

DEBT & OTHER

Debt, Library, Other
Natural Gas



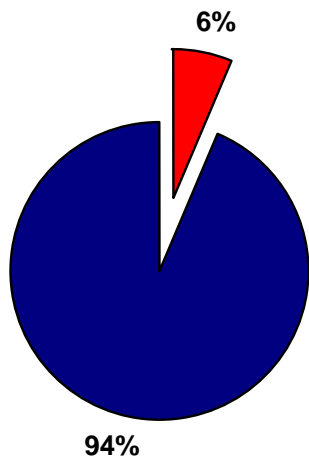
GENERAL FUND

DEBT & OTHER

Paul Macklem - Director of Financial Services

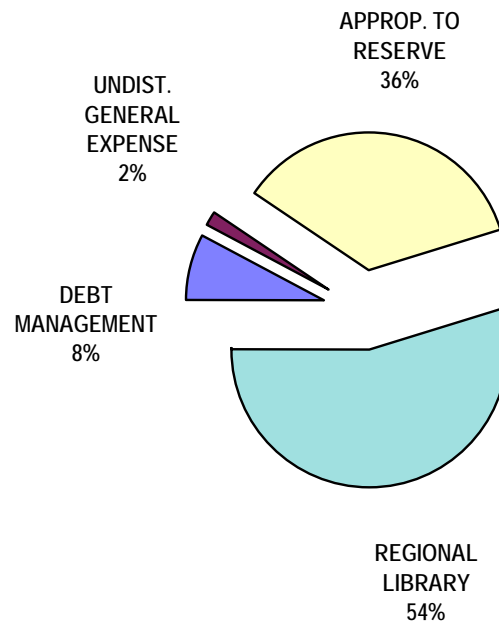
Percent of General Fund Operating

Debt & Other = \$3.9 Million



General Fund Operating = \$62.4 Million

Division Summary



Department Overview

	Revised Adopted 2004	Financial Plan 2005	Change from Prior Year	Percent Change
Taxation Expenditures				
Net Operating	3,233,856	4,041,508	807,652	25.0%
Capital	0	0	0	0.0%
Total Taxation Expenditure	3,233,856	4,041,508	807,652	25.0%
Authorized Positions	0.0	0.0	0.0	0.0%

DEBT & OTHER

Department ID Section Descriptions

DEBT MANAGEMENT

This section provides for all of the General Fund debt obligations of the City. This includes debenture debt, agreements for sale, short term borrowing and temporary debt categories.

ADMIN/PW ALLOCATIONS

The allocations section provides a consistent allocation of general fund overhead to the utilities (to ensure utility rates reflect total cost recovery) and also provides a reduction in salary costs as a vacancy factor.

APPROPRIATION TO RESERVE

Appropriation to reserve section is used to record all interest received by the reserve accounts and then the interest is appropriated back into the reserve. This section also includes the other working capital provision for contract requirements that have not been finalized at the time of preparing the financial plan.

REGIONAL LIBRARY

The Okanagan Regional Library provides library services to Kelowna, 17 other municipalities and 4 regional districts. There are three branches in Kelowna; downtown at 1380 Ellis Street, in the Mission and in Rutland.

PERFORMANCE MEASURES

PROGRAM INPUT MEASURES		Actual 2003	Revised Adopted 2004	Financial Plan 2005
70X	DEBT MANAGEMENT	683,968	744,598	502,828
80X/901	ADMIN/PW ALLOCATIONS	(1,951,292)	(2,380,695)	(2,408,908)
911	UNDIST. GENERAL EXPENSE	69,233	108,555	100,955
921	APPROP. TO RESERVE	3,033,371	1,414,749	2,315,684
931	HEALTH	0	0	0
941	REGIONAL LIBRARY	3,140,673	3,346,649	3,530,949
Total Net Operating Expenditures		4,975,953	3,233,856	4,041,508

