



Committee of the Whole

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

Tuesday, December 20, 2016
Recessed from the Regular Council Meeting at 1:00 p.m.

1. **Call Committee of the Whole to Order**
2. **Adoption of Agenda**
3. **Delegations and Staff Presentations:**
 - 3.1 100 Homes Penticton
Tanya Behardien & Ian Gerbrandt, United Way 1
 - 3.2 Organizational Focus 2017-2021
Stephanie Chambers, Economic Development 2-17
 - 3.3 Community Engagement Update
JoAnne Kleb, Community Engagement 18-42
4. **Adjourn to Regular Meeting of Council**



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Request to Appear as a Delegation

Preferred Council Meeting Date: December 20, 2016

Second choice(s): _____

Subject matter: 100 Homes Penticton

Name of person(s) making presentation:

Tanya Behardien ; Ian Gerbrandt

Address: 390 Main Street
Penticton V2A 53C

Phone:
Email:

Please provide details of your presentation:

Update on our Housing Registry Week and profile of people experiencing homelessness in Penticton.
Progress and next step in connecting people with housing and supports.

Please note:

- This form and its content is part of the public record.
- Written copies of your submission must be presented to the Corporate Officer by 9:30 a.m. on the Wednesday before the meeting either by email, fax or in person.
- PowerPoint presentations must be emailed no later than 9:30 a.m. the date of the meeting. We recommend you bring backup PowerPoint files with you on a memory stick.
- Delegations are limited to 5 minutes.

Corporate Office
Dana Schmidt, Corporate Officer
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dana.schmidt@penticton.ca

Organizational Focus 2017-2021 for Consideration

Committee of a Whole

Stephanie Chambers

December 20th, 2016



Topics to Discuss

- Organizational Focus & Process
- Introduce Pillar Structure
- Introduce a Strategy Map
- Discuss Specific Organizational Priorities
- Questions & Feedback



Organizational Focus Will:

- 4 -

- Helps to set priorities
- Ensure employees & stakeholders are working toward common goals
- Establishes agreement around intended outcomes/results
- Focus resources
- Strengthen operations
- Assess and adjust the organization's direction in response to a changing environment



A Shift in Priorities

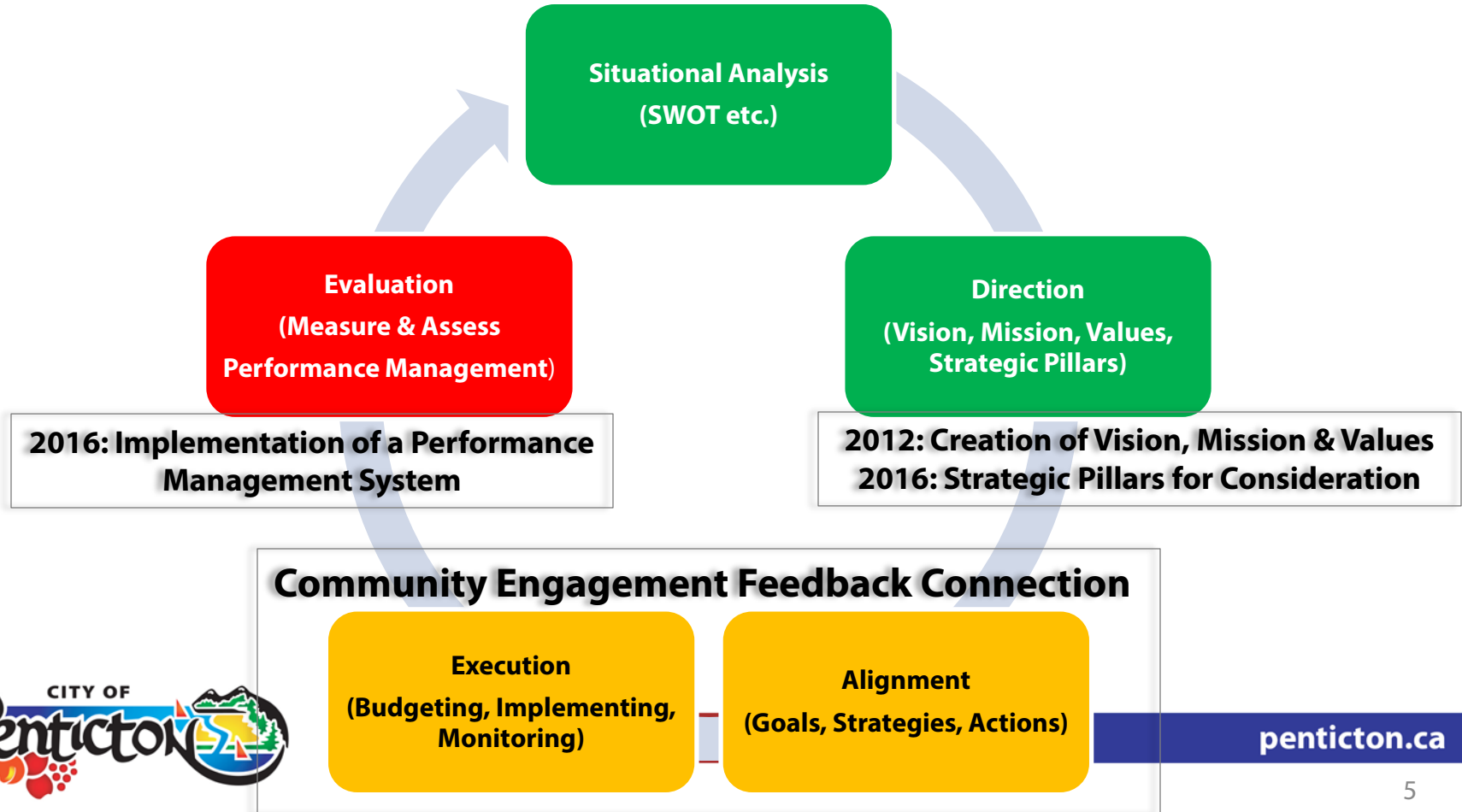
- 5 -

- 2012- 2016 the priorities were Downtown Revitalization and Waterfront Enhancement
- Due to our key learnings in 2016 with respect to Asset Management and Facilities we have had to refocus
- Due to this shift we are not recommending any additional work be completed on the Waterfront and Downtown for the next 5 years.
- This presentation will outline suggested priorities and organization focus for the next few years
- We suggest a proper strategic plan be created with a new Council



Strategic Planning Elements & Process

6



Vision, Mission & Values

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- **Vision:** We champion an innovative, thriving, sustainable community through visionary leadership, partnership and service excellence.
- **Mission:** Penticton is an innovative, adventurous waterfront city that focuses on sustainable community and economic opportunities
- **Values:** Leadership. Integrity. Respect. Innovation. Collaboration. Financial Accountability. Service.



