

City of Kelowna
Regular Council Meeting
AGENDA



Thursday, December 5, 2024
9:00 am
Council Chamber
City Hall, 1435 Water Street

Pages

1. Call to Order & Opening Comments	
I would like to acknowledge that we are gathered today on the traditional, ancestral, unceded territory of the syilx/Okanagan people.	
This Meeting is open to the public and all representations to Council form part of the public record. A live audio-video feed is being broadcast and recorded on kelowna.ca.	
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FINANCIAL PLAN

Kelowna, BC Canada
Preliminary Budget

2025

Volume 1



Navigating the 2025 Financial Plan

Navigating the Financial Plan

This document has been hyperlinked for your convenience. You will be able to navigate to the necessary information using one of the options below.

If reviewing online

Table of Contents

The table of contents is hyperlinked to each listed section within the Financial Plan. Guide your mouse cursor over the section title and click to be redirected. To return to the table of contents, click on the City of Kelowna text at the top right of all pages.

If reviewing as a downloaded PDF

Bookmarks (option 1)

Select the bookmark icon located on the left-hand side menu. A list of bookmarked pages will appear. Click on the topic of interest to be taken directly to that selection.

Table of Contents (option 2)

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FINAL BUDGET

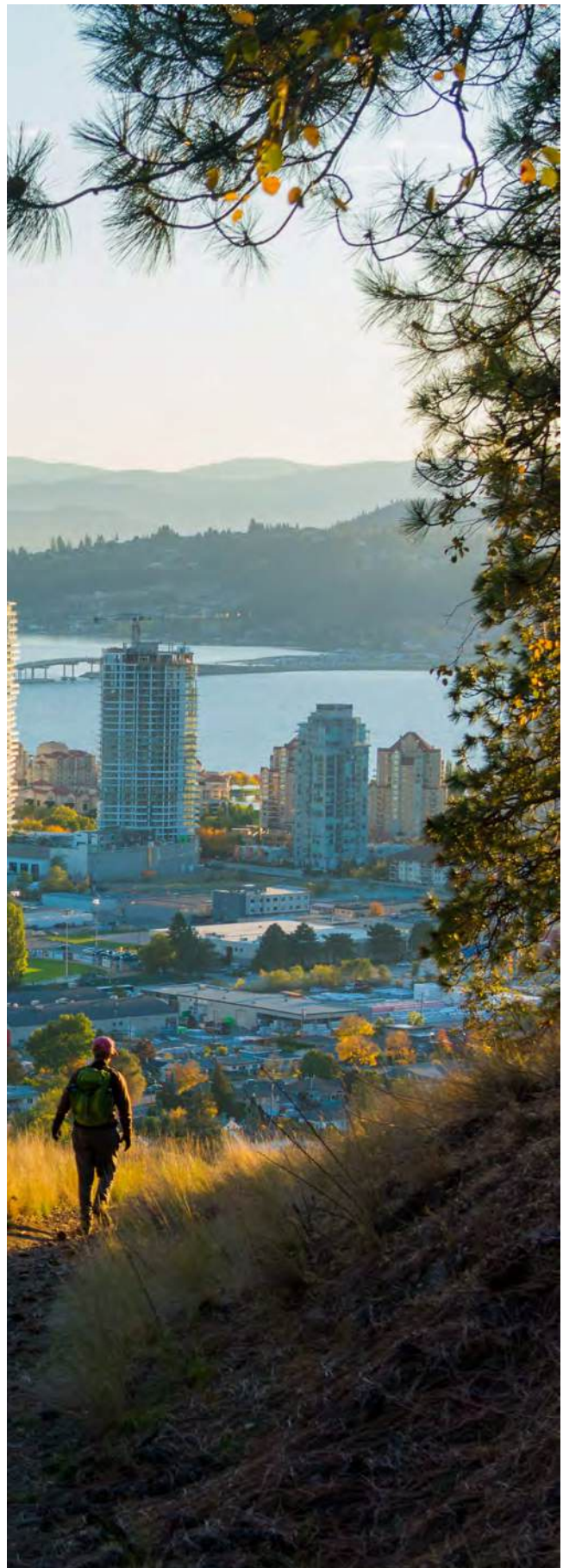
Report to Council	TBD
Financial summaries	TBD
Analysis of tax demand	TBD
Analysis of total revenues	TBD
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Use of tax dollar by service area	TBD
Ongoing budget impacts	TBD
Operating budgets	TBD
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FIVE-YEAR FINANCIAL PLAN

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About this Document

About this document is intended to provide a basic understanding of the Financial Plan and briefly describe the contents of each major section of this document. The Financial Plan provides detailed funding requirements over the next five years and serves as a policy document, financial plan, operations guide, and communications tool.

2025 Council changes

The Financial Plan Volumes are presented to Council as a recommendation from the City Manager. During budget deliberations, Council may choose to make changes to the presented budget resulting in a revised gross taxation demand and property owner impact for the year. This page summarizes all changes made by Council.

Introduction & overview

This section provides an introductory message from the City Manager outlining the priorities and challenges considered in the development of the 2025 Financial Plan. An overview of *Our Community*, *Our City*, and *Our Citizens* tells the story of what makes Kelowna a desirable place to live. *Budget highlights* provide a summary of how we budget for and deliver on Council and Corporate priorities.

Strong financial management

This section discusses the City of Kelowna's organizational structure, funds, debt, strategies and policies, and goes into detail about the budget process.

Financial summaries

This section presents a financial analysis of tax requirements, revenues, and expenditures.

Service area budget

The Financial Plan is structured by service area and consists of three main components: operating budgets, which reflect the total costs of delivering City services offset by direct revenues; enabling services operating budgets, which highlight the support costs required to provide services to the community; and capital budgets, which outline the annual capital investments allocated to each service. Each service area section includes service descriptions, activities planned for the budget year, performance metrics and a budget overview presenting information for the completed 2023 year, the estimated/revised 2024 year and the proposed/Preliminary 2025 year. Following that are the individual budget requests being presented to Council for consideration.

Carryovers & Final Budget

Unfinished projects that require budget to be moved to the next fiscal year are presented to Council in March, as part of the Carryover Budget – Volume 2.

Final Budget – Volume 3 is presented in April and includes final adjustments to the Financial Plan and the requisition

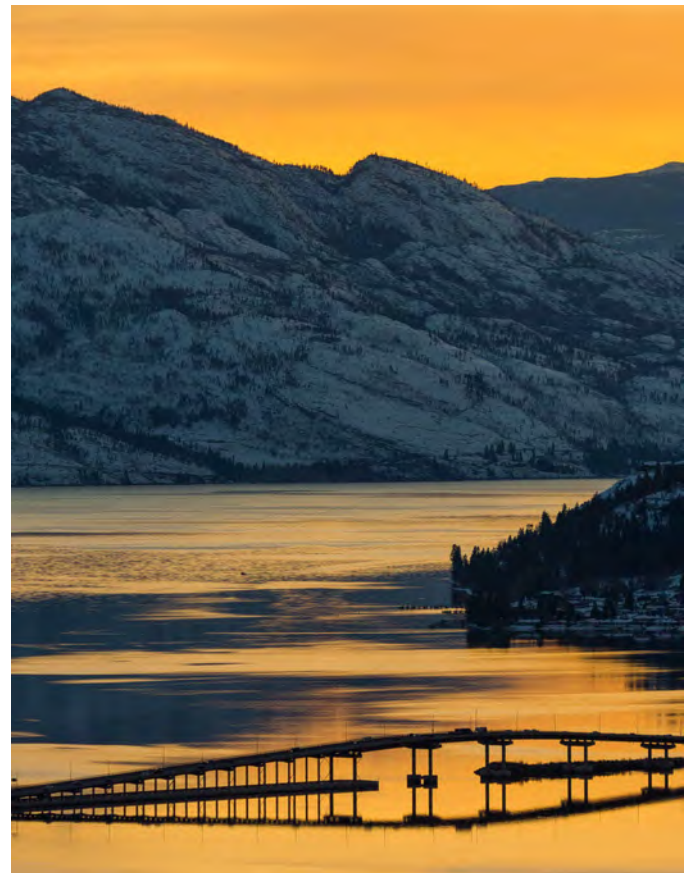
amounts from other taxing jurisdictions. This plan is mandated by the Community Charter to be approved by bylaw annually before May 15 prior to the annual property tax bylaw adoption.

Five-Year Financial Plan

The Five-Year Financial Plan is mandated by the Community Charter to include a planning period of five years, the first being the year in which the plan is specified to come into force and the following four years.

Appendix

Supplemental information including the City's Citizen Survey results, Official Community Plan and Indicators Report, Community Trends report and various statistical information are provided for the reader. All reports are also available on kelowna.ca. For clarity of terms throughout the Financial Plan, a glossary and acronyms list is provided.



2025 Council Changes

The Financial Plan Volumes are presented to Council as a recommendation from the City Manager. During budget deliberations, Council may choose to make changes to the presented budget resulting in a revised gross taxation demand and property owner impact for the year. This page summarizes all changes made by Council in the three budget volumes.

This page will be updated after each Financial Plan Volume is approved by Council.

Analysis of tax demand Preliminary Budget - Volume 1 (\$ thousands)

Information to be added after December 5, 2024 Council Budget Deliberation meeting.

Items added/deleted by Council – Preliminary Budget – Volume 1

Information to be added after December 5, 2024 Council Budget Deliberation meeting.

Analysis of tax demand - Carryover Budget - Volume 2 (\$ thousands)

Information to be added after March 17, 2025 Council meeting.

Analysis of tax demand - Final Budget - Volume 3 (\$ thousands)

Information to be added after April 28, 2025 Council meeting.





▶▶ INTRODUCTION & OVERVIEW

▶▶ A MESSAGE FROM THE CITY MANAGER

A year after the City of Kelowna introduced a more transparent way to budget, I am honored to present the proposed 2025 Financial Plan to Council. Our service-based budgeting approach enables us to meet our community's current needs while continuing to shape Kelowna as a City of the Future.

Service-based budgeting is an innovative way to break down costs by service rather than department, allowing the City to organize spending in areas that matter to citizens regardless of the structure of municipal government. This approach not only improves financial planning between departments but also empowers Council and residents to understand the value and true cost of the services we provide – and ultimately evaluate how well tax dollars are spent.

Ensuring good value for tax dollars is a top priority for the Council and City staff, especially during times of high inflation and tightening family budgets. Our City's auditing team plays a crucial role in this effort by meticulously monitoring the performance of all business units to guarantee they provide significant value to citizens. I am pleased to report that our 2024 Citizen Survey showed a six-percentage point increase in respondents' satisfaction with City services since the last survey in 2022. I extend my sincere appreciation to all City staff who helped us achieve this milestone. Our focus on quality service delivery and responsible fiscal management is at the core of what we do.

This year, with a view to enhance the accessibility and transparency of our Financial Plan, we are presenting the combined operating and capital budgets together under each service area. This improved layout offers a comprehensive view of our investments in tangible assets such as buildings and equipment, as well as the budget needed to make them productive. The 2025 Financial Plan also improves our ability to estimate tax demand for multi-year capital projects based on the cash flow in each budget year. Not only does this improve financial planning and reduce the carryover burden, it also stabilizes the tax rate from year to year.

Budget and investment decisions are responsive to the challenges and opportunities facing our rapidly evolving city. By 2040, we anticipate that Kelowna's population will grow by approximately 37%, according to the latest provincial statistics. In response, our budget makes accelerated investments in capital projects—more than doubling the annual rate of investment from prior years—to help us meet the demands of tomorrow while making the most of our purchasing power today. Key investment areas include transit and transportation, recreation facilities, buildings and parks, the airport, and critical water-related infrastructure.

Our budget is also responsive to cost pressures beyond our control. High interest rates have resulted in lower revenues from development fees. Emergency services like fire and police have seen increased demand given provincial policy changes to ambulance services. And our costs for contracted RCMP and provincial transit services have also steeply increased.



Despite these pressures, our funding priorities continue to be shaped by guiding documents like the Imagine Kelowna vision, citizen surveys, the Official Community Plan and other strategic plans, as well as key objectives outlined in Council Priorities (2023-2026). These priorities include Crime and Safety, Affordable Housing, Homelessness, Transportation, Agriculture, Climate and the Environment, and the Economy, for which progress is reported regularly.

Beyond supporting essential services that contribute to everyday quality of life and maintain the City's growth, the 2025 Financial Plan prioritizes investments in:

- **Community safety** through added staff and training resources for fire, police, and bylaw services, as well as enhancements to facilities and systems.
- **Housing supports** through expanded overnight sheltering facilities, improved approval efficiencies and greater development density.
- **Active and road transportation** through expanded transit facilities and connectivity, improved rider comfort, new trail and road infrastructure as part of a significant roads bundle and repairs, and street lighting.
- **Sustainability initiatives** that prioritize energy efficient retrofits for buildings and lighting, updated standards for new construction, replacement of aging fleet vehicles with electric, increasing the urban tree canopy, and other innovations that prepare the City to deliver services to a growing population.
- **Economic development** by accelerating capital investments in buildings, spaces, and infrastructure, continuing to expand airport and recreation facilities, and reviewing the City's efforts into strengthening business investment in the region.
- **Digital transformation** measures to improve citizen access to services and government operational efficiency and cybersecurity.

As City Manager, I believe our strategic ability to make sound financial decisions for the collective good is one of our greatest strengths — and our greatest responsibility.

Some key highlights of this year's Financial Plan include: keeping community safety top of mind by adding increased funding for new positions in RCMP, Bylaw, and Fire; addressing housing issues by expanding the capacity of our outdoor shelter area and continuing to promote housing density; making important investments in roadway infrastructure, transit, and active transportation corridors to improve safety, connectivity and rider comfort; and commencement of some of the most ambitious capital and infrastructure projects, including a new protective services building and the Building a Stronger Kelowna suite of multi-use facilities – leveraging partnership investments from other agencies and levels of government.

The City of Kelowna is committed to fiscal responsibility. With only 25 per cent of the budget reliant on tax revenues, the remaining 75 per cent is generated through user fees collected from residents and visitors alike, sustainably funded business units like the Kelowna International Airport and parking, as well as grants and investments from other levels of government, drawing on City reserves, and partnerships with community and business groups.

As we continue building the City of the Future, I am pleased to present Council with the proposed City of Kelowna preliminary budget for 2025. The Financial Plan reflects our collective commitment to strong financial management, careful spending, and investments in services and projects that will create a strong future for our rapidly growing community.

— *Doug Gilchrist, City Manager*





▶▶ TERRITORY ACKNOWLEDGMENT

We acknowledge that our community is located on the traditional, ancestral, unceded territory of the syilx/ Okanagan people.

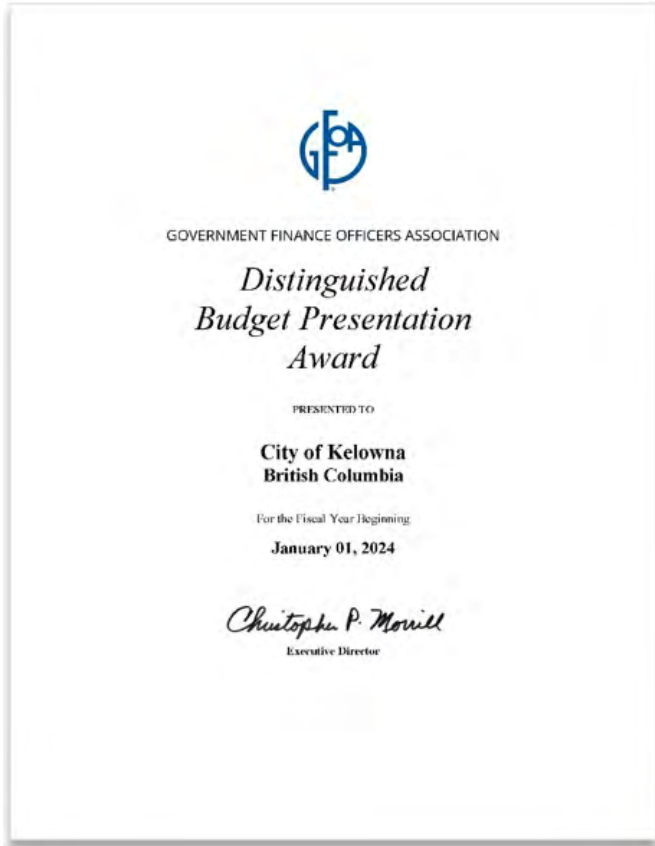
Award for Financial Reporting

The Government Finance Officers Association (GFOA) has presented a Distinguished Budget Presentation Award to City of Kelowna, British Columbia, for its 2024 Annual Budget for the fiscal year beginning January 1, 2024.

This award represents a significant achievement as it reflects the commitment of the City of Kelowna and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, a governmental unit must satisfy national recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the budget services as a policy document, a financial plan, an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our 2025 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The City of Kelowna has received the GFOA Distinguished Budget Presentation Award for 23 consecutive years.



Our Community

Lifestyle

Located along the sandy shores of Okanagan Lake in the heart of the Okanagan Valley, Kelowna is a four-season playground welcoming over two million visitors annually from around the world. With its proximity to water, beaches, hiking trails, ski hills, golf courses and the Okanagan Rail Trail, it's a city that embraces outdoor adventure and an active lifestyle all year long. With over 40 wineries within a 20-minute drive, Kelowna is at the centre of the world-renowned Okanagan wine country and fruit growing industry. It is home to award-winning microbreweries, distilleries, and cideries deeply rooted in the local agricultural history, and its bustling urban centre offers a passionate farm to table network, outdoor markets, live music scene, galleries, theatre and unique shopping boutiques. The majority of citizens (86 per cent) rate the quality of life in Kelowna as good or very good thanks to active/recreational opportunities, safety, its accessible location, job opportunities, and great weather.

Growth

Kelowna is rapidly evolving, becoming a more urban and dynamic region. During the 2016 to 2021 census period, Kelowna's population increased by 13.5 per cent, making it one of the fastest growing cities in B.C. and one of the fastest growing metropolitan areas in the country. Building permits have also shown significant growth, first exceeding \$1 billion in 2021 and nearly doubling to \$1.8 billion in 2023. By 2040, the population of Kelowna is expected to grow by nearly 38 per cent.

Jobs

Kelowna is an economic powerhouse, home to robust traditional sectors like agriculture and construction, and burgeoning new sectors such as information technology. The city also boasts a diverse economy that also includes manufacturing, tourism, aviation and health care. Kelowna is homebase for over 650 technology companies with over \$1.67 billion in economic output, according to Accelerate Okanagan, while tourism generates \$2.4 billion according to Tourism Kelowna.

Airport

Kelowna International Airport (YLW) is the largest municipally owned and operated airport in Canada. YLW does not utilize municipal taxes as it is self-funded through user fees and charges. The aviation sector is essential for Canada's post-pandemic recovery of revenue generation for local businesses, maintaining and creating jobs for residents, and encouraging investment in the local community. Each year, YLW pays a portion of its revenue to the City of Kelowna which helps to reduce taxes paid by residents.

Education

Kelowna is a hub of academic and trades training excellence. It is home to the Okanagan campus of the University of British Columbia, one of the world top public universities, and Okanagan College's largest campus. Together, the two post-secondary schools welcome nearly 30,000 students per year.

Health

Kelowna offers world-class, state-of-the-art medical facilities offering the highest quality patient care. Interior Health Authority, headquartered in downtown Kelowna, and the Kelowna General Hospital serve as the leading health centre for the B.C. Interior, and a teaching hub for the UBC Okanagan medical school.



Our City

The City of Kelowna is a city of the future. It is open to new opportunities, business and new ideas from diverse residents. The organization is led by Mayor and Council, our dedicated City Manager. More than 1,000 employees deliver quality services to ensure our city is safe, vibrant and sustainable. As a fiscally responsible municipality, the City provides core services, maintains existing infrastructure and builds new amenities when needed.

The public is kept informed of City projects and progress through an array of publications, including the monthly City Views digital newsletter, the Annual Report, as well as news releases and social media. In addition, the user-friendly and mobile-responsive kelowna.ca website allows residents to place service requests and stay informed.

Mayor and Council

The City of Kelowna is governed by an elected Mayor and eight Councillors for a four-year term (2022-2026). Led by Mayor Tom Dyas, Kelowna City Council is committed to building on the momentum of past Councils and being open for opportunity through community engagement and partnerships. It is consistent and transparent in decisions, creating a favourable environment for customer service, development and business in Kelowna.

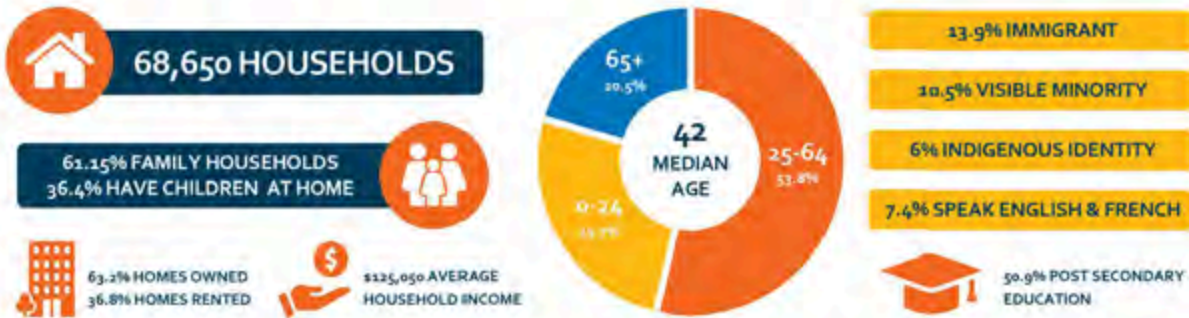
Top row: Councillors Luke Stack and Mohini Singh, Mayor Tom Dyas, Councillors Maxine DeHart and Charlie Hodge.
Seated: Councillors Ron Cannan, Loyal Wooldridge, Gord Lovegrove and Rick Webber.



Our Citizens

Demographics

165,907 RESIDENTS CALL KELOWNA HOME  **+8.2%** INCREASE FROM 2022 **3.2%** OF BC'S TOTAL POPULATION



2024 Citizen Survey

86% REPORT GOOD QUALITY OF LIFE

86% SATISFIED WITH CITY SERVICES

81% DESCRIBE OUR COMMUNITY AS SAFE

29% SAY "RISING COST OF LIVING" IS #1 REASON WHY QUALITY OF LIFE HAS WORSENE

89% AGREE THE CITY IS INCLUSIVE AND ACCEPTING OF ALL

TOP CONTRIBUTORS TO QUALITY OF LIFE

- 28% MORE CONSTRUCTION**
- 13% SERVICES & AMENITIES**
- 6% PARKS & OUTDOOR SPACES**

TOP 3 ISSUES FOR CITIZENS

- 58% SOCIAL ISSUES**
- 15% TRANSPORTATION**
- 5% CRIME**

75% SAY THEY RECEIVE GOOD VALUE FOR CITY TAXES

TOP 5 PRIORITIES FOR INVESTMENT

1. ADDRESSING SOCIAL ISSUES
2. ROAD MAINTENANCE
3. PUBLIC TRANSIT
4. TRAFFIC FLOW MANAGEMENT
5. BIKE LANES & PEDESTRIAN SIDEWALKS

The 2024 City of Kelowna Citizen Survey helped gauge public satisfaction with municipal programs and services, providing insights into citizens' priorities. For information, see [Appendix A](#).

Kelowna on the Map



imagineKelowna

THE VISION

At-a-glance

In 2018, we are a city in transition and Imagine Kelowna is the community's vision for how to thrive in the face of unprecedented growth and change. The result of almost 4,000 resident contributions, this is a vision created by our community, for our community.

We need to be agile, resilient and unafraid to do things differently. The community has made it clear that as we grow, we need to look out for one another and protect the stunning environment that sustains us.

In 2040, Kelowna is a thriving mid-sized city that welcomes people from all backgrounds. We want to build a successful community that honours our rich heritage and also respects the natural wonders that contribute to our identity. As a place with deep agricultural roots, Kelowna understands the need to protect our environment, manage growth and be resilient as our future unfolds. We want a community that:

- **puts people first:** We try to balance the needs of everybody in our decision making. We recognize that inclusivity and diversity makes us a stronger and more innovative community.
- **values its history:** We celebrate our heritage, and learn from our past to reconcile it with a better, more inclusive future we see for ourselves.
- **encourages curiosity and creativity:** We learn continuously to respond and adapt to rapid change. We find innovative ways to meet social, economic and environmental challenges and opportunities.
- **recognizes the changing roles of individuals, businesses, governments and community organizations:** The well-being of our city is a shared responsibility and everyone needs to do their part to seize opportunities for improvement.



Principles

Principles and goals

The following principles and goals work together as a system to help the community achieve its vision.



Principle 1 – Collaborative: A community where people of all backgrounds work together to meet collective challenges.

Goal: Engage with the Okanagan's traditional past and heritage as foundations for building a fair and equitable community.

We will honour our rich heritage while also following the lead of our local Indigenous communities towards a path of reconciliation.

Goal: Nurture a culture of entrepreneurship and collaboration.

Entrepreneurship is woven into Kelowna's cultural fabric, making our community more creative, collaborative and better able to meet the challenges of the future.

Goal: Foster resident-driven solutions.

We unleash our community's hidden talents to solve the tough challenges of the future.

Draft principles and goals

Principle 2 – Smarter: A community willing to learn, adapt and grow so we can thrive amid rapid change.

Goal: Support innovation that helps drive inclusive prosperity.

We are building a nimble and resilient economy that doesn't leave anyone behind.

Goal: Take action and be resilient in the face of climate change.

We will seize the opportunity to face climate change head-on for a hopeful and sustainable future.

Goal: Build healthy neighbourhoods that support a variety of households, income levels and life stages.

Everyone in our community should be able to find stable and appropriate housing.

Principle 3 – Connected: A community where residents are connected to their neighbours, their city and the wider world.

Goal: Embrace diverse transportation options to shift away from our car-centric culture.

Making it easy for people to choose non-driving options protects the beauty of Kelowna and makes getting around more enjoyable.

Goal: Create great public spaces that bring people together.

We need great public gathering places like parks, plazas and community centres where people can meet and connect with others.

Goal: Provide opportunities for people of all ages, abilities and identities.

We all benefit when everyone in the community has access to economic, recreational and social opportunities.

Goal: Cultivate an accessible and engaging arts and culture scene.

Everyone can find something that interests them to engage in, from grassroots initiatives to professional endeavours.

Principle 4 – Responsible: A community where decisions are made ethically and where social and environmental concerns are prioritized.

Goal: Concentrate on growing vibrant urban centres and limit urban sprawl.

Denser neighbourhoods make our city healthier, more sustainable and easier to get around. They make more financial sense, too.

Goal: Preserve Okanagan Lake as a shared resource.

Okanagan Lake is the jewel that makes Kelowna sparkle.

Goal: Strengthen the protection of our land, water and air resources.

Our stunning environment is the foundation that all of our other aspirations stand on.

Goal: Protect agricultural land and promote sustainable farming.

Supporting agriculture helps ensure food security while preserving vital green infrastructure.

Now what?

Under the banner of Imagine Next, the City will use Imagine Kelowna to help shape its priorities and provide the foundation for future strategies and projects such as the Official Community Plan (Our City as we Grow), the Transportation Master Plan (Our City as we Move), Intelligent City Strategy, and many others.

The Imagine Kelowna goals are also aligned with the United Nation's Sustainable Development Goals, linking what we are doing locally with larger global efforts to shift the world onto a more equitable, sustainable and resilient path.

However, Imagine Next doesn't only involve the City. It also provides direction to our entire community to change the way we work together, how we make decisions, and how we engage with residents. Ultimately, Imagine Kelowna is the community's vision to ensure a vibrant and resilient future. It is up to all of us to imagine what's next and help make Imagine Kelowna a reality.

Stay informed about Imagine Kelowna by subscribing to e-updates or get involved by visiting [imagine.kelowna.ca](https://www.kelowna.ca/imaginelive).

Budget Highlights

Budget at a glance

The City of Kelowna acts as a steward of public funds on behalf of our residents and makes the right choices to protect our city and community. We do this by having a clear set of priorities based on our community led *Imagine Kelowna* vision, solid master plans and a firm dedication to active financial management. This is supported through continuous and consistent progress reporting, showing how the City is implementing priority *Imagine Kelowna* actions. Public reporting not only invites useful feedback and input from the community, it shows Council's commitment to transparency, accountability and providing value to residents.

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 was redesigned 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. The 2025 Financial Plan takes this restructuring one step further by combining the capital program with the operating program in each service area. This merging of these programs provides additional insights for Council and the Community as together, they provide a comprehensive view of the service area, highlighting how operational expenses may impact capital projects and vice versa. Presenting these budgets together enhances transparency, showing potential trade-offs between maintaining current operations and investing in future assets. It also helps highlight interdependencies, such as how operational efficiencies could free up funds for capital investments or how capital projects might reduce future operating costs.

2025 priorities

Each year, the City of Kelowna identifies priorities to address emerging challenges and opportunities, aligning elected officials, municipal staff, and the community around shared goals like infrastructure improvements, public safety, and environmental sustainability. Highlighting these priorities in the Financial Plan enhances transparency and accountability by demonstrating how taxpayer dollars are allocated and providing context for key decisions. This approach fosters trust and collaboration by helping the community understand the trade-offs involved in the budgeting process.

Challenges in 2025 include economic factors such as high inflation, increased emergency service costs, and declining development fee revenues due to high interest rates. Policy challenges involve rising demand for emergency services driven by provincial ambulance policy changes, along with pressures to address public safety and housing shortages. Additionally, Kelowna's rapidly growing population—projected to increase by 37% by 2040—places significant strain on infrastructure, transit, and housing.

To address these issues, a range of measures are being implemented. The adoption of service-based budgeting aims to improve transparency, efficiency, and financial planning. In response to population growth, the City plans to accelerate infrastructure investments, doubling the annual rate of capital expenditures. Increased funding for fire, police, and bylaw services is prioritized, along with investments in housing initiatives, such as expanded shelter facilities and streamlined approval processes for higher-density development. Sustainability efforts include energy-efficient building retrofits, fleet electrification, and urban forestry. Additionally, the City is advancing its digital transformation to enhance citizen access to services and improve government efficiency.

Annual priorities for the upcoming budget year differ from the current year, reflecting a greater focus on long-term infrastructure investments and immediate solutions to housing and safety concerns. While ongoing goals like community safety and sustainability remain central, there is now an increased emphasis on accelerating capital projects and leveraging partnerships to meet the demands of rapid growth.

Budgeting by priority

Each budget request must indicate the Council or Corporate priority that it is best aligned with. Council priorities identify where residents and City Council want to see a difference in our community. Corporate priorities identify what is needed to be a high-performance organization and be able to deliver services and value to residents.

Listed below by Council and Corporate Priority, are some of the exciting programs and projects being requested in 2025.

Crime and Safety

Council Priority Actions:

1. Advance implementation of Mayor's Task Force on Crime Reduction recommendations, including Business Improvement Area support
2. Reduce property crime; including break and enters and theft
3. Demonstrate effectiveness of visibility on high-risk traffic behaviour (e.g. speeding, texting) and crime
4. Support retention of current policy restricting use of drugs in public spaces
5. Partner with ministries responsible for mental health and addictions on initiatives (i.e. Community Safety Plan) that improve local conditions, including alternative response models and advocacy

Operating requests:

The 2025 Crime & Safety Operating Requests for Kelowna outline key initiatives to address public safety and crime reduction. Funding is proposed to advance recommendations from the Mayor's Task Force on Crime Reduction, including reducing property crimes, enforcing traffic safety, and collaborating with mental health and addiction programs. A Senior Bylaw Officer position is requested to manage complex cases, enhance interagency collaboration, and support a new Property Action Team. Additional funding is sought for two Bylaw Enforcement Officers to address property-related issues, including compliance with evolving legislation and increasing enforcement demands.

To support the growing population and increasing caseloads, seven new RCMP officers and a Criminal Intelligence Analyst are proposed, aimed at enhancing community policing and crime prevention through data-driven strategies. The budget also includes resources for maintaining security systems and addressing capacity constraints, with a new technician and necessary equipment to ensure reliable operation of critical infrastructure. Further funding is requested to sustain overnight outdoor sheltering sites, addressing legal obligations and providing sanitation, security, and crime prevention measures. Additionally, a review of Kelowna's police services is proposed to evaluate resource allocation and service models, building on a prior study to guide future operational improvements. These measures collectively support Kelowna's commitment to enhancing public safety and meeting Council's crime and safety priorities.

Capital requests:

The 2025 Crime & Safety Capital Requests for Kelowna include two significant projects. First, funding is requested for the Glenmore Protective Services Building, which will include new fire hall facilities, protective services training areas, site development, and the demolition of the current Fire Hall #5, with the land being returned to agricultural use. Second, improvements to the Queensway Transit area are planned to address security concerns and support the city's growth. These upgrades include enhancements to Bennett Plaza, transit operations, security infrastructure, bicycle storage, public washrooms, and mobility hubs. Traffic flow updates, art installations, and patio expansions are also included.

Affordable Housing

Council Priority Actions:

1. Meet provincial/local affordable housing targets with support from the Province
2. Complete Housing Action Plan including incentive options
3. Partner on the creation of a low-cost affordable housing pilot project
4. Investigate options to protect renters impacted by redevelopment projects and protect existing rental stock

Operating requests:

The Strategic Land Development Projects department drives the City's Official Community Plan and corporate goals through innovative real estate strategies. With the objective to have improved housing supply to meet the community's

needs, budget is requested for professional services like legal advice, appraisals, and design work, with costs typically recouped through redevelopment and property sales.

Homelessness

Council Priority Actions:

1. Advocate for a regional care facility (e.g. Red Fish Healing Center model)
2. Complete the delivery of tiny home units committed to by the Province
3. Facilitate a purpose-built permanent shelter with 'wrap-around' supports and graduated housing options
4. Assess feasibility of care and delivery models such as a multi-care site

There are no operating or capital requests for this priority in 2025.

Transportation

Council Priority Actions:

1. Complete the functional design of the Hwy 33 multi-modal traffic corridor and propose a partnership delivery model to the Province
2. Secure funding for a new transit operations centre
3. Enhance traffic safety (e.g. traffic calming and pedestrian infrastructure)
4. Explore alternative modes of transportation between UBCO/YLW and downtown (e.g. light rail)
5. Improve transit service including expanding the transit pass program (e.g. Community U-Pass)
6. Improve traffic flow and capacity on major road networks (e.g. roads bundle)

Operating requests:

The 2025 Transportation Operating Requests focus on advancing key transit and mobility initiatives. Funding is proposed for a consultant to support Council's advocacy efforts, beginning with a strategic campaign for the Highway 33 multi-modal corridor. Additional budget is requested for transit operations to address rising costs, adopt new technologies like the Umo electronic fare system, transition to electric buses, and expand the transit maintenance facility, with phased funding to mitigate tax impacts.

Planning for the Hollywood Transit Centre continues with budget allocated for design coordination and site servicing, supporting grant applications under the Federal Public Transit Fund. A transit fare review is planned to assess rates, equity-based fare options, and community access, alongside a mandatory U-Pass referendum. Lastly, funding is sought to implement the Safe Mobility Action Plan, aiming to reduce traffic injuries and fatalities through education, traffic signal updates, bylaw changes, and speed control measures.

Capital requests:

The 2025 Transit Capital Requests focus on improving transit exchanges. Projects include reconfiguring the Mission Recreation Transit Exchange to enhance rider comfort and reduce delays, expanding the Okanagan College Exchange with additional bays and better integration with active transportation, and upgrading the Rutland Exchange with new bays, park-and-ride facilities, and a mobility hub. These initiatives, developed with BC Transit, aim to improve capacity and connectivity.

Roads capital projects focus on enhancing connectivity, safety, and capacity across Kelowna. Key initiatives include intersection upgrades at Springfield/Benvoulin/Dilworth, extensions for Burtch Road and Clement Avenue, and active transportation improvements along Glenmore Road and Lakeshore Road. Projects also involve extending Commonwealth and Frost Roads, upgrading the KLO Road bridge, and improving Hollywood and Stewart Roads. Additional plans include Spall Road enhancements for the Parkinson Recreation Centre and extending Sutherland Road to support Landmark area development. These upgrades aim to support growth, improve access, and accommodate multi-modal travel with necessary planning, design, construction, and land acquisition.

Funding is requested for two active transportation projects. One involves creating north-south protected bike lanes through Downtown Kelowna, connecting key locations like the Bertram Multiuse Overpass and the Cawston ATC. This will enhance cycling access, especially for the new UBCO campus. The second project is the Rutland Neighbourhood Bikeway, which will develop two phases connecting various areas in Rutland. Both projects will include design, land acquisition, and

construction.

Agriculture

Council Priority Actions:

1. Protect agricultural lands
2. Continue to ensure farmland is used for permitted uses
3. Ensure sufficient & high-quality agricultural water supply

Capital requests:

Non-potable water is used to support the agricultural industry in Kelowna. Budget is requested to ensure consistent irrigation and fire protection services for City customers using this water system. This annual program includes renewing critical infrastructure such as mainlines, hydrants, pump stations, reservoirs, and pressure reducing valves (PRVs) to maintain reliable service.

Climate and Environment

Council Priority Actions:

1. Complete the Climate Resilient Kelowna Strategy
2. Continue to include 'Climate Lens' in decision making to assess mitigation and adaptation
3. Increase urban tree canopy (e.g. tree-lined medians)
4. Pilot energy concierge program to enable retrofits in buildings

Operating requests:

The 2025 climate and environment operating requests focus on two major projects. The first is wildfire fuel mitigation, which aims to reduce wildfire risk and improve forest health by removing high-threat vegetation in natural areas, with a 10-year plan to address 606 hectares. The second is the Water Efficiency Program, which includes hiring a Water Efficiency Coordinator to implement conservation programs, monitor water usage, and educate the public to reduce water consumption.

Capital requests:

The 2025 climate and environment capital requests include several sustainability initiatives. The Airport Carbon Neutral Initiatives aim to help the airport reach carbon neutrality by 2030, with funds requested for electrification strategy design, electric equipment, infrastructure, and solar installation. The LED Lighting Upgrades will replace obsolete lighting at various City locations with more energy-efficient options. Additionally, Electric Vehicle Infrastructure Installation is planned to support Fleet Services' green initiatives, involving the procurement and installation of electrical infrastructure and chargers, guided by the Green Fleet Strategy.

Economy

Council Priority Actions:

1. Seek opportunities to enhance economic diversification
2. Attract new employment and support existing business growth
3. Assess the City's supply of employment lands
4. Consider the City's investment into economic development

Operating requests:

The 2025 operating requests include several initiatives to enhance Kelowna's growth and development. The Economic Development Strategy aims to review and evaluate regional economic strategies, identify municipal support programs for businesses, and clarify the City's role in economic development efforts. Events Procurement and Delivery seeks additional staff resources to manage the growing number of outdoor events, including major events like the 2025 Montana's Brier and the 2026 BC Summer Games. The budget requests a new Community Development Coordinator to help with event procurement and delivery. Finally, the Airport Strategic Enhancements request funding for four key positions to support the airport's strategic goals, including capital projects, project coordination, and commercial development, in line with the

Airport's 5-Year Human Resources Plan.

Capital requests:

The 2025 Council Priority Economy Capital Requests include several key infrastructure projects at Kelowna International Airport (YLW), such as the continuation of the terminal building expansion, upgrades to airside equipment and lighting, and pavement rehabilitation. Additional requests focus on expanding childcare facilities, enabling works for a new hotel and parkade, and flood protection along Mill Creek. There's also funding for the development of marine facilities, including docks and moorage buoys, to enhance public services at Kelowna's waterfront. These projects support economic growth and airport expansion.

Our People

Corporate Priority:

1. Leadership everywhere

Leadership and management are two different things. Leadership is about seeing opportunities to make things better, influencing how we approach work and deliver our services, and supporting our colleagues along the way. Leaders motivate others to achieve something new or make something better. Our people take charge of their learning and growth, and are well-supported by their managers and the organization.

Operating requests:

The Staff Development and Retention Program focuses on retaining and developing Kelowna's workforce of over 1,200 employees. The budget supports staff training, recognition, and an in-house Local Government Certificate Program in partnership with Capilano University. This initiative aims to reduce turnover and ensure a skilled, qualified workforce to meet the City's growing demands.

Digital Transformation

Corporate Priority:

1. Making it easier to do business with the City, and within the City
2. Using data to make decisions

It should be convenient and easy for residents to do business with the city online. Internal business processes and systems should be efficient, and we strive to automate services where we can so staff can work on higher value activities. In-person service will remain an important part of our customer service experience.

Operating requests:

The 2025 digital transformation budget focuses on improving operational efficiency and public services through innovative technologies. Key initiatives include adding a Business Systems Analyst to the GIS team, strengthening project management for strategic alignment, and hiring a Police Services Disclosure Specialist to meet disclosure requirements. Additional resources are requested for an Innovation Consultant to enhance digital customer service, such as AI assistants, and for the implementation of Microsoft Fabric to simplify data analytics. A community events calendar will centralize event information, and funding for privacy consulting will ensure data protection during the digital transition. These efforts aim to improve both internal operations and public-facing services while prioritizing data security.

Active Financial Management

Corporate Priority:

1. More proactive & agile budgeting
2. Minimize reliance on taxes

Residents expect good value from their tax dollars. All staff have a responsibility to be efficient in delivering services and reducing lower value activities where possible. We also strive to grow our non-tax revenue in specific areas through mechanisms like the 'user-pay principle', grants, partnerships, or business unit investment.

Operating requests:

The 2025 Active Financial Management Operating Requests include two initiatives. First, budget is requested to develop a Partnership Development Strategy, building on the 2024 Partnerships Policy, to guide high-impact community partnerships aligned with City and Council priorities. Second, funding is requested to continue Phase 3 of the Stormwater Utility Business Case, focusing on implementation and change management. This phase will involve bylaw development, a revenue framework, public engagement, and change management, dependent on Council decisions.

Other

Corporate Priority:

1. Deliver core services to residents

Many requests for budget are directly aligned with Corporate and Council priorities but some are requested to continue to maintain service levels in core programs, services, and infrastructure.

Operating requests:

Maintaining the delivery of core services to residents is crucial for ensuring the well-being, safety, and quality of life of the community. Essential services like public safety, clean water, waste management, and transportation support daily activities, contribute to public health, and help maintain a functioning society, while disruptions can lead to increased risks, dissatisfaction, and economic setbacks.

The 2025 budget includes several requests to maintain delivery of core services to residents including Parking Services Planning to manage increasing parking demands, and Park Maintenance to maintain new and redesigned parks. Increased investment is requested for Pavement Crack Sealing to extend road lifespan and reduce costly repairs, as well as in Water Operations to maintain water systems and meet regulatory requirements.

Capital requests:

Maintaining capital infrastructure is essential for ensuring safety, reliability, and cost efficiency, while also supporting economic growth and quality of life. Regular upkeep supports sustainability by minimizing environmental impacts and helps cities prepare for future growth, ensuring infrastructure can meet rising demands.

The 2025 budget includes requests for various annual capital programs. These programs cover the replacement of outdated equipment, improvements to parking and park facilities, solid waste management, and wastewater treatment. The funds are aimed at ensuring efficient and reliable services for city customers.

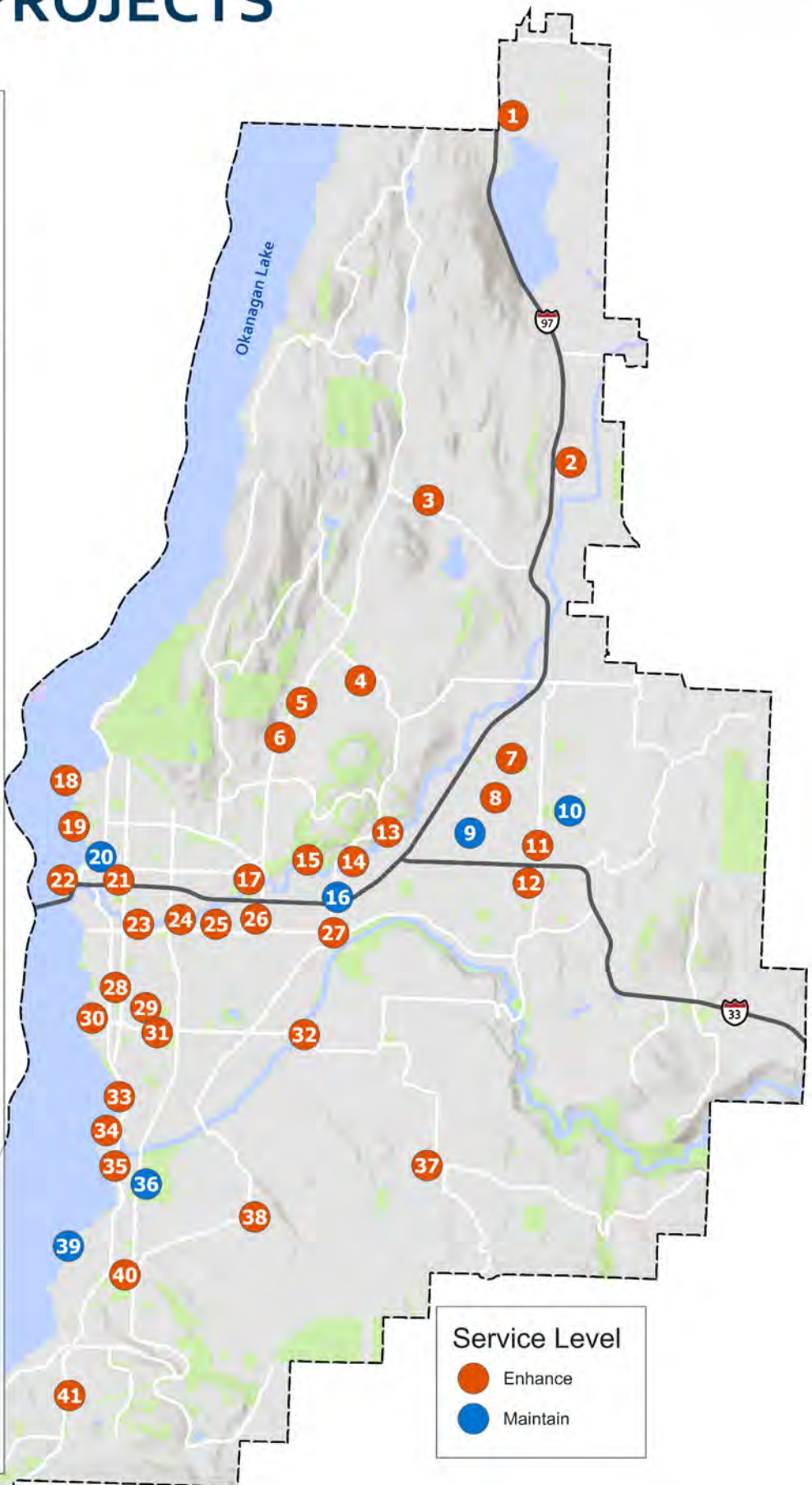
Capital projects by location

The capital plan works to create vibrant urban centres, a balanced transportation network and an inclusive community. Infrastructure projects improve and maintain outdoor spaces, buildings, active transportation networks, utilities, roads and bridges. New in the Financial Plan is a graphical presentation of the 2025 Capital projects. This map view allows the reader to easily see what construction is planned for during the year and where it will occur. Further details can be found on the [Current capital projects](#) website.

2025 CAPITAL PROJECTS

WITH SERVICE LEVELS

- AIRPORT**
 - 2 Airport - Multiple
- ENABLING SERVICES**
 - 10 Gymnastics Centre (Rutland) Improvements
 - 10 Rutland Arena Improvements & Heatsharing w/Kelowna Family Y
 - 16 Enterprise Fire Hall #1 Improvements
 - 19 Prospera Place Improvements
 - 20 Buildings Systems Renewal - City Hall Renewal
 - 20 Buildings Systems Renewal - Memorial Arena
 - 34 Cook Beach Park- Groyne & Pier
 - 36 H2O Centre Improvements
 - 36 MNP Place Roof Replacement
 - 39 Buildings Systems Renewal - Sarson's Activity Centre
- FIRE SAFETY**
 - 3 Glenmore Protective Services Building
- PARKING**
 - 28 South Pandosy Parkade
- PARKS**
 - 4 Glenmore Recreation Park
 - 7 Chichester Wetland Park
 - 9 Ben Lee Park
 - 10 Rutland Recreation Park
 - 14 Mill Creek Linear Park
 - 17 Parkinson Recreation Park
 - 18 Manhattan Point Park
 - 19 Island Stage Rejuvenation
 - 20 Queensway Improvements
 - 22 City Park
 - 23 Burne Park
 - 30 Kelowna's Newest Waterfront Park
 - 33 Rotary Beach Park
 - 34 Cook Beach Park- Aqua Foreshore
 - 40 DeHart Park
- SOLID WASTE & LANDFILL**
 - 3 Composting System Expansion
 - 3 Surface Water Bypass
- SPORT & RECREATION**
 - 4 Community Activity Centres - Glenmore
 - 12 Community Activity Centres - at Rutland Lions Park
 - 17 Parkinson Recreation Centre Redevelopment
 - 36 Community Activity Centres - Mission
 - 36 Mission Recreation Park
- STORMWATER & FLOOD PROTECTION**
 - 24 Mill Creek Flood Protection
 - 41 Frost Rd Upgrades (w/utilities)
- TRANSIT**
 - 11 Rutland Park & Ride, Mobility Hub, Operations facility
 - 31 Okanagan College Exchange Capacity Expansion
 - 36 Mission Recreation Transit Exchange & Mobility Hub
- TRANSPORTATION**
 - 1 Roads - Commonwealth Rd (Hwy 97 - Jim Bailey) Upgrades
 - 6 Roads - Glenmore Rd Upgrades
 - 7 Active Transportation - Rutland Neighbourhood
 - 8 Roads - Hollywood Rd N Upgrades
 - 13 Roads - Highway 33 to Clement Extension
 - 17 Roads - Parkinson Recreation Centre Road
- Improvements**
 - 21 Active Transportation - Bertram St
 - 25 Roads - Burtch Rd Upgrades
 - 26 Roads - Sutherland Rd Upgrades
 - 27 Intersections - Springfield & Dilworth Improvements
 - 32 Roads - KLO Bridge Replacement (with utilities)
 - 35 Roads - Lakeshore Rd Upgrades
 - 38 Roads - Stewart Rd Upgrades
 - 41 Roads - Frost Rd Upgrades (with utilities)
- WASTEWATER UTILITY**
 - 15 Hydro-Vac Disposal Facility
 - 29 WWTF Expansion
 - 32 KLO Bridge Replacement (w/utilities)
 - 37 Wastewater Vacuum Truck and Building
 - 41 Frost Rd Upgrades (w/utilities)
- WATER UTILITY**
 - 5 GEID Integration
 - 32 KLO Bridge Replacement (w/utilities)
 - 41 Frost Rd Upgrades (w/utilities)



This map is intended for general informational purposes only. The City of Kelowna does not warrant its accuracy. The map includes only projects that can be geographically represented. For locations with multiple projects having different Service Levels, the project with the highest cost has been used to determine the Service Level. November 18, 2024.

Property taxation and major contracts

Property taxation

The annual property taxation demand is the difference between net operating and capital expenditure requirements and the revenues generated by the City. It is the amount of money the City needs to collect from property owners for the operations, maintenance and capital improvements planned for the fiscal year. The net property owner impact is the annual property taxation demand less additional tax revenue generated through new construction.



Taxation Revenue from new construction is based on Preliminary Assessment Roll information from BC Assessment (BCA). New construction revenues are used to reduce the overall net property owner impact. In 2025, the new construction revenue is estimated to be \$5.2 million. The finalized new construction assessment value will be available from BCA in the second quarter of 2025 and will be reflected in the Final Budget volume of the Financial Plan.

It is important to note that while it is possible to project the average property tax increase using the overall assessment base and the revenues required to operate the City, the impact on each individual property owner will vary depending on the relationship of their assessment change to the average. Further analysis will be required when BCA provides the Revised Assessment Roll in the second quarter of 2025.

For 2025, the overall taxation demand has increased from \$191.2 million to \$204.8 million, which includes general revenue, net operating and capital. Taking into consideration the revenue generated from new construction, the average impact on existing property owners is 4.36 per cent.

Salaries, wages and fringe benefits

A significant portion of the annual operating budget is for staffing. The City of Kelowna has four collective agreements for municipal staff:

- CUPE Local 338 – collective agreement ratified in 2023 for the term 2024 to 2025
- IAFF Local 953 – collective agreement was renewed in 2022 for 2020 to 2024
- CUPE Local 338 - Airport – collective agreement was ratified in 2022 for the term 2020 to 2026
- IBEW Local 213 – collective agreement ratified in 2021 for the term 2020 to 2024

Fringe benefit load factors are reviewed annually and are reflected throughout the divisional operating budgets.

RCMP contract

The current RCMP collective agreement expires on March 31, 2025. The 2025 General Fund Police contract staffing is at 244 members. Reserve funding is being used as a budget tool to manage anticipated surpluses from the RCMP contract. These reserve funds will only be utilized if the RCMP contract strength is fully met. The average cost per member is estimated at \$236k for 2025.





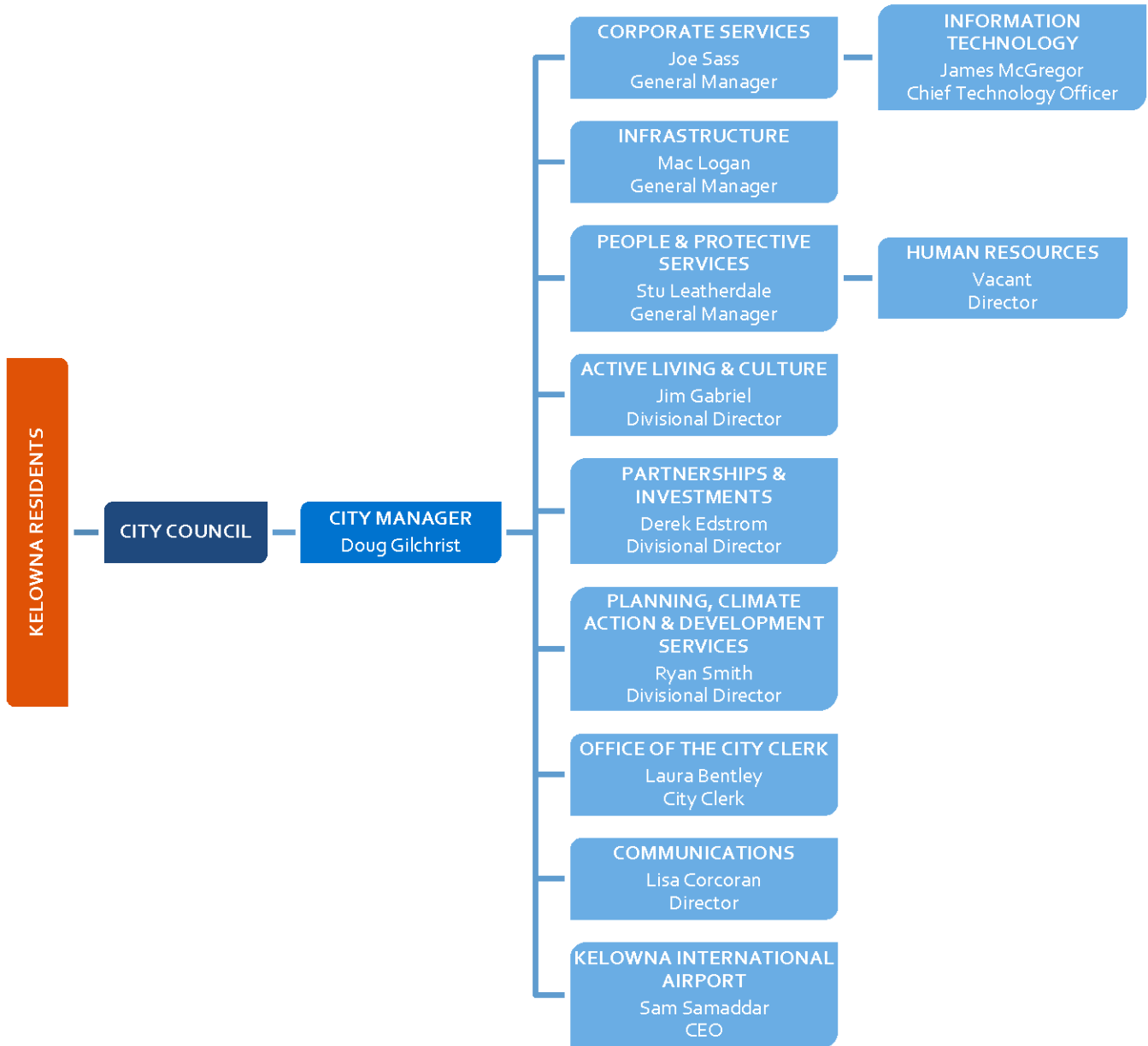
▶▶ STRONG
FINANCIAL
MANAGEMENT

STRONG FINANCIAL MANAGEMENT

THE CITY & ITS DIVISIONS

The City of Kelowna is governed by an elected Mayor and eight Councillors for a four-year term (2022 – 2026). City Council, which represents the City at large and our residents, has one employee – the City Manager – who administers City operations.

A eleven-member Senior Leadership Team reports to the City Manager, representing all lines of business for the City and, by extension, all contracted services.



BUDGET PROCESS

City plans that influence the budget include:

- [Council Priorities](#)
- [Official Community Plan](#)
- [10-Year Capital Plan](#)
- [2030 Infrastructure Plan](#)
- [20-Year Servicing Plan](#)
- [Imagine Kelowna - Community Vision](#)
- [Community Trends report](#)

Input from City staff, City Council, outside agencies funded by the City, citizens, various City committees, and guidance from the Imagine Kelowna community vision, all helps to build a solid annual and five-year financial plan that meets the needs of our growing community.

Public input

Public input is gathered in a variety of ways. Citizens are able to provide input through Imagine Kelowna, citizen surveys, the elected mayor and council members, and public council meetings. All of which allow for the public to engage in the decision-making process for their city, voicing concerns and recommendations for their community.

Imagine Kelowna is the result of an 18-month long conversation with over 4,000 resident contributions about the future of our City. It is the vision, principles and goals created by our community, for our community. The principles and goals of Imagine Kelowna guide the development of plans such as the Official Community Plan, the Transportation Master Plan and other initiatives, and draw on the rich data of public input and research that was compiled through the extensive engagement process. The vision of Imagine Kelowna will unify strategies and projects that already exist or are underway to make sure they work together to build the kind of community Kelowna residents want.

The Citizen Survey is conducted to determine how satisfied the public is with municipal programs and services, and to learn citizens' service priorities. Responses are weighted by age, gender, and city-wide distribution to accurately reflect Kelowna's population. Results are benchmarked against other local governments. Insights gained by this research help us make important decisions regarding planning, budgeting, and service improvements.

The City strives to balance the needs of all citizens in decision making and offers engagement opportunities to our communities to gather feedback and ideas on everything from community vision to park design. Engagement activities include surveys, focus groups,

online discussion forums, information sessions and virtual panels.

Budget development

The City of Kelowna's annual budget aims for a balance between setting a reasonable tax rate and delivering services expected by residents and businesses. As the City is limited by the amount of resources available, the budget helps in determining which objectives have the highest priority and will produce the greatest positive impact in our community.

Every year City Council, the City Manager and City staff work together to develop the annual budget. Several plans are used as the basis for the development of the Financial Plan, including the Official Community Plan (OCP), 2030 Infrastructure Plan, 20-year Servicing Plan, 10-year Capital Plan and Council Priorities.

Linking to strategic plans

All operating and capital requests strive to support Council and Corporate Priorities and therefore, have been specifically linked to a Strategic Direction and Result Statement.

General Managers and Divisional Directors have outlined the activities that will be undertaken in the current year to support the Council and Corporate Priorities. These activities can be found in the first few pages of each service area section and are tied back to a specific priority. Through the use of service work plans, the City will embark on a purposeful effort to effectively coordinate human and financial resources to achieve the priorities as set by Council and the community.

Budget cycle & timeline

The City uses a line item approach to budgeting within service areas. Base budgets are subject to annual review and scrutiny to identify need in relation to approved service level requirements.

A year-round process

The City's budget cycle is a near year-round process with the fiscal year beginning January 1 and ending December 31, guided by the requirements of the Community Charter as described in [Section 165](#) and [Section 166](#). The City Manager and Council meet in June each year to determine priority areas for the following budget year. This information is shared with all service areas to assist with the preparation of goals and objectives, and the review and analysis of budget requirements to ensure they align with Council priorities.

In September, each budget request is carefully reviewed, and a recommended priority is assigned by the Budget

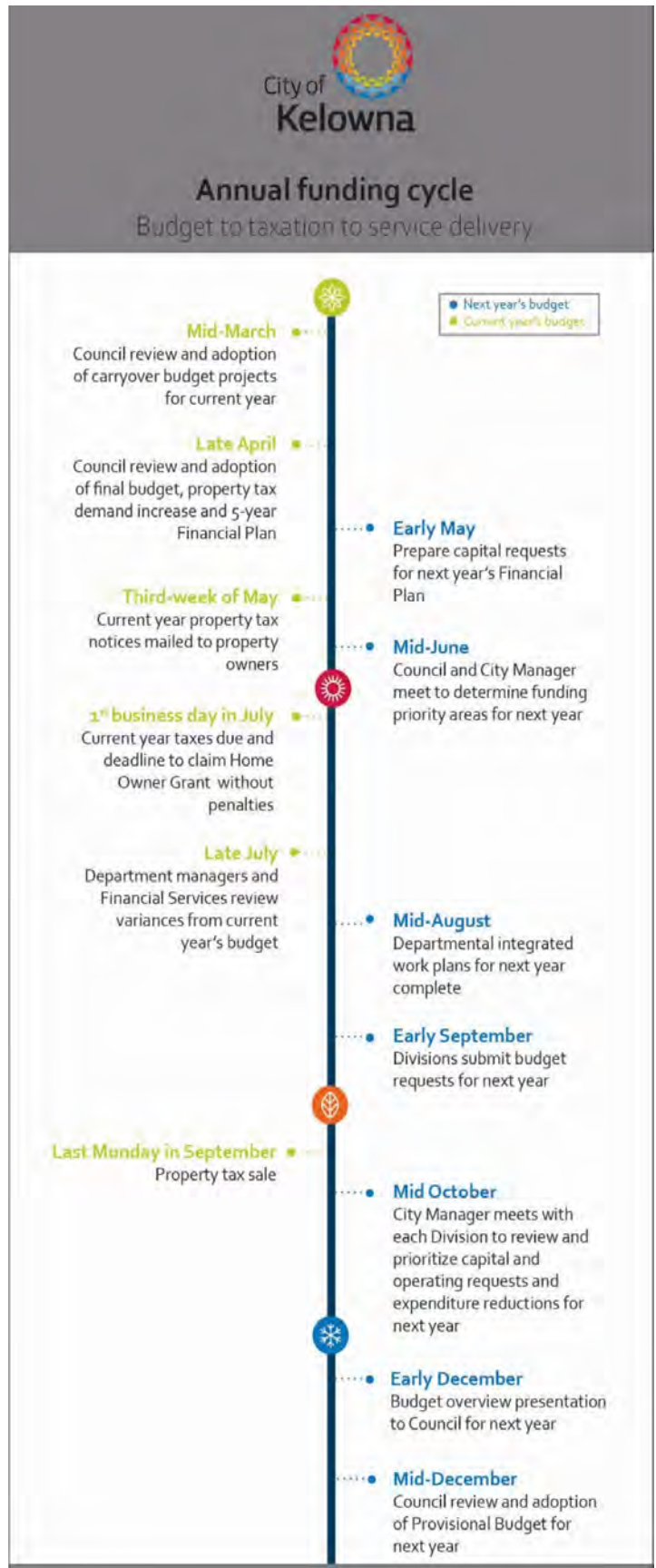
Review Team. This evaluation considers human resources and financial impacts, as well as opportunities for digital transformation and risk mitigation. Following this review, the recommended prioritization is presented to the City Manager. The City Manager and Financial Planning team then meet with each service area to discuss their performance metrics and requested enhancements. This discussion and the accompanying information enable the City Manager to finalize the prioritization of budget requests to be included in the Preliminary Budget - Volume 1, which is prepared for deliberation and adoption by Council in December.

Projects not completed in the previous year are presented to Council, as part of the Carryover Budget – Volume 2, in March after accounts are finalized through the year-end process. The City is in the process of transitioning from full project budgeting to cash flow budgeting. Cash flow budgeting is preferred over full project budgeting as it focuses on the timing of cash inflows and outflows, ensuring that an organization has the liquidity to meet its financial obligations as they arise, and aligning annual property tax collection with anticipated spending. By focusing on the timing of cash inflows and outflows, cash flow budgeting allows organizations to monitor and adjust budgets in real-time, based on actual performance, which can help manage rising costs caused by inflation. Cash flow budgeting also allows for more informed decisions about funding, borrowing, or adjusting operational strategies. This level of insight helps prevent cash shortages or surpluses, and supports better financial planning. As we mature into this new methodology, it is expected that the number of carryover projects will be significantly reduced.

Final adjustments to the Financial Plan, including requisition amounts from other taxing jurisdictions, are presented to Council in late April as part of the Final Budget – Volume 3. These three volumes combined make up the annual Financial Plan and is the first year of the City’s Five-Year Financial Plan. The Five-Year Financial Plan and the associated Tax Rate Bylaws must be adopted by May 15 each year.

Budget transfers & amendments

As per [section 165 \(2\) of the Community Charter](#), the Financial Plan may be amended by bylaw at any time. Budget amendment reports are presented to Council each quarter with the last quarter including an amendment of the annual bylaw. Council Policies [261](#) & [262](#) ensure that the City’s overall internal control objectives are maintained and that there are no material changes to the original budget approved by Council. Appropriate approvals and back-up documentation are required for all transfer or amendment requests.



Budget transfers involve the re-allocation of existing approved budget and do not change the overall budget total. Budget amendments do increase the City's budget total but must include a funding source other than taxation. Council approval is required to cancel an approved project or to add a new program or project over \$200k.

2025 budget calendar

Description	Required Date
2024	
Council receives and adopts the annual update to the 10-Year Capital Plan	Sep. 9
Establish City priorities for the 2025 budget year, based on discussion with Council & City Manager	Jun. 26
City Manager meets with each service area to review prioritization of all capital and operating requests	Oct. 16-17
Council receives overview presentation of the 2025 Preliminary Budget	Dec. 2
Council reviews and adopts the 2025 Preliminary Budget – Volume 1	Dec. 5
2025	
Council reviews and adopts Carryover Budget – Volume 2	Mar. 17
Council reviews and adopts Final Budget – Volume 3 and the Five-Year Financial Plan 2025-2029	Apr. 28

Prioritization

There are two priority levels used for budget requests:

- **Priority 1 (P1)** items include budget requests that are essential to maintain current service quality or suggest improvements to enhance service levels. These items have been included as part of the recommended budget.
- **Priority 2 (P2)** items include budget requests intended to enhance service levels but are not recommended in the effort to maintain an acceptable general taxation demand or utility user rate.

P1 requests are included in the service area totals but the P2 requests are not. The priority of each budget request is shown on the top right-hand corner of the request. Operating requests are shown as one-, two- or three-year financial impacts and are marked as ongoing or one-time. Changes in years two or three of ongoing requests are automatically added to the base budget of those years. Capital project budgets are presented in full as part of the request summary of each service area with the cash flow expectations detailed by year. All capital budgets are presented and approved annually, with project amendments made as part of the annual update to the 10-Year Capital Plan. All capital submissions have been evaluated to ensure alignment with Council Policy No. 342 Tangible Capital Assets.

Operating impacts of capital requests are included with the related capital request. When a vehicle or equipment is required as part of a new position, the capital cost is presented in the operating request and will be transferred to the capital program upon Council approval.



BASIS OF ACCOUNTING/BUDGETING

Basis of accounting

Definition

The basis of accounting refers to the methodology under which revenues and expenditures are recorded and reported in the financial statements. Specifically, as it relates to the timing of measuring and recording of transactions, regardless of the measurement focus applied.

The focus within the budget process is that all interfund transactions are budgeted, but in the financial statements all material interfund transactions and balances are eliminated in preparation of the consolidated financial statements.

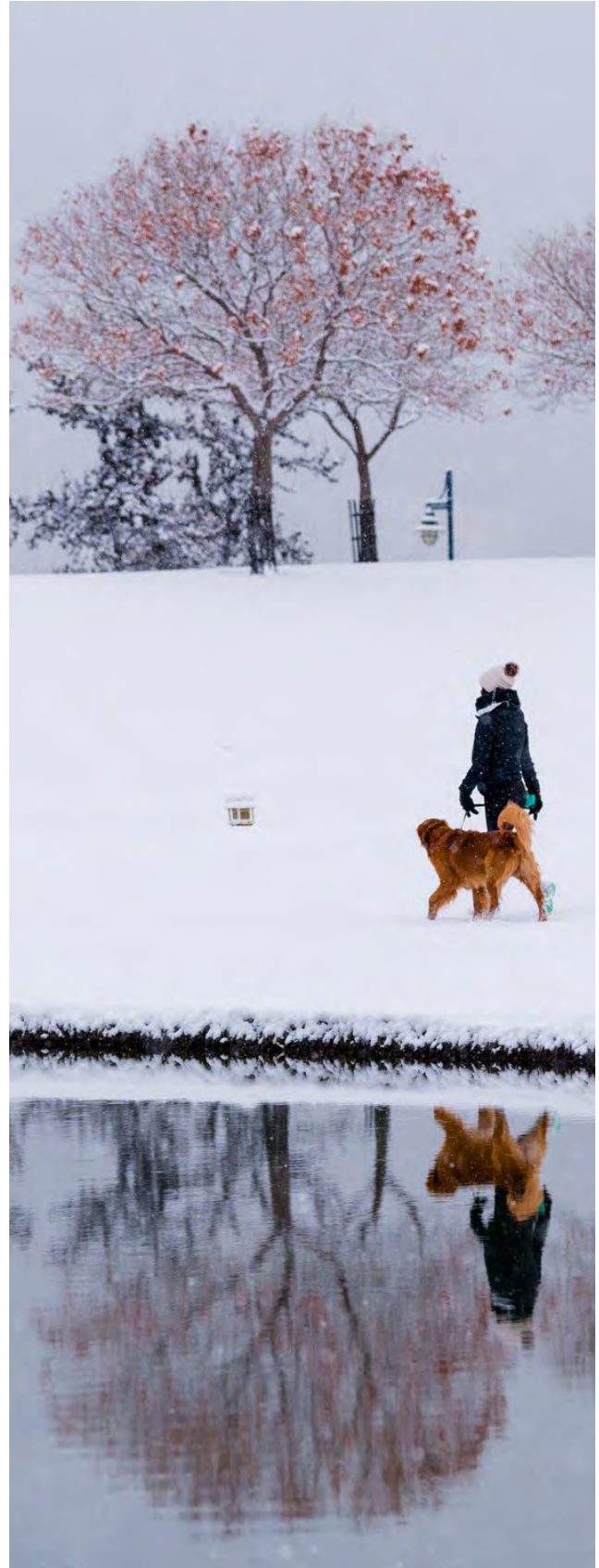
Accrual basis of accounting

City of Kelowna revenues and expenditures are recognized on an accrual basis of accounting. Revenues are recognized in the accounting period in which the transaction or event occurred that gave rise to the revenue. Expenses are recognized in the accounting period in which the goods or services were acquired, or a liability was incurred.

- Inventory is valued at the lower of cost, determined principally on a weighted average and specific item basis, or replacement cost
- Portfolio investments that are quoted on an active market are recorded at their fair market value. All other investments are recorded at cost.
- Tangible capital assets on the consolidated statement of financial position will be shown at the net book value (cost, less amortization, less disposal)
- Tangible capital assets will be impaired if required
- Amortization, gain or loss on disposal, and write-downs of tangible capital assets will be a charge against annual income

Basis of budgeting

The basis of budgeting is on the modified accrual basis. The acquisition of capital assets and the repayment of long-term debt are considered as expenditures in Municipal Fund Accounting and are required to be included in the Financial Plan. Revenues are budgeted in the year they become measurable and available to finance expenditures. Proceeds from borrowing are considered to be revenues. Proceeds from the sale of assets are considered to be revenues and the related gain or loss is not.



POLICIES

The City of Kelowna is committed to a regular review and updating of the following Council & Corporate policies that guide the preparation of the Financial Plan.

Financial planning policies

Balanced Budget | The Financial Plan is developed for the City of Kelowna to operate within its means. Each department is expected to operate within the limits of the financial resources identified, maintaining a balanced budget for the year. The Utility Funds will have planned deficits some years based on large capital projects in that year. When over-expenditures are known, the department must first investigate transfer of budget from other sources within their area. Use of surplus or reserve accounts is available under special circumstances to cover budget shortfalls.

Long Range Planning | The Community Charter mandates that a Five-Year Financial Plan is prepared. The plan must contain current year operating and capital costs along with projected future costs and revenues. The plan is adopted by bylaw in May after Final Budget requests are approved by Council. The 20-Year Servicing Plan and the 2030 Infrastructure Plan sets the direction for infrastructure investment to 2030. The Council approved 10-Year Capital Plan is guided by the direction set in the 2030 Infrastructure Plan and is updated annually to be responsive and practical. The annual capital program is directed by the 10-Year Capital Plan but is responsive to emerging issues and priorities. The planning horizon for the 10-Year Capital Plan referenced in this document is 2025 – 2034. Long-term financial models are developed for the utilities to ensure that rates and fees are set at a level that allows the funds to be self-supporting (without taxation assistance). There is a strong link between the various plans as they flow from the future, into the current year requirements.

Asset Inventory | Civic facilities are reviewed on an annual basis to determine the requirements for maintaining the asset. Funding is included in the base operating budget in the Facilities Department which supports repair and maintenance projects. The amount included in the base is reviewed annually to ensure it is adequate to address the facilities requirements.

A portion of the road network is assessed each year under the Pavement Management Program. The condition assessment is updated and a listing of priority road improvements for the next five years is prepared. Works are coordinated with the various utilities to provide the most cost-effective service with the least disruption on the community.

Water, wastewater and storm water systems are

reviewed annually to determine the priority for replacement of the older infrastructure.

Heritage Building Tax Incentive Program | The City of Kelowna is committed to the ongoing restoration, rehabilitation and maintenance of buildings on its “Heritage Register.” It is acknowledged that the restoration, rehabilitation and structural maintenance of heritage buildings and particularly agricultural, commercial, industrial and institutional buildings can be costly and cost prohibitive for some property owners. The Heritage Building Tax Incentive policy has been created in order to encourage the restoration and rehabilitation of agricultural, commercial, industrial and institutional buildings listed on the City’s Heritage Register.

Tangible Capital Asset | The PSAB (Public Sector Accounting Board) Section PS 3150 outlines standards on how to account for and report tangible capital assets in government financial statements. The Tangible Capital Asset Policy promotes sound corporate management of capital assets and complies with the Public Sector Accounting Board (PSAB). Department requests are measured against Tangible Asset Criteria and where they do not meet the criteria, are reported as operating expenses of the current year.

Asset Category	Useful Life (in years)	Minimum Threshold
Land	No Amortization	Capitalize
Land Improvement	15-60	\$50,000
Buildings	40-75	\$100,000
Building Improvement	10-40	\$100,000
Machinery and Equipment	45	\$10,000
IT Infrastructure	45	\$10,000
Infrastructure	20-100	\$100,000

Revenue & expenditure policies

Revenue | A diversity of revenue sources is encouraged, and appropriate recovery levels should be established for municipal services. The level of community resources that the City dedicates toward municipal services should be directly related to the extent of benefit to the community and the City's ability to pay. Higher rates of cost recovery for certain services will be achieved by charging fair market value for services when it is appropriate to do so and by using prudent cost control measures. Fees and charges should be reviewed annually for the level of cost recovery and reasons for not recovering full costs should be identified and explained.

One-time revenues should not be used for ongoing costs except in the case of startup costs for a new program. These programs should be carefully reviewed and justified through the budget process.

Expenditure | Regular monthly, quarterly and annual financial reports are prepared that compare the actual revenues and expenditures to budgeted amounts. These reports are distributed to management at various times of the year and presented to Council quarterly. Budget must be in place for all expenditures at the Division level for operating costs and at the program level for capital projects. An expenditure may be made for an emergency that was not contemplated in the financial plan, but the plan must be amended, as soon as practical, to include the expenditure and the funding source.

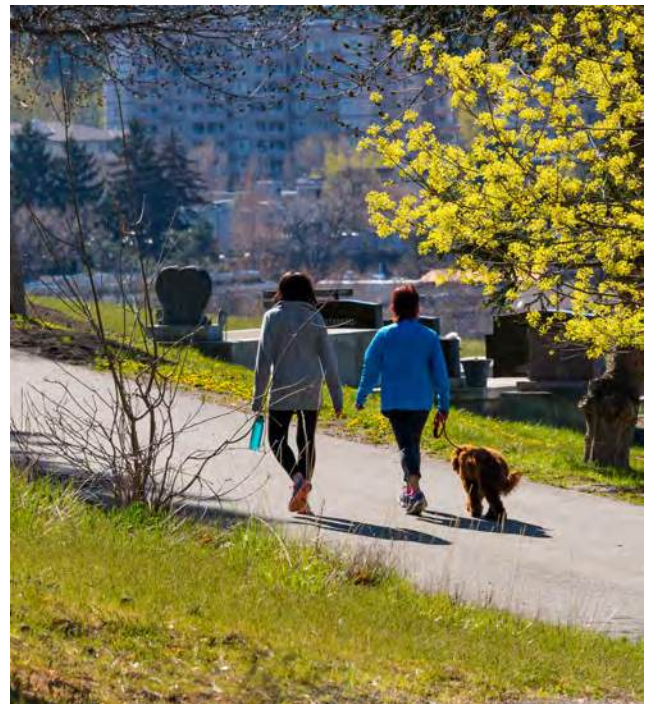
Debt | All borrowing, debt, or liabilities must adhere to legislative requirements and comply with the relevant Community Charter regulations. Debt must only be undertaken if it balances sustainability, flexibility and will not be used to fund current operating expenses. Debt is one component of the capital financing structure and must be integrated into realistic long-term financial plans. The maximum debt servicing should not exceed 15 per cent of City own source revenues or 8 per cent of annual tax demand and cannot exceed debt servicing limits established by the Province.

Reserves | Council Policy 384 provides guidance for the responsibility of reserve oversight and the use of reserves to support the goal of providing adequate infrastructure, services, and resources to meet community requirements, and to aid in the financial sustainability of the City. Both statutory and non-statutory reserves will be maintained to achieve policy objectives to acquire, replace, and renew major capital assets; to ensure stable, predictable tax and utility levies; to minimize the financial impact of unusual and unexpected events; to achieve long-term financial stability; to balance the costs of maintaining sufficient reserve levels to current and future taxpayers.

Surplus Allocation | Any surplus generated in a year will be allocated to reserves as recommended by the City's Audit Committee. Consideration is given to the requirements identified in the 2030 Infrastructure Plan, the area where the surplus was generated, future capital requirements, or to offset funding shortfalls from other anticipated funding sources. The City will maintain an accumulated surplus account within the general fund of three per cent of the previous year's taxation requirement to assist with the expenses of unforeseen emergencies and to ensure a continued strong financial position.

Tax Exemption | The Community Charter states that a council may exempt land or improvements, or both, from taxation. The City of Kelowna recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural, and physical well-being of the community. A permissive tax exemption is a means for Council to support organizations within the community that further Council's objective to enhance the quality of life while delivering services economically to the citizens of Kelowna. The Permissive Tax Exemption Policy is intended to provide clarity, consistency and certainty to the municipality, the public and prospective applicants.

Tax Distribution | The Community Charter states that the financial plan must set out the objectives and policies of the municipality in relation to the distribution of property value taxes among the property classes that may be subject to the taxes. The Tax Distribution Policy establishes the methodology for the distribution of taxation demand among property classes to reflect the assessment changes in property market values.



Investment & cash management policies

The City will maintain sufficient short term liquid assets to enable it to meet its annual operating budget as required. Due to the uncertain nature of future expenses, the portfolio will focus on high quality, liquid securities. The goal is to maximize the investment return on the fund, while ensuring that the liquidity, quality and diversification requirements are satisfied. The primary performance objective is to achieve a rate of return greater than the Canada Consumer Price Index for all items. Additionally, the fund’s performance should match or exceed the Municipal Finance Authority of BC Short-term Bond Fund and Money Market Fund for the same period. Permitted investments in the fund are eligible securities defined in Section 183 of the Community Charter and investments in internally financed City of Kelowna projects. The portfolio of invested funds will be diversified into AAA, AA, or A rating investments and is restricted to a maximum of 60% A rated investments. Maximum exposure to a single government (Government of Canada, BC MFA, Provincial, and Municipal) or corporation, as a per cent of the total portfolio will be as follows:

Rating	Government	Corporation
AAA	70%	40%
AA	50%	30%
A	30%	20%

In addition, the maximum exposure for a single internally financed project is 15 per cent of the total portfolio and the maximum exposure for all internally financed projects is 30 per cent of the total portfolio. Funds will also not be borrowed to acquire securities or otherwise deal in margin trading. Reports on the fund’s performance will be provided annually to Council in the first quarter of the following year and will include investment information on: cash assets relating to cash flow demands of the City, the City Cemetery Care Maintenance Funds and the Endowment Fund.

Capital strategies

Previous Councils approved the following 10 major corporate strategies to provide direction for long term capital plans.

- **Park Acquisition Strategy** | This plan provides for the park land acquisition standard of 2.2 hectares per thousand of population and the acquisition of natural space by means other than cash outlay.
- **Parks Development Strategy** | Parks development costs will be a function of the capital allocation deemed reasonable annually and are to be shared by the community and

development cost charge fees.

- **Waterfront Amenities Strategy** | An annual allocation is provided for some waterfront land acquisitions, but the emphasis is on private enterprise or community contributions to develop other amenities.
- **Major Recreational Facilities Strategy** | Major recreational/cultural facilities are budgeted with substantial emphasis on funding from public private partnerships, public sector partnering and other contributions. Pay-as-you-go capital and reserve funding will be required to minimize long-term debt financing.
- **Civic Buildings Strategy** | Buildings will be planned and constructed as required, subject to funding availability, with a focus on Public Private Partnerships in the development of these future civic buildings.
- **Pavement Management Strategy** | Annual general revenue contributions are to increase from the baseline of \$1.9 million over the 10-year program to achieve an overall roads condition of 73 out of 100.
- **Storm Drainage Retrofit Strategy** | Annual general revenue contribution of \$1.6 million to this program over the 10-year plan.
- **Generation/Disposition of Surplus Strategy** | \$1.0 million is to be allocated to reserves each year from annual surplus in order to mitigate the need for abnormal tax increases or incurring of new debt and to provide for capital expenditure opportunities which might otherwise require an alternative approval and/or referendum process.
- **Capital Pay-As-You-Go Strategy** | 40 per cent of new construction taxation revenue each year is to be allocated to capital, increasing the percentage of capital to Municipal Taxation to a maximum of 30 per cent.
- **Debt Management Strategy** | The existing strategy of using alternative funding for discretionary expenditures, capitalizing on debt reduction opportunities and using short term borrowing has been maintained. Maximum debt servicing should not exceed 15 per cent of City own source revenues or 8 per cent of annual tax demand.

FUNDS & DEPARTMENTAL RELATIONSHIP

Municipal funds

The City’s resources and operations are separated into various funds. Each fund is a separate fiscal and accounting entity organized by their intended purpose. They are segregated to comply with finance related legal and contractual provisions. The use of these funds is restricted by the Community Charter and associated municipal bylaws.

The following funds are used for accounting and financial reporting purposes:



General Fund | This is the largest fund and covers all municipal operations aside from the utilities and airport funds. This fund is not allowed to operate at a deficit.

The difference between annual expenditures and other revenues generated by the fund forms the annual property tax levy.



Wastewater Fund | This fund provides for the capital construction, operation, and maintenance of wastewater treatment including sewer mains, lift stations and treatment facilities. Revenues generated in this fund, or prior years’ surplus, must be sufficient to offset all operating and capital costs of this utility on an annual basis.

Revenues generated in this fund, or prior years’ surplus, must be sufficient to offset all operating and capital costs of this utility on an annual basis.



Water Fund | This fund provides for the capital construction, operation, and maintenance of a water utility within specific areas of the City not served by water districts. Revenues within this fund, or prior years’ surplus, must be sufficient to cover all operating and capital costs of this utility on an annual basis.

Revenues within this fund, or prior years’ surplus, must be sufficient to cover all operating and capital costs of this utility on an annual basis.



Airport Fund | The Kelowna International Airport operates within this fund, and is responsible for capital construction and ongoing administration, operation, and maintenance. This fund is required to be self-sufficient so that revenues generated must offset all operating and capital expenditures.

This fund is required to be self-sufficient so that revenues generated must offset all operating and capital expenditures.

The following table lists the City’s service areas and the funds they use:

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

Revenues used for projects in these funds may also come from the City's Statutory Reserve Funds:



Land Sales Reserve Fund | This fund was established in accordance with Provincial Legislation. Sales proceeds from all properties disposed of by the City are required to be placed in this reserve fund. Council may, by bylaw, use this fund to purchase land for general municipal or utility purposes.



Parking Reserve Fund | This fund was established to provide funds to purchase land for parking lots, develop on-street parking and to construct parking lots or parkades. The General Fund contributes net revenues from the operations of parking lots, parkades and parking meters to the Parking Reserve Fund. Both the revenues and expenditures relating to the collection and use of these funds will be found in the General Fund Financial Plan.



Capital Works, Machinery and Equipment Reserve Fund | This reserve fund was established by the City to provide funds for such items as the purchase of replacement equipment, retirement of capital debt and replacement of cemetery property. Revenue for this reserve is provided from various sources within the General and Utility Funds. The estimated amounts of the revenue to be contributed may be found in the General or Utilities Funds Financial Plans along with the budgeted use of these funds.



Density Bonusing for Public Amenities and Streetscape Reserve Fund | This fund was established to hold payments associated with the density bonus provisions of Zoning Bylaw 12375. These funds will be utilized for urbanization and streetscape amenities, including sidewalks, curb and gutter, drainage, landscaping, street furniture, bus pullouts, improved on-street parking design and other boulevard streetscape components.



Septic Removal Specified Area Reserve Fund | This fund is to hold and manage the funds collected for the design and construction of sanitary sewer connection area projects, which are identified in Sewer Connection Area Prioritization Bylaw No. 12343.



Non-statutory reserves | The City of Kelowna also maintains reserves for future expenditures. These are non-statutory reserves (reserve funds are 'statutory' reserves) which represent a contribution of surplus for specific purposes. In the financial plan the use of these reserves for future expenditures is shown under 'Accumulated Surplus' for either revenues or expenditures.



Deferred Development Cost Charges | Development Cost Charges are collected to provide funding for required expansion of parkland acquisition and development, roads, water works, sewer works, wastewater treatment, and drainage infrastructure resulting from new development. Monies collected may only be used for the specific purpose and in the specific area for which the funds were collected. The financial plan budget for the use of these funds will be reflected in the appropriate fund.



RESERVES & FUND EQUITY

Council Policy No. 384, Financial Reserves, was adopted in July 2021. This policy provides guidance for the responsibility of reserve oversight and the use of reserves to support the goal of providing adequate infrastructure, services, and resources to meet community requirements, and to aid in the financial sustainability of the City. Both statutory and non-statutory reserves will be maintained to achieve policy objectives to acquire, replace, and renew major capital assets; to ensure stable, predictable tax and utility levies; to minimize the financial impact of unusual and unexpected events; to achieve long-term financial stability; to balance the costs of maintaining sufficient reserve levels to current and future taxpayers; and to fund asset retirement obligations.

The following are audited reserve and fund equity balances as at December 31, 2023 and projected balances to the end of 2025. The 2025 projected balances assume all 2024 budgeted projects will be completed and funded in that year, however, some of the larger projects may take several years to complete and the actual reserve balance at the end of 2024 and 2025 may be higher than indicated.

(\$ thousands)	Actual Balance 2023	Projected Balance 2024	Projected 2025 contributions	Projected 2025 appropriations	Projected Balance 2025
General Fund					
Fund Equity	5,251	5,251	—	—	5,251
Endowment Reserve Fund	120,095	118,445	—	(1,650)	116,795
Reserves for Future Expenditures	100,906	73,668	2,849	(14,332)	62,184
Statutory Reserve Fund	186,462	109,018	52,376	(114,009)	47,385
	412,714	306,383			231,616
Wastewater Fund					
Fund Equity	48,810	41,951	—	(8,930)	33,021
Reserves for Future Expenditures	19,188	9,332	—	—	9,332
Statutory Reserve Fund	17,771	10,492	508	(2,901)	8,099
	85,770	61,775			50,452
Water Fund					
Fund Equity	13,222	13,131	497	(8,502)	5,125
Reserves for Future Expenditures	27,277	25,441	3,542	(3,850)	25,134
Statutory Reserve Fund	174	174	—	—	174
	40,673	38,746			30,433
Airport Fund					
Fund Equity	2,407	2,407	—	—	2,407
Reserves for Future Expenditures	51,978	23,840	112,407	(121,120)	15,127
	54,385	26,248			17,534
Total Reserves & Fund equity	593,541	433,151	172,179	(275,295)	330,035
Development Cost Charges	213,684	188,608	37,000	(80,988)	144,620

*Fund equity is also referred to as accumulated surplus

Note: Totals may not add due to rounding.

Reserve & fund equity summary by type

The Development Cost Charges (DCC) are shown separately from other reserves and fund equity as they are revenues received for specific projects and cannot be used for any other expenditures. Some of the deferred DCC balances include a receivable portion which is not available for use at December 31, 2025. Major projects being funded by DCC reserves in the 2025 preliminary budget include DCC Parkland acquisition, Recreational park development (Glenmore and Parkinson sites), road corridor improvements along Burtch Road, Glenmore Road, Frost Road, Hollywood Road North, KLO Road, Lakeshore Road, and the Highway 33 to Clement Extension, and Wastewater system upgrades.

Statutory Reserve Funds are reserves earmarked for a specified purpose by Council pursuant to section 188(2) of the Community Charter. Reserve Funds are established through Council bylaw and use must align with the established purpose. The 2025 accelerated capital program relies heavily on statutory reserves funds. Major projects included in the 2025 preliminary budget consist of the KLO Bridge replacement, funded for a total of \$3.7 million, Mill creek flood protection, funded for a total of \$3.2 million, Prospera Place improvements, funded for a total of \$2.1 million, MNP Place roof replacement, funded for a total of \$2 million from the Community Works, Machinery & Equipment Fund reserves. Significant investment is also planned for Sewer Connection Areas funded \$2.9 million from the Septic Removal Specified Area Fund reserve.

General reserves, or reserves for future expenditures, have more flexibility of use. The 2025 preliminary budget is requesting to use these reserves to fund various 2025 budget requests such as the H2O Centre improvements of \$1.5 million, Mission recreation transit exchange and Mobility hub of \$750k, and to offset reduced revenue expectations in Development Planning of \$2.5 million.



The table below presents the same reserves, fund equity, and projected balances, categorized by service area or fund. As part of the transition to Service-Based Budgeting, the City's reserves have been realigned to reflect this new structure. This allocation ensures funding for emergent events, rate stabilization, and one-time projects within each service area. Capital reserves have been consolidated into a reduced number of reserves and moved under the Capital Works, Machinery & Equipment Reserve Fund. This new structure provides stabilization, flexibility, and enhances process efficiency.

(\$ thousands)	Actual Balance 2023	Projected Balance 2024	Contribution to reserve	Budget expend	Projected Balance 2025
General Fund Equity	5,251	5,251	—	—	5,251
General Reserves					
Arts & Culture		658	288	(30)	916
Community Development		1,658	419	—	2,078
Community Safety & Bylaw		500	—	—	500
Development Planning		150	—	—	150
Development Services		3,480	—	(2,500)	980
Fire Safety		3,280	512	(92)	3,699
Governance & Leadership		1,278	—	—	1,278
Parks		1,212	—	(804)	408
Partnerships Office		8,169	—	(1,808)	6,361
Police Services & RCMP		8,000	—	—	8,000
Sport & Recreation		9,365	701	(1,825)	8,241
Stormwater & Flood Protection		200	—	(225)	(25)
Transit		2,997	307	(3,468)	(164)
Transportation		1,346	—	(725)	621
Enabling Services		12,299	507	(2,801)	10,005
*Special		19,076	116	(55)	19,137
General Reserves subtotal	164,125	78,919	2,849	(14,332)	67,435
Statutory					
Land	15,095	10,650	1,098	(1,900)	9,848
Parking	14,996	14,075	2,572	(3,648)	12,999
Capital Works, Machinery & Equipment	106,400	89,332	48,748	(108,461)	29,618
Density Bonus for Public Amenities & Streetscape	529	529	—	—	529
Septic Removal Specified Area	9,420	5,099	466	(2,901)	2,664
Statutory Reserves subtotal	146,439	119,684	52,884	(116,910)	55,659
Endowment Fund Reserves	120,095	118,445	—	(1,650)	116,795
Wastewater Reserve/Fund Equity	67,998	51,283	—	(8,930)	42,353
Water Reserve/Fund Equity	40,499	38,572	4,039	(12,352)	30,259
Airport Reserve/Fund Equity	54,385	26,248	112,407	(121,120)	17,534
Total Reserves & Fund equity	593,541	433,151	172,179	(275,295)	330,035
Development Cost Charges	213,684	188,608	37,000	(80,988)	144,620

*Special Reserves include the Multipurpose Facility Investment reserve which contains the funds committed by the City for investment into the downtown multi-purpose facility (Prospera Place), and the Growing Communities Fund which contains grant funds received as part of the

Note: Totals may not add due to rounding.

DEBT MANAGEMENT

The City of Kelowna has various options available to obtain, through borrowing, funds necessary to acquire assets. Debt financing will only be undertaken in compliance with the relevant sections of the Community Charter and related regulations. Policy has been established to ensure that debt financing is used strategically to maintain the City’s financial strength and stability. The following section describes each borrowing option, the City’s legal limits, and the estimated outstanding debt balances at December 31, 2025.

Under the Community Charter (C.C.) legislation, the Provincial regulations establish a limit based on the cost of servicing the aggregate liabilities of the municipality. The cost of servicing the liabilities cannot exceed 25 per cent of the total revenues for the previous year (excluding revenue received for another taxing jurisdiction, tax sharing revenues paid to another municipality, revenue from the disposition of assets, Federal or Provincial conditional grants such as water/sewer infrastructure grants and Municipal Finance Authority actuarial adjustments). To further ensure debt affordability and sustainability, the City of Kelowna debt policy also includes internal municipal debt limits of 15 per cent of City own source revenues and 8 per cent of annual tax levy revenues for tax supported debt.

The City of Kelowna does not issue bonds. Borrowings are done through the Municipal Finance Authority which has a triple A rating.

General Fund debt servicing costs

Net Debt Servicing Costs are budgeted at \$4.9 million in 2025. The current net general debt (including internal financing) as a percentage of taxation demand is 2.4 per cent in 2025, as compared to 2.6 per cent of taxation demand in 2024.

Long Term Debenture (C.C. Section 174 & 179)

Long Term Debenture borrowing involves the repayment of both principal and interest over a period not to exceed 30 years. Debenture borrowing for most long-term needs requires the assent of electors through an alternative approval process and/ or the passing of a referendum.



The outstanding debenture borrowing for all funds for 2025 (\$ thousands) is:

General capital fund	2024		Principal	Interest	Actuarial	2025
	Total Borrowing	Estimated Balance				Estimated Balance
Police Facilities	41,360	27,403	1,471	1,129	483	25,450
Library Parkade Ext. & Memorial Parkade	15,000	9,500	530	413	192	8,777
Lawrence Ave LAS	345	206	12	14	5	189
Mission Aquatic Center	29,500	6,124	1,100	1,159	825	4,199
Okanagan Gymnastics	800	163	30	31	22	110
General capital fund sub-total	87,005	43,396	3,143	2,746	1,528	38,725

Water capital fund	2024		Principal	Interest	Actuarial	2025
	Total Borrowing	Estimated Balance				Estimated Balance
South Okanagan Mission Irrigation District Local Area Service	441	406	17	15	1	388
Aspen Rd. Specified Area	48	36	2	2	—	34
Poplar Point Pump Station Upgrade	2,000	878	74	29	39	765
Fischer Road Water Specified Area	297	79	10	13	9	61
Cedar Creek Pump Station	7,577	2,024	254	326	222	1,547
Water capital fund sub-total	10,363	3,423	357	384	271	2,795

Wastewater capital fund	2024		Principal	Interest	Actuarial	2025
	Total Borrowing	Estimated Balance				Estimated Balance
Brand's Creek Treatment Plant	3,800	640	204	56	111	326
Clifton Road Sewer Specified Area	267	71	9	11	8	55
Country Rhodes Specified Area	435	116	15	19	13	89
Fischer Road Sewer Specified Area	2,021	540	68	87	59	413
Okaview Specified Area	638	44	26	6	18	—
Rutland Sewer Specified Area	6,822	469	278	62	191	—
Wastewater capital fund sub-total	13,984	1,880	599	241	399	882

Airport capital fund	2024		Principal	Interest	Actuarial	2025
	Total Borrowing	Estimated Balance				Estimated Balance
Airport Expansion	22,000	4,997	1,897	584	557	2,543
Airport capital fund sub-total	22,000	4,997	1,897	584	557	2,543

Total debenture debt	133,352	53,696	5,997	3,955	2,755	44,944
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Liabilities Beyond the Current Year (C.C. Section 175)

Under an agreement, Council may incur a liability payable after the current year as long as it is not a debenture debt and the liability does not exceed the life expectancy of the activity. If the agreement is for longer than five years or contains a right of renewal that could exceed five years, an alternative approval process must be provided. This borrowing method is used by the City of Kelowna to secure the purchase of land from a vendor.

Short Term Borrowing (C.C. Section 178)

Short Term Borrowing is used to undertake minor capital works programs and must be repaid over a period not to exceed five years. The City of Kelowna's short-term borrowing legal capacity is approximately \$8.3 million based on \$50 per capita and a 2025 population estimate of 166,000. The City uses this borrowing method for the upgrade or construction of facilities and the purchase and development of parks. There are no projects currently funded through short term borrowing.

Revenue Anticipation Borrowing (C.C. Section 177)

Operating loans may be required to meet current expenditures pending receipt of taxation revenue. This most often occurs

in the few months prior to the annual July due date for tax payment and is repaid once tax revenue is received. To transact operating loans, a Revenue Anticipation Borrowing Bylaw must be approved by Council and is limited to 75 per cent of all property taxes imposed for all purposes in the preceding year.

Loan Guarantees & Commitments (C.C. Section 179)

The City of Kelowna has a loan guarantee in place with the YMCA of Southern Interior BC for the Kelowna Family Y Centre. The remainder of the debt under guarantee is \$379k as of January 2025.

Internal financing

The City of Kelowna may borrow funds from its own general reserves with repayment of principal and interest in order to finance capital projects. This may relate to projects that are pending debenture issues and require interim financing or to projects that make use of reserve funds not required in the near future. There is no statutory limit to this borrowing as it is offset by existing reserve balances.

The outstanding internal financing for all funds for 2025 (\$ thousands) is:

	Total	2024			2025
General capital fund	Borrowing	Estimated	Principal	Interest	Estimated
		Balance			Balance
South Perimeter Road	9,606	1,874	1,874	—	—
General capital fund sub-total	9,606	1,874	1,874	—	—

	Total	2024			2025
Water capital fund	Borrowing	Estimated	Principal	Interest	Estimated
		Balance			Balance
South East Kelowna Irrigation District Local Area Service	13,037	8,977	467	297	8,510
Water capital fund sub-total	13,037	8,977	467	297	8,510

	Total	2024			2025
Wastewater capital fund	Borrowing	Estimated	Principal	Interest	Estimated
		Balance			Balance
Rutland Sanitary Sewer Local Area Service	2,708	406	135	117	271
Wastewater capital fund sub-total	2,708	406	135	117	271

	Total	2024			2025
Airport capital fund	Borrowing	Estimated	Principal	Interest	Estimated
		Balance			Balance
Enterprise Rental Car Kiosk	73	36	8	—	29
Airport capital fund sub-total	73	36	8	—	29

Total internal financing	25,424	11,293	2,483	414	8,810
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Internal financing is also used in the Development Cost Charge program where a deficit in one reserve can be temporarily offset by a surplus in another reserve. Repayment to the reserve includes any interest charge.

Borrowing over the next five years will be determined by the 10 Year Capital Plan.

Further detailed debt repayment information for 2025 and future years is illustrated on the following pages.

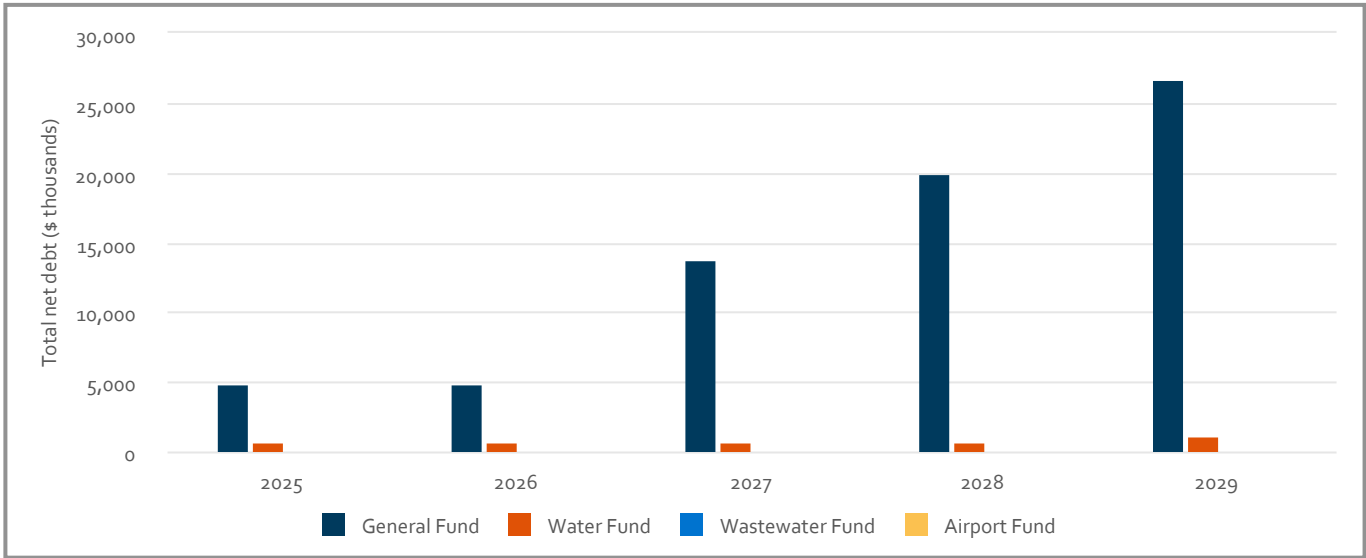
10 Year Debt Repayment Schedule (\$ thousands)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Remaining
General Fund											
Debenture											
Principal	3,143	4,228	10,143	14,400	17,588	20,475	21,158	21,753	21,753	21,753	264,964
Interest	2,746	3,831	9,746	13,962	17,131	20,018	20,701	21,296	21,296	21,296	264,051
Total Expenditures	5,889	8,059	19,889	28,362	34,719	40,494	41,859	43,049	43,049	43,049	529,016
Recoveries	(1,037)	(3,207)	(6,050)	(8,393)	(8,005)	(8,984)	(9,091)	(9,199)	(9,310)	(9,423)	(133,612)
Net Debenture Debt	4,852	4,852	13,839	19,969	26,714	31,510	32,768	33,850	33,739	33,626	395,404
Water Fund											
Debenture											
Principal	357	357	357	357	618	880	968	964	964	964	13,077
Interest	384	384	384	384	571	833	921	961	961	961	13,050
Total Expenditures	741	741	741	741	1,188	1,713	1,888	1,925	1,925	1,925	26,127
Recoveries	(58)	(58)	(58)	(58)	(35)	(35)	(35)	(35)	(35)	(35)	(263)
Net Debenture Debt	683	683	683	683	1,153	1,678	1,853	1,890	1,890	1,890	25,865
Wastewater Fund											
Debenture											
Principal	599	295	91	91	350	700	1,330	1,330	1,330	1,330	18,900
Interest	241	173	117	117	350	700	1,330	1,330	1,330	1,330	18,900
Total Expenditures	840	468	209	209	700	1,400	2,660	2,660	2,660	2,660	37,800
Recoveries	(840)	(468)	(209)	(209)	(700)	(1,400)	(2,660)	(2,660)	(2,660)	(2,660)	(37,800)
Net Debenture Debt	—	—	—	—	—	—	—	—	—	—	—
Airport Fund											
Debenture											
Principal	1,897	1,258	698	1,680	1,680	1,680	1,680	1,680	1,680	1,680	21,840
Interest	584	333	112	1,680	1,680	1,680	1,680	1,680	1,680	1,680	21,840
Total Expenditures	2,481	1,590	810	3,360	3,360	3,360	3,360	3,360	3,360	3,360	43,680
Recoveries (AIF Revenue)	(2,481)	(1,590)	(810)	(3,360)	(3,360)	(3,360)	(3,360)	(3,360)	(3,360)	(3,360)	(43,680)
Net Debenture Debt	—	—	—	—	—	—	—	—	—	—	—
Total net debt payment	5,535	5,535	14,522	20,653	27,867	33,188	34,621	35,740	35,629	35,516	421,268

Note: Totals may not add due to rounding

Five-year net debt repayment (\$ thousands)

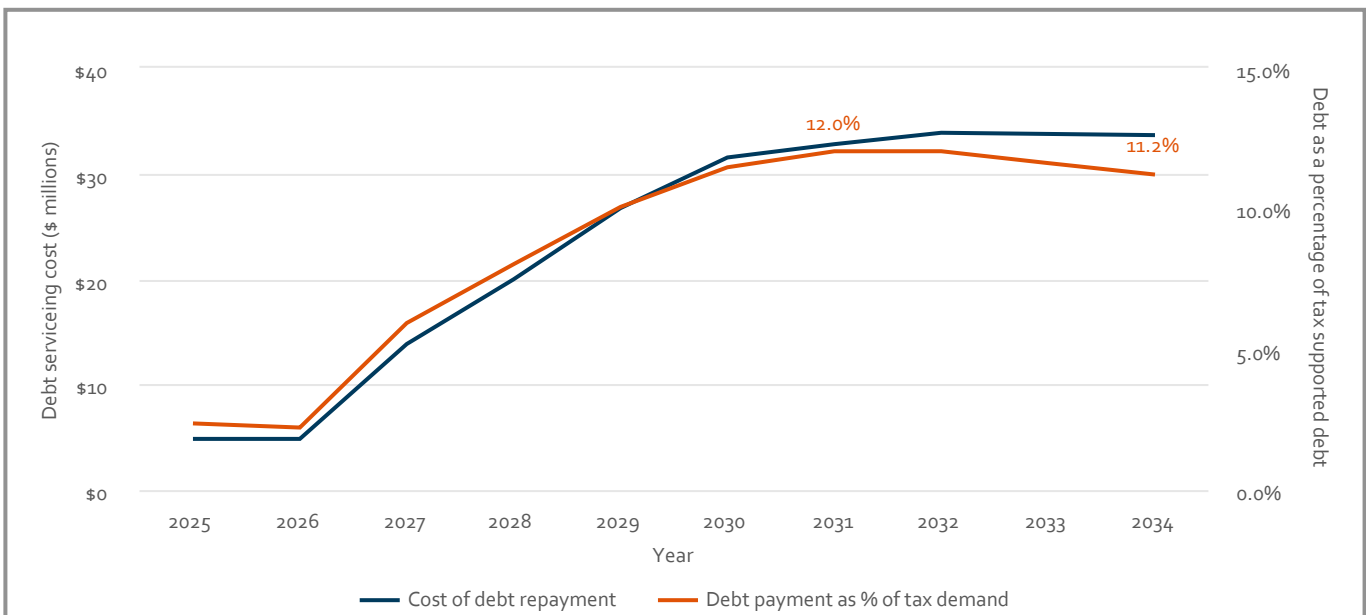
Over the next five years, the City of Kelowna's net debt in the general fund is expected to increase, primarily due to the "Building Stronger Kelowna" initiative. This plan encompasses the redevelopment of the Parkinson Recreation Centre, the establishment of new activity centres in Glenmore and Mission, and the optimization of Rutland sports fields. These projects, as part of the city's broader effort to enhance community recreational and wellness facilities, are detailed in City of Kelowna's 10-Year Capital Plan. Debt financing is also required for the expansion of the Kelowna International Airport terminal building. The below graph shows the different funds debt, net of recoveries.



Taxation funded debt (\$ millions)

Council policy has set internal debt limits based on debt servicing costs at 15 per cent of City own source revenues, and 8 per cent of annual tax levy revenues for tax supported debt. Net debt repayment for 2025 will be 2.4 per cent and is anticipated to reach a maximum of 12.0 per cent over the next six years; decreasing to 11.2 per cent by 2034. Should debt servicing costs rise as anticipated, an update to the existing Council policy will be necessary prior to authorizing the additional debt.

The following chart illustrates the annual debt repayment and the percent of taxation for the next 10 years:

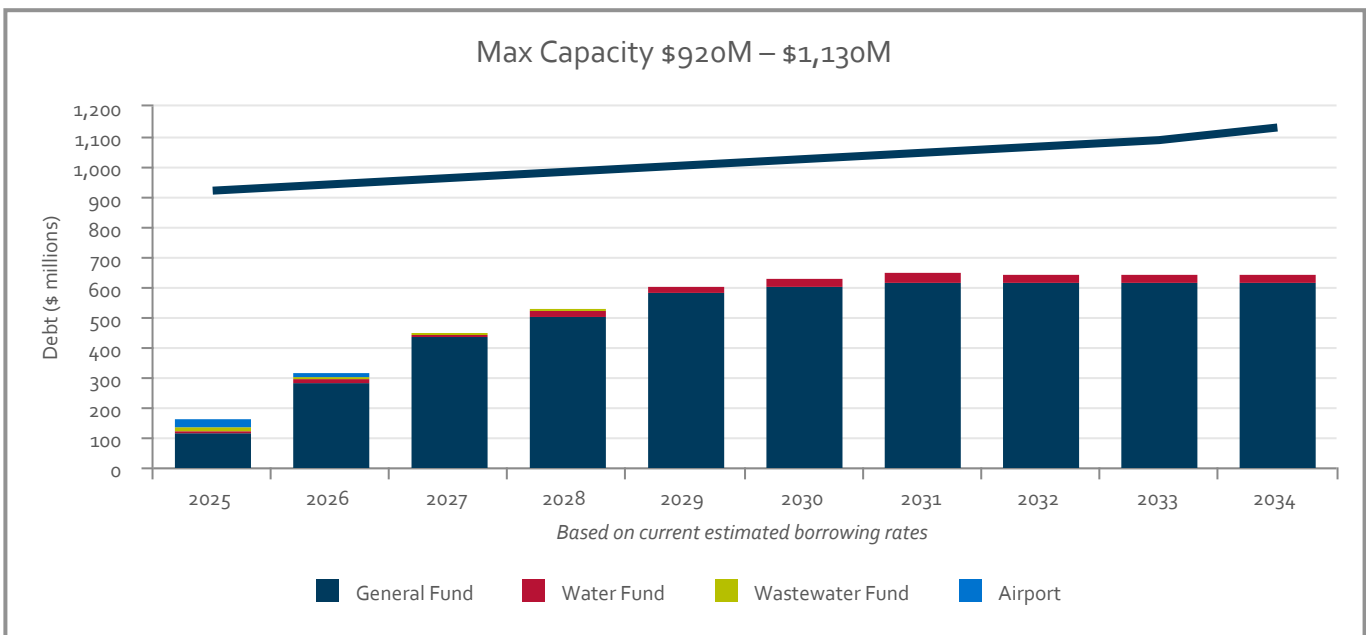


Existing debt – all funds

The maximum annual debt a municipality can undertake is capped at 25 per cent of its previous year's revenue. BC municipalities report financial data annually to the Ministry of Municipal Affairs using the Local Government Data Entry (LGDE) system. This system calculates the Liability Servicing Limit (LSL), ensuring municipalities adhere to borrowing limits set by the Community Charter.

Although the City's financial data has been submitted, the official LSL calculation has yet to be released. Based on 2023 revenues reported to the Ministry, our calculations estimate a current LSL of \$101.8 million. Of this, \$33.2 million has already been utilized, leaving an available borrowing capacity of \$68.6 million. The \$33.2 million includes approved debt capacity, with \$11.6 million allocated to servicing costs (principal and interest) and the remaining \$21.6 million tied to guarantees, commitments, and approved but unissued borrowings.

Using current Municipal Finance Authority (MFA) lending rates and a 15-year repayment term, the unused borrowing capacity of \$68.6 million translates to an approximate borrowing potential of \$747 million for 2025. The chart below illustrates borrowing allocations across various funds, with the solid line indicating the maximum borrowing limit.



Note: Totals may not add due to rounding.



OPERATING FULL-TIME EQUIVALENT (FTE) POSITION SUMMARY

The City of Kelowna requires that all new positions and changes to existing salaried or wage personnel, both permanent and temporary, be supported by a business case. The business case must include the reason for the request, a cost/benefit analysis, the recommended funding source, other alternatives considered and the organizational impact.

Below is a visual representation of all 2025 operating budgeted FTEs for the City of Kelowna by Service area, if all priority one position requests included in this budget volume are approved by City Council.



The following table provides operating FTE counts for the 2023 budget, 2023 actuals, 2024 revised budget and the proposed 2025 preliminary budget. It further details these positions by separating them into the payroll groups of mayor and council, management, union hourly and union salary.

Full-time Equivalent (FTE) Summary

	Budget 2023	Actual 2023	Revised 2024	Preliminary 2025
<u>Airport</u>				
Management	21.0	19.9	27.5	29.5
Union Hourly	2.0	5.0	2.0	2.0
Union Salary	31.0	31.5	31.5	33.5
	54.0	56.4	61.0	65.0
<u>Arts & Culture</u>				
Management	3.0	3.0	3.0	3.0
Union Hourly	9.0	8.8	10.4	10.9
Union Salary	1.0	1.0	1.0	1.5
	13.0	12.8	14.4	15.4
<u>Community Development</u>				
Management	5.5	5.3	7.0	7.0
Union Hourly	2.7	1.8	2.7	3.7
Union Salary	6.0	7.3	8.0	8.0
	14.2	14.4	17.7	18.7
<u>Community Safety & Bylaw</u>				
Management	4.0	5.9	4.5	5.0
Union Hourly	25.3	30.4	31.1	34.6
Union Salary	7.2	6.8	9.0	9.5
	36.5	43.1	44.6	49.1
<u>Development Planning</u>				
Management	3.0	2.4	3.0	3.0
Union Hourly	1.2	5.8	1.9	0.2
Union Salary	17.0	15.0	16.0	16.0
	21.2	23.2	20.9	19.2
<u>Development Services</u>				
Management	5.0	4.5	6.5	7.0
Union Hourly	0.0	2.2	0.0	0.0
Union Salary	44.5	40.4	45.0	45.0
	49.5	47.1	51.5	52.0
<u>Enabling Services</u>				
Management	84.7	78.7	86.5	90.0
Union Hourly	39.9	39.9	41.3	43.3
Union Salary	129.7	112.0	124.7	125.8
	254.3	230.6	252.5	259.1
<u>Fire Safety</u>				
Management	7.0	7.2	7.0	7.0
Union Hourly	1.7	1.6	1.7	1.7
Union Salary	141.0	154.3	145.5	151.5
	149.7	163.1	154.2	160.2

<i>continued</i>	Budget 2023	Actual 2023	Revised 2024	Preliminary 2025
<u>Governance & Leadership</u>				
Management	10.0	10.2	13.0	14.0
Mayor & Council	9.0	9.0	9.0	9.0
Union Hourly	0.5	0.1	0.5	0.5
Union Salary	5.5	4.9	6.0	6.5
	25.0	24.2	28.5	30.0
<u>Parking</u>				
Management	1.0	0.9	1.5	2.0
Union Hourly	5.5	4.9	6.4	6.4
Union Salary	4.0	2.6	4.0	4.5
	10.5	8.4	11.9	12.9
<u>Parks</u>				
Management	5.0	5.5	8.3	8.8
Union Hourly	41.7	50.7	46.5	47.0
Union Salary	1.0	3.9	4.0	4.0
	47.7	60.1	58.8	59.8
<u>Partnerships Office</u>				
Management	5.0	4.3	5.0	5.0
Union Hourly	1.0	—	—	—
Union Salary	—	0.6	1.8	3.0
	6.0	4.9	6.8	8.0
<u>Police Services & RCMP</u>				
Management	23.5	19.3	25.0	25.5
Union Hourly	4.3	8.4	3.7	4.2
Union Salary	72.5	58.2	74.5	78.0
	100.3	85.9	103.2	107.7
<u>Solid Waste & Landfill</u>				
Management	3.9	3.8	3.9	3.9
Union Hourly	24.7	24.7	23.4	23.9
Union Salary	4.3	4.2	4.3	4.3
	32.9	32.7	31.6	32.1
<u>Sport & Recreation</u>				
Management	4.0	5.8	5.0	5.0
Union Hourly	68.9	73.8	86.5	87.3
Union Salary	—	7.7	9.0	9.0
	72.9	87.3	100.5	101.3
<u>Stormwater & Flood Protection</u>				
Management	1.6	1.8	1.5	1.5
Union Hourly	8.3	7.4	7.4	7.4
Union Salary	1.4	1.6	1.4	1.4
	11.3	10.8	10.3	10.3
<u>Transit</u>				
Management	—	1.0	0.5	0.5
Union Hourly	—	—	—	—
Union Salary	—	1.0	0.4	0.9
	—	2.0	0.9	1.4

<i>continued</i>	Budget 2023	Actual 2023	Revised 2024	Preliminary 2025
Transportation				
Management	10.7	8.4	11.2	11.6
Union Hourly	45.1	57.0	59.0	62.0
Union Salary	8.4	8.7	8.5	8.5
	<hr/> 64.2	<hr/> 74.1	<hr/> 78.7	<hr/> 82.1
Wastewater Utility				
Management	5.2	5.3	5.2	5.2
Union Hourly	42.4	39.4	44.1	45.1
Union Salary	7.4	5.3	7.4	7.4
	<hr/> 55.0	<hr/> 50.0	<hr/> 56.7	<hr/> 57.7
Water Utility				
Management	4.3	4.9	4.3	4.3
Union Hourly	38.1	39.1	43.9	45.1
Union Salary	4.5	4.6	4.5	5.0
	<hr/> 46.9	<hr/> 48.6	<hr/> 52.7	<hr/> 54.4
Total full-time equivalent positions (all funds)	1065.1	1079.7	1157.4	1196.4

Note: Totals may not add due to rounding



2025 Operating full-time equivalent (FTE) position changes

Each year position counts change with the addition, reduction, or movement of positions. The narrative below explains the changes that have been made, or are being requested, for 2025 by each division/department.

Full-Time Equivalents Summary

Airport

- Addition 2.0 FTE for the Airport - Non-AIF Operations operating request
- Addition 2.0 FTE for the Airport Strategic Enhancements request

Arts & Culture

- Addition 1.0 FTE for annualization of 2024 operating requests

Community Development

- Reduction 1.0 FTE for annualization of 2023 operating requests
- Addition 2.0 FTE for annualization of 2024 operating requests

Community Safety & Bylaw

- Addition 2.5 FTE for annualization of 2024 operating requests
- Addition 0.5 FTE for the Mayor's Task Force operating request
- Addition 0.5 FTE for the Senior Bylaw Officer operating request
- Addition 1.0 FTE for the Bylaw Enforcement Officer (x2) operating request

Development Planning

- Reduction 1.7 FTE for annualization of 2024 operating requests

Development Services

- Addition 0.5 FTE for annualization of 2024 operating requests

Enabling Services

- Addition 3.6 FTE for annualization of 2024 operating requests
- Reduction 0.5 FTE for HR Coordinator term position
- Addition 0.5 FTE for the Geographic Information System Enhancement operating request
- Addition 0.5 FTE for the Digital Customer Service Enhancement operating request
- Addition 1.0 FTE for the Transformation Office operating request
- Addition 0.5 FTE for the Electrical System Reliability and Maintenance Enhancement operating request
- Addition 0.5 FTE for the Security and Access Systems Maintenance Enhancement operating request
- Addition 0.5 FTE for the Facilities Maintenance and Operations Enhancement operating request

Fire Safety

- Addition 3.5 FTE for annualization of 2024 operating requests
- Addition 2.0 FTE for the Firefighters (4) - Public Safety Levy operating request
- Addition 0.5 FTE for the Assistant Fire Training Officer operating request

Governance & Leadership

- Addition 1.5 FTE for annualization of 2024 operating requests

Parking

- Addition 0.5 FTE for annualization of 2024 operating requests
- Addition 0.5 FTE for the Parking Services Planning operating request

Parks

- Addition 0.5 FTE for annualization of 2024 operating requests
- Addition 0.5 FTE for the Park Maintenance operating request

Partnerships Office

- Addition 1.2 FTE for annualization of 2024 operating requests

Police Services & RCMP

- Addition 1.5 FTE for annualization of 2024 operating requests
- Addition 0.5 FTE for the Police Services Disclosure Specialist operating request
- Addition 1.5 FTE for the Police Services Calls Support operating request
- Addition 1.0 FTE for the Mayor's Task Force operating request

Solid Waste & Landfill

- Addition 0.5 FTE for the Solid Waste Equipment operating linked to capital request

Sport & Recreation

- Addition 0.2 FTE for annualization of 2023 operating requests
- Addition 0.3 FTE for annualization of 2024 operating requests
- Addition 0.3 FTE for the Events Procurement and Delivery operating request

Transit

- Addition 0.5 FTE for annualization of 2024 operating requests

Transportation

- Addition 1.0 FTE for annualization of 2023 operating requests
- Addition 0.3 FTE for annualization of 2024 operating requests
- Reduction 1.0 FTE for Traffic Programmer 3 year term
- Addition 0.6 FTE for the Crack Sealing Pavement operating request
- Addition 0.5 FTE for the Gravel Operations Enhancements operating request
- Addition 0.3 FTE for the Road Network operating linked to capital request
- Addition 1.7 FTE for the Permitting Operations Service Enhancements operating request

Wastewater Utility

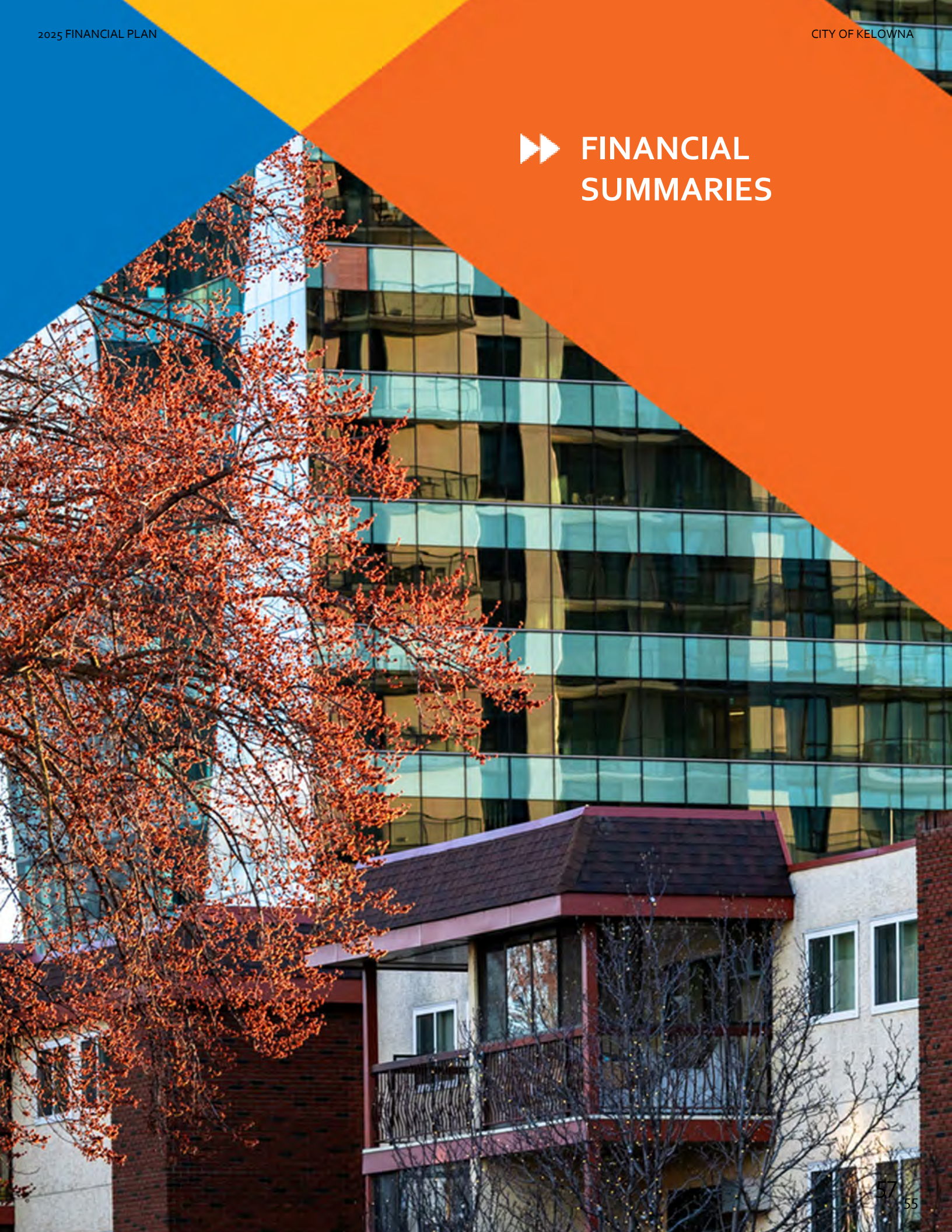
- Addition 1.0 FTE for the Wastewater Vacuum Truck and Building operating linked to capital request

Water Utility

- Addition 0.5 FTE for the Water Efficiency Program Enhancements operating request
- Reduction 0.1 FTE for the Water Distribution Operations Enhancements operating request
- Addition 1.3 FTE for the Water Operations - Growth operating request



▶▶ FINANCIAL
SUMMARIES



FINANCIAL SUMMARIES

FINANCIAL PLAN SUMMARY

The City of Kelowna's proposed total 2025 annual budget is \$839 million when including all funds. The following table reports the actual results for the year ending 2023, the revised budget as of October 2024, and the proposed preliminary budget for the 2025 Financial Plan year.

