



2024

FINANCIAL PLAN

Agenda

- ▶ Core Principles
- ▶ Economic Overview
- ▶ Tax Rate Comparison
- ▶ Financial Health
- ▶ Budget Overview

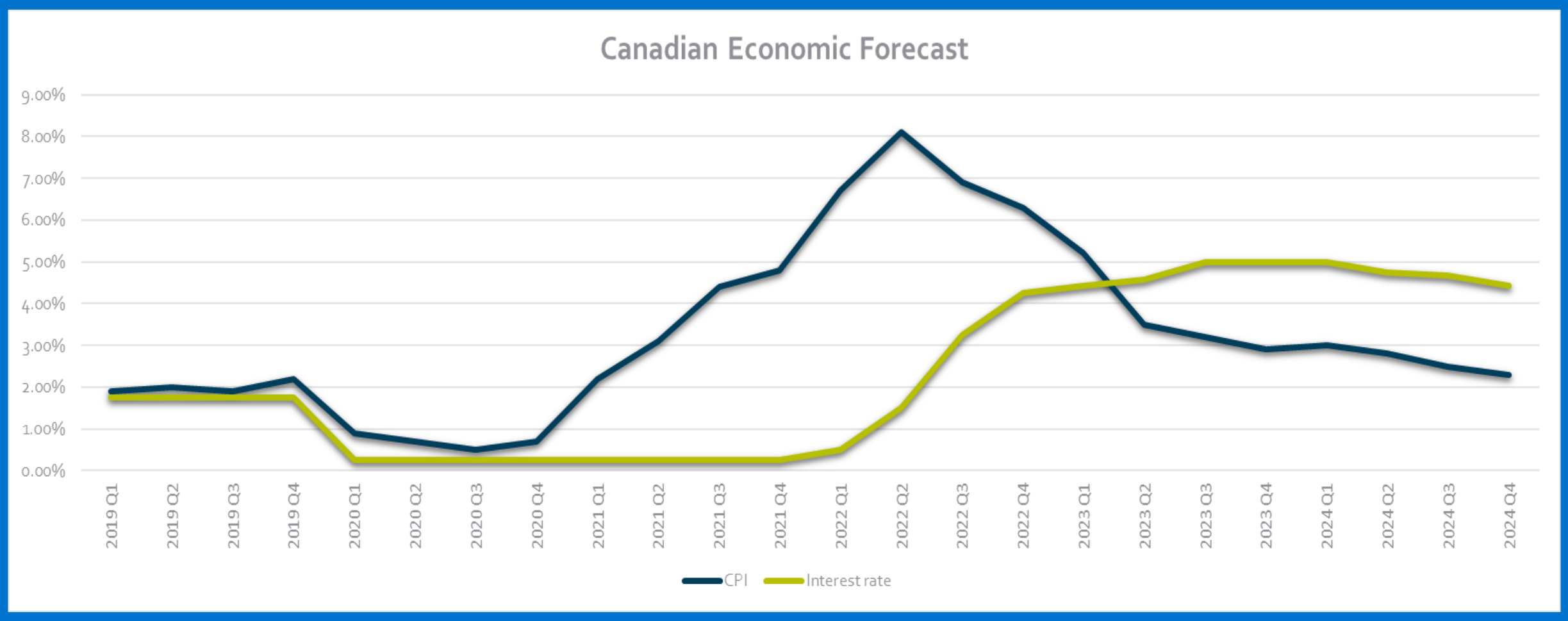


Core Principles

- ▶ Predictability and Stability for tax rate
- ▶ Transparency & Accountability
- ▶ Alignment with Council Priorities
- ▶ Data Driven

