

Report to Council



Date: April 29, 2019
File: 0220-20
To: Mayor and Councillors
From: Doug Gilchrist, City Manager
Subject: 2019 Financial Plan – Final Budget
Report Prepared by: Financial Planning Department

Recommendation:

THAT COUNCIL adopts the 2019-2023 Financial Plan;

AND THAT Council approves the formulation of 2019 Property Tax Rates that will raise the required funds in 2019, from General Taxation, in the amount of \$142,524,821, resulting in an average net property owner impact of 4.10 per cent;

AND THAT Bylaw No. 11805 being the 2019-2023 Five Year Financial Plan, 2019 be advanced for reading consideration;

AND THAT Bylaw No. 11806 being the Tax Structure Bylaw, 2019 be advanced for reading consideration;

AND THAT Bylaw No. 11807 being the Annual Tax Rates Bylaw, 2019 be advanced for reading consideration;

AND THAT Bylaw No. 11808 being the DCC Reserve Fund Expenditure Bylaw, 2019 be advanced for reading consideration;

AND FUTHER THAT Bylaw No. 11809 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2019 be advanced for reading consideration.

Purpose:

To present the 2019 Final Budget submissions, the 2019-2023 Financial Plan and related bylaws to Council for their consideration and approval.

Background:

Council approved the Provisional 2019 Financial Plan on December 13, 2018 and it was amended on March 18, 2019 to include the 2018 carry-over projects. The Final Budget document includes emergent

or Council initiated projects that are consolidated with the first two volumes into the 2019-2023 Financial Plan. Depending on the nature of the item being considered, these adjustments can cause the final tax demand to go either up or down. The 2019 final adjustments result in a tax decrease of 0.33 per cent from the Provisional Budget tax requirement of 4.43 per cent. The Final Budget as presented, reflects a net municipal property tax increase of approximately 4.10 per cent.

This reduction is predominantly due to an increase in new construction revenue. This reduction has been offset by an increase to the Infrastructure Levy from 1.95 per cent to a proposed 2.27 per cent, the addition of the Cook Road boat launch stabilization project and the addition of an RCMP Member as part of the Kelowna Outreach and Support Table initiative.

A tax rate of 4.10 per cent means the owner of a single-family home with an average assessed value of \$684,450 will pay \$2,072, which is an increase of \$ 36.30 for the municipal portion and \$45.19 for the municipal infrastructure levy portion of the property taxes for a total of \$81.49.

There is one \$300,000 utility capital request presented for Final Budget consideration which is part of the relocation of equipment to the Wastewater Treatment Facility.

To meet the demands of a growing population, it is our responsibility today to deliver programs, services and infrastructure in a manner that respects the community vision identified through Imagine Kelowna. In order to meet these objectives, the recommendation is for a net municipal property tax increase averaging 4.10 per cent as outlined in the attached Final Budget - Volume 3.

Internal Circulation:

G. Davidson, Divisional Director, Financial Services

G. King, Financial Planning Manager

M. Antunes, Budget Supervisor

Legal/Statutory Authority:

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

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:



D. Gilchrist, City Manager