



2016 ANNUAL REPORT





CITY OF PENTICTON ANNUAL REPORT | 2016

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OUR VISION

A **vibrant**, innovative, adventurous **waterfront** city focused on sustainability, **community**, and economic **opportunity**.





MESSAGE FROM THE MAYOR

2016 was a great year for the City. We can look back proudly on a long list of accomplishments and projects that came to fruition as well as the plans we laid down for the future that will make the City an even better place to visit, raise a family, earn a living or retire.

When I look back over the year, the one thing that jumps out most is the improvement in our local economy. A short drive around town quickly reveals a construction boom and the figures bear this out — construction value in 2016 was almost three times what it was in 2015 and ended up at just under \$198 million dollars for the year. The new regional hospital, casino and Lakeside Hotel expansion were just three of many construction projects to get underway in 2016.

Our City continues to be ranked among the most entrepreneurial in the entire nation and we added 390 new business licenses to the 2500 renewals in 2016. Our many wineries continue to receive national and international acclaim.

The downtown core has an all new look with the completion of the 100 and 200 block Main Street revitalization and when viewed in tandem with the Okanagan waterfront revitalization, the area flows seamlessly together. It is now easier than ever to find yourself in the lake one minute, and enjoying a cool drink or snack at one of the downtown restaurants a few minutes later.

Improving the livability of our City has always been a priority and as our new \$312 million dollar regional hospital

nears completion we can also look back on other significant gains. The City was selected by Telus to be just one of a handful of communities in all of BC to receive 250 Mbps Pure Fibre internet service. Having the fastest internet in Canada is a boon for residents and significantly ups our competitiveness for any business looking for both infrastructure and lifestyle when it comes to setting up shop.

Living up to our aims in sustainability and livability, the City was awarded a FortisBC Efficiency in Action award for energy conservation. The award recognized the many energy-saving projects the City has completed including LED street lighting and upgrades at the South Okanagan Events Centre and Memorial Arena, as well as energy-efficient improvements at the waste water treatment plant. Collectively, these upgrades saved enough electricity to power almost 150 single-family homes.

The City continued to host a number of high profile events in 2016 including the BC Winter Games, Young Stars Classic hockey tournament, Axel Merckx Gran Fondo, and the Challenge Triathlon, which set the stage for the City to host the inaugural 2017 ITU Multisport World Championship Festival. We were also able to join our hospitality and tourism groups under one organization resulting in a unified approach towards marketing our City and our events to the world.

For 2017 and beyond the City is facing a number of issues and we have worked hard to improve our public engagement to get your input on the plans we are now formulating to guide us through these challenges. For example, we have already done a lot of work educating the public about our aging infrastructure and we are continuing to drill down into the details of what needs to be repaired or replaced, determining priorities, and identifying funding options. We are also doing a major overhaul of our Official Community Plan and charting a course for our parks and recreation facilities with an update of our Parks and Rec Master Plan, which dates back to 1993.

I invite all of Penticton to be part of this exciting new time for our community.

Andrew Jakubeit



EXECUTIVE SUMMARY

*We're **listening**, **growing** and **shaping** our future.*

In this year of growth, the City of Penticton welcomed new residents, new businesses and record levels of new development. The 2016 Canadian Census reports our population at 33,761, up 2.7 per cent over the last five years, while a building boom tripled construction values over last year. Construction value of development permits reached \$197.8 million and business licenses grew to 2,900, adding 400 new businesses in 2016.

2016 saw the City of Penticton host the BC Winter Games and residents volunteered in record numbers, welcoming more than 1,200 athletes and hundreds of coaches and officials. This same community spirit was in full force as the host committee began preparation for the 2018 Scotties Tournament of Hearts.

Throughout 2016, City Council and our Planning staff worked in tandem with developers to create attractive and inviting neighbourhoods with a focus to develop available land to its best capacity. Creating an attractive and inviting downtown core was a major aim of

the 2016 downtown revitalization, but planners also used the opportunity to install critical infrastructure upgrades and minimize cost and future disruptions.

In such times of change and growth, listening to our residents remained a top priority. We launched a new citizen engagement website, held several town hall meetings and information sessions and urged citizens get involved in key decisions about our city's future.

Like other communities across Canada, Penticton is facing the challenge of funding the rising costs of aging infrastructure. Residents contributed more than 130 ideas on how we can fund the deficit in infrastructure funding, finding the money needed to fix or replace our roads, parks, buildings and storm systems.

We're continuing this dialogue as the City charts a course for the next 25 years with new versions of both our Official Community Plan and Parks and Recreation Master Plan.



WE'RE GROWING

- › Completed 3,400 building inspections and processed 1,200 planning and building applications, including 95 planning applications, 22 subdivision applications including:
 - 30-lot single family subdivision at Avery Place
 - 99-unit rental apartment at Duncan Avenue
 - 44-unit townhouse development at Sendero Canyon
- › Broke ground at the Penticton Regional Hospital New Patient Tower and Cascades Casino
- › Distributed over \$667,000 through the community grant program
- › Implemented a city-wide cart program for recycling and solid waste
- › Hired a new Fire Chief, Deputy Fire Chief and added two new marine rescue vessels
- › Efficient transit system servicing 5 City routes and 420,614 passengers; custom transit providing door-to-door service for 23,616 riders



WE'RE LISTENING

- › Held 49 Council Meetings and 17 Public Hearings
- › Launched *shapeyourcitypenticton.ca* as a new engagement platform to better connect with the community
- › Hosted engagement sessions to educate and discuss the Infrastructure Deficit challenge including; 8 drop in sessions, 2 Open Houses, 2 workshops and 6 presentations
- › Consulted with our 14 Council Committees, consisting of approximately 130 community members on various initiatives throughout the year



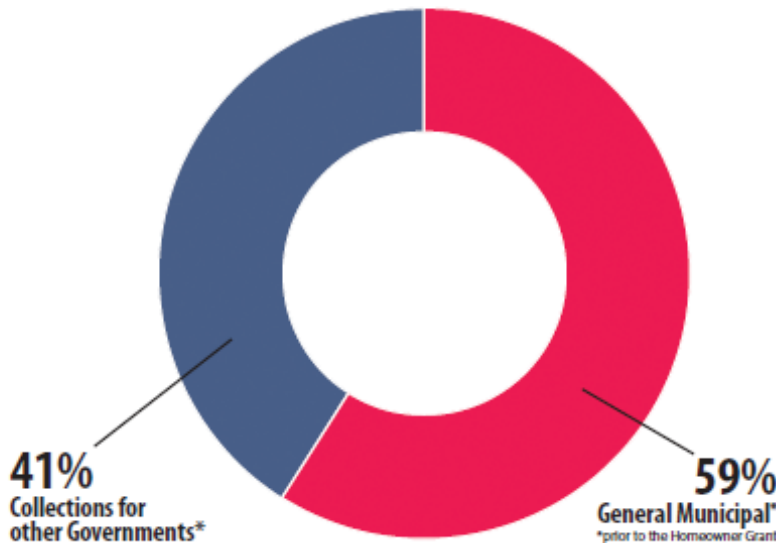
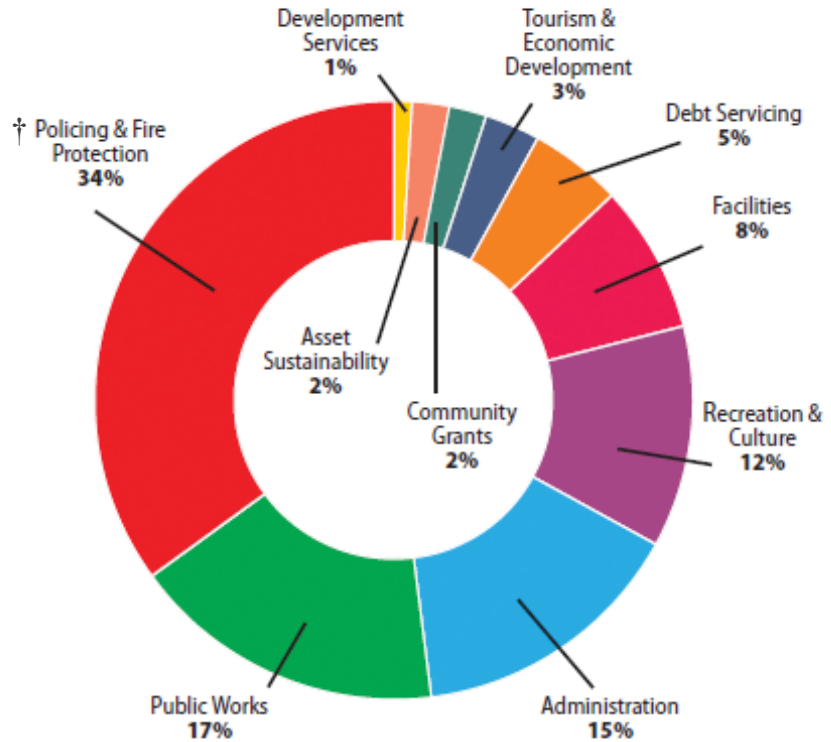
WE'RE SHAPING OUR FUTURE

- › 10-year facilities plan complete
- › Established an asset sustainability reserve to address future infrastructure needs with \$300,000 contributed from the 2016 budget
- › Completed design work Campbell Mountain Reservoir and irrigation upgrades
- › Penticton Creek masterplan complete
- › Corporation strategic roadmap complete

YOUR CITY BY THE NUMBERS

Where do your tax dollars go?

Building and maintaining critical infrastructure like streets, water, electricity, and sewer are just some of the essential services the City provides. The City also takes care of police and fire protection as well as operates and maintains recreational facilities like our pool and hockey arenas. While civic operations continue on a daily basis, many of the issues facing the City are longer-term in nature. Penticton is facing the challenge of aging infrastructure and is now developing a long-term plan to maintain the services and facilities to provide the quality of life we have come to expect. By the end of 2017 will have increased the Asset Sustainability Reserve to \$1.2 million to help deal with our infrastructure deficit.



City versus other taxes

Did you know your City collects taxes on behalf of other levels of government? More than 40% of your annual property tax bill goes to regional government, hospital and assessment authorities.

† Fire and policing are reported at 34%. This differs from page 31 of 2017-21 Financial Plan where protective services is reported as a percentage of property tax at 40.1%. The difference in the percentage reported is due to a variation in the approach. The reporting in the financial plan is calculated by dividing the cost of each segment over tax revenues even though some contribute and some utilize taxes. The percentage above is calculated by using the cost of Policing and Fire and reducing it by other revenues sources to show the net percentage of taxes required.

YOUR CITY COUNCIL



*Back row, from left:
Councillors: Andre Martin, Campbell Watt, Max Picton, Tarik Sayeed*

*Front row, from left:
Councillor Helena Konanz, Mayor Andrew Jakubeit, Councillor Judy Sentes*

COUNCIL'S ROLES

During the Council Strategic Planning sessions in 2016, the following list of more specific roles for Penticton's Council was developed:

- › Make informed decisions for and in the interest of the community
- › Anticipate and provide for the community's local service needs
- › Determine policies and programs for the community
- › Set priorities to guide staff and committees
- › Be fiscally prudent and accountable
- › Be open and transparent
- › Champion and advocate for Penticton
- › Have an "enabling effect" through bylaws and regulations
- › Develop a foundation for economic development
- › Actively promote the diversity and growth of the community and local economy
- › Expand relationships with First Nations, other levels of government and other agencies
- › Bring people together through committees, volunteer opportunities and events
- › Support and recognize volunteer efforts



2016 COUNCIL ADVOCACY HIGHLIGHTS

- › Lobbied at Union of BC Municipalities (UBCM) for the Penticton Regional Hospital and the naming of the David E. Kampe Patient Tower
- › Affordable housing for low income (Brunswick St)
- › Housing for homeless (Fair Haven Motel)
- › Okanagan College Child Care Centre
- › Cascades Casino Development
- › Downtown Revitalization - 100 & 200 Blocks complete
- › Implementation of Downtown electrical vehicle charging stations
- › FortisBC Efficiency in Action award for energy conservation
- › Penticton Creek Revitalization Project
- › Inclusivity - LGBTQIA flags, international welcome sign, etc.
- › Baby friendly endorsement for City buildings
- › Support of the Penticton Youth Project (YES) project
- › Merger of Tourism & Penticton Hospitality Association
- › City of Penticton recognized for its energy conservation success
- › Staff secured \$50,000 in Provincial grant funding for the Shared Services project
- › Won bid for the 2018 Scotties Tournament of Hearts
- › Penticton acknowledged as 4th most entrepreneurial city in Canada
- › Parks and Recreation Master Plan
- › Update the Official Community Plan
- › Communicated the infrastructure Deficit challenge with the community
- › Committed to making Penticton Technology friendly and securing Telus Fiber Optic
- › Advocated at UBCM for the Boundary extension
- › Committed to Community Engagement and the launch of a new online portal, Shapeyourcitypenticton.ca
- › Hosted the BC Winter Games
- › Committed to recycling with the launch of the new Cart program
- › Investment in Fire Safety by hiring a Deputy Fire Chief and purchasing 2 fire watercrafts for Skaha Lake

COUNCIL COMMITTEES FOR 2016

Affordable Community Task Force

Mayor Andrew Jakubeit
Councillor Judy Sentes

Agriculture Advisory Committee

Councillor Andre Martin

Arts, Creative & Cultural Innovations Committee

Councillor Campbell Watt

Community Revitalization Committee

(Includes the following 2 sub-committees)

Downtown Revitalization Sub-Committee

Councillor Judy Sentes
Councillor Max Picton
Councillor Campbell Watt

Waterfront Revitalization Sub-Committee

Councillor Max Picton
Councillor Campbell Watt

Community Sustainability Committee

Councillor Tarik Sayeed

Development Services Advisory Committee

Councillor Campbell Watt

Economic Development & Prosperity Task Force

Mayor Andrew Jakubeit

Heritage & Museum Committee

Councillor Judy Sentes

Parks & Recreation Master Plan Steering Committee

Mayor Andrew Jakubeit
Councillor Judy Sentes

Penticton Creek Restoration Committee

Councillor Helena Konanz

SOEC Select Committee

Mayor Andrew Jakebeit

Tourism Development Task Force

Mayor Andrew Jakubeit
Councillor Judy Sentes
Councillor Max Picton
Councillor Andre Martin

DOWNTOWN REVITALIZATION - 100 & 200 BLOCKS COMPLETED

The revitalization of our downtown core has been a priority for Council for the past several years. It's exciting to see these efforts come to fruition with the completion of the 100 and 200 blocks. Have a look at the before and after photos below.

BEFORE



AFTER



DEPARTMENT REPORTS

ADMINISTRATION	13	OPERATIONS	36
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Procurement & Inventory Services			
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Business Licenses			
Bylaw & Dog Control			



CORPORATE SERVICES

The Corporate Services department is the primary link between City Council, staff and the community, responsible for providing administrative support to Mayor, Council and the committees; organizing the agendas and minutes for Council and committee meetings; maintenance and access to corporate records including City bylaws and local government elections.

Facts & Stats

- › 17 Public hearings
- › Processed 73 bylaws
- › 14 active Council committees logging almost 100 meetings
- › 14 Committee of the Whole meetings



KEY HIGHLIGHTS FROM 2016

- › *Over 70% of all committee recommendations were approved by Council*
- › *Managed the process for 49 open Council meetings, 24 regular meetings and 7 special Council meetings*



2016 ACCOMPLISHMENTS

- › Repealed Council Procedure Bylaw No 2004-32 and replaced with updated Council Procedure Bylaw No. 2016-35
- › Completed 9 of 29 tasks from the Corporate Records Assessment recommendation list
- › Created the Records Management Bylaw No. 2016-61 and related policy
- › Created a new Records Management Manual which defines file naming standards, sets retention and disposal schedules, and informs the training materials for 2017



2017 GOALS

- › Continue with Records Management implementation by providing training to over 200 members of City staff and migrating all records created since 2013 into the new directory
- › Continue to review City policies in accordance with industry standards and best practices
- › Review 2 bylaws per quarter in 2017
- › Conduct a committee review
- › Develop a defined issues management process
- › Improve the Council report process



COMMUNICATIONS & ENGAGEMENT

Facts & Stats

Website:

- › 1,164,512 Visits
- › 265,698 Users
- › Mobile Usage 53%

Social Media:

- › 2,687 Facebook Likes (up 546)
- › 3,345 Twitter Followers

Communications and Engagement are responsible for the flow of information in and out of the City. Engagement is the face of the City and can often be out in front of the public at events and information sessions explaining the issues and ensuring your opinions flow back to the City for future decision-making. Communications works more behind the scenes to push information out of the City via our website, social media, newsletters, news releases and other channels. Communications and Engagement also work with the media to provide information and leverage the media’s reach to further broaden our audience.



