

City of Kelowna

Regular Council Meeting

AGENDA



Monday, November 25, 2024

8:30 am

Council Chamber

City Hall, 1435 Water Street

Pages

1. Call to Order

2. Confirmation of Minutes

2 - 4

Regular AM Meeting - November 18, 2024

3. Reports

3.1 2025 Budget Workshop

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5 - 31

To provide Council with guidance on how to navigate and understand the redesigned layout of the 2025 Financial Plan - Preliminary Budget Volume Service Areas.

4. Resolution Closing the Meeting to the Public

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

- Security of City Assets
- Acquisition of Land
- Legal Advice
- Preliminary discussions on Provision of a Municipal Service
- Municipal Objectives
- Third Party Information
- Confidential Information from the Provincial and Federal Government

5. Adjourn to Closed Session

6. Reconvene to Open Session

7. Termination



**City of Kelowna
Regular Council Meeting
Minutes**

Date:	Monday, November 18, 2024
Location:	Council Chamber City Hall, 1435 Water Street
Members Present	Mayor Tom Dyas, Councillors Ron Cannan, Maxine DeHart, Charlie Hodge Mohini Singh, Luke Stack and Loyal Wooldridge*
Members Participating Remotely	Councillors Gord Lovegrove* and Rick Webber
Staff Present	City Manager, Doug Gilchrist; City Clerk, Laura Bentley; Divisional Director, Planning, Climate Action & Development Services, Ryan Smith*; Development Planning Department Manager, Nola Kilmartin*; Planner Specialist, Adam Cseke*; Parking Services Manager, Dave Duncan*; Parking Services Supervisor, Cody Passley*
Staff Participating Remotely	Legislative Coordinator (Confidential), Arlene McClelland*
Guest	Dale Bracewell*, Principal, Mobility Foresight

(* Denotes partial attendance)

1. Call to Order

Mayor Dyas called the meeting to order at 8:32 a.m.

2. Confirmation of Minutes

Moved By Councillor Hodge/Seconded By Councillor Cannan

THAT the Minutes of the Regular AM Meeting of November 4, 2024 be confirmed as circulated.

Carried

3. Reports

3.1 Parking Workshop

Staff:

- Displayed a PowerPoint Presentation.
- Commented that the purpose of the parking workshops are to provide Council with information to support decision making consistent with Council priorities, including housing affordability and supply, transportation, climate and the economy.

- Spoke to the high percentage of parking concerns that are in areas of the City that do not have any on-street parking management.
- Commented on the Guiding Principles for on-street parking management endorsed by Council.
- Introduced Consultant, Dale Bracewell, Mobility Foresight.

Councillor Lovegrove joined the meeting remotely at 8:40 a.m.

Dale Bracewell, Principal, Mobility Foresight

- Displayed a PowerPoint Presentation.
- Commented on the simplicity and complexity of parking.
- Spoke to case studies in parking reform in other Canadian cities.
- Commented on the City's ambitious yet achievable targets in the Transportation Master Plan 2040.
- Provided a summary of on-street parking considerations:
 - Analyzing resident on-street parking concerns and service requests.
 - Establishing more baseline occupancy, turnover and utilization.
 - Revisiting Downtown on-street variable rates and 85% target occupancy.
 - Approaching proactive on-street management in tiers:
 - Transit-Oriented Areas (TOAs)
 - Urban Centers: Capri Landmark and Rutland
 - Other Urban Centers and Core Area
 - Exploring cost-recovery methods to deliver more on-street management.
 - Tracking actual provision of off-street parking in TOAs (Transit Oriented Area).
- Spoke to looking ahead to the Q1 2025 Workshop and items to consider.
- Responded to questions from Council.

Councillor Wooldridge joined the meeting at 8:56 a.m.

Staff:

- Responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

THAT Council receives, for information, the Report from the Development Planning Department, dated November 18, 2024, related to the provision of parking and the development application process.

Carried

The meeting recessed at 10:01 a.m.

The meeting reconvened at 10:12 a.m.

4. Resolution Closing the Meeting to the Public

Moved By Councillor Singh/Seconded By Councillor Hodge

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

- Position Appointments
- Acquisition of Land
- Law Enforcement
- Confidential Information from the Provincial and Federal Government

Carried

5. **Adjourn to Closed Session**

The meeting adjourned to a closed session at 10:12 a.m.

6. **Reconvene to Open Session**

The meeting reconvened to an open session at 11:52 a.m. without Councillor DeHart in attendance.

7. **Termination**

The meeting was declared terminated at 11:52 a.m.

