

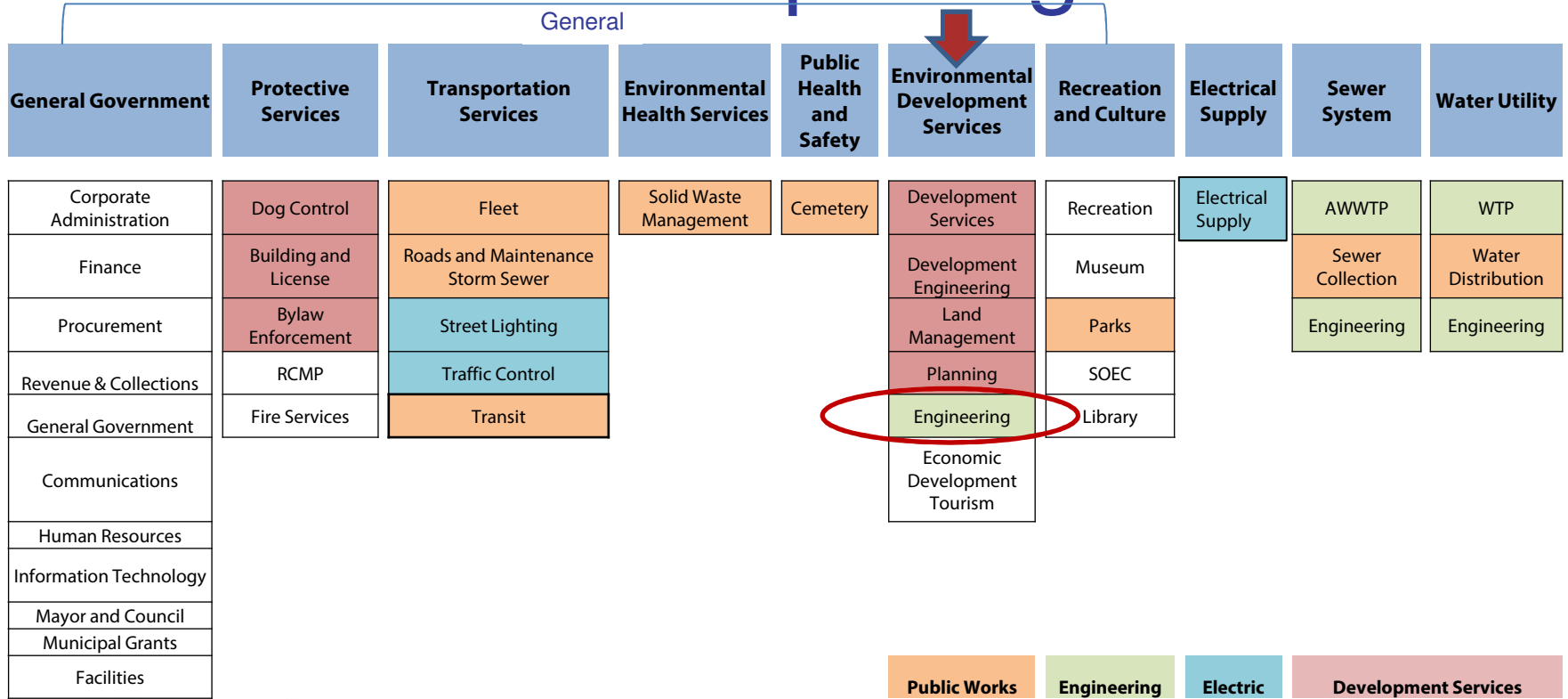
2017-2021 Financial Plan

Presentation – February 22, 2017



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Financial Plan Reporting Structure



Environmental Development Services: Engineering



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Overview

- Our primary purpose is to plan, design and manage construction of Capital Infrastructure projects



*Environmental Development Services
Engineering*

Staffing

<u>2015</u>	<u>2016</u>	<u>2017</u>
7	7	7



2017 Highlights

Environmental Development Services Engineering

		% change	Trend
Total Expense	152,100		↓
Total Internal Allocation	in 142,995 out 152,100		↓
Net Operating Expense	142,995	-11.4%	
Cost per Capita	4.35		
% of Property Tax	0.47%		



2017 Budget

Environmental Development Services Engineering

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	35,950	19,094	39,000	36,000	36,000	36,000	36,000
Salaries and Benefits	<u>116,100</u>	<u>153,105</u>	<u>113,100</u>	<u>121,248</u>	<u>131,599</u>	<u>142,156</u>	<u>152,925</u>
Net Operating Expense	152,050	172,199	152,100	157,248	167,599	178,156	188,925
Internal Allocation In	144,592	160,341	142,995	148,433	159,078	169,934	181,007
Internal Allocation Out	<u>(152,050)</u>	<u>(172,199)</u>	<u>(152,100)</u>	<u>(157,248)</u>	<u>(167,599)</u>	<u>(178,156)</u>	<u>(188,925)</u>
Total Operating expense	144,592	160,341	142,995	148,433	159,078	169,934	181,007

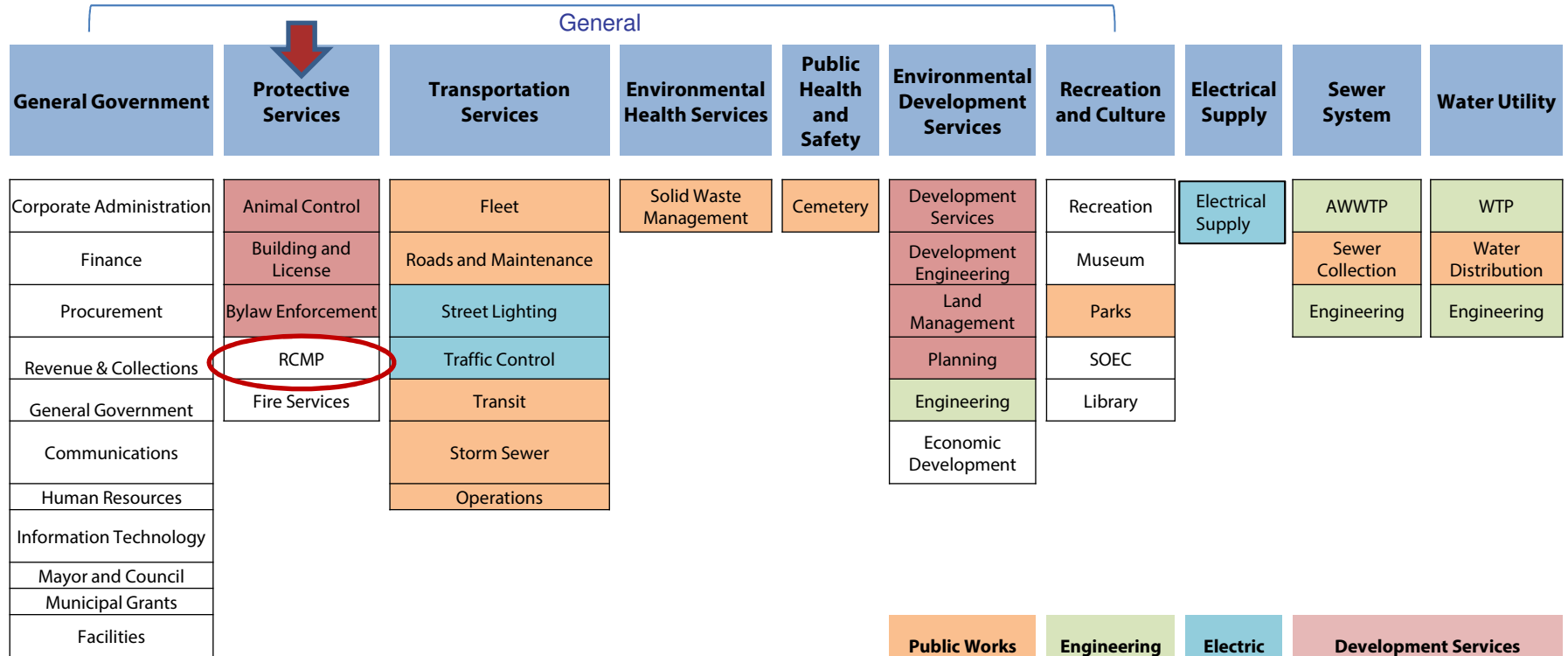


Summary

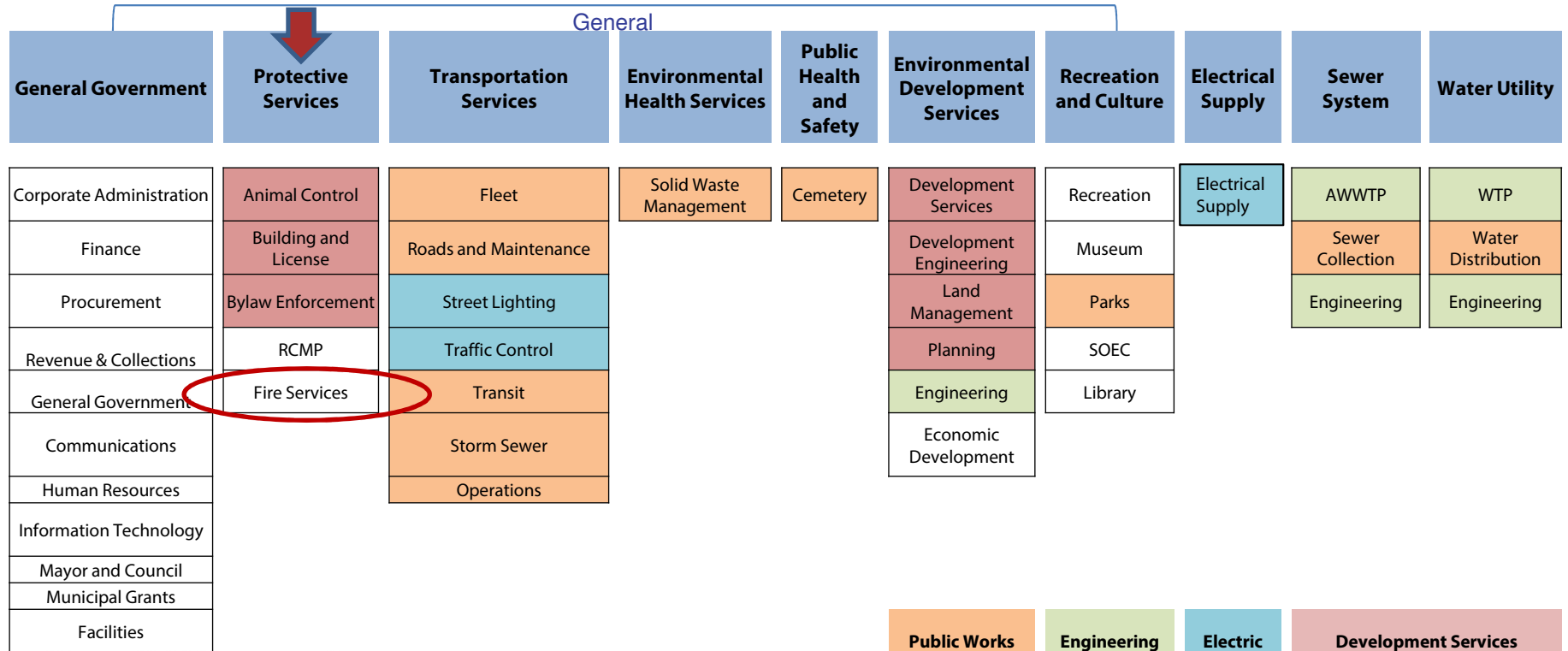
- Expense changes are from allocation of salaries between operating and capital and lower than planned costs in 2016.



