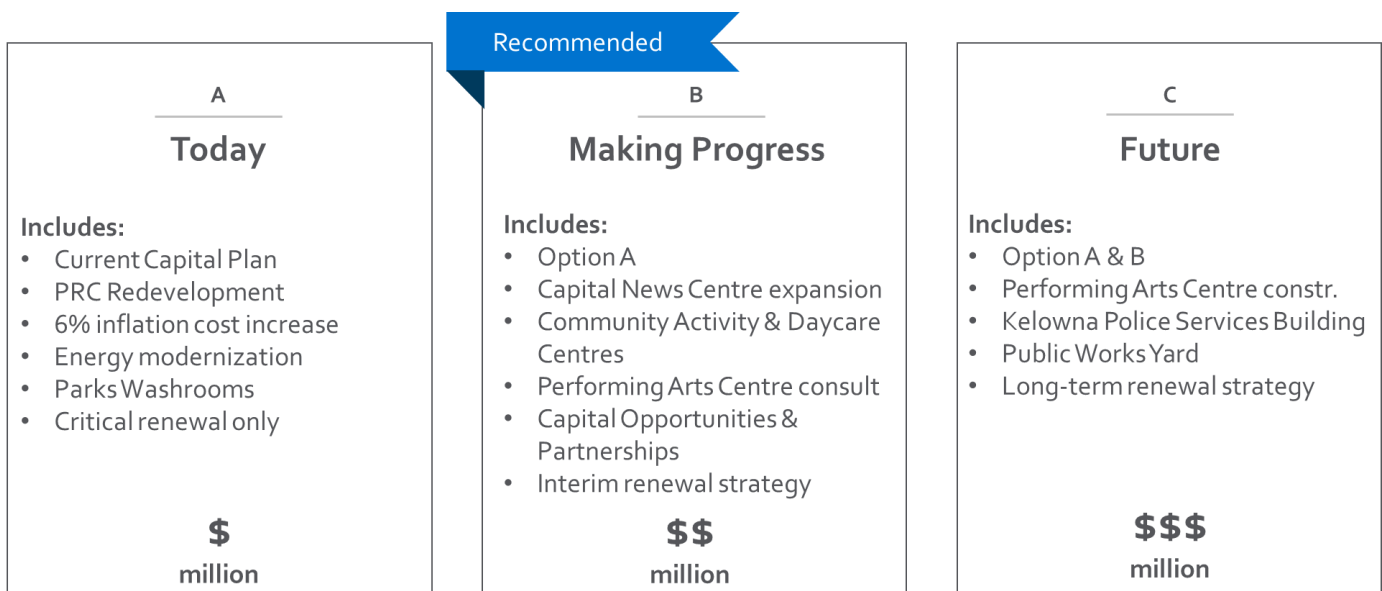
This year's update to the Capital Plan focuses on infrastructure investment for the years 2023 – 2032. The Buildings Cost Centre service drivers include:

- [Council Priorities 2023-2026](#),
- Growing Community,
- Evolving user group needs,
- Asset Condition,
- Energy Efficiency,
- Updates to Master Plans.

The City has many competing infrastructure demands and difficult decisions need to be made to optimize spending to provide the most value to the community. In advance of developing the comprehensive Capital Plan, staff are looking for guidance from Council. Staff have prepared three options to help guide the discussion:

- Option A (Today) – is the current investment strategy with some minor improvements.
- Option B (Making Progress) – Is an incremental step toward building the City of the Future.
- Option C (Future) – Is the vision of building the City of the Future.

Staff are recommending Option B as the approach for Buildings capital investment. Option B is a bold step towards building the City of the Future and balances limited funding and infrastructure delivery resources along with the competing demands from other capital cost centres.



**Conclusion:**

Based on Council's direction in this workshop, staff will return with the comprehensive Capital Plan that balances all capital cost centres prior to finalizing the Capital Plan.

Below are the upcoming workshops to receive additional input from Council.

**Table 2** - Council capital planning touchpoint schedule.

Touchpoint	Topic	Purpose	Date
✓	Overview & Listening	Introduce the process and hear from Council	April 3
✓	PRC Functional Plan	PRC Function Plan presentation	April 17
3	Buildings Workshop	Buildings planning principles, strategy & direction	April 24
4	Parks Workshop	Parks planning principles, strategy & direction	May 8
5	Transportation Workshop	Transportation planning principles, strategy & direction	May 15
6	Draft Capital Plan Review	Comprehensive review of Capital Plan	July 10
7	Final Plan Review & Adoption	Final review and adoption	July 24

The City’s 10 year Capital Plan is reviewed annually and adjusted based on Council direction and external influences that are monitored and analyzed.

