

# Report to Council



**Date:** April 20, 2020  
**To:** Council  
**From:** City Manager  
**Subject:** Amendment No. 1 to the Five Year Financial Plan 2019-2023  
**Department:** Financial Planning

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## **Recommendation:**

THAT Council receives, for information, the Report from Financial Services dated April 20, 2020 with respect to amendments to the Five Year Financial Plan 2019-2023 Bylaw;

AND THAT Bylaw No. 12010 being Amendment No. 1 to the Five Year Financial Plan 2019-2023 Bylaw No. 11805 be advanced for reading consideration.

## **Purpose:**

To amend the Five Year Financial Plan (2019-2023) as required by the Community Charter to include the authorized transfers and amendments which occurred in the 2019 year.

## **Background:**

The City of Kelowna, in order to comply with section 165(1) of the Community Charter (Financial Management), amends the financial plan annually 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. Updates to these policies were approved by Council on December 9, 2019 to reduce the number of low value approvals required by Council, while at the same time, maintaining an appropriate level of oversight and control. Highlights of the updates include the requirement of Council pre-approval for:

1. Cancellation of an approved program or project to meet the needs of an anticipated over-expenditure in another program or project
2. Transfer funds for a new program or project
3. Amendments greater than \$200k

In addition to updating these Council policies, Corporate Financial Policies were developed for both transfers and amendments to guide those transfer and amendments that fall under the threshold and

do not require Council pre-approval. These Corporate policies provide for a high level of internal control, requiring multiple layers of approvals.

The attached Schedule A summarizes the authorized transfers and amendments that occurred throughout the 2019 year. The following are a couple of transfers and amendments of note that are being brought before Council for the first time.

*Infrastructure Division:*

Both the Gyro Forcemain and Swordy Sanitary Sewer Upgrade budgets were increased, by \$197K and \$125K respectively, as the engineering estimates were higher than anticipated and additional funding was required for the construction component of the projects. This funding was transferred from the Airport Gravity Main Bypass project which was delivered underbudget using a cost-effective design.

An amendment was required to increase budget by \$79K to cover additional costs required to complete Crawford-Swamp Road. This increase included 84.5% DCC reserve funds with the 15.5% tax assist coming from a transfer of budget from the Roads Resurfacing capital project.

*Partnerships & Investments Division:*

An amendment was completed to bring in 50% partnership funding of \$101K received from School District #23 as a part of the planning and design for a new Parkinson Recreation Centre.

**Considerations applicable to this report:**

**Legal/Statutory Authority:**

Community Charter section 165.

**Considerations not applicable to this report:**

***Discussion:***

***Internal Circulation:***

***Conclusion:***

***Legal/Statutory Procedural Requirements:***

***Existing Policy:***

***Financial/Budgetary Considerations:***

***External Agency/Public Comments:***

***Communications Comments:***

Submitted by:

Melanie Antunes, Acting Financial Planning Manager

**Approved for inclusion:** G. Davidson, CPA, CMA Divisional Director Financial Services

**Attachment:**

1: Schedule A

## 2. Amendment No. 1 to the Five Year Financial Plan 2019-2023 Council Presentation