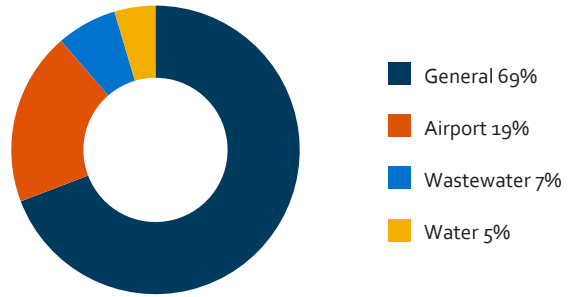
<i>\$ thousands</i>	Actual 2023	Revised 2024	Preliminary 2025
Revenue			
Property tax	176,631	191,220	204,764
Parcel tax	4,544	4,441	4,368
Fees and charges	191,916	181,761	192,914
Grant	28,131	44,864	33,076
Other revenue	52,206	57,760	84,944
Transfer from reserve			
Special (Stat reserve) funds	35,926	83,992	102,812
Development cost charges	40,776	61,375	80,988
Accumulated surplus	190,087	223,379	135,025
Total revenue	720,217	848,793	838,892
Expenditure			
Salaries and wages	119,222	130,545	143,838
Material and other	90,071	108,336	106,173
Contract services	103,331	109,951	122,754
Debt service	11,657	11,180	10,766
Capital expenditure	174,161	415,457	371,511
Transfer to reserve			
Special (Stat reserve) funds	44,136	32,556	35,714
Development cost charges	3,221	0	0
Accumulated surplus	167,297	40,767	48,135
Total expenditure	713,096	848,793	838,892
Total surplus (deficit)	7,121	0	0
<i>Surplus breakdown</i>			
<i>General fund</i>	225	0	0
<i>Utility fund</i>	6,897	0	0

Note: Totals may not add due to rounding

Revenue by fund

The City operates under four funds. The table below presents the dollar value of the revenue budget for each fund, separating the operating and capital information for the proposed Financial Plan year. The graph illustrates the 2025 revenues for each fund, visually depicting the comparison between each one.

\$ thousands	Actual 2023	Revised 2024	Preliminary 2025	
			Operating	Capital
General	566,169	542,767	355,869	224,796
Airport	82,452	206,046	74,546	88,318
Wastewater	42,059	64,108	18,132	38,789
Water	29,537	35,872	18,834	19,608
Subtotal			467,381	371,511
Total	720,217	848,793	838,892	

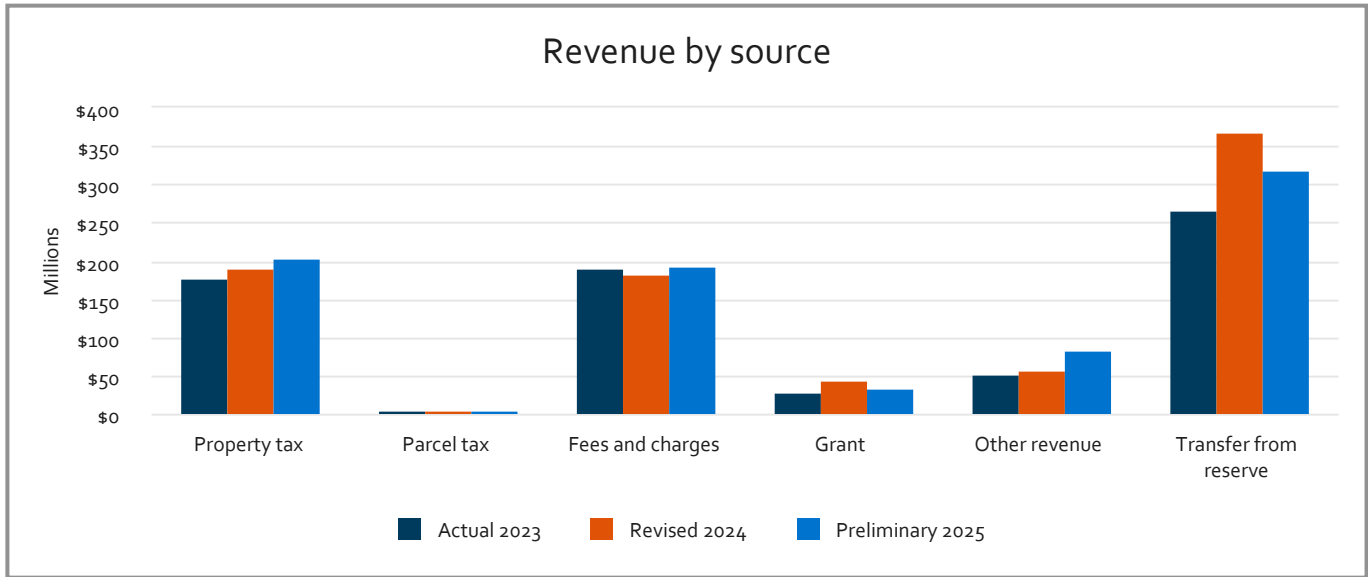


Note: Totals may not add due to rounding

Total \$ 838.9 M

Revenue by source

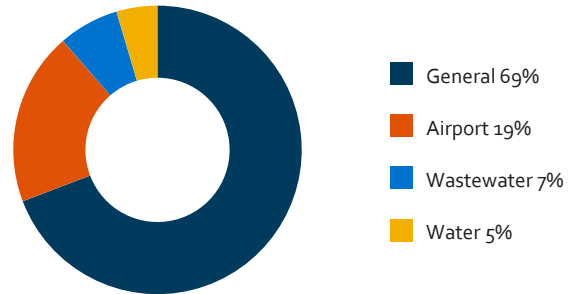
The City of Kelowna has multiple revenue sources including property taxes that are levied on property owners based on the municipal taxation demand; parcel taxes which are levied through bylaw on properties receiving a specific service; fees & charges for public services like water, parking, and building permits and fines for things like bylaw infractions; grants are funds awarded to the City by various grantors to be used for a specific purpose; other revenues that includes interest revenue, provincial gaming funds, and service revenue from other governments; and transfers from reserve which are predominately made up of previous years' surplus funds. The graph below presents the same operating and capital revenue information as above at the revenue source detail level.



Expenditures by fund

BC municipalities are mandated to have a balanced budget by provincial legislation. The table below reports the dollar value of the expenditure budget for each fund, separating the operating and capital information for the proposed 2025 Financial Plan year matching the revenues presented in the previous section. The graph below illustrates the comparison between funds of the expenditure budget for 2025, matching the revenue graph.

\$ thousands	Actual 2023	Revised 2024	Preliminary 2025	
			Operating	Capital
General	565,945	542,767	355,869	224,796
Airport	82,452	206,046	74,546	88,318
Wastewater	38,121	64,108	18,132	38,789
Water	26,578	35,872	18,834	19,608
Subtotal			467,381	371,511
Total	713,096	848,793	838,892	

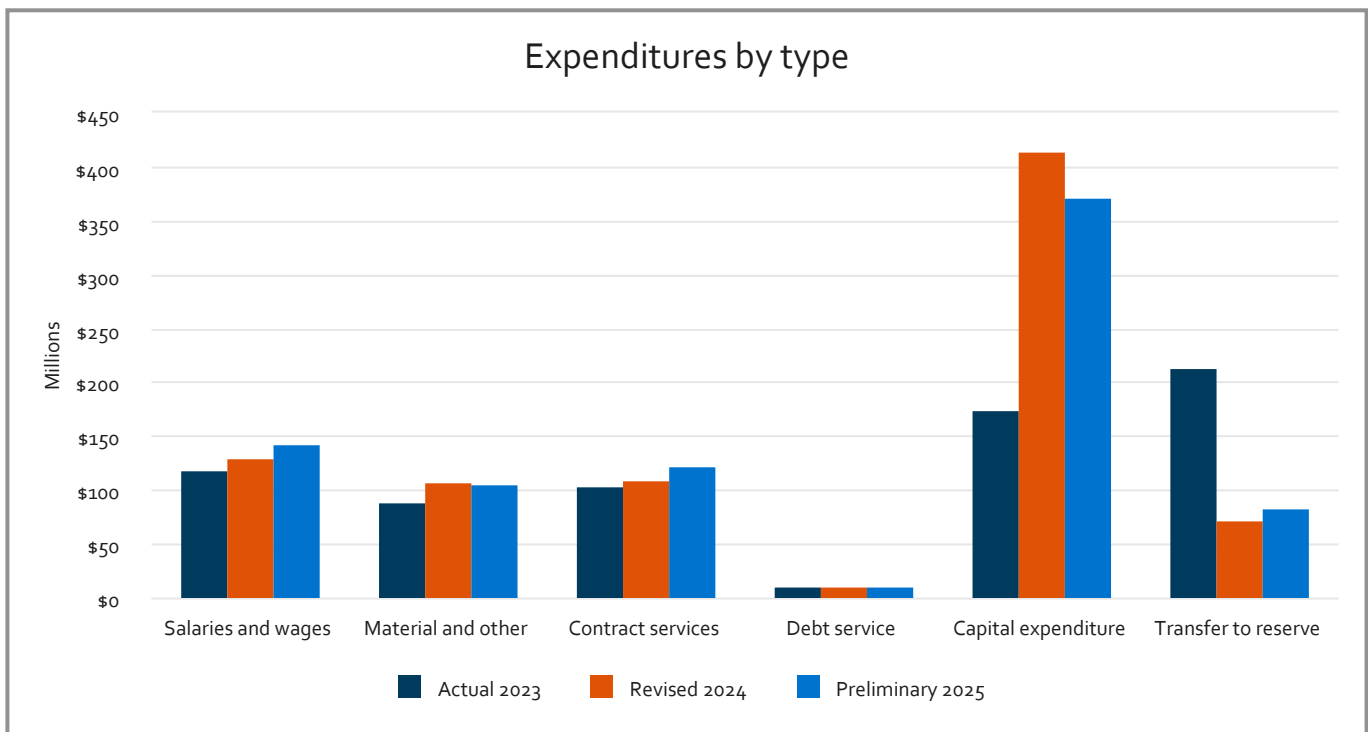


Note: Totals may not add due to rounding

Total \$838.9M

Expenditures by type

The City’s expenditures can be grouped in the following categories: salaries & wages, materials & other, contract services, debt servicing, capital expenditures, and transfers to reserve which are primarily made up of expected profits generated by profit centres operating within the City to be used for things like future capital requirements and to fund emergent events. The table below presents the same total operating and capital expenditures information as above for each expenditure type.



Analysis of operating and capital expenditures

The table below lists the various operating service areas and capital groups of the City and presents their individual budgets by expenditure and revenue. In cases where the reserve use is in a credit position, service area surpluses are expected and are being recommended to be contributed to reserve for future use. When the reserve use is in a debit position, reserve funds from previous years are being recommended to be used to fund projects in the 2025 budget. The result is the taxation requirement for each operating service area and capital group.

<i>\$ thousands</i>	Operating expenditure	Capital expenditure	Revenue	Reserve	Taxation	Taxation %
Airport	33,902	88,318	67,515	54,705	0	0 %
Arts & Culture	4,482	1,874	1,742	1,616	2,998	1 %
Community Development	3,688	0	325	(300)	3,662	2 %
Community Safety & Bylaw	8,340	0	211	0	8,128	4 %
Development Planning	2,673	0	830	0	1,843	1 %
Development Services	6,785	0	9,962	2,500	(5,678)	(3)%
Enabling Services	78,173	33,391	61,337	9,690	40,537	20 %
Fire Safety	30,388	5,798	5,249	2,481	28,456	14 %
Governance & Leadership	4,529	0	65	0	4,464	2 %
Parking	5,286	2,000	9,403	(467)	(1,650)	(1)%
Parks	15,735	49,794	8,677	40,926	15,925	8 %
Partnerships Office	1,960	0	244	298	1,419	1 %
Police Services & RCMP	69,610	0	6,953	3,893	58,764	29 %
Solid Waste & Landfill	17,465	10,850	28,169	345	(200)	0 %
Sport & Recreation	16,842	25,943	30,062	236	12,486	6 %
Stormwater & Flood Protection	2,405	11,336	3,032	8,739	1,970	1 %
Transit	37,218	2,858	26,784	3,860	9,432	5 %
Transportation	17,256	80,952	3,181	72,819	22,208	11 %
Wastewater Utility	16,612	38,789	32,815	22,586	0	0 %
Water Utility	14,690	19,608	24,564	9,734	0	0 %
Total operating and capital	388,037	371,511	321,121	233,663	204,764	100 %

Note: Totals may not add due to rounding

Analysis of taxation demand

The result of the taxation requirement detailed above is an increase to the net taxation demand of \$13.54 million, a 7.08 per cent increase over 2024. This is reduced by the expected new construction tax revenue estimated to be \$5.20 million in 2025 to bring the total net property owner impact to 4.36 per cent. This increase includes \$1.91 million, a 1 per cent increase over 2024, for the 2023 Council approved Public Safety Levy.

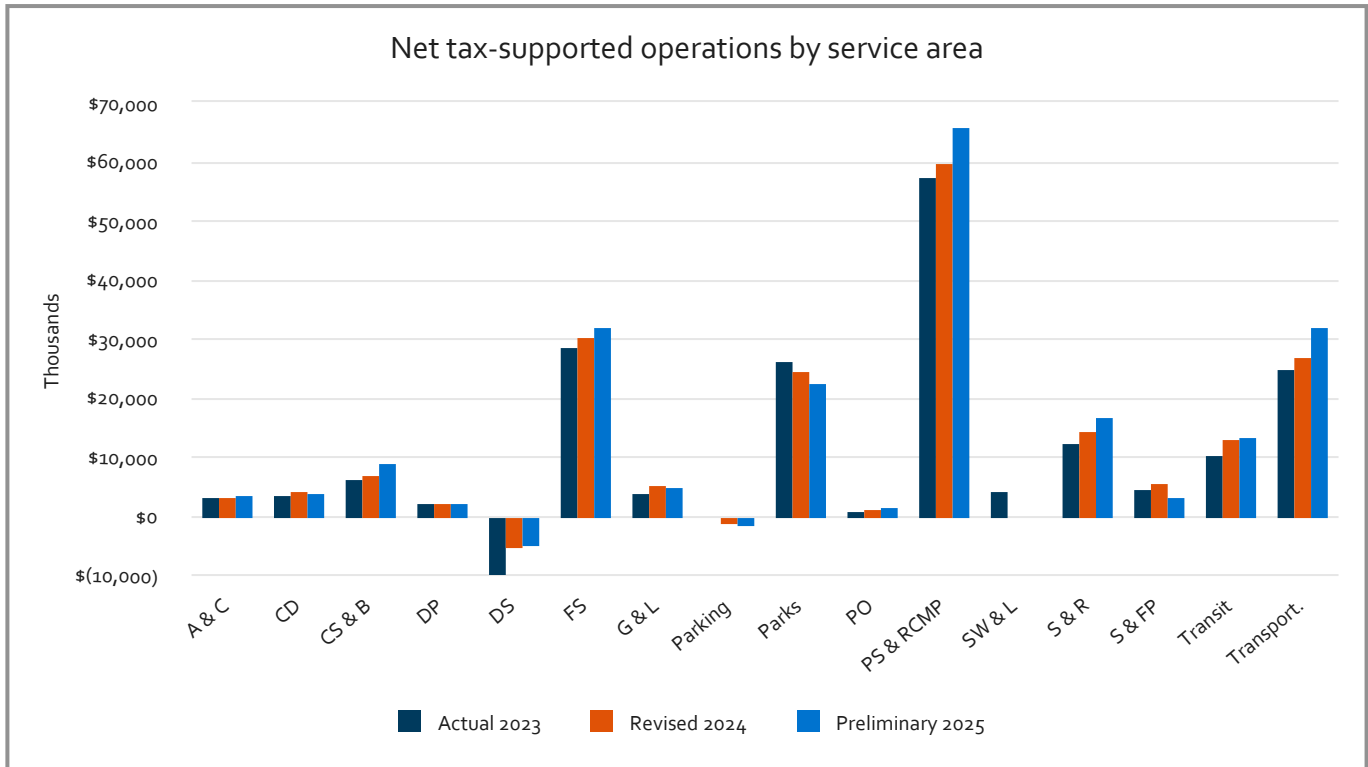
\$ thousands	Revised 2024	Preliminary 2025	Change	% change
Taxation demand	191,220	204,764	13,544	7.08%
New construction tax revenue	(6,260)	(5,200)	1,060	(16.93%)
Net property owner impact	4.72%	4.36%		(0.36%)
Municipal impact	3.72%	3.36%		
Public Safety Levy impact	1.00%	1.00%		

Note: Totals may not add due to rounding

Tax-supported operations by service area

The 2025 Financial Plan uses service-based reporting. There are two types of service areas in the City of Kelowna, community services and enabling services. A community service is a service that is provided directly to the community, and an enabling service is a support service provided internally that enables the community services to be provided. As the community services could not be provided without internal support, the enabling services net operating budget has been allocated to each community service.

Not all service areas require taxation funding. The graph and table below shows the community service areas that do require taxation funding, and the amount of taxation used in 2023, budgeted to use in 2024, and is recommended to be budgeted for 2025.

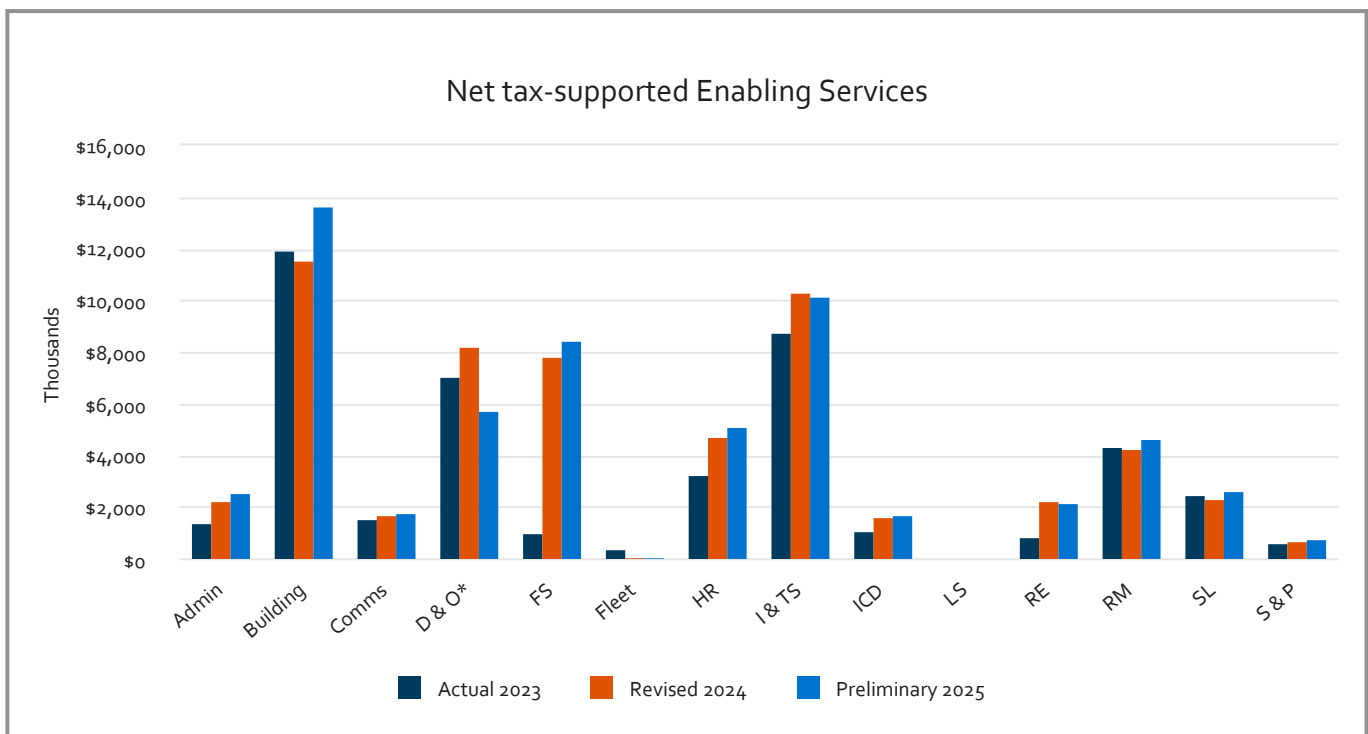


\$ thousands		Actual 2023	Revised 2024	Preliminary 2025
Arts & Culture	(A & C)	3,201	3,341	3,643
Community Development	(CD)	3,559	4,171	4,035
Community Safety & Bylaw	(CS & B)	6,262	6,913	8,972
Development Planning	(DP)	2,037	2,067	2,115
Development Services	(DS)	(12,139)	(5,315)	(4,993)
Fire Safety	(FS)	28,531	30,354	32,120
Governance & Leadership	(G & L)	4,019	5,317	4,922
Parking	(Parking)	(150)	(1,150)	(1,650)
Parks	(Parks)	26,376	24,616	22,557
Partnerships Office	(PO)	868	1,301	1,617
Police Services & RCMP	(PS & RCMP)	57,341	59,930	65,810
Solid Waste & Landfill	(SW & L)	4,327	(200)	(200)
Sport & Recreation	(S & R)	12,475	14,365	16,815
Stormwater & Flood Protection	(S & FP)	4,735	5,427	3,360
Transit	(Transit)	10,207	13,173	13,490
Transportation	(Transport.)	24,756	26,912	32,152
Total service area net expenditures		176,407	191,220	204,764

Note: Totals may not add due to rounding

Tax-supported Enabling Services excluding general revenue

All enabling service areas require taxation funding. The graph and table below illustrate the taxation used in 2023, budgeted to use in 2024, and is recommended to be budgeted for 2025 for the enabling service areas. These amounts are included in the community services information above.



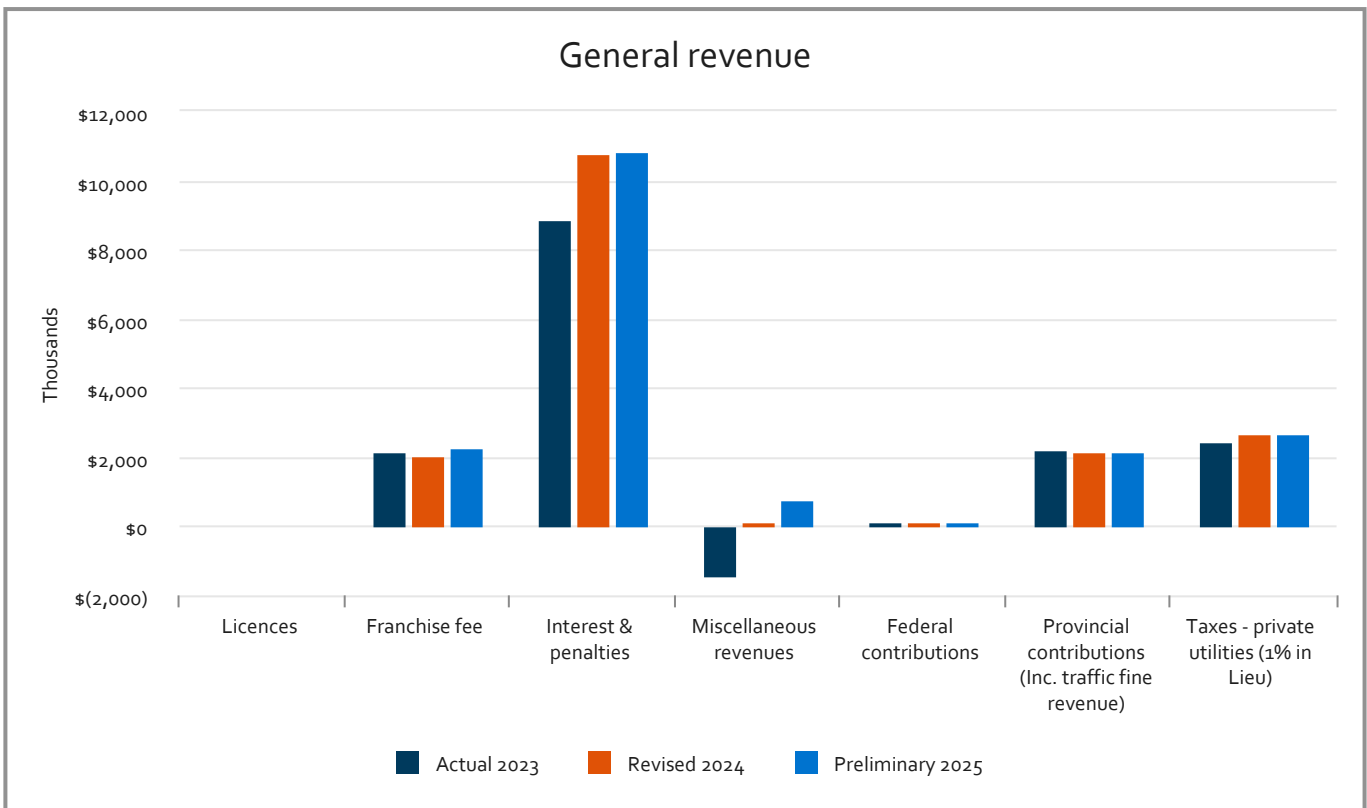
*2023 surplus allocation has been removed

<i>\$ thousands</i>	Actual 2023	Revised 2024	Preliminary 2025
Administration	1,432	2,275	2,527
Communications	1,592	1,686	1,766
Corporate Strategy & Performance	630	714	747
Debt and Other	17,832	8,203	5,784
Facilities	11,932	11,597	13,644
Financial Services	973	7,878	8,465
Fleet Services	354	50	50
Human Resources	3,250	4,706	5,100
Information Technology	8,784	10,315	10,213
Internal Construction Delivery	1,124	1,621	1,684
Legislated Services	—	—	—
Real Estate	856	2,278	2,140
Risk Management	4,323	4,279	4,692
Senior Leadership	2,478	2,300	2,619
Total Enabling Services net expenditures	55,560	57,900	59,430

Note: Totals may not add due to rounding

General revenue

General revenues are revenues that are not specifically attributable to or generated by any particular City of Kelowna service area. The graph and the table following summarizes the City's general revenues by type for amounts received in 2023, budgeted to use in 2024, and is recommended to be budgeted for 2025.



The table below details the dollar value of City's general revenues (by type) and includes property taxation revenue.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Preliminary 2025
Licences	1	3	3
Franchise fee	2,157	2,024	2,265
Interest & penalties	8,862	10,787	10,837
Miscellaneous revenues	(1,426)	127	804
Federal contributions	150	150	147
Provincial contributions (Inc. traffic fine revenue)	2,228	2,153	2,174
Taxes - private utilities (1% in Lieu)	2,456	2,680	2,663
Total general revenues	14,428	17,925	18,893
Property taxation	176,631	191,220	204,764
Total general revenues & taxation	191,059	209,145	223,657

Note: Totals may not add due to rounding

Ongoing impacts - general fund

Below is a projection of the net property owner impacts over the next five years using the best information available at the time of preparation of the Preliminary Budget volume. This projection will be updated for the Final Budget volume in April of 2025 and additional details on projections will be provided. As with any planning exercise, the level of certainty and detail is most appropriately found in the current year. For the years after 2025, budgets have been adjusted for current one-time projects, changes in operating budgets from previously approved requests, new capital projects included in the Council endorsed 10 Year Capital Plan, growth and/or inflationary rates, and other key assumptions. Although this forward-looking information is based on what is believed to be reasonable assumptions, there can be no assurance that this information will prove to be accurate as actual results and future events could differ materially from the anticipated information contained in this forecast.

<i>\$ thousands</i>	2025	2026	2027	2028	2029
Taxation demand	204,764	218,345	233,162	248,839	265,557
New construction tax revenue	(5,200)	(4,006)	(3,960)	(4,177)	(4,408)
Net property owner impact	4.36 %	4.68 %	4.97 %	4.93 %	4.95 %
Municipal impact	3.36%	3.68%	3.97%	3.93%	3.95%
Public Safety Levy impact	1.00%	1.00%	1.00%	1.00%	1.00%

Note: Totals may not add due to rounding



▶▶ SERVICE AREA
BUDGET



SERVICE AREA BUDGET

SERVICE AREA SUMMARY

The City's service area budgets are influenced and guided by strategic direction provided by City Council, the community and corporate leadership. This direction is communicated through plans and priorities such as capital plans, master plans, Council and Corporate priorities, the annual action plan, and service area, department and divisional plans.

In 2024, the City adopted the service-based budgeting approach, organizing the budget by service areas rather than by departments or divisions. This format helps readers clearly understand the services provided, their associated costs, and the trade-offs involved when prioritizing one service over another. This method enhances transparency, accountability, and fiscal flexibility, offering greater insight into how, where, and when the City allocates its limited resources to address various needs.

It also improves reporting and communication by showing how tax dollars and other revenue sources are spent, fostering more meaningful discussions about service levels. For 2025, the Financial Plan integrates the capital and operating programs within each service area, providing additional insights for both Council and the community. This comprehensive view highlights the interplay between operational expenses and capital projects, offering a clearer understanding of how they influence each other.

The service areas highlighted in this budget volume were chosen to reflect the broad scope of services delivered directly to the community. These range from essential functions like public safety, utilities, and infrastructure maintenance to community-focused offerings such as parks, recreation, and transportation. Each service directly impacts and benefits residents.

Departments that support multiple community services—such as Financial Services, Human Resources, Information Technology, and Facilities Capital—are categorized as Enabling Services. The overall budget for Enabling Services is proportionally allocated across all direct community service areas. This approach ensures a transparent presentation of the comprehensive costs associated with each service. To enhance transparency, detailed financial information for Enabling Services is provided in a dedicated section of this budget volume, offering stakeholders a clear understanding of their role in supporting the City's service delivery.



Reading the service area sections

Each service area section begins with a cover page outlining the following: the service's goal and community benefits, the primary customers and partners, the services delivered, key objectives, and the strategic plans that guide the service. This introduction is followed by performance measures, presented through a mix of narratives and graphs, to illustrate how the service area is performing. These measures include the service's goals or targets and, where available, comparative data from other municipalities for context.

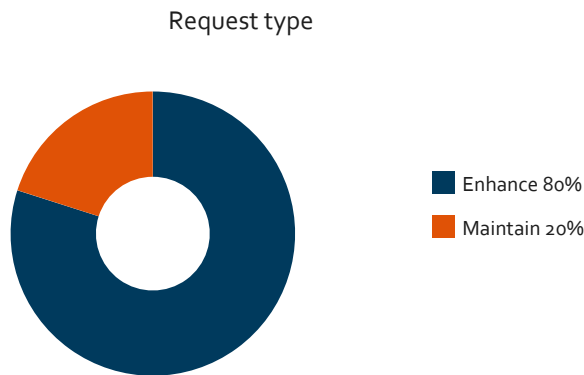
Each section details the activities within the service area and their alignment with Council and Corporate priorities. Key accomplishments and ongoing improvement initiatives are highlighted, showcasing progress and efforts to enhance service delivery. Finally, the section concludes with a financial summary, outlining projected expenditures and the recommended funding strategy to support the service.

Following the introduction section are the individual budget requests being presented to Council for approval. These are presented in the order of priority one operating, priority one capital and then priority two operating if applicable. The recommended priority of each budget request is shown on the top right corner of the request. Priority one items are budget requests that are being requested to maintain current service levels or to enhance them. These items have been included as part of the recommended budget. Priority two items include budget requests intended to enhance service levels but are not being recommended in an effort to maintain an acceptable general taxation demand or utility user rate.

2025 Budget requests

The 2025 Financial Plan includes 61 operating and 115 capital priority one requests for a total of \$386.1 million of expenditure budget. Eight priority two requests are included for Council consideration. The funding strategy being recommended includes a combination of reserves, development cost charges, borrowing, property taxes, utility fees, grants, and other smaller revenue sources.

Each budget request is categorized into two categories; maintain and enhance. Maintain requests are the budgets requested to maintain current service levels. Additional budget may be required to address factors such as inflation, growth of the community, infrastructure investments for equipment replacement or the maintenance of existing infrastructure. Enhance requests are the budgets requested to increase or improve the service level such as the addition of a new program offering, or new infrastructure. The assigned category can be found at the top right-hand side of each budget request. In the 2025 Financial Plan, operating and capital requests total \$386.1 million. Requests to maintain current service levels makes up 20 per cent of these 2025 requests at \$77.4 million. Enhanced service requests makes up \$308.7 million which is 80 per cent of the total request expenditures.



Total \$386.1M

If a capital project has an operating impact, such as additional maintenance, the operating budget is presented as part of the capital request. If an operating request has a capital impact, such as a vehicle required for a new position, the capital cost is presented as part of the operating request.

The following table provides a summary of the operating and capital priority one and priority two requests highlighting the amount coming from taxation versus other funding sources. Other funding sources could include reserves, user fees, grants, or community/developer contributions.

Funded from	Priority 1			Priority 2		
	Taxation	Other Sources	Total	Taxation	Other Sources	Total
Airport	\$ —	\$ 91,226	\$ 91,226	\$ —	\$ —	\$ —
Arts & Culture	\$ —	\$ 1,874	\$ 1,874	\$ 100	\$ —	\$ 100
Community Development	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Community Safety & Bylaw	\$ 506	\$ —	\$ 506	\$ 201	\$ —	\$ 201
Development Planning	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Development Services	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Enabling Services	\$ 7,845	\$ 27,600	\$ 35,445	\$ —	\$ —	\$ —
Fire Safety	\$ 225	\$ 5,798	\$ 6,023	\$ —	\$ —	\$ —
Governance & Leadership	\$ 65	\$ —	\$ 65	\$ —	\$ —	\$ —
Parking	\$ —	\$ 2,106	\$ 2,106	\$ —	\$ —	\$ —
Parks	\$ 2,662	\$ 48,344	\$ 51,006	\$ 200	\$ —	\$ 200
Partnerships Office	\$ —	\$ 75	\$ 75	\$ —	\$ —	\$ —
Police Services & RCMP	\$ 264	\$ —	\$ 264	\$ 64	\$ —	\$ 64
Solid Waste & Landfill	\$ —	\$ 11,041	\$ 11,041	\$ —	\$ —	\$ —
Sport & Recreation	\$ 3	\$ 25,970	\$ 25,973	\$ —	\$ —	\$ —
Stormwater & Flood Protection	\$ —	\$ 11,711	\$ 11,711	\$ —	\$ —	\$ —
Transit	\$ —	\$ 8,239	\$ 8,239	\$ —	\$ —	\$ —
Transportation	\$ 7,258	\$ 74,162	\$ 81,420	\$ 570	\$ —	\$ 570
Wastewater Utility	\$ —	\$ 39,232	\$ 39,232	\$ —	\$ —	\$ —
Water Utility	\$ —	\$ 19,922	\$ 19,922	\$ —	\$ —	\$ —
	\$ 18,827	\$ 367,299	\$ 386,126	\$ 1,135	\$ —	\$ 1,135

Note: Totals may not add due to rounding

The following graphic provides a visual summary of the funding strategy being proposed for the priority one operating requests including taxation, reserves, grant funding, revenues and utility funds (user fees).

Funding Strategy - Priority 1 operating requests



Total 386.1M

2025 Operating Requests (\$ thousands)

Priority 1

Airport	2025	2026	2027	2028	2029
Airport Improvement Fees	—	—	—	—	—
Airport - Non-AIF Operations	2,665	2,473	2,473	2,473	2,473
Airport Strategic Enhancements	244	475	475	475	475
Airport Operating Requests Priority 1 Total	2,908	2,948	2,948	2,948	2,948

Community Safety & Bylaw	2025	2026	2027	2028	2029
Senior Bylaw Officer	169	163	163	163	163
Kelowna Detachment & Police Services Resource Review-Public Safety Levy	—	—	—	—	—
Mayor's Task Force - Redeployment	—	—	—	—	—
Outdoor Overnight Sheltering	100	200	300	300	300
Bylaw Enforcement Officer (x2)	236	277	277	277	277
Community Safety & Bylaw Operating Requests Priority 1 Total	506	640	740	740	740

Police Services & RCMP	2025	2026	2027	2028	2029
RCMP Regular Members (7) - Public Safety Levy	—	—	—	—	—
Police Service Calls Support	147	292	292	292	292
Intelligence Analyst (Criminal) RCMP	64	236	236	236	236
Police Services Disclosure Specialist	52	104	104	104	104
Police Services & RCMP Operating Requests Priority 1 Total	264	632	632	632	632

Fire Safety	2025	2026	2027	2028	2029
Firefighters (4) - Public Safety Levy	—	—	—	—	—
Assistant Fire Training Officer	99	176	176	176	176
KFD Live Fire Training	126	126	—	—	—
Fire Safety Operating Requests Priority 1 Total	225	302	176	176	176

Wastewater Utility	2025	2026	2027	2028	2029
Wastewater Collection Operations - Growth	26	26	26	26	26
Wastewater Treatment Planning	325	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	92	176	176	176	176
Wastewater Utility Operating Requests Priority 1 Total	443	202	202	202	202

Stormwater & Flood Protection	2025	2026	2027	2028	2029
Stormwater Management - Redeployment	—	—	—	—	—
Stormwater Utility Business Case - Phase 3	125	—	—	—	—
Stormwater Basin Plan - Brandts-Glenmore Basin	250	—	—	—	—
Stormwater & Flood Protection Operating Requests Priority 1 Total	375	—	—	—	—

Water Utility	2025	2026	2027	2028	2029
Water Operations - Growth	153	272	272	272	272
Water Efficiency Program Enhancements	61	119	119	119	119
Water Distribution Operations Enhancements -	100	100	100	100	100
Water Utility Operating Requests Priority 1 Total	314	491	491	491	491

Solid Waste & Landfill	2025	2026	2027	2028	2029
Landfill Operations Maintenance	140	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	51	101	101	101	101
Solid Waste & Landfill Operating Requests Priority 1 Total	191	101	101	101	101

Transportation	2025	2026	2027	2028	2029
Gravel Operations Enhancements	46	92	92	92	92
Permitting Operations Service Enhancements	172	172	172	172	172
Crack Sealing Pavement	125	125	125	125	125
Safe Mobility Action Plan Implementation	75	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	50	50	50	50	50
Transportation Operating Requests Priority 1 Total	468	389	389	389	389

Transit	2025	2026	2027	2028	2029
Transit Operations	5,226	5,226	5,226	5,226	5,226
Hollywood Transit Centre Planning	125	—	—	—	—
Transit Fare Review	30	—	—	—	—
Transit Planning Software - Redeployment	—	—	—	—	—
Transit Operating Requests Priority 1 Total	5,381	5,226	5,226	5,226	5,226

Parks	2025	2026	2027	2028	2029
Parks Planning Program - Redeployment	80	80	80	80	80
Median Improvement Program	600	600	600	600	600
Park Maintenance	132	106	106	106	106
Wildfire Fuel Mitigation	400	500	600	600	600
Parks Operating Requests Priority 1 Total	1,212	1,286	1,386	1,386	1,386

Sport & Recreation	2025	2026	2027	2028	2029
Events Procurement and Delivery	27	76	76	76	76
Operating and Maintenance Impacts from Capital Requests	3	13	13	13	13
Sport & Recreation Operating Requests Priority 1 Total	30	89	89	89	89

Parking	2025	2026	2027	2028	2029
Parking Services Planning	56	111	111	111	111
Parking Study for Recreation Parks and Facilities - Phase 2	50	—	—	—	—
Parking Operating Requests Priority 1 Total	106	111	111	111	111

Partnership Office	2025	2026	2027	2028	2029
Council Advocacy Priorities Strategic Development - Redeployment	—	—	—	—	—
Partnership Development Strategy, Framework and Collateral	75	—	—	—	—
Economic Development Strategy - Redeployment	—	—	—	—	—
Partnership Office Operating Requests Priority 1 Total	75	—	—	—	—
<hr/>					
Governance & Leadership	2025	2026	2027	2028	2029
Privacy Impact Assessments	65	65	65	65	65
Governance & Leadership Operating Requests Priority 1 Total	65	65	65	65	65
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Enabling Services	2025	2026	2027	2028	2029
Electrical System Reliability and Maintenance Enhancement	140	106	106	106	106
Security and Access Systems Maintenance Enhancement	140	106	106	106	106
Facilities Maintenance and Operations Enhancement	65	126	126	126	126
Facilities Planning Program - Redeployment	109	109	109	109	109
Facilities Total	453	446	446	446	446
Transformation Office - Redeployment	—	—	—	—	—
Financial Services Total	—	—	—	—	—
Staff Development and Retention Program	185	185	185	185	185
Human Resources Total	185	185	185	185	185
Microsoft Fabric Implementation	100	—	—	—	—
Geographic Information System Enhancement	62	124	124	124	124
Digital Customer Service Enhancement	54	107	107	107	107
Information Technology Total	216	231	231	231	231
Strategic Land Development Projects	100	—	—	—	—
Real Estate Total	100	—	—	—	—
Digital Transformation	1,000	—	—	—	—
Legal Expense	50	100	150	150	150
Community Events Calendar	50	50	50	50	50
Accelerated Capital Program Support - Redeployment	—	—	—	—	—
Senior Leadership Total	1,100	150	200	200	200
Enabling Services Operating Requests Priority 1 Total	2,054	1,011	1,061	1,061	1,061
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Operating Requests Priority 1 Total	14,615	13,493	13,617	13,617	13,617

2025 Capital Requests (\$ thousands)

Priority 1

Airport		2025	2026	2027	2028	2029
Programs						
Airport - Airside Pavement Rehabilitation &		10,251	2,874	15,590	15,862	16,952
Airport - Airside Equipment		3,973	519	3,427	4,454	1,648
Airport - Lifecycle Replacement & Upgrades		5,641	969	3,901	771	1,610
Airport - Loading Bridges		707	2,368	247	2,828	2,938
Airport - Carbon Neutral Initiatives		1,229	4,501	2,959	100	100
Airport - Land Development		113	—	—	—	—
Projects						
	Total Project					
Airport - Airport Terminal Building Expansion Phase 1	128,467	39,642	26,624	5,920	4,477	—
Airport - Combined Operations Building	24,300	11,250	3,800	—	—	—
Airport - Airside Lighting and Supporting Infrastructure	8,950	8,710	—	—	—	—
Airport - Mill Creek Flood Protection	5,103	871	1,650	2,367	—	—
Airport - Hotel and Parkade Enabling Works	4,600	3,381	—	—	—	—
Airport - Child Care Facility Expansion	2,550	2,550	—	—	—	—
Airport Capital Requests Priority 1 Total	173,970	88,318	43,305	34,411	28,492	23,248

Fire Safety		2025	2026	2027	2028	2029
Programs						
Fire Communications Systems		102	850	552	11	11
Fire Vehicles & Equipment		1,091	854	204	3,717	2,806
Projects						
	Total Project					
NG911 Implementation	3,810	1,905	1,905	—	—	—
Glenmore Protective Services Building	39,000	2,700	9,450	12,150	14,700	—
Fire Safety Capital Requests Priority 1 Total	42,810	5,798	13,059	12,906	18,428	2,817

Wastewater Utility		2025	2026	2027	2028	2029
Programs						
Wastewater Network & Facilities		4,637	5,488	9,950	8,707	8,086
Wastewater Treatment		4,500	4,250	3,000	2,000	2,000
Projects						
	Total Project					
Frost Rd Upgrades (with utilities)	100	100	—	—	—	—
Hydro-Vac Disposal Facility	2,500	250	1,000	1,250	—	—
KLO Bridge Replacement (with utilities)	1,000	800	200	—	—	—
Sewer Connection Areas	25,196	6,958	2,981	380	—	—
Wastewater System Upgrades	41,775	19,794	11,764	1,600	—	300
WWTF Expansion	40,000	500	500	1,000	10,000	10,000
* Wastewater Vacuum Truck and Building	1,250	1,250	—	—	—	—
Wastewater Utility Capital Requests Priority 1	111,821	38,789	26,183	17,180	20,707	20,386

Stormwater & Flood Protection		2025	2026	2027	2028	2029
Programs						
Stormwater Network & Facilities		3,177	4,690	4,300	5,950	3,700
Stormwater Quality		219	360	500	400	500

Projects	Total Project					
Frost Rd Upgrades (with utilities)	750	750	—	—	—	—
Mill Creek Flood Protection	51,395	7,080	14,800	10,950	—	—
Stormwater System Upgrades	12,380	110	990	300	2,710	5,470
Stormwater & Flood Protection Capital Requests Priority 1 Total	64,525	11,336	20,840	16,050	9,060	9,670

Water Utility	2025	2026	2027	2028	2029
Programs					
Non-Potable Water Network & Facilities	1,406	2,640	2,740	3,240	3,240
Potable Water Network & Facilities	7,570	6,100	6,350	8,250	7,900
Water Treatment	1,285	400	—	—	—
Projects					
Total Project					
Frost Rd Upgrades (with utilities)	200	200	—	—	—
GEID Integration	5,150	3,850	600	—	—
KLO Bridge Replacement (with utilities)	2,000	2,000	—	—	—
Non-Potable System Upgrades	5,700	400	2,000	3,300	—
Potable Water System Upgrades	52,306	2,897	5,450	10,500	7,450
Water Utility Capital Requests Priority 1 Total	65,356	19,608	17,190	22,890	21,140

Solid Waste & Landfill	2025	2026	2027	2028	2029
Programs					
* Solid Waste Equipment	1,150	1,050	450	450	450
Solid Waste Infrastructure & Facilities	4,250	4,200	4,150	1,885	1,860
Projects					
Total Project					
Composting System Expansion	9,200	700	3,000	3,700	500
Surface Water Bypass	9,850	4,750	—	350	4,750
Solid Waste & Landfill Capital Requests Priority 1 Total	19,050	10,850	8,250	8,650	3,610

Transportation	2025	2026	2027	2028	2029
Programs					
Active Transportation	2,408	3,005	2,785	2,982	3,084
Bridges	450	540	1,140	1,270	1,270
* Road Network	8,665	11,696	12,788	14,932	16,517
Projects					
Total Project					
Active Transportation - Bertram St	8,489	1,620	6,869	—	—
Active Transportation - Rutland Neighbourhood	2,000	1,000	1,000	—	—
Intersections - Springfield & Dilworth	10,945	2,472	2,150	6,323	—
Roads - Burtch Rd Upgrades	58,079	12,355	29,939	5,811	210
Roads - Commonwealth Rd (Hwy 97 - Jim Bailey) Upgrades	13,229	313	1,474	11,443	—
Roads - Frost Rd Upgrades (with utilities)	5,480	5,043	—	—	—
Roads - Glenmore Rd Upgrades	42,883	10,425	2,470	5,619	3,700
Roads - Highway 33 to Clement Extension	135,300	2,800	3,000	4,500	75,000
Roads - Hollywood Rd N Upgrades	34,612	5,667	13,600	3,750	575
Roads - KLO Bridge Replacement (with utilities)	18,364	16,564	1,800	—	—
Roads - Lakeshore Rd Upgrades	29,272	4,690	8,920	8,834	—

Roads - Parkinson Recreation Centre Road Improvements	3,290	400	2,537	—	—	—
Roads - Stewart Rd Upgrades	9,842	800	—	—	280	4,632
Roads - Sutherland Rd Upgrades	51,534	130	5,150	—	4,038	4,800
Roads - Neighbourhood Street Urbanization	5,150	5,150	—	—	—	—
Transportation Capital Requests Priority 1 Total	428,469	80,952	94,150	62,993	102,986	78,818

Transit		2025	2026	2027	2028	2029
Programs						
Transit		616	944	1,503	1,767	3,014
Projects	Total Project					
Transit - Mission Recreation Transit Exchange & Mobility Hub	3,750	750	1,000	2,000	—	—
Transit - Okanagan College Exchange Capacity Expansion	2,300	500	800	1,000	—	—
Transit - Rutland Park & Ride, Mobility Hub, Operations Facility	2,992	992	1,000	1,000	—	—
Transit Capital Requests Priority 1 Total		9,042	2,858	3,744	5,503	3,014

Parks		2025	2026	2027	2028	2029
Programs						
Park Development		447	172	3,261	172	3,261
Park Infrastructure & Facilities		3,211	2,423	1,181	2,828	1,159
Parkland Acquisition		20,823	21,618	20,823	15,180	14,385
Projects	Total Project					
Ben Lee Park	1,086	250	—	—	—	—
Burne Park	3,311	1,000	1,300	591	—	—
Chichester Wetland Park	3,886	195	195	3,496	—	—
City Park	30,765	740	1,365	6,307	8,280	3,750
Cook Beach Park- Aqua Foreshore	3,575	150	937	2,288	300	—
DeHart Park	11,480	1,818	402	134	—	—
Glenmore Recreation Park	41,270	9,500	3,000	7,000	7,000	3,500
Island Stage Rejuvenation	1,650	1,000	600	—	—	—
Kelowna's Newest Waterfront Park	2,060	608	1,156	196	—	—
Manhattan Point Park	4,915	235	235	2,827	1,413	—
Mill Creek Linear Park	8,727	300	1,119	1,000	1,119	1,000
Parkinson Recreation Park	41,162	4,116	14,409	18,523	4,115	—
Queensway Improvements	900	800	50	50	—	—
Rotary Beach Park	2,470	708	1,122	600	—	—
Rutland Recreation Park	8,360	3,893	3,406	811	—	—
Parks Capital Requests Priority 1 Total		165,617	49,794	53,509	69,088	27,055

Sport & Recreation		2025	2026	2027	2028	2029
Programs						
* Recreational Park Infrastructure & Facilities		205	—	—	—	—
Projects	Total Project					
Community Activity Centres - Glenmore Activity Centre	24,229	2,415	8,454	10,870	2,415	—

Community Activity Centres - Mission Activity Centre	27,784	2,750	9,626	12,378	2,750	—
Community Activity Centres - Activity Centre at Rutland Lions Park	22,800	1,140	1,140	7,980	10,260	2,280
Parkinson Recreation Centre Redevelopment	189,100	18,660	65,230	84,000	18,660	—
Mission Recreation Park	5,543	773	3,140	1,570	—	—
Sport & Recreation Capital Requests Priority 1	269,456	25,943	87,590	116,798	34,085	2,280

Arts & Culture	2025	2026	2027	2028	2029
Programs					
Community & Culture Facilities	569	230	230	230	230
Placemaking	1,305	705	887	110	—
Arts & Culture Capital Requests Priority 1 Total	1,874	935	1,117	340	230

Parking	2025	2026	2027	2028	2029
Programs					
Parking Infrastructure & Facilities	1,500	600	2,100	600	2,100
Projects	Total Project				
South Pandosy Parkade	15,000	500	1,500	6,500	6,500
Parking Capital Requests Priority 1 Total	15,000	2,000	2,100	8,600	7,100

Enabling Services	2025	2026	2027	2028	2029
Programs					
Front Office Equipment	612	550	550	550	550
IT Communications Systems	350	200	200	200	200
Major Systems Projects	871	500	500	250	250
Server & Data Storage	53	150	150	150	150
Information Technology Programs Total	1,886	1,400	1,400	1,150	1,150
Building Systems & Infrastructure	3,080	2,330	1,775	975	725
Facilities Portfolio Planning	1,770	2,030	1,400	1,400	1,400
Placemaking	250	—	—	—	—
Facilities Programs Total	5,100	4,360	3,175	2,375	2,125
Vehicles & Equipment - Growth	75	1,279	888	859	799
Vehicles & Equipment - Renewal	3,910	4,100	4,290	4,500	4,720
Fleet Programs Total	3,985	5,379	5,178	5,359	5,519
General Land Acquisition	1,800	1,800	1,800	1,800	1,800
Marine Facilities	100	100	—	—	—
Real Estate Programs Total	1,900	1,900	1,800	1,800	1,800
Projects	Total Project				
Buildings Systems Renewal - City Hall Renewal	16,700	1,761	1,103	7,837	4,310
Buildings Systems Renewal - Memorial Arena	4,650	450	2,000	2,000	200
Buildings Systems Renewal - Sarson's Activity Centre	1,025	125	450	450	—
Electric Vehicle Infrastructure Installation	1,500	500	500	500	—
Enterprise Fire Hall #1 Improvements	4,350	1,350	1,625	1,225	150
Gymnastics Centre (Rutland) Improvements	2,050	100	850	1,000	100
H2O Centre Improvements	5,270	2,674	1,960	335	—
LED Lighting Upgrades	1,500	400	400	200	—
MNP Place Roof Replacement	7,245	7,000	200	—	—

Prospera Place Improvements	8,060	3,960	3,600	400	—	—
Rutland Arena Improvements & Heatsharing w/ Kelowna Family Y	7,345	2,025	775	4,500	—	—
Facilities Projects Total	59,695	20,345	13,463	18,447	4,760	—
Cook Beach Park- Groyne & Pier	3,600	175	937	2,288	300	—
Real Estate Projects Total	3,600	175	937	2,288	300	—
Enabling Services Capital Requests Priority 1	63,295	33,391	27,439	32,288	15,744	10,594
Capital Requests Priority 1 Total		371,511	398,294	408,474	305,641	204,962

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Requests (\$ thousands)

Priority 2

Community Safety & Bylaw	2025	2026	2027	2028	2029
Bylaw Services Enforcement Coordinator	50	100	100	100	100
Bylaw Enforcement Officer (x2)	151	263	263	263	263
Community Safety & Bylaw Operating Requests	201	362	362	362	362
Priority 2 Total					
Police Services & RCMP	2025	2026	2027	2028	2029
RCMP Regular Members	64	236	236	236	236
Police Services & RCMP Operating Requests Priority 2 Total	64	236	236	236	236
Transportation	2025	2026	2027	2028	2029
Waste Management Service Enhancement - Redeployment	145	145	145	145	145
Snow Clearing and Ice Control Service Enhancements	375	538	620	620	620
Solar Light Replacement - Neighbourhood and Dog Parks	50	50	50	50	50
Transportation Operating Requests Priority 2 Total	570	732	815	815	815
Parks	2025	2026	2027	2028	2029
Canopy Coverage Expansion Planning	200	300	400	400	400
Parks Operating Requests Priority 2 Total	200	300	400	400	400
Arts & Culture	2025	2026	2027	2028	2029
Cultural District Vision and Business Planning Project	100	—	—	—	—
Arts & Culture Operating Requests Priority 2 Total	100	—	—	—	—
Operating Requests Priority 2 Total	1,135	1,631	1,813	1,813	1,813

▶ AIRPORT

LED BY: AIRPORT CHIEF EXECUTIVE OFFICER

Our goal & community benefit:

Our goal is to serve communities within the Okanagan Valley by being the economic engine for the region and providing high-quality facilities in a safe and cost-effective manner while also ensuring the capability and flexibility to meet future changes in air transportation, technology, and operations.

Our customers:

Our customers are the passengers who choose to fly through the Airport and the campus businesses that make this travel possible. In 2023, over 2.0 million passengers travelled through the Airport and passenger numbers are forecasted to continue to grow to an all-time high of over 2.1 million passengers in 2024.

Our partners:

We partner with airlines, ride-sharing and car rental agencies, food and beverage providers, and other airport campus tenants to offer the best travel experience for our passengers. There are nearly 50 companies operating at the Airport, generating over 1,400 full-time jobs.

Our partners also include our federal regulatory agencies Transport Canada, Nav Canada, the Canadian Air Transport Security Authority, and the Canada Border Services Agency, as well as organizations which provide contracted services critical to the operation, maintenance, and development of the Airport.

What we deliver:

We are forecasting that we will serve over 2.1 million passengers in 2024 and currently offer more than 60 daily non-stop commercial flights with eight airlines (Air Canada, Air Canada Express/Jazz Aviation, Air North - Yukon's Airline, Alaska Airlines, Central Mountain Air, Flair Airlines, Pacific Coastal Airlines, and WestJet). As the 10th busiest and the largest municipally owned airport in Canada, YLW's total economic impact in 2014 was 4,545 jobs and \$789 million in total economic output to the province of British Columbia.

Our key objectives:

Our key objectives include:

- Improve and innovate the way we plan and operate our business
- Lead and foster economic prosperity within the region
- Act in a financially sustainable & resilient manner
- Lead in the areas of safety, security, social responsibility, governance, and the environment

Our guiding plans:

- Airport Master Plan 2045
- Airport Strategic Plan



Measuring performance:

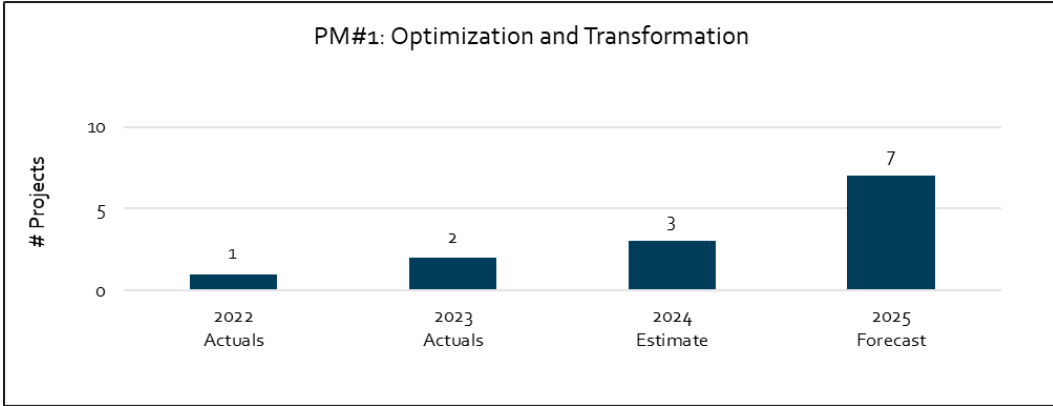
Performance measure 1

Optimization and transformation

Improve and innovate the way we plan and operate our business

Number of optimization and transformation initiatives.

Through implementation of digital and innovation transformation projects and initiatives, the Airport will increase efficiency and effectiveness of core business processes and procedures and optimization of the facility and its operations.



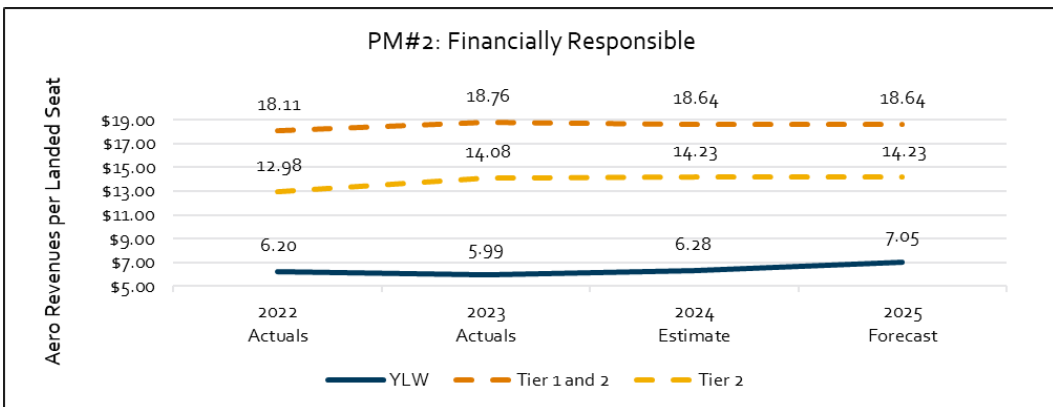
Performance measure 2

Financially responsible

Act in a financially sustainable & resilient manner

Aeronautical revenues per landed air carrier seat.

Aeronautical fees and charges are determined strategically, consistent with the International Civil Aviation Organization guidelines, in order to balance revenue generation while positioning YLW as a competitive, low-cost airport to continue to attract air service routes and carriers which drives these revenues.



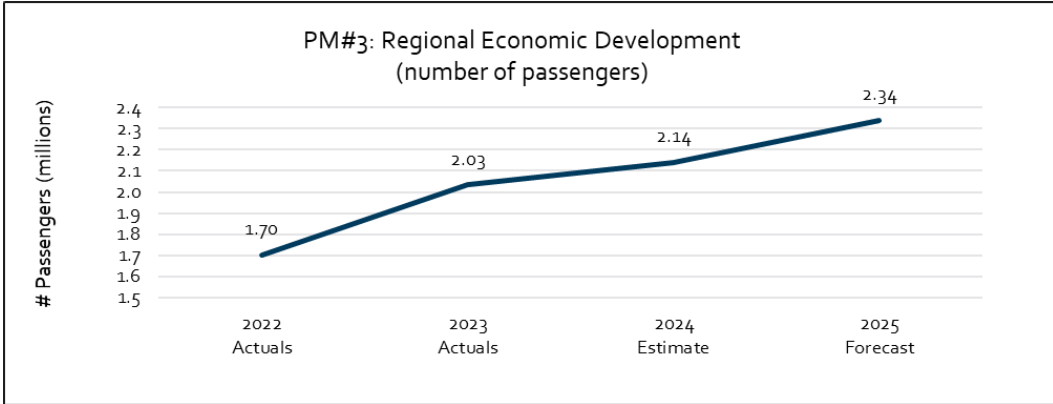
Performance measure 3

Driver of regional economic development

Lead and foster economic prosperity within the region

Annual number of passengers.

As the 10th busiest airport in Canada and the 2nd largest airport in British Columbia, the Airport welcomed over 2 million passengers in 2023 and expects to see continued growth in 2024 and 2025, positioning the Airport as a regional economic gateway and driver of economic growth within the region.



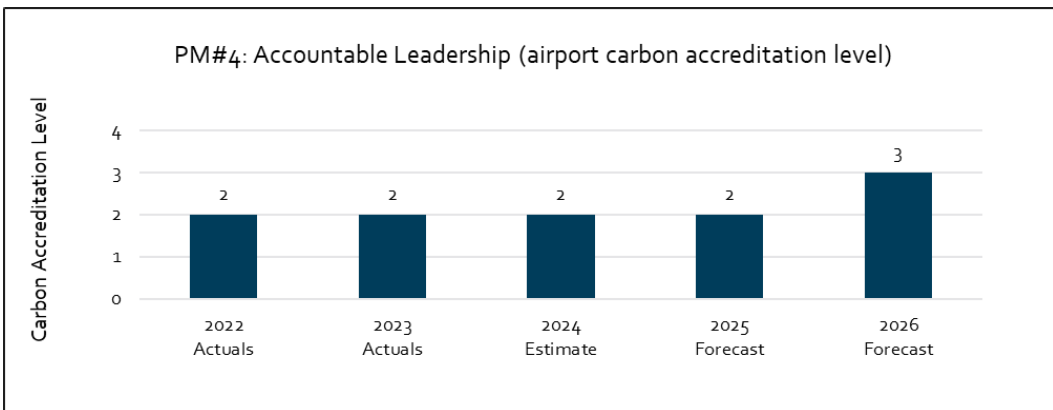
Performance measure 4

Accountable leadership

Lead in the areas of safety, security, social responsibility, governance, and the environment

Airport Carbon Accreditation Level.

The Airport is actively developing a comprehensive plan to significantly reduce its energy consumption and attain a Level 3 Carbon Accreditation by 2026, as part of the Airport’s commitment to achieve carbon neutrality by 2030.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • # or % of residents who feel safe in Kelowna increases: <ul style="list-style-type: none"> ◦ Upgrading the airfield lighting and supporting infrastructure to high intensity to further improve safety ◦ Rehabilitation and enabling works for the expansion of Airside aprons and taxiways to further improve safety ◦ Use of AI and machine learning to improve efficiency and safety for aircraft operations ◦ Acquisition of a third Aircraft Rescue and Fire Fighting Response Truck to meet Federal regulations for a Category 7 level emergency response ◦ Continued partnership with Not in My City, including training to educate individuals working in aviation to identify and respond to signs of human trafficking
Transportation	<ul style="list-style-type: none"> • Capacity and traffic flow is enhanced on major road corridors: <ul style="list-style-type: none"> ◦ Continue to engage with partners and stakeholders on potential road improvements leading to the Airport ◦ Continue to undertake innovative initiatives to make the flow of traffic within and out of the Airport more efficient • More trips by alternative transportation modes: <ul style="list-style-type: none"> ◦ Continue to engage with partners and stakeholders on a potential off-campus shuttle service for those who work at the Airport
Climate & Environment	<ul style="list-style-type: none"> • Include a Climate Lens in City decision-making, ensuring we always consider climate impacts: <ul style="list-style-type: none"> ◦ Continued commitment to the Airport’s environmental goal of carbon neutrality by 2030 and net zero by 2040 ◦ Maintain Airport Carbon Accreditation Level II ◦ Implement carbon neutral initiatives, including geothermal development for the expansion of the Airport Terminal Building, engagement of the Campus Green Committee to work with stakeholders on reducing whole-campus emissions, and implementing Green Development Guidelines to guide sustainable building practices across the campus, targeting energy efficiency and renewal energy integration
Economy	<ul style="list-style-type: none"> • The number of businesses is increasing: <ul style="list-style-type: none"> ◦ Continued pursuit of commercial development opportunities in and around the Airport • Priority sectors for economic diversification are supported: <ul style="list-style-type: none"> ◦ Expansion of the YLW Campus Child Care Facility to provide additional support and flexibility to working parents ◦ Forecasted passenger growth from 2.1 million in 2024 to 2.3 million in 2025 ◦ Retain and grow the air service options to YLW offering greater options to passengers and supporting the regional economy
Our People	<ul style="list-style-type: none"> • The opportunity for all employees, regardless of position or role, to learn and grow their leadership competencies is increasing: <ul style="list-style-type: none"> ◦ Continue to provide and support opportunities for professional development, mentorship, and growth opportunities

Digital Transformation	<ul style="list-style-type: none"> • Digital tools are used to improve the online service experience and make processes more efficient: <ul style="list-style-type: none"> ◦ Conversion from airline proprietary computer equipment for checking in passengers to airport wide common use software and infrastructure to enhance flexibility and allow check in and gate counters to be used more efficiently by all the airlines ◦ Software upgrades and conversions to increase efficiencies in airport operations and improve passenger support and experience through the addition of an automated passenger information system, visual voice to text paging, and the automated conversion of voice to sign language on passenger display screens • Data is used to inform decision making: <ul style="list-style-type: none"> ◦ New software implementation for enhanced data-driven Airport operations, building management, gate scheduling and check-in counter allocation based on real time aircraft arrival and departure information as well as the number of passengers and baggage arriving/departing at the facility during peak operations
Active Financial Management	<ul style="list-style-type: none"> • Enhance the budget process to improve alignment of financial resources with stated priorities and to present budgets that allow us to meet defined service levels (e.g. program budget): <ul style="list-style-type: none"> ◦ Monthly analysis for capital expenditures and operational revenues and spends, proactively identifying and managing variances and cost-saving opportunities ◦ Robust budgeting and financial modeling process performed to ensure effective and efficient operations, and that service levels are maintained and/or increased while remaining financially viable and in accordance with financial health targets • Targeted projects to increase non-tax revenue are minimizing the City's reliance on tax revenue: <ul style="list-style-type: none"> ◦ Continue to pursue commercial development opportunities to increase non-aeronautical revenues ◦ Continually review and ensure aeronautical fees and charges are aligned with International Civil Aviation Organization guidelines and the Airport's low-cost business model
Base Business	<ul style="list-style-type: none"> • Continue to raise the service level of all elements of the Airport • Continue to increase air service routes and destinations • Continue to pursue diverse commercial development and partnerships • Continue construction work for the expansion of the Airport Terminal Building • Commencement of the enabling works for the Apron 1 South Expansion • Renewal of certain infrastructure in the Air Terminal Building to extend the useful life of the infrastructure • Continue construction of the new Combined Operations Building

2024 Key accomplishments:

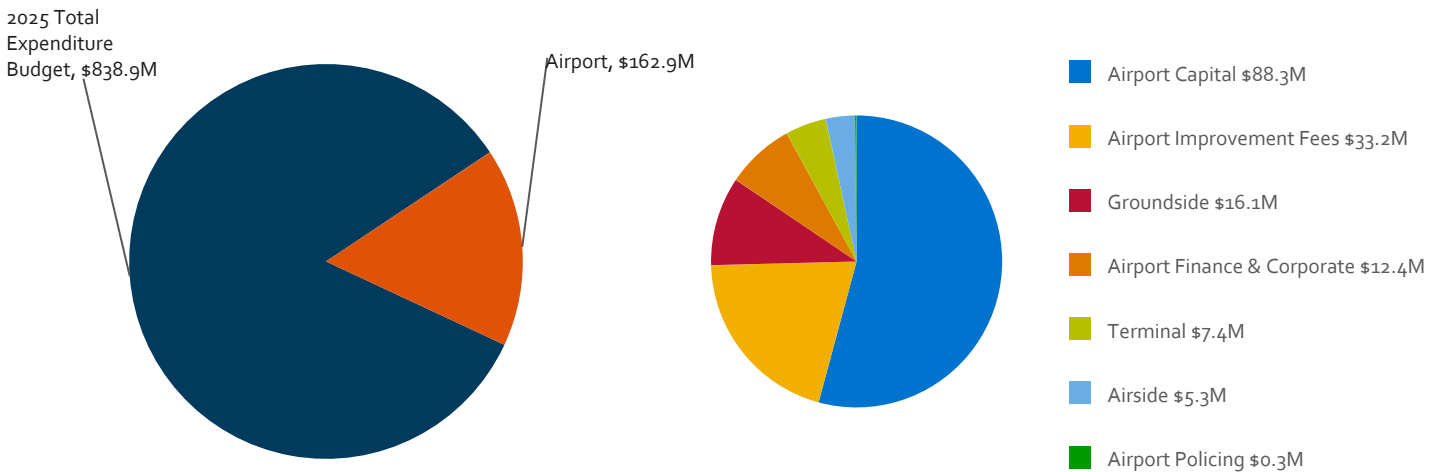
- Anticipated passenger growth to over 2.1 million passengers
- Continue construction work for the expansion of the Airport Terminal Building
- Increased air service frequency and destinations available to the travelling public, including new transborder and regional destinations
- Continue construction of the new Combined Operations Building
- Successfully awarded grant funding for expansion of the YLW Campus Child Care Facility
- Actioned several initiatives to work towards the Airport’s environmental goal of carbon neutrality by 2030, including hiring an Environment Manager to lead YLW’s environmental, sustainability and climate programs, Airport Terminal Building LED lighting conversion, expanding the use of EVs, expanding EV charging stations, replacing natural gas air handling units with electrical units, introducing renewable diesel as an alternative to conventional diesel for equipment, conducting a solar feasibility study to explore the adoption of solar energy on-site, implementing best practices in glycol de-icing to reduce environmental impacts, and developing Green Development Guidelines
- Introduced an additional Required Navigation Performance Authorization Required (RNP-AR) approach, providing an additional route for aircraft arriving into YLW, increasing reliability and reducing noise and greenhouse gas emissions

Continuous improvements:

- Renewal of certain infrastructure in the Air Terminal Building to extend the useful life of the infrastructure
- Rehabilitation of existing airside pavement and construction of new airside pavement to further improve the safety of aircraft and passengers
- Continuation of enabling works for preparation of the Airport hotel and parkade
- Continued investment in people
- Purchase of airside equipment

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$162.9M

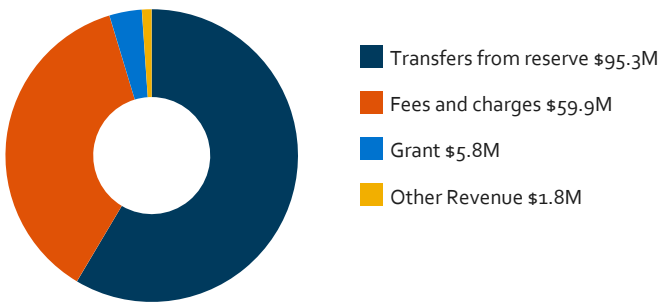
Budget needed to achieve results

The Airport operates under a separate, self-sustaining fund. Any unused revenue generated each year is allocated to a reserve dedicated to future airport infrastructure investments. Revenues from the Airport Improvement Fee (AIF) program are kept in a separate reserve and exclusively used to fund AIF-specific infrastructure projects. Additionally, the Airport contributes \$2.3 million annually to the general fund to support enabling services and offset property taxes.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	—	—	—	—	—	—
Fees and charges	48,779	51,851	—	8,069	—	59,921
Grant	5,178	9,159	(6,794)	726	2,747	5,838
Other revenue	1,921	908	—	848	—	1,756
Transfers from reserve	26,573	144,128	(136,412)	2,013	85,621	95,349
Total revenue budget	82,452	206,046	(143,205)	11,655	88,367	162,864
Expenditure budget:						
Salaries and wages	6,167	7,990	(137)	1,109	233	9,195
Material and other	14,875	16,749	(2)	2,440	10	19,197
Contract services	1,492	1,710	—	199	—	1,909
Debt service	2,489	2,490	—	—	—	2,490
Capital expenditure	25,451	143,112	(143,112)	113	88,205	88,318
Transfers to reserve	31,153	33,003	46	7,676	(81)	40,644
Enabling allocation	825	992	—	119	—	1,111
Total expenditure budget	82,452	206,046	(143,205)	11,655	88,367	162,864
Operating FTE positions:						
Management	19.9	27.5	—	1.0	1.0	29.5
Union hourly	5.0	2.0	—	—	—	2.0
Union salary	31.5	31.5	—	1.0	1.0	33.5
Total operating FTE positions	56.4	61.0	—	2.0	2.0	65.0

Note: Totals may not add due to rounding

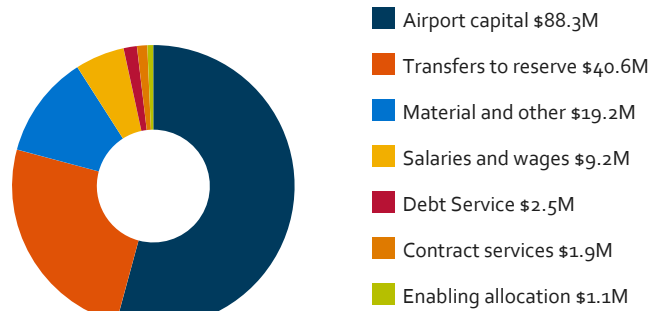
Funding strategy



Total \$162.9M

Note: Totals may not add due to rounding

Expenditure by type



Total \$162.9M

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Airport Improvement Fees	—	—	—	—	—
Airport - Non-AIF Operations	2,665	2,473	2,473	2,473	2,473
Airport Strategic Enhancements	244	475	475	475	475
Operating Requests Priority 1 Total	2,908	2,948	2,948	2,948	2,948

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Airport - Airside Pavement Rehabilitation & Expansion	10,251	2,874	15,590	15,862	16,952
Airport - Airside Equipment	3,973	519	3,427	4,454	1,648
Airport - Lifecycle Replacement & Upgrades	5,641	969	3,901	771	1,610
Airport - Loading Bridges	707	2,368	247	2,828	2,938
Airport - Carbon Neutral Initiatives	1,229	4,501	2,959	100	100
Airport - Land Development	113	—	—	—	—
Projects					
	Total Project				
Airport - Airport Terminal Building Expansion Phase 1	128,467	39,642	26,624	5,920	4,477
Airport - Combined Operations Building	24,300	11,250	3,800	—	—
Airport - Airside Lighting and Supporting Infrastructure	8,950	8,710	—	—	—
Airport - Mill Creek Flood Protection	5,103	871	1,650	2,367	—
Airport - Hotel and Parkade Enabling Works	4,600	3,381	—	—	—
Airport - Child Care Facility Expansion	2,550	2,550	—	—	—
Capital Request Priority 1 Total	173,970	88,318	43,305	34,411	28,492

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Request Details

Service Area: Airport	Priority 1	Maintain ON-GOING
Title: Airport Improvement Fees		PRELIMINARY

Justification:

The budget for the Airport Improvement Fee revenues is based on forecasted passenger numbers of 2.3M passengers in 2025. The 2024 budget was based on passenger numbers of 2.1M. There is also an increase in the Federal Airport Capital Infrastructure Program grant anticipated to be earned in 2025. Revenues are contributed to the Airport Improvement Fee Reserve.

2024 Base Budget: \$25.9M

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	6,308,000	—	—	(726,000)	(5,582,000)	—	—
2026	—	6,308,000	—	—	(726,000)	(5,582,000)	—	—
2027	—	6,308,000	—	—	(726,000)	(5,582,000)	—	—

Service Area: Airport	Priority 1	Maintain ON-GOING
Title: Airport - Non-AIF Operations		PRELIMINARY

Justification:

The increase in budgeted Airport non-airport improvement fee (non-AIF) revenues and expenditures is based on the forecast that the Airport will have 2.3M passengers in 2025. The 2024 budget was based on 2.1M passengers. The Airport's budgeted non-AIF revenues exceed non-AIF budgeted operating expenditures by \$1.0M. Revenues are contributed to, and expenditures are appropriated from, their respective Airport Airside, Terminal, and Groundside Reserves. Finance and Corporate Services revenues are contributed to, and expenditures appropriated from, the Airport Airside, Groundside and Terminal Reserves evenly.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,664,600	(49,300)	—	—	—	(2,615,300)	—	—
2026	2,472,800	142,500	—	—	—	(2,615,300)	—	—
2027	2,472,800	142,500	—	—	—	(2,615,300)	—	—

2025 Operating Request Details

Service Area: Airport	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Airport Strategic Enhancements		

Justification:

The Airport aims to move forward with strategic priorities, business objectives and goals according to its official Strategic Plan. To achieve this, budget is requested for the hiring of an Airport Contracts Coordinator, Airport Communications Manager, Airport Commercial Technical Support Lead, and an Airport Technical Support Coordinator, in alignment with the Airport's 5-Year Human Resources Plan. These positions will provide the necessary capacity and skills to meet current and future requirements for: capital projects, project coordination, communications, revenue diversification, commercial development, and strategic guidance. These four positions would be funded equally from the Airside, Groundside and Terminal reserves.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	243,500	(243,500)	—	—	—	—	—	—
2026	475,000	(475,000)	—	—	—	—	—	—
2027	475,000	(475,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Airside Pavement Rehabilitation & Expansion		

Justification:

The Airport is requesting budget to design, construct, and complete enabling works for airside pavement rehabilitation (runway and apron 1) and the addition of new airside pavement (taxiway foxtrot and apron 1).

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	10,251,000	(10,251,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Airside Equipment		

Justification:

The Airport is requesting budget for the purchase of airside equipment as part of the Soaring Beyond 2.5 million Passengers AIF Program. \$2.7M of this budget request was previously approved by Council in 2024.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,973,000	(3,973,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Lifecycle Replacement & Upgrades		

Justification:

The Airport is requesting budget for capital improvements and upgrades to the airside, groundside and terminal infrastructure equipment. \$0.7M of this budget request was previously approved by Council in 2023.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	5,641,000	(5,641,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Loading Bridges		

Justification:

The Airport is requesting budget for the purchase and installation of a loading bridge, ramp, and ancillary equipment as part of the Soaring Beyond 2.5 million Passengers AIF Program.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	707,000	(707,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Carbon Neutral Initiatives		

Justification:

Budget is requested for carbon neutral initiatives at the Airport, which are aligned with the Airport's goal of being carbon neutral by 2030. 2025 initiatives include consultation and design for the Airport's electrification strategy, the purchase of electric equipment and infrastructure, and solar installation.

Strategic Direction:		Climate & Environment						
Year	Cost	Statutory Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Reserve/Taxation
2025	1,229,000	(1,229,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Airport - Land Development		

Justification:

Budget is requested to relocate the Airport fire training area to accommodate future development of the Airport East Lands and facilitate commercial opportunities.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	113,000	(113,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Airport Terminal Building Expansion Phase 1		

Justification:

This budget approved by Council in 2020, 2022, and 2023 is to continue the expansion of the air terminal building under the Soaring Beyond 2.5 million Passengers AIF Program.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	39,642,000	(39,642,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Combined Operations Building		

Justification:

This budget which was previously approved in 2022 and 2024, is to continue the expansion of the combined operations building under the Soaring Beyond 2.5 million Passengers AIF Program.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	11,250,000	(11,250,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Airside Lighting and Supporting Infrastructure		

Justification:

This budget is to upgrade the airfield lighting and supporting infrastructure to high intensity to further improve safety under the Soaring Beyond 2.5 million Passengers AIF Program.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	8,710,000	(8,710,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Airport - Mill Creek Flood Protection		

Justification:

Budget is requested for design and construction associated with Mill Creek at the Airport, as part of the City of Kelowna's Mill Creek Flooding Mitigation plan.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	871,000	(661,000)	—	—	(210,000)	—	—	—

2025 Capital Request Details

Service Area: Airport	Priority 1	Enhance
Title: Airport - Hotel and Parkade Enabling Works		ONE-TIME
		PRELIMINARY

Justification:

This budget, previously approved in 2022 and 2023 when the hotel and parkade subleases were approved, is to design and construct the services for the construction of the hotel and parkade.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,381,000	(3,381,000)	—	—	—	—	—	—

Service Area: Airport	Priority 1	Enhance
Title: Airport - Child Care Facility Expansion		ONE-TIME
		PRELIMINARY

Justification:

The budget to allow for the expansion of the Child Care Facility at the Kelowna International Airport was previously approved by Council in 2024. This expansion will provide an additional 24 child care spaces, helping to alleviate the significant waitlist and meet the needs of families working on the airport campus and surrounding community. The expansion is primarily funded through a grant from the BC Provincial Government's ChildCareBC New Spaces Fund and the remaining amount will be funded through the Airport's Groundside Reserve.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,550,000	(13,200)	—	—	(2,536,800)	—	—	—

► COMMUNITY SAFETY & BYLAW

LED BY: GENERAL MANAGER, PEOPLE & PROTECTIVE SERVICES

Our goal & community benefit:

Our goal is to enhance community safety and maintain community bylaw standards for all through education, engagement, coordination, compliance and collaboration. With an increasing focus on innovation and evidence-based approaches, we work to uphold community bylaws, respond to crime and social issues in our community while leading multi-disciplinary initiatives (i.e. Community Safety Plan) to reduce criminality and victimization in the future.

Our customers:

- Residents and commercial businesses
- Visitors (est. ~2M annually)
- Other stakeholders and community partners

Our partners:

We are a convener of community/governmental partners and stakeholders who are integral to community safety.

What we deliver:

We deliver a balanced approach of education, prevention, intervention and enforcement to preserve and enhance safety – and sense of safety – in our community. Bylaw Services' core mission is to maintain community standards with the aim of driving collaborative and multi-disciplinary strategies to reduce criminality, crime and victimization. Services provided include a General Duty Section to investigate complaints, a Community Response Unit providing visibility and response with partnering agencies for priority areas and issues, and the Community Safety Services Branch focused on crime prevention, crime reduction, and improving sense of safety for all who live, work and play in Kelowna.

Our key objectives:

- Preserve and enhance safety – and *sense* of safety – in our community
- Foster a predictable and respectful community for all citizens through bylaw education and compliance
- Enhance enforcement visibility, proactivity and responsiveness in priority areas, based on available data

Our guiding plans:

- Community Safety Plan

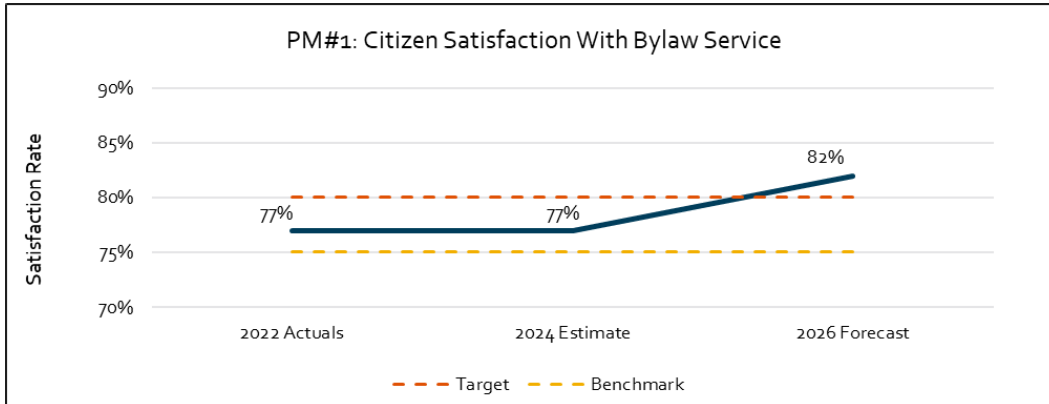


Measuring performance:

Performance measure 1

Citizen satisfaction with Bylaw Service

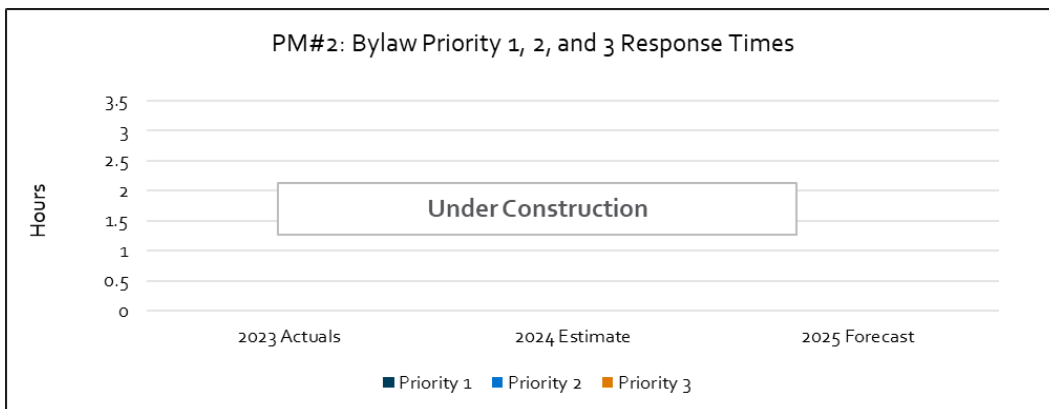
Data for this metric is collected through the bi-annual Citizen Survey. This measure helps gauge the level of community satisfaction with the type and level of services being provided by Bylaw Services. Expectations are that the satisfaction levels will increase commensurate with efforts to further resource, recruit, train and professionalize Bylaw Services.



Performance measure 2

Bylaw priority 1, 2 and 3 response times

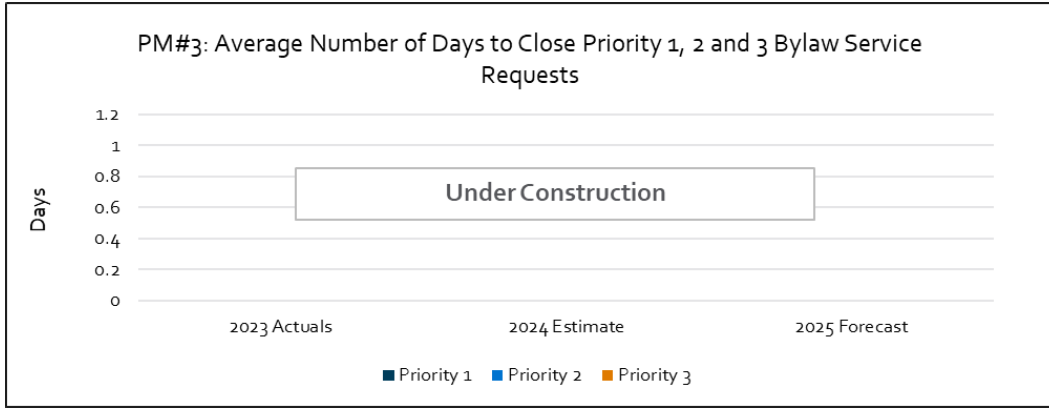
The timeliness of Bylaw Services responses to priority 1,2 and 3 calls for services is an important metric to monitor Bylaw Services Officer ability to respond to public demand and expectation of assurance to foundational community standards. Priority 1 calls are characterized as impact to public safety, and are generally related to mitigating the impact of outdoor sheltering (homelessness). Priority 2 calls are characterized as representing immediate concern for public health and safety including ensuring property (public and private) access for emergency services and may involve immediate action (i.e. towing). Priority 3 calls are nuisance related and files requiring extended times to investigate, but do not require immediate action. Continued resourcing commensurate with growth in population, service demand and emergent case law will enable maintenance of existing response times. The target for P1, P2 and P3 response times are four hours, 11 hours and 18 hours, respectively. At this point we are unable to provide accurate data given the limitations of the current record management system for Bylaw Services. The next generation system is currently in the final stages of procurement and is expected to be implemented in 2025.



Performance measure 3

Average number of days to close priority 1, 2 and 3 Bylaw Service requests

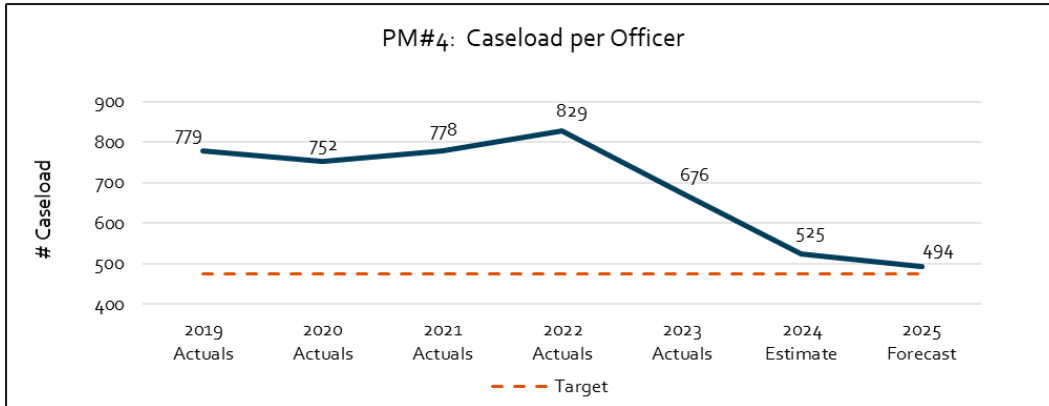
Most Bylaw Services investigations are complaint driven. Monitoring the number of hours (priority 1 and 2) or days (priority 3) to close a service request indicates the responsiveness and efficiency of service being provided to our citizens. At this point we are unable to provide accurate data given the limitations of the current record management system for Bylaw Services. The next generation system is currently in the final stages of procurement and is expected to be implemented in 2025.



Performance measure 4

Caseload (general duty, property action team and encampment response)

Caseload is defined as the number of service requests per authorized strength. This represents the workload per officer and is often a better indicator of the demand for Bylaw Service than annual calls for service or population.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • Ongoing implementation of Kelowna's first Community Safety Plan of prevention-focused strategies and actionable initiatives to reduce crime and vulnerability in our community • Continued participation in, and support for actions arising from, the Mayor's Task Force on Crime Reduction • Support for local Business Improvement Areas to reduce crime and improve sense of safety • Development and implementation of a strategy to address property crime • Continued leadership to advocate for system-based solutions to address underlying crime drivers (i.e., repeat offenders) • Continued improvement in bylaw-based strategies to mediate the public impacts of social issues while maintaining base business • Development and implementation of initiatives that respond to issues uncovered through the 2023 Community Safety Survey
Homelessness	<ul style="list-style-type: none"> • Continue to support a multi-agency effort to enable successful inclusion of housing with supports • Mitigate the public-facing impacts of visible homelessness and illegal outdoor sheltering in collaboration with enforcement, health, social service and private not-for-profit community partners
Agriculture	<ul style="list-style-type: none"> • Develop and co-lead an inter-agency (Provincial Agricultural Land Commission Compliance and Enforcement) and multi-departmental team to address long standing and emergent concerns with ALR non-compliant entities
Our People	<ul style="list-style-type: none"> • Increase individual and departmental capacity through targeted engagement strategies and enhanced training/professional leadership development • Development of initiatives that advance the physical and psychological health, safety and wellness of all CSD staff
Active Financial Management	<ul style="list-style-type: none"> • Optimize efficiency and effectiveness of resources both human and financial
Base Business	<ul style="list-style-type: none"> • Further develop and monitor performance metrics for all branches to drive actions and deliver impactful and meaningful results

2024 Key accomplishments:

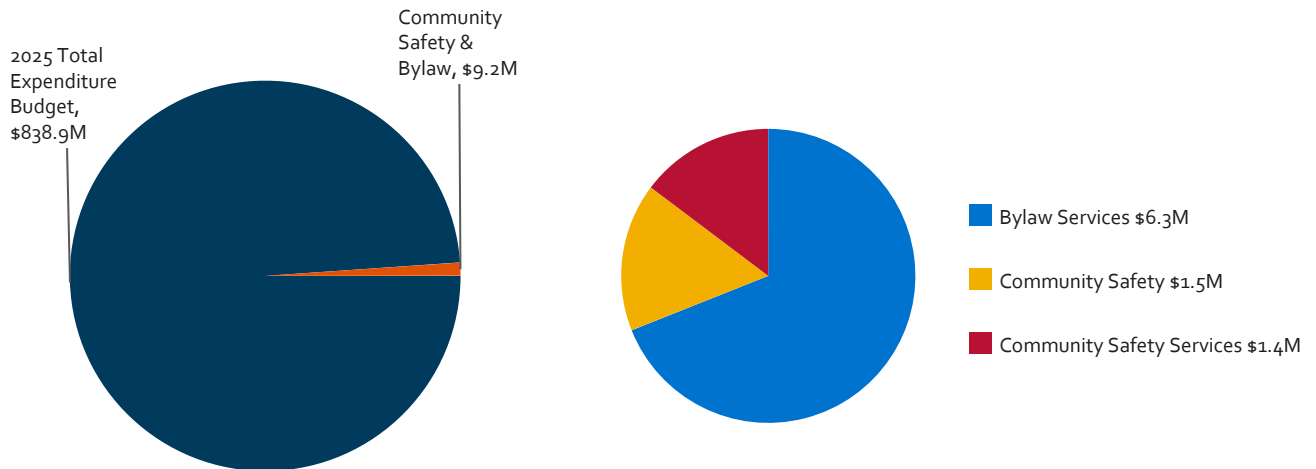
- Five Community Safety Plan (CSP) - Actions Teams have completed their work. An additional seven have been initiated and are in various stages. Second annual update presented to Council
- Supported Uptown Rutland Business Association (URBA) with the launch of their On-Call Pilot Project
- Developed and launched 'Safe in 60' video series with a focus on crime prevention in support of initiatives arising from the Mayor's Task Force on Crime Reduction to increase resident accessibility and use of crime prevention through environmental design (CPTED) principles. On track to exceed the number of 2023 audits conducted
- Reviewed and adopted new outdoor sheltering management strategies including regular and ongoing as well as significant decampment operations
- Ongoing and continued expansion of connectedness and coordination with service providers responding to the impacts of rising outdoor sheltering

Continuous improvements:

- Enhanced training and professional development
- Innovation and effectiveness through research and "best practices"
- Increasing agility and resilience to address emergent issues
- Recruiting for the needs of today and tomorrow
- Refining organizational structures and processes

Budget Overview

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$9.2M

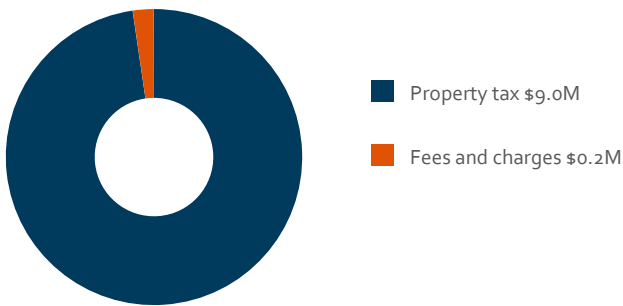
Budget needed to achieve results

Community Safety & Bylaw is a property tax funded service area. Revenues earned through bylaw fines are used to offset operating costs and reduce property taxation as much as possible.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	6,262	6,913	571	453	1,035	8,972
Fees and charges	208	229	—	(17)	—	211
Grant	1,851	442	(442)	—	—	—
Other revenue	—	—	—	—	—	—
Transfers from reserve	392	952	(952)	—	—	—
Total revenue budget	8,713	8,535	(823)	436	1,035	9,183
Expenditure budget:						
Salaries and wages	4,662	5,310	297	240	252	6,099
Material and other	2,768	2,264	(965)	122	743	2,164
Contract services	74	57	—	—	20	77
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	66	—	—	—	—	—
Enabling allocation	1,143	903	(154)	74	20	843
Total expenditure budget	8,713	8,535	(823)	436	1,035	9,183
Operating FTE positions:						
Management	5.9	4.5	0.5	—	—	5.0
Union hourly	30.4	31.1	2.0	—	1.5	34.6
Union salary	6.8	9.0	—	—	0.5	9.5
Total operating FTE positions	43.1	44.6	2.5	—	2.0	49.1

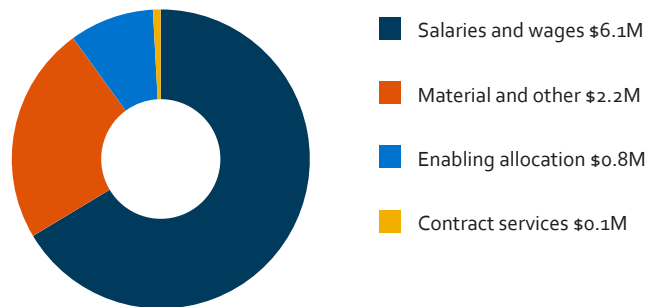
Note: Totals may not add due to rounding

Funding strategy



Total \$9.2M

Expenditure by type



Total \$9.2M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Senior Bylaw Officer	169	163	163	163	163
Kelowna Detachment & Police Services Resource	—	—	—	—	—
Review-Public Safety Levy					
Mayor's Task Force - Redeployment	—	—	—	—	—
Outdoor Overnight Sheltering	100	200	300	300	300
Bylaw Enforcement Officer (x2)	236	277	277	277	277
Operating Requests Priority 1 Total	506	640	740	740	740

2025 Capital Requests

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

2025 Operating Request Details

Service Area: Community Safety & Bylaw	Priority 1	Enhance ON-GOING
Title: Senior Bylaw Officer		PRELIMINARY

Justification:

Budget is requested for one Bylaw Services Senior Officer position to lead the expansion of front-line operations and interagency collaboration as part of the new Property Action Team in support of Council's Crime & Safety and Agriculture Priorities. This Senior Officer will also handle complex/sensitive Bylaw files, lead the Bylaw Officer Training & Development program, steward the introduction of a new Records Information Management System, and work with the Kelowna Security Operations Centre, RCMP and Community Safety Services Branch on emergent issues. Budget is also requested for one vehicle that will be moved into the capital program upon Council approval.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	169,400	—	—	—	—	—	—	(169,400)
2026	163,000	—	—	—	—	—	—	(163,000)
2027	163,000	—	—	—	—	—	—	(163,000)

Service Area: Community Safety & Bylaw	Priority 1	Enhance ONE-TIME
Title: Kelowna Detachment & Police Services Resource Review-Public Safety Levy		PRELIMINARY

Justification:

Crime & Safety are a key priority for the public and Council, alike. Policing costs across communities are increasing significantly, representing one of the City's highest operational cost centres. In 2019, an external consultant conducted a comprehensive resource review of Kelowna Police Services. This report included a five-year outlook and numerous recommendations which largely drove police and municipal employee resourcing from 2019 to 2024. Budget is requested, funded from the Public Safety Levy, to conduct a similarly critical and comparative review of existing services and resource utilization, as well as a comparative analysis of police service delivery models. The estimated cost is based upon comparable reviews in other cities.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Operating Request Details

Service Area: Community Safety & Bylaw	Priority 1	Enhance ON-GOING
Title: Mayor's Task Force - Redeployment		PRELIMINARY

Justification:

The Mayor's Task Force on Crime Reduction was established to provide community-driven recommendations aimed at reducing crime and enhancing safety. As part of the task force recommendations, redeployment of Council Initiatives budget is requested to fund the following initiatives:

- Business Improvement Area Ambassador Program
- Two-year term Community Safety Advisor
- CPTED Preparation and Principles Application
- Enhanced Restorative Justice Initiatives
- Kelowna Gospel Mission Community Workshops
- Community Social Development Grants
- Two-year term Digital Media Coordinator

Strategic Direction:	Crime & Safety							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Community Safety & Bylaw	Priority 1	Maintain ON-GOING
Title: Outdoor Overnight Sheltering		PRELIMINARY

Justification:

Additional ongoing budget is requested to address the impacts associated with the increasing number of individuals sheltering outdoors. In compliance with legal obligations to not prohibit overnight sheltering in all public spaces for unhoused individuals, the City provides designated site(s) which includes portable washrooms, wash stations, security, and other services. This funding may also support the implementation of crime prevention initiatives as well as the ongoing identification, intervention, and remediation of unauthorized overnight sheltering locations throughout the city.

Strategic Direction:	Crime & Safety							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	—	—	—	—	—	—	(100,000)
2026	200,000	—	—	—	—	—	—	(200,000)
2027	300,000	—	—	—	—	—	—	(300,000)

2025 Operating Request Details

Service Area: Community Safety & Bylaw	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Bylaw Enforcement Officer (x2)		

Justification:

Budget is requested for two Bylaw Enforcement Officers to resource a team of officers dedicated to investigate and enforce complex property-related files including, Property Standards Compliance, Short Term Rental and Business Licencing enforcement files in support of City Council's Crime & Safety priority. As the City grows and provincial legislation evolves, there are an increasing number of reactive and proactive demands requiring more effort, inter-departmental and interagency collaboration to effectively enforce.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	236,200	—	—	—	—	—	—	(236,200)
2026	277,200	—	—	—	—	—	—	(277,200)
2027	277,200	—	—	—	—	—	—	(277,200)

2025 Operating Requests (\$ thousands)

Priority 2

Description	2025	2026	2027	2028	2029
Bylaw Services Enforcement Coordinator	50	100	100	100	100
Bylaw Enforcement Officer (x2)	151	263	263	263	263
Operating Requests Priority 2 Total	201	362	362	362	362

2025 Operating Request Details

Service Area: Community Safety & Bylaw	Priority 2	Enhance ON-GOING PRELIMINARY
Title: Bylaw Services Enforcement Coordinator		

Justification:

Budget is requested for a Bylaw Services Administration Coordinator to augment the current two-person team to sustain adequate and efficient response to public citizen calls for service, provide necessary support and leadership to the front office team, and to provide administrative leadership for growing tasks (i.e., training, assets/inventory, financial and performance metric monitoring and reporting) branch-wide. As Bylaw Services continues to evolve and expand service delivery to meet operational demands in support of Council's Crime & Safety and Homelessness priorities, there has been a commensurate increase administratively. If moved to a priority 1, this request would increase taxation demand in 2025 by 0.03 per cent.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	—	—	—	—	—	—	(50,000)
2026	99,600	—	—	—	—	—	—	(99,600)
2027	99,600	—	—	—	—	—	—	(99,600)

Service Area: Community Safety & Bylaw	Priority 2	Enhance ON-GOING PRELIMINARY
Title: Bylaw Enforcement Officer (x2)		

Justification:

Budget is requested for two Bylaw Enforcement Officers dedicated to encampment response with weighted effort in Rutland in support of City Council's Crime & Safety and Homelessness priorities. As city-wide impacts of social disorder continue to increase, there is a need to have dedicated resources in specific communities where the demand is greatest, four days per week. If moved to a priority 1, this request would increase taxation demand in 2025 by 0.08 per cent.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	151,000	—	—	—	—	—	—	(151,000)
2026	262,800	—	—	—	—	—	—	(262,800)
2027	262,800	—	—	—	—	—	—	(262,800)

▶ POLICE SERVICES & RCMP

LED BY: GENERAL MANAGER, PEOPLE & PROTECTIVE SERVICES

Our goal & community benefit:

Our goal is to preserve and enhance safety – and sense of safety – in our community. We deliver 24/7 operational support services to the Royal Canadian Mounted Police (RCMP).

Our customers:

- Community residents, commercial businesses and visitors
- Other stakeholders and community partners



Our partners:

We work with community/governmental partners and stakeholders who are integral to community safety to support the provision of efficient and effective police services.

What we deliver:

Police Services provides 24/7 operational support to the RCMP as part of its mandate to ensure public safety in our community. Services include information management, frontline supports, facility operations, quality assurance and all other administrative facets necessary for effective, efficient, and responsive policing in Kelowna.

Our key objectives:

- Support the preservation and enhancement of public safety – and sense of safety – in our community
- Support longer-term evidence-based initiatives to appropriately address upstream demands on police
- Initiate and implement innovative strategies to continuously improve the overall efficiency and effectiveness of the RCMP

Our guiding plans:

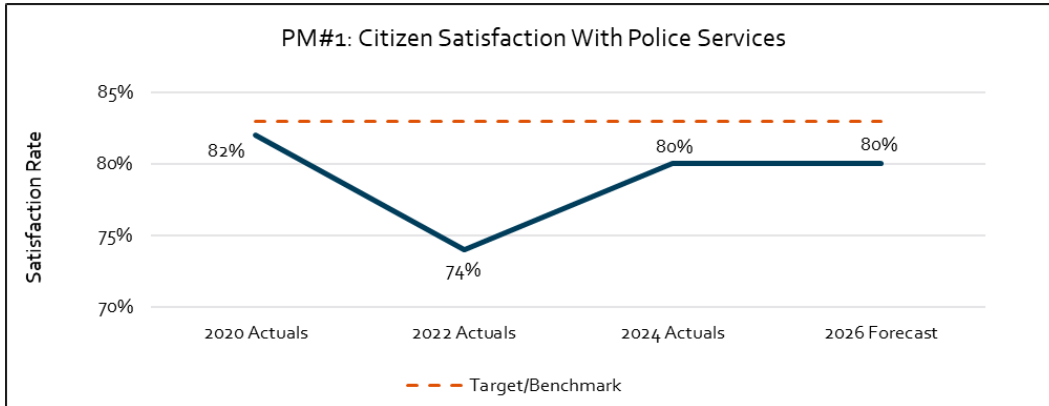
- RCMP Strategic Plan
- Community Safety Plan

Measuring performance:

Performance measure 1

Citizen satisfaction with police services

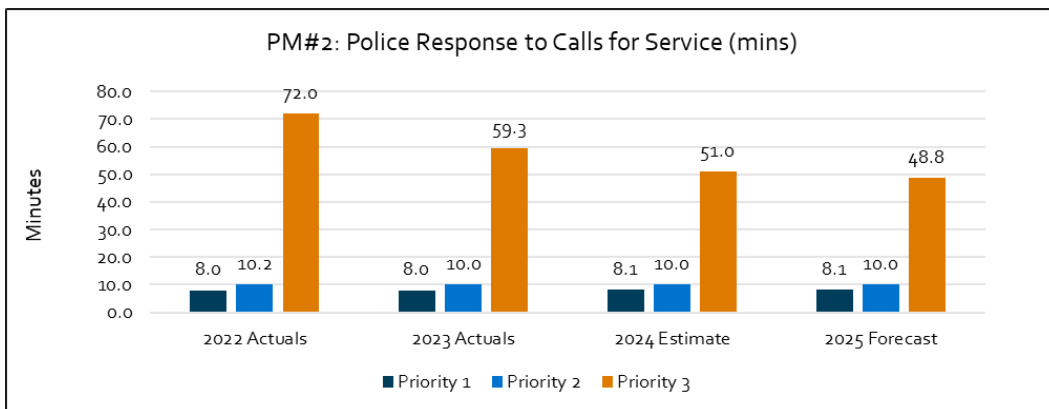
Data for this metric is collected through the bi-annual Citizen Survey. This measure helps gauge the level of community satisfaction with the type and level of services being provided by the City’s contracted police agency. Expectations are that the satisfaction levels will increase commensurate with RCMP recruitment, resourcing, efficiency, investigative effectiveness, communications, accountability, and transparency toward public trust, as well as outreach/community policing efforts. The 2024 data highlights an improvement from the 2022 actual of 74 per cent.



Performance measure 2

Police priority 1,2 and 3 response times

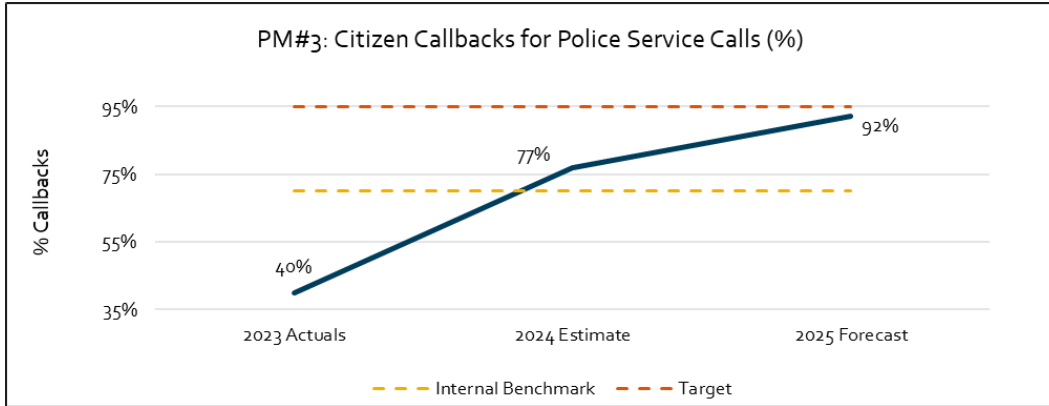
The timeliness of RCMP responses to priority 1, 2, 3 calls is an important metric to monitor police service delivery. Priority 1 calls are deemed very urgent and are typically a major incident or incident in progress that require immediate police protection. They can involve risk/loss of life and account for an estimated five per cent of all citizens calls for police service. Priority 2 calls are urgent and need to be dispatched as soon as possible as the potential for escalation of violence exists. Priority 3 calls tend to be more routine. While they do not require immediate police presence, they do need to be dispatched as soon as reasonably possible. Continued resourcing commensurate with growth in population, service demand and emergent case law will enable maintenance of existing response times. The target for P1, P2 and P3 response times are eight minutes, 10 minutes and 45 minutes, respectively.



Performance measure 3

Citizen callbacks for police service calls

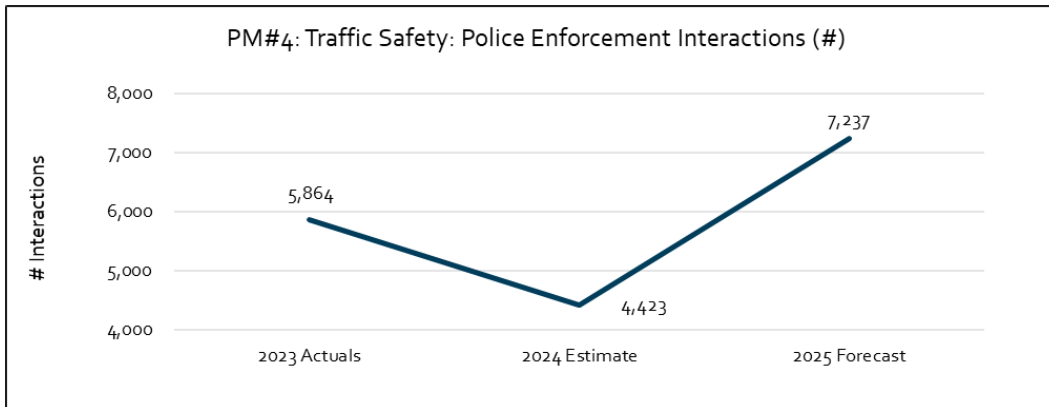
RCMP communication with complainants to follow up on service provided is an important aspect of community policing. False alarms, abandoned calls for service, online reporting, assistance outside of public safety, and failure to appear, are not specified for follow up calls while all other file types should conclude with a callback.



Performance measure 4

Traffic safety: police enforcement interactions

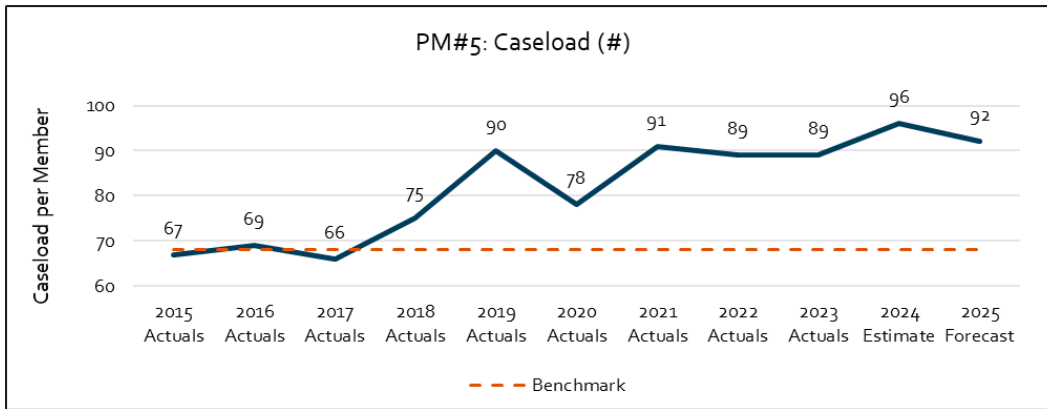
Council has prioritized the visibility of police enforcement as a key strategy to address high-risk traffic behaviours. Evidence supports that visible policing - including traffic checks - can reduce crime and traffic collisions. Enforcement activities – tracked through the issuance of violation tickets, warnings and notices/orders – are routinely reported by the RCMP to ensure accountability and alignment with traffic safety goals. However, operational demands, including resource-driven investigations, may temporarily reduce traffic enforcement capacity. Further, the need to maintain response times for P1, P2, P3 calls can affect resource allocation. Balancing operational priorities with traffic safety initiatives requires strategic resource management and flexible staffing.



Performance measure 5

Caseload

Caseload is defined as the number of criminal code offences (excluding drugs & traffic offences) per authorized strength. This represents the workload per officer and is often a better indicator of the demand for police service than crime rate or population. Kelowna’s caseload routinely surpasses other communities with population of 15k+ in BC. In 2022, Kelowna had a caseload 44 per cent higher than other communities in BC with populations greater than 15,000; eighth highest caseload.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • Advance longer-term evidence-based initiatives to appropriately address upstream demands on police • Continue to support implementation of the Community Safety Plan • Support relevant actions arising from the Mayor’s Task Force on Crime Reduction • Maintain current service levels, responsiveness, and visibility in priority areas (i.e., downtown and Rutland) • Support efforts, as feasible, to enhance prevention and community-policing based initiatives, particularly in Business Improvement Areas • In partnership with the City and stakeholders, co-develop and implement a property crime reduction strategy • Continue to develop, implement, measure and provide provincial leadership in respect to strategies to reduce the impacts of repeat offenders in our community • Continue to implement education and prevention-focused communications to increase public prevention and reporting of criminal activity
Our People	<ul style="list-style-type: none"> • Increase individual and departmental capacity through targeted engagement strategies and enhanced training/professional leadership development • Development of initiatives that advance the physical and psychological health, safety and wellness of staff
Active Financial Management	<ul style="list-style-type: none"> • Develop and implement a quarterly RCMP contract performance dashboard • Optimize efficiency and effectiveness of support services for Police Services
Base Business	<ul style="list-style-type: none"> • Further develop and monitor performance metrics for all Police Services’ units to drive actions and deliver impactful and meaningful results

2024 Key accomplishments:

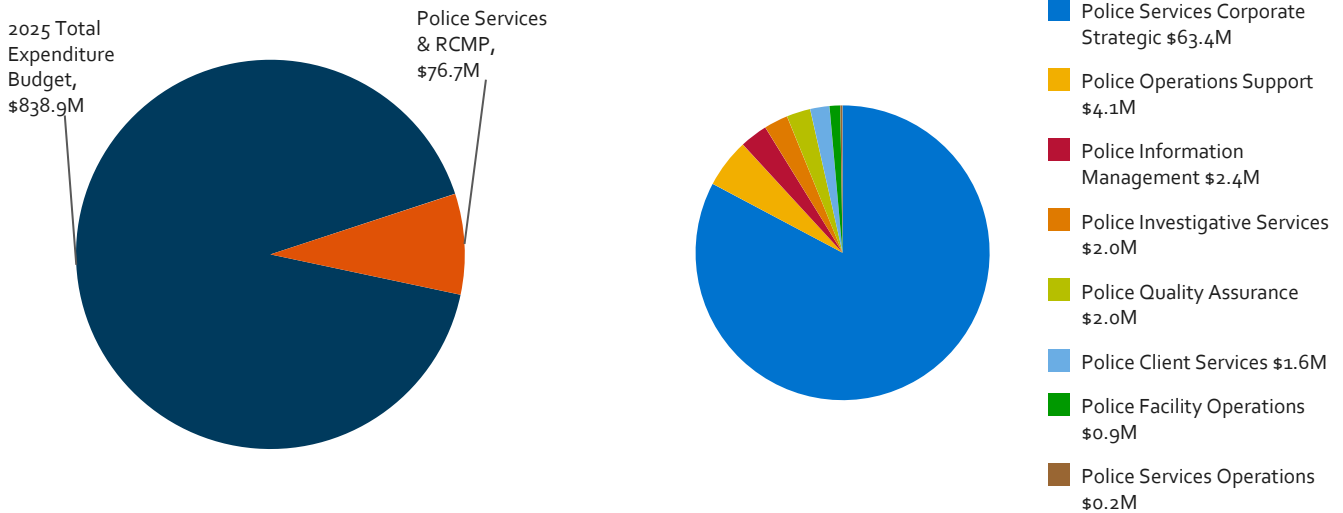
- Augmented and re-staffed specialized policing units (i.e. Traffic and Community Safety Unit)
- Enhanced and prioritized the Repeat Violent Offending Intervention initiative
- Initiated coordination of the newly adopted Auxiliary Police Program
- Optimized police resource deployments through intelligence-led operations
- Developed and adopted enhanced reporting framework
- Augmented and invested in additional Police Service support personnel
- Continued cost recovery improvements for Regional RCMP and Police resources

Continuous improvements:

- Enhance recruitment and retention efforts to increase occupancy rates
- Continued review of processes to improve efficiencies
- Adoption of technology to improve the effectiveness of internal operations (body worn cameras to be introduced)
- Increase use of data-driven hotspot policing, including traffic enforcement
- Continued improvement of community safety concerns of diverse communities
- Provincial leader in best practices for repeat offender management
- Further adopt proven crime prevention approaches in Business Improvement Areas
- Promote and support the right providers for mental health, addiction care, and housing needs
- Advance the RCMP Auxiliary and SPEED WATCH Programs in Kelowna

Budget overview:

2025 Total Expenditure Budget Breakdown



Total \$76.7M

Note: Totals may not add due to rounding

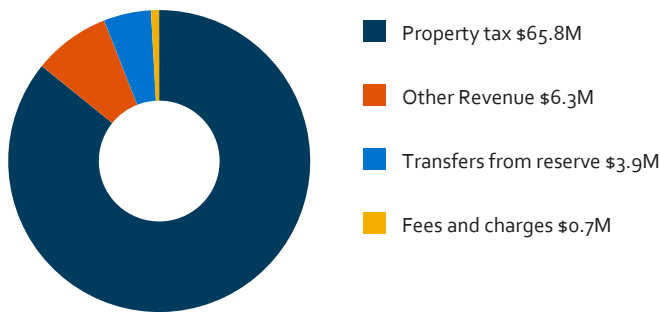
Budget needed to achieve results

Police Services and RCMP are funded through property taxes. Revenues received from the Province via the Host Local Government program (gaming revenue) helps to offset the impact on taxpayers. Additionally, reserve funding is used as a budget tool to manage anticipated surpluses from the RCMP contract; however, these reserve funds will only be utilized if the RCMP contract strength is fully met.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	57,341	59,930	400	4,664	817	65,810
Fees and charges	830	639	—	24	—	663
Grant	—	—	—	—	—	—
Other revenue	5,900	6,067	—	223	—	6,290
Transfers from reserve	7,447	—	—	3,893	—	3,893
Total revenue budget	71,518	66,635	400	8,804	817	76,655
Expenditure budget:						
Salaries and wages	7,958	7,642	(1,322)	4,335	135	10,790
Material and other	567	575	(80)	17	40	552
Contract services	53,529	51,355	2,606	3,834	473	58,268
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	—	—	—	—	—	—
Enabling allocation	9,464	7,064	(804)	617	169	7,045
Total expenditure budget	71,518	66,635	400	8,804	817	76,655
Operating FTE positions:						
Management	19.3	25.0	0.5	—	—	25.5
Union hourly	8.4	3.7	—	—	0.5	4.2
Union salary	58.2	74.5	1.0	1.5	1.0	78.0
Total operating FTE positions	85.9	103.2	1.5	1.5	1.5	107.7

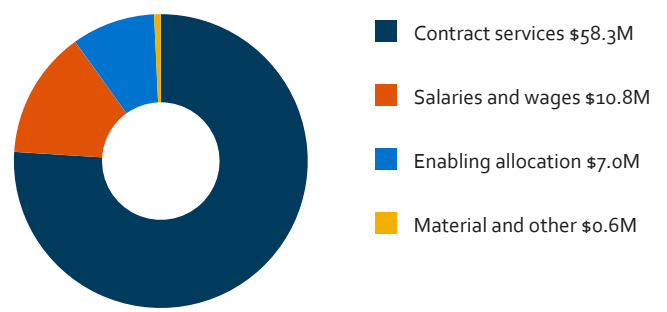
Note: Totals may not add due to rounding

Funding strategy



Total \$76.7M

Expenditure by type



Total \$76.7M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
RCMP Regular Members (7) - Public Safety Levy	—	—	—	—	—
Police Service Calls Support	147	292	292	292	292
Intelligence Analyst (Criminal) RCMP	64	236	236	236	236
Police Services Disclosure Specialist	52	104	104	104	104
Operating Requests Priority 1 Total	264	632	632	632	632

2025 Capital Requests

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

2025 Operating Request Details

Service Area: Police Services & RCMP	Priority 1	Enhance ON-GOING
Title: RCMP Regular Members (7) - Public Safety Levy		PRELIMINARY

Justification:

Budget is request for seven Regular Members, funded from the Public Safety Levy, to keep pace with rapid population growth while also advancing service delivery in support of Council's Crime & Safety Priority. Caseloads remain higher than provincial averages and are aggravated by increased workloads arising from legislative changes in the justice system, and broadening expectations to complex social issues (ie: homelessness, mental health, substance use). Kelowna RCMP remain committed to Council's vision for improved community safety through enhanced visibility, responsiveness & proactive policing. A continued commitment to resource increases beyond population growth creates conditions to deliver higher service levels and to be optimally positioned to increase community safety for all who live, work and play in Kelowna.

Strategic Direction:	Crime & Safety							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Police Services & RCMP	Priority 1	Maintain ON-GOING
Title: Police Service Calls Support		PRELIMINARY

Justification:

Budget is requested for three Records Clerks to support calls and ease pressure within the RCMP Detachment. In August 2023, an internal review of Operational Communication Centre (OCC) workload outlined that several call types (P2, P3 & P4) were being actioned by OCC counter to current policy. As these calls do not fall within their core mandate, it was directed that the Detachment assume responsibility of these calls. This additional workload has proven to be very impactful for the Information Management and Front Counter team. These additional three Records Clerks will ensure operational priorities can be met and service levels maintained.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	147,300	—	—	—	—	—	—	(147,300)
2026	292,200	—	—	—	—	—	—	(292,200)
2027	292,200	—	—	—	—	—	—	(292,200)

2025 Operating Request Details

Service Area: Police Services & RCMP	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Intelligence Analyst (Criminal) RCMP		

Justification:

Budget is requested for one Intelligence Analyst, as part of the RCMP contract, to directly impact public safety by supporting criminal investigations, deploying finite resources on people & places of greatest impact, informing crime prevention efforts & supporting operational decisions. To meet Council's Crime & Safety Priority, the four-person Crime & Intelligence Analysis Unit requires expansion of one Analyst to enhance the impact of the Unit which supports investigations and enables intelligence-led enforcement. This Unit also supports the Officer in Charge, who relies heavily on timely, accurate and analyzed data to inform policing decisions and reporting. Work includes tracking trends, providing timely data for Reports to Council, and supporting the Community Safety Services Branch as it relates to emerging and ongoing issues.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	64,100	—	—	—	—	—	—	(64,100)
2026	236,400	—	—	—	—	—	—	(236,400)
2027	236,400	—	—	—	—	—	—	(236,400)

Service Area: Police Services & RCMP	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Police Services Disclosure Specialist		

Justification:

Budget is requested for one Disclosure Specialist to mitigate the risk of non-compliance with Crown Council. The current team of two are responsible for extracting material from investigative files to create disclosure packages. Requests increased 14 per cent and turnaround times for disclosure files has doubled between 2022 to 2023 and are expected to increase further with the introduction of body worn cameras. As part of the 2016 Jordon ruling, timelines must be met as Crown Counsel will no longer approve charges until substantial disclosure is provided. Packages must be delivered to investigating members within five to seven weeks for submission; an additional Police Services Disclosure Specialist will assist in meeting the timelines imposed.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	52,100	—	—	—	—	—	—	(52,100)
2026	103,800	—	—	—	—	—	—	(103,800)
2027	103,800	—	—	—	—	—	—	(103,800)

2025 Operating Requests (\$ thousands)

Priority 2

Description	2025	2026	2027	2028	2029
RCMP Regular Members	64	236	236	236	236
Operating Requests Priority 2 Total	64	236	236	236	236

2025 Operating Request Details

Service Area: Police Services & RCMP	Priority 2	Enhance ON-GOING PRELIMINARY
Title: RCMP Regular Members		

Justification:

The cost of an additional RCMP member requested funded from taxation. If moved to a priority 1, this request would increase taxation demand in 2025 by 0.03 per cent.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	64,100	—	—	—	—	—	—	(64,100)
2026	236,400	—	—	—	—	—	—	(236,400)
2027	236,400	—	—	—	—	—	—	(236,400)

▶ FIRE SAFETY

LED BY: GENERAL MANAGER, PEOPLE & PROTECTIVE SERVICES

Our goal & community benefit:

Our goal is to provide effective fire protection and public safety services to all areas of the City of Kelowna. This includes fire suppression and rescue, fire prevention, fire safety inspections, public education, fire training, first medical responses, hazardous material response, specialty rescue, pre-incident planning, dispatch and emergency management.

Our customers:

- Residents of Kelowna and visitors to the community (Suppression Branch)
- Commercial and multi-family development proposals (Fire Prevention Branch)
- Fire departments across five regional districts (Dispatch)

Our partners:

We work with local government, community groups, citizens and volunteers to provide public safety services.

What we deliver:

Kelowna Fire Department (KFD) provides a number of services to the City of Kelowna and to the region. Along with fire suppression and rescue, we provide inspection services and input into new developments. Our dispatch centre serves over 70 fire departments across six regional districts. KFD specialty teams provide technical rescue, including high angle, tower crane, swift water, marine rescue and hazmat response across the Central Okanagan. In addition, KFD oversees the regional Emergency Program and hosts the region’s Emergency Operations Centre.