Mayor Dyas

lb/acm



City Clerk

DRAFT

Report to Council



Date: November 25, 2024
To: Council
From: City Manager
Subject: Redesigned Layout of the 2025 Financial Plan - Preliminary Budget Volume Service Areas
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated November 25, 2024, with respect to the redesigned layout of the 2025 Financial Plan - Preliminary Budget Volume Service Areas.

Purpose:

To provide Council with guidance on how to navigate and understand the redesigned layout of the 2025 Financial Plan - Preliminary Budget Volume Service Areas.

Background:

Local Governments must adopt a Financial Plan, in accordance with the Local Government Act and the Community Charter before May 15 each year. The City of Kelowna is responsible for managing public funds on behalf of our citizens and making the right decisions to safeguard our city and community. The 2024 Financial Plan was presented and adopted using the Service Based Budgeting model for the first time. Service-based budgeting arranges the City's Financial Plan around providing the services that are required to meet the demands of our growing community.

The 2025 Financial Plan Preliminary Volume expands on this change by combining the capital program and the operating program in each service area. The merging of these programs provides additional insights for Council and the Community as together, they provide a comprehensive view of the service area, highlighting how operational expenses may impact capital projects and vice versa. Presenting these budgets together enhances transparency and accountability by making it easier to see, understand, and measure the results of how tax dollars and other revenues are being spent.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements

Existing Policy
Financial/Budgetary Considerations
Consultation and Engagement
Communications Comments

Submitted by: M. Antunes, Financial Planning Manager

Approved for inclusion: J. Sass, General Manager, Corporate Services

Attachments:

Attachment A – 2025 Council Workshop Powerpoint

cc:

J. Jean, Budget Supervisor



2025 Preliminary Budget Volume Redesigned Layout Presentation

Financial Planning | November 25, 2024



Agenda

- ▶ Service based budget journey
- ▶ Budget prioritization
- ▶ Budget categorization
- ▶ Performance measures
- ▶ Presentation example – Solid Waste & Landfill

Service based budgeting

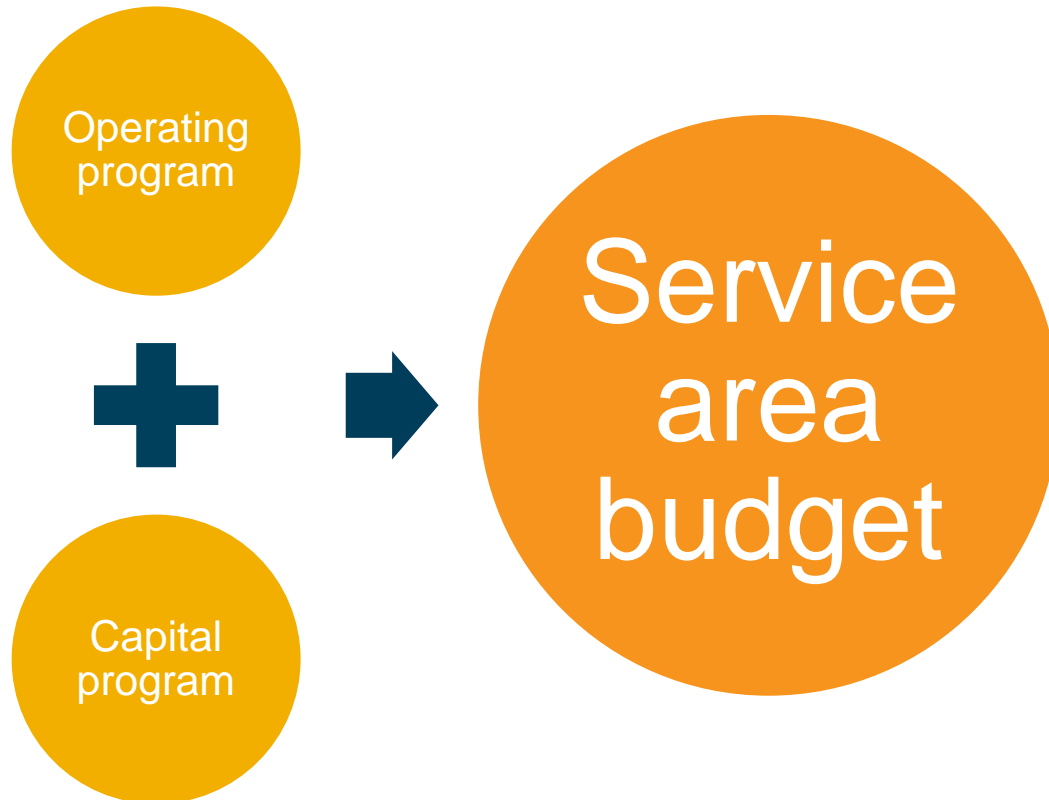
Financial planning approach that organizes and allocates a municipality's budget based on the specific services it delivers, rather than traditional line-item budgeting that categorizes spending by departments and divisions under which the municipality is organized.

