



City of Kelowna | British Columbia

**2026**

**FINANCIAL  
PLAN**

**Final Budget  
Volume 3**



# Report to Council



**Date:** April 20, 2026

**To:** Council

**From:** City Manager

**Subject:** 2026-2030 Financial Plan – Final Budget Volume

**Department:** Financial Services

## Recommendation:

THAT Council adopts the 2026-2030 Financial Plan.

AND THAT Council approves the formulation of 2026 Property Tax Rates that will raise the required funds in 2026, from General Taxation, in the amount of \$217,565,239 resulting in an average net property owner impact of 4.40 per cent.

AND THAT Bylaw No. 12890 being the Five-Year Financial Plan 2026-2030 be advanced for reading consideration.

AND THAT Bylaw No. 12891 being the Tax Structure Bylaw, 2026 be advanced for reading consideration.

AND THAT Bylaw No. 12892 being the Annual Tax Rates Bylaw, 2026 be advanced for reading consideration.

AND THAT Bylaw No. 12894 being the DCC Reserve Fund Expenditure Bylaw, 2026 be advanced for reading consideration.

AND THAT Bylaw No. 12895 being the Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2026 be advanced for reading consideration.

AND THAT Bylaw No. 12896 being the Density Bonusing for Public Amenities and Streetscape Reserve Fund Expenditure Bylaw, 2026 be advanced for reading consideration.

AND FURTHER THAT Bylaw No. 12897 being the Septic Removal Specified Area Reserve Fund Expenditure Bylaw, 2026 be advanced for reading consideration.

## Purpose:

To receive the 2026 Final Budget Volume submissions, the 2026-2030 Financial Plan, and the related bylaws for consideration and approval.

## Background:

Council approved the 2026 Financial Plan – Preliminary Volume on December 4, 2025 and the addition of the 2026 Financial Plan – Carryover Budget Volume on March 9, 2026. The 2026 Financial Plan - Final Budget Volume includes emergent, legislated or Council directed requests. The three volumes provide the 2026 portion of the 2026-2030 Five Year Financial Plan. Depending on the nature of the item being considered within Final Budget, the adjustments could cause the final tax demand to increase or decrease.

The City of Kelowna's strong financial management and clear budgeting practices continue to allow the delivery of essential services residents expect while maintaining, expanding, and building infrastructure that makes Kelowna a great place to live. The 2026 Final Budget as proposed, reflects a net municipal property tax increase of 4.40 per cent, which is an increase of 0.03 per cent from the Preliminary Budget tax requirement approved in December 2025.

A tax rate increase of 4.40 per cent means the owner of a residential property with an average assessed value of \$951,493 will pay \$2,707 which is an increase of \$115 from the prior year for the municipal portion of their property taxes.

**Considerations applicable to this report:**

***Legal/Statutory Authority:***

In Section 165 of the [Community Charter](#) regarding Financial Plans, adoption of a 5 Year Financial Plan bylaw is required prior to the annual property tax bylaw. Under the Annual Property Tax Bylaw Section 197 of the Community Charter, Council must establish tax rates by bylaw after adoption of the financial plan but before May 15th.

**Considerations not applicable to this report:**

Legal/Statutory Procedural Requirements  
Existing Policy  
Financial/Budgetary Considerations  
External Agency/Public Comments  
Communications Comments

**Submitted by:** M. Antunes, Financial Planning Manager

**Approved for inclusion:** J. Sass, General Manager, Corporate Services

**Attachment:**

Attachment A: 2026 Financial Plan – Final Budget Volume

Attachment B: 2026-2030 Five-Year Financial Plan

# FINANCIAL SUMMARIES

The 2026 Final Budget Volume includes requests that are emergent, required by legislation or have been directed by City Council. This volume is consolidated with the first two volumes, 2026 Preliminary Volume and the 2026 Carryover Volume, to create the 2026 Financial Plan and the 2026-2030 Five-Year Financial Plan.

The 2026 Financial Plan results in a Final Tax Demand of \$217.6M. This represents an increase of \$1.37M relative to the Council approved 2026 Preliminary Financial Plan, and an increase of \$1.3M of taxation revenue from new construction.

The impact to the average property owner is 4.40 per cent.

## FINAL BUDGET SUMMARIES

### Analysis of tax demand

The 2025 final tax demand was \$204.3M and had a 4.34 per cent net property owner impact. The final 2026 taxation demand has increased by 6.51 per cent over 2025 for a total gross tax demand increase of \$13.3M.

