



2025 Financial Plan

CORPORATE SERVICES | DECEMBER 2, 2024



Agenda

- ▶ Core Principles
- ▶ Economic Overview
- ▶ Tax Rate Comparison
- ▶ Financial Health
- ▶ Transparency & Accountability
- ▶ 2025 Budget Overview

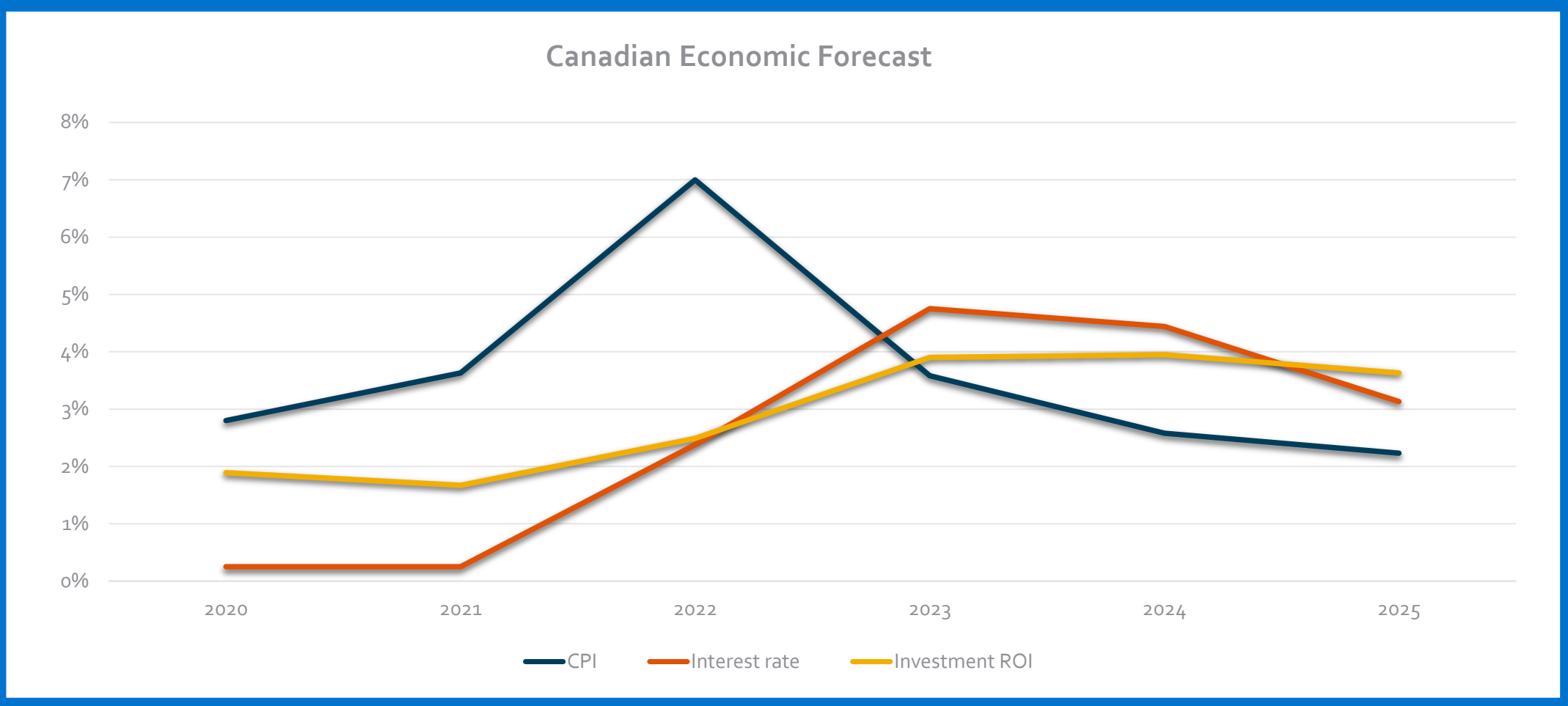


Core Principles

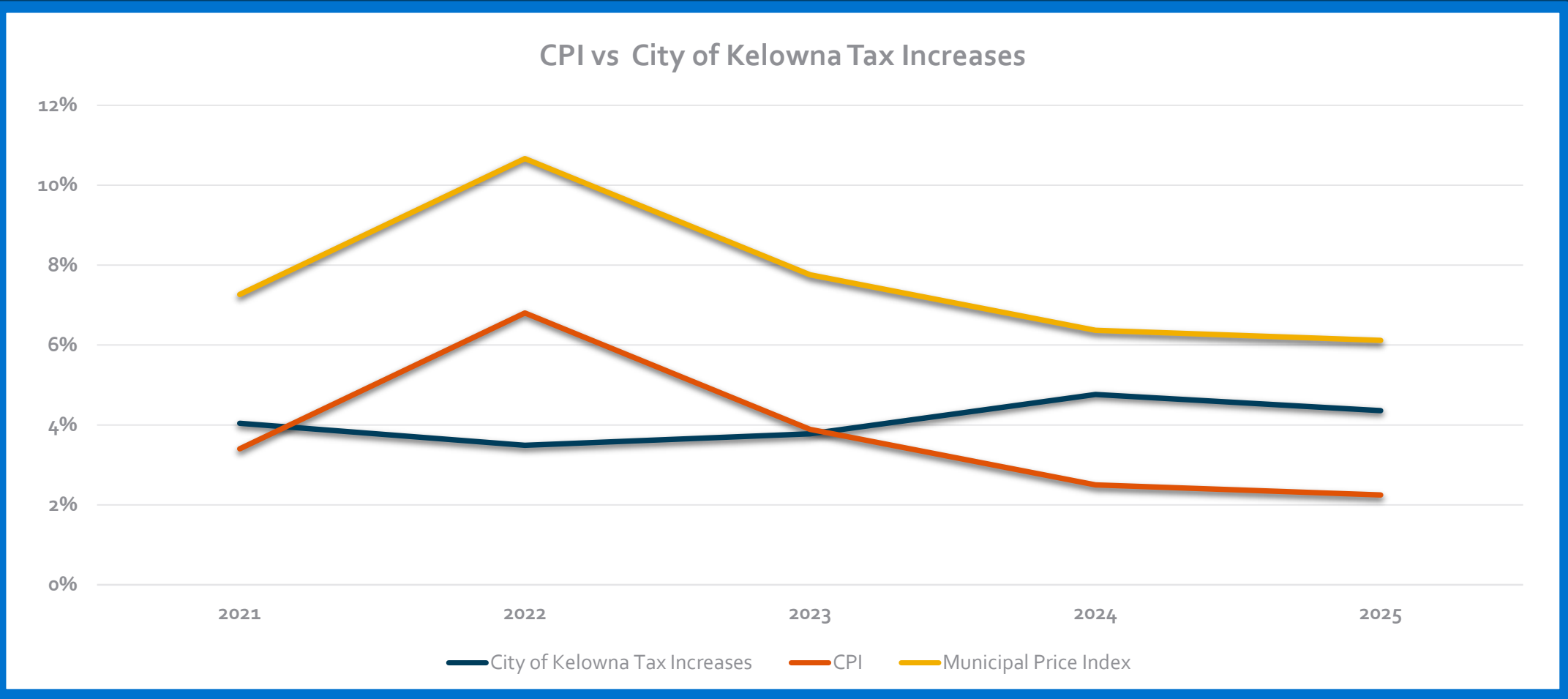
- ▶ Predictability and Stability for Tax Rate
- ▶ Transparency & Accountability
- ▶ Alignment with Council Priorities
- ▶ Data Driven