KEY HIGHLIGHTS FROM 2016

- › *Launched the new online engagement site, **ShapeYourCity** – almost 6,100 visits, over 414 participants*
- › *ShapeYourCityPenticton is now considered a ‘Best in Class’ example for community engagement and is being shared internationally*



2016 ACCOMPLISHMENTS

- › New Community Engagement position
- › Infrastructure Deficit communication & engagement initiative with 11 in-person sessions and over 130 ideas contributed
- › Communications supports 22 City departments and facilities
- › +5,300 more visits to Penticton.ca in 2016
- › Social media: 2016 Total Impressions up 121% from 2015, social media engagement up 81% from 2015



2017 GOALS

- › Develop overarching communications strategy for internal and external communications
 - › Update emergency communication plan
 - › Develop an issues management strategy
- Engage with the community on key initiatives:**
- › Official Community Plan
 - › Parking Strategic Plan
 - › Parks & Recreation masterplan and Park Use Policy
 - › Ongoing infrastructure deficit updates
 - › 2018 budget process



HUMAN RESOURCES

The Human Resources (HR) department balances the needs of its customers – City employees, supervisors and managers – by developing and managing corporate programs, such as recruitment, labour relations, collective bargaining, training, staff development, payroll and benefits. The department fosters good health and wellness among employees through the Wellness Opportunities in the Workplace (WOW) program.

Facts & Stats

- › Approx. 400 general resumes submitted
- › Approx. 365 resumes submitted directly to internal and external job postings
- › 70 positions filled – 40 internally and 30 externally
- › 14 retirements



KEY HIGHLIGHTS FROM 2016

- › *Implemented new internal Intranet site “**The Grapevine**”*
- › *Worked with Economic Development on the relocation platform initiative. Posted all external City job opportunities on **StartHereOkanagan.com** and created a recruitment video for the Public Works Department*
- › *Became a Pearson **VUE Testing Centre**, allowing employees to complete their BOABC (Building Officials’ Association of BC) exams in house*



2016 ACCOMPLISHMENTS

- › Held Long Service Awards event and recognized 50 City of Penticton recipients for milestones reached over the last 3 years (15+ year milestones)
- › Began to review and streamline HR processes. Examples include:
 - Electronic New Employee Request process for supervisors
 - Online training calendar
 - Electronic new hire packages



2017 GOALS

- › Implementation of Performance Management System
- › Best Practice Employee On-boarding initiative
- › Standardized recruitment and hiring practices
- › Create 10 year succession planning strategy



FINANCE

The Finance Division is comprised of the Accounting, Budgeting, Revenue and Collection, Procurement and Inventory Services, Information Technology, Land Administration, and Municipal Grants. The Finance Division is responsible for:

- › Providing overall financial leadership to the City
- › Ensuring effective stewardship and control over the City's Assets
- › Maintaining effective accounting records of the City
- › Providing innovative and secure information technology services throughout the City
- › Prudent collection of revenues owed to the City including utility billings
- › Effective administration of City leases, licenses to use, and residential tenancies
- › Cost effective procurement of goods and services for the City
- › Administration of Municipal Grant Program



KEY HIGHLIGHTS FROM 2016

- › *Saved \$3,475,000 by obtaining competitive quotes for purchase of goods and services*
- › *Distributed over \$667,000 to community organizations that deliver cultural, recreational and social programs and events to the community*
- › *Established an Asset Sustainability Reserve to set aside funds to address the infrastructure deficit. In 2016 \$300,000 was added to this reserve*



2016 ACCOMPLISHMENTS

- › Development of an Information Technology Strategy that will enhance and move the City into a digital era, strengthen City practices, streamline its business operations and improve services to citizens
- › Commenced steps to increase financial transparency of City financial results to become more citizen centric
- › Continued implementation of Geographic Information System
- › Established appropriate reserves to set aside funds for future needs within the City



2017 GOALS

- › Enhance Financial Management and Reporting practices to improve the effectiveness of managing City financial resources, and improve transparency of financial results to citizens and City Council
- › Complete a review of the Municipal Grants program that will improve the effectiveness of the program to meet the needs of the community and align with Council priorities
- › Continue to improve the efficiency of City operations by launching a business process improvement program
- › Implementation of the IT strategy that improves the use of technology to streamline City operations and improve services to citizens
- › Conduct and evaluate the success of the shared services pilot projects in fleet management and information technology
- › Implement a Capital Prioritization framework to improve long term capital planning
- › Exploring methods to leverage the City's online presence for billing and bill payment purposes
- › Implement barcoding for warehouse inventory
- › Continue to address individuals encroaching on City owned land



ACCOUNTING

The Accounting Department provides strategic financial leadership to the City as well as delivering transactional services and relevant reporting to both internal and external users for their decision making purposes and maintaining controls to safeguard the City's financial resources.

Facts & Stats

- › Issued **12,000** Accounts Payable invoices
- › Produced **7,800** Cheques
- › Billed **1,000** Sales Invoices



KEY HIGHLIGHTS FROM 2016

- › *Completion of Accounts Receivable review and introduction of formal collections policy.*
- › *Enhancement of our financial Enterprise Resource Planning system (ERP)*



2016 ACCOMPLISHMENTS

- › Implementation of Accounts Receivable subscription module to automate recurring billings
- › Commenced review of financial plan process and enhanced preparation of financial plan resulting in added transparency
- › Commenced implementation of internal reporting dashboard that will enhance internal use of financial information
- › Completed initial contaminated sites review and site testing for financial reporting
- › Completed review of statutory and own reserves including creation of new reserves and adoption of bylaws



2017 GOALS

- › Implement changes to increase the functionality of the financial ERP system
- › Establish additional management reports including internal dashboards to improve financial management
- › Establish a citizen centric financial plan process to improve financial transparency
- › Conduct review of Municipal Grant Program and implement results
- › Streamline accounting processes to improve effectiveness and efficiency



REVENUE & COLLECTIONS

The Revenue & Collections department is responsible for the collection of all incoming City revenues, as well as billing of utility and property tax accounts. The department also acts as liaison to other City departments, other government agencies such as BC Assessment, RDOS, Municipal Affairs, etc, and outside interests.

Facts & Stats

- › 167,979 utility bills were mailed
- › 63,555 utility bills were E-billed
- › On average, over 2,000 phone calls per month are received through the Utilities general line
- › Between June 1st and July 31st 2016, 9,490 Home Owner Grants and 224 Tax Deferrals were processed



KEY HIGHLIGHTS FROM 2016

- › *Implementation of software billing changes for the residential garbage and recycling cart program.*
- › *167,979 utility bills were mailed and 63,555 were E-billed*



2016 ACCOMPLISHMENTS

- › Review and update of the City's collection and disconnection practices for unpaid utilities
- › Streamline billing and payment processes to improve customer service experience



2017 GOALS

- › Strengthen City's online presence for billing and bill payment purposes
- › Ensure streamlined processes and appropriate staffing in place to achieve improved customer service
- › Evaluate implementation of equalized billing for utility accounts
- › Complete a business competitive review



PROCUREMENT & INVENTORY SERVICES

The Logistics Department was renamed the Procurement and Inventory Services Department.

Facts & Stats

- › 80 Tenders, Request for Proposals and Request for Quotations were processed in 2016



KEY HIGHLIGHTS FROM 2016

- › *Cost Savings - by obtaining quotes for goods and services, the City **saved over \$3.4 million dollars***
- › *Generated over **\$15,000** by selling pavers moved from the 100 block revitalization. Proceeds donated to the South Okanagan Similkameen Medical Foundation for the hospital expansion*
- › *Upgraded Yard Reception area to improve customer service*
- › *Generated **\$12,000** in asset disposals*
- › *Updated Dog Control webpage to improve information to citizens*



2016 ACCOMPLISHMENTS

- › Revenue Generation - \$12,000 was generated from the sale of surplus or obsolete supplies and equipment
- › The Procurement web-page was updated and provides more information to viewers regarding bid opportunities, bid results and frequently asked questions
- › Changed reporting structure for Dog Control from Procurement to Bylaw Enforcement Services



2017 GOALS

- › Implementation of bar coding for inventory items will increase accuracy and efficiency
- › Continue to remove and dispose of surplus and obsolete inventory which will reduce the value of inventory stored on site, generate revenue and eliminate counting during the annual inventory count
- › Implement digitalized bidding process
- › Establish standardized Request for Proposal (RFP) and tender templates



LAND ADMINISTRATION

The Land department administers over \$40 million in City property. Responsible for leases, licenses to use and residential tenancies as well as negotiation of land sales and purchases. The Land department ensures legal requirements are met for various land transactions. Staff draft, negotiate, attend to execution and register Statutory Right of Ways and other various legal Land Title Office documents. They are also relied upon to provide legal research, data, title and company searches and land title registrations to all City departments.

Facts & Stats

- › Registered **67** documents with Land Titles Office
- › **24** Beach Vending locations
- › **11** Residential Tenancies
- › **13** Crown Leases/Licenses of Occupation



KEY HIGHLIGHTS FROM 2016

- › *Drafted and administered **93 Leases/License to Use Agreements***
- › *Negotiated a lease for new Brunswick Street Affordable Housing Apartment Building*
- › *Answered all land and legal enquiries for all city departments and public*
- › *All available City properties were leased, licensed or rented in 2016*



2016 ACCOMPLISHMENTS

- › Completed City of Penticton owned land database on GIS mapping system
- › Negotiated numerous purchase agreements to acquire City land
- › Maintained all land use agreements for City property with businesses and individuals (excluding non-profit societies) with valid agreements at market values



2017 GOALS

- › Administer all Leases, Licences and residential tenancies in a current and paid status at market values, excepting non-profit societies
- › Provide recommendations for a beach vending program restructure
- › Work with other departments to ensure standardization for Licence to Use documentation
- › Renew complex expired licences with 8 non-profits



INFORMATION TECHNOLOGY (IT)

Overall, 2016 was a successful year in keeping the IT infrastructure and applications accessible, supported and secure while continuing to develop and enable capabilities that create efficiencies, solve business problems and provide value to the organization.

Top 5 Help Desk call types:

1. General Software Applications
2. PC/Laptop – Hardware
3. Email
4. Tempest
5. User Profiles

Facts & Stats

- › 2600 Helpdesk tickets were opened, assigned, resolved and closed in 2016
- › 15 locations with IT Infrastructure
- › 300 Users
- › 350 Computers
- › 150 mobile devices
- › 40 servers
- › 60 Software



KEY HIGHLIGHTS FROM 2016

- › Progress continued on developing the *Geographical Information System* to implement the *City's water system*
- › Development of *City-wide Information Technology Strategy and five year implementation roadmap*



2016 ACCOMPLISHMENTS

- › With an organizational focus and increasing demands on information technology, an IT assessment was initiated to identify risks and capabilities in order to help strengthen IT and enable the IT department to better support the organization. This led to the creation of the organizational IT strategy and a 5 year implementation road map.
- › Progress continued on developing the Geographical Information System to implement the City's water system and the planning process commenced for the storm and sanitary sewer systems.
- › Worked with the Facilities department to continue deployment of HD video surveillance cameras in and around City buildings and installed a new, centralized access control system at the City yards which will become the new standard for ID cards and access control across all City facilities.
- › Implementation of mobile inspection applications has increased efficiencies and improved information flow for City building inspectors.
- › For service calls being tracked within our Information System, a mobile application was implemented that enables staff to access, edit and close calls from their mobile device.
- › 2016 started the replacement of the Fire Departments legacy software platform with a new Fire Department Management System that is integrated with the City of Kelowna for a streamlined fire dispatch process. The new system will also enable mobility features for truck routing, accessing property data and performing fire inspections.
- › The Financial Enterprise Resource Planning (ERP) system was upgraded to the latest version to fix bugs, stay current and enable new feature sets and we continued configuring the systems and generating reports to support city wide processes.



2017 GOALS

- › Implementation of the pilot IT shared services project
- › Execution of the IT Implementation strategy
- › Enhancement of online services such as modernization of My City citizen portal, new online electronic home owners grant application, and business license online application
- › Implementation of business process improvement program
- › Implementation and enhancement of IT best practices
- › Continued focus on a stable and secure IT infrastructure

Facts & Stats

- › 390 new business licenses issued (4.8% growth)
- › \$85,000 in grant money for research projects

ECONOMIC DEVELOPMENT

Penticton's Economic Development Department provides information and services to help businesses invest and grow in our city. We work with the local business community and City departments to develop strategies for developing a resilient and prosperous community for the future. Economic Development activity is made up of short term initiatives and measured against a long-term plan. Using international Economic Development principles the Penticton Department seeks to support businesses, enhance Penticton's business climate, while also strategically attracting new investment and business to the city.

While Economic Development is mostly focused on business, this lens includes a perspective that

residents in our community must be receiving livable wages and living in suitable housing. Social wellbeing plays into the development of an Economic Development strategy and our department works closely with many organizations and other City departments to create alignment wherever possible.

In 2016, the Economic Development department grew to encompass the Communications department and also added the position of the Sports and Events Project Manager. Attraction of major events with valuable economic spin off and building the event calendar in the off-peak season are the key functions of this role.



KEY HIGHLIGHTS FROM 2016

- › *Launch of Online 'Business E-Directory'*
- › *Established the #PentictonWorks program attracting remote workers and jobs to Penticton*
- › *Rollout of Telus PureFibre, bringing the fastest internet speeds in Canada to Penticton*
- › *Successfully secured 2018 Scotties Tournament of Hearts Canadian Women's Curling Championship*



2016 ACCOMPLISHMENTS

- › 390 new business licenses were issued, a 4.8% growth over the previous year
- › \$85,000 in grant money for research projects: Labour Market Study looking at attraction & retention of skilled labour and a regional study on Foreign Direct Investment & Readiness
- › Ground breaking of the David E. Kampe Penticton Regional Hospital New Patient Tower
- › Secured 2017 Triathlon BC Sprint and Standard Triathlon Championships
- › Launched Eventful Penticton platform to build more events and tourism in off peak periods



2017 GOALS

- › Launch of a formal Business Retention & Expansion survey of local businesses to better understand needs, challenges and wins
- › Integration into Development Services Division
- › Development of a 5 year Strategic Plan for the department with performance metrics
- › Launch of an online recruitment and relocation platform to support employers in sourcing and on-boarding skilled labour
- › Ongoing promotion for:
 - Attraction campaigns targeting virtual workers
 - Penticton as a relocation choice for those passionate about our outdoor amenities and mid-size city lifestyle
 - Development of Penticton as a Welcoming Community
- › Improvement of the online business licensing platform
- › Ongoing implementation of recommendations coming out of the 2016 Labour Market Report and the 2016 Investment Attraction Business Plan
- › Continue with development of Eventful Penticton: creating an event vetting process and event hosting toolkits



DEVELOPMENT SERVICES

2016 activity in the Development Services Division showed continued strength, in line with growth experienced over the last couple of years in all sectors of our development industry. The team processed more than 1200 planning and building applications during the year, in addition to 390 new business license applications to go along with the 2500 renewals.

Typically, a strong year in Planning Applications results in increased workload in the Building Department the following year. Even in periods of low building activity, land owners and investors are busy preparing their lands through Rezoning, Subdivision and Development Approvals for the time when the market is ready to accommodate the demand in building activity. This has shown true looking back

to 2012 when a number of subdivision applications, bylaw improvements and other departmental efficiency measures were put in place, working with the Development Services Advisory Committee and Council.

Market improvements over the past two to three years along with earlier approvals and improvements have resulted in the increased activity seen throughout 2014 to 2016 and it is expected to continue in all sectors of our development economy over the coming year. We look forward to continuing on with the positive relationship with our residents and development community and assist them in continuing to invest in the future success of our community.



