

2018 ANNUAL REPORT





CITY OF PENTICTON 2018 ANNUAL REPORT

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OUR VISION

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



Message from Mayor John Vassilaki

On behalf of Penticton City Council and staff, I'm pleased to invite you to read this year's Annual Report. The information contained on the following pages looks back on the work, projects and goals of 2018. We achieved positive outcomes in the areas we have identified as priorities for our city: good governance, community building, fiscal sustainability, social development, economic vitality and environmental sustainability.

2018 also marked a transition year from the Council of the 2014-2018 term to the recently elected 2018-2022 Council.

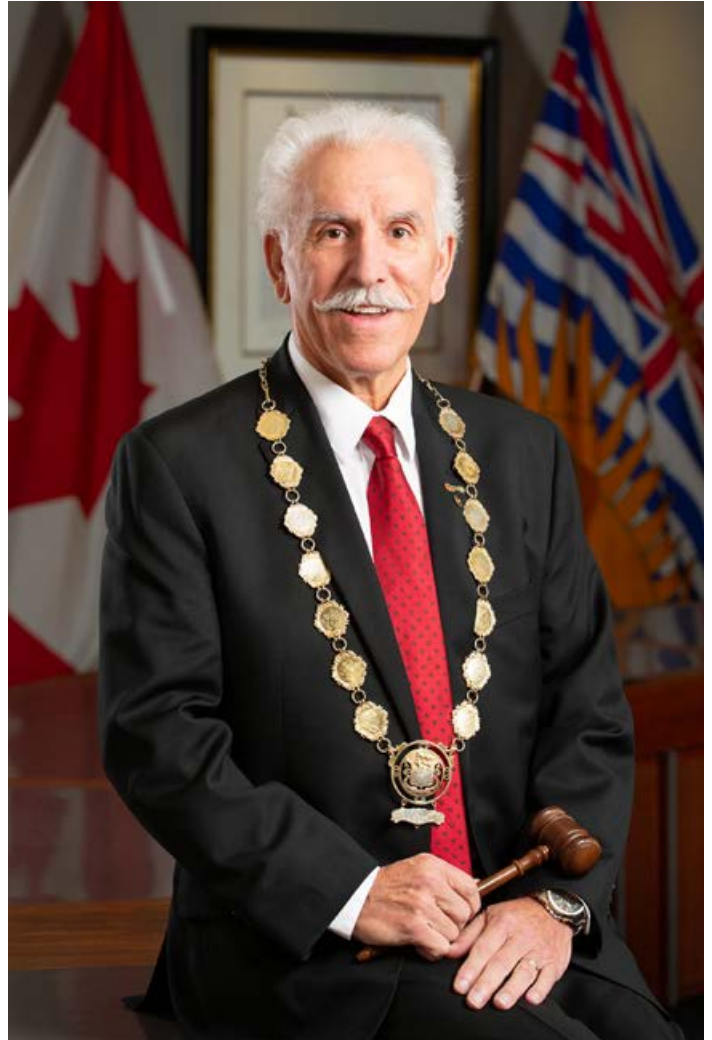
Penticton's Councils, past and present, are united in their desire to see our community prosper.

While political change often goes hand in hand with new ideas and a new direction, Penticton's Councils, past and present, are united in their desire to see our community prosper. We share a goal to ensure residents have access

to high quality, reliable municipal services, and to create pride in our city as a place to call home, where we can invest with confidence and care for our community.

Highlights of the past year included action on safety with the formation of the Safety and Security Task Force, enhanced Bylaw and RCMP presence downtown and strategic lighting projects. In the area of planning and development, the City completed its Parks and Recreation Master Plan, made further progress on completing its Official Community Plan and introduced new processes concerning the purchase and sale of City-owned lands.

We remain focused on sustainable management of the City's critical infrastructure assets, including efforts to address the long-term management and replacement of aging infrastructure through investment in Geographic Information Systems (GIS) and asset management software. And finally, Council and staff remained committed to public accountability and financial transparency by expanding opportunities to engage the community prior to making decisions and improving the City's approach to business planning and budgeting.



With the work and successes of 2018, we are well positioned to plan and focus on new strategic initiatives for 2019, which are highlighted in this report. It is evident that Penticton's 2018-2022 Council is ready for a busy four years. Please take the time to learn more about the progress we made in 2018 to move our community forward by reviewing this annual report. We encourage residents to stay informed about our current and future plans through community outreach information circulated regularly by the City at Shapeyourcitypentiction.ca

Mayor John Vassilaki



City Council 2018-2022

Front row: Councillor Judy Sentes, Mayor John Vassilaki and Councillor Katie Robinson.

Back row: Councillors Frank Regehr, Jake Kimberley, Campbell Watt and Julius Bloomfield.

Your City Council

Council's Roles

Council's key roles for leading the community are to:

- > 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



Council Highlights for 2018

- > Debt was retired on the South Okanagan Events Centre (SOEC) as the funds borrowed by the City of Penticton to pay for the construction of the SOEC have now been paid back in full to the lender, the Municipal Finance Authority of British Columbia.
- > Celebrating BC Day! Penticton City Council members were joined by the Prime Minister Justin Trudeau and his wife, Sophie Grégoire.
- > Downtown revitalization of the 300-block of Main Street was completed.
- > Penticton hosted the Scotties Tournament of Hearts, Canada's National Women's Curling Championship, from January 27 to February 4, 2018.
- > The City of Penticton held the 2018 local election, with the inaugural meeting of Council held on November 6 at the Penticton Trade and Convention Centre.
- > Council approved the 2018 Parks and Recreation Master Plan. The Master Plan provides positive direction for the community moving forward and identifies priorities for continued investment.
- > Council presented a resolution to Southern Interior Local Government Association (SILGA) for regional support of a provincial request to provide financial support to municipalities for cyber security audits and upgrades as needed.
- > Council approved the Cannabis Retail Stores Policy, which establishes the process and guidelines for obtaining local government support for a provincial 'cannabis retail store' licence in Penticton.
- > Council adopted Council Procedure Bylaw No. 2018-35 a bylaw to regulate the proceedings of Council, Council Meetings and other Council reporting bodies. With the timing of the Local Government Elections to October from November, there was a need to update the Council Bylaw to address the timing of the Inaugural meeting, include relevant Community Charter references and add a new Council Agenda item: Consent Agenda.
- > Council received confirmation that the Skaha Bluffs Area boundary-extension process concluded successfully.



Council approved repairs to the Kiwanis Pier to reverse damage sustained during a high-water event in 2017 leading to its closure for the remainder of 2017 through fall 2018.

- > Council approved the Property Taxation Distribution Policy to establish a fair, transparent, stable and equitable distribution of property tax among all classes of taxable property.
- > Council supported the Regional District of Okanagan-Similkameen in moving forward with an inter-regional transit connection between Penticton and Kelowna.
- > Council adopted the Financial Management Policy, which provides the City with a blueprint for making good financial decisions through changing conditions, and aims to provide clarity to staff, Council and the community with respect to how financial decisions are made today and into the future.
- > Council attended the Union of BC Municipalities Convention in September in Whistler, B.C. to discuss taxation, housing, mental health, flood recovery and funding, sentencing, transportation and environment.
- > Council welcomed the delegation from our Sister City Ikeda, Japan to Penticton on September 4, 2018.

Committees Active in 2018



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 Select Committee

- > Councillor Judy Sentes
- > Councillor Campbell Watt

Development Services Advisory Committee

- > Councillor Campbell Watt

Economic Development and Prosperity Task Force

- > Mayor Andrew Jakubeit

Heritage & Museum Committee

- > Councillor Judy Sentes

Official Community Plan Task Force

- > Mayor Andrew Jakubeit
- > Councillor Judy Sentes

Parks & Recreation Master Plan Steering Committee

- > Mayor Andrew Jakubeit
- > Councillor Judy Sentes

Penticton Creek and Ellis Creek Restoration Committee

- > Councillor Helena Konanz

Transportation Advisory Committee

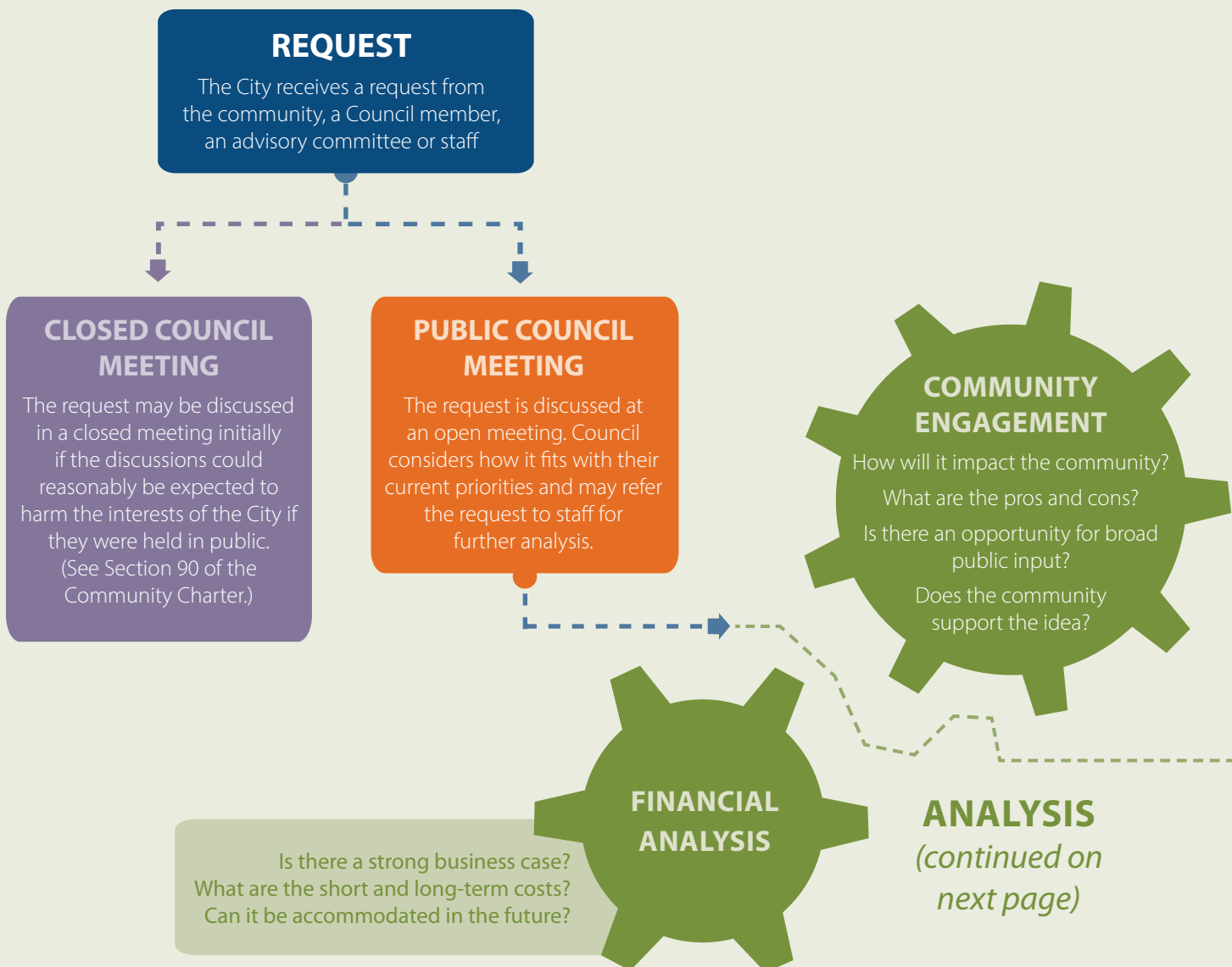
- > Councillor Tarik Sayeed



PENTICTON CITY COUNCIL DECISION-MAKING PROCESS

The City has many processes in place to handle regular requests such as starting a business, developing land, hosting a major event, or adding or increasing service levels.

For some requests, City staff need direction from Council on whether or not to move the idea forward. Here is the process the City follows to support Council decisions.





COUNCIL DECISION

Council decides to either proceed, revise, refer to staff, or not proceed.

PUBLIC COUNCIL MEETING

Staff present the finding and recommendations from the analysis to Council during an open meeting.

How does the request align with the Official Community Plan, other Master Plans, and existing bylaws and policies?

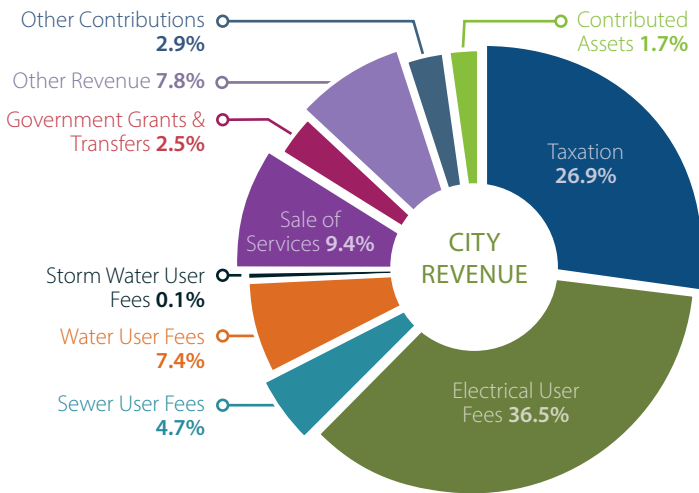
PLANS AND POLICIES

ANALYSIS (continued)

TECHNICAL STUDY

How does the request affect City operations?
Can it be accomplished within existing resources?
What data and analysis are needed?

Your City by the Numbers

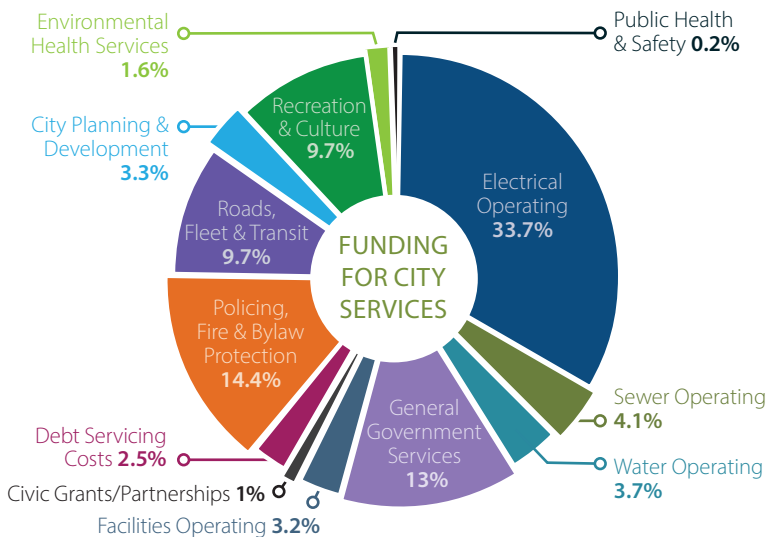
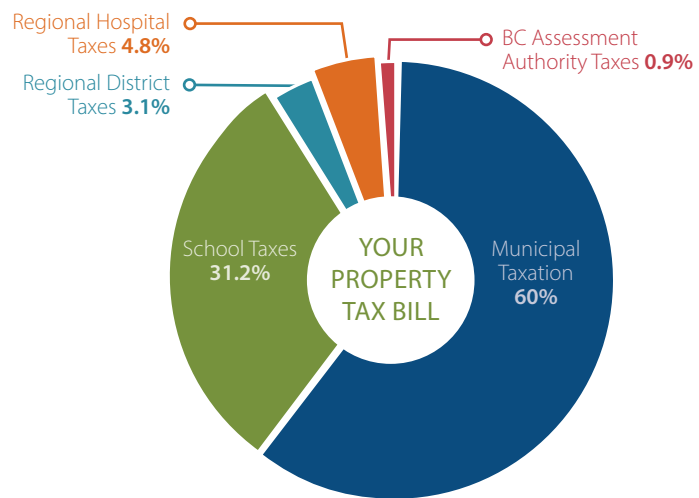


Where does City revenue come from?