This method links budget allocations directly to outcomes, enabling a clearer understanding of how resources are used to achieve municipal goals.

Service based budgeting benefits

- Enhanced accountability and transparency
- Better communication of where tax dollars are being spent and for what outcome
- Greater clarity of services offered to the community & their associated costs
- Council established levels of service & associated investment

2025 - Service based budget improvements



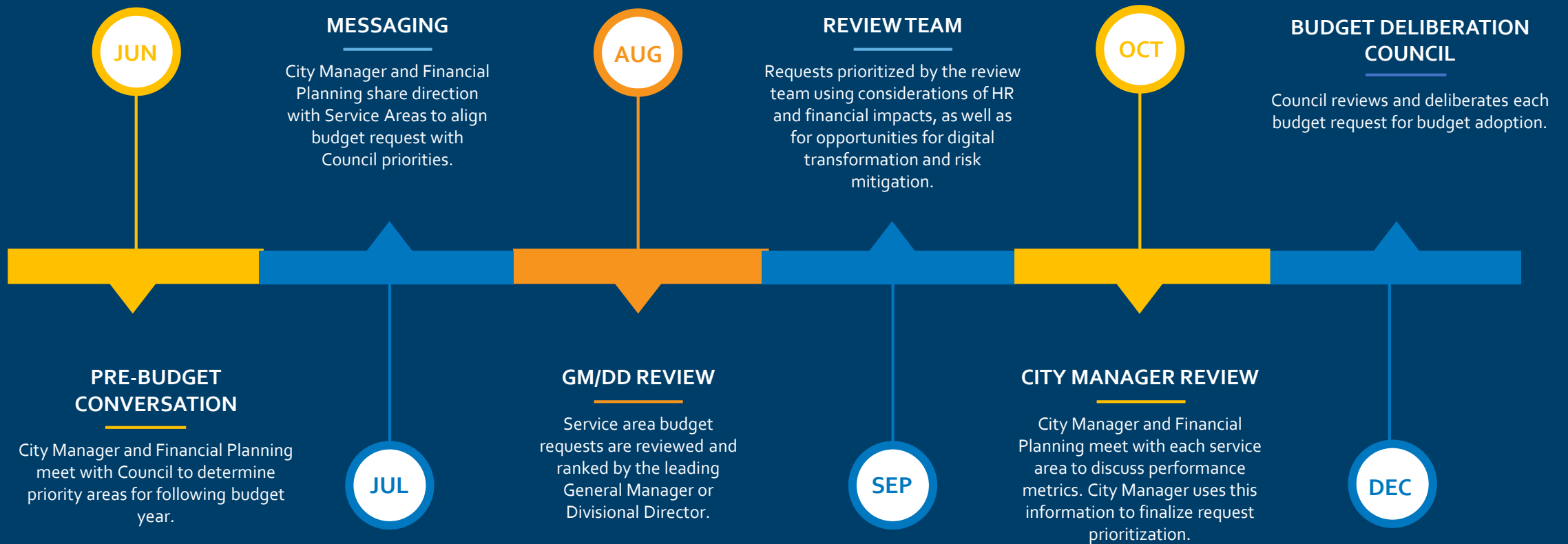
- Presents a comprehensive view of service area
- Further enhances budget accountability and transparency
- Highlights the relationship between the operating and capital programs
- Showing potential trade-offs between maintaining current operations and investing in future assets.

2025 - Service based budget improvements

Cash flow budgeting:

- Focuses on the timing of cash inflows and outflows
- Aligns property tax collection with anticipated spending
- Ability to monitor and adjust budgets in real-time, based on actual performance
- Allows for better informed decisions about funding, borrowing, or adjusting operational strategies.
- Financial management tool used to help avoid cash shortages or surpluses
- Expected reduction in carryover projects

Preliminary Budget Prioritization Timeline



Priorities

Priority 1 (P1) items include budget requests that are essential to maintain current service quality or suggest improvements to enhance service levels. These items are included as part of the recommended budget.

