

2021 Financial Plan overview

Dec. 7, 2020
Council Chambers

[#kelownabudget](#)

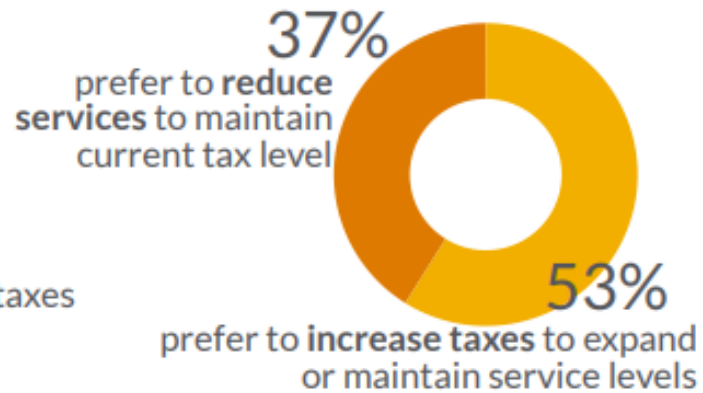
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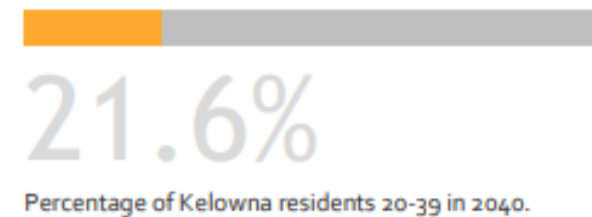
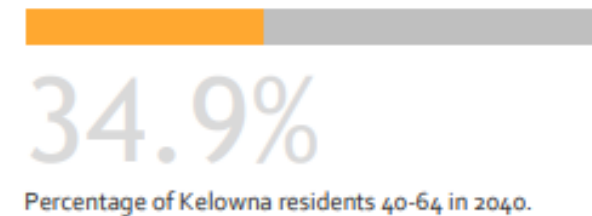
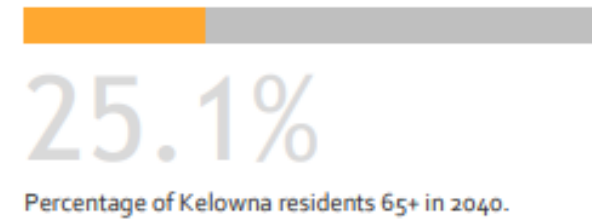
Agenda

- ▶ Kelowna by the numbers
- ▶ COVID-19
- ▶ Preliminary budget process
- ▶ Taxation impact
- ▶ General fund
- ▶ Capital program
- ▶ Other municipal funds
- ▶ Reserve and debt
- ▶ Assessment and taxation

Kelowna by the numbers



+ 50,000 residents by 2040



QUALITY OF LIFE



92%

SERVICES



91%

satisfied with overall level & quality of services

SAFETY

87%



describe community as being safe

COVID - 19

- ▶ Reserves
- ▶ Renewal
- ▶ Stimulus funding
- ▶ Stability
- ▶ Responsible fiscal management
- ▶ Continuity of essential services





2021 Preliminary Budget timeline

Budget letter & guidelines	June 29
Capital Meeting Final	July 22
Division work plans complete	Aug. 14
Deadline for budget to Finance	Sept. 4
Council Outlook	Sept. 10
Performance measures, accomplishments	Sept. 25
2020 drivers & activities	Sept. 25
City Manager's review	Oct. 13-15
Council update	Nov. 16
Council Financial Plan overview	Dec. 7
Council Financial Plan deliberation	Dec. 10

Analysis of tax demand

	2020	2021
Operating	\$150.5M	\$157.6M
General revenues	(11.2)	(11.5)
Taxation capital	<u>9.5</u>	<u>11.8</u>
Tax demand	\$148.8	\$157.9
New construction revenue	(3.4)	(2.7)
Net Property Owner Impact	2.05%	4.27%

