



2019 Final Budget & Five-Year Financial Plan

#kelownabudget



Agenda

- ▶ Provisional budget
- ▶ Final budget
- ▶ Five-year Financial Plan
- ▶ Taxation impacts
- ▶ Final Budget: Operating & Capital Requests



Provisional Budget Highlights

- ▶ Downtown safety, cleanliness and police resources
- ▶ Balanced transportation
- ▶ Housing diversity and affordability
- ▶ Environmental resiliency
- ▶ Parkland and waterfront access
- ▶ Addressing the infrastructure deficit



Provisional Budget

Council approved on December 13, 2018:

Provisional tax demand	\$141.9 M
Infrastructure Levy	1.95%
Municipal tax demand	2.48%
Total Tax increase	4.43%

Final Budget Highlights

- ▶ Urgent repairs and replacements
- ▶ Aligned with Citizen Survey results
 - ▶ Addressing social issues
 - ▶ Investing in safety
- ▶ Infrastructure levy

Final Budget

Includes recent impacts:

Provisional tax demand	\$141.9 M
Operating and reduction requests	463.9k
Capital requests	162.7k
2019 Final tax demand	\$142.5 M
New construction revenue	3.57 M
Net property owner impact	4.10%
<i>Infrastructure Levy</i>	<i>2.27%</i>
<i>Municipal tax demand</i>	<i>1.83%</i>

2020 Impacts

Additional cost increase	\$936.5k
Contractual obligations	3.3M
Infrastructure Levy	2.6M
Onetime costs	(955.5k)
Total impacts	\$5.9M
Impact on the 2020 budget	4.15%
<i>Infrastructure Levy</i>	<i>1.82%</i>
<i>Municipal tax demand</i>	<i>2.33%</i>

Five-Year Financial Plan

	2019	2020	2021	2022	2023
General revenues	\$11.2	\$11.4	\$11.7	\$11.9	\$12.1
Net operating budget	139.9	146.5	151.1	156.3	163.9
Pay-as-you-go capital	13.8	14.2	14.9	15.7	16.1
Taxation demand <i>(in millions)</i>	\$142.5	\$149.3	\$154.3	\$160.1	\$167.9
Net property owner impact	4.10%	2.85%	2.02%	2.36%	3.48%
<i>Infrastructure Levy</i>	<i>2.27%</i>	<i>1.82%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
<i>Other (municipal demand)</i>	<i>1.83%</i>	<i>1.03%</i>	<i>2.02%</i>	<i>2.36%</i>	<i>3.48%</i>



Taxation Impact - Residential

Municipal	Provincial	Regional District	Library
59%	28%	10%	3%
=	=	=	=
\$2,072	\$1019	\$340	\$93

** For an average bill*



What do your dollars pay for:

Average monthly amounts based on average 2019 tax bill (municipal portion only)

Safety

43%

=

\$73.52

Police & fire services

Vibrant Urban Centres

19%

=

\$32.37

Parks, active living & culture services

Transportation

17%

=

\$29.93

Transportation & public transit



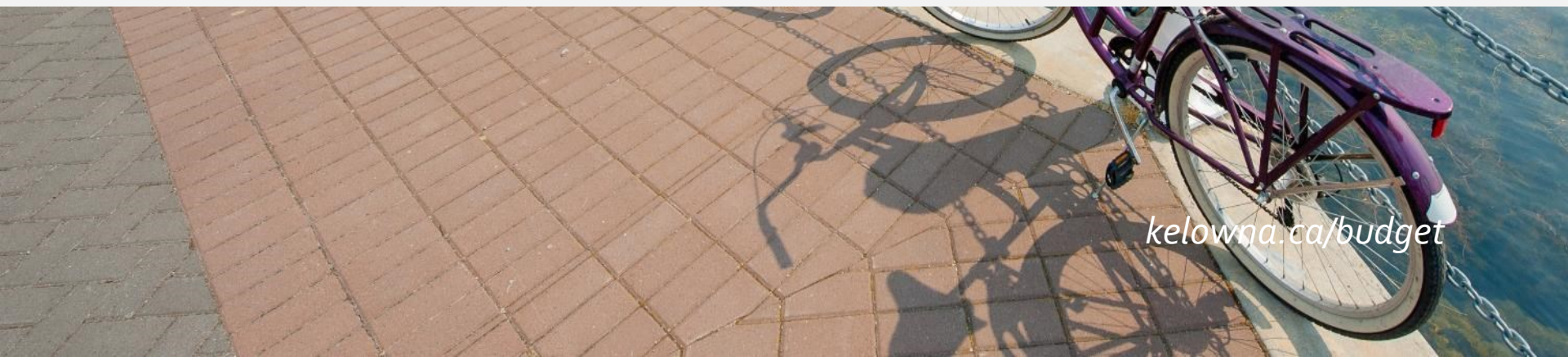
Taxation Impact - Business

Municipal	Provincial	Regional District	Library
55%	33%	9%	3%
=	=	=	=
\$11,625	\$7,023	\$1,979	\$521

