

Report to Council



Date: April 11, 2016
File: 0220-20
To: City Manager
From: George L King, Financial Planning Manager
Subject: Amending the Five Year Financial Plan, 2015-2019

Recommendation:

THAT Council receives, for information, the Report from the Manager, Financial Planning dated April 11, 2016 with respect to amending the Five Year Financial Plan 2015-2019 to reflect changes in the Operating Budget and Capital Expenditure Program for 2015;

AND THAT Bylaw No. 11213 being Amendment No. 1 to the Five Year Financial Plan 2015-2019 Bylaw No. 11088 be advanced for reading consideration;

AND FURTHER THAT Bylaw No. 11226 being Amendment No. 1 to the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2015 No. 11086 be advance for reading consideration.

Purpose:

To amend the Five Year Financial Plan as required by the Community Charter so that it includes the authorized transfers and amendments that occurred throughout the year.

Background:

The City of Kelowna, in order to comply with section 165(1) of the Community Charter (Financial Management), amends the financial plan to provide for expenditures required after adoption of the Five Year Financial Plan Bylaw. These expenditures, in all cases, do not impact taxation demand but rather result in the shift of funding from one source to another and/or shifts in expenditures within, or from, one municipal purpose area to another.

The amended financial plan is impacted on a departmental basis by contingency fund transfers, disbursements of Other Working Capital and other transfers as permitted under the Budget Amendment Policy #262 and Budget Transfer Policy #261, which are excluded from the analysis below.

The attached Schedule A reflects the following material amendments and transfers that are being brought before Council for the first time:

General Fund

Civic Operations Division:

Due to limited funding from the Union of BC Municipalities through the Strategic Wildfire Prevention Initiative, the purchased services budget for the Integrated Pest Management project was reduced by \$100,000.

Infrastructure Division:

Lakeshore 1 DCC (Dehart-McClure) Active Transportation Corridor (ATC) project was awarded \$360,000 Provincial Bike BC grant from the Cycling Infrastructure Partnerships Program. A contribution of \$36,700 was also received from ICBC for urbanization and road upgrades for the same section of road. Additional funding of \$91,610 for the Lakeshore land purchase was required from the DCC reserve.

The Rails with Trails project had an increase in the estimated Federal funding of \$31,267 and a decrease in the estimated Provincial funding of \$161,930. The result was a net project decrease in funding of \$130,663.

With the Kelowna Pacific Railway ceasing operations and the local governments purchasing the corridor, the province withdrew the funding for the Alternate Hwy 97 Multi-Use Pathway in the amount of \$1,550,000. This project was initially approved to build a separate structure which would have allowed cyclists to avoid the CN Rail corridor.

In 2015, for various road safety works done throughout the year, the City received contributions from ICBC in the amount of \$240,000. This additional funding allowed completion of additional safety improvement works under Major Traffic Safety Projects.

At the time of hospital expansion and parking lot construction projects, Interior Health Authority provided cash-in-lieu in the amount of \$76,140 for a pedestrian traffic signal which was installed in 2015 at Royal/Pandosy.

Funds in the amount of \$143,660 were available from the Gordon Drive Truck Route Improvement project to complete the Lawrence/Pandosy intersection safety improvements project. As well, funding in the amount of \$164,280 from Lakeshore 1 (McClure to Dehart) ATC was available to use for additional school zone crosswalk safety improvements.

The Union of BC Municipalities approved the transfer of available gas tax funding in the amount of \$400,000 to complete the Rutland Transit Exchange.

The construction bid for Ethel 1 DCC (Harvey-Bernard) ATC was slightly higher than the engineers estimate, so available funding in the amount of \$185,000 was allocated from the Lakeshore Mission Creek Bridge project to Ethel 1 DCC (Harvey-Bernard) ATC in order to ensure that traffic safety improvements and realignment of the Ethel/Leon intersection were completed with this project.

Wastewater, Water Funds

Available funds in the amount of \$175,000 were transferred to: Lakeshore 1 (Dehart-McClure) \$75,000, Rose & Speer Area Watermain Replacement \$35,550 and Lawrence/Pandosy Intersection Water Upgrade \$64,450; from the Dilworth Reservoir roof repair project.

Bylaw No. 11226 Amendment No. 1 to the Sale of City Owned Land Reserve Fund Expenditure Bylaw

A further adjustment for 2015 involves amending the City-Owned Land Reserve Fund bylaw. Bylaw No. 11086 indicated that \$2,206,766 was to be expended from the Parks Land portion of the City-Owned Land Reserve Fund during 2015. Due to various acquisitions and re-sales of property the actual amount expended in 2015 was \$2,319,729. An amending bylaw no. 11226 is included for Council consideration to increase the expenditure amount to match the actual expenditures made from that reserve fund.

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

G.L. King, CPA, CMA

Approved for inclusion:



Genelle Davidson CPA, CMA Director Financial Services