2021 Base budget changes

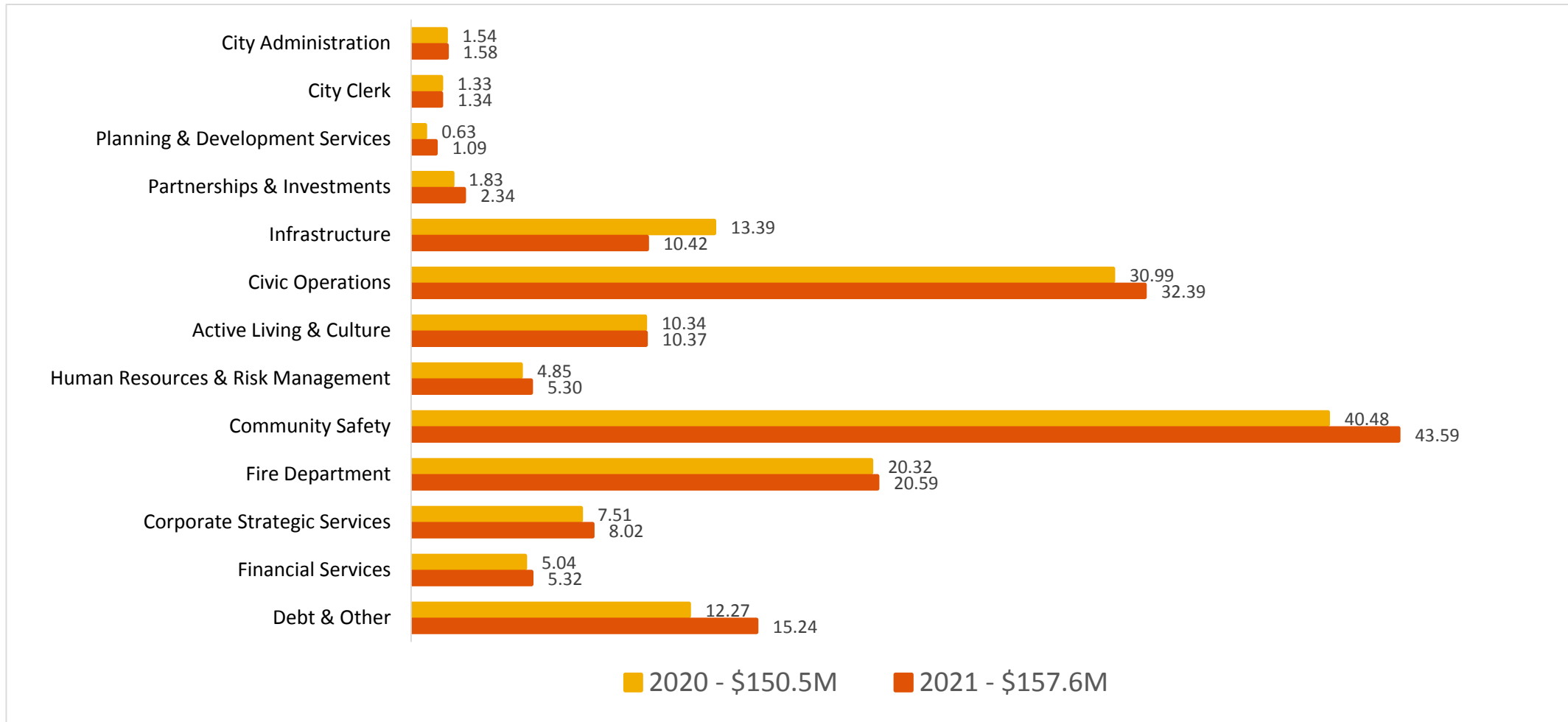
(in thousands)

Annualized	\$4,450
One-time	<u>(5,157)</u>
Budget impacts from 2019 + 2020	(704)
2021 Divisional adjustments	<u>12</u>
Total 2021 net impacts	\$(691)

2021 Operating Budget

Total \$9.4M priority one operating requests, \$7.4M taxation

Operating budget (general fund)



2021 Capital (general fund)



Total capital	\$60.6M
Pay-as-you-go	11.8M
Operating budget impacts	\$189k

2021 Budget Summary

(in thousands)

Base budget changes	\$(691)	
2021 operating budget	<u>7,406</u>	
Operating change	6,715	
2021 pay-as-you go capital	2,338	
New construction revenue	<u>(2,700)</u>	
Net tax impact	\$6,352	4.27%



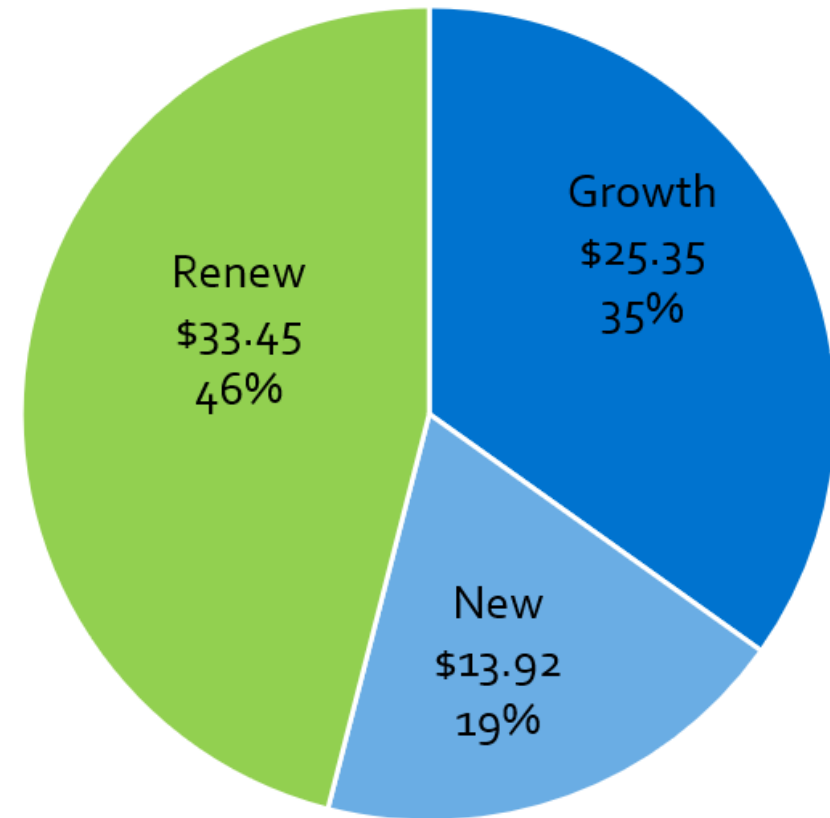


2021 Capital Summary

Infrastructure investment by category

(in millions)

