

A decorative graphic on the left side of the slide consisting of overlapping triangles in shades of green and blue. Three small blue triangles are stacked vertically on a green triangle.

2022

FINANCIAL PLAN Final Budget Volume Five-Year Financial Plan

April 25, 2022
Council Chambers

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Agenda

- ▶ Preliminary Volume - Well Positioned
- ▶ Proposed Final budget tax demand
- ▶ Final Budget Operating requests
- ▶ Final Budget Capital requests
- ▶ Taxation impacts
- ▶ Five-Year Financial Plan (2022-2026)

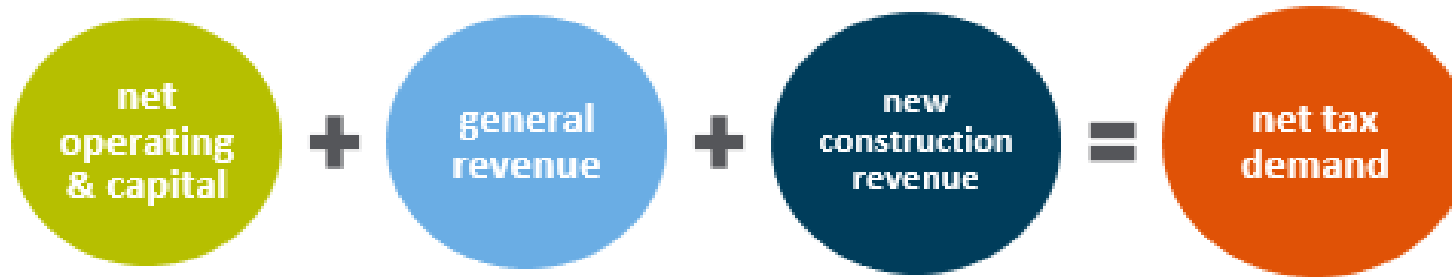


2022 Preliminary - Well Positioned

- ▶ Investments in Safety
- ▶ Reviving vibrancy and community spaces post pandemic
- ▶ Investing in parks and green spaces



2022 Preliminary budget volume



Net Operating + Capital	\$178.5M	
General revenues	+(12.1)	
New Construction Revenue	<u>+(2.9)</u>	
2022 Net tax demand	\$163.5M	→ 3.64%



2022 Final Budget Volume

- ▶ Emergent projects
- ▶ Required by Legislation
- ▶ Council directed





2022 Proposed tax demand

Preliminary gross tax demand \$166.4M

Final budget volume:

General revenues (159k)

Operating requests 848k

Capital requests 0

2022 Final gross tax demand	\$167.1M
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New construction revenue (3.2M)

Net property owner impact	3.94%
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Note: Totals may not add due to rounding





Operating Requests – General Fund

Request: Recovery Coordinator Term Position

Justification: This term position will support recovery efforts associated with property damage, project deficiencies, development deficiencies and emergency responses caused by third-parties.

Amount: \$24,000

**Taxation
Impact:** No Taxation Impact





Operating Requests – General Fund

Request: RCMP Contract Services

Justification: This request is for the 2022 contract increase for the RCMP. When the 2022 preliminary budget was prepared, the RCMP had not communicated their financial plan incorporating the impacts of the ratified collective agreement. An updated financial plan was received from the RCMP in March 2022.

Amount: \$848,000

**Taxation
Impact:** \$848,000 Increase to Taxation Demand





Operating Requests – General Fund

Request:	Emergency Manager - Regional Emergency Operations Position
Justification:	An Emergency Manager position is requested for the Fire Communications & Emergency Management branch of KFD to support the Regional District of Central Okanagan (RDCO) Emergency Program.
Amount:	\$119,100
Taxation Impact:	No Taxation Impact





Operating Requests – General Fund

Request: Emergency Social Services Supervisor - Regional Emergency Operations Position

Justification: An Emergency Social Services (ESS) Supervisor position is requested for the Fire Communications & Emergency Management branch of KFD to support the Regional District of Central Okanagan (RDCO) Emergency Program.

Amount: \$57,200

Taxation Impact: No Taxation Impact





Operating Requests – General Fund

Request: Cyber Security Enhancements

Justification: Cyber security incidents are a constant threat to organizations. Budget is requested to further strengthen the City's security posture in response to these types of attacks.

Amount: \$155,000

**Taxation
Impact:** No Taxation Impact





Operating Requests – General Fund

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: \$124,409,100

Taxation Impact: No Taxation Impact





Operating Requests – General Fund

Request: FortisBC Operating Fee

Justification: This request is to adjust the franchise fee revenue due from FortisBC up to \$1,604,720 from the 2022 Preliminary budget amount of \$1,445,720. The fee is based on 3 per cent of the gross revenue for the provision and distribution of all gas consumed within the City of Kelowna during the 2021 calendar year.

