

2008 FINANCIAL PLAN



FINAL

VOLUME 3



CITY OF KELOWNA

MEMORANDUM

Date: April 28, 2008
File No.: 1700-20
To: Mayor and Council
From: City Manager
Subject: 2008 FINANCIAL PLAN – FINAL BUDGET

RECOMMENDATION:

THAT Council adopt the 2008-2012 Financial Plan.

AND THAT Council approve the formulation of 2008 Property Tax Rates that will raise the required funds in 2008, from General Taxation, of \$88,503,000, resulting in an average net property owner impact of 5.66%.

AND FURTHER THAT bylaw 9991 to adopt the 2008-2012 Financial Plan, bylaw's 9992 & 9993 for the 2008 Tax Rates and bylaw's 9996 & 10000 for the Reserve Fund Expenditures be advanced for reading consideration by Council.

BACKGROUND:

Council approved the provisional 2008 Financial Plan on December 13th, 2007, and it was amended on March 17th to include the 2007 carry-over projects. The Final Budget document includes emergency or Council initiated projects that are consolidated with the first two volumes into the 2008-2012 Financial Plan. The timing of the Financial Plan preparation is to coincide with preparation of the Tax Rates bylaw in accordance with the Community Charter.

Financial Services has projected the 2008 municipal taxation requirements for the City of Kelowna as a result of receiving the following information:

- Revised roll totals, which represent final assessment information from BC Assessment, subsequent to the Court of Revision and incorporating final new construction information.
- Council approval of the 2008 Tax Distribution Policy.
- Additional requests from operating departments resulting from analysis of final 2007 operating results and additional projects identified since approval of the Financial Plan.

Revenue Resulting from New Construction

Final new construction taxation revenues, based on the revised assessment roll, total \$3.2 Million, a decrease of \$663,000 from the value estimated at Provisional Budget. The estimate was based on 2007 new construction revenues along with BC Assessment preliminary roll information but the final new construction amount was not able to reach last year's growth level. The total assessed value of new construction for 2008 is \$779.3 million or a 4.2% increase over 2007 assessed property values.

General Revenues

A general revenue increase of \$308,280 results from an increase in the 1% In-lieu of Property Tax, Natural Gas Franchise Fees and Traffic Fine Revenue sharing.

Supplemental Operating Requests

The Final Budget document includes an increase of general purpose net Operating Expenditures totalling \$168,670 (excluding general revenue increases). Excluding the transfer of taxes to other governments there are Final Budget expenditure requests totalling \$2,516,472 that are offset by recoveries (revenues or reserves) of \$2,347,802. The largest cost requirements are in the Solid Waste, Transportation Services and Transit areas. Aside from reserve funding, additional revenues were included for Inspection Permit Revenues and Provincial Gaming Revenues. A summary of the requests is included in attached Schedule 3(a).

There is one expenditure reduction for the Removal of Flex Funding in Transit in the amount of \$326,670 as shown on Schedule 3(b).

Capital Program

The 2008 final capital budget has a reduction of \$195,000 in new taxation requirements. These requests reduce the total general purpose pay-as-you-go funding to \$20.7 Million as compared to \$20.6 Million in the 2007 Financial Plan. This is an increase of \$67,300 and represents only 2% of new construction taxation revenues for 2008. This is \$1.55 million lower than the 50% Council objective for maintaining the pay-as-you-go capital program. Additional reserve funding along with Federal/Provincial program funding helped to sustain the capital program while maintaining a reduced taxation impact.

Schedule 3(c) summarizes the Final Budget general fund capital requests of \$1.1 million.

Utilities and Airport

There are three utility operating requests as shown on Schedule 3(d). These include an increase in the Electrical Services Contract along with salary and reserve changes at the Airport.

The Utility Funds capital program includes projects for the Wastewater and Electrical areas and is summarized in Schedule 3(e).

Net Property Owner Impact

It is important to note that, irrespective of the final taxation demand established by Council, projections of the **Municipal Tax impact** on all classes of property owners in each Property Class is based on the **average increase in the market value** of all properties within that class.

Properties experiencing a market assessment increase greater than the average change will experience a correspondingly higher net tax increase. Conversely, properties experiencing a market assessment change of less than the average will experience a correspondingly lower net tax impact.

The Provincial Homeowner Grant program has changed again for 2008. The maximum that can be claimed remains at \$570 for homeowners less than 65 years of age and \$845 for those 65 and over. The threshold before the grant begins to reduce has increased by \$100,000 to \$1,050,000. After \$1,050,000 the grant is reduced by \$5 for every \$1,000 of residential assessed value. Homeowners that qualify for the additional home owner grant amount (low-income seniors, certain veterans and certain persons with disabilities) may apply to the Ministry of Small Business and Revenue if they cannot receive the grant due to the high assessed value of their home.

Conclusion

The recommendation for a net property tax increase averaging 5.66% is required to maintain, and with the new aquatic centre, increase the level of services that the citizens of Kelowna receive. A balance between the increasing cost of providing services and supporting the demands of a growing city, have resulted in a higher tax increase for 2008. The 2008 Financial Plan continues to provide for the services, infrastructure and amenities consistent with the needs of our developing community.

The projected taxation increase remains at the Provisional Budget level of 5.66% with the aquatic centre impact of 2.86% and the impact of other services at 2.80%.

LEGAL/STATUTORY AUTHORITY: Financial Plan under Section 165 of the Community Charter requires adoption of a 5 Year Financial Plan bylaw prior to the annual property tax bylaw. Annual property tax bylaw under Section 197 of the Community Charter, Council must establish tax rates by bylaw after adoption of the financial plan but before May 15th.

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

EXISTING POLICY:

FINANCIAL/BUDGETARY CONSIDERATIONS:

PERSONNEL IMPLICATIONS:

TECHNICAL REQUIREMENTS:

EXTERNAL AGENCY/PUBLIC COMMENTS:

COMMUNICATIONS CONSIDERATIONS:

ALTERNATE RECOMMENDATION:

Submitted by:

*R.L. (Ron) Mattiussi,
City Manager*

Cc: All City Directors

<p style="text-align: center;">2008 FINANCIAL PLAN VOLUME 3 SUMMARY OF SCHEDULES</p>

Overall Summary

The 2008 Financial Plan results in a Final Tax Demand of \$88.5 million. This represents a decrease of \$0.7 million relative to the Provisional Financial Plan total. The total taxation revenue from new construction has decreased to \$3.2 million.

The impact to the average property owner is approximately 5.66%. As assessments are revised annually, the actual impact will vary from property to property based on the individual assessed market change.

A number of schedules have been prepared and are included in this document, along with detailed Supplemental and Capital Expenditure requests, as follows:

Schedule 1 & 2 - Analysis of Tax Demand / Final Budget Summary

The first schedule provides a summary of all expenditure and revenue categories starting with the 2007 Final Tax Demand of \$80,697,000 and detailing changes in various categories which result in the proposed 2008 Final Tax Demand of \$88,503,000.

Final Budget requests for net general fund operating and capital expenditures from tax demand are summarized as follows:

General Operating (Net of All Revenues)	\$ (466,280)
Capital Expenditures from Tax Rate	<u>(195,000)</u>
	\$ (661,280)

The tax demand established at Provisional Budget was \$89,164,280. With the requests included in this volume, the tax demand decreases to \$88,503,000 resulting in a 5.66% net property owner impact.

Schedules 3(a), 3(b), 3(c), 3(d), 3(e) - Request Summaries

These schedules provide a summary of all of the requests for operating and capital expenditures in both the General and Utility Funds.

The summary below indicates the taxation and utility funding requirements for the Financial Plan.

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Revenues</u>	<u>Net Impact</u>
General Fund	(158,000)	(195,000)	(353,000)	308,280	(661,280)
Electrical	22,810	352,080	374,890		374,890
Wastewater		(375,000)	(375,000)		(375,000)

Schedules 4 & 5 - Analysis of Total Revenues/Expenditures

These schedules summarize the total 2008 Financial Plan operating and capital expenditures by fund and by revenue source. The total budget requirement is \$436.2 million with \$201.8 million for operating needs and \$234.4 million for the 2008 capital program. Taxation (20%), fees & charges (21%) and reserve or surplus funding (25%) are the three largest revenue sources for the 2008 Financial Plan.

Schedule 6 - Use of Tax Dollar by Service Area

Schedule 6 highlights the cost per service area and the resultant total municipal taxes for the average single family detached residential property (under 2 acres in size) in Kelowna for 2008. The average assessed value of \$494,300 was obtained from BC Assessment information.

Schedule 7 – Ongoing Budget Impacts

Schedule 7 provides a summary listing of the ongoing impacts of decisions made in the 2008 Financial Plan. There is a 1.14% increase for 2009 before considering the impacts of wage increases, borrowing or inflation.

Schedule 8 – Financial Plan 2008 – 2012

This schedule totals the 2008 Financial Plan requirements and the expected impacts on years 2008 – 2012. Further information for years 2013 to 2020 to match the term of the 20 Year Servicing Plan is also included.