The City has a number of sources of revenue to fund the essential services it provides. Over 36% of City revenues come from the sale of electricity to residents, followed by 27% in taxes collected from residents and businesses. The sale of sewer and water services makes up a further 12%, and 8% comes from user fees collected for various programs and services, including use of City facilities such as the recreation centre, garbage and recycling fees, building and licensing fees, transit and parking fees.

Taxes

Did you know that the City collects taxes on behalf of other levels of government? Only 60% of the amount on your annual tax notice goes to the City, with the remaining 40% going to the School District, BC Assessment, the Regional District of Okanagan-Similkameen and the Regional Hospital District.



What do taxes and utility fees fund?

The City provides a range of services to its citizens, including critical infrastructure like streets, water, sewer and electricity. The City also provides police and fire protection services, operates the recreation and cultural facilities and provides development services to assist businesses. The chart to the left shows where the City spends its money to provide these services.



GOOD GOVERNANCE

Good governance refers to the system of municipal government in its role as a democratic institution, a public policy maker and a provider of public services.



COMMUNITY BUILDING

Community building views the City as a whole and focuses on the investment of services and infrastructure, which are fundamental to quality of life.



FISCAL SUSTAINABILITY

Good fiscal sustainability refers to the City's ability to maintain programs and services while funding its infrastructure commitments and future growth.



SOCIAL DEVELOPMENT

Social development encompasses principles of social equity, social well-being and citizen engagement, and support of a healthy community and quality of



ECONOMIC VITALITY

Economic vitality refers to the City's economy, economic development and creating policy that promotes investment and economic sustainability.



ENVIRONMENTAL SUSTAINABILITY

The way we operate has an impact on the environment. The City is committed to integrating environmentally sustainable practices into policy development.

Corporate Priorities

In 2018, Council continued its commitment to six key priorities for the City that are fundamental to delivering municipal services: Good Governance, Community Building, Fiscal Sustainability, Social Development, Economic Vitality and Environmental Sustainability. These high-level priorities provide staff with guidance in establishing strategic initiatives each year. This Annual Report highlights the City's achievements in 2018 aligned with each priority, as well as the initiatives planned for 2019 approved by Council.

The high-level initiatives for 2019 are highlighted in this report; however, to review these initiatives in more detail, please see the 2019 Corporate Business Plan, located on the City of Penticton's webpage: www.penticton.ca > Departments > Billing & Finance > Financial Plan 2019.

Achievements and goals associated with these priorities can be found on the following pages.



GOOD GOVERNANCE

Good governance refers to the system of municipal government in its role as a democratic institution, a public policy maker and a provider of public services.

2018 Achievements

Increased voter opportunity options and turnout for the 2018 General Election.

Updated and improved the orientation for Council to ensure they have the tools to be effective leaders and decision makers, and created all new Committee orientation materials to help committees respond effectively to Council requests.

Significantly increased the number of news releases issued; 170 were issued in 2018 compared to approximately 50 in previous years.

Created a Five-Year Succession Planning Master Plan to ensure that the City is ready for staffing changes.

Worked with Development Services Advisory Committee to create the new Building Bylaw and update the Subdivision and Development Bylaw.

Completed the new Building Bylaw 2018-01 and related enforcement bylaws and policy, which were all adopted by Council.

Updated the City's short-term rental vacation program to reflect community priorities, increase education about how the program works, and provide enforcement, including contracting with a third party to help track vacation rentals.

Created a cannabis regulatory framework to prepare the community for cannabis legalization.

Reviewed carriage house regulations and recommended amendments.

Conducted research into urban deer and options for Council's consideration.

Created a 2018 Flood Response and Preparedness Plan to establish lessons learned and be better prepared in the future.

Received the British Columbia Local Government FireSmart Community Protection Achievement Award.

Refined the Municipal Grant Program, including an update of the Municipal Grants Policy and implementation of grant management software.

Implemented the GIS (Geographic Information System) Strategic Plan for continued development and sustainability of this key municipal information system that supports our operations through data analysis and visual access to location-based information.

Adopted an IT (Information Technology) and GIS governance process with best practices to better align these technology services with organizational goals and objectives.

Received the 2018 Award of Excellence for outstanding achievement in GIS from ESRI Canada in recognition of the implementation of our Roads and Highways GIS project.

Enhanced utility bill design to increase information provided and readability to ensure City services are customer focused, sustainable and effective.

Completed the construction of a failed retaining wall on the Kettle Valley Railway trail.

Continued on next page



2018 Achievements (cont.)

Completed Phase I of the Drought Management Plan.

Completed repair work at Okanagan Lake and Ellis and Penticton Creeks on damage caused by the 2017 flood and freshet.

Completed the dredging and operational gate replacement at the Ellis Creek Diversion Dam.

Completed the Campbell Mountain Diversion Dam upgrades.

Reviewed options to address waste water solids management.

Negotiated a new multi-year power purchase agreement with FortisBC.

Audited all Instrument Metered accounts and introduced a number of practices to guarantee the accuracy of electrical energy billing.

Completed all key 2018 capital projects: Penticton Trade and Convention Centre (PTCC) mechanical upgrades, PTCC roof replacement, Memorial Arena operational upgrades, City Hall structural upgrades, Westminster Centre renovations, Skaha Marina upgrade, South Okanagan Events Centre (SOEC) hockey glass and suite upgrades.

Engaged third-party security services to monitor some of our highest use facilities and those that were subject to vandalism and affected by issues stemming from homelessness.





2019 Initiatives

Implement an Electronic Document and Records Management Plan.

Formalize Council 2019 deliverables and structure for the spring 2020-2022 strategic plan.

Introduce the news release creator tool to better manage the writing, approval, posting and issuing of City new releases, including improving the issuance of emergency information to the public.

Implement the Five-Year Succession Planning Master Plan.

Ratify three expired collective agreements.

Support the Mayor and Council Remuneration Advisory Task Force.

Complete the servicing and infrastructure analysis for the City's future growth areas and new subdivision applications, including:

- > Skaha Bluffs;
- > Dartmouth Green subdivision;
- > 157 Abbott Street;
- > North Wiltse; and
- > Spiller Road.

Create a Comprehensive Development Plan providing a high-level overview of infrastructure needs to implement the City's future land use vision.

Develop a Hazardous Materials Response Evaluation and Mitigation Strategy.

Develop pre-incident plans for wildfire in Penticton.

Seek provincial FireSmart program funding to address wildland urban interface fire risks.

Establish a Business Continuity Plan for the City to address the delivery of City services impacted by a natural or manmade disaster.

Establish a Risk Management Framework and Policy.

Implement quarterly integrated business planning and financial reporting to Council.

Develop a high-level Information Technology (IT) Disaster Recovery Plan.

Amend Purchasing Policy to maintain clarity and compliance in purchasing practices.

Research and implement a City-wide contract management system to provide an efficient method of retrieving and reviewing contracts.

Finalize Phase II Drought Management Plan.

Restructure Public Works areas to address gaps in resources and expertise.

Complete Recreation revenue and cost-sharing review.

Create and facilitate a shared community centre incident reporting system.

Develop a Special Event Road Closure Policy.

Community building views the City as a whole and focuses on the investment of services and infrastructure, which are fundamental to quality of life.



COMMUNITY BUILDING

2018 Achievements

Engaged the community through the development of an Official Community Plan.

Implemented the remainder of the Downtown Parking Strategy with Bylaw Services.

Conducted a prioritization planning session involving community partners who helped to identify and prioritize bylaw services in our community and began the development of a Community Safety Framework.

Developed the Penticton Economic Development Partnership, a formal agreement between 12 organizations to share strategic goals and seek alignment where possible.

Carried out a boundary adjustment to bring 300 acres of land into the city limits, with over 160 acres of that land being parkland.

Conducted a Youth Fire Academy to expose young people to the Fire Services as a profession.

Hosted the first annual Wildfire Urban Interface (WUI) Training Symposium in Penticton.

Increased our public education and safety programs.

Established an additional three new FireSmart Canada recognized neighbourhoods in Penticton: Riddle Road, Sendero Canyon and Spiller Drive.

Built Penticton Fire Services Department's first Structure Protection Unit and Wildland Quick Response Unit.

Assisted in staffing the Emergency Operations Centre (EOC) through the Regional District of Okanagan-Similkameen for the 2018 floods.

Responded to and supported provincial wildfire response.

Reduced violent crime and direct property crime, such as residential break-and-enters, through significant efforts by the Targeted Enforcement Unit on prolific offenders.

Created a Community Safety Enforcement Team by realigning resources to provide Community Response Officers for traffic enforcement, mental health liaison and youth programs to address community issues.

Developed and implemented proactive community engagement opportunities by holding a community forum in Penticton to better understand community issues and interests. In addition, monthly Coffee with a Cop sessions were initiated to provide citizens with the opportunity to interact with RCMP members.

Initiated enhanced patrols for increased visibility and enforcement in the downtown and tourist areas. We deployed ATVs, bikes and UTV to increase our ability to target hotspots all over the community.

Launched a new deployment strategy for Bylaw Services to address changing priorities related to community and social issues, including expanded hours of service, downtown foot patrols and bike deployment.

Formalized the equal payment plan program for utilities to help customers balance their payments throughout the year.

Worked with the regional district and BC Transit to obtain approval for a Penticton to West Kelowna/Kelowna Route twice per day Monday to Friday.

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2018 Achievements (cont.)

Completed significant capital projects in the Design Branch including infrastructure and streetscape improvements, downtown revitalization and water transmission system improvements on Ridgedale Avenue.

Implemented the Clean Team to address maintenance in key areas during the peak season.

Completed the Parks and Recreation Master Plan, Park Land Protection and Use Policy, Park Dedication Bylaw and Zoning Bylaw amendments to identify different park types and uses.

Improved safety for pedestrians and vehicles by updating traffic controllers and modifying crossing signals to better serve the visually impaired.

Improved safety for pedestrians and vehicles by updating traffic controllers and modifying crossing signals to better serve the visually impaired.

Reviewed lighting standards and commenced work on a multi-year improvement plan to address lighting issues for pedestrian crossings city-wide.

Completed Phase 2 of the Arena Development Strategy including preparing a business case for the development of the twin ice sheet project and the Memorial field house concept.

Prepared a South Okanagan Event Centre parking strategy to address community concerns regarding parking at the site.

Facilitated a staff workshop on pediatric water therapy to develop skills required to provide programs to clients with disabilities.

Implemented the second Penticton Public Sculpture Exhibit.

Completed phase two of the Hands-on-Heritage Lab, which provides a free or low-cost space for children and caregivers to engage in hands-on activities in basic science concepts, natural history and local history.



Increased collaboration on First Nations exhibits with the Penticton Indian Band.

Partnered with the Penticton Regional Hospital and Mr. David Kampe to choose approximately 100 images from our archival collection of over 20,000 historical photos to be displayed in public areas and patient rooms of the new hospital wing.



2019 Initiatives

Implement an event-tracking calendar including Council invitations.

Launch new version of Penticton.ca.

Increase transparency and accessibility to police.

Increase awareness about CAST - Community Active Support Table - and expand to South Okanagan.

Complete the Official Community Plan (OCP).

Develop a Land Management Strategy.

Modernize Business Licence Bylaws.

Implement Economic Development 2nd Year Operational Plan.

Develop Skaha Park Master Plan.

Complete a Comprehensive Development Plan review as part of OCP implementation.

Implement the Penticton-to-Kelowna transit route.

Review and update role of Bylaw Officers.

Enhance Bylaw service provision with the addition of two new Community Safety Officers.

Utilize Geographic Information Systems (GIS) to improve service by using the GIS mapping for strategic Bylaw Services deployments.

Implement Dog Control service changes.

Update Good Neighbour Bylaw.

Relocate Bylaw Office to create a shared space with RCMP and enhance community safety deployment.

Implement Homeowner Permit awareness campaign.

Develop of an Open Data Policy and public open data portal.

Create a Parks & Recreation Advisory Committee.

Improve city-wide strategic area lighting and pedestrian crossing lighting.

Implement South Okanagan Event Centre Parking Strategy.

Finalize Arena Development Strategy business case.

Develop and implement Lifeguard Surveillance Evaluation and Enhancement Program.

Curate and build two new off-site museum displays.



FISCAL SUSTAINABILITY

Good fiscal sustainability refers to the City's ability to maintain programs and services while funding its infrastructure commitments and future growth.

2018 Achievements

Amalgamated the Penticton Works and Start Here Okanagan websites for efficiency and cost savings.

Completed and implemented the Land Disposition and Acquisition Polices.

Strategically purchased eight properties and completed two land swap properties.

Received \$866,500 in provincial grant funding to support areas of Flood Mitigation, Emergency Support Services (ESS), Emergency Operations Centre (EOC) and Structural Flood Financial Services

Continued to strengthen the policy-based approach for City financial administration by conducting a financial policy review and establishing two critical City policies: the Year End Surplus Policy and a Financial Management Policy.

Continued further implementation of the Capital Prioritization Framework to provide greater rationale and a consistent and visible approach to making capital project decisions.

Adopted and implemented a new Property Tax Policy that distributes taxes more equitably across the various classes.

Improved the Revenue & Collections public web pages and enhanced service delivery, which reduced processing times and costs.

Continued the centralization of facility video surveillance and building access control systems to improve efficiency and secure management of these facilities.

Completed risk assessment of City infrastructure assets and updated the Asset Management Investment Plan.

Commenced work on the Utility Rate review with InterGroup Consultants and the Utility Rate Review Committee.

Implemented a Storm Water Rate for the 2018 tax year.

Obtained a Council Resolution to build road projects to the bylaw standard width thereby reducing future asset management costs.

Participated in the National Water and Waste Water Benchmarking initiative.

Installed and commissioned a new Fuel Management System / Fleet Maintenance System.

Implemented the new seven-year Solid Waste and Recycle Collection contract in July 2018.

Developed a Council Policy for Residential Automated Waste Collection Service Levels and Standards.

Completed the voltage conversion at the substation level by providing a 12kV supply at the Carmi Substation.

Completed system reliability improvements, which will reduce outage times and related response costs.

Continued with the multi-year program of replacing first generation digital meters with a view to reducing future meter reading costs.

Grew the City's fibre network by adding FortisBC as a customer.

Further consolidated electrical inventory items through standardization and the removal of obsolete switchgear.

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2019 Initiatives

Establish a formalized grant-seeking framework.

Update the Permissive Tax Exemption Policy.

Implement enhanced online payments options to allow credit card payments for utility fees.

Begin the process of achieving Certificate of Recognition and Partners in Injury status to realize savings in premiums and claims paid in long-term.

Expand Long-Term Residential Rental Program.

Improve capacity of South Main sanitary sewer and water systems.

Complete Main Street upgrade from Okanagan Avenue to Warren Avenue.

Implement chlorine and sulphur dioxide gas removal from the water treatment process.

Upgrade Okanagan Lake Pump Station electric system components and pump motors.

Implement 2019 actions of the Asset Management Renewal Plan.

Complete and begin implementing a Waste Water Solids Management Plan.

Implement new recreation customer service software (PerfectMind).

Complete a Downtown Parkade Feasibility Study.

Complete the 2018 Utility Rate Review.

Implement asset management software.

Update the 1968 Special Area Bylaw.

Update the Asset Management Investment Plan.

Implement Parks GIS / Asset Management to improve accuracy and access to reliable data, to manage parks, roads and other infrastructure assets.

Start last phase of voltage conversion to 12KV to be complete in 2020.

Establish a Nominal Lease Policy.

Develop a long-term revenue model.





SOCIAL DEVELOPMENT

Social development encompasses principles of social equity, social well-being and citizen engagement, and support of a healthy community and quality of life.

2018 Achievements

Participated and engaged in action with a community strategy (with Interior Health, Downtown Penticton Association, RCMP, etc.) for the safe disposal of sharps to support harm reduction efforts. This included the installation and education/awareness of sharps containers on City property.

Coordinated an Affordable Housing Forum.

Obtained a \$50,000 grant to create the Community Active Support Table (CAST), which is a multidisciplinary team made up of RCMP, Bylaw Services, Probation, Mental Health, Interior Health, BC Housing, South Okanagan Women In Need Society, Okanagan Friendship Center, School District 67, Pathways and many others.