Pillar Structure

Strategic Pillars were created as a framework for decision making. The intent is to focus the organization towards larger, longer term themes connecting with the current Vision, Mission and Values while being fiscally responsible.

STRATEGIC PILLARS:

1. SUSTAINABLE

2. LIVABLE

3. SMART

4. CONNECTED AND STRONG



2017-2022 Strategy Map

DRAFT

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vision

We champion an innovative, thriving, sustainable community through visionary leadership, partnerships and service excellence.

mission

Penticton is an innovative, adventurous waterfront city that focuses on sustainable community and economic opportunities.

values

leadership. integrity. respect. innovation. collaboration. financial accountability. service.

strategic pillars

sustainable

livable

smart

connected & strong



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The City of Penticton commits to become increasingly...

- 10 -

1. SUSTAINABLE

- ❖ Through planning a future facilities & infrastructure renewal program
- ❖ Tax and rate (fees, utilities, etc.) increases that balance needs of City of Penticton and the ability of citizens to fund
- ❖ Extending the capability of fire services to adjacent communities
- ❖ With integrated shared services with Regional District, Summerland, School District 67 and the Penticton Indian Band
- ❖ Implementing a plan for sustainable growth that allows for a vibrant city
- ❖ Continually managing City of Penticton internal costs



The City of Penticton commits to become increasingly...

2. LIVABLE

- ❖ **By ensuring the City is safe, healthy, welcoming and inclusive**
- ❖ **Has green & open spaces that are preserved and protected**
- ❖ **As a great place to live with appropriate housing for all**
- ❖ **By maintaining recreation and culture services and facilities that balance need and ability to fund**
- ❖ **By ensuring the City's footprint is environmentally sustainable**
- ❖ **By encouraging employment opportunities that pay a genuinely livable wage**



The City of Penticton commits to become increasingly...

-12-

3. SMART

- ❖ **A fact, risk, and consequence based plan for decisions, infrastructure and facilities (example: service levels)**
- ❖ **Utilizing technology and better processes to make City employees more productive and providing services and connectivity with community and citizens**
- ❖ **Considering the use of public-private partnerships (PPPs) to aid in the City's renewal**
- ❖ **Ensuring our efforts are guided by a new Official Community Plan**
- ❖ **By creating a prioritization plan for spending and application of City Human Resources (Budget process)**

The City of Penticton commits to become increasingly...

4. CONNECTED TO COMMUNITY AND STRONG

- ❖ **Through accountable, transparent and open decision making processes**
- ❖ **Be an employer of choice**
- ❖ **Be a premier visitor destination**
- ❖ **Be a premier retirement destination**
- ❖ **Be a leader in public policy advocacy**
- ❖ **And is known for:**
 - ✓ **Being the wine sector Hub for small to medium sized businesses**
 - ✓ **Be the preferred location for start-up companies**
 - ✓ **A place for home-based employment**





vision We champion an innovative, thriving, sustainable community through visionary leadership, partnerships and service excellence.

mission Penticton is an innovative, adventurous waterfront city that focuses on sustainable community and economic opportunities.

values leadership. integrity. respect. innovation. collaboration. financial accountability. service.

strategic pillars

sustainable

livable

smart

connected & strong

strategies

- Through planning a future facilities & infrastructure renewal program
- Through tax and rate increases that balance the needs of the city and the ability of citizens to fund
- Extending the capability of fire services to adjacent communities
- Through integrated Shared Services with Regional District, Summerland, School District & Penticton Indian Band
- Through implementing a plan for sustainable growth that allows for a vibrant city
- Through continually managing city internal costs

- By ensuring the city is safe, healthy, welcoming and inclusive
- By offering green and open spaces that are preserved & protected
- By creating a great place to live with appropriate housing for all
- By maintaining recreation & culture services and facilities that balance need and ability to fund
- By ensuring the city's footprint is environmentally sustainable
- By encouraging employment opportunities that pay a genuinely livable wage

- Use a fact, risk, and consequence based plan for decisions, infrastructure and facilities
- Utilize technology and effective processes to make City employees more productive, and providing services and connectivity with the community
- Consider the use of public-private (PPP) to aid in the city's renewal
- Ensuring our efforts are guided by a new Official Community Plan
- By creating a prioritization plan for spending and application of City Human Resources

- Be accountable, transparent and open decision making processes
- Be an employer of choice
- Be a premier visitor destination
- Be a premier retirement destination
- Be known as the wine sector hub for small-medium businesses; A preferred location for start-ups; A place for home-based businesses
- Be a leader in public policy advocacy

Organizational Priorities

What the community said...

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Asset Management Plan

- Very concerned about condition of infrastructure
- Be sure to prioritize the need and stage replacement
- Reduce standards for roads
- Encourage safe bike traffic
- Don't invest in sidewalks in hillside communities

Facilities Master Plan

- Sell off assets that do not pay for themselves
- Consolidate services in buildings and sell the land Consolidate the fire halls
- Eliminate City Hall / Move City Hall to cheaper land
- Move library and museum

Official Community Plan Development

- Too many ad hoc changes to the OCP
- Develop a plan and stick to it

5 Year Strategic Financial Plan

- Share a detailed budget / be transparent
- Educate citizens on budget / financial model
- Use conservative population projection
- Live within your means
- Borrow money
- Take on debt in prudent manner

Questions/Feedback?

Go to:

www.shapeyourcitypenticton.ca

to provide your input

Presentation will also be posted to

www.penticton.ca



Committee of the Whole Report

Date: December 20, 2016
To: Mitch Moroziuk, Acting Chief Administrative Officer
From: JoAnne Kleb, Community Engagement Consultant
Subject: *Infrastructure Challenge: Funding for the Future* Community Engagement update – Phase 2

Staff Recommendation

THAT Council receive this report for information.

