

Special Council Meeting
to be held electronically at
City of Penticton
To view the Council Meeting, visit www.penticton.ca

Thursday, December 10, 2020
at 12:00 p.m.

1. **Call Special Council Meeting to Order**
2. **Adoption of Agenda**
3. **Staff Reports:**
 - 3.1 Fees and Charges Amendment Bylaw No. 2020-52 1-16
2021 – 2025 Five Year Financial Plan Bylaw No. 2020-50
Staff Recommendations:
THAT Council give first, second and third reading to "Fees and Charges Amendment Bylaw No. 2020-52";
AND THAT Council adopt "Fees and Charges Amendment Bylaw No. 2020-52".

THAT Council give first, second and third reading to "2021 – 2025 Five Year Financial Plan Bylaw No. 2020-50";
AND THAT Council adopt "2021 – 2025 Five Year Financial Plan Bylaw No. 2020-50".
4. **Public Question Period via Zoom**

*** ZOOM *** If you would like to ask Council a question with respect to the item on the agenda, please visit our website at www.penticton.ca to find the telephone number or Zoom link to ask your question before the conclusion of the meeting. Please do not try to join the meeting early, you will not be let in to participate electronically until Council approaches the Public Question Period. Watch the livestream on our website and prepare to call or join moments before.
5. **Adjournment**

Council Report

Date: December 10, 2020 File No: 1700-05
To: Donny van Dyk, Chief Administrative Officer
From: Jim Bauer, CFO/General Manager, Finance & Administration
Subject: **Fees and Charges Amendment Bylaw No. 2020-52 & 2021-2025 Five Year Financial Plan Bylaw No. 2020-50**

Staff Recommendation

THAT Council give first, second and third reading to "Fees and Charges Amendment Bylaw No. 2020-52";
AND THAT Council adopt "Fees and Charges Amendment Bylaw No. 2020-52".

THAT Council give first, second and third reading to "2021 – 2025 Five Year Financial Plan Bylaw No. 2020-50";
AND THAT Council adopt "2021 – 2025 Five Year Financial Plan Bylaw No. 2020-50".

Background

Section 165 of the *Community Charter* directs that a municipality must have a Five Year Financial Plan Bylaw adopted annually. This bylaw must be adopted prior to May 15 and before the annual tax rate bylaw. The Community Charter also provides that the Financial Plan Bylaw may be amended at any time to reflect changes that may occur throughout the year.

The 2021 budget process culminated in Council deliberations November 24th and 25th that resulted in a proposed tax increase of 2.25%.

At the December 8, 2020 Council meeting, Council provided further direction and passed the following resolution:

474/2020

THAT Council support a 3% reduction in electric utility rates and reduce taxes to 1.75%; AND THAT a special council meeting be held December 10, 2020 to consider the bylaws.

In response to Resolution 474/2020 staff have revised Appendix 7 Electrical of the Fees and Charges Bylaw to reflect a 3.0% reduction in Electrical rates for 2021 and incorporated this change and the 1.75% tax increase into the 2021-2025 Financial Plan for 2021.

Financial implications

Electrical Rates

The impact to the Electrical Utility will see a revenue reduction of \$1,553,215, resulting from a 3% reduction in electrical rates and a revised estimate of 2021 electrical usage. These revenue reductions will be offset in the reduced projected cost of power purchased from Fortis. The revised cost of power projections are based off the latest information supplied by Fortis to the City subsequent to producing the draft budget, which indicated that the cost of power would be increasing 4.36%, instead of the 6.37% assumed in the draft budget.

Property Taxes

Reducing the proposed 2.25% tax increase to 1.75% created a budget shortfall of \$173,301. Given the extensive budget process that incorporated cost savings of just under \$1 million, limited opportunities exist for further reducing city spending unless service reductions were to occur. The only potential area that could be considered is the unallocated grant budget for in-year grant requests. Due to the ongoing effects of COVID, and expected increased requests from organizations in-year, it is best to retain a greater level of funding for in year requests in 2021. Thus, staff recommends that the shortfall be covered by a draw from general surplus.

