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GROWTH



NEW

# 2018 Financial Plan overview

Dec. 11, 2017  
Council Chambers



#KelownaBudget

# Agenda

- ▶ Provisional budget process
- ▶ Taxation impact
- ▶ General fund
  - ▶ Operating & capital
- ▶ Municipal funds
  - ▶ Water, Wastewater, Natural Gas, Airport
- ▶ Reserves & debt
- ▶ Assessment & tax

# 2018 Provisional Budget process

Budget letter & guidelines	June 12
Division work plans complete	Aug. 25
Council outlook	Sept. 7
Deadline for budget to Finance	Sept. 8
Performance measures, accomplishments	Sept. 29
2018 drivers & activities	Sept. 29
City Manager's review	Oct. 17/18
Council overview FP	Dec. 11
Council review budget	Dec. 14

# Analysis of tax demand

*\$ in millions*

**2017** **2018**

Operating \$127.0 134.1

General revenues -12.1 -11.8

Taxation capital 12.2 12.2

\$127.1 134.5

New construction revenue -2.60 -2.85

Fire Department 1.59

Other 2.00

**Net property owner impact 3.84% 3.59%**

# 2018 base budget changes

2017 budget impacts:

Annualized

\$ 860,640

One-time

(669,540)

Department changes

37,837

Other adjustments

255,025

**Base changes**

**\$ 483,962**

# 2018 operating budget

General revenue	\$ 341,000
Expenditure reductions	(134,370)
P1 operating requests	7,018,205
<b>Operating changes</b>	<b>\$7,224,835</b>

# 2018 taxation capital

Pay-as-you-go tax capital

\$12,204,940

Increase from 2017

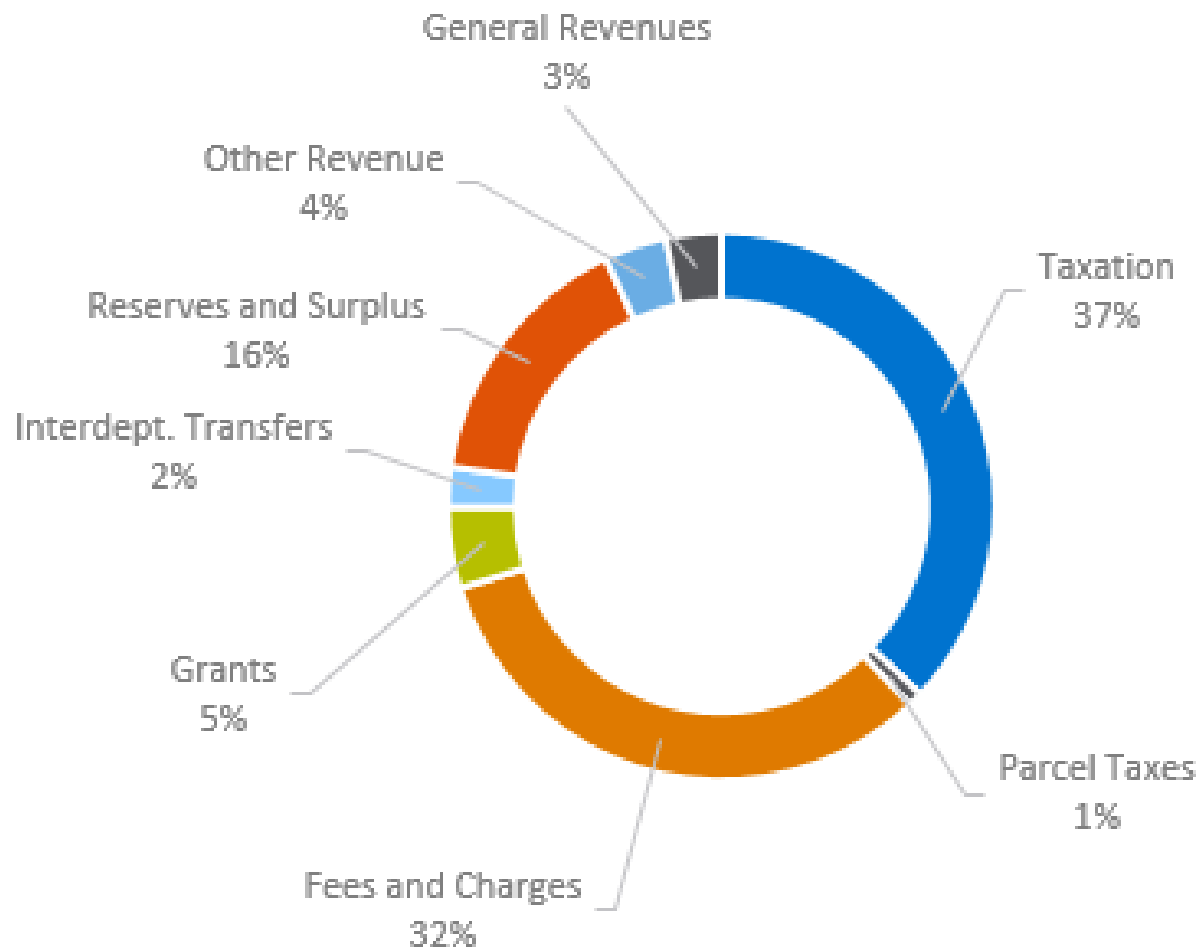
44,940

# 2018 budget summary

2017 decisions	\$ 0.5 M
2018 operating budget	<u>6.9 M</u>
Operating change	7.4 M
2018 tax capital	0.04 M
New construction revenue	<u>(2.85)M</u>
New taxation demand	\$4.6 M
Fire Department	1.59%
Other	2.00%
<b>Net property owner impact</b>	<b>3.59%</b>



