

2019 Financial Plan

Kelowna, British Columbia
Final Budget - Volume 3



FINANCIAL SUMMARIES

The 2019 Financial Plan results in a Final Tax Demand of \$142.5M. This represents an increase of \$626,600 relative to the 2019 Provisional Financial Plan. The total taxation revenue from new construction has increased by \$1.1M.

The impact to the average property owner is 4.10%.

Final Budget summaries

Analysis of tax demand

The 2018 final tax demand was \$133.5M and had a 2.99% net property owner impact. The 2019 gross department operating expenditures increased by 7.51% and net department revenues increased by 10.31% for a total net department operating expenditure increase of \$6.8M. The net general debt decreased by 2.17%, capital expenditures from general taxation increased by 8.97% and general revenue decreased by 9.74% for a total gross tax demand increase of \$9.0M.

	2018	2019	Change	%Change
Gross departmental operating expenditures	231,247,419	248,618,111	17,370,692	7.51%
Net departmental revenue	(102,547,789)	(113,121,424)	(10,573,635)	10.31%
Net departmental operating expenditure	128,699,630	135,496,687	6,797,057	5.28%
Net general debt	4,523,395	4,425,363	(98,032)	(2.17%)
Capital expenditures from general taxation	12,664,940	13,801,600	1,136,660	8.97%
General revenue	(12,406,798)	(11,198,829)	1,207,969	(9.74%)
Gross tax demand	133,481,167	142,524,821	9,043,654	6.78%
Less new construction value	(2,600,000)	(3,570,000)	(970,000)	37.31%
Net taxation demand	130,881,167	138,954,821	8,073,654	6.17%
Net property owner impact	2.99%	4.10%		1.11%

General Fund tax demand

The tax demand established at Provisional Budget was \$141.9M. The estimated new construction revenue was \$2.5M, based on BC Assessment preliminary roll information, resulting in a 4.43% net property owner impact.

Final Budget request additions for net general fund operating and capital expenditures increased by \$626,600, increasing the total tax demand to \$142.5M. Final new construction revenues, based on the revised assessment roll, increased by \$1.1M to \$3.6M resulting in a 4.10% net property owner impact.

Provisional Budget Tax Demand			141,898,221
Final Budget Submissions			
General Revenues	0		
Operating Requests	463,900	463,900	
Capital Project Requests		162,700	
Total Final Budget Additions			626,600
Final Gross Tax Demand			142,524,821
Less new construction revenue			(3,570,000)
Final Net Tax Demand			138,954,821
Net Property Owner Impact			
Provisional Budget		4.43%	
Infrastructure Levy			2.27%
Other (Municipal)			1.83%
Financial Plan - Final Budget			4.10%

Utility Funds – Final Budget

Final Budget requests for utility fund operating and capital expenditures total \$433,330; all for the Wastewater Utility.

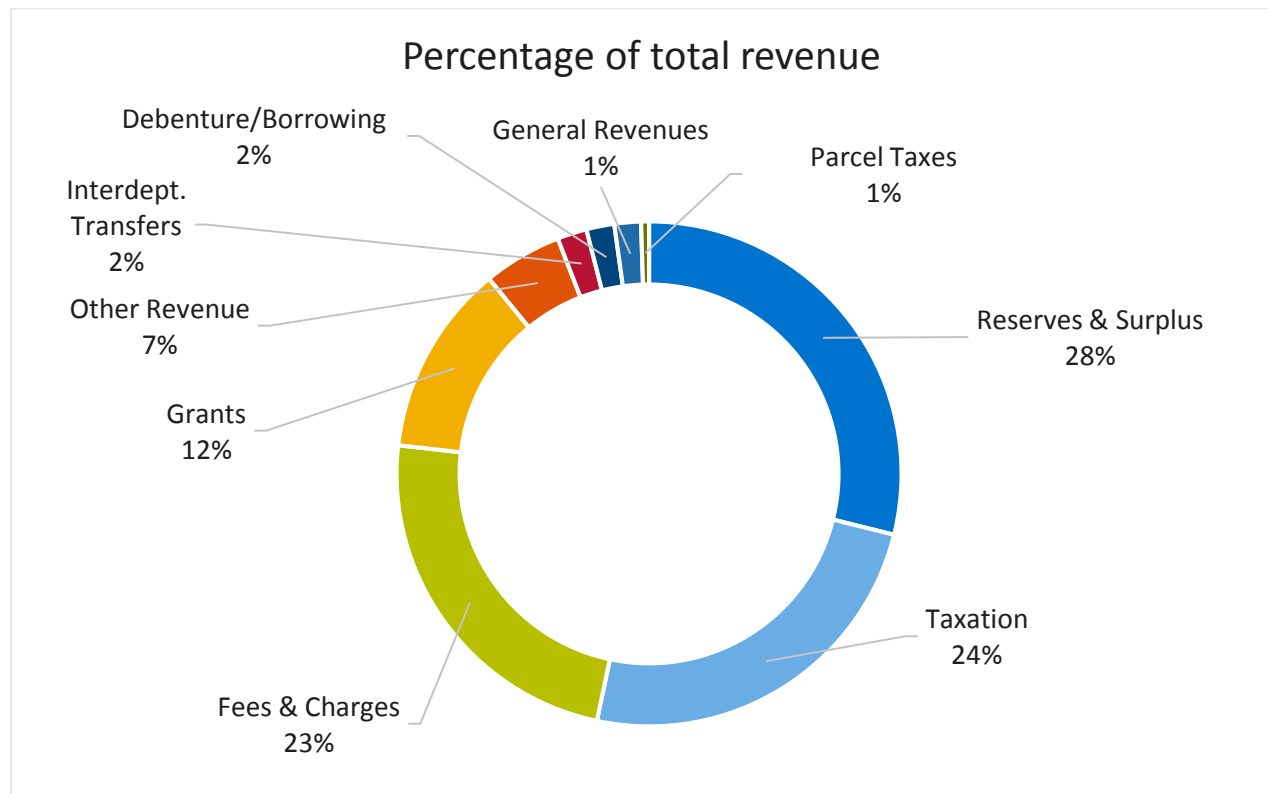
Final Budget Submissions			
Revenue	0		
Operating Requests	0	0	
Capital Project Requests		433,330	
Total Final Budget Additions			433,330