Financial Plan Reporting Structure



Financial Plan Reporting Structure



Public Works Engineering Electric Development Services



Protective Services: Fire Service



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Overview

- Protect life & property from fire
- Technical rescue: Swift Water, Ice Rescue, Tower crane, High angle and Marine Rescue
- Fire Prevention, Life Safety Inspections, Fire Investigation, Public Education
- Community Wild Fire Prevention indicatives, FIRE SMART
- Management of Fire Service Training Facility: Vocational and Professional firefighter development

2 Fire Stations, 1 Training Facility
3,400 Emergency Incidents 2016
1,800 Fire & life Safety Inspections

Over 200 hours of Public Education
18 pieces of Firefighter apparatus
10,000+ hours of Firefighter training



Staffing

Protective Services Fire Service

	<u>2015</u>	<u>2016</u>	<u>2017</u>
IAFF	35	35	35
Exempt	2	3	3
Volunteer Auxiliary	40	40	40



2017 Highlights

		% change	Trend
Total Expense	5,353,127		↑
Total Revenue	481,485		↑
Total Internal Allocation In	313,084		↑
Net Operating Expense	5,184,726	5.5%	
Cost per Capita	157.70		
% of Property Tax	17.17%		



2017 Budget

Protective Services Fire Services

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	191,435	204,062	262,226	241,476	247,564	254,242	261,568
Amortization	20,000	20,000	69,403	17,470	17,470	17,470	17,470
Salaries and Benefits	4,476,616	4,828,795	5,006,097	5,125,010	5,247,510	5,373,073	5,501,775
Fire Hall 1 & 202	9,445	9,625	15,400	15,400	15,400	15,400	15,400
Recoveries & Donations	(462,935)	(441,464)	(481,485)	(481,335)	(481,335)	(481,335)	(481,335)
Internal Allocation In	<u>284,260</u>	<u>295,625</u>	<u>313,084</u>	<u>311,348</u>	<u>311,837</u>	<u>312,256</u>	<u>312,782</u>
Net Operations	4,518,821	4,916,643	5,184,726	5,229,369	5,358,446	5,491,106	5,627,660



2017 Capital Budget

*Protective Services
Fire Services*

Project description	Budget	Comments
Equipment Replacement	67,000	Replacement Fire Hose, Protective Clothing, Rescue Equipment, Saws, Breathing Apparatus
Airport Crash Rescue Equipment	10,000	Equipment needs for Aircraft Crash Rescue
Fire Training Grounds Class Room & EOC	10,000	Furnishing's and audio Visual needs for new donated Ellis Don Classroom.
Training Grounds Upgrade	<u>5,000</u>	Asphalt, gas props, Vehicle Props, Painting.
Total	92,000	



Summary

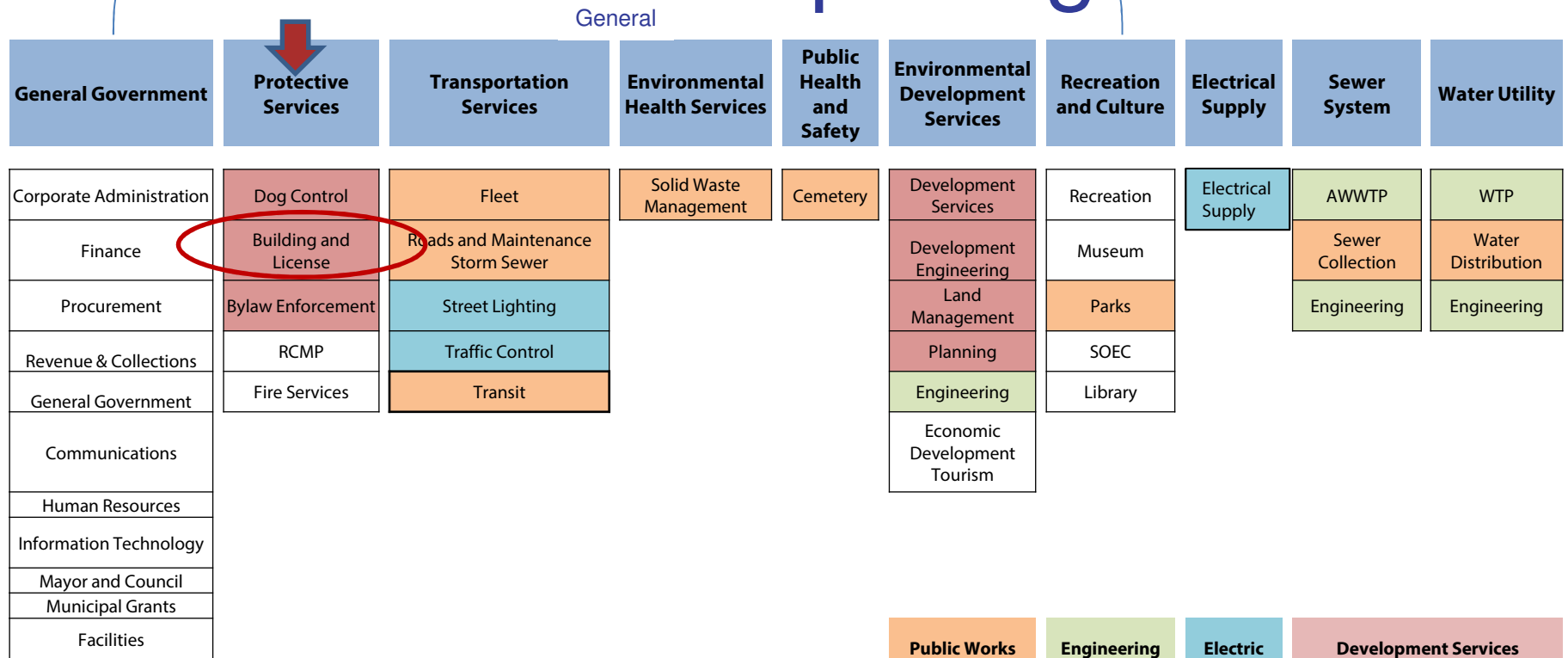
- Expense increases largely non discretionary due to:
 - New provincial Firefighter Training requirements
 - Airport crash rescue operations
 - IAFF wage increases
 - Increased wage rates for Auxiliary Firefighters
- Capital expenses are for primarily for replacement of equipment



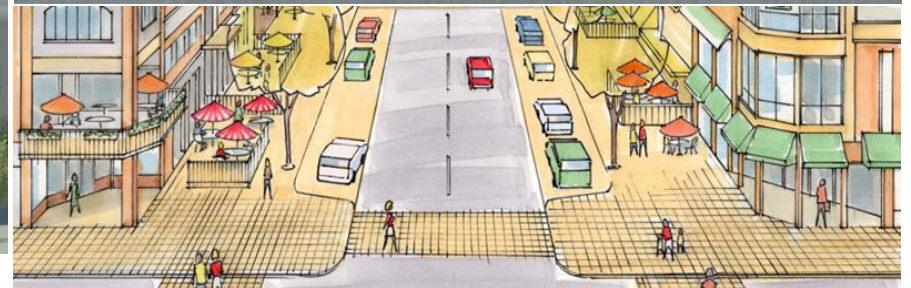
Questions



Financial Plan Reporting Structure



*Protective Services
Building and Licenses*



Overview

- Building and Licencing guides how properties are used, buildings are constructed and businesses operate
- The department is responsible for:
 - Building, plumbing, mechanical, demolition and vacant building permits
 - Issuing business licences
 - Enforcement of the City's building, land and other associated regulatory bylaws and cross connection control

806 Permits issued, 992 Applications
(All time record CV of \$198,000,000)
290 New Business License Applications
150 Cross Connection – property inspections
Over 100 enforcement case files created
High volumes of general permit, licencing and land development enquiries

3,052 Building Inspections, 400+ Business License site reviews
Process over 2,500 renewals and amended licences
Processed over 900 property cross connections test renewal reports
Non compliance enforcement – construction, business operations, illegal rentals and file closures
Over 2,500 customer inquiries-pre-application meetings, phone, counter and emails



Staffing

Protective Services Building and License

<u>2015</u>	<u>2016</u>	<u>2017</u>
9	9	10



2017 Highlights

Protective Services Building and License

		% change	Trend
Total Expense	765,625		↑
Total Building Revenues	1,654,000		↓
Total License Revenues	537,000		↑
Total Internal Allocation In	70,439		↑
Net Operating Surplus	1,362,436	-15.7%	
Cost per Capita	-41.44		
% of Property Tax	-4.5%		



2017 Budget

Protective Services Building

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Revenues	(1,074,500)	(1,830,000)	(1,654,000)	(862,375)	(872,308)	(882,293)	(892,323)
Salaries and Benefits	549,931	593,885	582,882	590,623	590,623	590,623	590,623
Bylaw Consultation	15,000	7,500	7,500	-	-	-	-
Remedial Action	10,000	10,000	15,000	15,188	15,377	15,570	15,764
Goods and Services	5,000	2,926	2,850	2,886	2,922	2,958	2,995
Net Operating Surplus	(494,569)	(1,215,689)	(1,045,768)	(253,679)	(263,386)	(273,142)	(282,940)



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2017 Budget

Protective Services Licensing

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Revenues	(487,175)	(489,600)	(537,000)	(538,100)	(540,380)	(545,856)	(544,548)
Salaries and Benefits	64,337	53,867	144,893	147,791	146,741	146,741	146,741
Goods and Services	2,500	2,500	1,500	1,519	1,538	1,557	1,576
Bylaw Consultation	5,500	1,500	3,500	-	-	-	-
Liquor Licensing	4,000	1,500	-	-	-	-	-
Net Operating Surplus	(410,838)	(430,233)	(387,107)	(388,790)	(392,101)	(397,559)	(396,230)



2017 Budget

Protective Services Building and Licensing

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Building Operating Surplus	(494,569)	(1,215,689)	(1,045,768)	(253,679)	(263,386)	(273,142)	(282,940)
Licensing Operating Surplus	(410,838)	(430,233)	(387,107)	(388,790)	(392,101)	(397,559)	(396,230)
Internal Allocation In	34,415	30,344	70,439	60,797	61,158	61,523	61,892
Net Operating Surplus Building and Licensing	(870,992)	(1,615,578)	(1,362,436)	(581,672)	(594,329)	(609,177)	(617,278)



Summary

- **Request for staffing changes with the Development Services Division – No net gain in staffing levels**
 - **Temporary building inspector to full time position**
 - **Re-allocate Bylaw Enforcement 2 position into Property Use/Licence Inspector within Building & Licenses.**
- **2017 expected to be another strong construction year with similar revenues to 2016**
- **Business license revenue expected to increase with enhanced education and compliance enforcement with addition of Property Use/Licence inspector.**
- **2017 projects planned to improve efficiencies with modernization of Building and Business License Bylaw, streamlining processes & expansion of online services.**

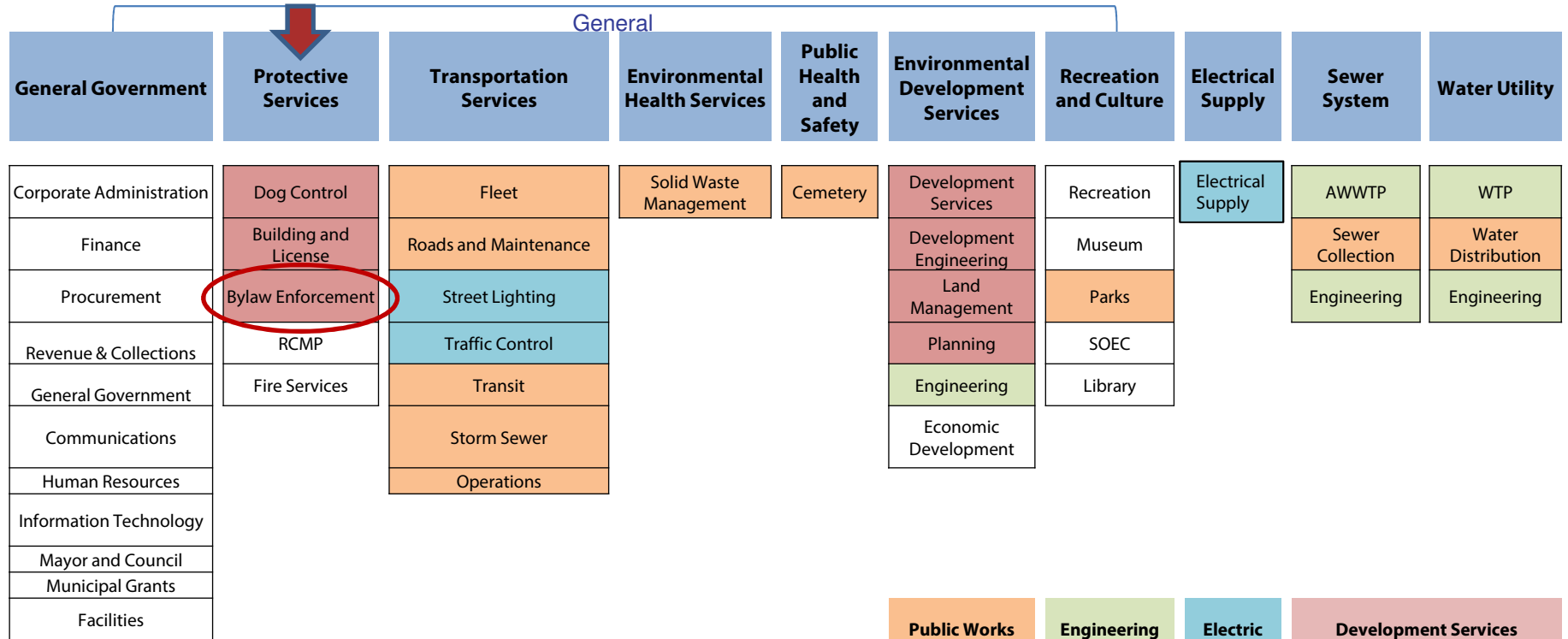


Questions



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Financial Plan Reporting Structure



