

Overview

The Infrastructure Division consists of the:

- Electrical Department: Electrical Distribution; Street Lighting; Traffic Signals (1M, 1S, 14 staff)
- Engineering Department: Design; Water Treatment Plant; Waste Water Treatment Plant (1M, 3S, 23 staff)
- Public Works Department: Fleet; Parks; and Works (1M, 4S, 42 staff, 23 seasonal)

The Infrastructure Division is responsible for:

- Leading Utility Rate setting for the City
- Administering, through contract, conventional and custom transit

The responsibilities of the Electrical, Engineering and Public Works Departments will be covered in their respective budget presentations



2019 Achievements

- ✓ Completed the Utility Rate review with the InterGroup Consultants and the Utility Rate Review Committee. Electric, Sanitary and Treated and Agricultural Water rates set for 2020 to 2022.
- ✓ Received a grant from the South Okanagan Conservation Fund for detail design and permit submission for Penticton Creek Reach 3A upper and Reach 3B.
- ✓ Completed the Request for Proposal process for Asset Management software and commenced work on the implementation of the project .
- ✓ Worked with the RDOS and BC Transit to implement the new Penticton to Kelowna Regional Route 70 including a Park and Ride option.
- ✓ Completed the Adjacent Property Owner Contribution Local Area Service Bylaw Policy.
- ✓ Repaired the 2018 freshet damage to Penticton and Ellis Creeks.



Challenges & Opportunities

In addition to the individual department challenges, set out elsewhere, the following key challenges are noted:

- **Infrastructure Optimization Manager** - Created a position to analyze data, undertake scenario analysis on our assets, develop long range budgets and the annual and 5 year budgets.
- **Transportation Engineering** –Increase budget for additional transportation engineering services to address the increasing number and complexity of transportation issues.
- **Geographic Infrastructure System** – Departments in the Infrastructure area are not keeping up with the entry of new data into the GIS system the IT and Infrastructure areas will work to identify the specific problem and address it.
- **Transit Assets** – Summer student resource to collect GIS field data at bus stops and develop a prioritised plan for transit stop upgrades.



Innovations & Cost Savings

- To be addressed at the Department Level.



2020 Initiatives

- Work on the Asset and Amenity Council Priority
- Leading the Community Design Council Priority
- Asset Management Software Implementation
- Refresh the Regional District of Okanagan-Similkameen (RDOS) Transit Future Action Plan for Penticton (Note: The planned expansion to Sendero Canyon and Upper Wiltse is not included in the 2020 budget)
- Penticton Bus Stop Inspection and Prioritized Action List



2020 Operating Budget

	2019 Budget		2019 Forecast		2020 Budget	
Expense		210,244		210,244		217,108
Net Cost Allocations	-	210,244	-	210,244	-	217,108
Net Expense/(Revenue)	\$	-	\$	-	\$	-



2020 Operating Budget

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(684,610)	(688,805)	(702,650)	2.0%
Expense	2,080,540	1,866,140	2,134,852	14.4%
Net Cost Allocations	<u>14,000</u>	<u>14,000</u>	<u>29,798</u>	
Net Expense/(Revenue)	1,409,930	1,191,335	1,462,000	

Note: Variance column represents change between 2019 Forecast and 2020 Budget



Proposed Increase

Budget Request	Benefit	Operating Budget Request
Refresh of the RDOS Transit Future Action Plan (including Penticton)	This plan will provide a blueprint for Penticton Transit changes and potential expansions for the next five years. These funds are to supplement engagement activities that are part of BC transits work plan.	\$10,000
Penticton Bus Stop Inspection and Generation of a Prioritized Action List	This project provides the City with up to date GIS information on transit stops and will provide a prioritized plan to improve service to transit customers.	\$20,000



THAT Council approve in principle the Infrastructure business plan initiatives and proposed budget, subject to final review.

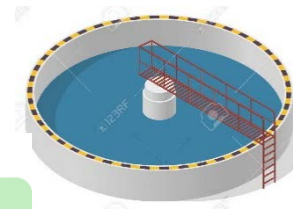


Utilities

Infrastructure

The City of Penticton has four Utilities serviced by 3 different departments:

- **Electrical** (Electrical Department)
- **Water** (Engineering Department, Public Works Department)
- **Sanitary Sewer** (Engineering Department, Public Works Department)
- **Storm Sewer** (Engineering Department, Public Works Department)



The following slides present an overview of the 2020 Budget for the first three utilities, details will be presented in each department budget



Fund Overview

	2020 Budget
Total Revenue	(42,567,428)
Operational Expense	32,835,476
Allocations	
Overhead Allocation	1,429,579
Other Allocations In/Out	<u>385,659</u>
Transfers	
General Capital Dividend	3,100,000
Sewer Loan Repayment	<u>(200,000)</u>
Total Operating Expenses	<u>37,550,714</u>
Net Operating Surplus	(5,016,714)
Electric Capital Expense	1,746,900
Transfer to Capital Reserve	<u>3,269,814</u>
Electric Fund Balance	\$ -



Fund Overview

	2020 Budget
Total Revenue	(9,194,753)
WTP Expense	1,775,946
Water Distribution Expense	972,615
Allocations	
Overhead Allocation	904,949
Debt Allocation	707,598
Other Allocations In/Out	644,624
Transfers	
Transfer To DCC Reserve	200,000
Transfer From DCC Reserve	(100,000)
Transfer From West Bench Water	<u>(78,336)</u>
Total Operating Expenses	<u>5,027,396</u>
Net Operating Surplus	(4,167,358)
Water Capital Expense	4,334,500
Transfer from Capital Reserve	<u>(167,142)</u>
Water Fund Balance	\$ -



Fund Overview

	2020 Budget
Total Revenue	(7,815,559)
AWWTP Expense	2,683,766
Sewer Collection Expense	752,584
Allocations	
Overhead Allocation	853,642
Debt Allocation	952,112
Other Allocations In/Out	589,429
Electric Loan Repayment	200,000
Transfer to DCC Reserve	<u>100,000</u>
Total Operating Expenses	6,131,533
Net Operating Surplus	(1,684,026)
Sewer Capital Expense	1,015,000
Transfer from DCC Reserve	(125,000)
Transfer to Capital Reserve	<u>794,026</u>
Sewer Fund Balance	\$ -



Highlights

	2019 Budget	2019 Forecast	2020 Budget	Variance
Revenue	(367,000)	(362,104)	(558,000)	54.1%
Expense	246,900	242,805	191,401	-21.2%
Transfers	-	-	45,018	
Net Cost Allocations	<u>178,400</u>	<u>178,400</u>	<u>321,581</u>	
Net Expense/(Surplus)	58,300	59,101	-	



Questions