Analysis of total revenues (millions)

The table below summarizes the total operating and capital revenues by source. The information below contains the prior year's carryover amounts.

Reserves and Surplus	168.4
Taxation	142.5
Fees and Charges	137.0
Grants	71.5
Other Revenue	29.4
Interdept. Transfers	11.1
Debenture/Borrowing	10.4
General Revenues (Excluding fees and charges)	9.9
Parcel Taxes	3.0
Total revenues by source	583.2

As seen in the graph below, Reserve or Surplus funding (28%), Taxation (24%) and Fees & Charges (23%) are the three largest revenue sources.



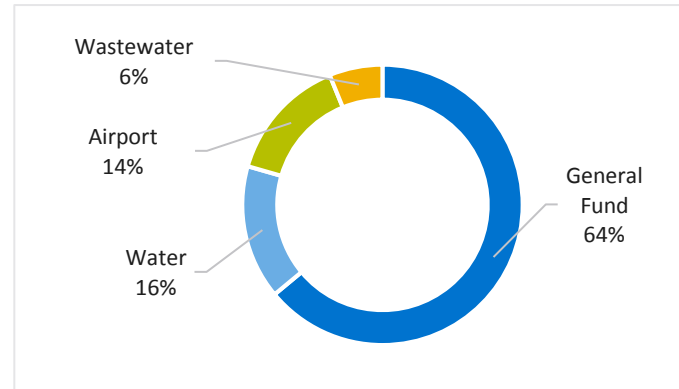
Analysis of total expenditures

The total expenditure budget requirement is \$583.2M with \$341.3M for operating needs and \$241.9M for the 2019 capital program.

The table below summarizes the total operating and capital expenditures by fund and includes the prior year's carryover amounts.

Expenditures by fund (millions)

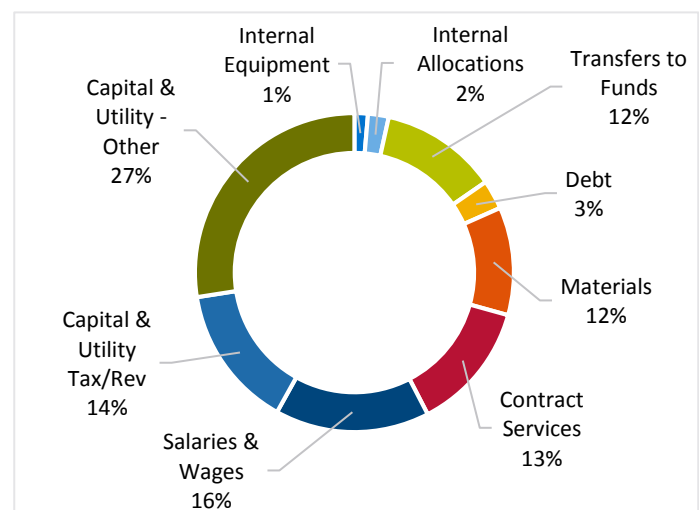
	Operating	Capital
General Fund	255.0	118.1
Water	16.5	73.8
Airport	47.7	36.2
Wastewater	22.1	13.8
	341.3	241.9
Total expenditures by fund		583.2



The table below summarizes the total operating and capital expenditures by type.

Expenditures by type (millions)

Internal Equipment	7.9
Internal Allocations	12.1
Transfers to Funds	68.7
Debt	17.1
Material	69.6
Contract Services	75.6
Salaries & Wages	90.4
Capital & Utility Tax/Rev	83.4
Capital & Utility - Other	158.4
Total expenditures by type	583.2



Use of tax dollar by service area

The table below highlights the cost by service area and the resulting total municipal taxes and fees for the average single family detached residential property in Kelowna for 2019. The average assessed value of \$684,450 was obtained from BC Assessment. The service area with the highest cost is Police Services at 27.9% followed by the Fire Department at 14.7% and Parks Services at 13.4%.

