

2021 Final Budget Five-Year Financial Plan

overview

April 26, 2021
Council Chambers

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Agenda




- ▶ Preliminary budget
- ▶ COVID-19 impacts
- ▶ Final budget
- ▶ Taxation impacts
- ▶ Five-Year Financial Plan

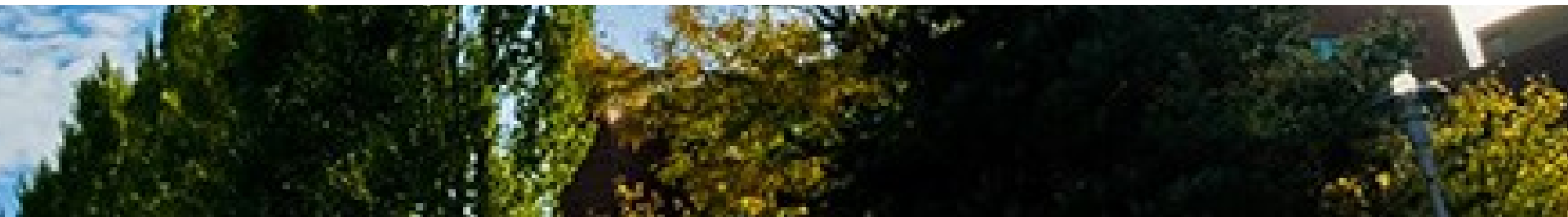




Preliminary Budget Highlights



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- ▶ Essential services and asset renewal
 - ▶ Community safety
 - ▶ Building vibrant neighborhoods
 - ▶ Environmental protection
 - ▶ Socially responsible and inclusive communities
 - ▶ Transportation and mobility





Preliminary Budget



Council approved on December 10, 2020:

Preliminary tax demand	\$157.6M
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Municipal tax increase	4.04%
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COVID - 19



- ▶ Continued financial impacts
 - ▶ Recreational programming
 - ▶ Transit
 - ▶ Gaming revenues
- ▶ BC's Safe Restart Plan





Final Budget

Preliminary tax demand	\$157.6 M
General Revenues	(151k)
Operating requests	102k
Capital requests	223k
2021 Final tax demand	\$157.7 M
New construction revenue	2.9M
Net property owner impact	4.04%

Note: Totals may not add due to rounding



Operating Request

Request: Journey Home Funding

Justification: Additional funding is requested to address Strategy Implementation priority areas: Lived Experience and Youth programs, marketing and communications, and performance management and reporting (Built for Zero data integration) to inform data driven decision making. The funding increase aligns with the 5-year Strategy and the Memorandum of Understanding with the City, both ending in 2023.

Amount: \$100,000

**Taxation
Impact:** \$100,000 Increase to Taxation Demand



Operating Request

Request: Diversity and Inclusion Strategic Plan Project

Justification: In January 2021, the City requested information from consultant organizations with experience in Diversity and Inclusion Strategic Planning. The findings from this preliminary review highlighted the need for additional funding to undertake this work along with an extended project timeframe of up to 18-24 months. This request is for an additional \$100,000 and a project extension into 2022.

Amount: \$100,000

**Taxation
Impact:** No Taxation Impact



Operating Request

Request:	Transmission of Taxes - BIA's and Other Governments
Justification:	To establish the receipt and disbursement of taxes to Business Improvement Areas (BIA) and other taxing authorities (OTA's)
Amount:	\$117,279,100
Taxation Impact:	No Taxation Impact



Operating Request

Request: FortisBC Gas Franchise Fee

Justification: This request is to adjust the franchise fee revenue due from FortisBC up to \$1,384,810 from the 2021 Preliminary budget amount of \$1,234,010. The fee is based on 3 per cent of the gross revenue from natural gas sales within the City of Kelowna during the 2020 calendar year.

Amount: \$150,800

**Taxation
Impact:** \$150,800 Decrease to Taxation Demand



Operating Request

Request: Airport Operations

Justification: To decrease budgeted Airport revenues due to forecasted impacts of COVID-19 on Airport operations, partially offset by a \$720k COVID-19 relief grant received from the Province of BC. Preliminary budget was based on forecasted passenger numbers of 760,000 for 2021. Final budget is based on forecasted passenger numbers of 513,000 for 2021.