GENERAL FUND

ANALYSIS OF TAX DEMAND

2008 FINANCIAL PLAN

		2007 PROPERTY TAXATION			
		\$80,697,000			
2007 Gross Departmental Operating Expenditures	%	Change	\$15,173,609	2008 Gross Departmental Operating Expenditures	
\$118,972,427	12.75%	—	\$15,173,609	\$134,146,036	
Net Departmental Revenue				Net Departmental Revenue	
\$48,268,198	18.23%	—	\$8,800,172	\$57,068,370	
2007 Net Departmental Operating Expend.				2008 Net Departmental Operating Expend.	
\$70,704,229	9.01%	—	\$6,373,437	\$77,077,666	
Net General Debt				Net General Debt	
\$329,578	617.38%	—	\$2,034,762	\$2,364,340	
Capital Expenditures From General Taxation				Capital Expenditures From General Taxation	
\$20,616,980	0.33%	—	\$67,300	\$20,684,280	
<hr/>				<hr/>	
\$91,650,787	9.25%	—	\$8,475,499	\$100,126,286	
General Revenues				General Revenues	
\$10,953,787	6.11%	—	\$669,499	\$11,623,286	
2008 GROSS TAX DEMAND			\$88,503,001		
LESS: ESTIMATED NEW CONSTRUCTION			\$3,237,000		
<hr/>				<hr/>	
NET PROPERTY OWNER IMPACT			5.66%		
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GENERAL FUND TAX DEMAND

2008 FINANCIAL PLAN

2007 TAXATION DEMAND		\$ 80,697,000
PROVISIONAL BUDGET TAX DEMAND		89,164,280
FINAL BUDGET SUBMISSIONS		
<u>Schedule 3(a)</u>		
GENERAL REVENUES	(308,280)	
OPERATING SUPPLEMENTALS	<u>168,670</u>	(139,610)
<u>Schedule 3(b)</u>		
EXPENDITURE REDUCTIONS		(326,670)
<u>Schedule 3(c)</u>		
CAPITAL PROJECT REQUESTS		(195,000)
TOTAL FINAL BUDGET ADDITIONS		<u>(661,280)</u>
2008 FINAL TAX DEMAND		88,503,000
LESS: NEW CONSTRUCTION		3,237,000
<hr style="border-top: 1px dashed black;"/>		
NET PROPERTY OWNER IMPACT		
<i>PROVISIONAL BUDGET</i>	<i>5.66%</i>	
FINANCIAL PLAN - FINAL BUDGET		5.66%
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2008 FINAL SUPPLEMENTAL REQUEST SUMMARY
FINANCIAL PLAN
PRIORITY 1 - BY DEPARTMENT

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
<u>REVENUE</u>						
6000-10-601-0-900X	1% IN LIEU OF TAXES	0	96,880	REVENUE	(96,880)	ONGOING
622-10-605-0-V622	TERASEN GAS FRANCHISE FEE	0	56,400	REVENUE	(56,400)	ONGOING
694-10-621-0-99812	TRAFFIC FINE REVENUE SHARING	0	155,000	PROV CONT	(155,000)	ONGOING
	DEPARTMENT TOTALS	0	308,280		(308,280)	
<u>CORPORATE SERVICES</u>						
231-10-065-0-001	MUNICIPAL ELECTION 2008	108,000	108,000	ELCTRES	0	ONETIME
	DEPARTMENT TOTALS	108,000	108,000		0	
<u>COMMUNITY DEVELOPMENT & REAL ESTATE</u>						
618-10-071-CV225-9400	COMMERCIAL PROPERTY REVENUE		(48,000)	REVENUE	48,000	ONGOING
	DEPARTMENT TOTALS	0	(48,000)		48,000	
<u>HUMAN RESOURCES</u>						
252-10-127-0-001	EQPT OPERATOR CERTIFICATION	60,000	60,000	GENRES	0	ONETIME
	DEPARTMENT TOTALS	60,000	60,000		0	
<u>PLANNING & DEVELOPMENT</u>						
311-10-161-0-001	FEE INCREASE REVIEW	25,000	25,000	FRFEERES	0	ONETIME
	DEPARTMENT TOTALS	25,000	25,000		0	
<u>INSPECTION SERVICES</u>						
531-10-181-0-001	CLERICAL ADMINISTRATION RELIEF	27,650	27,650	REVENUE	0	ONETIME
6133-10-182-0-935XX	INSPECTION PERMIT REVENUES		200,000	REVENUE	(200,000)	ONGOING
	DEPARTMENT TOTALS	27,650	227,650		(200,000)	
<u>CIVIC PROPERTIES</u>						
618-10-219-C597-9400	GUISACHAN PARK		(21,000)	REVENUE	21,000	ONETIME
	DEPARTMENT TOTALS	0	(21,000)		21,000	
<u>CULTURAL SERVICES</u>						
252-10-198-0-476	RCA MGMT & OPER. AGREEMENT	58,740	0		58,740	ONGOING
	DEPARTMENT TOTALS	58,740	0		58,740	
<u>SPORT AND RECREATION SERVICES</u>						
XXX-10-2XX-XXX-XXX	BOYS AND GIRLS CLUB LEASE	(5,821)	(5,821)	REVENUE	0	ONGOING
	DEPARTMENT TOTALS	(5,821)	(5,821)		0	
<u>PARKS</u>						
XXX-10-XXX-X-041	TURF MAINTENANCE	29,050	0		29,050	ONGOING
252-10-3604-0-049	MANHATTAN POINT BEACH SECURITY	15,000	0		15,000	ONGOING
XXX-10-3613-0-130	PARK CLEANLINESS	53,200	0		53,200	ONGOING
	DEPARTMENT TOTALS	97,250	0		97,250	

2008 FINAL SUPPLEMENTAL REQUEST SUMMARY
FINANCIAL PLAN
PRIORITY 1 - BY DEPARTMENT

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
WORKS & UTILITIES ADMINISTRATION						
511-10-304-0-001	DEVELOPMENT TECHNICIAN	50,000	50,000	REVENUE	0	ONGOING
	DEPARTMENT TOTALS	<u>50,000</u>	<u>50,000</u>		<u>0</u>	
TRANSPORTATION SERVICES						
311-10-311-0-00127	TRANSPORTATION WORKSHOPS	32,000	32,000	FED CONT	0	ONETIME
311-10-313-0-8042	BIKE TO SCHOOL WEEK	20,000	20,000	TDMRES	0	ONETIME
102-10-315-pl999-5172	PARKING METER OPERATIONS	95,000	95,000	PRKRES	0	ONGOING
XXX-10-3912-120-120X	SNOW REMOVAL	175,010	0		175,010	ONGOING
252-10-3912-121-1212C	SPRING SWEEPING	143,800	143,800	SNOWRES	0	ONETIME
252-10-3914-130-1301	KELOWNA PACIFIC RAILWAY AGRMT.	58,950	58,950	GENRES	0	ONETIME
XXX-10-3916-X-XXX	MOBILE EQUIP SERVICE & INSPECTION	40,602	40,602	PWRES	0	ONGOING
	DEPARTMENT TOTALS	<u>565,362</u>	<u>390,352</u>		<u>175,010</u>	
TRANSIT						
XXX-10-327-0-XXX	2008 EXPANDED SERVICE	531,400	376,300	REV/PROV	155,100	ONGOING
	DEPARTMENT TOTALS	<u>531,400</u>	<u>376,300</u>		<u>155,100</u>	
SOLID WASTE						
197-10-4510-0-101	LANDFILL MANAGEMENT	200,000	200,000	LNDFRES	0	ONGOING
252-10-4510-0-102X	RECYCLING & WASTE REDUCTION	600,000	600,000	LNDFRES	0	ONGOING
	DEPARTMENT TOTALS	<u>800,000</u>	<u>800,000</u>		<u>0</u>	
STREET LIGHTS						
2XX-10-5111-0-1181	STREET LIGHT OPERATIONS	43,570	0		43,570	ONGOING
252-10-5111-0-1182	STREET LIGHT BULB REPLACEMENT	45,000	25,000	GENRES	20,000	ONGOING
	DEPARTMENT TOTALS	<u>88,570</u>	<u>25,000</u>		<u>63,570</u>	
DEBT & OTHER						
403-10-704-0-867	SHORT TERM BORROWING	164,500	164,500	LNDRES	0	ONGOING
39X-10-941-0-75XX	TAXES TO OTHER GOVERNMENTS			LEVY	0	ONGOING
		<u>164,500</u>	<u>164,500</u>		<u>0</u>	
POLICE						
692-10-099-0-99813	PROVINCIAL GAMING REVENUES		250,000	REVENUE	(250,000)	ONGOING
	DEPARTMENT TOTALS	<u>0</u>	<u>250,000</u>		<u>(250,000)</u>	
	TOTAL PRIORITY 1	<u>2,516,472</u>	<u>2,656,082</u>		<u>(139,610)</u>	
	FINAL SUPPLEMENTAL REQUESTS					

2008 EXPENDITURE REDUCTION SUMMARY
FINANCIAL PLAN
BY DEPARTMENT

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
<u>TRANSIT</u>						
XXX-10-32X-0-XXXX	REMOVAL OF FLEX FUNDING	162,190	(164,480)	REV/PROV	326,670	ONGOING
	DEPARTMENT TOTALS	<u>162,190</u>	<u>(164,480)</u>		<u>326,670</u>	
	TOTAL EXPENDITURE REDUCTIONS	<u>162,190</u>	<u>(164,480)</u>		<u>326,670</u>	

