



COUNCIL REPORT

To: Mayor and Council

Date: March 10, 2026

From: Ron Bowles, Chief Administrative Officer

Subject: **2026-2030 Financial Plan Draft 3rd Reading**

Prepared by: Lisa Siavashi, Acting Chief Financial Officer

Reviewed by: Ron Bowles, Chief Administrative Officer

RECOMMENDATION:

MOTION 1

THAT staff be directed to incorporate Option 1 from the staff report dated March 10, 2026 by removing the following supplemental budget requests:

- S2026-1 HR Strategy \$30,000
- S2026-2 Human Bear Conflict Management Plan \$20,000
- S2026-4 Emergency Planning Consulting \$75,000
- FTE2026-1 Parks Seasonal Operator \$73,480
- FTE2026-9 Bylaw Officer II \$123,143

AND THAT the operating budget be reduced accordingly to lower the proposed tax increase for 2026 to 6.638%.

MOTION 2

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be modified by replacing Schedules A and B with new Schedules A and B as per Appendix A-Option 1 attached to the staff report dated March 10, 2026.

MOTION 3

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be read a third time as modified.

STRATEGIC AREA(S) OF FOCUS

The City’s Financial Plan supports each of the following:

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

Pursue Economic Growth and Prosperity – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

Strengthen Our Community – We will provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

Foster Safety and Well-Being – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

BACKGROUND

The Draft Budget was made available to Council and the public on November 24, 2025. On December 3rd and 4th, Council reviewed the operating budget, supplemental requests, additional FTE requests, and capital requests for 2026.

After reviewing the operating budget, Council reduced their department budget by \$36,000; reduced the supplemental requests from \$185,000 to \$135,000; and approved 6.8 FTEs, including 2.4 FTEs in the utility funds.

Although Council put a hold on the request for three new RCMP members for 2026, they agreed to raise the number of funded members by 2.5, financing 31.9 RCMP members 2026 budget.

A review of the 2026 capital requests took place on December 4th, beginning with 75 items included in the consolidated budget. Out of these, 8 requests were either denied or withdrawn, and Council decided to defer another 8 requests to future years within the 10-year capital budget plan. As a result, 59 capital requests were approved, totaling \$16,807,940—a reduction from the initial total requested amount of \$19,703,720.

These amendments to the 2026-2030 Draft Financial Plan, reduced the tax increase for 2026 from 8.6% to 7.6% after accounting for growth, and the bylaw subsequently received first and second readings.

During discussions for the third reading of the bylaw, and after reviewing comments from the public consultation on the budget, Council requested staff to review the 2026 budget and bring forward recommendations to reduce the proposed tax increase by 1%.

On February 10th, Council received a report reviewing the actual expenses compared to budget, to determine if any of the 2026 budget amounts could be reduced. Four budgets were identified that could be reduced and are included in Option 1 below.

DISCUSSION

Option 1:

The Senior Executive Team met to review the 2026 Budget and to discuss possible areas that could be reduced or deferred from the 2026 supplemental requests. Reductions from the supplemental requests created a .78% reduction, therefore reductions in the operating budget would also be required to obtain the requested 1% tax reduction. The following amendments are proposed:

- Removal of supplemental requests for the following:
 - S2026-1 HR Strategy \$30,000 (will attempt to manage within current operating budget)
 - S2026-2 Human Bear Conflict Management Plan \$20,000 (No longer required)
 - S2026-4 Emergency Planning Consulting \$75,000 (will postpone until 2027)
 - FTE2026-1 Parks Seasonal Operator: \$73,480. (As the number of parks and areas requiring maintenance increases, removal of this request will result in reduced service levels.)
 - FTE2026-9 Bylaw Officer II \$123,143 (Removal of requested bylaw officer with commensurate impact on service levels.)
- Budget for service of storm drainage maintenance will be reduced by \$75,000. Repairs will continue to be done on emergency basis
- HR Safety Contracts budget will be reduced by \$35,000 to be closer to actual expenditure.
- Consolidation from the corporate initiatives department that was eliminated provided \$15,000 that was planned to be used by communications for crisis communications consulting. This amount will be eliminated and will be handled internally.
- Budget for Rock Fall and slope maintenance will be eliminated, providing a reduction of \$25,000. Repairs will continue to be done on an emergency basis.

These reductions total \$471,623 and when removed from the 2026 draft financial plan, leave a tax increase of 6.638%. This is a .96% reduction from the originally proposed 7.6% budget increase.

Option 2:

There is a potential to defer both the three members requested in 2026, who are currently subject to the Council's "on hold" status, and the 2026 budget increase of 2.5 members, in the collator or funding allocation.

