

2020 Financial Plan overview

Dec. 9, 2019
Council Chambers

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Agenda

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



2020 Provisional Budget timeline

Budget letter & guidelines	May 13
Council outlook	June. 19
Division work plans complete	Aug. 16
Deadline for budget to Finance	Sept. 6
Performance measures, accomplishments	Sept. 23
2020 drivers & activities	Sept. 23
City Manager's review	Oct. 8-10
Council update	Nov. 4
Council overview financial plan	Dec. 9
Council review budget	Dec. 12

Analysis of tax demand

	2019	2020
Operating	\$139.9	147.6
General revenues	(11.2)	(11.2)
Taxation capital	<u>13.8</u>	<u>14.6</u>
	\$142.5	151.0
New construction revenue	(3.6)	(2.9)
Municipal	1.83%	2.08%
Infrastructure levy	2.27%	1.82%

2020 Base budget changes

Annualized (including Infrastructure Levy)	\$3.54M
One-time	<u>(956k)</u>
Budget impacts from 2018 + 2019	2.6M
2020 Divisional adjustments	<u>1.1M</u>
Total 2020 net impacts	\$3.7M



2020 Operating budget

Total \$8.2M priority one operating requests

\$4.0M taxation

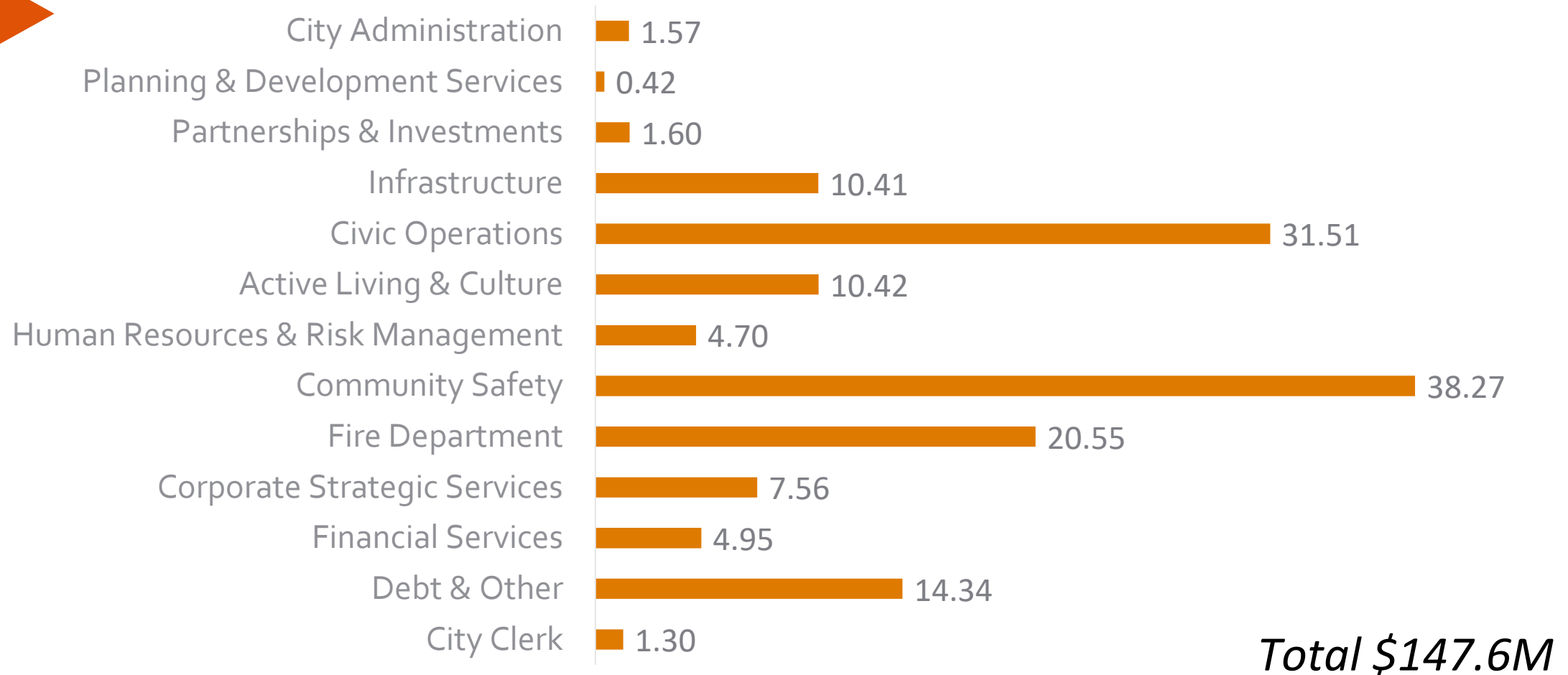
General Revenue

Expenditure reductions

Operating requests



Operating budget (general fund)





2020 Capital (general fund)



Total Capital	\$149.8M
Taxation:	
Pay-as-you-go	14.6M
Infrastructure levy	2.6M
Operating budget impacts	187k

2020 Budget summary

Base budget changes	\$3.7M
2020 operating budget	<u>4.0M</u>
Operating change	7.7M
2020 pay-as-you go capital	0.8M
New construction revenue	<u>(2.9M)</u>
Net tax impact	\$5.6M