<i>\$ thousands</i>	2025	2026	Change	% change
Taxation demand	204,274	217,565	13,291	6.51%
New construction tax revenue	(4,760)	(4,300)	460	(9.66%)
Net property owner impact	4.34%	4.40%		0.06%
Municipal impact	3.34%	3.40%		0.06%
Public Safety Levy impact	1.00%	1.00%		0.00%

Note: Totals may not add due to rounding

The tax demand established at Preliminary Budget was \$216.2M. The estimated new construction revenue was \$3.0M, based on BC Assessment preliminary roll information, resulting in a 4.37 per cent net property owner impact. Final new construction revenues, based on the revised assessment roll, increased by \$1.3M to \$4.3M. The gross tax demand for Final Budget has increased to \$217.6M, resulting in a net property owner impact of 4.40 per cent.

<i>\$ thousands</i>	Preliminary	Final	Change	% change
2026 Taxation demand	216,197	217,565	1,368	0.63%
New construction tax revenue	(3,000)	(4,300)	(1,300)	43.33%
Net property owner impact	4.37%	4.40%		0.03%
Municipal impact	3.37%	3.40%		0.03%
Public Safety Levy impact	1.00%	1.00%		0.00%

Note: Totals may not add due to rounding

## Financial Plan summary

The City of Kelowna's total 2026 annual budget is \$1.10B when including all funds. The following table reports the actual results for the year ending 2024, the revised budget as of October 2025, and the proposed final budget for the 2026 Financial Plan year.

<i>\$ thousands</i>	Actual 2024	Revised 2025	Final 2026
<b>Revenue</b>			
Property tax	191,202	204,274	217,565
Parcel tax	4,563	4,368	4,036
Fees and charges	207,345	200,399	218,327
Grant	47,493	37,180	53,191
Other revenue	64,272	62,986	65,836
Borrowing	2,436	30,487	134,155
Transfer from reserve			
Special (Stat reserve) funds	94,670	123,415	164,845
Development cost charges	40,973	88,870	116,127
Accumulated surplus	191,827	157,305	130,045
<b>Total revenue</b>	844,780	909,284	1,104,127
<b>Expenditure</b>			
Salaries and wages	134,386	147,176	158,953
Material and other	119,164	122,320	135,506
Contract services	116,682	123,479	137,443
Debt service	11,538	11,070	9,936
Capital expenditure	263,390	420,154	543,813
Transfer to reserve			
Special (Stat reserve) funds	112,999	35,607	50,843
Development cost charges	—	—	—
Accumulated surplus	84,328	49,479	67,633
<b>Total expenditure</b>	842,487	909,284	1,104,127
<b>Total surplus (deficit)</b>	2,294	—	—
<i>Surplus breakdown</i>			
<i>General fund</i>	36		
<i>Utility fund</i>	2,258		

Note: Totals may not add due to rounding

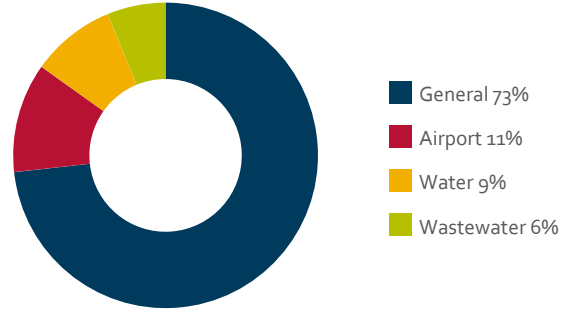
### Analysis of Revenues and Expenditures by fund

#### Revenue by fund

The total revenue budget is \$1.10B with \$560.3M from operating sources and \$543.8M from capital sources. The table below presents the dollar value of the revenue budget for each of the City’s four funds. The proposed Financial Plan year is separated by operating and capital revenue, and includes the prior year’s carryover amounts. The graph illustrates the 2026 revenues for each fund, visually depicting the comparison between each one.