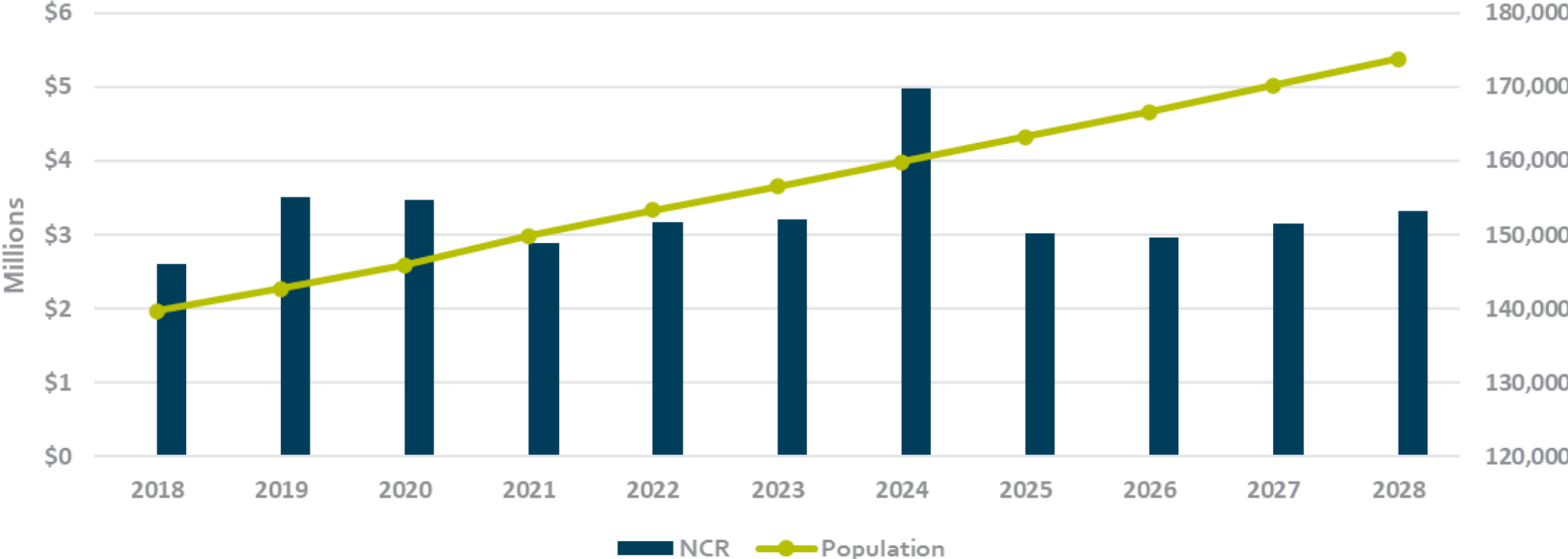


Economic Overview



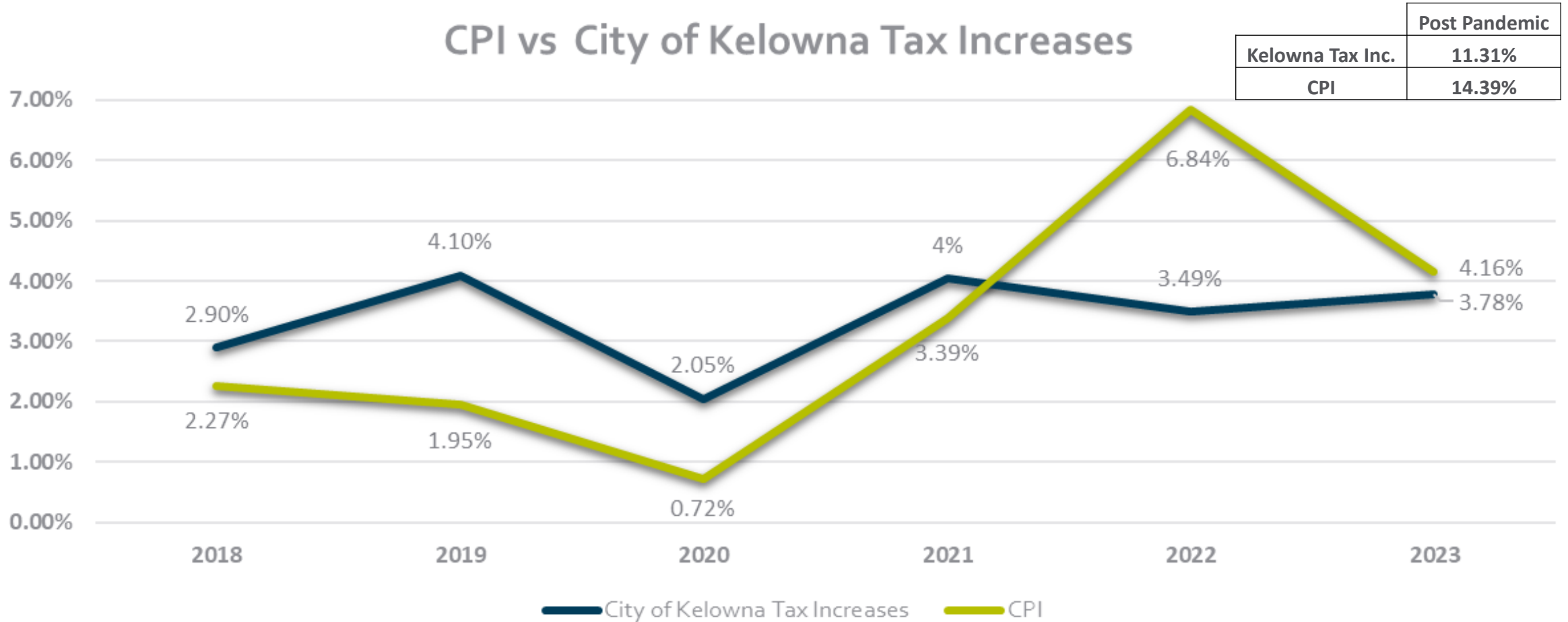
Economic Overview

Population Growth and New Construction Revenue (\$)