Our key objectives:

Provide life safety for the residents of the City of Kelowna through fire suppression, rescue, dispatch, training, inspections, and public education.

Our guiding plans:

- 2016-2030 KFD Strategic Plan

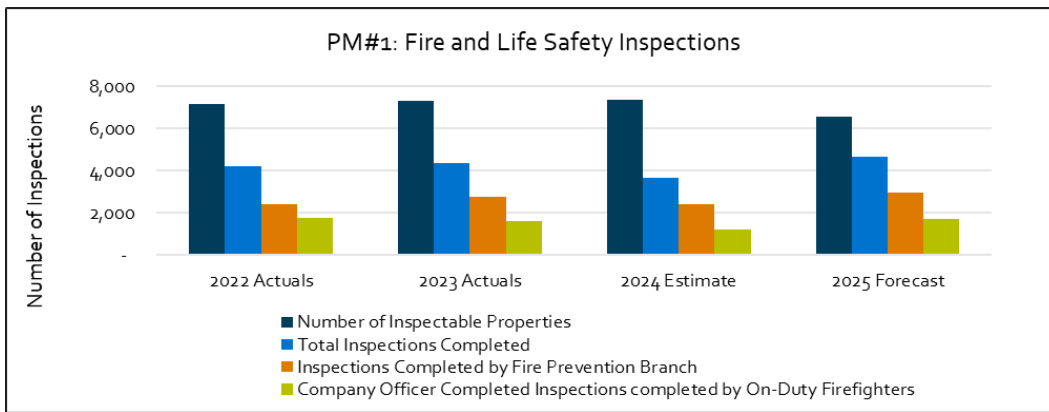


Measuring performance:

Performance measure 1

Fire and life safety inspections

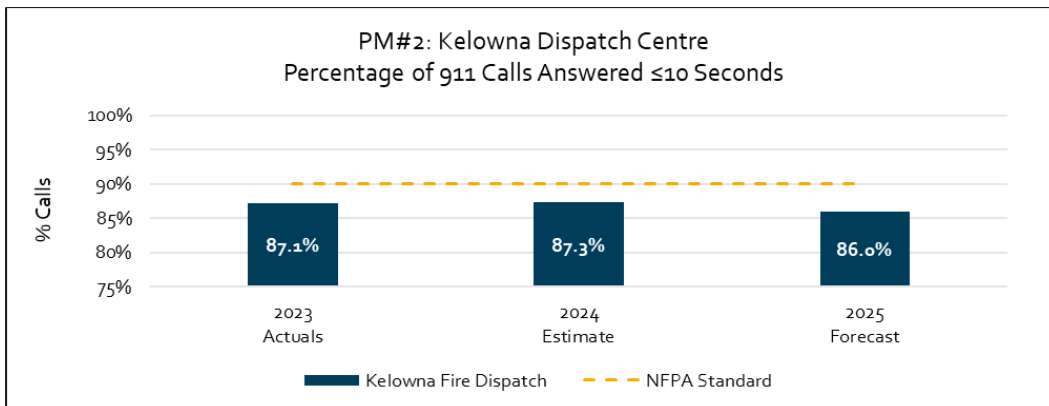
Company inspections are completed by on-duty firefighters from each station. The target is to complete 2,400 inspections across five stations. As on-duty crews see an increase in call volume, their capacity to complete inspections is reduced, increasing the backlog of inspections. Revisions to the Fire Safety Act from the Province in August 2024, will have a positive impact on the number of inspections to be completed. The reduction in inspections will come in the way of a risk-based inspection interval along with a self-assessment form for building owners, transferring some of the workload over to a more administrative role. However, based on growth and development as well as an increase in other duties/responsibilities such as fire investigation, fire incident pre-plans, and public education, inspections will continue to suffer. Even based on the anticipated reduction of inspections to be completed in 2025, it is still predicted KFD will not be able to complete all the required inspections.



Performance measure 2

Kelowna dispatch centre percentage of 911 calls answered

The percentage of dispatch incidents answered within 10 seconds is based on the National Fire Protection Association (NFPA) standard. According to the NFPA standard, not all emergency calls should be included in this metric, as certain calls are exempt, such as technical rescues, hazardous material incidents, or those with mitigating circumstances like language barriers or large-scale disasters. Currently, exempted calls are included in the metric calculation, which significantly impacts percentages during large-scale events.



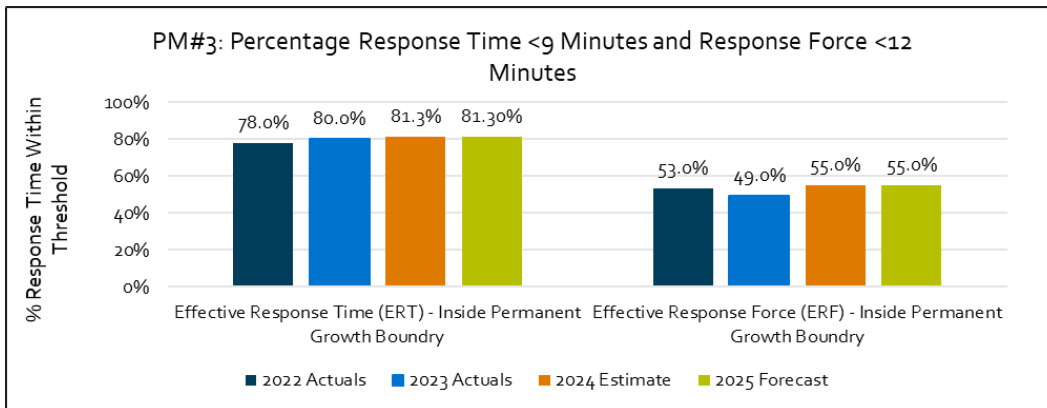
Performance measure 3

Effective Response Time (ERT)

Effective response time refers to how quickly the Kelowna Fire Department (KFD) can arrive at the scene of an emergency after being dispatched. The KFD has set specific goals for response times and resource allocation based on the type and severity of the incident and the location. Within the Permanent Growth Boundary (PGB), the goal is for the first fire truck to arrive within seven minutes and 40 seconds, 90 per cent of the time, for all types of emergencies. For areas outside the PGB, the goal is for the first fire truck to arrive within 11 minutes and 40 seconds, 90 per cent of the time. These goals ensure that the KFD can provide timely and effective responses to emergencies, enhancing safety and protection for the community.

Effective Response Force (ERF)

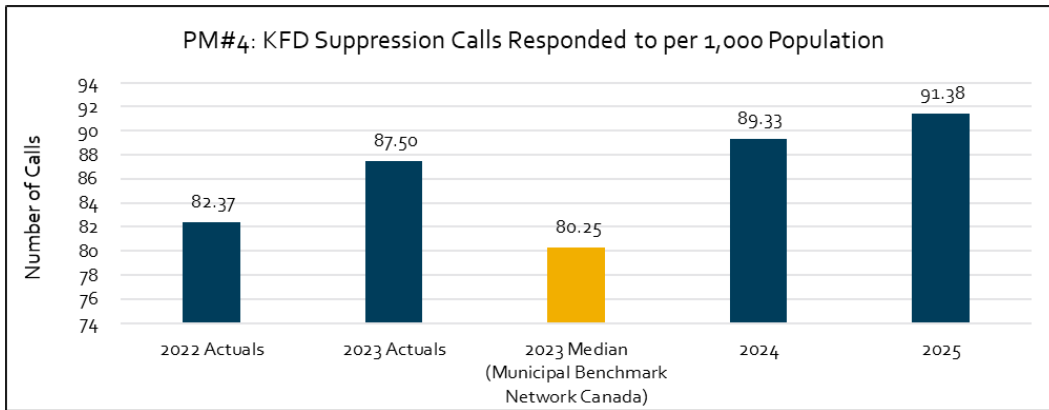
Kelowna Fire Department (KFD) Strategic Plan identifies the Effective Response Force (ERF) as the ability of the KFD to quickly assemble three fire engines and one Incident Commander, with a total of 13 personnel on scene, to a residential house fire to ensure effective firefighting and rescue operations. A typical residential fire response should ideally include at least 14-15 firefighters who perform essential tasks like fire attack, search and rescue, ventilation, water supply, and command. This staffing level is crucial for managing fires safely and efficiently, protecting lives and property, and ensuring that all critical tasks can be performed simultaneously without overburdening any single team. An adequate ERF allows the fire department to respond promptly and effectively to emergencies, thereby keeping the community safe.



Performance measure 4

KFD suppression calls responded to

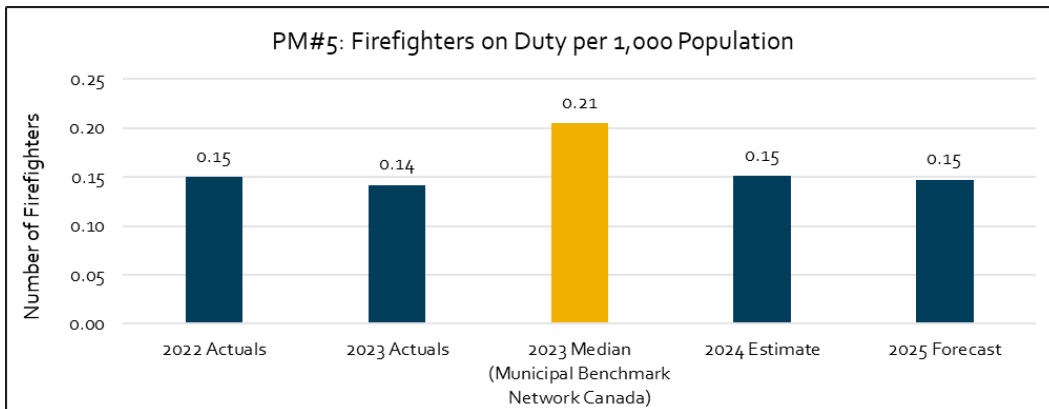
KFD responded to 14,183 calls in 2023 and population was 162,095. This is 87.5 calls per 1,000 population in 2023 with future years showing growth in both population and incidents.



Performance measure 5

Firefighters on duty

KFD had 23 firefighters on duty in 2023 with a population of 162,095 and that has increased to 25 firefighters on duty by mid 2024.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Continued participation in the Property Safety Compliance Team and other opportunities to integrate with partnering agencies such as police and bylaw Continued improvement of Effective Response Force (ERF) – the ability to quickly assemble three fire engines and one Incident Commander, with a total of 13 personnel on scene, to a residential house fire to ensure effective firefighting and rescue operations
Homelessness	<ul style="list-style-type: none"> Engage with other stakeholders on safety for those experiencing homelessness, including fire safety education
Climate & Environment	<ul style="list-style-type: none"> Continued focus on Wildland Urban Interface (WUI) response, including education around FireSmart KFD has partnered with UBCO on the Okanagan Wildfire Lab to advance wildfire research and training to enhance wildfire resilience and management
Our People	<ul style="list-style-type: none"> Continued focus on wellness initiatives to ensure a safe and healthy working environment
Digital Transformation	<ul style="list-style-type: none"> Working with GIS to improve mapping for major events, including interactive tools to share information real time Implementation of drones to support response Use recommendations of Master Plan to better use data to make informed decisions and set benchmarks The Okanagan Wildfire Lab project uses AI-powered sensors to help KFD improve fire monitoring and response
Active Financial Management	<ul style="list-style-type: none"> Continue to review long term capital plans including fleet to ensure the best use of capital for mid to long term needs

2024 Key accomplishments:

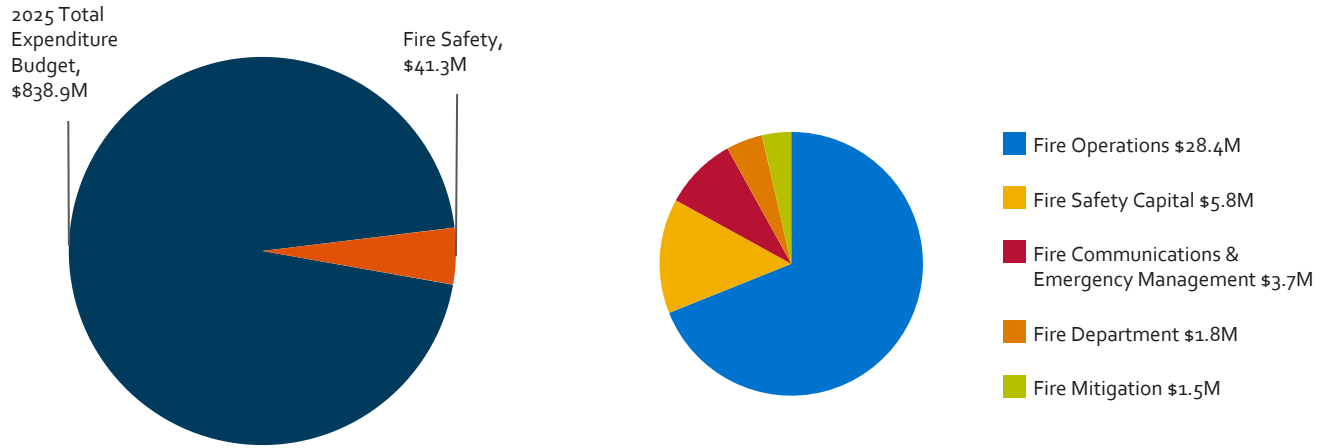
- Creation of KFD Facilities Master Plan, including benchmark and demand forecast analysis
- North Glenmore Emergency Response and facility planning
- Improved Effective Response Force with two additional firefighters at Fire Station 2 operating one squad downtown to improve Effective Response Time for the downtown core
- Introduction of a new Regional Marine Rescue Vessel to serve the regional rescue program
- Creation of the Wildfire Mitigation Branch with one full-time Captain, which has successfully improved the impact of FireSmart initiatives and enhanced community resilience against wildfires in Kelowna
- Addition of a new Incident Command Trailer to be utilized by Fire, Police, and Bylaw for large, complex emergency events
- Investment in training and equipment specifically for wildland-urban interface events, including Structure Protection Trailers, Engine Boss, Task Force Leader, and hands-on crew training
- Continued implementation within Dispatch of NG911

Continuous improvements:

- Modernization of the KFD Strategic Plan to provide a benchmark for the department across all services, staffing, and facilities
- Continued focus on specialized training, with an emphasis on responder safety
- Development of a long-term strategy specific to Fire Dispatch that includes the impacts of NG911
- Expansion of the Wildfire Mitigation and FireSmart Initiatives for Kelowna residents and communities
- Continued enhancement of Wildfire Training and equipment
- Expansion of Firefighter Live Fire Training and Fire Officer development program
- Improvements in Effective Response Force and Effective Response Time

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$41.3M

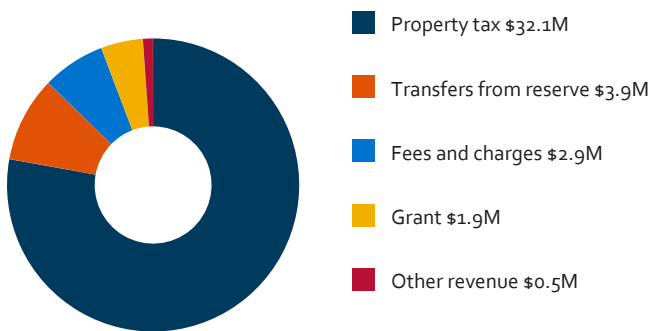
Budget needed to achieve results

Fire Safety is funded through property taxes. The City also provides Dispatch Services to several regional districts across the province, creating operational efficiencies that lower dispatch costs for Kelowna taxpayers and help reduce the overall tax burden. Annual reserve contributions are made to mitigate the financial impact of significant capital purchases.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	28,531	30,354	(458)	2,010	214	32,120
Fees and charges	3,938	2,795	—	72	—	2,867
Grant	156	2,862	(2,853)	1,908	—	1,917
Other revenue	453	444	—	20	—	464
Transfers from reserve	1,585	3,276	(3,276)	1,193	2,700	3,893
Total revenue budget	34,662	39,732	(6,587)	5,204	2,914	41,262
Expenditure budget:						
Salaries and wages	24,861	26,065	375	1,832	126	28,398
Material and other	1,850	1,905	(249)	118	—	1,774
Contract services	276	206	—	10	—	216
Debt service	—	—	—	—	—	—
Capital expenditure	1,672	5,923	(5,923)	3,098	2,700	5,798
Transfers to reserve	1,647	1,586	—	(175)	—	1,412
Enabling allocation	4,356	4,046	(790)	321	88	3,665
Total expenditure budget	34,662	39,732	(6,587)	5,204	2,914	41,262
Operating FTE positions:						
Management	7.2	7.0	—	—	—	7.0
Union hourly	1.6	1.7	—	—	—	1.7
Union salary	154.3	145.5	3.5	2.5	—	151.5
Total operating FTE positions	163.1	154.2	3.5	2.5	—	160.2

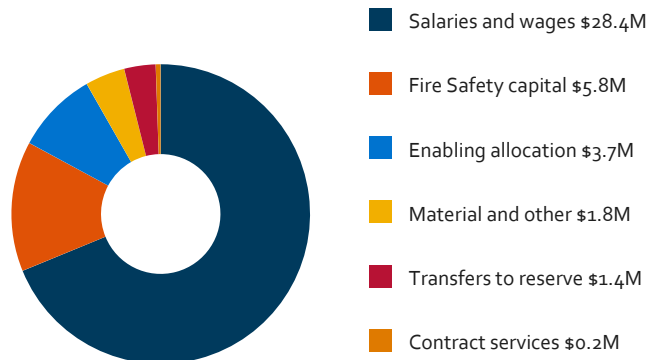
Note: Totals may not add due to rounding

Funding strategy



Total \$41.3M

Expenditure by type



Total \$41.3M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Firefighters (4) - Public Safety Levy	—	—	—	—	—
Assistant Fire Training Officer	99	176	176	176	176
KFD Live Fire Training	126	126	—	—	—
Operating Requests Priority 1 Total	225	302	176	176	176

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Fire Communications Systems	102	850	552	11	11
Fire Vehicles & Equipment	1,091	854	204	3,717	2,806
Projects					
	Total Project				
NG911 Implementation	3,810	1,905	1,905	—	—
Glenmore Protective Services Building	39,000	2,700	9,450	12,150	14,700
Capital Request Priority 1 Total	42,810	5,798	13,059	12,906	2,817

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Fire Safety	Priority 1	Maintain ON-GOING
Title: Firefighters (4) - Public Safety Levy		PRELIMINARY

Justification:

Budget is requested for four firefighters, including incidental costs, funded from the Public Safety Levy. Incidents are forecasted to reach 17.8k by 2028 and population is expected to continue to grow. With current resources, the Kelowna Fire Department (KFD) is meeting its Incident Response Time target (nine minutes) 81.3 per cent of the time and it's Effective Response Force (ERF) time target (12 minutes) 55 per cent of the time. The staffing plan for KFD is to build minimum on-shift staffing over time to improve both Response Time and Effective Response Force time.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Fire Safety	Priority 1	Maintain ON-GOING
Title: Assistant Fire Training Officer		PRELIMINARY

Justification:

Budget is requested to add one Assistant Training Officer to address increasing training demands due to significant staffing growth. It is essential to ensure that all firefighters receive comprehensive and timely training, enhancing their proficiency in core skills and specialized disciplines. This staffing change will help maintain high training standards, reduce safety risks, and improve firefighter morale and retention. This addition is anticipated to reduce overtime expenses within the department.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	99,000	—	—	—	—	—	—	(99,000)
2026	176,200	—	—	—	—	—	—	(176,200)
2027	176,200	—	—	—	—	—	—	(176,200)

2025 Operating Request Details

Service Area: Fire Safety	Priority 1	Enhance ON-GOING PRELIMINARY
Title: KFD Live Fire Training		

Justification:

Budget is requested to send firefighters to the North Okanagan Training Centre for one day of live structural fire training. This type of training is important for members to ensure the highest level of safety and is required by section 32 of the Worksafe BC regulation, appropriate to the type of rescue or evacuation being provided. The National Fire Protection Association (NFPA) 1700 standard states that hands-on training should be provided to support the new policies, procedures, and guidelines and skills should progress from basic concept application to live-fire, multi-company drills. NFPA 1710 states members shall practice assigned skill sets on a regular basis but not less than annually. Cost includes facility rental, shift coverage overtime, and gear cleaning for approximately 130 operational firefighters.

Strategic Direction:

Other

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	126,000	—	—	—	—	—	—	(126,000)
2026	126,000	—	—	—	—	—	—	(126,000)
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Fire Safety	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Fire Communications Systems		

Justification:

Budget is requested for this annual program for fire communications systems for the replacement of old communication equipment that is beyond its' service life, or the purchase of new communication equipment to meet current needs, or regulatory changes.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	102,000	(102,000)	—	—	—	—	—	—

Service Area: Fire Safety	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Fire Vehicles & Equipment		

Justification:

Budget is requested for this annual program for fire vehicles and equipment for the replacement of old equipment/vehicles that are beyond its' service life, or the purchase of new equipment/vehicles to meet current needs, or regulatory changes.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,091,000	(1,091,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Fire Safety	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: NG911 Implementation		

Justification:

The Union of BC Municipalities provided multi-year grant funding for the Next Generation 9-1-1 (NG 9-1-1) project to the City of Kelowna. Budget is requested to support all costs related to the mandatory transition to NG 9-1-1 technology by 2025. The provincial government delayed the date to 2025 as Canadian Radio-television and Telecommunications (CRTC) requirements were not finalized.

Strategic Direction:	Digital Transformation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,905,000	—	—	—	(1,905,000)	—	—	—

Service Area: Fire Safety	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Glenmore Protective Services Building		

Justification:

Budget is requested for design and construction of the Glenmore Protective Services Building on John Hindle Drive. The scope includes new fire hall facilities, protective services training facilities, associated site works, the demolition of the of current Fire Hall #5 and it's eventual return to agricultural use.

Strategic Direction:	Crime & Safety							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,700,000	(2,700,000)	—	—	—	—	—	—

► WASTEWATER UTILITY

**LED BY: GENERAL MANAGER,
INFRASTRUCTURE**

Our goal & community benefit:

Protect Okanagan Lake, human health and our environment through efficient collection and effective treatment of wastewater. Without treatment, we expose Okanagan Lake to unnatural levels of nutrients and toxins, threatening public health, wildlife habitats, fisheries, tourism and recreation.

Our customers:

- All citizens, businesses and visitors to Kelowna
 - Residential
 - Commercial (e.g., restaurants, hotels)
 - Industrial (e.g., breweries, wineries, food producers)
 - Institutional (e.g., hospitals, schools)



Our partners:

- Surrounding communities, including First Nations.
- Research from the University of British Columbia, consultants, and the National Benchmarking Initiative.
- Government agencies include Environment Canada, BC Centre for Disease Control, City of Vernon, and the Province.
- Biosolids customers, including the OgoGrow Composting Facility and the Ingerbelle Compost Facility.

What we deliver

- The City collects, on average, 37 million litres of water per day (ML/d), and routes it through over 650 km of buried mains by gravity and 44 sanitary lift stations to the wastewater treatment plant
- We operate a wastewater treatment facility that filters, removes nutrients and disinfects the finished product into a final high-quality effluent. The effluent is used for irrigation or immediate safe release to Okanagan Lake
- Many of the major components in the wastewater system are resilient to climate change and have redundancy in their backup processes that allow for quick repair while maintaining full time operation
- We have highly trained professional staff to reliably service the needs of a growing City 24 hours a day and 365 days per year
- We deliver competitive rates in comparison to other communities in the country

Our key objectives:

- Collecting wastewater from all urbanized areas of the City and route it safely to the wastewater treatment facility
- Effectively filter, treat and disinfect all wastewater to protect public health, the environment and Okanagan Lake
- Assure that policies are consistent across the valley to prevent discharge of sanitary wastewater to Okanagan Lake
- Sustain investment, resources and trained professional staff to service the needs of a growing city reliably for 24 hours a day and 365 days per year
- Rates that reflect these objectives, a reasonable Level of Service, and that are competitive with other communities

Our guiding plans:

- Kelowna's Water Security & Responsibility Plan (draft)
- 20-year Servicing Plan
- 10 Year Capital Plan
- 2040 Official Community Plan

Measuring performance:

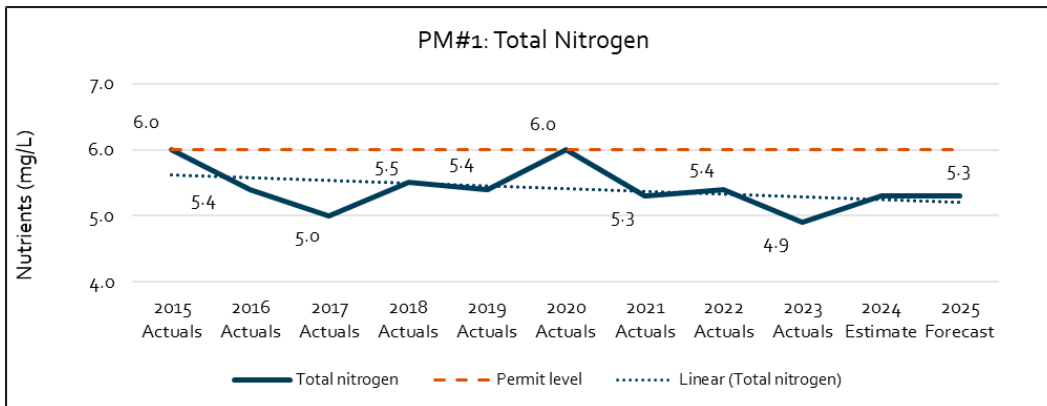
Treatment Capacity and Effectiveness

The City of Kelowna’s wastewater treatment process effectively removes or reduces nutrients, toxins, soaps and other sanitary elements from being introduced to Okanagan Lake. Two of the more important elements we measure in our treated effluent are nitrogen and phosphorus. While nitrogen and phosphorus levels in Okanagan Lake are naturally low, higher nutrient levels in areas of the lake are the result of untreated wastewater and agricultural runoff. Extreme levels can lead to increased risk of algal blooms and lower oxygen levels for fish and plants, resulting in poor quality water for drinking water and recreation. Effective wastewater treatment reduces these risks.

Performance measure 1

Wastewater treatment total nitrogen annual average

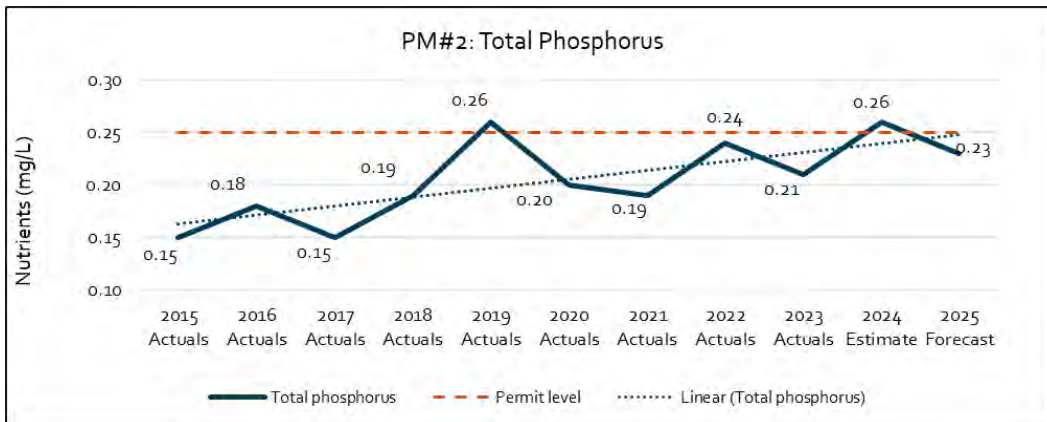
This measure is the annual total nitrogen discharge to Okanagan Lake from the wastewater treatment facility. The annual average permit limit is 6.0 mg/l as regulated by the Ministry of Environment and Climate Change. Continued limit exceedances will require process changes or upgrades at the plant.



Performance measure 2

Wastewater treatment total phosphorus annual average

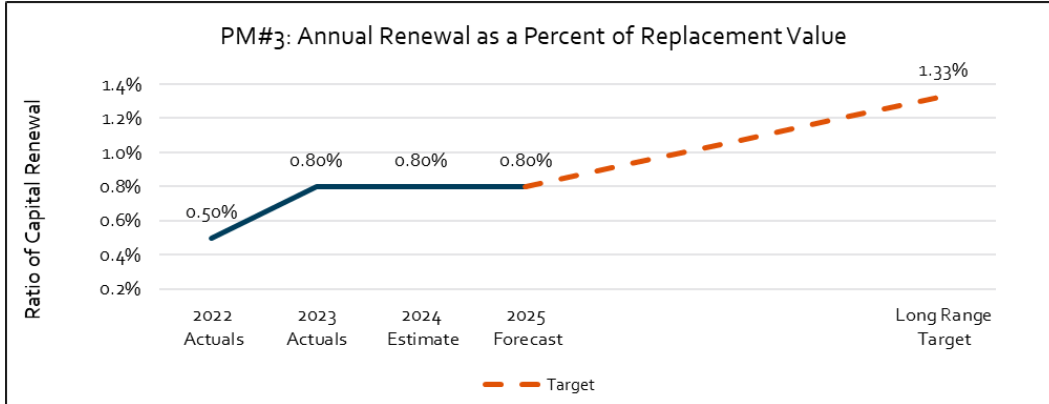
This measure is the annual total phosphorus discharge to Okanagan Lake from the wastewater treatment facility. The annual average permit limit is 0.25 mg/l as regulated by the Ministry of Environment and Climate Change. Continued limit exceedances will require process changes or upgrades at the plant.



Performance measure 3

Wastewater utility is sustainably funded

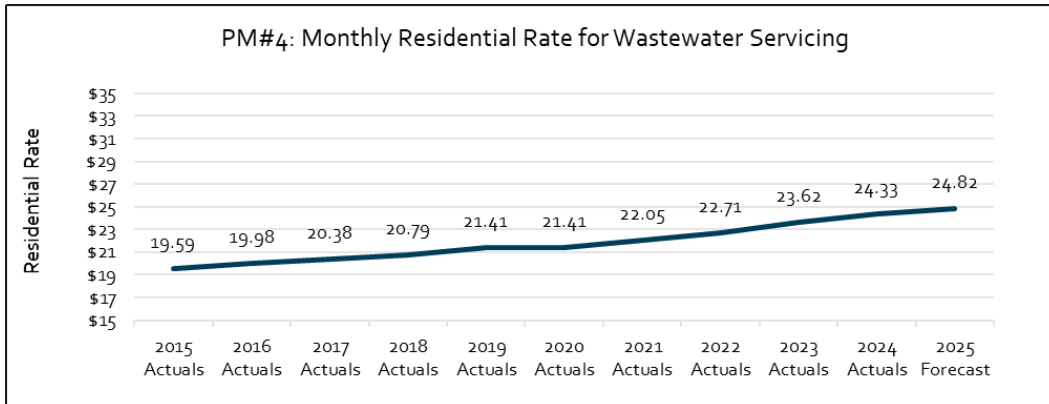
Identifies the ratio of capital reinvestment (renewal) divided by the current year estimated replacement value of infrastructure. Measure is in per cent. 0.8 per cent implies renewal rate would take 125 years to renew existing infrastructure. The long run target should range from 1.2 per cent to 1.5 per cent (67 to 83 year average infrastructure life). The current renewal rate is adequate given the relatively young age of the assets, but renewal will need to increase in the longer term as the system ages.



Performance measure 4

Residential rates are competitive

Residential rates are competitive with other communities. Kelowna has one of the lowest wastewater rates within the valley. The average monthly rate among other communities in the Interior of B.C. is \$43.32 (Vernon, West Kelowna, Lake Country, Penticton, and Kamloops).



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Increased security measures at utility infrastructure to protect citizens utility investment
Affordable Housing	<ul style="list-style-type: none"> Efficient and affordable wastewater service contributes to overall housing affordability
Climate & Environment	<ul style="list-style-type: none"> Ongoing involvement with Provincial and Federal bodies, gathering and evaluating data for facility effluent and its effects on public health and the environment Continued teamwork with other municipalities reviewing facility operations and discussing optimization of similar facilities
Our People	<ul style="list-style-type: none"> Every three years there is a confidential online employee engagement survey which is the first step in creating and fostering a workplace that offers purpose and inspires staff to achieve their best Utility leaders actively pursue and support staff training and development Ensure that all certified staff receive adequate training to maintain Provincial required certifications
Digital Transformation	<ul style="list-style-type: none"> The team continues working towards the creation of online forms and data sheets which will streamline data entry and allow for easier information transfer for operational optimization Working with other groups within the City, the utility is supporting development of a central data warehouse which will allow users to have easier access to data for operations, modeling, and development. This project is slated for completion in late 2024. 2025 will see early implementation. CityWorks information is being used to create dashboards, these dashboard will eliminate repetitive and redundant work while supplying needed information across the organization.
Active Financial Management	<ul style="list-style-type: none"> Continued work on alignment of utility operational budgets between different utility work groups allowing for a clearer view of operational spending and increased transparency for financial reporting Work continues on the development of dashboards linking operational and financial information to provide easy one stop for utility updates and information Continue to improve use of benchmarking for effective operations through ongoing participation in the Canadian Infrastructure Benchmarking Initiative
Base Business	<ul style="list-style-type: none"> Efficient, effective wastewater collection and treatment, protecting the public health and the environment and increasing effluent reuse Continue with effective renewal of end-of-life infrastructure

2024 Key accomplishments:

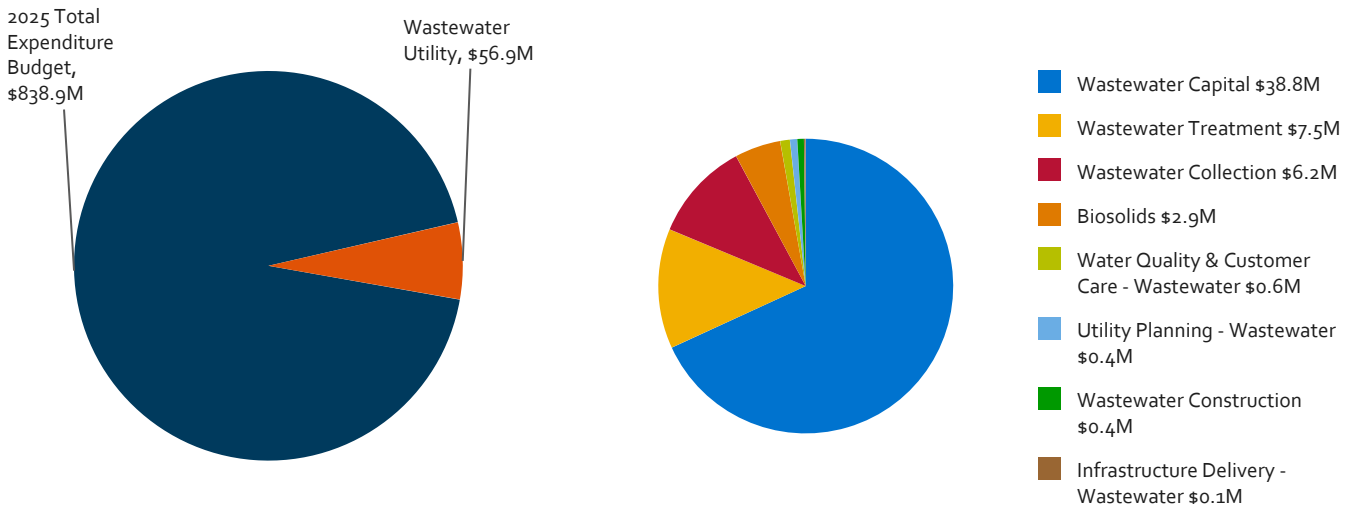
- Continued community outreach and educational opportunities to inform customers about wastewater collection and treatment and the direct impact actions have on the utility, public health, and the environment
- Operational projects will be completed or are on-track for completion
- Environmental Operator Certified staff met all their continuing education required for Provincial Certification
- Added new collection mains and sewer connections for 31 residences previously on septic treatment in the Rio Drive/Terrace Drive area
- Completed the Burtch transmission relining project, the complete re-lining of 2.7 km of failing concrete sewer main from Enterprise Way to Byrns Road
- Allowed discharge of treated effluent from the District of Lake Country in the Jim Bailey Industrial Area
- Addressed urgent need to provide interim effluent disposal from an agricultural processor in the Regional District of Central Okanagan service area to support local agriculture

Continuous improvements:

- Utility staff are continually increasing levels of knowledge and using outreach opportunities to help keep them in tune with the latest treatment, collection and disposal of wastewater liquid and solids
- We are future focused and closely monitor our developing community and impacts of climate change and how those can affect the utility
- Increased nutrient loading at the treatment facility is still under review, this situation is not isolated to Kelowna and is being experienced at many other locations. Discussions and further exploration to address this issue are planned for 2025

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$56.9M

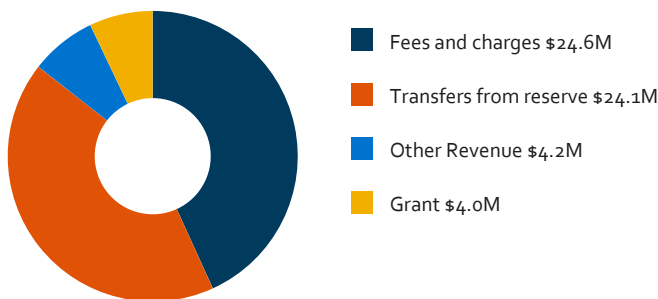
Budget needed to achieve results

The Wastewater Utility operates under a separate, self-sustaining fund. Any unused revenue generated each year is allocated to accumulated surplus and used to fund future wastewater infrastructure investments. The Wastewater Utility contributes \$980 thousand annually to the general fund to support enabling services and offset property taxes.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	—	—	—	—	—	—
Fees and charges	22,992	23,433	—	1,159	—	24,592
Grant	3,789	5,012	(4,850)	(49)	3,917	4,030
Other revenue	4,657	6,408	(2,972)	681	75	4,193
Transfers from reserve	10,621	29,254	(29,185)	4,381	19,656	24,106
Total revenue budget	42,059	64,108	(37,007)	6,172	23,648	56,921
Expenditure budget:						
Salaries and wages	4,858	6,039	1	257	87	6,384
Material and other	7,591	7,893	(643)	23	430	7,704
Contract services	808	735	(34)	2	—	703
Debt service	988	1,026	—	(186)	—	840
Capital expenditure	18,388	46,799	(46,799)	4,500	34,289	38,789
Transfers to reserve	4,700	742	33	820	(75)	1,520
Enabling allocation	788	874	—	107	—	980
Total expenditure budget	38,121	64,108	(47,442)	5,524	34,732	56,921
Operating FTE positions:						
Management	5.3	5.2	—	—	—	5.2
Union hourly	39.4	44.1	—	—	1.0	45.1
Union salary	5.3	7.4	—	—	—	7.4
Total operating FTE positions	50.0	56.7	—	—	1.0	57.7

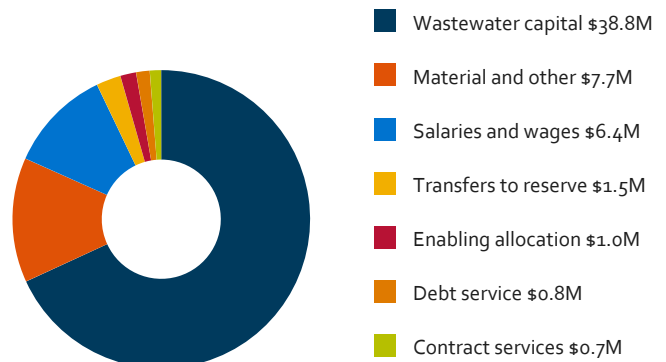
Note: Totals may not add due to rounding

Funding strategy



Total \$56.9M

Expenditure by type



Total \$56.9M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Wastewater Collection Operations - Growth	26	26	26	26	26
Wastewater Treatment Planning	325	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	92	176	176	176	176
Operating Requests Priority 1 Total	443	202	202	202	202

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Wastewater Network & Facilities	4,637	5,488	9,950	8,707	8,086
Wastewater Treatment	4,500	4,250	3,000	2,000	2,000
Projects					
	Total Project				
Frost Rd Upgrades (with utilities)	100	100	—	—	—
Hydro-Vac Disposal Facility	2,500	250	1,000	1,250	—
KLO Bridge Replacement (with utilities)	1,000	800	200	—	—
Sewer Connection Areas	25,196	6,958	2,981	380	—
Wastewater System Upgrades	41,775	19,794	11,764	1,600	300
WWTF Expansion	40,000	500	500	1,000	10,000
* Wastewater Vacuum Truck and Building	1,250	1,250	—	—	—
Capital Request Priority 1 Total	111,821	38,789	26,183	17,180	20,386

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Wastewater Utility	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Wastewater Collection Operations - Growth		

Justification:

The City of Kelowna's Wastewater collection system consists of 44 lift stations and over 650 km of pipes that service approximately 95 per cent of the Kelowna population. As the City grows, additional operation and maintenance budget is requested to maintain this 24 hour/day, 365 days/year service level.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	25,700	—	—	—	—	—	(25,700)	—
2026	25,700	—	—	—	—	—	(25,700)	—
2027	25,700	—	—	—	—	—	(25,700)	—

Service Area: Wastewater Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Wastewater Treatment Planning		

Justification:

Wastewater treatment protects Okanagan Lake and public health by preventing untreated wastewater from contaminating freshwater sources. To ensure the City is ready for future growth, budget is requested to update the Wastewater Master Plan and to complete a facility asset management assessment on the Brandt's Creek Tradewaste Treatment Facility, which is fully recovered by industry partners. These plans will update the sanitary water model, revising population figures, identifying growth areas for the next 20 years, and listing major projects and costs to ensure wastewater continues to meet regulatory standards and minimize impacts to Okanagan Lake.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	325,000	—	—	—	—	(75,000)	(250,000)	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service	Wastewater Utility	Priority 1	Enhance
Title:	Wastewater Network & Facilities		ONE-TIME PRELIMINARY

Justification:

Budget is requested for this annual program to ensure reliable wastewater service delivery for City customers connected to the sanitary collection system. Annual items for consideration will renew existing mainlines and lift stations.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,637,000	(2,830,000)	(100,000)	—	—	—	(1,707,000)	—

Service	Wastewater Utility	Priority 1	Maintain
Title:	Wastewater Treatment		ONE-TIME PRELIMINARY

Justification:

Budget is requested for this annual program to ensure reliable wastewater service delivery for City customers connected to the sanitary collection system. Annual items for consideration will renew existing wastewater treatment assets.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,500,000	(4,450,000)	—	—	—	—	(50,000)	—

2025 Capital Request Details

Service	Wastewater Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title:	Frost Rd Upgrades (with utilities)		

Justification:

Budget is requested to realign a section of existing sanitary sewer currently traversing along private property through a narrow right of way; moving it on to the road alignment of the soon to be completed Frost/Chute Lake Connection. A developer for 5000 Frost Road will also contribute a portion of the cost for the removal of the existing sanitary and its respective alignment that favors the development. This work aligns with other Transportation and Stormwater projects on Frost Road.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	(100,000)	—	—	—	—	—	—

Service	Wastewater Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title:	Hydro-Vac Disposal Facility		

Justification:

Budget is requested for at least one new hydro-vac disposal facility to replace the existing evaporation pond at City yards. The old ponds are undersized to manage the large volumes of effluent from these large trucks. The City's fleet is growing regularly to meet the increasing importance of these machines to the community. Costs will include equipment and permitting.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	250,000	(250,000)	—	—	—	—	—	—

2025 Capital Request Details

Service	Wastewater Utility	Priority 1	Enhance
Title:	KLO Bridge Replacement (with utilities)		ONE-TIME PRELIMINARY

Justification:

Budget is requested for sewer works required to connect the system through the new proposed KLO Bridge at Mission Creek. This will connect the Hall Road connection area by gravity across the bridge.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	800,000	(800,000)	—	—	—	—	—	—

Service	Wastewater Utility	Priority 1	Enhance
Title:	Sewer Connection Areas		ONE-TIME PRELIMINARY

Justification:

Budget is requested for work on the Belcarra, Central Rutland Sanitary and Chamberlain sewer connection areas. Customers will benefit from a safe, reliable, and environmentally sustainable wastewater collection, treatment and effluent disposal to Okanagan Lake. This work will connect over 550 properties.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	6,958,000	(3,041,000)	—	—	(3,917,000)	—	—	—

2025 Capital Request Details

Service	Wastewater Utility	Priority 1	Enhance
Title:	Wastewater System Upgrades		ONE-TIME PRELIMINARY

Justification:

Budget is requested for this annual program to ensure reliable wastewater service delivery for City customers connected to the sanitary collection system. Annual items will upgrade existing or install new mainlines and lift stations including projects required to adequately service existing serviced population and projected growth.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	19,794,000	—	(12,035,000)	—	—	—	(7,759,000)	—

Service	Wastewater Utility	Priority 1	Enhance
Title:	WWTF Expansion		ONE-TIME PRELIMINARY

Justification:

Budget is requested to install an additional treatment train to the existing biological nutrient removal process at the Raymer Wastewater Treatment Facility (WWTF). This expansion is part of the longer term plan to expand the existing site to its ultimate capacity. This additional process needs to address the changing influent loadings due to water conservation from more efficient water fixtures and appliances. The effluent quantity has remained the same for the best part of the last 10 years; however, the loading or concentration of the effluent has increased substantially. The trend suggests that the WWTF will need some help (an additional treatment train) to ensure Regulation is sustainably met in the long term. Preliminary budget estimates including a building expansion to accommodate growing staff.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	500,000	(500,000)	—	—	—	—	—	—

2025 Capital Request Details

Service	Wastewater Utility	Priority 1	Enhance
Title:	Wastewater Vacuum Truck and Building		ONE-TIME PRELIMINARY

Justification:

Growing and aging Wastewater and Stormwater infrastructure along with supporting other city department critical needs is preventing the Wastewater and Stormwater core work from being completed due to lack of available equipment. Budget is requested to add an additional vacuum truck, an equipment operator crew of two, and the associated costs of building expansion to accommodate the truck. This equipment and crew will allow for current needs of Wastewater and Stormwater to be supported, continue with critical support for other departments and increase resiliency in addressing increase stormwater quality and quantity (flooding) events.

Strategic Direction:

Other

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,250,000	—	—	—	—	—	(1,250,000)	—

Operating Impacts:

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	92,100	—	—	—	—	—	(92,100)	—
2026	176,300	—	—	—	—	—	(176,300)	—
2027	176,300	—	—	—	—	—	(176,300)	—

▶ STORMWATER & FLOOD PROTECTION

LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goals & community benefit:

- Stormwater is effectively managed without negatively impacting riparian areas, infrastructure, property or Okanagan Lake.
- The community is resilient and resistant to lake and creek flooding.

Our customers:

- Residents
- Businesses
- Fish & wildlife

Our partners:

- Developers
- Okanagan Basin Water Board
- First Nations
- Regulators
- Private landowners

What we deliver:

The City's infrastructure captures and routes stormwater through minor and major systems to natural features like lakes, creeks, and ponds. Minor systems handle local rainstorm needs, while major systems such as curbed roads, channels, culverts, and storm ponds manage extreme storm events, protecting property and key infrastructure. Major systems also serve as a safety allowance for minor system impacts from climate change. Stormwater quality improvement activities are limited to cleaning and maintaining catch-basins, oil-grit separators, and major culvert outlet ponds. Engineered solutions are relied on in the new development process to reduce pollutants and fine sediment at the source. Studies continue on public stormwater ponds help understand nutrient loads and impacts on natural habitat development.

Flood mitigation focuses on the Mill Creek Flood Protection project, with over \$50 million allocated until 2027 for flood mitigation, adaptation, and fish passage projects. Operations and maintenance include debris management and situational repairs, with a need to better understand flooding mechanisms and risk. All flood protection design now includes creek and riparian health and support fish spawning. The City operates, maintains, and renews storm infrastructure to protect the public, infrastructure, and the environment. Staff are exploring the creation of a stormwater utility.

Our key objectives:

- Safely route rain and snow to our natural systems
- Improve the quality of water entering Okanagan Lake and its contributing creeks, ponds and channels
- Protect people, property, key infrastructure and the environment from flooding
- Sustainable Investment – Assure stormwater asset renewal and operating budgets together are sustainable
- A sustainable utility that is resilient and well resourced
- Ensure the stormwater and flood protection sector is funded for the expected Level of Service

Our guiding plans:

- Kelowna Official Community Plan
- Kelowna Water Security & Responsibility Plan (draft)
- Area Stormwater Basin Plans

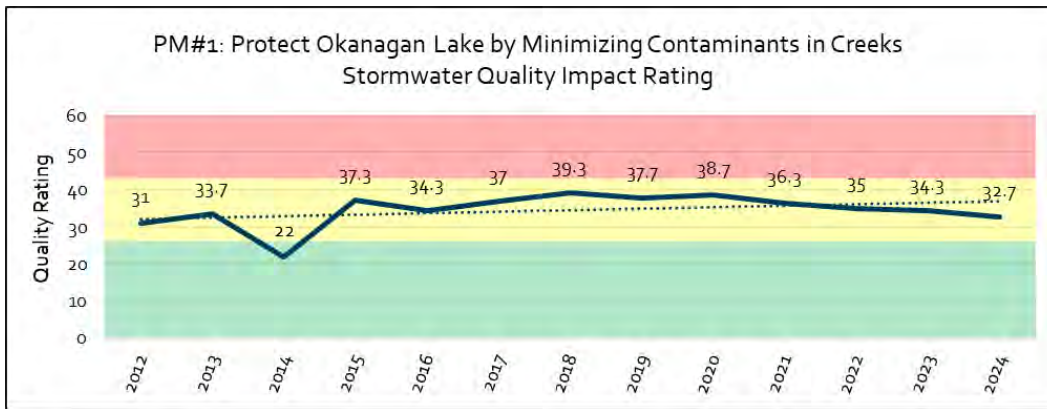


Measuring performance:

Performance measure 1

Protect Okanagan Lake by minimizing contaminants in creeks

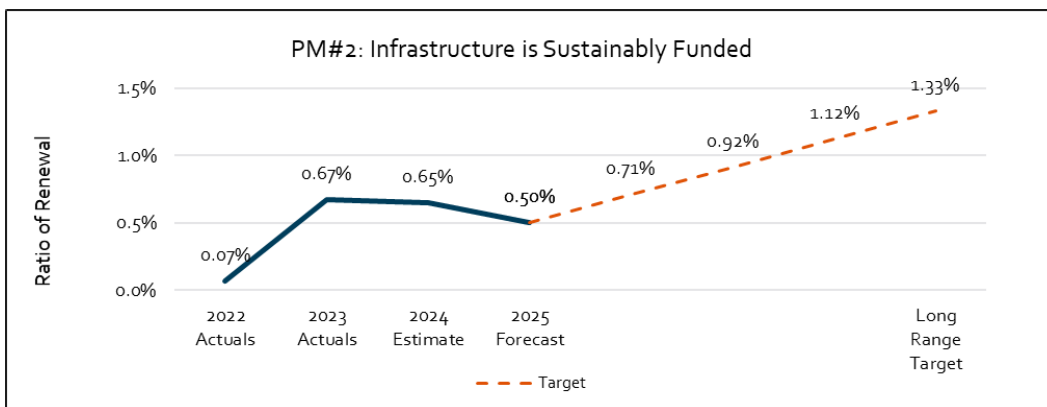
Stormwater quality impact rating. Summary weighted average of stormwater quality in nine creeks sampled at 11 locations. Over 150 water quality samples per year. Quality compared to recreational water quality guidelines for dissolved oxygen, E. coli and turbidity using weighted averages based on size of creek. Less than 26 is considered good. 27-43 is fair and greater than 43 is poor.



Performance measure 2

Infrastructure is sustainably funded

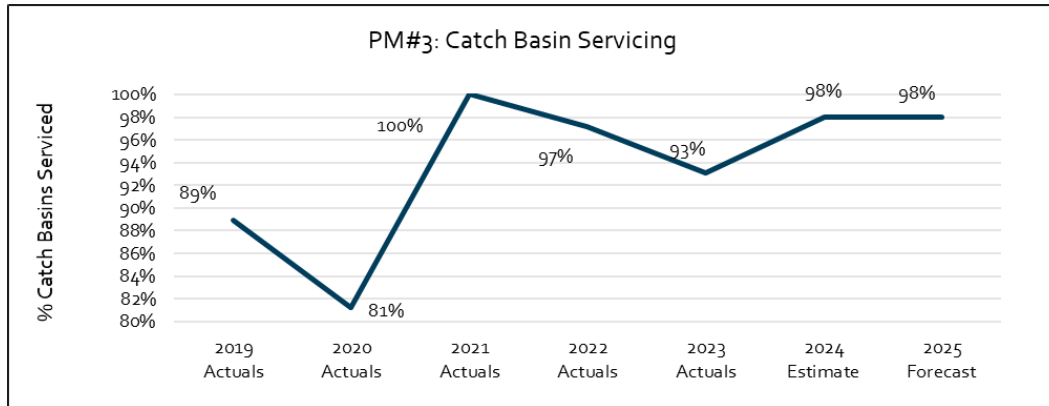
Identifies the ratio of capital reinvestment (renewal) divided by the current year estimated replacement value of "grey" stormwater infrastructure. Measure is in per cent. 0.5 per cent implies renewal rate would take 200 years to renew existing infrastructure. The current renewal rate is adequate given the relatively young age of the assets, but renewal will need to increase in the longer term as the system ages.



Performance measure 3

Catch basin servicing

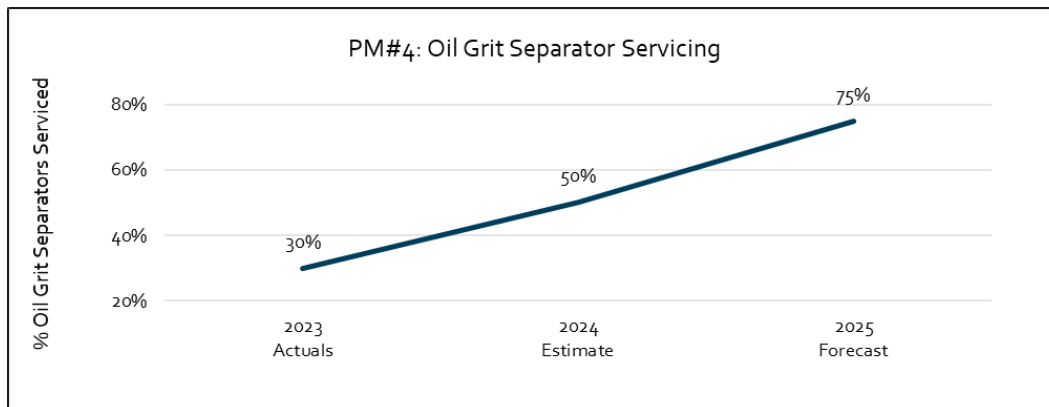
Target is 100 per cent of catch basins serviced each year. This level of service is performed to help ensure that the Stormwater systems are clear of debris which can potentially cause flooding situations and ensure functionality of downstream infrastructure and water quality discharging to the environment.



Performance measure 4

Oil grit separator servicing

Target is 100 per cent of oil grit separators serviced each year. This level of service is performed to help ensure that the Stormwater systems are clear of debris which can potentially cause water quality concerns.



2025 Activities by priority:

Priorities	Activities
Climate & Environment	<ul style="list-style-type: none"> • Mill Creek Flood Protection – Year 4 of the Disaster Mitigation and Adaptation Fund funded plan • Diversion outlet works, Parkinson Park upgrades and design of works are included • Woodhaven Research Project – UBCO: A commitment to support the 4-year Woodhaven Nature Conservancy Regional Park Community Research Project
Base Business	<ul style="list-style-type: none"> • Stormwater Utility Business Case - Phase 2 works include a public engagement process and detailed rate structure analysis • Containment Device Management and Cleaning • Stormwater Facility and Dam Operations and Maintenance - New operations and maintenance needs for the Mill Creek diversion • Stormwater Genset Operations and Maintenance – operations and maintenance, and parts for new genset at Avonlea storm lift station • Improve resiliency and operations and maintenance for four stormwater lift stations • Stormwater Operations Resiliency and Reliability • Clifton Rd stormwater pond study • Investigation to reconfigure two stormwater ponds on Clifton Rd • Miscellaneous Drainage Program - Drainage complaint responses

2024 Key accomplishments:

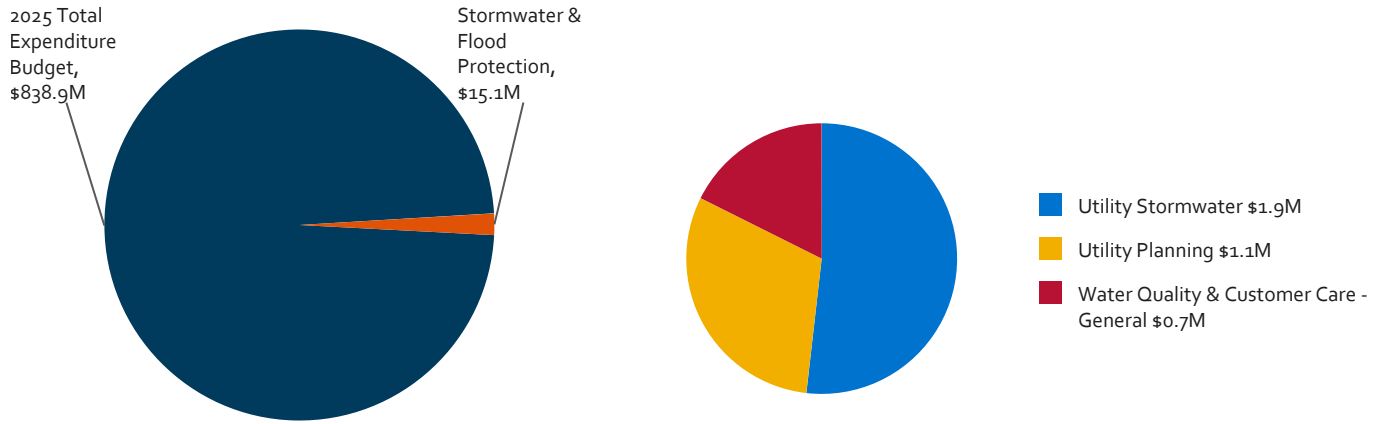
- Stormwater Infrastructure
 - New Stormwater Dam and Dike Safety Program – Created an inventory, condition assessment program and prioritization of future improvements and renewals for all registered dams and dikes owned by the City
 - Mill Creek Flood Protection
 - Diversion - Complete
 - Mill outlet to Mission Creek – Riffles (Reach 4) complete
 - Burne Avenue flood protection – Flood protection components complete
 - Bridge removals completed (three): Hardy Road (old Rail Trail), pedestrian bridge east of Dilworth Road, Rail spur bridge near Totem Rd
 - Preliminary designs complete for Lindahl Road/Parkinson Recreation
 - Coordinated Parkinson Recreation creek mitigation to BSK group for design and completion
 - Operations inspections and maintenance – Complete
 - Purchased 2 properties to expand Lindahl Park and Mill Creek mitigation options
 - Redlich Pond Treatment Islands – Installed; monitoring continues
 - Initiated conceptual design and site location for a new hydro-excavation (vac-truck effluent) dewatering facility
- Stormwater Planning, Data and Innovation
 - Central Stormwater Basing Plan – Near completion
 - Robert Lake stormwater bypass water license – Application submitted
 - Rain gauges transferred from Water and Wastewater Supervisory Control and Data Acquisition (SCADA) Systems as part of developing public facing data
 - New data warehouse construction - Complete
 - Collected stormwater quality data from over 150 sites across the City. Developing dashboard for 2025 understanding stormwater quality across the City
 - Stormwater Modeling – HEC-RAS and PCSWMM software
 - Renewal and new components of Frost and Kildeer Roads to align with new Frost interconnection with Chute Lake Rd
 - Renew functionality of the Southridge stormwater pond system
- Stormwater Utility
 - Phase 1 Stormwater Utility Business Case and Implementation Plan – Complete
 - Phase 2 Public engagement - complete

Continuous improvements:

- Phase 2 - Stormwater Utility Business Case and Implementation Plan – On-going
- Development stormwater management plans – Process improvement with Development Services
- Stormwater planning for transportation planning
- Stormwater quality reporting in 2024

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$15.1M

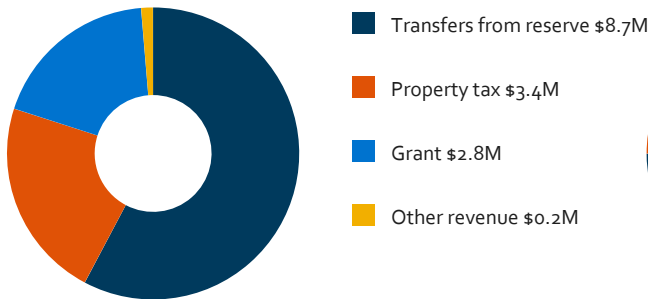
Budget needed to achieve results

Stormwater & Flood Protection are funded through property taxes. Mill Creek Flood Protection work will continue in 2025, supported by funding from the Disaster Mitigation and Adaptation Fund. Additional capital funding is recommended to come from development cost charges and capital reserves.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	4,735	5,427	(2,282)	183	33	3,360
Fees and charges	9	1	—	—	—	1
Grant	2,107	5,414	(5,414)	—	2,832	2,832
Other revenue	600	501	(402)	—	100	199
Transfers from reserve	6,385	9,391	(9,331)	3,177	5,502	8,739
Total revenue budget	13,836	20,733	(17,429)	3,360	8,467	15,131
Expenditure budget:						
Salaries and wages	1,054	1,067	—	46	—	1,114
Material and other	962	1,997	(1,011)	14	275	1,276
Contract services	5	75	(60)	—	—	15
Debt service	—	—	—	—	—	—
Capital expenditure	10,039	15,395	(15,395)	3,177	8,159	11,336
Transfers to reserve	—	—	—	—	—	—
Enabling allocation	1,777	2,199	(963)	122	33	1,390
Total expenditure budget	13,836	20,733	(17,429)	3,360	8,467	15,131
Operating FTE positions:						
Management	1.8	1.5	—	—	—	1.5
Union hourly	7.4	7.4	—	—	—	7.4
Union salary	1.6	1.4	—	—	—	1.4
Total operating FTE positions	10.8	10.3	—	—	—	10.3

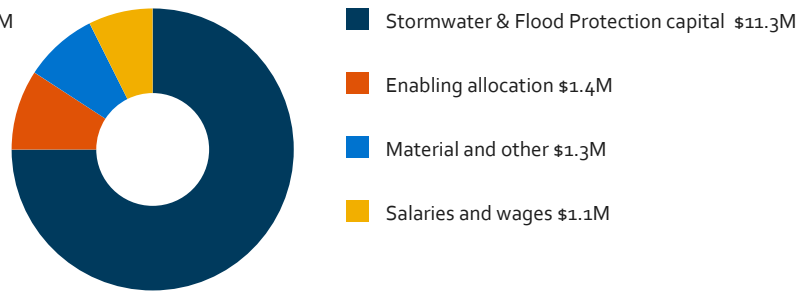
Note: Totals may not add due to rounding

Funding strategy



Total \$15.1M

Expenditure by type



Total \$15.1M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Stormwater Management - Redeployment	—	—	—	—	—
Stormwater Utility Business Case - Phase 3	125	—	—	—	—
Stormwater Basin Plan - Brandts-Glenmore Basin	250	—	—	—	—
Operating Requests Priority 1 Total	375	—	—	—	—

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Stormwater Network & Facilities	3,177	4,690	4,300	5,950	3,700
Stormwater Quality	219	360	500	400	500
Projects					
	Total Project				
Frost Rd Upgrades (with utilities)	750	750	—	—	—
Mill Creek Flood Protection	51,395	7,080	14,800	10,950	—
Stormwater System Upgrades	12,380	110	990	300	5,470
Capital Request Priority 1 Total	64,525	11,336	20,840	16,050	9,670

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Stormwater & Flood Protection	Priority 1	Maintain ON-GOING PRELIMINARY
Title: Stormwater Management - Redeployment		

Justification:

The Stormwater and Flood Protection service area is responsible for managing the City's stormwater system to protect public and environmental health. Key duties include designing, maintaining, and upgrading infrastructure like storm drains, catch basins, detention ponds, and watercourses to manage runoff, prevent flooding, reduce erosion, and minimize pollutants entering local water bodies. To keep up with city growth, additional budget is required to operate and maintain new piping added to the system and for servicing of rain gauges that enable effective planning and stormwater management. This is funded from redeployment of existing budget.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Stormwater Utility Business Case - Phase 3		

Justification:

Budget is requested to continue with the stormwater utility business case and implementation plan. Phase 3 (implementation and change management) builds on the work of phase 1 (completed in 2023) and phase 2 (ongoing). Phase 3 works include bylaw development, establishing a city-wide revenue framework, continued public engagement, and change management. Completion of this work will be contingent on planned Council presentations and resolutions in Q4 of 2024 and Q1 of 2025.

Strategic Direction:		Active Financial Management						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	125,000	(125,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Operating Request Details

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Stormwater Basin Plan - Brandts-Glenmore Basin		

Justification:

Budget is requested for a Stormwater Management Plan (SWMP) to be developed for the urbanized area bound by the Glenmore Landfill to the north, Brandts Creek to the South, Okanagan Lake to the West, and Dilworth Mountain to the East. The basin hosts the entirety of Brandts Creek and associated tributaries. The Brandts Creek-Glenmore Area Basin includes three special planning areas identified in the 2040 Official Community Plan - North End Plan, Wilden Area Plan and the Glenmore Landfill Design, Operations and Closure Plan. This SWMP will help identify minor and major system infrastructure projects and water quality improvements to assist with future capital and development planning.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	250,000	(150,000)	—	—	(100,000)	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Stormwater & Flood Protection	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Stormwater Network & Facilities		

Justification:

Budget is requested for this annual program for stormwater network and facilities. Annual items for consideration may include, but are not limited to, critical stormwater service requests, major system upgrades from Basin Plans, offsite and oversize (development coordination) and stormwater linear asset renewal.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,177,000	(3,177,000)	—	—	—	—	—	—

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Stormwater Quality		

Justification:

Budget is requested for this annual program for stormwater quality. Annual items for consideration may include, but are not limited to, design and construction of new oil-grit separators and upgrades of critical stormwater management facilities.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	219,000	(219,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Frost Rd Upgrades (with utilities)		

Justification:

Budget is requested to construct storm network upgrades along Killdeer Road and Frost Road. The project addresses known local drainage issues along the existing and future alignment of Frost Road; and increases the storm system capacity to safely convey the base flows expected downstream of the upgraded Frazer Lake Dam, reconstructed in 2022.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	750,000	(750,000)	—	—	—	—	—	—

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Mill Creek Flood Protection		

Justification:

Funding is requested to continue the seven-year, DMAF-funded flood protection program, which includes several sub-projects. These projects include, but are not limited to, flood resiliency upgrades at Kelowna International Airport and capacity upgrades to reduce flood risk throughout the lower reaches of Mill Creek with associated land purchases, all while improving riparian and fish habitat. The Parkinson Recreation Park - Mill Creek Restoration collaboration, aims to enhance flood conveyance, widen the creek channel, and improve riparian habitat, in coordination with the planned redevelopment of the Parkinson Recreation Centre.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	7,080,000	(3,186,000)	(1,062,000)	—	(2,832,000)	—	—	—

2025 Capital Request Details

Service Area: Stormwater & Flood Protection	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Stormwater System Upgrades		

Justification:

Budget is requested to replace the existing stormwater main in Killdeer Rd with a larger diameter stormwater main to support growth in the area and increase system capacity downstream of Frazer Lake. The proposed system upgrade will also address ongoing operational issues related to root intrusion. These works are to be coordinated with planned developments in the neighbourhood, if possible.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	110,000	(110,000)	—	—	—	—	—	—

▶ WATER UTILITY

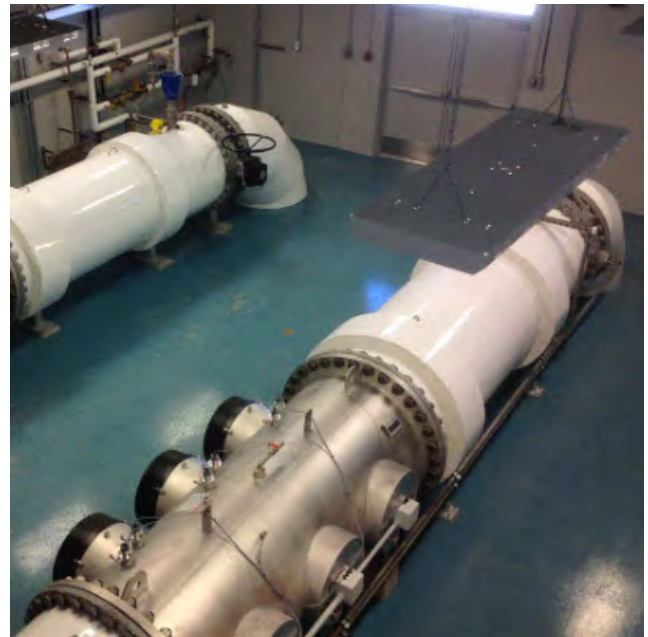
LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goal & community benefit:

All residents and water users in the City have a safe, affordable, resilient and sustainable supply of high-quality drinking water and a reliable supply of water for agriculture.

Our customers (in our service area):

- Residents, businesses and visitors
- Agricultural community
- Fire Department
- Other departments and organizations (including Interior Health Authority)



Our partners:

- Research partners with the University of British Columbia and the National Benchmarking Initiative
- Government agencies
- Glenmore Ellison Improvement District; Rutland Waterworks and Black Mountain Irrigation District, District of Lake Country
- Engineering firms, contractors, surrounding municipalities
- Okanagan Indian Band, Westbank First Nations and the Okanagan Nation Alliance

What we deliver:

The City of Kelowna thrives in an arid environment with limited water supply. We share water resources with other communities, visitors, wildlife, and the natural environment. We safeguard a secure water supply that relies on public and personal responsibilities towards conservation, and partnerships with neighboring municipalities and First Nations. We respect all interests and needs.

- The City Water Utility serves approximately 90,000 customers from water sourced from Okanagan Lake and provides non-potable water for irrigation in Southeast Kelowna from Hydraulic Creek
- It delivers up to 139 million litres of water per day through a system of 549 km of buried pipe, five treatment & water pump stations, 20 booster stations, 25 potable reservoirs, 4 non-potable reservoirs, & 86 pressure reducing stations
- The Utility operates and maintains 14 dams and five diversions in the upper Hydraulic Creek Watershed to provide water to the agricultural community in Southeast Kelowna
- The Utility provides a sustainable investment regime and staff that are highly trained to reliably service the needs of a growing City 24 hours a day and 365 days per year

Our key objectives:

- Protect all residents and visitors by supplying a safe supply of drinking water
- Assure that Okanagan Lake, its creeks, and aquifers are a safe and high-quality supply for all to share and use
- Ensure resiliency in operations and infrastructure to continue to provide high quality water
- Maintain and operate a reliable non-potable supply, where available, to agricultural customers
- Invest, operate, maintain & resource the utility effectively to mitigate service interruptions as they inevitably occur
- Rates that reflect these objectives, a reasonable Level of Service, and that are competitive with other communities

Our guiding plans:

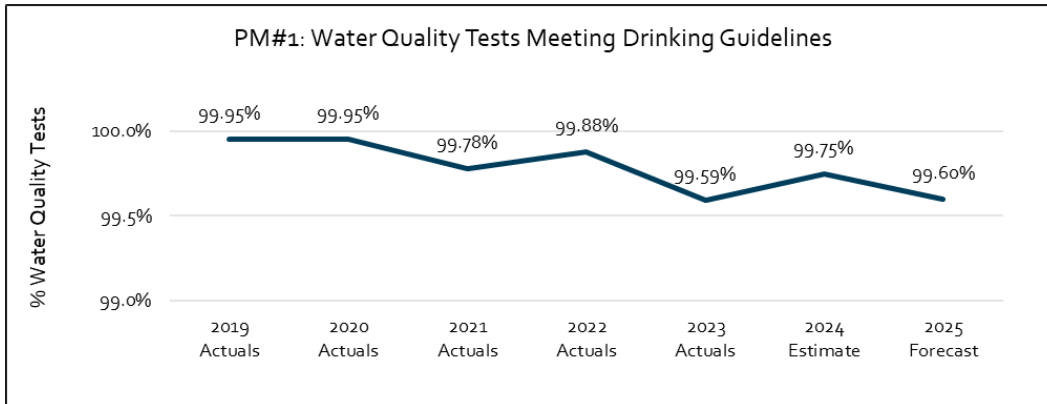
- Kelowna's Official Community Plan
- 20-year Servicing Plan
- Kelowna's Water Security and Responsibility Plan (draft)
- Water Supply Policy #383 and Water System Integration Policy #378

Measuring performance:

Performance measure 1

Water supplied by the Kelowna utility is safe

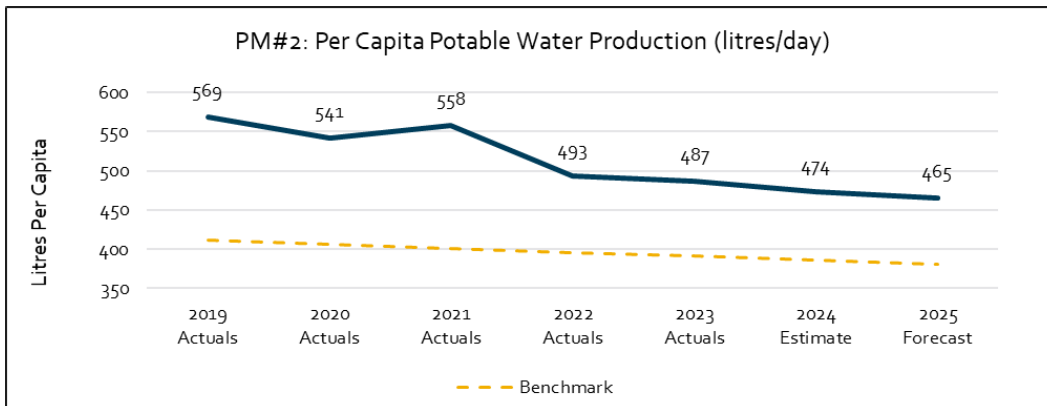
The percentage of water quality tests conducted that meet the Canadian Drinking Water Quality Guidelines (CDWQG). An average of 6000 tests are conducted annually for physical, biological and chemical parameters at our treatment facilities and throughout the water distribution network.



Performance measure 2

We conserve our drinking water resource

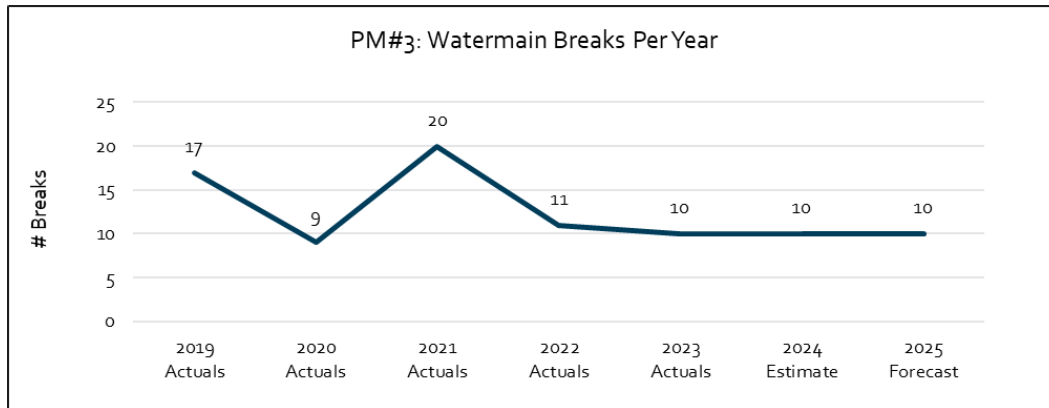
Per capita potable water production. Annual potable water produced divided by the population served. The goal is to continue to see this number decrease and lead the Okanagan Valley in water use efficiency. The Canadian average water use is shown by the yellow dashed line.



Performance measure 3

Our water system is reliable

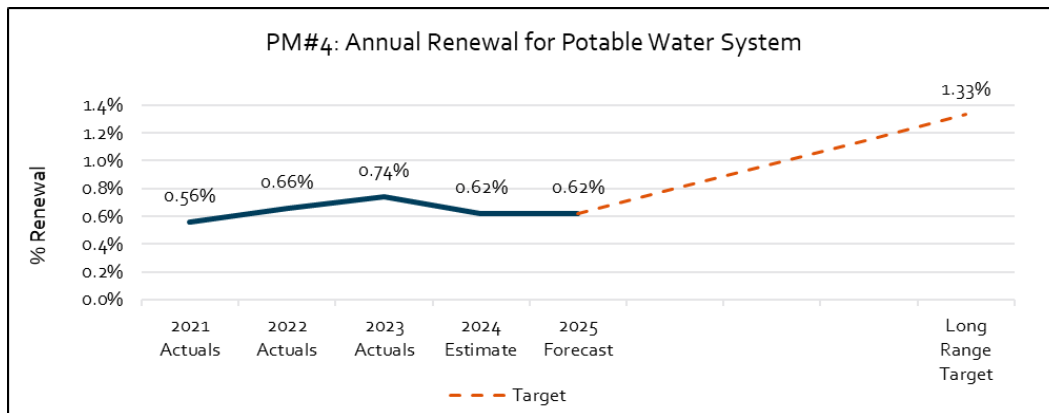
Number of main breaks requiring repair each year. Total on potable and non-potable system. Increases in this measure demonstrate the impact of aging infrastructure.



Performance measure 4

Potable system renewal is sustainably funded

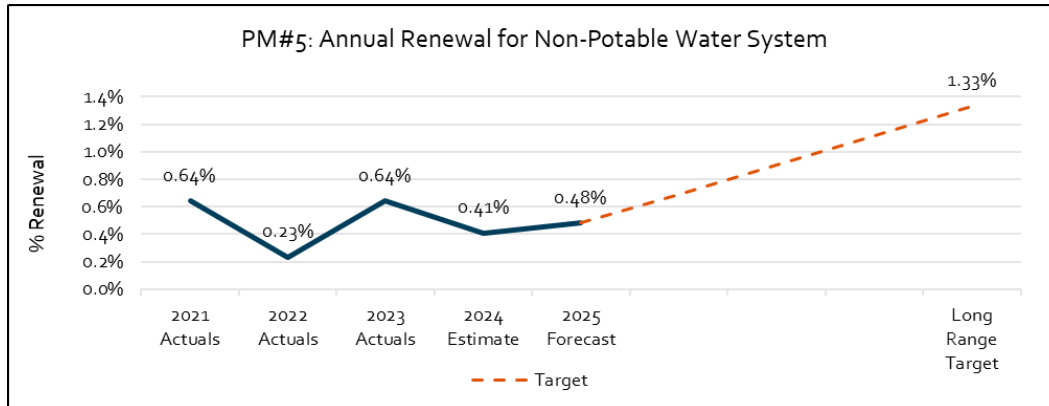
Capital re-investment (renewal) / replacement value of potable system (%). The long range target should span from 1.2 per cent to 1.5 per cent (67 to 83 year average infrastructure life). The current renewal rate is adequate given the relatively young age of the assets, but renewal will need to increase in the longer term as the system ages.



Performance measure 5

Non-potable systems are sustainably funded

Capital reinvestment (renewal) / replacement value of non-potable system (%). The long range target should span from 1.2 per cent to 1.5 per cent (67 to 83 year average infrastructure life). The current renewal rate is adequate given the relatively young age of the assets, but renewal will need to increase in the longer term as the system ages.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • Ensure water is available for firefighting
Affordable Housing	<ul style="list-style-type: none"> • Maintain affordable water rates
Homelessness	<ul style="list-style-type: none"> • Support drinking water facilities for all
Transportation	<ul style="list-style-type: none"> • Coordinate infrastructure renewal effectively with transportation upgrades
Agriculture	<ul style="list-style-type: none"> • Support agriculture producers with a reliable and cost-effective supply system
Climate & Environment	<ul style="list-style-type: none"> • Protect the environment and be good environmental stewards
Our People	<ul style="list-style-type: none"> • Utility leaders actively pursue and support staff training and development • Ensure that all certified staff receive adequate training to maintain Provincial required certifications
Digital Transformation	<ul style="list-style-type: none"> • Use technology as a tool to improve service delivery: <ul style="list-style-type: none"> ▪ CityWorks is an Asset Management tool that uses software to track time and resources to maintain assets ▪ A non-potable irrigation system dashboard was developed to permit real time access to storage and irrigation use ▪ Continue to build enhanced City data warehouse with more water data including customer water consumption ▪ Evaluate the Glenmore Ellison water system data availability and develop a plan to integrate into the City system at City standards
Active Financial Management	<ul style="list-style-type: none"> • Maintain a financially viable water utility through effective budgeting, expenditures and service delivery • Continue to improve use of benchmarking for effective operations through ongoing participation in the Canadian Infrastructure Benchmarking Initiative
Base Business	<ul style="list-style-type: none"> • Water Supply and Treatment: <ul style="list-style-type: none"> ▪ Upgrade computer controlling systems to allow effective operation of the systems ▪ Ultraviolet Light Disinfection Isolation valves at the three remaining pump stations ▪ Major Equipment Renewal: Install Variable Frequency Drive motors at Pump Stations ▪ Chlorine System Conversion from chlorine gas to hypochlorite – environmental safety ▪ Operational Improvements: Drainage improvements at reservoirs ▪ Renewal of Pressure Reducing Valve stations to renew the asset and eliminate confined space requirements for staff ▪ Non-Potable Supply: Improvements to Hydraulic Creek and McCulloch Spillway ▪ Turtle Lake Remediation: Improvement to both dams to return them to an acceptable functional level • Water Distribution: <ul style="list-style-type: none"> ▪ Hydrant Maintenance and Improvement ▪ Air Valve Replacement Program: Annually replace valves on a prioritized basis ▪ Flushing Program Improvements to optimize program, water quality and service delivery

2024 Key accomplishments:

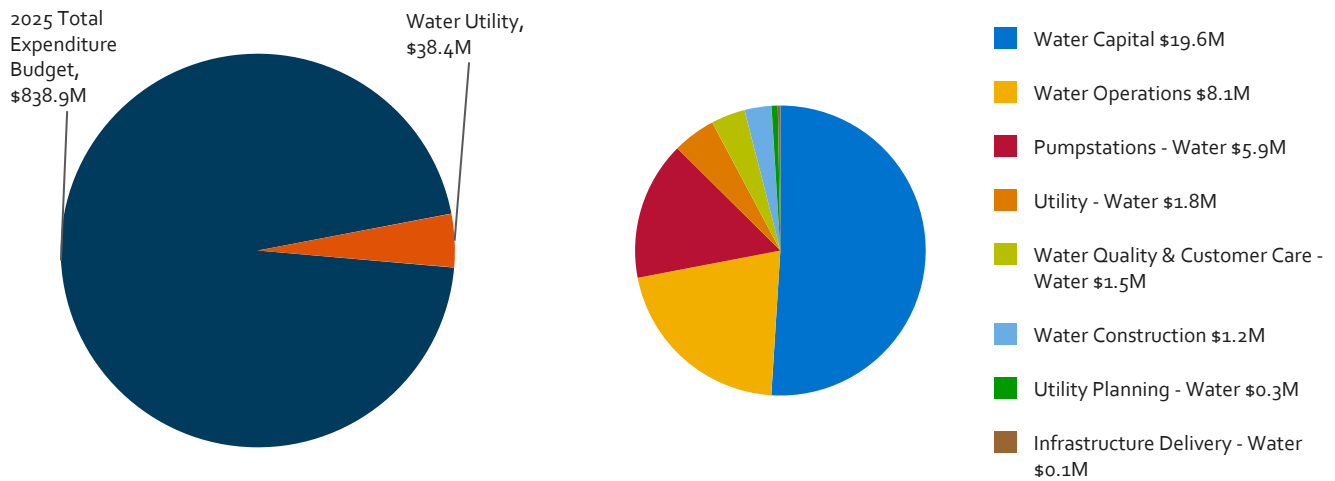
- **Ultraviolet Light Disinfection Facilities:** A significant accomplishment was achieved within the Poplar Point UV facility to mitigate impacts from a UV lamp failure. The work was particularly challenging as the system had to remain functional during construction. This work will continue to be expanded to the remaining stations
- **Turtle Lake Dams:** Assessment and mitigation of a potential dam failure was completed in 2023. The lake was safely lowered to reduce the risk of failure and a project to remediate the dam is being planned. Dam assessment and monitoring continued to assist with the rehabilitation of the dams. Design of the remediation is expected to commence late in 2024 and continue into 2025
- **Summit Reservoir:** One additional reservoir was constructed in 2024 to serve the north part of the City

Continuous improvements:

- Staff are committed to continuous improvement and assess our systems and infrastructure to look for improvement opportunities.
 - Pressure Reducing Valve Condition Assessment and Program Development
 - Non-Potable System Assessment
 - Operator Training – Environmental Operators Certification Program, BC Water & Waste Association
 - Asset Management training
 - CityWorks development and implementation
 - Risk Assessment and contingency planning for critical assets and systems (telemetry and communications)
 - Council approval and implementation of a holistic Water Security and Responsibility Plan
 - Interconnectivity planning with Improvement Districts

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$38.4M

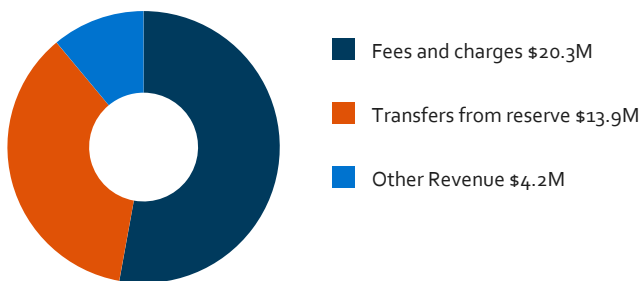
Budget needed to achieve results

The Water Utility operates under a separate, self-sustaining fund. Any unused revenue generated each year is allocated to accumulated surplus and funds future water infrastructure investments. Revenues collected through the Water Quality Enhancement fee are kept in a separate reserve and exclusively used to fund water quality enhancement projects. The Water Utility contributes \$865 thousand annually to the general fund to support enabling services and offset property taxes.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	—	—	—	—	—	—
Fees and charges	19,464	20,866	(150)	(395)	—	20,321
Grant	8	2,992	(2,992)	—	—	—
Other revenue	1,981	3,843	(63)	463	—	4,243
Transfers from reserve	8,083	8,171	(8,000)	4,359	9,347	13,877
Total revenue budget	29,537	35,872	(11,204)	4,427	9,347	38,442
Expenditure budget:						
Salaries and wages	4,623	5,339	—	354	49	5,741
Material and other	6,712	8,270	(1,231)	(40)	112	7,111
Contract services	123	191	39	2	—	232
Debt service	647	743	—	(1)	—	741
Capital expenditure	7,125	16,548	(16,548)	10,261	9,347	19,608
Transfers to reserve	6,610	4,050	33	60	—	4,144
Enabling allocation	738	732	—	133	—	865
Total expenditure budget	26,578	35,872	(17,707)	10,769	9,508	38,442
Operating FTE positions:						
Management	4.9	4.3	—	—	—	4.3
Union hourly	39.1	43.9	—	1.3	(0.1)	45.1
Union salary	4.6	4.5	—	—	0.5	5.0
Total operating FTE positions	48.6	52.7	—	1.3	0.4	54.4

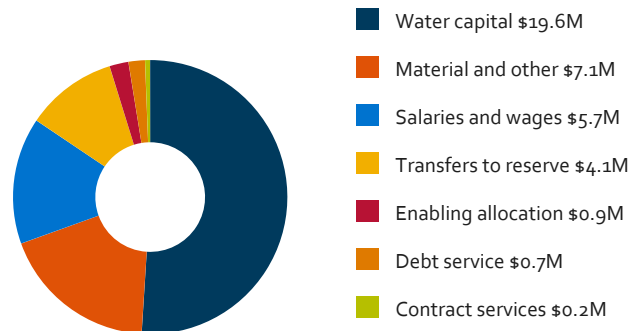
Note: Totals may not add due to rounding

Funding strategy



Total \$38.4M

Expenditure by type



Total \$38.4M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Water Operations - Growth	153	272	272	272	272
Water Efficiency Program Enhancements	61	119	119	119	119
Water Distribution Operations Enhancements - Redeployment	100	100	100	100	100
Operating Requests Priority 1 Total	314	491	491	491	491

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Non-Potable Water Network & Facilities	1,406	2,640	2,740	3,240	3,240
Potable Water Network & Facilities	7,570	6,100	6,350	8,250	7,900
Water Treatment	1,285	400	—	—	—
Projects					
	Total Project				
Frost Rd Upgrades (with utilities)	200	200	—	—	—
GEID Integration	5,150	3,850	600	—	—
KLO Bridge Replacement (with utilities)	2,000	2,000	—	—	—
Non-Potable System Upgrades	5,700	400	2,000	3,300	—
Potable Water System Upgrades	52,306	2,897	5,450	10,500	10,000
Capital Request Priority 1 Total	65,356	19,608	17,190	22,890	21,140

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Water Utility	Priority 1	Maintain ON-GOING
Title: Water Operations - Growth		PRELIMINARY

Justification:

Budget is requested to maintain established service levels and continue to meet regulatory requirements for water operations in response to growth and infrastructure aging. This includes an additional Instrumentation/Electrical Technician position to operate, maintain, and repair the water monitoring and control systems that manage over 21,000 data points at 216 sites, and a Water Supply Operator III position.

Strategic Direction:		Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation	
2025	153,200	—	—	—	—	—	(153,200)	—	
2026	271,700	—	—	—	—	—	(271,700)	—	
2027	271,700	—	—	—	—	—	(271,700)	—	

Service Area: Water Utility	Priority 1	Enhance ON-GOING
Title: Water Efficiency Program Enhancements		PRELIMINARY

Justification:

Kelowna has one of the highest rates of water use per person in Canada. To enhance the City's water conservation program and support City Council's priority of addressing Climate and Environmental change, budget is requested for a Water Efficiency Coordinator. This specialized position will help the department to implement water conservation and efficiency programs, monitor water usage and leakage, and educate utility customers, agricultural producers, and staff on best practices with the goal of reducing water usage in the community.

Strategic Direction:		Climate & Environment							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation	
2025	60,900	—	—	—	—	—	(60,900)	—	
2026	119,200	—	—	—	—	—	(119,200)	—	
2027	119,200	—	—	—	—	—	(119,200)	—	

2025 Operating Request Details

Service Area: Water Utility	Priority 1	Enhance ON-GOING
Title: Water Distribution Operations Enhancements - Redeployment		PRELIMINARY

Justification:

Budget is requested to develop programs to improve worker safety, operational efficiencies, and fire hydrant protection, which are vital for maintaining the water distribution system. These initiatives include upgrading air valves to eliminate confined spaces, adding automatic flushers to reduce manual flushing, and protecting or repairing hydrants. These measures will help ensure the reliable operation and maintenance of the City's water infrastructure as well as increase worker safety. This \$129k budget is partially funded from a redeployment of \$29k existing budget.

Strategic Direction:		Agriculture							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation	
2025	100,000	—	—	—	—	—	—	(100,000)	—
2026	100,000	—	—	—	—	—	—	(100,000)	—
2027	100,000	—	—	—	—	—	—	(100,000)	—

2025 Capital Request Details

Service Area: Water Utility	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Non-Potable Water Network & Facilities		

Justification:

Budget is requested for this annual program to ensure reliable irrigation water service delivery and fire protection for City customers connected to the non-potable system. Annual items for consideration will renew existing mainlines, hydrants, pump stations, reservoirs, and pressure reducing valves (PRVs).

Strategic Direction:		Agriculture						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,406,000	(1,406,000)	—	—	—	—	—	—

Service Area: Water Utility	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Potable Water Network & Facilities		

Justification:

Budget is requested for this annual program to ensure reliable safe drinking water service delivery and fire protection for City customers connected to the potable system. Annual items for consideration will renew existing mainlines, hydrants, pump stations, reservoirs, and pressure reducing valves (PRVs).

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	7,570,000	(1,739,300)	(100,000)	—	—	(150,000)	(5,580,700)	—

2025 Capital Request Details

Service Area: Water Utility	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Water Treatment		

Justification:

Budget is requested for this annual program to ensure reliable safe drinking water service delivery and fire protection for City customers connected to the potable system. Annual items for consideration will renew existing water treatment facilities.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,285,000	(1,285,000)	—	—	—	—	—	—

Service Area: Water Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Frost Rd Upgrades (with utilities)		

Justification:

Budget is requested to supplement a transportation capital project to connect Frost Road with Chute Lake Rd. The new mainline will be installed within the Frost roundabout and extension, and decommission or relocate aging watermain and blow offs. Hydrants will be added for more fire flow coverage.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	200,000	(200,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Water Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: GEID Integration		

Justification:

Budget is requested for this project to ensure reliable water service delivery and fire protection for all customers connected to the Glenmore Ellison Improvement District (GEID) water system. This work was previously identified by GEID and recognized here as part the City water utility integration process.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,850,000	(3,850,000)	—	—	—	—	—	—

Service Area: Water Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: KLO Bridge Replacement (with utilities)		

Justification:

Budget is requested for the 2025 component of the Water System Resiliency and Interconnection Program that was started in 2024 for design to coordinate with the KLO Bridge Replacement project through Transportation. The project completes the interconnection of the potable system in South East Kelowna Irrigation District (SEKID). The project includes a connecting water main, a pressure reducing valve station and the future site of a booster station to supply water uphill to Dall Reservoir and provide resiliency to Hall Rd and SEKID users.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,000,000	(2,000,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Water Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Non-Potable System Upgrades		

Justification:

Budget is requested for this annual program to ensure reliable irrigation water service delivery and fire protection for City customers connected to the non-potable system. Annual items for consideration will upgrade existing or install new mainlines, hydrants, pump stations, reservoirs, and pressure reducing valves (PRVs). These upgrades address gaps in resiliency that threaten critical operational and regulatory needs by adding operational capacity. It assures water can be delivered effectively during the critical peak summer periods when vineyards, orchards and market crops require that resilient water supply.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	400,000	(400,000)	—	—	—	—	—	—

Service Area: Water Utility	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Potable Water System Upgrades		

Justification:

Budget is requested for this annual program to ensure reliable safe drinking water service delivery and fire protection for City customers connected to the potable system. Annual items will upgrade existing or install new mainlines, hydrants, pump stations, reservoirs, and pressure reducing valves (PRVs). These upgrades increase level of service to meet Bylaw 7900 requirements for commercial and multi-family buildings.

Strategic Direction:			Other					
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,897,000	(1,472,000)	(1,425,000)	—	—	—	—	—

► SOLID WASTE & LANDFILL

LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goal & community benefit:

Our goal is to plan, design, manage, operate, and maintain the essential services of the Glenmore Landfill as well as deliver efficient, cost-effective waste collection services for over 42,000 homes in the City. Collection and safe disposal of recyclables, compostables, and solid waste is critical in our community. For disposal services, we proudly serve the communities in the Regional District of Central Okanagan and Big White. The current fill plan allows us to extend the life of the Landfill rather than looking at new landfill locations or shipping waste out of the region for disposal – costly alternatives – and provides flexibility for the future.



Our customers:

- Residents and citizens
- Commercial haulers
- Construction companies
- Private developers
- Other City departments
- Other Municipal Governments

Our partners:

We work with the BC Ministry of Environment and Climate Change Strategy, WorksafeBC, the University of British Columbia, the Regional District of Central Okanagan and member municipalities, utility companies, our collection contractor, and waste reduction officers to provide sustainable services.

What we deliver:

We provide garbage, recycling and yard waste collection services to over 42,000 households in the City.

At the landfill, we offer a variety of disposal options on site including recycling, organic materials, and household/commercial waste in our solid waste disposal facility for residents within the Regional District of Central Okanagan. We produce and sell OgoGrow and GlenGrow compost as soil amendments. We also manage landfill gas as landfills are being recognized as a source of valuable energy, providing renewable natural gas for 700 homes through FortisBC.

Landfill operations are 7 days per week, 362 days per year, to allow residents and haulers to access waste management on their preferred schedules.

Our key objectives:

- Protect the environment through delivery of safe and efficient waste processing and disposal services at the City's waste management facilities by complying with regulatory requirements and continually improving assets and operations in response to service demand
- Provide safe and reliable collection services for residential curbside programs by adjusting to demand, continually improving service performance, investing in technology and responding to growth
- Continue supporting the community to reduce and manage their waste responsibly by working with regional partners and providing community-wide waste management programs
- Enable Kelowna to move towards zero waste and a more circular economy by improving access to and participation in waste reduction and diversion through communications, education, enforcement and engagement with customers

Our guiding plans:

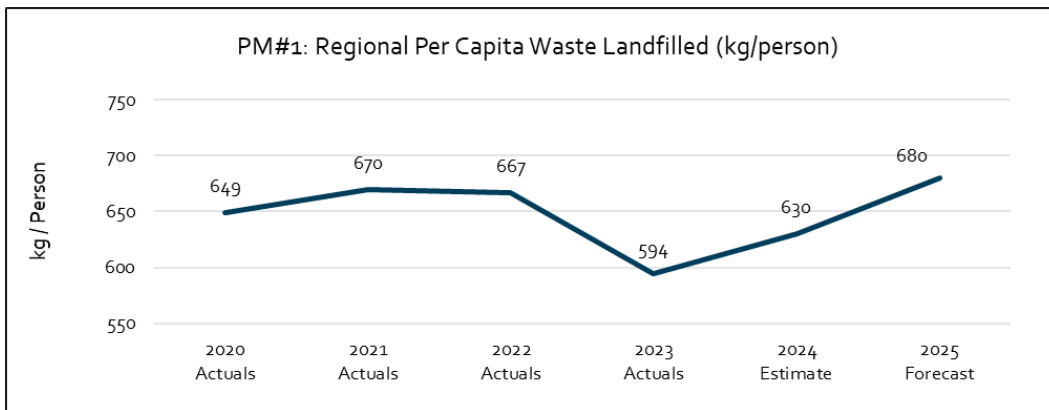
- 2020 Regional District of Central Okanagan Solid Waste Management Plan
- 2023 Glenmore Landfill Design, Operations and Closure Plan
- 10-Year Capital Plan

Measuring performance:

Performance measure 1

Regional per capita waste landfilled

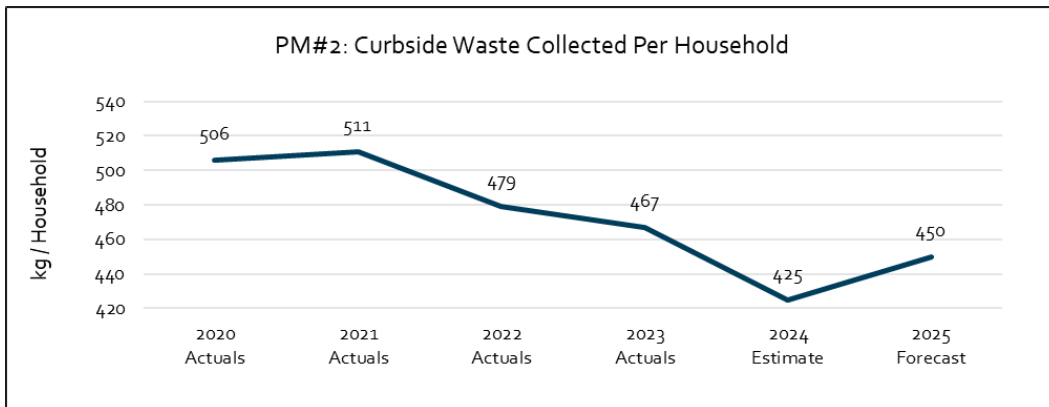
The Landfill provides regional waste management services for the entire Central Okanagan. Measure is the tonnage of waste buried divided by the estimated population of the Regional District of Central Okanagan and Big White (total service area). Waste generation rates around natural disasters are variable and may increase disposal for short terms. Demolition and construction wastes contribute 35 – 42 per cent of the wastes increasing waste disposal variability depending on rate of development. The goal is to minimize disposal of waste.



Performance measure 2

Curbside waste collected per household

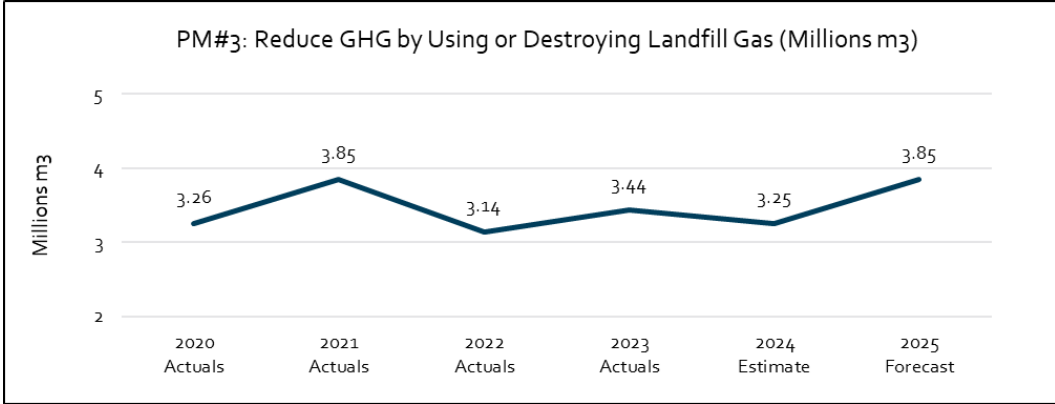
Curbside waste collected in kg /Kelowna household serviced (residential curbside cart program). The City works with the Regional District of Central Okanagan to implement additional waste reduction and diversion activities.



Performance measure 3

Reduce GHG by using or destroying landfill gas

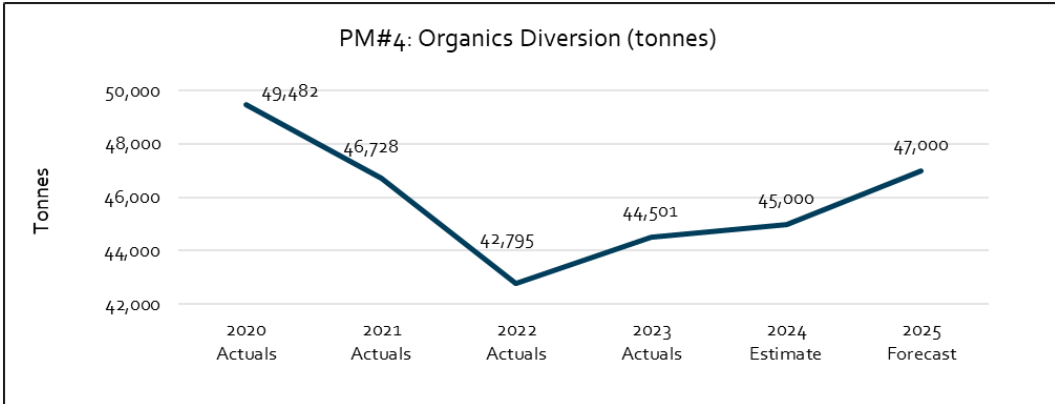
Volume of landfill gas managed by landfill flare or converted to Renewable Natural Gas by Fortis (millions m3). Wildfires damaged the landfill gas collection system in 2023 resulting in decreased recovery while damage is repaired through 2024. Total volumes of landfill gas collected should increase over time as the system continues to grow with the Landfill.



Performance measure 4

Organics diversion

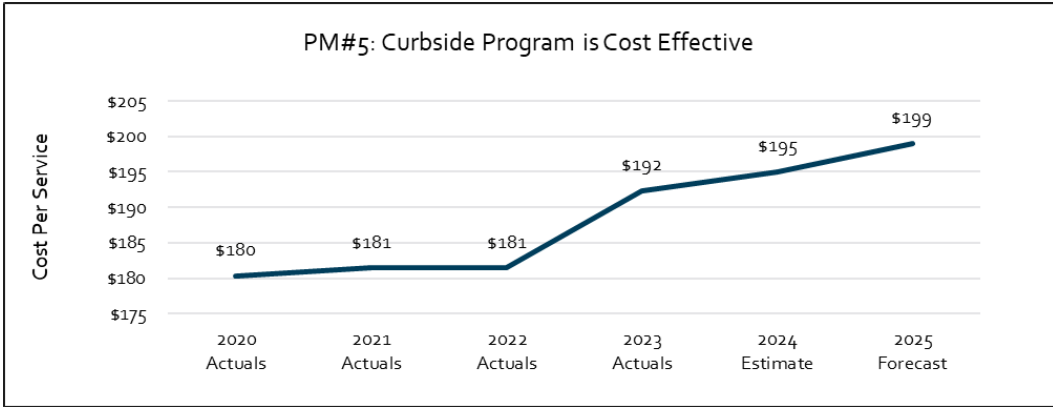
Tonnage of organic material including yard waste, branches, clean wood, logs and stumps managed at the Landfill (tonnes). The Landfill diverts approximately 30 per cent of the wastes received at the site, and this waste diversion saves landfill airspace, provides waste based raw materials, and compost that provides nutrients to the region.



Performance measure 5

Curbside program is cost effective

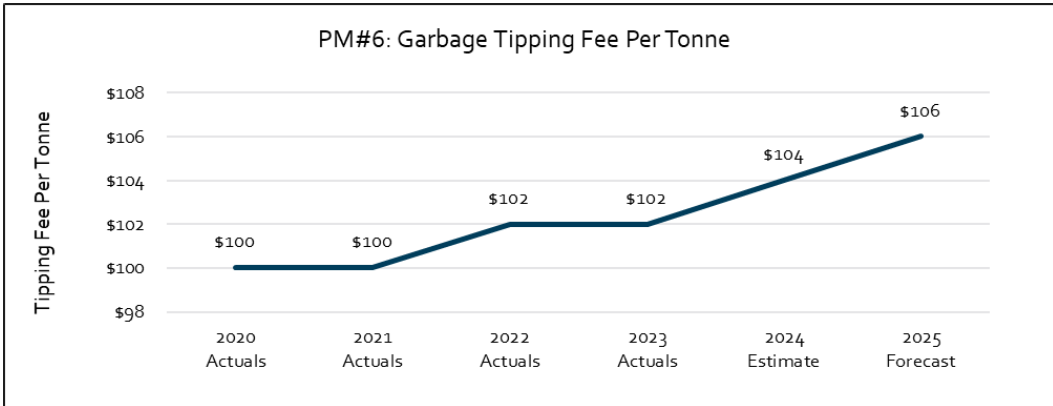
Cost per property serviced for residential garbage, yard waste and recycling collection and management. Rate adjustments are primarily due to increased hauling costs and cart replacement costs.



Performance Measure 6

Garbage tipping fee per tonne

Garbage tipping fee (\$ per tonne). Rates are reviewed and set based on a 25-year Financial Model to ensure that the landfill site is sustainably funded for future capital work and closure.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Public and staff safety is a paramount concern of all waste management sites
Affordable Housing	<ul style="list-style-type: none"> Efficient and cost-effective waste management allows for lower costs to residents as well as lower site preparation and building costs
Homelessness	<ul style="list-style-type: none"> Continue to mitigate public unsightliness by providing waste and debris disposal in support of Community Safety
Agriculture	<ul style="list-style-type: none"> Compost operations continue to provide cost effective soil amendments and organic matter back to agriculture to offset chemical fertilizers
Climate & Environment	<ul style="list-style-type: none"> Provide continued environmental stewardship and minimize GHG emissions Managing water, air, and land-based pollution with proactive and sound waste management techniques
Our People	<ul style="list-style-type: none"> Continue to promote staff development and opportunities to learn Working as One Team by assisting other City departments
Digital Transformation	<ul style="list-style-type: none"> Refine "Oscar", the online chatbot assistant Implementation of online appointment system for receiving selected wastes to streamline processes
Active Financial Management	<ul style="list-style-type: none"> Review of rates and costs ensure that waste management is sustainably funded for possible rate adjustment in 2026
Base Business	<ul style="list-style-type: none"> Complete Area 3 Liner installation, and begin to utilize this area. Continue ancillary work around new Aerated Static Pile composting facility Complete final design and begin construction of the Surface Water Bypass to ensure minimize stormwater at the landfill site Expand operations to manage additional waste and recoverable materials from Infill Housing activities

2024 Key accomplishments:

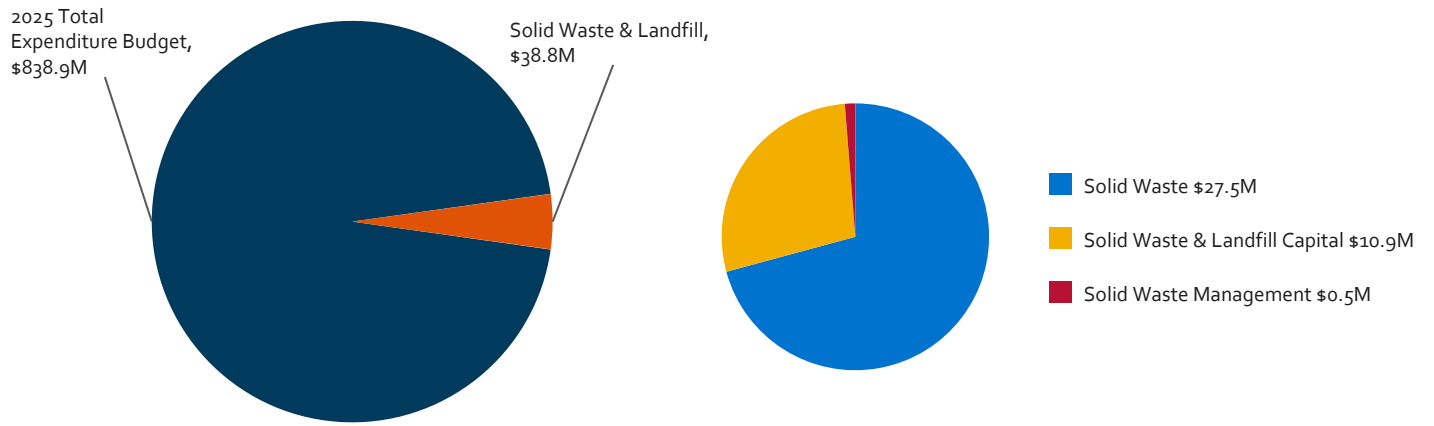
- Worked with Water, Roads, Parks and the Cemetery on a Civic Operations staff rotation to provide cross training and learning opportunities
- Completed the first phase of construction for the Aerated Static Pile compost system for Glengrow operations
- Area 3 landfill liner construction and Sliver Fill projects in 2024 and planned filling expansions in 2025
- Completed site landfill gas repairs and remedial earthworks to mitigate the damage from the 2023 McDougall Creek wildfires
- Implemented majority of recommendations from 2023 Design, Operations and Closure Plans and ancillary reports

Continuous improvements:

- Design and RFP underway for end-of-life flare replacement
- Studies for leachate pre-treatment and potential facility construction in 2026
- Working with FortisBC to expand and better integrate their renewable natural gas system into landfill operations
- Planning for next phases of the Aerated Static Pile compost system
- Improvements to site by expanding waste recovery operations, preparation of structural fill for capital projects, and composting operations

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$38.8M

Budget needed to achieve results

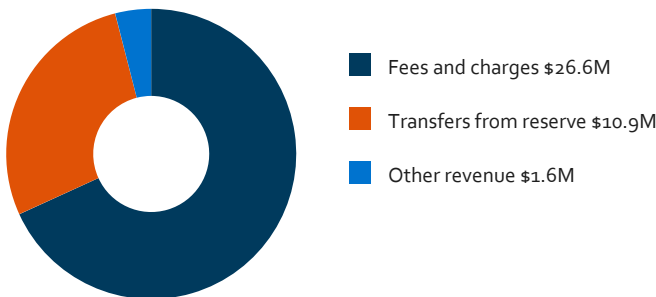
The Solid Waste & Landfill service is a self-sustaining operation within the general fund. Any unused revenue generated each year is allocated to a reserve dedicated to future infrastructure investments. Solid Waste & Landfill operations contributes \$200k annually to offset property taxation funds required for enabling and other community services such as Transportation and Parks.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	4,327	(200)	—	—	—	(200)
Fees and charges	24,911	24,818	—	1,791	—	26,609
Grant	—	—	—	—	—	—
Other revenue	1,167	1,601	(43)	3	—	1,561
Transfers from reserve	10,125	22,362	(22,354)	5,392	5,450	10,850
Total revenue budget	40,530	48,581	(22,397)	7,185	5,450	38,819
Expenditure budget:						
Salaries and wages	3,423	3,403	—	196	—	3,598
Material and other	825	6,603	(189)	61	100	6,575
Contract services	6,836	6,317	—	90	—	6,407
Debt service	—	—	—	—	—	—
Capital expenditure	14,964	22,203	(22,203)	5,400	5,450	10,850
Transfers to reserve	13,740	9,285	(6)	1,325	(100)	10,505
Enabling allocation	743	770	—	114	—	884
Total expenditure budget	40,530	48,581	(22,397)	7,185	5,450	38,819
Operating FTE positions:						
Management	3.8	3.9	—	—	—	3.9
Union hourly	24.7	23.4	—	0.5	—	23.9
Union salary	4.2	4.3	—	—	—	4.3
Total operating FTE positions	32.7	31.6	—	0.5	—	32.1

Note: Totals may not add due to rounding

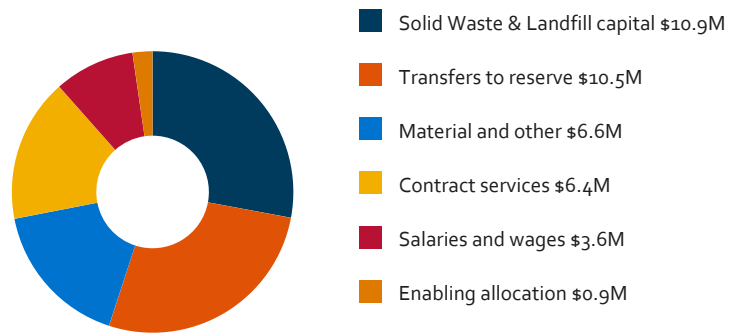
The difference between the two graphs below is the \$200k surplus earned by this service area that is used to offset taxation funds required for other community services areas and infrastructure such as Parks, Sports & Recreation, and Community Safety.

Funding strategy



Total \$39.0M

Expenditure by type



Total \$38.8M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Landfill Operations Maintenance	140	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	51	101	101	101	101
Operating Requests Priority 1 Total	191	101	101	101	101

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
* Solid Waste Equipment	1,150	1,050	450	450	450
Solid Waste Infrastructure & Facilities	4,250	4,200	4,150	1,885	1,860
Projects					
	Total Project				
Composting System Expansion	9,200	700	3,000	3,700	500
Surface Water Bypass	9,850	4,750	—	350	4,750
Capital Request Priority 1 Total	19,050	10,850	8,250	8,650	7,585

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Request Details

Service Area: Solid Waste & Landfill	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Landfill Operations Maintenance		

Justification:

The Landfill offers various disposal options including recycling and household/commercial waste for residents within the Central Okanagan Regional District and operates 7 days a week. To maintain this level of service, annual maintenance is required. Budget is requested for two projects in 2025. The first is to retrofit piping and relocate the existing leachate pumps from inside the current lift station to an above ground kiosk, improving staff safety and access to the pumps. The second is to perform sandblasting and repainting of the landfill scale vehicle decks and railings to maintain and extend the life of this asset.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	140,000	(140,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Solid Waste & Landfill	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Solid Waste Equipment		

Justification:

Budget is requested for this annual program for solid waste equipment. Annual items for consideration may include, but are not limited to, replacing end of life equipment, purchasing new equipment to meet future demands and advances in technology and the purchase of automated collection curbside carts. Included in this request is the addition of a new loader and Equipment Operator IV to respond to increased waste production and diversion activities at the landfill. This new loader and staff will primarily work with material handling for managing increased drywall recycling, scrap metal sorting and concrete/asphalt storage and sales.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,150,000	(1,150,000)	—	—	—	—	—	—

Operating Impacts:

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,500	(50,500)	—	—	—	—	—	—
2026	100,900	(100,900)	—	—	—	—	—	—
2027	100,900	(100,900)	—	—	—	—	—	—

Service Area: Solid Waste & Landfill	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Solid Waste Infrastructure & Facilities		

Justification:

Budget is requested for this annual program for solid waste infrastructure and facilities. Annual items for consideration may include, but are not limited to, site works and investigations, progressive closure and landfill gas and leachate recirculation laterals.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,250,000	(4,250,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Solid Waste & Landfill	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Composting System Expansion		

Justification:

Budget is requested for construction of the second Primary Area Static Pile composting system. The project includes all design, servicing, handling area and completion of the neighbouring inorganics area.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	700,000	(700,000)	—	—	—	—	—	—

Service Area: Solid Waste & Landfill	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Surface Water Bypass		

Justification:

Budget is requested for a multi-phase stormwater bypass system, which is currently designed and awaiting Ministerial approvals for new water licenses. Phase one of this project includes a 2.6-km piped bypass from the Glenmore Landfill to Brandt's Creek. This project is included in the Design, Operation, and Closure Plan for the Glenmore Landfill. As an additional project component, the piped bypass provides an opportunity to address historical flood challenges in the Robert Lake Basin. Phase two is a continuation of the work from Phase one, and involves landfill capital improvements to capture stormwater within an ever-changing facility. This includes collecting subsurface flow from McKinley seepage and local groundwater conditions. Schedule is contingent on provincial permitting and the acquisition of a statutory right of way.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,750,000	(4,750,000)	—	—	—	—	—	—

► TRANSPORTATION

LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goal & community benefit:

Kelowna aims to become a city where people and places are conveniently connected by diverse transportation options, which is the vision in our 2040 Transportation Master Plan (TMP). We are working to keep Kelowna moving as our community grows by doubling transit ridership, quadrupling trips by bike, and reducing per capita distance driven 20 per cent by 2040. Recognizing that transportation impacts many aspects of life in Kelowna, the TMP identified the following 12 goals: improving travel choices, optimize travel times, enhance travel affordability, foster a growing economy, enhance urban centres, be innovative and flexible, improve safety, protect the environment, ensure value for public investment, improve health, promote inclusive transportation, and support livable communities.

More detailed information on progress towards the City's transportation goals is published in the [2040 Transportation Master Plan - Progress report](#).



Our customers:

Our customers are all who live, work, and play in Kelowna.

Our partners:

We work with our residents, community organizations, and other levels of government to ensure our transportation network keeps up with our growing community.

What we deliver:

We help prepare transportation projects across all modes for delivery, from strategic planning through final design. We develop transportation plans, policies, corridor studies, and design capital projects to help develop our multi-modal transportation system. We also maintain over 800 kilometres of streets that accommodate over 300,000 trips per day, operate and maintain the transportation network, deliver traffic calming, transportation demand management, regional transportation education and encouragement programs, and our shared micromobility program. We monitor our progress toward meeting our transportation targets and goals and report out annually.

Our key objectives:

- Deliver and maintain a high-quality transportation system that keeps Kelowna moving, as we grow.

Our guiding plans:

- Imagine Kelowna
- 2040 Official Community Plan
- 2040 Transportation Master Plan
- Central Okanagan Regional Transportation Plan
- Pedestrian/Bicycle Master Plan

Measuring performance:

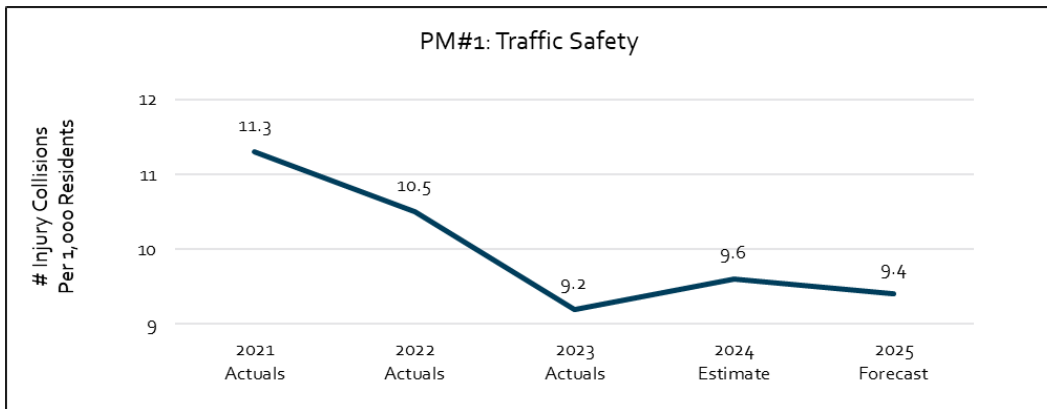
Performance measure 1

Traffic safety

Traffic collisions have significant impacts on people’s lives.

A notable drop in collisions resulting in injury or fatality (injury collisions) was measured in previous years between 11.3 injury collisions per 1,000 residents in 2021 to 9.2 injury collisions per 1,000 residents in 2023 (ICBC data). A total of 9.6 injury collisions per 1,000 residents is estimated for 2024 and 9.4 for 2025.

In 2024 we started developing a Safe Mobility Action Plan that will identify key actions to reduce the number of injuries and fatalities on our roadways. The Action Plan will look at safety related to all modes of travel and involve working with community partners to improve safety outcomes.



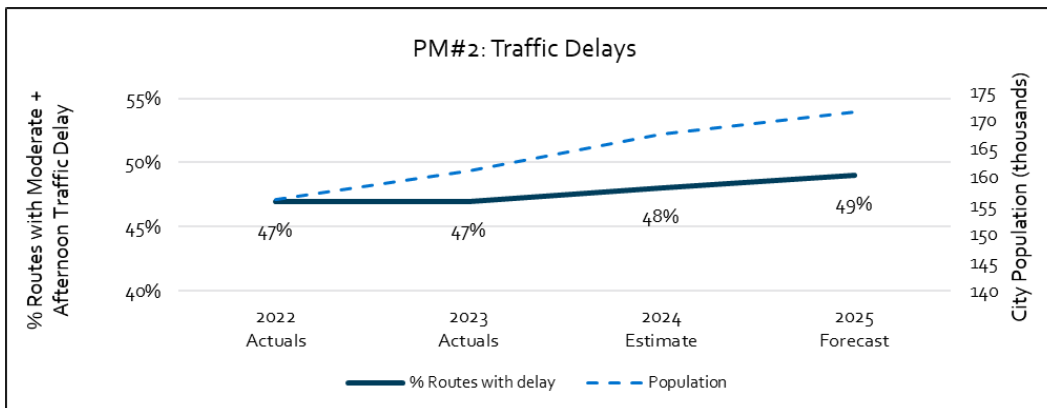
Performance measure 2

Traffic delays

Reliable travel times are important for our quality of life.

In 2020, we began tracking travel times on 85 routes between key destinations. We defined a moderate delay as 50 per cent longer than the overnight travel time. Moderate delays are three to six minutes for most routes.

In 2022 and 2023, 47 per cent of the routes we tracked had moderate or greater delays in the afternoon peak. In 2024, 48 per cent of routes had delays. Based on this mild upward trend, 49 per cent of routes are expected to have delays in 2025.



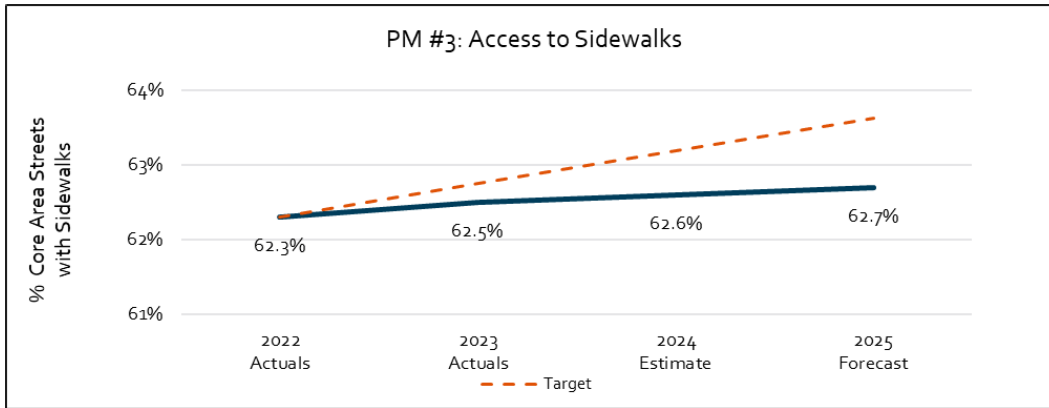
Performance measure 3

Access to sidewalks

Many streets in the Core Area were built without sidewalks. A lack of safe and accessible sidewalks is a barrier for people to walk.

The long-term goal is to have a sidewalk on both sides of major roads, and at least on one side of quieter neighbourhood streets, with a target of 80 per cent completion by 2065. By this standard, the sidewalk completeness in the Core Area is forecasted to be 62.7 per cent in 2025.

We are prioritizing locations to fill the sidewalk gaps in the Core Area based on busy roads, near parks, and around schools. 2025 will also be the first year of the updated Neighbourhood Street Urbanization Program, a new funding and delivery model to accelerate progress on adding sidewalks as neighbourhoods grow.



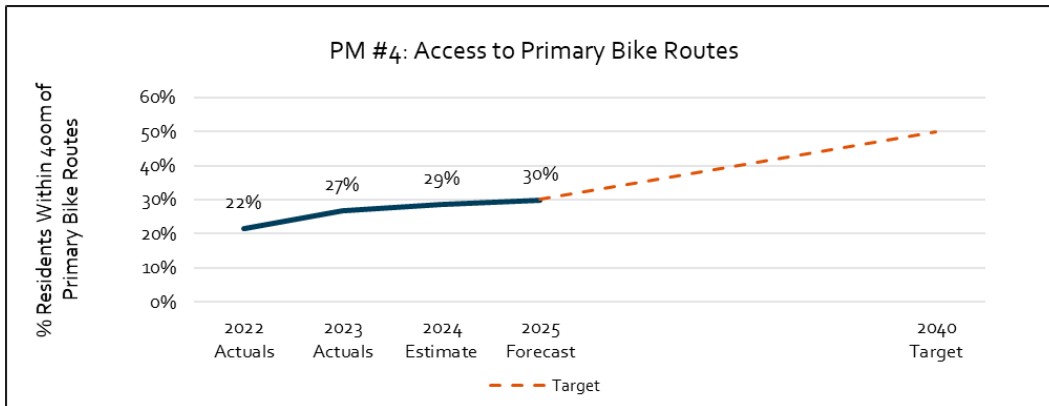
Performance measure 4

Access to bike routes

Biking is an affordable alternative to driving. Being close to primary bike routes like protected bike lanes and multi-use pathways makes it easier for households to live car-free or car-light.

