

Report to Council



Date: April 25, 2022
To: Council
From: City Manager
Subject: 2022 Financial Plan – Final Budget Volume
Department: Financial Planning

Recommendation:

THAT Council adopts the 2022-2026 Financial Plan;

AND THAT Council approves the formulation of 2022 Property Tax Rates that will raise the required funds in 2022, from General Taxation, in the amount of \$167,107,316 resulting in an average net property owner impact of 3.94 per cent;

AND THAT Bylaw No. 12338 being the 2022-2026 Five-Year Financial Plan, 2022 be advanced for reading consideration;

AND THAT Bylaw No. 12339 being the Tax Structure Bylaw, 2022 be advanced for reading consideration;

AND THAT Bylaw No. 12340 being the Annual Tax Rates Bylaw, 2022 be advanced for reading consideration;

AND THAT Bylaw No. 12341 being the DCC Reserve Fund Expenditure Bylaw, 2022 be advanced for reading consideration;

AND FURTHER THAT Bylaw No. 12342 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2022 be advanced for reading consideration.

Purpose:

To present the 2022 Final Budget Volume submissions, the 2022-2026 Financial Plan and related bylaws to Council for their consideration and approval.

Background:

Council approved the 2022 Financial Plan – Preliminary volume on December 9, 2021 and the addition of the 2022 Financial Plan – Carryover Budget volume on March 21, 2022. The 2022 Financial Plan - Final Budget volume includes emergent, legislated or Council directed requests. The three volumes provide the 2022 portion of the 2022-2026 Five Year Financial Plan. Depending on the nature of the item being considered within Final Budget, the adjustments could cause the final tax demand to increase or decrease.

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 2022 Final Budget as proposed, reflects a net municipal property tax increase of 3.94 per cent, a 0.3% increase to the Preliminary Budget tax requirement approved in December 2021, of 3.64 per cent.

Final Budget requests affecting taxation can be attributed to the RCMP contract increase which is offset by an increase in new construction revenue and the FortisBC franchise fee revenue. Information about the requested changes are included in the attached 2022 Final Budget Volume.

A tax rate of 3.94 per cent means the owner of a residential property with an average assessed value of \$888,420 will pay \$2,286 which is an increase of \$86 from the prior year for the municipal portion of their property taxes.

Considerations applicable to this report:

Legal/Statutory Authority:

In Section 165 of the Community Charter regarding Financial Plans, adoption of a 5 Year Financial Plan bylaw is required prior to the annual property tax bylaw. Under the Annual Property Tax Bylaw Section 197 of the Community Charter, Council must establish tax rates by bylaw after adoption of the financial plan but before May 15th.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by:

K. Hughes, CPA, CA Financial Planning Manager

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

Attachment:

- 1: 2022 Financial Plan – Final Budget Volume
- 2: 2022-2026 Five-Year Financial Plan
- 3: 2022 Financial Plan Presentation