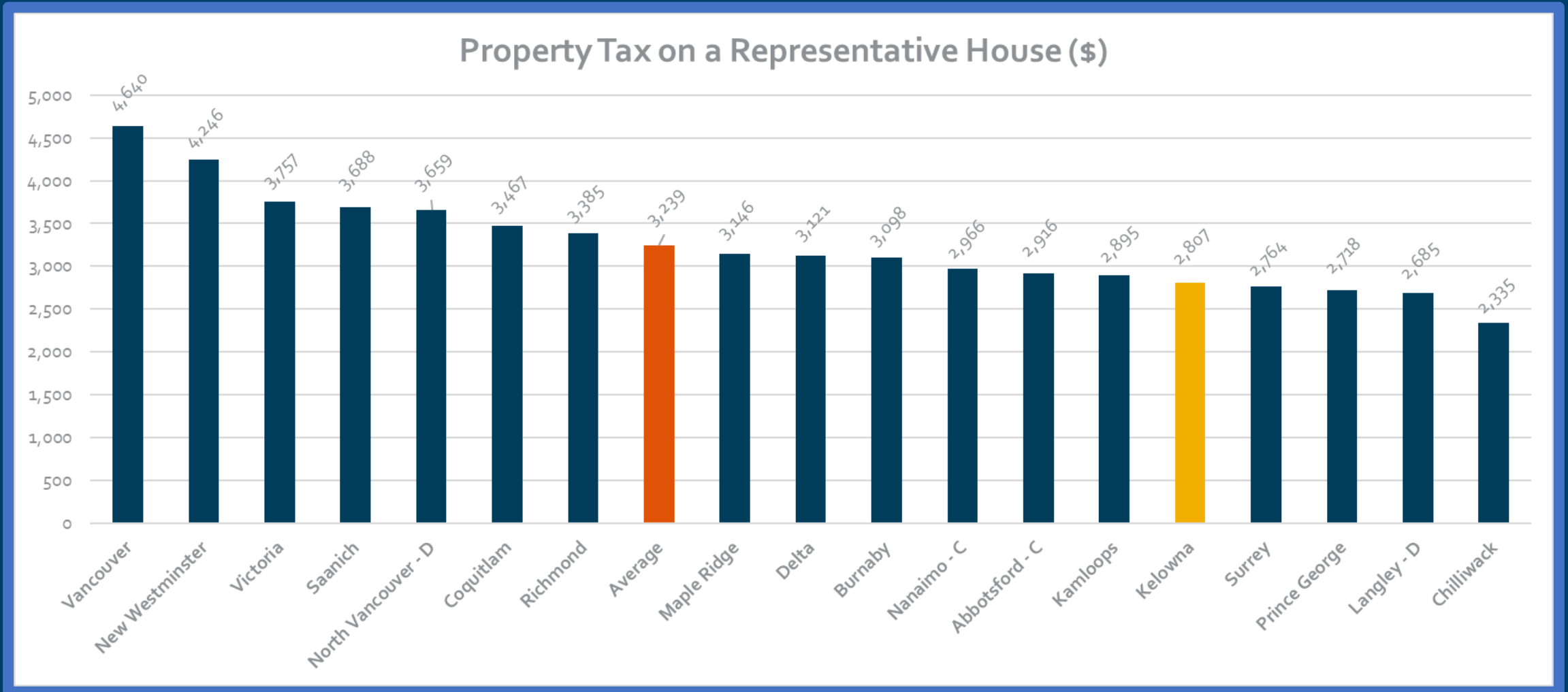
Economic Overview



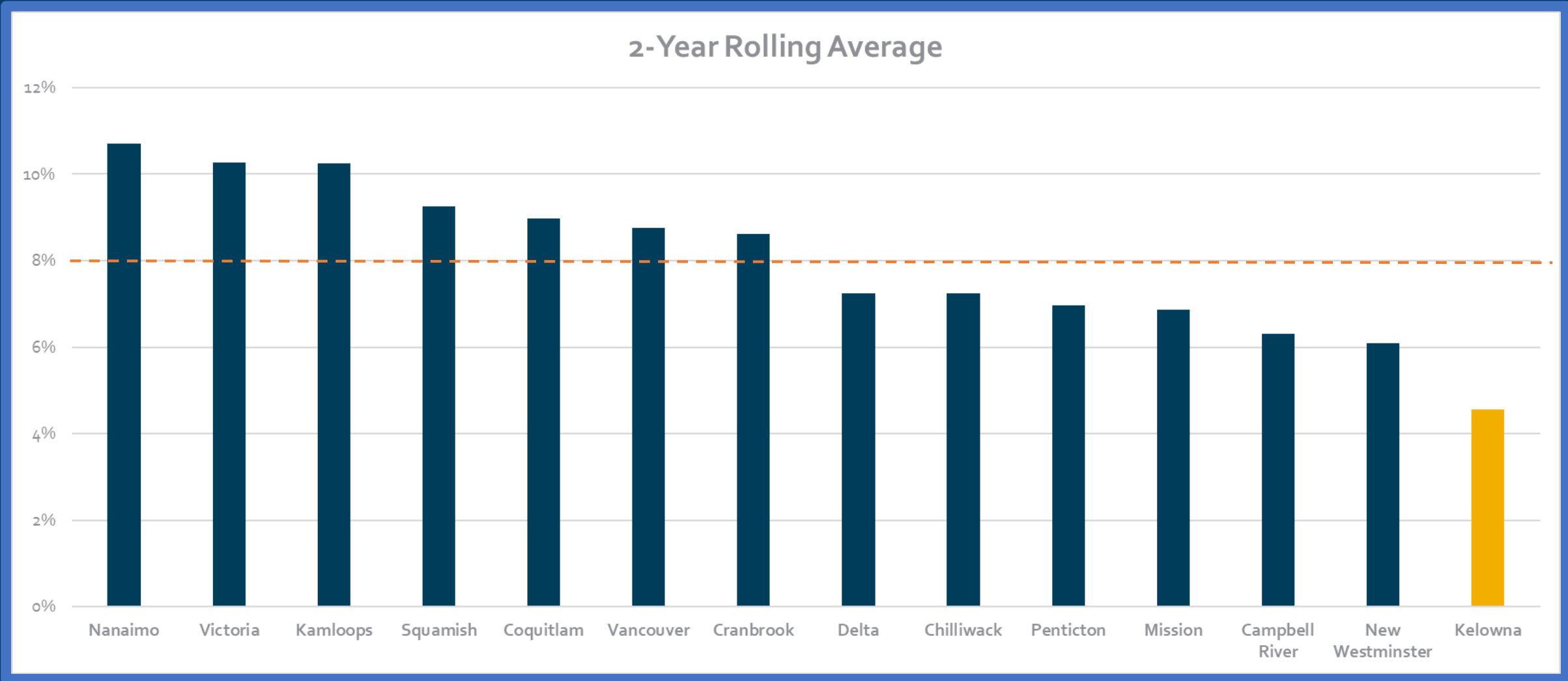
CPI vs. Tax Increases



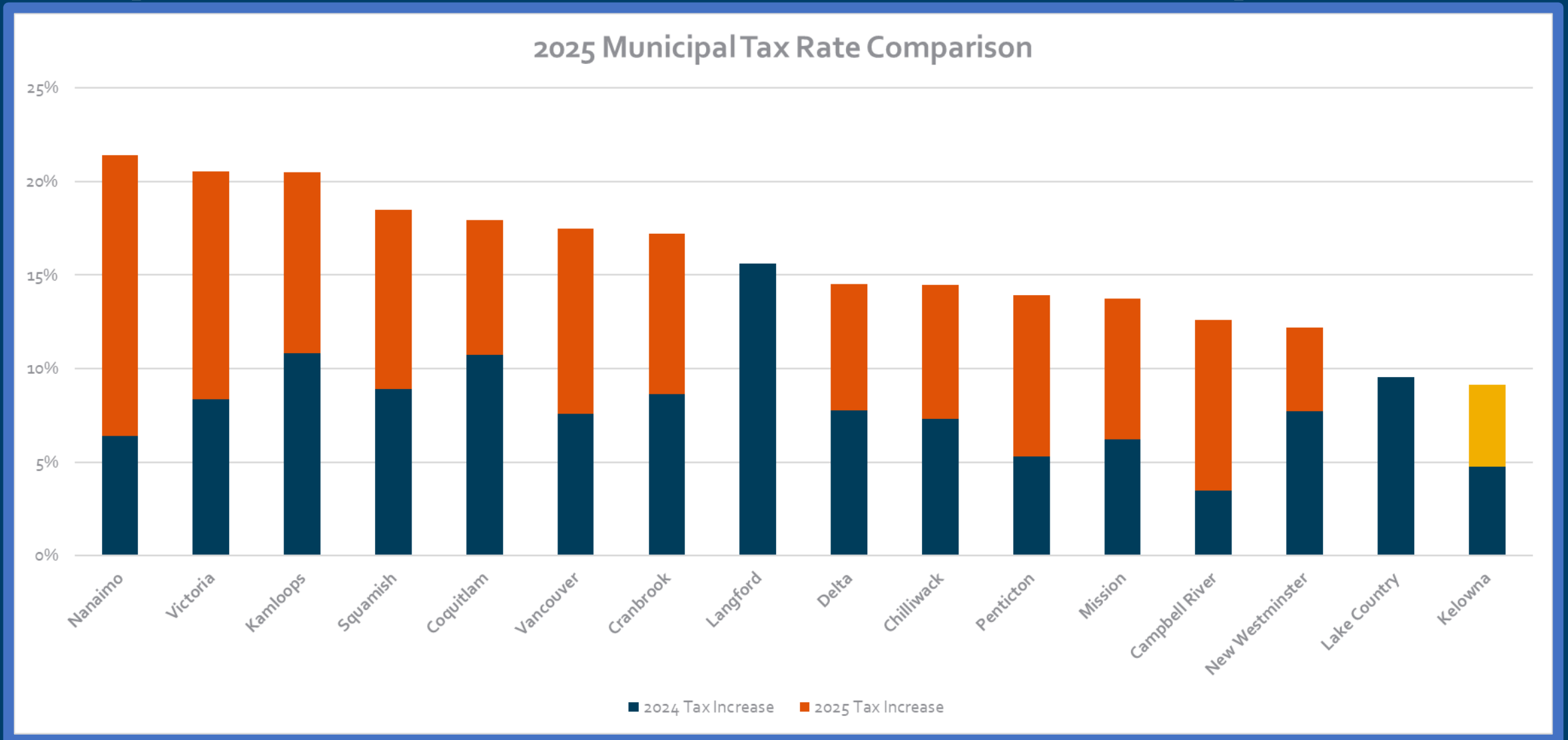
2023 Tax Rate Comparison



Tax Rate Increase (%) Comparison



Proposed Tax Rate Increase (%) Comparison



Kelowna Financial Health Indicators

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial flexibility										
Debt Service (Debt service/Revenue)	● 0.01	● 0.01	● 0.03	● 0.03	● 0.04	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05
Tax demand Debt Limit	● 0.02	● 0.02	● 0.06	● 0.08	● 0.10	● 0.11	● 0.12	● 0.12	● 0.12	● 0.11
LGDE Debt Limit	● 0.02	● 0.02	● 0.04	● 0.05	● 0.06	● 0.07	● 0.08	● 0.08	● 0.08	● 0.07
Own Source Revenue (Fees & charges/Revenue)	● 0.37	● 0.37	● 0.37	● 0.37	● 0.37	● 0.37	● 0.38	● 0.39	● 0.40	● 0.40
Gov. Transfers Ratio (Gov. Transfers/Revenue)	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05	● 0.05
