

Report to Council



Date: April 15, 2024
To: Council
From: City Manager
Subject: Amendment No. 1 to the Five Year Financial Plan 2023-2027
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated April 15, 2024 with respect to amendments to the Five Year Financial Plan 2023-2027 Bylaw;

AND THAT Bylaw No. 12638 being Amendment No. 1 to the Five Year Financial Plan 2023-2027 Bylaw No. 12502 be advanced for reading consideration.

Purpose:

To amend the Five Year Financial Plan (2023-2027) as required by the Community Charter to include the authorized transfers and amendments which occurred in the 2023 year.

Background:

The City of Kelowna, in compliance with section 165(1) of the Community Charter (Financial Management), amends the financial plan annually to provide for expenditures required after the 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. Budget transfers and amendments included in the amended financial plan are permitted under Council Policies #262 Financial Plan Amendment Policy, and #261 Financial Plan Transfer Policy.

Council Policy #262, Financial Plan Amendment Policy, states that amendments may increase the City's total budget only where funding is by a source other than taxation (i.e.: provincial grants, private contributions, etc.). Council approval is required for amendments greater than \$200k.

Council Policy #261, Financial Plan Transfer Policy, allows the transfer of funds within the approved financial plan in order to meet the City's internal control objectives, to provide a means for a predictable operating result and to ensure the early detection and management of over-expenditures. Council consent is required if the transfer involves the cancellation of an approved program or project. Transfers cannot be used to fund new programs or projects without prior Council consent.

All transfers and amendments, including those that do not require Council approval throughout the year, are presented in an amended Five Year Financial Plan bylaw. The attached Schedule A summarizes the authorized transfers and amendments that occurred throughout the 2023 fiscal year. The following are a few transfers and amendments of note that are being brought before Council for the first time.

Airport:

Airport – Carbon Neutral Initiatives: As part of the Airport's goal of being carbon neutral by 2030, several carbon neutral initiatives were completed such as installation of window shading, electrical work on a pre-conditioned air system and installation of air curtains at an entrance door. The 2023 budget was amended by \$110k, funded from the Airport Terminal reserve to complete these initiatives.

Parks Capital:

Cemetery Gate Security Budget Transfer: Kelowna Memorial Park Cemetery has one of most challenging open/close gates in the city. This area has sensitive security considerations and missed open/closes were causing inconvenience to the public. Budget of \$50k was transferred from the public safety levy to purchase automated gate controllers, card access control and a security camera to better serve and protect the public.

Wastewater Capital:

Odour Control Media Replacement Budget Transfer: Upon starting the odour control system media replacement work, unanticipated degradation of one of the components was discovered which required additional scope and budget to replace. A budget transfer of \$350k was completed to move reserve funding from the Wastewater Mains and Facilities renewal project to cover the additional expenses.

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Council Priority Alignment:

Discussion:

Conclusion:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Consultation and Engagement:

Communications Comments:

Submitted by:

J. Jean, Budget Supervisor

Approved for inclusion: J. Sass, CA, CPA Director of Financial Services

cc: M. Antunes, CPA, Financial Planning Manager

Attachment:

1. Amendment No. 1 to the Five Year Financial Plan 2023-2027 Council Presentation