**Internal Circulation:**

Parks & Buildings Planning Manager  
 Buildings Services Manager  
 Asset Planning Manager

**Considerations not applicable to this report:**

*Legal/Statutory Authority:*  
*Legal/Statutory Procedural Requirements:*  
*Existing Policy:*  
*Financial/Budgetary Considerations:*  
*External Agency/Public Comments:*  
*Communications Comments:*

Submitted by:

J. Shaw, Acting Divisional Director, Financial Services

**Approved for inclusion:**



J. Shaw, Acting Divisional Director, Financial Services

Attachment 1 – Capital Plan Workshop presentation



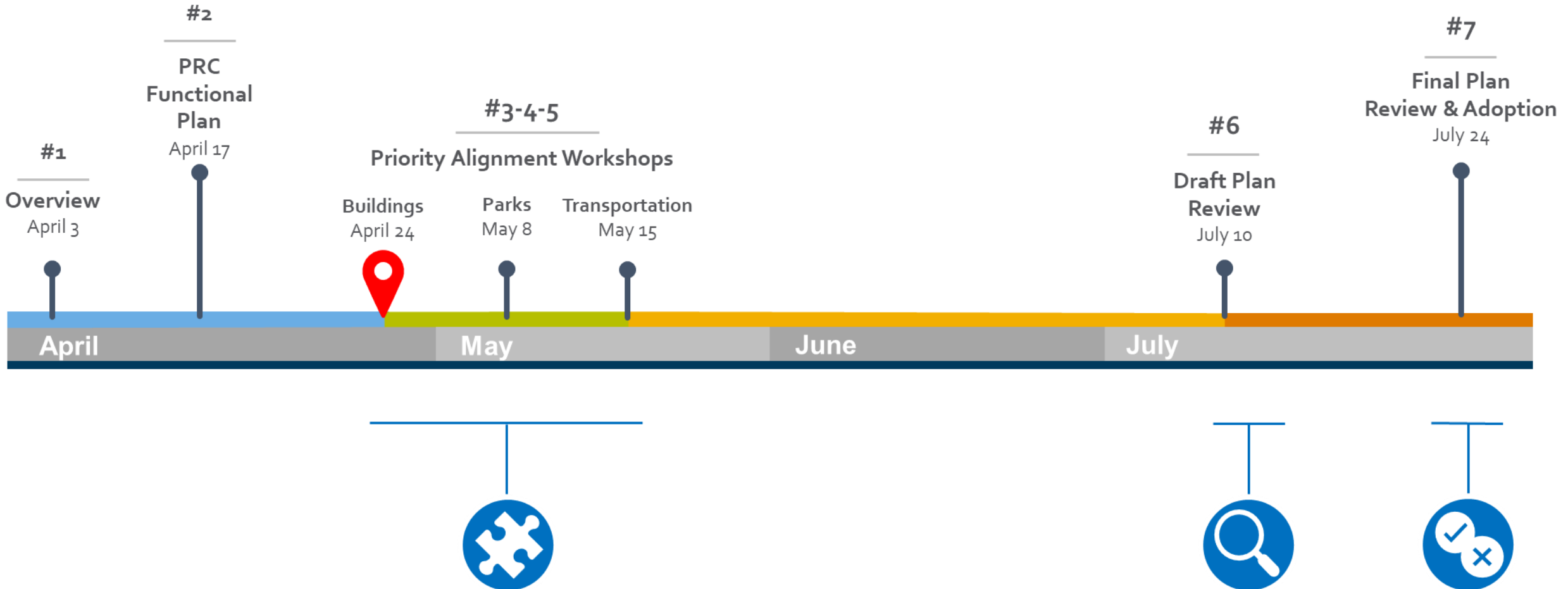


City of  
**Kelowna**

# 10-Year Capital Plan (2023-2032) Workshop #3: Buildings

April 24<sup>th</sup>, 2023

# Touchpoint Timeline



# Overview Workshop #1: What we heard from Council

- ▶ Enhanced investment (or accelerated delivery) of pedestrian & traffic safety
- ▶ Arts & Cultural investment, performing arts centre
- ▶ Environmental stewardship, climate, GHG reduction and urban forest
- ▶ Recreational facilities – expanding and renewal of existing
- ▶ Improve traffic flow
- ▶ Affordable housing
- ▶ Partnerships

