

Regular Council Meeting
to be held at the City Hall, Council Chambers
171 Main Street, Penticton, B.C.

To view the live broadcast and recordings, visit www.penticton.ca

Tuesday, May 16, 2023
at 1:00 p.m.

1. **Call Regular Council Meeting to Order**
2. **Introduction of Late Items**
3. **Adoption of Agenda**
4. **Recess to Committee of the Whole**
5. **Reconvene the Regular Council Meeting**
6. **Adoption of Minutes:**
 - 6.1 Minutes of the May 2, 2023 Regular Council Meeting 1-6 Adopt
7. **Consent Agenda:**

Recommendation:

THAT Council approve the Consent Agenda: 7-17

 1. Minutes of the May 2, 2023 Committee of the Whole Meeting;
 2. Minutes of the May 2, 2023 Public Hearings;
 3. Draft Minutes of the May 3, 2023 Official Community Plan – Housing Task Force Meeting; and
 4. Draft Minutes of the May 3, 2023 Accessibility Task Force Meeting.

Watt/Konanz
Graham
8. **Staff Reports:**
 - Haddad 8.1 Safe & Resilient Council Priority: Public Safety Working Group Update 18-26
Staff Recommendation: *THAT Council receive into the record the report dated May 16, 2023 titled "Safe & Resilient Council Priority: Public Safety Working Group Update", a report that outlines the public safety planning and actions being implemented in 2023 and the creation of indicators for reporting on the progress of these priorities.*
 - Vatamaniuck 8.2 RCMP Quarterly Update 27-30
Staff Recommendation: *THAT Council receive into the record the report titled "RCMP Quarterly Update" dated May 16, 2023.*
 - Laven 8.3 Safe Public Places Bylaw No. 2023-06 31-65
Staff Recommendation: *THAT Council, after consideration of the comments by the Medical Health Officer and after consideration of the public engagement results, give second and third reading to "Safe Public Places Bylaw No. 2023-06", a bylaw that supports a safe, secure and healthy community through regulating solicitation, disorderly conduct, public nuisances, public substance use, and the general safe use of public places.*

Dixon	8.4	2023/2024 Capital Project Overview <i>Staff Recommendation: THAT Council receive into the record the report dated May 16, 2023 titled "2023/2024 Capital Project Overview".</i>	66-88
Dixon/ Campbell	8.5	Growing Communities Fund Grant <i>Staff Recommendation: THAT Council gives first, second and third reading to "Growing Communities Reserve Fund Bylaw No. 2023-17", a bylaw to establish a reserve fund for the Growing Communities Fund Grant in accordance with the Community Charter; AND That Council authorize the transfer of \$7.177M of grant funds from the Growing Communities Fund Grant into the Growing Communities Reserve Fund; AND That approximately 20% of the funds be used to fund existing projects that may require amendments due to inflation; AND That approximately 40% of the funds be used on community projects including Downtown, Okanagan and Skaha Lake decorative seasonal lighting displays, Riverside Park Skate Park and Basketball Court Lighting, Urban Forestry Master Plan Projects, and the Kiwanis Pier Replacement; AND That the remaining 40% be allocated to the North Gateway with projects to be identified as they arise or through the budget process; AND That Council direct staff to amend the 2023-2027 Financial Plan accordingly.</i>	89-124
Jones/ Hamming	8.6	First Quarter 2023 Financial and Corporate Business Plan Update <i>Staff Recommendation: THAT Council receive into record the report dated May 16, 2023 titled "First Quarter 2023 Financial and Corporate Business Plan Update"; THAT Council approve amending the 2023-2027 Financial Plan to provide for budget amendments noted in report including reserve transfers of \$406,000 Equipment Replacement Reserve for fleet cost increases and emergency replacement, timing of purchases, and equipment failures, \$27,500 Climate Action Reserve for four electric bikes with safety gear, and \$50,000 Asset Sustainability Reserve for Skaha Marina boat launch repairs; AND THAT Council approve that the funds in excess of the RCMP retroactive pay accrual and the RCMP retroactive pay owing be transferred to the RCMP Reserve.</i>	125-146
Hamming	8.7	2022 Statement of Financial Information <i>Staff Recommendation: THAT Council approves the Statement of Financial Information for the fiscal year ending December 31, 2022.</i>	147-166
Laven	8.8	Short-Term Rental Benefit and Impact Study – Final Report and Recommendations <i>Staff Recommendation: THAT Council receive into the record the report "Short Term Rental Benefits and Impacts Study" dated April 2023; AND THAT Council maintain the status quo approach, but work towards a new licensing classification system acknowledging home-share STRs, on-site operator STRs and off-site operator STRs; AND THAT Council give direction to Staff to increase enforcement efforts, including higher short term rental fines for non-compliance; AND THAT Council forward the report to the Official Community Plan Housing Task Force as a background document to inform future policy changes.</i>	167-231
Tanguay	8.9	Development Variance Permit PL2023-9573 Re: 419 Westminster Avenue West <i>Staff Recommendation: THAT Council approve "Development Variance Permit PL2023-9573" for Lot 5 District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849 and The Westerly 17 Feet of Lot 4 Measured Along Westminster Avenue By The Full Depth of Said Lot; District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849, located at 419 Westminster Ave W, a permit to vary Section 10.5.2.9.a of Zoning Bylaw 2023-08, to reduce the</i>	232-245

minimum rear yard from 6.0 m to 5.1 m, in order to facilitate the construction of an addition to a single family dwelling;

AND THAT Council direct staff to issue the "Development Variance Permit PL2023-9573".

Capewell 8.10 ALR Non-Farm Use PL2022-9487 246-273

Development Variance Permit PL2023-9576

Re: 1350 Naramata Road

Staff Recommendation:

THAT Council support "ALR Non-Farm Use PL2022-9487", for Lot 120 District Lot 199 and 672 Similkameen Division Yale District Plan 451 Except Plan (1) Parcel L Plan A57 (2) Plan M11079, located at 1350 Naramata Road, to increase the maximum size of an outdoor lounge from 233m² to 370m²; AND THAT staff be directed to forward "ALR Non-Farm Use PL2022-9487", to the Agricultural Land Commission (ALC) with support from Council.

THAT Council approve "Development Variance Permit PL2023-9576", for Lot 120 District Lot 199 and 672 Similkameen Division Yale District Plan 451 Except Plan (1) Parcel L Plan A57 (2) Plan M11079, located at 1350 Naramata Road, to vary Zoning Bylaw No. 2023-08 Section 9.2.4.1.c to increase the maximum size of the area devoted to food and beverage service for a winery from 233m² to 370m² for outdoor areas;

AND THAT Council direct staff to issue "Development Variance Permit PL2023-9576", subject to the Agricultural Land Commission approving "ALR Non-Farm Use PL2022-9487".

9. **Public Question Period**

10. **Recess to a Closed Meeting:**

Resolution: *THAT Council recess to a closed meeting of Council pursuant to the provisions of the Community Charter as follows: Section 90 (1)*

- (a) Personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality.*
- (d) the security of the property of the municipality;*
- (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the municipality;*
- (g) litigation or potential litigation affecting the municipality;*
- (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the Freedom of Information and Protection of Privacy Act.*

11. **Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.**

12. **Bylaws and Permits:**

Collison 12.1 Zoning Amendment Bylaw No. 2023-16 274-275 2nd/3rd
Re: 517 Alexander Avenue

13. **Notice of Motion**

- 13.1 Notice of Motion from Councillor Graham, Councillor Gilbert and Councillor Boulton
Postponed from May 2, 2023 Regular Council Meeting – request for cost

276

THAT Council direct staff to use funds from the Growing Communities Fund to install lights at the skate park in Riverside Park.

Staff Comment: The estimated cost to install lighting at the skate park in Riverside Park is approximately \$350,000.
The staff report titled "Growing Communities Fund Grant" (item 8.5) includes Riverside Park Skate Park Lighting. If Council supports the staff recommendation, the motion above is not necessary and should be withdrawn.

- 13.2 Notice of Motion Introduced by Councillor Miller on May 2, 2023

THAT the City include a sentence on the monthly utility bill that Council approved borrowing funds from the Electric Surplus Reserve for the purpose of constructing the Fire Hall 2 two bay garage, Point Intersection and Bike Network Plan with repayment over 10 years and the amount of each should be listed along with the amount of the electrical dividend.

- 13.3 Notice of Motion Introduced by Deputy Mayor Konanz on May 2, 2023

THAT Council request staff look at how other communities are addressing surplus, debt, investment and reserves and report back with a proposed strategy framework prior to budget.

14. **Business Arising**

15. **Public Question Period**

If you would like to ask Council a question with respect to items that are on the current 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. Use the raise hand feature and you'll be given the opportunity to turn on your camera and unmute your microphone and ask Council your questions. Please note that the meeting is streaming live and recorded, access to recordings can be found on the City's website.

16. **Council Round Table**

17. **Adjournment**

Minutes

penticton.ca

Regular Council Meeting held at City Hall, Council Chambers 171 Main Street, Penticton, B.C.

Tuesday, May 2, 2023
at 1:00 p.m.

Present: Mayor Bloomfield
Deputy Mayor Konanz
Councillor Boulton
Councillor Gilbert
Councillor Graham
Councillor Miller
Councillor Watt

Staff: Donny van Dyk, Chief Administrative Officer
Angie Collison, Corporate Officer
Angela Campbell, Director of Finance & Administration
Kristen Dixon, General Manager of Infrastructure
Anthony Haddad, General Manager of Community Services
Blake Laven, Director of Development Services
Paula McKinnon, Deputy Corporate Officer

1. Call to Order

The Mayor called the Regular Council Meeting to order at 1:01 p.m.

2. Introduction of Late Items

3. Adoption of Agenda

175/2023

It was MOVED and SECONDED

THAT Council adopt the agenda for the Regular Council Meeting held on May 2, 2023 as presented.

CARRIED UNANIMOUSLY

4. Recess to Committee of the Whole

176/2023

It was MOVED and SECONDED

THAT Council recess to a Committee of the Whole meeting at 1:01 p.m.

CARRIED UNANIMOUSLY

5. Reconvene the Regular Council Meeting

Council reconvened the Regular Council Meeting at 1:54 p.m.

6. Adoption of Minutes:

6.1 Minutes of the April 18, 2023 Regular Meeting of Council

177/2023

It was MOVED and SECONDED

THAT Council adopt the Regular Council Meeting minutes of April 18, 2023 as presented.

CARRIED UNANIMOUSLY

7. Consent Agenda:

178/2023

It was MOVED and SECONDED

THAT Council approve the Consent Agenda:

1. Minutes of the April 18, 2023 Committee of the Whole Meeting;
2. Minutes of the April 18, 2023 Public Hearing; and
3. Release of Items from Closed Meeting:
 - THAT Council appoint Kristi Bauman, Randy Boras, Trisha Kaplan, Amanda Lewis, Heather Miller, Grant Pattingale, Leanne Williams, Kona Sankey and Victoria Jaenig to the Accessibility Task Force.
THAT Council appoint Councillor Graham as the non-voting Council representative to the Accessibility Task Force.
 - THAT Council appoint Drew Barnes, Ajeet Brar, Rod Ferguson, Alison Gibson, Nicholas Hill, Nathan Little, Brian Menzies, Dara Parker, Linda Sankey, Chris Schoenne, Nicolas Stulberg, Richard Langfield and Loretta Ghostkeeper or designate to the Official Community Plan – Housing Task Force.
THAT Council amend the Terms of Reference for the Official Community Plan – Housing Task Force and appoint two (2) non-voting Council representatives to the Task Force;
AND THAT Council appoint Councillor Watt and Councillor Konanz as non-voting Council representatives to the Official Community Plan – Housing Task Force.
 - THAT Council appoint John Archer, Cameron Baughen, Juliana Buitenhuis, Brenda Clark, Joanne Grimaldi, Susan Fraser, Victoria Jaenig, Don Mulhall and Marc Tougas to the Parks and Recreation Advisory Committee.
THAT Council appoint Councillor Gilbert as the non-voting Council representative to the Parks & Recreation Advisory Committee.
 - THAT Council appoint Sheila Hamilton, Wesley Nickel, and Teri McKnight to the Penticton Library Board for a term ending November 30, 2024.
 - THAT Council direct staff, before May 5, to contact all the committee applicants that have not been appointed and ask if they would like to be considered for an appointment to the Agriculture Advisory Committee.

CARRIED UNANIMOUSLY

8. Staff Reports:

8.1 2022 Audited Financial Statements

Delegation: Sinéad Scanlon, BDO Canada LLP

179/2023

It was MOVED and SECONDED

THAT Council accept the Financial Statements, as co-presented by BDO Canada LLP, for the year ending December 31, 2022.

CARRIED UNANIMOUSLY

The Mayor recessed the meeting at 2:09 p.m. and reconvened at 2:23 p.m.

8.2 City of Penticton Debt Management Policy

180/2023

It was MOVED and SECONDED

THAT Council adopt the City of Penticton Debt Management Policy CP#2023-05 effective May 2, 2023.

CARRIED UNANIMOUSLY

8.3 City of Penticton Investment Policy

181/2023

It was MOVED and SECONDED

THAT Council adopt the City of Penticton Investment Policy CP#2023-04 effective May 2, 2023.

CARRIED UNANIMOUSLY

8.4 Gates for the 300 Block Main Street Breezeway

182/2023

It was MOVED and SECONDED

THAT Council direct staff to install decorative and secure gates on the 300 Block Main Street breezeway (to be closed overnight) at a cost of \$10,000 to be funded by a transfer from the Capital Reserve;
AND THAT the 2023-2027 Financial Plan be amended accordingly.

CARRIED UNANIMOUSLY

8.5 BC Transit 2023/2024 Annual Operating Agreement

183/2023

It was MOVED and SECONDED

THAT Council authorize the Chief Financial Officer and Corporate Officer to execute the 2023 - 2024 Annual Operating Agreement Conventional and Custom Transit as contained in Attachment "A".

CARRIED UNANIMOUSLY

8.6 North Gateway Redevelopment & Investment Strategy – Update Report

184/2023

It was MOVED and SECONDED

THAT Council receive into the record the report dated May 2, 2023 titled "North Gateway Redevelopment & Investment Strategy – Update Report".

CARRIED UNANIMOUSLY

8.7 CMHC National Housing Strategy – Housing Accelerator Fund

185/2023

It was MOVED and SECONDED

THAT Council support the use of up to \$40,000 from the Online Accommodator Platform Reserve for the purpose of preparing an application and associated community action plan for the CMHC National Housing Strategy's Housing Accelerator Fund;
AND THAT staff be directed to review any application with the Official Community Plan - Housing Task Force and Council prior to submission.

CARRIED UNANIMOUSLY

8.8 Zoning Amendment Bylaw No. 2023-16
Re: 517 Alexander Avenue

186/2023

It was MOVED and SECONDED

THAT Council give first reading to "Zoning Amendment Bylaw No. 2023-16", for Lot 9 District Lot 2 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3348, located at 517 Alexander Avenue, a bylaw to rezone the subject from RD2 (Duplex Housing: Lane) to RD3 (Residential Infill);

AND THAT Council forward "Zoning Amendment Bylaw No. 2023-16" to the May 16, 2023 Public Hearing.

CARRIED UNANIMOUSLY

9. Public Question Period

10. Recess to a Closed Meeting:

187/2023

It was MOVED and SECONDED

THAT Council recess at 3:50 p.m. to a closed meeting of Council pursuant to the provisions of the *Community Charter* as follows: Section 90(1)

- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality; and
- (j) information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection of Privacy Act*.

11. Reconvene the Regular Council Meeting following the Public Hearing at 6:00 p.m.

The Mayor reconvened the meeting at 6:38 p.m.

12. Bylaws and Permits

12.1 Tax Rates Bylaw No. 2023-13

188/2023

It was MOVED and SECONDED

THAT Council adopt "Tax Rates Bylaw No. 2023-13".

CARRIED
Councillor Konanz, Opposed

12.2 Zoning Amendment Bylaw No. 2023-14
Re: 924 Fairview Road

189/2023

It was MOVED and SECONDED

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2023-14".

CARRIED
Councillor Miller, Opposed

12.3 Zoning Amendment Bylaw No. 2023-15
Re:398 Upper Bench Road South

190/2023

It was MOVED and SECONDED

THAT Council give second and third reading to "Zoning Amendment Bylaw No. 2023-15";
AND THAT Council adopt "Zoning Amendment Bylaw No. 2023-15".

CARRIED UNANIMOUSLY

13. Notice of Motion

13.1 Notice of Motion from Councillor Graham, Councillor Gilbert and Councillor Boulton

Main Motion:

It was MOVED and SECONDED

THAT Council direct staff to use funds from the *Growing Communities Fund* to install lights at the skate park in Riverside Park;
AND THAT Council direct staff to report on projects that can be funded by the *Growing Communities Fund* and list them in their priorities.

It was MOVED and SECONDED

THAT Council postpone the motion to the May 16, 2023 regular meeting of Council and direct staff to report back with the cost.

A member of Council requested that Council vote separately on each part of the motion and only postpone the first part of the motion.

191/2023

It was MOVED and SECONDED

THAT Council withdraw the motion to postpone to the May 16, 2023 regular meeting of Council.

CARRIED UNANIMOUSLY

Mayor Bloomfield indicated that the motion is divided.

First part of Main Motion:

THAT Council direct staff to use funds from the *Growing Communities Fund* to install lights at the skate park in Riverside Park;

192/2023

It was MOVED and SECONDED

THAT Council postpone the motion to the May 16, 2023 regular meeting of Council and direct staff to report back with the cost.

CARRIED UNANIMOUSLY

Second part of the Main Motion:

193/2023

THAT Council direct staff to report on projects that can be funded by the Growing Communities Fund and list them in their priorities.

CARRIED UNANIMOUSLY

14. Business Arising

14.1 Councillor Miller introduced the following Notice of Motion for consideration at the May 16, 2023 meeting of Council:

THAT the City include a sentence on the monthly utility bill that Council approved borrowing funds from the Electric Surplus Reserve for the purpose of constructing the Fire Hall 2 two bay garage, Point Intersection and Bike Network Plan with repayment over 10 years and the amount of each should be listed along with the amount of the electrical dividend.

14.2 Deputy Mayor Konanz introduced the following Notice of Motion for consideration at the May 16, 2023 meeting of Council:

THAT Council request staff look at how other communities are addressing surplus, debt, investment and reserves and report back with a proposed strategy framework prior to budget.

15. Public Question Period

16. Council Round Table

17. Adjournment

194/2023

It was MOVED and SECONDED

THAT Council adjourn the May 2, 2023 Regular meeting of Council at 7:34 p.m.

CARRIED UNANIMOUSLY

Certified correct:

Confirmed:

Angie Collison
Corporate Officer

Julius Bloomfield
Mayor

Minutes

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Committee of the Whole

held at City Hall, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, May 2, 2023

Recessed from the Regular Council Meeting at 1:00 p.m.

Present:

Mayor Bloomfield
Councillor Boulton
Councillor Gilbert
Councillor Graham
Councillor Konanz
Councillor Miller
Councillor Watt

Staff:

Donny van Dyk, Chief Administrative Officer
Angie Collison, Corporate Officer
Angela Campbell, Director of Finance & Administration
Kristen Dixon, General Manager of Infrastructure
Anthony Haddad, General Manager of Community Services
Blake Laven, Director of Development Services
Paula McKinnon, Deputy Corporate Officer

1. **Call to order**

The Mayor called the Committee of the Whole meeting to order at 1:01 p.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED

THAT the agenda for the Committee of the Whole meeting held on May 2, 2023 be adopted as presented.

CARRIED UNANIMOUSLY

3. **Delegations:**

3.1 Proclamation "Youth Week" May 1-7, 2023

Melisa Edgerly, Foundry Penticton, and Jamie Lloyd-Smith, Social Development Specialist, City of Penticton, provided Council with a presentation on the free events planned in the community for "Youth Week" May 1-7, 2023 and encouraged Council and residents to participate.

Mayor Bloomfield read the proclamation proclaiming May 1-7, 2023 as "Youth Week" in the City of Penticton.

3.2 Proclamation “National Hospice Palliative Care Week” May 7-13, 2023

Ruth Sawyer, Board Chair, Penticton & District Hospice Society, provided Council with an overview of the Penticton and District Hospice Society and invited Council to celebrate “National Hospice Palliative Care Week” from May 7-13, 2023.

Mayor Bloomfield read the proclamation proclaiming May 7-13, 2023 as “National Hospice Palliative Care Week” in the City of Penticton.

3.3 United Way British Columbia’s Local Impact

Naomi Woodland, Regional Coordinator Community Impact & Investment, United Way BC, provided Council with a presentation on local social issues, shared information about local investments and relationships in Penticton.

3.4 Development of Skaha Lake Lacrosse Box

Kate Trahan and Mike Brar, Penticton Minor Lacrosse Association, informed Council about the challenges the Penticton Minor Lacrosse Association and Penticton Flames Junior B lacrosse team is facing in securing a local dedicated space for practices, games and tournaments and requested that Council consider renovation of the lacrosse box located at Skaha Lake.

3.5 Riddle Road Park Amenities

Doug Cox, Riddle Road FireSmart, provided Council with a presentation on Riddle Road Park and requested that Council consider the installation of amenities as well as a general clean-up of the area as outlined in the Parks and Recreation Master Plan.

4. **Adjourn to Regular Meeting**

It was MOVED and SECONDED

THAT Council adjourn the Committee of the Whole meeting held May 2, 2023 at 1:53 p.m. and reconvene the Regular Meeting of Council.

CARRIED UNANIMOUSLY

Certified correct:

Confirmed:

Angie Collison
Corporate Officer

Julius Bloomfield
Mayor

Minutes

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Public Hearing
held electronically and at City Hall, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, May 2, 2023
at 6:00 p.m.

Present:

Mayor Bloomfield
Councillor Boulton
Councillor Gilbert
Councillor Graham
Councillor Konanz
Councillor Miller
Councillor Watt

Staff:

Donny van Dyk, Chief Administrative Officer
Angie Collison, Corporate Officer
Angela Campbell, Director of Finance & Administration
Kristen Dixon, General Manager of Infrastructure
Blake Laven, Director of Development Services
Paula McKinnon, Deputy Corporate Officer
Steven Collyer, Senior Planner

1. Call to order

Mayor Bloomfield called the public hearing to order at 6:01 p.m. for Zoning Amendment Bylaw No. 2023-14.

The Corporate Officer read the opening statement and introduced the purpose of the bylaw. She then explained that the public hearing was being held in-person and electronically to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act*.

2. "Zoning Amendment Bylaw No. 2023-14" (924 Fairview Road)

The purpose of "Zoning Amendment Bylaw No. 2023-14" is to amend Zoning Bylaw No. 2023-08 as follows:

Rezone Lot 1 District Lot 250 Similkameen Division Yale District Plan 37914. Located at 924 Fairview Road, from RD1 (Duplex Housing) to RM2 (Low Density Multiple Housing), to facilitate the construction of a 6-unit townhouse development.

The applicant is proposing to construct a 6-unit townhouse development consisting of two, three-storey triplexes accessed from an internal driveway. Each unit has its own garage and rear yard space.

The Corporate Officer advised that one letter has been received since the printing of the agenda.

DELEGATIONS

Mayor Bloomfield asked the public for the first time if anyone wished to speak to the application.

- Tony Giroux (via Zoom), Giroux Design Group, on behalf of applicant, available to answer any questions.
- Lynn Kelsey, Oakville Street, commented knowledge of home, getting into driveway is difficult, must cross double wide bike lane to enter and exit, can only turn around at the back to exit. Commented getting out is even more difficult, can't block bike lane to see oncoming traffic, traffic coming from three different ways, referenced photo from staff PowerPoint, horrible visibility. Agrees with removal of trees of heaven. Commented need to do infill, need to do it smart, do it right the first time, this is not the place for density, going to be a problem, someone will get hurt coming in or out, extremely busy intersection. Commented no access from lane, makes it impossible for fire truck, garbage truck. Commented need to do smart density, this is dumb density, putting people at risk, huge safety risk.
- Lori Goldman (via Zoom), Dauphin Avenue, commented goal of developers is to maximize investment, nice design. Commented need to engage community consultation, work with community partners. Commented very dense development, only three bedroom units, way too many, no accommodation for bachelor, part of modest densification which we need. Commented no space for community garden, larger area for recreation and play for all age groups. Commented cars crossing bike route, very dangerous, waste bins will also be problem. Inquired if will meet new step code that came in yesterday. Commented densification is important, not right property for this many houses.

Mayor Bloomfield asked the public for the second time if anyone wished to speak to the application.

- Jordan Shade, Backstreet Blvd., spoke in opposition, no fire lane, safety hazard. Commented already sign selling units, think that it will be rubber stamped. Commented needs an exit for fire department, inquired if fire department weighed in on this. Hopes council will not support.
- Karen Wilson (via Zoom), Fairview Road, commented unsafe without access to proper parking, no fire lane, seen numerous almost accidents, doesn't understand why have to live like chicken coups with no safety, disagrees with proposal.
- William Hammond, Fairview Road, referenced photo from staff PowerPoint, Scott Avenue before bike lane was 50km road, left road for fire safety, when configuration was changed under road and safety there was a two-year freeze, dangerous intersection to start with, bike lane great, front access area has to be under study. Commented four houses behind are high density, excuse of trying to buy property behind, taking more rental property from poor people, move through houses and sell twice. Commented original cattle ranch bearer that built town hundred years ago developed well systems in that area, major well by KVR trail, septic fields and tanks, keep moving things around, don't take us back to cholera. Commented bio spheres on both sides will be affected greatly. Commented fire lane if paved will ruin all trees, animal corridor, rental property on one side has little children that watch the birds, houses at back are already below

level, will be in a cave. Commented if structure put in all trees will need to be removed.

Mayor Bloomfield asked the public for the third and final time if anyone wished to speak to the application.

- Tony Giroux (via Zoom), on behalf of applicant, responded made legit effort to purchase property from neighbor to have lane access, wasn't possible after multiple attempts. Responded doesn't see six units impacting traffic, developer has no issues having right lane only exit. Responded technical planning committee reviews with all departments, buildings will have sprinklers, more room to turn around now, garage bins put out at doors, storage space provided for bins, no issue for large vehicles to pull in. Responded doesn't know about for sale sign, not unusual for developer to put up sign, not obnoxious but hopeful thing to do. Responded representing developer as designer, a lot of uncertainty whether to proceed. Responded amount of people using bike lane in city, far less than number of vehicles traveling down street, as people get used to home environment, sad thing if bike lane stops development, sad consequence. Responded entire province under step code 3, if changes before construction and goes to step code 4, will comply, step code 3 excellent efficient design, each unit own private back yard, we do not have ideal properties, not asking for any variances, lower density than OCP allows, meet all requirements of zoning bylaw, more parking on site than required. Responded appreciates concerns, always fear with new development on existing neighbours, often becomes asset to neighbourhood, brings in families that take care of properties. Responded looked at previous concerns and made adjustments remaining affordable. Asked not to reduce number of units, approve development as is, if exit is of concern consider right turn only exit or other comprise that makes everyone feel comfortable.
- Councillor Gilbert, clarified for sale sign is for Argyle property.

The public hearing for "Zoning Amendment Bylaw No. 2023-14" was terminated at 6:32 p.m. and no new information can be received on this matter.

Certified correct:

Confirmed:

Angie Collison
Corporate Officer

Julius Bloomfield
Mayor

Minutes

penticton.ca

Public Hearing
held electronically and at City Hall, Council Chambers
171 Main Street, Penticton, B.C.

Tuesday, May 2, 2023
at 6:00 p.m.

Present: Mayor Bloomfield
Councillor Boulton
Councillor Gilbert
Councillor Graham
Councillor Konanz
Councillor Miller
Councillor Watt

Staff: Donny van Dyk, Chief Administrative Officer
Angie Collison, Corporate Officer
Angela Campbell, Director of Finance & Administration
Kristen Dixon, General Manager of Infrastructure
Blake Laven, Director of Development Services
Paula McKinnon, Deputy Corporate Officer

1. Call to order

Mayor Bloomfield called the public hearing to order at 6:32 p.m. for Zoning Amendment Bylaw No. 2023-15.

The Corporate Officer read the opening statement and introduced the purpose of the bylaw. She then explained that the public hearing was being held in-person and electronically to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act*.

2. "Zoning Amendment Bylaw No. 2023-15" (398 Upper Bench Road South)

The purpose of "Zoning Amendment Bylaw No. 2023-15" is to amend Zoning Bylaw No. 2023-08 as follows:

Add site-specific provision, for Lot 6 District Lot 155 Similkameen Division Yale District Plan 306 Except Plan 21731, located at 398 Upper Bench Road South, within the A (Agriculture) zone as follows: "Section 9.2.6.13, In the case of Lot 6 District Lot 155 Similkameen Division Yale District Plan 306 Except Plan 21731, located at 398 Upper Bench Road South, a carriage house and a bed and breakfast home shall be permitted."

The applicant is proposing to convert an existing accessory structure on the subject property to a carriage house. The subject property also contains a single-family dwelling, which is currently operating as a bed and breakfast home.

The Corporate Officer advised that no letters have been received since the printing of the agenda.

DELEGATIONS

Mayor Bloomfield asked the public for the first time if anyone wished to speak to the application.

- Chris Allen, Landform Architecture, agent representing owners, available to answer any questions.
- Lynn Kelsey, Oakville Street, spoke in support of development, commented intimate knowledge of property, beautiful home and view, nicely isolated, converting to a carriage house well away from house with tons of parking, sits on hill, incredible view, letter from neighbour in support, smart growth, enhancing property, enhancing tourism with bed and breakfast, would stay as tourist, absolutely gorgeous. Encouraged council to approve.

Mayor Bloomfield asked the public for the second time if anyone wished to speak to the application.

- No one spoke.

Mayor Bloomfield asked the public for the third and final time if anyone wished to speak to the application.

- Dara (via Zoom), owner, happy to answer any questions.

The public hearing for "Zoning Amendment Bylaw No. 2023-15" was terminated at 6:37 p.m. and no new information can be received on this matter.

Certified correct:

Confirmed:

Angie Collison
Corporate Officer

Julius Bloomfield
Mayor

Minutes

penticton.ca

Official Community Plan - Housing Task Force Meeting

to be held at the City Hall, Council Chambers
171 Main Street, Penticton, B.C.
Wednesday, May 3, 2023
at 4:30 pm

Present:

Drew Barnes
Ajeet Brar
Rod Ferguson
Nicholas Hill
Nathan Little
Brian Menzies
Chris Schoenne
Nicolas Stulberg
Richard Langfield
Loretta Ghostkeeper

Council Liaison:

Campbell Watt, Councillor
Helena Konanz, Councillor

Staff:

Anthony Haddad, General Manager, Community Services
Blake Laven, Director of Development Services
Steven Collyer, Senior Planner
Hayley Anderson, Legislative Assistant

Regrets:

Alison Gibson
Dara Parker
Linda Sankey

1. **Call to Order**

The Legislative Assistant called the Official Community Plan - Housing Task Force meeting to order at 4:34 p.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED

THAT the Official Community Plan - Housing Task Force adopt the agenda of May 3, 2023 as presented.

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

There are no minutes for adoption.

4. **New Business**

4.1 Committee Orientation

The Legislative Assistant provided a Committee Orientation presentation.

4.2 Adoption of Meeting Schedule

It was MOVED and SECONDED

THAT the Official Community Plan – Housing Task Force resolve to meet the second and fourth Wednesday of each month at 4:30 pm until the end of the Task Force term.

CARRIED UNANIMOUSLY

4.3 Official Community Plan Planning and Process

The General Manager, Community Services provided the Task Force with an update on the plan and process of the Official Community Plan – Housing Task Force.

Staff provided a summary of the housing situation in Penticton, and the changes that have occurred related to housing and population growth since the 2018 OCP was adopted by Council.

Members present provided their individual backgrounds and reasons for applying to be on the Task Force and outlined their experiences as they relate to the objectives of the Task Force.

Staff outlined the Scope of OCP Amendments that would be required as part of the Task Force's work, that would be focusing only on the Housing Section of the OCP. Staff also summarized the process and technical expertise that would be required to assist with the Task Force's work.

4.4 Appointment of the Task Force Chair and Vice-Chair

The appointment of the Chair and Vice-Chair was moved to the next meeting.

5. **Next Meeting**

The next Official Community Plan - Housing Task Force meeting is scheduled to be held on May 24, 2023 at 4:30 pm.

6. **Adjournment**

It was MOVED and SECONDED

THAT the Official Community Plan – Housing Task Force adjourn the meeting held May 3, 2023 at 6:05 p.m.

CARRIED UNANIMOUSLY

Certified Correct:

Hayley Anderson
Legislative Assistant

Minutes

penticton.ca

Accessibility Task Force Meeting

To be held via Zoom
Wednesday, May 3, 2023
at 9:30 a.m.

Present: Kristi Bauman
Randy Boras
Trisha Kaplan
Amanda Lewis
Heather Miller
Grant Pattingale
Victoria Jaenig

Council Liaison: Ryan Graham, Councillor

Staff: Blake Laven, Director of Development Services
Jamie Lloyd-Smith, Social Development Specialist
Sarah Desrosiers, Social Development Coordinator
Hayley Anderson, Legislative Assistant

Regrets: Leanne Williams
Kona Sankey

1. **Call to Order**

The Staff Liaison called the Accessibility Task Force to order at 9:34 a.m.

2. **Adoption of Agenda**

It was MOVED and SECONDED

THAT the Accessibility Task Force adopt the agenda of May 3, 2023 as presented.

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

There are no minutes for adoption.

4. **New Business**

4.1 Committee Orientation

The Legislative Assistant provided a Committee Orientation presentation.

4.2 What to Expect

The Director of Development Services and Social Development Coordinator provided the Task Force with a presentation of the applicable legislation, goals and objectives of the Task Force.

4.3 Appointment of Task Force Chair and Vice Chair

The appointment of the Chair and Vice-Chair was moved to the next meeting.

4.4 Adoption of Meeting Schedule

It was MOVED and SECONDED

THAT the Accessibility Task Force resolve to meet the second and fourth Wednesday of each month at 9:30 am until the end of the Task Force term.

CARRIED
Amanda Lewis, Opposed

It was MOVED and SECONDED

THAT the Accessibility Task Force change the meeting time from 9:30 am to 11:00 am.

CARRIED UNANIMOUSLY

5. **Next Meeting**

The next Accessibility Task Force meeting is scheduled to be held on Wednesday, May 24, 2023 at 11:00 am.

6. **Public Question Period**

7. **Adjournment**

It was MOVED and SECONDED

THAT the Accessibility Task Force adjourn the meeting held on May 3, 2023 at 10:55 am.

CARRIED UNANIMOUSLY

Certified Correct:

Hayley Anderson
Legislative Assistant

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Anthony Haddad, GM Community Services
Subject: **Safe & Resilient Council Priority: Public Safety Working Group Update**

File No: 7010

Staff Recommendation

THAT Council receive into the record the report dated May 16, 2023 titled "Safe & Resilient Council Priority: Public Safety Working Group Update", a report that outlines the public safety planning and actions being implemented in 2023 and the creation of indicators for reporting on the progress of these priorities.

2023-2026 Council Priorities

2023-2026 Council Priorities identified public safety as a priority through its 'Safe & Resilient' priority. Implementation of the City's public safety priorities will be important over the coming years and will include budgetary priorities and actions to ensure delivery of high quality community safety-related services to improve our overall community wellbeing.

Background

On December 20, 2022 and January 17, 2023, Council was presented with the Resource Review of the Penticton RCMP Detachment, Penticton Fire & Rescue, & Penticton Bylaw & Community Safety Officer Program that was completed during 2021 and 2022. The report provided a number of findings and recommendations related for the City/Community, RCMP, Fire & Rescue and Bylaw and Community Safety Officer Program.

On March 7, 2023, staff presented Council with the Framework for Public Safety (Attachment A) which revolved around Response, Social & Health, Community Action and Planning, each providing coordinated efforts to improve the perception and reality of public safety in Penticton. Within each of these areas, a range of different municipal, provincial and non-profit sector agencies are involved in leading and working together on a number of initiatives, programs and priorities to better our community, as highlighted in the Framework and brought together as part of the Operational Working Group

The Operational Working Group has brought together many of the stakeholders that were identified in the 2022 Community Safety Resource Review and includes those representatives from organizations and departments that have a significant influence on the public safety priority over the coming years. In addition to the consolidation of the many initiatives underway and proposed through the upcoming budget, some of the key deliverables for this operational working group over the coming 6-8 months included:

- Integration of all components into a plan for the community.
- Outline the roles and responsibilities of each department / agency.

- Providing clarity around the range of services being provided in Penticton so that the community can have a clear picture of the investments being made.
- Identification of Key Performance Indicators.
- Regular Updates to Council.

Improving relationships, providing better information sharing and coordinating efforts through the Working Group will help develop shared visions and goals, improve communication and collaboration, put an emphasis on better data sharing and help begin to develop metrics and performance indicators that will enable improved performance and decision making across the Framework.

Penticton Framework for Public Safety – May 2023 Update

As part of process to update Council and the community on the progress of the public safety relates initiatives this update provides for an oversight of the range of programs, priorities and projects underway – their progress, evolution and impact they are having in the community. Attachment B provides for a rundown of the range of priorities underway and below is a summary and overview as it relates to the four key components of the City's Public Safety Framework.

Performance indicators are in their early stages of development for each of the programs underway, and Attachment B provides a list of indicators that are under review. Further work with the Working Group will be undertaken on these over the coming months.

- ***Response (RCMP, Fire & Rescue, Bylaw & Community Safety Officers & Private Security)***

Our public safety agencies have been moving forward with their priorities identified as part of the Public Safety Working Group. Continuing to enhance the coordination between the departments continues to be a major focus for the work they do. RCMP have been proactively moving a range of initiatives forward including their Restorative Justice and School Liaison Program. Fire Services are working towards the development of their first responder review and proactively engaging on the preparedness of the Emergency Operations Centre to support the community as required.

Bylaw Services and the Community Safety Officer Program continue their work throughout the entire community, responding to concerns from the community and proactively targeting areas of high concern. Private Security patrols in and around civic facilities and monitor and report issues around the City Yards, Community Centre and Library.

- ***Social & Health (Social Development, Provincial Agencies & Non-Profit Organizations)***

The Social Development team are in the process of creating their Social Development Framework, which will look at how the social variations and non-profit service providers in our community can continue to support our City's needs.

Staff are working to bring Provincial Agencies into the Working Group from an operational perspective to assist in identifying opportunities for collaboration and partnership, funding support and determine how best work together in the future.

- ***Community Action (Provincial Lobbying, Community Engagement & Economic Development)***

Council have been active lobbying the Provincial government on a number of fronts including for the Car40 Program, improved funding for affordable housing in the community and working with municipalities within the Southern Interior to gain support for Council's housing priority. Communications support for public safety programs is continuing as initiatives and partnership come forward.

Continuing to move the community forward through positive community activity and economic development is a focus for the Economic Development department. Labour and resident attraction is a focus of the StartHerePenticton platform and staff are working to update the online Penticton Business Toolkit support program over the coming months. Staff in Sports and Events are working collaboratively with Travel Penticton, OVG360 and the Convention Bureau to continue to attract new events and activities supporting Council's priority around community vibrancy.

- **Planning (Policy Development, Partnership Programs, Affordable Housing & Environmental Design)**

Policy changes to support the needs of our community are underway with the Safe Public Spaces Bylaw and associated Policy and Procedure updates. The positive benefits of strong partnerships is continuing with the Graffiti and Camera Programs continuing to see success.

A range of housing initiatives are underway including the process to update the OCP housing policy and staff have been given direction from Council to look at making an application for funding under CMHC's Housing Accelerator Fund.

Environmental Design is critical in supporting community safety. The Community Safety Building is in the final steps of it's space planning and site analysis process and the design of our capital projects through our Infrastructure team continues to prioritise public safety in the design of new projects and upgrades to existing infrastructure.

Analysis

This report provides Council and the community with an update of the Public Safety Framework in action, highlighting the major initiatives underway within each area of focus. Staff will continue to provide updates and progress reports on these initiatives, all falling under Council's Strategic Priority of Safety & Resilience.

Attachments:

Attachment A – Public Safety Framework

Attachment B – Public Safety Working Group – May 2023 Update

Respectfully submitted,

Anthony Haddad
General Manager, Community Services

Director of Finance & Administration <i>AMC</i>	Director of Development Services <i>BL</i>	GM Infrastructure <i>KD</i>	Chief Administrative Officer DyD
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Attachment A

Public Safety Framework



PUBLIC SAFETY WORKING GROUP - PROGRAM TRACKING		Program Lead / Support	Timeline	Funding Responsibility	Indicators of Success / Progress	Comments
	RCMP					
	Two Additional Officers	RCMP	12 months	City	Positions filled	Budget approved: letter from City, Province, and Federal Government expected and liaise with RCMP HQ
	Car40 Program	RCMP	4 Months	Provincial	Positions to be filled if Province approves	Will prioritize should funding / decisions be made. RCMP member in place and ready to collaborate.
	Restorative Justice Program	RCMP	Present & Ongoing	City	More referrals and less Court appearances	Restorative Justice Coordinator in place and expanding effectiveness.
	School Liaison Program	RCMP	Present & Ongoing	City	Members have been assigned as ambassadors	Members in the schools for various presentations and assemblies. Detachment SMT consistently collaborate with SD67 and school administrators.
	Mental Health Call Triage	RCMP	Present & Ongoing	City	Fewer social disruptions	New Community liaison members identified and in place, already having a positive impact on police resources.
	Crime Prevention Through Environmental Design Assessments	RCMP	Present & Ongoing	City	More visits and referrals	CPTED coordinator in place and engaged with community groups. Always prepared to perform on-site visits and collaborate. 12 site visits and CPTED reviews have been completed so far in 2023
	FIRE SERVICES					
	Service Level Review	Fire	Q3-Q4	City	Shift Strength 8+ (Four FF Engine Companies percentage of Time per shift)	Hiring of 4 additional FF FTE is now complete starting June 1. 2023. Shift Strength is being evaluations and impacts on structure fire and other complex emergencies will be evaluated based on operational effectiveness and efficiencies.
	Emergency Management	Fire	All year	City / Province	EOC activations, EOC round table events and table top scenarios.	EPC has been engaging with EOC staff on EOC training and Table top exercises. EOC Power hours for training and advanced activations processes.
	Emergency Health Service	Fire		City	Certification to all EMA first responder Medical Endorsements for all PFD career firefighters.	Apply for all Emergency Medical Training endorsements for all PFD career FF from BC Emergency Medical Licensing Board.
	First Responder Review	Fire	Q4	City	PFD is conducting a comprehensive study on the impacts of first responder emergency's calls. Identification of Acuity, actual call type, and severity. Change in clinical outcomes for patient and duplications o services with BCAS.	The study will continue thru the summer months to capture the impact of Summer populations. Report to council on findings and recommendations will be ready for Q3-Q4
	Medical Training	Fire	all year	City	Advanced EMA training is underway to upgrade PFD medical response protocols supports by BC Emergency heath Services.	All new hires will be trained to Emergency Medical Responder.

PUBLIC SAFETY WORKING GROUP - PROGRAM TRACKING		Program Lead / Support	Timeline	Funding Responsibility	Indicators of Success / Progress	Comments
BYLAW & CSO						
Increase Bylaw Authority-Bylaw Enforcement Officer Bylaw	Bylaw	Complete	Peace officer uniform and vehicle Rebrand costs \$10K	enhanced ability to respond to public requests, complaints on private property with public access, etc.	1st Reading through Council, waiting on MHO review/response	
Performance Indicators for CSO's	Bylaw	Q2 2023	N/A	Accountability, KPIs to adhere to	Performance Indicators under development	
Project 529	Bylaw	Spring-Fall	\$5K per year	increased public awareness, signage, special events, website/social media promotion, Go By Bike week, public engagement/booth at downtown markets, etc.	Signage throughout the entire city has been installed	
'See Something Say Something' campaign	Bylaw	All year	\$15K per year	signage, radio ads, increased call volume but ability to triage calls for service to correct organizations or depts.	Signage throughout the entire city has been installed	
'Hot Spot' targeted CSO patrols	Bylaw	All year	N/A	Community support, flexibility to patrol, proactive response to public		
Intake Collaboration Tool	Bylaw / Social Dev	All year	N/A	multi agency collaboration to obtain information about vulnerable persons in the community		
Sharps disposal strategy	Bylaw / Social Dev	All year	\$8K per year	Ability to change locations, flexibility to control, decrease of sharps in highly visible and unsafe spaces		
Vulnerable Assessment Tool	Bylaw	All year	N/A	2 CSOs are officially trained with BC Housing, supportive role to BC Housing	New supportive role to BC Housing	
Youth Connection program	Bylaw / Social Dev	All year	\$5K per year	In development	to determine what work and role will look like and dependant on Building Safer Community grant funding	
PRIVATE SECURITY						
Performance & Impact Review	Facilities / Lands	Ongoing	City	Monthly reports, Incident reports, Cost of Service	Monthly reports being submitted, review of priority areas for focus are under review for Civic Facilities. Security patrols are undertaken at the Community Centre, City Hall, Library and Cleland Theatre, with patrols undertaken at the library, soccer bubble, SS Sicamous, City Yards and Kiwanis Pier.	

PUBLIC SAFETY WORKING GROUP - PROGRAM TRACKING		Program Lead / Support	Timeline	Funding Responsibility	Indicators of Success / Progress	Comments
SOCIAL DEVELOPMENT						
Social Development Framework	Social Development	Completed by the end of 2023	Approx. \$25k, covered in full by grant funding	Key indicators will be developed across all priority areas for Social Development		
Building Safe Communities Fund (BSCF)	Social Development	October 12, 2022 - March 29, 2026	\$1,168,998.23 (grant)	At-risk youth in Penticton feel supported by their community.		
Penticton Outreach Coordination Table (POCT)	Social Development	Ongoing	Staff time	Increased level of coordination and collaboration among frontline works in the homelessness serving sector, completion of mapping outreach routes and hot spots for areas where vulnerable populations congregate across community		
Sharps Strategy	Social Development / Bylaw	Through until 2024	Staff time	Increased awareness of safe places to dispose of sharps, in partnership with the ASK Wellness Ambassadors. Strategy is shared on the City's website and with not-for-profit stakeholders through the POCT table.		
Community Action Table	Social Development	Through until 2026	Approx. \$250,000 in grant funding received some staff time required	Substance use system of care is more integrated with enhanced partnerships with Interior Health and BC Housing.		
ASK Wellness Ambassador Partnership	Social Development	Through until 2024	Approx. \$10,000 all supported through grants	Reduction in undisposed sharps in Penticton, reduction in unsightly properties in collaboration with Bylaw services and reduction of debris in the co		
Family Reunification Fund	Social Development	Through until 2024	\$10,000	A coordinated local response to reuniting vulnerable populations with their family, and an overall reduction in homeless individuals who are not native to Penticton.		
Age-Friendly Emergency Preparedness	Social Development / Fire	December 2022 - December 2023	\$12,500	Seniors in Penticton feel informed and prepared for an emergency, community organizations feel informed and are able to create their own emergency plans for their clients.		
PROVINCIAL AGENCIES						
BC Housing	TBC		Province			Staff working to bring representative into the Working Group
Interior Health	TBC		Province			Staff working to bring representative into the Working Group
Crown Counsel	TBC		Province			Staff to continue to engage with Crown Council on the issues facing our community and community impact of court decisions
NON PROFIT ORGANIZATIONS						
Community Organizations	Social Development	Ongoing	TBD	Social development working through the development of their Social Development Framework		The Social Development Framework will support the City's Public Safety priority and further updates on this work will be provided to Council in the coming months.

PUBLIC SAFETY WORKING GROUP - PROGRAM TRACKING	Program Lead / Support	Timeline	Funding Responsibility	Indicators of Success / Progress	Comments
PROVINCIAL LOBBYING					
Car 40 Program	Council	Ongoing	Provincial Government	To be determined once program is in place	
Health Funding	TBC	TBC	TBC		
Provincial Programs / Opportunities	City	Ongoing	TBD	Staff reviewing ongoing partnership funding opportunities for program development and public safety support	Funding opportunities under review include, the Car40 program and the CMHC Housing Accelerator Fund. Staff will provide updates as these opportunities move forward.
ECONOMIC DEVELOPMENT					
Community Growth & Development	Economic Development	Ongoing	City	New development activity / Construction values / Building Permits	
Resident & Labour Attraction	Economic Development	Ongoing	City	Start Here Penticton / Penticton Business Toolkit	
Events & Activities	Recreation, Arts & Culture	Ongoing	City	Suport of returning events and support new events and activites in the community.	
Data collection & Distribution	Economic Development	Ongoing	City	Collection and distrubtion of census data, housing statistics to the wider community and new invesators	
Business Retention & Expansion	Economic Development	Ongoing	City	Business Licence data	
Investment Attraction	Economic Development	Ongoing	City	New enquries and businesses locating in Penticton	
Building on our Economic Strengths	Economic Development	Ongoing	City	Investing staff time to support priority industries	
COMMUNICATIONS & ENGAGEMENT					
Penticton.ca	Communications & Engagement	Ongoing	City	Indicator development under review	
City of Penticton mobile app	Communications & Engagement	Ongoing	City	Indicator development under review	
Emergency Information (Text SMS / Email)	Communications & Engagement	Ongoing	City	Indicator development under review	
shapeyourcitypenticton.ca	Communications & Engagement	Ongoing	City	Indicator development under review	
Engagement Program	Communications & Engagement	Ongoing	City	Indicator development under review	
Community Connectedness	Communications & Engagement	Ongoing	City	Indicator development under review	

PUBLIC SAFETY WORKING GROUP - PROGRAM TRACKING		Program Lead / Support	Timeline	Funding Responsibility	Indicators of Success / Progress	Comments
PARTNERSHIP PROGRAMS						
Graffiti Removal Program	Bylaw	All year	\$28,800/year from City + DPBIA partnership	Reduction in graffiti/tags downtown with quick removal processes, partnership with DPBIA	Program has been in place since 2015 and deemed very successful	
DPBIA Camera Program	Econmic Development / Bylaw / RCMP	All year	\$100,000 - Budget 2023	camera placement interchangeability to monitor and address disorder in hot spot locations	collaboration with city, bylaw, RCMP, DPBIA to implement and make changes to camera locations as needed	
Guardian Program - PIB	Bylaw	All year	\$60k as part of Channel Agreement	collaboration with Bylaw/CSOs to support each other in addressing disorder and unsightly conditions along Channel	collaboration with training shared training opportunities and resources	
ASK Wellness Ambassador Partnership	Bylaw / Social Development		\$10K	Collaboration with Ambassadors with lived experience to support in clean up activities in the city	successful program thus far	
POLICY DEVELOPMENT						
Safe Public Places Bylaw	Tina/Blake	May-23	\$15K legal reviews	lawful authority for CSOs to respond to calls for service from public as expected	1st Reading through Council, waiting on MHO review/response	
Bylaw Enforcement Officer Procedures Policy	Tina/Blake	Mar-23	N/A	Policy provides direction to protect bylaw enforcement officers, minimize the use of force and immunize the city from a liability exposure	Council Policy CP#2023-03	
ENVIORNMENTAL DESIGN						
Community Safety Building (CSB)	Facilities	2023 / 2024	City	Space programming moving along	Site selection and detailed design to be undertaken in 2023.	
Crime Prevention Through Environmental Design Assessments	RCMP	Present & Ongoing	City	More visits and referrals	CPTED coordinator in place and engaged with community groups. Always prepared to perform on-site visits and collaborate. 12 site visits and CPTED reviews have been competed so far in 2023	
Transportation Safety technical working group	Infrastructure	Ongoing	City		Initial meeting held March 22, 2023 to confirm scope and purpose, with goal of meeting quarterly.	
Safe Routes to School/Active Travel Programs	Infrastructure	Ongoing	City		Consultant selected and work commenced for first two pilot-project locations (Carmi Elementary and Uplands Elementary).	
Safety by design	Infrastructure	Ongoing	City		Reviews conducted as part of each capital project, to specifically consider the designs from a public safety perspective.	
HOUSING & HOMELESSNESS						
100 More Homes	United Way / Social Development / Planning	Q2 / Q3 2024		Understanding of housing needs		
Housing Accelerator Fund	Economic Development	Q3 2023	OAP Funds	CMHC Grant Application	Work underway to prepare grant application for significant funding opportunity	
OCP Housing Amendments	Economic Development / Planning / Social Development	Q1 2024	2023 Budget	New housing policy developed to create addiotnal housing in the community	OCP Housing Task Force process underway	
City Owned Land	Economic Development / Land Management	Ongoing	2023 Budget	Development of new housing opportunities on municipally owned lands	Work underway on development of land strategy for strategic parcels of City land	
Equitable Housing Policy Engagement	Social Development	Ongoing	TBC			

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Staff Sergeant Bob Vatamaniuck

File No: 0550-02

Subject: RCMP Quarterly Update

Staff Recommendation

THAT Council receive into the record the report titled "RCMP Quarterly Update" dated May 16, 2023.

Strategic priority objective

Safe & Resilient: The City of Penticton will enhance and protect the safety of all residents and visitors to Penticton.

Background

Quarterly report attached.

Financial implication

Not applicable.

Analysis

Not Applicable.

Attachments

Attachment A – Quarterly Report

Respectfully submitted,

Staff Sergeant Bob Vatamaniuck
Acting Officer in Charge
Penticton South Okanagan Similkameen Regional RCMP Detachment

Concurrence:

Chief Administrative
Officer

DyD



PENTICTON SOUTH OKANAGAN
SIMILKAMEEN
REGIONAL DETACHMENT

**QUARTERLY REPORT
(PENTICTON)**

January – March 2023



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada

Total reported crime events in the municipality for the quarter was 1,652 which is slightly up 2% from Q1 last year (1,623).

2023/24 Penticton Detachment Policing Priorities

- **Crime Reduction (Property Crimes and Drugs):** Identifying and managing prolific offenders through enhanced enforcement in partnership with community agencies (ie: Crown, Probation, Mental Health). The focus will be on drug and property crime offenders.
- **Family and Sexual Violence:** Focus on education, awareness and community support to foster a “wrap around” approach of harm reduction. Creating a supportive environment for victims of family and sexual violence to have the confidence to come forward and seek assistance from the police and community partners.
- **Mental Health and Addictions:** Working collaboratively with community partners in providing support to community members suffering from homelessness, addictions and mental health challenges.
- **Employee Wellness:** Policing can be very stressful for both our sworn police officers and our civilian employees who support police operations. The effects of this stress can be devastating. The detachment has created a wellness committee whose objective is to share wellness strategies as well as organizing wellness activities for all employees (workshops, group hikes/activities, etc.)

Staff Sergeant Bob Vatamaniuck
Acting Officer in Charge
Penticton South Okanagan Similkameen Regional RCMP Detachment.



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada

PENTICTON (MUNICIPAL) Q1 2023 STATS

<i>Calls for Service</i>	Q1 2022	Q1 2023	% Change 2022 to 2023
Total Calls for Service	3,683	3,891	6%
<i>Violent Crime</i>	Q1 2022	Q1 2023	% Change 2022 to 2023
Assault (Common & With Weapon/Cause Bodily Harm)	110	109	-1%
Sex Offences	10	26	160%
Uttering Threats	38	58	53%
Domestic Violence (Violent Crime Only)	36	46	28%
Violent Crime - Total	216	257	19%
<i>Property Crime</i>	Q1 2022	Q1 2023	% Change 2022 to 2023
Auto Theft	81	43	-47%
Bicycle Theft	15	11	-27%
Break & Enter - Business	48	19	-60%
Break & Enter - Residence	18	19	6%
Break & Enter - Other	17	11	-35%
Mischief to Property	387	479	24%
Theft - Other	89	94	6%
Shoplifting	117	101	-14%
Theft from Vehicle	131	94	-28%
Fraud	68	88	29%
Property Crime - Total	1013	992	-2%

Top 10 Calls for Service - Penticton Detachment (Municipal)

Initial Call Type	# of Calls
Unwanted Person	436
Check Wellbeing	255
Theft	237
Disturbance	220
Assist Other Agency	217
Alarm	183
Mischief	164
Suspicious Person	164
Suspicious Circumstances	154
Assist Police/Fire/Ambulance	127

Criminal Code Files: 1652 (Up 2% from 1623 in Q1 of 2022)



Royal Canadian Mounted Police
Gendarmerie royale du Canada

Canada

Council Report

penticton.ca

Date: May 16, 2023 **File No:** RMS 3900-02
To: Donny van Dyk, Chief Administrative Officer
From: Tina Mercier, Bylaw Services Manager and Blake Laven, Director of Development Services
Subject: **Safe Public Places Bylaw No. 2023-06**

Staff Recommendation

THAT Council, after consideration of the comments by the Medical Health Officer, and after consideration of the public engagement results, give second and third reading to "Safe Public Places Bylaw No. 2023-06", a bylaw that supports a safe, secure and healthy community through regulating solicitation, disorderly conduct, public nuisances, public substance use, and the general safe use of public places.

Background

Council, at their March 17th Regular meeting gave first reading to Safe Public Places Bylaw No. 2023-06, a bylaw that supports a safe, secure and healthy community through regulating solicitation, disorderly conduct, public nuisances, public substance use, and the general safe use of public places. Council at the meeting also gave direction to refer the bylaw to the regional Medical Health Officer (MHO) prior to further readings. Following that direction the bylaw was referred to the MHO on April 6, 2023. Comments have been received from the MHO, which are outlined below. In addition to the referral to the MHO, further community engagement was done, a summary of which is also included below.

Staff are now recommending that Council give second and third reading to the Bylaw, which when adopted, will give the tools to our Bylaw Enforcement Officers to ensure Penticton has safe public places for all members of the community.

Comments from Medical Health Officer

Staff met with Dr. Sue Pollock, Medical Health Officer for Interior Health, on May 5, 2023 and received comments on the bylaw from a public health perspective. The main components of the feedback included:

- Mainly focused on the public consumption of illicit substances portion of the bylaw, not other sections.
- Recognizing that a public health approach generally does not support public consumption of substances, but makes the point that illicit, unregulated substances, which are highly toxic and unpredictable, must be considered differently than regulated substances like alcohol, tobacco and cannabis.
- Acknowledgment that a public health approach to drug policy should include considerations of the safety of all residents in public spaces as they relate to the social determinants of health.

- Concerns that the bylaw may recriminalize and stigmatize drug use, which the decriminalization pilot is trying to address.
- People using in public likely do not have homes or safe home environments to use in.
- For those who have a home environment, the adoption of this type of bylaw may create more barriers in seeking help due to the stigmatization of this type of bylaw (ie. making drug use seem unseemly).
- Recommending waiting on adoption of the bylaw until further evaluation can be done from both the provincial and federal government on public drug use and decriminalization pilots as outlined in an IH letter to all municipalities in the Interior Health region (Attachment A).
- Recommends not creating any punitive measures, like fines, and to ensure any enforcement is first linked to service referral.
- A desire to continue working with the City as the decriminalization pilot progresses and opioid epidemic continues, and ensuring there are an adequate number of safe places for people to use.
- A recognition that deeper partnerships with local collaborative tables (ie. the Community Action Team, 100 More Homes) on drug policy initiatives is critical for ongoing cooperation and strategic alignment.

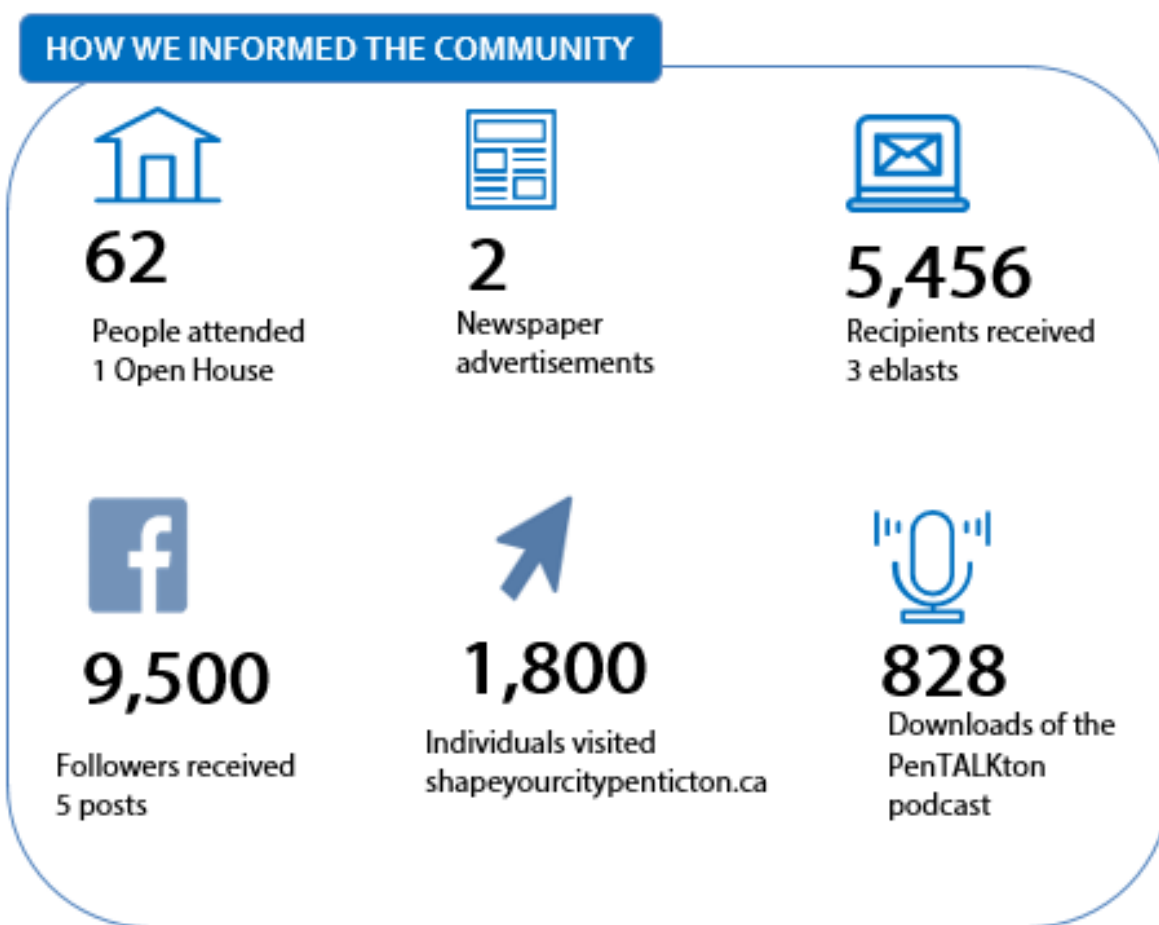
Taking into consideration of the comments brought up from the MHO, staff consider that the bylaw provides a balance of perspectives to support the overall needs of our community. The bylaw includes necessary exemptions for people to use in a safe manner. No punitive fines are being proposed at this time. The bylaw, as outlined in the previous report to Council, is necessary for our Community Safety Officers to respond to calls from the public to deal with issues like drug consumption in inappropriate locations and the inappropriate use of public places and to reduce call volume from the RCMP. Without the bylaw our staff have little ability to respond, requiring RCMP involvement in these types of issues. Our Community Safety Officers (CSO) are extensively trained in trauma informed practice and in fairness in practice and take a very measured approach when dealing with vulnerable individuals, people deep in addictions and the unhoused. It is fully intended that the CSOs will continue to take a person-centred approach to supporting vulnerable populations, with enforcement as one tool to be used as needed.

Furthermore, the results of the Public engagement (outlined below) show that there is strong public support for restrictions on consumption in public areas and based on calls for service data, there is a strong desire for our Bylaw Enforcement Officers to respond to instances of inappropriate substance use in public places.

Given these considerations, Staff are not recommending any changes to the bylaw at this time.

Engagement and consultation results

A significant amount of public consultation has been done pertaining to community safety over the past few years. That feedback has informed the ultimate makeup of this bylaw. Following first reading of the bylaw more public engagement was completed on the bylaw itself. The City's Engagement team set up a shapeyourcitypenticton.ca page specific to the bylaw including a public survey and conducted two open houses (one in-person and one virtual) as well as had several stakeholder meetings. The scope of the engagement process was to confirm the approach with health officials, community agencies and residents prior to Council considering the bylaw for adoption. The City provided online and in-person opportunities for residents and interested parties to learn more and share their feedback.



The full engagement report is attached as Attachment D, but as a summary, the City received great participation by community members with the completion of 703 feedback forms. This is a significant level of participation especially considering the City had recently gathered input on safety as part of the Community Safety Resource Review. The majority of participants were very supportive of the direction of the City and the bylaw. The key findings from the feedback form* are as follows:

- 85% of participants agree or strongly agree that social disorder and nuisance behaviours make them feel unsafe.
- 87% agree or strongly agree with the intent of the bylaw.
- 89% agree or strongly agree with prohibiting the areas where people can solicit.
- 90% agree with the locations where solicitation is prohibited or would like to see more locations prohibited (38%).
- 89% agree or strongly agree with regulating behaviours in public places.
- 89% agree with the behaviours to be regulated or would like to see more regulated.
- 82% agree or strongly agree with giving the CSOs the authority to seize items left in public places. Concerns expressed with this portion of the bylaw included what the parameters would be to declare an item abandoned and how someone would retrieve their seized items.
- 85% agree or strongly agree with the City's approach to limit the locations where illicit drug use can occur.

- 62% agree with the locations identified for illicit drug use. Comments expressed concern that BC Housing and Interior Health would open too many sites or that they may not provide enough.
- 75% agree or strongly agree with the City defending a legal challenge of its right to regulate use of public spaces if required.

*It is important to note that as the feedback form was voluntary, it tends to attract participation by people who have stronger interests in the subject matter. Nevertheless, the overwhelming consensus in the community is that the City is heading in the right direction with this initiative.

Other stakeholder consultation

In addition to the survey and open houses, staff met with several groups and organizations both formally and informally to gauge concern or support on the substance of the bylaw. Again, there has been overwhelming support for the initiative. Groups as varied as the Chamber of Commerce, 100 More Homes and Ask Wellness have provided comment. Attached to this report is a letter from the Chamber of Commerce supporting the passing of this bylaw. Also attached is an open letter from Bob Hughes, Executive Director of the Ask Wellness Society, calling for a '4 pillars approach' to the current addictions crisis, including Prevention/Education, Harm Reduction, Treatment and Enforcement/Accountability. While this bylaw does fit under the Enforcement/Accountability pillar, it is intended to work with the 'Focus on Safety Framework', and is an important part of that framework.

Staff consider that the bylaw has broad support as shown in the responses to the surveys and through stakeholder consultation.

Analysis

Following first reading of the Bylaw, staff referred the bylaw to the regional Medical Health Officer and has since received comments back. The City has also facilitated many opportunities for stakeholder and public input into the Bylaw. Through this additional work, staff are not recommending any changes to the bylaw at this time. Staff still consider the bylaw necessary and consider the bylaw to be drafted in a balanced way that will give our Bylaw Enforcement Officers that necessary tools to enforce community wide expectations on behaviour and use of public places. Adoption of the Safe Public Places Bylaw is one piece of multi-faceted approach to creating a safer community and improving community well-being.

Given these considerations, staff are recommending that Council give the bylaw second and third reading, and send it to the June 6th, 2023 Regular Meeting of Council for adoption.

Alternatives

Alternatively, Council may not wish to move forward with second and third reading at this time (Alternative 1). Council may want to amend the bylaw prior to further readings based on feedback from the provincial MHO, such as removing the sections on drug consumption in public places until such time as the decriminalization pilot has had the opportunity to be more properly evaluated. If that is the case, Council should select Alternative 2.

- Alternative 1: THAT Council not move forward with further readings to Safe Public Places Bylaw No. 2023-06 at this time.
- Alternative 2 THAT Council, in light of the provincial decriminalization pilot, give staff direction to remove sections in the Safe Public Places Bylaw dealing with substance use prior to further readings.

Attachments

- Attachment A– Letter from Interior Health Regional Medical Health Officers
- Attachment B - Chamber of Commerce Media Release
- Attachment C – Ask Wellness Society
- Attachment D – Engagement results
- Attachment E – Safe Public Places Bylaw No. 2023-06

Respectfully submitted,

Tina Mercier,
Bylaw Services Manager

Blake Laven,
Director of Development Services

General Manager of Community Services <i>SBH</i>	Director of Finance and Administration <i>AMC</i>	Chief Administrative Officer DyD
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Attachment A

Letter from Interior Health Regional Medical Health Officers



April 14, 2023

Sent via email: All Municipalities in Interior Health

Dear Municipal Partners,

This letter is in follow up to the recent exemption in B.C. to the Controlled Drug and Substances Act granted by Health Canada. This exemption is to decriminalize adults in possession of small amounts of certain controlled substances. Decriminalization is an evidence-based strategy to reduce the harms currently associated with using substances.

Decriminalization does not change or condone the criminality of specific unwanted and unsafe behaviours such as intoxication, violence, or theft in the community. Although decriminalization allows people to have a certain amount of illegal substances with them, decriminalization is not expected to change substance use behaviours. Evidence from other countries that have implemented decriminalization show that it is not associated with increases in drug use, drug-related harm or crime (1; 2; 3; 4; 5; 6; 7; 8; 9; 10).

