

# 10-Year Capital Plan Changes (2022 – 2031)

July 25<sup>th</sup>, 2022

# Meeting Agenda

- ▶ Overview
- ▶ Standardizing Change
- ▶ Cost Centre Review
- ▶ Next Steps



# Alignment with Council Priorities & Community Expectations





## Current Situation

- Supply chain challenges
- Labour shortages
- Inflation
- Interest rate pressures
- Energy costs
- COVID-19 recovery

# Change Summary

Cost Centre	P1			P2		
	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)	Previous Plan (\$ million)	This Plan (\$ million)	Difference (\$ million)
Real Estate and Parking	\$44	\$46	\$2	\$13	\$40	\$27
Buildings	\$240	\$290	\$50	\$217	\$442	\$225
Parks	\$226	\$248	\$22	\$48	\$113	\$65
Transportation	\$346	\$307	\$(39)	\$219	\$54	\$(165)
Solid Waste	\$63	\$61	\$(2)	\$24	\$21	\$(3)
Storm Drainage	\$47	\$45		\$-	\$-	
Information Services	\$11	\$12		\$1	\$1	
Vehicle or Mobile Equipment	\$50	\$55		\$0	\$18	
Fire	\$13	\$14		\$0	\$1	
Water	\$108	\$118		\$28	\$38	
Wastewater	\$135	\$197		\$73	\$16	
Airport	\$216	\$237		\$-	\$-	
Total	\$1,499	\$1,630	\$131	\$623	\$744	\$121

# Standardizing Change

Change Categories			
Project Change		Investment Change	
⬆️	Elevated from P2 to P1	\$	Increase less than \$1 million
⬇️	Dropped from P1 to P2	\$\$	Increase between \$1 million to \$5 million
⬅️	Timescale brought forward	\$\$\$	Increase greater than \$5 million
➡️	Timescale pushed back (or deferred beyond 2031)	-\$	Decrease less than \$1 million
▲	Other change (scope change, consolidated, phased)	-\$-\$	Decrease between \$1 million to \$5 million
★	New Project	-\$-\$-\$	Decrease greater than \$5 million
⊗	Cancelled	⊖	No Change
⬆️⬆️	Alignment with 2040 OCP, TMP, &/or 20-YSP		
✓	Completed		
⊖	No Change		
<b>BOLD</b>	Projects of note		

# Transportation

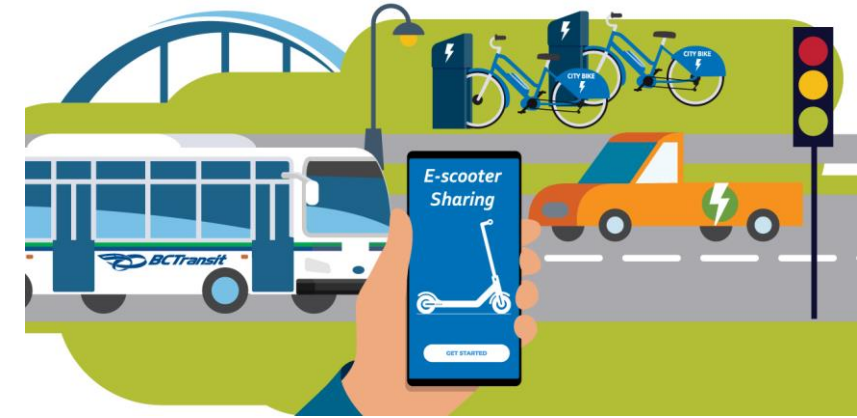
- ▶ 1<sup>st</sup> 10-YCP since TMP endorsement
- ▶ TMP recognized additional funding needed
- ▶ Inflation applied to 1<sup>st</sup> 5-years



	Total P1 & P2 projects	185
✓	Completed or In-Progress	5
★	New	0
⊗	Cancelled or Removed	0
⊘	No changes	0
↑↑	OCP/TMP/20-YSP/MP	178
\$\$\$/-\$\$\$	+/- \$5mil	29

# Transportation Projects

- ▶ New
  - ▶ Commonwealth (Hwy 97 – Jim Bailey)
- ▶ Removed
  - ▶ Ridge Rd (Cara Glen - Union)
- ▶ Scope & Timeline
  - ▶ Lakeshore (1-5 DCC) Corridor
  - ▶ Clement 2 DCC (Spall – Hwy 33) – Elevated to P1



# Buildings

- ▶ Escalation 30+%
  - ▶ All projects
  - ▶ All years
- ▶ Impacts
  - ▶ Global supply chains
  - ▶ Inflation



	Total P1 & P2 projects	63
✓	Completed or In-Progress	12
★	New	5
⊗	Cancelled or Removed	3
⊘	No changes	0
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	16