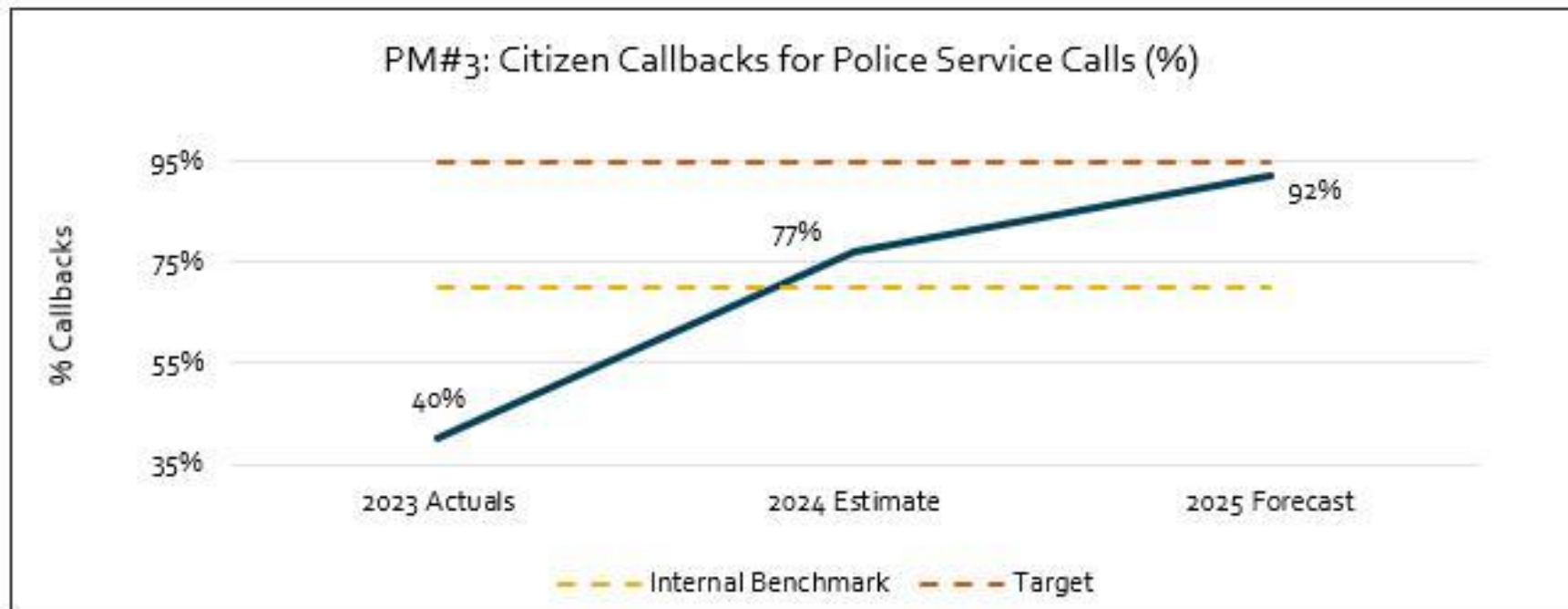
Priority 2 (P2) items include budget requests intended to enhance service levels but are not recommended in the effort to maintain an acceptable general taxation demand or utility user rate.

Budget categorization

Maintain requests are the budgets requested to maintain current service levels. Additional budget could be required because of inflation or growth of the community.

Enhance requests are the budgets requested to increase or improve the service level.

Performance measures





Solid Waste & Landfill

Service budget overview

Solid Waste & Landfill

▶ Key accomplishments

- Worked with Water, Roads, Parks and the Cemetery on a Civic Operations staff rotation to provide cross training and learning opportunities
- Completed the first phase of construction for the Aerated Static Pile compost system for Glengrow operations
- Area 3 landfill liner construction and Sliver Fill projects in 2024 and planned filling expansions in 2025
- Completed site landfill gas repairs and remedial earthworks to mitigate the damage from the 2023 McDougall Creek wildfires
- Implemented majority of recommendations from 2023 Design, Operations and Closure Plans and ancillary reports