Interior Health Medical Health Officers do not promote substance use in public spaces, as you will know from our work on tobacco and alcohol. However, punitive approaches (usually ticketing/fines, which can escalate to jail if someone cannot afford to pay (11)) would be perpetuating the harms we are trying to reduce with this exemption (12). These harms also include stigma and shame that force people to conceal their substance use and use alone, increasing their risk of dying from substance poisoning.

People from all walks of life use substances, both the ones that are illegal (heroin, cocaine, fentanyl, etc.) and those that are legal (alcohol, cannabis, caffeine, prescribed fentanyl, etc.). The vast majority of people consume their substances either in private (e.g. at home or at a friend's house) or in a designated consumption space (e.g. bars/restaurants, supervised consumption sites).

A small group may be forced to consume their substances in more public spaces, typically because they do not have access to alternative spaces (e.g. they are houseless, they have an unsafe home environment, or supervised consumption isn't available for their substance or at the time they need to access it). As such, one important strategy to decrease consumption in public places is to offer safe and appropriate consumption spaces such as overdose prevention sites or supervised consumption services.

Interventions that address the reasons people use in public spaces are an evidence-based approach to preventing or addressing public substance use. These interventions are broad and are usually implemented by health authorities or provincial programs, but they are much more likely to be successful with municipal support:

1. **Ensuring there are appropriate places to use,**
2. **Strengthening social programs and housing,**
3. **Peer support programs and peer lead initiatives and solutions (e.g. community clean-up teams (12)).**

It is important to note that while some communities do have overdose prevention sites, the hours are usually limited to weekday business hours, which may not reflect the times that people want or need to use substances. In addition, most communities in the Southern Interior do not have an overdose prevention sites that supports inhalation or smoking, which is the most common mode of consumption leading to substance poisoning.

We, Interior Health Medical Health Officers recommend a six-month observation period to monitor the effects of decriminalization on public consumption before implementing new bylaws or modifying existing ones. This

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, Syilx, and Tšilhqot'in Nations where we live, learn, collaborate and work together.

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would allow staff to monitor the situation to determine if there is in fact an increase in public drug use and give council the time to seek sound public health advice. This letter does not replace formal consultation with your local Medical Health Officer on a proposed bylaw related to substance use in public areas.

The Interior Health Medical Health Officers remain available for consultation and are able to support conversations specific to local needs.

Sincerely,



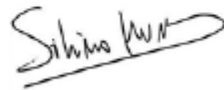
Dr. Martin Lavoie
Interim Chief Medical Health Officer



Dr. Carol Fenton
Medical Health Officer



Dr. Jonathan Malo
Medical Health Officer



Dr. Silvana Mema
Medical Health Officer



Dr. Sue Pollock
Medical Health Officer



Dr. Fatemeh Sabet
Medical Health Officer

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Attachment B
Chamber of Commerce Media Release re Safe Public Places Bylaw



Penticton, BC – Media Release

For Immediate Release: April 21st, 2023
Penticton & Wine Country Chamber of Commerce

**CHAMBER BELIEVES PENTICTON HAS ALREADY WAITED-AND-SEEN LONG ENOUGH;
RESPONSE TO INTERIOR HEALTH'S REQUEST FOR OBSERVATION PERIOD**

The Penticton & Wine Country Chamber of Commerce respectfully objects to Interior Health's request to postpone passing a Penticton bylaw that would make it illegal to consume narcotics in public spaces such as in our parks and sidewalks. British Columbia is in the first of a three-year pilot project decriminalizing small amounts of street drugs like heroin, methamphetamine, fentanyl, crack and powder cocaine, but the provincial government left the door open for cities to pass bylaws around drug use itself.

"While we appreciate the reasons behind Interior Health's request to collect data on public narcotic consumption, decriminalization by itself is not the answer," states Nicole Clark, Chamber President. "Everyone refers to the Portugal model and how decriminalization is necessary, but what always seems to be left out is everything else that makes that model so effective."

In Portugal, drug users have access to a high-level of wraparound services, none of which exist in Penticton. Furthermore, Portugal's legislation still allows fines and even jail terms if drug users fail to follow the dissuasion commission's recommendations.

"In Penticton, we were denied funding from Interior Health for a Car-40 program and do not have outreach workers that you'd typically see in an urban centre guiding those suffering from addiction into treatment. Now they want us to hold-off putting restrictions on where people can and cannot ingest narcotics?" ask the Chamber's Executive Director Michael Magnusson. "The contents of the proposed bylaw put forward to Mayor and Council is not punitive, but rather helps ensure that public areas, especially those visited by families, seniors, tourists, and areas around storefronts are kept as safe and accessible as possible while those with drug dependencies are still able to utilize designated consumption sites."

Bylaw Enforcement Officers would also be designated as Peace Officers, which would help allow them to resolve less serious matters in the community while providing an added level of protection as assaulting a peace officer is more severe than regular assault.

While the Chamber sympathizes with everyone who has become trapped in addiction and is saddened by the circumstances and stories of those who have become addicted and why, those under the influence of narcotics can display unpredictable and sometimes alarming behaviour. The Chamber believes that Interior Health should instead expedite their investment in treatment and complex care solutions rather than asking communities like Penticton to wait, which has already led to organized groups taking matters into their own hands.

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"One could argue that Penticton, along with the rest of province, has waited long enough already, and because things continue to deteriorate for both those suffering from drug-dependency as well as communities at large, local governments must take action to protect their residents and economies until such time as the province and its various health authorities implement meaningful measures to deal with this epidemic."

###

For more information, contact:

Michael Magnusson, Executive Director
Penticton & Wine Country Chamber of Commerce
mmagnusson@penticton.org

Nicole Clark, President
Penticton & Wine Country Chamber of Commerce
president@penticton.org

The Penticton & Wine Country Chamber of Commerce is a dynamic, trusted and respected business authority representing approximately 500 local business and non-profit members that drive economic and social growth and improvement on behalf of, and in support of our members and the community.

Attachment C

Letter from Bob Hughes, Executive Director of Ask Wellness Society re need for 4 pillars approach

Our communities are being ripped apart from the inside out. Across the province, the impacts of the toxic drug supply are demonstrated all too frequently. Human despair and misery are visible in parks, sidewalks, and in front of businesses. No one group is immune to the risks or the consequences of addictions. The intersection of this public health emergency and the growing number of affordable housing casualties, paired with our inability to hold people accountable for criminal activity, has left us with a tsunami of social and health impacts.

As someone who has worked in the social services field for over 25 years, I have seen the pendulum swing from one strategy to another in attempting to remedy and address the impacts of addiction. During the early 2000's in BC, we were first introduced to harm reduction as a tool to reduce the spread of transmittable infections. Soon after, in an attempt to develop a strategy to combat and address the increasing presence of Crystal Methamphetamine and "China White" Heroin in Vancouver, then Mayor Phillip Owen adopted the Four Pillar Approach to tackle the toll that severe addiction was taking on both individuals and the community. The approach took some time for public acceptance. Many groups were wary of the foundations of harm reduction. This included supplying condoms and access to sterile and free needles for those using injectable substances. A collaborative effort to implement the principles of harm reduction with a focus on community safety, through shared dialogue with community service providers, municipal and provincial government, and law enforcement, seemed preposterous at the time yet was effective in transforming the community issues noted above.

Fast forward 20 years, and we must ask: where did the Four Pillars go? For those unfamiliar, the model, first pioneered in Switzerland, involved promoting and bringing together the resources of Prevention (early intervention, education), Harm Reduction (reducing as best as possible the most severe impacts of substance use), Treatment/Recovery (options to treat substance use disorder effectively, promptly, and universally) and finally, using Enforcement (incarceration, judicial orders for those who commit offences related to addictions). These Four Pillars provided the backbone to tackling addiction for over a decade as communities developed committees and round tables to integrate a local response to what then seemed like a monumental, but absolutely necessary, coordinated approach. This model was never intended to rely primarily on one pillar such as harm reduction. No structure can rest on one pillar, or it will topple.

Looking at the landscape today, what seems so glaringly absent is a coordinated framework: a pathway out of this human and civic catastrophe. Across the province, we can see the conflicting battle being waged between the advocates of harm reduction and enforcement. The result has been various levels of government fighting with each other, neighbours at odds with neighbours, and community groups lashing out at the agencies tasked with supporting those attempting to address their addictions and establish stable housing. As the leader of a large non-profit organization drowning in the demands of people without access to affordable housing, criticized at every step by an outraged populace witnessing the impacts of addictions untethered by any real pillar of enforcement, and a recovery system burdened by almost impossible rules and lacking linkages to harm reduction services, I am now reaching out to provincial leaders. I implore both provincial parties to come together, as they did during COVID, to map out a meaningful and measurable strategy to address what everyone agrees is both unacceptable and tragic.

There needs to be complementary discussion and focus, with equal consideration to each of the Four Pillars. Harm reduction saves lives. But once saved, those lives need access to support and motivation and some cases, enforcement, to help shift behaviours and attitudes to again engage with their communities through meaningful and positive contributions.

We have had a model for decades that is logical and based on proven benefits. Perhaps the Four Pillars approach needs a new name in order for it to appear worthy. We as service providers remain open to alternate models that truly address the issues that all communities are facing. However, in the absence of anything that makes more sense to you and me, I can't but help but ask, why not actively support, implement, and embrace each pillar of response as part of the solution.

Bob Hughes
Executive Officer
ASK Wellness Society



Safe Public Places Bylaw Engagement Report

May 16, 2023

- 1.0 Overview
- 2.0 Community Participation
- 3.0 Community Feedback
- 4.0 Interior Health
- 5.0 Community Partners
- 6.0 Conclusions

Appendix A – Engagement Timeline

Appendix B - Correspondence

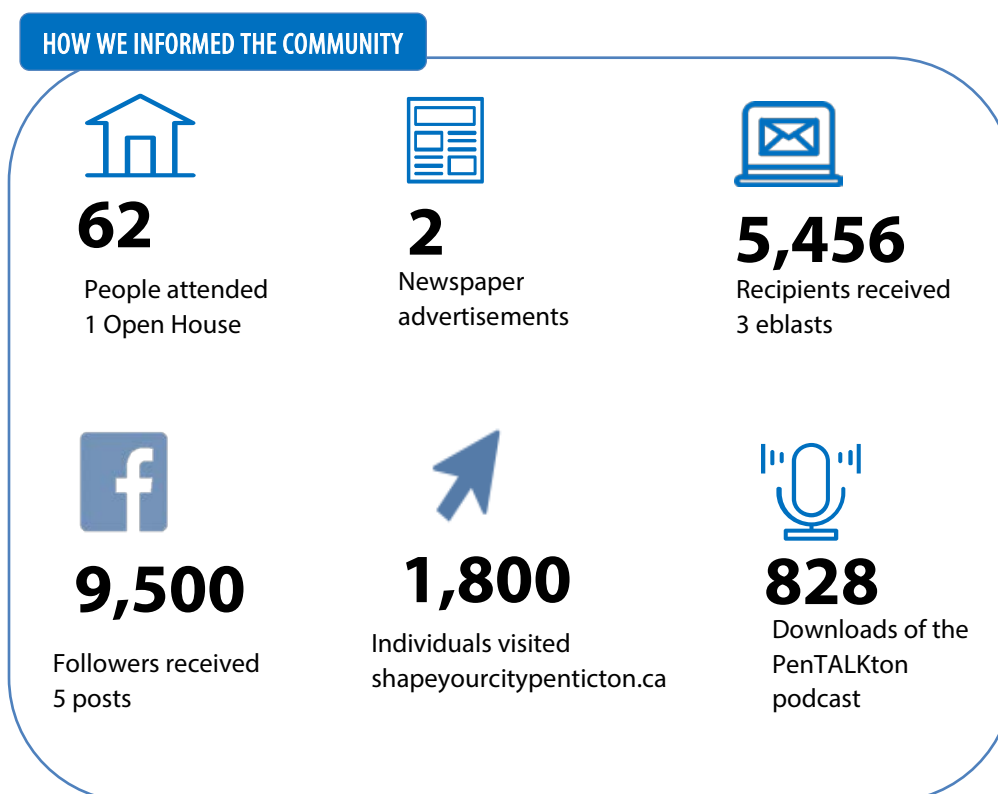
1.0 Overview

The City is considering a new bylaw that would set clear expectations for use of and behaviour in public places and give the Community Safety Officers the authority to enforce them. The Safe Public Places Bylaw was given first reading by Council at their meeting on Mar. 21 and was referred for community engagement prior to further readings and adoption.

As the bylaw has been in development for over a year and was prepared with input from community agencies and partners and best practices from the Licensed Inspectors' and Bylaw Officers' Association, the scope of the engagement process was to confirm the approach with health officials, community agencies and residents prior to Council considering the bylaw for adoption. The City provided online and in-person opportunities for residents and interested parties to learn more and share their feedback. The following document summarizes the activities completed and the findings.

2.0 Community Participation

Staff followed the *Community Engagement Policy and Framework* to ensure adequate and meaningful consultation with the community. The formal engagement program was conducted between March 24 and April 30, 2023. The following diagram summarizes participation. A detailed timeline of engagement activities is provided in Appendix A.



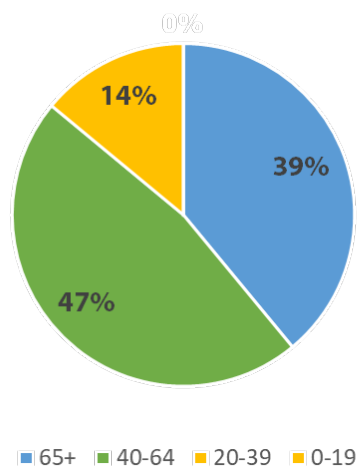
3.0 Community Feedback

The City gathered feedback from the community through a feedback form available online and at an open house. Interested residents also had the opportunity to provide comments directly on the bylaw through shapeyourcitypenticton.ca.

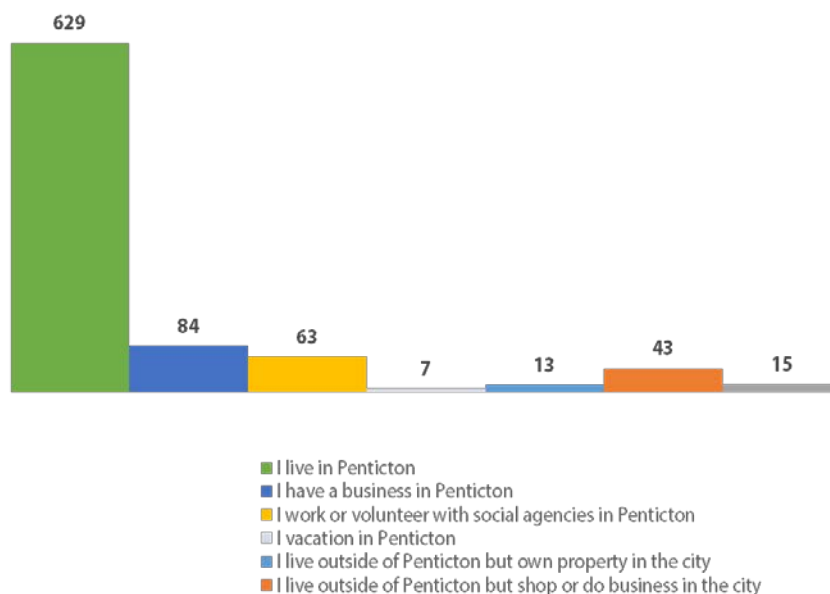
3.1 Feedback Form

Residents had the opportunity to complete a feedback form online through shapeyourcitypenticton.ca or paper at one of the City's three kiosks. A total of **703 feedback forms** were received and a summary of the combined results are below. Complete results including full comments, are available at shapeyourcitypenticton.ca.

1. What is your age group? (%)



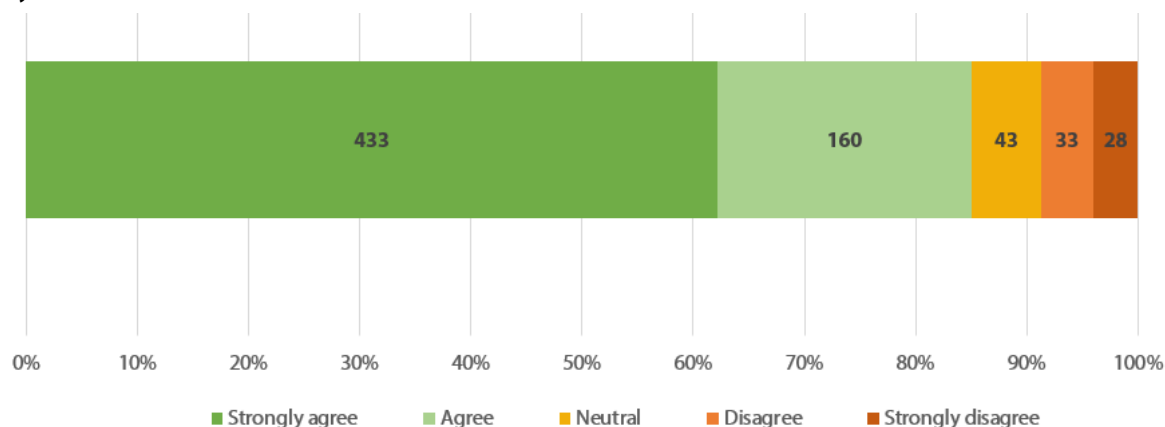
2. What is your interest in sharing your feedback? (Select those that apply)



About the Safe Public Places Bylaw

- Residents have said that disorderly conduct – such as threatening conduct, yelling, screaming, shouting and indecency - in the community make people feel unsafe.

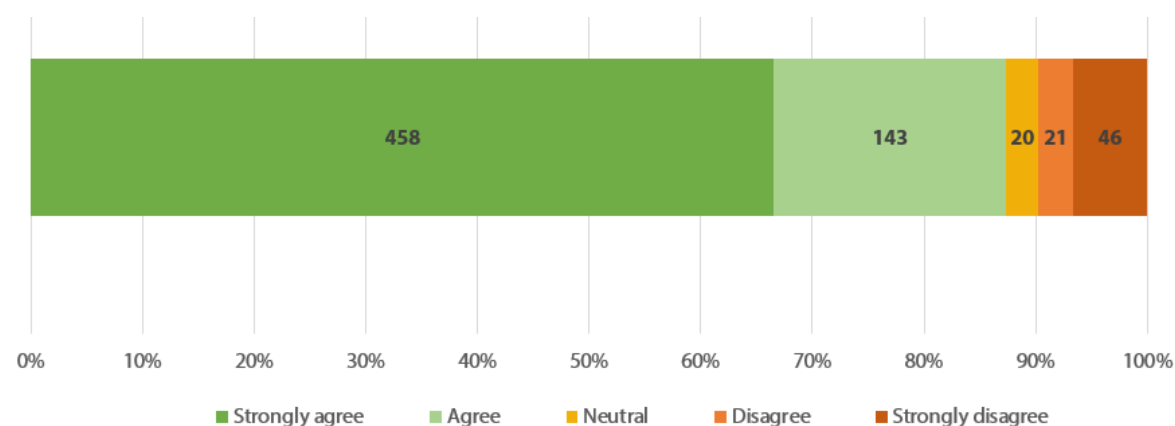
Do you agree or disagree that social disorder and nuisance behaviours in Penticton make you feel unsafe?



85% of participants agree or strongly agree that social disorder and nuisance behaviours make them feel unsafe.

- The City is considering a Safe Public Places Bylaw to establish clear expectations for behaviour in public places and give the authority to enforce the expectations to the Community Safety Officers.

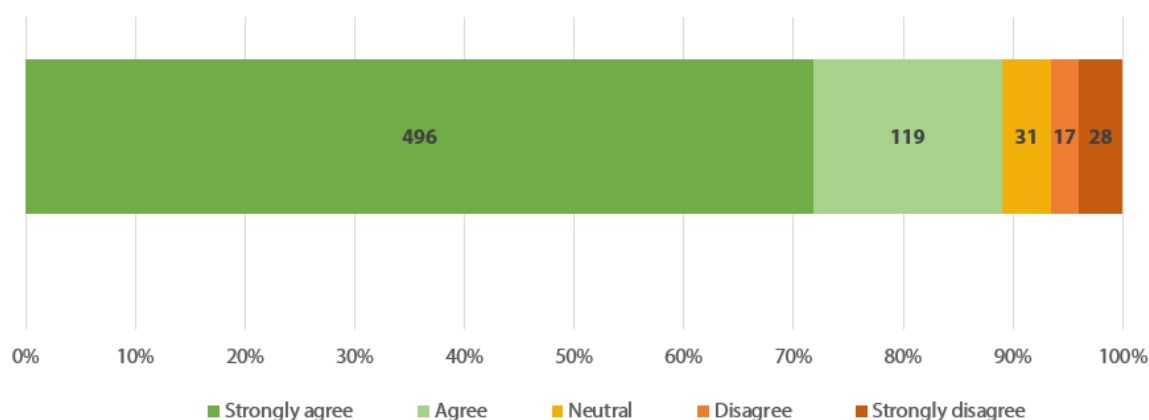
Do you agree or disagree with the intent of the bylaw?



87% agree or strongly agree with the intent of the bylaw.

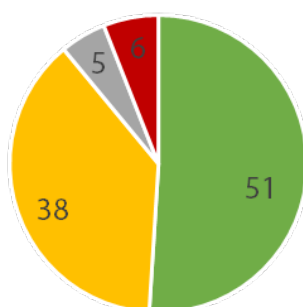
The first section of the bylaw – Solicitation - identifies locations where asking for money, donations, goods or other things of value is prohibited such as within 10 meters of an ATM, daycare or seniors centre or from a driver of a motor vehicle while stopped at a drive thru or intersection.

5. Do you agree or disagree with prohibiting the areas where people can solicit?



89% agree or strongly agree with prohibiting the areas where people can solicit.

6. Do you agree with the areas that are prohibited? (%)



- ☒ Yes
- ☐ No, more locations should be prohibited
- ☐ No opinion
- ☐ No, some locations should not be prohibited

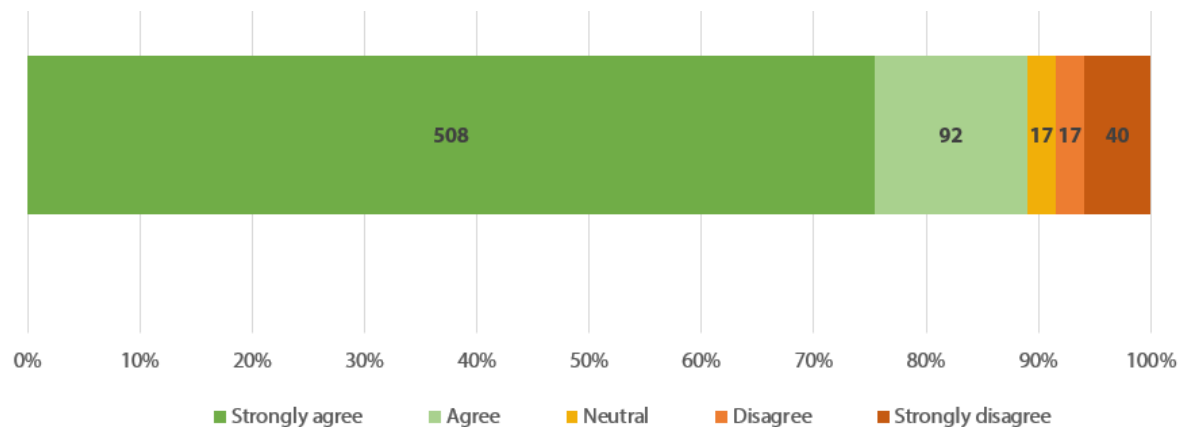
90% agree with the locations where solicitation is prohibited or would like to see more.

Participants were given the option of identifying more locations where solicitation should be prohibited or more locations where it should be allowed. The following are the themes of these comments:

- Participants that chose 'No, more locations should be prohibited' suggested the following areas for consideration:
 - Schools, playgrounds
 - Parking lots
 - Malls and retail areas, grocery outlets and liquor stores
 - Beaches and patios
 - Medical facilities and services
- Participants that chose 'No, some locations should not be prohibited' suggested the following:
 - If someone wants to hold out a cup it should not be banned.
 - Banks and ATMs (anywhere a person may need to get cash) should be prohibited but other locations would be okay as long as the solicitation is not done in a threatening manner
 - Not within 10 m of businesses doesn't leave much when you took out breezeways and most public places too
 - Daycares should be the only exception
 - It's up to the individual whether they donate

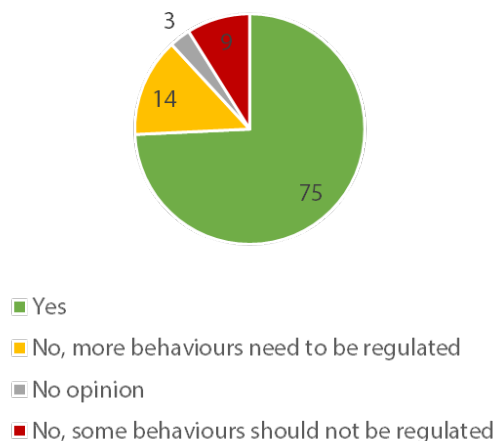
The second section of the bylaw – Safe Use of Public Places - lists what behaviours are not acceptable in public places such as City-owned facilities and parks but also privately owned places where the public is welcome such as the mall and retail stores. Some of the behaviours addressed in the bylaw include engaging in an indecent act, occupying public facilities like a bus stop, ATM or washroom so others can't use them, urination and defecation in places not intended for those purposes and the use of alcohol and drugs in areas not designated for that use.

7. Do you agree or disagree with regulating behaviours in public places?



89% agree or strongly agree with regulating behaviours in public places.

8. Do you agree with the behaviours proposed to be regulated in the bylaw? (%)



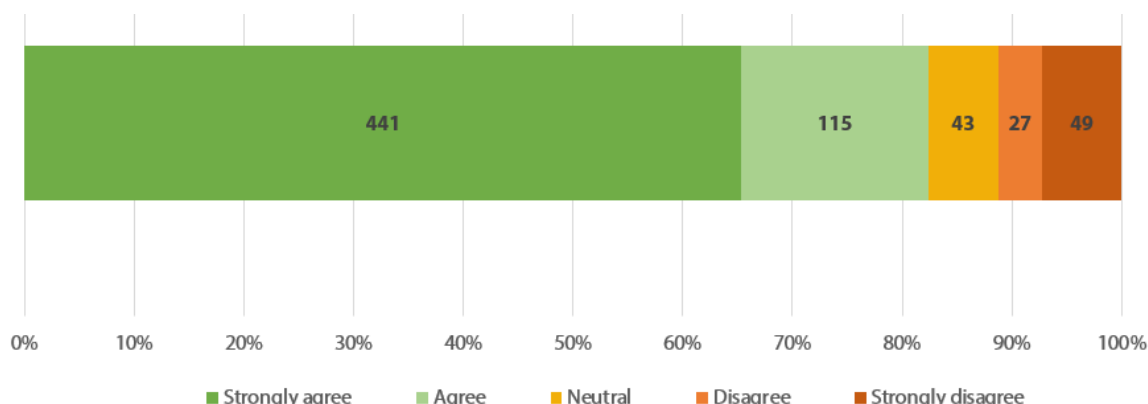
89% agree with the behaviours to be regulated or would like to see more regulated.

Participants were given the option of identifying more behaviours to regulate or some behaviours not to be regulated. The following are the themes of these comments:

- Participants that chose 'No, more behaviours need to be regulated' suggested:
 - Overnight camping in public places
 - Drug and alcohol consumption or usage
 - Loitering
 - Shopping carts blocking sidewalks and other public pathways
- Participants that chose 'No, some behaviours should not be regulated' suggested:
 - Spitting (unless targeted at a person or their property)
 - We need more public washrooms available at all times before you start penalizing people for urinating or defecating in public
 - Indecent apparel is subjective

The third section of the bylaw – Seizure of Things Unlawfully Occupying Public Space – gives authority to Community Safety Officers to seize items abandoned or unlawfully occupying a highway or public place.

9. Do you agree with giving the Community Safety Officers the authority to seize items left in public places?



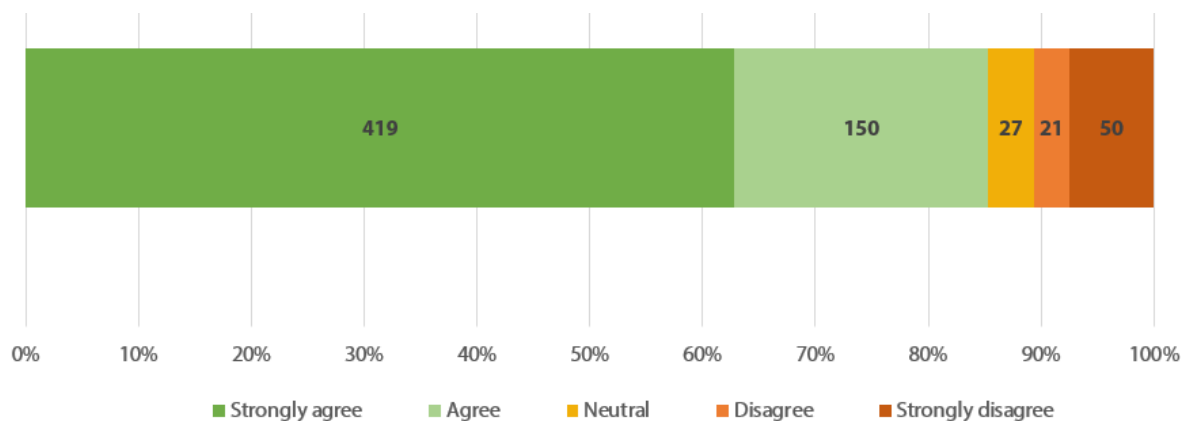
82% agree or strongly agree with giving the CSOs the authority to seize items left in public places.

About decriminalization of illicit drug use

In January, the province began a 3-year pilot project which legalized the possession of small amounts of certain illicit drugs in BC for people aged 18 and above. The intent is to end the shame and stigma that prevents people with substance-use challenges from reaching out for life-saving help. The proposed Safe Public Places Bylaw has been prepared to align with the project, adding exemptions for harm reduction workers and acknowledging places where drug use can occur.

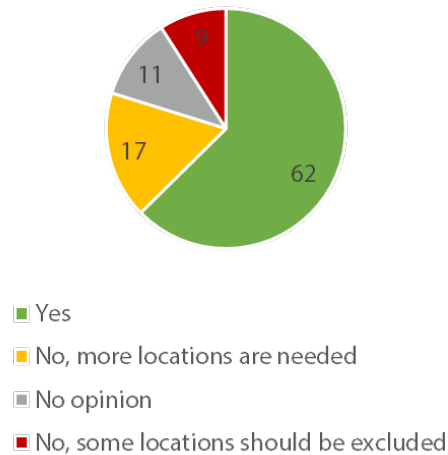
In accordance with the right of local governments to regulate use of public spaces, the City is proposing to limit the locations where illicit drug use can occur to supervised consumption or overdose prevention facilities operated by or on behalf of Interior Health or BC Housing. Interior Health and BC Housing have the option of providing additional locations for illicit drug use.

10. Do you agree or disagree with the City's approach to limit the locations?



85% agree or strongly agree with the City's approach to limit the locations where illicit drug use can occur.

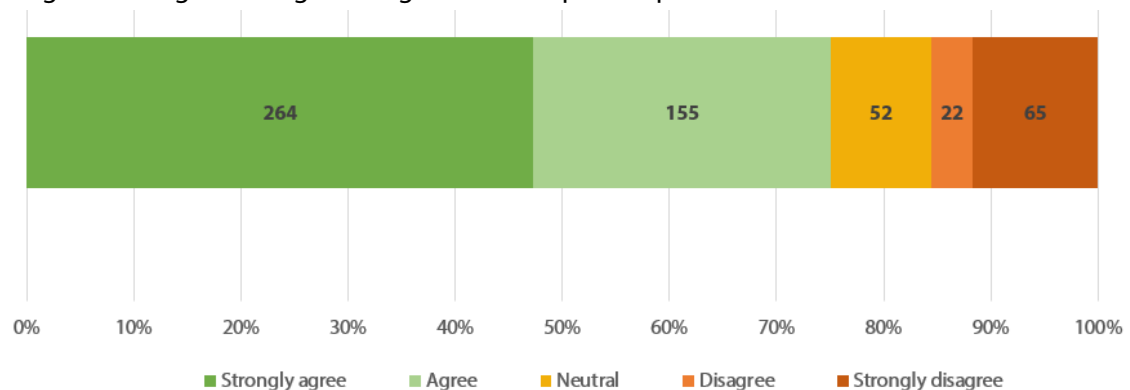
11. Do you agree with the locations identified for illicit drug use? (%)



62% agree with the locations identified. Nearly 1 in 5 would like to see more locations identified.

- Participants had the opportunity to identify more locations to allow illicit drug or prohibit. Participants (17%) that chose 'No, more locations are needed' suggested:
 - Any medical facility
 - Other social agencies
 - More sites should be established so people are safer and have somewhere to go
- Participants that chose 'No, some locations should be excluded' suggested:
 - Residential areas
 - No additional options from Interior Health and BC Housing
 - There should be no acceptable place for illicit drug use

12. These bylaws can be contentious and the City may face a legal challenge of its right to regulate use of public space. This process, if needed, is anticipated to cost about \$10,000 but may cost upwards of \$100,000. Do you agree or disagree with the City defending a legal challenge of its right to regulate use of public space?



75% agree or strongly agree with the City defending a legal challenge.

13. Do you have any other comments about the proposed Safe Public Places Bylaw?

Themes and summaries of comments are provided here. Full responses are available at shapeyourcitypenticton.ca

More support services are needed

- This bylaw will not help at all without wrap around services, aimed at getting people off the street and into drug rehab facilities while also recognizing that some of these people choose to live an alternative lifestyle and may never fit into societal norms
- We cannot enforce our way out of social nuisance and public disorder concerns especially where concurrent issues exist such as mental health, poverty, FASD, substances use disorders and generational trauma impact the individual and their behaviours
- These issues can be traced to mental health problems and severe drug addiction. Appropriate support services are needed

Provincial/Federal responsibilities

- This bylaw is a great first step in making citizens feel safe in the city, however we must also pressure the court system that appears to put the rights of criminals above the rights of law-abiding citizens
- None of this matters if the offenders are not charged and removed (if they reoffend). They don't follow the same set of rules as law-abiding citizens
- The City and all other cities must fight the Provincial Government all the way combining forces. Penticton cannot do it alone nor can Penticton afford it alone
- Criminal matters need the serious attention and resources of Police and the courts

Seizure of things unlawfully occupying public places

- Taking personal property needs to be laid out with provisions for recovery
- Homeless individuals should not have their belongings removed where/when possible. More safe consumption sites are needed
- If there was a place to claim items left behind that might help. To have to sit and guard your belongings as a homeless person feels really wrong

Limit more areas

- Specific inclusion of areas not allowed would be along any water way. The reason for this is to attempt to keep water and the surrounding areas free from pollutants such as bodily fluids and general garbage
- 'Financial institution' in the bylaw draft is classified as a bank, credit union, cheque cashing business, or trust. This should be amended to include payday loan businesses, etc.

Potential future sites

- You say Interior Health or others providing safe drug use sites have the option to increase the number of sites, we do not want to see Interior Health or others providing safe drug use sites on every second corner

- City should consider designating areas as drug free zones with consequences for contraventions
- Careful consideration is needed as to where supervised facilities are located in and around Pentticton, including public consultation

Support for proposed bylaw

- Great idea, please proceed quickly
- This is desperately needed as more homeless people are once again flocking to Pentticton and confrontational behaviour is increasing
- It is so reassuring that the city is listening to provincial measures and responding to how this will affect Pentticton residents and taking action to shape local bylaws to strengthen the provincial measures to make our town more safe
- So pleased that something is finally going to be done in order to make public places in our city more safe. Thank you

Defending legal challenge of City's right to regulate use of public space

- Be cautious about creating a bylaw that might need legal defending. It's a balancing act between everyone having equal right to use public spaces and attempting to control behaviour that is more uncivil or annoying than truly a matter of safety
- Municipalities should share costs associated with legal defense to ensure proactive use of community space

14. Do you have any other suggestions to address social nuisance and public disorder concerns in the community?

Provincial/Federal responsibilities

- Have provincial courts not let repeat criminals not have to post bail that are charged for violent crimes
- Pressure the provincial government to close the revolving door
- Both provincial and federal governments need to be lobbied for fundamental changes to our mental health care. It is very obvious that a large portion fo these 'nuisance' individuals are suffering from serious mental health issues

Shopping carts

- Take away the stolen shopping carts, they are stolen property
- Need clarity on where, when and how shopping carts can be used (how big a load, obstructing sidewalks, using or parking overloaded and unsightly carts on public property such as parks, etc)
- There should be a law making it illegal to take a shopping cart out of the grocery store parking lot

Support for Car40 Program

- Train bylaw officers to work with Car40 program so those most vulnerable can be identified and helped if possible
- Employ peer workers to assist in discussions with people occupying spaces or who leave discarded items behind

Crime prevention through environmental design (CPTED)

- Beautify public spaces and use lighting in places like underpasses
- Bright lighting in public areas with regular patrols of known areas of issue
- Make physical changes to the environment to discourage individuals from gathering for illicit purposes

Washrooms

- Maybe look at attendants to keep public washrooms open through the year
- Some thought should be taken to provide washrooms that are indestructible to damage but still available and open for use year round

Community Safety Officers presence and training

- Ensure bylaw and CSO officers have proper defensive tools
- Start bylaw operations earlier in the summer months (5:00 a.m. or 5:30 a.m.) to make it safer for citizens and tourists trying to enjoy the early morning hours
- We need to return to foot police in the downtown and mall areas, near BC Housing units would also help the surrounding businesses and residents

3.2 Opportunity to Comment on the Bylaw

Another tool available for public input is the opportunity for the public to add their comments directly to the draft bylaw online. The bylaw document was viewed 733 times and received 40 comments from 10 contributors. The following is a summary of the comments that were unique to this activity. Complete results including full comments, are available at shapeyourcitypeneticton.ca.

Commenters noted:

- Some definitions in the bylaw are too broad (solicitation, disorderly conduct, indecent apparel)
- Spitting may be difficult to enforce
- Solicitation shouldn't be permitted at any time, any where unless a recognized charity organization

4.0 Information Sessions and Open Houses

The City hosted an in-person Open House on April 11, 2023 with 62 people in attendance. An online information session was held on April 19, 2023 with 11 attendees that received a presentation outlining the purpose of the proposed bylaw before a question and answer period. The events were a great opportunity for interested participants to get clarification on the intent and scope of the bylaw and discuss their views with staff. Below are some of the comments and observations that were unique to these events.

- Some participants are concerned about overreach by municipal bylaw and felt some of the subjectivity of the bylaw is problematic (i.e. what is indecent? what is disorder?)
- Some participants are concerned about the behaviours they are witnessing near their homes and wanted to show their support for the bylaw and the City taking action
- Some participants expressed concern that bylaw will not visibly make a difference as it reflects the current activities of the Community Safety Officers

4.0 Interior Health

Recognizing that this bylaw is addressing behaviours that are related to public health, staff specifically invited the Medical Health Officer for Interior Health to review and comment on the bylaw. Staff also met with the Medical Health Officer and representatives of Interior Health on May 5, 2023 to hear their feedback. Following this meeting, the Medical Health Officer submitted a letter to formally share their position on the bylaw. A copy of the letter is attached in Appendix B.

5.0 Conclusions

The following is a summary of the key findings of the engagement process for the proposed bylaw.

- The main goal of this engagement process was to confirm the direction of the City and the Safe Public Places Bylaw. The activities conducted were designed to make sure interested residents and parties were aware the work was happening and how they could learn more and share their feedback. The feedback received was provided to staff to consider in the event a change in direction is required. Results are also shared publicly and are provided to Council to inform their decision.
- The City received great participation by community members with the completion of 703 feedback forms. This is a significant level of participation especially considering the City had recently gathered input on safety as part of the Community Safety Resource Review. The majority of participants were very supportive of the direction of the City and the bylaw. The key findings from the feedback form* are listed below.
 - 85% of participants agree or strongly agree that social disorder and nuisance behaviours make them feel unsafe.
 - 87% agree or strongly agree with the intent of the bylaw.
 - 89% agree or strongly agree with prohibiting the areas where people can solicit.
 - 90% agree with the locations where solicitation is prohibited or would like to see more locations prohibited (38%).
 - 89% agree or strongly agree with regulating behaviours in public places.
 - 89% agree with the behaviours to be regulated or would like to see more regulated.
 - 82% agree or strongly agree with giving the CSOs the authority to seize items left in public places. Concerns expressed with this portion of the bylaw included what the parameters would be to declare an item abandoned and how someone would retrieve their seized items.
 - 85% agree or strongly agree with the City's approach to limit the locations where illicit drug use can occur.
 - 62% agree with the locations identified for illicit drug use. Comments expressed concern that BC Housing and Interior Health would open too many sites or that they may not provide enough.

- 75% agree or strongly agree with the City defending a legal challenge of its right to regulate use of public spaces if required.

*It is important to note that as the feedback form was voluntary, it tends to attract participation by people who have stronger interests in the subject matter.

Appendix A - Engagement Timeline

The following is a timeline of the key activities to raise awareness about the Safe Public Places Bylaw and the opportunities for residents to provide feedback through the community engagement period that took place between March 24 to April 30, 2023:

Date	Activity
Feb. 16	Presentation to 100 More Homes Steering Committee
Mar. 17	Presentation with interested health agencies and community partners
Mar. 17	Presentation to local news media
Mar. 21	Council Presentation
Mar. 24	Press Release announcing engagement
Mar. 24 – Apr. 30	Project information, feedback form and bylaw published on www.shapeyourcitypenticton.ca
Mar. 24 – Apr. 30	Materials available at engagement kiosks available at City Hall, Penticton Library and Community Centre
Apr. 4	PenTALKton Podcast – Safe Public Places
Apr. 11	Open House at Penticton Trade & Convention Centre
Apr. 19	Online Info Session
Apr. 30	Deadline for feedback forms
May 5	Staff meeting with Medical Health Officer and representatives from Interior Health

Appendix B - Correspondence

The City invited Interior Health, community partners and interested parties to submit correspondence to formally share their feedback on the bylaw. The following documents are copies of correspondence that were sent to staff. Correspondence that may have been sent to Council has not been included in the report.

The Corporation of the City of Penticton

Safe Public Places Bylaw No. 2023 - 06

A bylaw to support a safe, secure and healthy community.

WHEREAS the purposes of a municipality include providing for good government of its community; providing for services, laws and other matters for community benefit; providing for stewardship of the public assets of its community, and fostering the economic, social and environmental well-being of its community;

AND WHEREAS the Council of the City of Penticton wishes to promote well being, quality of life, and community safety for its residents and visitors;

AND WHEREAS the *Community Charter* authorizes Council to regulate, prohibit and impose requirements in relation to: persons, property, things and activities that are in, on or near public places; nuisances, disturbances and other objectionable situations;

AND WHEREAS except as permitted by bylaw or another enactment, a person must not excavate in, cause a nuisance on, obstruct, foul or damage any part of a highway or other public place;

AND WHEREAS the *Community Charter* authorizes Council to, by bylaw, authorize the seizure of things unlawfully occupying a portion of a highway or public place;

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

Citation

1. This bylaw may be cited for all purposes as the "Safe Public Places Bylaw No. 2023-06."

Severability

2. If a portion of this bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

Definitions

3. In this bylaw:

AUTOMATED BANK TELLER MACHINE means a device linked to a financial institution's account records which is able to carry out transactions, including, but not limited to, account transfers, withdrawals, deposits, balance inquiries, and mortgage and loan payments, but does not include a personal electronic device;

BUS STOP means a section of a street which is reserved for the loading and unloading of buses and where parking and stopping of all other vehicles is prohibited;

BYLAW ENFORCEMENT OFFICER means every person employed by the City of Penticton for the purpose of enforcement of the City's bylaws and includes members of the RCMP;

CITY means the Corporation of the City of Penticton;

COUNCIL means the Council of the City of Penticton;

CONTROLLED SUBSTANCE means any controlled substance as defined or described in Schedules I, II or III of the *Controlled Drugs and Substances Act*, 1996 chapter 19, as amended from time to time;

DISORDERLY CONDUCT means causing a public disturbance and, without limiting the generality of the foregoing, includes: engaging in riotous, violent, threatening or illegal conduct; yelling, screaming, shouting; indecency and profane or grossly insulting language; the carrying on of a noxious or offensive business activity; and any other matter that is liable to disturb the quiet, peace, rest, enjoyment, comfort or convenience of individuals or the public;

DRUG PARAPHERNALIA means equipment, product or accessories intended or modified for using a **controlled substance**;

FINANCIAL INSTITUTION includes a bank, credit union, cheque cashing business and trust company;

HARASS means to engage in verbal or physical abuse, threats, taunts, teasing, name calling or repeated abusive communication, in person or by any other means of communication;

LOITER means to use or occupy a space other than for its intended purpose or to occupy a space such that it is not usable by others;

PUBLIC PLACE means any place within the City of Penticton to which the public has either express or implied access;

SOLICIT means to ask for money, donations, goods or other things of value whether by spoken, written or printed word, or bodily gesture;

SPIT means to eject phlegm, saliva, chewing tobacco juice, or any other substance from the mouth.

Applicability

4.1 Subject to section 4.2, this bylaw applies to all **public places** in the City of Penticton.

4.2 Section 6.2(d) and s. 6.2(e) do not apply to supervised consumption or overdose prevention facilities operated by or on behalf of Interior Health or BC Housing or personnel operating for or on behalf of Interior Health or BC Housing.

Solicitation

5.1 No person may **solicit** in a manner that causes an obstruction.

5.2 For the purposes of section 5.1 “cause an obstruction” includes:

- (a) to sit or lie on a street or sidewalk in a manner which obstructs or impedes the convenient passage of any pedestrian or vehicular traffic;
- (b) to continue to **solicit** from or impede or otherwise **harass** a pedestrian after that person has made a negative initial response to the solicitation or has otherwise indicated a refusal;

- (c) to physically approach and **solicit** from a pedestrian as a member of a group of three or more persons.

5.3 No person shall **solicit** within 10 metres of:

- (a) an entrance to a **financial institution**;
- (b) an **automated teller machine**;
- (c) a **bus stop**;
- (d) a daycare centre, schools, or seniors residences;
- (e) the entrance to a retail store, without express permission from the retailer;
- (f) 200 or 300 block Main Street Breezeways; or
- (g) an entrance to City Hall, South Okanagan Event Centre, Penticton Trade and Convention Centre, Community Centre, Cleland Theatre, Memorial Arena, McLaren Arena, Library/Museum, Seniors Drop in Centre, Art Gallery, Japanese Gardens, Gyro Park Bandshell, Kiwanis Walking Pier, Skaha Pavilion.

5.4 No person shall **solicit** from a driver or passenger of a motor vehicle:

- (a) while the motor vehicle is parked;
- (b) while the motor vehicle is stopped at a traffic control device;
- (c) while the driver or passenger is at a gas station and in the act of filling the motor vehicle with fuel; or
- (d) in a manner which obstructs or impedes the convenient passage of any vehicular traffic on a street.

5.5 No person shall **solicit** prior to sunrise or after sunset on any given day.

Safe Use of Public Places and Public Nuisances

6.1 While in or on a **public place** or in public view on any private property, a person must not:

- (a) participate or engage in **disorderly conduct**;
- (b) urinate or defecate other than in a facility designated for this purpose;
- (c) undress except in places specifically provided for such purposes;
- (d) be nude or clad in an indecent manner;
- (e) engage in an indecent act, including masturbation;
- (f) carry on or permit an activity of a hazardous or unsafe nature which may cause injury, harm or damage to a person or structure;
- (g) endanger life, safety, health, property or public peace.

6.2 While in or on a **public place**, a person must not:

- (a) **spit**;
- (b) **spit** on a person;
- (c) consume or possess an open alcoholic beverage; unless that person complies with the *Liquor Control and Licensing Act*, R.S.B.C., c. 267, has been issued a permit, or is in a designated area that permits the consumption of alcohol;
- (d) display or use **drug paraphernalia**, except in areas designated as per section 4.2;
- (e) display or use a **controlled substance**, except in areas designated as per section 4.2;
- (f) be intoxicated by alcohol or other substance so as to be unresponsive to verbal communication or unable to care for them self;
- (g) **loiter** and thereby obstruct any other person, including occupying of a portion or feature of a **public place** so as to interfere with its use by others;
- (h) remain in or refuse to leave a **public place** after it is closed or when ordered to leave by a Bylaw Enforcement Officer, City employee or property owner;
- (i) **loiter** in any **public place** washroom or change-room or behave in such a manner as to be objectionable to another person using, or in the vicinity of, the washroom or change-room;
- (j) enter or occupy a place to which the admission of the public is prohibited, unless permission has been granted by an authorized person;
- (k) climb a building, structure or equipment unless it is designed and intended or provided for climbing;
- (l) abandon or discard items, including but not limited to litter, other than in a receptacle designated for this purpose;
- (m) abandon or discard items or property which may inhibit other's ability to safely use or enjoy the **public place**.

6.3 Unless expressly authorized, a person must not deface, cut, remove, destroy or damage a tree, shrub, structure, building, traffic control device or other thing or any real or personal property in a **public place**.

6.4 No person shall vandalize property by: removing, destroying, damaging, rendering inoperable; causing damage to or altering the appearance, characteristics, or feature; tampering with, mutilating, defacing; or climbing on any building, structure, fixture, chattel, monument, art, fountain, wall, fence, wire, netting, vehicle, tool, gate, seat, bench, exhibit, cage or ornament.

- 6.5 Section 6.4 shall not apply to any person climbing on a structure, wall or piece of equipment expressly designed for that purpose, including playground equipment or similar recreational equipment.
- 6.6 No person shall occupy or lie horizontally across a bench located at a **bus stop** so as to interfere with the ability of another person to use the bench.

Seizure of Thing Unlawfully Occupying Public Place

- 7.1 A **bylaw enforcement officer** may seize a thing unlawfully occupying a portion of a highway or **public place**, and without limiting the generality of the foregoing, may seize a thing unlawfully in a **public place** contrary to this bylaw.

Obstruction of Bylaw Enforcement Officer

- 8.1 Every person who interferes with, hinders or obstructs a municipal officer or employee in the exercise or performance of their powers, duties or functions, including by:
- (a) refusing to provide identification (name, address if applicable and date of birth) to a Bylaw Enforcement Officer investigating a violation of this bylaw;
 - (b) interfering with, or attempting to obstruct a Bylaw Enforcement Officer who is conducting enforcement action in relation to this bylaw;
 - (c) providing false or misleading information to a Bylaw Enforcement Officer; or
 - (d) failing to cease any activity or conduct that is in contravention of this Bylaw when directed to do so by a Bylaw Enforcement Officer;
- is guilty of an offence.

Offence, Penalties and Enforcement

- 9.1 Every person who:
- (a) violates or who causes or allows any of the provisions of this bylaw to be violated;
 - (b) fails to comply with any of the provisions of this bylaw;
 - (c) neglects or refrains from doing anything required under this bylaw; or
 - (d) who suffers or permits any act or thing to be done in contravention of any of the provisions of this bylaw; is deemed to have committed an infraction of, or an offence against, this bylaw and is liable on summary conviction to the maximum penalties as specified in section 263(1)(b) of the *Community Charter*.
- 9.2 For continuing offences, each day that such violation is caused, or allowed to continue, constitutes a separate offence.

READ A FIRST time this	21	day of	March, 2023
READ A SECOND time this		day of	, 2023
READ A THIRD time this		day of	, 2023
ADOPTED this		day of	, 2023

Julius Bloomfield, Mayor

Angie Collison, Corporate Officer

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Kristen Dixon, GM of Infrastructure
Anthony Haddad, GM of Community Services

Subject: 2023/2024 Capital Project Overview

Staff Recommendation

THAT Council receive into the record the report dated May 16, 2023 titled "2023/2024 Capital Project Overview".

Strategic priority objective

Mission: Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

Background

The 2023 construction season is well underway, with many projects either started, or in the works. Some of these projects are a result of the recently adopted 2023-2027 Financial Plan, while others were approved as part of previous financial plans.

Given that there are a number of new members of Council who may not be familiar with all of the projects that are currently underway, or planned over the next couple years, this report is being brought forward to summarize any large or noteworthy projects that are planned. A full list of the previous year's carry forward projects will also be provided as part of the first quarter financial variance report later in the agenda.

Projects from previous years (including any additional 2023 or 2024 budget):

- Advanced Waste Water Treatment Plant - \$8.9M – Various maintenance and expansion components currently under detail design
- City Yards Building Upgrades - \$3.1M – phased project underway
- Penticton Creek Reach 3a/3b – \$3.8M – roughly 50% complete, remaining this summer
- Ellis/Westminster Intersection Upgrades – Part of Penticton Creek project above
- Penticton Avenue PRV Station - \$5.1M authorized to borrow – Detail design almost complete
- Fire Hall 2 – \$500k - Two bay garage, contract awarded and project underway
- Point Intersection/L2L Section 2 – Recently awarded - \$10.5M
- Ridgedale Reservoir Upgrade - \$4.6M authorized to borrow – Detail design almost complete

- Skaha Park Splash Pad – \$450k – Detail design underway
- Decorative Scroll – \$250k – Detail design complete, procurement to be scheduled

2023/2024 Highlights

- AWWTP – \$2.8M – Asset management work, under detail design
- Robinson Park – \$400k - Two pickleball courts and other master plan projects, under design
- Lakawana Park Playground replacement – \$700k - Design later this year to construct in 2024
- Community Centre (BugabooU) – \$2.2M – grant application submitted
- Community Centre – \$2M - Energy retrofits, grant application submitted, currently unbudgeted pending grant outcome
- Ellis 4 Dam Upgrade – \$10M - Design complete, grant submitted, construction in 2024
- Ellis 2 Dam Upgrade – \$4M – Design underway
- L2L Section 1 (Galt to Skaha Lake Road) – \$2.2M – Design underway, grant submitted
- Sidewalks – \$613k - Middle Bench Road (Uplands Elementary) and Ontario Street
- Traffic Calming – \$270k - Moosejaw St and area slow streets pilot, and other miscellaneous works
- Pedestrian Upgrades - \$245K– Detail designs underway at Yorkton/Wilson, Jermyn/KVR, Penticton Ave/School, Westminster & Bennet, Baskin & Warren, Government & Papineau
- Intersection Upgrades - \$110k - Middle Bench & Johnson Road signalization – detail design underway
- Pavement Management – \$900K – Preparing tender package for Dartmouth Drive (Wiltse to Dartmouth Road), Penticton Ave (Edgewood to McPherson), Vancouver Ave (Van Horne to Cambie)

A full copy of the 2023-2027 Capital Plan is included as attachment A.

Financial implication

None, this report is for information only.

Attachments

Attachment A – 2023-2027 Capital Plan

Respectfully submitted,

Kristen Dixon, P.Eng, MBA
GM of Infrastructure

Anthony Haddad
GM of Community Services

Concurrence

Director of Finance and Administration <i>AMC</i>	Chief Administrative Officer DyD
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City of Penticton

Financial Plan 2023-2027

Appendix A – Capital plan

Capital Budget Summary

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
General Capital Fund					
Engineering	3,986,600	3,303,700	3,348,100	3,455,400	4,116,300
Facilities	4,405,600	2,871,000	2,155,000	1,675,000	1,675,000
Fire Services	58,000	59,300	60,600	61,300	62,600
Information Technology	1,291,000	1,136,000	711,000	586,000	536,000
Planning	150,000	-	-	-	-
Public Works - Cemetery	149,000	60,000	60,000	70,000	70,000
Public Works - Fleet	4,315,250	1,421,100	851,050	2,054,750	1,645,450
Public Works - General	75,000	-	-	-	-
Public Works - Parks	441,000	1,708,000	1,774,000	3,171,460	3,315,900
Public Works - Traffic Control	127,000	131,425	135,886	141,383	62,917
Sustainability	197,000	-	-	-	-
Total General Capital Fund	15,195,450	10,690,525	9,095,636	11,215,293	11,484,167
Sewer Capital	3,155,800	6,398,000	3,092,300	8,406,000	3,170,000
Water Capital	4,209,025	14,808,250	8,547,775	4,268,328	3,999,150
Electric Capital	5,294,740	5,904,201	5,243,319	7,489,472	7,669,117
Total Funded Capital Projects	\$ 27,855,015	\$ 37,800,976	\$ 25,979,030	\$ 31,379,093	\$ 26,322,434
UNFUNDED Capital					
Engineering	-	3,612,000	4,705,600	4,008,000	12,779,680
Facilities	900,000	26,205,000	4,842,000	35,000,000	-
Public Works - General	-	1,225,000	-	-	-
Public Works - Parks	-	-	898,000	-	-
Engineering	-	2,001,700	-	-	-
Total Unfunded Capital Projects	\$ 900,000	\$ 33,043,700	\$ 10,445,600	\$ 39,008,000	\$ 12,779,680

General Capital Fund – Summary

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering	3,986,600	3,303,700	3,348,100	3,455,400	4,116,300
Facilities	4,405,600	2,871,000	2,155,000	1,675,000	1,675,000
Fire Services	58,000	59,300	60,600	61,300	62,600
Information Technology	1,291,000	1,136,000	711,000	586,000	536,000
Planning	150,000	-	-	-	-
Public Works - Cemetery	149,000	60,000	60,000	70,000	70,000
Public Works - Fleet	4,315,250	1,421,100	851,050	2,054,750	1,645,450
Public Works - General	75,000	-	-	-	-
Public Works - Parks	441,000	1,708,000	1,774,000	3,171,460	3,315,900
Public Works - Traffic Control	127,000	131,425	135,886	141,383	62,917
Sustainability	197,000	-	-	-	-
Total Funded General Capital Projects	15,195,450	10,690,525	9,095,636	11,215,293	11,484,167
Funding Sources & Transfers					
Electrical Dividend	(3,744,000)	(4,288,025)	(4,329,226)	(4,201,083)	(4,096,557)
Provincial Grant Funding	(2,218,600)	-	-	-	-
Federal Grant Funding	(840,000)	-	-	-	-
Donations	(50,000)	-	-	-	-
Transfer to/(from) Canada-Community Building Fund	(2,684,518)	(1,549,292)	(1,504,002)	(1,747,317)	(1,962,099)
Transfer to/(from) Climate Action Reserve	(167,000)	-	-	-	-
Transfer to/(from) DCC Reserve - Roads & Highways	(494,782)	(262,508)	(236,798)	(282,883)	(247,401)
Transfer to/(from) DCC Reserve - Parks	-	(346,500)	(310,860)	(1,290,960)	(1,716,660)
Transfer to/(from) Equipment Replacement Reserve	(4,266,250)	(2,677,300)	(1,082,450)	(2,261,350)	(1,827,250)
Transfer to/(from) Asset Sustainability Reserve	(403,000)	(874,000)	-	-	-
Transfer to/(from) Marina Reserve	(25,000)	-	-	-	-
Transfer to/(from) RCMP Reserve	(115,000)	(75,000)	-	-	-
Transfer to/(from) Storm Operating	(187,300)	(617,900)	(1,632,300)	(1,431,700)	(1,634,200)
Total Funding Sources	(15,195,450)	(10,690,525)	(9,095,636)	(11,215,293)	(11,484,167)
General Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -
UNFUNDED Capital					
Engineering	-	3,612,000	4,705,600	4,008,000	12,779,680
Facilities	900,000	26,205,000	4,842,000	35,000,000	-
Public Works - General	-	1,225,000	-	-	-
Public Works - Parks	-	-	898,000	-	-
Total Unfunded General Capital Projects	\$ 900,000	\$ 31,042,000	\$ 10,445,600	\$ 39,008,000	\$ 12,779,680

Facilities

	2023 Budget	2024 Budget	2024 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Art Gallery - Structural Repairs	50,000	-	150,000	-	-
City Hall - Building Renovation	-	400,000	-	-	-
City Hall - Electrical Upgrades	40,000	-	-	-	-
City Hall - Minor Renovations	20,000	20,000	20,000	20,000	20,000
City Hall - Server Room Renovations	100,000	-	-	-	-
City Yards - Building Upgrades	100,000	-	500,000	-	-
City Yards - Fleet Shop Ventilation	75,000	-	-	-	-
City Yards - Minor Renovations	20,000	-	-	20,000	20,000
City Yards - Overhead & Man doors	15,000	15,000	-	-	-
City Yards - Renovate Washrooms	-	20,000	-	-	-
City Yards - Rooftop Units	30,000	-	-	-	-
City Yards - Salt Shed Extension & Enclosure	100,000	-	-	-	-
Community Center - Cleland Dressing Room Renovations	50,000	50,000	-	-	-
Community Center - Cleland Smoke Evacuation Hatches (CCBF)	75,000	-	-	-	-
Community Centre - BugabooU Renovation (Grant Expense)	2,218,600	-	-	-	-
Community Centre - Electrical	-	80,000	60,000	-	-
Community Centre - Front Counter Redesign (CCBF)	150,000	-	-	-	-
Community Centre - Mechanical	-	50,000	-	-	-
Community Centre - Minor Renovations	10,000	10,000	10,000	10,000	10,000
Community Centre - Office Renovation (CCBF)	40,000	-	-	-	-
Community Centre - Replace Boiler & Chiller	-	600,000	-	-	-
Community Safety Building - Site Analysis & Program Development	300,000	-	-	-	-
Curling Rink - Install Hybrid Elevator (CCBF)	125,000	-	-	-	-
Dog Kennel Building Improvements	35,000	-	-	-	-
Future Facilities Capital Projects	-	-	435,000	1,068,500	1,150,000
Jubilee Pavilion - Mechanical	-	20,000	-	-	-
Leir House - Miscellaneous Capital	-	125,000	125,000	100,000	-
Memorial Arena - Miscellaneous Capital	-	10,000	-	-	-
OHTC - Miscellaneous Capital	-	-	25,000	6,500	-
Property Acquisition Structure Demolitions	120,000	-	-	-	-
PTCC - Accessibility & Code Requirements	-	-	65,000	-	-
PTCC - Air Wall	-	200,000	-	-	-
PTCC - Carving Station	-	14,000	-	-	-
PTCC - Expo Lounge Renovation	-	-	-	65,000	-
PTCC - Lutron Controller	50,000	-	-	-	-
PTCC - Resurface Ballroom Floor	-	35,000	-	-	-
PTCC - Small Wares	-	35,000	-	-	-
PTCC - Walkway & Rear Entrance	-	600,000	200,000	-	-
PTCC - Wallpaper	-	250,000	-	-	-
Public Washrooms - Install New Gates & Locks	40,000	-	-	-	-
RCMP - Generator	125,000	-	-	-	-
RCMP - Internal Upgrades	-	-	75,000	75,000	75,000
RCMP - Internal Upgrades (RCMP Reserve)	115,000	75,000	-	-	-
RCMP - Main Distribution Panel	-	-	250,000	-	-
RCMP - Roof	-	-	-	-	400,000
Re-key City Buildings	-	60,000	-	-	-
Soccer Facility - Recover Roof Bubble (CCBF)	300,000	-	-	-	-
Soccer Facility - Turf Maintenance Equipment	12,000	-	-	-	-
Soccer Facility - Washroom	-	-	200,000	-	-
SOEC - Box Office HVAC	-	50,000	-	-	-
SOEC - Gate 1 Remodel	-	-	-	150,000	-
SOEC - Hallway Flooring	-	25,000	25,000	25,000	-
SOEC - Heat Pumps	50,000	50,000	-	-	-

Facilities cont'd

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
SOEC - LED Lighting	-	65,000	-	-	-
SOEC - Men's Room Facilities Replacement	-	-	-	35,000	-
SOEC - Miscellaneous Minor Capital	-	12,000	-	-	-
SOEC - Rooftop Units	20,000	-	-	-	-
SOEC - Suite Drapes	-	-	15,000	-	-
SOEC - Vault Remodel	-	-	-	100,000	-
Westminister Center - Mechanical	20,000	-	-	-	-
Total Funded Facilities Capital	\$ 4,405,600	\$ 2,871,000	\$ 2,155,000	\$ 1,675,000	\$ 1,675,000
UNFUNDED Capital					
City Hall - Building Renovation (UNFUNDED)	-	-	4,000,000	-	-
Community Safety Building (UNFUNDED)	-	25,000,000	-	-	-
Skaha Park East - Boathouse Building (UNFUNDED)	-	455,000	-	-	-
SOEC - Jumbotron (UNFUNDED)	-	750,000	-	-	-
SS Sicamous - Repairs & Abatement (UNFUNDED)	900,000	-	-	-	-
Twin Arenas (UNFUNDED)	-	-	842,000	35,000,000	-
Total Unfunded Facilities Capital	\$ 900,000	\$ 26,205,000	\$ 4,842,000	\$ 35,000,000	\$ -
Total Facilities Capital	\$ 5,305,600	\$ 29,076,000	\$ 6,997,000	\$ 36,675,000	\$ 1,675,000

Engineering – General Capital Budget

	2021 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Storm Drainage					
Churchill Avenue Storm Improvements (Storm)	-	617,900	-	-	-
Power Street North Storm Improvements (Storm)	-	-	-	-	1,634,200
Power Street South Storm Improvements (Storm)	-	-	-	1,431,700	-
Riverside Drive Storm Diversion (Storm)	-	-	1,632,300	-	-
Storm Drainage Projects - Budget (Storm)	112,300	-	-	-	-
Total Storm Drainage	112,300	617,900	1,632,300	1,431,700	1,634,200
Roads & Maintenance					
AAA Bike Network Plan (CCBF)	351,615	725,000	-	-	-
AAA Bike Network Plan (DCC)	308,385	-	-	-	-
AAA Bike Network Plan (Grant Expense)	840,000	-	-	-	-
Intersection & Road Marking Improvements (CCBF)	163,000	329,055	47,808	334,223	498,000
Intersection & Road Marking Improvements (DCC)	-	52,945	7,692	53,777	-
Lanes - Pavement Reconstruction	67,000	-	-	-	272,600
Lanes - Pavement Reconstruction (Storm)	75,000	-	-	-	-
Pavement Management: Rehabilitation (Asset Sustainability)	-	874,000	-	-	-
Pavement Management: Rehabilitation (CCBF)	902,500	-	922,600	898,000	943,000
Safe Routes to School	150,000	-	-	-	-
Sidewalks, Curbs & Gutter Projects (CCBF)	427,403	143,237	156,594	156,594	169,099
Sidewalks, Curbs & Gutter Projects (DCC)	186,397	209,563	229,106	229,106	247,401
Traffic Calming Program (Asset Sustainability)	403,000	-	-	-	-
Traffic Calming Program (CCBF)	-	352,000	352,000	352,000	352,000
Total Roads & Maintenance	3,874,300	2,685,800	1,715,800	2,023,700	2,482,100
Total Funded Engineering General Fund Capital	\$ 3,986,600	\$ 3,303,700	\$ 3,348,100	\$ 3,455,400	\$ 4,116,300
UNFUNDED Capital					
AAA Bike Network Plan (UNFUNDED)	-	3,612,000	195,000	1,663,000	1,662,000
Ellis Creek Reach 7 (UNFUNDED)	-	-	200,000	35,000	3,841,000
Ellis Creek Reach 8 (UNFUNDED)	-	-	-	200,000	35,000
Ellis Creek Reach 9 (UNFUNDED)	-	-	-	-	200,000
Main Street 400 Block Infrastructure (UNFUNDED)	-	-	2,010,600	-	-
North Gateway Transportation (UNFUNDED)	-	-	-	-	3,790,080
Penticton Creek Revitalization Reach 2 (UNFUNDED)	-	-	2,300,000	1,985,000	-
Reservoir Road Reconstruction (UNFUNDED)	-	-	-	125,000	3,251,600
Total Unfunded Engineering Capital	\$ -	\$ 3,612,000	\$ 4,705,600	\$ 4,008,000	\$ 12,779,680

Fire Services

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Emergency Training Center Upgrades	12,000	12,500	13,000	13,500	14,000
Fire Hose Replacement	15,000	15,600	16,200	16,200	16,800
Fire Services - Equipment Replacement	31,000	31,200	31,400	31,600	31,800
Total Funded Fire Services Capital	\$ 58,000	\$ 59,300	\$ 60,600	\$ 61,300	\$ 62,600

