

# City of Kelowna Regular Council Meeting AGENDA



Monday, November 20, 2023

10:00 am

Council Chamber

City Hall, 1435 Water Street

Pages

1. **Call to Order**
2. **Confirmation of Minutes** 2 - 3  
Regular AM Meeting - November 6, 2023
3. **Reports**
  - 3.1 **Service Based Budget Workshop** 60 m 4 - 46  
To provide Council an overview of the City's change to a Service Based Budgeting methodology.
4. **Resolution Closing the Meeting to the Public**  
THAT this meeting be closed to the public pursuant to Section 90(2) (b) of the Community Charter for Council to deal with matters relating to the following:
  - Confidential Information from the Province
5. **Adjourn to Closed Session**
6. **Reconvene to Open Session**
7. **Termination**



## City of Kelowna Regular Council Meeting Minutes

Date: Monday, November 6, 2023  
 Location: Council Chamber  
 City Hall, 1435 Water Street

Members Present Mayor Tom Dyas, Councillors Ron Cannan, Charlie Hodge\*, Gord Lovegrove, Mohini Singh, Luke Stack, Rick Webber and Loyal Wooldridge

Members Absent Councillor Maxine DeHart

Staff Present City Manager, Doug Gilchrist; City Clerk, Stephen Fleming

(\* Denotes partial attendance)

### 1. Call to Order

Mayor Dyas called the meeting to order at 8:16 a.m.

### 2. Resolution Closing the Meeting to the Public

Moved By Councillor Stack/Seconded By Councillor Wooldridge

THAT this meeting be closed to the public pursuant to Section 90(1) (a) (c) (e) and Section 90(2) (b) of the Community Charter for Council to deal with matters relating to the following:

- Position Appointment
- Employee Relations
- Acquisition of Land
- Confidential Information from the Province

Carried

### 3. Adjourn to Closed Session

The meeting adjourned to a closed session at 8:16 a.m.

### 4. Reconvene to Open Session

The meeting reconvened to an open session at 12:01 p.m.

### 5. Confirmation of Minutes

Moved By Councillor Cannan/Seconded By Councillor Hodge

THAT the Minutes of the Regular AM Meeting of October 30, 2023 be confirmed as circulated.

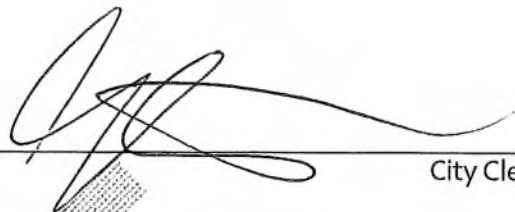
Carried

6. Termination

The meeting was declared terminated at 12:02 p.m.

\_\_\_\_\_  
Mayor Dyas

sf/acm



\_\_\_\_\_  
City Clerk

DRAFT

# Report to Council



**Date:** November 20, 2023  
**To:** Council  
**From:** City Manager  
**Subject:** Service Based Budget Workshop  
**Department:** Financial Services

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**Recommendation:**

THAT Council receives, for information, the report from Financial Services dated November 20<sup>th</sup>, 2023, with respect to the City’s adoption of a Service Based Budgeting methodology.

**Purpose:**

To provide Council an overview of the City’s change to a Service Based Budgeting methodology.

**Background:**

The City of Kelowna has traditionally used an organizational approach to presenting the annual budget whereby each division or department budget was presented to Council based on the organizational structure of the day. This sometimes-caused confusion when departments were moved between the different divisions or new divisions were set up as part of re-organizations. It also made it difficult to present the cost of services that are delivered across multiple divisions. Further, the connection between the service levels observed by citizens was not necessarily tied to the budget presentation in a meaningful way.

With citizens increasingly holding municipalities accountable for the cost of services provided, the 2024 Financial Plan will be presented under a Service Based Budgeting methodology, with services and associated service levels being determined through Council’s priorities, and the City’s strategic plan. Under this approach, budget is created and presented around the service being delivered to the community, rather than departments and divisions under which the organization is structured.

Service Based Budgeting has many benefits for Council and the Community including:

- Enhanced accountability and transparency
- Better communication of where tax dollars are being spent and for what outcome
- Greater clarity of services offered to the community & their associated costs
- Council establishes the endorsed level of service & associated investment

The 2024 Financial Plan will strive to:

- Quantify the cost to deliver a service
- Link service costs to key performance indicators
- Increases transparency and citizen understanding of investments tied to outcomes
- Enhance governance focused on output and Council priorities
- Set baseline for 2025 and beyond

Notable difference from previous years includes a greater focus on the budget as a whole including the City run utilities and airport; budget requests will be identified as needed to maintain the current service level or requested to enhance the service level; and service budgets will be linked to key performance indicators.

**Conclusion:**

The City of Kelowna has received the GFOA Distinguished Budget Presentation Award for 21 consecutive years and we are confident that we will receive it again for the 2023 Financial Plan. The Financial Planning Department has a longstanding commitment to preparing high-quality and transparent budget documents and are dedicated to continual improvements that will enhance clarity of the information presented, corporate awareness, and reader engagement.

**Considerations not applicable to this report:**

*Legal/Statutory Authority:*

*Legal/Statutory Procedural Requirements:*

*Existing Policy:*

*Financial/Budgetary Considerations:*

*Consultation and Engagement:*

*Communications Comments:*

Submitted by:

M. Antunes, Financial Planning Manager

**Approved for inclusion:** J. Sass, Financial Services Divisional Director

**Attachments:**

Attachment A - 2023 Financial Plan – Planning & Development

Attachment B - Development Planning Service Section – New Template

Attachment C - Service Based Budget Workshop Presentation

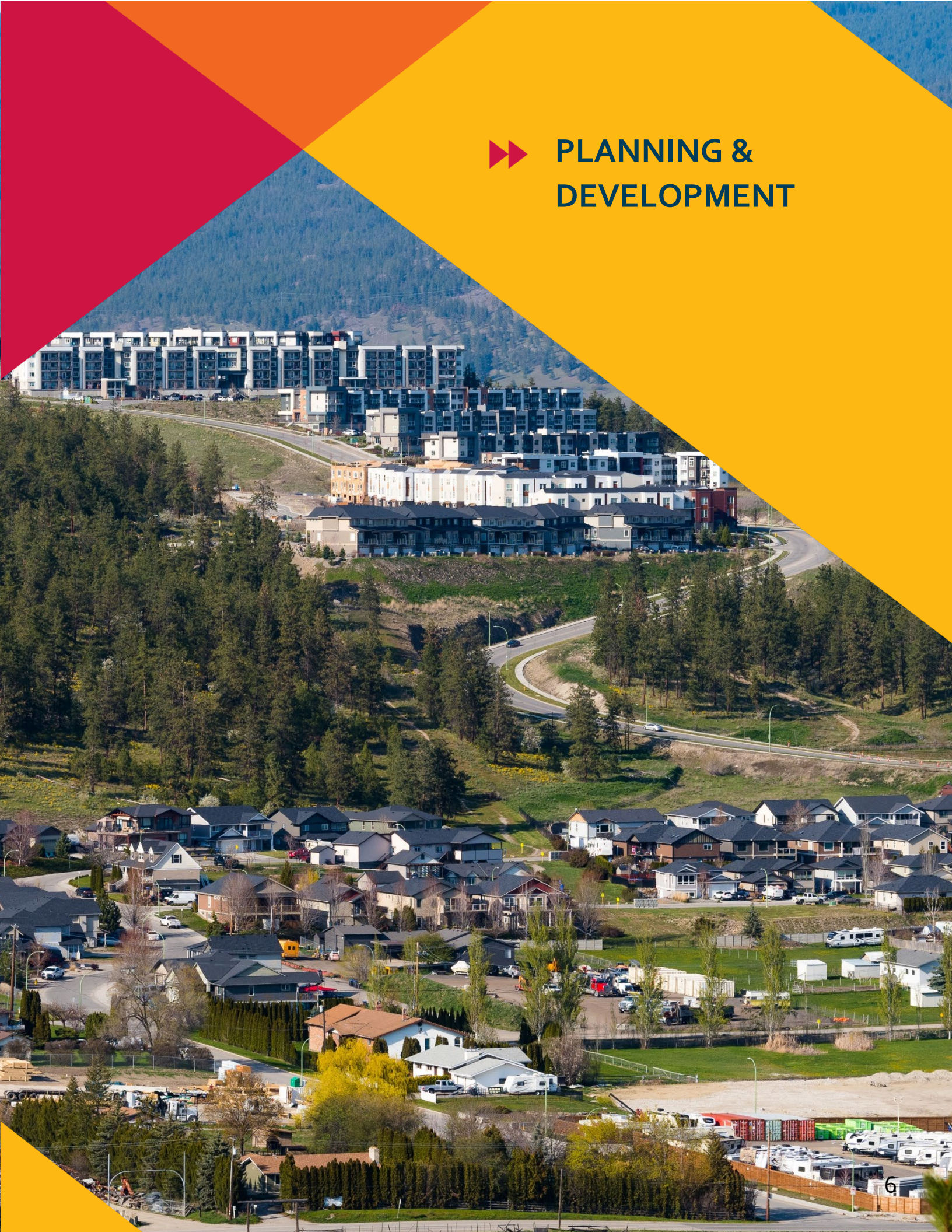
cc:

J. Jean, Budget Supervisor





# PLANNING & DEVELOPMENT





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## PLANNING & DEVELOPMENT SERVICES

The Planning & Development Services Division focuses on long-term planning and development-related planning and services. The division has three departments; Policy & Planning, Development Planning and Development Services; and one two-year term position focused on climate and environment programs.