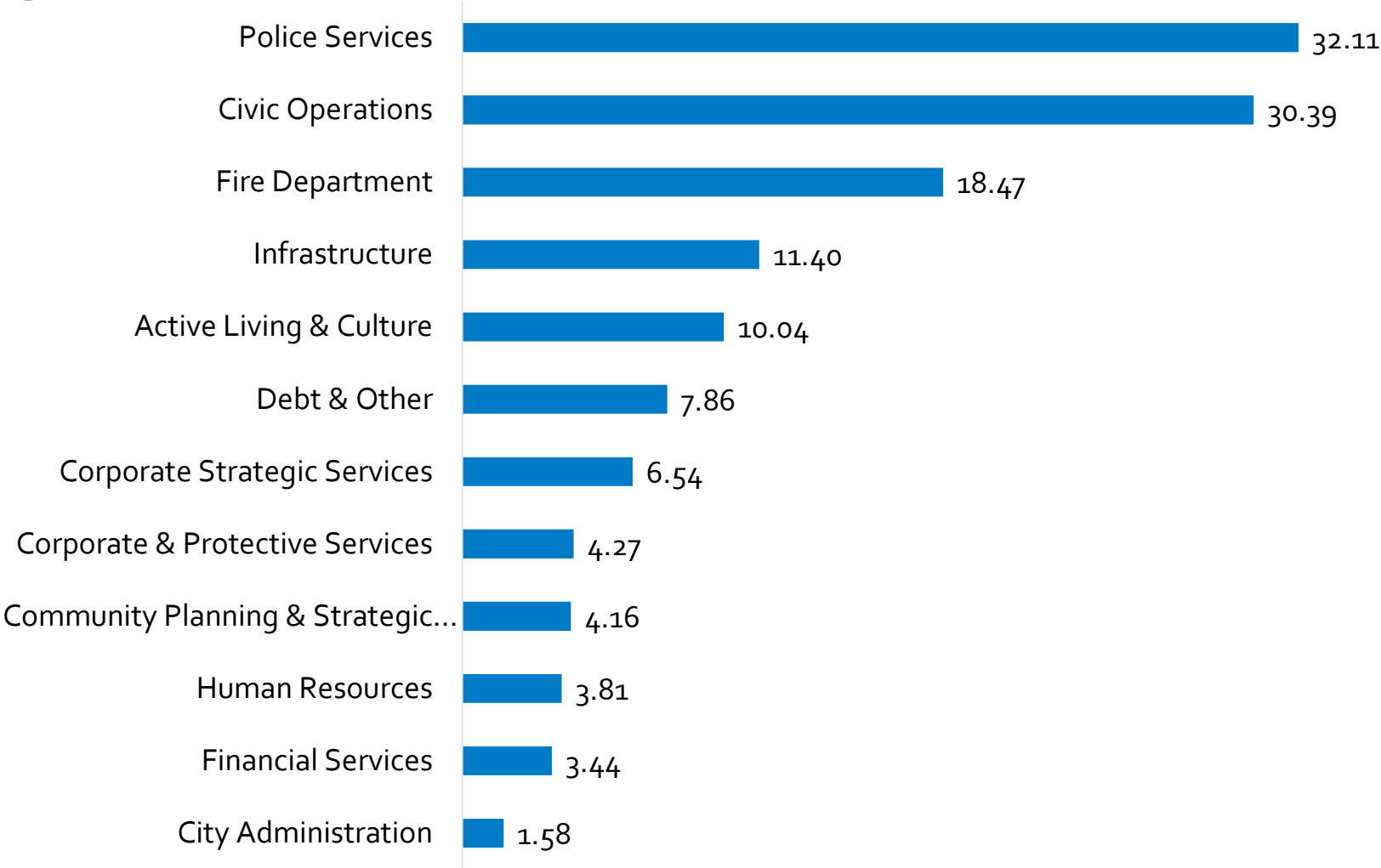
# Total revenue \$362.5M



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# Operating (general fund)

\$134.1M



# 2017 capital summary

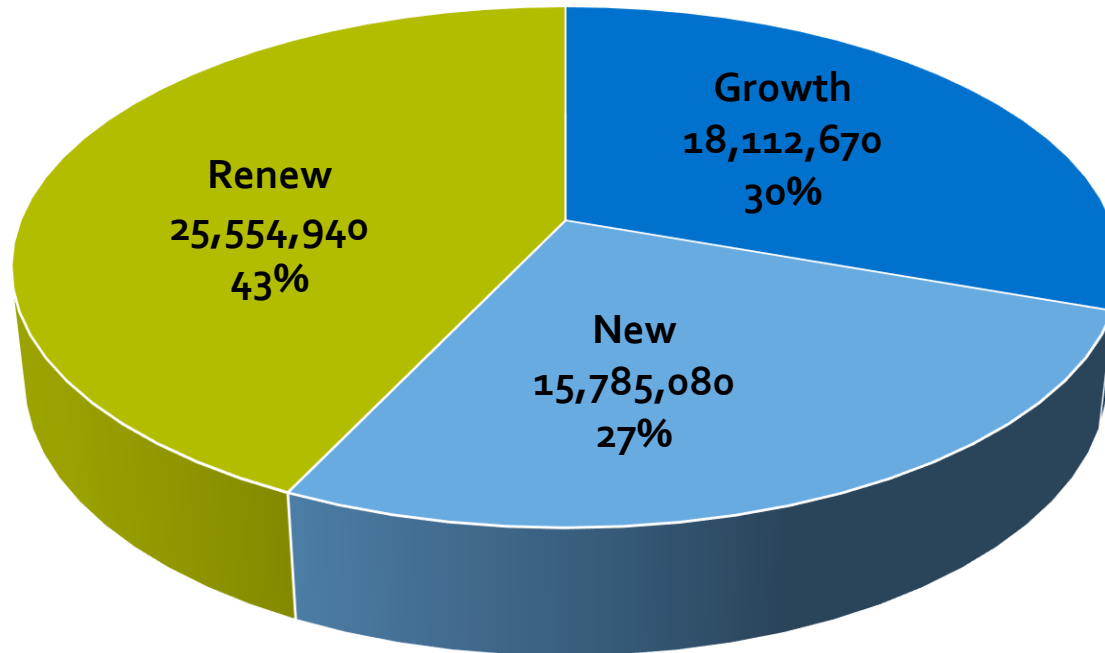
# 2018 Capital Process

- |  |                |
|--|----------------|
| • Call Letter  | May 5          |
| • 10-Year Capital Plan sets 1st draft of 2018 Capital Plan | June 12        |
| • Managers Add/Edit Projects up to deadline                | June 19        |
| • Divisional Meeting #1                                    | June 21        |
| • MBL Analysis & Prioritization                            | July 10-14     |
| • Divisional Meeting #2                                    | July 19        |
| • Project Cost Estimating                                  | July 28–Aug 25 |
| • Complete Work Plan Entries                               | Aug 25         |
| • Submit to Finance  | Sep 8          |
| • City Manager Review                                      | Oct 17-18      |
| • Council Review   | Dec 14         |

# Capital Budget Comparison

Measures	2015	2016	2017	2018
Total Projects (P1)	117	106	103	105
Capital Budget	\$92M	\$45M	\$64M	\$59.5M
Total Taxation	\$12.7M	\$12.0M	\$12.2M	\$12.2M
Grants	\$8.4M	\$3.3M	\$1M	\$100k
Big Projects	John Hindle, Lakeshore Rd, Heritage, Airport Expansion	Roads Resurfacing, Ethel Street AT, Land Purchases, Asset Renewal	Parks, Street Lights Asset Renewal	Parks, Roads Resurfacing, Information Services, Asset Renewal