Fleet

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
1 Ton Pickup (Replace Unit 104)	-	85,000	-	-	-
1/2 Ton 4x4 Pickup (Replace Unit 29)	-	50,000	-	-	-
1/2 Ton Pickup (Replace Unit 138)	-	90,000	-	-	-
1/2 Ton Pickup (Replace Unit 17)	-	42,000	-	-	-
100' Platform Fire Truck (Replace Unit #L-202)	2,300,000	-	-	-	-
Aerator (Replace Unit 9429)	-	11,000	-	-	-
Auto Hoist (Replace Unit 151)	33,000	-	-	-	-
Brake Lathe	-	3,500	-	-	-
Car (Replace Unit 108)	42,000	-	-	-	-
Compressor (Replace Unit 80)	-	45,000	-	-	-
Concrete Crew Support Trailer	15,000	-	-	-	-
Digger Derrick Aerial (Replace Unit 50)	450,000	-	-	-	-
Double Cab Truck with Dump Box	180,000	-	-	-	-
Fertilizer Spreader (Replace Unit 9424)	-	6,000	-	-	-
Fire Investigation Trailer	20,000	-	-	-	-
Fleet Future Capital Purchases	-	-	851,050	2,054,750	1,645,450
Fume Extractor	10,000	-	-	-	-
Information Technology Van	45,000	-	-	-	-
Mini Pickup (Replace Unit 1)	-	42,000	-	-	-
Mini Van (Replace Unit 5)	-	42,000	-	-	-
Minivan (Replace Unit 107)	42,000	-	-	-	-
Overseeder (Replace Unit 9460)	-	11,000	-	-	-
Parks Equipment	14,750	20,600	-	-	-
Parks Tilt Trailer (Replace Unit 9210)	-	10,000	-	-	-
Pickup Truck (Replace Unit 129)	110,000	-	-	-	-
Pickup Truck (Replace Unit 2)	42,000	-	-	-	-
Pickup Truck (Replace Unit 23)	-	42,000	-	-	-
Pickup Truck (Replace Unit 33)	42,000	-	-	-	-
Pickup Truck (Replace Unit 4)	42,000	-	-	-	-
Pickup Truck (Replace Unit 83)	-	40,000	-	-	-
Pickup Truck (Replace Unit 96)	42,000	-	-	-	-
Puller Tensioner (Replace Unit 76)	-	230,000	-	-	-
Quad Trailer (Replace Unit 9205)	5,000	-	-	-	-
Rotary Mower (Replace Unit 773)	-	75,000	-	-	-
Rototiller (Replace Unit 9470)	5,000	-	-	-	-
Shop Equipment	7,500	7,500	-	-	-
Sign Maintenance Van (Replace Unit 4)	95,000	-	-	-	-
Single Dump (Replace Unit 54)	250,000	-	-	-	-
Small Sander (Replace Unit 90)	-	25,000	-	-	-
Snow Plows/Sanders/Blades (Replace Unit 86)	180,000	75,000	-	-	-
SPU Towing/Training Pickup	75,000	-	-	-	-
Steam Cleaner	-	10,000	-	-	-
Tractor (Replace Unit 69)	90,000	-	-	-	-
Truck (Replace Unit I-202)	-	42,000	-	-	-
Truck (Replace Unit I-203)	-	42,000	-	-	-
Tycrop Top Dresser (Replace Unit 403)	75,000	-	-	-	-

Fleet cont'd

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Utility Technician Van	95,000	-	-	-	-
Van (Replace Unit 137)	-	65,000	-	-	-
Van (Replace Unit 6)	-	42,000	-	-	-
Van (Replace Unit I-201)	-	45,000	-	-	-
Water Tank (Replace Unit 9465)	-	7,500	-	-	-
Welder	8,000	-	-	-	-
Wheel Balancer	-	15,000	-	-	-
Zamboni (Replace Unit 331)	-	200,000	-	-	-
Total Funded Fleet Capital	\$ 4,315,250	\$ 1,421,100	\$ 851,050	\$ 2,054,750	\$ 1,645,450

Information Technology

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
GIS - Software Upgrade	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Information Technology - Cleland Theatre Sound/Lighting Upgrades	10,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Audio Visual, Security Video	100,000	100,000	100,000	100,000	100,000
Information Technology - Hardware - Council Chambers	25,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Desktop/Cellular Telephone Hardware	100,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Desktops, Laptops, Tablets	125,000	125,000	125,000	125,000	125,000
Information Technology - Hardware - Printers, Pressure Sealer	6,000	6,000	6,000	6,000	6,000
Information Technology - Hardware - Servers, Appliances	100,000	500,000	75,000	50,000	25,000
Information Technology - Infrastructure - Local Area Network	100,000	50,000	50,000	50,000	50,000
Information Technology - Smart City Infrastructure	-	-	100,000	50,000	50,000
Information Technology - Software - Records Management	100,000	200,000	100,000	50,000	25,000
IT Strategy - System Reconfigurations	25,000	25,000	25,000	25,000	25,000
SOEC - Capital IT/AV	100,000	100,000	100,000	100,000	100,000
Total Funded IT Capital	\$ 1,291,000	\$ 1,136,000	\$ 711,000	\$ 586,000	\$ 536,000
Allocation out to Utility					
IT - Billing Software Upgrade/Replacement - Electrical Portion	175,000	-	-	-	-
IT - Billing Software Upgrade/Replacement - Sewer Portion	87,500	-	-	-	-
IT - Billing Software Upgrade/Replacement - Water Portion	87,500	-	-	-	-
Total IT Allocation out to Utility Capital	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Total Information Technology Capital	\$ 1,641,000	\$ 1,136,000	\$ 711,000	\$ 586,000	\$ 536,000

Parks

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Beach Slides	\$ -	\$ 8,000	\$ -	\$ -	\$ -
Campbell Mountain Trail Network - Design & Construction	80,000	-	93,000	-	-
Campbell Mountain Trail Network - Long Term Management Plan	-	80,000	-	-	-
Cinderblock Dugout Improvements - McLaren Park & Bambino Field	-	39,000	-	-	-
Community Parkland Acquisition	-	-	-	-	13,500
Community Parkland Acquisition (DCC)	-	-	-	-	1,336,500
Dog Park Improvements	-	-	-	146,000	-
Esplanade - Upgrades from Master Plan	-	-	16,640	72,800	-
Esplanade - Upgrades from Master Plan (DCC)	-	-	63,360	277,200	-
Gyro Park - Improvements	-	-	-	16,640	99,840
Gyro Park - Improvements (DCC)	-	-	-	63,360	380,160
Gyro Park - Revitalization	-	-	-	-	97,000
Irrigation Upgrades & System Replacement	86,000	86,000	178,000	258,960	192,000
KVR Trail Network - Master Plan & Improvements	-	26,000	26,000	-	-
KVR Trail Network - Master Plan & Improvements (DCC)	-	99,000	99,000	-	-
Lakawanna Park - Splash Pad Replacement	-	-	302,000	-	-
Lakawanna Park - Upgrades from Master Plan	-	-	500	2,040	-
Lakawanna Park - Upgrades from Master Plan (DCC)	-	-	49,500	201,960	-
Lions Park - Improvements	-	89,500	1,000	6,400	-
Lions Park - Improvements (DCC)	-	-	99,000	633,600	-
Miscellaneous Trails Improvements	-	50,000	-	-	-
Okanagan Fitness Equipment	-	89,500	-	-	-
Parks Recycling Infrastructure	-	-	-	69,000	-
Playground Equipment	50,000	660,000	146,000	545,500	88,500
Riverside Park - Site & Entry Improvements	-	-	133,000	-	-
Robinson Park - Improvements	-	2,500	-	-	-
Robinson Park - Improvements (DCC)	-	247,500	-	-	-
Robinson Park - Pickleball Courts	50,000	156,000	-	-	-
Rotary Point Site Improvements	-	-	113,000	-	-
Skaha Park - Upgrades from Skaha East Master Plan	-	75,000	-	-	-
Sportsfield Fencing Improvements	-	-	454,000	345,000	345,000
Tennis Court Upgrades	175,000	-	-	303,000	333,000
Three Blind Mice Trail Network - Management Plan	-	-	-	30,160	-
Three Blind Mice Trail Network - Management Plan (DCC)	-	-	-	114,840	-
Three Mile Beach - Upgrades to Parking, Site & Entry	-	-	-	85,000	430,400
Total Funded Parks Capital	\$ 441,000	\$ 1,708,000	\$ 1,774,000	\$ 3,171,460	\$ 3,315,900
Allocation out to Utility					
Portable Water Supply Station (Water)	66,000	-	-	-	-
Total Parks Allocation out to Utility Capital	\$ 66,000	\$ -	\$ -	\$ -	\$ -
Total Parks Capital	\$ 507,000	\$ 1,708,000	\$ 1,774,000	\$ 3,171,460	\$ 3,315,900
UNFUNDED Capital					
Skaha Park - Upgrades from Skaha East Master Plan (UNFUNDED)	-	-	898,000	-	-
Total Unfunded Parks Capital	\$ -	\$ -	\$ 898,000	\$ -	\$ -

Cemetery

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Lakeview Cemetery Upgrades	\$ 149,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000
Total Funded Cemetery Capital	\$ 149,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000

Planning

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Official Community Plan Review (CCBF)	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Total Funded Planning Capital	\$ 150,000	\$ -	\$ -	\$ -	\$ -

Public Works General

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Kiwanis Walking Pier - Design & Specifications	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Skaha Marina Repairs (Marina Reserve)	25,000	-	-	-	-
Total Funded Public Works General Capital	\$ 75,000	\$ -	\$ -	\$ -	\$ -
UNFUNDED Capital					
Kiwanis Walking Pier (UNFUNDED)	-	1,225,000	-	-	-
Total Unfunded Public Works General Capital	\$ -	\$ 1,225,000	\$ -	\$ -	\$ -

Sustainability

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
EV - Electric Vehicle Charging Stations	30,000	-	-	-	-
EV - Electric Vehicle Charging Stations (Climate Action Reserve)	167,000	-	-	-	-
Total Funded Sustainability Capital	\$ 197,000	\$ -	\$ -	\$ -	\$ -

Traffic Control

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
New Traffic Detection Devices	\$ 127,000	\$ 131,425	\$ 135,886	\$ 141,383	\$ 62,917
Total Funded Traffic Control Capital	\$ 127,000	\$ 131,425	\$ 135,886	\$ 141,383	\$ 62,917

Sewer Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering - Sewer Capital					
Aging Sanitary Sewer Infrastructure Replacements and Upgrades	864,300	944,200	1,943,300	2,336,000	2,295,000
SOEC Force Main Upsizing	-	345,800	-	-	-
SOEC Lift Station Wet Well Expansion	125,000	502,968	-	-	-
SOEC Lift Station Wet Well Expansion (DCC)	-	338,032	-	-	-
South Interceptor - AWWTP to Fairview Rd	-	-	-	-	125,000
Total Engineering Sewer Capital Projects	989,300	2,131,000	1,943,300	2,336,000	2,420,000
Advanced Waste Water Treatment Plant					
Asset Management Renewal Assessment Waste Water Lift Stations	30,000	200,000	30,000	-	-
AWWTP - Asset Management Renewal	910,000	980,000	850,000	750,000	750,000
AWWTP - Bioreactor Gate Replacement	300,000	-	-	-	-
AWWTP - Expansion & Upgrades	134,000	1,105,168	269,000	8,240	-
AWWTP - Expansion & Upgrades (DCC)	-	1,481,832	-	2,643,597	-
AWWTP - Expansion & Upgrades (Financed)	-	-	-	2,668,163	-
AWWTP - Headworks Concrete Replacement	625,000	-	-	-	-
Septage Screening Unit Replacement	80,000	-	-	-	-
Total Advanced Waste Water Treatment Plant Capital Projects	2,079,000	3,767,000	1,149,000	6,070,000	750,000
City Yards - Building Upgrades (Sewer)	-	500,000	-	-	-
IT - Billing Software Upgrade/Replacement - Sewer Portion	87,500	-	-	-	-
Total Funded Sewer Capital Expense	\$ 3,155,800	\$ 6,398,000	\$ 3,092,300	\$ 8,406,000	\$ 3,170,000
UNFUNDED Capital					
North Interceptor - AWWTP to SOEC Lift Station (UNFUNDED)	-	2,001,700	-	-	-
Total Unfunded Sewer Capital	\$ -	\$ 2,001,700	\$ -	\$ -	\$ -
Funding Sources & Transfers					
Debt Financing	-	-	-	(2,668,163)	-
Development Cost Charges	-	(1,819,864)	-	(2,643,597)	-
Sewer Equipment Replacement Reserve	(80,000)	-	-	-	-
Net Transfers from Sewer Operating Fund	(3,075,800)	(4,578,136)	(3,092,300)	(3,094,240)	(3,170,000)
Total Funding Sources	(3,155,800)	(6,398,000)	(3,092,300)	(8,406,000)	(3,170,000)
Sewer Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Water Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering - Water Capital					
Aging Water Main Replacement Program	1,858,225	622,025	-	-	-
Hydrant Installation Program	113,000	123,000	126,000	130,000	132,000
Industrial Area Fire Flow Upgrades	135,000	1,715,225	1,223,275	729,027	-
Industrial Area Fire Flow Upgrades (DCC)	-	-	-	117,301	-
Irrigation System - Infrastructure Renewals	638,000	638,000	638,000	638,000	638,000
MacCleave PRV Upgrade	-	-	-	-	272,150
Raw Water Main Condition Assessment	78,000	-	-	-	-
Riddle Road Improvements - Water Service & Fire Protection	10,000	100,000	892,750	-	-
Riddle Road Improvements - Water Service & Fire Protection (LIA)	-	-	892,750	-	-
Valleyview Road Improvements	-	-	-	1,454,000	2,757,000
Woodstock Road - Water Main Replacement	135,300	-	-	-	-
Total Engineering Water Capital Projects	2,967,525	3,198,250	3,772,775	3,068,328	3,799,150
Water Treatment Plant Capital Projects					
Warren Avenue Well Decommissioning	75,000	-	300,000	-	-
WTP - Building Code Improvements	231,000	-	-	-	-
WTP - DAF Pump Retrofit	-	50,000	-	300,000	-
WTP - Electrical Main Switch Replacement	-	35,000	-	300,000	-
WTP - Equipment Replacement	60,000	60,000	60,000	60,000	60,000
WTP - Makeup Air Unit Replacement	200,000	200,000	-	-	-
WTP - Programmable Logic Controllers & Communications	120,000	200,000	-	-	-
Equipment Replacement	199,000	-	-	-	-
WTP - Rotork Valve Replacement	199,000	-	-	-	-
Total Water Treatment Plant Capital Projects	885,000	545,000	360,000	660,000	60,000
Water Distribution System Capital Projects					
Agricultural Irrigation Meter Program	140,000	140,000	140,000	140,000	140,000
Ellis 2 Dam - Consulting & Upgrades	-	100,000	-	-	-
Ellis 2 Dam (Financed)	-	-	4,000,000	-	-
Ellis 4 Dam Upgrades	-	3,400,000	-	-	-
Ellis 4 Dam Upgrades (Grant Expense)	-	6,600,000	-	-	-
Ellis Creek Diversion Dam - Bridge Replacement	-	125,000	100,000	400,000	-
Miscellaneous Dam Projects	63,000	200,000	175,000	-	-
Total Water Distribution System Capital Projects	203,000	10,565,000	4,415,000	540,000	140,000
City Yards - Building Upgrades (Water)	-	500,000	-	-	-
Portable Water Supply Station (Water)	66,000	-	-	-	-
IT - Billing Software Upgrade/Replacement - Water Portion	87,500	-	-	-	-
Total Funded Water Capital Expense	\$ 4,209,025	\$ 14,808,250	\$ 8,547,775	\$ 4,268,328	\$ 3,999,150
Funding Sources & Transfers					
Debt Financing	-	-	(4,000,000)	-	-
Grant Revenues	-	(6,600,000)	-	-	-
Development Cost Charges	-	-	-	(117,301)	-
Net Transfers from Water Operating Fund	(4,209,025)	(8,208,250)	(4,547,775)	(4,151,027)	(3,999,150)
Total Funding Sources	(4,209,025)	(14,808,250)	(8,547,775)	(4,268,328)	(3,999,150)
Water Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Electric Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
25KV Conversion Study	-	50,000	-	-	-
Enhancement - System Reliability Improvements	792,327	1,155,030	499,565	524,543	550,770
Expansion - Carmi Substation Feeders	150,000	-	-	1,900,000	2,000,000
Fiber Optic System Redundancy	-	131,250	-	137,813	-
Huth Refurbishment	-	-	-	324,730	331,224
Main Street Underground Conversion	200,000	1,171,659	1,230,242	1,291,754	1,356,342
Non Discretionary - Estimated New/Upgrade Services	1,230,701	1,261,469	1,293,005	1,325,330	1,358,464
Non Discretionary - Flat Rate New/Upgrade Services	410,000	420,250	430,756	441,525	452,563
Non Discretionary - New UG Subdivision	177,922	186,818	196,159	205,967	216,265
Power Line Technician & Engineering Tools	45,020	46,146	47,299	48,482	49,694
SCADA Improvements & System Automation	59,876	62,870	66,013	69,314	72,780
South Main Underground Conversion - Kinney to Galt	1,000,000	-	-	-	-
Sustainment - Distribution System Rebuild	723,421	759,592	797,572	837,450	879,323
Sustainment - Distribution System Rebuild- UG Residential Subdivision	330,473	346,997	364,346	382,564	401,692
Waterford Refurbishment	-	312,120	318,362	-	-
Total Electric Capital Projects	5,119,740	5,904,201	5,243,319	7,489,472	7,669,117
IT - Billing Software Upgrade/Replacement - Electrical Portion	175,000	-	-	-	-
Total Funded Electric Capital Expense	\$ 5,294,740	\$ 5,904,201	\$ 5,243,319	\$ 7,489,472	\$ 7,669,117
Funding Sources & Transfers					
Recoveries	(1,375,753)	(1,414,595)	(1,454,630)	(1,495,900)	(1,538,446)
Transfer from Electric Operating Fund	(3,918,987)	(4,489,606)	(3,788,689)	(5,993,572)	(6,130,671)
Total Funding Sources	(5,294,740)	(5,904,201)	(5,243,319)	(7,489,472)	(7,669,117)
Electric Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

External Debt Projects - Capital

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
External Borrowing					
AWWTP - Expansion & Upgrades (Financed)	\$ -	\$ -	\$ -	\$ 2,668,163	\$ -
Ellis 2 Dam (Financed)	-	-	4,000,000	-	-
Total External Borrowing	-	-	4,000,000	2,668,163	-
Total External Debt Projects - Capital	\$ -	\$ -	\$ 4,000,000	\$ 2,668,163	\$ -

Development Cost Charges Funded Projects

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
Roads Development Cost Charges					
AAA Bike Network Plan (DCC)	308,385	-	-	-	-
Intersection & Road Marking Improvements (DCC)	-	52,945	7,692	53,777	-
Sidewalks, Curbs & Gutter Projects (DCC)	186,397	209,563	229,106	229,106	247,401
Engineering Services - Master Plans - Transportation (DCC)	-	-	-	148,500	-
Total Roads Development Cost Charges	494,782	262,508	236,798	431,383	247,401
Sewer Development Cost Charges					
AWWTP - Expansion & Upgrades (DCC)	-	1,481,832	-	2,643,597	-
SOEC Lift Station Wet Well Expansion (DCC)	-	338,032	-	-	-
Engineering Services - Master Plans - Sanitary Sewer (DCC)	-	-	148,500	-	-
Total Sewer Development Cost Charges	-	1,819,864	148,500	2,643,597	-
Water Development Cost Charges					
Industrial Area Fire Flow Upgrades (DCC)	-	-	-	117,301	-
Engineering Services - Master Plans - Domestic Water (DCC)	-	-	148,500	-	-
Total Water Development Cost Charges	-	-	148,500	117,301	-
Parks Development Cost Charges					
Community Parkland Acquisition (DCC)	-	-	-	-	1,336,500
Esplanade - Upgrades from Master Plan (DCC)	-	-	63,360	277,200	-
Gyro Park - Improvements (DCC)	-	-	-	63,360	380,160
KVR Trail Network - Master Plan & Improvements (DCC)	-	99,000	99,000	-	-
Lakawanna Park - Upgrades from Master Plan (DCC)	-	-	49,500	201,960	-
Lions Park - Improvements (DCC)	-	-	99,000	633,600	-
Robinson Park - Improvements (DCC)	-	247,500	-	-	-
Three Blind Mice Trail Network - Management Plan (DCC)	-	-	-	114,840	-
Total Parks Development Cost Charges	-	346,500	310,860	1,290,960	1,716,660
Storm Development Cost Charges					
Engineering Services - Master Plans - Storm Sewer (DCC)	-	-	-	148,500	-
Total Storm Development Cost Charges	-	-	-	148,500	-
Total Development Cost Charges Funded Capital	\$ 494,782	\$ 2,428,872	\$ 844,658	\$ 4,631,741	\$ 1,964,061

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Angela Campbell, Director of Finance and Administration
Kristen Dixon, General Manager of Infrastructure
Subject: **Growing Communities Fund Grant**

File No:

Staff Recommendation

THAT Council gives first, second and third reading to "Growing Communities Reserve Fund Bylaw No. 2023-17", a bylaw to establish a reserve fund for the Growing Communities Fund Grant in accordance with the *Community Charter*;

AND That Council authorize the transfer of \$7.177M of grant funds from the Growing Communities Fund Grant into the Growing Communities Reserve Fund;

AND That approximately 20% of the funds be used to fund existing projects that may require amendments due to inflation;

AND That approximately 40% of the funds be used on community projects including Downtown, Okanagan and Skaha Lake decorative seasonal lighting displays, Riverside Park Skate Park and Basketball Court Lighting, Urban Forestry Master Plan Projects, and the Kiwanis Pier Replacement;

AND That the remaining 40% be allocated to the North Gateway with projects to be identified as they arise or through the budget process;

AND That Council direct staff to amend the 2023-2027 Financial Plan accordingly.

Strategic priority objective

Mission: Penticton will serve its residents, businesses and visitors through good governance, partnership and the provision of effective and community focused services.

Organizational Excellence: The City of Penticton will support a culture of service excellence built on good governance, leadership and sound financial decisions.

Background

The Government of British Columbia announced on February 10, 2023 that \$1 billion in new grants would be going to local governments to help build community infrastructure and amenities to meet the demands of unprecedented population growth.

On March 3, 2023, the Province announced the distribution of funds amongst communities which was based on an initial grant of \$500k with further adjustments for population size and per-capita growth between 2016-2021. The City of Penticton was allocated \$7,177,000 of funding through this calculation.

Further, on March 16, 2023, the City received a letter from the Province providing details on expected use and reporting of the funds. Guidance on use of the funds are to be limited to one-off costs needed to rebuild required infrastructure and amenities as opposed to use for operational activities. The funds are incremental to currently planned investments and are meant to accelerate anticipated delivery of capital projects. Eligible costs include:

- Public drinking water supply, treatment facilities and water distribution
- Local portion of affordable/attainable housing developments
- Childcare facilities
- Municipal or regional capital projects that service, directly or indirectly, neighboring First Nation communities
- Wastewater conveyance and treatment facilities
- Storm water management
- Solid waste management infrastructure
- Public safety/emergency management equipment and facilities not funded by senior level government
- Local road improvement and upgrades
- Sidewalks, curbing and lighting
- Active transportation amenities not funded by senior level government
- Improvements that facilitate transit service
- Natural hazard mitigation
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation-related amenities
- Other one off costs such as
 - Costs of feasibility studies
 - Early stage development work
 - Costs of designing, tending and acquiring land
 - Constructing eligible infrastructure projects
 - In limited situations, non-capital administrative costs where necessary

Other restrictions include that the grant must be placed in a segregated reserve fund established by Bylaw under Section 188 of the *Community Charter*. In addition, all local governments are required to report on the use of the funds in their annual audited financial statements. The Province anticipates that the funds will be expended within approximately 5 years of receipt.

Financial Implication

The City was awarded \$7.177M through the Growing Community Fund Grant that is required to be placed into a segregated reserve until funds are drawn for use to fund eligible projects. Staff is proposing the funds will be split into three categories, one to fund existing projects that may require amendments due to inflation, another to fund community projects that are currently unfunded or not yet budgeted, and the third for the North Gateway project. For projects requiring inflationary adjustments, Council will be advised

of any amendments through the quarterly forecast reports. For the other two uses of the funds, Council approval will be required (through specific motions or through the budget process).

Analysis

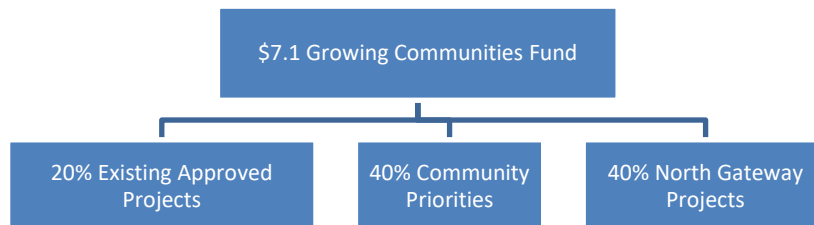
As the eligibility criteria for this grant covers a variety of options for capital projects, Staff started by reviewing existing funded capital projects, including carry forward projects, as well as unfunded projects that are detailed in the City's 2023-2027 Financial Plan and projects that are not yet included in the budget. A full listing of carried forward projects, 2023 capital projects, and unfunded projects are provided in Attachments, B, C and D.

In addition to reviewing the projects that could be funded, Staff also reviewed the various reserve balances that are primarily used for funding capital projects. Relative to the General Fund, the Utility Reserves are more appropriately positioned to fund both current and future capital needs. Therefore, staff took the next step of short listing projects that were funded by (or require funding by) the General Fund.

An initial short list was developed by staff, many that were the result of previous planning studies or plans, which quickly demonstrates that there is significant more need than there is available funding. Some of the short listed projects include:

- North Gateway Infrastructure
- Skaha Park East Master Plan
- Skaha Boathouse
- Soccer Clubhouse
- Kiwanis Pier replacement
- Downtown revives (400-600 blocks)
- Robinson Park MP Upgrades
- Lions Park (repurpose old bike park)
- Safety Village Refresh
- Esplanade/ Okanagan Marina
- Three Blind Mice Master Plan and development
- SS Sicamous Master Plan projects
- Dog Park Improvements
- Transportation priorities (cycling and pedestrian infrastructure)

Given the wide variety of projects that the City could consider funding, the intent of the funding, and the amount of funding provided, Staff are proposing the funds be divided in to three main categories, as follows:



1. Existing Approved Projects (20% of the funding):

The City is facing the same inflationary pressures as are being experienced everywhere in the world, and the actual cost for already approved projects are in the 25%-40% higher than budgeted in some cases.

As a result, staff are recommending this first allocation of funding ensure that already approved projects can be proceed as planned.

Council would be advised of the use of these funds through the financial variance process, and the following are a list of projects that may require access to these funds:

- Facilities projects (Community Centre upgrades, SOEC sign, City Hall renovations, etc)
- Neighborhood rehabilitation projects (paving, road rehabilitation)
- Transportation projects (ex. sidewalk program, traffic calming)
- Parks projects (Skaha Splash Pad, Court upgrades, Decorative scrolls etc)

2. Strategic community projects identified by Council (40%):

Through strategic planning and in discussions with Council over the first six months of their term, staff have heard interest in a number of projects that without this grant, might otherwise be on the “unfunded” list of City projects. The projects that have been identified to date include (with rough order of magnitude cost estimates):

- Downtown, Okanagan and Skaha Lake decorative seasonal lighting displays (\$350k)
- Riverside Skate Park and Basketball Court Lighting (\$350k – May 2, 2023 NOM for Skate Park only, staff recommend doing adjacent basketball court at the same time, for estimated total cost of \$400k)
- Urban Forestry Master Plan projects (\$100k)
- Kiwanis Pier replacement and park upgrades (\$1.5-2M)

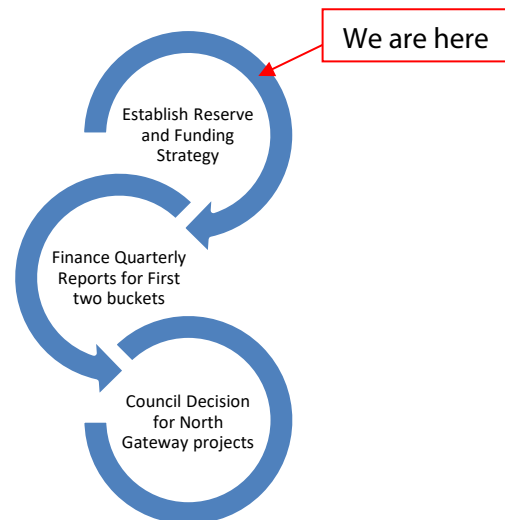
3. North Gateway (40%):

The third proposed use of the fund is projects that align with the goals and objectives of the North Gateway. These projects are well suited to the funds objectives, as significant growth is anticipated in the North Gateway, and these funds can assist with expediting the completion of various projects that will support this growth. Staff are still working on the sequencing of the various projects and it is anticipated that these projects would flow through the City’s regular budget process, with the funding identified at the time. Projects could include:

- Westminster Avenue
- City’s contribution towards Highway 97 changes
- Work associated with land exchanges or strategic purchases
- Planning and design for an attached Convention Hotel, workforce housing opportunities or park land reinvestment.

By allocating a portion of the funds to each of these three categories, the City will be able to deliver the already approved capital program without having to struggle with inflationary costs on a project by project basis, can advance a key strategic initiative in the North Gateway that will result in a positive return to the community, and will see a portion of the funds be used to advance a number of community projects that Council has expressed an interest in completing.

From a process perspective, as noted above, projects that fall in to the first or second category (existing approved projects and the identified community projects) will be amended through the quarterly financial variance reports. For projects that fall in to the third category, further reports either independently, or through the budget process, will be brought forward to Council for individual decisions and authorizations.



Alternative

THAT Council gives first, second and third reading to “Growing Communities Reserve Fund Bylaw No. 2023-17” to establish a reserve fund for the Growing Communities Fund Grant in accordance with the *Community Charter*;

AND That Council authorize the transfer of \$7.177M of grant funds from the Growing Communities Fund Grant into the Growing Communities Fund Reserve;

AND That the funds be used to fund projects as determined by Council;

AND That Council direct staff to amend the 2023-2027 Financial Plan accordingly.

Attachments

Attachment A –Growing Communities Reserve Fund Bylaw No. 2023-17

Attachment B – Letter from the Province dated March 16, 2023

Attachment C – Listing of Carry Forward Projects from 2022

Attachment D – Listing of 2023 Capital Projects

Attachment E – Listing of Unfunded Projects

Respectfully submitted,

Angela Campbell
Director of Finance and Administration

Kristen Dixon
General Manager of Infrastructure

General Manager of Community Services 	Chief Administrative Officer DyD
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Bylaw No. 2023-17

A Bylaw to Establish a Growing Communities Reserve Fund

WHEREAS the Province of British Columbia has provided one-time funding from the Growing Communities Fund to address the increasing need for infrastructure and amenities to serve population growth in a way that reflects each unique community;

AND WHEREAS Section 188 of the *Community Charter* authorizes Council to establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund;

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 for all purposes as "Growing Communities Reserve Fund Bylaw No. 2023-17".

2. **Purpose:**

- 2.1 The "Growing Communities Reserve Fund" is hereby established for the purpose of expenditures for or in respect to capital infrastructure.
- 2.2 Monies from the Government of BC Growing Communities Fund will be directed to the "Growing Communities Reserve Fund".
- 2.3 Any and all amounts in the "Growing Communities Reserve Fund", including any interest earned or accrued, must be used only for eligible capital and planning purpose expenditures as defined by the Province of British Columbia's Growing Communities Fund program.
- 2.4 If any section, subsection, paragraph, clause or phrase of this bylaw is for any reason held to be invalid by the decision of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.

READ A FIRST time this _____ day of _____, 2023

READ A SECOND time this _____ day of _____, 2023

READ A THIRD time this _____ day of _____, 2023

ADOPTED this _____ day of _____, 2023

Julius Bloomfield, Mayor

Angie Collison, Corporate Officer



March 16, 2023

Ref: 271994

Their Worship Mayor Julius Bloomfield
City of Penticton
171 Main St
Penticton BC V2A 5A9

Dear Mayor Bloomfield:

The population of B.C. has increased consistently over the past decade and is projected to keep growing in the next 10 years. The provincial government understands the need to facilitate greater housing supply for our growing population. The province will support local governments in addressing the multiple funding and financing constraints to aid in the construction of infrastructure and amenities for all B.C. communities. Local governments' investment in core community infrastructure and amenities increases the amount of land that is ready to be developed to a higher density.

The Government of B.C. has invested considerable resources in infrastructure and amenities in the past 10 years and has strategically leveraged federal funding to that effect. More than \$1.6 billion in federal and provincial funding have been invested in our communities since 2018 through the Investing in Canada Infrastructure Program. However, as there is still more to be done for infrastructure and amenities, the provincial government is pleased to provide the Growing Communities Fund (GCF) for local governments province-wide.

As a one-time grant, the GCF will provide up to \$1 billion through direct grants to local governments to support all B.C. communities, with a focus on those communities that need to increase the pace and scale of housing supply. The principal objective of the GCF is to increase the local housing supply with investments in community infrastructure and amenities. Municipalities are encouraged to work closely with adjacent local First Nations, in recognition of the *Declaration on the Rights of Indigenous Peoples Act*, as this collaboration strengthens our communities and regions.

The funding provided through the GCF should be limited to one-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities. These funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects. Eligible costs are as follows:

- Public drinking water supply, treatment facilities and water distribution;
- Local portion of affordable/attainable housing developments;

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Their Worship Mayor Julius Bloomfield

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- Childcare facilities;
- Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
- Wastewater conveyance and treatment facilities;
- Storm water management;
- Solid waste management infrastructure;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Active transportation amenities not funded by senior level government;
- Improvements that facilitate transit service;
- Natural hazard mitigation;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation-related amenities.

Further to the above-noted capital costs, one-off costs can include:

- Costs of feasibility studies (including infrastructure capacity assessment); other early-stage development work; costs of designing, tendering and acquiring land (where it is wholly required for eligible infrastructure projects); constructing eligible infrastructure projects; and, in limited situations, non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities.

I am pleased to advise you that the City of Penticton is the recipient of a \$7,177,000 grant under the Growing Communities Fund. This amount will be directly transferred to your local government by March 31, 2023.

Under part 7 of the Local Government Grants Regulations, the amount of the grant to each local government is set by the Minister of Municipal Affairs. The determination of this amount was based on a formula that applies to all municipalities.

This formula is based on three components: a flat funding amount, an “adjusted population” amount and a “population growth” amount. The flat amount is \$500,000. The “adjusted population” amount is \$365 per adjusted population. The population adjustment ensures smaller municipalities get a higher per capita share of funding despite larger municipalities receiving more funding in absolute dollars. The “population growth” amount is \$1,000 per capita population growth between 2016 and 2021.

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Their Worship Mayor Julius Bloomfield
Page 3

As a condition of this funding, the grant must be placed in a segregated reserve fund established by bylaw under section 188 of the *Community Charter* for the Capital and Planning purposes of the GCF. This fund must be separate from other existing reserve funds. To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spends this grant. This will be part of the annual financial reporting required under section 167 of the *Community Charter*. Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.

Further to the financial reporting, an annual report that identifies work-related Housing Needs Reports and pre-zoning requirements, as applicable, is required. The province also encourages highlighting projects that align with provincial priorities such as CleanBC and childcare; as well as those that align with the province's Environmental, Social and Governance framework for capital projects.

Finally, requirements will include parameters for public recognition of the funding related to projects. The province must be consulted prior to any proactive media events or news releases related to the project. Funded projects must also acknowledge the province's contribution through temporary and permanent on-site signage. The provincial government anticipates that the funds will be expended within approximately five years of receipt.

If you have any questions or comments regarding this letter, please feel free to contact the Local Government Infrastructure and Finance Branch by email at: LGIF@gov.bc.ca. Further information on the program will be available on the following webpage:
<https://www2.gov.bc.ca/gov/content/governments/local-governments/grants-transfers/grants/bc-s-growing-communities-fund>.

The province welcomes this opportunity to support the growth of the supply of housing throughout British Columbia. We believe that this funding will contribute to the capacity of B.C. local governments to provide critical services as our province and economy grows.

Sincerely,



Anne Kang
Minister

pc: Donny van Dyk, Chief Administrative Officer, City of Penticton
Angela Campbell, Chief Financial Officer, City of Penticton

Attachment with Example Calculation for a Municipality with 15,000 People

Population Range	From	To	Adjustment Factor
1. Very Small	0	2,000	100%
2. Small	2,001	5,000	80%
3. Small-Med	5,001	10,000	60%
4. Medium	10,001	20,000	40%
5. Large-Med	20,001	40,000	20%
6. Large	40,001	150,000	10%
7. Very Large	150,001	900,000	5%

To illustrate, for a city of 15,000 people, the adjusted population is:

- For this first 2,000 residents, adjustment of 100% = $2,000 \times 100\% = 2,000$
- For the next 3,000 (up to 5,000), adjustment of 80% = $3,000 \times 80\% = 2,400$
- For the next 5,000 (up to 10,000), adjustment of 60% = $5,000 \times 60\% = 3,000$
- For the last 5,000 (up to 15,000), adjustment of 40% = $5,000 \times 40\% = 2,000$

Thus, the city of 15,000 people has an adjusted population of 9,400 ($=2,000 + 2,400 + 3,000 + 2,000$).

If the city grew by 4,500 people between 2016-2021, the total grant amount is calculated as follows:

Component	Calculation	Result
Flat Funding	\$500,000	\$500,000
Adjusted Population	$= 9,400 \times \$365$	\$3,431,000
Population Growth	$= 4,500 \times \$1,000$	\$4,500,000
Total Grant		\$8,431,000

2022 Capital Carry Forward to 2023 List

Project	2022 Carry Forward to 2023
Major Projects	
Aging Sanitary Sewer Infrastructure Replacements and Upgrades	1,219,164
AWWTP - Expansion & Upgrades	5,997,687
City Yards - Building Upgrades	1,488,945
Enhancement - Utility Scale Battery	1,700,000
Penticton Ave PRV Upgrade	2,803,643
WTP Pressure Reducing Station Equipment - Upgrade Penticton Ave PRV Control System	328,850
Penticton Creek Revitalization 3	512,920
Penticton Creek Revitalization Reach 3a(upper)/3b & Structure 3&4	765,019
Point Intersection Kinney & South Main - Re-Align Galt Avenue Engineering	3,036,528
Point Intersection Kinney & South Main - Re-Align Galt Avenue Electric Portion	1,118,750
Point Intersection Kinney & South Main - Re-Align Galt Avenue - Sewer Portion	192,313
Point Intersection Kinney & South Main - Re-Align Galt Avenue - Water Portion	192,500
Ridgedale Reservoir Upgrade	4,217,611
Total Major Projects	23,573,930
Engineering	
AAA Bike Network Plan	489,400
Alberni St Road Works - Design	7,978
City Parking Lots	34,633
Decorative Scroll Installation	184,630
Ellis Creek Reach 7 Design	200,000
Oxbow Drainage Improvements	112,000
Pavement Management: Rehabilitation	307,933
Penticton Creek Environmental Monitoring	39,262
Penticton Creek Revitalization Reach 2	449,533
Sidewalks, Curbs & Gutter Projects	189,257
Traffic Calming Program (Dividend)	43,000
Total Engineering	2,057,626
Facilities	
City Hall - Front Door Repairs	20,000
City Hall - Main Floor Washroom Upgrade	4,725
City Hall - Minor Renovations	15,448
City Wide Security - Audit & Upgrades	25,996
City Yards - Building Upgrades	287,545
City Yards - Mezzanine Stairway	20,000
Community Center - Cleland AV Upgrades	143,604
Community Centre - Front Counter Redesign	6,850
Curling Rink - Stair Upgrade	17,413
EV - Electric Vehicle Charging Stations	395,000

Fire Hall 2 - 2 Bay Garage	475,204
Fire Hall 2 - Central HVAC System	20,000
Fire Hall 2 - Concrete Pad at Rear of Station	50,000
Fire Hall 2 - Rear Paved Surfaces	35,000
Leir House - Miscellaneous Capital	23,146
Library/Museum - Circulation Desk Renovation	30,000
Library/Museum - HVAC Replacement	78,570
Library/Museum - Main Distribution Panel	126,256
Library/Museum - Miscellaneous Minor Capital	14,905
Memorial Arena - Ammonia Dump	25,000
OHTC - Mechanical	10,000
OHTC - Miscellaneous Capital	3,364
PTCC - Carpet Shampooer	25,000
PTCC - Dishpit	165,000
PTCC - Freezer Room Repair	70,017
PTCC - Generator	66,370
PTCC - Roof Access Deterrent	15,000
PTCC - Staging	10,000
Public Washrooms - Install New Gates & Locks	38,824
Public Washrooms - Okanagan Lake Park Washroom	182,092
Public Washrooms - Riverside Washroom	174,781
Rainfall Monitoring	9,274
RCMP - Building & External Upgrades	379,219
Re-key City Buildings	93,953
Skaha Marina Repairs	105,627
Soccer Facility - Cinderblock Building Demolition	150,000
SOEC - Bowl Seating Attic Stock	70,000
SOEC - Hallway Flooring	25,000
SOEC - Miscellaneous Minor Capital	11,397
SOEC - Ovens	50,000
SOEC - Readerboard sign	200,000
SOEC - Remote Ice Temperature Sensors	10,000
SS Sicamous - Repairs	73,992
Total Facilities	3,753,573
Fire Services	
Emergency Training Center Upgrades	13,674
Fire Services - Equipment Replacement	14,358
Total Fire Services	28,032
Information Technology	
GIS - Software/Hardware Purchases	12,558
Information Technology - Hardware	248,858
Information Technology - Infrastructure	278,295
SOEC - Capital IT/AV	126,814
Total Information Technology	666,524

Public Works - Cemetery	
Lakeview Cemetery Upgrades	80,123
Total Public Works - Cemetery	80,123
Public Works - Fleet	
1 Ton Pickup (Replace Unit 133)	75,000
1 Ton Pickup w/ Winch Crane (Replace Unit 41)	70,000
1/2 Ton Pickup Truck (Replace Unit 134)	40,000
A/C Machine	5,000
Aerator (Replace Unit 9430)	20,000
Auto Hoist	16,000
Boom Flail Mower for Municipal tractor	36,000
Brake Lathe	3,500
Bush Truck (Replace Unit B-201)	80,000
Cabinets/Benches	25,000
Digger Derrick Aerial (Replace Unit 64)	367,000
New BEO Vehicle	39,673
New CSO Vehicle	39,673
Pickup truck (Replace Unit 3)	34,000
Pickup truck (Replace Unit 31)	40,000
Pumper/Rescue Combination Truck (replacing #E203 & R202)	99,860
Shop Equipment	5,556
Single Dump (Replace Unit 53)	150,000
Small Lawn Tractor (replacing unit #9510)	3,500
SOEC - Ice Resurfacer (Replace Unit 335)	185,000
Spray Truck (Replace Unit 130)	50,000
Tandem Dump (replacing unit #43)	300,000
Utility Service Truck (replacing unit #51)	235,000
Total Public Works - Fleet	1,919,763
Public Works - Parks	
Kings Park - Entry Improvements	34,530
Skaha Park - Splash Pad Replacement	441,330
SS Sicamous - Irrigation and Landscaping	95,128
Sudbury Park - Parking Lot Landscaping	24,066
Total Public Works - Parks	595,053
Electric	
Electrical Hybrid or Electric Van	65,000
Electrical Inventory Storage racks (Utility poles & Spools, etc)	137,789
Enhancement - System Reliability Improvements	309,482
Expansion - Carmi Substation Feeders	561,309
Fiber Optic System Redundancy	121,390
Total Electric	1,194,970

Water	
100mm Water Main Replacement Program	871,864
Aging Water Main Replacement Program	804,856
Agricultural Irrigation Meter Program	55,132
Ellis 2 Dam - Consulting & Upgrades	249,727
Ellis 4 Dam Upgrades	52,695
Irrigation System - Infrastructure Renewals	638,000
Rainfall Monitoring	119,907
ROW - Right of Way Acquisitions	58,817
Skaha Marina - 2" Waterline/Fire Hydrant	20,000
Valleyview Road Improvements	130,000
WTP - Equipment Replacement	22,242
WTP - Roof Replacement	118,745
WTP - Rotork Valve Replacement	155,891
Total Water	3,297,875
Sewer	
1990 HVAC Replacement	46,541
Aging Water Main Replacement Program	85,000
Asset Management Renewal Assessment Waste Water Lift Stations	51,763
AWWTP - Asset Management Renewal	69,735
AWWTP - Bioreactor Gate Replacement	250,000
AWWTP - Chemsan	11,467
AWWTP - CMMS (Asset Management software)	60,000
AWWTP - Main Breaker PDC Replacement	50,000
AWWTP - PLC Upgrades	26,412
East Penticton Interceptor - Fairview Ave to Treatment Plant	95,000
LWMP review	39,998
Power Monitoring Efficiencies	25,017
Wilson & Marina Way Generators and Flow Meters	170,795
Total Sewer	981,727
Total 2022 Carry Forwards to 2023	38,149,196

City of Penticton

Financial Plan 2023-2027

Appendix A – Capital plan

Capital Budget Summary

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
General Capital Fund					
Engineering	3,986,600	3,303,700	3,348,100	3,455,400	4,116,300
Facilities	4,405,600	2,871,000	2,155,000	1,675,000	1,675,000
Fire Services	58,000	59,300	60,600	61,300	62,600
Information Technology	1,291,000	1,136,000	711,000	586,000	536,000
Planning	150,000	-	-	-	-
Public Works - Cemetery	149,000	60,000	60,000	70,000	70,000
Public Works - Fleet	4,315,250	1,421,100	851,050	2,054,750	1,645,450
Public Works - General	75,000	-	-	-	-
Public Works - Parks	441,000	1,708,000	1,774,000	3,171,460	3,315,900
Public Works - Traffic Control	127,000	131,425	135,886	141,383	62,917
Sustainability	197,000	-	-	-	-
Total General Capital Fund	15,195,450	10,690,525	9,095,636	11,215,293	11,484,167
Sewer Capital	3,155,800	6,398,000	3,092,300	8,406,000	3,170,000
Water Capital	4,209,025	14,808,250	8,547,775	4,268,328	3,999,150
Electric Capital	5,294,740	5,904,201	5,243,319	7,489,472	7,669,117
Total Funded Capital Projects	\$ 27,855,015	\$ 37,800,976	\$ 25,979,030	\$ 31,379,093	\$ 26,322,434
UNFUNDED Capital					
Engineering	-	3,612,000	4,705,600	4,008,000	12,779,680
Facilities	900,000	26,205,000	4,842,000	35,000,000	-
Public Works - General	-	1,225,000	-	-	-
Public Works - Parks	-	-	898,000	-	-
Engineering	-	2,001,700	-	-	-
Total Unfunded Capital Projects	\$ 900,000	\$ 33,043,700	\$ 10,445,600	\$ 39,008,000	\$ 12,779,680

General Capital Fund – Summary

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering	3,986,600	3,303,700	3,348,100	3,455,400	4,116,300
Facilities	4,405,600	2,871,000	2,155,000	1,675,000	1,675,000
Fire Services	58,000	59,300	60,600	61,300	62,600
Information Technology	1,291,000	1,136,000	711,000	586,000	536,000
Planning	150,000	-	-	-	-
Public Works - Cemetery	149,000	60,000	60,000	70,000	70,000
Public Works - Fleet	4,315,250	1,421,100	851,050	2,054,750	1,645,450
Public Works - General	75,000	-	-	-	-
Public Works - Parks	441,000	1,708,000	1,774,000	3,171,460	3,315,900
Public Works - Traffic Control	127,000	131,425	135,886	141,383	62,917
Sustainability	197,000	-	-	-	-
Total Funded General Capital Projects	15,195,450	10,690,525	9,095,636	11,215,293	11,484,167
Funding Sources & Transfers					
Electrical Dividend	(3,744,000)	(4,288,025)	(4,329,226)	(4,201,083)	(4,096,557)
Provincial Grant Funding	(2,218,600)	-	-	-	-
Federal Grant Funding	(840,000)	-	-	-	-
Donations	(50,000)	-	-	-	-
Transfer to/(from) Canada-Community Building Fund	(2,684,518)	(1,549,292)	(1,504,002)	(1,747,317)	(1,962,099)
Transfer to/(from) Climate Action Reserve	(167,000)	-	-	-	-
Transfer to/(from) DCC Reserve - Roads & Highways	(494,782)	(262,508)	(236,798)	(282,883)	(247,401)
Transfer to/(from) DCC Reserve - Parks	-	(346,500)	(310,860)	(1,290,960)	(1,716,660)
Transfer to/(from) Equipment Replacement Reserve	(4,266,250)	(2,677,300)	(1,082,450)	(2,261,350)	(1,827,250)
Transfer to/(from) Asset Sustainability Reserve	(403,000)	(874,000)	-	-	-
Transfer to/(from) Marina Reserve	(25,000)	-	-	-	-
Transfer to/(from) RCMP Reserve	(115,000)	(75,000)	-	-	-
Transfer to/(from) Storm Operating	(187,300)	(617,900)	(1,632,300)	(1,431,700)	(1,634,200)
Total Funding Sources	(15,195,450)	(10,690,525)	(9,095,636)	(11,215,293)	(11,484,167)
General Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -
UNFUNDED Capital					
Engineering	-	3,612,000	4,705,600	4,008,000	12,779,680
Facilities	900,000	26,205,000	4,842,000	35,000,000	-
Public Works - General	-	1,225,000	-	-	-
Public Works - Parks	-	-	898,000	-	-
Total Unfunded General Capital Projects	\$ 900,000	\$ 31,042,000	\$ 10,445,600	\$ 39,008,000	\$ 12,779,680

Facilities

	2023 Budget	2024 Budget	2024 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Art Gallery - Structural Repairs	50,000	-	150,000	-	-
City Hall - Building Renovation	-	400,000	-	-	-
City Hall - Electrical Upgrades	40,000	-	-	-	-
City Hall - Minor Renovations	20,000	20,000	20,000	20,000	20,000
City Hall - Server Room Renovations	100,000	-	-	-	-
City Yards - Building Upgrades	100,000	-	500,000	-	-
City Yards - Fleet Shop Ventilation	75,000	-	-	-	-
City Yards - Minor Renovations	20,000	-	-	20,000	20,000
City Yards - Overhead & Man doors	15,000	15,000	-	-	-
City Yards - Renovate Washrooms	-	20,000	-	-	-
City Yards - Rooftop Units	30,000	-	-	-	-
City Yards - Salt Shed Extension & Enclosure	100,000	-	-	-	-
Community Center - Cleland Dressing Room Renovations	50,000	50,000	-	-	-
Community Center - Cleland Smoke Evacuation Hatches (CCBF)	75,000	-	-	-	-
Community Centre - BugabooU Renovation (Grant Expense)	2,218,600	-	-	-	-
Community Centre - Electrical	-	80,000	60,000	-	-
Community Centre - Front Counter Redesign (CCBF)	150,000	-	-	-	-
Community Centre - Mechanical	-	50,000	-	-	-
Community Centre - Minor Renovations	10,000	10,000	10,000	10,000	10,000
Community Centre - Office Renovation (CCBF)	40,000	-	-	-	-
Community Centre - Replace Boiler & Chiller	-	600,000	-	-	-
Community Safety Building - Site Analysis & Program Development	300,000	-	-	-	-
Curling Rink - Install Hybrid Elevator (CCBF)	125,000	-	-	-	-
Dog Kennel Building Improvements	35,000	-	-	-	-
Future Facilities Capital Projects	-	-	435,000	1,068,500	1,150,000
Jubilee Pavilion - Mechanical	-	20,000	-	-	-
Leir House - Miscellaneous Capital	-	125,000	125,000	100,000	-
Memorial Arena - Miscellaneous Capital	-	10,000	-	-	-
OHTC - Miscellaneous Capital	-	-	25,000	6,500	-
Property Acquisition Structure Demolitions	120,000	-	-	-	-
PTCC - Accessibility & Code Requirements	-	-	65,000	-	-
PTCC - Air Wall	-	200,000	-	-	-
PTCC - Carving Station	-	14,000	-	-	-
PTCC - Expo Lounge Renovation	-	-	-	65,000	-
PTCC - Lutron Controller	50,000	-	-	-	-
PTCC - Resurface Ballroom Floor	-	35,000	-	-	-
PTCC - Small Wares	-	35,000	-	-	-
PTCC - Walkway & Rear Entrance	-	600,000	200,000	-	-
PTCC - Wallpaper	-	250,000	-	-	-
Public Washrooms - Install New Gates & Locks	40,000	-	-	-	-
RCMP - Generator	125,000	-	-	-	-
RCMP - Internal Upgrades	-	-	75,000	75,000	75,000
RCMP - Internal Upgrades (RCMP Reserve)	115,000	75,000	-	-	-
RCMP - Main Distribution Panel	-	-	250,000	-	-
RCMP - Roof	-	-	-	-	400,000
Re-key City Buildings	-	60,000	-	-	-
Soccer Facility - Recover Roof Bubble (CCBF)	300,000	-	-	-	-
Soccer Facility - Turf Maintenance Equipment	12,000	-	-	-	-
Soccer Facility - Washroom	-	-	200,000	-	-
SOEC - Box Office HVAC	-	50,000	-	-	-
SOEC - Gate 1 Remodel	-	-	-	150,000	-
SOEC - Hallway Flooring	-	25,000	25,000	25,000	-
SOEC - Heat Pumps	50,000	50,000	-	-	-

Facilities cont'd

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
SOEC - LED Lighting	-	65,000	-	-	-
SOEC - Men's Room Facilities Replacement	-	-	-	35,000	-
SOEC - Miscellaneous Minor Capital	-	12,000	-	-	-
SOEC - Rooftop Units	20,000	-	-	-	-
SOEC - Suite Drapes	-	-	15,000	-	-
SOEC - Vault Remodel	-	-	-	100,000	-
Westminister Center - Mechanical	20,000	-	-	-	-
Total Funded Facilities Capital	\$ 4,405,600	\$ 2,871,000	\$ 2,155,000	\$ 1,675,000	\$ 1,675,000
UNFUNDED Capital					
City Hall - Building Renovation (UNFUNDED)	-	-	4,000,000	-	-
Community Safety Building (UNFUNDED)	-	25,000,000	-	-	-
Skaha Park East - Boathouse Building (UNFUNDED)	-	455,000	-	-	-
SOEC - Jumbotron (UNFUNDED)	-	750,000	-	-	-
SS Sicamous - Repairs & Abatement (UNFUNDED)	900,000	-	-	-	-
Twin Arenas (UNFUNDED)	-	-	842,000	35,000,000	-
Total Unfunded Facilities Capital	\$ 900,000	\$ 26,205,000	\$ 4,842,000	\$ 35,000,000	\$ -
Total Facilities Capital	\$ 5,305,600	\$ 29,076,000	\$ 6,997,000	\$ 36,675,000	\$ 1,675,000

Engineering – General Capital Budget

	2021 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Storm Drainage					
Churchill Avenue Storm Improvements (Storm)	-	617,900	-	-	-
Power Street North Storm Improvements (Storm)	-	-	-	-	1,634,200
Power Street South Storm Improvements (Storm)	-	-	-	1,431,700	-
Riverside Drive Storm Diversion (Storm)	-	-	1,632,300	-	-
Storm Drainage Projects - Budget (Storm)	112,300	-	-	-	-
Total Storm Drainage	112,300	617,900	1,632,300	1,431,700	1,634,200
Roads & Maintenance					
AAA Bike Network Plan (CCBF)	351,615	725,000	-	-	-
AAA Bike Network Plan (DCC)	308,385	-	-	-	-
AAA Bike Network Plan (Grant Expense)	840,000	-	-	-	-
Intersection & Road Marking Improvements (CCBF)	163,000	329,055	47,808	334,223	498,000
Intersection & Road Marking Improvements (DCC)	-	52,945	7,692	53,777	-
Lanes - Pavement Reconstruction	67,000	-	-	-	272,600
Lanes - Pavement Reconstruction (Storm)	75,000	-	-	-	-
Pavement Management: Rehabilitation (Asset Sustainability)	-	874,000	-	-	-
Pavement Management: Rehabilitation (CCBF)	902,500	-	922,600	898,000	943,000
Safe Routes to School	150,000	-	-	-	-
Sidewalks, Curbs & Gutter Projects (CCBF)	427,403	143,237	156,594	156,594	169,099
Sidewalks, Curbs & Gutter Projects (DCC)	186,397	209,563	229,106	229,106	247,401
Traffic Calming Program (Asset Sustainability)	403,000	-	-	-	-
Traffic Calming Program (CCBF)	-	352,000	352,000	352,000	352,000
Total Roads & Maintenance	3,874,300	2,685,800	1,715,800	2,023,700	2,482,100
Total Funded Engineering General Fund Capital	\$ 3,986,600	\$ 3,303,700	\$ 3,348,100	\$ 3,455,400	\$ 4,116,300
UNFUNDED Capital					
AAA Bike Network Plan (UNFUNDED)	-	3,612,000	195,000	1,663,000	1,662,000
Ellis Creek Reach 7 (UNFUNDED)	-	-	200,000	35,000	3,841,000
Ellis Creek Reach 8 (UNFUNDED)	-	-	-	200,000	35,000
Ellis Creek Reach 9 (UNFUNDED)	-	-	-	-	200,000
Main Street 400 Block Infrastructure (UNFUNDED)	-	-	2,010,600	-	-
North Gateway Transportation (UNFUNDED)	-	-	-	-	3,790,080
Penticton Creek Revitalization Reach 2 (UNFUNDED)	-	-	2,300,000	1,985,000	-
Reservoir Road Reconstruction (UNFUNDED)	-	-	-	125,000	3,251,600
Total Unfunded Engineering Capital	\$ -	\$ 3,612,000	\$ 4,705,600	\$ 4,008,000	\$ 12,779,680

Fire Services

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Emergency Training Center Upgrades	12,000	12,500	13,000	13,500	14,000
Fire Hose Replacement	15,000	15,600	16,200	16,200	16,800
Fire Services - Equipment Replacement	31,000	31,200	31,400	31,600	31,800
Total Funded Fire Services Capital	\$ 58,000	\$ 59,300	\$ 60,600	\$ 61,300	\$ 62,600

Fleet

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
1 Ton Pickup (Replace Unit 104)	-	85,000	-	-	-
1/2 Ton 4x4 Pickup (Replace Unit 29)	-	50,000	-	-	-
1/2 Ton Pickup (Replace Unit 138)	-	90,000	-	-	-
1/2 Ton Pickup (Replace Unit 17)	-	42,000	-	-	-
100' Platform Fire Truck (Replace Unit #L-202)	2,300,000	-	-	-	-
Aerator (Replace Unit 9429)	-	11,000	-	-	-
Auto Hoist (Replace Unit 151)	33,000	-	-	-	-
Brake Lathe	-	3,500	-	-	-
Car (Replace Unit 108)	42,000	-	-	-	-
Compressor (Replace Unit 80)	-	45,000	-	-	-
Concrete Crew Support Trailer	15,000	-	-	-	-
Digger Derrick Aerial (Replace Unit 50)	450,000	-	-	-	-
Double Cab Truck with Dump Box	180,000	-	-	-	-
Fertilizer Spreader (Replace Unit 9424)	-	6,000	-	-	-
Fire Investigation Trailer	20,000	-	-	-	-
Fleet Future Capital Purchases	-	-	851,050	2,054,750	1,645,450
Fume Extractor	10,000	-	-	-	-
Information Technology Van	45,000	-	-	-	-
Mini Pickup (Replace Unit 1)	-	42,000	-	-	-
Mini Van (Replace Unit 5)	-	42,000	-	-	-
Minivan (Replace Unit 107)	42,000	-	-	-	-
Overseeder (Replace Unit 9460)	-	11,000	-	-	-
Parks Equipment	14,750	20,600	-	-	-
Parks Tilt Trailer (Replace Unit 9210)	-	10,000	-	-	-
Pickup Truck (Replace Unit 129)	110,000	-	-	-	-
Pickup Truck (Replace Unit 2)	42,000	-	-	-	-
Pickup Truck (Replace Unit 23)	-	42,000	-	-	-
Pickup Truck (Replace Unit 33)	42,000	-	-	-	-
Pickup Truck (Replace Unit 4)	42,000	-	-	-	-
Pickup Truck (Replace Unit 83)	-	40,000	-	-	-
Pickup Truck (Replace Unit 96)	42,000	-	-	-	-
Puller Tensioner (Replace Unit 76)	-	230,000	-	-	-
Quad Trailer (Replace Unit 9205)	5,000	-	-	-	-
Rotary Mower (Replace Unit 773)	-	75,000	-	-	-
Rototiller (Replace Unit 9470)	5,000	-	-	-	-
Shop Equipment	7,500	7,500	-	-	-
Sign Maintenance Van (Replace Unit 4)	95,000	-	-	-	-
Single Dump (Replace Unit 54)	250,000	-	-	-	-
Small Sander (Replace Unit 90)	-	25,000	-	-	-
Snow Plows/Sanders/Blades (Replace Unit 86)	180,000	75,000	-	-	-
SPU Towing/Training Pickup	75,000	-	-	-	-
Steam Cleaner	-	10,000	-	-	-
Tractor (Replace Unit 69)	90,000	-	-	-	-
Truck (Replace Unit I-202)	-	42,000	-	-	-
Truck (Replace Unit I-203)	-	42,000	-	-	-
Tycrop Top Dresser (Replace Unit 403)	75,000	-	-	-	-

Fleet cont'd

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Utility Technician Van	95,000	-	-	-	-
Van (Replace Unit 137)	-	65,000	-	-	-
Van (Replace Unit 6)	-	42,000	-	-	-
Van (Replace Unit I-201)	-	45,000	-	-	-
Water Tank (Replace Unit 9465)	-	7,500	-	-	-
Welder	8,000	-	-	-	-
Wheel Balancer	-	15,000	-	-	-
Zamboni (Replace Unit 331)	-	200,000	-	-	-
Total Funded Fleet Capital	\$ 4,315,250	\$ 1,421,100	\$ 851,050	\$ 2,054,750	\$ 1,645,450

Information Technology

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
GIS - Software Upgrade	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Information Technology - Cleland Theatre Sound/Lighting Upgrades	10,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Audio Visual, Security Video	100,000	100,000	100,000	100,000	100,000
Information Technology - Hardware - Council Chambers	25,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Desktop/Cellular Telephone Hardware	100,000	10,000	10,000	10,000	10,000
Information Technology - Hardware - Desktops, Laptops, Tablets	125,000	125,000	125,000	125,000	125,000
Information Technology - Hardware - Printers, Pressure Sealer	6,000	6,000	6,000	6,000	6,000
Information Technology - Hardware - Servers, Appliances	100,000	500,000	75,000	50,000	25,000
Information Technology - Infrastructure - Local Area Network	100,000	50,000	50,000	50,000	50,000
Information Technology - Smart City Infrastructure	-	-	100,000	50,000	50,000
Information Technology - Software - Records Management	100,000	200,000	100,000	50,000	25,000
IT Strategy - System Reconfigurations	25,000	25,000	25,000	25,000	25,000
SOEC - Capital IT/AV	100,000	100,000	100,000	100,000	100,000
Total Funded IT Capital	\$ 1,291,000	\$ 1,136,000	\$ 711,000	\$ 586,000	\$ 536,000
Allocation out to Utility					
IT - Billing Software Upgrade/Replacement - Electrical Portion	175,000	-	-	-	-
IT - Billing Software Upgrade/Replacement - Sewer Portion	87,500	-	-	-	-
IT - Billing Software Upgrade/Replacement - Water Portion	87,500	-	-	-	-
Total IT Allocation out to Utility Capital	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Total Information Technology Capital	\$ 1,641,000	\$ 1,136,000	\$ 711,000	\$ 586,000	\$ 536,000

Parks

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Beach Slides	\$ -	\$ 8,000	\$ -	\$ -	\$ -
Campbell Mountain Trail Network - Design & Construction	80,000	-	93,000	-	-
Campbell Mountain Trail Network - Long Term Management Plan	-	80,000	-	-	-
Cinderblock Dugout Improvements - McLaren Park & Bambino Field	-	39,000	-	-	-
Community Parkland Acquisition	-	-	-	-	13,500
Community Parkland Acquisition (DCC)	-	-	-	-	1,336,500
Dog Park Improvements	-	-	-	146,000	-
Esplanade - Upgrades from Master Plan	-	-	16,640	72,800	-
Esplanade - Upgrades from Master Plan (DCC)	-	-	63,360	277,200	-
Gyro Park - Improvements	-	-	-	16,640	99,840
Gyro Park - Improvements (DCC)	-	-	-	63,360	380,160
Gyro Park - Revitalization	-	-	-	-	97,000
Irrigation Upgrades & System Replacement	86,000	86,000	178,000	258,960	192,000
KVR Trail Network - Master Plan & Improvements	-	26,000	26,000	-	-
KVR Trail Network - Master Plan & Improvements (DCC)	-	99,000	99,000	-	-
Lakawanna Park - Splash Pad Replacement	-	-	302,000	-	-
Lakawanna Park - Upgrades from Master Plan	-	-	500	2,040	-
Lakawanna Park - Upgrades from Master Plan (DCC)	-	-	49,500	201,960	-
Lions Park - Improvements	-	89,500	1,000	6,400	-
Lions Park - Improvements (DCC)	-	-	99,000	633,600	-
Miscellaneous Trails Improvements	-	50,000	-	-	-
Okanagan Fitness Equipment	-	89,500	-	-	-
Parks Recycling Infrastructure	-	-	-	69,000	-
Playground Equipment	50,000	660,000	146,000	545,500	88,500
Riverside Park - Site & Entry Improvements	-	-	133,000	-	-
Robinson Park - Improvements	-	2,500	-	-	-
Robinson Park - Improvements (DCC)	-	247,500	-	-	-
Robinson Park - Pickleball Courts	50,000	156,000	-	-	-
Rotary Point Site Improvements	-	-	113,000	-	-
Skaha Park - Upgrades from Skaha East Master Plan	-	75,000	-	-	-
Sportsfield Fencing Improvements	-	-	454,000	345,000	345,000
Tennis Court Upgrades	175,000	-	-	303,000	333,000
Three Blind Mice Trail Network - Management Plan	-	-	-	30,160	-
Three Blind Mice Trail Network - Management Plan (DCC)	-	-	-	114,840	-
Three Mile Beach - Upgrades to Parking, Site & Entry	-	-	-	85,000	430,400
Total Funded Parks Capital	\$ 441,000	\$ 1,708,000	\$ 1,774,000	\$ 3,171,460	\$ 3,315,900
Allocation out to Utility					
Portable Water Supply Station (Water)	66,000	-	-	-	-
Total Parks Allocation out to Utility Capital	\$ 66,000	\$ -	\$ -	\$ -	\$ -
Total Parks Capital	\$ 507,000	\$ 1,708,000	\$ 1,774,000	\$ 3,171,460	\$ 3,315,900
UNFUNDED Capital					
Skaha Park - Upgrades from Skaha East Master Plan (UNFUNDED)	-	-	898,000	-	-
Total Unfunded Parks Capital	\$ -	\$ -	\$ 898,000	\$ -	\$ -

Cemetery

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Lakeview Cemetery Upgrades	\$ 149,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000
Total Funded Cemetery Capital	\$ 149,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000

Planning

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Official Community Plan Review (CCBF)	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Total Funded Planning Capital	\$ 150,000	\$ -	\$ -	\$ -	\$ -

Public Works General

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Kiwanis Walking Pier - Design & Specifications	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Skaha Marina Repairs (Marina Reserve)	25,000	-	-	-	-
Total Funded Public Works General Capital	\$ 75,000	\$ -	\$ -	\$ -	\$ -
UNFUNDED Capital					
Kiwanis Walking Pier (UNFUNDED)	-	1,225,000	-	-	-
Total Unfunded Public Works General Capital	\$ -	\$ 1,225,000	\$ -	\$ -	\$ -

Sustainability

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
EV - Electric Vehicle Charging Stations	30,000	-	-	-	-
EV - Electric Vehicle Charging Stations (Climate Action Reserve)	167,000	-	-	-	-
Total Funded Sustainability Capital	\$ 197,000	\$ -	\$ -	\$ -	\$ -

Traffic Control

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
New Traffic Detection Devices	\$ 127,000	\$ 131,425	\$ 135,886	\$ 141,383	\$ 62,917
Total Funded Traffic Control Capital	\$ 127,000	\$ 131,425	\$ 135,886	\$ 141,383	\$ 62,917