Increased the variety and diversity of recreation program offerings, introducing new programs such as Parkour and a Kids Community Hockey Club.

Partnered with the Penticton and District Seniors Centre, which resulted in two free events for the 50+ age group, support with marketing services for the Seniors Centre and an invitation to collaborate on more opportunities.



Implemented free older-adult wellness programming through the 2018 Age-Friendly Communities Grant.

Conceptualized, designed and constructed a child-centered space with interactive components and exhibits at the Museum.

Mounted two new exhibits – *The Social Life of Water*, borrowed from the Kelowna Museums, and *Nature in Focus*, produced in cooperation with the South Okanagan Naturalists Club.

2019 Initiatives

Enhance partnerships with community service groups.

Develop a community engagement framework.

Implement Citizen-led Engagement Program.

Revamp the First Peoples display area within the Museum and Archives.

Establish a Cultural Engagement Framework with Penticton Indian Band.

Economic vitality refers to the City's economy, economic development and creating policy that promotes investment and economic sustainability.

2018 Achievements

Initiated planning for the Federation of Canadian Municipalities Board meeting, with 150 delegates to be hosted by the City of Penticton in the spring of 2019.

Submitted a Smart City Challenge Application that resulted in greater collaboration between the City and business community in identifying and exploring issues facing the community and innovative solutions to address these issues.

Created an Economic Development Strategy and implemented action items related to: communication, collaboration, retention and expansion, attraction and organizational excellence.

Developed a University of British Columbia Okanagan (UBCO) Capstone research project in partnership with UBCO Faculty of Management students to identify best practices for collecting and reporting community economic indicators from a variety of sources (a project proposed in the Smart Cities Challenge application).

Hosted the inaugural FutureBiz Penticton Economic Outlook Forum, a half-day event that attracted 175 participants and was designed to provide Penticton residents with a comprehensive outlook on local, regional and international economics and provide insight on upcoming challenges.

Supported development of the regional application for funding from BC Ministry of Agriculture for an Okanagan Agricultural Innovation Centre.

Took part in developing a funding application for Okanagan College to develop a technical access centre in Penticton for sustainable agri-fruit beverage research and innovation.

Renegotiated the triathlon agreement with MB Events for the final two years of the original five year agreement.

Sold recycled pavers from the 300-block of Main Street revitalization project, generating \$8,770, which was donated to the South Okanagan Similkameen Medical Foundation for the Patient Care Tower hospital expansion project.

Implemented the Bonfire online procurement portal, which enables vendors to be notified of and electronically respond to the City's bidding opportunities.

Completed underground civil work for rebuilding the east lane of the 200-block Main Street.

Provided a new electrical connection to the hospital.

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2018 Achievements (cont.)

Finished pole and anchor replacements necessitated by the TELUS Pure Fibre initiative.

Secured a long-term operating agreement with Spectra Venue Management for operating and maintaining the South Okanagan Events Centre campus including the Penticton Trade and Convention Centre, Okanagan Hockey Training Centre and Memorial Arena.

Hosted the 2018 Swim BC Tier 1 Championships.

Continued development of a Sports and Event Tourism Strategy.

Implemented existing events in the City to help promote Penticton as an 'event destination' city.

Continued to develop Penticton's event hosting potential beyond peak season.

Hosted 2018 Scotties Tournament of Hearts.

Completed Economic Impact Assessments for Penticton's Peach Festival and Scotties Tournament of Hearts.

Developed a new, online tool to allow residents to apply for new business licences and amend existing licences.



Facts & Stats: 2018 Scotties Tournament of Hearts

- > **\$3.85 million** of visitor spending in Penticton
- > **43** local jobs
- > **\$2.3 million** in local wages and salaries
- > **5,800** out-of-town visitors

Reduced time to complete permit reviews for residential and small commercial projects by more than 50%, while permit volumes remained consistent with previous years.

Completed stakeholder research to identify local priority areas for businesses in Penticton, to focus economic development initiatives.

2019 Initiatives

Host a Business Community Forum on Hiring and Housing.

Host the 2nd Annual FutureBiz Penticton: Economic Outlook Forum.

Develop an Economic Development newsletter.

Develop a Welcome Package for new residents and new business licencees.

Complete impact and opportunity assessments of economic development priority clusters: manufacturing, technology, tourism, and wine, beer and spirits production.

Improve existing event-hosting processes.

Complete the 200-block Main Street east lane electrical rebuild.

Complete development of a Sports and Event Tourism Strategy.

Develop a signature triathlon event.

Develop other signature event(s) with a focus on shoulder season opportunities.

Attract new events and event hosts.

The way we operate has an impact on the environment.
The City is committed to integrating environmentally sustainable practices into policy development.



ENVIRONMENTAL SUSTAINABILITY

2018 Achievements

Maintained carbon neutral status of the City.

Completed a request for proposal process for Penticton Creek Reach 12A detail design.

Assisted with the selection of a consultant and commenced work on the detail design for Penticton Creek Reach 12A.

Completed a request for proposal process for Ellis Creek Master Plan.

Assisted with the selection of a consultant and commenced work on the Ellis Creek Master Plan.

Completed the naturalization of Penticton Creek Reach 3A Lower.

Implemented energy management hardware and software changes to reduce cost and improve efficiency.

Started an educational campaign on flushable wipes in sewers.

Achieved carbon reduction in the fleet area by using hybrid vehicles and equipment.

Completed the expansion and upgrades to the Lakeview Cemetery including the development of a natural burial section.

Delivered community education program on best recycling practices.

Renewed the Recycle Collection Contract with Recycle BC for a second five-year term.

Optimized efficiencies through building automation controls.

2019 Initiatives

Purchase carbon off-sets to retain carbon neutrality.

Develop Ellis Creek Master Plan.

Convert conventional lighting systems to LED.

Design Penticton Creek Reach 12 revitalization.

Investigate and report on power generation possibilities.



CITY DEPARTMENTS

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Corporate Services

What We Do

Corporate Services is the primary link between City Council, staff and the community. We support Council as it sets policy and strategic priorities, and we provide leadership to support the implementation of Council's directives.

2018 Facts & Stats

- > **29** Public Hearings
- > **20** Committee of the Whole meetings
- > Managed the process for **48** open Council meetings, **23** regular meetings, **1** inaugural Council meeting and **4** special Council meetings
- > Processed **44** Freedom of Information requests and **78** bylaws
- > **12** active Council Committees logged **56** meetings
- > **16** recommendations received from Council Committees (all were approved by Council)

On a Daily Basis We...

- > Act as the City liaisons: the Chief Administrative Officer (CAO) and other members of the department interact with community groups and other government agencies such as federal, First Nations, provincial and regional agencies as well as social agencies that serve the community;
- > Provide administrative support to Mayor, Council and the Council Committees;
- > Prepare and organize the agendas and minutes for Council and Committee meetings;
- > Manage, maintain and provide access to corporate records including City bylaws;
- > Maintain and preserve all of the City's records and manage Freedom of Information and Protection of Privacy issues and requests; and
- > Conduct local government elections.



Communications & Engagement

What We Do

In Communications & Engagement we are focused on keeping our residents informed about operations in the City and new decisions and directions from Council, as well as engaging with residents to seek input and help inform Council about community interests and priorities.

On a Daily Basis We...

- > Work internally with staff and externally with stakeholders to make information on City services, events or topics of public interest available and accessible via our website, social media, newsletters, news releases and other channels;
- > Partner with staff to develop and execute a process to involve the community in decisions that matter to them and to provide Council with information about community views to assist with their decision making; and
- > Work with local and regional media.

2018 Facts & Stats

- > Nearing **4,000** likes on Facebook and **4,500** followers on Twitter
- > **20,000+** people engaged on Facebook
- > Hosted **13** initiatives through Shapeyourcitypenticton.ca online engagement platform resulting in **3,459** registered participants and **22,300** site visits
- > **25+** in-person opportunities to provide input in City initiatives
- > **31** public events with a total of **2,113** people participating
- > **20** feedback activities with a total of **3,845** people participating





Human Resources & Safety

What We Do

In Human Resources & Safety, we strive to balance the needs of all City staff by developing and managing corporate programs. These include recruitment, labour relations, collective bargaining, training, staff development, payroll and benefits, and health and safety.

On a Daily Basis We...

- > Handle the recruitment of staff, including posting, interviewing and on-boarding;
- > Manage labour relations, including the handling of all union matters and negotiating collective agreements;
- > Process the payroll, benefits and pensions of City employees;
- > Create, implement and oversee internal policies;
- > Ensure the health and safety of City staff by educating employees on safe work practices; and
- > Provide advice to managers and supervisors to support effective communication and cooperation with their staff.

2018 Facts & Stats

- > Approximately **230** general resumes received
- > **1,746** applications submitted for internal and external postings
 - > **143** internal applications received for **77** internal postings, and **1,603** external applications received for **53** internal postings
- > Filled **83** positions (**46** internal, **37** external)
- > Received **164** election applications (hired ~ **100**)
- > Had a third-party Health & Safety Gap Analysis Report completed to prepare for Certificate of Recognition (COR)
- > Reduced lost time by more than **90%** (from **932** hours to **95** hours) between 2017 and 2018 through effective Return to Work initiative
- > Between 2017 and 2018, reduced WorkSafeBC claims by **50%** and reduced claim costs by **\$140,695**





PENTICTON. REIMAGINED.

These exciting developments are changing the face of Penticton's downtown.



Development Services

Including Development Engineering

What We Do

In the Development Services Division, we are responsible for Economic Development, Land Management, Planning & Land Use, Development Engineering, Building & Licensing and Bylaw Services. We have a unique situation in that we see many municipal processes from creation to implementation. With the addition of Economic Development in 2017 and Land Management in 2018, we have the ability to positively impact new investment from the approval processes all the way to enforcement of bylaws.

2018 Facts & Stats

- > **224** work orders exceeding **\$564,000** of work in installing and upgrading of services for new construction
- > Approximately **65** new lots in both major and minor subdivisions
- > Serviced approximately **120** new buildings and created **150+** work orders (over **\$400,000** invoiced)

On a Daily Basis We...

- > Support business retention and attraction efforts;
- > Manage the sale, purchase, licence and lease of municipal land;
- > Lead the development of the Official Community Plan;
- > Conduct rezoning, development permit and subdivision application reviews;
- > Issue building permits;
- > Issue building licences;
- > Provide consistent interpretation and enforcement of City bylaws related to developers to ensure requirements are adhered to during development projects;
- > Enforce compliance with municipal bylaws, with regards to individuals and organizations;
- > Ensure City infrastructure associated with new development is complete and in compliance with City bylaws; and
- > Enforce compliance with City construction standards regardless of whether the City or a developer is funding and carrying out the work.



Building & Licensing

What We Do

In Building and Licensing, we help to ensure that buildings are safe and that there are consistent standards for construction and development in Penticton. We also use licensing and other regulations to guide where various types of businesses may operate, and some specialized uses such as liquor licensing. We interact regularly with residents, local businesses and other stakeholders, and provide information and education on how to meet the City's and provincial regulations, and we enforce these requirements as needed.

2018 Facts & Stats

- > **\$145,111,923** in total construction value – second busiest year in the last 18 years
- > Issued **98** single-family house permits and **915** demolition, mechanical and building permits
- > Inspected **4,452** construction projects and business operations
- > Closed **1,335** permits
- > **3,055** active business licences (including **117** non-profit and **152** active Vacation Rentals)
- > **162** Building & Licensing enforcement case files
- > **\$1,935,671** in permit and licensing revenue

On a Daily Basis We...

- > Assist in pre-construction developments and business proposals;
- > Review and issue demolition, mechanical and building permits;
- > Review and issue business licences, including home-based operations;
- > Conduct on-site inspections of construction projects and business operations;
- > Review and issue storefront and sidewalk use permits;
- > Review liquor applications for local government input;
- > Provide education to building industry and owners on codes, permits and licensing; and
- > Enforce regulatory bylaws pertaining to construction, businesses and land uses.



Bylaw Services

What We Do

Bylaw Services provides citizens with a variety of services related to regulatory issues, with the purpose of enhancing community safety and livability, and to be a complement to police services. We are committed to the delivery of professional bylaw education and enforcement in a timely and effective manner, and in accordance with Council direction.

On a Daily Basis We...

- > Educate and enforce municipal bylaws;
- > Enhance public safety through foot, bike and vehicle patrols; and
- > Manage behavioural and nuisance issues to promote a harmonious living environment.
- > Manage the Dog Control Officer contract.

2018 Facts & Stats

- > **10,000+** customer inquiries about bylaws
- > **3,000+** complaint files
- > **300+** unauthorized camping/check on welfare requests with efforts to connect to social services
- > **4,500** Bylaw Offence Notices/tickets
- > **150** unsafe parking calls from transit operators
- > **\$95,000** in ticketing revenue
- > **\$342,500** paid parking revenue for City revitalization and enhancement projects
- > **\$2,000+** donations to the Kindness Meter





Economic Development

What We Do

In Economic Development, our mandate is to increase the economic vitality of Penticton. To do this, we work with stakeholders, such as businesses in our community and potential investors, as well as with Council and City staff to identify opportunities and determine how to remove barriers that affect economic growth. We follow a Five-Year Strategic Plan that is focused on developing a resilient and prosperous community for the future.

On a Daily Basis We...

- > Collect and communicate economic data and review the current and projected economic forecasts to develop programs that help Penticton businesses address challenges to business growth and retention;
- > Facilitate communication amongst key stakeholder groups within the community; and
- > Implement initiatives to meet goals set out in the 2018-2022 Strategic Plan and build Penticton's reputation as a place to invest and grow a business.

2018 Facts & Stats

- > In 2018, Economic Development worked with key stakeholders, Mayor and Council, and City departments to develop a Five-Year Strategic Plan to develop a resilient and prosperous community for the future.
- > Made progress in the following areas:
 - > Business licence growth
 - > Business contact / assistance
 - > Process navigation assistance
 - > Quarterly reporting / Annual Report
 - > Partnership growth
 - > Okanagan College initiatives
 - > Penticton Indian Band
 - > Event / tourism assistance
 - > New resident assistance





Land Management

What We Do

The Land Management Department administers over 500 City properties. We are responsible for leases, licences, licences-to-use, and residential tenancies as well as negotiation of land sales and purchases. Our staff ensures legal requirements are met for various land transactions. We draft, negotiate, attend to execution of land sales and register statutory right-of-ways and other various legal Land Title Office documents. We are also relied upon to provide legal research, data, and title and company searches to all City departments.

On a Daily Basis We...

- > Complete and manage licences-to-use and leases of municipal land including residential tenancies;
- > Register right-of-ways to protect City infrastructure;
- > Manage all City land sales and purchases; and
- > Administer the beach vending and mobile vending programs.

2018 Facts & Stats

- > Prepared agreements for:
 - > **14** beach vendors in 23 locations
 - > **5** concessions
 - > **16** residential tenancies
 - > **100** leases and licences-to-use
 - > **15** Crown Leases/Licence of Occupation
- > **62** Land Title Office documents registered
- > **9** properties purchased
- > **2** new policies completed





Planning & Land Use

What We Do

Within Planning & Land Use, we manage the long-range land use policy for the City, with the goal of achieving a livable city with a high quality of life. We are often the first point of contact for development in the City. We ensure that all development takes place in alignment with the City's adopted bylaws and policies. In addition, Planning also oversees the community sustainability program, including climate action commitments.

2018 Facts & Stats

- > **218** land-use planning applications received
- > Maintained carbon neutral status
- > Long-range planning work on OCP
- > Created cannabis regulatory framework
- > Hosted Affordable Housing Forum

On a Daily Basis We...

- > Process all land development applications including zoning and Official Community Plan (OCP) amendments, development permits and subdivision applications among others;
- > Monitor development to ensure it aligns with adopted policies and bylaws and is in the best interest of the community;
- > Advise City Council and other City departments on land use issues;
- > Monitor the City's Climate Action commitments; and
- > Coordinate and manage special projects as directed, including policy development on affordable housing, downtown revitalization and other issues.