**PLANNING & DEVELOPMENT SERVICES**  
 Ryan Smith  
 Divisional Director



**Champion of the Environment** is a two-year term position (April 2021 – March 2023) focused on reviewing the City’s climate and environment (C&E) related policies, programs, actions, and systems, and completing a report with a series of recommendations for improvements and coordination. The overarching objective of the position is to develop and advance long-term climate action and environmental protection solutions in line with Council and community priorities.

**Development Planning** is a progressive department that reviews, plans, promotes and advocates change that moves the City towards the Kelowna envisioned by Imagine Kelowna and the policy direction of the Official Community Plan (OCP). The work of this department is focused on processing land use and development permit applications, and providing advice and information on planning processes to Council and the public.

**Development Services** develops and implements operational policies, processes and practices to ensure compliance with bylaws, codes, regulations and Council policies with respect to building/development approvals and business licensing in the City. These rules govern the development process for road construction, utilities installation, building construction and the licensing of businesses in buildings through to completion and occupancy.

**Policy & Planning** is a future-forward department that sets the course for Kelowna’s future by anticipating trends, understanding best practices and shaping innovative policies for short and long-term community goals. It develops leading-edge planning policies based on extensive research in land use, housing, built and natural environments, heritage, and data analytics that builds a foundation for strong and diverse community neighbourhoods. Research outputs are also used to help inform the work undertaken by other City Divisions.



## Divisional Activities

### **Community Safety**

- Support the Property Standards Compliance Team in efforts to bring problem properties into compliance with applicable bylaws and standards
- Lead the creation of an Agricultural Property Compliance team that will work with partners to remove non-compliant land uses and businesses from agricultural land

### **Social & Inclusive**

- Administer ~ \$300k in rental housing grants to encourage the construction of new non-market rental housing across the community
- Implement the Affordable Housing Land Acquisition Strategy (AHLAS) as a means to encourage new affordable rental housing
- Explore options for the Housing Opportunities Reserve Fund Program to purchase new parcel(s) for the development of affordable rental housing in the long-term
- Deliver the Annual Housing Report to provide clear insights into local housing market dynamics
- Partner with UBC's School of Community and Regional Planning to complete pre-planning for the development of an Equity Strategy
- Investigate options for Rental Housing and Replacement Regulations to protect existing rental stock
- Update the Housing Needs Assessment as part of a legislative requirement to identify existing and projected gaps in the community's housing needs

### **Vibrant Neighbourhoods**

- Complete and then begin implementation of Phase 1 of the Infill Strategy: Infill Options Program, which will lay the groundwork to commence a comprehensive Infill Residential Strategy to promote various housing forms, tenures, and design responses in our Core Area
- Implement a Fast Track Permitting Program targeted towards the City's residential infill permitting process, to streamline processes and improve efficiencies to onboard this housing supply
- Initiate work on Phase 2 of the Infill Options focusing on development along Transit Supportive Corridors.
- Update the Heritage Conservation Guidelines following select stakeholder engagement and best practice review.
- Complete the North End Plan to provide clear long-term vision and direction for one of the most diverse and rapidly changing parts of Kelowna. This flexible, staged approach to delivering the North End Plan alongside the Mill Site Area Redevelopment Plan will result in an accelerated process that remains committed to community priorities
- Process the Mill Site Area Redevelopment Plan in tandem with the North End Plan
- Initiate the next Urban Centre Plan to establish a clear long-term vision for the area

### **Economic Resiliency**

- Construction activity and permit volume in Kelowna for 2023 are anticipated to continue to be strong with a forecast of \$900 Million
- Represent the City at the International Accreditation Service (IAS), Urban Development Institute and the Canadian Home Builder Association of the Central Okanagan (CHBA CO).

### **Environmental Protection**

- Replace the Development Services vehicle fleet with electric vehicles
- Develop a Climate Resilient Kelowna Strategy to mitigate and adapt to climate change (based on results of GHG Modelling Study and the Climate Vulnerability and Risk Assessment)
- Meet provincial reporting requirements to obtain the Local Government Climate Action Program (LGCAP) grant
- Complete the update to the Sustainable Urban Forest Strategy to increase the resilience of the City's urban forest
- Updating regional Sensitive Ecosystem Inventory (SEI) mapping (partnership with RDCO and neighbouring municipalities)
- Implement Energy Step Code for Part 3 and Part 9 buildings to increase building efficiency

- Continue the Energy Step Code Compliance Assurance Program and make recommendations to optimize the program
- Work in partnership with FortisBC to offer a pilot energy concierge program
- Update GHG emission inventory with new provincial data release to track how we are progressing on GHG emission reduction goals
- Offer provincial top up incentives for fuel switching to low carbon, energy efficient heat pumps
- Implement the Community Electric Vehicle & E-Bike Strategy including EV readiness and public charging infrastructure
- Continue the partnership with Natural Resources Canada (NRCan) through a research collaboration to create retrofit options based on a community energy emissions map prototype to reduce energy, emissions, and operating energy costs for the residents of Kelowna
- Collaborate with Carleton University on the randomized control trial heat pump survey to better understand the barriers to low carbon heat pump adoption
- Continue to work with Fortis BC to provide relevant information regarding potential rebates to the building community through BC building code upgrades
- Create new Landscape Maintenance Bylaw to support tree retention and replacement efforts

#### ***Financial Management***

- Integrate all online payments and building permit applications available to the general public
- Update application fees in all processes to reflect costs based on inflation.

#### ***Clear Direction***

- Monitor permit turnaround times to ensure more than 28% of building permits are issued within 2-business days as part of the fast-track program
- Implementation of Zoning Bylaw No. 12375
- Review and update short-term rental and secondary suite regulations
- Update of Council Liquor Policy
- Assist the development and implementation of artificial intelligence (Chat Bot) for permit and inspection inquiries
- Review and update Cannabis Regulation and fees
- Review opportunities for Development Variance Permit process streamlining
- Help industry to adapt to new Zoning and Official Community Plan terminology and requirements

#### ***People***

- Implement updated Divisional Strategic Plan with staff led team

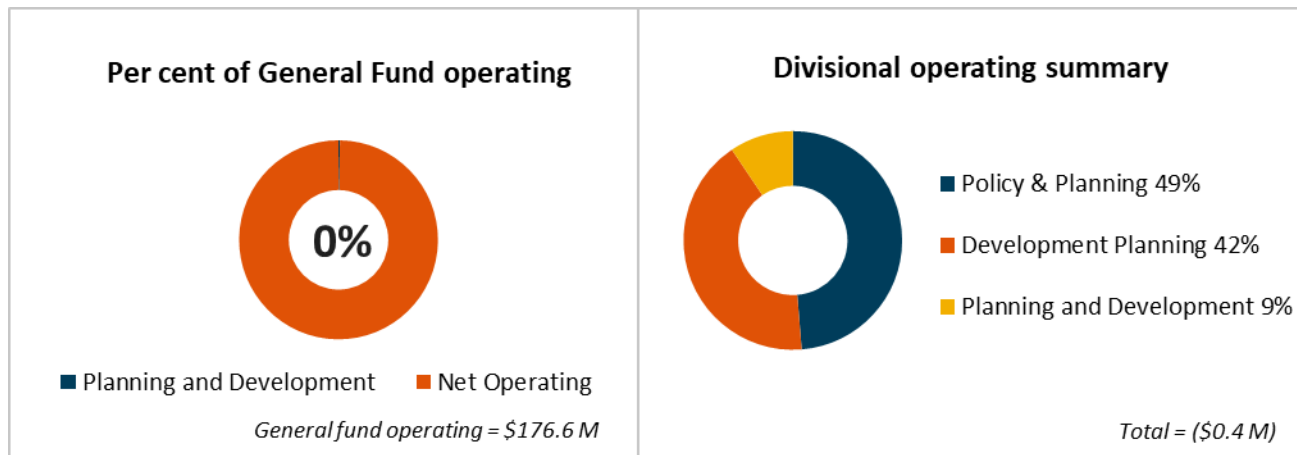
#### ***Base Business***

- Improve/modernize property addressing program with help from stakeholders
- Improve the online permitting process by moving towards a full digital application process
- Promote the Energy Step code 3 and 4 initiatives to reduce the carbon footprint
- The Building and Permitting Branch continues to ensure quality and exceptional service with help from the International Accreditation Services (IAS)
- The evaluation and audit will be conducted by IAS and the goal is to achieve a clean bill of audit with no corrective actions
- Implement full digital plan examination for all types of buildings for Building Permit applications
- Update the Business Licensing, Cannabis, Pawn broker, and Plumbing and Gas Bylaws
- Implement new Business System throughout the Planning and Development Services Division