** For an average bill*



Next up: Review Final Budget Requests



Operating Requests

Request:	Social Policy Framework – Key Learning Paper
Justification:	Budget is requested to develop a Key Learning Paper that provides research of best practices in terms of policies related to advancing the social wellness of the community. The outcome will include a recommended framework for undertaking the development of a Social Policy Framework for Kelowna.
Amount:	\$20,000
Impact:	One-time: Increase to Tax Demand

Operating Requests

Request:	Rutland Arena Header Trench Grates
Justification:	Budget is requested for the replacement of the "trench grates" adjacent to the ice at Rutland Arena as it was recently discovered that these "trench grates" are failing. The grates serve as a bridge for ice resurfacing equipment driving on and off the ice. Replacing these grates during the spring ice-out is critical as the existing grates may not last another full ice season.
Amount:	\$40,000
Impact:	One-time: No impact to Tax Demand



Operating Requests

Request:	Additional Staffing for Landfill Scale House
Justification:	Budget is requested for a second full-time scale house attendant and additional part-time staff to ensure reasonable customer transaction time and that queues do not extend onto John Hindle Drive. The result will be two full-time staff positions plus part-time positions for this 10 hour per day, seven day per week operation.
Amount:	\$100,000
Impact:	Ongoing: No impact to Tax Demand

Operating Requests

Request:	Bylaw Enforcement Officer Position - Sign Compliance
Justification:	In order to support and enforce the Sign Bylaw which was increased in 2018, budget is requested for an additional Bylaw Enforcement Officer Position. This position will be funded \$45,000 from increased fee revenue and will allow for increased enforcement of the City's Sign Bylaw.
Amount:	\$45,000
Impact:	Ongoing: No impact to Tax Demand



Operating Requests

Request: RCMP – 1 Regular Member Position (KOaST)

Justification: Budget is requested for 1 Regular Member position at the Constable rank to oversee and facilitate the Kelowna RCMP Detachment's participation in the Kelowna Outreach and Support Table (KOaST) initiative with the objective to provide timely support before emergency services are required. This new position will be fully dedicated to furthering the RCMP and the City of Kelowna's commitment to community engagement, crime reduction and community support.

Amount: \$86,700

Impact: Ongoing: Increase to Tax Demand



Operating Requests

Request:	RCMP Mobile Command Center
Justification:	Budget is requested for the City's portion of the RCMP purchase of a command/special events multi-purpose vehicle, which would assist the Kelowna RCMP Detachment to significantly contribute to all of the crime reduction strategy goals. The vehicle will increase the capacity for more proactive enforcement and community policing related projects and greatly supplement efforts at law enforcement visibility.
Amount:	\$180,000
Impact:	One-time: No impact to Tax Demand



Operating Requests

Request:	Agassiz Road Area Streetlighting Upgrades
Justification:	A recent study found the lighting levels in the Agassiz Road area were lit below current standards. Budget is requested to raise the lighting level on the surrounding areas of Agassiz, Vasile, Barlee and Ambrosi roads. This also includes a light addition to Barlee park.
Amount:	\$40,000
Impact:	One-time: No impact to Tax Demand

Operating Requests

Request:	Transmission of Taxes – Business Improvement Areas' and Other Governments
Justification:	To establish the receipt and disbursement of taxes to Business Improvement Areas (BIA's) and other governments.
Amount:	\$106,093,077
Impact:	One-time: No Impact to Tax Demand



Operating Requests

Request: Infrastructure Levy

Justification: Budget is requested to increase the infrastructure levy funding by \$435,000, offset by an increase in new construction revenue. This additional contribution towards the Capital program deficit would increase the total contribution by \$3.9M to total \$48.1M by 2027.