Roughly 29 per cent of all residents are within 400m of the primary bike network. This is an increase from 27 per cent the previous year and 22 per cent in 2022. According to the 2040 Transportation Master Plan, the target is for 50 per cent of residents to be within 400m of the primary bike network by the year 2040.

Looking ahead, the Rutland Neighbourhood Bikeway project is expected to increase this share to 30 per cent of residents.



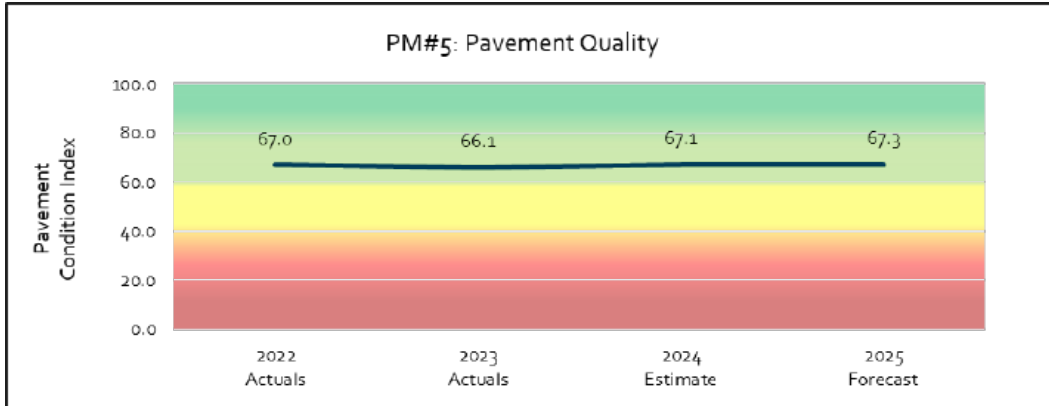
Performance measure 5

Pavement quality

Keeping roads in good condition is important for safety and goods movement. Timely preventative maintenance can avoid more costly repairs in the future.

The pavement condition index (PCI) is a score between 0 and 100 that indicates the general condition of roads in Kelowna. An average score of 60 or higher is a common target for Canadian municipalities. A rating between 40-60 is considered Fair, and between 60-80 is considered Good.

Kelowna’s estimated PCI for 2024 is 67, up from 66 in 2023. We are currently working on a 10-year forecast to understand how pavement condition could change based on different investment and action strategies.



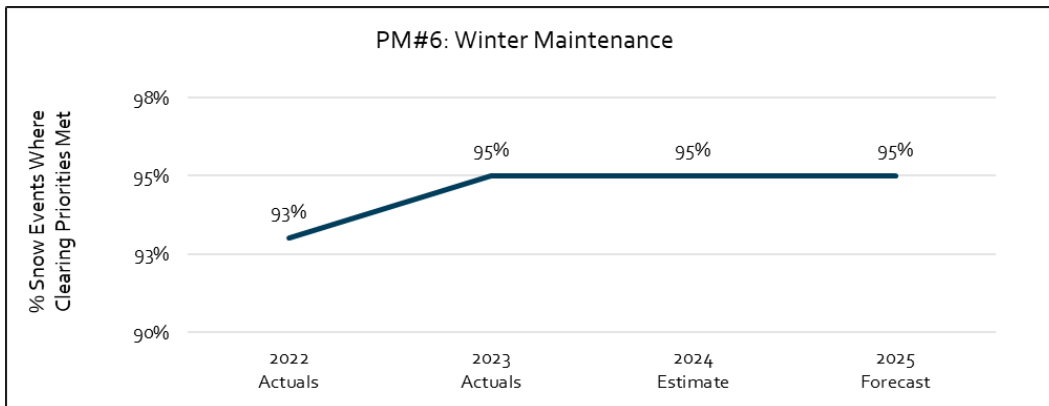
Performance measure 6

Winter maintenance

Clearing snow and ice from roads, pathways, and bus stops keeps them functional and safe.

Standards for snow clearing are set by Council Policy #332 with top priority streets being cleared within eight hours of an end of a storm. These timelines were met 93 per cent of the time in 2022, and 95 per cent of the time in 2023 (although this was a light winter, making achieving standards atypical). The estimated performance in 2024 is 95 per cent with a target of 95 per cent in 2025.

Unexpected and hard to predict weather patterns can cause volatility in winter road maintenance and make this performance measure a challenge to track.



2025 Activities by priorities:

Priorities	Activities
Transportation	<ul style="list-style-type: none"> • Continue planning and design for key road projects (Highway 33/Clement Extension, Commonwealth Rd, and Burtch Rd) • Construction of Frost Rd and Chute Lake Rd Roundabout • Construction of Glenmore Rd upgrades in conjunction with wastewater trunk connection • Replacement of the KLO Bridge over Mission Creek, including a new roundabout at KLO and Spiers Rd • Improvements to Stewart Rd West, including upgrades to the intersections of Stewart/Bedford and Bedford/Swamp/Casorso • Continue to advance the progressive design-build of Hollywood Rd and Burtch Rd extension • Continue reviewing projects which can be added to the Transportation Accelerator Program (TAP) • Highway 97 Strategic Corridor Review with the Ministry of Transportation and Infrastructure (MoTI) to continue the next steps of planning and protecting for the long-term goal of dedicated transit lanes on Highway 97 in Kelowna • Expand the bike network with design for the Bertram Active Transportation Corridor and construction of the first section of the Rutland Neighborhood Bikeway • Continued development and implementation of a Transportation Safety Strategy (Safe Mobility Action Plan) • Continued development of a Transportation Accessibility Strategy • Urbanization of three local streets as part of the new Neighbourhood Street Urbanization Program
Climate & Environment	<ul style="list-style-type: none"> • Continuation of Employer Commute Trip Reduction Program Pilot
Our People	<ul style="list-style-type: none"> • Focus on training and professional development to provide opportunities to learn and grow
Digital Transformation	<ul style="list-style-type: none"> • Continue the Travel Demand Model Update to allow for enhanced decision making • Continued tracking of travel time using cloud-based data • Continue optimizing our existing roads by piloting innovative traffic detection technology at intersections
Active Financial Management	<ul style="list-style-type: none"> • On-going review of the 10-Year Capital Plan to ensure alignment of financial resources with corporate priorities • Continue delivering select projects with City resources to control time, cost, and quality where feasible • Continuation of the Transportation Accelerator Program to deliver more projects faster, optimizing the use of Development Cost Charges (DCCs), reducing the impact of inflation and maximizing the purchasing power of our reserves • Continued pursuit of grants

2024 Key accomplishments:

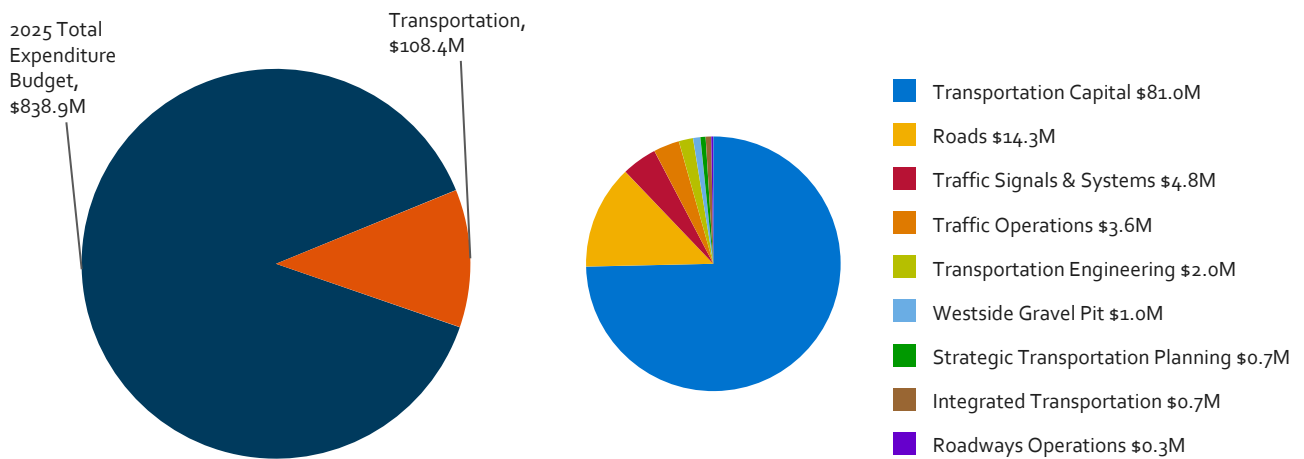
- Expanded the bike network with construction of the Sutherland Active Transportation Corridor (ATC) (Ethel to Burtch), Glenmore ATC (Dallas to Yates), Leckie ATC (Mission Creek to Rail Trail). Upgraded bike lanes on Springfield and Burtch in coordination with repaving
- Completion of the Bertram Overpass, connecting Downtown with Central Green across Harvey. The overpass will form part of the future Bertram ATC, planned for construction in 2025/26
- New traffic signals at Frost Rd/Gordon Dr and Clifton/Rio Dr. Safety improvements at the intersections of Spall/Springfield and Richter/KLO
- Installed seven new crosswalk rectangular rapid flashing beacons (RRFBs) and completed crosswalk designs for four more projects planned for 2025. Constructed three sidewalk improvement projects and added crosswalk curb extensions through the safe routes to school program
- Delivered seven traffic calming projects. Completed consultation and design for the Hollydell Neighbourhood Traffic Calming Project with delivery planned for 2025
- Relocation and upgrades to utilities in preparation for the replacement of the KLO bridge over Mission Creek in 2025
- Pavement resurfacing on 16km of roadways, including sections of Gordon Dr, Springfield, Glenmore, Sutherland, and Leckie roads. Repaving in coordination with other capital and utility projects and crack sealing on 12km of roads to extend the lifespan of existing pavement

Continuous improvements:

- Optimization of our existing roads by piloting innovative traffic detection technology at intersections
- Initiated the Transportation Accelerator Program to deliver more projects faster
- Delivered select projects with City resources to control time, cost and quality
- Continued tracking of travel times using cloud-based data

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$108.4M

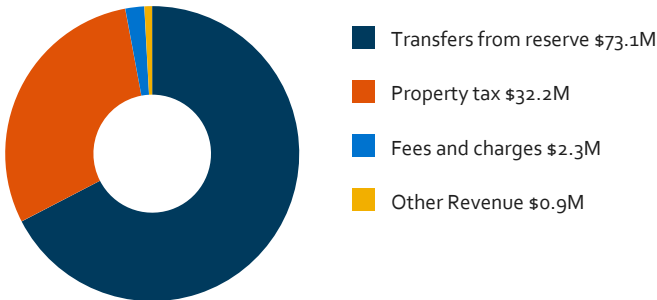
Budget needed to achieve results

Transportation is funded through property taxes. Revenues earned through road permits and gravel sales help to offset the impact on taxpayers. The 2025 accelerated capital program is funded through development cost charges, capital reserves, and taxation.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	24,756	26,912	(3,079)	4,458	3,860	32,152
Fees and charges	3,032	3,960	(2,518)	546	268	2,257
Grant	1,470	796	(796)	—	—	—
Other revenue	5,384	1,317	(805)	12	400	924
Transfers from reserve	23,538	48,748	(48,673)	7,603	65,416	73,094
Total revenue budget	58,180	81,733	(55,870)	12,620	69,944	108,427
Expenditure budget:						
Salaries and wages	7,051	7,979	135	310	216	8,639
Material and other	8,068	8,487	(871)	159	61	7,836
Contract services	443	836	(40)	(15)	—	781
Debt service	—	—	—	—	—	—
Capital expenditure	34,501	55,313	(55,313)	11,523	69,429	80,952
Transfers to reserve	676	503	—	(228)	—	275
Enabling allocation	7,441	8,615	220	871	238	9,944
Total expenditure budget	58,180	81,733	(55,870)	12,620	69,944	108,427
Operating FTE positions:						
Management	8.4	11.2	0.4	—	—	11.6
Union hourly	57.0	59.0	0.9	(0.1)	2.2	62.0
Union salary	8.7	8.5	—	—	—	8.5
Total operating FTE positions	74.1	78.7	1.3	(0.1)	2.2	82.1

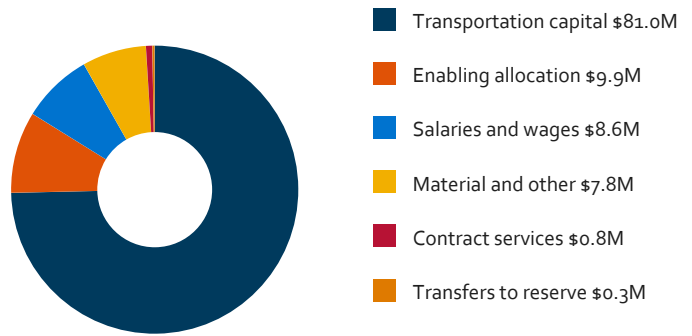
Note: Totals may not add due to rounding

Funding strategy



Total \$ 108.4 M

Expenditure by type



Total \$ 108.4 M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Gravel Operations Enhancements	46	92	92	92	92
Permitting Operations Service Enhancements	172	172	172	172	172
Crack Sealing Pavement	125	125	125	125	125
Safe Mobility Action Plan Implementation	75	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	50	50	50	50	50
Operating Requests Priority 1 Total	468	439	439	439	439

2025 Capital Requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Active Transportation		2,408	3,005	2,785	2,982	3,084
Bridges		450	540	1,140	1,270	1,270
* Road Network		8,665	11,696	12,788	14,932	16,517
Projects						
	Total Project					
Active Transportation - Bertram St	8,489	1,620	6,869	—	—	—
Active Transportation - Rutland Neighbourhood	2,000	1,000	1,000	—	—	—
Intersections - Springfield & Dilworth Improvements	10,945	2,472	2,150	6,323	—	—
Roads - Burtch Rd Upgrades	58,079	12,355	29,939	5,811	210	—
Roads - Commonwealth Rd (Hwy 97 - Jim Bailey) Upgrades	13,229	313	1,474	11,443	—	—
Roads - Frost Rd Upgrades (with utilities)	5,480	5,043	—	—	—	—
Roads - Glenmore Rd Upgrades	42,883	10,425	2,470	5,619	3,700	—
Roads - Highway 33 to Clement Extension	135,300	2,800	3,000	4,500	75,000	45,000
Roads - Hollywood Rd N Upgrades	34,612	5,667	13,600	3,750	575	3,515
Roads - KLO Bridge Replacement (with utilities)	18,364	16,564	1,800	—	—	—
Roads - Lakeshore Rd Upgrades	29,272	4,690	8,920	8,834	—	—
Roads - Parkinson Recreation Centre Road Improvements	3,290	400	2,537	—	—	—
Roads - Stewart Rd Upgrades	9,842	800	—	—	280	4,632
Roads - Sutherland Rd Upgrades	51,534	130	5,150	—	4,038	4,800
Roads - Neighbourhood Street Urbanization	5,150	5,150	—	—	—	—
Capital Request Priority 1 Total	428,469	80,952	94,150	62,993	102,986	78,818

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Request Details

Service Area: Transportation	Priority 1	Enhance ON-GOING
Title: Gravel Operations Enhancements		PRELIMINARY

Justification:

The City of Kelowna provides essential gravel operations services to both external and internal customers. In 2024, a pilot program was launched aimed at enhancing service delivery for external clients and supplying aggregate for internal City projects. This initiative has resulted in significant benefits, including increased sales, faster project completions, and substantial cost savings by utilizing gravel sourced directly from the internal facility. To build on this success, budget is requested for a permanent Equipment Operator IV position to ensure the continued efficiency and effectiveness of the operations.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	46,400	—	—	—	—	(46,400)	—	—
2026	92,300	—	—	—	—	(92,300)	—	—
2027	92,300	—	—	—	—	(92,300)	—	—

Service Area: Transportation	Priority 1	Enhance ON-GOING
Title: Permitting Operations Service Enhancements		PRELIMINARY

Justification:

The City's Permitting Operations have grown significantly in volume and complexity, requiring a stable and effective Traffic Programmer workforce. A full-time Traffic Programmer position was established as a 3-year term in 2021. It has proven highly effective in generating substantial revenue and achieving significant cost avoidance by preventing damages to City infrastructure. An 8-month term position was introduced in 2024 to manage increasing workload. Budget is requested to convert the 3-year term position to a permanent role and continue the 8-month term position to respond to growing demands, avoid backlogs, and maintain high service levels. These roles will enhance operational efficiency, protect public safety and infrastructure, and support the City's economic development by facilitating timely and effective permit processing.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	171,500	—	—	—	—	(221,500)	—	50,000
2026	171,500	—	—	—	—	(221,500)	—	50,000
2027	171,500	—	—	—	—	(221,500)	—	50,000

2025 Operating Request Details

Service Area: Transportation	Priority 1	Maintain ON-GOING
Title: Crack Sealing Pavement		PRELIMINARY

Justification:

As the City of Kelowna continues to expand the network of paved roads and face the challenges posed by rising temperatures, pavement maintenance efforts are imperative. The hotter temperatures experienced have accelerated wear and tear on pavements, leading to an increased need for proactive maintenance. Budget is requested for pavement crack sealing. Crack sealing plays a crucial role in extending the lifespan of roads by preventing moisture penetration, reducing pavement deterioration, and minimizing the need for more costly repairs down the line. By addressing cracks early, the City can preserve the integrity of the infrastructure and ensure safe and efficient travel for residents.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	125,000	—	—	—	—	—	—	(125,000)
2026	125,000	—	—	—	—	—	—	(125,000)
2027	125,000	—	—	—	—	—	—	(125,000)

Service Area: Transportation	Priority 1	Enhance ONE-TIME
Title: Safe Mobility Action Plan Implementation		PRELIMINARY

Justification:

The Safe Mobility Action Plan is scheduled for completion in the first quarter of 2025. The objective of the plan is to decrease fatalities and injuries on Kelowna's streets by utilizing data and community feedback. Budget is requested in 2025 to implement key initiatives of the plan, including education campaigns, updating bylaws, changing traffic signal operations, and piloting new speed control measures to improve safety for all road users.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	75,000	—	—	—	—	—	—	(75,000)
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Active Transportation		

Justification:

Budget is requested for this annual program for active transportation. Annual items for consideration may include, but are not limited to, bicycle network improvements, crosswalk safety, signals and flashers, safe routes to school and sidewalk and bikeway renewal. Individual project components may include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,408,000	(2,408,000)	—	—	—	—	—	—

Service Area: Transportation	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Bridges		

Justification:

Budget is requested for this annual program for bridge rehabilitation and renewal. This program undertakes inspections and repairs on the City's bridges to maintain their structural integrity and extend their service life.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	450,000	(450,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Road Network		

Justification:

Budget is requested for this annual program for road network improvements. Annual items for consideration may include, but are not limited to, traffic calming, road renewal, road safety improvements, street lighting renewal, intersection capacity improvements, traffic signals and roundabouts. Individual project components may include design, land acquisition and construction. Also included in this request is the purchase of two speed reader board units that display and record associated speed data to enhance traffic control.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	8,665,000	(4,269,000)	(476,000)	—	—	(475,000)	—	(3,445,000)
Operating Impacts:								
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	—	—	—	—	—	—	(50,000)
2026	50,000	—	—	—	—	—	—	(50,000)
2027	50,000	—	—	—	—	—	—	(50,000)

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Active Transportation - Bertram St		

Justification:

Budget is requested for this active transportation project that will develop new north-south protected bike lanes through Downtown linking the Bertram Multiuse Overpass, Leon/Lawrence ATC (future) and Cawston ATC. The Bertram ATC will facilitate increased north-south cycling in Downtown and provide an alternative all ages and abilities route to the Waterfront Walkway. This active transportation facility will support development in the Downtown, including the new UBCO campus. Project components may include design, land acquisition and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,620,000	(1,085,000)	(535,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Active Transportation - Rutland Neighbourhood		

Justification:

Budget is requested for phase 1 of the bikeway (Houghton ATC to Hartman Rd) and phase 2 (Hartman Rd to Klassen Rd via Friesen Rd). The Rutland Neighbourhood Bikeway was selected to be Kelowna's first neighbourhood bikeway. The route was chosen with consideration of existing and future bike infrastructure, community benefits, feedback from the 2023 Neighbourhood Bikeways Study, and key elements of what makes a good neighbourhood bikeway demonstration corridor. Project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,000,000	(1,000,000)	—	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Intersections - Springfield & Dilworth Improvements		

Justification:

Part of the major intersection capacity and road safety DCC programs, this project will upgrade the intersection of Springfield / Benvoulin / Dilworth. These annual DCC road programs target capacity and safety improvements at key intersections on the major road network. Approaches and adjacent intersections will also see changes to support improvements. Budget is requested for the design, land acquisition and construction of the Springfield and Dilworth intersection improvement, including capacity upgrades, multi-modal improvements to address capacity/safety issues and accommodate active transportation and transit users.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,472,000	(1,088,000)	(1,384,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Burtch Rd Upgrades		

Justification:

Budget is requested for the Burtch Rd extension project which will create a continuous north/south corridor between Glenmore Rd and KLO Rd. The project includes upgrades along existing segments of Burtch Rd, a new section of arterial roadway between Byrns Rd and KLO Rd, and considers a future extension to Benvoulin Rd. The project supports development and population growth in the south of Kelowna. Project components include design, construction and land acquisition.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	12,355,000	(3,292,000)	(9,063,000)	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Commonwealth Rd (Hwy 97 - Jim Bailey) Upgrades		

Justification:

Budget is requested to upgrade and extend Commonwealth Rd as a major arterial between Highway 97 and Jim Bailey Rd. Proposed improvements include intersection upgrades at Highway 97 (by Ministry of Transportation and Infrastructure), improvements along Commonwealth Rd, eastward extension across and connecting to Okanagan Rail Trail and reconfiguration of the Jim Bailey Rd/Cres. intersection. Project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	313,000	(63,000)	(250,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance
Title: Roads - Frost Rd Upgrades (with utilities)		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to extend Frost Rd as a minor arterial between Killdeer Rd and Chute Lake Rd, including a new roundabout at Chute Lake Rd, Frost Rd, and Okaview Rd. Separately, a nearby development project will add a traffic signal at the intersection of Frost Rd and Gordon Rd. This new connection will make travel between the Lakeshore Rd and Gordon Rd corridors easier and improve access to schools and services. Project components include land acquisition and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	5,043,000	(808,000)	(4,235,000)	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance
Title: Roads - Glenmore Rd Upgrades		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested for improvements along the Glenmore Rd corridor. At the south end of the corridor, development of an active transportation corridor between Glenmeadows Rd and the Okanagan Rail Trail will link existing walking and biking facilities in the Glenmore valley to the rest of the City's active transportation network. Between Union Rd and John Hindle Dr, intersection improvements and widening will increase vehicle capacity and extend existing multiuse pathways on Glenmore Rd and John Hindle Dr. Between John Hindle Dr and the Lake Country boundary alignment, access, intersection and shouldering upgrades will improve the safety performance of this busy rural corridor. Project components include planning, design, land acquisition and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	10,425,000	—	(6,737,000)	—	—	—	—	(3,688,000)

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance
Title: Roads - Highway 33 to Clement Extension		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to extend Clement Ave from Spall to Highway 33 as a major arterial with at-grade intersections at Spall Rd, Hardy St, Dilworth Rd and Highway 33. This new link will increase people-moving capacity through the Midtown area in conjunction with future planned traffic and transit improvements along Highway 97. Realignment of the Okanagan Rail Trail and coordination with Mill Creek Flood improvements will be required. Project components include planning, design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,800,000	(448,000)	(2,352,000)	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance
Title: Roads - Hollywood Rd N Upgrades		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to upgrade and extend Hollywood Rd N from John Hindle Dr to Sexsmith Rd. Improvements include development of a suburban major arterial roadway and intersection upgrades at Sexsmith Rd, Academy Way and John Hindle Dr. This is one of a series of projects planned to develop Hollywood Rd N as a continuous arterial corridor between Airport Way and Highway 97. Project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	5,667,000	(1,459,000)	(4,208,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance
Title: Roads - KLO Bridge Replacement (with utilities)		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested for replacement of the KLO Rd bridge over Mission Creek. The new bridge will provide reliable vehicle access to South East Kelowna, will meet current flood and environmental requirements, and enhance walking and cycling facilities including the Mission Creek Greenway. This project will be delivered concurrently with the McCulloch Area DCC (KLO/Hall/Spiers) project that addresses the approaches of the bridge, including a new roundabout at KLO and Spiers roads. Project components include land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	16,564,000	(12,889,000)	(3,675,000)	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance
Title: Roads - Lakeshore Rd Upgrades		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to make improvements along the Lakeshore Rd corridor. Improvements include roadway urbanization from Lanfranco Rd to Cook Rd coordinated with a major utility replacement project and adjacent developments. A gap in the Lakeshore Rd Active Transportation Corridor (ATC) will also be addressed at Rotary Beach Park. From Lexington Dr to DeHart Rd, roadway urbanization and extension of the ATC will link existing facilities to the north and south. Project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,690,000	(1,414,000)	(3,276,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Parkinson Recreation Centre Road Improvements		

Justification:

Budget is requested for improvements along Spall Rd between Bernard Ave and Highway 97 to support redevelopment of the Parkinson Recreation Centre. Improvements include turn lane upgrades at Highway 97, intersection upgrades at Parkinson Way, bus stop and active transportation corridor upgrades. Project components include design and construction, and may include land acquisition.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	400,000	—	—	(400,000)	—	—	—	—

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Stewart Rd Upgrades		

Justification:

Budget is requested to improve traffic flow and safety on Stewart Rd between Crawford Rd and DeHart Rd. The corridor inherits a number of sub-standard road alignments and geometric challenges. Improvements are required due to continued growth in the Upper Mission. Project components include design, land acquisition and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	800,000	(184,000)	(616,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Sutherland Rd Upgrades		

Justification:

Budget is requested for the extension of Sutherland Rd from Burtch Rd to Kirschner Rd as a urban centre arterial, with a two-way protected bike lane on the north side. This new street provides improved east-west connectivity into the Landmark area and facilitates new development in the area. The project was identified in the Capri-Landmark Urban Centre Plan and Transportation Master Plan. Project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	130,000	(22,000)	(108,000)	—	—	—	—	—

Service Area: Transportation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Roads - Neighbourhood Street Urbanization		

Justification:

Budget is requested for the new neighbourhood street urbanization program that will upgrade existing local streets in areas with significant infill development. Initial projects will prioritize locations with recent infill development, missing infrastructure, increasing street use, existing deferred revenue, high walking and biking activity, opportunities for capital project coordination and projected future growth. Individual project components include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	5,150,000	(5,150,000)	—	—	—	—	—	—

2025 Operating Requests (\$ thousands)

Priority 2

Description	2025	2026	2027	2028	2029
Waste Management Service Enhancement - Redeployment	145	145	145	145	145
Snow Clearing and Ice Control Service Enhancements	375	538	620	620	620
Solar Light Replacement - Neighbourhood and Dog Parks	50	50	50	50	50
Operating Requests Priority 2 Total	570	732	815	815	815

2025 Operating Request Details

Service Area: Transportation	Priority 2	Enhance ON-GOING
Title: Waste Management Service Enhancement - Redeployment		PRELIMINARY

Justification:

Budget is requested to enhance waste management service delivery. For over two years the City has successfully managed this service, demonstrating that insourcing can deliver a reliable, higher quality service at a lower cost compared to external contractors. It also allows for flexibility to provide increased service in underserved areas. To date, this service has been performed by five term Equipment Operator I positions. Formalizing four of these positions into full-time roles will enhance operational stability, while extending service in Rutland from seasonal to year-round. The retention of one 8-month term position will provide flexibility to handle seasonal demand fluctuations. This \$404.6k budget is partially funded from a redeployment of \$260k existing budget. This request would increase taxation demand in 2025 by 0.08 per cent.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	144,600	—	—	—	—	—	—	(144,600)
2026	144,600	—	—	—	—	—	—	(144,600)
2027	144,600	—	—	—	—	—	—	(144,600)

Service Area: Transportation	Priority 2	Enhance ON-GOING
Title: Snow Clearing and Ice Control Service Enhancements		PRELIMINARY

Justification:

City of Kelowna provides snow clearing and ice control services to exempt sidewalks, pathways and active transportation corridors. The established service standard of clearing within 24 hours following a snowfall, outlined in Council Policy 332, is currently not being met. Budget is requested to rent additional equipment and retain seasonal staff in order to fully staff and equip each of the 10 sidewalk zones across the City. Budget is also requested to increase the current grader fleet for roadway snow clearing and ice control services from two units to four to improve response times across Priority 1 roads. If moved to a priority 1, this request would increase taxation demand in 2025 by 0.2 per cent.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	375,000	—	—	—	—	—	—	(375,000)
2026	537,500	—	—	—	—	—	—	(537,500)
2027	620,000	—	—	—	—	—	—	(620,000)

2025 Operating Request Details

Service Area: Transportation	Priority 2	Enhance ON-GOING PRELIMINARY
Title: Solar Light Replacement - Neighbourhood and Dog Parks		

Justification:

Budget is requested for a four-year program to install and maintain new solar lights in local dog parks and neighbourhood parks, as the current solar lights are at the end of their life cycle. This funding will enhance safety by improving visibility, extend the usability of these areas after dark, and support environmental sustainability through the use of renewable energy. The allocation will cover the costs of high-quality solar lights, professional installation, and ongoing maintenance, ensuring a well-lit and welcoming community environment for residents and their pets. If moved to a priority 1, this request would increase taxation demand in 2025 by 0.03 per cent.

Strategic Direction:		Climate & Environment						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	—	—	—	—	—	—	(50,000)
2026	50,000	—	—	—	—	—	—	(50,000)
2027	50,000	—	—	—	—	—	—	(50,000)

▶ TRANSIT

LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goal & community benefit:

Our goal is to provide fast and reliable transit service to our community. Transit provides numerous benefits to the community including an affordable transportation option that helps reduce congestion and emissions, as our community grows.

Our customers:

Our customers are all transit patrons who live, work and play in Kelowna.



Our partners:

We work with BC Transit and our regional government partners (West Kelowna, Westbank First Nation, Peachland, and Lake Country) to deliver affordable transit service, including HandyDart.

What we deliver:

We provide service annually with 28 routes, 100 buses and over 215,000 hours in the Central Okanagan. We work in liaison with BC Transit on contract administration, service planning, and provide a variety of transit pass options to enable access to transit for everyone in our community.

Our key objectives:

- Attract new riders
- Deliver operational excellence
- Improve transit sustainability
- Improve custom transit utilization

Our guiding plans:

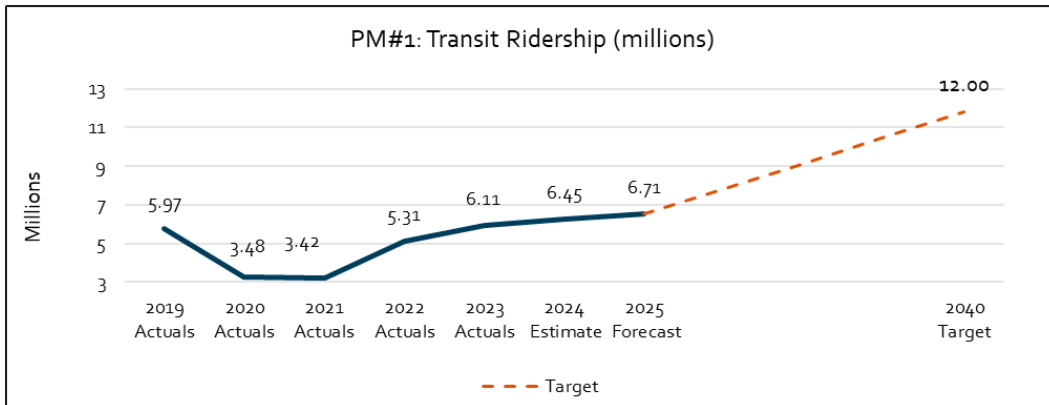
- Imagine Kelowna
- Regional Transportation Plan
- Transportation Master Plan
- Central Okanagan Transit Future Plan
- Transit Future Action Plan

Measuring performance:

Performance measure 1

Transit ridership

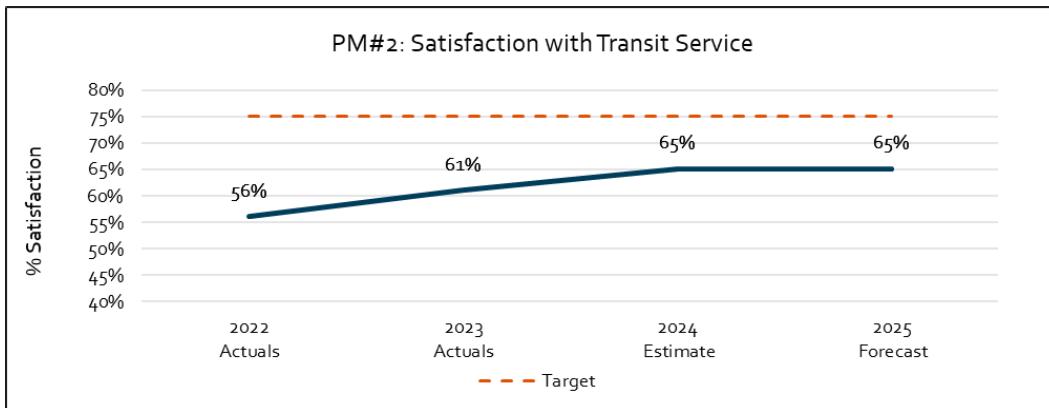
Transit is an efficient way to move more people in our limited road space. It helps reduce congestion and emissions and is a great alternative to driving for longer trips. Ridership tracks how many people use transit and shows us how much it's being used. The Transportation Master Plan (TMP) aims to double transit ridership by 2040, reaching approximately 12 million riders annually. In 2023, ridership grew beyond pre-pandemic levels, increasing from 5.97 million in 2019 to 6.11 million and is trending in the desired direction to meet the 2040 target.



Performance measure 2

Resident satisfaction

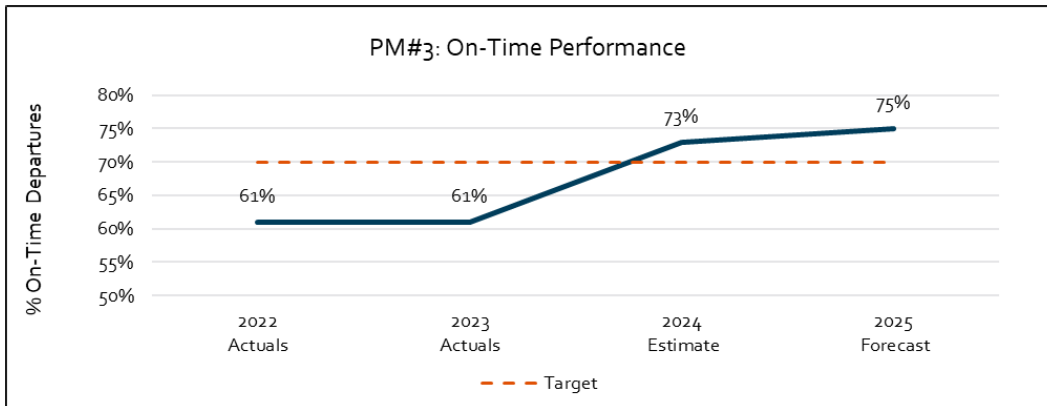
This measure reflects the overall public perception of transit based on our Citizen Surveys. Resident satisfaction with public transit increased from 56 per cent in 2022 to 61 per cent in 2023. This increase likely reflects the improvements made to service after the pandemic. The aim is to achieve 75 per cent customer satisfaction, as outlined within the Central Okanagan Transit Service Guidelines. The proposed service expansions detailed in the Transit Improvement Program are expected to increase customer satisfaction further and support meeting this target.



Performance measure 3

On-time performance

On-time performance tells us how often buses arrive on schedule, which is important for people to trust and rely on transit. A trip is considered on time if it departs no more than three minutes late or one minute early. The estimated on-time performance is 73 per cent in 2024. Data prior to 2022 is unavailable as the full implementation of Next Ride 2.2, which tracks this, was not in place yet. The aim is to achieve on-time departures 70 per cent of the time, with 80 per cent on-time departures for local coverage routes, as per The Central Okanagan Transit Service Guidelines.

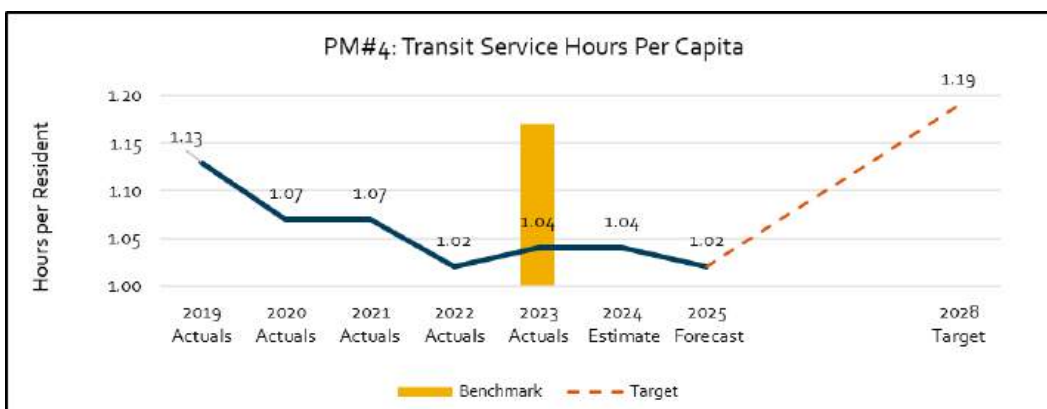


Performance measure 4

Transit service

Investing in new transit services is essential for sustaining and expanding a successful transit system in Kelowna. In 2023, approximately 210,000 hours of service were provided in the Kelowna Regional Transit System, with about 170,000 hours within Kelowna. This equates to 1.04 hours of transit service available per person in Kelowna, representing a slight decline from previous years, likely due to rapid population growth.

The closest Municipal Benchmarking Network Canada (MNBC) comparator community based on service area population, achieved 1.17 service hours per capita in 2023. The Kelowna Regional Transit System as a whole reached 1.17, while the City of Kelowna reached 1.04. The City of Kelowna aspires to increase this figure to 1.19 by 2028. The investments proposed in the Transit Improvement Program will help us move toward our target.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Upgrades being designed for three transit exchanges include provisions for CCTV coverage
Transportation	<ul style="list-style-type: none"> Construction of Hardy Street Operations Centre enhancements Continued master planning and completion of Agricultural Land Reserve exclusion for the Transit Operation and Maintenance Facility at Hollywood Road Implementing transit service improvements (on-time performance and service expansions) Construction of transit exchanges at Okanagan College and Rutland Detailed design of the Mission transit exchange Canada Public Transit Fund planning and application
Climate & Environment	<ul style="list-style-type: none"> Continued participation in BC Transit's first pilot of on-demand service in Crawford area
Our People	<ul style="list-style-type: none"> Enhanced focus on staff development to provide opportunities to learn and grow
Active Financial Management	<ul style="list-style-type: none"> Conduct a comprehensive fare review Continued pursuit of grants including the Canada Public Transit Fund

2024 Key accomplishments:

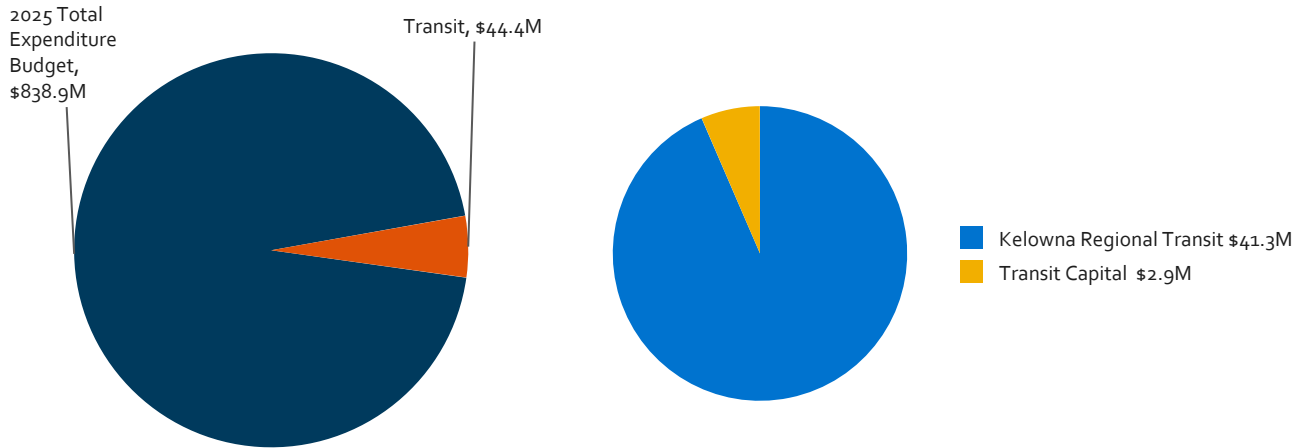
- Achieved record-level transit ridership, forecasted at 6.45 million rides in 2024
- Constructed four new bus stops, upgraded eight existing stops, added three new shelters
- Began implementing service improvements proposed in the Rutland Local Area Transit Plan completed in 2023
- Advanced project development for the future new Hollywood Transit Centre
- Completed design of enhancements at the Hardy Transit Centre in preparation for 2025 construction
- Successfully launched the Umo fare collection system in the Kelowna region
- Increased access to transit for equity-deserving groups through a United Way partnership

Continuous improvements:

- Maximizing capacity from existing resources while planning for future growth
- Continuing participation in the OnDemand transit service pilot
- Advancing plans for high-order transit and transit priority infrastructure
- Preparing for the introduction of battery electric buses in the Kelowna Regional Transit System
- Collaborating with the Ministry of Transportation and Infrastructure and regional transit partners to plan the future enhanced transit services in the region

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$44.4M

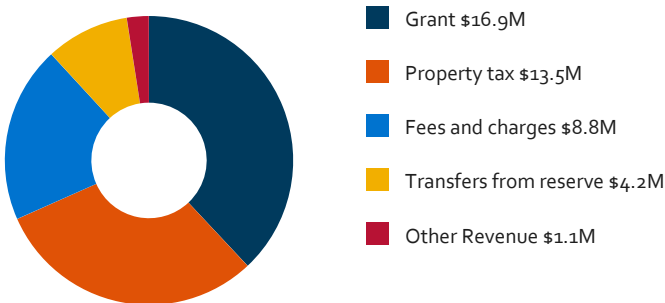
Budget needed to achieve results

The provincial government, through BC Transit, covers approximately half of the transit contract costs. The remaining expenses are funded through a combination of transit fares, advertising revenue, and property taxes. In 2025, reserve funding will serve as a budget tool to address anticipated surpluses in the transit contract. However, these reserve funds will only be accessed if revenues fall short of covering all expenses.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	10,207	13,173	(174)	377	113	13,490
Fees and charges	7,969	8,018	27	—	743	8,788
Grant	10,879	14,013	—	—	2,884	16,896
Other revenue	18	—	—	—	1,100	1,100
Transfers from reserve	126	1,010	(356)	616	2,897	4,167
Total revenue budget	29,200	36,214	(503)	993	7,736	44,441
Expenditure budget:						
Salaries and wages	285	283	54	16	—	353
Material and other	732	953	(288)	2	171	838
Contract services	23,836	30,865	(68)	4	5,226	36,027
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	616	2,242	2,858
Transfers to reserve	555	307	—	—	—	307
Enabling allocation	3,792	3,806	(201)	356	97	4,058
Total expenditure budget	29,200	36,214	(503)	993	7,736	44,441
Operating FTE positions:						
Management	1.0	0.5	—	—	—	0.5
Union hourly	—	—	—	—	—	—
Union salary	1.0	0.4	0.5	—	—	0.9
Total operating FTE positions	2.0	0.9	0.5	—	—	1.4

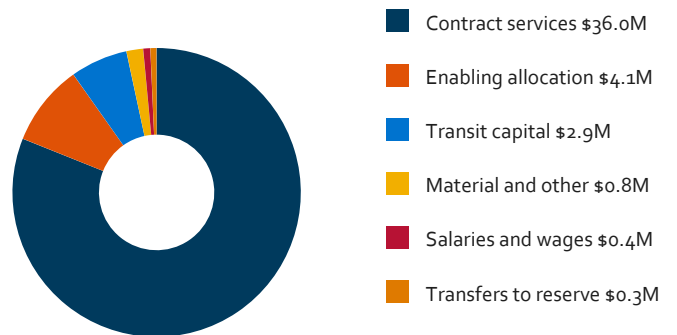
Note: Totals may not add due to rounding

Funding strategy



Total \$ 44.4 M

Expenditure by type



Total \$ 44.4 M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Transit Operations	5,226	5,226	5,226	5,226	5,226
Hollywood Transit Centre Planning	125	—	—	—	—
Transit Fare Review	30	—	—	—	—
Transit Planning Software - Redeployment	—	—	—	—	—
Operating Requests Priority 1 Total	5,381	5,226	5,226	5,226	5,226

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Transit	616	944	1,503	1,767	3,014
Projects					
	Total Project				
Transit - Mission Recreation Transit Exchange & Mobility Hub	3,750	750	1,000	2,000	—
Transit - Okanagan College Exchange Capacity	2,300	500	800	1,000	—
Transit - Rutland Park & Ride, Mobility Hub, Operations Facility	2,992	992	1,000	1,000	—
Capital Request Priority 1 Total	9,042	2,858	3,744	5,503	3,014

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Transit	Priority 1	Enhance ON-GOING
Title: Transit Operations		PRELIMINARY

Justification:

Budget is requested to reflect the anticipated changes in transit operations such as adoption of new technology (Umo electronic fare system), the transition to electric buses, and expansion of the existing transit maintenance facility. As well, reflects financial pressures due to rising fuel costs, lease fees, and rising administrative expenses. Increasing ridership revenue is helping to offset these cost increases but additional funding is required. A combination of previous year surpluses and remaining Safe Restart grant funding is recommended to be used to phase in the property tax impact of this increase over the next three years allowing time for the City to complete a transit fare review.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	5,226,200	(900,000)	—	—	(2,483,500)	(1,842,700)	—	—
2026	5,226,200	(500,000)	—	—	(2,483,500)	(1,542,700)	—	(700,000)
2027	5,226,200	(400,000)	—	—	(2,483,500)	(1,342,700)	—	(1,000,000)

Service Area: Transit	Priority 1	Enhance ONE-TIME
Title: Hollywood Transit Centre Planning		PRELIMINARY

Justification:

Budget is requested in order to support the continuation of design of a new transit operations centre as well as to progress site servicing planning. This project will be lead by BC Transit in coordination with Infrastructure BC whom are undertaking the design. This budget request will also support the formulation of an Integrated Regional Plan (IRP) required for grant applications to the Federal Canada Public Transit Fund (CPTF). The effort will be a cost-sharing initiative with BC Transit and may also be supported by additional federal funding.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	125,000	(125,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Operating Request Details

Service Area: Transit	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Transit Fare Review		

Justification:

Budget is requested to facilitate a comprehensive review of transit fares, evaluating current rates, service costs, community fare programs, and historical revenue and ridership trends, and cover the coordination of a mandatory U-Pass referendum required under the U-Pass agreement when the pass rate is proposed to change. Additionally, it will support a feasibility study on equity-based transit fares, exploring eligibility requirements, operational and administrative implications, budget considerations, and stakeholder engagement. The goal of equity-based fare programs is to enhance transit access for those most in need, thereby improving their access to community services, employment opportunities, and social wellness initiatives.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	30,000	(30,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Transit	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Transit Planning Software - Redeployment		

Justification:

Budget is requested, funded from redeployment of existing budget, to fund an annual subscription for transit planning software to provide enhanced capabilities to efficiently and effectively develop and analyze network structure and service level options. This software aids in data-based, nimble decision making helping to optimize the transit system and the service it provides to the community. The software will be used to support planning within the Central Okanagan Integrated Transportation Network (COITN) program, exploration of new services (including potential future on-demand services) in neighborhoods such as Clifton Road area and others, and support analysis for the Pandosy-Richter study and ongoing planning for Kelowna's North End.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Transit	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Transit		

Justification:

Budget is requested for this annual program for transit. Annual items for consideration may include, but are not limited to, new bus stop and amenity improvements, upgrades to existing bus stops and land acquisition for new bus stops. Improvements associated with local area plan changes are also included. Individual project components may include design, land acquisition and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	616,000	(616,000)	—	—	—	—	—	—

Service Area: Transit	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Transit - Mission Recreation Transit Exchange & Mobility Hub		

Justification:

Budget is requested to reconfigure the Mission Rec Exchange to improve rider comfort and reduce bus delays, operating costs and conflicts with other facility users. Anticipated improvements include a potential mobility hub and relocated exchange within the existing parking lot and improved access to Gordon Dr. This project is being developed in coordination with BC Transit. Project components include design and construction.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	750,000	(750,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Transit	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Transit - Okanagan College Exchange Capacity Expansion		

Justification:

Budget is requested to reconfigure and add transit bay at the Okanagan College Transit Exchange to increase exchange capacity and address ongoing operating issues. Anticipated improvements include relocation of an existing bay, an additional bay, shelters, rider amenities, stronger active transportation links and better integration adjacent Okanagan College buildings. This project is being developed in coordination with Okanagan College and BC Transit. Project components include design, land acquisition and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	500,000	(100,000)	—	—	(400,000)	—	—	—

Service Area: Transit	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Transit - Rutland Park & Ride, Mobility Hub, Operations Facility		

Justification:

Budget is requested to complete detailed design and construction of improvements at the Rutland Transit Exchange. Improvements will address existing operating issues, future service expansions and improve access between transit and other travel modes. Upgrades to the exchange include construction of a driver washroom/admin facility, an additional transit bay, park and ride parking, and a bicycle parking / micro mobility hub. This project is being developed in coordination with BC Transit. Project components include design and construction.

Strategic Direction:		Transportation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	992,000	(992,000)	—	—	—	—	—	—

▶▶ PARKS

LED BY: GENERAL MANAGER, INFRASTRUCTURE

Our goal & community benefit:

Our goal is to manage, operate and maintain the City's parks in a sustainable manner meeting community need. Currently, Parks is creating a master plan which will guide the expansion, development, and operations of its parks system as the City grows. Our parks support a resilient and active city by providing equitable access to a diverse recreational and cultural experiences.

Our customers:

- Residents, tourists and visitors
- People of all ages and abilities
- User groups, sports members
- Athletes at all ages and stages of development



Our partners:

We work with our citizens, and industry professionals to create and maintain the recreational and cultural activities in the community.

What we deliver:

We provide the guide in making both long-range and short-term decisions about the parks system. We also provide the financial strategy needed to support and sustain the City's portfolios of parks, open spaces and natural areas. We provide a phased implementation strategy for improving existing parks and public shorelines, unfunded but Council-approved parks as well as the acquisition, location, and/or development of future parks.

Park Services maintains 250 hectares of sport and park land, 692 hectares of managed natural areas, and 132 hectares of low management natural areas.

Our key objectives:

- A vibrant community
 - Public parks are clean and safe spaces for the public
 - Ensure parks, beaches, playgrounds and natural park areas are managed long term
 - A healthy community
 - Well maintained trails and natural areas
 - Growing a healthy tree canopy
- An engaged team
 - Staff are connected and informed
 - Resources and training are available

Our guiding plans:

- Imagine Kelowna
- Parks Master Plan (under development)
- Community for All – Healthy City Strategy
- Kelowna Community Sport Plan (2019)
- Kelowna Event Strategy (2022)
- Council and Corporate Priorities

Measuring performance:

Performance measure 1

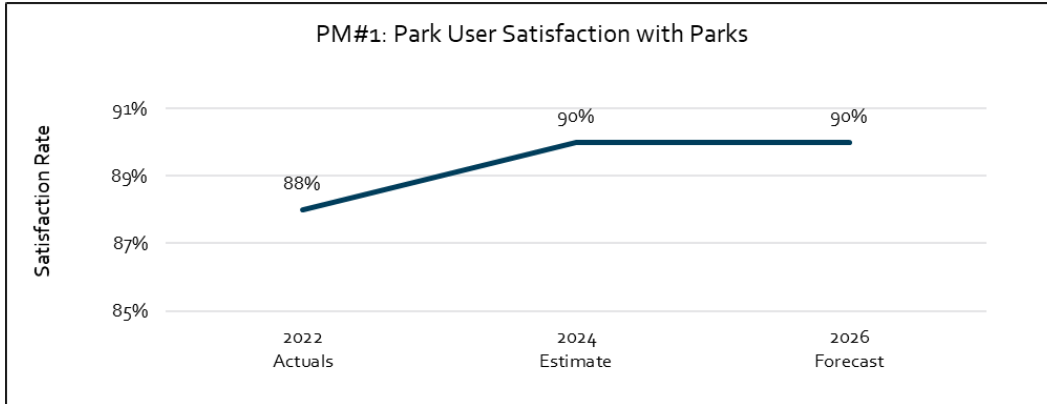
Park user satisfaction with Parks

This metric helps determine whether the department is fulfilling its mandate to provide high-quality recreation programs and spaces for its citizens and users. Measured by: Biennial online survey.

OCP 2040 Objective 10.3. Ensure parks reflect their unique natural and cultural context.

OCP 2040 Objective 1.14. Provide safe, walkable, Core Area neighbourhoods that are connected to key designations.

OCP2040 Objective 14.2. Preserve and enhance biodiversity and landscape diversity, integrating and connecting ecological networks throughout the City.



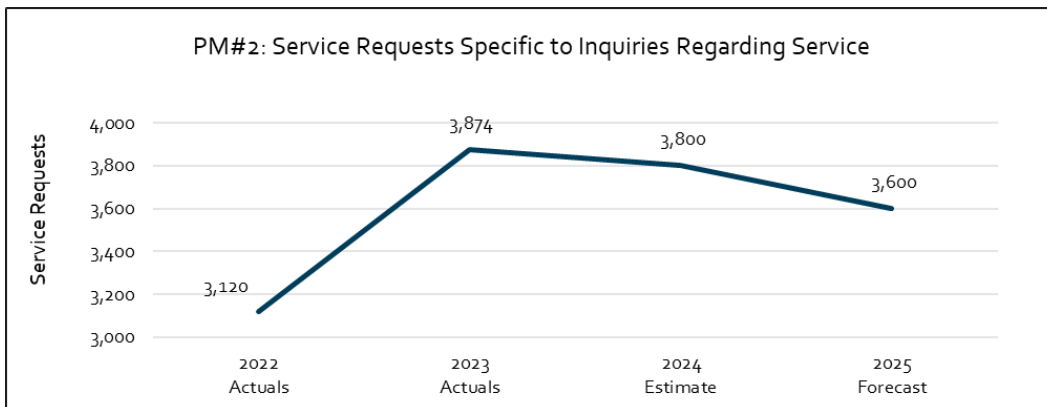
Performance measure 2

Service requests specific to inquiries regarding service

Tracking the number of service requests that relate to service levels within existing parks and City road right of way. Annual tracking of requests relating to level of service.

Measured by: Analyzing Cityworks service requests on types of requests, locations, and time to close.

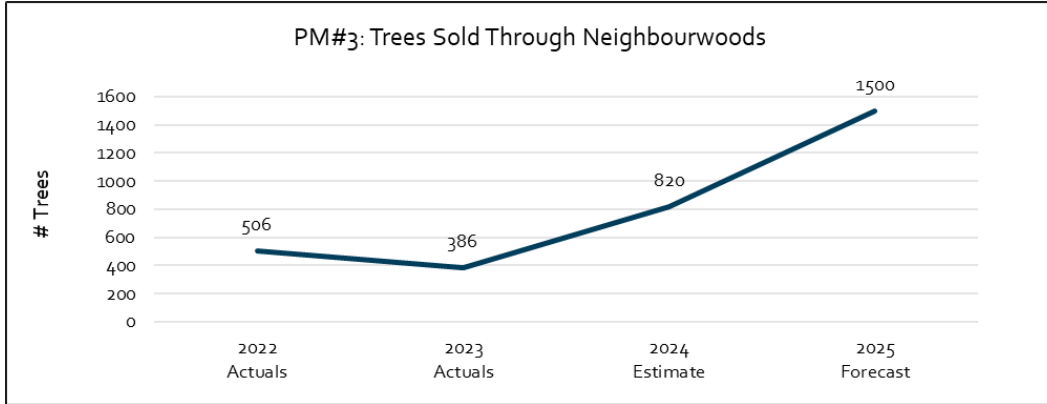
OCP 2040 Objective 13.2. Ensure fiscally responsible management of existing and proposed infrastructure.



Performance measure 3

Trees sold through Neighbourwoods

The Neighbourwoods Program, which offers discounted trees to Kelowna residents, is a crucial performance measure designed to enhance green spaces and promote environmental sustainability. Recently, the sales targets have been increased to 1,000 trees in 2024 and 1,500 in 2025 to further encourage community participation and boost sales. This initiative not only fosters engagement and stewardship but also aligns with the City Council's priority of improving urban greenery. By achieving these targets, we aim to create a healthier ecosystem, beautify the city, and instill a sense of pride among residents, contributing to a more sustainable and vibrant Kelowna.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Develop staff safety protocols and documentation for community-based program/ service delivery
Homelessness	<ul style="list-style-type: none"> Help to reduce impact by continuing to provide clean safe public spaces
Climate & Environment	<ul style="list-style-type: none"> Protect and restore natural areas (riparian areas and forests) Continue to grow healthy urban canopy Provide safe natural areas for the public to enjoy Develop and maintain green infrastructure throughout the City
Our People	<ul style="list-style-type: none"> Develop a long-term Divisional staffing model and succession plan Promote and deliver staff engagement and growth initiatives
Digital Transformation	<ul style="list-style-type: none"> Using data to make informed decisions Embrace innovation to increase turf maintenance practices Continue integration and implementation of the City Works program into Parks Operations, providing greater clarity of responsibilities and assets
Active Financial Management	<ul style="list-style-type: none"> Continued implementation of service-based budget to ensure that the associated infrastructure, maintenance, and operating costs are explained Continue to provide financially responsible public-maintained parks

2024 Key accomplishments:

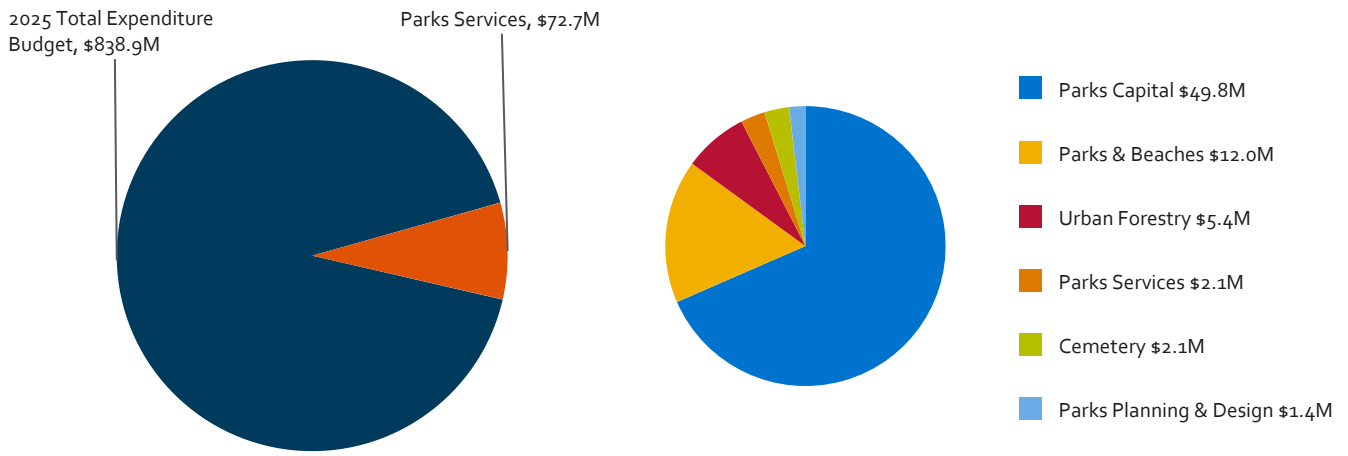
- Completed 3,933 Parks Services service requests in 2023
- Sold 820 Neighbourwoods Trees to Kelowna residents, an increase of 320 over 2023
- The Greenhouse grew 55,000 annual plants for placement throughout the City
- The Greenhouse added 200 planters for placement throughout City urban areas and highways
- Renewed a total of 16 acres of parkland irrigation at Rotary Beach, Ben Lee Park, East Kelowna ballfields, and Truswell Park

Continuous Improvements:

- Creation of an updated Asset Management Plan for parks, playgrounds, and associated infrastructure to identify an inventory of required works to be completed for the lifespan of each park, associated costs and timelines
- Continued conversion of irrigation control systems to Rainbird IQ4
- Improving irrigation flow sensing
- Fully implemented robot line painter in all recreation parks
- Prepared Apple Bowl to host Canadian Premier League soccer game

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$72.7M

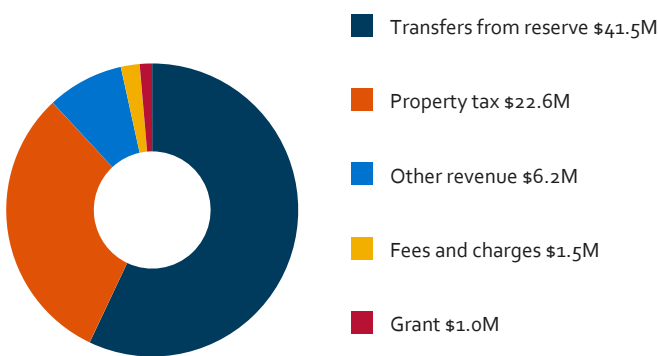
Budget needed to achieve results

Parks services are primarily funded through property taxes, except for the Kelowna Memorial Park Cemetery, which operates on revenue generated through fees and charges. The Parks 2025 capital program is supported by a combination of funding sources, including grants, debt financing, developer contributions, capital reserves, and taxation.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	26,376	24,616	(5,658)	1,410	2,189	22,557
Fees and charges	2,701	1,286	—	217	—	1,503
Grant	970	168	(168)	—	1,000	1,000
Other revenue	(671)	1,764	(1,541)	—	5,951	6,174
Transfers from reserve	34,421	50,547	(50,426)	2,944	38,432	41,497
Total revenue budget	63,796	78,380	(57,793)	4,572	47,572	72,731
Expenditure budget:						
Salaries and wages	5,544	5,379	93	281	—	5,753
Material and other	2,955	3,641	(465)	67	680	3,924
Contract services	5,249	5,798	(160)	20	400	6,058
Debt service	—	—	—	—	—	—
Capital expenditure	41,715	54,886	(54,886)	3,461	46,333	49,794
Transfers to reserve	410	409	—	161	—	570
Enabling allocation	7,922	8,267	(2,375)	581	159	6,632
Total expenditure budget	63,796	78,380	(57,793)	4,572	47,572	72,731
Operating FTE positions:						
Management	5.5	8.3	0.5	—	—	8.8
Union hourly	50.7	46.5	—	0.5	—	47.0
Union salary	3.9	4.0	—	—	—	4.0
Total operating FTE positions	60.1	58.8	0.5	0.5	—	59.8

Note: Totals may not add due to rounding

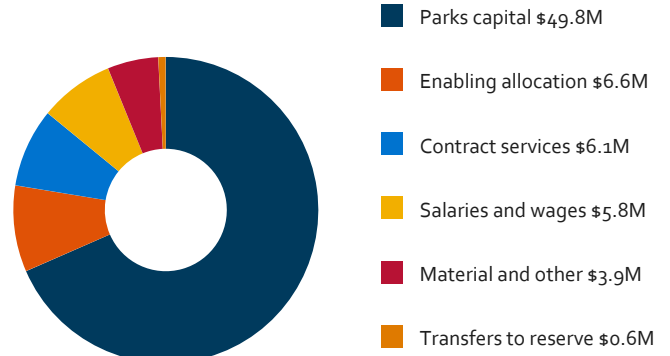
Funding strategy



Total \$ 72.7 M

Note: Totals may not add due to rounding

Expenditure by type



Total \$ 72.7 M

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Parks Planning Program - Redeployment	80	80	80	80	80
Median Improvement Program	600	600	600	600	600
Park Maintenance	132	106	106	106	106
Wildfire Fuel Mitigation	400	500	600	600	600
Operating Requests Priority 1 Total	1,212	1,286	1,386	1,386	1,386

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Park Development	447	172	3,261	172	3,261
Park Infrastructure & Facilities	3,211	2,423	1,181	2,828	1,159
Parkland Acquisition	20,823	21,618	20,823	15,180	14,385
Projects					
	Total Project				
Ben Lee Park	1,086	250	—	—	—
Burne Park	3,311	1,000	1,300	591	—
Chichester Wetland Park	3,886	195	195	3,496	—
City Park	30,765	740	1,365	6,307	8,280
Cook Beach Park- Aqua Foreshore	3,575	150	937	2,288	300
DeHart Park	11,480	1,818	402	134	—
Glenmore Recreation Park	41,270	9,500	3,000	7,000	7,000
Island Stage Rejuvenation	1,650	1,000	600	—	—
Kelowna's Newest Waterfront Park	2,060	608	1,156	196	—
Manhattan Point Park	4,915	235	235	2,827	1,413
Mill Creek Linear Park	8,727	300	1,119	1,000	1,119
Parkinson Recreation Park	41,162	4,116	14,409	18,523	4,115
Queensway Improvements	900	800	50	50	—
Rotary Beach Park	2,470	708	1,122	600	—
Rutland Recreation Park	8,360	3,893	3,406	811	—
Capital Request Priority 1 Total	165,617	49,794	53,509	69,088	40,407

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Request Details

Service Area: Parks	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Parks Planning Program - Redeployment		

Justification:

The Parks Planning & Design department specializes in designing, developing, and managing outdoor spaces that enhance community recreation for our growing community, with an emphasis on accessible, sustainable, and inclusive parks that promote healthy living, environmental conservation, and community connection. Budget is requested for an annual planning program to ensure parks planning stays aligned with evolving community needs to support informed decision-making. With significant capital upgrades planned for all four main recreation parks from 2025 to 2027, budget in 2025 will be used to oversee and ensure that the planning processes across these parks are harmonized, in addition to strategic planning for the Recreation Avenue site. This \$100k budget is partially funded from a redeployment of \$20k existing budget.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	80,000	—	—	—	—	—	—	(80,000)
2026	80,000	—	—	—	—	—	—	(80,000)
2027	80,000	—	—	—	—	—	—	(80,000)

Service Area: Parks	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Median Improvement Program		

Justification:

The Parks department used grant funding to start the median improvement program in 2024 with the goal to convert current hard scaped medians into medians with suitable trees, in line with the City's Sustainable Urban Forestry Strategy. These changes will result in clean well-maintained medians while significantly adding to the urban tree canopy. Given the success of the trial program, sites for 2025 and 2026 have been identified and draft designs completed, including associated greenhouse operations and improvements for propagation and maintenance. Ongoing budget is requested to continue this program with a focus on the medians along the Highway 97 corridor.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	600,000	(400,000)	—	—	—	—	—	(200,000)
2026	600,000	(200,000)	—	—	—	—	—	(400,000)
2027	600,000	—	—	—	—	—	—	(600,000)

2025 Operating Request Details

Service Area: Parks	Priority 1	Maintain ON-GOING
Title: Park Maintenance		PRELIMINARY

Justification:

The City of Kelowna's Parks Department manages and maintains Kelowna's public parks, natural areas, beaches, trails, and urban forests to provide accessible, high-quality green spaces for residents and visitors. With the redesign of Ballou Park and the Knox Mountain Crown Lookouts, and addition of the new parks Tall Grass Park, Fawn Run Park, Truswell Park, Burne Ave Park, and University Heights Park, additional budget is required to maintain these parks at the current service level. This request is for one Groundsperson II position and one vehicle that will be moved into the capital program upon Council approval.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	131,800	—	—	—	—	—	—	(131,800)
2026	105,500	—	—	—	—	—	—	(105,500)
2027	105,500	—	—	—	—	—	—	(105,500)

Service Area: Parks	Priority 1	Enhance ON-GOING
Title: Wildfire Fuel Mitigation		PRELIMINARY

Justification:

Council recently adopted the Sustainable Urban Forest Strategy which identifies the need to plan and execute the removal of high wildfire threat fuel in natural parks and spaces in the City. One action identified in the strategy is to continue and expand wildfire fuel mitigation in public spaces as outlined in the Community Wildfire Protection Plan to reduce wildfire risk as well as improve forest health. Kelowna currently has 606 hectares of either High Threat and/or areas identified as High Priority in the 2021 Community Wildfire Protection Plan. Natural areas require frequent maintenance work to reduce wildfire threat. Budget is requested to complete this work over the next 10 years. Grant opportunities will continue to be explored as they arise.

Strategic Direction:		Climate & Environment						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	400,000	—	—	—	—	—	—	(400,000)
2026	500,000	—	—	—	—	—	—	(500,000)
2027	600,000	—	—	—	—	—	—	(600,000)

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Park Development		

Justification:

Budget is requested for this annual program for both the design and construction of neighbourhood parks throughout the City to meet the demands of population growth.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	447,000	(294,000)	(153,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Park Infrastructure & Facilities		

Justification:

Budget is requested for this annual program to maintain and enhance park infrastructure and facilities. Annual items for consideration may include, but are not limited to, parks washrooms, accessibility improvements, irrigation renewal, playgrounds and other park improvements.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,211,000	(2,711,000)	—	—	—	—	—	(500,000)

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Parkland Acquisition		

Justification:

Budget is requested for the acquisition of land for future use as neighbourhood, community, city-wide, recreation and linear type parks. This is in accordance with the 20-year Servicing Plan and DCC reserve funding. Budget is also requested for acquisition of natural areas that fall outside of the 20-year Servicing Plan and DCC program.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	20,823,000	(941,000)	(18,532,000)	—	—	—	—	(1,350,000)

Service Area: Parks	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Ben Lee Park		

Justification:

Budget is requested to replace end of life equipment at Ben Lee Park for the spray park system.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	250,000	(250,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Burne Park		

Justification:

Budget is requested for the construction of Burne Park, which has been identified as the next priority within the DCC neighbourhood park program.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,000,000	(380,000)	(620,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Chichester Wetland Park		

Justification:

Budget is requested for the design and construction of trails in the recently acquired portion of Chichester Wetland Park.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	195,000	(90,000)	(105,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: City Park		

Justification:

Budget is requested for design and construction of the final section of waterfront walkway in City Park, as well as improvements to the City Park waterfront in this section. Budget is also requested for design and construction of the waterfront walkway in Kerry Park, as well as improvements to the Kerry Park waterfront.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	740,000	(325,000)	(415,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Cook Beach Park- Aqua Foreshore		

Justification:

Budget is requested for the development of the waterfront walkway (aqua foreshore) adjacent to the Cook Rd boat launch.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	150,000	(150,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: DeHart Park		

Justification:

Budget is requested for the continued construction of DeHart Park as well as the washroom and skatepark at the park.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,818,000	(491,000)	(1,327,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Glenmore Recreation Park		

Justification:

Budget is requested for the continued construction at the Glenmore Recreation Park in parallel with the construction of the new activity centre.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	9,500,000	(5,415,000)	(4,085,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Island Stage Rejuvenation		

Justification:

Budget is requested for the continued work on the island stage rejuvenation.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,000,000	—	—	—	(1,000,000)	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Kelowna's Newest Waterfront Park		

Justification:

Budget is requested for construction of frontage, shoreline changes, and landscaping around Kelowna's newest waterfront park. Offsite frontage deferred and to be coordinated with Kelowna Paddle Centre building. The design and construction of the new facility will be funded by the Kelowna Paddle Centre.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	608,000	(249,000)	(359,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Manhattan Point Park		

Justification:

Budget is requested for the design and construction of Manhattan Point park. The pier, wharf and retaining walls at Manhattan Point were all badly damaged during the 2017 flooding, however they were ineligible for Provincial assistance funding. The park was closed for safety reasons and the pier and wharf were assessed as being beyond reasonable repair.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	235,000	(42,000)	(193,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Mill Creek Linear Park		

Justification:

Budget is requested for the annual program of trail construction for Mill Creek Linear Park.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	300,000	(33,000)	(267,000)	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Parkinson Recreation Park		

Justification:

Budget is requested for the design and construction of layout changes and improvements to Parkinson Recreation Park in association with the construction of the new recreation centre. This project is valuable for ensuring a superior user experience, fostering community well-being, and remaining competitive in a dynamic recreational landscape.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	4,116,000	—	(2,058,000)	(2,058,000)	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Queensway Improvements		

Justification:

Budget is being requested for the Queensway Transit area, which needs to be upgraded to meet the current and future demands of our growing City. This project will address security concerns and enhance its operating condition. Programs/initiatives that are in scope: Updating Bennett Plaza, Transit OPS/Security Building, bicycle repair/storage, public washroom, mobility hub (i.e. Uber/Taxi/Micro Mobility), traffic flow updates (i.e. Pandosy), ArtWalk Extension, Patio Program Extension, etc. A consultant is currently working on a plan that will identify, sequence and stage the various initiatives for 2025/2026 and 2027. Plan is to be completed by Mid-October 2024.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	800,000	(800,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Rotary Beach Park		

Justification:

Budget is requested for improvements at Rotary Beach Park. These include the demolition of 3684 Lakeshore Dr and expansion of Rotary Beach Park over two lots. As well as replacement of Rotary Beach Park washroom and adjacent eating area.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	708,000	(580,000)	(128,000)	—	—	—	—	—

Service Area: Parks	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Rutland Recreation Park		

Justification:

The current City inventory of multi-use fields is heavily subscribed and at capacity. Budget is requested for the proposed realignment of the existing fields and other amenities to create an additional field, add at least one and potentially two artificial turf fields.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,893,000	—	—	(3,893,000)	—	—	—	—

2025 Operating Requests (\$ thousands)

Priority 2

Description	2025	2026	2027	2028	2029
Canopy Coverage Expansion Planning	200	300	400	400	400
Operating Requests Priority 2 Total	200	300	400	400	400

2025 Operating Request Details

Service Area: Parks	Priority 2	Enhance ON-GOING PRELIMINARY
Title: Canopy Coverage Expansion Planning		

Justification:

City Council adopted the Sustainable Urban Forest Strategy to enhance the City's tree canopy management program. Urban street trees require frequent maintenance to improve and maintain tree and canopy health. The strategy includes developing a 10-year planting plan, expanding the City's tree partnership program, funding more street tree planting, increasing urban tree service levels, expanding the bareroot nursery, and growing Kelowna's NeighbourWoods program. The goal is to plant 80,000 trees over the next two decades to meet canopy targets and adapt to climate change. Budget is requested for the next 10 years, and grant opportunities will be explored. Without additional resources, staff cannot meet the service levels and actions outlined in the strategy. This request would increase taxation demand in 2025 by 0.1 per cent.

Strategic Direction:		Climate & Environment						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	200,000	—	—	—	—	—	—	(200,000)
2026	300,000	—	—	—	—	—	—	(300,000)
2027	400,000	—	—	—	—	—	—	(400,000)

▶ SPORT & RECREATION

LED BY: DIVISIONAL DIRECTOR, ACTIVE LIVING & CULTURE

Our goal & community benefit:

Our goal is to increase sport, recreation and active living opportunities for all, improve the health and well-being of our citizens and enhance the overall quality of life within our community. The benefits of sport and recreation initiatives cannot be overstated. The benefits include enhancing mental, physical and social well-being, help to build strong families and healthy communities, improve quality of life, provide significant economic stimulus and contribute to community growth and development. High quality, accessible sport and recreation opportunities are a fundamental human need in all ages and stages of life and integral to a well-functioning society.



Our customers:

We serve a variety of individuals and organizations to ensure that sport and recreation programs and services are available and accessible to all.

- Residents of Kelowna and across the Central Okanagan
- People of all ages and abilities
- Equity-deserving groups
- School boards and educational institutions
- Social, community and sport organizations
- Visitors to the region
- Athletes at all ages and stages of development
- Neighbourhoods
- Other City of Kelowna business units

Our partners:

We work with various local organizations, other levels of government and the public/ private sector to develop mutually beneficial relationships.

- Recreation facility and program partners
- Not-for-profit service organizations (e.g., BGC Okanagan, KCR)
- Recreation providers (e.g., YMCA, Sport organizations, accessibility advocates)
- Public institutions (e.g., SD23, UBC Okanagan, Interior Health Authority)
- Regional, provincial, and national governing bodies (e.g., BCRPA, ViaSport, Childcare Advocacy groups)
- Private service delivery organizations (e.g., Daycare organizations, health & wellness)
- Other City of Kelowna business units

What we deliver:

We provide a wide range of programs and services helping to enrich the lives of people in our community. The delivery model involves the direct provision, support and facilitation of community-based programs, activities and events that engage, activate and connect people. Our key focus areas include promoting a healthy, active and inclusive community; reducing barriers to participation in sport & recreation; building neighbourhood connections; animating parks and public spaces; supporting an integrated sport system; maintaining sports fields, courts and related infrastructure; and developing a vibrant events sector.

Our key objectives:

- A vibrant community
 - Public spaces are animated
 - Strong program delivery model that leverages strategic partnerships
- A healthy community
 - Systems and services are aligned
 - Residents are thriving and resilient
 - Great cities are made up of strong neighbourhoods
- An equitable and inclusive community
 - Practices and processes prioritize equity and inclusion
 - Financial assistance programs to remove participation barriers
- An engaged team
 - Staff are connected and informed
 - Resources and training are available
- An exceptional Infrastructure program
 - Infrastructure is available and well-maintained
 - Innovative approaches and eco-friendly practices are explored and/or implemented

Our guiding plans:

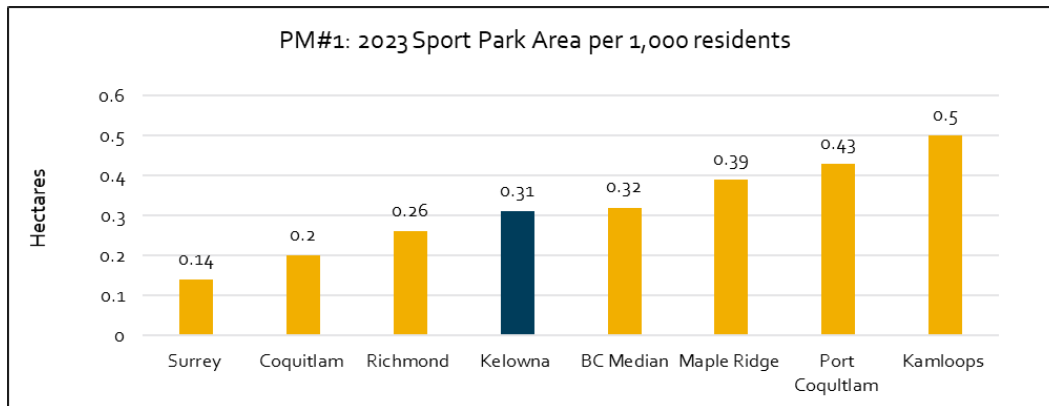
- Imagine Kelowna
- Official Community Plan (2040)
- Kelowna Community Sport Plan (2019)
- Kelowna Event Strategy (2022)
- Indoor Recreation Facility Strategy (2023)
- Community for All – Healthy City Strategy
- Conditions of Use and Allocation Guidelines
- Parks Master Plan (under development)

Measuring performance:

Performance measure 1

Grass sports parks area

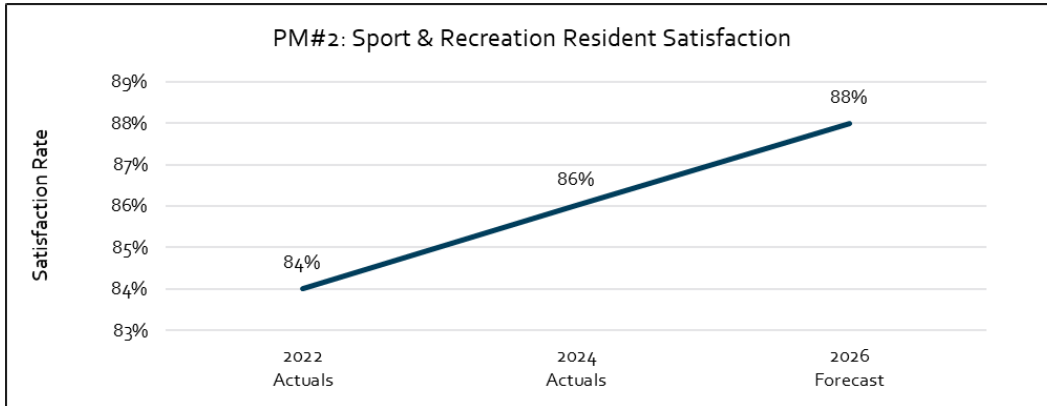
The presence of sports parks contributes to the quality of life within a community by promoting physical activity and supporting a healthy lifestyle. This metric is measured by the area of grass sports fields (playing areas and immediate surrounds) provided in hectares per 1,000 residents. Compared to other municipalities in British Columbia, the City of Kelowna is ranked mid-range, slightly below the provincial average. The audited data is collected by Yardstick, parks and recreation benchmarking, with a stringent review to ensure consistent reporting by the various municipalities across Canada.



Performance measure 2

Citizen satisfaction — recreation facilities and programs

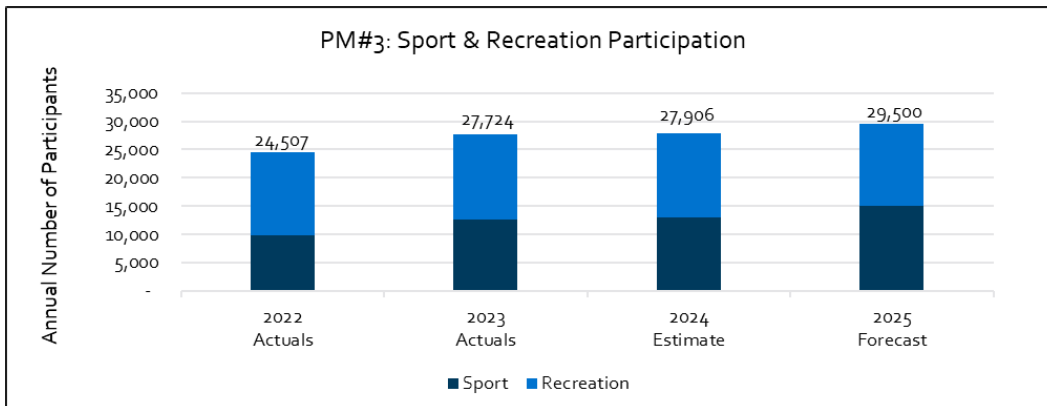
Every two years, the Citizen Survey is carried out to assess public satisfaction with municipal programs and services. It is crucial for residents to have access to sports and recreational activities. Evaluating resident satisfaction with City-provided sport and recreation facilities and programs assists in guiding decisions related to planning, budgeting, and service standards. The aim is for Kelowna residents to be content with the sport and recreation amenities and programs offered by the City of Kelowna.



Performance Measure 3

Sport and recreation participation

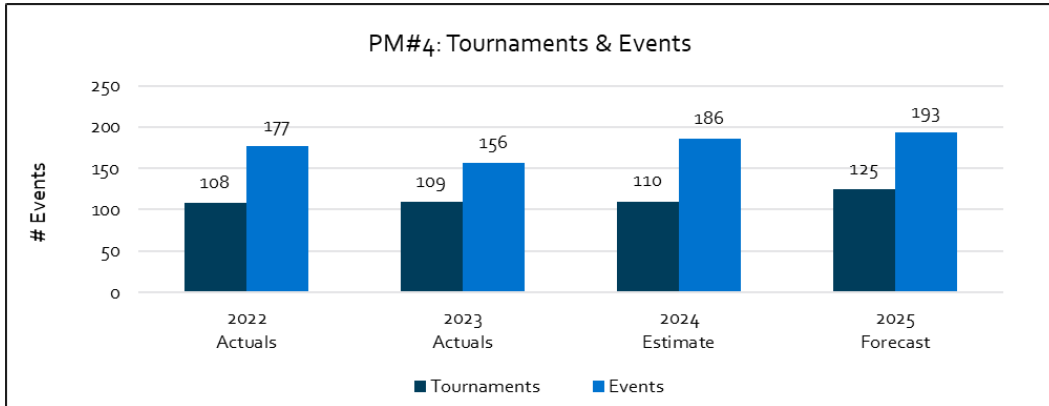
Engaging in sport and recreation programs offers numerous routes to improved individual health, while fostering a healthier, more interconnected, and resilient community. By delivering a wide variety of programs tailored to the interests and needs of residents, participation rates rise along with community health and vitality. The objective is for Kelowna residents to actively participate in the City of Kelowna's sport and recreation programs annually.



Performance measure 4

Tournaments and events

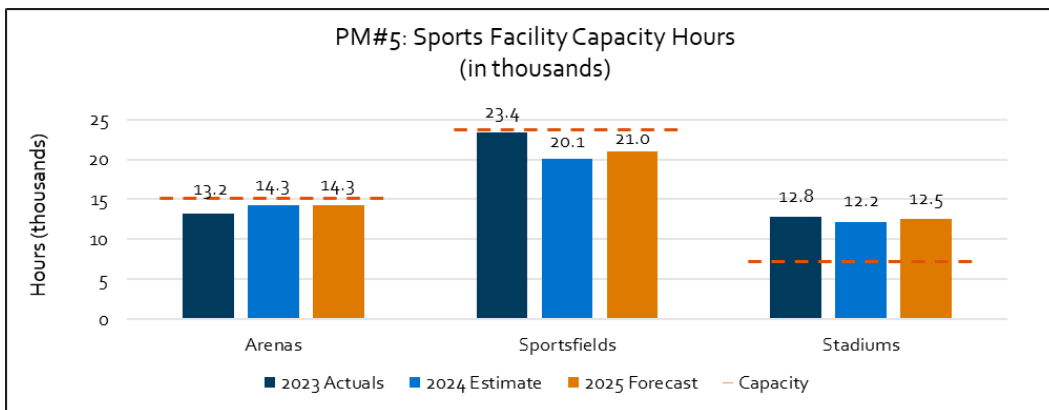
Tournaments and events hold significant importance for a city's operations. They not only infuse energy and liveliness into the community but also serve as instruments to promote the city's goals and influence residents' perceptions of their environment. The advantages of hosting tournaments and events are numerous, including the creation of vibrant and secure spaces, economic stimulation, showcasing natural features, promoting active lifestyles, and encouraging repeat visits. The City aims to adopt a proactive stance on event hosting by securing tournaments and events; aiding the growth of existing ones; and ensuring the availability of well-maintained outdoor event areas and tournament-ready sports fields. The objective is to foster a dynamic and balanced mix of tournaments and events that boost local engagement and attract tourists.



Performance measure 5

Sports facility capacity hours

Sport and recreation facilities play a crucial role in enhancing the quality of life within a community, promoting residents' health, and supporting the community's economic and environmental sustainability. Ensuring these amenities are well-maintained and accessible to the public is essential. The aim is to optimize the use of these facilities, maintain adequate public access, and anticipate future needs. Presently, our arenas and sports fields are functioning close to capacity, while our stadiums are functioning beyond capacity.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Continue building the Block Connector network to enhance sense of safety and connectedness among neighbours Further develop staff safety protocols and documentation for community-based program/service delivery
Climate & Environment	<ul style="list-style-type: none"> Complete an irrigation audit and system operation test of 30 sites in conjunction with grant funding from Okanagan Basin Water Board
Economy	<ul style="list-style-type: none"> Advance post-procurement plans for Major Events: 2025 Montana's Brier, 2025 Canadian Country Music Awards, and 2026 BC Summer Games - these events boost the community by encouraging both participants and spectators to invest in our local economy
Our People	<ul style="list-style-type: none"> Promote and deliver staff engagement and growth initiatives through training and development opportunities Update the long-term Divisional staffing model and succession plan
Digital Transformation	<ul style="list-style-type: none"> Implement and execute technological advancements through Sport League apps and a community wide events calendar to improve customer service and program delivery efficiencies Explore digital options to promote events, activities and programs in an innovative and effective way Further innovate operations to increase turf maintenance practices Continue integration and implementation of the CityWorks program into Recreation Facility Operations, providing greater clarity of responsibilities and assets
Active Financial Management	<ul style="list-style-type: none"> Continue the development and rollout of a benefits-based investment model for fees and charges to ensure that the associated infrastructure, maintenance, and operating costs associated with the City's recreation and cultural programs and services are fairly allocated to all customers
Base Business	<ul style="list-style-type: none"> Continue to support the Neighbourhood Association (NA) pilot program which aims to grow the capacity of Kelowna's NAs to help deepen community relationships. The pilot program's completion is anticipated for Q4 of 2025. Advance implementation plans of the Apple Race Series (Triathlon/Marathon) Refine and update the 10-year Major Events Procurement plan, the Civic Event Framework and the portfolio of events that are produced or funded by the City Work with Strategic Recreation Facility partners to renew lease agreements, fulfill all associated terms and conditions, and support operations and program delivery Advance partnership plans with UBCO, Okanagan College, Tennis Clubs of Canada and Kelowna Disc Golf Conduct a five-year review and Impact Report of the Kelowna Community Sport Plan, and develop performance indicators/measures for both the Sport Plan and Kelowna Event Strategy Continue to enhance and improve the overall turf quality of our sports fields and optimize the use of existing equipment Further develop plans and processes related to service delivery expansion for programming, rentals, community use, and facility operations to manage multiple new program sites, expanded membership services, and childcare operations related to the Building a Stronger Kelowna suite of projects

2024 Key accomplishments:

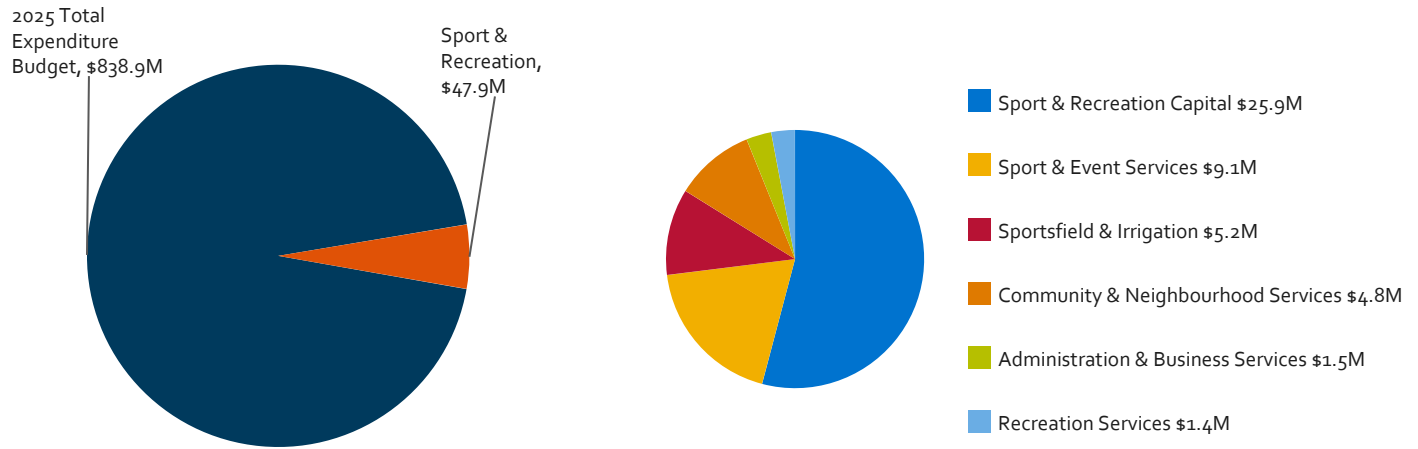
- Responded to the Child Care Needs assessment through the development of partnerships as well as functional facility plans for Glenmore Activity Centre, Mission Activity Centre and Rutland Lion's Park Activity Centre
- Worked with BSK design team on base program requirements and validation process for future Parkinson Recreation Centre building and site
- Continued offering the Rec & Ride pass, in partnership with BC Transit, which saw almost 450 children and youth gain access to Parkinson Recreation Centre and the Kelowna Regional Transit System during July and August
- Initiated the development of an Accessibility Plan and feedback mechanism to identify and remove accessibility barriers with guidance from the Accessibility Advisory Committee
- Developed and implemented the Neighbourhood Association Affiliation pilot project, to support five neighbourhood associations across the City
- Reestablished the Apple Triathlon and Okanagan International Marathon as part of the Apple Race Series portfolio
- Developed an enhanced Sport Leagues playoff and tournament format to support effective program delivery and improved customer service
- Advancement of facility development through grant funding and external contributions at Waterfront Park - Island Stage, Edith Gay Park – baseball fields, and Glenmore Recreation Park – sports field lighting
- Procured hosting-rights for the 2025 Canadian Country Music Awards, partnered with the Kelowna Rockets for a bid submission to host the 2026 Memorial Cup and hosted the inaugural Canadian Premier League game at the Apple Bowl
- Continued strengthening the Block Connector program to enhance neighbourhood connections, safety, and emergency preparedness
- Facilitated the participation of local non-profit organizations in the 'Future Adaptability and Sustainability Program' and 'Rebound Conference'
- Completed infield renovations on Lombardy fields 3 and 4
- Continued to provide high quality sports fields to meet tournament and recreation user needs, including the implementation of robotic line painting at all Recreation parks

Continuous improvements:

- Event Services expansion to assist with the processes related to major event procurement, post-procurement development, and successful event delivery
- Further develop and refine the benefits-based approach to setting fees and charges for services offered throughout Active Living & Culture. This approach helps to guide the evaluation and revision of existing policies and practices to ensure alignment with corporate financial strategies
- Advance the Recreation Contractor program to encourage recruitment and instructor retention
- Continue to refine and monitor service area performance through financial metrics, programming metrics and benchmarks
- Advance new partnership opportunities while refining management of existing facility, operating, and program agreements
- Continuing work with provincial partners and key stakeholders on a Quality Sport Program in Kelowna
- Ongoing implementation of the Kelowna Community Sport Plan, Event Strategy, and Major Events Activation
- Review and revise the facility-based Advisory Committee structure to reflect up-to-date practices with a continued focus on effective support and advocacy for Sport
- Advance service-based budgeting and setting service levels for sports fields
- Revamp irrigation and turf maintenance procedures to accommodate new ball diamonds and sports field

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$47.9M

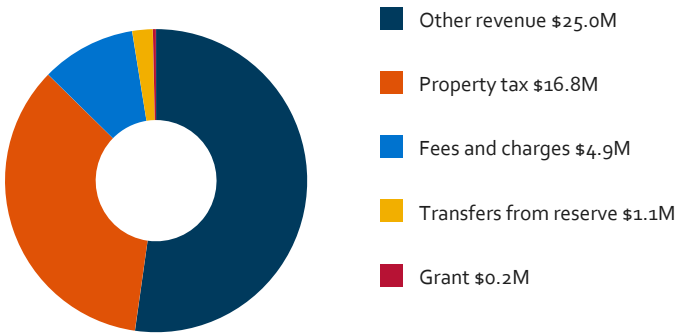
Budget needed to achieve results

Sport and Recreation services are primarily funded through property taxes, with approximately 30 per cent of the costs covered by user fees and charges. The 2025 capital program is financed through a combination of debt financing and capital reserves.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	12,475	14,365	1,750	595	106	16,815
Fees and charges	4,726	4,628	38	159	27	4,852
Grant	171	165	—	—	—	165
Other revenue	79	78	—	2	24,965	25,046
Transfers from reserve	494	676	(618)	17	978	1,053
Total revenue budget	17,944	19,912	1,170	773	26,076	47,931
Expenditure budget:						
Salaries and wages	7,267	8,608	40	366	26	9,039
Material and other	4,334	4,832	(712)	46	4	4,169
Contract services	2,993	3,591	15	27	—	3,633
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	25,943	25,943
Transfers to reserve	1,125	862	—	(45)	—	817
Enabling allocation	2,225	2,019	1,828	379	104	4,329
Total expenditure budget	17,944	19,912	1,170	773	26,076	47,931
Operating FTE positions:						
Management	5.8	5.0	—	—	—	5.0
Union hourly	73.8	86.5	0.5	—	0.3	87.3
Union salary	7.7	9.0	—	—	—	9.0
Total operating FTE positions	87.3	100.5	0.5	—	0.3	101.3

Note: Totals may not add due to rounding

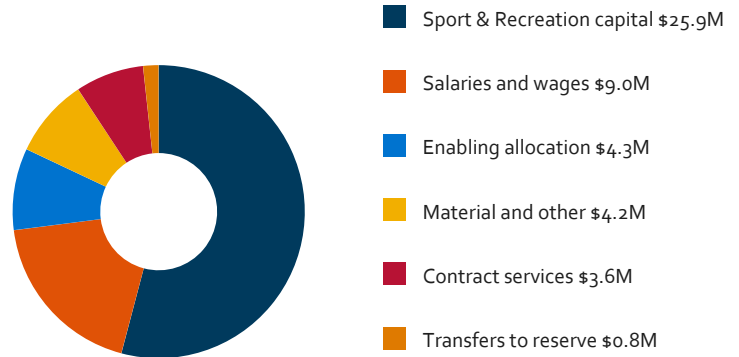
Funding strategy



Total \$ 47.9 M

Note: Totals may not add due to rounding

Expenditure by type



Total \$ 47.9 M

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Events Procurement and Delivery	27	76	76	76	76
Operating and Maintenance Impacts from Capital Requests	3	13	13	13	13
Operating Requests Priority 1 Total	30	89	89	89	89

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
* Recreational Park Infrastructure & Facilities	205	—	—	—	—
Projects					
	Total Project				
Community Activity Centres - Glenmore Activity Centre	24,229	2,415	8,454	10,870	2,415
Community Activity Centres - Mission Activity Centre	27,784	2,750	9,626	12,378	2,750
Community Activity Centres - Activity Centre at Rutland Lions Park	22,800	1,140	1,140	7,980	10,260
Parkinson Recreation Centre Redevelopment	189,100	18,660	65,230	84,000	18,660
Mission Recreation Park	5,543	773	3,140	1,570	—
Capital Request Priority 1 Total	269,456	25,943	87,590	116,798	34,085
					2,280

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Sport & Recreation	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Events Procurement and Delivery		

Justification:

The number of permitted outdoor events has steadily risen over the past three years, increasing approximately 19 per cent to 186 events in 2024. Additionally, several major events have been procured in that timeframe including the Montana's Brier (2025) the Canadian Country Music Awards (2025) and the BC Summer Games (2026), with others being actively pursued. The Event Services branch is seeking additional staff resources to assist with the processes related to major event procurement, post-procurement development, and successful event delivery. To effectively meet these objectives, budget is requested for one Community Development Coordinator position to assist in the procurement and development of new large scale, participant-based or spectator major events.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	27,100	—	—	—	—	(27,100)	—	—
2026	76,100	—	—	—	—	(76,100)	—	—
2027	76,100	—	—	—	—	(76,100)	—	—

2025 Capital Request Details

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Recreational Park Infrastructure & Facilities		

Justification:

Budget is requested for this annual program to maintain and enhance park infrastructure and facilities that is beyond its service life, or the purchase of new equipment to meet current needs or regulatory changes. Annual items for consideration may include, but are not limited to, recreational services equipment and fixtures, bleachers, netting and batting cages.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	205,000	(205,000)	—	—	—	—	—	—

Operating Impacts:

Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,500	—	—	—	—	—	—	(2,500)
2026	12,500	—	—	—	—	—	—	(12,500)
2027	12,500	—	—	—	—	—	—	(12,500)

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Community Activity Centres - Glenmore Activity Centre		

Justification:

Budget is requested for the building of a new activity centre in Glenmore Recreation Park as part of the Building a Stronger Kelowna initiative. Project includes design and new build; associated site works and childcare centre.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,415,000	—	—	(2,415,000)	—	—	—	—

2025 Capital Request Details

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Community Activity Centres - Mission Activity Centre		

Justification:

Budget is requested for the building of a new activity centre in Mission Recreation Park as part of the Building a Stronger Kelowna initiative. Project includes design and new build; associated site works and childcare centre.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,750,000	—	—	(2,750,000)	—	—	—	—

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Community Activity Centres - Activity Centre at Rutland Lions Park		

Justification:

Budget is requested for the construction of a new activity centre at Rutland Lions Park, on the site of the 155 Gray Road leased facility that was destroyed by fire. This \$22.8 million project includes design, site preparation, and construction, and will be partially funded by insurance proceeds. In addition, the City has applied for grant funding under the ChildCareBC New Spaces Fund. If successful, the funds will be used to add a childcare centre to the new facility. This project will be managed in coordination with the Building a Stronger Kelowna initiative.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,140,000	—	—	(1,140,000)	—	—	—	—

2025 Capital Request Details

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Parkinson Recreation Centre Redevelopment		

Justification:

Budget is requested for the replacement recreation centre at Parkinson Recreation Park, as part of the Building a Stronger Kelowna initiative. The facility is intended to become the jewel of the recreational facilities portfolio, while preserving Parkinson Recreation Centre's tradition of offering a warm, welcoming and safe environment for all.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	18,660,000	—	—	(18,660,000)	—	—	—	—

Service Area: Sport & Recreation	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Mission Recreation Park		

Justification:

Budget is requested for improvements to Mission Recreation Park. These include the design and construction of a central plaza, youth park, and children's play area as the heart and focal point of the park connected to the rest of the park with an enhanced trail system, as well as replacing end of life LED stadium lighting at the softball complex.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	773,000	(459,000)	(314,000)	—	—	—	—	—

▶ ARTS & CULTURE

LED BY: DIVISIONAL DIRECTOR, ACTIVE LIVING & CULTURE

Our goal & community benefit:

Our goal is to be a community with a rich variety of high-quality arts, culture and heritage experiences that embraces and celebrates diversity, is open and welcoming to all. We foster innovation, attract, and retain people in our workforce and proactively encourage the discovery of new experiences and art forms. We showcase our histories through our people, activities, buildings, landscapes, and stories while tackling challenges critically and creatively. We are leaders in building collaborations and increasing quality of life for future generations. We do this by investing in infrastructure, artists, and non-profit organizations.



Our customers:

- Residents of Kelowna and across the Central Okanagan
- Visitors to the region
- Emerging, aspiring, and established artists and artist collectives
- Local arts, culture, and heritage organizations
- Promoters, presenters, and touring artists
- Audiences
- Cultural grants program applicants and recipients
- Other City of Kelowna business units

Our partners:

We work with various local organizations, other levels of government and the public/ private sector to develop mutually beneficial relationships.

- Local arts, culture, and heritage organizations
- syilx/ Okanagan, Metis and urban Indigenous elders, community leaders, organizations, and artists
- Strategic facility partners (Rotary Centre for the Arts, Kelowna Art Gallery, Kelowna Museums Society)
- Intercultural community groups and members
- Local post secondary institutions
- Funders, business sector and community capacity builders
- Regional, provincial, and national arts service organizations
- Cultural grant program recipients
- Kelowna Community Theatre volunteers
- Other City of Kelowna business units

What we deliver:

We facilitate the delivery of programs and services that support cultural development in the community. This includes oversight of cultural policies and plans, organizing special events and convenings, maintaining healthy partnerships with cultural facility operators, community organizations and professional and emerging artists, administering grant programs, and operating the Kelowna Community Theatre (KCT). We create a welcoming and inclusive destination for cultural tourism and art exhibition within Kelowna's Cultural District. We collaborate with our partners and other City business units on advancing action on Truth and Reconciliation and transforming systems that create barriers to equitable, diverse, and inclusive participation in our community.

Our key objectives:

- Foster deliberate investments of time, money and people into demonstrated outcomes
- Use new and traditional approaches for enhancing the availability, affordability, and accessibility of spaces for culture
- Animate the community with a blend of programs, services and events that promote artistic excellence and share Kelowna’s history
- Build on the creative sector’s ability to respond to changing demands and new opportunities
- Promote ongoing interactions between people, sectors and disciplines

Our guiding plans:

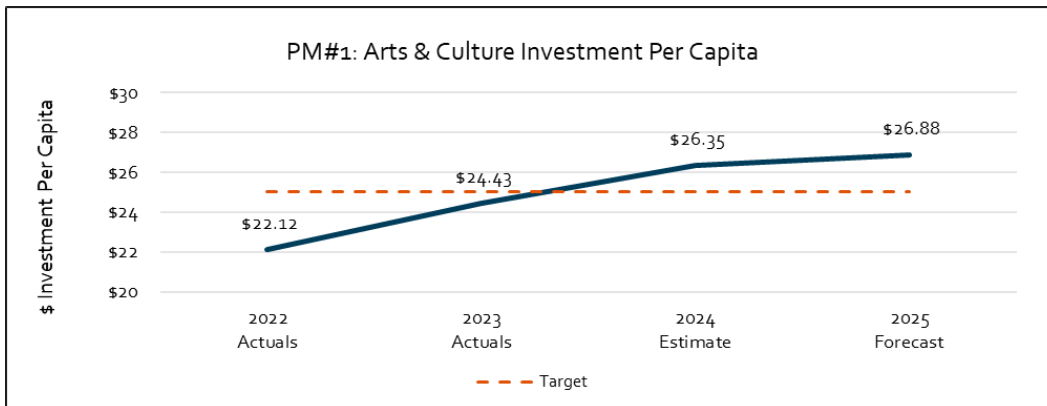
- Imagine Kelowna
- Official Community Plan 2040
- 2020-2025 Cultural Plan
- Weaving our Collective Threads: Offering a pathway for syilx creativity within the City of Kelowna
- Cultural Facilities Master Plan
- Council and Corporate Priorities

Measuring Performance

Performance measure 1

Arts & Culture investment per capita

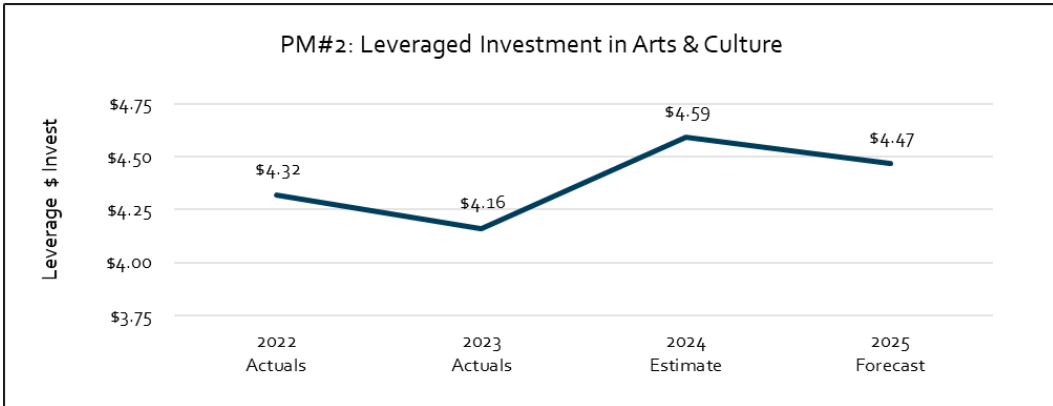
The per capita investment in Arts & Culture by the City demonstrates the City’s commitment in advancing the cultural vision of the community, as articulated in the Cultural Plan. A \$25 per capita investment has been a long-established industry benchmark for municipal investment in Arts & Culture. The City’s goal is to maintain a minimum investment equal to the benchmark, recognizing that it has not been increased in many years to account for inflationary costs. As our population continues to increase, investment will need to keep pace.



Performance measure 2

Leveraged investment in Arts & Culture

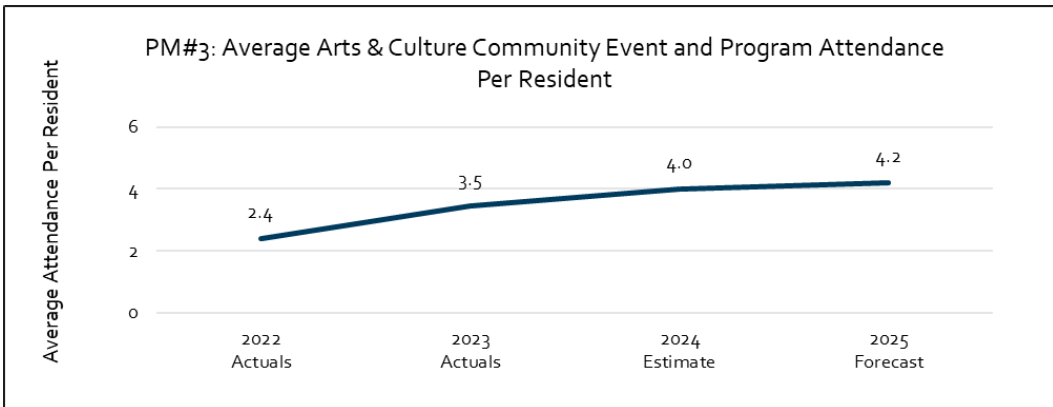
Local non-profit Arts & Culture organizations leverage each dollar invested by the City to generate alternative sources of revenue including other grants, sponsorships, funding from other levels of government and earned revenue. This indicator demonstrates the importance of the initial investment in sector sustainability and increased funding diversity with organizations. The goal is to achieve an ongoing increase in the leverage dollars while continuing to grow the direct economic impact of the creative sector of Kelowna.



Performance measure 3

Average Arts & Culture attendance per resident

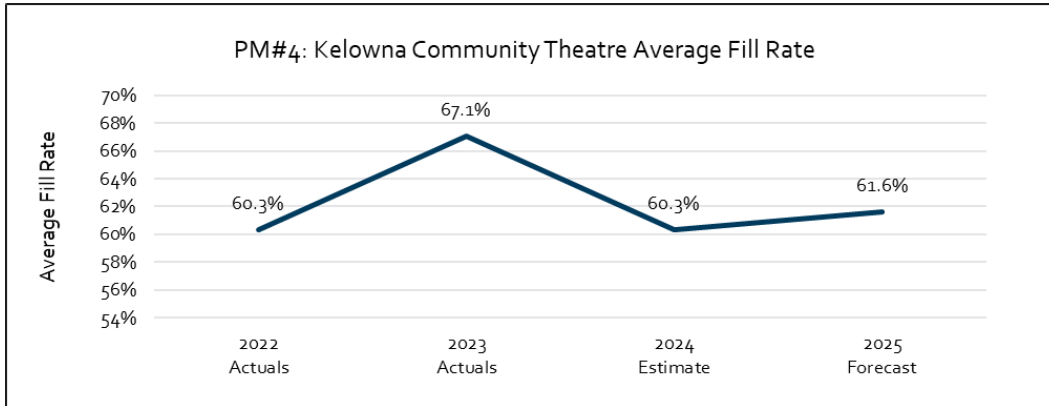
This indicator provides an average count of cultural programs and events that a resident may attend annually. It encompasses only those programs and events that receive support through City grants. This metric aids in understanding whether participation in Kelowna’s creative sector is evolving over time. By using an average attendance per resident, this measure mitigates the population growth bias that can often skew total participation figures. The objective is to achieve a continuous increase in the number of cultural activities attended by the average resident in Kelowna.



Performance measure 4

Kelowna Community Theatre average fill rate

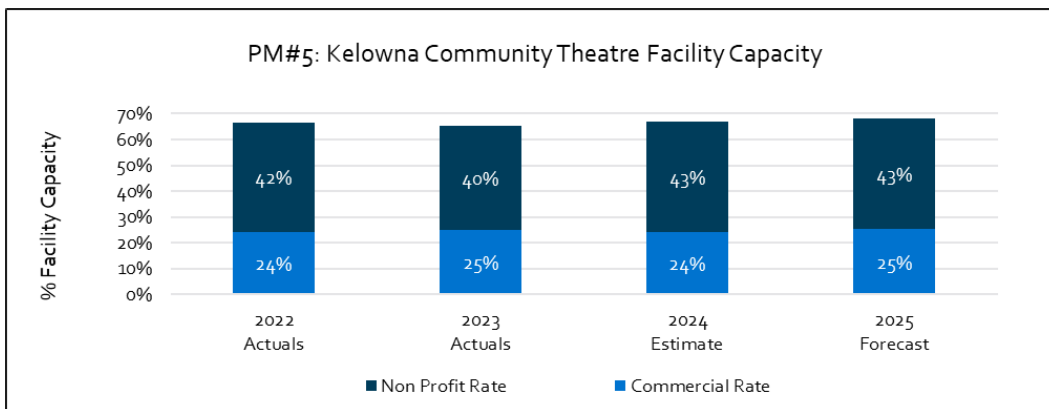
The fill rate at Kelowna Community Theatre refers to the percentage of tickets sold to mainstage performances compared with the capacity available for audiences at Kelowna Community Theatre. The rate provides one indicator that the shows being offered are of interest to community members and that shows are right sized for the venue type. Additionally, increased fill rates will typically mean non-tax based revenues for theatre operations are increasing. The goal would be to maximize the average fill rate while balancing our goal for cultural development by supporting less popular genres and emerging performers.



Performance measure 5

Kelowna Community Theatre facility capacity

The Kelowna Community Theatre facility capacity considers the total number of days available for mainstage theatre rentals compared with the number of days rented. The rate provides an indicator of the current usage of the facility and our capacity to increase non-tax-based rental revenue in future years. The theatre is generally considered to be operating at or near capacity. The goal would be to maximize theatre rentals and eventually achieve closer to 100 per cent of available rental days.



2025 Activities by priority:

Priorities	Activities
Climate & Environment	<ul style="list-style-type: none"> Apply a thematic lens to the Art@KCT Program to bring focus to and to encourage thoughtful dialogue on the issues of climate & environment
Economy	<ul style="list-style-type: none"> Develop a Cultural District Business Plan that leverages the value of a thriving arts and culture sector Update to the 2019 Economic Impact Assessment in preparation for the new Cultural Plan Development
Our People	<ul style="list-style-type: none"> Continued progress of the Kelowna Community Theatre Centre of Excellence partnership for the advancement of Theatre Technician recruitment and training (multi-year) Development of the formalized 'Learning Journey' program for City of Kelowna employees working to advance knowledge and action toward Truth and Reconciliation (multi-year) Completion of the future resourcing plan including a long-term staffing model and succession plan for Cultural Services
Digital Transformation	<ul style="list-style-type: none"> Development of a community calendar platform to encourage the community to participate more broadly in arts, culture and heritage events and activities throughout the community
Active Financial Management	<ul style="list-style-type: none"> Expansion of ticketing into the community through the newly launched 'theboxoffice.ca' and added satellite ticket services
Base Business	<ul style="list-style-type: none"> Activating the arts, culture, and heritage sector through a variety of community-based supports, services and programs that enhance the vibrancy and wellbeing of the community Operations of the Kelowna Community Theatre and community box office services Building collaborations and partnerships with local Indigenous communities, leaders, and organizations toward meaningful reconciliation actions

2024 Key accomplishments:

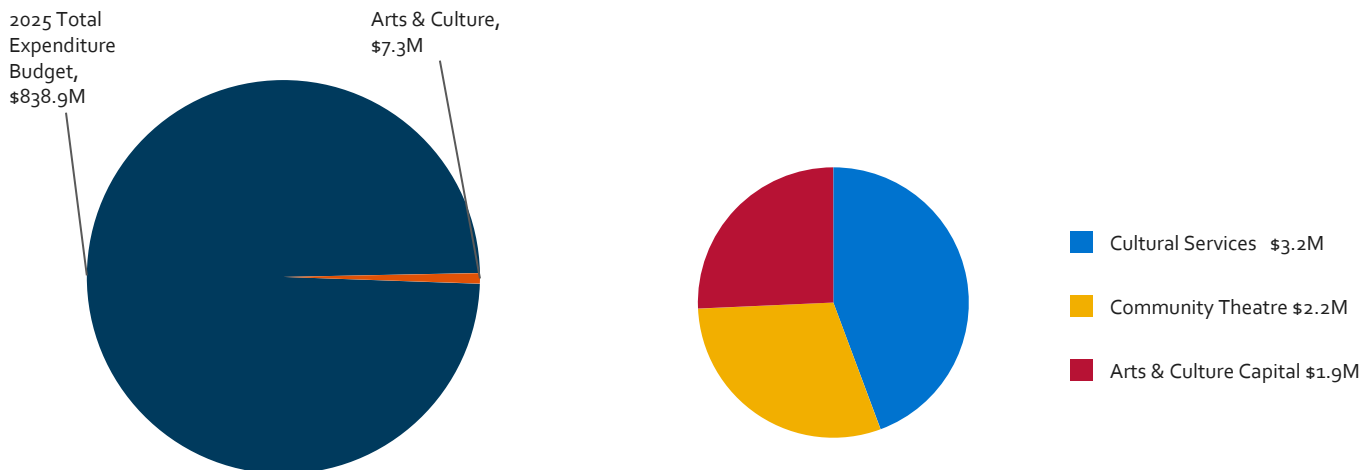
- Implemented a new Winter Banner Program along Water Street featuring 27 poles of three designs and four companion designs created by local artists
- Hosted a community-to-community forum in support of the Memorandum of Understanding with Westbank First Nation to open dialogue and renew relationships towards a shared future agreement
- Invested over \$690,000 in technology upgrades at KCT including a high-resolution projector and dynamic lighting console
- Advocated to key Provincial and Federal stakeholders concerning the MacDougall Creek wildfire impact on current and future sustainability of local arts events and organizations to help open the dialogue on the impact of large-scale disasters on cultural events
- Hosted the largest iteration of the annual local nonprofit governance and capacity building conference (Relmagine) which supported an audience of 240, represented 135 non-profit organizations, offered 16 educational sessions, and 22 dynamic speakers each representing diverse areas of expertise, including industry leaders and community builders
- Introduced the Volunteer Incentive Program (VIP) to recognize over 160 volunteers providing over 14,500 hours of essential theatre front of house operations
- Launched 'theboxoffice.ca' in Q4 as the new website to expand community ticketing services

Continuous improvements:

- Ongoing implementation of the 2020-2025 Cultural Plan and Cultural Facilities Master Plan
- Provide sector support through responsive granting programs and capacity building activities
- Continuous assessment of audience experience at KCT through specialty concession options, enhanced marketing and ticket promotions, and the [Art@KCT](#) exhibitions
- Ongoing support to build knowledge and act on key principles of equity, diversity and inclusion and Truth & Reconciliation through many training opportunities for staff
- Utilize arts and culture as a conduit to reflect, respond and drive systems level change
- Provide support to the Mayor's Task Force on a new Performing Arts Centre through collaboration with the community and user groups

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$7.3M

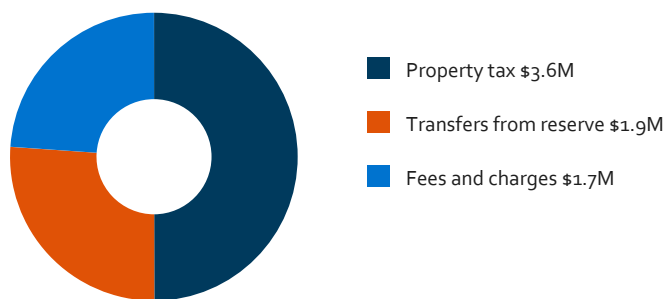
Budget needed to achieve results

Arts & Culture are primarily funded through property taxes, with approximately 37 per cent of the costs covered by revenues from concession sales, facility rentals and ticket administration fees from the Kelowna Community Theatre box office. Additionally, the theatre collects a \$2 Capital Improvement Fee (CIF) on ticket sales to fund future upgrades and maintenance. These CIF revenues are reserved until required for specific projects.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	3,201	3,341	90	197	15	3,643
Fees and charges	1,564	1,577	84	80	—	1,742
Grant	—	—	—	—	—	—
Other revenue	—	—	—	—	—	—
Transfers from reserve	37	200	(200)	599	1,305	1,904
Total revenue budget	4,802	5,118	(26)	876	1,320	7,288
Expenditure budget:						
Salaries and wages	1,164	1,444	81	67	—	1,592
Material and other	858	977	(193)	98	—	882
Contract services	1,805	1,870	20	118	—	2,008
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	569	1,305	1,874
Transfers to reserve	392	320	—	(32)	—	288
Enabling allocation	584	508	65	56	15	645
Total expenditure budget	4,802	5,118	(26)	876	1,320	7,288
Operating FTE positions:						
Management	3.0	3.0	—	—	—	3.0
Union hourly	8.8	10.4	0.5	—	—	10.9
Union salary positions	1.0	1.0	0.5	—	—	1.5
	12.8	14.4	1.0	—	—	15.4

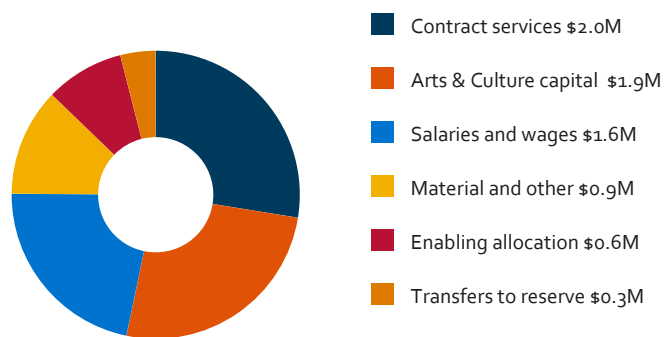
Note: Totals may not add due to rounding

Funding strategy



Total \$7.3M

Expenditure by type



Total \$7.3M

Note: Totals may not add due to rounding

2025 Operating Requests

There are no 2025 Priority 1 Preliminary Operating budget requests for this service area.

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Community & Culture Facilities	569	230	230	230	230
Placemaking	1,305	705	887	110	—
Capital Request Priority 1 Total	1,874	935	1,117	340	230

* denotes capital request has operating & maintenance impacts included in the request

2025 Capital Request Details

Service Area: Arts & Culture	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Community & Culture Facilities		

Justification:

Budget is requested for this annual program of the replacement of old equipment that is beyond its service life, or the purchase of new equipment to meet current needs, or regulatory changes. This equipment is for any of the Cultural facilities, including: Kelowna Community Theatre, Art Gallery, Rotary Centre for the Arts, and others.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	569,000	(569,000)	—	—	—	—	—	—

Service Area: Arts & Culture	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Placemaking		

Justification:

Budget is requested for this annual program to plan, design, and install art, monuments, signage or other significant pieces that inspire and deepen the connection of people to places in parks and open spaces.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,305,000	(1,305,000)	—	—	—	—	—	—

2025 Operating Requests (\$ thousands)

Priority 2

Description	2025	2026	2027	2028	2029
Cultural District Vision and Business Planning	100	—	—	—	—
Operating Requests Priority 2 Total	100	—	—	—	—

2025 Operating Request Details

Service Area: Arts & Culture	Priority 2	Enhance ONE-TIME PRELIMINARY
Title: Cultural District Vision and Business Planning Project		

Justification:

Kelowna's Cultural District, established in the 1990's, is a walkable hub that contains the majority of Kelowna's cultural institutions and a growing assortment of artistic experiences. Budget is requested for a Cultural District Vision and Business Planning project. In alignment with the Cultural Plan, an opportunity exists to leverage the value of a thriving Cultural District through a shared vision with the community and cultural stakeholders, brand recognition, placemaking activities, strategic decisions about the possibilities of the area including exploration of possible partnerships and planned programming and infrastructure enhancements. Residents, area businesses, developers, artists and visitors will benefit from articulating this shared vision for the future. This request would increase taxation demand in 2025 by 0.05 per cent.

Strategic Direction:		Active Financial Management						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	—	—	—	—	—	—	(100,000)
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

► COMMUNITY DEVELOPMENT

**LED BY: DIVISIONAL DIRECTOR, PLANNING,
CLIMATE SUSTAINABILITY & DEVELOPMENT**

Our goal & community benefit:

Our goal is to provide long-term planning, sustainability and development-related services to our community. By 2040, the community vision is to be a thriving mid-sized city that welcomes people from all backgrounds. We want to build a successful community that honours our rich heritage and also respects the natural wonders that contribute to our identity. As a place with deep agricultural roots, Kelowna understands the need to protect the environment, manage growth and be resilient as our future unfolds. The 2040 Official Community Plan (OCP) is a foundational plan to help realize this vision by leveraging growth to make our community more resilient and inclusive and to enhance the quality of life for all Kelowna citizens.



Our customers:

- All of our community, both current and future generations
- Vulnerable populations, including lived & living experience, individuals experiencing homelessness, Indigenous community
- Business owners
- Social serving sector
- Industry members and investors
- Other City departments
- Council

Our partners:

We work with our citizens, various local organizations, other levels of government and the private sector to build our community.

What we deliver:

We develop leading-edge planning policies based on extensive research in land use, housing, built and natural environments, heritage, and data analytics to build a foundation for strong and diverse neighbourhoods. We set the course for Kelowna's future by anticipating trends, understanding best practices and shaping innovative policies for short and long-term community goals.

Our team works to balance development with considerations of climate change and protection of the natural environment. To do so, we develop and implement policies and programs to reduce community greenhouse gas (GHG) emissions, build climate resilience, protect and restore the City's natural ecosystems, and shift to a circular economy. We also work with other departments at the City to embed climate and environmental considerations into corporate initiatives.

Social Development closely monitors social issue trends and provides strategic advice and to respond to unmet and emerging social issues. This group also aims to increase the capacity of various community organizations to contribute to a whole-systems social approach that responds to emerging community need.