# Buildings Projects

- ▶ Council Priorities
- ▶ Infrastructure Renewal
  - ▶ Building Condition Assessments
  - ▶ Critical items only
  - ▶ Like-for-like
  - ▶ No additional energy efficiencies
  - ▶ No operational-specific fixtures
- ▶ Smaller projects deferred or dropped to P2



# Parks



- ▶ Escalation almost 30%

- ▶ All projects
- ▶ All years

- ▶ Impacts

- ▶ Need to balance DCC revenues & taxation each year
- ▶ Local materials

	Total P1 & P2 projects	68
✓	Completed or In-Progress	7
★	New	4
⊗	Cancelled or Removed	1
⊘	No changes	0
↑↑	OCP/TMP/20-YSP/MP	4
\$\$\$/-\$\$\$	+/- \$5mil	10

# Parks Projects

- ▶ Council Priorities
- ▶ New Program: One Neighbourhood park per year
- ▶ Infrastructure Renewal
- ▶ Smaller projects deferred or dropped to P2



# Water

- ▶ 20-Year Servicing Plan
- ▶ Infrastructure renewal
- ▶ Integration planning
- ▶ Future-focused: Water filtration site



	Total P1 & P2 projects	56
✓	Completed or In-Progress	6
★	New	5
⊗	Cancelled or Removed	2
⊘	No changes	14
↑↑	OCP/TMP/20-YSP/MP	19
\$\$\$/-\$\$\$	+/- \$5mil	2

# Wastewater

- ▶ 20-Year Servicing Plan
- ▶ Infrastructure renewal
- ▶ Septic sewer removal
- ▶ Biosolids Management



	Total P1 & P2 projects	40
✓	Completed or In-Progress	2
★	New	4
⊗	Cancelled or Removed	2
⊘	No changes	5
↑↑	OCP/TMP/20-YSP/MP	23
\$\$\$/-\$\$\$	+/- \$5mil	6

# Storm Drainage

- ▶ Largest Project: Mill Creek
- ▶ New project selection criteria
- ▶ Water quality
- ▶ Infrastructure renewal



	Total P1 & P2 projects	50
✓	Completed	1
★	New	12
⊗	Cancelled	20
⊘	No changes	4
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	0

# Solid Waste

- ▶ Serving a growing region
- ▶ Meeting Provincial Regulations
- ▶ Stable user fees



	Total P1 & P2 projects	24
✓	Completed or In-Progress	1
★	New	2
⊗	Cancelled or Removed	0
⊘	No changes	11
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	0