## Divisional Performance Measures

	2021 Actual	2022 Estimate	2023 Forecast
Construction Value of Building permits	\$1.1B	\$945M	\$900M
# of Building Inspections	11,833	11,259	12,060
# of Plumbing and Gas Inspections	10,428	10,050	10,000
# of Building Permits	2,841	2,250	2,055
# of gas permits	4,756	4,330	4,151
# of plumbing permits	2,171	1,747	1,695
1-2 family complete building permit applications approved for issuance within 10 working days (%)	95%	96%	96.5%
Inspections made within 48 hours or request (%)	98%	96%	98%
Inspection costs recovered by permit revenues (%)	100%	100%	100%
Building permits for small projects issued within 2 days or less (%)	23%	25%	28%
# of information booklets/bulletins created by Building & Permitting	12	15	17
# of staff initiated Zoning Bylaw amendments (improvements)	3	4	3
# of Agricultural Advisory Committee meetings (staff supported)	12	9	10
% growth in the urban core	53%	78%	
Urban vs suburban split of residential building permits	53%/47%	78%/22%	70%/30%
# of rental units with occupancy permit	837	None to date	1500
# Rental units supported by Tax Relief	460	Not available	
Total # of residential housing units approved	3,187	2,683	2,000
Open files that were processed to completion (%)	71%	65%	75%
# of Director approved development/heritage permits	185	140	150
# of development applications per planner	72	66	60
# of closed service requests: Development Planning	152	140	140
# of engineering construction drawings reviewed by Dev. Eng.	208	194	200
# of utility drawings reviewed by Dev. Eng.	582	636	476
# of building permit applications reviewed by Dev. Eng.	109	122	90
# of strata applications reviewed by Dev. Eng.	9	4	9
# of deferred revenue releases by Dev. Eng.	20	12	19
# of 3 <sup>rd</sup> Party release of Right of Ways by Dev. Eng.	39	41	45
# of As-Builts drawings reviewed by Dev. Eng.	20	21	43
# of development applications reviewed by Development Engineering	436	391	416
# of Business Licenses	11,025	11,572	11,803
# of new business license applications	2,323	2,449	2,498
# of total mobile licences by year	1,294	1,680	1,710
Ensuring timely license release within 2 weeks (%)	57%	70%	80%

## Budget Overview



## Divisional summary

	Actual 2021	Revised 2022	Preliminary 2023	Change from prior year	Per cent change
<b>Departmental operating cost centres (\$ thousands):</b>					
<b>Planning and Development</b>					
144 Planning and Development	236	257	342		
	<b>236</b>	<b>257</b>	<b>342</b>	<b>85</b>	<b>33.0%</b>
<b>Development Planning</b>					
146 Urban Planning Management	810	1,067	964		
147 Development Planning	(456)	(269)	(269)		
181 Suburban & Rural Planning	909	828	827		
	<b>1,263</b>	<b>1,626</b>	<b>1,521</b>	<b>(105)</b>	<b>(6.5%)</b>
<b>Development Services</b>					
138 Business License	(1,946)	(1,438)	(1,784)		
148 Development Services	(9,137)	(6,557)	(6,591)		
149 Building, Plumbing & Gas Inspections	1,643	1,710	1,710		
151 Building & Permitting	1,692	2,339	2,378		
178 Development Engineering	177	273	273		
	<b>(7,572)</b>	<b>(3,674)</b>	<b>(4,015)</b>	<b>(341)</b>	<b>9.3%</b>
<b>Policy &amp; Planning</b>					
153 Policy & Planning	1,164	1,322	1,419		
235 Long Range Policy Planning	354	350	350		
	<b>1,517</b>	<b>1,672</b>	<b>1,769</b>	<b>97</b>	<b>5.8%</b>
<b>Net operating expenditures</b>	<b>(4,555)</b>	<b>(119)</b>	<b>(382)</b>	<b>(264)</b>	<b>222.1%</b>
<b>Divisional capital cost centres (\$ thousands):</b>					
	0	0	0		
<b>Net capital expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total divisional net expenditures</b>	<b>(4,555)</b>	<b>(119)</b>	<b>(382)</b>	<b>(264)</b>	<b>222.1%</b>
<b>Operating full-time equivalent positions:</b>					
Management	12.7	14.0	13.2		
Union hourly	8.2	3.0	3.0		
Union salary	55.5	65.3	65.5		
<b>Total operating full-time equivalent positions</b>	<b>76.4</b>	<b>82.3</b>	<b>81.7</b>	<b>-0.6</b>	<b>(0.7%)</b>



## Detailed operating program changes (\$ thousands)

		Total	FTE
<b>2022 revised budget</b>		(119)	82.3
<b>2023 net impacts</b>			
One-time operating requests	(50)		(1.3)
Prior years ongoing adjustments	29		(0.3)
Divisional adjustments	(417)	(438)	(1.0)
		(557)	79.7
<b>2023 Program additions (P1)</b>			
2023 operating requests:	174	174	2.0
<b>Total</b>		<b>(382)</b>	<b>81.7</b>
<b>Unfunded 2023 requests (P2)</b>			
2023 operating request		0	1.0
<b>Total unfunded requests for 2023</b>		<b>0</b>	<b>1.0</b>

Note: Totals may not add due to rounding.

## ▶▶ DEVELOPMENT PLANNING

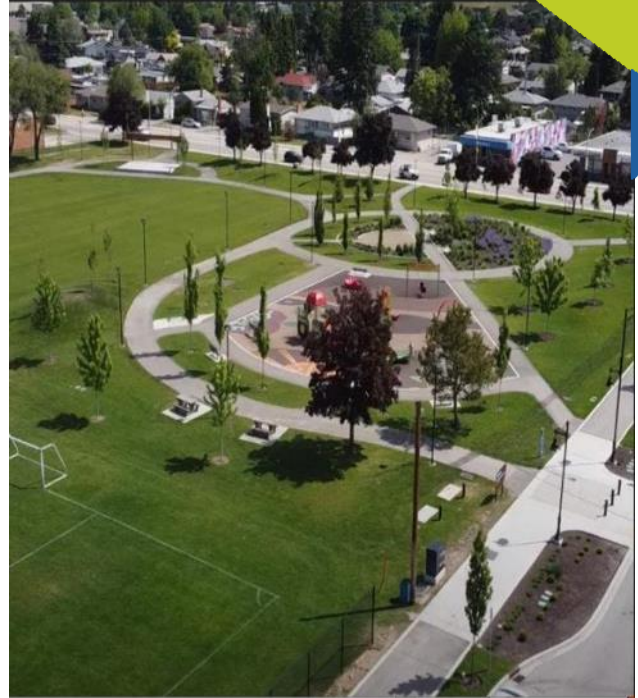
LED BY: DIVISIONAL DIRECTOR, PLANNING & DEVELOPMENT SERVICES

### Our goal & community benefit:

Our goal is to provide land use planning and growth-related direction to our community. The Official Community Plan (OCP) focuses on slowing the outward growth of Suburban Neighbourhoods, this protects our rural/agricultural lands and environmentally sensitive areas while reducing the amount of new infrastructure that is needed to service growth. Urban Centres are prioritized for residential and mixed-use growth.

### Our customers:

- Developers, Architects, Engineers, and Planners
- Builders and contractors
- Property owners
- Residents



### Our partners:

We partner with internal City departments including Development Services, Real Estate Services, Parks Planning. We partner with external partners including the Urban Development Institute, Canadian Home Builders Associations, Utility Providers, and residents' associations.

### What we deliver:

We review and process land use and development permit applications and provide advice and information on planning processes to Council and the public. We also promote, implement and advocate for change that moves the City towards the Kelowna envisioned by Imagine Kelowna and the policy direction of the OCP.

### Our key objectives:

- Review various applications related to land use change and form and character analysis against Council endorsed regulations and policies.
- Maintain and update regulations, policies, and processes to ensure a streamlined and efficient development application process.
- Prioritize Council, Corporate and Divisional such as Affordable Housing, Protecting Agriculture and Climate/Environment.