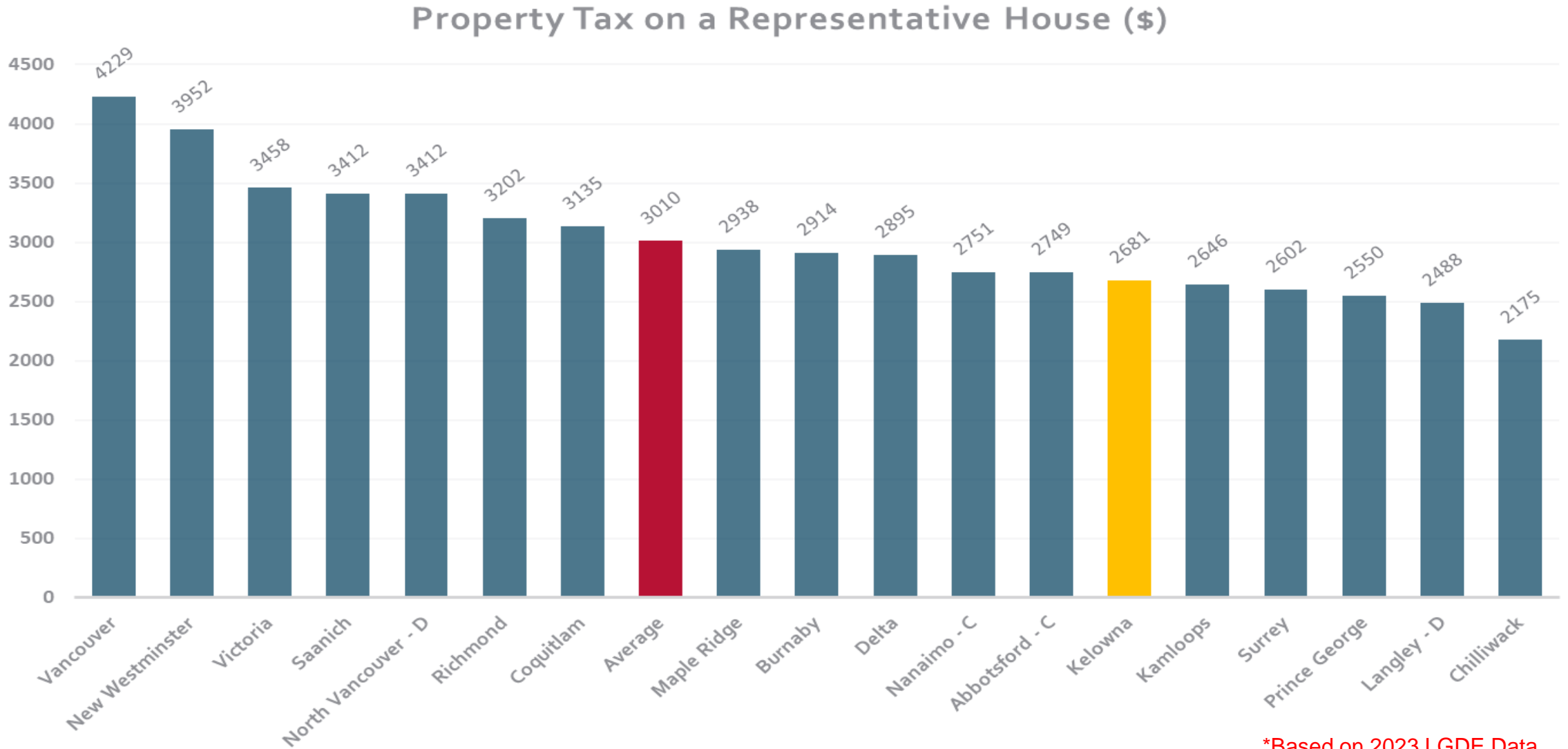


CPI vs. Tax Increases

CPI vs City of Kelowna Tax Increases



Tax Rate Comparison



*Based on 2023 LGDE Data

Kelowna Financial Health Indicators

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Financial flexibility											
Debt Service (Debt service/Revenue)	● 0.03	● 0.04	● 0.03	● 0.03	● 0.02	● 0.02	● 0.02	● 0.02	● 0.02	● 0.02	● 0.02
Own Source Revenue (Fees & charges/Revenue)	● 0.38	● 0.38	● 0.39	● 0.39	● 0.39	● 0.39	● 0.39	● 0.39	● 0.39	● 0.39	● 0.39
Gov. Transfers Ratio (Gov. Transfers/Revenue)	● 0.08	● 0.08	● 0.07	● 0.07	● 0.06	● 0.06	● 0.05	● 0.05	● 0.05	● 0.04	● 0.04
Financial sustainability											
Fin. Assets/ Liabilities (Financial Assets/Liabilities)	● 2.27	● 2.14	● 2.22	● 2.30	● 2.36	● 2.38	● 2.40	● 2.39	● 2.38	● 2.35	● 2.30
Net Fin. Assets/ revenue (Net Financial Assets/Revenue)	● 1.19	● 1.26	● 1.32	● 1.37	● 1.41	● 1.43	● 1.44	● 1.44	● 1.42	● 1.39	● 1.34
Accum Surplus & Reserves/Expenses	● 1.67	● 1.69	● 1.72	● 1.73	● 1.72	● 1.70	● 1.66	● 1.61	● 1.54	● 1.45	● 1.35
Competitiveness											
Population	155,785	158,262	160,779	163,142	165,540	167,974	170,443	172,948	175,179	177,439	179,728
Debt per Capita (Debt/Population)	● 400.61	● 630.95	● 546.54	● 473.99	● 411.07	● 405.11	● 399.25	● 393.46	● 388.45	● 383.50	● 378.62
Annual Surplus per capita	● 581.04	● 554.69	● 542.50	● 527.33	● 508.07	● 481.63	● 450.38	● 413.61	● 371.19	● 321.39	● 263.19

2024 Pre-Budget Themes

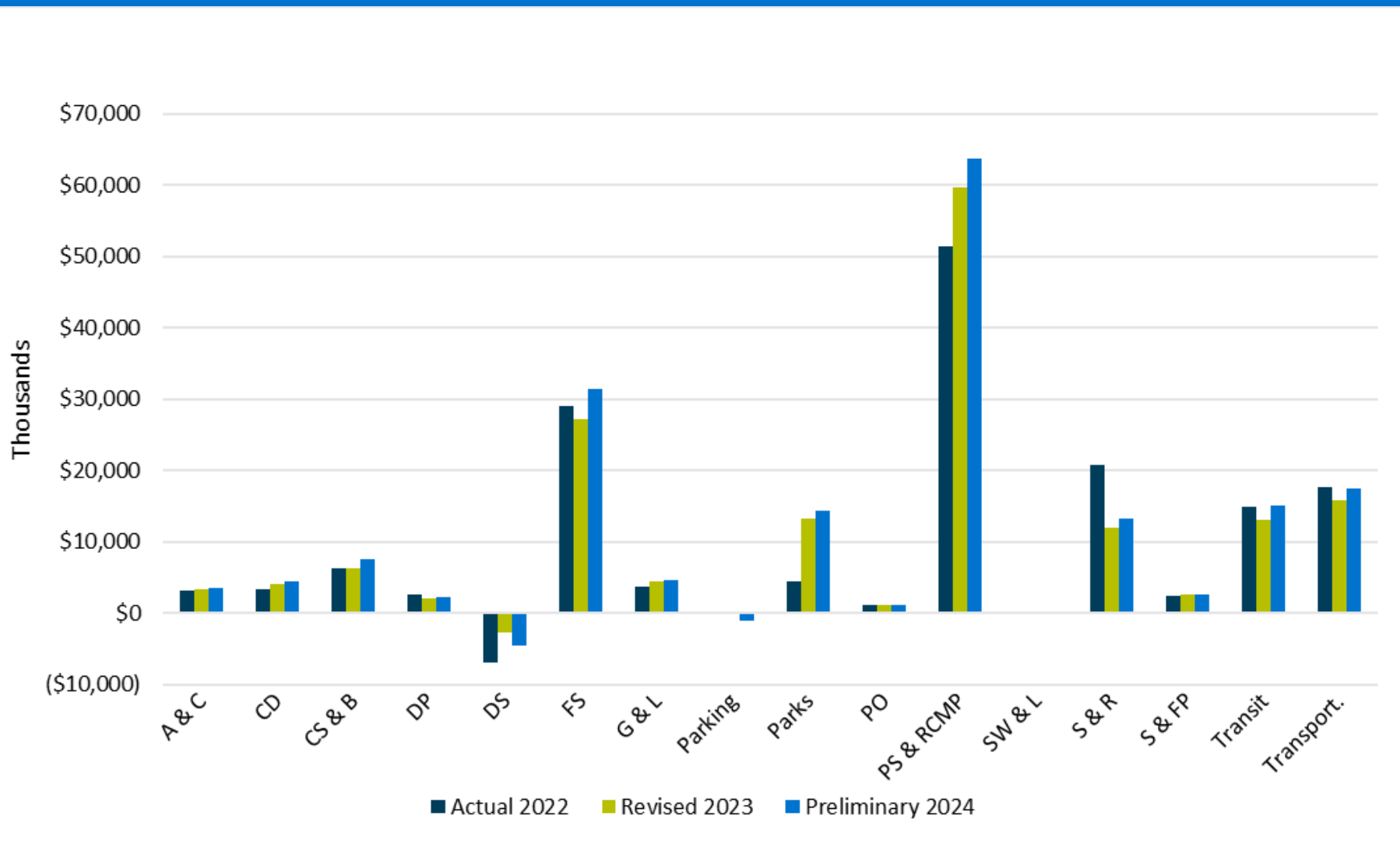


- ▶ Alignment of Budget to Council Priorities
- ▶ See movement in service levels associated with new Council
- ▶ 4.76% Budget increase envisioned