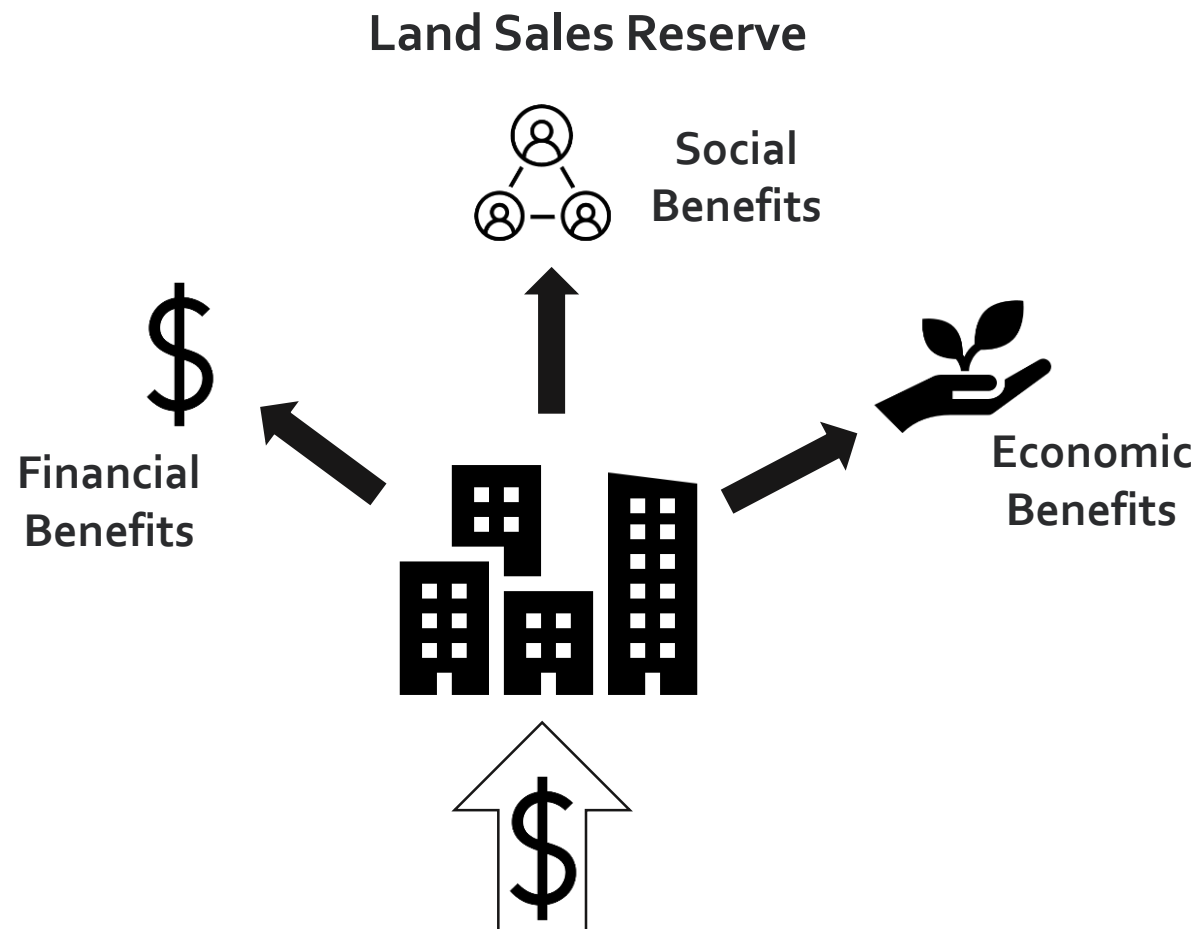
# Kelowna International Airport



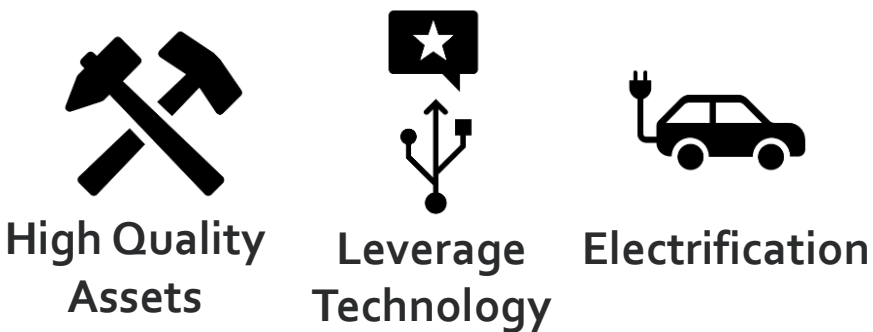
- ▶ Aligned with 2022 Final Budget passenger forecast
  - ▶ Subject to change
- ▶ 2022 10-Year Capital Plan
  - ▶ Deferrals due to COVID-19
- ▶ 2023 10-Year Capital Plan
  - ▶ Projects moving forward
    - ▶ COVID-19 recovery
    - ▶ Grants
  - ▶ Inflation

	Total P1 & P2 projects	42
✓	Completed or In-Progress	2
★	New	8
⊗	Cancelled or Removed	1
⊘	No changes	1
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	3

# Real Estate & Parking



## Parking Management Strategy



	Total P1 & P2 projects	20
✓	Completed or In-Progress	1
★	New	3
⊗	Cancelled or Removed	1
⊘	No changes	4
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	1

# Vehicles & Equipment

- ▶ Supply issues
- ▶ Higher acquisition costs
- ▶ Technological advancements
  - ▶ Light Fleet
    - ▶ EVs
  - ▶ Heavy Fleet:
    - ▶ Electric
    - ▶ Hybrid
    - ▶ Hydrogen



	Total P1 & P2 projects	4
✓	Completed or In-Progress	0
☆	New	0
⊗	Cancelled or Removed	0
⊘	No changes	0
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	1

# Information Services

- ▶ Digital Transformation
  - ▶ Cloud-based Services
  - ▶ Legacy Systems
- ▶ Support staff mobility
- ▶ Upcoming
  - ▶ Cyber Security



	Total P1 & P2 projects	10
✓	Completed	1
★	New	0
⊗	Cancelled	0
⊘	No changes	4
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	0

# Fire

## ▶ Vehicle/Equipment Renewals (Fleet)

### ▶ Increase

- ▶ Inflation
- ▶ 2 Bush Trucks

## ▶ Additional Vehicles/Equipment

### ▶ Decrease

- ▶ Review of required equipment replacement needs

## ▶ Communication Systems

### ▶ Decrease

- ▶ Reconfiguration of required upgrades for NG911
- ▶ Removing redundant technologies



	Total P1 & P2 projects	47
✓	Completed or In-Progress	1
★	New	10
⊗	Cancelled or Removed	1
⊘	No changes	5
↑↑	OCP/TMP/20-YSP/MP	0
\$\$\$/-\$\$\$	+/- \$5mil	0

# Next Steps

- ▶ Review Changes today
- ▶ Receive Council direction
- ▶ Return in August for endorsement



*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).