### Our guiding plans:

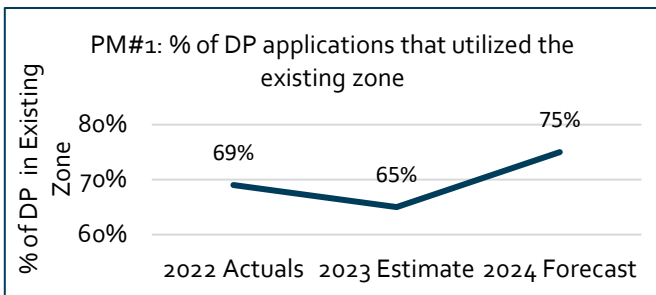
- Official Community Plan
- Zoning Bylaw
- Subdivision and Development Servicing Bylaw
- Development Cost Charge Bylaw
- Development Application Fees Bylaw
- Development Application and Heritage Procedures Bylaw

**Measuring Performance:**

**Performance Measure 1**

**% of DP applications that utilized the existing zone**

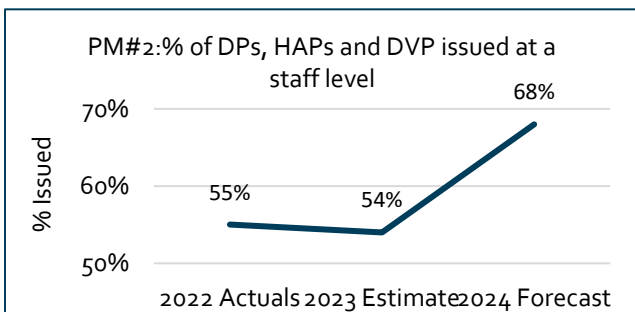
The planning, permitting and construction of buildings require us to balance efficient process and growth management. Development planning pre-zones areas of the city which decreases the process for applicants and directs growth and higher density to areas that support the vision in the Official Community Plan.



**Performance Measure 2**

**% of DPs, HAPs and DVP issued at a staff level**

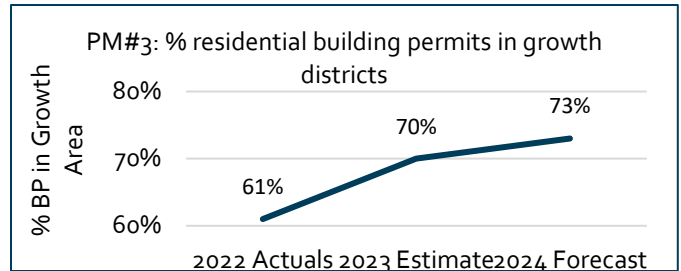
To promote efficient operations and timely permit issuance we regularly review that decisions are made at the appropriate level. Permits issued at a staff level are made for more routine and less complex decisions so that higher complexity and impact decisions can be scheduled for Council decisions more quickly.



**Performance Measure 3**

**% residential building permits in growth districts**

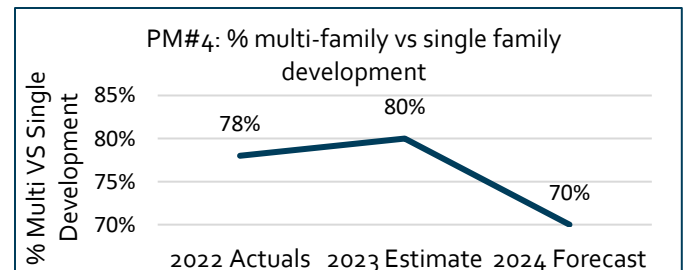
While the OCP provides growth estimates in different areas of the city, development can take place faster or slower than expected based on market trends. Monitoring this rate of growth in our Urban Center helps to make informed decisions about investments in things like transportation and utility servicing, as well as when to initiate Urban Centre Plans.



**Performance Measure 4**

**% multi-family vs single family development**

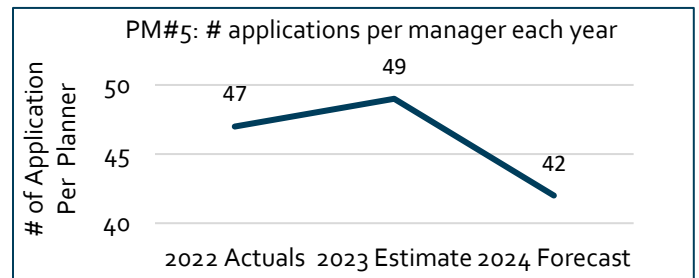
A resilient community has a wide variety of housing options available to meet the needs of residents at different price points and different life stages.



**Performance Measure 5**

**# applications per urban planner/file manager yearly**

The city must balance efficient processes with outcomes that are important such as alignment with growth plans, building codes and safety. Urban planning applications per planner provides insight into our ability to balance speed, quality of review and support to the applicant.



## 2024 Activities: by priority

### Crime & Safety

- Not applicable.

### Affordable Housing

- Implement Infill Options housing program.
- Implement provincial legislation related to housing.

### Homelessness

- Support City/Community sheltering initiatives

### Transportation

- Support the review of Transit Supportive corridors for additional land use density.

### Agriculture

- Prioritize enforcement efforts for non-farm uses on agricultural lands.
- Explore opportunities to support and house farm labor.

### Climate & Environment

- Implement EV charging regulations.
- Support the development of a "Climate Lens" to review land use change applications.

### Our People

- Implement projects related to Divisional Strategic Plan and Council/Corporate Priorities.

### Digital Transformation

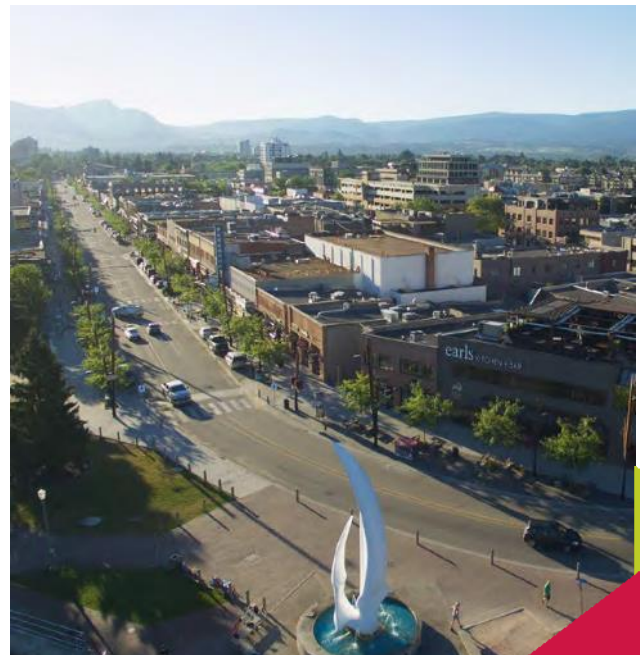
- Continue implementation and business expansion of KAI chatbot to Planning applications.
- Implement Cityworks LLP.

### Active Financial Management

- Monitor Development Application Fee bylaw to ensure updated bylaw is functioning as intended.
- Monitor density bonus programs and fine tune as necessary.
- Review financial impact of Business License Bylaw update.

### Base Business

- Continue to identify and act on opportunities to streamline the development application process for housing delivery.





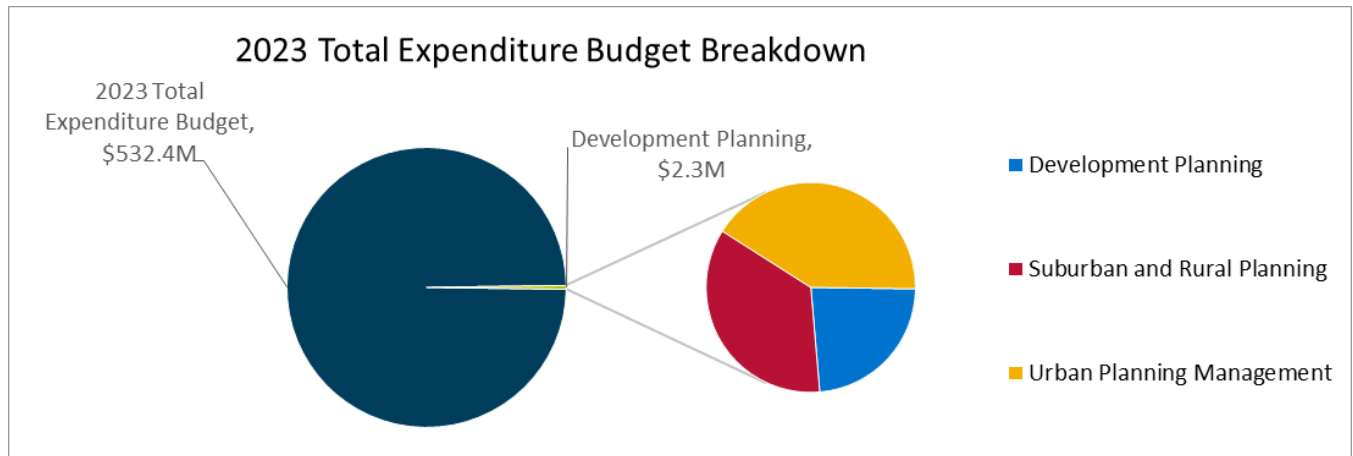
### 2023 Key accomplishments:

- Housing approvals met or exceeded projected housing needs for gross number of units.
- Reviewed and updated Development Application Fees Bylaw.
- Completed Zoning Bylaw amendment package aimed at fine-tuning Zoning Bylaw.
- Reduced number of amendments to Official Community Plan.
- Implemented density bonus program leading to significant contributions to both the Housing Opportunities Reserve Fund and the Streetscape Improvement Fund.
- Supported work on the Infill Options project.
- Implemented Development Variance Permit delegation process.

