



2023

FINANCIAL PLAN

Final Budget Volume
Five-Year Financial Plan

April 24, 2023
Council Chambers

[#kelownabudget](#)
[Kelowna.ca/budget](https://kelowna.ca/budget)





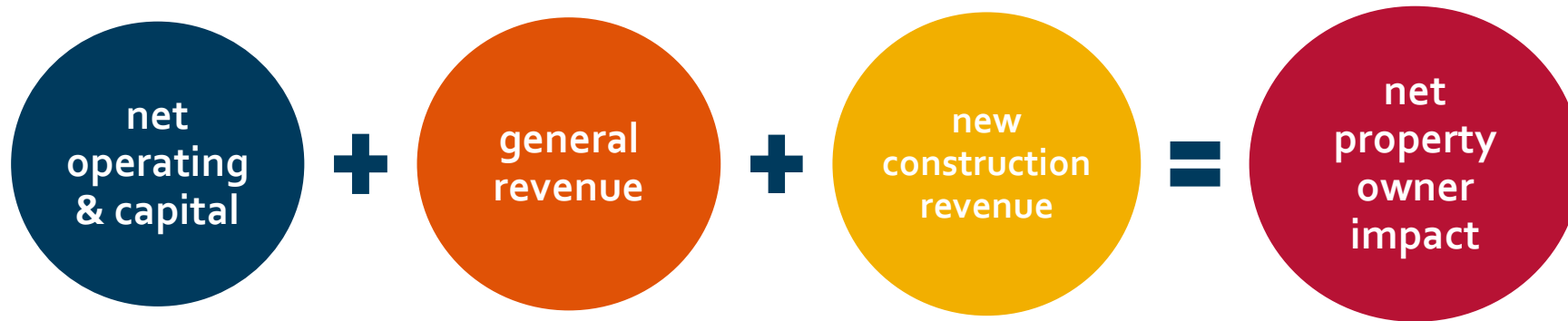
Agenda

- ▶▶ Priorities
- ▶▶ Proposed Final Budget tax demand
- ▶▶ Final Budget Operating requests
- ▶▶ Final Budget Capital requests
- ▶▶ Taxation impacts
- ▶▶ Five-Year Financial Plan (2023- 2027)

2023 Financial Plan – Priorities

- ▶▶ Low tax rate
- ▶▶ Infrastructure for the future
- ▶▶ Community safety
- ▶▶ Social wellness
- ▶▶ Transportation
- ▶▶ Digital transformation
- ▶▶ Protecting our environment

2023 Preliminary Budget Volume



Net Operating + Capital	\$190.4M
General revenues	+(15.3)
New Construction Revenue	<u>+(1.7)</u>
2023 Net Tax demand	\$173.4M →

3.80%



2023 Final Budget Volume

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



2023 Proposed tax demand

Preliminary gross tax demand **\$175.1M**

Final Budget Volume:

General revenues (397k)

Operating requests 765k

Capital requests 1.1M

2023 Final gross tax demand \$176.6M

New construction revenue (3.2M)

Net property owner impact 3.78%



Operating Requests – General Fund

Request: Downtown On Call and Clean Team Support Increase

Justification: The City of Kelowna works in collaboration with the Downtown Kelowna Business Association to maintain a safe and inviting environment in the downtown core. Budget is requested to increase the support for Downtown On Call and Downtown Clean Team.

Amount: \$54,000

Taxation Impact: \$54,000 Increase to Taxation Demand ongoing





Operating Requests – General Fund

Request: Insurance Premiums – Inflationary Increase

Justification: Budget is requested to cover inflationary increases in insurance premiums. Inflation on insurance premium rates in 2023 has been significant worldwide. Property insurance costs in particular increased as a result of higher building replacement costs due to inflation of materials and labour. The City of Kelowna insures \$1.1B of built infrastructure with coverage including liability, property, cybercrime and environmental impairment.

Amount: \$161,000

Taxation Impact: \$161,000 Increase to Taxation Demand one-time






Operating Requests – General Fund

Request: Extreme Weather Response Program Funding

Justification: Budget is requested for the City of Kelowna to support vulnerable people throughout the community during extreme hot and cold weather events, for which there is no formal program or funding currently in place. These activities are separate from actions taken by the Regional Emergency Program. In 2022 the province formally asked all local governments in BC to work with community partners to have a community plan for heat domes and freezing cold conditions. Staff will monitor for grants and other funding sources as they become available to offset or supplement this funding.