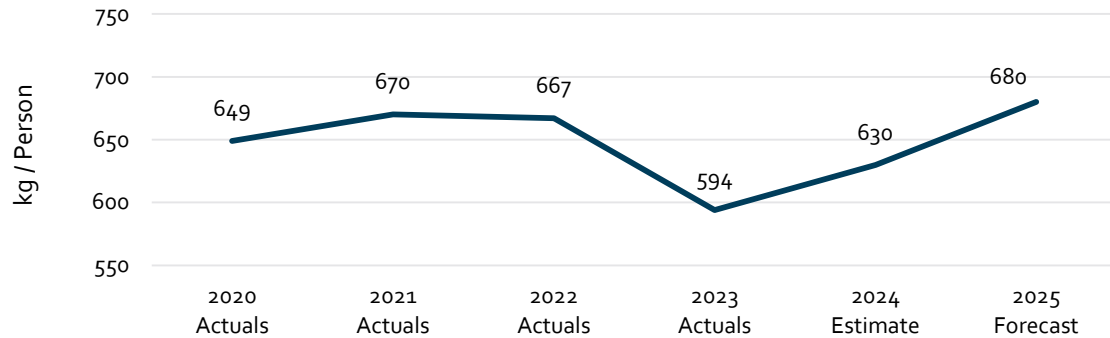
Solid Waste & Landfill

▶ Continuous improvements

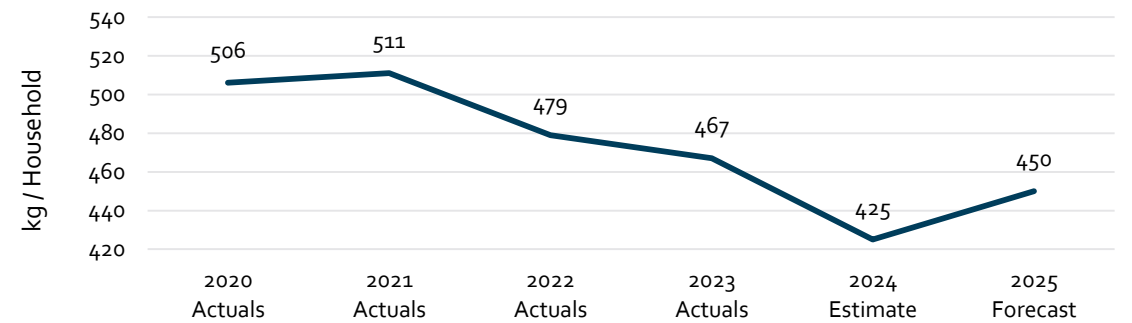
- Design and RFP underway for end-of-life flare replacement
- Studies for leachate pre-treatment and potential facility construction in 2026
- Working with FortisBC to expand and better integrate their renewable natural gas system into landfill operations
- Planning for next phases of the Aerated Static Pile compost system
- Improvements to site by expanding waste recovery operations, preparation of structural fill for capital projects, and composting operations

Solid Waste & Landfill Performance measures

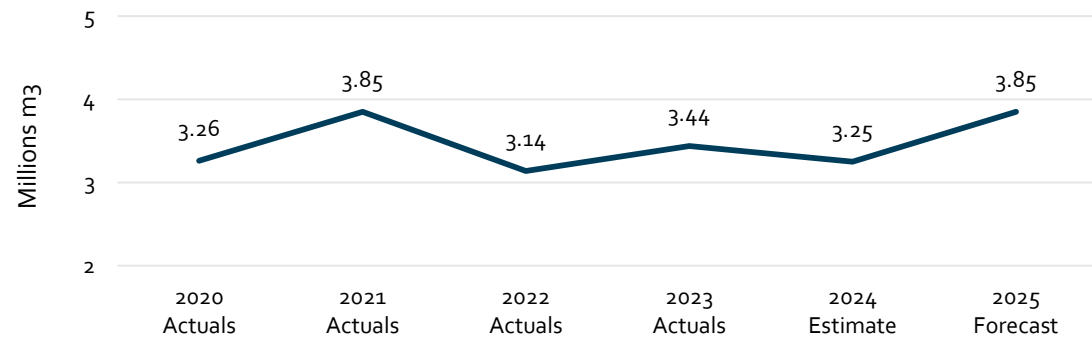
PM#1: Regional Per Capita Waste Landfilled (kg/person)



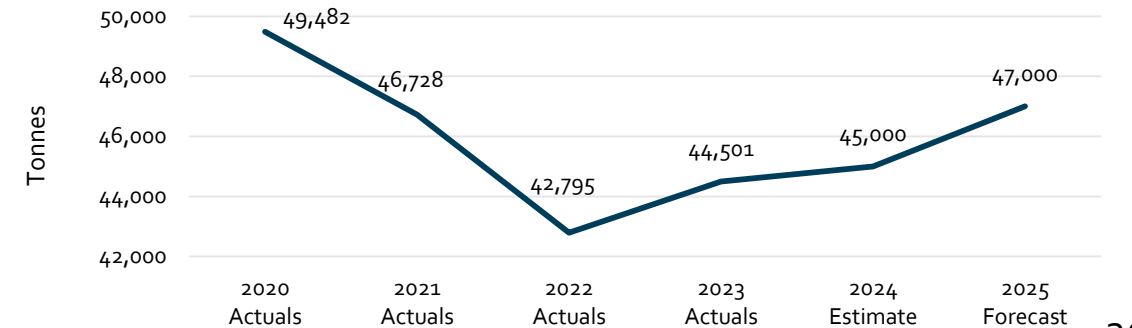
PM#2: Curbside Waste Collected Per Household



