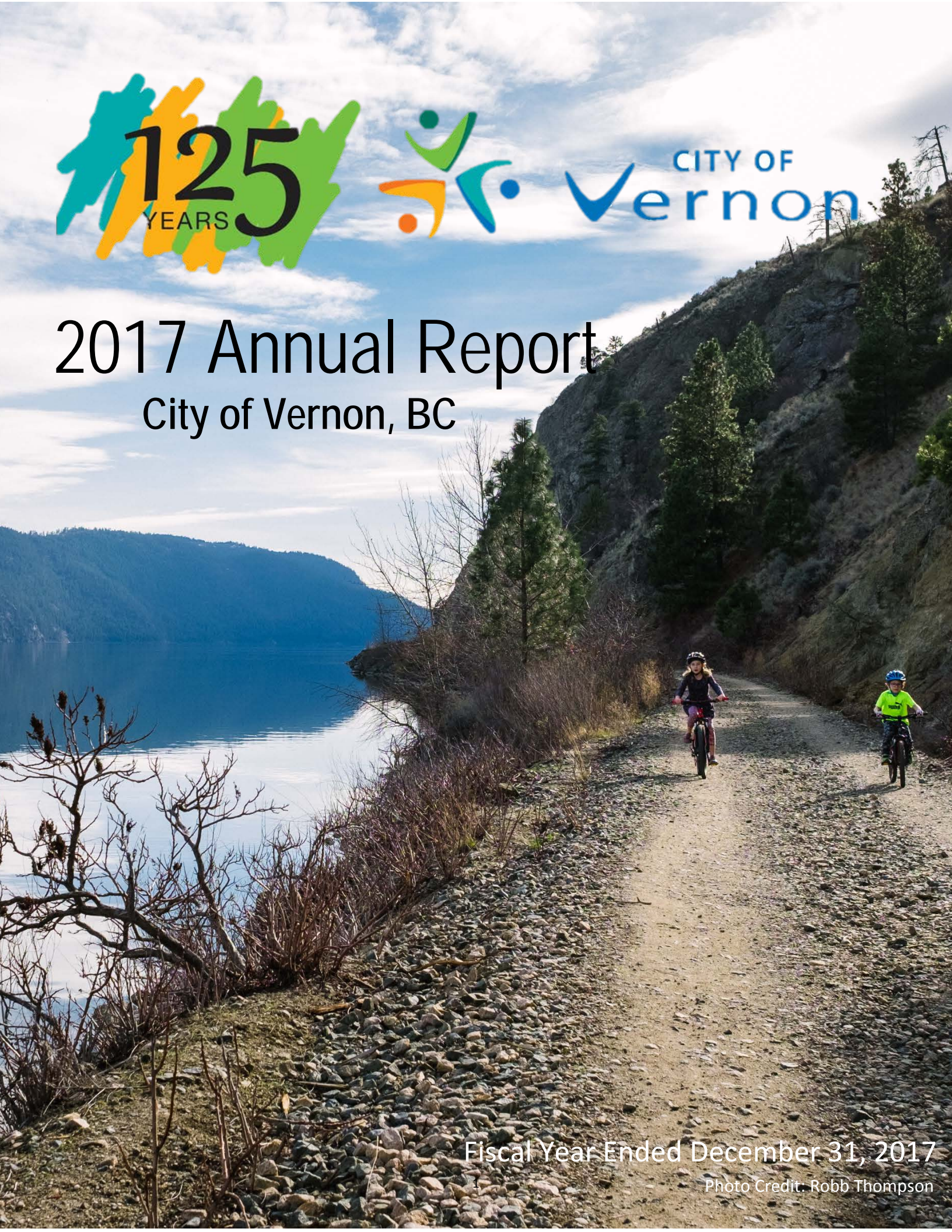




CITY OF
Vernon

2017 Annual Report

City of Vernon, BC



Fiscal Year Ended December 31, 2017

Photo Credit: Robb Thompson

2017 Annual Report

For the Fiscal Year Ending December 31, 2017 | **Vernon, British Columbia**

Prepared and submitted by: Financial Services | City of Vernon

CITY HALL | 3400 30 STREET | VERNON BC, V1T 5E6 | TEL 250 545 1361 | FAX 250 545 7876 |

www.vernon.ca

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INTRODUCTORY SECTION



Photo Credit: Steve Austin

Vernon City Council



(Back, L-R) Councillor Dalvir Nahal, Councillor Catherine Lord, Councillor Scott Anderson, Councillor Juliette Cunningham
(Front, L-R) Councillor Bob Spiers, Mayor Akbal Mund, Councillor Brian Quiring

VERNON CITY COUNCIL CONTACTS

Akbal Mund	Mayor	mayor@vernon.ca
Juliette Cunningham	Councillor	jcunningham@vernon.ca
Catherine Lord	Councillor	clord@vernon.ca
Dalvir Nahal	Councillor	dnahal@vernon.ca
Scott Anderson	Councillor	sanderson@vernon.ca
Brian Quiring	Councillor	bquiring@vernon.ca
Bob Spiers	Councillor	bspiers@vernon.ca

SENIOR MANAGEMENT TEAM CONTACTS

Will Pearce	Chief Administrative Office	wpearce@vernon.ca
Debra Law	Director of Financial Services	dlaw@vernon.ca
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Jim McNamara	RCMP, Officer In Charge	jim.mcnamara@rcmp-grc.gc.ca
Raeleen Manjak	Director of Human Resources	rmanjak@vernon.ca
Kim Flick	Director of Community Infrastructure & Development Services	kflick@vernon.ca
David Lind	Interim Fire Chief, Fire Rescue Services	dlind@vernon.ca
Shirley Koenig	Director of Operation Services	skoening@vernon.ca
Doug Ross	Director of Recreation Services	dross@vernon.ca

OUR MISSION STATEMENT

“To deliver effective and efficient local government services that benefit our citizens, our businesses, our environment and our future.”

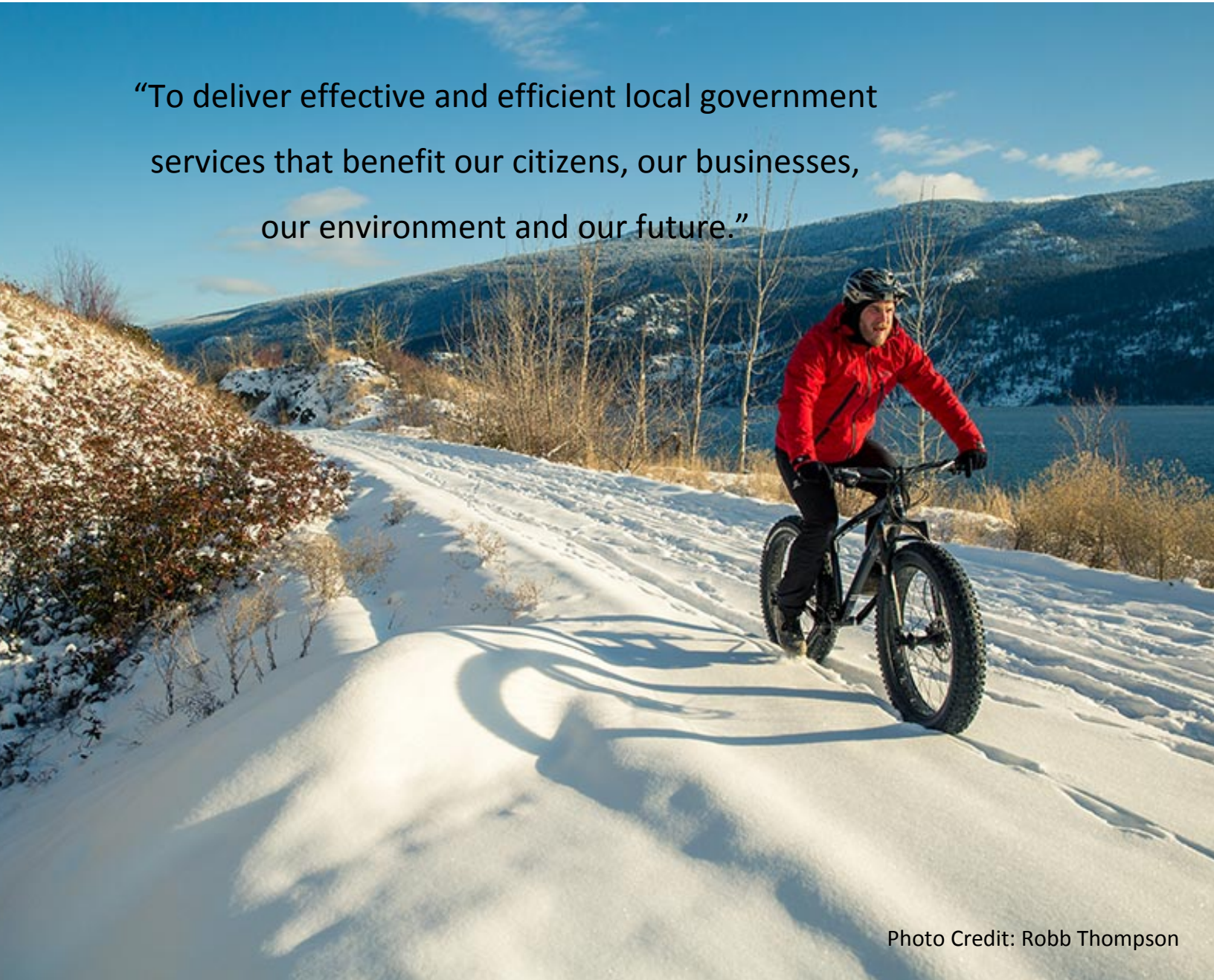


Photo Credit: Robb Thompson



CITY OF
✓ vernon



Photo Credit: Robb Thompson



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Vernon
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2016

Christopher P. Morrell
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Vernon for its annual financial report for the fiscal year ended December 31, 2016. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

Message from the Mayor

May 23, 2018



On behalf of Council, it is my pleasure to present to you the 2017 Annual Report. The end of 2017 is the third year for this Council's term. We have accomplished a lot in these past three years with many more achievements to accomplish for you, the citizens of Vernon.

You will see in the following pages many exciting trends and accomplishments realized during the year. City of Vernon celebrated its 125th birthday. A free community barbecue was held to honour this milestone, City councilors were found working the grill and handing out birthday cake at the Civic Plaza. It was a wonderful way to recognize the history of this beautiful place.

With great pride the City and community partners hosted the 55+ BC games in September with approximately 3,500 to 4,000 athletes and supporters from around the province taking part in the Games. An estimated \$3.3 million economic impact for host communities was generated proving to be a beneficial and successful event. 30 years ago Vernon hosted the first ever B.C. Senior's Games (now called the 55+ BC Games) with 650 participants.

Through the efforts of all City staff, we were able to continue our success in achieving the Certificate of Recognition through WorkSafe BC and the BC Municipal Safety Association. The monies realized from this program are utilized to encourage safety in the workplace and provide additional health and safety tools for the workplace.

Rogers Hometown Hockey brought Ron MacLean and co-host Tara Slone to Vernon for a special live pre-game show that aired on Sportsnet prior to the January 22, 2017 game between Vancouver Canucks and Chicago Blackhawks. This was an exciting two-day celebration opportunity for the community.

The City continues to increase its investment in its existing capital infrastructure. Some projects that were completed this year include: Kal Lake Road rehabilitation including a new multi-use path, 30th Street road reconstruction, 35th Avenue road rehabilitation and 30th Street bike lanes.

In our community, construction activity continues to surpass previous years. \$130 million in building permits and 382 new residential units were created in 2017. Major projects include the Regency Parkwood Retirement Resort, Multi-use Facility Expansion at Kal Tire Place, Sparkling Hill Resort Employee Housing and Walmart renovation. The Municipal Regional District Tax (MRDT) has provided marketing funds to expose our City to more international visitors and businesses and in 2017 reached an 8.3% growth over 2016.

Our recreation facilities are heavily utilized and are expanding. The new Kal Tire Place North facility will have a regulation-size 200' x 85' sheet of ice, seating for 400 spectators, a lobby, change rooms, washrooms and mechanical rooms. In addition, the facility will also feature a dryland training facility, multi-purpose room, additional office space and a new parking area adjacent to 43rd Avenue. This facility is scheduled to open in the fall of 2018.

For the upcoming year, Council will move forward with its 2015-2018 Strategic Plan, while still remaining responsive to its citizens, businesses and community leaders. I congratulate administration on another great year of hard work, dedication and commitment to our community.

A handwritten signature in dark ink, appearing to be 'A. Q.', written in a cursive style.

Message from the Chief Administrative Officer

May 23, 2018



The Mayor and Council have guided the City through almost 4 years of substantial change. The City is in a solid financial position. Conservative but solid. Not over committed beyond the City's means. Reserves are modest, but able to accommodate needs of the municipal infrastructure or unforeseen emergencies. Council has held operating cost increases over their four years to well below 1.5% per year. This includes the day-to-day provision of core services such as policing, fire services, roads and buildings maintenance, snow clearing and parks maintenance.

The City is growing and investment confidence is evident by the pace of development and business activity. Employment opportunities are strong for qualified individuals and those with an entrepreneurial spirit.

Council has carried on with the incremental municipal tax commitment of 1.9% per year directly and immediately invested into major maintenance and life cycle replacement of key City infrastructure. A quick drive around the City will see numerous road projects, sidewalk repair and replacement and storm water management improvements. Council's direction has focused on public engagement and transparency. Numerous times through 2017 and into 2018, Council has invited public input into parks projects, lake access development, road projects, recreation programs, community and neighbourhood development, and housing initiatives.

2017 was a year of flood preparation and emergency response followed immediately by activation of evacuation centres and emergency services outreach to accommodate 1,000 evacuees from wildfire threatened communities. Council mobilized fire services personnel to activate Fire Station 2 (Okanagan Landing) and Fire Station 3 (Predator Ridge) during a time of extreme wild fire risk to the City.

Council has reached out to BC Housing, Interior Health, Provincial Ministries and numerous service providers to assist in the housing crisis for homeless persons and opioid abuse; common in urban municipalities across British Columbia. The City has struck key, progressive partnerships to deal with complex social issues.

The City is strong, focused, growing, progressive and caring. All driven by the policy direction of Council.

A handwritten signature in dark ink, appearing to be 'W. Pearce'.

Will Pearce
CAO

Message from the Chief Financial Officer

May 23, 2018



I am pleased to present the City of Vernon's Municipal Annual Report for the year ended December 31, 2017. This report contains the 2017 consolidated financial statements pursuant to Section 167 and 168 of the Community Charter including the financial results for its two wholly-owned subsidiaries.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards. Our external auditors, KPMG LLP, have conducted an independent examination and have expressed the opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position and financial results of the City for 2017.

The City was recognized with the Canadian Award for Financial Reporting by the Government Finance Officers Association for the eighth year in a row for the 2016 Annual Report. The 2017 Annual Report will also be submitted for this award to provide Council and the public with assurance that we continue to meet internationally recognized standards for financial reporting.

The City continued to strengthen its financial position in 2017. The City's net financial assets reached \$41.8M (2016 - \$33.2M) and cash and investments increased to \$86.0M (2016 - \$72.1M). The City's made a net investment of \$10.4M in tangible capital assets realizing a net book value increase to \$570.7M (2016 - \$570.6M). The City's net investment in capital assets was almost the same amount as the cost of amortization (\$11.0M, 2016 - \$11.8M) resulting in a very small change in total tangible capital assets.

Reserves, which represent funds available for future investments in tangible capital assets, unanticipated expenditures due to unforeseen events, or unexpected opportunities, increased overall to \$57.5M (2016 - \$54.4M). Of this balance, \$17.1M is committed to fund projects planned in 2018.

Revenues for 2017 totalled \$90.2M (2016 - \$77.6M) and expenses were \$81.9M (2016 - \$69.0M). The revenue increase was due to various factors including; Regional District funding for the building of the Kal Tire Place expansion, increased developer contributions of assets, increased taxation for the capital program and zero net gains on the sale of assets. Expenses increased from the prior year mostly due to the City's contract to build the Kal Tire Place expansion and increased policing costs.

The Statistical section of the Annual Report shows a five year comparison of several key measurements utilized by the City to determine its financial health, plus additional information such as Taxes Levied for Other Agencies, Number of Employees, Debt Capacity, Taxable Property Assessments and Principal Corporate Taxpayers. The graphical presentations provide a pictorial display of the information provided in each table. I encourage Council and the public to peruse this section for a better understanding of the financial trends and other information about the City from 2013 to 2017.

A handwritten signature in black ink that reads "Debra Law".

Debra Law, CPA, CMA
Director of Financial Services
Chief Financial Officer

Community Profile

Golf Vernon

The Golf Club at The Rise

A traditional links and coastal mountain golf experience in the orchard-lined mountains of Vernon. The Rise is designed by Freddy (Boom Boom) Couples and is one of the most scenic courses in British Columbia.

www.therise.ca

Hillview Golf Course

Fast. Short. Challenging. However you define golfing one thing is certain, this 18-hole course has eight lakes and even more sand traps make this a target golf course unlike any other.

www.hillviewgolf.ca

Predator Ridge Resort

Predator Ridge is a veritable paradise with 36 Championship holes of golf waiting to be played. Life here includes a state-of-the-art fitness centre, indoor & outdoors pools and gourmet dining featuring fresh local ingredients.

www.predatorridge.com

Vernon Golf & Country Club

Challenging golfers for more than 100 years, playing the Vernon Golf & Country Club is a time-honored summer tradition.

www.vernongolf.com



Vernon's Best Beaches

Ellison Point Beach – Okanagan Lake

Sand beaches gently bank down to western Canada's only freshwater dive park in Otter Bay. Explore submerged relics, sunken artifacts, and vibrant underwater plant life.

Kin Beach – Okanagan Lake

Pack up the family for a day at the beach. A grassy park, complete with jungle gym for the kiddoes, slopes to a warm beach and shallow swimming area.

Kaloya Regional Park- Kalamalka Lake

Spend the day making sandcastles, playing with your kids at the playground or launch your boat for a day on the water.

Sandy Beach – Okanagan Lake

Tucked into a quiet cove in Ellison Provincial Park, it's where man's best friend can frolic in the sand and water.

Community Profile

Hiking Trails

BX Creek and Falls Trail: an easy 3 kilometre walk. Visit waterfalls in summer, strap on the snowshoes in winter

Rattlesnake Point: an easy walk with magnificent vistas of both ends of Kalamalka Lake. Plenty of beaches along the way to stop and savour the view.

Swan Lake Nature Reserve Trail: wander through waving grasslands, surrounded by forested mountains and wide open sky.

Coldstream Valley Trails: hike any of the Grey Canal trails on their own, or combine all three for postcard-worthy views of the Coldstream and North Okanagan Valleys.

Turtle Mountain Trail: check out the views of Middleton Mountain, Swan Lake and Silver Star while watching raptors soar above



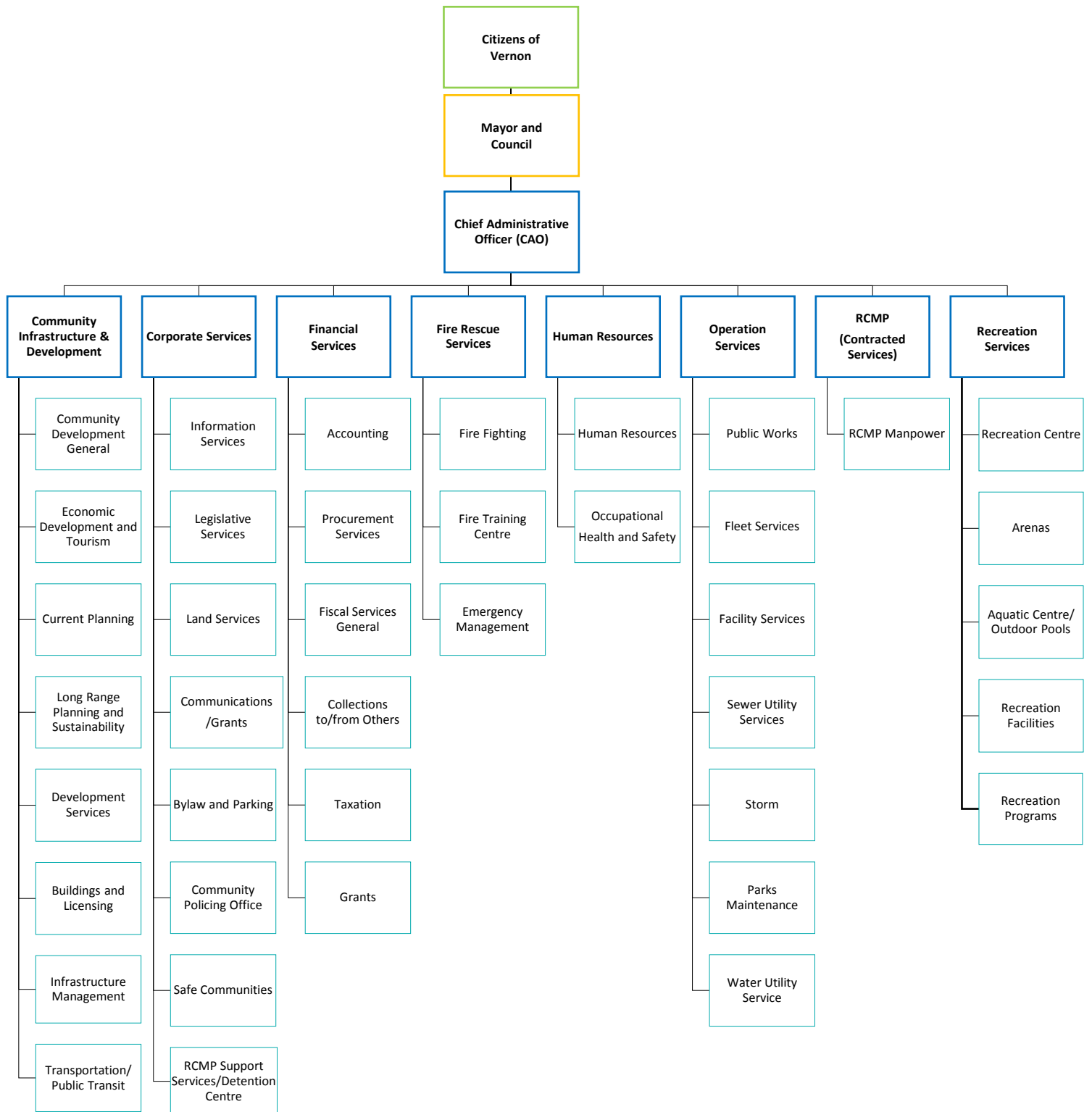
Family Day Activities

Family Field Trips: Embark on a family field trip, and whether you point your compass toward O’Keefe Ranch, Davison Orchards or the Okanagan Science Centre, there are plenty of opportunities to disconnect from your everyday and reconnect with each other...roaming Davison Orchards on a vintage apple train, uncovering the mysteries of the universe at Okanagan Science Centre’s hands-on exhibits, or pretending you’re a pioneer for the day at O’Keefe Ranch’s summer day camps.


A Family Time Out: Surrounded by water, it’s easy to enjoy a day at the beach in and around Vernon. And no matter whether you’re seeking a quiet fishing hole, a hidden cove for a family picnic or a beachside playground, Vernon is overflowing with options for a well-deserved family time out or you can avoid the sand and spend an exciting day at Atlantis Waterslides. Spread your beach blanket at Kin Beach, Paddlewheel Park or Ellison Provincial Park, three local favourites for families. You’ll find both beaches on Okanagan Lake, within a few minutes drive of Vernon’s downtown. Broad, sandy beaches gently sloping into the water, and a fully outfitted playground make Kin Beach a favourite for young families, while Ellison’s pebbled shoreline and underwater dive park (the only one in the Okanagan) draws kids of all ages to its tree-lined shores.

Family Fun in the Snow: Family fun isn’t just a summer pursuit in and around Vernon – winter presents even more options to unwind and relax with the whole clan. Chill out at Silver Star Mountain Resort and discover just how much fun playing in the snow can be. Ski or snowboard snow-ghost lined glades, gather the kids for a family pick-up game of hockey, ski or snowshoe Sovereign Lake Nordic Centre, or experience our annual celebration in February, the Vernon Winter Carnival...it’s all warm family fun.

Organizational Structure



Services Provided to Our Residents

- 
- Collection authority for other taxing jurisdictions
 - Airport operation
 - Policing
 - Building approval and inspection
 - Bylaw enforcement
 - Cemetery operation
 - Drainage system maintenance
 - Economic development
 - Emergency preparedness planning and co-ordination
 - Engineering services
 - Environmental protection services
 - Fire/Rescue protection
 - Garbage and yard recycling services
 - Legislative (adoption of bylaws; approval of development permits; adoption of corporate policies and procedures)
 - Parking control and parkade operation
 - Parks maintenance and operation
 - Planning services
 - Boulevard and landscape maintenance
 - Public transit, including HandiDart operation
 - Recreation programs and facilities operation and maintenance
 - Safeguarding of assets
 - Sanitary sewer collection system operation, maintenance and construction
 - Street lighting
 - Street, sidewalk, and lane maintenance, construction and reconstruction
 - Tourism
 - Traffic signal operation
 - Water systems operation on behalf of the Regional District of North Okanagan

Revenue Policy Targets and Results 2017

The following revenue targets were adopted under the 2017-2021 Financial Plan and are shown with their actual results:

Measure	2017 Target	2017 Actual
Business to Residential Property Tax Rate Ratio	3.20 to 1	2.73 to 1
Taxation Levy Increase for Infrastructure Projects	1.9%	1.9%
Taxation as a Proportion of Total Revenue	47.7%	41.4%
Service Fees as a Proportion of Total Revenue	34.3%	27.8%
Other Revenue as a Proportion of Total Revenue	18.0%	30.8%
Specified Area Parcel Taxes as a Proportion of Total Revenue	Less than 1%	Less than 1%

Capital Asset Deficit 2017

(in \$1,000's)

Asset Category	Annual Amortization	Capital Investment	Capital Asset Deficit/ (Surplus)	Net Book Value of Disposals	Decrease in Depreciable Assets
BUILDINGS	\$ 1,684	\$ (306)	\$ 1,990	\$ 661	\$ 2,651
VEHICLES	635	930	(295)	28	(267)
MISCELLANEOUS EQUIPMENT	96	470	(374)	-	(374)
INFORMATION TECHNOLOGY	184	379	(195)	64	(131)
TRANSPORTATION INFRASTRUCTURE	5,269	7,626	(2,357)	11	(2,346)
STORM SEWER INFRASTRUCTURE	1,035	(460)	1,495	-	1,495
SANITARY SEWER INFRASTRUCTURE	1,242	2,165	(923)	23	(900)
IRRIGATION WATER INFRASTRUCTURE	106	-	106	-	106
NATURAL GAS SYSTEM LEASE	723	-	723	-	723
	\$ 10,974	\$ 10,804	\$ 170	\$ 787	\$ 957



Council's Strategic Plan and Progress Report 2015 – 2018

Council's Vision Summer 2018



At its strategic planning session on February 2, 2015, Council identified the following vision for the City of Vernon, as envisioned for the summer of 2018.

The City has taken a leadership role in economic development. Investment is happening in the Waterfront, with a new park and private development. Investment is happening in the Downtown: there are fewer vacant storefronts and a new office building is opening. There are new apartments under construction, and redevelopment in the surrounding neighbourhoods provides new family homes. More jobs in the technology sector, tourism and health care are providing more opportunities for young professionals and their families to move to Vernon.

Investments in parks and recreation provide supporting reasons for young families to move to Vernon. The new ice sheet at Kal Tire Place just opened, and a new multi use park is being planned for the adjacent Kin Race Track lands. The Rec Centre and Polson Park are both being revitalized, and the Civic Arena block is being transformed into a park. More biking and walking options include the newly opened portions of the Rail Trail from Lumby Junction to Kelowna.

The City has a strong and productive relationship with the Regional District of North Okanagan (RDNO) where issues of mutual concern are addressed to the benefit of all residents. This includes resolution of the Master Water Plan, including funding and equitable rates that are supported by the public. The future of both the Art Gallery and the Museum are determined, including locations and funding. Should Coldstream, Electoral Area B or C come forward and wish to explore the benefits and costs of amalgamation, the City of Vernon would agree to support a provincially funded study.

The City focuses on efficient, front line service delivery. Tax rates have been kept at or below inflation, as have municipal operating expenses. The City actively engages and consults with the community on new initiatives, and conducts business in a transparent manner.

Council's Goals 2015-2018 February 2018 Progress Reports



Council has identified the following goals in order to achieve the vision. All of the following goals are equally important to Council.

Facilitate Regional Collaboration	Target Date	Status	Lead	Notes
Referendum to twin Kal Tire Place	November 2015	Complete	Recreation Services	Successful referendum was held on November 28, 2015 with approval for borrowing to twin arena
Resolve specific funding and cost sharing arrangements with RDNO (including the Library, Transit, Fire Services and gateway signage)	December 2015	Complete	As required	<p>Discussions regarding joint fire service purchasing occurs on an on-going basis through the North Okanagan Emergency Services Advisory Group and the Fire Training Centre (FTC) operations. In May 2016, the FTC acquired a retired apparatus from West Kelowna Fire, which will be utilized by all regional firefighters. Fire Training Centre 5-Year Extension has been finalized and implemented as of January 1, 2018.</p> <p>A full review of the Emergency Program occurred at the end of 2015, specifically to ensure the funding model protected Vernon's rate payers. 2016 was a transition year for the program. Emergency Services Agreement/Bylaw terminated December 2016.</p> <p>As of January 1, 2017 the COV has operated a stand-alone emergency program. In 2017, the Emergency Operations Center was activated several times to address flooding in the CoV and to support Emergency Social Services in the management of reception centers and group lodging facilities for evacuee's from other communities.</p> <p>A mutual aid agreement for fire department emergency resources with the RDNO, Armstrong, Enderby, Coldstream, Spallumcheen and Vernon has been renewed. This agreement helps to leverage emergency resources available in the region for large or multiple events.</p> <p>A fee for service agreement has been renewed with the Town of Lumby for fire inspection and investigation.</p> <p>Fee for service agreements are in place with Armstrong, Enderby to provide response to ammonia/chlorine/sulphur dioxide at identified facilities.</p>
Establish a working group with the Okanagan Indian Band to develop a servicing plan for IR#6 (with grant funding)	June 2016	Underway	As Required	<p>Joint application for Community Economic Development Initiative (CEDI) federal program to explore mutually agreed upon projects was submitted in May, 2016. Received letter on April 28, 2017 notifying that OKIB and Vernon have been tentatively selected for the program. Joint CEDI workshop #1 with Okanagan Indian Band was held December 20, 2017.</p>

				<p>On February 26, 2018 Council declassified their January 22, 2018 In Camera resolution agreeing to participate in the CEDI program to March 31, 2020.</p> <p>CEDI workshop #2 with Okanagan Indian Band was held April 12 and 13, 2018. Several priorities, including a collaborative approach to waterfront planning, have emerged from the partnership.</p>
Develop a boundary extension and servicing plan for the Swan Lake Corridor to facilitate development and redevelopment	2016		As Required	<p>This goal was driven by a desire to provide sewer services to support more intensive development leading to additional employment along the Swan Lake Corridor as per the Regional Growth Strategy. Currently RDNO is exploring servicing Swan Lake in partnership with Spallumcheen and OKIB; this was an identified item in the Employment Lands Action Plan but there is no anticipated action by the City at this time.</p>
Determine future locations of the Art Gallery and Museum, with consideration of a combined facility	2017	Underway	Administration	<p>The Greater Vernon Cultural Implementation Advisory Team (IAT) is reviewing the new facility development plan for the Vernon Public Art Gallery and the Greater Vernon Museum and Archives and is likely to explore various options. The City identified the site at 3007/3009 31 Avenue as a possible location which will be considered within the IAT review.</p>
Review the Master Water Plan and associated DCC Bylaw, with due consideration for equitable rates for agricultural, residential and commercial users	2017	Underway	As Required	<p>The Stakeholder Advisory Committee prepared its final report in May 2016 for GVAC's consideration with the following key recommendations:</p> <ul style="list-style-type: none"> • Option 1 - the option with the lowest financial impact to water users based on the lowest Net Present Value (NPV) with no further separation; • Option 2 - the option with the highest benefit to cost ratio (NPV) with partial separation; and • Option 3 - the option with the highest benefit to cost ratio (NPV) that supports full separation. • That the SAC select Option 2 being the option with the highest benefit to cost ratio (Net Present Value) with partial separation as their first choice moving forward with the 2012 Master Water Plan. • That the SAC select Option 1 being the option with the lowest financial impact to water users based on the lowest Net Present Value (NPV) with no further separation as their second choice moving forward with the 2012 Master Water Plan. • That the Stakeholder Advisory Committee be reassembled after the Board of Directors has adopted a revised Master Water Plan, including a revised financial plan, to work with RDNO staff in preparation of a Communications Plan. <p>GVAC/RDNO Board direction on the Master Water Plan is the next step before a comprehensive DCC bylaw update can be undertaken.</p>
Resolve specific funding and cost sharing arrangements with RDNO (including the Library, Transit, Fire Services and gateway signage)	December 2015	Complete	As Required	<p>Gateway signage resolved.</p> <p>The issues associated with the historical funding arrangements for Transit have been resolved. Two Memorandums of Understanding have been signed by all the transit funding partners regarding Revenue sharing and Custom Transit Cost Allocation.</p>

				<p>Sub-Regional Parks responsibility and funding agreement completed through GVAC in May 2017.</p> <p>The new Transit fare structure developed in partnership with Coldstream and RDNO Was implemented on April 1, 2018.</p>
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Be a Leader in Economic Development	Target Date	Status	Lead	Notes
Bring forward a resolution to increase the business tax exemption from \$10,000 to \$50,000 to SILGA/UBCM	March 2015	Complete	Community Infrastructure & Development	Resolution endorsed by SILGA on April 30, 2015; forwarded to UBCM for consideration at its 2015 convention, where it was not endorsed.
Develop and promote inventories of vacant commercial properties to reduce the downtown vacancy rate to 10% or less	December 2015	Complete	Community Infrastructure & Development	November 2015 vacancy rate in the downtown was 7.9%. Staff to work with Downtown Vernon Association to update vacancy rate in Fall 2018. Vacancies over 5,000 sq ft are being promoted on City of Vernon website.
Engage realtors in the promotion of economic opportunities	December 2015	Complete	Community Infrastructure & Development	<p>Attend annual ICSC Tradeshow in Whistler in January for realtors and developers.</p> <p>Information sessions held with local real estate offices in 2016 (Century 21, Sutton Realty and Royal LePage). Offered has been made to all local real estate firms</p> <p>Annual presentation to Okanagan Mainline Real Estate Board (2016 & 2017)</p> <p>Sponsored UDI luncheon in Kelowna on October 26, 2017.</p>
Endorse and implement the Industrial Lands Action Plan	June 2016	Complete	Community Infrastructure & Development	Regional Employment Lands Action Plan adopted by Regional District on May 18, 2016. A regional workshop was held on October 12, 2016 to discuss next steps. Focus has been on the potential creation of a Rural Economic Development function that would be complementary to the City of Vernon. Subsequent regional session was held on October 12, 2017 and a funding application was submitted by the staff and the Regional District of North Okanagan to the Rural Dividend Fund. Funding application was unsuccessful. Rural communities and electoral areas are exploring options and next steps.
Support sustainable urban development by reducing off site costs and reviewing parking requirements for infill development and undergrounding of overhead utilities in the City Centre to increase development potential	Annually	Underway	Community Infrastructure & Development	<p>Report regarding parking in-lieu endorsed by Council in 2015 and follow up investigation continues. Council supported undergrounding of overhead utilities as part of 30th Street capital project and Bennet lot redevelopment. Council, in April 2018 supported in principle amendments to the SDSB #3843 Sched A to enable overhead servicing for RSL infill re-development.</p> <p>BC Hydro beautification received undergrounding of services on the Vernon Block in conjunction with capital projects in the area; at its Regular Meeting of February 27, 2017, Council adopted bylaw amendments to facilitate overhead wiring retention in small scale residential infill</p> <p>Council has supported numerous parking variances to facilitate redevelopment in the City Centre.</p>

Prioritize implementation of the Airport Master Plan once complete in 2016, including necessary capital improvements or upgrades	January 2017	Underway	Community Infrastructure & Development	The Airport Master Plan has been adopted. Staff will explore designating lands to the north for Light Industrial/Service Commercial uses and the redesignation of adjacent properties no longer identified for acquisition from Airport Industrial to Light Industrial / Service Commercial. BCAAP grant funding utilized for runway overlay, construction of turning D on Runway 23 and visual indicator relocation.
Be a technology friendly and supportive community, and undertake initiatives to promote and support the technology sector	Annually	Complete	As Identified	Attended BC Tech Show in Vancouver (January 2016); working with Co-Work Vernon, Start-up Vernon, Okanagan Innovation Institute and other partners to further promote and foster growth in the technology sector. Information Services has worked with local telecommunication carriers to facilitate significant upgrades in the area. The TELUS Optik project has seen 100% Vernon buildout completed (except West Side road expansion). 29% of Vernon homes have signed on where Purefibre is offered 36% of businesses have signed on where Purefibre is offered. Currently TELUS is not developing the Small Cell project within Vernon.
Cut red tape by ensuring we have a competitive development review process	Annually	Underway	Community Infrastructure & Development	Continue to improve application process, internal procedures and access to information where feasible and as opportunities arise. A joint Development Forum was held with Big Red in the fall of 2016 to discuss potential improvements in the development approval process. Administration will provide follow up in late 2017.
Support sustainable neighbourhoods by implementing neighbourhood plans and the OCP	Annually	Complete	As Identified	Since 2015, the following has been undertaken: <ul style="list-style-type: none"> • Predator Ridge Neighbourhood Plan Update • OCP Update – Transportation Master Plan, Parks Master Plan, Community Wildfire Protection Plan • Airport Master Plan completed • Parks Master Plan completed • City Centre Neighbourhood Plan implementation: <ul style="list-style-type: none"> - Capital projects prioritization - Wayfinding signage - Public art projects - Mobile vendor policy review initiated - Cash-in-lieu program development initiated • Rezoning of Commonage Properties to conform to OCP land use designations completed. • Waterfront Neighbourhood Centre Plan implementation to be undertaken. This will focus on the following: <ul style="list-style-type: none"> - Refining the proposed road network - Initiating Local Area Service (LAS) - Exploring new zoning options - Lakeshore Park design • The North Vernon Neighbourhood Plan is being investigated to expand servicing concepts necessary to address development and the recent Boundary extension in that area
Prioritize capital projects in the Downtown	Annually	Complete	As Identified	Rolling 4 Year Capital Plan has been presented to Council in both 2015 and 2016 focusing on capital improvements in the Downtown including projects that focus on the continuation of the transportation and utility improvements on 30th Street from Polson Park to the Civic Area, 35th Avenue from Pleasant Valley Road to

				34th Street, and 32nd Avenue from 31st street to 35th Avenue as well as road and utility reconstruction on 28th Avenue, 29th Avenue, and 31st Avenue. The plan will be updated annually to add an additional year to the plan. The next update will be presented to Council in December 2017 for its consideration.
Work with community partners and the Affordable Housing Advisory Committee to create more affordable housing	Annually	Underway	As Identified	<ul style="list-style-type: none"> • Journey Inn conversion to assisted units complete. • Rental Housing Incentive Grant Program policy was adopted by Council on May 25, 2015. • City assisted with the Housing Forum in 2016. • A grant of \$31,346.79 in lieu of City DCCs was approved for a nine unit non-profit rental housing complex at 3304 Alexis Park Drive. • A grant of \$15,244.00 in lieu of City DCCs was approved for three rental units in a 47 unit apartment complex at 3010 – 35th Street. The three rental units are owned by a non-profit housing society and the other 44 units are life lease ownership. • A grant of \$129,000 was approved for a private sector 86 unit rental apartment and commercial unit complex at 2501 – 48th Avenue. • A grant of \$63,000 was approved for a private sector 42 unit rental apartment complex at 3802A – 27th Avenue. • Rezoning bylaw and development variance permit approval granted to allow for a single private sector single family dwelling at 3214 – 35th Street to be converted into a rooming house with eight rental sleeping units. • Rezoning bylaw and development variance permit approval granted to allow for a private sector single family dwelling at 3503 – 27th Street to be converted into five rental dwelling units and a commercial area. • Rezoning bylaw and development variance permit approval granted to allow for a private sector single family dwelling at 3911 – 29th Avenue to be converted into five rental dwelling units. • Rezoning bylaw approval granted to allow for 218 dwelling units at 6468 Okanagan Landing Road with 82 units governed by an attainable ownership housing agreement covenant. • OCP amendment bylaw and rezoning bylaw approvals granted for a strata titled apartment to be constructed at 3900 – 30th Avenue. The approvals required a tenant displacement compensation covenant be registered on the title. The associated tenant compensation agreement would be implemented prior to apartment construction commencing. • Social Planning Council is applying for grant funding to undertake a review of the Affordable Housing Strategy and the Homelessness Strategy. • Administration currently working with local service providers and BC Housing on a number of shelter units/beds and affordable housing options.