Protective Services: Bylaw Services



Working with property owners to ensure we have a clean city



Overview

- Bylaw Services provide citizens with a variety of services related to regulatory issues
- Priorities
 - Parking strategy work plan
 - “Kindness Meter” / panhandler initiative
 - Dog Control education
 - Bylaw complaints and investigation policy- Council report/internal document

6,500 Customer inquiries about bylaws
1,500 Complaint files opened

Over 6,000 Bylaw Offence Notices/tickets issued
Paid parking generates the most revenue for city revitalization and enhancement projects



Staffing

*Protective Services
Bylaw Services*

<u>2015</u>	<u>2016</u>	<u>2017</u>
5	4	4



2017 Highlights

Protective Services Bylaw Services

		% change	Trend
Total Expense	384,028		↑
Total Revenue	550,350		→
Total Internal Allocation In	14,735		↓
Net Operating Surplus	151,587	-13.3%	
Cost per Capita	-4.61		
% of Property Tax	-0.5%		



2017 Budget

Protective Services Bylaw Services

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	70,600	72,201	75,950	76,899	77,861	78,834	79,819
Salaries and Benefits	<u>297,269</u>	<u>294,358</u>	<u>308,078</u>	<u>311,929</u>	<u>315,828</u>	<u>319,776</u>	<u>323,773</u>
Total Expenses	367,869	366,559	384,028	388,828	393,689	398,610	403,592
Internal Allocation In	17,343	17,429	14,735	14,796	14,844	14,892	14,941
Revenues	<u>(580,700)</u>	<u>(558,850)</u>	<u>(550,350)</u>	<u>(557,229)</u>	<u>(564,195)</u>	<u>(571,247)</u>	<u>(578,388)</u>
Net Operating Surplus	(195,488)	(174,862)	(151,587)	(153,605)	(155,662)	(157,745)	(159,854)



2017 Capital Budget

*Protective Services
Bylaw Services*

Project description	Budget	Comments
Parking Equipment	40,812	New parking equipment and technology



Summary

- No significant changes to service levels

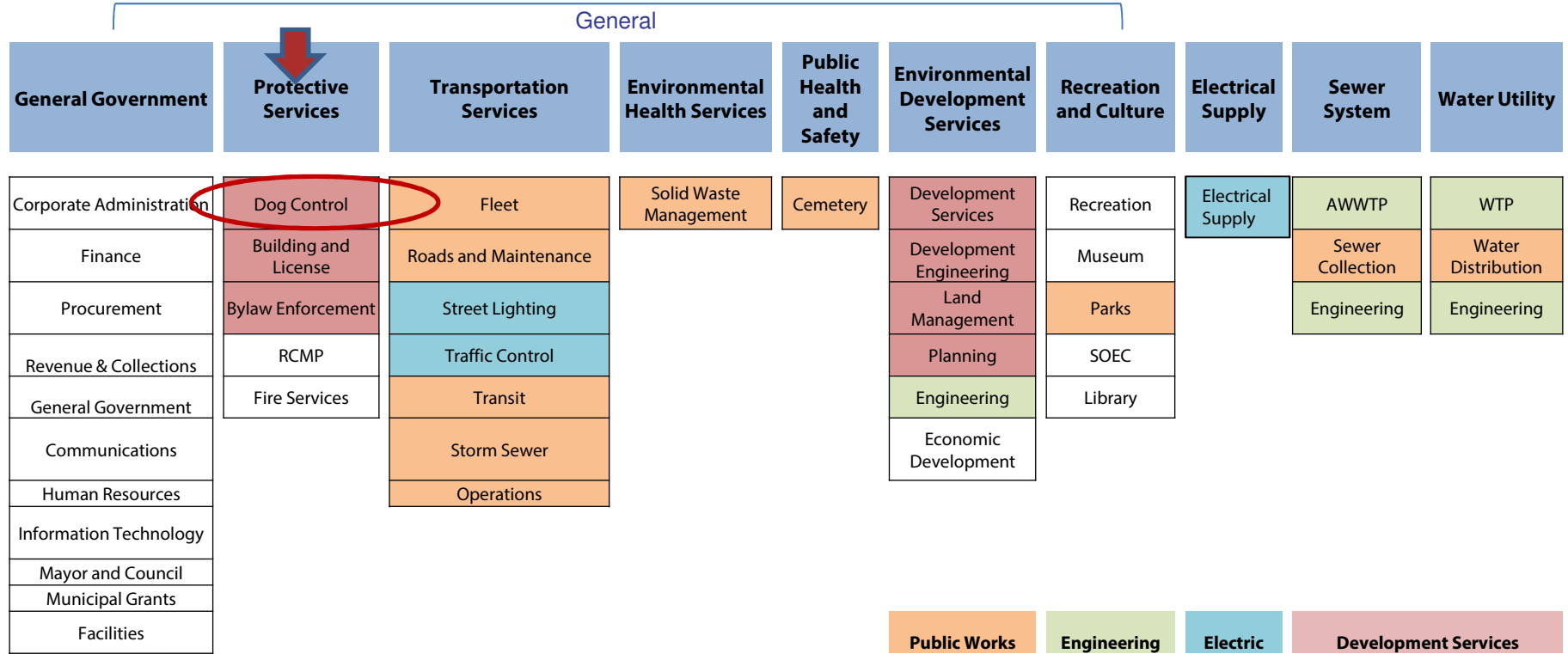


Questions



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Financial Plan Reporting Structure



Protective Services
Dog Control



New Dog Shelter



Overview

Protective Services **Dog Control**

- The City owns the dwelling and shelter facility located at 2330 Dartmouth Drive and contracts Dog Control services
- The Dog Control Officer enforces the Responsible Dog Owner Bylaw and educates the public about the bylaw regulations
- The shelter provides a safe, secure environment for lost or abandoned dogs until they are claimed by their rightful owner or adopted by a new family

2,344 Dog tags sold
402 Complaint files opened
174 Bylaw offense notices issued

152 Dogs impounded
498 Days with dogs impounded



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2017 Highlights

Protective Services Dog Control

		% change	Trend
Total Expense	109,150		→
Total Revenue	78,400		↓
Total Internal Allocation In	700		↓
Net Operating Expenses	31,450	16.8%	
Cost per Capita	0.96		
% of Property Tax	0.10%		



2017 Budget

Protective Services Dog Control

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
House Rental	14,400	14,400	14,400	15,000	15,500	15,500	15,500
Supplies	3,200	2,539	2,950	2,950	3,250	3,250	3,300
Officer Contract	88,000	88,000	90,000	92,000	95,000	100,000	105,000
Commission to SPCA	800	500	800	800	800	800	800
Seminars	1,000	400	1,000	1,000	1,000	1,000	1,000
Internal Allocation In	2,700	3,100	700	700	700	700	700
Revenue	<u>(67,400)</u>	<u>(82,000)</u>	<u>(78,400)</u>	<u>(78,400)</u>	<u>(78,400)</u>	<u>(78,400)</u>	<u>(78,400)</u>
Net Operating Expense	42,700	26,939	31,450	34,050	37,850	42,850	47,900



2017 Budget

Protective Services Dog Control

Revenues	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Dog Licence Sales	57,000	65,000	65,000	65,000	65,000	65,000	65,000
Dog Shelter Use Agreement	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Ticketing Revenue	—	<u>6,600</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total	67,400	82,000	78,400	78,400	78,400	78,400	78,400



Summary

- No material changes to service levels

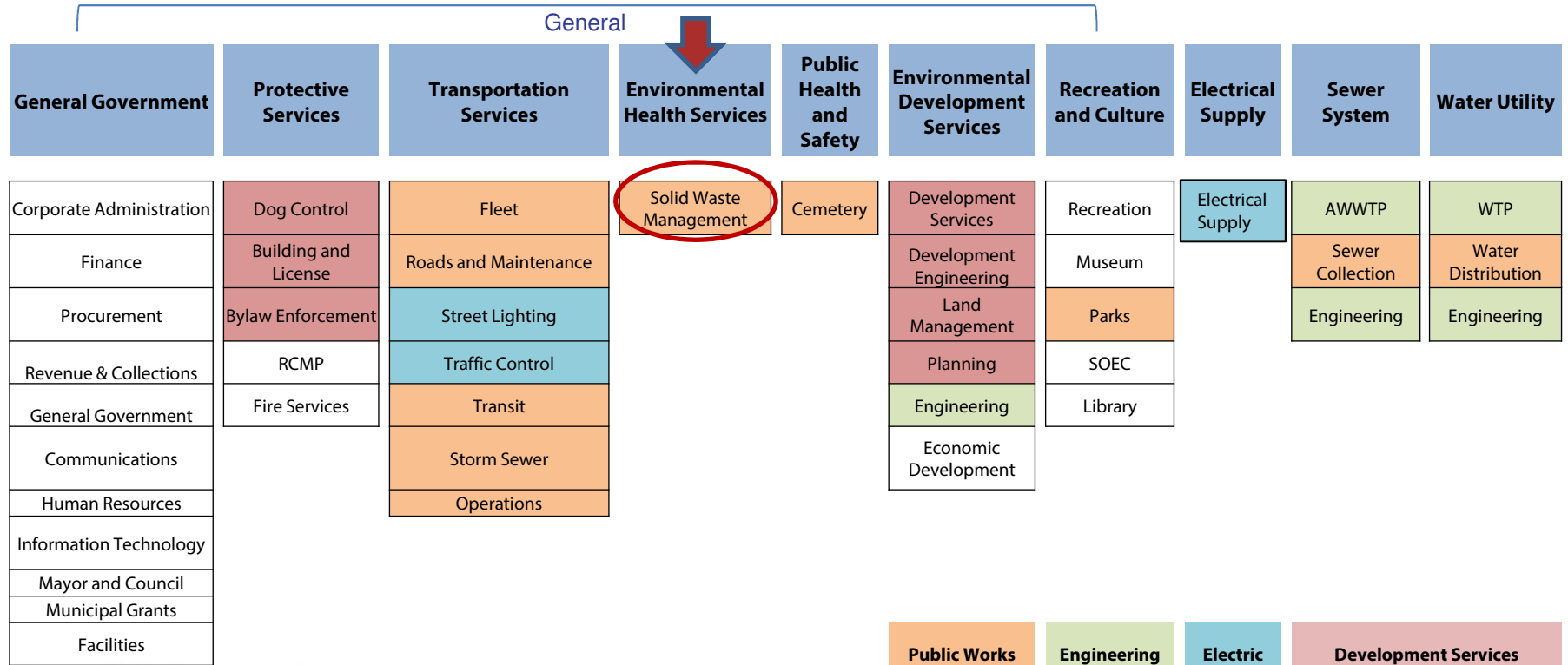


Questions



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Financial Plan Reporting Structure



Environmental Health Services: Solid Waste



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Overview

- Solid Waste include garbage, recycling and yard waste collection and disposal services
- Key priorities for 2017 are:
 - Complete the implementation of the Cart Program
 - Continue with education for recycling program, with goal to reduce contamination.