PM#3: Reduce GHG by Using or Destroying Landfill Gas (Millions m3)

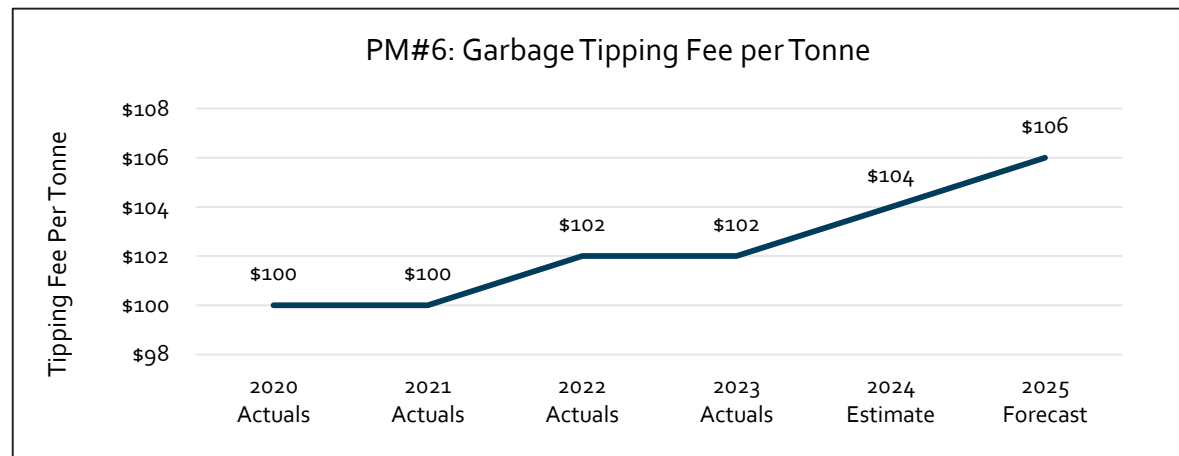
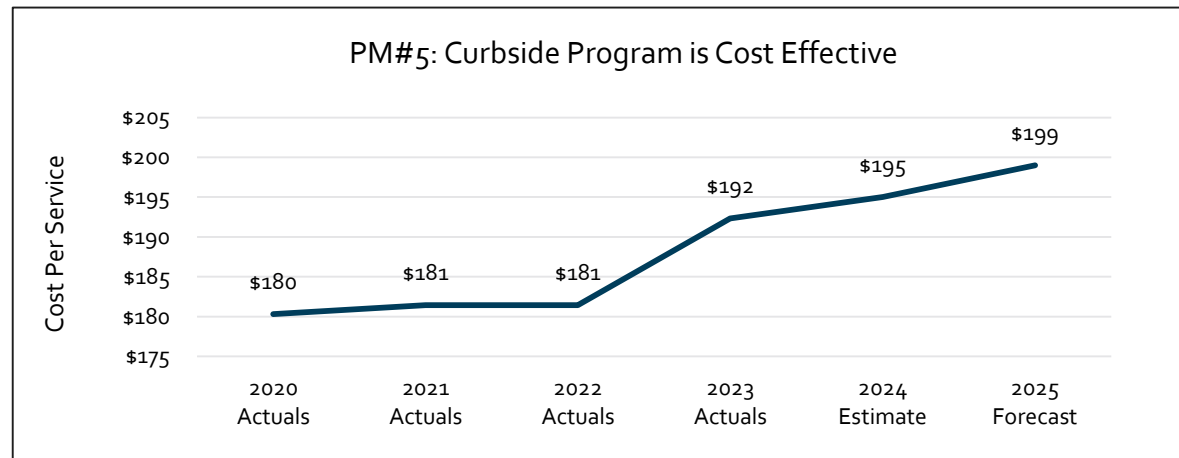


PM#4: Organics Diversion (tonnes)