2024 Budget Strategy

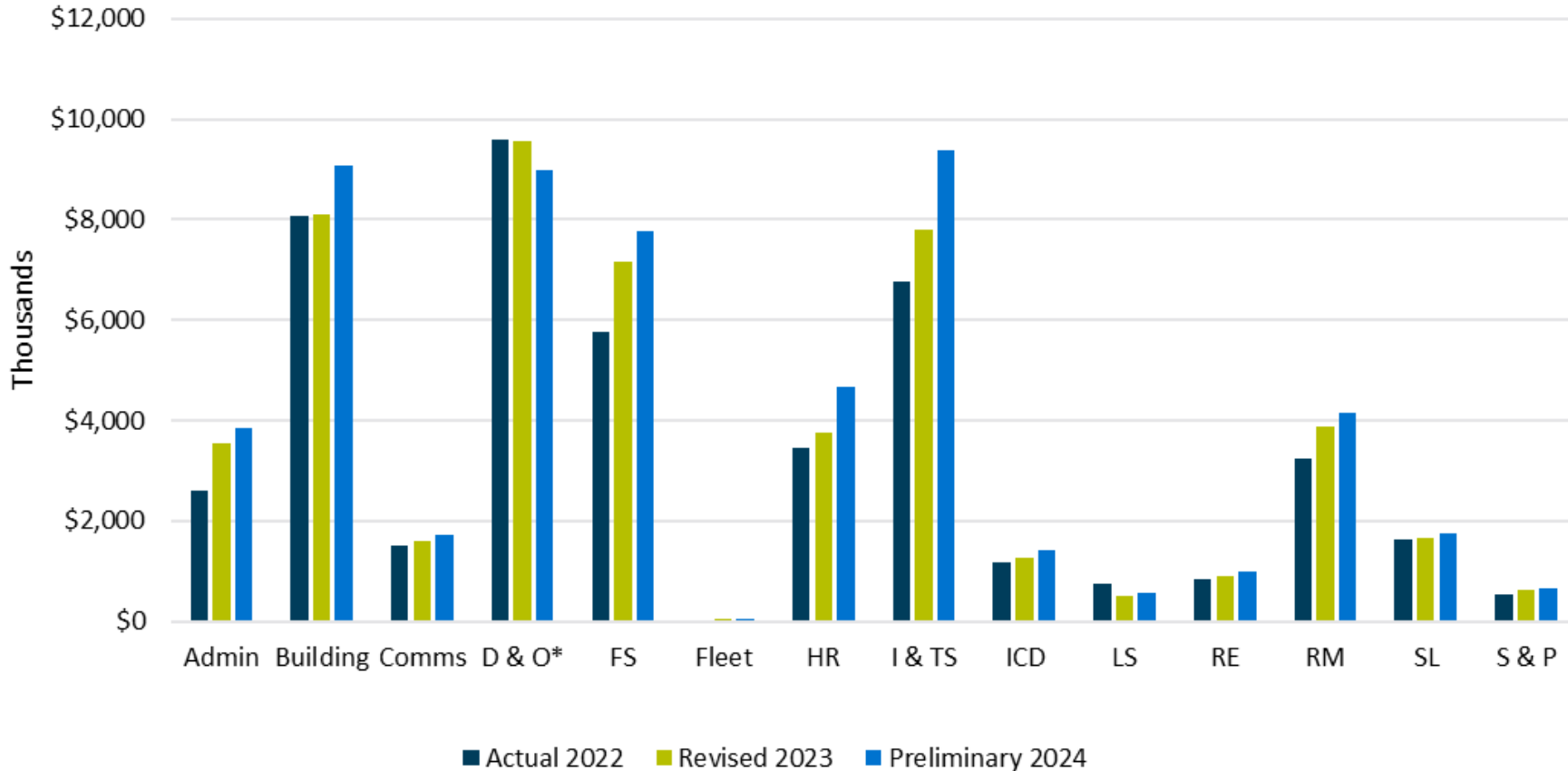
- ▶ 2024 Operating budget increase focused on:
 - ▶ Capital delivery and deployment of carry-over funds ✓
 - ▶ Public Safety ✓
 - ▶ Absorb salary increases ✓
 - ▶ Enhanced service levels for Council priority areas ✓
 - ▶ Social Development ✓
 - ▶ Leveraged Funds ✓
- ▶ 2024 Capital budget increase focused on:
 - ▶ Inflationary pressures on capital projects ✓
 - ▶ Grant funded projects & associated capacity challenges ✓
 - ▶ Council priority areas ✓

Tax-Supported Operations by Service Areas



- Arts & Culture (A & C)
- Community Development (CD)
- Community Safety & Bylaw (CS & B)
- Development Planning (DP)
- Development Services (DS)
- Fire Safety (FS)
- Governance & Leadership (G & L)
- Parking (Parking)
- Parks (Parks)
- Partnerships Office (PO)
- Police Services & RCMP (PS & RCMP)
- Solid Waste & Landfill (SW & L)
- Sport & Recreation (S & R)
- Stormwater & Flood Protection (S & FP)
- Transit (Transit)
- Transportation (Transport.)

Tax-Supported Enabling Services



- Administration (Admin)
- Building Services (Building)
- Communications (Comms)
- Debt and Other (D & O*)
- Financial Services (FS)
- Fleet Services (Fleet)
- Human Resources (HR)
- Information & Technology Services (I & TS)
- Internal Construction Delivery (ICD)
- Legislated Services (LS)
- Real Estate (RE)
- Risk Management (RM)
- Senior Leadership (SL)
- Strategy & Performance (S & P)

* 2022 surplus allocation has been removed

Tax Reconciliation – 2023 to 2024

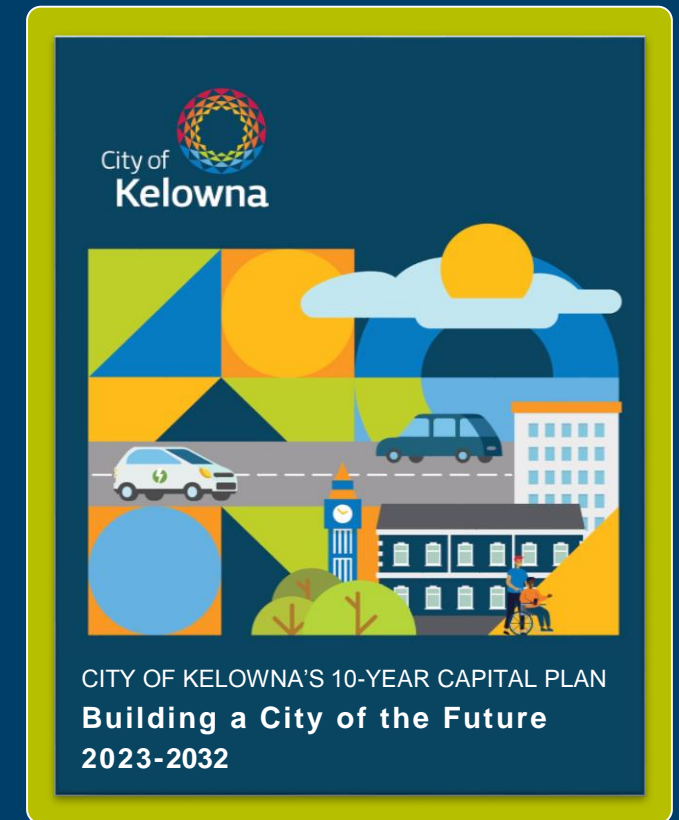
2024 Budget Analysis (<i>\$ millions</i>)	
2023 Tax Demand	\$177
Base budget adjustments	(6)
New operating requests	5
New capital requests	14
2024 General Tax Requirement	<u>\$190</u>
New construction tax revenue	<u>(5)</u>
2024 Net Taxation Impact	\$8
Net property owner impact	4.76%