4,050 Metric Tonnes of Waste
1,400 Metric Tonnes of Yard Waste

1,100 Metric Tonnes of Recyclables
30,000 carts deployed



2017 Highlights

		% change	Trend
Total Expense	1,499,115		↑
Total Revenue	2,496,090		→
Total Internal Allocation In	49,451		↑
Net Operating Surplus	947,524	-10.8%	
Cost per Capita	-28.82		
% of Property Tax	-0.03%		



2017 Budget

Environmental Health Services

Solid Waste

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Garbage Service	750,800	721,450	722,090	725,671	729,270	732,887	736,523
Bulky Item Service	19,300	18,712	19,000	19,050	19,101	19,150	19,203
Yard Waste Service	161,050	156,500	167,800	168,638	169,480	170,327	171,177
Recycle Service	492,650	473,850	481,000	483,282	485,576	487,881	490,198
Cart Services	-	-	57,000	57,220	57,442	57,666	57,893
Salaries and Benefits	-	-	52,225	53,269	54,335	55,422	56,530
Internal Allocation In	42,076	42,176	49,451	50,067	50,695	51,335	51,989
Revenues	<u>(2,470,915)</u>	<u>(2,475,434)</u>	<u>(2,496,090)</u>	<u>(2,506,166)</u>	<u>(2,516,293)</u>	<u>(2,526,470)</u>	<u>(2,536,699)</u>
Net Operating Surplus	(1,005,039)	(1,062,746)	(947,524)	(948,968)	(950,394)	(951,800)	(953,186)



Summary

- No material changes to service levels
- Request to add additional shared FTE to preserve Multi Material BC revenue \$466,000 and reduce recyclable contamination

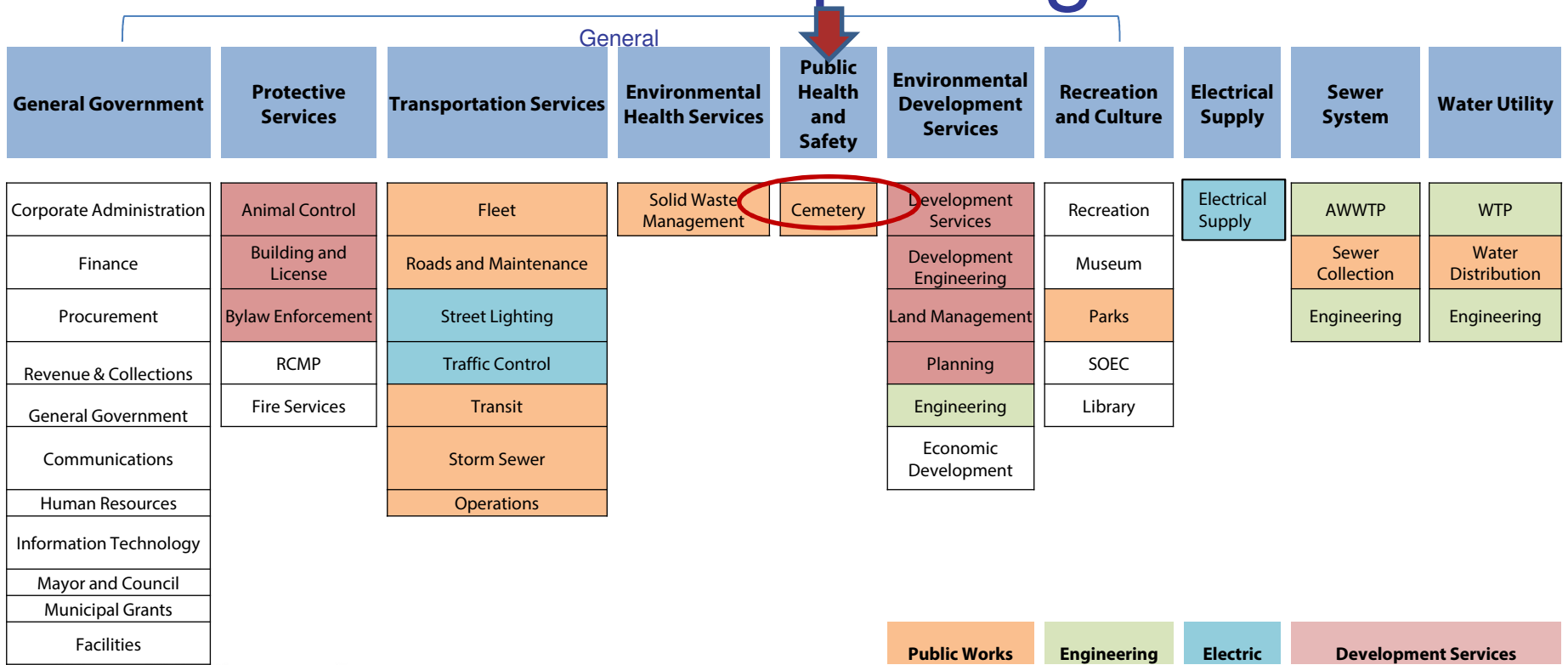


Questions



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Financial Plan Reporting Structure



Public Health and Safety: Cemetery



Overview

- Lakeview and Fairview Cemeteries
- Lakeview is maintained by contracted services. Fairview is maintained by City staff.
- Fall 2017 will see opening of new constructed sections, including additional internment options, such as green burial and estate plots

Lakeview Cemetery is 14.7 acres
7,500 plots
1,500 cremation plots

1,525 niches in columbarium
45 niches in mausoleum



2017 Highlights

Public Health and Safety Cemetery

		% change	Trend
Total Expense	181,620		→
Total Revenue	(345,600)		→
Total Internal Allocation In	18,028		↑
Net Operating Surplus	145,952	1.8%	
Capital	78,500		
Cost per Capita	-4.44		
% of Property Tax	-0.48%		



2017 Budget

Public Health and Safety Cemetery

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Fairview Cemetery	9,000	6,500	7,000	7,080	7,162	7,245	7,330
Lakeview Cemetery	166,120	173,420	174,620	174,660	174,701	174,742	174,785
Internal Allocation In	17,413	16,856	18,028	18,389	18,756	19,131	19,514
Revenue	<u>(330,952)</u>	<u>(340,200)</u>	<u>(345,600)</u>	<u>(345,600)</u>	<u>(345,600)</u>	<u>(345,600)</u>	<u>(345,600)</u>
Net Operating Surplus	(138,419)	(143,424)	(145,952)	(145,471)	(144,981)	(144,481)	(143,971)



2017 Capital Budget

Public Health and Safety
Cemetery

Project description	Budget	Comments
Lakeview Cemetery Upgrades	78,500	Year 1 of a 4 year plan to upgrade the irrigation system, implement way finding system and monument repair in old section.



Summary

Public Health and Safety Cemetery

- New section opening Fall 2017

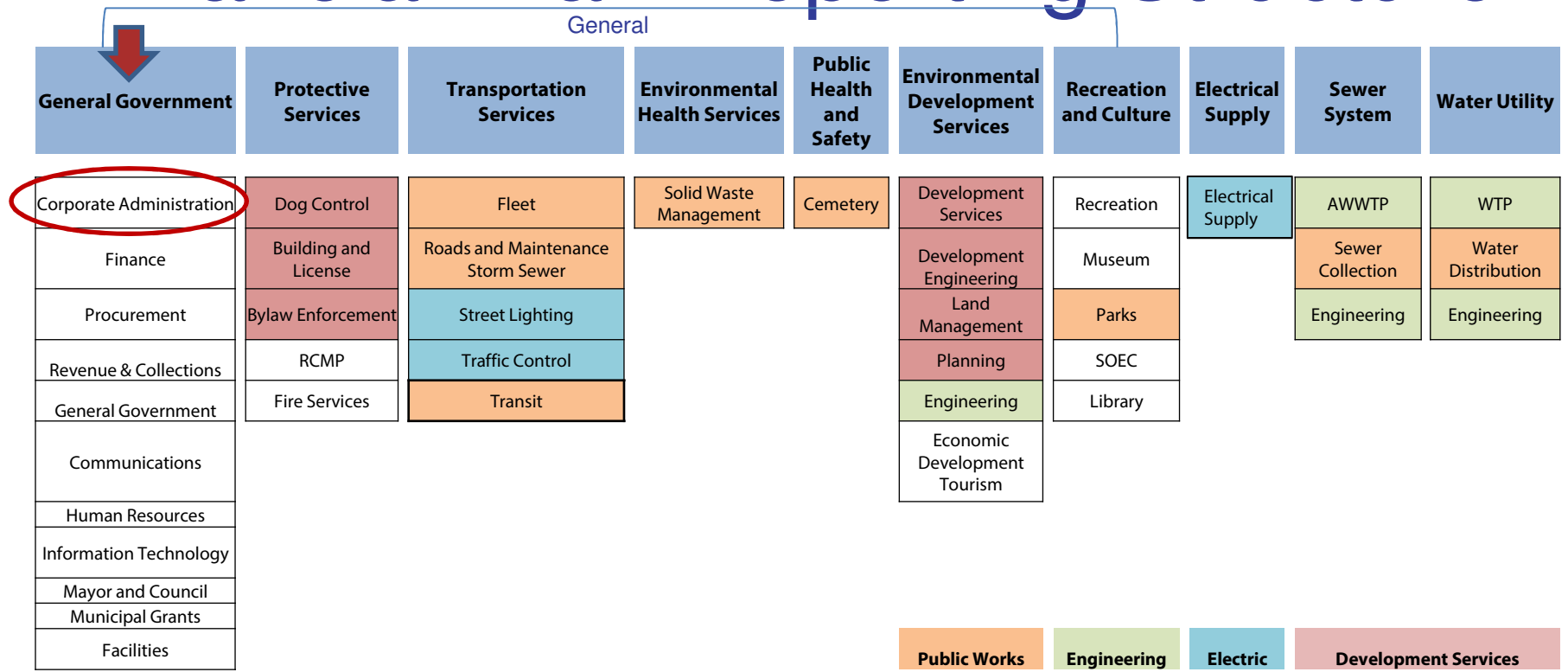


Questions



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Financial Plan Reporting Structure



Overview

- Statutory Duties as outlined in the *Community Charter*
- Our purpose is to serve Elected Officials and support other city departments
- Primary responsibilities: agendas, bylaws, elections, records management, FOIPPA requests, policy



Staffing

General Government Corporate Services

<u>2015</u>	<u>2016</u>	<u>2017</u>
5	5	5



2017 Highlights

General Government Corporate Services

		% change	Trend
Total Expense	769,303		→
Total Internal Allocation	in 27,949 out 95,000		↑ →
Recoveries FOIPPA request	100		→
Net Operating Expense	702,153	3.0%	
Cost per Capita	21.36		
% of Property Tax	2.33%		



2017 Budget

General Government Corporate Services

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	52,850	42,250	44,130	44,412	44,697	44,984	45,220
Legal	176,500	176,500	176,500	176,500	176,500	176,500	176,500
Salaries and Benefits	546,800	540,800	548,674	625,578	627,513	554,480	556,800
Internal Allocation In	20,612	17,261	27,949	28,795	28,545	28,848	29,014
Internal Allocation Out	(95,000)	(95,000)	(95,000)	(95,000)	(95,000)	(95,000)	(95,000)
Recoveries – FOIPPA	—	(100)	(100)	(100)	(100)	(100)	(100)
Net Operating Cost	701,762	681,711	702,153	780,185	782,154	709,711	712,434



2017 Budget – Legal Expenses

Expenses	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2017 Budget
Corporate Administration, Engineering & Development	187,050	218,350	127,460	169,670	176,500
Bargaining & Labour Advice	58,940	69,670	42,030	24,370	10,000
Insurance Claims & Settlements	<u>45,050</u>	<u>35,960</u>	<u>449,900</u>	<u>254,380</u>	<u>120,000</u>
Total	291,040	323,980	619,390	448,420	306,500