Analysis

The impact to customers from these amendments is that an average residential property will now pay an extra \$111 annually, a reduction of \$53, and an average commercial property will now pay an extra \$1,183 annually, a reduction of \$280. (Attachment A)

These changes have been included in Schedule A of the attached 2021-2025 Five Year Financial Plan Bylaw No. 2020-50.

Tax rates and the business tax multiplier will be formally set when the Tax Rate Bylaw is brought forward to Council in April 2021.

Electrical Rates Implementation

The electrical rate reductions will take effect on the January 2021 billing cycle to ensure equity between the two billing cycles.

If this change is made mid-month in December one of the billing cycle groups of customers will not receive the benefit of the rate reduction. The January 2021 billings will include consumption incurred during the 2020 Christmas period for both groups.

The January 15 bills will be for consumption from December 1 through January 4 and the January 31 billing will be for consumption from December 15 through January 18. This will also mean the impact to revenues starts in 2021, and have the added benefit of providing one reduced bill to all accounts before the water and sewer increases take effect.


Attachments

Attachment A – Impact to Customers

Attachment B – Fees and Charges Amendment Bylaw No. 2020-52

Attachment C – 2021-2025 Five Year Financial Plan Bylaw No. 2020-50

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Bauer". The signature is written in a cursive style with a large initial "J" and "B".

Jim Bauer
CFO/General Manager, Finance & Administration

Concurrence

Chief Administrative Officer
DyD

Attachment A – Impact to Customers

Residents:

	General Municipal Taxes	Storm Water	Electric Utility	Water Utility	Sewer Utility	Total \$ Change
Annual Changes	\$16	\$11	(\$44)	\$39	\$89	\$111
<i>Assumptions:</i>	2020: \$441,711 value 2021: \$463,797 (+5%)		914 kwh/mo	(3/4") 840 cu ft/mo	500 cu ft/mo In winter	

- Average Residential Property will pay an extra \$9 per month

Business:

	General Municipal Taxes	Storm Water	Electric Utility	Water Utility	Sewer Utility	Total \$ Change
Annual Changes	\$378	\$32	(\$238)	\$230	\$781	\$1,183
<i>Assumptions:</i>	2020: \$1,223,459 value 2021: \$1,162,286 (-5%)		5,000 kwh/mo	(1 1/2") 7,000 cu ft/mo	(1 1/2") 7,000 cu ft/mo	

- Average Business Property will pay an extra \$99 per month

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
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Utility Administration Rates

Utility credit references (current or recent account)	\$17.00	\$17.25	\$17.25	\$17.50	\$17.50
Archived account	\$30.00	\$30.50	\$30.50	\$31.00	\$31.00
Utility account history	\$17.00	\$17.25	\$17.25	\$17.50	\$17.50
Interest rate on delinquent utility accounts	10% per annum	10% per annum	10% per annum	10% per annum	10% per annum
Special electric meter reading	\$41.50	\$41.50	\$41.50	\$41.50	\$41.50
Special electric meter inspection fee	\$41.50	\$41.50	\$41.50	\$41.50	\$41.50