2024 Capital Plan



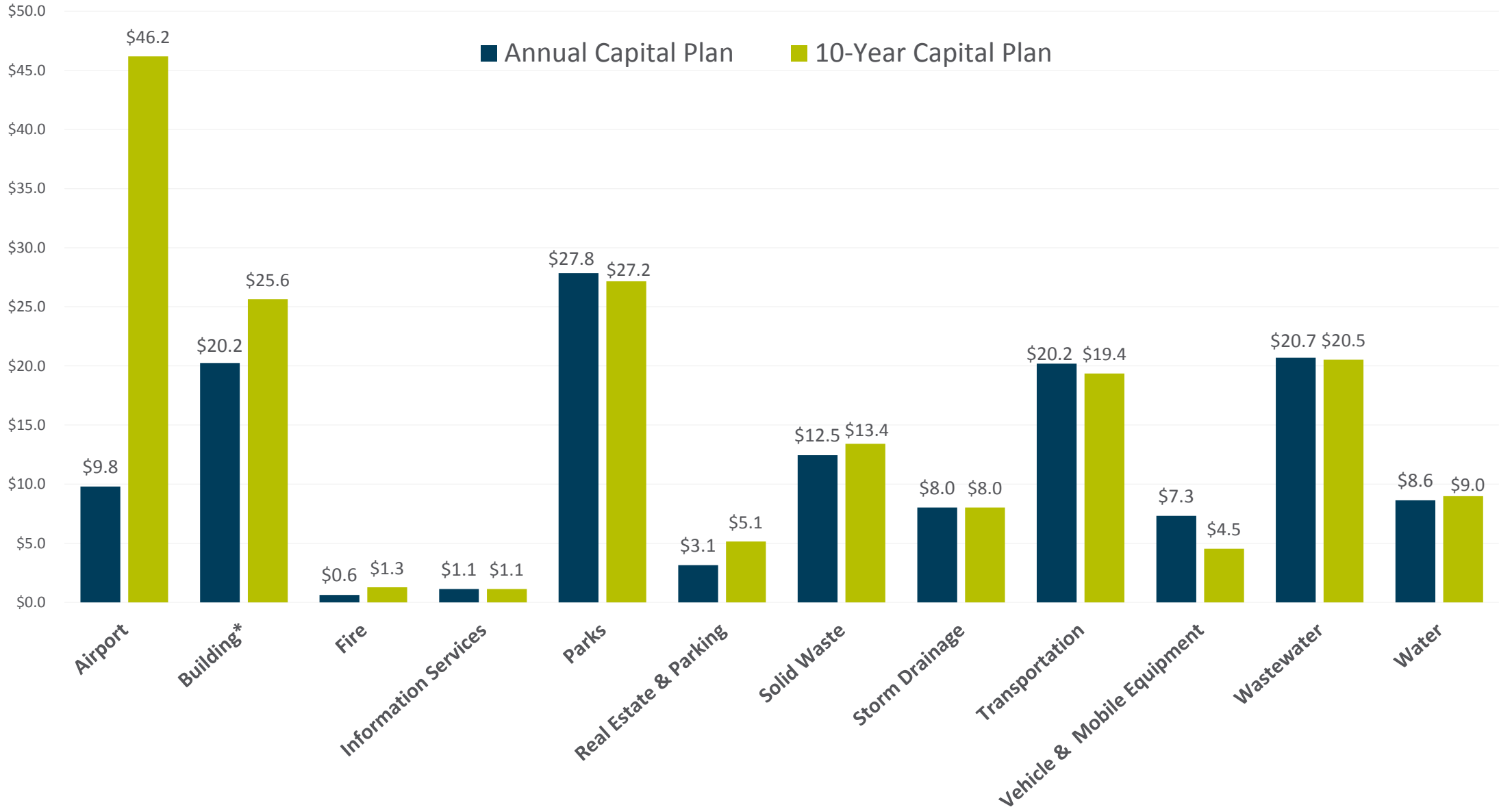
2024 Capital Program

<i>\$ millions</i>		2024	2025	2026	2027	2028	Total
P1	Airport	9.8	3.4	-	-	-	13.2
	Building	20.2	91.6	80.8	43.2	-	235.9
	Fire	0.6	-	-	-	-	0.6
	Information Services	1.1	-	-	-	-	1.1
	Parks	27.8	34.0	22.2	8.2	-	92.2
	Real Estate & Parking	3.1	-	-	-	-	3.1
	Solid Waste	12.5	11.2	-	5.0	3.8	32.5
	Storm Drainage	8.0	7.4	8.4	1.5	-	25.3
	Transportation	20.2	32.0	18.3	4.2	-	74.7
	Vehicle & Mobile Equipment	7.3	-	-	-	-	7.3
	Wastewater	20.7	8.1	3.2	5.8	-	37.8
Water	8.6	6.9	-	-	-	15.5	
Total Priority 1		140.1	194.6	132.9	68.0	3.8	539.2
P2	Building	10.2	10.1	8.1	-	-	28.4
	Parks	0.5	-	-	-	-	0.5
	Total Priority 2	10.7	10.1	8.1	-	-	28.9



Note: Totals may not add due to rounding

2024 Annual Capital Plan vs. 10-Year Capital Plan



*Building 10-Year Capital Plan amount for the PRC has been changed to reflect the amount asked for in 2024 at \$12.1M across Buildings, Parks & Transportation.

