

Report to Council



Date: April 3rd, 2023
To: Council
From: City Manager
Subject: 10-Year Capital Plan Annual Update – Workshop #1 (Overview and Listening)
Department: Financial Services

Recommendation:

THAT Council receives, for information, the report from Financial Services dated April 3rd, 2023, with respect to the process for this year's annual update to the 10-Year Capital Plan.

Purpose:

To introduce the process for the 10-Year Capital Plan update and to receive input from Council.

Background:

Delivering municipal services in a financially, environmentally, and socially responsible manner now and into the future starts by understanding community needs and expectations and ends with providing infrastructure that delivers the expected services to the community. The City has many competing infrastructure demands and difficult decisions need to be made to optimize spending to provide the most value to the community.

To guide these decisions, the City maintains a rigorous capital planning process that aligns with Council priorities, Imagine Kelowna and the Official Community Plan. The [10-Year Capital Plan](#) provides the framework for long-term planning and fiscal management and allows the City to look ahead and answer four fundamental questions:

- "What do we need?"
- "Why do we need it?"
- "How are we going to pay for it?"
- "How much will it cost to operate and maintain?"

Answering these questions allows the City to anticipate current and future cost pressures, stretch the limits of revenues by source, and make the necessary decisions to put in place essential infrastructure to support a future Kelowna. By doing so, this plan will help maximize the investment in the community where and when it is most needed.

This includes infrastructure that supports:

- Public safety, regulatory requirements, environmental protection, user demand and community direction,
- Growth and improved services, and
- Renewal of aging infrastructure to maintain existing services.

Recognizing that emerging issues and community priorities change, the 10-Year Capital Plan (Capital Plan) was developed and is updated annually to respond to these changing conditions. This cycle of continuous improvement:

- **Responds to external factors.** Labour shortages, supply chain challenges, rising interest rates, and increased energy costs that increase project costs.
- **Reports routine changes.** Due to the plan's rolling nature, each year completed projects are removed and new projects and programs are incorporated in year ten of the program. For this year, it means completed projects in 2022 have been removed and projects in 2023 have been added.
- **Reflects a growing community.** Current and future needs and expectations are recognized through Council Priorities and Council's endorsement of other plans, such as the 2040 OCP and Transportation Master Plan.

The latest Capital Plan was adopted by Council in August 2022 and reviewed with the current Council in November 2022.

Previous Council Resolution

Resolution	Date
THAT Council receives, for information, the third of three reports from Financial Services dated August 22, 2022, with respect to the 10-Year Capital Plan (2022 to 2031); AND THAT Council adopts the 10-Year Capital Plan.	August 22, 2022
THAT Council receives, for information, the report from Financial Services dated November 28 th , 2022, with respect to the 10-Year Capital Plan Overview.	November 28, 2022

Capital Planning Process:

This year's update to the Capital Plan focuses on infrastructure investment for the years 2023 – 2032 and is the first update for the new Council. The Capital Plan will be influenced by [Council Priorities 2023-2026](#) and also by the replacement of Parkinson Recreation Centre (PRC).

The capital planning process is being modified this year to include additional touchpoints to allow Council more time to shape the direction of the Capital Plan. For this planning cycle, touchpoints have increased from three to a total of seven; occurring between April 3 and July 24, 2023 (Table 1).

Table 1 - Council touchpoint schedule.

Touchpoint	Topic	Purpose	Date
1	Overview & Listening	Introduce the process and hear from Council	April 3
2	PRC Functional Plan	PRC Function Plan presentation	April 17
3	Buildings Workshop	Buildings planning principles, strategy & direction	April 24
4	Parks Workshop	Parks planning principles, strategy & direction	May 8
5	Transportation Workshop	Transportation planning principles, strategy & direction	May 15
6	Draft Capital Plan Review	Comprehensive review of Capital Plan	July 10
7	Final Plan Review & Adoption	Final review and adoption	July 24

The April 3rd report will kick things off with an Overview and Listening workshop where the capital planning process will be introduced, and Council will be asked to provide direction. The second workshop will focus on the Functional Plan for the Parkinson Recreation Centre replacement. Three separate workshops for Buildings, Parks, and Transportation will be facilitated to receive Councils direction for these important infrastructure areas. This information will be used in the development of the comprehensive Capital Plan that will be reviewed by Council prior to adoption targeted for the end of July.

Council Appreciative Inquiry:

The Overview & Listening workshop will conclude with a Council roundtable. The roundtable is intended to hear from Council on what is important to them as part of this update. This may be Council's experience out in the community, what they heard from citizens or what they have learned during their time on Council. Council is encouraged to think in-terms of service levels or outcomes (as opposed to projects) and important types of infrastructure investments that should occur.

Some examples are:

- more people using transit, cycling or walking and less reliance on single occupancy vehicles,
- improve traffic flow and capacity on major road networks,
- better access to recreational & cultural facilities,
- more parks & public spaces,
- reduce greenhouse gases,
- maintain current assets in state of good repair

There is a limit to what improvements can be funded and Council should prioritize investment areas and delineate between wants versus needs in their response to the question.

Council will be asked the following question during the roundtable:

- **What infrastructure and services are most important to you and what additional information do you feel you need, to make informed decisions?**

Council's responses will be incorporated into planned workshops 3, 4 & 5 as well as the development of the comprehensive Capital Plan.

Conclusion:

The foundation of service delivery is a network of well maintained, long-lasting and resilient infrastructure. The Capital Plan is updated annually to respond to emerging issues and changing community priorities and through a commitment to continuous improvement the City balances community wants versus needs and makes the necessary decisions to put in place the infrastructure to support a future Kelowna.

Internal Circulation:

General Manager, Infrastructure
Divisional Director, Partnership & Investments
Parks & Buildings Planning Manager
Transportation Engineering Manager
Asset Planning Manager

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by:

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Approved for inclusion:



J. Shaw, Acting Divisional Director, Financial Services

cc: