



2019 Financial Plan overview

Dec. 10, 2018
Council Chambers

#kelownabudget



Agenda

- ▶ Provisional budget process
- ▶ Taxation impact
- ▶ General fund
- ▶ Capital program
- ▶ Other municipal funds
- ▶ Reserves & debt
- ▶ Assessment & taxation

2019 Provisional Budget timeline

Budget letter & guidelines	June 13
Division work plans complete	Aug. 24
Council outlook	Sept. 6
Deadline for budget to Finance	Sept. 7
Performance measures, accomplishments	Sept. 24
2019 drivers & activities	Sept. 24
City Manager's review	Oct. 10-12
Council overview financial plan	Dec. 10
Council review budget	Dec. 13

Analysis of tax demand

	2018	2019
Operating	\$133.2	139.4
General revenues	(12.4)	(11.2)
Taxation capital	<u>12.7</u>	<u>13.6</u>
	\$133.5	141.9
New construction revenue	(2.60)	(2.50)

Municipal

2.99% 2.45%



Infrastructure Levy

1.95%

2019 Base budget changes

2017 & 2018 budget impacts:

Annualized	\$ 1.0M
One-time	(770k)
Division adjustments	<u>28k</u>

Base changes **\$0.3M**

2019 Operating budget



General revenue	\$ (272k)
Expenditure reductions	(217k)
P1 operating requests	<u>7.6M</u>
Operating changes	\$7.1M





2019 Capital

(general fund)

Taxation:

Pay-as-you-go

\$13.6M

Operating budget impacts

\$443k



2019 Budget summary

Previous years decisions	\$ 0.3 M
2019 operating budget	<u>7.1 M</u>
Operating change	7.4 M
2019 tax capital	1.0 M
New construction revenue	<u>(2.5)M</u>
New taxation demand	\$5.9M

Municipal 2.45%

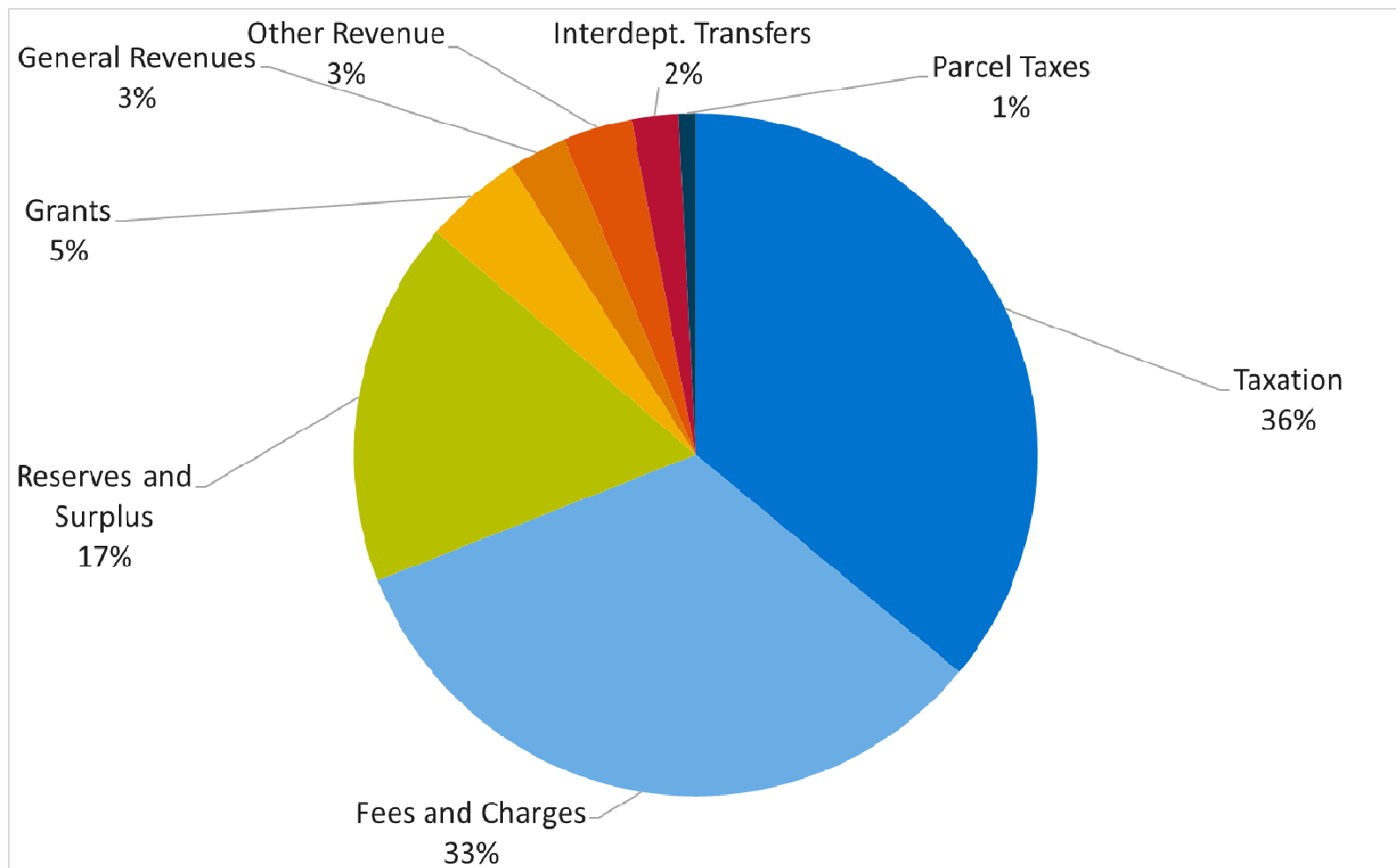


New!

Infrastructure Levy 1.95%

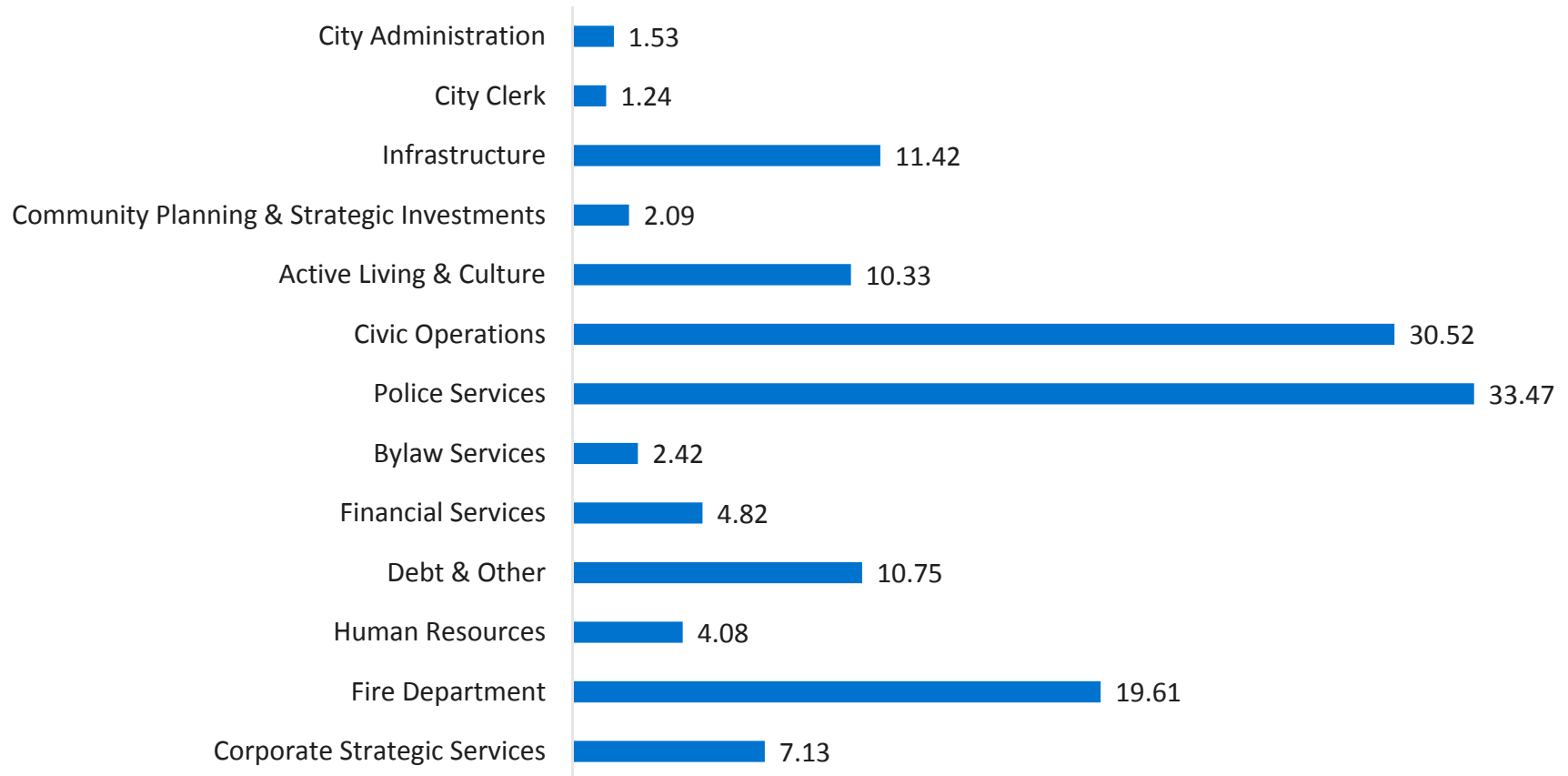
Total revenue \$402.5M

(all funds)



Operating \$139.4M

(general fund)



2019 Capital summary



2019 Capital process

- ▶ Call Letter May 7
- ▶ 10-Year Capital Plan sets 1st draft of 2018 Capital Plan June 12
- ▶ Managers Add/Edit Projects up to deadline June 18
- ▶ Divisional Meeting #1 June 20
- ▶ MBL Analysis & Prioritization July 4-12
- ▶ Divisional Meeting #2 July 18
- ▶ Project Cost Estimating July 30–Aug 24
- ▶ Complete Work Plan Entries Aug 24
- ▶ Submit to Finance Sept 7
- ▶ City Manager Review Oct 10-12
- ▶ Council Review Dec 13

Capital budget comparison

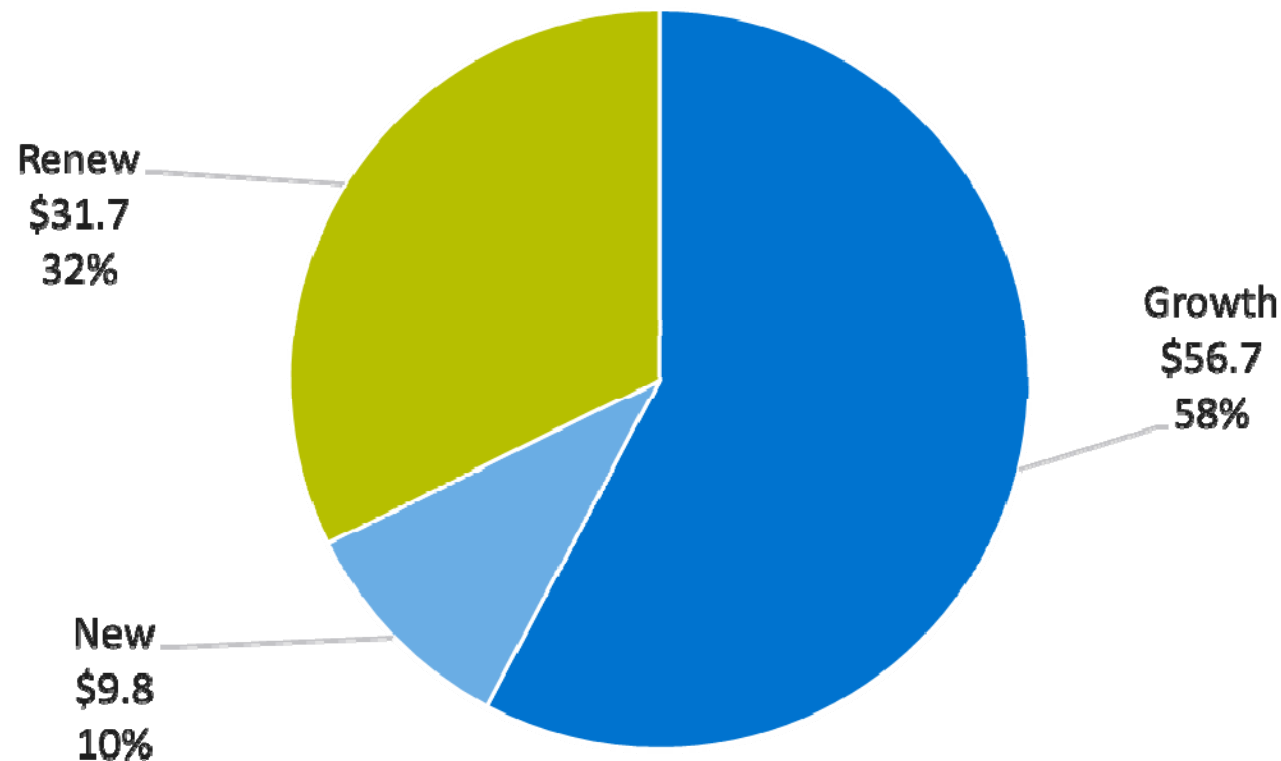
Measures	2016	2017	2018	2019
Total projects (P1)	106	103	123*	129*
Capital budget	\$45.0M	\$64.0M	\$59.5M	\$98.2M
Total taxation	\$12.0M	\$12.2M	\$12.2M	\$13.6M

Big projects	Roads Resurfacing, Ethel Street AT, Land Purchases, Asset Renewal	Parks, Street Lights Asset Renewal	Parks, Roads Resurfacing, Information Services, Asset Renewal	Parks, Roads Resurfacing, South Perimeter Rd, Asset Renewal
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** Includes Airport*

Infrastructure value by category \$98.2M

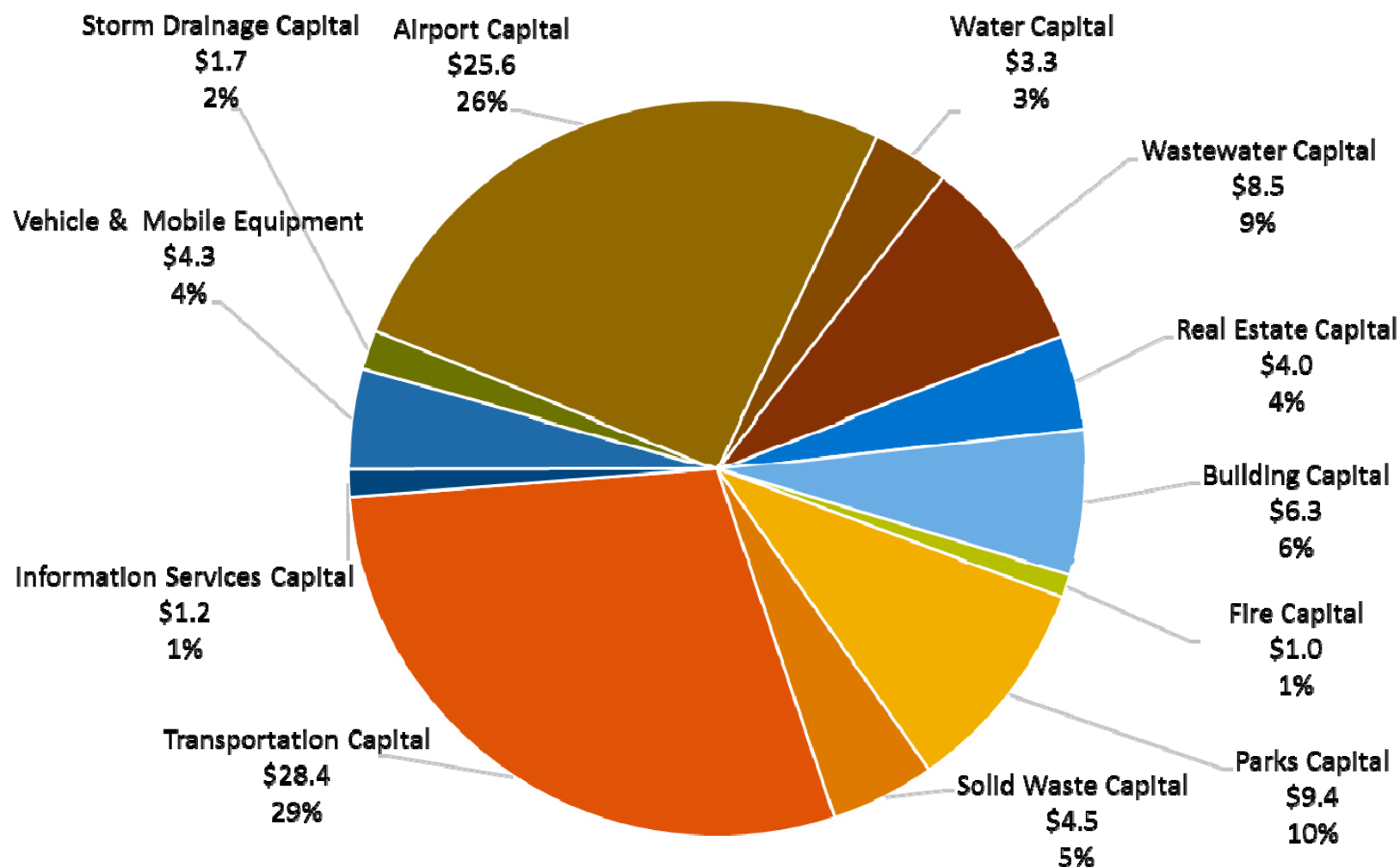
(millions)



- New Capital - infrastructure required to support enhanced service levels,
- Growth Capital - infrastructure required to accommodate growth,
- Renewal Capital - infrastructure that replaces or renews existing assets.

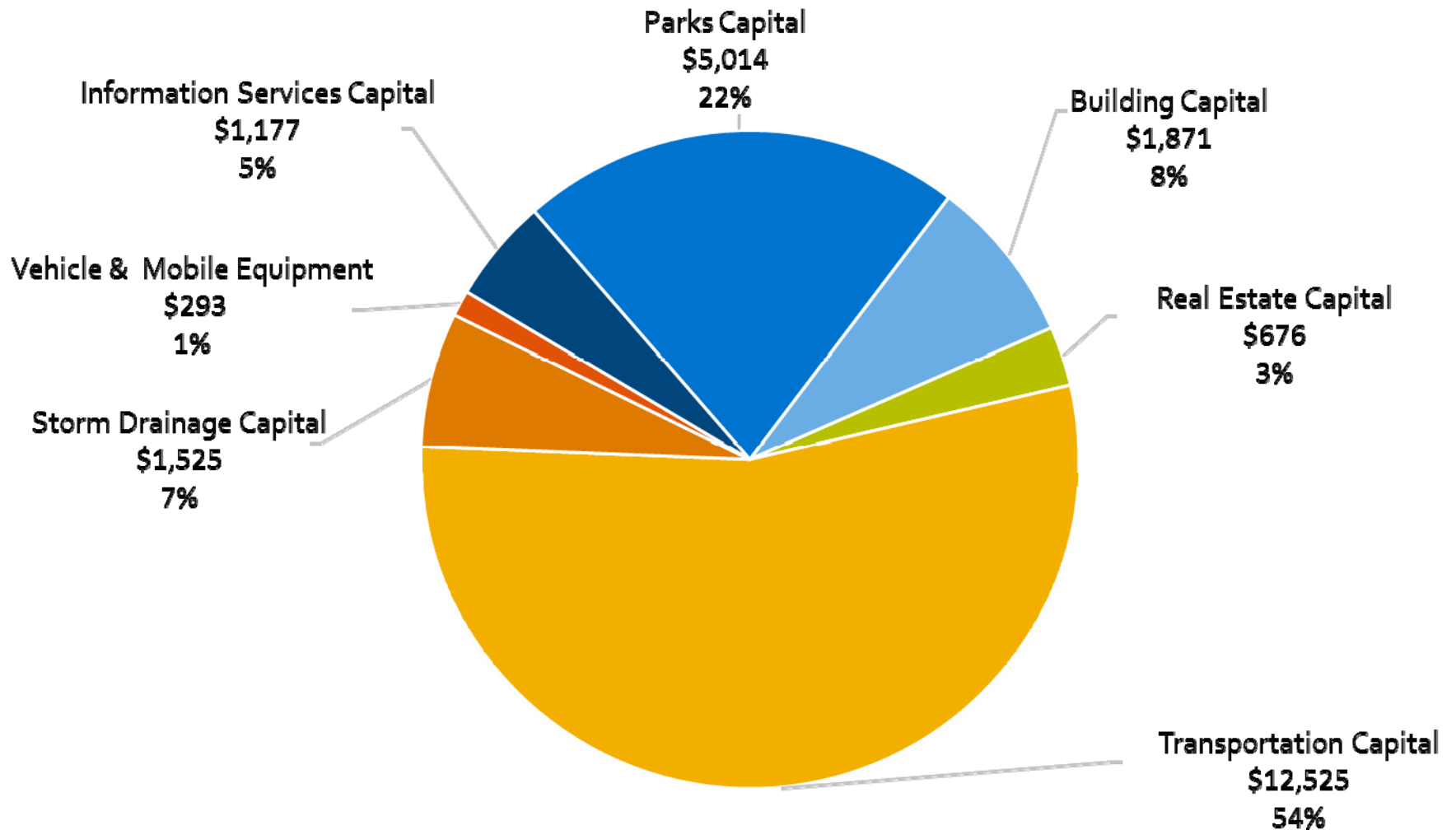
2019 Capital requests \$98.2M

(millions)



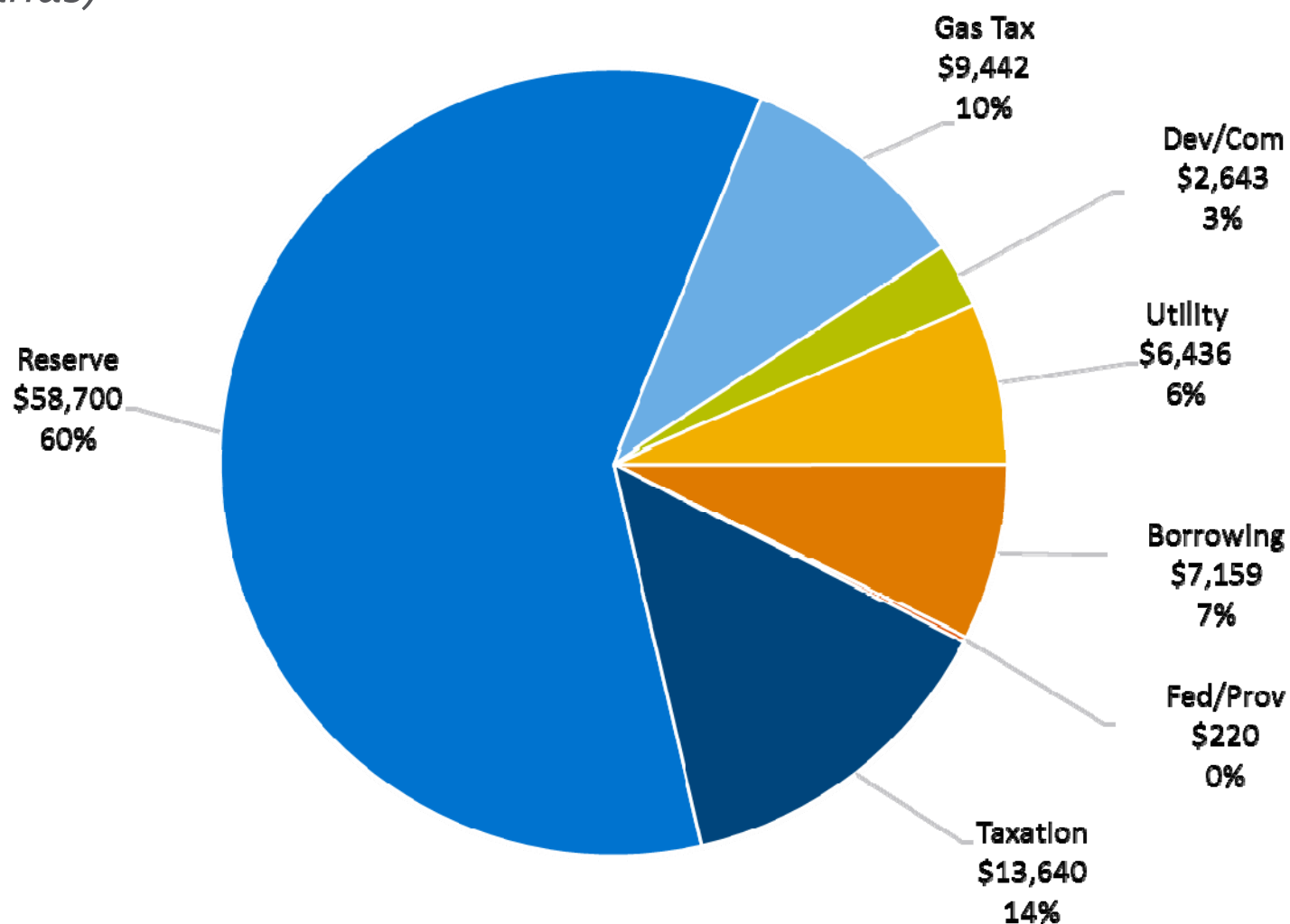
2019 Taxation and gas tax \$23.1M

(thousands)



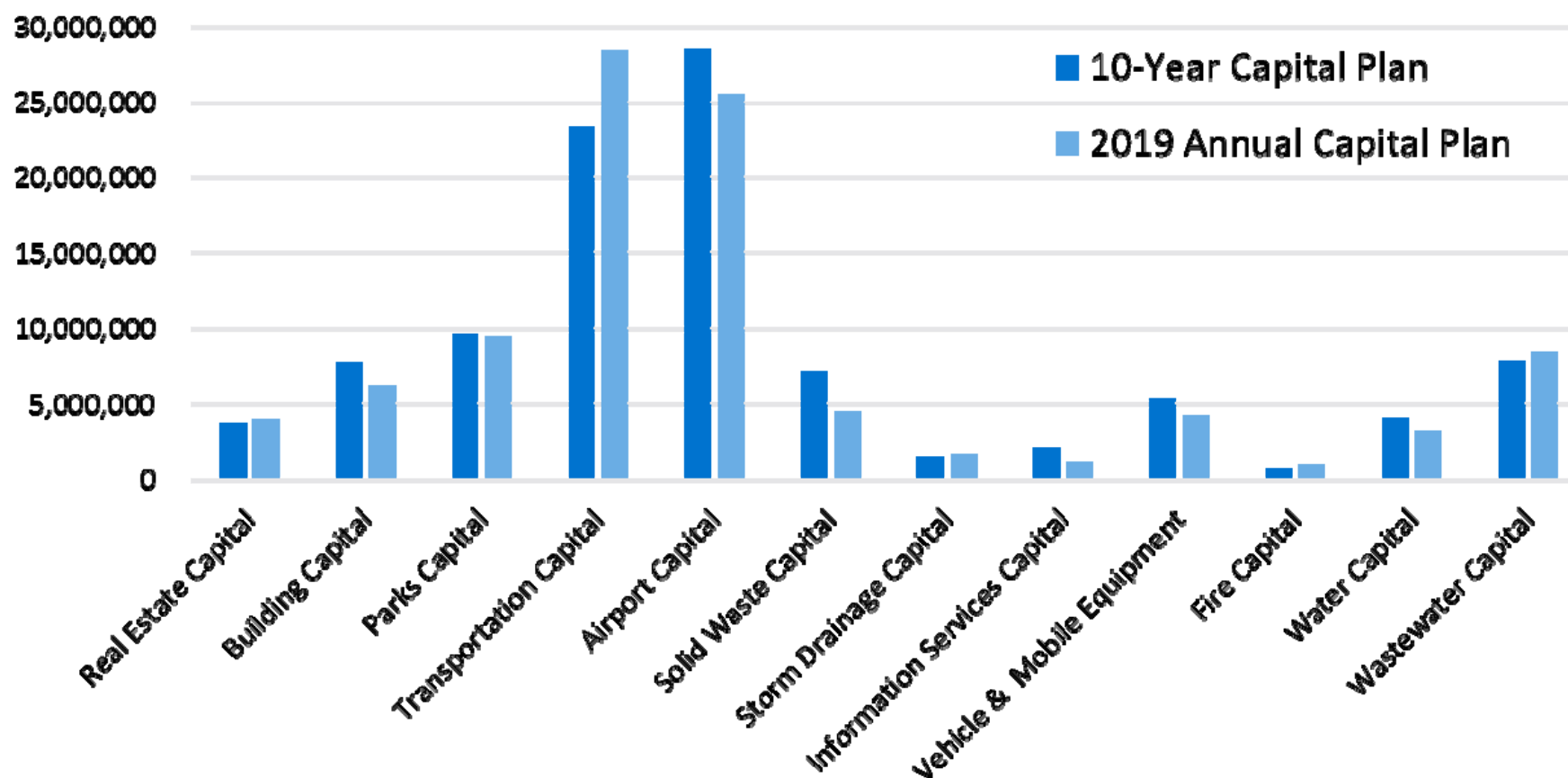
2019 Capital funding sources \$98.2M

(thousands)



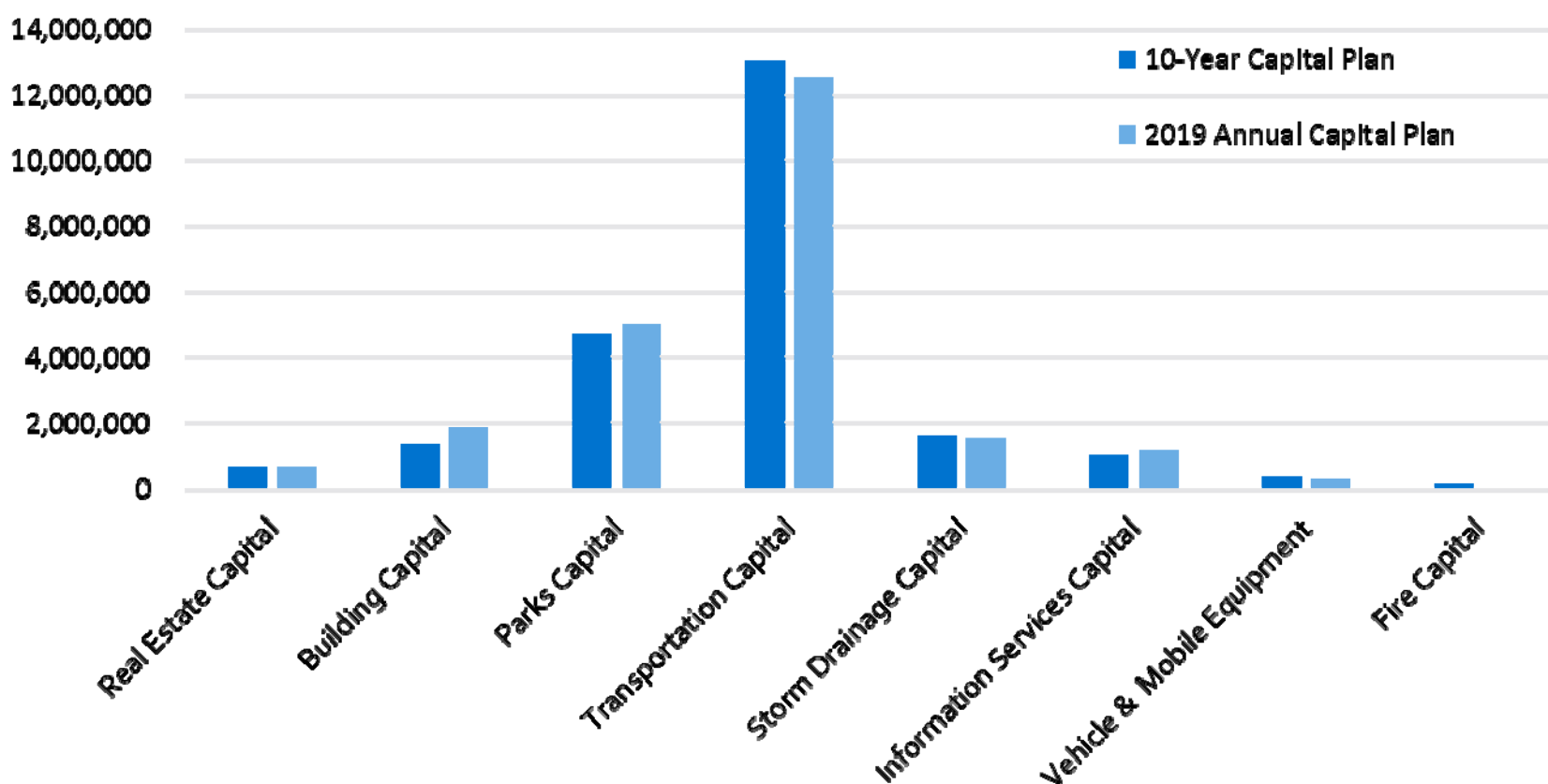
Infrastructure investment \$98.2M

10-Year Capital Plan vs. 2019 Annual Capital Plan



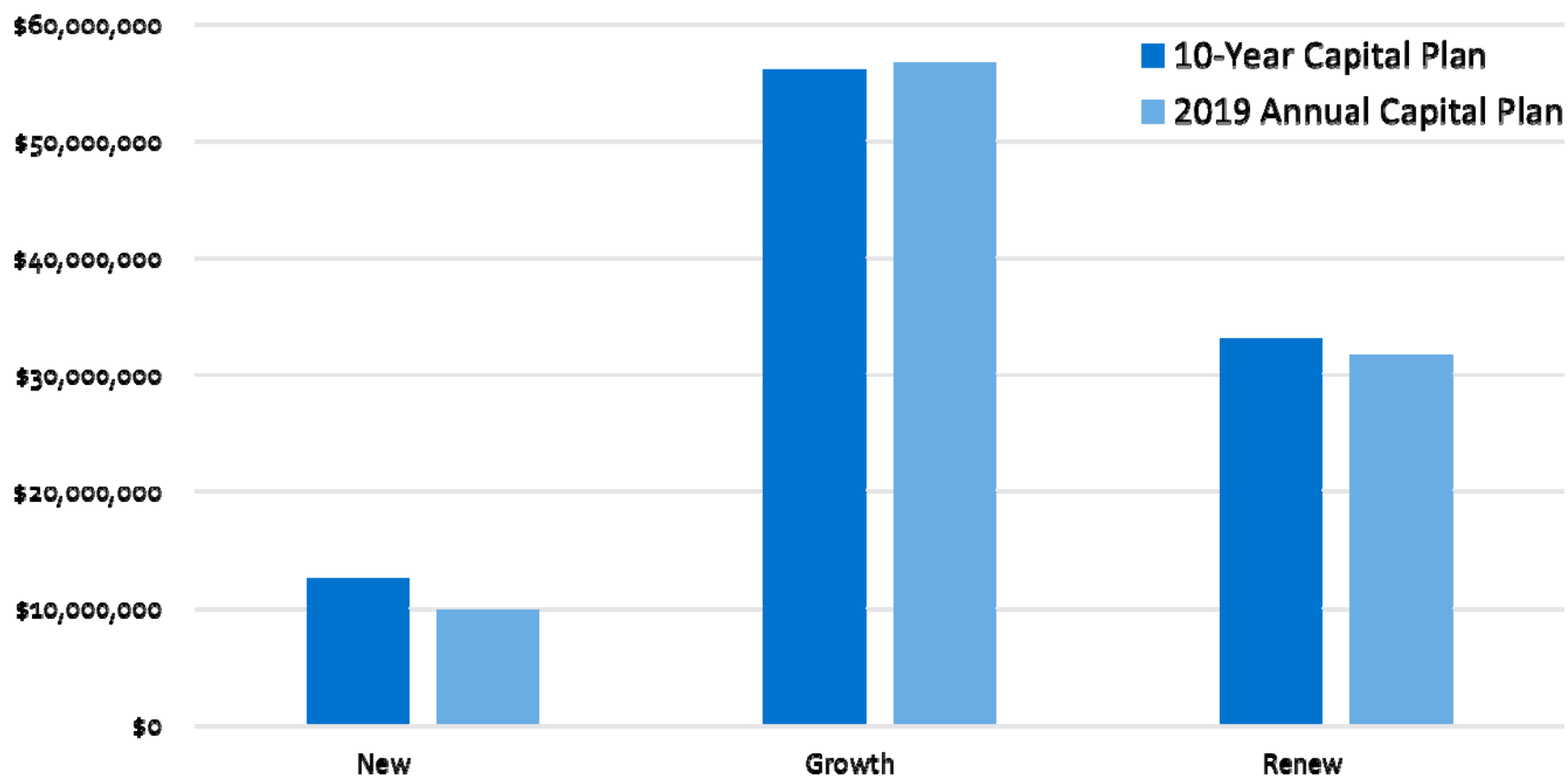
2019 Taxation and gas tax \$23.1M

10-Year Capital Plan vs. 2019 Annual Capital Plan



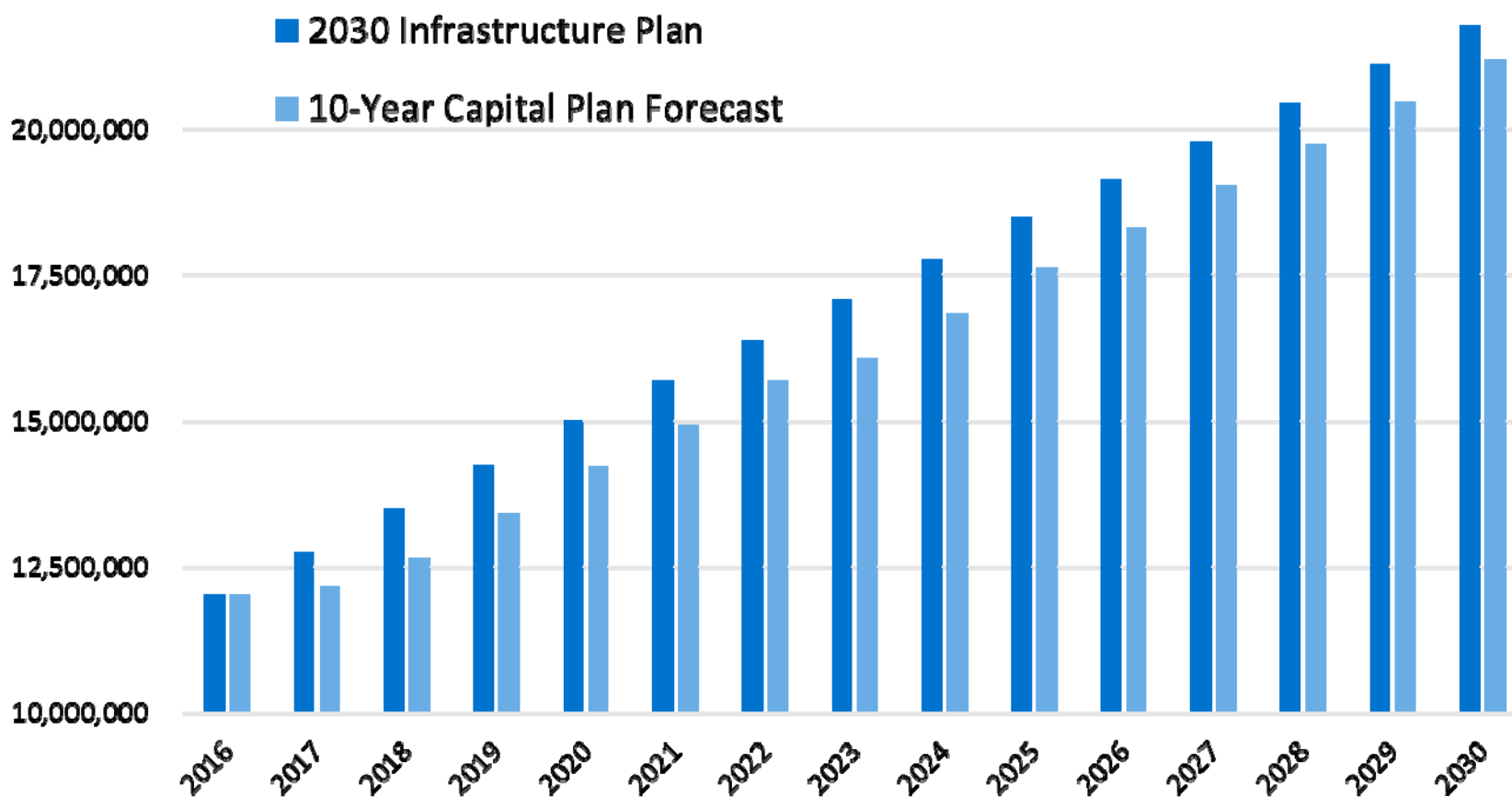
New/Growth/Renewal

10-Year Capital Plan vs. 2019 Annual Capital Plan



Taxation comparison

2030 Infrastructure Plan vs. 10-Year Capital Plan



Other municipal funds

- ▶ Water utility
- ▶ Wastewater utility
- ▶ Kelowna International Airport

Water utility

Revenue	\$15.3 M
Operating cost	\$11.4 M
Capital program	\$2.7 M
Planned surplus	\$1.2 M

► Improvement District Transition

Revenue	\$3.0 M
Operating cost	\$2.8 M
Planned surplus	\$188 k



Wastewater utility

Revenue	\$24.5 M
Operating cost	\$18.5 M
Capital program	\$3.3 M
Planned surplus	\$2.7 M



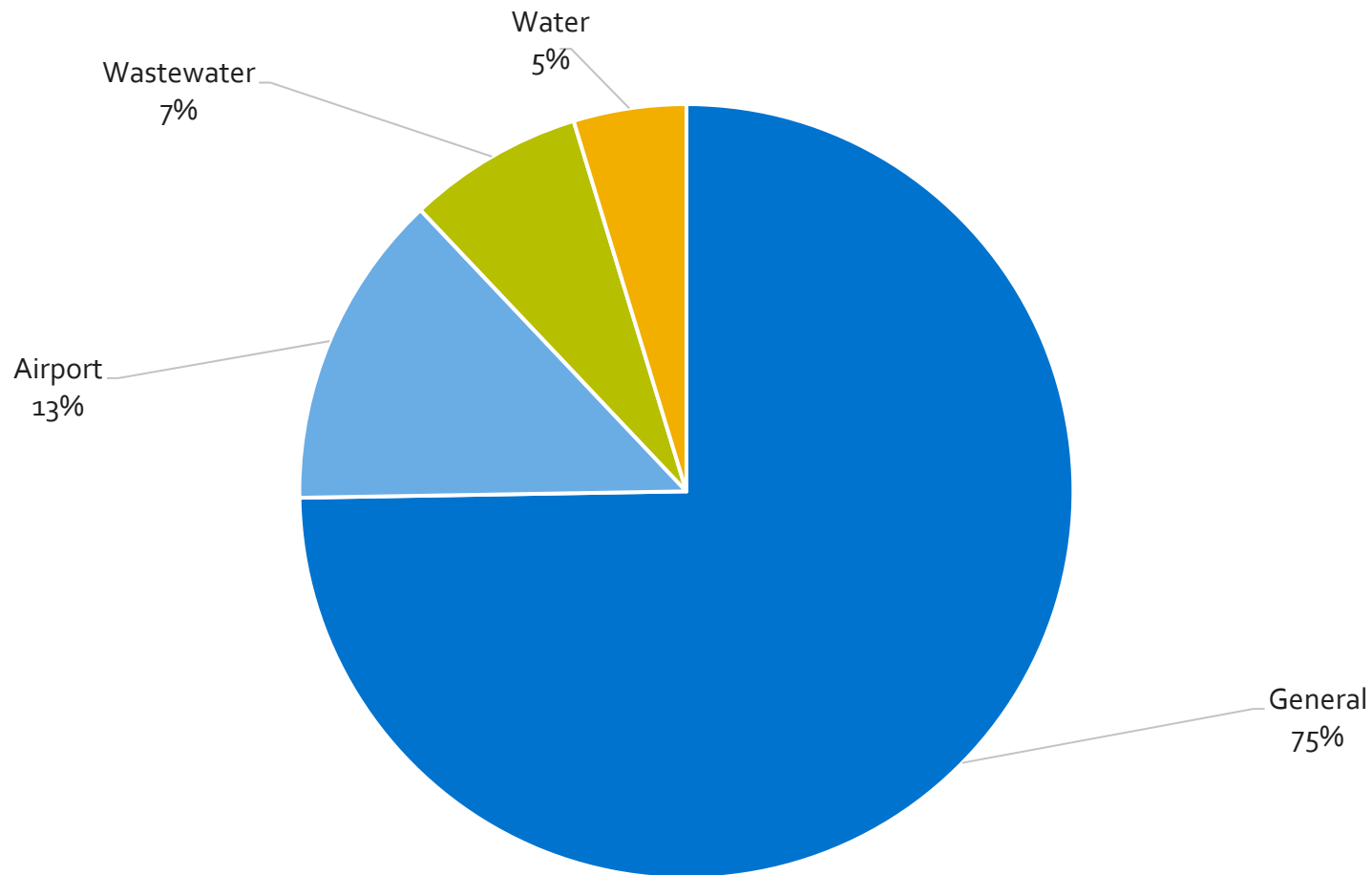
Airport

Revenue	\$37.7 M
Operating cost	\$20.4 M
Capital program	<u>\$9.4 M</u>
Reserve contribution	\$16.4M
Planned surplus	\$900k



Expenditures \$402.5M

(by fund)



