

# Report to Council



**Date:** April 24, 2023  
**To:** Council  
**From:** City Manager  
**Subject:** 2023 Financial Plan – Final Budget Volume  
**Department:** Financial Planning

---

## **Recommendation:**

THAT Council adopts the 2023-2027 Financial Plan;

AND THAT Council approves the formulation of 2023 Property Tax Rates that will raise the required funds in 2023, from General Taxation, in the amount of \$176,624,339 resulting in an average net property owner impact of 3.78 per cent;

AND THAT Bylaw No. 12502 being the 2023-2027 Five-Year Financial Plan, 2023 be advanced for reading consideration;

AND THAT Bylaw No. 12503 being the Tax Structure Bylaw, 2023 be advanced for reading consideration;

AND THAT Bylaw No. 12504 being the Annual Tax Rates Bylaw, 2023 be advanced for reading consideration;

AND THAT Bylaw No. 12505 being the DCC Reserve Fund Expenditure Bylaw, 2023 be advanced for reading consideration;

AND THAT Bylaw No. 12508 being the Septic Removal Specified Area Reserve Fund Expenditure Bylaw, 2023 be advanced for reading consideration;

AND FUTHER THAT Bylaw No. 12506 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2023 be advanced for reading consideration.

## **Purpose:**

To present the 2023 Final Budget Volume submissions, the 2023-2027 Financial Plan and related bylaws to Council for their consideration and approval.

**Background:**

Council approved the 2023 Financial Plan – Preliminary volume on December 8, 2022 and the addition of the 2023 Financial Plan – Carryover Budget volume on March 20, 2023. The 2023 Financial Plan - Final Budget volume includes emergent, legislated or Council directed requests. The three volumes provide the 2023 portion of the 2023-2027 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 2023 Final Budget as proposed, reflects a net municipal property tax increase of 3.78 per cent, a 0.2 per cent decrease to the Preliminary Budget tax requirement approved in December 2022, of 3.80 per cent.

The largest Final Budget request affecting taxation can be attributed to the H2O facility air handling renewal request 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 2023 Final Budget Volume.

A tax rate of 3.78 per cent means the owner of a residential property with an average assessed value of \$1,009,350 will pay \$2,373 which is an increase of \$87 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:

M. Antunes, CPA Financial Planning Manager

**Approved for inclusion:**



J. Sass, CA, CPA Director of Financial Services

**Attachment:**

- 1: 2023 Financial Plan – Final Budget Volume
- 2: 2023-2027 Five-Year Financial Plan
- 3: 2023 Financial Plan Presentation