AMR OPT OUT

AMR Opt Out manual electric meter reading for an individual meter	\$17.80	\$17.80	\$16.02	\$17.46	\$17.46
AMR Opt Out manual combined electric and water meter reading for an individual for an individual meter read	\$18.80	\$18.80	\$16.92	\$18.36	\$18.36
AMR Opt Out manual electric meter reading for a meter bank installation	\$17.80 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter	\$17.80 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter	\$16.02 for the first meter and \$0.90 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter	\$17.46 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter	\$17.46 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the electric meter bank read is to be equally split between all customers serviced by the bank meter
AMR Opt Out combined electric and water meter reading for a combined electric and water meter bank installation	\$18.80 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.	\$18.80 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.	\$16.92 for the first meter and \$0.90 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.	\$18.36 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.	\$18.36 for the first meter and \$1.00 per read for each additional meter in the meter bank per meter read. The total cost for the combined electric and water meter bank read is to be equally split between all customers served by the meter bank.
AMR Opt Out electric meter use of a digital non radio frequency electric meter	\$153.00	\$153.00	\$153.00	\$153.00	\$153.00
Utility application fee – next day service	\$47.50	\$47.50	\$47.50	\$47.50	\$47.50
Utility application fee – same day service (accounts with combined electric and water)	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
Utility application fee (electric only) same day service (accounts that only have electric services)	\$59.50	\$59.50	\$59.50	\$59.50	\$59.50
Non-Payment: Electric disconnect and re-connect(during City Hall hours only)	\$83.00	\$83.00	\$83.00	\$83.00	\$83.00
Non-Payment: Site visit without a disconnect (during City Hall hours only)	\$41.50	\$41.50	\$41.50	\$41.50	\$41.50
Electrical disconnect or re-connect or site visit (cost per visit after hours with call-out)	\$430.25	\$430.25	\$430.25	\$445.25	\$445.25
Electrical disconnect or reconnect or site visit (cost per visit during City Hall hours)	\$41.50	\$41.50	\$41.50	\$41.50	\$41.50
Electrical disconnect or reconnect or site visit (cost per visit after hours without call-out)	\$83.00	\$83.00	\$83.00	\$83.00	\$83.00
Illegal reconnection administration charge	\$280.00	\$285.00	\$285.00	\$290.00	\$290.00
Utility fee - Leave on Authorized	\$12.25	\$12.50	\$12.50	\$12.75	\$12.75
Electrical Disconnect and reconnect from pole	\$358.00	\$358.00	\$358.00	\$448.75	\$448.75
Special Administration charge per service	\$28.00	\$28.50	\$28.50	\$29.00	\$29.00

Electric Rates

Rate Code 10 - Residential

Basic Charge	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus
Energy Charge	\$0.1284 per kwh for all consumption during the billing period	\$0.1284 per kWh for all consumption during the billing period	\$0.1156 per kWh for all consumption during the billing period	\$0.1156 per kWh for all consumption during the billing period	\$0.1121 per kWh for all consumption during the billing period

Rate Code 20 - General - Secondary metered and City owned Transformation

Basic Charge	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus
Energy Charge: First 10,000 kwh per billing	\$0.1429per kwh	\$0.1429 per kWh	\$0.1286 per kWh	\$0.1286 per kWh	\$0.1248 per kWh
Next 90,000 kwh per billing	\$0.1126 per kwh	\$0.1126 per kWh	\$0.1013 per kWh	\$0.1013 per kWh	\$0.0983 per kWh
Additional kwh per billing	\$0.0789 per kwh	\$0.0789 per kWh	\$0.0710 per kWh	\$0.0710 per kWh	\$0.0689 per kWh

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
Demand Charge	\$10.09 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$10.09 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$9.08 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$9.08 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$8.81 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read

Rate Code - 25, 30 and 35

Are subject to the same base rates for consumption and demand as set out in Rate Code 20 with the following discounts:

Primary Metering	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only	1.5% discount on consumption and demand charges. Customer-owned transformation - 9.0% discount on demand charges only
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Rate Code 25 - General - Primary metered and City owned Transformation

Basic Charge	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus
Energy Charge					
First 10,000 kwh per billing	\$0.1408 per kwh	\$0.1408 per kWh	\$0.1267 per kWh	\$0.1267 per kWh	\$0.1229 per kWh
Next 90,000 kwh per billing	\$0.1109 per kwh	\$0.1109 per kWh	\$0.0998 per kWh	\$0.0998 per kWh	\$0.0968 per kWh
Additional kwh per billing	\$0.0777 per kwh	\$0.0777 per kWh	\$0.0699 per kWh	\$0.0699 per kWh	\$0.0678 per kWh
Demand Charge	\$9.93 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$9.93 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$8.94 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$8.94 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read	\$8.67 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum kVA billable demand in excess of 45kVA recorded during the previous 364 days to the current billable demand read