Municipal	2.08%
Infrastructure levy	1.82%



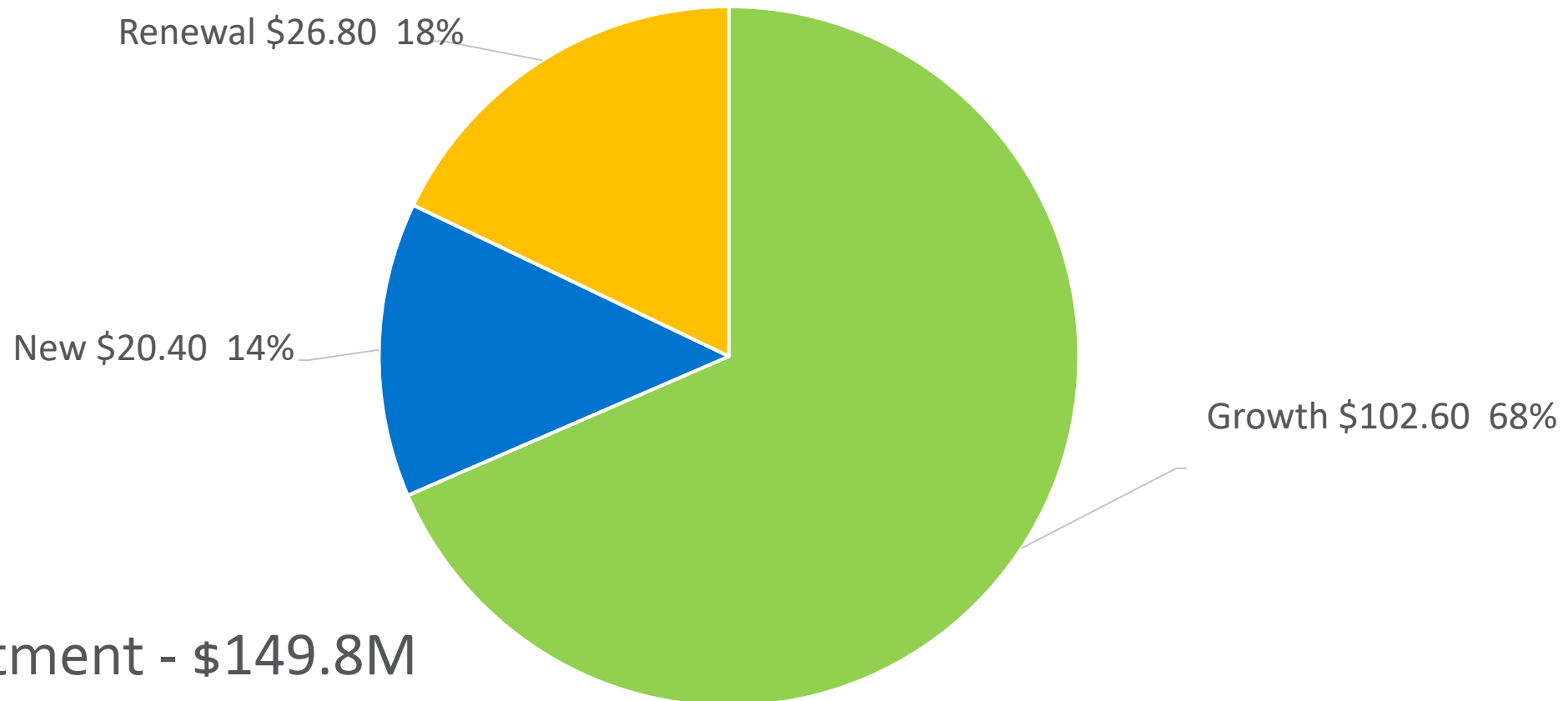
2019 Capital Summary

Capital Budget Comparison

Measures	2017	2018	2019	2020
Total Projects (P1)	103	123	116	119
Capital Budget	\$64.0M	\$59.5M	\$105.8M	\$149.8M
Total Taxation	\$12.2M	\$12.2M	13.6M	\$14.6M

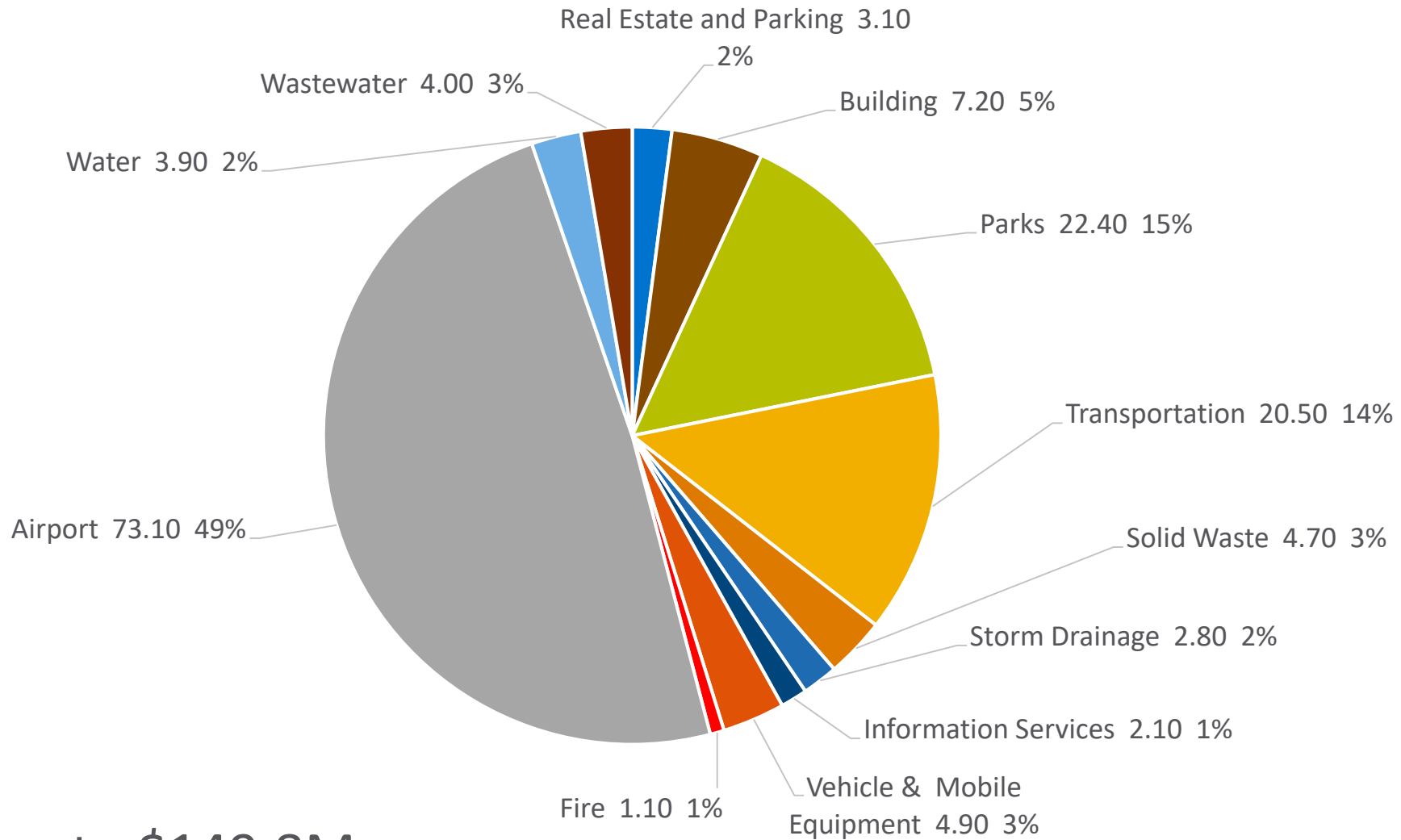
Big Projects	Parks, Street Lights, Asset Renewal	Parks, Roads Resurfacing, Information Services, Asset Renewal	Parks, Roads Resurfacing, South Perimeter Rd, Asset Renewal	Airport AIF Program, Parks, Roads Resurfacing, Asset Renewal
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Infrastructure value by category (\$ millions)