Financial sustainability										
Fin. Assets/ Liabilities (Financial Assets/Liabilities)	● 1.85	● 1.57	● 1.41	● 1.38	● 1.48	● 1.66	● 1.91	● 2.20	● 2.53	● 2.86
Net Fin. Assets/ revenue (Net Financial Assets/Revenue)	● 0.98	● 0.78	● 0.62	● 0.59	● 0.75	● 1.00	● 1.37	● 1.75	● 2.22	● 2.64
Accum Surplus & Reserves/Expenses	● 1.21	● 1.37	● 1.46	● 1.46	● 1.62	● 1.63	● 1.67	● 1.64	● 1.63	● 1.59
Competitiveness										
Debt per Capita (Debt/Population)	● 991	● 1,891	● 2,647	● 3,068	● 3,464	● 3,537	● 3,597	● 3,541	● 3,496	● 3,451
Annual Surplus per capita	● 849	● 795	● 744	● 697	● 652	● 611	● 573	● 537	● 504	● 473

Non-discretionary Financial Pressures

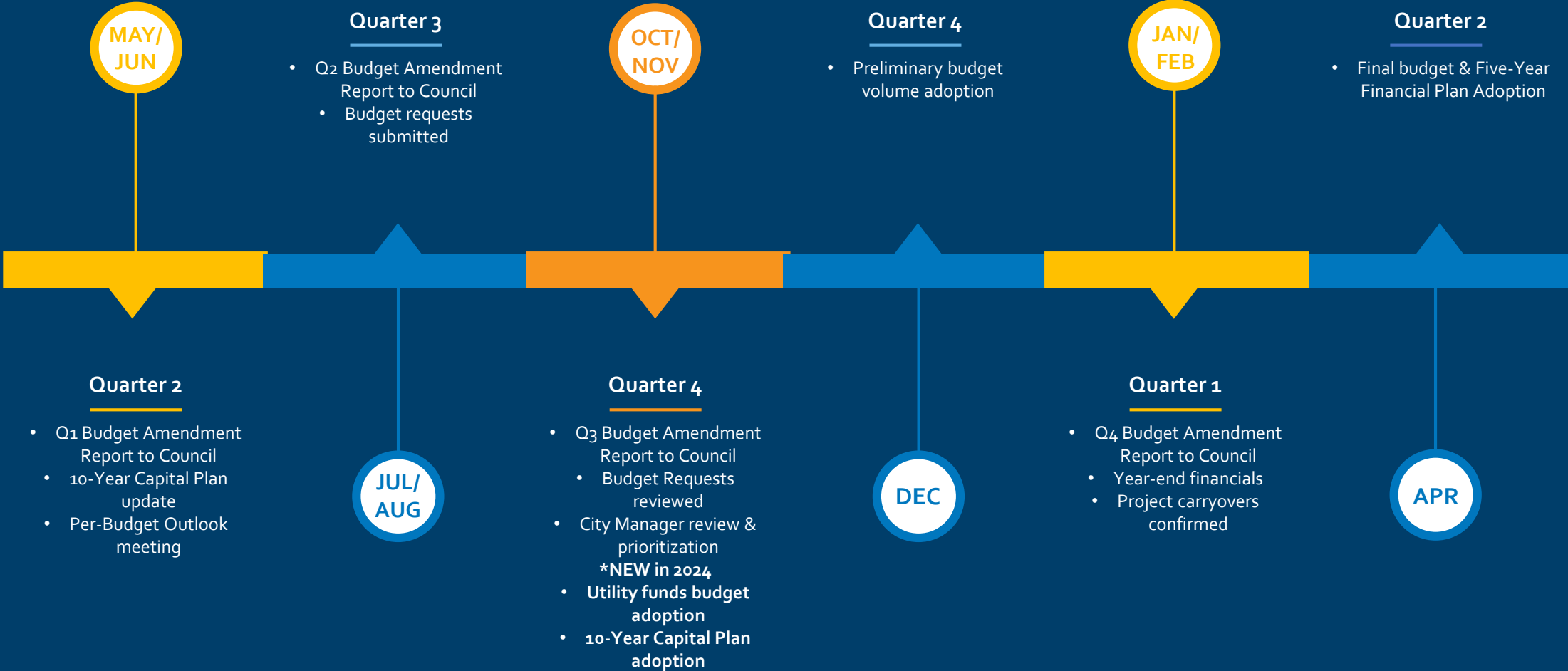
- ▶ Government Partners
 - ▶ RCMP (7%)
 - ▶ Transit (21%)
- ▶ Labour Contracts
- ▶ Inflation
- ▶ Reduced Development
- ▶ Homelessness (\$20M)





Transparency & Accountability

Budget as a Program



Performance Measures

- ▶ Council endorsed levels of service for each service area
- ▶ Budget decisions based on level of service changes desired by Council
- ▶ Performance measures (KPI's) to measure impact of budget
- ▶ Benchmarking: MBNC participation



Value for Money Program

- ▶ Enhancing transparency & accountability
- ▶ Legacy VFM program
 - ▶ 5 reports completed
 - ▶ 96% of recommendations implemented
- ▶ New internal VFM program
 - ▶ 6 reports completed
 - ▶ 29 recommendations & 50 actions planned
 - ▶ 28% of recommendations implemented
- ▶ Combination internal/external resources



Budget as a Program



Budget as a Program

Built with resident input and provides a policy framework for housing, transportation, infrastructure, parks, economic development, and the natural and social environment.