CITY OF KELOWNA
2008 CAPITAL BUDGET SUMMARY
GENERAL OPERATING FUND
FINAL BUDGET



CHARTFIELD	DESCRIPTION	TAXATION	SURPLUS/ RESERVES	DEBENTURE OTHR BORRW	FED / PROV FUNDING	DEV/COMM OTHR CONTRB	UTILITY REVENUE	TOTAL
<u>PARKS</u>								
1.	10-3670-P5978 MISSION REC PARK - UTILITIES	250,000	0	0	0	0	0	250,000
2.	10-3670-P5980 MISSION REC PARK - DRAINAGE	30,000	0	0	0	0	0	30,000
3.	10-3670-P5981 BLUEBIRD LIFT STATION	(300,000)	0	0	0	0	0	(300,000)
4.	10-3680-P433 STUART PARK	450,000	0	0	0	0	0	450,000
5.	10-3680-P715 DOWNTOWN PIER	(900,000)	0	0	0	0	0	(900,000)
6.	10-3680-P9201 TENNIS COURT - BLAIR POND PARK	100,000	0	0	0	0	0	100,000
DEPARTMENT TOTALS		(370,000)	0	0	0	0	0	(370,000)
<u>WORKS AND UTILITIES</u>								
1.	10-3105-A223 BERNARD STREETScape PHASE 1&2	175,000	0	0	0	0	0	175,000
DEPARTMENT TOTALS		175,000	0	0	0	0	0	175,000
<u>TRANSPORTATION</u>								
1.	10-3304-R6835 PANDOSY SIDEWALK (RAYMER-ROYAL)	0	400,000	0	0	0	0	400,000
2.	10-3306-R5164 BICYCLE NETWORK PLAN	0	350,000	0	250,000	0	0	600,000
3.	10-3314-R2360 CAWSTON/ST PAUL PARKING LOT	0	200,000	0	0	0	0	200,000
4.	10-3400-R8949 SEXSMITH 4 - PRELIM DESIGN	0	50,000	0	0	0	0	50,000
DEPARTMENT TOTALS		0	1,000,000	0	250,000	0	0	1,250,000
<u>STREET LIGHTS</u>								
1.	10-5200-GXXX LANEWAY 900 BLOCK HARVEY AVE	0	23,100	0	0	0	0	23,100
DEPARTMENT TOTALS		0	23,100	0	0	0	0	23,100
TOTAL ALL DEPARTMENTS		(195,000)	1,023,100	0	250,000	0	0	1,078,100

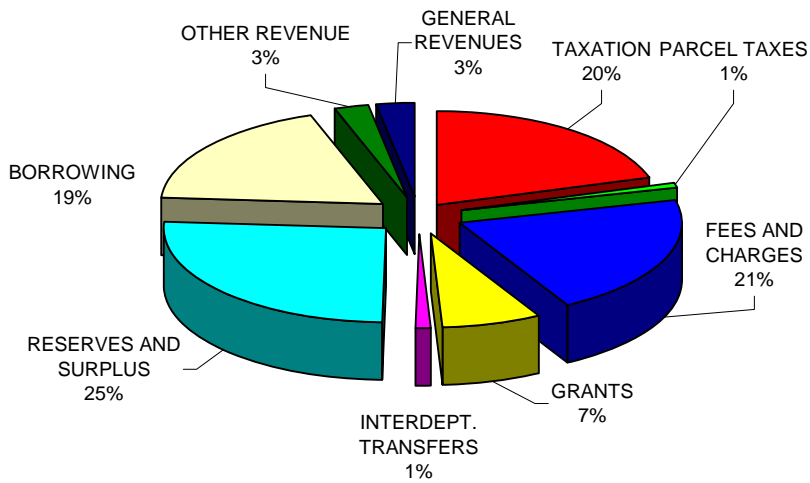
2008 FINAL SUPPLEMENTAL REQUEST SUMMARY
FINANCIAL PLAN
UTILITIES - BY DEPARTMENT

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
<u>ELECTRICAL</u>						
252-30-531X-0-1XX	ELECTRICAL SERVICE CONTRACT	22,810	0		22,810	ONGOING
	DEPARTMENT TOTALS	<u>22,810</u>	<u>0</u>		<u>22,810</u>	
<u>AIRPORT</u>						
XXX-20-0XX-0-XXXX	SALARIES AND RELATED COSTS	53,350	0		53,350	ONGOING
481-20-049-0-R51X	RESERVE APPROPRIATIONS	0	53,350	RESERVES	(53,350)	ONGOING
	DEPARTMENT TOTALS	<u>53,350</u>	<u>53,350</u>		<u>-</u>	
	TOTAL PRIORITY 1 UTILITIES	<u>76,160</u>	<u>53,350</u>		<u>22,810</u>	
	FINAL SUPPLEMENTAL REQUESTS					

ANALYSIS OF TOTAL REVENUES
2008 FINANCIAL PLAN (IN MILLIONS)

TAXATION	\$ 88.5
PARCEL TAXES	3.6
FEES AND CHARGES	90.7
GRANTS	31.9
INTERDEPT. TRANSFERS	5.2
RESERVES AND SURPLUS	112.1
DEBENTURE/BORROWING	80.8
OTHER REVENUE	11.8
GENERAL REVENUES	11.6
TOTAL	\$436.2 MILLION

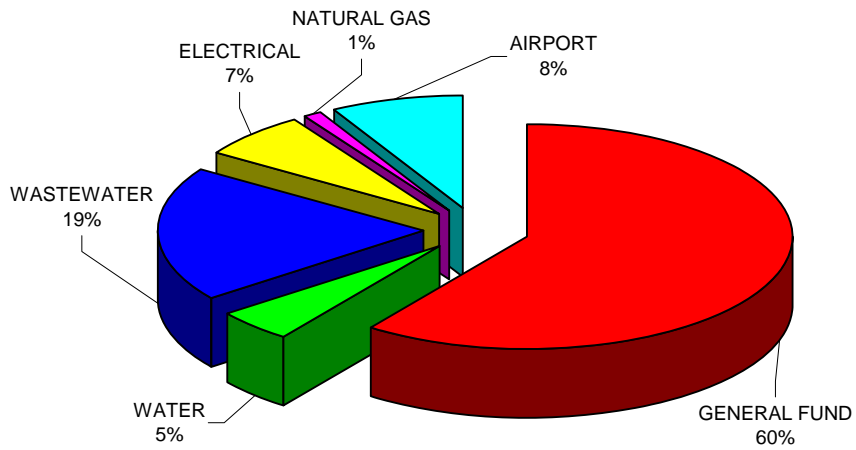
% OF TOTAL REVENUES



ANALYSIS OF TOTAL EXPENDITURES 2008 FINANCIAL PLAN (IN MILLIONS)

	<u>OPERATING</u>	<u>CAPITAL</u>	
GENERAL FUND	\$ 139.2	\$ 123.0	
WATER	5.8	14.7	
WASTEWATER	12.7	72.1	
ELECTRICAL	21.1	7.7	
NATURAL GAS	5.2	0.0	
AIRPORT	17.8	16.9	
TOTAL	\$436.2 MILLION		

% OF TOTAL EXPENDITURE



CITY OF KELOWNA - USING THE TAX DOLLAR

BASED ON A 2008 AVERAGE SINGLE FAMILY DETACHED RESIDENCE

ASSESSED PROPERTY VALUE OF \$494,300

(Municipal Portion of Taxes)

SERVICE AREA	COST	PERCENT OF TOTAL	PERCENT IN 2007
POLICE	\$361.40	21.2 %	20.8 %
FIRE	184.62	10.8	11.3
PARKS, RECREATION & CIVIC BUILDINGS	386.84	22.7	24.4
WORKS & UTILITIES			
ADMIN/DEVT/ENVIRON	33.97	2.0	2.0
STREET LIGHTS	20.51	1.2	1.2
STORM WATER MGMT	43.06	2.5	2.8
TRANSPORTATION SERV	79.83	4.7	4.6
CAPITAL	202.42	11.9	11.9
DEBT SERVICING	42.77	2.5	0.6
GRANTS OR TRANSFERS TO EXTERNAL ORGANIZATIONS OR INDIVIDUALS	56.20	3.3	3.7
PUBLIC TRANSIT	60.04	3.5	2.5
PLANNING & INSPECTION	38.57	2.3	3.0
LIBRARY	75.30	4.4	4.6
WASTE COLLECTION & DISPOSAL	118.00	6.9	6.6
TOTAL	\$1,703.53	100.0 %	100.0 %

<p>City Of Kelowna</p> <p>ONGOING FINANCIAL PLAN IMPACTS</p>

**2009
Financial Plan**

Additional Cost Increases

Debt & Other - Debt Changes (Aquatic Facility)	633,000
Police - RCMP Members & Staff	228,600
Sport & Recreation - Mission Aquatic Facility	75,000
Parks - Urban Forestry Technician	65,000
City Management - Grant Specialist	50,600
Other Incremental Costs	261,160

Total Additional Costs	1,313,360
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Tax Impact	1.48%
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One Time Costs / Revenues

Miscellaneous Operating Costs	(86,850)
Corporate Services - Annual Maint. For Agresso	(139,100)
Sport & Rec - MRP Aquatic Centre	(75,000)

Total One Time Costs	(300,950)
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Tax Impact	(0.34%)
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Total Impact on 2009 Budget	1.14%
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FINANCIAL PLAN 2008 - 2012