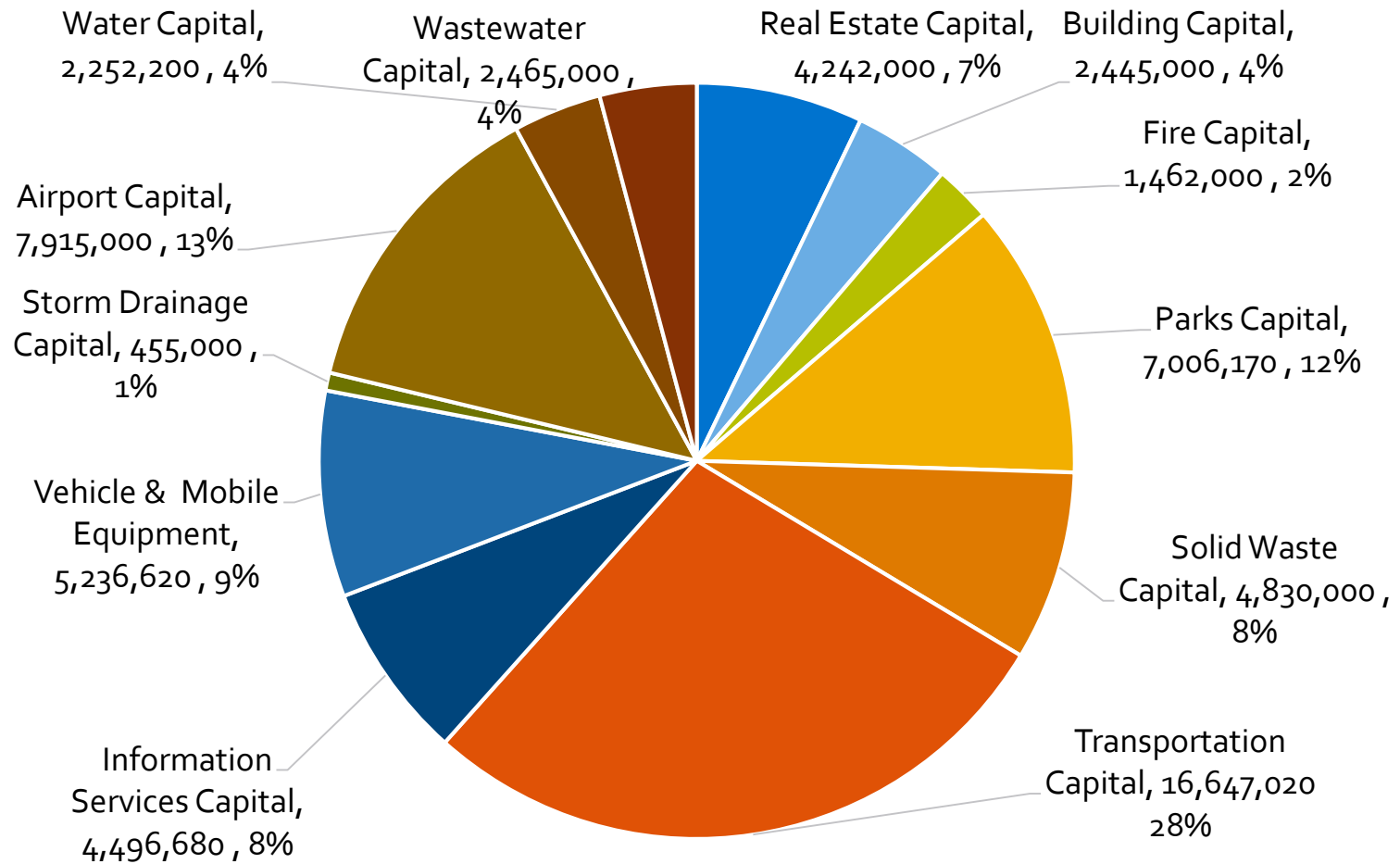
# Infrastructure Value by Category



**P1 REQUESTS = \$59.4 M**

- *New Capital* - infrastructure required to support enhanced service levels,
- *Growth Capital* - infrastructure required to accommodate growth,
- *Renewal Capital* - infrastructure that replaces or renews existing assets.

