



# 2024

## FINANCIAL PLAN

Final Budget Volume

2024-2028 Five-Year Financial Plan

April 22, 2024  
Council Chambers

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# Agenda

- ▶▶ Priorities
- ▶▶ Proposed Final Budget
  - ▶▶ Total expenditure budget
  - ▶▶ Tax demand
- ▶▶ Final Budget Operating requests
- ▶▶ Final Budget Capital requests
- ▶▶ Taxation impacts
- ▶▶ Five-Year Financial Plan (2024- 2028)

# 2024 Financial Plan – Priorities

- ▶▶ Community safety
- ▶▶ Addressing Homelessness
- ▶▶ Keeping Kelowna moving
- ▶▶ Impacts of climate
- ▶▶ Digital transformation

# 2024 Preliminary Budget Volume



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



4.75%

# 2024 Final Budget Volume

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



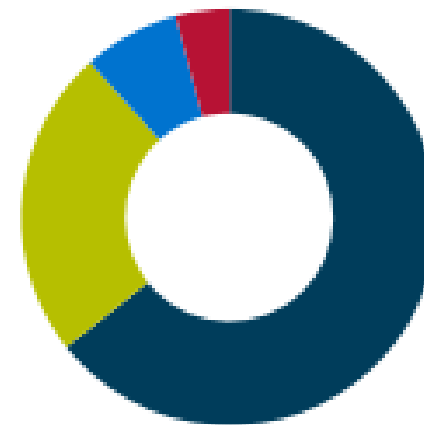
# 2024 Proposed expenditure budget

## Expenditures by Fund (\$ thousands)

	Operating	Capital
General	340,514	208,997
Airport	62,759	143,112
Wastewater	17,315	46,799
Water	18,858	16,548
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	439,446	415,457

<b>Total</b>	<b>854,903</b>
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Note: Totals may not add due to rounding



- General 65%
- Airport 24%
- Wastewater 7%
- Water 4%

Total \$854.9M

## 2024 Proposed tax demand

Preliminary gross tax demand	\$190M
<b>Final Budget Volume:</b>	
General revenues	394k
Operating requests	830k
<b>2024 Final gross tax demand</b>	<b>\$191.2M</b>
New construction revenue	(6.3M)
<b>Net property owner impact</b>	<b>4.72%</b>



# Operating Requests – Community Safety & Bylaw


**Request:** Community Safety Plan: Kelowna Alternative Response Team

**Justification:** As part of the 2024 Preliminary Budget deliberations, Council asked that the Community Safety Plan Action 1.2: Kelowna Alternative Response Team request be brought back as part of Final Budget. This \$1.1 million program will enable an alternative, community-based mobile unit response to (police) calls involving people in crisis. Used in other municipalities, this trauma and culturally informed model has shown to be cost-effective and has resulted in reduced police calls and involvement.

Budget of \$250k is requested in 2024 to allow City staff to engage in partnership discussions, increasing to \$500k in 2025 ongoing as the City's commitment to the program. Staff will return to Council before the 2025 Preliminary Budget if the partnerships opportunities are unsuccessful.

**Amount:** \$250,000 in 2024 and \$500,000 in 2025-ongoing

**Taxation Impact:** 2024: No Taxation Impact in 2024  
2025-Ongoing: \$500,000 increase to Tax Demand








# Operating Requests – Governance & Leadership

**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 initiatives funding approved in 2023 allowed for the expansion of the Social Development mandate to provide enhanced strategic leadership in addressing homelessness, funding to purchase and operate an additional Sweeper/Scrubbing Unit increasing garbage service levels throughout the City, and grant funding to support the Uptown Rutland Business Association's On-Call pilot project. Additional budget is requested to enable City Council to continue to promote and finance various initiatives that will contribute to positive change in our community.