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013-2020</u>
REVENUE SOURCES						
Property Value Tax	88,503,000	94,266,984	100,370,638	104,933,846	109,475,907	1,063,424,573
Parcel Taxes	3,571,599	3,980,829	3,658,134	3,953,091	4,256,439	41,346,097
Fees and Charges	93,477,254	95,887,807	99,082,464	101,751,893	104,487,006	1,014,963,501
Borrowing Proceeds	80,829,937	33,350,000	22,250,000	3,000,000	8,000,000	60,100,000
Other Sources	57,654,821	65,012,245	46,550,318	49,166,834	51,461,390	499,884,480
	<u>324,036,611</u>	<u>292,497,865</u>	<u>271,911,555</u>	<u>262,805,663</u>	<u>277,680,742</u>	<u>2,679,718,652</u>
TRANSFERS BETWEEN FUNDS						
Reserve Funds	14,648,872	3,381,356	2,734,676	2,459,516	4,786,128	31,110,341
DCC Funds	42,262,705	54,447,326	48,190,786	38,993,446	35,620,642	195,175,952
Surplus/Reserve Accounts	55,233,250	9,180,532	10,235,086	8,473,542	21,283,368	114,489,689
	<u>112,144,827</u>	<u>67,009,214</u>	<u>61,160,548</u>	<u>49,926,505</u>	<u>61,690,137</u>	<u>340,775,982</u>
Total	<u>436,181,438</u>	<u>359,507,079</u>	<u>333,072,103</u>	<u>312,732,168</u>	<u>339,370,879</u>	<u>3,020,494,634</u>
EXPENDITURES						
Municipal Debt						
Debt Interest	9,460,966	11,406,656	14,441,908	14,222,313	13,903,169	100,425,350
Debt Principal	5,416,331	8,940,895	14,310,341	14,252,501	14,020,274	104,962,189
Capital Expenditures	234,402,195	148,440,161	107,559,586	78,576,620	100,390,391	766,757,894
Other Municipal Purposes						
General Government	17,907,536	16,978,453	17,622,052	18,278,904	18,962,050	184,193,128
Planning & Development	6,964,411	6,878,839	7,095,899	7,411,230	7,741,353	75,197,775
Rec, Parks & Culture	25,874,815	26,839,484	27,792,878	28,839,821	29,929,879	290,732,176
Works & Utilities	72,399,214	73,326,377	76,443,061	79,359,688	82,806,718	804,366,009
Protective Services	32,103,834	33,328,577	34,717,096	36,371,164	37,853,815	367,703,527
Other	4,700,511	4,782,673	4,866,889	4,953,211	5,041,690	63,216,397
Airport	7,814,729	7,311,122	7,539,359	7,775,474	8,019,741	77,901,981
	<u>417,044,542</u>	<u>338,233,238</u>	<u>312,389,069</u>	<u>290,040,927</u>	<u>318,669,079</u>	<u>2,835,456,426</u>
TRANSFERS BETWEEN FUNDS						
Reserve Funds	4,889,252	4,857,094	4,932,449	4,965,089	5,021,070	44,878,183
DCC Funds	0	0	0	0	0	0
Surplus/Reserve Accounts	14,247,644	16,416,747	15,750,585	17,726,152	15,680,730	140,160,025
	<u>19,136,896</u>	<u>21,273,841</u>	<u>20,683,034</u>	<u>22,691,241</u>	<u>20,701,800</u>	<u>185,005,259</u>
Total	<u>436,181,438</u>	<u>359,507,079</u>	<u>333,072,103</u>	<u>312,732,168</u>	<u>339,370,879</u>	<u>3,020,494,634</u>



Supplemental & Capital Request Details

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: REVENUE

DEPT. ID: TAXATION

DESCRIPTION: 1% IN LIEU OF TAXES	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
This request is to adjust Utility companies in lieu of property taxes based on 1% of 2006 utility sales within City of Kelowna boundaries.

	2008 Budget	2008 Estimates	Variance
Telus	269,479	283,610	(14,131)
Teresen Gas	497,664	510,047	(12,383)
Shaw	141,810	166,072	(24,262)
Fortis BC	504,678	550,447	(45,769)
BC Hydro	5,643	5,978	(335)
	1,419,274	1,516,154	(96,880)

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
Revenue budget will be understated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
6000-10-601-0-9004	Telus	(14,131)	(14,131)	(14,131)
6000-10-601-0-9005	Teresen Gas	(12,383)	(12,383)	(12,383)
6000-10-601-0-9006	Shaw Cable TV	(24,262)	(24,262)	(24,262)
6000-10-601-0-9007	Fortis BC	(45,769)	(45,769)	(45,769)
6000-10-601-0-9008	BC Hydro	(335)	(335)	(335)
TOTAL COST ADDITION		(96,880)	(96,880)	(96,880)

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: REVENUE
DEPT. ID: FRANCHISES

DESCRIPTION: TERASEN GAS FRANCHISE FEE	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
This request is to adjust the franchise fee revenue due from Terasen Gas. The fee is based on 3% of the gross revenues within the City of Kelowna during the 2007 calendar year.

Existing base budget is: \$1,530,995.

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
Financial plan revenues will be understated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
622-10-605-0-V622	Terasen Gas	(56,400)	(56,400)	(56,400)
TOTAL COST ADDITION		(56,400)	(56,400)	(56,400)

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	PRIORITY:	1
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: REVENUE

DEPT. ID: CONTRIBUTIONS, GRANTS AND SUBSIDIES

DESCRIPTION: TRAFFIC FINE REVENUE SHARING PROGRAM	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
 This request is to increase the budget for the contributions from the province for Traffic Fine Revenue to match the anticipated funding for 2008. The actual contributions for 2007 were \$1,351,532.

 Existing base budget is: \$1,195,833.

STRATEGIC PLAN OBJECTIVE:
 Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
 Revenue budget will be understated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
694-10-621-0-99812	Traffic Fine Revenue	(155,000)	(155,000)	(155,000)
TOTAL COST ADDITION		(155,000)	(155,000)	(155,000)

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	PRIORITY:	1
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: CORPORATE SERVICES

DEPT. ID: CITY CLERKS

DESCRIPTION: MUNICIPAL ELECTION 2008	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:

The current election funding strategy is for an equal amount to be budgeted each year for election expense with surplus funds transferred to reserve on an off-election year and then funds to be brought from reserve in an election year. Unused funding will remain in the reserve.

2008 is an election year and this request is for \$108,000 in funding from the reserve.

Existing base budget is \$45,000.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services.

CONSEQUENCES OF NOT FUNDING:

The 2008 general local government election in Kelowna would be seriously underfunded.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
231-10-065-0-001	Election Expenses	108,000		
731-10-065-0-R004	Future Elections Reserve	(108,000)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING		
	ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: COMMUNITY DEVELOPMENT & REAL ESTATE

DEPT. ID: RENTAL PROPERTY

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
COMMERCIAL PROPERTY REVENUE		

JUSTIFICATION:

This request is to adjust property revenues to reflect actual revenues anticipated in 2008.

This reduction in projected revenues is a result of market rate adjustments specific to site conditions, as approved by Council in March 2008.

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:

Actual revenues will not reach budget expectations.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
618-10-071-CV225-9400	Commercial Property Rental	48,000	38,000	38,000
TOTAL COST ADDITION		48,000	38,000	38,000

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: HUMAN RESOURCES

DEPT. ID: DEVELOPMENT TRAINING AND EMPLOYEE RELATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
EQUIPMENT OPERATOR TRAINING PROGRAM		

JUSTIFICATION:

The City has an obligation to make sure all our operators are fully trained and qualified to operate our equipment. The existing Equipment Operator Certification program was structured by staff approximately 15 years ago. Several staff are involved in delivering the program. Due to the high turn-over of staff much of our in-house expertise in this area has been lost. Regulation and compliance have increased. As a result the program has become too large and complex for staff members to administer as an ad hoc to their regular duties.

If approved this funding will allow us to hire a third party consultant to review existing programs to ensure the city is meeting its obligations under Worksafe BC and make recommendations as to the direction this program should go in future years.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Retain existing program

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-127-0-001	Consulting Fees	60,000		
731-10-127-0-001	General Reserves	(60,000)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING		
	ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: PLANNING & DEVELOPMENT SERVICES

DEPT. ID: ADMINISTRATION

DESCRIPTION: FEE INCREASE REVIEW	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
The 2008 budget includes revenue increases for rezoning applications, sign sales and subdivision fees based on a higher level of activity as well as an increase in fees which have not been raised for several years. Due to the existing staffing shortage, this work will need to be completed by engaging outside resources.

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
Revenue projections will not be achieved and fees will not reflect the full cost of providing services.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
311-10-161-0-001	Contracted Services	25,000	-	-
731-10-161-0-R136	Franchise Fee Equalization Reserve	(25,000)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	
	ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: INSPECTION SERVICES

DEPT. ID: EXISTING AND NEW DEVELOPMENT INSPECTIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
CLERICAL ADMINISTRATION RELIEF		

JUSTIFICATION:

Due to the volume of construction last year rising to an all time high of \$633 million, and the volume this year already almost triple last years figures, more clerical support is required.

The principle task for this position is to prepare building permit files for microfilm or electronic copying. This work provides an opportunity for permanently retained records to be filed more efficiently. Other duties include assisting in processing applications for development.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

The majority of the work must be completed during a limited period of time. Without clerical support the work will have to be completed by building inspectors. This will impede construction approvals causing a slow down in the construction industry.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
531-10-181-0-001	Salary (8 months)	27,650		
6133-10-182-0-93516	Permit Revenue	(27,650)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	
	ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: INSPECTION SERVICES

DEPT. ID: EXISTING AND NEW DEVELOPMENT INSPECTIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
REVENUE INCREASES		

JUSTIFICATION:
A further revenue increase from Provisional Budget can be justified and still remain conservative in case of a slowing of development activity.

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
The budget will not accurately reflect the actual revenues and fluctuations in revenue from year to year will not be stabilized.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
6133-10-182-0-93509	Commercial Alteration	(30,000)	(30,000)	(30,000)
6133-10-182-0-93510	Commercial New Value	(50,000)	(50,000)	(50,000)
6133-10-182-0-93512	Industrial New	(20,000)	(20,000)	(20,000)
6133-10-182-0-93515	Institutional New Value	(100,000)	(100,000)	(100,000)

TOTAL COST ADDITION	(200,000)	(200,000)	(200,000)
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FUTURE BUDGET IMPACT	ON-GOING	X	PRIORITY: 1
SPECIAL REMARKS	ONE-TIME		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: **CIVIC PROPERTIES**

DEPT. ID: **GUISACHAN HERITAGE PARK**

DESCRIPTION: GUISACHAN PARK	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
Due to the delay in the restoration of Guisachan House, there will be no revenue generated by the restaurant in 2008. The base revenue for part year 2008 was \$21,000 but increasing to \$34,000 in 2009.