Create a Vibrant Parks and Recreation System	Target Date	Status	Lead	Notes
Find resolution to Kin Race Track issues	December 2015	Underway	CAO	Preparation for court complete. Trial Judge postponed on March 14 to July 24 – August 4, 2017
Update lake access plan, including implementation schedule and budget	August 2016	Underway	Community Infrastructure & Development	A draft Lake Access Plan was presented to Council in late 2016 and the P2 process was completed in February 2017. Following Council direction in January 2018, Administration will be bringing a revised plan to Council for its consideration in September 2018. Council resolved to have ten lake accesses constructed in 2017 and 2018. This has since been reduced by four, and preparation for construction is underway.
Host 2017 BC Seniors Games (if awarded to Vernon)	September 2017	Complete	Recreation Services	Successfully hosted over 3500 athletes for the 30 th Anniversary Vernon & Area 55+ BC Games September 12-16, 2017. 27 sports and activities were hosted in 35 venues and supported by 1365 volunteers. The games created over \$66,000 in legacy for local organizations and generated an economic impact of 3.3M to the local economy.
Develop plan for Kin Park	Unknown		Community Infrastructure & Development	Legal issues have yet to be resolved. Therefore, no work has been undertaken to date to develop a plan for this park.
Develop plan for Civic Arena Block Park once ice surface is removed (consider repurposing the Arena building)	June 2018	Underway	Community Infrastructure & Development	Council has resolved to undertake demolition of the Civic Arena and have directed Administration to provide a process for determining future use of the site to Council in November 2018.
Renegotiate Recreation Agreement	May 2018	Underway	Recreation Services	The current agreement expires on December 31, 2018. Partners to the agreement had until December 31, 2017 to supply written notice that they wish to renegotiate the agreement. The City of Vernon notified the community partners that they wished to negotiate two clauses in the agreement. A first meeting took place in mid-March. A second meeting will be scheduled for late May. The agreement must be negotiated by June 30, 2018.
Update draft Polson Park Plan and undertake improvements	2018	Underway	Community Infrastructure & Development	The process for the development of the Polson Park Master Plan was endorsed by Council in 2016, with the first P2 sessions held that year. However, given the increased concerns regarding homelessness, drug activity and safety in the park, Administration will be exploring new approaches to undertaking this project to address those concerns. A proposed process will be presented to Council in Fall 2018.
Develop plan for Lakeshore Park and undertake improvements	2018	Underway	Community Infrastructure & Development	Construction of the park is underway.
New Aquatic Centre planning	Begin in 2018	Underway	Recreation Services	The Greater Vernon Recreation Master Plan process is underway. Public consultation including open houses, surveys and stakeholder meetings have taken place. A workshop for elected officials to review initial results is scheduled for June 4, 2018. The topic of a new aquatic centre was included in the Master Plan surveys and several stakeholder groups including the Kokanee Swim Club and Master's Swim Club were interviewed.

New Seniors Centre planning	Begin in 2018	Underway	Recreation Services	The Greater Vernon Recreation Master Plan process is underway. Public consultation including open houses, surveys and stakeholder meetings have taken place. A workshop for elected officials to review initial results is scheduled for June 4, 2018. The topic of a new 55+ Activity Centre was included in the Master Plan surveys and several stakeholder groups including the Halina Centre and Schubert Centre were interviewed.
Purchase lakeshore properties for future park	As available	Underway	Corporate Services	2602 Lakeshore Road purchased June 2015. Contacted three remaining property owners (not ready to sell). By Council resolution, encouraged RDNO to purchase property north of Kin Beach (sub-regional).
Remove existing encroachments in lake accesses	As identified	Underway	Corporate Services	Have resolved encroachments at Lake Access #39 (Delcliffe) and #6 (between 8392 – 8402 Tronson Rd). Working with legal counsel to develop a strategy regarding encroachments in lake access sites, including license agreements, where appropriate.

Provide Effective Protective Services	Target Date	Status	Lead	Notes
VFRS 125 Anniversary celebration and bell tower restoration project unveiling	May 2016	Complete	Fire & Rescue Services	The Bell Restoration Project was completed and unveiled May 7, 2016 and the old fire bell rang for the first time in more than 50 years. The project was completed with donated and in kind sponsorship by community supporters and approved 2016 divisional budget funds.
Explore expansion of VFRS fee for service agreements	May 2016	Complete	Fire & Rescue Services	The fee for service agreement with IR#6 was renegotiated to bring the fee in line with the rate paid by CoV rate payers. The new Agreement resulted in increased revenue for VFRS for the five year term and provides a fuller scope of services to IR#6, including First Medical Responder.
Facility improvements at Station #2	December 2016	Underway	Fire & Rescue Services	A multi-purpose office and dorm space has been constructed to provide flexibility in staffing and deployment models. Fire Code and safety elements of the facility have been addressed as part of the scope of the renovation. This component of the facility improvement has been completed. A multipurpose ESS reception center and CoV meeting/training facility is being developed utilizing the garage/shop behind Fire Station 2. The RFQ process has been completed and work is scheduled to commence in June 2018.
Plan and finance new RCMP building (forecast, plan, funding, grants)			As Required	This initiative has been deferred

Deliver Efficient, Effective and Proactive Municipal Services	Target Date	Status	Lead	Notes
Develop public engagement protocols to increase public (and youth) engagement (webtools, surveys, social media, resident feedback, etc.)	December 2015	Complete	Corporate Services	<ul style="list-style-type: none"> Public Participation (P2) Strategy completed with adoption by Council in July 2016. Training for Council, staff and external consultants and contractors on P2 practices and techniques. Completed in February 2017. 2017 projects assessed for appropriate P2 engagement.

				<ul style="list-style-type: none"> RFP for public engagement webtools completed with contract awarded to Bang the Table in April 2017. City of Vernon engagement site (www.engagevernon.ca) launched May 1, 2017. Second participatory budget for City open May 1 – 31, 2017.
Develop a plan to expand sewer services in Okanagan Landing through the investment of \$2 million per year for the next ten years	June 2017	Completed	Community Infrastructure & Development	Council endorsed the Okanagan Landing Sewer extension strategy at the May 8, 2017 Regular Council Meeting. Properties adjacent to the CWWF project being completed in the 2017 and 2018 will have option to connect via the municipal fee process. The remaining unserved neighbourhoods in the Okanagan Landing will go through the Local Area Service process (Council Initiated subject to counter petition). If the LAS process is successful (less than 50% of residents and property value petition against the project) then the participation and payment is mandatory, although actual connection is not. The LAS areas and amount will be brought forward in a future reports. The estimated cost per property just over \$20,000 for the remaining properties.
Develop a strategy for use of legacy funds from the BC Gas/LILO Agreement	2017		Financial Services	To commence Fall 2017
Celebrate 125 Anniversary	2017	Complete	As Required	Various community groups developed plans for the 125 anniversary celebrations (Allan Brooks Nature Centre; Canada Day Society – enhanced celebration). Vernon 125 logo developed and in use on various City of Vernon communication materials, including website, banners and letterhead. Manager of Facilities created decals that were applied to all facility entrances. A Community BBQ led by Mayor and Council was held August 10 in conjunction with DVA “Music In the Park” event and was very successful. Vernon 125 plans to have Mayor, Council and Admin dress in period costume at December 2017 Council meeting.

Create a Safe, Efficient and Sustainable Transportation Network	Target Date	Status	Lead	Notes
Update Master Transportation Plan including a review of truck and hazardous materials routes and a time frame to consider the option of a highway bypass	April 2015	Complete	Community Infrastructure & Development	MTP update completed and endorsed by Council at its Regular Meeting of August 10, 2015. A Transport of Dangerous Goods Bylaw is being drafted and after consultation will be sent to the Ministry of Transportation & Infrastructure for approval.
Implement new strategy for bus stops and shelter maintenance	July 2015	Complete	Financial Services	Bus bench advertising contracts are in place; Venture Training has been engaged to update all existing bus benches and offer repair and maintenance services on an ongoing basis
Amend bylaws to implement the Integrated Transportation Framework (ITF)	December 2016	Underway	Community Infrastructure & Development	Project teams working on Subdivision and Servicing Bylaw Schedules A, B, F and O and Zoning Bylaw Schedule B. The updated Traffic Bylaw was approved in principle by Council on February 26, 2018 and was reviewed by the Transportation Advisory Committee on April 5, 2018. The final bylaw will be presented to Council for adoption in July 2018. Amendments to SDSB#3843 Sched F supported in principle by Council on Feb 26 2018. Report to Council

				in spring 2018 with amendments to SDSB #3842 Sched A, B and O.
Support transit oriented and mixed use development	As identified	Underway	As Identified	<p>Recent redevelopment in key areas of the city that support transit oriented and/or mixed use development include:</p> <ul style="list-style-type: none"> • five storey 119 unit seniors assisted housing facility with some commercial ground floor space at 5500 – 24th Street (on hold) • five storey 57 unit strata title apartment with strata title commercial ground floor space at 3407 – 28th Avenue (under construction) • four storey 86 unit rental apartment with some commercial ground floor space at 2455 – 48th Avenue (under construction) • four storey 56 unit apartment at 3010 – 35th Street (completed) • two storey 9 unit non-profit rental townhouse project at 3304 Alexis Park Drive (completed) • The Hamlets mixed use supportive care project on 29 Avenue in City Centre (completed) • Continued implementation of the Revitalization Tax Exemption Program in the City Centre and Waterfront Neighbourhood Centre. • Development of new ground oriented multifamily infill development along the future 29th/30th Street transit corridor and throughout the core area. • 60 rental apartments located at 3400 Centennial Drive (under construction)

Foster Community Development through Social Planning	Target Date	Status	Lead	Notes
Work with agencies and senior governments to develop and maintain comprehensive, accessible and affordable childcare	September 2016	Underway	As Identified	Resolution in support of comprehensive affordable, accessible childcare endorsed at the 2016 UBCM Convention.
Continue to support the Social Planning Council in the provision of social planning services to the City, including programs and initiatives to address homelessness, childcare, attainable housing, food security and neighbourhood safety	Annually			<p>The Social Planning Council and Partners in Action have been involved in many projects, including, but not limited to:</p> <ul style="list-style-type: none"> • Homelessness and Housing <ul style="list-style-type: none"> - Green Valley Motel closure and subsequent BC Housing acquisition of the Journey Inn property. - COOL Team, working with homeless campers to monitor safety, health and connect them to services - Organized Housing Forum in 2016. - Social Planning Council is working closely with the City and other key stakeholders in addressing the challenges of homeless camps in the city, including implementation of the City's new bylaw regulating sheltering in parks. • Social Planning Council is applying for grant funding to undertake a review of the Affordable Housing Strategy and the Homelessness Strategy in 2018 and 2019. • Harm Reduction <ul style="list-style-type: none"> - Sharps Action Team working to prevent the spread of disease and to prevent sharps from ending up in public spaces. Community clean ups organized to collect used needles.

				<ul style="list-style-type: none"> - Public Spaces Action Team developing strategies for working with street population to provide information and resources to assist with challenging behaviors. <ul style="list-style-type: none"> • Accessibility, Inclusiveness and Multiculturalism - RespectFest successfully implemented in September 2017. - Continuing the Understanding Reconciliation Journey Team to learn more about First Nations history and culture. - Facilitated the Respect Lives Here program. - In partnership with the Local Immigration Partnerships Council, developed an Immigration and Settlement Strategy for Vernon. - Developing a communication plan in partnership with the City following a high profile incident of racism or hate. <ul style="list-style-type: none"> • Poverty and Food Security - Working with Upper Room Mission to develop a program to distribute food to housebound clients. <p>At its Regular Meeting of April 9, 2018, Council resolved to extend the contract with the Social Planning Council for five years.</p>
Work with community groups and agencies to support youth and senior oriented initiatives	Annually	Complete	As Identified	Assisted in the successful delivery of the Cities Fit for Children conference. RespectFest undertaken in 2017.
Actively engage youth in stewardship opportunities	Annually	Underway	As Identified	The City's Sustainability and TDM Events include many youth oriented events and award recognition. Examples include hosting events at schools as part of Bike to Work / School Week and the Youth Award as part of the Sustainability Awards program.
Identify opportunities to include youth in consultation processes	As needed	Underway	As Identified	<ul style="list-style-type: none"> • Youth were specifically included in numerous consultation events in the development of the Parks Master Plan • Youth provided input in the design process for playground replacements at Mission Hill, Heritage and Alexis Park. Youth will also be engaged in upcoming design processes for Becker Bike Skills Park and Lakeshore Park. • Youth were meaningfully engaged in the planning and coordination of the Cities Fit for Children (CF4C) Summit hosted in Vernon in 2015, including setting the Summit agenda and speaker topics. • Youth helped create a number of the "I AM" art boards project installed downtown. The Respectfest Public Art project includes specific engagement sessions where youth will help design the art piece. • A PlanH Healthy Communities Capacity Building Fund application has been submitted to support the work of the Child, Youth and Family Friendly Vernon working committee. Council also supported this committee with a \$5,000 Discretionary Grant. The committee intends to engage children and youth in furthering these efforts. • Youth were involved in the development of the Youthful Vernon Strategy, which outlines proposed policies and plans to make Vernon a more youth friendly city.

Council Deliverables 2015-2018 February 2018 Progress Reports



The following deliverables have been identified to meet Council's goals. The deliverables will be reviewed annually by Council.

Facilitate Regional Collaboration	Target Date	Status	Lead	Notes
Establish a working group with the Okanagan Indian Band to develop a servicing plan for IR#6 (with grant funding)	June 2016	Underway	As Required	Joint application for Community Economic Development Initiative (CEDI) federal program to explore mutually agreed upon projects was submitted in May, 2016. Received letter on April 28, 2017 notifying that OKIB and Vernon have been tentatively selected for the program. Joint CEDI workshop #1 with Okanagan Indian Band was held December 20, 2017. On February 26, 2018 Council declassified their January 22, 2018 In Camera resolution agreeing to participate in the CEDI program to March 31, 2020.
Participate in the review of Master Water Plan options with regional partners	2017	Complete	Community Infrastructure & Development	The Stakeholder Advisory Committee prepared its final report in May 2016 for GVAC's consideration with the following key recommendations: <ul style="list-style-type: none"> • Option 1 - the option with the lowest financial impact to water users based on the lowest Net Present Value (NPV) with no further separation; • Option 2 - the option with the highest benefit to cost ratio (NPV) with partial separation; and • Option 3 - the option with the highest benefit to cost ratio (NPV) that supports full separation. <p>• That the SAC select Option 2 being the option with the highest benefit to cost ratio (Net Present Value) with partial separation as their first choice moving forward with the 2012 Master Water Plan.</p> <p>• That the SAC select Option 1 being the option with the lowest financial impact to water users based on the lowest Net Present Value (NPV) with no further separation as their second choice moving forward with the 2012 Master Water Plan.</p> <p>• That the Stakeholder Advisory Committee be reassembled after the Board of Directors has adopted a revised Master Water Plan, including a revised financial plan, to work with RDNO staff in preparation of a Communications Plan.</p>
Develop a boundary extension and servicing plan for the Swan Lake Corridor with regional partners to facilitate development	2019	Underway	As Required	This goal was driven by a desire to provide sewer services to support more intensive development leading to additional employment along the Swan Lake Corridor as per the Regional Growth Strategy. Currently RDNO is exploring servicing Swan Lake in partnership with Spallumcheen and OKIB; this was an identified item in the Employment Lands Action Plan but there is no anticipated action by the City at this time. RDNO has initiated a planning process for the Swan Lake Corridor that includes a sewer servicing strategy separate from the Vernon system. This process is expected to be concluded in Fall 2018.

Commence GVW contract renegotiation January 31, 2016 as per the terms of the contract (contract expires January 31, 2018)	January 2018	Underway	Operation Services	Internal meetings have occurred to identify potential issues; negotiations planned for completion in Fall 2017. Contract and Protocols reviewed by internal team in spring and summer of 2017. Meetings with Coldstream/RDNO occurred throughout the summer with final documents anticipated to go to GVAC in October 2017. GVAC had set target completion for September 2017 with provisions for one year extension if necessary.
Initiate Biosolids Management Plan in 2015 and recommend long term treatment of biosolids from Vernon and Kelowna as per the partnership agreement, to be negotiated prior to expiration of current agreement in 2018	2018	Underway	Operation Services	Draft report submitted by consultants. Final report due prior to end of 2017.
Explore additional regional partnerships in information technology	As required	Underway	Corporate Services	<ul style="list-style-type: none"> • Discussion on shared phone service with City of Enderby: Enderby has not responded further; we are assuming they are considering other options. • Internet replacement (TELUS/Shaw), partnership for redundancy with RDNO: Both jurisdictions have moved to separate internet services. Redundancy in case of failure should be possible, and will be reviewed further this winter. • North Okanagan Map: this sharing of data sets from each of the host municipalities has reduced duplication of information and improved the quality of data available to the public. • Cityworks: Upon further review, Administration did not pursue any further sharing of the City's Cityworks product, as it would result in a decrease of service levels to the City of Vernon and an initial capital cost with increased ongoing costs. Benefits would have been access to more licensing, however those licenses are not required at this time. • Research into a Joint RDNO/COV WAN replacement: LOU for the use of Silver Star Foothills for the City's last mile wireless test is signed and in place. Infrastructure has been purchased and installed and is being tested. • City phone system: City invited RDNO to continue to partner on the Cisco IP Phone solution. RDNO declined deciding to move in another direction. COV Cisco phone solution has been upgraded, and RDNO is now on a separate product. • Reached an agreement with RDNO on the upgrade of our Fractional PRI system; upgrade will provide both parties with 100% increase in capacity, and reduce costs by 5.6%. • Working with RDNO on the development of an App, that will provide subscribers access to notifications based on their preferences.
Begin contract negotiations prior to June 30, 2016 for sub regional parks and trails service agreement (contract expires Dec 31, 2016)	June 2016	Underway	Operation Services	One year contract extension in place (until the end of 2017). Terms for a five year agreement effective January 1, 2018 have been completed.

Be a Leader in Economic Development	Target Date	Status	Lead	Notes
Pursue renewal of industrial Lands MOU	February 2015	Complete	Community Infrastructure & Development	Endorsed by Council at its Regular Meeting of January 26, 2015 RDNO currently exploring Rural Economic Development Function to be complementary to current City of Vernon service. Should a function be endorsed, staff recommend a MOU between the City of Vernon and the Region be created to ensure service is complementary to that of City of Vernon
Develop and implement Wayfinding strategy phase one for the City Centre (parking directional signage)	April 2015	Complete	Community Infrastructure & Development	Phase one of the Wayfinding Strategy, which included parking directional signage that reflects the City's colours and logo, was completed in Spring 2015.
Develop marketing materials for the City Centre (printed brochure and online distribution)	October 2016	Complete	Community Infrastructure & Development	New community branding endorsed by Council at its Regular Meeting of June 22, 2015
Report to Council with proposed approach to community branding	June 2015	Complete	Community Infrastructure & Development	Rolling 4 Year Capital Plan has been presented to Council in both 2015 and 2016 focusing on capital improvements in the Downtown including projects that focus on the continuation of the transportation and utility improvements on 30 th Street from Polson Park to the Civic Area, 35 th Avenue from Pleasant Valley Road to 34 th Street, and 32 nd Avenue from 31 st street to 35 th Avenue as well as road and utility reconstruction on 28 th Avenue, 29 th Avenue, and 31 st Avenue. The plan will be updated annually to add an additional year to the plan. The next update will be presented to Council in December 2017 for its consideration.
Report to Council identifying the proposed four year capital project list	Annually5	Complete	Community Infrastructure & Development	Endorsed by Council at its Regular Meeting of December 14, 2015. Vacant space over 5,000 sq ft complete and currently being promoted on City of Vernon website
In conjunction with the Downtown Vernon Association, create an inventory of available space in the downtown	September 2015	Complete	Community Infrastructure & Development	To be done annually in June in conjunction with Employment Lands Inventory Update
In conjunction with property owners, identify lands available for redevelopment in the downtown	Annually	Complete	Community Infrastructure & Development	Complete and uploaded to website in 2016 including seven company profiles
Undertake an inventory of technology companies and related resources in Vernon to be featured on the InvestVernon website	September 2015	Complete	Community Infrastructure & Development	Phase Two of the Wayfinding Strategy, which included directional signs for the amenities and key destinations, was completed in late June/early July 2015
Implement Wayfinding strategy phase two for the City Centre (amenities and key destinations)	September 2015	Complete	Community Infrastructure & Development	Received by Council at its Regular Meeting of May 25, 2015. Back space was utilized by the 55+ Games Committee and is currently used for storage . Staff to report back to Council with additional options for long term use of back space once Council endorses plan for Civic Arena site.
Report to Council with results of the Expression of Interest process for the rear portion of the Visitor Information Centre	September 2015	Complete	Community Infrastructure & Development	Council endorsed the final Airport Master Plan at its Regular Meeting of November 14, 2016.

Consultation, technical review and development of draft Airport Master Plan	September 2015	Complete	Community Infrastructure & Development	Administration has completed the vacant lands inventory as part of the Employment Lands Inventory and updates this on an annual basis (June). Administration is currently reviewing underutilized industrial and commercial lands that may be available for redevelopment. The inventory is anticipated to be completed in June 2018.
Undertake an inventory of underutilized industrial and commercial lands within the City of Vernon (vacant lands inventory has been completed)	Annually	Complete	Community Infrastructure & Development	Administration has completed the vacant lands inventory as part of the Employment Lands Inventory and updates this on an annual basis (June). Administration is currently reviewing underutilized industrial and commercial lands that may be available for redevelopment. The inventory is anticipated to be completed in June 2018.
Create an inventory of available building space in the City of Vernon for large industrial or commercial clients	November 2015	Complete	Community Infrastructure & Development	Completed in May 2017 and promoted through City of Vernon website.
Create business profiles of five technology companies to be featured on InvestVernon website	November 2015	Complete	Community Infrastructure & Development	Seven Profiles Completed (AVS, Beacon Studios, Epicor, Flex Dealer, Meyer Sound, Protocol Technologies and Sproing Creative)
Report to Council with proposed parking in lieu strategy and Zoning Bylaw amendments	December 2015	Complete	Community Infrastructure & Development	Report endorsed by Council at its Committee of the Whole Meeting of December 14, 2015; implementation of identified initiatives to take place in 2017/2018
Project design, tendering and administration of 2015 Capital program	December 2015	Complete	Community Infrastructure & Development	Regular updates have been provided to Council throughout 2016 and 2017 through Administration Updates on the Regular Meeting agendas. The capital budget also now includes both parks, airport and civic building projects that include increased maintenance, renewal and improvements.
Design capital projects for 2016	December 2015	Complete	Community Infrastructure & Development	Projects are typically designed in the year prior to construction in an effort to tender projects as early as possible. This strategy has successfully attracted competitive tender pricing.
In conjunction with the Downtown Vernon Association, create an online map of the downtown highlighting recent developments, capital projects and redevelopment opportunities	March 2016	Underway	Community Infrastructure & Development	Draft complete. Launch Summer 2018.
Actively promote City owned properties to the development community	2015-2016	Complete	Community Infrastructure & Development	Bennet Lot – Sold for development on January 7, 2016
Explore possible LAS for the Waterfront (report to Council on results of preliminary consultation with property owners)	2018	Underway	Community Infrastructure & Development	Engineering update of 2013 servicing and road preplan design complete. Options to reduce costs and encourage development will be explored as time permits.
Develop and adopt the 2016 – 2020 Tourism Strategy	February 2016	Complete	Community Infrastructure & Development	Completed. Strategy endorsed by Council at its Committee of the Whole Meeting of June 27, 2016. Document identifies 23 strategies for Tourism Vernon. Priority has been implementing a 3% hotel tax for the City of Vernon, which was approved by Cabinet on September 29, 2017 and began on January 1, 2018.

Report to Council to review parking requirements in the City Centre	December 2018	Underway	Community Infrastructure & Development	Target date pushed back from original goal of March 2016. Council endorsed proposed approach to parking requirements in December 2015.
Report to Council to amend the Sign Bylaw to conform with City Centre Neighbourhood Plan (Rewrite the Sign Bylaw to update the implementation of modern sign standards, specifications, design and regulations. Also to strengthen the Bylaw to be consistent with the OCP and specifically the City Centre Neighbourhood Plan)	2017	Underway	Community Infrastructure & Development	The Sign Bylaw was amended August 14, 2017 to permit the installation of Low Profile Freestanding Signs.
Promote land and building inventory on the Invest Vernon website	June 2016	Complete	Community Infrastructure & Development	Vacant building space complete in May 2017 and promoted through City of Vernon website. Land inventory updated and added in June 2017.
Working with industry, government agencies, industry associations and service providers, explore opportunities for a technology incubator in Vernon	June 2016	Underway	Community Infrastructure & Development	Working with Start-Up Vernon, Co-work Vernon, Okanagan Innovation Institute and Community Futures on a variety of opportunities.
Adoption of rezoning amendments by Council to bring non conforming Commonage properties into compliance with the Official Community Plan	June 2017	Complete	Community Infrastructure & Development	Rezoning bylaw adopted at Council's Regular Meeting of September 5, 2017.
Adoption of Airport Master Plan	August 2016	Complete	Community Infrastructure & Development	The Airport Master Plan has been adopted. Staff will explore designating lands to the north for Light Industrial / Service Commercial uses and the redesignation of adjacent properties no longer identified for acquisition from Airport Industrial to Light Industrial / Service Commercial.
Adoption of an Integrated Community Sustainability Plan	De2018	Underway	Community Infrastructure & Development	An ISCP is not required as part of the renewed Gas Tax Agreement. Efforts would be placed in the development of specific, targeted policies and programs and/or new policies as part of next OCP Review. At its Regular Meeting of May 23, 2017, Council endorsed developing a process to update the City's GHG emission reduction targets – a part of this process.
Explore additional incentives to increase redevelopment in the City Centre	Annually	Underway	Community Infrastructure & Development	The Rolling 4 Year Capital Plan has many of the projects focused on downtown, thus reducing off site costs in key redevelopment areas. The Revitalization Tax Exemption remains in effect. Additional incentives to be explored.
Report on results of customer satisfaction survey for building and development	Annually	Complete	Community Infrastructure & Development	Next update to Council in February 2018
Through the Economic Development Advisory Committee's task force on Technology, continue to promote, facilitate and enhance Vernon's growing technology sector	Annually	Complete	Community Infrastructure & Development	Administration works with Co-Work Vernon, Start-up Vernon, the Okanagan Innovation Institute and other partners to further promote and foster growth in the technology sector. Seven company profiles have been completed and uploaded to the website along with an overview of the technology sector in Vernon.

Meet with a minimum of four major or emerging employers each year to discuss locating or expanding in the downtown	Annually	Complete	Community Infrastructure & Development	Several successes to date including the relocation of SQM Group to the Silver Rock Professional Building downtown in April 2017, the Cap-it store at 220-2801 35 Ave, Okanagan Innovation Institute at 101-3306 32 Ave and Enterprize Challenge Winner, Jolly Good Spuds opening at 2908 31 Ave.
Target specific companies that may be interested in locating in Vernon	Annually	Complete	Community Infrastructure & Development	Staff are constantly working with a variety of companies that are exploring Vernon and researching our current economic conditions. These become public at issuance of a business licence.
In conjunction with industry, identify and attend technology related trade shows and events	Annually	Complete	Community Infrastructure & Development	2016 BC Technology Summit. Staff were unable to attend 2017 and 2018 BC Technology Summit due to other commitments.

Create a Vibrant Parks and Recreation System	Target Date	Status	Lead	Notes
Complete public consultation and revise draft parks plan, as appropriate	May 2015	Complete	Community Infrastructure & Development	Parks Master Plan endorsed by Council at its Regular Meeting of September 14, 2015. The Parks Master Plan is to be revised following the completion of the subregional parks agreement transferring the responsibility of selected fields and beaches to City.
Complete administrative transition of Recreation Services from RDNO to the City of Vernon	June 2015	Complete	Recreation Services	The City of Vernon assumed responsibility for Recreation in January of 2014. By June of 2015, Recreation Services was fully transitioned to the City of Vernon.
Submit bid for hosting 2017 BC Seniors Games	June 2015	Complete	Recreation Services	Bid submitted June 2015 Awarded Games in September 2015
Upgrade the Recreation Centre kitchen exhaust system and lighting, and replace the Aquatic Centre flooring and boards in the PV Arena	December 2015	Complete	Recreation Services	All work was completed by April 2016 greatly improving the appearance and usability of the facilities
Complete parks project list for the creation of the Parks DCC Bylaw	April 2016	Complete	Community Infrastructure & Development	Parks project list being reviewed to reflect subregional parks agreement and the development of a subregional parks plan and associated project list. Bylaw endorsed by Council.
Begin contract negotiations prior to June 30, 2016 for sub regional parks and trails service agreement (contract expires December 31, 2016)	June 2016	Complete	Operation Services	New Agreement signed by RDNO and COV to be in effect January 2018.
Update lake access plan, including implementation schedule and associated budget	July 2018	Underway	Community Infrastructure & Development	A draft Lake Access Plan was presented to Council in late 2016 and the P2 process was completed in February 2017. Following Council direction in January 2018, Administration will be bringing a revised plan to Council for its consideration in September 2018. Council resolved to have ten lake accesses constructed in 2017 and 2018. This has since been reduced by four, and preparation for construction is underway.
Renovate Recreation Centre bridge, entrances and lobby	September 2016	Complete	Recreation Services	The Recreation Centre has been significantly upgraded with improvements to many of the buildings major mechanical systems and revitalized with a new front façade, expanded lobby, café area, front desk, disabled accessible entryways and outdoor patio area creating a welcoming environment and allowing the building to accommodate a growing population.

Develop a Recreation Services Master Plan for facilities and programming	September 2016	Underway	Recreation Services	The Greater Vernon Recreation Master Plan process is underway. Public consultation including open houses, surveys and stakeholder meetings have taken place. Over 60 stakeholder groups were interviewed along with open house type interactive displays for youth at Okanagan College, Fulton, Kalamalka, Seaton and Vernon Secondary Schools. Open houses were also held at the Recreation Centre, Kal Tire Place, Coldstream Elementary, BX Elementary and the Village Green Centre. A workshop for elected officials to review initial results is scheduled for June 4, 2018. The final plan is anticipated to be complete in the Summer of 2018.
Develop plan for Civic Arena Block Park once ice surface is removed (consider repurposing the Arena building)	December 2017	Underway	Community Infrastructure & Development	Council has resolved to undertake demolition of the Civic Arena and have directed Administration to provide a process for determining future use of the site to Council in November 2018.
Update and adopt the Polson Park Master Plan	December 2018	Underway	Community Infrastructure & Development	The process for the development of the Polson Park Master Plan was endorsed by Council in 2016, with the first P2 sessions held that year. However, given the increased concerns regarding homelessness, drug activity and safety in the park, Administration will be exploring new approaches to undertaking this project to address those concerns. A proposed process will be presented to Council in Fall 2018.
Develop plan for Kin Park (on the Kin Race Track lands)	2018		Community Infrastructure & Development	On hold pending resolution of legal issues.
Develop a plan for Lakeshore Park	2018	Underway	Community Infrastructure & Development	Construction of the park is underway.
Purchase lakeshore properties for future park	As available	Underway	Corporate Services	2602 Lakeshore Rd purchased June 2015. Contacted three remaining property owners on Lakeshore (not ready to sell). Will pursue as available and identified in the Parks Master Plan. By Council resolution, encouraged RDNO to purchase property north of Kin Beach (sub-regional).
Remove existing encroachments in lake accesses	As identified	Underway	Corporate Services	Have resolved encroachments at Lake Access #39 (Delcliffe) and #6 (between 8392 – 8402 Tronson Rd). Working with legal counsel to develop a strategy regarding encroachments in lake access sites, including license agreements, where appropriate.

Provide Effective Protective Services	Target Date	Status	Lead	Notes
Commission Station #3 (Predator Ridge) and begin operations	March 2015	Underway	Fire & Rescue Services	Station #3 construction was completed in January 2015. A new fire engine is required to meet Fire Underwriters Survey requirements for fire services (approximately \$700,000). The purchase will be completed by year end 2018.
Complete overall Fire response policy once Station #3 is operational	April 2015	Underway	Fire & Rescue Services	A sustainable staffing model is required to provide consistent fire service from station #3. The last recruitment of VVFA members in early 2018 did not yield enough new candidates to address this challenge. Efforts to address the challenge are ongoing and it is reasonable to expect it will be several years until a contemporary fire

				fighting force can be established in the Station #3 service area.
Review VFRS Fleet replacement and reserve planning and order water tender	April 2015	Underway	Fire & Rescue Services	<p>Water tender in service May 2016</p> <p>Initial fleet assessment identifies the immediate need for replacement of a ladder truck (\$1.4 million) and a replacement engine (\$700,000).</p> <p>A detailed fleet replacement plan was completed in 2017. The fleet plan requires revision for 2019 as Council did not approve ongoing contributions to an apparatus reserve in 2018 and did provide \$1.4 million from the gas reserve for a new ladder truck and \$700,000 for an engine from the fire services apparatus reserve. In 2019 Fire Services will request a change request for ongoing contribution to the apparatus reserve in.</p>
Update Emergency Plan operations, deployment and service delivery to align with new inter-municipal agreement	June 2015	Ongoing	Fire & Rescue Services	<p>As of January 1, 2017 CoV has a stand-alone emergency program.</p> <p>The CoV emergency plan is in final draft.</p> <p>2017 EOC training program has been completed, and ongoing training is being provided to the EOC team.</p> <p>In 2017, the EOC has had several activations in response to flooding. In 2017 Emergency Social Services has had several Level 1 and Level 3 activations.</p> <p>A full scale emergency exercise was completed in April 2017 to meet requirements of Transport Canada. COV, RCMP, VFRS and BCAS participated in the exercise at Vernon Airport. Lessons learned have been shared with all stakeholders.</p> <p>In 2018, to date, the EOC has been activated to Level 1 in support of anticipated flooding and ESS continues to provide support to community members who experience emergencies such as home fires, flooding, and evacuation.</p> <p>An Emergency Program Coordinator was contracted in July of 2017.</p> <p>An Emergency Management Secretary (0.5 FTE) position has been filled.</p>
Complete public consultation on the Community Wildfire Protection Plan (CWPP) and prepare amendments for the OCP, Rezoning and Fire Prevention Bylaws	June 2015	Complete	Community Infrastructure & Development	OCP Amended on November 14, 2016 to incorporate direction of the CWPP.
Inter-agency cooperative fuel modification projects with MOF and in alignment with CWPP recommendations	August 2015	Ongoing	Fire & Rescue Services	<p>Ministry of Forests crews and resources have helped complete fuel load reduction in Deer Park.</p> <p>FireSmart Community grant received for Predator Ridge in 2016 and 2017. Predator Ridge received a Fire Smart award from Fire Smart Canada in May of 2017 and has more work approved for 2018</p> <p>A Fire Ecologist has been contracted to lead efforts to secure Provincial and Federal funding for significant fuel load reduction projects within the CoV.</p> <p>VFRS fire fighters continue to maintain wildland fire qualifications and conduct prescribed burns to maintain skills and manage some fine fuel loads on City owned properties.</p>

				<p>Community Policing and Safe Communities reporting to Manager, Bylaw Compliance</p> <p>RCMP Volunteers (Citizens On Patrol) working cooperatively with Bylaw Compliance Officers to patrol areas of concern and respond to special event requests such as Funtastic, Winter Carnival (Parade) and Canada Day celebrations.</p> <p>Bylaw/Combined Events radio channel developed with Fire - Emergency Services, RCMP Volunteers, Safety Ambassadors and Bylaw Compliance Officers to allow improved communication between these groups. MOU with RCMP has been completed. RCMP radio techs have added this channel to RCMP vehicle and portable radios which allows better communication and safety.</p> <p>Rebranding of Community Policing to Community Safety will take place with the move and grand opening at the Toppers site by the Community Policing Office. It is estimated that this will occur in October 2017.</p>
Increase community safety and awareness programs through new Protective Services Department	2015 – Ongoing	Complete	Corporate Services	<p>Develop an ongoing stronger education presence in the media related to Community Safety initiatives and bylaw regulations</p> <p>Continue to seek grant funding to allow new and improved programs such as the graffiti prevention program. Grant obtained for 2015/2016 program. Several grant opportunities reviewed as they become available. CPTED training done for 5 staff through RCMP grant obtained in a similar manner.</p> <p>Increased presence in schools and other community organizations by Community Safety and Crime Prevention components have increased Bylaw Compliance Officer participation. Bylaw Officers assist Community Policing in provision of bicycle and scooter safety programs. Officers also assist with Crime Free Multi Housing Tenant sessions, Block Watch Captain sessions and training of new RCMP Volunteers. In addition, the WITS (Walk away, Ignore, Talk it out, Seek help) program has been rolled out at Beairsto Elementary and involves Protective Services staff (both Community Safety and Bylaw Compliance).</p> <p>The Community Safety Coordinator, with participation from Bylaw Compliance Officers, are providing a graffiti education and prevention program in schools as part of a grant program. Completed and very successful. May be looked at as an ongoing curriculum item by the schools without grant funding.</p> <p>Panhandling Strategy and Kindness meters developed and rolled out in 2016. Continued education of public and media regarding use. PayByPhone implementation has been successful as a donation method.</p> <p>Seasonal Enforcement programs have provided an increased Officer presence in public areas and increased</p>

				<p>opportunities for public education and awareness around homelessness.</p> <p>Collaboration with service providers like John Howard Society and the Upper Room Mission is ongoing to determine the availability of shelter beds to move some of the homeless out of temporary shelters.</p> <p>Ongoing involvement with the Sharps Action Team and the COOL Team as well as the Social Planning Council of the North Okanagan to address homelessness</p> <p>The development of relationships with main media personalities have allowed increased opportunities for educational opportunities. An example would be Castanet and a noxious weed public service announcement that they conducted on our behalf last year.</p>
Explore opportunities with the Justice Institute of BC for local educational partnerships, mentoring and internships	2016	Complete	Fire & Rescue Services	Completed and embedded in program practices.
Deliver specific programs for fire and fall safety to seniors at risk	Annually	Complete	Fire & Rescue Services	Grit box program complete.
Prepare for and complete bargaining of IAFF Collective Agreement	As required	Complete	Human Resources	MOU to the end of 2015 endorsed. Bargaining of the new collective agreement has been initiated. New bargaining dates to be established.

Deliver Efficient, Effective and Proactive Municipal Services	Target Date	Status	Lead	Notes
Review and develop a new employee financial orientation training program	March 2015	Complete	Financial Services	Introduction to Financial Services for Employee developed and launched. Other Finance Training developed and launched – General Ledger training, Accounts Payable Training, Accounts Receivable Training, Purchase Order Training. Training is offered a minimum of two times per year.
Complete feasibility analysis, initial project costs and preliminary design for OSB pre treatment facility, and tender for design build construction	April 2015	Complete	Operation Services	High Strength Waste Study completed and options assessed. Implementation strategy due in 2018.
Submit 2015 Financial Plan final version to GFOA International, Distinguished Budget Presentation Award program(consider annually, subject to Council direction during the budget process)	June 2015	Complete	Financial Services	The Financial Plan has been submitted to GFOA International each year since with Council approval, each year we have been successful in achieving this award
Construction of canopy for vehicles in Operations' Yard	June 2015	Complete	Operation Services	Existing shed has been converted to vehicle garage and is presently able to provide parking/storage for 8 tandem axle trucks
Develop preventative maintenance program for lift stations	July 2015	Complete	Operation Services	Staff presently using preventative maintenance program to determine priority repairs/maintenance in sanitary lift stations

Initiate/tender inflow and infiltration program study (Liquid Waste Master Plan)	June 2018		Community Infrastructure & Development	RFP is in draft state but this project is on hold until other strategic priorities are complete.
Restructure Utilities to improve efficiencies and better align duties and responsibilities	July 2015	Complete	Operation Services	Phase I and II of re-structuring complete.
Implement a new model for bus stop/shelter maintenance and advertising	July 2015	Complete	Financial Services	The Financial Plan has been submitted to GFOA International each year since with Council approval, each year we have been successful in achieving this award
Implement Tempest Prospero for accounts receivable	July 2015	Complete	Financial Services	The Financial Plan has been submitted to GFOA International each year since with Council approval, each year we have been successful in achieving this award
Refine the budget development and review process	August 2015	Complete	Financial Services	The Financial Plan has been submitted to GFOA International each year since with Council approval, each year we have been successful in achieving this award
Prioritize high risk onsite septic areas and work with residents to initiate LAS projects (Liquid Waste Master Plan)	Fall 2017	Underway	Community Infrastructure & Development	Council endorsed the Okanagan Landing Sewer extension strategy at the May 8, 2017 Regular Council Meeting. The remaining unserved neighbourhoods in the Okanagan Landing will go through the Local Area Service process (Council Initiated subject to counter petition). Properties to the east of Okanagan Lake (referred to as Area 1 in the Council Report) have been given priority for the Council Initiated LAS process. Administration is working with Interior Health to further prioritize the communities within Area 1 will bring the first proposed LAS area to Council in Fall 2017.
Report to Council with proposed policy extending City sanitary sewer system into the unserved areas of the City (Liquid Waste Master Plan)	June 2017	Complete	Community Infrastructure & Development	Council endorsed the Okanagan Landing Sewer extension strategy at the May 8, 2017 Regular Council Meeting. Properties adjacent to the CWWF project being completed in the 2017 and 2018 will have option to connect via the municipal fee process. The remaining unserved neighbourhoods in the Okanagan Landing will go through the Local Area Service process (Council Initiated subject to counter petition). If the LAS process is successful (less than 50% of residents and property value petition against the project) then the participation and payment is mandatory, although actual connection is not. The LAS areas and amount will be brought forward in a future reports. The estimated cost per property just over \$20,000 for the remaining properties.
Submit 2014 Annual Report to the GFOA International report review program(consider annually, subject to Council direction during the budget process)	August 2015	Complete	Financial Services	Submitted annually as per Council direction provided each year and received award each time.
Design, deliver and conclude a strategic capacity development program	September 2015	Complete	Human Resources	The Human Resource Division can report on the successful completion of strategic, capacity building within the management group. Supplementary training occurred in 2016 and will also take place as a refresher in the Fall of 2017.
Report to Council with proposed amendments for the Soil Removal and Deposition Bylaw	November 2017	Underway	Community Infrastructure & Development	Update underway, will integrate with other bylaws to provide overlap and include blasting control not regulated by Worksafe BC. Final internal reviews in process and anticipated to present to Council Fall 2017. Amendments adopted by Council on Feb 26, 2018.

