

Report to Council



Date: April 10, 2017
File: 0220-20
To: City Manager
From: George L King, Financial Planning Manager
Subject: Amendment #1 to Five Year Financial Plan, 2016-2020

Recommendation:

THAT Council receives, for information, the Report from the Manager, Financial Planning dated April 10, 2017 with respect to amendments to the Five Year Financial Plan 2016-2020 Bylaw

AND THAT Bylaw No. 11377 being Amendment No. 1 to the Five Year Financial Plan 2016-2020 Bylaw No. 11227 be advanced for reading consideration;

Purpose:

To amend the Five Year Financial Plan as required by the Community Charter so that it includes the authorized transfers and amendments that occurred throughout the year.

Background:

The City of Kelowna, in order to comply with section 165(1) of the Community Charter (Financial Management), amends the financial plan 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, disbursements of Other Working Capital and other transfers as permitted under the Budget Amendment Policy #262 and Budget Transfer Policy #261, which are excluded from the analysis below.

The attached Schedule A reflects the following material amendments and transfers that are being brought before Council for the first time:

General Fund

Infrastructure Division:

The Brandt's Creek Drainage Improvement project required further funding due to additional environmental work and the cost to relocate a transformer. Surplus funding from the Dehart/Crawford Road Drainage project of \$85,000 was allocated to fund the additional expenditures.

The Lakeshore Rd (Barnaby to Vintage Terrace) project required further funding due to replacement of additional storm drainage piping and drainage inlets and the widening of the bike lane for improved safety. Surplus funding from the Dehart/Crawford Road Drainage project of \$100,000 was allocated to fund the additional expenditures.

The Queensway Transit Pavilion no longer has Provincial and Federal funding, so the budget has been reduced by \$399,500.

The Transit Operations Centre Improvements project and the Bus Monitoring System project no longer have Federal funding, so the budgets \$800,000 and \$572,000, respectively, have been eliminated. The grants are now distributed directly to BC Transit and the projects will be completed by BC Transit.

The Rutland Transit 2, Shepherd Road Extension project no longer has Provincial and Federal funding, so the budget of \$1,200,000 has been eliminated.

The Sidewalk Network Expansion project received ICBC funding of \$10,100. The project required further funding due to extra work required to replace retaining wall and associated costs. Surplus funding from the Alternate Hwy 97 Multi-use Pathway project of \$142,125 was allocated to fund the additional expenditures.

Corporate & Protective Services Division:

The BC Gas Legacy interest rate charges by Municipal Finance Authority was reduced resulting in a reduction of interest expense for \$321,750.

The Library Plaza Parkade loan was forgiven by Municipal Finance Authority resulting in the elimination of principal and interest expense of \$143,555.

Wastewater, Water Funds

The Bernard Avenue Sidewalk project added a water main replacement to the scope of the project as it was determined the future replacement would affect the new sidewalk and bike lane. The water main replacement was expected to be relatively routine but when construction began it was determined the water main had been filled and raised above the original grade which required additional work to meet current standards. Surplus funding from projects Ethel Street - Bernard to Cawston, Abbott Street - Leon to The Sails and Dilworth Drive Water Main Replacement and cancelled projects Clifton Road Water Main Upgrade, Decommissioning of Reservoirs of \$271,577 was allocated to fund the additional expenditures.

The Okanagan Blvd-Kingsway to Richter, Alta Vista Road-West section, and Morrison Ave (Richter to Ethel) projects cost estimates were recently completed and were greater than projected. Funding from the cancelled Clifton Road Water Main project of \$79,380, \$44,630 and \$205,820, respectively, was allocated to fund the additional estimated costs.

The Hollywood 7 Sexsmith Sewer project was cancelled as it was determined additional sewer works would not benefit the connection area and would only benefit the developer, so the budget of \$225,000 has been eliminated.

Legal/Statutory Authority:

Community Charter section 165.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

G.L.King, CPA, CMA

Approved for inclusion:



Genelle Davidson CPA, CMA, Divisional Director Financial Services