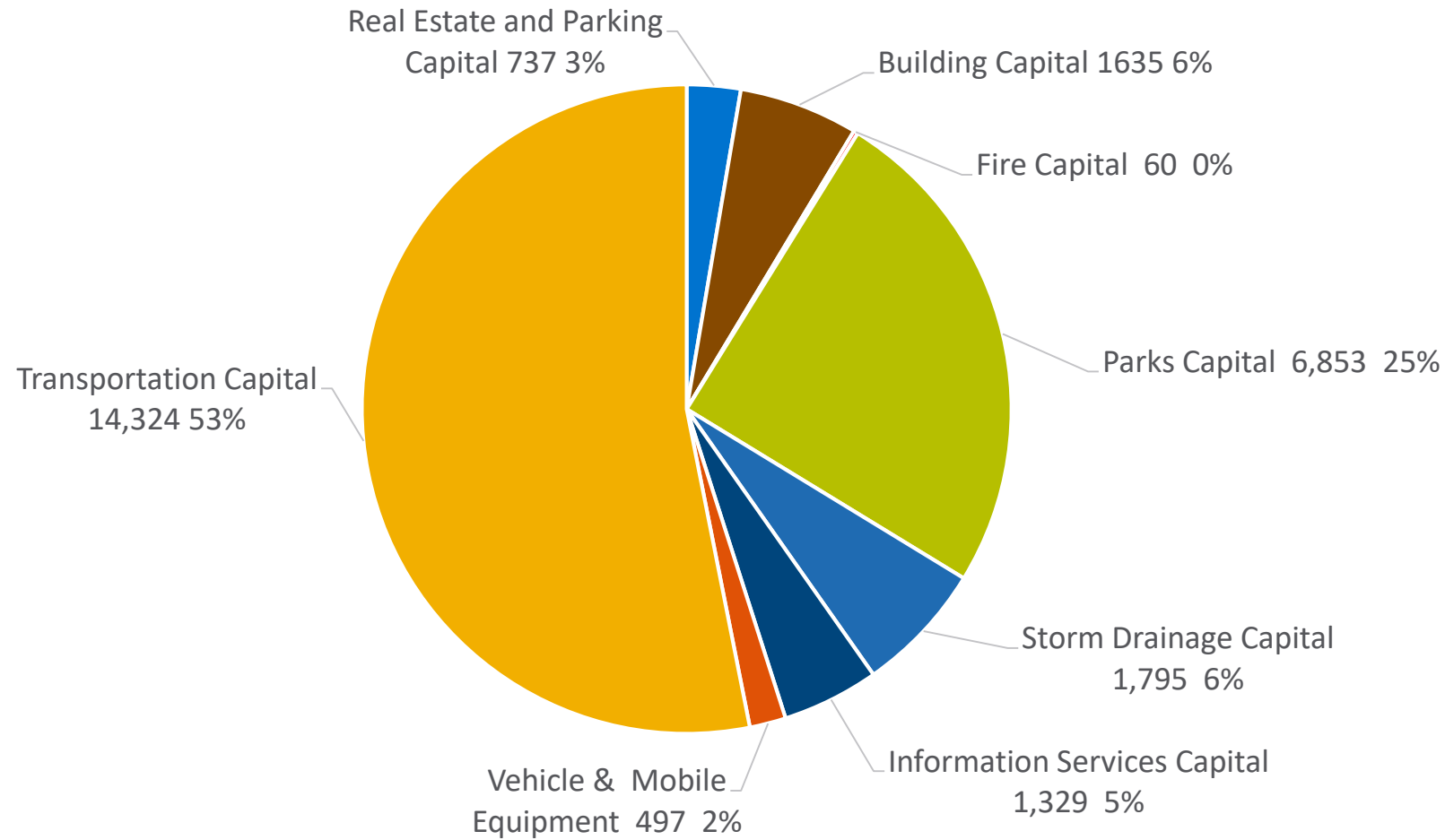
- New Capital - infrastructure required to support enhanced service levels,
- Growth Capital - infrastructure required to accommodate growth,
- Renewal Capital - infrastructure that replaces or renews existing assets.