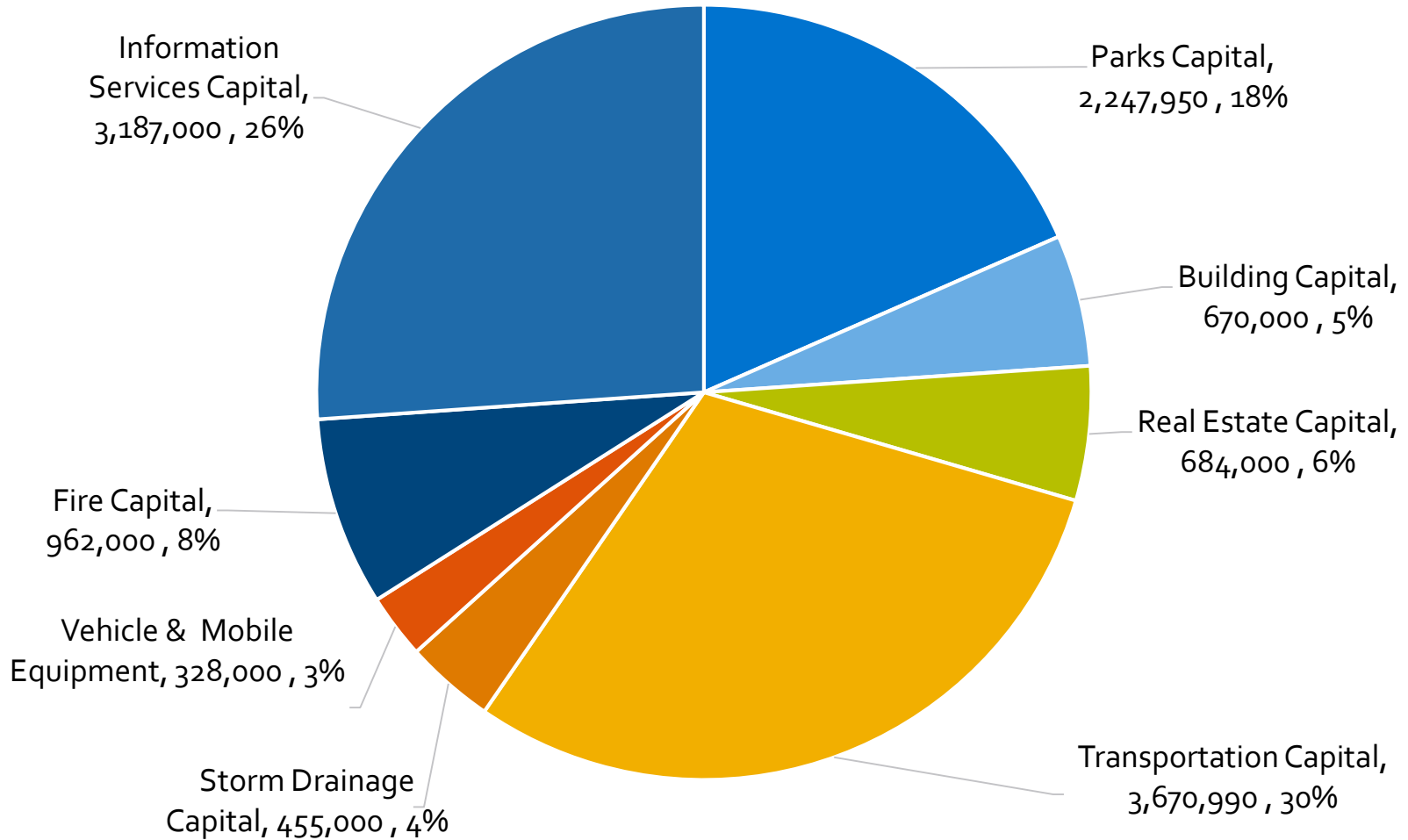
# 2018 Capital Requests



**P1 REQUESTS = \$59.4 M**

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# 2018 Taxation

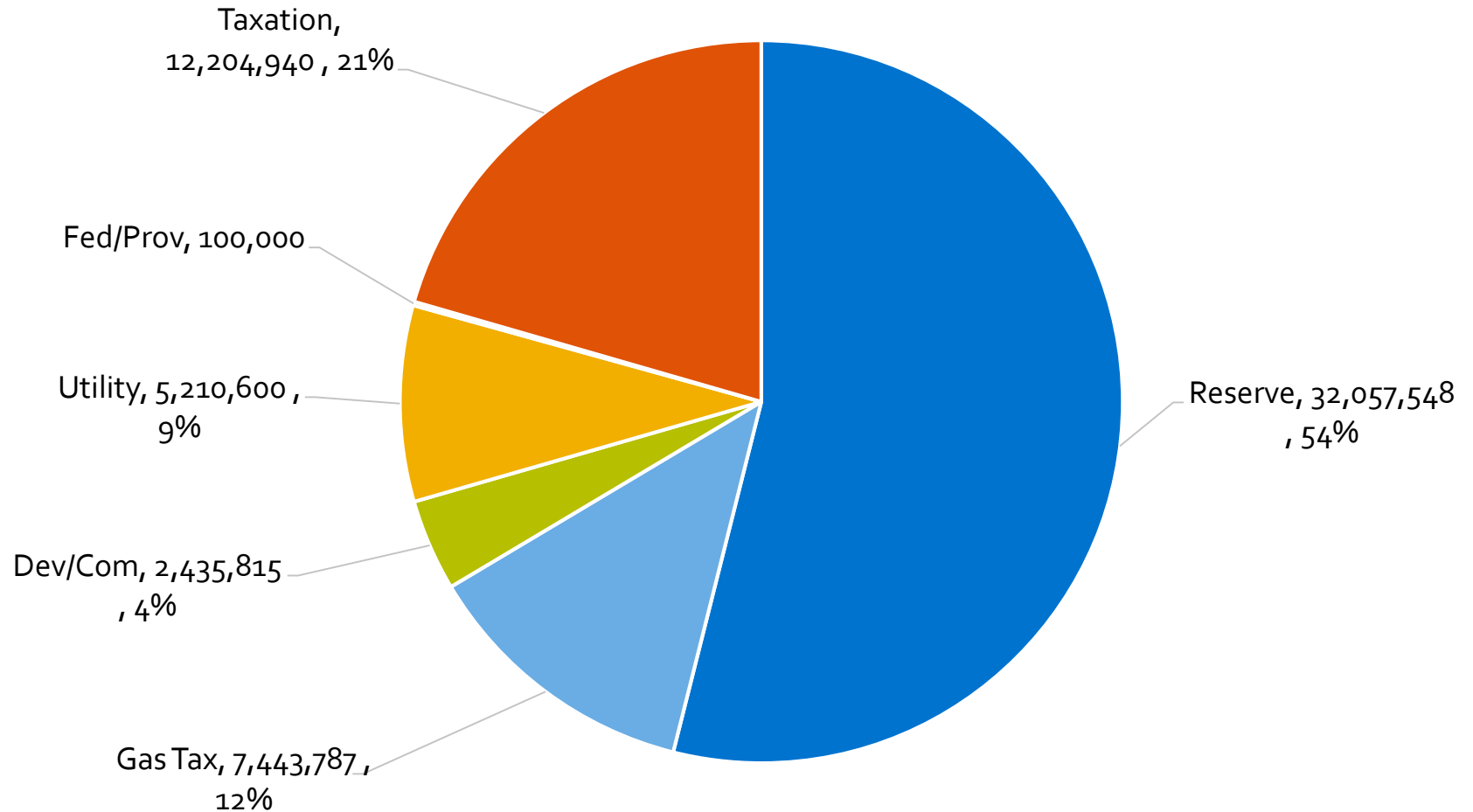


**P<sub>1</sub> TAXATION = \$12.2 M**

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# 2018 Capital Funding Sources



**P1 FUNDING = \$59.4 M**

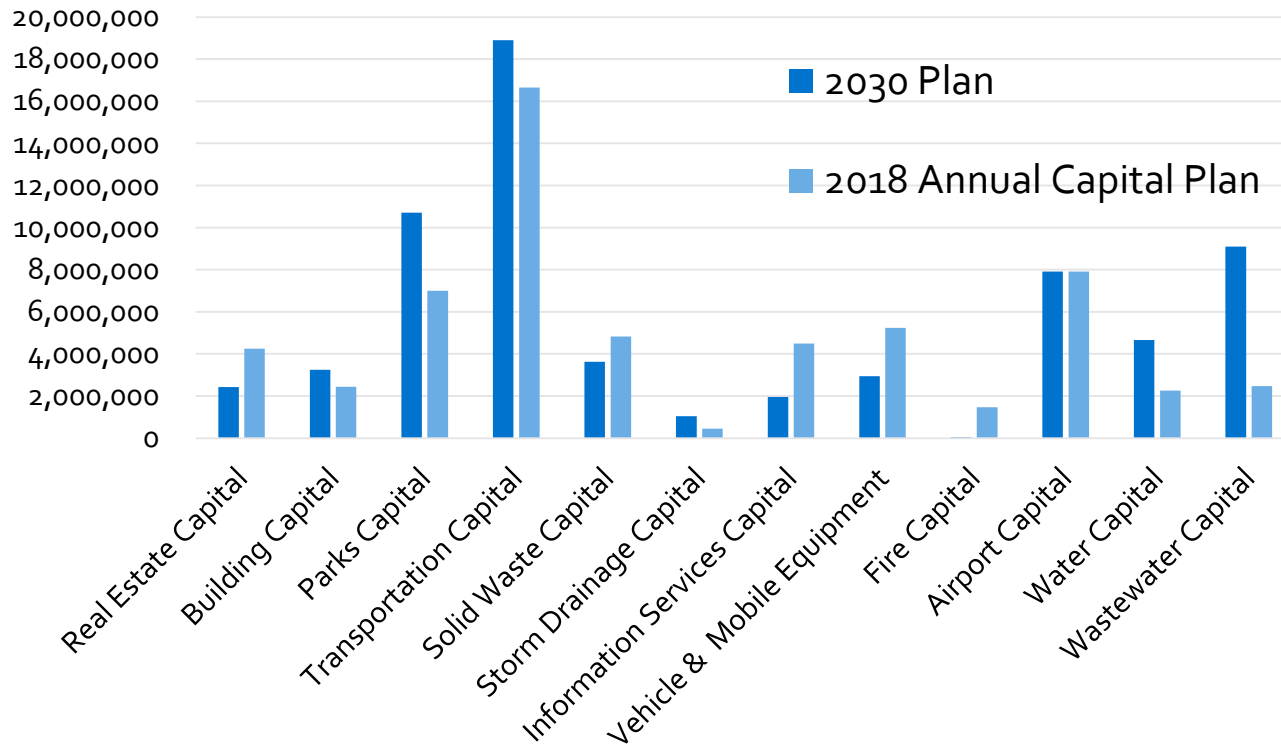
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# Infrastructure Investment

2018 Annual Capital plan

vs.