KEY STATISTICS FROM 2016

- › *Record year for construction* (\$197m) – 390 of which were new residential units
- › 219 Planning Applications processed (up 33% from 2015)
- › 806 Building Permit Applications processed (up 32% from 2015)
- › 83 new single family dwellings approved
- › 33 new secondary suites approved
- › 44 tenant improvement projects approved (up 120% from 2015)
- › 2016 Permits and Licensing:

Total Construction values	\$ 197,869,483
Permit Revenue	\$ 1,804,522
Business License revenues	\$ 486,549



2017 GOALS

- › Integration of Economic Development into the Development Services division
- › Landowner consultation with the 300 Block of Main Street to continue on with Downtown Revitalization
- › Official Community Plan update will continue throughout 2017 and will involve significant engagement with stakeholders and our community
- › Review of the City's Parking Strategy, through consultation with the community
- › Development of a Park Use policy in association with the creation of the Parks & Recreation Master Plan
- › Identification of Process Improvement Priorities and implementation of efficiencies



PLANNING

2016 saw the Planning Department receiving the most number of applications in a year on record. Even with this increase in work volume, our department continued to process applications in an efficient manner, working with home owners and the development community to get approvals in-place within their project time lines.

In addition to development file processing, the Planning Department undertook a five year review of the City's Zoning Bylaw and commissioned a housing needs assessment. Both of these initiatives are intended to prepare the City for the expected development trends over the short and long term.



KEY STATISTICS FROM 2016

- › **Total Planning Applications: 219** (33% increase over 2015)
 - **95 Rezoning & Development Permit applications**
 - 40 new rezoning applications
 - 45 new development permit applications
 - **22 subdivision application**
- › **47 new sign permit applications**



2016 ACCOMPLISHMENTS

- › Land use approvals for several significant projects, notably:
 - Avery Place a 30 lot single family subdivision was registered with construction beginning in the fall
 - New 99 unit rental apartment complex (currently under construction)
 - 44 unit townhouse development at Sendero Canyon
- › Five year review of the City's Zoning Bylaw, commissioned a housing needs assessment



2017 GOALS

Building off a very strong 2016, 2017 is poised to be another record breaking year for the Planning Department.

- › Processing applications to ensure efficient development
- › Integrating Sustainable Community Coordinator duties in to the Planning Department
- › Reorganize subdivision process to increase transparency and reduce processing
- › Several new downtown mixed use buildings which are anticipated to begin in 2017 (resulting from the downtown revitalization over the past 5 years)
- › More single family housing will also be coming on-line in 2017, including the final 100 lots of Sendero Canyon and the a new residential subdivision called the Ridge, with 110 + residential lots
- › Focus on climate action, with the appointment of a Sustainable Community Coordinator, responsible for monitoring and reporting on the City's carbon emissions as well as various other climate action initiatives
- › Focus on affordable housing, by implementing the recommendations of the Housing Needs Assessment and continuing to promote housing affordability through policy development
- › Pre-planning and design work with development community for over 200 new downtown residential units on vacant parcels of land for redevelopment in 2017/2018





DEVELOPMENT ENGINEERING

The Development Engineering function within Development Services is a key component to all departments. Under the guide of the Development Engineer, the development engineering role is located at City Hall for the day to day infrastructure needs and analysis of all planning, subdivision and building applications.



KEY STATISTICS FROM 2016

- › *Servicing review and analysis for **over 500 building permit applications***
- › ***150 Work Orders** for infrastructure works associated with building permit reviews*
- › *Review of **over 150 planning applications** to inform servicing needs of future development*
- › ***22 subdivision applications** were assessed*
- › *Proposed creation of **55 new lots***



2016 ACCOMPLISHMENTS

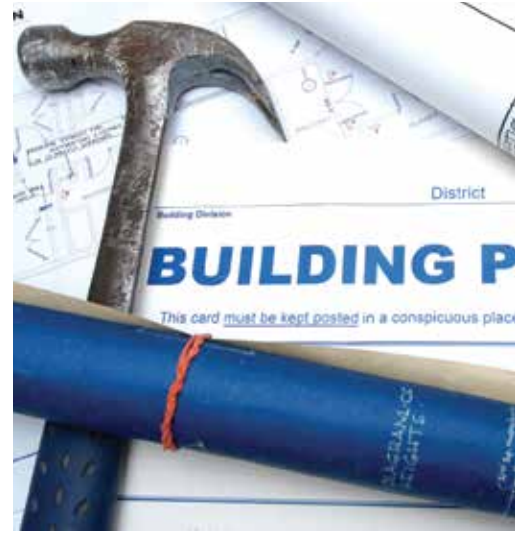
- › The department was enhanced in 2016 to centralize the technical engineering requirements within Development Services. The position of Development Engineer was filled and a new part time works auditor was created.
- › Large increase in planning and design of major subdivisions
- › Assisted designers and potential purchasers with the Wiltse North and South block subdivisions
- › Increased consultation with development community around engineering needs on development applications
- › Improved the processing of both planning and building department applications though consistent review and response to the needs of the development community, filling a gap that had existed in the process for a number of years



2017 GOALS

- › Improving internal processes
- › Updating the Subdivision and Development Bylaw
- › Continue with education and collaboration with development community to improve the quality of infrastructure within new developments
- › Update and review of City of Penticton Traffic Bylaw
- › Review of Development Cost Charge Bylaws





BUILDING

2016 marked a record construction values with five major projects started and stronger than expected single and two family developments. In comparison with the building high of 2005-2008 there have been more permits issued for single and two family developments, which could indicate a stronger base of families wanting to stay and grow in Penticton.



KEY STATISTICS FROM 2016

- › *Over 3400 inspections completed*
- › *Total Permits Applied for: 992*
- › *Processed 390 new business license applications & over 2500 renewal and amended licenses*
- › *221 new multi-family residential units approved*
- › *82 single family dwelling permits issued (up from 69 in 2015)*
- › *50 new duplex units approved*
- › *44 tenant improvement projects approved, reflecting reinvestment in existing businesses*



2016 ACCOMPLISHMENTS

- › Customer service improvements with implementation of interactive online MyCity Permit system allowing inspection requests and real time tracking of applications and inspections
- › Implemented new Property File Inquiry information program
- › Reviewed and approved \$300M expansion to Penticton Regional Hospital
- › Reviewed and approved the new Penticton Lakeside Resort & Conference Centre Expansion - 6 storey wood frame construction
- › Responded to the needs of the development community through the efficient processing of permits throughout a record year in construction



2017 GOALS

2017 Year to Date permit and licenses processed indicates another strong year, where it is expected that the single family and multi-family projections will exceed previous expectations from last year. Construction values for permits released up to the end of March are above last year and nearly matches the total construction values for 2011. Specific projects for Building and Licensing include:

- › Modernization of the Building Permitting Program, draft Building Bylaw
- › Modernization of the Business License Program, specifically, revising of license categories and initial testing of integrated online service
 - Phase One residential property rental program initiated with revisions to By-laws for improved processing, tracking and enforcement of short term vacation rentals
- › Revising of Regulatory Enforcement polices
- › Modernization of Cross Connection Program
 - Initiate integration and testing with live launch of new online tracking system



BUSINESS LICENSING

Penticton is open for business! The city's business licensing department issue licenses under the categories of commercial and industrial, out-of-town and mobile, home-based and seasonal. The City of Penticton also has a 30-day conditional business license to get business up and running as efficiently as possible. Working closely with Economic Development, licensing is an important priority for the Development Services Division.



KEY STATISTICS FROM 2016

- › **390** new business license applications
- › **2,500** renewals and amendment license applications
- › **19** sidewalk cafe/sales permits and **30** liquor review applications



2016 ACCOMPLISHMENTS

- › A major project for 2015 introduced the City's Business License Hub in conjunction with Economic Development, allowing for more online services for business owners. Staff also continued a proactive role in following up on delinquent renewals and data management housekeeping.



2017 GOALS

- › Work with Economic Development to improve efficient processing of business licence applications
- › Review and update of Business Licence approval process
- › Update on-line payment process for licences
- › Modernization of the liquor licence review process
- › Assess fee structure for business licences to improve value for the business community



BYLAW SERVICES

Bylaw Services department provides citizens with a variety of services related to regulatory issues. The department is committed to the delivery of professional bylaw education and enforcement in a timely and effective manner, and in accordance with Council direction.



KEY STATISTICS FROM 2016

- › *Over 6,000 Bylaw Offence Notices issued and several compliance agreements made*
- › *1,500 complaint files opened*
- › *Over 6,500 inquiries about bylaws*



2016 ACCOMPLISHMENTS

- › Updated bylaw complaint tracking system (Calls for Service) to improve efficiencies for customer complaints
- › Partnership with Downtown Penticton Association (DPA), implementing graffiti removal
- › Worked with community to respond to over 6,500 bylaw complaints
- › Completion of 300 unsightly property files



2017 GOALS

- › Upgrades to Parking Management System - updating old enforcement software, making parking payments more convenient with a new mobile parking payment application
- › Public education and awareness for new Traffic Bylaw and Responsible Dog Owner Bylaw
- › Kindness meter initiative - pilot program with DPA, 100 Homes Penticton as suite of strategies to help with homelessness in our community
- › Initiate safe work procedures for Bylaw Enforcement Officers
- › Implementation of policy and procedures around how and why enforcement decisions are made, complaints policy, investigation plans, enforcement measures and appeals of enforcement decisions



ELECTRICAL

The Electric Department is responsible for providing safe, efficient, and reliable electrical service to residential, commercial and industrial customers within the municipal boundaries of the City of Penticton. The electrical system is comprised of four substations distributing power to customers through a network of 18 feeders operating at either 8,000 volts (8KV) or 12,000 volts (12KV). Department staff are responsible for operating and maintaining the associated electrical infrastructure including: Above and below ground electrical lines; distribution substation; and revenue metering. The Department also installs and maintains the City's street lighting and traffic control infrastructure.

Facts & Stats

- › 4 substations feeding 17 distribution circuits
- › 272 km of overhead power lines
- › 86 km of primary underground cable
- › 3,999 power poles (3,061 wood, 938 steel)
- › 2,719 distribution transformers
- › 17,373 active revenue meters (customer accounts)
- › 3,204 streetlights
- › 32 full traffic signals, 7 pedestrian operated signals and 3 pedestrian crossings
- › Peak demand = 70.1 MVA – December 2016 (All-Time 77.8MVA - Jan, 2012)



KEY HIGHLIGHTS FROM 2016

- › *Negotiated a new agreement with Telus to provide **Fibre Optic services** within the community*
- › *Completed **100% Roadway light replacements** from high pressure sodium (HPS) to LED*
- › *Maintained **272 km** of overhead **power lines***
- › *Maintained **86 km** of primary **underground cable***
- › ***3,204** streetlights*



2016 ACCOMPLISHMENTS

- › Migrated paper and digital based records to Esri ArcFM/ArcGIS Geographic Information System ("GIS")
- › Negotiated a new agreement with Telus to provide Fibre Optic services within the community
- › Closed Polychlorinated Biphenyl storage facility
- › Started work on an Asset Management Plan
- › Negotiated a contract with FortisBC to provide a 12kV supply at Carmi Substation
- › Continued with Home Energy Loan Program for residential energy retrofits



2017 GOALS

- › Carmi Substation upgrades to take place in 2017-2018
- › Continue with GIS enhancements including mobile deployment
- › Continue with Asset Management Plan
- › Optimize business processes with the aim of cost reduction and/or improved customer service
- › Modernize the electrical bylaw to reflect the most up-to-date business practises in the province
- › Study opportunities to reduce electrical charges from FortisBC
- › Continue with multi-year voltage conversion program
- › Energize the Hospital, Casino, Lakeside Resort & 3 Towers (Skaha Lake Rd.)



ENGINEERING

Engineering Department is responsible for planning, design and construction of infrastructure and operation and maintenance of the water and waste water treatment plants. The provision of these services helps to promote a healthy environment and a vibrant community.

Infrastructure includes all roads, sanitary sewers, storm drainage, water pipelines water reservoirs, water and sanitary pumping stations and water and waste-water treatment plants necessary to support the normal operation of our community.

The Engineering department consists of a Design Branch, Advanced Waste Water Treatment Plant (AWWTP) and Water Treatment Plant (WTP).



THE DESIGN BRANCH

The Design Branch provides planning, design and construction management for infrastructure upgrades, maintains associated record documents, provides survey services for all City operations and provides professional engineering advice to the organization as required including development review for Development Services Department.

Facts & Stats

- › Installed **2.5 km** of new water mains
- › Installed **13** new fire hydrants
- › Reconnected **130** domestic water services to the new water mains
- › Installed **25** storm water catch basins
- › Installed **2,600 sq. m.** of concrete sidewalk
- › Installed **2.6 km** of concrete curbs
- › Installed **24,700 square meters** of new asphalt surfacing
- › Removed **335 cubic metres** of accumulated sediment from Brandon Oxbow



KEY HIGHLIGHTS FROM 2016

- › Completed **water main** projects on Conklin, Douglas, Moosejaw, Argyle streets
- › **Main Street revitalization** - Completed construction for 100 & 200 Block



2016 ACCOMPLISHMENTS

- › Completed the final draft of the Penticton Creek Master Plan
- › Completed the dredging and restoration of the Brandon Avenue oxbow
- › Installed storm sewer in the Secrest Avenue lane
- › Installed Stormceptor manholes in Ontario St. and Kinney Ave.
- › Constructed the SOEC expanded parking lot on Eckhardt and a temporary parking lot on Westminster
- › Constructed sidewalk on Eckhardt Avenue from the river channel to the Ramada Hotel
- › Pavement surface restoration: Government Street between Eckhardt and Carmi
- › Pavement surface restoration: Main Street from Edna to Manor Park and Granby to Huth
- › Pavement surface restoration on Duncan from Atkinson to Safeway
- › GIS and Asset Management development
- › Completed City-wide Pavement Condition assessment



2017 GOALS

- › Complete designs for the 300 Block of Main Street revitalization
- › Complete upsize of Skaha Lake Road sanitary sewer at Yorkton/Lee Avenue
- › Complete detailed design and construction of the next section of Penticton Creek naturalization
- › Install crosswalks at South Main Street, South Beach Drive, Vancouver Place and Quebec Street
- › Install traffic calming around Columbia Elementary School
- › Install sidewalk at Lawrence Avenue and storm sewer extension to Sunset Place
- › Design and construct Timmins Street water main and surface reconstruction
- › Complete detailed design and construction for upgraded water mains on Nelson Avenue, Forestbrook Drive and Scott Avenue
- › Complete detailed design and construction for upgraded water and sewer mains in the Ridgedale Road area
- › Design road, drainage and water main upgrades
- › Design Point Intersection upgrade
- › Construct Carmi reservoir expansion



WATER TREATMENT PLANT (WTP)

The WTP treats between 7,680 and 41,900 cubic metres of water every day with a peak capacity of 88,000 cubic metres per day. WTP staff are responsible for the operation and maintenance of the treatment plant, 5 pumping stations and 6 reservoirs in accordance with mandated standards.

Facts & Stats

- › Pumped **6,277 ML** of water from the Okanagan Lake Pump Station to the Penticton Water Treatment Plant.
- › Drew **709 ML** of water from Penticton Creek.
- › Average Daily Demand was **19.12 ML/day**
- › Litres/day per person demand was **515 LPCD**



KEY HIGHLIGHTS FROM 2016

- › *Value of assets determined as part of the Asset management plan*
- › *Installed **2.5 km** of new water mains*
- › *Installed **24,700 square meters** of new asphalt surfacing*



2016 ACCOMPLISHMENTS

- › Equipment replacement for valves and motor rebuild of recycle pumps improved operations
- › Treatment process successfully optimized by technology upgrades and new equipment
- › Successfully implemented Programmable Logical Controller (PLC) upgrades at Ridgedale Pump Station and Ellis Creek flow station
- › Installed radio and monitoring equipment at the MacCleave Avenue pressure reducing station, better servicing the hospital



2017 GOALS

- › Continue with priority equipment replacement as determined by the asset management study
- › Continuation of PLC upgrades to Ellis Creek flow monitoring and Randolph Road, Residuals
- › Upgrade security equipment at the water plant for increased building surveillance
- › Continue with optimization and review of equipment to determine replacement or rebuilding to extend life cycles

ADVANCED WASTEWATER TREATMENT PLANT (AWWTP)

The AWWTP treats between 10,000 and 15,000 cubic metres of waste water each day with a peak capacity of 29,000 cubic metres per day. AWWTP staff is responsible for the operation and maintenance of the treatment plant and 10 lift stations and is responsible for the generation and disposal of safe by-products from the plant process in accordance with the mandated requirements of the liquid waste management plan.