Develop a strategic infrastructure plan for buildings, including lifecycle replacement strategy and budget implications	October 2015	Underway	Operation Services	Building Condition Asset Management Plan completed in March 2017 will form basis for future civic building rehabilitation works.
Initiate/tender DCC stormwater cost share analysis (Liquid Waste Master Plan)	Spring 2018	Underway	Community Infrastructure & Development	This project is on hold until other strategic priorities are complete. It will be completed as part of the DCC Bylaw update. Amendments to DCC Bylaw projects currently being reviewed by Administration.
Sani dump reconstruction and relocation on the Civic Arena block	November 2015	Complete	Operation Services	Project, including landscaping, is complete
Report to Council with proposed amendments for the Erosion and Sediment Control Bylaw	November 2017	Underway	Community Infrastructure & Development	Proposed to be included as part of Schedule F (drainage) in SDSB #3843. Internal review to start in October followed by external review and presentation to Council. Amendments to SDSB#3843 Sched F supported in principle by Council on Feb 26 2018.
Report to Council with proposed amendments for the Subdivision and Development Servicing Bylaw	December 2017	Underway	Community Infrastructure & Development	Transportation Master Plan adopted in November 14 2016. Now proceeding in conjunction with Zoning Bylaw Schedule B updates. Amendments to Schedules A, B, F and O of the SDSB #3843 in progress. Zoning Bylaw Schedule B update to follow once SDSB #3843 Schedule A and B adopted. Update of Schedule G street lighting was presented to Council in Fall 2017 and adopted on November 14, 2017. The updated Traffic Bylaw was approved in principle by Council on February 26, 2018 and was reviewed by the Transportation Advisory Committee on April 5, 2018. The final bylaw will be presented to Council for adoption in July 2018. Amendments to SDSB#3843 Sched F supported in principle by Council on Feb 26 2018. Report to Council in spring 2018 with amendments to SDSB #3842 Sched A, B and O.
Expand electronic payment capability to vendors	December 2015	Underway	Financial Services	512 Vendors enrolled as of September 30, 2017.
Develop public engagement protocols, including identification of new resources	December 2015	Complete	Corporate Services	<ul style="list-style-type: none"> Public Participation (P2) Strategy completed with adoption by Council in July 2016. Training for staff and external consultants and contractors on P2 practices and techniques completed in February 2017. Engage Vernon webpage (www.engagevernon.ca) launched May 1, 2017.
Update City of Vernon Mission Statement	December 2015	Complete	Corporate Services	Mission Statement adopted by Council at its Regular meeting of November 23, 2015. Education, awareness and signage are ongoing. Mission statement signs installed in City meeting rooms.
Continue to research and implement energy reduction initiatives	December 2015	Underway	Operation Services	Staff working on strategy to identify projects from carbon reserve fund. Review to be presented to Council in November 2017.
Develop an employee fall protection program	December 2015	Complete	Human Resources	<p>The Human Resource Division has augmented the current Program with roof top assessments. Training commenced in June of 2016 as part of the City of Vernon's standardized training program.</p> <p>Training will now continue on a revolving basis as part of the City of Vernon's standardized training programs specific to Health and Safety.</p>

Review financial system software for future reporting and functionality	December 2017	Underway	Financial Services	The review of financial system software has been delayed. Administration is in the process of creating a plan to proceed with this project.												
Continue development of financial variance reporting for division directors	December 2015	Complete	Financial Services	Reporting tools in place; user training completed												
Resolve issues impeding full implementation of electronic billing of utility bills	December 2015	Complete	Financial Services	Major issues are resolved. Software updates have streamlined the handling of rejected ebills. There are 2573 customers signed up as of September 30, 2017.												
Complete the Internal Certificate of Recognition or COR Audit to maintain our standing and access to annual rebates	December 2015	Complete	Human Resources	<p>The Human Resource Division can report successful Audits have been completed for both the 2015 and 2016 year. The 2017 Audit will not be complete until year end. Audit success has resulted in the following COR Rebate cheques received by the City to support and augment Health and Safety initiatives.</p> <table><thead><tr><th>Year Certified</th><th>Cheque received</th><th>Cheque Amount</th></tr></thead><tbody><tr><td>2014</td><td>2015</td><td>\$49,370.84</td></tr><tr><td>2015</td><td>2016</td><td>\$61,052.80</td></tr><tr><td>2016</td><td>2017</td><td>\$65,000.00</td></tr></tbody></table> <p>The City of Vernon is one of only 19 districts or municipalities that have maintained standing and are currently certified.</p>	Year Certified	Cheque received	Cheque Amount	2014	2015	\$49,370.84	2015	2016	\$61,052.80	2016	2017	\$65,000.00
Year Certified	Cheque received	Cheque Amount														
2014	2015	\$49,370.84														
2015	2016	\$61,052.80														
2016	2017	\$65,000.00														
Redesign City of Vernon website	2015 – 2016	Complete	Corporate Services	New website went live December 22, 2015												
Electronic Records Management System conversion of all City records	2015 – Ongoing	Underway	Corporate Services	<ul style="list-style-type: none">Finance Division launch is complete. New repository is open for Finance Division Use.Community Infrastructure and Development Division repository and templates are built. A new product called a ‘Connector’ is now available that will link documents saved in Laserfiche to Tempest/Prospero. The Connector has recently been ordered. This will significantly increase efficient use by CIDS staff as historic documents will be available through one program instead of two. Once the connector is received, installed and tested, CIDS launch will proceed. The connector may also prove helpful in other Divisions such as Finance.Corporate Services repository and templates are now built. A small group of Corporate Services Staff are currently testing and using the repository. Full launch will occur simultaneously with CIDS launch for smoother overall transition. ‘Recreation Services ‘Discovery’ is complete and will be included in the ‘Statement of Work’ to build Operations repository and templatesOperations Laserfiche ‘discovery’ will be complete by end of May 2018. A ‘Statement of Work’ to build templates and repository will follow shortly thereafter.												

				<ul style="list-style-type: none"> Fire Services has made significant progress in organizing records into approved Records Management Filing System. Laserfiche 'discovery' for the Fire Department will proceed during summer 2018. Human Resources will be the last division to launch. Due to the confidential nature of HR records and the availability of Laserfiche workflow products that may be able to streamline their processes, the discovery for HR will be more complex and require more involvement from the service provider. We project completion in 2019.
Increase resources to grants program to increase City's access to grants	2015 – 2016	Underway	Corporate Services	City grants process refined to improve application process. All staff receive regular updates on potential grants as identified COV may qualify for.
Identify corporate goals and initiatives regarding economic, environmental and social responsibility and prepare Corporate Sustainability Plan	2019	Underway	Community Infrastructure & Development	Target date pushed back from original goal of June 2016
Update internal and external communications plan	2015 – Ongoing	Complete	Corporate Services	Council adopted the updated 2016-2018 Strategic Communications Plan on October 10, 2016; Strategic Communication Plan to be updated as required. Continuing to work with City managers for consistent branding and messaging. Internal Communication Plan updated in 2016
Consult, design and implement an exempt performance management program	December 2016	Underway	Human Resources	<p>The Human Resource Division launched The City of Vernon Performance Planning (Exempt) process January 1, 2017. 2017 was a year of "testing and assessing" the enhanced process to nurture and support a high achieving, contemporary, and disciplined learning organization.</p> <p>The City has now an exempt performance management program tht assists in the alignment and maximizes performance with the goals of the organization, as well as Council's Strategic Plan.</p>
Implement a bargained environment performance management program	December 2017	Underway	Human Resources	The Human Resource Division has initiated the process to establish a new Performance Planning process for the bargained environment. The Process has been drafted and is in internal review. Once the Performance Planning process has concluded internal review, training will be undertaken regarding the new process and a year of "testing and assessing" will take place over 2018.
Prepare for and complete bargaining prior to expiration of current Collective Agreement in December 2018	December 2018	Underway	Human Resources	The Human Resource Division has started preparation actions for bargaining and anticipates that a new collective agreement will be negotiated prior to the expiry at year end 2018.
Consult, design and implement a succession plan	December 2018	Underway	Human Resources	<p>The Human Resource Division is completing the first round of data analysis provided through the Performance Planning (Exempt) process. This analysis is being used to identify trends specific to gap areas, learning and development requirements, and employee development.</p> <p>The data, has assisted in developing a framework (living document), which will be used to further human</p>

				resource planning within the City of Vernon. This framework is currently in draft form and will be presented to the Senior Management Team for input prior to actioning the next steps outlined in the document.
Gain Employer of Choice designation	2018	Underway	Human Resources	The City of Vernon continues to invest in our employees and working toward building a high achieving, contemporary, and disciplined learning organizational culture that embraces and develops the capacity of our entire corporation. We continue to work toward the goal of making application for this designation.
Continue with detailed infrastructure assessment and develop replacement priority criteria based on ancillary benefit, risk assessment and risk management	Annually	Underway	Community Infrastructure & Development	In 2016 a Pipe Video Inspection system was purchased to provide internal City capacity for assessing underground sanitary and storm infrastructure. The road condition assessments were also updated in 2016 for Arterial and Collector Roads. Prioritization of sanitary collection infrastructure projects was completed in 2016. A proposed Asset Management Policy will be brought to Council in Fall 2017.

Create a Safe, Efficient and Sustainable Transportation Network	Target Date	Status	Lead	Notes
Report to Council with updated Master Transportation Plan and related OCP amendments	April 2015	Complete	Community Infrastructure & Development	Plan endorsed by Council at its Regular Meeting of August 10, 2015; OCP amendments adopted by Council in 2016
Report to Council with proposed amendments to the Traffic Bylaw	November 2017	Underway	Community Infrastructure & Development	The updated Traffic Bylaw was approved in principle by Council on February 26, 2018 and was reviewed by the Transportation Advisory Committee on April 5, 2018. The final bylaw will be presented to Council for adoption in July 2018. Access requirements being relocated to SDSB #3843.
Information report to Council about the staff travel plan	November 2017	Underway	Community Infrastructure & Development	Staff travel surveys will be undertaken to be used in the development of the Staff (workplace) Travel Plan options. Report to Council in late 2017.
Complete DCC Bylaw review of transportation projects	December 2018	Underway	Community Infrastructure & Development	With the adoption of the Master Transportation Plan on November 14, 2016, a review of transportation DCC projects was able to proceed. Lack of available resources has pushed the timeline back on completion. Review of projects underway. Anticipated to report to Council in spring or early summer 2018 with proposed amendments to bylaw.
Amend bylaws to implement the Integrated Transportation Framework (ITF)	December 2017	Underway	Community Infrastructure & Development	Transportation Master Plan adopted in November 14, 2016. Now proceeding with SDSB #3843 Schedules A, B and O and Zoning Bylaw Schedule B updates to reflect ITF standards in a clear, user friendly format. The updated Traffic Bylaw was approved in principle by Council on February 26, 2018 and was reviewed by the Transportation Advisory Committee on April 5, 2018. The final bylaw will be presented to Council for adoption in July 2018. Report to Council in spring 2018 with amendments to SDSB #3842 Sched A, B and O.

Foster Community Development through Social Planning	Target Date	Status	Lead	Notes
Submit resolution to SILGA and UBCM regarding the need to develop and maintain comprehensive, accessible and affordable childcare	September 2016	Complete	Community Infrastructure & Development	Resolution in support of comprehensive affordable, accessible childcare endorsed at the 2016 UBCM Convention.
Where possible, support community groups and agencies in the provision of youth and senior oriented initiatives	Annually	Complete	Community Infrastructure & Development	<ul style="list-style-type: none"> Assisted in the successful delivery of the Cities Fit for Children Conference. Recreation Services took a leadership role in assisting the Halina Senior Citizens Society in the operation of the Halina Centre, the updating and development of policies, procedures, bylaws and their constitution as well as assisting them with Board development and elections. Collaborated with RDNO to obtain a \$19,400 age friendly grant to improve accessibility to the Vernon Community Garden and develop new programming to engage seniors and encourage them to use the space. Grant was announced on March 12, 2017. Staff have regular involvement in the North Okanagan Early Years Council and the Child, Youth and Family Friendly Vernon working committee. The Seniors Action Network and North Okanagan Childcare Society were specifically consulted in the development of the Park Master Plan. Youth were involved in the development of the Youthful Vernon Strategy, which outlines proposed policies and plans to make Vernon a more youth friendly city.
Ensure City events, such as sustainability and TDM events, actively engage youth	Annually	Complete	Community Infrastructure & Development	Sustainability and Active Transportation programs continue to actively engage youth through a diversity of communications and programs. For example, the City has expanded digital media engagement to better reach youth, and sponsored sustainability related materials through the Planet Protectors education program directly within local schools.
Consider the needs of youth and seniors when prioritizing sidewalk and multi use trail connections	Annually	Complete	Community Infrastructure & Development	The adoption of the Master Transportation Plan on November 14, 2016 lead to the start of the curb let down program in 2017. This will upgrade existing let down ramps to improve accessibility of the sidewalks.
Specifically identify opportunities to include youth in consultation processes	As needed	Complete	As needed	<ul style="list-style-type: none"> Human Resources: hosted three practicum students from Okanagan College in June 2015; presentations to various organizations, as requested Community Infrastructure & Development: ongoing implementation of School Travel Plans Community Infrastructure & Development: youth were specifically included in the Parks Master Plan consultation process, and included in the Sustainability Awards Review consultation process
Support the Social Planning Council in the provision of social planning services to the City, including programs and initiatives to address homelessness, childcare, attainable housing, food security and neighbourhood safety	As Needed	Underway	Community Infrastructure & Development	<p>The Social Planning Council and Partners in Action have been involved in many projects, including, but not limited to:</p> <ul style="list-style-type: none"> Homelessness and Housing <ul style="list-style-type: none"> Green Valley Motel closure and subsequent BC Housing acquisition of the Journey Inn property.

				<ul style="list-style-type: none"> ○ COOL Team, working with homeless campers to monitor safety, health and connect them to services ○ Organized Housing Forum in 2016. ○ Social Planning Council is working closely with the City and other key stakeholders in addressing the challenges of homeless camps in the city, including implementation of the City's new bylaw regulating sheltering in parks. Social Planning Council is applying for grant funding to undertake a review of the Affordable Housing Strategy and the Homelessness Strategy in 2018 and 2019. ● Harm Reduction <ul style="list-style-type: none"> ○ Sharps Action Team working to prevent the spread of disease and to prevent sharps from ending up in public spaces. Community clean ups organized to collect used needles. ○ Public Spaces Action Team developing strategies for working with street population to provide information and resources to assist with challenging behaviors. ● Accessibility, Inclusiveness and Multiculturalism <ul style="list-style-type: none"> ○ RespectFest successfully implemented in September 2017. ○ Continuing the Understanding Reconciliation Journey Team to learn more about First Nations history and culture. ○ Facilitated the Respect Lives Here program. ○ In partnership with the Local Immigration Partnerships Council, developed an Immigration and Settlement Strategy for Vernon. ○ Developing a communication plan in partnership with the City following a high profile incident of racism or hate. ● Poverty and Food Security <ul style="list-style-type: none"> ○ Working with Upper Room Mission to develop a program to distribute food to housebound clients. <p>At its Regular Meeting of April 9, 2018, Council resolved to extend the contract with the Social Planning Council for five years.</p>
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Awards and Recognition



2017 Best of Public Procurement

City of Vernon has been recognized by the British Columbia Construction Association (BCCA) for excellence in procurement this year. Procuring construction services in the public sector is a highly specialized practice requiring unique experience, knowledge and skill. With contractors in demand, resources at a premium and timelines tight—now more than ever procurement professionals hold the master key to a successful project delivery. Chris Sheel, Manager of Procurement Services has received this honour for the Vernon Multi-Use Facility Expansion procurement.

Patti Bridal – President of Local Government Management Association (LGMA) of BC

Patti has been employed in local government for 21 years, and has been with the City of Vernon since 2003, starting as the Deputy Clerk, Corporate Officer, advancing further to the Director of Corporate Services responsible for Legislative Services, Real Estate, Communications, Protective Services - Bylaws, RCMP Municipal Employees and Information Services. Patti sat on the Corporate Officers Forum Committee with LGMA for 7 years, and was an active member of the Thompson Okanagan Chapter of LGMA for another 7 years. This position provides Patti with another venue in which to 'give back' to local government educational providers and the community.

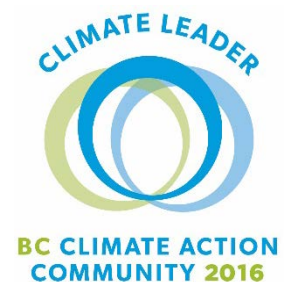


2017 Distinguished Budget Presentation & 2016 Canadian Financial Reporting Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City of Vernon the GFOA's Distinguished Budget Presentation Award for its 2017 budget and the 2016 Canadian Award for Financial Reporting (CanFR). The award represents a significant achievement by the City. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting and reporting.

Level 3 Achievement – Climate Action Recognition Program

As the City has demonstrated significant corporate and community-wide climate actions to reduce greenhouse gas (GHG) emissions for the 2016 reporting year, it has been awarded with Level 3 (Accelerating Progress on Charter Commitments) recognition as part of the Provincial-Union of British Columbia Municipalities Green Communities Committee (GCC) Climate Action Recognition Program for BC local governments.



Committees and Boards 2017

Advisory Planning Committee

Council Representative: Juliette Cunningham
Alternate: Bob Spiers

Affordable Housing Advisory Committee

Council Representative: Juliette Cunningham
Council Representative Brian Quiring
Alternate: Scott Anderson

Audit Committee

Council Representative: Catherine Lord
Council Representative: Bob Spiers
Council Representative: Juliette Cunningham
Alternate: All other members of Council

Biosolids Advisory Committee

Council Representative: Scott Anderson
Council Representative: Mayor Mund
Alternate: Dalvir Nahal

Economic Development

Council Representative: Catherine Lord
Alternate: Brian Quiring

Emergency Measures Policy/Planning

Council Representative: Mayor Mund

Finance Committee

Council Representative: Mayor Mund
Council Representative: Catherine Lord
Council Representative: Bob Spiers
Alternates: All other members of Council

Greater Vernon Advisory Committee

Director: Mayor Mund
Director: Bob Spiers
Director: Juliette Cunningham
Alternate: Catherine Lord
Alternate: Scott Anderson

North Okanagan Regional District

Director: Mayor Mund
Director: Catherine Lord
Director: Juliette Cunningham
Director: Brian Quiring
Alternate: All other members of Council

Okanagan Basin Water Board

*Appointments to this Committee are by recommendation –
Board Chair will make appointment from the members on the Board.*
Council Representative: Juliette Cunningham
Alternate: Scott Anderson

Tourism Advisory Committee

Council Representative: Mayor Mund
Alternate: Catherine Lord

Transportation Advisory Committee

Council Representative: Brian Quiring
Alternate: Scott Anderson

External Council Appointments:

Arts Council of North Okanagan

Brian Quiring
Alternate: Catherine Lord

Canada Day Committee

Scott Anderson

Chamber of Commerce Liaison

Catherine Lord
Alternate: Brian Quiring

Downtown Vernon Association

Brian Quiring

Drought Response Team

Catherine Lord
Alternate: Juliette Cunningham

Funtastic Sports Society Liaison

Mayor Mund

Kelowna Airport Advisory Committee

Mayor Mund

Library – North Okanagan Regional Library

Catherine Lord
Alternate: Juliette Cunningham

Liquid Waste Management Plan Public Advisory Committee

Scott Anderson
Alternate: Juliette Cunningham

Municipal Insurance Association

Scott Anderson
Alternate: Juliette Cunningham

North Okanagan Early Years Council

Juliette Cunningham

North Okanagan Regional Advisory Committee (OK College)

Brian Quiring
Alternate: Juliette Cunningham

O'Keefe Ranch and Historical Society

Scott Anderson

OKIB/First Nations Liaison

Mayor Mund

Regional Growth Management Committee

Juliette Cunningham
Alternate: Catherine Lord

Regional Agricultural Advisory Committee

Juliette Cunningham

Ribbons of Green Trail Committee

Catherine Lord

Vernon Winter Carnival Liaison

Mayor Mund

Permissive Tax Exemptions

DBA Name	Folio	Civic Address	Total Exemption
Churches and Houses of Worship			
ALEXIS PARK CHURCH	05560.000	3906 35A ST	\$ 1,395
ALL SAINTS ANGLICAN	00093.000	3205 27 ST	3,540
CHRISTIAN REFORMED CHURCH OF VERNON	05480.000	3605 12 ST	1,146
CHURCH OF GOD OF PROPHECY	06464.000	4300 BELLA VISTA RD	319
EMMANUEL FELLOWSHIP BAPTIST	05287.003	3412 15 AVE	2,407
FAITH BAPTIST CHURCH	01975.000	3910 27A ST	5,313
FAITH BAPTIST CHURCH	02007.000	3909 28 ST	721
FIRST BAPTIST CHURCH	02997.000	1406 32 AVE	1,577
GERMAN CHURCH OF GOD	02264.007	4312 25 ST	1,032
JESUS CHRIST OF LATTER DAY SAINTS	03709.001	1506 35 ST	1,122
KNOX PRESBYTERIAN CHURCH	00866.000	3701 32 AVE	1,275
LIVING WORD LUTHERAN CHURCH	07357.550	6525 OKANAGAN LANDING RD	1,314
NEW APOSTOLIC CHURCH	02565.020	4203 PLEASANT VALLEY RD	687
N.O. SIKH CULTURAL SOCIETY	03714.025	3800 COMMONAGE CRES	301
OKAN ASSEMBLY CTR FOR JEHOVAH	05287.002	1424 MISSION RD	6,391
OUR LADY OF PEACE	04092.000	3016 37 ST	745
PEACE LUTHERAN CONGREGATION	06029.001	1204 30 AVE	1,896
SALVATION ARMY COMMUNITY CHURCH	00844.005	3303 32 AVE	5,272
SLAVIC CHRISTIANS OF EVANGELIC	01913.110	2306 40 AVE	714
ST JAMES ROMAN CATHOLIC CHURCH	00517.000	2607 27 ST	2,393
ST JOSAPHATS UKRAINIAN CATHOLIC	02546.000	2210 40 AVE	1,052
TRINITY UNITED CHURCH	04158.100	3300 ALEXIS PARK DR	5,437
UKRAINIAN GREEK OTHODOX CHURCH	01920.010	4105 27 ST	1,903
VERNON ALLIANCE CHURCH	02245.005	4301 27 ST	2,016
VERNON ALLIANCE CHURCH	02249.000	4305 27 ST	910
VERNON ALLIANCE CHURCH	02253.000	2601 43 AVE	2,682
VERNON CHRISTADELPHIAN	06099.020	19-2200 40 ST	1,336
VERNON CHRISTIAN FELLOWSHIP	02402.000	4507 29 ST	1,888
VERNON CHRISTIAN FELLOWSHIP	04451.002	4506 29 ST	1,453
VERNON CHURCH OF CHRIST	02534.007	4107 PLEASANT VALLEY RD	382
VERNON FAMILY CHURCH	03820.005	3508 25 AVE	6,380
VERNON FULL GOSPEL TABERNACLE	07401.340	5871 OKANAGAN LANDING RD	1,497
VERNON GOSPEL CHAPEL	02563.015	4106 PLEASANT VALLEY RD	1,160
VERNON JAPANESE CULTURAL SOCIETY	07433.200	4895 BELLA VISTA RD	921
VERNON MUSLIM ASSOC	03725.000	3414 17 AVE	747
Educational Institution			
PV CHRISTIAN ACADEMY	02590.001	1802A-1802 45 AVE	7,595
PV CHRISTIAN ACADEMY	02590.001	1802A-1802 45 AVE	1,869
ST JAMES SCHOOL	00502.000	2700 28 AVE	8,034
Recreational			
OK LANDING COMMUNITY ASSOC	07815.000	7813-7811 OKANAGAN LANDING RD	2,336

Permissive Tax Exemptions | Continued

DBA Name	Folio	Civic Address	Total Exemption
Social Services			
ABBNEYFIELD HOUSE	03907.001	3511 27 AVE	\$ 3,433
CANADIAN MENTAL HEALTH ASSOC	00090.000	3305 27 ST	1,423
CANADIAN MENTAL HEALTH ASSOC	01445.000	3100 28 AVE	16,769
CANADIAN MENTAL HEALTH ASSOC	03384.000	3405 OKANAGAN AVE	1,358
CANADIAN MENTAL HEALTH ASSOC	03821.006	3605 24 AVE	2,067
CANADIAN MENTAL HEALTH ASSOC	04230.001	4206 ALEXIS PARK DR	7,517
CANADIAN MENTAL HEALTH ASSOC	04487.034	2201 53 AVE	7,845
FIRST NATIONS FRIENDSHIP CTR	01353.000	2902 29 AVE	3,360
FIRST NATIONS FRIENDSHIP CTR	01355.000	2904 29 AVE	3,391
GOOD SAMARITAN CANADA	04484.005	4904 20 ST	26,761
GOOD SAMARITAN CANADA	04484.010	4900 20 ST	15,919
JOHN HOWARD SOCIETY	03840.100	2307 43 ST	5,422
KINDALE - SEATON CTR	06133.020	1340 POLSON DR	5,520
KINDALE DEVELOPMENTAL ASSOC	03831.101	1-4100 25 AVE	470
KINDALE DEVELOPMENTAL ASSOC	03831.102	2-4100 25 AVE	909
KINDALE DEVELOPMENTAL ASSOC	03831.106	6-4100 25 AVE	470
VERNON WOMEN'S TRANSITION HOUSE	02357.005	2400 46 AVE	9,367
N.O. COMMUNITY LIFE SOCIETY	07090.036	5813 RICHFIELD PL	1,658
N.O. COMMUNITY LIFE SOCIETY	02534.071	1307 40 AVE	1,094
N.O. COMMUNITY LIFE SOCIETY	02563.010	4102 PLEASANT VALLEY RD	1,481
N.O. NEUROLOGICAL ASSOC	01205.000	2802 34 ST	33,483
N.O. YOUTH & FAMILY SERVICES	00963.000	3100 32 AVE	6,979
N.O. YOUTH & FAMILY SERVICES	01921.000	4107 27 ST	1,174
N.O. YOUTH & FAMILY SERVICES	01922.000	4109 27 ST	1,423
OK COMM - COLUMBUS COURT	04048.018	3003 GATEBY PL	9,949
PEOPLE PLACE	01552.105	3402 27 AVE	26,322
PEOPLE PLACE	01552.110	3400 27 AVE	7,186
SALVATION ARMY - NORTH THRIFT	04490.010	1-5400 24 ST	18,671
SALVATION ARMY D/TOWN THRIFT	01382.000	3102 29 AVE	5,066
SCHUBERT CENTRE SOCIETY	04048.040	3505 30 AVE	15,732
UPPER ROOM MISSION	01538.000	3405 27 AVE	2,768
UPPER ROOM MISSION	01539.000	3403 27 AVE	7,912
V&D HOSPICE SOCIETY	03856.001	3506 27 AVE	4,808
V&D COMMUNITY LAND TRUST SOCIETY	03859.000	3502 27 AVE	16,580
VDACL - 26 ST GROUP HOME	00060.000	3307 26 ST	1,835
VDACL - 3601 36A ST GROUP HOME	04159.021	3601 36A ST	1,300
VDACL - 39 ST GROUP HOME	03959.000	2803 39 ST	1,514
VDACL - 4240 ALEXIS PARK DR	03925.000	3601 27 AVE	3,515
VERNON NATIVE HOUSING PROJECT	03805.008	4305 19 AVE	6,368
VERNON RESTHOME	03917.000	2808 35 ST	7,947
WOMEN'S TRANSITION HOUSE	00570.001	2603 26 ST	4,584
WOMEN'S TRANSITION HOUSE	02464.000	3502 19 ST	2,941
Cultural			
POWERHOUSE THEATRICAL SOCIETY	01826.010	2901 35 AVE	5,050
VERNON MUSIC SCHOOL	02869.000	1705 32 AVE	3,202
VERNON MUSIC SCHOOL - COACH	02868.000	1705 32 AVE	2,684

Permissive Tax Exemptions | Continued

DBA Name	Folio	Civic Address	Total Exemption
Educational			
ALLAN BROOKS NATURE CTR	05289.004	250 ALLAN BROOKS WAY	\$ 1,863
ALLAN BROOKS NATURE CTR	05289.004	250 ALLAN BROOKS WAY	1,287
OKANAGAN SCIENCE CENTRE	00635.000	2704 HWY 6	6,513
OKANAGAN SCIENCE CENTRE	00635.000	2704 HWY 6	23,987
Mixed and Unique			
ARMY NAVY & AIRFORCE VETERANS	02366.003	2500 46 AVE	2,218
B&G, CURLING & HALINA CLUBS	04135.010	3310 37 AVE	57,940
B&G, CURLING & HALINA CLUBS	04135.010	3310 37 AVE	23,435
PADDLEWHEEL PARK FORESHORE	07871.000	7815 OKANAGAN LANDING RD	634
HERONRY PROTECTION COVENANT	04486.000	5104 20 ST	700
HERONRY PROTECTION COVENANT	04486.000	5104 20 ST	767
NORD HERONRY	04487.047	107-2200 53 AVE	125
NORD HERONRY	04487.048	108-2200 53 AVE	125
NORD HERONRY	04487.049	109-2200 53 AVE	125
ST JOHNS AMBULANCE	02676.002	1905-1901 47 AVE	3,866
SUNNYVALE RESTHOME SOCIETY	02255.007	4306 25 ST	149
SUNNYVALE RESTHOME SOCIETY	02255.009	4308 25 ST	85
SUNNYVALE RESTHOME SOCIETY	02255.015	4304 25 ST	606
VERNON & AREA PRO LIFE SOCIETY	01067.000	3102 31 AVE	1,783
VERNON PENSIONERS - MCCOLLOUGH	01196.001	3400 COLDSTREAM AVE	401
VERNON PENSIONERS - MCCOLLOUGH	01196.001	3400 COLDSTREAM AVE	1,503
VDACL - 23RD ST VENTURE TRAINING	02672.002	4607 23 ST	3,331
New 2016			
JOHN HOWARD SOCIETY	01578.001	3301 24 AVE	3,606
KINDALE DEVELOPMENTAL ASSOC	05482.010	902 35 AVE	1,478
New 2017			
VDACL HAWTHORN HOUSE	03787.012	4217 16 AVE	281
VDACL WILLOW HOUSE	06011.000	1812 22 ST	299
			<hr/>
			\$ 551,168



Photo Credit: Silver Star Mountain Resort

DBA Name	Folio	Civic Address	Total Exemption
Revitalization Tax Exemption			
0821153 BC LTD	01072.011	1 - 3126 31 AVE	\$ 2,807
0821153 BC LTD	01072.012	2 - 3126 31 AVE	3,331
0821153 BC LTD	01072.013	3 - 3126 31 AVE	699
0821153 BC LTD	01072.014	4 - 3126 31 AVE	5,897
0821153 BC LTD	01072.015	5 - 3126 31 AVE	5,690
0821153 BC LTD	01072.016	6 - 3126 31 AVE	5,769
0821153 BC LTD	01072.017	7 - 3126 31 AVE	5,680
			<u>29,874</u>
ORTHO TERRA HOLDINGS	002036.011	1 – 4010 27 ST	4,063
ORTHO TERRA HOLDINGS	02036.012	2 – 4010 27 ST	1,538
ORTHO TERRA HOLDINGS	02036.013	3 – 4010 27 ST	4,063
			<u>9,664</u>
CORVELAY INC	01408.000	2801 32 ST	221
0944125 BC LTD	02207.000	4101 32 ST	10,108
0976816 BC LTD	02038.005	4012 27 ST	2,170
			<u>12,499</u>
SILVER CITY HOLDINGS INC	01189.010	3412 COLDSTREAM AVE	10,108
SCHNEIDER,ROBIN & KATIE	02028.012	4077 28 ST	596
0776928 BC LTD	02028.002	2720 41 AVE	741
LARSEN, SHERYL & RICHARD	02096.010	101 – 4107 29 ST	334
LARSEN, SHERYL & RICHARD	02096.020	102 – 4107 29 ST	334
LARSEN, SHERYL & RICHARD	02096.030	201 – 4107 29 ST	337
LARSEN, SHERYL & RICHARD	02096.040	202 – 4107 29 ST	337
1058570 BC LTD	01380.000	3100 29 AVE	90
1058570 BC LTD	01381.000	3100 A 29 AVE	99
			<u>\$ 65,013</u>



Council Remuneration and Expenses

NAME	OFFICE	2017 REMUNERATION	EXPENSES (NET OF TAX)	TOTAL
Mund, Akbal	Mayor	\$ 72,288	4,150	\$ 76,438
Anderson, Scott	Councillor	24,598	4,231	28,829
Cunningham, Juliette	Councillor	27,135	8,646	35,781
Lord, Catherine	Councillor	23,214	5,048	28,262
Nahal, Dalvir	Councillor	22,798	5,550	28,348
Quiring, Brian*	Councillor	24,598	43	24,641
Spiers, Robert	Councillor	24,466	0	24,466
Total		\$ 219,097	27,668	246,765

*MQN Architects

307,479	Vernon Multi-Use facility expansion
1,239	Recreation Centre garbage enclosure
7,001	Centennial Arena dashboard system
\$ 315,719	

Employee Remuneration and Expenses

EMPLOYEE NAME	DIVISION	GROSS EARNINGS	EXPENSES (NET OF TAX)	TOTAL
Adkins, Ian J	Operation Services	\$ 94,895	\$ 3,888	\$ 98,783
Andruik, Christopher	Community Infrastructure & Development	76,947	1,952	78,899
Bandy, Brett	Corporate Services	100,103	120	100,222
Banning, Neil D	Operation Services	78,509	386	78,895
Barker, Cindy	Financial Services	96,643	451	97,094
Beauregard, Mike	Operation Services	87,957	143	88,100
Bedard, Richard R	Community Infrastructure & Development	81,153	1,700	82,853
Bertles, Kevin	Financial Services	144,804	461	145,265
Blakely, Susan E	Corporate Services	87,343	3,375	90,718
Bond, Brent	Fire Rescue Services	131,401	6,018	137,419
Bouchard, Martin	Operation Services	84,932	250	85,182
Bradley, Jodie D	Fire Rescue Services	100,969	785	101,753
Bridal, Patricia	Corporate Services	145,974	8,467	154,441
Bridge, Sheila K	Community Infrastructure & Development	79,353	345	79,698
Broderick, Craig	Community Infrastructure & Development	93,573	6,575	100,147
Cecchini, Darren	Fire Rescue Services	134,133	727	134,860
Chew, Angeline S	Community Infrastructure & Development	86,926	31,570	118,496
Chirkoff, Paul	Operation Services	85,646	2,208	87,854
Clarke, Colin A	Fire Rescue Services	122,869	28	122,897
Clary, Joanie	Human Resources Services	82,550	2,523	85,073
Cleverley, Curtis	Operation Services	77,552	339	77,891
Connor, Bryce P	Operation Services	113,689	2,231	115,920
Cooper, Lorne F	Operation Services	75,505	100	75,605
Corbett, Cleopatra	Community Infrastructure & Development	95,709	2,431	98,141
Cover, Dave	Operation Services	104,595	95	104,690
Crawford, Bradley	Fire Rescue Services	103,187	926	104,114
Cucheron, Robert	Fire Rescue Services	126,209	215	126,424
Dobbins, Craig	Operation Services	79,921	0	79,921
Donker, Barend	Corporate Services	86,407	5,956	92,363
Doorman, John W	Fire Rescue Services	98,225	101	98,326
Dowhaniuk, Mark	Community Infrastructure & Development	110,105	2,641	112,746
Enns, Lyle	Operation Services	85,295	889	86,184
Erickson, James P	Operation Services	75,426	244	75,670
Flick, Kimberly S	Community Infrastructure & Development	145,666	8,559	154,225
Foster, Anne Marie	Corporate Services	103,114	2,761	105,875
Fredin, Clayton C	Human Resources Services	96,606	1,414	98,019
Fugel, Tom G	Operation Services	75,021	1,001	76,022
Fuhr, Daniel R	Operation Services	79,742	220	79,962
Gaucher, Geoffrey	Corporate Services	80,345	418	80,763

Employee Remuneration and Expenses | Continued

EMPLOYEE NAME	DIVISION	GROSS EARNINGS	EXPENSES (NET OF TAX)	TOTAL
Gaythorpe, Glen	Operation Services	\$ 78,073	\$ 316	\$ 78,389
Gilroy, Chad	Fire Rescue Services	105,731	676	106,407
Gobbett, Carl	Operation Services	89,756	692	90,448
Grant, James A	Corporate Services	96,553	197	96,750
Hawthorne, Mark	Operation Services	86,490	352	86,842
Holman, Kevin J	Operation Services	79,614	1,052	80,666
Ikesaka, Wayne	Corporate Services	117,986	3,749	121,736
Imrich, Douglas R	Fire Rescue Services	122,737	101	122,838
Irwin, Sean A	Operation Services	94,515	477	94,992
Jacobson, Kathryn	Corporate Services	82,972	157	83,129
Juniper, Ken L	Community Infrastructure & Development	81,201	0	81,201
Keenan, Trevor J	Fire Rescue Services	107,236	158	107,394
Klymchyk, Michael	Community Infrastructure & Development	80,253	345	80,598
Knuhtsen, Shawn	Community Infrastructure & Development	95,908	2,188	98,096
Koenig, Shirley A	Operation Services	144,703	481	145,183
Kozin, Serge	Operation Services	89,155	2,263	91,419
Kruysifix, Derek	Fire Rescue Services	100,234	187	100,420
Kryszak, Kendra S	Community Infrastructure & Development	90,558	7,722	98,280
Kulak, Chris	Fire Rescue Services	116,149	2,307	118,456
Law, Debra L	Financial Services	113,848	3,653	117,501
Lefebvre, Gary P	Recreation Services	79,905	2,724	82,630
Lind, David	Fire Rescue Services	132,127	14,559	146,686
Low, Richard B	Operation Services	76,453	95	76,548
Manahan, Cara-Leigh	Fire Rescue Services	77,041	0	77,041
Manjak, Raeleen M	Human Resources Services	145,471	8,822	154,293
Mann, Reinhard	Fire Rescue Services	129,544	73	129,616
Markel, Marvin A	Operation Services	100,886	3,656	104,542
McGiverin, Ryan E	Fire Rescue Services	100,976	583	101,559
McLuckie, Paula M	Human Resources Services	100,054	3,766	103,820
Miles, Robert	Community Infrastructure & Development	95,238	3,775	99,012
Mitchell, Stanley	Recreation Services	87,007	2,518	89,525
Moore, Janet L	Corporate Services	82,609	5,389	87,998
Morrison, Nicholas	Operation Services	77,585	2,918	80,503
Nadeau, Daniel D	Fire Rescue Services	101,664	259	101,923
Olson, Greg W	Operation Services	83,647	195	83,842
Olson, Matthew B	Fire Rescue Services	99,696	0	99,696
Ovens, Chris C	Operation Services	81,671	2,237	83,907
Parker, Ryan	Operation Services	75,587	747	76,334
Parsons, Brian G	Fire Rescue Services	108,282	1,346	109,628
Pearce, William	City Administration	206,889	6,221	213,109
Pearson, Joel M	Fire Rescue Services	104,970	480	105,450
Poole, Kevin W	Community Infrastructure & Development	110,705	6,837	117,542


Employee Remuneration and Expenses | Continued

EMPLOYEE NAME	DIVISION	GROSS EARNINGS	EXPENSES (NET OF TAX)	TOTAL
Pshyk, Scott J	Fire Rescue Services	\$ 98,491	\$ 73	\$ 98,564
Reich, Allyson	Fire Rescue Services	101,106	1,036	102,142
Reichlin, Guido	Fire Rescue Services	103,279	101	103,380
Rice, James D	Operation Services	118,220	2,505	120,725
Rintoul, Dale M	Community Infrastructure & Development	78,155	120	78,275
Robinson, Chris	Fire Rescue Services	106,962	654	107,617
Roesler, Darren	Operation Services	87,075	127	87,202
Ross, Doug	Recreation Services	131,079	916	131,995
Satchell, Kris D	Corporate Services	87,370	4,031	91,401
Sengotta, Ray G	Operation Services	79,106	276	79,382
Sheel, Christopher	Financial Services	81,227	6,519	87,745
Sibilleau, Dale R	Fire Rescue Services	100,313	569	100,882
Sissons, Douglas	Operation Services	80,376	430	80,806
Skolrood, Lawrie	Fire Rescue Services	81,446	0	81,446
Stoll, Michael	Fire Rescue Services	106,544	1,835	108,379
Stowards, Blaine	Operation Services	75,352	250	75,602
Stranks, Ed J	Community Infrastructure & Development	109,039	730	109,769
Strobel, Richard	Operation Services	100,711	1,848	102,559
Stuart, Aaron C	Financial Services	90,783	3,250	94,033
Taylor, Dennis	Operation Services	88,067	540	88,607
Thomas, Jamie	Operation Services	92,956	770	93,726
Thompson, Greg	Community Infrastructure & Development	81,353	5,836	87,189
Toopitsin, Henry	Operation Services	81,617	4,096	85,713
Tucker, Cole	Operation Services	83,497	0	83,497
Van Dyke, William	Operation Services	84,835	0	84,835
Wakefield, Dean	Fire Rescue Services	114,786	73	114,858
Walker, Dan	Fire Rescue Services	131,750	857	132,607
Watson, Amanda	Community Infrastructure & Development	101,554	7,488	109,041
Wright, Shayne J	Recreation Services	83,035	1,246	84,281
Wycott, Curtis C	Operation Services	80,256		80,256
		\$ 10,881,017	\$ 242,964	\$ 11,123,980
All Other Employees		\$ 12,678,918	\$ 135,454	\$ 12,814,372
Grand Total		\$ 23,559,935	\$ 378,418	\$ 23,938,353

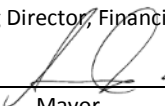
Statement of Severance Agreements

In accordance with the requirements of the *Financial Information Act* below is a schedule of Severance Agreements and equivalent's month range of compensation for the year 2017 for which severance payments commenced in 2017.