2030 Infrastructure Plan



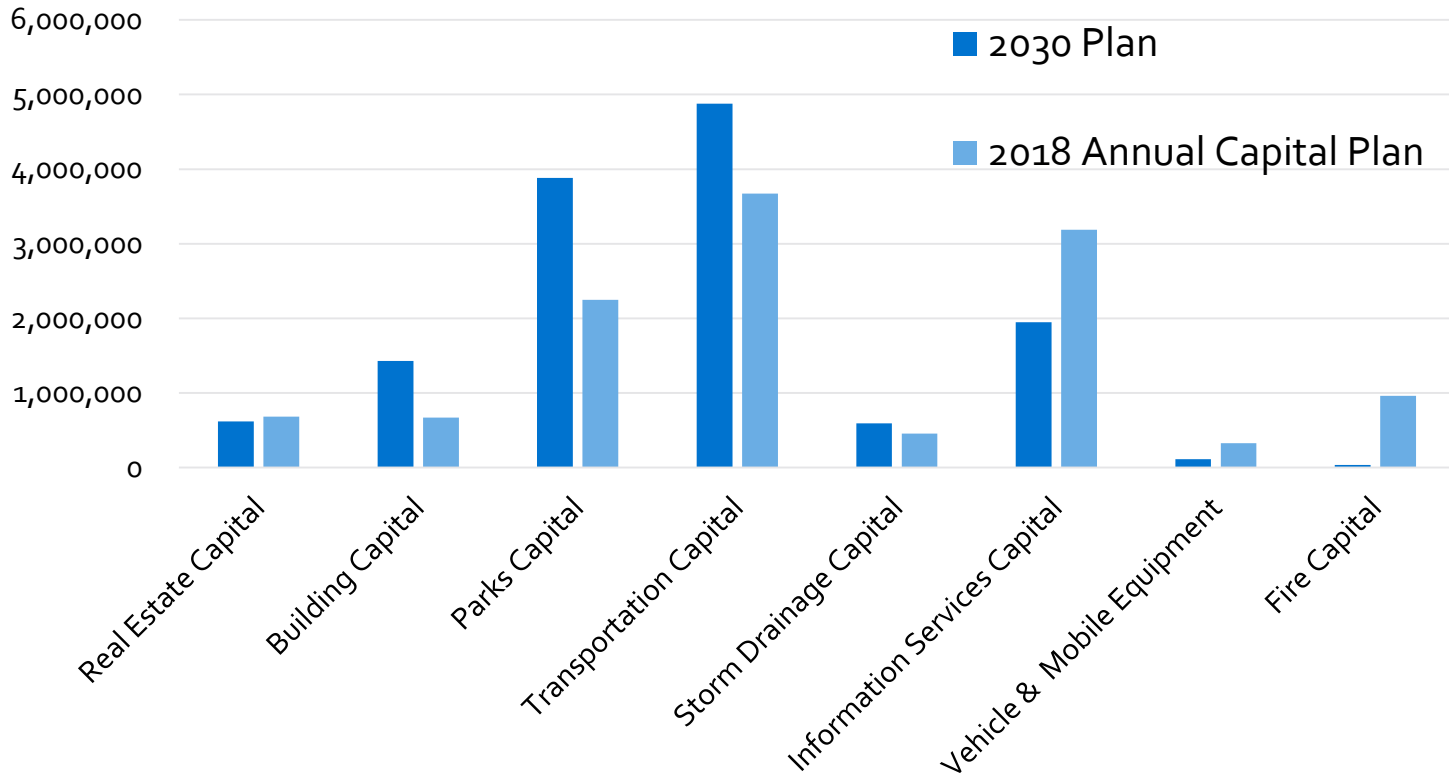
P1 REQUESTS = \$59.4 million

# 2018 Taxation

## 2018 Annual Capital Plan

VS.

## 2030 Infrastructure Plan



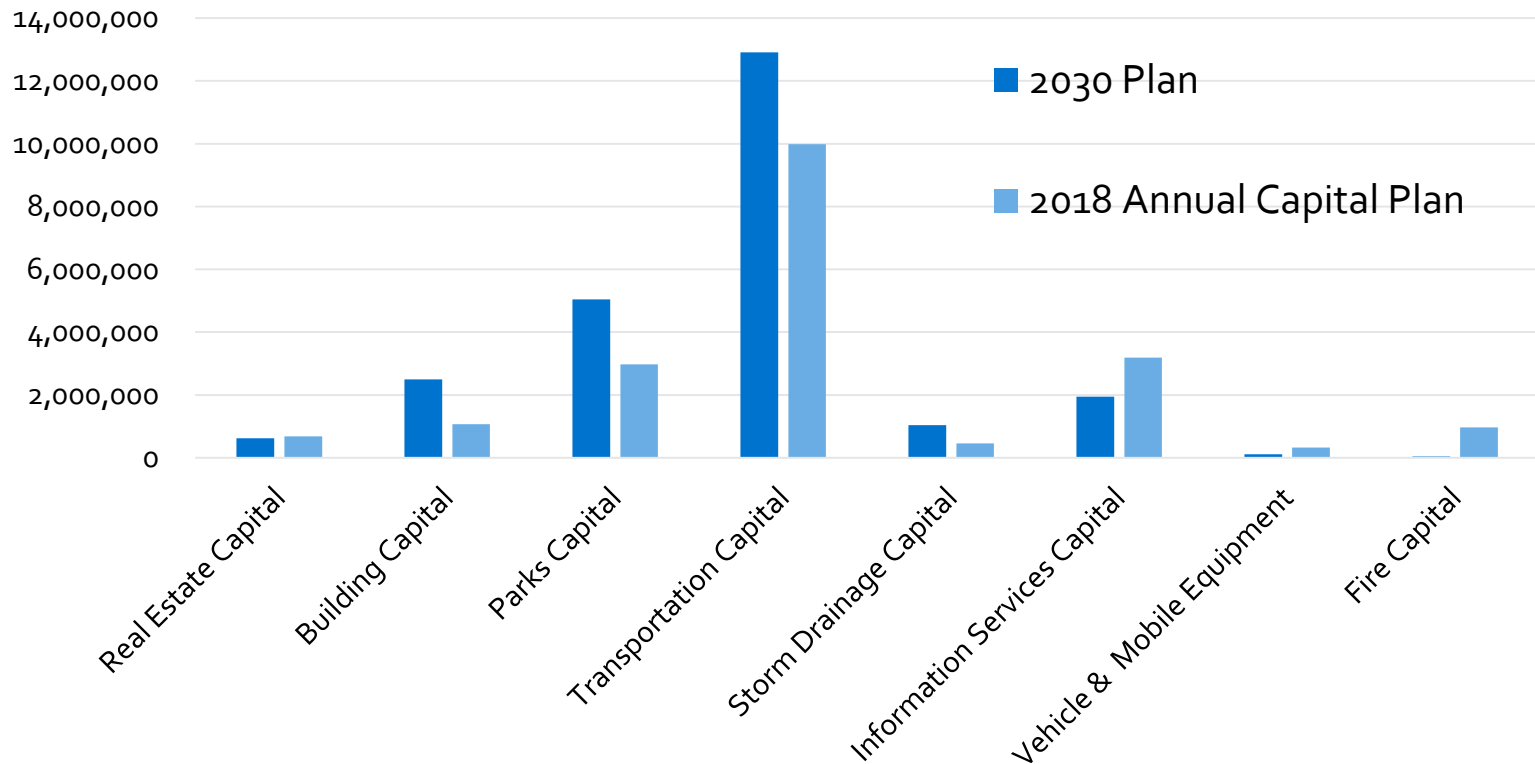
**P1 REQUESTS = \$12.2 million**

# Taxation and Gas Tax Funding

## 2018 Annual Capital Plan

VS.