Rate Code 30 - General - Secondary metered and customer owned Transformation

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
Basic Charge	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus
Energy Charge					
First 10,000 kwh per billing	\$0.1429 per kwh	\$0.1429 per kWh	\$0.1286 per kWh	\$0.1286 per kWh	\$0.1248 per kWh
Next 90,000 kwh per billing	\$0.1126 per kwh	\$0.1126 per kWh	\$0.1013 per kWh	\$0.1013 per kWh	\$0.0983 per kWh
Additional kwh per billing	\$0.0789 per kwh	\$0.0789 per kWh	\$0.0710 per kWh	\$0.0710 per kWh	\$0.0689 per kWh
Demand Charge	\$9.18 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$9.18 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$8.26 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$8.26 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$8.01 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read

Rate Code 35 - General - Primary metered and customer owned Transformation

Basic Charge	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus
Energy Charge					
First 10,000 kwh per billing	\$0.1408 per kwh	\$0.1408 per kWh	\$0.1267 per kWh	\$0.1267 per kWh	\$0.1229 per kWh
Next 90,000 kwh per billing	\$0.1109 per kwh	\$0.1109 per kWh	\$0.0998 per kWh	\$0.0998 per kWh	\$0.0968 per kWh
Additional kwh per billing	\$0.0777 per kwh	\$0.0777 per kWh	\$0.0699 per kWh	\$0.0699 per kWh	\$0.0678 per kWh
Demand Charge	\$9.04 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$9.04 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$8.14 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$8.14 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read	\$7.89 per KVA of billing demand which is the greater of a) the maximum KVA demand in excess of 45 KVA for the current billing; or b) 75% of the maximum KVA demand in excess of 45 KVA recorded during the previous 364 days to the current billable demand read

Rate Code 45 - General - City Accounts

Energy Charge	\$0.0953 per kwh for all consumption	\$0.0953 per kWh for all consumption	\$0.0858 per kWh for all consumption	\$0.0858 per kWh for all consumption	\$0.0832 per kWh for all consumption
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Rate Code 55 - Street Lighting, Traffic Lights & Other Un-metered Loads

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
Per fixture watt or volt ampere per billing subject to Electric Utility Services Bylaw No. 2017-44	\$0.1071 per fixture watt or volt ampere per billing	\$0.1071 per fixture kWh or kVAh per billing	\$0.0964 per fixture kWh or kVAh per billing	\$0.0964 per fixture kWh or kVAh per billing	\$0.0935 per fixture kWh or kVAh per billing
Per watt or volt ampere per billing based on equipment name plate data or customer information, or where data is insufficient, the City will determine by appropriate measurement and calculation what equipment kilowatt-hour or kilovolt ampere-hour loading shall be used for billing purposes.	\$0.2024 per watt	\$0.2024 per kWh	\$0.1822 per kWh	\$0.1822 per kWh	\$0.1767 per kWh
Monthly minimum charge per fixture or service connection	\$18.72 per billing plus	\$18.72 per billing plus	\$16.85 per billing plus	\$16.85 per billing plus	\$16.34 per billing plus

Net Metering Rate Code (aka Micro-DR)

When paying Net Metered Customers for any excess Energy generated by the Customer, the Penticton Electric Utility shall use the applicable Rate Code under which the Customer is receiving Service from the Penticton Electric Utility. Customers will be responsible for all costs of their Distribution Generation System including, but not limited to, design, permits, installation, inspection fees, connection fees, repairs and maintenance.