Sewer Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering - Sewer Capital					
Aging Sanitary Sewer Infrastructure Replacements and Upgrades	864,300	944,200	1,943,300	2,336,000	2,295,000
SOEC Force Main Upsizing	-	345,800	-	-	-
SOEC Lift Station Wet Well Expansion	125,000	502,968	-	-	-
SOEC Lift Station Wet Well Expansion (DCC)	-	338,032	-	-	-
South Interceptor - AWWTP to Fairview Rd	-	-	-	-	125,000
Total Engineering Sewer Capital Projects	989,300	2,131,000	1,943,300	2,336,000	2,420,000
Advanced Waste Water Treatment Plant					
Asset Management Renewal Assessment Waste Water Lift Stations	30,000	200,000	30,000	-	-
AWWTP - Asset Management Renewal	910,000	980,000	850,000	750,000	750,000
AWWTP - Bioreactor Gate Replacement	300,000	-	-	-	-
AWWTP - Expansion & Upgrades	134,000	1,105,168	269,000	8,240	-
AWWTP - Expansion & Upgrades (DCC)	-	1,481,832	-	2,643,597	-
AWWTP - Expansion & Upgrades (Financed)	-	-	-	2,668,163	-
AWWTP - Headworks Concrete Replacement	625,000	-	-	-	-
Septage Screening Unit Replacement	80,000	-	-	-	-
Total Advanced Waste Water Treatment Plant Capital Projects	2,079,000	3,767,000	1,149,000	6,070,000	750,000
City Yards - Building Upgrades (Sewer)	-	500,000	-	-	-
IT - Billing Software Upgrade/Replacement - Sewer Portion	87,500	-	-	-	-
Total Funded Sewer Capital Expense	\$ 3,155,800	\$ 6,398,000	\$ 3,092,300	\$ 8,406,000	\$ 3,170,000
UNFUNDED Capital					
North Interceptor - AWWTP to SOEC Lift Station (UNFUNDED)	-	2,001,700	-	-	-
Total Unfunded Sewer Capital	\$ -	\$ 2,001,700	\$ -	\$ -	\$ -
Funding Sources & Transfers					
Debt Financing	-	-	-	(2,668,163)	-
Development Cost Charges	-	(1,819,864)	-	(2,643,597)	-
Sewer Equipment Replacement Reserve	(80,000)	-	-	-	-
Net Transfers from Sewer Operating Fund	(3,075,800)	(4,578,136)	(3,092,300)	(3,094,240)	(3,170,000)
Total Funding Sources	(3,155,800)	(6,398,000)	(3,092,300)	(8,406,000)	(3,170,000)
Sewer Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Water Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
Engineering - Water Capital					
Aging Water Main Replacement Program	1,858,225	622,025	-	-	-
Hydrant Installation Program	113,000	123,000	126,000	130,000	132,000
Industrial Area Fire Flow Upgrades	135,000	1,715,225	1,223,275	729,027	-
Industrial Area Fire Flow Upgrades (DCC)	-	-	-	117,301	-
Irrigation System - Infrastructure Renewals	638,000	638,000	638,000	638,000	638,000
MacCleave PRV Upgrade	-	-	-	-	272,150
Raw Water Main Condition Assessment	78,000	-	-	-	-
Riddle Road Improvements - Water Service & Fire Protection	10,000	100,000	892,750	-	-
Riddle Road Improvements - Water Service & Fire Protection (LIA)	-	-	892,750	-	-
Valleyview Road Improvements	-	-	-	1,454,000	2,757,000
Woodstock Road - Water Main Replacement	135,300	-	-	-	-
Total Engineering Water Capital Projects	2,967,525	3,198,250	3,772,775	3,068,328	3,799,150
Water Treatment Plant Capital Projects					
Warren Avenue Well Decommissioning	75,000	-	300,000	-	-
WTP - Building Code Improvements	231,000	-	-	-	-
WTP - DAF Pump Retrofit	-	50,000	-	300,000	-
WTP - Electrical Main Switch Replacement	-	35,000	-	300,000	-
WTP - Equipment Replacement	60,000	60,000	60,000	60,000	60,000
WTP - Makeup Air Unit Replacement	200,000	200,000	-	-	-
WTP - Programmable Logic Controllers & Communications	120,000	200,000	-	-	-
Equipment Replacement	199,000	-	-	-	-
WTP - Rotork Valve Replacement	199,000	-	-	-	-
Total Water Treatment Plant Capital Projects	885,000	545,000	360,000	660,000	60,000
Water Distribution System Capital Projects					
Agricultural Irrigation Meter Program	140,000	140,000	140,000	140,000	140,000
Ellis 2 Dam - Consulting & Upgrades	-	100,000	-	-	-
Ellis 2 Dam (Financed)	-	-	4,000,000	-	-
Ellis 4 Dam Upgrades	-	3,400,000	-	-	-
Ellis 4 Dam Upgrades (Grant Expense)	-	6,600,000	-	-	-
Ellis Creek Diversion Dam - Bridge Replacement	-	125,000	100,000	400,000	-
Miscellaneous Dam Projects	63,000	200,000	175,000	-	-
Total Water Distribution System Capital Projects	203,000	10,565,000	4,415,000	540,000	140,000
City Yards - Building Upgrades (Water)	-	500,000	-	-	-
Portable Water Supply Station (Water)	66,000	-	-	-	-
IT - Billing Software Upgrade/Replacement - Water Portion	87,500	-	-	-	-
Total Funded Water Capital Expense	\$ 4,209,025	\$ 14,808,250	\$ 8,547,775	\$ 4,268,328	\$ 3,999,150
Funding Sources & Transfers					
Debt Financing	-	-	(4,000,000)	-	-
Grant Revenues	-	(6,600,000)	-	-	-
Development Cost Charges	-	-	-	(117,301)	-
Net Transfers from Water Operating Fund	(4,209,025)	(8,208,250)	(4,547,775)	(4,151,027)	(3,999,150)
Total Funding Sources	(4,209,025)	(14,808,250)	(8,547,775)	(4,268,328)	(3,999,150)
Water Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

Electric Fund

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
FUNDED Capital					
25KV Conversion Study	-	50,000	-	-	-
Enhancement - System Reliability Improvements	792,327	1,155,030	499,565	524,543	550,770
Expansion - Carmi Substation Feeders	150,000	-	-	1,900,000	2,000,000
Fiber Optic System Redundancy	-	131,250	-	137,813	-
Huth Refurbishment	-	-	-	324,730	331,224
Main Street Underground Conversion	200,000	1,171,659	1,230,242	1,291,754	1,356,342
Non Discretionary - Estimated New/Upgrade Services	1,230,701	1,261,469	1,293,005	1,325,330	1,358,464
Non Discretionary - Flat Rate New/Upgrade Services	410,000	420,250	430,756	441,525	452,563
Non Discretionary - New UG Subdivision	177,922	186,818	196,159	205,967	216,265
Power Line Technician & Engineering Tools	45,020	46,146	47,299	48,482	49,694
SCADA Improvements & System Automation	59,876	62,870	66,013	69,314	72,780
South Main Underground Conversion - Kinney to Galt	1,000,000	-	-	-	-
Sustainment - Distribution System Rebuild	723,421	759,592	797,572	837,450	879,323
Sustainment - Distribution System Rebuild- UG Residential Subdivision	330,473	346,997	364,346	382,564	401,692
Waterford Refurbishment	-	312,120	318,362	-	-
Total Electric Capital Projects	5,119,740	5,904,201	5,243,319	7,489,472	7,669,117
IT - Billing Software Upgrade/Replacement - Electrical Portion	175,000	-	-	-	-
Total Funded Electric Capital Expense	\$ 5,294,740	\$ 5,904,201	\$ 5,243,319	\$ 7,489,472	\$ 7,669,117
Funding Sources & Transfers					
Recoveries	(1,375,753)	(1,414,595)	(1,454,630)	(1,495,900)	(1,538,446)
Transfer from Electric Operating Fund	(3,918,987)	(4,489,606)	(3,788,689)	(5,993,572)	(6,130,671)
Total Funding Sources	(5,294,740)	(5,904,201)	(5,243,319)	(7,489,472)	(7,669,117)
Electric Utility Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -

External Debt Projects - Capital

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
External Borrowing					
AWWTP - Expansion & Upgrades (Financed)	\$ -	\$ -	\$ -	\$ 2,668,163	\$ -
Ellis 2 Dam (Financed)	-	-	4,000,000	-	-
Total External Borrowing	-	-	4,000,000	2,668,163	-
Total External Debt Projects - Capital	\$ -	\$ -	\$ 4,000,000	\$ 2,668,163	\$ -

Development Cost Charges Funded Projects

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
Roads Development Cost Charges					
AAA Bike Network Plan (DCC)	308,385	-	-	-	-
Intersection & Road Marking Improvements (DCC)	-	52,945	7,692	53,777	-
Sidewalks, Curbs & Gutter Projects (DCC)	186,397	209,563	229,106	229,106	247,401
Engineering Services - Master Plans - Transportation (DCC)	-	-	-	148,500	-
Total Roads Development Cost Charges	494,782	262,508	236,798	431,383	247,401
Sewer Development Cost Charges					
AWWTP - Expansion & Upgrades (DCC)	-	1,481,832	-	2,643,597	-
SOEC Lift Station Wet Well Expansion (DCC)	-	338,032	-	-	-
Engineering Services - Master Plans - Sanitary Sewer (DCC)	-	-	148,500	-	-
Total Sewer Development Cost Charges	-	1,819,864	148,500	2,643,597	-
Water Development Cost Charges					
Industrial Area Fire Flow Upgrades (DCC)	-	-	-	117,301	-
Engineering Services - Master Plans - Domestic Water (DCC)	-	-	148,500	-	-
Total Water Development Cost Charges	-	-	148,500	117,301	-
Parks Development Cost Charges					
Community Parkland Acquisition (DCC)	-	-	-	-	1,336,500
Esplanade - Upgrades from Master Plan (DCC)	-	-	63,360	277,200	-
Gyro Park - Improvements (DCC)	-	-	-	63,360	380,160
KVR Trail Network - Master Plan & Improvements (DCC)	-	99,000	99,000	-	-
Lakawanna Park - Upgrades from Master Plan (DCC)	-	-	49,500	201,960	-
Lions Park - Improvements (DCC)	-	-	99,000	633,600	-
Robinson Park - Improvements (DCC)	-	247,500	-	-	-
Three Blind Mice Trail Network - Management Plan (DCC)	-	-	-	114,840	-
Total Parks Development Cost Charges	-	346,500	310,860	1,290,960	1,716,660
Storm Development Cost Charges					
Engineering Services - Master Plans - Storm Sewer (DCC)	-	-	-	148,500	-
Total Storm Development Cost Charges	-	-	-	148,500	-
Total Development Cost Charges Funded Capital	\$ 494,782	\$ 2,428,872	\$ 844,658	\$ 4,631,741	\$ 1,964,061

UNFUNDED - Capital Budget

	2023 Budget	2024 Budget	2025 Projection	2026 Projection	2027 Projection
UNFUNDED Capital					
AAA Bike Network Plan (UNFUNDED)	-	3,612,000	195,000	1,663,000	1,662,000
City Hall - Building Renovation (UNFUNDED)	-	-	4,000,000	-	-
Community Safety Building (UNFUNDED)	-	25,000,000	-	-	-
Ellis Creek Reach 7 (UNFUNDED)	-	-	200,000	35,000	3,841,000
Ellis Creek Reach 8 (UNFUNDED)	-	-	-	200,000	35,000
Ellis Creek Reach 9 (UNFUNDED)	-	-	-	-	200,000
Kiwanis Walking Pier (UNFUNDED)	-	1,225,000	-	-	-
Main Street 400 Block Infrastructure (UNFUNDED)	-	-	2,010,600	-	-
North Gateway Transportation (UNFUNDED)	-	-	-	-	3,790,080
Penticton Creek Revitalization Reach 2 (UNFUNDED)	-	-	2,300,000	1,985,000	-
Reservoir Road Reconstruction (UNFUNDED)	-	-	-	125,000	3,251,600
Skaha Park - Upgrades from Skaha East Master Plan (UNFUNDED)	-	-	898,000	-	-
Skaha Park East - Boathouse Building (UNFUNDED)	-	455,000	-	-	-
SOEC - Jumbotron (UNFUNDED)	-	750,000	-	-	-
SS Sicamous - Repairs & Abatement (UNFUNDED)	900,000	-	-	-	-
Twin Arenas (UNFUNDED)	-	-	842,000	35,000,000	-
North Interceptor - AWWTP to SOEC Lift Station (UNFUNDED)	-	2,001,700	-	-	-
Total Unfunded Capital	900,000	33,043,700	10,445,600	39,008,000	12,779,680

Council Report

penticton.ca

Date: May 16, 2023 **File No:** RMS 1610
To: Donny van Dyk, Chief Administrative Officer
From: Courtney Jones, Financial Planning and Budget Specialist
Subject: **First Quarter 2023 Financial and Corporate Business Plan Update**

Staff Recommendation

THAT Council receive into record the report dated May 16, 2023 titled "First Quarter 2023 Financial and Corporate Business Plan Update";

THAT Council approve amending the 2023-2027 Financial Plan to provide for budget amendments noted in report including reserve transfers of \$406,000 Equipment Replacement Reserve for fleet cost increases and emergency replacement, timing of purchases, and equipment failures, \$27,500 Climate Action Reserve for four electric bikes with safety gear, and \$50,000 Asset Sustainability Reserve for Skaha Marina boat launch repairs;

AND THAT Council approve that the funds in excess of the RCMP retroactive pay accrual and the RCMP retroactive pay owing be transferred to the RCMP Reserve.

Background

The 2023-2027 Financial & Corporate Business Plan was adopted April 18, 2023. The first quarter report, found in Attachment A, includes activities up to March 31 and outlines the impacts to the City's revenues and expenses as a result of the budget amendments year to date, includes an end of year forecast and an update on the Corporate Business Plan initiatives. The City of Penticton's 2023 Financial and Corporate Business Plan outlines 35 initiatives that advance Council's Strategic Priorities as well as projects that have been identified by the Senior Leadership Team which will improve service delivery and business functions for the City.

Financial Implication

The City's financial position for the first quarter has total revenues expected to be higher than budget by 5.4%, and expenses anticipated to be similar to budget.

The following financial implications are expected as a result of the budget amendments and forecasts made during the year:

- The General, Electric and Sewer Operating Funds are forecasting the same as budget draw or surplus:

- General Operating Fund forecasted draw of \$3.0M;
- Electric Operating Fund forecasted draw of \$2.5M;
- Sewer Operating Fund forecasted surplus of \$1.2M;
- Water Operating Fund - forecasted surplus of \$615k, compared to the budgeted surplus of \$783k. The reduced surplus is due to capital amendments for a waterline upgrade and portable water supply station that are coming in higher than originally anticipated.

Analysis

Some highlights from the report include:

Budget Amendments

Revenue

- Revenues increased \$7.3M over budget and is related to updated calculations for Non-Market Change based on the revised assessment roll and the receipt of a large capital grant received under the Growing Communities Fund.

Expenses

- General expenses increased \$99k over budget including an increase the municipal grants for the Penticton Art Gallery and some minor facility maintenance requests.

Capital

- General Capital has increased \$1.0M in the first quarter. These amendments include updated costs for the Point Intersection and associated projects, repairs for a 2022 storm, costs related to fleet assets including four electric bikes, inflationary costs for two pickups and a spray truck, a van requiring early replacement due to mechanical failure, the Compost Trammel Screener failing and requiring replacement, as well as Skaha Marina boat launch environmental repairs.
- Water Capital has increased by \$168k, related to a water line update and a portable water station.

Amended Budget to Forecast Variances

With the recent adoption of the budget, and it being early in the year, the forecasted revenue and expenses match the budget. Items below are specific items that Staff will monitor and adjust accordingly, as needed, throughout the year.

Revenue

- Sales of Service - Building Permit revenue March year to date is 13% of the annual budget and is significantly lower than the first quarter of 2022. This is mainly attributed to reduced building permits due to apprehension in the market with the high costs of construction and increased borrowing rates.
- Development Cost Charges (DCC) revenue received is lower than budget, as this revenue is directly tied to building permits, which are lower than anticipated. Additionally, larger developments are phasing in building permits which delays receipt of DCC revenue. As these revenues are required to be transferred directly into the DCC reserves, any changes from budget have no overall impact on surpluses.

Expenses

- General Fund – the RCMP retroactive payment was slightly lower than the accrual that had been previously set aside. Staff are recommending that the excess accrual be transferred to the RCMP Reserve.
- Water Utility - Water main repairs costs, are currently 70% of the annual budget. The increased costs are related to a record number of water breaks occurring attributed to the age of the infrastructure, and costs to complete the work such as overtime and contractor costs.

Strategic Initiatives

- Two initiatives have been completed to-date, these are for:
 - Develop a Privacy Management Program – Legislative Services led and successfully completed this initiative, under accordance and with direction from the Minister responsible for FOIPPA.
 - Increase Hours for Existing Library Pages – The Chief Librarian successfully amended the schedules for existing Pages and the increase in hours is in effect for these Library staff.
- 31 initiatives are on track to be completed by the end of 2023.
- Two initiatives are delayed in the first quarter report of 2023. Reasons cited for delays include a conflict of schedules resulting in IAFF Local 1399 bargaining to commence later in the year; and the RCMP continues to work to advance the Car40 Program.

Alternate Recommendations

THAT Council direct staff to provide them with further information prior to receiving into record the report dated May 16, 2023 titled “First Quarter 2023 Financial and Corporate Business Plan Update”.

Attachments

- Attachment A – 2023 First Quarter Update

Respectfully submitted,

Courtney Jones

Courtney Jones
Financial Planning & Budget Specialist

Director Finance and Administration	GM Infrastructure	GM Community Services	Director Development Services	Chief Administrative Officer
<i>AMC</i>	<i>KD</i>	<i>ACM</i>	<i>BL</i>	DyD

2023-2027

Financial & Corporate Business Plan

City of Penticton

Financial and Corporate Business Plan
May 16, 2023

First Quarter 2023 Update



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Introduction to Quarterly Updates

The Corporate Quarterly report is produced three times a year to present the City's financial position for the quarter and communicate progress made on Strategic Initiatives.

There are four components within this report:

1. Financial Summary - provides a quarterly update on the City's financial position. Included in this section of the report are summaries for the City's operating and capital funds as well as details on cash & investments, reserves, debt, and a summary of revenue and expenses.
2. Operating Variance Analysis – provides highlights on operating funds for current forecast variances as well as budget amendments made during the quarter.
3. Capital Variance Analysis - provides highlights on capital funds budget amendments made during the quarter. Included in this quarter's capital analysis is the listing of 2022 carryforward projects.
4. Strategic Initiatives - includes progress update on the initiatives detailed in the City's Financial and Corporate Business Plan.

Financial Summary

The 2023 -2027 budget was adopted by Council on April 18, 2023. This first quarter report summarizes the City's overall financial activities up to March 31, 2023. The City's financial position for the first quarter has total revenues expected to be higher than budget by 5.4%, and expenses anticipated to be similar to budget.

General Fund

After the first quarter, the 2023 forecast is in line with the budget with a draw from the General Fund surplus reserve of \$3.0M.

Operating - forecasted draw of \$3.0M

First quarter revenue and expenses are trending in most cases as budgeted. Items for future monitoring are detailed below in the Operating Variance section.

Capital - \$16M

The General Fund 2023 Capital amended budget is \$16M, with an additional \$13M of carry forward projects from 2022, for a total of \$29M. The 2022 carry forward projects are detailed below in Capital Variance Analysis. With the 2023-2027 Financial Plan timelines being shifted to later than normal annual timelines, many capital projects were not able to be started until the bylaw was adopted. There are many projects that have been committed, purchased or ordered, and awaiting arrival. Some significant projects have been awarded and are beginning shortly including the Point Intersection Kinney and South Main project. Other noteworthy projects that are continuing from 2022 include the AAA Lake to Lake Bike Network route, Penticton Creek rehabilitation, and multiple facility upgrades.

Utilities

Electric Fund

Operating – forecasted draw of \$2.5M

The forecasted draw from the Electric reserve is the same as the adopted budget of \$2.5M. Actual electric sales and purchases, for the first quarter are in line with their budgeted amounts.

Capital - \$5.3M

The 2023 amended budget is \$5.3M, with an additional \$5.5M of carry forward projects from 2022, for a total of \$10.8M. Some significant projects include the electrical portion of the Point Intersection Kinney and South Main \$2.5M, and City Yard Building upgrades \$1.5M as well as the Utility Scale Battery \$1.7M.

Sewer Fund

Operating – forecasted surplus of \$1.2M

The forecasted transfer to Sewer surplus the same as the adopted budget of \$1.2M.

Capital - \$3.2M

The 2023 amended budget is \$3.2M, with an additional \$8.4M of carry forward projects from 2022, for a total of \$11.6M. The majority of the capital is for the Advance Waste Water Treatment Plant upgrades project with a balance of \$6.1M. The project is currently in the detail design phase, tendering is expected by the third quarter with expectations of breaking ground in the latter part of the year.

Water Fund

Operating – forecasted surplus of \$615k

The adopted 2023 budget included a transfer to Water surplus of \$783k, which is higher than the first quarter forecasted transfer of \$615k. The reduced surplus is due to capital amendments for a waterline upgrade and portable water supply station that are coming in higher than originally anticipated.

Capital - \$4.4M

The 2023 amended budget is \$4.4M, with \$10.8M of carried forward projects from 2022, for a total of \$15.2M. Significant projects include the Ridgedale Reservoir \$4.2M, and Penticton Ave Pressure Reducing Valve (PRV) upgrade \$2.9M, and the Aging Water Main replacement program. Ridgedale Reservoir design is continuing and tendering is planned for third quarter. Penticton Ave Pressure Reducing Valve (PRV) project expects tendering to be completed in the second quarter.

Cash & Investments

As at the end of March 2023, the City's cash and term deposit balance is \$137M, an increase of \$5M over the beginning of year balance of \$132M. These investments have earned \$1.5M in investment income to date, which is 40% of budgeted amount.

Diversification of current investments can be seen in the table below:

Table 1 Portfolio Allocations (in millions)

Financial Institution	2022 Portfolio Amount	2022 Percentage	2023 Q1 Portfolio Amount	2023 Q1 Percentage
MFA Pooled Investment Funds	\$ 41.1	31.0%	\$ 41.6	30.2%
DUCA Financial	16.4	12.4%	21.4	15.6%
Agrove	2.5	1.9%	2.5	1.8%
FNBK	2.5	1.9%	2.5	1.8%
Tandia Financial	5.0	3.8%	5.0	3.6%
Haventree Bank	5.0	3.8%	5.0	3.6%
Meridian Credit Union	9.1	6.9%	9.1	6.6%
Valley First Credit Union	51.0	38.5%	50.4	36.7%
Total	\$ 132.5	100.0%	\$ 137.4	100.0%

Reserves

The City's statutory reserve balances at the beginning of 2023 were \$32M, and are forecasted to be \$25M, at the end of 2023. Mandatory reserve balances at the beginning of 2023 were \$19M and are forecasted to be \$14M at the end of 2023. Non-statutory reserve balances at the beginning of 2023 were \$63M, and are forecasted to be \$48M at the end of 2023.

The City's reserve balances are detailed in the table below and forecasted based on year to date results as well as transfers as approved in the City's 2023-2027 Financial Plan:

Table 2 Reserve Forecast Summary (in thousands of dollars)

Reserve	2022	2023	2024	2025	2026	2027
	Financial Statement	Forecast	Forecast	Forecast	Forecast	Forecast
Statutory	31,882	25,078	25,194	27,900	29,202	30,744
Mandatory	18,761	13,914	11,426	10,970	6,368	4,680
Non-Statutory	63,423	48,335	42,260	42,782	43,328	44,078
Total	114,067	87,328	78,880	81,652	78,899	79,501

Debt

The City's forecasted debt balance to the end of 2022 is \$20.8M. Debt is currently represented by issues for the General, Water and Sewer funds. Liability Servicing Cost is legislatively limited to 25% where debt servicing costs cannot exceed 25% of specific municipal revenues of the previous year. A five year forecast of long-term debt is included in the table below:

Table 3 Long Term External Debt Budget Forecast (in millions of dollars)

	2022	2023	2024	2025	2026	2027
	Financial Statement	Forecast	Forecast	Forecast	Forecast	Forecast
Opening balance		\$ 20.80	\$ 31.50	\$ 29.20	\$ 26.90	\$ 24.60
Principal Repayment		\$ 2.20	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
New debt		\$ 12.90	\$ -	\$ -	\$ -	\$ -
Ending balance	\$ 20.80	\$ 31.50	\$ 29.20	\$ 26.90	\$ 24.60	\$ 22.30
Estimated Liability Servicing Cost %	2.8%	2.8%	3.6%	3.5%	3.2%	3.0%

In October 2022, Council approved (Council resolutions 339/2022, 340/2022, 341/2022) up to \$12.9M in new debt, for upgrades and expansions at the Advanced Waste Water Treatment Plant, Penticton Ave PRV, and Ridgedale Reservoir. The loan authorizations for the AWWTP and Ridgedale Reservoir are expected to be drawn on in the spring 2023 offering. Proposed borrowing in year 2025 and 2026 of the Financial Plan Bylaw have not been incorporated into the above table at this time.

In June 2022, Council approved (Council resolution 224/2022) up to \$7.4M in internal borrowing for the Bike Network, Point Intersection Kinney Ave & South Main St, and Fire Hall 2 – 2 bay garage, with repayment over 10 years. Repayments are to be funded from existing reserves, currently these borrowings are the City's only internal debt. To date \$3.5M has been borrowing internally with the remainder anticipated to occur in 2023.

Revenue & Expense Summary

	2023 Adopted Budget	2023 Budget Amendments	2023 Amended Budget	2023 Forecast	Amended Budget to Forecast Variance
Revenue					
Municipal Taxation	\$ (42,987,288)	\$ (130,677)	\$ (43,117,965)	\$ (43,117,965)	\$ -
Sale of Services	(12,932,451)	-	(12,932,451)	(12,932,451)	-
Electric Utility Revenue	(45,230,833)	-	(45,230,833)	(45,230,833)	-
Sewer Utility Revenue	(8,949,057)	-	(8,949,057)	(8,949,057)	-
Water Utility Revenue	(10,279,525)	-	(10,279,525)	(10,279,525)	-
Storm Water Utility Revenue	(1,197,958)	-	(1,197,958)	(1,197,958)	-
Fiscal Services	(3,986,000)	-	(3,986,000)	(3,986,000)	-
Grants	(2,729,992)	(7,177,000)	(9,906,992)	(9,906,992)	-
Other Contributions	(5,619,290)	-	(5,619,290)	(5,619,290)	-
Development Cost Charges	(1,470,000)	-	(1,470,000)	(1,470,000)	-
Donations	(21,500)	-	(21,500)	(21,500)	-
Total Revenues	(135,403,894)	(7,307,677)	(142,711,571)	(142,711,571)	-
Operating Expenses					
General Operating	63,558,802	98,510	63,657,312	63,657,312	-
Storm Water	618,611	-	618,611	618,611	-
Electrical Utility	39,995,595	-	39,995,595	39,995,595	-
Sewer System	5,546,953	-	5,546,953	5,546,953	-
Water Utility	5,489,071	-	5,489,071	5,489,071	-
Total Operating Expenses	115,209,032	98,510	115,307,542	115,307,542	-
Other Entities Net Taxes	-	-	-	-	-
Net Operating Surplus	(20,194,862)	(7,209,167)	(27,404,029)	(27,404,029)	-
Capital Expenses					
General Capital	15,195,450	1,023,338	16,218,788	16,218,788	-
Electric Capital	5,294,740	-	5,294,740	5,294,740	-
Sewer Capital	3,155,800	-	3,155,800	3,155,800	-
Water Capital	4,209,025	167,500	4,376,525	4,376,525	-
Total Capital Expenses	27,855,015	1,190,838	29,045,853	29,045,853	-
Debt Proceeds	(3,058,600)	-	(3,058,600)	(3,058,600)	-
Debt Servicing - Principal Repayments	2,218,646	-	2,218,646	2,218,646	-
Transfer To (From) Surplus/Reserve	(6,820,199)	6,018,329	(801,870)	(801,870)	-
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Operating Variance Analysis (In Thousands of Dollars)

Budget Amendments

Revenue - \$7.3M increase over budget

- Municipal Taxation
 - Budgeted revenue has been increased by \$131k for the updated calculations for Non-Market Change based on the revised assessment roll.
- Grants
 - The City received a large capital grant for \$7.2M under the Growing Communities Fund for one-off costs needed to build required infrastructure and amenities. These funds will be held in reserve until projects are identified and approved by Council.

Expense - \$99k increase over budget

- General Operating
 - Council approved a Civic Grant budget increase for 2023 of \$70k to the Penticton Art Gallery funded by the additional Non-Market Change revenue noted above (Res. 158/2023).
 - Minor requests totaling \$29k for increased costs for planned facility maintenance projects to be funded by the additional Non-Market Change revenue noted above.

Forecast Variances

With the recent adoption of the budget, and it being early in the year, the forecasted revenue and expenses match the budget. Items below are specific items that Staff will monitor and adjust accordingly, as needed, throughout the year.

Revenue

- Sales of Service
 - Building Permit revenue March year to date is 13% of the annual budget and is significantly lower than 2022 first quarter. This is mainly attributed to reduced building permits due to apprehension in the market with the high costs of construction and increased borrowing rates.
 - Planning fee revenue is slightly lower than budget, at 20% of the annual budget.
 - Transit revenue is similar to last year and is anticipated to be higher than budget with anticipated increased ridership.
 - Recreation revenue is anticipated to be slightly higher than budget of \$2.0M.
- Electric revenue for the first quarter is \$12.6M, which is 28% of the annual budget. First quarter revenue is similar to this time last year.
- Sewer revenue year to date is \$2.3M, which is 27% of the annual budget. Sewer billing for November to March is billed based on water usage, while from April to October the rates are fixed.
- Water revenue is 20% of the annual budget, which is similar to last year this time. Water peak months are May through October each year.
- Grants – the city continues to apply for grants, where applicable, and will amend the budget accordingly if successful.
- Development Cost Charges (DCC) revenue received is lower than budget, as this revenue is direct tied to building permits which are lower than anticipated. Additionally, larger developments are phasing in building permits which delay receipt of DCC revenue.

Expenses

- General Fund
 - RCMP retro pay owing is slightly lower than the accrual that has been previously set aside. Staff are recommending that the excess accrual be transferred to the RCMP reserve.
- Electric Utility
 - Bulk Energy purchases are \$9.0M for Jan-Mar, compared to the annual budget of \$35M, or 25.6% of the annual budget. Currently the approved FortisBC interim rate increase for 2023 is 3.98%.
- Water Utility
 - Water main repairs costs, are currently \$140k of a \$200k budget, which is 70% of the annual budget. The increased costs are related to record number of water breaks occurring attributed to the age of the infrastructure, and costs to complete the work such as overtime and contractor costs. Staff continue to monitor for the second quarter.

Capital Variance Analysis (In Thousands of Dollars)

Budget Amendments

- *General Capital \$1.0M*
 - Engineering \$539k
 - Council approved updated costs of \$526k for the Point Intersection and associated projects (Res.151/2023);
 - Completing repairs from a 2022 storm requires an additional \$33k, to be partially funded from the Oxbow Drainage project and the balance of \$13k be funded from Storm Operating funds.
 - Facilities – Transfer of \$25k from the Memorial Arena Ammonia Dump project to the Penticton Trade & Convention Center Dishpit due to higher than anticipated costs, for a net zero change to the budget.
 - Fleet \$434k
 - \$28k – Four electric bikes and safety gear to support active transportation for use as pool vehicles funded from the Climate Action Reserve;
 - \$31k – Higher than budgeted costs for two pickups and a spray truck due to limited availability, supply chain issues & manufacturing interruptions, funded from the Equipment Replacement Reserve;
 - \$45k – Van scheduled to be replaced in 2024 experienced mechanical failure that requires prompt replacement, with funding from the Equipment Replacement Reserve;
 - \$330k – Compost Trammel Screener failed for a second time and requires replacement, with funding from the Equipment Replacement Reserve.
 - Public Works – General \$50k
 - Skaha Marina Boat Launch environmental repairs \$50k, funded by Asset Sustainability Reserve.
- *Water Capital \$168k* – Increase of \$160k for water line update and \$8k for a portable water station.

Forecast Variances

Capital budgets are not forecasted quarterly as projects may continue into future years, with funding be carried forward to fund the completion of the project.

2022 Capital Carry Forwards

Capital carry forwards are to move previous year budgeted funds into the current budget year to continue and/or complete a project from the prior year. As part of the year end process, prior year capital budgets are reviewed and submitted for carry forward as needed. The total amount of capital carry forward projects from 2022 to 2023 is \$38M. For a full listing of the capital projects being carried forward, please see Appendix A to the report.

Project	2022 Carry Forward to 2023
Major Projects	
Aging Sanitary Sewer Infrastructure Replacements and Upgrades	\$1,219,164
AWWTP - Expansion & Upgrades	5,997,687
City Yards - Building Upgrades	1,488,945
Enhancement - Utility Scale Battery	1,700,000
Penticton Ave PRV Upgrade	3,132,493
Penticton Creek Revitalization Reach 3a(upper)/3b & Structure 3&4	1,277,939
Point Intersection Kinney & South Main - Re-Align Galt Avenue	4,540,092
Ridgedale Reservoir Upgrade	4,217,611
Total Major Projects	\$23,573,930
Other Projects by Department	
Engineering	2,057,626
Facilities	3,753,573
Fire Services	28,032
Information Technology	666,524
Public Works - Cemetery	80,123
Public Works - Fleet	1,919,763
Public Works - Parks	595,053
Electric	1,194,970
Water	3,297,875
Sewer	981,727
Total Other Projects	\$14,575,266
Total 2022 Carry Forwards to 2023	\$38,149,196

Strategic Initiatives

Corporate Business Plan

To ensure strong public accountability each year the City's Strategic Initiatives are published in the Corporate Business Plan. In 2023, there were a total of 35 strategic priorities and initiatives outlined for completion across City divisions and departments.

Strategic priorities and initiatives are items that focus on visible delivery of service, advance Council Priorities or utilize significant cross functional resources.

In 2023, Council introduced and adopted their strategic priorities to guide their four-year term from 2022 – 2026. Council's Priorities are:

- **Safe & Resilient** – Enhance and protect the safety of all residents and visitors to Penticton;
- **Livable & Accessible** – Proactively plan for deliberate growth and focus on community infrastructure to support an inclusive, healthy, safe and desirable place to live;
- **Vibrant & Connected** – Support vibrant and diverse activities creating opportunities for connection; and
- **Organizational Excellence** – Support a culture of service excellence around governance, leadership and sound financial decisions.

Q1 Update

To date, a total of 31 initiatives are on track and City divisions have successfully completed a total of two (2) strategic and operational initiatives while two (2) initiatives are currently delayed.

Completed initiatives include:

- Develop a Privacy Management Program - Under direction and with accordance to the Minister responsible for FOIPPA the Legislative Services department developed and introduced a privacy management program for the City of Penticton; and
- Increase Hours for Existing Library Pages - Staff schedules for the existing Library Pages have been adjusted to include expanded hours as approved by Council.

Below is a summary of delayed projects:

- Collective Bargaining with IAFF Local 1399 - Due to a conflict in available schedules for the bargaining team, collective agreement bargaining will resume later this year; and
- Car40 Program - The Penticton RCMP Detachment has identified a member to lead this team once funding for the non-enforcement response program is approved by Interior Health.

Summary Tables Strategic Initiatives

Safe & Resilient		
Initiative	Status	Lead
Community Safety Building Design Development	↑	Community Services
Fire Hall #2 Renovations	↑	Community Services
Dam Safety Compliance	↑	Infrastructure
Increase Resiliency and Reliability of the Electric Utility	↑	Infrastructure
Increasing Officer Authority for Bylaw Services	↑	Development Services
Building Safer Communities Fund (BSCF)	↑	Development Services
Improved Operational Readiness	↑	Penticton Fire Department
First Responder Program Analysis	↑	Penticton Fire Department
Community Safety Team	↑	RCMP
Serious Crimes Administrator	↑	RCMP
Car40 Program	↓	RCMP

Livable & Accessible		
Initiative	Status	Lead
Attainable and Affordable Housing Development	↑	Community Services
Develop an Urban Forestry Master Plan	↑	Infrastructure
Sanitary Sewer Plant Residuals and Organics Waste Management	↑	Infrastructure
Climate Action and Sustainability Initiatives	↑	Infrastructure
Points Intersection and Lake-to-Lake All Ages and Abilities Bike Route Completion	↑	Infrastructure
Advanced Waste Water Treatment Plant (AWWTP) Upgrades	↑	Infrastructure
Transportation Safety and Choice	↑	Infrastructure
Refinement of Permit and Education Programs	↑	Development Services
Official Community Plan Review	↑	Development Services

Vibrant & Connected		
Initiative	Status	Lead
Sports and Event Strategy Update	↑	Community Services
Permanent Exhibit Revitalization – Museum	↑	Community Services
Arena Use Analysis	↑	Community Services
Increasing Digital Collections	↑	Penticton Public Library
Skaha Splash Pad Replacement	↑	Infrastructure
Columbia Park Sports Court Upgrades	↑	Infrastructure
Social Development Framework	↑	Development Services

Organizational Excellence		
Initiative	Status	Lead
Develop a Privacy Management Program	☑	Finance and Administration
Utility Benchmarking and Rate Review	↑	Infrastructure

City Mission		
Initiative	Status	Lead
Expanded Customer Payment Options	↑	Finance and Administration
Implement Asset Retirement Obligations	↑	Finance and Administration
Geographic Information Services (GIS) Upgrade	↑	Finance and Administration
Implement a Computerized Maintenance Management System (CMMS)	↑	Community Services
Increase Hours for Existing Library Pages	☑	Penticton Public Library
Collective Bargaining with IAFF Local 1399	↓	Penticton Fire Department

Status		Definition
☑	Complete	Initiative was successfully completed
↑	On Track	Initiative is on schedule and progress continues towards milestones
↓	Delayed	Initiative is experiencing challenges or delays
X	Not Started	Initiative work is waiting to begin

Appendices

Appendix A – 2022 Capital Carry Forward to 2023 List

Project	2022 Carry Forward to 2023
Major Projects	
Aging Sanitary Sewer Infrastructure Replacements and Upgrades	1,219,164
AWWTP - Expansion & Upgrades	5,997,687
City Yards - Building Upgrades	1,488,945
Enhancement - Utility Scale Battery	1,700,000
Penticton Ave PRV Upgrade	2,803,643
WTP Pressure Reducing Station Equipment - Upgrade Penticton Ave PRV Control System	328,850
Penticton Creek Revitalization 3	512,920
Penticton Creek Revitalization Reach 3a(upper)/3b & Structure 3&4	765,019
Point Intersection Kinney & South Main - Re-Align Galt Avenue Engineering	3,036,528
Point Intersection Kinney & South Main - Re-Align Galt Avenue Electric Portion	1,118,750
Point Intersection Kinney & South Main - Re-Align Galt Avenue - Sewer Portion	192,313
Point Intersection Kinney & South Main - Re-Align Galt Avenue - Water Portion	192,500
Ridgedale Reservoir Upgrade	4,217,611
Total Major Projects	23,573,930
Engineering	
AAA Bike Network Plan	489,400
Alberni St Road Works - Design	7,978
City Parking Lots	34,633
Decorative Scroll Installation	184,630
Ellis Creek Reach 7 Design	200,000
Oxbow Drainage Improvements	112,000
Pavement Management: Rehabilitation	307,933
Penticton Creek Environmental Monitoring	39,262
Penticton Creek Revitalization Reach 2	449,533
Sidewalks, Curbs & Gutter Projects	189,257
Traffic Calming Program (Dividend)	43,000
Total Engineering	2,057,626
Facilities	
City Hall - Front Door Repairs	20,000
City Hall - Main Floor Washroom Upgrade	4,725
City Hall - Minor Renovations	15,448
City Wide Security - Audit & Upgrades	25,996
City Yards - Building Upgrades	287,545
City Yards - Mezzanine Stairway	20,000
Community Center - Cleland AV Upgrades	143,604
Community Centre - Front Counter Redesign	6,850
Curling Rink - Stair Upgrade	17,413
EV - Electric Vehicle Charging Stations	395,000

Fire Hall 2 - 2 Bay Garage	475,204
Fire Hall 2 - Central HVAC System	20,000
Fire Hall 2 - Concrete Pad at Rear of Station	50,000
Fire Hall 2 - Rear Paved Surfaces	35,000
Leir House - Miscellaneous Capital	23,146
Library/Museum - Circulation Desk Renovation	30,000
Library/Museum - HVAC Replacement	78,570
Library/Museum - Main Distribution Panel	126,256
Library/Museum - Miscellaneous Minor Capital	14,905
Memorial Arena - Ammonia Dump	25,000
OHTC - Mechanical	10,000
OHTC - Miscellaneous Capital	3,364
PTCC - Carpet Shampooer	25,000
PTCC - Dishpit	165,000
PTCC - Freezer Room Repair	70,017
PTCC - Generator	66,370
PTCC - Roof Access Deterrent	15,000
PTCC - Staging	10,000
Public Washrooms - Install New Gates & Locks	38,824
Public Washrooms - Okanagan Lake Park Washroom	182,092
Public Washrooms - Riverside Washroom	174,781
Rainfall Monitoring	9,274
RCMP - Building & External Upgrades	379,219
Re-key City Buildings	93,953
Skaha Marina Repairs	105,627
Soccer Facility - Cinderblock Building Demolition	150,000
SOEC - Bowl Seating Attic Stock	70,000
SOEC - Hallway Flooring	25,000
SOEC - Miscellaneous Minor Capital	11,397
SOEC - Ovens	50,000
SOEC - Readerboard sign	200,000
SOEC - Remote Ice Temperature Sensors	10,000
SS Sicamous - Repairs	73,992
Total Facilities	3,753,573
Fire Services	
Emergency Training Center Upgrades	13,674
Fire Services - Equipment Replacement	14,358
Total Fire Services	28,032
Information Technology	
GIS - Software/Hardware Purchases	12,558
Information Technology - Hardware	248,858
Information Technology - Infrastructure	278,295
SOEC - Capital IT/AV	126,814
Total Information Technology	666,524

Public Works - Cemetery	
Lakeview Cemetery Upgrades	80,123
Total Public Works - Cemetery	80,123
Public Works - Fleet	
1 Ton Pickup (Replace Unit 133)	75,000
1 Ton Pickup w/ Winch Crane (Replace Unit 41)	70,000
1/2 Ton Pickup Truck (Replace Unit 134)	40,000
A/C Machine	5,000
Aerator (Replace Unit 9430)	20,000
Auto Hoist	16,000
Boom Flail Mower for Municipal tractor	36,000
Brake Lathe	3,500
Bush Truck (Replace Unit B-201)	80,000
Cabinets/Benches	25,000
Digger Derrick Aerial (Replace Unit 64)	367,000
New BEO Vehicle	39,673
New CSO Vehicle	39,673
Pickup truck (Replace Unit 3)	34,000
Pickup truck (Replace Unit 31)	40,000
Pumper/Rescue Combination Truck (replacing #E203 & R202)	99,860
Shop Equipment	5,556
Single Dump (Replace Unit 53)	150,000
Small Lawn Tractor (replacing unit #9510)	3,500
SOEC - Ice Resurfacer (Replace Unit 335)	185,000
Spray Truck (Replace Unit 130)	50,000
Tandem Dump (replacing unit #43)	300,000
Utility Service Truck (replacing unit #51)	235,000
Total Public Works - Fleet	1,919,763
Public Works - Parks	
Kings Park - Entry Improvements	34,530
Skaha Park - Splash Pad Replacement	441,330
SS Sicamous - Irrigation and Landscaping	95,128
Sudbury Park - Parking Lot Landscaping	24,066
Total Public Works - Parks	595,053
Electric	
Electrical Hybrid or Electric Van	65,000
Electrical Inventory Storage racks (Utility poles & Spools, etc)	137,789
Enhancement - System Reliability Improvements	309,482
Expansion - Carmi Substation Feeders	561,309
Fiber Optic System Redundancy	121,390
Total Electric	1,194,970

Water	
100mm Water Main Replacement Program	871,864
Aging Water Main Replacement Program	804,856
Agricultural Irrigation Meter Program	55,132
Ellis 2 Dam - Consulting & Upgrades	249,727
Ellis 4 Dam Upgrades	52,695
Irrigation System - Infrastructure Renewals	638,000
Rainfall Monitoring	119,907
ROW - Right of Way Acquisitions	58,817
Skaha Marina - 2" Waterline/Fire Hydrant	20,000
Valleyview Road Improvements	130,000
WTP - Equipment Replacement	22,242
WTP - Roof Replacement	118,745
WTP - Rotork Valve Replacement	155,891
Total Water	3,297,875
Sewer	
1990 HVAC Replacement	46,541
Aging Water Main Replacement Program	85,000
Asset Management Renewal Assessment Waste Water Lift Stations	51,763
AWWTP - Asset Management Renewal	69,735
AWWTP - Bioreactor Gate Replacement	250,000
AWWTP - Chemsan	11,467
AWWTP - CMMS (Asset Management software)	60,000
AWWTP - Main Breaker PDC Replacement	50,000
AWWTP - PLC Upgrades	26,412
East Penticton Interceptor - Fairview Ave to Treatment Plant	95,000
LWMP review	39,998
Power Monitoring Efficiencies	25,017
Wilson & Marina Way Generators and Flow Meters	170,795
Total Sewer	981,727
Total 2022 Carry Forwards to 2023	38,149,196

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Elma Hamming, Manager of Finance
Subject: **2022 Statement of Financial Information**

File No:

Staff Recommendation

THAT Council approves the Statement of Financial Information for the fiscal year ending December 31, 2022.

Strategic priority objective

Mission: Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

Background

Pursuant to requirements set out in the *Financial Information Act*, the City must prepare a statement of financial information in accordance with generally accepted accounting principles for each fiscal year that includes the following:

(a) a schedule showing

(i) in respect of each employee earning more than the prescribed amount of \$75,000, the total remuneration paid to the employee and total amount paid to or for the employee's expenses or for the employees benefit, and;

(ii) a consolidated total of all remuneration paid to all other employees;

(b) a schedule showing

(i) the total amount paid to each vendor or supplier of goods or services during the fiscal year that is greater than the prescribed amount of \$25,000, and;

(ii) a consolidated total of all other payments made to suppliers of goods or services during that fiscal year.

The Statement of Financial Information (SOFI) requirements ensure that there are consistent and minimum levels of disclosure of financial information and provides information augmenting that which is provided in the audited financial statements alone. Within 6 months after the end of each fiscal year of the City, it must prepare and file with the Ministry of Municipal Affairs and Housing a Statement of Financial Information. The filing deadline for the Dec 31, 2022 Statement of Financial Information is June 30, 2023.

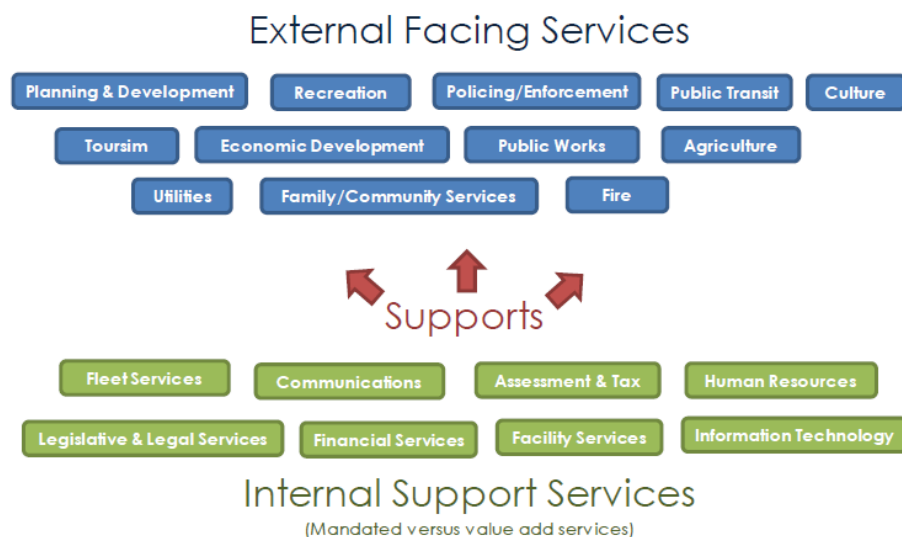
Analysis

Municipal Services

The underlying purpose of the SOFI is transparency and accountability, however it focuses on the quantitative characteristics of the operations with no emphasis on the qualitative characteristics of municipal services. Quality of life services provided by the city is proportional to municipal costs which include labour, and provide such services as policing, fire & emergency, water, sewer, electrical, roads, development, recreation facilities, community events, paths and trails, parks, library, museum, bylaw, transit, and snow removal.

Figure 1 shows how the mandated Internal Support Services support the value added External Facing Services:

Figure 1 External and Internal Services



Staffing

The following figures include comparisons for the years 2020-2022. For 2020 and 2021, note that in 2020, with the emergence of COVID, the City reduced its workforce due to ongoing restrictions. This had the most significant impact to the Recreation department. This effect is evident in Figure 2 and Figure 3 showing number and amounts of employees earning less than \$75,000. In 2022 the City's workforce has almost returned to pre-pandemic levels. In 2022 an additional 12 full-time equivalent staffing levels were added to address public safety and other service level requirements as addressed in the 2022 – 2026 Financial Plan. Staffing levels are always in flux and comparing year to year changes at a particular point in time with a \$75,000 threshold break may not yield accurate comparative results. Note that the total number of

employees shown in the table does **not** represent current number of positions, it only represents payroll activity.

Figure 2 Number of Employees* over/under \$75,000 Reporting Threshold 2020 – 2022

Remuneration Reporting Threshold	2022	Annual Change	2021	Annual Change	2020
Over \$75,000	160	15	145	4	141
Under \$75,000	449	56	393	5	388
Total*	609	71	538	9	529

*Total reflects total # of personnel paid including seasonal workers, part time workers and employee turnover, this does not represent number of FTE staffing positions

Figure 3 Remuneration** Comparisons 2020 - 2022

Remuneration** Reporting Threshold	2022	Annual \$ Change	Annual % Change	2021	Annual \$ Change	Annual % Change	2020
Over \$75,000	\$16,880,659	\$1,484,204	9.6%	\$15,396,455	\$410,270	2.7%	\$14,986,185
Under \$75,000	\$12,064,924	\$844,250	7.5%	\$11,220,674	\$994,789	9.7%	\$10,225,885
Total	\$28,945,583	\$2,328,454	8.7%	\$26,617,129	\$1,405,058	5.6%	\$25,212,071

**Total remuneration includes base pay, acting pay, overtime, standby pay and taxable benefits. Taxable benefits include, but are not limited to, parking and employer share of benefits and life insurance. The percentage increase will reflect annual union or CPI increases, increases due for length of service and fluctuations in benefit costs mandated by contracts and the Collective Agreements.

Figure 4 Analysis of over \$75,000 change from 2021 to 2022

Remuneration Threshold Over \$75,000	2022	Net Change	2021	Activity
MGMT	55	2	53	Manager rollover, vacancy filled
CUPE	54	8	46	Service level change, employee rollovers and/or vacancy filled
IAFF	39	5	34	Employee rollovers and/or vacancy filled
IBEW	12	-	12	No change
NET CHANGE	160	15	145	

As shown in Figure 4, globally for remuneration over the \$75,000 threshold, there was a net change of 15 additional employees: within management (2), CUPE (8), IAFF (5) and IBEW (0) caused by several different factors. In addition, cost of living increases and the remaining prescribed reporting level of \$75,000 has impacted the number of employees reported. This can fluctuate year to year due to retirements, overtime, and timing of replacement staff.

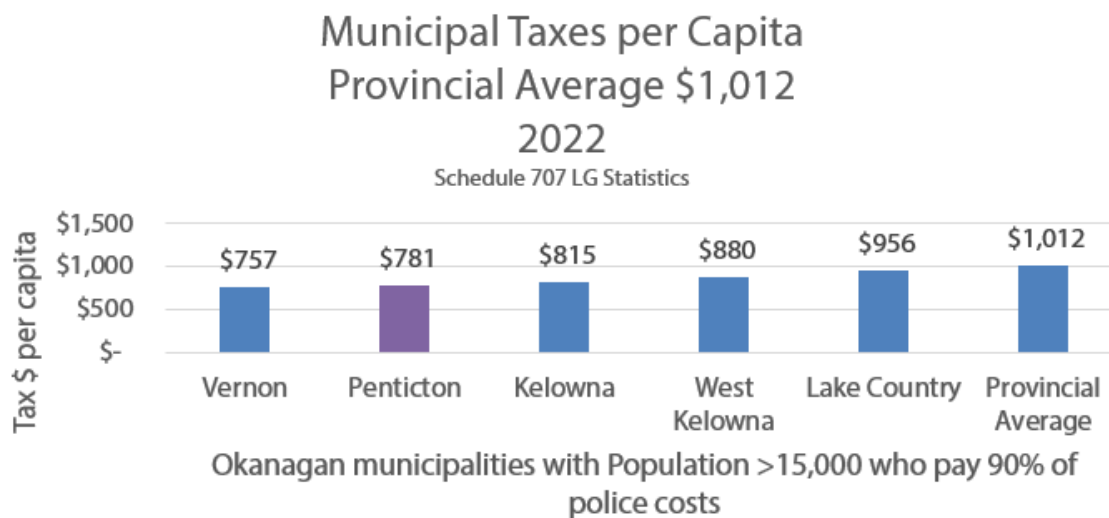
During the course of 2022 there were emergency events that resulted in overtime and other events that resulted in remuneration to staff which was subsequently recovered from the Province. A schedule (Attachment C) of the additional remuneration per employee has been included for reference as this resulted in an increase in expenses outside of normal operations.

Per Capita

While services and assessment class mix can vary from municipality to municipality, it can be helpful to review comparative tax dollars per capita to understand how Penticton compares provincially and in the Okanagan region. Labour represents a significant portion of organizational costs, so if labour costs are significantly higher than average, this would be evident in the per capita dollar amount. Note that labor represents 27% of municipal costs (excluding amortization) in 2022 based on the audited Financial Statements.

Using Provincial data, Penticton's municipal tax per capita based on 2020 census data was \$781 which places Penticton below the provincial average of \$1,012. Extracting only municipalities in the Okanagan with population over 15,000, who pay 90% of police costs, places Penticton on the second lowest end of the scale as shown in Figure 5 which would indicate that comparatively Penticton's taxpayers are paying lower taxes for municipal services per person and receiving good value for tax dollars:

Figure 5 Municipal Taxes per Capita Okanagan Region with population > 15,000



Attachment A – Statement of Financial Information (SOFI)

Attachment B – Summary of Mayor, Council and CAO Expenses

Attachment C – Summary of Emergency Overtime

Respectfully submitted,

Elma Hamming
Manager of Finance

Approvals

<p>Director of Finance and Administration</p> <p><i>AMC</i></p>	<p>Chief Administrative Officer</p> <p>DyD</p>
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City of Penticton
Statement of Financial Information Approval
For the year ended December 31, 2022

Statement of Financial Information Approval

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

A handwritten signature in blue ink, appearing to be "AC", is written above a horizontal line.

Angela Campbell, ACIA, CPA, CMA, H.BComm
Chief Financial Officer/Director of Finance and Administration
City of Penticton

A handwritten date "May 4, 2023" in blue ink is written above a horizontal line.

Date

City of Penticton
Schedule of Guarantee and Indemnity Agreements
For the year ended December 31, 2022

Schedule of Guarantee and Indemnity Agreements

There were no guarantees or indemnities under the Guarantees and Indemnity Regulation for the year ending December 31, 2022.

A handwritten signature in blue ink, appearing to read "AC", is positioned above a horizontal line.

Angela Campbell, ACIA, CPA, CMA, H.BComm
Chief Financial Officer/Director of Finance and Administration
City of Penticton

A handwritten date "May 4, 2023" in blue ink is written above a horizontal line.

Date

City of Penticton
2022 Council remuneration
for the year ended December 31, 2022



Name	Position	Remuneration	Expenses	Total
Bloomfield, Julius	Mayor	34,942	4,821	39,763
Boulton, Amelia	Councillor	3,701		3,701
Gilbert, Isaac	Councillor	3,701		3,701
Graham, Ryan	Councillor	3,701		3,701
Konanz, Helena	Councillor	3,172		3,172
Miller, James	Councillor	27,465		27,465
Regehr, Frank	Councillor	23,764	3,636	27,400
Robinson, Kathleen	Councillor	23,764	3,834	27,597
Sentes, Judy	Councillor	23,764	4,331	28,095
Vassilaki, John	Mayor	71,771	4,107	75,878
Watt, Campbell	Councillor	27,465	3,643	31,108
		<u>\$ 247,209</u>	<u>\$ 24,372</u>	<u>\$ 271,581</u>

City of Penticton
Schedule of employee remuneration and expense over \$75,000
for the year ended December 31, 2022



		Remuneration (**)	Expenses	Total
Achsen, Jarrett	Fire Fighter	96,075.62	2,103.70	98,179.32
Alexander, Christopher	Engineering Technologist II	76,625.19	274.50	76,899.69
Almud, Ken	Utilities Serviceperson I	77,555.01	2,578.57	80,133.58
Atwal, Jaspreet Singh	Electrical Utility Technologist	101,587.37	2,980.74	104,568.11
Barbour, Kenneth	Fire Prevention Officer	137,526.41	2,497.10	140,023.51
Baskott, Brent	Water Treatment Plant Operator III	88,223.92	3,325.00	91,548.92
Bazley, Ryan	Captain	154,523.16	-	154,523.16
Best, David	Utilities Supervisor	112,569.50	5,942.53	118,512.03
Binks, Cody	Journeyman Lineman	82,691.69	663.69	83,355.38
Bird, Andrew	Training Officer	163,994.27	8,400.18	172,394.45
Bosscher, Blair	Fire Fighter	81,978.63	238.10	82,216.73
Boyd, Graham	Fire Fighter	110,045.57	593.80	110,639.37
Boyko, Scott	Roads & Drainage Supervisor	102,264.51	1,722.65	103,987.16
Butcher, Martin	System Integrator	88,929.19	187.50	89,116.69
Buzzell, Heather	Chief Librarian	92,938.53	2,184.72	95,123.25
Byers, Bradley	Utility Technician	77,510.87	1,491.82	79,002.69
Campbell, Angela	Director of Finance & Administration	176,417.09	3,160.41	179,577.50
Cansdale, Trevor	Senior Cement Finisher-Red Circled	87,354.77	731.51	88,086.28
Capewell, Nicole	Planning Technologist II	81,225.44	1,006.27	82,231.71
Carter, Jo-Anne	Building Official II	87,280.66	1,229.45	88,510.11
Chapman, Ian	Manager of Special Projects	172,211.21	858.57	173,069.78
Chu, Jonathan	City Engineer	160,135.52	774.14	160,909.66
Coates, Amber	Financial Analyst	99,892.77	3,064.48	102,957.25
Collison, Angela	Corporate Officer	120,136.46	1,770.07	121,906.53
Collyer, Steven	Planning Technologist II	79,059.27	760.27	79,819.54
Conquergood, Austin	Fire Fighter	90,696.21	593.80	91,290.01
Contreras, Mari Ysabel	Planning & Capital Project Coordinator	92,410.78	2,434.31	94,845.09
Crickett, Greg	Wastewater Treatment Plant Operator II	79,599.74	921.61	80,521.35
Davies, Kevin	Meter Technician	97,728.80	6,629.11	104,357.91
Deleuw, Cameron	Wastewater Treatment Plant Operator II	85,124.55	572.00	85,696.55
Dellebuur, Rick	RCMP Regional Crimestopper Coordinator	75,315.78	24.03	75,339.81
Dermody, Trevor	Fire Fighter	121,785.28	593.80	122,379.08
Dionne, Blaine	Captain	141,892.13	-	141,892.13
Dixon, Kristen	General Manager of Infrastructure	197,382.31	2,530.37	199,912.68
Dorrell, Krystie	Facilities Supervisor	102,008.25	2,392.23	104,400.48
Duncan, Jeffrey	Trades Heavy Duty Mechanic	84,415.80	1,121.79	85,537.59
Dyck, Andrew	Engineering Technologist I - Public Works	79,953.77	123.71	80,077.48
Ehlers, Brian	Building Official II	86,606.86	2,693.39	89,300.25
Erdmann, Cody	Fire Fighter	99,666.21	848.71	100,514.92
Fairholm, Kelly	Trades Heavy Duty Mechanic	86,654.90	-	86,654.90
Fenrich, Kirkland	Network Systems Analyst	86,752.89	1,144.69	87,897.58
Figgitt, Tyler	Infrastructure Services Manager	125,358.83	1,556.97	126,915.80
Finlayson, Matthew	Water Treatment Plant Operator II	86,060.08	2,593.52	88,653.60
Fordyce, Glen	Fire Inspector I	113,093.49	1,204.45	114,297.94
Franzen, Ramona	Assistant Procurement Coordinator	80,061.62	59.43	80,121.05
Gaidica, Douglas	Building Official III	100,036.36	1,254.52	101,290.88
Galos, Ronald	GIS Analyst II	81,209.64	8,589.63	89,799.27
Gammon, Tony	IT Lead/Business Analyst	85,234.88	1,172.27	86,407.15
Garrett, Steve	Captain	147,986.86	-	147,986.86
Gerk, Alex	Fire Fighter	115,733.13	1,352.25	117,085.38
Gibbons, Curtis	Fire Fighter	125,170.15	1,043.32	126,213.47
Gillies, Colton	Fire Fighter	80,663.42	334.38	80,997.80
Glousher, Hogan	Fire Fighter	95,996.04	346.13	96,342.17
Grady, Randi	Municipal Operations Manager-RCMP	97,477.90	4,029.59	101,507.49
Grantham, Ben	Fire Fighter	99,686.45	-	99,686.45
Greer, Deanna	Building Official II	81,057.96	891.53	81,949.49
Guthrie, Evan	Fire Fighter	84,218.05	1,498.00	85,716.05
Haddad, Anthony	General Manager, Community Services	197,615.87	6,855.66	204,471.53
Hamming, Elma	Manager of Finance	80,505.71	4,089.49	84,595.20
Hardisty, Cheryl	Manager of Council and Executive Operations	103,684.50	3,231.49	106,915.99
Harris, Edmund	Electric Utility Supervisor	123,222.13	942.60	124,164.73

**Remuneration includes base pay, acting pay, overtime, standby pay and taxable benefits

City of Penticton
Schedule of employee remuneration and expense over \$75,000
for the year ended December 31, 2022



		Remuneration (**)	Expenses	Total
Hawkes, Justin	Journeyman Lineman	120,432.67	392.76	120,825.43
Henderson, Chad	Foreman – Parks	91,874.15	1,181.68	93,055.83
Henderson, Stuart	Wastewater Treatment Plant Operator III	89,205.50	2,350.12	91,555.62
Hindley, Wayne	Fleet Supervisor	106,749.40	3,250.12	109,999.52
Hodder, Nicole	Watch Clerk - RCMP	75,970.68	-	75,970.68
Hodge, Chantelle	Fire Inspector I	104,070.14	4,605.83	108,675.97
Hodges, Michael	Development Infrastructure Manager	127,517.54	883.63	128,401.17
Holmes, Jared	Captain	143,529.93	807.13	144,337.06
Hudson, Jerod	Instrumentation/Electrical Technician	86,543.02	1,870.76	88,413.78
Hvidston, Ryan	Fire Fighter	130,259.53	2,916.74	133,176.27
Ingram, Cathy	Procurement & Inventory Services Manager	106,699.70	6,136.45	112,836.15
James, Stephanie	Public Services Librarian	75,831.51	1,069.46	76,900.97
Johnson, Jayson	Fire Fighter	129,609.75	2,488.43	132,098.18
Johnson, Kelsey	Manager of Recreation, Arts and Culture	122,419.50	832.76	123,252.26
Jones, Courtney	Financial Planning and Budget Specialist	104,837.10	3,950.82	108,787.92
Jorgensen, Erik	Captain	148,830.44	-	148,830.44
Kassian, David	Sustainability Supervisor	89,464.40	5,435.46	94,899.86
Kenney, Rod	Fire Fighter	130,021.39	452.60	130,473.99
Keylock, David	Trades Technician	76,693.49	139.95	76,833.44
Kilby, Devon	Senior Pipelayer - Utilities	80,105.00	1,802.84	81,907.84
Kishineff-Cooper, Story	Wastewater Treatment Plant Operator II	76,154.34	2,335.57	78,489.91
Kleb, JoAnne	Manager of Communications and Engagement	109,235.09	746.12	109,981.21
Kunka, Kenneth	Building Manager	129,707.67	3,263.85	132,971.52
Lantz, Patrick	Mechanic	82,374.03	682.86	83,056.89
Laven, Blake	Director of Development Services	163,962.30	851.17	164,813.47
Legal, Tania	Manager, Human Resources and Occupational Health & Safety	132,129.14	7,368.81	139,497.95
Leigh, Robert	Fire Fighter	78,817.39	-	78,817.39
Lerch, Daniel	Systems Librarian	83,146.26	1,017.43	84,163.69
Lewis, Carly	Sport & Event Supervisor	75,616.60	5,069.31	80,685.91
Lewis, Jesse	Plumbing Official/Cross Connection Coordinator II	91,153.50	3,616.16	94,769.66
Li, Zhao	GIS Analyst II	75,314.89	2,314.28	77,629.17
Lindquist, Slade	Foreman - Utilities	81,090.78	2,788.99	83,879.77
Linklater, Rachel	RCMP Crime Analyst	81,034.67	259.42	81,294.09
Looy, Jules	Engineering Technologist II	81,438.77	680.37	82,119.14
Lowe, Terry	Fire Captain	148,621.96	-	148,621.96
MacIntyre, Gordon	Trades Technician	83,609.59	-	83,609.59
MacLeod, Jonathan	Journeyman Lineman	102,704.06	545.25	103,249.31
Maja, Delphine	Development Technologist	79,089.47	358.00	79,447.47
Mander, Geoff	Journeyman Lineman	111,208.43	1,061.45	112,269.88
Marsden, Gary	Foreman – WWTP	88,359.08	209.00	88,568.08
McCaughey, Derek	Treatment Plant Millwright	82,508.94	961.26	83,470.20
McKinnon, Paula	Deputy Corporate Officer	82,267.24	1,639.07	83,906.31
Mercier, Christina	Bylaw Services Manager	103,062.33	1,125.00	104,187.33
Mertz, Joel	Waste Water Treatment Plant Supervisor	110,615.03	3,506.61	114,121.64
Moncrieff, Chandra	Design Supervisor	99,993.16	9,387.76	109,380.92
Mortimer, Donald	Foreman – WTP	94,408.37	3,834.96	98,243.33
Nelson, Ellisha	LAN Administrator/DFT	79,243.84	3,665.67	82,909.51
Oomen, Dennis	Museum Manager	77,459.38	1,419.40	78,878.78
Painchaud, Lyle	Wastewater Treatment Plant Operator II	81,777.35	383.34	82,160.69
Phillips, Derek	Foreman - Meters, Dams & Irrigation	89,500.70	1,328.96	90,829.66
Phillips, Robert	Water Treatment Plant Operator III	92,649.51	2,750.55	95,400.06
Polvere, David	IT Manager	126,405.42	6,676.92	133,082.34
Portwood, Jade	Fire Fighter	102,261.14	576.06	102,837.20
Raposo, Sheri	Land Administrator	104,386.14	460.36	104,846.50
Repchuk, Jesse	Water Treatment Plant Operator II	80,412.40	2,576.20	82,988.60
Robson, Lennie	Public Works Manager	162,596.76	1,584.46	164,181.22
Rodger, Bradley	Meter Technician	97,397.15	6,858.88	104,256.03
Rodger, Kenneth	RCMP Municipal Administration Manager	111,181.77	1,747.65	112,929.42
Rothenburger, Nicholas	Fire Fighter	100,533.64	283.00	100,816.64
Ryan, Eric	Journeyman Lineman	117,941.53	210.00	118,151.53
Ryll, Brent	Fire Fighter	123,481.35	947.51	124,428.86

**Remuneration includes base pay, acting pay, overtime, standby pay and taxable benefits

City of Penticton
Schedule of employee remuneration and expense over \$75,000
for the year ended December 31, 2022



		Remuneration (**)	Expenses	Total
Sandham, Geoff	Foreman – Horticulture	76,581.54	5,391.65	81,973.19
Scandrett, Duncan	Licensing and Property Use Inspector I	78,193.87	1,789.00	79,982.87
Schmidt, Christopher	Facilities Manager	116,235.88	255.87	116,491.75
Scott, David	Fire Fighter	115,211.63	1,258.10	116,469.73
Seibert, Brittany	Emergency Program Coordinator	76,434.96	6,403.34	82,838.30
Simpson, Derek	Journeyman Lineman	114,645.06	1,417.81	116,062.87
Sopow, Trent	Construction Inspector	85,395.63	503.88	85,899.51
Sparrow, Sabrina	Revenue Supervisor	90,896.60	3,760.81	94,657.41
Spencer, Alicia	LAN Administrator/DFT	76,235.00	24.03	76,259.03
Stadnyk, Michael	Equipment Operator V	80,132.40	936.20	81,068.60
Stel, William	Meter Technician	97,636.41	443.60	98,080.01
Stevens, Jason	Foreman PLT	117,532.48	669.50	118,201.98
Stull, Darren	Trades Heavy Duty Mechanic	85,767.93	142.86	85,910.79
Sutcliffe, Ryan	Fire Fighter	83,957.36	158.80	84,116.16
Sutherland, Michael	Fire Fighter	140,855.45	50.00	140,905.45
Swaren, Wesley	Fire Captain	148,353.96	1,099.44	149,453.40
Tanguay, Audrey	Planning & Licensing Manager	109,052.02	97.89	109,149.91
Taylor, Chad	Captain	145,048.63	452.60	145,501.23
Tenveen, Jonathan	Foreman - Utilities	102,148.60	2,014.21	104,162.81
Tougas, Trevor	Fire Fighter	108,652.55	4,758.07	113,410.62
Trim, Grant	Trades Technician	77,626.27	1,074.06	78,700.33
Trousdell, Robert	Deputy Fire Chief	161,538.33	9,070.05	170,608.38
Trupp, Robert	Assistant Chief - Training	161,519.64	638.83	162,158.47
Van Dyk, Donny	City Manager	242,807.59	7,605.53	250,413.12
Vikner, Elias	Fire Fighter	107,822.89	735.60	108,558.49
Wade, Michael	Fire Captain	146,787.68	-	146,787.68
Wagner, Kerry	Recreation Operations Supervisor	91,264.71	387.43	91,652.14
Watkinson, Larry	Fire Chief	201,797.98	3,133.55	204,931.53
Weir, Frederick	Sub-Foreman PLT	130,475.25	905.35	131,380.60
Weisser, Colin	Sub-Foreman PLT	124,595.82	1,066.46	125,662.28
Whyte, Todd	Parks Supervisor	104,120.61	2,538.82	106,659.43
Wiens, Kelsey	Mechanic	81,993.42	1,103.33	83,096.75
Wilkins, Peter	Fire Fighter	116,680.84	1,482.99	118,163.83
Williams, Angie	Bylaw Enforcement Officer II	76,786.56	2,694.04	79,480.60
Williamson, Sonny	Equipment Operator V	90,668.66	3,996.06	94,664.72
Wood, Sean	Business Services Supervisor	103,245.64	3,433.08	106,678.72
York, Daniel	Senior Occupational Health and Safety Advisor	98,725.59	2,362.87	101,088.46
Zazzara, Kevin	Fire Fighter	76,897.10	2,429.91	79,327.01
Total for employee remuneration & expense, over \$75,000		\$16,880,659	\$314,153	\$17,194,812
Total for employee remuneration & expense, \$75,000 and under		\$12,064,924	\$173,272	\$12,238,197
Total		\$28,945,583	\$487,426	\$29,433,009

**Remuneration includes base pay, acting pay, overtime, standby pay and taxable benefits

City of Penticton
Statement of Severance Agreements
For the year ended December 31, 2022

Statement of Severance Agreements

There were 3 severance agreements under which payment commenced between the City of Penticton and its non-unionized employees during fiscal year 2022.

These agreements represent 19 months of compensation.*

*Compensation is based on salary.

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Angela Campbell, ACIA, CPA, CMA, H.BComm
Chief Financial Officer/Director of Finance and Administration
City of Penticton

A handwritten date in blue ink, "May 4, 2023", is written above a horizontal line.

Date

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
1006202 BC LTD.	259,034.82
1056 ENTERPRISES LTD.	45,500.00
1302305 BC LTD	27,960.21
AARDVARK PAVEMENT MARKING SERVICES	223,727.29
ACE COURIER SERVICES	25,286.29
ACKLANDS-GRAINGER INC.	119,558.69
ACTIVATE PENTICTON SOCIETY	201,672.09
ADVANCED UTILITY SYSTEMS	91,852.97
ADVANTAGE ASSET TRACKING INC.	60,048.62
AECOM CANADA LTD.	434,399.38
AGRANGER CONSTRUCTION	28,691.01
ALUMICHEM CANADA INC.	413,398.39
ANDREW SHERET LTD	460,027.15
APPLE CANADA INC.	34,880.28
ASSOCIATED FIRE SAFETY	57,533.68
AUSTWOOD TREE SERVICES	49,166.25
AZURA MANGEMENT (KELOWNA) CORP	25,638.81
B & L MACHINE SHOP	106,352.19
B.A. ROBINSON CO. LTD.	52,803.52
BARRY BEECROFT FUEL DISTRIBUTORS	639,340.33
BARTLETT TREE EXPERTS	29,222.87
BC ASSESSMENT AUTHORITY	499,128.57
BC FASTENERS & TOOLS LTD.	27,645.75
BC LIBRARIES COOPERATIVE	39,808.24
BC TRANSIT	1,382,697.69
BDO CANADA LLP	57,028.23
BELL CANADA	35,951.20
BELL MEDIA INC.	31,582.68
BETTS ELECTRIC LTD	551,740.17
BIBLIOTHECA CANADA INC.	31,780.00
BIG JAY CONCRETE LTD.	35,747.25
BLACK PRESS GROUP LTD	51,104.98
BLUEBEAM, INC.	26,667.92
BRENNTAG CANADA INC	95,131.69
BRIGHTLY SOFTWARE CANADA INC.	36,596.81
BRITCO BOXX LIMITED PARTNERSHIP	143,382.02
BRITISH COLUMBIA HOCKEY LEAGUE	25,000.00
BROMLEY CONSTRUCTION INC.	68,559.76
BUILDING ENERGY SOLUTIONS LTD.	84,766.50
BUNZL CLEANING & HYGIENE	48,426.11
BUNZL INDUSTRIAL	47,465.87
C KAARE YESKE	44,100.00
CAM TRAN CO. LTD.	117,896.55
CANADA POST CORPORATION-OTTAWA	189,021.83
CANCADD IMAGING SOLUTIONS LTD	28,896.30
CARO ANALYTICAL SERVICES	71,436.65
CASCADE RAIDER HOLDINGS LTD	29,688.46
CDW CANADA INC.	310,632.87

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
CENTRAL INTERIOR TRAFFIC CONTROL LTD.	95,883.52
CENTRALSQUARE CANADA SOFTWARE INC.	127,501.66
CENTRIX CONTROL SOLUTIONS LP	31,650.08
CHANCES BULK UNLOADING LTD.	142,044.90
CHARTER TELECOM INC	82,520.31
CIMA CANADA INC.	587,717.74
CITY ELECTRIC SUPPLY	35,715.49
CITY OF KELOWNA	30,922.01
CLEAR TECH INDUSTRIES INC	187,817.90
CLOUDPERMIT INC.	57,120.00
COMBINED MECHANICAL CONTRACTORS (2019) LTD	28,883.41
COMMERCIAL TRUCK EQUIPMENT CORP-SURREY	70,892.12
CONNEXUS INDUSTRIES INC	73,187.65
CONTINENTAL EQUIPMENT LIMITED	364,792.70
COOPER INDUSTRIES (ELECTRICAL) INC.	69,979.61
CORPORATE EXPRESS	42,879.23
CURT T. GRIFFITHS LTD.	80,095.00
DARKTRACE HOLDINGS LTD.	69,300.00
DAWSON INTERNATIONAL TRUCK CENTRES LTD.	54,657.21
DB PERKS AND ASSOCIATES LTD	25,410.28
DOWNTOWN PENTICTON ASSOCIATION	413,843.00
DRAKE EXCAVATING (2016) LTD.	404,245.02
DRIVE OD LTD.	42,548.84
DUDE SOLUTIONS CANADA INC.	33,269.82
DYER & BELL GENERAL CONTRACTORS LTD.	25,176.90
E B HORSMAN AND SON	412,147.07
EASTON PLANNING & DEVELOPMENT INC.	41,343.76
ECONOLITE CANADA INC.	82,096.28
ECORA ENGINEERING & RESOURCE GROUP LTD	48,384.16
ECORA PROPERTIES LIMITED	25,254.67
ECOSCAPE ENVIRONMENTAL CONSULTANTS LTD	43,544.78
EECOL ELECTRIC CORP.	106,551.02
ELIZABETH BIGG	170,236.72
ENGINEERED PUMP SYSTEMS LTD.	25,670.40
ENVIROSAFE JANITORIAL INC	167,164.60
ESRI CANADA	89,082.27
EVERGREEN BUILDING MAINTENANCE INC.	46,484.55
EXTROPIC ENERGY INC.	27,720.00
FALCON ENGINEERING LTD.	36,566.33
FARRIS LLP	50,134.22
FEHLINGS SHEET METAL LTD	61,580.57
FLEMING LOCKWORKS INC.	41,608.16
FLETCHER PAINE ASSOCIATES LTD	69,149.28
FLOWSYSTEMS DISTRIBUTION INC.	55,972.74
FLYNN CANADA LTD.	350,113.05
FORTISBC	53,399.18
FORTISBC- ELECTRICITY	31,565,590.96
FORTISBC- NATURAL GAS	313,270.19

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
FOUNTAIN TIRE (PENTICTON) CO. LTD.	90,769.44
FP TELESET DEPT	34,125.00
FRED SURRIDGE LTD	87,633.35
FREEDOM THE BIKE SHOP	38,306.90
G&W CANADA CORPORATION	189,815.36
GENERAL COACH CANADA	167,633.55
GFL ENVIRONMENTAL INC.	76,713.96
GLOBAL SPECTRUM FACILITY MANAGEMENT	2,185,782.23
GREEN EARTH HYDRO VAC LTD	106,982.18
GRIZZLY EXCAVATING LTD.	5,085,788.69
GUILLEVIN INTERNATIONAL COMPANY	116,153.50
H & M EXCAVATING LTD	2,599,197.12
HANDFORD SMIRLE LLP	81,754.10
HANDFORD SMIRLE LLP IN TRUST	1,409,023.05
HARTERRA SPATIAL SOLUTIONS LTD	82,026.00
HEBEI HUATONG WIRES & CABLES GROUP CO. LTD.	57,915.00
HELPSEEKER INC.	38,309.25
HOFF SECURITIES LTD	119,470.57
ICONIX WATERWORKS LP	69,117.30
IDRS	59,161.00
INDUSTRIAL SOFTWARE SOLUTIONS ULC	33,138.06
INLAND TRUCK & EQUIPMENT	128,653.84
INNOV8 DIGITAL SOLUTIONS INC.	54,536.93
INSIGHT CANADA LTD.	40,249.04
INSURANCE CORPORATION OF BC	90,859.10
ITRON CANADA INC.	109,891.30
J.J. MACKAY CANADA LIMITED	43,307.58
Jafa SIGNS LTD.	25,058.10
JDP CONTROLS INC	67,179.00
JONATHAN MORGAN & COMPANY LIMITED	52,266.95
KATYA IRWIN	64,194.96
KELDON ELECTRIC LTD.	77,809.73
KELOWNA CHEVROLET	40,560.83
KENDRICK EQUIPMENT (2003) LTD	218,966.56
KON KAST CONCRETE PRODUCTS INC.	40,793.76
KOOTENAY CONCERTS CONNECTION	26,078.50
L & J DIAMOND MAINTENANCE	74,970.00
LARRATT AQUATIC CONSULTING LTD	36,331.30
LEHIGH HANSON MATERIALS LIMITED (HEIDELBERG MATERIALS CANADA LIMITED)	111,642.96
LESTER LEZARD	57,000.00
LINESTAR UTILITY SUPPLY INC	343,930.93
LORDCO PARTS LTD.	42,971.87
MAD ARCHITECTURAL DESIGN STUDIO INC	56,427.01
MANDEVILLE LAND SURVEYING INC	132,109.06
MDS TECHNOLOGIES , INC	38,319.75
MEARLS MACHINE WORKS LTD	31,934.59
MERIDIAN ONECAP CREDIT CORPORATION	31,169.60
METERCOR INC	122,422.17

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
MICROSOFT CANADA INC.	131,356.07
MINISTER OF FINANCE	9,237,658.23
MINUTEMAN PRESS	46,946.57
MIOVISION TECHNOLOGIES INC	48,012.75
MONERIS	71,777.48
MORNEAU SHEPELL LTD	1,722,651.32
MOTION INDUSTRIES, (CANADA) INC.	44,973.53
MOULD ENGINEERING	278,629.57
MUNICIPAL FINANCE AUTHORITY	323,137.82
MUNICIPAL INSURANCE ASSN OF BC	830,997.97
MUNICIPAL PENSION PLAN	2,490,003.00
MVA POWER INC.	38,430.00
NAPA AUTO PARTS	43,587.90
NEDCO - DIV OF REXEL CANADA ELECTRICAL INC.	26,478.33
NETZSCH CANADA, INC .	35,524.16
NIELSEN ROOFING AND SHEET METAL LTD	33,925.22
NILEX INC.	59,072.53
NOR-MAR INDUSTRIES LTD.	90,683.02
NOVA POLE INTERNATIONAL INC	150,054.24
NOVATECH EQUIPMENT SALES (BC) INC.	56,663.04
NUFLOORS	29,656.10
OKANAGAN CUSTOM HOMES LTD	51,374.92
OKANAGAN SIMILKAMEEN REGIONAL HOSPITAL DISTRICT	2,558,865.63
ONESKY COMMUNITY RESOURCES	2,571,760.45
OPEN STORAGE SOLUTIONS, INC.	62,531.13
ORGANIZED CRIME AGENCY OF BC	41,885.72
OUR GLASS AND ALUMINUM LTD.	37,934.40
PANTHER CREATIVE INC.	103,544.25
PENTICTON & AREA CYCLING ASSOCIATION	27,911.80
PENTICTON & DISTRICT SOCIETY FOR	51,948.42
PENTICTON CURLING CLUB	104,662.88
PENTICTON INDIAN BAND	178,365.00
PENTICTON LAKESIDE RESORT	70,075.41
PENTICTON PUMP SERVICE	68,962.61
PENTICTON STAGE TECH INC	37,731.99
PENTICTON TOYOTA	41,939.14
PETER A TRUCH	55,646.28
PETERS BROS CONSTRUCTION LTD	595,075.61
POWERTREND ELECTRIC LTD.	53,514.01
PRECISION ELECTRIC MOTOR SERVICE LTD.	38,137.10
PRO BUILDERS SUPPLY LTD.	39,247.21
PRYSMIAN POWER CABLES AND SYSTEMS CANADA LIMITED	155,976.29
RAM ENVIRONMENTAL RESPONSE LTD.	136,411.57
RAMTECH ENVIRONMENTAL PRODUCTS	74,910.65
RE/MAX PENTICTON REALTY	30,172.30
RECEIVER GENERAL FOR CANADA-RCMP	8,337,511.17
RECEIVER GENERAL OF CANADA	61,876.51
REDDEN NET CUSTOM NETS LTD.	96,040.00

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
REGEHR CONTRACTING LTD.	368,957.06
REGIONAL DISTRICT OKANAGAN SIMILKAMEEN	6,187,967.71
REHRIG PACIFIC COMPANY	84,779.28
REN-CON SUPPLY LTD.	55,310.89
REXEL UTILITY	182,374.62
ROAD DUST SOLUTIONS	26,555.02
ROCKY MOUNTAIN PHOENIX	34,665.61
ROGERS	129,682.21
ROLLINS MACHINERY LIMITED	29,260.66
RPR HEATING AND AIR CONDITIONING	40,966.40
SEALTEC INDUSTRIES LTD.	56,478.39
SHAW BUSINESS SOLUTIONS	31,960.32
SHAW'S ENTERPRISES LTD	27,533.11
SHERWOOD TROPHIES & SIGNS LTD.	26,332.10
SKAHA SOUND	241,458.20
SOURCE OFFICE FURNITURE & SYSTEMS LTD.	73,013.08
STANTEC CONSULTING LTD.	315,549.19
STELLA-JONES INC.	52,925.60
STEWART MCDANNOLD STUART	113,045.11
STEWART MCDANNOLD STUART IN TRUST	615,491.68
STINSON ITS INC.	204,242.21
STRUTHERS TECHNICAL SOLUTIONS LTD	29,540.70
SUMMIT VALVE AND CONTROLS INC.(BC)	27,247.36
SUPERIOR SEPTIC SERVICES	50,354.49
T2 SEWER CLEANING LTD.	71,819.88
TELUS COMMUNICATIONS COMPANY	77,052.62
TELUS- VANCOUVER	64,775.81
TERRACOM SYSTEMS LTD.	102,822.97
THE OKANAGAN NEWSPAPER GROUP	45,515.38
THE ROC DOC VENTURES LTD.	92,246.64
TOTAL RESTORATION SERVICES INC	86,732.34
TRANE CANADA ULC	51,240.00
TRAVEL PENTICTON SOCIETY	1,495,670.78
TWINCON ENTERPRISES LTD.	1,075,949.37
UKRAINETZ	37,966.92
ULINE CANADA CORPORATION	55,952.39
UNIFIRST CANADA LTD.	35,324.36
UNIT 4 BUSINESS SOFTWARE CORPORATION	228,013.76
UNITED LIBRARY SERVICES	86,494.01
URBAN MATTERS CCC LTD.	131,250.00
URBAN SYSTEMS LTD - KELOWNA	201,879.34
VALLEY TRAFFIC SYSTEMS	99,607.05
VIMAR EQUIPMENT LTD	74,877.71
VINE AND BEACH MEDIA INC	25,725.00
WASTE CONNECTIONS OF CANADA INC.	1,484,454.93
WATERHOUSE ENVIRONMENTAL SERVICES CORPORATION	156,715.33
WATSON ENGINEERING LTD	79,107.36
WE CONSULTING AND BENEFITS	341,287.11

City of Penticton
Schedule of suppliers of goods and services
for the year ended December 31, 2022



Suppliers who received aggregate payments exceeding \$25,000	Total
WESTHILLS AGGREGATES LTD	26,222.46
WFR WHOLESALE FIRE AND RESCUE LTD	30,138.20
WORKER'S COMPENSATION BOARD OF BC	927,878.24
WSP CANADA INC.	60,653.25
YOUNG , ANDERSON BARRISTERS & SOLICITORS	90,803.10
Total aggregate amount paid to suppliers of goods and services over \$25,000	<u>\$ 107,265,647.94</u>
Total paid to suppliers who received aggregate payments of \$25,000 or less	\$ 5,316,365.99
Total grants exceedng \$25,000	\$ 487,592.00
Total contributions exceeding \$25,000	<u>\$ 312,981.40</u>
Total of grants and contributions exceeding \$25,000	\$ 800,573.40
Total	<u><u>\$ 113,382,587.33</u></u>

City of Penticton
2022 Summary of Mayor, Council and CAO Expenses
for the year ended December 31, 2022

Description	Amount
Bloomfield, Julius	
Description	Amount
In-town networking	\$ 506
Penticton and Wine Country	
Conference - UBCM	\$ 3,182
Conference - FCM	
Conference - CivicInfo BC	\$ 1,133
Conference - SILGA	
Total	\$ 4,821

Regehr, Frank	
Description	Amount
In-town networking	\$ 131
Other	
Penticton and Wine Country	
Conference - UBCM	\$ 2,615
Conference - CivicInfo BC	\$ 890
Conference - SILGA	
Total	\$ 3,636

Robinson, Kathleen	
Description	Amount
In-town networking	\$ 216
Other	239
Conference - UBCM	\$ 3,378
Conference - CivicInfo BC	
Conference - SILGA	
Total	\$ 3,834

Sentes, Judy	
Description	Amount
In-town networking	\$ 216
Other	\$ 80
BCLTA Membership	
Conference - UBCM	\$ 3,562
Conference - CivicInfo BC	\$ 473
Conference - SILGA	
Total	\$ 4,331

Vassilaki, John	
Description	Amount
In-town networking	\$ 85
Other	\$ 156
Penticton and Wine Country	
Conference - UBCM	\$ 3,393
Conference - CivicInfo BC	\$ 473
Meetings with SLT	
Total	4,107

Watt, Campbell	
Description	Amount
In-town networking	\$ 131
Other	
Conference - UBCM	\$ 2,412
Conference - CivicInfo BC	\$ 1,100
Conference - SILGA	
Total	3,643

van Dyk, Donny	
Description	Amount
Community Engagement	\$ 36
Memberships	\$ 1,620
Conference - UBCM	\$ 2,061
Conference - SILGA	\$ 975
Conference - CAO Forum	\$ 31
Conference - Other	\$ 1,145
Meetings	\$ 1,785
Training & Development	\$ 1,437
Total	\$ 9,091

City of Penticton
2022 Summary of Emergency Overtime
For the year ended December 31, 2022



Name	Amount
Bazley, Ryan	3,692.49
Bird, Andrew	4,502.46
Bosscher, Blair	1,592.46
Dermody, Trevor	2,843.70
Garrett, Steve	2,858.70
Gibbons, Curtis	1,171.60
Glousher, Hogan	2,047.46
Goodwin, Adam	6,374.25
Heimlich-Schmidt, Spencer	1,337.11
Holmes, Jared	2,858.70
Hvidston, Ryan	3,412.44
Johnson, Jayson	1,480.17
Jorgensen, Erik	1,429.35
Kenney, Rod	1,628.52
Lloyd-Smith, Jamie	1,131.00
Portwood, Jade	1,023.73
Rheaume, Matthew	1,377.70
Rothenburger, Nicholas	1,364.97
Ryll, Brent	1,370.77
Scott, David	1,137.48
Seibert, Brittany	2,129.78
Sutherland, Michael	2,170.39
Taylor, Chad	1,429.35
Tougas, Trevor	2,559.33
Trousdell, Robert	2,872.92
Vikner, Elias	1,023.73
Watkinson, Larry	8,973.17
Subtotal	65,793.73
Paid under \$1,000	12,453.64
Total Emergency Overtime	78,247.37

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Blake Laven, Director of Development Services

File No: 4300-01, General

Subject: **Short-Term Rental Benefit and Impact Study – Final Report and Recommendations**

Staff Recommendation

THAT Council receive into the record the report “Short Term Rental Benefits and Impacts Study” dated April 2023;

AND THAT Council maintain the status quo approach, but work towards a new licensing classification system acknowledging home-share STRs, on-site operator STRs and off-site operator STRs;

AND THAT Council give direction to Staff to increase enforcement efforts, including higher short term rental fines for non-compliance;

AND THAT Council forward the report to the Official Community Plan Housing Task Force as a background document to inform future policy changes.

Background

Council, at the July 19, 2022 meeting, gave direction for staff to do a review of the benefits and impacts of the short term rental (STR) program, particularly with regard to impacts on long-term housing and impacts on tourist accommodation facilities (hotel and motels). Council also gave direction for staff to present options for prospective changes to the program based on best practices and examples from other communities (Council resolution: 261/2022).

Following the direction from Council, the City contracted two firms, EcoPlan and Third Space Planning, both with experience with short-term rental program development, to complete a benefits and impacts study and to provide a review of our enforcement approach. EcoPlan attended a Committee of the Whole meeting in February 2023, outlining preliminary findings, showing some of the demonstrable impacts and benefits of STRs on the Penticton economy. Since that update to Council, the report has been finalized (Attachment B) and the last round of public engagement has been concluded. This report highlights some of the final findings of the report and provides some options for Council to move forward with on the short term rental program. Ultimately staff are recommending a status quo approach with some changes to our licensing classification system and an emphasis on greater enforcement and bringing unlicensed operators into

compliance. Staff are also recommending that the report be sent to the OCP Housing Task Force to inform any future policy changes.

The final report shows that short term rentals are impacting affordability in the community by increasing rents for renters and removing roughly 200 units from the long term rental market, a similar story across the province. But the report also argues that by increasing housing vacancy (i.e. building more rental stock) these impacts can be mitigated, or altogether eliminated, and that there are many benefits to home owners and the general economy from short term rentals (see report findings below).

The report also shows that there are impacts on traditional hotels and motels, but that short term rentals increase the overall tourist offerings during the busy tourist seasons - 13% of overall tourist offerings in Penticton are by STRs (275 full time fixed roof equivalent STR units vs 1780 motel hotel units) with an increase to 18% in the summer. The report also shows short term rentals provide a unique offering highly desired by travelers, especially families, and provides accommodation offerings in areas that hotels don't exist (such as agricultural areas) and that STRs contribute to roughly 25% of tourist spending in the community.

Ultimately, the report does not make a final determination on whether the benefits or impacts outweigh each other, but highlights the tradeoffs that are required in any short term rental program. The report paints this as a tradeoff between various groups with renters and first time home buyers paying more and short term operators, tourism based business, and the visiting public benefiting (people spending more in the community).

The report also speaks to how other communities have approached short term rental regulation and provides some options for the City should there be a desire to consider any changes to the program. These approaches are outlined in the study report but summarized below in the 'other regulatory approaches' section of this report. Staff do note, that changing program direction is much more difficult than starting a new program, especially with *Local Government Act* protections for legally non-conforming uses (i.e all current operators would have some grandfathering protections allowing them to continue operating despite program changes). The approaches that are shared all were implemented at the start of a regulatory framework, not necessarily *course changes* as any changes to the Penticton program would be.

Finally, the report highlights a theme that was prevalent in all of the engagement work done, and that is the issue of unlicensed STR businesses. The report references the low 60% compliance rate (40% of all operators are unlicensed). Respondents to the surveys, both operators and community members, point to this as being a significant issue that the City should focus more attention on. For neighbouring property owners, these are the businesses we are receiving most of the complaints about; and, from other operators and other tourism based businesses, they cite the unfairness of unlicensed operators – these groups want to see a level playing field. Staff are recommending a focus on enforcement, including higher fines for non-compliance.

Other considerations

Not included in the study, but an important consideration for Council, is the recognition that the short term rental phenomenon is not slowing down across British Columbia, North America or elsewhere in the world. Significant changes in the patterns and habits of travelers over the past ten years has occurred and will continue to evolve and impact the traditional tourist accommodation market. Penticton has often been at the forefront of this industry. For Penticton to continue competing with other tourism destinations it must

be recognized that vacation rentals are an important part of the tourist accommodation offerings and changing things too drastically could negatively impact our tourism and hospitality economy.

The province has certainly acknowledged these changes in tourism and is interested in providing additional tools to local governments to manage short term rentals and mitigate their impacts. The province has recently signaled an intent to require on-line accommodation platforms to share data, such as addresses with local governments and to require on-line accommodation platforms (like Airbnb, FlipKey, VRBO and others) to only post licensed short term rentals on their sites. Currently, the City has to subscribe to a third party data mining company that scrapes data and uncovers addresses for us to help with our enforcement efforts. If the on-line accommodation platforms were required to share addressing with the City, then this third party company wouldn't be necessary. Further, if all AOP listings would require all listings to have a local license, this would ensure all vacation rentals were properly vetted by the City. These changes, however, are not anticipated until later this year at the earliest, but would be hugely helpful in the enforcement and management of which ever program Council favours moving forward.

High level report findings

How many short term rentals are there in Penticton?

As there is no easy answer to this question, the report answers this question in several different ways. The report highlights the seasonal nature of short term rentals where more units are 'turned on' in the summer months and 'turned off' in the winter months. The report looks at units that would be hotel equivalent units (ie always turned on – year round) and puts this number at ~275 units. The report also looks at the number of units that typically take away a residential unit ie. no Penticton resident lives in the unit at ~ 200 units. Then there are the total number of licensed units in the community, which currently sits at 374 units and the total number of units that are listed at any given time ~500. So there are many different ways to answer the question of how many STRs there are in the community. And to put these numbers in perspective, there are currently 18,457 dwellings in Penticton, with the licensed number of STRs (374), that would equate to just over 2% of the total residential stock in the city. Penticton has currently added an average of 406 dwelling units per year over the past 5 years.

The one concerning trend is the general increase in the past few years of all these categories, which is certainly something to monitor – are we reaching a plateau? Or will we see the proliferation of short term rentals and their impacts grow? Staff are not yet overly concerned with the number, but given the trends, concern is rising.

Number of STRs in Penticton and Growth Over Time

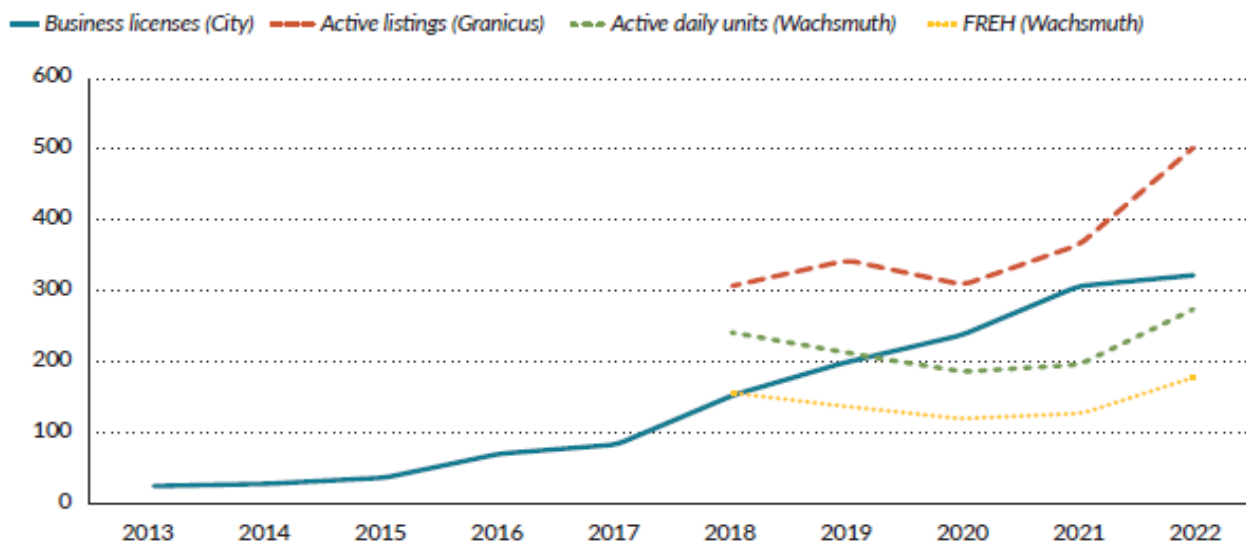


Figure 1: Various ways of looking at numbers of STRs in the community

The report includes comprehensive statistics and analysis on compliance and complaints of short term rentals, the distribution of the units (majority in close proximity to the downtown with many in agricultural areas), the types of units seen in Penticton (48% in single detached units) and the revenue that is generated for the operators as well as other miscellaneous market statistics.

Impacts and benefits

Starting with the tourist accommodation industry, the report finds that STRs account for roughly 25% of all tourist spending in Penticton, which is significant especially given STRs only make up 13% of the tourist accommodation stock in the city. The report highlights the competition that STRs are for the traditional accommodation industry, especially in the shoulder seasons. In discussions with Travel Penticton, who represent the hotel and motel industry, this was emphasized. And the report indicates another impact in that STRs are perceived to reduce employee housing options – but that could be mitigated by more housing being built over all. The report also speaks to some of the inequality of STRs vs traditional hotels and motels, with regard to the fact that STRs are able to turn off and on as the seasons change and the fact that STRs generally pay a residential tax rate. Again in speaking with Travel Penticton, there was a desire to see an even playing field – in regulation and costs. STRs though, generally provide a product that is unique and highly desirable for the traveling public, in that 95% of the STRs in Penticton are for whole residences and over half are whole single detached dwellings, which differ significantly from traditional hotel and motel offerings.

Impacts on housing are more direct with short term rentals impacting both the availability of housing in the community as well as the price paid for housing (both rental and ownership). The report speaks to the additional costs paid by renters due to STRs. For example, the report outlines the amount of additional rent paid by renters in Penticton because of short term rentals as \$332 dollars a year. While this may seem alarming, Staff note that what isn't shared in the final study report is that this is a similar story almost everywhere, where vacation rentals operate – even in communities with more restrictive STR regulations. In using the same methodology a study from 2021 showed the following communities experience much

greater impacts: Richmond (\$798 a year), Victoria (\$629), Nanaimo (\$390 a year), Qualicum Beach (\$390), Kelowna (\$950 a year) and Summerland (\$2,060 a year) because of the presence of STRs in those communities. In fact, compared to all other communities in the study using the same methodology and model, Penticton has the lowest impact except for Vancouver a community with extremely restrictive regulations. This isn't to discount the impact in Penticton - the numbers are concerning – but it is important to put them in context and to note that despite the approach chosen, STRs will have an impact on housing. And that we are doing better than many other communities. Whether this has to do with Penticton's regulatory approach or the fact that we have been adding so much rental housing in the past 10 years, or other factors would require further study.

The study concludes that: "available studies suggest that an increase in more local housing (to the point where we reach the recommended 3-5% vacancy rate), the negative impacts of STRs on housing affordability would be dramatically reduced (if not entirely eliminated)." This suggests that the low vacancy rates in the community has more to do with the affordability and availability crisis than STRs and that increasing housing stock, an effort that Council has embarked on as their Council priority, will improve the situation locally. On that last point, the City has recently, in the past 6 months, issued occupancy for over 230 purpose built rental units in Penticton and issued a permit for a new 70 unit rental building. Staff recommend continued focus on building more rental units to improve housing affordability and availability, as opposed to restricting vacation rentals at this time.

Concerns over nuisance properties and changing neighbourhood character seem to be more notional than a reality. This is likely due to the regulations in the program creating stringent accountability and limits on STR operators in Penticton. Delving into the data shows that many of the complaints on STRs having negative impacts are with unlicensed operators and that once brought into compliance, complaints are drastically reduced.

Overall, the report does not make a determination of whether the impacts or benefits outweigh each other. It states, "The above combination of benefits and harms makes it difficult to draw conclusions about the net impact of STR activity on Penticton's economy". And goes on to state: "Given the above, we cannot say with confidence whether STRs are a net benefit or harm to Penticton's overall economy. The way forward – whether maintaining the regulatory status quo or making adjustments – involves making trade-offs and prioritizing between the interests and needs of different groups of people. In making these trade-offs it will be important to confirm Council's prioritized goal(s) for local STR regulations." The report recommends that Council review its stated goals with the program and determine if the current goals need to be amended. Staff are recommending that these considerations be put towards the OCP Housing Task Force for consideration during OCP amendments.

Other regulatory approaches

Council specifically wanted to understand how other communities were approaching the regulation of short term rentals and the report provides 4 different approaches based on communities facing similar short term rental pressures. Staff do want to caution that Penticton has a fairly mature regulatory system and changing direction at this time to a completely different system would be difficult. The various approaches outlined below were, for the most part, implemented as new systems in the referenced communities, not course changes. The challenge with shifting to a new system would be that all existing STRs would be grandfathered, creating an unintended consequence of making those units more valuable and would

incentivize STRs that may otherwise be put back into the long term rental market to stay in the short term market.

Nevertheless, the following provides some different approaches and pros and cons on the various approaches:

Status quo: This approach, followed by the City of Penticton, takes a permissive approach to short term rentals, allowing them in most residential areas and ensuring units are safe for the vacationing public and nuisances are minimized. Penticton was one of the earliest regulators of STRs and has a much longer experience with vacation rentals (pre on-line accommodation platforms) than most communities.

One suggested change to our program the report makes is to change our current classification system from one of intensity (minor, major, high occupancy) to one where we categorize based on an the unit being the principal resident of the operator, whether the operator is on-site resident or whether the operator is off site. The report also recommends that the City close the current allowance that operators can rent out for less than 14 days a year without licensing.

Staff are recommending this approach (status quo with a change to our classification system) as it would allow for better tracking of the trends and impacts and give Council the ability to adjust the policy in the future based on perceived issues with the different types of operators.

Principal resident requirement: This approach allows vacation rentals in most residential areas but implements one of the three basic 'principal residence' requirements, such as seen in Kelowna and Summerland and others. The primary resident approach can look three different ways. Firstly you can have a true, 'home-sharing' approach, which is how AirBnB started, where someone rents out their primary residence to the vacationing public when they are not using their home. In this case you would only be able to rent out your own private residence or room within your primary residence. Vancouver uses this approach. This requires very robust enforcement and in the case of Vancouver an agreement with the OAP companies to not list unlicensed units. This also has the impact of significantly reducing the number and quality of STRs in the community.

The other 'principal residence' approach would be to limit STRs only to those properties where the owner lives on site 'on-site operator' model. This approach, favoured by Chilliwack, Ucluelet and West Kelowna, would have the effect of forcing most STRs into carriage houses and suites, the very affordable housing the City is trying to promote to address rental shortages. This would also take out of the market many of the unique 'whole house' options that differentiate STRs from hotel and motels and what many STRs stayers look for.

The 'principal resident requirement' approach, whichever one chosen, would have been much easier to implement from the on-set as other communities have done. If Council is interested in these approaches, Staff recommend further investigation into the experience of other communities and compare outcomes to our current system. Shifting to this approach in Penticton would significantly limit new non-resident STRs from being licensed, but as stated above would grandfather all existing units, creating a two tiered system. This approach would also, potentially reduce the number of tourist offerings in the community and impact the type of tourist we may see (ie those looking for a whole house).

Cap and revisit: This approach, best exemplified by the City of Nelson, would set limits on the number of licenses for STRs in the community. Staff are interested in this option, as the number of STRs begin to climb in the community. When the STR program was originally set up a cap was considered, but ultimately discounted because of the potential to create a market for legal STRs that may distort their value. But if the number of STRs in the community become unreasonably high, a cap may be required. This has also been recommended from Travel Penticton. This is something staff are recommending to monitor but not implement at this time. Staff are hopeful an equilibrium or plateau will be reached soon as the number of operators and hotel rooms find their balance in the community through market means.

Dissolve the main trade-offs: Following the framework from the Town of Gibsons, this approach issues Temporary Use Permits for STRs utilizing STRs in an interim capacity while incentivizing more traditional tourist accommodations (hotel and motel). In staff's review this approach would not be feasible for Penticton given where we are in our STR regulatory journey.

Geographic approach: Not considered in the report, but an approach that Council may also wish to consider if restrictions are proposed, is to overlay geographic constraints on locations where short term rentals can occur in the community. For example, a more permissive approach may be taken in tourist areas (waterfront, downtown agricultural areas and more restrictive approach throughout the rest of the community (i.e. principal resident only approach in primarily lower density residential neighbourhoods). It isn't clear how impactful this approach would be on overall impacts, but could reduce perceptions of neighbourhood disruption in traditionally residential neighbourhoods.

Should Council wish further information on any of these approaches, staff can contact program managers from any of the referenced communities and provide further feedback on these approach and compare their successes and outcomes with our own experiences.

Engagement summary

Public engagement and opinion are an integral part of the analysis of benefits and impacts for a topic like short-term rentals. The City's in-house Engagement team led the public-facing engagement aspect of the project. Their final report is attached as Attachment A, but some high level results are included here. The scope of the engagement is intended to capture the impacts and benefits for the operators and the community recognizing the importance of local knowledge and lived experience in the city.

Operators

- The City received a strong response from STR operators with 247 feedback forms submitted. Seven out of 10 of these operators are full-time residents of our community and 50% live on the property where they have the rental and another 26% live there part time or less than 6 months of the year.
- For 64% of the operator participants, having a short-term rental provides a secondary income or mortgage helper and for 22%, or 1 in 5, it provides additional investment income.
- The operators for the most part are very pleased with the program as it stands. 86% agree that the goal to allow property owners to rent safe and healthy dwellings to vacationers while limiting the nuisances to surrounding neighbours is still appropriate and 69% don't believe any changes are needed to how we regulate them. They also do not believe the neighbour or nuisance impacts for the community are a significant concern.

- They believe that the most important benefit of the program to Penticton is providing more options for tourists followed by enabling a secondary income for property owners. They also think it is important to provide flexibility for operators who are not interested in providing long-term rentals.
- In their comments, they are frustrated by the lack of protection for landlords who offer long-term rentals, they believe we need to recognize that short-term rentals are a different service offering than hotels and if there are to be changes made, they would like to see more enforcement of the rentals that are unlicensed or ensuring renters are respectful of the neighbours.

Community

- The City received a very good response from residents as well with 1,102 feedback forms submitted. Of the responses, 78% are homeowners and 16% are renters. Only 13% are seeking to change their housing situation and most completed the form out of concern for the community impacts.
- For community members, their top concerns about short-term rentals are their impacts on housing affordability, privacy for the neighbours and changing neighbourhood character. Despite their concerns, 419 of the participants (38%) had not experienced the impacts personally and the remainder identified being impacted by housing affordability and availability followed by parking.
- Not surprisingly, there is less support from community member participants for the City's current approach to managing the rental program with 51% wanting to see changes compared to the 24% of operators who want change. When it comes to change, 48% of community member participants want to see fewer short-term rentals with more limits compared to 33% who think it is fine or should be expanded.
- When it comes to the benefits of the program to Penticton, you may be surprised to see that the general community agreed with operators that the number one benefit of the program is providing more options for tourists. This group also liked the idea that short-term rentals can house students or seasonal/temporary workers and enables a secondary income.
- In the comments section, residents expressed many similar comments to the operators including the issues with providing long-term rentals, the need for enforcement, and the fact that short-term rentals are a different service offering than hotels and that for some, it contributes to affordability.

In summary, there were 5 main conclusions drawn in comparing the results of these two surveys. Both sets of respondents acknowledge that options for tourism accommodation are important and that tourism is important to the Penticton economy. Both groups agree strongly that greater short-term rental enforcement is required. Where there is disagreement is on the goals of the program and the preferred regulatory approach. Operators/property owners need opportunities to generate income from their rental and are discouraged by long term rental rules. The community is more concerned about neighbourhood impacts and overall housing affordability and availability.

Stakeholder discussions

In addition to the general engagement work shared above, Eco Plan and City staff met with and interviewed several identified stakeholders and received many pieces of correspondence from these groups, such as Travel Penticton, Chamber of Commerce, Okanagan College, Interior Health and others. Most groups spoken to had assumptions that short term rentals were impacting their ability to attract staff and in the case of the College attract students. The report makes the point that STRs do impact housing availability, but this can be

mitigated by additional housing supply in the community. Removing or regulating STRs would not solve these issues, but building additional rental housing will help.

Staff met with Travel Penticton on two occasions to discuss the report both in its preliminary / draft form and final form. Travel Penticton also issued a letter to Council. In the letter, Travel Penticton outlines their concerns with the lack of staff accommodation in the community and the unfair playing field that STRs are operating under compared to traditional tourist accommodations. Their recommendation is to move to a more regulated system with perhaps a cap on the number of units in the community. Originally Travel Penticton, as outlined in an earlier letter, favoured a primary resident requirement, but following up on this, Travel Penticton has since felt that is not the right way forward. Travel Penticton, along with most stakeholders spoken to, emphasized that more needs to be done to crack down on unlicensed operators, which also was supported in the surveys. Staff are recommending that Council give direction to staff to focus on this enforcement effort.

Financial implication

The report outlines the financial tradeoffs of various different groups as a result of short term rentals operating in the community. The report also speaks to the revenue expected from the on-line accommodation platform (OAP) tax collected from vacation rentals and their intended use for affordable housing. The report shows that the City received approximately \$106,000 for July – December of 2022, however the City's Financial Plan has this estimated at \$160k for the full year of 2023. Staff recommend reviewing the report for the full financial analysis.

The staff recommendation for additional enforcement efforts will result in higher costs in the management of the program, but these additional costs should be off-set by revenue from currently unlicensed operators becoming licensed. Council recently supported increases to the licensing fees through the updating of the Fees & Charges Bylaw to generate additional revenue for administration, licensing and enforcement efforts. Should Council consider any of the alternative recommendations, staff will bring forward financial information at the appropriate time. The financial stability of the program will also be monitored year to ensure it is paying for itself.

Analysis

This report on the benefits and impacts of short term rentals has highlighted what a complicated issue this topic is and how many different interests are impacted by short term rental regulation. Penticton has more experience with this issue than many other communities, having both had vacation rentals as a historical feature of the Penticton tourist offering for decades (pre-internet on-line accommodation platforms) and having a regulatory program for longer than most communities.

The Penticton approach has been one of ensuring nuisances are minimized and that tourist offerings are safe for the vacationing public. Staff consider that measured against that standard our program is running very effectively, seeing our compliance rate (licensed vs unlicensed units) climbing and number of complaints against licensed operators in decline.

Should Council however wish to change the approach in Penticton and begin establishing a new goal for the program – one linked to housing availability and attainability, this would fundamentally change the approach of the program. Because Penticton's program has been running as it has any changes would only

apply to new operators. For example, if Council were to insist that only onsite residents may operate short term rentals, all existing non-resident short term units would be grandfathered through legal non-conforming use provisions of the Local Government Act. The impact of this may have the opposite effect of Council's desire, while new units wouldn't be permitted, all existing operators will be incentivized to keep their units as short term rentals not giving them the ability to turn them off and let market forces dictate a natural number in the community. Another unintended consequence may be the reduction in options for visitors to the community and a reduction in visitor spending. These examples show there are many consequences that could occur with any drastic changes in direction. Staff recommend a measured approach to any changes.

With regard to a potential cap on the number of operators in the community, this is an approach that may have merit if the current rates of increase in vacation rentals in the community continue. Staff do not recommend a cap at this time, but will be monitoring the program to ensure the number of vacation rentals operating in the community stay within an acceptable range.

With regard to the impacts on the hotel and motel industry, we have seen several new hotel investments in the community in the past 5 years, showing that despite the prevalence of STRs the hotel industry is still viable in Penticton. A total of 285 new rooms have been built in Penticton over the last 5 years (expansions at the Lakeside Resort, Travelers Motel and new units built for the Fairfield Inn and Four Points). We have also seen the loss of many older motel units, showing a change in the tourist offerings in the community - 265 motel units have been converted to long term rentals and 103 have been demolished altogether since 2013. There is evidence that short term rentals are providing a unique offering that hotels and motels are not providing and by reducing the number of short term rentals, we are simply limiting options for the vacationing public that may choose to stay in short term rentals in another community as opposed to visiting Penticton. But overall, the tourist accommodation industry in Penticton seems to be in a healthy state with new investment occurring and a strong post-COVID event calendar.

The reality is, as is shown in the data, spending from STR stayers accounts for approximately 25% of all tourism spending in the community. Reducing the number of STRs will reduce the tourism revenue in the community. And changing the type of short term rentals (ie forcing them into suites or carriage houses or not allowing rental of whole homes) would again limit the offerings and people coming to Penticton.

The item that all groups seem to agree upon is the fact that greater enforcement of unlicensed units is necessary. This means likely more effort in weeding out unlicensed units, being quicker to fine unlicensed units and even increasing fine amounts.

Finally, the province has identified the need to provide more tools to municipalities to regulate these types of programs. We will not have their full investigation until later this year at the earliest, but assistance with negotiations with the on-line accommodation groups is necessary to allow for data sharing and respecting our local licensing program.

For all of these considerations, staff are recommending caution with any changes and are recommending the status quo approach with direction on changing the classifications of the licensing to reflect the types of short term rentals being operated. Staff are also recommending that the report be sent to the Official Community Plan Housing Task Force as a background document for their consideration in any housing policy changes. Staff are also recommending that Council give direction to staff to focus on enforcement, ensuring that the gap between licensed and unlicensed operators is being closed.

Attachments

- Attachment A: Engagement results
- Attachment B: Short term rental benefits and impacts study, April 2023

Respectfully submitted,

Blake Laven,
Director of Development Services

Concurrence

General Manager Community Services <i>BL</i>	Director of Finance and Administration <i>AMC</i>	Chief Administrative Officer DvD
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Short-term Rental Program Review Engagement Report

Feb. 3, 2023

[1.0 Overview](#)

[2.0 Community Participation](#)

[3.0 Feedback Form Results](#)

[3.1 Community Response](#)

[3.2 Operators Response](#)

[4.0 STR Operators Focus Group Meeting](#)

[5.0 Conclusions](#)

[Appendix A – Engagement Timeline](#)

[Appendix B – Additional Correspondence](#)

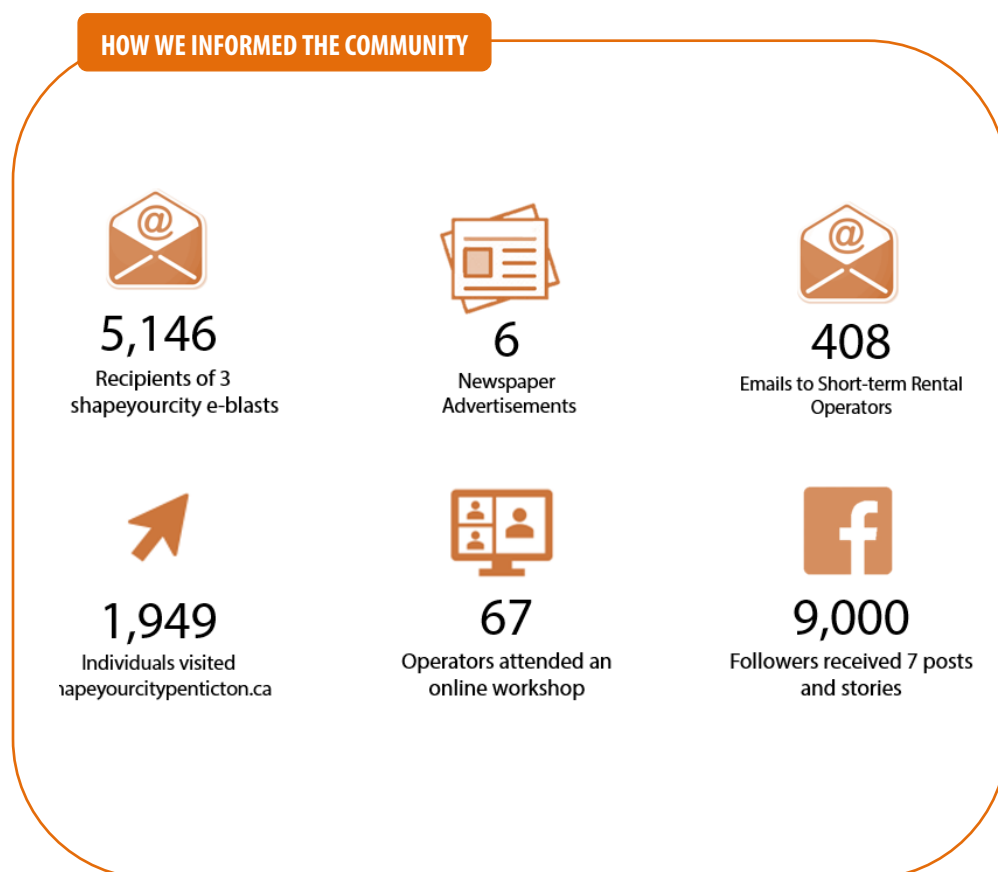
1.0 Overview

Short-term rentals provide benefits such as more accommodation options for tourists and mortgage helpers for the operators but more recently, questions have arisen about their impact on housing supply and traditional visitor accommodations such as hotels and motels. Given these questions, Council directed staff to study the benefits and impacts of the current program in Penticton. EcoPlan International was selected to conduct the study.

The consultants are looking at the benefits and impacts to housing, accommodation etc., the focus of the engagement program is to understand the benefits and impacts to the community and the operators. To gather this information, the City invited operators and community members to complete separate feedback forms. The results of these forms are summarized in the following report. Depending on the outcome of the review, further engagement may be required.

2.0 Community Participation

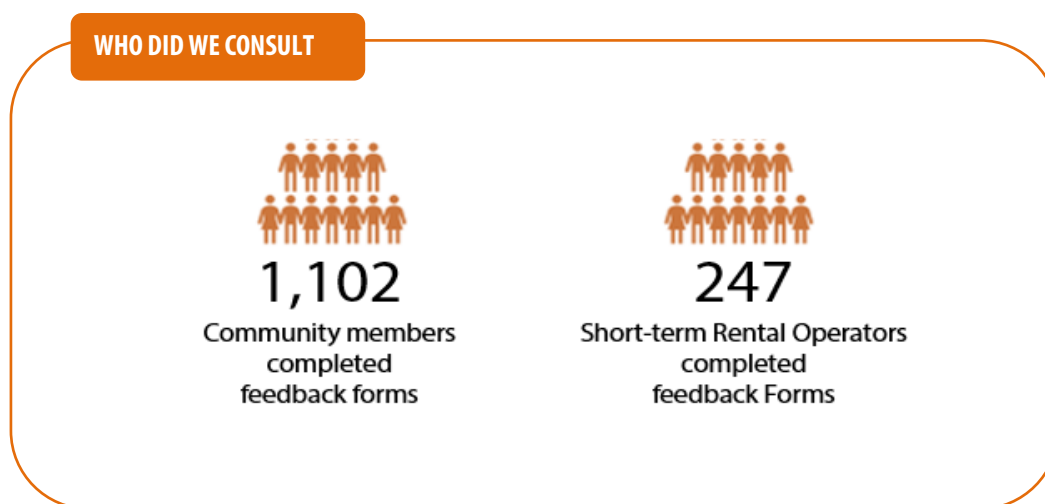
The engagement program was conducted between January 9 to 27, 2023. The following diagram summarizes participation in the surveys. A detailed timeline of engagement activities is provided in Appendix A.



3.0 Feedback Form Results

The City provided feedback forms to gather the input of community members and short-term rental operators. The forms were available through shapeyourcitypentiction.ca as well as in paper form available at the Penticton Public Library, Community Centre and City Hall.

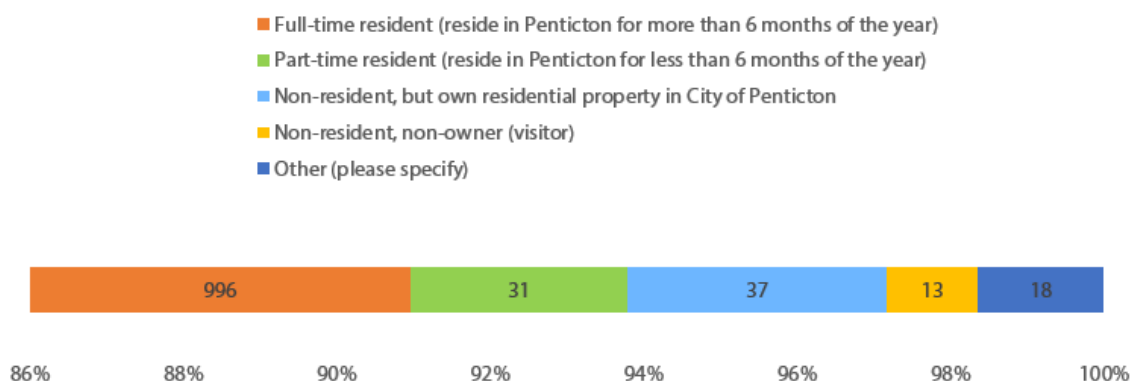
Please note that the key findings from the feedback forms are presented in this report, complete results including full comments, are available at shapeyourcitypentiction.ca.



3.1 Community Response

The following is a summary of the findings of the feedback form provided to community members. The City received 1,102 submissions.

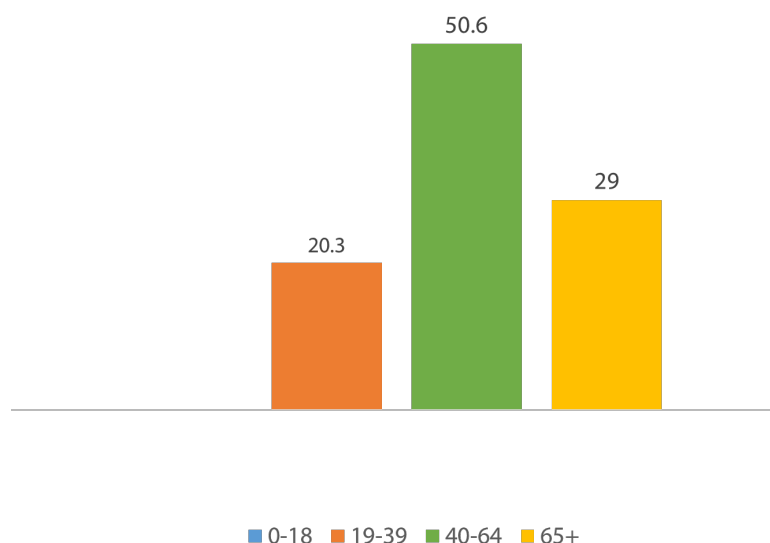
1. Which best describes your residency in the City of Penticton?



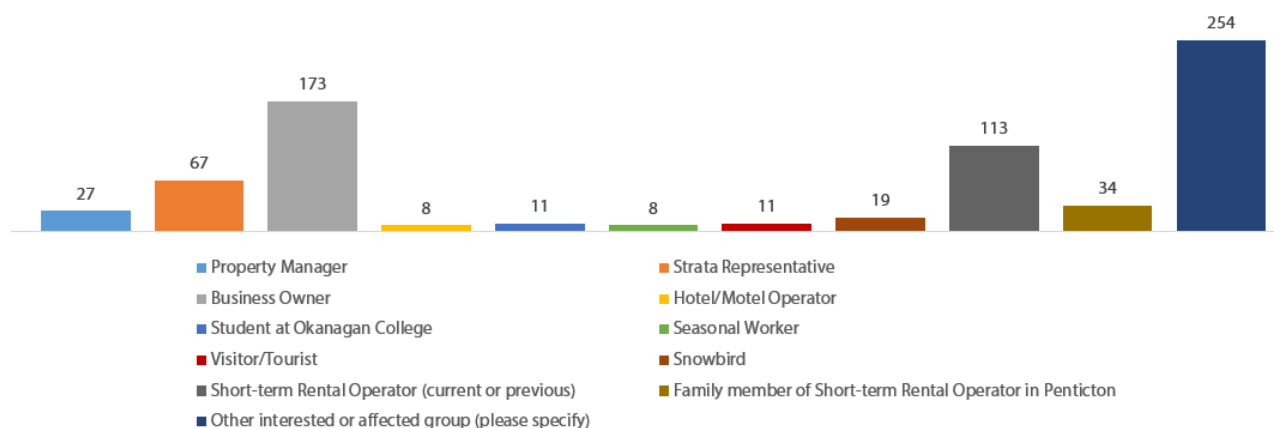
2. What is the postal code for your principal residence?

(Various responses)

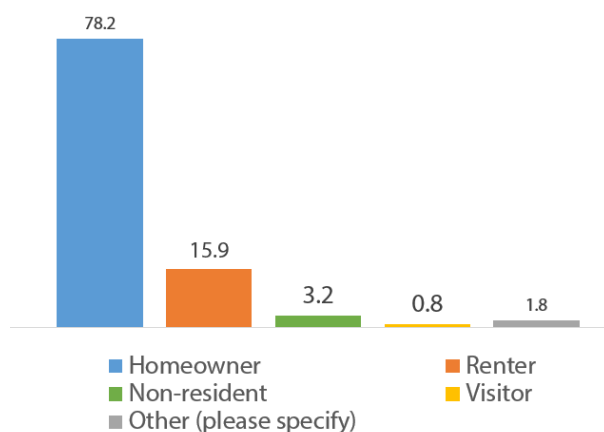
3. What is your age range? (%)



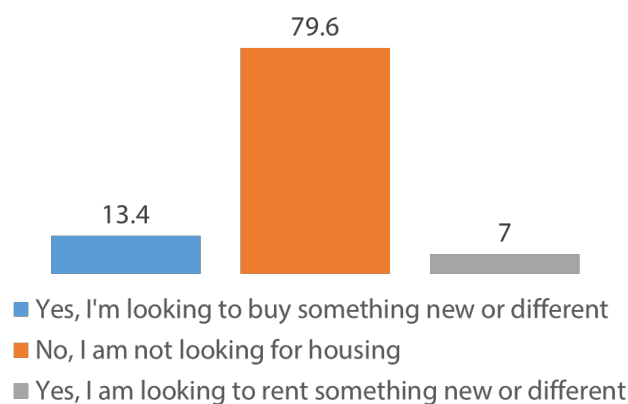
4. Are you any of the following? (Select all that apply)



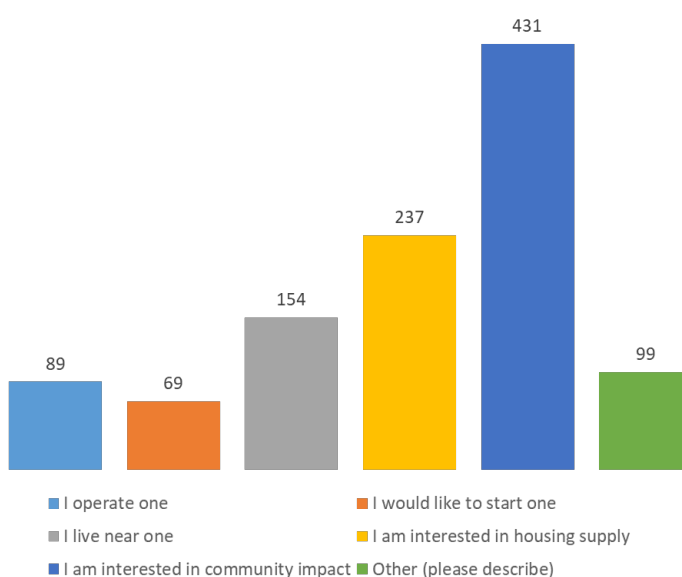
5. Which best describes your housing situation in Pentticon? (%)



6. Are you looking for housing in Pentticon? (%)



7. What is your interest in short-term rentals?



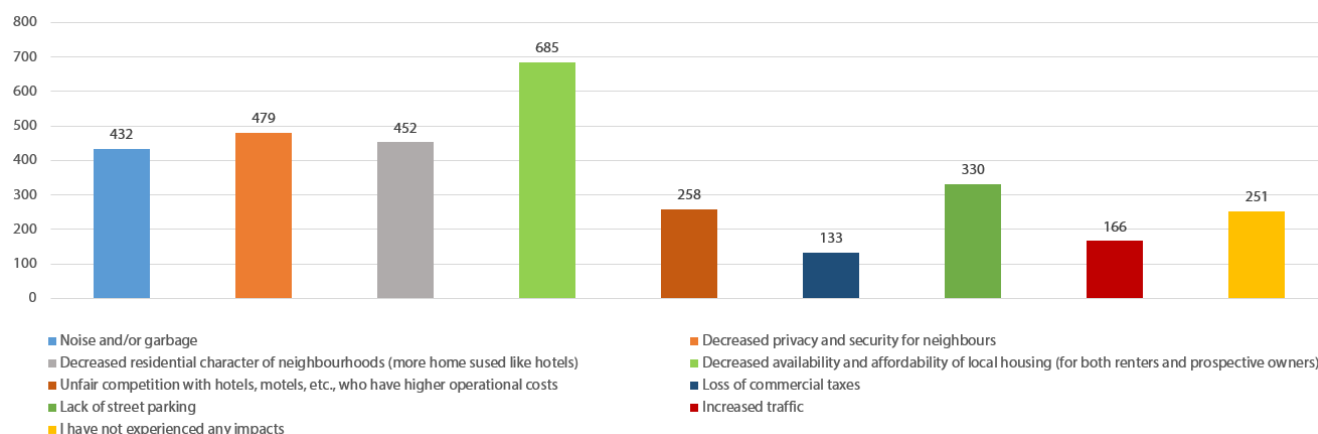
Some 'Other (please describe)' themes are included below. Full details are available at shapeyourcitypenticton.ca

- Previous STR operator
- STR user
- Multiple options are applicable
- Looking to move to/invest in Penticton

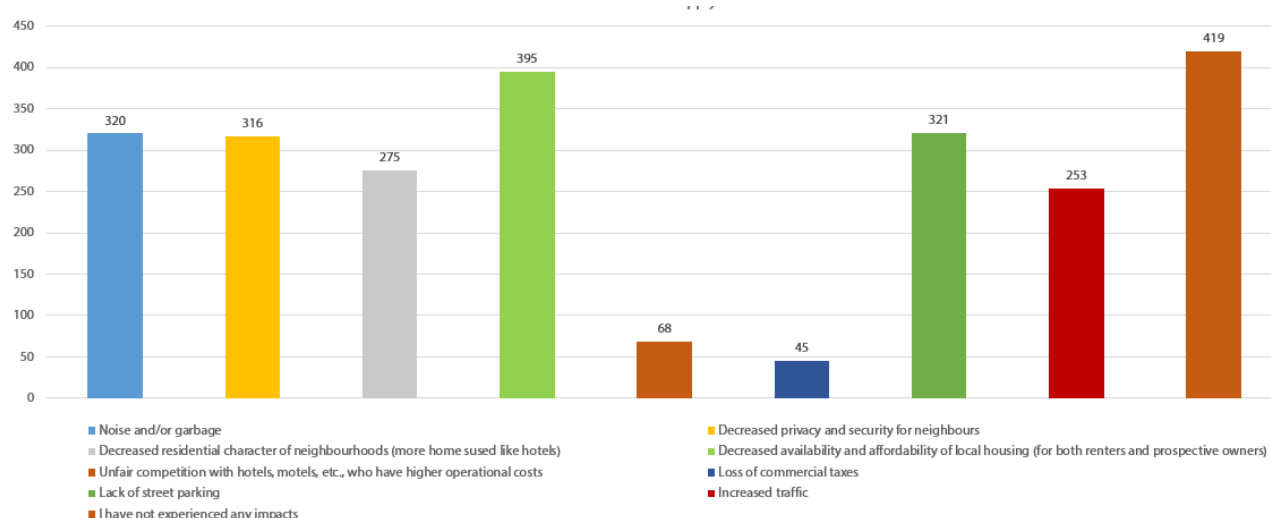
8. Below is a list of commonly reported benefits created by short-term rentals. Which do you think are most important in Penticton? Please rank in order of importance with 1 being most important and 6 being least important.

Options	Average score
More accommodation options for tourists and visitors	2.76
More accommodation options for seasonal workers or students	2.80
Enabling secondary income (i.e.: mortgage helper)	2.85
More flexibility for property owners (compared to only allowing long-term rentals)	3.33
Cultural exchange between residents and visitors	4.42
Increased property values	4.58

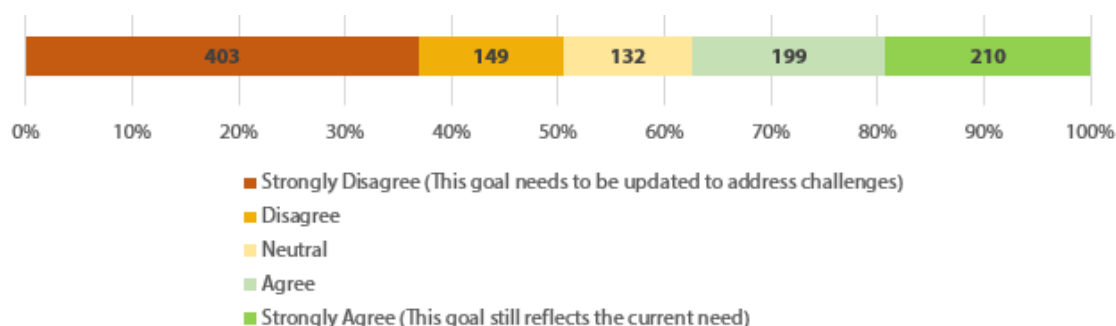
9. Below is a list of commonly reported challenges created by short-term rentals. Which are the greatest concern to Penticton? (Please choose up to four)



10. Have you personally been impacted by any of the following due to short-term rentals? Select all that apply.



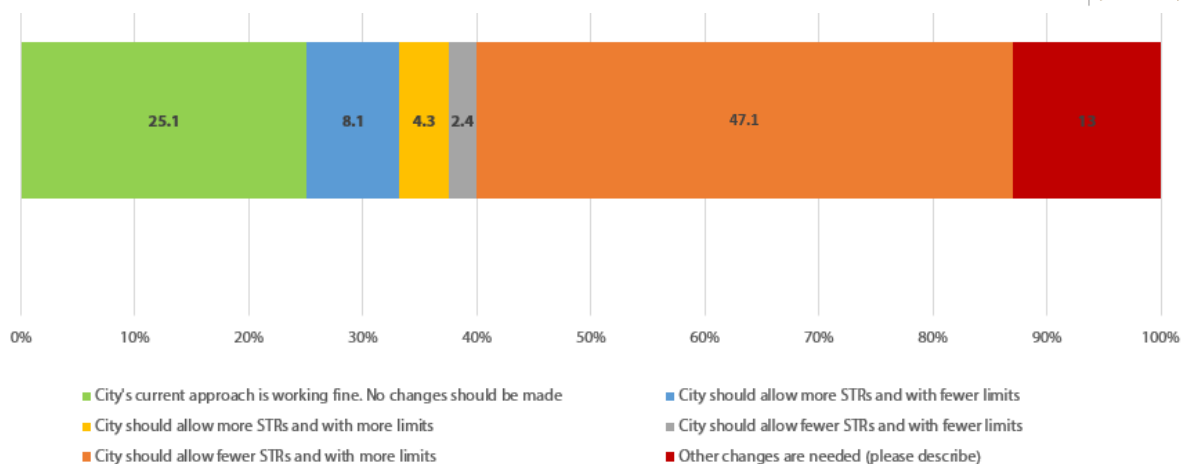
11. The City's approach to managing short-term rentals was developed in 2010. Its goal is to "allow property owners to rent safe and healthy dwellings of the vacationing public while limiting nuisances to the surrounding neighbours." Does this goal reflect the current needs in the community?