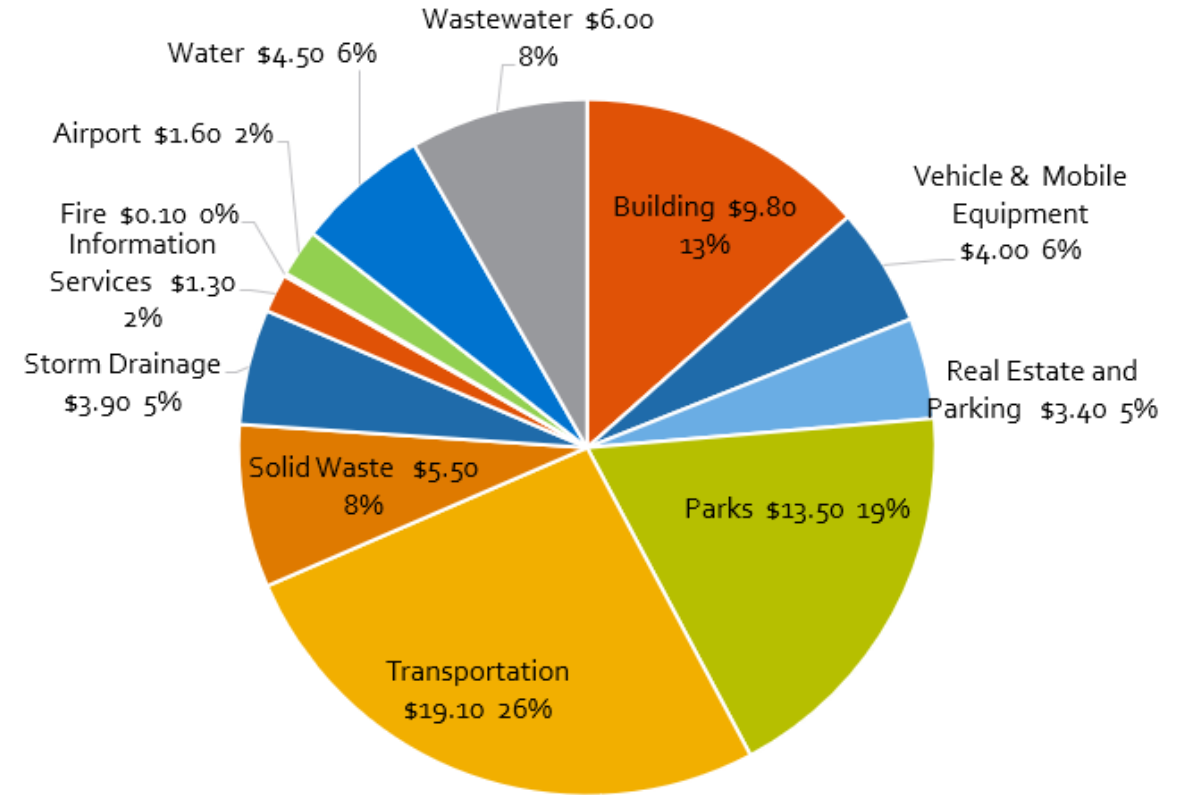
- \$72.7 million total investment
- Renewal of critical aging infrastructure (\$33 million),
- Infrastructure to support growth (\$25 million)
- Infrastructure to improve services (\$14 million)



2021 Infrastructure investment

(in millions)

- Renewal of critical aging infrastructure,
- Parks acquisition and development,
- Transportation & mobility infrastructure making it easier for all people to get around by vehicle, transit, cycling and walking,
- Flood protection infrastructure to protect the community against the effects of climate change and flooding,
- Parkinson Recreation Centre not included and expected to be requested at Final Budget.
- Airport development adjusted to align with lower passenger demand resulting from COVID-19.