2020 Infrastructure investment (\$ millions)



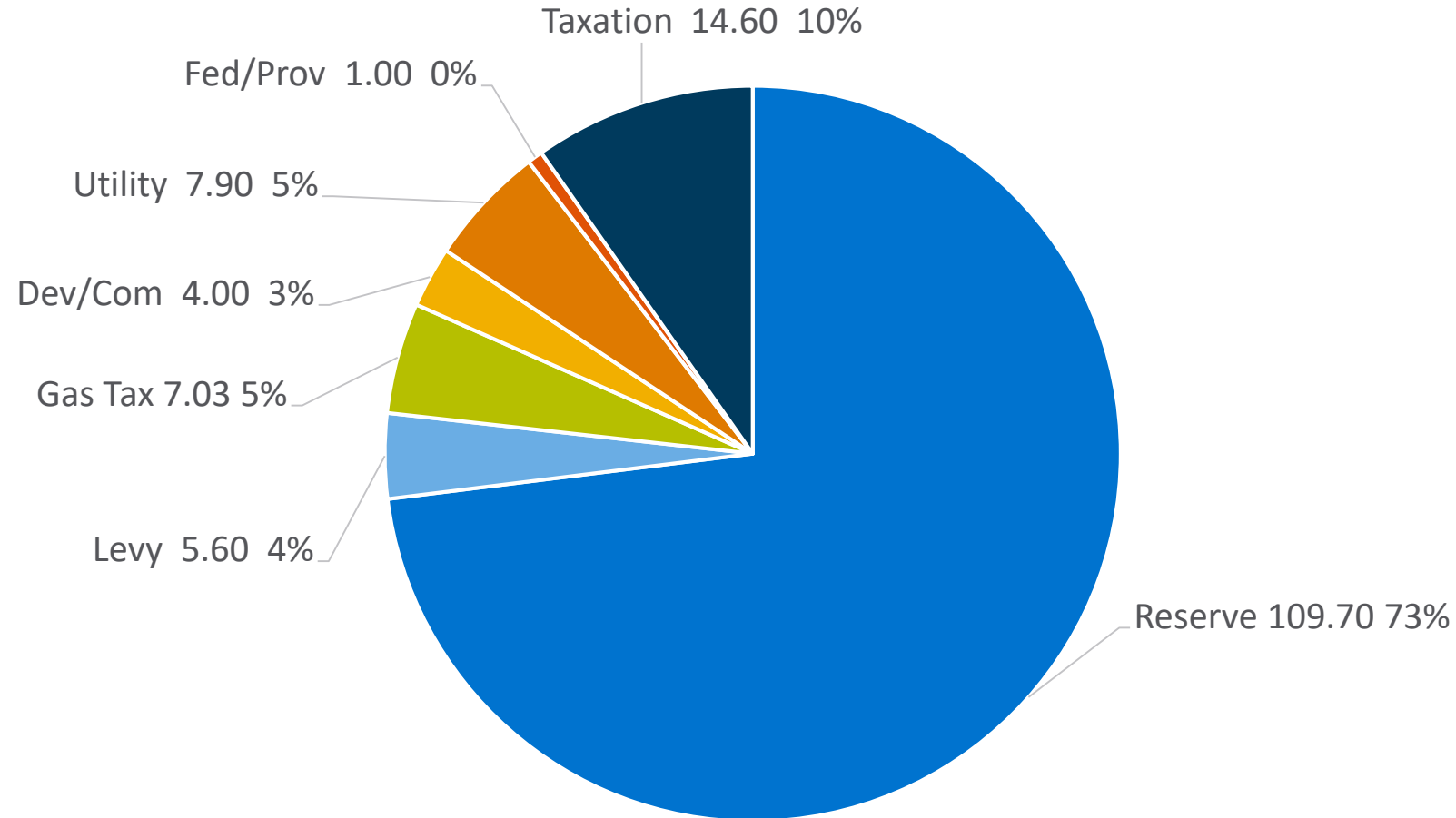
Total investment - \$149.8M

2020 Taxation, gas tax and levy (\$ thousands)



Taxation - \$14.6M
Gas tax - \$7.0M
Inf. Levy - \$5.6M
Total - \$27.2M

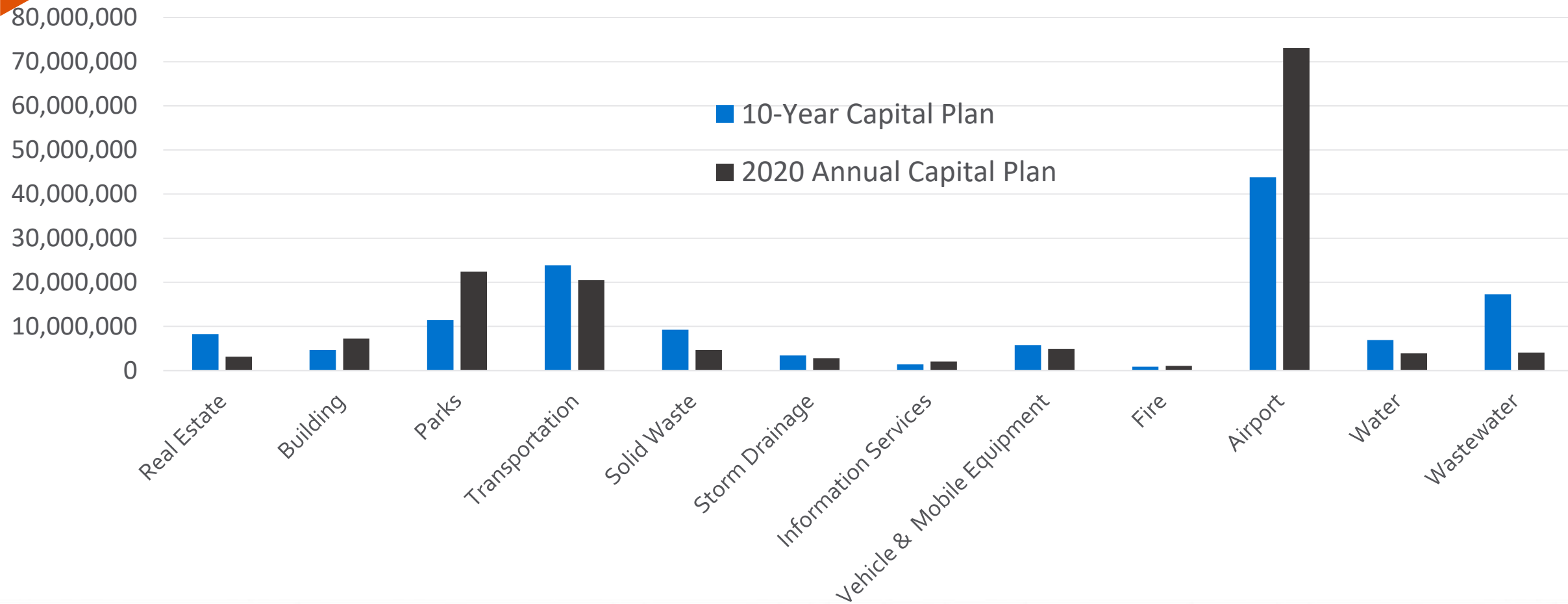
2020 Capital funding sources (\$ millions)



