

2024 PROVISIONAL BUDGET AND 2024–2028 FIVE-YEAR FINANCIAL PLAN PUBLIC BUDGET MEETING

November 30, 2023



Canada's Tournament Capital

LAND ACKNOWLEDGEMENT

We acknowledge that the City of Kamloops is located on Tk'emlúps te Secwépemc territory, situated within the unceded ancestral lands of the Secwépemc Nation, we honour and respect the people, the territory, and the land that houses our community.

KEY BUDGET DATES

- ✓ **Oct 31 – Regular Council Budget Utility Rates**
- ✓ **Nov 21 – Regular Council Water Utility Rates**
- ✓ **Nov 28 – COTW Budget meeting**
- **Nov 30 - Begin Virtual Public Engagement**
- **Nov 30 – Public Budget meeting**
- **Dec 5 – Regular Council meeting**
Introduction of budget and utility rates bylaws



KEY BUDGET DATES

- **Dec 12 – Final reading of bylaws**
2024 provisional budget and 2024 utility rate bylaws
- **February 13, 2024 – Introduction of Supplemental items**
- **February 2024 Public Budget meeting**
- **March 5, 2024 – Council finalizes budget**
- **April 2024 - Establish tax rates**

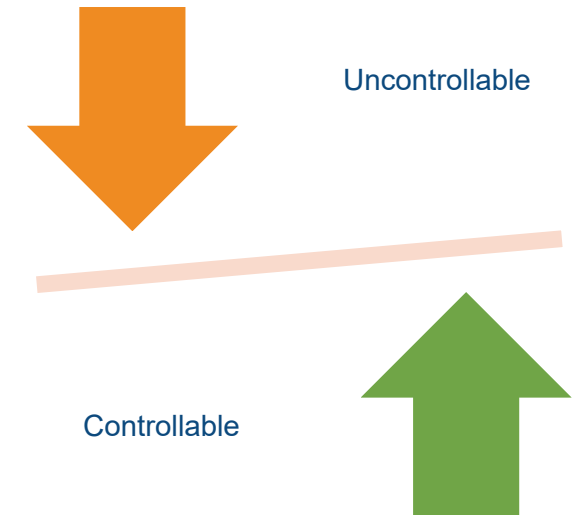


FIVE YEAR FINANCIAL PLANNING

- **Assume steady growth in Kamloops**
- **Continue to keep a longer-term focus when addressing infrastructure needs**
- **Forecast the future with available information**
- **Cautious estimate of tax growth revenue as some new development does not directly increase the tax base (residential vs. institutional)**

HOW WE PLAN

- The annual budget is developed based on determining costs to deliver at the current Council-approved service levels
- The delivery of the budget uses a combination of:
 - zero-based budgeting practices,
 - analysis of past spending trends for costs where certainty is difficult to predict,
 - identifying factors in the economic environment, and
 - the use of reserves to help minimize the immediate impact or fund one-time initiatives



HOW WE PLAN

Final Budget & Supplementals

- A new request that is not funded in the current budget or a change to existing service levels
- Combination of internal (staff) or external (community) driven
- Community driven requests are reviewed by staff in consultation with initiators and all requests are provided to Council for consideration