# Agenda

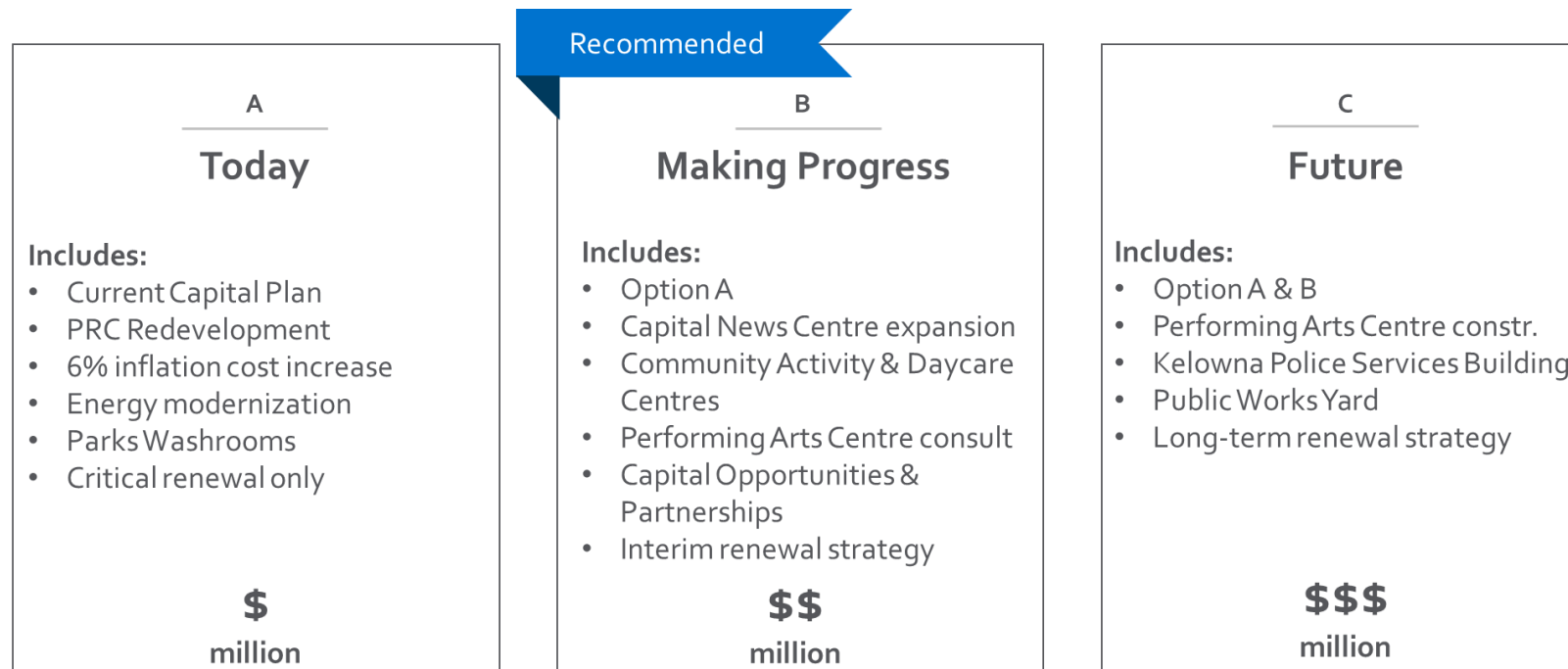
- ▶ Capital Plan Overview
- ▶ Buildings Cost Centre
- ▶ Options review
- ▶ Receive Council Direction



# Today's Outcome

## ► Council Direction

- ...THAT Council direct staff to proceed with the approach recommended in Option B for the Buildings Cost Centre for inclusion in this update to the 10-Year Capital Plan;



The infographic is a colorful illustration of a city street scene with various elements representing different goals. At the top left, an airplane is shown in flight. Below it, a large airport terminal building is depicted. To the right, a helicopter is flying over a road. A worker in orange overalls is using a road roller on a road. A white car with a green leaf logo is driving on the road. In the center, a city skyline with various buildings and a clock tower is shown. A yellow construction crane is on the left. A person is riding a bicycle on a path. A yellow dump truck is in the middle. A white car is driving on the road. A blue and white truck is on the right. A person is walking a dog. A person is kneeling and planting a tree. A pond with two swans is in the bottom right. A person is sitting in a wheelchair on a path. A white bus with 'BC Transit' on it is driving on the road. The central text reads 'City of Kelowna's 10-Year Capital Plan Building a City of the Future 2022-2031'. The goals are listed in dark blue boxes around the scene.