**Amount:** \$700,000

**Taxation Impact:** \$700,000 Increase to Taxation Demand ongoing





## Operating Requests – Enabling Services

**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:** \$152,948,200

**Taxation Impact:** No Taxation Impact





## Operating Requests – Enabling Services

**Request:** FortisBC Operating Fee

**Justification:** This request is to adjust the franchise fee revenue due from FortisBC down to \$2,024,361 from the 2024 Preliminary budget amount of \$2,418,450. 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 2023 calendar year.

**Amount:** \$394,100


**Taxation Impact:** \$394,100 Increase to Taxation Demand ongoing





## Operating Requests – Enabling Services

<b>Request:</b>	Insurance Premiums – Inflationary Increase
<b>Justification:</b>	Insurance Premiums continue to rise; the Insurance Bureau of Canada reported an average annual increase in insurance premiums rates across all sectors was 9.6 per cent in 2020 and continues to rise annually. Inflation of construction costs increase the value of insured assets, which in turn puts upward pressure on premium costs. Budget is requested for an annual budget increase of 7.6 per cent for 2024 and 2025 to align with the current trend of rising costs while maintaining sufficient and dependable coverage.
<b>Amount:</b>	\$130,000 in 2024 and \$260,000 in 2025-ongoing
<b>Taxation Impact:</b>	2024: \$130,000 Increase to Taxation Demand 2025-ongoing: \$260,000





# Capital Requests – Solid Waste Capital

**Request:** Landfill - Flare Replacement

**Justification:** Budget is requested for replacement of the landfill gas flare at the Glenmore Landfill. Initially scheduled for 2026, staff is requesting to expedite this project for procurement in 2024 and construction in 2025 due to challenges in finding replacement parts and servicing for the existing flare. With current long lead times for flare manufacturing components, this budget request is to allow for the purchasing and deposit for the flare component to ensure construction can be completed in 2025. This is a multi-year project, total budget estimated at \$3.5M and the final design is being completed in 2024. Contractual commitments will be based on this budget plus \$2.75M budget in 2025.

**Amount:** \$3,500,000 (2024: \$750k 2025: \$2.75M)

**Operating Impact:** \$100,000 starts in 2026-ongoing

**Taxation Impact:** No taxation impact





## Capital Requests – Airport Capital

**Request:** Airport - Aircraft Rescue and Fire Fighting Response Vehicle

**Justification:** Federal regulations dictate emergency response categorization based on the size and number of aircraft that land at an airport in the preceding 12 months. With the Airport fully recovered from the impact of the COVID-19 pandemic in 2023, surpassing its 2019 pre-pandemic passenger numbers, and the corresponding growth in the number of large aircraft movements at the airport, the Airport is required to increase Aircraft Fire Fighting from the current Category 6 response to a Category 7 response. As a result, there is an emergent need for one additional Aircraft Rescue and Fire Fighting response vehicle to ensure the Airport is able to provide continuous emergency response at the required Category 7 level as passenger numbers and air service to and from the region continue to grow.

**Amount:** \$2,950,000

**Taxation Impact:** No taxation impact






# Capital Requests – Wastewater Capital

**Request:** WWTF Equipment Repair

**Justification:** Budget is requested for the repair of equipment at the Wastewater Treatment Facility (WWTF). The WWTF operates two centrifuges that remove water from wastewater solids, and the larger primary unit is undergoing repairs with parts delayed due to availability and shipping arriving slowly from Italy. The smaller backup centrifuge is running extended hours to meet process needs, during a recent inspection, it was found that this centrifuge has mechanical issues that will eventually lead to equipment failure and is in need of urgent repair.