Capital Challenges & Solutions



EXPECTATIONS

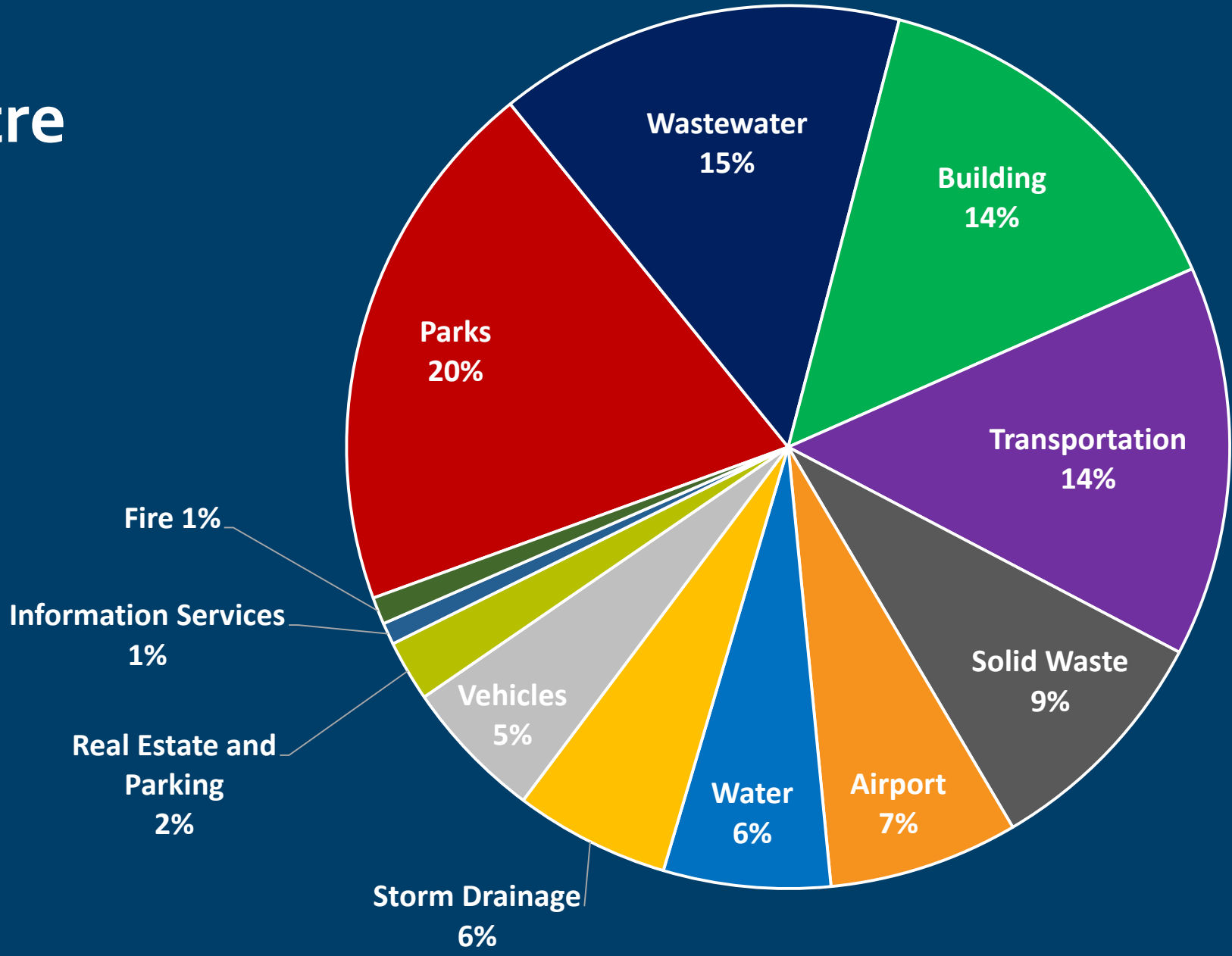


CAPACITY

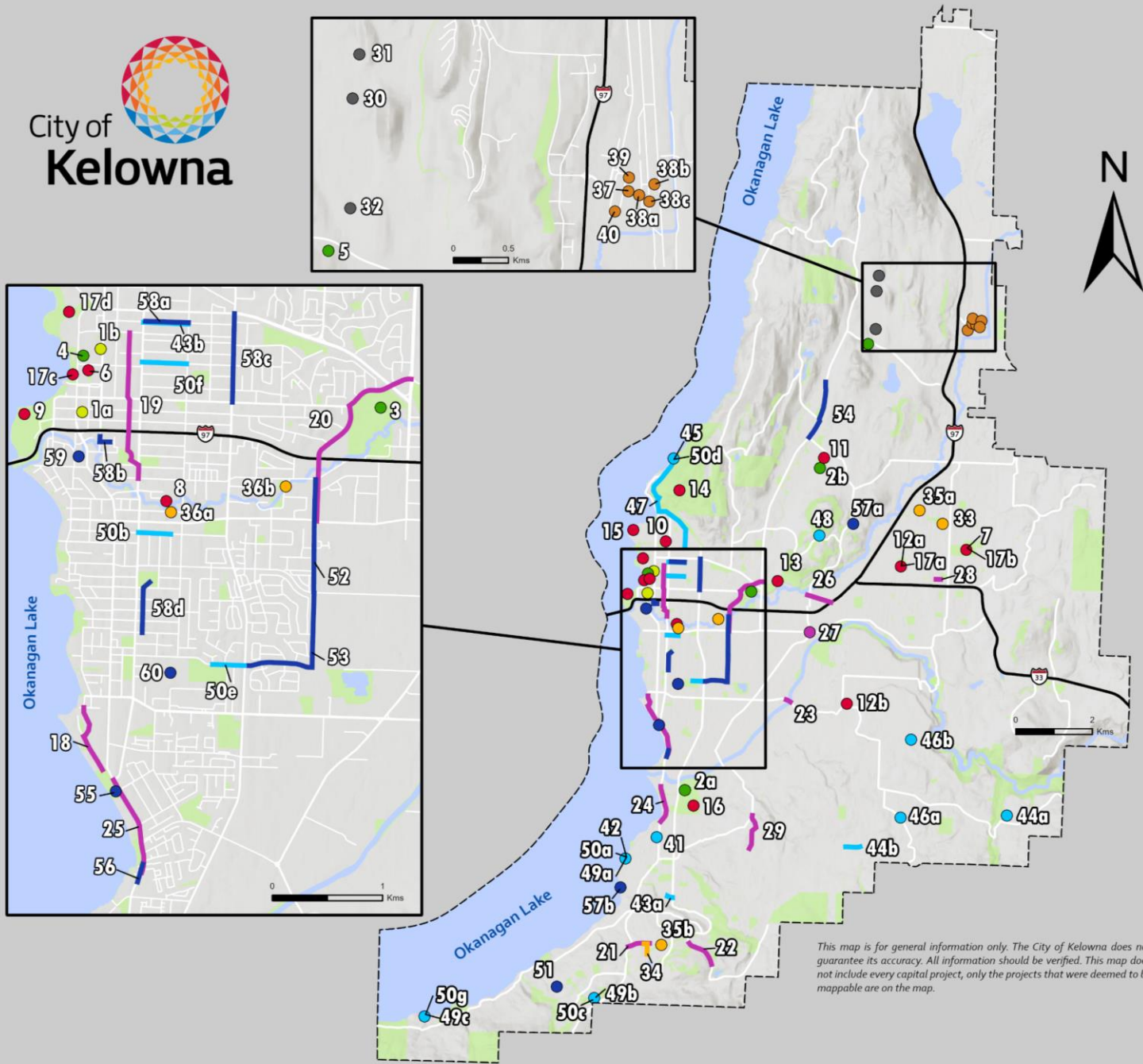


FUNDING

2024 Capital by Cost Centre



Building a City of the Future

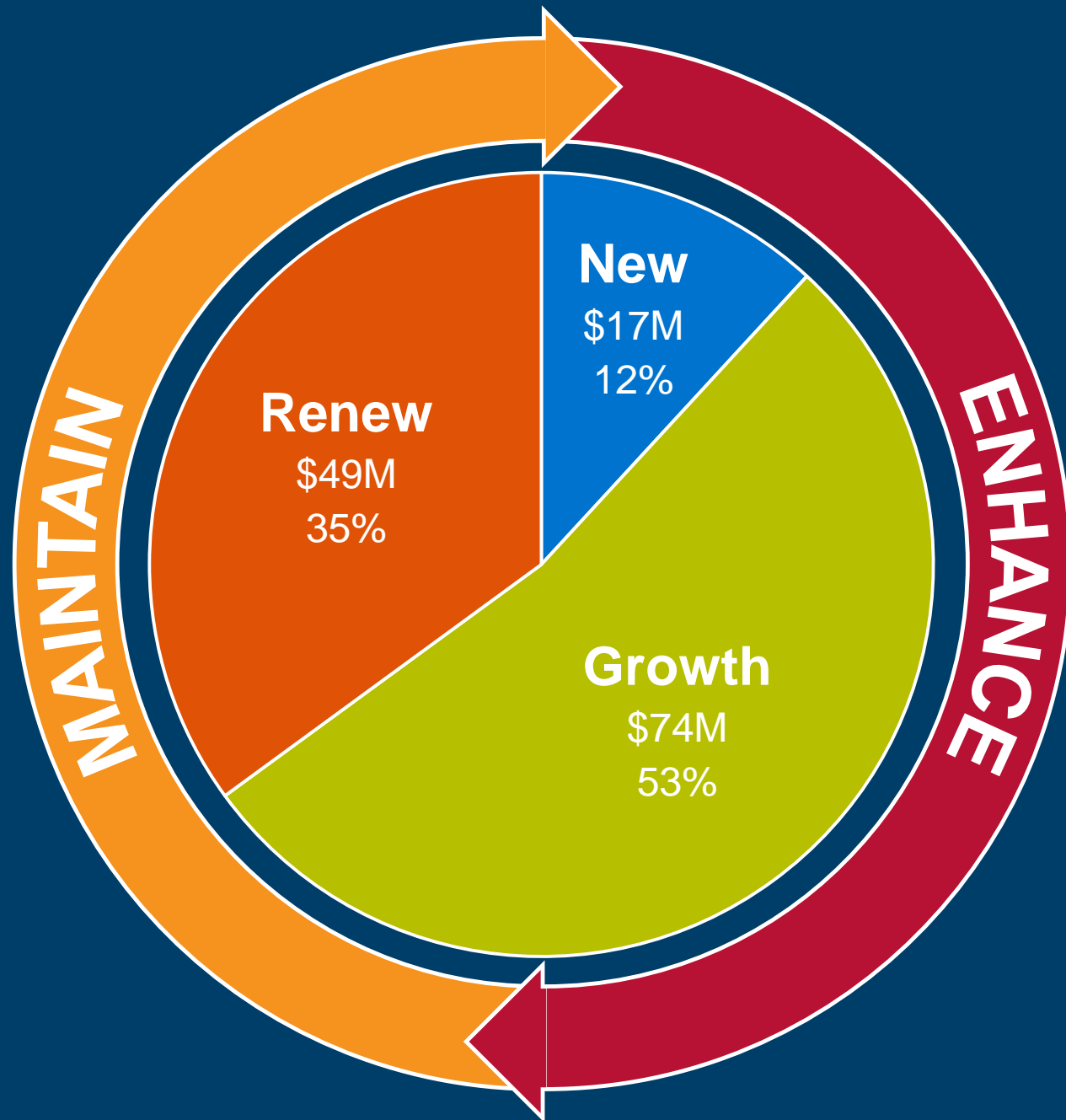


2024 Capital Projects

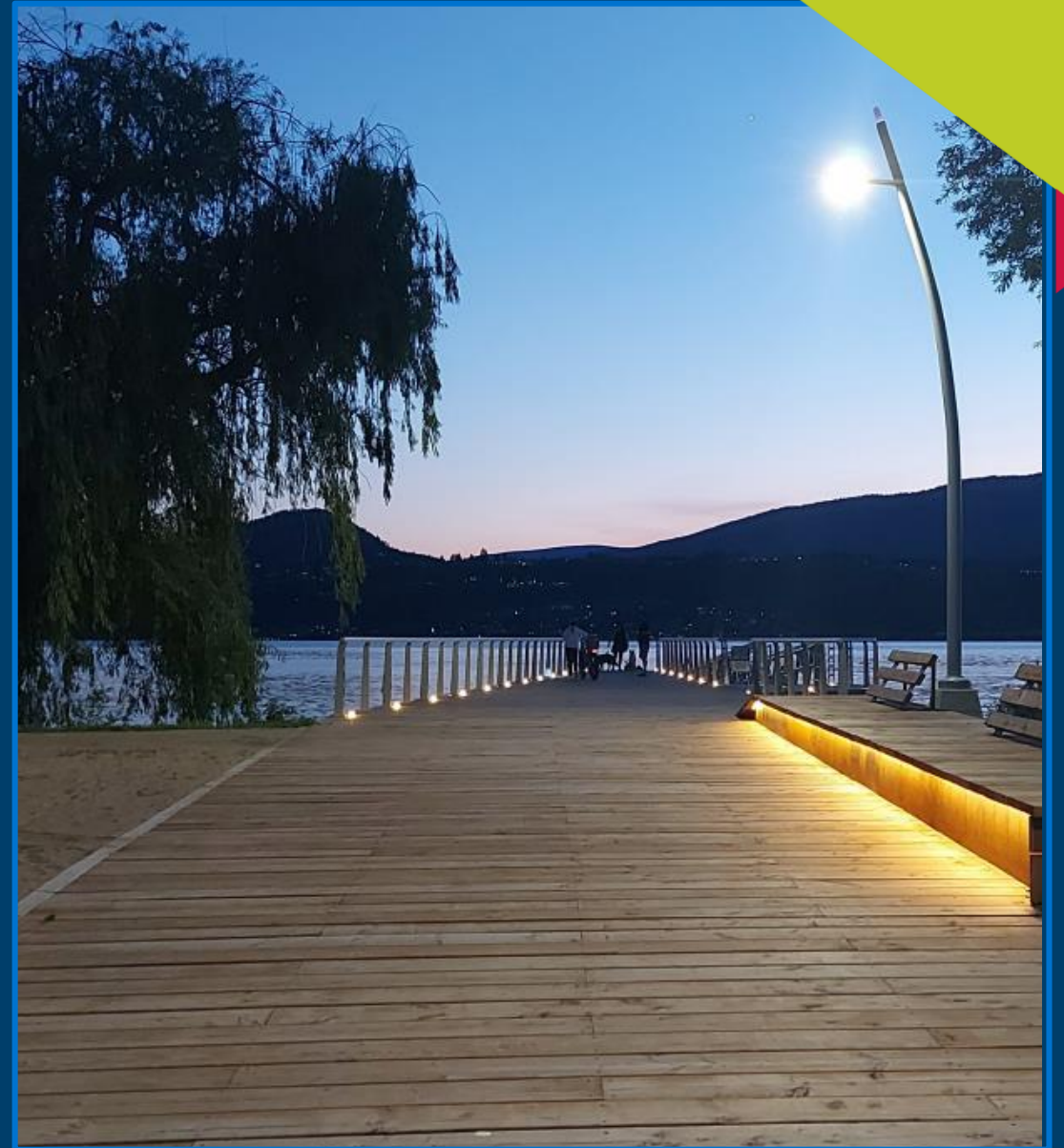
- | REAL ESTATE & PARKING | AIRPORT |
|---|---|
| 1. Downtown Parkades-Major Maintenance
a. Champman Parkade
b. Library Parkade | 37. Airport Air Terminal Building Capital Replacement & Improvement
38. Airport Soaring Beyond
2.5 Million Passengers AIF Program
a. Pavement Rehab: Apron 1
b. Pavement Rehab: Taxiway Charlie
c. Pavement Rehab: Taxiway Delta |
| BUILDINGS | 39. Carbon Neutral Initiatives - HID to LED Lighting
40. Groundside Infrastructure & Equipment - Enabling Works For Hotel |
| 2. Building Stronger Kelowna - Community Activity Centres
a. Mission Rec Park
b. Glenmore Rec Park | WATER |
| 3. Building Stronger Kelowna - Parkinson Rec Centre Redevelopment | 41. Bulk Fill Station |
| 4. Kelowna Community Theatre - Equipment Improvements | 42. Eldorado Pump Station Chlorine Conversion |
| 5. North Glenmore Fire Hall (Stn #5) - Construction | 43. Existing Fireflow Upgrades & Infill Development Improvements
a. Buck Rd
b. Coronation Ave |
| PARKS | 44. Irrigation Mainline Renewal
a. Gallaghers
b. Jaud Rd |
| 6. Art Walk Furniture & Paver Surfaces Replacement | 45. Poplar Pump Station Electrical Upgrade |
| 7. Building Stronger Kelowna - Rutland Recreation Field Realignment | 46. PRV Upgrades - Non Potable
a. McClain Rd
b. Reekie Rd |
| 8. Burne Park | 47. Royal View Transmission Main Upgrades |
| 9. City Park - Improvements, Waterfront Promenade Phase 3 | 48. Summit Reservoir DCC |