world-class airport

reduced GHG emissions

safe and efficient roads

climate resilience

City of Kelowna's 10-Year Capital Plan

*Building a City of the Future 2022-2031*

safe, protected bike routes

great public spaces

walkable neighbourhoods

public safety

environmental stewardship

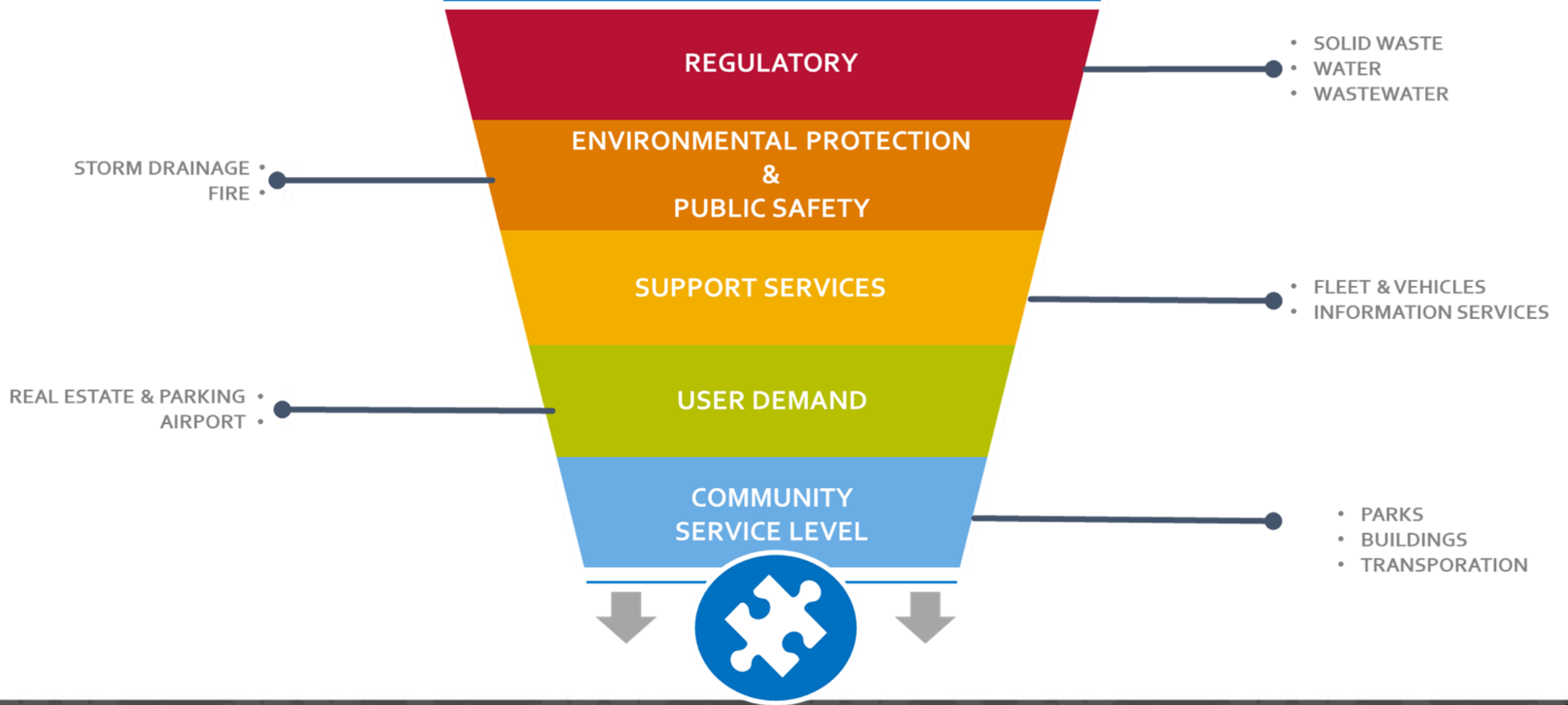