### Continuous Improvements:

- Updated/streamlined Council reporting template.
- Implemented a delegated DVP program to speed up some development application types.
- Supported the creation of the KAI Chatbot.
- Supported work on City Works PLL project.
- Improved/updated landscape enhancement standards.

**Budget overview: Net operating budget**



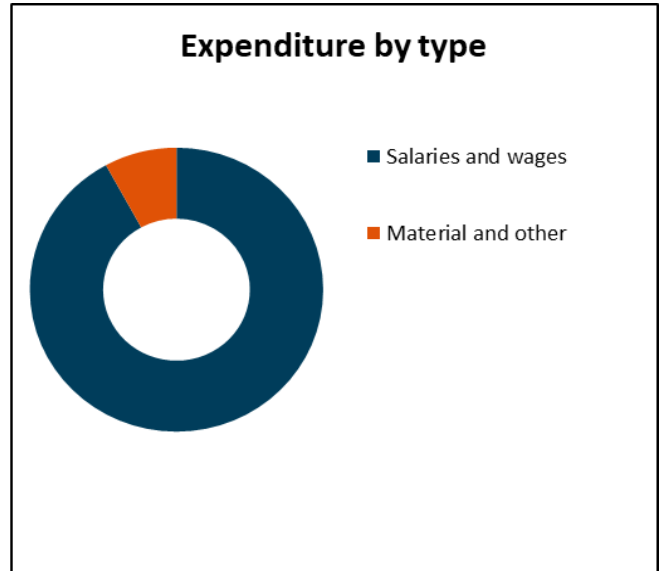
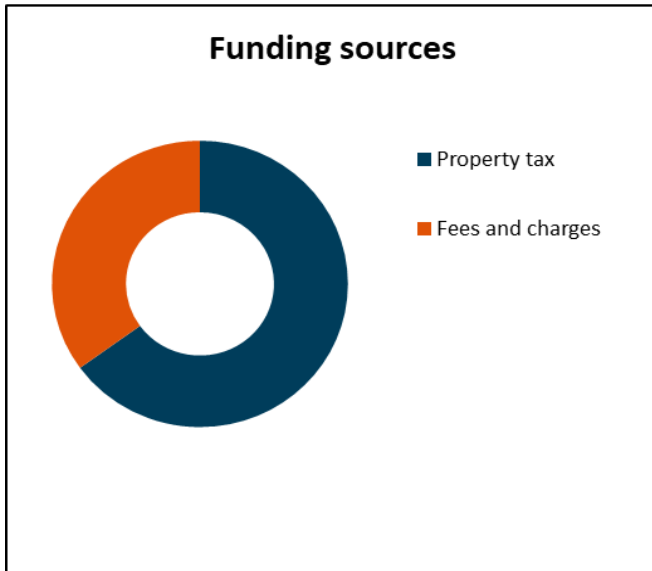
**2023 Service level objectives**

*Description of the specific objectives for the current year*

**Operating budget needed to achieve results:**

	Actual 2021	Revised 2022	Annualized Budgets	Maintaining Service	Enhancing Service	Preliminary 2023
<b>Revenue budget:</b>						
Property tax	1,263	1,626		(105)		1,521
Fees and charges	877	798	20			818
Grant						0
Other revenue	300					0
Transfers from reserve		250	(250)			0
<b>Total revenue budget</b>	<b>2,441</b>	<b>2,674</b>	<b>(230)</b>	<b>(105)</b>	<b>0</b>	<b>2,339</b>
<b>Expenditure budget:</b>						
Salaries and wages	2,004	2,486	(230)	(103)		2,152
Material and other	160	189	(0)	(2)		187
Contract services						0
Debt service						0
Transfers to reserve	277					0
Enabling allocation						0
<b>Total Expenditure budget</b>	<b>2,441</b>	<b>2,674</b>	<b>(230)</b>	<b>(105)</b>	<b>0</b>	<b>2,339</b>

	Actual 2021	Revised 2022	Annualized Budgets	Maintaining Service	Enhancing Service	Preliminary 2023
<b>Operating FTE positions:</b>						
Management	3.0	3.0				3.0
Union hourly	-	-				-
Union salary	12.3	17.0	-2.0	-1.0		14.0
<b>Total operating FTE positions</b>	<b>15.3</b>	<b>20.0</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>-</b>	<b>17.0</b>





# Service Based Budgeting

Aligning resources with results

FINANCIAL SERVICES | November 20, 2023



# Today's objective:

- » Service based budgeting overview
- » Gain familiarity with new approach
- » Guidance for 2024 budget process



# What is service based budgeting?

- Budget is created around services, rather than departments & divisions
- Highlights the net cost of providing a service & what it would cost to increase service levels





# Why service-based budgeting?

Members of the public are increasingly holding municipalities accountable for the cost of services provided. These services and associated service levels are determined through Council's priorities, and the City's strategic plan.

# Benefits for Council and Citizens

- Enhanced accountability and transparency
- Better communication of where tax dollars are being spent and for what outcome
- Greater clarity of services offered to the community & their associated costs
- Council establishes the endorsed level of service & associated investment



# More focused budget deliberations

- What are our service standards?
- What are the costs of regulated service standards?
- What service levels do our citizens want?
- Are they prepared to pay for desired service levels?
- If we reduced service levels, what are the savings and impacts?





# Expected outcomes - 2024

- Quantifies the cost to deliver a service
- Link service costs to key performance indicators
- Increases transparency and citizen understanding of investments tied to outcomes
- Enhanced governance focused on output & Council priorities
- Set baseline for 2025 and beyond



# 2024 Preliminary Budget

## December 4 – Regular Council Meeting

- Macro environment
- Financial health indicators
- Budget 2024 overview

## December 7 – Budget Deliberations Meeting

- Budget presentations
- Detailed request review





# Notable differences from prior year

- Greater emphasis on the budget as a whole
- Budget asks bundled to move service levels
- Focus on enhance vs maintain service levels
- Initial Linkage of budgets to KPI's
- Less priority 2 requests presented

# Services

## **Community Services:**

- » Services provided directly to the community.

## **Enabling Services:**

- » Services provided internally to enable the community service to be provided to the community.