Background

Since early October, the City has been raising awareness of Penticton’s infrastructure deficit and the tough decisions ahead. On November 1, results from the first phase of engagement were shared with Council and the community. Today, results from the second phase will be shared.

Executive Summary

Five separate in-person engagement sessions were hosted to share more detail about the options being explored to fund the deficit and gather input from the community on the options. In addition to the in-person engagement activities, citizens were also able to view all of the materials at shapeyourcitypenticton.ca and provide feedback online.

Date	Activity	Details	Attendees
Nov. 21	Infrastructure Challenge Workshop – Chamber of Commerce	Boston Pizza 4-5 pm	• 44
Nov. 24	Infrastructure Challenge Community Open House	PTCC 4-7 pm	• 16
Nov. 26	Infrastructure Challenge Community Open House	PTCC 12-3 pm	• 18
Dec. 4	Infrastructure Challenge Drop-in Session	Library 11-2 pm	• 26
Dec. 6	Infrastructure Challenge Workshop – Family Friendly	Community Centre 4:30-6 pm	• 19
Nov. 24 – Dec. 9	Infrastructure Challenge Online Survey		• 16 online • 12 paper

Analysis

Through the second phase of engagement, the City provided more detail on nine of the options being explored to fund the deficit including some of the options provided by citizens in the first phase. This approach was in response to requests from citizens for more information in order to provide an informed opinion. A summary of the feedback on the nine options is included below. (See the Appendix for links to the complete feedback from each engagement activity.)

Options	Feedback
1. Increase taxes	<ul style="list-style-type: none"> • Participants recognized that efforts to keep taxes low in recent years contributed to the deficit • Most participants accepted that taxes need to increase with some important caveats: <ul style="list-style-type: none"> ○ Increases should be gradual to allow for estimated deficit to be refined ○ Burden should not be born solely by residents, businesses should shoulder their share (questioning the Business Tax Multiplier) ○ Must be evidence of other efforts by the City to address the deficit (i.e. reducing costs, freezing or cutting staff levels, no land purchases, revisit length of tax relief terms for EIZs) ○ Tax increases should not deter business growth • Citizens are concerned about “death by a 1000 cuts” (i.e. storm water utility being the first) • With the low level of trust, some citizens are looking for involvement in governance (i.e. finance committee or residential tax payer consultant) • There was not strong support for increasing user fees in lieu of taxes (still strong interest in two-tier system)
2. Refine deficit estimate	<ul style="list-style-type: none"> • Citizens were provided with the list of infrastructure investments requiring funding in the next five years • Participants were pleased to learn of the City’s plans to use technology to help refine the estimated deficit
3. Take on debt	<ul style="list-style-type: none"> • Participants were pleased to learn of the opportunity to service debt with monies from the Casino (without increasing taxes) • Through the survey, citizens are split on taking on more debt over and above what can be serviced by Casino monies (half are somewhat or very comfortable while half are not at all comfortable) • One citizen acknowledged that earlier generations had a “free ride” using the infrastructure and not contributing to future maintenance or replacement, he advocated a balanced approach that distributes the burden between current and future generations (tax increases in the short-term and debt for the long term)
4. Seek grants	<ul style="list-style-type: none"> • Citizens were pleased to see the City is seeking grants • They perceive other communities are receiving grants that Penticton is not

	and want to know why (i.e. Kelowna is aggressively pursuing funding through the Infrastructure Canada Clean Water and Wastewater Fund)
5. Consolidate facilities	<ul style="list-style-type: none"> • Citizens support the City investigating opportunities to consolidate facilities or relocate services where it makes sense and with community involvement • Some citizens expressed interest in seeing an overall plan for all City facilities in light of need for investment and questioned addressing the needs of arenas in isolation • This was an area where citizens were not prepared to give the City “carte blanche” to pursue, they want involvement in the process
6. Reduce service levels and costs	<ul style="list-style-type: none"> • Citizens did not strongly support reducing service levels in order to reduce costs • Some supported increasing business licence and building permit fees • If the City investigates reducing service levels, citizens would like to see more engagement before changes are introduced • Many citizens said they would rather see taxes increase than “nickel and diming” on service levels • Citizens would also like to see the efforts the City is making to be more efficient and what measures are in place to gauge effectiveness (i.e. Key Performance Indicators)
7. Review subsidies	<ul style="list-style-type: none"> • Citizens do support reviewing the \$1.6M in subsidies provided to non-profit organizations through the \$1 leases, permissive tax exemptions, and municipal grants • Citizens are not advocating removing funding as they greatly value the services provided by the organizations but would like better governance of the subsidies to ensure: <ul style="list-style-type: none"> ○ The organization can demonstrate financial need and community service ○ The organization requires location on prime real estate (if applicable) ○ The organization fulfills commitment to i.e. pay for property tax or perform upkeeps as described in the leases ○ The organizations perform a service the City should be involved in
8. Sell non-core properties	<ul style="list-style-type: none"> • Citizens did support selling non-core properties not in the Parks Plan but with conditions: <ul style="list-style-type: none"> ○ Consultation may be required depending on the impact ○ Ensure people are informed in advance ○ Ensure property is developed (if applicable)
9. Review economic incentives	<ul style="list-style-type: none"> • Citizens do support economic incentives to encourage business • Program has been around since 2010 and has not been measured • Need equal consultation with business and residents • There is a perception that the City is “selling out” to some businesses and developers by entering into unnecessarily long leases (i.e. Trio agreement) and Economic Incentive Zone (EIZ) tax relief (i.e. 10-years for the Casino) • Some citizens would like to see more analysis and reports on the effectiveness of the incentive programs and the contribution of economic development activities

More ideas to explore

Through the first phase, the City gathered about 110 unique ideas to address the deficit. More ideas were offered through the second phase of engagement. Some of the new ideas are provided below. The complete list is available in the Appendix. All ideas will be provided to City staff to consider for further exploration and incorporate in the budget and other strategies and plans as appropriate.