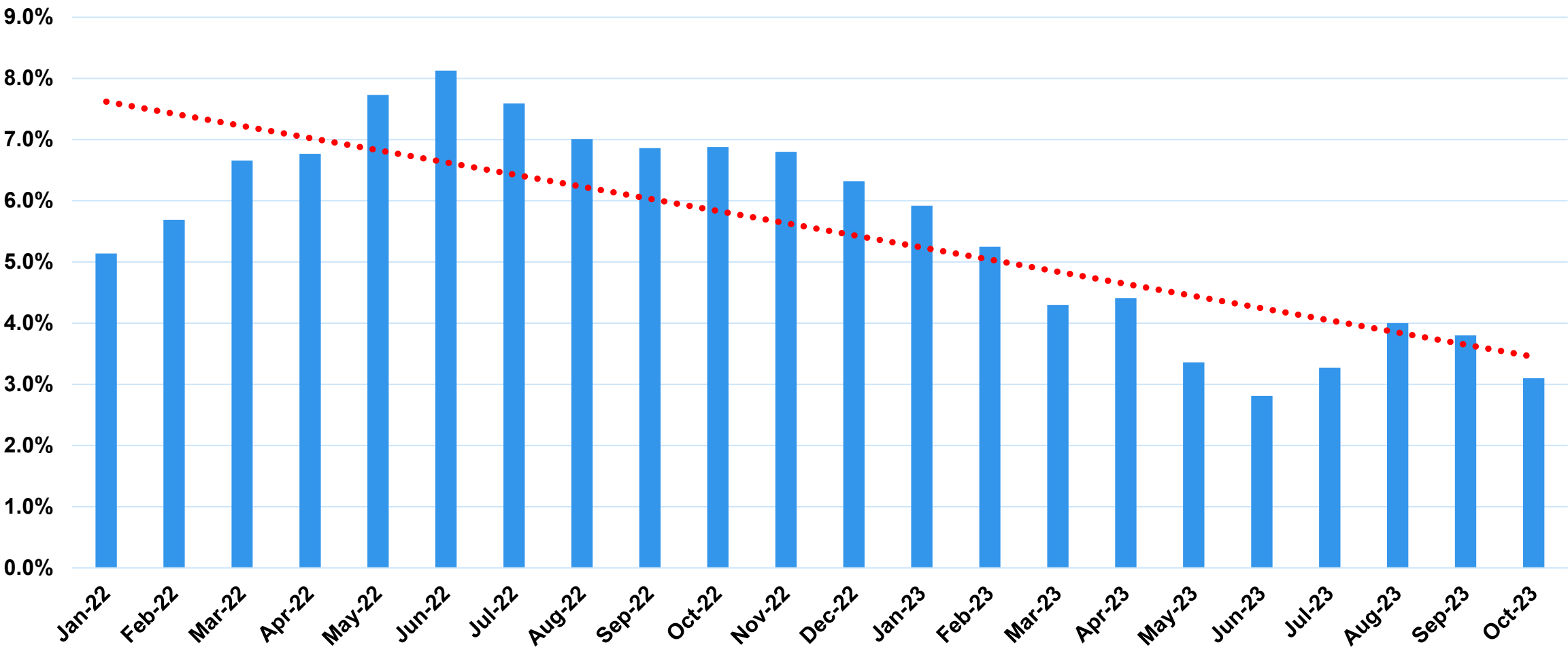


RISK TO THE BUDGET

- **Development of the budget for 2024 contains several risks to the organization**
 - **Inflation and increased interest rates**
 - **Expired and to be negotiated union contracts**
 - **Supply Chain concerns**
 - **Skilled Labour shortages**
 - **BC Assessment Roll at Preview Stage**