\$ thousands	Actual 2024	Revised 2025	Final 2026	
			Operating	Capital
General	647,724	625,639	418,329	393,427
Airport	119,187	168,366	78,052	48,801
Wastewater	46,542	63,115	30,155	37,550
Water	31,328	52,164	33,777	64,035
Subtotal			560,314	543,813
<b>Total</b>	<b>844,780</b>	<b>909,284</b>	<b>1,104,127</b>	

Note: Totals may not add due to rounding



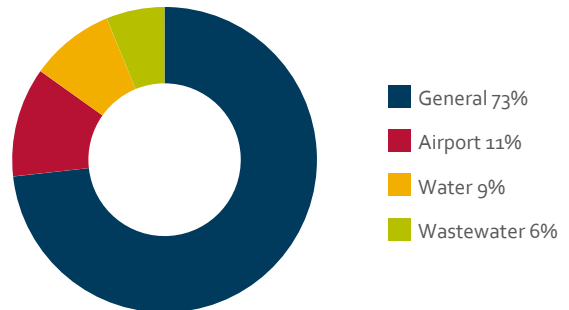
Total \$1.10B

#### Expenditures by fund

The total expenditure budget requirement is \$1.10B with \$560.3M for operating needs and \$543.8M for the 2026 capital program. The table below summarizes the total operating and capital expenditures by fund. The proposed Financial Plan year separates operating and capital expenditures, and includes the prior year’s carryover amounts. The graph presents the allocation of the total 2026 expenditures between each fund.

\$ thousands	Actual 2024	Revised 2025	Final 2026	
			Operating	Capital
General	647,688	625,639	418,329	393,427
Airport	119,187	168,366	78,052	48,801
Wastewater	44,818	63,115	30,155	37,550
Water	30,794	52,164	33,777	64,035
Subtotal			560,314	543,813
<b>Total</b>	<b>842,487</b>	<b>909,284</b>	<b>1,104,127</b>	

Note: Totals may not add due to rounding



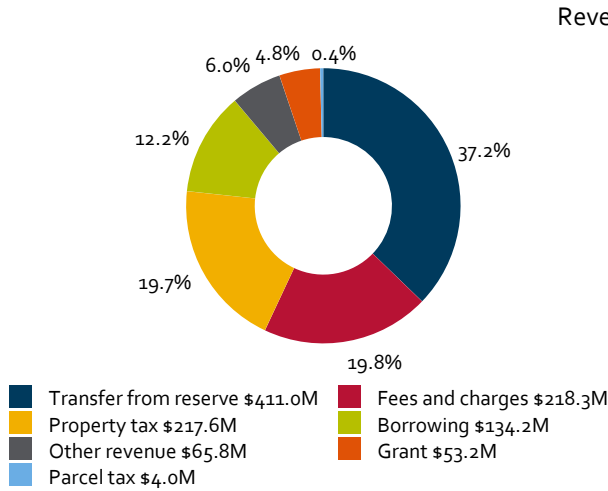
Total \$1.10B



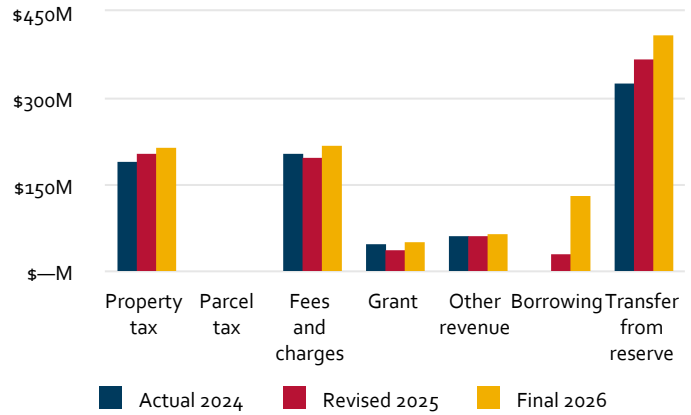
## Analysis of Revenues and Expenditures by type

### Revenue by type

The graphs below present the same operating and capital revenue information as above at the revenue source detail level.