Supports the financing and infrastructure needs of service growth as laid out in the Official Community Plan.



Covers the City's infrastructure investment of \$1 billion up to 2030 to replace existing infrastructure demands at the city grows.

A vision created by our community for our community.

Framework that establishes service and project initiatives.



2025 Budget Overview

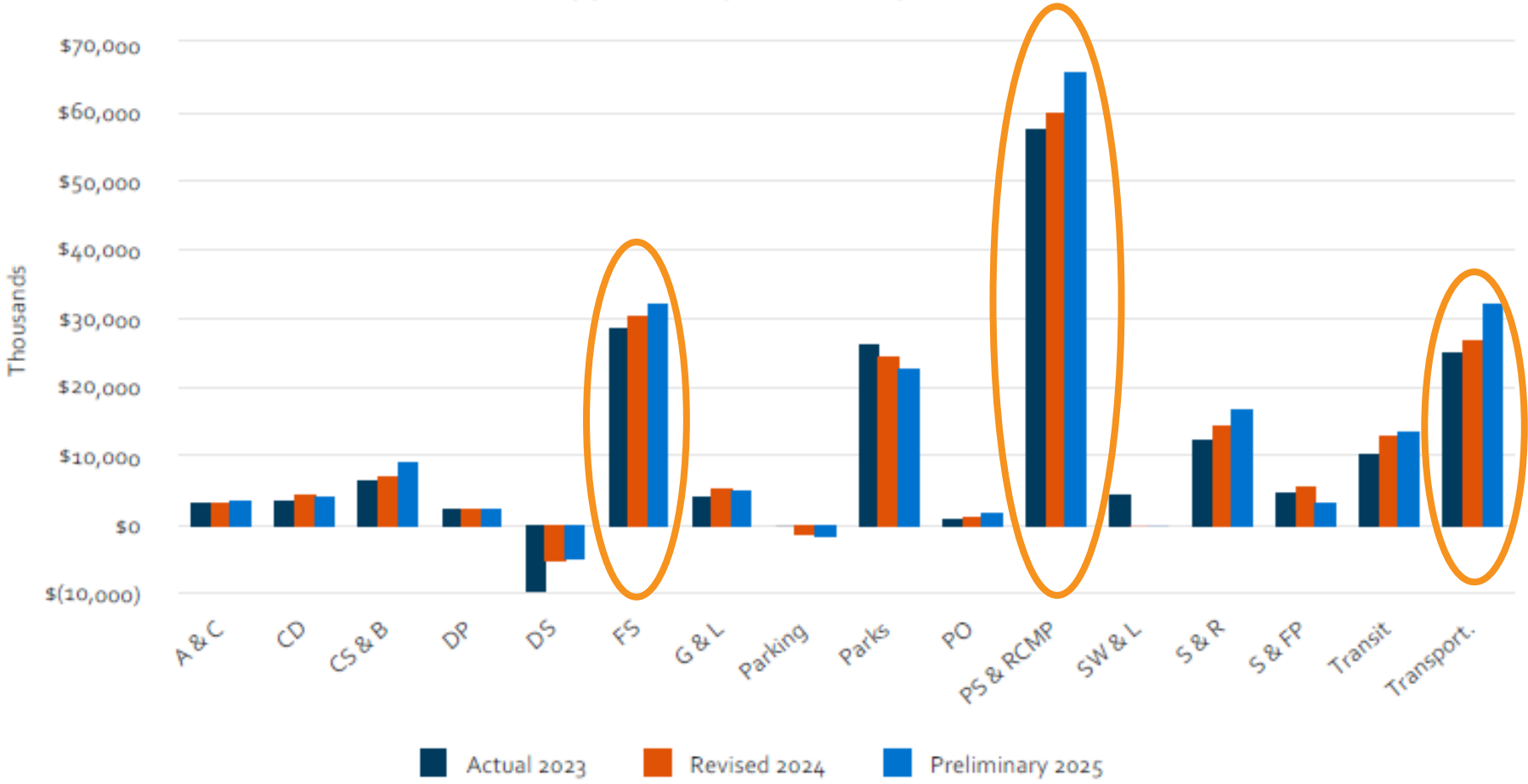
2025 Pre-Budget Themes



- ▶ Proposed areas of Investment:
 - Community safety
 - Activating new council priorities
 - Housing supports
 - Partnerships
 - Economic development
 - Active & road transportation
 - Digital transformation
 - Sustainability initiatives
 - Major event support
- ▶ Investment balanced against proposed tax rate