Our key growth management objectives:

- Develop and manage the City's growth strategy through implementation of and regular updates to our Official Community Plan
- Strategically monitor the City's growth strategy to measure progress towards achieving long-term goals and objectives
- Update and develop new neighbourhood and area plans to ensure that growth and development is being guided in a way that enhances quality of life for residents
- Create a favourable policy environment to ensure that housing needs of all Kelowna residents are met through affordable, accessible and diverse housing options

Our key social development objectives:

- Drive lasting change through evidence-based approaches to social development to achieve sustainable equity and belonging
- Support and connect local change makers to facilitate collective action among diverse leaders to solve major community challenges, i.e., homelessness
- Remove barriers so all citizens can journey toward their full potential
- Advance opportunities and advocacy for upstream initiatives and investments within the City, the sector, and the broader community

Our key climate and environment objectives:

- Lead efforts to reduce community greenhouse gas emissions in line with community targets
- Develop policies and programs that build resilience to local climate hazards (e.g., floods, wildfires, extreme heat)
- Develop policies and programs to ensure growth is balanced with protection and restoration of the City's natural ecosystems
- Expand the urban tree canopy in line with community targets

Our guiding plans:

- Imagine Kelowna
- 2040 Official Community Plan
- Transportation Master Plan
- Healthy Housing Strategy
- Community Climate Action Plan
- Sustainable Urban Forest Strategy
- Agriculture Plan
- Urban Centre and Local Area Plans
- Journey Home Strategy
- Community Safety Plan
- Clean Air Strategy

Measuring performance:

Performance measure 1

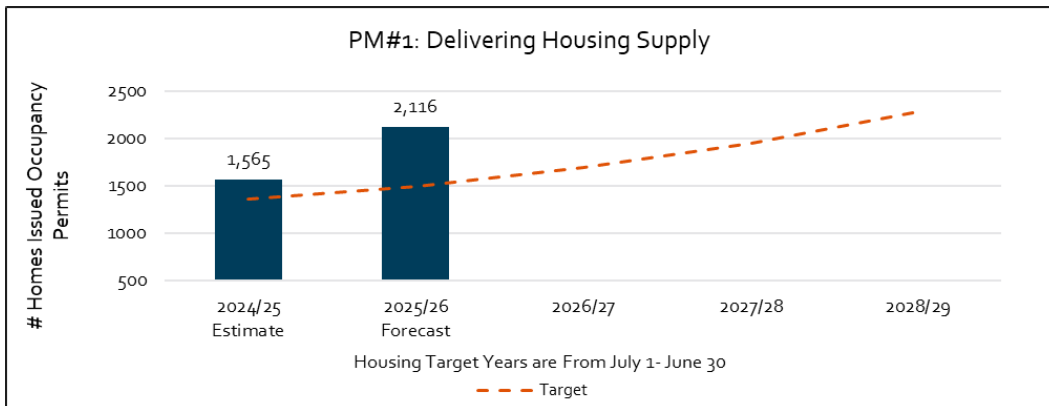
Delivering housing supply

This measure shows the number of new homes built, compared to official housing targets. This is an anchor measure that is vital in understanding whether enough new homes are being built to meet the needs of a growing population. Adequate housing supply is a foundation to a healthy housing system. Without enough new homes to meet growing demand, any actions to address housing affordability and homelessness are made much more difficult.

Housing targets were just recently established, with tracking beginning in July of 2024. However, the first months of data indicate a positive outlook for new home completions. New home completions appear to be on track to meet the first year’s targets. Staff are developing a Housing Action Plan to identify new actions and strategies to improve the community’s housing outcomes, with a particular focus on City initiatives. Many of these initiatives will work to improve the community’s ability to meet or exceed our housing targets.

Housing target years are from July 1st – June 30th. Official housing target cumulative totals are listed below. The targeted annual number of occupancy permits required to meet the cumulative totals are shown on the graph.

- Year 1 Cumulative Target: 1,363
- Year 2 Cumulative Target: 2,856
- Year 3 Cumulative Target: 4,545
- Year 4 Cumulative Target: 6,496
- Year 5 Cumulative Target: 8,774



Performance measure 2

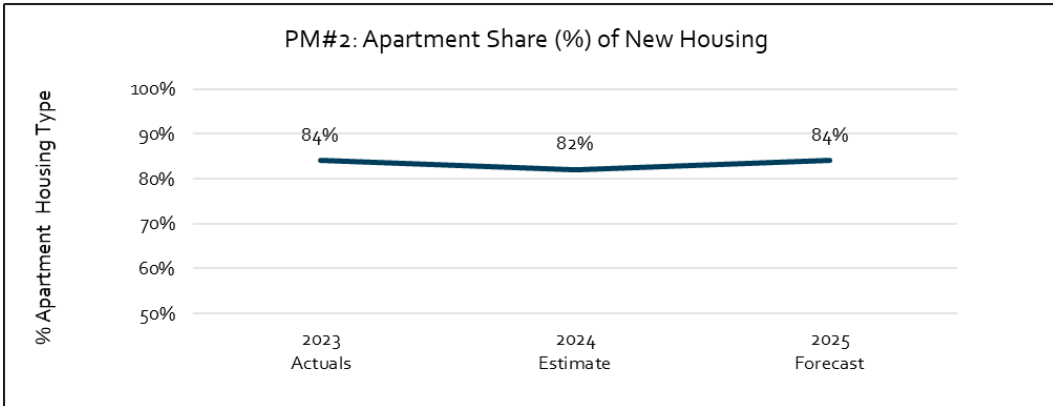
Provide diverse housing options

This measure shows the share of total new homes that were issued building permits that were in apartment buildings as compared to ground-oriented housing options (e.g., townhomes, detached homes). 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.

Recent years have seen a more significant shift towards multi-unit housing, particularly in the form of low-rise apartments, providing a more balanced offering. These forms of housing are typically less costly than single detached housing and come in a larger variety of sizes, configurations and price points. Elevated levels of apartment construction have been observed in recent years. High levels of apartment housing construction are expected to continue to drive the housing market for the coming year. However, overall levels of housing construction are expected to decline from 2022/23 peak levels as broader macro-economic conditions weigh on the housing market.

Staff are continuing to review process, regulatory options, incentives (e.g., tax exemptions) and programs (e.g., Middle Income Housing Partnership) to make multi-unit housing easier and more affordable.

Revised targets for housing variety are being developed to reflect revised growth projections and updated Housing Needs Assessment as required by new provincial legislation. A new target will be incorporated into the updated Official Community Plan in 2025.

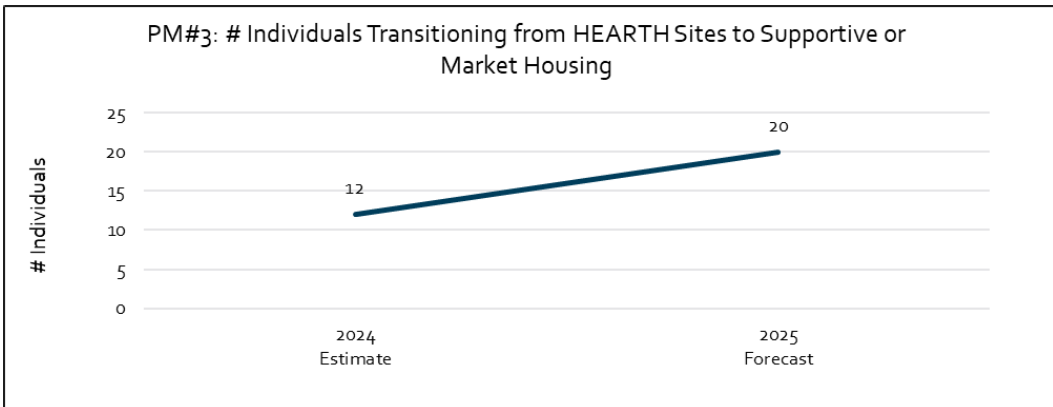


Performance measure 3

Individuals transitioning from HEARTH sites to supportive or market housing

The City, through an MOU with the Province and its Homelessness Encampment Response Temporary Housing (HEARTH) program has provided 180 units of temporary housing to help people transition out of homelessness.

[Temporary Transitional Housing | City of Kelowna](#)



Performance measure 4

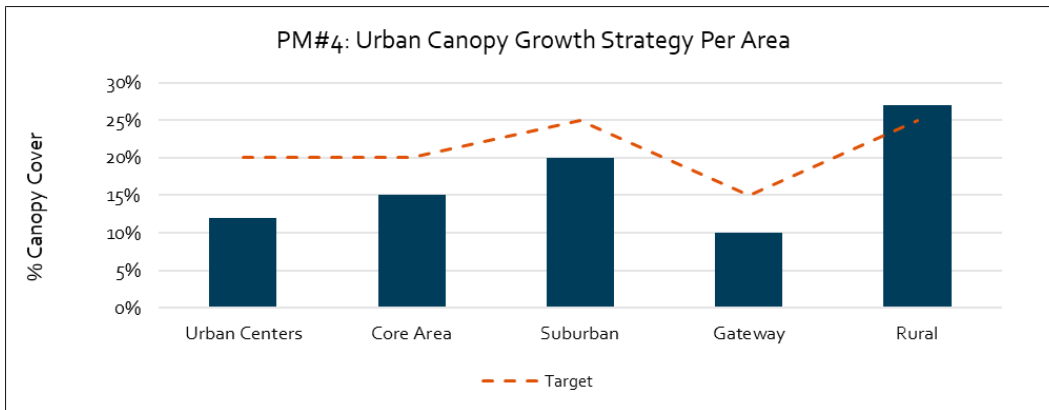
Expanding the urban tree canopy

Urban forest tree canopy coverage, a measure of tree coverage in cities, is estimated as the per cent of land covered by trees when viewed from above. Tree canopy coverage for five Growth Strategy Districts was measured against established targets to reflect different development patterns and growth projections expected within each district.

Increasing the urban tree canopy is a desired result of the Climate & Environment Council Priority. An expanded urban forest is desirable because trees provide many benefits, like cooling the urban heat island, filtering polluted air and water, diverting floods, and improving people's physical and mental health.

Baseline tree canopy coverage data was established in 2023 using LiDAR and imagery to map individual tree canopies. Canopy coverage varies by district, with lower coverage in highly developed areas such as the Gateway District (10 per cent), Urban Centres (12 per cent) and the Core Area (15 per cent), and higher coverage in Suburban (20 per cent) and Rural (27 per cent) areas. The Sustainable Urban Forest Strategy proposes that by 2050, canopy cover should reach: 20 per cent in Urban Centres and the Core Area, 25 per cent in Suburban and Rural areas, and 15 per cent in the Gateway.

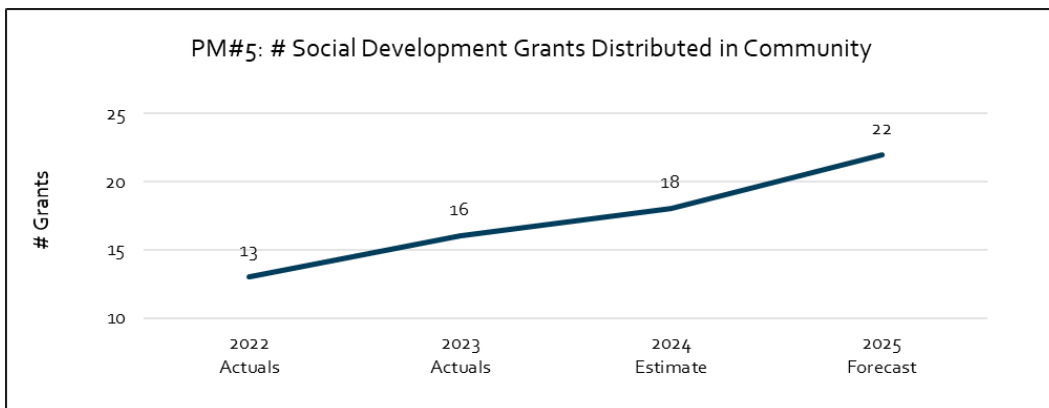
Staff recently completed the [Sustainable Urban Forest Strategy](#), which outlines actions to expand the urban forest.



Performance measure 5

Social development grants distributed in community

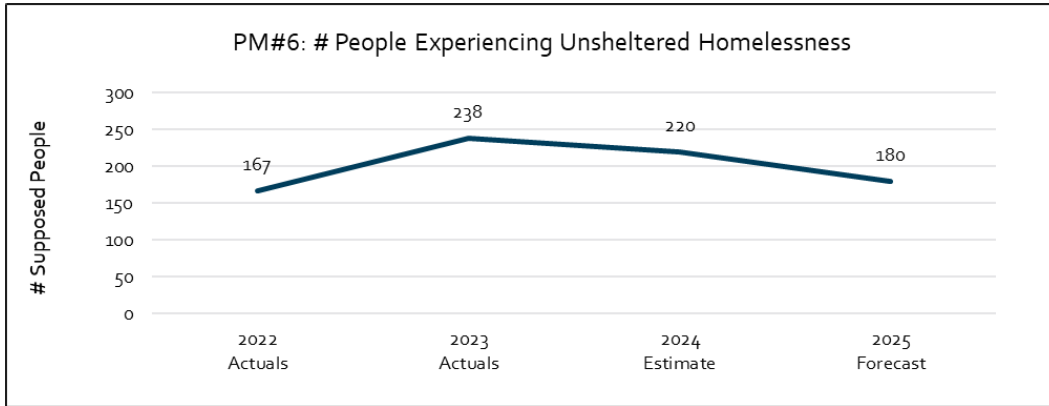
Community Social Development grants are available to registered non-profit, Kelowna-based organizations that make an impact on the social well-being and resiliency of the community. The goal is to make funding available to organizations offering services or programs with the goal of generating, promoting or accelerating socially beneficial services or programs in Kelowna. Strategic investments in diverse, equity seeking agencies and programs help to build a strong and resilient community.



Performance measure 6

People experiencing unsheltered homelessness

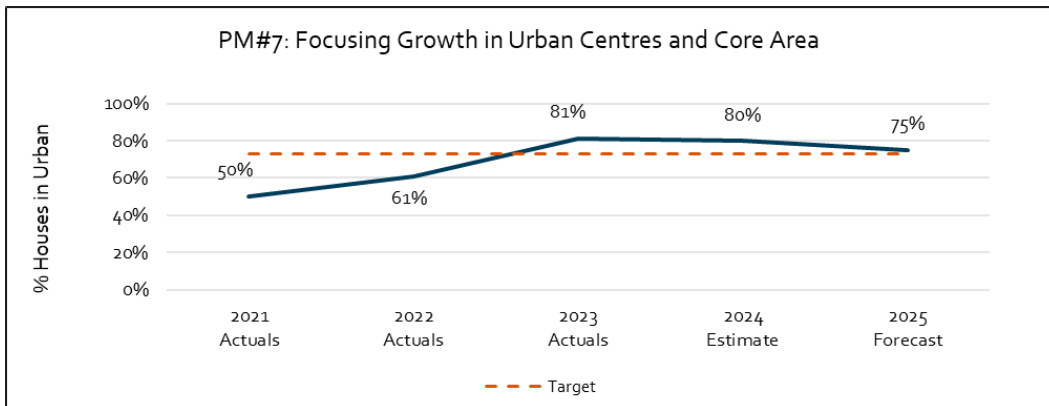
Housing is a fundamental social determinant of health, which can prevent ill health and support well-being and community inclusion. The experience of homelessness impacts not only one’s individual health, but also community functioning and the wellness of all. Understanding the inflows and outflows of homelessness in Kelowna is key to informing appropriate policy development, advocacy efforts and a coordinated response. As we work towards achieving real time, person-specific data, Bylaw Services continues to conduct a daily count of the number of people sheltering outside in key locations across the community. While this information does not reflect a point-in-time count for the City as a whole, it provides an opportunity to monitor trends and changes in community needs. When comparing the average number of people sheltering outside in October 2022 (167) and October 2023 (238), the result is a 43 per cent increase.



Performance measure 7

Focusing growth in urban centres and the core area

This measure shows the share of total new homes that are being built in the Urban Centres and Core Area compared to the rest of the city (Gateway, Suburban Neighbourhoods and Rural Lands). The Official Community Plan (OCP) targets 73 per cent of future residential growth to be located in the five Urban Centres and the Core Area. This allows the City to grow in an economically and environmentally responsible way, while avoiding urban sprawl. This number is anticipated to fluctuate above and below the target from year to year, with an anticipated increase later in the OCP’s lifespan. The share of growth over the past few years has increased significantly, but with development slowing, staff will be monitoring shifts in the coming years.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Participate in the implementation of the Community Safety Plan
Affordable Housing	<ul style="list-style-type: none"> Implement the updated Housing Action Plan Complete the first official Housing Targets Report Complete the first two projects in the Middle Income Housing Partnership to Building Permit stage Deliver progress reporting on Official Community Plan housing policy Update the Official Community Plan to incorporate new housing targets and align with Provincial Legislation Revise housing targets through the Urban Centres Framework
Homelessness	<ul style="list-style-type: none"> Oversee the roll out of 60 rapid safety net housing units to bridge people from shelters to permanent housing Implement an 'every door is the right door' approach to connect people with appropriate housing and supports Enhance data utilization and collection through a unified information management system for housing and shelter providers Advance opportunities & advocacy for upstream initiatives & investments within the City, the sector & broader community In response to the Mayor's Task Force recommendation, expand the Community Social Development Grant program to support existing treatment and recovery programs
Transportation	<ul style="list-style-type: none"> Advance new policy direction and zoning regulations to support housing along Transit Supportive Corridors
Agriculture	<ul style="list-style-type: none"> Update the Agricultural Land Use Inventory (ALUI) dataset Complete an agricultural signage program
Climate & Environment	<ul style="list-style-type: none"> Implement priority initiatives of the Climate Resilient Kelowna Strategy Implement priority initiatives of the Sustainable Urban Forest Strategy Continue to develop and expand criteria to apply a climate lens to development applications and capital planning Finalize a strategy outlining Kelowna's approach to adopt the higher steps of Energy Step Code and Zero Carbon Step Code Develop a strategy to monitor sensitive ecosystems Continue to expand the public electric vehicle charging network and seek funding opportunities to reduce costs Expand the Home Energy Navigator Program to support homeowners through the complicated retrofit journey
Economy	<ul style="list-style-type: none"> Develop new policy direction and targets for employment growth in Urban Centres through the Urban Centres Framework Deliver progress reporting on industrial, office and retail vacancy rates
Base Business	<ul style="list-style-type: none"> Update the Official Community Plan as required by Provincial Legislation Advance the Urban Centres Framework to guide and prioritize urban centre planning efforts Implement the North End Neighborhood Plan alongside the Mill Site Area Redevelopment Plan Expand on growth strategy data for more robust data analytics

2024 Key accomplishments:

Growth Management

- Coordinated the effort to meet new provincial housing legislation
- Implemented new Fast-Track for Infill Housing program, including public education and AI integration via chatbot
- Supported the roll-out of provincial housing targets at the local level
- Hosted the Infill Housing Symposium and Middle School events to support residents and industry interested in participating in developing infill housing
- Support housing-related infrastructure investments totaling \$830,000
- Provided over \$3 million in grants as an incentive to new non-market affordable housing projects, resulting in grants for over 300 units of affordable housing
- Updated the Housing Needs Assessment to meet provincial standards
- Developed a new Housing Action Plan alongside the Social Development team to coordinate major actions that will improve housing outcomes in the community
- Hosted a series of major public and industry education events related to infill housing, including the Infill Housing Symposium and Middle School
- Delivered the second annual Official Community Plan and Transportation Master Plan Progress Report
- Delivered the North End Plan for Council's consideration
- Delivered the Urban Centres Framework Community Trends Report
- Initiated the development of jobs and employment estimates and projections to inform future planning efforts
- Launched the Transit Supportive Corridor planning process

Climate and Environment

- Completed the Climate Resilient Kelowna Strategy
- Completed the Sustainable Urban Forest Strategy
- Supported the completion of the regional Sensitive Ecosystem Inventory
- Initiated the Home Energy Navigator Pilot Program to engage and support homeowners throughout their retrofit journey
- Implemented Electric Vehicle Ready charging requirements for new residential developments
- Continued to expand the public electric vehicle charging network (e.g., new stations at the Pandosy Street Lot)
- Launched a green business certification program in partnership with GreenStep Solutions
- Developed initial criteria for applying a climate lens for rezoning applications, with additional criteria and applications planned in the future
- Implemented active transportation and transit projects in line with the Transportation Master Plan (TMP) to support emissions reduction efforts. More information on transportation projects completed in 2024 can be found in the Transportation section of this financial plan.

Social Development

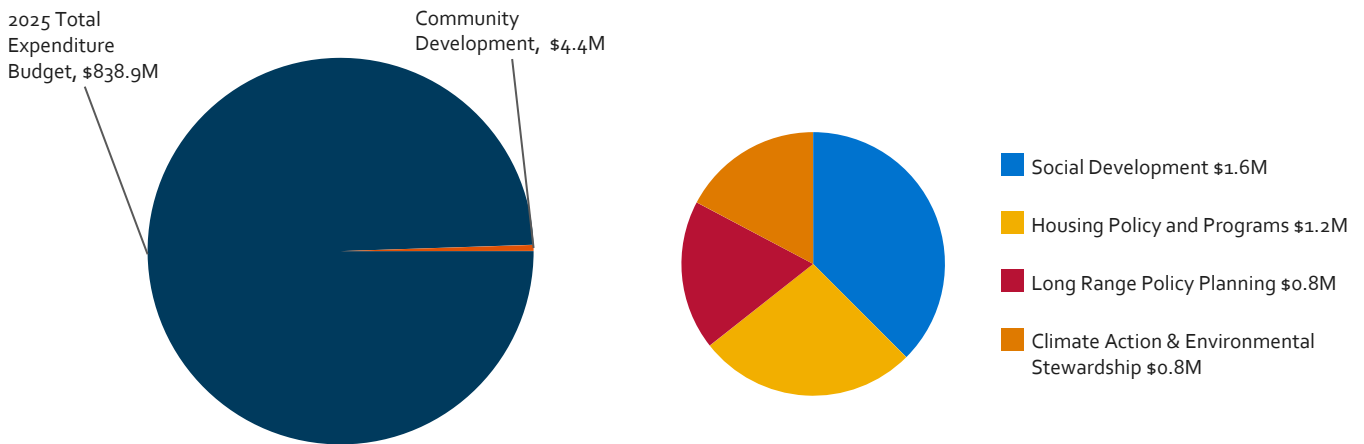
- Established 120 new units of rapid safety net housing units through the HEART and HEARTH program
- Advanced Indigenous PEER Navigator Program and Indigenous Harm Reduction Team in partnership with community agencies
- Supported the expansion of the Emergency Transit Assistance Program to provide increased equitable transit accessibility for community members
- Complex care beds opened as a result of advocacy
- Advanced the Kelowna Food Innovation Project including establishing three pilot action oriented projects to address food insecurity
- Signed a two year partnership agreement with the Central Okanagan Foundation to improve data quality and sources necessary to inform planning and increase flow within the shelter and housing system

Continuous improvements:

- Improve data quality and data sources to establish better measurement of needs and progress related to housing and homelessness
- Refined and adapted ModelCity to develop a new residential growth scenario, using new tools and considerations
- Complete review of the City's Social Development Grants to ensure alignment with Council priorities and community needs
- Enhance proactive planning as it relates to extreme weather responses, with a line of sight on the needs of community, early detection of the trends in homelessness, movement patterns for outdoor sheltering, gaps and/ or overlaps in services, and funding requirements and sources
- Key Performance Indicators (KPI): establish KPIs that can be used to inform decision making and track progress on environmental initiatives (e.g., KPIs related to climate resilience and adaptation)
- Communication and Awareness: ensure others in the organization and community are aware of the existence and purpose of Climate Action & Environment Department by establishing an interdepartmental Climate Action Team to ensure implementation of climate-related initiatives across the organization
- Applying a Climate Lens: leverage City data to drive evidence-based decision making by initiating the development of 'ModelCity Climate' that can determine environmental/climate impacts in the community at a more granular level
- Examining new tools and technology to gather data and development statistics that will enable us to improve processes, systems, and monitoring
- Improving data inputs into ModelCity, so that staff across numerous business units have access to future growth scenarios to make evidence-based decisions/recommendations
- Modernizing the City's traditional planning processes to be nimbler and more responsive to a changing and evolving context. The Urban Centres Framework is an example of proactively examining future growth needs across all Urban Centres that will streamline and condense the individual Urban Centre plans in future years
- Innovative AI use to improve development applications

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$4.4M

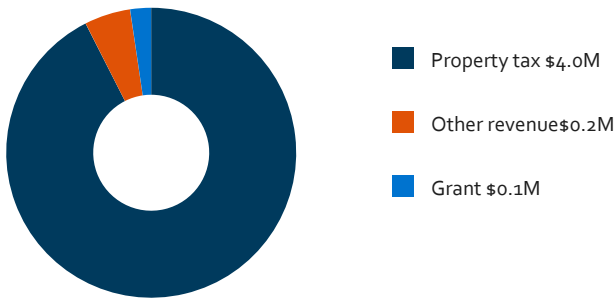
Budget needed to achieve results

Community Development is funded through property taxes, with partial financial support from the Regional District of the Central Okanagan for regional air quality programs. Grant funding from FortisBC further supplements the budget, specifically for energy improvement initiatives.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	3,559	4,171	(201)	21	44	4,035
Fees and charges	32	10	—	(10)	—	—
Grant	1,099	544	(443)	—	—	101
Other revenue	171	370	(204)	58	—	224
Transfers from reserve	339	1,743	(1,743)	—	—	—
Total revenue budget	5,201	6,837	(2,590)	70	44	4,361
Expenditure budget:						
Salaries and wages	1,788	2,164	106	104	—	2,373
Material and other	1,718	3,269	(2,093)	(66)	35	1,144
Contract services	685	413	(243)	(1)	—	170
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	371	300	—	—	—	300
Enabling allocation	638	692	(360)	33	9	373
Total expenditure budget	5,201	6,837	(2,590)	70	44	4,361
Operating FTE positions:						
Management	5.3	7.0	—	—	—	7.0
Union hourly	1.8	2.7	1.0	—	—	3.7
Union salary	7.3	8.0	—	—	—	8.0
Total operating FTE positions	14.4	17.7	1.0	—	—	18.7

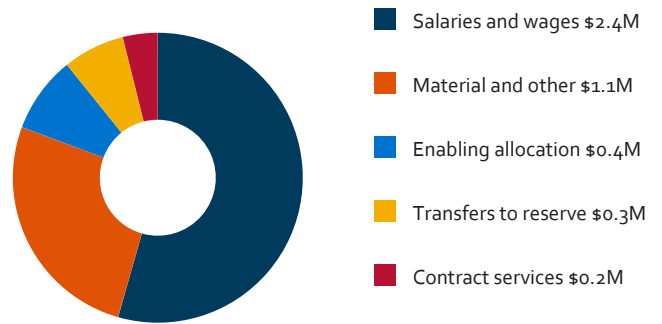
Note: Totals may not add due to rounding

Funding strategy



Total \$4.4M

Expenditure by type



Total \$4.4M

Note: Totals may not add due to rounding

2025 Operating and Capital Request Details

This service area has no Priority 1, 2025 budget requests



► DEVELOPMENT SERVICES

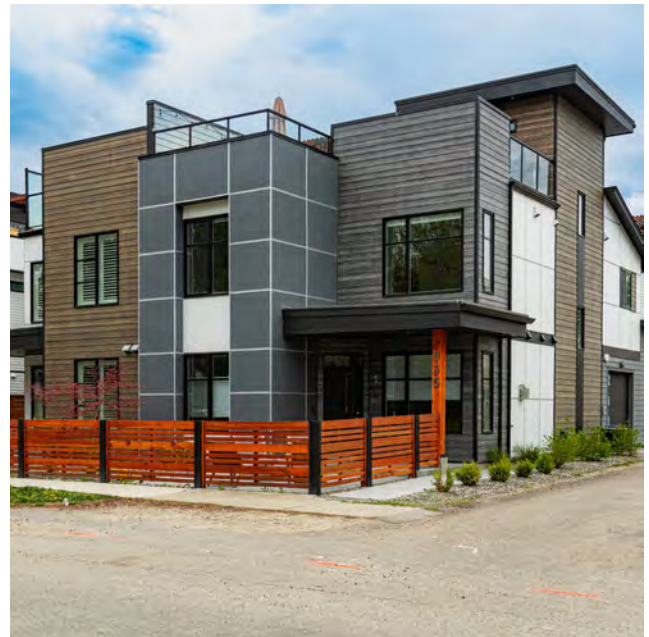
**LED BY: DIVISIONAL DIRECTOR, PLANNING,
CLIMATE SUSTAINABILITY & DEVELOPMENT**

Our goal & community benefit:

Our purpose is to provide compliance reviews on building and civil infrastructure plans, permits, and business licences, as well as provide inspection oversight during the construction/development process.

Our customers:

- Builders, plumbers, and contractors
- Business owners
- Architects, engineers, and building designers
- Realtors, lawyers, and other registered professionals
- Property owners



Our partners:

We work with our citizens, licenced builders, engineers, third party service and utility agencies, industry associations, and other levels of government.

What we deliver:

We develop and implement 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.

Our key objectives:

- Provide excellence in customer service
- Inspect permitted activities for compliance with approved plans
- Review applications for civil infrastructure design and construction for compliance
- Promote new business and contribute to our vibrant community
- Review business licence applications for compliance with the zoning bylaw and other relevant bylaws

Our guiding plans:

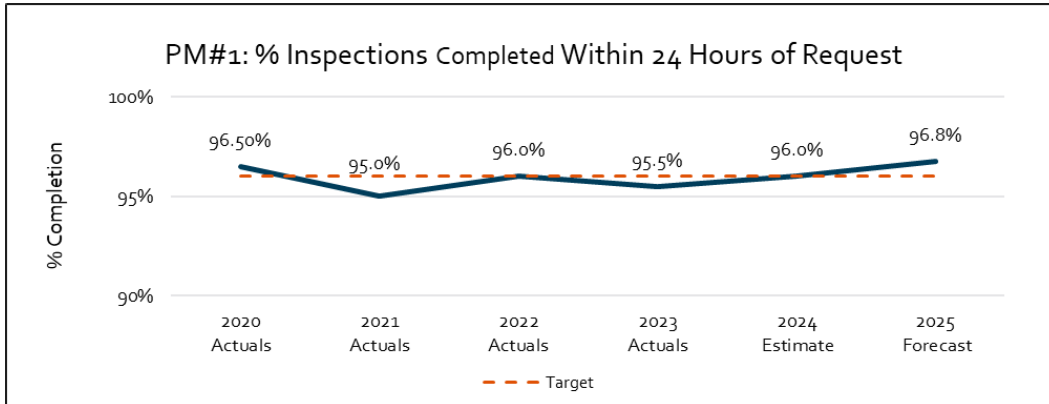
- Municipal Bylaws: Building, Subdivision and Development Servicing, Zoning & Business Licensing
- Area Structure Plans
- Urban Centre Plans
- Official Community Plan

Measuring performance:

Performance measure 1

Inspections completed within 24 hours of request

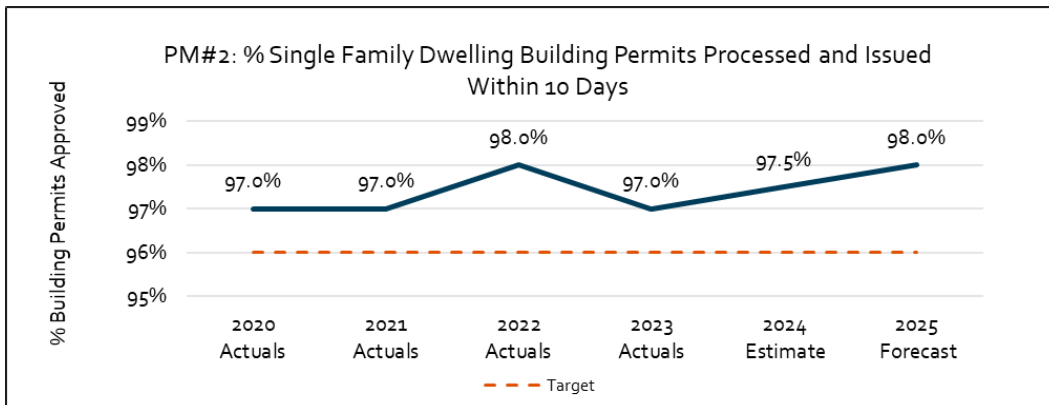
The Development Services Department has a goal to complete 96 per cent of building, plumbing & gas inspections within 24 hours of booking. This ensures excellence in customer service and assists projects to progress without unnecessary delays between stages of construction.



Performance measure 2

Single family dwelling building permits processed and issued within 10 days

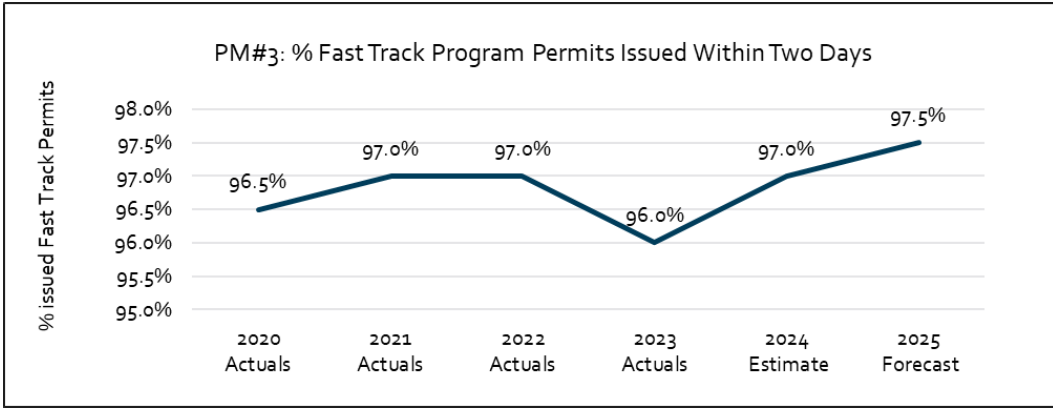
The Development Services Department completes 96 per cent of Single Family Dwelling building permit packages for constructions that provide one or two dwelling units within 10 business days of a complete application. These stats are monitored through a third party, the International Accreditation Service, to help us achieve exemplary customer service.



Performance measure 3

Fast track program permits issued within two days

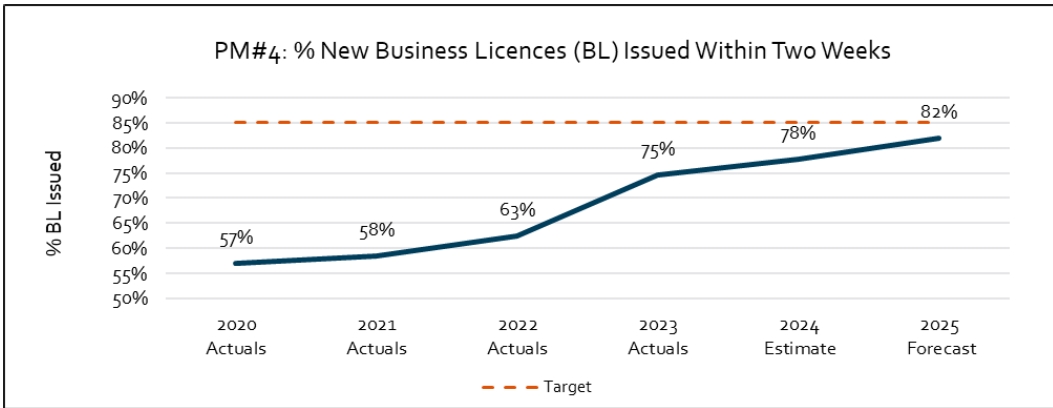
The City of Kelowna is the leading community to run the Fast Track Program, issuing smaller building permit subtypes that do not require an in-depth review within two business days of complete application for permits such as: garage, secondary suite, addition, etc. These stats are also monitored through the third party auditing organization, the International Accreditation Service, assisting us to excel in our exemplary customer service and effectively promote better business.



Performance measure 4

New business licences issued within two weeks

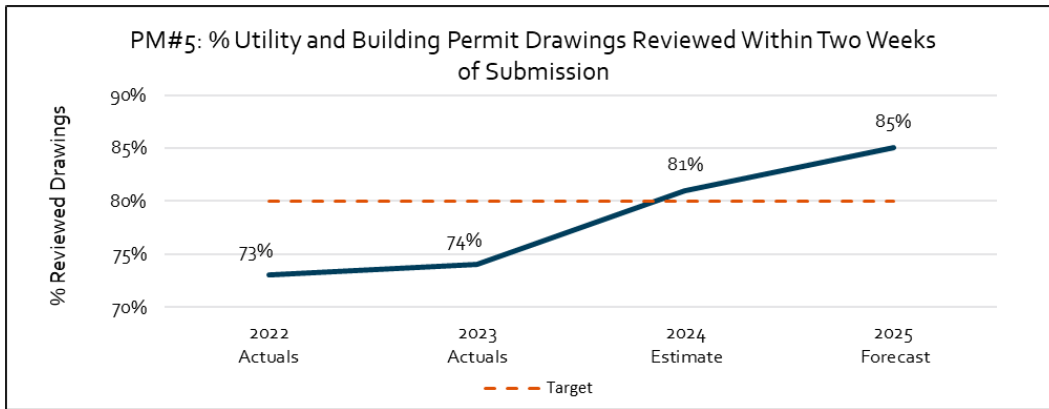
The Business Licensing team is focused on continuing to provide excellent customer service to the growing business community in Kelowna. This department aims to process 85 per cent of new business licence applications in two weeks or less. Over the past four years, the Business Licensing team has seen year-over-year increases in the number of business licences issued in under two weeks.



Performance measure 5

Utility and building permit drawings reviewed within two weeks of submission

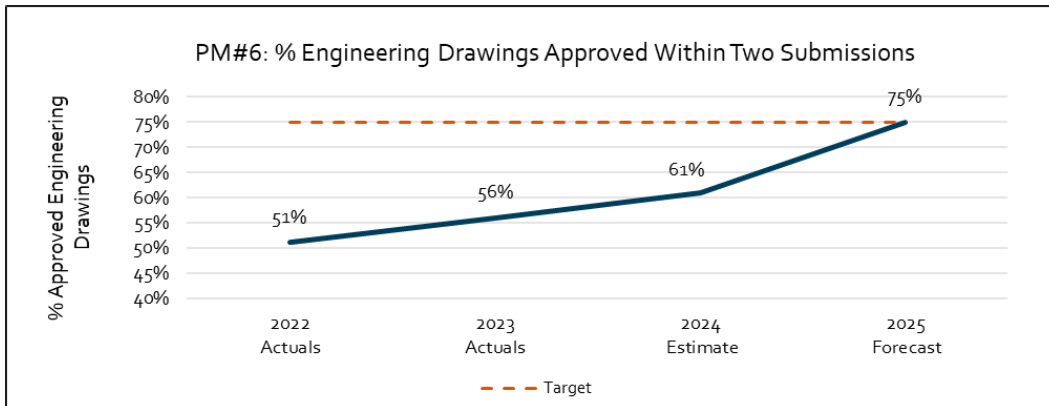
Applications reviewed by Development Engineering correlate with higher value, complex projects with on-site engineering requirements. These add value by giving confidence in the systems that support citizens’ dwellings and workplaces in meeting established engineering standards. These reviews vary significantly in complexity, however, the target is to have 80 per cent of all projects reviewed within two weeks of submission.



Performance measure 6

Engineering drawings approved within two submissions

Reduced number of submissions required to achieve design approval indicates that the Development Engineering department has set clear requirements and provides high-quality, comprehensive, integrated, and accurate reviews early in the development process. This gives cost certainty for developers and results in fast approval and reduced costs for development. While drawing applications vary in complexity, Development Engineering aims to have 75 per cent of all drawing applications approved for construction within one re-submission (two total submissions).



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • Support the operations of the Property Standards & Compliance team • Collaborate to prepare a comprehensive approach on Community Fire Safety • Collaborate with Bylaws Enforcement Department to create process efficiencies
Affordable Housing	<ul style="list-style-type: none"> • Expedite permit process and approval times for affordable housing • Develop additional tools to facilitate predictable and lower development costs for affordable housing
Homelessness	<ul style="list-style-type: none"> • Work with third party agencies to expedite and find solutions for permitting temporary housing
Transportation	<ul style="list-style-type: none"> • Deploy streetscape urbanization program to complete streets in high growth areas of Kelowna's core • Support the operation of the Agricultural Standards Compliance Team to reduce conflicting land uses on farm land
Climate & Environment	<ul style="list-style-type: none"> • Continue to provide incentives for mid-stage blower door testing • New software and processes to further reduce our carbon footprint • Collaborate with external and internal stakeholders promote grants and incentives for greener homes
Economy	<ul style="list-style-type: none"> • Continue to look for efficiencies in the business licence system to promote small business growth in the City
Our People	<ul style="list-style-type: none"> • Formalized monthly training sessions to help staff stay current on best practice and meet regulatory requirements for continuing education
Digital Transformation	<ul style="list-style-type: none"> • Digital Plan review process with 24/7 service delivery • Support for AI chat bot • RSM customer application portal • Continue to adapt the CityWorks Permitting, Licensing and Land Management (PLL) software
Active Financial Management	<ul style="list-style-type: none"> • Fine tune business licence fees
Base Business	<ul style="list-style-type: none"> • Work with Long-Range Planning to address infrastructure priorities in conjunction with the Infill Challenge to help support responsible densification • Update internal templates to improve standardization and automation through our workflow to increase efficiency and improve consistency and quality of work • As the first community in all of Canada to be accredited by the International Accreditation Service, we will continue to maintain accreditation status for the building permitting branch

2024 Key accomplishments:

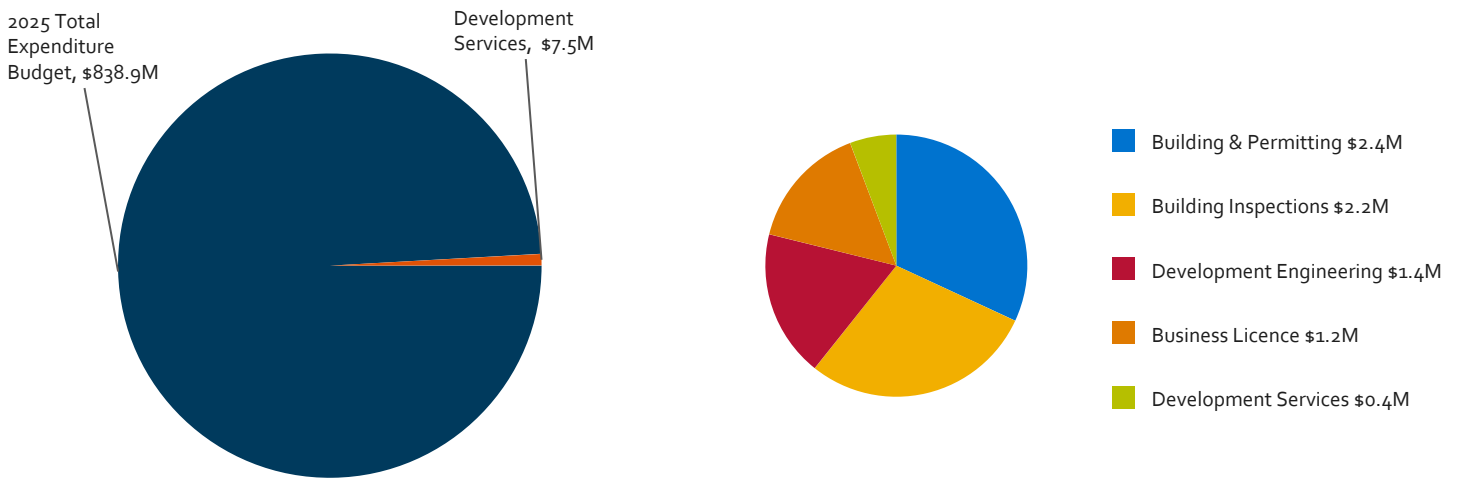
- Obtained the annual renewal of permitting branch accreditation from International Accreditation Service
- Replacement of Business Licence (BL) Bylaw No. 7878. The result is a new streamlined BL Bylaw that is more modern and user-friendly
- Improvement to the online business licence application process to drive more online applications and support 24/7 service delivery
- Implemented the new CityWorks PLL permitting software
- Enhanced the Property Information Request application process using a digital tool to create greater efficiencies
- Improvements to the Addressing process through digital transformation

Continuous improvements:

- Update Building Bylaw and improve online application process
- Update the Addressing Bylaw
- Transitioning to digital plan submission and review
- Continued automation of internal business processes
- Advancing efforts to integrate AI and automation into daily processes
- Accept all forms of payment at One Window

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$7.5M

Budget needed to achieve results

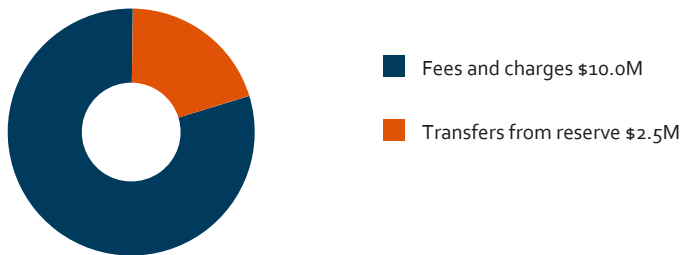
Development Services is a revenue-generating service area with revenue from activities such as permitting, licensing, and development fees used not only to cover operating costs but also to contribute to broader municipal planning efforts. However, significant revenue declines are anticipated in 2025 due to regulatory changes affecting short-term rentals, reduced cannabis licensing fees, and a slowdown in construction activity, which impacts building permit income. These fluctuations are expected, and reserves have been established to cushion the financial impact. In 2025, these reserves will be used as a temporary measure to balance the budget until market conditions improve.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	(12,139)	(5,315)	(167)	473	16	(4,993)
Fees and charges	18,294	12,603	64	(2,704)	—	9,962
Grant	—	—	—	—	—	—
Other revenue	—	—	—	—	—	—
Transfers from reserve	—	20	(20)	2,500	—	2,500
Total revenue budget	6,155	7,308	(123)	268	16	7,470
Expenditure budget:						
Salaries and wages	4,852	5,756	65	251	—	6,071
Material and other	405	714	(21)	(80)	—	613
Contract services	84	62	—	38	—	100
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	—	—	—	—	—	—
Enabling allocation	814	776	(167)	60	16	685
Total expenditure budget	6,155	7,308	(123)	268	16	7,470
Operating FTE positions:						
Management	4.5	6.5	0.5	—	—	7.0
Union hourly	2.2	—	—	—	—	—
Union salary	40.4	45.0	—	—	—	45.0
Total operating FTE positions	47.1	51.5	0.5	—	—	52.0

Note: Totals may not add due to rounding

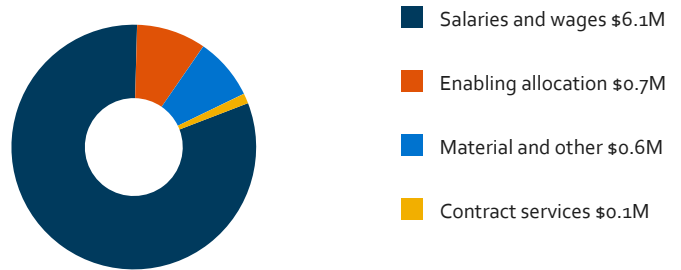
The difference between the two graphs below is the \$5.0 million surplus earned by this service area that is used to offset taxation funds required for other community services areas and infrastructure such as Buildings, Transportation, and Community Development.

Funding strategy



Total \$ 12.5 M

Expenditure by type



Total \$ 7.5 M

Note: Totals may not add due to rounding

2025 Operating and Capital Request Details

This service area has no Priority 1, 2025 budget requests



► DEVELOPMENT PLANNING

**LED BY: DIVISIONAL DIRECTOR, PLANNING,
CLIMATE SUSTAINABILITY & DEVELOPMENT**

Our goal & community benefit:

Our goal is to provide land use planning and growth-related direction to the community. The Official Community Plan (OCP) focuses on slowing the outward growth of suburban neighbourhoods, this protects the 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 and 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 priorities, 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

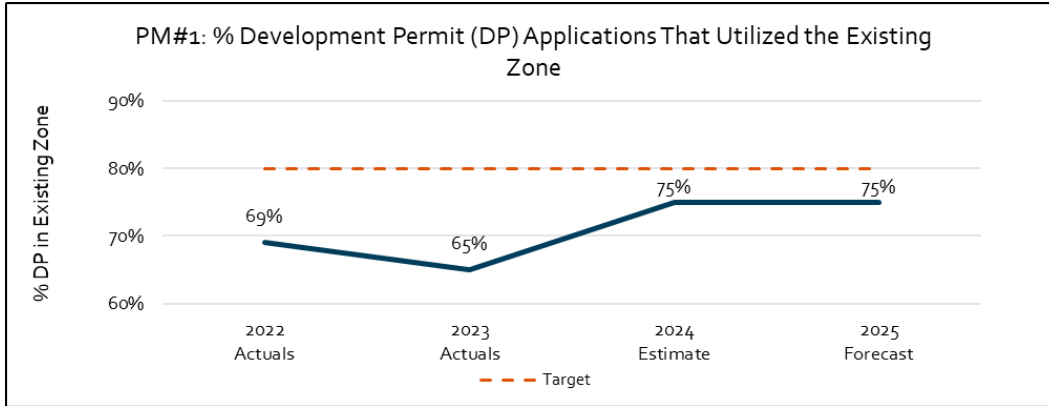


Measuring performance:

Performance measure 1

Development Permit (DP) applications that utilized the existing zone

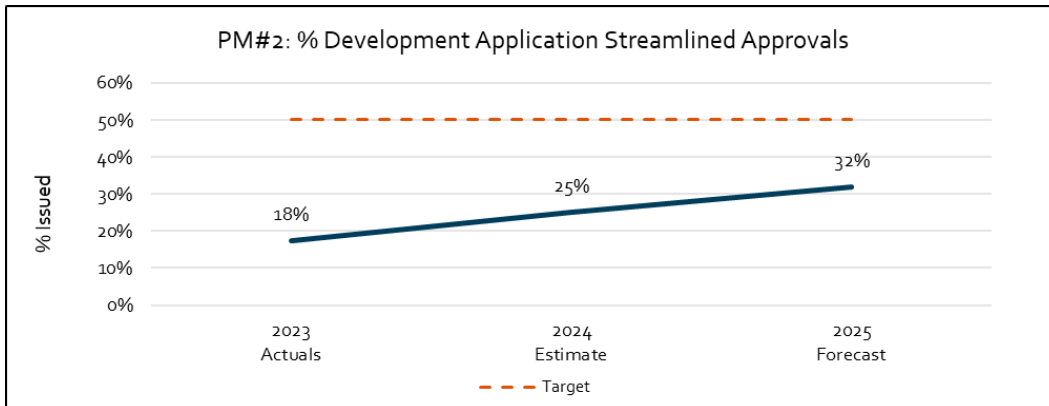
The planning, development and permitting of land and buildings requires the City to balance an efficient development application process with growth management. Development planning pre-zones areas of the City to direct growth and target densities in locations that support the vision in the Official Community Plan. This reduces the time and costs associated with land development and permitting, which supports affordability for housing and businesses. The aim is for 80 per cent of development applications to utilize the existing zone.



Performance measure 2

Development application streamlined approvals

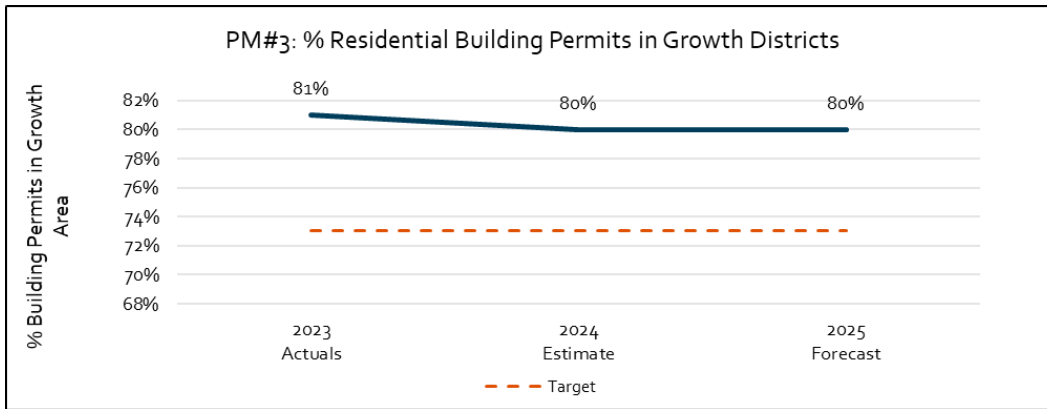
Development application timelines play an important role in addressing housing supply and affordability. Shorter timelines support market responsiveness to housing and commercial supply and demand. Developers of residential and commercial property prefer to invest in communities where approval timelines are transparent, reliable, and standardized. The target is for 50 per cent of development applications to be approved through a streamlined approval process.



Performance measure 3

Residential building permits in growth districts

While the Official Community Plan (OCP) provides growth estimates in different areas of the City, development may be faster or slower based on market trends. Monitoring this rate of growth in our urban center helps to make informed decisions about investments in infrastructure, such as transportation and utility servicing, as well as when to initiate urban centre plans. The OCP target is 73 per cent of building permits issued in growth districts.



2025 Activities by priority:

Priorities	Activities
Affordable Housing	<ul style="list-style-type: none"> Implement actions to achieve Housing Accelerator Fund targets Continue to implement and monitor housing related policy and legislation
Homelessness	<ul style="list-style-type: none"> Support City/community sheltering initiatives
Transportation	<ul style="list-style-type: none"> Support the review of transit supportive corridors for additional land use density
Agriculture	<ul style="list-style-type: none"> Prioritize enforcement efforts for non-farm uses on agricultural lands Explore opportunities to support and house farm labour
Climate & Environment	<ul style="list-style-type: none"> Lead and coordinate the implementation of the Climate Resilient Kelowna Plan Support the development of a Climate Lens to review land use change applications
Our People	<ul style="list-style-type: none"> Implement projects related to Divisional Strategic Plan and Council/Corporate Priorities
Digital Transformation	<ul style="list-style-type: none"> Implement CityWorks Permitting, Licensing and Land Management (PLL) Continue implementation and business expansion of KAI chatbot to planning applications
Active Financial Management	<ul style="list-style-type: none"> 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 Licence Bylaw update
Base Business	<ul style="list-style-type: none"> Continue to identify and act on opportunities to streamline the development application process for housing delivery

2024 Key accomplishments:

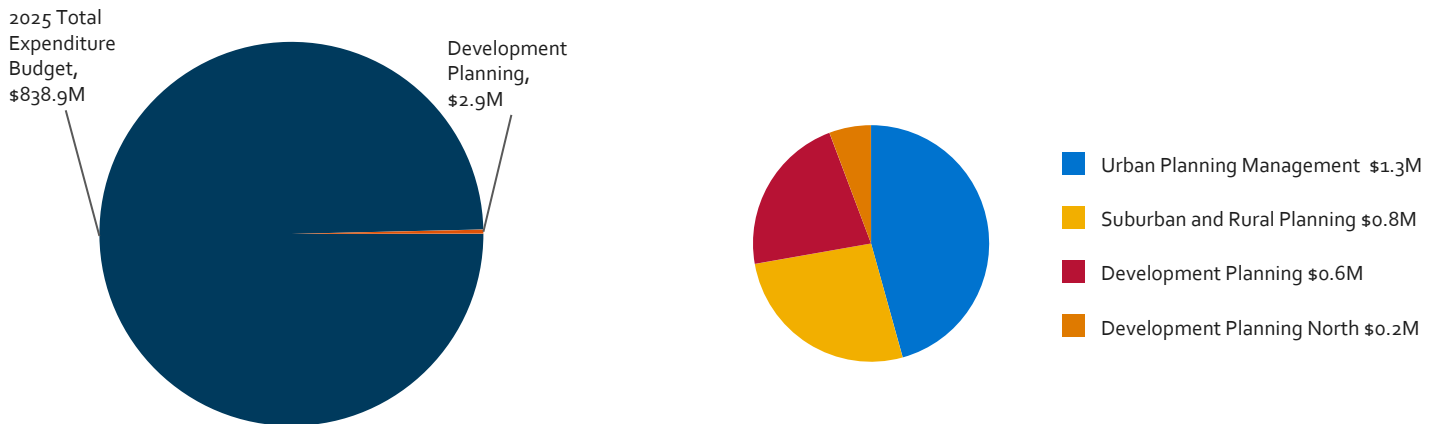
- First municipality in BC to have implemented Bills 44 and 47 in 2024
- Reorganized the Development Planning Department to improve service delivery and approvals
- Updated Procedures Bylaw to increase delegated authority to streamline development approvals
- Separated rezoning and development applications to reduce upfront costs to new development and housing
- Neighbourhood Notification, Council policy 367 reviewed and updated
- Liquor Licensing Policy 359 reviewed and updated to reduce approval timelines for applicants
- Initiated review of Parking Bylaw to align with Bill 16 in 2025
- Initiated review to modernize Signs Bylaw
- Reviewed and updated Development Application Fees Bylaw
- Council endorsed development concept for the Mill Site

Continuous improvements:

- Incremental changes to development application process to integrate with CityWorks adoption
- Quarterly amendment packages to Zoning Bylaw and/or OCP to improve accuracy and consistency
- Updated/streamlined tree inventory procedure for infill developments
- Improved/updated landscape enhancement standards
- Updated Planning & Development website
- Linked MapViewer to updated Planning and Development website
- Created PDF directory of Development Planning department’s geographic focus areas
- Held seasonal workshops with development and design community throughout the year to communicate the continuous improvements Development Planning was working on
- Implemented a delegated development variance permit program to speed up some development application types

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$2.9M

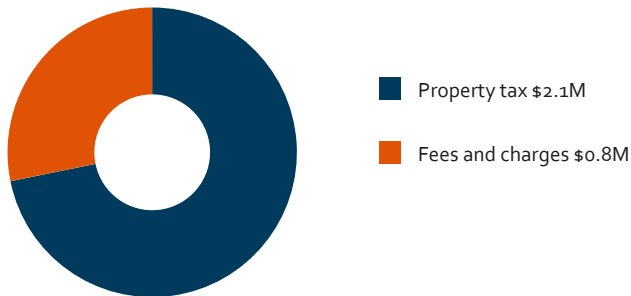
Budget needed to achieve results

Development Planning is primarily funded through property taxes, with additional revenue from development permits providing an offset to overall costs.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	2,037	2,067	(83)	123	7	2,115
Fees and charges	734	830	—	—	—	830
Grant	—	—	—	—	—	—
Other revenue	27	—	—	—	—	—
Transfers from reserve	98	153	(153)	—	—	—
Total revenue budget	2,896	3,050	(235)	123	7	2,945
Expenditure budget:						
Salaries and wages	2,379	2,528	(123)	106	—	2,512
Material and other	135	198	(30)	(7)	—	161
Contract services	—	—	—	—	—	—
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	—	—	—	—	—	—
Enabling allocation	383	324	(83)	24	7	272
Total expenditure budget	2,896	3,050	(235)	123	7	2,945
Operating FTE positions:						
Management	2.4	3.0	—	—	—	3.0
Union hourly	5.8	1.9	(1.7)	—	—	0.2
Union salary	15.0	16.0	—	—	—	16.0
Total operating FTE positions	23.2	20.9	(1.7)	—	—	19.2

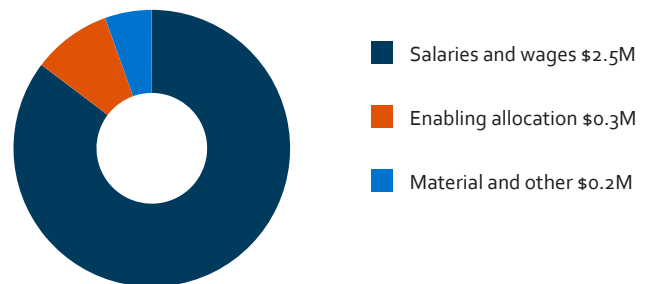
Note: Totals may not add due to rounding

Funding strategy



Total \$2.9M

Expenditure by type



Total \$2.9M

Note: Totals may not add due to rounding

2025 Operating and Capital Request Details

This service area has no Priority 1, 2025 budget requests



▶ PARKING

LED BY: DIVISIONAL DIRECTOR, PARTNERSHIPS & INVESTMENTS

Our goal & community benefit:

Our goal is to support Kelowna as a safe, vibrant, and sustainable community. Parking management is a key consideration when trying to strike a balance between convenience for citizens and visitors and providing a self-funded system that improves the availability of short-term parking space.

Our customers:

- Community members
- Local businesses & employees
- Visitors & tourists



Our partners:

We work with institutions, businesses, developers, contractors, equipment vendors, and other City departments to create, operate, adjust, and maintain our parking facilities, equipment, policies, rates, and bylaws.

What we deliver:

Parking Services manages over 1,350 on-street pay parking spaces to create or maintain turnover in commercial areas, ensuring customer access to support businesses. In residential areas adjacent to commercial/institutional areas, we manage more than 200 on-street blocks where time limits or residential restrictions are in effect to maintain the integrity of neighbourhoods.

We also operate the majority of off-street parking facilities in the City, including three parkades and 24 surface parking lots (approximately 3,200 spaces), that provide longer term employee and resident parking options. Our team also supports public access to electric vehicle (EV) charging through City-owned EV charging facilities, leads future parking planning, and manages the capital plan and related projects for the facilities we operate.

Our key objectives:

The City-wide parking management strategy, endorsed by Council, is guided by a set of principles to ensure our parking system:

- Improves the availability of short-term parking spaces
- Continues to pay for itself so that general taxation is not impacted
- Offers customer service options for better customer interaction
- Provides a balanced transportation network for residents
- Works with institutions, businesses, and developers

Our guiding plans:

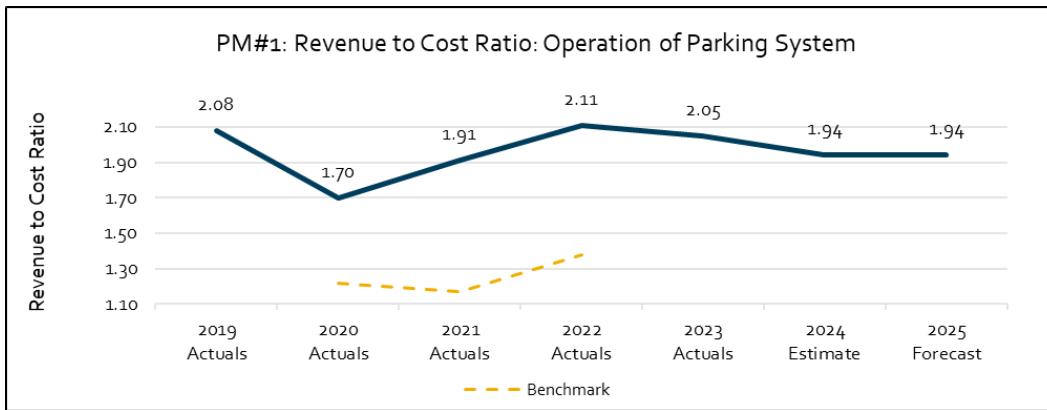
- Imagine Kelowna
- Official Community Plan
- Transportation Master Plan
- Downtown Area Parking Plan
- Hospital Area On-Street Parking Plan
- South Padosy Area Parking Plan
- Parking Management Strategy

Measuring performance:

Performance measure 1

Revenue to cost ratio: operation of parking system

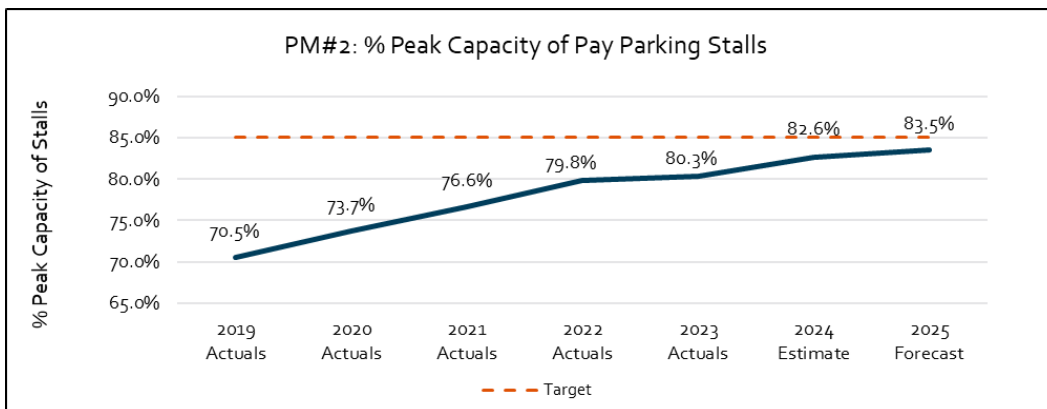
The ratio of parking revenue to the cost of operating the parking system indicates the amount of revenue collected beyond associated expenses. This measure is crucial, as it confirms the parking system is operating in a self-funded manner, capable of supporting debt servicing and providing funding for future capital projects. The goal is to stay level or increase year-to-year in relation to the Canadian median. If the ratio decreases, it suggests expenses are rising faster than revenue, which could necessitate a rate increase beyond the annual CPI value. The Canadian municipal median per the Municipal Benchmarking Network was 1.22 in 2020, 1.17 for 2021 and 1.38 in 2022.



Performance measure 2

Peak capacity of pay parking stalls

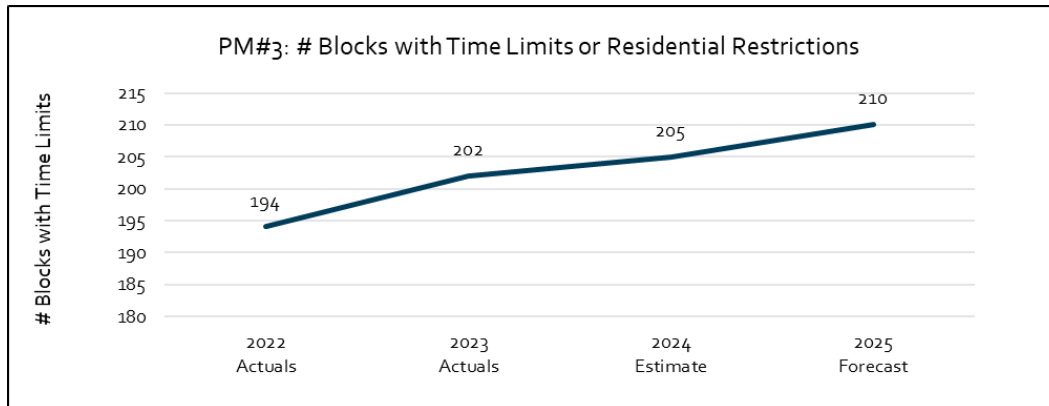
This measure reflects the peak capacity of managed pay parking stalls, both on- and off-street. As this number nears 100 per cent, it becomes necessary to reduce demand or increase inventory by developing/purchasing new facilities. A value of 60 per cent or less implies there is surplus capacity available, while a value exceeding 85 per cent signals that the parking system may be nearing capacity. In the parking sector, it is commonly accepted that an optimal occupancy rate is 85 per cent, ensuring that one to two spaces are available on each block to reduce the need for vehicles to circle in search of parking.



Performance measure 3

Blocks with time limits or residential restrictions

This measure reflects the number of blocks (sections of road between two intersecting streets) where time limits or residential restrictions are in effect. Once a restriction is implemented, active management and enforcement are necessary. There is no target for this measure and the number of blocks will increase with densification, necessitating additional staff and equipment to effectively manage.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Continue to focus on providing a safe, clean parking experience for our customers using Crime Prevention Through Environmental Design (CPTED) principles Provide support for the corporate security function and Kelowna Security Operations Center (KSOC) Continue renewal of older security cameras to enhance real-time monitoring and improve security for customers
Affordable Housing	<ul style="list-style-type: none"> Continue to actively manage on-street parking in residential areas to support densification within urban centres while preserving the character of neighbourhoods
Transportation	<ul style="list-style-type: none"> Launch the design phase for a new parkade facility in the South Pandosy Urban Centre In partnership with Integrated Transportation, initiate development of a curb space management strategy to accommodate alternative uses, such as loading and pickup zones Re-launch development of an area parking plan for the Capri-Landmark Urban Centre Continue to optimize parking rates to reduce traffic congestion and promote the use of transit and alternative modes of transportation
Climate & Environment	<ul style="list-style-type: none"> Continue expanding the City's public electric vehicle (EV) charging network to support EV adoption Set parking rates to manage occupancy, ensuring a few open spaces in each block, and share occupancy data to reduce emissions by minimizing traffic circling in search of available parking
Economy	<ul style="list-style-type: none"> Continue to support the economic vitality and competitiveness of the City by providing adequate and convenient short- and long-term parking for residents, tourists, and businesses Generate revenue to be reinvested in parking infrastructure, transportation projects, and other public services
Our People	<ul style="list-style-type: none"> Create a new Parking Analyst position to support a return to proactive planning and improve our ability to monitor and actively manage existing and future parking areas Identify a resource to manage the complex systems we use to operate parking and enforcement infrastructure, improve financial management and ensure compliance with policies and industry standards
Digital Transformation	<ul style="list-style-type: none"> Continue updating the legacy Residential Parking Permit system to include online features, decrease permit misuse, and transition to virtual, license plate-based permits Continue the development of infrastructure to support an interactive parking map to share real-time parking occupancy and enhance the customer experience
Active Financial Management	<ul style="list-style-type: none"> Leverage the Parking Analyst to identify new revenue opportunities and improve oversight of programs Continuously review and compare parking rates and fines to other municipalities, private operators, and institutions to maximize effectiveness
Base Business	<ul style="list-style-type: none"> Establish a street-level office to streamline all parking operations in one accessible location to more effectively address customer needs, increase service levels, and optimize collaboration between City and contracted staff Continue the multi-year asset renewal program for City parkades to ensure they achieve maximum life expectancy Review and reallocate existing staff to ensure the most efficient and effective use of resources

2024 Key accomplishments:

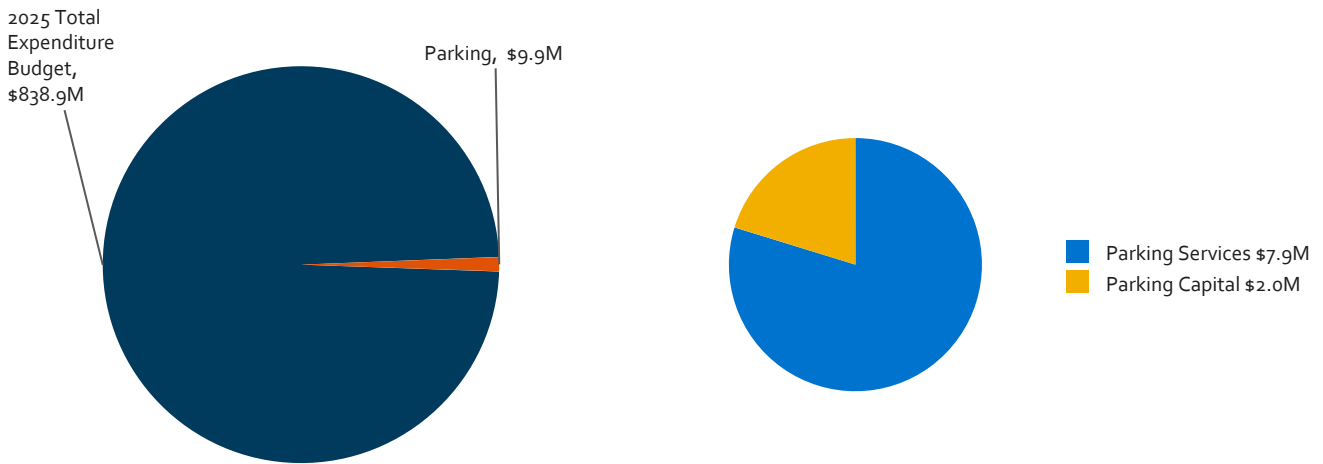
- Contributed \$1.15 million from parking revenues to reduce taxation
- Hired and onboarded a new Parking Services Supervisor
- Amended the Residential Parking Permit policy to align with provincial housing directives for increased density
- Initiated a multi-year project to refurbish older pay stations, including modem, credit card processing equipment and software upgrades, to extend their useful life
- Installed 10 additional public (Level 2) EV chargers in parkades and surface parking lots
- Successfully transitioned our parking enforcement licence plate recognition vehicles to fully electric (three City and two contractor operated)
- Invested an additional \$300,000 in parkade restoration projects - focused on concrete and flashing repairs, protective coating and general waterproofing

Continuous improvements:

- Continue to utilize pilot projects to evaluate the effectiveness and usefulness of new technologies that may enhance our ability to manage parking and improve the customer experience
- Utilize cross training and reallocation of existing staff resources, combined with new positions, to improve response times to service requests and areas of concern
- Reallocate enforcement resources to target areas where issues have been identified or complaints received
- Review operating model/governance for parking to improve efficiency
- Continuously enhance the collection of parking data to support analysis, decision making, and information sharing

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$9.9M

Budget needed to achieve results

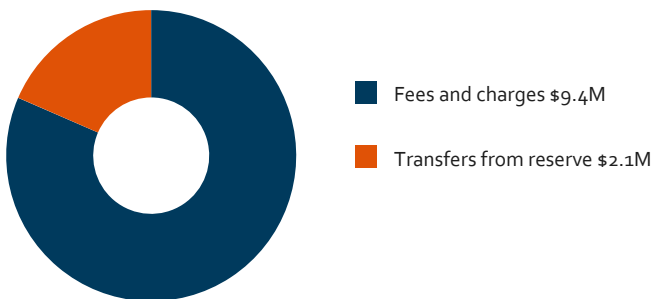
Parking Services is a self-sustaining operation within the general fund. Any unused revenue generated each year is allocated to reserves dedicated to future infrastructure investments. Parking operations contributes \$1.65 million annually to offset property taxation funds required for enabling and other community services such as Transportation and Transit.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	(150)	(1,150)	0	(500)	0	(1,650)
Fees and charges	9,785	8,500	—	893	—	9,393
Grant	—	—	—	—	—	—
Other revenue	—	10	—	—	—	10
Transfers from reserve	3	117	(117)	1,580	550	2,130
Total revenue budget	9,638	7,478	(117)	1,973	550	9,884
Expenditure budget:						
Salaries and wages	896	1,124	51	106	—	1,281
Material and other	1,302	1,685	(117)	18	50	1,636
Contract services	1,479	1,997	—	111	—	2,108
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	1,500	500	2,000
Transfers to reserve	5,746	2,464	(50)	183	—	2,597
Enabling allocation	214	207	—	54	—	262
Total expenditure budget	9,638	7,478	(117)	1,973	550	9,884
Operating FTE positions:						
Management	0.9	1.5	0.5	—	—	2.0
Union hourly	4.9	6.4	—	—	—	6.4
Union salary positions	2.6	4.0	—	0.5	—	4.5
	8.4	11.9	0.5	0.5	—	12.9

Note: Totals may not add due to rounding

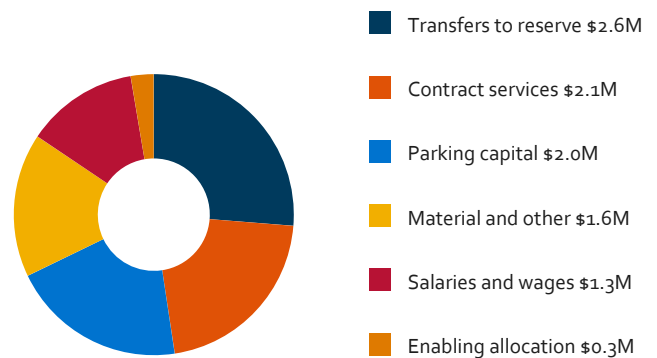
The difference between the two graphs below is the \$1.65 million surplus earned by this service area that is used to offset taxation funds required for other community services areas and infrastructure such as Parks, Sports & Recreation, and Community Safety.

Funding strategy



Total \$11.5M

Expenditure by type



Total \$9.9M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Parking Services Planning	56	111	111	111	111
Parking Study for Recreation Parks and Facilities - Phase 2	50	—	—	—	—
Operating Requests Priority 1 Total	106	111	111	111	111

2025 Capital Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Parking Infrastructure & Facilities	1,500	600	2,100	600	2,100
Projects					
	Total Project				
South Padosy Parkade	15,000	500	1,500	6,500	6,500
Capital Request Priority 1 Total	15,000	2,000	2,100	8,600	7,100

* denotes capital request has operating & maintenance impacts included in the request

2025 Operating Request Details

Service Area: Parking	Priority 1	Maintain ON-GOING
Title: Parking Services Planning		PRELIMINARY

Justification:

Budget is requested for a Parking Analyst/Planner position within the Parking Services Branch. Parking services demands have continued to increase in line with population growth. The addition of this analyst position will enable the service area to continue with proactive planning, and maintain strategic initiatives and engagement with stakeholders, including business associations.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	56,000	(56,000)	—	—	—	—	—	—
2026	111,300	(111,300)	—	—	—	—	—	—
2027	111,300	(111,300)	—	—	—	—	—	—

Service Area: Parking	Priority 1	Enhance ONE-TIME
Title: Parking Study for Recreation Parks and Facilities - Phase 2		PRELIMINARY

Justification:

Budget is requested for the upcoming phase of the recreation parks parking study. This study aims to introduce strategies to manage parking demand, especially during peak times. This will help the City maximize the use of capital assets and preserve important parkland for other amenities.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	(50,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Parking	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Parking Infrastructure & Facilities		

Justification:

Budget is requested for this annual program of parking infrastructure and facilities. Annual items for consideration may include, but are not limited to, major maintenance to parkades, electric vehicle infrastructure and strategic initiatives, parking equipment and new off street parking.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,500,000	(1,500,000)	—	—	—	—	—	—

Service Area: Parking	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: South Pandosy Parkade		

Justification:

Budget is requested to allow for planning, design and construction of a new parking structure to enhance service levels in the South Pandosy town center, and to accommodate increasing density of the surrounding commercial and residential zones.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	500,000	(500,000)	—	—	—	—	—	—

▶ PARTNERSHIPS OFFICE

LED BY: DIVISIONAL DIRECTOR, PARTNERSHIPS & INVESTMENTS

Our goal & community benefit:

Our goal is to facilitate partnerships that challenge the status quo of how civic services and capital are delivered. Through strategic partnerships, effective advocacy, robust grants management and innovative alternative-revenue approaches, we seek to increase the City's non-tax revenue, strengthen partnerships and influence policies that address community need to ensure Kelowna is a great place to live, work, play and invest in. We provide economic and social benefits by mobilizing Civic resources in a financially supportive way to our partners.

Our customers:

- Citizens who benefit from our partnered projects
- Existing partners and potential partner organizations including academia/non-profits/private sector
- Other levels of government

Our partners:

We work with other levels of government, businesses, academia, and non-profits to support Council priorities and community goals.

What we deliver:

We create partnerships with private industry, non-profits, public and government agencies to advance Council and Corporate priorities. We target grant programs and seek-out sponsorship and advertising opportunities that align with the City's values and priorities. We advise across divisions on innovative and entrepreneurial service delivery. Everything we do is aimed at diversifying the City's revenue sources beyond property taxes.

Our key objectives:

- Partnerships – We focus on building relationships and forming partnerships with a diverse array of external organizations, including businesses, non-profits, government agencies, and academic institutions. While each partnership is unique, they generally fall into one or more of the following categories: providing community facilities, programs, and services; operating and maintaining City-owned assets; and administering City funding. Through these collaborations, the City aims to enhance the quality of life for its residents and more effectively address community needs
- Grants – We strategically identify grant opportunities for City projects and initiatives. We work across the organization to secure and manage grants that advance Corporate and Council priorities. We are driven to leverage the financial contributions of Kelowna's taxpayers
- Intergovernmental Relations – We focus advocacy through fostering relationships with senior levels of government to advance investments and policy changes that support Council's priorities and City projects. This ensures priority infrastructure and program initiatives are presented to provincial and federal ministers. As one of Canada's fastest growing communities, advocacy work includes positioning Kelowna as a leading municipality and a strong partner for senior governments to invest in

Our guiding plans:

- Imagine Kelowna
- Council and Corporate Priorities
- Council Advocacy Priorities
- Grants Strategy

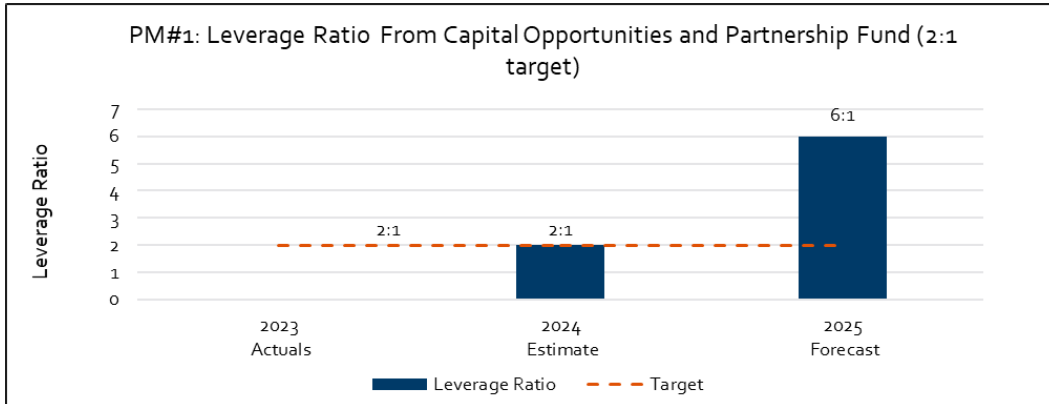


Measuring performance:

Performance measure 1

Leverage ratio from Capital Opportunities and Partnership Fund

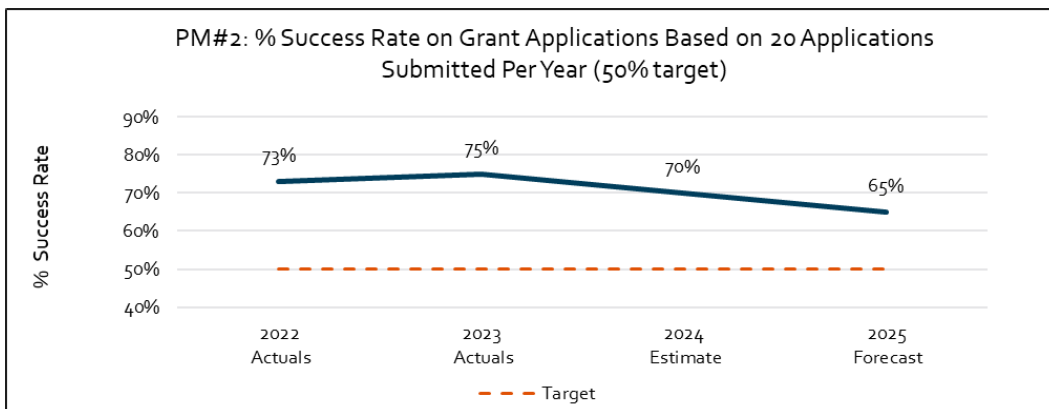
To minimize reliance on tax revenue, the City allocates \$1 million per year for emerging opportunities where partners' dollars are leveraged to deliver services and infrastructure. The leverage ratio represents the proportion of external funding compared to the City's contribution from the partnership fund towards the overall project value. The target ratio is 2:1.



Performance measure 2

Success rate on grant applications based on 20 applications submitted per year

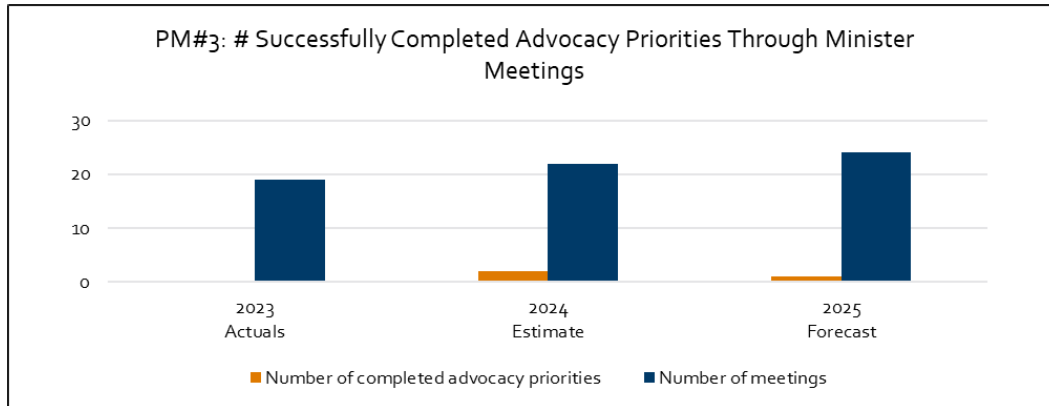
Grants minimize the City's reliance on tax revenues and allow us to leverage funding to complete infrastructure projects and programs for our growing community. The success rate of grant applications is an indication of the submission quality, our ongoing grant management practices, and relationships with other levels of government. The target is 50 per cent success rate.



Performance measure 3

Successfully completed advocacy priorities through Minister meetings

Advancing Council’s advocacy priorities by engaging in focused and strategic intergovernmental relations, underpinned by building strong relationships with other levels of government, including consistent and effective in-person meetings with provincial and federal ministers. The target is 1 per year.



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> • Advocacy to increase crown prosecutor resources locally to address repeat property offending
Affordable Housing	<ul style="list-style-type: none"> • Supporting the implementation of the Housing Accelerator Fund
Homelessness	<ul style="list-style-type: none"> • Advocacy for a regional Red Fish Healing Centre model for compassionate mandatory care • Intergovernmental relations support for the completion of the HEART and HEARTH temporary shelter sites
Transportation	<ul style="list-style-type: none"> • New transit operations centre advocacy and grant applications • Highway 33-Clement multi-modal corridor extension advocacy
Agriculture	<ul style="list-style-type: none"> • Pursue grant funding for agricultural water projects
Climate & Environment	<ul style="list-style-type: none"> • Apply for Provincial and Federal grant applications supporting Climate and Environment initiatives
Economy	<ul style="list-style-type: none"> • Complete an Economic Development Options Review to identify municipal programs and services needed to meet the needs of Kelowna's businesses and entrepreneurs • Advance public-private partnerships opportunities, through advocacy for economic development at YLW Kelowna International Airport
Our People	<ul style="list-style-type: none"> • Look towards team expansion to increase impact, particularly in academic partnerships and agreements and leases
Digital Transformation	<ul style="list-style-type: none"> • Establish a Customer Relationship Management Platform for Senior Leadership and area managers • Integrate a project management digital tool to manage the partnership development process
Active Financial Management	<ul style="list-style-type: none"> • Leverage new Partnership Coordinators staff to increase our ability to respond to grant requests • Identify and address major sponsorship opportunities • Identify and pursue high-impact partnership opportunities • Revise Unsolicited Proposal Program to reflect a focused, active partnership development approach
Base Business	<ul style="list-style-type: none"> • Actively promote partnership opportunities with the private sector • Develop a Partnership Development Strategy and Framework to guide the active development of new partnerships at the City • Established a new focus and strategy for Sponsorship and Advertising

2024 Key accomplishments:

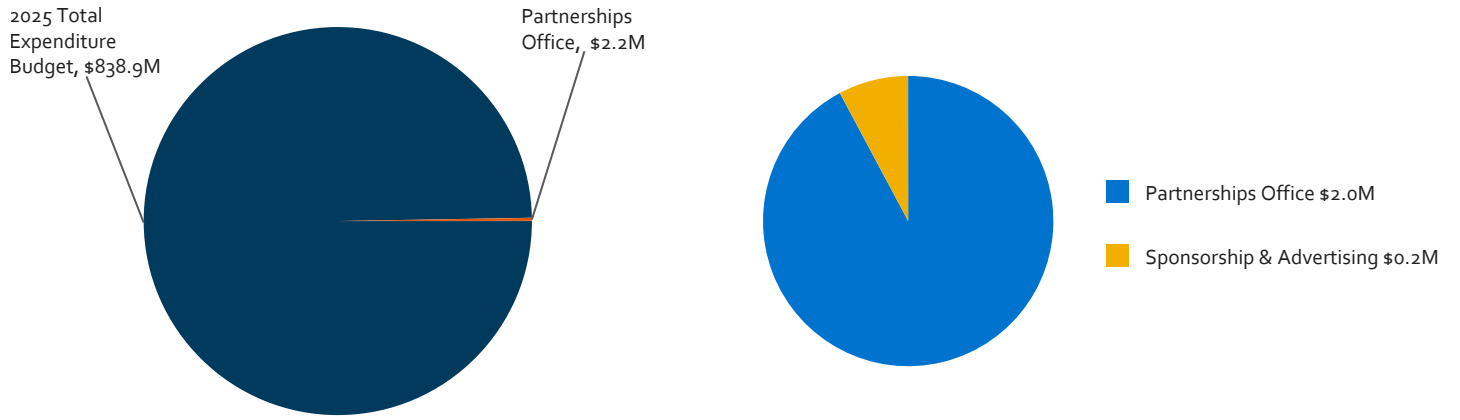
- Grant portfolio managing over \$110 million in current contracts
- Kelowna shown as a leader through grant-funded programs including the Accelerating Housing Knowledge Sharing Series and SILGA award for the People PEER Navigator and Indigenous Harm Reduction Programs
- Groundbreaking with the Province for the Bertram Overpass project, supported by the Growing Communities Fund and the Canada Community Building Fund
- Celebration with Central Okanagan Minor Baseball Association on the success of the Jays Care funding to support upgrades to Edith Gay ball diamonds
- Updated Council's Advocacy Priority Framework to identify top five advocacy priorities for the remainder of the term
- Provincial commitment and announcement with B.C.'s Ministry of Mental Health and Addictions for a new purpose-built complex care and supportive housing facility at the Pacific Avenue site, completing Council's complex care advocacy priority
- Delivering on the Provincial commitment through a Memorandum of Understanding for Kelowna to receive HEART & HEARTH Provincial support to create temporary shelter housing at three designated sites, with two sites built and operational and a third announced – completing Council's new shelters with wraparound services advocacy priority
- Managed Kelowna's delegation participation at the 2024 UBCM convention, resulting in meetings for Mayor and Council with six Provincial Cabinet Ministers, panel speaking opportunities and received a UBCM Community Excellence Award in the Asset Management category
- Successfully advocated for the Provincial commitment to advance the Bertram project that will see the addition of 112 below-market affordable rental units and an onsite childcare centre
- Meeting with the Prime Minister, the Hon. Justin Trudeau, for discussions on Council's advocacy priorities
- Created a tracker for the Capital Opportunities and Partnership Fund, as well as an intake process for project submission
- Partnership with the Okanagan Regional Library for express branches at both the Glenmore Activity Centre and the redeveloped Parkinson Recreation Centre
- Partnership with Okanagan College on the new Recreation and Wellness Facility at their Kelowna Campus
- The Partnerships Office collaborated with national organizations on partnership opportunities

Continuous improvements:

- Expanded the Partnerships Office team with the hiring of two new Partnerships Coordinators and a Partnerships Development Coordinator
- UBCO Research committee continues to leverage collaboration and research grant opportunities that benefit our city
- Execution of Council's revised advocacy priorities for 2023-2026 with evidence-based background materials
- Customer Relationship Management system recommendations are being finalized
- Policies and Procedures to guide Intergovernmental Relations and Partnerships portfolios

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$2.2M

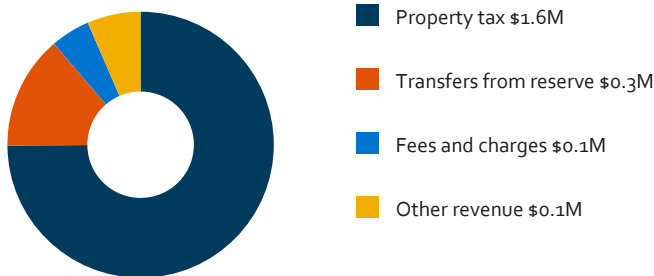
Budget needed to achieve results

The Partnerships Office is primarily funded by property taxes, with advertising revenue partially offsetting its costs. The office also generates substantial revenue through grants and partnerships, which is directly allocated to specific projects. This approach reduces financial pressure on taxpayers by funding initiatives that benefit the community outside of property taxes.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	868	1,301	14	72	230	1,617
Fees and charges	34	104	—	—	—	104
Grant	—	—	—	—	—	—
Other revenue	—	140	—	—	—	140
Transfers from reserve	—	221	2	—	75	298
Total revenue budget	902	1,766	16	72	305	2,159
Expenditure budget:						
Salaries and wages	671	1,021	110	55	—	1,186
Material and other	111	557	(83)	—	300	774
Contract services	—	—	—	—	—	—
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	—	—	—	—	—	—
Enabling allocation	119	188	(11)	17	5	199
Total expenditure budget	902	1,766	16	72	305	2,159
Operating FTE positions:						
Management	4.3	5.0	—	—	—	5.0
Union hourly	—	—	—	—	—	—
Union salary positions	0.6	1.8	1.2	—	—	3.0
	4.9	6.8	1.2	—	—	8.0

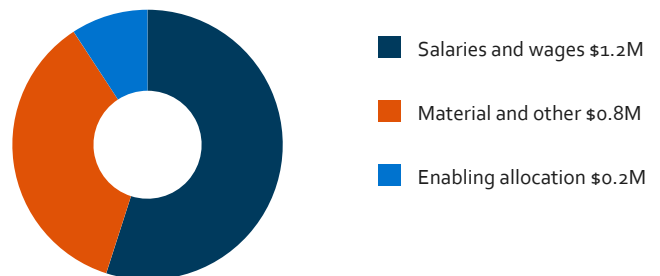
Note: Totals may not add due to rounding

Funding strategy



Total \$2.2M

Expenditure by type



Total \$2.2M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Council Advocacy Priorities Strategic Development - Redeployment	—	—	—	—	—
Partnership Development Strategy, Framework and Collateral	75	—	—	—	—
Economic Development Strategy - Redeployment	—	—	—	—	—
Operating Requests Priority 1 Total	75	—	—	—	—

2025 Capital Requests

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

2025 Operating Request Details

Service Area: Partnerships Office	Priority 1	Enhance ON-GOING
Title: Council Advocacy Priorities Strategic Development - Redeployment		PRELIMINARY

Justification:

Budget is requested to engage a consultant for expertise and support in advancing the Council's Advocacy framework and priorities funded from a redeployment of Council strategic funds. This ongoing budget would ensure predictability for long-term advocacy efforts as priorities shift, especially during election cycles. In 2025, the initial funds will kickstart a strategic campaign for the Highway 33 multi-modal corridor, using an approach similar to the YLW integrated campaign.

Strategic Direction:	Transportation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Partnerships Office	Priority 1	Enhance ONE-TIME
Title: Partnership Development Strategy, Framework and Collateral		PRELIMINARY

Justification:

Budget is requested to create a Partnership Development Strategy, building on the 2024 Partnerships Policy. This Strategy will guide in identifying and managing partnerships aligned with City and Council priorities, aiming for high-impact value for the community. The accompanying Partnerships Framework will detail principles, tools, and processes for partnership development at the City of Kelowna, along with supporting materials. This initiative will be led by the City's partnerships staff, with consulting support.

Strategic Direction:	Active Financial Management							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	75,000	(75,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Operating Request Details

Service Area: Partnerships Office	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Economic Development Strategy - Redeployment		

Justification:

Budget is requested for an Economic Development Options Review to address Council's new priority funded from a redeployment of Council strategic funds. This review will help the City evaluate current regional economic strategies, identify municipal programs needed for Kelowna's businesses, and outline a plan for economic development. It will also clarify the City's role in these initiatives and gauge the required advocacy with senior government and national organizations.

Strategic Direction:		Economy						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

▶ GOVERNANCE & LEADERSHIP

LED BY: CITY CLERK

Our goal & community benefit:

Our goal is to foster a culture of open government in the provision of corporate administrative services to Council, their committees, and the organization. We communicate opportunities for the public to engage with Council and learn about City governance, ensure public access to information and protection of privacy in accordance with provincial legislation and City policies.

Our customers:

- Council
- Senior Leadership Team
- City of Kelowna employees
- Community members



Our partners:

We partner with Council, divisions within the City, and various provincial ministries and agencies.

What we deliver:

We provide council meeting management, corporate access to legal services, the management of corporate records and information, public access to records and protection of privacy, elector approval processes and general local elections as well as training for new and existing employees on governance. We are responsible for delivering the right infrastructure, skills, services, and processes to meet Council priorities and community goals.

Our key objectives:

- To advise on Council procedures and meet legislative requirements
- To promote good governance, clear direction, and legislative compliance through Council and corporate policy frameworks
- To manage physical and electronic records in accordance with the records and information management program
- To share information in timely and transparent ways through routine release and formal request processes
- To protect privacy and personal information with up to date plans, policies, procedures, and training

Our guiding plans:

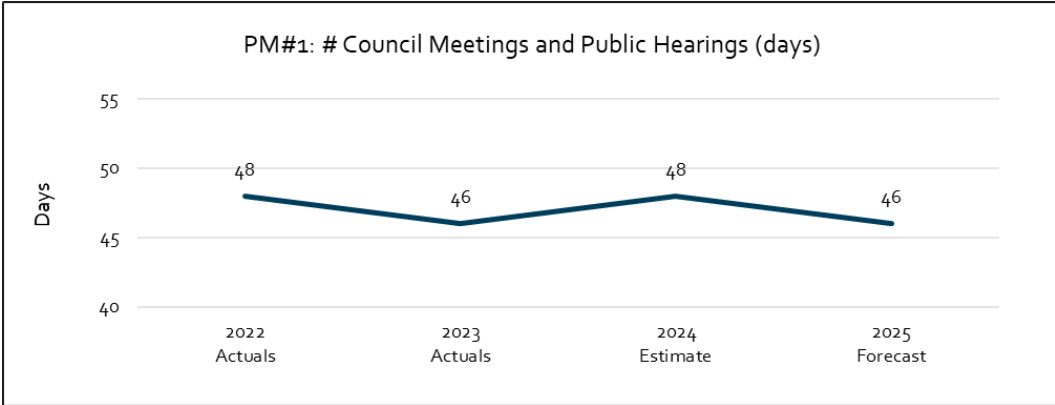
- Imagine Kelowna
- Provincial legislation

Measuring performance:

Performance measure 1

Council meetings & public hearings

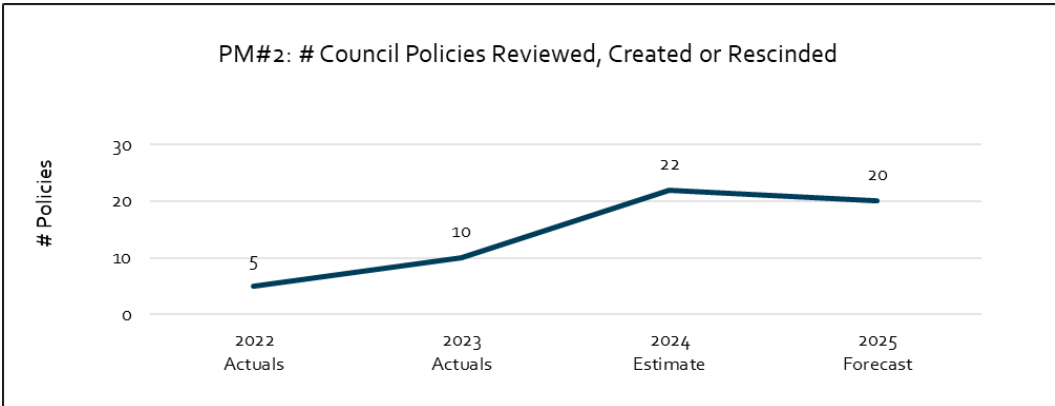
Council makes decisions about City plans, policies, and programs at Council meetings. The public may attend open meetings in-person or watch online, and may participate in public hearings in-person or online. Meeting recordings are posted to the City's website. Council meetings were held on 46 days in 2023 and it is expected meetings will be held on 48 days in 2024.



Performance measure 2

Council policies reviewed or created

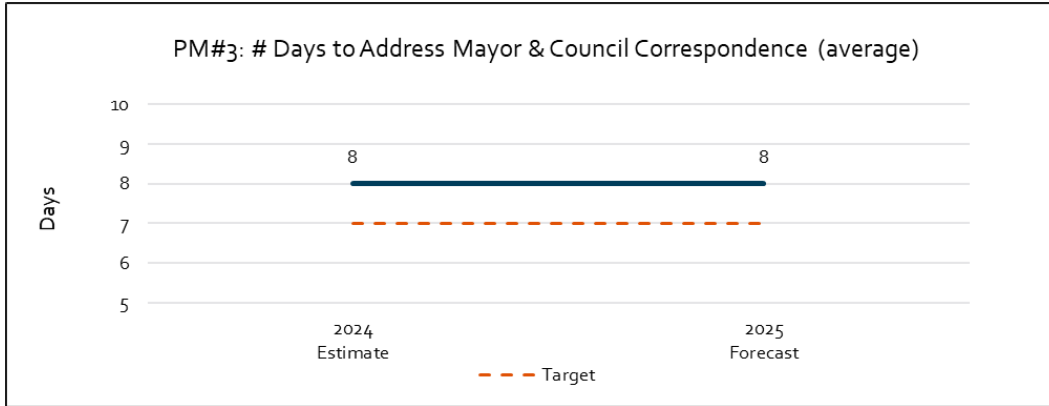
Relevant and current Council policies support good governance and provide clear direction for decision-making. An initiative is underway to review Council's 124 policies. It is expected 22 policies will be reviewed, created or rescinded in 2024 through the Council policy review process. The figure for 2025 is expected to remain stable at approximately 20.



Performance measure 3

Days to address Mayor & Council correspondence

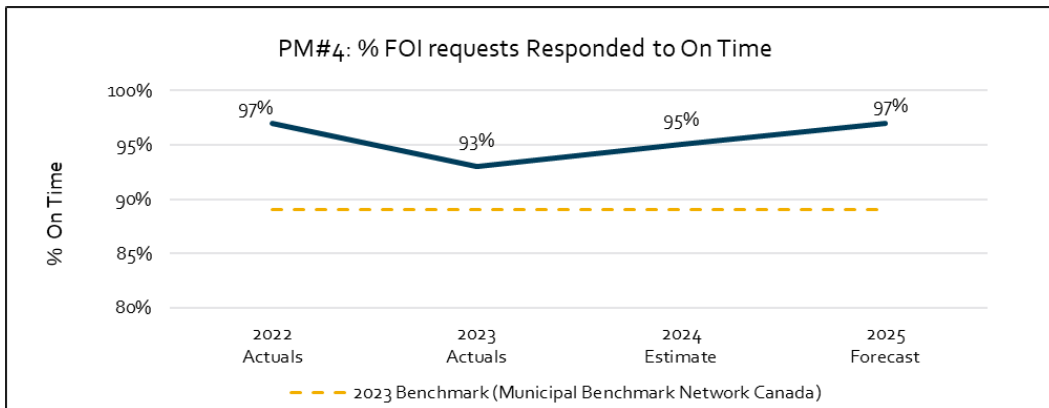
Council receives over 2,500 pieces of correspondence annually. As Council spokesperson, the Mayor responds to correspondence submitted to Mayor & Council, with support from staff. Some correspondence is submitted for information only. We began to measure this metric in 2024 with use of a new reporting system.



Performance measure 4

FOI requests responding to within the legislated timeline

The public may request access to information under the Freedom of Information and Protection of Privacy Act. Most requests are responded to within the initial required 30 days. The response timeline may be extended to 60 days or longer when needed. An estimated 95 per cent of requests will be responded to within the legislated timeline in 2024, with a target of 97 per cent in 2025.



2025 Activities by priority:

Priorities	Activities
Affordable Housing	<ul style="list-style-type: none"> Continue to interpret and implement changes to provincial land use legislation to refine policies and procedures that support the creation of more affordable housing
Agriculture	<ul style="list-style-type: none"> Provide meeting management support for the Agricultural Advisory Committee
Our People	<ul style="list-style-type: none"> Provide training for new and existing employees on governance, Council reports and procedures, access to information and protection of privacy, and records management
Digital Transformation	<ul style="list-style-type: none"> Enhance support to develop and review privacy impact assessments that advance digital transformation and AI initiatives Support digital transformation and AI initiatives through oversight of privacy measures and guidance on responsible use
Base Business	<ul style="list-style-type: none"> Provide governance and meeting management to Council and their Committees and Task Forces, including agenda preparation, minutes, and statutory notices Draft regulatory bylaws for and provide policy and procedural advice to City departments Lead Council policy review and advance corporate policy development Conduct annual archiving and disposition of records across City business areas Advance records management in SharePoint and other electronic systems to ensure compliance with information and privacy legislation and to manage electronic records and information from creation to disposition Ensure public access to information and protection of privacy in accordance with provincial legislation and City policies

2024 Key accomplishments:

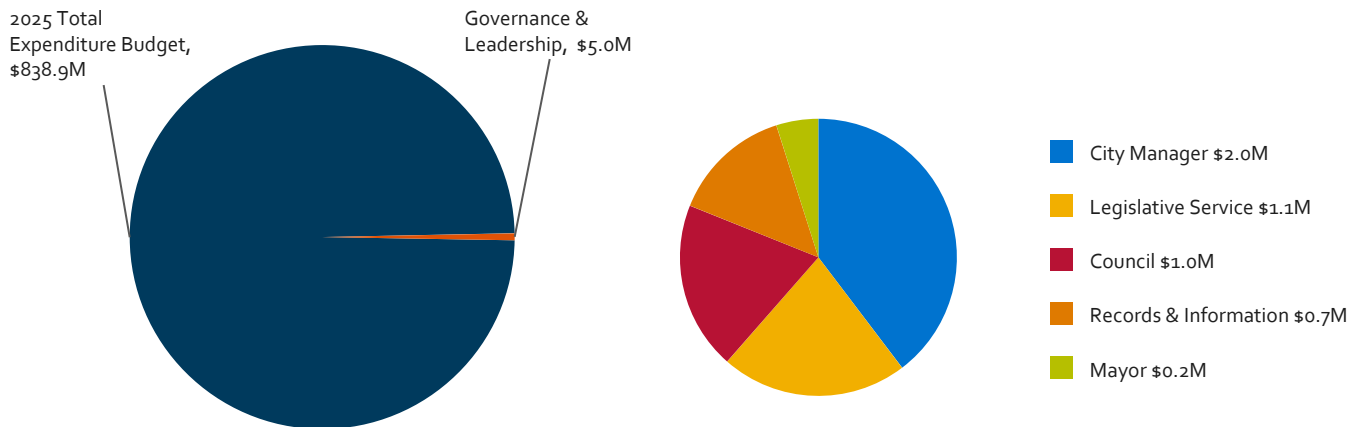
- Supported review and update of Council priorities for the 2022-2026 Council term
- Implemented a corporate administrative policy framework that guides how administrative policies are structured, developed, approved, and maintained
- Reviewed the Council Code of Conduct and Lobbyist Registry
- Moved older electronic records into SharePoint Online to support collaboration and compliance and to manage electronic records and information through their lifecycle

Continuous improvements:

- Provide input on provincial policy development with Ministry partners
- Advocate on Council priorities and key initiatives with the federal and provincial governments
- Provide governance and meeting management to committees and task forces
- Advise on bylaw and Council and administrative policy development through expanded policy function
- Provide guidance on privacy assessments that advance digital transformation and other priority initiatives

Budget overview:

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$5.0M

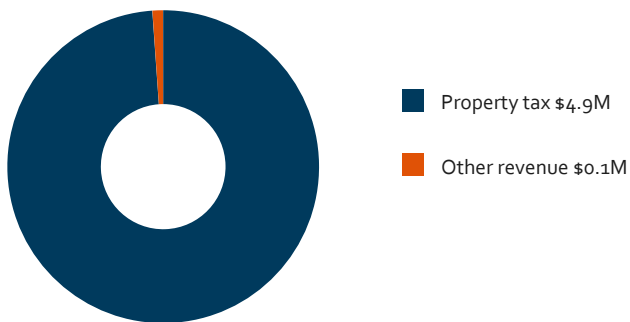
Budget needed to achieve results

Governance & Leadership is primarily funded through property taxes, with a small portion of its costs offset by cost recovery revenue.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	4,019	5,317	(64)	295	(627)	4,922
Fees and charges	3	10	—	—	—	10
Grant	—	—	—	—	—	—
Other revenue	55	55	—	—	—	55
Transfers from reserve	4	6	(6)	—	—	—
Total revenue budget	4,082	5,388	(70)	295	(627)	4,987
Expenditure budget:						
Salaries and wages	2,271	2,822	151	257	—	3,229
Material and other	430	1,552	(56)	(2)	(637)	857
Contract services	407	442	—	—	—	442
Debt service	—	—	—	—	—	—
Capital expenditure	—	—	—	—	—	—
Transfers to reserve	500	—	—	—	—	—
Enabling allocation	473	572	(165)	40	11	458
Total expenditure budget	4,082	5,388	(70)	295	(627)	4,987
Operating FTE positions:						
Mayor and Council	9.0	9.0	—	—	—	9.0
Management	10.2	13.0	1.0	—	—	14.0
Union hourly	0.1	0.5	—	—	—	0.5
Union salary	4.9	6.0	0.5	—	—	6.5
Total operating FTE	24.2	28.5	1.5	—	—	30.0

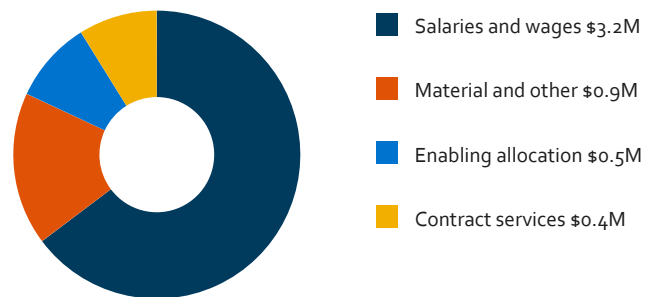
Note: Totals may not add due to rounding

Funding strategy



Total \$5.0M

Expenditure by type



Total \$5.0M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Privacy Impact Assessments	65	65	65	65	65
Operating Requests Priority 1 Total	65	65	65	65	65

2025 Capital Requests

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

2025 Operating Request Details

Service Area: Governance & Leadership	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Privacy Impact Assessments		

Justification:

The City's digital transformation initiatives are accelerating the use of technology-based tools that make it easier for the public to access City services and improve the efficiency of internal processes. Initiatives that collect or use personal information need to be assessed to ensure protection of this information. Under the Freedom of Information and Protection of Privacy Act, a Privacy Impact Assessment (PIA) is required for new initiatives and significant changes to existing initiatives. Budget is requested for consulting services to support the drafting and review of PIA's. This reduces delays with initiative implementation and supports fulsome assessments. Consultant assistance mitigates the resource burden on staff and ensures the PIA is produced at a high standard to deliver robust privacy protection.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	65,000	—	—	—	—	—	—	(65,000)
2026	65,000	—	—	—	—	—	—	(65,000)
2027	65,000	—	—	—	—	—	—	(65,000)

▶ ENABLING SERVICES

LED BY: GENERAL MANAGER, CORPORATE SERVICES

Our goal & community benefit:

Our goal is to assist City staff in providing municipal services to the community. We achieve this by offering leadership, guidance, systems, tools, and standards that support the delivery of services that help shape our community

Our customers:

- Council
- Senior Leadership Team
- City of Kelowna employees

Our partners:

We work collaboratively with all internal divisions, as well with members of the public, council, and external agencies, to support the delivery of the City's services.

What we deliver:

We deliver by ensuring the City attracts, retains, and develops the best quality public servants through training and development programs; providing convenient, accurate and timely access to City services and information through advanced communications, technology, and financial accountability; and fostering a culture of open government in the provision of corporate administrative services.

Our key objectives:

Enabling Services provide support to the City's Community Service Areas by helping them to carry out their duties effectively. These support services include administrative support, facilities, communications, financial services, fleet services, human resources, information & technology services, infrastructure delivery, real estate & property management, risk management, senior leadership, and strategy & performance.

- **Communications** provides strategic planning to inform, consult, involve, collaborate and empower internal and external audiences, as well as support those who are designated spokespeople for the City.
- **Corporate strategy & performance** provides internal advisory services and facilitates the process to set corporate level strategy, monitor strategies and key projects and track and improve performance.
- **Facilities** provide safe, operational and well-maintained facilities by focusing on best practices in building maintenance, asset management, and energy management.
- **Financial services** are responsible for managing the City's finances and asset replacement, including budgeting, accounting, and financial reporting.
- **Fleet services** are responsible for the procurement, management and maintenance of the vehicles and equipment used for various municipal services.
- **Human resources** are responsible for managing the City's human resources, including hiring, training, and employee relations, as well as the development and implementation of the City's corporate safety program.
- **Information technology** provides direction, support and maintenance of the City's information systems and technology infrastructure.
- **Infrastructure delivery** manages the delivery of City infrastructure projects while ensuring compliance with Council approved policies and applicable Acts and regulations.
- **Real estate** administers the City's land acquisition and disposition activities, including acquiring land for public use, such as parks and roads, as well as maintaining leases, licenses, contracts and agreements for the use of important City assets, and providing property management services for City-owned properties.



- **Risk management** is responsible for the development, implementation, and administration of the City’s risk management and security programs.
- **Senior leadership** provides direction, oversight, support, and accountability for the various municipal departments and functions, and fosters a culture of collaboration, innovation, and excellence.

Our guiding plans:

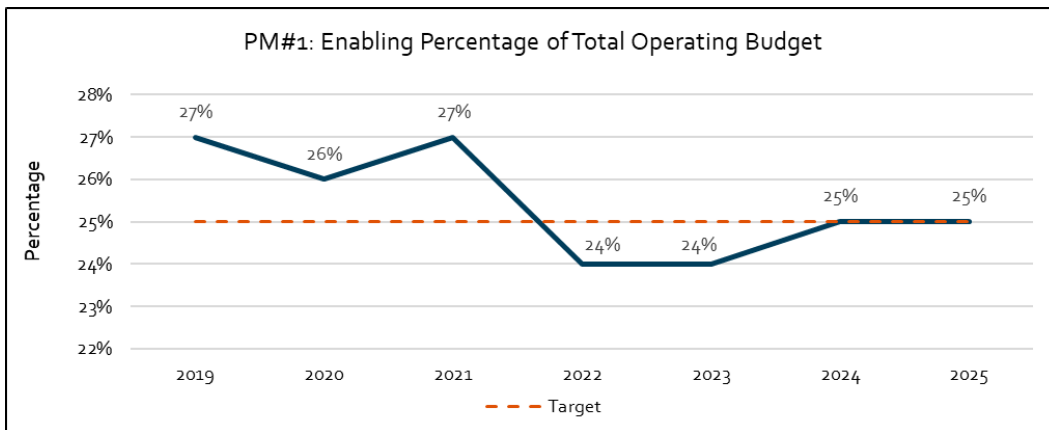
- Communications Strategy
- Digital Transformation Strategy
- HR Strategic Plan
- Safety 8 Program
- Official Community Plan
- Strategic Energy Management Plan
- Five Year Financial Plan
- Ten Year Capital Plan
- Corporate Fleet Sustainability Policy
- Green Fleet Strategy
- Transportation Master Plan
- Building Master Plan
- Parks Master Plan
- Utilities Master Plan
- Enterprise Risk Management Framework

Measuring performance:

Performance measure 1

Enabling percentage of total operating budget

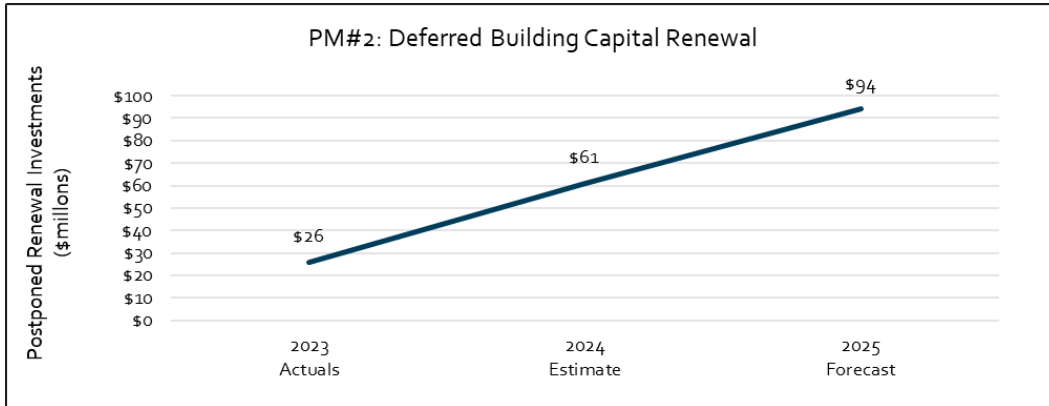
This performance measure tracks the percentage of enabling services compared to the total operating budget of the City. Capital expenditure budgets have been excluded due to the significant fluctuations year to year. The target of 25 per cent of expenditures ensures the City prioritizes core purpose by focusing resources on program delivery rather than overhead. This target promotes efficiency, accountability, and transparency, reassuring Council and the community that funds are being used effectively.



Performance measure 2

Deferred building capital renewal

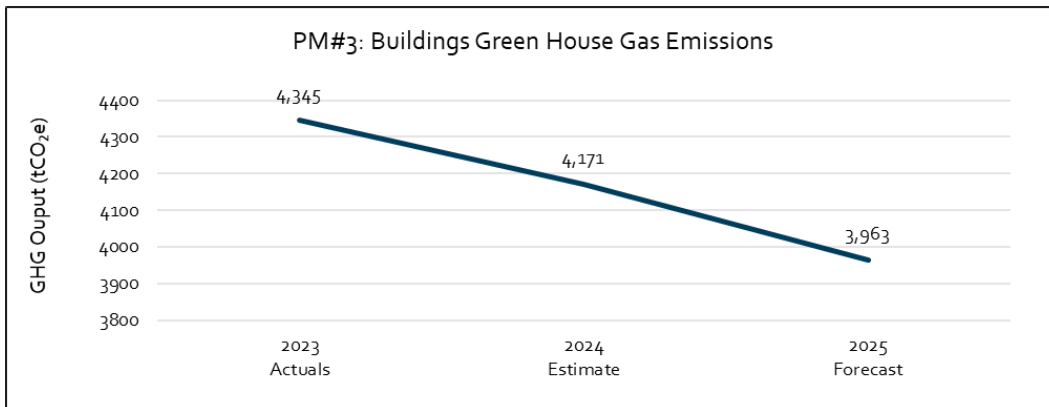
Deferred capital renewal refers to the postponed investments required for maintaining and renewing facility assets. If not addressed, this deferral accelerates asset deterioration, leading to compounding future capital costs, higher operational expenses, increased risk exposure, potential unplanned service disruptions, and a decline in service quality and customer satisfaction. As infrastructure continues to age, the backlog of deferred renewal grows annually, requiring strategic investments to mitigate further increases and maintain operational performance.



Performance measure 3

Buildings greenhouse gas emissions

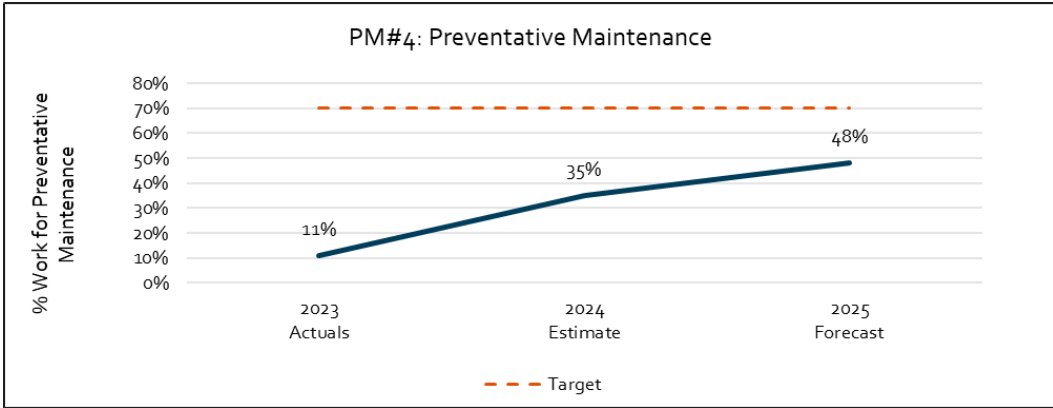
This performance measure tracks the total emissions generated by the buildings in the Facilities inventory, measured in metric tons of CO₂ equivalent (tCO₂e). This measure is crucial for advancing sustainability and climate action while reducing the City's carbon footprint. The aim is to consistently decrease emissions year over year, as targeted within the Strategic Energy Management Plan. This metric is to align with the figures presented for the Local Government Climate Action Program (LGCAP). To further reduce emissions, investments must be made in energy-efficient building upgrades, renewable energy sources, and enhanced operational practices.



Performance measure 4

Buildings preventative maintenance

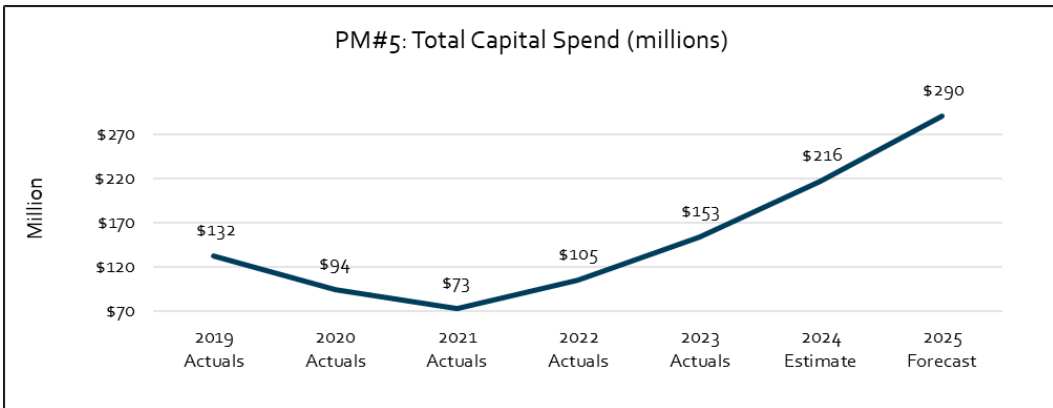
This performance measure tracks the ratio of preventative to reactive work orders. Increasing preventative maintenance is critical for achieving long-term cost savings, improving asset reliability, and operational efficiency. The current target is to meet industry standards, with around 70 per cent of work orders being preventative. To improve, we are investing in maintenance planning tools, staff training, and better asset monitoring to ensure timely work activities.



Performance measure 5

Total capital spend

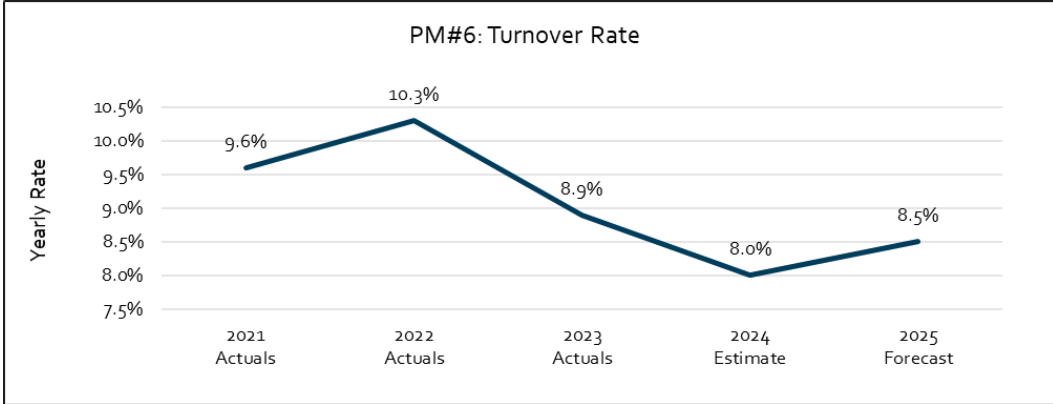
Annual capital spend is a key performance measure that reflects an organization’s investment in long-term assets and infrastructure. Tracking this metric over time helps identify trends and optimize budget allocation, supporting informed strategic decisions aligned with long-term goals.



Performance measure 6

Turnover rate

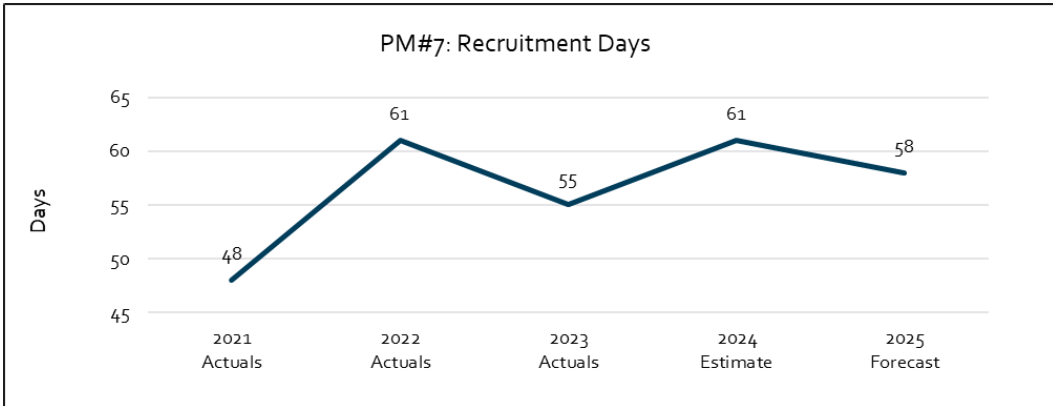
The ability to retain staff is measured by analyzing our total turnover rates. Retaining staff ensures we have the talent to consistently provide quality services to the community. Our low turnover rate is attributed to the employee engagement efforts in relation to training, professional development and improved workplace culture.



Performance measure 7

Recruitment days

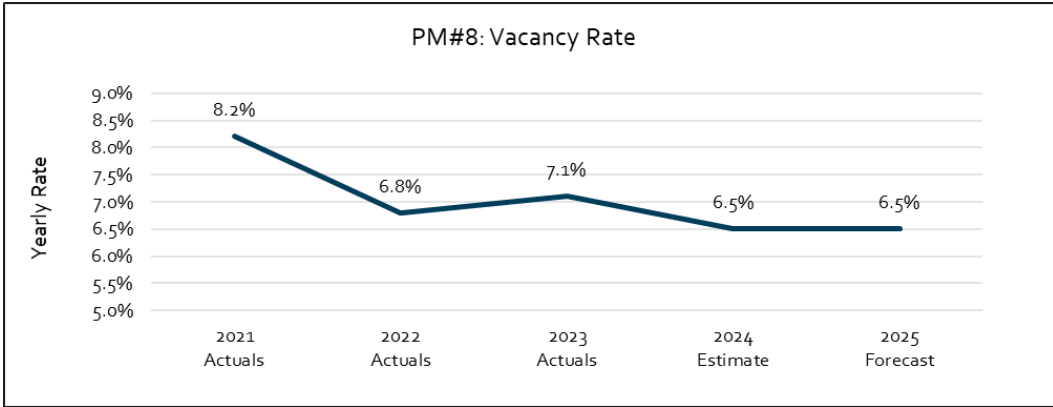
Attracting and retaining staff is critical to ensuring delivery of services to our community is maintained. Creating efficiencies within the recruitment process has been a focus for Human Resources, including revision of our hiring policy, improving the candidate experience and leveraging technology and data to make smarter recruitment decisions.



Performance measure 8

Vacancy rate

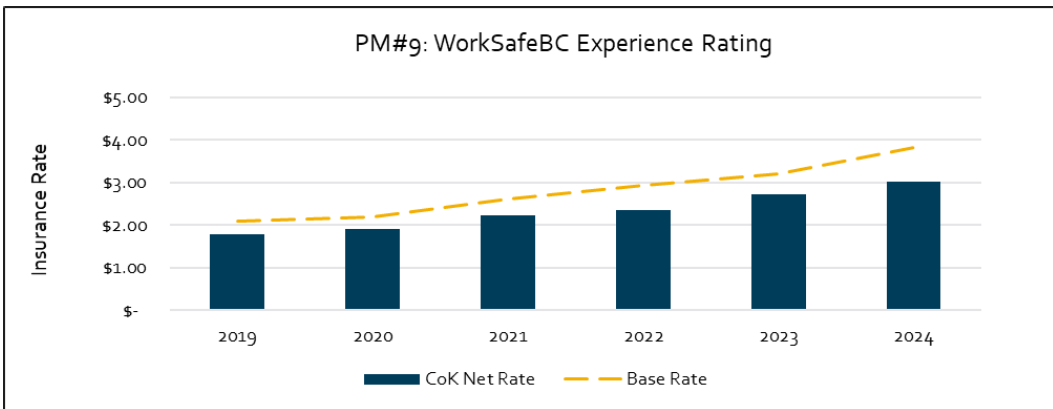
Filling vacant positions efficiently provides workforce stability. Our low vacancy rate is attributed to efficiencies within our recruitment process including improving approval workflows, and process visibility.



Performance measure 9

WorkSafeBC Experience Rating

Experience rating is an adjusting percentage applied to the WorkSafeBC insurance base rate of the classification unit (CU) the City of Kelowna belongs to, Local Government and Related Operations. Each year, WorkSafeBC calculates a base rate, which reflects the historical cost of injuries in an industry. An experience rating discount or surcharge, based on a firm's health and safety record, is then applied to determine the net rate. Maintaining a negative experience rating means the corporation receives a deduction to the assessable amount. It also reflects that minimizing time loss injury claims and ensuring our employees return home each day healthy and safe is a corporate priority.



Performance measure 10

Communications channels

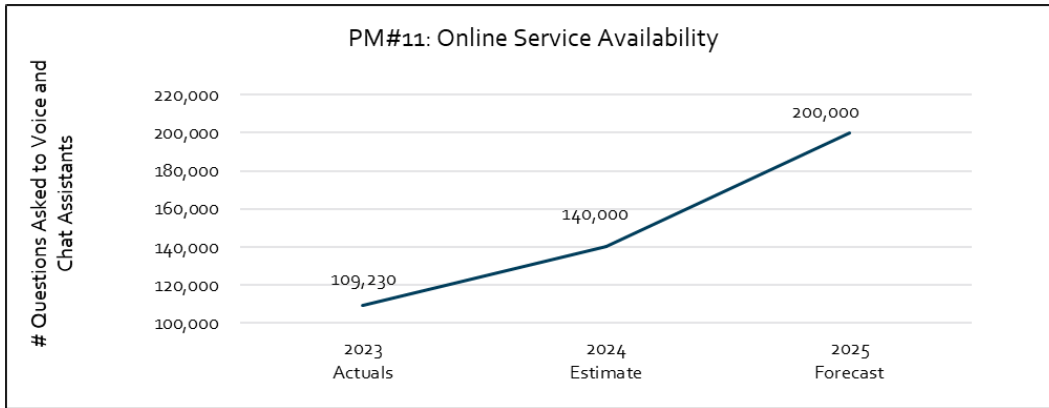
Communications delivers strategy and tactics to help citizens learn about City programs, services and initiatives. The growth of the City’s communication channels signals that citizens and interested parties value the information provided by the City and the City invests in the optimal channels to reach its audiences.

<i>Thousands</i>	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	2025 Forecast
Website Sessions	3,194	2,716	3,723	4,904	4,119	4,325
Total Social Media Followers	80	89	96	97	112	117
Email Subscribers	44	61	64	98	104	109
Get Involved Registered Users	2	4	8	10	11	11
Total	3,320	2,870	3,891	5,109	4,346	4,562

Performance measure 11

Online service availability

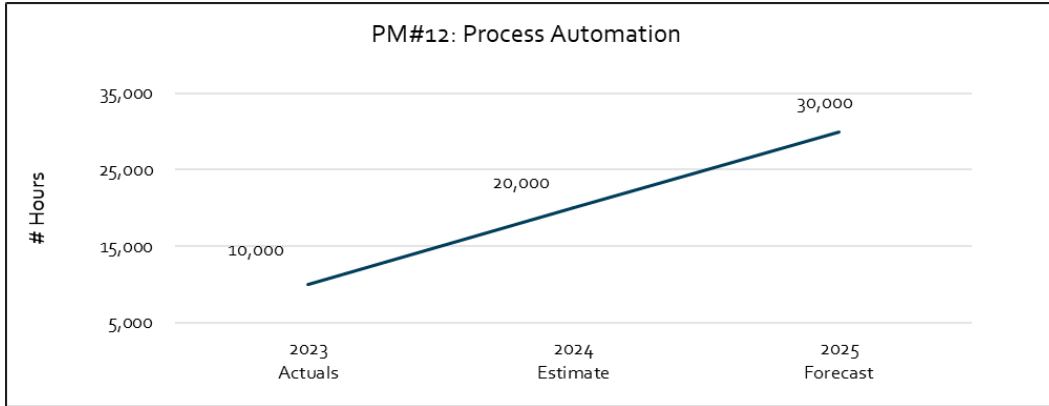
We are increasing the number of services available online and the quality of the online experience so residents can access services and information online when it's convenient for them. The number of questions asked to voice and chat assistants shows citizen uptake of online services and allows us to direct investments in technology and business process improvements.



Performance measure 12

Process automation

As part of our commitment to provide value and operate efficiently, the City is regularly automating manual and paper-based processes using technology including AI. The cost and staff time savings are redeployed to higher value work and reduce new resource requests.

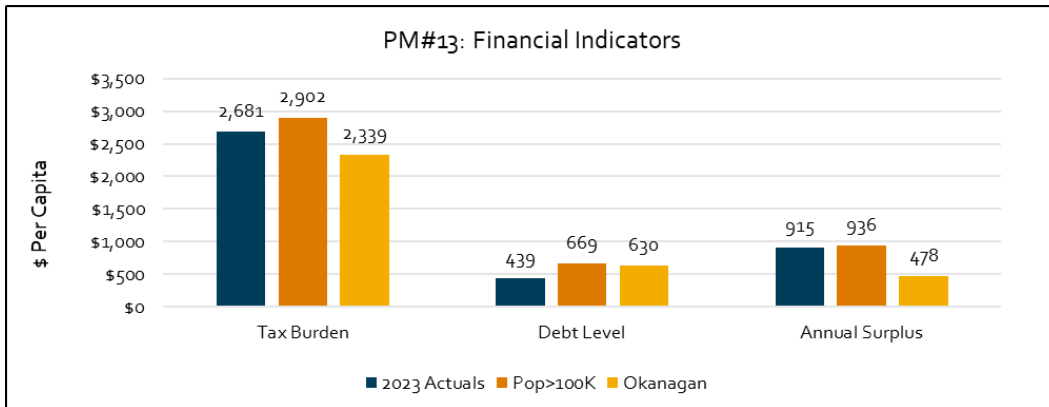


Performance measure 13

Financial indicators

Key annual financial health indicators compared other municipalities throughout the province, specifically those with populations over 100,000 as well as within the Okanagan. The comparative data is provided by the province and is updated to 2022. The ratios presented for Kelowna are from 2023. The key annual financial health indicators used are:

- Tax burden per capita: Measures property taxation revenue collected per City of Kelowna citizen
- Debt level per capita: Measures how much debt the City of Kelowna has per citizen
- Annual surplus per capita: Measures the City’s annual surplus per citizen. This metric indicates opportunity to add service capacity within existing taxation levels



2025 Activities by priority:

Priorities	Activities
Crime & Safety	<ul style="list-style-type: none"> Install and maintain security cameras and alarm systems technologies in public buildings and areas to deter crime and assist law enforcement. Implement design strategies that enhance the safety of public areas by improving sightlines, eliminating hiding spots, and creating well-defined spaces.
Affordable Housing	<ul style="list-style-type: none"> Land acquisition for affordable housing projects Develop and implement a new below market housing model
Homelessness	<ul style="list-style-type: none"> Work with partners to identify a site that is suitably located and zoned for Kelowna's first purpose-built shelters Work with Province, Interior Health Authority, and not-for-profit organizations to map out Campus Care model as noted under Mayor's Task Force on Crime Reduction Provide operational technical support for electrical, domestic water, and CCTV services at outdoor sheltering locations
Climate & Environment	<ul style="list-style-type: none"> Annual energy modernization program to identify inefficient systems within facilities and modernize them with GHG and energy reduction projects High performance building policy development to ensure all new buildings and major renovations are energy efficient Prioritize green infrastructure (i.e. renewable energy systems, efficient public transit, sustainable drainage solutions) to reduce carbon emissions, enhance resilience to climate impacts and protect natural ecosystems
Economy	<ul style="list-style-type: none"> Initiated seven Request for Qualification packages for market release for a range of consulting and contractor master agreements
Our People	<ul style="list-style-type: none"> Work to ensure office furniture is regularly serviced and renewed to promote a productive, healthy and efficient working environment for staff Actively renew end-of-life heating, ventilation, air conditioning, and lighting systems to provide optimal indoor environment for occupants Actively identify and address life safety concerns, including fall protection and fire protection systems to keep staff, contractors and occupants safe Communicate and implement our mental health strategy, design performance measures to track objectives Conduct an inclusive benefits review to identify opportunities to enhance programs Analyze safety KPIs to measure and track progress to reduce employee injury and enhance corporate safety culture Continue to review and strengthen a variety of workplace initiatives Optimize and automate processes to enhance efficiency and boost employee satisfaction
Digital Transformation	<ul style="list-style-type: none"> Implement smart systems and technology such as automated lighting, HVAC automation, and security systems, to improve operational efficiency, reduce energy usage, and provide real-time data for decision-making Utilize computerized maintenance management systems (CMMS) to track maintenance, manage assets, and optimize resource allocation more efficiently Utilize energy consumption monitoring software to enable real-time tracking of energy use, identifying inefficiencies, and optimize utility reduction opportunities through data analysis Expected pilot of AI tools to help automate communications workflows and increase capacity for more

Active Financial Management	<ul style="list-style-type: none"> • Redeployed \$2.8 million of existing base budget to address key Council and Corporate priorities, reducing the financial impact on taxpayers • Completed capital plan financing strategy, focusing on reducing the “infrastructure deficit” • Continued development of KPIs, focus on benchmarking, and dashboards • Continue to implement preventive maintenance activities to avoid costly emergency repairs, extend the lifespan of building assets, and reduce unforeseen expenses • Invest in energy-efficient systems, such as LED lighting, HVAC upgrades, and renewable energy sources (e.g., solar panels), to lower utility costs • Using condition assessment software to track the condition and performance of building assets, plan for timely renewals to avoid costly shutdowns and repairs • Actively pursue grants, rebates, or government funding programs for building renewal projects
Base Business	<ul style="list-style-type: none"> • Routine building maintenance and repairs, and preventative maintenance program • Contract management and coordination for various contracted services • Ongoing security system, building access, and building technology management of facilities • Ongoing energy management / consumption monitoring • Ongoing building condition assessments and analysis to inform long term strategies and capital plans. • Ongoing integration of asset management and energy management initiatives and workplans • Develop Real Estate Department Strategic Plan

2024 Key accomplishments:

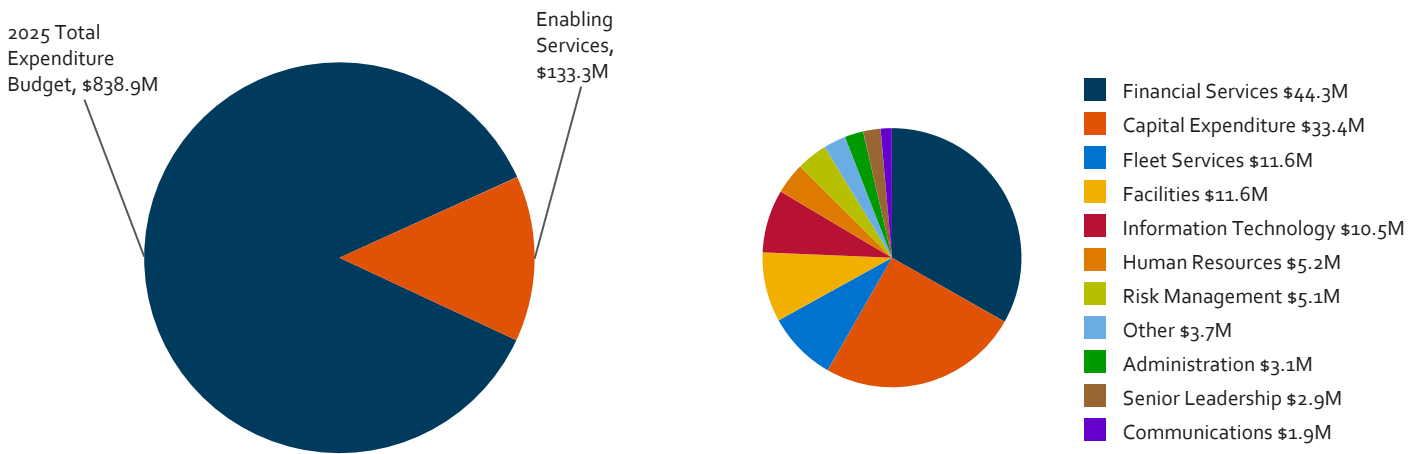
- Secured \$2.46 million in grant funding for energy upgrades at H2O
- Issued the Facilities Technical Building Standard V1.0 – Guidelines for the construction of City Owned Facilities
- Capital delivery strategy through master agreements and Infrastructure Delivery integration
- Supported the opening of 180 units of transitional housing to provide shelter for people living without homes in Kelowna
- Views of videos on City of Kelowna channels surpassed 1.6 million views – a 5x increase from previous years
- Automated the staff business case process for hiring managers and approvers, improving approval workflows, and process visibility to all stakeholders
- Continued implementation of the Diversity Equity and Inclusion (DEI) strategy included offering online foundational DEI training to leaders, and updates to annual performance review programs with more inclusive language, and a guide for leaders and staff
- Selected and implemented new safety management system (SMS) application to enhance corporation's injury prevention safety risk management efforts
- Achieved 94 per cent on 2024 Certificate of Recognition (CoR) safety audit
- Increased number of staff scholarships awarded by 70 per cent, contributing to the corporate priority Leadership Everywhere
- Kick-off of the Building Stronger Kelowna project, being delivered through the Integrated Project Deliver (IPD) process
- Completion of the Sutherland and Leckie Active Transportation Corridors, Mill Creek Diversion Upgrading project, and Burtch Trunk Sewer trenchless lining project
- Awarded development funding for the delivery of 68 affordable housing units on City land via Provincially led Community Housing Fund
- Coordinated development and implementation of Middle Income Housing Model (MIHP) to facilitate below market housing
- Acquired six parcels of land (approx. 1.16 acres) that will lease to two future affordable housing opportunities
- Award for Innovative Asset Management from Government Finance Officers Association
- Enhanced security for City staff and property through shifting to a hybrid staffing model and technology use
- Improved waterfront safety and pollution prevention, removed 101 unauthorized buoys and 10 vessels hazardous to the environment

Continuous improvements:

- Increased opportunities for contract management development
- Implement energy-efficient systems to reduce utility costs and carbon footprint
- Use of integrated data to forecast maintenance needs and reduce unplanned repairs and associated costs
- Continue to advance our mental health strategy by developing an action plan and mental health strategy framework
- Creating new omni channel AI public facing supports that culminate in an AI311 Service
- Streamline infrastructure project management processes to improve quality and reduce delays and costs, and implement project management software to enhance planning and execution
- Improve communication and collaboration with community members, contractors, and other stakeholders to ensure infrastructure projects meet public needs and expectations
- Expand risk management and security connections to further integrate key principles enterprise wide
- Enhance capacity for recovery of expenses caused by third-parties through partnerships, use of fees and regulatory tools

Budget overview

2025 Total Expenditure Budget Breakdown



Note: Totals may not add due to rounding

Total \$133.3M

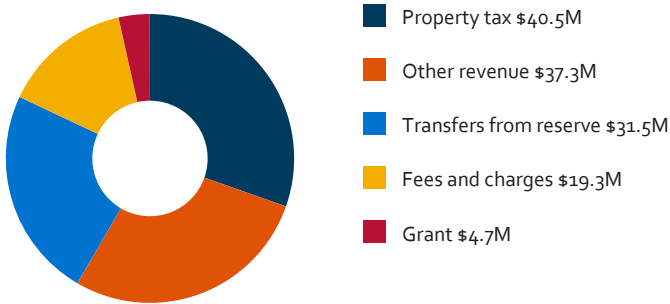
Budget needed to achieve results

Enabling Services is a group of essential, varied services that support the delivery of programs and operations to the community. These services ensure the effective functioning of municipal operations and contribute to the overall quality of life for residents. These services are funded through a mix of sources, including property taxes, operating and capital reserves, internal and external cost recoveries, investment interest, grants, penalties and fines, traffic fine revenue sharing, and property rental income.

<i>\$ thousands</i>	Actual 2023	Revised 2024	Annualized Budget	Maintaining Service	Enhancing Service	Preliminary 2025
Revenue budget:						
Property tax	41,131	39,975	(3,961)	3,552	971	40,537
Fees and charges	22,901	16,611	166	2,550	—	19,326
Grant	31,930	7,669	(3,103)	—	100	4,667
Other revenue	43,325	38,825	(3,189)	1,633	75	37,343
Transfers from reserve	136,517	51,822	(45,975)	21,432	4,196	31,475
Total revenue budget	275,804	154,902	(56,062)	29,166	5,342	133,349
Expenditure budget:						
Salaries and wages	27,445	28,582	1,287	937	(317)	30,489
Material and other	40,089	39,245	(2,380)	(914)	1,438	37,389
Contract services	3,209	3,431	62	58	50	3,601
Debt service	7,533	6,922	—	(227)	—	6,695
Capital expenditure	20,305	55,277	(55,277)	29,220	4,171	33,391
Transfers to reserve	177,223	21,446	246	93	—	21,785
Enabling allocation	—	—	—	—	—	—
Total expenditure budget	275,804	154,902	(56,062)	29,166	5,342	133,349
Operating FTE positions:						
Management	78.7	86.5	1.5	—	2.0	90.0
Union hourly	39.9	41.3	2.6	(1.6)	1.0	43.3
Union salary positions	112.0	124.7	0.6	—	0.5	125.8
	230.6	252.5	4.7	(1.6)	3.5	259.1

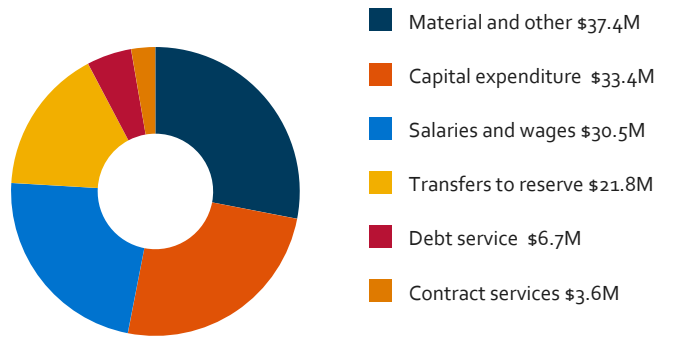
Note: Totals may not add due to rounding

Funding strategy



Total \$133.3M

Expenditure by type



Total \$133.3M

Note: Totals may not add due to rounding

2025 Operating Requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Electrical System Reliability and Maintenance Enhancement	140	106	106	106	106
Security and Access Systems Maintenance Enhancement	140	106	106	106	106
Facilities Maintenance and Operations Enhancement	65	126	126	126	126
Facilities Planning Program - Redeployment	109	109	109	109	109
Facilities Total	453	446	446	446	446
Transformation Office - Redeployment	—	—	—	—	—
Financial Services Total	—	—	—	—	—
Staff Development and Retention Program	185	185	185	185	185
Human Resources Total	185	185	185	185	185
Microsoft Fabric Implementation	100	—	—	—	—
Geographic Information System Enhancement	62	124	124	124	124
Digital Customer Service Enhancement	54	107	107	107	107
Information Technology Total	216	231	231	231	231
Strategic Land Development Projects	100	—	—	—	—
Real Estate Total	100	—	—	—	—
Digital Transformation	1,000	—	—	—	—
Legal Expense	50	100	150	150	150
Community Events Calendar	50	50	50	50	50
Accelerated Capital Program Support - Redeployment	—	—	—	—	—
Senior Leadership Total	1,100	150	200	200	200
Operating Requests Priority 1 Total	2,054	1,011	1,061	1,061	1,061

2025 Capital Requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Front Office Equipment		612	550	550	550	550
IT Communications Systems		350	200	200	200	200
Major Systems Projects		871	500	500	250	250
Server & Data Storage		53	150	150	150	150
Information Technology Programs Total		1,886	1,400	1,400	1,150	1,150
Building Systems & Infrastructure		3,080	2,330	1,775	975	725
Facilities Portfolio Planning		1,770	2,030	1,400	1,400	1,400
Placemaking		250	—	—	—	—
Facilities Programs Total		5,100	4,360	3,175	2,375	2,125
Vehicles & Equipment - Growth		75	1,279	888	859	799
Vehicles & Equipment - Renewal		3,910	4,100	4,290	4,500	4,720
Fleet Programs Total		3,985	5,379	5,178	5,359	5,519
General Land Acquisition		1,800	1,800	1,800	1,800	1,800
Marine Facilities		100	100	—	—	—
Real Estate Programs Total		1,900	1,900	1,800	1,800	1,800
Projects	Total Project					
Buildings Systems Renewal - City Hall Renewal	16,700	1,761	1,103	7,837	4,310	—
Buildings Systems Renewal - Memorial Arena	4,650	450	2,000	2,000	200	—
Buildings Systems Renewal - Sarson's Activity Centre	1,025	125	450	450	—	—
Electric Vehicle Infrastructure Installation	1,500	500	500	500	—	—
Enterprise Fire Hall #1 Improvements	4,350	1,350	1,625	1,225	150	—
Gymnastics Centre (Rutland) Improvements	2,050	100	850	1,000	100	—
H2O Centre Improvements	5,270	2,674	1,960	335	—	—
LED Lighting Upgrades	1,500	400	400	200	—	—
MNP Place Roof Replacement	7,245	7,000	200	—	—	—
Prospera Place Improvements	8,060	3,960	3,600	400	—	—
Rutland Arena Improvements & Heatsharing w/ Kelowna Family Y	7,345	2,025	775	4,500	—	—
Facilities Projects Total	59,695	20,345	13,463	18,447	4,760	—
Cook Beach Park- Groyne & Pier	3,600	175	937	2,288	300	—
Real Estate Projects Total	3,600	175	937	2,288	300	—
Capital Request Priority 1 Total	63,295	33,391	27,439	32,288	15,744	10,594

* denotes capital request has operating & maintenance impacts linked to this request

2025 Operating Request Details

Service Area: Enabling Services	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Electrical System Reliability and Maintenance Enhancement		

Justification:

The Electrical team's portfolio of facilities, assets, and infrastructure has expanded considerably in recent years and is projected to continue growing. In addition to this growth, aging infrastructure, deferred system renewal, and increased vandalism have intensified resource requirements resulting in significant pressure on the team's capacity. Budget is requested for one additional Electrical Technician to help reestablish essential service levels, and one vehicle that will be moved into the capital program upon Council approval. The position will address critical operational demands, support effective asset management, enhance electric vehicle infrastructure and fleet electrification, and advance capital projects while building essential staff redundancy.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	139,900	—	—	—	—	—	—	(139,900)
2026	105,500	—	—	—	—	—	—	(105,500)
2027	105,500	—	—	—	—	—	—	(105,500)

Service Area: Enabling Services	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Security and Access Systems Maintenance Enhancement		

Justification:

The Security & Access branch has experienced significant growth in the assets they service, and capacity constraints have resulted in deferred maintenance, shortened system lifespans, and outdated software. Additional resources are essential to ensure proper maintenance of existing security and access systems. Budget is requested to add one Security & Access Technician who will design, install, maintain, and repair systems across City facilities, supporting Risk Management, Community Safety, Bylaw, and the RCMP. This addition will enable the department to provide a baseline level of service, meet regulatory standards, control costs, and ensure the reliable operation of critical systems such as CCTV, Security, and Access. Budget is also requested for one vehicle that will be moved into the capital program upon Council approval.

Strategic Direction:		Crime & Safety						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	139,700	—	—	—	—	—	—	(139,700)
2026	105,500	—	—	—	—	—	—	(105,500)
2027	105,500	—	—	—	—	—	—	(105,500)

2025 Operating Request Details

Service Area: Enabling Services	Priority 1	Enhance ON-GOING
Title: Facilities Maintenance and Operations Enhancement		PRELIMINARY

Justification:

Budget is requested for a Facilities Maintenance Supervisor position to oversee operations to ensure safe, clean and well-maintained facilities. The supervisor will lead a team of skilled tradespeople responsible for maintaining and repairing City buildings and infrastructure, ensuring the highest standards of safety and compliance. Additionally, the position will support the department's ability to streamline operations, improve service delivery and implement effective preventative maintenance strategies.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	64,800	—	—	—	—	—	—	(64,800)
2026	125,500	—	—	—	—	—	—	(125,500)
2027	125,500	—	—	—	—	—	—	(125,500)

Service Area: Enabling Services	Priority 1	Enhance ON-GOING
Title: Facilities Planning Program - Redeployment		PRELIMINARY

Justification:

The Facilities Planning & Design department is responsible for planning, designing and optimizing physical spaces for our community. These facilities enable the City to provide all types of services including sport and recreation, fire safety, and community safety. As the city grows, continued planning is essential for adaptability, efficiency, and responsiveness to current needs. Budget is requested for an annual planning program to ensure facility planning stays aligned with evolving regulations, demographics, and industry standards to support informed decision-making. Work in 2025 will include an update to the staff accommodation plan, to incorporate changes in staff growth and policy. This \$150k budget is partially funded from a redeployment of \$41k existing budget.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	109,000	—	—	—	—	—	—	(109,000)
2026	109,000	—	—	—	—	—	—	(109,000)
2027	109,000	—	—	—	—	—	—	(109,000)

2025 Operating Request Details

Service Area: Enabling Services	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Transformation Office - Redeployment		

Justification:

The Transformation Office drives organizational change by aligning initiatives with long-term goals and ensures effective execution of strategic projects. Focused on Corporate Services and HR, it also supports the entire organization by prioritizing high-value projects and developing governance frameworks for key initiatives. Benefits include streamlined project delivery, improved operational performance and optimized resource allocation. It aligns organizational plans with execution, ensuring efficient resource distribution, adherence to project scope and budgets, and enhanced planning. Budget is requested for resourcing to support project management, frameworks, process reviews, consultations, change management and training to support informed decision making and drive results. This is funded from redeployment of existing budget.

Strategic Direction:	Digital Transformation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain ON-GOING PRELIMINARY
Title: Staff Development and Retention Program		

Justification:

The City of Kelowna employs more than 1,200 people across various departments. These staff are the driving force behind the City's operations, innovation, and success and have a direct impact on achieving Council and Corporate priorities. As the city continues to grow, internal staff retention and development is vital. Developing staff internally to fill vacant positions is cost effective and helps ensure continuity of City services. Additional budget is requested for staff development and recognition which is essential to avoid employee turnover and to ensure the City can fill positions with qualified staff. This request will also enable an in-house Local Government Certificate Program through Capilano University and will provide practical skills and professional credentials for local government roles.

Strategic Direction:	Our People							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	184,850	(3,600)	—	—	—	—	(5,150)	(176,100)
2026	184,850	(3,600)	—	—	—	—	(5,150)	(176,100)
2027	184,850	(3,600)	—	—	—	—	(5,150)	(176,100)

2025 Operating Request Details

Service Area: Enabling Services	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Microsoft Fabric Implementation		

Justification:

Microsoft Fabric is an end-to-end analytics and data platform designed for enterprises that require a unified solution. It encompasses data movement, processing, ingestion, transformation, real-time event routing, and report building. It offers a comprehensive suite of services including Data Engineering, Data Factory, Data Science, Real-Time Analytics, Data Warehouse, and Databases. This request will build upon the work undertaken in 2024 that saw the McCulloch Reservoir Demand Dashboard transitioned to Fabric and a Strategic Roadmap that articulates the implementation of Fabric across the organization. Fabric will bring simplicity and integration to solutions and allow for more staff to work within complex data without significant support and resources.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	(100,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Geographic Information System Enhancement		

Justification:

Budget is requested to include a Business Systems Analyst to the Geographic Information System (GIS) team. This role will manage GIS operations and deliver advanced GIS and analytic solutions for the City. The role will leverage technological advancements to further automate and improve upon process while supporting the corporation in achieving its Council priorities by delivering high-quality, accurate and trusted data for making informed business decisions.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	62,200	—	—	—	—	—	—	(62,200)
2026	124,100	—	—	—	—	—	—	(124,100)
2027	124,100	—	—	—	—	—	—	(124,100)

2025 Operating Request Details

Service Area: Enabling Services **Priority 1** **Enhance
ON-GOING
PRELIMINARY**

Title: Digital Customer Service Enhancement

Justification:

Budget is requested for a second Innovation Consultant to expand and improve customer service delivery by developing and implementing artificial intelligence resources, such as digital assistants and the future City-wide 311 service. Innovation Consultants support the organization on its digital transformation journey through initiatives and projects that promote and build capacity for human centered design, collaborative problem solving and digital literacy.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	53,700	—	—	—	—	—	—	(53,700)
2026	106,500	—	—	—	—	—	—	(106,500)
2027	106,500	—	—	—	—	—	—	(106,500)

Service Area: Enabling Services **Priority 1** **Maintain
ONE-TIME
PRELIMINARY**

Title: Strategic Land Development Projects

Justification:

The mandate of the department involves achieving the Official Community Plan and corporate objectives through innovative real estate strategies. Several initiatives have been identified that could bring social, economic, environmental, and cultural benefits to the City. To implement many of these projects, budget is requested for expenses related to legal advice, property appraisal, urban design, surveying, and other professional services. These costs are frequently recouped through redevelopment and disposition.

Strategic Direction:		Affordable Housing						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	(100,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Operating Request Details

Service Area: Enabling Services	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Digital Transformation		

Justification:

Digital transformation enables organizations to stay competitive, responsive, and resilient in an increasingly digital world. Continued integration of digital technologies will allow the City to streamline processes, improve citizen experiences, and drive innovation. This investment allows for data-driven decisions and enhanced productivity and operational efficiency, fostering a culture of continuous improvement and preparing the City to leverage future technologies, ultimately leading to future cost savings.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,000,000	(1,000,000)	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Enhance ON-GOING PRELIMINARY
Title: Legal Expense		

Justification:

The City uses external legal services to provide advice, prepare legal documents, and represent the City as needed. Budget is requested to increase the legal budget based on the past three years of actual costs. In addition to base business needs, innovative City initiatives and priorities continue to require more in-depth legal review and advice, including partnerships and capital infrastructure delivery. Additionally, legal representation is needed on more files. Legal services also support public safety efforts through the City's Property Standards Compliance Team and major bylaw enforcement files.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	—	—	—	—	—	—	(50,000)
2026	100,000	—	—	—	—	—	—	(100,000)
2027	150,000	—	—	—	—	—	—	(150,000)

2025 Operating Request Details

Service Area: Enabling Services **Priority 1** **Enhance ON-GOING PRELIMINARY**
Title: Community Events Calendar

Justification:

Budget is requested to support the implementation and ongoing execution of a community wide event calendar program. This program, when launched, will serve as a centralized one-stop hub for finding events in the Kelowna area, enhancing public engagement for both tourists and residents by streamlining access to cultural, recreational, business, and community activities. The funding will be used for policy development, platform adoption by the community, implementation strategies, promotion to local event organizers and outreach to community subscribers. Program success will allow event organizers to share the diversity of events and activities happening more broadly in the community and community members to attend.

Strategic Direction:		Digital Transformation						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	50,000	—	—	—	—	—	—	(50,000)
2026	50,000	—	—	—	—	—	—	(50,000)
2027	50,000	—	—	—	—	—	—	(50,000)

Service Area: Enabling Services **Priority 1** **Enhance ON-GOING PRELIMINARY**
Title: Accelerated Capital Program Support - Redeployment

Justification:

On September 9, 2024, City Council adopted the 10-Year Capital Plan 2025-2034 accelerated capital program focused on addressing infrastructure needs, urban development, and sustainability to support growth, improved services, and asset renewal. This \$2.57 billion plan includes significant investments in infrastructure, parks, and transportation to enhance the quality of life for residents. For this plan to be successful, additional resources will be required. These resources will be added when necessary, with funding predominantly through capital project budgets with any operating impacts funded through redeployment of existing budget.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	—	—	—	—	—	—	—	—
2026	—	—	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Front Office Equipment		

Justification:

Budget is requested for this annual program for front office equipment. As work patterns shift, a mobile-friendly setting for information workers is vital. Annual items for consideration may include, but are not limited to, purchasing and renewing staff computers, devices, meeting systems as well as software, Microsoft licensing, and cybersecurity.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	612,000	(612,000)	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: IT Communications Systems		

Justification:

Budget is requested for this annual program for IT communications systems. Annual items for consideration may include, but are not limited to, upgrade existing networking, security and communications equipment such as network switches, firewalls, wireless access points, fibre optic service lines, networking and security software, and phone system upgrades.

Strategic Direction:	Digital Transformation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	350,000	(350,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Major Systems Projects		

Justification:

Budget is requested for this annual program for major systems. Annual items for consideration may include, but are not limited to, modernization of legacy applications, analytic solutions, and dashboards. The City has over 200 legacy systems, data analytics solutions, and dashboards to help with better decision making that are at or reaching end-of-life.

Strategic Direction:	Digital Transformation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	871,000	(871,000)	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Server & Data Storage		

Justification:

Budget is requested for this annual program for server and data storage. Annual items for consideration may include, but are not limited to, advance the implementation of disaster recovery infrastructure and aids the cyber security program in safeguarding the City's digital assets.

Strategic Direction:	Digital Transformation							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	53,000	(53,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Building Systems & Infrastructure		

Justification:

Budget is requested for this annual program of building systems and infrastructure. Annual items for consideration may include, but are not limited to, replacing end of life equipment, energy efficiency improvements and general building renewal items.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,080,000	(2,930,000)	—	—	—	—	(150,000)	—

Service Area: Enabling Services	Priority 1	Maintain ONE-TIME PRELIMINARY
Title: Facilities Portfolio Planning		

Justification:

Budget is requested for this annual program to support strategic internal improvements in all municipal facilities. Annual items include: renovations, fit-out improvements in lease spaces, furniture renewal, and feasibility studies. Budget is also requested to fund programs/projects that are developed in partnership with community groups, sports groups, other organizations or developers, or for the pursuit of grant opportunities.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,770,000	(770,000)	—	—	—	—	—	(1,000,000)

2025 Capital Request Details

Service Area: Enabling Services **Priority 1** **Enhance
ONE-TIME
PRELIMINARY**

Title: Placemaking

Justification:

Budget is requested for this annual program to plan, design, and install art, monuments, signage or other significant pieces that inspire and deepen the connection of people to places in city facilities.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	250,000	(250,000)	—	—	—	—	—	—

Service Area: Enabling Services **Priority 1** **Enhance
ONE-TIME
PRELIMINARY**

Title: Vehicles & Equipment - Growth

Justification:

Budget is requested for this annual program for growth vehicles which is for additional equipment to support increased expectations for service and maintenance, growth, and regulatory requirements. Zero emission vehicles will be selected where viable/possible.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	75,000	—	—	—	—	—	(75,000)	—

2025 Capital Request Details

Service Area: Enabling Services **Priority 1** **Maintain**
ONE-TIME
Title: Vehicles & Equipment - Renewal **PRELIMINARY**

Justification:

Budget is requested for this annual program for vehicle/equipment renewal which replaces end of life vehicle/equipment for various City departments. Unit replacement considers equipment type, seasonal use and equipment condition. Electric or Zero Emission Vehicles will be selected where viable/possible.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,910,000	(3,910,000)	—	—	—	—	—	—

Service Area: Enabling Services **Priority 1** **Enhance**
ONE-TIME
Title: General Land Acquisition **PRELIMINARY**

Justification:

Budget is requested to purchase lands that are of strategic value and in alignment with the City of Kelowna's Land Strategy. Potential considerations in the purchase of specific lands include facilitating land assemblies in conjunction with other city assets, creating a revenue-generating land bank, and enhancing the City's ability to revitalize and redevelop areas within our community. Land purchases can be used to address the ever-increasing, complex challenges of our community, making it imperative that the City continue to capitalize on opportunities as they come available.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,800,000	(800,000)	—	—	—	—	—	(1,000,000)

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Enhance
Title: Marine Facilities		ONE-TIME
		PRELIMINARY

Justification:

The development and oversight of a comprehensive marine facility program is needed to deliver consistent, professional, and safe amenities and services at the city's public docks, boat launches, moorage buoys and other community foreshore / marine interests. Budget is requested for the initial planning and design of this program.

Strategic Direction:	Economy							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	(100,000)	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain
Title: Buildings Systems Renewal - City Hall Renewal		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested for buildings systems renewals at City Hall. Some of the renewal items include envelope, HVAC and mechanical.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,761,000	(1,761,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: Buildings Systems Renewal - Memorial Arena

Justification:

Budget is requested for buildings systems renewals at Memorial Arena. Some of the renewal items include HVAC and electrical.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	450,000	(450,000)	—	—	—	—	—	—

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: Buildings Systems Renewal - Sarson's Activity Centre

Justification:

Budget is requested to replace end of life building system renewal items including energy upgrades at Sarson's Activity Centre.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	125,000	(125,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Enhance
Title: Electric Vehicle Infrastructure Installation		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to install electric vehicle infrastructure to support the operations of Fleet Services. This includes design and procurement of electrical infrastructure and chargers. Work will be based off of the Green Fleet Strategy and supporting infrastructure assessment.

Strategic Direction:	Climate & Environment							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	500,000	(500,000)	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain
Title: Enterprise Fire Hall #1 Improvements		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested for upgrades at the Enterprise Fire Hall. These upgrades will include mechanical, security, and vehicle storage.

Strategic Direction:	Other							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	1,350,000	(1,350,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: Gymnastics Centre (Rutland) Improvements

Justification:

Budget is requested to replace the end of life HVAC system at the Gymnastics Centre.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	100,000	(100,000)	—	—	—	—	—	—

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: H2O Centre Improvements

Justification:

Budget is requested for end of life equipment replacements at the H2O Centre including locker renewals and energy modernization.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,674,000	(2,674,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Enhance
Title: LED Lighting Upgrades		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested for obsolete lighting at various locations throughout the City.

Strategic Direction:		Climate & Environment						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	400,000	(400,000)	—	—	—	—	—	—

Service Area: Enabling Services	Priority 1	Maintain
Title: MNP Place Roof Replacement		ONE-TIME
		PRELIMINARY

Justification:

Budget is requested to replace end of life roof system at MNP Place. The new roof will include increased insulation where feasible to help meet energy performance targets.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	7,000,000	(2,000,000)	—	—	—	—	—	(5,000,000)

2025 Capital Request Details

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: Prospera Place Improvements

Justification:

Budget is requested for end of life equipment replacements at Prospera Place. Items included for renewal/improvements include HVAC, mechanical, roofing and upgrades relating to the Memorial Cup bid.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	3,960,000	(3,960,000)	—	—	—	—	—	—

Service Area: Enabling Services **Priority 1** **Maintain ONE-TIME PRELIMINARY**
Title: Rutland Arena Improvements & Heatsharing w/Kelowna Family

Justification:

Budget is requested for end of life equipment replacements at Rutland Arena and Kelowna Family Y. These improvements would look to establish a heat recovery and sharing opportunity between Rutland Arena and the Family Y.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	2,025,000	(2,025,000)	—	—	—	—	—	—

2025 Capital Request Details

Service Area: Enabling Services	Priority 1	Enhance ONE-TIME PRELIMINARY
Title: Cook Beach Park- Groyne & Pier		

Justification:

Budget is requested for the design and construction of a new groyne and pier at the Cook Rd boat launch, pending Provincial permits.

Strategic Direction:		Other						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2025	175,000	(175,000)	—	—	—	—	—	—

▶▶ APPENDIX



APPENDIX

SUPPLEMENTAL INFORMATION

Citizen Survey Results

The [Citizen Survey](#) is conducted to determine how satisfied the public is with municipal programs and services, and to learn what citizens' service priorities are.

Responses are weighted by age, gender and city-wide distribution to accurately reflect Kelowna's population. Results are benchmarked against other local governments.

Insights gained by this research help us make important decisions regarding planning, budgeting and service improvements. Ipsos has conducted the Citizen Survey for the City in 2024, 2022, 2020, 2018, 2017, 2015 and 2012.

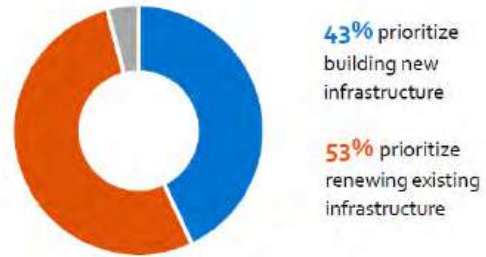
Full results can be found at kelowna.ca.



The latest Citizen Survey reports that:

- 86% of citizens have a good quality of life
- 86% of citizens are satisfied with the overall level and quality of City services
- 89% of citizens agree that the City is inclusive and accepting of all
- 81% of citizens feel safe in the community
- 79% of citizens were satisfied with the customer service they received
- 73% of citizens believe they receive good value for their tax dollars

Important issues for citizens include addressing social issues such as homelessness (41%), transportation (26%) and crime (12%).



Citizens' top three priorities for investment are addressing social issues, encouraging a diverse supply of housing, and traffic flow management.

While all evaluated services are important to citizens, the services most important to our residents in 2022 include:

- Fire Services
- Drinking Water Quality
- Community Cleanliness
- Police Services
- Road Maintenance

Areas of strength amongst City services include fire services, parks and sports fields, drinking water quality, recreational facilities and programs, snow clearing, road maintenance, and police services. Citizens are identified cultural facilities and bylaw services as secondary strengths.

Areas for improvement include traffic flow management and community cleanliness, as well as growth management, public transit, adapting City operations and infrastructure to climate change, and bike lanes and pedestrian sidewalks.

Citizens were also asked if they would prefer tax increases over service reductions:

Increase taxes to enhance services	22%
Increase taxes to maintain services	27%
Reduce services to maintain tax rate	20%
Reduce services to reduce taxes	17%

2040 OFFICIAL COMMUNITY PLAN

Our Kelowna as we Grow

Kelowna is one of Canada’s fastest growing cities, with another 45,000 citizens expected by 2040. This growth will bring both opportunities and challenges that require us to plan strategically to ensure Kelowna remains prosperous, vibrant and resilient in the years to come.

Our city’s approach to growth will be shaped by the recently adopted [2040 Official Community Plan \(OCP\)](#), a guiding document which sets a strategic course for the next two decades. An OCP provides a decision-making framework for Council with policies and objectives aimed at growth management and issues related to housing, transportation, infrastructure, parks, economic development, and the natural and social environment.

The 2040 OCP also strives to bring our community’s [Imagine Kelowna](#) vision of an equitable, inclusive, sustainable city to life. This will mean making smart choices about how and where we grow, protecting our environment, making meaningful progress towards Reconciliation, and ensuring that everybody who lives here can make a living, find suitable housing, and get around easily and safely.

Building on the goals laid out in *Imagine Kelowna*, the Plan contains the following 10 Pillars:



The 2040 OCP includes updated land uses, mapping and policies to reflect these Pillars and clearly signal where development will be prioritized and supported with infrastructure and amenities.

Now that the Plan has been adopted, putting it into action will require several key implementation actions throughout its lifespan. A comprehensive implementation table is being used to guide the timing and resourcing of OCP implementation actions, with due recognition of available budget and other work planning considerations.

STATISTICS

Top 10 corporate taxpayers

2024			2023		
Rank	Business (owner) name	Type of property	Rank	Business (owner) name	Type of property
1	McIntosh Properties Ltd	Shopping Mall	1	FortisBC	Electrical Utility
2	Al Stober Construction Ltd	Commercial Building	2	Orchard Park Shopping Centre	Shopping Mall
3	FortisBC	Electrical Utility	3	Al Stober Construction Ltd	Commercial Building
4	Inland Natural Gas Co Ltd	Gas Utility	4	DHL No 48 Holdings Ltd	Multiple Types
5	Victor Projects Ltd	Multiple Types	5	McIntosh Properties Ltd	Shopping Mall
6	DHL No 48 Holdings Ltd	Hotel & Convention	6	Aqua Resort Ltd	Multiple Types
7	Mission Group Holdings Ltd	Commercial Building	7	RG Properties Ltd	Shopping Mall
8	Tolko Industries Ltd	Multiple Types	8	4231 Investment Ltd	Multiple Types
9	SRI Homes Inc	Multiple Types	9	Victor Projects Ltd	Multiple Types
10	RG Properties Ltd	Multiple Types	10	Dilworth Shopping Centre Ltd	Shopping Mall

Tax comparison analysis – 2023 & 2024

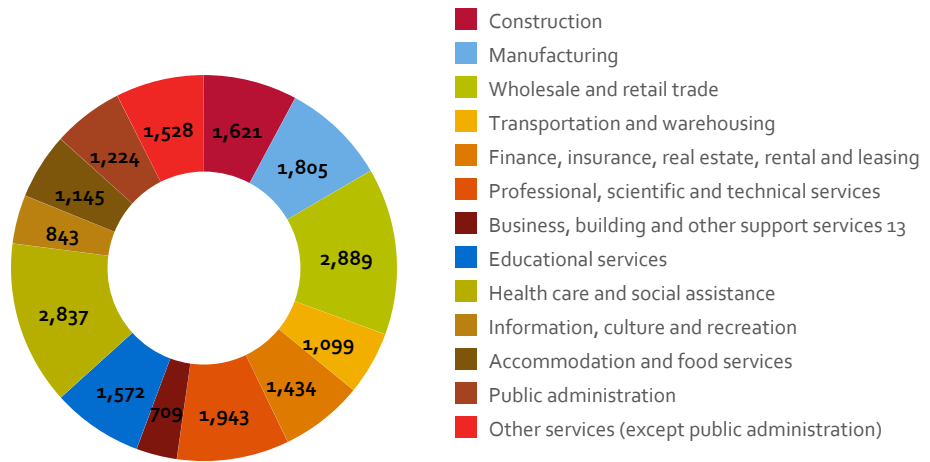
Business	2023	2024	Difference	Change
Assessed value	2,302,400	2,664,998	362,598	15.75%
Municipal				
General Tax Levy	13,308	13,934	626	4.70%
School				
General Tax Levy	7,667	9,034	1,367	17.83%
Other Taxing Jurisdictions				
Regional District Levy	1,137	1,358	221	19.44%
Hospital Levy	1,076	1,245	169	15.71%
Library Levy	551	572	21	3.81%
BC Assessment Levy	222	257	35	15.77%
Total Tax Levy	23,961	26,400	2,439	10.18%
Residential				
Assessed value	1,009,350	983,130	(26,220)	(2.60%)
Municipal				
General Tax Levy	2,349	2,459	110	4.70%
Public Safety Levy	24	25	1	4.70%
	2,372	2,484	112	4.70%
Other Municipal User Fees				
Garbage Collection/Waste Reduction	181	192	11	6.00%
School				
General Tax Levy	1,144	1,163	19	1.67%
Homeowner Grant	(770)	(770)	0	0.00%
	374	393	19	5.12%
Other Taxing Jurisdictions				
Regional District Levy	204	204	1	0.47%
Hospital Levy	193	188	(5)	(2.62%)
Library Levy	98	102	4	3.81%
BC Assessment	34	34	0	0.59%
Total Tax Levy	3,456	3,597	141	4.09%

Note: Totals may not add due to rounding

Local Economy

The City of Kelowna is the largest city in the Central Okanagan. It borders the beautiful Okanagan Lake and has the best of rural and urban lifestyles packed into one unique city. With a diverse economy supported by quality post-secondary institutions, Kelowna has become the main marketing and distribution centre of the Okanagan Valley. Kelowna also has a thriving arts and culture scene combined with all the outdoor activities that make the Central Okanagan a must-see tourism destination, as well as a popular place to live. Settled in 1879 and incorporated in 1905, Kelowna is known for its agriculture and forestry roots and has grown into a modern city.

Occupation
North American Industry Classification System (NAICS)



Statistics Canada. Table 14-10-0355-01 Employment by industry, monthly, seasonally adjusted and unadjusted, and trend-cycle, last 5 months (x 1,000)

Doing Business in the Community

Development Incentives

The City of Kelowna offers several developer incentives to encourage alignment with the City’s strategic priorities for urban development. Tax incentives are available for development in City Centre and Rutland Urban Centres, and grants and tax incentives are available to promote the development of purpose-built rental housing throughout Kelowna. Further information regarding development incentives in Kelowna may be found Kelowna.ca/homes & buildings/developers/developer incentives

Commercial Land

The major commercial areas within Kelowna are the downtown, Highway 97, and Mission / South Pandosy districts. Kelowna’s 2040 Official Community Plan | City of Kelowna projects the need for 193,100 square metres of retail commercial space between 2021 and 2040. We also anticipate the need for 119,450 square metres of office space over the same period. The OCP emphasizes land re-use and densification over continued expansion into greenfield areas.

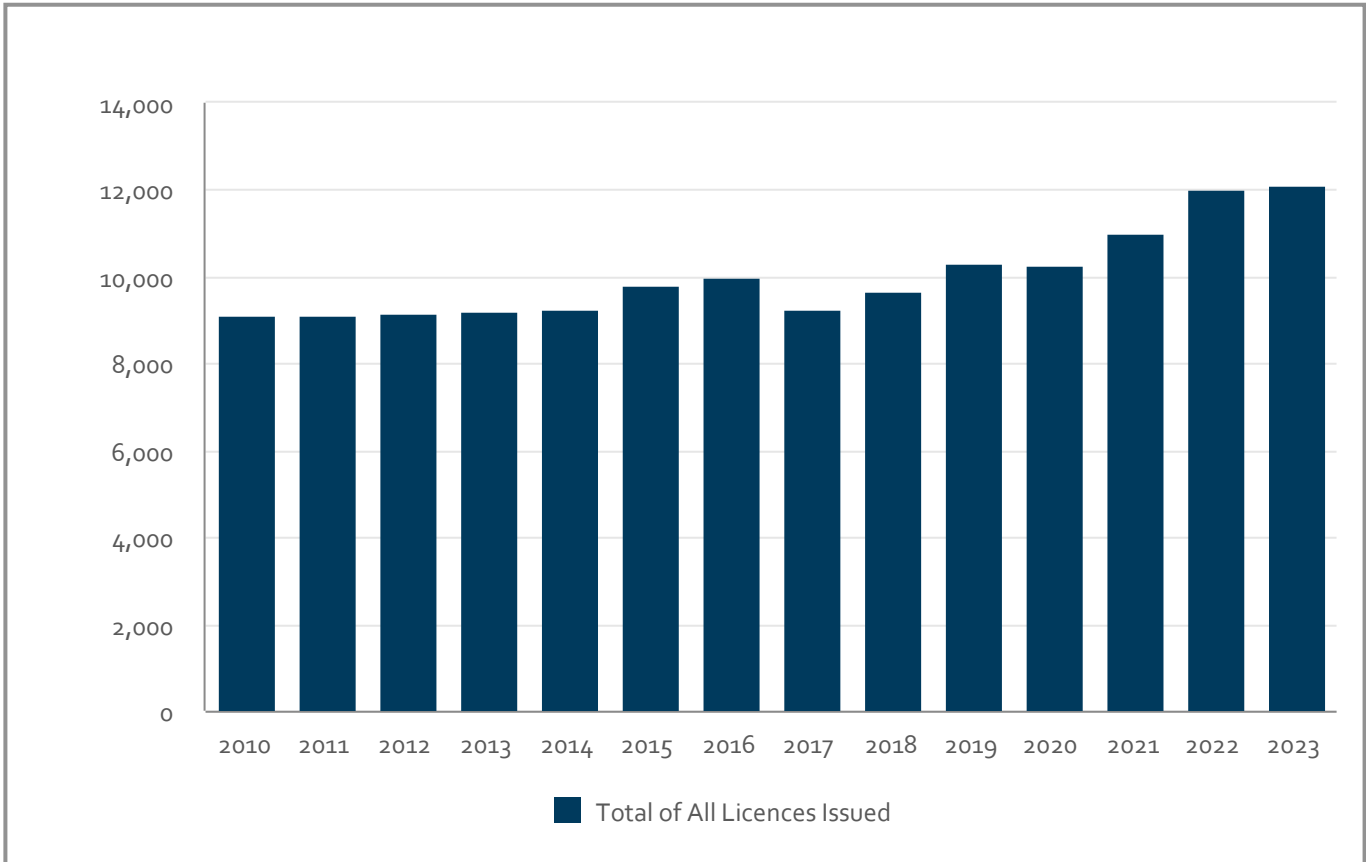
Industrial Land

There are 1,466 acres of existing zoned industrial land within Kelowna’s boundaries. Kelowna has also identified 1,867 acres of land designated for future industrial development in the 2040 Official Community Plan | City of Kelowna. Industrial vacancy rates are currently low, and the market is active and dynamic.

For more information on the local economy, visit www.investkelowna.com.

Source: Economic development | City of Kelowna

Business licences



**The City of Kelowna stopped issuing secondary suite licences in 2017. The business licence stats are measured December 1st to December 1st due to business licence rollover.*

Access to markets

Kelowna’s central location provides the city with access to key markets, as well as their population base.

Distance (km) to Kelowna from:

- Vancouver – 457
- Seattle – 579
- Calgary – 612
- Portland – 826
- Saskatoon – 1,233
- Salt Lake City – 1,614
- San Francisco – 1,872
- Winnipeg – 1,970
- Los Angeles – 2,494
- Denver – 3,215

GLOSSARY

Accrual basis of accounting: A method of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Accumulated surplus: The balance in a fund that represents the cumulative excess in revenues over expenditures. This term also refers to reserve accounts.

Activities: Details how Council, Corporate and Divisional priorities lead the work done at the divisional level; activities are work plans to be accomplished in the current year.

Alternative approval process: To provide electors the opportunity to seek a vote on a particular matter being proposed by Council. Approval is obtained if fewer than 10% of eligible electors in the area submit elector response forms (formerly known as counter-petition process).

Amortization: Is the gradual reduction of debt by means of equal periodic payments sufficient to meet current interest and liquidate the debt at maturity.

Appropriation: Term used to refer to the setting aside of monies into a reserve account or fund.

Balanced budget: Budgeted expenditures and transfers to funds are equal to budgeted revenues and transfers from funds.

Base budget: The initial budget that provides for the existing levels of service in the current year.

Capital assets: Is a long-term asset that is not purchased or sold in the normal course of business. Generally, it includes fixed assets.

Capital expenditures: Expenditures of a non-operating or maintenance nature, such as costs to acquire equipment, land, buildings and costs associated with new infrastructure or improvements to existing infrastructure.

Capital lease: Is a lease obligation that has to be capitalized on the balance sheet.

Cost centre: Within the City's reporting structure a cost center refers to a specific director, manager, supervisor or division (see Department/Division/Branch).

Conditional grants: Grants (e.g. Federal and Provincial Government) that are dependent on annual approval and potentially limited in how they may be expended.

Debenture: A form of long-term corporate debt that is not secured by the pledge of specific assets.

Debt service: The amount of interest and payments due annually on long term debt.

Deficit: An excess of expenditure over revenue. A loss in business operations.

Division/Department/Branch: Part of the City's organization structure. Divisions are the highest level grouping; departments are sections under the division and branches are sections under department. (i.e. Division – Financial Services; Department – Financial Planning; Branch – Budget).

Depreciation: Accounting method used to allocate the cost of a tangible or physical asset over its useful life.

Development Cost Charges (DCCs): Monies collected from land developers to offset some of the infrastructure expenditures required to service new development. Charges are intended to facilitate development by providing a method to finance capital projects related to water, sewer, drainage, roads and parkland acquisition.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expenditure reduction: A request to reduce an existing expenditure level. **Fees and charges:** A source of revenue generated by the activities, works or facilities undertaken or provided by or on behalf of the City.

Financial Plan: Section 165 of the Community Charter requires that a municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted. The financial plan may be amended by bylaw at any time and is for a period of 5 years. The financial plan identifies the revenue sources and the proposed expenditures to be incurred to meet the outlined objectives.

Franchise fee: A charge made to a privately owned utility for the ongoing use of City property.

Full-Time Equivalent (FTEs): A conversion measure to express all staffing (temporary, part-time, etc.) in terms of a common full-time denominator.

Fund: A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific activity. The City has four main funds: general, water, wastewater, and airport. There are also various statutory reserve funds.

General Fund: This fund is used to account for general operations and activities and includes most city departments except the enterprise funds of water, wastewater, and airport. The departmental activities in the general fund are funded wholly or in part by property taxes.

General revenue: Refers to the revenues which are not specifically attributable to or generated by any particular department within the City's reporting structure.

Grants-in-lieu: Properties within a municipality that are owned by the Federal or Provincial governments are exempt from taxation. The City may receive a grant-in-lieu in place of a tax levy.

Infrastructure: Facilities and improvements such as buildings, roads, sidewalks, storm drainage, waterworks, sanitary sewer systems.

Internal control: Include policies and procedures that pertain to the maintenance of accurate and reasonably detailed records.

Internal equipment revenue: Revenue generated from a charge against current operations for the use of a City vehicle or equipment. The charge is similar for a class of vehicles and is based on full recovery plus inflation.

Local Government Act (LGA): Provincial legislation that provides authority for municipal expenditure and revenue collection. Some sections of the LGA have been replaced by the Community Charter.

Modified accrual basis: Modified accrual accounting recognizes revenues when they become available and measurable and with a few exceptions, recognizes expenditures when liabilities are incurred.

Official Community Plan (OCP): A City bylaw that defines policies for land use and development.

Operating expenses: The cost for personnel, internal equipment, materials, contract services and transfers required for a department to function.

Operating request: A request for operating budget that is required to provide a new service or expand an existing service beyond the current funding level.

Operating revenue: Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees and charges from specific services, interest earnings, and grant revenues.

Pay-as-you-go Capital: Capital expenditures that are financed from current year taxation revenues.

Parcel tax: A tax imposed on the basis of a single amount for each parcel, the taxable area of the parcel, or the taxable frontage of a parcel.

Property taxation: The process by which the City obtains the required funds to pay for the General Fund Operating and Capital expenditures of any given year not funded from another source. This is provided by a levy on each property of various classes within the municipality.

Reserve account: Part of the Accumulated Surplus that has been earmarked for future operating or capital expenditures.

Reserve Fund (statutory reserves): A reserve fund is established by Council by bylaw for a specified purpose that is within the powers of the municipality within the powers of the LGA or another Act.

Revenue: Sources of income financing the operations of the City.

Tradewaste Treatment Facility (TWTF): Wastewater treatment facility run by the City but charged back to specific commercial users.

UPASS: A program where students pay a fee per semester that lets them use their student card as a bus pass.

Utility: The City owns two utilities: water, and wastewater. The airport is also treated like a separate utility. These utilities pay for themselves through a separate revenue structure specific to each one that pays for their respective operating costs, debt servicing costs and capital projects not funded from other sources.

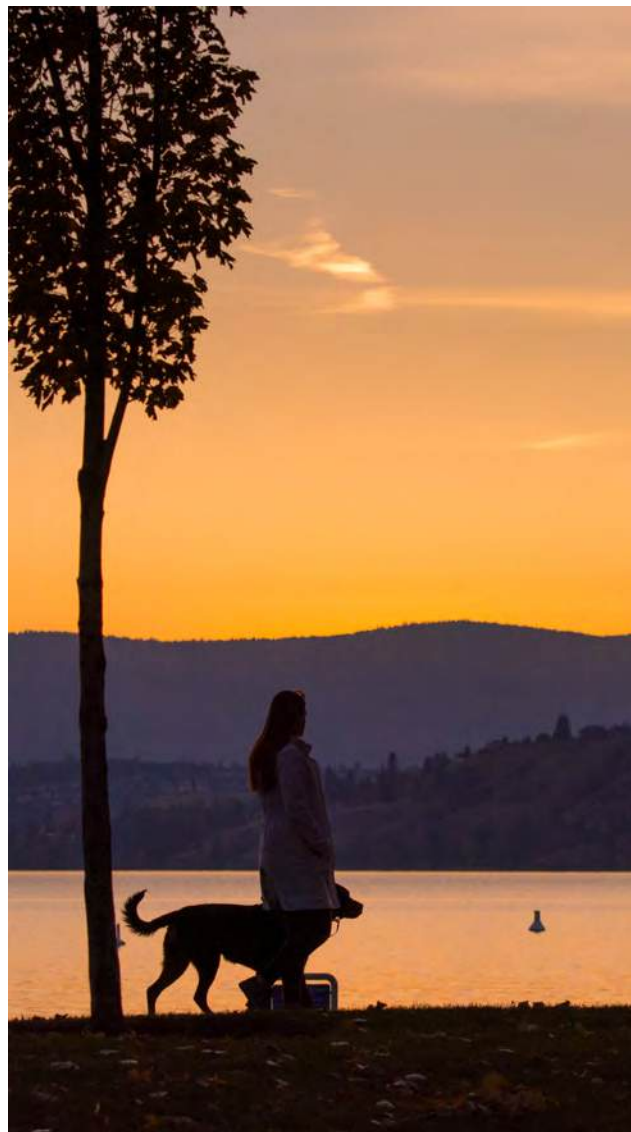
Working capital: The excess of current assets over current liabilities.



ACRONYMS & ABBREVIATIONS

AHLAS	Affordable Housing Land Acquisition Strategy	FCA	Facility Condition Assessment
AI	Artificial Intelligence	FOI	Freedom of Information
AIF	Airport Improvement Fee	FTE	Full-time Equivalent
ALC	Active Living & Culture	GAAP	Generally Accepted Accounting Principles
ALR	Agricultural Land Reserve	GFOA	Government Finance Officers Association
AMCP	Asset Management and Capital Planning	GHG	Greenhouse Gas
AMS	Asset Management System	GIS	Geographical Information Systems
ASQ	Airport Service Quality	HAP	Heritage Application Permit
ATC	Active Transportation Corridor	HR	Human Resources
BCA	BC Assessment	HVAC	Heating, Ventilation and Air Conditioning
BCRPA	British Columbia Recreation and Parks Association	IAFF	International Association of Fire Fighters
BP	Building Permit	ICBC	Insurance Corporation of British Columbia
C&E	Climate and Environment	ICG	International Children's Games
C.C.	Community Charter	ICIP	Investing in Canada Infrastructure Program
CAC	Child Advocacy Centre	IHA	Interior Health Authority
CCTV	Closed-circuit television	IK	Imagine Kelowna
CLS	Corporate Land System	IoT	Internet of Things
CMHA	Canadian Mental Health Association	IS	Information Services
COJHS	Central Okanagan Journey Home Society	ITIL	Information Technology Infrastructure Library
COK	City of Kelowna	KCR	Kelowna Community Resource
COVID-19	Coronavirus Disease 2019	KCT	Kelowna Community Theatre
CPIC	Canadian Police Information Centre	KFD	Kelowna Fire Department
CPO	Community Policing Office	KMMFA	Kelowna Major Men's Fastball Association
CPTED	Crime Prevention through Environmental Design	KPI	Key Performance Indicators
CRTC	Canadian Radio-television and Telecommunications	KSS	Kelowna Secondary School
CSP	Corporate Strategy and Performance	LAS	Local Area Service
CUPE	Canadian Union of Public Employees	LiDAR	Light Detection and Ranging
CWME	Capital Works Machinery & Equipment – statutory reserve fund	LGCAP	Local Government Climate Action Program
DAR	Development Application Review	LOA	Lease and Operating Agreement
DCC	Development Cost Charge	MBL	Multiple Bottom Line
DKA	Downtown Kelowna Association	MEP	Major Events Program
DMAF	Disaster Mitigation Adaptation Fund	MFA	Municipal Finance Authority
DMAF	Disaster Mitigation and Adaption Fund	MoTI	Ministry of Transportation and Infrastructure
DOCP	Design Operation and Closure Plan	MOU	Memorandum of Understanding
DVP	Development Variance Permit	MUP	Multi-Use Path
EOC	Emergency Operating Centre	NA	Neighbourhood Associations
ERF	Effective Response Force	NG911	Next Generation 911 compliant equipment
ESS	Emergency Support Services	NPS	Net Promoter Score
EV	Electric Vehicle	NRCan	Natural Resources Canada
		OC	Okanagan College
		OCP	Official Community Plan

ORT	Okanagan Rail Trail	TWTF	Trade Waste Treatment Facility
PAC	Performing Arts Centre	UBCM	Union of British Columbia Municipalities
PAWS	Pre-Authorized Withdrawal System	UBCO	University of British Columbia
PBMP	Pedestrian & Bicycle Master Plan	URBA	Uptown Rutland Business Association
PBMP	Pedestrian and Bicycle Master Plan	UTV	Utility Vehicle
PCARD	Purchasing CardL	VFD	Variable Frequency Drive
PEOPLE	Paid Employment Opportunities for People with Lived Experiences	WQA	Water Quality Advisory
PRC	Parkinson Recreation Centre	WWTF	Wastewater Treatment Facility
PRV	Pressure Reducing Valve	YLW	Kelowna International Airport
PSAB	Public Sector Accounting Board		
PSAS	Public Sector Accounting Standards		
Q1	First Quarter		
Q2	Second Quarter		
Q3	Third Quarter		
Q4	Fourth Quarter		
RCMP	Royal Canadian Mounted Police		
RDCO	Regional District of the Central Okanagan		
RFI	Request for Information		
RFP	Request for Proposal		
RIM	Records & Information Management		
ROI	Return on Investment		
RRFB	Rectangular Rapid Flashing Beacons		
S4L	Sport For Life		
SCA	Sewer Connection Area		
SCADA	Supervisory Control and Data Acquisition		
SCBA	Self Contained Breathing Apparatus		
SD23	School District No. 23		
SEK	Southeast Kelowna		
SEKID	Southeast Kelowna Irrigation District		
SMART	Specific, Measurable, Achievable, Relevant, Timely		
SMOR	Strategic Management Owned Report		
SOMID	South Okanagan Mission Irrigation District		
STPCO	Sustainable Transportation Partnership of the Central Okanagan		
TAP	Transportation Accelerator Program		
TCA	Tangible Capital Assets		
TMP	Transportation Master Plan		





City Hall
1435 Water Street
Kelowna, BC
V1Y 1J4

Tel 250-469-8500
kelowna.ca/budget





Airport

Service budget overview

Airport

▶ Key accomplishments

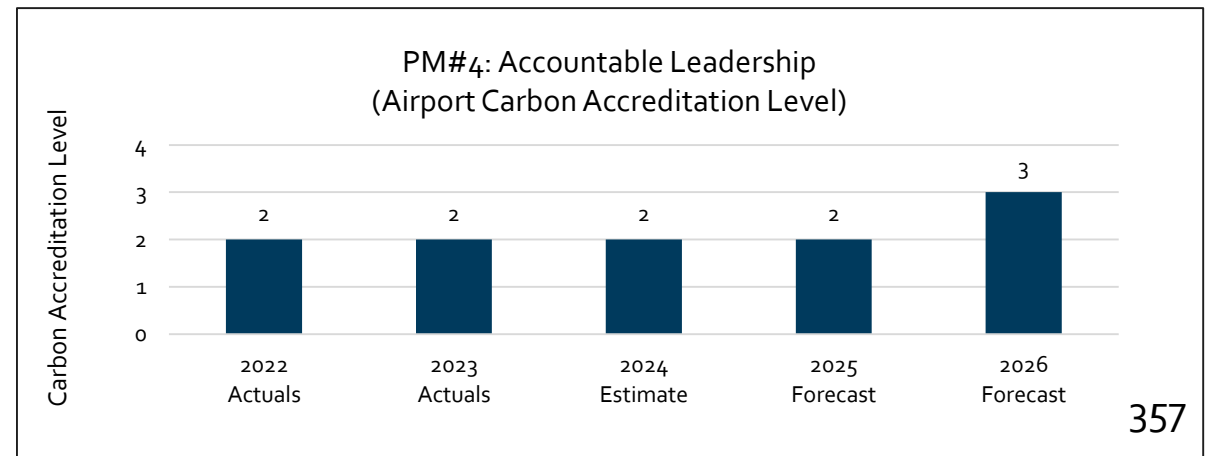
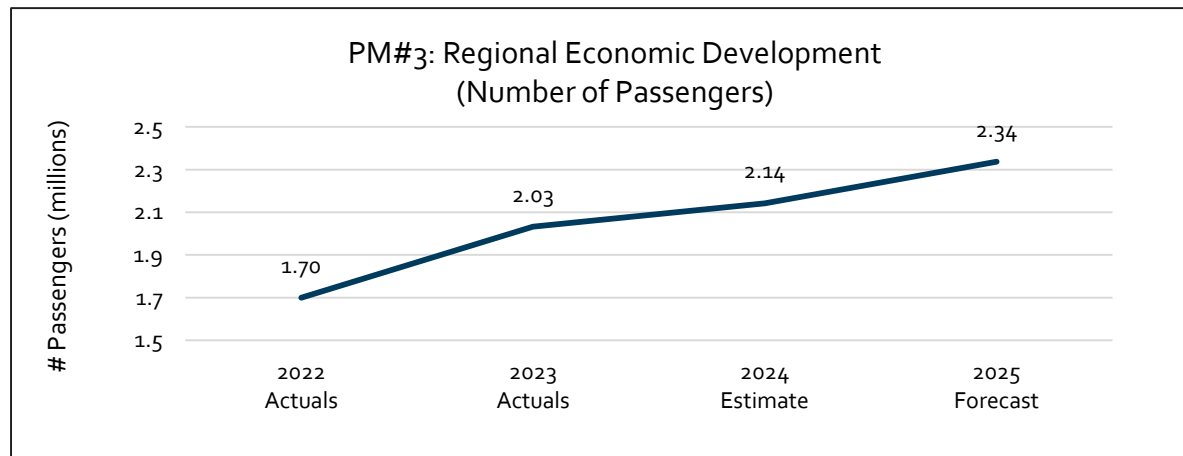
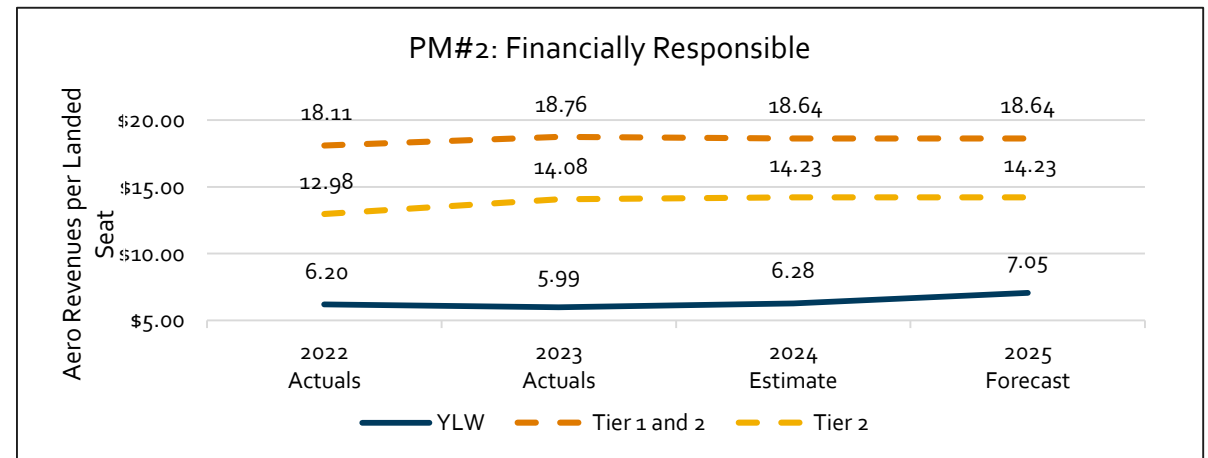
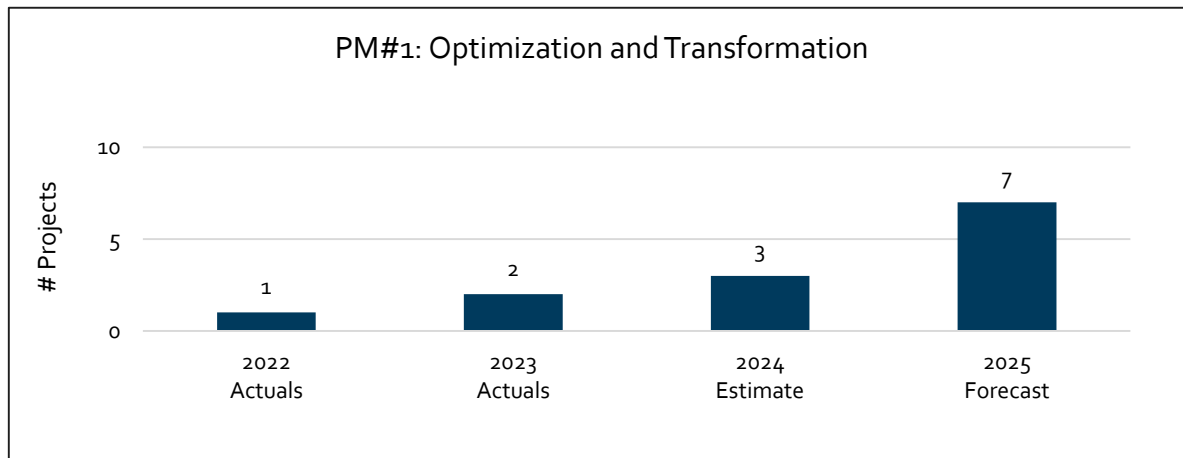
- Anticipated passenger growth to over 2.1 million annual passengers
- Continued construction on the Airport Terminal Building expansion and the new Combined Operations Building
- Increased air service frequency and destinations, including new transborder and regional destinations
- Awarded grant funding for an expansion of the YLW Campus Child Care Facility
- Actioned initiatives relating to goal of carbon neutrality by 2030
- Introduced additional Required Navigation Performance Authorization Required (RNP-AR) approach

Airport

▶ Continuous improvements

- Renew Air Terminal Building infrastructure
- Airside pavement improvements
- Enabling works for Airport hotel and parkade
- Investment in people
- Purchase of airside equipment

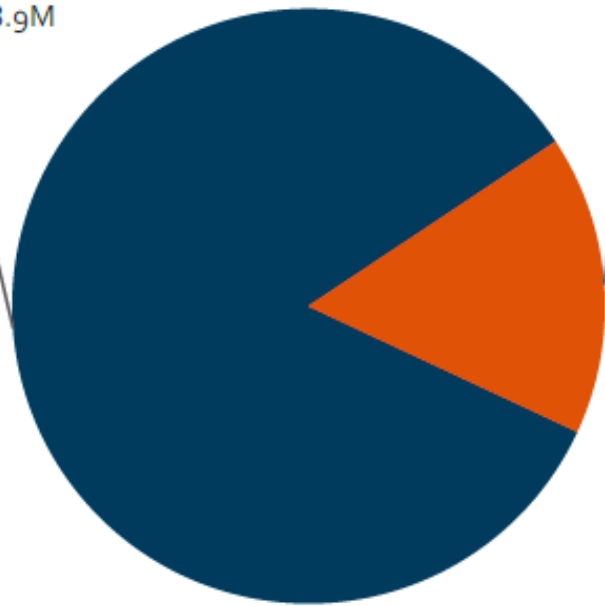
Airport Performance measures



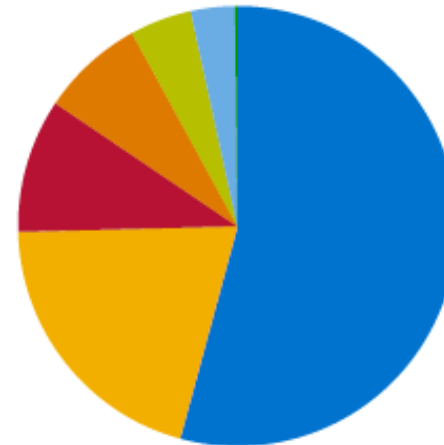
Airport Expenditure Budget

2025 Total Expenditure Budget Breakdown

2025 Total Expenditure Budget, \$838.9M



Airport, \$162.9M



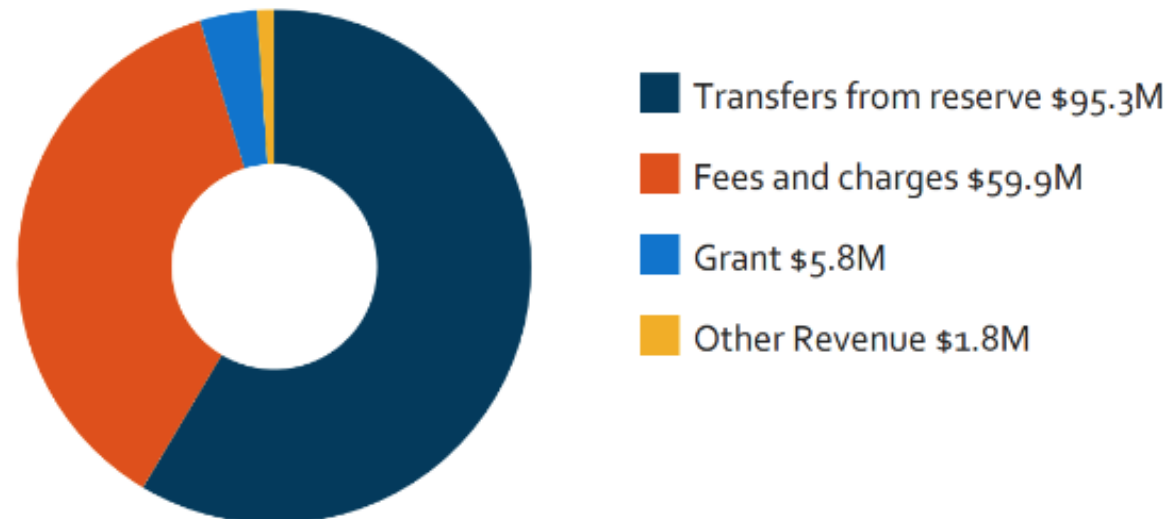
- Airport Capital \$88.3M
- Airport Improvement Fees \$33.2M
- Groundside \$16.1M
- Airport Finance & Corporate \$12.4M
- Terminal \$7.4M
- Airside \$5.3M
- Airport Policing \$0.3M

Total \$162.9M

Airport

Budget overview

Funding strategy



Total \$162.9M

Airport

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$62,934	\$143,112	\$206,046
2023 & 2024 Adjustments	(93)	(143,112)	(\$143,205)
2025 Starting budget	\$62,841	\$ -	\$62,841

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Airport

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$62,841	\$ -	\$62,841
Maintaining current service level	11,542	113	\$11,655
	\$74,383	\$113	\$74,496
Enhancing service level	162	88,205	\$88,367
2025 Recommended budget	\$74,545	\$88,318	\$162,863

▶ Drivers for change:

- Carbon neutrality initiatives and flood mitigation
- Expanding capacity for over 2.5 million passengers
- Infrastructure and equipment upgrades

Airport

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Airport Improvement Fees	—	—	—	—	—
Airport - Non-AIF Operations	2,665	2,473	2,473	2,473	2,473
Airport Strategic Enhancements	244	475	475	475	475
Operating Requests Priority 1 Total	2,908	2,948	2,948	2,948	2,948

Airport

Capital requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Airport - Airside Pavement Rehabilitation & Expansion	10,251	2,874	15,590	15,862	16,952
Airport - Airside Equipment	3,973	519	3,427	4,454	1,648
Airport - Lifecycle Replacement & Upgrades	5,641	969	3,901	771	1,610
Airport - Loading Bridges	707	2,368	247	2,828	2,938
Airport - Carbon Neutral initiatives	1,229	4,501	2,959	100	100
Airport - Land Development	113	—	—	—	—

Continued next slide

Airport

Capital requests *continued* (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Projects	Total Project					
Airport - Airport Terminal Building Expansion Phase 1	128,467	39,642	26,624	5,920	4,477	—
Airport - Combined Operations Building	24,300	11,250	3,800	—	—	—
Airport - Airside Lighting and Supporting Infrastructure	8,950	8,710	—	—	—	—
Airport - Mill Creek Flood Protection	5,103	871	1,650	2,367	—	—
Airport - Hotel and Parkade Enabling Works	4,600	3,381	—	—	—	—
Airport - Child Care Facility Expansion	2,550	2,550	—	—	—	—
Capital Request Priority 1 Total	173,970	88,318	43,305	34,411	28,492	23,248



Community Safety & Bylaw

Service budget overview

Community Safety & Bylaw

▶ Key accomplishments

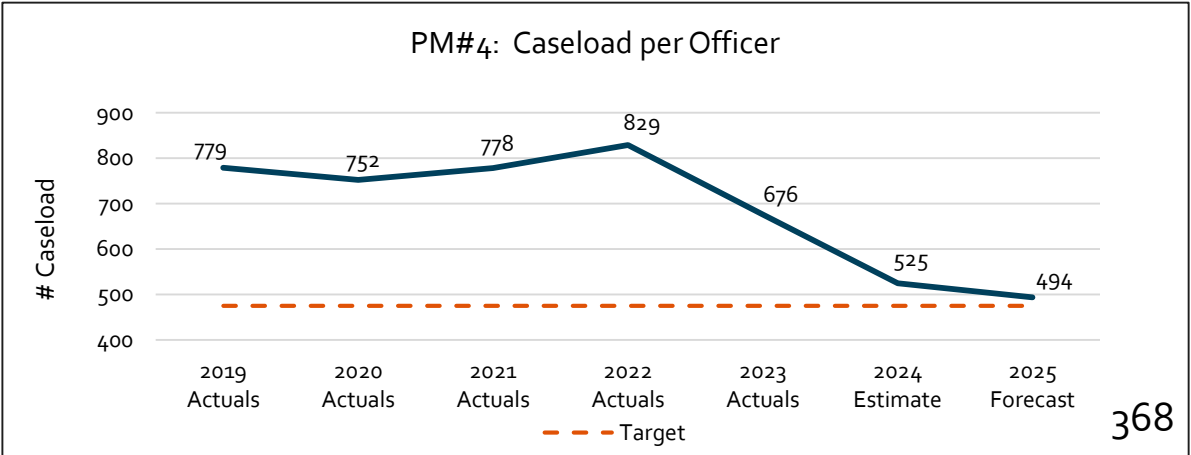
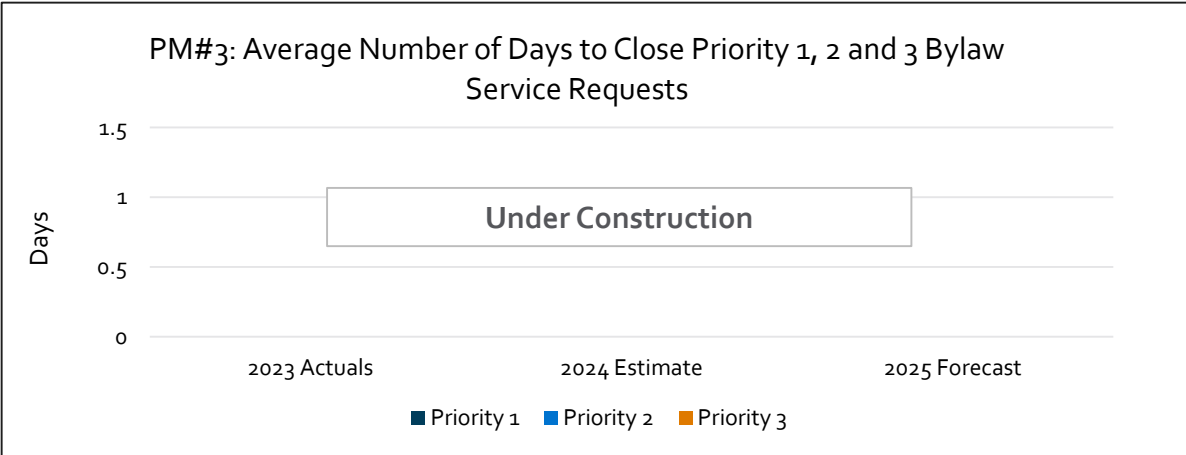
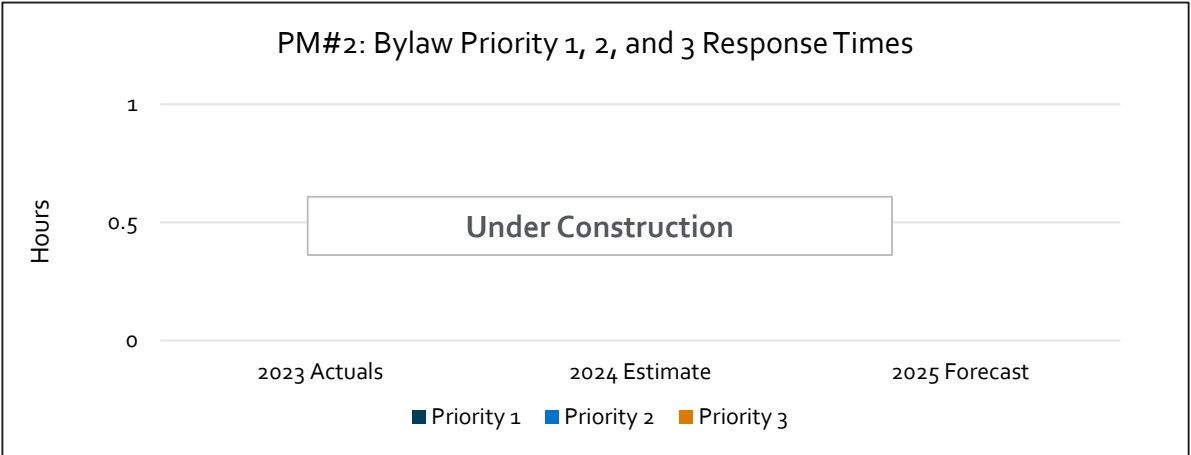
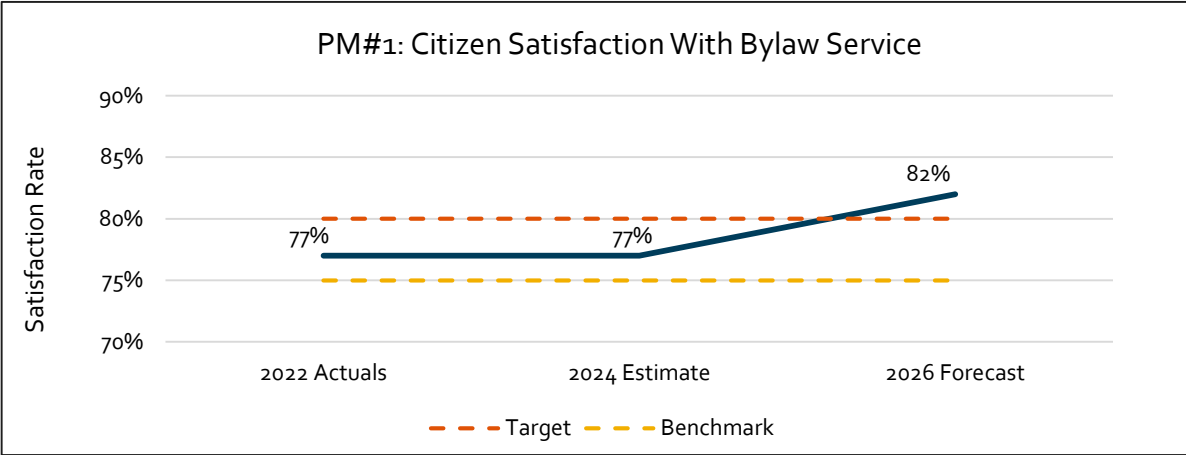
- Community Safety Plan – 2nd annual update provide to Council
 - Five CSP Actions Teams are concluded
 - Seven more actions initiated
- Formalized Business Improvement Area (BIA) Ambassador Program
 - Supported URBA with launch of On-Call Pilot Project
- Mayor's Task Force on Crime Prevention – CPTED Strategies & Training
 - Created initiatives with a focus on crime prevention principles such as 'Safe in 60' video series
 - Delivered CPTED training program to internal staff and key external partners
- Continuous review of outdoor sheltering management strategies including regular, ongoing and significant decampment operations
- Ongoing connectedness and coordination with service providers responding to the impacts of outdoor sheltering

Community Safety & Bylaw

▶ Continuous improvements

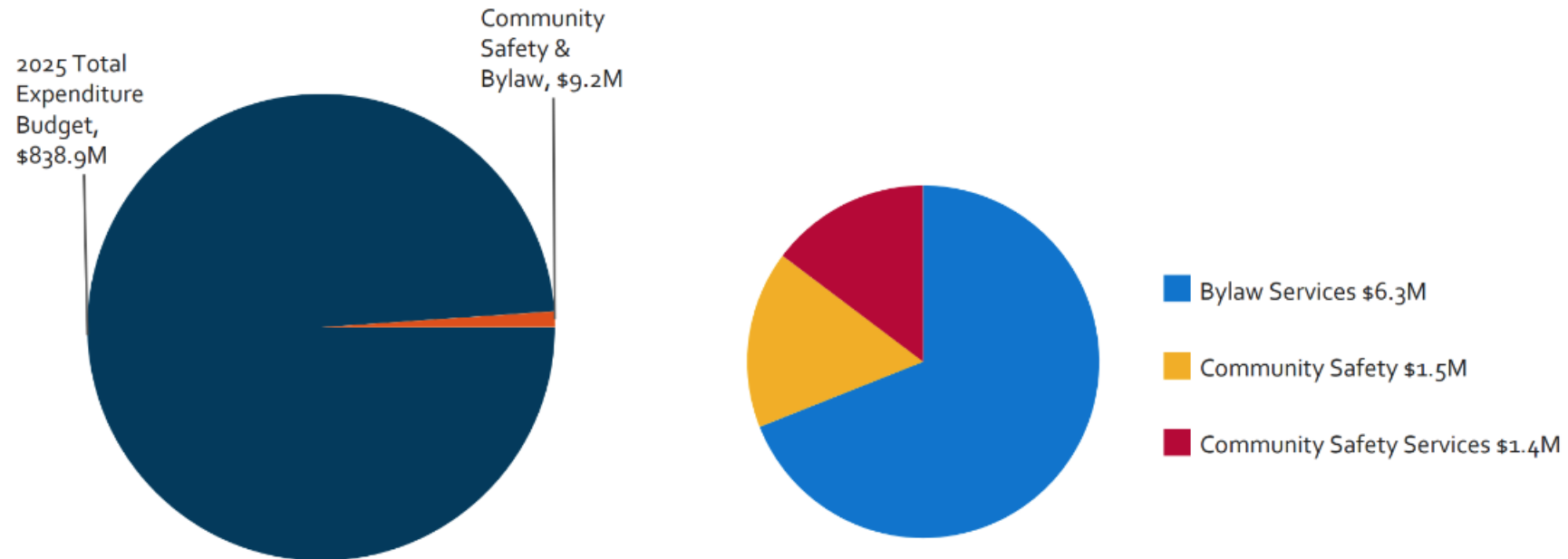
- Enhanced training and professional development
- Focus on innovation and effectiveness through research and 'best practices'
- Increased agility and resiliency to address emergent issues
- Recruiting for the needs of today and tomorrow
- Refining organizational structures and processes

Community Safety & Bylaw Performance measures



Community Safety & Bylaw Expenditure Budget

2025 Total Expenditure Budget Breakdown

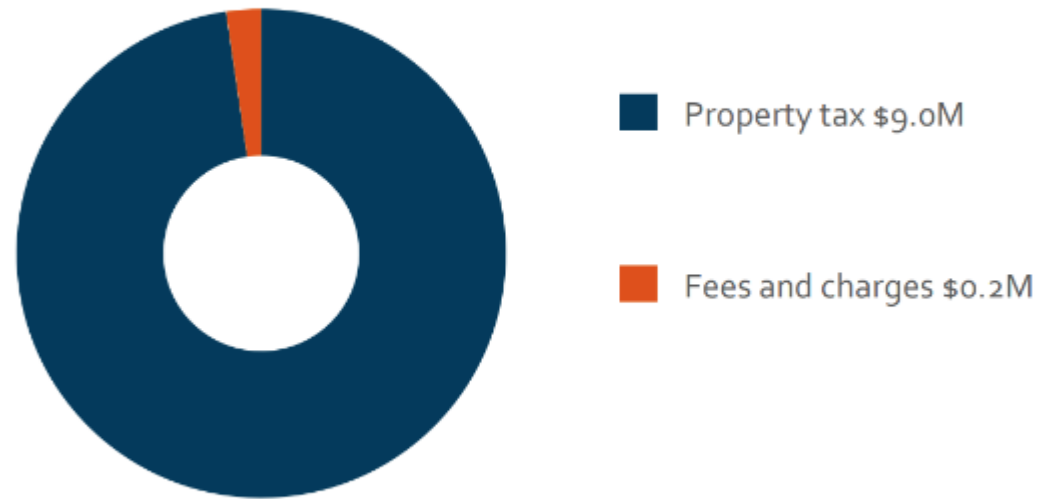


Total \$9.2M

Community Safety & Bylaw

Budget overview

Funding strategy



Total \$9.2M

Community Safety & Bylaw

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$8,535	\$-	\$8,535
2023 & 2024 Adjustments	(823)	-	(\$823)
2025 Starting budget	\$7,712	\$ -	\$7,712

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Community Safety & Bylaw

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$7,712	\$ -	\$7,712
Maintaining current service level	436	-	\$436
	\$8,148	\$-	\$8,148
Enhancing service level	1,035	-	\$1,035
2025 Recommended budget	\$9,183	\$-	\$9,183

▶ Drivers for change:

- Enhanced enforcement and interagency collaboration to address crime and safety
- Increased demand from city growth and evolving legislation
- Optimizing resource use and improving operations

Community Safety & Bylaw

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Senior Bylaw Officer	169	163	163	163	163
Kelowna Detachment and Police Services Resource Review	—	—	—	—	—
Mayor's Task Force	—	—	—	—	—
Outdoor Overnight Sheltering	100	200	300	300	300
Bylaw Enforcement Officer (x2)	236	277	277	277	277
Operating Requests Priority 1 Total	506	640	740	740	740

Community Safety & Bylaw

Capital requests (\$ thousands)

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

Community Safety & Bylaw

Operating requests (\$ thousands) – priority 2

Priority 2

Description	2025	2026	2027	2028	2029
Bylaw Services Enforcement Coordinator	50	100	100	100	100
Bylaw Enforcement Officer (x2)	151	263	263	263	263
Operating Requests Priority 2 Total	201	362	362	362	362



Police Services & RCMP

Service budget overview

Police Services & RCMP

▶ Key accomplishments

- Enhanced and prioritized Repeat Offender Management Programs
- Prioritized select specialized policing units (i.e., Traffic and Community Safety)
 - Re-established the volunteer SpeedWatch Program
- Recalibrated Council priorities for RCMP, and enhanced the reporting framework
- Initiated coordination of the newly adopted Auxiliary Police Program
- Stabilized Police Services (support personnel) through investment and retention
- Continued cost recovery improvements for Regional RCMP and police resources

Police Services & RCMP

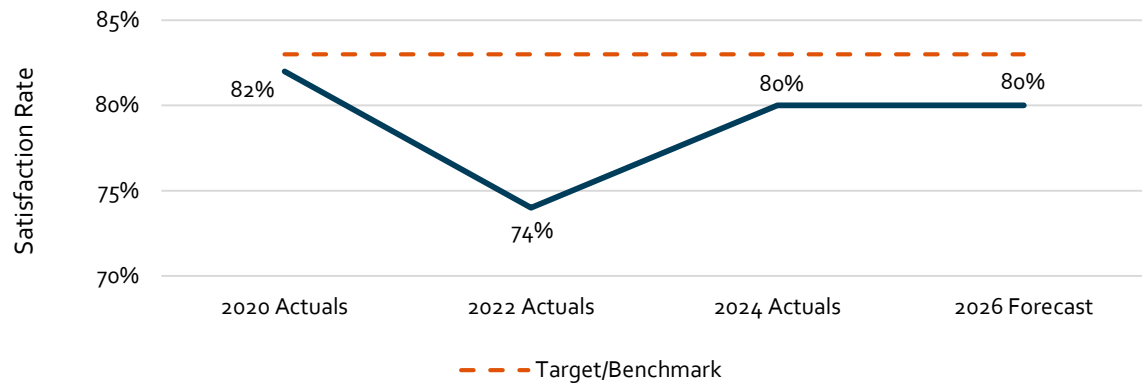
▶ Continuous improvements

- Enhance recruitment and retention efforts to increase occupancy rates
- Continued review of processes and adoption of technology to improve efficiencies
 - Body Worn Cameras to be introduced
 - Increase use of data-driven hotspot policing, including traffic enforcement
- Promote and support the right providers for mental health, addiction care, and housing needs
- Continued improvement of community safety concerns of diverse communities
- Further adoption of proven crime prevention approaches in business improvement areas
- Launch the RCMP Auxiliary program
- Continued prioritization of traffic enforcement and use of the new SpeedWatch Program

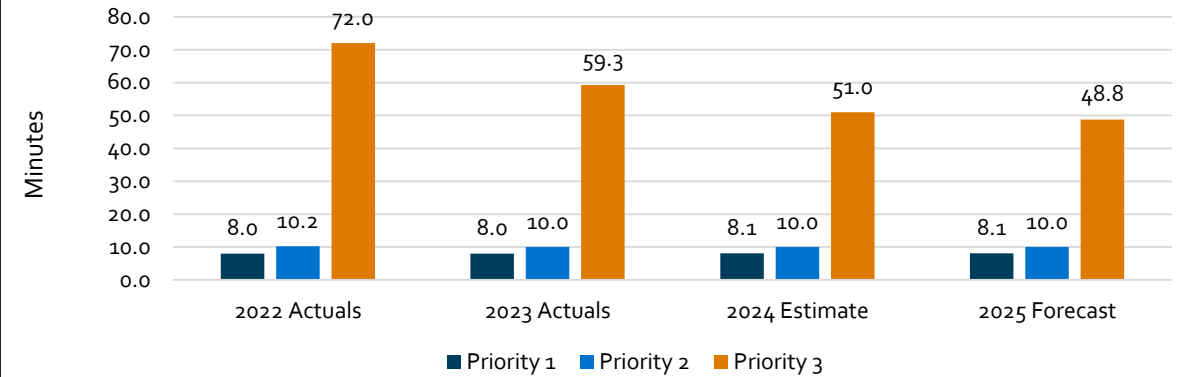
Police Services & RCMP

Performance measures

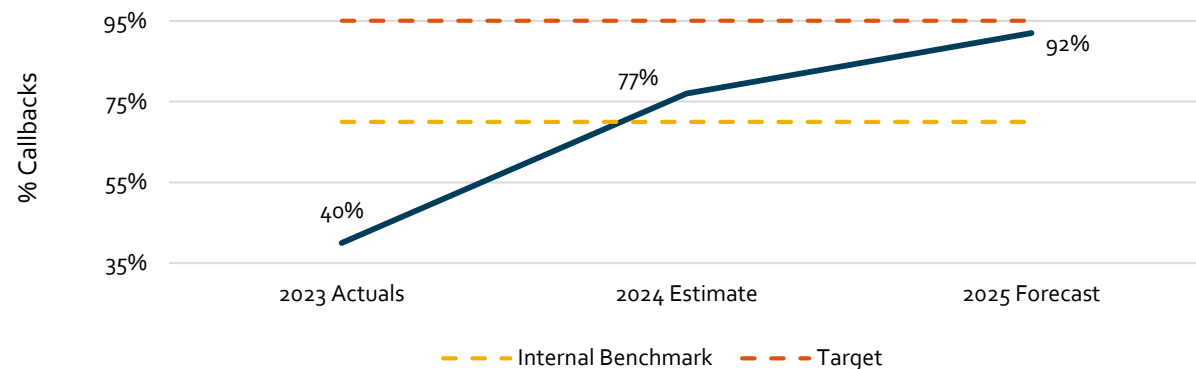
PM#1: Citizen Satisfaction With Police Services



PM#2: Police Response to Calls for Service (mins)

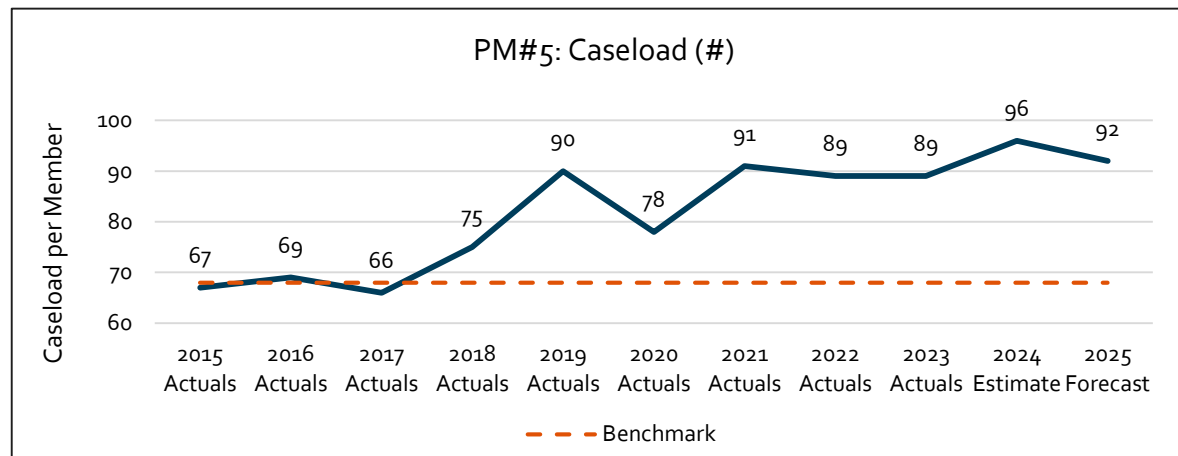
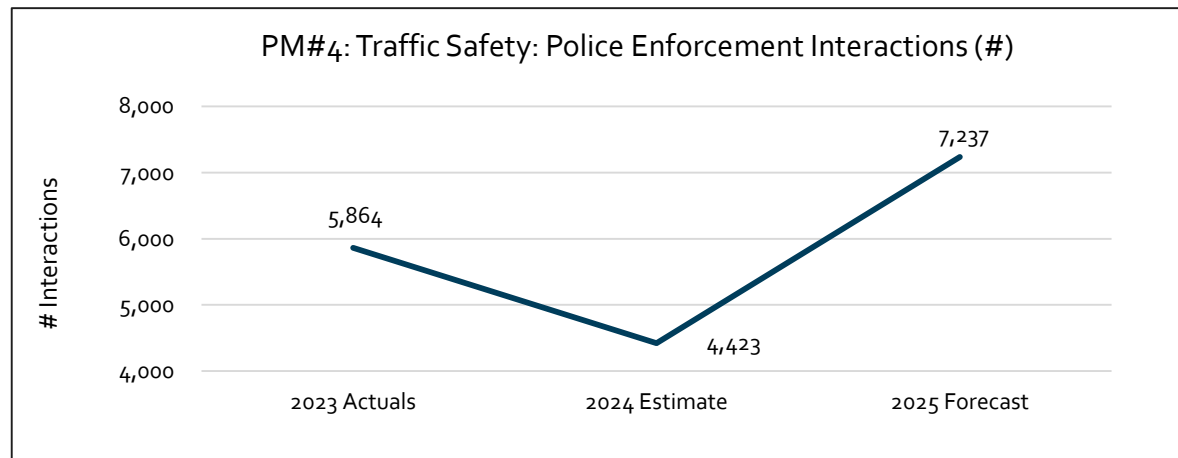


PM#3: Citizen Callbacks for Police Service Calls (%)



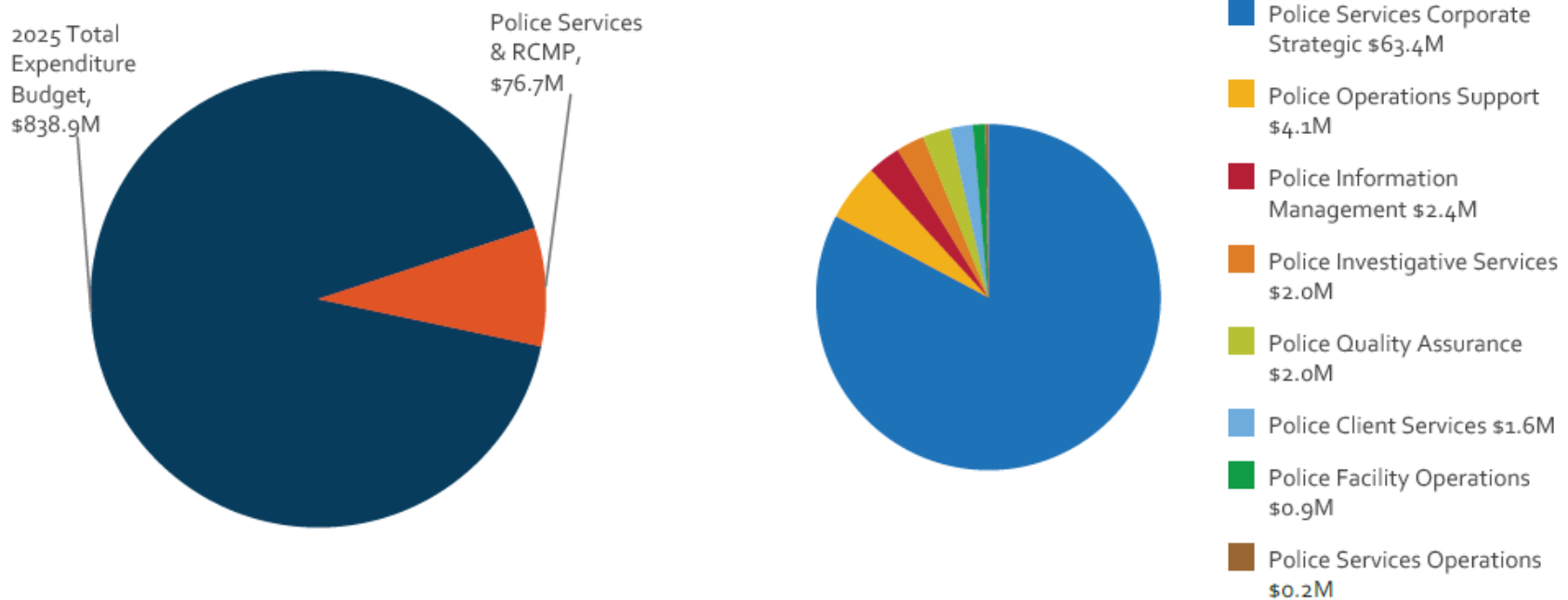
Police Services & RCMP

Performance measures (continued)



Police Services & RCMP Expenditure Budget

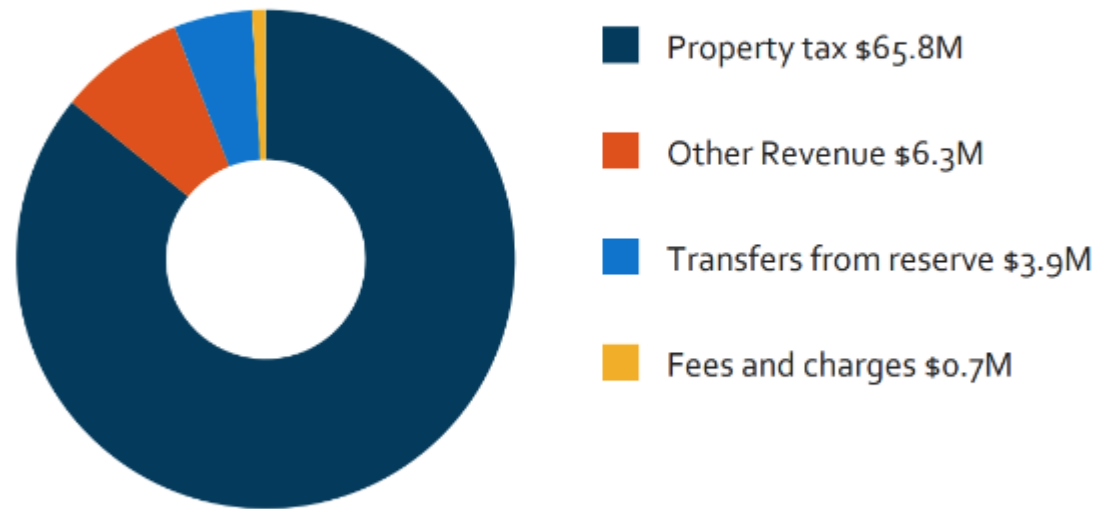
2025 Total Expenditure Budget Breakdown



Police Services & RCMP

Budget overview

Funding strategy



Total \$76.7M

Police Services & RCMP

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$66,635	\$ -	\$66,635
2023 & 2024 Adjustments	400	-	\$400
2025 Starting budget	\$67,035	\$ -	\$67,035

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Police Services & RCMP

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$67,035	\$ -	\$67,035
Maintaining current service level	8,804	-	\$8,804
	\$75,839	\$-	\$75,839
Enhancing service level	817	-	\$817
2025 Recommended budget	\$76,655	\$-	\$76,655

► Drivers for change:

- Higher caseloads and workloads due to population growth and complex social issues
- Enhanced service delivery to improve community safety
- Mitigating risk of non-compliance with Crown Counsel

Police Services & RCMP

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
RCMP Regular Members (7) - Public Safety Levy	—	—	—	—	—
Police Service Calls Support	147	292	292	292	292
Intelligence Analyst (Criminal) RCMP	64	236	236	236	236
Police Services Disclosure Specialist	52	104	104	104	104
Operating Requests Priority 1 Total	264	632	632	632	632

Police Services & RCMP

Capital requests (\$ thousands)

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.