Amount: \$4,502,500 appropriation from airport reserves

**Taxation
Impact:** No Taxation Impact



Capital Request

Request: Electric Vehicle Charging Stations - Parkades & Lots

Justification: This request is for additional funds to supplement the previously approved 2021 request that has been carried over to 2021. This budget will allow for the installation of 4 additional level 2 EV stations in the City Hall area. This follows the City's Electric Vehicle Strategy. Staff will continue to pursue partnership and grant opportunities.

Amount: \$110,000

**Taxation
Impact:** No Taxation Impact



Capital Request

Request: CNC Ammonia Condenser Replacement

Justification: This request is for the replacement of the ammonia condenser at the Capital News Centre arena. A recent inspection of the unit has shown heavy scaling and other signs indicating the unit is near the end of its serviceable useful life.

Amount: \$300,000

**Taxation
Impact:** No Taxation Impact



Capital Request

Request: Edith Gay Baseball Park - Outfield Netting

Justification: Due to advances in sport technology and athletic performance, there has been an increased frequency of fly balls & homeruns being hit outside of the ball field and into the surrounding residential properties. This request includes the installation of protective netting and a chain link fencing system to prevent balls from leaving Edith Gay baseball diamond #3, where elite U18 baseball is played.

Amount: \$254,800

**Taxation
Impact:** \$178,400 Increase to Taxation Demand



Capital Request

Request:	Canyon Falls Park, Parking Lot - Construction
Justification:	Budget is requested for the entrance and grading of a gravel parking lot directly off the South Perimeter Road (SPR) to service the popular trails to Canyon Falls and the Bellevue Creek valley beyond. Significant savings are anticipated by completing this project concurrently with SPR.
Amount:	\$119,000
Taxation Impact:	\$2,000 Increase to Taxation Demand for operating impacts



Capital Request

Request: Millbridge Park - Bridge Removal and Design

Justification: The Millbridge Park-bridge # 19 is currently closed to the public as the bridge has been deemed beyond repair and is at risk of impact to the creek and surrounding area at freshet. This budget request is for the removal of the old bridge and design for the replacement.