Fire Services

What We Do

We support a safe community and enhance the quality of life for our citizens by responding to emergencies, including fires and motor vehicle accidents, to help minimize injuries and loss of life or damage to property. We also help prevent fires and other emergencies through public education and inspections to ensure properties meet fire regulations and other safety requirements.

2018 Facts & Stats

- > **2** Fire Stations and **1** training facility
- > **18** pieces of firefighting apparatus
- > **10,000+** hours of firefighter training annually
- > **2,821** emergency response incidents
- > **1,500** Fire & Life Safety inspections

On a Daily Basis We...

- > Provide fire suppression, fire prevention education and fire inspection services;
- > Provide first responder medical services;
- > Respond to motor vehicle accident rescues, water and marine emergencies, high angle and technical rope rescue;
- > Provide emergency scene management, including identifying dangerous goods and isolating hazardous materials;
- > Respond to airport crashes with rescue and fire suppression services;
- > Manage pre-emergency planning;
- > Operate a fire services training centre, delivering basic to advanced fire service training; and
- > Lead City emergency management and manage the Emergency Operations Centre (EOC).



RCMP

What We Do

Our mission as Penticton RCMP service is to serve and protect the community, and work in partnership with the community to deliver a responsive and progressive police service. We promote respect for rights and freedoms, the law and democratic traditions, and we treat all people equally and with respect in accordance with our core values.

2018 Facts & Stats

- > **20,886** calls for service
- > **1,237** charges forwarded
- > **1,640** prisoners lodged
- > **300** Police Dog Services interventions
- > **140** forensic identification files
- > **870** Victim Services referrals
- > **107** impaired operation of motor vehicles investigations
- > **71** distracted driving investigations
- > **1,169** *Motor Vehicle Act* violation tickets
- > **658** motor vehicle collision investigations
- > **74** school talks and community events
- > **17** Restorative Justice referrals
- > **1,425** volunteer hours (Citizens on Patrol, Speed Watch, Ambassador)

On a Daily Basis We...

- > Execute general duty policing 24 hrs per day 7 days per week;
- > Conduct serious crime investigations;
- > Engage in management and interdiction of prolific offenders;
- > Undertake forensic identification services;
- > Manage police dog services;
- > Conduct traffic enforcement;
- > Engage in community policing programming;
- > Develop and implement strategic planning and reporting; and
- > Serve as headquarters to the South Okanagan RCMP detachments of Summerland, Oliver, Osoyoos, Keremeos and Princeton.



Financial Services

Including Accounting and Budget

What We Do

In Financial Services, we are responsible for the financial administration of the City and the delivery of innovative information technology services. The Financial Services Division includes Accounting, Budget, Revenue & Collections, Procurement & Inventory Services and Information Technology/Geographic Information Systems.

2018 Facts & Stats

- > Approximately **13,200** accounts payable invoices processed using approximately **6,600** cheques
- > Approximately **16** emergency claims/billings compiled
- > Approximately **1,100** sales invoices issued
- > **180** Cemetery sales
- > **\$79.4 million** in City reserves at end of 2018 (4.1% increase from 2017)
- > **\$34.4 million** in long-term debt at end of 2018 (7.5% reduction from 2017)
- > City's financing costs represent approximately **20%** of the City's borrowing capacity with the Municipal Finance Authority of BC

On a Daily Basis We...

- > Provide overall financial leadership to the City and financial advice to City Council;
- > Lead the development of the City's five-year financial plan and ensure compliance with the City's budget;
- > Ensure effective stewardship and control over the City's assets;
- > Maintain effective accounting records and prepare annual financial statements for the City;
- > Provide innovative and secure information technology services throughout the City and online services to the community;
- > Collect revenues owed to the City including utility billing;
- > Procure goods and services for the City cost effectively;
- > Administer the Municipal Grant Program;
- > Administer risk management and insurance for the City; and
- > Lead business planning and reporting.



Information Technology & Geographic Information Systems

What We Do

In the Information Technology/Geographic Information Systems (IT/GIS) Department, we manage the City's technology hardware and software infrastructure, enabling departments to deliver timely, efficient services to residents and customers. We provide IT services and support to more than 400 users in City departments and affiliated organizations, including Spectra Venue Management, Okanagan Hockey Group, Penticton Vees, Interior Health Authority, RCMP and Tourism Penticton. These users are spread across 16 buildings and connected through a City-owned fibre optic network.

On a Daily Basis We...

- > Support City departments and other affiliated organizations with their daily use of IT services through top-notch customer service;
- > Provide new and enhanced technology solutions that are cost-effective and focused on improving process and creating efficiency;
- > Provide a secure and stable technology infrastructure to deliver reliable IT services; and
- > Offer guidance and advice on the best use of current and future technologies.

2018 Facts & Stats

- > **400** users connected and served, using **350** workstations and **200** mobile devices across **16** buildings that are connected by a City-owned fibre optic network
- > **40** servers and **60+** software applications used to enable users to do their work
- > Provide affiliated organizations with **IT services and support**, including Spectra Venue Management, Okanagan Hockey Group, Penticton Vees, Interior Health Authority, RCMP and Visit Penticton



The City's IT Manager and GIS Coordinator accept the 2018 Award of Excellence from ESRI in recognition of our Roads and Highways GIS project.



Procurement & Inventory Services

What We Do

In Procurement & Inventory Services we assist departments with purchasing products and services to support City operations. We establish policies and procedures to ensure a competitive process that enables the City to get the best value, and we provide assurance of fair treatment for all businesses who work with the City. We also manage the inventory of a wide variety of products used by City departments to ensure products are readily available when required.

On a Daily Basis We...

- > Ensure that all purchases follow an established competitive process, including coordinating requests for proposals and bids for contracts;
- > Ensure that the purchasing process is fair, open and transparent;
- > Manage the City inventory to deliver consistent and efficient service; and
- > Dispose of City assets when they have reached the end of their life cycle or are obsolete.

2018 Facts & Stats

- > **792** purchase orders issued, totalling **\$8,175,000**
- > **3,905** inventory withdrawals processed, totalling **\$976,000**
- > **\$4.6 million** saved by obtaining quotes



Revenue & Collections

What We Do

In Revenue & Collections, we are responsible for billing and collecting a variety of service fees and taxes. These include fees for the City's electricity, water and sewage as well as property taxes. We also provide collection services on behalf of a number of external organizations as their taxes are included in our property tax notices.

2018 Facts & Stats

- > **33.6%** e-billed utility accounts (up 2% from 2017)
- > **19,135** utility accounts billed each month (up 1% from 2017)
- > **1,460** rental properties participating in the Landlord Notification of Arrears program
- > **715** utility customers moving in and out of properties each month on average
- > **2,019** phone calls to Utilities staff and **2,724** calls fielded by reception staff each month on average
- > Of the **10,047** Home Owner Grants claimed in 2018, **34.91%** were done electronically, up 0.91%
- > Processed **3** properties through Tax Sale
- > **5,023** walk-in customers assisted by cashiers each month
- > **18,000+** payments received online each month:
 - > **7,200+** online banking
 - > **7,900+** utilities by pre-authorized payments
 - > **3,000+** taxes by pre-authorized payments

On a Daily Basis We...

- > Manage the billing and collection of the City's electric, water, and sewer utility services;
- > Manage the billing and collection of property taxes, including those for the School District, the Regional District of Okanagan-Similkameen, the Okanagan-Similkameen Hospital District, the Municipal Finance Authority and BC Assessment;
- > Manage the billing and collection of the City's dog licensing program;
- > Provide customer service for incoming inquiries, payments and applications for City services through telephone, email or in-person communication;
- > Administer the collection of overdue accounts such as business licensing and municipal tickets;
- > Develop the annual general municipal property tax rates for fair collection of taxes across all property classes, in accordance with direction from Council;
- > Report to senior levels of government and other taxing authorities regarding property taxation, provincial Home Owner Grant applications, and the provincial Property Tax Deferral program;
- > Administer the City's Permissive Tax Exemption program, which may allow eligible properties to be exempted from property taxation for a specified period of time, in accordance with direction from Council; and
- > Perform the annual Municipal Tax Sale in accordance with the *Local Government Act*.



Infrastructure

What We Do

The Infrastructure Division is responsible for overseeing many of the City's operations that enable our residents to go about their daily life. We plan, design, construct, operate and maintain road and pedestrian networks; provide for clean drinking water and sewer management; support electrical services; and oversee contracts for services like garbage, recycling and transit. Our division consists of the Electric Utility, Engineering Department and the Public Works Department.

On a Daily Basis We...

- > Lead the management of infrastructure assets like roads, bridges, water and sewer systems;
- > Lead utility rate setting;
- > Administer, through contract, conventional and custom transit; and
- > Operate, maintain and undertake construction projects on the road and pedestrian networks, water distribution system, waste water collection system, the drainage system, parks and electrical distribution system.





Engineering

What We Do

The Engineering Department consists of the Design Branch, Water Treatment Branch and Waste Water Treatment Branch. We are responsible for the planning, design and construction administration of the road and pedestrian network, water distribution system, waste water collection system and the drainage system.

2018 Facts & Stats

- > **5.7 billion** litres of water pumped from Okanagan Lake station to the Penticton Water Treatment Plant
- > **885 million litres** of water drawn from Penticton Creek
- > **18.4 million litres/day** required for average daily water demand
- > **4,303,000 m³** of wastewater received
- > The average Penticton citizen discharged **324 litres/day** per person into the sewer system
- > The average cost to treat a cubic meter (1,000 litres) of wastewater was **\$0.58**
- > **8,187,075 kg** of bio-solids produced and trucked to Campbell Mountain Landfill for composting
- > **491,000 m³** of reclaimed water recycled for use as irrigation in City parks and golf courses

On a Daily Basis We...

- > Plan, design and administer construction on water, sanitary, storm, road and pedestrian networks;
- > Operate, maintain, plan and administer design and construction projects for the water treatment plant, water reservoirs and water pump stations;
- > Operate, maintain, plan and administer design and construction projects for the Wastewater Treatment Plant and lift stations;
- > Keep record drawings;
- > Provide comments on development through the Technical Planning Committee; and
- > Provide professional engineering advice to Council and staff.



Public Works

What We Do

In Public Works, we keep our community safe by providing clean, safe drinking water, a reliable sanitary sewer system, and storm-water drainage to help prevent flooding. We manage the roads in our community, as well as the parks and cemetery, and also collect your garbage and recycling. To help support these services, as well as those delivered by other departments, we also manage the City's fleet of vehicles.

2018 Facts & Stats

- > Maintained and supported: **189** City fleet mobile units, **124** City fleet small equipment, **43** Regional District of Okanagan-Similkameen fleet, **16** licensed fleet and **36** small equipment for City Fire Department, **17** generators, and **35** RCMP fleet
- > Maintained **250 km** of roads/lanes, **131 km** of sidewalks, **225 km** of water mains, **88 km** of storm water mains and **171 km** of sewer mains
- > **4,000 km** of sewage waste compost produced
- > Collected through contract: **3,746** tonnes of garbage and **1,123** tonnes of recyclables
- > Addressed **1,200** calls for service including: **21** dead animal collection, **81** illegal dumping / litter and garbage, **140** potholes and **84** debris on road / sweeping

On a Daily Basis We...

- > Manage the operations, maintenance and construction of the road and pedestrian network, water distribution system, waste water collection system, drainage system and parks;
- > Manage the operations, maintenance, planning, design and construction of City-owned dams;
- > Install and maintain the City's water meters;
- > Maintain, purchase and coordinate the City's vehicle and equipment fleet;
- > Administer, through contract, garbage and recycling collection;
- > Operate the waste water solids composting facility;
- > Administer, though contract, the Lakeview Cemetery operation, and also design and construct cemetery expansion and upgrades;
- > Maintain the Fairview Cemetery; and
- > Maintain and upgrade bus stops.

- > **25 km** of trails / walkways, **75 acres** turf, **16** sport fields and **9** playgrounds
- > **6** beach locations and **6** off-leash dog areas
- > **500+** pieces of furniture, **180** hanging baskets, **200+** litter receptacles and **100+** irrigation systems



Electric Utility

What We Do

The Electric Utility Department is responsible for overseeing the operations, maintenance and ongoing improvement of the City of Penticton's electrical systems. We manage all electric services, from infrastructure and electrical distribution to metering, traffic signals and street lighting.

On a Daily Basis We...

- > Operate, maintain, plan, design and construct the electrical distribution system;
- > Plan and maintain the City's electrical meters;
- > Plan, maintain, operate, design and construct the City's traffic signal system; and
- > Plan, maintain, design and construct the City's street lighting system.

2018 Facts & Stats

- > **18,646** active customer accounts
- > **4** substations feeding **21** distribution circuits
- > **4,063** power poles (**2,940** wood, **1,123** steel)
- > **2,697** distribution transformers
- > **362 km** of overhead power lines
- > **175 km** of underground cables





Recreation & Facilities

What We Do

Contributing to a healthy community and enhancing quality of life are the overarching priorities for Recreation & Facilities. We welcome residents and visitors to our many recreation facilities and parks, where we deliver a wide range of recreation programs and services for people of all ages. We design, operate and maintain City-owned buildings, and through the Museum & Archives, we support preservation of the heritage and history of our community. Our Sports & Events office markets and promotes the City as an event destination.



On a Daily Basis We...

- > Plan, manage and deliver recreation, sport events and active living opportunities that include aquatic programming, swim lessons and public access to our pool and fitness centre;
- > Provide public safety, first aid and emergency response education;
- > Ensure City facilities are maintained to required operational standards;
- > Provide reception services to assist customers at the community centre pool and fitness room;
- > Promote the City of Penticton as an event destination, contributing to a healthy and vibrant community, particularly through signature and shoulder season events that create a strong economic return for the City;
- > Offer presentation, preservation and interpretation services for Penticton's history and heritage as well as serving as an important resource for researchers and city staff through the Penticton Museum & Archives; and
- > Plan, design, construct, operate and maintain City-owned buildings for City departments and lessees as part of overall asset management.



Facilities

What We Do

The Facilities Department is responsible for planning, design, construction, operations and maintenance of over 30 City-owned buildings. We ensure they operate at optimum efficiency to enable other City departments and lessees to effectively deliver services and programs to the community.

2018 Facts & Stats

- > Responsible for **25** major buildings
- > Buildings range from **10-90 years** in age
- > Average age of a City building is **42 years**
- > Floor area of City buildings ranges from **100 to 250,000 square feet**
- > Approximately **650,000 square feet** of City-owned facilities

On a Daily Basis We...

- > Consult, inspect, and conduct repairs and maintenance on City buildings;
- > Plan, design, construct and operate buildings for their best use;
- > Ensure buildings are maintained to all regulations and bylaws;
- > Regularly review Penticton's diverse collection of facilities, including everything from the Peach on the Beach, to the Trade and Convention Centre and the SS Sicamous; and
- > Support a high-quality work environment for City staff and superior quality of life for residents by providing venues to support arts, culture, sports and entertainment in our community.





Recreation Business & Operations

What We Do

In Recreation Business & Operations, we promote and contribute to a healthy community and enhance the quality of life for Penticton residents and visitors through planning, management and delivery of recreation, sport events and active living opportunities. We partner with volunteers, community members and private sector providers to support recreation opportunities in our city.

On a Daily Basis We...

- > Provide Community Centre reception services;
- > Plan and deliver aquatic programs and provide service supervision, instruction and facilitation;
- > Offer recreation programs and services at multiple locations for all ages and interests;
- > Market and promote all recreation programs; and
- > Manage operations of the Cleland Theatre.

2018 Facts & Stats

- > **2,550** programs (1,265 recreation based + 1,285 -aquatic based)
- > **7,822** individual program registrations
- > **17,845** drop-ins to structured programs
- > **73,351** Fitness Room visits
- > **11,222** facility and park bookings
- > **38,000** recreation guides distributed
- > Memberships sold:
 - > **981** Active Senior (60-74 years)
 - > **274** Active Super Seniors (75+ years)
- > Membership scans:
 - > **3,604** adult sports
 - > **8,439** Senior/Super Senior Aquafit
 - > **179** Senior/Super Senior Aquafit/fitness room
 - > **16,249** Senior/Super Senior fitness room
 - > **26,049** Senior/Super Senior pool
 - > **9,568** Senior & Super Senior pool/fitness room
- > Program/drop-In stats:
 - > Approximately **8,200** Aquafit, pool and fitness room drop-ins
 - > **168** participants in older adult fitness classes
 - > **3,278** REACT senior drop-ins (medically supervised aquatic program)



Sports & Events

What We Do

As the Sports & Events team, we promote the City of Penticton as an event destination and contribute to a healthy and vibrant community by attracting, developing and managing events in the City.