| 10. Elks Stadium Batter's Eye | 49. UV Treatment Systems Control Upgrade
a. Eldorado Pump Station
b. Kettle Valley Pump Station
c. Swick Pump Station |
| 11. Glenmore Recreation Park - Phases 4, 5 | 50. Water Network & Facility Renewal
a. Eldorado Pump Station
b. Glenwood Ave
c. Kettle Valley Pump Station
d. Poplar Point Pump Station
e. Raymer Ave to Mappin Ct
f. Stockwell Ave
g. Swick Pump Station |
| 12. Irrigation Renewal
a. Ben Lee Park
b. East Kelowna Baseball Fields | WASTEWATER |
| 13. Kelowna Memorial Cemetery - Improvements | 51. Belcarra Sewer Connection Area |
| 14. Knox Mountain Park - Improvements | 52. Burch Trunk |
| 15. Manhattan Point Park DCC | 53. Byrns Baron Trunk Phase 2 |
| 16. Mission Recreation - Youth Park, Plaza, & Trail System | 54. Glenmore Connection - Glenmore Rd from Cross Rd to Scenic Rd |
| 17. Park Infrastructure Renewal
a. Ben Lee Park
b. Rutland Rec Park
c. Stuart Park
d. Waterfront Park | 55. Gyro Lift Station |
| TRANSPORTATION | 56. Lakeshore Trunk - (Cook - Gyro) |
| 18. Abbott DCC (Rose - Gyro), ATC | 57. Lift Station Renewal
a. Cassiar Lift Station
b. Farris Lift Station |
| 19. Bertram 1 DCC (Sutherland - Cawston), ATC | 58. Renewal - Wastewater mains & facilities
a. Coronation Ave between Ethel St & Richter St
b. Ellis St near Rosemead Ave
c. Highland South Service Area
d. Richter St, upstream of the Birch Lift Station |
| 20. Burch 3 DCC (Glenmore - Springfield), RD | 59. Water St Lift Station |
| 21. Frost DCC (Kildeer - Chute Lake) | 60. WWTF Fermenter & Centrifuge Replacement |
| 22. Gordon 1 DCC (Frost - South Perimeter) | |
| 23. KLO Rd Mission Creek Bridge Replacement & McCulloch Area DCC (KLO/Hall/Spiers) | |