Reserves & debt

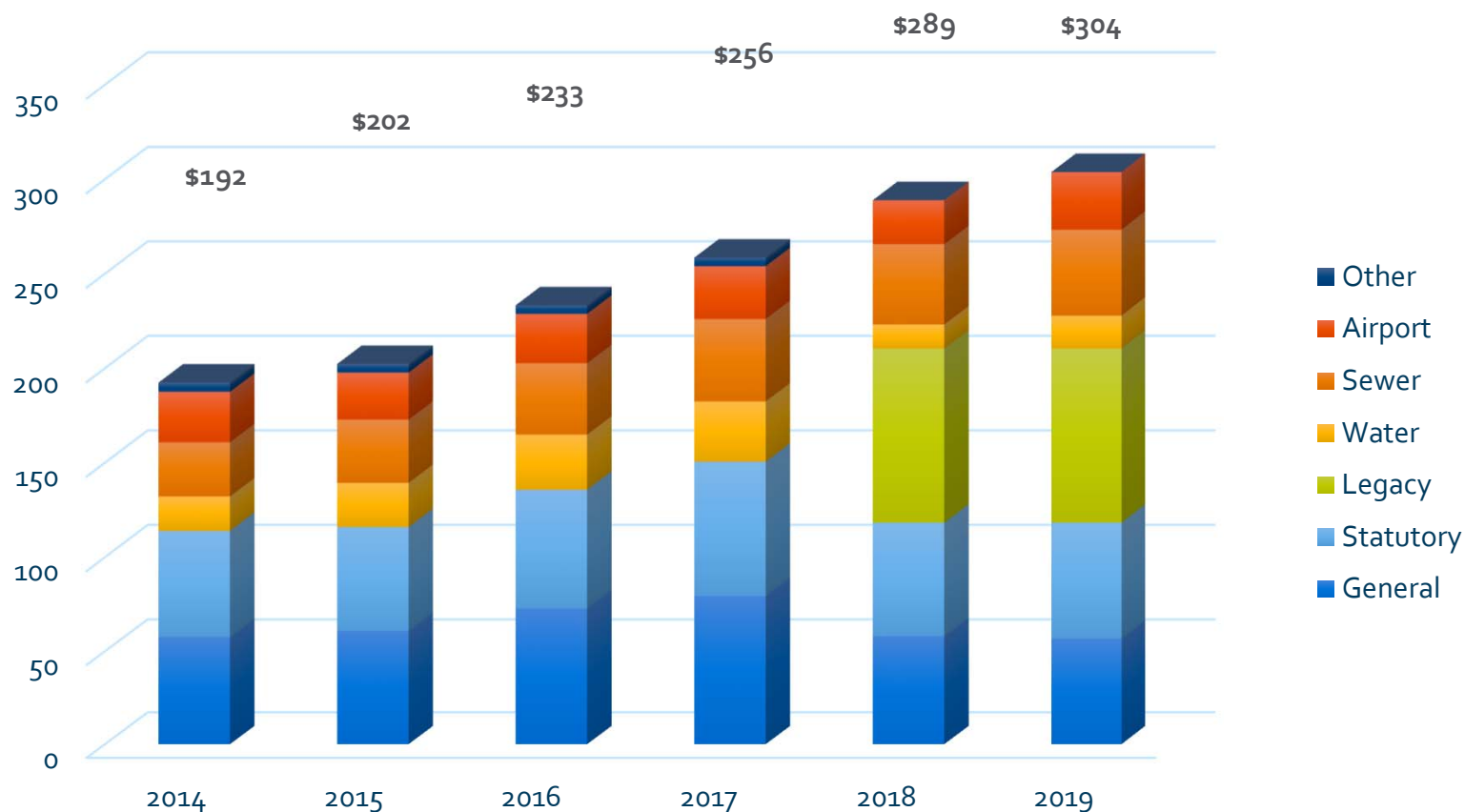


Legacy Reserves

- ▶ Fortis Inc. common shares
- ▶ FortisBC Energy Inc. termination payment
- ▶ Balance of Natural Gas Fund

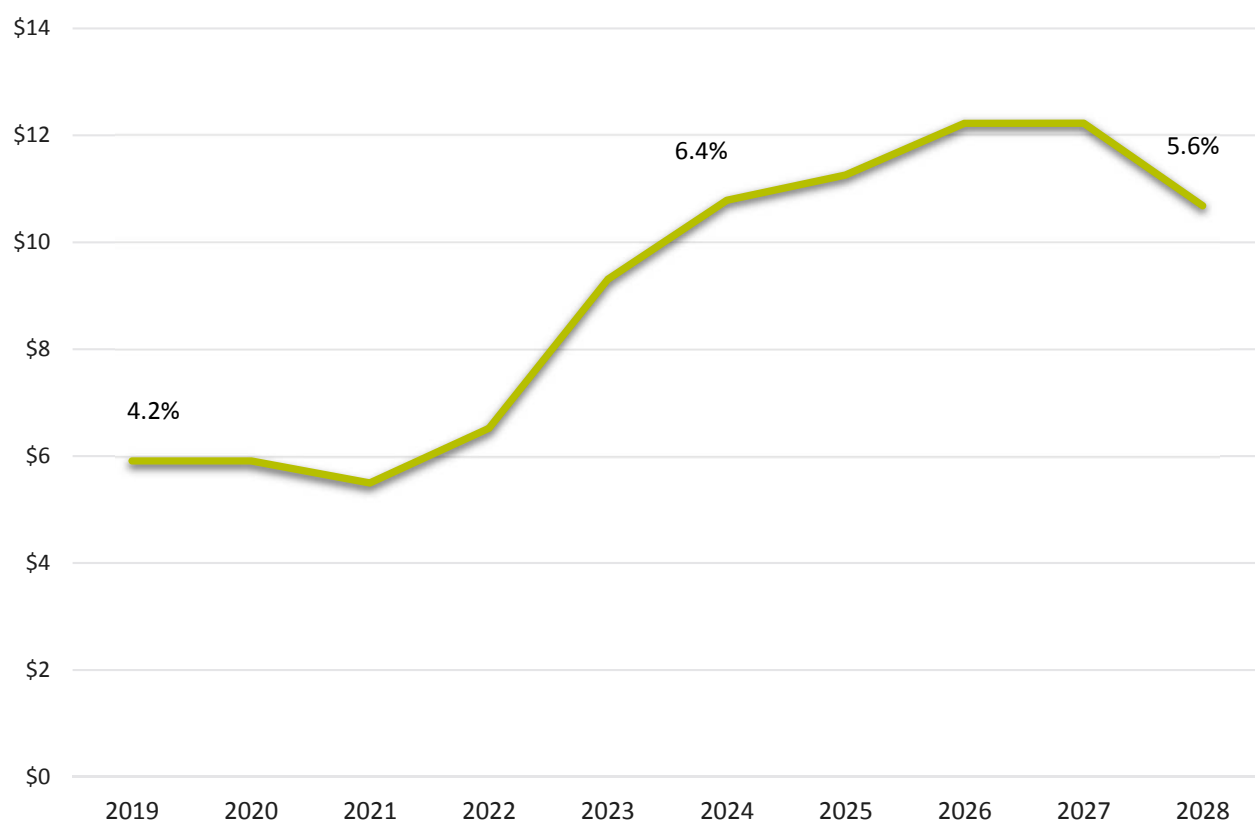
Reserve balances

(millions)



General fund debt

(millions)