high quality drinking water

# Balancing Cost Centres



# 12 COST CENTRES

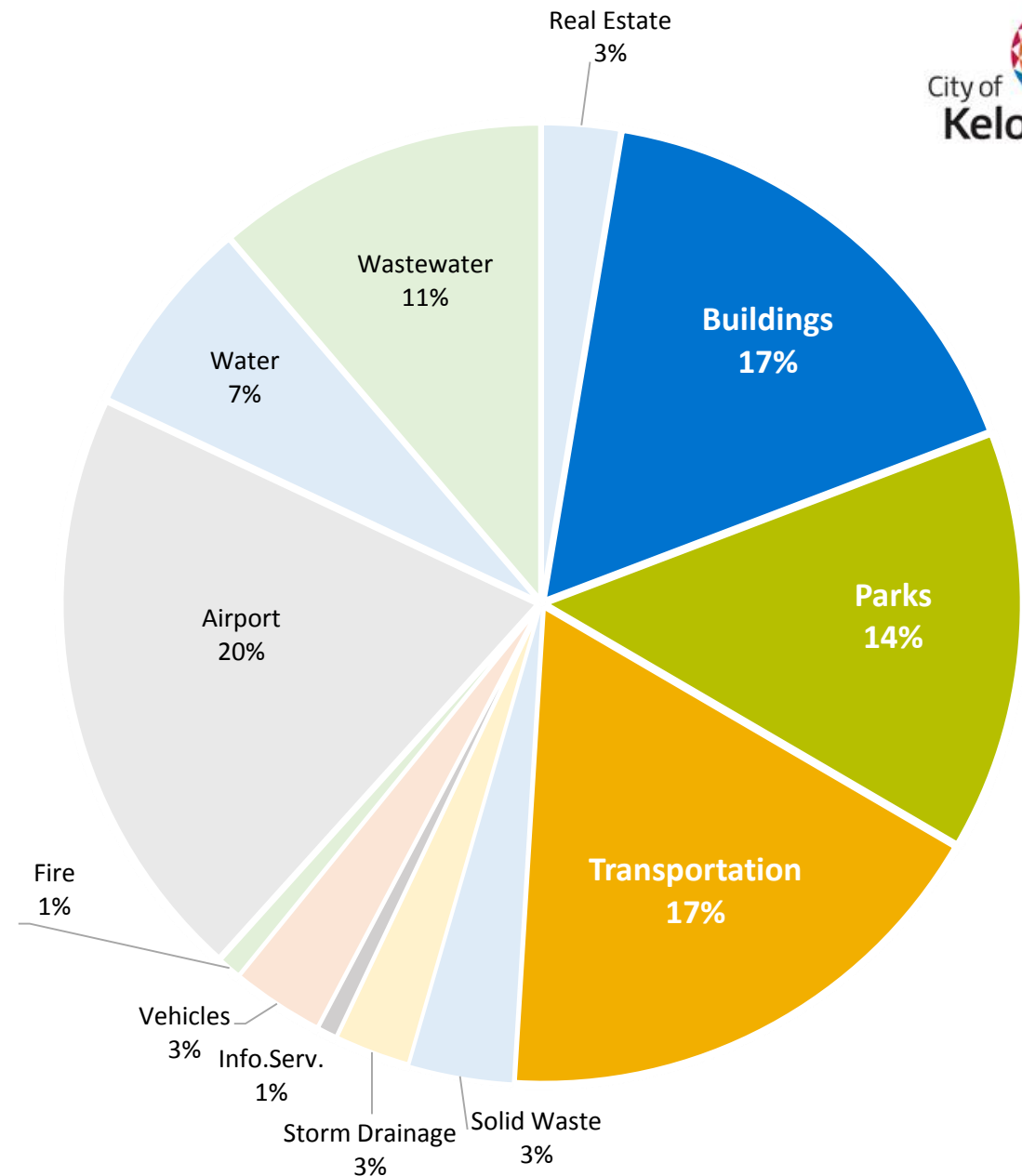
400 Projects & Programs





# Competing Priorities

- ▶ Three big cost centres
- ▶ Influenced by community demand
- ▶ Competing against one another
  - ▶ Funding
  - ▶ Capacity to deliver



