

Report to Council



Date: December 7, 2020
To: Council
From: City Manager
Subject: Preliminary 2021 Financial Plan
Department: Financial Planning

Recommendation:

THAT Council receives, for information, the presentation from Financial Planning and the Infrastructure Engineering Department dated December 7, 2020 with respect to the Preliminary 2021 Financial Plan.

Purpose:

To provide an overview of the Preliminary 2021 Financial Plan.

Background:

The attached presentation provides a summary of the key financial impacts for the Preliminary 2021 Financial Plan prior to Budget Deliberation Day on Thursday, December 10, 2020.

Local Governments must adopt a Financial Plan, in accordance with the Local Government Act and the Community Charter, before May 15 each year. The City of Kelowna's Financial Plan is made up of three volumes; the Preliminary Financial Plan, the Carryover Budget and Final Budget.

Every year presents its unique budget challenges and difficult decisions in pursuit of our goal to balance and serve the needs of all our residents – and budgeting for 2021 is no exception.

The COVID-19 pandemic continues to create complex challenges for families, businesses and many other organizations in our community, including the City of Kelowna. We have addressed several of the acute outcomes by drawing on reserves, renewing existing assets wherever possible, and using stimulus funding strategically, however, the longer-term repercussions and ripple effects of the pandemic may not be fully apparent for some time. In response, we present a budget that promotes stability, ongoing responsible fiscal management and maintains continuity in providing the essential services that our residents expect from us while making sure we are well positioned for recovery.

The 2021 Preliminary Financial Plan continues to advance the 2019-2022 Council Priorities, investing in the essential services that our community relies on with a focus on; community safety, addressing social issues, supporting vibrant neighborhoods, taking action on climate change, improving transportation and mobility and being economically resilient. We are also planning for the future by investing in infrastructure and services that will support our aspirations to be a great place to live, visit and do business.

Unlike other levels of government, the City is not permitted to run a deficit. Therefore, this Financial Plan uses a combination of reserves, grants and other sources of revenue to reduce the reliance on taxation, but taxation does remain an essential piece of the overall budget. To that end, the 2021 preliminary budget proposes a 4.27 per cent tax increase.

In the coming months, and very likely, years, there will be much work to be done to ensure the stability and sustainability of our services and operations while we continue to ensure we provide good value for tax dollars. Despite the financial challenges we face, it is our responsibility to continue to meet the demands of our growing population by delivering programs, services and infrastructure responsibly, strategically and safely. Due to our well-established financial principles and strategies and our corporate focus on strong financial management, we are in a solid position to do just that.

Submitted by:

Kevin Hughes, CPA, CA
Corporate Financial Planning Manager

Approved for inclusion:  GD

cc:
G. Davidson, Divisional Director, Financial Services
J. Shaw, Infrastructure Engineering Manager
M. Antunes, Budget Supervisor

Attachment:

1. Preliminary 2021 Financial Plan Overview Powerpoint.