Solid Waste & Landfill

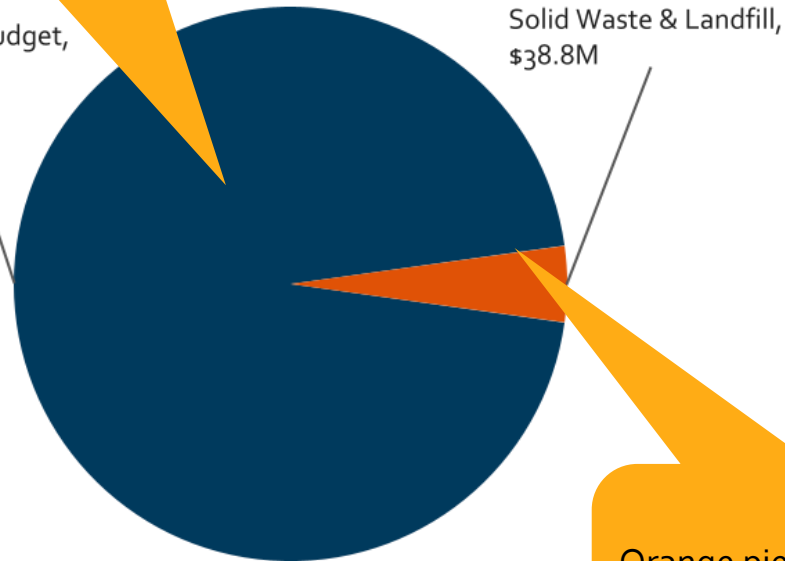
Performance measures (continued)



Solid Waste & Landfill Expenditure Budget

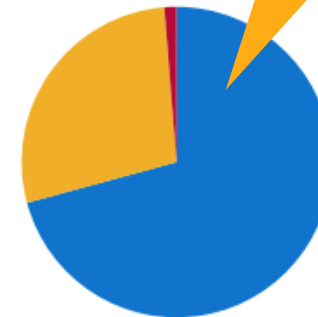
Large blue circle represents the City's total \$838.9M expenditure budget for the year.

2025 Total Expenditure Budget, \$838.9M



Orange pie slice represents the Service Area's expenditure budget for the year.

The smaller pie chart shows the cost centres that make up the Service Area's \$38.8M budget.



- Solid Waste \$27.5M
- Solid Waste & Landfill Capital \$10.9M
- Solid Waste Management \$0.5M

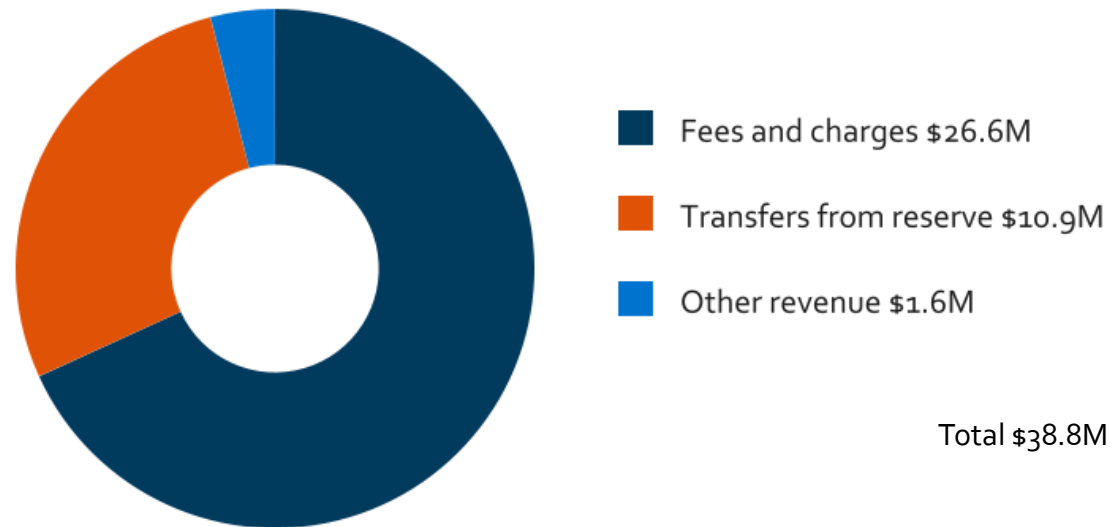
Total \$38.8M
Includes \$200k contribution to the general fund

Solid Waste & Landfill

Budget overview

This slide shows how the \$38.8M budget will be funded.