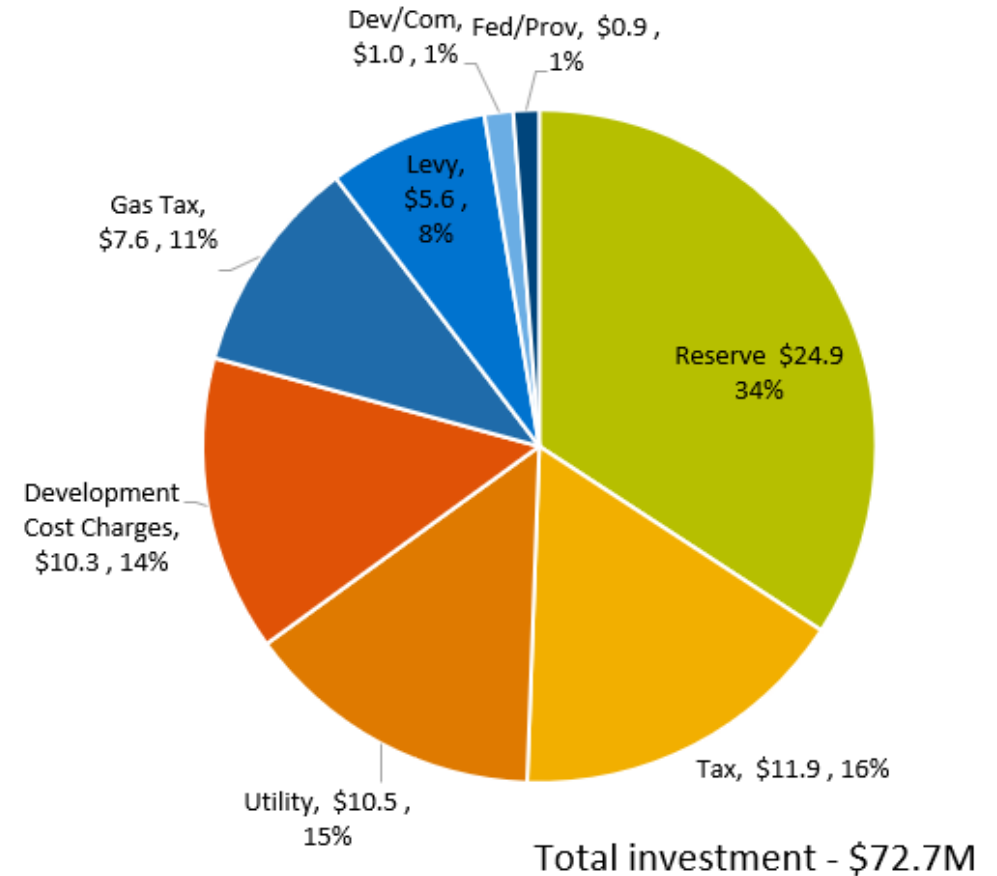


Total investment - \$72.7 M

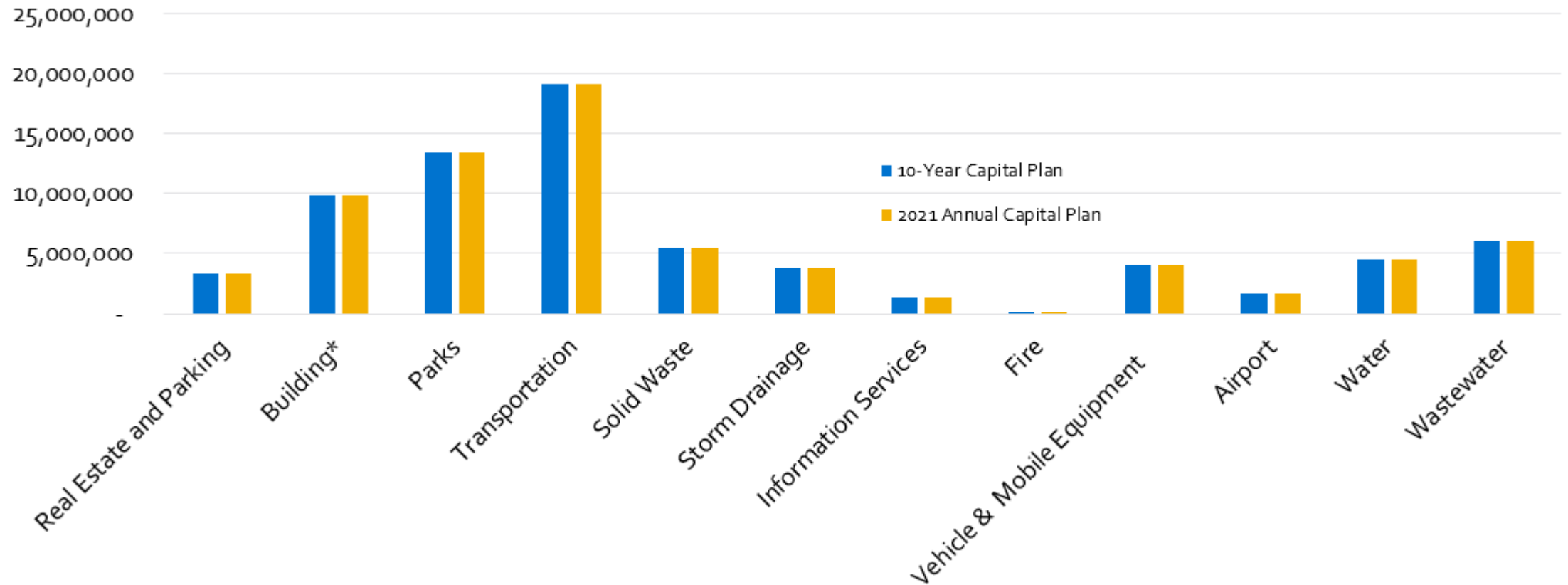
2021 Capital funding sources

(in millions)

- Capital funded from variety of sources
- 16% (\$11.9 million) funded from taxation
- Large contribution from reserves
- DCC contribute \$10.3 million
- Gas tax \$7.6 million
- 14% Levy (\$5.6 million)
- PRC expected to be funded from borrowing



10-Year Capital Plan vs. 2021 Annual Capital Plan



Building * - Parkinson Recreation Building Replacement: Construction costs not included

Note: Developer delivered projects are not included in this graph including the Airport East Lands Roads and Servicing agreement and Transportation projects.

Infrastructure Levy

Infrastructure levy allocation over the next 10 years 2020-2029
(\$millions)

Cost Centre	Investment (million)	(%)
Parks	\$15.60	28
Transportation	\$27.10	48
Storm Drainage	\$13.70	24
Total	\$56.40	

2021 (total \$5.6M)

- Parks Development - \$1.4M
- Transportation Renewal - \$2.8M
- Mill Creek Flood Protection - \$1.4M + 40% matching grant

Other municipal funds

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

Wastewater utility



Revenue	\$21.1M
Operating cost	13.9M
Capital program	<u>5.9M</u>
Planned surplus	\$1.2M



Water utility

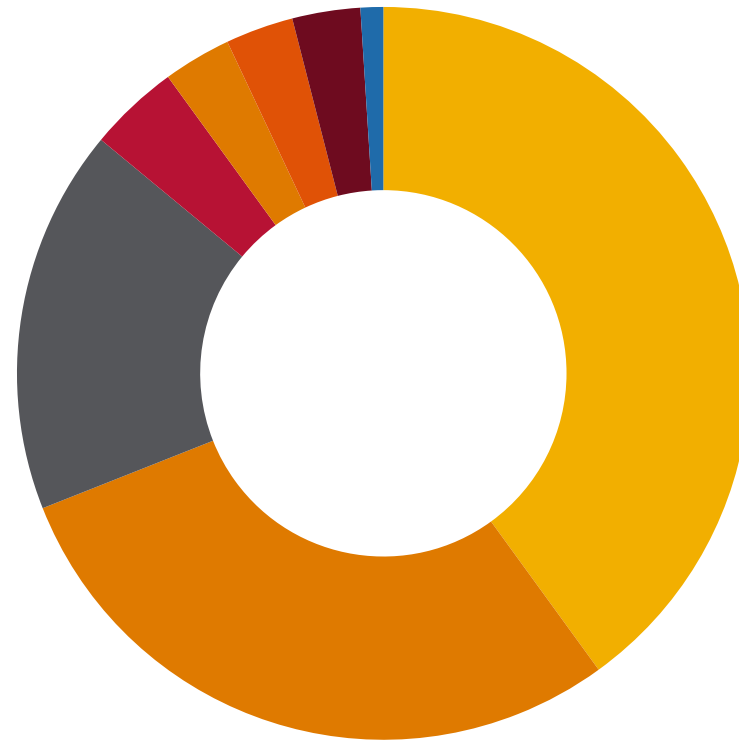
Revenue	\$18.7M
Operating cost	14.3M
Capital program	<u>4.3M</u>
Planned surplus	\$0.1M