# Community Services

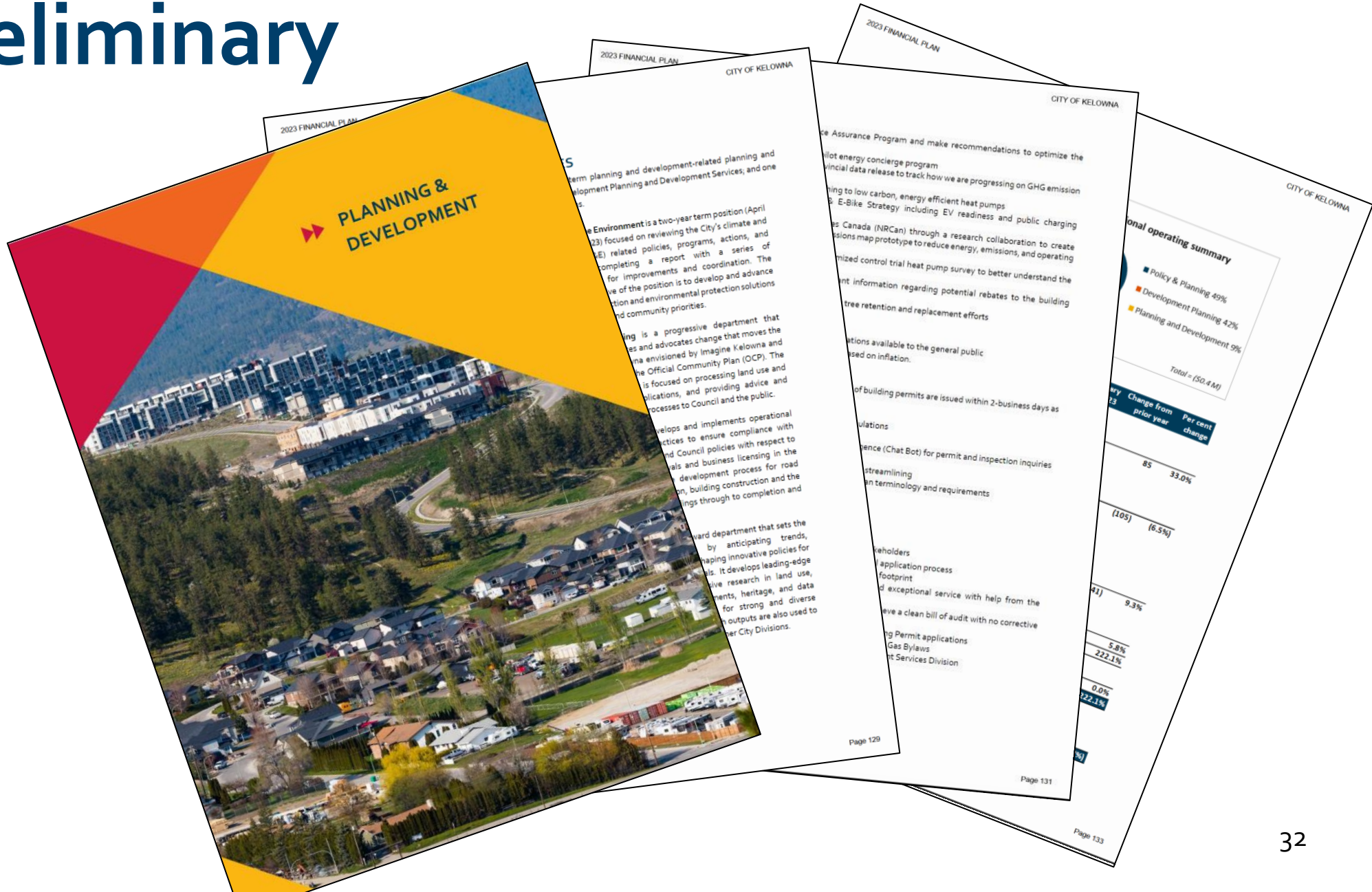
- » Airport
- » Arts & Culture
- » Community Development
- » Community Safety & Bylaw
- » Development Planning
- » Development Services
- » Fire Services
- » Governance & Leadership
- » Parks
- » Parking
- » Partnerships Office
- » Police Services & RCMP
- » Solid Waste & Landfill
- » Sport & Recreation
- » Stormwater & Flood Protection
- » Transit
- » Transportation
- » Wastewater Utility
- » Water Utility

# Enabling Services

- » Administration
- » Building Services
- » Communications
- » Financial Services
- » Fleet Services
- » Human Resources
- » Information & Technology Services
- » Internal Construction Delivery
- » Legislated Services
- » Real Estate
- » Risk Management
- » Senior Leadership
- » Strategy & Performance



# 2023 Preliminary



## PLANNING & DEVELOPMENT

### Monthly operating summary



Category	Change from prior year	Per cent change
Permit applications	85	33.0%
Gas Bylaws	(105)	(6.5%)
Permit Services Division	(41)	9.3%
Gas Bylaws	5.8%	222.1%
Permit Services Division	0.0%	22.1%

# 2024 Preliminary

- » Our goal & community benefit
- » Our customers
- » Our partners
- » What we deliver
- » Our key objectives
- » Our guiding plans

## ► DEVELOPMENT PLANNING

LED BY: DIVISIONAL DIRECTOR, PLANNING & DEVELOPMENT SERVICES

### Our goal & community benefit:

Our goal is to provide land use planning and growth-related direction to our community. The Official Community Plan (OCP) focuses on slowing the outward growth of Suburban Neighbourhoods, this protects our rural/agricultural lands and environmentally sensitive areas while reducing the amount of new infrastructure that is needed to service growth. Urban Centres are prioritized for residential and mixed-use growth.

### Our customers:

- Developers, Architects, Engineers, and Planners
- Builders and contractors
- Property owners
- Residents

### Our partners:

We partner with internal City departments including Development Services, Real Estate Services, Parks Planning. We partner with external partners including the Urban Development Institute, Canadian Home Builders Associations, Utility Providers, and residents' associations.

### What we deliver:

We review and process land use and development permit applications and provide advice and information on planning processes to Council and the public. We also promote, implement and advocate for change that moves the City towards the Kelowna envisioned by Imagine Kelowna and the policy direction of the OCP.

### Our key objectives:

- Review various applications related to land use change and form and character analysis against Council endorsed regulations and policies.
- Maintain and update regulations, policies, and processes to ensure a streamlined and efficient development application process.
- Prioritize Council, Corporate and Divisional such as Affordable Housing, Protecting Agriculture and Climate/Environment.

### Our guiding plans:

- Official Community Plan
- Zoning Bylaw
- Subdivision and Development Servicing Bylaw
- Development Cost Charge Bylaw
- Development Application Fees Bylaw
- Development Application and Heritage Procedures Bylaw



# 2024 Preliminary

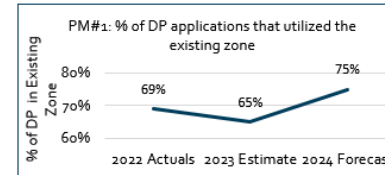
## » Performance measures

### Measuring Performance:

#### Performance Measure 1

##### % of DP applications that utilized the existing zone

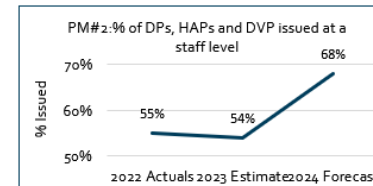
The planning, permitting and construction of buildings require us to balance efficient process and growth management. Development planning pre-zones areas of the city which decreases the process for applicants and directs growth and higher density to areas that support the vision in the Official Community Plan.



#### Performance Measure 2

##### % of DPs, HAPs and DVP issued at a staff level

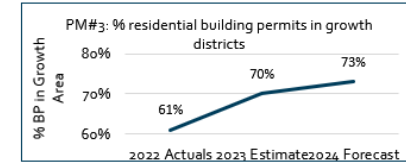
To promote efficient operations and timely permit issuance we regularly review that decisions are made at the appropriate level. Permits issued at a staff level are made for more routine and less complex decisions so that higher complexity and impact decisions can be scheduled for Council decisions more quickly.



#### Performance Measure 3

##### % residential building permits in growth districts

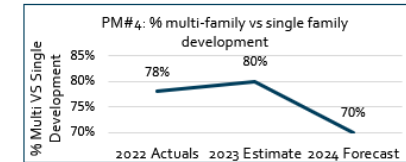
While the OCP provides growth estimates in different areas of the city, development can take place faster or slower than expected based on market trends. Monitoring this rate of growth in our Urban Center helps to make informed decisions about investments in things like transportation and utility servicing, as well as when to initiate Urban Centre Plans.



#### Performance Measure 4

##### % multi-family vs single family development

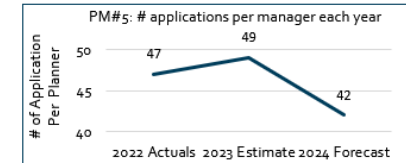
A resilient community has a wide variety of housing options available to meet the needs of residents at different price points and different life stages.



#### Performance Measure 5

##### # applications per urban planner/file manager yearly

The city must balance efficient processes with outcomes that are important such as alignment with growth plans, building codes and safety. Urban planning applications per planner provides insight into our ability to balance speed, quality of review and support to the applicant.



# 2024 Preliminary

## » 2024 Activities by Council and Corporate priority

### 2024 Activities: by priority

#### Crime & Safety

- Not applicable.

#### Affordable Housing

- Implement Infill Options housing program.
- Implement provincial legislation related to housing.

#### Homelessness

- Support City/Community sheltering initiatives

#### Transportation

- Support the review of Transit Supportive corridors for additional land use density.

#### Agriculture

- Prioritize enforcement efforts for non-farm uses on agricultural lands.
- Explore opportunities to support and house farm labor.

#### Climate & Environment

- Implement EV charging regulations.
- Support the development of a "Climate Lens" to review land use change applications.

#### Our People

- Implement projects related to Divisional Strategic Plan and Council/Corporate Priorities.

#### Digital Transformation

- Continue implementation and business expansion of KAI chatbot to Planning applications.
- Implement Cityworks LLP.

#### Active Financial Management

- Monitor Development Application Fee bylaw to ensure updated bylaw is functioning as intended.
- Monitor density bonus programs and fine tune as necessary.
- Review financial impact of Business License Bylaw update.

#### Base Business

- Continue to identify and act on opportunities to streamline the development application process for housing delivery.