- Move art gallery to old wine centre
- Build up to increase revenue and address housing needs
- Charge a pavement tax
- Explore joint ownership of the airport
- Lobby to close agriculture land loophole
- Introduce economic penalties for undeveloped land
- Explore public-private partnerships as well as regional partnerships
- Consolidate aging buildings by way of a P3/RFP
- Update Development Cost Charges Bylaw to include more projects
- Introduce Local Improvement Bylaw to see more money charged to property owners benefitting from infrastructure improvements
- Consider total cost of events including remediation of parks
- Think private sector and use Key Performance Indicators
- Convert to green infrastructure

More questions to answer

The City gathered about 55 questions in the first phase. Work is underway to answer the questions and some are published in the [Let's talk](#) section of shapeyourcitypenticton.ca. More tough questions were asked through the second phase of engagement. Some of these questions are listed below. They have been added to the full list of questions linked through the Appendix. All questions will be answered over time and the responses posted on the website.

- Why is population growth flat?
- Why can't we attract more business and industry?
- How much revenue does parking generate?
- How do our taxes compare to other Okanagan communities?
- How does the City measure the contribution of Economic Development to the City?
- Why are we subsidizing a golf course?

Observations on engagement

Through this second phase, the City consulted directly with 150 citizens and another 550 visited the website since Nov. 1 (over 1,000 since mid-October.) Through the work on Our Infrastructure Challenge, the City has experimented with different formats in an effort to increase participation. Below are some observations of the effectiveness of activities in the second phase.

- Informed and engaged citizens are more likely to respond to general engagement activities (Thank you!)

- Participation by other groups increases when there is a direct invitation to individuals (i.e. family-friendly and Chamber of Commerce workshops and Parks and Rec activities)
- Participation improves when content is consumable
- Participation improves when events ‘piggy back’ on other activities (i.e. Library session and Chamber partnership)
- Participants enjoy discussing with diverse groups
- Participants value the opportunity to speak with senior leaders and subject matter experts
- While participation may be low in numbers, the value of all sessions is significant

Next steps

The next steps for the infrastructure engagement work include:

- Provide to Council to inform decision making
- Provide to staff to inform budget, strategies and plan
- Continue to consult with more focus on individual options
- Continue to respond to questions
- Ensure actions and progress are reported to the community

Going forward, engagement activities will be more focused on supporting the activities resulting from this work (i.e. Arena Task Force) as well other City projects.

Attachments

- Attachment A – [Our Infrastructure Challenge Chamber of Commerce Workshop Feedback](#)
- Attachment B – [Our Infrastructure Challenge November Open Houses Feedback](#)
- Attachment C – [Our Infrastructure Challenge Library Drop-in Session Feedback](#)
- Attachment D – [Our Infrastructure Challenge Community Centre Family-Friendly Workshop Feedback](#)
- Attachment E – [Our Infrastructure Challenge “Options to Fund the Deficit” Survey Summary](#)
- Attachment F – [Our Infrastructure Challenge Ideas and Recommendations Summary](#)
- Attachment G – [Our Infrastructure Challenge List of Questions From the Community](#)

Respectfully submitted,

JoAnne Kleb
Community Engagement Consultant

Approvals

Chief Administrative
Officer



Description:

On November 21, the City partnered with the Chamber of Commerce to involve the business community in the discussion about the infrastructure deficit. The event was held at Boston Pizza and about 44 members participated. Attendees were asked to participate in 1 of 3 discussion groups. Attendees also had the opportunity to share their feedback through comment forms. The findings are provided below.

Topic 1: How should we fund infrastructure? Taxes vs User Pay

- Use a balance of taxes and user pay
- Don't keep residential taxes low at the expense of commercial rates
- Local Area Improvements should be funded by the residents who benefit
- General Community Improvements should be funded by whole city
- Biggest users of infrastructure should pay
- Stop giving huge tax breaks to developers

Form feedback:

- Investigate charging agricultural water users less
- Taxes should increase to cover inflation at a minimum
- Consider sponsorship / branding on public buildings
- Destinations should have pay parking, resident-only should be absorbed by City
- Pursue shared services
- Investigate two-tier pay for facilities
- Pursue grants

Topic 2: Should we retain or revise incentives to encourage growth?

- Equal consultation between residents and businesses on this question
- EIZs assessed annually, evaluate and publish effectiveness
- Encourage businesses to develop/expand sooner which boosts the local economy, increases population and tax revenue
- EIZs to add to the supply of residential properties, people start working here before moving here
- Find out why developers aren't building right now
- Tourism must continue to be funded in order to draw visitors, future residents to support our local economy
- Is there an incentive opportunity to support small business?
- Increase standard of living by incentivizing arts and culture and other community services/venues not provided by the City

Form feedback:

- Need to offer incentives for new businesses, e.g. lower rent, tax breaks
- Studies can be done to calculate economic impact of a new business based on # of employees, wages etc. – set incentives accordingly

- Find other ways to encourage economic growth, be more aware of opportunities (e.g. Laundry/cleaning services that went to Kelowna for our Hospital) and be more aggressive in pursuing and attracting new business
- Make it easier to start a small business
- Move home-based into commercial storefronts
- Educate the person running the economic development Kiosk at City Hall as to how parks are booked and events are run
- More information for people who look at bringing their businesses to town
- Target home owners to create rental suites or renovate
- Perhaps implement a tax deferral on 1st x years (5?) and then pay back deferred taxes over a set period of time (at a higher rate)

Topic 3: How can the City be more efficient? What service levels should we adjust?

- Service levels
 - Make it more efficient to start/expand business
 - Work with us / make it easy for us to grow
 - Licensing / inspections / clear process for certainty / efficient
 - Choosing Kelowna “it’s easier” gasp
 - Invest in technology to make it easier
- Create and stay on a long term vision
 - Continue to spin wheels, talk about the same thing/ issues for years
 - Inability to move forward with action (instead of talking)
 - Communication feedback on development services specifically and apply (instead of talking)
 - Cannot keep changing every 2 years on funding agreed to
- Leverage orgs already helping business and encourage them to work together instead of in silos
 - The city can facilitate and encourage this without doing it or getting their hands in it
 - Community futures / chamber / tourism / college
 - Collective resources for events (fencing / barricades / volunteers)

Form feedback:

- Service levels good
- Look for efficiencies
- Left hand should pay more attention to what the right hand does
- Need to share services where possible
- Coordinate certain services across multiple locations – grass cutting, snow removal (share cost with school district)
- Development services / licensing etc. has consistently stood in the way of small businesses starting up, delays in obtaining business licenses and permits
- Reduce number of management positions; make highly paid managers more accountable to council and the public (transparency). Make it easier to start / continue a small business
- Cost cut directive

Additional Feedback

Participants who completed the feedback form were also invited to provide their thoughts on the following questions.