Amount: \$30,000

Taxation Impact: No Taxation Impact





Operating Requests – General Fund

Request: Security Services Enhancement - Additional Guard

Justification: Budget is requested for an additional seasonal security guard to support downtown from April through September. More support is needed to address growing security concerns during the early morning hours. Additional security presence at these times will reduce vandalism and misuse of washrooms amenities as well as improve asset protection.

2023 Base budget: \$1.02M

Amount: \$50,000

Taxation Impact: \$50,000 Increase to Taxation Demand ongoing





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: \$133,554,000

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 \$2,157,365 from the 2023 Preliminary budget amount of \$1,760,540. 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 2022 calendar year.

Amount: \$396,800

Taxation Impact: \$396,800 Decrease to Taxation Demand ongoing





Operating Requests – General Fund

Request: Council Initiatives

Justification: Kelowna City Council is committed to working closely with residents, community partners and other levels of government to bring positive change. Council priorities and results identify where residents and City Council want to make a difference. Budget is requested for City Council to provide funding to promote and finance various initiatives that will contribute to this change.

Amount: \$500,000

Taxation Impact: \$500,000 Increase to Taxation Demand ongoing





Capital Requests – Building Capital

Request: H2O Facility Air Handling Renewal

Justification: Air Handling units at the H2O Adventure & Fitness Centre are approaching the end of their useful life. Immediate service work and replacement is recommended to ensure building operations are not impacted. In consideration of supply chain issues, final work is anticipated into Q2, 2024.

Amount: \$2,500,000

Taxation Impact: \$1,000,000 Increase to Taxation Demand one-time





Capital Requests – Building Capital

Request: General Building Infrastructure Renewal

Justification: Budget is requested for general building infrastructure renewal that includes additional budget for the City Hall mechanical upgrade due to equipment cost escalations, and for the modernization of the elevator at the Parkinson Activity Centre. The elevator has had recent frequent maintenance concerns and outages. Contractor investigation identified critical parts are now obsolete requiring modernization to ensure accessibility.

Amount: \$1,050,000

Taxation Impact: No taxation impact






Capital Requests – Building Capital

Request: City Hall – Level 1 Meeting Room Suite

Justification: The meeting room suite of 4,200sqft on Level 1 of City Hall is complete and will be open shortly for use for City business as well as available for community bookings after hours. In the spirit of reconciliation and recognizing the living history of our region, the rooms are proposed to be given First Nations names, with artwork and decor to honour these names. The name na'k'ulam generally translates to 'the things that we do'. The existing capital project is complete, and due to inflationary costs experienced throughout this project, there is no budget remaining for such enhancements. Budget is therefore requested for artwork, decor and specific furniture to create a most meaningful space in the meeting room suite.

Amount: \$135,000

Taxation Impact: No taxation impact





Capital Requests – Building Capital

Request: City Yards – Female Changeroom Upgrades

Justification: Budget is requested to accommodate the increase of female staff for the Outdoor Operations team at the City Yards facility. The female changerroom facilities have become unsuitably overcrowded for the increased number of female staff. A remodeling of the changerroom and washroom is recommended to increase the area and allow for adequate room for the additional female staff.

Amount: \$130,000

Taxation Impact: \$130,000 Increase to Taxation Demand one-time





Capital Requests – Parks Capital

Request: City Park – Rose Garden Improvements

Justification: Budget is requested for a cross-divisional operational initiative to modify existing amenities, with a focus on safety and operational improvements at City Park. Through the improvement of sightlines, and the introduction of new activities to encourage more park users onto the east side of the park, it is expected many of the social issues that occur will be moved from this area.

Amount: \$220,000

Taxation Impact: No taxation impact





Capital Requests – Parks Capital

Request: Mission Recreation Park – Modular Park Washroom Unit

Justification: Budget is requested to purchase, transport and install a new, unused multi-stall parks washroom unit. The unit is proposed to be installed first at Mission Rec Park (MRP) to service the high demand in the southern half of the site. When other permanent washrooms become available at MRP, the unit will be relocated to another high demand location. Cost savings are expected to be realized through the reduction of renting and maintaining of the blue portable toilets.