Electrical Service Calls

Service Call – 1 stop (1 hr. max)	\$217.25	\$217.25	\$217.25	\$224.80	\$224.80
Service Call – 2 stops (1.75 hr. max)	\$326.00	\$350.00	\$350.00	\$393.40	\$393.40

Electrical Service Connections

Temporary Service Connection

1 Phase up to 200 amps	\$217.25	\$349.00	\$349.00	\$380.40	\$380.40
all except 1 phase up to 200 amps	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

Service Relocate

1 phase up to 200 amps	\$347.00	\$421.00	\$421.00	\$452.10	\$452.10
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Service Upgrade

1 phase over 200 amps	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
3 phase overhead and underground (all)	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

Service Connection

1 phase per unit (200 amps max -includes 1 meter) overhead and underground	\$393.25	\$480.00	\$480.00	\$511.10	\$511.10
Additional meters	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
1 phase overhead and underground over 200 amps	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
3 phase overhead and underground (all)	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

Appendix 7

ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing
Primary Underground Cable	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Terminate and Energize underground - Per lot	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Installation of electrical poles, vaults, road-crossings, etc	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Electrical Call Out Rate	\$430.25	\$430.25	\$430.25	\$445.25	\$445.25

Electrical Pole Contacts

Telus (JU Contacts, WiFi, Power Point Contact + Energy at appropriate rate code(s))	As per Contract	As per Contract	As per Contract	As per Contract	As per Contract
Shaw Cable (JU Contacts, WiFi, Antenna, Power Point Contact + Energy at appropriate rate code(s))	As per Contract	As per Contract	As per Contract	As per Contract	As per Contract
Bell Canada JU Contacts	As per Contract	As per Contract	As per Contract	As per Contract	As per Contract
Recoverable Sign Installations	Actual Cost	Actual Cost	Actual Cost	Actual Cost	Actual Cost

Power Factor Surcharge:

a) Every Customer must regulate their load to maintain a Power Factor of not less than ninety (90%) percent.

b) If customers have equipment or install equipment that results in poor power factor (less than 90%) a power factor surcharge may be applied and it is the Customer's responsibility to install equipment to correct or improve power factor.

c) The surcharge shall be added to the Customer's bill after the rates or minimum charges have been calculated and the surcharge will remain in effect until the Penticton Electric Utility is satisfied that the Power Factor has been corrected.

d) Electrical Service shall not be provided to any customer whose Load Power Factor is less than fifty (50%) percent.

Power Factor	Surcharge	Surcharge	Surcharge	Surcharge
Between 90% and 100%	Nil	Nil	Nil	Nil
Between 88% and 90%	2%	2%	2%	2%
Between 85% and 88%	4%	4%	4%	4%
Between 80% and 85%	9%	9%	9%	9%
Between 75% and 80%	16%	16%	16%	16%
Between 70% and 75%	24%	24%	24%	24%
Between 65% and 70%	34%	34%	34%	34%
Between 60% and 65%	44%	44%	44%	44%
Between 55% and 60%	57%	57%	57%	57%
Between 50% and 55%	72%	72%	72%	72%
Less than 50%	90% and electrical service may be disconnected	90% and electrical service may be disconnected	90% and electrical service may be disconnected	90% and electrical service may be disconnected

Notes:

Appendix 7					
ELECTRIC	2019	2020	2020 effective May 15, 2020 cycle billing	2021 October 20, 2020	Effective January 2021 cycle billing

#1. Any applicable Federal or Provincial taxes are in addition to the above charges. Penalty interest at the rate of two percent (2%) per bill for current charge amounts remaining unpaid after the passage of the due date denoted on the bill will be applied.

#2. Basic charges will be applicable to accounts that are disconnected from electric for seasonal or temporary purposes when the electric is being turned off at the account holders request but the account holder(s) is not altering.

#3. City Electrical Infrastructure is defined as: Any items related to the City of Penticton Electrical Utility distribution system including but not limited to primary duct and secondary duct, street lighting, power cables, transformers and associated appurtenances.