| 24. Lakeshore 3 DCC (Lexington - Old Meadows), ATC | |
| 25. Lakeshore 5 DCC (Richter - Cook), RD | |
| 26. Rail Trail to Greenway DCC, ATC | |
| 27. Road Safety Improvements DCC Springfield/Dilworth/Benvoulin Intersection | |
| 28. Rutland Park & Ride, Mobility Hub, Operations facility | |
| 29. Stewart 3 DCC (Crawford-Swamp), Road | |
| SOLID WASTE | |
| 30. Landfill - East Gas Subheader Connections | |
| 31. Landfill Liner & Lift Station Design & Construction - Area 3 | |
| 32. Stockpiles & Reprocessing Areas Relocation | |
| STORM DRAINAGE | |
| 33. Containment Devices | |
| 34. Frost and Frazer Lake Stormwater Improvements | |
| 35. Linear Asset Renewal Projects
a. Findlay Rd Culvert
b. Southridge Stormwater Pond System | |
| 36. Mill Creek Flood Protection
a. Burne Ave
b. Lindahl Park | |

This map is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified. This map does not include every capital project, only the projects that were deemed to be mappable are on the map.

Capital investment & Service Levels



Assessment & Taxation



Tax Demand Calculation



Net operating + capital	\$190.0M
New construction revenue	+(4.98)
2024 Net tax demand	<hr/> \$185.0M

→ **4.76%**

Net property owner impact



Municipal

3.76%



Public Safety
Levy

1.00%



Est. net property
owner impact

4.76%

$$3.76\% + 1.00\% = 4.76\%$$

Taxation impact



Total net property owner impact 4.76%
Municipal Portion of taxes \$2,486

	% increase from prior year	\$ increase from prior year
Public Safety Levy Impact	1.00%	\$23.73
Municipal Impact	3.76%	\$89.82



Questions?

Budget 2024
#kelownabudget



For more information visit: kelowna.ca/budget