Police Services & RCMP

Operating requests (\$ thousands) – priority 2

Priority 2

Description	2025	2026	2027	2028	2029
RCMP Regular Members	64	236	236	236	236
Operating Requests Priority 2 Total	64	236	236	236	236



Fire Safety

Service budget overview

Fire Safety

▶ Key accomplishments

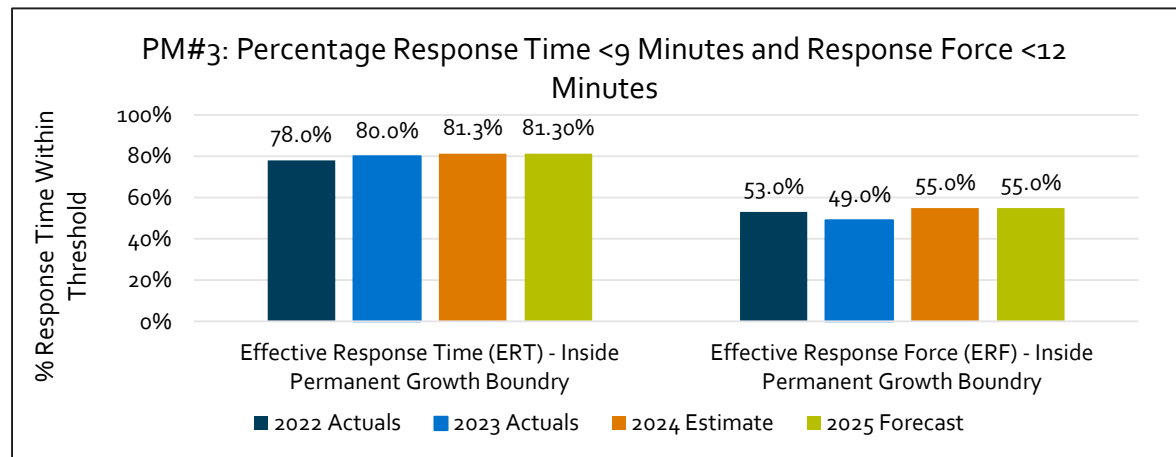
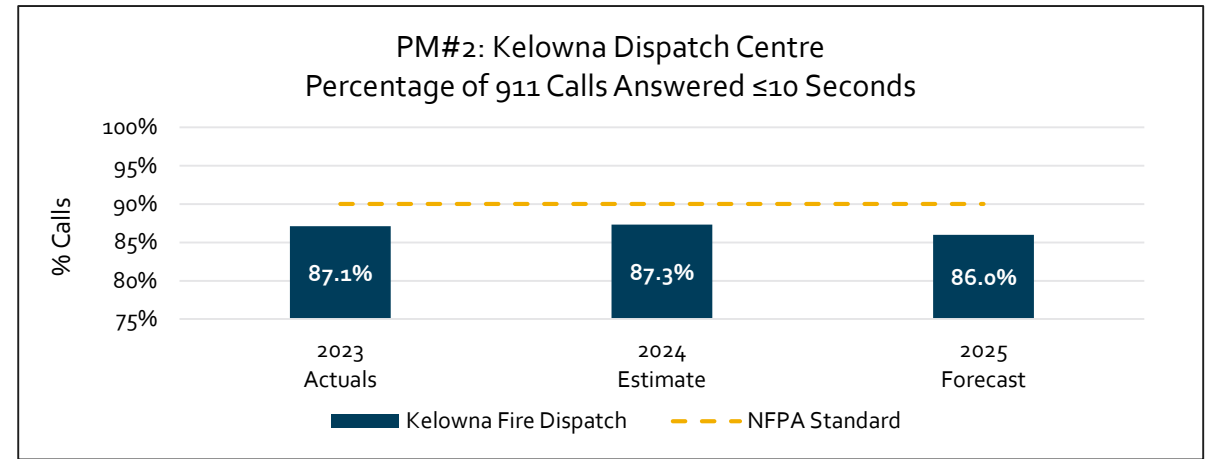
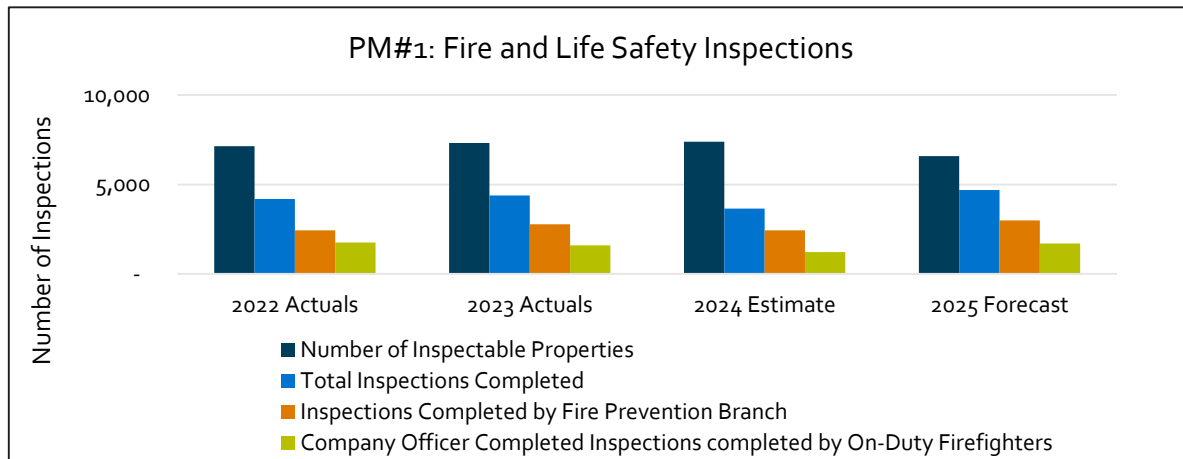
- Creation of KFD Facilities Master Plan, including benchmark and demand forecast analysis
- North Glenmore Emergency Response and facility planning
- Improved Effective Response Force with two additional firefighters at Fire Station 2 operating one squad downtown to improve Effective Response Time for the downtown core
- Introduction of a new Regional Marine Rescue Vessel to serve the regional rescue program
- Creation of the Wildfire Mitigation Branch with one full-time Captain, which has successfully improved the impact of FireSmart initiatives and enhanced community resilience against wildfires in Kelowna
- Addition of a new Incident Command Trailer to be utilized by Fire, Police, and Bylaw for large, complex emergency events
- Investment in training and equipment specifically for wildland-urban interface events, including Structure Protection Trailers, Engine Boss, Task Force Leader, and hands-on crew training
- Continued implementation within Dispatch of NG911

Fire Safety

▶ Continuous improvements

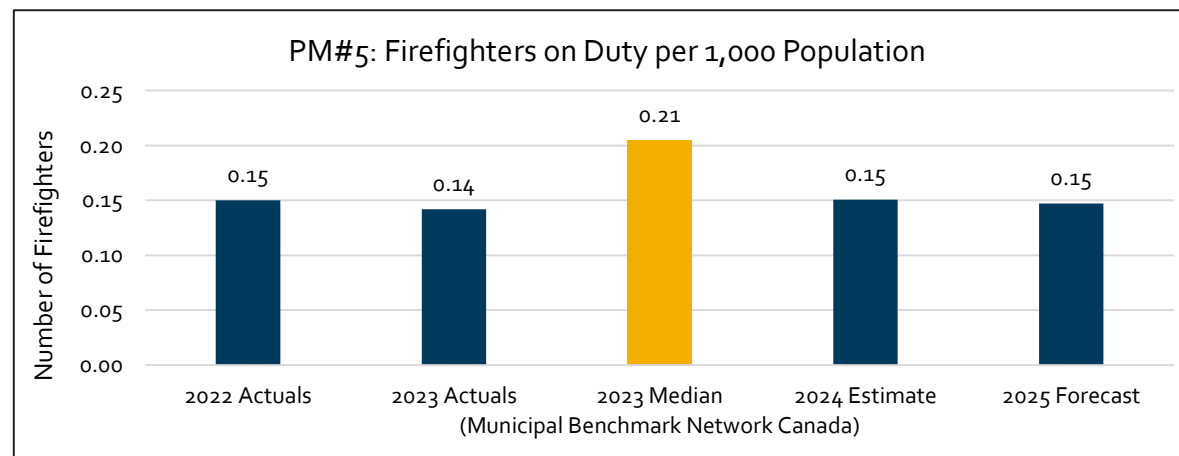
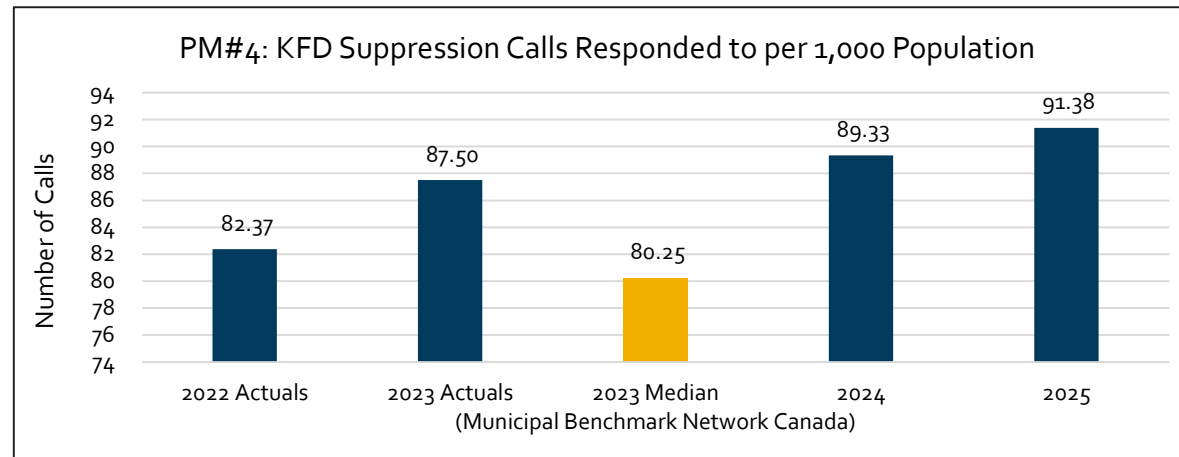
- Modernization of the KFD Strategic Plan to provide a benchmark for the department across all services, staffing, and facilities
- Continued focus on specialized training, with an emphasis on responder safety
- Development of a long-term strategy specific to Fire Dispatch that includes the impacts of NG911
- Expansion of the Wildfire Mitigation and FireSmart Initiatives for Kelowna residents and communities
- Continued enhancement of Wildfire Training and equipment
- Expansion of Firefighter Live Fire Training and Fire Officer development program
- Improvements in Effective Response Force and Effective Response Time

Fire Safety Performance measures



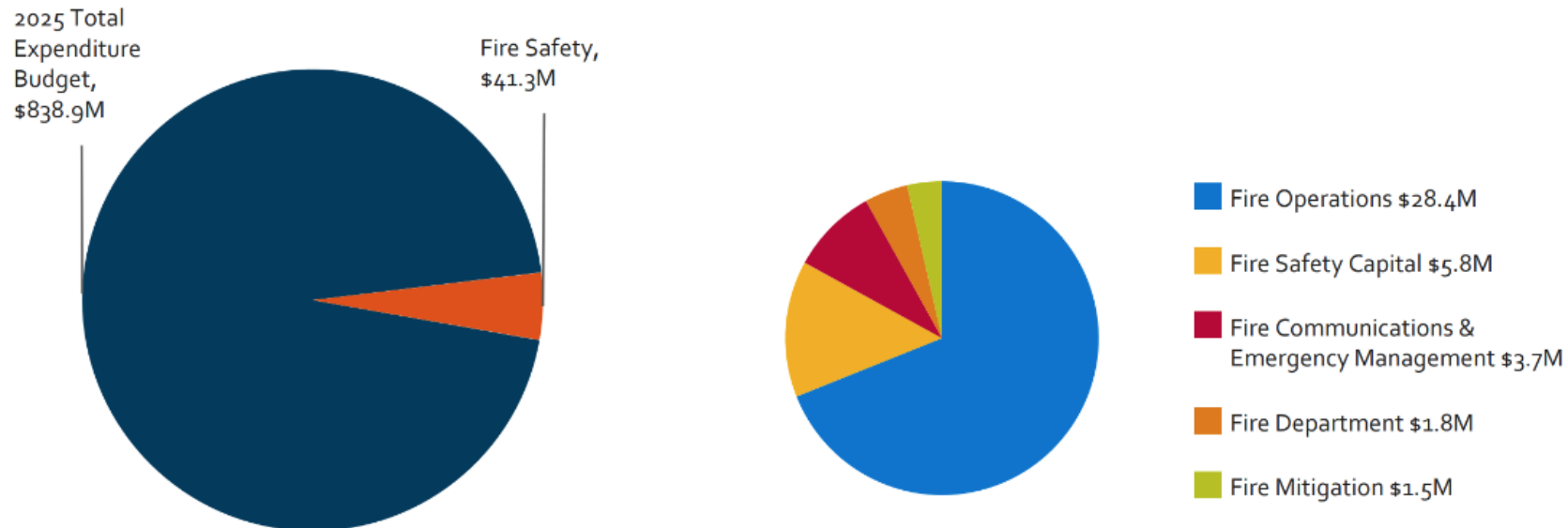
Fire Safety

Performance measures (continued)



Fire Safety Expenditure Budget

2025 Total Expenditure Budget Breakdown

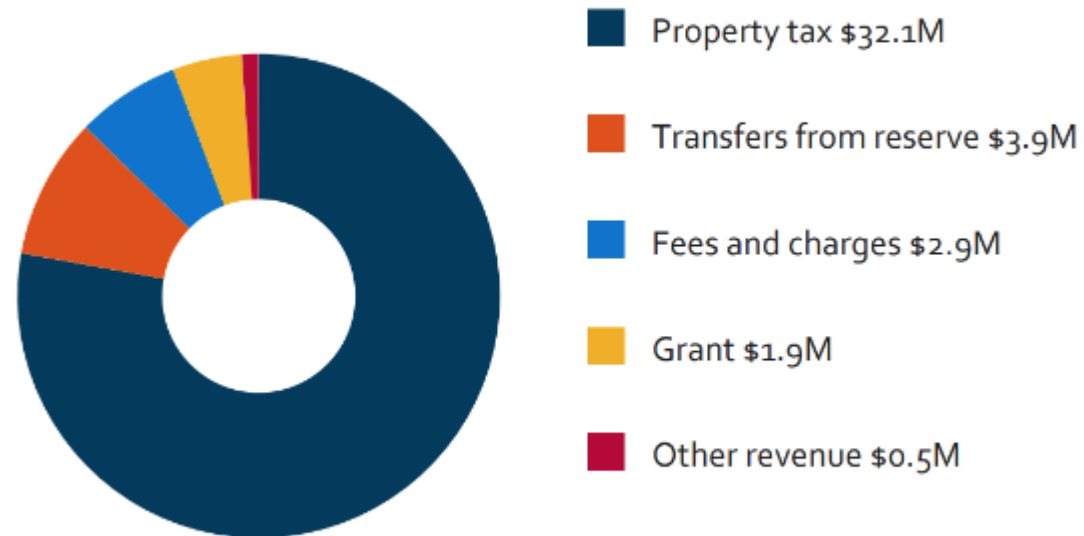


Total \$41.3M

Fire Safety

Budget overview

Funding strategy



Total \$41.3M

Fire Safety

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$33,809	\$ 5,923	\$39,732
2023 & 2024 Adjustments	(664)	(5,923)	(\$6,587)
2025 Starting budget	\$33,145	\$ -	\$33,145

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Fire Safety

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$33,145	\$ -	\$33,145
Maintaining current service level	2,106	3,098	\$5,204
	\$35,251	\$3,098	\$38,349
Enhancing service level	213	2,700	\$2,913
2025 Recommended budget	\$35,464	\$5,798	\$41,262

► Drivers for change:

- Firefighter training requirements
- Design and construction of Glenmore Protective Services Building

Fire Safety

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Firefighters (4) - Public Safety Levy	—	—	—	—	—
Assistant Fire Training Officer	99	176	176	176	176
KFD Live Fire Training	126	126	—	—	—
Operating Requests Priority 1 Total	225	302	176	176	176

Fire Safety

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Fire Communications Systems		102	850	552	11	11
Fire Vehicles & Equipment		1,091	854	204	3,717	2,806
Projects						
	Total Project					
NG911 Implementation	3,810	1,905	1,905	—	—	—
Glenmore Protective Services Building	39,000	2,700	9,450	12,150	14,700	—
Capital Request Priority 1 Total		42,810	5,798	13,059	18,428	2,817

Changes from 10-Year Capital Plan:

- Fire Communications Systems: \$0.010M



Wastewater Utility

Service budget overview

Wastewater Utility

▶ Key accomplishments

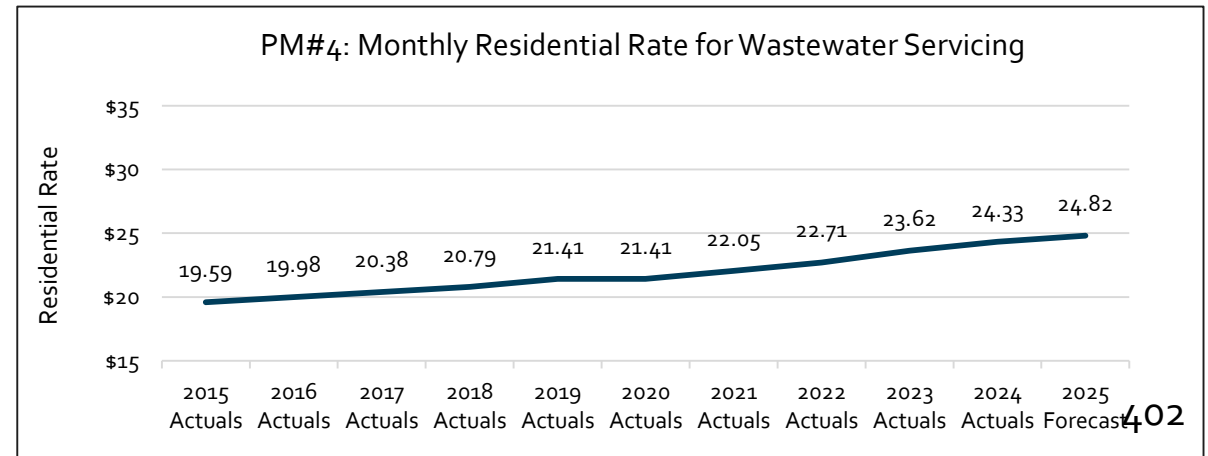
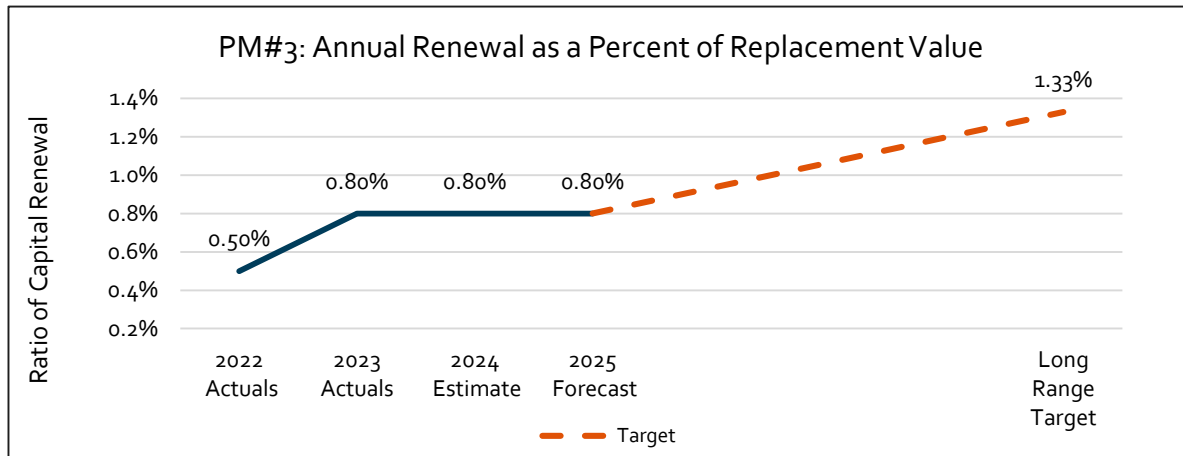
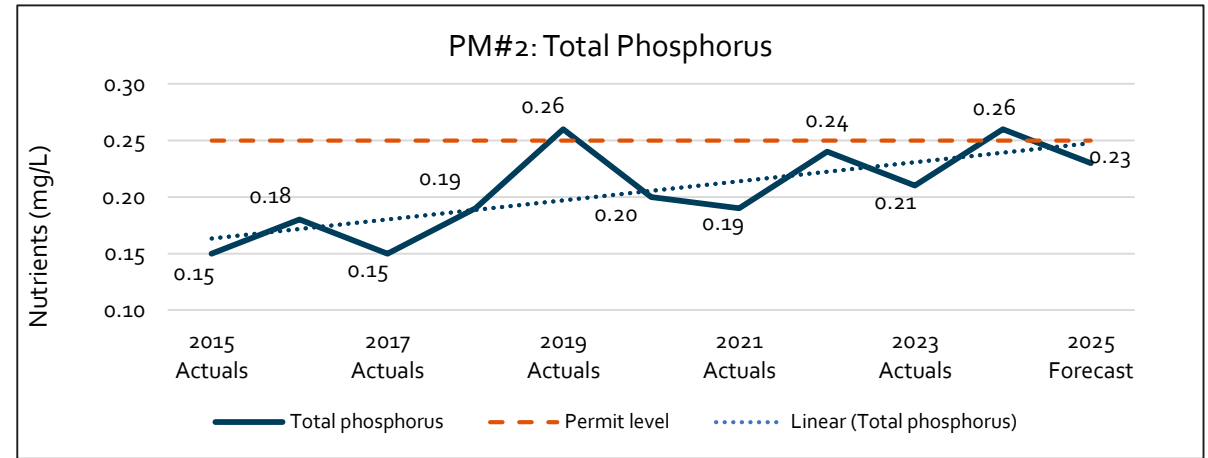
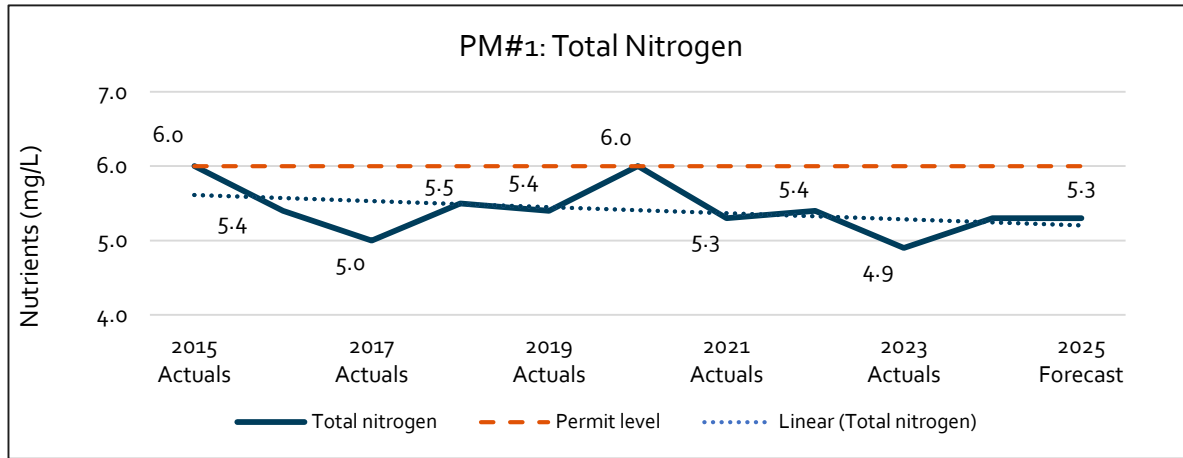
- Continued community outreach and educational opportunities to inform customers about wastewater collection and treatment and the direct impact actions have on the utility, public health, and the environment
- Operational projects will be completed or are on-track for completion
- Environmental Operator Certified staff met all their continuing education required for Provincial Certification
- Added new collection mains and sewer connections for 31 residences previously on septic treatment in the Rio Drive/Terrace Drive area
- Completed the Burtch transmission relining project, the complete re-lining of 2.7 km of failing concrete sewer main from Enterprise Way to Byrns Road
- Allowed discharge of treated effluent from the District of Lake Country in the Jim Bailey Industrial Area
- Addressed urgent need to provide interim effluent disposal from an agricultural processor in the Regional District of Central Okanagan service area to support local agriculture

Wastewater Utility

▶ Continuous improvements

- Utility staff are continually increasing levels of knowledge and using outreach opportunities to help keep them in tune with the latest treatment, collection and disposal of wastewater liquid and solids
- We are future focused and closely monitor our developing community and impacts of climate change and how those can affect the utility
- Increased nutrient loading at the treatment facility is still under review, this situation is not isolated to Kelowna and is being experienced at many other locations. Discussions and further exploration to address this issue are planned for 2025

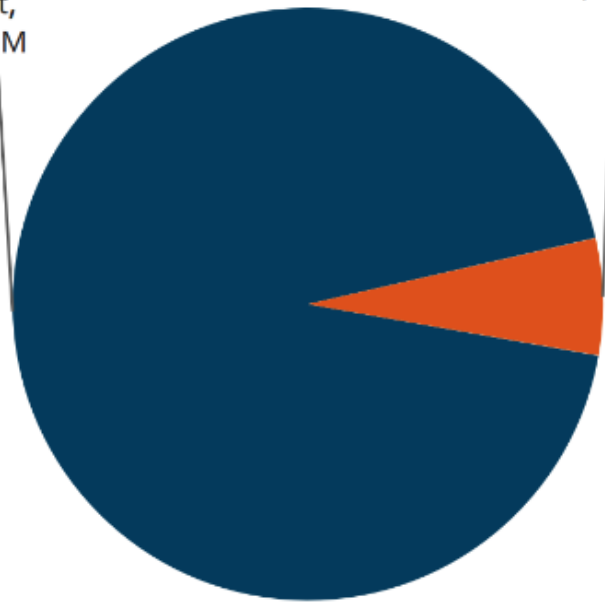
Wastewater Utility Performance measures



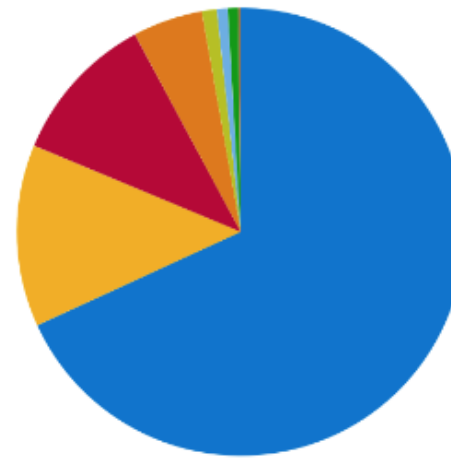
Wastewater Utility Expenditure Budget

2025 Total Expenditure Budget Breakdown

2025 Total
Expenditure
Budget,
\$838.9M



Wastewater
Utility, \$56.9M



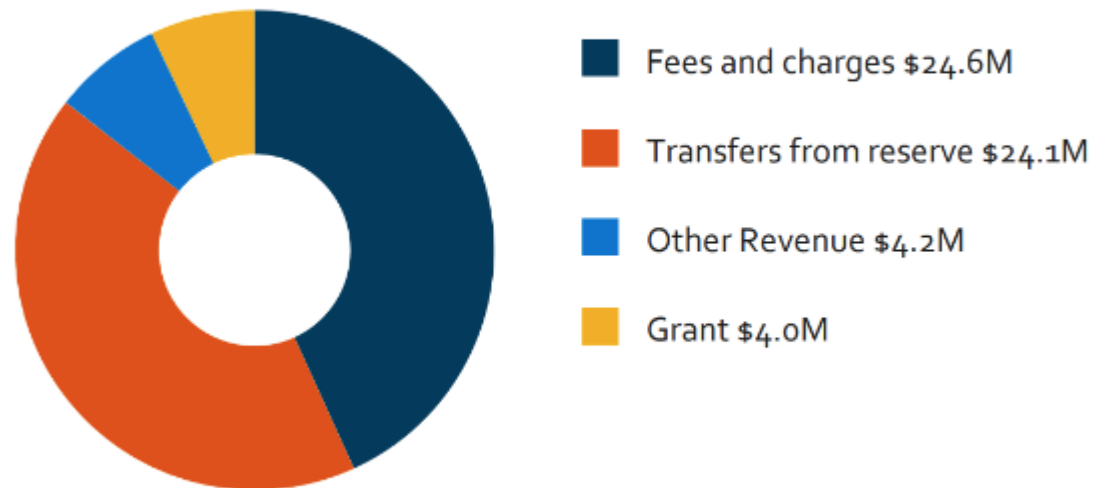
- Wastewater Capital \$38.8M
- Wastewater Treatment \$7.5M
- Wastewater Collection \$6.2M
- Biosolids \$2.9M
- Water Quality & Customer Care - Wastewater \$0.6M
- Utility Planning - Wastewater \$0.4M
- Wastewater Construction \$0.4M
- Infrastructure Delivery - Wastewater \$0.1M

Total \$56.9M

Wastewater Utility

Budget overview

Funding strategy



Total \$56.9M

Wastewater Utility

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$17,309	\$ 46,799	\$64,108
2023 & 2024 Adjustments	(643)	(46,799)	(\$47,442)
2025 Starting budget	\$16,666	\$ -	\$16,666

► Drivers for change:

- Removal of 2024 one-time capital and operating budgets
- Removal of 2024 carryover capital and operating budgets
- Annualization of 2023 & 2024 operating requests

Wastewater Utility

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$16,666	\$ -	\$16,666
Maintaining current service level	1,023	4,500	\$5,523
	\$17,689	\$4,500	\$22,189
Enhancing service level	443	34,289	\$34,732
2025 Recommended budget	\$18,132	\$38,789	\$56,921

► Drivers for change:

- Regulatory compliance
- Expansion, renewal and upgrades due to system growth and aging infrastructure
- Reliable, sustainable wastewater disposal

Wastewater Utility

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Wastewater Collection Operations - Growth	26	26	26	26	26
Wastewater Treatment Planning	325	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	92	176	176	176	176
Operating Requests Priority 1 Total	443	202	202	202	202

Wastewater Utility

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Wastewater Network & Facilities		4,637	5,488	9,950	8,707	8,086
Wastewater Treatment		4,500	4,250	3,000	2,000	2,000
Projects						
	Total Project					
Frost Rd Upgrades (w/utilities)	100	100	—	—	—	—
Hydro-Vac Disposal Facility	2,500	250	1,000	1,250	—	—
KLO Bridge Replacement (w/utilities)	1,000	800	200	—	—	—
Sewer Connection Areas	25,196	6,958	2,981	380	—	—
Wastewater System Upgrades	41,775	19,794	11,764	1,600	—	300
WWTF Expansion	40,000	500	500	1,000	10,000	10,000
* Wastewater Vacuum Truck and Building	1,250	1,250	—	—	—	—
Capital Request Priority 1 Total	111,821	38,789	26,183	17,180	20,707	20,386

Wastewater Utility

Changes from 10 Year Capital Plan

- Wastewater Vacuum Truck and Building: \$1.250M
- Wastewater Treatment: (\$1.115M)



Stormwater & Flood Protection

Service budget overview

Stormwater & Flood Protection

▶ Key accomplishments

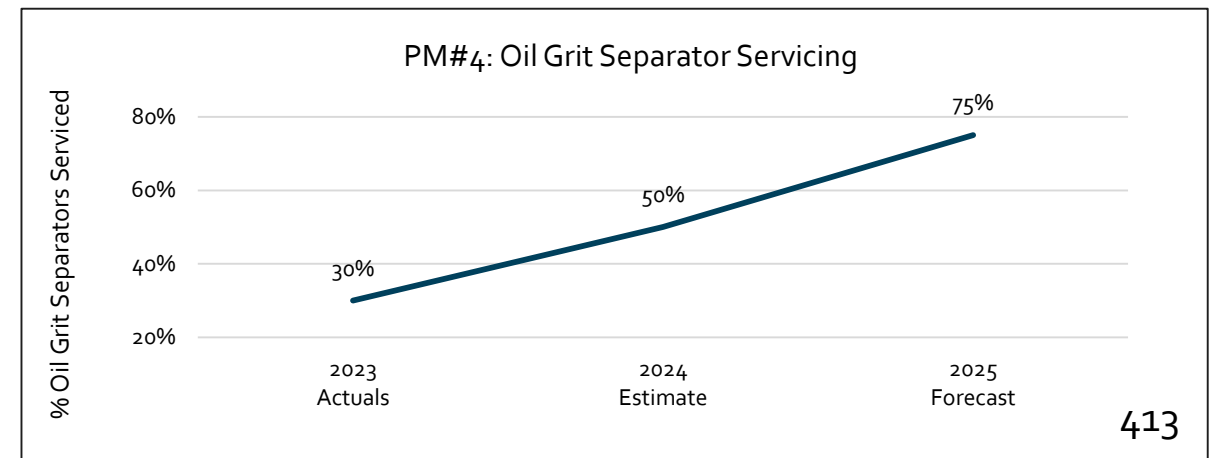
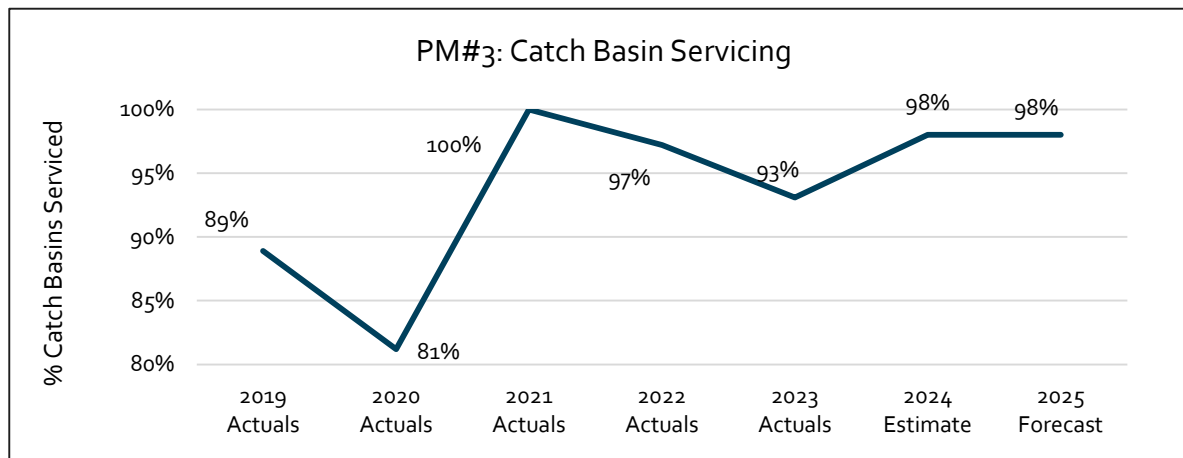
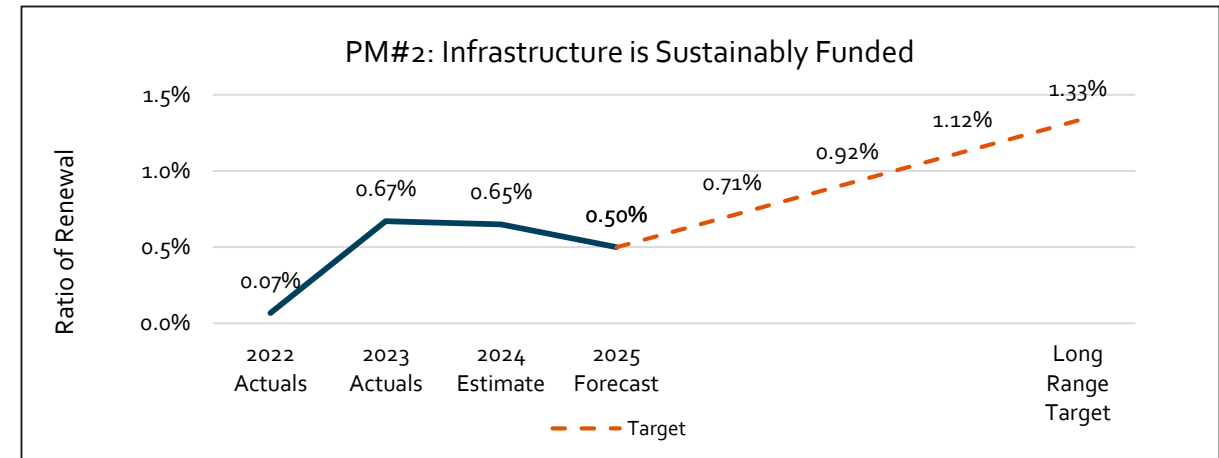
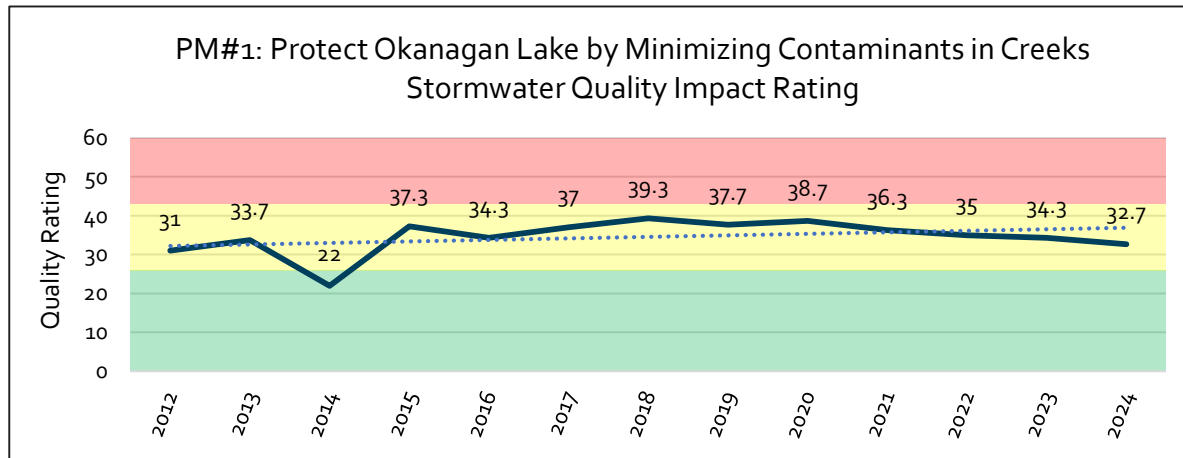
- Stormwater Infrastructure
 - New Stormwater Dam and Dike Safety Program – Created an inventory, condition assessment program and prioritization of future improvements and renewals for all registered dams and dikes owned by the City
 - Mill Creek Flood Protection
 - Diversion – Complete
 - Mill Outlet to Mission Creek – Riffles (Reach 4) complete
- Stormwater Utility
 - Phase 1 Stormwater Utility Business Case and Implementation Plan – Complete
 - Phase 2 Public engagement – Complete

Stormwater & Flood Protection

▶ Continuous improvements

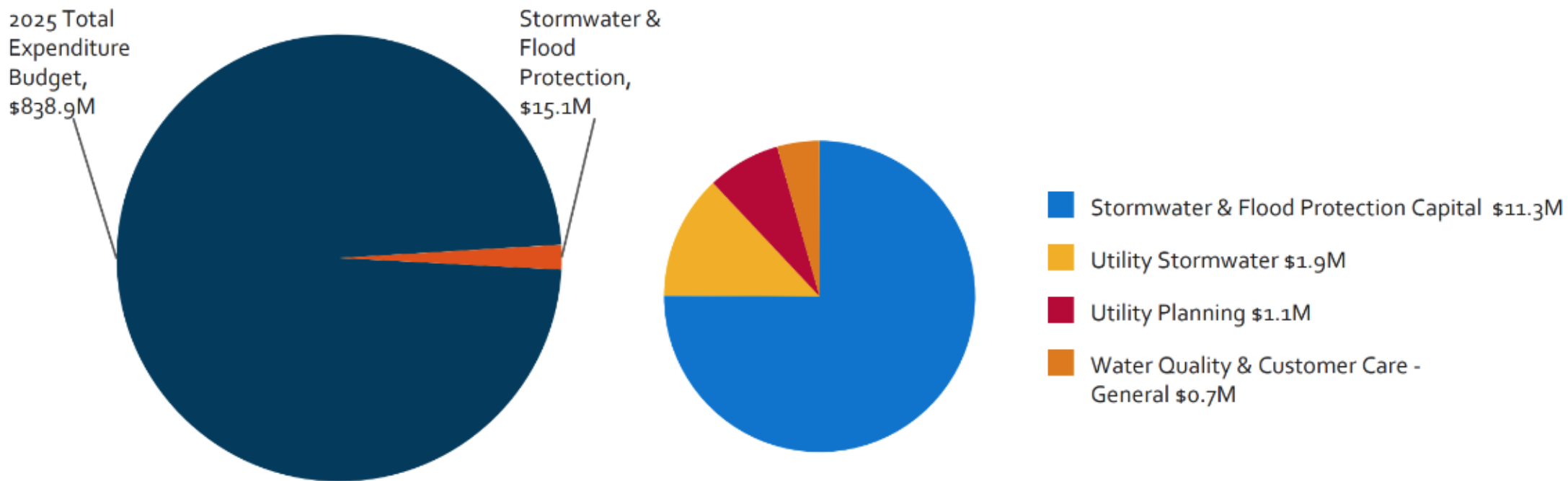
- Phase 2 - Stormwater Utility Business Case and Implementation Plan – On-going
- Development stormwater management plans – Process improvement with Development Services
- Stormwater planning for transportation planning
- Stormwater quality reporting in 2024

Stormwater & Flood Protection Performance measures



Stormwater & Flood Protection Expenditure Budget

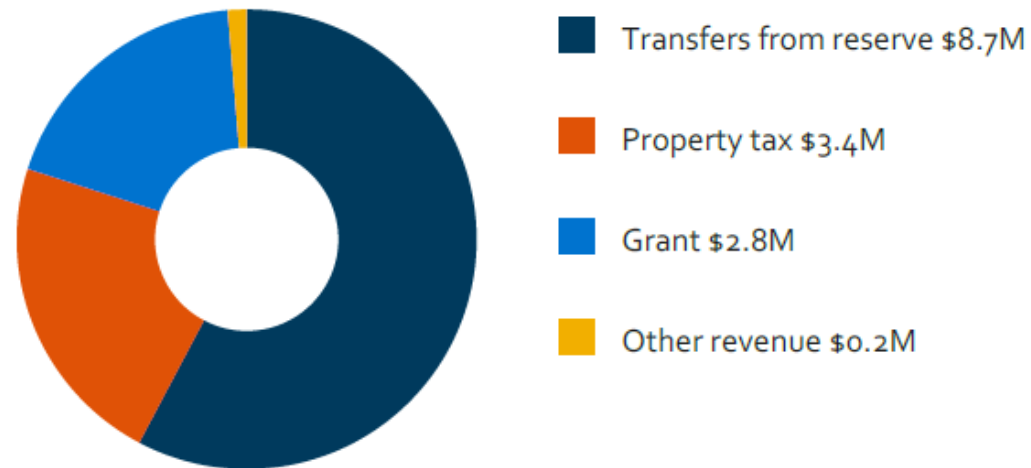
2025 Total Expenditure Budget Breakdown



Stormwater & Flood Protection

Budget overview

Funding strategy



Total \$15.1M

Stormwater & Flood Protection

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$5,338	\$ 15,395	\$20,733
2023 & 2024 Adjustments	(2,034)	(15,395)	(\$17,429)
2025 Starting budget	\$3,304	\$ -	\$3,304

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Stormwater & Flood Protection

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$3,304	\$ -	\$3,304
Maintaining current service level	183	3,177	\$3,360
	\$3,487	\$3,177	\$6,664
Enhancing service level	308	8,159	\$8,467
2025 Recommended budget	\$3,795	\$11,336	\$15,131

► Drivers for change:

- Drainage issues and need for increased storm system capacity
- Flood protection and habitat improvements

Stormwater & Flood Protection

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Stormwater Management - Redeployment	—	—	—	—	—
Stormwater Utility Business Case - Phase 3	125	—	—	—	—
Stormwater Basin Plan - Brandts-Glenmore Basin	250	—	—	—	—
Operating Requests Priority 1 Total	375	—	—	—	—

Stormwater & Flood Protection

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Stormwater Network & Facilities		3,177	4,690	4,300	5,950	3,700
Stormwater Quality		219	360	500	400	500
Projects						
	Total Project					
Frost Rd Upgrades (w/utilities)	750	750	—	—	—	—
Mill Creek Flood Protection	51,395	7,080	14,800	10,950	—	—
Stormwater System Upgrades	12,380	110	990	300	2,710	5,470
Capital Request Priority 1 Total	64,525	11,336	20,840	16,050	9,060	9,670

Changes from 10-Year Capital Plan:

- Stormwater Network & Facilities: (\$0.450M)



Water Utility

Service budget overview

Water Utility

▶ Key accomplishments 2024

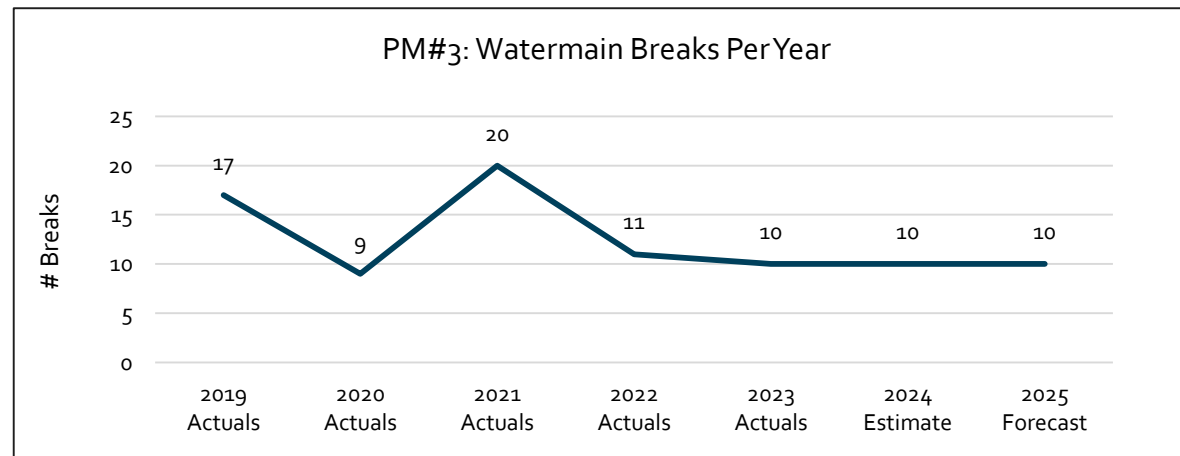
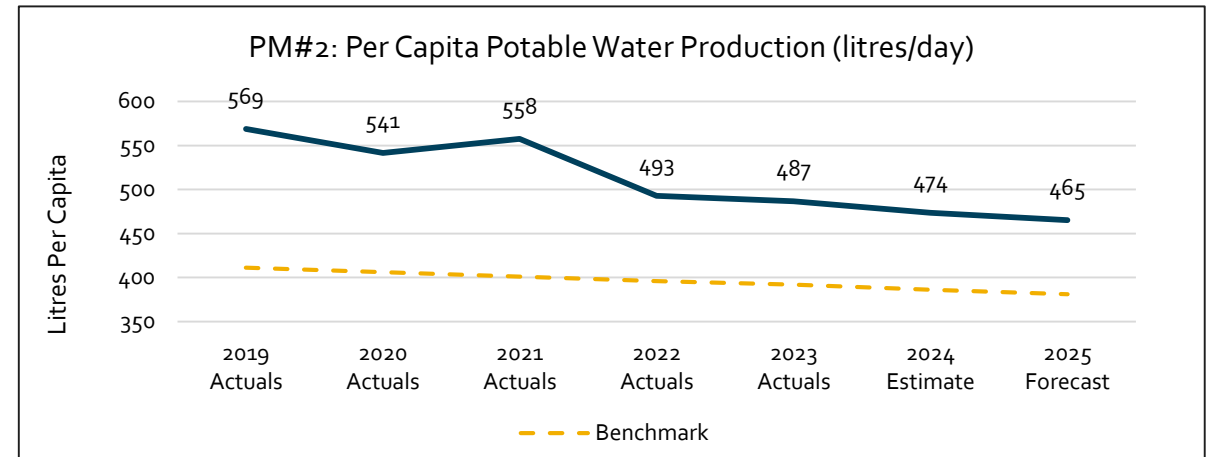
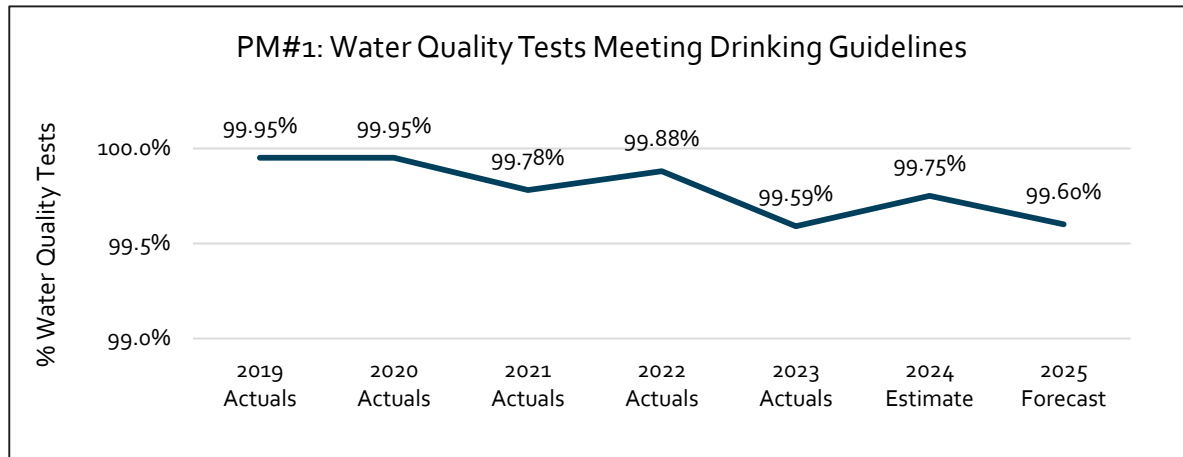
- **Ultraviolet Light Disinfection Facilities:** A significant accomplishment was achieved within the Poplar Point UV facility to mitigate impacts from a UV lamp failure. The work was particularly challenging as the system had to remain functional during construction. This work will continue to be expanded to the remaining stations
- **Turtle Lake Dams:** Assessment and mitigation of a potential dam failure was completed in 2023. The lake was safely lowered to reduce the risk of failure and a project to remediate the dam is being planned. Dam assessment and monitoring continued to assist with the rehabilitation of the dams. Design of the remediation is expected to commence late in 2024 and continue into 2025
- **Summit Reservoir:** One additional reservoir was constructed in 2024 to serve the north part of the City

Water Utility

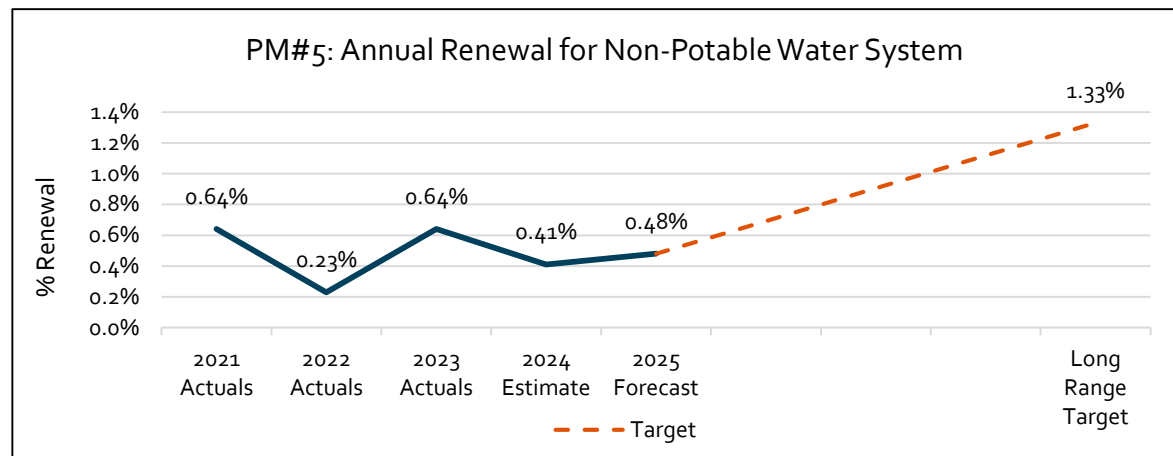
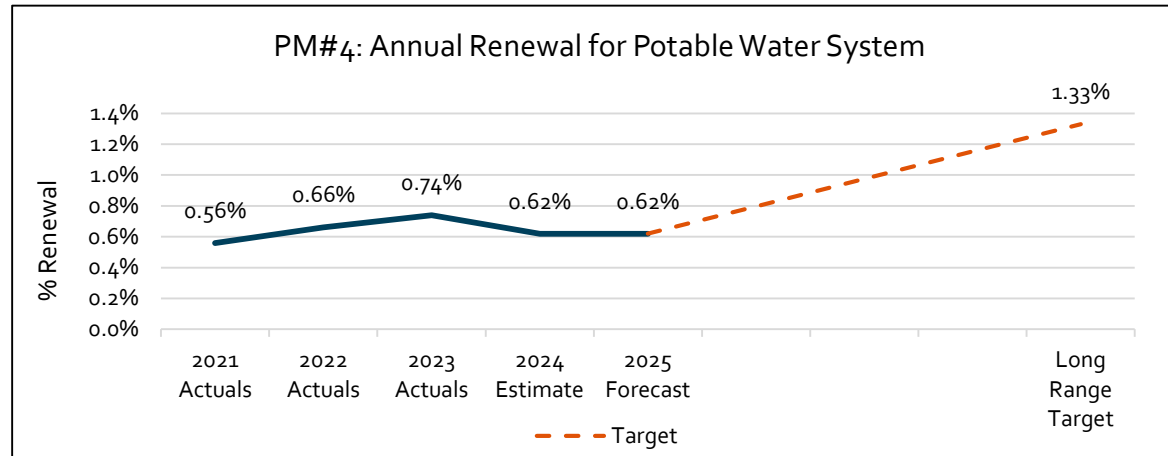
▶ Continuous improvements

- Staff are committed to continuous improvement and assess our systems and infrastructure to look for improvement opportunities
 - Pressure Reducing Valve Condition Assessment and Program Development
 - Non-Potable System Assessment
 - Risk Assessment and contingency planning for critical assets and systems (telemetry and communications)
 - Council approval and implementation of a holistic Water Security and Responsibility Plan
 - Interconnectivity planning with Improvement Districts

Water Utility Performance measures

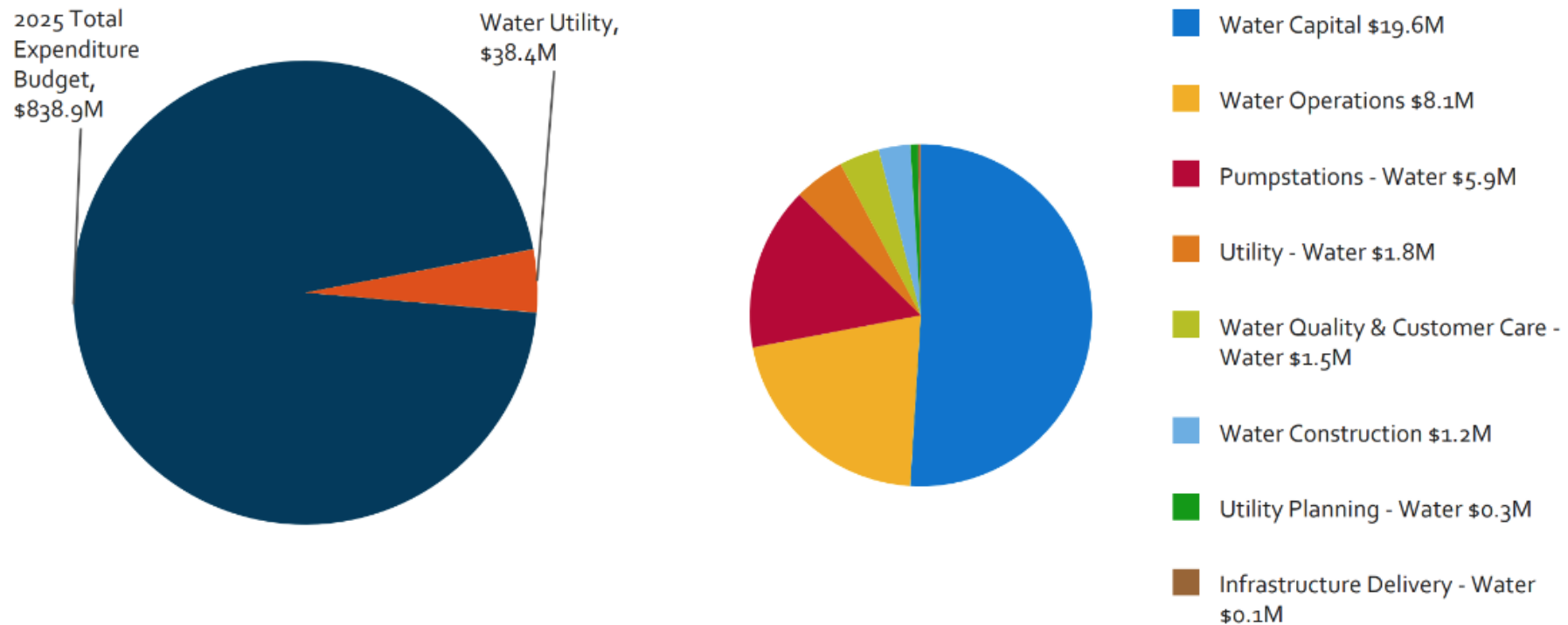


Water Utility Performance measures (continued)



Water Utility Expenditure Budget

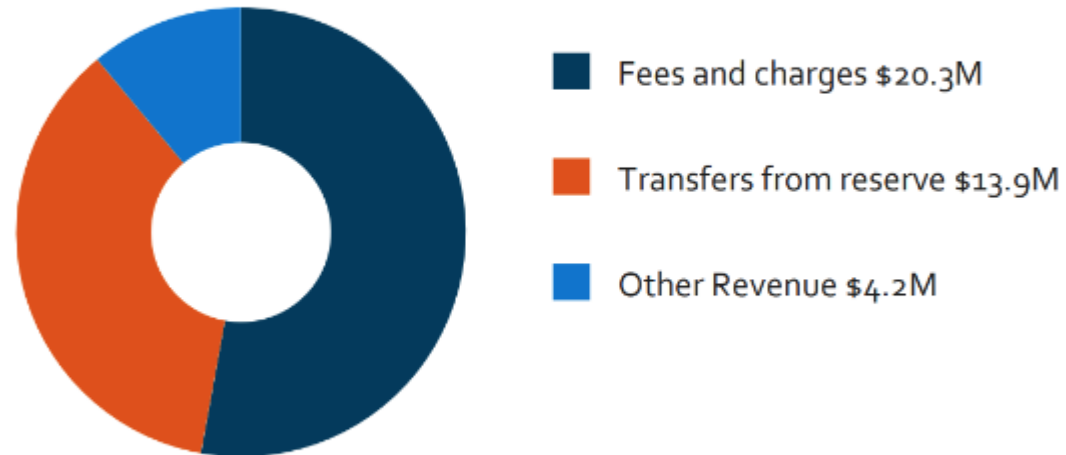
2025 Total Expenditure Budget Breakdown



Total \$38.4M

Water Utility Budget overview

Funding strategy



Total \$38.4M

Water Utility

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$19,324	\$ 16,548	\$35,872
2023 & 2024 Adjustments	(1,159)	(16,548)	(\$17,707)
2025 Starting budget	\$18,165	\$ -	\$18,165

► Drivers for change:

- Removal of 2024 one-time capital and operating budgets
- Removal of 2024 carryover capital and operating budgets
- Annualization of 2023 & 2024 operating requests

Water Utility

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$18,165	\$ -	\$18,165
Maintaining current service level	508	10,261	\$10,769
	\$18,673	\$10,261	\$28,934
Enhancing service level	161	9,347	\$9,508
2025 Recommended budget	\$18,834	\$19,608	\$38,442

► Drivers for change:

- Aging infrastructure
- Reliable water service and fire protection
- Service standards and regulatory compliance

Water Utility

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Water Operations - Growth	153	272	272	272	272
Water Efficiency Program Enhancements	61	119	119	119	119
Water Distribution Operations Enhancements - Redeployment	100	100	100	100	100
Operating Requests Priority 1 Total	314	491	491	491	491

Water Utility

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Non-Potable Water Network & Facilities		1,406	2,640	2,740	3,240	3,240
Potable Water Network & Facilities		7,570	6,100	6,350	8,250	7,900
Water Treatment		1,285	400	—	—	—
Projects						
	Total Project					
Frost Rd Upgrades (w/utilities)	200	200	—	—	—	—
GEID Integration	5,150	3,850	600	—	—	—
KLO Bridge Replacement (w/utilities)	2,000	2,000	—	—	—	—
Non-Potable System Upgrades	5,700	400	2,000	3,300	—	—
Potable Water System Upgrades	52,306	2,897	5,450	10,500	7,450	10,000
Capital Request Priority 1 Total	65,356	19,608	17,190	22,890	18,940	21,140



Solid Waste & Landfill

Service budget overview

Solid Waste & Landfill

▶ Key accomplishments

- Worked with Water, Roads, Parks and the Cemetery on a Civic Operations staff rotation to provide cross training and learning opportunities
- Completed the first phase of construction for the Aerated Static Pile compost system for Glengrow operations
- Area 3 landfill liner construction and Sliver Fill projects in 2024 and planned filling expansions in 2025
- Completed site landfill gas repairs and remedial earthworks to mitigate the damage from the 2023 McDougall Creek wildfires
- Implemented majority of recommendations from 2023 Design, Operations and Closure Plans and ancillary reports

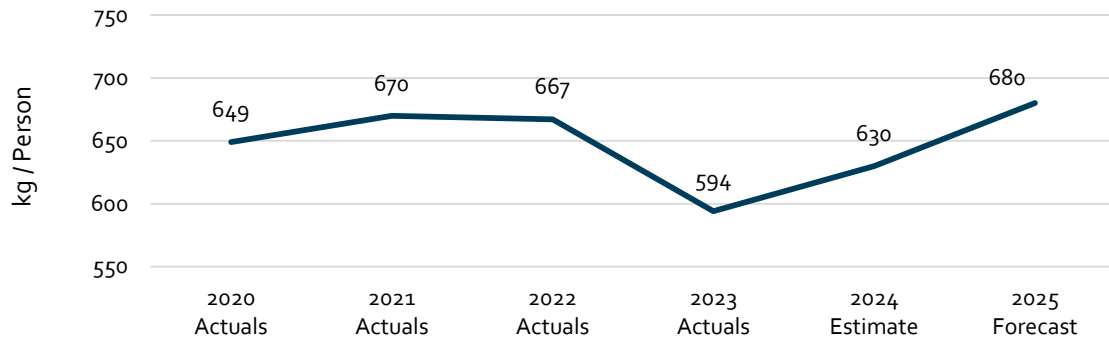
Solid Waste & Landfill

▶ Continuous improvements

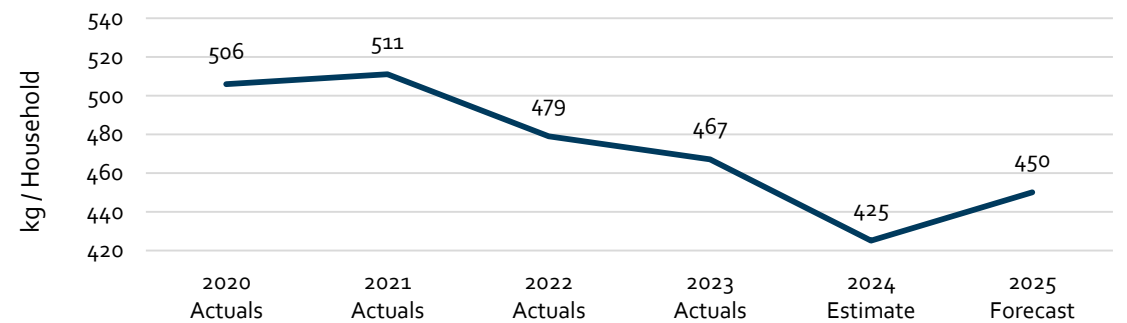
- Design and RFP underway for end-of-life flare replacement
- Studies for leachate pre-treatment and potential facility construction in 2026
- Working with FortisBC to expand and better integrate their renewable natural gas system into landfill operations
- Planning for next phases of the Aerated Static Pile compost system
- Improvements to site by expanding waste recovery operations, preparation of structural fill for capital projects, and composting operations

Solid Waste & Landfill Performance measures

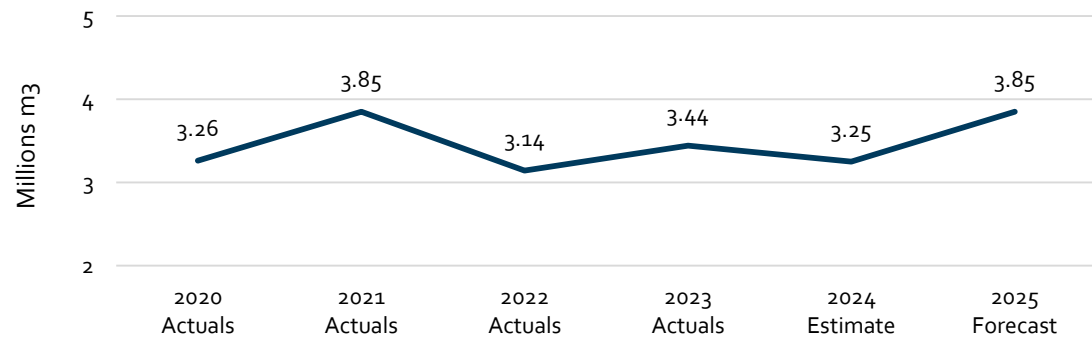
PM#1: Regional Per Capita Waste Landfilled (kg/person)



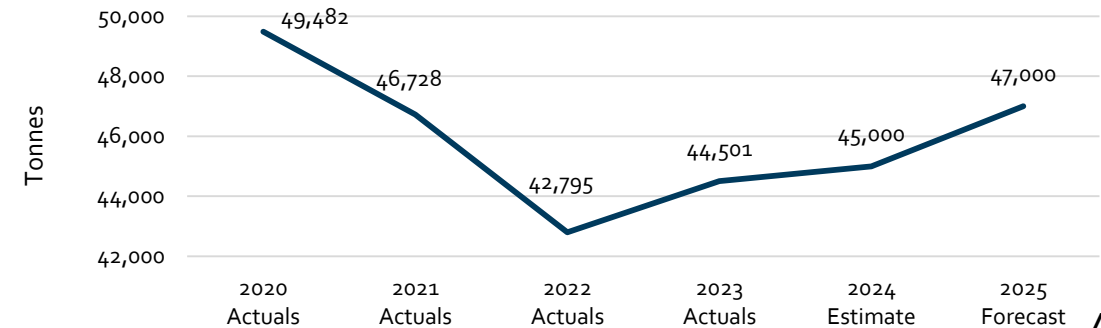
PM#2: Curbside Waste Collected Per Household



PM#3: Reduce GHG by Using or Destroying Landfill Gas (Millions m3)

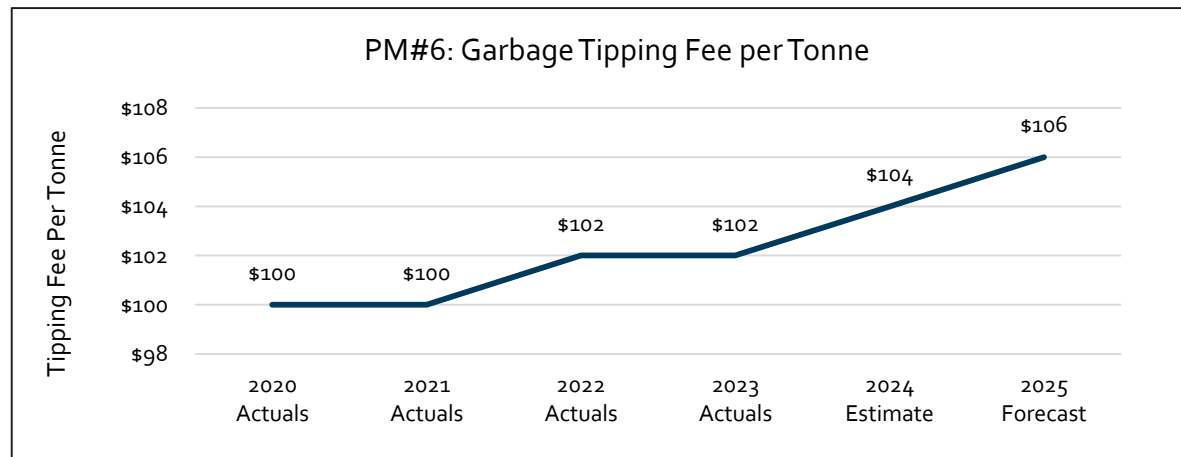
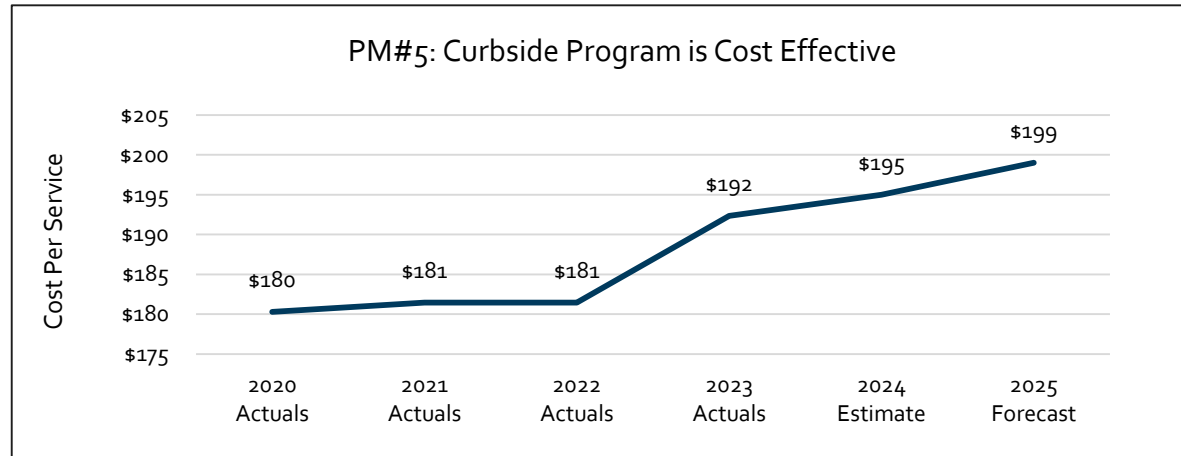


PM#4: Organics Diversion (tonnes)



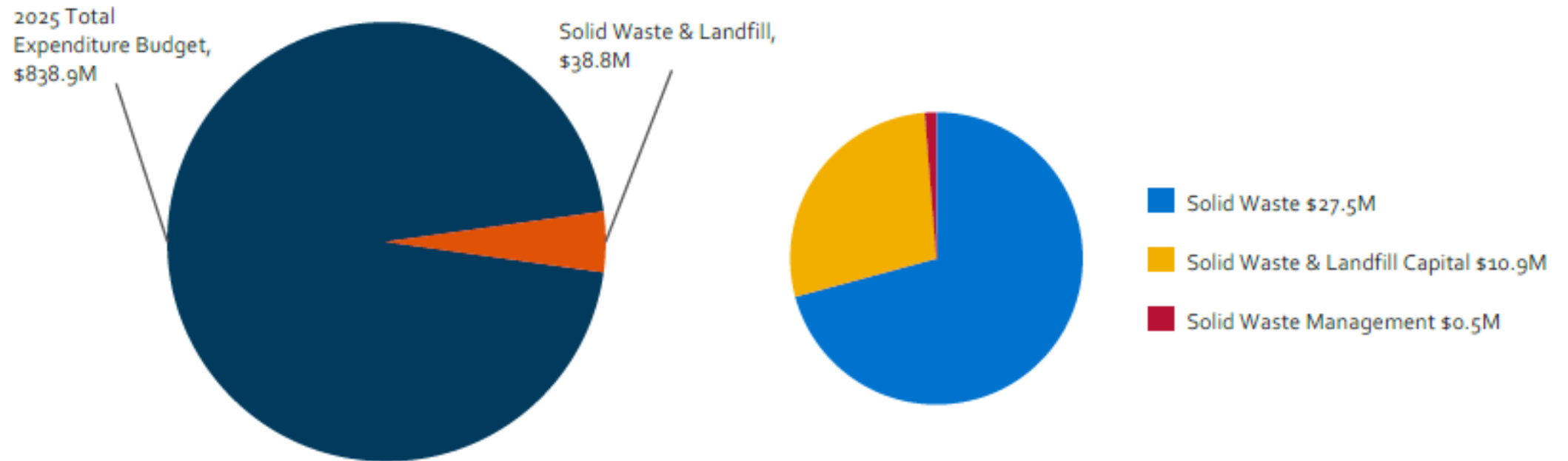
Solid Waste & Landfill

Performance measures (continued)



Solid Waste & Landfill Expenditure Budget

2025 Total Expenditure Budget Breakdown

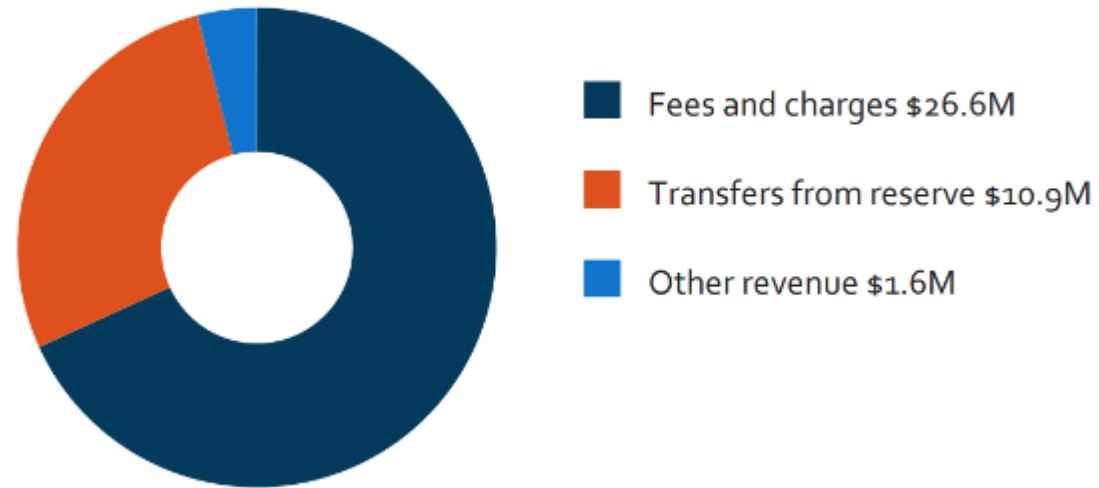


Total \$38.8M

Solid Waste & Landfill

Budget overview

Funding strategy



Total \$39.0M

Solid Waste & Landfill

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$26,378	\$22,203	\$48,581
2023 & 2024 Adjustments	(194)	(22,203)	(\$22,397)
2025 Starting budget	\$26,184	\$ -	\$26,184

► Drivers for change:

- Removal of 2024 one-time capital and operating budgets
- Removal of 2024 carryover capital and operating budgets
- Annualization of 2023 & 2024 operating requests

Solid Waste & Landfill

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$26,184	\$ -	\$26,184
Maintaining current service level	1,785	5,400	\$7,185
	\$27,969	\$5,400	\$33,369
Enhancing service level	-	5,450	\$5,450
2025 Recommended budget	\$27,969	\$10,850	\$38,819

▶ Drivers for change:

- Compliance with environmental regulations
- Expanded composting capacity and landfill infrastructure
- Mitigating flood risks

Solid Waste & Landfill

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Landfill Operations Maintenance	140	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	51	101	101	101	101
Operating Requests Priority 1 Total	191	101	101	101	101

Solid Waste & Landfill

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
* Solid Waste Equipment		1,150	1,050	450	450	450
Solid Waste Infrastructure & Facilities		4,250	4,200	4,150	1,885	1,860
<hr/>						
Projects	Total Project					
Composting System Expansion	9,200	700	3,000	3,700	500	1,300
Surface Water Bypass	9,850	4,750	—	350	4,750	—
Capital Request Priority 1 Total	19,050	10,850	8,250	8,650	7,585	3,610

Solid Waste & Landfill

Changes from 10 Year Capital Plan

- Solid Waste Infrastructure & Facilities (Oil Water Separator): **(\$0.350M)**



Transportation

Service budget overview

Transportation

▶ Key accomplishments

- Delivered seven traffic calming projects. Completed consultation and design for the Hollydell Neighbourhood Traffic Calming Project with delivery planned for 2025
- Pavement resurfacing on 16km of roadways, including sections of Gordon Dr, Springfield, Glenmore, Sutherland, and Leckie roads. Repaving in coordination with other capital and utility projects and crack sealing on 12km of roads to extend the lifespan of existing pavement
- Completion of the Bertram Overpass, connecting Downtown with Central Green across Harvey. The overpass will form part of the future Bertram ATC, planned for construction in 2025/26
- New traffic signals at Frost Rd/Gordon Dr and Clifton/Rio Dr. Safety improvements at the intersections of Spall/Springfield and Richter/KLO
- Installed seven new crosswalk rectangular rapid flashing beacons (RRFBs) and completed crosswalk designs for four more projects planned for 2025. Constructed three sidewalk improvement projects and added crosswalk curb extensions through the safe routes to school program

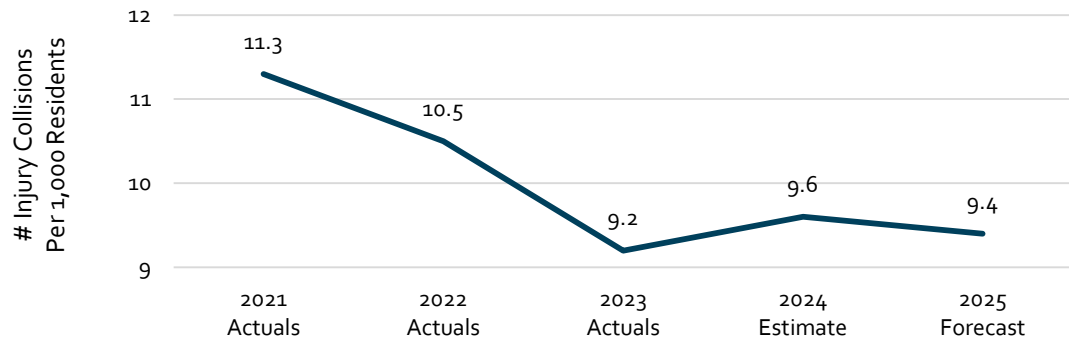
Transportation

▶ Continuous improvements

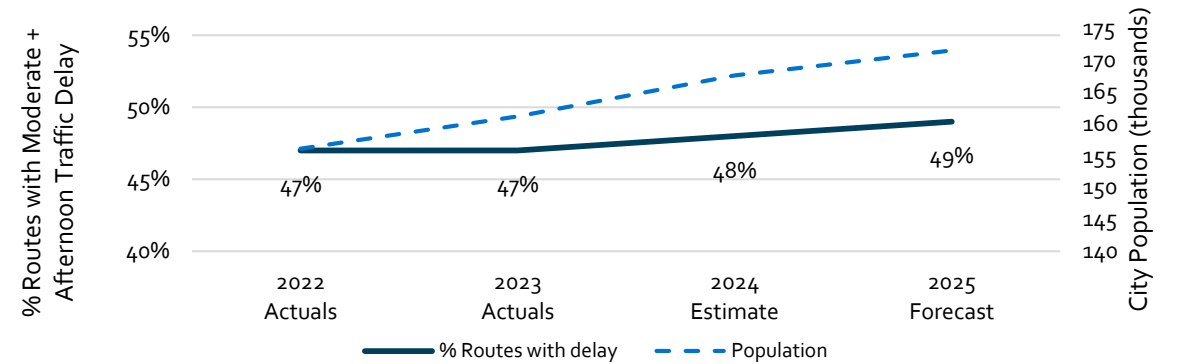
- Optimization of our existing roads by piloting innovative traffic detection technology at intersections
- Initiated the Transportation Accelerator Program to deliver more projects faster
- Delivered select projects with City resources to control time, cost and quality
- Continued tracking of travel times using cloud-based data

Transportation Performance measures

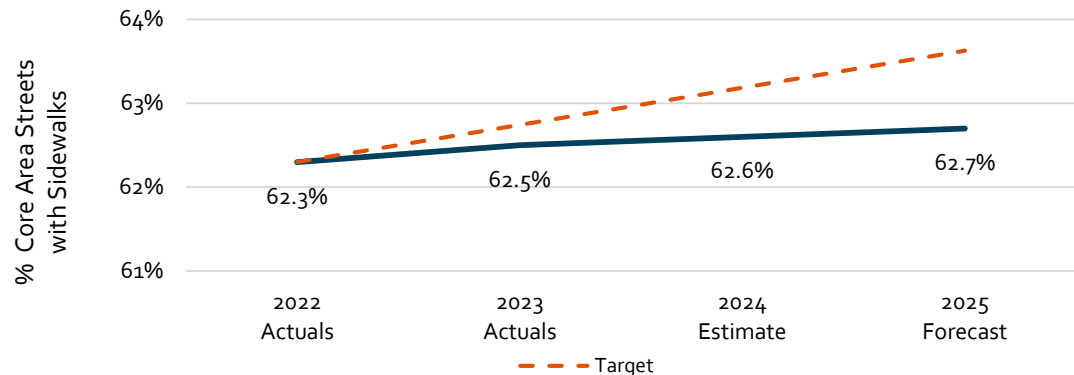
PM#1: Traffic Safety



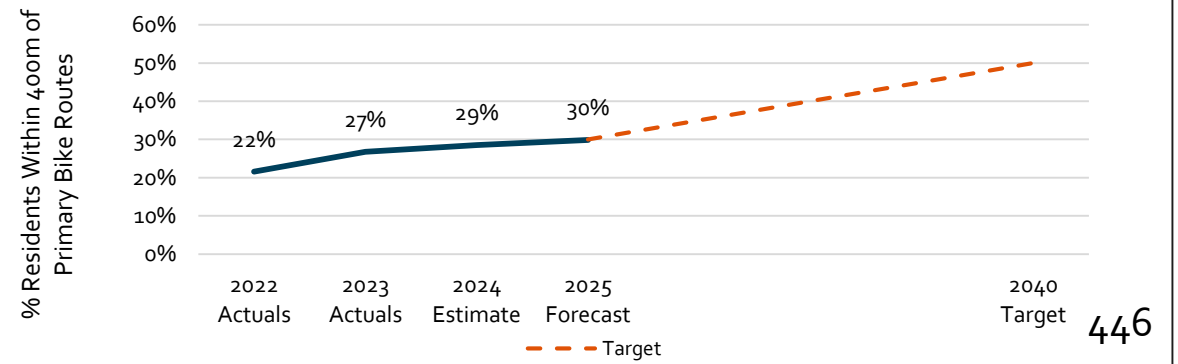
PM#2: Traffic Delays



PM #3: Access to Sidewalks

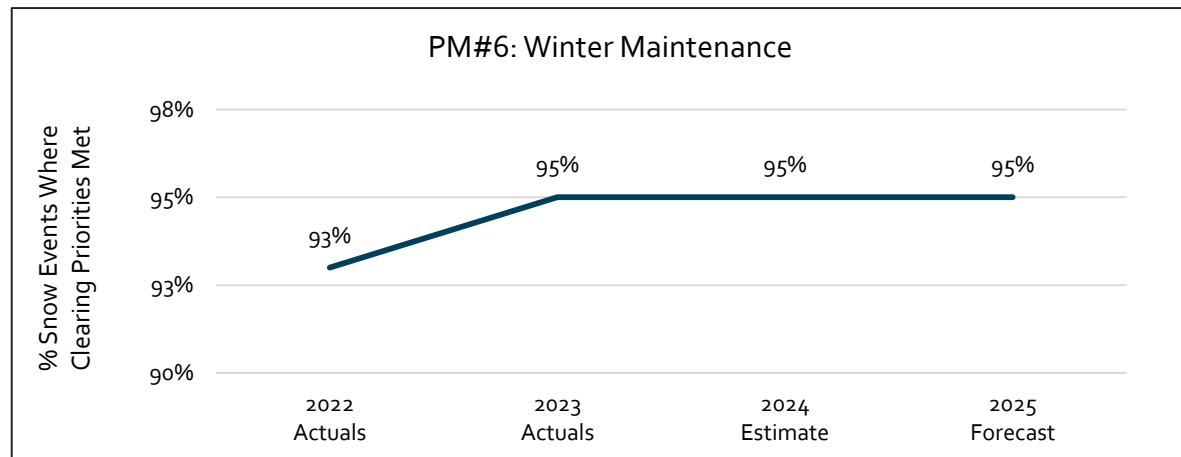
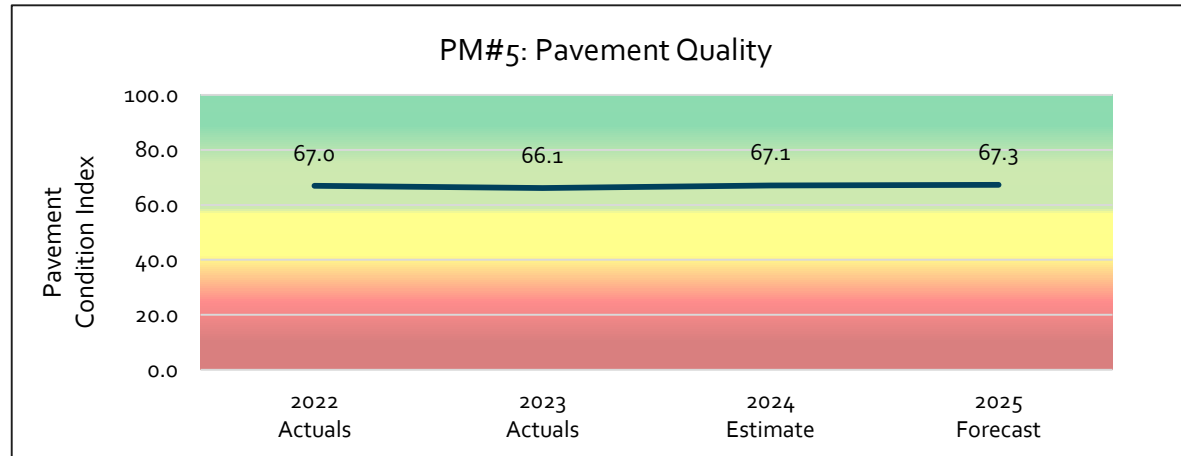


PM #4: Access to Primary Bike Routes



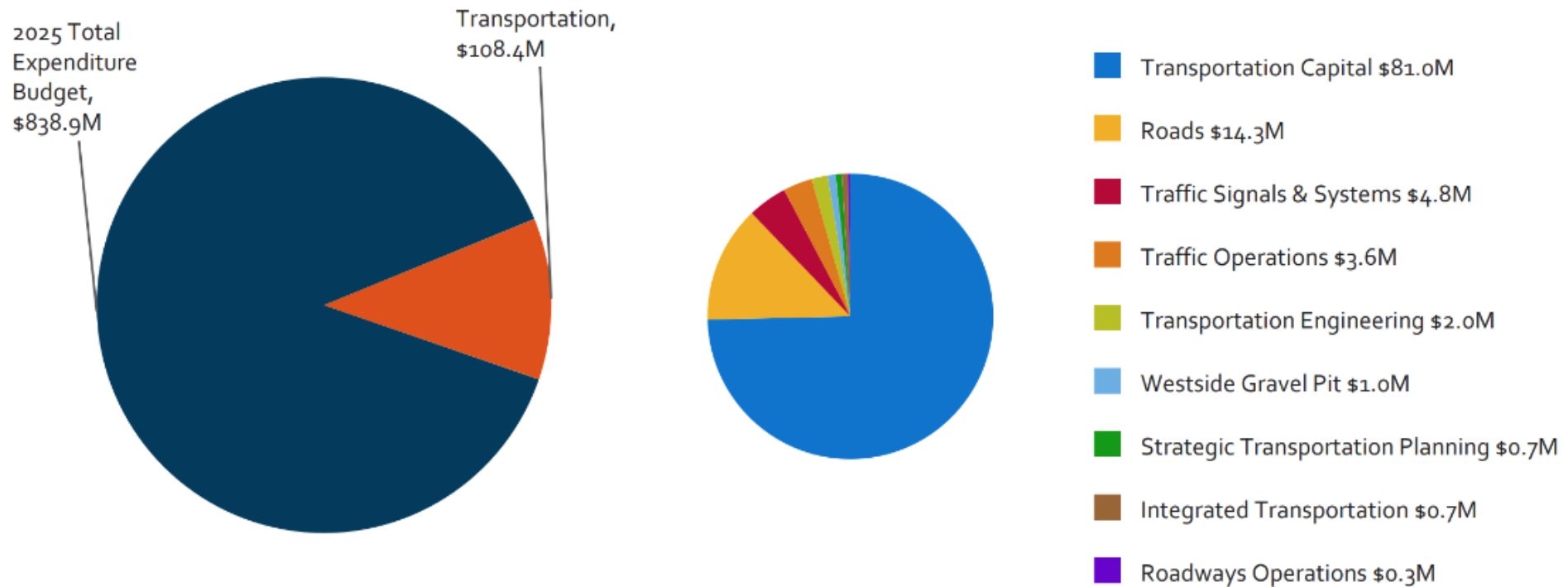
Transportation

Performance measures (continued)



Transportation Expenditure Budget

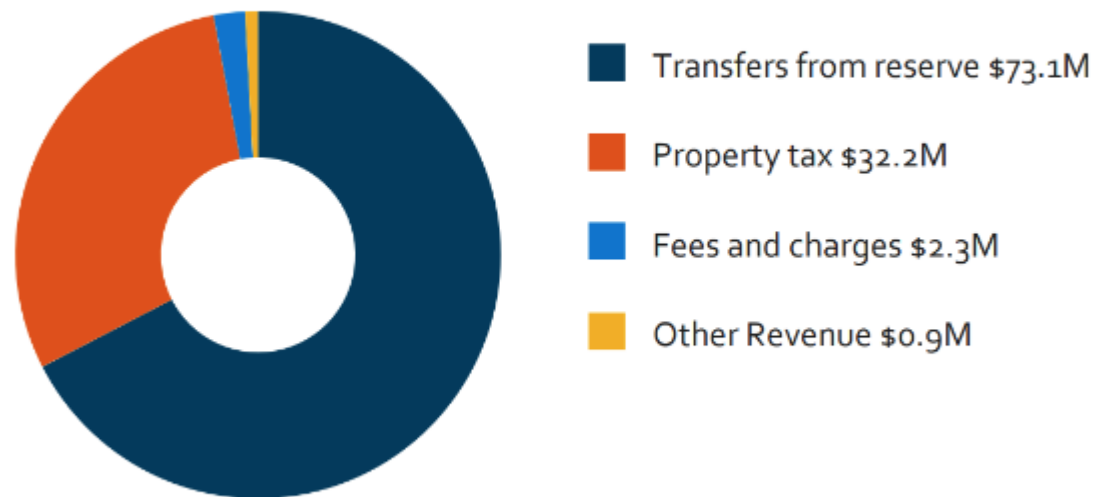
2025 Total Expenditure Budget Breakdown



Total \$108.4M

Transportation Budget overview

Funding strategy



Total \$ 108.4 M

Transportation

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$26,420	\$ 55,313	\$81,733
2023 & 2024 Adjustments	(557)	(55,313)	(\$55,870)
2025 Starting budget	\$25,863	\$ -	\$25,863

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Transportation

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$25,863	\$ -	\$25,863
Maintaining current service level	1,097	11,523	\$12,620
	\$26,960	\$11,523	\$38,483
Enhancing service level	515	69,429	\$69,944
2025 Recommended budget	\$27,475	\$80,952	\$108,427

► Drivers for change:

- Improved access and mobility to address community growth
- Traffic flow, safety and capacity in growing areas
- Improved road safety through Safe Mobility Action Plan

Transportation

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Gravel Operations Enhancements	46	92	92	92	92
Permitting Operations Service Enhancements	172	172	172	172	172
Crack Sealing Pavement	125	125	125	125	125
Safe Mobility Action Plan Implementation	75	—	—	—	—
Operating and Maintenance Impacts from Capital Requests	50	50	50	50	50
Operating Requests Priority 1 Total	468	389	389	389	389

Transportation

Capital requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Active Transportation	2,408	3,005	2,785	2,982	3,084
Bridges	450	540	1,140	1,270	1,270
* Road Network	8,665	11,696	12,788	14,932	16,517

Continued next slide

Transportation

Capital requests *continued* (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Projects	Total Project					
Active Transportation - Bertram St	8,489	1,620	6,869	—	—	—
Active Transportation - Rutland Neighbourhood	2,000	1,000	1,000	—	—	—
Intersections - Springfield & Dilworth Improvements	10,945	2,472	2,150	6,323	—	—
Roads - Burtch Rd Upgrades	58,079	12,355	29,939	5,811	210	—
Roads - Commonwealth Rd (Hwy 97 - Jim Bailey) Upgrades	13,229	313	1,474	11,443	—	—
Roads - Frost Rd Upgrades (with utilities)	5,480	5,043	—	—	—	—
Roads - Glenmore Rd Upgrades	42,883	10,425	2,470	5,619	3,700	—
Roads - Highway 33 to Clement Extension	135,300	2,800	3,000	4,500	75,000	45,000
Roads - Hollywood Rd N Upgrades	34,612	5,667	13,600	3,750	575	3,515
Roads - KLO Bridge Replacement (with utilities)	18,364	16,564	1,800	—	—	—
Roads - Lakeshore Rd Upgrades	29,272	4,690	8,920	8,834	—	—
Roads - Parkinson Recreation Centre Road Improvements	3,290	400	2,537	—	—	—
Roads - Stewart Rd Upgrades	9,842	800	—	—	280	4,632
Roads - Sutherland Rd Upgrades	51,534	130	5,150	—	4,038	4,800
Roads - Neighbourhood Street Urbanization	5,150	5,150	—	—	—	—
Capital Request Priority 1 Total	428,469	80,952	94,150	62,993	102,986	78,818

Transportation

Changes from 10 Year Capital Plan

- Road Network: \$0.275M

Transportation

Operating requests (\$ thousands) – priority 2

Priority 2

Description	2025	2026	2027	2028	2029
Waste Management Service Enhancement - Redeployment	145	145	145	145	145
Snow Clearing and Ice Control Service Enhancements	375	538	620	620	620
Solar Light Replacement - Neighbourhood and Dog Parks	50	50	50	50	50
Operating Requests Priority 2 Total	570	732	815	815	815



Transit

Service budget overview

Transit

▶ Key accomplishments

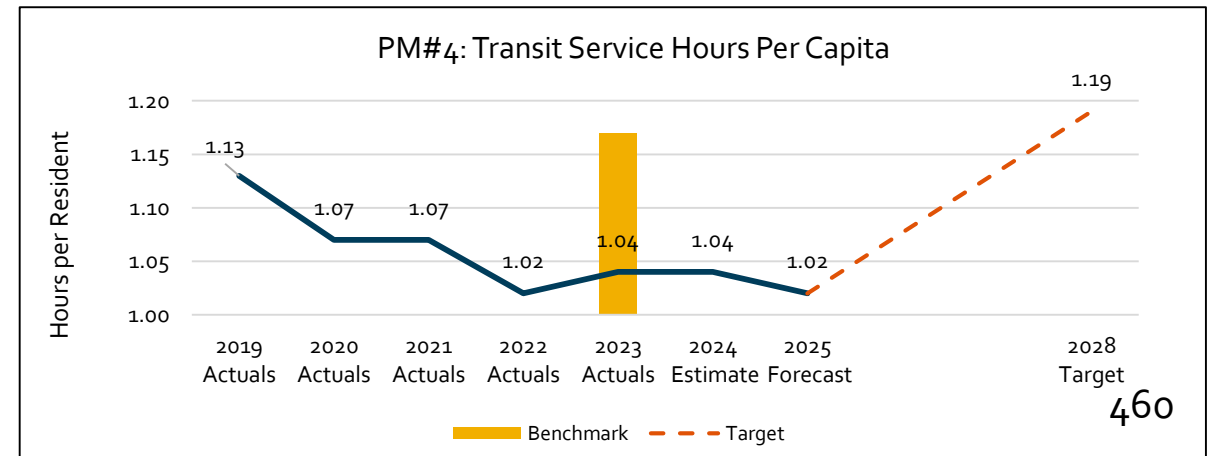
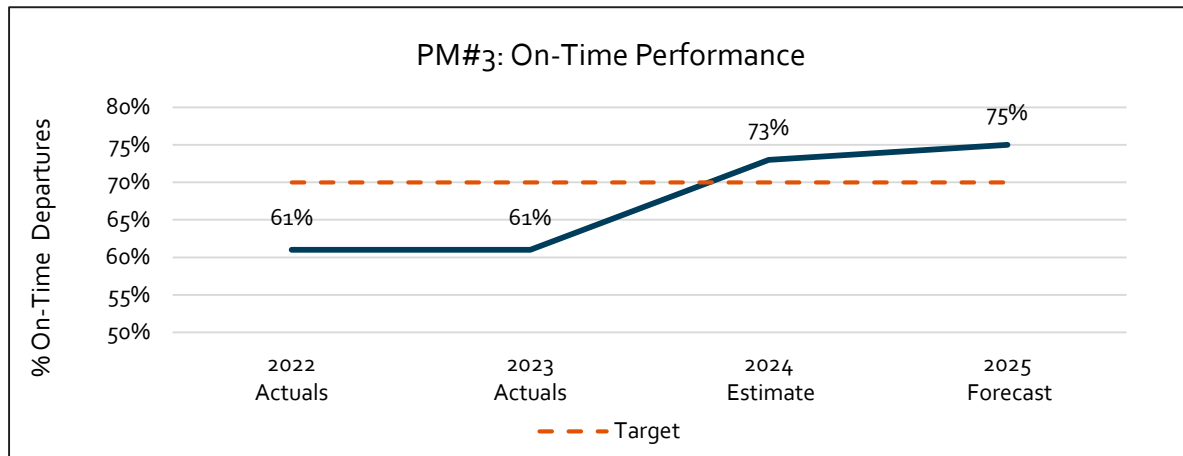
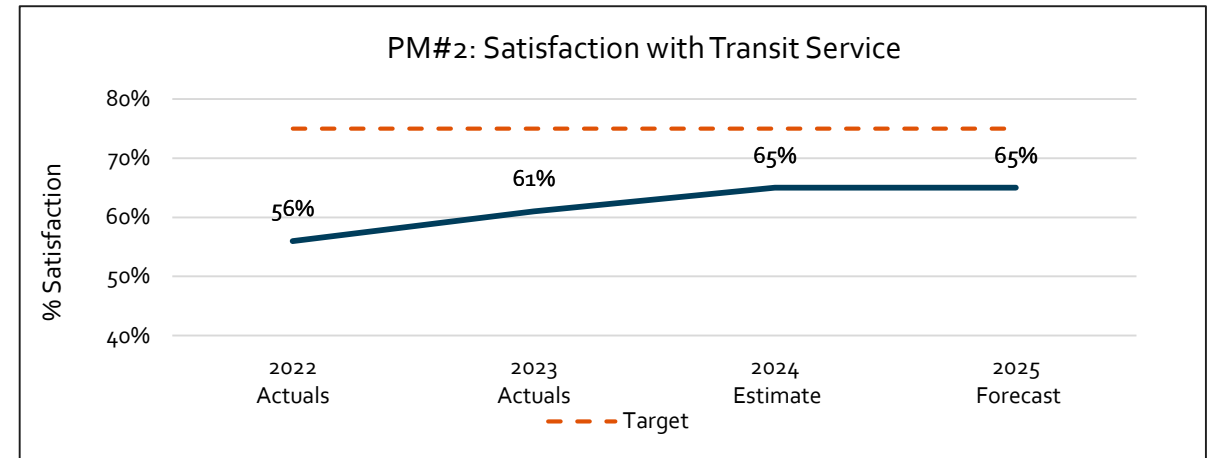
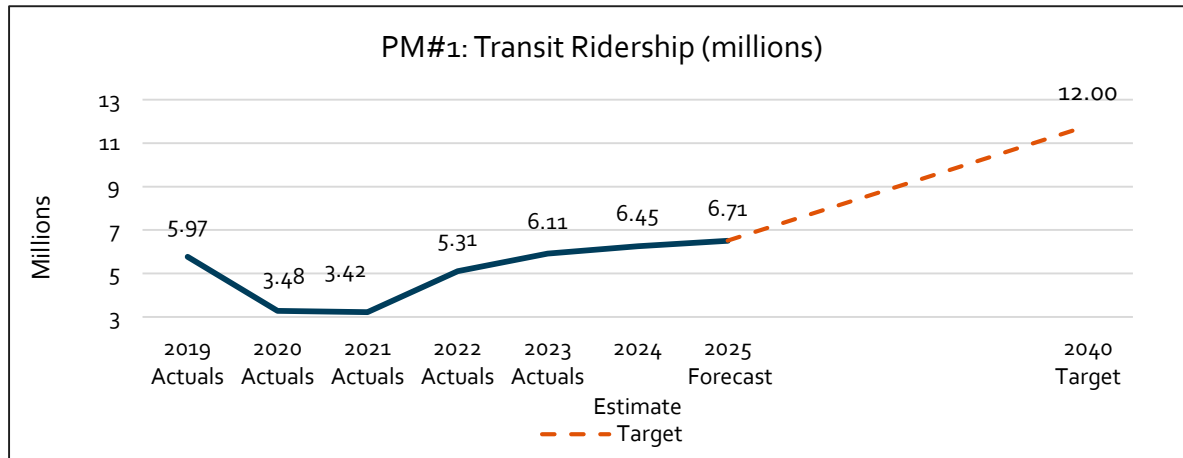
- Achieved record-level transit ridership, forecasted at 6.45 million rides in 2024
- Constructed four new bus stops, upgraded eight existing stops, added three new shelters
- Began implementing service improvements proposed in the Rutland Local Area Transit Plan completed in 2023
- Advanced project development for the future new Hollywood Transit Centre
- Completed design of enhancements at the Hardy Transit Centre in preparation for 2025 construction
- Successfully launched the Umo fare collection system in the Kelowna region
- Increased access to transit for equity-deserving groups through a United Way partnership

Transit

▶ Continuous improvements

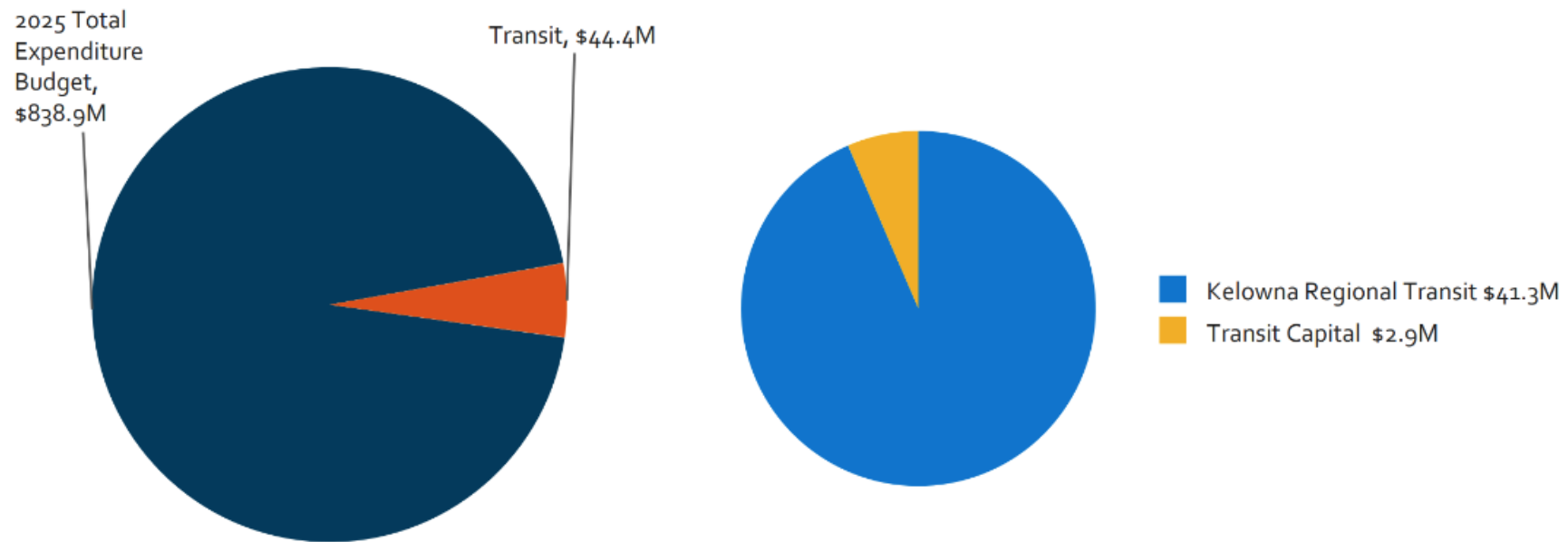
- Maximizing capacity from existing resources while planning for future growth
- Continuing participation in the OnDemand transit service pilot
- Advancing plans for high-order transit and transit priority infrastructure
- Preparing for the introduction of battery electric buses in the Kelowna Regional Transit System
- Collaborating with the Ministry of Transportation and Infrastructure and regional transit partners to plan the future enhanced transit services in the region

Transit Performance measures



Transit Expenditure Budget

2025 Total Expenditure Budget Breakdown

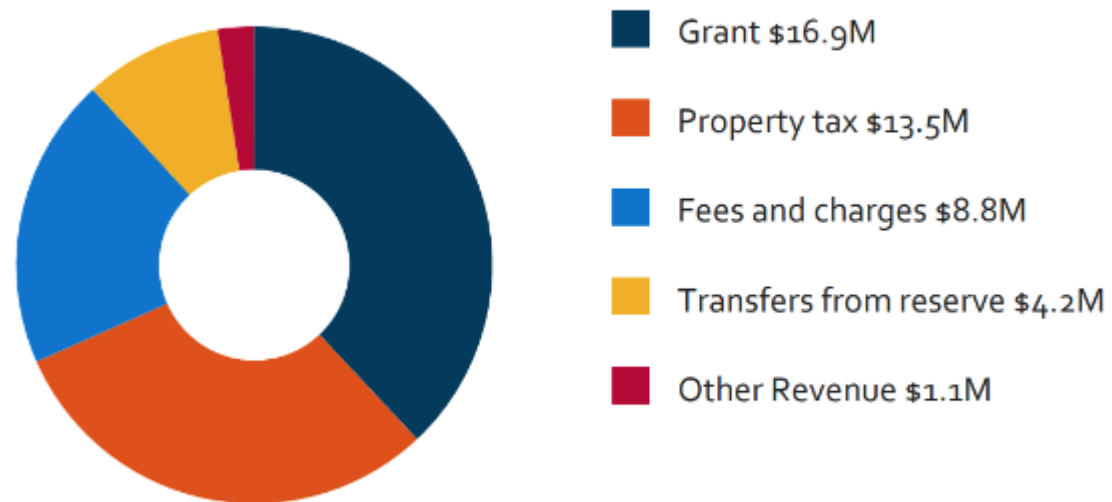


Total \$44.4M

Transit

Budget overview

Funding strategy



Total \$ 44.4 M

Transit

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$36,214	\$ -	\$36,214
2023 & 2024 Adjustments	(503)	-	(\$503)
2025 Starting budget	\$35,711	\$ -	\$35,711

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Transit

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$35,711	\$ -	\$35,711
Maintaining current service level	377	616	\$993
	\$36,088	\$616	\$36,704
Enhancing service level	5,495	2,242	\$7,737
2025 Recommended budget	\$41,583	\$2,858	\$44,441

► Drivers for change:

- Rising operational costs – fuel, lease fees and administrative expenses
- Increased ridership and service growth
- Future service expansions and current operational challenges

Transit

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Transit Operations	5,226	5,226	5,226	5,226	5,226
Hollywood Transit Centre Planning	125	—	—	—	—
Transit Fare Review	30	—	—	—	—
Transit Planning Software	—	—	—	—	—
Operating Requests Priority 1 Total	5,381	5,226	5,226	5,226	5,226

Transit

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Transit		616	944	1,503	1,767	3,014
Projects	Total Project					
Transit - Mission Recreation Transit Exchange & Mobility Hub	3,750	750	1,000	2,000	—	—
Transit - Okanagan College Exchange Capacity	2,300	500	800	1,000	—	—
Transit - Rutland Park & Ride, Mobility Hub, Operations Facility	2,992	992	1,000	1,000	—	—
Capital Request Priority 1 Total	9,042	2,858	3,744	5,503	1,767	3,014

Transit

Changes from 10 Year Capital Plan

- Transit – Orchard Park Exchange: (\$0.030M)



Parks

Service budget overview

Parks

▶ Key accomplishments

- Completed 3,933 Parks Services Service Requests in 2023
- Sold 820 Neighbourwoods Trees to Kelowna residents, an increase of 320 over 2023
- The Greenhouse grew 55,000 annual plants for placement throughout the City
- The Greenhouse added 200 planters for placement throughout City urban areas and highways
- Renewed a total of 16 acres of parkland irrigation at Rotary Beach, Ben Lee Park, East Kelowna ballfields, and Truswell Park

Parks

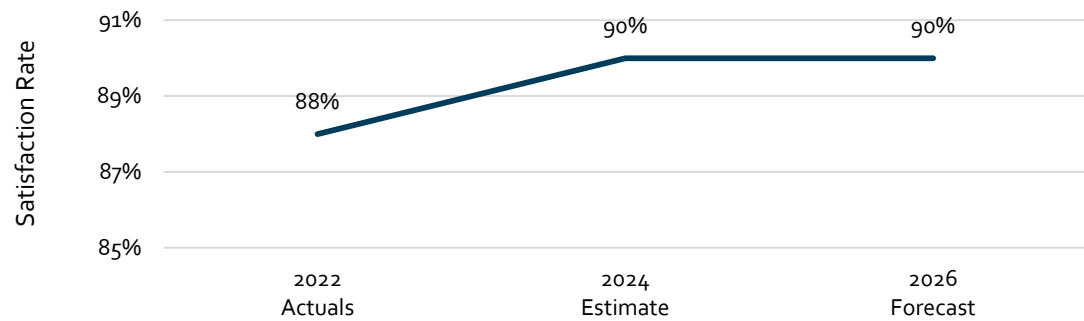
▶ Continuous improvements

- Creation of an updated Asset Management Plan for parks, playgrounds, and associated infrastructure to identify an inventory of required works to be completed for the lifespan of each park, associated costs and timelines
- Continued conversion of irrigation control systems to Rainbird IQ4
- Improving irrigation flow sensing
- Fully implemented robot line painter in all recreation parks
- Prepared Apple Bowl to host Canadian Premier League soccer game

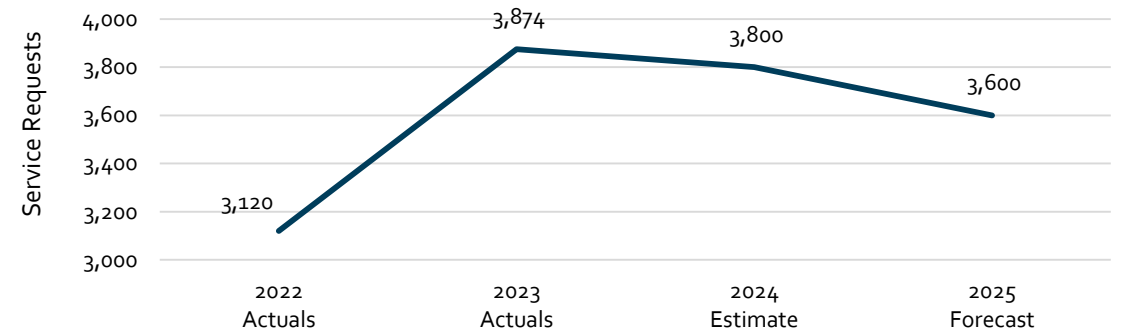
Parks

Performance measures

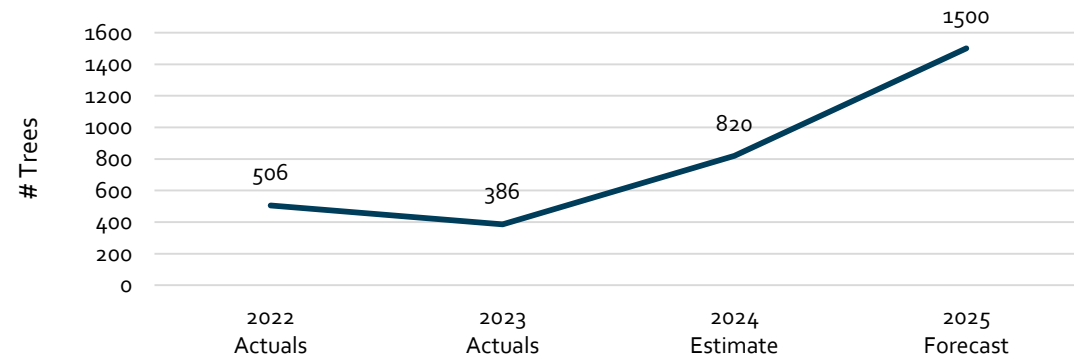
PM#1: Park User Satisfaction with Parks



PM#2: Service Requests Specific to Inquiries Regarding Service

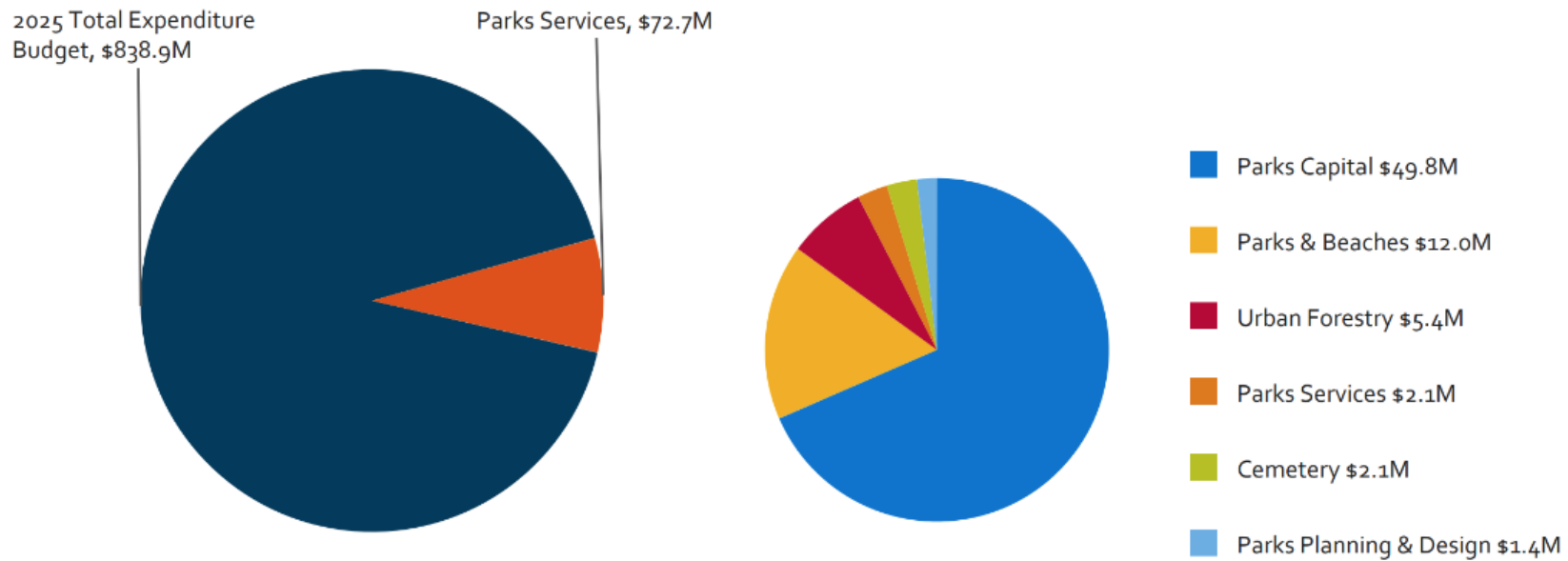


PM#3: Trees Sold Through Neighbourhoods



Parks Expenditure Budget

2025 Total Expenditure Budget Breakdown

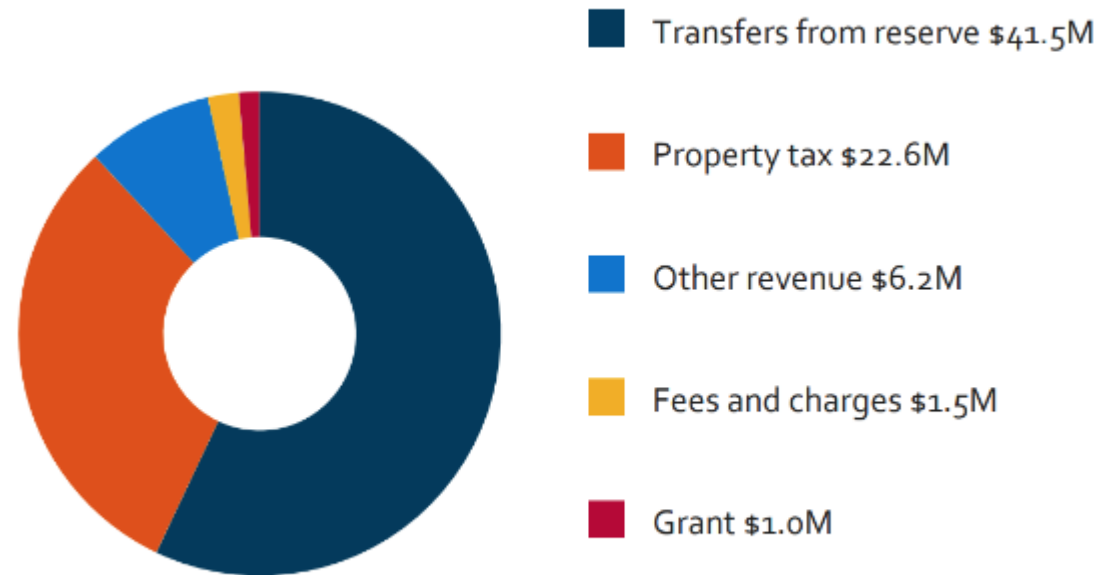


Total \$72.7M

Parks

Budget overview

Funding strategy



Total \$ 72.7 M

Parks

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$23,494	\$ 54,886	\$78,380
2023 & 2024 Adjustments	(2,907)	(54,886)	(\$57,793)
2025 Starting budget	\$20,587	\$ -	\$20,587

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Parks

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$20,587	\$ -	\$20,587
Maintaining current service level	1,111	3,461	\$4,572
	\$21,698	\$3,461	\$25,159
Enhancing service level	1,239	46,333	\$47,572
2025 Recommended budget	\$22,937	\$49,794	\$72,731

► Drivers for change:

- Sustainability through urban forestry and wildfire mitigation
- Upgrading parks, trails and infrastructure to meet growing demand
- Promoting public health and community connection through accessible parks

Parks

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Parks Planning Program	80	80	80	80	80
Median Improvement Program	600	600	600	600	600
Park Maintenance	132	106	106	106	106
Wildfire Fuel Mitigation	400	500	600	600	600
Operating Requests Priority 1 Total	1,212	1,286	1,386	1,386	1,386

Parks

Capital requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Park Development	447	172	3,261	172	3,261
Park Infrastructure & Facilities	3,211	2,423	1,181	2,828	1,159
Parkland Acquisition	20,823	21,618	20,823	15,180	14,385

Continued next slide

Parks

Capital requests *continued* (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Projects	Total Project					
Ben Lee Park	1,086	250	—	—	—	—
Burne Park	3,311	1,000	1,300	591	—	—
Chichester Wetland Park	3,886	195	195	3,496	—	—
City Park	30,765	740	1,365	6,307	8,280	3,750
Cook Beach Park- Aqua Foreshore	3,575	150	937	2,288	300	—
DeHart Park	11,480	1,818	402	134	—	—
Glenmore Recreation Park	41,270	9,500	3,000	7,000	7,000	3,500
Island Stage Rejuvenation	1,650	1,000	600	—	—	—
Kelowna's Newest Waterfront Park	2,060	608	1,156	196	—	—
Manhattan Point Park	4,915	235	235	2,827	1,413	—
Mill Creek Linear Park	8,727	300	1,119	1,000	1,119	1,000
Parkinson Recreation Park	41,162	4,116	14,409	18,523	4,115	—
Queensway Improvements	900	800	50	50	—	—
Rotary Beach Park	2,470	708	1,122	600	—	—
Rutland Recreation Park	8,360	3,893	3,406	811	—	—
Capital Request Priority 1 Total	165,617	49,794	53,509	69,088	40,407	27,055

Parks

Changes from 10 Year Capital Plan

- Queensway Improvement Upgrades: \$0.750M
- Park Infrastructure & Facilities: \$1.390M

Parks

Operating requests (\$ thousands) – priority 2

Priority 2

Description	2025	2026	2027	2028	2029
Canopy Coverage Expansion Planning	200	300	400	400	400
Operating Requests Priority 2 Total	200	300	400	400	400



Sport & Recreation

Service budget overview

Sport & Recreation

▶ Key accomplishments

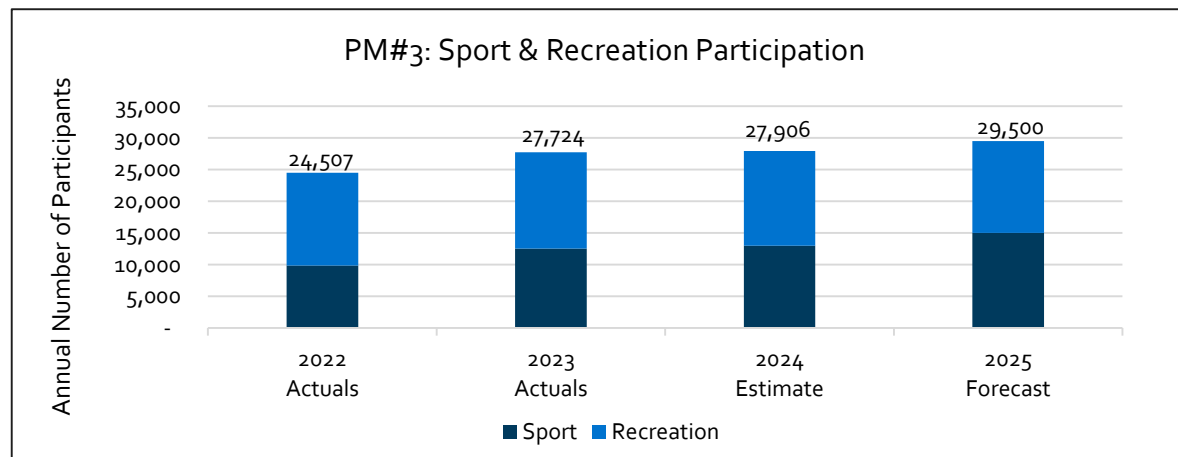
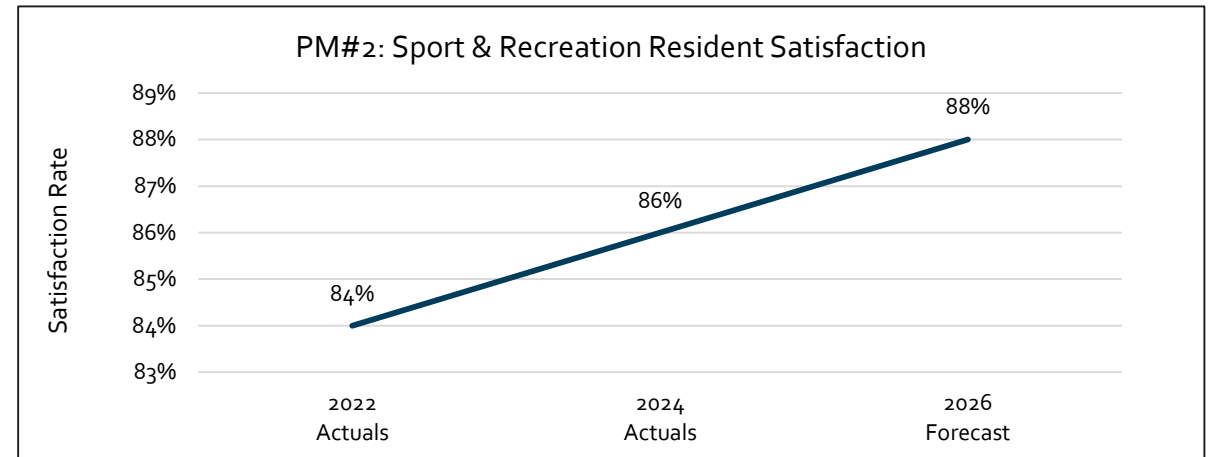
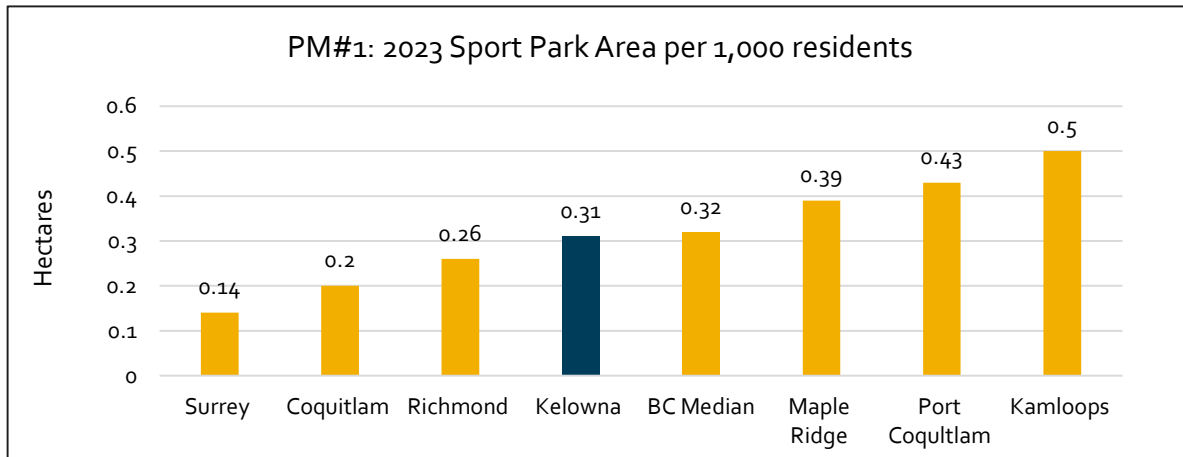
- Re-established the Apple Triathlon and Okanagan International Marathon through the Apple Race Series portfolio
- Procured hosting-rights for the 2025 Canadian Country Music Awards, partnered with the Kelowna Rockets for a bid submission to host the 2026 Memorial Cup and hosted the inaugural Canadian Premier League game at the Apple Bowl
- Advancement of facility development through grant funding and external contributions at Waterfront Park - Island Stage, Edith Gay Park - baseball fields, and Glenmore Recreation Park - sports field lighting
- Responded to the Child Care Needs assessment through the development of partnerships as well as functional facility plans for Glenmore Activity Centre, Mission Activity Centre and Rutland Lion's Park Activity Centre
- Continued offering the Rec & Ride pass, in partnership with BC Transit, which saw almost 450 children and youth gain access to Parkinson Recreation Centre and the Kelowna Regional Transit System during July and August
- Worked with BSK design team on base program requirements and validation process for future PRC Building and Site

Sport & Recreation

▶ Continuous improvements

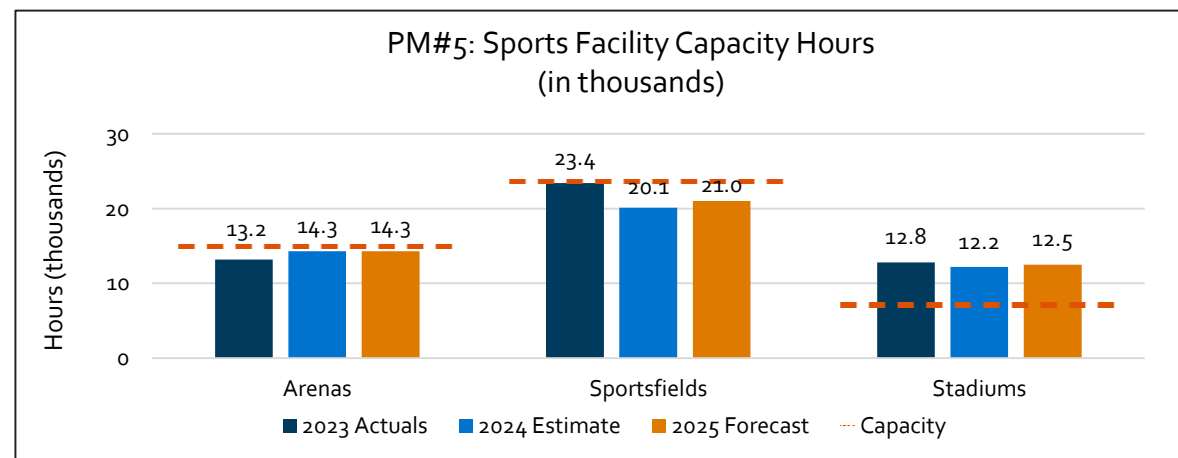
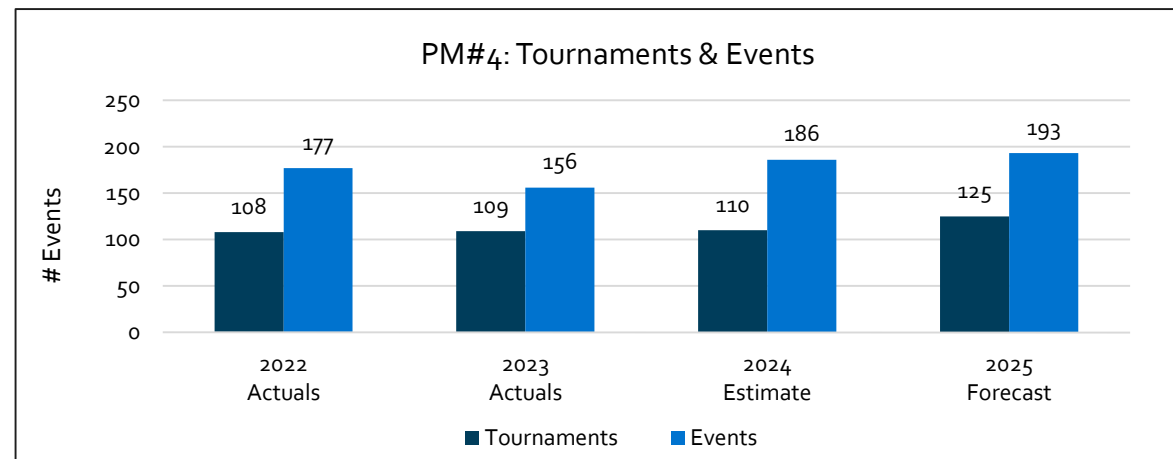
- Event Services expansion to assist with the processes related to major event procurement, post-procurement development, and successful event delivery
- Further develop and refine the benefits-based approach to setting fees and charges for services offered throughout Active Living & Culture. This approach helps to guide the evaluation and revision of existing policies and practices to ensure alignment with corporate financial strategies
- Advance the Recreation Contractor program to encourage recruitment and instructor retention
- Continue to refine and monitor service area performance through financial metrics, programming metrics and benchmarks

Sport & Recreation Performance measures



Sport & Recreation

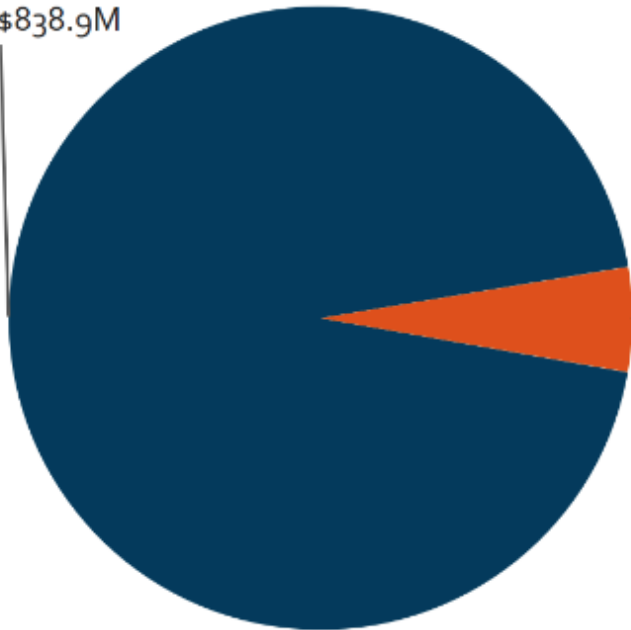
Performance measures (continued)



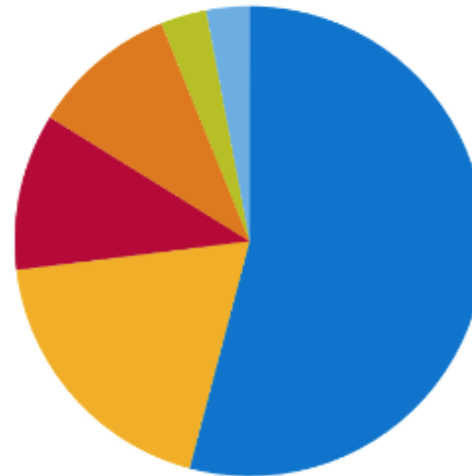
Sport & Recreation Expenditure Budget

2025 Total Expenditure Budget Breakdown

2025 Total
Expenditure
Budget, \$838.9M



Sport & Recreation, \$47.9M



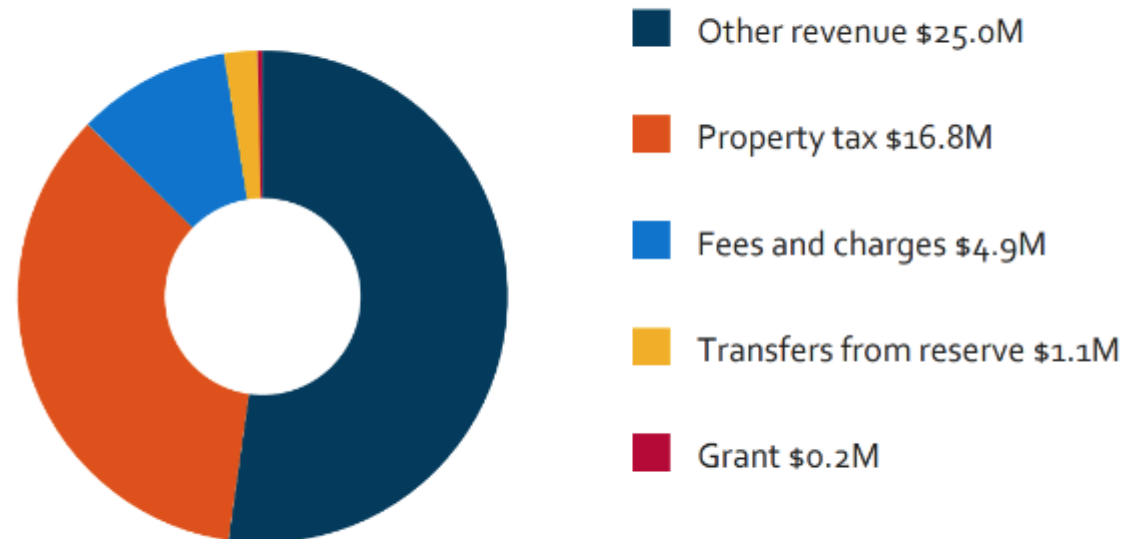
- Sport & Recreation Capital \$25.9M
- Sport & Event Services \$9.1M
- Sportsfield & Irrigation \$5.2M
- Community & Neighbourhood Services \$4.8M
- Administration & Business Services \$1.5M
- Recreation Services \$1.4M

Total \$47.9M

Sport & Recreation

Budget overview

Funding strategy



Total \$ 47.9 M

Sport & Recreation

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$19,912	\$ -	\$19,912
2023 & 2024 Adjustments	1,170	-	\$1,170
2025 Starting budget	\$21,082	\$ -	\$21,082

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Sport & Recreation

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$21,082	\$ -	\$21,082
Maintaining current service level	773	-	\$773
	\$21,855	\$ -	\$21,855
Enhancing service level	133	25,943	\$26,076
2025 Recommended budget	\$21,988	\$25,943	\$47,931

► Drivers for change:

- Increased number of events
- Expanding recreation, park and childcare amenities
- Aging infrastructure and equipment

Sport & Recreation

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Events Procurement and Delivery	27	76	76	76	76
Operating and Maintenance Impacts from Capital Requests	3	13	13	13	13
Operating Requests Priority 1 Total	30	89	89	89	89

Sport & Recreation

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
* Recreational Park Infrastructure & Facilities		205	—	—	—	—
Projects						
	Total Project					
Community Activity Centres - Glenmore Activity	24,229	2,415	8,454	10,870	2,415	—
Community Activity Centres - Mission Activity	27,784	2,750	9,626	12,378	2,750	—
Community Activity Centres - Activity Centre at Rutland Lions Park	22,800	1,140	1,140	7,980	10,260	2,280
Parkinson Recreation Centre Redevelopment	189,100	18,660	65,230	84,000	18,660	—
Mission Recreation Park	5,543	773	3,140	1,570	—	—
Capital Request Priority 1 Total	269,456	25,943	87,590	116,798	34,085	2,280

Change from 10-Year Capital Plan:

- Park Infrastructure & Facilities: \$0.055M



Arts & Culture

Service budget overview

Arts & Culture

▶ Key accomplishments

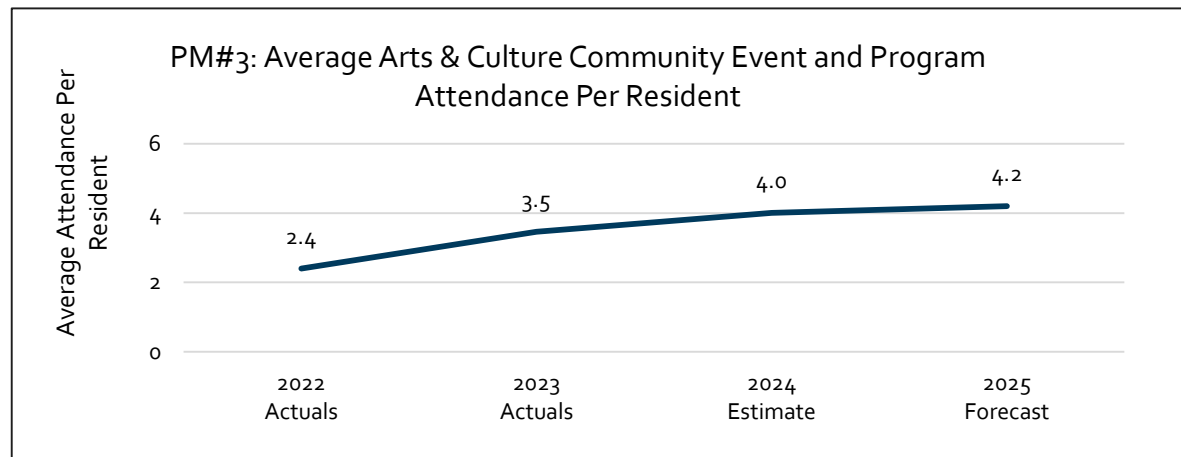
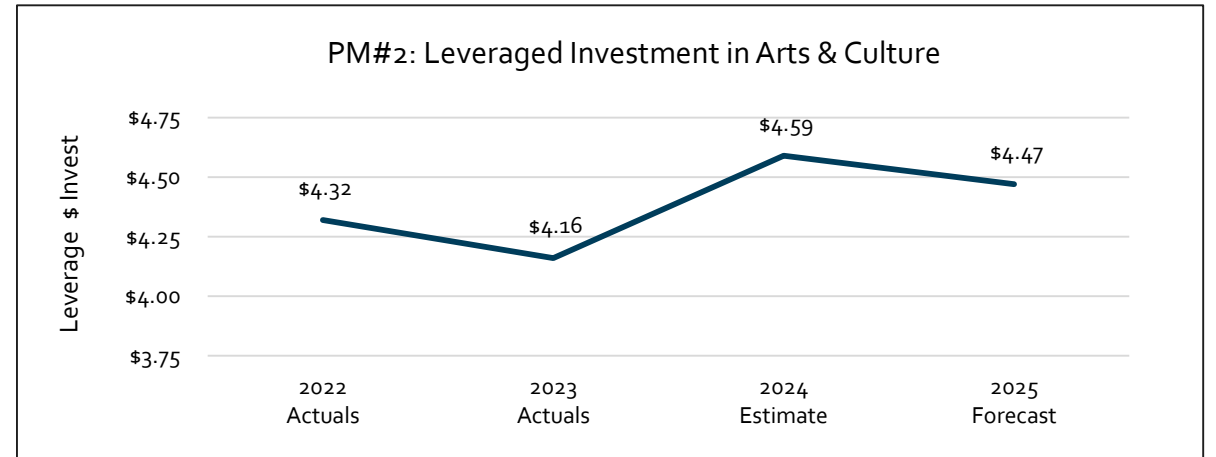
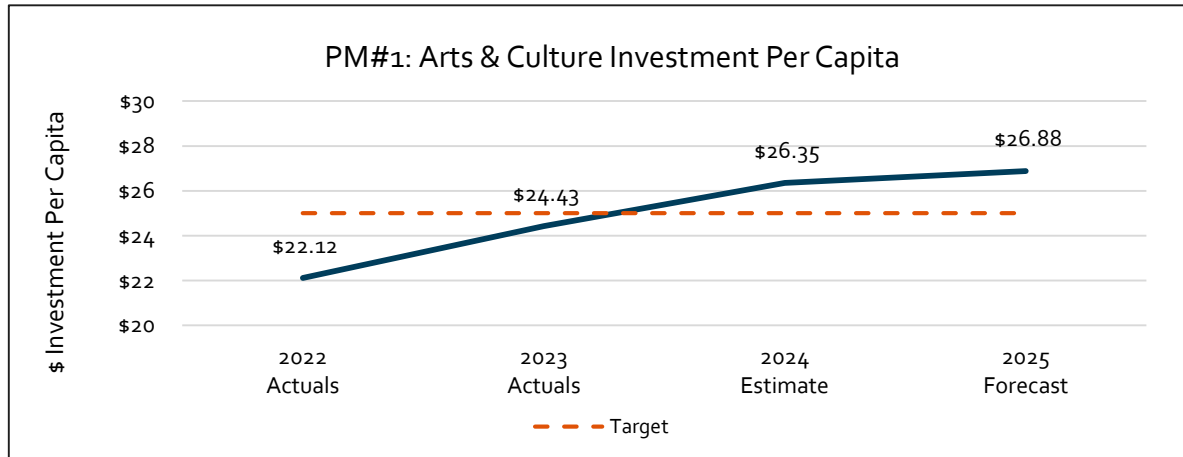
- Implemented a new Winter Banner Program along Water Street featuring 27 poles of three designs and four companion designs created by local artists
- Hosted a community-to-community forum in support of the MOU with Westbank First Nation to open dialogue and renew relationships towards a shared future agreement
- Invested over \$690,000 in technology upgrades at KCT including a high-resolution projector and dynamic lighting console
- Hosted the largest iteration of the annual local nonprofit governance and capacity building conference (ReImagine) supporting an audience of 240, represented 135 non-profit organizations, offered 16 educational sessions, and 22 dynamic speakers
- Launched 'theboxoffice.ca' in Q4 as the new website to expand community ticketing services
- Introduced Volunteer Incentive Program (VIP) to recognize over 160 volunteers providing over 14,500 hours of essential theatre front of house operations

Arts & Culture

▶ Continuous improvements

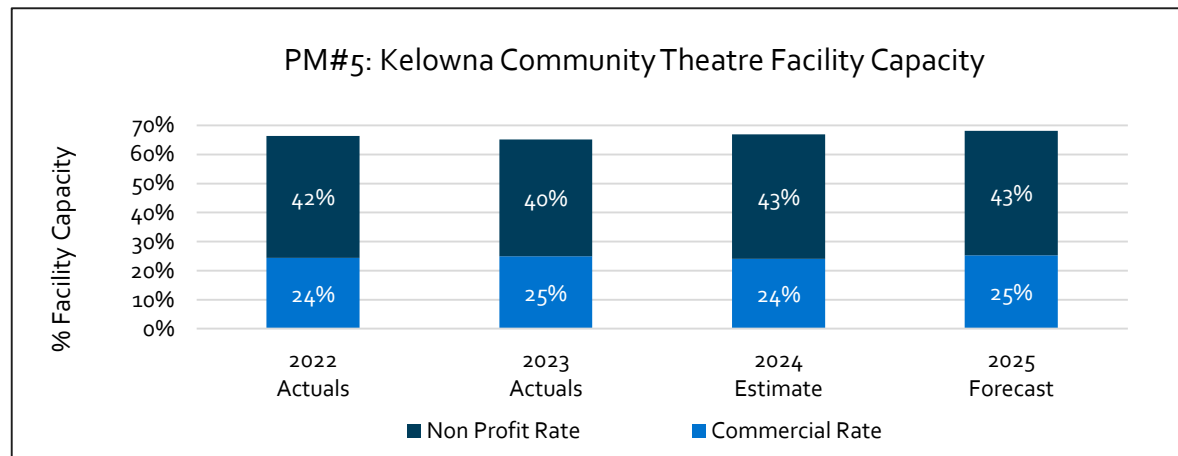
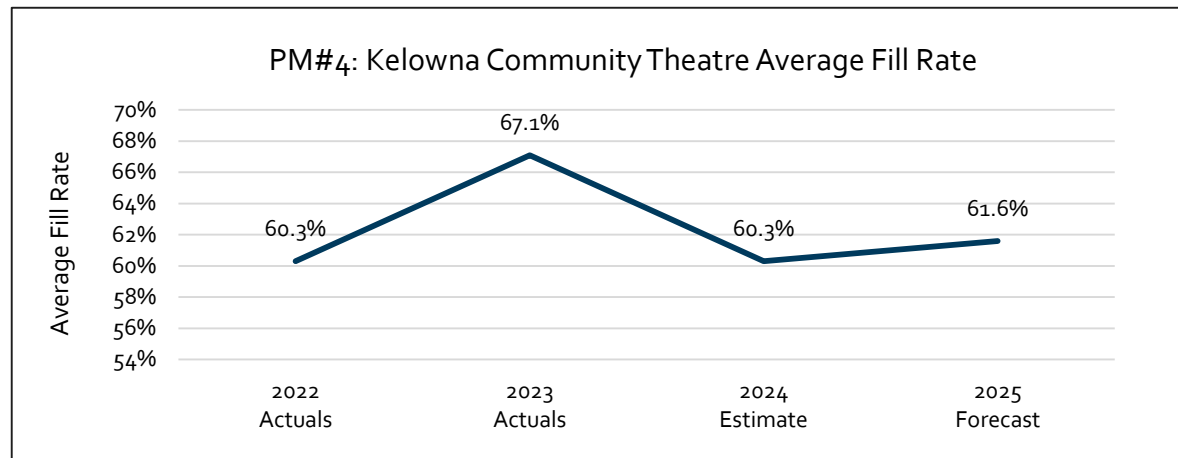
- Ongoing implementation of the 2020-2025 Cultural Plan and Cultural Facilities Master Plan
- Provide sector support through responsive granting programs and capacity building activities
- Continuous assessment of audience experience at KCT through specialty concession options, enhanced marketing and ticket promotions, and the Art@KCT exhibitions
- Ongoing support to build knowledge and act on key principles of equity, diversity and inclusion and Truth & Reconciliation through many training opportunities for staff
- Utilize arts and culture as a conduit to reflect, respond and drive systems level change
- Provide support to the Mayor's Task Force on a new Performing Arts Centre through collaboration with the community and user groups

Arts & Culture Performance measures



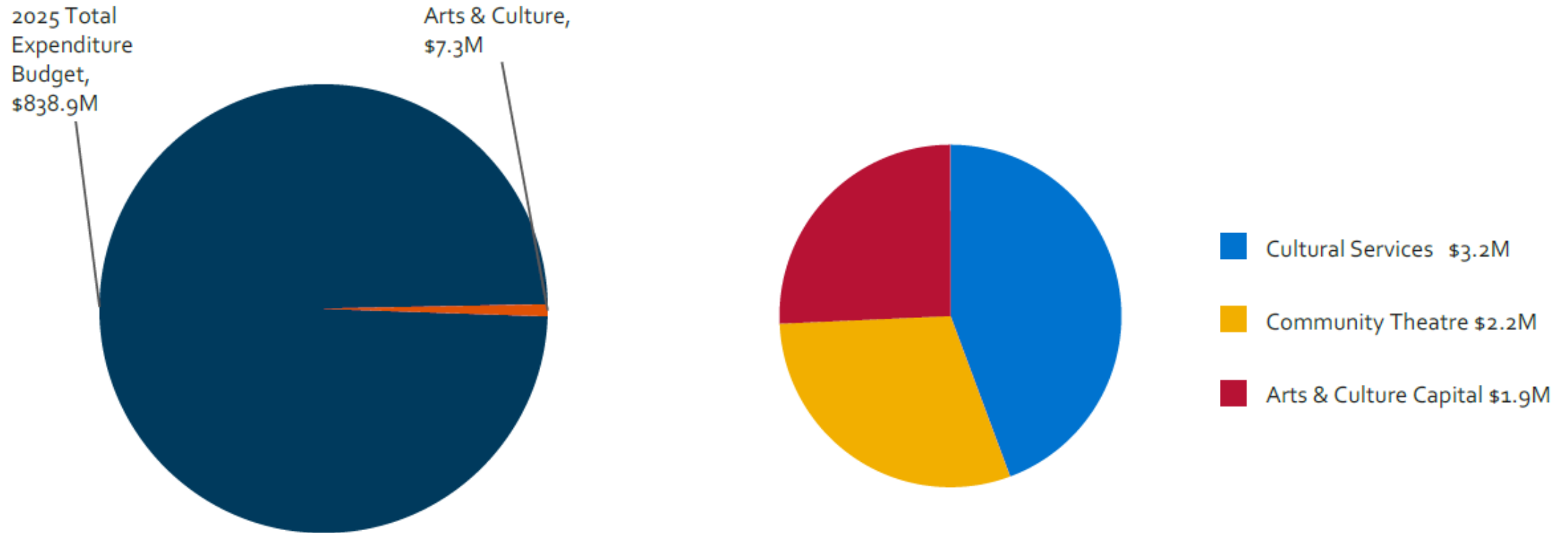
Arts & Culture

Performance measures (continued)



Arts & Culture Expenditure Budget

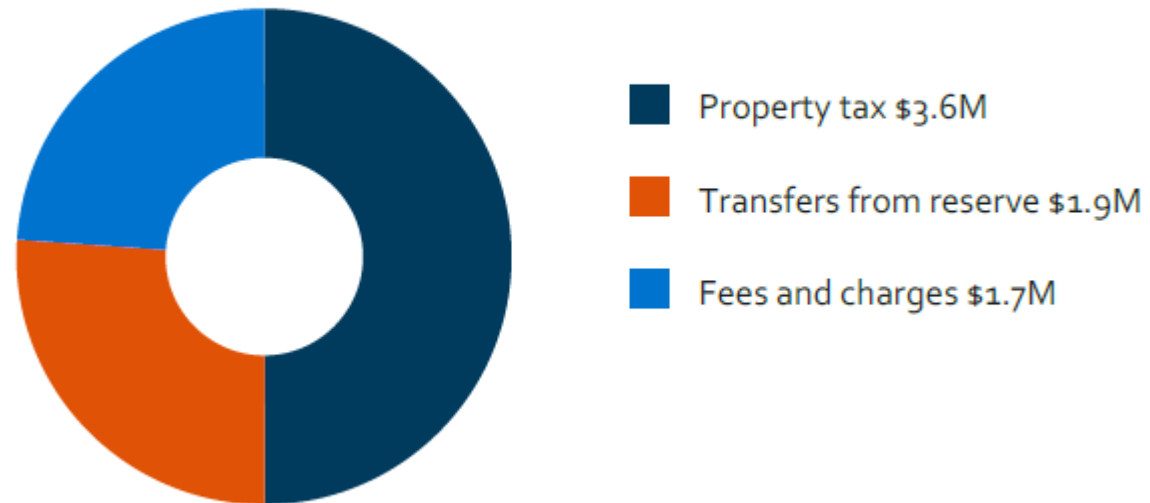
2025 Total Expenditure Budget Breakdown



Total \$7.3M

Arts & Culture Budget overview

Funding strategy



Total \$7.3M

Arts & Culture

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$5,118	\$ -	\$5,118
2023 & 2024 Adjustments	(26)	-	(\$26)
2025 Starting budget	\$5,092	\$ -	\$5,092

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Arts & Culture

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$5,092	\$ -	\$5,092
Maintaining current service level	307	569	\$876
	\$5,399	\$569	\$5,968
Enhancing service level	15	1,305	\$1,320
2025 Recommended budget	\$5,414	\$1,874	\$7,288

▶ Drivers for change:

- Annual program for planning, designing, and installing art, monuments, and signage in parks and open spaces

Arts & Culture

Operating requests (\$ thousands)

There are no 2025 Priority 1 Preliminary Operating budget requests for this service area.