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
Lease revenue will be overstated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
618-10-219-C597-9400	Lease Revenue	21,000		
TOTAL COST ADDITION		21,000	-	-

FUTURE BUDGET IMPACT	ON-GOING	
	ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: CULTURAL SERVICES

DEPT. ID: ROTARY CENTRE FOR THE ARTS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
MANAGEMENT AND OPERATING AGREEMENT ADJUSTMENTS		

JUSTIFICATION:

The City has negotiated a new Management and Operating Agreement with the Kelowna Visual and Performing Arts Centre Society for the Rotary Centre for the Arts. The new agreement was approved by Council on March 10, 2008. This supplemental is to add the funding required by the new agreement.

2007 \$159,840
2008 \$161,760

This addition will bring the base funding to \$220,000.
The agreement includes an index for inflation estimated below at 2% which has been added to the 2009 and 2010 budget lines.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

The Society will be unable to meet their budget obligations.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-198-0-476	Rotary Centre for the Arts Grant	58,740	63,140	72,020
TOTAL COST ADDITION		58,740	63,140	72,020

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	PRIORITY:	1
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: **SPORT & RECREATION**

DEPT. ID: **RUTLAND KINSMEN YOUTH CENTRE**

DESCRIPTION:	NEW or EXPANDED Program?	NEW
BOYS AND GIRLS CLUB OPERATING LEASE		

JUSTIFICATION:
 The management and operating agreement with the Boys and Girls Club was renegotiated during 2007 and adopted by Council on Jan. 21, 2008. Whereby the Boys and Girls Club was paying a lease fee to the City, and whereby a portion of it was appropriated to a City reserve, the new agreement requires that the Club establish and maintain a reserve fund where they will make contributions as set out in the agreement. These funds are available for the City to draw on at the City's discretion. Consequently, the City's budget needs to be amended for this new agreement.

STRATEGIC PLAN OBJECTIVE:
 Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
 The Sport and Recreation Department will be required to offset the net effect of this change within their current budget.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
618-10-247-C514-9400	Property Rental	11,000	11,000	11,000
481-10-247-C514-R001	Appropriation to Reserve	(5,821)	(5,821)	(5,821)
6119-10-239-0-655	Pass Revenue	(5,179)	(5,179)	(5,179)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: **PARKS**
DEPT. ID: **OPERATIONS**

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
TURF MAINTENANCE EXPENSES		

JUSTIFICATION:

The materials used for turf maintenance have increased in cost, especially those that are petroleum-based like fertilizer. Funding is requested for fertilizer, seed and sand from the City-pit all which have increased significantly over last year's cost. The turf maintenance costs increases also affect the Recreation stadiums and funding has been provided where applicable.

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:

Sports fields that are not well-maintained may become unsafe for users.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
135-10-246-C565-041	Sand	1,050	1,050	1,050
135-10-3604-0-041	Sand	9,000	9,000	9,000
117-10-246-C5XX-041	Operating Materials	4,000	5,200	5,200
117-10-3604-0-041	Operating Materials	15,000	19,500	19,500
TOTAL COST ADDITION		29,050	34,750	34,750

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: **PARKS**

DEPT. ID: **OPERATIONS**

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
PARK SECURITY - MANHATTAN POINT BEACH		

JUSTIFICATION:

The subject property is being used on a temporary basis as a beach park. A park host program is in place and the host resides on the property during the peak season to maintain safety and security throughout the night.

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 2 - Aid in the growth and progress of Kelowna as a desirable place to visit, shop and tour.

CONSEQUENCES OF NOT FUNDING:

On-going problems at the beach park throughout the night, causing a significant nuisance to area residents and continual calls to the RCMP, Bylaw and the City.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-3604-0-049	Security	15,000	15,750	16,540
TOTAL COST ADDITION		15,000	15,750	16,540

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: PARKS

DEPT. ID: MANAGEMENT AND ADMINISTRATIVE SERVICES

DESCRIPTION:	NEW or EXPANDED Program?	NEW
PARK CLEANLINESS		

JUSTIFICATION:

At the regular meeting of City Council held March 10, 2008, Council resolved "that staff bring back an item at final budget deliberations to enhance the level of service for cleanliness within parks that were raised at the Mayor's Youth Forum on Parks and Open Spaces".

Three students will be hired to work the beach parks to keep them clean and tidy during the months of May, June, July and August. In addition to picking up litter and checking washroom conditions within the beach parks, they will also be the Parks Department eyes and ears in notifying contractors, Bylaw and/or RCMP of any concerns plus educate citizens and visitors on various park issues. This cost also includes the washrooms being pressure washed once per month.

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 2 - Aid in the growth and progress of Kelowna as a desirable place to visit, shop and tour.

CONSEQUENCES OF NOT FUNDING:

Parks and park washrooms will not be as tidy nor as clean.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
201-10-3613-0-130	Internal Equipment	9,600	9,600	9,600
531-10-3613-0-130	Wages	43,600	43,600	43,600
TOTAL COST ADDITION		53,200	53,200	53,200

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

PROJECT #	DESCRIPTION	TOTAL COST
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PARKS

1. **10-3670-P5978** **MISSION REC PARK - UTILITIES** **\$250,000**

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Funding is requested to design and construct utility services (water, sanitary sewer, electricity) to the centre of the recreation park that would be used for provision of public washroom and change room facilities to serve sport field users and the public.

This project was changed to a priority 2 at Provisional Budget to provide funding for the Downtown Pier project.

<i>10 Year Capital Plan reference # P6</i>			<i>Ongoing Operating Cost</i>			
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	250,000					

2. **10-3670-P5980** **MISSION REC PARK - DRAINAGE** **\$30,000**

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Conditions of the newly developed areas of the park make it difficult to achieve positive drainage of the site. There are several areas that are chronically wet and will become problem areas when the sports field areas are opened for public use. Funding is requested to complete a design in 2008 which could be implemented in 2009 subject to budget approval.

The total project was changed to a priority 2 at Provisional budget.

<i>10 Year Capital Plan reference # P6</i>			<i>Ongoing Operating Cost</i>			
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	30,000					

2008 CAPITAL PROJECT SUMMARY

CITY OF KELOWNA

PROJECT #	DESCRIPTION	TOTAL COST
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3. 10-3670-P5981 BLUEBIRD LIFT STATION (\$300,000)

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

In order to provide sewer capacity for new development on the Mission Recreation Park site it is necessary to upgrade the Bluebird Sewage Lift Station. Provisional budget approved \$500,000 as Parks' share, however, this cost has since been revised to \$125,000. Other commitments totaling \$75,000 will be funded from the balance.

2008 Provisional Budget	500,000
Revised Cost	(125,000)
Transfers	(75,000)
Not Required	300,000

<i>10 Year Capital Plan reference # P6</i>			<i>Ongoing Operating Cost</i>			
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	(300,000)					

4. 10-3680-P433 STUART PARK \$450,000

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

This project was changed to a priority 2 at Provisional Budget to provide funding for the Downtown Pier project .

With this budget, funds available for construction will be \$4,477,000. Only a portion of the Provisional Budget taxation request of \$650,000 can be funded in 2008.

<i>10 Year Capital Plan reference # P12</i>			<i>Ongoing Operating Cost</i>			
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	450,000					

2008 CAPITAL PROJECT SUMMARY

CITY OF KELOWNA

PROJECT #	DESCRIPTION	TOTAL COST
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- 5. 10-3680-P715 DOWNTOWN PIER (\$900,000)**
Strategic Plan Objective: Aid in the growth and progress of Kelowna as a desirable place to do business.

Subsequent to this funding being allocated, Council did not approve the project.

<i>10 Year Capital Plan reference # P7</i>				<i>Ongoing Operating Cost</i>		
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	<i>(900,000)</i>					

- 6. 10-3680-P9201 TENNIS COURT - BLAIR POND PARK \$100,000**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Funding is requested to construct a tennis court in the newly developed Blair Pond Park.

<i>10 Year Capital Plan reference #P7</i>				<i>Ongoing Operating Cost</i>		
<i>Funding</i>	<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>
	<i>100,000</i>					

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES ADMINISTRATION

DEPT. ID: DEVELOPMENT SERVICES

DESCRIPTION:	NEW or EXPANDED Program?	NEW
DEVELOPMENT TECHNICIAN		

JUSTIFICATION:
This is a shared position with various Capital Works reporting to the Special Projects Engineer and the Development Division. Funding is from increased revenues generated within the Development Services area.

STRATEGIC PLAN OBJECTIVE:
Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:
Delays in processing development applications.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
511-10-304-0-001	Development Technician	50,000	50,000	50,000
610-10-304-0-9197	Subdivision Administration Fee	(50,000)	(50,000)	(50,000)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	
SPECIAL REMARKS			PRIORITY: 1

PROJECT #	DESCRIPTION	TOTAL COST
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WORKS AND UTILITIES

1. **10-3105-A223** **BERNARD STREETScape PHASE 1&2** **\$175,000**
Strategic Plan Objective: *Aid in the growth and progress of Kelowna as a desirable place to do business.*

Funding is requested to retain professional services for Phase 1 and 2 of the Bernard Avenue (Abbott - Richter) streetscaping design, the purpose being to do enough conceptual design on the streetscape to allow resolution of funding between property owners and the city. This is the critical piece before Bernard revitalization can proceed.

	10 Year Capital Plan reference # P18 (Streetscaping)			Ongoing Operating Cost		
	Taxation	Reserve	Borrow	Fed/Prov	Dev/Com	Utility
Funding	175,000					

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: ADMINISTRATION

DESCRIPTION:	NEW or EXPANDED Program?	NEW
INTELLIGENT TRANSPORTATION SYSTEMS IN TRANSIT		

JUSTIFICATION:
 Planning for two workshops is underway to inform selected transit agencies regarding the benefits of Intelligent Transportation Systems in improving the delivery of transit service in BC. Kelowna Regional Transit needs to develop plans and programs for enhancing bus rapid transit services, to achieve ridership increases and a reduction in greenhouse gases contemplated in the Provincial Transportation Plan. ITS applications can assist transit operators in improving public transit systems to increase ridership, improve efficiency and improve user information. These workshops are being sponsored by Transport Canada.