Facts & Stats

- › Received 3,806,000,000 Litres of wastewater
- › The average citizen of Penticton discharged 316 litres/day per person into the sewer
- › The average cost to treat a cubic meter (1,000 L) of wastewater was \$ 0.56
- › Produced 1,100,327 kg of bio solids, which have to be trucked up to Campbell Mountain Landfill for composting
- › Recycled 632,000 cubic meters of reclaimed water to City Parks and Golf Courses for Irrigation



KEY HIGHLIGHTS FROM 2016

- › *Replaced 10 dissolved oxygen analyzers that have past their useful life to ensure optimum energy efficiency*
- › *Continued re-roofing of 27 year old buildings, UV building completed*



2016 ACCOMPLISHMENTS

- › Pre-design and detail design for bio-reactor upgrades to be constructed in 2017
- › Solution for solids handling pumps capacity issues
- › Screw Pump Building HVAC upgrade
- › Detailed Asset Management for the plant and stations undertaken
- › Rebuilt Primary Tank #1
- › Mandatory Liquid Waste Management Plan review undertaken



2017 GOALS

- › Construct Bio-reactor modifications, increases capacity of the bio-reactor and defers major capital
- › Complete a plan to address asset management, condition assessments of equipment nearing its useful life
- › Rebuild Centrifuge #1, predictive maintenance to ensure long term reliability of expensive dewatering process equipment
- › Liquid Waste Management Plan review
- › Fermented primary sludge pumps replaced, to ensure long term reliable de watering operations
- › Participate in national benchmarking program to identify strengths and weaknesses
- › Utilize existing tankage for reclaimed water storage, demand exceeding capacity



FACILITIES

The Facilities Department is responsible for planning, design, construction, operations and maintenance of City owned buildings. The provision of these services allows other City Departments and leasee's to effectively deliver their services and programs to the community.

Penticton's diverse collection of facilities includes everything from the Peach on the Beach, to the Trade and Convention Centre, to the SS Sicamous. The quality and operational effectiveness of our facilities are an important element in supporting a quality work environment for our staff and quality of life for our residents, by providing venues to support arts, culture, sports and entertainment in our community.

Facts & Stats

- › Responsible for **25+** major buildings
- › Buildings range in age from 6 – 90 years old
- › **Average age** of a City of Penticton Building is **40 years old**
- › Floor area of buildings range from **700 to 250,000 square feet**
- › Total area of City owned facilities = approximately **650,000 SF**



KEY HIGHLIGHTS FROM 2016

- › *Facilities Department provides operational support for all City events and local festivals*
- › *Built a **new Dog Shelter** facility*
- › *Development of a **10-year Facilities capital plan***
- › *Roof assessments for 10 key City buildings*



2016 ACCOMPLISHMENTS

- › Curling rink exterior upgrades and LED lighting
- › McLaren refrigeration upgrades and LED lighting
- › Memorial arena upgrades for BC games and wind/snow load concerns
- › Adidas Sportsplex roof repairs and mechanical upgrade
- › Community Centre, hot tub drain upgrades
- › Arena Solutions: Usage analysis, Costing analysis and selection of an Arena Task Force
- › Asbestos inventory updates for 8 City buildings
- › PTCC Feasibility Study and market analysis
- › Miscellaneous minor upgrades as per Facility masterplan



2017 GOALS

- › Arena Task Force, additional studies and data gathering to seek council direction on the future of Penticton's arenas
- › PTCC Mechanical upgrades
- › City Hall mechanical upgrades
- › Leir House, Mechanical upgrades and replace front steps
- › Build downtown washroom facility
- › Prepare an asbestos inventory work plan to comply with Worksafe BC revised asbestos management regulations and completed asbestos inventory updates for 8 city buildings
- › Demolition of Penticton Yacht and Tennis Club
- › Community Centre, increase operational efficiencies and building a long range plan for the facility
- › Continue prioritizing work related to the Facilities Master Plan



PUBLIC WORKS

The Public Works Department is responsible for the operation and maintenance of the City infrastructure and for the administration and maintenance of the corporate vehicle and equipment fleet, solid waste and recycle collection, administration of the City's transit system, and the operation of the City Bio-solids Composting Facility.

Infrastructure includes all roads, sanitary sewers, storm drainage, water pipelines, dams and reservoirs necessary to support the normal operation of our community.

Facts & Stats

- › A Fleet of **250** pieces of equipment
- › **375 km** of pipe for Water, Sewer, Storm Sewer
- › **217 km** of asphalt roadway
- › **143 km** of sidewalk and walkways
- › **6** dam structures
- › **354** agricultural irrigation connections
- › **957** fire hydrants
- › **8,465** Domestic Water Meters
- › **16,935** Water, Sewer, Storm Connections



KEY HIGHLIGHTS FROM 2016

- › *Procurement and installation of additional **street scape waste receptacles***
- › *Fleet Department purchased and commissioned **\$856,000 of new equipment***
- › *Implementation of a **Solid Waste and Recycle Cart Program***



2016 ACCOMPLISHMENTS

- › Design for the upgrades to the Campbell Mountain Reservoir and Irrigation Diversion
- › Completed stability analysis for Dartmouth Road and Gwyer Street
- › Fire hydrant spacing improvements



2017 GOALS

- › Investigate viable alternatives to bio-solids composting
- › Design Ellis 2 dam upgrades to meet current standards
- › Decommission Howard Lake dam;
- › Upgrade Campbell Mountain Reservoir to meet current standards
- › Installation of a bike access ramp to assist riders accessing bicycle networks
- › Fleet Department will procure and commission \$338,000 of new equipment
- › Fire hydrant spacing upgrades – installation of hydrants in areas that are deficient





PARKS

The Parks branch is responsible for the development, operation and maintenance of the parks, beaches, sports fields, trails and cemeteries within our community.

Parks, beaches, sports fields and trails are among Penticton's most treasured assets and an important element of the community's superb quality of life.

Sunseekers can enjoy miles of warm, sandy beaches and water sport enthusiasts can satisfy their every need. Paved walkways and cycle paths along Okanagan and Skaha beaches or the Kettle Valley Rail Trail attract joggers, cyclists and hikers. Lush parks, high quality sports fields, waterparks, skateparks and sports courts provide endless hours of outdoor fun.

Facts & Stats

- › 365 acres of public open space
- › 16 sports fields, 7 playgrounds, 2 waterparks and 75 acres of turf
- › 6 public beaches & swimming areas
- › 150 hanging flower baskets
- › 110 separate irrigation systems
- › Over 5,000 inventoried trees
- › Over 25 km of trails & walkways
- › 6 pet off-leash areas



KEY HIGHLIGHTS FROM 2016

- › *Involvement in the Parks & Recreation Master Plan*
- › *Construction of a new Pickleball Facility*



2016 ACCOMPLISHMENTS

- › Lakeview Cemetery expansion
- › Playground surface upgrades at Dunant and Granby Park
- › Arasook Park irrigation upgrades
- › Landscape improvements around Penticton Creek and the Okanagan waterfront
- › Fairview Cemetery upgrades



2017 GOALS

- › Completion of Parks & Recreation Master Plan
- › Completion of Lakeview Cemetery upgrades
- › Playground surface upgrades – Lion's Park
- › Landscaping at the Poplar Grove parking lot
- › Additional upgrades to Fairview Cemetery

Facts & Stats

- › BC Games started in Penticton back in 1978
- › BC Girls B Cup Soccer welcomed more than 1,400 young athletes to the area



SPORTS & EVENTS



2016 ACCOMPLISHMENTS

Sports

Major Winter Events:

- › BC Winter Games
- › Rogers Hometown Hockey

Provincial and Western Canadian youth championships:

- › BC Short Course AA Swimming
- › Canadian Sport School Hockey League Championships
- › Hayman Classic BC Road Cycling
- › BC Girls B Cup Soccer

National multisport championships:

- › Aquathon, Cross Triathlon, Duathlon, Long Course Triathlon

Winning Penticton bids:

- › BC Duathlon Championships (2017 Bare Bones)
- › BC Sprint and Standard Triathlon Championships (2017 Peach Classic)
- › Canadian Women's Curling Championship (2018 Scotties Tournament of Hearts)

Events - Music Milestones

- › Kiwanis Music, Dance & Speech Arts Festival, 90th year
- › Pentastic Jazz Festival (Sep 9-11), 20th year
- › Pacific Northwest Elvis Festival (Jun 24-26), 15th year



2017 GOALS

- › Strengthen City relationships with event organizers
- › Develop and support off-peak season events
- › Work with community event organizers to ensure core events generate maximum value for residents and the local business community
- › Community Grant Program review



RECREATION

Through strong leadership and in partnership with volunteer, public and private service providers, the Recreation department promotes and contributes to a healthy community and enhances the quality of life for residents and visitors of Penticton, through planning, management and delivery of recreation, sport, events and active living opportunities.

Facts & Stats

- › **19% increase** in Fitness Room participation from 2015 (115% increase from 2012)
- › **13% increase** attendance in aquatic activities; average of 968 pool visits per day
- › **545,701 estimated visits** to the Community Centre; average of 1,512 per day



KEY HIGHLIGHTS FROM 2016

- › *Penticton hosted the **2016 BC Winter Games** in February 2016*
- › *Penticton was selected to host **Rogers Hometown Hockey**, a season-long, touring hockey festival visiting a different Canadian town each weekend over 25 weeks*
- › *The **grand opening of Penticton's newest public-space playground** designed to serve the younger members of our community was celebrated in September 2016.*
- › *Successful partnership with the Penticton Pickleball Club for the **first spring/summer of operations of the outdoor Pickleball courts***



2016 ACCOMPLISHMENTS

- › The aquatics staff implemented emergency protocols to rescue a patron in the main pool which resulted in a successful AED (automated external defibrillator) and CPR cardiopulmonary resuscitation) rescue. (January 2016)
- › The Recreation Department, School District 67, PacificSport and Canadian Tire Jump-Start started the Gym Club three years ago in three schools. In 2016 it grew to six schools and 120 kids.
- › The City of Penticton is preparing a comprehensive Parks & Recreation Master Plan which will guide planning and decision-making related to parks and recreation services for the next 10 years.
- › Selected by the BC Parks & Recreation Association (BCRPA) as provincial pilot to provide Choose to Move and ActivAge programs
- › Celebrated the first graduation class for Bugaboo University (Early Learning Centre for 3-5 year olds)



2017 GOALS

- › Finalize the Parks & Recreation Master Plan
- › Implement the new Recreation Software platform
- › Finalize and implement the Recreation Department Marketing Road Map and Measurement Plan
- › Finalize and implement Cleland Theatre Optimization Plans
- › Implement the Penticton Public Sculpture Exhibition
- › Complete the Canada 150 Mosaic Tile Project
- › Implement communication and collaboration strategies with the Facilities Department
- › Attract new fitness program participants through targeted niche programming
- › Develop short term and long term plans to address the growing popularity of indoor and outdoor Pickleball
- › Focus on creating new and maintaining existing collaborative partnerships to offer quality children and youth program while achieving sustainability and lean processes
- › Implement new fees and charges initiatives
- › Develop mobile vending program



MUSEUM & ARCHIVES

The Penticton Museum & Archives are committed to the presentation, preservation and interpretation of Penticton's history and heritage. The museum works with many local heritage groups and natural history groups and is active in heritage and museum affairs provincially. The museum curator meets with the Heritage and Museum Advisory Committee once a month to review and make recommendations on museum and heritage matters pertaining to the city.

The PMA benefits from the hard work of a dedicated body of volunteers, who staff the reception desk, assist visitors and perform archival tasks in copying and filing material. The Friends of the Museum, an independent charitable fund raising body, does project-driven fund raising for the museum. The Archives collects and preserves the documentary and photographic history of the region and serves as an important resource for researchers and city staff.



KEY HIGHLIGHTS FROM 2016

- › *Brown Bag lunch lectures: 27*
- › *The archives have digitized well over 24,000 photographs to date*
- › *Completed successful grant applications to the British Columbia Arts Council and the Community Foundation*
- › *Penticton Museum featured in Globe and Mail Spanish Mound Story*



2016 EXHIBITS, EVENTS & ACCOMPLISHMENTS

Temporary Exhibits:

- › *More Than Just Games: Canada and the 1936 Olympics*, Presented with support from the Okanagan Jewish Community Centre
- › *Homegrown: Celebrating Childhood in Penticton Past and Present*
- › Events and Accomplishments:
- › Photography Project: *Imagine Change: Outma Sqilx'w Cultural School Photography Exhibition*
- › Regatta participation - Peachfest
- › Heritage Week setup in Cherry Lane Mall
- › Community Warm-up Event (December, in collaboration with library)
- › Purchased storage unit for off-site storage
- › Hired archival contractor Linda Wills to deal with backlog of archival materials
- › Hiring of new educator, Chandra Wong



2016 MUSEUM & ARCHIVES - BY THE NUMBERS

Museum Facts & Stats:

- › 24 volunteers
- › Approximately 2,200 volunteer hours
- › 15,000 - total number of visitors, including all Museum programs

Archives Facts & Stats:

- › Approximately 200 research requests
- › 352 staff research hours
- › 965 volunteer hours
- › 6 large new donations

Museum Programs:

	<i>Programs</i>	<i>Participants</i>
<i>Groups & Tours</i>	18	442
<i>Brown Bag Lectures</i>	27	1,485
<i>Still Life Saturday</i>	26	150
<i>Heritage Week</i>	1	300
<i>Science Labs</i>	6	170
Total Programs	78	2,547



MUNICIPAL GRANT PROGRAM

The Municipal Grant Program provides financial assistance to organizations to provide community services and events that benefit Penticton citizens that support City Council objectives.



KEY HIGHLIGHTS FROM 2016

- › *There were 50 recipients, 19 of them new applications*
- › *The City awarded \$667,943 cash and value in-kind*

ORGANIZATIONS AND EVENTS	CASH	VALUE IN KIND
Penticton Branch (Mental Wellness Centre)	\$18,000	
Canada 150 Mosaic	\$2,500	
Canadian Mental Health Association	\$2,000	
CFSOS - Yes Project (Youth Engagement Strategy)	\$8,750	
Community Foundation of the South Okanagan Similkameen	\$25,000	
Challenge Penticton - All Services		\$110,000
DPA - BC Family Day		\$1,500
DPA - Canada Day	\$4,500	\$2,300
DPA - Fall Fair		\$50
DPA - New Year's Eve		\$970
DPA - Night Markets Summer Concert Series	\$13,500	\$1,500
DPA - Penticton's Birthday		\$1,200
Miss Penticton Royalty	\$7,650	\$1,500
Okanagan Fruit Tree Project Society	\$6,700	
Canadian Sport School Hockey League championships	\$10,000	
Okanagan Motorcycle Riders Association - Toy Run		\$500
Okanagan Similkameen Healthy Living Fair Society		\$8,778
Okanagan Simlkameen Conservation Alliance - MeadowLark Nature Festival	\$3,500	
Okanagan Symphony Orchestra	\$5,000	
Okanagan Thunderchairs		\$900
Okanagan Trestle Tours		\$1,000
Other	\$7,792	\$3,438

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ORGANIZATIONS AND EVENTS	CASH	VALUE IN KIND
Peach Festival Society	\$20,000	\$25,000
Peach Festival Society - Float	\$10,000	
Penticton & Area Access Society	\$5,000	
Penticton & Area Cycling Association	\$2,500	
Penticton & District Community Arts Council	\$13,600	
Penticton Art Gallery Society	\$95,000	
Penticton Centre for Exceptional Learning	\$1,500	
Penticton Dragonboat Festival Society		\$14,120
Penticton GranFondo Axel Merckx		\$30,000
Penticton Historic Automobile Assn - Peach City Beach Cruise		\$7,000
Penticton Jazz Festival	\$5,333	\$7,000
Penticton Kiwanis Music Festival		\$5,500
Penticton Scottish Festival Society		\$4,000
Penticton Search & Rescue		\$12,435
Rotary Club of Penticton RibFest	\$5,000	\$7,800
Royal Canadian Legion - Remembrance Day		\$3,045
School District 67 Parade		\$175
School District 67 Joint Use Agreement		\$14,000
Shatford Centre - Okanagan School of the Arts	\$10,000	
Skaha Bluffs Park Watch Society	\$15,456	
South Okanagan Genealogical Society		\$4,451
South Okanagan Seniors Wellness Society	\$12,000	
South Okanagan Immigrant & Community Services		\$2,000
South Okanagan Immigrant & Community Services	\$7,500	
SS Sicamous - Operating	\$45,000	
SS Sicamous - Utilities	\$20,000	
United Way Emergency Transportation		\$7,200
Upperdek Vees Hockey		\$7,800
Totals	\$382,781	\$285,162
Combined total of cash and in-kind funding		\$667,943



FIRE DEPARTMENT

The Mission of the Penticton Fire Department is:

“To enhance the quality of living in our community by preventing or minimizing injury and loss of life or property from fire or other emergencies that may occur within the jurisdictional boundaries of the area we serve.”