On a Daily Basis We...

- > Focus specifically on signature and shoulder season events that create a strong economic return for Penticton; and
- > Foster and maintain strong relationships between events rights holders, sport organizations and event organizers. This includes connecting and working with Travel Penticton, Spectra Venue Management and other businesses and venues in Penticton.

2018 Facts & Stats

- > Attracted nearly **6,000** out-of-town visitors to Scotties Tournament of Hearts, Canada's national women's curling event
 - > Generated **\$6.7 million** in economic activity from Scotties Tournament, with initial investment of **\$250,000**
 - > Generate **\$3.6 million** in economic activity from the Penticton Peach Festival, with initial investment of **\$20,000** cash and **\$24,000** value-in-kind
- > Hosted **24** sporting events, **35** community events and **10** major events (not including indoor events at City facilities), such as:
 - > Elevator Race, Easter Cup and Ice Breaker Soccer in March
 - > Wildfire Symposium and Easter Egg Hunt in April
 - > Peach City Half, MS Society Walk and Cystic Fibrosis Walk in May
 - > Peach City Beach Cruise, Elvis Festival, Rib Festival and Car Auction in June
 - > Canada Day, Scottish Festival and GranFondo in July
 - > Penticton Peach Festival and Superleague in August
 - > Dragon Boat Festival, Kettle Mettle and Motorcycle Toy Run in September



Museum & Archives

What We Do

At the Penticton Museum & Archives, we are committed to the presentation, preservation and interpretation of Penticton's history and heritage. We work with many local heritage and natural history groups and are active in heritage and museum affairs provincially. Within the archives, we collect and preserve the documentary and photographic history of the region and serve as an important resource for researchers and City staff.

2018 Facts & Stats

- > **14,715** museum visits
- > **1,002** archives visitors
- > **92** programming events
- > **43** school presentations
- > **3** exhibits
- > **24,000** images in digital photo library
- > **400+** inquiries for public/archive or research
- > **24+** volunteers who provide valuable support in archival and museum operations

On a Daily Basis We...

- > Offer programs to a wide variety of museum and archives users including school groups, home schooling groups, clubs, seniors and community groups;
- > Collect, preserve and interpret a growing collection that is mostly donated by local residents;
- > Curate a wide variety of temporary exhibits, showcasing our own collection as well as exhibits borrowed from other museums;
- > Welcome visitors to the archives and handle research requests submitted online and in person; and
- > Keep our common history accessible to all Penticton residents.

FINANCIAL STATEMENTS



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Chief Financial Officer's Report

May 2019

Your Worship and Members of Council,

I am pleased to submit the City of Penticton's 2018 Annual Financial Report for the year ended December 31, 2018 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, 2018.

Operating results from 2018 saw an increase in the City's net financial assets of \$1.0 million, bringing its total net financial assets to \$28.6 million. This resulted in an overall improvement of its accumulated surplus by 2.7%, with a total now of \$355.4 million.

Consolidated revenues for the City increased to \$119.7 million in 2018, a 0.7% increase over 2017. This increase was the result of a \$1.4 million increase in taxation revenue, emergency recoveries from the provincial government related to the 2017 flood damage and the receipt of a government grant for a creek project. These increases were partially offset by reductions in sale of electricity services.

Consolidated expenditures were \$110.5 million – an increase of 1.1% from 2017, owing primarily to an increase in expenditures transferred to operating from capital due to expenditures being outside of the Tangible Capital Asset policy or being related to repairs and maintenance and inflationary increases.

The general revenue fund saw an overall surplus of \$531,946, with revenues coming in at \$88.3 million, an increase of 3.6% over 2017.



Revenues increased with additional taxation revenue collected as well as emergency recoveries and government grants. Expenditures in 2018 were \$85.3 million, an increase of 3.3% over 2017. The main cost drivers include increases for collective agreement salary adjustments and inflationary cost increases.

As with many municipalities, the City continues to foster strong growth and development while at the same time addressing its aging infrastructure and the emergence of many social issues that are causing safety and security concerns within the community. Through the development of a Corporate Business Plan, the City has taken steps to share its overall priorities and specific initiatives with the community, including focus areas for investment. The City's Corporate Business Plan can be found at www.penticton.ca > Departments > Billing & Finance > Financial Plan 2019.

In 2019, the City will be investing \$535,000 in additional public safety and security initiatives such as hiring an additional RCMP member and two community safety officers. Over \$246,000 will be invested to prepare master plans and other key strategies and development plans to continue to foster growth and development. The City is also taking further steps to address its aging infrastructure by contributing \$1.8 million to its asset sustainability reserve, bringing the total reserve to \$3.9 million by the end of 2019. Through focus on key priorities and initiatives, the City is taking a balanced and intentional approach to advance our vision for Penticton as a vibrant, innovative, healthy waterfront city focused on sustainability, community and economic opportunity.

A handwritten signature in black ink that reads "Jim Bauer". The signature is stylized, with a large, sweeping initial "J" and "B".

Jim Bauer

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Corporation of the City of Penticton and its controlled entities (the "Consolidated Entity"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2018, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the supplementary schedules on pages 23 through 34 of the City of the City of Penticton's Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Entity's financial reporting process.

Continued on next page



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Penticton, British Columbia

May 7, 2019

The City of Penticton
 Consolidated Statement of Financial Position
 December 31, 2018

	2018	2017
Financial Assets		
Cash	\$ 7,623,410	\$ 5,730,053
Term Deposits (Note 1)	84,097,897	87,799,083
Accounts Receivable (Note 2)	11,216,855	11,349,691
	<u>102,938,162</u>	<u>104,878,827</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities	14,594,055	15,544,385
Development Cost Charges (Note 3)	15,657,283	14,589,967
Deferred Revenue	5,590,939	5,374,566
Deposits	4,105,303	4,605,675
Long Term Debt (Note 8)	34,373,676	37,173,405
	<u>74,321,256</u>	<u>77,287,998</u>
Net Financial Assets	\$ 28,616,906	\$ 27,590,829
Non-Financial Assets		
Tangible Capital Assets (Note 9)	\$322,516,179	\$314,408,591
Inventory	3,806,292	3,636,271
Prepaid Expenses	501,192	596,538
	<u>326,823,663</u>	<u>318,641,400</u>
Accumulated Surplus	<u>\$355,440,569</u>	<u>\$346,232,229</u>

See accompanying notes to the Consolidated Financial Statements.

The City of Penticton
 Consolidated Statement of Operations and Accumulated Surplus
 Year ended December 31, 2018

	2018 Budget (Note 13)	2018	2017
Revenue			
Taxation (Note 16)	\$ 32,203,265	\$ 32,206,019	\$ 30,770,666
Sales of Services	65,728,912	69,631,879	70,814,449
Government Grants and Transfers (Note 14)	2,253,235	2,981,154	2,957,572
Other Revenue	7,044,754	9,339,446	9,931,637
Other Contributions	3,049,633	3,448,277	2,006,807
Gain on Disposal	30,000	133,843	123,356
Contributed Asset	-	2,021,239	2,380,923
	<u>110,309,799</u>	<u>119,761,857</u>	<u>118,985,410</u>
Expenditure (Note 10)			
General Government	10,210,468	19,033,265	18,300,461
Protective Services	15,812,758	15,967,295	15,915,825
Transportation Services	4,934,768	10,823,613	8,906,701
Environmental Health Services	1,732,223	1,735,059	1,607,516
Public Health and Safety	202,649	231,941	267,020
Environmental Development Services	3,309,046	3,652,838	3,308,318
Recreation and Culture	11,236,387	12,127,262	12,398,818
Electrical Supply	35,435,626	37,215,864	38,549,353
Sewer System Utility	4,076,703	5,209,151	5,228,799
Water Utility Services	3,279,752	4,557,229	4,869,739
	<u>90,230,380</u>	<u>110,553,517</u>	<u>109,352,550</u>
Annual Surplus	20,079,419	9,208,340	9,632,860
Accumulated Surplus, Beginning of Year	<u>346,232,229</u>	<u>346,232,229</u>	<u>336,599,369</u>
Accumulated Surplus, End of Year	<u>\$366,311,648</u>	<u>\$355,440,569</u>	<u>\$346,232,229</u>

See accompanying notes to the Consolidated Financial Statements.

The City of Penticton
 Consolidated Statement of Change in Net Financial Assets
 Year ended December 31, 2018

	2018 Budget	2018	2017
Annual surplus	\$ 20,079,419	\$ 9,208,340	\$ 9,632,860
Acquisition of Tangible Capital Assets (Note 9)	(16,398,087)	(20,968,033)	(10,319,164)
Amortization (Note 9)	-	13,846,173	13,389,731
Net Disposal of Tangible Capital Assets (Note 9)	-	817,727	89,838
Contributed Tangible Capital Assets (Note 9)	-	(2,021,239)	(2,380,923)
Asset reclassification (Note 9)	-	217,783	385,771
	<u>3,681,332</u>	<u>1,100,751</u>	<u>10,798,113</u>
Change in Prepaid Expenses (Increase)	-	95,346	(39,936)
Consumption of Supplies Inventories	-	(170,020)	(936,232)
	<u>-</u>	<u>(74,674)</u>	<u>(976,168)</u>
Increase in Net Financial Assets	3,681,332	1,026,077	9,821,945
Net Financial Assets, Beginning of Year	27,590,829	27,590,829	17,768,884
Net Financial Assets, End of Year	<u>\$ 31,272,161</u>	<u>\$ 28,616,906</u>	<u>\$ 27,590,829</u>

See accompanying notes to the Consolidated Financial Statements.

The City of Penticton

Consolidated Statement of Cash Flows

Year ended December 31, 2018

	2018	2017
Operating Transactions		
Annual Surplus	\$ 9,208,340	\$ 9,632,860
Change in Non-Cash Operating Items		
(Increase) decrease in Accounts Receivable	132,837	(3,648,885)
Increase (decrease) in Trade Accounts Payable and Accrued Liabilities	(950,330)	2,603,838
Increase in Development Cost Charges	1,067,316	4,314,893
Increase in Deferred Revenues	216,373	240,649
Increase (decrease) in Deposits	(500,372)	2,039,801
(Increase) decrease in Prepaid Expenses	95,346	(39,936)
Increase in Inventory	(170,020)	(936,232)
Net Disposal of Tangible Capital Assets	817,727	89,838
Amortization	13,846,173	13,389,731
Contributed Tangible Capital Assets	(2,021,239)	(2,380,923)
Asset reclassification	217,782	385,771
	<u>12,751,593</u>	<u>16,058,545</u>
Cash Provided by Operating Activities	21,959,933	25,691,405
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(20,968,033)	(10,319,164)
Financing Transactions		
Debt Proceeds	1,530,000	-
Debt Repayment	(4,329,729)	(5,939,821)
Investing Transactions		
(Increase) decrease in Term Deposits	3,701,186	(5,019,354)
Change in Cash	1,893,357	4,413,066
Cash, Beginning of Year	<u>5,730,053</u>	<u>1,316,987</u>
Cash, End of Year	<u>\$ 7,623,410</u>	<u>\$ 5,730,053</u>
Supplemental Cash Flow Information	2018	2017
Interest Paid	\$ 2,717,397	\$ 3,515,478

Note: Investment income recognized includes an actuarial addition to the sinking fund

See accompanying notes to the Consolidated Financial Statements.

The City of Penticton

Significant Accounting Policies

December 31, 2018

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

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, 2018

Revenue Recognition continued

Fee for Service

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

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. The City holds several works of art and historic treasures that have not been included in the tangible capital assets, including displays at the museum and various works of art and decorations in the facilities. 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
Construction in progress	No amortization taken

The City of Penticton

Significant Accounting Policies

December 31, 2018

Retirement and Employee Benefits

The City's retirement contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

City employees belonging to CUPE local 608 are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment upon retirement or termination and may not be used as vacation. Employees may accumulate a maximum of 10 days of sick leave.

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, 2018 the City has no liability for contaminated sites.

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

1. Term Deposits

	Maturity Date	Effective Interest Rate (%)	2018	2017
Valley First	May 14, 2019	2.25	\$ 24,750	\$ -
Valley First	May 14, 2019	2.25	30,000	-
Valley First	Aug 17, 2019	2.80	6,000,000	-
Valley First	Aug 17, 2019	2.40	6,000,000	-
Valley First	Aug 17, 2019	2.40	6,000,000	-
Valley First	Aug 17, 2019	2.40	5,000,000	-
Valley First	Aug 17, 2019	2.40	5,000,000	-
Valley First	Aug 17, 2019	2.35	3,000,000	-
Valley First	Nov 22, 2019	2.90	6,000,000	-
Valley First	Nov 22, 2019	2.55	6,000,000	-
Valley First	Nov 22, 2019	2.55	3,000,000	-
Valley First	Nov 22, 2019	2.55	3,000,000	-
Valley First	Nov 22, 2019	2.50	3,000,000	-
Valley First	Aug 17, 2023	3.05	5,000,000	-
Valley First Redemptions		-	-	61,223,660
Municipal Finance Authority		1.76	27,043,147	26,575,423
			<u>\$ 84,097,897</u>	<u>\$ 87,799,083</u>

2. Accounts Receivable

	2018	2017
Property Taxes	\$ 956,826	\$ 984,370
Other Receivables	3,468,399	3,645,341
Federal Government	266,759	350,404
Provincial Government	1,117,793	788,997
Regional District Okanagan Similkameen	167,580	3,271
Other Government Agencies	50,131	59,543
Utility Rates Receivable	4,764,047	4,878,382
Accrued Interest Receivable	402,634	609,673
Cemetery Trust Fund Receivable	22,686	29,710
	<u>\$ 11,216,855</u>	<u>\$ 11,349,691</u>

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

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.

	2018	2017
DCC by Type		
Roads DCC	\$ 1,831,008	\$ 1,553,588
Parks DCC	833,394	710,820
Drainage DCC	328,395	379,993
Waste Water DCC	8,632,969	8,136,869
Water DCC	4,031,517	3,808,697
	<u>15,657,283</u>	<u>14,589,967</u>
DCC Activity		
Balance, Beginning of Year	14,589,967	10,275,074
Return on Investments	264,877	159,240
DCCs Levied in the Year	1,239,738	4,463,347
Transfers to General Operating	(437,299)	(307,694)
	<u>\$ 15,657,283</u>	<u>\$ 14,589,967</u>

4. Development Cost Charges Reductions

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 2018 \$390,373 (2017 - \$217,011) of Economic Incentive tax exemptions were granted. In addition, Council approved \$910,736 (2017 - \$51,434) of DCC reductions in 2018.

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

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, 2017, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Penticton paid \$2,104,076 (2017 - \$1,924,992) for employer contributions to the Plan in fiscal 2018.

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, 2018, the long term debt of the Regional District aggregated \$79,084,988 (2017 - \$86,060,832).

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

6. Contingent Liabilities continued

b. Legal Actions

As at December 31, 2018, 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 likelihood of the claim, no accrual has been recorded in regards to these costs.

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 \$734,459 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, 2018

8. Long Term Debt

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

	2018	2017
Long Term Debt	\$ 34,373,676	\$ 37,173,405

Principal repayments relating to long term debt of \$34,373,676 outstanding are due as follows (in thousands):

	2019	2020	2021	2022	2023	Thereafter
General Fund	\$ 1,365	\$ 1,347	\$ 1,215	\$ 1,219	\$ 1,221	\$ 10,922
Sewer Fund	545	539	539	539	539	7,169
Water Fund	422	422	422	422	422	5,105
	<u>\$ 2,332</u>	<u>\$ 2,308</u>	<u>\$ 2,176</u>	<u>\$ 2,180</u>	<u>\$ 2,182</u>	<u>\$ 23,196</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 2018 earnings in the Sinking Fund were calculated to be \$1,347,311 and are included in Other Revenue on the Consolidated Statement of Operations.