Total investment - \$149.8M

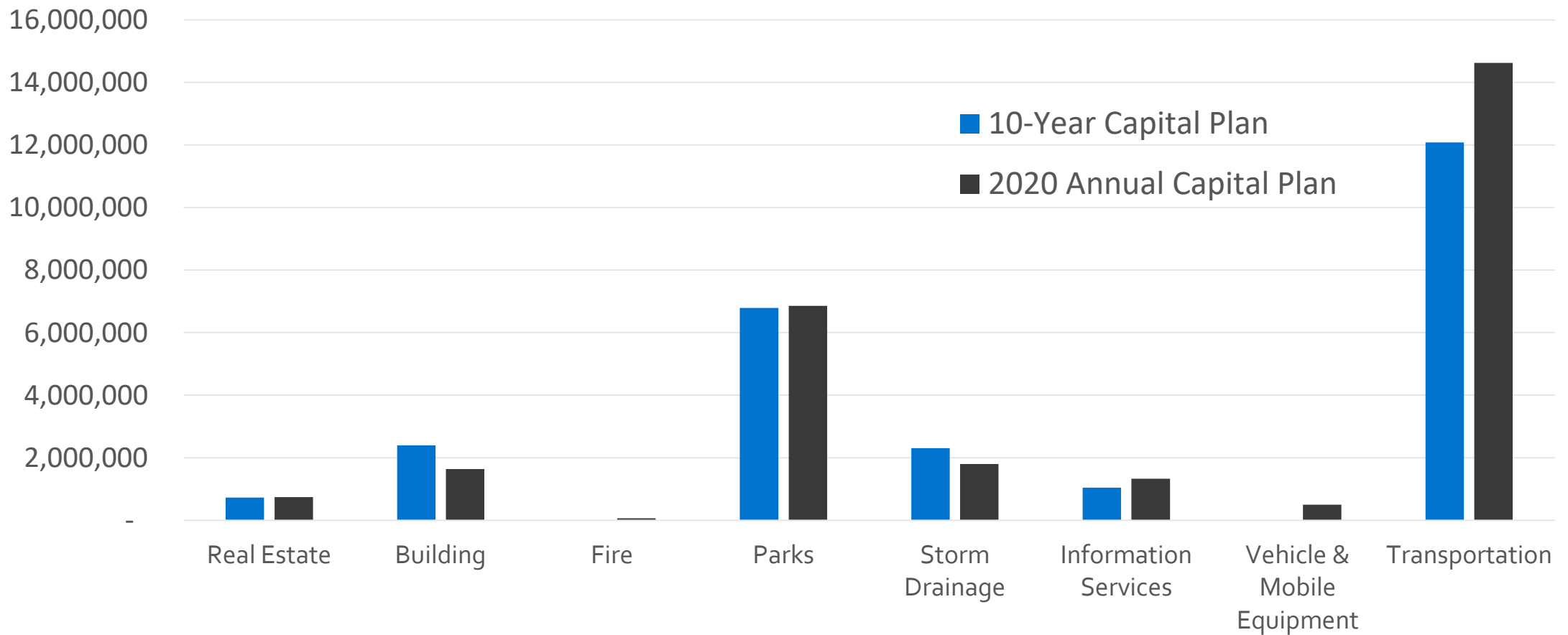
Infrastructure Investment \$149.8M

10-Year Capital Plan vs. 2020 Annual Capital Plan

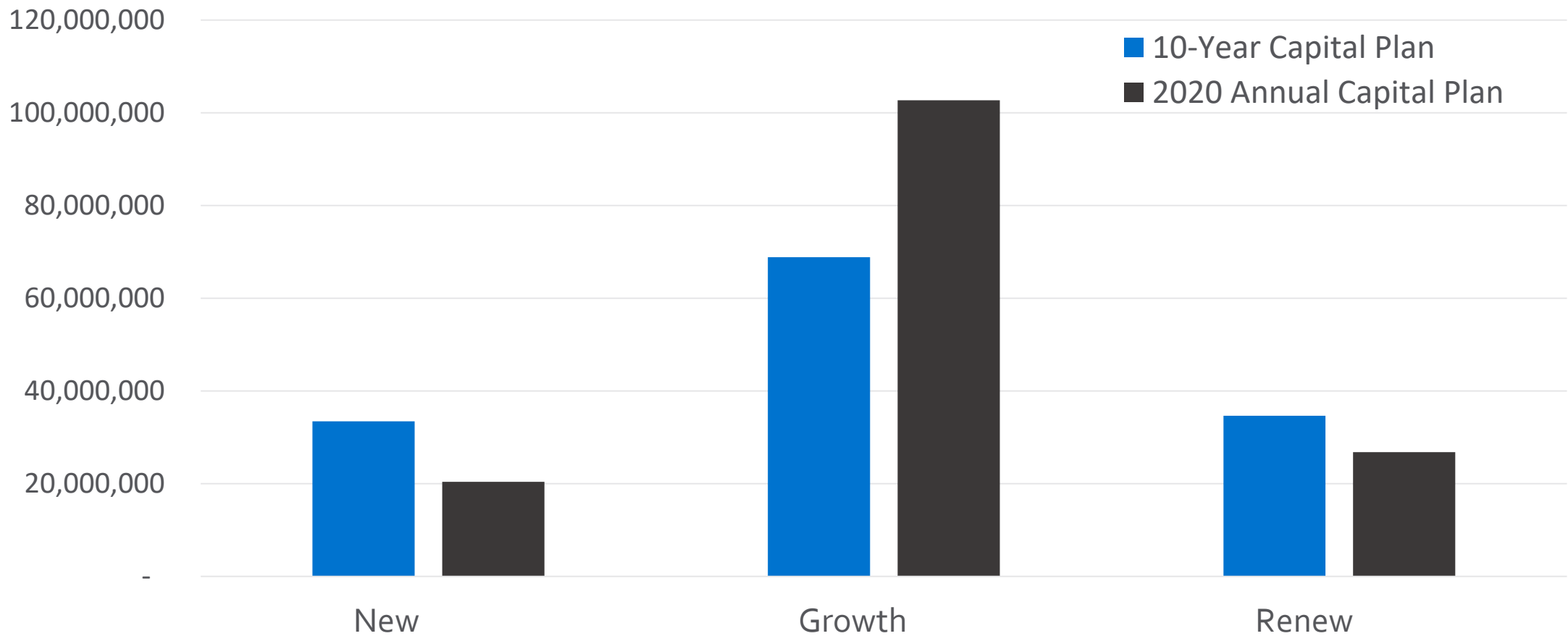


2020 Taxation, gas tax and levy

10-Year Capital Plan vs. 2020 Annual Capital Plan



New/Growth/Renewal 10-Year Capital Plan vs. 2020 Annual Capital Plan



Infrastructure Levy

Projected revenue from infrastructure levy (\$ millions)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total	\$3.0	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$53.8

2020 (total \$5.6M)

- Parks Development - \$3M
- Transportation Renewal - \$1.6M
- Mill Creek Flood Protection- \$1M + 40% matching grant


Other municipal funds

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

Wastewater utility

Revenue	\$22.7M
Operating cost	15.2M
Capital program	3.7M
Planned surplus	3.8M





Water utility

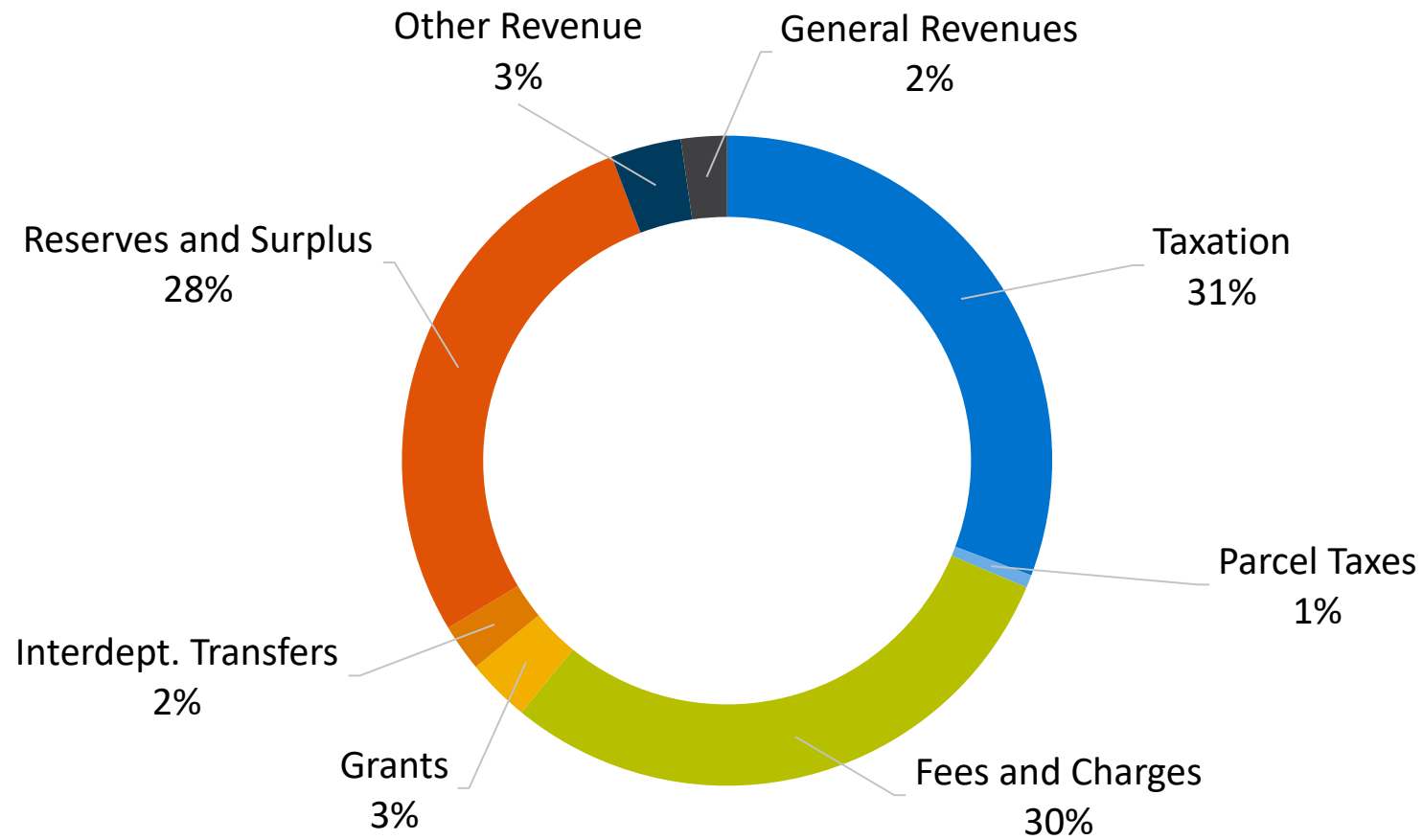
Revenue	\$19.4M
Operating cost	14.8M
Capital program	3.4M
Planned surplus	1.4M