Amount: \$75,000

**Taxation
Impact:** \$45,000 Increase to Taxation Demand



Taxation Impact - Summary



\$689,990

average residential property

\$2,200

Municipal Portion of taxes

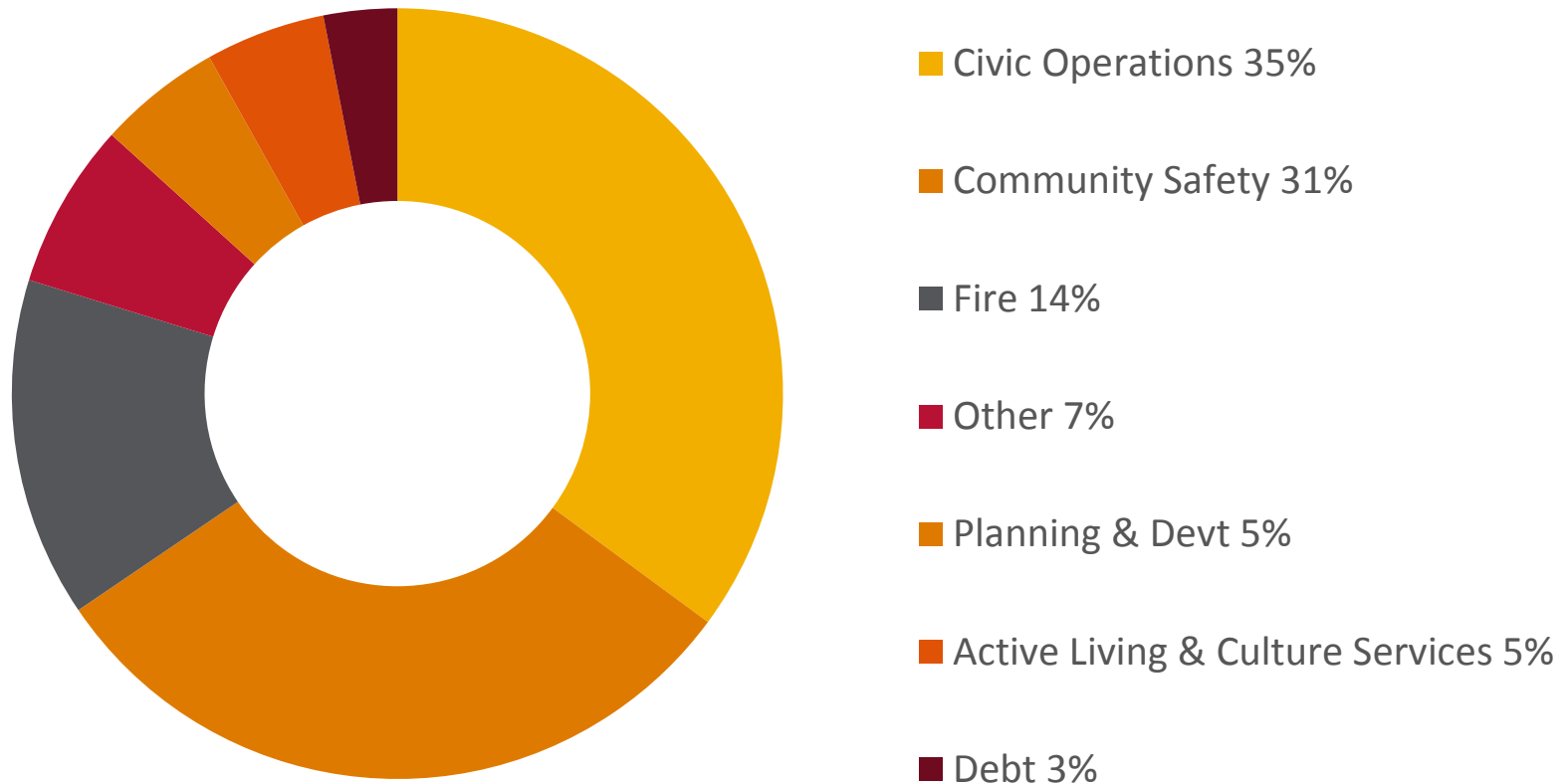
\$85

\$ increase from prior year

4.04%

% increase from prior year

What do tax dollars pay for:



Other: Regional Programs (1%), Public Transit (4%) and Grants (2%)



Five-Year Financial Plan



	2021	2022	2023	2024	2025
General revenues	(11,680)	(11,914)	(12,153)	(12,404)	(12,662)
Net operating budget	157,345	168,117	178,176	186,865	194,422
Pay-as-you-go capital	12,071	13,003	14,092	15,238	16,429
Taxation demand	157,736	169,205	180,116	189,699	198,189
New construction tax revenue	(2,880)	(2,540)	(2,724)	(2,864)	(2,978)
Net property owner impact	4.04%	5.66%	4.84%	3.73%	2.91%

Note: Totals may not add due to rounding

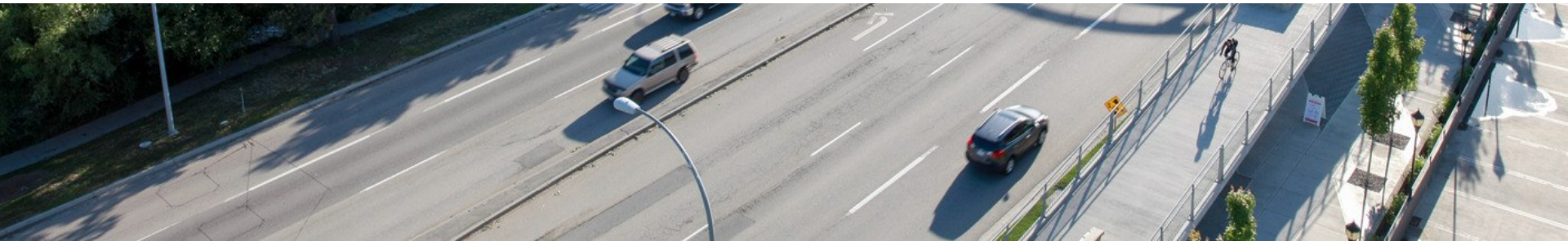
(In millions)



2021 & 5-Year Financial Plan Financial Models



- ▶ Fees & Charges
- ▶ Revenue & Expenditure Forecasts
- ▶ Utility & Debt Models
- ▶ Five-Year Financial Plan
- ▶ Reserves & Surplus



2021 Final Budget

4.04%

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