We execute this Mission working in a composite fire service model composed of 32 career firefighters, 3 fire prevention staff, 40 paid-on-call auxiliary firefighters, and 3 chief officers.

We operate out of two fire stations, strategically placed in our community, utilizing 4 fire engines, 1 ladder truck, 2 rescue trucks, 2 wild fire units, and 3 marine units. We provide this service through Fire Department Operations, which is the emergency response function that involves the firefighters and apparatus responding to both emergencies with lights and sirens, and non-emergencies. Emergency scene management is what we specialize in, and bring organization and calmness to a usually chaotic environment. Fire Service Operations consist of fire suppression, motor vehicle incidents, medical first responder, hazmat, marine emergencies, swift & ice water rescue and technical high angle rope rescue.

The Fire Department provides the community with a fire prevention program. The goal is to educate the public to take precautions to prevent potentially harmful fires, as well as knowledge about surviving them. This is a proactive method of reducing emergencies and damage. Through public education, we teach people of all ages how to make responsible choices regarding health and safety. One of our most important commitments is to give people the knowledge and skills they need to lead safer lives.

Facts & Stats

- › Responded to **3,322** emergency incidents
- › **8% decrease** over 2015 (due to changes in medical response protocols)
- › **1,823** fire safety inspections completed
- › 10,000 hours of fire service training



KEY HIGHLIGHTS FROM 2016

- › *Council supports two wildfire prevention initiatives, receiving a **\$10,000 grant for FIRE SMART***
- › *Auxiliary recruit class of **10 new members***
- › *Council supports replacement of Marine Rescue Program, adding **2 new rescue vessels** to our marine fleet on Skaha Lake*



2016 ACCOMPLISHMENTS

- › Successfully Secured Emergency Operations Centre in Fire Headquarters downtown
- › New Rescue, and Bush Trucks put into service
- › Fire Chief and Deputy Fire Chief hired in early 2016
- › Training Facility and live fire instructors recognized as a Live Fire Compliant training facility from the Justice Institute of BC
- › Amended our First Responder Protocols to improve departmental operational readiness, including naloxone administration, to better serve our community
- › EllisDon classroom donated to training facility
- › Implemented a new Fire Department Database, improving administration efficiencies and paper waste
- › Added BCAA Child Car Seat installation program as a community service
- › Completed an evaluation of our response matrix, to simplify response, and limit fire department exposure and liability
- › Provided training to surrounding fire departments at our training facility which created revenue for the training facility



2017 GOALS

- › New Marine Rescue Boat will be put into service May 2017
- › Recruit class of 10 Auxiliary Firefighters
- › Fire Training Center Classroom installation with new tower crane for rescue practice
- › Wild fire mitigation and preparedness initiatives
- › Development of Wildfire Urban Interface Response Plan
- › Development of Auxiliary Firefighter live-in program
- › Creation of new Fire and Life Safety Bylaw
- › Modernize our water tender delivery system in limited or no water distribution areas
- › Educate citizens in FireSmart practices in the Wildland Urban Interface
- › Expand Contract Services and mutual aid response agreements
- › Update and develop emergency management strategy between the City and Regional District of Okanagan-Similkameen



PENTICTON RCMP

Penticton RCMP is committed to delivering efficient, responsive and innovative policing to all citizens of our detachment area.

Through innovative programming and partnerships, targeting prolific offenders and the use of crime reduction strategies, all members of the Penticton RCMP are committed to making Penticton the safest and healthiest community in which to live, work and raise a family.

Volunteering

Penticton RCMP benefited from significant support from our many volunteers resulting in **3,400 volunteer hours donated to Community Safety Programs** including Lock out Auto Crime, Speed Watch, Bike and foot patrol and Citizens on Patrol. Volunteers are an integral part of community policing, and we are truly grateful for the support from the community in increasing public safety

Community Engagement

Our Detachment is engaged with a number of community programs and stakeholders regarding vulnerable people within our community. To illustrate the impact on police resources, during 2016 Penticton Detachment dealt with **653 Mental Health Act**

related files. These are files where the primary reason members are called is due to Mental Health. In 2016 we collaborated with South Okanagan Similkameen Brain Injury Society on a 'Positive Ticketing Campaign', encouraging youth to engage in healthy, safe behaviour.

In 2016 Penticton/Summerland **Victim Services provided support for 319 clients**; victims of robberies, aggravated assault, unlawful confinement, sexual assaults and child sexual assault. In July 2016 we welcomed the newest member of our team – Calypso, a Labrador retriever, is the first PADS trained dog to serve with the RCMP in Canada. Calypso's role is to bring a calming presence when assisting victims of crime or trauma and has already proven to be very valuable to victims supporting /accompanying them through the investigation and court process.

Crime Reduction Team

The Crime Reduction Team has a mandate to disrupt street level crime with a focused on prolific offender management, property crime, drug crime and Comstat trends. This unit generated **327 files in 2016**, primarily focusing on the areas that fall within their mandate, in addition to assisting the general duty members with serious matters.



FACTS & STATS

- › Responded to **18,212 calls** for service
- › **4,763** criminal code files
- › Traffic enforcement – made over **2,100** proactive contacts
- › Held **1,805** prisoners in cells
- › **3,400** volunteer hours
- › **653** Mental Health Act related files
- › **327** Crime Reduction files



KEY PRIORITIES IN 2016

- › Contribute to road safety
- › Reduce the abuse of drugs
- › Enhance community relations through increased police visibility
- › Address crime reduction through the prolific offender management program
- › Contribute to safer youth



2017 PRIORITIES

- › Road safety
- › Reduce the abuse of drugs
- › Community engagement
- › Contribute to safer youth
- › Prolific Offender Management Program





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2016 FINANCIAL STATEMENTS

IN THIS SECTION:

Chief Financial Officer's Report
Audit Report
Financial Statements
2016 Permissive Tax Exemptions
2016 Revitalization Tax Exemptions



CHIEF FINANCIAL OFFICER'S REPORT, MAY 2017

I am pleased to submit the City of Penticton's 2016 Annual Financial Report for the year ended December 31, 2016 as required by Sections 98 and 167 of the Community Charter.

The audited financial statements, and supplementary financial schedules have been prepared by City staff in conformance with generally accepted accounting principles as prescribed by the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada.

Management maintains systems of internal budgetary and accounting controls that provide assurance for safeguarding of assets and the reliability of information. These systems are monitored and evaluated by management.

These statements were audited by BDO Canada LLP, and their responsibility is to express an opinion as to whether the financial statements prepared by management present fairly the financial position of the City as at December 31, 2016.

Operating Results from 2016 saw an increase in the City's net financial assets of \$12.2 million bringing its total net financial assets to \$17.8 million. This resulted in an overall improvement of its accumulated surplus by 3.3%, with a total now of \$336.6 million

Consolidated revenues for the City increased to \$108.8 million in 2016 a 4.3% increase over 2015. This increase was largely the result of an increase in taxation, water and building permit revenues. Consolidated Expenditures were \$98.1 million a minor a decrease of 1.6% decrease from 2015.

The general revenue fund saw an overall surplus of \$498,500 with revenues coming in at \$85.7 million, an increase of \$3 million or 3.6% increase from 2015. \$2 million in increased taxation revenues contributed to a large portion of this additional revenue, while strong development activity resulted in increased development and building permits of \$.7 million. Expenditures also rose to \$85.6 as a result of increased costs associated with delivering city services.

As with many municipalities, the City is faced with aging infrastructure. In 2016 the City took initial steps to better understand the challenge faced. Initial estimates are that the City faces a \$175 million infrastructure deficit for its roads, facilities, parks water, sewer and electrical assets. The 2017 budget has taken initial steps to begin addressing this challenge and will be doing further work over the next two years to refine and update estimated costs of the infrastructure deficit.

The economic outlook for the next 5 years appears strong, however prudent fiscal management will need to continue for the City, to strike the balance between funding city services and addressing the infrastructure deficit. The City will continue to review and refine its fiscal strategies to maintain a competitive business environment, while ensuring the tax burden is appropriately shared between business and residences. It will also continue to review and improve the efficiency of its operations through business process improvement and expanding shared service arrangements with other local authorities.



Jim Bauer



Independent Auditor's Report

To the Mayor and Council of Corporation of the City of Penticton

We have audited the accompanying consolidated financial statements of the Corporation of the City of Penticton, which comprises the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Penticton as at December 31, 2016 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the supplementary schedules on pages 20 through 29 of the Corporation of the City of Penticton's Financial Statements.

BDO CANADA LLP
Chartered Professional Accountants

Penticton, British Columbia
May 2, 2017

**THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

	2016	2015
Financial Assets		
Cash	\$ 1,316,987	\$ 3,000,964
Term Deposits (Note 1)	82,779,729	71,962,120
Accounts Receivable (Note 2)	7,700,806	8,465,474
	<u>91,797,522</u>	<u>83,428,558</u>
Financial Liabilities		
Development Cost Charges (Note 3)	10,275,074	8,015,262
Accounts Payable and Accrued Liabilities	12,940,547	14,504,846
Deferred Revenue	5,133,917	4,462,803
Deposits	2,565,874	1,919,634
Penticton Public Library (Note 15)	-	45,255
Long Term Debt (Note 8)	43,113,226	48,914,779
	<u>74,028,638</u>	<u>77,862,579</u>
Net Assets	\$ 17,768,884	\$ 5,565,979
Non-Financial Assets		
Tangible Capital Assets (Note 9)	\$315,573,844	\$316,961,009
Inventory	2,700,039	2,661,509
Prepaid Expenses	556,602	664,729
	318,830,485	320,287,247
Accumulated Surplus	<u>\$336,599,369</u>	<u>\$325,853,226</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016**

	2016 Budget	2016	2015
Revenue			
Taxation	\$ 30,333,770	\$ 30,485,377	\$ 28,436,350
Sales of Services	61,839,485	62,541,835	60,111,724
Government Grants and Transfers	2,971,542	2,301,804	2,434,334
Other Revenue	8,633,559	11,747,857	11,318,327
Other Contributions	983,925	1,621,845	2,100,306
Gain (loss) on Disposal	30,000	38,791	(128,039)
Contributed Asset	-	80,796	-
	<u>104,792,281</u>	<u>108,818,305</u>	<u>104,273,002</u>
Expenditure (Note 10)			
General Government	8,755,520	16,693,301	15,164,190
Protective Services	14,463,086	14,813,217	14,067,977
Transportation Services	4,164,525	8,589,817	8,350,559
Environmental Health Services	1,454,376	1,502,407	1,446,528
Public Health and Safety	192,533	263,687	200,996
Environmental Development Services	3,176,019	3,275,570	3,168,590
Recreation and Culture	11,422,304	12,731,301	11,853,069
Electrical Supply	30,783,521	31,027,273	36,204,608
Sewer System Utility	3,561,908	4,858,669	5,120,687
Water Utility Services	3,250,716	4,316,920	4,162,774
	<u>81,224,508</u>	<u>98,072,162</u>	<u>99,739,978</u>
Annual Surplus	23,567,773	10,746,143	4,533,024
Accumulated Surplus, Beginning of Year	<u>325,853,226</u>	<u>325,853,226</u>	<u>321,320,202</u>
Accumulated Surplus, End of Year	<u><u>\$ 349,420,999</u></u>	<u><u>\$ 336,599,369</u></u>	<u><u>\$ 325,853,226</u></u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Annual surplus	\$ 10,746,143	\$ 4,533,024
Acquisition of Tangible Capital Assets (Note 9)	(11,939,202)	(16,588,012)
Amortization (Note 9)	13,444,293	12,976,306
Net Disposal of Tangible Capital Assets (Note 9)	25,719	231,121
Contributed Tangible Capital Assets (Note 9)	(80,796)	-
Asset reclassification (Note 9)	(62,849)	1,752,302
	<u>12,133,308</u>	<u>2,904,741</u>
Change in Prepaid Expenses (Increase)	108,127	(62,484)
Consumption of Supplies Inventories	(38,530)	430,922
	<u>69,597</u>	<u>368,438</u>
Increase in Net Assets	12,202,905	3,273,179
Net Assets, Beginning of Year	5,565,979	2,292,800
Net Assets, End of Year	<u>\$ 17,768,884</u>	<u>\$ 5,565,979</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016**

	2016	2015
Operating Transactions		
Annual Surplus	\$ 10,746,143	\$ 4,533,024
Change in Non-Cash Operating Items		
Decrease in Accounts Receivable	764,668	1,940,561
Increase in Trade Accounts Payable and Accrued Liabilities	1,967,611	162,721
(Increase) decrease in Prepaid Expenses	108,127	(62,484)
(Increase) decrease in Inventory	(38,530)	430,922
Net Disposal of Tangible Capital Assets	25,719	231,121
Amortization	13,444,293	12,976,306
Contributed Tangible Capital Assets	(80,796)	-
Asset reclassification	(62,849)	1,752,302
	<u>16,128,243</u>	<u>17,431,449</u>
Cash Provided by Operating Activities	26,874,386	21,964,473
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(11,939,201)	(16,588,012)
Financing Transactions		
Debt Repayment	(5,801,553)	(5,804,091)
Investing Transactions		
Increase in Term Deposits	(10,817,609)	(5,546,470)
Change in Cash	(1,683,977)	(5,974,100)
Cash, Beginning of Year	<u>3,000,964</u>	<u>8,975,064</u>
Cash, End of Year	<u>\$ 1,316,987</u>	<u>\$ 3,000,964</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2016**

Management's Responsibility for the Financial Statements

The consolidated financial statements of the City are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Corporation of the City of Penticton ("the City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The City provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the City. All inter-entity transactions and balances have been eliminated. The controlled organizations include:

Penticton Public Library

Interfund Balances and Transactions

All material interfund transactions and balances have been eliminated within the Consolidated Financial Statements for the General, Sewer, Water and Electrical funds.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

Revenue Recognition

Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollected amounts.

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Utilities

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established. Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2016**

Revenue Recognition continued

Fee for Service

Sales of service and other revenue is recognized on an accrual basis.

Financial Instruments

The City's financial instruments consist of cash and term deposits, accounts receivable, accrued interest receivable, Municipal Finance Authority, bank indebtedness, trade accounts payable and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

Inventory

The City holds consumable inventory which is recorded at the lower of cost and net realizable value. Cost is determined on a weighted average basis.

Tangible Capital Assets

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	20 to 70 years
Roads and Sidewalks	25 to 75 years
Machinery and Equipment	5 to 20 years
Water Infrastructure	50 to 100 years
Sewer Infrastructure	10 to 100 years
Electrical Infrastructure	20 to 50 years
Parks and Recreation Infrastructure	10 to 50 years
Vehicles	10 to 20 years
Furniture and Equipment	10 to 20 years
Computer Hardware and Software	4 to 10 years
Books and Library Materials	5 to 13 years

**THE CITY OF PENTICTON
SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2016**

Reserve for Future Expenditure

Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

Use of Estimates

The preparation of consolidated financial statements in accordance with Public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Collection of Taxes on Behalf of Other Taxation Authorities

The City collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these consolidated financial statements.

Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- a) An environmental standard exists
- b) Contamination exceeds the environmental standard
- c) The City is directly responsible or accepts responsibility for remediation
- d) It is expected that future economic benefits will be given up; and
- e) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at December 31, 2016 the City has no liability for contaminated sites.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

1. Term Deposits

	<u>Maturity Date</u>	<u>Effective Interest Rate (%)</u>	<u>2016</u>	<u>2015</u>
Valley First		-	\$ 11,002,648	\$ -
Valley First	Jan 11, 2017	1.50	10,175,000	10,000,000
Valley First	May 1, 2017	1.40	5,038,003	5,000,000
Valley First	May 1, 2017	1.40	54,750	5,000,000
Valley First	Aug 12, 2017	1.75	10,000,000	5,000,000
Valley First	Aug 20, 2017	1.65	10,000,000	10,000,000
Valley First	Nov 2, 2017	1.65	10,000,000	10,828,910
Municipal Finance Authority		1.44	26,509,328	26,133,210
			<u>\$ 82,779,729</u>	<u>\$ 71,962,120</u>

2. Accounts Receivable

	<u>2016</u>	<u>2015</u>
Property Taxes	\$ 1,141,890	\$ 1,193,924
Other Receivables	1,888,393	1,803,875
Federal Government	222,024	223,911
Provincial Government	395,357	1,248,693
Regional District Okanagan Similkameen	1,725	125,039
Other Government Agencies	168,017	77,133
Utility Rates Receivable	3,528,303	3,354,863
Accrued Interest Receivable	308,944	388,661
Cemetery Trust Fund Receivable	46,153	49,375
	<u>\$ 7,700,806</u>	<u>\$ 8,465,474</u>

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

3. Development Cost Charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue.

DCC by Type

	2016	2015
Roads DCC	\$ 1,025,489	\$ 737,443
Parks DCC	475,189	240,576
Drainage DCC	204,571	128,338
Waste Water DCC	5,736,922	4,665,411
Water DCC	2,832,903	2,243,494
	<u>10,275,074</u>	<u>8,015,262</u>

DCC Activity

Balance, Beginning of Year	8,015,262	8,172,499
Return on Investments	123,534	129,018
DCCs Levied in the Year	2,220,398	531,402
Transfers to General Operating	(84,120)	(817,657)
	<u>\$ 10,275,074</u>	<u>\$ 8,015,262</u>

4. Development Cost Charges

In 2010, Council adopted the Development Cost Charge Reduction Bylaw and the companion Economic Incentive Zone Bylaw. The purpose of these bylaws was to spur development in key areas of the City, promote sustainable development and promote the development of affordable rental housing. The bylaws also contain provisions to encourage high-end hotel development. These bylaws will reduce the value of development cost charges, building permit fees and municipal taxes received by The City of Penticton for eligible developments.

The DCC reductions and Economic Incentive tax exemption program have been implemented in accordance with the provisions of Section 933(1) of the Local Government Act and Section 226 of the Community Charter, respectively. In 2016 \$190,113 (2015 - \$87,183) of Economic Incentive tax exemptions were granted. In addition, Council approved \$22,193 (2015 - \$69,375) of DCC reductions in 2016.

5. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

5. Pension Liability continued

The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for the average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The City of Penticton paid \$1,849,912 (2015 - \$1,858,197) for employer contributions to the Plan in fiscal 2016.

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

6. Contingent Liabilities

a. Regional District of Okanagan Similkameen

Under Section 836 of the Local Government Act, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2016, the long term debt of the Regional District aggregated \$86,130,133 (2015 - \$94,685,222).

b. Legal Actions

As at December 31, 2016, certain legal actions are pending against the City as follows:

1. The City is aware of various liens registered against the City owned properties located at 903-969 Eckhardt Ave W. These liens were filed by various companies engaged by the third party purchaser of the same properties who subsequently defaulted on the purchase. These companies were not paid and they filed liens against the properties. Twelve liens were filed representing claims totaling \$2,111,921.90. Since then, and within the one year limitation period under the Builders Lien Act, five lien claimants had started legal actions against various parties, including the City, and filed certificates of pending litigation ("CPL") against the properties. One claimant has subsequently abandoned its lien claim and discontinued its action and another claimant reached a settlement. The remaining three claims remain alive with the value of these lien claims totaling \$663,851. It is unknown at this time the likely outcome; however, damages could reach \$66,000, which is 10% of the total claims still being advanced.
2. The City has been named a party to an action with respect to a claim made for interference with development rights. The Claimant may have a reasonable basis for a claim; however given the uncertainty of the amount and likeliness of the claim, no accrual has been recorded in regards to these costs.
3. That the City has been named a party to an action with respect to a claim made for deficiencies in design and construction. The Claimant may have a reasonable basis for a claim; and damages could reach in the range of \$300,000 to \$500,000, which is 10% of the total claims still being advanced.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

6. Contingent Liabilities continued

c. General Contingencies

From time to time there are potential claims against the City for incidents which arise in the ordinary course of business. In the opinion of management and legal counsel, the outcomes of the claims are not determinable at this time and cannot be estimated. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

7. Letters of Credit

In addition to the performance deposits reflected in the Consolidated Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of \$2,185,630 which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the Consolidated Financial Statements but are available to satisfy liabilities arising from non-performance by the depositors.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. Long Term Debt

Long term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2016	2015
Long Term Debt	<u>\$ 43,113,226</u>	<u>\$ 48,914,779</u>

Principal repayments relating to long term debt of \$43,113,226 outstanding are due as follows (in thousands):

	2017	2018	2019	2020	2021	Thereafter
General Fund	\$ 3,233	\$ 1,985	\$ 1,059	\$ 1,042	\$ 1,043	\$ 14,883
Sewer Fund	575	545	539	539	539	8,716
Water Fund	422	422	422	422	422	6,305
	<u>\$ 4,230</u>	<u>\$ 2,952</u>	<u>\$ 2,020</u>	<u>\$ 2,003</u>	<u>\$ 2,004</u>	<u>\$ 29,904</u>

Long term debt is secured by the assets of the City. The Long Term Debt is held by the Municipal Finance Authority. The principal payments are invested by the Municipal Finance Authority into a Sinking Fund. The principal repayments are currently calculated at a rate of 4%. The 2016 earnings in the Sinking Fund were calculated to be \$1,536,896 and are included in Other Revenue on the Consolidated Statement of Operations.

9. Tangible Capital Assets

In 2016 the City of Penticton incurred \$17,405,903 of Capital Expenditures. The Tangible Capital Asset Policy requires that capital expenditures beneath a specified threshold are not capitalized. The total amount capitalized in accordance with the TCA Policy is \$11,939,201 for 2016. The amount of Capital purchases below the TCA threshold that were expensed within the Consolidated Statement of Operations were \$5,466,702.

THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

9. Tangible Capital Assets continued

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Sewer Infrastructure</u>	<u>Water Infrastructure</u>	<u>Electrical Infrastructure</u>	<u>Roads</u>	<u>Construction in Progress</u>	<u>2016 Total</u>
COST									
Opening Balance	\$ 48,433,058	\$ 163,265,759	\$ 36,255,075	\$ 50,274,463	\$ 52,860,867	\$ 72,143,119	\$ 80,497,549	\$ 1,492,298	\$ 505,222,188
Add: Additions	-	595,010	3,330,963	344,290	1,068,075	1,766,826	3,907,257	926,780	11,939,201
Add: Trsf to/from Construction in Progress	-	13,051	150,212	-	110,037	-	334,846	(608,146)	-
Add: Contributed Assets	-	80,796	-	-	-	-	-	-	80,796
Less: Disposals	-	-	488,673	-	-	-	-	-	488,673
Re-classification	-	-	659,112	-	-	-	-	(248,025)	411,087
	<u>48,433,058</u>	<u>163,954,616</u>	<u>39,906,689</u>	<u>50,618,753</u>	<u>54,038,979</u>	<u>73,909,945</u>	<u>84,739,652</u>	<u>1,562,907</u>	<u>517,164,599</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	61,742,536	24,324,874	8,399,814	17,726,280	32,274,934	43,792,741	-	188,261,179
Add: Amortization	-	4,771,924	2,027,673	1,043,051	832,646	2,155,828	2,613,170	-	13,444,292
Less: Acc Amortization on Disposals	-	-	462,954	-	-	-	-	-	462,954
Re-classification	-	-	(348,238)	-	-	-	-	-	(348,238)
	<u>-</u>	<u>66,514,460</u>	<u>26,237,831</u>	<u>9,442,865</u>	<u>18,558,926</u>	<u>34,430,762</u>	<u>46,405,911</u>	<u>-</u>	<u>201,590,755</u>
Net Book Value for Year Ended Dec. 31, 2016	<u>\$ 48,433,058</u>	<u>\$ 97,440,156</u>	<u>\$ 13,668,858</u>	<u>\$ 41,175,888</u>	<u>\$ 35,480,053</u>	<u>\$ 39,479,183</u>	<u>\$ 38,333,741</u>	<u>\$ 1,562,907</u>	<u>\$ 315,573,844</u>
	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Sewer Infrastructure</u>	<u>Water Infrastructure</u>	<u>Electrical Infrastructure</u>	<u>Roads</u>	<u>Construction in Progress</u>	<u>2015 Total</u>
COST									
Opening Balance	\$ 46,866,608	\$ 161,832,094	\$ 35,392,605	\$ 48,980,917	\$ 50,796,899	\$ 68,634,007	\$ 76,934,938	\$ 2,397,794	\$ 491,835,862
Add: Additions	1,566,450	2,651,897	753,115	1,184,883	2,063,968	3,575,820	3,505,204	1,286,675	16,588,012
Add: Trsf to/from Construction in Progress	-	30,716	243,083	108,663	-	-	57,407	(439,869)	-
Less: Disposals	-	1,248,948	133,728	-	-	66,708	-	-	1,449,384
Re-classification to Financial Assets	-	-	-	-	-	-	-	(1,752,302)	(1,752,302)
	<u>48,433,058</u>	<u>163,265,759</u>	<u>36,255,075</u>	<u>50,274,463</u>	<u>52,860,867</u>	<u>72,143,119</u>	<u>80,497,549</u>	<u>1,492,298</u>	<u>505,222,188</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	58,048,402	22,684,621	7,348,808	17,136,905	30,157,689	41,126,711	-	176,503,136
Add: Amortization	-	4,744,246	1,768,232	1,051,006	589,375	2,157,417	2,666,030	-	12,976,306
Less: Acc Amortization on Disposals	-	1,050,112	127,979	-	-	40,172	-	-	1,218,263
	<u>-</u>	<u>61,742,536</u>	<u>24,324,874</u>	<u>8,399,814</u>	<u>17,726,280</u>	<u>32,274,934</u>	<u>43,792,741</u>	<u>-</u>	<u>188,261,179</u>
Net Book Value for Year Ended Dec. 31, 2015	<u>\$ 48,433,058</u>	<u>\$ 101,523,223</u>	<u>\$ 11,930,201</u>	<u>\$ 41,874,649</u>	<u>\$ 35,134,587</u>	<u>\$ 39,868,185</u>	<u>\$ 36,704,808</u>	<u>\$ 1,492,298</u>	<u>\$ 316,961,009</u>

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

10. Reporting by Object

	2016	2015
Salaries and Benefits	\$ 24,507,639	\$ 21,661,772
Goods and Services	43,891,774	48,778,025
Interest	3,802,731	3,929,931
Amortization	13,444,293	12,976,306
Other Expenses	2,193,952	3,039,240
Vehicle & Equipment Maintenance	3,452,486	2,853,905
Policing Agreement	6,779,287	6,500,799
	<u>\$ 98,072,162</u>	<u>\$ 99,739,978</u>

11. Credit Facilities

a. Line of Credit

The City holds a \$5,000,000 line of credit with the Valley First Credit Union. This line of credit has a borrowing rate of prime and is secured by the Revenue Anticipation Borrowing Bylaw 2011 No. 5003.

As of December 31, 2016 there was no balance outstanding.

b. Bank Indebtedness

The City holds a \$4,230,000 EFT limit.

12. Municipal Finance Authority

Cash Deposits and Demand Notes - The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

Proceeds on loan requests are 98.40% of the gross amount of the loan. 1% is deducted by the MFA for security against loan default (this is held in trust by the MFA in its Debt Reserve Fund and will be refunded to clients, with interest, at loan expiry). The remaining 0.60% is deducted as an issue expense to cover the costs of administering the Debt Reserve Fund.

As at December 31, 2016 the Debt Reserve Fund demand note requirements were \$3,346,659 (2015 - \$3,399,305). In addition, cash deposits totaling \$1,162,303 (2015 - \$1,161,102) were held by the MFA.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

13. Budget

The Financial Plan (Budget) Bylaw No. 2016-07 adopted by Council on March 7, 2016 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council with adjustments as follows:

	2016
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Transfer to Funds/Reserves	22,184,263
Debt Principal Repayments	4,283,308
Budgeted Capital Expenditures - General	10,873,710
Budgeted Capital Expenditures - Electric	3,532,786
Budgeted Capital Expenditures - Sewer	1,859,630
Budgeted Capital Expenditures - Water	3,755,000
Less:	
Budgeted Transfers from Surplus	22,920,924
Budget Surplus per Statement of Operations	\$ 23,567,773

14. Transfers From Other Governments

	2016	2015
Gas tax community works fund	\$ 1,439,404	\$ 1,392,510
Traffic fine revenue sharing	401,411	458,557
Okanagan Basin Water Board grants	215,822	219,201
The Freshwater Fisheries	-	170,000
BC Arts Council	20,000	20,000
Library	125,720	-
Miscellaneous	99,447	174,066
	\$ 2,301,804	\$ 2,434,334

15. Penticton Public Library

The establishment of a municipal public library in the City of Penticton Bylaw 2639 was passed December 8, 1969. The bylaw indicates that the City exercises significant influence over the Penticton Public Library and is required to fund its operations as per the Library Act. The Penticton Public Library assets as managed by the Library Board are recorded as assets of the City. The operations of the Penticton Public Library have been wholly consolidated by the City as at December 31, 2016.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

16. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, water and electricity. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services

This segment includes all of the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to one of the other specific segments.

Protective Services

Protection is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education.

Transportation Services

Transportation is responsible for providing the City's transit services.

Environmental Health Services

Environmental services consists of providing waste disposal to citizens.

Public Health and Safety

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Environmental Development Services

This segment includes city planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Culture

This segment provides services meant to improve health and development of the City's citizens. Recreational programs and cultural programs like swimming and skating lessons are provided at the arenas, the aquatic centre and the community centre. Also, the City provides library services to assist with its citizens' informational needs and a museum that houses collections and artifacts.

Electrical Supply

This segment includes all of the operating activities related to the supply of the City's electricity.

Sewer System Utility

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

**THE CITY OF PENTICTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016**

16. Segmented Information continued

Water Utility Services

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.

**THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2016**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	2016 Total
REVENUE											
Taxation	\$ 29,111,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,373,636	\$ -	\$ 30,485,377
Sales of Services	2,657,309	997,297	1,288,925	2,464,088	363,357	113,686	2,231,071	39,647,109	4,625,517	8,153,476	62,541,835
Government Grants and Transfers	1,939,262	-	1,000	-	-	-	145,720	-	215,822	-	2,301,804
Other Revenue	10,650,566	55,780	-	-	-	8,500	1,019,211	13,800	-	-	11,747,857
Other Contributions	119,053	-	544,282	-	-	-	71,486	590,070	47,712	249,242	1,621,845
Gain (loss) on Disposal	10,436	-	28,355	-	-	-	-	-	-	-	38,791
Contributed Asset	80,796	-	-	-	-	-	-	-	-	-	80,796
	<u>44,569,163</u>	<u>1,053,077</u>	<u>1,862,562</u>	<u>2,464,088</u>	<u>363,357</u>	<u>122,186</u>	<u>3,467,488</u>	<u>40,250,979</u>	<u>6,262,687</u>	<u>8,402,718</u>	<u>108,818,305</u>
EXPENDITURE											
Salaries and Benefits	4,619,001	7,112,206	1,229,617	102,174	39,410	1,470,080	5,374,197	1,715,290	1,349,195	1,496,469	24,507,639
Goods and Services	2,743,400	734,360	3,500,069	1,394,320	217,779	1,222,250	4,508,140	26,988,679	1,372,054	1,210,723	43,891,774
Interest	(42,147)	84,000	174,478	-	-	-	2,236,253	-	758,021	592,126	3,802,731
Amortization	7,465,548	-	1,947,220	-	-	-	-	2,155,828	1,043,051	832,646	13,444,293
Other Expenses	1,577,029	1,049	737	66	-	581,242	29,273	4,546	-	10	2,193,952
Vehicle & Equipment Maintenance	330,470	102,315	1,737,696	5,847	6,498	1,998	583,438	162,930	336,348	184,946	3,452,486
Policing Agreement	-	6,779,287	-	-	-	-	-	-	-	-	6,779,287
	<u>16,693,301</u>	<u>14,813,217</u>	<u>8,589,817</u>	<u>1,502,407</u>	<u>263,687</u>	<u>3,275,570</u>	<u>12,731,301</u>	<u>31,027,273</u>	<u>4,858,669</u>	<u>4,316,920</u>	<u>98,072,162</u>
Excess (Deficiency) of Revenues Over Expenditures											
	<u>\$ 27,875,862</u>	<u>\$(13,760,140)</u>	<u>\$(6,727,255)</u>	<u>\$ 961,681</u>	<u>\$ 99,670</u>	<u>\$(3,153,384)</u>	<u>\$(9,263,813)</u>	<u>\$ 9,223,706</u>	<u>\$ 1,404,018</u>	<u>\$ 4,085,798</u>	<u>\$ 10,746,143</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2015**

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	2015 Total
REVENUE											
Taxation	\$ 27,060,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,376,284	\$ -	\$ 28,436,350
Sales of Services	2,579,749	921,649	1,184,787	2,462,443	279,413	87,264	1,970,316	39,268,074	4,415,792	6,942,237	60,111,724
Government Grants and Transfers	1,949,633	-	170,000	-	-	1,000	94,500	-	219,201	-	2,434,334
Other Revenue	10,900,018	16,106	-	-	-	18,950	369,507	13,746	-	-	11,318,327
Other Contributions	98,306	-	1,437,975	-	-	-	-	336,362	47,606	180,057	2,100,306
Gain (loss) on Disposal	(183,419)	-	81,917	-	-	-	-	(26,537)	-	-	(128,039)
	<u>42,404,353</u>	<u>937,755</u>	<u>2,874,679</u>	<u>2,462,443</u>	<u>279,413</u>	<u>107,214</u>	<u>2,434,323</u>	<u>39,591,645</u>	<u>6,058,883</u>	<u>7,122,294</u>	<u>104,273,002</u>
EXPENDITURE											
Salaries and Benefits	4,213,830	6,348,560	1,272,559	48,474	25,414	1,065,242	4,274,345	1,684,633	1,323,135	1,405,580	21,661,772
Goods and Services	2,982,465	781,395	2,973,131	1,396,100	172,177	1,562,928	3,894,810	32,040,038	1,666,977	1,308,004	48,778,025
Interest	(47,273)	84,000	174,478	-	-	-	2,253,422	-	767,614	697,690	3,929,931
Amortization	6,512,478	-	2,666,030	-	-	-	-	2,157,417	1,051,006	589,375	12,976,306
Other Expenses	1,234,456	48,370	13,425	424	13	538,281	1,048,968	154,607	-	696	3,039,240
Vehicle & Equipment Maintenance	268,234	304,853	1,250,936	1,530	3,392	2,139	381,524	167,913	311,955	161,429	2,853,905
Policing Agreement	-	6,500,799	-	-	-	-	-	-	-	-	6,500,799
	<u>15,164,190</u>	<u>14,067,977</u>	<u>8,350,559</u>	<u>1,446,528</u>	<u>200,996</u>	<u>3,168,590</u>	<u>11,853,069</u>	<u>36,204,608</u>	<u>5,120,687</u>	<u>4,162,774</u>	<u>99,739,978</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,240,163</u>	<u>\$(13,130,222)</u>	<u>\$ (5,475,880)</u>	<u>\$ 1,015,915</u>	<u>\$ 78,417</u>	<u>\$ (3,061,376)</u>	<u>\$ (9,418,746)</u>	<u>\$ 3,387,037</u>	<u>\$ 938,196</u>	<u>\$ 2,959,520</u>	<u>\$ 4,533,024</u>

See accompanying notes to the Consolidated Financial Statements.

**THE CITY OF PENTICTON
GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016 Budget	2016	2015
Revenue			
Taxation	\$ 28,985,570	\$ 29,111,741	\$ 27,060,066
Sales of Services	13,706,723	14,760,623	14,020,575
Government Grants and Transfers	1,822,709	2,085,983	2,215,133
Transfer From Other Funds/Reserves	3,327,789	6,729,667	6,148,738
Other Revenue	8,626,559	11,734,057	11,304,581
Other Contributions	175,768	734,820	1,536,281
Sale of Assets	30,000	38,791	(101,502)
Collections For other Governments	20,562,109	20,489,113	20,512,044
	<u>77,237,227</u>	<u>85,684,795</u>	<u>82,695,916</u>
Expenditure			
Salaries and Benefits	17,411,732	20,606,616	17,800,006
Goods and Services	11,829,445	15,236,940	14,590,379
Interest	2,511,671	2,452,585	2,464,627
Principal Payments	3,231,189	3,231,187	3,226,442
Other Expenses	3,610,035	2,189,395	2,883,937
Vehicle & Equipment Maintenance	2,768,516	2,768,262	2,212,607
Policing Agreement	7,008,363	6,779,287	6,500,799
Transfer to Other Funds/Reserves	8,039,229	11,415,232	12,445,249
Transfers to Other Governments	20,562,109	20,506,789	20,498,735
	<u>76,972,289</u>	<u>85,186,293</u>	<u>82,622,781</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>264,938</u>	<u>498,502</u>	<u>73,135</u>
CHANGE IN FUND BALANCES	264,938	498,502	73,135
FUND BALANCES, BEGINNING OF YEAR	5,213,235	5,213,235	5,140,100
FUND BALANCES, END OF YEAR	<u>\$ 5,478,173</u>	<u>\$ 5,711,737</u>	<u>\$ 5,213,235</u>

**THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016	2015
Balance, Beginning of Year	\$ 12,474,200	\$ 15,312,112
Add		
Transfers from:		
Revenue Funds	2,998,632	2,256,938
Interest Earned	153,470	215,400
Deduct		
Transfers to:		
Capital Funds	4,810,374	5,247,643
Revenue Funds	-	62,607
	<u>\$10,815,928</u>	<u>\$ 12,474,200</u>
 STATUTORY RESERVE FUND BALANCES		
Equipment Replacement Reserve Fund	3,490,375	3,108,609
Tax Sale Lands Reserve Fund	7,460	7,360
Capital Reserve Fund	165,784	2,023,783
Land Acquisition Reserve	1,892,984	-
Local Improvement	1,196,360	1,420,502
Off-Site Parking Reserve Fund	120,899	119,277
Community Works Reserve Fund	915,595	3,142,551
Public Amenity Reserve	74,653	238,313
Affordable Housing Reserve	166,901	-
Alternative Transportation Reserve	52,082	15,625
Asset Sustainability	302,040	-
Water Capital Reserve Fund	892,803	880,824
Sewer Capital Reserve Fund	536,025	528,833
Electric Capital Reserve Fund	1,001,967	988,523
	<u>10,815,928</u>	<u>12,474,200</u>
Balance, End of Year	<u>\$10,815,928</u>	<u>\$ 12,474,200</u>

**THE CITY OF PENTICTON
RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	Balance, Beginning of Year	Transfer from General Revenue Fund	Interest Earned	Transfer to General Capital Fund	Transfer to Sewer Capital Fund	Inter-reserve Transfers	2016 Total
Reserve							
Equipment Replacement	\$ 3,108,609	\$ 1,108,355	\$ 44,570	\$ (771,159)	\$ -	\$ -	\$ 3,490,375
Tax Sale Lands	7,360	-	100	-	-	-	7,460
Capital	2,023,783	-	14,899	-	-	(1,872,898)	165,784
Land Acquisition	-	7,350	12,736	-	-	1,872,898	1,892,984
Local Improvement	1,420,502	107,523	13,781	(325,553)	(19,893)	-	1,196,360
Off-Street Parking	119,277	-	1,622	-	-	-	120,899
Community Works	3,142,551	1,439,404	27,409	(3,693,769)	-	-	915,595
Public Amenity	238,313	-	2,114	-	-	(165,774)	74,653
Affordable Housing	-	-	1,127	-	-	165,774	166,901
Alternative Transportation	15,625	36,000	457	-	-	-	52,082
Asset Sustainability	-	300,000	2,040	-	-	-	302,040
Water Capital	880,824	-	11,979	-	-	-	892,803
Sewer Capital	528,833	-	7,192	-	-	-	536,025
Electric Capital	988,523	-	13,444	-	-	-	1,001,967
	\$ 12,474,200	\$ 2,998,632	\$ 153,470	\$ (4,790,481)	\$ (19,893)	\$ -	\$ 10,815,928

**THE CITY OF PENTICTON
RESERVES
STATEMENT OF CHANGE IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	<u>Balance, Beginning of Year</u>	<u>Transfer From Funds</u>	<u>Transfer To Funds</u>	<u>Interest</u>	<u>Inter-reserve Transfers</u>	<u>2016 Total</u>
Non-Statutory						
Asset Emergency	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Building Permit Stabilization	100,000	-	-	-	-	100,000
Carbon Tax Credit Reserve	152,421	-	-	-	-	152,421
Cemetery Land	133,000	-	-	-	-	133,000
Climate Action	88,327	42,920	-	-	-	131,247
Election	23,797	23,803	-	-	-	47,599
Electric Surplus	10,146,400	4,354,532	-	-	-	14,500,932
Gaming	6,045,785	4,563,630	(3,258,882)	-	-	7,350,533
General Surplus	5,213,235	498,502	-	-	-	5,711,737
Infrastructure	400,000	-	-	-	-	400,000
Investment Income	1,369,942	-	-	-	(396,507) *	973,435
Liability Insurance	250,001	-	-	-	-	250,001
Marinas	459,383	30,298	-	-	-	489,681
Multi-Material BC	777,961	467,109	(1,641,576)	-	396,507 *	0
Northgate	52,000	-	-	-	-	52,000
Parking & Revitalization	51,765	-	-	-	-	51,765
Public Art	12,011	25,000	(2,000)	-	-	35,011
Rate Stabilization	200,000	-	-	-	-	200,000
RCMP	254,942	105,057	-	-	-	359,999
Sewer Equipment Replacement	-	108,022	-	-	-	108,022
Sewer Surplus	5,542,676	1,358,713	-	-	-	6,901,389
Snow Clearing Stabilization	75,000	-	-	-	-	75,000
Special Events Site	21,166	-	-	-	-	21,166
Water Surplus	1,261,931	2,651,331	-	-	-	3,913,262
West Bench Capital	1,185,185	-	-	-	-	1,185,185
West Bench Water	1,801,728	-	(78,336)	-	-	1,723,392
Wine/Info	13,150	-	-	-	-	13,150
	<u>36,431,805</u>	<u>14,228,916</u>	<u>(4,980,794)</u>	<u>-</u>	<u>-</u>	<u>45,679,926</u>
Statutory	12,474,200	2,998,632	(4,810,374)	153,470	-	10,815,928
DCC	<u>8,015,262</u>	<u>2,220,398</u>	<u>(84,120)</u>	<u>123,534</u>	<u>-</u>	<u>10,275,074</u>
	<u>\$ 56,921,267</u>	<u>\$ 19,447,946</u>	<u>(9,875,288)</u>	<u>\$ 277,004</u>	<u>\$ -</u>	<u>\$ 66,770,928</u>

* inter-reserve loan to be repaid in 2017

**THE CITY OF PENTICTON
SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016 Budget	2016	2015
Revenue			
Taxation	\$ 1,348,200	\$ 1,373,636	\$ 1,376,284
Sales of Services	4,587,283	4,625,517	4,415,792
Government Grants and Transfers	215,500	215,822	219,201
Transfer From Other Funds/Reserves	-	2,156,826	4,907,995
	<u>6,150,983</u>	<u>8,371,801</u>	<u>10,919,272</u>
Expenditure			
Salaries and Benefits	1,611,889	1,349,195	1,323,135
Goods and Services	1,267,526	1,837,641	2,081,738
Interest	773,830	758,021	767,614
Principal Payments	584,381	575,057	575,057
Vehicle & Equipment Maintenance	374,250	336,348	311,955
Transfer to Other Funds/Reserves	1,550,765	2,156,826	6,538,959
	<u>6,162,641</u>	<u>7,013,088</u>	<u>11,598,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,658)</u>	<u>1,358,713</u>	<u>(679,186)</u>
CHANGE IN FUND BALANCES	(11,658)	1,358,713	(679,186)
FUND BALANCES, BEGINNING OF YEAR	5,542,676	5,542,676	6,221,862
FUND BALANCES, END OF YEAR	<u>\$ 5,531,018</u>	<u>\$ 6,901,389</u>	<u>\$ 5,542,676</u>

**THE CITY OF PENTICTON
WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016 Budget	2016	2015
Revenue			
Sales of Services	\$ 7,165,766	\$ 8,153,476	\$ 6,942,237
Government Grants and Transfers	933,333	-	-
Transfer From Other Funds/Reserves	466,667	1,352,716	1,138,368
	<u>8,565,766</u>	<u>9,506,192</u>	<u>8,080,605</u>
Expenditure			
Salaries and Benefits	1,622,490	1,496,469	1,405,579
Goods and Services	1,332,997	1,754,094	1,810,541
Interest	591,951	592,126	697,690
Principal Payments	467,738	458,414	549,141
Vehicle & Equipment Maintenance	246,650	184,946	161,429
Transfer to Other Funds/Reserves	4,305,715	2,368,812	4,307,574
	<u>8,567,541</u>	<u>6,854,861</u>	<u>8,931,954</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,775)</u>	<u>2,651,331</u>	<u>(851,349)</u>
CHANGE IN FUND BALANCES	(1,775)	2,651,331	(851,349)
FUND BALANCES, BEGINNING OF YEAR	1,261,931	1,261,931	2,113,280
FUND BALANCES, END OF YEAR	<u>\$ 1,260,156</u>	<u>\$ 3,913,262</u>	<u>\$ 1,261,931</u>

**THE CITY OF PENTICTON
ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016 Budget	2016	2015
Revenue			
Sales of Services	\$ 40,960,152	\$ 39,647,110	\$ 39,268,074
Other Revenue	7,000	13,800	13,746
Transfer From Other Funds/Reserves	-	1,362,733	6,676,682
	<u>40,967,152</u>	<u>41,023,643</u>	<u>45,958,502</u>
Expenditure			
Salaries and Benefits	1,529,257	1,715,290	1,684,633
Goods and Services	31,152,350	29,048,758	34,278,742
Vehicle & Equipment Maintenance	161,994	162,930	167,913
Transfer to Other Funds/Reserves	8,060,071	5,742,133	9,866,982
	<u>40,903,672</u>	<u>36,669,111</u>	<u>45,998,270</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>63,480</u>	<u>4,354,532</u>	<u>(39,768)</u>
CHANGE IN FUND BALANCES	63,480	4,354,532	(39,768)
FUND BALANCES, BEGINNING OF YEAR	10,146,400	10,146,400	10,186,168
FUND BALANCES, END OF YEAR	<u>\$ 10,209,880</u>	<u>\$ 14,500,932</u>	<u>\$ 10,146,400</u>