DEBT & OTHER SUMMARY

REVENUES / EXPENDITURES BY CATEGORY

	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<u>REVENUE</u>			
PARCEL TAXES	(341,696)	(329,344)	(329,344)
FEES AND CHARGES	(300,813)	(202,500)	(180,730)
OTHER REVENUE	(4,378,299)	(3,752,136)	(3,217,332)
TRANSFERS FROM FUNDS	(591,901)	(773,358)	(601,108)
Special (Stat Reserve) Funds	(550,998)	(551,108)	(551,108)
Development Cost Charge Funds			
Accumulated Surplus	(40,902)	(222,250)	(50,000)
TOTAL REVENUE	(5,612,708)	(5,057,338)	(4,328,514)
<u>EXPENDITURES</u>			
SALARIES & WAGES	(121,686)	(394,980)	(394,980)
INTERNAL EQUIPMENT			
MATERIAL & OTHER	63,854	154,395	515,675
CONTRACT SERVICES	3,140,673	3,346,649	3,530,949
DEBT	2,293,298	2,396,109	2,151,772
INTERNAL ALLOCATIONS	37,910	22,250	
TRANSFERS TO FUNDS	5,174,613	2,766,771	2,566,606
Special (Stat Reserve) Funds	101,688		
Development Cost Charge Funds			
Accumulated Surplus	5,072,924	2,766,771	2,566,606
TOTAL EXPENDITURES	10,588,661	8,291,194	8,370,022
NET OPERATING EXPENDITURES	4,975,953	3,233,856	4,041,508
CAPITAL EXPENDITURES			
FROM TAX DEMAND			
OTHER FUNDING SOURCES			
GROSS CAPITAL EXPENDITURES			
NET OPERATING & CAPITAL EXP.	4,975,953	3,233,856	4,041,508

AUTHORIZED F.T.E. POSITIONS

Salaried
Hourly
Contract

DEBT & OTHER

Description of Program Changes	2005 Gross Cost Change	2005 Net Impact	2005 FTE
1) 2004 One-time Supplementals	(\$600,000)	(\$600,000)	
2) Annualized 2004 budget costs	\$150,000	\$150,000	
3) Debt Changes (Expenditure reduction)	(\$118,830)	(\$118,830)	
4) Airport City Services Allocation	(\$28,213)	(\$28,213)	
5) 2004 OWC Unallocated	(\$32,675)	(\$32,675)	
6) 2005 Supplementals	\$1,254,020	\$1,254,020	
Total Changes for 2005	\$624,302	\$624,302	0.0

**2005 SUPPLEMENTAL REQUEST SUMMARY
FINANCIAL PLAN
GENERAL FUND 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>DEBT AND OTHER</u>						
488-10-921-0-0	OTHER WORKING CAPITAL	469,720			469,720	ONGOING
481-10-921-0-R0XX	APPROPRIATIONS TO RESERVE	600,000			600,000	ONETIME
393-10-941-0-752	OKANAGAN REGIONAL LIBRARY	184,300			184,300	ONGOING
DEPARTMENT TOTALS		<u>1,254,020</u>	<u>0</u>		<u>1,254,020</u>	

**2005 EXPENDITURE REDUCTION SUMMARY
FINANCIAL PLAN
BY DEPARTMENT**

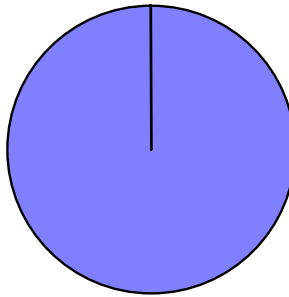
<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>GROSS AMOUNT</u>	<u>REVENUE</u>	<u>FUNDING SOURCE</u>	<u>NET AMOUNT</u>	<u>ONE-TIME ONGOING</u>
<u>DEBT & OTHER</u>						
XXX-10-70XX-0-XXX	DEBT CHANGES	118,830	0		118,830	ONGOING
DEPARTMENT TOTALS		<u>118,830</u>	<u>0</u>		<u>118,830</u>	

GENERAL FUND

NATURAL GAS

Paul Macklem - Director of Financial Services

Division Summary



NATURAL GAS
DIST. LEASE
100%

Department Overview

	Revised Adopted 2004	Financial Plan 2005	Change from Prior Year	Percent Change
Taxation Expenditures				
Net Operating	0	0	0	0.0%
Capital	0	0	0	0.0%
Total Taxation Expenditure	0	0	0	0.0%
Authorized Positions	0.0	0.0	0.0	0.0%