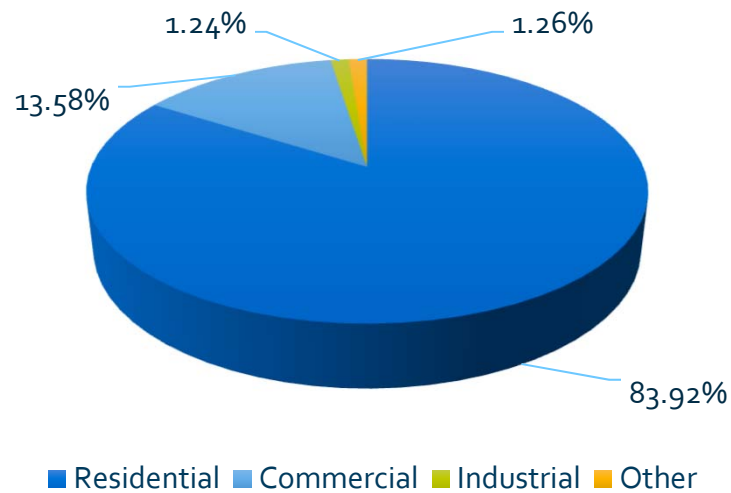


Assessment & taxation

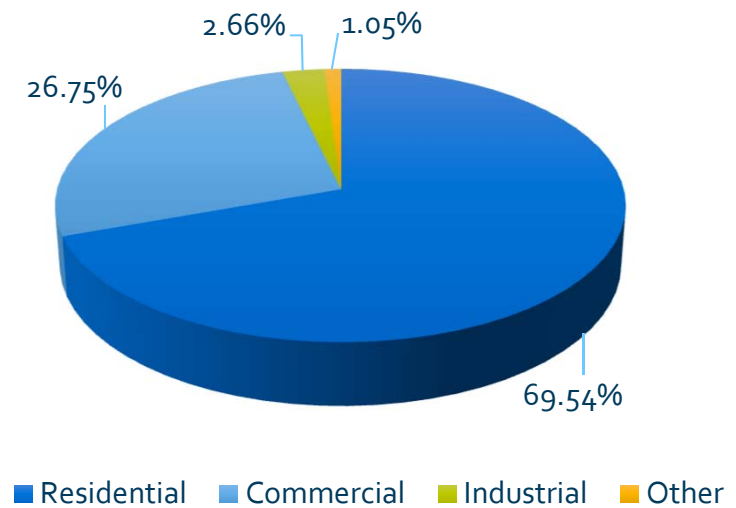
Assessment & taxation revenue



Revenue \$141.9M



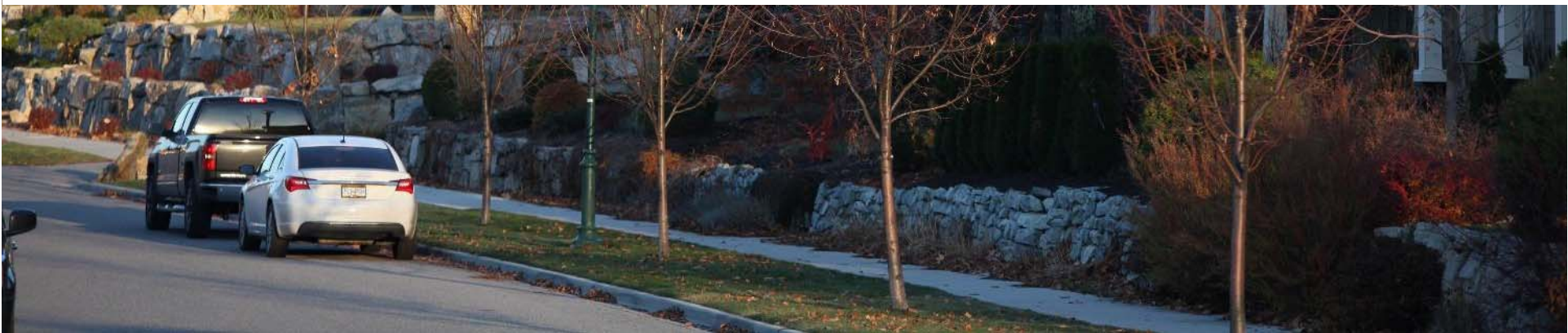
Assessment \$39.1B



Taxation impact

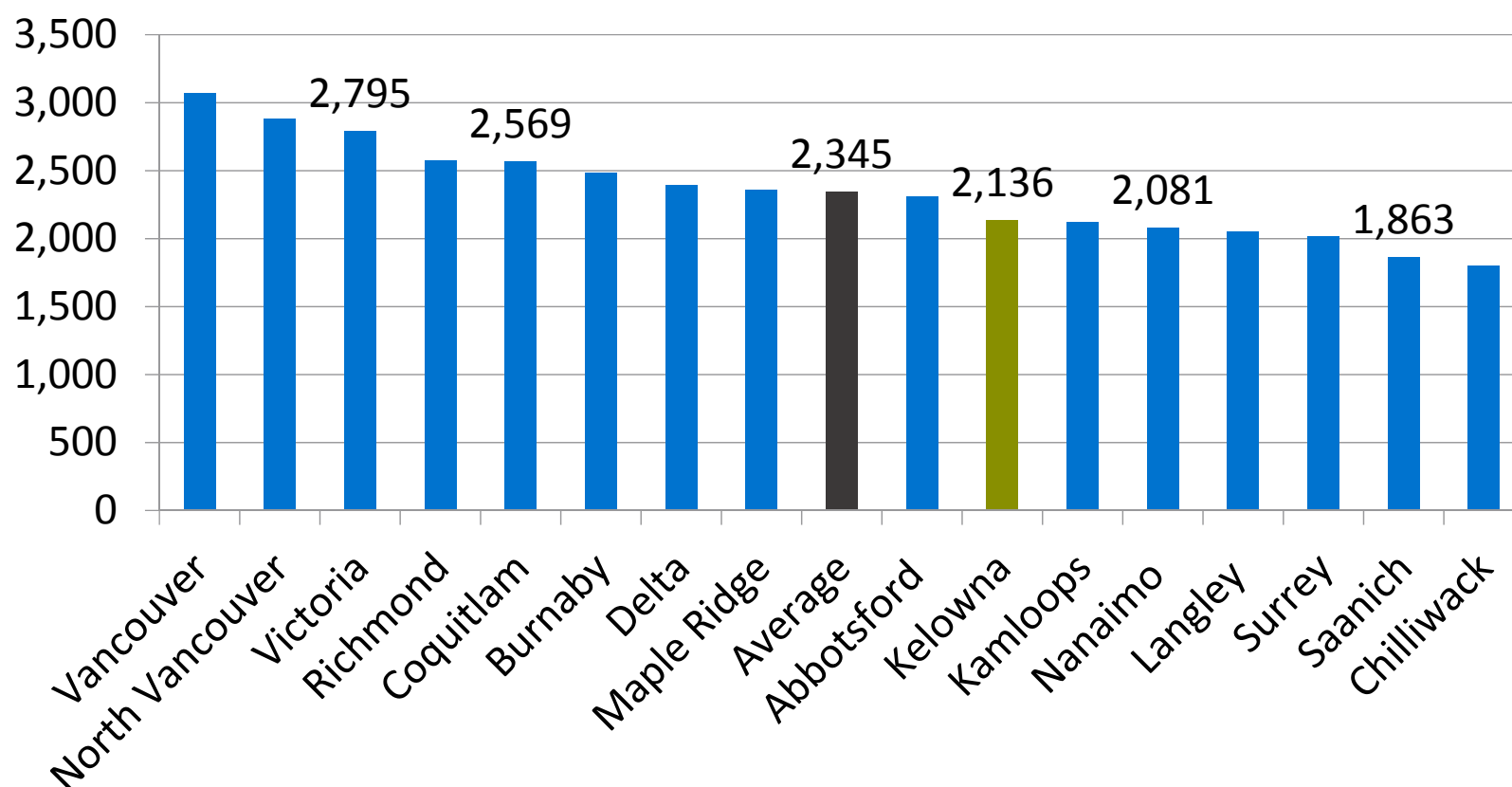


- ▶ Average Single Family Home assessed at \$682,260
- ▶ Municipal Tax estimated at \$2,078 for 2019
- ▶ Increase approximately:
 - ▶ Municipal \$48 year or \$4 month
 - ▶ Infrastructure Levy \$40 year or \$3 month



2018 Property tax information

(population > 75k)



2019 Financial Plan review
Dec. 13, 2018 @ 9 a.m.
Council Chambers