

Report to Council



Date: May 13, 2024
To: Council
From: City Manager
Subject: Quarter one Amendment to the 2024 Financial Plan
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the Report from Financial Services dated May 13, 2024 with respect to quarter one amendments to the 2024 Financial Plan;

AND THAT the 2024 Financial Plan be amended to include budget amendments detailed in this report.

Purpose:

To amend the 2024 Financial Plan to include quarter one budget changes outlined in this report.

Background:

Budget amendments and transfers are changes to the annual budget that reflect new or updated information, circumstances, or priorities and are frequently required after the City's Financial Plan has been approved by Council. Reasons for amendments vary and may include confirmed grant funding, emergent events, new Council-directed initiatives, new legislation or regulations, and when unforeseen expenditures are deemed necessary but were not included in the approved Financial Plan.

Budget amendments and transfers are permitted under section 165(1) of the Community Charter (Financial Management). The amendments in all cases do not impact the approved taxation demand but rather result in a 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.

Discussion:

The following are transfers and amendments being recommended for quarter one of 2024.

Enabling Services:

City Protection Officer: The first City Protection Officer (CPO) was hired in July 2023 to support staff safety and City asset protection. The addition of this position has resulted in a reduction of staff safety incidents as well as decreased calls for Bylaw and Police assistance. The addition of a second CPO position will expand the hours of operation to 7 days a week as well as extended hours, ensuring coverage during vacation and/or sick leave. The City currently receives between approximately \$200k to \$250k each year as part of the WorkSafe BC Certificate of Recognition program that is contributed to reserve for future safety related projects. A budget redeployment of \$97k is requested to redirect a portion of this reserve contribution to the Risk Management service area to fund this second CPO position.

Parks Services:

The Queensway Transit Exchange, the Okanagan Heritage Museum, and City Park have faced many security and public safety issues. This is partially due to poor design features including the overhang around the museum and lack of lighting along Queensway, areas falling into disrepair such as Bennett Clock Plaza and the museum entrance, and finally low-use areas like the Southeast corner of City Park. The proposed projects aim to address these problems by creating a dog run in City Park, upgrading the exterior of the museum, and enhancing the Queensway Transit Exchange. These projects will improve each of those critical areas, increase activation of those spaces, increase sense of safety and reduce risks of vandalism, and have a net positive impact on the downtown area, including increasing transit ridership. These improvements should also lower the requirement for daily security, bylaw and police resources.

City Park - Dog Run: Budget of \$750k is requested funded from Public Works Reserves with anticipated completion in 2024.

Okanagan Heritage Museum Accessibility Upgrades: Budget of \$300k is requested funded from Public Works Reserves with anticipated completion in 2024.

Queensway Exchange Area Improvements and Masterplan: Budget redeployment of forecasted surplus in current base budgets of \$250k with anticipated completion in 2024.

Sport & Recreation Services:

Glenmore Recreation Park Lighting: To accommodate the growing needs of field-sport users, various lighting options are being considered in the City, including at Glenmore Recreation Park (GRP). Anticipated costs to light the two fields at GRP is \$1.1 Million. The Kelowna Men's and Women's Soccer Leagues (KMSL/KWSL) have offered to partner on this project to advance and improve seasonal play. The KMSL/KWSL funding of \$300k will be matched with existing City funding of \$800k through the GRP budget. The funding from KMSL/KWSL is being offered for the betterment of the field-sport community at large and is not contingent on any guaranteed usage levels to the two leagues. Budget amendment is requested to include the partnership funding of \$300k with anticipated completion being late 2024.

Transportation Capital:

Frost 1 DCC (Killdeer - Chute Lake): Design and cost estimates for the Frost 1 DCC project will be completed ahead of schedule allowing for the construction phase of the project to start earlier than expected. This project will extend Frost Rd from Killdeer Rd westward towards Chute Lake Rd (350m) and develop a roundabout at the intersection of Frost / Chute Lake to alleviate traffic issues surrounding South Kelowna. This will provide a new major road connection between Chute Lake Rd and Gordon Dr, connecting the Kettle Valley and Ponds neighbourhoods. The requested additional budget of \$1.0 Million

will allow staff to start construction in 2024 and deliver the scope of the project recommended and is planned to be fully expensed in 2024. A further \$4.8 Million has been approved and will be added to the budget through the 2025 preliminary process. The Frost 1 DCC (Killdeer – Chute Lake) project has a total project cost of \$5.76 Million in the 10-Year Capital Plan with \$290k spending to date. Budget of \$1.0 Million is requested to be advanced from 2025 to complete this portion of the project funded from a split of DCC and Transportation Reserves Funding.

KLO Road Mission Creek Bridge Replacement: KLO Road Mission Creek Bridge is at the end of its service life and an approved multiyear replacement project is in place with anticipated completion in 2026. Detailed design work is currently underway and there is an opportunity to begin pre-work which includes transmission main replacement in 2024, to allow more flexibility in 2025's construction schedule. The project has approved 2024 budget of \$1.4 Million and spending of \$152k to date with the total project cost of \$11.65 Million approved in the 10-Year Capital Plan. Budget of \$500k is being requested to be advanced from 2025 to complete this portion of the project funded from Community Works Reserves.

McKinley Road Re-alignment: The McKinley Road Re-alignment project is requested to improve the road geometry for increased safety around the Shayler Rd intersection area. The City wishes to complete this work in 2024 due to the opportunity to partner with a nearby construction project for cost efficiencies and subsequent cost savings. A budget amendment of \$540k is requested with funding of \$258k from deferred revenue previously for construction and \$282k from Development Reserves. Anticipated completion of this project is 2024.

Water Capital:

Summit Reservoir: The estimated cost of construction for this 2.0 million litre reservoir expansion has increased beyond the original DCC budget due to significant earthworks, rock removal, and park restoration. This reservoir has been designed to accommodate fire protection, future development in this area and potential interconnection with Glenmore Ellison Improvement District (GEID). The project has approved budget of \$2.13 Million and spending of \$146k to date. Additional budget of \$1.5 Million is requested with funding from a split of DCC and Utility Funding for a revised total project cost of \$3.6 Million.

Rio Clifton: This watermain upsizing is in coordination with Traffic Signals and Roundabouts DCC at Rio and Clifton intersection. This budget will replace the existing 200mm asbestos cement watermain with 300mm polyvinyl chloride (PVC) and extend beyond the limits of the intersection. There are significant cost efficiencies realized with completing this work now and avoiding future impacts to this intersection and signals. The Clifton (Rio-Boppart) project has a total project cost of \$2.8 Million in the 10-Year Capital Plan. Budget of \$140k is requested to be advanced from 2028 to complete this portion of the project funded from a split of DCC and Utility Funding.

Internal Circulation:

Infrastructure
Active Living & Culture
Corporate & Protective Services
Partnerships & Investments

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Conclusion:

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:

Quarter one Amendment to the 2024 Financial Plan Presentation