NATURAL GAS

COMPARISON OF 2004 AND 2005 REVENUES AND EXPENDITURES

	<u>2004 BUDGET</u>	<u>2005 BASE</u>	<u>2005 CHANGES</u>	<u>TOTAL</u>
<u>REVENUES</u>				
Lease Revenue	5,424,645	5,212,077	164,200	5,376,277
Interest Earned	105,550	105,550	(51,050)	54,500
	<u>5,530,195</u>	<u>5,317,627</u>	<u>113,150</u>	<u>5,430,777</u>
<u>EXPENDITURES</u>				
BC Gas Franchise	27,000	12,000		12,000
BC Gas Capital Lease	260,870	260,870		260,870
Debenture Debt	4,149,590	4,149,590		4,149,590
	<u>4,437,460</u>	<u>4,422,460</u>	<u>0</u>	<u>4,422,460</u>
Net Operating Revenue	<u>1,092,735</u>	<u>895,167</u>	<u>113,150</u>	<u>1,008,317</u>
Capital Expenditures				
Surplus (Deficit)	<u>1,092,735</u>	<u>895,167</u>	<u>113,150</u>	<u>1,008,317</u>
Projected Accumulated Surplus	3,229,296			4,237,613

NATURAL GAS

Department ID Section Descriptions

ADMINISTRATION

In 2001 the City entered into an agreement with Terasen Gas Inc. for the capital lease of the gas distribution system within the City of Kelowna for a 35 year term. The City has an operating lease agreement that allows Terasen the use of the gas distribution system for a 17 year term. The City borrowed \$49.3 million for the capital transaction and receives revenue from the lease-back to provide for annual debt requirements.

PERFORMANCE MEASURES

<i>PROGRAM INPUT MEASURES</i>		Actual 2003	Revised Adopted 2004	Financial Plan 2005
960	NATURAL GAS DIST. LEASE	(934,519)	(1,092,735)	(1,008,317)
961	NATURAL GAS SURPLUS/DEFICIT	272,117	1,092,735	1,008,317
Total Net Operating Expenditures		(662,402)	0	0

NATURAL GAS SUMMARY

REVENUES / EXPENDITURES BY CATEGORY

	ACTUAL 2003	REVISED ADOPTED 2004	FINANCIAL PLAN 2005
<u>REVENUE</u>			
FEES AND CHARGES	(5,274,661)	(5,424,645)	(5,376,277)
OTHER REVENUE	(51,879)	(105,550)	(54,500)
TRANSFERS FROM FUNDS			
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus			
TOTAL REVENUE	(5,326,540)	(5,530,195)	(5,430,777)
<u>EXPENDITURES</u>			
SALARIES & WAGES			
INTERNAL EQUIPMENT			
MATERIAL & OTHER	19,129	27,000	12,000
CONTRACT SERVICES			
DEBT	4,372,892	4,410,460	4,410,460
INTERNAL ALLOCATIONS			
TRANSFERS TO FUNDS	272,117	1,092,735	1,008,317
Special (Stat Reserve) Funds			
Development Cost Charge Funds			
Accumulated Surplus	272,117	1,092,735	1,008,317
TOTAL EXPENDITURES	4,664,138	5,530,195	5,430,777
NET OPERATING EXPENDITURES	(662,402)	0	0
CAPITAL EXPENDITURES			
FROM TAX DEMAND	662,402		
OTHER FUNDING SOURCES			
GROSS CAPITAL EXPENDITURES	662,402		
NET OPERATING & CAPITAL EXP.	(0)	0	0

AUTHORIZED F.T.E. POSITIONS

Salaried
Hourly
Contract

NATURAL GAS

Description of Program Changes	2005 Gross Cost Change	2005 Net Impact	2005 FTE
1) 2004 One-time supplementals	(\$15,000)	\$0	
2) Annualized 2004 budget costs	(\$212,565)	\$0	
3) 2005 Supplemental	(\$113,150)	\$0	
<i>Total Changes for 2005</i>	(\$340,715)	\$0	0.0

**2005 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>NATURAL GAS</u>						
6XX-60-960-0-94XX	LEASE REVENUES	(113,150)	0		(113,150)	ONGOING
DEPARTMENT TOTALS		<u>(113,150)</u>	<u>0</u>		<u>(113,150)</u>	