Kelowna International Airport

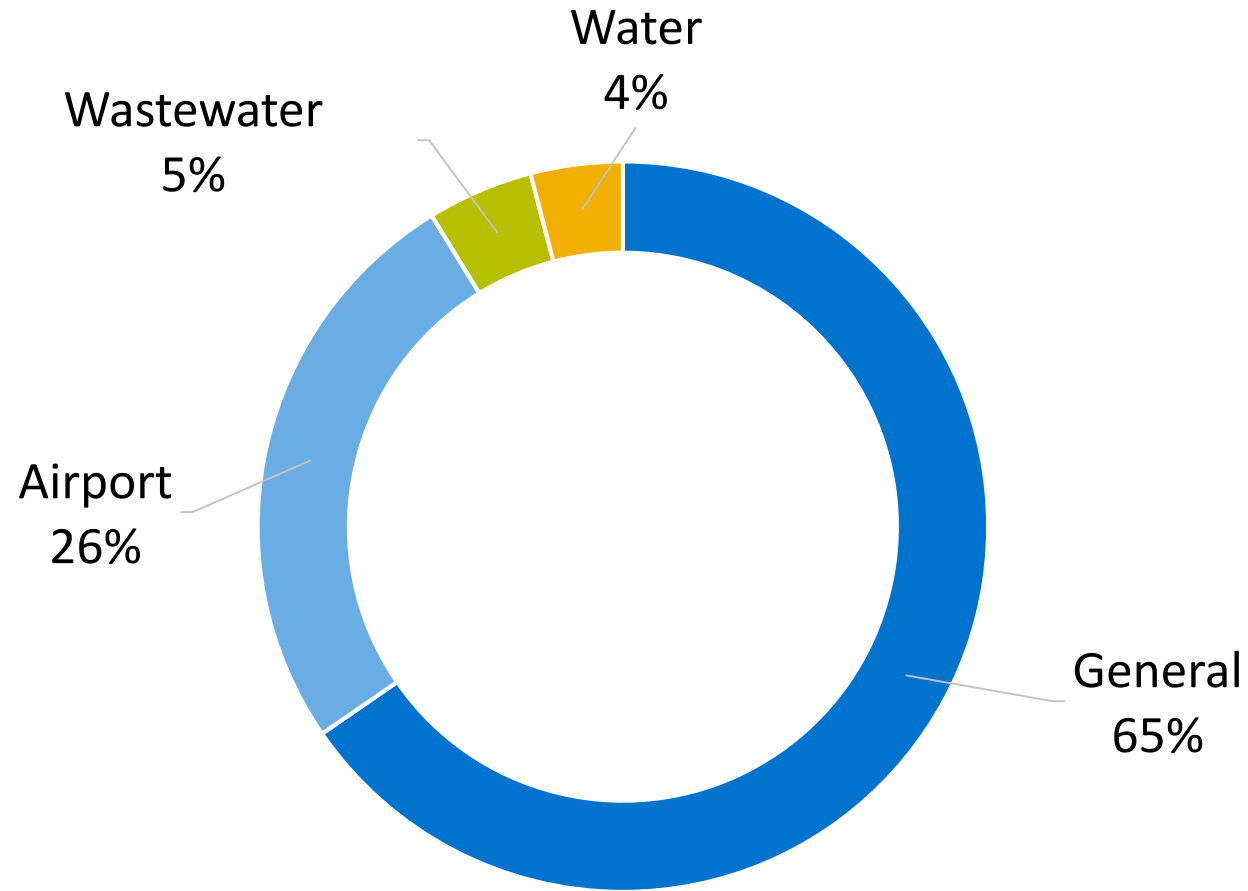
Revenue	\$46.9M
Operating cost	21.5M
Reserve contribution	24.4M
Planned surplus	932k
Capital program	73.1M

Total revenue (all funds)



Total \$491.1M

Total expenditures (all funds)