Tax-Supported Operations by Service Area

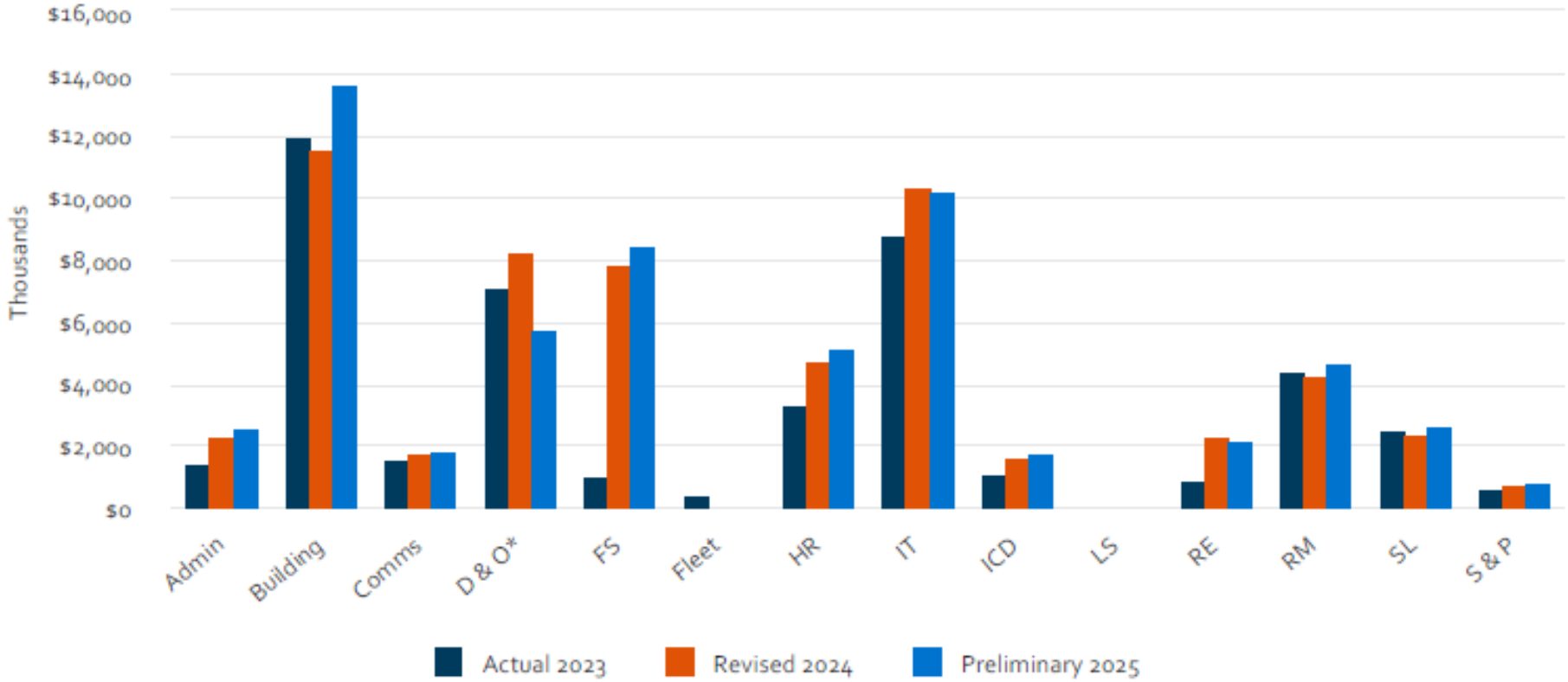
Net tax-supported operations by service area



- 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.)

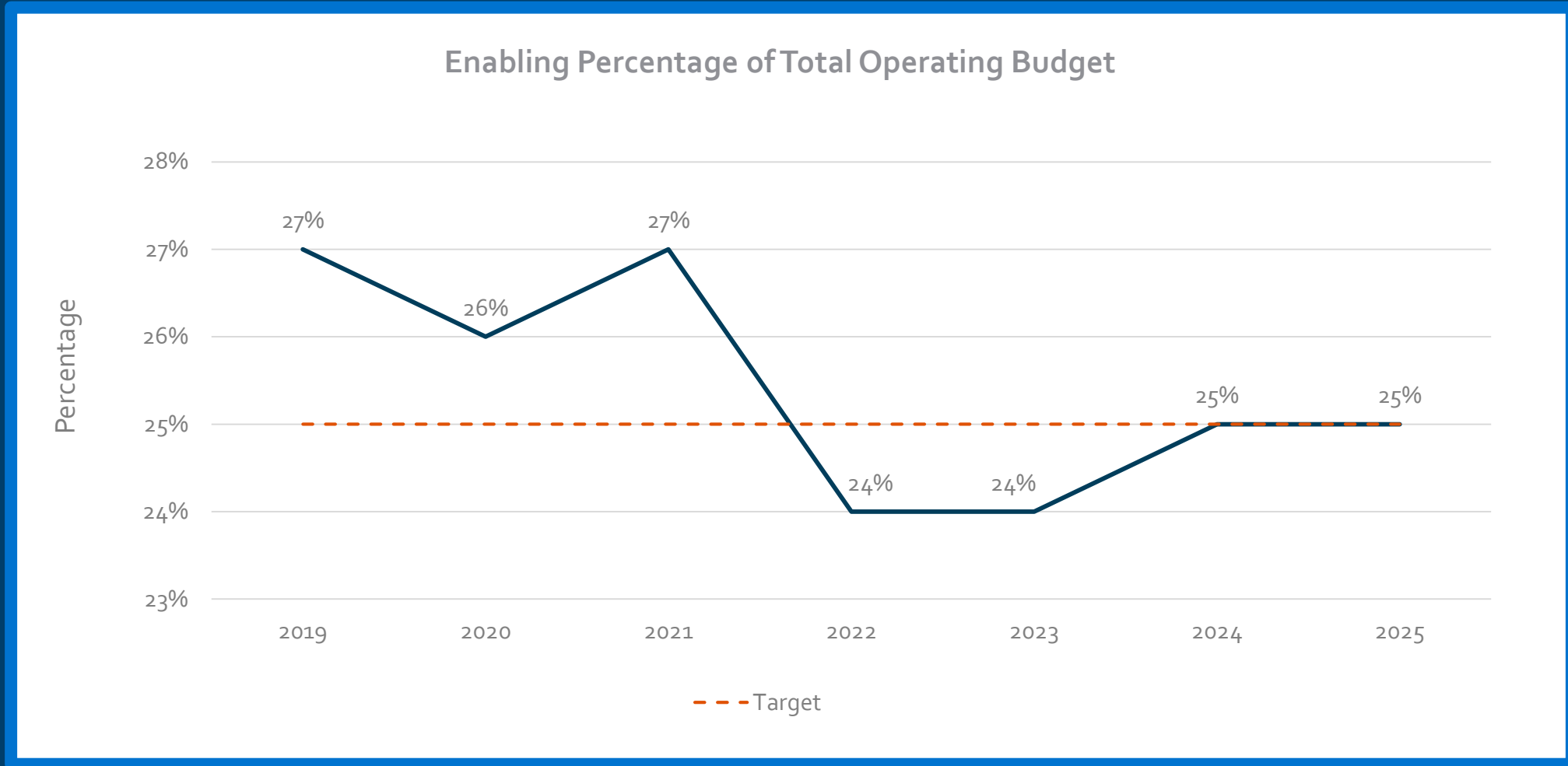
Tax-Supported Enabling Services

Net 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 (IT)
- Internal Construction Delivery (ICD)
- Legislated Services (LS)
- Real Estate (RE)
- Risk Management (RM)
- Senior Leadership (SL)
- Strategy & Performance (S & P)