12. The City of Penticton currently describes its regulations as "short-term rental property friendly." STRs are allowed in most areas of Penticton, subject to limitations that include:

- STRs must be in legal dwelling units and uphold safety and licensing requirements
- No more than one STR per lot (except for multi-family buildings)
- No more than two guests per bedroom

Should the City do anything different with short-term rental regulations? (%)



Some 'Other (please describe)' themes are included below. Full details are available at shapeyourcitypenticton.ca

- Remove/restrict STRs in apartments
- Operate only in primary residences/owner on site
- Increase fees/taxes
- Operators should provide neighbours with contact info for them or property manager
- More enforcement/penalties

13. Is there anything else you think is important for the City to consider regarding short-term rentals in Penticton?

Themes from the comments received are summarized here. For complete comments please see full report on shapeyourcitypenticton.ca

Parking

- Designated parking should be required and easily identified
- On-property parking should be mandatory
- Off-street parking should be included as part of property plan, homeowners unable to provide should be excluded from City approval

Long-term Rentals in relation to Short-term Rentals

- STRs are safer for landlords to operate than long-term rentals
- Rights of the owner should be considered. Province has made it impossible to remove a problem tenant
- If the unit wasn't rented as an STR, it would still not be offered for long term rentals
- Favouring tenants over landlords hurts the local rental market for front line workers, but this fault is the province's, not the landlord or AirBnB
- Reducing the number of short-term rentals will not guarantee the increase of long-term rentals. The two are not intertwined.
- STRs allow the homeowner to remain in control of the property

Keep the status quo

- Regulations are fine and shouldn't be altered
- The City has a relatively balanced approach to STRs
- Allowing rentals for only a few days a year is very helpful, especially for major events like IRONMAN when hotels and other STRs are full
- There may be a few problem STRs but there are also problem renters and homeowners
- Allowing STRs is valuable for homeowners, tourists, businesses and the city in general. STRs are common in Canada, not having them would negatively impact tourism

Residential neighbours and neighbourhood impacts

- Different neighbourhoods may be impacted differently so a one-size-fits-all approach will not be helpful
- Tourists in STRs with pools are noisier than the homeowners, frustrating when trying to enjoy our own outdoor space as a family
- City should have a tip-line so neighbours can report unlicensed short-term rentals and significantly fine accordingly. City should put a freeze on STR licences
- Need better enforcement of policies
- Noise and security a huge issue in mature neighbourhoods. Dread summer due to inundation of noise, music, alcohol, drugs, cars, RVs and hoards of people

Alternatives to hotels/motels

- STRs are not taking business away from hotels/motels, they provide another option. Traditional accommodations can't accommodate groups greater than 4. With the City's events and family friendly festivals, STRs are often the category for these tourists
- STRs provide an alternative to run down/party motels. They are more clean and family friendly than hotels/motels
- BC Housing continues to buy old hotels in the City and these units are not available for rent by the vacationing public
- BC Housing projects are worse than private STR

Cost of living or travel/mortgage helper

- Mortgage interest rates and property taxes are already high for homeowners, STRs help make their payments. It's a big help to young families that make housing affordable
- Rentals available in new apartments are still more than 50% of income. Focus on getting more units built that are rent controlled by income
- Families struggle to find full time rentals due to owners being allowed to have two rental seasons

- Short-term rentals are an important economic driver for the city. Many families are looking for accommodations with cooking facilities, hotels can't meet this demand

No rentals for workers

- Families struggle to find full time rentals due to owners being allowed to have two rental seasons
- Numerous suitable job applicants unable to accept open positions due to no available rentals
- Penticton is not a rent-friendly place, too much is money driven
- Struggle to attract workers because there are no long term rentals available, as well as limited buying options
- STRs need to consider the housing impact and either be a STR year-round or a secondary unit (for rent); not both
- A differentiation should be made between tourist STRs and student/seasonal worker STRs

Licencing

- STRs should be taxed accordingly
- Consider a cap to the number of STR in an area or per street
- Enforce all STR to be licensed and registered with the city for more reliable data and potential impacts (neighbourhoods, housing supply, etc.)
- Current rules need to be better monitored and checked on regularly
- Consider health and safety inspections every 6 months (including electrical and fire)
- Limit the number of STRs someone has
- Fees should depend on whether it is a whole house, suite, and whether the homeowner is on site or absentee

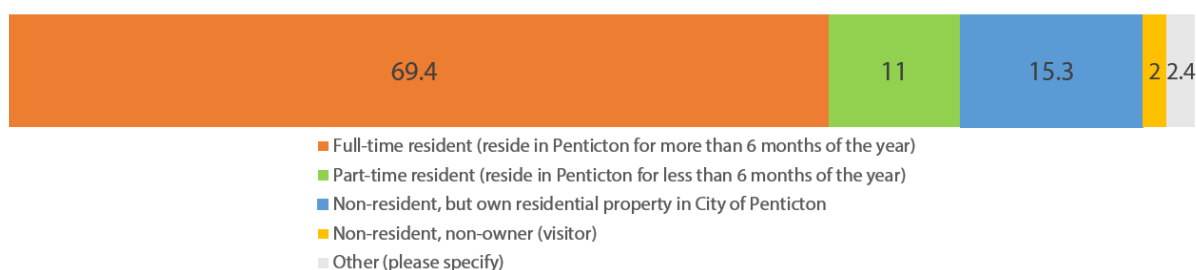
Operators on site

- Homeowner/operator must be on site to properly supervise
- Allow homeowners living on site to have STRs but restrict non-residents buying apartments
- Owner should live on site for at least a portion of the year to prevent seasonal evictions
- Have an onsite operator to make sure bylaws are followed and good neighbour policies are followed

3.2 Operators Response

The following is a summary of the findings of the feedback form provided to Operators. The City received 247 completed surveys from short-term rental operators.

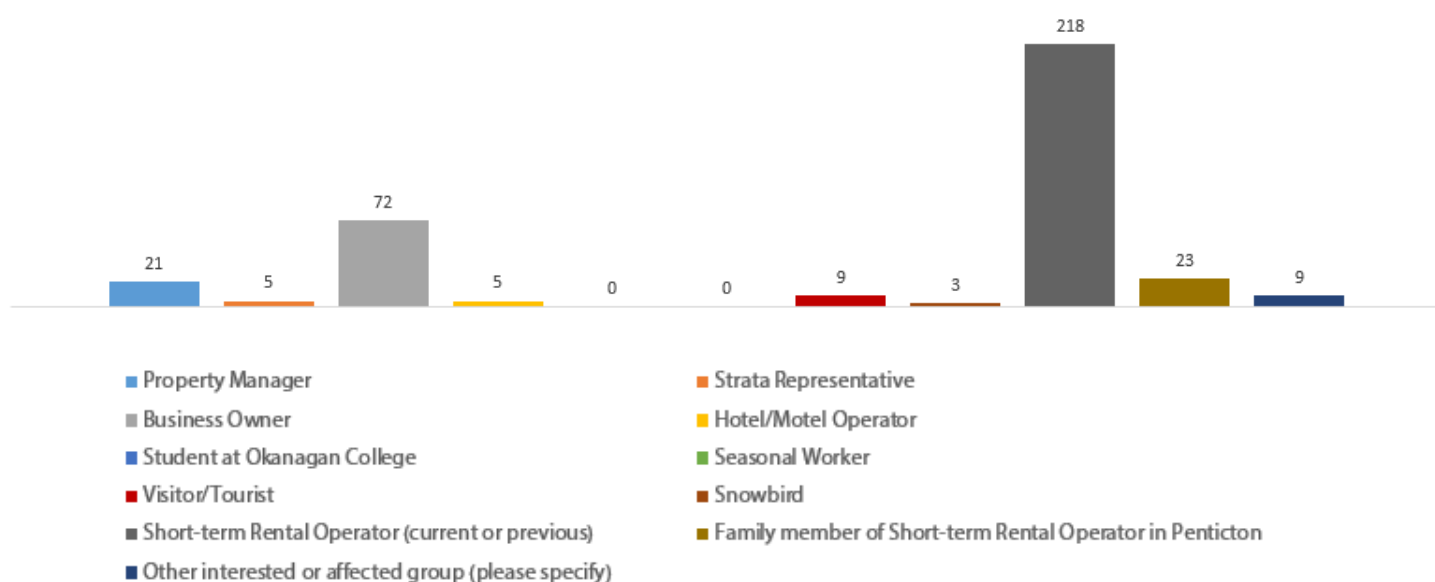
1. Which best describes your residency in the City of Penticton? (%)



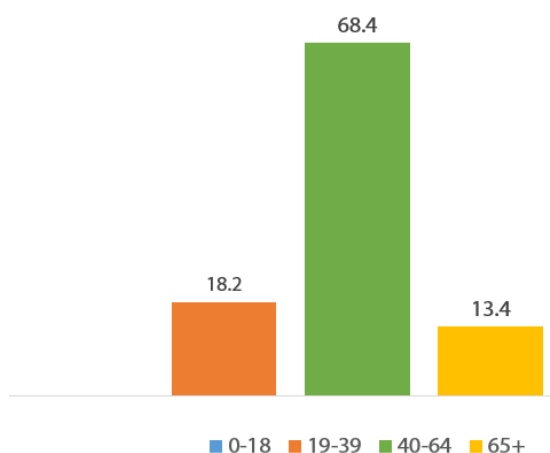
2. What is the postal code of your principal residence?

(Various responses)

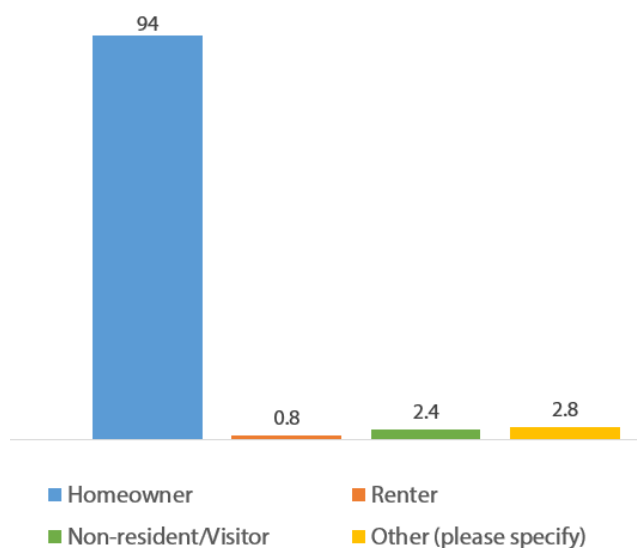
3. Are you any of the following? Select all that apply.



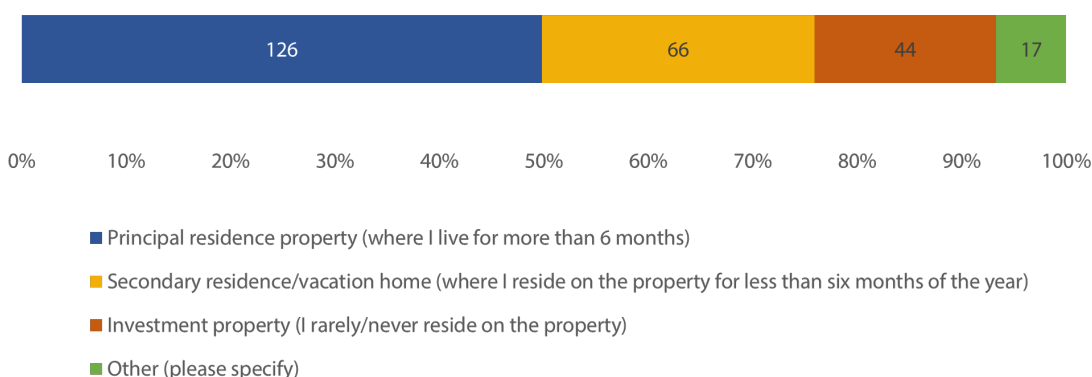
4. What is your age range?



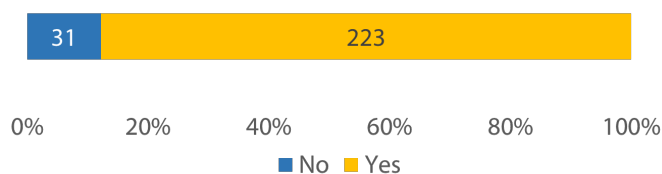
5. Which best describes your housing situation in Penticton? (%)



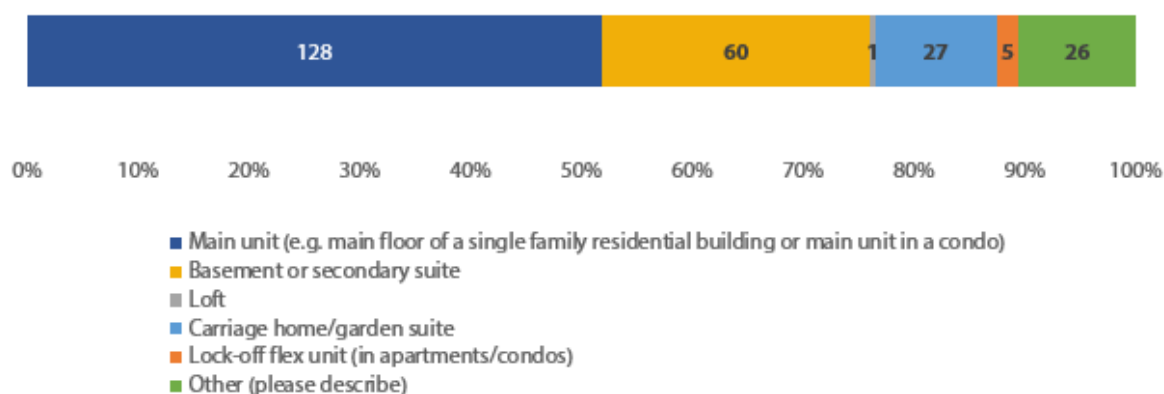
6. Which best describes your residency with the short-term rental property?



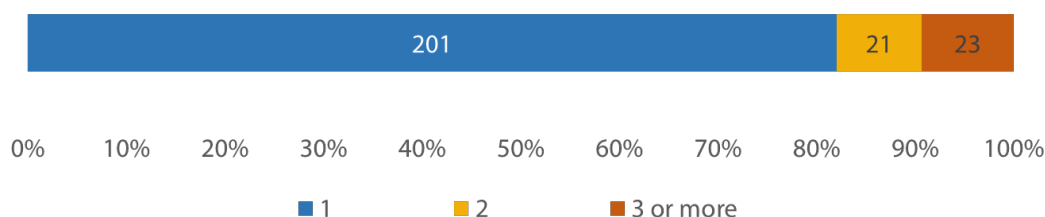
7. Have you listed a vacation rental/short-term rental unit (e.g. house, suite, apartment, room or other accommodation) in the last 12-months? (Note: short-term rental is defined as being a rental period for less than 30 days of the same booking party).



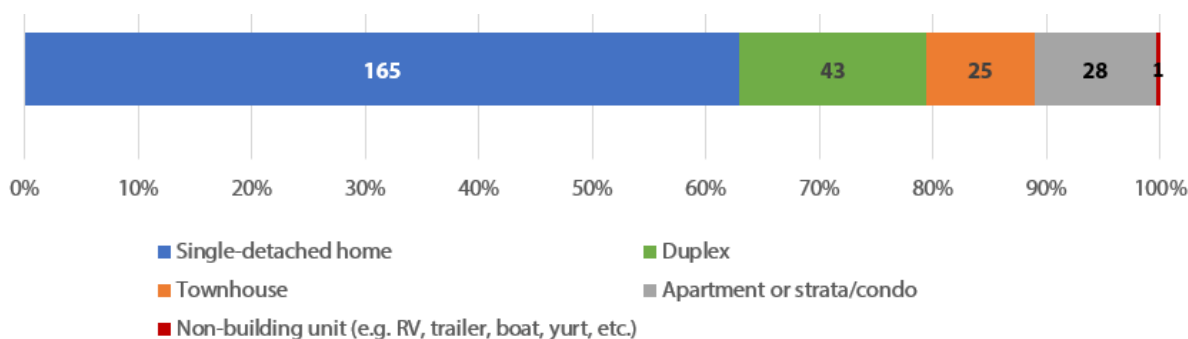
8. In what kind of unit(s) do you operate a short-term rental? (Select all that apply)



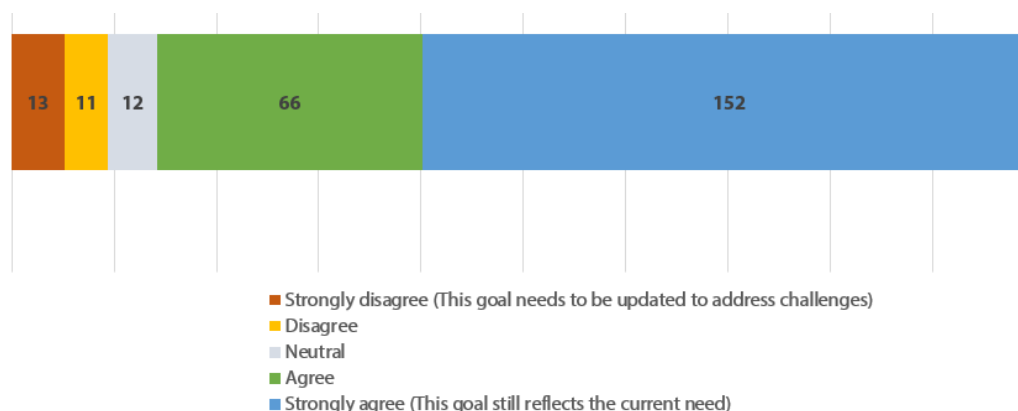
9. How many active short-term rental units do you operate?



10. In what kind(s) of building do you operate a short-term rental? (Select all that apply)



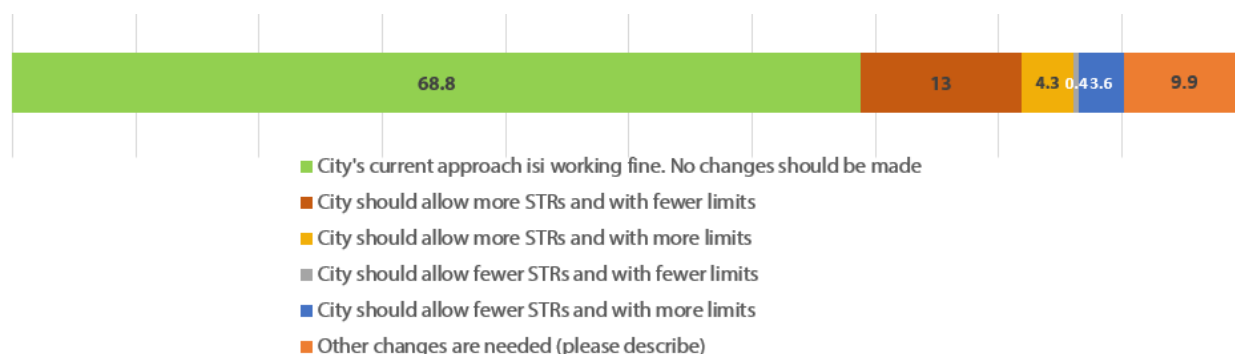
11. The City's approach to managing short-term rentals was developed in 2010. Its goal is to "allow property owners to rent safe and healthy dwellings to the vacationing public while limiting nuisances to the surrounding neighbours." Does this goal reflect the current needs in the community?



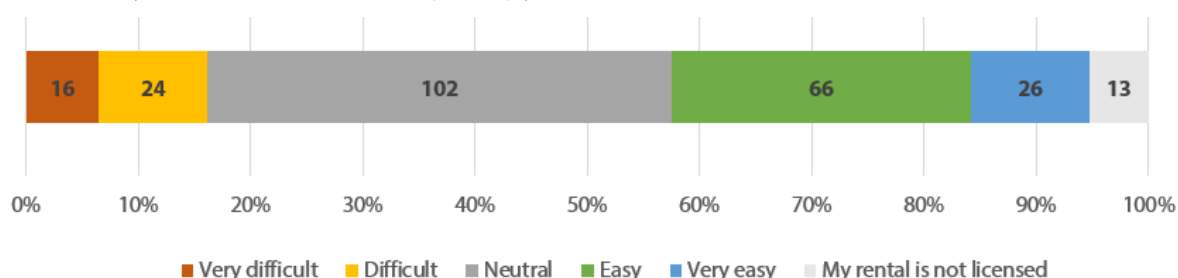
12. The City of Penticton currently describes its regulations as “short-term rental property friendly.” STRs are allowed in most areas of Penticton, subject to limitations that include:

- STRs must be in legal dwelling units and uphold safety and licensing requirements
- No more than one STR per lot (except for multi-family buildings)
- No more than two guests per bedroom

Should the City do anything different with short-term rental regulations? (%)



13. How would you rate the process for getting your short-term rental licensed?



14. What about the process made it very difficult?

Summarized comments are provided here. For complete comments please see full report on shapeyourcitypentiction.ca

- Inconsistent information from inspectors

- Cost of upgrades for old homes that don't meet current building codes, cost of upgrades required for new homes built to code
- Discrepancies between what City requires and what insurance companies require
- Time for permit processing

15. What about the process made it difficult?

Summarized comments are provided here. For complete comments please see full report on shapeyourcitypenticton.ca

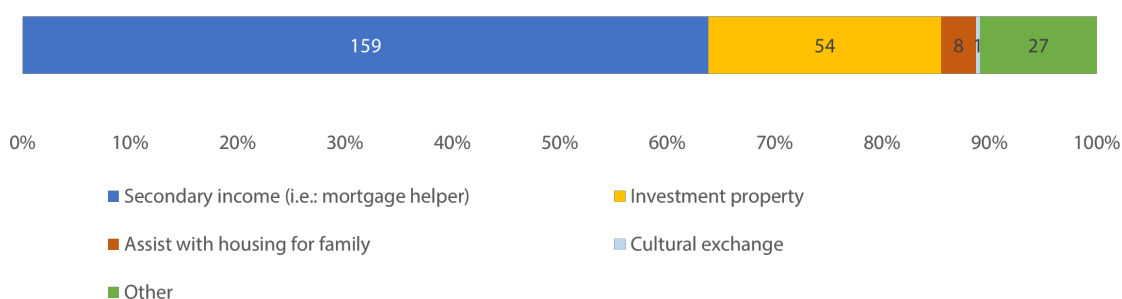
- Length of time to process applications, lack of communication in between
- Bylaws are difficult to understand
- Requirements are unclear, inconsistent information from inspectors
- Had to upgrade windows to meet inspection requirements
- Process took a long time
- Need an easy checklist to determine if you qualify for licencing

16. If you said your rental is not licensed, why or why not?

Summarized comments are provided here. For complete comments please see full report on shapeyourcitypenticton.ca

- Under the 14-day rental limit, technically not a short-term rental
- I only do rentals of 3-6 month periods, so does not fall within parameters needed for licencing
- I am in the home and keep noise down. I don't think vacation rentals should be treated any differently than people having lots of family visiting
- Insufficient security provided by third-party apps (i.e.: AirBnB) so do not offer my room for less than 30 days
- Only renting for 25-30 days a year to supplement my income

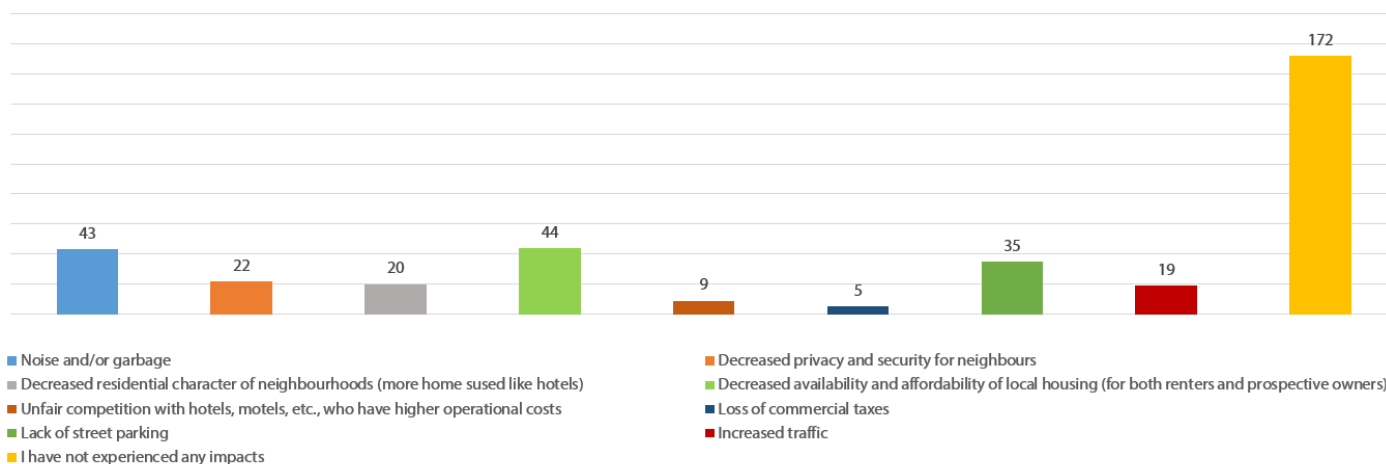
17. What is your main reason for providing a short-term rental?



18. Below is a list of commonly reported benefits created by short-term rentals. Which do you think are most important in Penticton? Please rank in order of importance with 1 being most important and 6 being least important.

Options	Average rank
More accommodation options for tourists and visitors	2.30
Enabling secondary income (i.e.: mortgage helper)	2.48
More flexibility for property owners (compared to only allowing long-term rentals)	2.72
More accommodation options for seasonal workers or students	3.71
Increased property values	4.85
Cultural exchange between residents and visitors	4.88

19. Below is a list of commonly reported challenges created by short-term rentals. Which are of greatest concern to Penticton? (Please choose up to 4)



20. Is there anything else you think is important for the City to consider regarding short-term rentals in Penticton?

Themes from the comments received are summarized here For complete comments please see full report on shapeyourcitypenticton.ca

Lack of protection for Landlords

- If landlords had more rights to protect them from bad tenants, maybe more would consider doing long term rentals.

- Reduction of short term rentals doesn't always lead to an increase in availability for (long term) rentals. The Residential Tenancy Branch has taken away all of a landlords property rights; it is a significant factor in the lack of available long-term rentals
- If we weren't allowed to operate as an STR we simply would not offer the space
- I will never rent long term again ever again due to residential tenancy board rules
- Many people do not want to do long-term rentals because of bad experiences and/or bad tenants. STR guests are more respectful than long term renters. Long term renters can cause significant damage and get away with unpaid rent. There's no protection for landlords anymore. STR sites also let you decline negatively reviewed guests, which can protect communities from bad experiences
- Do not make the mistake of lumping all STR into one basket. Renting a room in your home is different than a contained suite. Same for RV in the driveway etc. If you disallow renting a bedroom out on weekends, this will not create a permanent living space for someone else
- Studies show that STRs do not affect long term rental supply, many operators would not offer their STR as an LTR. Housing affordability is a provincial issue, not the fault of STR operators

Differing service from hotels/motels

- Big families can't be accommodated through regular hotel options. Traveling with kids is easier in STR (control noise around nap times, early bed times etc). Pets are also more easily accommodated. Also provides opportunities for guests to bring and store other items like boats, all of which can't be done through hotels or motels
- Survey does not discuss that Penticton has a low hotel inventory. Most of what is there is old or of lower quality. Penticton does not have enough accommodation in hotels, motels in peak months charging \$400/night for a 2-star hotel. STRs add much needed tourist accommodation to our city and helps drive economic impact
- Many of our guests have told us if it weren't for STR they would not have stayed in our City. Visitors who use STR are exclusive from visitors who use hotels. They want access to cooking facilities, private outdoor areas and more room.
- Hockey families need a furnished house to rent for 6-9 months, they can't live in a hotel room

Licensing

- Owner on-site STRs shouldn't be penalized as they provide oversight and can make sure guests stay respectful and can follow good neighbour policy. Govern the amount of rentals per neighbourhood. Penalize bad operators
- Enforcement of unlicensed units is needed. Operators do a lot to ensure the safety and compliance of their units and unsafe or unmonitored STRs are the issue
- Keep costs fair. Work with operators and don't punish the ones playing by the rules with more fees and taxes
- The guidelines for being certified as a legal rental could improve

- The core issue to quality STR options in Penticton is centred around ensuring the individuals who participate are licenced. Unregistered STRS contribute more to issues than legal ones following the rules. Increase penalties for non-registered STRs and make it fair to everyone participating
- The current structure with licensing requirements is great to make sure owners know the restrictions and can keep their guests following the city's guidelines

Housing affordability

- Operating STR helps make ends meet for young people starting out and families trying to pay mortgages. The ability to operate as a STR allows me to afford to live here
- Many STRs are also offered to students, travelling nurses and hockey families that otherwise wouldn't find suitable housing
- A much larger issue is housing supply. The City continues denying new subdivisions or large multi-family applications, making the housing shortage worse
- Many hotels have been purchased to be converted into social housing making them unavailable to tourists for their accommodation
- As a property owner that has followed the rules and is licenced, I expect the City will, in turn, respect my need for a mortgage helper... the affordability of this community continues to be a challenge and this opportunity allows for middle income families (the largest base of tax payers, yet hardest hit financially) to continue to enjoy living here

Economic contributions

- We use local businesses to support our business (cleaning service, laundry service)
- STRs create jobs. We hire 5 different local companies who have multiple staff (pool, pest, cleaners, gardeners, lawn cutting) to help maintain the property to a guest standard
- I recommend all the local amenities, restaurants, wineries, breweries etc and my guests really appreciate these personal recommendations
- One of the two companies we hire to help maintain our STR employs 15 people and they only serve STRs. We always recommend local shops, restaurants and activities

21. EXTRA! Contamination of the City's recyclables tends to 'skyrocket' in the summer with the increase in visitors. The City is looking at ways to improve recycling in the summer and would like your thoughts on how to improve recycling at short-term rentals.

Summarized comments are provided here. For complete comments please see full report on shapeyourcitypenticton.ca

- Clear handouts for STR for recycling expectations in Penticton. We get asked often about our recycling programs from guests
- Better communication as to what is/isn't permitted

- Fines
- Weatherproof sticker right on the recycle bin with the most common allowed and disallowed items. Free posters that can be pinned up in units
- Allowing more and different types of recyclables, including returnable bottles and cans, to be placed in recycle bins
- Green bins for food waste is a must
- Simplify options: one bin for paper/cardboard only. One for plastics/mixed. Make available drop off locations other than the landfill for glass and other items. Update the bottle and recycling depot which is years behind other jurisdictions
- I have little knowledge about recycling contamination. Information on what it is and its impact would be a good start. Printed materials are less effective than other types of campaigns
- Include a recycling information card when STRs renew their licences. Make it a fridge magnet.
- Recycling processes are different everywhere you go, Penticton needs to improve/modernize its program and include compost options. Tourists expect to be able to recycle glass
- Increase recycling pick up to every week
- Operators should clearly outline in their welcome package/book what is recycled and what is not accepted
- Make more public bins available
- Penticton's recycling system is confusing even for residents

4.0 Short-term Operator Focus Group

The City hosted an online focus group meeting with short-term rental operators to gain their insights and perspectives. The meeting was held on Jan. 26, 2023 between 6:30 pm and 8 pm and was attended by 67 people. The following is a summary of the themes and comments heard from the discussion and mentimeter online polling results. A summarized question and answer from the discussion is also included below. The full transcript is available at shapeyourcitypenticton.ca

City's current approach

- The Penticton licence program has been the most well-received and balanced in the Okanagan. The City staff are excellent and very helpful
- The City is doing an excellent balanced approach to STLs
- The Penticton is well run and works well
- Other communities look to Penticton for best practices
- The process is lengthy and thorough – also vigorous, requires inspections, has to meet code requirements, etc. In some instances licenced STRs are operating better accommodations than hotels in the area

Impact on housing supply

- Regarding housing affordability, the 2017 housing study states that the impact on housing is minimal, less than 4%. STR rentals contribute to housing attainability in unaffordable markets
- The rise in interest rates will naturally cool off the housing market and over regulation of STLs may backfire
- The recession is expected to be deep and as long as 2 years, it will affect discretionary travel spending – it may not be the right time to make changes that could negatively affect the tourism economy by reducing available accommodations in Penticton
- More data is needed regarding the potential impact of STRs to long term rental availability. It is a common assumption that it has a negative impact, but in many cases a STR owner would not want to consider a long term tenant and would not offer rental.

Short-term rentals vs. Long term rentals and hotels

- Expected to see a question of how many owners would entertain the idea of long term rental if STR is restricted, reduced or capped
- STRs are cleaned and the sites are visited regularly to keep tabs on the condition. A long term rental may only have the owner on site 1 or 2 times per year
- The program is designed to bring accommodations up to code, including safety and fire inspections. Long term operators aren't required to provide this same level of safety
- Hotels/motels do not offer what many of our tourists/hockey school families/university students need. Comparing STRs to hotels is moot. We are providing a different product
- Something an STR can offer that a hotel cannot is allowing a different clientele. A family of 6 can stay together – so this could be the type of guests that may not be able to afford to stay at a hotel, or would not normally travel together if staying at a hotel

Landlord rights

- I would not enter into a long term rental agreement as a landlord, I have very little control over my LTR. If as an owner I had more rights, I might consider taking on a LTR but definitely not the way it currently is
- The provincial government has made it impossible to remove a bad tenant and the tenant knows the deal and has worked the system before and has free accommodation for months
- Long term renters did not pay rent, damaged house and surrounding property, caused major disruptions and required multiple police calls. Never had an issue with STR
- Inability to raise the rent less than 2% a year really hurts our ability to sustain a long-term rental
- Absolutely would not consider LTR – I've had some nightmare tenants before. I felt like I had no rights to get them out of my property. I lost money in rent (as they did not pay) and had to pay for the damages

Other housing options

- STR provides housing for university students September to April/May and STR for the summer. If restrictions change for the worse... owners may choose to rent long-term – thereby removing much needed student housing
- Previously operated STR and provided off-season student housing in Kelowna until restrictions came in. Now have to offer it only as long term. Want to use same prior strategy in Penticton – offering student housing and STR in summer.

- Our unit is never empty. OHA families and college students occupy it in the off-season and booked full in the summer. We never have had a vacant off-season
- Off-season licensed units help travel nurses and people relocating to Penticton. By having a great licensing program it allows us to be involved in solving these housing needs

Licensing/Bylaw complaints and enforcement

- It is important to have owners or managers within a certain response time to provide first-line enforcement
- The comment from the public to have someone live on the property would eliminate those of us who couldn't afford a house with a carriage house or suite. This would likely push people to do unlicensed STRs
- Too much emphasis on property owner living on site. It is a business, with risk and accountability. Any prudent operator would be cognisant of any public or neighbour concerns
- We welcome more rigorous enforcement of bylaws pertaining to STRs, however many of the neighbouring residents that are doing the complaining seem to be creating much of the noise themselves
- STRs offering over 6 people limit need to be monitored
- It seems STRs are getting a bad reputation in the community, however there doesn't seem to be the data or complaint data to substantiate it
- Enforcement on unauthorized STRs is too lenient and should be more aggressive to bring on board or issue fines

5.0 Conclusions

The purpose of this project is to review the benefits and impacts of the short-term rental program to determine if any changes are required. The scope of the engagement is intended to capture the impacts and benefits for the operators and the community recognizing the importance of local knowledge and lived experience in the city. The focus of the report is on the results of two separate feedback forms.

Operators

- The City received a very good response from operators with 247 feedback forms submitted. Seven out of 10 of these operators are full-time residents of our community and 50% live on the property where they have the rental and another 26% live there part time or less than 6 months of the year.
- For 64% of the participants, having a short-term rental provides a secondary income or mortgage helper and for 22% or 1 in 5, it provides additional investment income.
- The operators for the most part are very pleased with the program as it stands. 86% agree that the goal to allow property owners to rent safe and healthy dwellings to vacationers while limiting the nuisances to surrounding neighbours is still appropriate and 69% don't believe any changes are needed to how we regulate them. They also do not believe the neighbour or nuisance impacts for the community are a significant concern.
- They believe that the most important benefit of the program to Penticton is providing more options for tourists followed by enabling a secondary income for property owners. They also think it is important to provide flexibility for operators who are not interested in providing long-term rentals.

- In their comments, they are frustrated by the lack of protection for landlords who offer long-term rentals, they believe we need to recognize that short-term rentals are a different service offering than hotels and if there are to be changes made, they would like to see more enforcement of the rentals that are unlicensed or ensuring renters are respectful of the neighbours.

Community

- The City received a very good response from residents as well with 1,102 feedback forms submitted. Of the responses, 78% are homeowners and 16% are renters. Only 13% are seeking to change their housing situation and most completed the form out of concern for the community impacts.
- For community members, their top concerns about rentals are its impacts on housing affordability, privacy for the neighbours and the decreased character of the neighbourhood. Despite their concerns, 419 of the participants had not experienced the impacts personally and the remainder identified experiencing being impacted by housing affordability and availability followed by parking.
- Not surprisingly, there is less support for the City's current approach to managing the rental program with 51% wanting to see changes to the 24% of operators who want change. When it comes to change, 48% of this group want to see fewer short-term rentals with more limits compared to 33% who think it is fine or should be expanded.
- When it comes to the benefits of the program to Penticton, you may be surprised to see that the general community agreed with operators that the number one benefit of the program is providing more options for tourists. This group also liked the idea that short-term rentals can house students or seasonal workers and enables a secondary income.
- In the comments section, residents expressed many similar comments to the operators including the issues with providing long-term rentals, the need for enforcement, the fact that it is a different service offering than hotels and that for some, it contributes to affordability.

The complete results of the engagement program are available for review at shapeyourcitypenticton.ca.

Appendix A - Engagement Timeline

In accordance with the *Community Engagement Policy and Framework* the following list summarizes the main methods that were used to raise awareness about the project and the opportunities for residents to provide feedback through the community engagement period that took place between January 9 to 27, 2023:

Date	Activity
Jan. 9	Press Release announcing engagement
Jan. 9 - 27	Project information and online survey form on www.shapeyourcitypenticton.ca
Jan. 9 – 27	Kiosk displays located in City Hall, Penticton Public Library and Community Centre
Jan. 9, 19	Eblast through www.shapeyourcitypenticton.ca
Jan. 11, 18, 25	Print advertisement in Penticton Western News
Jan. 13, 19, 25	Print advertisement in Penticton Herald
Jan. 10, 26	Posted to Stories on Facebook and Instagram
Jan. 12, 18, 23, 26	Posted to Newsfeed on Facebook and Instagram
Jan. 26	Short-Term Rental Operators meeting
Jan. 27	Deadline for online survey forms

CITY OF PENTICTON

Short-Term Rental Benefits & Impacts Study



April 2023

Prepared by Third Space Planning and
EcoPlan International





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Introduction

The City of Penticton hired the consultant team to support a broad review of the current impacts of short-term rentals (“STRs”)¹ in the community, in the form of a “STR Benefits and Impacts Study.” The purpose of the study is to provide a greater depth of understanding of current benefits and harms from STRs – and associated trade-offs – and to inform discussions about potential changes to the City’s STR regulatory program going forward.

The study includes findings from:

- **A Data Analysis** – including data provided by the City and a range of external sources pertaining to Penticton’s short-term rental, “traditional accommodation,”² and housing markets.
- **Community Consultation** – including stakeholder interviews, an STR operator focus group, and an STR operator and community survey.

These findings – and our interpretation of them – are summarized in a “Summary of Impacts” section, with all of the detailed individual findings and interpretive discussion – including about the related trade-offs – provided thereafter.

The study concludes with a section outlining a range of regulatory options Council could consider to address the impacts identified in this study, understanding that Council would first need to confirm and clarify its goals for the City’s STR program going forward.

Additional context is provided in an Appendix that seeks to respond to questions raised by both staff and Council throughout the project period. A complementary “Enforcement Audit” is being conducted and will provide recommendations to streamline and increase compliance with the City’s STR program and processes.

1 The City of Penticton refers to vacation rentals and short-term rentals interchangeably. In this report short-term rental is typically used, instead of vacation rentals. Short-term rentals are guest accommodations operating in residential neighbourhoods (not hotels, motels, resorts).
2 This term is used throughout to refer to Hotels, Motels, Resorts, Inns and traditional B&Bs.

Policy Context

The City's STR regulatory framework was developed in 2010 with the program goal to "allow property owners to rent safe and healthy dwellings to the vacationing public while limiting nuisances to the surrounding neighbours."³ The current framework is described by the City as "STR friendly" and can be considered strongly permissive.

In recent years, questions have been raised about whether and to what extent STRs are harming housing availability and affordability, and other accommodation providers, and how these and other concerns should be weighed alongside the benefits that STRs can bring, for example their ability to add a greater number and more diversity of accommodation options.

Overarching policy context

Penticton's Official Community Plan (OCP), 2019 recognizes that tourism and events are a significant contributor to the City's economic wellbeing. Penticton is a tourist destination with related tourist commercial services concentrated in the downtown (Main and Front Streets), waterfront and high-amenity areas such as the Northern Gateway and Skaha Lake Road.

The OCP expresses a goal to 'increase the availability of housing across the housing spectrum' (4.12) and recognizes that tourist accommodations in residential neighbourhoods should be monitored. Section 4.1.2.10 of the OCP states that City will 'monitor vacation rentals to ensure they do not have a negative impact on the long-term rental stock or negative social impacts on existing neighbours and/or neighbourhoods. Refine vacation rental policy and regulations if necessary'.

The City's vacation rental regulations and management program consists of several related bylaws including: Zoning Bylaw, Business Licence Bylaw, Fees and Charges Bylaw, Municipal Ticket Information and Bylaw Notice Enforcement.

Current regulatory program

The City of Penticton refers to vacation rentals and short-term rentals interchangeably. The City defines vacation rental in the Zoning Bylaw as 'the rental of a dwelling unit to the vacationing public for a period of one (1) month or less. Rentals of a dwelling unit for less than 14 days in a calendar year are not considered vacation rentals'.

In the Zoning Bylaw, 2021-01, vacation rentals are permitted in all residential, agricultural zones and all commercial zones that permit dwelling units.

There is a limit of one STR per property (except in the case of multi-family properties), and a limit of no more than 2 guests per bedroom.

Otherwise, there is no limit on the number of STRs in the community. Any homeowner or resident who wishes to operate an STR can do so, so long as it is in a legal dwelling and meets basic health and safety conditions.

STRs are categorized according to their intensity of use (including number of nights per year and number of guests), with business licence fees increasing with the intensity of use.

3 City of Penticton, Vacation Rentals Business Licencing Information Handout, 2022

Summary of Impacts

This report contains a detailed accounting of the current scale of STR activity in Penticton and its assessed impacts on Penticton's accommodation, tourism and housing markets. Through it all, a summary picture emerges that is consistent with the documented experience of many communities across North America.

In short, the impacts of STRs in Penticton are driven by units where no one lives (a.k.a. non-principal residence units), and are unevenly distributed, with some local residents benefiting (including STR operators and guests), and others harmed (including local renters and first time home buyers).

The benefits of STRs include clear and positive contributions to Penticton's current stock of accommodation (especially larger, amenity-rich units and during peak season), with STR guests generating a historical average of \$7.4 million in annual revenue for operators and driving an estimated 25% of annual tourist spending in 2022, with an estimated 250 local operators currently using STR units as "mortgage helpers."

The harms of STRs include marketwide decreases in housing availability and affordability for both renters and homebuyers, with Penticton's thousands of tenant households estimated to have paid a historical average of ~\$8 million in total annual additional rent as a direct result of non-principal residence STRs (estimated at ~200 units/lost potential homes in 2022). Though not quantified in this study, costs to buy a home will also have increased as a result. These negative impacts are catalyzed by the City's extremely tight housing market, which is characterized by an ~8% current shortfall in the housing stock and an ultra-low vacancy rate of 0.8%. In a hypothetical reality where there was an abundance of local housing, available studies suggest the negative impacts of STRs on housing affordability would be dramatically reduced (if not entirely eliminated).

BENEFITS

Between 2019 and 2022, total annual STR market revenue increased from \$6.3 million to \$14.3 million, with a 52% increase from 2021 to 2022.



HARMS

Penticton has a 0.8% rental vacancy rate. A vacancy rate of 3-5% is considered an ideal target by CMHC. To go from a 0.8% to 3% the City would first need to clear the backlog (~1,400 new homes), keep up with growing demand while those are built, and then add a bare minimum of 150-200 new rental units on top of that.



STRs were also identified as negatively impacting traditional accommodation providers: both through direct competition – particularly in the shoulder and low seasons – and by making it more difficult for staff to find affordable housing.

The above combination of benefits and harms makes it difficult to draw conclusions about the net impact of STR activity on Penticton's economy. For example: STR-related revenue earned by local operators and local spending by STR guests will be counteracted by (a) decreased local discretionary spending by Penticton tenants and home buyers as a result of STR-induced rent and home price increases, and (b) foregone local spending by year-round residents that may have otherwise occupied some of the STR units (economic contributions from full-time residents will often exceed contributions made by guests for any given unit). It is also difficult to assess counterfactual scenarios where e.g. traditional accommodation providers were allowed to/ systematically incentivized to, upgrade and expand to accommodate demand in the absence

of STR competition (in terms of both number of units and their diversity/amenities). Given the above, we cannot say with confidence whether STRs are a net benefit or harm to Penticton's overall economy.

The way forward – whether maintaining the regulatory status quo or making adjustments – involves making trade-offs and prioritizing between the interests and needs of different groups of people. In making these trade-offs it will be important to confirm Council's prioritized goal(s) for local STR regulations.

TRADE-OFFS

A few hundred STR operators have earned a historical average of \$7.4 million in total annual revenue/income. Meanwhile, Penticton's thousands of tenant households are estimated to have had to pay a historical average of ~\$8 million in total annual additional rent, as a direct result of the commercial/Frequently Rented Entire Homes component of this STR activity.



Data Analysis

This section of the study includes key findings from an analysis of data provided by the City and a range of external sources pertaining to Penticton's short-term rental, traditional accommodation, and housing markets.

SHORT-TERM RENTAL MARKET

Number of units

There are two big complications when determining the number of STR units in any given community: (1) The first is that STR units are constantly "switching off and on" based on the season or in response to various circumstances of the owners. By comparison, rooms in so-called "traditional accommodation" (hotel, motel, resort, inns, B&Bs) are easier to count because operators generally keep them on/listed year-round; (2) the second complication is that we currently rely on third party data providers to scrape STR information from the various online platforms. Each data provider uses their own methods and their own definitions of what constitutes an "active" STR unit, and availability of data for different years also varies.

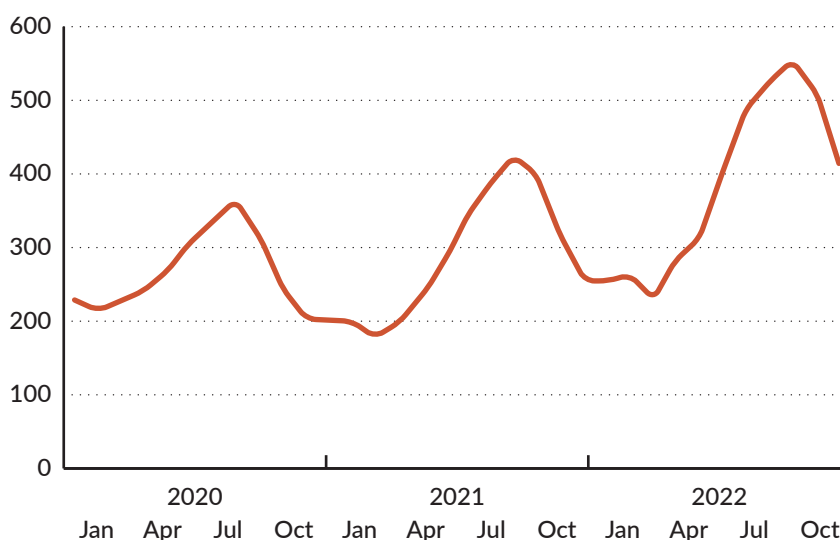
Because of these complications, there's no single answer to the question of "how many STRs are in Penticton?" Instead, we can provide *six different answers* that – together – speak to the size of Penticton's STR market:

- **It's seasonal:** As shown in the chart, Penticton's STR market is highly seasonal, with the number of active listings roughly doubling during the peak summer season (more than doubling in 2022), and then dropping back down for the rest of the year.⁴

Understanding that STR activity is seasonal, we can now turn to annual figures to get a better sense of overall activity and long-term trends.

- **At minimum:** At bare minimum, we know that the City of Penticton had at least 322 STRs in 2022 because that is the number of business licenses issued.⁵
- **At maximum:** Because not all operators are licenced, we must rely on third party data providers to obtain estimates of the *actual* number of STRs in Penticton. These estimates range from a rough maximum of 503 active listings⁶ to 566 active listings⁷ in 2022.⁸

Number of STR Listings (monthly, AirDNA)



4 Source: AirDNA, accessed Nov 2022. "Active listings" here, means the number of STR units listed on AirBnb and VRBO (including HomeAway) that were available or booked for at least one day in the associated month.

5 Source: City of Penticton business licensing data.

6 Source: Granicus/Host Compliance. This figure represents Granicus' "active listings" metric, which counts all listings available (not necessarily booked) for at least one day in 2022.

7 Source: AirDNA figure for Q3 (peak season) of 2022 (accessed Jan 26, 2023). This figure only captures listings on AirBnb and VRBO, will not include listings that were only active in Q1, Q2 or Q4, and it is not totally clear to what extent this figure includes duplicate listings.

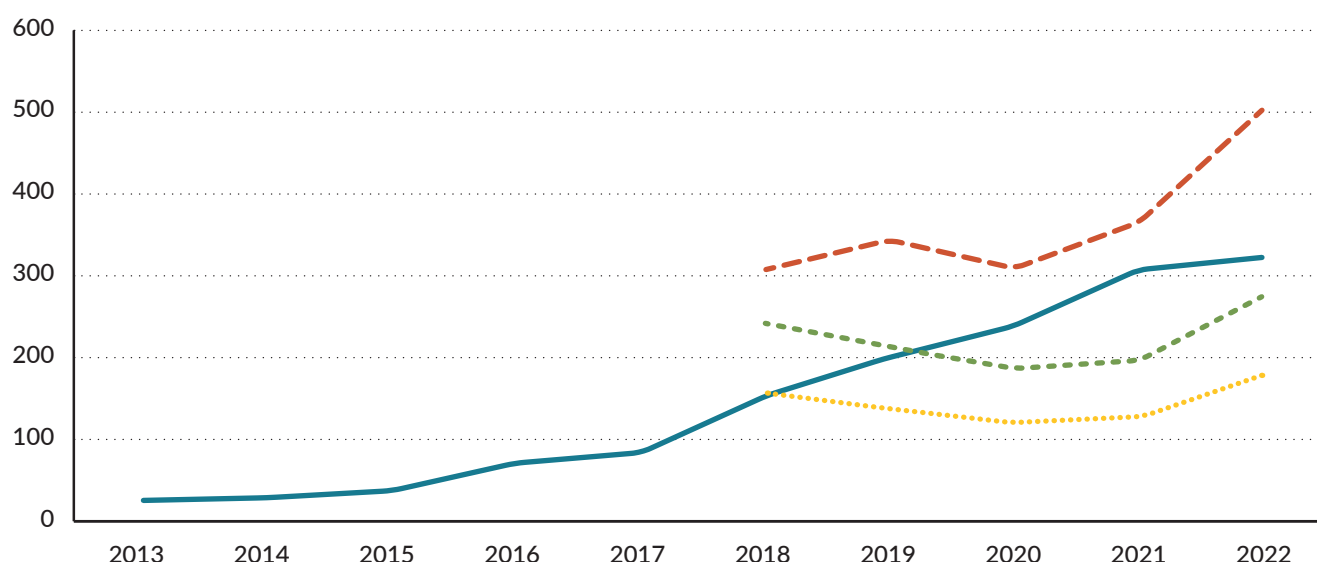
8 We treat these as "rough" estimates because (a) they both likely contain duplicate listings of various kinds and/or (b) may fail to catch some listings e.g. advertised privately. The authors are somewhat clearer about the methodology of, and therefore more confident in, the 503 estimate provided by Granicus/Host Compliance.

- **Hotel equivalent:** Total aggregate STR availability in 2022 was equivalent to ~275 full-time hotel units.^{9,10}
- **Non-residences:** The impacts of STRs on housing availability and affordability are largely driven by dwelling units where no one lives (in this study referred to as non-principal residences). Estimates for the number of non-principal residence STRs in Penticton during 2022 range from 178¹¹ to 216.¹² If one splits the difference at 200 units or so, this means ~40% of STR listings in 2022 were non-principal residences.
- **A growing number:** The final answer we can provide is that the number of STRs in

Penticton is growing rapidly. Three different methodologies all show a 38-40% growth from 2021 to 2022.¹³ The following chart plots four of the key metrics discussed above, over time, to get a sense of longer-term trends. This chart reveals that the number of active STR units between 2018 and 2020 stagnated as the pandemic took hold, but then began increasing sharply thereafter, with the aforementioned 40% growth in active units in a single year between 2021 and 2022. Aggregate STR availability dropped 22% between 2018 and 2020, but has bounced back sharply since, with 2022 levels estimated to have been 14% higher than in 2018.¹⁴

Number of STRs in Penticton and Growth Over Time

— Business licenses (City) — Active listings (Granicus) — Active daily units (Wachsmuth) — FREH (Wachsmuth)



⁹ Because the number of "active units" (e.g. in the maximum estimates) in a given year will include some units rented only for a few days, others rented for the majority of the year, and still others rented only for e.g. the peak season, it becomes necessary to determine what all of this varied availability "sums up to." For this, we can turn to a measure called "active daily listings." This measure was developed by Dr. David Wachsmuth, McGill University, and arguably provides the most accurate single estimate of STR market scale in a given community. It is calculated by identifying the number of STR listings available or reserved on *each individual day of the year*, and then averaging this number over a chosen time period, essentially translating aggregate STR availability into what you can think of as an equivalent number of full-time hotel units. The biggest limitation of this particular 275 figure is that it is (a) an extrapolation from the first four months of data from 2022 (we apply the 4-month year-over-year growth rate to the annual 2021 figure to produce the 275 total for 2022); and (b) this measure pulls source data from AirDNA, which only captures listings on Airbnb and VRBO and therefore will slightly underestimate actual STR activity.

¹⁰ Source: Wachsmuth, raw data provided via personal correspondence.

¹¹ This is the best-available estimate of the number of "Frequently Rented Entire Home (FREH)" listings in 2022. FREH listings are those that are available for more than 183 days and booked for at least 90 days in a 365 day period, and as such considered unlikely to be someone's principal residence. The 178 estimate is calculated thus: the 2022 "active daily listing" estimate of 275 (see footnote 9) is multiplied by 64.8%, which is the long-term average percentage of "active daily listings" in Penticton that were FREH between 2018-2021 (source: David Wachsmuth, School of Urban Planning McGill University, December 2022. "Commercial short-term rental trends in Penticton". Pg 2).

¹² City of Penticton business licence data reveals that 57% of licensed STR operators in 2022 were principal residents who lived on the STR property, with 43% of licensed operators living at an address that was different from their STR property. Multiplying the 43% figure by the estimated total/maximum number of active units in 2022 (503) produces an estimated number of non-principal residence STRs of 216.

¹³ "Active Daily Listings" grew 40% 2021-2022 (Source: David Wachsmuth, data provided via personal correspondence; 2022 annual figure is an extrapolation from the first four months of available data); AirDNA "active listings" grew 38% 2021-2022 (Source: AirDNA, accessed November 2022); "Active listings" identified by Granicus/Host Compliance grew 38% 2021-2022 (Source: Granicus/Host Compliance).

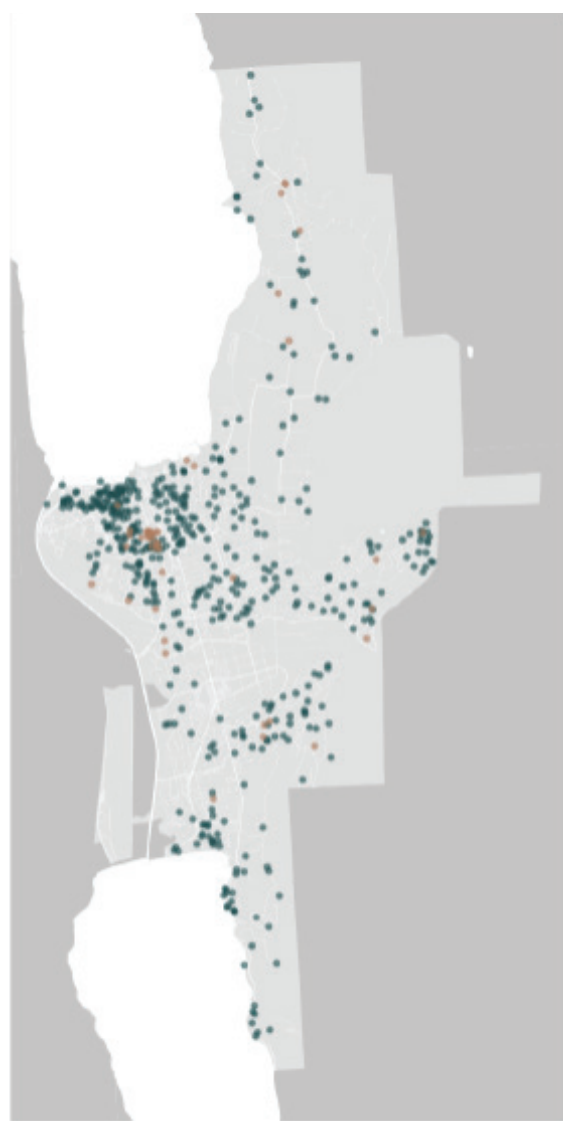
¹⁴ Availability assessed via the "active daily listing" metric (source: David Wachsmuth, via personal correspondence; 2022 annual estimate produced via an extrapolation as explained in footnote 9).

Compliance and complaints

- **Compliance rate:** 322 licensed units out of ~503 active units equates to a basic licensing compliance rate in 2022 of 64% (36% of listings being unlicensed).
- **Complaints:** Between 2015 and 2022 there were 110 STR-related complaints involving a total of 14 properties (largely unlicensed properties). The main cited concern has been impacts to neighbourhood character, followed by disturbances/noise.¹⁵

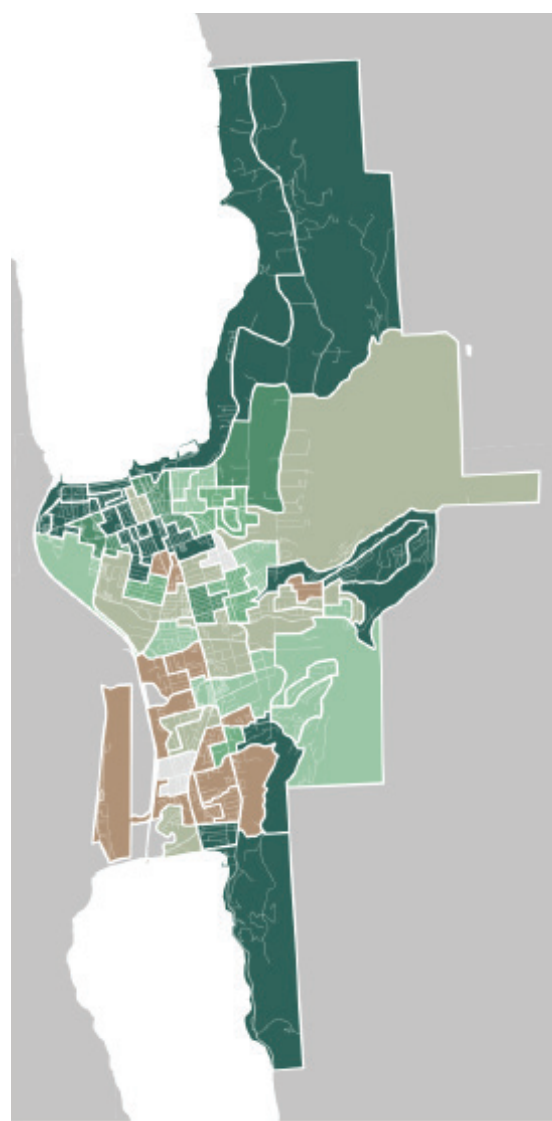
Distribution

- STRs are fairly concentrated in the downtown (Main and Front Streets), waterfront and areas such as the Northern Gateway and Skaha Lake Road. The following figure maps STR listings as a % of total dwelling units, showing a higher relative number of STRs in the downtown and along the Northern Gateway, Naramata Road and Lake Road.



STR listing distribution

● Entire home/apt ● Private room



STR listings as % of dwelling units

0% 1% 2% 3% 4% 5% 6%

¹⁵ Source: City of Penticton

Revenue

STR revenues vary greatly by season, and type and frequency of rental listing. Select statistics include:

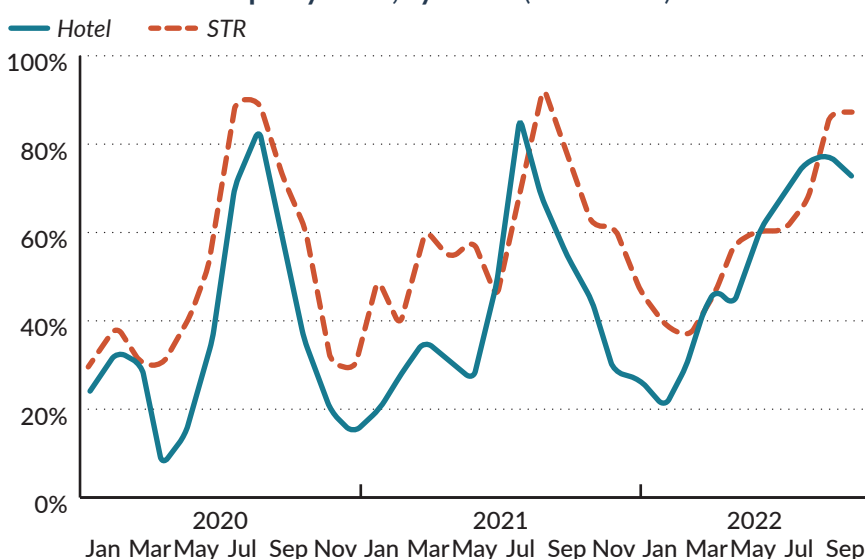
- **Total operator revenue:** Between 2019 and 2022, total annual STR market revenue increased from \$6.3 million to \$14.3 million, with a 52% increase from 2021 to 2022.¹⁶
- **Seasonality:** Monthly revenue averages range from a low of \$1500 in January 2022 to high of \$10,100 per month in August 2022.¹⁷
- **Average annual revenue:** Average annual revenue for an STR unit in 2022 was \$48,180.¹⁸
- **Predicted revenue:** AirDNA's "Rentalizer" tool predicts an annual revenue of between \$29,200 to \$32,000 for a 1 bed/1 bath/2 guest unit; \$38,300 and \$42,400 for a 2 bed/2 bath/4 guest unit; and \$49,700 to \$55,200 for a 3 bed/2 bath/6 guest unit.¹⁹
- **Revenue by percentile:** Top-earning operators (90th percentile) earned an average of \$84,036 in 2022. 75th percentile operators earned an average of \$52,576. 50th percentile operators earned an average of \$31,766. And the lowest-earning operators (25th percentile) earned an average of \$18,288.²⁰
- **Daily rates:** The 2022 annual average daily rate for all STRs was \$240/day, and monthly averages for daily rates ranged from \$188/day (Nov) to \$330/day (Aug).²¹

- **Total visitor contribution:** If you utilize Travel Penticton's rough assumption that a visiting party's accommodation spend is 25% of their total spend, then STR guests locally spent ~\$57.2 million in 2022.²¹
- **Government revenue:** In addition to the 7% PST that all STR platforms are now required to collect/remit, individual STR operators contributed \$106,183 through the online accommodation provider (OAP) portion of the municipal regional district tax (MRDT), in 2022.²²

Miscellaneous market statistics

- **Occupancy:** As shown by the chart below, STR occupancy rates - as with Penticton's hotels - are also highly seasonal, with over 90% occupancy from July to September and 30% from November to February 2022.²³ STR occupancy rates have tended to be higher than hotels in the low season, in part due to

Hotel and STR Occupancy Rates, by month (2020-2022)



16 Source: AirDNA, accessed Mar 23, 2023. These revenue figures are ~5% higher than those provided by Wachsmuth, who explained the discrepancy - via personal correspondence - as resulting from various data cleaning/duplicate removal processes his lab applies to raw AirDNA data. As such, the cited AirDNA figures should best be interpreted as a slight overestimate.

17 Source: AirDNA, accessed Mar 23, 2023.

18 Calculating average revenue is complicated somewhat by the "on/off" nature of STR units. This particular estimate was calculated by taking the average daily rate for 2022, across all units, of \$240 (source: AirDNA), multiplying by 365 days in a year, and then multiplying by the average 2022 occupancy rate of 55% (source: AirDNA).

19 Source: AirDNA, accessed Mar 24, 2023; these figures are for year-round/dedicated STRs.

20 Source: AirDNA, accessed Mar 23, 2023.

21 Calculation: \$14.3 million in total market revenue in 2022 (source: AirDNA) x 4 = \$57.2 million

22 Source: City of Penticton Finance Department, April 2023. The MRDT was introduced in 1987 by the BC Provincial government to provide funding for local tourism marketing. The MRDT is an up to 3% tax applied to the sales of short-term tourism accommodation. The City is the applicant for the tax rebate and directs all funds to Travel Penticton. As of July 2022, the City and Travel Penticton have agreed that the Online Accommodation Providers portion of these funds may be directed to a housing reserve fund, with the intent that they will be used to support tourism staff housing, as this is an identified need in the community.

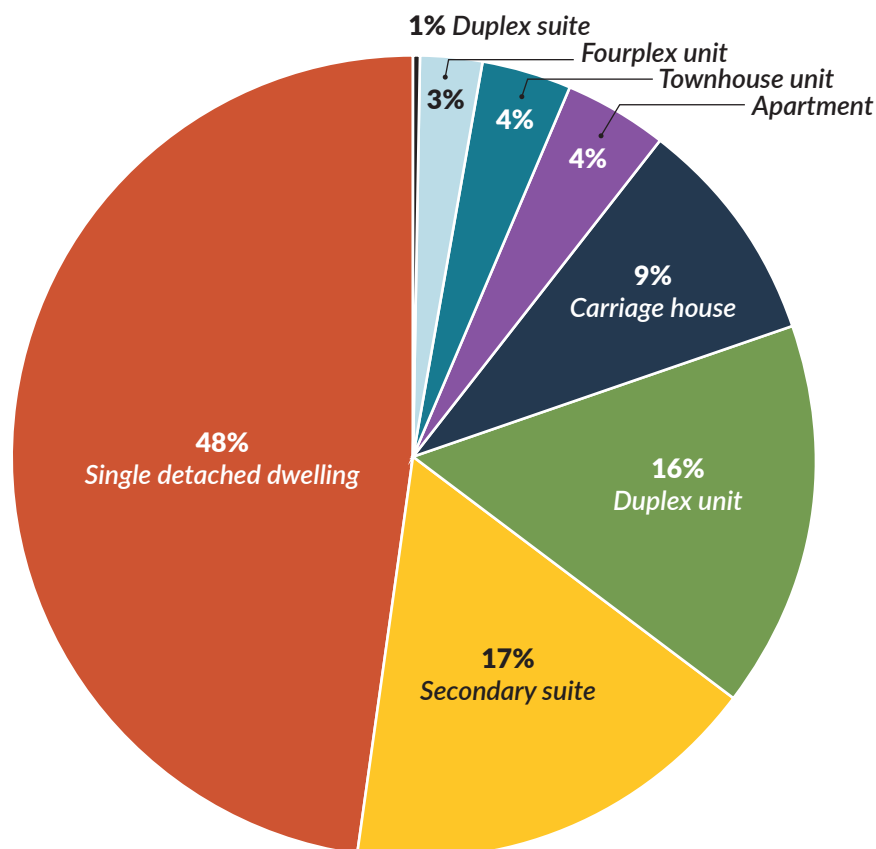
23 AirDNA, November 2022

many STR units delisting during these periods. There is a notable uptick in rentals in late February and March, which may be attributed to school holidays and hockey school camps.

- **Booking nights:** In 2022 there were a total of 53,264 listing nights booked.²⁴
- **Peak monthly booking demand:** A peak of 472 STR properties listed on Airbnb and VRBO were booked in the month of August 2022.²⁵
- **Platforms:** The majority of STR operators advertise listings on Airbnb (64%). Many operators advertise on multiple platforms. Advertising platforms also include VRBO (19%), HomeAway (11%), Booking.com (5%), Vacation rentals (0.1%).²⁶ An estimated 22% of vacation rental units are listed on both Airbnb and VRBO.²⁷

- **Listing type:** According to Granicus, 95% of STR listings – *across all platforms* – are for ‘entire homes’, which means they are either a single-family home, self-contained suite or apartment (with 5% being private rooms in homes).²⁸ AirDNA – which only captures Airbnb and VRBO (inc. HomeAway) – reports 85% of STR listings are ‘entire home rentals’, with 15% being ‘private room.’²⁹
- **Housing type:** According to City business licence data, 48% of short-term rental units in 2022 were in single detached dwellings, followed by secondary suites, duplex units, carriage house, apartment, townhouse unit, duplex unit and duplex suite³⁰.

Active STR Licences by Unit Type



²⁴ Source: AirDNA, accessed March 24, 2023.

²⁵ AirDNA, accessed Jan 26, 2023.

²⁶ Granicus/ Host Compliance, December 2022. Listing platform breakdown – 675 active listing, AirBNB 434, VRBO 126, HomeAway 72, Booking.com 35, Vacation Rentals 1.

²⁷ AirDNA, December 2022.

²⁸ Granicus/ Host Compliance, December 2022. Rental unit type – 263 active listing entire home /apartment; 14 entire home or private room; 3 private room.

²⁹ AirDNA, December 2022.