9. Tangible Capital Assets

The City of Penticton budgets for Tangible Capital Assets (TCA) as well as non-operating repairs and maintenance through the capital budget. During the year, the City incurred \$26,570,358 of expenditures that fall within the Capital Budget. Of this amount, \$20,968,033 met the TCA capitalization policy criteria while the remaining \$5,602,325 was expensed due to the expenditure being outside the TCA capitalization policy criteria or they were related to repairs and maintenance.

The City of Penticton Notes to the Consolidated Financial Statements December 31, 2018

9. Tangible Capital Assets continued

	Land	Building	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2018 Total
COST									
Opening Balance	\$ 48,519,310	\$ 164,888,807	\$ 40,780,317	\$ 52,295,961	\$ 55,287,055	\$ 74,893,453	\$ 87,441,232	\$ 4,731,681	\$ 528,837,816
Add: Additions	3,930,923	2,044,798	2,989,580	1,218,242	2,759,538	1,901,777	4,149,700	1,973,475	20,968,033
Add: Trsf to/from Construction in Progress	-	34,920	517,507	311,360	1,189,416	2,400,029	-	(4,453,232)	-
Add: Contributed Assets	-	-	-	934,706	350,686	-	735,847	-	2,021,239
Less: Disposals	68,874	240,936	169,027	-	528,494	-	377,189	-	1,384,520
Re-classification	-	-	-	-	-	-	-	(217,783)	(217,783)
	52,381,359	166,727,589	44,118,377	54,760,269	59,058,201	79,195,259	91,949,590	2,034,141	550,224,785
ACCUMULATED AMORTIZATION									
Opening Balance	-	71,318,473	27,567,519	10,508,279	19,379,927	36,527,883	49,127,144	-	214,429,225
Add: Amortization	-	4,936,745	2,003,770	1,098,271	890,867	2,119,112	2,797,408	-	13,846,173
Less: Acc Amortization on Disposals	-	134,924	118,418	-	253,102	-	60,350	-	566,794
	-	76,120,294	29,452,871	11,606,550	20,017,692	38,646,995	51,864,202	-	227,708,604
Net Book Value for Year Ended Dec. 31, 2018	\$ 52,381,359	\$ 90,607,295	\$ 14,665,506	\$ 43,153,719	\$ 39,040,509	\$ 40,548,264	\$ 40,085,388	\$ 2,034,141	\$ 322,516,181

The City of Penticton Notes to the Consolidated Financial Statements December 31, 2018

9. Tangible Capital Assets continued

	Land	Building	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2017 Total
COST									
Opening Balance	\$ 48,433,058	\$ 163,954,616	\$ 39,906,689	\$ 50,618,753	\$ 54,038,979	\$ 73,909,945	\$ 84,739,652	\$ 1,562,907	\$ 517,164,599
Add: Additions	86,252	985,843	1,463,075	531,833	741,303	983,508	1,925,330	3,602,020	10,319,164
Add: Trsf to/from Construction in Progress	-	-	-	47,475	-	-	-	(47,475)	-
Add: Contributed Assets	-	-	-	1,097,900	506,773	-	776,250	-	2,380,923
Less: Disposals	-	51,652	589,447	-	-	-	-	-	641,099
Re-classification to Financial Assets	-	-	-	-	-	-	-	(385,771)	(385,771)
	48,519,310	164,888,807	40,780,317	52,295,961	55,287,055	74,893,453	87,441,232	4,731,681	528,837,816
ACCUMULATED AMORTIZATION									
Opening Balance	-	66,514,460	26,237,831	9,442,865	18,558,926	34,430,762	46,405,911	-	201,590,755
Add: Amortization	-	4,855,665	1,829,297	1,065,414	821,001	2,097,121	2,721,233	-	13,389,731
Less: Acc Amortization on Disposals	-	51,652	499,609	-	-	-	-	-	551,261
	-	71,318,473	27,567,519	10,508,279	19,379,927	36,527,883	49,127,144	-	214,429,225
Net Book Value for Year Ended Dec. 31, 2017	\$ 48,519,310	\$ 93,570,334	\$ 13,212,798	\$ 41,787,682	\$ 35,907,128	\$ 38,365,570	\$ 38,314,088	\$ 4,731,681	\$ 314,408,591

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

10. Reporting by Object

	2018	2017
Salaries and Benefits	\$ 27,898,089	\$ 26,840,274
Goods and Services	51,773,972	49,226,378
Interest	2,717,396	3,515,479
Amortization	13,846,173	13,389,732
Other Expenses	2,284,690	2,333,353
Vehicle & Equipment Maintenance	5,002,150	6,786,080
Policing Agreement	7,031,047	7,261,254
	<u>\$ 110,553,517</u>	<u>\$ 109,352,550</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, 2018 there was no balance outstanding.

b. Bank Indebtedness

The City holds a \$9,230,000 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, 2018 the Debt Reserve Fund demand note requirements were \$1,847,557 (2017 - \$2,507,605). In addition, cash deposits totaling \$844,411 (2017 - \$978,524) were held by the MFA.

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

13. Budget

The Financial Plan (Budget) Bylaw No. 2017-79 adopted by Council on January 9, 2018 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated use of reserves 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:

	2018
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Transfer to Funds/Reserves	19,394,026
Debt Principal Repayments	2,982,421
Budgeted Capital Expenditures - General	7,181,285
Budgeted Capital Expenditures - Electric	4,831,652
Budgeted Capital Expenditures - Sewer	2,677,000
Budgeted Capital Expenditures - Water	3,407,250
Less:	
Budgeted Transfers from Surplus	20,394,215
Budget Surplus per Statement of Operations	\$ 20,079,419

14. Transfers From Other Governments

	2018	2017
Gas tax community works fund	\$ 1,507,824	\$ 1,458,679
Traffic fine revenue sharing	385,881	381,557
Okanagan Basin Water Board grants	211,504	215,822
Province of British Columbia - Carmi Reservoir	511,705	662,745
BC Arts Council	18,000	20,000
Library	132,218	130,696
Miscellaneous	214,021	88,073
	\$ 2,981,153	\$ 2,957,572

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

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.

16. Taxation

	Budget	2018	2017
Municipal Taxation			
Real Property	\$ 31,734,871	\$ 31,575,505	\$ 30,224,908
Special Assessments	213,875	170,067	198,927
Grants in Lieu	254,519	460,447	346,831
Total municipal taxation	32,203,265	32,206,019	30,770,666
Collections For other Governments			
School	16,718,620	15,647,890	15,318,549
Regional District	1,634,682	1,940,995	1,864,568
Regional Hospital	2,558,818	2,603,331	2,483,961
BCAA	463,752	409,730	392,230
Total collections for other taxing authorities	21,375,872	20,601,946	20,059,308
Transfers to Other Governments	(21,375,873)	(20,595,283)	(20,038,950)
Supplemental Taxation Remitted	-	(6,663)	(20,358)
Net taxation for municipal purposes	\$ 32,203,264	\$ 32,206,019	\$ 30,770,666

17. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

18. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset in the future. The City's contractual rights arise because of contracts entered into for long-term land leases that grant rights to the City, upon termination of the lease, to any Building(s) the Tenant has constructed on the land. The following listing outlines the nature, amount, and timing for each of the City's contractual rights to future assets:

The Penticton Golf & Country Club

The LEASE Agreement between The City of Penticton and The Penticton Golf & Country Club dated July 1, 2007, will generate an asset to the City upon expiry of the lease. The LEASE Agreement grants the right of ownership of the Golf Clubhouse Building to the City; the current market value for this building is \$1,656,000. This is a 26 year, 4 month Lease, due to expire in 2033.

Art Gallery of the South Okanagan (Inc. 9986)

The LEASE Agreement between The City of Penticton and the Art Gallery of the South Okanagan (Inc, 9986) dated October 1, 1999, will generate an asset to the City upon expiry of the lease. The LEASE Agreement grants the right of ownership of the Art Gallery Building to the City; the current market value for this building is \$935,000. This is a 20 year Lease, due to expire in 2019.

Penticton Seniors' Drop-in Centre Society

The LEASE Agreement between The City of Penticton and the Penticton Seniors' Drop-in Centre Society dated June 1, 1999, will generate an asset to the City upon expiry of the lease. The LEASE Agreement grants the right of ownership of the Drop-In Centre Building to the City; the current market value for this building is \$1,708,000. This is a 20 year Lease, due to expire in 2019.

Gateway Casinos & Entertainment Limited

The LEASE Agreement between The City of Penticton and Gateway Casinos & Entertainment Limited dated May 4, 2016, will generate an asset to the City upon expiry of the lease. The LEASE Agreement grants the right of ownership of the Casino Building to the City; the current market value for this building is \$12,595,000. This is a 20 year Lease, due to expire in 2036 with two 10-year extension options.

19. 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

General Government operations are primarily funded by property taxation. 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 including administration, financial services, human resources, information technology, and revenue and collections.

The City of Penticton

Notes to the Consolidated Financial Statements

December 31, 2018

19. Segmented Information continued

Protective Services

Protection is comprised of police services, fire protection dog control and building services. 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 the delivery of municipal public works services related to the City's public transit services, roads and maintenance, bridges, drainage systems, bylaw services, public works, street lighting and traffic control.

Environmental Health Services

Environmental services consists of providing waste disposal to citizens.

Public Health and Safety

Health services are comprised of public health services; this segment includes the operation of the City's Cemeteries.

Environmental Development Services

This segment includes city planning, economic development and ensures all property development and land use is in line with City Bylaw's and policies and is in the best interest of the community.

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. The segment also includes parks, land administration and the City's net contribution to the operations of the South Okanagan Events Centre.

Electrical Supply

The electrical supply system is responsible for distribution of electricity to the City's citizens and businesses. This segment includes all of the operating activities related to the supply of the City's electricity.

Sewer System Utility

The City's sanitary sewer system collects, conveys and treats and disposes of domestic and industrial wastewater. This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

Water Utility Services

The water utility is responsible for planning, designing, building and operating and maintaining the City's water system and 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, 2018

	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	2018 Total
REVENUE											
Taxation	\$ 32,206,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,206,019
Sales of Services	2,677,060	1,141,643	2,331,909	2,454,942	312,235	108,071	2,433,900	43,690,448	5,618,853	8,862,818	69,631,879
Government Grants and Transfers	1,923,706	111,701	-	-	-	52,320	170,218	-	211,504	511,705	2,981,154
Other Revenue	7,876,949	149,897	30,000	-	-	-	1,264,420	12,235	-	5,945	9,339,446
Other Contributions	218,821	-	1,396,927	-	-	-	-	1,111,216	81,378	639,935	3,448,277
Gain (loss) on Disposal	(106,012)	-	(537,499)	-	-	-	777,354	-	-	-	133,843
Contributed Asset	2,021,239	-	-	-	-	-	-	-	-	-	2,021,239
	<u>46,817,782</u>	<u>1,403,241</u>	<u>3,221,337</u>	<u>2,454,942</u>	<u>312,235</u>	<u>160,391</u>	<u>4,645,892</u>	<u>44,813,899</u>	<u>5,911,735</u>	<u>10,020,403</u>	<u>119,761,857</u>
EXPENDITURE											
Salaries and Benefits	5,479,572	7,756,242	2,044,532	132,471	42,422	1,808,745	5,637,748	1,939,788	1,510,690	1,545,879	27,898,089
Goods and Services	3,887,461	981,438	4,799,740	1,598,205	186,953	1,196,672	4,611,349	31,430,798	1,565,363	1,515,993	51,773,972
Interest	(27,144)	84,000	131,732	-	-	-	1,384,852	-	709,613	434,343	2,717,396
Amortization	7,833,058	-	1,904,865	-	-	-	-	2,119,112	1,098,271	890,867	13,846,173
Other Expenses	1,534,703	26,927	10,868	-	-	639,205	24,889	36,579	2,252	9,267	2,284,690
Vehicle & Equipment Maintenance	325,615	87,641	1,931,876	4,383	2,566	8,216	468,424	1,689,587	322,962	160,880	5,002,150
Policing Agreement	-	7,031,047	-	-	-	-	-	-	-	-	7,031,047
	<u>19,033,265</u>	<u>15,967,295</u>	<u>10,823,613</u>	<u>1,735,059</u>	<u>231,941</u>	<u>3,652,838</u>	<u>12,127,262</u>	<u>37,215,864</u>	<u>5,209,151</u>	<u>4,557,229</u>	<u>110,553,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,784,517</u>	<u>\$(14,564,054)</u>	<u>\$(7,602,276)</u>	<u>\$ 719,883</u>	<u>\$ 80,294</u>	<u>\$(3,492,447)</u>	<u>\$(7,481,370)</u>	<u>\$ 7,598,035</u>	<u>\$ 702,584</u>	<u>\$ 5,463,174</u>	<u>\$ 9,208,340</u>

The City of Penticton Schedule of Segment Disclosure December 31, 2017

	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	2017 Total
REVENUE											
Taxation	\$ 30,770,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,770,666
Sales of Services	2,847,427	1,279,191	2,043,241	2,583,457	493,556	306,965	2,394,211	45,209,797	5,080,860	8,575,744	70,814,449
Government Grants and Transfers	1,860,236	-	20,000	-	-	48,073	150,696	-	215,822	662,745	2,957,572
Other Revenue	8,384,173	269,220	175	-	-	636	1,258,269	12,609	-	6,555	9,931,637
Other Contributions	282,322	-	174,547	-	-	1,500	2,480	994,501	109,492	441,965	2,006,807
Gain (loss) on Disposal	79,768	-	43,588	-	-	-	-	-	-	-	123,356
Contributed Asset	2,380,923	-	-	-	-	-	-	-	-	-	2,380,923
	<u>46,605,515</u>	<u>1,548,411</u>	<u>2,281,551</u>	<u>2,583,457</u>	<u>493,556</u>	<u>357,174</u>	<u>3,805,656</u>	<u>46,216,907</u>	<u>5,406,174</u>	<u>9,687,009</u>	<u>118,985,410</u>
EXPENDITURE											
Salaries and Benefits	4,930,164	7,640,837	1,734,272	133,695	49,032	1,544,976	5,506,649	2,249,394	1,471,248	1,580,007	26,840,274
Goods and Services	3,853,201	826,727	3,496,708	1,469,544	212,409	1,138,281	4,255,190	30,516,156	1,597,089	1,861,073	49,226,378
Interest	(44,188)	84,000	126,064	-	-	-	2,145,288	-	759,695	444,620	3,515,479
Amortization	7,664,494	-	1,741,702	-	-	-	-	2,097,121	1,065,414	821,001	13,389,732
Other Expenses	1,601,973	16,507	3,342	-	-	615,770	24,666	66,313	1,365	3,417	2,333,353
Vehicle & Equipment Maintenance	294,817	86,500	1,804,613	4,277	5,579	9,291	467,025	3,620,369	333,988	159,621	6,786,080
Policing Agreement	-	7,261,254	-	-	-	-	-	-	-	-	7,261,254
	<u>18,300,461</u>	<u>15,915,825</u>	<u>8,906,701</u>	<u>1,607,516</u>	<u>267,020</u>	<u>3,308,318</u>	<u>12,398,818</u>	<u>38,549,353</u>	<u>5,228,799</u>	<u>4,869,739</u>	<u>109,352,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 28,305,054</u>	<u>\$(14,367,414)</u>	<u>\$(6,625,150)</u>	<u>\$ 975,941</u>	<u>\$ 226,536</u>	<u>\$(2,951,144)</u>	<u>\$(8,593,162)</u>	<u>\$ 7,667,554</u>	<u>\$ 177,375</u>	<u>\$ 4,817,270</u>	<u>\$ 9,632,860</u>

The City of Penticton
 General Revenue Fund
 Statement of Operations
 Year ended December 31, 2018 (unaudited)