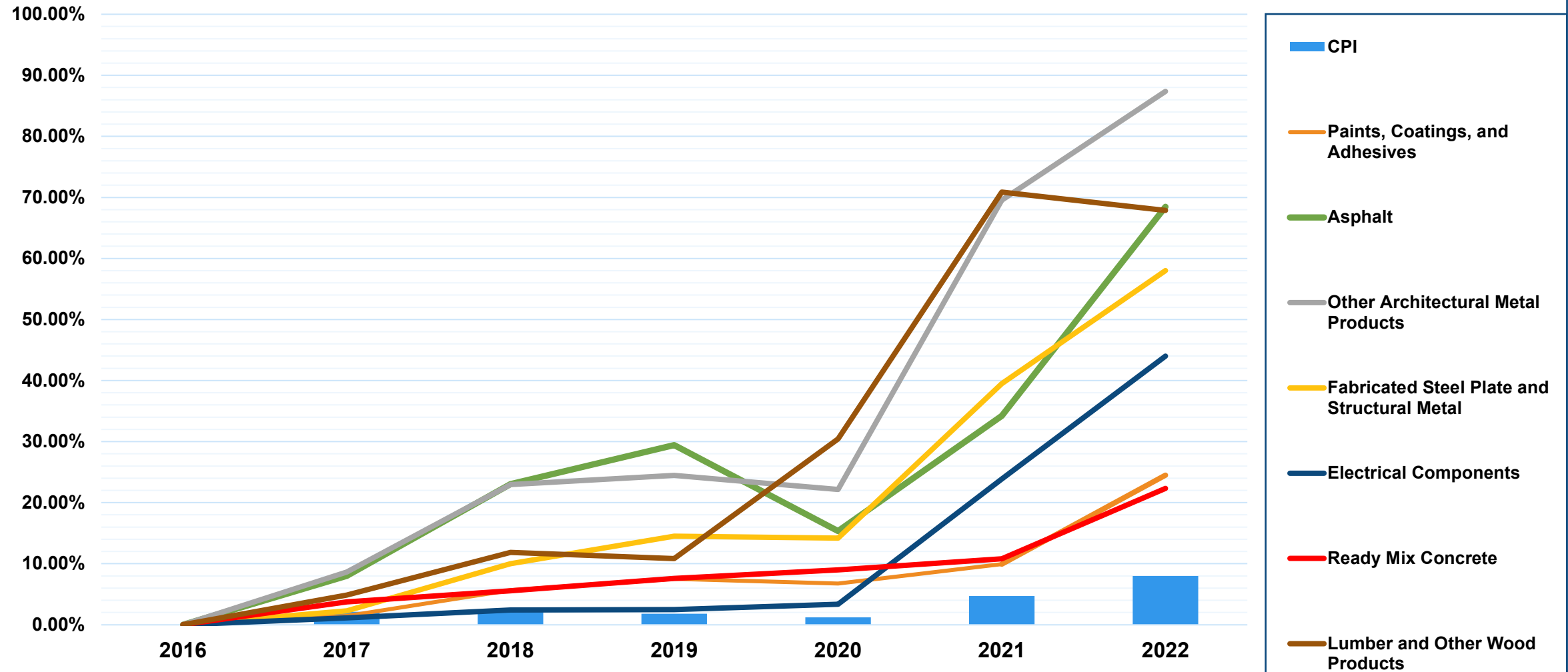


CONSUMER INFLATION



INFLATION

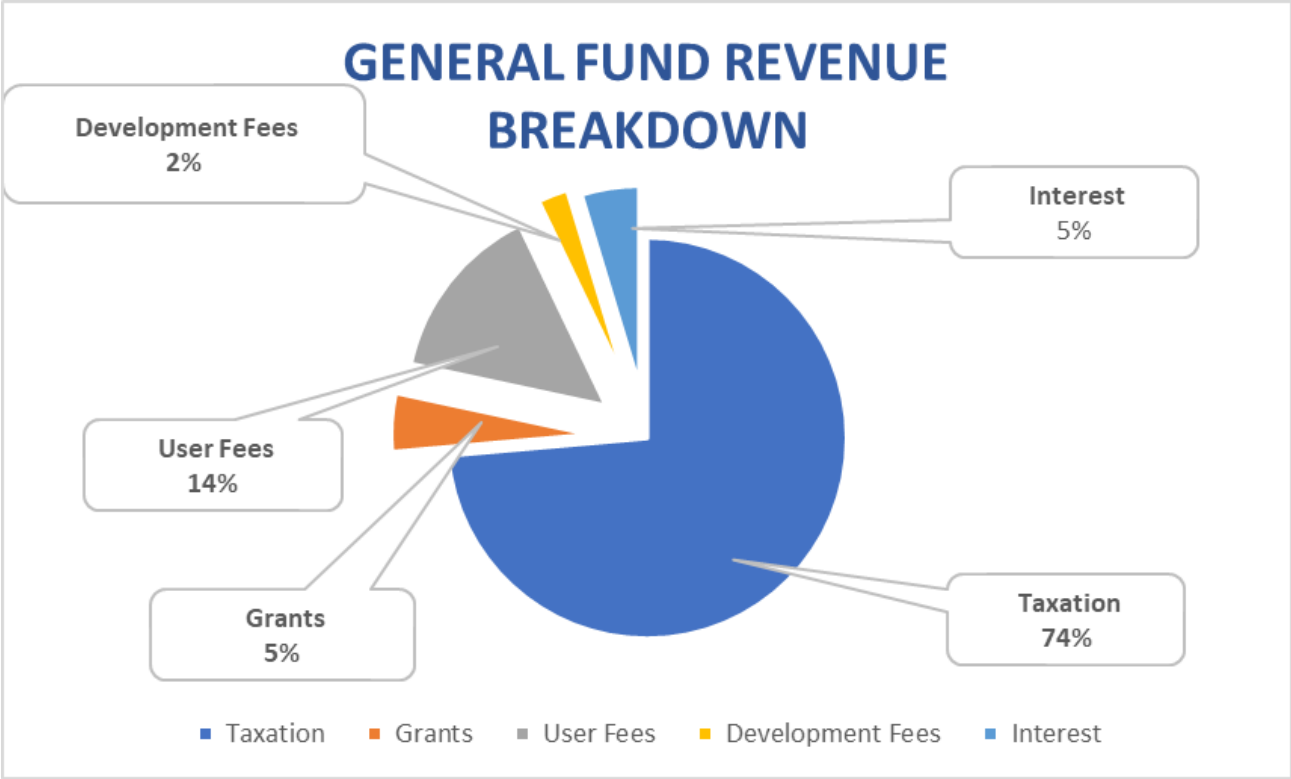
Price Impacts Construction Goods





OVERALL CITY FUNDING

General	\$193,000,000
Sewer	18,900,000
Solid Waste	16,000,000
Water	21,200,000
Total	\$249,100,000