STRATEGIC PLAN OBJECTIVE:
 Goal 3, Objective 3 - Reduce traffic congestion on city streets, Highway 97 and Okanagan Lake bridge.

CONSEQUENCES OF NOT FUNDING:

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
311-10-311-0-00127	Intelligent Transportation Workshops	32,000		
697-10-311-0-99800	Federal Government Contributions	(32,000)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	PRIORITY:	1
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: TRANSPORTATION DEMAND

DESCRIPTION: BIKE TO SCHOOL WEEK	NEW or EXPANDED Program?	NEW
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JUSTIFICATION:
Bike to School Week is a new addition to the highly successful Bike to Work Week that has been in operation since 2005. Bike to School Week is a program specifically aimed at getting children to bike to school. Reduction in traffic congestion, pollutants, and health improvements are only a few of the many good reasons to encourage youth to adopt cycling as a transportation method.

STRATEGIC PLAN OBJECTIVE:
Reduce traffic congestion on city streets, Highway 97 and Okanagan Lake Bridge.

CONSEQUENCES OF NOT FUNDING:
Lost opportunity to engage youth in healthy, cost saving behaviour.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
311-10-313-0-8042	Bike to School Week	20,000		
731-10-313-0-R135	Transportation Demand Reserve	(20,000)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	
	ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: PARKING MANAGEMENT

DESCRIPTION:	NEW or EXPANDED Program?	NEW
PARKING METER EQUIPMENT OPERATION		

JUSTIFICATION:

The "Pay and Display" parking meter equipment and the "T2" handheld ticketing equipment that the City purchased in 2007 (after conclusion of a one year trial) requires wireless data transmission. The ongoing costs will include consumables like ticket paper and monthly charges for licences and usage fees for the wireless technology.

STRATEGIC PLAN OBJECTIVE:
Goal 3, Objective 6 - Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

CONSEQUENCES OF NOT FUNDING:

Non-functioning equipment, parking revenue loss.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
102-10-315-PL999-5172	Pay and Display parking equipment	95,000	95,000	95,000
495-10-315-0-R605	Parking Reserve	(95,000)	(95,000)	(95,000)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: TRANSPORTATION NETWORK OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
SNOW REMOVAL		

JUSTIFICATION:
Kelowna experienced several small snowfalls this past winter season, resulting in over spending of the base budget by a significant amount. A review of past years actuals vs. budgets indicate over spending in recent years. The following is a trend for the past four years:

Year	Budget	Actual
2004	692,514	926,875
2005	886,739	801,710
2006	914,146	1,268,053
2007	969,798	1,474,733

Existing Base Budget \$1,000,562

STRATEGIC PLAN OBJECTIVE:
Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Unable to meet current Levels of Service without over spending approved budget levels.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
126-10-3912-120-1200	Liquid Mag. Chloride	30,000	30,000	30,000
135-10-3912-120-1200	Materials - Sand	25,000	25,000	25,000
209-10-3912-120-1200	IEC - Tandem Axle Trucks	9,938	9,938	9,938
527-10-3912-120-1200	Overtime	40,072	40,072	40,072
127-10-3912-120-1204	Materials - Salt	70,000	70,000	70,000
TOTAL COST ADDITION		175,010	175,010	175,010
FUTURE BUDGET IMPACT		ON-GOING ONE-TIME	X	
SPECIAL REMARKS			PRIORITY:	1

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: TRANSPORTATION NETWORK OPERATIONS

DESCRIPTION: SPRING SWEEPING	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:

Due to the frequency of snowfalls and the lower than normal temperatures during this past winter season we had to apply larger than normal volumes of sand to the City streets. This combined with rising fuel costs resulted in higher than normal prices for contracted sweepers.

The projected costs for Spring Sweeping 2008 is \$425,000 and the existing base budget for spring sweeping is \$281,202.

STRATEGIC PLAN OBJECTIVE:
Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:
Over spend existing budget levels for spring sweeping and possibly exceed approved 2008 Budget levels for Roadway Maintenance.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-3912-121-1212C	Contracted Services	143,800		
731-10-3912-121-R034	Snow Removal and Cleanup Reserve	(143,800)		
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	
	ONE-TIME	X
SPECIAL REMARKS	PRIORITY: 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: TRAFFIC SIGNAL OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
KELOWNA PACIFIC RAILWAY CROSSING AGREEMENT		

JUSTIFICATION:

An invoice was received from Kelowna Pacific Railway for the city's portion of the railway crossing maintenance agreement which included adjustments back to 2004. The projected costs for 2008, including the back charges, is \$83,000.

Our existing base budget is \$24,050.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Over spend allotted budget for contract and possibly over spend Traffic Operations budget.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-3914-130-1301	Contracted Services	58,950		
732-10-3914-130-1301	General Reserves	(58,950)		
TOTAL COST ADDITION		-	-	-
FUTURE BUDGET IMPACT		ON-GOING ONE-TIME	X	
SPECIAL REMARKS			PRIORITY:	1

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - TRANSPORTATION

DEPT. ID: VEHICLE & MOBILE EQUIPMENT MAINTENANCE

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
MOBILE EQUIPMENT SERVICING & INSPECTION		

JUSTIFICATION:

The number and size of equipment at Commonage Road Compost Facility, Glenmore Landfill and Westside Pit have been continually increasing over the past few years. Due to the type of equipment at these locations, the servicing work has to occur on site which results in costly, time consuming repairs.

This work is presently being handled by existing City Yard staff and private shops resulting in extended downtime at the Yards and inflated repair costs.

The City fleet has also been increasing at a steady rate resulting in increased services and repairs.

Year	Number of Vehicles in Fleet
2005	365
2006	388
2007	424
2008	431

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Continued backlog of repairs and higher repair costs

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
521C-10-3916-166-1660	Wages	35,922	71,843	71,843
204-10-3916-166-1660	IEC - Light Duty Pickup	4,680	9,360	9,360
493-10-3916-0-R841	Public Work and Equipment Reserve	(40,602)	(81,203)	(81,203)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

PROJECT #	DESCRIPTION	TOTAL COST
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TRANSPORTATION

- 1. 10-3304-R6835 PANDOSY SIDEWALK (RAYMER-ROYAL) \$400,000**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Much of the east side of Pandosy Street in this section is without a sidewalk. This request is to allow for acquisition of land to accommodate the construction of the sidewalk.

10 Year Capital Plan reference # T12			Ongoing Operating Cost			
	Taxation	Reserve	Borrow	Fed/Prov	Dev/Com	Utility
Funding		400,000				
DCC Roads Sector I Reserve (R749) - \$257,000						
Arterial Roads Reserve (R025) - \$143,000						

- 2. 10-3306-R5164 BICYCLE NETWORK PLAN \$600,000**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Additional funding is required to cover the cost of the full bicycle lane program. Up to \$250,000 will be recovered from the Provincial CIPP program in early 2009.

In addition, this funding allocation will be used to develop a traffic calmed street/bikeway link between the Rails with Trails cycling path and the downtown core. This includes signage, traffic calming infrastructure and facilities to convert a local street to a safe shared bike/car facility.

The additional funding will also be used to cover a late invoice submitted by Fortis for their utility work done on Valley Road during construction of that bike lane in 2005 and 2006.

10 Year Capital Plan reference # T12			Ongoing Operating Cost			
	Taxation	Reserve	Borrow	Fed/Prov	Dev/Com	Utility
Funding		350,000		250,000		
Community Works Fund (R837) - \$314,000						
Bike Paths Reserve (R075) - \$36,000						

2008 CAPITAL PROJECT SUMMARY

CITY OF KELOWNA

PROJECT #	DESCRIPTION	TOTAL COST
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- 3. 10-3314-R2360 CAWSTON/ST PAUL PARKING LOT \$200,000**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

Funding is requested to complete development of the lot at Cawston Avenue and St. Paul Street. Based on a detailed design estimate, the lot will include streetscaping elements, and incorporate a community garden project.

<i>10 Year Capital Plan reference #</i>	<i>Ongoing Operating Cost</i>					
<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>	
Funding	200,000					
Parking Reserve (R605) - \$200,000						

- 4. 10-3400-R8949 SEXSMITH 4 - PRELIM DESIGN \$50,000**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

This is a future realignment of both Union and Sexsmith Roads from the Glenmore Bypass to Mail Road that is a part of the DCC program. The City was approached by two property owners affected by the proposed realignment. This budget is to undertake a preliminary design of the road to better clarify the alignment through private property, to plan for impacts to Brandt's Creek and to allow for submission to the Land Commission for approval through the reserve.

<i>10 Year Capital Plan reference # T3</i>	<i>Ongoing Operating Cost</i>					
<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>	
Funding	50,000					
Arterial Roads Reserve (R025) - \$19,000						
DCC Roads Sector I Reserve (R749) - \$31,000						

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: TRANSIT

DEPT. ID: CONVENTIONAL TRANSIT SERVICE

DESCRIPTION: 2008 EXPANDED SERVICE	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:

In the 2007 Kelowna Regional Transit System Review there were two expansion items proposed for 2008. Both requests assume Provincial funding and would start in July of 2008.

The first service proposal was to extend and increase the evening service from Monday to Saturday. This would double the service on all major routes to every half hour between 7:00 pm and 10:00 pm. Hourly service would operate after 10 pm with the last trips leaving downtown on major routes at approximately 12:15 am. This provides improved flexibility for passengers and a more seamless transition between evening and daytime service.

The second proposal is to extend and increase Sunday and holiday service. Service on major routes would operate hourly from 8:00 am to 10:00 pm with half hour service between 10:00 am and 6:00 pm. Current operations are hourly from approximately 10:00 am to 6:00 pm on Sundays and holidays. Frequencies on the Community bus routes would increase to every 90 minutes instead of every 2-3 hours. This request will provide a Saturday level of service between 11:00 am and 6:00 pm when most passengers are travelling. This was one of the most requested items from the public consultation.