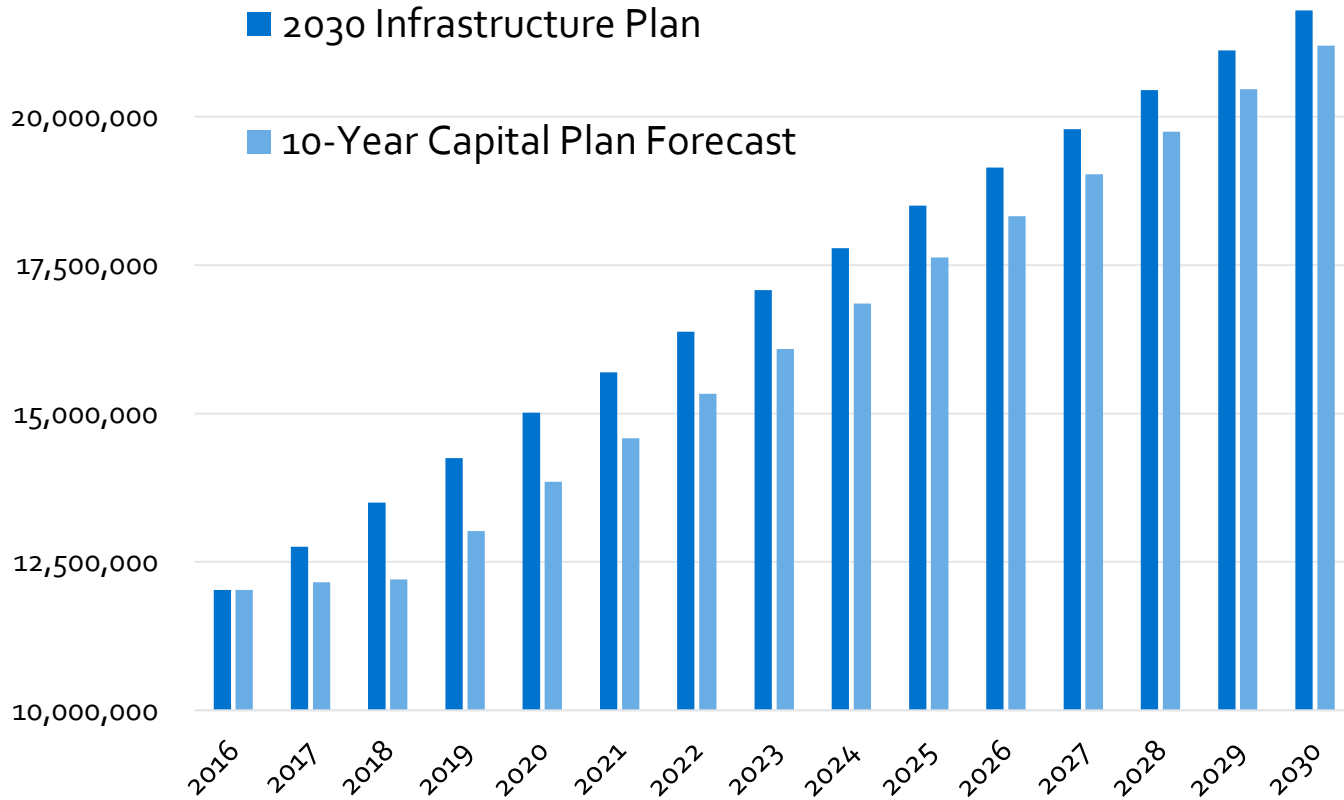
## 2030 Infrastructure Plan



**P1 REQUESTS = \$19.6 million**

# Taxation Comparison

## Annual Capital plan vs. 2030 Infrastructure Plan



# Other municipal funds

- ▶ Water utility
- ▶ Wastewater utility
- ▶ Natural Gas fund
- ▶ Kelowna International Airport

# Water utility

Revenue

\$13.9 M

Operating Cost

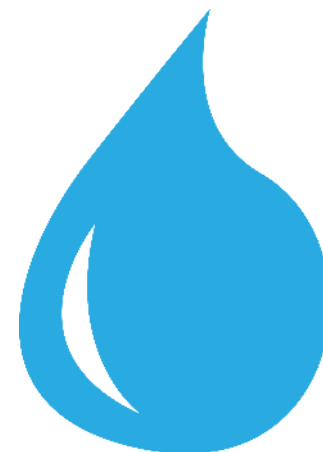
\$9.9 M

Capital Program

\$2.0 M

Planned Surplus

\$1.9 M



# Wastewater utility

Revenue

\$24.5 M

Operating Cost

\$19.3 M

Capital Program

\$2.4 M

Planned Surplus

\$2.8 M





# Natural Gas

Revenue

\$4.0 M

Operating Cost

\$4.0 M

Capital Program

\$0.0 M

Deficit

(\$16k)