Amount: \$159,000

Taxation Impact: \$159,000 Decrease to Taxation Demand ongoing





Operating Requests – Water Fund

Request: Water Operations Supply and Maintenance

Justification: Significant price increases have occurred to parts and materials related to the operations and maintenance of the Water Supply and Treatment Systems for the City's Water Utility. Quotes received from established suppliers for various equipment, chemicals and critical spare parts show price increases of 16% to 100% due to the current economic conditions.

Amount: \$149,000 Water Utility

**Taxation
Impact:** No Taxation Impact





Operating Requests – Airport Fund

Request: Airport Operations

Justification: Preliminary budget was based on forecasted passenger numbers of 1.67M for 2022. Final budget is based on forecasted passenger numbers of 1.73M for 2022. The increase in budgeted Airport expenditures is due to cost required to help generate additional revenues at the Airport.

Amount: \$858,300 funded from Airport revenues

**Taxation
Impact:** No Taxation Impact





Operating Requests – Airport Fund

Request: Airport Finance Manager Position

Justification: Airport Finance Manager Position will allow additional strategic initiatives to move forward and to help the Airport Finance Team to pivot more quickly, and further improve business continuity for the Airport Finance team.

Amount: \$65,500 funded from Airport reserves

**Taxation
Impact:** No Taxation Impact





Operating Requests – Airport Fund

Request: Airport Senior Project Manager Position

Justification: Airport Senior Project Manager position will increase the time available for the Project Managers to properly execute projects, as well as provide additional leadership and directional capabilities to the City of Kelowna and contracted Project Managers.

Amount: \$58,000 funded from Airport reserves

**Taxation
Impact:** No Taxation Impact





Real Estate and Parking Capital request

Request:	City Parkades Vehicle Gate and Snow Chute Install
Justification:	<p>Roof Level Vehicle Gate Installation - budget will allow for the design and installation of card access/timer-controlled vehicle gates on two parkades to mitigate after hour issues.</p> <p>Snow Chute – budget will allow for detailed design and installation of roof top snow chutes to direct removal of snow following a snow event on two downtown Parkades.</p>
Amount:	\$79,000 and \$200,000
Taxation Impact:	No Taxation Impact





Parks Capital Request

Request: DeHart Park Deferral

Justification: A deferral to the 2022 DeHart Park project budget is requested in order to fund eligible DCC expense increases identified with the Pandosy Waterfront Park.

Amount: (\$627,000)

**Taxation
Impact:** No Taxation Impact





Parks Capital Request

Request:	Pandosy Waterfront Park, DCC City-wide Park Development Phase 1
Justification:	Additional budget is requested to cover an increase in project costs due to the discovery of a native artifact during geotechnical investigation, as well as contract pricing 12% above the engineer estimate. Archaeological investigation and reporting resulted in the project being delayed a year, which added additional consulting, and monitoring work. The DeHart Deferral project is funding the increase in costs.
Amount:	\$627,000
Taxation Impact:	No Taxation Impact





Transportation Capital Request

Request: Frost 1 DCC (Killdeer - Chute Lake)

Justification: Budget is requested to undertake preliminary design update cost estimates for the Frost 1 DCC project. This will provide a major road connection between the Chute Lake / Kettle Valley and Gordon / Ponds corridors/neighbourhoods, improving access within the Upper Mission and access to commercial services and schools.

Amount: \$120,000

**Taxation
Impact:** No Taxation Impact



Transportation Capital Request

Request: Commonwealth Rd (Hwy 97 - Jim Bailey)

Justification: Budget is requested for preliminary design and costing for upgrades of Commonwealth Road, serving both residential and industrial traffic, between Highway 97 and Jim Bailey Road.

Amount: \$540,000

**Taxation
Impact:** No Taxation Impact





Transportation Capital Request

Request: Hwy.97/Leckie Road Intersection Improvement

Justification: Additional budget is requested to complete construction of the road improvements at Highway 97 and Leckie Road. The improvements are to be delivered by the City as part of the partnership between the City, a developer and the Ministry of Transportation and Infrastructure.

Amount: \$445,500

**Taxation
Impact:** No Taxation Impact





Taxation Impact - Summary

\$888,420

average residential property

\$2,286

Municipal Portion of taxes

\$86

\$ increase from prior year

3.94%

% increase from prior year



What do tax dollars pay for:



35 %

Community
Safety

32 %

Infrastructure

13 %

Fire
Department

10 %

Planning
and
Development

5%

Other
Programs

5%

Active Living
and Culture

City of Kelowna



Five-Year Financial Plan

	2022	2023	2024	2024	2025
General revenues	(12,209)	(12,480)	(12,758)	(13,049)	(13,332)
Net operating budget	165,624	177,006	188,221	200,144	209,919
Pay-as-you-go capital	13,693	14,996	16,338	17,718	19,083
Taxation demand	167,107	179,522	191,802	204,814	215,670
New construction tax revenue	(3,160)	(3,257)	(3,354)	(3,450)	(3,411)
Net property owner impact	3.94%	5.48%	4.97%	4.99%	3.64%

Note: Totals may not add due to rounding

(In thousands)

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