	2018 Budget	2018	2017
Revenue			
Taxation	\$ 32,203,265	\$ 32,206,019	\$ 30,770,666
Sales of Services	13,990,211	16,137,073	16,626,398
Government Grants and Transfers	2,037,417	2,257,945	2,079,005
Transfer From Other Funds/Reserves	2,031,225	6,090,564	5,275,786
Other Revenue	7,035,754	9,321,265	9,912,473
Other Contributions	205,768	1,615,748	460,849
Sale of Assets	30,000	133,843	123,356
Collections For other Governments	21,375,873	20,601,945	20,059,308
	<u>78,909,513</u>	<u>88,364,402</u>	<u>85,307,841</u>
Expenditure			
Salaries and Benefits	21,792,717	23,502,011	22,175,482
Goods and Services	13,377,179	18,270,932	16,226,071
Interest	1,646,247	1,573,440	2,311,164
Principal Payments	1,985,241	1,985,239	3,232,873
Other Expenses	1,865,087	2,236,591	2,262,258
Vehicle & Equipment Maintenance	2,823,809	2,828,721	2,672,103
Policing Agreement	7,413,760	7,031,047	7,261,254
Transfer to Other Funds/Reserves	6,629,600	9,809,192	8,813,414
Transfers to Other Governments	21,375,873	20,595,283	20,038,950
	<u>78,909,513</u>	<u>87,832,456</u>	<u>84,993,569</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>531,946</u>	<u>314,272</u>
CHANGE IN FUND BALANCES	-	531,946	314,272
FUND BALANCES, BEGINNING OF YEAR	6,026,008	6,026,008	5,711,736
FUND BALANCES, END OF YEAR	<u>\$ 6,026,008</u>	<u>\$ 6,557,954</u>	<u>\$ 6,026,008</u>

The City of Penticton
 Reserve Funds
 Statement of Financial Position
 Year ended December 31, 2018 (unaudited)

	2018	2017
Balance, Beginning of Year	\$ 14,539,200	\$ 10,815,928
Add		
Transfers from:		
Revenue Funds	5,165,260	3,650,159
Interest Earned	247,129	142,216
Deduct		
Transfers to:		
Capital Funds	5,356,300	69,103
	<u>\$ 14,595,289</u>	<u>\$ 14,539,200</u>
 STATUTORY RESERVE FUND BALANCES		
Equipment Replacement Reserve Fund	4,337,362	3,802,136
Tax Sale Lands Reserve Fund	7,687	7,555
Capital Reserve Fund	2,665,542	2,538,535
Land Acquisition Reserve	81,909	1,917,025
Local Improvement	1,062,349	1,258,805
Off-Site Parking Reserve Fund	124,577	122,434
Community Works Reserve Fund	1,066,911	922,087
Public Amenity Reserve	75,267	75,601
Affordable Housing Reserve	171,979	169,021
Alternative Transportation Reserve	53,666	52,743
Asset Sustainability	2,443,294	1,211,591
Water Capital Reserve Fund	919,964	904,142
Sewer Capital Reserve Fund	552,333	542,833
Electric Capital Reserve Fund	1,032,449	1,014,692
	<u>14,595,289</u>	<u>14,539,200</u>
Balance, End of Year	<u>\$ 14,595,289</u>	<u>\$ 14,539,200</u>

The City of Penticton
Reserve Funds
Statement of Changes in Fund Balances
December 31, 2018 (unaudited)

	Balance, Beginning of Year	Transfer from General Revenue Fund	Interest Earned	Transfer to/from General Capital Fund	Transfer to Sewer Capital Fund	Inter-reserve Transfers	2018 Total
Reserve							
Equipment Replacement	\$ 3,802,136	\$ 1,171,360	\$ 68,812	\$ (704,946)	\$ -	\$ -	\$ 4,337,362
Tax Sale Lands	7,555	-	132	-	-	-	7,687
Capital	2,538,535	299,521	33,885	(206,399)	-	-	2,665,542
Land Acquisition	1,917,025	846,228	17,339	(2,698,683)	-	-	81,909
Local Improvement	1,258,805	140,327	20,174	(334,073)	(22,884)	-	1,062,349
Off-Street Parking	122,434	-	2,143	-	-	-	124,577
Community Works	922,087	1,507,824	24,675	(1,387,675)	-	-	1,066,911
Public Amenity	75,601	-	1,306	(1,640)	-	-	75,267
Affordable Housing	169,021	-	2,958	-	-	-	171,979
Alternative Transportation	52,743	-	923	-	-	-	53,666
Asset Sustainability	1,211,591	1,200,000	31,703	-	-	-	2,443,294
Water Capital	904,142	-	15,822	-	-	-	919,964
Sewer Capital	542,833	-	9,500	-	-	-	552,333
Electric Capital	1,014,692	-	17,757	-	-	-	1,032,449
	\$ 14,539,200	\$ 5,165,260	\$ 247,129	\$ (5,333,416)	\$ (22,884)	\$ -	\$ 14,595,289

The City of Penticton
Reserves
Statement of Changes in Fund Balances
Year ended December 31, 2018 (unaudited)

	Balance, Beginning of Year	Transfers In	Transfers Out	Interest	Inter-reserve Transfers	2018 Total
Non-Statutory						
Asset Emergency	\$ 958,474	\$ 378,504	\$ (571,535)	\$ -	\$ -	\$ 765,443
Building Permit Stabilization	100,000	-	(54,989)	-	-	45,011
Carbon Tax Credit Reserve	152,421	-	-	-	-	152,421
Cemetery Land	133,000	-	-	-	-	133,000
Climate Action	179,320	52,320	-	-	-	231,640
Election	70,952	-	(70,952)	-	-	-
Electric Surplus	16,822,619	2,233,665	-	-	-	19,056,284
Financial Stabilization	78,568	132,986	-	-	-	211,554
Gaming	6,160,879	1,391,693	(2,784,978)	-	-	4,767,594
General Surplus	6,026,010	531,946	-	-	-	6,557,956
Infrastructure	400,000	-	-	-	-	400,000
Investment Income	1,369,942	-	-	-	-	1,369,942
Liability Insurance	250,001	-	-	-	-	250,001
Marinas	547,604	60,494	-	-	-	608,098
Multi-Material BC	70,602	443,826	(222,000)	-	-	292,428
Northgate	52,000	-	-	-	-	52,000
Parking & Revitalization	51,765	-	-	-	-	51,765
Public Art	47,271	75,000	(27,500)	-	-	94,771
Rate Stabilization	200,000	-	-	-	-	200,000
RCMP	359,999	100,000	-	-	-	459,999
Sewer Equipment Replacement	108,022	72,246	-	-	-	180,268
Sewer Surplus	5,211,677	-	(1,589,958)	-	-	3,621,719
Snow Clearing Stabilization	75,000	-	-	-	-	75,000
Special Events Site	21,166	-	-	-	-	21,166
Water Surplus	4,909,448	1,892,666	-	-	-	6,802,114
West Bench Capital	1,185,185	-	-	-	-	1,185,185
West Bench Water	1,645,056	-	(78,336)	-	-	1,566,720
Wine/Info	13,150	-	-	-	-	13,150
	47,200,131	7,365,346	(5,400,248)	-	-	49,165,229
Statutory	14,539,200	5,165,260	(5,356,300)	247,129	-	14,595,289
DCC	14,589,967	1,239,738	(437,299)	264,877	-	15,657,283
	<u>\$ 76,329,298</u>	<u>\$ 13,770,344</u>	<u>\$ (11,193,847)</u>	<u>\$ 512,006</u>	<u>\$ -</u>	<u>\$ 79,417,801</u>

The City of Penticton
 Sewer Revenue Fund
 Statement of Operations
 Year ended December 31, 2018 (unaudited)

	2018 Budget	2018	2017
Revenue			
Sales of Services	\$ 5,745,121	\$ 5,618,853	\$ 5,080,860
Government Grants and Transfers	215,818	211,504	215,822
Transfer From Other Funds/Reserves	1,917,422	1,252,791	1,031,396
	<u>7,878,361</u>	<u>7,083,148</u>	<u>6,328,078</u>
Expenditure			
Salaries and Benefits	1,513,455	1,510,690	1,471,248
Goods and Services	2,033,194	2,214,963	2,154,684
Interest	773,830	709,613	759,695
Principal Payments	575,057	575,057	575,057
Other Expenses	-	2,252	1,365
Vehicle & Equipment Maintenance	405,825	322,962	333,988
Transfer to Other Funds/Reserves	2,677,000	3,337,569	2,721,753
	<u>7,978,361</u>	<u>8,673,106</u>	<u>8,017,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(100,000)</u>	<u>(1,589,958)</u>	<u>(1,689,712)</u>
CHANGE IN FUND BALANCES	(100,000)	(1,589,958)	(1,689,712)
FUND BALANCES, BEGINNING OF YEAR	5,211,677	5,211,677	6,901,389
FUND BALANCES, END OF YEAR	<u>\$ 5,111,677</u>	<u>\$ 3,621,719</u>	<u>\$ 5,211,677</u>

The City of Penticton
Water Revenue Fund
Statement of Operations
Year ended December 31, 2018 (unaudited)

	2018 Budget	2018	2017
Revenue			
Sales of Services	\$ 8,466,692	\$ 8,862,818	\$ 8,575,744
Government Grants and Transfers	-	511,705	662,745
Transfer From Other Funds/Reserves	78,336	3,080,159	939,158
Other Revenue	-	5,945	6,555
	<u>8,545,028</u>	<u>12,460,627</u>	<u>10,184,202</u>
Expenditure			
Salaries and Benefits	1,448,791	1,545,879	1,580,006
Goods and Services	1,810,208	2,231,481	2,490,503
Interest	448,795	434,343	444,620
Principal Payments	422,123	422,123	422,123
Other Expenses	18,171	9,267	3,417
Vehicle & Equipment Maintenance	269,275	160,880	159,621
Transfer to Other Funds/Reserves	4,227,665	5,763,988	4,087,725
	<u>8,645,028</u>	<u>10,567,961</u>	<u>9,188,015</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(100,000)</u>	<u>1,892,666</u>	<u>996,187</u>
CHANGE IN FUND BALANCES	(100,000)	1,892,666	996,187
FUND BALANCES, BEGINNING OF YEAR	4,909,450	4,909,450	3,913,263
FUND BALANCES, END OF YEAR	<u>\$ 4,809,450</u>	<u>\$ 6,802,116</u>	<u>\$ 4,909,450</u>

The City of Penticton
 Electric Revenue Fund
 Statement of Operations
 Year ended December 31, 2018 (unaudited)

	2018 Budget	2018	2017
Revenue			
Sales of Services	\$ 42,075,311	\$ 43,690,448	\$ 45,209,797
Other Revenue	9,000	12,235	12,609
Transfer From Other Funds/Reserves	1,531,292	482,324	1,137,922
	<u>43,615,603</u>	<u>44,185,007</u>	<u>46,360,328</u>
Expenditure			
Salaries and Benefits	1,616,803	1,939,788	2,249,394
Goods and Services	35,284,722	33,133,633	32,397,614
Other Expenses	68,953	36,579	66,313
Vehicle & Equipment Maintenance	167,982	1,689,587	3,620,369
Transfer to Other Funds/Reserves	6,477,143	5,151,755	5,704,951
	<u>43,615,603</u>	<u>41,951,342</u>	<u>44,038,641</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,233,665</u>	<u>2,321,687</u>
CHANGE IN FUND BALANCES	-	2,233,665	2,321,687
FUND BALANCES, BEGINNING OF YEAR	16,822,619	16,822,619	14,500,932
FUND BALANCES, END OF YEAR	<u>\$ 16,822,619</u>	<u>\$ 19,056,284</u>	<u>\$ 16,822,619</u>

The City of Penticton
 Storm Water
 Statement of Revenue and Expenditure
 Year ended December 31, 2018 (unaudited)

	2018 Budget	2018	2017
REVENUE			
Sales of Services	\$ -	\$ 172,729	\$ -
Government Grants and Transfers	-	10,000	-
	<u>-</u>	<u>182,729</u>	<u>-</u>
EXPENDITURE			
Salaries and Benefits	116,717	131,920	97,441
Goods and Services	23,500	136,874	33,348
Other Expenses	-	155	-
Vehicle & Equipment Maintenance	28,750	32,261	14,460
	<u>168,967</u>	<u>301,210</u>	<u>145,249</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (168,967)</u>	<u>\$ (118,481)</u>	<u>\$ (145,249)</u>

See accompanying notes to the Consolidated Financial Statements.

The City of Penticton Debt Issued and Outstanding December 31, 2018 (unaudited)

LIA B Law	S/1 B Law	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2018 Payments		
									Interest	Principal	
General Fund											
9925	20005	72	12-Apr-00	RCMP Building	\$ 2,500,000	\$ 365,869	20	2020	2.100	\$ 52,500	\$ 82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	219,521	20	2020	2.100	31,500	49,725
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	137,459	20	2024	2.400	8,100	10,207
2004-16	859-2004	85	25-Oct-04	Parks-Land Acquisition	1,680,000	684,242	20	2024	2.000	33,600	50,807
2004-18	859/2004	85	25-Oct-04	Road Works-S. Main St.	195,000	79,421	20	2024	2.000	3,900	5,897
2004-19	859/2004	85	25-Oct-04	Road Design-Main St.	150,000	61,093	20	2024	2.000	3,000	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	224,008	20	2024	2.000	11,000	16,633
2004-21	859/2004	85	25-Oct-04	Youth Park	50,000	20,364	20	2024	2.000	1,000	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	326,755	20	2025	5.100	17,739	42,153
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	212,391	20	2025	5.100	11,531	27,400
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	65,819	20	2025	1.800	2,700	5,514
2005-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	362,002	20	2025	1.800	14,850	30,328
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	790,174	20	2026	1.750	27,913	53,563
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	1,585,303	20	2026	1.750	56,000	107,462
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	191,487	20	2027	2.250	7,875	11,754
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	1,790,442	20	2028	3.650	109,500	100,745
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	10,000,000	-	10	2018	5.150	515,000	832,909
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	1,492,035	20	2028	5.150	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	596,814	20	2028	5.150	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	316,311	20	2028	5.150	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	-	10	2018	5.150	58,710	94,952
2007-60	157-2009	105	21-Apr-09	PIDA	231,344	27,426	10	2019	4.900	11,336	19,269
2007-52	638/2009	106	13-Oct-09	Indoor Soccer Facility	415,000	267,514	20	2029	4.130	17,140	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	404,674	20	2030	4.500	26,370	19,679
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	5,110,219	20	2030	4.500	333,000	248,505
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	99,193	20	2031	4.200	5,670	4,534

Continued on next page

The City of Penticton Debt Issued and Outstanding December 31, 2018 (unaudited)

LIA/B Law	S/1/B Law	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2018 Payments	
									Interest	Principal
2009-43	B25/2011	116	04-Apr-11	447,000	328,438	20	2031	4.200	18,774	15,011
26/2018			04-Apr-11	1,530,000	1,530,000	5		-	5,063	-
				<u>43,316,844</u>	<u>17,288,974</u>				<u>1,591,316</u>	<u>1,985,238</u>
Water Fund										
2006-07	17/07/2006	99	07-Nov-06	4,670,000	2,313,551	20	2026	1.750	81,725	156,827
2007-83	333/2008	104	20-Nov-08	4,000,000	2,387,256	20	2028	5.150	206,000	134,327
2007-83	638/2009	106	13-Oct-09	3,900,000	2,513,984	20	2029	4.130	161,070	130,969
				<u>12,570,000</u>	<u>7,214,791</u>				<u>448,795</u>	<u>422,123</u>
Sewer Fund										
2006-61	273/2007	102	02-Nov-07	1,050,000	574,460	20	2027	2.250	23,625	35,261
2008-10	333-2008	104	02-Nov-07	8,000,000	4,774,511	20	2028	5.150	412,000	268,654
2007-60	333/2008	104	20-Nov-08	360,000	-	10	2018	5.150	18,540	29,985
2007-60	157/2009	105	21-Apr-09	73,056	8,661	10	2019	4.900	3,580	6,085
2008-10	638-2009	106	13-Oct-09	7,000,000	4,512,278	20	2029	4.130	289,100	235,072
				<u>16,483,056</u>	<u>9,869,910</u>				<u>746,845</u>	<u>575,057</u>
				<u>\$ 72,369,900</u>	<u>\$ 34,373,675</u>				<u>\$ 2,786,956</u>	<u>\$ 2,982,418</u>

The City of Penticton
 Cemetery Perpetual Trust Fund
 Statement of Financial Position
 Year ended December 31, 2018 (unaudited)

	2018	2017
ASSETS		
Bank Term Deposits	\$ 1,039,781	\$ 1,016,404
Less:		
Due To General Revenue Fund	22,686	29,710
	<u>\$ 1,017,095</u>	<u>\$ 986,694</u>
SURPLUS		
Balance, Beginning of Year	\$ 986,694	\$ 947,399
Add:		
Care Fund Contributions	30,324	39,240
Interest Earned	23,377	22,855
	<u>53,701</u>	<u>62,095</u>
Deduct:		
Cemetery Maintenance	23,300	22,800
Balance, End of Year	<u>\$ 1,017,095</u>	<u>\$ 986,694</u>

Municipal Grant Program

Penticton’s vision to be a “vibrant, innovative, adventurous waterfront City focused on sustainability, community and economic opportunity” includes supporting our community through municipal grants. The purpose of municipal grants is to raise the quality of life for City of

Penticton residents by meeting the needs of community organizations and the objectives of City Council in meaningful, measureable ways. Municipal grants also include partnering agreements and consist of cash funding and in-kind support.