**Amount:** \$200,000

**Taxation Impact:** No taxation impact



# Taxation Impact - Summary

**\$982,950**

Average residential property

**\$2,484**

Municipal portion of taxes

**\$112**

\$ Increase from prior year

**4.72%**

% Increase from prior year



# What Do Tax Dollars Pay For:



**28%**

**Police Services  
& RCMP**

**20%**

**Enabling  
Services**

**14%**

**Fire  
Safety**

**12%**

**Transportation  
and Transit**

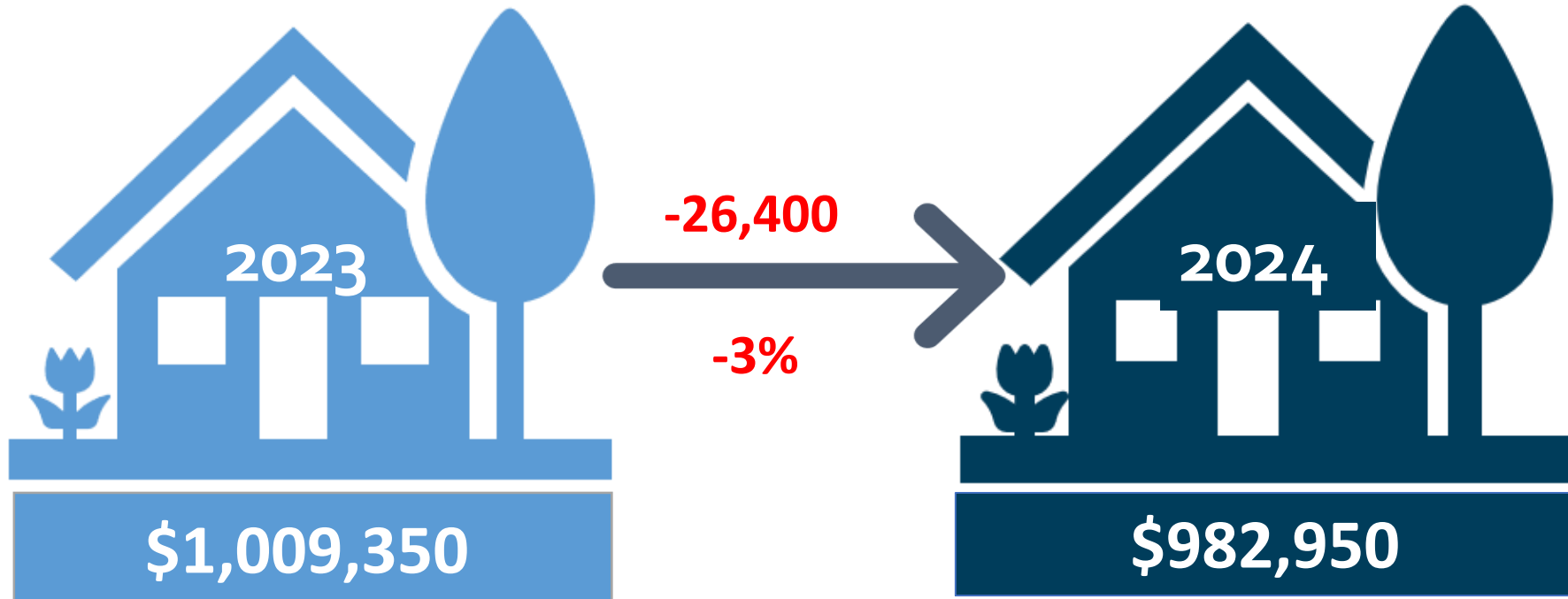
**18%**

**Other  
Operating  
areas**

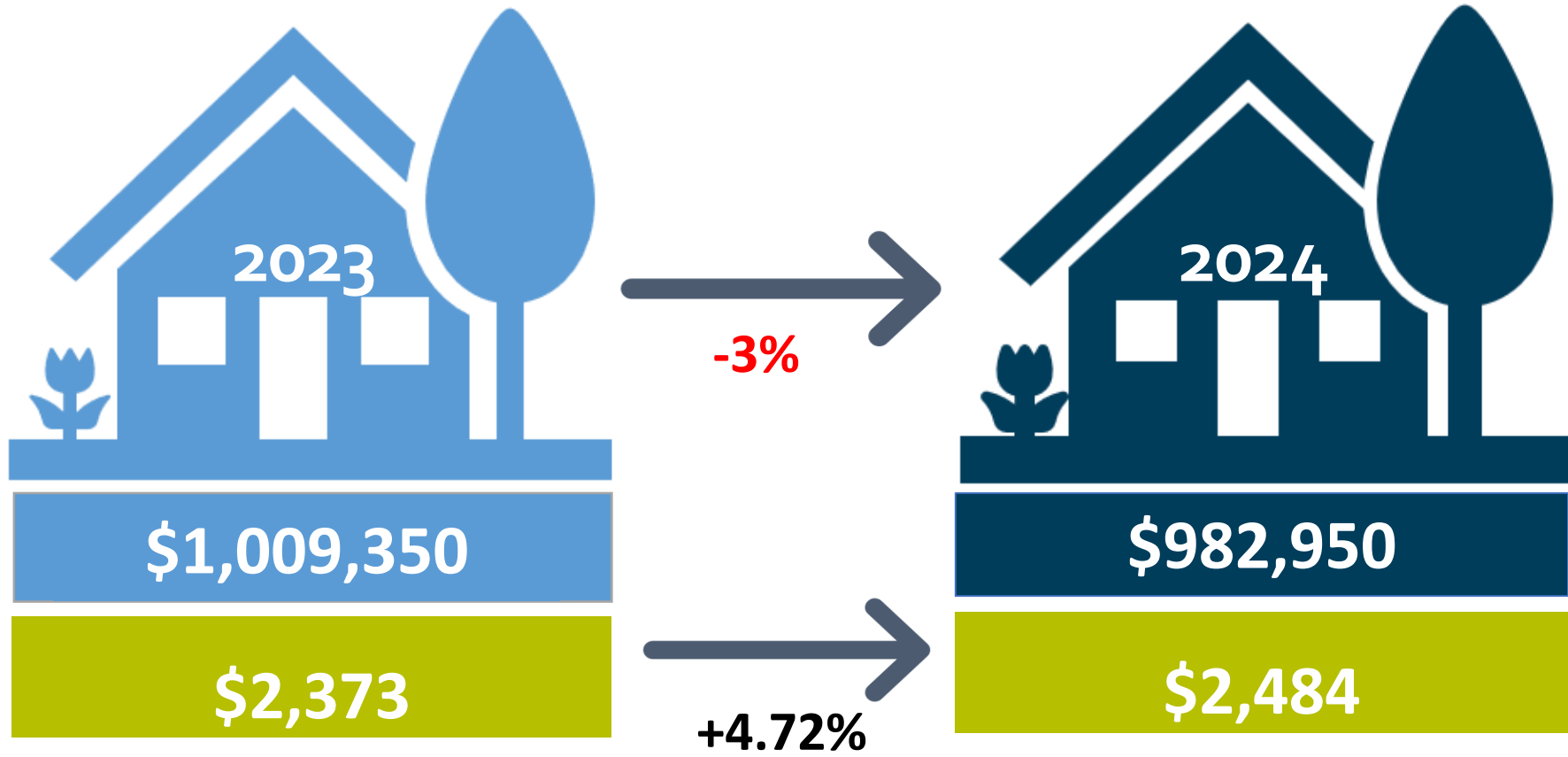
**8%**

**Capital  
Programs**

# 2023 to 2024 Average Residential Assessed Value



# 2024 Average Property Owner Impact



# Five-Year Financial Plan

	2024	2025	2026	2027	2028
General revenues	(17,820)	(18,751)	(19,670)	(21,613)	(22,088)
Net operating budget	194,574	206,112	218,315	233,252	246,184
Pay-as-you-go capital	14,467	15,983	17,479	19,050	20,707
Taxation demand	<b>191,220</b>	<b>203,343</b>	<b>216,124</b>	<b>230,689</b>	<b>244,803</b>
New construction tax revenue	(6,260)	(3,790)	(3,739)	(3,927)	(4,141)
<b>Net property owner impact</b>	<b>4.72%</b>	<b>4.36%</b>	<b>4.45%</b>	<b>4.92%</b>	<b>4.32%</b>

Questions?

Budget 2024  
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