Enabling Services: % of Total Operating Budget



Tax Reconciliation – 2024 to 2025

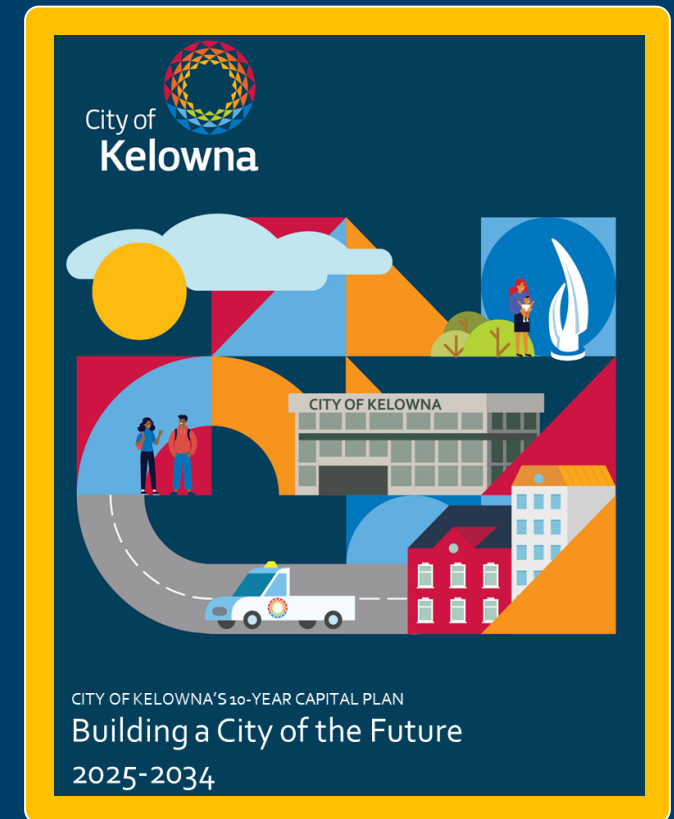
2025 Budget Analysis (\$ millions)	
2024 Tax Demand	\$191
Base budget adjustments	(5)
New operating requests	3
New capital requests	16
2025 General Tax Requirement	\$205
New construction tax revenue	(5)
2025 Net Taxation Impact	\$8
Net property owner impact	4.36%

2025 Capital Plan



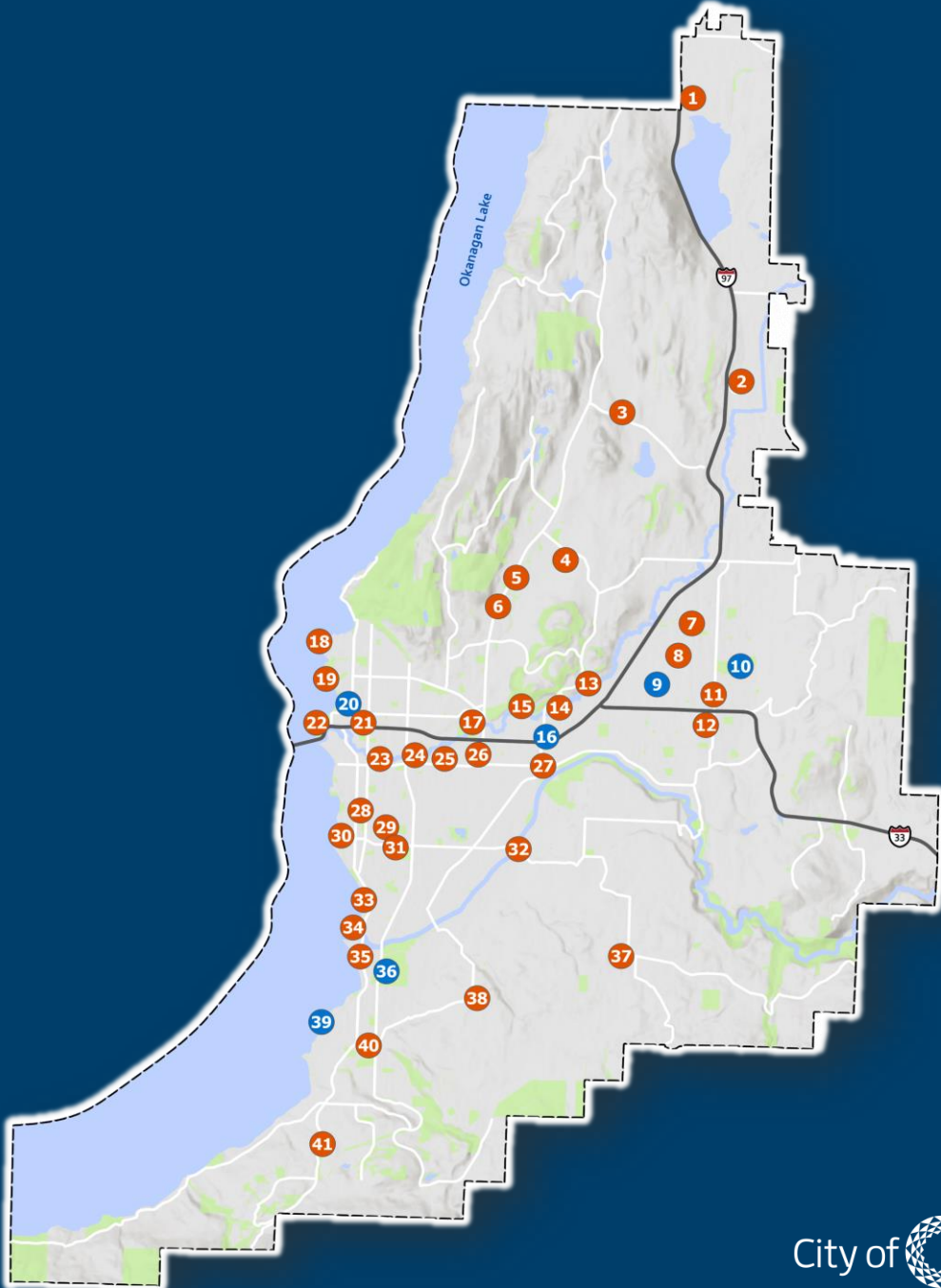
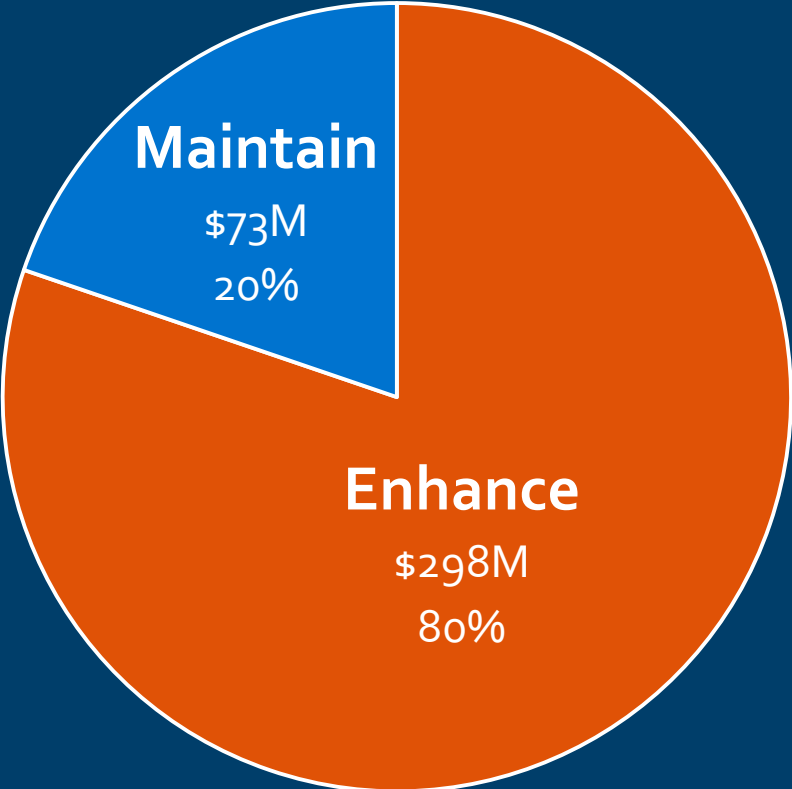
2025 Capital Program

