

# Report to Council



**Date:** August 12, 2024  
**To:** Council  
**From:** Audit Committee  
**Subject:** Unsheltered Community Costs (Phase 1)  
**Department:** Financial Services Division

---

**Recommendation:**

THAT Council receives, for information, the report from the Audit Committee dated August 12, 2024, with respect to the results of the Unsheltered Community Costs (Phase 1) Value for Money engagement as of the end of June 2024.

**Purpose:**

To receive a report outlining the results of the Unsheltered Community Costs (Phase 1) Value for Money engagement as of June 30, 2024.

**Background:**

As the necessity to aid the unsheltered community increases, it is important for municipal leaders to understand the associated expenses. Therefore, the focus of the Unsheltered Community Costs (Phase 1) engagement was to compile the costs, borne by the City of Kelowna, to support its unsheltered community. The Phase 1 report was received by the Audit Committee on July 24, 2024. The Unsheltered Community Cost engagement will be extended to look at an expanded costing methodology.

**Discussion:**

Like many local governments, the City of Kelowna is experiencing an increase in growing needs and expenses associated with serving the unsheltered community. To quantify the financial impact on the City of Kelowna, data was compiled on operating costs for 2023 and capital costs from 2019 to 2023. The information was obtained through interviews with city management and staff who provided detailed figures for the operational and capital expenditures across different services and initiatives.

Following discussions with management, it was found that clearly distinguishing specific expenses for the unsheltered from those associated with social disorder posed a challenge. As a result, steps were taken in the data analysis to account for these influences and potential overlaps.

Key points from the report include:

- Tax revenues contribute \$10 million towards these costs, while \$5.4 million are funded through reserves, grants and other sources.
- Grants and other sources contributed \$5.2 million towards these costs.
- Costs linked to the unsheltered population are mainly distributed among shelters and community safety services.
- Taxpayer contributions are predominantly directed toward community safety and emergency response services.
- A large proportion of the expenditures are directly linked to specific actions or services intended for the unsheltered population.

**Conclusion:**

The report provided an overview of the costs and challenges associated with the unsheltered community in the City of Kelowna with the aim of providing insights for the decision-making process, when addressing the unsheltered community costs incurred by the City.

**Considerations not applicable to this report:**

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Consultation and Engagement:

Communications Comments:

**Submitted by:** Mayor Dyas, Chair, Audit Committee

cc:

S. Little, Business Performance & Advisory Services Manager

J. Sass, General Manager Corporate Services