Funding strategy



Total \$38.8M

Solid Waste & Landfill

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$26,378	\$22,203	\$48,581
2023 & 2024 Adjustments	(194)	(22,203)	(\$22,397)
2025 Starting budget	\$26,184	\$ -	\$26,184

► Drivers for change:

- Removal of 2024 one-time capital and operating budgets
- Removal of 2024 carryover capital and operating budgets
- Annualization of 2023 & 2024 operating requests

Solid Waste & Landfill

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$26,184	\$ -	\$26,184
Maintaining current service level	1,785	5,400	\$7,185
	\$27,969	\$5,400	\$33,369
Enhancing service level	-	5,450	\$5,450
2025 Recommended budget	\$27,969	\$10,850	\$38,819

► Drivers for change:

- Expansion of composting at the Glenmore Landfill
- Stormwater management to address the landfill closure plan and historical flood challenges in the Robert Lake Basin

Solid Waste & Landfill

Operating requests (\$thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Landfill Operations Maintenance	140	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	51	101	101	101	101
Operating Requests Priority 1 Total	191	101	101	101	101

Cash flow budgets by year – depicts one-time budgets vs ongoing budgets

2025 Operating Request Details

Service Area: Solid Waste & Landfill

Priority 1

Maintain

ONE-TIME

PRELIMINARY

Title: Landfill Operations Maintenance

Justification:

The Landfill offers various disposal options including recycling and household/commercial waste for residents within the Central Okanagan Regional District and operates 7 days a week. To maintain this level of service, annual maintenance is required. Budget is requested for two projects in 2025. The first is to retrofit piping and relocate the existing leachate pumps from inside the current lift station to an above ground kiosk, improving staff safety and access to the pumps. The second is to perform sandblasting and repainting of the landfill scale vehicle decks and railings to maintain and extend the life of this asset.

Recommended priority (1 or 2)

Budget category: Maintain or Enhance

Budget length: One-time or Ongoing

Strategic Direction:

Other

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	140,000	(140,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Cost presented over 3 years

NEW Fund sources – Reserves, DCC Reserves, Borrowing, Grants, Other, Utility, Taxation

Solid Waste & Landfill

Capital requests (\$thousands)

Presents the total project cost for multi-year projects

Cash flow budgets by year – depicts length of project and expected budget requirements

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
* Solid Waste Equipment		1,150	1,050	450	450	450
Solid Waste Infrastructure & Facilities		4,250	4,200	4,150	1,885	1,860
Projects						
	Total Project					
Composting System Expansion	9,200	700	3,000	3,700	500	1,300
Surface Water Bypass	9,850	4,750	—	350	4,750	—
Capital Request Priority 1 Total	19,050	10,850	8,250	8,650	7,585	3,610

* denotes capital request has operating & maintenance impacts linked to this request

Changes from 10-Year Capital Plan: Solid Waste Infrastructure & Facilities (Oil Water Separator): (\$0.350M)

This note presents variances from the Council Approved 10-Year Capital Plan

Recommended priority (1 or 2)

Budget category: Maintain or Enhance

Service Area: Solid Waste & Landfill

Priority 1

Maintain
ONE-TIME
PRELIMINARY

Title: Solid Waste Infrastructure & Facilities

Justification:

Budget is requested for this annual program for solid waste infrastructure and facilities. Annual items for consideration may include, but are not limited to, site works and investigations, progressive closure and landfill gas and leachate recirculation laterals.

Capital requests are always one-time

Strategic Direction:

Other

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,250,000	(4,250,000)	—	—	—	—	—	—

Project cost

NEW Fund sources – Reserves, DCC Reserves, Borrowing, Grants, Other, Utility, Taxation

2025 Capital Request Details

Service Area: Solid Waste & Landfill

Priority 1

Maintain

ONE-TIME

PRELIMINARY

Title: Solid Waste Equipment

Justification:

Budget is requested for this annual program for solid waste equipment. Annual items for consideration may include, but are not limited to, replacing end of life equipment, purchasing new equipment to meet future demands and advances in technology and the purchase of automated collection curbside carts. Included in this request is the addition of a new loader and Equipment Operator IV to respond to increased waste production and diversion activities at the landfill. This new loader and staff will primarily work with material handling for managing increased drywall recycling, scrap metal sorting and concrete/asphalt storage and sales.

Strategic Direction:

Other

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,150,000	(1,150,000)	—	—	—	—	—	—

Operating Impacts:

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,500	(50,500)	—	—	—	—	—	—
2026	100,900	(100,900)	—	—	—	—	—	—
2027	100,900	(100,900)	—	—	—	—	—	—

Project cost

Operating impact

Operating impact

NEW Fund sources – Reserves, DCC Reserves, Borrowing, Grants, Other, Utility, Taxation

Recommended priority (1 or 2)

Budget category: Maintain or Enhance

Capital requests are always one-time

An aerial photograph of a town at dusk, with mountains in the background and a large graphic on the right. The town is illuminated by streetlights and house lights, and the mountains are silhouetted against the twilight sky. The graphic on the right consists of several overlapping geometric shapes in yellow, blue, and orange.

Thank you