# 2024 Preliminary

- » 2023 Key accomplishments
- » Continuous improvements

## 2023 Key accomplishments:

- Housing approvals met or exceeded projected housing needs for gross number of units.
- Reviewed and updated Development Application Fees Bylaw.
- Completed Zoning Bylaw amendment package aimed at fine-tuning Zoning Bylaw.
- Reduced number of amendments to Official Community Plan.
- Implemented density bonus program leading to significant contributions to both the Housing Opportunities Reserve Fund and the Streetscape Improvement Fund.
- Supported work on the Infill Options project.
- Implemented Development Variance Permit delegation process.

## Continuous Improvements:

- Updated/streamlined Council reporting template.
- Implemented a delegated DVP program to speed up some development application types.
- Supported the creation of the KAI Chatbot.
- Supported work on City Works PLL project.
- Improved/updated landscape enhancement standards.

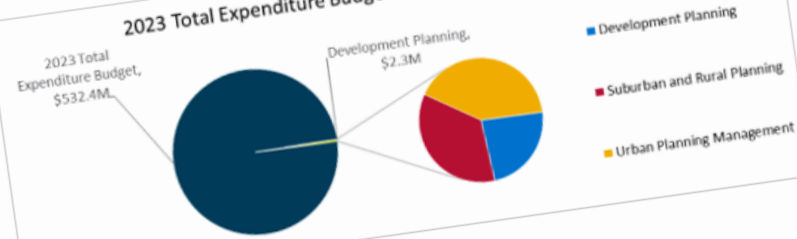


# 2024 Preliminary

- » Expenditure budget comparison
- » Current year objectives related to budget
- » Operating budget
  - » Split by revenue and expenditure types
  - » Including enabling allocation

## Budget overview: Net operating budget

### 2023 Total Expenditure Budget Breakdown



### 2023 Service level objectives

Description of the specific objectives for the current year

### Operating budget needed to achieve results:

	Actual 2021	Revised 2022	Annualized Budgets	Maintaining Service	Enhancing Service	Preliminary 2023
<b>Revenue budget:</b>						
Property tax	1,263	1,626	20	(105)		1,521
Fees and charges	877	798				818
Grant	300	250	(250)			0
Other revenue			(230)	(105)	0	0
Transfers from reserve	2,441	2,674				2,339
<b>Total revenue budget</b>						2,152
<b>Expenditure budget:</b>						
Salaries and wages	2,004	2,486	(230)	(103)		187
Material and other	160	189	(0)	(2)		0
Contract services						0
Debt service		277				0
Transfers to reserve			(230)	(105)	0	0
Enabling allocation	2,441	2,674				2,339
<b>Total Expenditure budget</b>						2,339

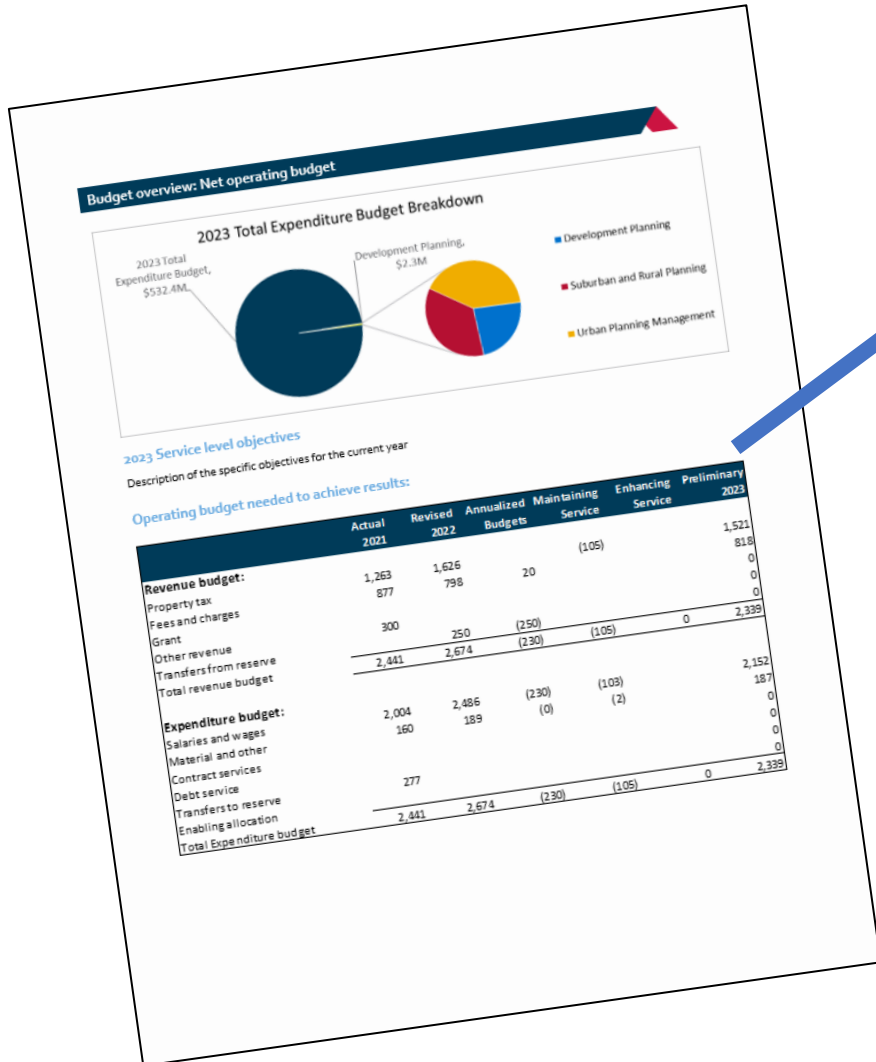
Actual 2021	Revised 2022	Annualized Budgets	Maintaining Service	Enhancing Service	Preliminary
3.0	3.0				
-	-				
12.3	17.0	-2.0	-1.0		
15.3	20.0	(2.0)	(1.0)		

### Expenditure by type



# 2024 Preliminary

## Operating budget needed to achieve results:



	Actual 2021	Revised 2022	Annualized Budgets	Maintaining Service	Enhancing Service	Preliminary 2023
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# Development Planning

## Service budget overview

# Development Planning

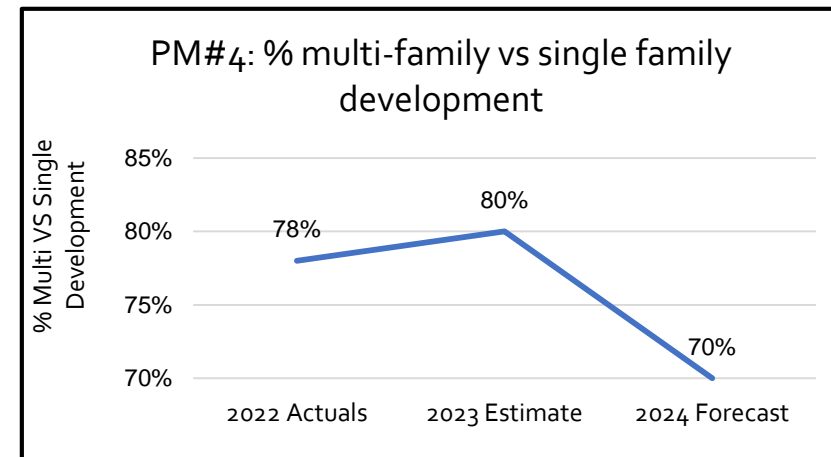
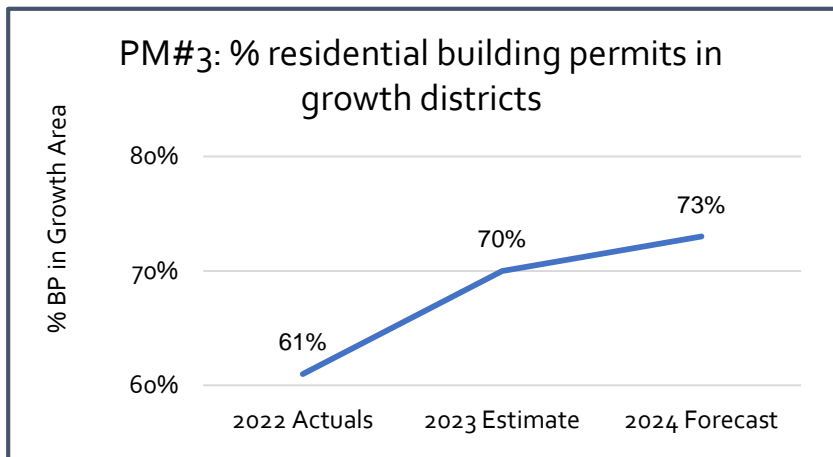
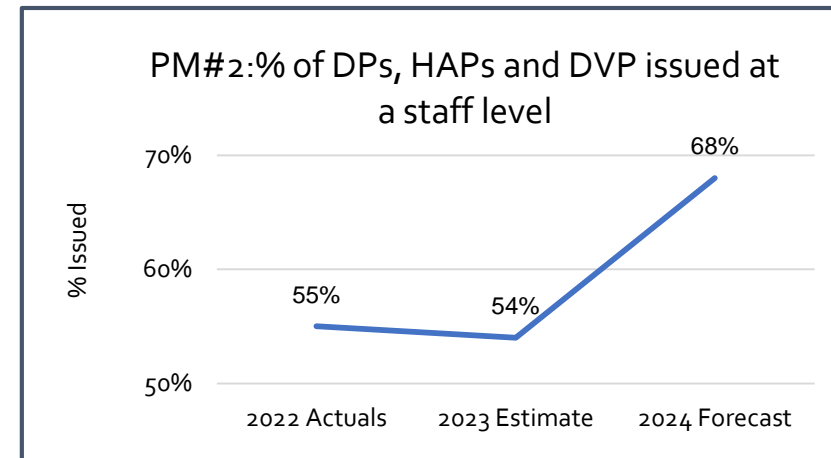
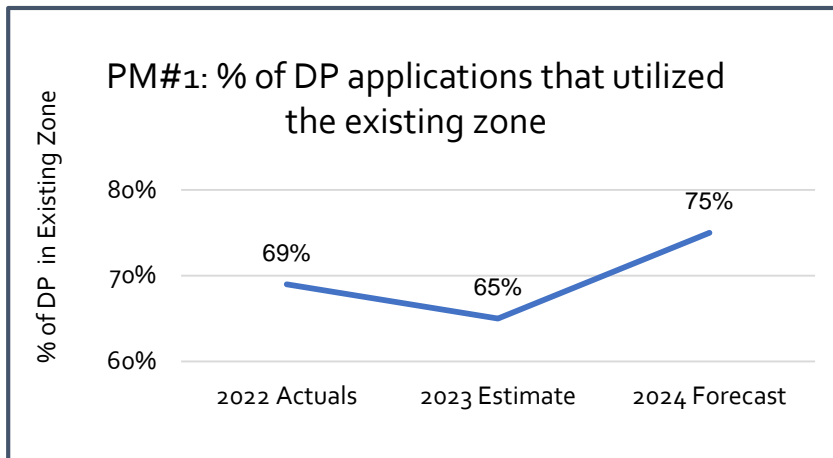
## ▶ Key accomplishments