Service area	Cost	Percent of Total	Percent in 2018
Police Services	578.93	27.9 %	28.2 %
Fire Department	303.66	14.7	15.2
Civic Operations			
Street Lights	31.78	1.5	1.8
Building Services	124.04	6.0	5.7
Parks Services	277.97	13.4	12.8
Transportation Services	233.50	11.3	9.7
Utility Services	50.98	2.5	1.9
Planning & Development	139.04	6.7	7.0
Active Living & Cultural Services	110.45	5.3	5.4
Regional Programs	11.19	0.5	0.5
Public Transit	93.92	4.5	5.7
Debt	68.03	3.3	3.6
Grants or transfers to external organizations or individuals	48.69	2.4	2.5
Total Municipal portion of taxes	2,072.18	100.0 %	100.0 %
Waste collection & disposal	180.30		
Total Municipal portion of taxes and fees	2,252.48		

Based on the 2019 average single family detached residence assessed property value of \$684,450

Ongoing budget impacts

The ongoing impacts resulting from prior year Council approved operating requests have been summarized in the table below. There is a 4.15% increase for 2020 and a 2.13% increase for 2021.

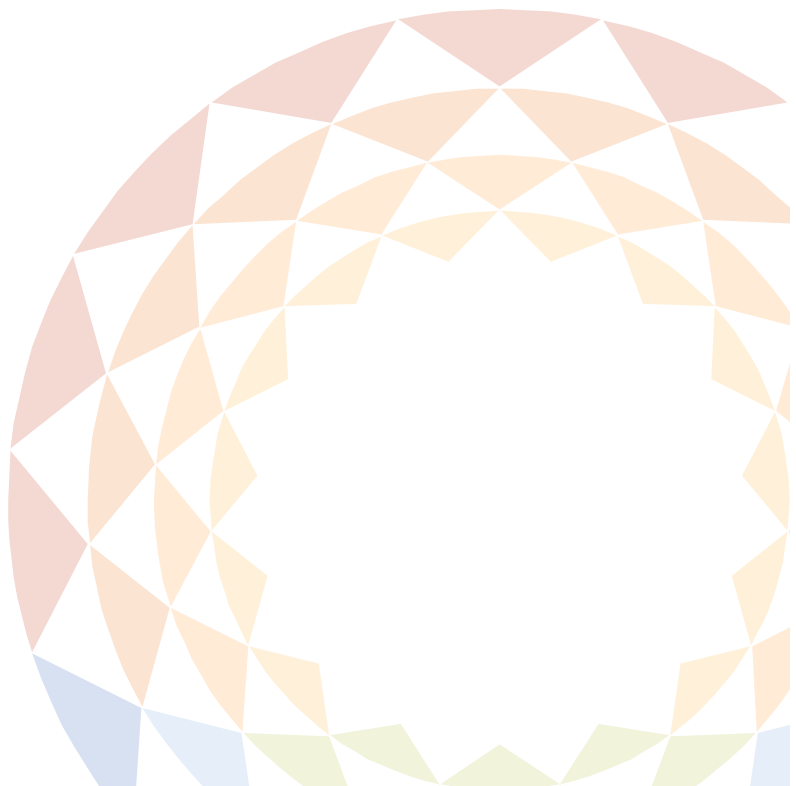
	2020 Impact	2021 Impact
One time costs/revenues		
Miscellaneous one time operating costs	(1,052,900)	-
One time expenditure reduction	97,400	-
Total one time costs	(955,500)	-
Tax impact	(0.67%)	0.00%
Additional cost increases		
Other incremental costs – 2018	23,442	-
Other incremental costs - 2019	913,100	60,800
Total additional costs	936,542	60,800
Tax impact	0.66%	0.04%
Estimated contract increases		
Tax impact	3,333,503 2.34%	3,017,345 2.09%
Total municipal impacts	3,314,545	3,078,145
Tax impact	2.33%	2.13%
Total infrastructure levy impacts		
Tax impact	2,600,000 1.82%	0 0.00%
Total impacts	5,914,545 4.15%	3,078,145 2.13%

Financial Plan 2019 - 2023

The table below outlines the City's Five-Year forecast for all funds revenues and expenditures for 2019 – 2023. The years 2024 - 2030 are included in summary form to match the term of the 20-Year Servicing Plan. For detailed information see the Five-Year Financial Plan section of the 2019 Financial Plan.