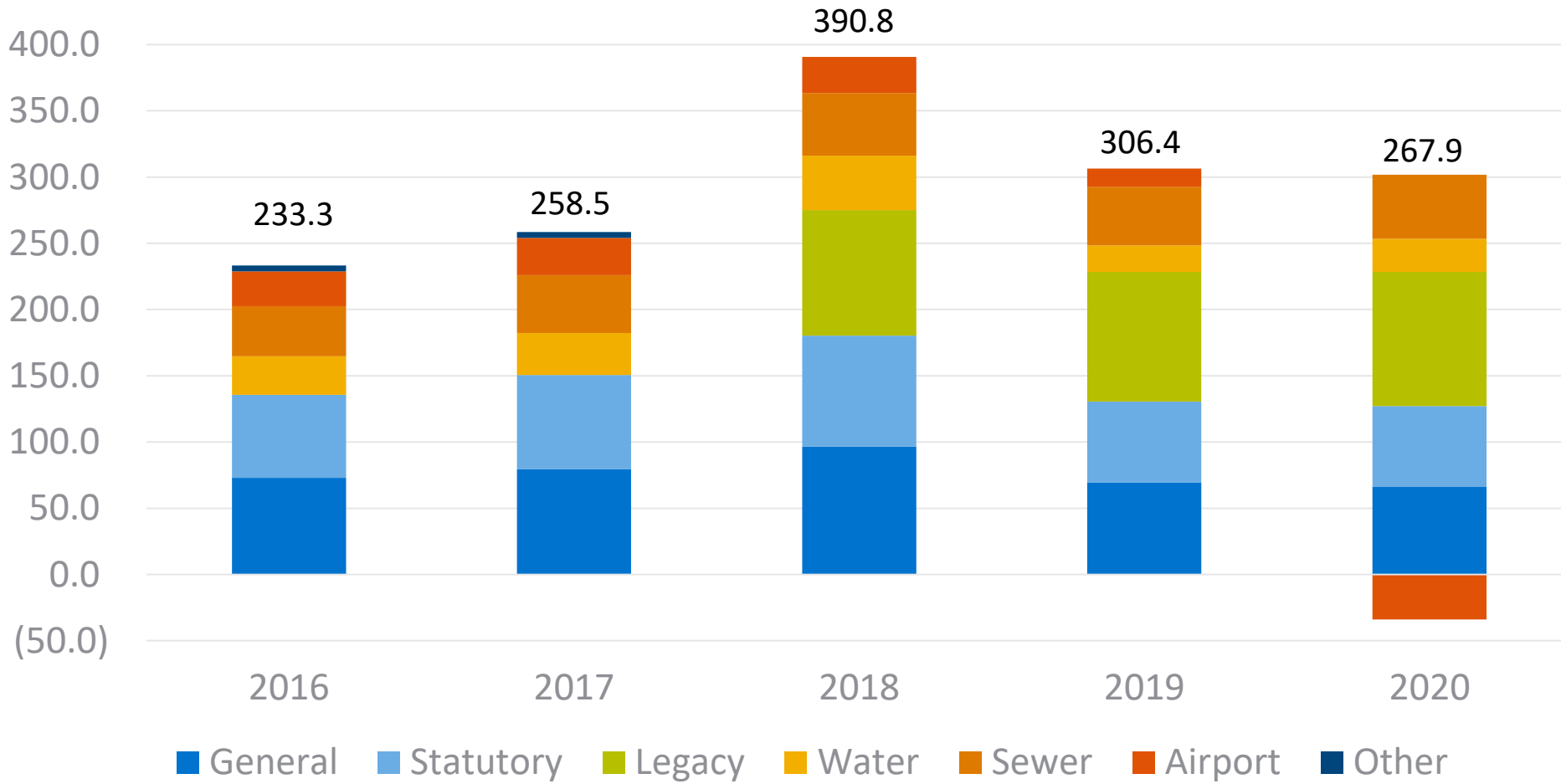


Total \$491.1M

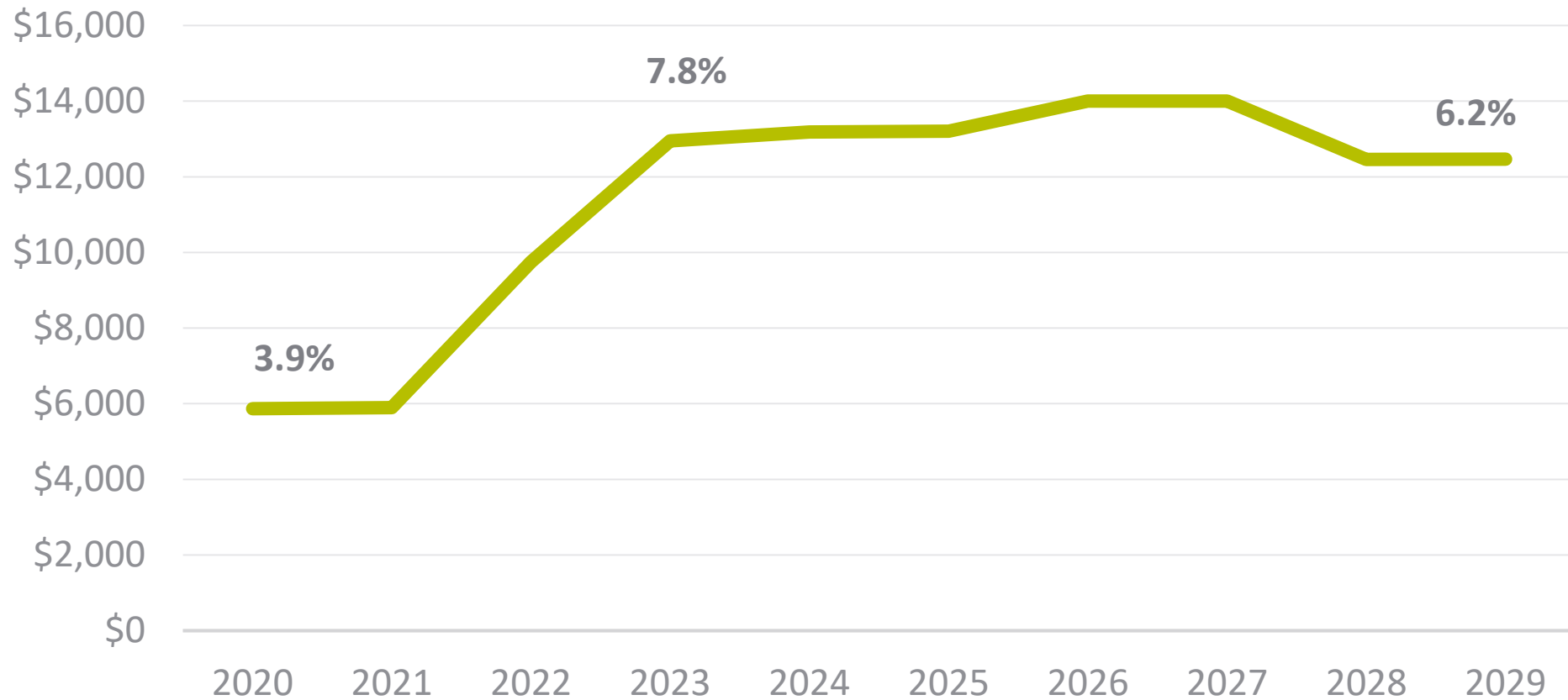


Reserve and debt

Reserve balances (in millions)



General fund debt (in millions)