#4. All customers are eligible to access the "Electrical Service Payment Plan" for the installation of City Electrical Infrastructure and/or customer owned Micro-DR equipment that supplies power to their properties. The details of this program are summarized as follows:

- Payment Plan range: A customer can put a minimum amount of \$2,000 up to a maximum amount of \$50,000 on a Payment Plan;
- Payment Plan terms: 5 year payback in equal monthly amounts on the Electric Utility Bill plus interest calculated at the Prime Interest Rate +0.5%; and
- The customer has the ability to end the Payment Plan at any time by repaying the balance owing in full at any time without penalty.

Eligibility requirements:

- Must be for a new or an upgrade to an Electrical Service;
- Must be a City of Penticton Electric Utility customer;
- Must have a credit score of: 650 or greater for an individual, or less than 25 for a business;
- Must have a maximum of 19 City of Penticton Utility Credit Points;
- The customer must own both the land and building where the service is required; and
- If Micro-DR, receipts must be submitted from the contractor performing the work; and
- Protection: Any defaults on the Payment Plan will be subject to the normal City of Penticton utility collection procedures, including service disconnect and ultimately transfer of outstanding amount to taxes. Any outstanding payment plan amounts must be paid in full upon sale of the property.

The Corporation of the City of Penticton

Bylaw No. 2020-50

A bylaw to adopt the five year financial plan

WHEREAS the *Community Charter* states a municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted;

AND WHEREAS the planning period for a financial plan is five (5) years, that period being the year in which the plan is specified to come into force and the following four (4) years;

NOW THEREFORE BE IT RESOLVED THAT the Municipal Council of the City of Penticton in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. Title

This bylaw may be cited as “2021-2025 Five Year Financial Plan Bylaw No. 2020-50”.

2. Purpose

Schedule “A” and Schedule “B” attached hereto and forming part of this bylaw shall be the Five Year Financial Plan of the City of Penticton for the period of January 1, 2021 to December 31, 2025.

READ A FIRST time this	day of	, 2020
READ A SECOND time this	day of	, 2020
READ A THIRD time this	day of	, 2020
ADOPTED this	day of	, 2020

In accordance with the Province of BC Ministerial Order No. M192, the Council of the City of Penticton may adopt a bylaw on the same day as third reading.

John Vassilaki, Mayor

Angie Collison, Corporate Officer

Schedule A

	2021	2022	2023	2024	2025
	Budget	Projection	Projection	Projection	Projection
Revenue					
Taxation	-\$58,378,172	-\$59,453,572	-\$60,561,234	-\$61,702,126	-\$62,877,245
Sale of Services	-11,522,052	-12,166,510	-12,614,956	-12,988,488	-13,395,934
Electric Utility Revenue	-40,633,193	-40,906,352	-42,077,675	-43,282,569	-44,522,315
Sewer Utility Revenue	-8,457,140	-9,407,736	-9,697,274	-9,981,185	-10,273,215
Water Utility Revenue	-10,144,000	-10,510,000	-10,829,000	-11,158,000	-11,496,000
Storm Water Utility Revenue	-755,000	-966,000	-1,179,000	-1,391,000	-1,614,000
Fiscal Services	-1,784,388	-1,854,016	-1,854,016	-1,854,016	-1,854,016
Grants	-1,937,003	-1,915,503	-1,966,646	-1,966,646	-1,965,146
Other Revenues	-4,353,950	-4,857,690	-5,061,504	-5,265,393	-5,469,358
Development Cost Charges	-1,150,000	-1,150,000	-1,150,000	-1,150,000	-1,150,000
Donations	-21,500	-21,500	-21,500	-21,500	-21,500
Total Revenues	-139,136,398	-143,208,879	-147,012,805	-150,760,923	-154,638,729
Operating Expenses					
General Operating	74,471,024	75,479,572	76,443,199	77,664,902	78,785,750
Storm Water	475,390	475,098	565,826	571,724	577,720
Electrical Utility	34,998,972	35,697,991	36,764,183	37,559,242	38,579,126
Sewer System	4,868,194	4,986,693	5,041,554	5,159,087	5,216,175
Water Utility	4,583,691	4,886,543	4,928,835	4,971,973	4,994,604
Total Operating Expenses	119,397,271	121,525,897	123,743,597	125,926,928	128,153,375
Net Operating Surplus	-19,739,127	-21,682,982	-23,269,208	-24,833,995	-26,485,354
Capital Expenses					
General Capital	12,933,183	12,741,943	12,002,904	6,629,473	7,212,110
Electric Capital	4,104,205	3,698,331	3,170,686	3,371,387	3,375,702
Sewer Capital	1,859,500	11,566,500	2,775,000	5,009,000	2,619,000
Water Capital	5,967,700	16,181,000	4,083,500	3,782,500	4,757,200
Total Capital Expenses	24,864,588	44,187,774	22,032,090	18,792,360	17,964,012
Debt Proceeds	-300,000	-17,077,505	-1,470,750	-3,087,000	-
Debt Servicing - Principal Repayments	2,203,476	2,666,269	2,717,083	2,495,472	2,497,535
Capital Grant Funding	-2,602,300	-1,535,000	-4,547,250	-	-
Transfer To (From) Surplus/Reserve	-4,426,637	-6,558,556	4,538,035	6,633,163	6,023,807
Financial Plan Balance	\$-	\$-	\$-	\$-	\$-