Keep in Mind:

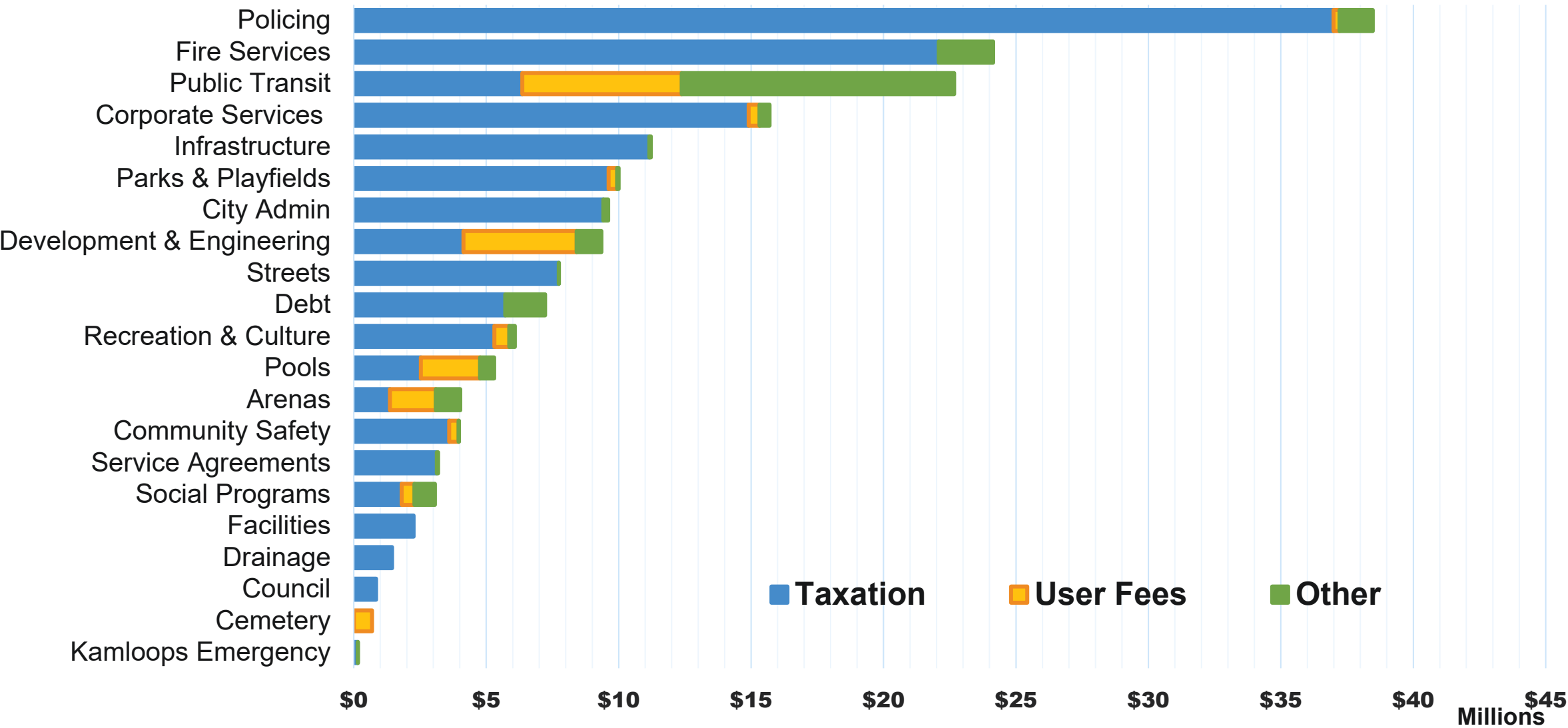
- 2023 Tax Base was \$134,659,000
- 1% of Taxation is approximately \$1.35 million
- 1% tax funding increase is approximately \$25 to the average household (subject to mill rate and assessed property value reconciliation)





HOW SERVICES ARE FUNDED IN THE GENERAL FUND

Sorted by Taxation Funding (Millions)



When considering value for the city services provided, it may be helpful to consider many of the services are 24/7. Municipal employees are always on call and deal with a wide variety of situations, from fires and floods to blocked drains and clearing snow.