What other comments or feedback do you have to share?

- Poor venue – could not hear or participate in everything

- Listen!
- Put together a list of major infrastructure projects to be done in the next five years and allow the public to decide where to spend the dollars
- Long term strategy / plan for funding, rather than year to year. Things change constantly which makes it difficult for business owners to grow and succeed
- As usual I don't feel the City is asking for feedback, but guiding the conversation to get the answers that the City wants. This is not real inclusion
- Mayor and staff should stop being shills for Trio Marine
- Invite new business to town, give reasons why they want to come. Work with all community groups
- Consider expanding view of economic development to community development.
- Electric Utility, sell
- Connect with Okanagan College – e.g. Collaborate with industry, education and business. Sustainable construction management diploma students working on building and retrofit projects. Sell the culture, arts, education facilities to potential immigrant population

How can the City better involve the business community?

- Set a plan and stick with it, stop jumping around
- Regular meetings like this
- Smaller focus groups of business owners to discuss options and strategies
- Forums like this
- Continue to invite them to the table
- More events like this!
- Small business needs more help – less roadblocks and smoother process
- The City should not be favoring Trio Marine over small businesses
- Work together, value their input, sometimes ask for help from service clubs for venue renewal, such as parks, arena, etc.



Description:

Two community open houses were held on November 24 (4 pm – 7 pm) and 26 (12 pm – 3 pm) at the Penticton Trade and Convention Centre. These open houses were intended to address concerns expressed by citizens at earlier engagement activities regarding the need for more information about the ideas before they could offer an opinion. Citizens had the opportunity to attend a presentation by staff or peruse the display panels. Feedback forms were provided to attendees and were also available online. The first open house was attended by 14 citizens and the second was attended by 18. (A number of factors may have contributed to the low attendance including the Special Council Meeting that was scheduled the same week to discuss settlement agreement and enhanced marina agreements on Nov. 23.)

Citizens who attended greatly appreciated the presentation and opportunity to discuss the ideas with senior leaders. Although the numbers were small, the quality of the dialogue was excellent. Feedback provided through the forms (12 completed on paper and 16 online) is provided below.

Feedback on the options:

Options	Comments
1. Increase taxes	<ul style="list-style-type: none"> • Yes, gradual rate increase for residents • Predictable • Review business taxes (does it really attract business?) • Yes but only after exploring all other cost saving and revenue generating opportunities • Moderately • Planned, only sensible (cost of living increases?) • 1-2% increase • Do not nickel and dime on parking or non-profit rentals • Yes, expected by folk • Yes to keep up with needs • We should expect to have a 3 to 4% tax increase each year parallel to the provincial cost of living, base it on the same figures used when determining the rate set by the province for maximum allowable rent increase • We need to maintain our infrastructure • 3% (1.5 for inflation and 1.5 for infrastructure) • Blend of gradual tax to share costs now and borrow money to spread over time
2. Refine deficits	<ul style="list-style-type: none"> • This is important exercise using best available info • Definitely

	<ul style="list-style-type: none"> • I support technology improvements • Worth doing, carry out study • Review data and make appropriate cuts • It is critical the deficit is certain as the measures required to cover require tough decisions and from information on slides, it appears GIS in progress • Break cycle of fixing and maintaining by putting a little aside all the time • It is only going to get more expensive in the future!
<p>3. Take on debt</p>	<ul style="list-style-type: none"> • Yes but conservatively • Debt should be capped to certain % • Municipal bonds could attract savings of seniors who would be happy to get 1% over core inflation rate • If necessary • Selective • Yes borrow for long term improvements • Need risk to push hard for • I think it is an important part of the solution, \$15-20M • Sense of vulnerability, Is there a range that is comfortable? • What is City debt level? \$40M • Can we use municipal bonds? Community Charter requires City borrows through the Municipal Finance Authority of BC
<p>4. Seek grants</p>	<ul style="list-style-type: none"> • Yes continue to explore • Yes • Yes • This should be an ongoing priority • An obvious one to push hard for • Yes, support and pursue • Absolutely, any money available should be sought
<p>5. Consolidate facilities</p>	<ul style="list-style-type: none"> • Worth pursuing • Location is important, must be centralized for community • Demolish Memorial Arena and replace with new second arena adjacent to McLaren (repurpose site to support SOEC, convention centre, pool etc. • As appropriate • Thoughtfully with full consultation with all stakeholders providing for growth or where we should be • Don't move for sake of moving, need identification i.e. city hall • Support consolidation but core facilities are necessary • Too many hockey venues, reduce or consolidate • Would like more information on how this can be done. • Are the leased properties generating a profit or a loss? Does the City make money renting out the Yacht Club? This is the most prime piece of real estate and should generate a profit
<p>6. Reduce service levels and costs</p>	<ul style="list-style-type: none"> • Perhaps to be reviewed against tax increases as people are accustomed to existing services

	<ul style="list-style-type: none"> • Carefully if you do • No • Do not sell utilities (generate some profit) • Not priority, aging population may need extra • Would like more information on how much money this would save so a cost benefit analysis can be completed to look at money saved versus impact on community • Close the pool for the summer, how much would this save? • Reducing staff, where can this be achieved and how much does it save? • Fire Department consumes huge chunk of budget, can we tender? Do they have to go to every accident? Can they be used more efficiently?
<p>7. Review subsidies</p>	<ul style="list-style-type: none"> • Yes • Golf club, curling • Regular review is important anyway • Small leases \$1 are outdated • Clubs should participate in building infrastructure and operations • Need defined guidelines • All ideas have merit, need to be analyzed • Yes, some are not what city should be involved in • Similar to the above with the yacht club, any prime real estate should be leased at a profit, I think this should be looked at on an individual basis as I expect some non-profits won't be able to continue if they have a rent increase. There's a large amount of money in this. More information is needed. • The value provided by groups receiving grants and exemptions far exceeds the cost. The value provided by these groups is widely recognized by all senior government groups and should also be acknowledged by our municipality. Without these groups our city will be much poorer and will not be able to finance these programs on its own. As well, those operating these charities are taxpayers. Taxing them again for their charitable activity would penalize their generosity and reward those who are not.
<p>8. Sell non-core properties</p>	<ul style="list-style-type: none"> • Yes • Or obtain additional revenue from operators i.e. golf course • Yes • If not doing social or economic good, yes • Support events that draw visitors (i.e. Scotties, Gran Fondo) • Not at risk to established neighborhoods to benefit developers and their egos i.e. Schoenne • Do not change bylaws for their purpose • Yes • Yes if we aren't using it and aren't making money off of it, it should be leased or sold