Summary

- Increases due to additional training costs

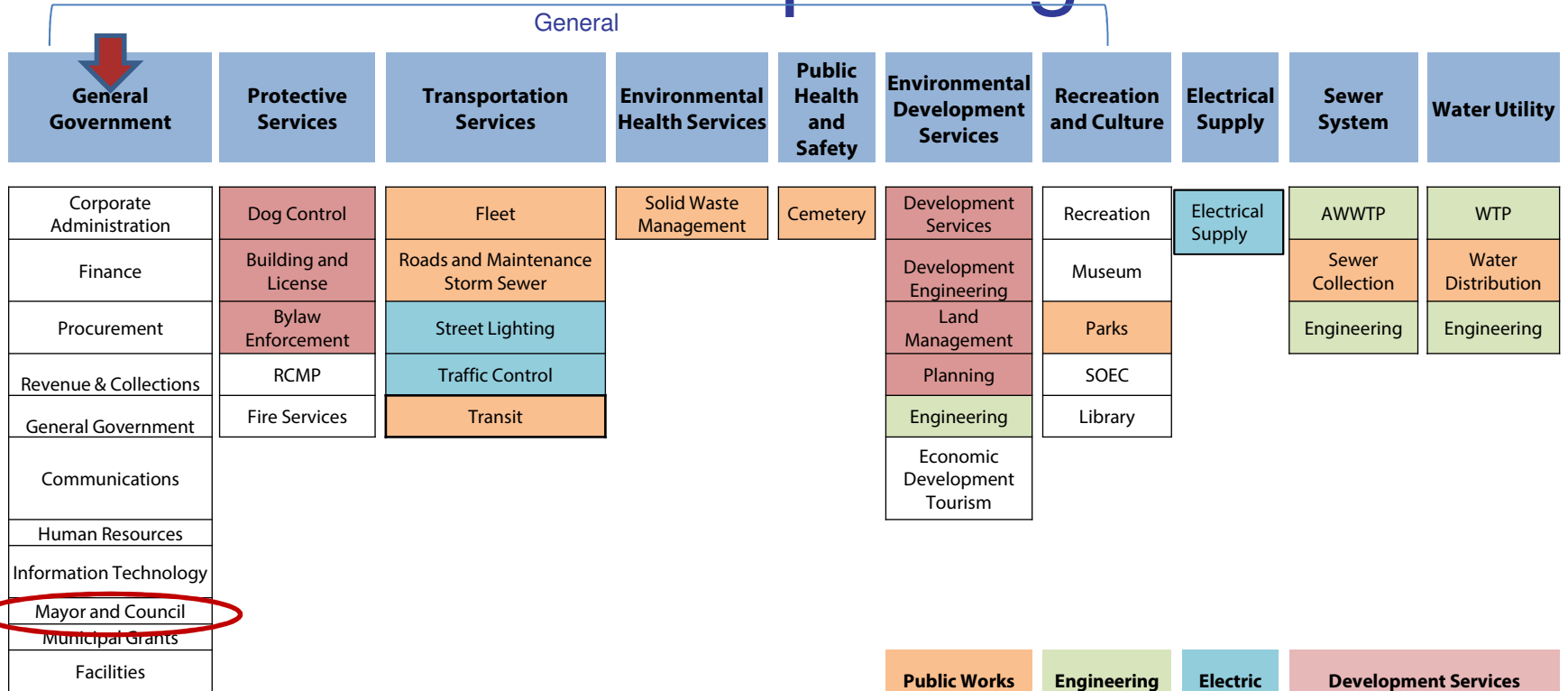


Questions



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Financial Plan Reporting Structure



General Government

Mayor / Council

Overview

- Council is the governing body of The City of Penticton and derives their authority from provincial legislation which is the Community Charter and the Local Government Act



2017 Highlights

*General Government
Mayor / Council*

		% change	Trend
Total Expense	278,103	4.5%	
Cost per Capita	8.46		
% of Property Tax	0.92%		



2017 Budget

*General Government
Mayor / Council*

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Supplies and Memberships	33,500	26,000	33,606	33,714	33,822	33,931	34,000
Travel and Conferences	28,950	26,000	29,197	29,445	29,696	29,949	30,000
Salaries and Benefits	200,000	203,000	204,000	208,079	212,240	216,485	220,815
Internal Allocation In	<u>11,800</u>	<u>11,150</u>	<u>11,300</u>	<u>11,600</u>	<u>11,300</u>	<u>11,300</u>	<u>11,300</u>
Total Operating Expenses	274,250	266,150	278,103	282,838	287,058	291,666	296,115



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Summary

*General Government
Corporate Services*

- Increase for 40th anniversary of Sister City Ikeda

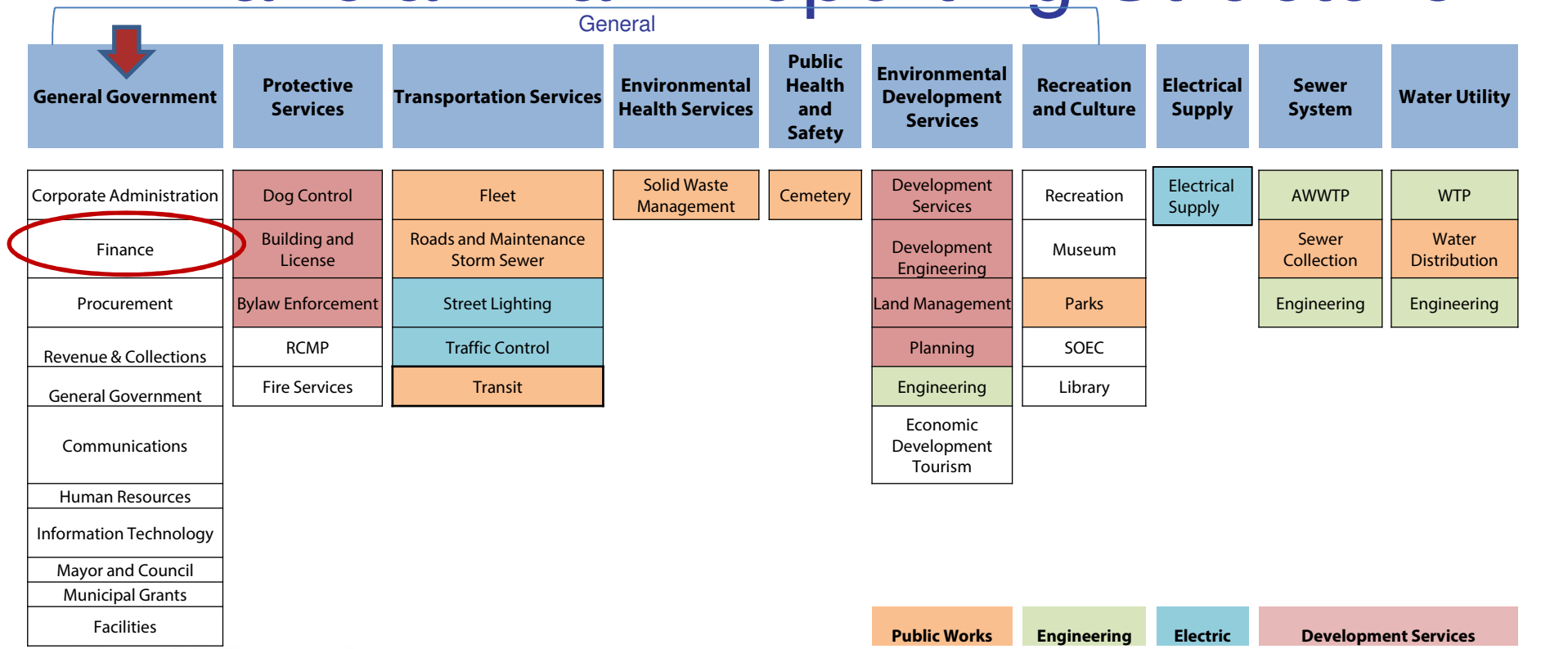


Questions



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Financial Plan Reporting Structure



Overview

- Provides strategic financial leadership to the City
- Provides transactional services, accurate and relevant reporting, and information services to both internal and external users for their decision making purposes
- Provide controls to safeguard the City's financial resources

Processed 12,000 Accounts Payable Invoices
Produced 7,800 Cheques

Billed 1,000 Sales Invoices
230 Cemetery sales



Staffing

General Government Accounting / Finance

<u>2015</u>	<u>2016</u>	<u>2017</u>
8	8	8



2017 Highlights

General Government Accounting / Finance

		% change	Trend
Total Expense	9,862,479		↑
Total Revenue	(2,162,000)		↓
Total Debt Principal (General)	(3,232,875)		→
Total Internal Allocation	in 19,750 out 2,222,805		↓
Net Operating Expense	2,264,549	397.6%	
Capital	274,000		
Cost per Capita	68.88		
% of Property Tax	7.50%		



2017 Budget

General Government Accounting / Finance

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	296,800	201,000	252,850	278,500	280,200	281,950	283,700
Insurance	589,000	579,927	593,500	593,500	593,500	593,500	593,500
Interest and fees	18,700	13,700	13,700	13,700	13,700	13,700	13,700
Debt Interest	3,849,452	3,849,452	3,574,375	2,830,332	2,248,449	2,233,430	2,229,652
Debt Principal	4,283,308	4,274,647	4,230,055	2,952,436	2,020,262	2,002,812	2,004,677
Foreign Exchange	10,000	8,000	10,000	10,000	10,000	10,000	10,000
Operating Provision	512,242	-	312,500	312,500	312,500	312,500	312,500
Salaries and Benefits	821,949	872,655	875,499	876,704	884,308	892,065	899,976
Total Operating Expense	10,381,452	9,799,381	9,862,479	7,867,672	6,362,919	6,339,957	6,347,705



2017 Budget

General Government Accounting / Finance

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Total Operating Expense	10,381,452	9,799,381	9,862,479	7,867,672	6,362,919	6,339,957	6,347,705
Internal Allocation In	21,014	21,662	19,750	20,253	20,547	20,845	21,149
Internal Allocation Out	(2,417,900)	(2,411,575)	(2,222,805)	(2,174,280)	(2,164,615)	(2,164,615)	(2,164,615)
Debt Principal	(4,283,308)	(4,274,647)	(3,232,875)	(2,952,436)	(2,020,262)	(2,002,812)	(2,004,677)
Total Operating expense	4,753,376	4,177,615	4,426,549	3,728,404	3,159,699	3,154,485	3,160,672
Revenue	(4,949,738)	(4,938,440)	(2,162,000)	(2,402,000)	(2,402,000)	(2,402,000)	(2,402,000)
Net Operating (Surplus)/Expense	(196,362)	(760,825)	2,264,549	1,326,404	757,699	752,485	758,672



2017 Budget Debt & Interest

*General Government
Accounting / Finance*

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Debt Principal - General	3,231,189	3,231,853	3,232,875	1,985,241	1,059,152	1,032,925	1,029,147
Debt Interest - General	2,483,671	2,483,671	2,351,750	1,626,247	1,047,944	1,041,702	1,043,567
Debt Principal - Sewer	584,381	584,381	575,057	545,072	538,987	538,987	538,987
Debt Interest - Sewer	773,830	773,830	773,830	755,290	751,710	751,710	751,710
Debt Principal - Water	467,738	458,413	422,123	422,123	422,123	422,123	422,123
Debt Interest - Water	<u>591,951</u>	<u>591,951</u>	<u>448,795</u>	<u>448,795</u>	<u>448,795</u>	<u>448,795</u>	<u>448,795</u>
Debt Total	8,132,760	8,124,099	7,804,430	5,782,768	4,268,711	4,236,242	4,234,329



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2017 Revenues

General Government Accounting / Finance

Revenues	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Casino - DAC	2,937,029	2,937,029	-	-	-	-	-
Casino - HFAA	1,600,000	1,600,000	1,760,000	2,000,000	2,000,000	2,000,000	2,000,000
Traffic Fine Revenue Sharing	<u>412,709</u>	<u>401,411</u>	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>	<u>402,000</u>
Sub-total	4,949,738	4,938,440	2,162,000	2,402,000	2,402,000	2,402,000	2,402,000
Transfers to other Governments	-	-	(176,000)	(200,000)	(200,000)	(200,000)	(200,000)
Total	4,949,738	4,938,440	1,986,000	2,202,000	2,202,000	2,202,000	2,202,000



2017 Capital Budget

*General Government
Accounting / Finance*

Project description	Budget	Comments
Asset Management	209,000	Asset management projects
Short Term Opportunities	<u>65,000</u>	Provision for discretionary items that come up during the year.
Total	274,000	



Summary

- Capital projects for asset management plans
- Increase in goods for new transfer to other governments
- Decrease in goods for 2016 one time project for capital project prioritization
- Decrease in interest expense for refinanced MFA debt
- Operating provision is budgeted for in Finance but expensed throughout all cost centres as needed