Number of Severance Agreements: One
Range of equivalent's months pay: 1 month

Approved by: 
Acting Director, Financial Services


Dated: May 28, 2018

Approved by Council: 
Mayor

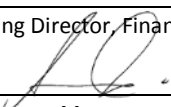
Dated: May 28, 2018

Statement of Guarantees

In accordance with the requirements of the *Financial Information Act* below is a summary of Guarantees in effect for the year 2017. The City of Vernon has issued an irrevocable letter of credit in favour of the Agricultural Land Commission (ALC) as a guarantee to fund works required by the ALC as a condition of a property being removed from the Agricultural Land Reserve. The property is being developed by the City. The amount of the guarantee is \$716,000. As of December 31, 2017 no drawing on the letter of credit has occurred.

Approved by: 
Acting Director, Financial Services

Dated: May 28, 2018

Approved by Council: 
Mayor

Dated: May 28, 2018

Grants to Organizations

PAYEE	2017	2016	GRANT TYPE
Age Action Society of BC	2,000	-	Council Discretionary Grant
All Saint's Anglican Church	-	851	Council Discretionary Grant - Food for Fines
Barton Rebecca	165	500	Heritage Restoration Grant
Brenner, Manfred and Edith	-	102	Heritage Restoration Grant
Chippendale, Sean	500	3,393	Heritage Retention Incentive Grant
Community Futures Development Corp of N Okanagan	-	1,400	Council Discretionary Grant
Downtown Vernon Association	6,547	-	Council Discretionary Grant - Mural Maintenance
Downtown Vernon Association	37,000	37,000	Downtown Landscaping Maintenance
Downtown Vernon Association	8,000	8,000	Civic Sounds Grant
Entner, Ryan and Shelby	500	192	Heritage Retention Incentive Grant
Family Resource Center Society for N Okanagan	3,500	-	Council Discretionary Grant
Greater Vernon Museum-Archives Society	3,500	-	Council Discretionary Grant
Helping Out People Exploited (HOPE) Outreach	1,000	-	Council Discretionary Grant
Kidney Foundation Of Canada	-	144	Council Discretionary Grant
McGinn, Shelagh A	5,100	-	Heritage Retention Incentive Program
Nexus BC Community Resource Center	10,000	-	Council Discretionary Grant
Nobrega, Darren	500	-	Heritage Retention Incentive Program
North Okanagan Artists Alternative	-	5,000	Council Discretionary Grant
North Okanagan Neurological Association (NONA)	-	10,000	Council Discretionary Grant
North Okanagan Canada Day Society	10,000	10,000	Canada Day Grants In Aid
North Okanagan Canada Day Society	2,000	2,000	Canada Week Grant
North Okanagan Canada Day Society	5,000	2,500	Canada Day Grants In Aid
Okanagan Military Tattoo Society	-	4,000	Council Discretionary Grant
O'Keefe Ranch Heritage Society	176,447	150,000	Operating and Capital Grants
Okanagan Military Tattoo Society	-	4,000	Council Discretionary Grant
Okanagan Regional Library	21,848	21,420	Sunday Library Opening Grant
Power House Theatrical Society	-	2,500	Council Discretionary Grant
Roze Des Ordons, Jenna	5,000	-	Heritage Retention Incentive Program
Schubert Center Society	15,244	-	Catherine Gardens Affordable Housing Grant
Schubert Center Society	4,300	-	Council Discretionary Grant
Spec-Team Assessment Society	10,000	-	Council Discretionary Grant
Spiers, Bob	5,000	-	Heritage Retention Incentive Program
Theater BC	2,500	-	Council Discretionary Grant
United Way North Okanagan Columbia Shuswap	5,000	5,224	Council Discretionary Grant
Upper Room Mission	-	9,000	Council Discretionary Grant
Upper Room Mission	-	3,402	Food for Fines Program
Van Zwaajj, R and M	-	500	Heritage Retention Incentive Grant
Vernon Concert Band Society	-	1,360	Council Discretionary Grant
Vernon Elks Lodge # 45	2,500	-	Council Discretionary Grant
Vernon Live Well Clinic	500	-	Council Discretionary Grant
Vernon Native Housing Society	-	31,347	Affordable Housing Grant
Vernon Women's Transition House Society	7,500	-	Council Discretionary Grant
Vernon Winter Carnival Society	-	5,000	Council Discretionary Grant
Vernon Winter Carnival Society	10,000	10,000	Winter Carnival Grant
Total Grants	\$361,151	\$328,834	

Payments to Vendors in Excess of \$25,000

VENDOR NAME	2017	2016*	PURPOSE
0934088 BC Ltd	-	26,482	Refund DP000561 cash security and off-site works
0942304 BC Ltd	87,703	-	Refund Cash Security ZON00244
1 & 2 Electric Ltd	75,555	170,513	Contractor for electrical various buildings
1018545 BC Ltd	46,839	-	Refund Cash Security ZON00242
557969 BC Ltd Dba Superior Excavating	-	228,416	Contractor for Smith Road sewer local area service
610771 BC LTD dba Aquanot 03	68,705	-	Plantinum Series Generator for emergency procurement Contractor for janitorial services for downtown washroom facilities
6-4 Building Maintenance Ltd	26,182	-	
A & D Asphalt Solutions Ltd	424,824	405,748	Contractor for paving
A & G Supply Ltd	73,640	51,310	Contractor for commercial cleaning products
Advanced Powerlines Ltd	-	83,202	Transformer installation
Acklands Grainger	30,342	-	Purchase of Inventory and operational supplies
Advantage Asset Tracking Inc	64,043	66,063	GPS units for fleet and monitoring for the year
Aecom Canada Ltd	105,419	-	Consultant for High Water Strength study
AJH Developments	165,342	-	Refund Cash Security SUB00635, SUB00599
Allied Universal Security Services of Canada Co	41,009	-	Security Patrol at various civic properties
Allpro Tree & Landscape Services Inc	68,230	63,690	Contractor for tree maintenance Refund Cash Securities SUB00671, SUB00669, SUB0066, SUB00647
Anderson Subdivision Holdings Ltd	120,933	-	
Andrew Sheret Ltd	113,518	139,125	Purchase supplies for building maintenance
Associated Environmental Consultants Inc	103,150	73,667	Environmental services and projects
Associated Fire & Safety	63,566	27,220	Firefighter turnout gear
ATS Electric & Technical Service Ltd	102,168	69,617	Contractor for electrical and lighting for recreation centres
Avalon Event Rentals Inc	26,436	-	Rental of emergency tents and signage Refund Demolition Agreement , property tax payment for park right away
Avanti Investments Ltd	30,219	-	
Barricade Environmental Inc	26,504	-	Services at the Airport
BC Assessment Authority - Taxation	469,056	527,698	Transfer BC assessment taxes collected
BC Hydro & Power Authority	2,367,297	2,735,122	Electric utility, pole relocates and contributions in aid
BC Ltd 580245 Dba Valleyview Contracting	58,511	54,396	Lawn mowing
BC Transit	2,585,998	1,707,049	Contractor for transit services
BES-Building Energy Solutions Ltd	-	25,232	Energy study for recreational centres
Biomaxx Wastewater Solutions Inc	87,702	66,462	Purchase supplies for sanitary sewer operation
Black Press Group Ltd	105,091	129,359	Local newspaper advertising
Brenntag Canada Inc	62,416	131,369	Purchase chlorine products
Bry-Mac Mechanical Ltd	-	26,767	Mechanical contractor for HVAC repair and maintenance
Busy Bee Pest Control	38,929	36,750	Contract for weed control
Cabin Forestry Services Ltd	53,351	-	Design for Becker Park Purchase solar powered parking meters and monthly fees for reporting
Cale Systems Inc	33,981	-	
Canada Post Corporation	72,014	60,548	Postage
Canada Safety Equipment Ltd	50,046	76,464	Purchase safety equipment
Canadian Mental Health Association Vernon	-	37,141	Property supplemental reassessment and recycling
Canadian National Railway Co	33,811	27,022	Rail crossing maintenance
Canadian Professional Management Services Inc	182,714	103,308	Management consulting fees
Canadian Restaurant Supply	-	25,343	Kitchen equipment for recreation centre
Capri Insurance	411,094	361,767	City facility and fleet insurance
Carlisle Developments Inc	-	266,961	Refund cash security SUB00591
Caro Analytical Services	49,491	43,331	Contractor for analytical testing
Carter Dodge Chrysler Ltd	27,176	-	Purchase 2017 dodge Caravan
CDW Canada Inc	95,524	65,003	City network and hardware upgrades
CGL Contracting Ltd	1,955,483	900,963	Contractor for 30th Street upgrade
Chances Bulk Unloading	34,409	32,298	Purchase road de-icing salt

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2017	2016*	PURPOSE
Charter Telecom Inc	105,239	-	Cisco System Upgrade
CIMA Canada Inc	45,024	-	Design & Construction of 35 ST Rd Utility
City Furniture	-	25,325	Employee purchase plan (EPP) employees pay 100% for EPP Cost sharing regional bio-solids facility and wastewater
City of Kelowna	630,412	693,837	contributions
CivicInfo BC	38,991	-	Memberships and Job Postings
Clearview Demolition Ltd	566,142	-	Demolition New Delhi, Open Door & VIP Warehouse
Coldstream Construction	-	28,430	VWRC lunchroom renovation and operation storage sheds
Commercial Aquatic Supplies	28,294	-	Recreation centre parts and supplies
Commercial Truck Equipment Co	41,668	-	MCV Spreader and supplies for fleet
Complete Climate Control Inc	48,414	45,692	Arena compressor servicing
Corix Utilities Inc	64,390	68,846	Water meter reads
Corix Water Products Limited Partnership	156,635	203,845	Purchase supplies and materials for water system
Corporate Express	43,803	50,783	Purchase office supplies Property tax supplementary adjustment refund and Interest for 2015-2017
CP REIT BC Properties Ltd	126,498	-	Lakers Clubhouse Stucco
CSL Masonry	25,442	-	Tourism campaign
CTV a Division of Bell Media	122,178	31,452	Contractor for Curling Rink Parking Lot
D Webb Contracting Ltd	393,214	-	Contract for plumbing repair and maintenance
Darin's Plumbing Ltd	-	48,514	Legal fees and land purchase
Davidson Lawyers LLP / Davidson Pringle LLP	96,788	353,219	Parkade painting
Decor8 Painting (1990) Ltd	-	53,944	Tourism marketing
Destination Think Professional Services Inc	201,839	160,196	Natural gas utility
Direct Energy Marketing Ltd	80,140	64,070	Monthly transit service
District of Coldstream	43,439	55,161	Contractor for storm and sanitary main inspections
Down Under Pipe Inspection	-	35,845	Transfer business improvement area taxes and other
Downtown Vernon Association (DVA) Drive Products Inc	328,077	411,154	Central hydraulic systems for fleet
Durning Directions & Services Ltd Dynamic	173,705	167,948	Contractor for tourism office operation
Asphalt Services Inc	-	94,892	Contractor for crack sealing
E/E Electrical Enterprise Ltd	41,426	-	Contractor for Electrical services
EB Horsman & Son Ltd	133,571	147,125	Purchase inventoried parts and supplies
Econolite Canada Inc	105,465	39,344	Purchase supplies for traffic control and street lights
Eddie's Blacktop Maintenance	-	64,595	Paving and various asphalt works
Eecol Electric Inc	-	50,817	3 phase distribution transformer
Electromega Ltd	-	104,758	Traffic control equipment
EMA Consulting Ltd	38,258	-	Contractor for Curling Rink Parking Lot
EMCO Corporation	30,825	59,225	Purchase supplies for various water related products
EMPS Electric Motor & Pump Service Ltd	80,945	47,399	Contractor for pump supply and service
Esolutions Group Limited	-	62,232	Web hosting and licensing
Esporta Wash Systems Inc	57,275	-	Purchase Washer/Extractor for Firehall
ESRI Canada Limited	177,111	77,221	Contractor for software maintenance
Evergreen Building Maintenance Inc	170,339	181,008	Contractor for tree maintenance
Executive Flight Centre Fuel Services Ltd	220,706	353,799	Purchase jet and aviation fuel for resale at airport 32nd Street (Hwy 97) 25th Avenue to Vernon Creek Storm Rehabilitation
Extreme Excavating Ltd	-	492,371	Purchase snow plow and other equipment for fleet
Falcon Equipment Ltd	59,688	-	Software support and maintenance
FDM Software Ltd	-	46,099	Carbon for VWRC odour scrubbers
Filterpro Services Canada Ltd	-	68,138	Caterpillar Front End Loader
Finning (Canada) a Div of Finning International Inc	-	219,331	Emergency Incident Management Training
Fireworks Consulting Inc	113,258	-	Fort Garry Tanker Pumper - fire rescue
First Truck Center Vancouver	-	166,112	Engineering services - various projects
Fletcher Paine Associates Engineering Ltd	171,634	112,267	Contractor for roofing services RCMP building
Flynn Canada Ltd	339,812	-	Refund cash security
Foothills Developments Ltd	109,890	41,158	Contractor for Arena Dashboards
Forma Construction Ltd	57,702	-	Natural gas utility
Fortis BC	352,460	339,221	

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2017	2016*	PURPOSE
FP Teleset	-	35,000	Postage payment postage meter
Franz, Maria Anna	-	102,542	Tax sale redemption
Frontline Traffic Control Services Inc	91,995	115,902	Traffic control at various projects
Gilbert Parts Depot	66,848	62,279	Purchase supplies for City fleet
Grizzly Curb & Concrete Ltd	71,200	195,309	Contractor for curb, gutter and sidewalk projects
Grounds Guys Landscape Management	421,389	499,097	Contractor for cemetery and parks maintenance
Guillevin International Co	75,268	98,070	Purchase inventoried parts and supplies
Habitat Systems Inc	63,985	117,221	Purchase playground equipment
Hach Sales & Service Canada Ltd	48,188	79,993	Purchase supplies for water reclamation plant
Handy Guys Home Renovation	37,070	76,961	Various repair and renovation projects
Henderson Recreation Equipment Limited	-	37,817	Purchase playground equipment for Heritage Park
Hi-Pro Sporting Goods Ltd	-	184,921	Purchase and installation rubber flooring at Kal Tire Place
Home Depot	31,938	53,837	Purchase supplies
Home Depot Holdings Inc	147,676	-	Property tax supplementary adjustment refund plus interest for 2015-2017
Houle Electric Limited	84,267	-	Contractor for Recreation Center
Howard Industries (2010) Ltd	36,985	48,100	Contractor for meals to RCMP detachment
Husky Oil Marketing Company	58,760	40,805	Purchase supplies for City fleet
Inprotect Systems Inc	-	29,770	Vehicle detection warning signs and MacKay meter parts
Insurance Corporation of British Columbia (ICBC)	82,446	80,973	City fleet insurance
Inter-Mtn Enterprises Inc	-	25,596	Signs, installation and mounting supplies
IRL International Truck Center Ltd	54,319	73,135	Purchase supplies for traffic signals
Ironman Directional Drilling Ltd	288,154	-	Contractor for Okanagan Ave Drainage
Irvine, Sharon	79,300	-	Refund DCC and Works Contribution SUB00580
JSF Foster Corporation	27,759	-	Purchase Solar Crosswalk Kal Lake Rd, Curling Rink
Kal Tire Ltd	47,461	32,646	Purchase tires for City fleet
Kalamalka Security & Investigations Inc	63,126	30,394	Security Patrol at various civic properties
Kelpin, Charles	203,552	332,219	Tax sale redemption
Kendrick Equipment Ltd	397,423	-	Purchase 2017 Vac/Flush truck
Kerr Wood Leidal Associates Ltd	91,792	288,103	Engineering services - various projects
Ki Communications	38,198	29,436	Professional media relations services
Knight's Vacuum Services Ltd	82,957	62,920	Bio solids disposal
Kon Kast Products (2005) Ltd	53,849	-	Purchase HWY Barriers various locations
KPMG LLP T4348	25,804	59,955	Financial statement audit
KTI Limited	47,734	-	Purchase Meters
Lake Country Compost Distributors Ltd	-	29,099	Top soil
Landmark Solutions Ltd	274,703	-	Contractor Okanagan Ave Drainage
Larson, Richard	-	35,203	Refund cash security
LB Chapman Construction Ltd	1,732,578	-	Contractor Kal Lake rd Improvements
Leko Pre Cast Ltd	26,645	-	Purchase inventoried parts and supplies
Lidstone & Company	141,157	79,167	Legal fees
Line West Ltd	180,481	198,205	Line painting
Links Lawn & Yard Services	116,195	109,765	Contractor for landscaping and snow removal at various locations
London Drugs	76,040	40,814	Information services supplies
Maddocks Construction Ltd	-	872,514	Recreation centre front entrance renovation
Manulife Financial	1,345,578	1,228,451	Employee benefits includes employee paid long term disability
Mar-Tech Underground Services	-	209,758	Trenchless utility rehabilitation
Maxim Constructors Inc	127,370	-	Contractor for CPO upgrade
McColman & Sons Demolition Ltd	108,857	-	Contractor demolition of The Flower Shop
Mearl's Machine Works Ltd	25,207	-	Purchase equipment and service for VWRC
Medical Services Plan of BC	417,780	440,661	Employee benefits
Metro Motors Ltd	141,708	-	Vehicle purchases
Michelin North America (Canada) Inc	28,022	-	Purchase tires for City fleet
Microserve	51,091	-	Purchase hardware and service Veeam Essentials
Minister of Finance	11,030,410	10,238,602	Transfer of school taxes collected
Mitchell Press	28,882	-	Purchase 2017 Visitor guides

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2017	2016*	PURPOSE
Monaghan Engineering & Consulting Ltd	521,699	301,711	Engineering services - various projects
Mountain Rock Stabilization Inc	114,306	-	Contractor Rock stabilization lakeshore Rd
MQN Architects	315,719	529,308	Consulting and architectural fees for recreation facilities
Municipal Insurance Assoc of BC	87,353	270,703	Liability insurance - premiums and deductibles
			Remittance employer and employee portions of pension contributions
Municipal Pension Plan	4,092,189	3,842,562	
Murdy & Mcallister Barristers & Solicitors	122,617	26,007	Legal fees
N & T Properties Ltd	321,584	-	Refund cash security
N O Columbia-Shuswap Regional Hospital	2,644,933	2,531,993	Transfer regional hospital taxes collected
Nielsen Roofing & Sheet Metal Ltd	254,524	-	Contractor roofing for Firehall 1 & 2
Nor-Val Rentals Ltd	64,675	28,044	Machine and tool rental
Okanagan Aggregates Ltd	152,523	35,810	Purchase aggregate
Okanagan College	-	54,460	Training courses
Okanagan Regional Library	1,781,132	1,722,305	Transfer regional library taxes collected
Okanagan Traffic Control Professionals Inc	51,664	52,631	Contractor for traffic control services
O'Keefe Ranch & Historical Society	179,165	153,477	Grant in aid
Omega Communications Ltd	28,295	-	Contractor for communication supplies and services
Pacificsport Okanagan	-	25,081	Sport education and programs
Perfectmind Inc	69,715	-	Purchase new management software
			Tire products and services and employee purchase program (EPP)
Peters Tirecraft	-	27,334	
Petrovalue Products Canada Inc	273,341	288,187	Purchase aviation fuel
Petrusich, Joseph Richard	325,952	110,531	Tax sale redemption
Pointe of View Properties (BC) Inc	-	374,738	Refund cash security
Postill Nixon Earthworks	278,107	180,417	Contractor for heavy duty equipment services
Predator Ridge Golf Club Ltd	33,924	-	Supplemental Cycle payments
			Snow removal, street sweeping, and refund DCC overpayments
Predator Ridge Limited Partnership	43,560	123,731	
Premium Truck & Trailer Inc	-	163,421	Freightliner tandem axle cab and chassis
Pro Ex Services Ltd	-	29,619	Building demolition
Project Management Center of Excellence Consulting	30,660	-	Project management training courses
Prospera Credit Union	61,085	-	RRSP contributions on behalf of employees
Pure Technologies Ltd	54,886	-	Purchase pipe for Mackay reservoir
			32nd Avenue road and utilities rehabilitation - 27th Street to 29 Street
Pyramid Excavation Corporation	-	422,454	
R E Postill & Sons Ltd	329,655	384,148	Purchase aggregate, winter sand, and snow removal
R L Walker Contracting Ltd	111,016	-	Contractor for snow hauling
R355 Enterprises Ltd	558,313	1,030,762	Contractor for various road improvement projects
			Employee source deductions, municipal policing, and lease payments
Receiver General for Canada	15,057,070	13,498,417	
Redpoint Media Group	45,528	44,285	Advertising and promotion
			Debt payments, annual regional tax requisition, and transfer of water revenue
Regional District of North Okanagan	25,730,659	25,924,783	
Restorative Justice Society of North Okanagan	44,858	44,858	Contractor for restorative justice services
Ricoh Canada Inc	102,541	129,340	Purchase office equipment
Robert Steffen DBA Robin Hood Security	31,711	-	Provide security Polson Park
Rudnisky, Kenneth M	-	190,325	Tax sale redemption
Schell Motel (Vernon Ltd)	155,501	-	Refund culvert deposit less expenses
Schubert Center Society	26,227	-	Rental of facility for various meetings and training
Seal Tec Industries Ltd	207,487	185,792	Contractor for crack sealing airport
Sel Surveys/Douglas R Jacobi	144,547	103,629	Surveying
Sierra Landscaping Ltd	224,462	121,995	Contractor for landscaping projects and boulevards
Silver Pine Estates	109,321	-	Contractor Silver Star Rd storm sewer
			Works contribution agreement and refund various cash securities
Silverrock Land Corp	-	30,781	
Sisett, Nolan	-	90,350	Tax sale redemption

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2017	2016*	PURPOSE
Siteone Landscape Supply LLC	25,945	-	Contractor for landscape services
Social Planning Council for the North Okanagan	66,432	63,903	Contractor for crime prevention and responsible gaming initiative
Softchoice LP	-	26,199	Purchase of computer software
Special T Cleaning (2012) Ltd	101,369	-	Contractor for Sanitary and Sewer inspections various locations
Speedpro Signs	32,109	-	Purchase signs and decals
Sproing Creative	29,539	-	Purchase web and tech support various locations
Stantec Consulting Ltd	-	295,243	Consulting for waterfront flood protection
Stephanie Tambellini Design Studio Inc	43,817	47,162	Contractor for tourism promotion and advertising
Summit Valve And Controls (BC) Inc	-	64,117	Parts and equipment for water reclamation centre
Suncor Energy Products Partnership	407,507	370,358	Purchase fuel for City fleet
Sunset West Mechanical Ltd	75,311	55,775	Contractor for HVAC at various locations
Super Save Disposal Inc	25,397	-	Contractor for garbage removal at City facilities
Sysco Food Services of Kelowna Ltd	42,406	28,296	Kal Tire & Recreation Center concession food supplies
TD Waterhouse	123,536	-	RRSP Contributions on behalf of Employee
Telus Communications Inc	127,323	153,873	Telephone utility
Telus Mobility Cellular Inc	97,238	94,597	Telephone utility
Telus Services Inc	83,225	99,275	Telephone utility
Tempest Development Group	-	75,793	Contractor for tempest computer software
			Engineering services for pre-treatment facility and airport runway
Tetra Tech Canada Inc (EBA Inc)	196,883	51,884	
The Get Go Inc	31,023	31,999	Video vehicle detection systems
The Web Advisors	26,782	30,669	Tourism website maintenance and updates
Thompson Okanagan Tourism	55,543	-	Tourism advertising
TKI Construction Ltd	-	28,008	Highway 97 cantilevered sidewalk replacement
Tony Sammartino Construction Ltd	-	55,276	Refund various cash securities
True Consulting (Kelowna) Ltd	295,259	-	Contractor for OK Landing Sewer and OK Ave drainage
Union of BC Municipalities (UBCM)	-	28,853	Annual dues and remittance of license decal fees
			Consultant for asset management, and various analysis and studies
Urban Systems Ltd	52,005	140,920	
Vadim Computer Management Group Ltd	-	36,809	Contractor for Vadim software support
Vernon & Area 2017 BC Games Society	37,565	-	Financial Contribution for 2017 games
Vernon & District Association for Community Living	69,783	54,140	Contractor for landscaping at various areas
Vernon Civic Employees Union - Local 626	245,839	243,117	Remittance of employee union dues
Vernon Firefighters Association Local 1517	63,169	70,075	Remittance of firefighter union dues
Vernon Line Painting Ltd	54,742	28,888	Contractor for various line painting
Vernon Native Housing Society	-	51,237	Rental housing grant and refund on parks DCC
Vernon On Site Fencing Ltd	142,460	73,819	Contract for snow removal and fencing
Vernon Paving Ltd	1,109,223	611,640	Contractor for paving
Village Green Mall	-	39,741	Employee purchase plan (EPP) employees pay 100% for EPP
Vimar Equipment Ltd	306,957	39,520	Purchase of equipment parts and materials
Vision Overhead Doors	-	32,499	Overhead doors for yards and other locations
VVI Construction Ltd	4,833,732	-	Contractor for Multi-Use Facility expansion construction
Waste Connections of Canada Inc	1,704,316	1,620,562	Contractor residential garbage collection and recycling
			Purchase supplies for water reclamation plant and Duteau Creek plant
Waterhouse Environmental Services Corporation	96,566	107,016	
Watkin Motors	77,905	-	Purchase parts and materials for fleet
Wayside Press Ltd	-	33,629	Various printed material, maps, and signage
Wesclean Equipment & Cleaning Supplies	32,497	52,321	Purchase equipment and cleaning supplies
Western Water Associates Ltd	46,252	31,407	Vernon Creek baseline study
Westridge Quarries	26,418	-	Purchase stone for various areas
Wholesale Graftix Distribution & Signage	39,362	44,800	Supply and install signs
Wilson, Gordon	150,958	-	Tax sale redemption
Wise Wildlife Control Service	52,446	52,657	Contractor for wildlife control at airport
Wishbone Industries Ltd	40,121	57,137	Purchase of benches and picnic tables for various parks
Wisner & Rawlings Electric Ltd	34,162	30,146	Supply and install relays for pump McKay Reservoir

Payments to Vendors in Excess of \$25,000 | Continued

VENDOR NAME	2017	2016*	PURPOSE
Wolseley Waterworks Group	130,299	83,867	Purchase supplies for water reclamation plant
Woodland Equipment Ltd	50,862	-	Emergency excavator rental
Workers Compensation Board	414,833	311,622	Remittance of employee WCB benefits
WSP Canada Inc	426,296	182,471	Engineering services and consulting - various projects
Yellowridge Construction Ltd 33517	-	111,384	DCC refund for parks and open spaces
Young Anderson Barristers & Solicitors	38,612	27,588	Legal fees
Total	101,877,791	89,257,997	
All Others Under \$25,000	4,789,283	4,464,836	
Grand Total Payments To Vendors	106,667,074	92,722,833	

*2016 Amounts are only those amounts appearing in the 2016 Vendor Payment Report. Vendors showing 2016 amounts as zero may have received payments from the City in 2016 but were below the threshold of \$25,000.



Photo Credit: Don Weixl



Photo Credit: Steve Austin

DIVISIONAL SUMMARIES

ADMINISTRATIVE SERVICES

Will Pearce
Chief Administrative Officer
Wpearce@vernon.ca



City Administration

Purpose

The Chief Administrative Officer (CAO) directs and coordinates the general management of business affairs of the corporation, in accordance with the bylaws, policies and plans approved by Council; to ensure the delivery of high quality services and facilities which preserve or enhance the social, economic and physical well being of the community. The CAO is responsible to ensure that innovative programs and services are developed and implemented to meet the ever changing needs of the community, while ensuring fiscal responsibility.

Highlights

Administration remains focused on completing deliverables in Council's 2015-2018 Strategic Plan. Achievements through 2015, 2016 and 2017 have been reported in open public meetings of Council approximately every six months with the final report card to be released September 2018. Key deliverables in 2017 include: initiate construction of arena, hosted Vernon & Area 55+ Games, secured grant funding and initiated extension of sewer services to numerous Okanagan Landing neighbourhoods, achieved GFOA International Awards for 2016 Annual Report and 2017 Financial Plan, activated Mental Health learning series in partnership with Canadian Mental Health Association, continue aggressive recapitalization program to protect integrity of municipal infrastructure (roads, storm and sewer systems, buildings, fleet), prioritized capital projects in downtown, position the City to attract investment and desirable development, fastest growing accommodation room revenue in the Thompson Okanagan for five years running, secured 3% MRDT and continue implementation of key elements in the Tourism Vernon – Business Strategic Plan, complete and initiate implementation of Vernon Fire Rescue Services Eight Year Strategic Plan, capacity building within the Administration through learning and development including Diversity and Inclusion, Project Management, Intentional Leadership.

Outlook

The immediate focus of the 2018 Budget remains operating costs restraint and reinvestment into public municipal infrastructure in accordance with the Council endorsed Strategic Infrastructure Investment Plan. The Corporation continues to focus on investment attraction, supporting growth of existing businesses, continual improvement of the business environment and facilitating Council endorsed development. Administration operates under Council's policy direction through Council's four year Strategic Plan for the term 2015-2018 inclusive. The Strategic Plan cites Council's priority deliverables. Council thoroughly reviewed progress on the Strategic Plan in June 2017.

Council

Purpose

City Council consists of six Councillors and one Mayor elected for a term of four years. The organizational purpose of an elected Councillor is to provide leadership through policy and bylaws for delivery of City services.

Highlights

Council focused on fiscal restraint while protecting the scope and levels of municipal services historically enjoyed by residents and visitors to the community. Council pushed towards completion of its 2015-2018 Strategic Plan.

Outlook

The community will look to Council for overall budget policy direction and strategic deliverables for the 2015-2018 term.

CORPORATE SERVICES

Patti Bridal
Deputy Chief Administrative Officer, Director
pbridal@vernon.ca



Corporate Services - General

Purpose

Corporate Services provides the communication link between Council, City Divisions and the general public. Responsible for Legislative Services, Communications and Grants, Real Estate & Land, Information Services, , RCMP Municipal Staff, Detention Facility, and the Protective Services Department (Bylaw Compliance, Crime Prevention and Community Safety).

Highlights

As provided in the highlights of each department within Corporate Services. Continued support to Chief Administrative Officer in role as Deputy.

Outlook

Electronic Records Management (ERMS) implementation continues with anticipated completion 2019/2020. The focus on providing each Department within the Division guidance and support as we continue to review services and structure to gain efficiency in our delivery of service to staff and the citizens of our community. The goals outlined within Council's Strategic Priorities workshop will be implemented over the 2016-2018 term. Protective Services Department will review staffing levels and responsibilities.

Information Services

Purpose

Information Services (IS) provides strategic planning, management, technical and administrative support for the City of Vernon's network infrastructure and websites. The City's IS Department supports 48 Servers, 29 Enterprise software products, 410 work stations, 230 mobile devices, Cisco IP based telephony solution with 292 sets, 2 PBX systems, 49 switches, and manages 44 contracts with a value of over \$385,000 annually.

Highlights

Implementation and management of the Evergreen funding process for all divisions. This Divisional operational fund provides the City of Vernon with appropriate funding levels in the Information Services reserve to maintain its growing infrastructure.

- TELUS upgrades in the North Okanagan is nearing final stages of completion
- Cooperative last mile fibre options working with RDNO is under way.
- Support for Electronic Records Management Systems (ERMS) and Legislative services by implementing a email retention program.

Outlook

Information Services will continue to explore cost saving initiatives with infrastructure changes, partnerships and licensing reviews, while ensuring the digital infrastructure continues to be redundant and secure. An example would be the newly negotiated and awarded cellular contract, where the City is on track to reduce cellular costs by approximately 26% over the next 5 years with existing service levels.

2018 will be a continuation of supporting the existing infrastructure with strategically planned funding of infrastructure upgrades, along with initiatives to further reduce costs, such as the possible replacement of the TELUS leased fibre solution.

Land Services – Property Rentals

Purpose

A reserve has been set up to receive net income from park lands where there currently is a residential or commercial tenant. The reserves will help fund demolition of the houses, or buildings, at a future date, as directed by Council.

Highlights

Land Services facilitated the improvements at 3010 31st Ave. In preparation of the new Community Safety Office, as per the direction of Council.

Outlook

Land Services will manage the following parks properties that currently have residential tenants, with the assistance of a property management contractor: 2807 39 St, 2901 39 St, 2903 39 St; and Land Services will manage the commercial building and tenant at 3005 31 St. The house at 2606 Lakeshore Rd. will be demolished in early 2018, for the first phase of Lakeshore Park.

Land Services

Purpose

Land Services provides management of City owned lands, including: commercial leases, residential properties, leases of spray irrigation lands, crown leases, airport land leases and tie-downs, and responsibility for negotiating the acquisition and sale of property on behalf of the City. Land Services assists Planning and Engineering in securing Statutory Right of Ways and Road Dedications. Land Services assists numerous City Departments with encroachments on City lands and roads. In addition, Land Services provides recommendations for Council and other City Departments, regarding legal ramifications involving real estate.

Highlights

In 2017, Land Services provided revenue to the City through management of City owned lands and buildings including: commercial lands and buildings, the airport – commercial, infield, and tie-down lands, undeveloped park lands, and spray irrigation lands. Land Services facilitated the demolition of the buildings at 2901 and 2905 29th Street and installation of a new Public parking lot; and the demolition of the buildings at 3011 31st Ave. (Flower Shop) and 2900 32nd Ave. (Old CSB Bldg.) and interim public parking to be installed. Land Services managed the capital improvements at 3010 31st Ave. (was Toppers Cleaners) in preparation of the new Community Safety Office. Cash-in-lieu payments for parkland were facilitated. Land Services provided assistance to Engineering, Planning, Operations, Facilities, Economic Development, and Administration - providing valuations, acquiring land for roads and sidewalks, and negotiating Statutory Right of Ways to protect infrastructure. Encroachments on City Lake Access Sites have been removed in conjunction with capital improvements.

Outlook

Land Services will continue to provide revenue to the City through the management of City owned lands, including: commercial land and building leases, parks and facilities properties that currently have residential or commercial tenants, airport land and hangar leases and tie-down rentals, leases of spray irrigation lands, new parking lot installations and license fees for use of City lands. Land Services will continue responsibility for negotiating the acquisition and sale of property on behalf of the City. Land Services will continue to evaluate encroachments on City lands - including lake access sites scheduled for capital improvements and facilitate removal and remediation. In addition, recommendations will be provided and negotiations facilitated at the request of Council, and on an on-going basis for: Operations, Engineering, Planning, Facilities, Parks, Economic Development, and Administration. Targeted projects for Land Services in 2018 include: recommendations to Council regarding the development potential and interim use of City owned, Downtown properties, the McMechan Reservoir Lands and the Hesperia Lands. Revenues and expenses generated relating to Surface Parking Lots have been reallocated to Operations. Future direct costs for land services relating to capital projects will be reflected in the capital budgets.

Legislative Services

Purpose

The Legislative Services Department is responsible for the statutory duties of the Corporate Officer (Director of Corporate Services) including the preparation and preservation of all minute books and records of Council business, custody of City bylaws, administrative support to Council and its Committees, preparation of Council and Committee agendas, management of the City's Records Management Systems, including the Electronic Records Management System, Management of Freedom of Information (FOI) requests, and conducting local government elections or referendums. The primary function of the Legislative Services Department is supporting the legislative matters and decisions of Council, retention of agreements, Land Title documents, records management, FOI management, and items requiring secure storage in the vault.

The Legislative Services Department is the communications link between Council, other City Departments and the general public, providing assistance and advice to citizens with respect to Council/Committee processes, reporting procedures and decisions.

Legislative Services consists of the Deputy Corporate Officer, Legislative Committee Clerk, Records Coordinator, Receptionist and Secretary/Receptionist.

Highlights

Discovery process, template build, and launch of Electronic Records Management System (ERMS) completed in Finance and Community Infrastructure and Development Divisions. Discoveries for Corporate Services and Recreation Services also complete. Review of Sign Bylaw with regard to election signage. Significant reduction in paper storage after review of items stored in comparison with approved retention periods. Continual review of processes to move to electronic communications in order to reduce postage costs and save staff time is ongoing. Much time and effort has been directed toward working closely with all Divisions to organize existing electronic records into approved records management filing system and to apply approved retention schedules. Continual effort directed at training and educating all staff in the importance of records keeping and freedom of information / protection of privacy issues. Several large FOI requests impacting staff time to process. FOI requests increase year over year requiring staff resources to meet legislative requirements.

Outlook

A major focus for Legislative Services in 2018 will be preparation for and execution of the 2018 Local Government and School Trustee Election. Continued support of Director of Corporate Services in the legislative requirements as outlined in the Community Charter and implementing updated efficient processes as they arise. Continuing with the implementation of the Electronic Records Management System (ERMS) with Divisions. Management of an increasing number of FOI Requests, an increasing number of Privacy Impact Assessments and maintaining the Personal Information Bank as required by Provincial legislation.

Protective Services

Bylaw and Parking

Purpose

This Department oversees the administration and compliance for approximately 40 Regulatory Bylaws, Council directives and policies within the City of Vernon. Education encouraging voluntary compliance is a Department priority. Bylaw staff provide services to other City Divisions in the area of business licensing, sign bylaw, zoning bylaw, etc. Staff patrol and maintain approximately 930 parking meters entailing 19 kilometers of sidewalk, 6 City owned parking lots, the Parkade, the Civic Arena and signed restricted

parking areas. In addition staff provide security and compliance services to the downtown core, City Parks, facilities and the City's lake access sites. The Division also provides a community safety initiative through education and compliance related to the Parks and Public Places bylaw, the Motor Vehicle Act which include restricted parking, abandoned vehicles, and enforcement of the City's Safe Premises bylaw. Bylaw Services contracts bylaw compliance and security services through the City's Parks Department to the Regional District of North Okanagan for Sub-regional Parks (Paddlewheel Park, Kin Beach, DND lands and Marshall Field).

Highlights

Flat surface parking lots have become their own costing center within the Operations division to more accurately track operating costs and revenue. Staffing challenges due to ongoing injury or illness to existing staff, staff transitions, approval for provisional funding for seasonal staff, and hiring processes for fill-in relief staff has required significant administrative resources. High levels of cooperation with community partners such as the RCMP, Gateway Shelter, John Howard Society, Partners for a Safe Community, Ministry of Forests Land and Natural Resource Management and continue to increase the presence of the Bylaw section in the community. PayByPhone revenues continue to rise with increased use for on street parking and surface lots and we continue to partner with the Downtown Vernon Association (DVA) to promote parking in the downtown core. The one way couplets on 28th and 29th Avenues and the adoption of updated parking permit dispensers is nearing completion. The new parking lot at 29 St. and 30 Ave is scheduled to be completed in spring of 2018 due to unforeseen environmental issues and will provide approximately 100 new parking spaces in the downtown core.

Outlook

Overall revenues from parking remain stable and trend upward from the previous two years. Ticketing revenues continue to reflect Council's customer service initiatives for free parking, extended grace periods and warning tickets. Officer presence and response in relation to Parks and Public Places bylaw enforcement (alcohol, hazardous activities, and improper behavior) both in Parks, City Facilities and the City Centre continues to be important to the residential customer and business community. Increased transient populations, lack of shelter and affordable housing spaces and increased use of intravenous drugs continue to provide challenges to staff in order to deal with the volumes of public and City staff concerns. Staff continue to work with social agencies to ensure that transient clientele are awarded every opportunity to avail themselves of local services. Substantially increased file volumes and additional need for safety and security services related to transient populations, temporary overnight shelters and drug use have necessitated a request to continue 2017's provisional funding for seasonal additions to staffing. Staff coverage from 7 am to 7 pm throughout the downtown core, mission area and Polson Park proved effective. Shifting will vary as the seasons change in order to deal with temporary overnight shelters. In 2018, Sub-regional Parks within City of Vernon jurisdiction will become City of Vernon parks.

Safe Communities – Crime Prevention

Purpose

Community Safety - Crime Prevention is responsible for programs that create and promote , through education and active community participation, a safer environment for the Citizens of Vernon.

Highlights

2017 saw marked increase in the productivity and potential of the Vernon RCMP Volunteers. This group has been engaged in additional training with Vernon Search and Rescue to assist in Urban Searches and in the case of emergencies, evacuation assistance on behalf of the RCMP. On one occasion they were first on the scene in finding a woman who had fallen off a cliff in a suicide attempt. In addition to the Marine Vessel Safety Check program, volunteers are investigating each vessel for possible invasive mussels and provide public education around this environmental concern to keep our lakes protected and safe.

The Block Watch Program increased by 7 Groups this past year. Three of these were referrals by the RCMP due to drug activity in these areas.

Emergency Services personnel and Crime Prevention continue to work together to coordinate educational presentations for Block Watch/Fire Interface areas. They were one of the Presenters at the Block Watch Captains one day Training seminar this year.

The Crime Free Multi-Housing program continues to be a valuable source of interaction with participating apartment complexes.