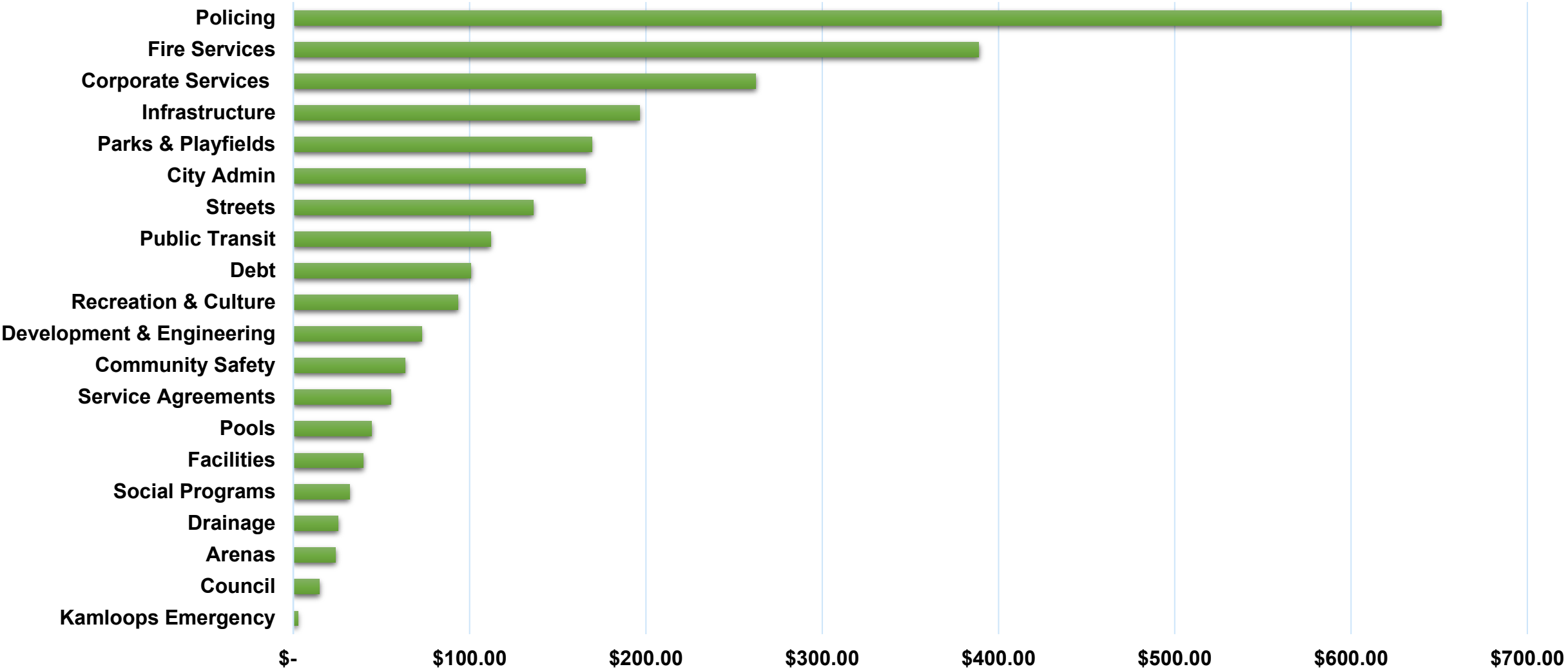
Some specific cost items:

- ***The cost to purchase one fire truck - \$1,200,000us***
- ***The cost of an additional RCMP member - \$225,000***
- ***The annual cost of insurance for city assets - \$900,000***
- ***The cost to resurface one kilometer of roadway - \$300,000***
- ***The cost to install signals at one intersection - \$500,000***



IMPACT ON THE AVERAGE HOME

2023 Municipal Tax Payment breakdown for an average representative house (\$2,647)





Economic Impacts on Municipal Tax Funding	2024 Budget	
	\$ Impact	% Impact
2023 Taxation Funding Budget - \$134,659,000		
Table 2 - Summary of Prior Council Approved Initiatives	\$2,560,000	1.90%
Table 3 - Contracted/Economic Impacts	10,245,500	7.61%
Operational Impacts		
Table 4 - Impacts due to Inflation	1,580,300	1.17%
<i>Subtotal</i>	\$14,508,300	10.77%
Financing Costs – Prepaid Tax Interest	499,000	0.37%
<i>Table 5 – Changes to Other City Revenues</i>	(1,907,000)	(1.42%)
Changes to Capital Funding	1,240,000	0.92%
Estimated Growth	(1,000,000)	(0.74%)
Provisional Taxation funding requirements	\$13,217,800	9.82%
Proposed Build Kamloops Funding	1,350,000	1.0%
Provisional Taxation funding requirements with Build Kamloops	\$14,557,800	10.81%
<i>Provisional 2023 Taxation Funding Budget</i>	\$149,126,800	

PROVISIONAL BUDGET SUMMARY

Projected impacts on costs for services provided:

- **Prior year commitments to services and approved changes in service levels**
- **Changes to contracted services**
- **General and sectoral inflation**
- **Supplies and infrastructure maintenance**

Table 2: Summary of prior approved Council Initiatives

Cost Driver	Inception Year	Impact on 2024 Budget	Impact on 2024 Tax Rate
Infrastructure Reserve Funding (asset management)	2019	\$620,000	
Community Climate Action Plan Funding	2022	440,000	
RCMP Increase in members	2022	1,500,000	
Clean Team & CSO Outreach	2023	682,000	
<i>Clean Team Alternative Funding</i>	2023	<u>(682,000)</u>	
Total Council Directives		\$2,560,000	1.90%

PROVISIONAL BUDGET SUMMARY

Specific Impacts to the City Budgets: Contract Changes

- **RCMP union contract expired in March 2023**
- **CUPE contract expires at the end of the year**
- **IAFF contract expired at the end of 2021**

Transit services impacted by inflation however has recovered beyond pre-pandemic levels

Table 3: Contracted obligations and economic impacts

Cost Driver	Items	Impact on 2024 Budget	Impact on 2024 Tax Rate
RCMP Contract	Contract Increases	\$2,924,000	
Wages and Benefits	CUPE, IAFF, and Management	3,437,500	
Transit Services	Conventional	2,150,000	
Transit Services	Handi Dart	110,000	
Technology	System Support	1,200,000	
Fleet		245,000	
Other Contracted Services		<u>179,000</u>	
Total contracted obligations/ economic impacts		\$10,245,500	7.61%

PROVISIONAL BUDGET SUMMARY

Supply chain uncertainty – supply and pricing issues caused by the Pandemic and environmental anomalies

Technology – Upgrading and securing City technology

Over the past two years inflation is higher than normally experienced

Table 4: Municipal Cost Impacts (Inflation)

Items		Impact on 2024 Budget	Impact on 2024 Tax Rate
Inflation Impacts			
	Fleet Operations	\$720,000	
	Streets – Line Painting & Clearing	215,000	
	Recreation & Culture	132,000	
	Gear & Clothing	52,300	
	Fertilizers	43,000	
	Various Supplies	<u>418,000</u>	
Total Inflation impacts		\$1,580,300	1.17%

PROVISIONAL BUDGET SUMMARY

Increased costs associated with equipment demands

Overall conditions created a challenging environment for the development of the budget

Maintaining current service levels in these market conditions has resulted in a considerable cost impact to the City



Table 5: Other Revenues

Items		Impact on 2024 Budget	Impact on 2024 Tax Rate
Other Revenues			
	RCMP Traffic Fines Revenues	\$150,000	
	Development and Business Permitting	(375,000)	
	Transit Services – Conventional	(910,000)	
	Transit Services – Handi Dart	(60,000)	
	Recreation and Culture	(30,000)	
	Interest Revenues	(355,000)	
	Other Revenues	<u>(327,000)</u>	
Total Other Revenues		(1,907,000)	(1.42%)



Economic Impacts on Municipal Tax Funding

2024 Budget

\$ Impact

% Impact

2023 Taxation Funding Budget - \$134,659,000

Table 2 - Summary of Prior Council Approved Initiatives

\$2,560,000

1.90%

Table 3 - Contracted/Economic Impacts

10,245,500

7.61%

Operational Impacts

Table 4 - Impacts due to Inflation

1,580,300

1.17%

Subtotal

\$14,508,300

10.77%

Financing Costs – Prepaid Tax Interest

499,000

0.37%

Table 5 – Changes to Other City Revenues

(1,907,000)

(1.42%)

Changes to Capital Funding

1,240,000

0.92%

Estimated Growth

(1,000,000)

(0.74%)

Provisional Taxation funding requirements

\$13,217,800

9.82%

Proposed Build Kamloops Funding

1,350,000

1.0%

Provisional Taxation funding requirements with Build Kamloops

\$14,557,800

10.81%

Provisional 2023 Taxation Funding Budget

\$149,126,800



OVERALL 2024 IMPACTS

	Annual Increase	Monthly	Daily
Taxation	\$270.25	\$22.52	\$0.74
Sanitary	22.00	1.83	0.06
Water	68.90	5.74	0.19
Solid Waste	12.00	1.00	0.03
Total	\$373.15	\$31.09	\$1.02