	2019	2020	2021	2022	2023	2024-2030
Revenue						
Property Value Tax	142,524,821	149,280,095	154,351,756	160,126,155	167,901,157	1,340,717,882
Library Requisition	6,389,123	6,516,905	6,647,244	6,780,189	6,915,793	52,442,244
Parcel Taxes	2,956,580	2,675,802	3,439,556	3,464,276	3,486,612	20,376,265
Fees and Charges	137,048,716	139,008,937	141,836,210	144,561,903	147,902,606	1,135,270,026
Borrowing Proceeds	10,434,250	-	6,684,000	68,079,300	32,680,000	46,560,000
Other Sources	115,422,050	59,308,105	53,078,490	50,408,903	51,703,739	443,671,340
	414,775,540	356,789,843	366,037,256	433,420,725	410,589,906	3,039,037,757
Transfer between Funds						
Reserve Funds	1,603,176	1,187,644	1,187,644	1,187,644	972,916	6,810,412
DCC Funds	28,530,637	16,059,074	27,104,714	12,460,219	20,974,029	182,321,644
Surplus/Reserve Accounts	138,278,367	59,946,363	56,796,162	65,667,632	52,628,191	296,706,440
	168,412,180	77,193,081	85,088,520	79,315,495	74,575,136	485,838,496
Total Revenues	583,187,720	433,982,924	451,125,776	512,736,220	485,165,042	3,524,876,253
Expenditures						
Municipal Debt						
Debt Interest	5,327,772	4,288,586	4,025,619	5,229,466	6,771,620	51,933,311
Debt Principal	11,810,243	8,728,587	6,830,677	6,326,306	8,735,609	63,470,188
Capital Expenditures	241,876,020	100,191,975	109,507,785	163,692,564	123,053,076	725,185,818
Other Municipal Purposes						-
General Government	34,631,612	34,341,777	35,304,099	36,080,808	37,079,795	289,504,825
Planning, Development & Building Services	31,489,726	24,649,249	24,073,356	24,720,542	25,448,095	198,510,371
Community Services	86,757,074	88,258,268	92,006,036	94,660,384	97,522,535	770,246,336
Protective Services	60,459,039	63,795,721	66,016,961	68,204,137	70,464,448	561,335,346
Utilities	24,624,088	23,364,975	23,316,868	23,861,273	24,442,709	188,607,284
Airport	17,492,496	17,623,510	18,148,970	18,701,101	19,271,837	152,098,542
	514,468,070	365,242,648	379,230,371	441,476,581	412,789,724	3,000,892,020
Transfers between Funds						
Reserve Funds	26,707,935	28,650,867	28,755,866	28,341,785	28,425,465	201,224,980
DCC Funds	-	-	-	-	-	-
Surplus/Reserve Accounts	42,011,715	40,089,409	43,139,539	42,917,854	43,949,853	322,759,253
	68,719,650	68,740,276	71,895,405	71,259,639	72,375,318	523,984,233
Total Expenditures	583,187,720	433,982,924	451,125,776	512,736,220	485,165,042	3,524,876,253

Operating & Capital Budget



2019 Operating Requests

Final Budget

Summary - General Fund

Page	Description	Cost	Reserve	Borrow	Gov/Contr	Revenue	Utility	Taxation	Cat
Community Planning & Strategic Investments Division									
Growth									
670	* Bylaw Enforcement Officer Position - Sign Compliance	0	0	0	0	(45,000)	0	45,000	OG
	Total Growth	0	0	0	0	(45,000)	0	45,000	
Division Priority 1 Total									
		0	0	0	0	(45,000)	0	45,000	
Active Living & Culture Division									
New									
669	Social Policy Framework - Key Learning Paper	20,000	0	0	0	0	0	(20,000)	OT
	Total New	20,000	0	0	0	0	0	(20,000)	
Division Priority 1 Total									
		20,000	0	0	0	0	0	(20,000)	
Civic Operations Division									
Maintain									
669	Rutland Arena Header Trench Grates	40,000	(40,000)	0	0	0	0	0	OT
670	Additional Staffing for Landfill Scale House	100,000	(100,000)	0	0	0	0	0	OG
	Total Maintain	140,000	(140,000)	0	0	0	0	0	
Growth									
670	Bylaw Enforcement Officer Position - Sign Compliance	45,000	0	0	0	0	0	(45,000)	OG
	Total Growth	45,000	0	0	0	0	0	(45,000)	
New									
671	RCMP - 1 Regular Member Position (KOaST)	86,700	0	0	0	0	0	(86,700)	OG
671	RCMP Mobile Command Center	180,000	(180,000)	0	0	0	0	0	OT
672	Agassiz Road Area Streetlighting Upgrades	40,000	(40,000)	0	0	0	0	0	OT
	Total New	306,700	(220,000)	0	0	0	0	(86,700)	
Maintain									
673	* Lived Experience Peer Employment Pilot	16,000	0	0	0	0	0	(16,000)	OT

Page	2019 FINANCIAL PLAN Description	Cost	Reserve	Borrow	Gov/Contr	Revenue	CITY OF KELOWNA Utility	Taxation	Cat
	Total Maintain	16,000	0	0	0	0	0	(16,000)	
	Division Priority 1 Total	507,700	(360,000)	0	0	0	0	(147,700)	
Financial Services Division									
Maintain									
672	Transmission of Taxes - BIA's and Other Governments	106,093,077	0	0	0	(106,093,077)	0	0	OT
	Total Maintain	106,093,077	0	0	0	(106,093,077)	0	0	
New									
673	Infrastructure Levy	0	435,000	0	0	0	0	(435,000)	OG
	Total New	0	435,000	0	0	0	0	(435,000)	
	Division Priority 1 Total	106,093,077	435,000	0	0	(106,093,077)	0	(435,000)	
Human Resources Division									
Maintain									
673	Lived Experience Peer Employment Pilot	0	0	0	0	0	0	0	OT
674	Security Services	220,000	(220,000)	0	0	0	0	0	OT
	Total Maintain	220,000	(220,000)	0	0	0	0	0	
	Division Priority 1 Total	220,000	(220,000)	0	0	0	0	0	
	Total Priority 1 Operating	106,840,777	(145,000)	0	0	(106,138,077)	0	(557,700)	