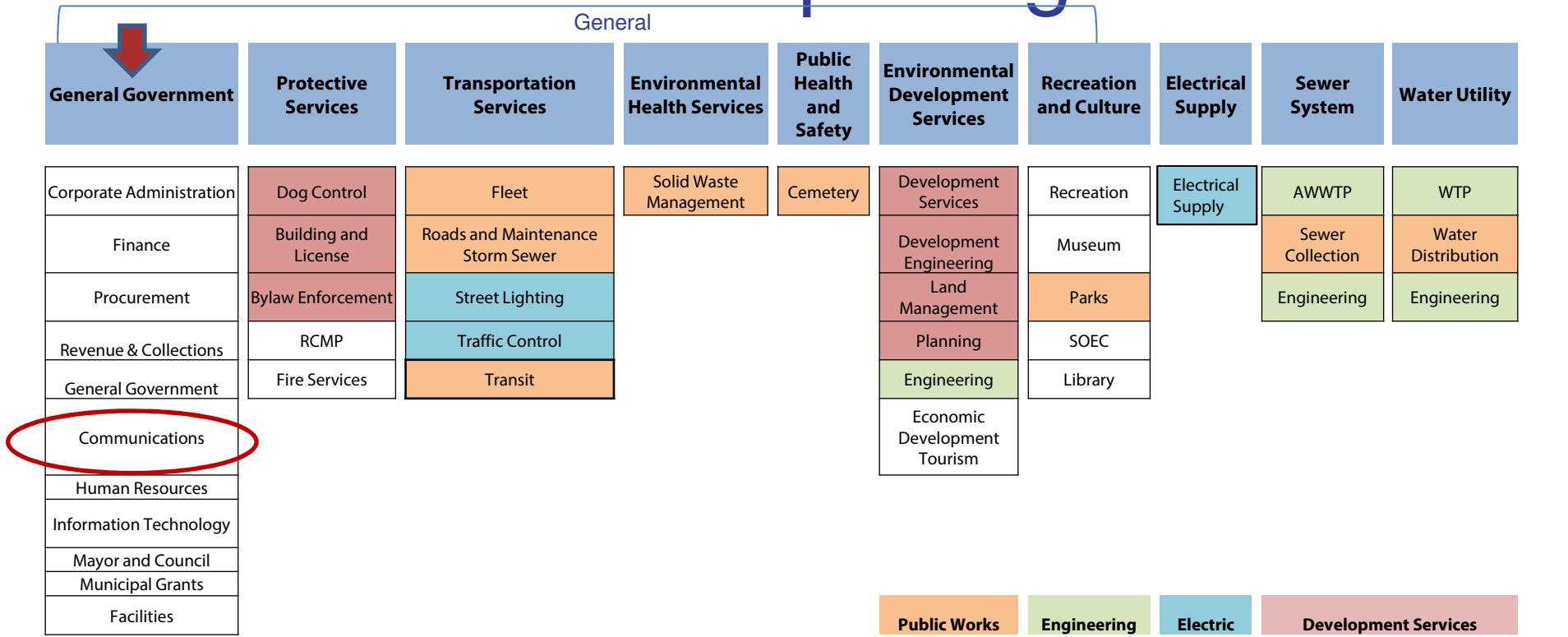


Questions



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Financial Plan Reporting Structure



Overview

Primary goal is to provide information for citizens to learn more about City affairs and opportunities to get involved

Major engagement initiatives for 2017:

Asset Management (on going)

Official Community Plan

Departmental communication needs

Arena Task Force

Budget Process

Media support

- Introduced Engagement Consultant, September 2016
- Launched new online engagement platform, ShapeYourCity
- ShapeYourCityPenticton: Active Participants: **516** Active Participants & **6,809** Visits to the site
- ShapeYourCityPenticton is now considered a 'Best in Class' example and being shared internationally
- Introduced the Infrastructure Deficit communication & engagement initiative :
- 11 in-person sessions, 130+ ideas contributed, 1,300 visits to the web site in 2016
- Provided support to 22 City departments and facilities
- +5,300 more visits to Penticton.ca in 2016 vs. 2017
- Social media : 2016 Total Impressions +121% increases vs. 2015, Social Media Engagement +81% in 2016 vs. 2015

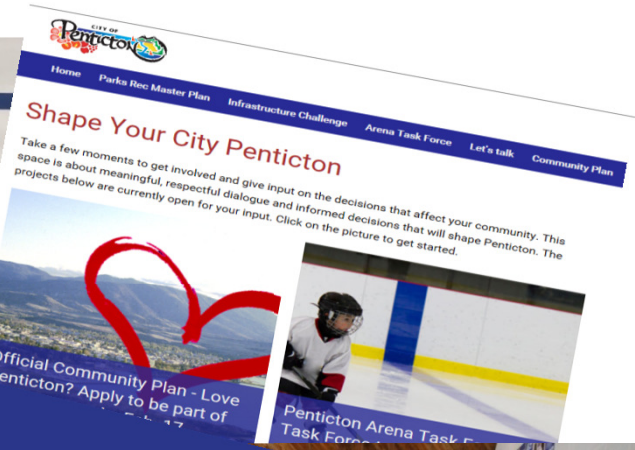
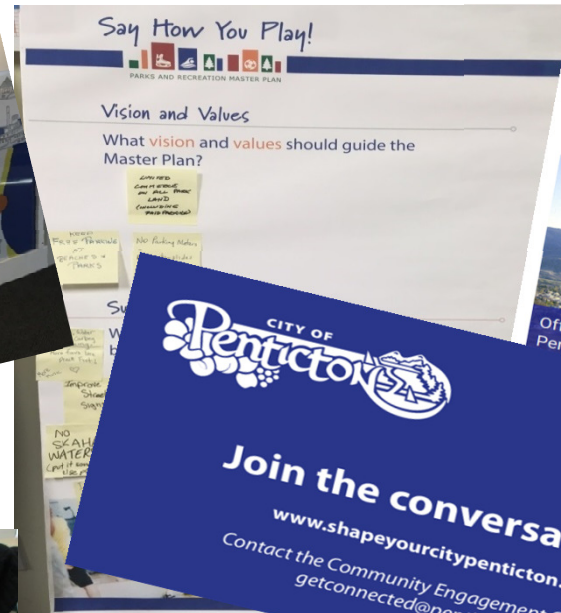


Staffing

General Government Communications

<u>2015</u>	<u>2016</u>	<u>2017</u>
1	1	2





2017 Highlights

General Government Communications

		% change	Trend
Total Expense	406,021		↑
Total Internal Allocation	in 15,000 out 54,771		↑
Net Operating Expense	366,250	86.5%	
Cost per Capita	11.14		
% of Property Tax	1.21%		



2017 Budget

General Government Communications

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Communications	106,494	95,667	175,521	160,521	160,521	160,521	160,521
Public Relations	62,000	25,000	142,000	117,000	119,000	121,000	123,000
Publications	25,125	22,462	24,500	24,500	24,500	24,500	24,500
Print	53,000	50,000	53,000	51,000	49,000	47,000	45,000
Radio	2,000	1,600	2,000	2,000	2,000	2,000	2,000
Online	9,000	8,000	9,000	9,500	10,000	10,500	11,000
Internal Allocation In	2,700	150	15,000	15,000	15,000	15,000	15,000
Internal Allocation Out	-	(6,467)	(54,771)	(44,771)	(44,771)	(44,771)	(44,771)
Total Operations	260,319	196,412	366,250	334,750	335,250	335,750	336,250



Summary

General Government Communications

- Overall increase due to the engagement consultant and the initiatives associated with the role including; salary, open houses, production of all print materials, advertising associated with events etc.



Questions



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Financial Plan Reporting Structure

General

General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System	Water Utility
Corporate Administration	Dog Control	Fleet	Solid Waste Management	Cemetery	Development Services	Recreation	Electrical Supply	AWWTP	WTP
Finance	Building and License	Roads and Maintenance Storm Sewer			Development Engineering	Museum		Sewer Collection	Water Distribution
Procurement	Bylaw Enforcement	Street Lighting			Land Management	Parks		Engineering	Engineering
Revenue & Collections	RCMP	Traffic Control			Planning	SOEC			
General Government	Fire Services	Transit			Engineering	Library			
Communications					Economic Development Tourism				
Human Resources									
Information Technology									
Mayor and Council									
Municipal Grants									
Facilities									

Public Works Engineering Electric Development Services



General Government: Facilities



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Overview

- The Facilities Department plans, designs, builds, manages, operates and maintains City owned buildings to support delivery of programs and services to our community
- Facilities decisions are developed in accordance with Strategic Planning Priorities and the Facilities Master Plan
- Narrowing the gap between required infrastructure spending and available funding is Facilities' single greatest challenge for 2017

The City owns over (50) facilities including everything from arenas to libraries to City Hall to the Peach on the Beach.
Oldest facility is Leir House at 90 years old.

Newest facility is the SOEC at 8 years old.
City owns and maintains a total building area of over 650,000 SF.
The SOEC is the largest facility at 230,000 SF and the Peach is the smallest at just over 100 SF.



Staffing

General Government Facilities

<u>2015</u>	<u>2016</u>	<u>2017</u>
16	17	17



2017 Highlights

General Government Facilities

		% change	Trend
Total Expense	3,106,674		↑
Total Internal Allocation In	77,578		↑
Net Operating Expense	3,184,252	9.2%	
Capital	1,066,458		
Cost per Capita	96.85		
% of Property Tax	10.55%		



2017 Budget

General Government Facilities

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	1,719,671	971,355	1,152,758	1,152,975	1,153,200	1,153,436	1,153,683
Fleet	1,000	-	41,286	41,286	41,286	41,286	41,286
Salaries and Benefits	1,008,725	1,240,053	1,234,331	1,200,434	1,216,819	1,233,492	1,250,455
Utilities	80,000	648,130	678,299	721,571	768,407	819,102	873,979
Internal Allocation In	<u>57,570</u>	<u>56,020</u>	<u>77,578</u>	<u>71,379</u>	<u>71,482</u>	<u>71,530</u>	<u>71,578</u>
Net Operating Expense	2,866,966	2,915,558	3,184,252	3,187,645	3,251,194	3,318,846	3,390,981



2017 Capital Budget

Project description	Budget	Comments
Facilities Capital – General	50,000	Updated asbestos surveys required due to change in regulations, as per WorkSafeBC compliance requirements. (12) Buildings included in 2017.
City Wide Security Upgrades	40,000	Security upgrades for key facilities.
City Hall Repair and Maintenance	12,000	Replacement of broken furniture and repairs.
City Hall Mechanical	225,000	Mechanical upgrades for cooling unit serving council chambers. Existing system is at risk of failure and new system will improve efficiency.
Penticton Trade and Convention Centre	302,958	Replacement of failing mechanical systems.
Yacht and Tennis Club	110,000	Demolition of facility.
Memorial Arena	300,000	Upgrade or replacement of facility.
Recreation	<u>26,500</u>	Equipment replacement
Total	1,066,458	



Summary

- Planned capital expense \$1,066,458
- Expense increases are primarily from salary increases and costs for utilities & general maintenance