Kelowna International Airport



Revenue	\$19.2M
Operating cost	18.9M
Reserve contribution	0.3M
Capital program	\$1.6M

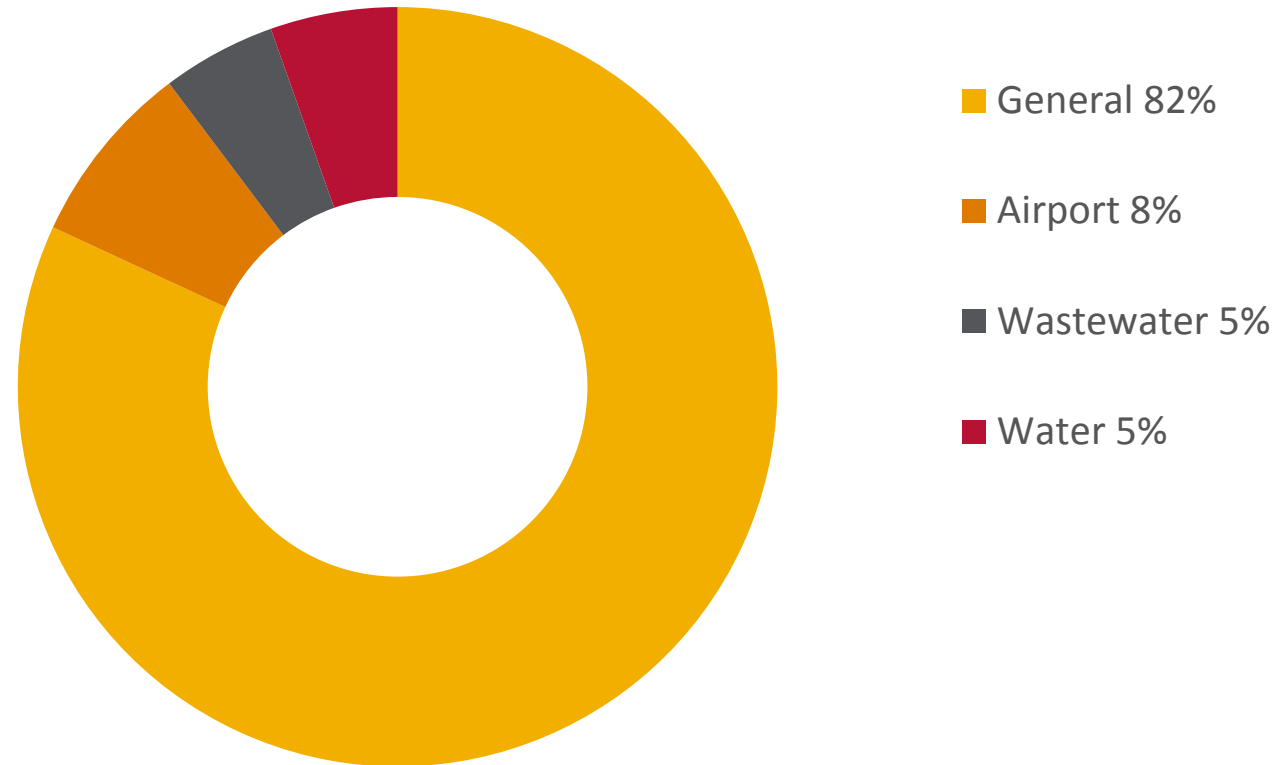
Total revenue (all funds)



- Taxation 40%
- Fees and Charges 29%
- Reserves and Surplus 17%
- Grants 4%
- Other Revenue 3%
- General Revenues 3%
- Interdept. Transfers 3%
- Parcel Taxes 1%

Total \$390.6M

Total expenditures (all funds)