2019 Operating Request Details

Division:	Active Living & Culture	Priority: 1	New
Department:	Active Living & Culture		ONE-TIME
Title:	Social Policy Framework - Key Learning Paper		FINAL

Justification:

The 2018 Citizen Survey results indicated that social issues were the top mention by citizens. The community's experience with the success of Journey Home to address homelessness has clearly identified that City leadership in addressing complex community social issues is effective. However, addressing homelessness is only one component of the overall social system. Through a broad systems approach, the development of a Social Policy Framework will define the City's role, measure ongoing community social health, and identify trends and guide prioritization for decision-making on allocation of resources. Budget is requested to develop a Key Learning Paper that provides research of best practices in terms of policies related to advancing the social wellness of the community. Research will include development processes, use, and impact of municipal and provincial social policies and actions plans. The outcome will include a recommended framework for undertaking the development of a Social Policy Framework for Kelowna.

Corporate Framework: An active, inclusive city - Considering diverse community needs

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	20,000	0	0	0	0	0	0	(20,000)

Division:	Civic Operations	Priority: 1	Maintain
Department:	Civic Operations		ONE-TIME
Title:	Rutland Arena Header Trench Grates		FINAL

Justification:

Budget is requested for the replacement of the "trench grates" adjacent to the ice at Rutland Arena as it was recently discovered that these "trench grates" are failing. The grates serve as a bridge for ice resurfacing equipment driving on and off the ice. Replacing these grates during the spring ice-out is critical as the existing grates may not last another full ice season.

Corporate Framework: A safe city - Maintaining order

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	40,000	(40,000)	0	0	0	0	0	0

2019 Operating Request Details

Division:	Civic Operations	Priority: 1	Maintain
Department:	Utility Services		ON-GOING
Title:	Additional Staffing for Landfill Scale House		FINAL

Justification:

2018 scale transactions increased 32.5% over 2017, primarily due to the change in fee structure that requires a minimum charge for all loads of organics. Revenues from the new minimum fee organics transactions were \$180,000 in 2018. Budget is requested for a second full-time scale house attendant and additional funding for part-time staff to ensure reasonable customer transaction time and that queues do not extend onto John Hindle Drive. The result will be two full-time staff positions plus part-time positions for this 10 hour per day, seven day per week operation.

Corporate Framework: A well-run City - Responsive customer service

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	100,000	(100,000)	0	0	0	0	0	0
2020	100,000	(100,000)	0	0	0	0	0	0
2021	100,000	(100,000)	0	0	0	0	0	0

Division:	Civic Operations	Priority: 1	Growth
Department:	Bylaw Services		ON-GOING
Title:	Bylaw Enforcement Officer Position - Sign Compliance		FINAL

Justification:

In order to support and enforce the Sign Bylaw, budget is requested for an additional Bylaw Enforcement Officer Position. This position will be funded \$45,000 from increased fee revenue and will allow for increased enforcement of the City's Sign Bylaw.

Corporate Framework: A safe city - Effective & targeted policing

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	45,000	0	0	0	0	(45,000)	0	0
2020	104,800	0	0	0	0	(45,000)	0	(59,800)
2021	104,800	0	0	0	0	(45,000)	0	(59,800)

2019 Operating Request Details

Division:	Civic Operations	Priority: 1	New
Department:	Police Services		ON-GOING
Title:	RCMP - 1 Regular Member Position (KOaST)		FINAL

Justification:

Budget is requested for 1 Regular Member position at the Constable rank to oversee and facilitate the Kelowna RCMP Detachment's participation in the Kelowna Outreach and Support Table (KOaST). KOaST is an RCMP initiative that launched in February 2019. The objective of KOaST is to provide timely support before emergency services are required. KOaST meets weekly with social service providers (BC Housing, Ministries of Child Welfare, Poverty Reduction, Education, Interior Health and Adult and Youth Probation Community Outreach) to identify situations of acutely elevated risk and then deploy as an immediate intervention team to offer connections to services. The benefits to the increase in establishment are realized in an alignment/enhancement of the community outreach component. This new position will be fully dedicated to furthering the RCMP and the City of Kelowna's commitment to community engagement, crime reduction and community support.

Corporate Framework: A safe city - Effective & targeted policing

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	86,700	0	0	0	0	0	0	(86,700)
2020	173,400	0	0	0	0	0	0	(173,400)
2021	173,400	0	0	0	0	0	0	(173,400)

Division:	Civic Operations	Priority: 1	New
Department:	Police Services		ONE-TIME
Title:	RCMP Mobile Command Center		FINAL

Justification:

Budget is requested for the City's portion of the RCMP purchase of a command/special events multi-purpose vehicle, which would assist the Kelowna RCMP Detachment to significantly contribute to all of the crime reduction strategy goals. The vehicle would be utilized by Kelowna RCMP Detachment personnel to assist in the many outdoor events within the city requiring police presence, as a base of operation for unfolding operational calls for service and crime scene security and to deploy in core community areas such as the downtown core. As such, the vehicle will increase the capacity for more proactive enforcement and community policing related projects and greatly supplement efforts at law enforcement visibility.