³⁰ City of Penticton Business Licence data, November 2022

TRADITIONAL ACCOMMODATION MARKET

In this report the phrase “traditional accommodation” is used to refer to hotels, motels, resorts, inns, B&Bs, as identified and tracked by Travel Penticton.

Number of units

- **Total “fixed roof” rooms:** 1901 rooms across 41 properties³¹
 - 842 Hotel rooms³², plus 121 rooms currently under construction (Four Points Sheraton is scheduled for completion June 2023)
 - 415 Motel rooms³³
 - 514 Resorts/ Inns³⁴
 - 9 Bed and Breakfast³⁵ (4 rooms or more)
- **Fluctuation:** Fixed roof room counts fluctuate over the years. A new hotel, with 121 rooms, is currently under construction. Some fixed roof tourist accommodations have experienced conversions for a variety of reasons, such as aging and repurposing of buildings. BC Housing purchased a 54 room motel (formerly Super 8) to convert for those in need of long-term affordable housing. Grenada Inn, a 19 room motel, is now exclusively available for monthly rentals. Some buildings are aging and in progress with converting from hotels to motels. In 2021, total number of fixed roof rooms was 1,802. In 2023, with the completion of Four Points Sheraton construction in June 2023, the total fixed roof room count will be 1901 rooms. This represents a net gain of 101 rooms in the past two years.

Revenue

- **Total room revenue:** Total room revenue in 2022 was estimated at \$43,083,478. This has rebounded from a pandemic low in 2020 of \$28,959,567.³⁶
- **Total visitor contribution:** The rough methodology used by Travel Penticton is to assume that accommodation accounts for 25% of total visitor spend, which would suggest that these guests contributed ~\$172 million to the local economy in 2022.
- **Government revenue:** traditional accommodation providers paid/forwarded – in addition to 7% PST – a total of \$1,040,689 in municipal regional district tax (MRDT) was collected in 2022.³⁷ to be directed towards local tourism promotion.
- **Daily rates:** Average hotel/motel rate in 2022 was \$193.³⁸

Miscellaneous market statistics

- **Occupancy:** Hotel occupancy rates experience high seasonal fluctuations in Penticton. Highest occupancy is 90% in summer months from July to September and lowest occupancy is 10-30% from January to March.
- **Number of booking nights and visitors:** 332,020 in 2022, accommodating an estimated 387,848 visitors.³⁹

31 Travel Penticton, January 2022.

32 Travel Penticton, January 2023. Hotels - Best Western Inn (64), Days Inn (105), Fairfield Inn (98), Hotel Penticton (36), Lakeside Resort (273), Ramada (125), Sandman (141). Total 842.

33 Travel Penticton, January 2023. Motels - 5000 Motel (28), Beachside (26), Black Sea (25), Bowmont (46), Carmi Motor Inn (23), Edgewater (12), Empire (33), Flamingo (24), Holiday House (15), Plaza (21), Riverside (48), Sunny Beach (22), Super 8/ Pass Motor (46), Travellers (31), Valley Star (15). Total 415.

34 Travel Penticton, January 2023. Resorts/ Inns - Apple Tree (23), Barefoot Beach (12), Casa Grande (6), Golden Sands (44), Hi Penticton (47), Kettle Valley Beach (30), Lakeside Villa (16), Munson Mountain (8), Okanagan Lakefront (36), Sahara Courtyard (50), Shoreline (44), Slumber (48), Spanish Villa (64), Swiss Sunset (25), Tiki Shores (41), Waterfront Inn (20). Total 514.

35 Travel Penticton, January 2023. Above the Beach B&B (5), OK Whistle Stop B&B (4). Total 9.

36 Source: Travel Penticton; estimate derived by extrapolating data from a sample of 8 hotel properties.

37 City of Penticton Finance Department, December 2022.

38 Source: Travel Penticton

39 Source: Travel Penticton

HOUSING MARKET

Current population and housing stock

- Population of 36,885.⁴⁰
- 18,457 private residential dwellings/households.⁴¹
- 63% of households own their home (10,985), 37% are renters (6,375 households).⁴²
- 17,361 dwellings occupied by usual residents (94%). I.e. 6% of dwellings (1,096) are not used as residences.
- 15,696 residential taxation properties.⁴³

Housing need

- ~ 1,400 additional homes are needed to meet *current* basic housing demand,⁴⁴ with the greatest need associated with people aged 65-84,⁴⁵ often best served by one-bedroom homes and seniors housing.
- Penticton has a 0.8% rental vacancy rate⁴⁶ (rates have been 2% or less since 2016).⁴⁷ A vacancy rate of 3-5% is considered an ideal target by CMHC. To go from a 0.8% to 3% vacancy rate one might roughly assume the City would first need to clear the backlog (~1,400 new homes), keep up with growing demand while those are built, and then add a bare minimum of 150-200 new rental units on top of that.⁴⁸

Housing affordability (ownership)

- 15.2% of owner households (1,659) currently spend more than 30% of their income on shelter costs (i.e. their current housing is considered unaffordable).⁴⁹
- 5.9% of owner households (644) are in “core housing need.”^{50,51}
- The average cost of a single-family home in 2022 (\$740,000) is 14% higher than in 2021, and 85% higher than in 2011.⁵² Median assessed value of all housing in Penticton has increased steadily over the past 16 years, and sharply (33%) between 2019 and 2022.⁵³
- Overall, in Penticton “homeownership [is] out of reach for many, particularly those who currently rent their dwelling.”⁵⁴

Housing affordability (renting)

- 44.2% of renter households (2,820) currently spend more than 30% of their income on shelter costs (i.e. their current housing is considered unaffordable).⁵⁵
- 24.3% of renter households (1,550) are in “core housing need.”^{56,57}
- The average monthly rent in 2021 (\$1,076) is 55% higher than in 2011, with specific 10-year increases ranging from 39% for a bachelor (to \$767 in 2021), 41% for a 1-bedroom (to \$941 in 2021), 55% for a 2-bedroom (to \$1,230 in 2021), and 75% increased rents for a 3+ bedroom (to \$1,633 in 2021).⁵⁸

40 [2021 Census](#)

41 [2021 Census](#)

42 [2021 Census](#)

43 <https://pentictonbiztoolkit.com/>

44 This estimate was provided in the 2021 RDOS Housing Needs Assessment (pg. 42), corresponding to a projected population of 36,530, which the City has already surpassed as of the 2021 census. This estimate does not take into account homes built since the 2021 Housing Needs Assessment.

45 RDOS Housing Needs Assessment, 2021. Pg. 42

46 Canadian Mortgage and Housing Corporation, 2021 yearly rental market survey. <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

47 RDOS Housing Needs Assessment, 2021.

48 This is a rough calculation based on the 2021 census figure of 6,375 rental households. The housing market is dynamic, and as such this figure is provided for illustrative purposes only.

49 [2021 Census](#)

50 [2021 Census](#). Core housing need means the household is currently living in a home that costs more than 30% of their pre-tax income or is in need of repair or overcrowded, and where they would have to spend 30% or more of their total pre-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds).

51 I.e. ~1,015 of the 1,659 owner households cited above are not considered in core housing need because they are considered theoretically able to find acceptable alternative housing in the rental market that is affordable. However, Penticton's 0.8% vacancy rate rental market makes this theoretical notion unrealistic for many.

52 South Okanagan Real Estate Board Statistics, November 2022.

53 BC Assessment Authority, December 2022

54 RDOS Housing Needs Assessment, 2021. Pg 45 “In Penticton, the average household income is approximately \$54,384, making homeownership out of reach for many.”

55 [2021 Census](#)

56 [2021 Census](#). See footnote 50 for a definition of core housing need.

57 I.e. ~1,270 of the 2,820 renter households cited above are not considered in core housing need because they are considered theoretically able to find acceptable alternative housing in the rental market that is affordable. However, Penticton's 0.8% vacancy rate makes this theoretical notion unrealistic for many.

58 Canadian Mortgage and Housing Corporation, 2021 yearly rental market survey. <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

Community Consultation

To better assess the concrete impacts, related to STRs in Penticton, this project incorporated interviews with a range of stakeholders, an STR operator focus group, an STR operator survey, and a community survey.

STAKEHOLDER INTERVIEWS

Informational interviews were held with business stakeholders between November 2022 and December 2022.

Summary findings

The tourism sector, including retail trade, accommodation and food services, are a significant share of the local economy. Health care and social assistance are also top employment sectors.⁵⁹ A recurring theme is that employers are attributing staff shortages to lack of affordable rental housing supply. Lack of housing has become a barrier to staff recruitment and retention in the City's principal business sectors including tourism, health care and higher learning.

Stakeholder-specific notes

- **Travel Penticton⁶⁰** – ‘Accommodators of Penticton...house approximately 725,500 visitors per year, generating approximately \$126 million in tourism revenue....have identified five key issues, we feel need to be addressed at the municipal level.’ 1) Increasing the supply of housing for workers, staff accommodation for all businesses is “one of the largest impediments to tourism growth in this region”. 2) Regulating vacation rentals, for high permit compliance rates and collecting appropriate fees for management oversight. 3) Favour regulating vacation rentals with principal residency requirement. 4) High seasonality greatly affects occupancy rates, which fixed-roof accommodation providers are challenged to keep businesses operating. Seek limits on vacation rentals -STRs have unfair low overhead cost advantage. 5) Adverse effects on residential neighbourhoods, hidden costs on community for policing and bylaw enforcement demands of vacation rentals.
- **Chamber of Commerce⁶¹** – Supportive of principal residency requirement for STRs. Oversight is important and believe STR owners should be on property or have designated responsible person nearby. Not supportive of investment property STRs, due to greater housing need for people who want to live in the community full-time. Significant housing shortage for staff is impacting businesses’ ability to operate and provide tourist visitors’ needs. Chamber of Commerce focus at this time is on long-term housing for workers. BC Chamber and local Chamber agree that *Residential Tenancy Act* has become a barrier to finding long-term renters. Current long-term rental regulations are too far in favour of tenant rights, which makes short-term rentals a preferable option for homeowners. Need faster system of reviews and hearing disputes i.e. tenants not paying rent, but don’t have to move out, while a dispute is in progress, which can take 6-12 months.
- **Penticton Trade and Convention Centre, Director of Sales** – The centre is 50 years old and data shared on events attendance for the past 10 years. The convention centre supports event organizers with ‘block bookings’ at local hotels, where room discounts and incentives are provided for visitors to use commercial accommodation providers. In 2022 there were 46,392 delegates that used the conference facility. There is no data collection system in place to confirm where event participants stay. The director of sales explained that ‘to the best of our knowledge these delegates stay at hotels/ motels in the South Okanagan area’

⁵⁹ Source: Penticton Business Toolkit <https://pentictonbiztoolkit.com/>

⁶⁰ Informational Interview, Jo Charnock, Office and Special Projects Manager, Travel Penticton, November 29, 2022. Letter to Mayor and Council from Jessica Dolan, Chair of Board, 2022 (not dated)

⁶¹ Informational Interview, Michael Magnusson, Executive Director, Chamber of Commerce. December 1, 2022.

- **Penticton Regional Hospital & South Okanagan General Hospital⁶²** – Interior Health services and the Regional Hospital are experiencing significant staffing shortages. Some healthcare service portfolios have up to 60% staff shortage. Inadequate housing supply and cost in Penticton has become a significant issue for staff recruitment. Even physicians are withdrawing accepted offers when they see costs of housing. For care aids, with lower salaries, housing is even more untenable. STRs exacerbate loss of long-term rental housing supply and housing costs. Staff recruitment and retention is being negatively affected by housing shortage and high costs of ownership and rental housing. Interior Health is prohibited from financially incentivizing working in a particular location due to collective agreement language. It would be helpful if could collaborate with City to provide other incentives such as: free recreation centre memberships, welcome packages for new staff in the area, providing balanced information when issues arise and expressing gratitude to IH teams for the care they provide.
- **Okanagan College⁶³** – Approximately 1000 academic students and about half are out area, needing rental accommodations in the community. There are no residences on campus. Most students now use happipad.com, for affordable shared accommodation/rooms in homes, not subject to *Residential Tenancy Act*. STR's provide options, however high cost is not realistic for the majority of students and even staff. When fall semester starts, most STR operators continue for the month of September and longer-term housing is only available with October 1st start (have heard of people couch-surfing for month of September). There is a strong financial incentive for STRs to maximize revenues July to end of September, which is a challenge for Okanagan College semesters that start first week of September. Housing has become a barrier to student enrollment. Manager of Campus life has heard that trades students are choosing not to come to Okanagan College

because of lack of housing (this includes welding, carpentry, electrical, mechanical, plumbing, nursing). Housing is also an issue for faculty and staff retention and recruitment. Have lost staff to UBC Okanagan because they are able to secure housing in Kelowna and not willing to travel during winter conditions.

- **Lakeside Resort and Conference Centre⁶⁴** – STRs compete with hotels for revenue and diminish long-term housing for tourism staff. STRs put tourist commercial businesses out of work as they have an uneven advantage (low operating cost). Lakeside resort has 330 staff and most are in need of long-term rental housing. Support principal residency STRs for immediate family only. Do not support any other kind of STR.
- **Okanagan Hockey Group⁶⁵** – Affordability is a key issue for visiting the area and Penticton has turned into an expensive destination place. Believe that STRs help fill a void, providing additional supply of accommodations. Hockey academy program runs 10 months, with 150 athletes per year in Penticton. Most from Kelowna and can travel daily. Players from afar are placed in billet homes. During Canadian sports school hockey league playoffs every March (first 2 weeks), 80 teams play. Approximately 1600 attendees, plus families, an estimated 5000 people come for the league playoffs. Hotels provide team rates/ discounts for families and take up all the available space during that tourism 'soft period' in March. In summer, hockey school has 8 back-to-back, week-long camps (July to August). Approximately 1600 attendees, who are mostly out of town participants. Hotels and motels provide discounts, and some also use STRs. Don't have data on where hockey school participants and families stay. Demographic of hockey camps is younger families (7-12 years old), looking for ways to make affordable vacation, and making meals themselves to reduce costs. Over past 5 years, program return rate for hockey school has dropped 55%, due to affordability, based on survey feedback.

⁶² Informational Interview. Sara Evans, RN, MScN, Director, Clinical Operations. December 13, 2022.

⁶³ Informational Interview, Juliana Buitenhuis, Manager of Campus Life and Administration. December 15, 2022.

⁶⁴ Informational Interview, David Prystay, Lakeside Resort. December 8, 2022.

⁶⁵ Informational Interview, Blair Noel, Vice President, Okanagan Hockey Group. November 30, 2022.

STR COMMUNITY SURVEY

The City of Penticton's engagement site 'Shape Your City Penticton' hosted an online survey open for residents input from January 9-27, 2023.

Residents survey input is summarized below:

- 1102 survey forms were completed, indicating a very high level of interest in this topic
- 78% of respondents were homeowners; 16% were renters
- The reason given for filling in the survey: 40% of respondents were interested in the community impact of STRs; 13% were looking for housing
- 51% of residents do NOT support the City's current STR management program goal to "allow property owners to rent safe and healthy dwellings to the vacationing public while limiting nuisances to the surrounding neighbours."
- 48% would like the City's STR management regulations to result in fewer STRs, with more restrictions and limitations to their operations
- Top themes from comments received included:
 - Concerns with the negative impacts to residential neighbourhoods namely - parking, decreased privacy, residential neighbourhood character
 - Housing availability and affordability - both rental and ownership
 - Desire for greater restrictions on STRs and increased enforcement
- 26% reported operating an STR in secondary residence; 22% stated that the STR is an investment property
- 86% of STR operators support the City's current STR management program goal to "allow property owners to rent safe and healthy dwellings to the vacationing public while limiting nuisances to the surrounding neighbours."
- 69% want no changes to the City's current STR management system
- Most important benefits identified by STR operators:
 - STRs provide more tourist accommodation options for tourists
 - Enable secondary income (i.e. mortgage helper)
 - More flexibility for property owners (compared to long-term rentals)
- Most frequent comments received were:
 - There is no protection for landlords with long-term rentals (creating further incentive for operating STRs versus LTR)
 - STRs provide different services than hotels (amenities like kitchens)
 - More enforcement is needed for STR regulatory and permitting compliance
 - STRs contribute to the economy
 - STRs contribute to affordability for guests with families/ larger groups

STR OPERATORS SURVEY

The City of Penticton's engagement site 'Shape Your City Penticton' hosted an online survey open for STR operators input from January 9-27, 2023.

STR operators feedback is summarized below:

- 247 survey forms were completed
- 69% of respondents were full time residents, 15% were not residents of Penticton
- 50% reported an STR in their principal residence

STR OPERATORS FOCUS GROUP

EcoPlan and City of Penticton staff delivered a focus group meeting for STR operators on January 26, 2023 from 6:30 to 8pm. Approximately 87 STR operators participated in the meeting and expressed a range of interests, concerns and questions. Participants' questions were answered. STR operators were asked to provide feedback through the online survey hosted on 'Shape your City Penticton'.



Impacts

This report uses the term “impacts” to include both positive impacts (benefits) and negative impacts (harms), recognizing that whether a particular impact is a benefit or harm depends to some extent on individual perspectives (e.g. higher housing costs can be a benefit to current homeowners, while simultaneously a harm to renters and first-time homebuyers).

The two dominant impact areas identified through this project are **accommodation impacts** and **housing impacts**.⁶⁶ Considerations about overall economic impacts from STRs are discussed, but drawing conclusions about the net impacts from STRs on e.g. total economic activity are complex to assess and out of scope of the current study.

The number of complaints filed in response to STR activity over the years has been relatively small and related to a small number of unlicensed units; as such, neighbourhood disturbances were not revealed by this study to be a major area of impact. Complaints about “neighbourhood character” tie back to housing impacts.

⁶⁶ While a relatively small number of STR units have been subject to neighbour complaints over the years (e.g. noise), the majority of complaints relate to perceived impacts on neighbourhood character, which tie back to housing impacts.

ACCOMMODATION IMPACTS

Summary

STRs contribute ~13% of Penticton's available full-time fixed roof accommodation units, accommodate ~14% of annual demand, ~18% of peak summer demand, and account for ~25% of annual tourism revenue. Overall, STRs add a greater number, diversity, and distribution of guest accommodation, at a slightly higher average price point. Without STRs, there would be a shortage of ~250 fixed-roof units during the peak summer months.

Simultaneously, STRs negatively impact traditional accommodation providers both through direct competition, and by decreasing the availability and affordability of staff housing – reducing these businesses' ability to succeed and expand, by which they might decrease or eliminate the need for STR accommodation in the first place.

Details

- **Accommodation of annual demand:** STRs accommodated ~14% of total demand for fixed roof accommodation in 2022.⁷⁰
- **Accommodation of peak demand:** STRs accommodated ~18% of peak summer demand in August 2022.⁷¹ Without STRs, we can roughly estimate there would have been a shortage of 252 rooms during this peak month.⁷²
- **Not as important in the low season:** Traditional providers can – in terms of number of available rooms – more than fully accommodate low-season demand in Penticton (caveat: this is setting aside specific amenity demands that STR booking parties may have and that in some cases might not be available from traditional providers).
- **Share of tourism revenue:** In 2022 STRs generated ~25% of total room revenue – and by extrapolation 25% of overall tourism revenue – in Penticton.⁷³
- **More overall availability:** The aggregate STR availability of ~275 [quasi] hotel rooms⁶⁷ equates to ~13% of Penticton's total stock of fixed-roof, full-time/year-round accommodation units in 2022.⁶⁸ Expressed differently, STRs added 15% more units to Penticton's stock of this type of accommodation in 2022.⁶⁹
- **More diversity:** Being 95% "entire homes"/housing units, on average STRs are larger and have more amenities than traditional accommodation units, adding diversity to Penticton's accommodation stock and likely attracting visitors who might not otherwise come to town.
- **In more places:** STRs currently offer the only accommodation in some neighbourhoods / portions of neighbourhoods. Rural tourism accommodations are only provided by STRs.
- **More expensive:** The average daily rate of an STR in 2022 (\$240) was 24% times higher than the average hotel/motel rate (\$193). I.e. While STRs may provide overall comparatively good *value* (taking into account their size and amenities), they are generally not the most affordable per unit option.
- **Competition:** STRs compete with traditional accommodation providers – particularly in the shoulder and low seasons – and therefore economically impact these providers and their ability to succeed and expand; however, collecting data to quantify this impact was beyond the scope of the present report.
- **Staff housing:** STRs decrease the availability and affordability of staff housing (e.g. see housing impacts section, below).

⁶⁷ See "Hotel equivalent" data above.

⁶⁸ Calculated by dividing 275 / (1780 + 275). 1780 being the total number of hotel, motel, resort, inn and B&B units at the end of 2022 (source: Travel Penticton), not including the 121 units under construction at the Four Points Sheraton.

⁶⁹ Calculation: 275/1780 (see above for details on the 1780 figure).

⁷⁰ Calculation: 53,264 STR listing nights booked in 2022 (source: AirDNA) / (53,264 + 332,020 booking nights across all non-STR fixed roof accommodation (source: Travel Penticton)) = 14%

⁷¹ In August 2022 (the most recent month of peak accommodation demand), 9,619 STR listing nights were booked on Airbnb and VRBO (source: AirDNA, accessed Jan 27, 2023), and an estimated 43,740 nights were booked in hotels, motels, resorts, inns and B&Bs, reflecting a 78.3% occupancy rate (source: Travel Penticton). This translates into 53,359 total nights booked across all of these types of fixed-roof accommodation, with STRs therefore accommodating ~18% of this peak demand (9,619/53,359).

⁷² To produce this estimate can imagine an alternate August 2022 in which no STRs were available and conservatively assume that the average STR party thus displaced would need the equivalent of at least 2 average traditional accommodation units to alternatively accommodate them. Calculation: (9,619 STR nights booked * an adjustment factor of 2 + 43740 nights booked in non-STR properties) – (1780 total non-STR rooms * 31 days in August) / 31 days in August = 252.

⁷³ Calculation: 14.3 million in estimated total room revenue from STRs / (14.3 + an estimated 43.1 million in room revenue from non-STR fixed-roof accommodation).

HOUSING IMPACTS

Summary

It is currently two to three times more profitable to operate a local dwelling unit as a year-round short-term rental vs. a long-term rental. This economic incentive, along with the flexibility inherent to STR use, is leading an estimated ~250 Penticton residents to operate STRs in a “mortgage helper” capacity, with the monthly income benefits for these residents counteracted somewhat by a directly-associated increase in purchase prices (details below); with more of this type of benefit therefore accruing to long-time property owners. “Mortgage helper” listings in a principal dwelling unit are not associated with potential housing loss; all others are (including secondary and garden suites).

While STR mortgage helpers are increasing monthly affordability for ~1.4% of current residents, commercial STR activity in Penticton is simultaneously decreasing the availability and affordability of housing *marketwide*. Generally speaking, this marketwide impact harms local renters (specifically those who have or will enter into a new tenancy since STR activity began) and home buyers (specifically first time home buyers, those upgrading to a more expensive unit, and those whose options have been limited by STR-induced housing loss); and benefits landlords and sellers. These marketwide impacts are largely driven by the City’s ~200 non-principal residence STRs, which can be thought of as lost potential⁷⁴ homes, equating to ~1% of the City’s total housing stock or ~3% of its total rental housing stock. While a seemingly small number, the City’s housing shortage of ~1,400 units (equivalent to ~8% of current stock) and ultra-low vacancy rate of 0.8% create a context where seemingly-small numbers of commercial STRs create outsized

effects. Indeed, available econometric modelling reveals significant impacts of commercial STRs/FREH⁷⁵ on local rents; e.g. from 2016-2021, Penticton renters paid an estimated \$47.9 million more in rent because of the presence of commercial STRs (FREH).

Details

- **Economic incentive to convert:** A typical year-round short-term rental in Penticton can generate an estimated 2.7 times more revenue than a comparable long-term rental.⁷⁶
- **Lower housing availability:** The estimate of ~200 STRs in non-principal residences equates to ~1.1% of the City’s total housing stock or ~3% of its total rental housing stock, which can be thought of as lost potential housing.
- **Catalyst for new suites:** Staff reported examples of new accessory dwelling units that would not/may not have been built except as short-term rentals. If these units ever convert to long-term housing, then STR permissions – in these cases and at that time – can be thought of as a catalyst for additional housing. However, it isn’t possible to verify the counterfactual (whether/how many of these same owners would have built these units anyway in an alternative regulatory environment).⁷⁷
- **Mortgage helper:** Available data suggest there may be ~250 or so STR operators in Penticton who can be thought of as operating an STR as a mortgage helper.⁷⁸ There are two versions of this activity. The first is often referred to as “true homesharing” and is where the principal resident STRs – in whole or in part – the actual suite of rooms where they live. By definition true homesharing is not associated with the

74 “Potential” meaning that if STR permissions were somehow taken away, it is not the case that *all* of these units would be returned to the long-term housing market (either as rentals or owner occupied units); however, over time the economic incentive to transition these units to long-term housing would mount (regardless of what any given owner might *claim* they would do in such circumstances, in the present). In any case, this figure represents a pool of potentially freeable homes.

75 “FREH” are STR units listed for at least 183 days and booked for at least 90 days in a 12 month period.

76 This can be calculated by taking average rents for each of 1,2 and 3 bedroom units from CMHC’s most recent yearly rental market survey (2021) – data included in the Housing Market section of this report – and comparing that to expected revenue from AirDNA’s Rentalizer tool for 1,2 and 3 bedroom units (accessed Mar 25 2023). Interestingly, Rentalizer reports a multiple of 2.7x for all three types of units. A caveat here is the time gap between the 2021 long-term rental data and the 2023 Rentalizer data (long-term rents are likely higher now than in the 2021 data); with this caveat in mind, a ballpark conclusion is that the typical STR can generate 2-3X more revenue than a comparable LTR in Penticton.

77 It is interesting to note that some jurisdictions allow temporary STR use of new ADUs to financially catalyze their construction but stipulate a maximum number of years after which they must be used as long-term housing.

78 Calculation: 50% of STR Operator survey respondents who claim to reside on the STR property >6 months of the year multiplied by a maximum of ~500 or so active STR units in 2022. A very small number of STR Operator survey respondents are renters therefore it is safe to generalize these units as mortgage helpers vs. mortgage/rent helpers.

loss of potential long-term housing⁷⁹ and as such this version is more often seen as purely positive in terms of impact. The second version of the mortgage helper scenario is where the principal resident STRs a separate dwelling unit on the same lot as their home (e.g. a basement suite or garden suite); by contrast, this version can often (not always) be associated with the loss of long-term housing (short-term renting an otherwise long-term rent-able suite) and is therefore usually considered to have a mixed impact (both positive and negative). In both cases, the “mortgage helper” effect will be offset by the fact that costs to actually purchase a home will have increased marketwide in response to STR activity (see below); i.e. the supplemental income potential may have already been priced into the unit such that the perceived “affordability” gain has either already been opaquely wiped out, or exists largely at the level of monthly payments and not in the purchase price itself (this effect being similar to the effect of low interest rates which can make monthly payments more affordable even as they inflate purchase prices). In any case, (a) current/long-time owners will benefit the most from the mortgage-helper effect while most future homeowners in Penticton will end up paying more for housing as a result of STR activity (see below), and (b) the mortgage-helper scenario will only ever be of significant benefit to a slim minority of residents (because there’s only so much tourist demand to go around).⁸⁰

- **Higher rents marketwide:** Economic modelling by Dr. David Wachsmuth⁸¹ suggests the presence of “frequently rented entire home (FREH)” STRs in Penticton has led to significantly higher rents; a result that Wachsmuth expresses in four related ways:
 - From 2016-2021, Penticton renters paid \$47.9 million more in rent because of the presence of commercial STRs (FREH).
 - In 2019, commercial STRs (FREH) were responsible for fully 12.5% of the total rents

paid by Penticton tenants.

- During the 2017-2019 pre-pandemic period, the increase of commercial STRs in Penticton accounts for nearly half (49.6%) of the increase in rents faced by local renters.
- Compared to rents at the end of 2021, rents in 2023 are estimated to be \$332 per year higher because of the presence and growth of commercial STRs.
- **Higher home buying costs marketwide:** Unlike with rents, we do not have Penticton-specific economic modeling estimating impacts on home buying costs, so we can only provide statements of generalized impact derived from first principles and supported by numerous studies in other North American jurisdictions. The generalized impact being a decrease in home buying affordability due to two main effects: (a) dwelling units converted to STRs shrink the supply of housing, which drives prices up (this is an effect that is most pronounced when supply is low); (b) the increased revenue potential of STRs increases the economic value of housing marketwide, with individual properties and neighbourhoods that are already used extensively for STR tending to be especially expensive.
- **Student housing:** Some community consultation identified STRs as a source of student housing. However, presumably most of these arrangements exceed 30 days and therefore are not actually a short-term rental under Penticton’s current rules. Furthermore, informational interviews with Okanagan College noted these STR-associated units as expensive and often not available at the start of school semester in the first week of September (as the owner seeks to maximize peak season revenue until end of September). It is possible that some of these units are actually operating in contravention of the *Rental Tenancy Act* (e.g. quasi-fixed term leases mediated by STR platforms outside of the specified criteria for this type of tenancy); this is an emerging and serious issue in some

⁷⁹ The exception being those cases where a roommate is foregone in favour of short-term renting one or more rooms in a shared home.

⁸⁰ There is not enough data currently available to say with confidence how many of the estimated ~250 mortgage-helper units are e.g. version 1 (true homesharing).

⁸¹ David Wachsmuth, School of Urban Planning McGill University, December 2022. “Commercial short-term rental trends in Penticton.” As well as a larger BC-wide report with more details on methodology: David Wachsmuth, Maxime Belanger De Blois, Cloe St-Hilaire. [“The impact of short-term rentals on housing affordability in British Columbia: Market overview, trend modelling, and regulatory recommendations”](#) July 2022. Pg. 15

jurisdictions. A better form of student housing would be dedicated student housing, or proper *Residential Tenancy Act*-governed tenancies.

- **MRDT contribution in 2022:** Municipal regional district tax (MRDT), collected in 2022 was \$1,040,689. Individual STR operators contributed \$106,183 through the online accommodation provider (OAP) portion of the MRDT.⁸²

OVERALL ECONOMIC IMPACTS

This study reveals that STRs are associated with approximately 25% of annual tourism revenue (with an estimated total STR guest spend of ~\$57 million in 2022).⁸³

However, drawing conclusions about the net impact of this STR activity on the overall economy is made complex by: (a) the difficulty in assessing counterfactual scenarios where e.g. traditional accommodation providers were allowed to/ systematically incentivized to upgrade and expand to accommodate demand in the absence of STR competition (in terms of both number of units and their diversity/amenities); (b) the decreased local discretionary spending by Penticton tenants and [some] home buyers due to STR-induced rent and home price increases; and (c) the difficulty in assessing precisely how many STR units would otherwise be used as long-term housing if not permitted as STR, which in turn makes it difficult to estimate the foregone local spending that would otherwise flow from year-round residents in these units (economic contributions from full-time residents often exceed those made by guests staying in any given dwelling unit).

While it is possible to dive into some of these complexities, doing so was beyond the scope of the current study, and therefore we are unable to say with confidence whether STRs are currently a net benefit or a net harm to Penticton's economy.

TRADE-OFFS

The above analysis reveals that STRs are associated with complex trade-offs between different interests and groups of people. For example, two of the largest identified trade-offs are between:

- Prioritizing supports for STR accommodation vs. prioritizing supports for traditional accommodation – to achieve the tourism activity and revenue desired.
- Prioritizing STR supplementary income for ~250 current resident homeowners vs. prioritizing marketwide affordability for all renters and first time home buyers.

Illustratively, while the analysis reveals that a few hundred STR operators have earned a historical average of \$7.4 million in total annual revenue/income,⁸⁴ Penticton's thousands of tenant households are estimated to have had to pay a historical average of ~\$8 million in total annual additional rent, as a direct result of the commercial/FREH component of this STR activity.⁸⁵ That is, the analysis reveals an almost dollar for dollar trade-off here: with STR operators and local landlords positively impacted, and local tenants negatively impacted.

A diagram of general STR trade-offs has been included in the Appendix.

⁸² Source: City of Penticton Finance Department, April 2023.

⁸³ Calculation: \$14.3 million in total operator revenue (source: AirDNA accessed Mar 23 2023) multiplied by four (Travel Penticton uses a rough assumption that accommodation spend is 25% of total spend).

⁸⁴ This average is calculated from available AirDNA data (accessed Mar 2023) covering 2019-2021. Source: AirDNA.

⁸⁵ Source: David Wachsmuth, School of Urban Planning McGill University, December 2022. "Commercial short-term rental trends in Penticton."

Regulatory Options

As it wrestles with the above trade-offs, we advise Council to confirm/clarify its goals for STR regulations going forward. One of the clearest best practices for STR programs – or any program – is to start with a clear goal (or set of prioritized goals), not a regulation.

Below, we synthesize a few high-level “pathways” Council could consider as part of that deliberation. Each pathway is given a name that summarizes a basic possible intent, with associated goals, high-level regulatory options and notes provided for each. Of course, the options are virtually limitless, but our hope is these example pathways provide helpful food for thought.



Pathway	Regulatory Options	Notes
<p>“Status quo”</p> <p><i>Maintain current goal of “allow[ing] property owners to rent safe and healthy dwellings to the vacationing public while limiting nuisances to the surrounding neighbours.”</i></p>	<ul style="list-style-type: none"> Consider switching from a system that categorizes STRs based on number of nights (very difficult to track) to one that categorizes STRs based on whether the unit is the operator’s principal dwelling unit or principal residence (a more verifiable proxy for intensity that also correlates with profitability). Consider switching from the common definition of STRs as being less than 30 days to one that is inclusive of all guest stays in dwelling units (to eliminate a large current grey zone/loophole). 	<ul style="list-style-type: none"> There are numerous examples of jurisdictions that categorize STRs based on the onsite residency of the operator, with “principal residence” taking one of three general meanings. The Town of Gibsons uses a definition for Residential Guest Accommodation (formerly STR) that is inclusive of all guest stays in dwelling units, regardless of duration.
<p>“Strike a new balance”</p> <p><i>This pathway would aim to concentrate the revenue potential of STRs in the hands of local residents, dial back the negative impacts of STRs on marketwide housing availability and affordability by weeding out the more commercial operators, while maintaining and incentivizing a supply of diverse accommodation options for guests. Here, the phrases “dial back” and strike a new “balance” are chosen to reflect the fact that this pathway imagines regulatory options that in some cases still lead to a relatively dynamic market with e.g. uncertain future housing loss.</i></p>	<ul style="list-style-type: none"> Consider the “status quo” adjustments, above, because they would also be of benefit to this pathway. Consider implementing one of the three basic types of “principal residence” requirements. 	<ul style="list-style-type: none"> The strength of the housing-protective effect would depend on the type of principal residence requirement chosen. If the “onsite operator” or “onsite resident” versions of the requirement are chosen, there could still be significant potential housing loss over time (as the market adjusts to the new regulatory/incentive environment), but the negative impacts would likely be less compared to the status quo (caveat: many dynamic factors at play). Currently licenced units in non-principal residences would be allowed to continue operating under current and future owners so long as the use is continuous. The City need not worry too much about enforcing/tracking continuity of use of these legal non-conforming units (this would be a burden). The number of these licenced non-principal residence STRs could therefore be considered as “capped” going forward.

Pathway	Regulatory Options	Notes
“Cap and revisit” <i>In this pathway, the goals would be the same as with the “strike a new balance” pathway above, but with a desire to achieve a more certain mitigation of negative housing impacts.</i>	<ul style="list-style-type: none"> Consider the “status quo” adjustments, above, because they would also be of benefit to this pathway. Set a firm cap on the number of business licences available for STRs in non-principal residences (minimally equal to the number of currently-issued licences for such properties). Consider adjusting the cap upwards in future years depending on reassessment of e.g. local accommodation and housing market conditions (adjusting the cap <i>downward</i> is a difficult, uncertain and long-term process). 	<ul style="list-style-type: none"> First you would need to decide which of the three meanings of principal residence you want to go with. E.g. The City of Nelson has a cap of 100 licences for certain types of STRs. The summer period addressing the high visitor season and start of school semester is one category.
“Dissolve the main trade-off” <i>This pathway builds on both the “seek a new balance” and “cap and revisit” pathways with an additional goal to dissolve the main trade-off on this issue going forward: namely, to fully satisfy the need for modern, amenity-rich guest accommodation without sacrificing additional long-term housing, and while still providing opportunities for residents and others to earn STR income.</i>	<ul style="list-style-type: none"> Consider all of the regulatory adjustments outlined above, because they would also help advance this pathway. Develop a comprehensive strategy of incentives to spur the upgrading and expansion of traditional guest accommodation that doesn't compete with housing. This could include property tax incentives, pre-zoning (inc. with additional allowed density), streamlined review and approvals processes, coordinated planning of guest-attractive amenities, and outreach to providers. Strata hotels (“traditional” in some jurisdictions like Whistler and other BC ski resorts) can be an elegant format to achieve this pathway's goals because they can sometimes be easier to finance, and they distribute the revenue benefits of STRs more widely (including to local resident investors). Hotel Residences are another hybrid option that can provide amenity-rich tourism units in a professionally-managed, concentrated format. 	<ul style="list-style-type: none"> This is the approach Third Space Planning consultants designed for the Town of Gibsons. TUPs for non-principal residence STRs are utilized to maintain accommodation inventory while the strategy for upgrading/expanding more traditional guest accommodation is created and executed. A basic premise is that it should be possible - with the right set of incentives and strategies - to facilitate enough upgrading and expansion of “traditional accommodation” providers (inclusive of hybrid models such as Strata Hotels or Hotel Residences) to meet tourist demand, both in terms of number of units and amenities.

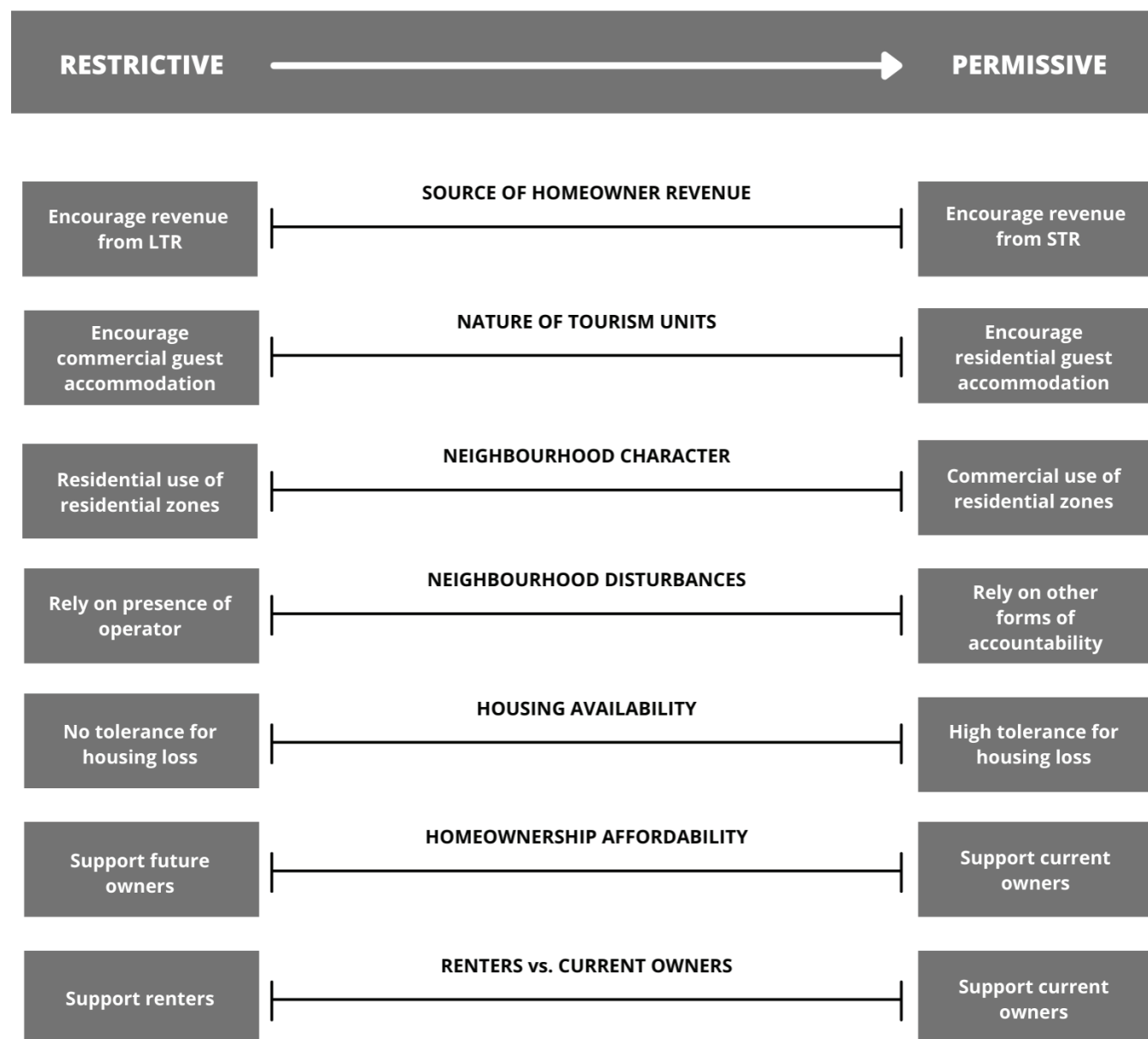
Appendix A:

Additional Context and Considerations

In this appendix we provide additional context and considerations responsive to key questions we've heard from both Council and staff throughout the project.

Trade-offs

The following diagram summarizes some of the key trade-offs inherent to the STR issue.



Provincial action

In June 2021 a joint UBCM/BC Advisory Group released their final report containing a number of recommended priorities for provincial action on short-term rentals.⁸⁶

These recommended actions included establishing a provincial registration system, requirements for STR platforms to share certain data with provincial and local governments, and requirements for STR platforms to proactively remove unregistered/unlicensed listings. If implemented, these actions would greatly simplify local enforcement.

The current mandate letter for the Minister of Housing, as well as the provincial response to 2022 UBCM Resolution NR11, suggest that work on these and other measures is ongoing.

However, even if the above actions are implemented, decisions about how and how many STRs to allow will remain the domain of local governments – as per their land use and business licencing authority.

Three types of “principal residence” requirements

The term “principal residence” can be confusing because (a) its meaning and application change from one local government to the next, (b) the provincial and federal governments have their own definitions (related to taxes, etc.), and people often have their own intuitive idea about what it means.

When it comes to local STR regulations, there are three basic types of “principal residence” requirement in use, as summarized in the following table:

Type	Details	Example Jurisdictions	Notes
“True homesharing”	Principal residence refers to the specific suite of rooms/dwelling unit where an STR operator lives (i.e. not inclusive of any secondary suites or ADUs on the property)	Vancouver, Victoria, Squamish, Kelowna, Gibsons, etc.	This is the most housing-protective option. It still allows for a diversity of STRs and for residents to earn supplemental income, but at a lower intensity per unit.
“Onsite operator”	Principal residence refers to the lot on which the STR operator lives (i.e. it includes any secondary suites or ADUs on the lot, even if the operator doesn't live in them)	Chilliwack, Ucluelet (for some of their STR sub-categories), West Kelowna	This option weeds out the more commercial operators while providing for greater onsite accountability and flexibility and revenue potential for local homeowners. It can, however, still lead to significant housing loss and decreased marketwide affordability because the number of dedicated STR dwelling units can become quite large over time.

⁸⁶ Available here: https://www.ubcm.ca/sites/default/files/2021-11/Policy%20Areas_Housing_Priorities%20for%20Short-Term%20Rentals%20Report_2021-10.pdf

Type	Details	Example Jurisdictions	Notes
“Onsite resident”	Principal residence refers to a lot on which anyone lives/resides full-time (i.e. the full-time resident doesn’t need to be the STR operator)	Summerland, Tofino	This is the “loosest” option. For example, It still allows for non-resident investors to build up multi-listing portfolios, so long as there’s at least one long-term tenant on site. It is sometimes intended to help catalyze ADU construction by vacation home owners and property investors (i.e. if these owners want STR income from the property while they’re not there, they are obliged to build an ADU and house a long-term tenant). As with the “onsite operator” option, this approach can still be associated with significant net housing loss and decreased marketwide affordability.

If Penticton wishes to pursue a “principal residence” requirement going forward, it will be important to clarify which of the above options it is referring to at any given time. Noting that jurisdictions will further define a principal residence in terms of e.g. the number of months per year the person resides there, etc.

Hard to “go backward” but easier to “draw a new line”

At the time of review, Penticton had granted 322 business licences for STR operations, including to 138 operators who did not live at the address being used for STR (i.e. non-principal residence STRs).

The non-conforming use (grandparenting) provisions of the Local Government Act protect these licenced operators – as well as the units and buildings in question, and therefore any future owners/operators – from the effects of zoning bylaw changes that would otherwise prohibit the existing STR use. These grandparenting protections remain in place so long as the STR use is not discontinued.

To give a specific example, staff received a legal opinion regarding a hypothetical scenario where Council passed bylaw amendments restricting STRs to properties where the operator lived onsite. An excerpt from this opinion is provided below:

“...A zoning change to require the operator of a vacation rental to live ‘on-site’ would not require an operator of an existing lawful vacation rental who lives off-site, to move on-site. The operation could continue with an off-site operator, and that would be true even if the property was sold to a new owner. That new owner could also operate the vacation rental from off-site, despite the new zoning rule, in the same way it was previously operated. The non-conforming use loses its protection from the new zoning rules if the use is discontinued, but it’s not necessarily clear what “discontinued” would mean in this example, assuming the vacation rental use isn’t happening all the time anyway. The right to continue a non-conforming use does not include the right to expand the use, except within an existing building that might have only been partially occupied by the non-conforming use. Also, to be clear, if a vacation rental was being operated before the bylaw change with an on-site operator, they could not rely on what would have been allowed under previous zoning to switch to off-site operation after the bylaw changes to prohibit that option. They have to prove their now-unlawful use predates the bylaw change.”

It is theoretically possible – with a great deal of effort and a bit of legal clarification – to track continuance of use in an attempt to slowly chip away at the number of units that are grandparented, e.g. in a scenario where new restrictions in the zoning bylaw are passed by Council. But the short story is that “it is hard to go backward” on zoning permissions for currently-licensed properties.

However, this need not stop Council from considering a more restrictive program going forward (e.g. if Council wishes to seek a new balance between STR accommodation and housing). So long as enforcement limitations on grandparented units are acknowledged/accepted (i.e. there is no expectation of heroic efforts to track continuance of use), it is straightforward to “draw a new line” that applies to future licence applications, and this new line can effectively serve any adjusted goals Council might have for the program.

Would new restrictions prompt operators to “go further underground”?

One question that arose during the project was whether any new restrictions could drive some operators to “go further underground”, e.g. by listing their STR on channels not actively monitored by enforcement staff.

The short answer is “likely yes.” However, this strategy is somewhat self-limiting in that (a) the further one goes underground, the harder it becomes for new guests to find and book one’s property, and (b) the more successful one is at securing bookings via alternative channels, the more those channels will begin to appear on the radar of enforcement staff.

The basic solution – and best practice – in the face of *all manner* of attempts to circumvent local STR regulations is a proactive approach to enforcement, with enforcement staff actively identifying and pursuing the shifting strategies of non-compliant operators, and with business licence fees and fines set high enough to sustainably pay for these efforts.

Rent impact methodology

Details about the methodology used to estimate the impact of STRs on Penticton rents is outlined on pp. 50-51 of this BC-wide study.

Challenges of “offset logic”

There is sometimes the idea that to eliminate the impacts of a given number of short-term rentals on the housing market, all a community needs to do is build that same number of new homes (i.e. offset the STRs). However, this logic unfortunately fails on at least a couple of key fronts:

- First, for any kind of offset to be effective it needs to have what is called strong “additionality.” That is, it needs to be clearly established that these new homes would not otherwise have been built. In the context of an ongoing and acute housing shortage, where there is strong appetite to build new homes regardless of what’s going on in the STR market, “additionality” will be very difficult to ever establish.
- Second, and most importantly, Penticton is not experiencing decreased marketwide housing affordability from its current ~200 non-principal residence STRs due to the absence of 200 additional homes; rather, the 200 non-principal residence STRs are creating these impacts in the context of a ~1,400 home shortage and 0.8% vacancy rate. It is these latter numbers that would need to be addressed to eliminate/significantly reduce the STR-induced impact, a process that will likely be difficult and take many years.



Document prepared by
Third Space Planning and
EcoPlan International



May 10/2023

SUBJECT: VACATION RENTALS REGULATIONS

Attention: Mayor & Council

On April 26, 2023, the Travel Penticton Board discussed the subject of Vacation Rentals in Penticton.

Vacation Rentals have become commonplace in the accommodation business, as such the Board wishes to make recommendations to ensure protocols are in place and enforced to ensure the health and safety of our visitors.

To help manage the Vacation Rental businesses, we propose these initial items;

1. Proof of City Operating License when registering the Vacation Rental on OTAs (Air BnB etc.) Platforms. This is done in Vancouver and should become common among all rentals.
2. Initial inspection from the city of Vacation Rental facility to ensure all codes are met or exceeded prior to granting operating license.
3. Furthermore, annual inspections of Vacation Rental facilities to ensure all codes are met or exceeded
4. City to ensure Vacation Rental License Fees cover the cost of initial and annual inspections to ensure health and safety standards are met or exceeded.
5. Initiation of a penalty (Fines) system levied to those Vacation Rental operators not registered (licensed) with the City of Penticton. We propose a 'First Warning' with a prescribed compliance period with a subsequent significant fine to motivate the operator to become licensed and compliant.

We appreciate the Vacation Rental situation is fluid and subject to scrutiny and change on an on-going basis. Travel Penticton would be happy to continue to work with City Staff to ensure all accommodation remains viable and sustainable.

Yours truly

A handwritten signature in black ink, appearing to be "JD" with a stylized flourish.

Jessica Dolan, Chair

Travel Penticton Society

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Jordan Hallam, Planner I
Address: 419 Westminster Avenue West
Subject: **Development Variance Permit PL2023-9573**

File No: RMS/419 Westminster Ave W

Staff Recommendation

THAT Council approve “Development Variance Permit PL2023-9573” for Lot 5 District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849 and The Westerly 17 Feet of Lot 4 Measured Along Westminster Avenue By The Full Depth of Said Lot; District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849, located at 419 Westminster Ave W, a permit to vary Section 10.5.2.9.a of Zoning Bylaw 2023-08, to reduce the minimum rear yard from 6.0 m to 5.1 m, in order to facilitate the construction of an addition to a single family dwelling;

AND THAT Council direct staff to issue the “Development Variance Permit PL2023-9573”.

Strategic Priority Objective

Vibrant and Connected: Support vibrant and diverse activities creating opportunities for connection in community.

Proposal

The applicants applied for, and received a building permit in order to build an addition at the rear of their existing single family dwelling. As part of the building permit process, a survey of the poured concrete forms was required. It was determined that the addition was built 5.1 m from the rear property line, where the minimum distance as per the Zoning Bylaw is 6.0 m. As such, the applicants have requested a variance to reduce the minimum rear yard setback from 6.0 m to 5.1 m for the addition to their existing single family dwelling.

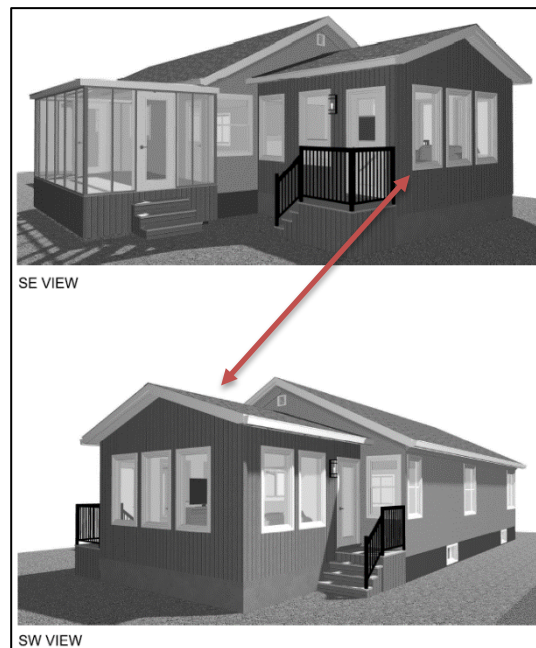


Figure 1 – Proposed Addition

Background

The subject property is located on the north side of Westminster Ave W, in a primarily residential neighbourhood (Figure 2). The property contains a single detached dwelling, which was constructed in 1948. The property is zoned RD2 (Duplex Housing: Lane), and is designated 'Ground Oriented Residential' by the Official Community Plan (OCP).

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the development application:

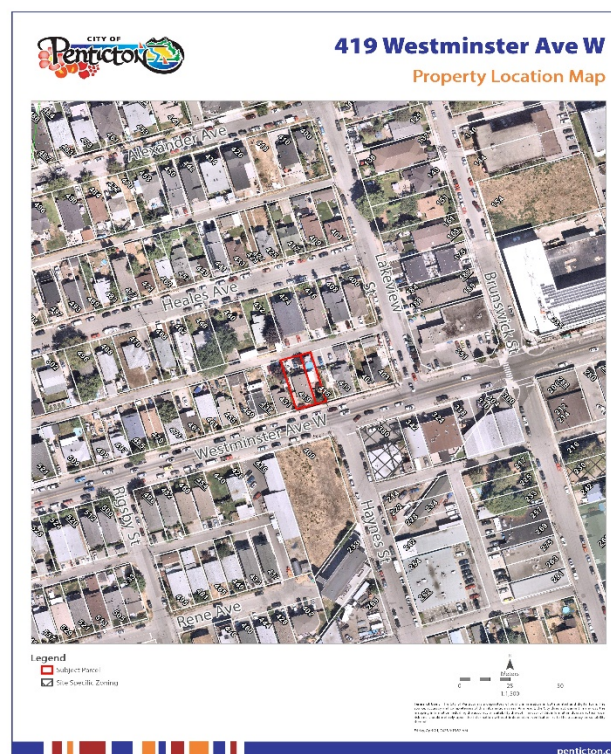


Figure 2 – Property Location Map

	RD2 – Duplex Housing: Lane Zone Requirement	Provided on Plans
Required Setbacks		
Front Yard (south):	4.5 m	> 5.0 m
Side Yard (east):	1.5 m	1.63 m
Side Yard (west):	1.5 m	3.72 m
Rear Yard (lane):	6.0 m	5.1 m – variance requested
Maximum Building Height	10.5 m	3.12 m (for the addition)

Analysis

Development Variance Permit

When considering a variance to a City bylaw, staff encourage Council to consider whether approval of the variance would cause a negative impact on neighbouring properties; and, if the variance request is reasonable. Staff have reviewed the requested variance to reduce the rear yard setback from 6.0 m to 5.1 m and are recommending support for the following reasons:

1. Support from neighbours

The applicant has provided letters of support from immediate neighbours for the proposed addition, including 413 and 431 Westminister Ave W, the properties that would be most impacted (Figure 3).

Neighbours signed letters of support, which were submitted by the applicant with their variance application. The letters of support submitted are included in Attachment 'E'. In addition to the support, staff consider that the requested variance to reduce the rear yard from 6.0 m to 5.1 m is minimal and will not have a negative impact on neighbours.

2. Minimal setback reduction

The proposed setback reduction from 6.0 m to 5.1 is minimal in distance. The setback requirements for accessory buildings or structures in the RD2 zone is 1.5 m, this proposed addition is further away from the rear property line than what would be required for an accessory building. The proposed addition will be meeting all of the BC Building Code requirements.



Figure 3 – Letters of support submitted by owners of 4 properties

Given the reasons above, staff consider the variance request is reasonable in this instance. As such, staff are recommending that Council approve the variance and direct staff to issue the permit.

Should Council approve the variance, staff would proceed with proceeding with the Building Permit.

Alternate Recommendations

Council may consider the requested variance is undesirable and that the applicants should build within the Zoning Bylaw regulations. If this is the case, Council should deny "Development Variance Permit PL2023-9573". If this decision is made, the applicant would need to update their plans and redesign to meet the Zoning Bylaw regulations. It is recommended that Council allow the applicant to speak on behalf of the proposed variance if Council is considering denying the application. Staff are recommending against this option, as the requested variance is considered reasonable in this instance and the letter of intent indicates that there will be minimal impacts on surrounding properties.

1. THAT Council deny "Development Variance Permit PL2023-9573".

Attachments

Attachment A – Zoning Map

Attachment B – Official Community Plan Map

Attachment C – Photos of Property

Attachment D – Letter of Intent

Attachment E – Letters of Support

Attachment F – Draft Development Variance Permit PL2023-9573

Respectfully submitted,

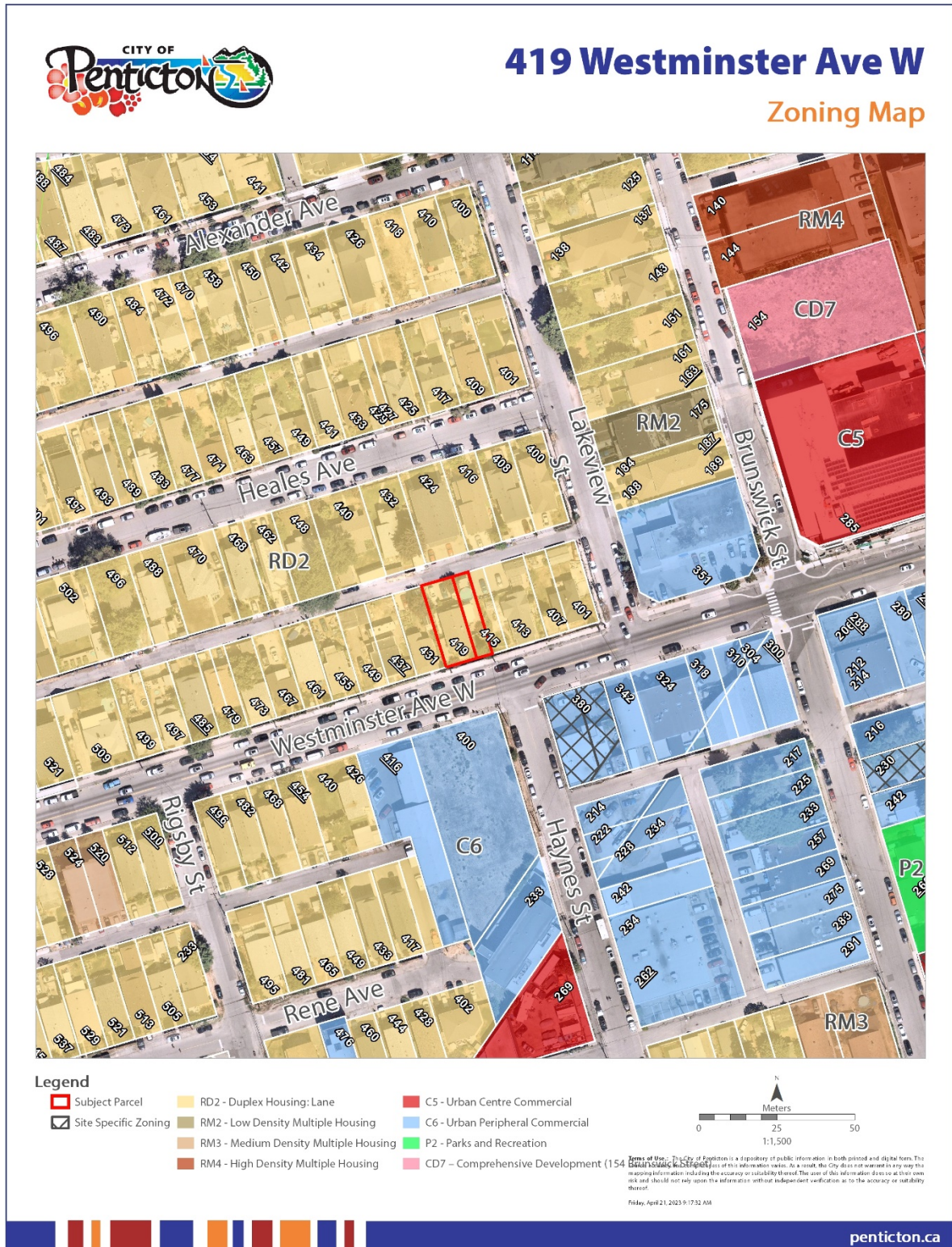
Jordan Hallam

Planner I

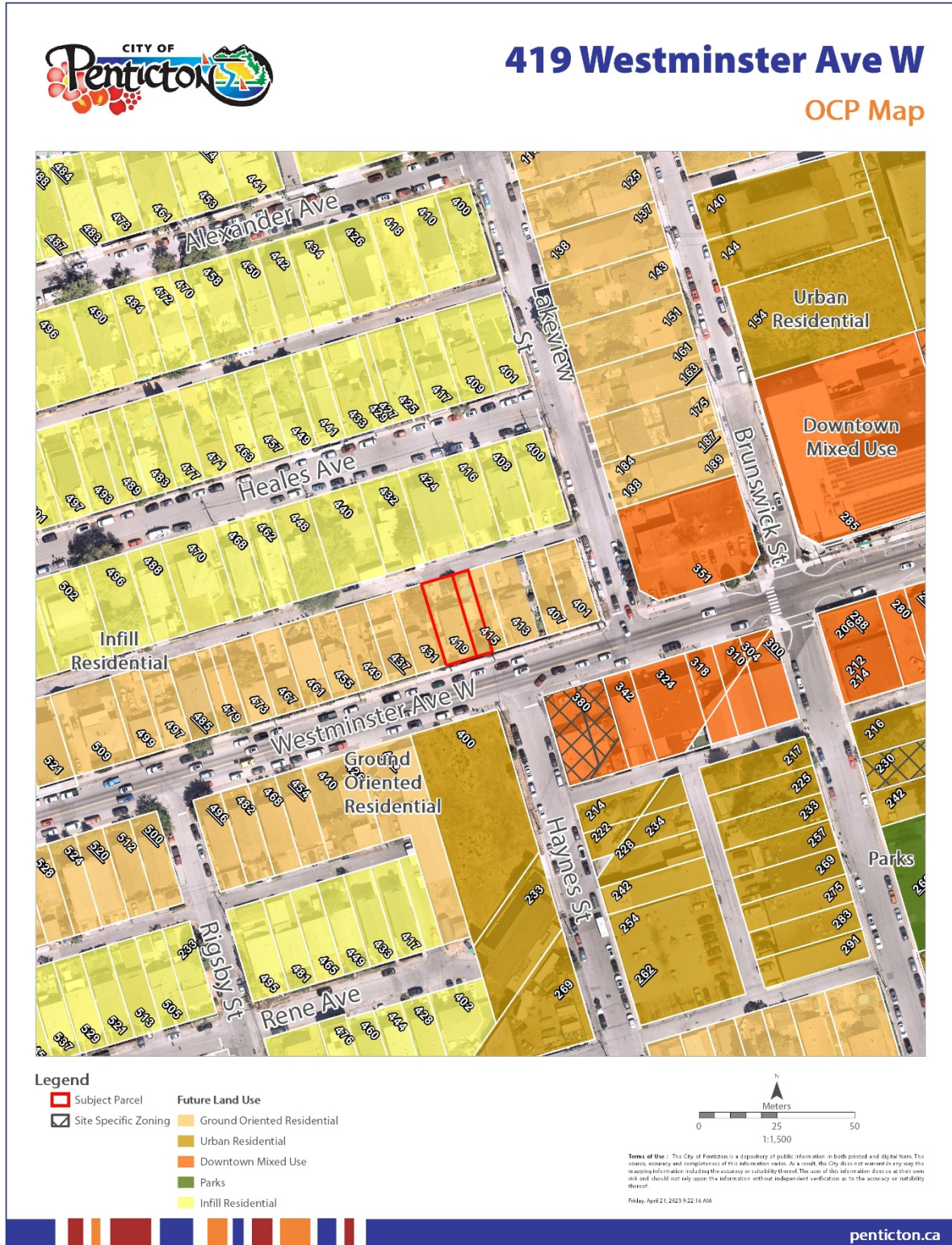
Concurrence

Director of Development Services <i>BL</i>	Chief Administrative Officer <i>DyD</i>
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Attachment A – Zoning Map

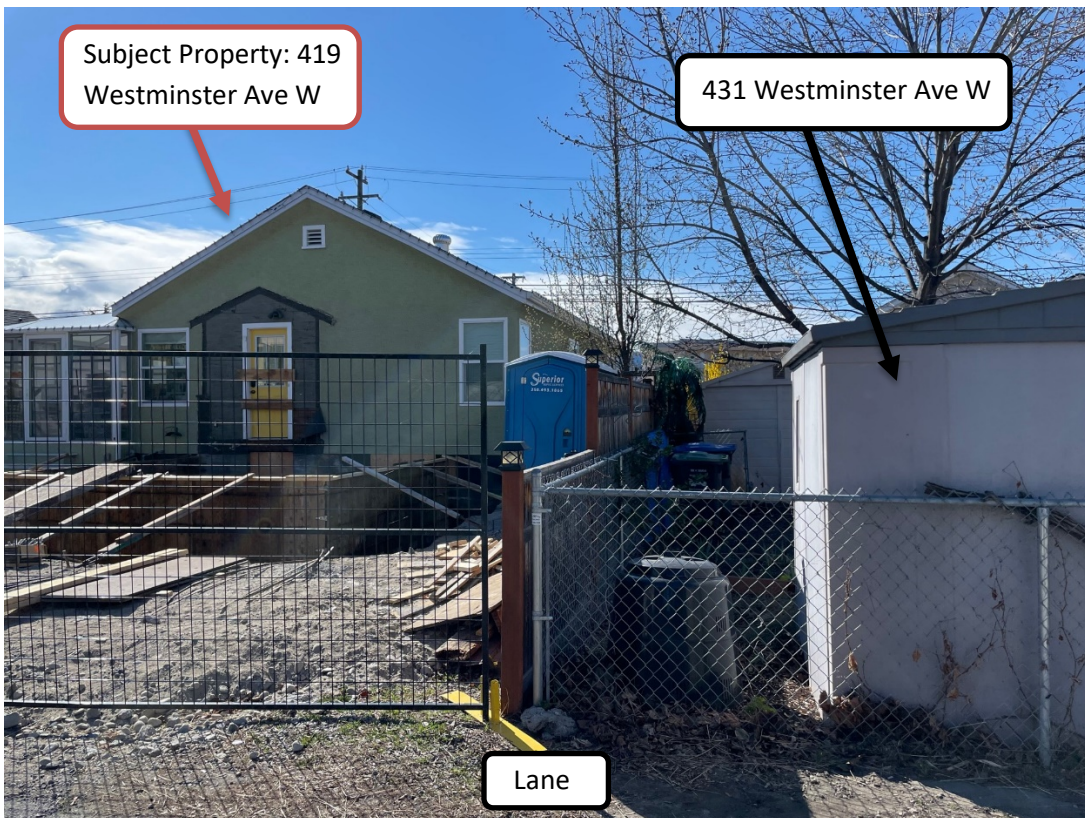


Attachment B – Official Community Plan Map



Attachment C – Photos of Property





Attachment D – Letter of Intent



1236 Duncan Avenue East Penticton, BC V2A 2X2
Phone: (250) 770-0050 Email: designbyllewelyn@gmail.com

Letter of Intent

Project: Proposed Addition at 419 Westminster Avenue West, Penticton, BC

April 20, 2023

To the City of Penticton Staff and Council,

We are looking for support when reviewing our request for a variance for the property at 419 Westminster Avenue West. The proposed addition is a single storey with a crawlspace, which has been designed to blend into the historical architecture of the existing home and neighbourhood.

A variance is being requested to reduce the rear yard setback to 5.10m from 6.0m, because an error was made in the design of the addition which caused the encroachment into the rear yard setback. The footings are already cast-in-place, and the concrete formwork has been installed.

The proposed single storey design will have a minimal impact on the privacy of the adjacent dwellings, minimizing views from the proposed addition toward neighbouring properties. The addition does not require the removal of any existing trees and vegetation.

As a responsible designer, I hope that this variance will be granted, as not to cause any further distress nor delay in the construction of this much anticipated home addition.

Sincerely,

A handwritten signature in black ink, appearing to read "Llewelyn Lloyd", written over a horizontal line.

Llewelyn Lloyd

April 22, 2023

City of Penticton
171 Main Street
Penticton, BC
V2A 5A9

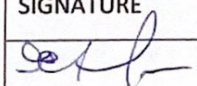
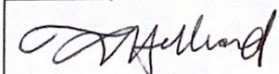
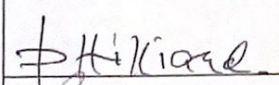
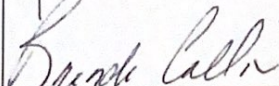
To Whom it May Concern:

We are neighbors of Deb and Jim Antonick at 419 Westminster Avenue.

We understand the addition to their house will extend approximately three feet beyond the original plan and therefore be that much closer to the back alley. We have no concerns with this obstructing our views, causing issues with parking, or resulting in any other problem.

