

# Report to Council



**Date:** April 26, 2021

**To:** Council

**From:** City Manager

**Subject:** 2021 Financial Plan – Final Budget

**Department:** Financial Planning

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**Recommendation:**

THAT COUNCIL adopts the 2021-2025 Financial Plan;

AND THAT Council approves the formulation of 2021 Property Tax Rates that will raise the required funds in 2021, from General Taxation, in the amount of \$157,735,983, resulting in an average net property owner impact of 4.04 per cent;

AND THAT Bylaw No. 12198 being the 2021-2025 Five Year Financial Plan, 2021 be advanced for reading consideration;

AND THAT Bylaw No. 12199 being the Tax Structure Bylaw, 2021 be advanced for reading consideration;

AND THAT Bylaw No. 12200 being the Annual Tax Rates Bylaw, 2021 be advanced for reading consideration;

AND THAT Bylaw No. 12201 being the DCC Reserve Fund Expenditure Bylaw, 2021 be advanced for reading consideration;

AND FUTHER THAT Bylaw No. 12202 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2021 be advanced for reading consideration.

**Purpose:**

To present the 2021 Final Budget submissions, the 2021-2025 Financial Plan and related bylaws to Council for their consideration and approval.

**Background:**

Council approved the 2021 Financial Plan – Preliminary volume on December 10, 2020 and the addition of the 2021 Financial Plan – Carryover Budget volume on March 22, 2021. The 2021 Financial Plan - Final Budget volume includes emergent, legislated or Council directed requests. These three volumes together provide the 2021 portion of the 2021-2025 Five Year Financial Plan. Typically, depending on the nature of the item being considered within the Final Budget, these adjustments can cause the final tax demand to go either up or down.

The COVID-19 pandemic continues to affect Canada and the world creating ongoing challenges for families, businesses and many other organizations in our community including all levels of government.

The City of Kelowna continues to follow the direction of the Provincial Health Officer to reduce the risk of COVID-19 transmission. Through the Provincial Health Authority and the Emergency Program Act, restrictions have been enacted on gatherings, sports, dining, non-essential travel, and mask requirements in public settings. The Federal Government continues to have travel restrictions for people entering the country.

In 2020, the City received \$7.88M in emergency financial assistance and \$5.9M to support transit recovery through the Government of Canada and Province of BC's Safe Restart plan. Funds have been allocated over 2020/2021 to address emergency planning and response costs, and revenue shortfalls.

Despite the economic challenges and circumstances from the fall-out of the global pandemic, the City of Kelowna's strong financial management and clear budgeting practices continue to allow the delivery of essential services residents expect while maintaining, expanding and building infrastructure that makes Kelowna a great place to live. The 2021 Final Budget as presented, reflects a net municipal property tax increase of 4.04 per cent, maintaining the Preliminary Budget tax requirement approved in December 2020.

Final Budget requests funded from taxation are predominantly due to Edith Gay baseball park outfield netting, Millbridge Park bridge removal and design and an increase to Journey Home funding to address strategy implementation. These are offset by an increase in new construction revenue and FortisBC franchise fee revenue. Information about the requested changes are included in the attached 2021 Final Budget - Volume 3.

#### **Considerations applicable to this report:**

##### ***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.

Submitted by:

K. Hughes, CPA, CA Financial Planning Manager

**Approved for inclusion:** G. Davidson, CPA, CMA Divisional Director Financial Services

##### **Attachment:**

- 1: 2021 Financial Plan – Final Budget – Volume 3
- 2: 2021-2025 Five Year Financial Plan
- 3: 2021 Financial Plan Presentation