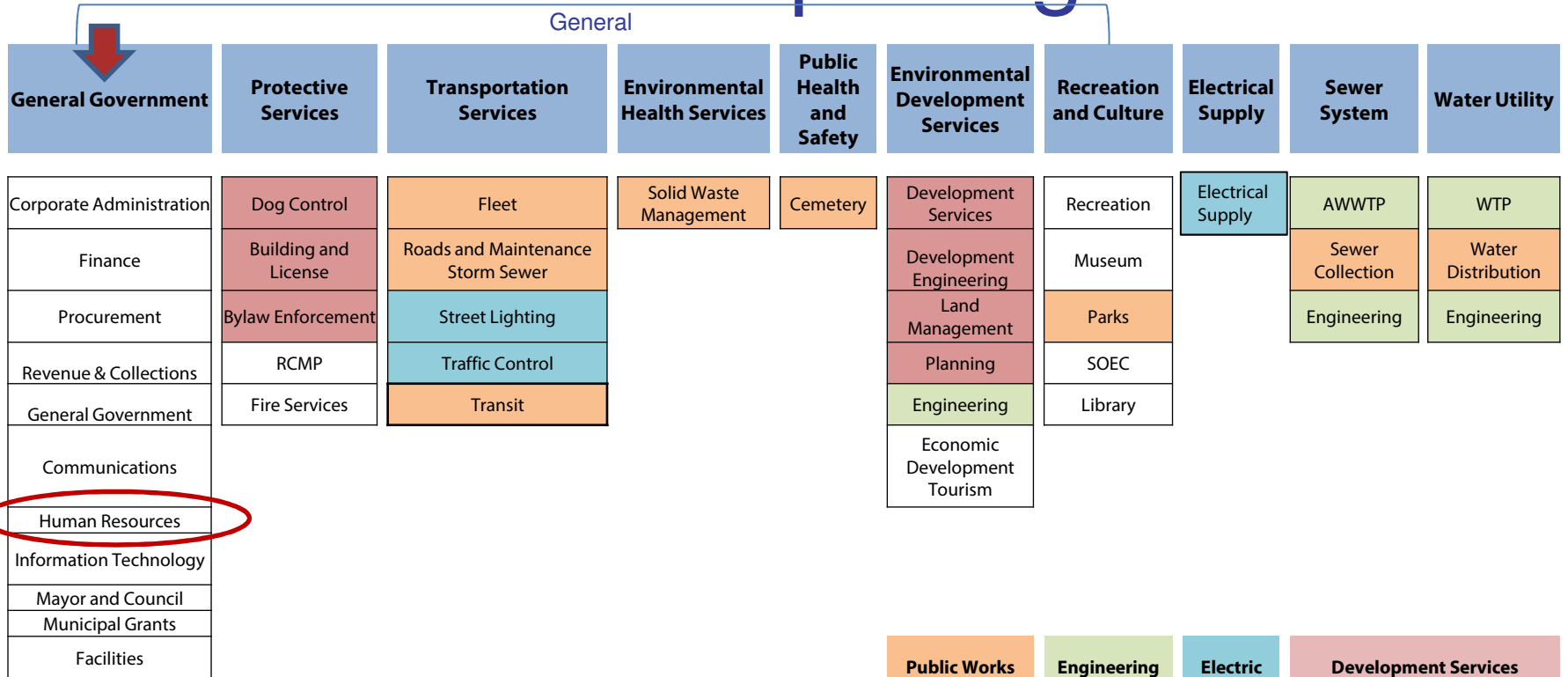


Questions



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Financial Plan Reporting Structure



Overview

- The goal of Human Resources is to be an employer of choice. Department responsibilities include:
 - Attraction (recruitment) and Retention (compensation and benefits)
 - Employee Relations and Engagement (wellness)
 - Safety & Compliance
 - Training & Development

400 general resumes submitted
33 external postings for approx. 40 positions, 277 applicants

54 internal postings for approx. 58 positions 88 applicants
77 positions filled in 2016 (41 internal 36 external)



Staffing

*General Government
Human Resources*

<u>2015</u>	<u>2016</u>	<u>2017</u>
4	6	6



2017 Highlights

General Government Human Resources

		% change	Trend
Total Expense	1,117,671		↑
Total Internal Allocation	in 48,435 out 376,575		→ ↑
Net Operating Expense	789,531	-1.1%	
Cost per Capita	24.01		
% of Property Tax	2.62%		



2017 Budget

General Government Human Resources

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	490,931	431,791	572,565	556,347	584,257	591,500	579,268
Salaries and Benefits	458,983	533,677	535,106	542,215	550,924	559,808	568,870
Legal	10,000	12,000	10,000	10,200	10,404	10,612	10,824
Internal Allocation In	48,714	48,490	48,435	47,738	48,131	48,267	48,339
Internal Allocation Out	(292,951)	(227,761)	(376,575)	(355,727)	(359,976)	(364,287)	(368,661)
Net Operating Expense	715,677	798,197	789,531	800,773	833,740	845,900	838,640



Summary

General Government Human Resources

- Overall increase due to additional training requests and labour increases



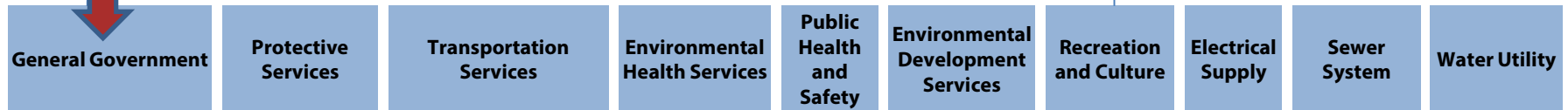
Questions



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Financial Plan Reporting Structure

General



General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System	Water Utility
Corporate Administration	Dog Control	Fleet	Solid Waste Management	Cemetery	Development Services	Recreation	Electrical Supply	AWWTP	WTP
Finance	Building and License	Roads and Maintenance Storm Sewer			Development Engineering	Museum		Sewer Collection	Water Distribution
Procurement	Bylaw Enforcement	Street Lighting			Land Management	Parks		Engineering	Engineering
Revenue & Collections	RCMP	Traffic Control			Planning	SOEC			
General Government	Fire Services	Transit			Engineering	Library			
Communications					Economic Development Tourism				
Human Resources									
Information Technology									
Mayor and Council									
Municipal Grants									
Facilities									



Overview

We manage, maintain and support a cost effective, enterprise wide IT infrastructure in support of the corporation's strategic plan and business objectives.

Through the IT strategy, we are transforming IT services to a more strategic business partner model that will lead and support the digitalization of the organization, improving the way we use data and information and improving our citizen products and service offerings using digital technology.

2016 Highlights

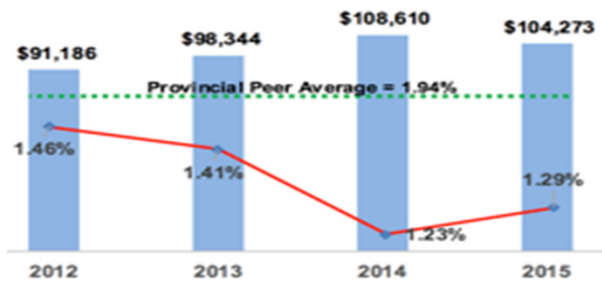
- IT Risk & Capability Assessment
- IT Strategy Development
- Mobile Access
- GIS – Electrical, Water
- Garbage Container Management
- Financial system upgrade
- Email server migration



2016 IT Highlights

- IT Strategy Development
 - Business Systems Review
 - Digitalization
 - IT Maturity
 - IT Infrastructure

IT OPEX as % of Revenue

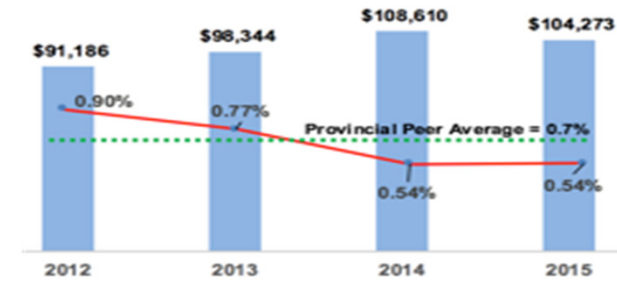


Peer Comparisons (2015)

OPEX		
Low	Average	High
1.0%	1.94%	4.21%

CAPEX		
Low	Average	High
0.20%	0.7%	2.72%

IT CAPEX as % of Revenue



Staffing

General Government Information Technology

<u>2015</u>	<u>2016</u>	<u>2017</u>
8	8	9

Business Process Improvement Specialist

- Responsible for the Business Systems Review
- Increase efficiencies
- Reduce costs
- Enhance customer service
- 3 year contract position



Highlights

General Government Information Technology

		% change	Trend
Total Expense	2,055,873		↑
Total Recoveries	47,764		→
Total Internal Allocation	in 48,850 out 76,134		↑
Net Operating Expense	1,980,824	35.6%	
Capital	1,164,450		
Cost per Capita	60.25		
% of Property Tax	6.56%		



2017 Budget

General Government Information Technology

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	634,188	596,308	1,034,964	872,705	898,035	856,879	933,193
Equipment Amortization	213,855	213,855	213,855	213,855	213,855	213,855	213,855
Salaries and Benefits	699,721	681,899	807,054	1,012,455	1,017,907	923,411	928,746
Recoveries	45,506	47,700	47,764	43,359	43,373	43,388	43,650
Internal Allocation In	45,650	46,655	48,850	49,500	50,160	50,830	51,510
Internal Allocation Out	<u>(45,872)</u>	<u>(30,580)</u>	<u>(76,134)</u>	<u>(84,828)</u>	<u>(85,370)</u>	<u>(85,922)</u>	<u>(86,416)</u>
Net Operating Expense	1,502,036	1,460,437	1,980,824	2,020,329	2,051,214	1,915,666	1,997,238



2017 Capital Budget

General Government Information Technology

Project description	Budget	Comments
Hardware	191,000	Servers, Desktops, Laptops, Tablets, Phones, Printers, AV, Cameras
Software	247,500	Custom Configuration, MyCity enhancement, Electronic Permit Application
Infrastructure	10,000	Remote UPS upgrades
GIS	415,000	Roads, Storm sewer, Property Information, Field Development
IT Strategy-Digitalization	220,500	ePlans, ePermitting, Digital Plans, HRIS,
SOEC/PTCC	<u>80,450</u>	AV replacements/enhancements
Total	1,164,450	



Summary

General Government Information Technology

- This budget has increased due to the implementation of the IT strategy and addition of a new contract position

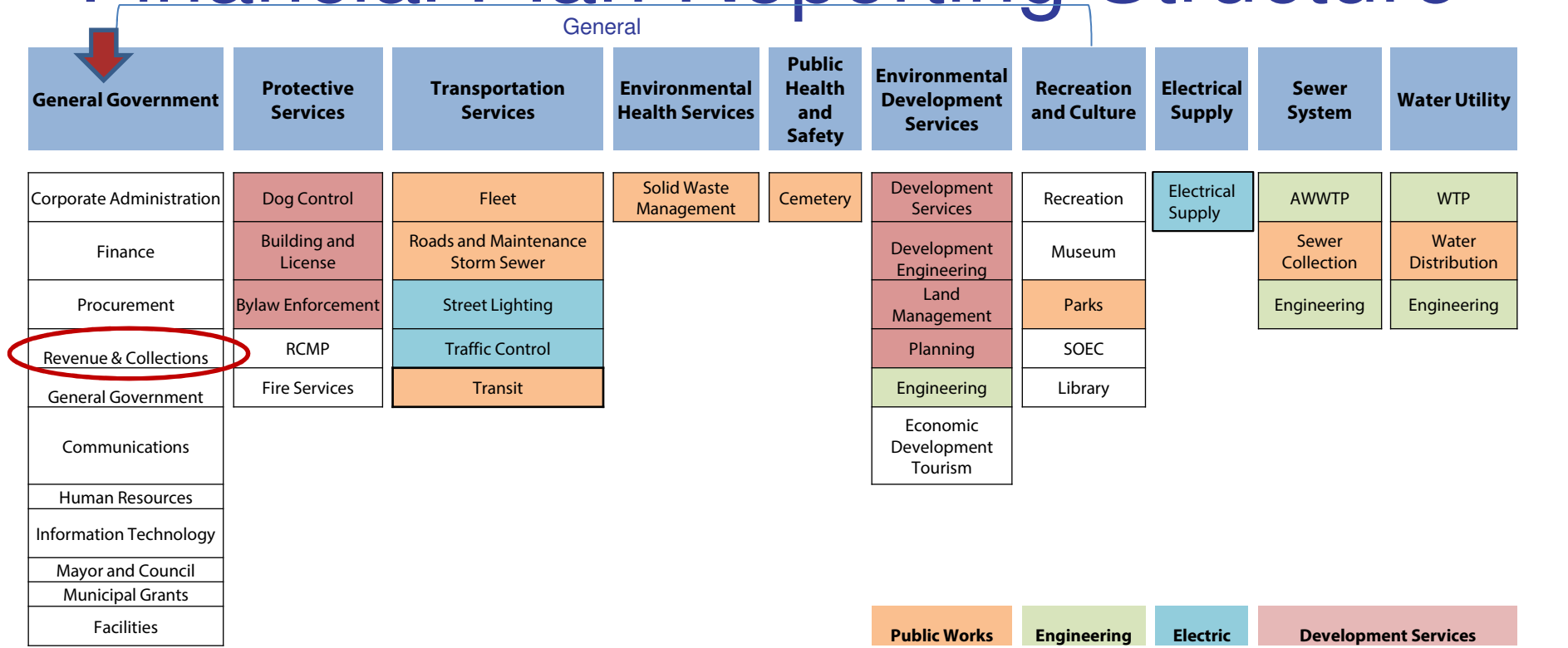


Questions



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Financial Plan Reporting Structure