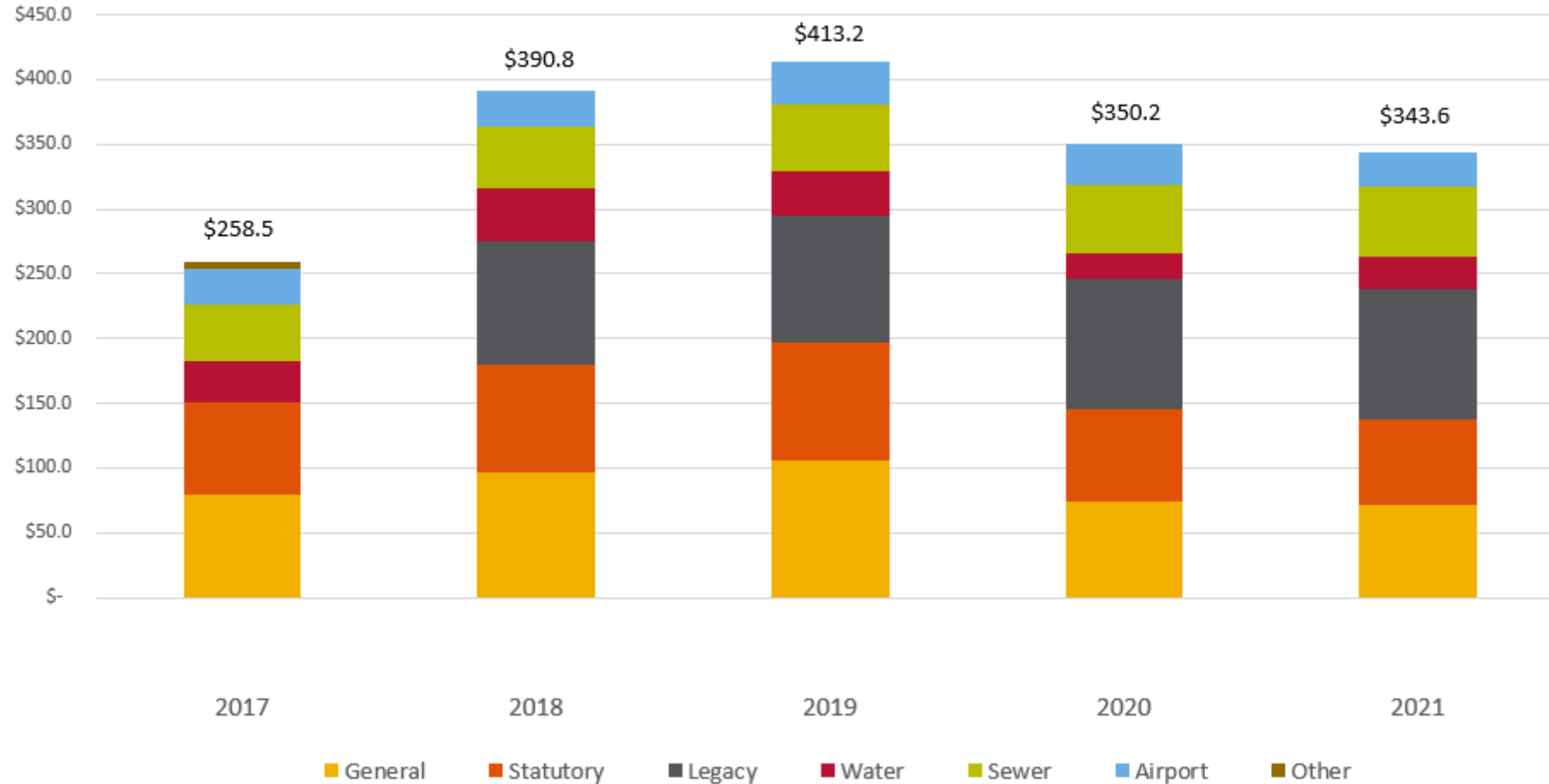


Total \$390.6M



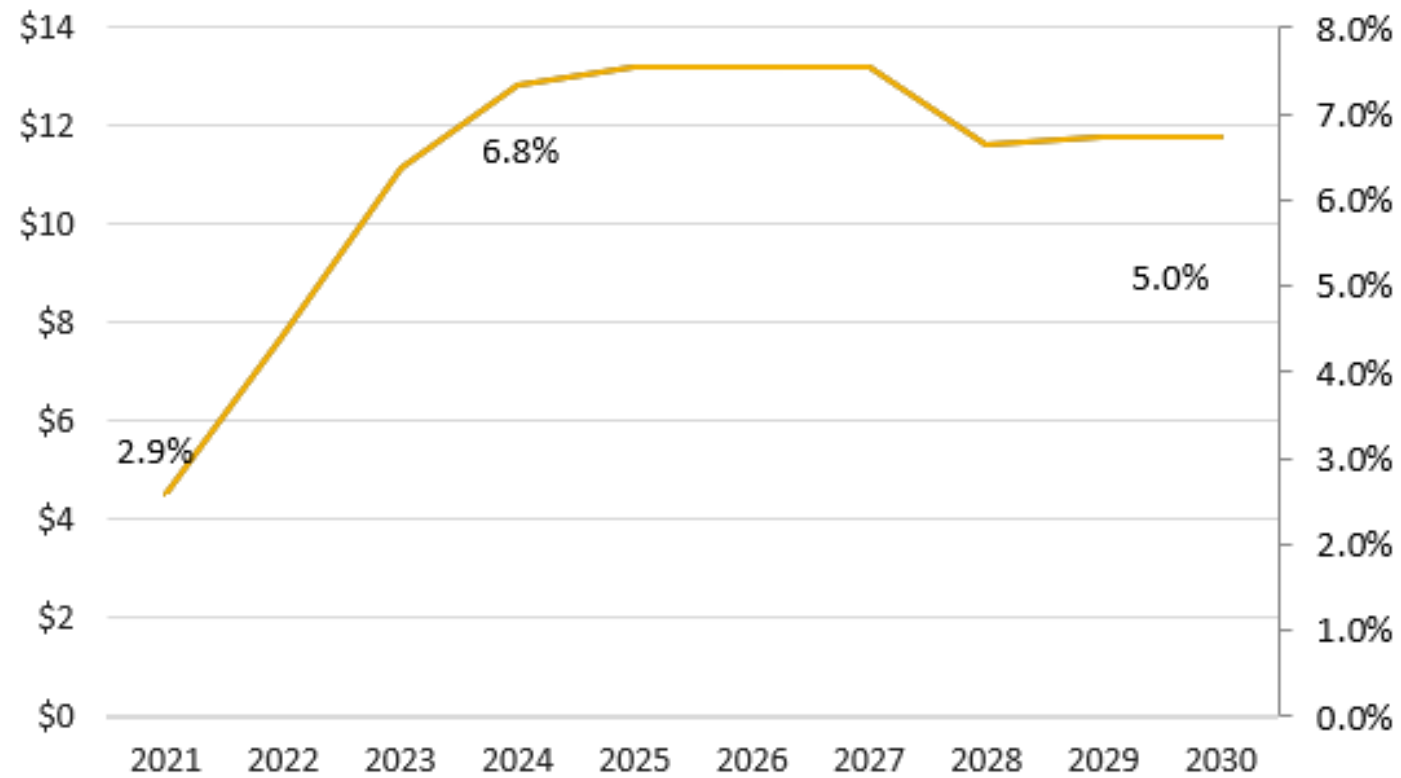
Reserves and Debt

Reserve balances (in millions)