**THE CITY OF PENTICTON
DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2016
(UNAUDITED)**

LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2016 Payments	
										Interest	Principal
General Fund											
9925	20005	72	12-Apr-00	RCMP Building	\$ 2,500,000	\$ 700,906	20	2020	2.100	\$ 52,500	\$ 82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	420,544	20	2020	2.100	31,500	49,725
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	175,036	20	2024	2.400	8,100	10,207
2004-16	859-2004	85	25-Oct-04	Parks-Land Acquisition	1,680,000	871,290	20	2024	2.000	33,600	50,808
2004-18	859/2004	85	25-Oct-04	Road Works-S. Main St.	195,000	101,132	20	2024	2.000	3,900	5,897
2004-19	859/2004	85	25-Oct-04	Road Design-Main St.	150,000	77,794	20	2024	2.000	3,000	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	285,244	20	2024	2.000	11,000	16,633
2004-21	859/2004	85	25-Oct-04	Youth Park	50,000	25,931	20	2024	2.000	1,000	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	410,013	20	2025	5.100	21,933	40,083
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	266,509	20	2025	5.100	14,256	26,054
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	81,891	20	2025	1.800	2,700	5,514
2005-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	450,401	20	2025	1.800	14,850	30,328
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	951,918	20	2026	4.430	70,659	53,563
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	1,909,805	20	2026	4.430	141,760	107,462
2006-18	273-2007	102	27-Mar-07	Queens Park Site Serv	7,000,000	829,843	10	2017	4.820	337,400	583,037
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	225,614	20	2027	4.820	16,870	11,754
2006-39	273/2007	102	02-Nov-07	S Okanagan Event Ctre	8,000,000	948,392	10	2017	4.820	385,600	666,328
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	2,071,710	20	2028	4.650	139,500	100,745
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	10,000,000	2,325,384	10	2018	5.150	515,000	832,909
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	1,726,425	20	2028	5.150	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	690,570	20	2028	5.150	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	366,002	20	2028	5.150	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	265,094	10	2018	5.150	58,710	94,952
2007-60	157-2009	105	21-Apr-09	PIDA	231,344	79,153	10	2019	4.900	11,336	19,269
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	304,926	20	2029	4.130	17,140	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	455,470	20	2030	4.500	26,370	19,679
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	5,751,674	20	2030	4.500	333,000	248,505
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	110,445	20	2031	4.200	5,670	4,534
2009-43	B25/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	365,695	20	2031	4.200	18,774	15,011
					<u>56,786,844</u>	<u>23,244,811</u>				<u>2,483,673</u>	<u>3,231,188</u>

**THE CITY OF PENTICTON
DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2016
(UNAUDITED)**

LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2016 Payments	
										Interest	Principal
Water Fund											
92110	96-08	63	01-Jun-96	Water Treatment Plant	1,200,000	-	20	2016	3.000	18,000	36,291
2006-07	17/07/2006	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	2,787,121	20	2026	4.430	206,881	156,827
2007-83	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	2,762,281	20	2028	5.150	206,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	2,865,570	20	2029	4.130	161,070	130,969
					<u>13,770,000</u>	<u>8,414,972</u>				<u>591,951</u>	<u>458,414</u>
Sewer Fund											
2006-61	273/2007	102	02-Nov-07	Septage Handling Facility	1,050,000	676,842	20	2027	4.820	50,610	35,261
2008-10	333-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	5,524,561	20	2028	5.150	412,000	268,654
2007-60	333/2008	104	20-Nov-08	PIDA	360,000	83,714	10	2018	5.150	18,540	29,985
2007-60	157/2009	105	21-Apr-09	PIDA	73,056	24,996	10	2018	4.900	3,580	6,085
2008-10	638-2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	5,143,330	20	2029	4.130	289,100	235,072
					<u>16,483,056</u>	<u>11,453,443</u>				<u>773,830</u>	<u>575,057</u>
					<u>\$ 87,039,900</u>	<u>\$ 43,113,226</u>				<u>\$ 3,849,454</u>	<u>\$ 4,264,659</u>

**THE CITY OF PENTICTON
CEMETERY PERPETUAL TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)**

	2016	2015
ASSETS		
Bank Term Deposits	\$ 993,552	\$ 971,154
Less:		
Due To General Revenue Fund	46,153	49,375
	<u>\$ 947,399</u>	<u>\$ 921,779</u>
 SURPLUS		
Balance, Beginning of Year	\$ 921,779	\$ 903,893
Add:		
Care Fund Contributions	33,220	30,686
Interest Earned	22,400	17,200
	<u>55,620</u>	<u>47,886</u>
Deduct:		
Cemetery Maintenance	30,000	30,000
Balance, End of Year	<u>\$ 947,399</u>	<u>\$ 921,779</u>

2016 Permissive Tax Exemptions		
Name of Applicant	Civic Address	2016 (General) Tax Foregone
Cheers the Church	639 Main St	\$5,369
Christian Science Society	608 Winnipeg St	\$1,200
Church of Jesus Christ of Latter Day Saints	2946 South Main St	\$5,269
Church of the Nazarene	523 Jermyn Ave	\$2,936
Concordia Lutheran Church	2800 South Main St	\$4,901
Governing Council of the Salvation Army Corps 344	2469 South Main St	\$3,830
Grace Mennonite Brethren Church	74 Penticton Ave	\$1,567
Green Mountain Christian Congregation of Jehovah's Witnesses	52 Roy Ave	\$3,381
Hellenic Community Society of Penticton	1265 Fairview Rd	\$2,650
Oasis United Church	2964 Skaha Lake Rd	\$12,539
Our Redeemer Lutheran Church of Penticton, BC	1370 Church St	\$1,615
Penticton Alliance Church	197 Bandon Ave	\$3,839
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave	\$1,866
Penticton Bethel Pentecostal Tabernacle	973 Main St	\$3,596
Penticton Bethel Pentecostal Tabernacle	945 Main St	\$6,460
Penticton First Baptist Church	1498 Government St	\$5,005
Penticton Free Presbyterian Church	120 Preston Ave	\$2,717
Penticton New Beginnings Christian Fellowship	96 Edmonton Ave	\$833
Penticton Sikh Temple & Indian Cultural Society	3290 South Main St	\$5,573
Penticton United Church	696 Main St	\$3,062
Penticton Vineyard Community Church	1825 Main St	\$9,906
Roman Catholic Bishop of Nelson (St. Anne's)	1296 Main St	\$5,934
Seventh-day Adventist Church	290 Warren Ave W	\$4,270
St. Andrew's Presbyterian Church	397 Martin St	\$1,278
St. Andrew's Presbyterian Church	157 Wade Ave W	\$2,143
St. John Vianney Church	361 Wade Ave W	\$2,684
St. Saviour's Anglican Church	150 Orchard Ave	\$4,451
Victory Church of Penticton	352 Winnipeg St	\$1,707
Holy Cross School	1299 Manitoba St	\$3,140
Penticton Christian School Society	1060 Main St	\$723
Affordable Living for Today Society	245 Warren Ave W	\$3,422
Army, Navy & Air Force Veterans in Canada, Unit 97	257 Brunswick St	\$1,482
Care Closet	574 Main St	\$1,811
Good Samaritan Canada (A Lutheran Social Service Organization)	270 Hastings Ave	\$55,831
LUSO Canadian Multicultural Society of Penticton	135 Winnipeg St	\$1,996
Okanagan Boys & Girls Club	1295 Manitoba St	\$4,687
Ooknakane Friendship Centre	146 Ellis St	\$4,333
Penticton & District Community Arts Council	220 Manor Park Ave	\$9,702
Penticton & District Community Resources Society	470 Edmonton Ave	\$2,678
Penticton & District Community Resources Society	500 Edmonton Ave	\$969
Penticton & District Community Resources Society	2434 Baskin St	\$949
Penticton & District Community Resources Society	2450 Baskin St	\$952
Penticton & District Community Resources Society	150 McPherson Cres	\$2,452
Penticton & District Community Resources Society	154 McPherson Cres	\$2,452
Penticton & District Community Resources Society	330 Ellis St	\$9,924
Penticton & District Community Resources Society	1160 Commercial Way	\$2,545
Penticton & District Emergency Program Society	251 Dawson Ave	\$1,182
Penticton & District Hospice Society	129 Nanaimo Ave W	\$3,213
Penticton & District Society for Community Living	453 Winnipeg St	\$12,074
Penticton & District Society for Community Living	252 Conklin Ave	\$1,888
Penticton & District Society for Community Living	180 Industrial Ave W	\$12,178

Penticton & District Society for Community Living	393 Winnipeg St	\$1,876
Penticton & District Society for Community Living	234 Van Horne St	\$2,381
Penticton Art Gallery	199 Marina Way	\$16,963
Penticton Community Garden Society	480 Vancouver Ave	\$1,849
Penticton Curling Club	505 Veas Dr	\$11,403
Penticton Early Childhood Education Society	#104-550 Carmi Ave	\$1,397
Penticton Elks Lodge 51	343 Ellis St	\$4,438
Penticton Golf & Country Club	600 Comox St	\$8,840
Penticton Golf & Country Club	852 Eckhardt Ave W	\$14,248
Penticton Horseshoe Pitchers Club	2905 South Main St	\$719
Penticton Kinsmen Disability Resource Centre Society	216 Hastings Ave	\$6,677
Penticton Kiwanis Housing Society	#101-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#103-150 Van Horne St	\$627
Penticton Kiwanis Housing Society	#105-150 Van Horne St	\$627
Penticton Kiwanis Housing Society	#113-150 Van Horne St	\$627
Penticton Kiwanis Housing Society	#115-150 Van Horne St	\$750
Penticton Kiwanis Housing Society	#112-150 Van Horne St	\$739
Penticton Kiwanis Housing Society	#104-150 Van Horne St	\$625
Penticton Kiwanis Housing Society	#102-150 Van Horne St	\$739
Penticton Kiwanis Housing Society	#201-150 Van Horne St	\$749
Penticton Kiwanis Housing Society	#209-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#211-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#213-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#215-150 Van Horne St	\$754
Penticton Kiwanis Housing Society	#214-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#212-150 Van Horne St	\$633
Penticton Kiwanis Housing Society	#210-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#204-150 Van Horne St	\$628
Penticton Kiwanis Housing Society	#202-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#301-150 Van Horne St	\$749
Penticton Kiwanis Housing Society	#315-150 Van Horne St	\$754
Penticton Kiwanis Housing Society	#314-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#312-150 Van Horne St	\$633
Penticton Kiwanis Housing Society	#310-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#308-150 Van Horne St	\$727
Penticton Kiwanis Housing Society	#304-150 Van Horne St	\$628
Penticton Kiwanis Housing Society	#302-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#401-150 Van Horne St	\$749
Penticton Kiwanis Housing Society	#413-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#415-150 Van Horne St	\$754
Penticton Kiwanis Housing Society	#414-150 Van Horne St	\$744
Penticton Kiwanis Housing Society	#412-150 Van Horne St	\$633
Penticton Kiwanis Housing Society	#410-150 Van Horne St	\$631
Penticton Kiwanis Housing Society	#408-150 Van Horne St	\$727
Penticton Kiwanis Housing Society	#406-150 Van Horne St	\$628
Penticton Kiwanis Housing Society	#404-150 Van Horne St	\$628
Penticton Kiwanis Housing Society	#402-150 Van Horne St	\$744
Penticton Lawn Bowling Club	260 Brunswick St	\$4,815
Penticton Masonic Building Association	416 Westminsert Ave W	\$1,775
Penticton Safety Village	490 Edmonton Ave	\$3,998
Penticton Seniors Drop-In Centre	2905 South Main St	\$2,289
Penticton Tennis Club	675 Marina Way	\$3,022
Roman Catholic Bishop of Nelson for Birthright of Penticton Society	200 Bennett Ave	\$1,461

Roman Catholic Bishop of Nelson for Penticton Recovery Resource Society	397 Wade Ave W	\$1,661
Royal Canadian Legion #40	502 Martin St	\$4,810
S.S. Sicamous Restoration Society	1175 Lakeshore Dr W	\$4,023
S.S. Sicamous Restoration Society	1101 Lakeshore Dr W	\$1,946
S.S. Sicamous Restoration Society	1099 Lakeshore Dr W	\$10,279
South Okanagan Similkameen Medical Foundation	1748 Camrose St	\$4,444
South Okanagan Similkameen Medical Foundation	1802 Camrose St	\$3,102
South Okanagan Women in Need Society	Not Disclosed	\$3,112
The B.C. Society for the Prevention of Cruelty to Animals	2200 Dartmouth Dr	\$12,310
Fraternal Order of Eagles Aerie 4281	1197 Main St	\$2,855
Governing Council of the Salvation Army Corps 344	2399 South Main St	\$8,862
Governing Council of the Salvation Army Corps 344	318 Ellis St	\$3,484
Penticton & District Minor Hockey Association	325 Power St	\$2,670
South Okanagan Similkameen Brain Injury Society	742 Argyle St	\$1,791
South Okanagan Similkameen Brain Injury Society	332 Eckhardt Ave W	\$2,007
2017 Estimated Total Permissive Tax Exemptions:		\$431,404

2016 Revitalization Tax Exemptions

Folio	Civic	Registered Owner	Applicable Bylaw	2016 Municipal Taxes Exempted ACTUAL
04260-100	1050 Eckhardt Avenue West	PENTICTON COURTYARD INN LTD	2010-10	\$0.00
04774-000	218 Main Street	HO'S ENTERPRISES LTD	2010-10	\$2,616.55
06033-000	146 Ellis Street	L & T INVESTMENTS INC	2011-56	\$0.00
07478-100	101 Rosetown Avenue	WABRAKO HOLDINGS LTD	2010-10	\$3,233.94
07530-525	1900 Camrose St. 300 Okanagan Ave. E.	MULLER NYSTROM HOLDINGS LTD	2010-10	\$4,457.96
07601-500	1195 Commercial Way	WISEWORTH HOLDINGS LTD	2011-56	\$2,608.01
07658-025	662 Okanagan Avenue East	NOR-MAR INDUSTRIES LTD	2010-10	\$11,903.33
04895-020	250 Winnipeg Street	CHURCHILL IRON PLAZA PENTICTON INC	2011-56	\$40,057.93
01162-480	275 Waterloo Avenue	TSL CONAILL HOLDINGS LTD	2012-5028	\$3,741.63
01459-005	1690 Fairview Road	INLAND KENWORTH LTD	2012-5028	\$1,724.77
01586-100	110 Industrial Place	ADAMS ROD & CUSTOM INC	2012-5028	\$2,865.34
04760-300	169 Estabrook Avenue	0981925 BC LTD	2012-5028	\$5,142.69
05113-010	317 Winnipeg Street	317 WINNIPEG ST HOLDINGS INC	2012-5028	\$0.00
06533-000	412 Main Street	VASSILAKI, JOHN	2012-5028	\$1,857.34
07575-000	1704 Government Street	MCTAFT PROPERTIES LTD	2011-56	\$2,795.79
07695-100	568 Dawson Avenue	PENTICTON FOUNDRY LTD	2012-5028	\$6,634.78
00042-010	437 Martin Street	MOUNTAIN ENTERPRISES LTD	2014-04	\$873.59
01594-450	182 Industrial Court	GREEN, RONALD R	2011-56	\$1,548.08
04023-005	3475 Wilson Street	SOUTHWOOD PROPERTY CORP	2012-5028	\$77,632.78
04823-000	260 (270) Martin Street	296296 BC LTD	2014-04	\$702.70
06045-000	198 Ellis Street	THE CANNERY BREWING COMPANY LTD	2014-04	\$6,647.20
06455-000	52 Front Street	ERICSONS HOLDINGS LTD	2014-04	\$754.46
07638-000	1356 Commercial Way	WALCO HOLDINGS LTD (Rory Hobbs, 0790794 BC Ltd)	2011-56	\$804.63
07639-000	1374 Commercial Way	HOMETOWN FURNITURE & APPLIANCES (PENTICTON) LTD	2012-5028	\$5,139.52
07663-000	682 Okanagan Avenue	NOR-MAR INDUSTRIES LTD	2014-44	\$4,492.27
07666-500	272 Dawson Avenue	BC TREE FRUITS CO-OP	2014-44	\$1,877.77

Municipal Taxes Exempted:	\$190,113.08
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Number of Active Exemptions:	26
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