	<ul style="list-style-type: none"> • Sell non-core properties, property must be developed • Options for the golf course
<p>9. Review economic incentives</p>	<ul style="list-style-type: none"> • Yes, population growth is key but our city has limitations here geographically • Need for more high rises, think OCP community plan • Include ability to penalize owners of vacant sites to encourage them to develop or sell to someone who will, scope to include brown-field sites • Yes • Agree • Bringing in business in like another casino • I like the idea of a conference centre but needs marketing input, put Penticton on the map • This is important for growing our economy and would be hesitant to change this. Between the Cinema and the new Hotel, cash out of pocket now are going to provide long term returns that can keep tax increases to a minimum and the business that come provide long term positive impact to our community (jobs, tourism) • EIZs are an important tool for business development but should be tied to added employment as a condition of qualifications • What about economic penalties for properties that remain undeveloped (create another asset class)

Other feedback:

- Investigate potential revenue sharing opportunity of owning/operating the airport in partnership with PIB – only with existing zoning
- Need to look at lifecycle costs
- Big events do damage to our parks, is it a hidden subsidy?



Description:

A drop-in session was held at the library museum to take advantage of the popular brown bag lunch presentations. The session was held between 11 am and 2 pm in the lobby. A display was set up featuring the 9 options to fund the infrastructure deficit. Approximately 26 citizens stopped by to discuss the displays. For many, it was their first time hearing about the deficit and more time was spent educating about the issues and less on gathering feedback. Feedback that was gathered is provided below according to the option it supports.

Feedback on the options:

Options	Comments
1. Increase taxes	<ul style="list-style-type: none"> Absolutely opposed to Business Tax Multiplier Continue to make decisions that don't reflect taking the infrastructure deficit seriously
2. Refine deficit estimates	<ul style="list-style-type: none"> No comment provided
3. Take on debt	<ul style="list-style-type: none"> No comment provided
4. Seek grants	<ul style="list-style-type: none"> No comment provided
5. Consolidate facilities	<ul style="list-style-type: none"> Buildings like the library museum are the heart of the community, keep them central and accessible Need broader facilities master plan Move the art gallery to old wine centre
6. Reduce service levels and costs	<ul style="list-style-type: none"> No comment provided
7. Review subsidies	<ul style="list-style-type: none"> No comment provided
8. Sell non-core properties	<ul style="list-style-type: none"> No comment provided
9. Review economic incentives	<ul style="list-style-type: none"> Do not sell out to businesses Stay attractive to doctors No one is prepared to talk about EIZs Program has been around since 2010 and has not been measured Council not willing to take on hotel industry Appear to be acting out of desperation Why is growth flat? Why aren't businesses coming here

Other feedback:

- More transparency in reporting
- Annual report needs to set out objectives and measures of success

Description:

On Dec. 8 between 4:30 and 6 pm, the City hosted a workshop at the Community Centre in Meeting Rooms 1 and 2. The workshop was intended to enable involvement of young families by providing childcare, offering after business hours and distributing free pool passes. The event was attended by 19 people including several young families. The participants watched a short video and broke into three groups to discuss topics related to the infrastructure challenge. The topics and comments from each group are provided below.

Topic #1: How important are facilities to quality of life? How should facilities be funded? (User Groups? Taxes? Other?)

- Facilities are required to function
- Bring young families to the city
- They bring \$s to the city all year
- Funding is probably a mix of general tax and user group
- Regional base and serve surrounding communities, advocate two-tier system
- Review of fees for all activities, some appear low and some have none (i.e. library)
- Paid parking is ok, most other cities charge
- Question if we need four rinks
- Soccer bubble should be kept and made multi use
- Any way to leverage Leir House property
- Are any of the buildings likely to bring in grants
- Could yacht club be leased?
- City should not be slumlords, sell residential properties
- Move non-profits to less valuable land
- Review non-profits ability to pay i.e. golf club

Topic #2: Should we encourage growth? How important are incentives?

- Growth is critical, contributes to vibrancy
- City can easily accommodate 40-50K without noticing
- Need more families
- Need more educated / working class and housing
- Encourage more condos and building up
- Can't have status quo
- Opportunities to bring in new sector (wind and solar)
- Need to look at long-term revenue sources not just short term
- Affordable housing
- Incentives should encourage job development

- Support incentives for businesses
- Encourage R&D i.e. Accelerate Okanagan
- Need accountants! 4 job postings
- Long term leases should be transparent
- Allow approved uses to see what happens
- Long enough time to get back \$
- Show lessees have ability to self-fund
- Review breaks, perhaps not as generous

Topic #3: How comfortable are you adjusting services levels to reduce costs? What would you change?

- Perception that City is inefficient and bureaucracy everywhere
- Need to break the mold and make culture change
- Incorporate private sector thinking and need KPIs
- What is the incentive for change?
- Noticed that firefighters are well paid
- Make cuts but not at the expense of safety
- Curious how Penticton taxes compare to other Okanagan communities
- Owning the utility is an advantage
- New pool an attraction to young professional and families
- Closing pool in summer an innovative idea
- Introduction of pay parking at Lakawanna and Loco Landing has changed lifestyle (don't park and walk dog any longer)
- Programs are cheap, support more user pay
- Love Memorial but advocate efficient solution



Description:

Members of the community who attended any of the engagement activities had the opportunity to share their feedback and complete a survey. Feedback was also collected online. Survey questions were intended to gather participant feedback on the options to fund the deficit shared at the open houses. Online participants were encouraged to review the Open House panels online before completing the survey. In total, 28 surveys were completed between Nov. 24 and Dec. 12. The results from these surveys are provided below. Due to the small response rate, the numbers are raw data and not percentages.