General fund debt repayment

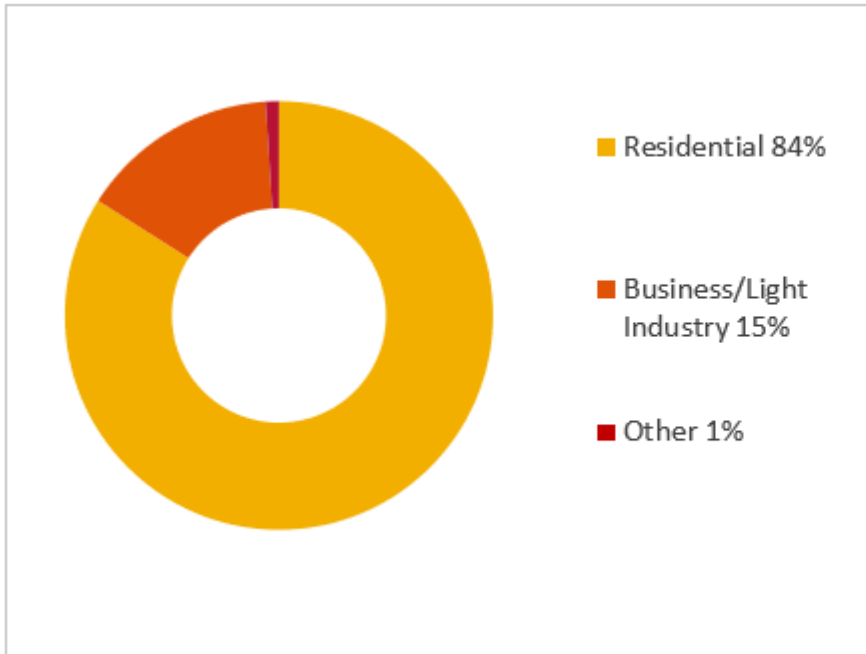
(in millions)