# Buildings Cost Centre Review



# Buildings Categories & Capital Assets

## Parks & Recreation

- Washrooms
- Pavilions
- Field Houses
- Rec centres & pools
- Arenas
- Stadiums

## Community & Cultural

- Activity centres
- Library
- Art Gallery
- Theatre
- Museums

## Civic & Protective Services

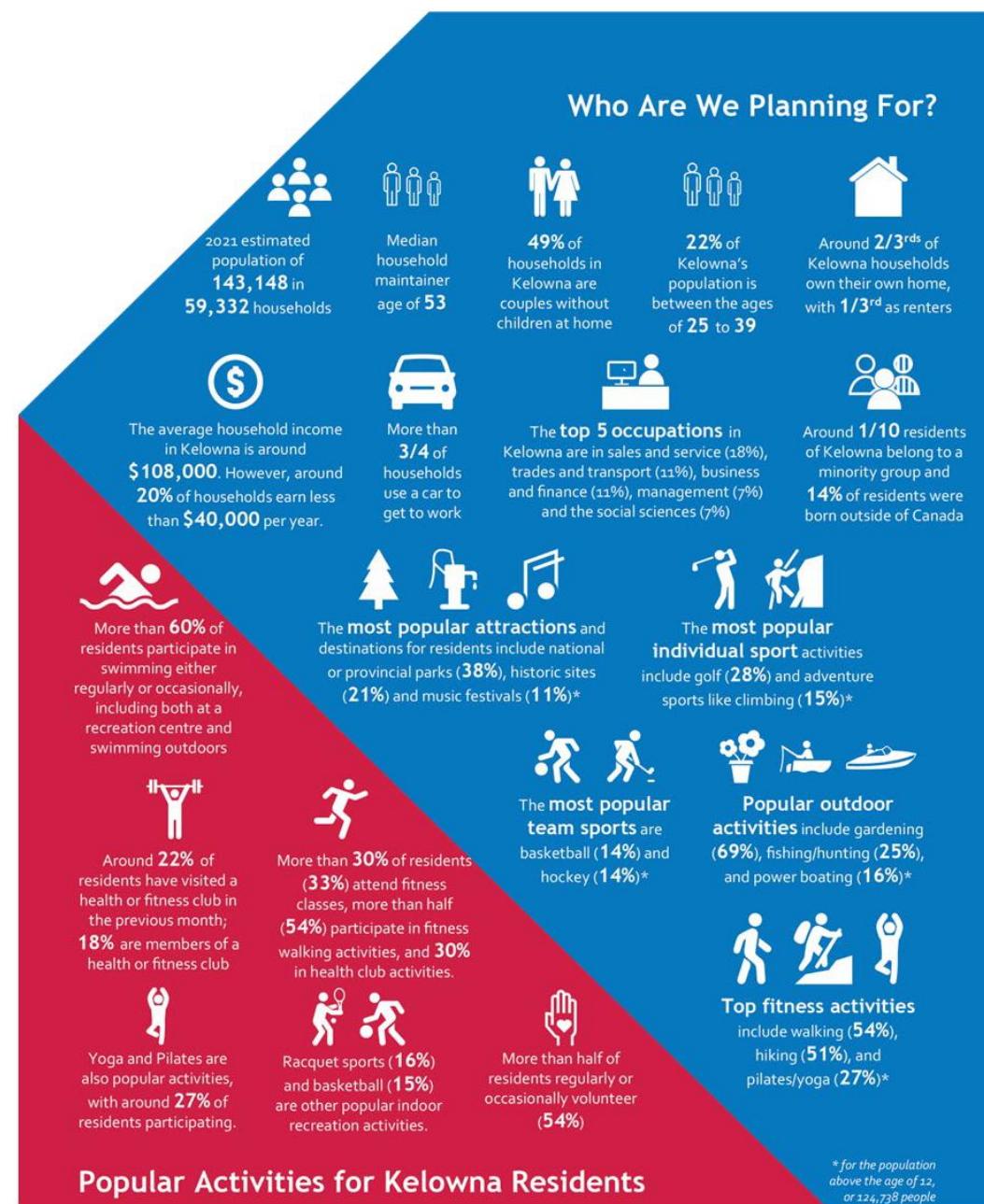
