



Committee of the Whole

penticton.ca

Committee of the Whole
to be held at
City of Penticton, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, December 6, 2016
Recessed from the Regular Council Meeting at 1:00 p.m.

1. **Call Committee of the Whole to Order**
2. **Adoption of Agenda**
3. **Delegations and Staff Presentations:**
 - 3.1 Introduction – Thom Tischik, Executive Director, Travel Penticton
 - 3.2 Dedicated Storm Water Fund 1-21
Cory Sivell and John Weninger, Urban Systems
 - 3.3 Regional Growth Strategy 22-23
Evelyn Riechert, Planner, Regional District of Okanagan Similkameen
4. **Adjourn to Regular Meeting of Council**

City of Penticton

Dedicated Stormwater Fund

Feasibility Study

Cory Sivell & John Weninger
December 6th, 2016

URBAN
systems

Agenda

- ▶ Objective
- ▶ The Challenge
- ▶ Funding Options
- ▶ Recommendation



Objective

Provide information on establishing a dedicated funding source for stormwater infrastructure and seek council's support for proceeding with an implementation study



Background



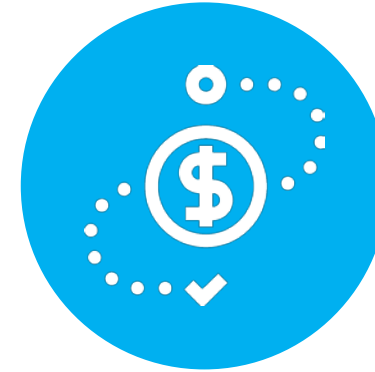
What do we own?

Pipes, Culverts, and Discharge Structures



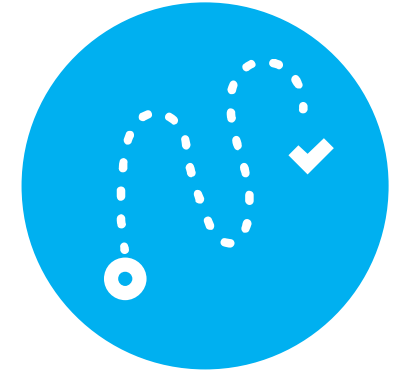
How much is it worth?

\$74 million



2015 Funding Gap

\$100,000 - \$975,000
only based on O&M/Capital



Current Funding Approach

Taxation
(general revenue)

The Risks of Not Acting



The Risks of Not Acting



The Risks of Not Acting



How are other communities addressing this?



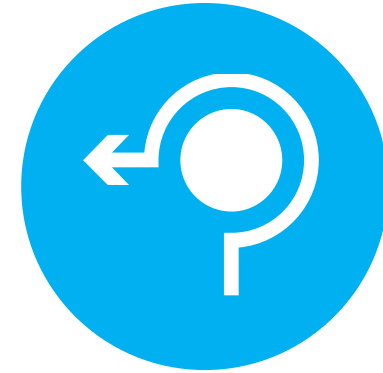
Why they did it?

Competition in the general fund



What does it fund?

Initially covers O&M/part of capital and over time it was increased



What would they do differently?

Implement sooner/Zero net increase in first year

How are other communities addressing this?

How much do they charge?

Community	Annual Charge*
City of Whiterock	\$400
City of Surrey	\$216
City of Pitt Meadows	\$115
Township of Langley	\$ 90
City of Richmond	\$140
City of Mississauga	\$100
City of Kitchener	\$140
US Communities	\$100
Average	\$165

Note: *Average single family residential property

Funding Options



Funding Options

Status Quo

- ▶ Revenue collected through property tax
- ▶ Funds allocated annually at councils discretion
- ▶ Revenues flow through the general fund and sit in the general reserve
- ▶ Majority of communities in BC use this method



- Based on ability to pay (\$/1000 assessed value)
- Easy for staff to administer



- Competition with other services
- In-consistent funding
- Lack of transparency
- No specific allocation

Funding Options

Levy

- ▶ Revenue collected through property tax
- ▶ Would be identified as a separate line item on tax notice
- ▶ Revenue would flow through the general fund into a dedicated stormwater reserve
- ▶ City of Pitt Meadows, Township of Langley use this method



- Based on ability to pay (\$/1000 assessed value)
- Easy for staff to administer
- No competition (stable/consistent funding)
- Transparent



- Possible to re-purpose funds



Funding Options

Parcel Tax

- ▶ Revenue collected through a tax assigned to each parcel (unit of measurement can vary)
- ▶ Would be identified as a separate line item on tax notice
- ▶ Revenue would flow through the general fund into a dedicated stormwater reserve
- ▶ City of Surrey and Richmond use this method



- No competition (stable/consistent funding)
- Transparent
- Some correlation between service and charge