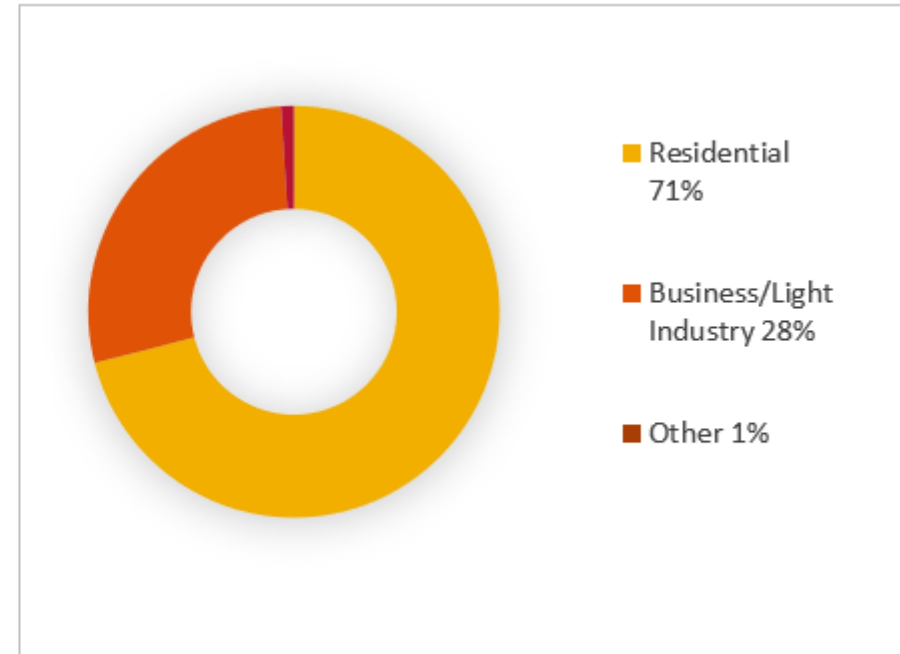


Assessment and taxation

Assessment and taxation revenue



Assessment \$41.2B



Revenue \$157.9M

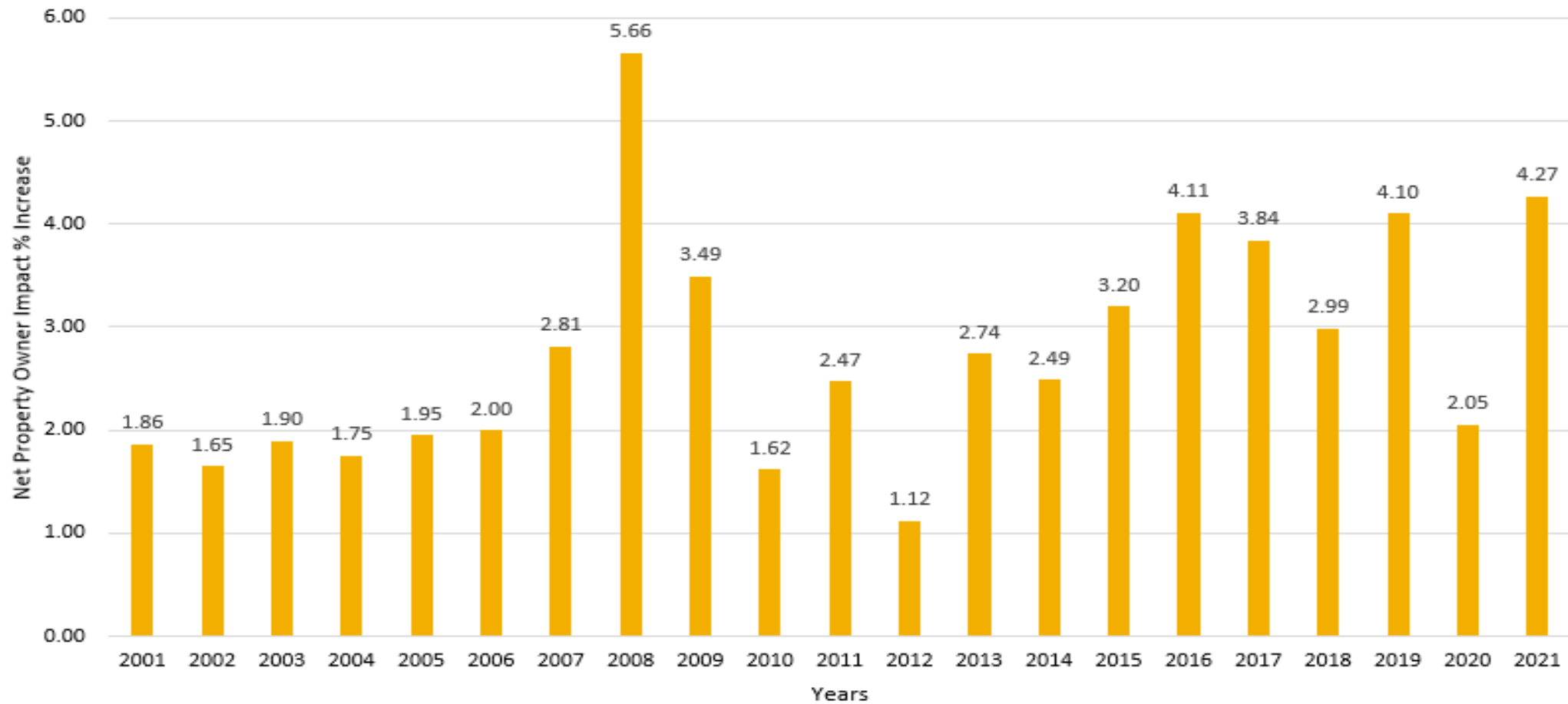
Taxation impact



- ▶ Average Single-Family Home preliminary assessed at \$691,990
- ▶ Municipal Tax estimated at \$2,205 for 2021
- ▶ Increase \$7.50/month

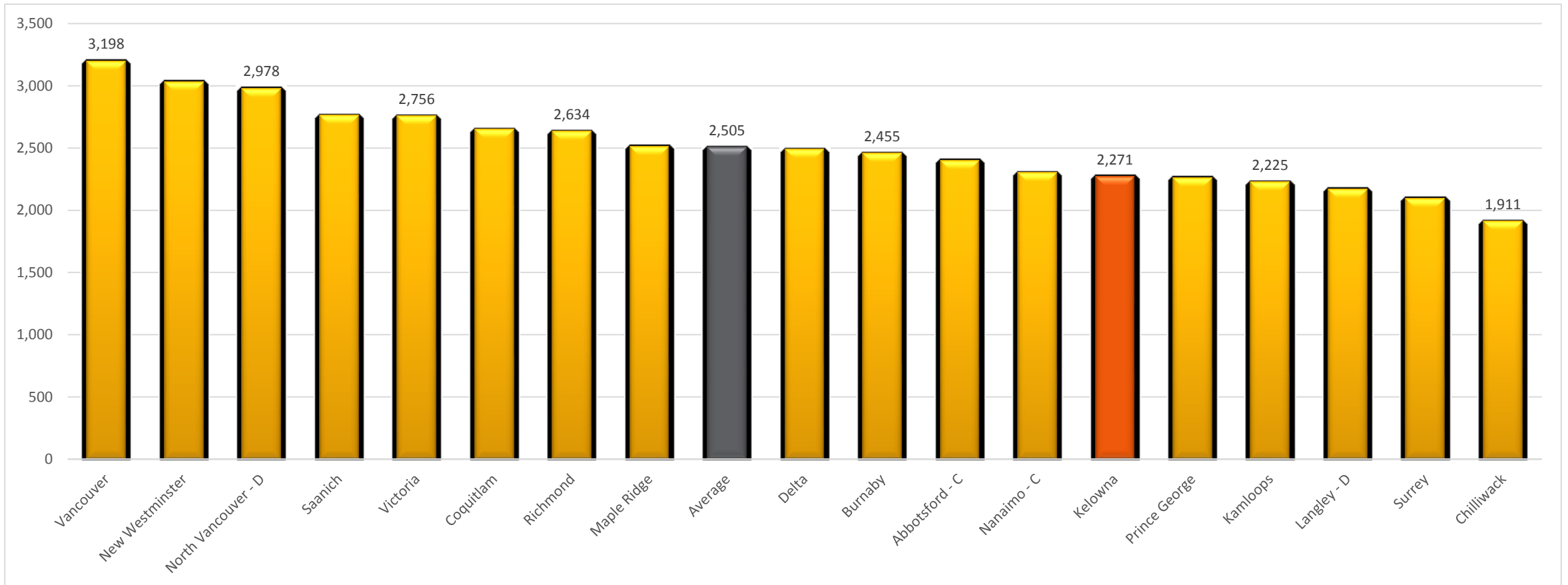
Tax rate comparison

Net Property Owner Impact 2001 - 2021 (%)



2020 Property tax information

(Population > 75k)





Questions?

For more information, visit kelowna.ca/budget

2021 Financial Plan Deliberations
December 10, 2020 @ 9 am, Council Chambers