- City Hall
- Police Stations
- Fire Halls

## Transportation & Public Works

- Public Works Yard
- Cemetery
- WWTF Admin

# Service Drivers

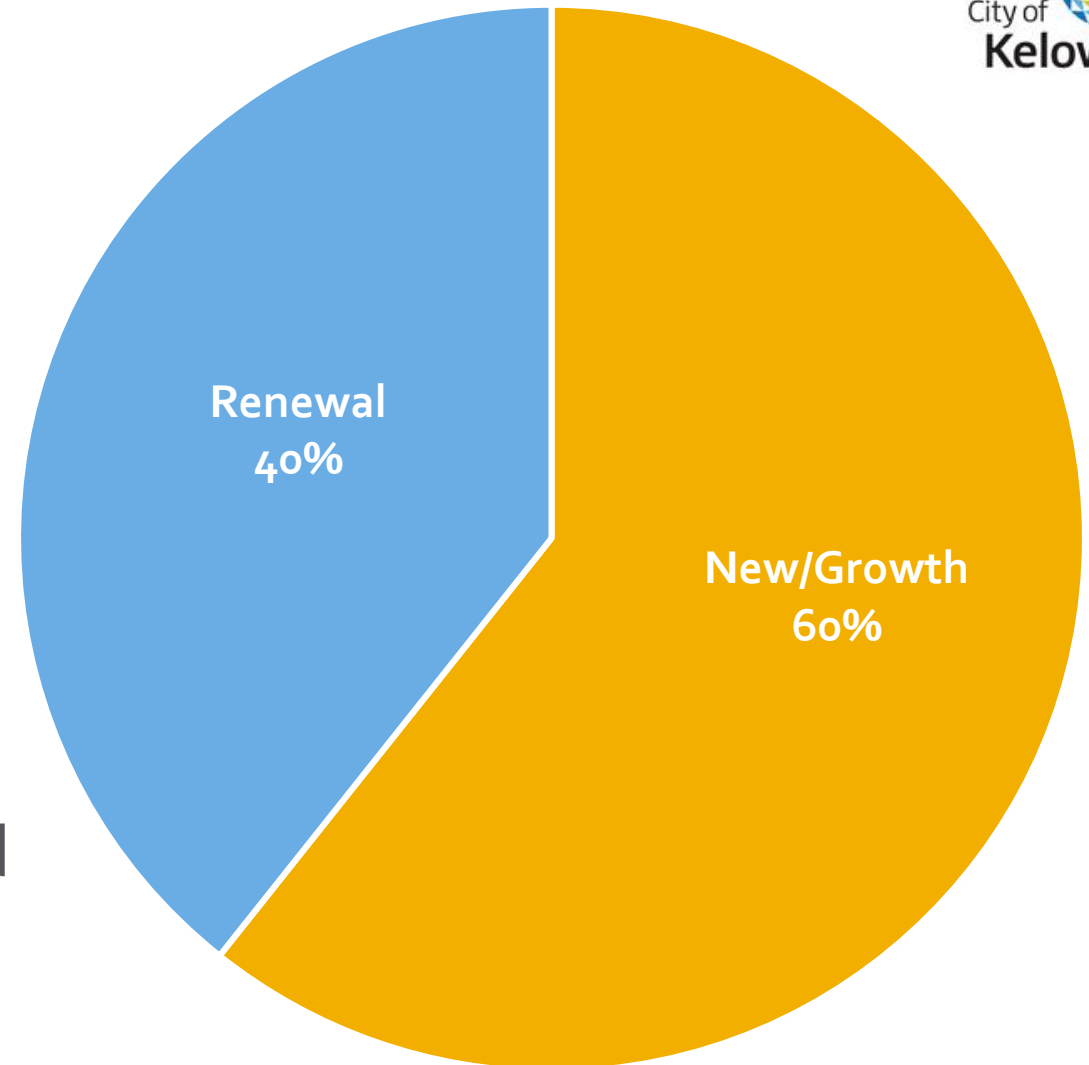
- ▶ Council Priorities/OCP
- ▶ Growing community
- ▶ Evolving user group needs
- ▶ Asset Condition
- ▶ Energy Efficiency
- ▶ Master Plans