Amount: \$160,000

Taxation Impact: No taxation impact





Capital Requests – Water Capital

Request: Osprey Avenue Watermain

Justification: Budget is requested to help minimize the overall service disruption to the surrounding Osprey Avenue neighbourhood. The project consists of upgrading the watermain along Osprey Avenue while the sewer project is being constructed as this neighbourhood was approved for intensification. The Water Utility will fund 50 per cent of the project to reflect the advancing of the renewal project, while the remaining 50 percent will be recovered, from development, through future latecomer fees.

Amount: \$300,000 funded from Water reserves

Taxation Impact: No taxation impact



Taxation Impact - Summary

\$1,009,350

Average residential property

\$2,373

Municipal portion of taxes

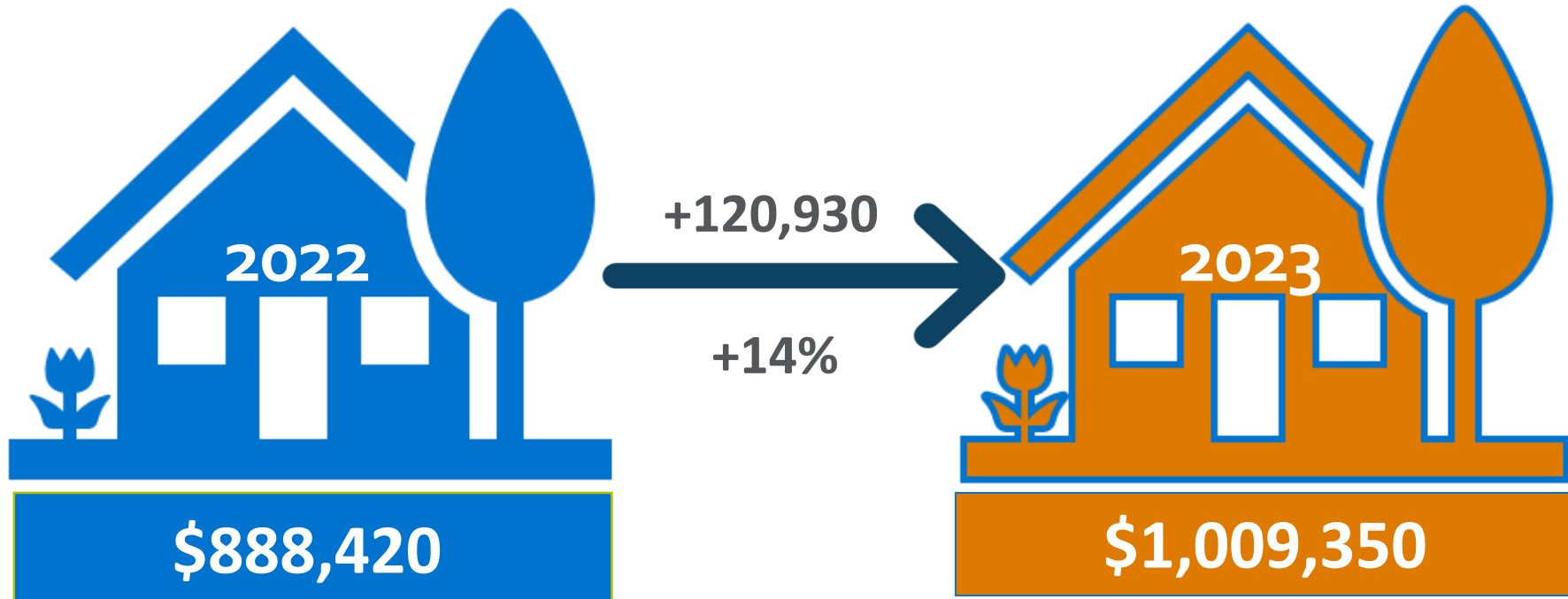
\$87

\$ Increase from prior year

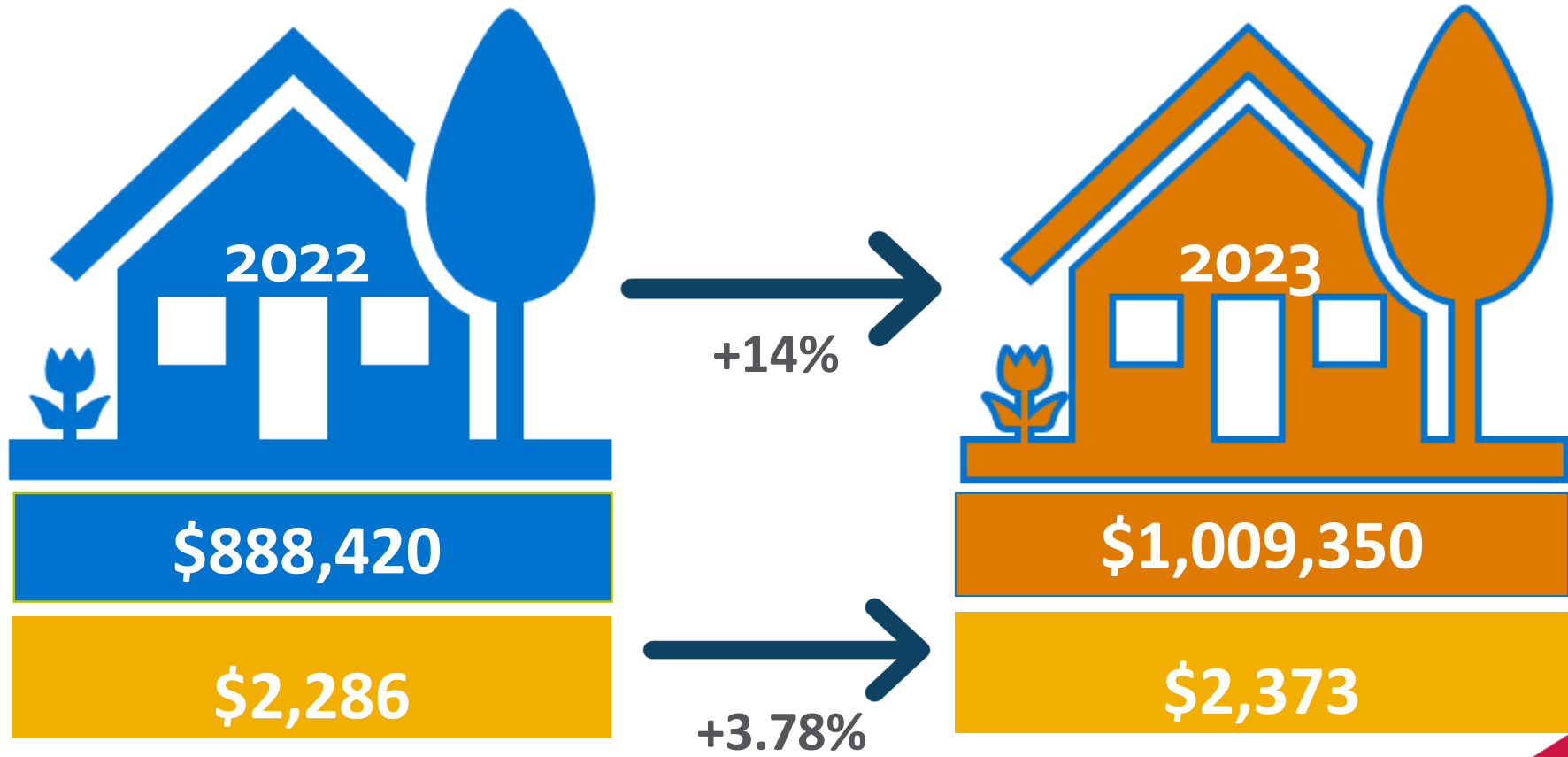
3.78%

% Increase from prior year

2022 to 2023 Average Residential Assessed Value



2023 Average Property Owner Impact



What Do Tax Dollars Pay For:



34%

Community
Safety

33%

Infrastructure

13%

Fire
Department

10%

Planning
and
Development

5%

Other
Programs

5%

Active Living
and Culture

Five-Year Financial Plan

	2023	2024	2025	2026	2027
General revenues	(15,683)	(16,023)	(16,371)	(16,735)	(17,089)
Net operating budget	177,175	188,047	199,214	211,275	222,421
Pay-as-you-go capital	15,132	16,255	17,453	18,727	19,981
Taxation demand	176,624	188,279	200,296	213,266	225,313
New construction tax revenue	(3,200)	(2,808)	(2,994)	(3,185)	(3,135)
Net property owner impact	3.78%	5.01%	4.79%	4.89%	4.18%



QUESTIONS?

Budget 2023
#kelownabudget

For more information visit: kelowna.ca/budget





2023

FINANCIAL PLAN

Final Budget Volume
Five-Year Financial Plan

April 24, 2023
Council Chambers

[#kelownabudget](#)
[Kelowna.ca/budget](https://kelowna.ca/budget)