FORECAST FIVE YEAR TAX FUNDING INCREASE

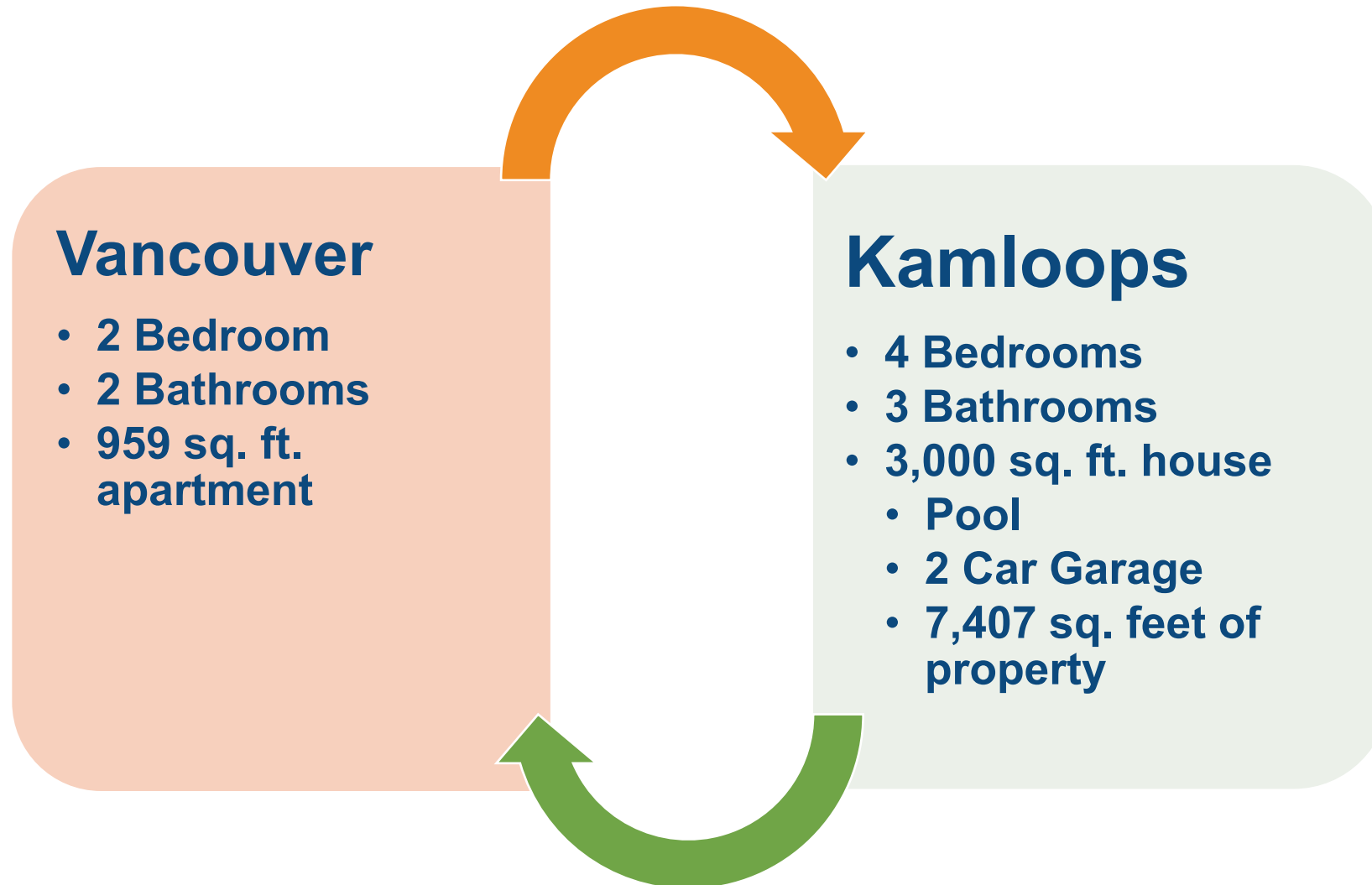
	2024	2025	2026	2027	2028
Provisional Tax Rate	9.82%	6.15%	4.04%	3.72%	3.43%
Additional – Build Kamloops	1.0%	1.0%	1.0%	1.0%	
Total Provisional Tax Rate	10.81%	7.15%	5.04%	4.72%	3.43%



Property Taxation Funding Increases – Comparatives

Municipality	2021	2022	2023	2024*	Four Year Combined
KAMLOOPS	0.97%	4.92%	6.81%	10.81%	23.51%
Kelowna	4.04%	3.94%	4.00%	4.70%	16.68%
Lake Country	3.25%	6.62%	17.05%		
Langley Township	3.99%	3.00%	7.29%		
Maple Ridge	3.60%	4.40%	7.26%		
Mission	3.20%	5.96%	10.77%	9.04%	28.97%
Nanaimo	3.00%	6.00%	7.30%	6.40%	22.70%
Osoyoos	2.40%	3.02%	5.00%	37.0%	47.42%
Prince George	0.00%	3.00%	7.58%		
Saanich	5.76%	6.67%	7.19%	8.03%	27.65%
Vernon	2.13%	6.88%	4.79%	6.57 – 7.85%	20.37 – 21.65%
Victoria	2.03%	3.89%	8.99%		