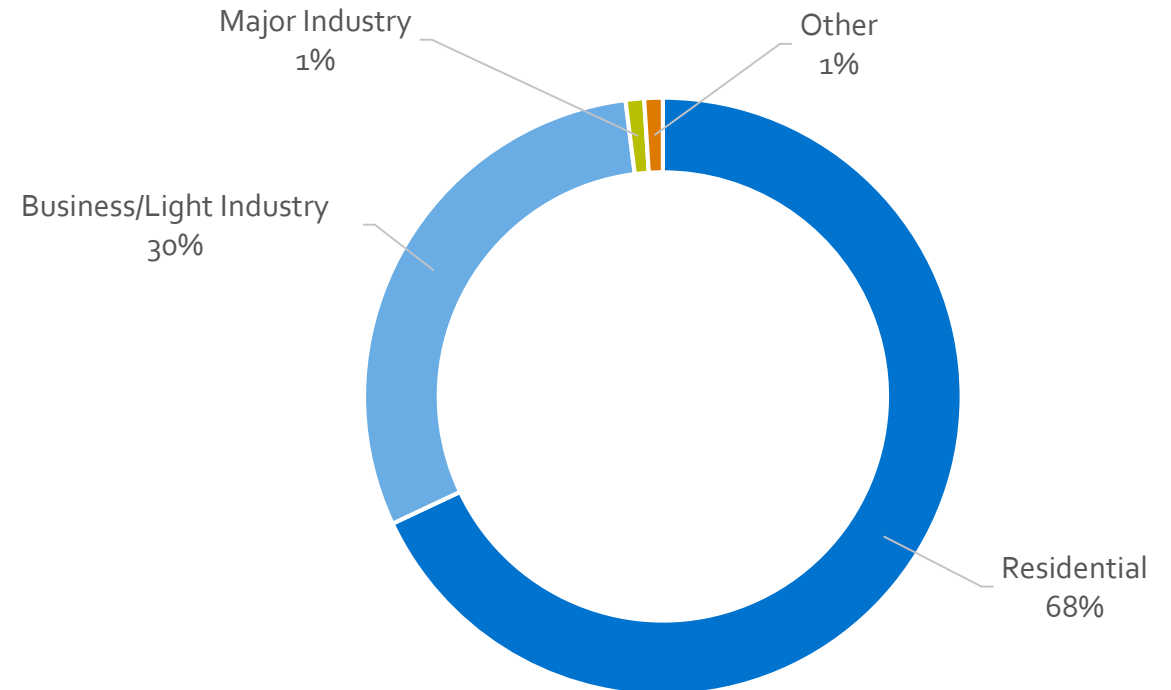
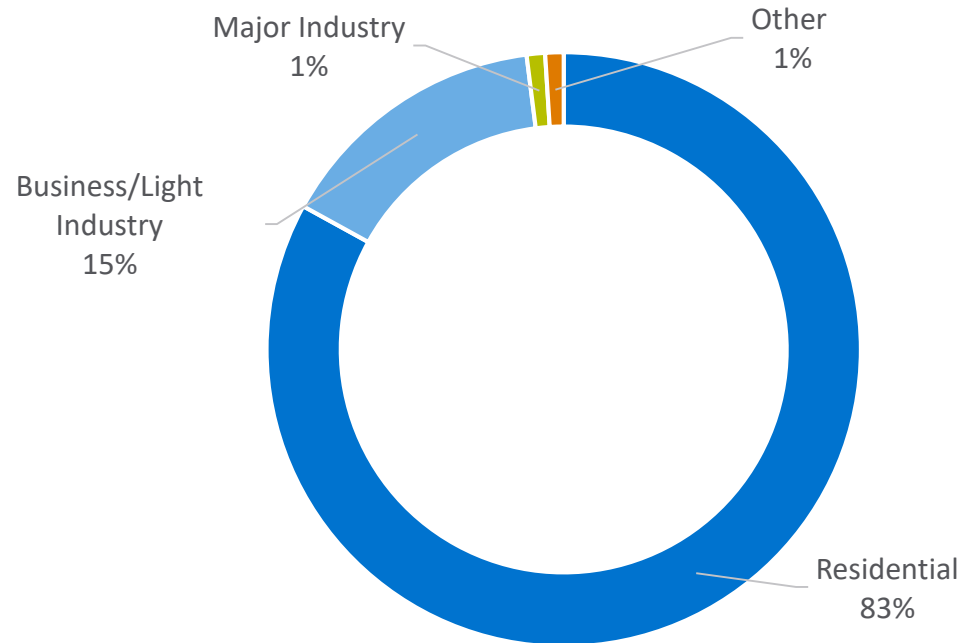


Assessment and taxation

Assessment and taxation revenue

Assessment \$39.7B

Revenue \$151.0M

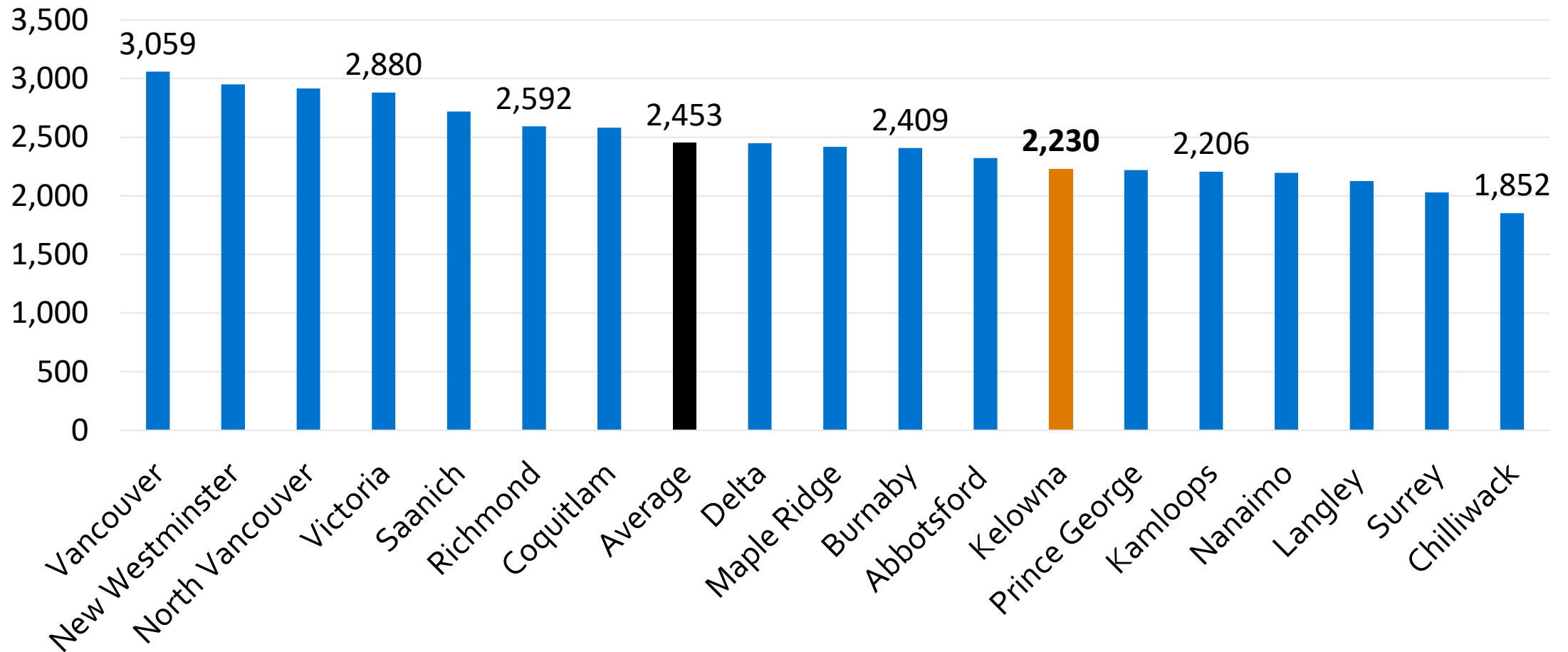


Taxation impact

- ▶ Average Single Family Home assessed at \$670,900
- ▶ Municipal Tax estimated at \$2,153 for 2020
- ▶ Increase approximately \$7 month
 - ▶ Municipal \$43 year
 - ▶ Infrastructure levy \$38 year

2019 Property tax information

(Population > 75k)





City of
Kelowna

Questions?

For more information, visit
kelowna.ca/budget

2020 Financial Plan deliberations

December 12, 2019 @ 9a.m.

Council Chambers