Survey questions:

1. Do you support keeping business tax rates competitive to encourage growth? (See panel 1. *Increase taxes.*)

a. Yes	13
b. No	10
c. No opinion	3

2. Do you support shifting more of the cost of infrastructure to user groups? (See panel 1. *Increase taxes.*)

a. Yes	17
b. No	8
c. No opinion	3

3. If a tax increase is required, which approach do you prefer? (See panel 1. *Increase taxes.*)

a. Gradual	24
b. One time	2
c. Not at all	
d. No opinion	

4. What is your level of comfort with taking on debt over and above what can be paid for without a tax increase? (See panel 2. *Take on debt.*)

a. Not at all	10
b. Somewhat comfortable	11
c. Very comfortable	5
d. No opinion	1

5. How aggressively should the City look for ways to consolidate City buildings and sell the properties? (See panel 5. *Consolidate facilities*)

a. Not at all	4
b. Somewhat (with community involvement)	17
c. Very	4
d. No opinion	

6. How aggressively should the City look for ways to reduce costs by lowering service levels or changing how services are delivered? (See panel 6. *Reduce service levels and costs*)

a. Not at all	8
b. Selectively (with community involvement)	15
c. Very	5
d. No opinion	

7. Do you support reviewing the \$1.6M in subsidies provided by the City for non-profit organizations in order to reduce costs? (See panels 7a and b. *Review subsidies*) Circle those that apply.

• Review \$1 leases	17
• Review Municipal Grants	13
• Review Permissive Tax Exemptions	18
• Do not review subsidies	4
• No opinion	2

8. Do you support the City selling non-core properties not in the Parks Plan? (See panel 8. *Sell non-core properties*)

a. Yes	8
b. Somewhat (with conditions)	13
c. No	3
d. No opinion	1

9. Do you support economic incentives that increase tax revenue in the long term? (See panel 9. *Review economic incentives*)

a. Yes	11
b. Somewhat	10
c. No	4
d. No opinion	



Description:

Throughout all of the engagement activities in person and online, citizens provided ideas to address the infrastructure deficit. These ideas have been organized into themes and provided to Council and staff to consider and explore. Some new ideas were added during the second phase of engagement. (These ideas are italicized.) Some have been explored in more detail through the second phase of engagement. (These are flagged with an asterisk.) Go to the [Document Library](#) in Our Infrastructure Challenge at shapeyourcitypenticton.ca to see the information shared at the Open Houses.

Summary of ideas and recommendations:

Categories	Ideas and Recommendations
Increase taxes*	<ul style="list-style-type: none"> • For 2017, pick a 2% budget provision to start the process of building reserves for depreciable structures • Incorporate \$10 tax roll for creek enhancement • Adopt median tax rates (revisit tax policy) • Small tax increases over time • Increase tax on vacant land • Tax businesses based on provincial median rates • Restore the Business Tax Multiple to 2007 Levels • Increase taxes with dedicated infrastructure funds • Assign a levy to ensure funds are dedicated to right place • Set target for taxes per capita and apply the difference to infrastructure • Increase tax vacation rentals • Increase taxes (2) • Increase hotel tax (City scared to take on hotels) • Increase the Hotel Tax by an additional 1% • <i>Tax pavement owners (This tax has been successfully done in Kitchener and Waterloo in Ontario and the Municipality of Kelowna received a presentation on it a few weeks ago. For more information go to the Rain Community Solutions website: http://www.raincommunitysolutions.ca/en/for-municipalities/benefits/)</i> • <i>Lobby to close agriculture land loophole</i>
Investigate sharing services	<ul style="list-style-type: none"> • Share more services (2)

<p>Encourage growth (population or business)</p>	<ul style="list-style-type: none"> • Attract more residents • Encourage business year round • Promote the city • Make more jobs • Promote densification and allocate tax windfall • Promote Penticton as all- season • Be a business (i.e. airport, alternate power sources, manufacturing) • Do not invest in beautification (5) • Invest in beautification (2) • Ramp up family tourism (i.e. best float in Canada) • <i>Local businesses are understaffed. Retain an in-house recruiter to work directly with local business to fill positions with non-residents.</i> • <i>Consolidate aging buildings by way of a P3/RFP and sell off the remaining assets with clear zoning by-laws that favor economic and population growth. This will save the City from major renovation capital requirements, save annual maintenance costs and allow the City to do more with the same number of staff.</i>
<p>Lobby for grants*</p>	<ul style="list-style-type: none"> • Lobby senior government for grants
<p>Sell off non-core assets*</p>	<ul style="list-style-type: none"> • Abandon covered soccer field • Sell Leir House • Do not sell Leir House • Stop buying land • Sell off old Chamber building • Do not touch ball fields • Do not sell parkland (3) • Sell electrical utility • Do not sell electrical utility
<p>Take on debt*</p>	<ul style="list-style-type: none"> • Borrow money (3) • Take on debt in prudent manner
<p>Change service levels*</p>	<ul style="list-style-type: none"> • Cut down on upkeep of roads • Adjust service levels • Close pool in the summer • Reduce fleet vehicles to the bare minimum (i.e. repair trucks and snowplows) / Compensate staff for use of personal vehicle • Decrease garbage collection or subcontract • Share more services (2) • Don't adjust without consultation (2) • Fire department delivery model (2) • Cut tourism subsidy • Cut Economic Development and give back to Chamber • <i>Investigate joining the regional library system (3)</i>