Organization	Total Support**
Canadian Mental Health Association	\$ 2,000
Canadian Sport School Hockey League	10,000
Community Arts Council	12,312
Community Foundation of the South Okanagan Similkameen	25,000
Downtown Penticton Association (BC Family Day)	7,350
Downtown Penticton Association (Block Parties)	1,443
Downtown Penticton Association (Canada Day Celebration)	5,819
Downtown Penticton Association (Canada Day Fireworks)	2,500
Downtown Penticton Association (Rock the Sun)	8,616
Get Bent Active Arts Society	320
Granfondo*	29,411
Miss Penticton Royalty	9,150
Okanagan Motorcycle Association	451
Okanagan School of the Arts (Shatford Centre)	10,000
Okanagan Similkameen Healthy Living Fair Society	3,921
Parkrun	2,500
Peach Festival Society	40,712
Penticton & Area Access Society	4,300
Penticton & Area Cycling Association	2,500
Penticton & Area Cycling Association (Bike Valet)	732
Penticton Amateur Radio Club	666
Penticton Art Gallery Society	125,000
Penticton Arts Council (Arts Rising)	5,000

*Denotes Partnering Agreement

**All listed amounts are rounded to the closest dollar

Continued on next page

Municipal Grant Program (cont.)

Organization	Total Support**
Penticton BMX	1,252
Penticton Curling Club (World Curling Tour)	9,000
Penticton Dragonboat Festival Society	12,099
Penticton Elvis Festival	3,890
Penticton Historic Automobile Association	6,115
Penticton Jazz Festival	9,367
Penticton Kiwanis Music Festival	5,000
Penticton Scottish Festival Society	4,000
Penticton Tennis Club	4,200
RCMP Youth Academy	3,000
Rotary Club of Penticton	5,539
Royal Canadian Legion	3,000
Scotties Tournament of Hearts*	200,000
Skaha Bluffs Park Watch Society	13,000
South Okanagan Immigrant & Community Services (on behalf of Penticton & District Multicultural Society)	15,700
South Okanagan Seniors Wellness Society	13,000
South Okanagan Similkameen Mental Wellness Society	18,000
South Okanagan Similkameen Volunteer Society	20,000
SS Sicamous Society (Operating)	45,000
SS Sicamous Society (Utilities)	20,000
Super League*	86,413
The Penticton Centre for Exceptional Learning	1,500
United Way Emergency Transportation Assistance Program	7,290
Upperdeck Vees Hockey	3,640
YES Project	300,000
Young Life - South Okanagan	5,000
2018 Grand Total	\$ 1,124,709

*Denotes Partnering Agreement

**All listed amounts are rounded to the closest dollar

2018 Permissive Tax Exemptions

Applicant	Civic Address	2018 Municipal Taxes Foregone
Affordable Living for Today Society	245 Warren Ave W	\$3,887
Army, Navy & Air Force Veterans in Canada, Unit 97	257 Brunswick St	\$1,566
Care Closet	574 Main St	\$1,923
Cheers the Church	639 Main St	\$5,677
Christian Science Society	608 Winnipeg St	\$2,083
Church of Jesus Christ of Latter Day Saints	2946 South Main St	\$5,480
Church of the Nazarene	523 Jermyn Ave	\$3,072
Concordia Lutheran Church	2800 South Main St	\$4,873
Fraternal Order of Eagles Aerie 4281	1197 Main St	\$4,045
Good Samaritan Canada (A Lutheran Social Service Organization)	270 Hastings Ave	\$57,128
Governing Council of the Salvation Army Corps 344	2399 South Main St	\$9,177
Governing Council of the Salvation Army Corps 344	318 Ellis St	\$3,691
Governing Council of the Salvation Army Corps 344	2469 South Main St	\$3,814
Grace Mennonite Brethren Church	74 Penticton Ave	\$1,633
Green Mountain Christian Congregation of Jehovah's Witnesses	52 Roy Ave	\$3,520
Hellenic Community Society of Penticton	1265 Fairview Rd	\$1,337
Holy Cross School	1299 Manitoba St	\$3,632
LUSO Canadian Multicultural Society of Penticton	135 Winnipeg St	\$2,169
Oasis United Church	2964 Skaha Lake Rd	\$9,705
Okanagan Boys & Girls Club	1295 Manitoba St	\$5,115
Ooknakane Friendship Centre	146 Ellis St	\$4,684
Our Redeemer Lutheran Church	1370 Church St	\$1,651
Penticton & District Community Arts Council	220 Manor Park Ave	\$10,543
Penticton & District Community Resources Society	154 McPherson Cres	\$2,465
Catalyst Community Developments Society	285 Nanaimo Ave W	\$4,045
Penticton & District Community Resources Society	330 Ellis St	\$11,288
Penticton & District Community Resources Society	1160 Commercial Way	\$2,685
Penticton & District Community Resources Society	470 Edmonton Ave	\$2,833
Penticton & District Community Resources Society	500 Edmonton Ave	\$991
Penticton & District Community Resources Society	2434 Baskin St	\$1,033
Penticton & District Community Resources Society	2450 Baskin St	\$1,036
Penticton & District Community Resources Society	150 McPherson Cres	\$2,465
Penticton & District Emergency Program Society	251 Dawsom Ave	\$1,295
Penticton & District Minor Hockey Association	325 Power St	\$1,393
Penticton & District Society for Community Living	453 Winnipeg St	\$3,694
Penticton & District Society for Community Living	252 Conklin Ave	\$2,010
Penticton & District Society for Community Living	180 Industrial Ave W	\$11,948
Penticton & District Society for Community Living	234 Van Horne St	\$2,332
Penticton & Wine Country Chamber of Commerce	102 Ellis St	\$2,443
Penticton Alliance Church	197 Brandon Ave	\$4,158
Penticton Art Gallery	199 Marina Way	\$18,428
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave	\$2,217

Continued on next page

2018 Permissive Tax Exemptions (cont.)

Applicant	Civic Address	2018 Municipal Taxes Foregone
Affordable Living for Today Society	245 Warren Ave W	\$3,887
Army, Navy & Air Force Veterans in Canada, Unit 97	257 Brunswick St	\$1,566
Care Closet	574 Main St	\$1,923
Cheers the Church	639 Main St	\$5,677
Christian Science Society	608 Winnipeg St	\$2,083
Church of Jesus Christ of Latter Day Saints	2946 South Main St	\$5,480
Church of the Nazarene	523 Jermyn Ave	\$3,072
Concordia Lutheran Church	2800 South Main St	\$4,873
Fraternal Order of Eagles Aerie 4281	1197 Main St	\$4,045
Good Samaritan Canada (A Lutheran Social Service Organization)	270 Hastings Ave	\$57,128
Governing Council of the Salvation Army Corps 344	2399 South Main St	\$9,177
Governing Council of the Salvation Army Corps 344	318 Ellis St	\$3,691
Governing Council of the Salvation Army Corps 344	2469 South Main St	\$3,814
Grace Mennonite Brethren Church	74 Penticton Ave	\$1,633
Green Mountain Christian Congregation of Jehovah's Witnesses	52 Roy Ave	\$3,520
Hellenic Community Society of Penticton	1265 Fairview Rd	\$1,337
Holy Cross School	1299 Manitoba St	\$3,632
LUSO Canadian Multicultural Society of Penticton	135 Winnipeg St	\$2,169
Oasis United Church	2964 Skaha Lake Rd	\$9,705
Okanagan Boys & Girls Club	1295 Manitoba St	\$5,115
Ooknakane Friendship Centre	146 Ellis St	\$4,684
Our Redeemer Lutheran Church	1370 Church St	\$1,651
Penticton & District Community Arts Council	220 Manor Park Ave	\$10,543
Penticton & District Community Resources Society	154 McPherson Cres	\$2,465
Catalyst Community Developments Society	285 Nanaimo Ave W	\$4,045
Penticton & District Community Resources Society	330 Ellis St	\$11,288
Penticton & District Community Resources Society	1160 Commercial Way	\$2,685
Penticton & District Community Resources Society	470 Edmonton Ave	\$2,833
Penticton & District Community Resources Society	500 Edmonton Ave	\$991
Penticton & District Community Resources Society	2434 Baskin St	\$1,033
Penticton & District Community Resources Society	2450 Baskin St	\$1,036
Penticton & District Community Resources Society	150 McPherson Cres	\$2,465
Penticton & District Emergency Program Society	251 Dawsom Ave	\$1,295
Penticton & District Minor Hockey Association	325 Power St	\$1,393
Penticton & District Society for Community Living	453 Winnipeg St	\$3,694
Penticton & District Society for Community Living	252 Conklin Ave	\$2,010
Penticton & District Society for Community Living	180 Industrial Ave W	\$11,948
Penticton & District Society for Community Living	234 Van Horne St	\$2,332
Penticton & Wine Country Chamber of Commerce	102 Ellis St	\$2,443
Penticton Alliance Church	197 Brandon Ave	\$4,158
Penticton Art Gallery	199 Marina Way	\$18,428
Penticton Bethel Pentecostal Tabernacle	65 Preston Ave	\$2,217
Penticton Bethel Pentecostal Tabernacle	973 Main St	\$3,710
Penticton Bethel Pentecostal Tabernacle	945 Main St	\$6,655

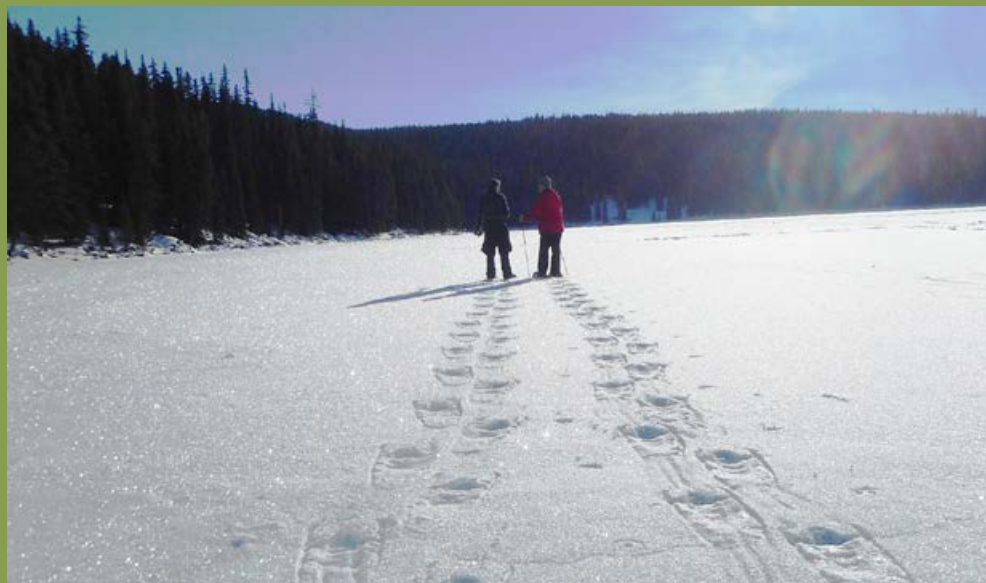
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2018 Permissive Tax Exemptions (cont.)

Applicant	Civic Address	2018 Municipal Taxes Foregone
Penticton BMX Society	630 Munson Mountain Rd	\$2,724
Penticton Christian School Society	1060 Main St	\$869
Penticton Community Garden Society	480 Vancouver Ave	\$1,829
Penticton Curling Club	505 Vees Dr	\$12,184
Penticton Disc Golf Club	500 Marina Way	\$19,583
Penticton Early Childhood Education Society	104 - 550 Carmi Ave	\$1,431
Penticton Elks Lodge 51	343 Ellist St	\$4,682
Penticton First Baptist Church	1498 Government St	\$5,424
Penticton Free Presbyterian Church	120 Preston Ave	\$2,827
Penticton Golf & Country Club	600 Comox St	\$9,731
Penticton Golf & Country Club	852 Eckhardt St W	\$13,341
Penticton Horseshoe Pitchers Club	2905 South Main St	\$2,273
Penticton Kinsmen Disability Resource Centre Society	216 Hastings Ave	\$8,446
Penticton Kiwanis Housing Society	101 - 150 Van Horne St	\$804
Penticton Kiwanis Housing Society	103 - 150 Van Horne St	\$683
Penticton Kiwanis Housing Society	105 - 150 Van Horne St	\$683
Penticton Kiwanis Housing Society	113 - 150 Van Horne St	\$683
Penticton Kiwanis Housing Society	115 - 150 Van Horne St	\$812
Penticton Kiwanis Housing Society	112 - 150 Van Horne St	\$803
Penticton Kiwanis Housing Society	104 - 150 Van Horne St	\$680
Penticton Kiwanis Housing Society	102 - 150 Van Horne St	\$799
Penticton Kiwanis Housing Society	201 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	209 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	211 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	213 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	215 - 150 Van Horne St	\$816
Penticton Kiwanis Housing Society	214 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	212 - 150 Van Horne St	\$689
Penticton Kiwanis Housing Society	210 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	204 - 150 Van Horne St	\$683
Penticton Kiwanis Housing Society	202 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	301 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	315 - 150 Van Horne St	\$816
Penticton Kiwanis Housing Society	314 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	312 - 150 Van Horne St	\$689
Penticton Kiwanis Housing Society	310 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	308 - 150 Van Horne St	\$787
Penticton Kiwanis Housing Society	304 - 150 Van Horne St	\$683
Penticton Kiwanis Housing Society	302 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	401 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	413 - 150 Van Horne St	\$687
Penticton Kiwanis Housing Society	415 - 150 Van Horne St	\$816
Penticton Kiwanis Housing Society	414 - 150 Van Horne St	\$807
Penticton Kiwanis Housing Society	412 - 150 Van Horne St	\$689

2018 Revitalization Tax Exemptions

Civic Address	2018 Municipal Taxes Foregone
437 Martin St	\$1,372
535 Main St	\$2,553
275 Waterloo Ave	\$4,156
1690 Fairview Rd	\$1,764
110 Industrial Pl	\$3,514
182 Industrial Crt	\$1,803
3475 Wilson St	\$80,127
169 Estabrook Ave	\$5,540
260 Martin St	\$938
219 Main St	\$7,160
250 Winnipeg St	\$24,399
553 Veas Dr	\$82,818
21 Lakeshore Dr W	\$90,147
198 Ellis St	\$6,282
351 Van Horne St	\$4,797
345 Van Horne St	\$5,029
325 Van Horne St	\$5,547
331 Van Horne St	\$4,868
52 Front St	\$882
412 Main St	\$2,166
409 Ellis St	\$702
232 Rosetown Ave	\$2,437
2060 Government St	\$1,620
1704 Government St	\$17,260
1356 Commercial Way	\$1,110
1374 Commercial Way	\$5,749
682 Okanagan Ave E	\$5,723
272 Dawson Ave	\$6,351
568 Dawson Ave	\$13,563
Total 2018 Revitalization Tax Exemptions	\$390,373





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