Both this Group and the Block Watch Groups are now calling in incidences of crime in their neighborhoods allowing the RCMP to better respond. They truly work as the "eyes and ears" for the RCMP in the City of Vernon.

Outlook

2018 will see the continued strategic use of Vernon's RCMP Volunteers. I will expand and strengthen their organizational structure to add sustainability to the Program. This will ensure the value and productivity that they bring to the City and the RCMP. Enhanced training will continue to be developed aligning this volunteer group with the annual RCMP Strategic Plan and City of Vernon priorities. Additional and innovative ways to engage our volunteers are being explored to continue to have Vernon lead BC in RCMP Volunteer opportunities. This high level of professionalism sets the benchmark for all communities in the Province. Recognition for Volunteer dedication and commitment to the City and the RCMP remains a priority. ICBC remains a strong partner with our RCMP Volunteer group insuring updated equipment and program basic training. Future crime prevention goals include: having the expanded Predator Ridge area become a 100% Block Watch Community in 2018, work with the RCMP to assist with criminal "Hot Spots" in our City, working on procedures to create safer municipal buildings and continuing to engage in professional development to be more effective in the management of Volunteers and Programs. Contract provision in support of the Lumby RCMP Volunteer program continues for 2018.

Safe Communities – Community Policing Office

Purpose

The Community Safety Office (CSO) is a storefront operation that manages information for multiple crime prevention/reduction programs, projects and community initiatives. Staffed by volunteers, the purpose of the CSO is to allow community members a place to access or gain information on core Protective Services programs such as the Citizens on Patrol, Speed Watch, Block Watch as well as gain access to information pertaining to drug & drug house awareness, bully awareness, cyber bullying prevention, personal, home and business safety and frauds, cons and scams. Citizens can also be directed to community agencies that meet their immediate needs. The CSO assists with the RCMP with distribution of Police Information checks and serve witness subpoenas.

Highlights

The CSO continues to be a hub of safety education information. Cyber bullying; drug awareness; frauds, cons and scams; personal safety for all ages, and bike skill/ and scooter safety presentations continue to be in high demand. Participation in community and City initiatives such as Partners in Action and the the COOL Team have become vital as we continue to experience difficult socioeconomic challenges in our community. The visibility and effectiveness of added street and parks uniformed presence of the Safety Ambassador Program, in the face of challenging increases in homelessness and associated disorder, successfully provided heightened feeling of safety in the community. Neighborhood Councils such as the Centreville are addressing issues surrounding the Gateway Shelter; the Homelessness Strategy and Harm Reduction Evaluation Action Teams; the Public Spaces Action team are ongoing as needed. The location move is highly anticipated to raise the profile, increase visibility and rebuild the vitality of the CSO.

Outlook

The Community Safety Office will continue to offer programming to meet the challenges of our growing diverse community in areas such as cyber bullying and internet safety; personal & home safety; fraud,

cons and scam awareness education; crime prevention/reduction for businesses and homes; pedestrian, bike and scooter safety for all ages. The office will continue to assist the RCMP serving witness subpoenas and returning criminal record checks. The CPO is budgeting \$80.00 per volunteer for volunteer appreciation.

RCMP Services

RCMP Detention Centre

Purpose

The RCMP Detention Center Department ensures the safety and security of all incarcerated individuals brought into the Vernon RCMP Detachment Detention Facility. This includes persons arrested and detained by the Vernon/North Okanagan RCMP, the court system, and municipal, provincial and federal inmates. The Detention Facility staff are responsible for the routine facility maintenance, assisting with booking, fingerprinting and photographing of charged individuals and for the processing of subjects required for court and escort.

- Projected number of prisoners for 2018: 2150-2250
- Daily average of prisoners: 5
- Criminal fingerprints processed: 950-1050 per year.
- Civilian fingerprints processed: 900-950 per year.

Highlights

Vernon prisoners numbers are consistent with 2016, however Provincial prisoners serving intermittent sentences have increased and the corresponding Provincial prisoner hours have increased.

Outlook

Routine maintenance and upkeep anticipated for 2018. Prisoner laundry and meal service contracts expire December 31st, 2018 and will be renegotiated and in place for 2019.

RCMP Support Services

Purpose

The RCMP Support Services Department provides clerical and administrative support to the employees of the Vernon/North Okanagan RCMP Detachment. The support services include client services, court liaison, exhibits administrative support and records management throughout the life cycle of all police records. The support services are provided in a respectful workplace, working as a team focused on client services in support of police and public safety for our community.

Highlights

The RCMP Auxiliary Program is currently on hiatus pending the RCMP's review of the program. The City of Vernon successfully negotiated an exclusive towing contract with Vernon Towing with a \$10,000 revenue annually for three consecutive years. The restructuring and reorganization of the Municipal Support Services Employees at the RCMP Detachment continues with updated Standard Operating Procedures with a continued focus of superior, effective and efficient support service delivery to the Vernon/North Okanagan RCMP investigators and the citizens of our community.

Outlook

Further to the Administration's Support Services Resource Allocation Committee's review completed in 2014, the RCMP South East District Officer has tasked the RCMP South East District Operations Support Officer to lead a third party review of the Vernon North Okanagan Support Services, specifically to assess and ensure the allocation of funding is fair and equitable to the City of Vernon, the District of Coldstream, City of Armstrong, Township of Spallumcheen and the Provincial Units. The resolve could potentially impact the overall operational budget for 2018.



Community Infrastructure and Development – General

Purpose

Community Infrastructure and Development - General is the umbrella for those departments primarily engaged in the development process, infrastructure, transportation and implementation of the City's growth strategy as outlined in the Official Community Plan. These departments include Building and Licensing, Current Planning, Economic Development and Tourism (including the Municipal and Regional District Tax funds), Development Services, Infrastructure Management, Long Range Planning and Sustainability, and Transportation.

Highlights

Community Infrastructure and Development - General staff provide all reporting, reception and support services, overall project coordination and ensure the successful integration of all departments within the division. The specific project highlights for 2017 are contained within each Department's description.

Outlook

Growth and development in the City Centre Neighbourhood Plan area, adopted neighbourhood plans and neighbourhood centres are the priority for the City, as embodied in Council's Strategic Plan 2015 - 2018 and the Official Community Plan. This growth strategy supports the City's approach to Asset Management, as contained in the Sustainable Infrastructure Investment Program and Integrated Transportation Framework. The 4 Year Capital Plan, as endorsed by Council, soundly balances maintenance, renewal and development priorities.

Economic Development continues to be a key priority for the entire division. Tourism is expected to be bolstered with new staff resources in order to keep pace with strong MRDT growth (also referred to as the Hotel Tax). Efforts will continue to improve the development approval process and reduce costs. Development was strong in 2017, with 225 units and \$90.9m in building permit revenue as of September 30, 2017, though a drop in new multi-family units was observed, as anticipated.

Planning efforts in 2018 will focus on Polson Park, the Civic Arena block and Lakeshore Park, as per Council's Strategic Plan 2015 - 2018.

Building and Licensing

Purpose

Building and Licensing is a department of the Community Infrastructure and Development Division and is responsible for the administration and enforcement of the B.C. Building Regulations and other applicable development regulations. The Department is primarily responsible for the review and issuance of building permits, field reviews and inspections of construction projects, and general assistance to the citizens of Vernon. The regulatory framework is contained in Building and Plumbing Bylaw #4900. This Department is also responsible for Business Licensing.

Highlights

Single Family Dwelling construction has been very strong in 2017, with 229 units started as of September 30, 2017. Building permit values were at \$90,868,627 with 327 permits issued as of September 30, 2017. Some of the larger building permits issued to date include Multiplex North, renovations at Walmart and a second employee housing complex at Sparkling Hill Resort. As anticipated, multi family starts declined from 2016.

Outlook

2018 is expected to see a continuation of the steady construction activity experienced in 2017. Several larger multifamily and commercial projects have been proposed and could be constructed in 2018. It is anticipated that Single Family Dwelling construction will remain strong, while Business Licenses are projected to be steady in 2018.

Current Planning

Purpose

Current Planning is responsible for the implementation of municipal bylaws and policies related to the planning and sustainable growth of the community. The primary responsibilities of the Department include residential land use planning and related policy development, subdivision, rezoning and development permit applications, variance applications, affordable housing, heritage planning and community outreach. The Department works with all City divisions and regional partners in the delivery of these services.

Highlights

The Current Planning Department has seen significant development activity in 2017. Single family detached starts remain strong and commercial development has been significant, with increasing redevelopment in the City Centre.

Outlook

Efforts continue to streamline the development approval process and to reduce costs to the developer, particularly for infill and development in the City's target redevelopment areas, as well as development in the adopted neighbourhood plan areas in the Hillside Residential and Agricultural District. Current Planning works closely with Economic Development to ensure application processing occurs as efficiently as possible.

Economic Development

Purpose

The Economic Development Department was created in 2009 and is situated within the Community Infrastructure and Development Division. Economic Development is responsible for managing, coordinating and promoting economic development activities within the City of Vernon. The Economic Development Department also oversees the Tourism function for the City.

The strategic direction for the function is provided by the Economic Development Advisory Committee, which includes representatives from the Greater Vernon Chamber of Commerce, Community Futures North Okanagan, the Downtown Vernon Association along with twelve sector specific representatives who provide insight into the key drivers of Vernon's overall economy.

Highlights

One of the key priorities within Council's Strategic Plan 2015 - 2018 is to be a leader in Economic Development. As such, the priority for the Economic Development Department is to concentrate on current development applications and implement the deliverables identified within Council's Strategic Plan. Many of the Council projects are either underway, ongoing or have been completed. These include the completion of the Employment Lands Action Plan, profiles of technology companies, the vacancy inventory for the downtown, inventory of underutilized industrial and commercial lands and identification of key redevelopment sites throughout the community.

Additional projects for 2017 included hosting Rogers Hometown Hockey, creating a Moving to Vernon webpage and the continued implementation of the Business Walks Program in October. In 2016, the Economic Development department led 21 volunteers to undertake the Business Walks Program that

interviewed 112 businesses in Vernon. The program provides an excellent opportunity to gain insight from local businesses on challenges and opportunities pertaining specifically to their business.

Outlook

As of the latest economic reports in September 2017, British Columbia's strong economic growth continues with economists estimating year end real GDP to be between 2.9% and 3.2%. As for 2018, many are anticipating a slight cooling with real GDP growth of 2% anticipated for BC. The growth has translated into sustained strong building permit activity in Vernon, with YTD (September 30, 2017) building permits at \$90.9 million. Although it is difficult to predict how long the upsurge will last, the Economic Development Department has a goal of ensuring Vernon capitalizes on the renewed interest from developers, investors and new residents. The Department has a variety of strategies to target investors, from attending sector specific tradeshow such as the International Council of Shopping Centers tradeshow to the BC Technology Summit. The Department is working to develop an Ambassador Program. The three pronged approach would welcome new businesses to the community, leverage key business professionals travelling abroad and assist with investors in the exploratory stage of the community.

Staff will continue to implement the Economic Development deliverables within Council's Strategic Plan 2015 - 2018, while continuing core services such as facilitating commercial, industrial and institutional development applications, coordinating the Business Retention and Expansion Program, providing statistical information to investors and leveraging partnerships to attract new businesses and skilled labour to the community.

Tourism

Purpose

The Tourism Department (Tourism Vernon) is responsible for the external promotion of the community, driving traffic to tourism stakeholders and creating awareness for Vernon as a four season destination. The function oversees the operation of the year round Visitor Information Centre (VIC) that was centralized in the City Centre in 2014. Tourism Vernon is part of the Economic Development Department and falls within the Community Infrastructure and Development Division.

The majority of the revenue for the Tourism function is derived from accommodation providers in the city through the 2% Municipal Regional District Tax (MRDT), otherwise known as the Hotel Tax. As such, one of the primary goals for the function is to increase overnight stays in the community by promoting activities, attractions, events and the natural surroundings of the Vernon area.

The Tourism Advisory Committee plays an active role in ensuring the success of the function by providing advice on the annual marketing plan and insight into emerging market trends and long term strategic direction as set out in the 2018-22 Tourism Vernon Business Strategic Plan.

Highlights

One of the key highlights for the year was receiving accommodation sector support for the submission, and subsequent approval, of the 3% Municipal Regional District Tax (MRDT) application to Destination BC and the Ministry of Finance.

Staff has begun the implementation of the five year Tourism Vernon Business Strategic Plan, which involved participation from our tourism partners for product and destination development and identifying the Vernon Unique Selling Point. Stakeholder engagement has been in the form of online surveys and workshops for a Vernon Biking Strategy and Vernon DNA. As a result of the Biking Strategy, the North Okanagan Cycling Society created the First Annual Vernon Bike Festival in May 2017 that leveraged the BC Enduro event in Vernon. The festival included a show & shine, film festival, family ride on the Okanagan Rail Trail and bike demos from suppliers at the BC Enduro. Staff started the Vernon DNA project with Destination Think! to identify what makes Vernon unique.

To drive our visitors to visit longer and do more, staff engaged eSolutions to create the Tourism Vernon app which was launched in May 2017. The app leverages the Google GPS location of visitors to offer suggestions about what to see, do or dine around them. The database for the app is based on the Tourism Business Directory from our website content management system. There are now over 330 tourism partners listed in the directory for both the website and app. The app provides tourism partners the opportunity to promote specials in a real time to visitors.

Other projects include increased media relations that have leveraged well over \$3.9 million in equivalent advertising value as of September 2017 (\$2.18 million in 2016) and bringing the Marilyn Denis Show to Vernon and area to film for five days. The show had four segments featuring Vernon and area, including the Gray Monk Estate Winery, Oyama Ziplines, Historic O'Keefe Ranch and Sparkling Hill Resort. The media relations program has increased partnerships with major stakeholders and attractions such as Davison Orchards, Okanagan Spirits, BX Press Cidery and Orchard, Predator Ridge Resort, Sparkling Hill Resort and Silver Star Resort.

2017 continues to see challenges as we attempt to collect pertinent data from our accommodation providers through the accommodation survey. With the continued growth in revenues from May to October, hotel partners have been met with resource challenges and have had a difficult time participating in the survey. The survey, done in partnership with Destination BC, assists Tourism in identifying priority markets, trends and overall occupancy rates, while providing accommodators benchmarking information.

MRDT revenues have grown at a substantial pace with the upward trend continuing in 2017. Year to date (end of July) is currently pacing at 8.3% growth over 2016. Despite a strong first half of the year, smoke from forest fires could significantly impact revenues for August, which is the peak season for accommodators. In 2016, a total of \$693,255.73 was collected, which equates to \$34.6 million in total room revenue for accommodators in Vernon.

Outlook

In August 2015, the Province of BC announced new legislation that would allow communities to increase the hotel tax from 2% to 3%. Administration submitted a 3% MRDT application to Destination BC and the Ministry of Finance, as directed by Council, in April 2017. In October 2017, Administration was notified that the application was approved and would be in place from January 1, 2018 to December 31, 2022. Tourism will receive a 2.8% MRDT with the remaining 0.2% going towards the Provincial Events program.

The additional funding provides an opportunity for additional capacity that would allow Tourism to increase partner engagement (a requirement for communities collecting a 3% MRDT), further support existing tourism programs and marketing efforts along with sector specific opportunities such as travel trade, meeting and incentives, sport and event tourism and arts and culture that can drive shoulder and off season accommodation revenue. All of these activities have been identified in the 2018-22 Tourism Vernon Business Strategic Plan. The Visitor Information Centre continues to be a key to deliver front line services to tourists visiting the area. As such, improved signage at the centre is planned for 2018.

The Tourism function will continue to evolve and expand with the associated increase in revenues with the move to a 3% MRDT. Administration has budgeted for a staff increase of 1.5 FTE, funded in large part through the MRDT, to further support the function. The additional resources would allow the Department to expand into new market segments, while providing additional support for tourism businesses in Vernon. Administration plans to bring forward a report to Council in the fall of 2017 highlighting the recommended changes for the Department.

Development Services

Purpose

The Development Services Department is responsible for the implementation of municipal services, bylaws and policies related to offsite infrastructure required as a condition of development approval. The Department works closely with other departments and agencies to provide these services in an efficient and timely manner. The mandate of this Department is to hold paramount the safety, welfare and quality of life of the public and the protection of the environment through fiscally responsible management of public infrastructure.

Highlights

The Development Services Department has taken an active role as part of the division in processing of significantly increased development activity in 2017. Major offsite infrastructure projects that the Department was involved in include: extension of 20th Street to the Highway 97 frontage road by the Ministry of Transportation and Infrastructure (MoTI); traffic circle installation by development in 20th Street at 58th Avenue and in Commonage Road at Predator Ridge Drive; new lots and roads in Foothills, The Rise, Predator Ridge, Middleton and Turtle Mountain; and review and processing of Telus plans for city-wide fiber upgrade process. Bylaw amendments initiated by the Department include the SDSB #3843, Schedules A (Level of Service), B (Highways), F (Drainage), G (Streetlights) and O (Standard Drawings), Soil Removal and Deposition Bylaw #5259 and Zoning Bylaw #5000 Schedule B (Additional Setbacks).

Outlook

The Department will continue to support Council's Strategic Plan 2015-18 and the Official Community Plan through implementation of the Strategic Infrastructure Investment Plan (SIIP), Integrated Transportation Framework (ITF), Liquid Waste Management Plan (LWMP) and Master Transportation Plan (MTP). Subdivision and Servicing Bylaw (SDSB) #3843 is maintained by this Department. 2018 will see the bylaw revisions related to the ITF and MTP completed, implemented and monitored. The Department will also support the update of the Development Cost Charges Bylaw to be completed in 2018.

Infrastructure Management

Purpose

The Infrastructure Management Department is responsible for identifying the highest priority projects and completing them through the implementation of the 4 Year Capital Plan, as endorsed by Council. Based on the City's Asset Management Plan, the Department plans reconstruction projects that renew the City's aging infrastructure. The selected projects are reflected in updates to the rolling 4 Year Capital Plan and the annual capital projects managed by this Department. The Department further advances the development of the City's Asset Management Plan through additional condition assessments and risk analysis that better inform and prioritize the City's projects. The majority of the City's asset information is housed in the City's Geographical Information Service (GIS) that is maintained and refined by Department staff. The Infrastructure Management Department provides further support to both internal staff, partner utilities, senior levels of government and the public for support related to infrastructure planning, drainage, sanitary sewer, roads, maintenance management, service extensions, grant applications and asset management.

Highlights

The 2017 highlights for the Infrastructure Management Department included several successful capital projects, as follows:

- Completion of the road improvements and utility reconstruction on 30th Street (30th Avenue to 34th Avenue) and 35th Avenue (24th Street to 27th Street).
- Successfully securing the CWWF grant of over \$3 million to kick start the Okanagan Landing Sewer Extension and Council endorsement of the strategy to extend sewer to each of the neighborhoods that still require service.

Further advancements in the City's Asset Management program made in 2017 continue to better inform the annual capital program and the Rolling 4 Year Capital Plan through the advancement of the following work:

- Development of an updated Asset Management Policy for Council's consideration.
- Working cooperatively with Operations for the setup of a Video Inspection System.
- Working cooperatively with Operations to implement a mobile (paperless) work order process through CityWorks.

Outlook

For the Infrastructure Management Department, staff will continue to implement the Infrastructure Management deliverables within Council's Strategic Plan 2015 - 2018, including prioritizing projects downtown and advancing the extension of the sanitary sewer in the Okanagan Landing. Completing 2018 capital projects, completing the design for 2019 projects and continuing to refine the City's Asset Management program are other priorities for 2018. The largest capital projects planned for 2018 include:

- the 30th Street and 35 Avenue Intersection Improvement and Utility Rehabilitation project that will make a significant connection of 30th Street and 35th Avenue for pedestrians, cyclist and vehicles;
- advancement of the Okanagan Landing Sewer Extension through the completion of the Clean Water and Wastewater Fund project and the Dallas and Willow neighborhoods, should the petitioning process favor sewer extension; and
- the 32nd Avenue Road and Utility Reconstruction (29th to 30th Street) that will renew a key arterial road through the City Centre and complete the removal of utilities in the Vernon Block.

Further projects will include the continuation of the Vernon and BX Creek Water Quality Baseline Study and continued refinement of the City's Asset Management Plan as Infrastructure Management staff continue to work cooperatively with Operations on CCTV video inspections and further implementing City Works and GIS for collecting and accessing asset information.

Transportation

Purpose

The Transportation Department is responsible for the management and development of the road, transit, pedestrian and cycle networks to enable people and goods to be moved in a safe, efficient and sustainable manner. Having a multi-modal transportation system allows all the networks to grow while functioning in a convenient, attractive and safe manner for all users of all ages, income levels and mobility levels in a financially sustainable manner. The Department is the primary contact and liaison with the Ministry of Transportation and Infrastructure, and responds to requests for traffic and parking management and road safety improvements from the community. The Department has four FTEs: one Manager, one Transportation Planner, one Transportation Technician and one Active Transportation Coordinator.

Highlights

The construction of the first phase of the Kalamalka Lake Road Multi-use path was completed, however, delays beyond anyone's control lead to the second phase being deferred to 2018. Active Transportation initiatives in 2017 included the completion of the Alexis Park Elementary School Travel Plan and city-wide events related to Bike to Work and School Week, Walk to School Month and Carpool Month.

Outlook

2018 is expected to see the continuation of annual capital projects to construct new sidewalks and improvements to make crosswalk ramps more accessible and to construct short sections of missing sidewalk to make walking those routes a more viable travel option. The next phases of the multi-use paths on 30th Street (34th Avenue to 37th Avenue) and 35th Avenue (27th Street to 30th Street) will make significant connections for pedestrians and cyclists between residential areas, an elementary school and the City Centre. The second phase of the Kalamalka Lake Road Multi-use path to connect the City

Centre with the Okanagan Rail Trail will be completed. 2018 is expected to see improvements to the conventional transit system in Vernon. A new higher frequency Core Transit Route is planned along with changes to the existing routes so they offer a more efficient and attractive travel options. The ongoing addition of new infrastructure and expansion of the transit system will be complemented with community outreach and education to inform and encourage their use. The department will also be working on projects to measure changes in travel behaviour and traffic patterns over the previous five years to inform the next update of the Master Transportation Plan and Official Community Plan.

Public Transit Conventional

Purpose

The conventional transit system operates 10 conventional buses within Vernon and Coldstream. The conventional transit system continues to contribute to more economically vibrant, liveable, and sustainable community. Having efficient attractive transit is increasingly important due to factors such as climate change, population growth, an aging demographic, and availability of affordable transportation choices for all. Future growth of the city will place increasing pressure on the existing transportation system and transit will play a key role in addressing this challenge. The conventional transit system is managed by the Transportation Department.

Highlights

All ten conventional transit buses in the system were replaced in June 2017 with new 9 metre (30 foot) two door Vicinity diesel buses. Having two doors enables passengers to board and alight at the same time thereby improving efficiency. The on-line Trip Planner was launched enabling anyone to use the map based tool to plan their trip using transit. A new system for bus shelter maintenance has been developed, including updating and repairing the four oldest bus shelters.

Outlook

Proposed budget reflects Conventional Transit system levels of service as at 2017. The proposed budget does not reflect anticipated changes to levels of service in 2018. Those anticipated changes include a new higher frequency Core Transit Route is planned to connect the Downtown Exchange to the commercial and retail areas to the north. This would include changes to the existing routes to remove any service overlaps, moving away where possible from looping routes, with connections to this new route to provide a greater service area leading to a more attractive, realistic travel option. A fare review is under discussion with our Regional Partners in association with the planned service expansion and improvements. The transit reserve funds would be utilized to partially cover the increased service costs.

Public Transit Custom

Purpose

Custom Transit is part of the family of transit services and includes HandyDART, Taxi Saver and Taxi Supplement. The Custom Transit service contract is held by the City of Vernon and, through funding partnerships, provides service to residents of Vernon, Coldstream and Electoral Areas B & C in the Regional District of North Okanagan. The new application registration process for all new applicants includes an in-person assessment with a mobility coordinator in order to match the applicant's needs with the most appropriate type of transit service available. The process takes into account each individual's travel needs in addition to their abilities with regard to using the conventional bus. BC Transit is currently rolling the new process out across the province for all new applicants following the success of the pilot project in Vernon. The custom transit system is managed by the Transportation Department.

Highlights

The new registration process is continuing to be well received. No appeals were received from either unsuccessful applicants or those that received Conditional Approvals. Examples of conditional approvals

are approval for the time period that matches the duration of a temporary illness or trips undertaken during specific weather conditions.

Outlook

The fare review referenced under Conventional Transit will also include Custom Transit. To extend the benefits achieved to date the possibility of extending the new registration process to all existing users is being investigated. This would require all existing registrants who have not completed the new application process to undertake the new in-person assessment. While this was originally planned to be the next phase of the BC Transit pilot project, BC Transit is currently focusing on implementing phase one in all communities.

Long Range Planning

Purpose

Long Range Planning and Sustainability is responsible for the development of the Official Community Plan (OCP), neighbourhood plans, parks planning, environmental management, sustainability programs and events and other growth management initiatives. The Department actively engages all sectors of the community in the development of these plans and policies. The Department also manages OCP amendment, ALR exclusion and boundary extension applications. The City's contract with the Social Planning Council is administered through this Department.

Highlights

Responding to the high rate of development activity, a significant amount of time from this Department has been spent managing and/or assisting with development applications to reduce processing times. 2017 saw the creation of the Lake Access Plan, the development of a number of parks capital projects, and the completion of the Commonage rezoning process. A new Sustainability Program was developed and endorsed by Council, which includes the new Sustainability Grants Program.

Outlook

Implementation of the Parks Master Plan will continue in 2018, including the completion of the Polson Park Master Plan under a new proposed approach and the completion of the Lakeshore Park and Civic Arena Park Master Plans. The Department will undertake an Asset Management Strategy for the parks system, which was identified as a key deliverable as part of Council's adoption of the Parks Master Plan. The Department is also anticipated to complete the City Centre and Waterfront Parking Regulation Review. Work on updating the City's greenhouse gas (GHG) targets and developing climate change mitigation and adaptation strategies will be underway, as will work on the implementation strategy for the Waterfront Neighbourhood Centre. The Sustainability Program, as endorsed by Council in 2017, will continue to be implemented.

FINANCIAL SERVICES

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Finance – Accounting

Purpose

The Financial Services - Accounting department is responsible for all financial administration matters of the City of Vernon. This includes revenue billing and collection, payment for goods and services, cemetery administration, financial asset safekeeping, cash investments, risk management claims administration, financial planning and reporting and debt administration.

Highlights

The current year saw many changes in the management team. Through the excellent work of all the staff we have been able to maintain a seamless transition so that suppliers and customers alike have seen little change in the day to day operations. As staff settle in to their new roles we have already realized some process efficiencies and look forward to continue reviewing processes in the following year.

Outlook

The focus for the Financial Services Division is to continue the process of evaluating its current Enterprise Resource Planning (ERP) software and processes and determine the need and go-forward for a contemporary new ERP system for both the accounting and human resource/payroll functions. As well, financial policies to guide Council in financial decision making will be reviewed and presented to Council for direction and endorsement.

Procurement Services

Purpose

Procurement Services (PS) is a department within Financial Services Division. This team provides centralized, professional, and cost effective procurement services which include; acquisition of goods and services, logistics, asset investment recovery and inventory management of Central Stores. Services are provided to all user groups across the organization and support both capital and operational requirements.

Highlights

2017 began a new approach to integrating Procurement with the Finance Division functions, processes and culture. The year brought the beginning of the Division Efficiency Review and a major increase in Division communication and information sharing. It is expected activity will remain consistently high for the balance of the year with increasingly more previously "non-controlled" subjects being harnessed by Contracted Agreements and with the ongoing Infrastructure Capital Program. The new Purchasing Policy was finalized with excellent revisions to Conflict of Interest and senior management approval of Certificate of Compliance sign off.

Procurement Services is well on its way to fulfilling its 2017 priority goals with the Bonfire software implementation and City wide Purchasing Policy Training and Certificate of Compliance well underway.

Outlook

2018 will continue the transition from paper to electronic platforms like Bonfire & BMO Spend Dynamics Purchasing Card (P-Card).

The Finance Efficiency Review, staff position reallocation and process improvements will lead Procurement Services further into best-practices and capitalize on reallocating more of our valuable resource time from tactical to strategic.

Procurement expects its 2018 activities to increase over 2017 volumes; all with the continual goal of achieving best value, mitigating risk & keeping staff in compliance with City of Vernon Purchasing Policy;

more work awaits with the RCMP and Fire Rescue Divisions. Recreation Service contracts continue to be amalgamated and merged with the City along with Recreation Facility Maintenance improving in Bidding & Tendering. The Infrastructure Capital Program continues to expand and flow through Procurement Services. RFX & Bid Awards are market competitive and dependable.

Procurement expects to review, improve and bid upon many existing subject files with a renewed focus on standardization. Bonfire implementation continues with improved Vendor Pre-Qualifications, Vendor Performance Management and Contract Administration .

Fiscal Services – General

Purpose

This department contains the group of accounts that relate to debt financing, capital transactions, 1% Utility taxes, General fund LAS taxes and federal/provincial grants in lieu of taxes (GIL's).

RDNO Recoveries represents the base annual overhead fee included in the Water agreement with the Regional District.

Funds received for the Community Works Gas Tax and Gaming Grant, along with the corresponding transfers to the capital reserves are recorded here to fund capital infrastructure in the future.

The Fortis BC Gas operating lease and franchise fees are recorded here to fund the related MFA debt with the remainder transferred directly to a reserve for future consideration by Council.

MFA debt payments and interest and other miscellaneous transfers to reserves are also recorded in this department.

Highlights

During 2017 it was decided to move the 1% Utility Tax, General Fund LAS Tax Revenues and Grants in Lieu of Taxes to this cost centre for the Taxation cost centre. The Taxation cost centre now includes only those taxes related to the annual tax bylaw.

Outlook

This budget has seen a moderate decrease mostly due to better alignment of anticipated actuals to the budget. There are no significant anticipated changes in 2018 aside from those indicated in the Budget Changes section.

Collections to/from others

Purpose

This department was created to track the collection and remittance of taxes for other taxing authorities from our jurisdiction according to the terms of each of their requisitions. The other taxing authorities include:

- Provincial School Tax
- Regional District Taxes
- Regional Hospital District
- Okanagan Regional Library
- Municipal Finance Authority
- BC Assessment

Outlook

The revenues in these accounts represents the amounts levied.

The associated expenditures represent the amounts requisitioned and expensed to the other taxing authorities and are not within the control of, or subject to approval from the City of Vernon.

A review of the budget amounts was done and changes made to better reflect the historical actual amounts from prior years resulting in some significant changes in amounts from 2017 to 2018 budgets.

In 2018, while difficult to ascertain due to the adjustments to historical actuals, there is an anticipated decrease of \$384,000 in the RDNO requisition previously paid by the City for the Sub-Regional Parks function.

Taxation

Purpose

Taxation is the non service fee revenue requirement to fund the City services authorized by Council. This department includes only those fees collected per the annual Taxation Bylaw.

Highlights

Taxation revenues are subject to taxpayers appealing tax assessments, as well as tax shifts (tax payers appealing to have their assessment classification changed to gain the benefit of a lower mill rate for the new classification). The City must assess these types of adjustments into taxation in the following tax year. As a result, the budgeted taxation revenue can vary between Classes. In 2017, the budgeted vs actual taxation revenues resulted in the following net changes between the various classes. Administration has used the actual taxation revenues for 2017 as the base for calculating 2018 taxation increases.

The distribution of the noted changes are as follows:

	2017 Actual	2017 Budget	2017 Difference
Residential	23,063,428	22,872,360	-191,068
Utility	271,732	365,734	94,002
Light Industrial	524,224	527,082	2,858
Business	11,752,598	11,872,071	119,473
Recreation/Non Profit	131,860	137,175	5,315
Farm/ Other	3,300	3,296	-4
Totals	35,747,142	35,777,718	30,576

Outlook

Administration, per Council direction, has included a 1.9% tax increase for net operating expenditures, and a 1.9% tax increase for infrastructure (capital) expenditures.

Non market-value growth in tax revenues from new development are estimated at \$ 400,000 for 2018, estimated as \$264,000 for the residential class, and \$136,000 for business class.

Grants

Purpose

This department records the donation of funds to the City and grants paid to other organizations during the year.

Outlook

Grants to other organizations have been maintained from the prior year. O'Keefe Ranch direct funding has been reduced from \$150,000 to \$100,000 per Council resolution July 17, 2017. Council Discretionary grants were reduced to reflect the amount funded by carryover reserve in 2017 (\$21,097).

Highlights

Additional grants were provided for the Vernon 125 and Canada 150 anniversaries.

O'Keefe Ranch funding was maintained at \$150,000 plus \$40,000 was added for consulting services during the year.

Council Discretionary grants in the amount of \$50,000 was funded by carryover reserves in the amount of \$21,097.

FIRE RESCUE SERVICES

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Fire Department General

Purpose

Vernon Fire Rescue is responsible for the delivery of emergency services and public safety programs. These services include: rescue, fire suppression, fire prevention, hazardous materials response, public education, first medical response, administration of the regions fire training centre, management of the City's emergency program, and emergency support services.

Fire General (320) provides for Vernon Fire Rescue Services (VFRS) administration salaries, uniforms and professional development, fire hydrant maintenance, and supplies, and other administrative functions.

Highlights

- Renegotiated the Fee for Service Fire Protection Agreement for IR #6 to provide a full scope of fire rescue services at a rate equivalent to that of City of Vernon residents.
- Address occupational health and safety requirement for replacement of the breathing air system (SCBA).
- Renewed the North Okanagan Mutual Aid Agreement
- Developed a comprehensive fire services bylaw which encompasses key aspects of the rescinded Fire Prevention Bylaw and Fireworks Bylaws as well as development of a service delivery policy.
- Modified the deployment of VVFA to better assure that apparatus from Station 2 (Okanagan Landing) would be staffed when needed.
- Established a VFRS Leadership Team comprised of management and supervisors. Representatives include; the VVFA Captains, Emergency Coordinator, Shift Captains, Training Officer, Prevention Officer and VFRS Administration.
- Development of a decontamination process for Personal Protective Equipment (PPE) (firefighting turn out gear) including the purchase of a washer extractor which was partly funded by the COR program.
- Identified and addressed risks associated with insufficient amounts of PPE for the VFRS team working with the OH&S Coordinator which was funded in part by the COR program.
- Design and development of Station 2 (Okanagan Landing) auxiliary building to provide Emergency Support Services (ESS) reception centre, work stations and board room/training room. This project was funded through CoV Building Services.
- Design and renovation of Fire Station 2 (Okanagan Landing) to provide office and dorm room, enabling further development of predictable and reliable deployment models. This project was funded by CoV Building Services.
- Implementation of a temporary high to extreme risk fire services deployment model during the wildfire season. This initiative was funded through resolution of Council using the 2016 unexpended funds.
- Extensive review of dispatch services and potential alternate service delivery models.
- Recruitment and hire of a Deputy Chief of Prevention, Training and Logistics.
- Management of the Regional Fire Training Centre (FTC).
- Maintenance of Fee for Service Agreements for some regional services including Hazardous Materials, Confined Space and Dispatch
- Supported the successful Predator Ridge application for funding through FireSmart Canada.
- Hosted the BC Fire Chiefs Association Conference and the BC Emergency Vehicle Mechanics Conference.

Outlook

The 2018 Fire Department General budget enables VFRS to:

- Continue with implementation of VFRS Strategic Plan initiatives(dependent on approval).
- Implement Fleet Replacement Program (dependent on change request approval).
- Continued interface fuel load management efforts in accordance with the CoV Community

Wildfire Protection Plan, FireSmart and other initiatives. These projects are reliant on approval of change requests for funding to provide the municipal contribution required to access Provincial and Federal Grants (dependent on change request approval).

- Fully staff fire administrative positions
- Implement a deployment strategy which will better utilize available resources to strengthen initial response to emergencies.
- Continued development of administrative team through work planning, education and team building exercises.
- Negotiate and implement cost neutral mutual response agreements with BX, Coldstream, and Armstrong/Spallumheen Fire Services to improve services in areas where boundaries are contiguous or where another municipality's fire services may be geographically closer to the customer.

Fire Fighting

Purpose

Vernon Fire Rescue is responsible for the delivery of emergency services and public safety programs. These services include: rescue, fire suppression, fire prevention, hazardous materials response, public education, first medical response, administration of the regions fire training centre, management of the City's emergency program, and emergency support services.

Fire Fighting (321) represents the direct cost of providing fire and rescue services. The cost center contains wages for full time and paid-per-call staff, their training, equipment and other service delivery related costs. This cost center includes the funds available to provide service from Station 1 (Downtown), Station 2 (Okanagan Landing), and Station 3 (Predator Ridge).

Highlights

- Emergency response to fires, rescues, first medical response (FMR), hazardous materials incidents, and overland flooding.
- Completion of fire safety inspections
- Executed a temporary high to extreme risk fire services deployment model during the wildfire season.
- Attended a FireSmart recognition ceremony for the works conducted in Predator Ridge.
- Recruitment and hiring of Paid per Call Firefighters
- Completion of Annual Training Plan
- Assisted with Emergency Social Services reception centre activation
- Participated in community events throughout the City such as, charity events, festivals, and celebrations etc.
- Provided public education and safety services such as car seat installations, fire hall tours, CPR and fire extinguisher training.

Outlook

The 2018 Fire Fighting (321) budget will enable VFRS to:

- respond safely and efficiently to emergencies
- to replace the breathing air system (SCBA) which will increase firefighter safety and effectiveness.
- to provide firefighters with required personal protective equipment (PPE) (firefighting turn out gear)
- to complete fire safety inspections
- to provide professional development and professional certifications to firefighters - to replace worn and damaged tools and equipment
- to fund capital reserves for equipment and apparatus.
- to partly fund a replacement fire engine (as reflected in change request 2504)

Emergency Management

Purpose

Establishment of an emergency program (EM) is a provincial legislated requirement. Vernon's emergency program operates in accordance with Provincial guidelines and is focused on understanding local hazards and risks. The program focuses on preparedness, and developing the communities capacity for the response and recovery from emergency events. Delivery of the EM program relies on stakeholder participation to foster a more resilient community.

Highlights

Effective January 1, 2017, the EM Program for Vernon shifted from a regional program.

In 2017 the EM Program supported:

- delivery of a tabletop and full-scale airport exercise which included participation from CoV Operations, VFRS, and EOC members, RCMP, BCAS, Federal Airport Officials, and local media
- delivery of an after exercise debrief, and implementation of Airport Emergency Plan improvements
- EOC activation for overland flooding
- EOC team member training
- ESS team has had many activation's of Level 1, 2 and 3 reception centers, registrations and group lodging. These activation's have been in support of local residents, neighboring communities and the Provincial government.
- Volunteer recognition events

Outlook

In 2018 the Emergency Program will focus on:

- providing addition EOC and ESS training for members
- formalizing a structure to further engage stakeholders with the emergency program
- delivering an updated emergency plan, which includes evacuation considerations for higher risk areas
- revising emergency communication plans
- continued development of depth and capacity within the emergency team
- representing the City with the FireSmart program

Fire Training Center

Purpose

This grouping of accounts is for managing the Regional Fire Training Centre (FTC) and includes the proportionate shares from Regional partners showing as Inter-Municipal Recoveries. Revenue from outside customers and participant user fees is reflected in the Fire Training Fees and Internal Revenue reflects the City of Vernon's share. Overall management of the FTC is in accordance with the Inter-Municipal arrangements, and initial annual budget approval mechanism is through the representatives on the FTC Operations Committee and Policy Board. In addition to the annual operating expenses, the participants reserve, held by the City, has been allocated over time, to fund facility improvement projects authorized by the Policy Board.

Highlights

The members of the FTC reviewed and amended the Agreement which has a five (5) year term expiring December 31 2023. In 2018 the training delivered will continue to focus on meeting the needs of the FTC members needs and the development of a five (5) year program plan.

Outlook

The FTC will continue to provide standardized training locally and to realize an economy of scale for fire training costs for all participants. Specific focus is to ensure the training offered meets the requirements of the Office of the Fire Commissioner Playbook standards. It is anticipated revenue sources and expense item requirements will remain consistent with 2017, with a 2% inflationary increase expected for costs.



Human Resources General

Purpose

The Human Resource (HR) Division provides leadership, programs, services, and guidance to the Divisions within the City of Vernon. The HR Division promotes excellence in human resource management to enable achievement of Council's Strategic Priorities.

The HR Division takes a proactive approach to position and strengthen the City of Vernon's ability to attract and retain a diverse, talented, engaged, and productive workforce. We partner with stakeholders to ensure that they have the right tools and resources to manage employees in the most effective manner. The City of Vernon's Human Resource Strategic Plan provides for a consistent City-wide approach to the continuous improvement of its employees, programs, and services.

The HR Division undertook a strategic planning process that led to our new mission statement: "Moving the organization forward using consistent, predictable, and contemporary practice...in other words, Success through People!" Our focus is to provide effective and innovative leadership to ensure the alignment of human resource strategies and activities to support critical decision-making by Council and the City's business operations. This ensures effective delivery of programs and services to our citizenry.

The HR Division is a strategic partner with its Corporate and Division stakeholders focused in the areas of workforce planning, organizational effectiveness, organizational development, talent acquisition and retention, occupational health and safety, and building organizational capacity for collaborative and effective employee and labour relations.

The HR Division also provides strategic leadership in the areas of compensation, job evaluation, management of HR data, reporting, development and monitoring of corporate human resource policies, learning and development, human resource planning, change management, and leadership development. Employees that are actively engaged and committed to the organization, at all levels, are the essence of civic service excellence.

The HR Division acts as the primary contact for applicants, community educational institutions, community employment agencies, and community service groups.