Combination	<ul style="list-style-type: none"> • A combination of things so it is not felt immediately (3)
Improve asset management	<ul style="list-style-type: none"> • Revisit estimates for repairs • Sell off assets that do not pay for themselves • Be sure to prioritize the need and stage replacement • Reduce standards for roads • Take advantage of repairing water mains with road work • Change industry standards for roads but encourage safe bike traffic • Don't invest in sidewalks in hillside communities
Memorial Arena and Ice Surfaces	<ul style="list-style-type: none"> • Fund Memorial through donations • Replace Memorial • Demolish Memorial • Demolish McLaren and Memorial and put two ice surfaces in new facility • Shutter the small SOEC rink • Eliminate McLaren and not Memorial • Get rid of McLaren and sell the land • Demolish Memorial Arena and live with 3 sheets of ice • Build outdoor rink • Cannot lose ice time while Memorial repaired • Keep Memorial for historic value (2)
Review subsidies, tax breaks, and incentives*	<ul style="list-style-type: none"> • Eliminate economic investment zones (3) • Reduce multiplier for EIZ • Eliminate subsidies for expensive developments (i.e. running utilities up the mountain) • Do not subsidize developers (4) • Give builders 10% discount on taxes for new construction • Stop \$1 lease • Eliminate tax exemption for R2/R1 • No tax breaks for business (3) • Make tourism self-funded • Reduce lease terms for concessions • Need better reporting on impact of incentives • <i>Update Development Cost Charges Bylaw to include more projects</i> • <i>Introduce economic penalties for undeveloped land</i>
Increase user fees	<ul style="list-style-type: none"> • Take on debt in prudent manner • Put paid parking in at lakes and parks (2) • Increase user fees (2) • Introduce a two-tiered pricing system (4) • Raise a little across the board • Increasing costs a little across the board (i.e. taxes, user fees, consolidate services) • Increase pay parking

	<ul style="list-style-type: none"> • Implement Resident Friendly Parking (nominal \$2 admin fee) • Charge for parking (2) • Do not charge for parking • <i>Increase fees for business permits and development permits.</i> • <i>Tax pavement owners (By paving over the natural landscape we've created the need for storm water systems within municipalities.)</i> • <i>Investigate Local Improvement Charges to put the cost of improvements on the property owners who benefit</i> • <i>Look at <u>total</u> cost of events including remediation of parks (hidden subsidy?)</i>
<p>Improve budget process</p>	<ul style="list-style-type: none"> • Share a detailed budget (3) • Educate citizens on budget / financial model • Use conservative population projection (4) • Live within your means (2)
<p>Look for efficiencies</p>	<ul style="list-style-type: none"> • Reduce cost overruns with better vendor selection/management • Convert civic buildings to green energy • Introduce metrics for staff • Improve transportation • Enforce bylaws • <i>Opt out of Site Profile Process with Ministry of Environment (Opt out of Site Profile Process with Ministry of Environment. - Our environmental regulations are fine, but involving the Ministry of Environment to ensure professionals are being applying them properly is resulting in excessive delays and expenses for developers.)</i> • <i>Lobby the province to close AG land tax loopholes. Agricultural land is for true farming.</i> • <i>Explore public private partnerships and LEAN construction practices</i> • <i>Explore project partnerships with neighboring communities</i>
<p>Consolidate facilities*</p>	<ul style="list-style-type: none"> • Consolidate services in buildings and sell the land (3) • Consolidate the fire halls • Eliminate City Hall • Move City Hall to cheaper land • Move library and museum • <i>Develop overall Facilities Master Plan</i> • <i>Consolidate aging buildings by way of a P3/RFP</i> • <i>Move art gallery to old wine centre</i>
<p>Reduce costs of staff and Council</p>	<ul style="list-style-type: none"> • Cut council benefits in principle (4) • No trips for council (2) • Reduce salaries of senior leaders (3) • Cut four management positions • Cutback staffing (3) • Stop creating new jobs

- *Report on contributions of Economic Development*

Description:

Throughout all of the engagement activities in person and online, citizens asked questions about a variety of topics related to the infrastructure deficit. The questions are listed here. The City is answering the questions and the answers will be added to the [Let's talk](#) section of shapeyourcitypenticton.ca as they are developed.

List of questions:

- Has OCP been officially changed and what was the process?
- Who initiated the changes to the OCP?
- Has the City addressed the problems with polling stations?
- Why are there parking meters at hospital?
- Why do Europeans have 400-year-old buildings and we demolish?
- Is SOEC paying for itself?
- What more can we do at SOEC?
- Why did we get an additional auditorium?
- Are Councilors residents?
- Are water slides failing?
- How does record building permits impact deficit?
- Haven't we talked about moving the library for years?
- How are we going to grow?
- Is maintenance of Memorial a good idea?
- Why does a golf course get permissive tax exemption?
- Why do developers have to build 3-storey parkade and not city?
- What happened with the dorm?
- Is electrical utility an advantage?
- Did other Okanagan communities get grants at UBCM?
- Can we do more with SS Sicamous?
- How can we reduce cost overruns?
- How do we promote the city?
- Did anyone investigate health implications of new LED lights?
- Why didn't we tender LED contract?
- What is the economic value of the BMX traffic vs 25 baseball teams / waterpark is only 3 months?
- What is our process for following up on inquiries?
- What goes in camera and why?
- What are we doing about grants? CWWF
What is thinking behind canopy of lights on front street?
- What evidence do we have the EIZ encourage investment?
- Doesn't population growth equal higher infrastructure costs?
- Why did we permit building on ROW?
- Are we heavy on management? Staff?
- Do we have a lot of vacant properties?
- Can we draw on reserves?

- Why do we give 29 year leases?
- Whatever happened to the green infrastructure plan?
- Why did Council get health and dental benefits? How much is it really costing?
- How much was spent on revitalization? And on what?
- How does 175 Kinney align with OCP?
- Is selling non-core assets a good strategy?
- Is taking on debt a good strategy?
- Rental disclosure problems when sewer charges?
- What support do we provide to Penticton Indian Band and why?
- Is the water infrastructure in the area sufficient to support the development?
- What is happening with grants?
- Do outlying areas contribute to our infrastructure?
- What population is needed to maintain what we have today with minimal tax increases?
- What size does the city need to be to add new resources?
- Are there areas we should annex?
- How do our taxes compare to the area and the mainland?
- What metrics do we have to show improved efficiency and effectiveness of management?
- Are permits for roll up shutters required at Cherry Lane only?
- Why is population growth flat?
- Why can't we attract more business and industry?
- How do our taxes compare in the Okanagan?
- How much revenue does parking generate?
- How does the City measure the contribution of Economic Development to the City?
- Why are we subsidizing a golf course?