Note: This request was a priority 2 at Provisional Budget.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 6 - Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

CONSEQUENCES OF NOT FUNDING:

Reduced transportation options for citizens and visitors.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
	<i>Weekday/Saturday Evening Service</i>			
252-10-327-0-80XX	Conventional Transit Costs	308,500	617,000	617,000
6080-10-327-0-9180X	Conv. Transit Revenues	(69,500)	(139,000)	(139,000)
692-10-327-0-99821	BC Transit Funding	(143,800)	(287,600)	(287,600)
	<i>Sunday & Holiday Service</i>			
252-10-327-0-80XX	Conventional Transit Costs	222,900	445,800	445,800
6080-10-327-0-9180X	Conv. Transit Revenues	(59,000)	(118,000)	(118,000)
692-10-327-0-99821	BC Transit Funding	(104,000)	(208,000)	(208,000)
TOTAL COST ADDITION		155,100	310,200	310,200

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 EXPENDITURE REDUCTION ANALYSIS

DEPARTMENT : TRANSIT
DEPT. ID CONVENTIONAL & CUSTOM

DESCRIPTION : REMOVAL OF FLEX FUNDING			
SERVICE OR EXPENDITURE REDUCED : <p>With the 2008 Provincial budget, additional funding was secured by BC Transit to provide their regular funding support for all transit expenditures. For a number of years prior to 2007 the Provincial share was limited to existing approved service and any request for expansion meant that the local government had to pay 100% of the cost of the new service (referred to as Flex Funding).</p> <p>The City had expanded service during this Provincial freeze and starting in April, 2008, there is an opportunity to reduce the municipal Transit budget for the additional Provincial contribution. The Annual Operating Agreements are now prepared and final cost and revenue information can also be adjusted from the earlier estimates.</p> <p>Current base budget for Conventional Transit is \$3,054,123 Current base budget for Custom Transit is \$436,386</p>			
EFFECT ON OBJECTIVES FROM REDUCTION :	ESTIMATED COST REDUCTION - FIRST YEAR		
	CHARTFIELD CODE	DESCRIPTION	AMOUNT
CONSEQUENCES OF REDUCTION : Reduced transit cost for the same service level.	252-10-327-0-XXX	<i>Conventional</i> Transit Costs	313,110
	6080-10-327-0-918XX	Transit Revenues	(400,960)
	692-10-327-0-99821	BC Transit Subsidy	398,040
			310,190
	252-10-328-0-XXX	<i>Custom</i> Transit Costs	(150,920)
	6080-10-328-0-9XXX	Transit Revenues	43,670
FUTURE BUDGET IMPACT (Ongoing vs. Onetime) Ongoing	692-10-328-0-99821	BC Transit Subsidy	123,730
			16,480
	NET COST REDUCTION		326,670
SPECIAL REMARKS:		PRIORITY : 1	

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: SOLID WASTE MANAGEMENT

DEPT. ID: LANDFILL SITE CONSTRUCTION AND OPERATIONS

DESCRIPTION: LANDFILL MANAGEMENT	NEW or EXPANDED Program?	EXPANDED
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JUSTIFICATION:
Expanding day to day operations and loss of equipment due to equipment maintenance and repairs have increased rental of contracted equipment and operator costs at the landfill.

STRATEGIC PLAN OBJECTIVE:
Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:
Rental costs for equipment will be overbudget or a reduced amount of site work will be done.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
197-10-4510-0-101	Rental of Equipment with Operator	200,000	200,000	200,000
493-10-4510-0-R850	Sanitary Landfill Reserve	(200,000)	(200,000)	(200,000)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	PRIORITY:	1
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: SOLID WASTE MANAGEMENT

DEPT. ID: LANDFILL SITE CONSTRUCTION AND OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
RECYCLING DEPOT OPERATION AND WASTE REDUCTION		

JUSTIFICATION:

Periodic annual adjustments to the Waste Reduction Management Operational Account is needed to balance the actual costs with the Landfill Revenues. The annual fees for Waste Reduction have been increasing and are now at \$1.452 million dollars. Currently this includes recycle depot operation, Waste Reduction Office Operations, and curbside recycle pick-up costs.

Recoveries from Solid Waste taxation have been adjusted with increased fees already approved by Council.

STRATEGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Regional Waste Reduction Program will not be honored or the program will be overbudget.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-4510-0-1024	Solid Waste Reduction Program	494,440	494,440	494,440
252-10-4510-0-1025	Recycling Depot Operations	486,570	486,570	486,570
252-10-4510-0-1026	Recycling Contract Curbside	467,499	467,499	467,499
252-10-4510-0-102	Waste Reduction Program	(848,509)	(848,509)	(848,509)
493-10-4510-0-R850	Sanitary Landfill Reserve	(600,000)	(600,000)	(600,000)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

PROJECT #	DESCRIPTION	TOTAL COST
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WASTEWATER

- 1. 40-4900-S2600 CROSS ROAD 6B \$360,000**

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

The Transportation Division recently received a Grant for surface improvements (sidewalks and bike lanes) on Cross Road. It will be cost effective to continue the installation of a short section of DCC trunk sewer at the same time.

<i>10 Year Capital Plan reference #</i>				<i>Ongoing Operating Cost</i>		
<i>Utility Rev</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>DCC Reserve</i>	
Funding					360,000	

- 2. 40-4980-S1685 BLUEBIRD LIFT STN REPLACEMENT (\$375,000)**

Strategic Plan Objective: Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

The new aquatic center at the Mission Recreation Park will add a significant new flow to the sewer system. The options to accommodate the new flow have been investigated and the best option is to direct the flow to Lexington Ave. which will then flow to the Bluebird Lift Station. A new lift station must be constructed to accommodate the new flows and this will be an opportunity to improve the station controls and add a generator. This \$250,000 project is being cost-shared with the Parks Dept. This request is for the Wastewater Utility's share and reduces the initial requirement of \$500,000 from the Provisional Budget.

<i>10 Year Capital Plan reference #</i>				<i>Ongoing Operating Cost</i>		
<i>Utility Rev</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>DCC Reserve</i>	
Funding	(375,000)					

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES - ELECTRICAL OPERATIONS

DEPT. ID: ELECT. SYSTEM INSTALLATIONS & OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
ELECTRICAL SERVICE CONTRACT		

JUSTIFICATION:

As part of The City of Kelowna Electrical Division five year contract with FortisBC an annual inflation adjustment (2.09%) was negotiated on Schedule "A", "B" & "D" and additional to the 2.09 another 1% was negotiated on Schedule "C"- Operations and Maintenance Service.

Existing Budget for Schedule A is \$300,000
 Existing Budget for Schedule B is \$ 67,000
 Existing Budget for Schedule C is \$410,210
 Existing Budget for Schedule D is \$184,990

STATÉGIC PLAN OBJECTIVE:

Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services.

CONSEQUENCES OF NOT FUNDING:

Electrical service contract will exceed budget.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-30-5313-0-134	Contract Service-Finance and Adm	6,270	6,270	6,270
252-30-5311-0-110	Contract Service-Operations Services	12,675	12,675	12,675
252-30-5311-0-116	Contract Service-Elec Meter Service	3,865	3,865	3,865
TOTAL COST ADDITION		22,810	22,810	22,810

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

2008 CAPITAL PROJECT SUMMARY

CITY OF KELOWNA

PROJECT #	DESCRIPTION	TOTAL COST
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ELECTRICAL

- 1. 30-5300-E0840 CUSTOMER DRIVEN UPGRADES-TRANSFORMERS \$0**
Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

This request is for the costs to connect large customers. This may include large transformers (where 75% of the cost is borne by COK) as well as some system upgrades (such as junction vaults or switches).

The 2008 provisional budget has incorrectly provided \$352,080 of the funding from Dev/Com. This request is to correct the source of funding as coming from the Utility.

10 Year Capital Plan reference #	Ongoing Operating Cost		
	Utility Rev	Reserve	Borrow
Funding	352,080		
			Fed/Prov
			Dev/Com
			DCC Reserve
			(352,080)

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES

DEPT. ID: STREET LIGHT OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
STREET LIGHT OPERATIONS		

JUSTIFICATION:
 Upon review of power charges for street lights there is a budget short fall. This is due to the increased number of new street lights and an increase in power rates.
 Approximately 100 new street lights are added to the City's inventory each year. Additional funding is requested to cover the power consumption costs for these street lights.

 2008 Power consumption budget is \$643,653

STRATEGIC PLAN OBJECTIVE:
 Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

 Insufficient funds in budget to cover expenditures.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
269-10-5111-0-1181	Electricity-FortisBC	32,648	32,648	32,648
252-10-5111-0-118	Street Light Maintenance Highways	6,355	6,355	6,355
268-10-5111-0-118	City Utilities	3,100	3,100	3,100
252-10-5111-0-118	Purchased Services - FortisBC	1,467	1,467	1,467
TOTAL COST ADDITION		43,570	43,570	43,570

FUTURE BUDGET IMPACT	ON-GOING ONE-TIME	X	
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: WORKS & UTILITIES
DEPT. ID: STREET LIGHT OPERATIONS

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
STREET LIGHT BULB REPLACEMENT PROGRAM		

JUSTIFICATION:

Due to the increased number of requests regarding street light outages, the option of implementing a street light bulb replacement program has been reviewed. Currently the City has approximately 12,000 streetlights. The maximum recommended life of a lamp is 20,000 hours which translates into a 5-year economic life. Although a lamp will continue to burn beyond this period, its efficiency levels are significantly reduced, which results in a reduction in lighting levels. Replacement costs of lamps done on a bulk change out cycle is assumed to be \$40. Replacement cost of a lamp for a single call out is assumed to be \$60. Bulk street light changes which take place based on the 5-year economic life of the lamps show a significant overall cost saving and increase in efficiency of the City's street lighting system.