Highlights

The Human Resource Division continues to focus on the delivery of Council's Strategic Priorities. We continue to evolve in order to provide the leadership and support required to acquire, hire, and retain top performance talent that will support the City of Vernon. Along our path to excellence, we must first get the basics right and continue our focus on becoming excellent through our evolution, not revolution.

Successes Include:

- Successful recruitment of Specialist, Talent Acquisition and Retention
- Staff engagement activities;
- Project Management Program;
- Activate Mental Health Lunch and Learn Series;
- Diversity and Inclusion Training Program;
- Intentional Leadership Workshop;
- Successful completion of Certificate of Recognition (COR) Audit (2014-2017) – resulting in \$175,000 in rebates;
- Implementation of an exempt performance planning program;
- Asbestos Inventory;
- Facilitation of a Workplace Violence Risk Assessment;
- Various training initiatives (133 participants and 893 person hours) including:
 - Confined Space
 - First Aid
 - Accident Investigation
 - Due Diligence
 - Utility Locating
 - Lockout
 - Excavation Safety
 - Hazard Awareness & Recognition for Municipal Inspectors (HARMI)
 - Workplace Violence
 - Biohazard
 - Traffic Control
 - Various assorted heavy duty equipment training opportunities

Outlook

The deliverables that will impact the Human Resource Division budget for 2018-2019 include continued work and implementation of the City of Vernon's Human Resources Strategic Plan (performance planning, human resource planning, talent acquisition and retention), continued preparation for IAFF collective bargaining, continued diligence related to compliance, work environment(s), employee health and safety, and a focus on mental wellness through the City of Vernon's Activate Mental Health Initiatives. The City of Vernon has an unwavering commitment to health and safety and to everyone going home safe and healthy, every day.

Human Resources Corporate

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Highlights

As per Human Resource Division General Highlights.

Outlook

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Occupational Health and Safety

Purpose

The focus of the Occupational Health and Safety (OH&S) Department is to ensure the City of Vernon is in compliance with WorkSafe BC (WSBC) Regulation and Industry best practices. This Department is responsible for developing, maintaining, and improving the City Safety Management System (SMS) which encompasses safety programs, such as, Workplace Violence, Hazard Identification and Control, Confined Space Entry, De-energization and Lockout, Accident Investigation, Contract Coordination, and Excavation Safety. This Department also manages occupational injury claims (WSBC), as well as nonoccupational injuries, which involve implementation of Modified Graduated Return to Work (MGRTW) Plans. These Plans benefit the organization by reducing WSBC insurance premiums and sick time benefit usage.

Highlights

The 2017 safety initiatives implemented across various departments within the City of Vernon include: Asbestos Inventory, Sit/Stand desks for ergonomic issues, Vernon Fire Rescue Service (VFRS) turnout gear

purchase, VFRS safety class upgrades, VFRS Washer-Extractor, review and update of the Confined Space Entry Program, review of the Contractor Coordination Program, Workplace Violence Risk Assessments for front facing staff, upgraded rigging equipment for City Arbourists, Blue-Tooth communication headsets, and Safety Winter outwear for Arena Attendants.

The City of Vernon also dedicated 893 person hours as of August 2017 to safety related training for City of Vernon employees.

Outlook

The focus for Occupational Health and Safety (OH&S) in 2018 is to continue to implement and revise mandatory safety training and programs to ensure the City of Vernon maintains the Certificate of Recognition (COR) through WSBC and the BC Municipal Safety Association (BCMSA), first achieved in December 2011. The maintenance of COR will ensure incentive cheques continue to be received from WSBC, which provides support for the City of Vernon's safety programming and initiatives.

Certificate of Recognition (COR Program)

Purpose

In December 2011, the City of Vernon participated in an audit of its Safety Management System (SMS) as part of the WorkSafe BC (WSBC) Certificate of Recognition (COR) program. Upon successful completion of the audit, the City of Vernon was issued COR certification and became eligible for a 10% rebate based on insurance premiums paid to WSBC. Stay at Work/Return to Work (SAW/RTW) following in 2013 and provided an additional 5% rebate based on insurance premiums paid to WSBC. In early 2012, Council directed that the COR rebates received by the City of Vernon from WSBC be maintained in the Occupational Health & Safety (OH&S) budget for use in future safety initiatives.

Highlights

The 2017 safety initiatives implemented across various departments within the City of Vernon include, Asbestos Inventory, Sit/Stand desks for ergonomic issues, Vernon Fire Rescue Service (VFRS) turnout gear purchase, VFRS safety class upgrades, VFRS Washer-Extractor, review and update of the Confined Space Entry Program, review of the Contractor Coordination Program, Workplace Violence Risk Assessments for front facing staff, upgraded rigging equipment for City Arbourists, Blue-Tooth communication headsets, and Safety Winter outwear for Arena Attendants.

Outlook

The City of Vernon will undertake a COR audit in October 2017 for both the Safety Management System (SMS) and Stay at Work/Return to Work (SAW/RTW) Programs. Continued success will result in the City of Vernon's eligibility for a 15% incentive cheque from WSBC, 10% for the SMS, and 5% for the SAW/RTW.

This budget will be used to fund safety initiatives across the organization directly related to worker safety and organizational compliance with WorkSafe BC (WSBC) policy and regulation. The range of projects include safe workplace initiatives, practices that will improve employee health and wellness, and initiatives that enhance the workplace environment. These initiatives include the physical environment, the workplace environment, and the health and wellness environment, which align with the City of Vernon's unwavering commitment to a safe and healthy workplace.

OPERATION SERVICES

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Operations General

Purpose

The Operation Services Division manages, directs, and coordinates the activities of the Public Works, Parks, Airport, Utilities (including Sanitary, Storm & Water), Fleet, Building Services, Vernon Water Reclamation Centre and Spray Irrigation departments. This department covers Operations administration budget and includes short term sick time, on-call and various other charges related to Divisional meetings and training

Highlights

In 2017 the Operations Division completed the following projects:

- Fleet Reserve Replacement Strategy
- Rate Stabilization Review for Spray Irrigation Customers
- Sub-Regional Parks Re-negotiation
- Spray Irrigation Optimization Study
- High Strength Waste Study
- Re-negotiation of GVW water contract

Outlook

Operations Division will continue to provide a high level of service to the residents of the City of Vernon in 2018. There will be a continued emphasis on finding operational efficiencies throughout the Division to ensure that service levels are maintained despite increasing costs due to expanding infrastructure, material and labour costs.

Projects for 2018 will include:

- Continued implementation of the Building Condition Asset Management Plan (BCAMP)
- Implementation of Fleet Replacement Strategy
- Implementation of Spray Irrigation Optimization strategies as directed by Council
- Implementation of strategies for addressing high strength waste as directed by Council
- Developing strategies for implementation of Cemetery Master Plan
- Asset Management Replacement Strategy for VWRC and Spray Irrigation subject to Council approved change request

Facilities General

Purpose

Under the direction of the Building Services Manager, this department is responsible for the operation and maintenance of all City facilities and attached grounds, including: City Hall, City Yards, Community Services Building, Fire Halls 1, 2 & 3, RCMP Station, Vernon Water Reclamation Center, Parkade, and Tourist Information Booth as well as many rental buildings. This department also oversees energy management for the City of Vernon. The Building Services department is responsible for ensuring that the City of Vernon takes a lead role in supporting the mandate of sustainability, including educating staff, promoting energy conservation and ensuring that City facilities are operated and maintained as efficiently as possible. In addition to general maintenance and operation of the City facilities and parking lots, the department will also provide 'in-house' construction services for renovations and modifications within City owned buildings. This budget includes general expenses related to facilities as well as Building Services Manager's salary.

Highlights

- Completed Building Condition Asset Management Plan (BCAMP)
- Initiated work on solar wall at Operations

- Completed renovations in City Hall, Yards and RCMP
- Installed video surveillance at key City facilities
- Completion of roofing system at City Hall, Fire Halls 1 and 2
- Demolition of New Delhi/VIP Building
- Demolition of old CPO Building
- Renovation of new CPO Building (formerly Topper's Cleaners)
- Construction of sleeping quarters at Fire Hall 2

Outlook

Maintain our current level of service for 2018. In addition, execute projects identified in the Building Condition Asset Management Plan (BCAMP) for 2018.

Fleet General

Purpose

Fleet Services is responsible for the operation and management of the City fleet. This department provides for the purchase, maintenance and repair of city owned vehicles and equipment (Fleet - 205 units, with an additional 26 Stationary generators and other related small power tools). Replacement of Fire Rescue and Recreation Services vehicles are budgeted separately.

This department budget includes an annual transfer to the Vehicle and Equipment Reserve to fund future vehicle and equipment replacements.

Highlights

Fleet Services conducted a comprehensive rate review and developed a strategy for the Vehicle and Equipment charge out rates to ensure a sustainable contribution to the Vehicle and Equipment Operating Reserve. Provided comprehensive Fleet maintenance services to the Recreation Services vehicles and equipment. New shop equipment added this year include a new welder and a new air conditioning service machine.

Outlook

2018 brings the implementation of the Fleet Replacement Strategy with a focus on ensuring the Vehicle and Equipment Operating Reserve is funded at a sustainable rate. Fleet Services will continue providing effective preventive maintenance service for the fleet of vehicles and equipment with the goal of reducing the City's Fleet carbon footprint Greenhouse Gas (GHG) emissions and fuel consumption. New acquisitions will focus on the right size vehicles and follow Vehicle Replacement Policy for life cycle replacements. Alternative fuel technologies will continually be evaluated for opportunities to introduce these to the fleet. Planned upgrade to Global Positioning System (GPS) hardware postponed to 2018 pending a new long term GPS monitoring contract.

Public Works

Local Parks

Purpose

The City is responsible for the care, control, and funding of local parks within the City's jurisdiction. Included in this department is partial funding for Manager of Public Works (15%), the Parks Foreman (60%), as well as a funding allocation required for general items that can't be directly charged to individual parks. Vehicle charges for the Parks Foreman position and insurance and permit fees as well as the repair and purchase of small tools are also included in this department.

Highlights

The City of Vernon, District of Coldstream and the Regional District signed a Sports Fields and Beaches Agreement effective January 1 2018.

Outlook

In 2017 the City of Vernon, District of Coldstream and the Regional District of North Okanagan agreed to a restructured service model for the maintenance of sub-regional sports fields and beaches. In 2018, the focus will be adapting the parks department to meet Council's expectations of parks services both at a local and sub-regional level.

Sub-Regional Parks

Purpose

The City is responsible for complete care and control of Sub-Regional sports fields and beaches located within the City of Vernon. The RDNO contributes to the maintenance of these parks through an annual grant as defined in the Greater Vernon Parks Sports Fields and Beaches Agreement that came into effect January 1 2018. Included in this Department is partial funding for Manager of Public Works (15%), the Parks Foreman (40%) as well as equipment charges for this position. Insurance, operations overhead, permit fees and security for all Sub-Regional sports field and beaches is also included in this department.

Highlights

The City of Vernon, District of Coldstream and the Regional District signed a Sports Fields and Beaches Agreement effective January 1 2018.

Outlook

A number of projects are proposed for 2018 and are included as change requests within the individual departments. The projects have been previously identified as part of the asset condition assessment report completed by RDNO and the transfer from RDNO of unspent Capital funds.

Public Works General

Purpose

The Manager of Public Works, Parks, and Airport oversees the operation and maintenance works relating to roads including pavement, sidewalks, street lights, traffic signals, traffic signs, garbage collection, boulevard landscaping and weed control, street trees, snow and ice control, ditching and drainage, and cemetery maintenance. The Manager of Public Works is also responsible for the construction of the 'in-house' capital works road and sidewalk projects.

Highlights

- Highlights of 2017 include the following:
- Completion of the road rehabilitation project on 27th Street from 39th Avenue to 45th Avenue
- Assisted with the completion of the road and utility reconstruction project on 35th Street south of 30th Avenue
- Completion of a variety of flood mitigation works and repairs associated with spring creek flooding and increased Okanagan Lake levels
- Initiation of the Cemetery Master Plan

Outlook

The focus for Public Works in the upcoming year will be the completion of the next phase of the 27th Street rehabilitation project south of 39th Avenue and the completion of the Cemetery Master Plan initiated in 2017.

Sewer Operations General

Purpose

The Sewer Operations General Department is responsible for the administration of the Sanitary Utility which includes the allocation of wages for management & CUPE B employees, training costs, licenses, software requirements, fleet charges, transfer to Carbon Tax Reserve and Common Service allocations.

Common Service allocations are charges incurred for Administration and the use of Operations Yards and Facilities.

Highlights

- Continued operator certification
- Addition of mobile tablets for issuing and closing work orders in the field

Outlook

- Increase number of portable tablets for access to Cityworks in the field
- Continue to train operators in order to meet certification requirements

Storm System

Purpose

Under the direction of the Manager Utilities, this department is responsible for the daily operation, maintenance and repair of Storm infrastructure within the City of Vernon, including storm mains, manholes, culverts, catch basins, creek channels, ditches and storm retention facilities.

The department is also responsible for the construction of 'in-house' capital works storm projects. In addition to the above, the department is also involved with Infrastructure Asset Management investigation for short-term and future capital programs.

Highlights

Infrastructure Assessment Program will be implemented - Flush, clean and determine the integrity of the mains and lateral services where possible.

Outlook

Identify areas that require upgrades due to the increase of storm events. -Increased camera inspections to identify damaged pipes

Water Department General

Purpose

Under the direction of the Manager Utilities, this department is responsible for the daily operation, maintenance and repair of storm infrastructure within the City of Vernon, including storm mains, manholes, culverts, catch basins, creek channels, ditches and storm retention facilities. The department is also responsible for the construction of 'in-house' capital works storm projects.

In addition to the above, the department is also involved with Infrastructure Asset Management investigation for short-term and future capital programs.

Highlights

- Improved our excavation procedures utilizing shoring and the new remote compactor to increase efficiency
- City crews now undertaking all water service installations and decommissioning on existing infrastructure
- Continued with the installation of Encoded Receiver Transmitter (ERT) water meter units
- Commissioning new Silver Star Road Pressure Reducing Valve (PRV)

Outlook

- 2018-2023 New 5 year Water Distribution Operation Maintenance Repair Agreement (DOMRA)
- Assist RDNO in the removal of 2 underground pump stations
- Decommission DND Reservoir
- Commissioning of new development projects
- Retrofit existing crane truck to become a service truck for main breaks/installations
- Continuation of unidirectional flushing and valve exercising program
- Ongoing operational changes to optimize pressure zones and eliminate others where possible
- Operationally blending water sources to maximize water licensing allocation.
- Addition of Water-On-Call Supervisor

RCMP CONTRACT

Jim McNamara
Superintendent
Jim.MCNAMARA@rcmp-grc.gc.ca



Purpose

Vernon North Okanagan Detachment is an integrated department providing policing services 6 distinct policing jurisdictions encompassing Armstrong (including the Township of Spallumcheen) Enderby (including the Spallumcheen First Nations Lands), Falkland, Lumby, Vernon Rural (including Okanagan First Nations Lands) and the City of Vernon (including the Municipal contract for the District of Coldstream).

The employees of the RCMP are committed to our communities through:

- Unbiased and respectful treatment of all people
- Accountability
- Mutual problem solving
- Cultural sensitivity
- Enhancement of public safety
- Partnerships and consultation
- Open and honest communication
- Effective and efficient use of resources
- Quality and timely service

Vernon/North Okanagan RCMP are committed to providing World-Class Policing Services guided by our core values of honesty, integrity, professionalism, compassion, accountability and respect. Our dedication to these core values and steadfast pursuit of our Core Policing Activities of service, prevention, protection, enforcement and intelligence is enhancing public safety and helping to build “A Safe and Secure Canada”.

Highlights

Early in 2017, the Senior Management Team consulted internally with our membership and externally with our stakeholders to review our police and community priorities. That consultation supported Vernon North Okanagan Detachment (VNOD) continuing with their 2016-2019 Strategic Plan and their commitment to reducing crime, supporting safer roads through targeted enforcement and effective communication. Through the use of COMPSTAT, VNOD continues to employ a policing model which is evidence based, targeted and provides a collaborative enforcement effort. COMPSTAT is a performance management system that we use in an effort to reduce crime and achieve other detachment goals. COMPSTAT emphasizes information sharing, responsibility, accountability and improving effectiveness. Its core components consist of 1) Timely and accurate information or intelligence, intelligence developed by our Crime Analyst with input from our officers, 2) Effective deployment of resources to identified areas of concern, 3) Follow-up and performance management through accountability.

Last summer we embarked on a three month pilot project to re-deploy general duty officers to peak policing hours. The goal of the project was to increase service levels to the public by decreasing response time to priority calls and by increasing time available to our officers for pro-active policing of areas identified through COMPSTAT. The re-deployment of those general duty officers proved successful and has now been implemented in an effort to address our continued increase in calls for service. The detachment continues with their gathering of data in support of a General Duty Staffing Assessment. Members were required to modify their computer aided dispatch practices in order to reduce data errors. With some training and the conscientious efforts of our members, they've succeeded in doing so. We now need to collect at least 12 months' worth of data for our Business Intelligence Unit to use in the preparation of a report to Council on recommended general duty staffing levels. The OIC continues to work with municipal contract partners in reviewing Support Service staff levels.

In response to the ongoing fentanyl crisis, the regional detachment has acquired a Hepa filter ductless fume hood. The fume hood will reduce the likelihood of exposure to our members and employees who

may have to handle toxic substances. We have also acquired an ION scanner capable of detecting and identifying fentanyl and /or other toxic substances. For the 18th year, VNOD and School District 22 facilitated yet another very successful Jean Minguy Memorial Youth Academy. Plans are already underway for 2018.

Outlook

The RCMP Contract Department (310) costs have been distributed among major expenditure areas in order to provide more information to Council. Traffic Fine Revenue and RCMP contract costs are included in this department.

Compensation packages have now been settled for 2015 and 2016. 2017 and 2018 have yet to be negotiated. It's been recommended that municipalities forecast a salary increase of 2.5%. That 2.5% salary increase is included in the 2018 budget forecast. The forecast does not include retro pay. Projected salary increases combined with increased costs related to vehicle replacement, vehicle equipment fit-ups, member allowances and benefits and costs associated to the replacement of interview room equipment have resulted in a forecasted budget increase of 1.9% for 2018. Additional cost increases have been offset by a 3.63% decrease in employer contributions to member's pensions. This budget increase does not include the elimination of a \$170,756 transfer from the RCMP reserve for the second additional RCMP member position approved by Council during the 2016 budget process. The elimination of the transfer from RCMP reserve has been included as a change request. Expected traffic fine grant revenue for 2018 is estimated to be \$523,000 based on 2017 actuals, there has been no correspondence received from the Province about this program to date.

Potential costs in the more distant future include in-car video systems at \$4300/car (12 marked cars). Long term video storage solutions are still being researched. In order to enhance police and public safety, the RCMP has now commenced a pilot project on the use of Extended Range Impact Weapons (ERIW) for General Duty officer use. ERIW costs will be approximately \$3500/weapon including optic sights. It's unknown at this time how many ERIW will be required at Vernon Detachment.

The detachment recently conducted a detailed analysis of population, criminal code caseloads, calls for service and police to population ratios for Vernon and 9 comparator detachments. The analysis indicates that Vernon requires a significant increase in their officer numbers in order to maintain their service levels. The Officer in Charge will be seeking an increase of six (6) officers to bring their funded FTE's from 50 to 56. The request for additional officers has been outlined in an accompanying report. This budget does not allow for any expenses related to extraordinary items or investigations requiring high cost specialized police techniques or resources.

RECREATION SERVICES

Doug Ross
Director
dross@vernon.ca



Recreation General

Purpose

Recreation Services operates the Vernon Recreation Centre including the Vernon Aquatic Centre, Recreation Centre Auditorium, Dogwood and Priest Valley Gymnasiums, Halina Senior Citizens Centre and in the spring and summer months lease the Vernon Curling Club. In addition to these facilities Recreation Services also operates Kal Tire Place, Priest Valley, Civic and Centennial Arenas and both Recreation Services offices located at the Recreation Centre and at Kal Tire Place. In the summer months Recreation Services also operates the Lakeview and Lavington outdoor pools. Over 1000 programs are offered in these facilities and in the community through our Aquatics and Program Divisions.

Highlights

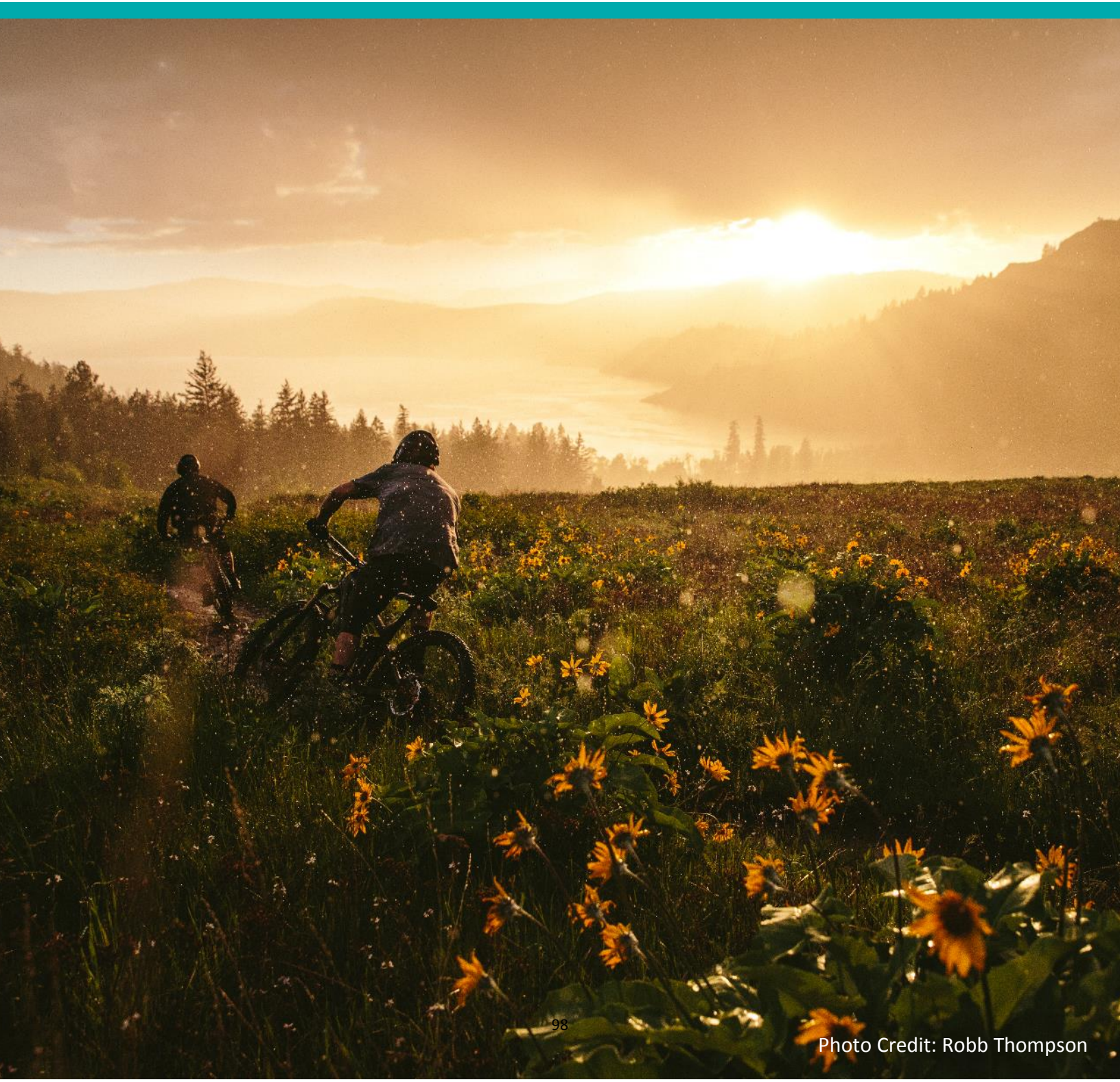
2017 was the fourth year of a five year Fee for Service Agreement with the Regional District of North Okanagan and the District of Coldstream. The 2017 budget was based on the 2016 budget plus 1.1% CPI for Canada August as agreed in the Recreation Facilities and Programming Agreement. 2017 has been another exciting year for Recreation Services including the start of the Multi-Use Facility expansion project in April, the complete rebuild of the Centennial Outdoor Rink with partial funding from a Canada 150 Infrastructure grant, the repaving of the Curling Rink parking lot, the start of the Recreation Master Plan process with the awarding of the contract and launch of public engagement in the fall and the hosting of over 3600 athletes, officials and spectators for the 30th Anniversary Vernon & Area 55+ BC Games in September.

Outlook

2018 is the final year of the five year Fee for Service Agreement with the Regional District of North Okanagan and the District of Coldstream. The 2018 budget is based on the 2017 budget plus 1.4% CPI for Canada, August, as agreed to in the Recreation Facilities and Programming Agreement. In 2018 we will continue to supply services at or above historic levels, reinvest in our recreation facilities and continue planning for the future through the Recreation Master Plan project. The Master Plan process is ongoing with significant public engagement being done in January and March. The Master Plan project is scheduled to be completed by June. The Multi-Use Facility expansion project is well underway and is scheduled to be completed in the Fall in time for the 2018/2019 ice season. Recreation Services will also launch their new Parks & Recreation Management Software in the new year which will enhance participants ability to register for programs and book facilities and services online.

In the first four years of the Fee for Service Agreement with the Regional District of North Okanagan and the District of Coldstream, Recreation Services directed additional funds (approximately \$417,000 over four years) from inside the budget envelope to Projects which were reinvested into major maintenance in and around facilities. After four years, significant improvements have been made in the facilities and this money will now be redirected back into the Operational budgets to maintain the facilities, programs and historic level of services offered as the annual funding increases based on the CPI are losing ground to the increase in costs to operate the service. The redirection of this money is reflected in a reduction in the Transfer to Carryover Reserve. It should be noted that this change will not impact the bottom line of offering the service as all costs will be kept to within the fixed envelope of funds available through the agreement.

FINANCIAL SECTION



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2017



THE CORPORATION OF THE
CITY OF VERNON
3400 - 30TH STREET
VERNON, BC V1T 5E6

P:250-545-1361
F:250-545-7876

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the City of Vernon (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

A handwritten signature in grey ink, appearing to be "B.", located above the title of the Chief Administrative Officer.

Chief Administrative Officer

A handwritten signature in grey ink, appearing to be "Law", located above the title of the Director of Financial Services.

Director of Financial Services

May 14, 2018



KPMG LLP
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Credit Union Building
Vernon BC
V1T 9A2
Telephone (250) 503-5300
Fax (250) 545-6440
www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To Mayor and Council of the Corporation of the City of Vernon

We have audited the accompanying consolidated financial statements of the Corporation of the City of Vernon, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the City of Vernon as at December 31, 2017, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

May 14, 2018

Vernon, Canada

The Corporation of the City of Vernon
Consolidated Statement of Financial Position
Statement A



December 31, 2017 (in thousands of dollars)

2017

2016

Financial Assets

Cash and cash equivalents	Note 2	\$ 80,538	\$ 66,739
Portfolio investments	Note 3	5,414	5,401
Accounts receivable	Note 4	18,738	18,042
Municipal Finance Authority deposits	Note 5	2,455	2,444
Land under development	Note 6	4,778	3,156
		<u>111,923</u>	<u>95,782</u>

Liabilities

Accounts payable and accrued liabilities	Note 7	33,585	23,255
Deferred charges	Note 8	13,167	12,415
Deferred revenue	Note 9	2,147	2,482
Municipal Finance Authority reserves	Note 5	2,455	2,444
Debt	Note 10 & 11	18,681	21,850
Landfill remediation liability	Note 12	104	92
		<u>70,139</u>	<u>62,538</u>
		<u>41,784</u>	<u>33,244</u>

Net Financial Assets

Non-financial Assets

Tangible capital assets	Note 13	570,690	570,657
Inventory of supplies		492	497
Prepaid expenses		278	538
		<u>571,460</u>	<u>571,692</u>

Accumulated Surplus	Note 14	\$ 613,244	\$ 604,936
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Commitments and contingent liabilities

Note 20 & 22

Approved by:

Director of Financial Services

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the City of Vernon
Consolidated Statement of Operations
Statement B



For the year ended December 31, 2017 (in thousands of dollars)		Budget 2017 Note 25	Actual 2017	Actual 2016
Revenue				
Taxation	Note 15	\$ 37,525	\$ 37,333	\$ 35,642
Government transfers	Note 16	9,097	17,357	9,015
Services provided to other governments		3,660	3,495	4,137
Sale of services:				
Sewer fees and charges		9,492	9,453	9,360
Environmental health		2,035	2,173	2,070
Recreation fees		2,305	2,370	2,205
Public transit and parking		2,004	2,008	2,051
Fines and rentals		1,655	1,676	1,661
Licences and permits		1,345	1,856	1,763
Airport		1,007	945	1,058
Other		961	1,015	1,130
Development fees		147	134	139
Fiscal services:				
Penalties, interest earned and actuarial adjustments		1,093	3,041	2,523
Net gain on sales of assets		-	-	594
Natural gas system lease agreements	Note 17	2,030	1,911	1,960
Developer contributions of assets	Note 13	1,586	5,466	2,330
		75,942	90,233	77,638
Expenses				
	Note 19 & 24			
General government and common services		10,133	10,408	9,322
Bylaw compliance and parking control		1,299	1,263	1,265
Protective Services:				
Police		11,653	11,733	10,021
Fire and rescue		5,632	5,583	5,661
Emergency measures		213	592	161
Planning and building inspection		2,717	2,456	2,256
Engineering		2,234	2,973	2,054
Operations Services:				
Road transportation		15,592	15,193	15,794
Sanitary sewer		9,634	9,741	9,038
Solid waste and recycling		1,806	1,801	1,724
Park services		2,060	1,928	2,053
Storm drainage		1,306	1,509	1,290
Airport		1,049	2,278	1,176
Other		600	540	740
Cemetery		331	295	334
Recreation		6,343	13,632	6,110
		72,602	81,925	68,999
Annual surplus		3,340	8,308	8,639
Accumulated surplus, beginning of year		604,936	604,936	596,297
Accumulated surplus, end of year	Note 14	\$ 608,276	\$ 613,244	\$ 604,936

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the City of Vernon
Consolidated Statement of Change in Net
Financial Assets

Statement C



	Budget 2017 Note 25	2017	2016
For the year ended December 31, 2017 (in thousands of dollars)			
Annual Surplus	\$ 3,340	\$ 8,308	\$ 8,639
Amortization of tangible capital assets	11,691	10,974	11,781
Net (gain)/loss on sales of assets	-	743	(594)
Proceeds on sale of tangible capital assets	-	44	1,597
Acquisition of tangible capital assets	(14,608)	(8,905)	(8,813)
Acquired tangible capital assets from developers	-	(2,889)	(1,645)
	(2,917)	(33)	2,326
Consumption of supplies inventories	-	773	851
Use of prepaid expenses	-	878	884
Acquisition of supplies inventories	-	(768)	(1,011)
Acquisition of prepaid expenses	-	(618)	(803)
	-	265	(79)
Increase in net financial assets	423	8,540	10,886
Net financial assets, beginning of year	33,244	33,244	22,358
Net financial assets, end of year	\$ 33,667	\$ 41,784	\$ 33,244

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the City of Vernon
Consolidated Statement of Cash Flows
Statement D



For the year ended December 31, 2017 (in thousands of dollars)

	2017	2016
Operating Activities		
Annual surplus	\$ 8,308	\$ 8,639
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	10,974	11,781
Net loss on disposal of tangible capital assets	743	-
Net gain on transfer of tangible capital assets	-	(594)
Developer contributions of assets	(2,889)	(1,645)
Increase in landfill remediation liability	13	92
Change in non-cash operating items:		
(Increase) / decrease in accounts receivable	(696)	444
Increase in accounts payable and accrued liabilities	10,330	1,109
Increase in deferred charges	752	2,831
(Decrease) in deferred revenue	(335)	(959)
Actuarial adjustments on debt	(1,369)	(1,233)
(Increase) / decrease in supplies inventories	5	(160)
Decrease in prepaid expenses	260	81
	<u>26,096</u>	<u>20,386</u>
Investing Activities:		
(Increase) in portfolio investments	(13)	(71)
(Increase) in land under development	(1,623)	(7)
	<u>(1,636)</u>	<u>(78)</u>
Financing Activities:		
Principal payments on debt	(1,800)	(1,798)
	<u>(1,800)</u>	<u>(1,798)</u>
Capital Activities:		
Proceeds on sale of tangible capital assets	44	1,597
Acquisition of tangible capital assets	(8,905)	(8,813)
	<u>(8,861)</u>	<u>(7,216)</u>
Increase in cash and cash equivalents	<u>13,799</u>	<u>11,294</u>
Cash and cash equivalents, beginning of year	<u>66,739</u>	<u>55,445</u>
Cash and cash equivalents, end of year	<u>\$ 80,538</u>	<u>\$ 66,739</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

1. Significant Accounting Policies:

The Corporation of the City of Vernon (the "City") is incorporated and operates under the provisions of the Local Government Act and Community Charter of British Columbia. The City provides local government services to residents of its incorporated area including administrative, protective, transportation, sewer, storm drainage, park maintenance, recreation, community development and environmental.

a) Basis of Accounting:

The consolidated financial statements of the City are prepared by management in accordance with accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants ("PSAS").

All revenue is recognized on an accrual basis. Property taxes are recognized as revenue in the year they are levied. Utility charges are recognized as revenue in the period earned. Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

b) Basis of Consolidation:

The consolidated statements include all funds of the City and its wholly-owned other government organization subsidiaries. Inter-fund revenues, expenses, assets, and liabilities have been eliminated. The following controlled entities have been consolidated:

CBW Development Corp.	100%
Hesperia Development Corp.	100%

c) Measurement Uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating provisions for accrued liabilities and contingent liabilities, the carrying value of the landfill remediation liability, measurement of contaminated site liabilities (if identified), and in performing valuations of employee future benefits. Actual results could differ from those estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

d) Cash and Cash Equivalents:

Management classifies all highly liquid investments with maturity of one year or less at acquisition as cash equivalents.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

e) Land Under Development:

Land under development is valued at the lower of cost and net realizable value. Costs of inventory include the original land costs and design, engineering and other related costs associated with holding the property.

f) Deferred Charges:

Deferred charges are comprised of levied and unused Development Cost Charges and Sidewalk Gifting funds. These funds are recorded as revenue in the year they are used to fund tangible capital asset acquisitions or eligible operating expenses.

g) Deferred Revenue:

Deferred revenue represents property taxes, permits and other fees that have been collected, but for which the related taxes have not yet been levied and services or inspections have yet to be performed. These amounts will be recognized in revenue in the fiscal year taxes are levied, services are performed, or revenues are earned. Deferred revenue amounts are included in Accounts Payable and Accrued Liabilities (note 7).

h) Debt:

Debt principal payments are not charged against current operating revenue pursuant to PSAS. Interest is recorded on an accrual basis. Gross interest paid on debt in 2017 was \$1,108,000, (\$1,142,000 in 2016).

i) Landfill Closure and Post-Closure Liability:

The estimated cost for closure and post-closure care for the Hesperia landfill is based on estimated future expenses in current dollars and charged as an expense in the reporting period that the landfill site's capacity is used. There is significant measurement uncertainty in the estimate for the closure liability as it does not include a cost for obtaining suitable material for the final cover. This material is anticipated to be obtained at no charge as some materials that are discharged at the landfill are suitable to be used for the final cover and are diverted and stored to be used for progressive closure activities.

j) Liability for Contaminated Sites:

A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists, contamination exceeds the environmental standard, the City is directly responsible or accepts responsibility, and a reasonable estimate of the amount can be made. The liability is recorded net of any expected recoveries. The City currently has not identified any contaminated sites.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

k) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus/deficit, provides the consolidated change in net financial assets for the year.

l) Tangible Capital Assets and Amortization:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, and site preparation costs. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on the basis of straight-line or declining balance over the estimated useful life of the tangible capital asset, as follows:

Transportation Infrastructure:

Roads (surface)	Straight-line	25 years
Roads (base)	Straight-line	75 years
Bridges	Straight-line	50 to 75 years
Sidewalks	Straight-line	25 to 50 years
Traffic signals	Straight-line	15 years
Street lighting	Declining balance	5%
Parking meters	Declining balance	10%
Storm Drainage Infrastructure	Straight-line	75 years
Sanitary Sewer Infrastructure	Straight-line	75 years
Buildings	Straight-line	35 to 60 years
Vehicles	Straight-line	7 to 29 years
Miscellaneous Equipment	Straight-line	10 to 30 years
Information Technology	Declining balance	40%
Natural Gas System	Straight-line	35 years

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

m) Reserves:

Statutory reserve funds are used for future capital expenses as designated by bylaw and City Council. Non-statutory reserves are amounts set aside from past and current operations and are not governed by bylaw.

n) Employee Future Benefits:

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, the City's contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the City's employees. The costs of these benefits are determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn future benefits.

o) Government Transfers:

Government transfers are recognized as revenue in the period in which the event giving rise to the transfer occurs, provided the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received in the current year that do not meet these criteria are recorded as accrued liabilities.

p) Budget Figures:

The budget figures are from the annual Financial Plan Bylaw. They have been reallocated to conform to PSAB financial statement presentation requirements where appropriate. Subsequent amendments have been authorized by City Council to reflect changes in the budget. Such amendments are not reflected in the financial statement budget figures (note 25).

q) Comparative Figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

r) Segment Disclosures:

Segmented financial information is presented in groups of distinguishable activities in a similar approach to the City's internally reported cost centres. These segments are structured in a fashion to assist users of financial statements in understanding and identifying the resources allocated to support commonly recognized functions of the City. Segments are identified primarily by function and secondarily by organizational relationship. Revenues are allocated to segments when there is a direct cause and effect relationship to the expenses of those segments. Revenues that cannot be reasonably allocated in such a manner are considered common to the City as a whole and reported in general government (note 23).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

2. Cash and Cash Equivalents:

	2017	2016
Restricted:		
Deferred charges	\$ 13,167	\$ 12,415
Deferred revenue	2,147	2,482
Statutory reserves	3,370	3,040
	18,684	17,937
Unrestricted:	61,854	48,802
	<u>\$ 80,538</u>	<u>\$ 66,739</u>

The City has access to an operating line of credit not exceeding \$2.0 million (2016 - \$2.0 million). Interest is accrued based on Valley First, a Division of First West Credit Union's prime lending rate plus 0.25%. As of December 31, 2017, this line of credit was not being utilized (2016- \$0).

3. Portfolio Investments:

Portfolio investments are comprised of pooled investments in the Municipal Finance Authority ("MFA") Bond Fund. As of December 31, 2017, all such investments represented development cost charges. Portfolio investments are recorded at their cost and written down to reflect losses in value that are other than temporary.

4. Accounts Receivable:

	2017	2016
Property taxes	\$ 4,259	\$ 4,424
Utility billings	7,112	6,782
Other governments	4,342	3,731
Trade and other receivables	3,150	3,230
	18,863	18,167
Allowance for doubtful trade accounts receivable	(125)	(125)
	<u>\$ 18,738</u>	<u>\$ 18,042</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

5. Municipal Finance Authority – Deposits and Reserves:

The City issues most of its debt through the MFA. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the MFA as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to pay certain amounts to the MFA. (see note 22(b)). The details of the cash deposits withheld from debenture proceeds and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2017	2016
MFA deposits and reserves - general	\$ 1,087	\$ 511	\$ 1,598	\$ 1,587
MFA deposits and reserves - sewer	529	328	857	857
	<u>\$ 1,616</u>	<u>\$ 839</u>	<u>\$ 2,455</u>	<u>\$ 2,444</u>

6. Land Under Development:

In 2008, development activity began for both Hesperia Development Corporation and CBW Development Corporation. In 2017, the City entered into a Land Purchase and Development Framework agreement for the conditional sale of City owned land. The accumulated value of \$4,778,000 (2016 - \$3,156,000) is comprised of the historical cost of the land plus all design, engineering, and related costs incurred to date. Such costs have not been included in tangible capital assets since the land and improvements are subject to resale upon completion of the development.

7. Accounts Payable and Accrued Liabilities:

	2017	2016
Trade accounts payable and other accrued liabilities	\$ 14,660	\$ 11,359
Multi-Use Facility expansion unspent deposit	6,060	-
Salaries, wages and related costs	4,669	4,891
	<u>25,389</u>	<u>16,250</u>
Deferred revenue		
Prepaid property taxes	3,696	3,548
Deposits and holdbacks	4,401	3,378
Prepaid fees and charges	99	79
	<u>8,196</u>	<u>7,005</u>
	<u>\$ 33,585</u>	<u>\$ 23,255</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

8. Deferred Charges:

Deferred Charges include Sidewalk Gifting Funds and Development Cost Charges ("DCC's"). Sidewalk Gifting Funds are charged to developers through a works contribution agreement requiring the City to use funds for future sidewalks adjacent to each property. DCC's are collected to pay for 95% of the general capital costs due to development and 90% of utility capital costs on specified projects. In accordance with the Local Government Act, these funds must be deposited into a separate reserve fund. DCC's are deferred and recognized as revenue when the related costs are incurred.