Arts & Culture

Capital requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Community & Culture Facilities	569	230	230	230	230
Placemaking	1,305	705	887	110	—
Capital Request Priority 1 Total	1,874	935	1,117	340	230

Changes from 10-Year Capital Plan:

- Community & Culture Facilities: \$339k

Arts & Culture

Operating requests (\$ thousands) – priority 2

Priority 2

Description	2025	2026	2027	2028	2029
Cultural District Vision and Business Planning	100	—	—	—	—
Operating Requests Priority 2 Total	100	—	—	—	—



Community Development

Service budget overview

Community Development

▶ Key accomplishments

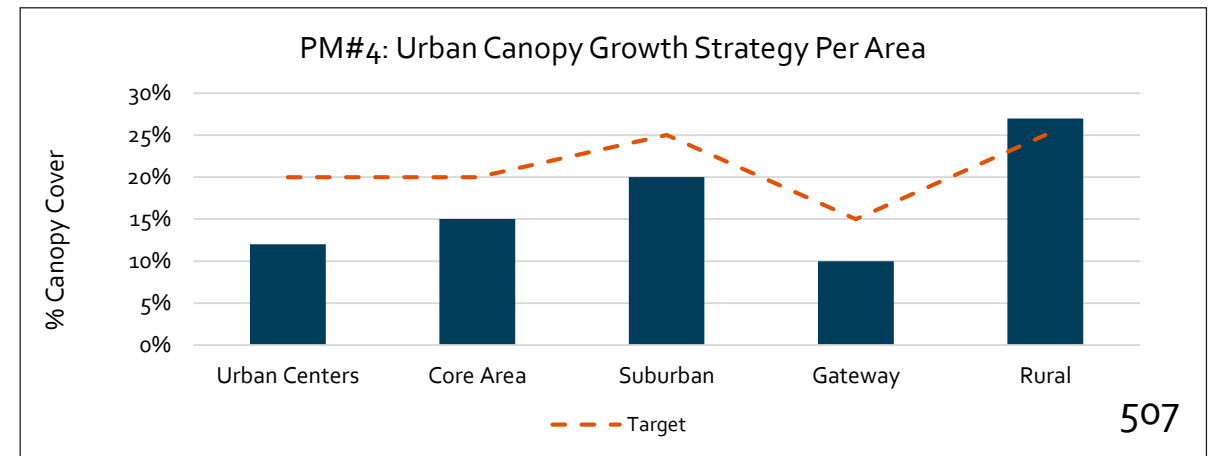
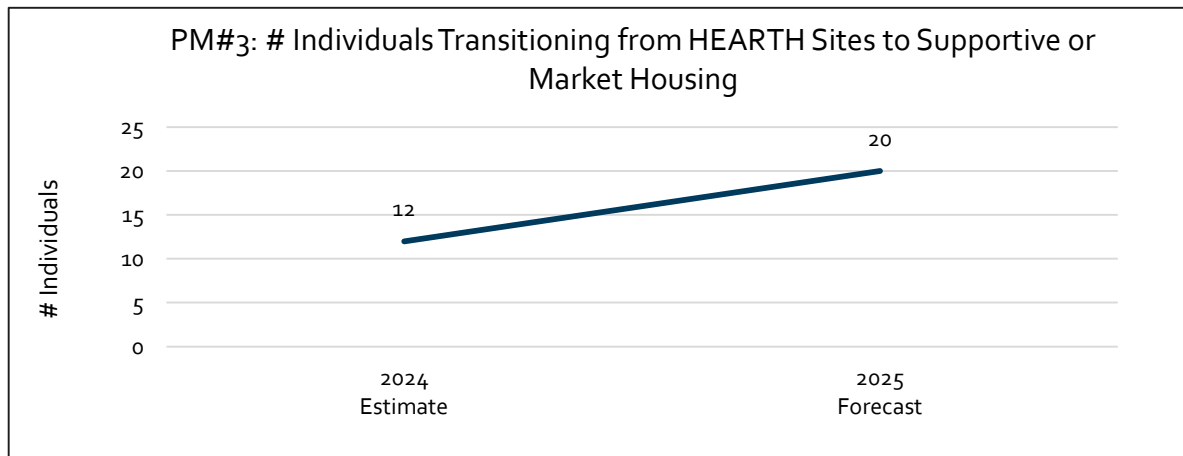
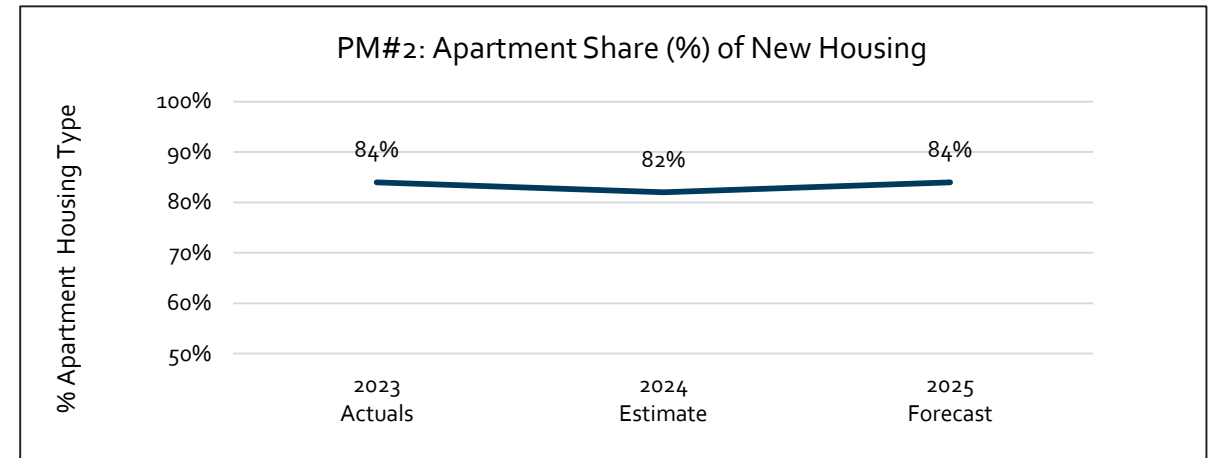
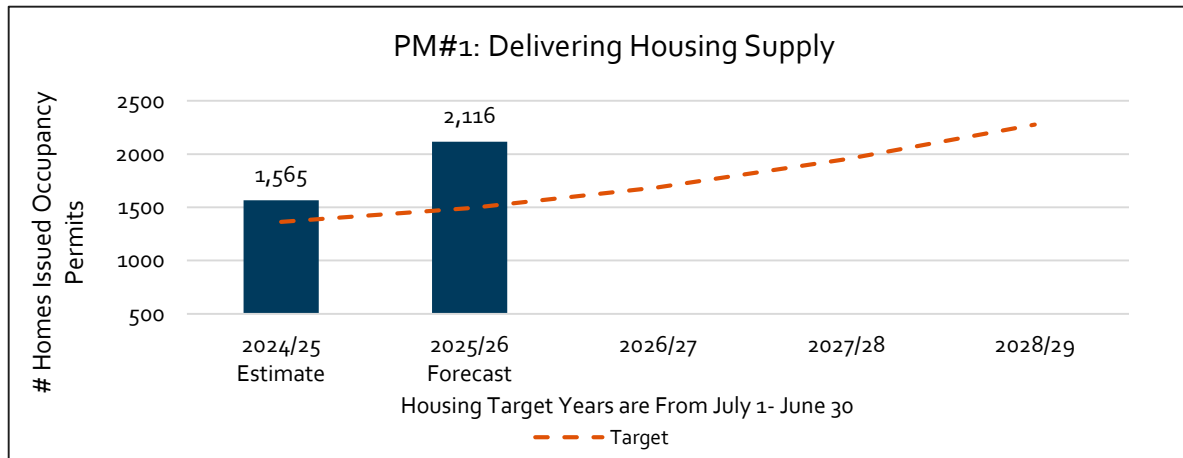
- Implemented the new Fast-Track for Infill Housing program
- Provided over \$3M in grants as an incentive to new non-market affordable housing projects
- Developed a new Housing Action Plan alongside the Social Development team to coordinate major actions that will improve housing outcomes in the community
- Initiated the Home Energy Navigator Pilot Program to engage and support homeowners throughout their retrofit journey
- Implemented Electric Vehicle Ready charging requirements for new residential developments and expanded public electric vehicle charging network
- Established 120 new rapid safety net housing units through the HEART and HEARTH program
- Advanced Indigenous PEER Navigator Program and Indigenous Harm Reduction Team in partnership with community agencies

Community Development

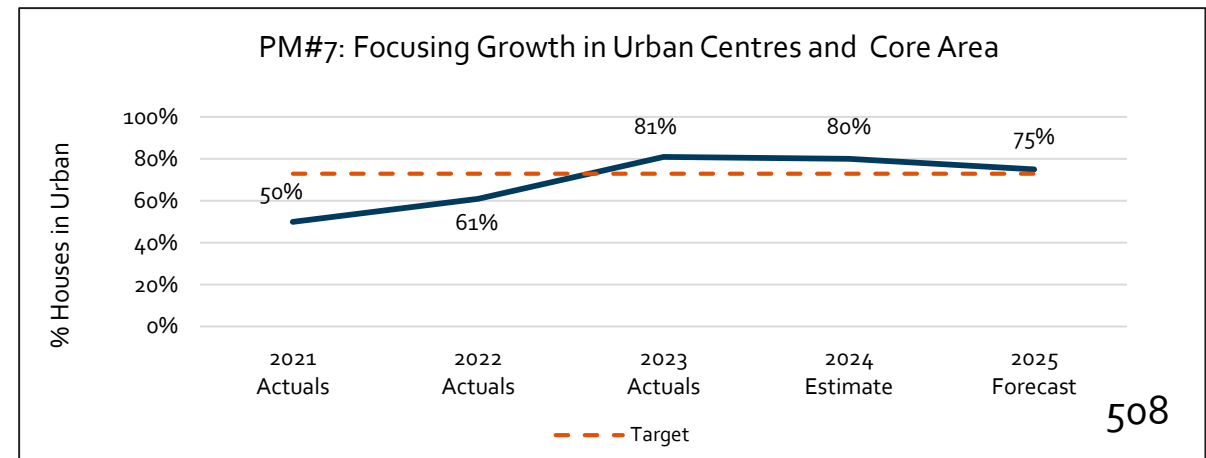
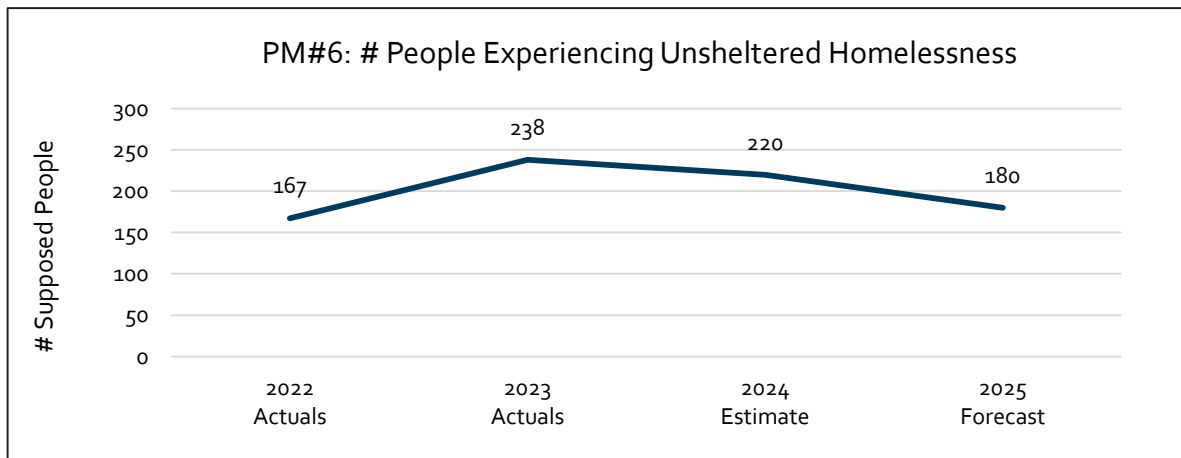
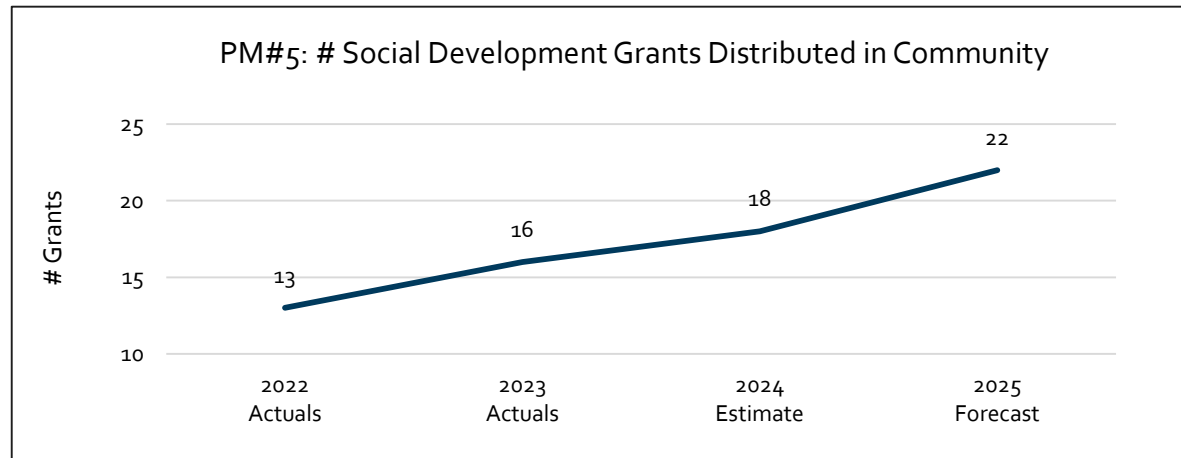
▶ Continuous improvements

- Improve data quality and data sources to establish better measurement of needs and progress related to housing and homelessness
- Complete review of the City's Social Development Grants
- Enhance proactive planning as it relates to extreme weather responses and establish KPIs to inform decision making and track progress on environmental initiatives
- Establish an interdepartmental Climate Action Team to ensure implementation of climate-related initiatives across the organization
- Leverage City data to drive evidence-based decision making and improve data inputs into Model City
- Modernize the City's traditional planning processes
- Innovative AI use to improve development applications

Community Development Performance measures

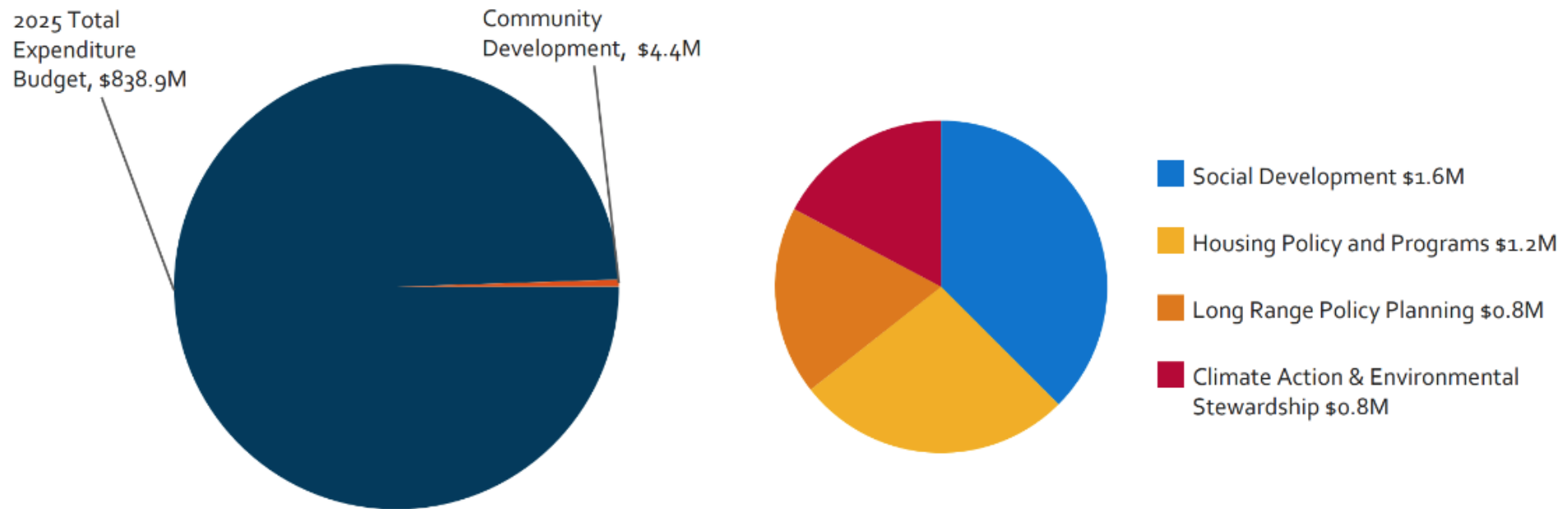


Community Development Performance measures (continued)



Community Development Expenditure Budget

2025 Total Expenditure Budget Breakdown

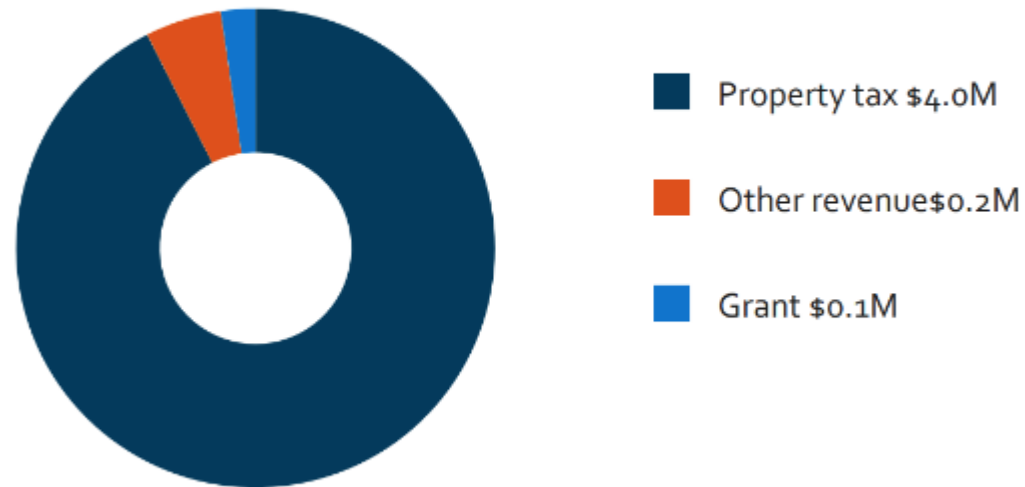


Total \$4.4M

Community Development

Budget overview

Funding strategy



Total \$4.4M

Community Development

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$6,837	\$ -	\$6,837
2023 & 2024 Adjustments	(2,590)	-	(\$2,590)
2025 Starting budget	\$4,247	\$ -	\$4,247

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Community Development

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$4,247	\$ -	\$4,247
Maintaining current service level	70	-	\$70
	\$4,317	\$ -	\$4,317
Enhancing service level	44	-	\$44
2025 Recommended budget	\$4,361	\$ -	\$4,361

- ▶ Drivers for change:
- Mayor's Task Force initiatives

Community Development

Operating requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests

Community Development

Capital requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests



Development Services

Service budget overview

Development Services

▶ Key accomplishments

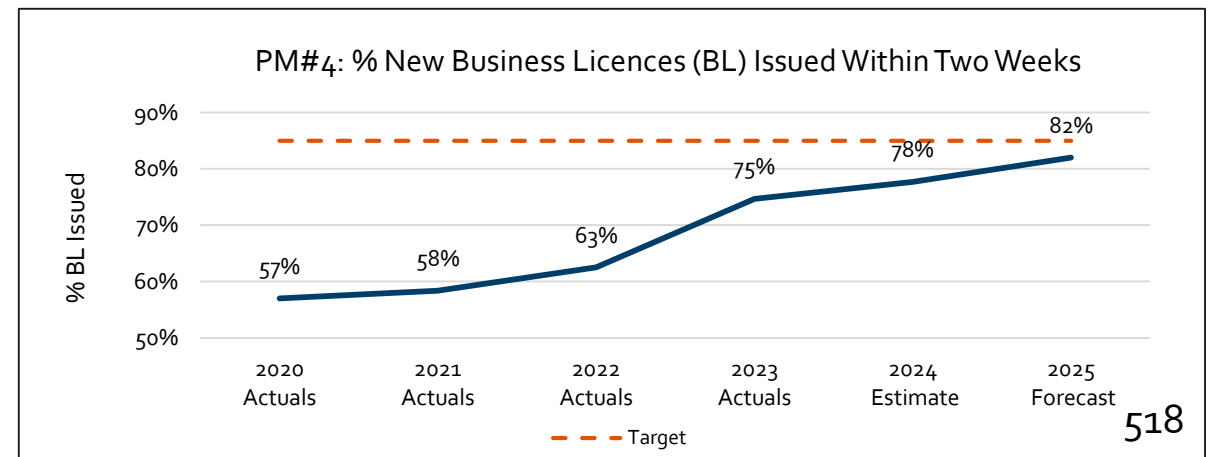
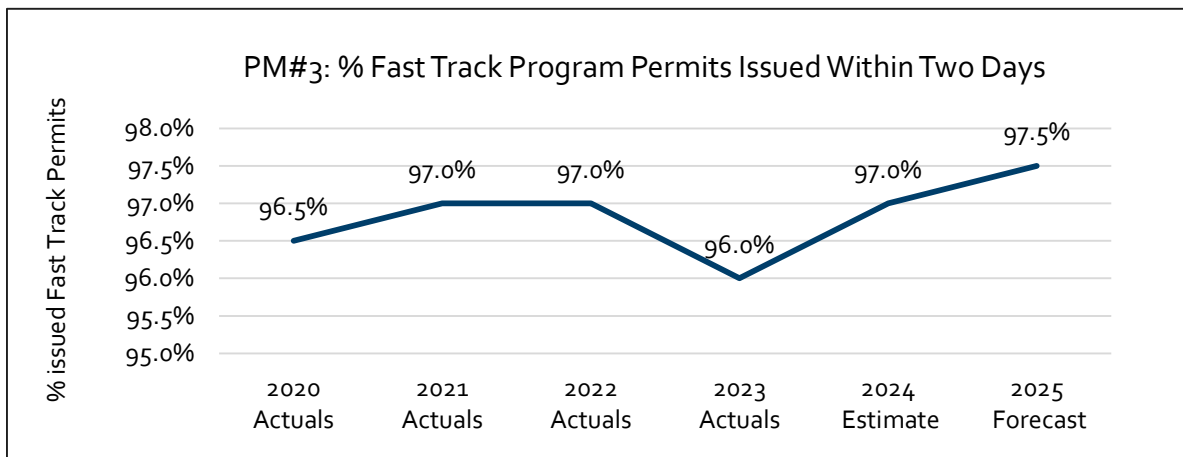
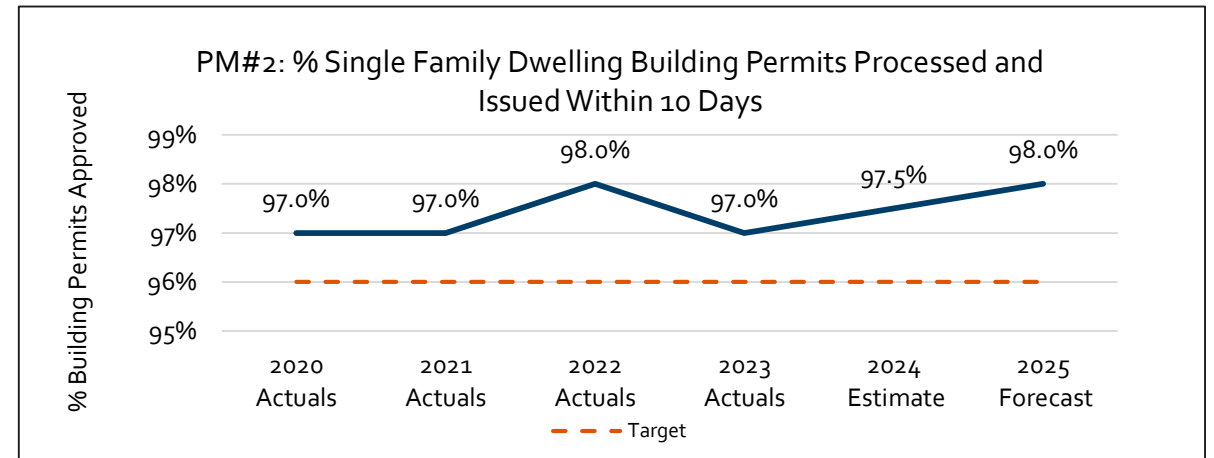
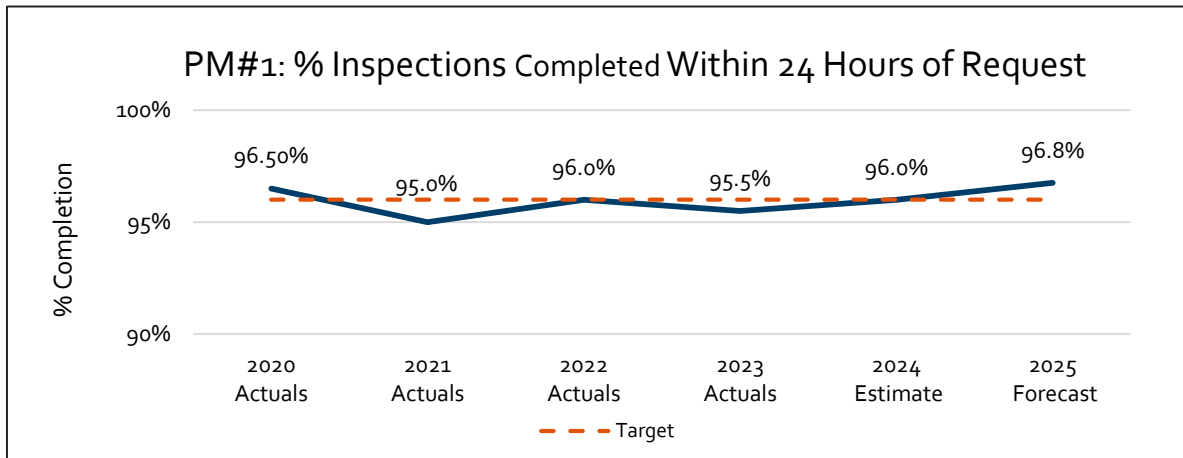
- Obtained the annual renewal of permitting branch accreditation from International Accreditation Service
- Replacement of Business Licence (BL) Bylaw No. 7878. The result is a new streamlined BL Bylaw that is more modern and user-friendly
- Improvement to the online business licence application process to drive more online applications and support 24/7 service delivery
- Implemented the new CityWorks PLL permitting software
- Enhanced the Property Information Request application process using a digital tool to create greater efficiencies
- Improvements to the Addressing process through digital transformation

Development Services

▶ Continuous improvements

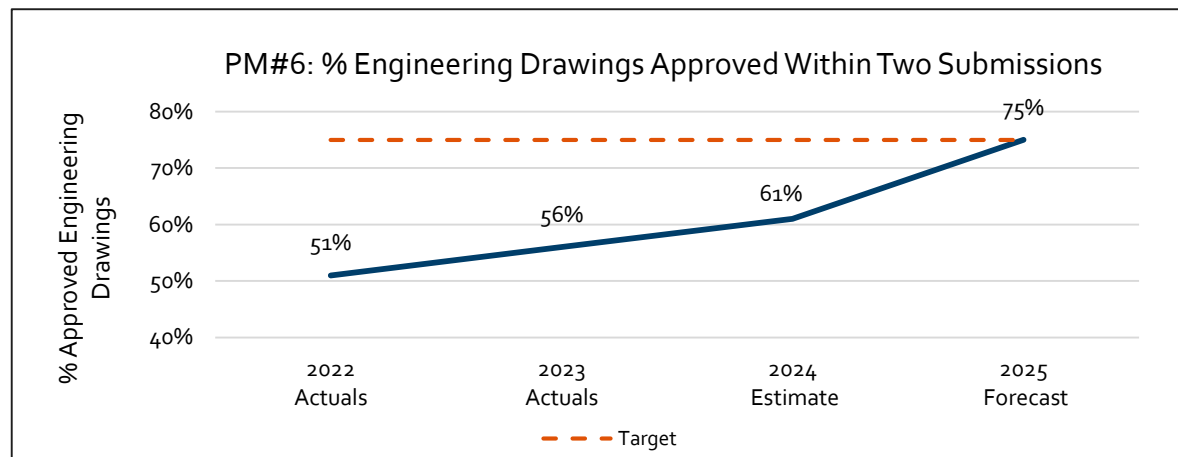
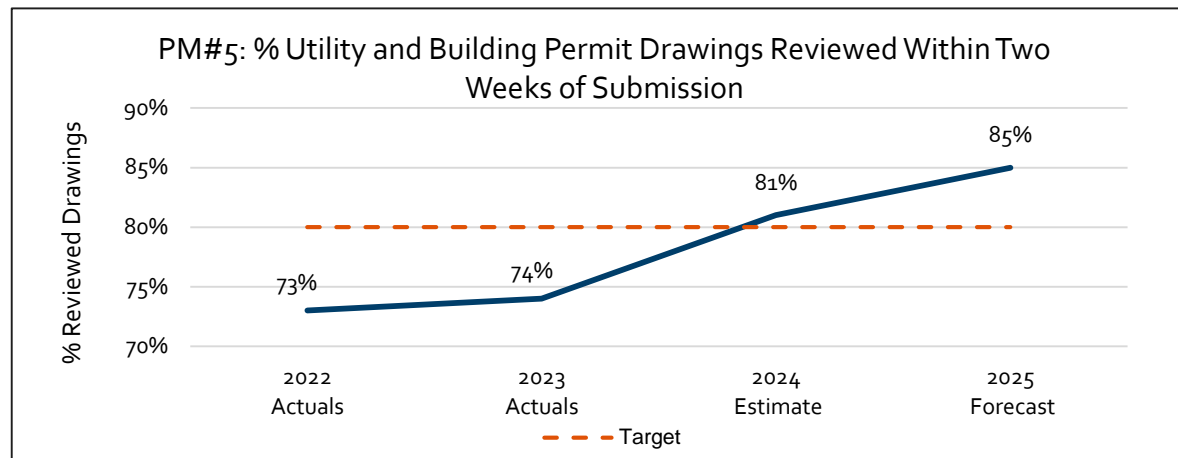
- Update Building Bylaw and improve online application process
- Update the Addressing Bylaw
- Transitioning to digital plan submission and review
- Continued automation of internal business processes
- Advancing efforts to integrate AI and automation into daily processes
- Accept all forms of payment at One Window

Development Services Performance measures



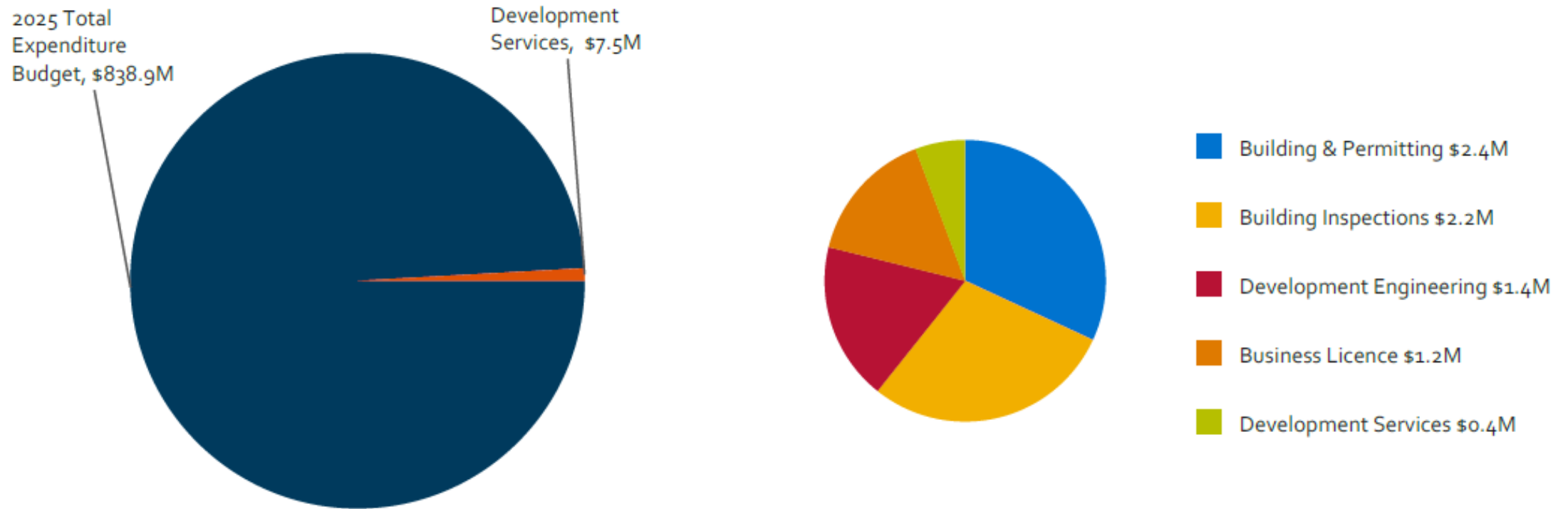
Development Services

Performance measures (continued)



Development Services Expenditure Budget

2025 Total Expenditure Budget Breakdown

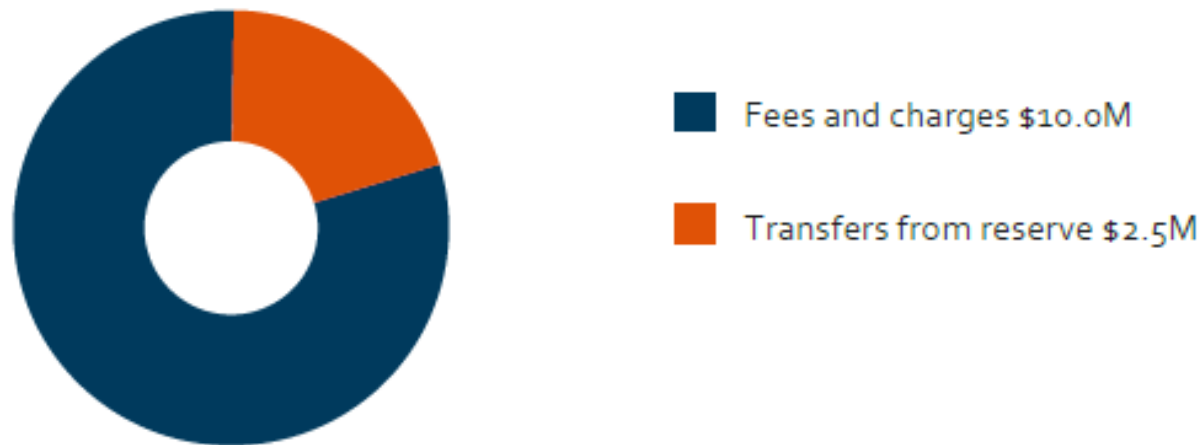


Total \$7.5M

Development Services

Budget overview

Funding strategy



Total \$12.5M

Development Services

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$7,308	\$ -	\$7,308
2023 & 2024 Adjustments	(123)	-	(\$123)
2025 Starting budget	\$7,185	\$ -	\$7,185

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Development Services

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$7,185	\$ -	\$7,185
Maintaining current service level	268	-	\$268
	\$7,453	\$ -	\$7,453
Enhancing service level	16	-	\$16
2025 Recommended budget	\$7,470	\$ -	\$7,470

- ▶ Drivers for change:
 - Core service delivery

Development Services

Operating requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests

Development Services

Capital requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests



Development Planning

Service budget overview

Development Planning

▶ Key Accomplishments

- First municipality in BC to have implemented Bills 44 and 47 in 2024
- Reorganized the Development Planning Department to improve service delivery and approvals
- Updated Procedures Bylaw to increase delegated authority to streamline development approvals
- Separated rezoning and development applications to reduce upfront costs to new development and housing
- Neighbourhood Notification, Council policy 367 reviewed and updated
- Liquor Licensing Policy 359 reviewed and updated to reduce approval timelines for applicants
- Initiated review of Parking Bylaw to align with Bill 16 in 2025
- Initiated review to modernize Signs Bylaw
- Reviewed and updated Development Application Fees Bylaw
- Council endorsed development concept for the Mill Site

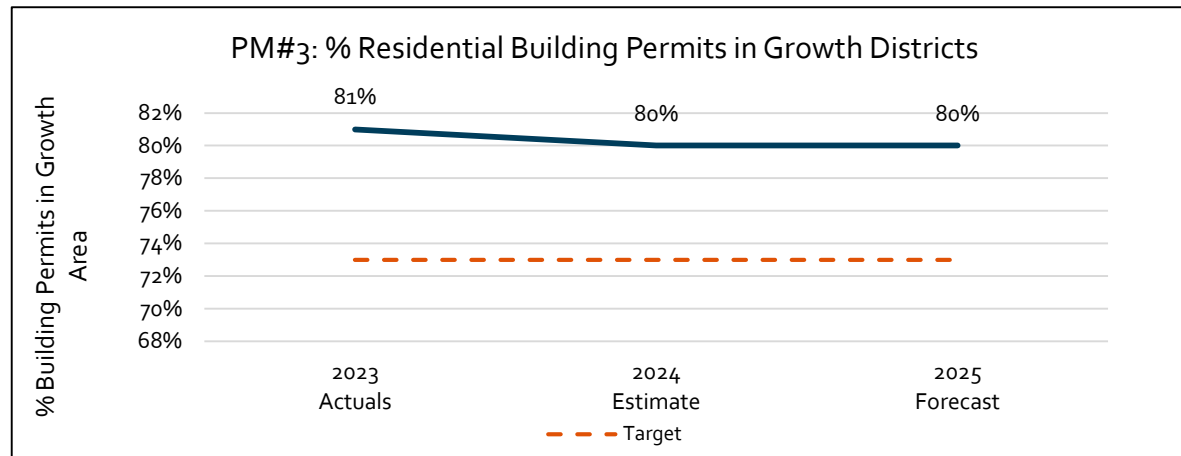
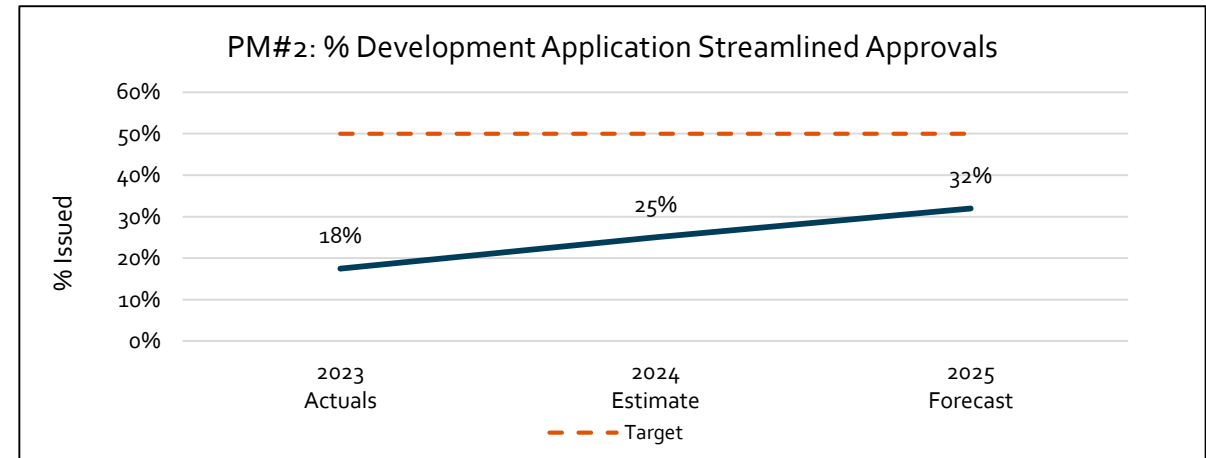
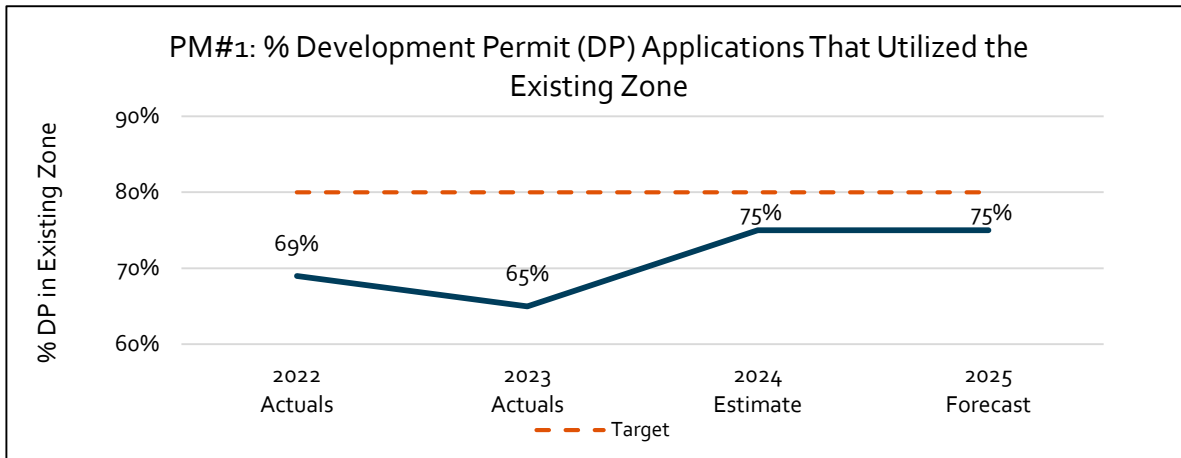
Development Planning

▶ Continuous Improvements

- Incremental changes to development application process to integrate with CityWorks adoption
- Quarterly amendment packages to Zoning Bylaw and/or OCP to improve accuracy and consistency
- Updated/streamlined tree inventory procedure for infill developments
- Improved/updated landscape enhancement standards
- Updated Planning & Development website
- Linked MapViewer to updated Planning and Development website
- Created PDF directory of Development Planning department's geographic focus areas
- Held seasonal workshops with development and design community throughout the year to communicate the continuous improvements Development Planning was working on
- Implemented a delegated development variance permit program to speed up some development application types

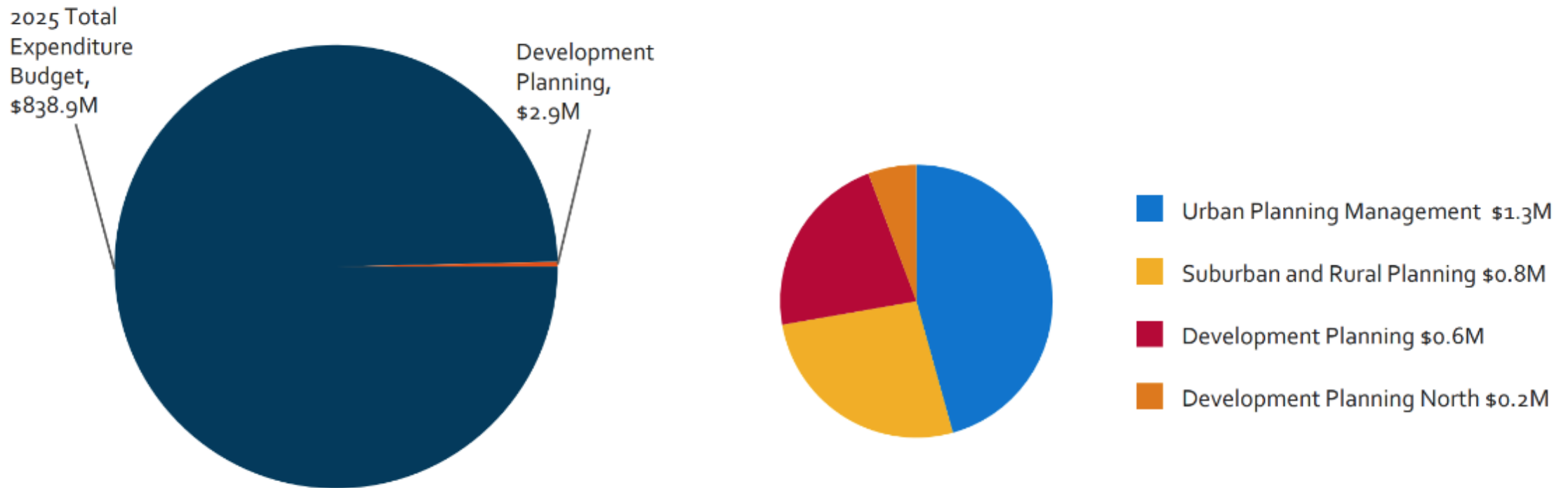
Development Planning

Performance measures



Development Planning Expenditure Budget

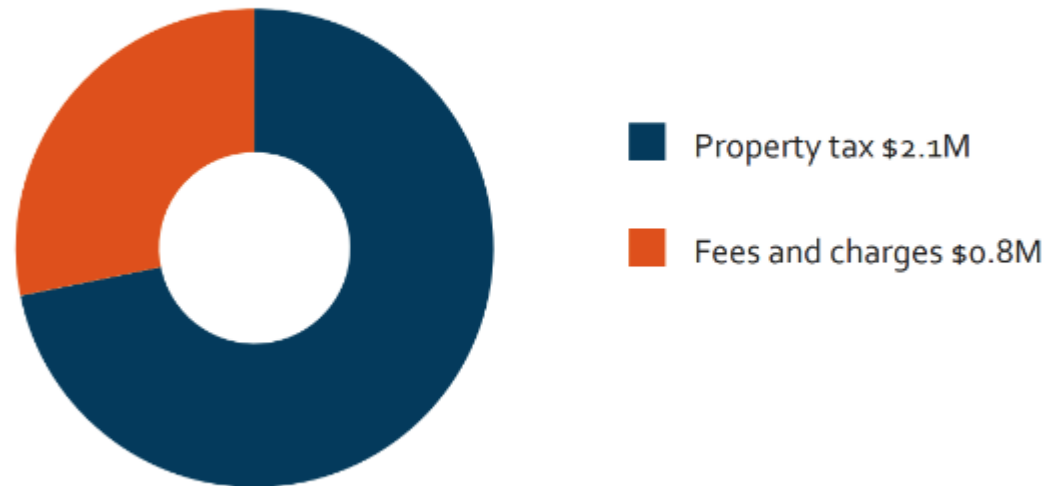
2025 Total Expenditure Budget Breakdown



Development Planning

Budget overview

Funding strategy



Total \$2.9M

Development Planning

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$3,050	\$ -	\$3,050
2023 & 2024 Adjustments	(235)	-	(\$235)
2025 Starting budget	\$2,815	\$ -	\$2,815

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Development Planning

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$2,815	\$ -	\$2,815
Maintaining current service level	123	-	\$123
	\$2,938	\$ -	\$2,938
Enhancing service level	7	-	\$7
2025 Recommended budget	\$2,945	\$ -	\$2,945

- ▶ Drivers for change:
 - Core service delivery

Development Planning

Operating requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests

Development Planning

Capital requests (\$ thousands)

This service area has no Priority 1, 2025 budget requests



Parking

Service budget overview

Parking

▶ Key accomplishments

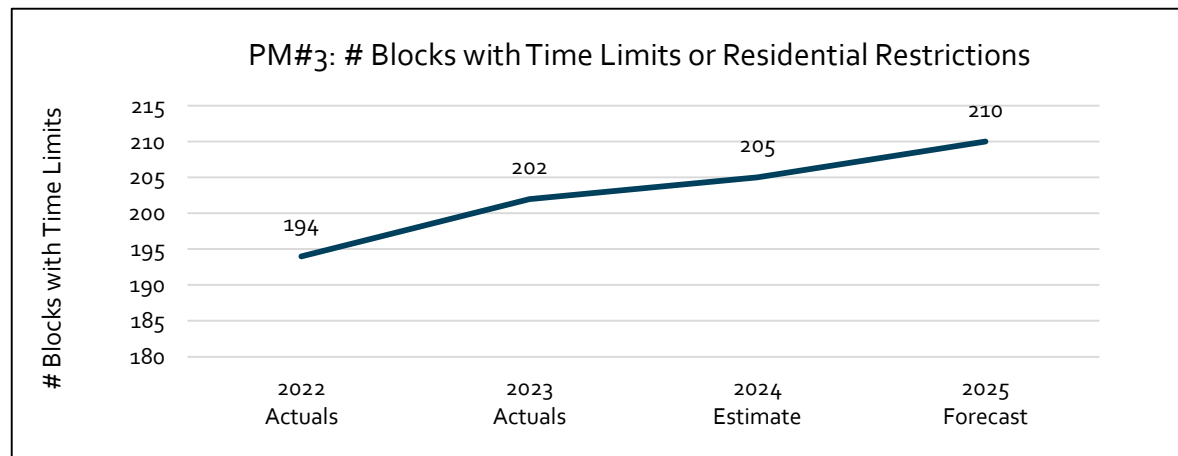
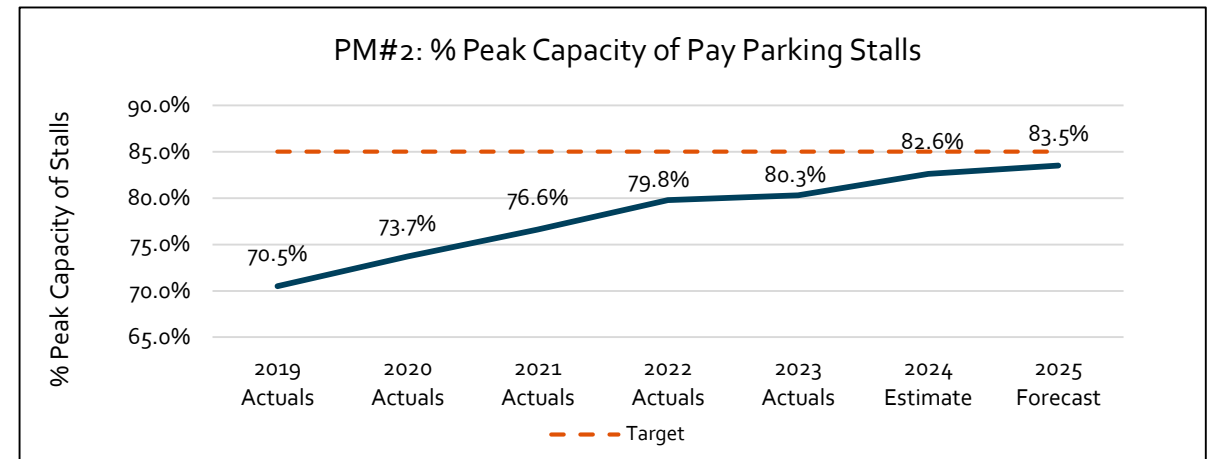
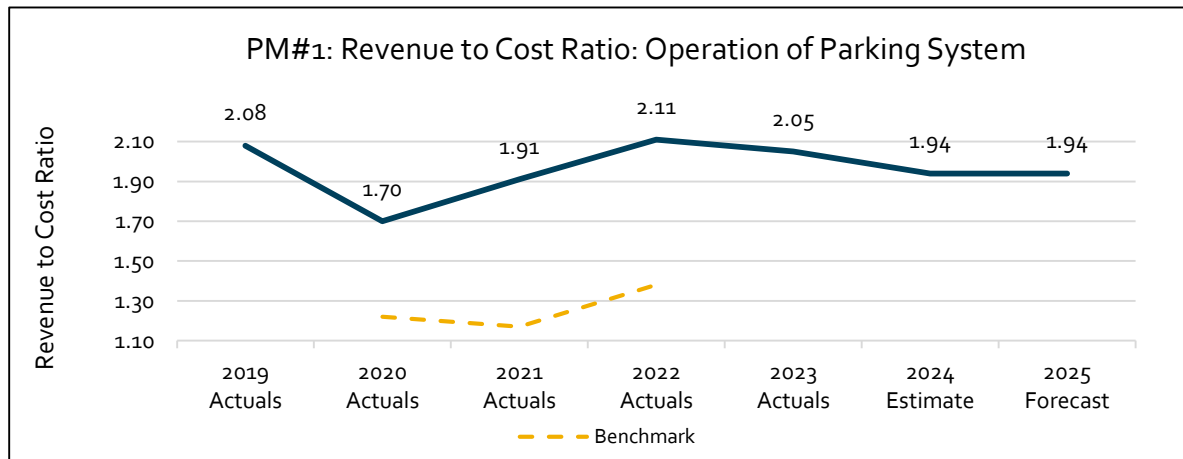
- Contributed \$1.15 million from parking revenues to reduce taxation
- Hired and onboarded a new Parking Services Supervisor
- Amended the Residential Parking Permit policy to align with provincial housing directives for increased density
- Initiated a multi-year project to refurbish older pay stations, including modem, credit card processing equipment and software upgrades, to extend their useful life
- Installed 10 additional public (Level 2) EV chargers in parkades and surface parking lots
- Successfully transitioned our parking enforcement licence plate recognition vehicles to fully electric (three City and two contractor operated)
- Invested an additional \$300,000 in parkade restoration projects - focused on concrete and flashing repairs, protective coating and general waterproofing

Parking

▶ Continuous improvements

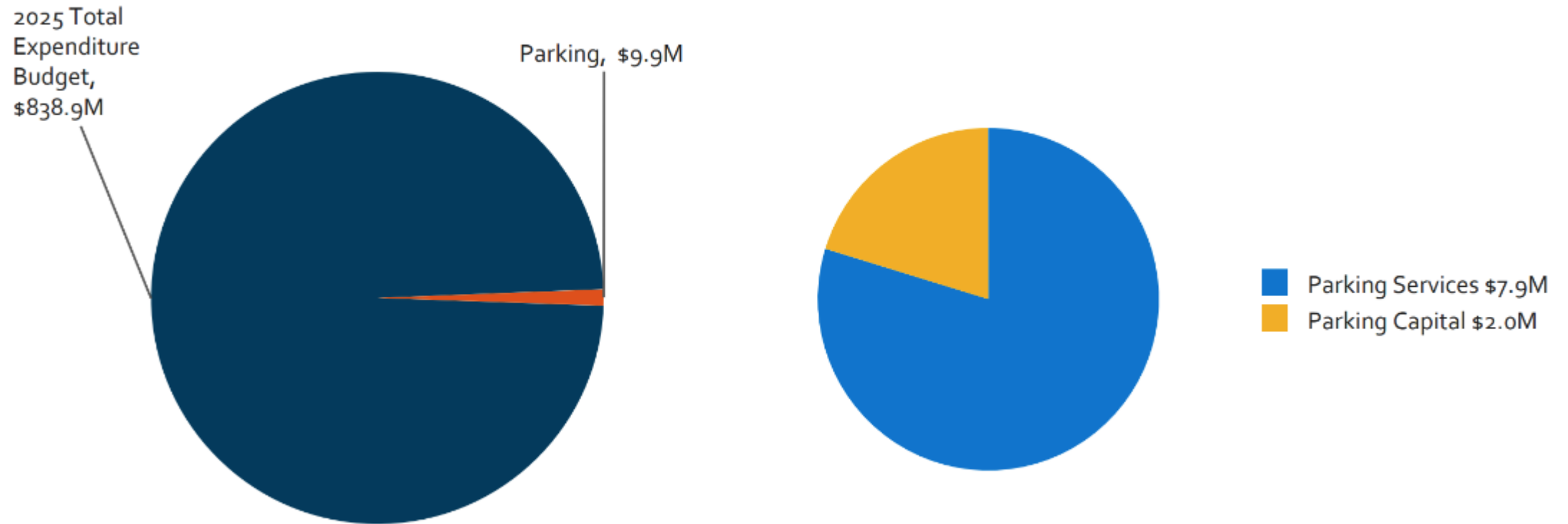
- Continue to utilize pilot projects to evaluate the effectiveness and usefulness of new technologies that may enhance our ability to manage parking and improve the customer experience
- Utilize cross training and reallocation of existing staff resources, combined with new positions, to improve response times to service requests and areas of concern
- Reallocate enforcement resources to target areas where issues have been identified or complaints received
- Review operating model/governance for parking to improve efficiency
- Continuously enhance the collection of parking data to support analysis, decision making, and information sharing

Parking Performance measures



Parking Expenditure Budget

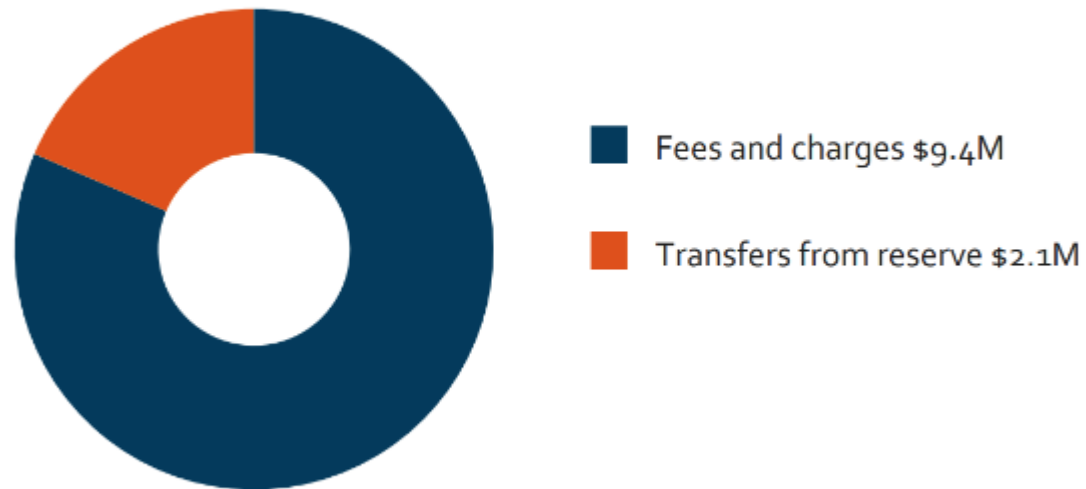
2025 Total Expenditure Budget Breakdown



Parking

Budget overview

Funding strategy



Total \$11.5M

Parking

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$7,478	\$ -	\$7,478
2023 & 2024 Adjustments	(117)	-	(\$117)
2025 Starting budget	\$7,361	\$ -	\$7,361

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Parking

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$7,361	\$ -	\$7,361
Maintaining current service level	473	1,500	\$1,973
	\$7,834	\$1,500	\$9,334
Enhancing service level	50	500	\$550
2025 Recommended budget	\$7,884	\$2,000	\$9,884

► Drivers for change:

- Increased density in commercial and residential zones
- Growth in parking demand

Parking

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Parking Services Planning	56	111	111	111	111
Parking Study for Recreation Parks and Facilities - Phase 2	50	—	—	—	—
Operating Requests Priority 1 Total	106	111	111	111	111

Parking

Capital requests (\$ thousands)

Priority 1

Description		2025	2026	2027	2028	2029
Programs						
Parking Infrastructure & Facilities		1,500	600	2,100	600	2,100
Projects						
	Total Project					
South Pandosy Parkade	15,000	500	1,500	6,500	6,500	—
Capital Request Priority 1 Total	15,000	2,000	2,100	8,600	7,100	2,100

Changes from 10-Year Capital Plan:

- Parking Infrastructure & Facilities: (\$1.800M)



Partnerships Office

Service budget overview

Partnerships Office

▶ Key accomplishments

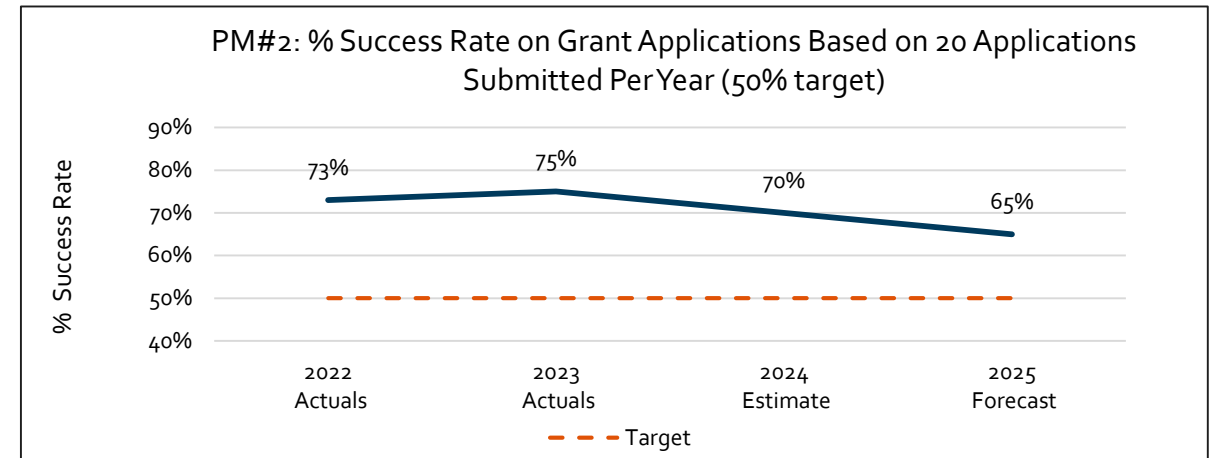
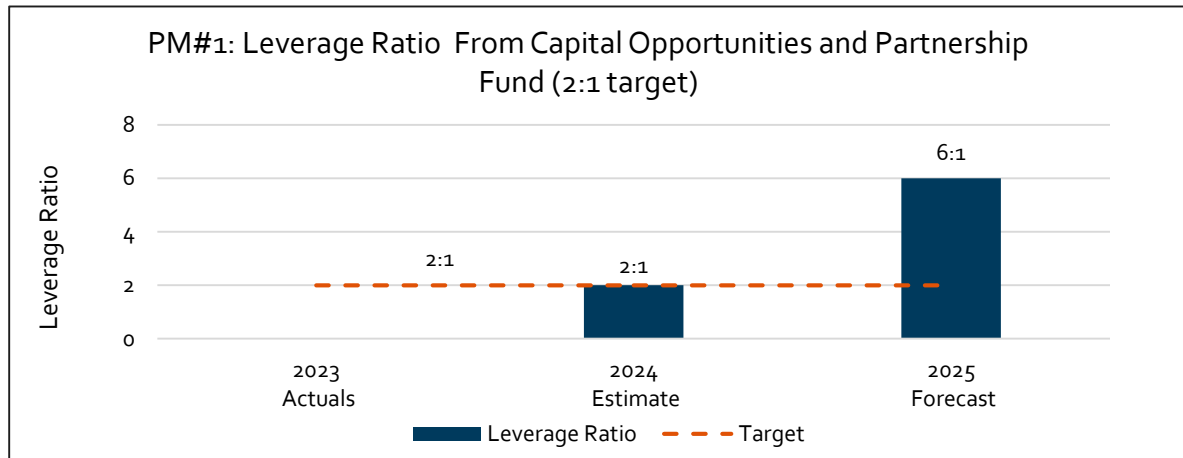
- Provincial commitment for a new purpose-built complex care and supportive housing facility
- Provincial commitment for Kelowna to receive HEART & HEARTH funds to create temporary shelter housing
- Partnership with the Okanagan Regional Library for express branches at the Glenmore Activity Centre and redeveloped Parkinson Recreation Centre
- Grant portfolio managed over \$110 million in current contracts
- Partnership with Okanagan College on the new Recreation and Wellness Facility at their Kelowna Campus
- The Partnerships Office collaborated with national organizations on partnership opportunities

Partnerships Office

▶ Continuous improvements

- Expanded the Partnerships Office team with the hiring of two new Partnerships Coordinators and a Partnerships Development Coordinator
- UBCO Research committee continues to leverage collaboration and research grant opportunities that benefit our city
- Execution of Council's revised advocacy priorities for 2023-2026 with evidence-based background materials
- Customer Relationship Management system recommendations are being finalized
- Policies and Procedures to guide Intergovernmental Relations and Partnerships portfolios

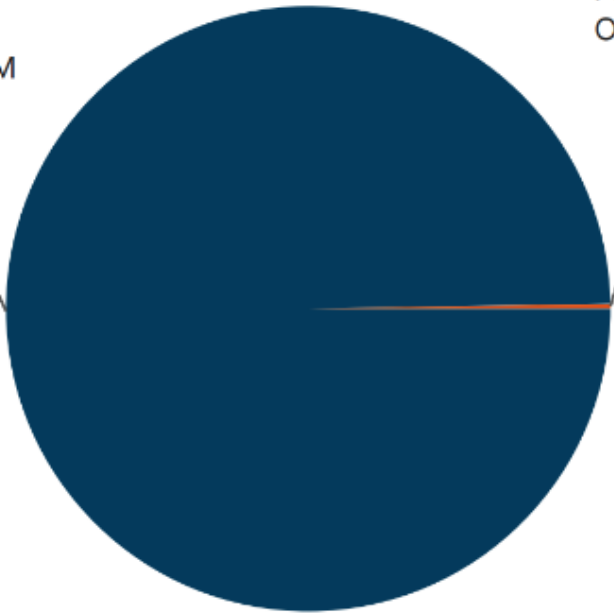
Partnerships Office Performance measures



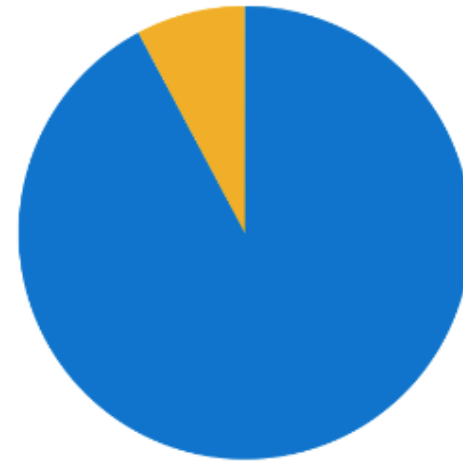
Partnerships Office Expenditure Budget

2025 Total Expenditure Budget Breakdown

2025 Total
Expenditure
Budget, \$838.9M



Partnerships
Office, \$2.2M



■ Partnerships Office \$2.0M

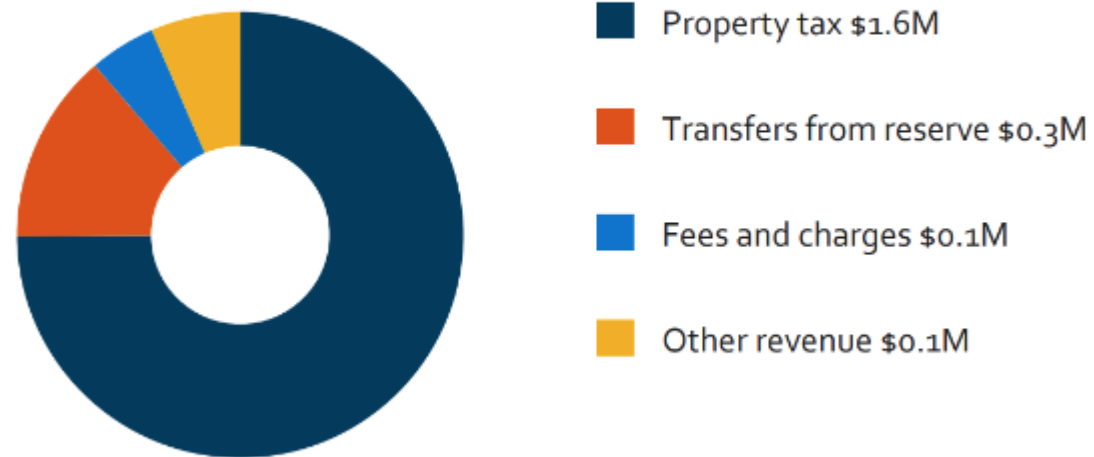
■ Sponsorship & Advertising \$0.2M

Total \$2.2M

Partnerships Office

Budget overview

Funding strategy



Total \$2.2M

Partnerships Office

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$1,766	\$ -	\$1,766
2023 & 2024 Adjustments	16	-	\$16
2025 Starting budget	\$1,782	\$ -	\$1,782

► Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Partnerships Office

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$1,782	\$ -	\$1,782
Maintaining current service level	72	-	\$72
	\$1,854	\$ -	\$1,854
Enhancing service level	305	-	\$305
2025 Recommended budget	\$2,159	\$ -	\$2,159

► Drivers for change:

- Ensuring predictable and effective advocacy
- Improved regional economic strategies to support local business and the City's role
- Strategy to manage partnerships aligned with Council priorities

Partnerships Office

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Council Advocacy Priorities Strategic Development - Redeployment	—	—	—	—	—
Partnership Development Strategy, Framework and Collateral	75	—	—	—	—
Economic Development Strategy - Redeployment	—	—	—	—	—
Operating Requests Priority 1 Total	75	—	—	—	—

Partnerships Office

Capital requests (\$ thousands)

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.



Governance & Leadership

Service budget overview



Governance & Leadership

▶ Key accomplishments

- Supported review and update of Council priorities for the 2022-2026 Council term
- Implemented a corporate administrative policy framework that guides how administrative policies are structured, developed, approved, and maintained
- Reviewed the Council Code of Conduct and Lobbyist Registry
- Moved older electronic records into SharePoint Online to support collaboration and compliance and to manage electronic records and information through their lifecycle

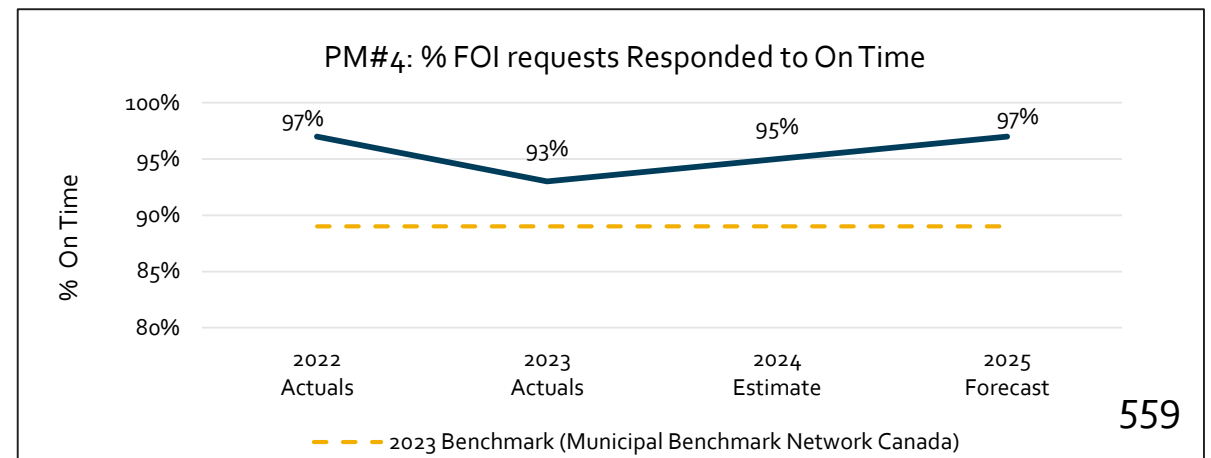
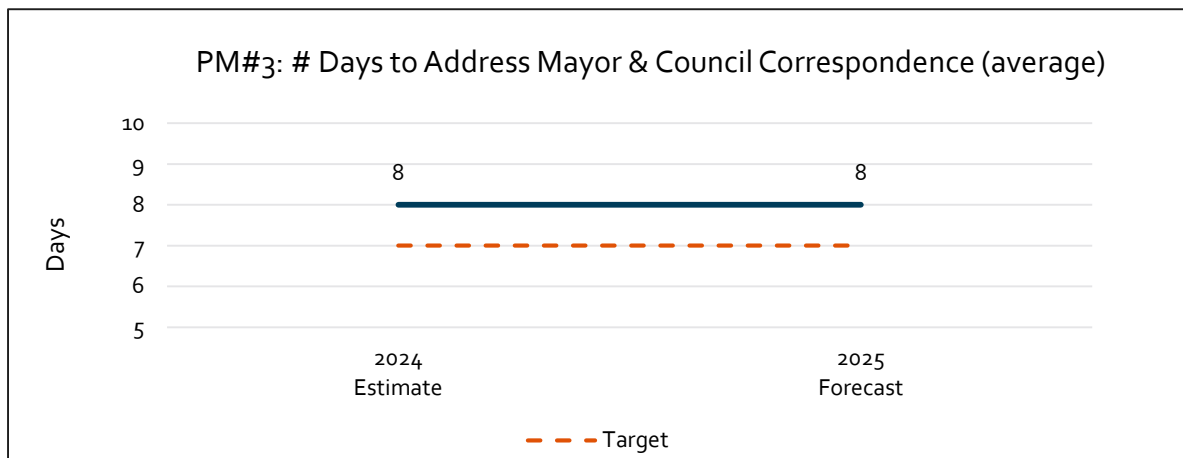
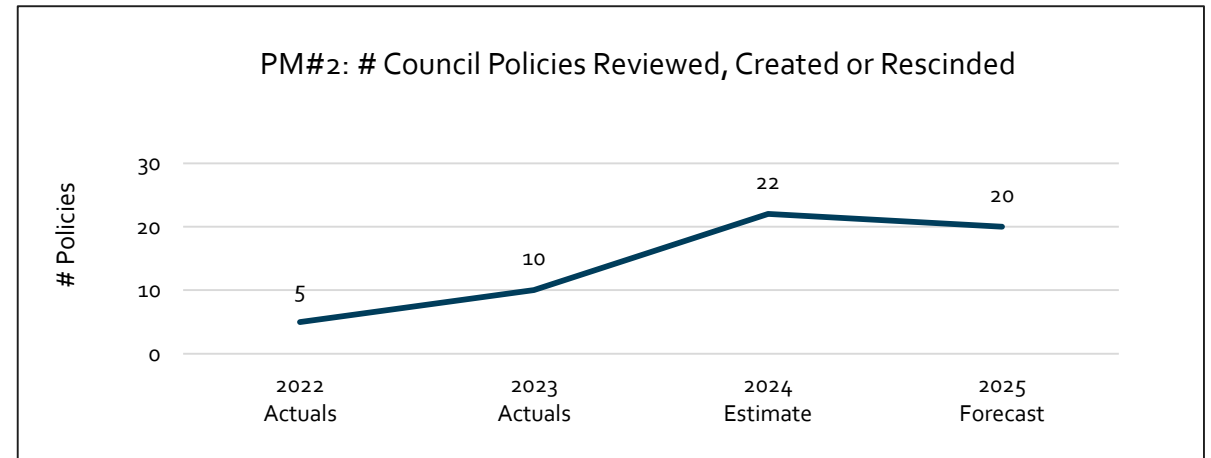
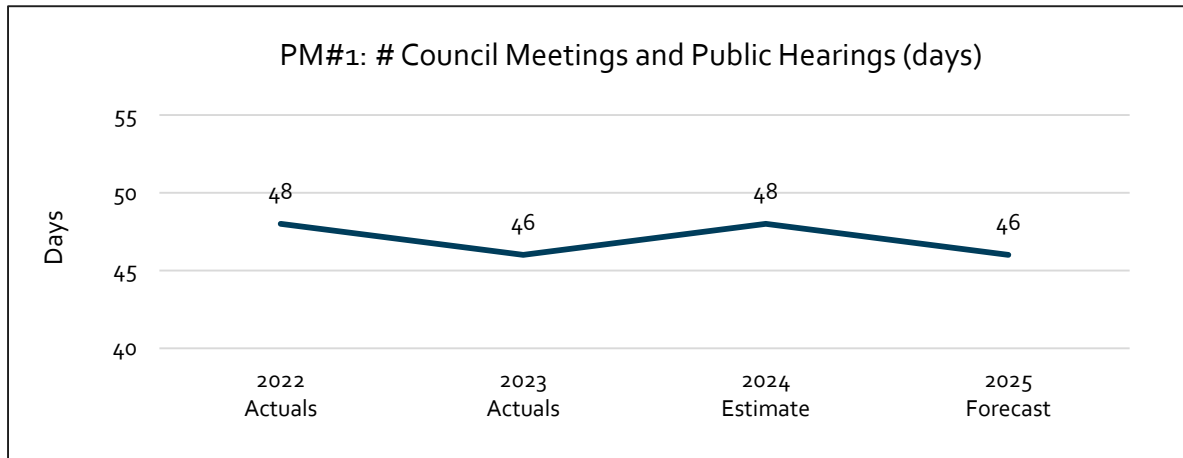
Governance & Leadership

▶ Continuous improvements

- Provide input on provincial policy development with Ministry partners
- Advocate on Council priorities and key initiatives with the federal and provincial governments
- Provide governance and meeting management to committees and task forces
- Advise on bylaw and Council and administrative policy development through expanded policy function
- Provide guidance on privacy assessments that advance digital transformation and other priority initiatives

Governance & Leadership

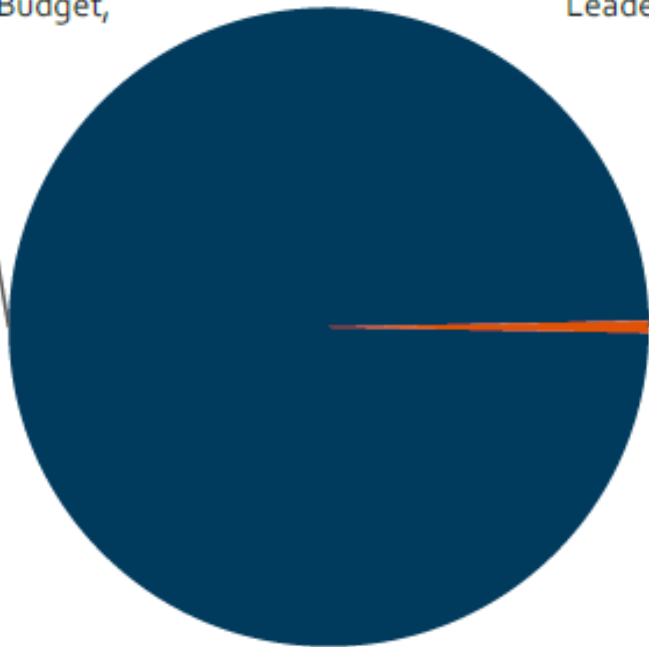
Performance measures



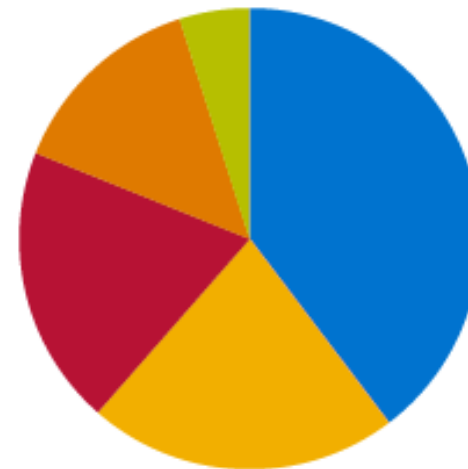
Governance & Leadership Expenditure Budget

2025 Total Expenditure Budget Breakdown

2025 Total
Expenditure Budget,
\$838.9M



Governance &
Leadership, \$5.0M



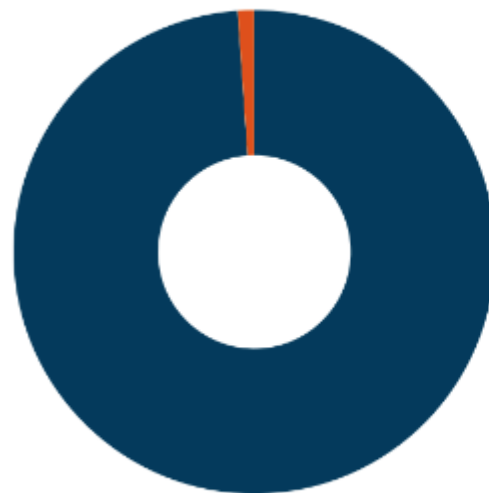
- City Manager \$2.0M
- Legislative Service \$1.1M
- Council \$1.0M
- Records & Information \$0.7M
- Mayor \$0.2M

Total \$5.0M⁵⁶⁰

Governance & Leadership

Budget overview

Funding strategy



■ Property tax \$4.9M

■ Other revenue \$0.1M

Total \$5.0M

Governance & Leadership

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$5,388	\$ -	\$5,388
2023 & 2024 Adjustments	(70)	-	(\$70)
2025 Starting budget	\$5,318	\$ -	\$5,318

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Governance & Leadership

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$5,318	\$ -	\$5,318
Maintaining current service level	295	-	\$295
	\$5,613	\$ -	\$5,613
Enhancing service level	(626)	-	(\$626)
2025 Recommended budget	\$4,987	\$ -	\$4,987

► Drivers for change:

- Privacy compliance and digital transformation
- Supporting business development, economic strategies and crime reduction through budget redeployment

Governance & Leadership

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Privacy Impact Assessments	65	65	65	65	65
Operating Requests Priority 1 Total	65	65	65	65	65

Governance & Leadership

Capital requests (\$ thousands)

There are no 2025 Priority 1 Preliminary Capital budget requests for this service area.



Enabling Services

Service budget overview

Enabling Services

- ▶ Communications
- ▶ Corporate Strategy & Performance
- ▶ Facilities
- ▶ Financial Services
- ▶ Fleet Services
- ▶ Human Resources
- ▶ Information Technology
- ▶ Infrastructure Delivery
- ▶ Real Estate
- ▶ Risk Management
- ▶ Senior Leadership

Enabling Services

▶ Key accomplishments

- Automated the staff business case process for Hiring Managers and Approvers, improving approval workflows, and process visibility to all stakeholders
- Continued implementation of the DEI strategy included offering online foundational DEI training to leaders, and updates to annual performance review programs with more inclusive language, and a guide for leaders and staff
- Selected and implemented new safety management system application to enhance injury prevention safety risk management efforts
- Achieved 94% on 2024 Certificate of Recognition (CoR) safety audit
- Increased number of staff scholarships awarded by 70%, contributing to the corporate priority Leadership Everywhere
- Issued the *Facilities Technical Building Standard V1.0 – Guidelines for the construction of City Owned Facilities*
- Capital delivery financing & procurement strategies

Enabling Services

▶ Key accomplishments (continued)

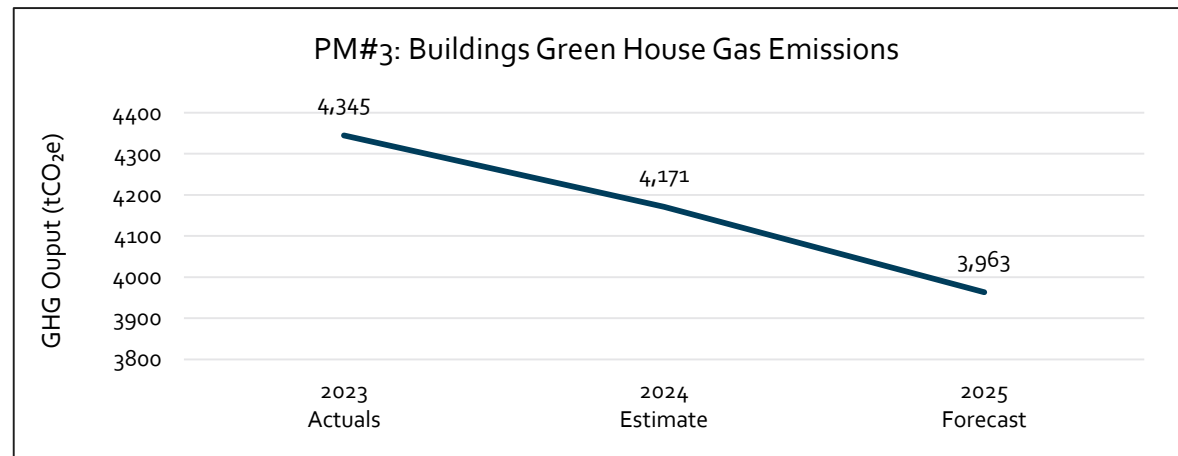
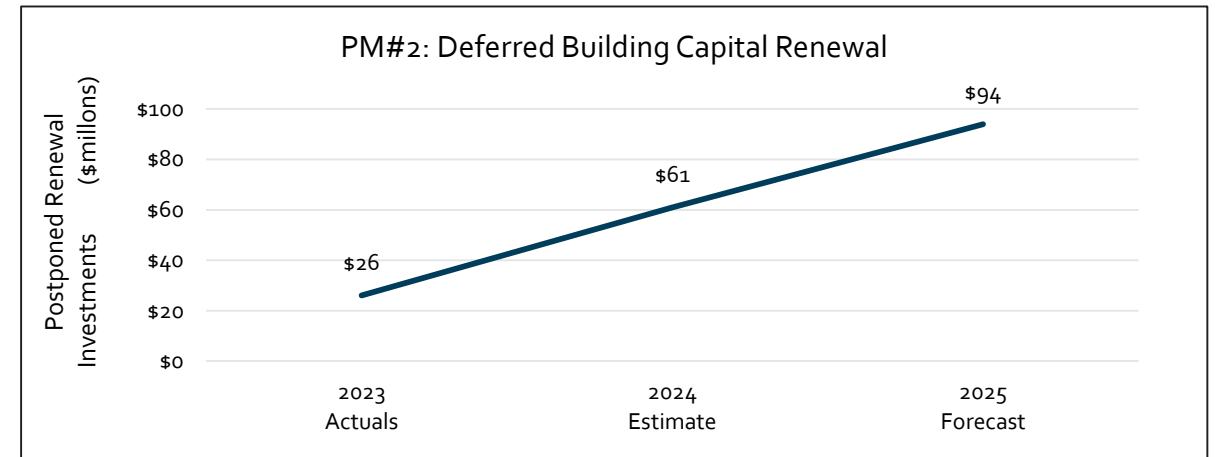
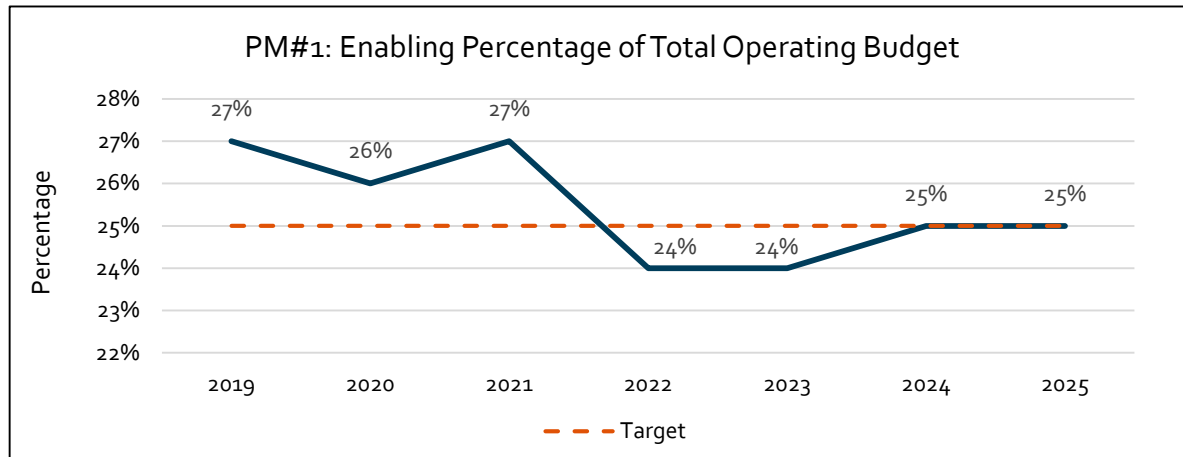
- Kick-off of the Building Stronger Kelowna project, being delivered through the Integrated Project Deliver (IPD) process
- Supported the opening of 180 units of transitional housing to provide shelter for people living without homes in Kelowna
- Views of videos on City of Kelowna channels surpassed 1.6 million views – a 5x increase from previous years
- Awarded development funding for the delivery of 68 affordable housing units on city land via Provincially led Community Housing Fund
- Coordinated development and implementation of Middle Income Housing Model (MIHP) to facilitate below market housing
- Acquired 6 parcels of land (approx. 1.16 acres) of land that will lease to two future affordable housing opportunities
- Award for Innovative Asset Management from GFOA

Enabling Services

▶ Continuous improvements

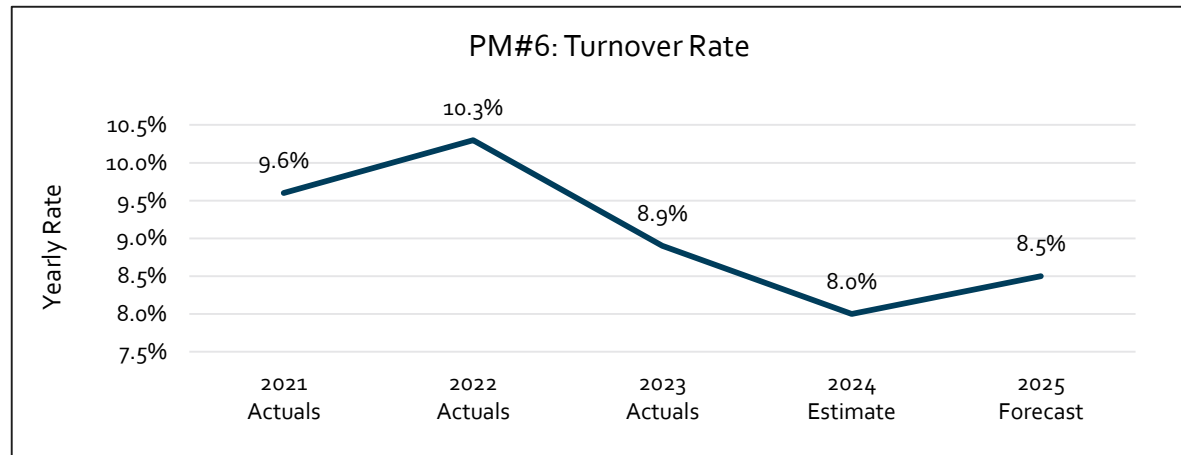
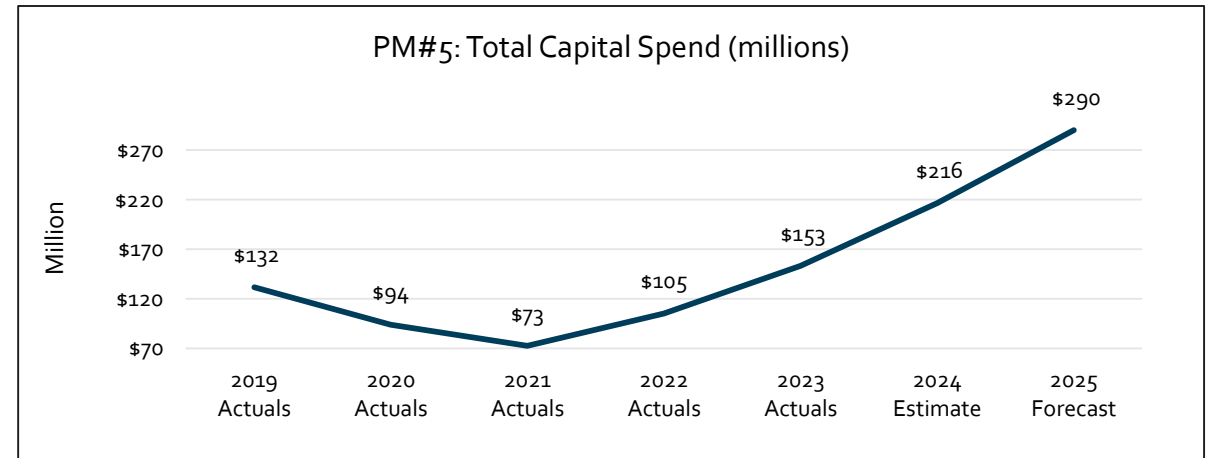
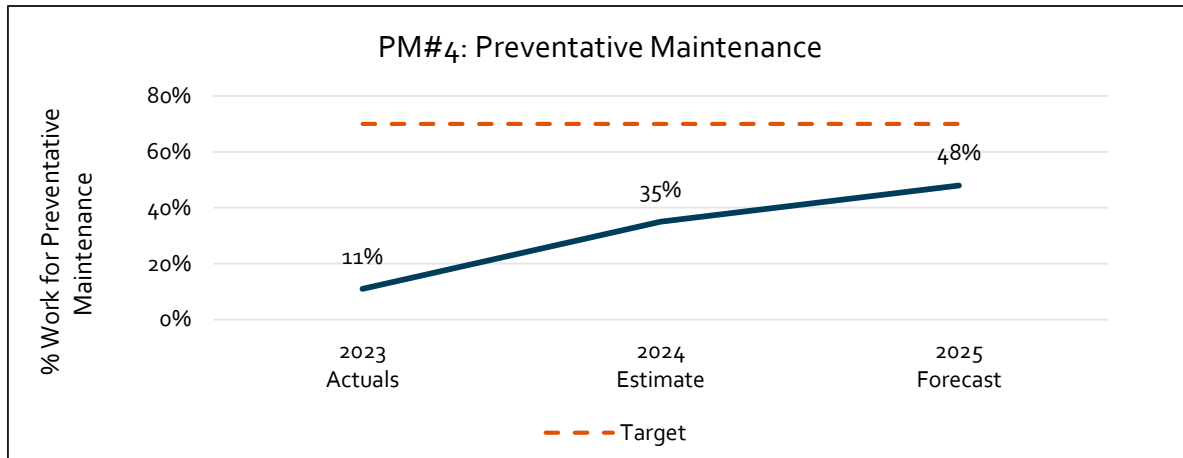
- Continue to advance our mental health strategy by developing an action plan and mental health strategy framework
- Enhanced strategies for contract management
- Use of integrated data to forecast maintenance needs and reduce unplanned repairs and associated costs
- Implement energy-efficient systems to reduce utility costs and carbon footprint
- Process Optimization: Streamlining project management processes to reduce delays and costs while improving quality
- Technology Integration: Implementing advanced technologies like project management software to enhance planning and execution
- Stakeholder Engagement: Improving communication and collaboration with community members, contractors, and other stakeholders to ensure projects meet public needs and expectations

Enabling Services Performance measures



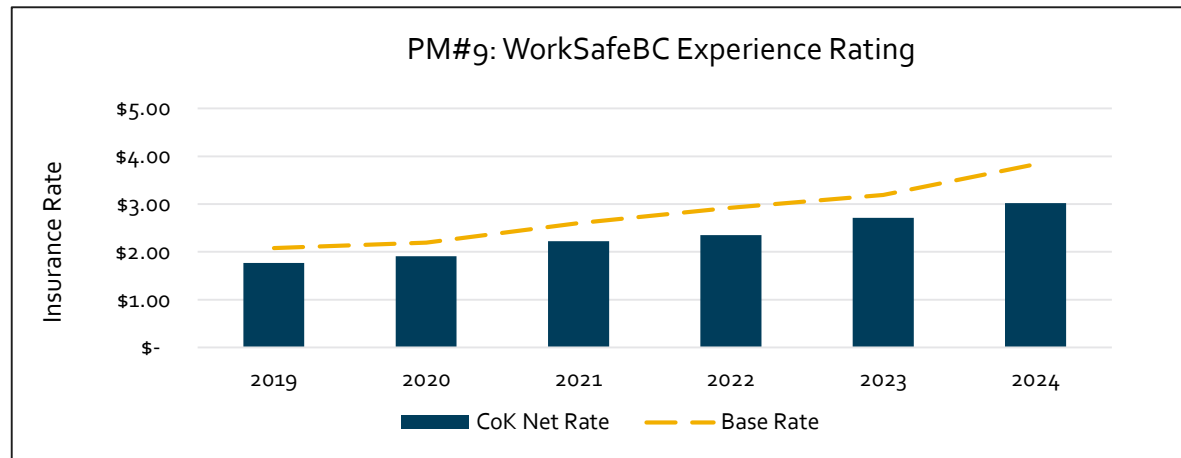
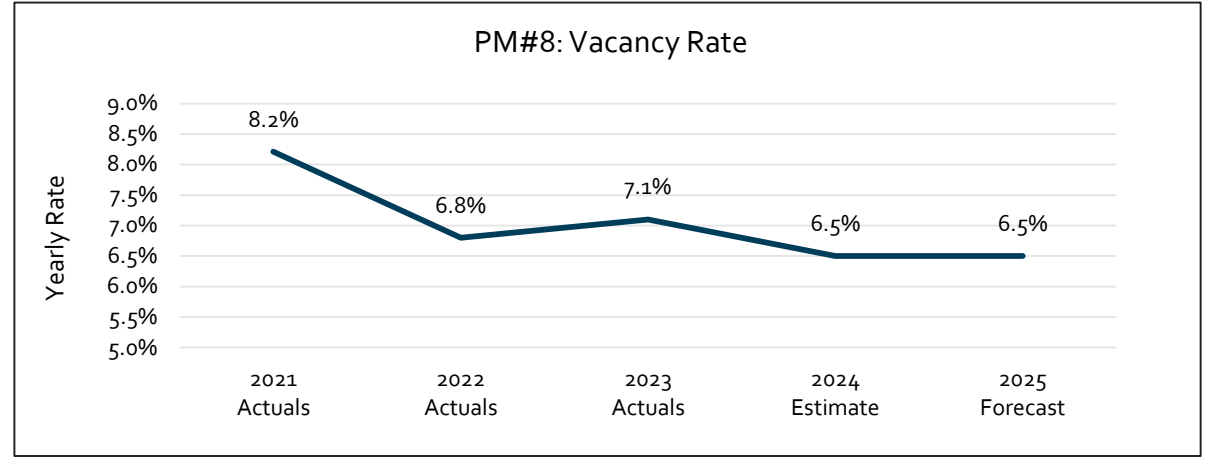
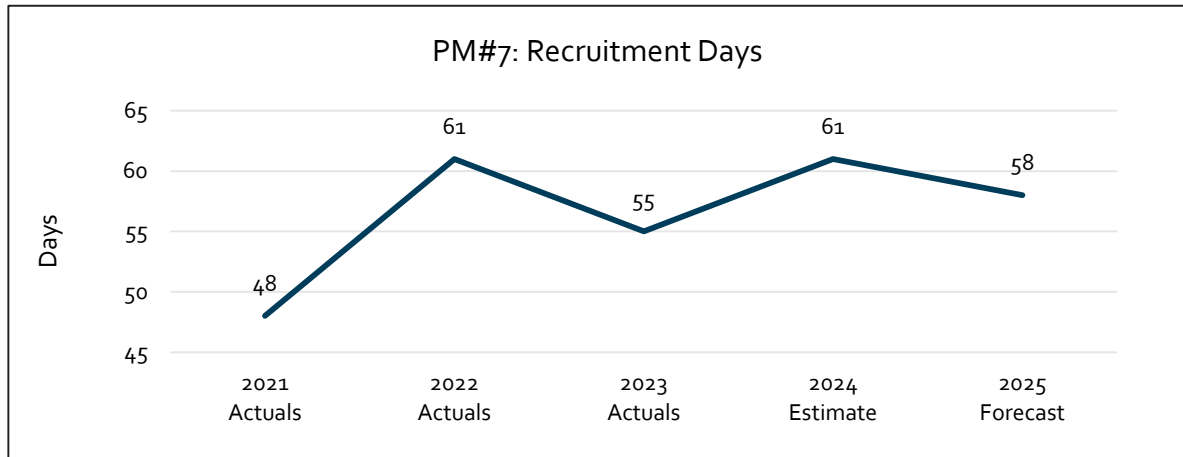
Enabling Services

Performance measures (continued)



Enabling Services

Performance measures (continued)



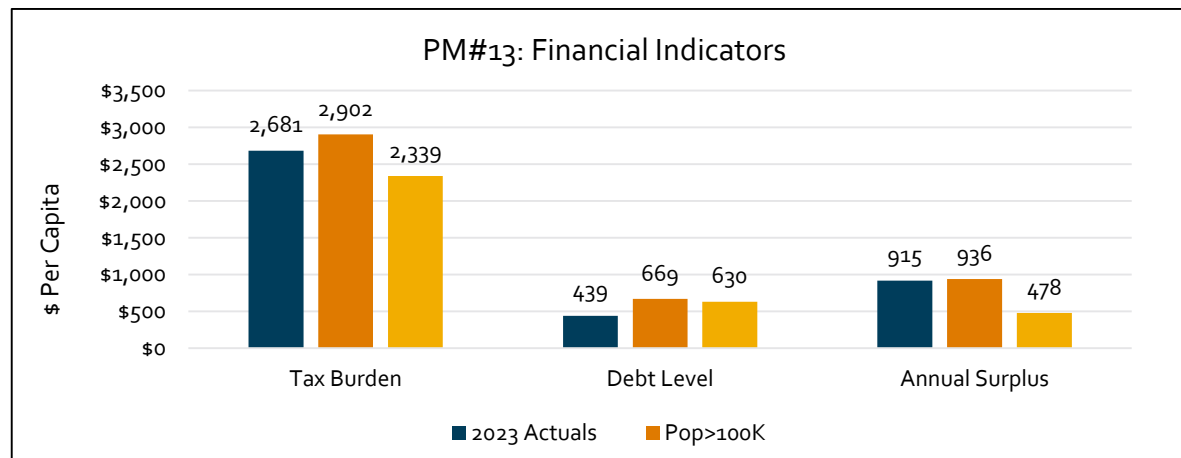
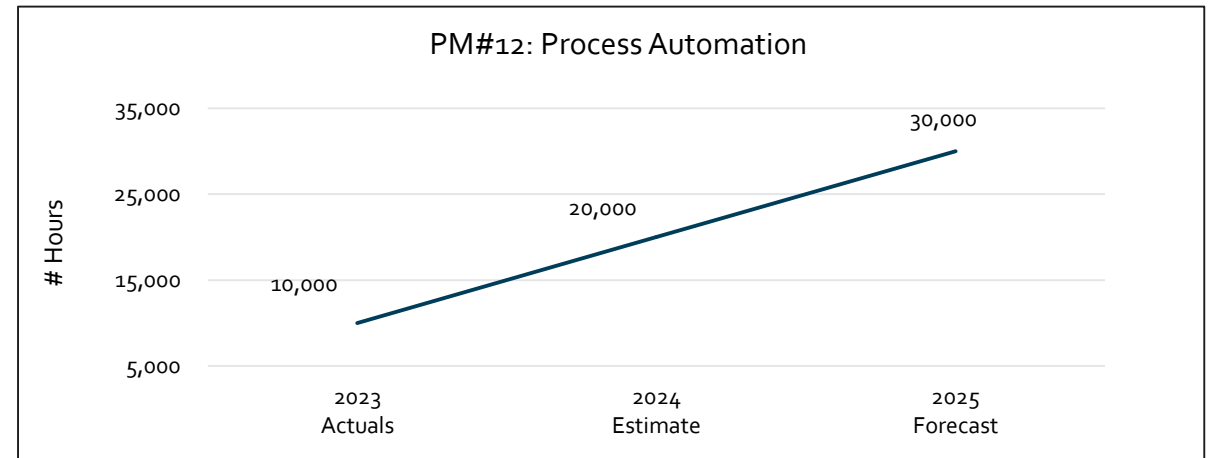
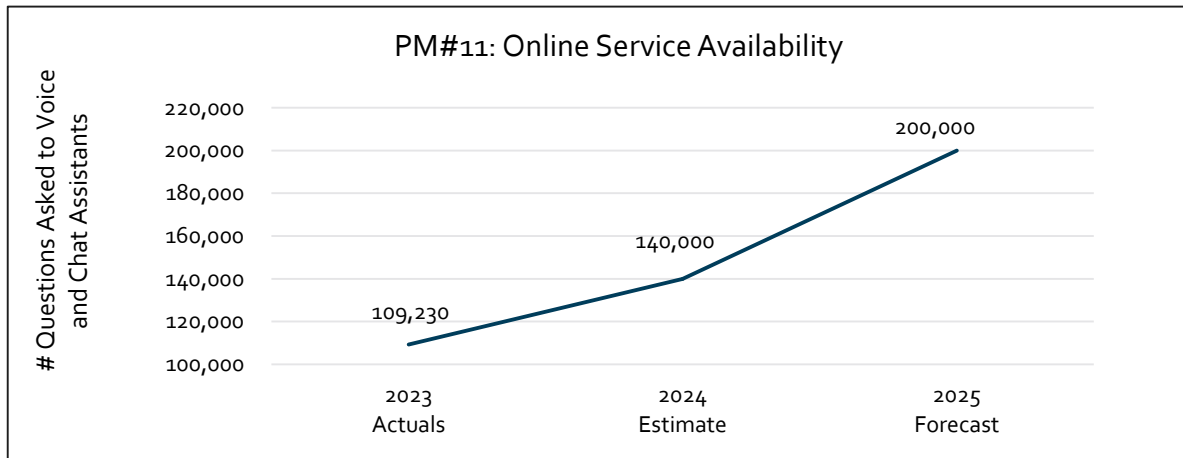
Enabling Services

Performance measures (continued)

<i>Thousands</i>	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Estimate	2025 Forecast
Website Sessions	3,194	2,716	3,723	4,904	4,119	4,325
Total Social Media Followers	80	89	96	97	112	117
Email Subscribers	44	61	64	98	104	109
Get Involved Registered Users	2	4	8	10	11	11
Total	3,320	2,870	3,891	5,109	4,346	4,562

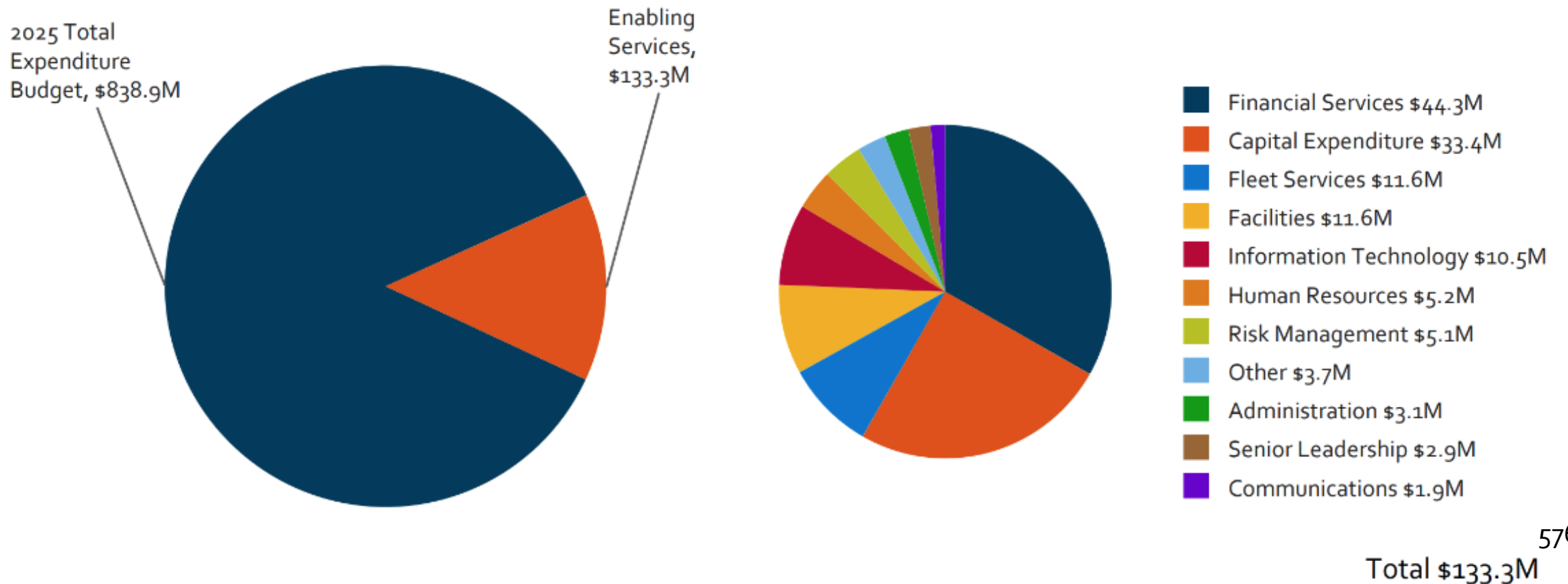
Enabling Services

Performance measures (continued)



Enabling Services Expenditure Budget

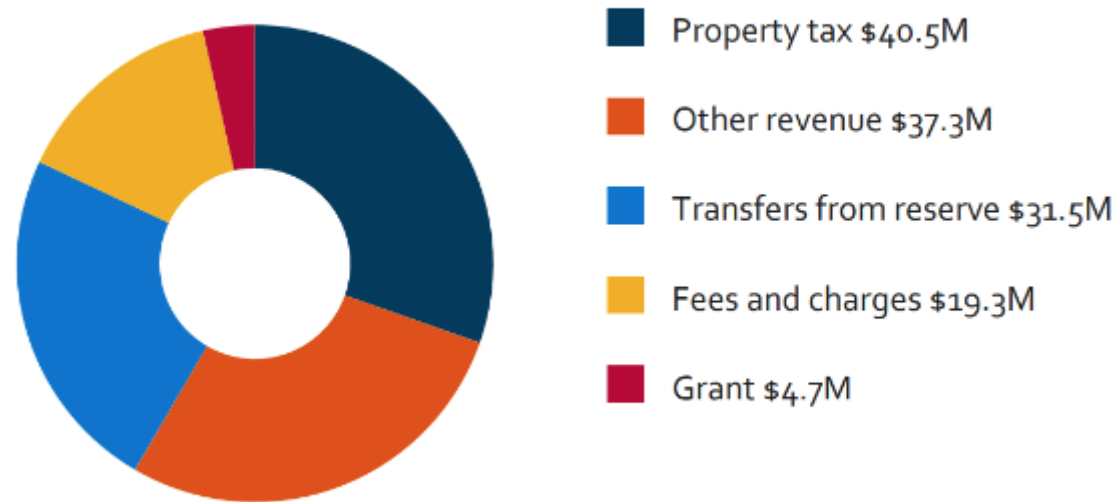
2025 Total Expenditure Budget Breakdown



Enabling Services

Budget overview

Funding strategy



Total \$133.3M

Enabling Services

Expenditure budget overview

Annualization of previously approved budget requests

<i>(in thousands)</i>	Operating	Capital	Total
2024 Revised budget	\$99,625	\$55,277	\$154,902
2023 & 2024 Adjustments	(785)	(55,277)	(\$56,062)
2025 Starting budget	\$98,840	\$ -	\$98,840

▶ Drivers for change:

- Removal of 2024 one-time budgets
- Removal of 2024 carryover budgets
- Annualization of 2023 & 2024 operating requests

Enabling Services

Expenditure budget overview

2025 Recommended budget

<i>(in thousands)</i>	Operating	Capital	Total
2025 Starting budget	\$98,840	\$ -	\$98,840
Maintaining current service level	(54)	29,220	\$29,166
	\$98,786	\$29,220	\$128,006
Enhancing service level	1,172	4,171	\$5,343
2025 Recommended budget	\$99,958	\$33,391	\$133,349

► Drivers for change:

- Annual Salary Adjustment
- Space Planning Master Plan
- Travel, Training and Rewards increase

Enabling Services

Operating requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Electrical System Reliability and Maintenance Enhancement	140	106	106	106	106
Security and Access Systems Maintenance Enhancement	140	106	106	106	106
Facilities Maintenance and Operations Enhancement	65	126	126	126	126
Facilities Planning Program - Redeployment	109	109	109	109	109
Facilities Total	453	446	446	446	446
Transformation Office - Redeployment	—	—	—	—	—
Financial Services Total	—	—	—	—	—
Staff Development and Retention Program	185	185	185	185	185
Human Resources Total	185	185	185	185	185

Continued next slide

Enabling Services

Operating requests *continued* (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Microsoft Fabric Implementation	100	—	—	—	—
Geographic Information System Enhancement	62	124	124	124	124
Digital Customer Service Enhancement	54	107	107	107	107
Information Technology Total	216	231	231	231	231
Strategic Land Development Projects	100	—	—	—	—
Real Estate Total	100	—	—	—	—
Digital Transformation	1,000	—	—	—	—
Legal Expense	50	100	150	150	150
Community Events Calendar	50	50	50	50	50
Accelerated Capital Program Support - Redeployment	—	—	—	—	—
Senior Leadership Total	1,100	150	200	200	200
Operating Requests Priority 1 Total	2,054	1,011	1,061	1,061	1,061

Enabling Services

Capital requests (\$ thousands)

Priority 1

Description	2025	2026	2027	2028	2029
Programs					
Front Office Equipment	612	550	550	550	550
IT Communications Systems	350	200	200	200	200
Major Systems Projects	871	500	500	250	250
Server & Data Storage	53	150	150	150	150
Information Technology Programs Total	1,886	1,400	1,400	1,150	1,150
Building Systems & Infrastructure	3,080	2,330	1,775	975	725
Facilities Portfolio Planning	1,770	2,030	1,400	1,400	1,400
Placemaking	250	—	—	—	—
Facilities Programs Total	5,100	4,360	3,175	2,375	2,125
Vehicles & Equipment - Growth	75	1,279	888	859	799
Vehicles & Equipment - Renewal	3,910	4,100	4,290	4,500	4,720
Fleet Programs Total	3,985	5,379	5,178	5,359	5,519
General Land Acquisition	1,800	1,800	1,800	1,800	1,800
Marine Facilities	100	100	—	—	—
Real Estate Programs Total	1,900	1,900	1,800	1,800	1,800

Continued next slide

Enabling Services

Capital requests *continued* (\$ thousands)

Priority 1						
Description		2025	2026	2027	2028	2029
Projects	Total Project					
Buildings Systems Renewal - City Hall Renewal	16,700	1,761	1,103	7,837	4,310	—
Buildings Systems Renewal - Memorial Arena	4,650	450	2,000	2,000	200	—
Buildings Systems Renewal - Sarson's Activity Centre	1,025	125	450	450	—	—
Electric Vehicle Infrastructure Installation	1,500	500	500	500	—	—
Enterprise Fire Hall #1 Improvements	4,350	1,350	1,625	1,225	150	—
Gymnastics Centre (Rutland) Improvements	2,050	100	850	1,000	100	—
H2O Centre Improvements	5,270	2,674	1,960	335	—	—
LED Lighting Upgrades	1,500	400	400	200	—	—
MNP Place Roof Replacement	7,245	7,000	200	—	—	—
Prospera Place Improvements	8,060	3,960	3,600	400	—	—
Rutland Arena Improvements & Heatsharing w/ Kelowna Family Y	7,345	2,025	775	4,500	—	—
Facilities Projects Total	59,695	20,345	13,463	18,447	4,760	—
Cook Beach Park- Groyne & Pier	3,600	175	937	2,288	300	—
Real Estate Projects Total	3,600	175	937	2,288	300	—
Capital Request Priority 1 Total	63,295	33,391	27,439	32,288	15,744	10,594

Enabling Services

Changes from 10 Year Capital Plan

- Major Systems Projects: \$0.371M
- IS Communications Systems: \$0.150M
- Front Office Equipment: \$0.062M
- Server & Data Storage: (\$0.097M)
- Vehicles & Equipment – Growth: (\$1.182M)