	<i>\$ millions</i>	2025	2026	2027	2028	2029
P1	Airport	88.3	43.3	34.4	28.5	23.2
	Arts & Culture	1.9	0.9	1.1	0.3	0.2
	ES - Facilities	25.4	17.8	21.6	7.1	2.1
	Fire Safety	5.8	13.1	12.9	18.4	2.8
	ES - Fleet	4.0	5.4	5.2	5.4	5.5
	ES - Information Technology	1.9	1.4	1.4	1.2	1.2
	Parking	2.0	2.1	8.6	7.1	2.1
	Parks	49.8	53.5	69.1	40.4	27.1
	ES - Real Estate	2.1	2.8	4.1	2.1	1.8
	Solid Waste & Landfill	10.9	8.3	8.7	7.6	3.6
	Sport & Recreation	25.9	87.6	116.8	34.1	2.3
	Stormwater & Flood Protection	11.3	20.8	16.1	9.1	9.7
	Transit	2.9	3.7	5.5	1.8	3.0
	Transportation	80.9	94.2	63.0	103.0	78.8
	Wastewater Utility	38.8	26.2	17.2	20.7	20.4
	Water Utility	19.6	17.2	22.9	18.9	21.1
	Total Priority 1	371.5	398.3	408.5	305.6	204.9



Note: Totals may not add due to rounding

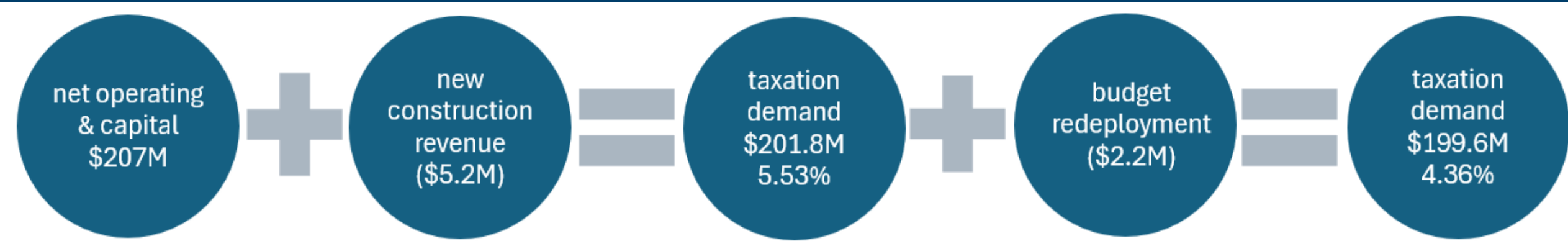
Capital Investment & Service Levels



Assessment & Taxation



Tax Demand Calculation



Net operating + capital	\$207.0M
New construction revenue	+(5.2)
2025 Taxation demand increase	<u>\$201.8M</u>
Budget redeployment	+(2.2)
2025 Net taxation demand	<u>\$199.6M</u>

→ **4.36%**

Net Property Owner Impact



Municipal



Public Safety
Levy



Est. net property
owner impact

$$3.36\% + 1.00\% = 4.36\%$$

Taxation Impact



Total net property owner impact 4.36%
Municipal Portion of taxes \$2,592

Public Safety Levy Impact
Municipal Impact

	% increase from prior year	\$ increase from prior year
Public Safety Levy Impact	1.00%	\$24.84
Municipal Impact	3.36%	\$83.46



City of
Kelowna
Questions?

For more information, visit kelowna.ca/budget.