- Possible to re-purpose funds



Funding Options

User Fee

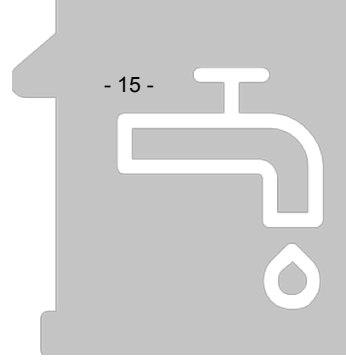
- ▶ Revenue collected through user fee (unit of measurement can vary)
- ▶ Tax notice or utility bill
- ▶ Revenue would flow through the general fund into a dedicated stormwater reserve



- No competition (stable/consistent funding)
- Transparent
- Correlation between service and charge



- Possible to re-purpose funds
- Few connections



Funding Options

Stormwater Fund | Utility

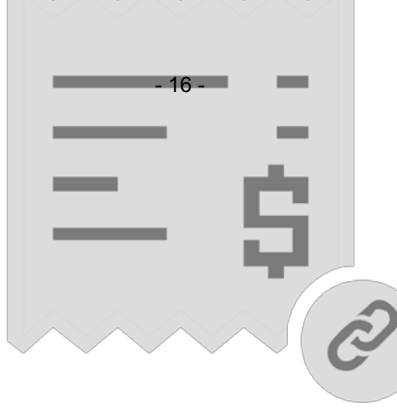
- ▶ Revenue collected through user fees
- ▶ Tax notice or utility bill
- ▶ New stormwater utility fund would be created and all revenue/expenses would be accounted for in this fund
- ▶ Fund must be segmented on the financial statements
- ▶ City of Saskatoon, Regina, Victoria, White Rock, Edmonton, Mississauga, Kitchener and +/-200 communities in USA use this method



- Cannot re-purpose funds
- No competition (stable/consistent funding)
- Transparent
- Correlation between service and charge



- Greater Administrative effort



Funding Options

Connection Fee

- ▶ Revenue collected through user fee based on connection to the municipal system
- ▶ Tax notice or utility bill
- ▶ Revenue would flow through the general fund into a stormwater dedicated reserve



- No competition (stable/consistent funding)
- Transparent
- Correlation between service and charge



- Possible to re-purpose funds
- Few connections

Funding Option Recommendation

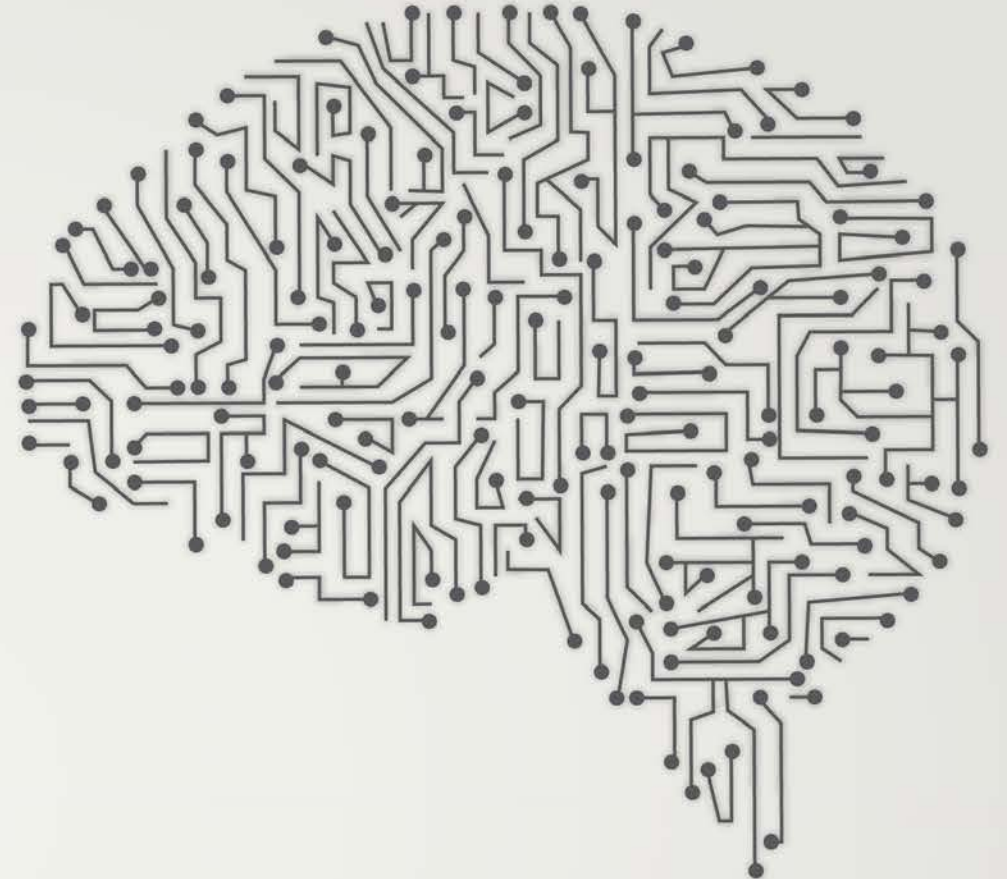
Parcel tax (exact unit of measurement TBD) based on property class with a connection charge for users connected to system:

- ▶ Dedicated reserve fund
- ▶ Tax notice (separate line item)
- ▶ Zero net tax increase in first year
- ▶ Tax would be increased overtime (timeframe TBD)



Rational for Decision

- ▶ Majority of demand is from hard surfaces not properties
- ▶ All customers enjoy the benefits of good drainage
- ▶ Limitations of current software systems
- ▶ Parcels with a “piped connection” put additional demand on the system



Outcome

- ▶ Stable and predictable revenues for COP
- ▶ Adequately funded stormwater infrastructure (assist in funding; renewal, growth, bridge funding gap, reduce risk)
- ▶ Stable and predictable charges for stakeholders



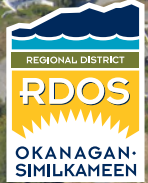
Recommendations

That Council consider as part of the 2017 Budget process, completing a implementation study to develop a dedicated storm funding source (estimated at \$40,000)



Questions





South Okanagan Regional Growth Strategy Minor Update Project

NOVEMBER 2016

WHAT'S A REGIONAL GROWTH STRATEGY?

A Regional Growth Strategy (RGS) is a long term planning document that deals with growth management issues over a 20 + year period. The high-level plans promote regional settlement that is socially, economically and environmentally healthy and that make efficient use of public facilities. An RGS gives long range planning direction for regional district and municipal official community plans (OCPs).

An RGS is initiated, prepared and enacted by a regional district, with the full involvement of its member municipalities, provincial agencies and others. The South Okanagan RGS applies to the southern-most reaches of the southern Okanagan Valley (see map) and includes the municipalities of Oliver, Osoyoos, Penticton and Summerland, and Electoral Areas "A", "C", "D", "E" and "F".

The Regional District of Okanagan Similkameen (RDOS) recently completed a project to review and update the South Okanagan Regional Growth Strategy (RGS).

The provincial Local Government Act requires local governments to review their regional growth strategies for possible amendment at least once every five years. As 2015 marked five years since the RGS was adopted, the RDOS conducted a review of the RGS to determine whether a "minor" or "major" update of the RGS was required.

The RDOS Board made the recommendation to proceed with the minor amendment in December 2015 and the project to carry out the work was launched in June 2016 and completed in October 2016.

The updated South Okanagan RGS does not include any new policies or policy directions, but has been reformatted and refined to improve its organization, improve the clarity of policies, and reduce redundancies.



MAP: Designated Regional Growth Strategy Primary and Rural Growth Areas

RGS POLICY AREAS

The RGS is organized around seven policy areas and supporting goals that were derived in consultation with South Okanagan communities and RGS advisory committees. Each of the policy goals are in turn supported by a series of related policy objectives. There are a number of supporting RGS policies organized under each of the objectives.

Housing and Development

Goal 1: Direct development to serviced areas in designated Primary Growth Areas and Rural Growth Areas.

Ecosystems, Natural Areas and Parks

Goal 2: Protect the health and biodiversity of ecosystems in the South Okanagan.

Infrastructure and Transportation

Goal 3: Support efficient and effective infrastructure services and an accessible multi-modal transportation network.

Community Health and Wellbeing

Goal 4: Foster healthy, safe communities that provide accessible recreational, educational and cultural opportunities.

Regional Economic Development

Goal 5: Achieve a sustainable, resilient and prosperous South Okanagan regional economy.

Engagement and Collaboration

Goal 6: Foster and support regional cooperation, collaboration and civic engagement.

Energy Emissions and Climate Change

Goal 7: Reduce energy emissions and ensure the South Okanagan is prepared for a changing climate.

The RGS continues to provide the South Okanagan, and the communities that make up the area, a high-level framework for future decision-making and land use. Its aim is to preserve the region's high quality of life and unique environmental features. It also promotes coordination between area municipalities and the RDOS on achieving strategy goals that cross municipal boundaries, and highlights the links with other important regional partners (the Province, Okanagan Basin Water Board, South Okanagan Similkameen Conservation Program, Penticton Indian Band, Osoyoos Indian Band, etc.).



Downtown Summerland, CC-by-nc, flickr.com

WANT MORE INFORMATION?

To read about the RGS and related materials, go to www.rdos.bc.ca/departments/development-services/regional-growth-strategy/what-we-do/

For more information contact **Evelyn Riechert** at the RDOS (email: eriechert@rdos.bc.ca / phone: 250-492-0237).