	2017	2016
Deferred charges		
DCC - roads	\$ 5,098	\$ 4,817
DCC - storm	1,776	1,663
DCC - sewer	4,306	3,976
Sidewalk gifting funds	1,987	1,959
	<u>13,167</u>	<u>12,415</u>
Deferred charges, beginning of year	\$ 12,415	\$ 9,584
DCC's levied during the year	2,610	3,269
Sidewalk gifting funds received	208	123
Investment income	84	113
Contributions available	<u>15,317</u>	<u>13,089</u>
Capital transfers	(1,731)	(410)
Operating transfers	(419)	(264)
Deferred charges, end of year	<u>\$ 13,167</u>	<u>\$ 12,415</u>

9. Deferred Revenue:

	2017	2016
Recreation Facility Major Maintenance	\$ 1,746	\$ 1,727
Recreation Facility Replacement (Civic)	301	301
Recreation Facility Operating	100	454
	<u>\$ 2,147</u>	<u>\$ 2,482</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

10. Debt:

	Purpose of Bylaw	Interest Rate %	Year of Maturity	Gross Debt	Sinking Fund Asset	2017 Net Debt	2016 Net Debt
<u>General Purposes:</u>							
4717	Fortis BC Gas Lease*	2.10%	2019	\$ 24,500	\$ 20,459	\$ 4,041	\$ 5,918
4718	Fortis BC Gas Lease *	9.85%	2037	1,185	85	1,100	1,118
4624	Downtown Revitalization	1.80%	2020	388	292	96	126
4625	Downtown Revitalization	1.80%	2020	128	96	32	42
4728	Downtown Revitalization	1.80%	2020	211	159	52	68
4739	Various	1.80%	2020	4,675	3,514	1,161	1,523
				31,087	24,605	6,482	8,795
<u>Sewer Purposes:</u>							
1214BJ	Blue Jay Specified Area	4.82%	2017	100	100	-	8
4889	Reclaimed Water Line	1.80%	2020	1,061	797	264	345
4680	Treatment Plant Phase I	1.75%	2027	5,000	2,260	2,740	2,947
4680	Treatment Plant Phase II	2.40%	2028	2,038	837	1,201	1,282
4791	Water Reclamation Plant	1.80%	2030	12,556	4,562	7,994	8,473
				20,755	8,556	12,199	13,055
				\$ 51,842	\$ 33,161	\$ 18,681	\$ 21,850

* See Note 17 for capital lease liabilities.

11. Future Payments and Sinking Fund Additions:

	General	Sewer	Total
2018	\$ 1,258	\$ 541	\$ 1,799
2019	1,260	541	1,801
2020	314	541	855
2021	26	484	510
2022	28	484	512
2023 & thereafter	980	3,469	4,449
	3,866	6,060	9,926
Actuarial adjustments	2,616	6,139	8,755
	\$ 6,482	\$ 12,199	\$ 18,681

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

12. Landfill Remediation Liability

The City operates its Hesperia landfill as a demolition, land clearing and construction material disposal facility under an Operational Certificate ("OC") issued by the Province of BC's Ministry of Environment ("MOE"). The OC excludes domestic refuse, plastics, rubber, contaminated soils and other non-construction wastes. The Hesperia landfill only accepts waste from City projects and does not accept public waste.

The liability for closure and post-closure care is recognized based on an Operating and Closure Plan (the Plan). The Plan estimates closure costs based on the assumption that the landfill will be closed at the end of its predetermined useful life; however, some of the estimated closure costs will be expended sooner as the landfill is anticipated to be closed progressively. The closure liability estimated in the Plan is in current dollars and has been inflated to the end of the landfill's useful life using an inflation rate of 1.5% (2016 – 1.5%) and then discounted to the financial reporting date at 2.49% (2016 – 2.49%), which is the City's cost of capital on debt outstanding as of the same date.

The liability for closure and post-closure care at December 31, 2017 is \$104,000 (2016 - \$91,000), the estimated total expenditures for closure and post-closure care are \$1,151,000 (2016 - \$1,139,000) which leaves \$1,047,000 (2016 - \$1,048,000) remaining to be recognized. The landfill is estimated to have remaining capacity of 873,208 cubic meters (91%) and remaining life of 53 years.

The City has implemented a tipping fee charged to internal projects that discharge waste at the landfill with net proceeds contributed to a reserve to pay for closure related expenses. On December 31, 2017 the balance of this reserve is \$292,000 (2016 - \$158,000).

When the landfill closes at the end of its useful life it is estimated that post-closure care will be required for 25 years. The reported liability is based on estimates and assumptions with respect to anticipated events over the expected remaining service life of the landfill. Management periodically performs an assessment of the underlying assumptions and utilizes the expertise of a qualified firm of engineers external to the City in forming the estimate.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

13. Tangible Capital Assets:

Cost	December 31, 2016	Additions/ Reclassification	Disposals	December 31, 2017
Land	\$ 262,585	\$ 990	\$ -	\$ 263,575
Buildings	66,709	(306)	836	65,567
Vehicles	12,739	930	202	13,467
Miscellaneous equipment	2,632	470	-	3,102
Information technology	2,659	379	294	2,744
Transportation infrastructure	217,131	7,626	69	224,688
Storm drain infrastructure	80,083	(460)	-	79,623
Sanitary sewer infrastructure	99,739	2,165	37	101,867
Other leasehold equipment	25,295	-	-	25,295
	<u>\$ 769,572</u>	<u>\$ 11,794</u>	<u>\$ 1,438</u>	<u>\$ 779,928</u>
Accumulated Amortization	December 31, 2016	Amortization	Disposals	December 31, 2017
Buildings	\$ 25,377	\$ 1,684	\$ 175	\$ 26,886
Vehicles	7,392	635	174	7,853
Miscellaneous equipment	1,093	96	-	1,189
Information technology	2,197	184	230	2,151
Transportation infrastructure	102,835	5,269	58	108,046
Storm drainage infrastructure	22,078	1,035	-	23,113
Sanitary sewer infrastructure	27,825	1,348	14	29,159
Other leasehold equipment	10,118	723	-	10,841
	<u>\$ 198,915</u>	<u>\$ 10,974</u>	<u>\$ 651</u>	<u>\$ 209,238</u>
Net Book Value	December 31, 2016			December 31, 2017
Land	\$ 262,585			\$ 263,575
Buildings	41,332			38,681
Vehicles	5,347			5,614
Miscellaneous equipment	1,539			1,913
Information technology	462			593
Transportation infrastructure	114,296			116,642
Storm drain infrastructure	58,005			56,510
Sanitary sewer infrastructure	71,914			72,708
Other leasehold equipment	15,177			14,454
	<u>\$ 570,657</u>			<u>\$ 570,690</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

13. Tangible Capital Assets: (continued)

a) Work-in-progress

Work-in-progress is comprised of costs related to projects currently under planning, development or construction that will result in a finished asset at a future date. Such costs are capitalized until such time as the property is ready for use. Work-in-progress having a value of \$13,551,000 (2016 - \$10,976,000) has not been amortized. Amortization of these assets will commence the year following when each specific asset is put into service.

b) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$2,889,000 (2016 - \$1,645,000) comprised of transportation infrastructure in the amount of \$1,436,000 (2016 - \$1,252,000), storm drain infrastructure in the amount of \$808,000 (2016 - \$236,000) and sanitary sewer infrastructure in the amount of \$645,000 (2016 - \$157,000).

c) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value is not determinable, the tangible capital asset is recognized at a nominal value.

d) Intangible Assets

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at city sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

e) Write-down of Tangible Capital Assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services. Any impairment is accounted for as an expense in the consolidated statement of operations. No impairments were identified or recorded during the year ended December 31, 2017 and 2016.

f) Capital Leases

Included in tangible capital assets are assets of \$25,295,000 (2016 - \$25,295,000) and accumulated amortization of \$10,841,000 (2016 - \$10,118,000). The City recorded amortization expense of \$723,000 (2016 - \$723,000) related to these leased assets.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

14. Accumulated Surplus:

Accumulated surplus consists of individual fund surpluses and reserves. Operating surplus for the City is as follows:

	2017	2016
Accumulated surplus per Statement of Financial Position	\$ 613,244	\$ 604,936
Less:		
Tangible capital assets	(570,690)	(570,657)
Inventory of supplies	(492)	(497)
Prepaid expenses	(278)	(538)
Debt	18,681	21,850
	<u>\$ 60,465</u>	<u>\$ 55,094</u>
Non-Statutory Reserves		
Budget Carryover Reserve General	\$ 2,192	\$ 1,508
Budget Carryover Reserve Sewer	49	49
Capital Reserves General	13,213	12,154
Capital Reserves Sewer	13,947	12,733
Operating Reserves General	213	170
Tax Equalization Reserves General	6,201	6,350
Tax Equalization Reserves Sewer	8,697	8,030
Special Purpose Reserves	6,154	7,320
Fortis BC Lease Legacy Reserve	3,418	3,097
	<u>54,084</u>	<u>51,411</u>
Statutory Reserve Funds		
Highway Access to Water Reserve	619	613
Land Sale Reserve	841	1,409
Local Improvement Reserve	850	841
Parkland Reserve Equity	221	177
Recreation Facility Operating Reserve	839	-
	<u>3,370</u>	<u>3,040</u>
Total Restricted Funds	<u>57,454</u>	<u>54,451</u>
Unappropriated Surplus	<u>\$ 3,011</u>	<u>\$ 643</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

15. Property Tax Revenue:

Total tax revenue net of transfers of taxes collected for other governments and agencies were as follows:

	2017	2016
Specific assessments:		
Residential	\$ 23,085	\$ 21,817
Business	11,599	11,299
Utilities	272	278
Light industrial	523	492
Non-profit	132	132
Farm land	3	3
	<u>35,614</u>	<u>34,021</u>
Payments in lieu of taxes	1,235	1,283
Specified area taxes and other	484	338
	<u>\$ 37,333</u>	<u>\$ 35,642</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

16. Transfers from Other Governments

	2017	2016
Federal government transfers		
Transportation infrastructure	\$ 1,798	\$ 1,674
Recreational initiatives	80	-
	<u>1,878</u>	<u>1,674</u>
Provincial government transfers		
Transit subsidy	2,095	2,285
Casino revenue sharing	1,960	1,956
Transportation infrastructure	824	59
Hotel tax	738	693
Sanitary infrastructure	666	-
Traffic fine revenue sharing	486	523
Emergency Management BC	419	6
Keep of prisoners	272	276
Insurance Corporation of BC	149	70
Carbon tax rebate	82	79
Certificate of Recognition safety program	63	61
Tourism BC	25	32
Fire Smart program	14	-
Municipal Insurance Agency	13	26
Other transfers	10	-
BC Hydro initiatives	1	13
Emergency planning	-	15
	<u>7,817</u>	<u>6,094</u>
Other government transfers		
Recreational initiatives	7,270	1,088
Regional initiatives	293	43
Okanagan Basin Water Board	93	102
Community development initiatives	6	14
	<u>7,662</u>	<u>1,247</u>
Total transfers from other governments	<u>\$ 17,357</u>	<u>\$ 9,015</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

17. Natural Gas System Lease Agreements:

The City has entered into an agreement with BC Gas Utility Ltd. (now known as Fortis BC Gas Inc. and hereafter referred to as "Fortis BC") which has resulted in the creation of the Natural Gas Legacy Fund.

a) Leased tangible capital assets:

Under the terms of the agreement, the City has entered into a 35-year lease of tangible capital assets commencing December 1, 2002 for the natural gas distribution system within the City boundary. The City has prepaid \$23,750,000 of the capital lease obligation and has financed the prepayment through debenture debt (Debt Bylaw # 4718, note 10). The remaining obligation, which is included in debt, will be paid with annual lease payments of \$127,884 including interest based on Fortis BC-approved pre-tax weighted average cost of capital of 9.85%.

b) Operating Lease:

The City has also entered into a 17-year operating lease that commenced December 1, 2002 whereby the City leases back to Fortis BC the operation of the gas distribution system. Under the operating lease, Fortis BC is obligated to make annual lease payments to the City that are calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. The lease revenue in 2017 was \$1,911,000, (\$1,960,000 in 2016). At the end of the 17-year term, Fortis BC has the option of making a termination payment equal to the unamortized portion of the City's \$23,750,000 prepayment under the lease of tangible capital assets, which is estimated to be \$12,214,000 or negotiate a new 18-year operating lease with a continuation of the annual lease payments which existed under the previous 17-year operating lease agreement.

18. Long-term Agreements with the Regional District of North Okanagan (the "Regional District"):

a) Water Agreement

The City has entered into a 5-year agreement with the Regional District for the operation of the water system in Vernon and Electoral Areas B and C and owned by the Regional District. This agreement replaces a 10-year agreement expiring January 31, 2013. Under this agreement, the City is responsible for the day-to-day operation of the water system within the City and Areas B and C, and is wholly reimbursed by the Regional District for the operating expenses made to undertake these duties. The agreement expires January 31, 2018. The City has entered into a new 5-year agreement for February 1, 2018 to January 31, 2023.

b) Parks Agreements

The City entered into an agreement with the Regional District to assume responsibility for the management and operation of local parks commencing January 1, 2014. The agreement also involves the transfer of park land between both parties so that local parks within the City are owned and operated by the City and designated sub-regional parks are owned and operated by the Regional District.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

18. Long term Agreements with the Regional District of North Okanagan: (continued)

Under this agreement each jurisdiction levies and contributes Parks development cost charges according to the Regional District development cost charges bylaw. Development cost charge amounts are then allocated on the basis of contributions for use in those jurisdictions. The amount allocated to the City as of December 31, 2017 was \$3,410,000 (2016 - \$2,918,000).

The City has entered into a 3-year agreement with the Regional District to assume responsibility for the management and operation of sub-regional parks commencing January 1, 2014 and ending December 31, 2016. Subsequently a one-year agreement was agreed upon expiring December 31, 2017. As at December 31, 2014 the City transferred to the Regional District park land with fair market value approximating \$23,941,000 (historical cost \$1,861,000) and the Regional District transferred park land to the City with fair market value approximating \$14,855,000.

c) Recreation Agreements

The City entered into a 5-year agreement with the Regional District to assume responsibility for the management and operation of local recreational facilities commencing January 1, 2014 and ending December 31, 2018. The agreement also involves the transfer of recreation facilities and related land from the Regional District to the City to re-align responsibility for the facilities and programming to the City. As at December 31, 2014 the Regional District transferred to the City recreation facilities and land with fair market value approximating \$1,487,000. Facilities and land owned by the Regional District with fair market value approximating \$34,968,000 plus facilities currently being constructed on these lands with construction costs to date approximating \$7,100,000 have not yet been transferred to the City as of December 31, 2017.

19. Expenses by Object:

	2017	2016
Salaries and wages	\$ 26,609	\$ 25,901
Contracted services	21,915	13,692
RCMP contract	8,921	7,113
Amortization of tangible assets	10,974	11,781
Supplies, materials and other	5,363	3,534
Bank charges and net loss on capital assets	2,067	1,255
Utilities, telephone and insurance	4,250	3,993
Equipment charges	1,826	1,730
	<u>\$ 81,925</u>	<u>\$ 68,999</u>

20. Commitments:

The City has entered into a lease agreement for a transit maintenance facility with BC Transit for 40 years with two 10-year renewal options. The 40-year lease was prepaid in full in the amount of \$1,310,000 upon occupancy by BC Transit of the site in November 2011.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

21. Cemetery Care Trust Fund:

The City owns and maintains Pleasant Valley Cemetery. Pursuant to provincial legislation, a Cemetery Care Trust Fund was established to ensure continuity of cemetery maintenance. A portion of all plot sales and memorial setting fees is credited to this Fund. Although the Fund balance is not included in the consolidated financial statements, all investment earnings during the year are transferred into general revenue as permitted by law.

	2017	2016
Trust Fund Continuity:		
Balance, beginning of year	\$ 783	\$ 757
Interest earned	8	13
Proceeds from plot sales and memorial settings	30	26
Transfers to general fund for maintenance	(8)	(13)
Balance, end of year	\$ 813	\$ 783

22. Contingent Liabilities:

a) Regional District:

The City is responsible as a member of the Regional District for its proportional share of operating deficits related to functions in which it participates. Under the provisions of the Local Government Act, the Regional District's debt is a joint and several liability of the Regional District and each of its member municipalities including the City.

b) MFA Demand Notes:

Debentures are covered by a loan agreement with the MFA which provides that, if at any time the payments provided for in the agreement are not sufficient to meet the authority's obligations in respect of such borrowings, the resulting deficiency becomes a proportional liability of each member local government, including the City. As these demand notes are contingent in nature, no liability is recorded.

c) Municipal Insurance Association:

In 1987, the City entered into a self-liability insurance plan with several other local governments in British Columbia forming the Municipal Insurance Association of BC. The City is obligated under the plan to pay a percentage of its fellow insured's losses. The City pays an annual premium, which is anticipated to be adequate to cover any losses incurred.

d) Legal Claims:

The City has been named defendant in several uninsured legal actions. No reserve or liability has been recorded regarding any of the legal actions and any possible claims because the amount of loss, if any, is not determinable. Settlement, if any, made with respect to these actions, will be accounted for as an expense in the period in which realization is known.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

22. Contingent Liabilities: (continued)

e) Pension Liability:

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City paid \$2,137,000 (2016 - \$2,076,000) for employer contributions while employees contributed \$1,812,000 (2016 - \$1,765,000) to the Plan in fiscal 2017.

The next valuation will be December 31, 2018, with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

f) Letter of Credit:

In 2007, the City issued an Irrevocable Letter of Credit in favour of the Agricultural Land Commission ("ALC") of British Columbia as a guarantee to fund works required by the ALC as a condition of the property being removed from the Agricultural Land Reserve. The amount of the Letter of Credit is \$716,000. As of December 31, 2017, no drawing on the Letter of Credit has occurred.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

23. Segmented Information:

Segmented information has been grouped into related department functions or service areas for segment reporting purposes provided in note 24 which shows the associated revenues and expenses for each segment. The various segments are described as follows:

a) General Government:

This segment is comprised of all general government and common services provided within the City. It includes legislative services, corporate administration, City Clerk's office, tourism, finance, human resources, information services, civic building maintenance, bylaw compliance, parking control, and subsidiary corporations.

- Legislative services and corporate administration are responsible for general government administration including council support, conducting elections and records management.
- Tourism is responsible for tourism marketing and managing the City's tourist booth location.
- Finance is responsible for the oversight of all financial matters including financial planning, collection of revenues, purchasing and financial reporting.
- Human resources are responsible for staff recruiting, payroll processing, occupational health and safety and labour relations.
- Information services are responsible for planning, maintaining and operating the City's information systems.
- The GIS department catalogues the City's infrastructure geographically for use by the City and its citizens.
- Civic building maintenance is responsible for maintaining all buildings owned by the City.
- Bylaw compliance and parking control is responsible for administering and encouraging compliance to regulatory bylaws, patrolling City owned/leased paid parking lots, residential permit zones and restricted parking areas. They also patrol and maintain almost 1,000 parking meters. This function focuses on community security and safety programs in conjunction with police services.
- The City's subsidiary corporations are 100% owned.
- Revenues associated with this segment include all those amounts that cannot be attributed directly to other segments including taxation, grants in lieu, interest revenue and property rental revenue.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

23. Segmented Information: (continued)

b) Protective Services:

This segment is comprised of police services, fire rescue and emergency management services.

- Police services are contracted to the RCMP with support assistance from municipal staff. The City is home to a regional detachment for the North Okanagan. The City has a proactive community policing group that provides programs for its citizens and businesses such as citizens on patrol, crime stoppers, block watch and safety patrols.
- Fire and rescue services provide fire response, investigation and prevention services within the City's fire department.
- Emergency management services is responsible for emergency planning within the community and is engaged when the City is affected by an emergency situation.

c) Planning and Engineering:

This segment is comprised of community development, planning, building inspections services and the capital works program.

- Community Development is responsible for sustainable development throughout the City including environmental, economic and social development.
- Planning is responsible for land use planning – long term and short term – plus the administration of the Official Community Plan and zoning bylaws.
- Building Inspections is responsible for issuing permits for any developments in the City including building permits, rezoning and development permits.
- Engineering is responsible for the planning and implementation of the capital works program for all infrastructure - storm, sewer and transportation. They work in conjunction with Operations.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

23. Segmented Information: (continued)

d) Operations:

This segment is responsible for the operation and maintenance of the City's infrastructure assets including roads, sidewalks and storm drains. Other components include public transit, solid waste and recycling, cemetery and airport.

- Road transportation encompasses year round maintenance of roads, street lights, signs and sidewalks, plus the public transit system which is contracted with BC Transit with subsidies provided from the Province
- Storm drainage includes the maintenance of storm infrastructures including mains, manholes and catch basins.
- The Vernon Regional Airport provides services to small aircraft and executive jets in the region and includes a paved lighted runway, hangars, jet and regular air fuel dispensing.
- Solid waste and recycling services are contracted with the Regional District of North Okanagan.
- The City has one cemetery whose operation is overseen by the Operations group. Other services provided within the City include overseeing fleet activities and support for the Regional District water services and parks services.

e) Sanitary Sewer Operations:

This segment is responsible for the entire sanitary sewer operation and maintenance of the sewer infrastructures including mains, manholes, catch basins and lift stations. Plus, it is responsible for the operation and maintenance of the Vernon Water Reclamation Centre and spray irrigation system.

f) Recreation:

This segment is responsible for the management, maintenance and operation of all recreation facilities within the City. This includes planning and delivery of recreation programs for all ages of citizens, maintenance and operation of all arenas and indoor pool. As well as operating two outdoor pools in the summer.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2017

(tabular amounts in thousands of dollars)

24. Segmented Disclosure:

	General Government	Protective Services	Planning & Engineering	Recreation	Operations Services	Sanitary Sewer	2017	2016
Revenue								
Taxation	\$ 37,077	\$ -	\$ -	\$ -	\$ -	\$ 256	\$ 37,333	\$ 35,642
Services to other governments	526	417	114	1,084	816	538	3,495	4,137
Government transfers	4,563	1,202	31	7,393	3,242	926	17,357	9,015
Sale of services	1,989	228	1,999	3,442	4,146	9,464	21,268	21,034
Fiscal services	2,614	-	-	111	-	316	3,041	3,117
Transfers of assets from developers	282	-	165	-	4,134	885	5,466	2,330
Natural gas system agreement	2,273	-	-	-	-	-	2,273	2,363
	49,324	1,847	2,309	12,030	12,338	12,385	90,233	77,638
Expenses								
Salaries and wages	6,472	7,448	3,619	3,817	3,366	1,887	26,609	25,901
Contracted services	1,911	367	1,295	7,905	9,140	1,297	21,915	13,692
RCMP contract	-	8,921	-	-	-	-	8,921	7,113
Amortization of tangible assets	1,817	186	-	11	6,370	2,590	10,974	11,781
Supplies, materials and other	(966)	587	419	736	2,388	2,199	5,363	3,534
Bank fees and net loss on assets	1,610	-	-	36	12	409	2,067	1,255
Utilities, telephone and insurance	730	203	13	1,064	1,170	1,070	4,250	3,993
Equipment charges	97	196	83	63	1,098	289	1,826	1,730
	11,671	17,908	5,429	13,632	23,544	9,741	81,925	68,999
Excess (deficiency) revenue over expenses	\$ 37,653	\$ (16,061)	\$ (3,120)	\$ (1,602)	\$ (11,206)	\$ 2,644	\$ 8,308	\$ 8,639

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements

Year Ended December 31, 2017
(tabular amounts in thousands of dollars)

25. Budget Data:

The budget data presented in these consolidated financial statements is based upon the 2017 consolidated financial plan approved by Council on January 9, 2017. The schedule below reconciles the approved budget in Bylaw #5613 to the budget figures reported in these consolidated financial statements.

	<u>Budget Amount</u>
Revenue:	
Operating budget	\$ 106,484
Capital budget	<u>12,023</u>
	118,507
Less:	
Transfers from other funds and reserves	10,536
Collections for other governments	<u>32,029</u>
	<u>(42,565)</u>
Total Revenue	75,942
Expenses:	
Operating budget	115,558
Capital budget	<u>14,608</u>
	130,166
Less:	
Capital expenses	14,608
Transfers to other funds and reserves	9,147
Debt principal payments	1,780
Collections for other governments	<u>32,029</u>
	<u>(57,564)</u>
Total Expenses	<u>72,602</u>
Annual Surplus	<u>\$ 3,340</u>



Photo Credit: Destination BC/Andrew Strain

STATISTICAL SECTION

Summary of Financial Results

(In \$1,000's)

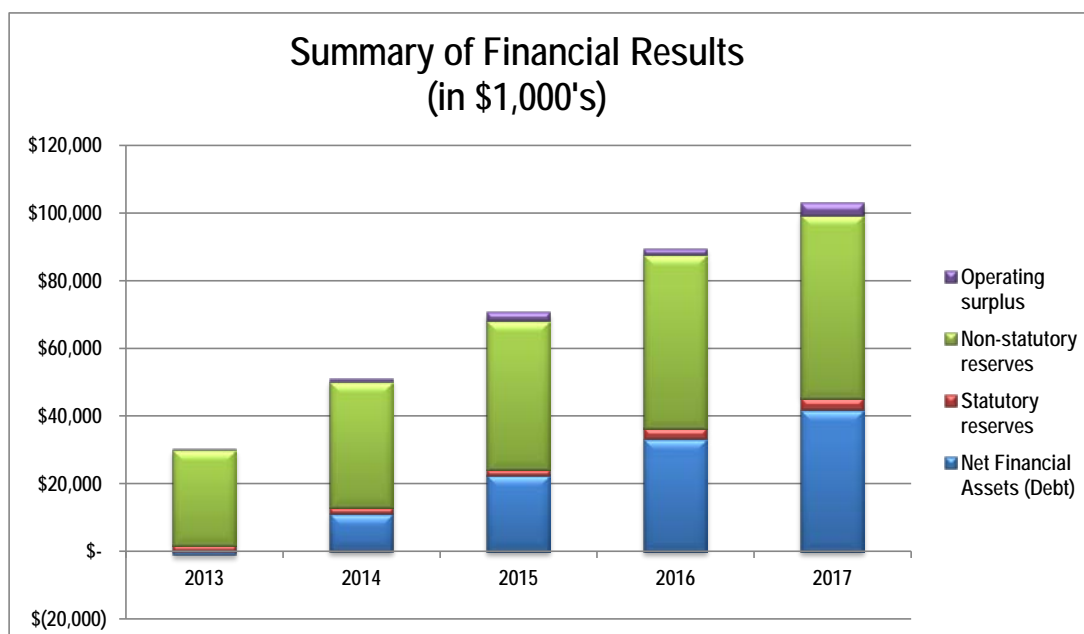
	2013	2014	2015	2016	2017
FINANCIAL POSITION					
Financial Assets	\$ 62,589	\$ 76,102	\$ 84,831	\$ 95,782	\$ 111,923
Liabilities	63,648	65,020	62,473	62,538	70,139
Net Financial Assets (Debt)	(1,059)	11,082	22,358	33,244	41,784
Non-financial Assets	559,121	571,118	573,939	571,692	571,460
Accumulated Surplus, end of year	\$ 558,062	\$ 582,200	\$ 596,297	\$ 604,936	\$ 613,244

STATEMENT OF OPERATIONS

Revenue	\$ 59,297	\$ 90,125	\$ 83,248	\$ 77,638	90,233
Expenses	57,048	65,987	69,151	68,999	81,925
Annual Surplus	2,249	24,138	14,097	8,639	8,308
Accumulated Surplus, beginning of year	555,813	558,062	582,200	596,297	604,936
Accumulated Surplus, end of year	\$ 558,062	\$ 582,200	\$ 596,297	\$ 604,936	\$ 613,244

ACCUMULATED SURPLUS

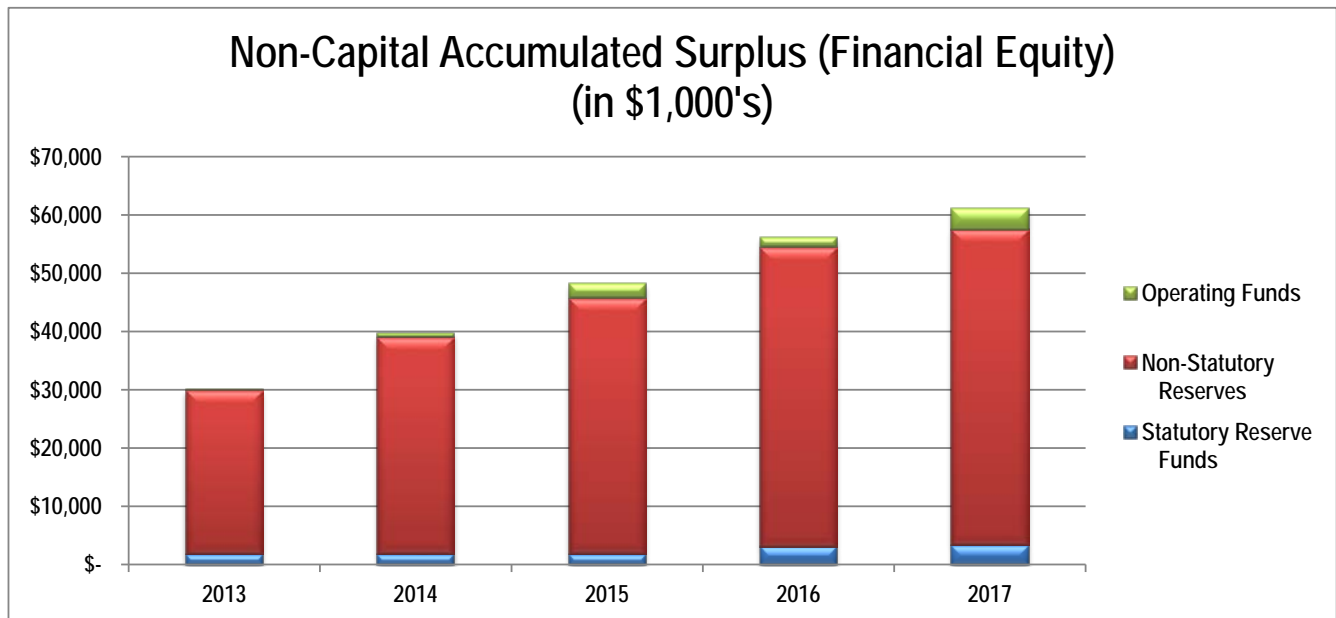
Tangible capital assets	\$ 527,956	\$ 542,454	\$ 548,102	\$ 548,807	552,009
Statutory reserves	1,747	1,804	1,792	3,040	3,370
Non-statutory reserves	28,234	37,249	43,911	51,411	54,084
Operating surplus	125	693	2,492	1,678	3,781
Accumulated Surplus, end of year	\$ 558,062	\$ 582,200	\$ 596,297	\$ 604,936	\$ 613,244



Accumulated Surplus

(In \$1,000's except for per-capita figures)

	2013	2014	2015	2016	2017
Equity in Tangible Capital Assets:					
General	\$ 440,657	\$ 453,924	\$ 459,584	\$ 461,609	\$ 464,127
Sewer	87,299	88,530	88,518	87,198	87,882
	<u>\$ 527,956</u>	<u>\$ 542,454</u>	<u>\$ 548,102</u>	<u>\$ 548,807</u>	<u>\$ 552,009</u>
Non-Capital Accumulated Surplus:					
Statutory Reserves	\$ 1,747	\$ 1,804	\$ 1,792	\$ 3,040	\$ 3,370
Non-Statutory Reserves:					
Funds Committed for Uncompleted Projects	5,010	1,196	2,489	1,557	2,241
Capital Purposes	16,154	19,055	20,476	24,887	27,160
Operating Purposes	885	5,327	5,567	7,490	7,378
Tax & User Rate Equalization	4,361	9,369	12,651	14,380	13,887
Natural Gas System Lease Arrangement	1,824	2,302	2,728	3,097	3,418
	<u>28,234</u>	<u>37,249</u>	<u>43,911</u>	<u>51,411</u>	<u>54,084</u>
Operating Funds	125	693	2,492	1,678	3,781
	<u>\$ 30,106</u>	<u>\$ 39,746</u>	<u>\$ 48,195</u>	<u>\$ 56,129</u>	<u>\$ 61,235</u>
NON-CAPITAL ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA					
	<u>\$ 778</u>	<u>\$ 1,015</u>	<u>\$ 1,190</u>	<u>\$ 1,399</u>	<u>\$ 1,451</u>
TOTAL ACCUMULATED SURPLUS					
	<u>\$ 558,062</u>	<u>\$ 582,200</u>	<u>\$ 596,297</u>	<u>\$ 604,936</u>	<u>\$ 613,244</u>



Property Tax Revenue

(in \$1,000's except for per-capita figures)

	2013		2014		2015		2016		2017
Residential	\$	16,469	\$	18,065	\$	20,585	\$	21,817	\$ 23,085
Commercial		8,465		9,379		10,919		11,299	11,599
Light Industrial		409		444		518		492	523
Utility & Other		382		392		414		413	407
	\$	25,725	\$	28,280	\$	32,436	\$	34,021	\$ 35,614

*Excludes specified area taxation (included in Revenue by Source schedule).

RATIO OF TAX RATES - COMMERCIAL TO RESIDENTIAL (General Taxes Only)

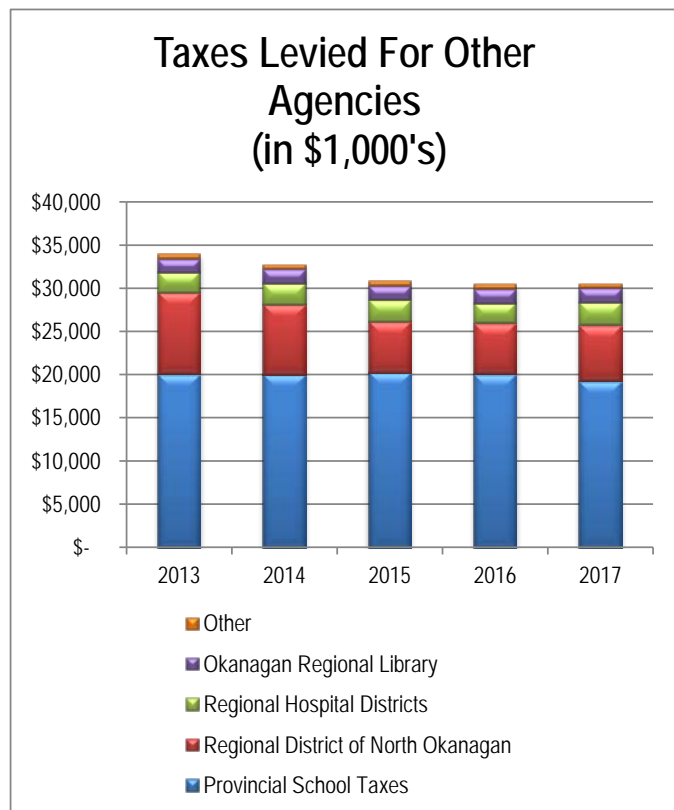
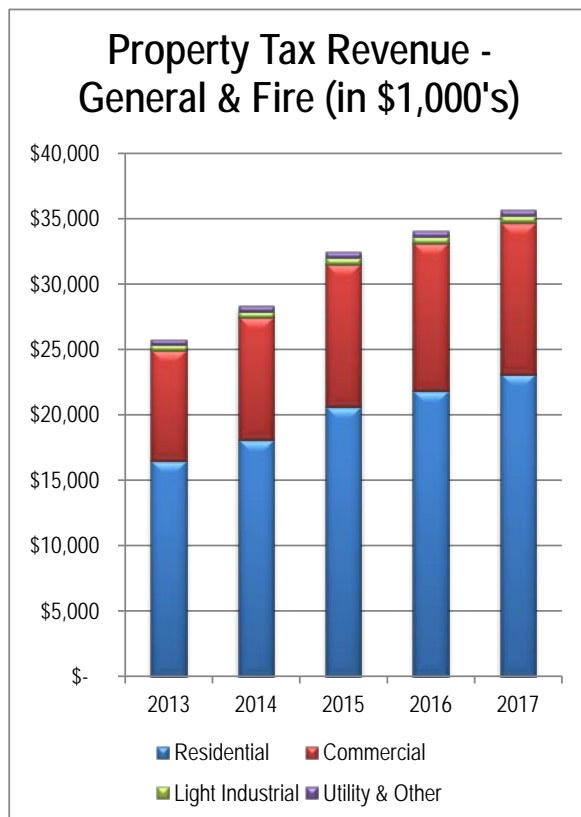
2.62 2.57 2.74 2.72 2.73

TOTAL PROPERTY TAXES COLLECTED \$ 61,736 \$ 62,567 \$ 66,394 \$ 66,051 \$ 65,532

% OF CURRENT TAXES COLLECTED 97.92% 97.91% 97.41% 97.20% 97.25%

TAXES LEVIED FOR OTHER AGENCIES

Provincial School Taxes	\$	20,097	\$	19,994	\$	20,246	\$	20,049	\$	19,271
Regional District of North Okanagan		9,376		8,107		5,882		5,898		6,461
Regional Hospital Districts		2,359		2,449		2,519		2,301		2,618
Okanagan Regional Library		1,578		1,632		1,638		1,702		1,694
Other		547		545		547		526		465
	\$	33,957	\$	32,727	\$	30,832	\$	30,476	\$	30,509



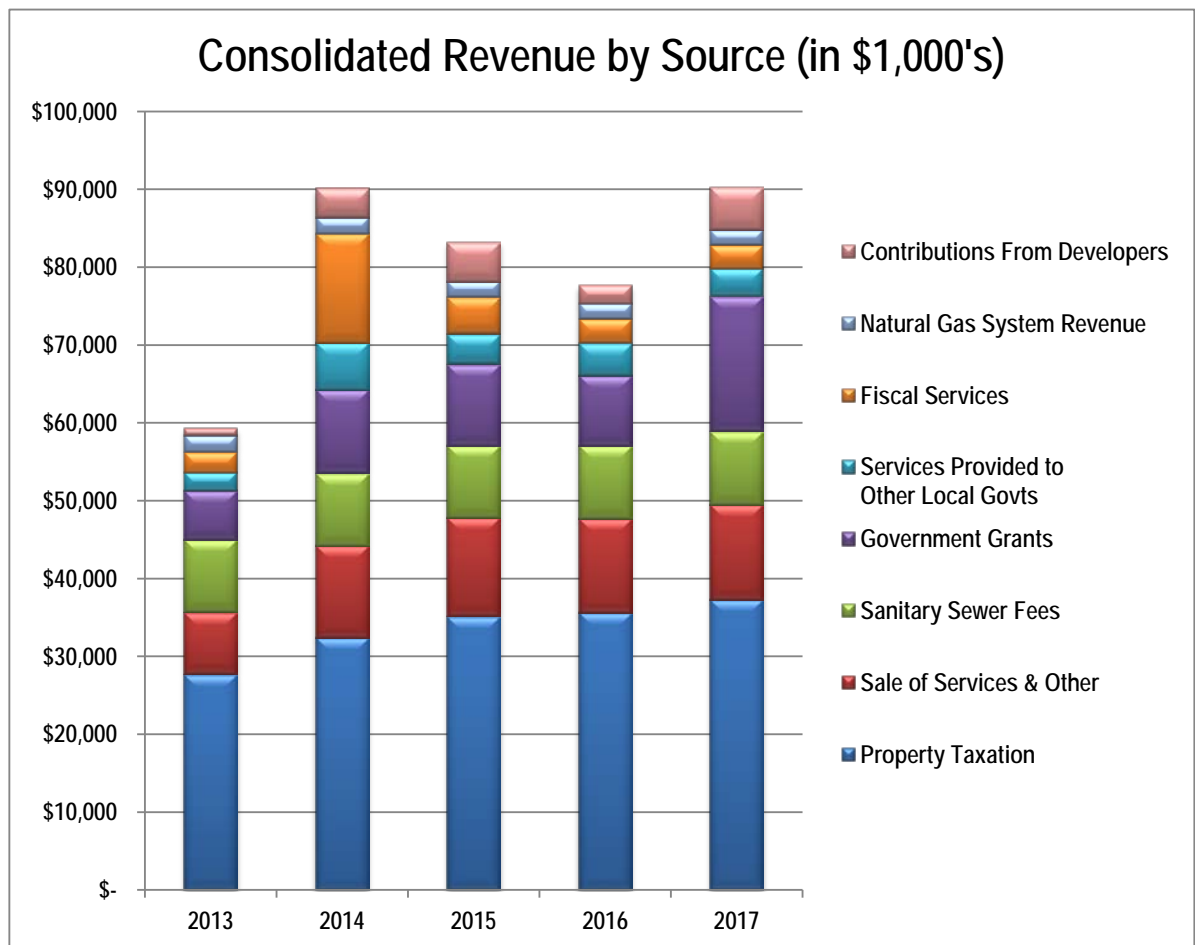
Consolidated Revenue by Source

(In \$1,000's except for per-capita figures)

	2013	2014	2015	2016	2017
Property Taxation*	\$ 27,750	\$ 32,413	\$ 35,195	\$ 35,642	\$ 37,333
Sale of Services & Other	7,914	11,794	12,636	12,077	12,177
Sanitary Sewer Fees	9,313	9,357	9,278	9,360	9,453
Government Grants	6,360	10,721	10,431	9,015	17,357
Services Provided to Other Local Govts	2,319	6,088	3,896	4,137	3,495
Fiscal Services**	2,618	13,961	4,712	3,117	3,041
Natural Gas System Revenue	2,124	2,069	2,017	1,960	1,911
Contributions From Developers	899	3,722	5,083	2,330	5,466
	\$ 59,297	\$ 90,125	\$ 83,248	\$ 77,638	\$ 90,233

*Includes specified area taxation (not included in Property Tax Revenue schedule).