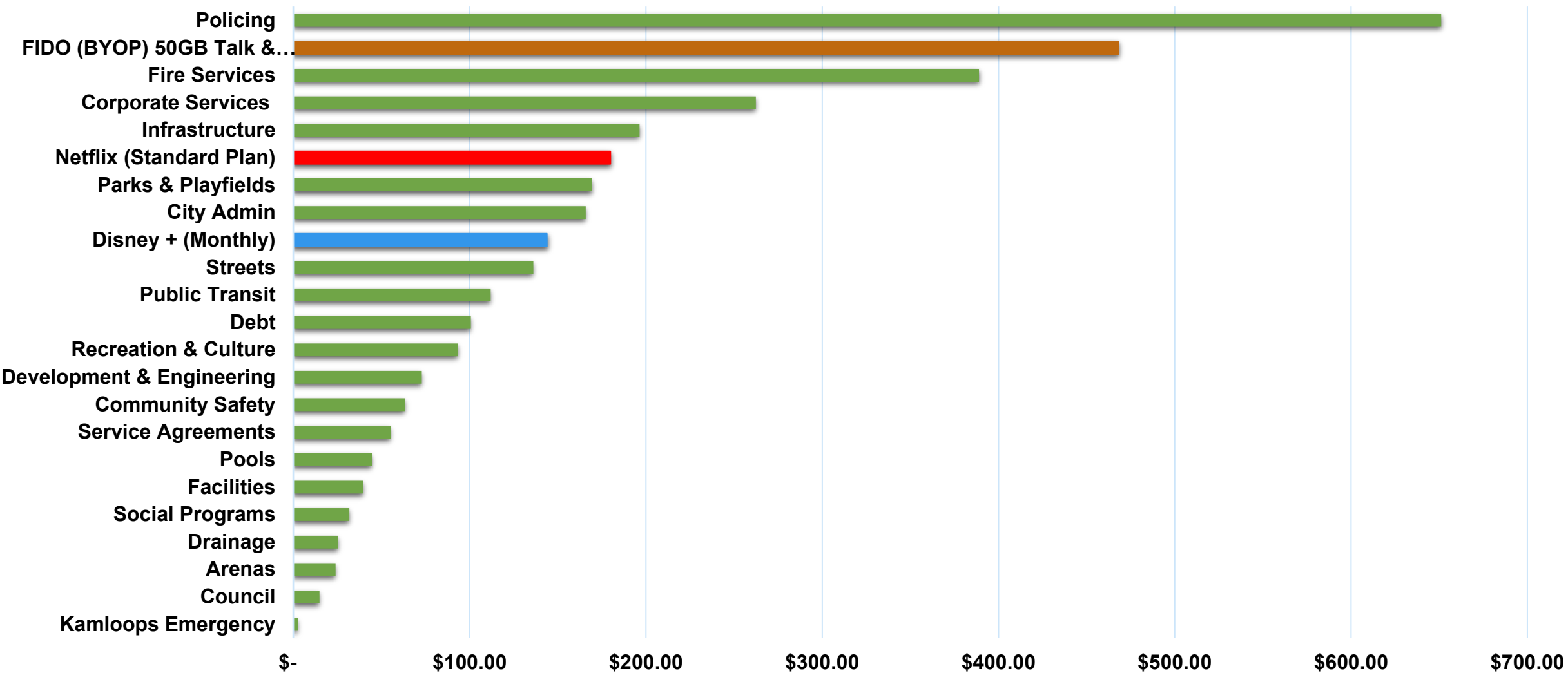
What \$1,100,000 in assessed value gets you





IMPACT ON THE AVERAGE HOME

2023 Municipal Tax Payment breakdown for an average representative house (\$2,647)



PUBLIC ENGAGEMENT

- **Let's Talk:** <https://letstalk.kamloops.ca/budget2024>
- **Q & A**



Share Your Voice. Shape Our City.

Welcome to Let's Talk Kamloops, the City of Kamloops' online engagement site where you can contribute your ideas and feedback on City matters. We want to empower you, our residents, to be more active in shaping your community and future. We will listen to what you say, take your opinions into account, and report back to you on how community input contributes to City projects.