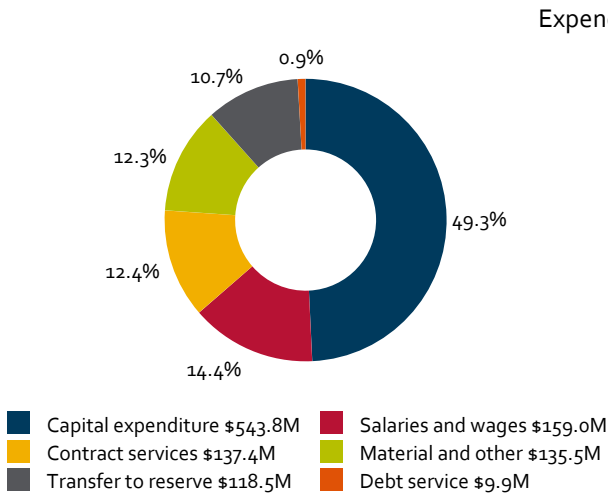
Revenue by type



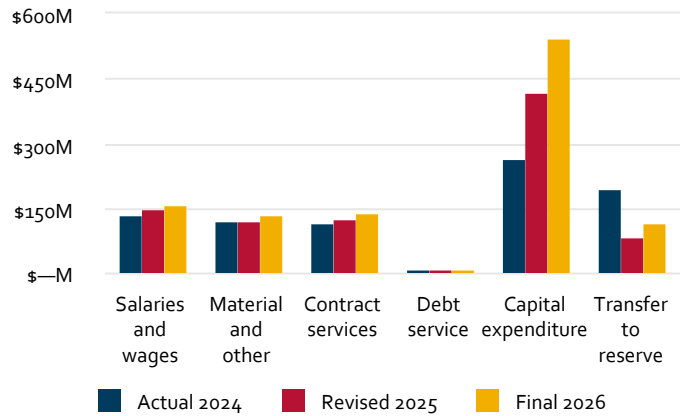
Note: Totals may not add due to rounding

### Expenditures by type

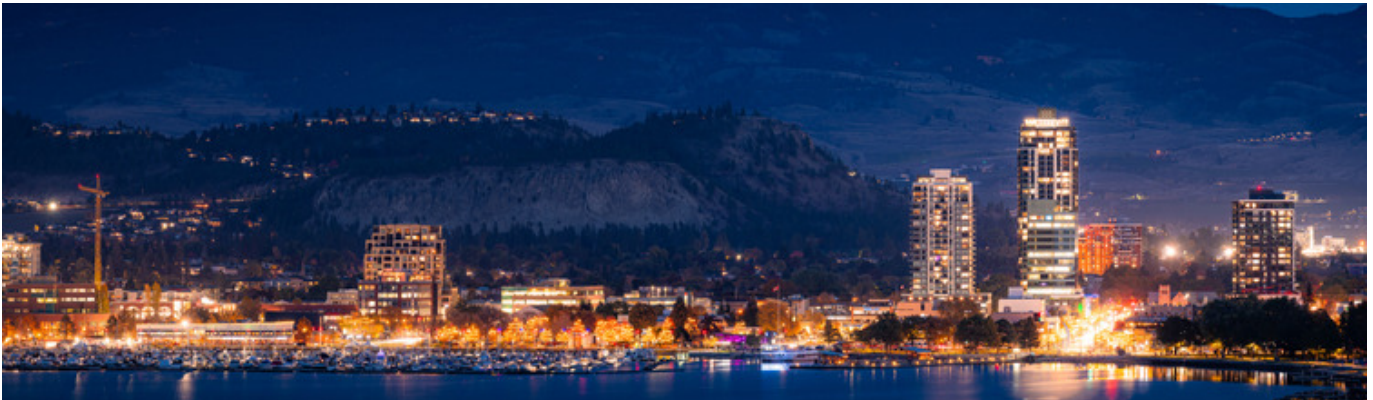
The graphs below present the same total operating and capital information as above at the expenditure type level.