# Airport

Revenue

\$40.4 M

Operating Cost

\$19.8 M

Capital Program

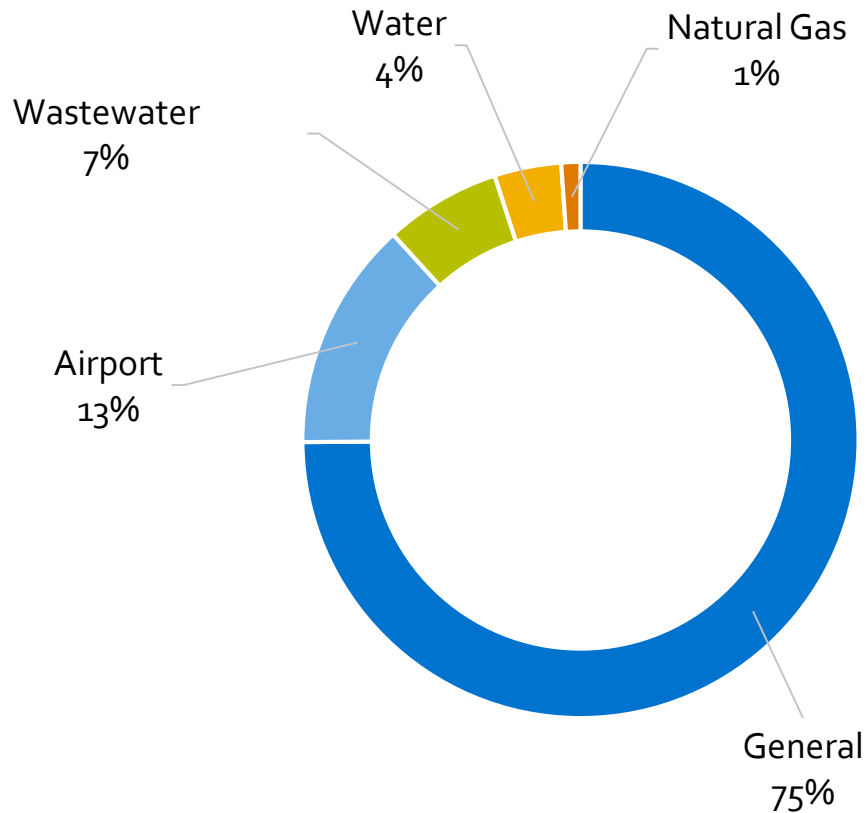
\$7.9 M

Planned Surplus

\$12.7 M



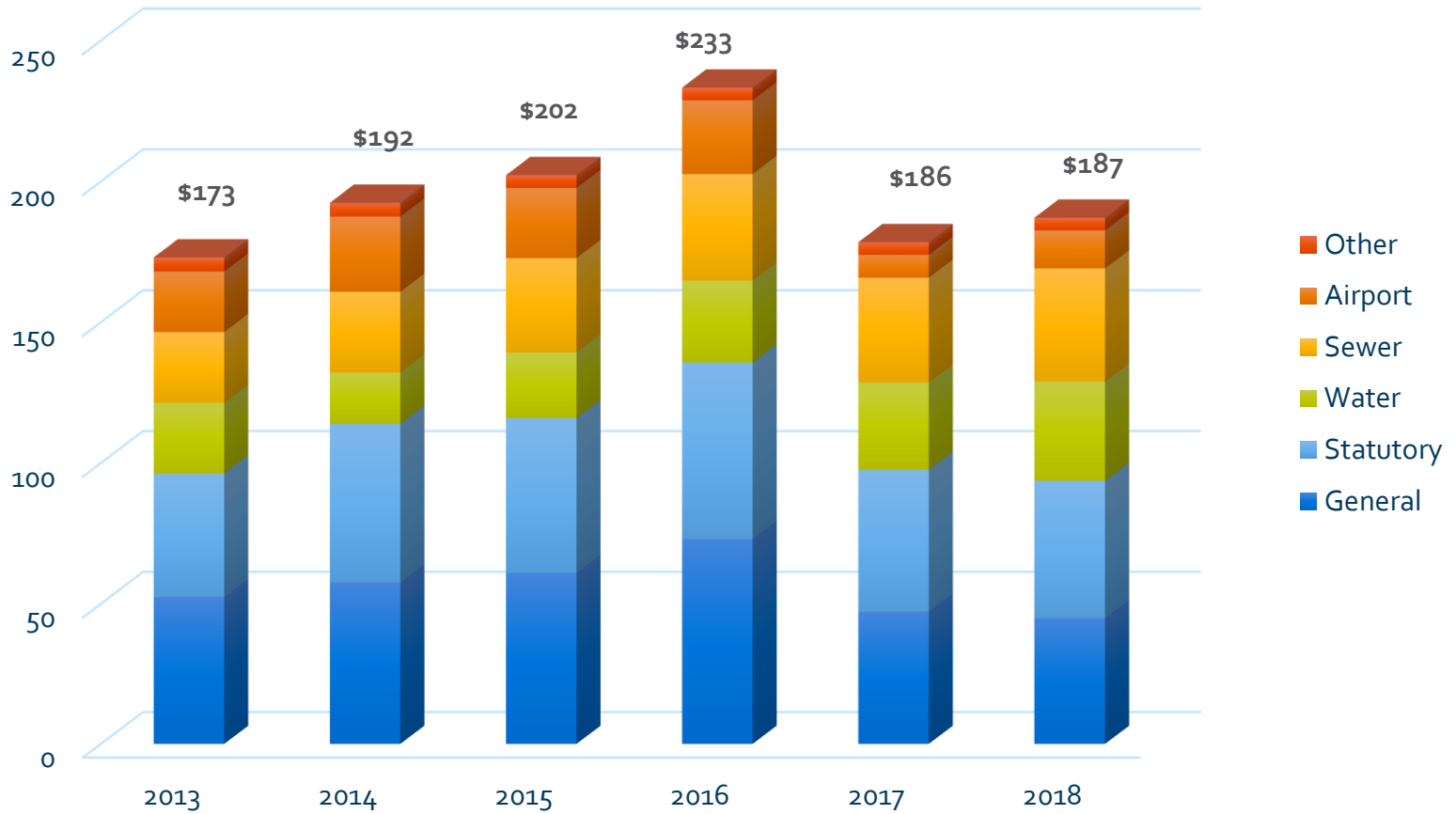
# Expenditures (by fund) \$362.5M



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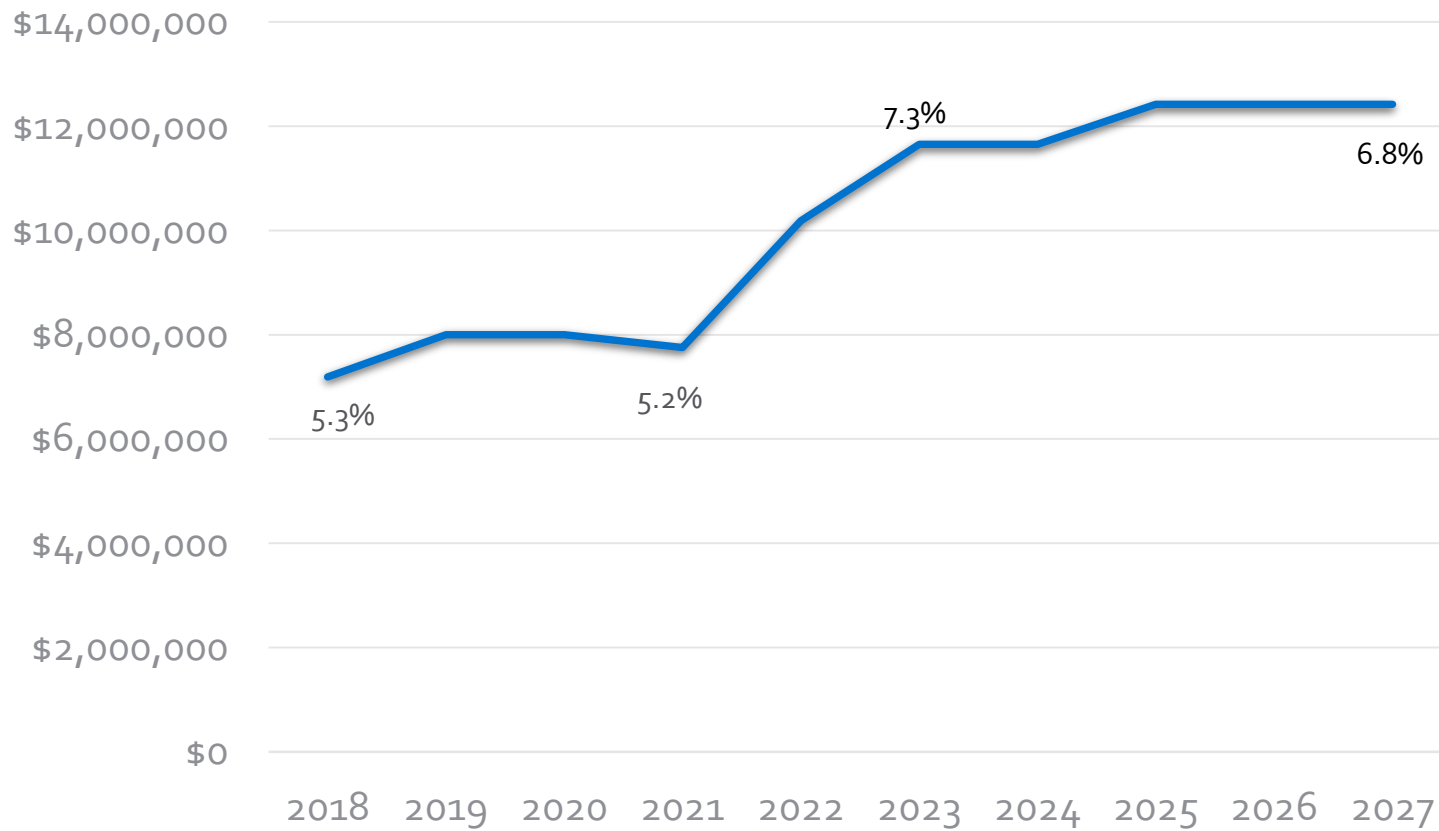
# Reserves & debt