	<u>2024</u> <u>Approved</u>	<u>2025</u> <u>Approved</u>	<u>2026 1st-2nd</u> <u>Reading</u>	<u>2026</u> <u>reduction</u>	<u>2027-</u> <u>Option 2</u>	<u>2028-</u> <u>Option 2</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>Total -</u> <u>Option</u>
Approval Scenarios for E Div	2	4	3	0	3	3	3	3	3	19
Request sent to Prov/Fed	2	2	0	0						
# being held back	0	2	3	0						

	<u>2024</u> <u>Approved</u>	<u>2025</u> <u>Approved</u>	<u>2026 1st-2nd</u> <u>Reading</u>	<u>2026</u> <u>reduction</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>Total</u>
Collator funding (increases in budget)	1	2	2.5	0	2.5	2.5	2.5	3	3	16.5
Amount per Member	\$ 219,450	\$ 237,773	\$ 244,906	\$ 244,906	\$ 252,253	\$ 259,821	\$ 267,615	\$ 275,644	\$ 283,913	
Total Cost to the budget	\$ 219,450	\$ 475,546	\$ 612,265	\$ -	\$ 630,633	\$ 649,552	\$ 669,038	\$ 826,932	\$ 851,739	
1% tax Increase	\$ 415,000	\$ 450,342	\$ 490,243	\$ 490,243	\$ 514,755	\$ 540,493	\$ 567,517	\$ 595,893	\$ 625,688	
Policing Tax Increase	0.53%	1.06%	1.25%	0.00%	1.23%	1.20%	1.18%	1.39%	1.36%	

	<u>2024</u> <u>Approved</u>	<u>2025</u> <u>Approved</u>	<u>2026 1st-2nd</u> <u>Reading</u>	<u>2026</u> <u>reduction</u>	<u>027-Option</u>	<u>028-Option</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Total Approved Members	38	42	45.0	42.0	45.0	48	51	54	55
Funding level in budget (Collator)	28.43	29.4	31.9	29.4	31.9	34.4	36.9	39.9	42.9
Percentage funded in budget	75%	70%	71%	70%	71%	72%	72%	74%	78%

The schedule above indicates that by delaying both the increase in approved members and the collator, membership funding remains at approximately 70%. Consequently, increasing the funding coverage amount to 80% and meeting the total additional required RCMP members of 19 (as presented to Council in 2023) would be postponed until 2032.

This option creates a proposed tax increase of 6.387%, which is a 1.21% decrease from the originally proposed 7.6% budget increase.

From budget negotiations in 2025, council approved four new RCMP member positions. However, only two of these positions were requested to E Division. As a result, two positions will be held in abeyance until the completion of de-regionalization negotiations, regardless of which option is selected.

This option increases financial risk.

Option 3:

Status Quo – retaining the 2026-2030 financial plan as amended on December 3rd and 4th, 2025. The plan incorporated minor supplemental requests intended to sustain or achieve previously established service levels. This option would retain a property tax increase of 7.6% is projected for 2026.

This option provides service maintenance.

Staff reviewed 2026 requests diligently before presenting this budget to Council and felt that the budgets requested were the minimum necessary for striving to maintain current service levels.

FINANCIAL IMPLICATIONS

Following the first and second readings of the 2026-2030 Financial Plan, a 7.6% tax increase was determined to be necessary to support its funding. This would equate to approximately an additional \$290 of municipal property taxes per the average residential property valued at \$944,579 (Option 3).

Reducing the property tax increase to 6.638% as shown in Option 1 would reduce the approximate additional amount of municipal property taxes to \$266, or \$24 less than Option 3 of Status Quo.

Reducing the property tax increase to 6.387% as shown in Option 2 would reduce the approximate additional amount to \$259 of municipal property taxes or \$31 less than Option 3 of Status Quo.

These figures are calculated using the average residential property values provided by BC Assessment and exclude amounts collected on behalf of other government entities. Individual property tax assessments differ across the City, and as taxes are allocated according to these assessments, the resulting increases will vary between properties.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Jan 13, 2026	<p>THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be modified to incorporate Council’s direction regarding the 2026 budget as provided at the December 3 and 4, 2025 special Council meetings.</p> <p>THAT staff be directed to review the 2026 budget and bring forward recommendations to reduce the proposed tax increase by 1%.</p>	C007/26 C008/26
Dec 3, 2025	<p>THAT Council direct staff to incorporate the supported supplemental budget requests, capital projects, additions and deletions into the City of West Kelowna's Financial Plan for 2026-2030.</p> <p>AND THAT the “2026-2030 Financial Plan Bylaw No. 0336, 2025” be read a first and second time.</p>	C362/25

Alternate Recommendation #1:

MOTION 1

THAT staff be directed to incorporate Option 2 from the report dated March 10, 2026 by removing the funding of 2.5 RCMP members from the operating budget, reducing the proposed tax increase for 2026 to 6.387%.

MOTION 2

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be modified by replacing Schedules A and B with new Schedules A and B as per Appendix B-Option 2 attached to the staff report dated March 10, 2026.

MOTION 3

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be read a third time as modified.

Alternate Recommendation #2:

MOTION 1

THAT staff be directed to proceed with Option 3 from the staff report dated March 10, 2026, keeping the proposed tax increase at 7.6%.

MOTION 2

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be modified by replacing Schedules A and B with new Schedules A and B as per Appendix C-Option 3 attached to the staff report dated March 10, 2026.

MOTION 3

THAT “2026-2030 Financial Plan Bylaw No. 0336, 2025” be read a third time as modified.

PowerPoint: Yes No

Attachments:

1. 2026-2030 Financial Plan Bylaw No. 0336, 2025 Appendix A – Option 1
2. 2026-2030 Financial Plan Bylaw No. 0336, 2025 Appendix B – Option 2
3. 2026-2030 Financial Plan Bylaw No. 0336, 2025 Appendix C – Option 3