Expenditure by type



Note: Totals may not add due to rounding



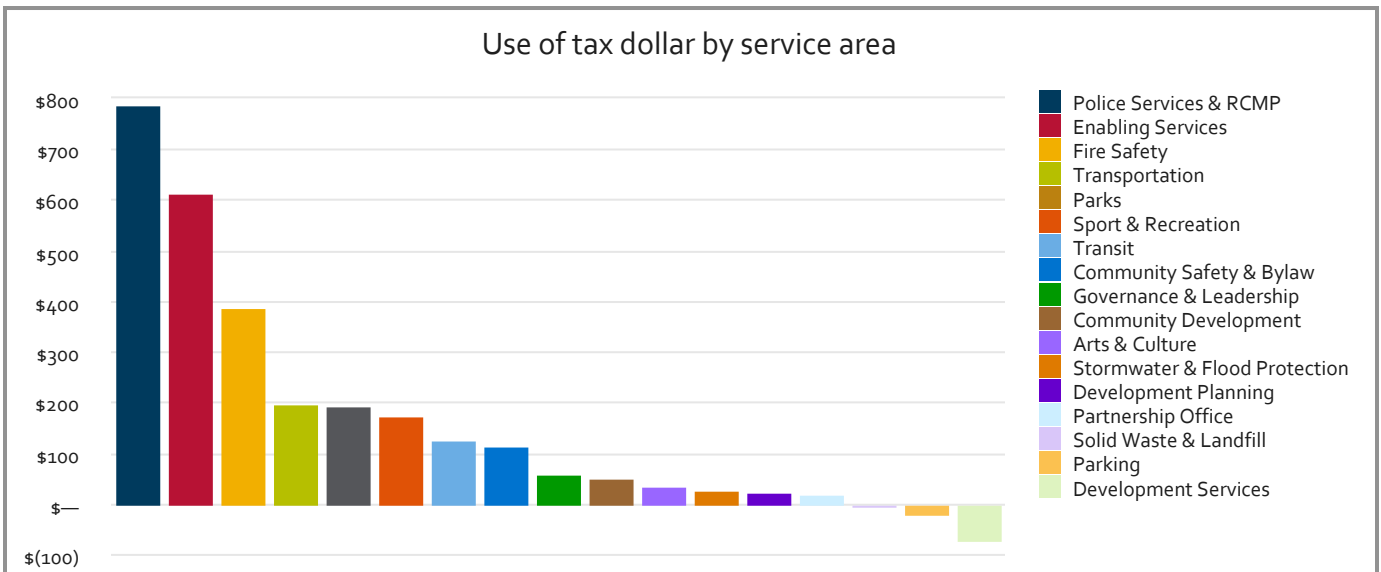
### Use of tax dollar by service area

The table below highlights the cost by service area and the resulting total municipal taxes for the average residential property in Kelowna for 2026. Note the municipal portion of taxes does not include amounts collected on behalf of other taxing authorities or applicable business improvement areas such as: Regional District of Central Okanagan, BC Assessment, Okanagan Regional Library, Minister of Finance – School Tax, Downtown Kelowna Business Improvement Area or Uptown Rutland Business Improvement Area. The average assessed value of a residential property is \$951,493 in 2026, as obtained from BC Assessment. The service area with the highest cost is Police Services & RCMP, at 29.2 per cent, followed by the Enabling Services at 22.7 per cent and Fire Safety at 14.3 per cent. In this breakdown, the cost of Enabling Services is shown separately with no allocation to the other service areas that it supports.

Service Area	\$ Cost	2026 %
Arts & Culture	36.07	1.3%
Community Development	51.22	1.9%
Community Safety & Bylaw	113.56	4.2%
Development Planning	21.76	0.8%
Development Services	(71.17)	(2.6%)
Enabling Services	613.51	22.7%
Fire Safety	388.10	14.3%
Governance & Leadership	56.79	2.1%
Parking	(20.53)	(0.8%)
Parks	193.84	7.2%
Partnership Office	17.13	0.6%
Police Services & RCMP	789.80	29.2%
Solid Waste & Landfill	(6.22)	(0.2%)
Sport & Recreation	172.55	6.4%
Stormwater & Flood Protection	26.70	1.0%
Transit	124.82	4.6%
Transportation	198.84	7.3%
<b>Total</b>	<b>2,706.78</b>	<b>100.0%</b>

Based on the 2026 average residential property assessed property value of \$951,493

Note: Totals may not add due to rounding. The net operating budget of Enabling Services has not been allocated to each community service area in the above presentation, or the chart below.



### Ongoing budget impacts

Below is a projection of the next five years net property owner impacts using the best information available at the time of preparation for the Final Budget volume. As with any planning exercise, the level of certainty and detail is most appropriately found in the current year. For the years after 2026, budgets have been adjusted for current one-time projects, changes in operating budgets from previously approved requests, new capital projects included in the Council endorsed [10-Year Capital Plan](#), 2026-2035 (10YCP), growth and/or inflationary rates, and other key assumptions. Although this forward looking information is based on what is believed to be reasonable assumptions, there can be no assurance that this information will prove to be accurate as actual results and future events could differ materially from the anticipated information contained in this forecast.