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## ▶ Continuous improvement

- Updated/streamlined Council reporting template
- Implemented a delegated DVP program to speed up some development application types
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- Supported work on City Works PLL project

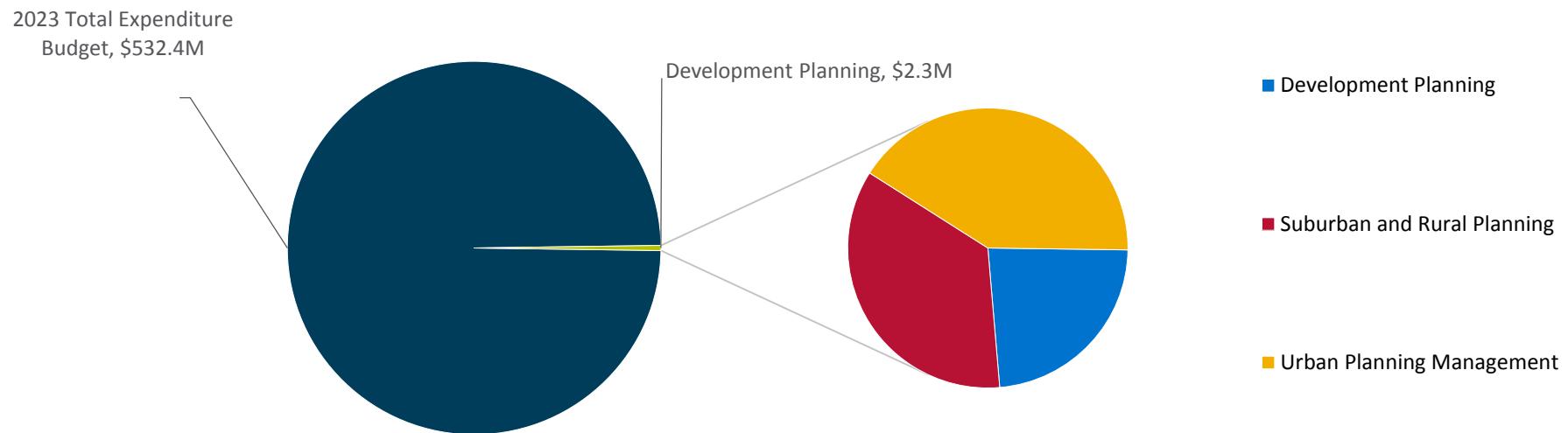
# Development Planning Performance Measures





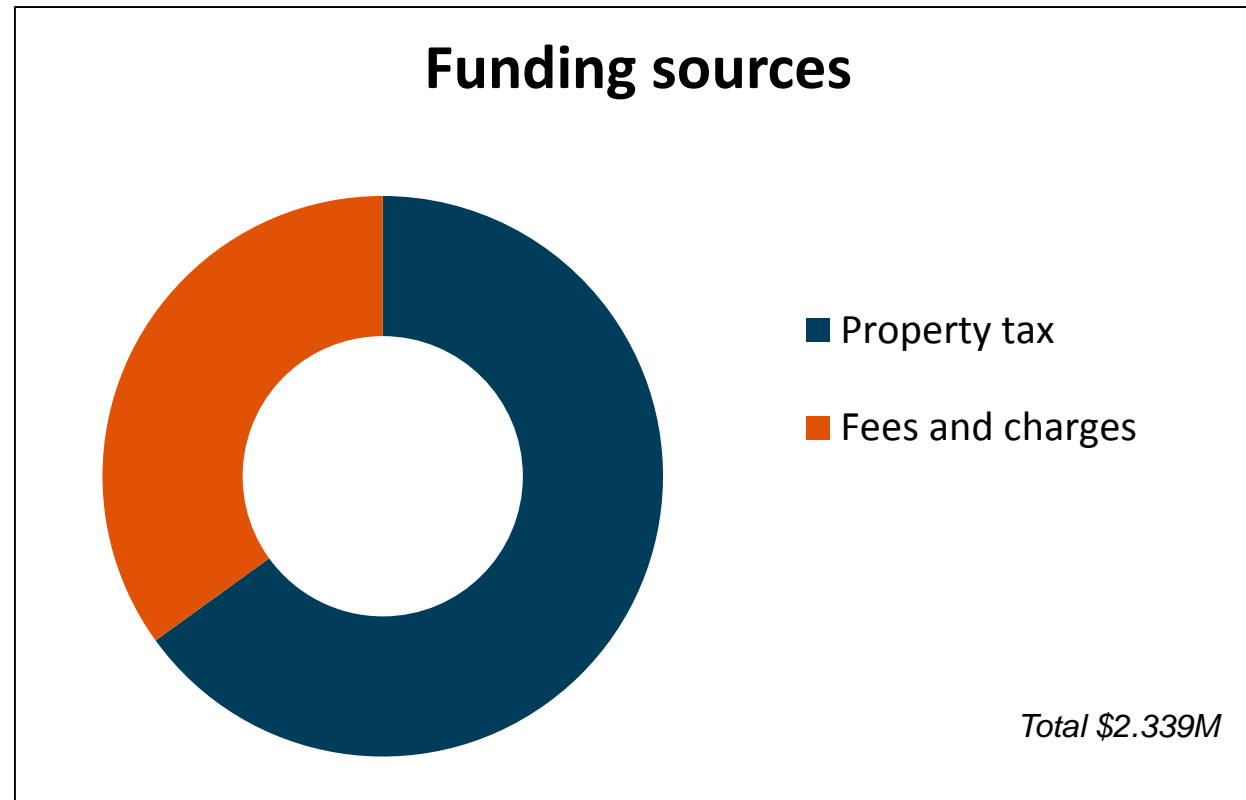
# Development Planning Expenditure budget

2023 Total Expenditure Budget Breakdown



# Development Planning

## Budget overview



# Development Planning

## Budget overview

### Annualization of previously approved budget requests

2022 Revised budget	\$2.674 M
2021 & 2022 Adjustments	(\$0.230) M
2023 Starting budget	\$2.444 M

► Drivers for change:

- Removal of 2022 one-time budgets
- Removal of 2022 carryover budgets
- Annualization of 2021 & 2022 operating requests

# Development Planning

## Budget overview

### 2024 Recommended budget

2024 Starting budget	\$2.444 M
Maintaining current service level	(\$0.105) M
	\$2.339 M
Enhancing service level	\$0.000 M
	\$2.339 M

▶ Drivers for change:

- Service area staff re-organization
- *Driver behind enhanced service level budget requests*



# Questions