Schedule B

Current Revenue Portions by Funding Source for Operating (excluding borrowing and transfers from reserve/surplus):

Taxation	35,846,672	25.76%
Collections for Other Governments	21,791,500	15.66%
Grant in Lieu	335,000	0.24%
Local Improvement Levy	171,000	0.12%
Business Improvement Area Levy	234,000	0.17%
Sale of Services	11,522,052	8.28%
Electric Utility Revenue	40,633,193	29.20%
Sewer Utility Revenue	8,457,140	6.08%
Water Utility Revenue	10,144,000	7.29%
Storm Water Utility Revenue	755,000	0.54%
Fiscal Services	1,784,388	1.28%
Grants	1,937,003	1.39%
Other Revenues	4,353,950	3.13%
Development Cost Charges	1,150,000	0.83%
Donations	21,500	0.02%
Total Revenues	139,136,398	100.00%

Current Property Class Multiples:

Ratio	2021 Est.	2020	2019	2018
Residential	1.00	1.00	1.00	1.00
Utilities	7.24	7.24	7.66	7.33
Supportive Housing	1.00	1.00	1.00	1.00
Light Industry	1.84	1.65	1.79	1.67
Business & Other	2.00	1.75	1.82	1.66
Rec/Non-Profit	1.29	1.29	1.4	1.42
Farm	3.55	3.55	3.59	3.26

The ratios in this chart are based on 2020 calculations. Council passed a motion to set the business tax multiplier at 2.0 for 2021. Council will confirm the tax multipliers in April 2021 when tax rates are set.

Use of Permissive Tax Exemptions

In 2020, Council passed Bylaw 2020-36 to exempt certain properties from taxation in 2021. The Bylaw contains the list of properties and the estimated amount of tax revenue forgone (\$588,356). The list of properties includes religious institutions, historical societies, recreational facilities, and service organizations that form a valuable part of our community. These organizations have demonstrated to Council that their services support our residents and community.

Use of Revitalization Tax Exemptions

Revitalization tax exemption bylaws were introduced in Penticton in 2010 to provide economic incentives for specified key areas within the City, including the downtown area, industrial areas, and other strategic areas. Bylaws 2014-04, 2014-44, and 2015-52 provide for tax exemptions for specific uses within those areas. Each of the bylaws included 'sunset clauses' whereby construction is required to begin and end. While there are still some properties receiving benefits, all sunset clauses have now passed and thus no future projects are eligible to receive benefits under any of these bylaws.