# Reserve balances *(millions)*



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# General fund debt



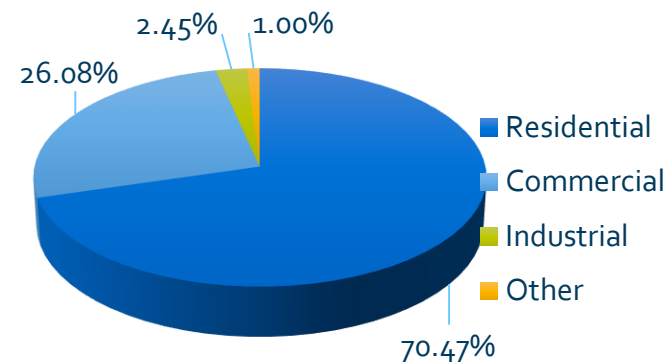
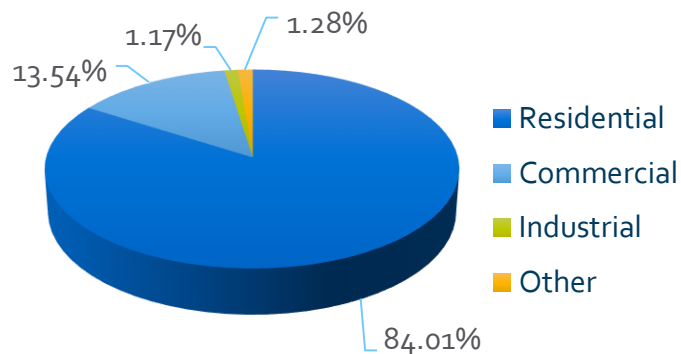
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# Assessment & tax

# Assessment & taxation revenue

Assessment \$35.4B

Revenue \$134.5M



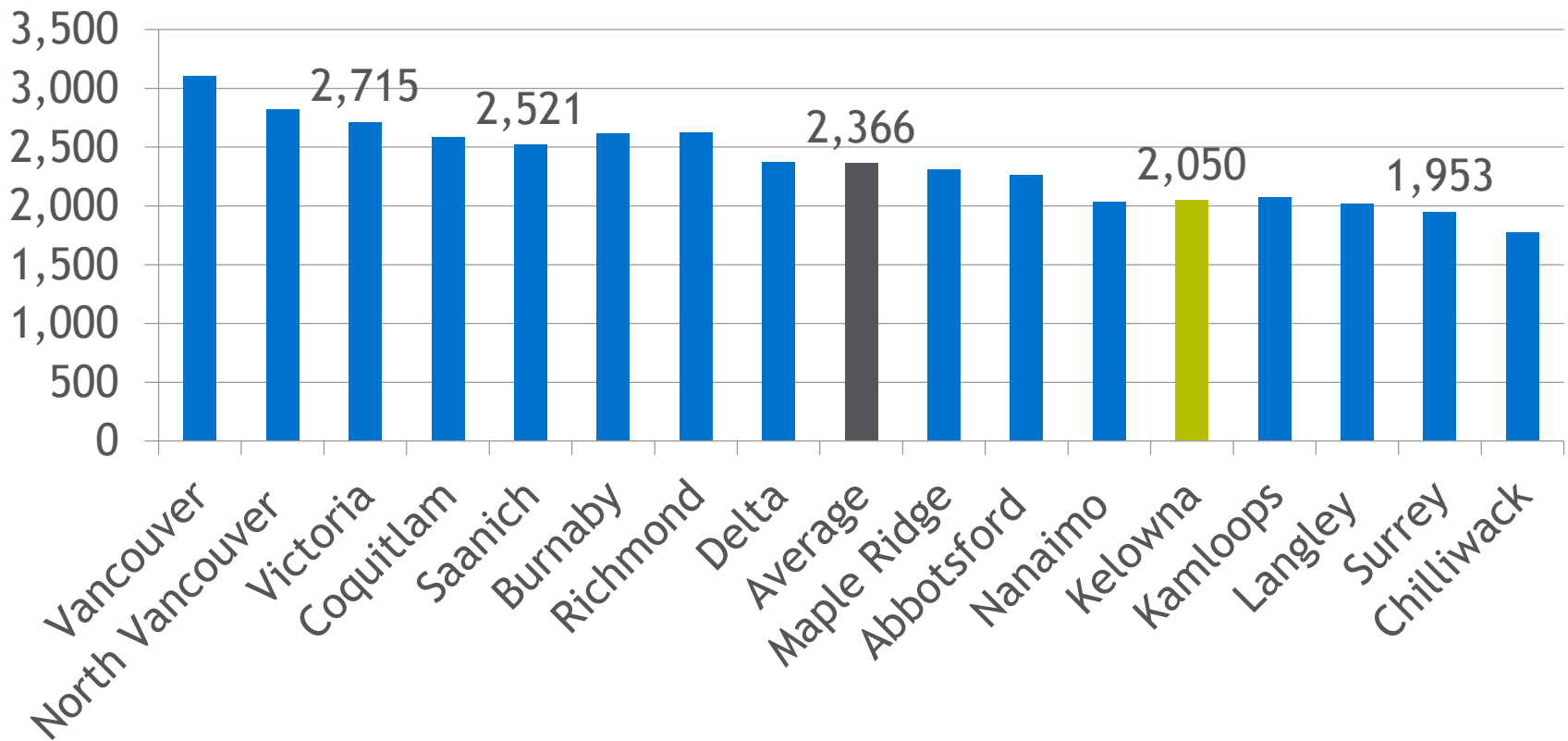


# Taxation impact

- ▶ Average Single Family Home assessed at \$639,720
- ▶ Municipal Tax estimated at \$2,009 for 2018
- ▶ Increase approximately \$70 year or \$6 month

# 2017 tax information (> 75k)

## Property tax (\$)



City of Kelowna



# 2018 Financial Plan review

Dec. 14, 2017 @ 9 a.m.  
Council Chambers



*Questions?*

For more information, visit [kelowna.ca/budget](http://kelowna.ca/budget)

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