Specific assumptions in the preparation of the years 2027-2030 included in the forecasted increases below:

- An inflation rate of 3 per cent for most of the operating costs and for some revenues. The Bank of Canada has a inflation-control target range of 1-3 per cent.
- A growth rate of 1.47 per cent per year per the Official Community Plan was used for various revenues and expenditures and for incremental taxation revenue. Growth rates for the utilities are based on servicing expectations over the next five years which may include existing residential or commercial units.
- MFA amortization schedules and estimated rates are used as a basis for projected principal and interest where applicable.
- Approval to borrow for all priority one capital projects funded through debt as presented in the Council endorsed 10-Year Capital Plan, 2026-2035.
- There is no change in current service levels except as provided for in the capital program.
- Reserve funding is used for one-time operating and capital programs to reduce the requirement for increased taxation.

Additional details on all assumptions are provided in the Five-Year Financial Plan (2026-2030).

<i>\$ thousands</i>	2026	2027	2028	2029	2030
Taxation demand	217,565	233,700	250,785	268,760	287,729
New construction tax revenue	(4,300)	(3,198)	(3,435)	(3,687)	(3,467)
<b>Net property owner impact</b>	<b>4.40 %</b>	<b>5.95 %</b>	<b>5.84 %</b>	<b>5.70 %</b>	<b>5.77 %</b>
Municipal Impact	3.40 %	4.95 %	4.84 %	4.70 %	4.77 %
Public Safety Levy Impact	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %

Note: Totals may not add due to rounding

For the City’s Five-Year forecast for all funds revenues and expenditures for 2026-2030 and detailed service area information see the Five-Year Financial Plan section of the 2026 Financial Plan.



## SUMMARY OF REQUESTS

### Final Budget - Priority 1

(\$ thousands)	2026	2027	2028	2029	2030	Operating/ Capital
<b>Community Safety &amp; Bylaw</b>						
Outdoor Sheltering Site Improvements	80	—	—	—	—	Operating
<b>Community Safety &amp; Bylaw Requests Total</b>	<b>80</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Police Services &amp; RCMP</b>						
RCMP Regular Member - Community Business Liaison	68	254	254	254	254	Operating
<b>Police Services &amp; RCMP Requests Total</b>	<b>68</b>	<b>254</b>	<b>254</b>	<b>254</b>	<b>254</b>	
<b>Sport &amp; Recreation</b>						
2026 Outdoor Events	1,050	—	—	—	—	Operating
<b>Sport &amp; Recreation Requests Total</b>	<b>1,050</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Parking</b>						
Parking Management in Transit Oriented Areas	206	89	89	89	89	Operating
<b>Parking Requests Total</b>	<b>206</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	
<b>Enabling Services</b>						
New Construction Revenue Contribution to Reserve	—	—	—	—	—	Operating
Transmission of Taxes - BIAs and Other Governments	169,927	—	—	—	—	Operating
<b>Enabling Services Requests Total</b>	<b>169,927</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Requests Total</b>	<b>171,332</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	

Note: Totals may not add due to rounding

## 2026 Final Request Details

<b>Service Area:</b>	<b>Community Safety &amp; Bylaw</b>	<b>Priority 1</b>	<b>Enhance OPERATING ONE-TIME FINAL</b>
<b>Title:</b>	<b>Outdoor Sheltering Site Improvements</b>		

**Justification:**

Funding is requested to adjust the site layout at the current designated overnight sheltering site. These changes will allow the Rail Trail to safely reopen to the public while maintaining the current operational model, with minimal disruption. Funding is for fencing, a water distribution point and related site works to relocate the designated overnight site and reposition the temporary site with a reduced footprint and enhanced fencing.

<b>Strategic Direction:</b>	Homelessness -Fewer people living on streets with mental health and/or addictions							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	80,000	(80,000)	—	—	—	—	—	—
2027	—	—	—	—	—	—	—	—
2028	—	—	—	—	—	—	—	—

<b>Service Area:</b>	<b>Police Services &amp; RCMP</b>	<b>Priority 1</b>	<b>Enhance OPERATING ON-GOING FINAL</b>
<b>Title:</b>	<b>RCMP Regular Member - Community Business Liaison</b>		

**Justification:**

RCMP allocated one Regular Member (RM) in 2025 to serve as a Community/Business Liaison for Rutland. Building on this success, and responsive to similar needs downtown/midtown, budget for one RM is requested to immediately establish a permanent, dedicated Community/Business Liaison for downtown/midtown. The additional RCMP resource will improve linkages and partnerships between police and the business communities, particularly to drive targeted crime prevention strategies and improve public safety outcomes, including sense of safety, in these areas.