We are informing the City of Penticton that we support a variance for their property.

Sincerely,

SIGNATURE	NAME	STREET ADDRESS
 Crawford	Greg Crawford Leslie Crawford	#102, 408 HEALES AVE PENTICTON, BC V2A 1G4
	Frank Hilliard	102-416 Heales Ave. Penticton, BC, V2A 1G4
	Pam Hilliard	#102-416 Heales Ave. Penticton BC V2A 1G4
	BRENDA COLLIER	413 WESTMINSTER AVE W. PENTICTON BC V2A 1K4

Date 04/22/23

Penticton City Hall

171 Main Street

Penticton, BC

V2A 5A9

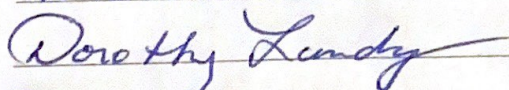
Re: The property construction being completed by 419 Westminster Avenue West

To Whom it may concern,

It is our understanding that the construction currently underway on the property of 419 Westminster Avenue West will be in violation of the city code that states there must be six feet between the alley and any property fixated on the lot. This letter is to inform you that, as direct neighbours, located at 431 Westminster Avenue West, we pose no objections to this property enhancement. We understand that this would lessen the space between alley and property to five feet and we have no issue with this.

Sincerely,

The residents of 431 Westminster Avenue West,



Dorothy Landry



Amber Landry

Development Variance Permit

Permit Number: DVP PL2023-9573

Owner Name
Owner Address

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.
2. This permit applies to:
 - Legal: Lot 5 District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849 and The Westerly 17 Feet of Lot 4 Measured Along Westminster Avenue By The Full Depth of Said Lot; District Lot 4 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 849
 - Civic: 419 Westminster Ave West
 - PID: 012-003-085
3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2023-08 to allow for the construction of and addition, as shown in the plans attached in Schedule 'A':
 - a. Section 10.5.2.9.a: to reduce the minimum rear yard setback from 6.0 m to 5.1 m.

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule 'A'.
5. In accordance with Section 504 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.
6. **This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.**
7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.
8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

Authorized by City Council, the 16th day of May, 2023.

Issued this ____ day of May, 2023.

Angela Collison
Corporate Officer

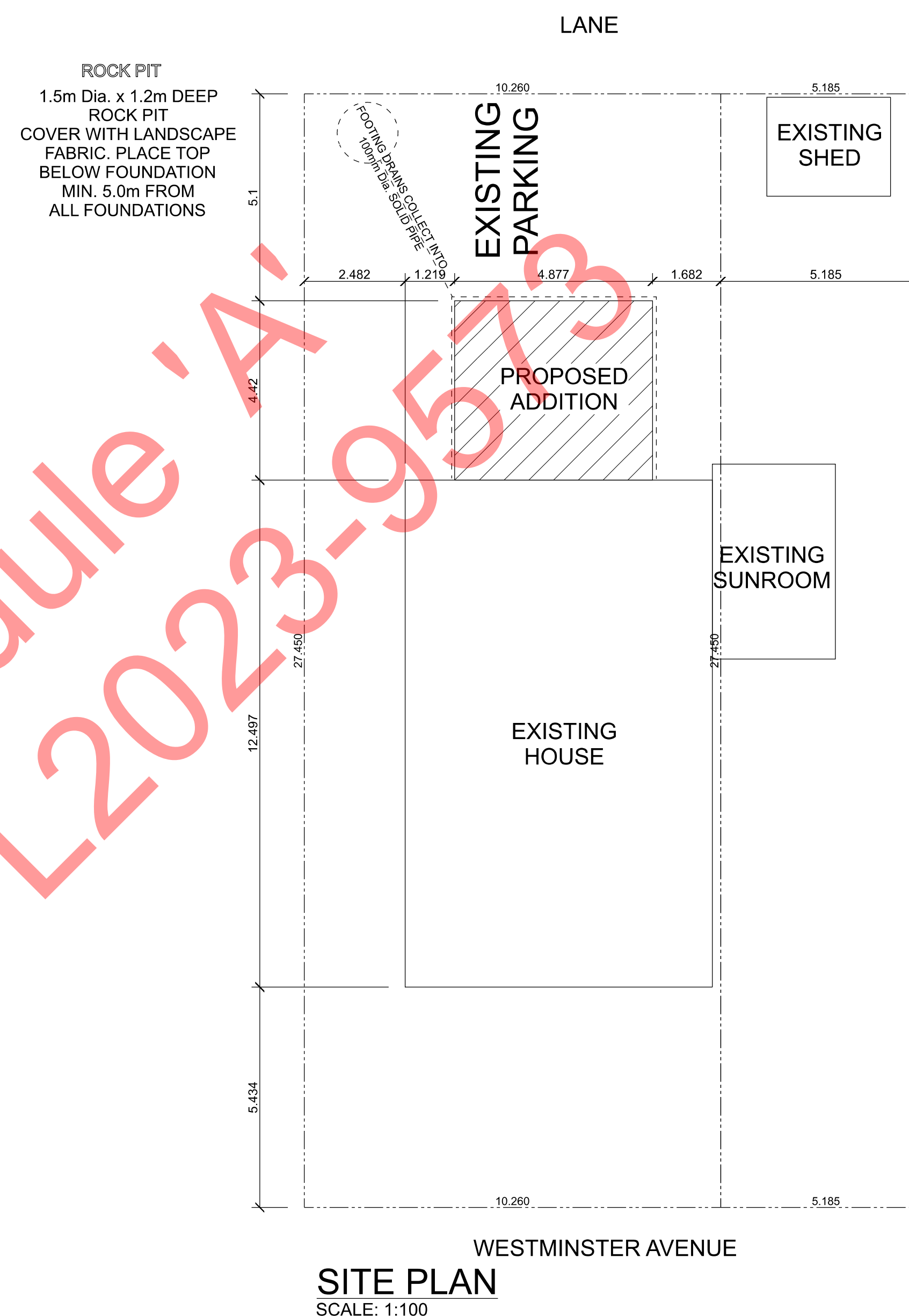
DRAFT



SE VIEW



SW VIEW



THE WESTERLY 17 FEET OF LOT 4 MEASURED ALONG
WESTMINSTER AVENUE BY THE FULL DEPTH OF SAID LOT;
LOT 5, DISTRICT LOT 4, GROUP 7, PLAN KAP849
SIMILKAMEEN DIVISION YALE
(FORMERLY YALE-LYTTON) DISTRICT
Folio: 05153-000 PID: 012-003-085

CIVIC ADDRESS:
419 Westminster Avenue West, Penticton, BC

SITE INFORMATION

ZONE: RD2 - Duplex Housing: Lane
MINIMUM PARCEL SIZE: 275m² ACTUAL: 423.9m²
MAXIMUM PARCEL COVERAGE: 40% ACTUAL: 32.6%

BUILDINGS

EXISTING HOUSE AREA: 1018.2 Sq. Ft. (94.59m²)
EXISTING SHED AREA: 80.1 Sq. Ft. 7.44m²)
EXISTING SUNROOM AREA: 157.1 Sq. Ft. 14.59m²)
PROPOSED ADDITION AREA: 232.0 Sq. Ft. (21.55m²)

TOTAL BUILDING AREA: 1487.3 Sq. Ft. (138.17m²)

MAXIMUM BUILDING HEIGHT: 34'-5" (10.5m) ACTUAL: 17'-10" (5.43m)

SETBACKS (MIN.):

FRONT: 4.5m
REAR: 6.0m
SIDE INTERIOR: 1.5m
SIDE EXTERIOR: 3.0m

SITE PLAN

DVP PL2023-9573

PROJECT: Deb Antonick	419 Westminster Avenue West, Penticton, BC
DESIGN BY: L.W.L.	DATE: 27 August, 2022
DRAWN BY: L.W.L.	REVISED: 21 April 2023

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Due to local codes, regulations and building practices and/or because of specific site conditions, these drawings may not be suitable or legal for use in the construction of a building in all localities. Consequently, these drawings are not to be used as a guide for construction unless the builder has confirmed their suitability and until the drawings have been brought into conformity with all local requirements. Additionally, design by Jewelyn is unable to accept any liability for the accuracy or overall integrity of these drawings. Therefore, the builder must carefully inspect all dimensions and details in these drawings and assume

Penticton, B.C. Canada
Telephone (250) 770-0050
designbyllewelyn@gmail.com

DESIGN BY
JEWELRY

PLAN NO
22584

SHEET NO
1 of 5

Council Report

penticton.ca

Date: May 16, 2023
To: Donny van Dyk, Chief Administrative Officer
From: Nicole Capewell, Planner II
Address: 1350 Naramata Road

Subject: **ALR Non-Farm Use PL2022-9487**
Development Variance Permit PL2023-9576

File No: RMS/1350 Naramata Rd

Staff Recommendation

ALR Non-Farm Use

THAT Council support "ALR Non-Farm Use PL2022-9487", for Lot 120 District Lot 199 and 672 Similkameen Division Yale District Plan 451 Except Plan (1) Parcel L Plan A57 (2) Plan M11079, located at 1350 Naramata Road, to increase the maximum size of an outdoor lounge from 233m² to 370m²;

AND THAT staff be directed to forward "ALR Non-Farm Use PL2022-9487", to the Agricultural Land Commission (ALC) with support from Council.

Development Variance Permit

THAT Council approve "Development Variance Permit PL2023-9576", for Lot 120 District Lot 199 and 672 Similkameen Division Yale District Plan 451 Except Plan (1) Parcel L Plan A57 (2) Plan M11079, located at 1350 Naramata Road, to vary Zoning Bylaw No. 2023-08 Section 9.2.4.1.c to increase the maximum size of the area devoted to food and beverage service for a winery from 233m² to 370m² for outdoor areas;

AND THAT Council direct staff to issue "Development Variance Permit PL2023-9576", subject to the Agricultural Land Commission approving "ALR Non-Farm Use PL2022-9487".

Strategic Priority Objective

Livable and Accessible: Proactively plan for deliberate growth; focused on an inclusive, healthy, safe and desirable place to live.

Proposal

The applicants are proposing to keep an outdoor lounge area associated with the winery (Hillside Cellars Winery Ltd.) on the subject property at 1350 Naramata Road. The current outdoor lounge area was approved during a COVID exemption to liquor licensing processes. The applicant is proposing an outdoor lounge area

of 370m², which exceeds the maximum area of 233m² (permitted through previous City and ALC approvals) allowed for on the property currently. As such, the applicants have applied for the following:

1. Non-Farm Use application with the Agricultural Land Commission, to increase the size of an outdoor lounge area from 233m² to 370m², and
2. A variance to Section 9.2.4.1.c of Zoning Bylaw No. 2023-08, to allow the area devoted to food and beverage service for a winery to increase from 233m² to 370m².

Background

Subject Property

The subject property is located on the east side of Naramata Road, and along the Kettle Valley Rail (KVR) Trail (Figure 1). The subject property features a vineyard, winery and associated bistro and tasting room operating under the name 'Hillside Cellars Winery Ltd.'. The property is just over 2.5 ha in size, and is zoned A (Agriculture), and is designated by the City's Official Community Plan (OCP) as Agriculture. The property is located entirely within the Agricultural Land Reserve (ALR).

Previous Approval

In 2012, the subject property proceeded through a similar Non-Farm Use application to expand the outdoor lounge areas associated with the winery from 125m² to 233m². This was supported by Penticton City Council and later approved by the Agricultural Land Commission. The ALC indicated within their 2012 decision that the expansion of lounge area "does not affect the arable area of the property, because they are located on the winery rooftop and partly on the ground floor at the edge of the winery structure". The 2012 ALC decision further indicated that "the winery lounge patio is supportive of agriculture because it enhances wine sales and overall wine production in the ALR". Given this previous 2012 approval, the applicants request is to increase the size from the previously allowed 233m².



Figure 1 - Property Location Map

COVID-19 Impacts on Liquor Licensing

In response to the COVID-19 pandemic and the Provincial Health Officer's (PHO) orders, the Liquor and Cannabis Regulation Branch (LCRB) implemented Temporary Expanded Service Area (TESA) authorizations starting in May 2020. A TESA authorizes Food Primary, Liquor Primary and Manufacturer licensees to temporarily expand their service areas, but does not increase the approved occupant load or capacity. The increased service area allows licensees to serve patrons while complying with the PHO's guidelines regarding physical distancing. Many of the businesses that had approved TESA application are now looking at making their increased service areas permanent.

The Agricultural Land Reserve Use Regulation (section 13) and City of Penticton Zoning Bylaw Section 9.2.4.1.c both establish a maximum area for indoor and outdoor lounge service areas, which is 125 m² indoors and 125 m² outdoors. Throughout the COVID-19 pandemic, the TESAs allowed for the expanded service areas on a temporary basis to ensure safe physical distancing of patrons.

TESA approvals were temporary in nature, and when the COVID-19 pandemic and PHO's guidelines regarding physical distancing were relaxed, expiration dates for TESA approvals were given. Some liquor establishments are wishing to maintain those expanded service areas permanently, and in order to do so, approvals from the local government is required prior to consideration of the license by the LCRB.

This is the situation of Hillside Cellars Winery Ltd.; they received a TESA to allow for an expanded service area to comply with COVID-19 physical distancing requirements, and now wish to make this area a permanent part of their outdoor lounge. As such, they are required to meet the Agricultural Land Commission Use Regulation and the City's Zoning Bylaw in order for this to be a permanent change to the operations. The applicants are requesting a Non-Farm Use application (ALC) and a variance to the City's Zoning Bylaw to allow up to a maximum size of 370 m² for the outdoor lounge area.

This request represents an increase of 137m² of outdoor lounge area (i.e. area devoted to food and beverage service) from the currently permitted 233m². If approved, the property would be allowed a total of 370m² of outdoor lounge area, and 125m² of indoor lounge area.

Technical Review

The proposed development was referred to the Technical Planning Committee (TPC), a committee of various City departments that comment on development applications. Minimal comments were received given the scope of the proposed developments. The applicants will be required to work with City staff to ensure all requirements will be met for any building permit and liquor licensing, should Council and the ALR support the lounge area increases.

Typically applications that have an agricultural component would be referred to the City's Agriculture Advisory Committee. However, at this time, the Committee is not yet operating. As such, staff referred the application to the Ministry of Agriculture, which reviewed the proposal and provided a letter to City staff (Attachment 'G'). The letter indicates that the request as proposed will not likely adversely impact the agriculture operation or interfere with the existing farming activities on the parcel.

Analysis

Agricultural Land Commission (ALC) Legislation

The *Agricultural Land Reserve Use Regulation*, Section 13, establishes a maximum area for indoor and outdoor lounge service areas, which is 125 m² indoors and 125 m² outdoors. The applicants were approved for a maximum of 233m² of outdoor lounge area in 2012 from the ALC. The applicants are now seeking a further increase of 137m², allowing for a total of 370m² of outdoor lounge area. In order to do so, the applicants have requested a Non-Farm Use application from the ALC.

Zoning Bylaw

The City's Zoning Bylaw establishes a maximum size that can be devoted for food and beverage service area of 125m² indoors and 125m² outdoors. These limitations align with the Agricultural Land Commission regulations. The applicant is requesting a variance to increase this size from the previously approved 230m², to 370m².

Staff Analysis

The applicant has provided plans that show where the outdoor lounge expansion would be located. The areas of expansion for the lounge are located directly adjacent to the winery building and between the winery and a driveway (Figure 2).



Figure 2 - Location of Outdoor Lounge Expansion

Staff have reviewed the requested ALR Non-Farm Use and Zoning Bylaw variance to increase the outdoor lounge area from 125m² to 370m² and are recommending support for the following reasons:

1. The proposed lounge expansion is anticipated to have low impact to surrounding areas, and the winery itself. The lounge area is part of the winery, and is separated from the vineyard by an existing driveway. Given that the vineyard is clearly delineated from the winery and the area proposed for a lounge expansion, staff do not feel that this expansion would adversely impact the agricultural operation or interfere with the existing farming activities on the site.
2. The use of a vineyard, winery and tasting room is permitted by the Zoning Bylaw.

3. Since the TESA expanded service area has been allowed at the subject property, no complaints have been received by the City as a result of additional area being used for the outdoor lounge area.
4. The Ministry of Agriculture provided a letter that there is not likely to be adverse impacts to the agriculture operation on the property as a result of the proposed expansion (Attachment 'G').

Approval Timing	Floor Area Permitted
Permitted through ALR and Zoning Bylaw	125m ²
Permitted permanently through 2012 ALR Non-Farm Use Application	233m ² (permanent increase of 108m ²)
Permitted temporarily through the 2022 TESA	370m ² (temporary increase of 137m ²)
Requesting permanently through 2023 ALR Non-Farm Use Application	370m ² (permanent increase of 137m ²)

Further, the subject property is designated as Agriculture by the City's OCP and is zoned A (Agriculture) in the City's Zoning Bylaw. The use of the property as a vineyard, winery with associated bistro and tasting room are permitted under the City's Zoning Bylaw and are supported through the OCP designation. There are several goals and policies within the OCP in regard to the use of agricultural lands:

OCP Goal	Business Retention and Expansion
4.3.5	Create conditions for business to succeed and thrive as long-term contributors to the economy.
OCP Goal	Support, Protect and Enhance Agriculture
4.5.1	Support, protect and enhance agriculture as a central component of Penticton's economy, character and identity.

Given the reasons above, as well as the OCP policy support to ensure agricultural areas are supported, staff consider the request is reasonable in this instance. As such, staff are recommending that Council provide support for the ALR Non-Farm Use Application and approve the requested variance permit, subject to the Agricultural Land Commission (ALC) ultimately approving the Non-Farm Use Application.

Should Council and the ALC eventually approve the requests, the applicant will be responsible to ensure proper building permits and liquor licensing are acquired prior to operation of the expanded lounge area.

Alternate Recommendations

Council may consider that the requested increase to lounge areas is unreasonable in this instance or may negatively impact the surrounding area. If this is the case, staff recommend that Council postpone a decision on the file, until such time as the applicant is able to appear before Council and provide any further justification or answer any questions that Council may have (Alternative #1). Alternatively, Council may deny the application without hearing from the applicant (Alternative #2), although staff are not recommending this option. Development Variance Permit PL2023-9576", subject to the Agricultural Land Commission approving "ALR Non-Farm Use PL2022-9487".

1. THAT Council postpone a decision on “ALR Non-Farm Use PL2022-9487” and “Development Variance Permit PL2023-9576”, until after hearing from the applicant.
2. THAT Council not support “ALR Non-Farm Use PL2022-9487” and deny “Development Variance Permit PL2023-9576”.

Attachments

Attachment A – Zoning Map

Attachment B – Official Community Plan Map

Attachment C – Photo of Expanded Outdoor Lounge Area

Attachment D – Letter of Intent

Attachment E – ALC Application

Attachment F – Proposed Plans

Attachment G – Ministry of Agriculture Letter

Attachment H – 2012 ALC Decision Letter

Attachment I – Draft Development Variance Permit PL2023-9576

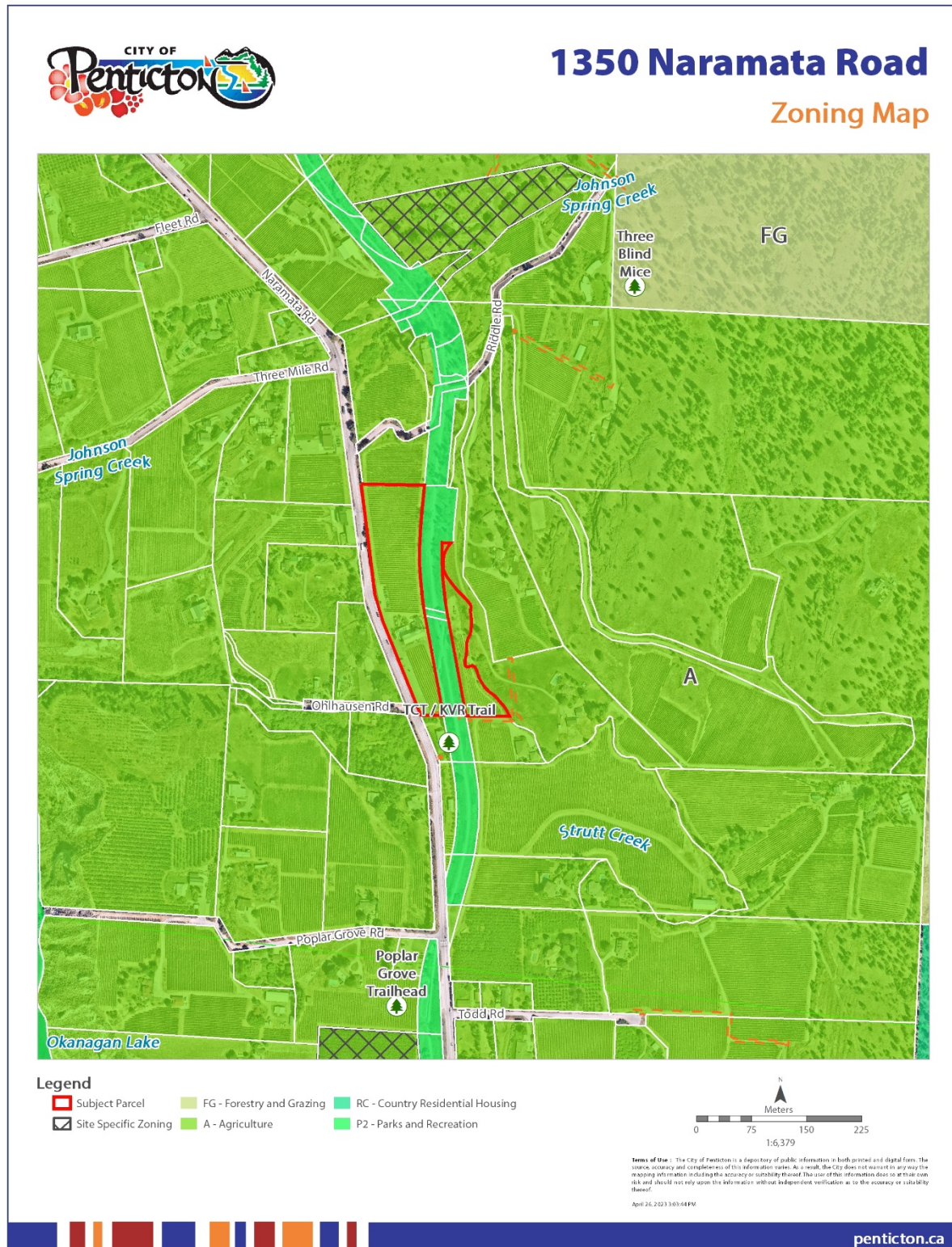
Respectfully submitted,

Nicole Capewell, RPP, MCIP
Planner II

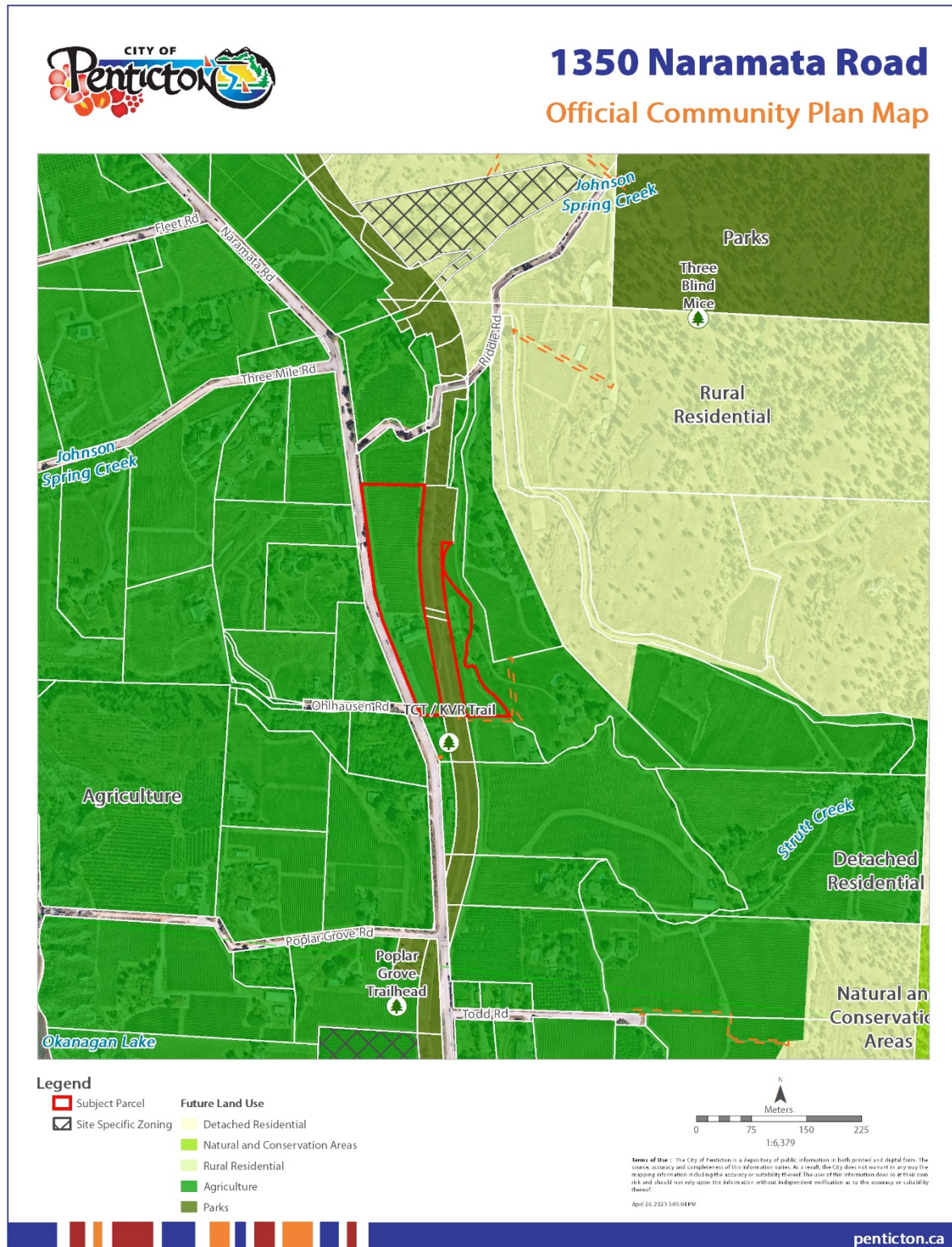
Concurrence

Director of Development Services <i>BL</i>	GM of Infrastructure <i>KD</i>	Chief Administrative Officer DvD
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Attachment A – Zoning Map



Attachment B – Official Community Plan Map



Attachment C – Photo of Expanded Outdoor Lounge Area



Looking towards area of outdoor lounge expansion



Looking towards area of outdoor lounge expansion

3 March 2023

To: Agricultural Land Commission

Application ID: 67098 Hillside Winery Non Farm Use Application

I am writing to apply for the TESA (Temporary Expanded Service Area) Authorization that was granted to Hillside on 3 May 2022 be made permanent.

As a manufacturer, we wish to make the TESA associated with our outdoor sampling area permanent and as such are applying for a Lounge Patio Endorsement. Also included in this application is a request to increase the outdoor lounge area in the ALR.

Current Uses of Parcel Under Application (Parcel ID: 012-312-703)

Preamble

This parcel of land has been under agricultural use since the early 1900s when the Hillside Winery site was owned by the Riddle family who operated an apricot orchard. Their property stretched about 100 yards north to what is now Riddle Road; the original farmhouse stood on what is now the site of our tasting room. The cherry trees, which were on the Riddles' front lawn, were planted in 1926, one still remains today on one of the sampling area lawns.

In 1979, the property was purchased by Bohumir and Vera Klokocka who had recently immigrated to the Okanagan Valley from Czechoslovakia. In 1984 she and Bohumir pulled out the apricot trees and planted 3.5 acres of vineyards. The last surviving apricot tree from the Riddles' orchard remains on the bank just below the Kettle Valley Railway (on the northeast side of the winery building). The grapevines thrived in the gravelly soil and warm Okanagan sunshine.

In 1991 a group of friends purchased the winery from the Klokockas and formed Hillside Winery & Bistro. Since that time, the land surrounding the winery has continued to be prime vineyard land that been nurtured and improved over the years.

The footprint of the winery and bistro is static and no expansion is planned due to natural boundaries. The winery building is surrounded by vineyards to the north and south, the KVR runs on the east side and the west side is Naramata Road.

1. Currently all agriculture that takes place on the parcel is planted vineyard as follows:

.22 ha Gamay grapes

.97 ha Muscat grapes

.04 ha Cabernet Sauvignon grapes

.1 ha Malbec grapes

.06 ha Petit Verdot grapes

2. Agricultural improvements made to the parcel as follows:

Landscaping of gardens and properties around the winery building and row ends.

Relocation of septic field in 2022 from a location immediately above the vineyard to a site closer to the winery.

Conversion from overhead to drip irrigation in 2006.

Currently going through the process to be certified by Sustainable Winegrowing BC.

3. Non-agricultural uses that currently take place on the parcel

.71 ha is a winery production facility, a bistro with an upper and lower patio, landscaped gardens and a parking lot.

Adjacent Land Uses to Hillside Parcel

North: Agricultural/Farm – vineyard

South: Agricultural/Farm – Apiary and honey production and orchard

East: Agricultural/Farm – vineyard plus the Kettle Valley Trail, part of the TransCanada Trail

West: Agricultural/Farm – west of the Naramata Road is agricultural land with horses, small livestock and vineyard

Proposal

1. 0.0137 hectares are proposed for non-farm use.

2. During COVID-19, Hillside applied for and was granted a TESA (Temporary Expanded Service Area Authorization) to allow for outdoor sampling to comply with the Provincial Health Officer's directions. The areas under the TESA are the deck outside the Wine Shop entrance and two grassy lawns adjacent to the Tasting Room.

This TESA authorization expires on 31 March 2023. As per advice from the LCRB in their letter dated 3 May 2022, we would like to make the TESA associated with the sampling areas a permanent service area and as a manufacturer are applying for a Lounge Patio Endorsement for the TESA sampling area. The total TESA sampling area in question totals 137 sq meters. This is broken down as follows:

1. Lower Grassy Pad	50.7 sq meters
2. Upper Grassy Pad	52.1 sq meters
3. Deck outside Wine Shop	34.5 sq meters
<u>Total</u>	<u>137 sq meters</u>

Hillside supports the local economy by attracting visitors to both the winery and bistro. The winery architecture is unique and considered to be one of the best examples of a winery building reflecting the history of the region (*Senese, D. M., Wilson, W., & Momer, B. (2012). The Okanagan Wine Region of British Columbia, Canada. In The Geography of Wine (pp. 81-91). Springer, Dordrecht.*). The structure is designed to promote wine quality as the stone walls and the tower serve to cool the cellar. The Naramata Bench was granted a sub-GI designation in 2019, elevating the region to world class standards.

Having an outdoor sampling area has allowed Hillside to convey the importance of history, vine age and terroir influences to the quality of wine. Our tasting experience consists of a 45-minute tutorial. This longer tasting experience tends to convert visitors to ambassadors for the Naramata Bench and the Okanagan valley. This experience of being immersed in the terroir while sampling adds to the sustainability and viability of our agricultural parcel.

In the case of the TESA, I believe that the benefits of making this expanded service area a permanent feature of the property far outweigh any potential negative impacts. The TESA has proven to be a popular and successful gathering place for residents and visitors alike, offering a unique and enjoyable experience in the heart of the ALR.

Furthermore, the TESA has demonstrated a commitment to sustainable development, showcasing how it is possible to balance economic growth with environmental preservation. As such, I believe that making the TESA a permanent service area within the ALR would be a significant step forward in promoting responsible and sustainable land use practices in our province.

In 2012, the ALC gave approval for 233 sq meters as a winery lounge patio for our bistro. (Resolution #241/2012). This request will increase the total lounge patio area at Hillside Winery & Bistro from 233 sq meters to 370 sq meters.

Once approval is received for this proposal, Hillside will then apply for a permanent structural change to our existing lounge outdoor patio Endorsement with the LCRB.

3. This proposal can not be accommodated on lands outside of the ALR as the service area must be adjacent to the manufacturing facility and tasting room. The Hillside Winery land parcel is entirely on ALR lands.
4. This proposal will support agriculture in both the short and the long term. The viability of the BC wine grape industry hinges on our ability to demonstrate the value of our wines as products of our unique growing conditions which are unmatched worldwide. Providing an outdoor tasting opportunity which conveys these values to visitors elevates and provides revenue to Hillside, the City of Penticton and the region. This revenue allows Hillside to continue to farm the land, replant vines, improve our farming techniques and support our farming partners to do the same.
5. We do not need to import any fill to construct or conduct the proposed non-farm use.

Thank you for your consideration of Hillside's application. We are committed to complying with all regulations and requirements set forth by the ALC and to working collaboratively with the Commission to ensure the protection and preservation of agricultural land in BC.

Sincerely,

Duncan McCowan

President

Applicant Attachments

Manufacturer Licence #201998

Proposal Sketch

6 Photos as referenced on the proposal sketch

Aerial photo of the winery 1350 Naramata Road and surrounding ALRs.

Partial Site plan and Context Plan

TESA Authorization 3 May 2022

Certificate of Title: 012-312-703

LC Decision #241/2012



Provincial Agricultural Land Commission - Applicant Submission

Application ID: 67098

Application Status: Under LG Review

Applicant: Hillside Cellars Winery Ltd.

Agent: Hillside Cellars Winery Ltd.

Local Government: City of Penticton

Local Government Date of Receipt: 03/20/2023

ALC Date of Receipt: This application has not been submitted to ALC yet.

Proposal Type: Non-Farm Use

Proposal: During COVID, Hillside was granted a Temporary Expanded Service Area authorization to conduct outdoor tastings. This authorization has been extended by the LCRB to March 31, 2023.

Hillside would like to make the areas approved within the TESA a Permanent Service area and as a manufacturer we are applying for a Lounge Patio Endorsement.

The area under application is 2 lawn areas and a small deck. All three areas total 137 sq meters.

Hillside will then apply for a Structural Change to our existing Patio Lounge Endorsement with the LCRB.

The existing patio lounge for the bistro was approved by the ALC in 2012 (Resolution #241/2012)

Agent Information

Agent : Hillside Cellars Winery Ltd.

Mailing Address :

1350 Naramata Road

Penticton, BC

V2A 8T6

Canada

Primary Phone [REDACTED]

Mobile Phone [REDACTED]

Email : [REDACTED]

Parcel Information

Parcel(s) Under Application

Applicant: Hillside Cellars Winery Ltd.

1. Ownership Type : Fee Simple

Parcel Identifier : 012-312-703

Legal Description : LOT 120 DISTRICT LOTS 199 AND 672 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 451 EXCEPT (1) PARCEL L PLAN A57 (2) PLAN M11079

Parcel Area : 2.5 ha

Civic Address : 1350 Naramata Road

Date of Purchase : 02/10/1998

Farm Classification : Yes

Owners

1. Name : Hillside Cellars Winery Ltd.

Address :

1350 Naramata Road

Penticton, BC

V2A 8T6

Canada

Phone [REDACTED]

Cell [REDACTED]

Email : [REDACTED]

Current Use of Parcels Under Application

1. Quantify and describe in detail all agriculture that currently takes place on the parcel(s).

.22 ha Gamay grapes, .97 ha Muscat grapes, .04 ha Cabernet Sauvignon grapes, .10 ha Malbec grapes, .06 Petit Verdot grapes

2. Quantify and describe in detail all agricultural improvements made to the parcel(s).

Landscaping of gardens and properties around the winery building plus row ends planting. Relocation of septic field in 2022 from a location immediately above planted vineyard to a site closer to the winery. Conversion from overhead to drip irrigation in 2006. Currently in progress to be certified by Sustainable Winegrowing BC.

3. Quantify and describe all non-agricultural uses that currently take place on the parcel(s).

.71 ha is our winery production facility including a crush pad, a tasting room/wine shop, office space, a bistro with kitchen, and a parking lot.

Adjacent Land Uses

North

Land Use Type: Agricultural/Farm

Specify Activity : vineyard

East

Land Use Type: Agricultural/Farm

Specify Activity : vineyard plus the Kettle Valley Trail, part of the TransCanada Trail

South

Applicant: Hillside Cellars Winery Ltd.

Land Use Type: Agricultural/Farm

Specify Activity : vineyard and apiary and honey production and orchard

West

Land Use Type: Agricultural/Farm

Specify Activity : West of Naramata Road is agricultural land with horses, small livestock and vineyard

Proposal

1. How many hectares are proposed for non-farm use?

0.0137 ha

2. What is the purpose of the proposal?

During COVID, Hillside was granted a Temporary Expanded Service Area authorization to conduct outdoor tastings. This authorization has been extended by the LCRB to March 31, 2023.

Hillside would like to make the areas approved within the TESA a Permanent Service area and as a manufacturer we are applying for a Lounge Patio Endorsement.

The area under application is 2 lawn areas and a small deck. All three areas total 137 sq meters.

Hillside will then apply for a Structural Change to our existing Patio Lounge Endorsement with the LCRB.

The existing patio lounge for the bistro was approved by the ALC in 2012 (Resolution #241/2012)

3. Could this proposal be accommodated on lands outside of the ALR? Please justify why the proposal cannot be carried out on lands outside the ALR.

No. This service area must be adjacent to the building and tasting room and the Hillside land parcel is entirely on ALR lands.

4. Does the proposal support agriculture in the short or long term? Please explain.

Yes, the proposal supports agriculture in the short and long term. The viability of the BC Wine grape industry hinges on our ability to demonstrate the value of our wines as products of our unique growing conditions which are unmatched worldwide. Providing an outdoor tasting opportunity which conveys these values to visitors and elevates and provides revenue to Hillside, the city of Penticton and the region. This revenue generated by visitors allows Hillside to continue to farm the land, replant vines, improve our farming techniques and support our farming partners to do the same. We are committed to the protection and preservation of agricultural land in BC.

5. Do you need to import any fill to construct or conduct the proposed Non-farm use?

No

Applicant Attachments

Applicant: Hillside Cellars Winery Ltd.

- Agent Agreement - Hillside Cellars Winery Ltd.
- Other correspondence or file information - TESA Authorization
- Proposal Sketch - 67098
- Site Photo - Photos for Proposal Sketch
- Other correspondence or file information - Prior ALC Resolution
- Other correspondence or file information - LCRB Manufacturing Licence
- Site Photo - Partial Site & Context Plan
- Site Photo - Aerial View #2
- Other correspondence or file information - Letter of Intent
- Site Photo - Aerial View #1
- Certificate of Title - 012-312-703

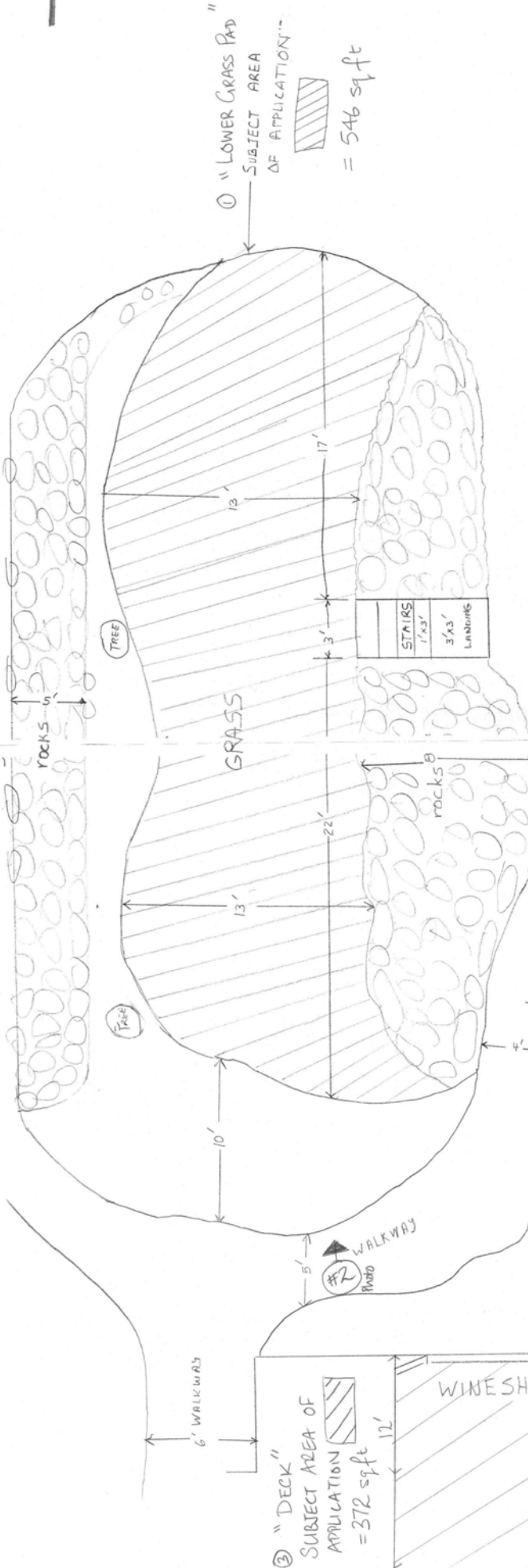
ALC Attachments

None.

Decisions

None.

NORTH

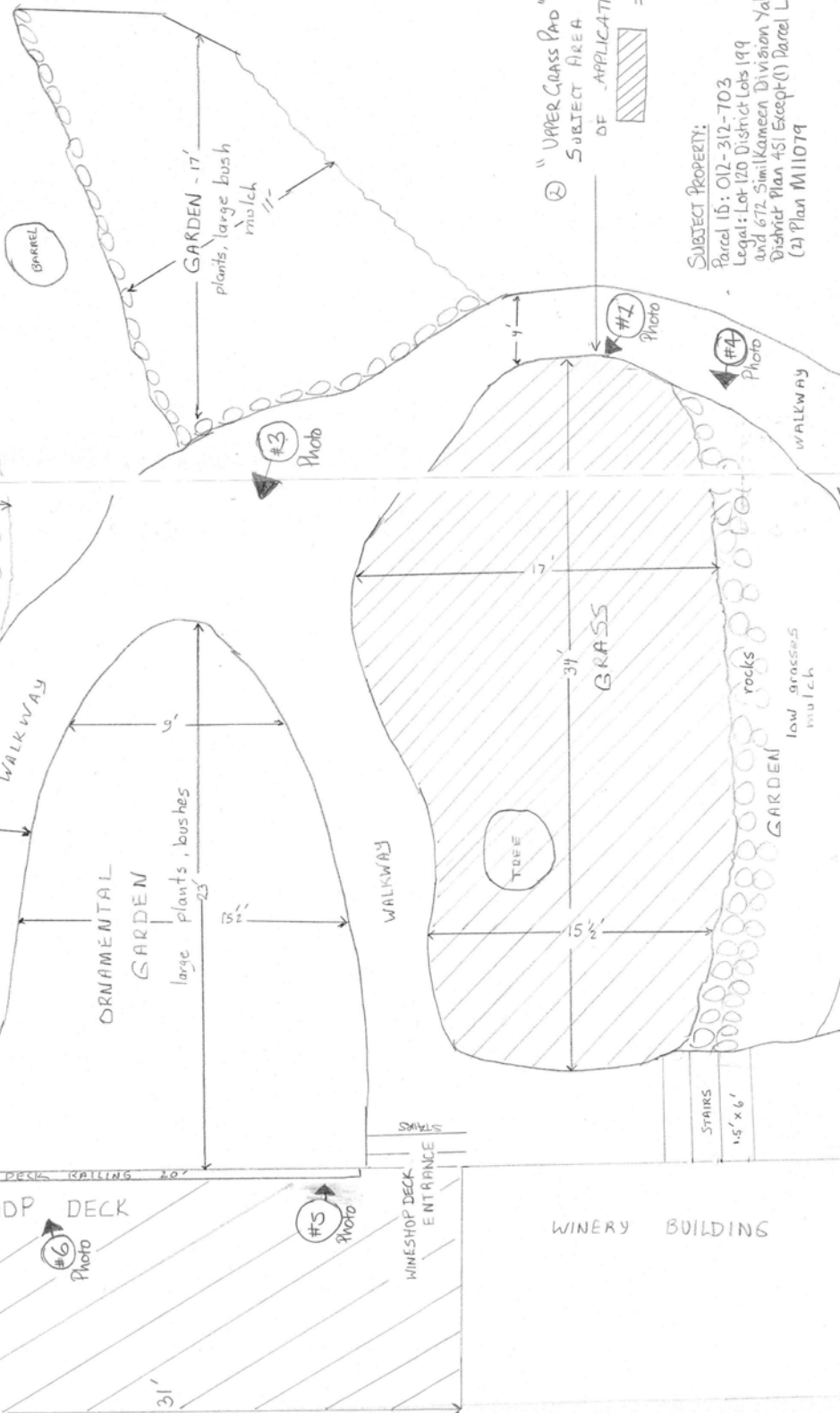


TOTAL AREA OF APPLICATION

① LOWER GRASS PAD	546 sq ft
② UPPER GRASS PAD	561 sq ft
③ DECK	372 sq ft
TOTAL	1,479 sq ft

HILLSIDE CELLARS
WINERY & BISTRO
Scale: 1/4" = 1'

SUBJECT PROPERTY:
Parcel 15: 012-312-703
Legal: Lot 120 District 199
and 672 Similkameen Division Yale
District Plan 451 Except (1) Parcel L Plan A57
(2) Plan M11079





April 6, 2023

File: 0280-30

Nicole Capewell, Planner II
City of Penticton
Via Email: Nicole.Capewell@penticton.ca

Dear Nicole Capewell:

Re: 1350 Naramata Road (PID: 012-312-703; ALC Application ID: 67098)

Thank you for providing the opportunity for the Ministry of Agriculture and Food (Ministry) staff to comment on the above-noted non-farm use application to expand the winery's outdoor lounge area from the 233 m² previously approved by the Agricultural Land Commission (ALC) to 370.3 m².

As you may know, the Agricultural Land Reserve (ALR) was established to protect agricultural land for farming purposes, and to limit non-farm uses to those that support the farm operation. Although the expansion of the outdoor lounge area will result in outdoor lounge space that is considerably larger than the 125 m² permitted by the ALR Use Regulation, Ministry staff note that the previous expansion was approved due to it being located on the winery roof. The proposed expansion of the outdoor lounge area will be located on the lawn area between the winery and the driveway and will therefore not likely adversely impact the agricultural operation or interfere with the existing farming activities on the parcel. As a result, ministry staff have no objections to the application proceeding to the Agricultural Land Commission for decision.

Please let us know if you require any additional information or clarification regarding our comments.

Sincerely,

Alison Fox, P.Ag

- 2 -

Land Use Agrologist
Ministry of Agriculture & Food
Email: Alison.Fox@gov.bc.ca
Phone: (778) 666-0566

Email copy: Michael McBurnie, Regional Planner, Agricultural Land Commission
ALC.Referrals@gov.bc.ca



Agricultural Land Commission

133 – 4940 Canada Way
Burnaby, British Columbia V5G 4K6
Tel: 604 660-7000
Fax: 604 660-7033
www.alc.gov.bc.ca

July 13th, 2012

Reply to the attention of Martin Collins
ALC File: 52686

Hillside Cellars Winery Ltd.
1350 Naramata Road
Penticton, BC
V2A 8T6

Dear Sir/Madam:

Re: Application for Non-Farm Uses in the Agricultural Land Reserve

Please find attached the Minutes of Resolution #241/2012 and a sketch plan outlining the Commission's decision as it relates to the above noted application. Nothing in this decision releases you from making another application if you intend to relocate the outdoor patio(s) from their current location.

Other approvals may be necessary. Prior to proceeding, the Commission suggests you contact the City of Penticton.

Yours truly,

PROVINCIAL AGRICULTURAL LAND COMMISSION

Per: 

Brian Underhill, Executive Director

Enclosure: Minutes/Sketch plan

cc: City of Penticton



PROVINCIAL AGRICULTURAL LAND COMMISSION

A meeting was held by the Provincial Agricultural Land Commission on June 27th, 2012 at the Ministry of Agriculture offices in Kelowna, B.C.

COMMISSION MEMBERS PRESENT:

Richard Bullock	Chair
Jennifer Dyson	Vice-Chair
Bert Miles	Commissioner
Jim Johnson	Commissioner

COMMISSION STAFF PRESENT:

Martin Collins	Regional Planner
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APPLICATION: # 52686

PROPOSAL: To use 233 sq meters of Hillside Estate Winery as a winery lounge outdoor patio. This is 108 sq meters larger than the 125 sq meters permitted by BC Regulation #171/2002. The patios consist of an upper 137 sq meter patio, and a lower 96 sq meter patio.

(Submitted pursuant to section 20(3) of the *Agricultural Land Commission Act*)

COMMISSION CONSIDERATION:

After review of all file information presented the Commission has concluded as follows:

1. The 233 sq meter winery lounge outdoor patios currently exist and they do not affect the arable area of the property because they are located partly on the winery rooftop (137 sq meters) and partly on the ground floor at the edge of the winery structure (96 sq meters);
2. The winery lounge patio is supportive of agriculture because it enhances wine sales and overall wine production in the ALR.

IT WAS

MOVED BY: Commissioner J. Dyson

SECONDED BY: Commissioner J. Johnson

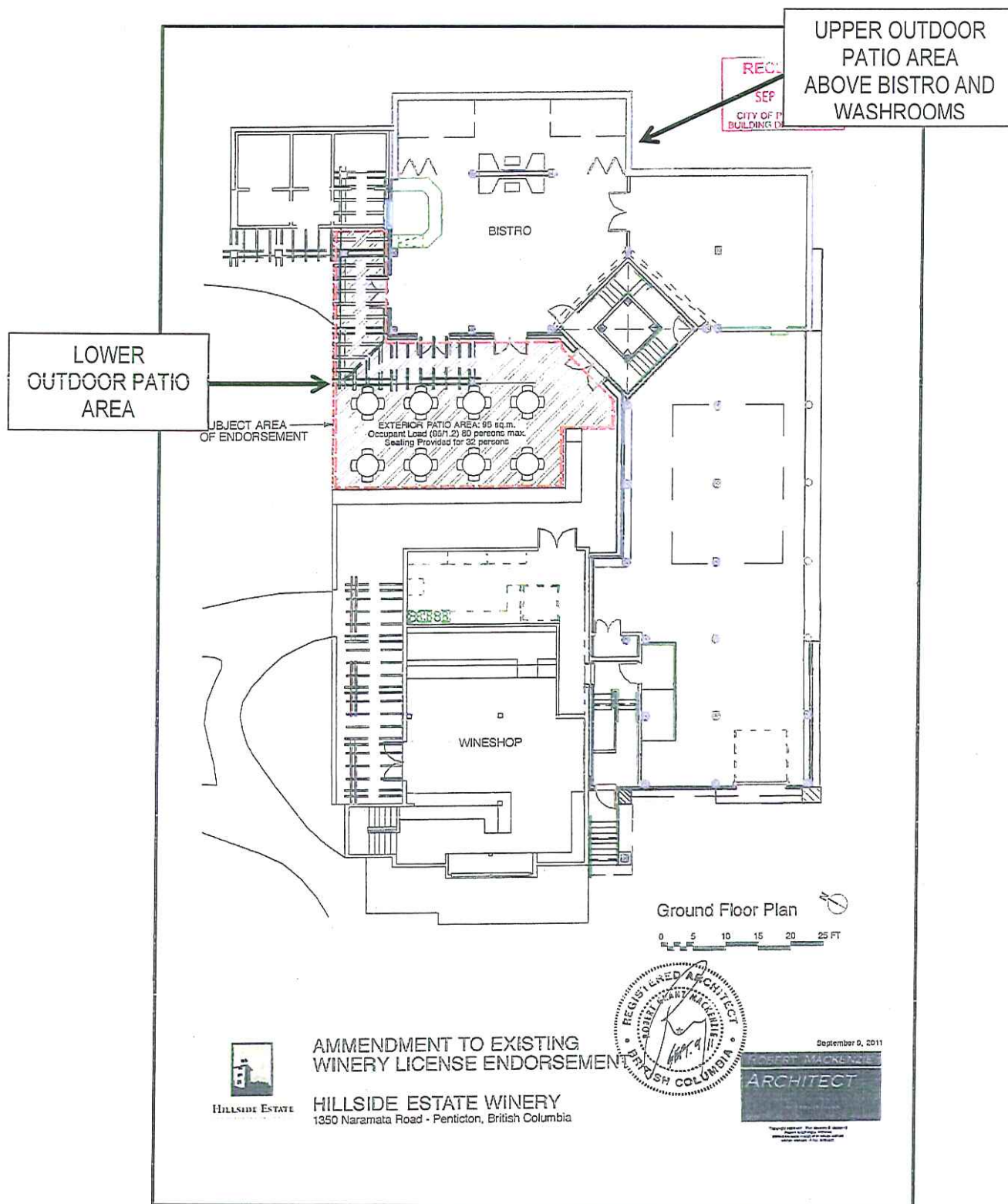
THAT the application be allowed as proposed.

This decision does not relieve the owner or occupier of the responsibility to comply with applicable Acts, regulations, bylaws of the local government, and decisions and orders of any person or body having jurisdiction over the land under an enactment.

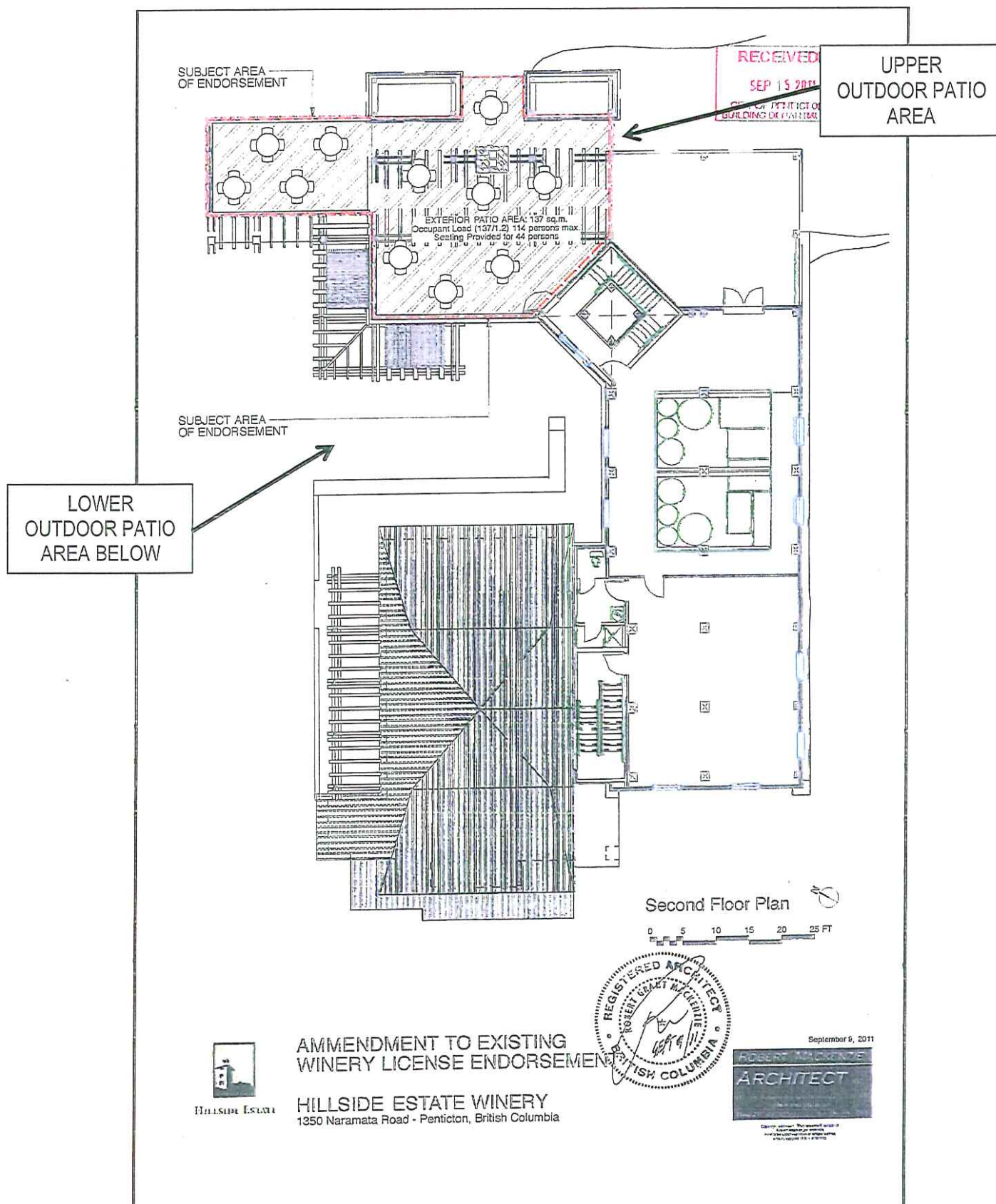
CARRIED

Resolution # 241/2012

ATTACHMENT 'B' Floor Plans



ALC APPLICATION 52686 RESOLUTION # 241/2012
SKETCH PLAN (2 SIDED)



Development Variance Permit

Permit Number: DVP PL2023-9576

Owner Name

Owner Address

Conditions of Permit

1. This permit is issued subject to compliance with all of the bylaws of the City, except as specifically varied or supplemented by this Permit.
2. This permit applies to:
 - Legal: Lot 120 District Lots 199 and 672 Similkameen Division Yale District Plan 451
Except (1) Parcel L Plan A 57 (2) Plan M11079
 - Civic: 1350 Naramata Road
 - PID: 012-312-703
3. This permit has been issued in accordance with Section 498 of the *Local Government Act*, to vary the following sections of Zoning Bylaw 2021-01 to allow for the construction of an outdoor lounge area, as shown in the plans attached in Schedule 'A':
 - a. Section 9.2.4.1.c: to increase the maximum size of the area devoted to food and beverage service for a winery from 233m² to 370m² for outdoor areas.

General Conditions

4. In accordance with Section 501 of the *Local Government Act*, the lands subject to this permit shall be developed in general accordance with this permit and the plans attached as Schedule 'A'.
5. In accordance with Section 504 of the *Local Government Act*, if the holder of this permit does not commence the development authorized by this permit within 2 years of the date of this permit, this permit shall lapse.
6. **This permit is not a building permit. In order to proceed with this development, the holder of this permit must hold a valid building permit issued by the Building Inspection Department.**
7. This permit does not constitute any other municipal, provincial or federal approval. The holder of this permit is responsible to obtain any additional municipal, federal, or provincial approvals prior to commencing the development authorized by this permit.
8. This permit does not include off-site infrastructure costs that may be required at the building permit stage, such as Development Cost Charges (DCC's), road improvements and electrical servicing. There may be substantial infrastructure and servicing costs payable at a later date. For more information on servicing and infrastructure requirements please contact the Development Engineering Department at (250) 490-2501. For more information on electrical servicing costs, please contact the Electric Utility at (250) 490-2535.

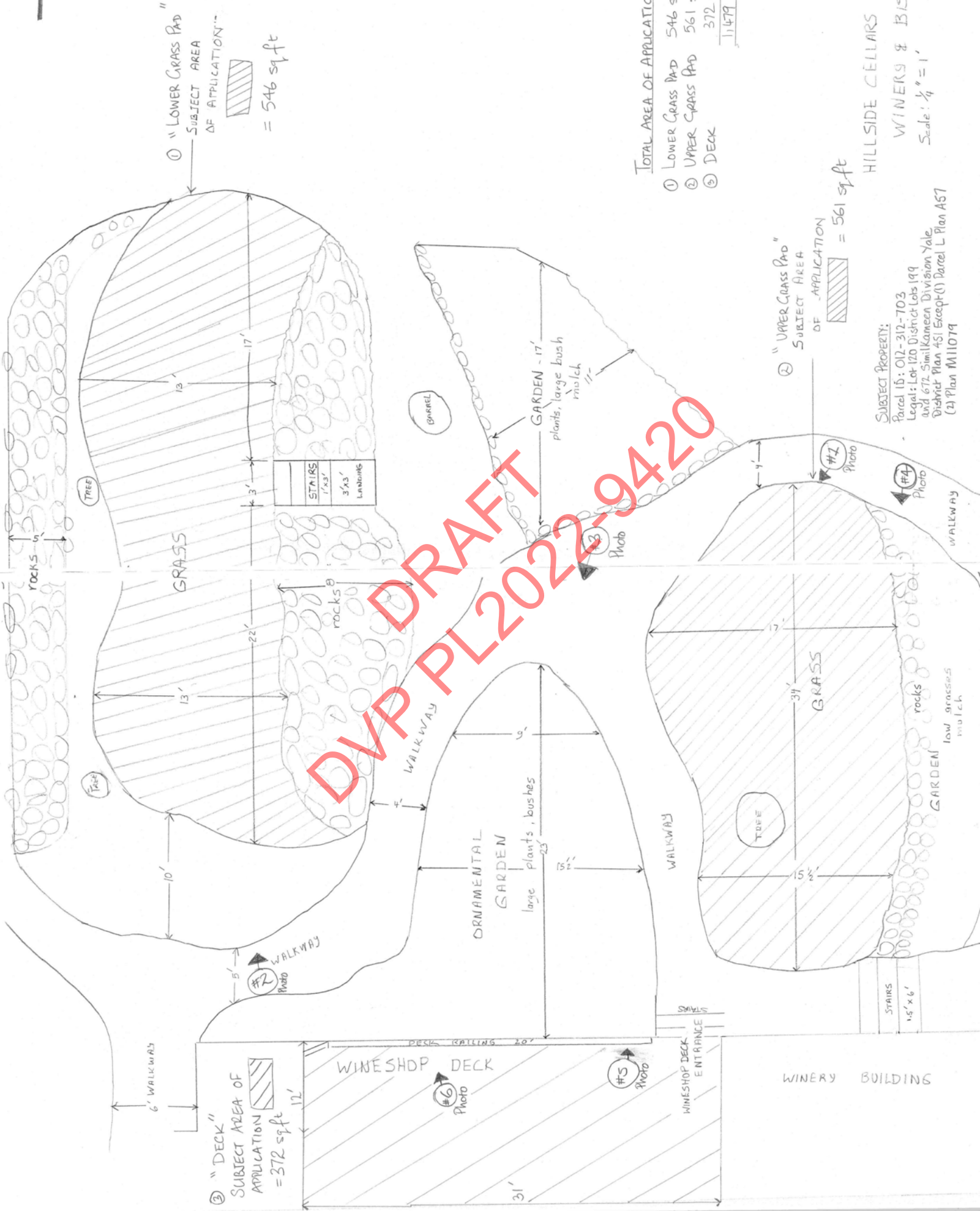
Authorized by City Council, the ____ day of _____, 2023.

Issued this ____ day of _____, 2023.

Angela Collison
Corporate Officer

DRAFT
DVP PL2022-9420

NORTH



The Corporation of the City of Penticton

Bylaw No. 2023-16

A Bylaw to Amend Zoning Bylaw 2023-08

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw No. 2023-08;

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 for all purposes as "Zoning Amendment Bylaw No. 2023-16".

2. **Amendment:**

2.1 Zoning Bylaw No. 2023-08 is hereby amended as follows:

Rezone Lot 9 District Lot 2 Group 7 Similkameen Division Yale (Formerly Yale-Lytton) District Plan 3348, located at 517 Alexander Avenue, from RD2 (Duplex Housing: Lane) to RD3 (Residential Infill).

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	2	day of	May, 2023
A PUBLIC HEARING was held this	16	day of	May, 2023
READ A SECOND time this		day of	, 2023
READ A THIRD time this		day of	, 2023
RECEIVED the approval of the		day of	, 2023
Ministry of Transportation on the			
ADOPTED this		day of	, 2023

Notice of intention to proceed with this bylaw was published on the 5th day of May, 2023 and the 10th day of May, 2023 in an online news source and the newspaper, pursuant to Section 94.2 of the *Community Charter*.

Approved pursuant to section 52(3)(a) of the *Transportation Act*
this _____ day of _____, 2023

for Minister of Transportation & Infrastructure

Julius Bloomfield, Mayor

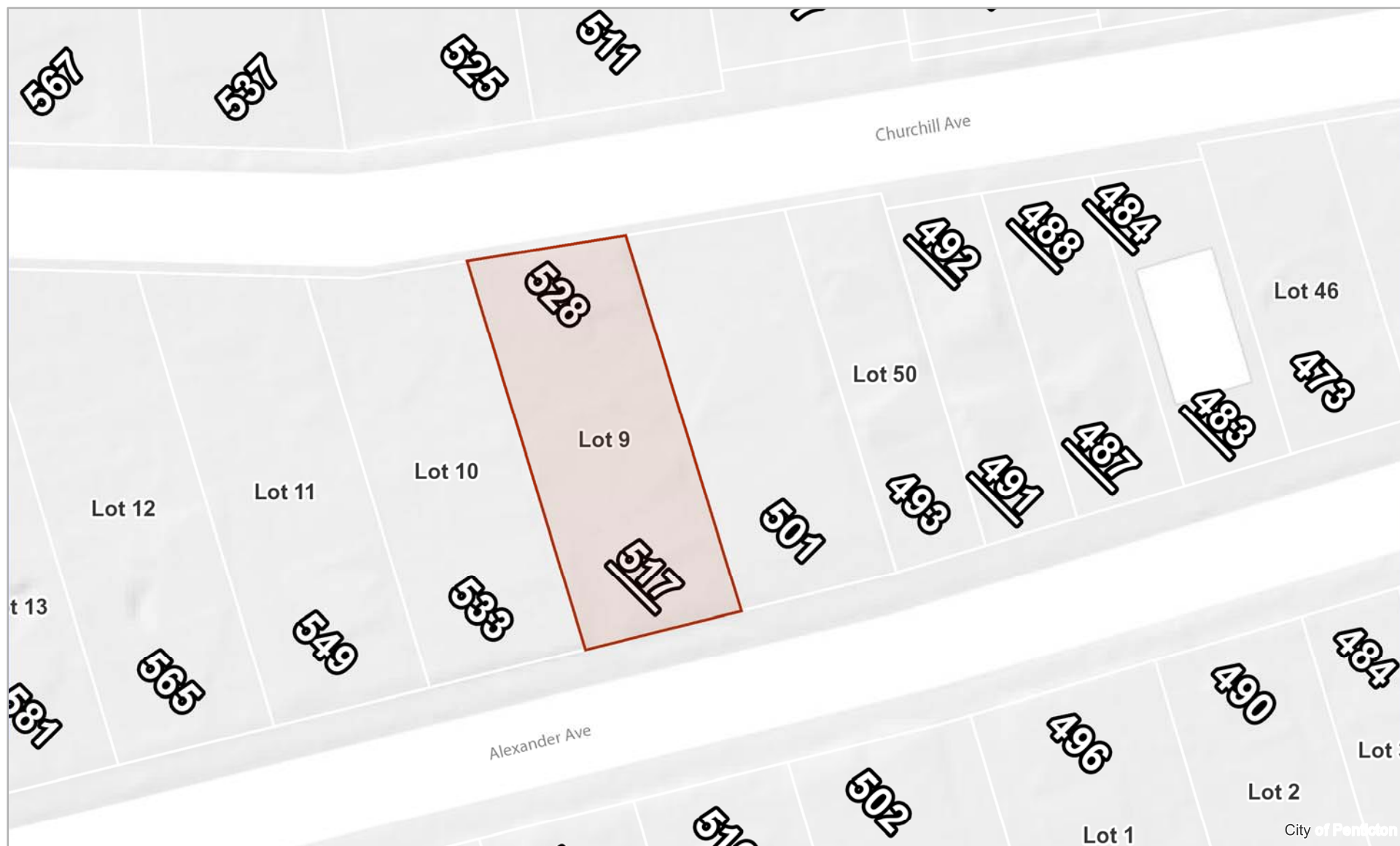
Angie Collison, Corporate Officer



Schedule A: Zoning Amendment Bylaw 2023-16

Date:

Corporate Officer:



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1:528

April 20, 2023 3:30:22 PM

Meters

Coordinate System: NAD 1983 CSRS UTM Zone 11N

Notice of Motion

Riverside Park Skate Park Lighting

Strategic Priority Objective

Safe and Resilient: Support strategies that reduce crime and increase a sense of community safety

Vibrant and Connected: Support access to recreational, arts, and culture amenities as key to a healthy, vibrant, and connected community.

WHEREAS

1. Youth and kids deserve to play and hangout out in safe spaces.
2. Riverside park has seen vandalism at the washrooms and in the park boundary. This can lead to more crime and mischief in the park.
3. Lighting is an element of Crime Prevention Through Environmental Design. It allows for better sight lines and observations at night allowing for more eyes to view the park for inappropriate activity. This keeps all community members accountable and makes a space more comfortable to be in, especially at night.
4. Growing Communities Fund from the province allows for the spending of those funds on “Sidewalks, curbing, and lighting,” “Park additions/ maintenance/upgrades including washrooms/meeting spaces and other amenities,” and “Recreation-related amenities.”

THEREFORE BE IT RESOLVED

THAT Council direct staff to use funds from the Growing Communities Fund to install lights at the skate park in Riverside Park.

AND THAT Council direct staff to report on projects that can be funded by the Growing Communities Fund and list them in their priorities.