Over a 10 year period there is a potential cost saving of \$124,200.

2008 Base Budget is \$173,750

STRATEGIC PLAN OBJECTIVE:
 Goal 3, Objective 2 - Ensure the availability of fiscal and human resources to provide quality services (recreation, culture, fire, police, planning, works and utilities).

CONSEQUENCES OF NOT FUNDING:

Continue to react to customer request as called in.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
252-10-5111-0-1182	Contract Service- Bulb Replacement	45,000	20,000	20,000
732-10-5111-0-1182	General Reserves	(25,000)		
TOTAL COST ADDITION		20,000	20,000	20,000

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

2008 CAPITAL PROJECT SUMMARY

CITY OF KELOWNA

PROJECT #	DESCRIPTION	TOTAL COST
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STREET LIGHTS

- 1. 10-5200-GXXX LANEWAY 900 BLOCK HARVEY AVE \$23,100**

Strategic Plan Objective: Provide infrastructure (utilities, transportation, parks, facilities) that keeps pace with population growth and evolving opportunities.

This request is to install 3 street lights in the laneway between Ganon Pl. and Ethel St. A petition with 68 signatures was received asking the City to consider approving street lights in this area. In the past the City has not provided street lighting in laneways, however, this project is under consideration due to the lack of access to a city street from the four apartment buildings.

<i>10 Year Capital Plan reference # S1</i>			<i>Ongoing Operating Cost</i>			
<i>Taxation</i>	<i>Reserve</i>	<i>Borrow</i>	<i>Fed/Prov</i>	<i>Dev/Com</i>	<i>Utility</i>	
Funding	23,100					
General Reserves (R100) - \$23,100						

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: DEBT & OTHER

DEPT. ID: DEBT MANAGEMENT

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
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SHORT TERM BORROWING

JUSTIFICATION:

The short term borrowing requirement is for property acquisition that is being used for consolidation and resale. It is expected that the borrowing will be repaid within the next three years when the consolidated parcels can be sold.

STRATEGIC PLAN OBJECTIVE:
Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:
Budget for debt repayment will be understated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
403-10-704-0-867	Short term borrowing	164,500	164,500	164,500
731-10-704-0-R077	Land Acquisition Reserve	(164,500)	(164,500)	(164,500)
TOTAL COST ADDITION		-	-	-

FUTURE BUDGET IMPACT	ON-GOING	X	
	ONE-TIME		
SPECIAL REMARKS	PRIORITY: 1		

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: DEBT & OTHER

DEPT. ID: STATUTORY JOINT OR SPECIAL EXPENDITURES

DESCRIPTION:	NEW or EXPANDED	Program?	EXPANDED
TRANSMISSION OF TAXES TO OTHER GOVERNMENTS			

JUSTIFICATION:

This request is to reflect the 2008 levies made by other taxing authorities

	<u>2007 Actuals</u>	<u>2008 Estimates</u>	<u>Variance</u>
Regional Hospital	6,665,737	7,000,101	334,364
BC Assessment	1,724,393	1,843,737	119,344
Provincial School Tax (Est.)	56,949,955	60,360,000	3,410,045
Central Okanagan Regional District	7,320,529	7,428,638	108,109
CORD SIR Land Only Levy	651,020	655,700	4,680
CORD SIR Parcel Tax	390,765	400,955	10,190
	73,702,399	77,689,131	3,986,732

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:

Transmission of taxes to other governments will be understated.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
391-10-941-0-750	Regional Hospital	334,364		
391-10-941-0-753	BC Assessment	119,344		
391-10-941-0-75402	Provincial School Tax	3,410,045		
391-10-941-0-7510	Central Okanagan Regional District	108,109		
391-10-941-0-7511	CORD SIR Land Only Levy	4,680		
391-10-941-0-7512	CORD SIR Parcel Tax	10,190		
396-10-941-0-750	Regional Hospital	(334,364)		
396-10-941-0-753	BC Assessment	(119,344)		
396-10-941-0-75402	Provincial School Tax	(3,410,045)		
396-10-941-0-7510	Central Okanagan Regional District	(108,109)		
396-10-941-0-7511	CORD SIR Land Only Levy	(4,680)		
396-10-941-0-7512	CORD SIR Parcel Tax	(10,190)		
TOTAL COST ADDITION		-	-	-
FUTURE BUDGET IMPACT		ON-GOING	X	
		ONE-TIME		
SPECIAL REMARKS			PRIORITY:	1
Adjusted Annually				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: POLICE PROTECTION

DEPT. ID: PROVINCIAL CONTRIBUTION

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
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PROVINCIAL GAMING REVENUES

JUSTIFICATION:

This request is to increase the revenues anticipated from provincial gaming beyond the \$400,000 increase at Provisional Budget. The final revenue numbers have been received for 2007 and an increase will get the budget closer to where 2008 revenues are anticipated to be.

Revenues received from provincial gaming during the last three years:

2007 \$3,994,269
2006 \$3,472,822
2005 \$2,993,747

The current base budget is \$3,650,000

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 4 - Commit to continued sound fiscal management.

CONSEQUENCES OF NOT FUNDING:

Financial Plan will not reflect actual revenue.

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
692-10-099-0-99813	Prov. Gaming Revenue	(250,000)	(250,000)	(250,000)
TOTAL COST ADDITION		(250,000)	(250,000)	(250,000)
FUTURE BUDGET IMPACT		ON-GOING	PRIORITY: 1	
		ONE-TIME		
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: AIRPORT

DEPT. ID: ADMINISTRATION/AIRSIDE/GROUNDSIDE/TERMINAL/AIF

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED
SALARIES AND RELATED COSTS		

JUSTIFICATION:

As part of the initial 2008 Budget, Council approved the hiring of an Assistant General Manager of Business Development as of June, 2008. On April 7th Council approved eliminating this position and applying this funding towards the hiring of the following positions:

1. An Additional Airport Operations Specialist (AOS) effective April 1, 2008
2. An Additional Airport Operations Clerk Effective April 1, 2008
3. An Airport Financial Assistant effective May 1, 2008

The airport has experienced 53% growth in passenger traffic over the past three years and continues to grow at a rate of 10% over the first 2 months of this year. To address the resulting issues a 24 hour operational schedule has been developed for AOS's where the airports posted hours of operation remain at 06:00 to 24:00 however, with staff on site airlines can request the ability to land after hours and not pay an associated overtime fee. Airport operations also benefits as staff can carry out training or maintenance activities on airside and groundside sensitive areas during "quiet" hours.

In addition, an outside review of administrative staffing levels indicated that one operations clerk and one senior administrative staff position were required immediately to deal with current workload and that an additional clerical position be considered in the near future to deal directly with workload associated with capital projects

STRATEGIC PLAN OBJECTIVE:

Goal 2, Objective 2 -Aid in the growth and progress of Kelowna as a desirable place to visit, shop and tour.

CONSEQUENCES OF NOT FUNDING:

Changes estimated would not be reflected in the 2008 Budget

Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
XXX-20-044-0-001	Airside Clothing Allowance	750	750	750
XXX-20-044-0-001	Airside Training	3,000	3,000	3,000
511-20-042-0-001	Air Terminal Complex Salaries	25,300	33,500	33,500
511-20-043-0-001	Groundside Operational Salaries	(23,200)	(41,000)	(41,000)
511-20-044-0-001	Airside Operational Salaries	(36,500)	(54,300)	(54,300)
511-20-041-0-001	Administrative Salaries	84,000	101,000	101,000
511-20-051-0-001	Airport Improvement Fee Salaries	3,100	4,100	4,100
731-20-051-0-R508	Funding From AIF Reserve	(3,100)	(4,100)	(4,100)
TOTAL COST ADDITION		53,350	42,950	42,950
FUTURE BUDGET IMPACT		ON-GOING	PRIORITY: 1	
		ONE-TIME		
SPECIAL REMARKS				

CITY OF KELOWNA 2008 SUPPLEMENTAL REQUEST DETAILS

DEPARTMENT: AIRPORT

DEPT. ID: APPROPRIATION TO GENERAL RESERVES

DESCRIPTION:	NEW or EXPANDED Program?	EXPANDED		
AIRPORT RESERVE APPROPRIATIONS				
JUSTIFICATION:				
As part of an ongoing initiative to use an aeronautical fees and charges methodology that is consistent with industry practices, airport reserve funds have been consolidated into airside, terminal and groundside reserves.				
The 2008 final budget for R512 is \$474,926 (includes adjusting amount in initial budget and that shown below)				
The 2008 final budget for R513 is \$889,229 (includes adjusting amount in initial budget and that shown below)				
The 2008 final budget for R514 is \$1,381,640 (includes adjusting amount in initial budget and that shown below)				
STRATEGIC PLAN OBJECTIVE:				
Goal 2, Objectives 2 & 4 - Aid in the growth and progress of Kelowna as a desirable place to visit, shop and tour, and commit to sound fiscal management.				
CONSEQUENCES OF NOT FUNDING:				
Changes estimated for 2008 will not be reflected in the budget.				
Acct-Fund-Dept-Prog-Class	DESCRIPTION	2008 AMOUNT	2009 AMOUNT	2010 AMOUNT
481-20-049-0-R512	Airside Reserve	5,014	6,680	6,680
481-20-049-0-R513	Terminal Reserve	(53,827)	(52,160)	(52,160)
481-20-049-0-R514	Groundside Reserve	(4,537)	(2,870)	(2,870)
TOTAL COST ADDITION		(53,350)	(48,350)	(48,350)
FUTURE BUDGET IMPACT		ON-GOING	X	
		ONE-TIME		
SPECIAL REMARKS			PRIORITY:	1