*General - Other
Revenue & Collections*



Overview

- Main City Hall reception and cashiering services
 - Dog tags, parking permits, municipal tickets, transit passes
- Electric, Water & Sewer utility billing and collections
- Property tax billing and collections
- Priorities include:
 - Implementation of Utility Rate Review findings
 - Review of the City's collection and disconnection practices

171,188 utility bills mailed
43,055 utility bills were E-billed

+2,000 phone calls per month
9,209 Home Owner Grants and 187 Tax Deferrals



Staffing

General - Other Revenue & Collections

<u>2015</u>	<u>2016</u>	<u>2017</u>
10	10	10



2017 Highlights

General - Other Revenue & Collections

		% change	Trend
Total Expense	910,233		↓
Total Recoveries	150,000		→
Total Internal Allocation In	23,731		↑
Net Operating Expense	783,964	-4.0%	
Cost per Capita	23.85		
% of Property Tax	2.60%		



2017 Budget

General - Other Revenue & Collections

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	225,910	273,400	230,950	235,469	240,084	244,795	249,606
Salaries and Benefits	692,092	680,583	679,283	693,083	693,083	693,083	693,083
Internal Allocation In	24,267	13,000	23,731	26,676	26,857	27,042	27,227
Recoveries	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>
Net Operating Expense	792,269	816,983	783,964	805,229	810,024	814,920	819,916



Summary

General - Other Revenue & Collections

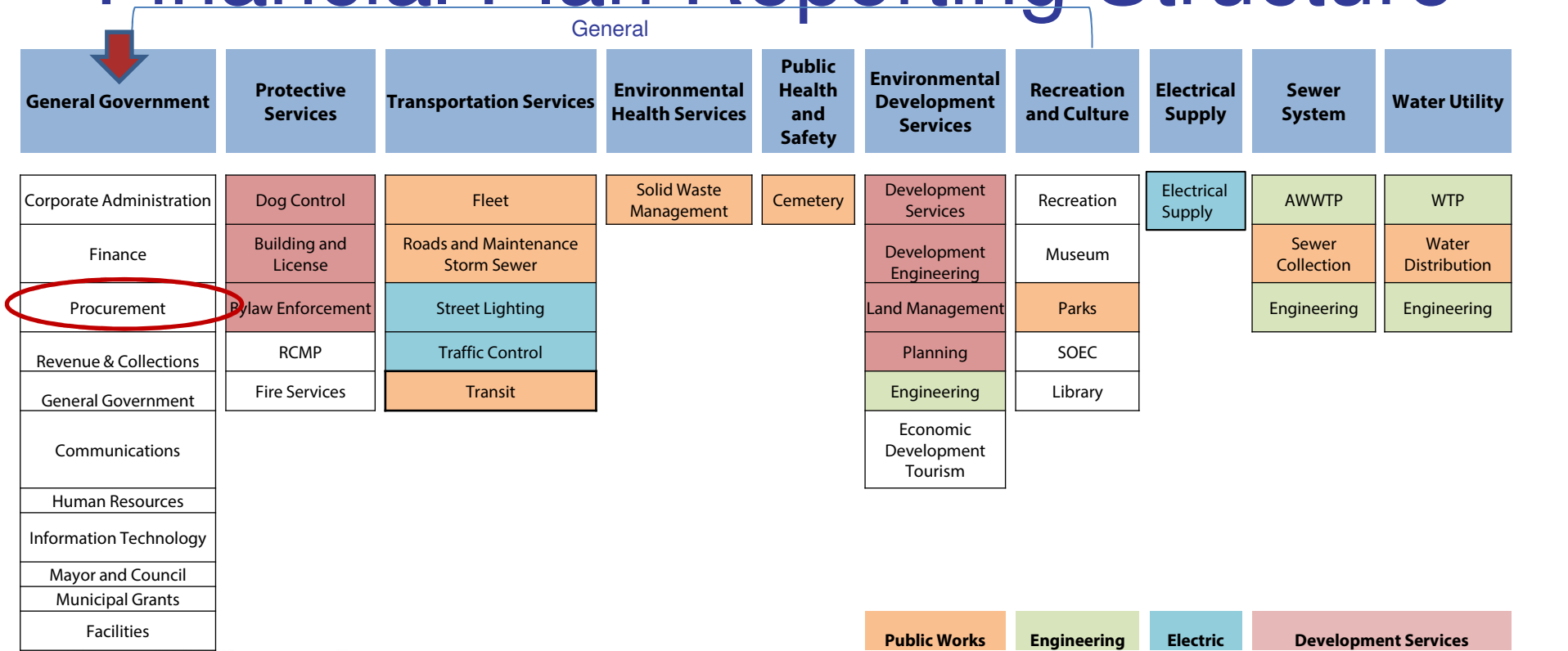
- No material changes, overall expenses trending down as there have been staffing seniority changes



Questions



Financial Plan Reporting Structure



Overview

- Stock inventory and provide central purchasing services for the City
- Oversee disposition of surplus and obsolete equipment and materials
- Prepare request for quotes, proposals and tenders
- Prepare contracts for services

Issued 714 Purchase Orders totalling \$8,228,800
Saved \$3,453,000 by obtaining quotes
Issued 80 Request for Quotes, Request for Proposals
and Tenders

Generated \$10,000 disposing of surplus/obsolete
material and equipment



Staffing

*General - Other
Procurement*

<u>2015</u>	<u>2016</u>	<u>2017</u>
5	5	5



2017 Highlights

		% change	Trend
Total Expense	501,560		↑
Total Internal Allocation	in 14,650 out 40,800		↓
Net Operating Expense	475,410	12.9%	
Cost per Capita	14.46		
% of Property Tax	1.57%		



2017 Budget

General - Other Procurement

Expenses	2016 Budget	2016 Forecast	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Goods and Services	95,550	100,585	117,800	103,650	101,800	101,800	99,300
Forklift Amortization	3,250	3,250	3,250	3,250	3,250	3,250	3,201
Salaries and Benefits	370,250	370,850	380,510	386,112	386,112	386,112	386,112
Internal Allocation In	18,700	15,597	14,650	14,769	14,890	15,013	15,138
Internal Allocation Out	(78,800)	(69,335)	(40,800)	(41,650)	(40,800)	(40,800)	(38,300)
Net Operating Expense	408,950	420,947	475,410	466,132	465,253	465,376	465,452



Summary

- Increase in net operating expenses are from increased costs for goods & services and salaries



Questions



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2017 Budget

Debt & Reserves



Debt Summary

Funding	Interest	Principal	Outstanding 2016
Casino	1,315,406	2,213,123	6,084,885
Development Cost Charges (DCC)	223,519	175,768	3,114,553
General	944,748	842,296	14,045,372
Total General	2,483,673	3,231,187	23,244,810
Water	591,951	458,414	8,414,972
Sewer	<u>773,830</u>	<u>575,057</u>	<u>11,453,443</u>
Total	3,849,454	4,464,658	43,113,225



Water Debt

Maturity	Purpose	Interest	Principal	Outstanding 2016
2016	Water Treatment Plant	18,000	36,291	-
2026	Naramata Road Upgrade	206,881	156,827	2,787,121
2028	Water Filtration Plant	206,000	134,327	2,762,281
2029	Water Filtration Plant	<u>161,070</u>	<u>130,969</u>	<u>2,865,570</u>
	Totals	591,951	458,414	8,414,972



Sewer Debt

Maturity	Purpose	Interest	Principal	Outstanding 2016
2018	Penticton Industrial Development Area (PIDA)	18,540	29,985	83,714
2019	PIDA	3,580	6,085	24,996
2027	Septage Handling Facility	50,610	35,261	676,842
2028	System Upgrade	412,000	268,654	5,524,561
2029	Plant Expansion	<u>289,100</u>	<u>235,072</u>	<u>5,143,330</u>
	Totals	773,830	575,057	11,453,443



General Debt – Casino (Gaming) Funded

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2016
2017	SOEC park site servicing	Casino DAC	337,400	583,037	829,843
2017	SOEC	Casino DAC	385,600	666,328	948,392
2018	SOEC	Casino DAC	515,000	832,909	2,325,384
2024	Parks – Land acquisition	Casino HFAA*	33,600	50,808	871,290
2024	Parks – Integrated waterfront	Casino HFAA	11,000	16,633	285,244
2024	Parks – Youth park	Casino HFAA	1,000	1,512	25,931
2025	Parks – Integrated waterfront	Casino HFAA	14,256	26,054	266,509
2025	Parks – Youth park	Casino HFAA	2,700	5,514	81,891
2025	Parks – Integrated waterfront	Casino HFAA	<u>14,850</u>	<u>30,328</u>	<u>450,401</u>
	Sub-total Funded by Casino		1,315,406	2,213,123	6,084,885
	<i>* interest only</i>				



General Debt – DCC Funded

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2016
2024	Storm Sewer	DCC (principal)	8,100	10,207	175,036
2024	Roads design – Main Street	DCC (principal)	3,000	4,536	77,794
2026	Roads work – Fairview & Industrial	DCC (principal)	70,659	53,563	951,918
2026	Parks - Sportsfields	DCC (principal)	<u>141,760</u>	<u>107,462</u>	<u>1,909,805</u>
	Sub-total Funded by DCC		223,519	175,768	3,114,553



General Debt

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2016
2018	PIDA	General	58,710	94,952	265,094
2019	PIDA	General	11,336	19,269	79,153
2020	RCMP building	General	52,500	82,873	700,906
2020	RCMP building	General	31,500	49,724	420,544
2024	Roads Work – South Main St	General	3,900	5,897	101,132
2025	Wine Information Centre	General	21,933	40,083	410,013
2027	Integrated Waterfront	General	16,870	11,754	225,614
2028	Wellness Centre	General	139,500	100,745	2,071,710
2028	Cemetery - Columbarium	General	128,750	83,954	1,726,425
	Sub-total Funded by General		464,999	489,251	6,000,591



General Debt (Continued)

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2016
2028	Indoor soccer facility	General	51,500	33,582	690,570
2028	Integrated Waterfront	General	27,295	17,798	366,002
2029	Indoor soccer facility	General	17,140	13,936	304,926
2030	Indoor soccer facility – Phase 2	General	26,370	19,679	455,470
2030	Pool upgrades	General	333,000	248,505	5,751,673
2031	Indoor soccer facility	General	5,670	4,534	110,445
2031	Road works – Smythe Dr.	General	18,774	15,011	365,695
	Sub-total Funded by General		<u>479,749</u>	<u>353,045</u>	<u>8,044,781</u>
	Total Funded by General		944,748	842,296	14,045,372



Debt Summary

Funding	Interest	Principal	Outstanding 2016
Casino	1,315,406	2,213,123	6,084,885
DCC	223,519	175,768	3,114,553
General	<u>944,748</u>	<u>842,296</u>	<u>14,045,372</u>
Total General debt	2,483,673	3,231,187	23,244,810
Water	591,951	458,414	8,414,972
Sewer	<u>773,830</u>	<u>575,057</u>	<u>11,453,443</u>
Total debt	3,849,454	4,464,658	43,113,225



Debt Funding

- Major SOEC loans maturing in 2018 were financed by Casino revenues
- Funds freed from the maturing debt can finance \$13.5m (10 year loan) or \$24.5m (20 year loan) of new debt
- For every \$1M of debt the City must fund approx. \$115k (10 year loan) or \$65k (20 year loan) (interest plus principal)
- Each \$1m in financing would require approx. a 4% tax increase



Reserves

Type	Estimated 2016
Statutory	7,154,732
Non-statutory (Own)	<u>42,660,237</u>
Total Reserves	49,814,969
Investments	82,779,729



Questions?



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