Corporate Framework: A safe city - Effective & targeted policing

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	180,000	(180,000)	0	0	0	0	0	0

2019 Operating Request Details

Division:	Civic Operations	Priority: 1	New
Department:	Civic Operations		ONE-TIME
Title:	Agassiz Road Area Streetlighting Upgrades		FINAL

Justification:

A recent study found the lighting levels in the Agassiz Road area were lit below current standards. Budget is requested to raise the lighting level on the surrounding areas of Agassiz, Vasile, Barlee and Ambrosi roads. This also includes a light addition to Barlee park.

Corporate Framework: A safe city - Public safety programs

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	40,000	(40,000)	0	0	0	0	0	0

Division:	Financial Services	Priority: 1	Maintain
Department:	Financial Services		ONE-TIME
Title:	Transmission of Taxes - BIA's and Other Governments		FINAL

Justification:

To establish the receipt and disbursement of taxes to Business Improvement Areas (BIA) and other governments: Regional District of Central Okanagan (RDCO) (\$11,384,999); RDCO SIR Land Levy (\$744,305); RDCO SIR Parcel Tax (\$307,121); BC Assessment Authority (\$2,034,078); School Tax (\$70,192,103); Additional School Tax (\$1,814,361); Kelowna Downtown BIA (\$924,198); Uptown Rutland BIA (\$185,079); Regional Hospital (\$12,117,710); and Okanagan Regional Library (\$6,389,123). The total amount to be collected for all other taxing authorities is \$106,093,077.

Corporate Framework: A well-run City - Strong financial management

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	106,093,077	0	0	0	0	(106,093,077)	0	0

2019 Operating Request Details

Division:	Financial Services	Priority: 1	New
Department:	Financial Services		ON-GOING
Title:	Infrastructure Levy		FINAL

Justification:

Budget is requested to increase the infrastructure levy funding by \$435,000, offset by an increase in new construction revenue. The City of Kelowna is one of the fastest growing communities in Canada with the population expected to surpass 150,000 in the next 10 years, placing a significant demand on the City's infrastructure needs. Based on the Council endorsed 10-Year Capital Plan (2018 to 2027), the general fund requires \$1.1B in infrastructure investment to renew existing assets, accommodate growth and improve services. Funding is forecasted to be \$660M leaving the City with a \$463M infrastructure deficit for the 10 years. This additional contribution towards the Capital program deficit would increase the total contribution by \$3.9M to total \$48.1M by 2027.

Corporate Framework: Resilient, well-managed infrastructure - Planning excellence

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	0	435,000	0	0	0	0	0	(435,000)
2020	0	435,000	0	0	0	0	0	(435,000)
2021	0	435,000	0	0	0	0	0	(435,000)

Division:	Human Resources	Priority: 1	Maintain
Department:	Risk Management		ONE-TIME
Title:	Lived Experience Peer Employment Pilot		FINAL

Justification:

The Journey Home Strategy consultations highlighted the need to introduce a peer support model as a strategy to generate impact and help to break down stigma. Being able to provide opportunities for those with lived experience to give back to the community was highlighted as being critical to the success of the strategy. Peer employment refers to programs that engage, provide training and support for people with lived experience to access meaningful employment opportunities including mentoring and providing support, encouragement, and hope to people in need. This pilot will provide employment of peers to work with staff and partners in engagement activities to resolve nuisance behaviors resulting from social issues. Research shows peers are effective in outreach and making connections that foster improved community well-being.

Corporate Framework: A safe city - Public safety programs

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	16,000	0	0	0	0	0	0	(16,000)

2019 Operating Request Details

Division:	Human Resources	Priority: 1	Maintain
Department:	Risk Management		ONE-TIME
Title:	Security Services		FINAL

Justification:

Budget is requested to provide flexible security services to City facilities, parks and public spaces in response to developing concerns, incidents and complaints. Response resources will include motorized and foot patrols coordinated with input from City staff, including Bylaw Services and Crime Prevention, RCMP and community stakeholders.

Corporate Framework: A safe city - Public safety programs

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	220,000	(220,000)	0	0	0	0	0	0

2019 Reduction Requests

Final Budget

Summary - General Fund

Page	Description	Cost	Reserve	Borrow	Gov/Contr	Revenue	Utility	Taxation	Cat
<u>Infrastructure Division</u>									
676	Solid Waste Review/Study Reduction	(7,500)	0	0	0	0	0	7,500	OG
Division Priority 1 Total		(7,500)	0	0	0	0	0	7,500	
<u>Community Planning & Strategic</u>									
676	Rental Expense - Commerce Centre - Youth and Family Services	(41,300)	0	0	0	0	0	41,300	OG
Division Priority 1 Total		(41,300)	0	0	0	0	0	41,300	
<u>Civic Operations Division</u>									
677	Composting Facility Inventory Reduction	(200,000)	0	0	0	200,000	0	0	OG
Division Priority 1 Total		(200,000)	0	0	0	200,000	0	0	
<u>Financial Services Division</u>									
677	Debt Changes	(280,000)	0	0	0	235,000	0	45,000	OG
Division Priority 1 Total		(280,000)	0	0	0	235,000	0	45,000	
Total Priority 1 Reduction Requests		(528,800)	0	0	0	435,000	0	93,800	

2019 Reduction Request Details

Division:	Infrastructure	Priority: 1	
Department:	Infrastructure Engineering		ON-GOING
Title:	Solid Waste Review/Study Reduction		FINAL

Justification:

A reduction is requested to reduce the ongoing operating base budget within Solid Waste Management as the solid waste reviews/studies are no longer required.