Amount: \$435,000

Impact: Ongoing: Increase to Tax Demand

Operating Requests

Request:	Lived Experience Peer Employment Pilot
Justification:	The Journey Home Strategy consultations highlighted the need to introduce a peer support model as a strategy to generate impact and help to break down stigma. This pilot will provide employment of peers to work with staff and partners in engagement activities to resolve nuisance behaviors resulting from social issues.
Amount:	\$16,000
Impact:	One-time: Increase to Tax Demand

Operating Requests

Request: Security Services

Justification: Budget is requested to provide flexible security services to City facilities, parks and public spaces in response to developing concerns, incidents and complaints. Response resources will include motorized and foot patrols coordinated with input from City staff, including Bylaw Services and Crime Prevention, and RCMP along with community stakeholders.

Amount: \$220,000

Impact: One-time: No impact to Tax Demand



Reduction Requests

Request:	Solid Waste Review Study/Reduction
Justification:	A reduction is requested to reduce the ongoing operating base budget within Solid Waste Management as the solid waste reviews/studies are no longer required.
Amount:	\$(7,500)
Impact:	Ongoing: Decrease to Tax Demand

Reduction Requests

Request:	Rental Expense – Commerce Centre – Youth and Family Services
Justification:	A reduction is requested to reduce the ongoing operating base budget within Property Management as the Commerce Centre Youth and Family Services lease will not be renewed.
Amount:	\$(41,300)
Impact:	Ongoing: Decrease to Tax Demand



Reduction Requests

Request:	Composting Facility Inventory Reduction
Justification:	A reduction is requested to reduce revenue and expenditure budgets for the Regional Composting Facility as part of an effort to reduce excess compost inventory in 2019. Revenues and related expenditure budgets are anticipated to begin increasing again in 2020 and back to prior levels by 2021.
Amount:	\$(200,000)
Impact:	Ongoing: No impact to Tax Demand

Reduction Requests

Request: Debt Changes

Justification: This request is to reduce interest payments related to Municipal Finance Authority (MFA) borrowing for the H₂O Adventure + Fitness Centre, Cedar Creek pump station, and the spec areas of Fisher Road, Clifton Road, Country Rhodes and Byrns Road.

Amount: \$(45,000)

Impact: Ongoing: Decrease to Tax Demand



Capital Requests

Request:	Chapman Parkade – Infrastructure Renewal
Justification:	Additional budget is requested to replace two of the ramp heaters before next winter to maintain a safe facility for public use. The heater replacement work will be completed in conjunction with the previously approved rehabilitation work for efficiency and to minimize "down" time in parking availability.
Amount:	\$250,000
Impact:	One-time: No Impact to Tax Demand

Capital Requests

Request: Cook Road Boat Launch - Stabilization

Justification: Cook Road boat launch is located in a variable section of shoreline just north of Mission Creek. Although the launch was largely free of sand when inspected late last year, a substantial amount of sand has migrated into the launch since December and if not removed, the boat launch may not open this season.

Amount: \$125,000

Impact: One-time: Increase to Tax Demand



Capital Requests

Request:	City of Kelowna Highway Signage
Justification:	Budget is requested for the replacement of the City highway sign and associated site costs. The sign will be located at a new location just south of Ellison Lake, closer to the northern City limit. The work will be designed by a professional artist, with fabrication occurring during 2019, and installation in 2020. The finished sign will become part of the City's public art collection.
Amount:	\$150,000
Impact:	One-time: No impact to Tax Demand



Capital Requests

Request:	Regional Biosolids Composting Facility – Paving Repairs
Justification:	The Regional Biosolids Composting Facility needs to repair its asphalt surface to maintain compliance with the Ministry of the Environment's requirement to have a sound impervious surface, to prevent the infiltration of leachate run-off from compost into the environment.
Amount:	\$200,000
Impact:	One-time: No impact to Tax Demand

Capital Requests

Request:	Breathing Air Compressor
Justification:	Budget is requested to replace the breathing air compressor that has reached the end of its service life. Breathing air is critical to suppression activities and allows firefighters to breath clean air while working in smoky, toxic atmospheres.
Amount:	\$37,700
Impact:	One-time: Increase to Tax Demand



Capital Requests

Request: Wastewater Support Facilities

Justification: As part of the relocation of wastewater operations staff and equipment to the Wastewater Treatment Facility (WWTF), a siting study has determined that an indoor heated storage garage is required to securely house wastewater vacuum trucks. Additional funding is also requested for related site works and associated service relocation to situate the garage within the existing WWTF compound.

Amount: \$300,000

Impact: One-time: Increase to Tax Demand



Questions?

For more information, visit kelowna.ca/budget