Source: Indoor Recreation Facility Strategy

# Current Plan

- ▶ New/Growth
  - ▶ New assets
  - ▶ Upgrade existing assets
  - ▶ Increases & expands service levels
- ▶ Renew
  - ▶ Like-for-like existing assets
  - ▶ Maintains service levels
- ▶ Tough decisions & trade-offs needed



# Funding Sources

**Borrowing**  
(specific projects)

**Taxation**  
(greatest flexibility)

**Reserves**  
(specific uses)

**Existing**

**Infrastructure Levy**  
(renewal focus)

**Grants &  
Partnerships**  
(unconfirmed)

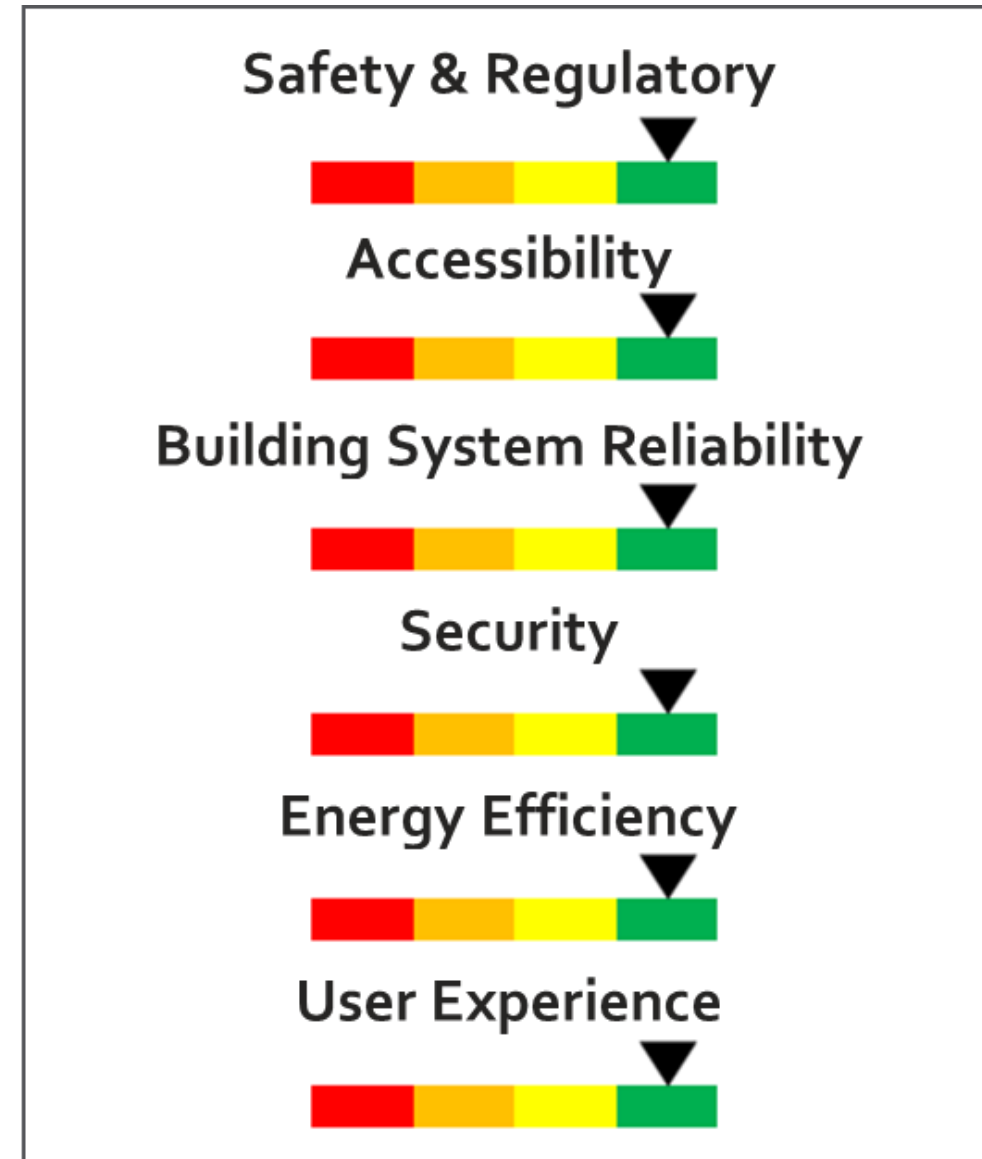
**Future**

# Challenges

- ▶ Inflation
  - ▶ Increasing project costs
    - ▶ 40% increase in past two years
  - ▶ Existing funding will purchase less - fewer projects & reduced programs
- ▶ Growing Community
- ▶ Capacity
  - ▶ Staff
  - ▶ Infrastructure project delivery
- ▶ Aging Infrastructure

# Renewal Planning

- ▶ Prioritization Framework
  - ▶ Critical
  - ▶ Core
  - ▶ Support
  - ▶ Ancillary
- ▶ Evidence-based decisions
  - ▶ Condition Assessments
  - ▶ Capital planning modeling
  - ▶ Life-cycle costs analysis
- ▶ Climate resilience





# Operations & Maintenance

- ▶ Strategic preventative maintenance program
  - ▶ Measures to achieve full asset value
  - ▶ Meet performance & reliability objectives
  - ▶ Maintain regulatory compliance
- ▶ Cityworks
  - ▶ Enterprise Asset Management software



# Current Plan

▶ Adopted August 2022

## ▶ New/Upgrade

- ▶ PRC redevelopment
- ▶ CNC expansion
- ▶ Mission Activity Centre
- ▶ Rotary Centre for the Arts expansion
- ▶ North Glenmore Fire Hall

## ▶ Renewal

- ▶ Kelowna Family Y
- ▶ City Hall envelope
- ▶ Ongoing Renewal Program

# Option A: Building a City of Today

- ▶ Current Capital Plan
- ▶ PRC redevelopment

## Additions:

- ▶ 6% inflation cost increase
- ▶ Programs continuation
  - ▶ Energy modernization
  - ▶ Parks Washrooms
- ▶ Infrastructure renewal
  - ▶ Critical projects only
  - ▶ Minimal funding increase



# Option B: Making progress on Building a City of the Future

- ▶ Includes Option A
- ▶ Capital News Centre Expansion
  - ▶ Deferred to end of current contract
- ▶ Community Activity & Daycare Centres
  - ▶ Glenmore funded & advanced
  - ▶ Mission retained
- ▶ Performing Arts Centre
  - ▶ Consultation/design
- ▶ Capital Opportunities & Partnerships
  - ▶ Increased funding
- ▶ Interim renewal strategy



# Option C: Building a City of the Future

- ▶ Option A & B
- ▶ Performing Arts Centre
  - ▶ Construction added
- ▶ Kelowna Police Services Building
  - ▶ Expansion
- ▶ Public Works Yard
- ▶ Long-term renewal strategy



# Build a City of the Future Options

Recommended

A

## Today

**Includes:**

- Current Capital Plan
- PRC Redevelopment
- 6% inflation cost increase
- Energy modernization
- Parks Washrooms
- Critical renewal only

\$

million

B

## Making Progress

**Includes:**

- Option A
- Capital News Centre expansion
- Community Activity & Daycare Centres
- Performing Arts Centre consult
- Capital Opportunities & Partnerships
- Interim renewal strategy

\$\$

million

C

## Future

**Includes:**

- Option A & B
- Performing Arts Centre constr.
- Kelowna Police Services Building
- Public Works Yard
- Long-term renewal strategy

\$\$\$

million

# Next Steps

- ▶ Council direct staff to proceed with the approach recommended in Option B for the Buildings Cost Centre for inclusion in this update to the 10-Year Capital Plan.
- ▶ Upcoming Workshops
  - ▶ Parks – May 8
  - ▶ Transportation – May 15
- ▶ Draft Plan Review – July 10



*Questions?*

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