Corporate Framework: A well-run City - Strong financial management

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	(7,500)	0	0	0	0	0	0	7,500
2020	(7,500)	0	0	0	0	0	0	7,500
2021	(7,500)	0	0	0	0	0	0	7,500

Division:	Community Planning & Strategic Investments	Priority: 1	
Department:	Strategic Investments		ON-GOING
Title:	Rental Expense - Commerce Centre - Youth and Family Services		FINAL

Justification:

A reduction is requested to reduce the ongoing operating base budget within Property Management as the Commerce Centre Youth and Family Services lease will not be renewed.

Corporate Framework: A well-run City - Strong financial management

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	(41,300)	0	0	0	0	0	0	41,300
2020	(41,300)	0	0	0	0	0	0	41,300
2021	(41,300)	0	0	0	0	0	0	41,300

2019 Reduction Request Details

Division:	Civic Operations	Priority: 1	
Department:	Utility Services		ON-GOING
Title:	Composting Facility Inventory Reduction		FINAL

Justification:

A reduction is requested to reduce revenue and expenditure budgets for the Regional Composting Facility as part of an effort to reduce excess compost inventory in 2019. Revenues and related expenditure budgets are anticipated to begin increasing again in 2020 and back to prior levels by 2021.

Corporate Framework: A well-run City - Strong financial management

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	(200,000)	0	0	0	0	200,000	0	0
2020	(100,000)	0	0	0	0	100,000	0	0
2021	0	0	0	0	0	0	0	0

Division:	Financial Services	Priority: 1	
Department:	Financial Services		ON-GOING
Title:	Debt Changes		FINAL

Justification:

This request is to reduce interest payments related to Municipal Finance Authority (MFA) borrowing for the H2O Adventure + Fitness Centre, Cedar Creek pump station, and the spec areas of Fisher Road, Clifton Road, Country Rhodes and Byrns Road.

Corporate Framework: A well-run City - Strong financial management

	Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Revenue	Utility	Taxation
2019	(280,000)	0	0	0	0	235,000	0	45,000
2020	(280,000)	0	0	0	0	235,000	0	45,000
2021	(280,000)	0	0	0	0	235,000	0	45,000

2019 Capital Requests

Final Budget

Summary - General Fund

Page	Project	Description	Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
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Real Estate and Parking Capital - Priority 1

Renew

679	308206	Chapman Parkade - Infrastructure Renewal	250,000	(250,000)	0	0	0	0	0
Total Renew			250,000	(250,000)	0	0	0	0	0
Cost Center Totals			250,000	(250,000)	0	0	0	0	0

Building Capital - Priority 1

Renew

679	317901	Cook Road Boat Launch - Stabilization	125,000	0	0	0	0	0	(125,000)
Total Renew			125,000	0	0	0	0	0	(125,000)
Cost Center Totals			125,000	0	0	0	0	0	(125,000)

Transportation Capital - Priority 1

Renew

680	3369	City of Kelowna Highway Signage	150,000	(150,000)	0	0	0	0	0
Total Renew			150,000	(150,000)	0	0	0	0	0
Cost Center Totals			150,000	(150,000)	0	0	0	0	0

Solid Waste Capital - Priority 1

New

680	XXXX	Regional Biosolids Composting Facility - Paving Repairs	200,000	0	0	0	(66,670)	(133,330)	0
Total New			200,000	0	0	0	(66,670)	(133,330)	0
Cost Center Totals			200,000	0	0	0	(66,670)	(133,330)	0

Fire Capital - Priority 1

New

681	XXXX	Breathing Air Compressor	37,700	0	0	0	0	0	(37,700)
Total New			37,700	0	0	0	0	0	(37,700)
Cost Center Totals			37,700	0	0	0	0	0	(37,700)
Grand Total			762,700	(400,000)	0	0	(66,670)	(133,330)	(162,700)

2019 Capital Request Details

Department:	Capital Projects	Priority: 1	Renew
Cost Center:	Real Estate and Parking Capital	10 Yr Cap Plan Ref: 2019-2022 L3 - \$1.25M	
Title:	Chapman Parkade - Infrastructure Renewal		FINAL

Justification:

Previously approved rehabilitation work at the Chapman Parkade will begin this spring/summer to ensure it's maximum life expectancy is achieved. Additional budget is requested to replace two of the ramp heaters. Work to extend the coverage of these heaters was included in the 10-Year Capital Plan for 2021-2022, but a complete failure of one unit has necessitated replacement before next winter to maintain a safe facility for public use. The heater replacement work will be completed in conjunction with the originally contemplated rehabilitation work for efficiency and to minimize "down" time in parking availability.

The operation and maintenance budget will be minimal with this request and will be accommodated within the Parking Services contract services operating budget.

Project Driver: Asset preservation (renewal and replacement to achieve anticipated service life).

