

Report to Council



Date: April 19, 2021
To: Council
From: City Manager
Subject: Amendment No.1 to the Five Year Financial Plan 2020-2024
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated April 19, 2021 with respect to amendments to the Five Year Financial Plan 2020-2024 Bylaw;

AND THAT Bylaw No. 12197 being Amendment No. 1 to the Five Year Financial Plan 2020-2024 Bylaw No. 12011 be advanced for reading consideration.

Purpose:

To amend the Five Year Financial Plan (2020-2024) as required by the Community Charter to include the authorized transfers and amendments which occurred in the 2020 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.

The attached Schedule A summarizes the authorized transfers and amendments that occurred throughout the 2020 year. The following are a few transfers and amendments of note that are being brought before Council for the first time.

Building Capital:

The City's Clean BC grant application for H₂O energy efficiency upgrades including the replacement of the heat pump, boilers and hot water tanks, was unsuccessful. The budget was amended to redirect the City's \$600,000 share of the grant project budget to fund the replacement of a failed boiler at the H₂O Centre.

The chiller at the Kelowna Library building reached the end of its serviceable useful life and required replacement. Review and design by an engineering consultant determined that additional budget of \$125k was required to complete the purchase and installation. Budget was amended to bring in funding from the Civic Facilities reserve.

Transportation Capital:

Budget of \$310k was transferred for various roads, water, and sanitary projects within the Ethel Active Transportation Projects. A competitive bidding process brought in bids lower than expected. Surplus budget in Ethel 4 DCC (Sutherland-Springfield) and watermain projects were able to fund interface work between the phases completed as part of Ethel 5 DCC (Springfield-Rose) and a revision to a water design and budget shortfall in phase 5.

Budget was amended by \$113k to complete the Okanagan Rail Trail Interpretive Site at Carney Pond near the UBC Okanagan campus with funding from a third-party capital contribution.

Funding of \$177k was received from the ICBC Road Improvement Program for various capital improvements including bike lanes on Ellis St, sidewalks on Leckie Rd and Rutland Rd, road marking on Enterprise Way, the addition of sharrows and green conflict markings on Glenmore Rd, road widening and bike lanes on Union Rd, numerous safety upgrades on various streets adjacent to South Kelowna School and improved crosswalks at Gordon Dr and Wilson Ave among other road improvement projects.

Solid Waste Capital:

A transfer was required to increase budget by \$365k to cover additional costs related to the completion of the new mechanical shop at the Glenmore Landfill. Unforeseen site conditions and scope enhancements were the main cause of the increase in project costs. Funding was transferred from the Landfill Old Entrance Filling project which came in under budget.

Water Capital:

During the excavation of an aging cast iron watermain along Clement Ave, considerable pipe degradation and leaks were discovered. The City engaged the developer's engineer and contractor to design and install approximately \$186k of additional works. This watermain provides a key link to the City's distribution system downtown and is essential for domestic service and fire-flow to the quickly developing commercial and industrial properties along Clement Ave. Budget was transferred from available budget in the offsite and oversize account, a watermain renewals project on Cadder Ave and the hydrants project within Water Capital.

Partnerships and Investments Division:

Consulting services were obtained to undertake a market study and facility assessment at Prospera Place to analyze the capability of the Kelowna market to host and support a variety of touring events and inform top level recommendations for enhancements to the facility. Budget was amended \$139k to complete the study with funding from the Prospera Place Arena Building reserve.

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Discussion:

Conclusion:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

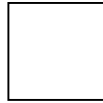
External Agency/Public Comments:

Communications Comments:

Submitted by:

M. Antunes, Budget Supervisor

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 2020-2024 Council Presentation