<b>Strategic Direction:</b>	Crime & Safety -Decrease business break & enters, thefts							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	68,400	—	—	—	—	—	—	(68,400)
2027	253,500	—	—	—	—	—	—	(253,500)
2028	253,500	—	—	—	—	—	—	(253,500)

## 2026 Final Request Details

<b>Service Area:</b> Sport & Recreation	<b>Priority 1</b>	<b>Enhance OPERATING ONE-TIME FINAL</b>
<b>Title:</b> 2026 Outdoor Events		

**Justification:**

Budget is requested to support Kelowna's major events in 2026, including Touchdown Kelowna Festival, Skate Canada International, FIFA Watch Parties, and Canadian Elite Basketball League Game/Hoopfest. These events drive economic growth by attracting visitors, supporting local businesses, and enhancing Kelowna's tourism reputation. They promote community engagement, community identity, and civic pride. The budget request covers event related expenses and revenue sources such as grants, ticket sales, and sponsorships.

<b>Strategic Direction:</b>	Economy -Priority sectors for economic diversification are supported							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	1,050,000	—	—	—	(242,000)	(808,000)	—	—
2027	—	—	—	—	—	—	—	—
2028	—	—	—	—	—	—	—	—

<b>Service Area:</b> Parking	<b>Priority 1</b>	<b>Enhance OPERATING ON-GOING FINAL</b>
<b>Title:</b> Parking Management in Transit Oriented Areas		

**Justification:**

Budget is requested to implement Council's resolution from February 2, 2026 to introduce on street parking management across all block faces within provincially mandated Transit Oriented Areas (TOAs). Funding includes 0.5 FTE casual Administrative Clerk and 0.5 FTE casual Traffic Officer positions, the purchase of a fully electric vehicle equipped with automated licence plate recognition (ALPR), and the supply and installation of additional parking signage.

<b>Strategic Direction:</b>	Transportation -More trips by alternative transportation modes							
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	206,250	(206,250)	—	—	—	—	—	—
2027	88,500	(88,500)	—	—	—	—	—	—
2028	88,500	(88,500)	—	—	—	—	—	—

## 2026 Final Request Details

<b>Service Area:</b>	<b>Enabling Services</b>	<b>Priority 1</b>	<b>Maintain OPERATING ONE-TIME FINAL</b>
<b>Title:</b>	<b>New Construction Revenue Contribution to Reserve</b>		

**Justification:**

Recent updates from BC Assessment have resulted in a \$1.3 million increase in new construction revenue for 2026, creating an opportunity to replenish capital reserves. Since 2022, the City has rapidly increased investment in roads, parks, utilities, and facilities, with momentum continuing under the 2026-2035 Capital Plan. The funding strategy for this plan relies heavily on reserve funds. Allocating this additional revenue to capital reserves helps to enable this continued infrastructure delivery while securing the City's ability to maximize public funds and maintain a resilient community for years to come.

<b>Strategic Direction:</b>		Other -Supports Base Business						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	—	1,300,000	—	—	—	—	—	(1,300,000)
2027	—	—	—	—	—	—	—	—
2028	—	—	—	—	—	—	—	—

<b>Service Area:</b>	<b>Enabling Services</b>	<b>Priority 1</b>	<b>Maintain OPERATING ONE-TIME FINAL</b>
<b>Title:</b>	<b>Transmission of Taxes - BIAs and Other Governments</b>		

**Justification:**

To establish the receipt and disbursement of taxes to Business Improvement Areas (BIA) and other governments: Regional District of Central Okanagan (RDCO) (\$18,756,900); SIR Mosquito Control (\$218,800); RDCO SIR Land Levy (\$915,500); RDCO SIR Parcel Tax (\$289,200); BC Assessment Authority (\$3,488,500); School Tax (\$121,267,400); Additional School Tax (\$5,611,900); Kelowna Downtown BIA (\$1,390,000); Uptown Rutland BIA (\$257,600); Regional Hospital (\$17,233,700); and Okanagan Regional Library (\$8,915,500; increase of \$497,800 from Preliminary). The total amount to be collected for all other taxing authorities is \$178,345,000.

<b>Strategic Direction:</b>		Other -Supports Base Business						
Year	Cost	Reserve	DCC Reserve	Borrow	Grant	Other Revenue	Utility	Taxation
2026	169,927,300	—	—	—	—	(169,927,300)	—	—
2027	—	—	—	—	—	—	—	—
2028	—	—	—	—	—	—	—	—