Corporate Framework: Resilient, well-managed infrastructure - Efficient civic buildings & facilities

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
250,000	(250,000)	0	0	0	0	0

Department:	Capital Projects	Priority: 1	Renew
Cost Center:	Building Capital	10 Yr Cap Plan Ref: Not included B1	
Title:	Cook Road Boat Launch - Stabilization		FINAL

Justification:

Cook Road boat launch is located in a variable section of shoreline just north of Mission Creek, and the shifting sand has been dredged several times since 2016. Although the launch was largely free of sand when inspected late last year, a substantial amount of sand has migrated into the launch since December. If the sand is not removed, the boat launch may not open this season. Staff have been working with the Ministry of Forest, Lands and Natural Resource Operations and are optimistic that a permit will be approved in time for the 2019 boating season. Staff continue to work with the Province and the other landowners on a Long-term Shoreline Plan for this shoreline from Mission Creek to Rotary Beach.

There are no operation and maintenance budget impacts associated with this request.

Project Driver: Asset preservation (renewal and replacement to achieve anticipated service life).

Corporate Framework: An active, inclusive city - Active living opportunities

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
125,000	0	0	0	0	0	(125,000)

2019 Capital Request Details

Department:	Capital Projects	Priority: 1	Renew
Cost Center:	Transportation Capital	10 Yr Cap Plan Ref: 2018 T3 - \$100k	
Title:	City of Kelowna Highway Signage		FINAL

Justification:

In 2018 the City highway signage at Reid's Corner was removed to accommodate the Ministry of Transportation and Infrastructure's highway widening. The Province has contributed \$100,000, and an additional \$150,000 is requested for the replacement City highway sign and associated site costs. The sign will be located at a new location just south of Ellison Lake, closer to the northern City limit. The work will be designed by a professional artist, with fabrication occurring during 2019, and installation in 2020. The finished sign will become part of the City's public art collection.

There are no operation and maintenance budget impacts associated with this request.

Project Driver: Asset preservation (renewal and replacement to achieve anticipated service life).

Corporate Framework: Resilient, well-managed infrastructure - Planning excellence

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
150,000	(150,000)	0	0	0	0	0

Department:	Capital Projects	Priority: 1	New
Cost Center:	Solid Waste Capital	10 Yr Cap Plan Ref: Not included SW6	
Title:	Regional Biosolids Composting Facility - Paving Repairs		FINAL

Justification:

The Regional Biosolids Composting Facility needs to repair its asphalt surface to comply with Ministry of Environment Permit #108537, which requires the facility to have a sound impervious surface, to prevent the infiltration of leachate run-off from compost into the environment. One third of the cost will be funded by the City of Vernon, a partner in the Composting Facility.

There are no operating and maintenance budget impacts associated with this request.

Project Driver: Health, life safety and regulatory compliance.

Corporate Framework: A clean healthy environment - Protecting our natural land & water resources

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
200,000	0	0	0	(66,670)	(133,330)	0

2019 Capital Request Details

Department:	Capital Projects	Priority: 1	New
Cost Center:	Fire Capital	10 Yr Cap Plan Ref: Not included F1	
Title:	Breathing Air Compressor		FINAL

Justification:

Budget is requested to replace the breathing air compressor which is 32 years old and has reached the end of its service life. Breathing air is critical to suppression activities and allows firefighters to breath clean air while working in smoky, toxic atmospheres.

There are no operation and maintenance budget impacts associated with this request.

Project Driver: Health, life safety and regulatory compliance.

Corporate Framework: A safe city - Fire protection & prevention

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility	Taxation
37,700	0	0	0	0	0	(37,700)

2019 Capital Requests

Final Budget

Summary - Utility Funds

Page	Project	Description	Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility
Wastewater Capital - Priority 1								
Renew								
683	3457	Wastewater Support Facilities	300,000	0	0	0	0	(300,000)
		Total Renew	300,000	0	0	0	0	(300,000)
		Cost Center Totals	300,000	0	0	0	0	(300,000)
		Grand Total	300,000	0	0	0	0	(300,000)

2019 Capital Request Details

Department:	Capital Projects	Priority: 1	Renew
Cost Center:	Wastewater Capital	10 Yr Cap Plan Ref: 2019 WW6 - \$300k	
Title:	Wastewater Support Facilities		FINAL

Justification:

Approved in the 2019 Provisional budget was \$300,000 to relocate wastewater operations staff and equipment from the Yards to the Wastewater Treatment Facility (WWTF) based on a preliminary project scope. A siting study has since determined that additional funding is required to securely house the four wastewater vacuum trucks and allow one additional bay to accommodate growth. These vehicles must be kept from freezing and therefore require indoor heated storage. Funding is also requested for related site works and associated service relocation required to situate the garage within the existing WWTF compound. Work will be started in 2019 with anticipated completion in 2020.

There are no operation and maintenance budget impacts associated with this request.

Project Driver: Level of service enhancements (functional efficiency and levels of service increases).

Corporate Framework: Resilient, well-managed infrastructure - Well-maintained utilities

Asset Cost	Reserve	Borrow	Fed/Prov	Dev/Com	Utility
300,000	0	0	0	0	(300,000)