

Report to Council



Date: April 15, 2019
File: 0220-20
To: City Manager
From: Budget Supervisor
Subject: Amendment No. 1 to the Five Year Financial Plan 2018-2022
Report Prepared by: Kam Dosanjh, Accountant

Recommendation:

THAT Council receives, for information, the Report from the Budget Supervisor dated April 15, 2019 with respect to amendments to the Five Year Financial Plan 2018-2022 Bylaw;

AND THAT Bylaw No. 11795 being Amendment No. 1 to the Five Year Financial Plan 2018-2022 Bylaw No. 11583 be advanced for reading consideration.

Purpose:

To amend the Five Year Financial Plan 2018-2022 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 and other transfers as permitted under the Budget Amendment Policy #262 and Budget Transfer Policy #261. The attached Schedule A includes the authorized transfers and amendments that occurred throughout the year.

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

General Fund

Civic Operations Division:

The Prospera Place hot water tanks (\$35,770) and the chiller equipment (\$242,220) were replaced in 2018. The replacement was funded through the Prospera Place Capital Maintenance Fund.

FortisBC provides rebates for energy reduction projects and studies that have the potential to provide an energy reduction road map. Budget was amended to include \$51,450 for a FortisBC approved Energy Feasibility Study Audit and Energy Audit for Wastewater Treatment and Pump Operations, as well as \$76,400 to support energy reduction initiatives implemented by the Energy Program Manager position.

Budget was reduced by \$50,000 as the Forest Fire Risk Reduction Partnership Grant was not received from the Natural Areas Forest Management project in 2018.

Community Planning & Strategic Investments Division:

In order to deliver the 2040 OCP Update, \$103,960 was transferred from the Policy and Planning - Professional and Consulting Services budget to cover increased costs related to public engagement and communication materials, online interactive final document development, consulting services, and visual design graphic work.

Corporate Strategic Services Division:

The restructure within Corporate Strategic Services resulted in two positions, amounting to \$220,800, being transferred to the Information Services department.

Human Resources & Community Safety:

The Certificate of Recognition (COR) Rebate is awarded by WorkSafeBC to recognize municipalities that have safety management systems that assist in the enhancement of safety programs and practices. Budget was amended by \$184,432 to increase the rebate revenue budget to match to the amount received for 2018.

Additional security patrols were funded through the RCMP Reserve in the amount of \$74,730 for the Cornerstone area downtown and the Sutherland/Capri area.

Infrastructure Division:

Budget was amended for the Okanagan Gateway Project due to changes to the original funding sources. The Federal grant application to the National Trade Corridor Fund for \$250,000 was unsuccessful; a reduction of the Ministry of Transportation grant of \$112,500 as the grant has not been confirmed yet; and a further reduction of \$25,000 from General Reserve due to a re-scope of the project for a total amendment of \$387,500.

Budget was amended as the City was successful in attaining a \$150,000 infrastructure planning Provincial grant from Union of BC Municipalities for Flood Mitigation Mapping.

Due to scope escalation and unforeseen design issues for the Lakeshore 1 DCC Collett Road Intersection, surplus budget in the amount of \$106,000 was transferred from the Sector B Top Lift Paving Project.

\$54,000 in budget surpluses from the Richter Street Water Main project and the Lawrence Avenue Water Main project were transferred to fund projected shortfalls in the Martin Avenue Water Main Project, Morrison Avenue Water Main project and Aspen Road LAS Water Main project. Scope escalation from the original estimates and some unforeseen design issues resulted in the projects exceeding the original budgets.

Budget was amended to provide funding for remaining work related to the new Police Services Building, and \$30,000 in funding previously approved by Council from the Public Art Program to fund public art for the Police Services Building. The estimated remaining work for 2019 was funded through the RCMP Reserve in the amount of \$307,450. Also, the City was awarded a \$101,460 infrastructure planning grant from Fortis BC related to the Energy Conservation Measures in place for the building. The grant funding was used to decrease the borrowing component of the project.

Budget was amended to support the partnership between the City and the Okanagan Mission Lions to build a Pedestrian Bridge over Bellevue Creek in the amount of \$30,000.

Additional funding was required for the combined sewer replacement projects in the lanes north of Fuller Avenue, Stockwell Avenue and Martin Avenue as the lowest bid was more than the estimated cost for the construction. Surplus budget in the amount of \$313,000 was transferred from the Airport Gravity Main Bypass DCC Sewer Project.

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:

Melanie Antunes, Budget Supervisor

Approved for inclusion:



George King CPA CMA, Financial Planning Manager