Derived from the General Fund, Sewer Fund, Statutory Reserve Funds, and wholly-owned subsidiaries

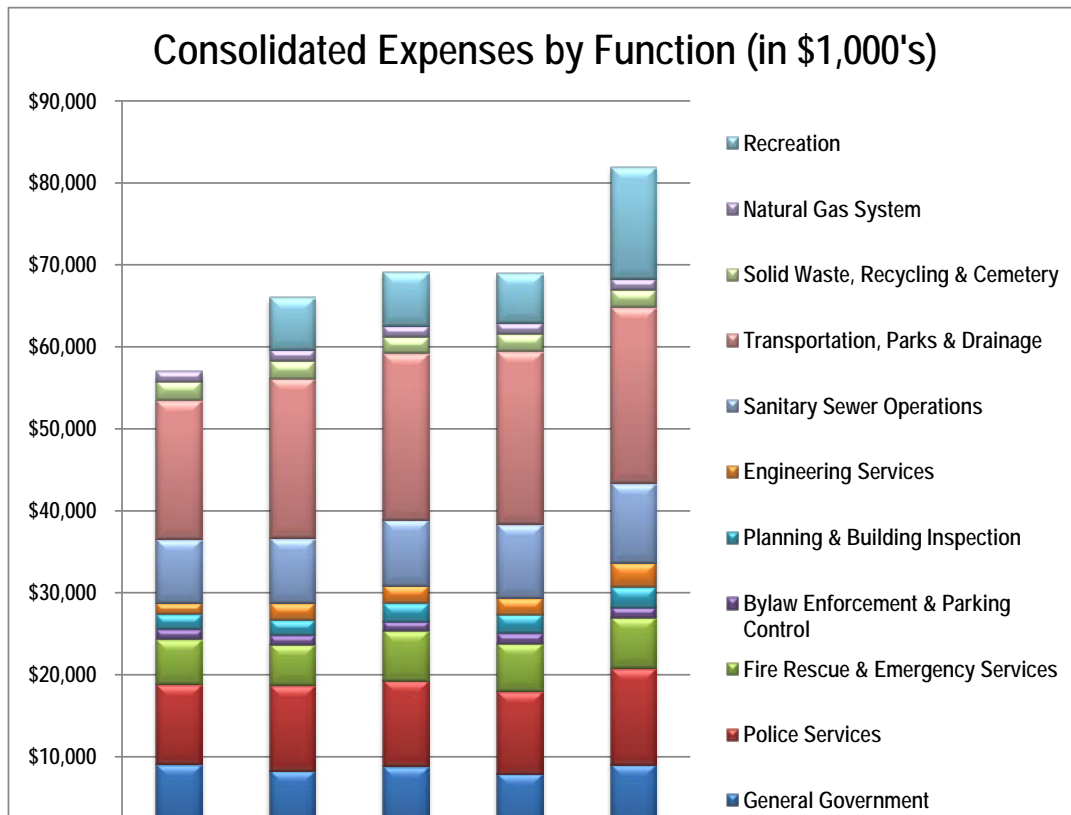


Consolidated Expenses by Function

(In \$1,000's except for per-capita figures)

	2013	2014	2015	2016	2017
General Government	\$ 9,142	\$ 8,328	\$ 8,842	\$ 7,972	\$ 9,060
Police Services	9,744	10,417	10,460	10,021	11,733
Fire, Rescue & Emergency Services	5,502	4,970	6,096	5,822	6,175
Bylaw Enforcement & Parking Control	1,171	1,118	1,097	1,265	1,263
Planning & Building Inspection	1,813	1,861	2,283	2,256	2,456
Engineering Services	1,337	2,079	2,138	2,054	2,973
Sanitary Sewer Operations	7,850	7,924	8,045	9,038	9,741
Transportation, Parks & Drainage	16,932	19,472	20,264	21,053	21,448
Solid Waste, Recycling & Cemetery	2,275	2,120	1,956	2,058	2,096
Recreation	-	6,346	6,618	6,110	13,632
Natural Gas System	1,282	1,352	1,352	1,350	1,348
	\$ 57,048	\$ 65,987	\$ 69,151	\$ 68,999	\$ 81,925

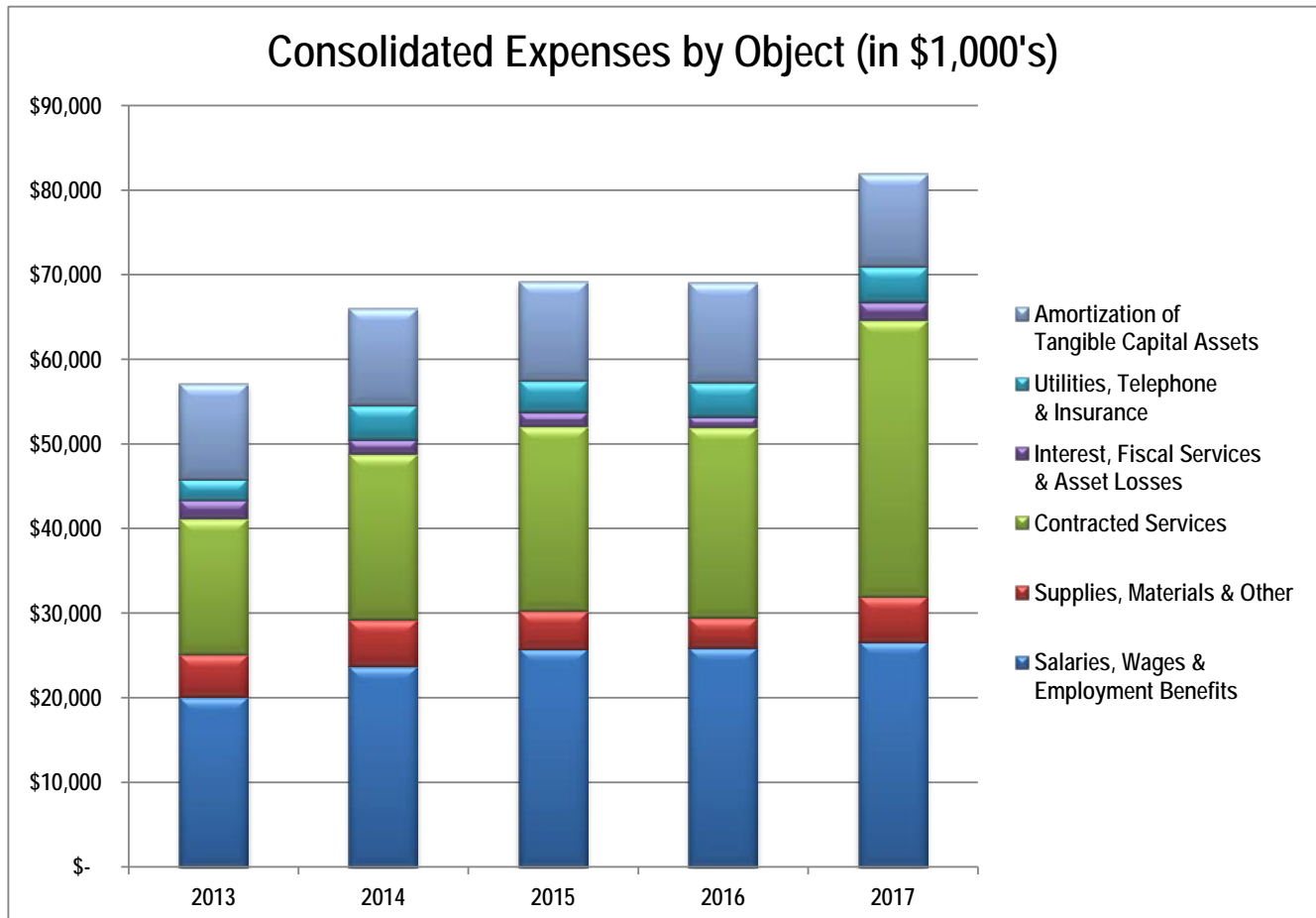
Derived from the General Fund, Sewer Fund, Statutory Reserve Funds, and wholly-owned subsidiaries. For purposes of this table, all interest, fiscal service expenses, and amortization have been integrated in their respective functions.



Consolidated Expenses by Object

(In \$1,000's)

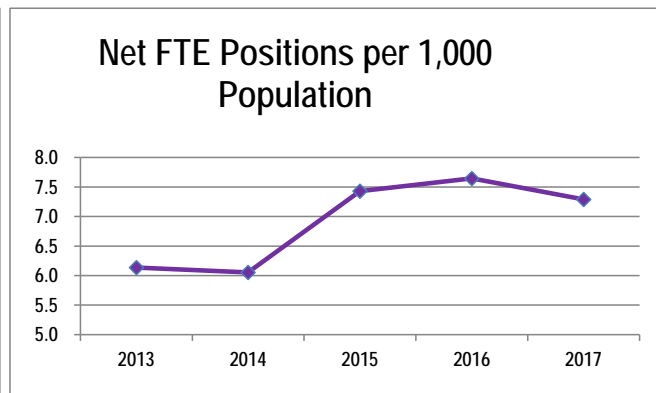
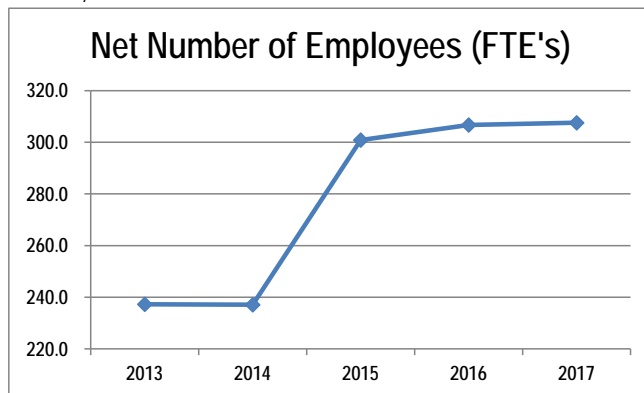
		2013		2014		2015		2016		2017
Salaries, Wages & Employment Benefits	\$	20,074	\$	23,740	\$	25,771	\$	25,901	\$	26,609
Supplies, Materials & Other		5,079		5,502		4,525		3,534		5,363
Contracted Services		16,043		19,546		21,774		22,535		32,662
Interest, Fiscal Services & Asset Losses		2,164		1,728		1,631		1,255		2,067
Utilities, Telephone & Insurance		2,463		4,049		3,759		3,993		4,250
Amortization of Tangible Capital Assets		11,225		11,422		11,691		11,781		10,974
	\$	57,048	\$	65,987	\$	69,151	\$	68,999	\$	81,925



Number of Employees (Full-time Equivalents)

Number of Employees (Full-time Equivalents)*	2013	2014	2015	2016	2017
Administration & Corporate Services:					
General Administration	2.0	2.0	2.0	2.0	2.0
City Clerk's Office	8.2	7.9	8.5	8.0	7.5
Human Resources	5.9	7.3	7.4	8.1	8.3
Information Services	7.8	9.4	9.6	9.6	10.3
Bylaw Enforcement	12.9	11.5	11.0	12.9	13.5
Community Policing Office	6.0	5.0	3.8	3.0	3.0
Finance & Purchasing	17.0	17.7	16.8	16.1	16.5
Engineering & GIS	14.5	16.0	15.2	14.9	17.4
Community Development	16.7	16.7	18.7	20.8	19.6
Fire & Rescue	41.5	40.2	39.1	38.2	39.1
Police (civilian staff)	31.7	32.0	30.7	30.5	29.1
Operations:					
Operations Administration	3.2	3.0	2.9	3.6	4.0
Sanitary & Storm Sewers	13.9	14.6	17.5	19.7	18.0
Water **	16.9	16.4	13.3	11.8	12.0
Public Works	28.6	28.5	24.7	24.2	22.9
Parks **	10.7	10.2	10.8	12.2	12.1
Fleet & Facilities	12.9	11.5	11.9	12.7	12.3
Vernon Water Reclamation Plant	12.9	12.2	13.5	12.2	11.6
Airport	1.6	1.6	1.6	1.7	1.7
Recreation **	40.1	52.9	55.2	56.3	58.7
Gross Number of Employees	305.0	316.6	314.2	318.5	319.6
* Full-time equivalent (FTE) is based on the total number of hours worked as a function of standard full-time hours.					
Less: Number of employees for which full employment costs are recovered by the Regional District of North Okanagan for Parks, Recreation, Water (2014 onwards - Water only)	(67.7)	(79.5)	(13.3)	(11.8)	(12.0)
Net Number of Employees (relating to total employment costs recorded by the City of Vernon)	237.3	237.1	300.9	306.7	307.6
Gross FTE Positions per 1,000 Population	7.9	8.1	7.8	7.9	7.6
Net FTE Positions per 1,000 Population	6.1	6.1	7.4	7.6	7.3

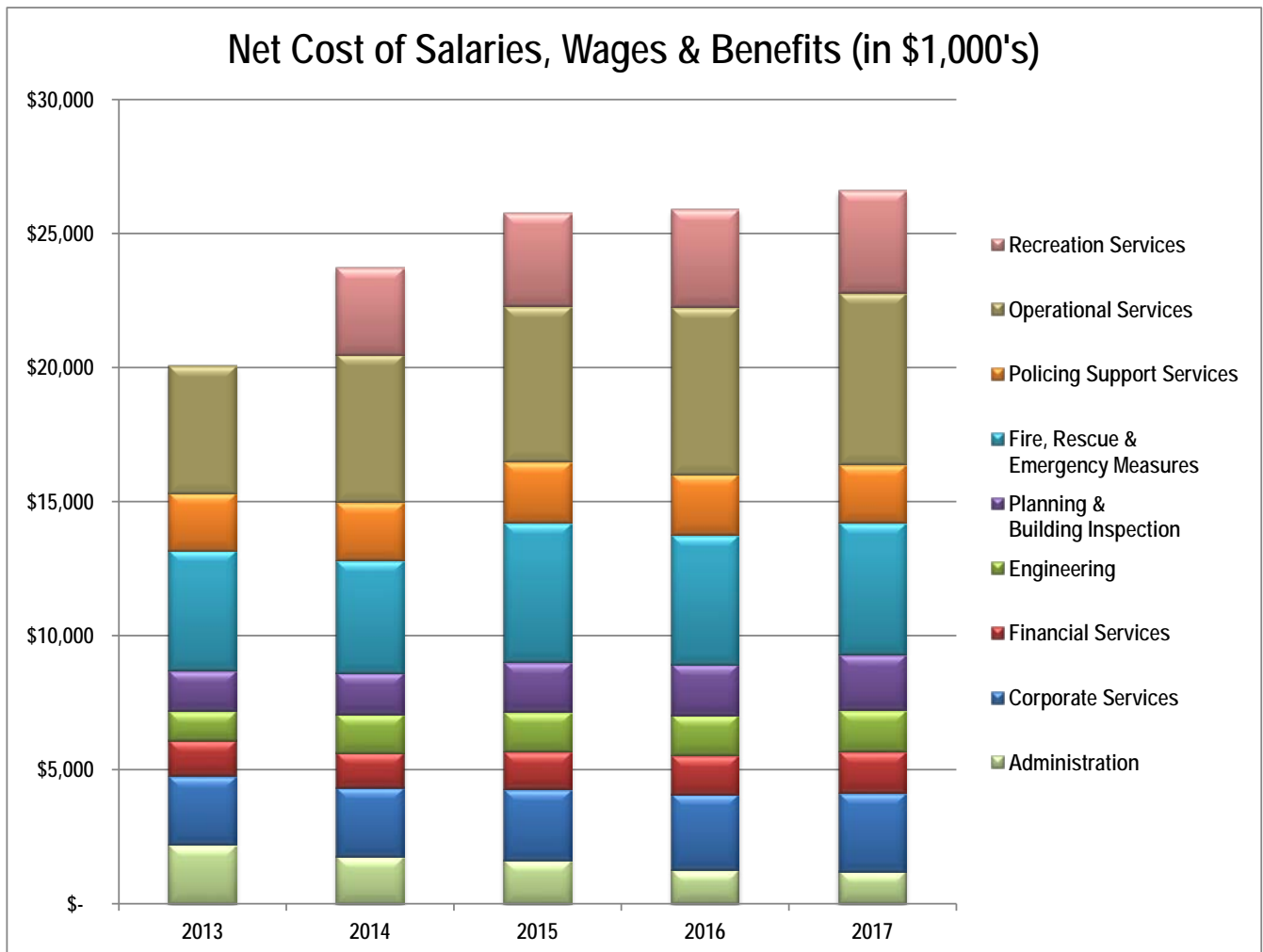
Source: City of Vernon Human Resources



Cost of Salaries, Wages and Benefits

(In \$1,000's)

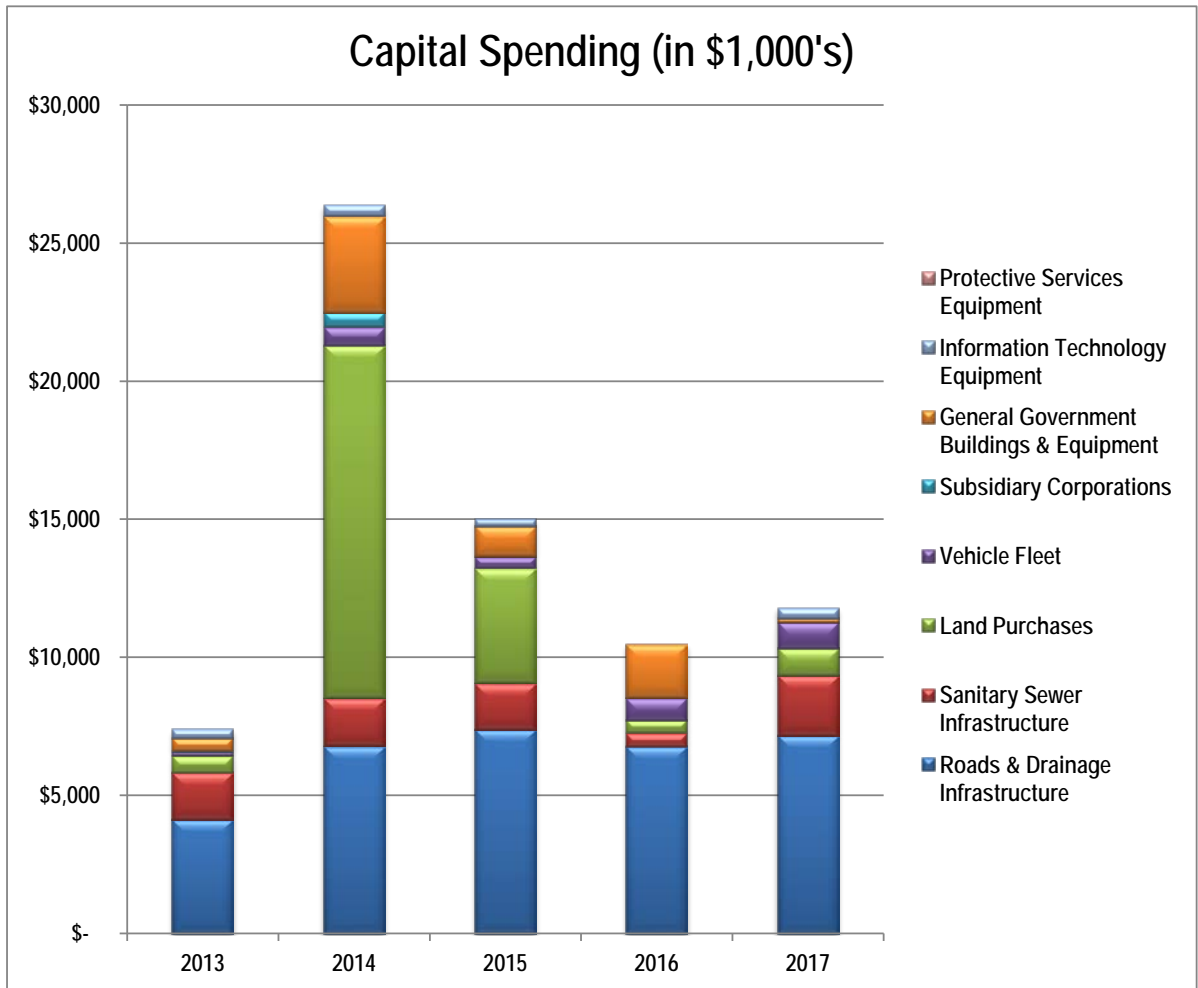
	2013	2014	2015	2016	2017
Administration	\$ 2,210	\$ 1,756	\$ 1,621	\$ 1,255	\$ 1,198
Corporate Services	2,566	2,570	2,659	2,817	2,939
Financial Services	1,318	1,308	1,392	1,472	1,546
Engineering	1,090	1,438	1,484	1,487	1,548
Planning & Building Inspection	1,532	1,547	1,854	1,907	2,071
Fire, Rescue & Emergency Measures	4,461	4,204	5,201	4,825	4,909
Policing Support Services	2,150	2,160	2,293	2,255	2,187
Operational Services	4,747	5,501	5,799	6,234	6,394
Recreation Services	-	3,256	3,467	3,649	3,817
	<u>\$ 20,074</u>	<u>\$ 23,740</u>	<u>\$ 25,770</u>	<u>\$ 25,901</u>	<u>\$ 26,609</u>



Capital Spending

(In \$1,000's except for per-capita figures)

	2013	2014	2015	2016	2017
Roads & Drainage Infrastructure	\$ 4,137	\$ 6,777	\$ 7,379	\$ 6,775	\$ 7,166
Sanitary Sewer Infrastructure	1,692	1,758	1,683	478	2,165
Land Purchases	596	12,765	4,166	461	990
Vehicle Fleet	145	649	409	806	930
Subsidiary Corporations	31	537	6	8	-
General Govt Buildings & Equipment	467	3,482	1,091	1,938	164
Information Technology Equipment	309	419	266	-	379
Protective Services Equipment	-	-	-	-	-
	\$ 7,377	\$ 26,387	\$ 15,000	\$ 10,466	\$ 11,794



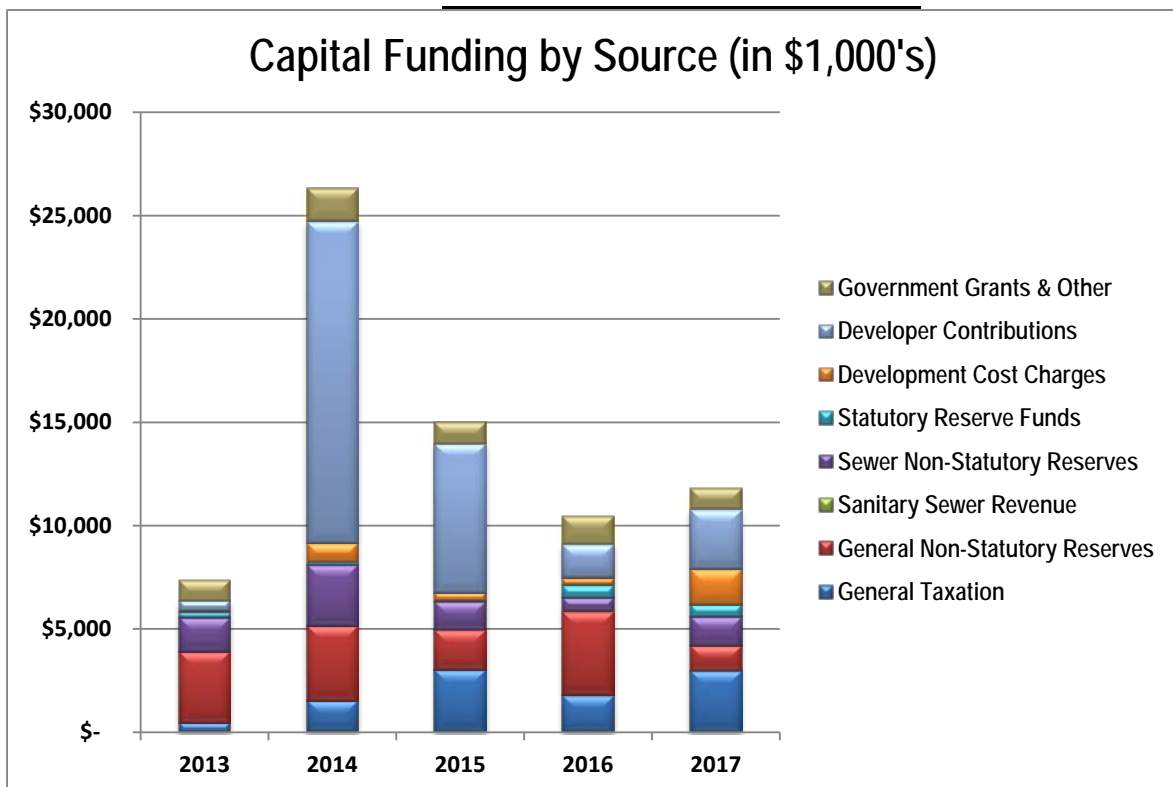
Capital Funding by Source

(In \$1,000's)

	2013	2014	2015	2016	2017
General Taxation	\$ 466	\$ 1,549	\$ 3,028	\$ 1,805	\$ 2,989
General Non-Statutory Reserves	3,452	3,622	1,944	4,072	1,212
Sanitary Sewer Revenue	-	9	-	-	-
Sewer Non-Statutory Reserves	1,652	2,937	1,356	647	1,392
Statutory Reserve Funds	256	119	29	617	585
Development Cost Charges	51	921	407	337	1,731
Developer Contributions	485	15,564	7,198	1,645	2,889
Government Grants & Other	1,015	1,624	1,038	1,343	996
	\$ 7,377	\$ 26,345	\$ 15,000	\$ 10,466	\$ 11,794

PROPORTIONAL BREAKDOWN OF CAPITAL FUNDING FUNDING

General Taxation	6.3%	5.9%	20.2%	17.2%	25.3%
Sanitary Sewer Revenue	-	0.0	-	-	-
Reserves	72.7	25.3	22.2	51.0	27.0
Developers	7.3	62.6	50.7	18.9	39.2
Government Grants & Other	13.8	6.2	6.9	12.8	8.4
	100.0%	100.0%	100.0%	100.0%	100.0%



Long Term Debt by Function and Sources of Funding

(In \$1,000's)

LONG-TERM DEBT BY FUNCTION

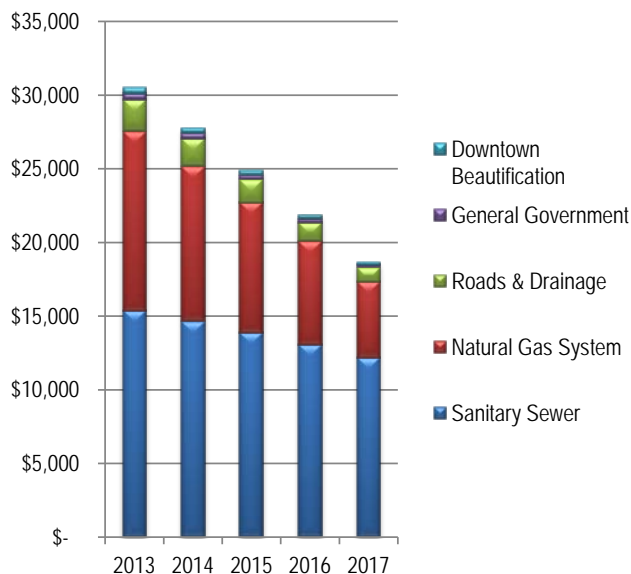
	2013	2014	2015	2016	2017
Sanitary Sewer	\$ 15,395	\$ 14,651	\$ 13,879	\$ 13,055	\$ 12,198
Natural Gas System	12,192	10,558	8,840	7,036	5,141
Roads & Drainage	2,115	1,847	1,568	1,276	973
General Government	409	357	303	247	188
Downtown Beautification	393	343	291	236	181
	<u>\$ 30,504</u>	<u>\$ 27,756</u>	<u>\$ 24,881</u>	<u>\$ 21,850</u>	<u>\$ 18,681</u>

PROPORTIONAL FUNDING SOURCES FOR LONG-TERM DEBT

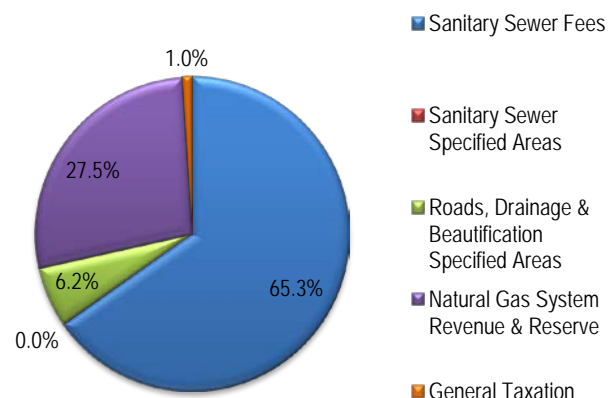
Sanitary Sewer Fees	50.4%	52.7%	55.7%	59.7%	65.3%
Sanitary Sewer Specified Areas	0.1%	0.1%	0.1%	0.0%	0.0%
Roads, Drainage & Beautification Specified Areas	8.2%	7.9%	7.5%	6.9%	6.2%
Natural Gas System Revenue & Reserve	40.0%	38.0%	35.5%	32.2%	27.5%
General Taxation	1.3%	1.3%	1.2%	1.2%	1.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

All water debt originally incurred by the City of Vernon has been transferred to and is recorded by the Regional District of North Okanagan when this function was assumed by the Regional District. As such, this debt is not a liability of the City of Vernon and is not recorded. No overlapping debt exists.

**Long-Term Debt by Function
(in \$1,000's)**



Long-Term Debt Funding



Long Term Debt Capacity

(In \$1,000's except for per-capita figures)

	2013	2014	2015	2016	2017
FINANCIAL ASSETS	\$ 57,604	\$ 70,567	\$ 79,261	\$ 90,182	\$ 104,690
LONG-TERM DEBT	\$ 30,504	\$ 27,756	\$ 24,881	\$ 21,850	\$ 18,681

RATIO OF FINANCIAL ASSETS TO LONG TERM DEBT	1.89	2.54	3.19	4.13	5.60
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A municipality's ability to borrow funds (debt capacity) is based on their ability to make principal and interest payments (liability servicing). The liability servicing limit, the maximum allowable principal and interest payments a municipality can make in a year, is based on a percentage of applicable Municipal Revenues and determines how much debt a Municipality can service.

MUNICIPAL REVENUES

Municipal portion of Property Tax revenue	\$ 28,175	\$ 28,533	\$ 35,572	\$ 36,013	\$ 37,730
Sale of Services	17,061	20,711	21,423	21,034	21,268
Other Revenue	4,609	12,865	6,505	9,888	9,420
Investment Income	1,463	1,779	1,719	720	952
Unconditional Government Transfers	2,393	2,452	632	608	987

Less:

Actuarial adjustments on long term debt	(928)	(1,005)	(1,137)	(1,233)	(1,369)
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TOTAL MUNICIPAL REVENUES

Liability Servicing factor	25%	25%	25%	25%	25%
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LIABILITY SERVICING LIMIT

	\$ 13,193	\$ 16,334	\$ 16,179	\$ 16,758	\$ 17,247
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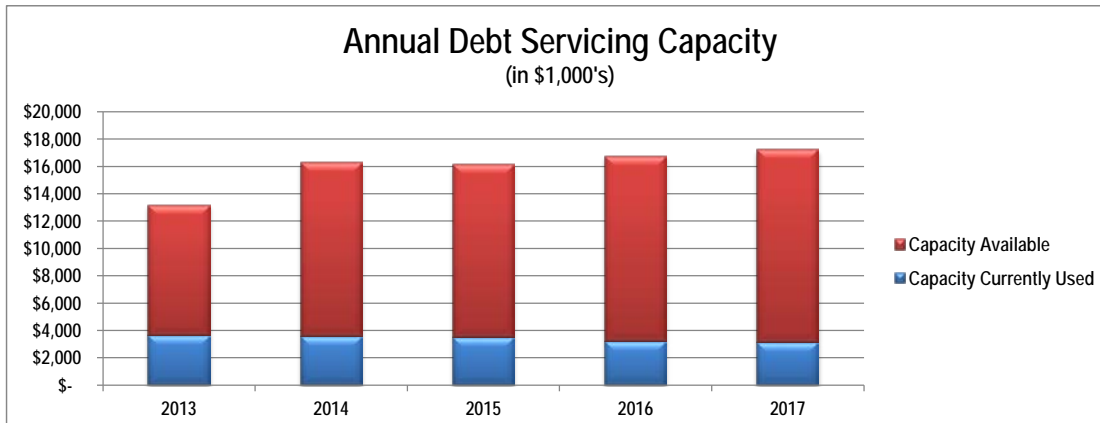
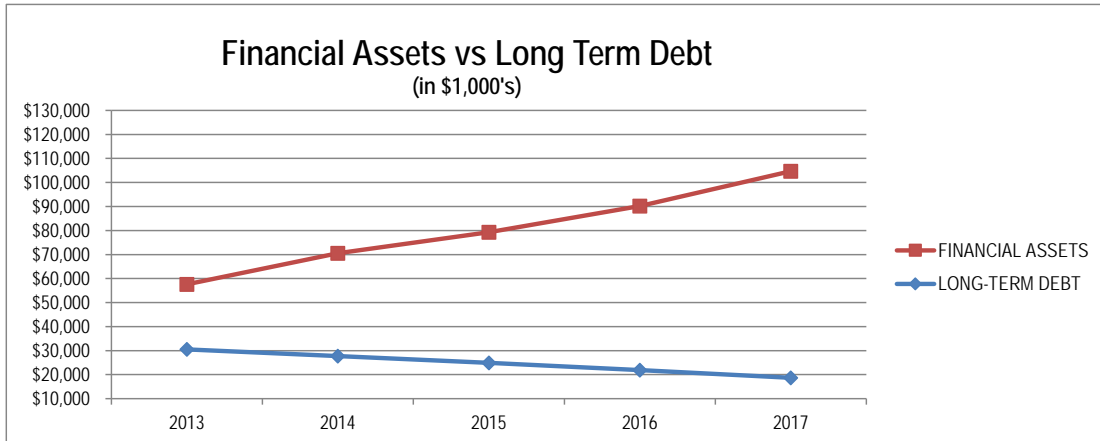
LIABILITY SERVICING COST

Debt Servicing for Authorized and Issued Debt	3,442	3,359	3,322	3,004	2,905
Estimated Debt Servicing for Unissued Debt	219	219	219	219	270

TOTAL LIABILITY SERVICING COST

	\$ 3,661	\$ 3,578	\$ 3,541	\$ 3,223	\$ 3,175
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LIABILITY SERVICING CAPACITY AVAILABLE	\$ 9,532	\$ 12,756	\$ 12,638	\$ 13,535	\$ 14,072
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Taxable Property Assessments

(in \$1,000's)

	2013	2014	2015	2016	2017
Residential	\$ 5,406,304	\$ 5,320,195	\$ 5,665,492	\$ 5,939,468	\$ 6,389,094
Commercial	1,086,765	1,093,901	1,097,231	1,131,080	1,194,869
Light Industrial	37,735	37,214	35,712	37,813	38,661
Recreation & Non-Profit	27,050	23,375	23,904	22,982	22,951
Utility	7,138	7,333	7,466	7,385	7,213
Farm Land & Managed Forest	3,920	3,988	3,947	3,988	3,715
	\$ 6,568,912	\$ 6,486,006	\$ 6,833,752	\$ 7,142,716	\$ 7,656,503

% Change From Prior Year	-2.6%	-1.3%	5.4%	4.5%	7.2%
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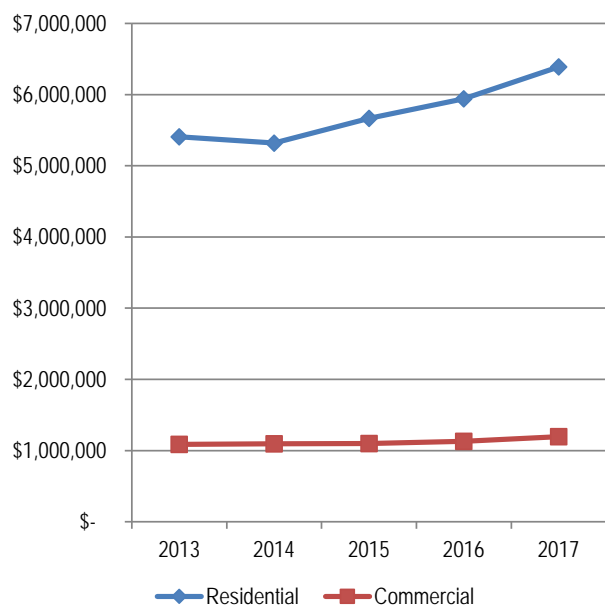
AVERAGE SINGLE FAMILY RESIDENTIAL

ASSESSED VALUES (in \$1,000's)

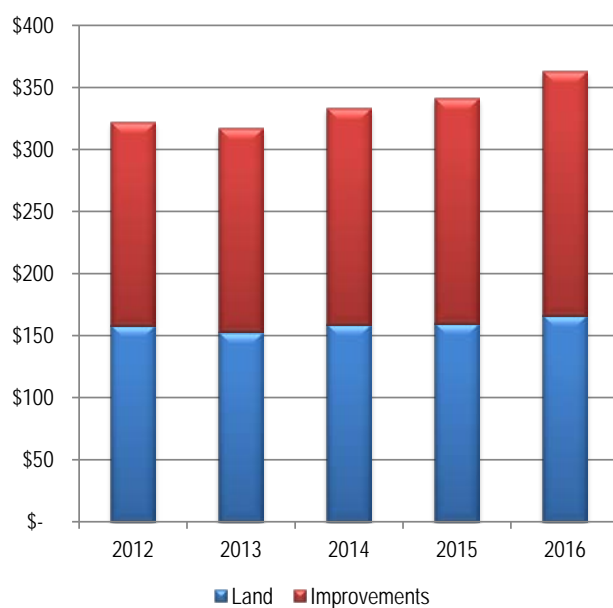
Land	\$ 158	\$ 153	\$ 159	\$ 160	\$ 166
Improvements	164	164	174	181	197
	\$ 322	\$ 317	\$ 333	\$ 341	\$ 363

% Change From Prior Year	-3.5%	-1.6%	5.0%	2.4%	6.5%
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**Total Property Assessments
Residential & Commercial
(in \$1,000's)**



**Average Single Family
Residential Assessed Values
(in \$1,000's)**



Principal Corporate Taxpayers

(in \$1,000's)

Rank	Category	Property Owner	Common Name	General & Levied	2016 Rank
1	Retail	Village Green Shopping Centre Inc.	Village Green Mall	\$ 708	2
2	Retail	Calloway REIT (Vernon) Inc.	Vernon Smart Centre (Including Wal-Mart)	649	1
3	Retail	CP REIT BC Properties Ltd	Real Canadian Superstore	382	3
4	Retail	Sunstone Holdings Inc.	Shops at Polson Park	259	5
5	Hotel	460463 BC Ltd	Sparkling Hills Resort	247	6
6	Retail	Realfund Investments (BC) Ltd	Vernon Square (Northern Portion)	242	4
7	Office	N & T Properties Ltd	Kal Tire - Corporate Office	189	8
8	Retail	Home Depot Holdings Inc	The Home Depot	181	7
9	Retail	Canadian Tire Corporation Ltd	Canadian Tire	154	9
10	Office	Timber Facility Ltd	Tolko Industries - Corporate Office	131	10
11	Retail	Fruit Union Plaza Holdings Ltd	Fruit Union Plaza	130	11
12	Retail	Snowcat Property Holdings Ltd	Vernon Square Safeway (Southern Portion)	127	14
13	Retail	5601 Anderson Way Holdings Ltd	The Brick & Red Robin	124	12
14	Retail	4246551 Canada Inc	Rona	124	13
15	Entertainment	Gateway Casinos & Entertainment Ltd	Gateway Casino & Entertainment	110	16
16	Brewery	Sleeman Breweries Ltd	Okanagan Spring Brewery	103	18
17	Retail	Loblaws Properties West Inc.	Real Canadian Wholesale Club	98	15
18	Hotel	Jassi Holdings Ltd	Holiday Inn (Including Ricky's Grill)	95	17
19	Retail	Home Hardware Stores Ltd	Home Hardware	83	20
20	Hotel	Hollypark Organization Inc	Fairfield Inn & Suites by Marriott	83	New

Total General & Fire Tax Revenue - Top Twenty

\$ 4,219

Total General & Fire Tax Revenue - City Wide

\$ 35,614

Proportion of Taxes Paid by Top Twenty

11.8%

Tax Contribution from Principal Corporate Taxpayers



Building Permits and Business Licences

Building Permit Construction Values	<i>(In \$1,000's)</i>	2013	2014	2015	2016	2017
Residential		\$ 44,244	\$ 66,057	\$ 69,131	\$ 76,036	\$ 107,007
Commercial		5,311	7,248	39,105	26,445	11,531
Institutional		861	18,632	1,478	19,878	11,575
Industrial		10	250	60	340	-
		\$ 50,426	\$ 92,187	\$ 109,774	\$ 122,699	\$ 130,113

Building Permit Fees	<i>(In \$1,000's)</i>	\$ 594	\$ 479	\$ 992	\$ 1,108	\$ 1,311
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Number of Building Permits Issued		322	316	381	394	433
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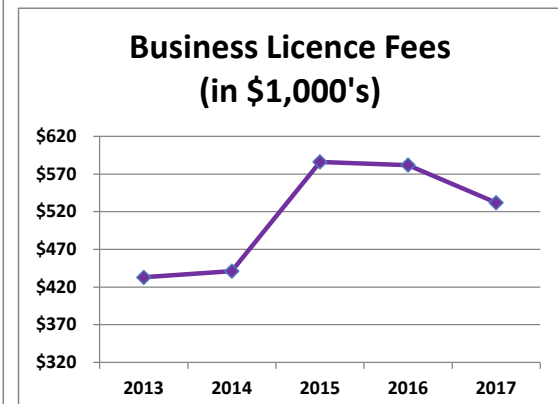
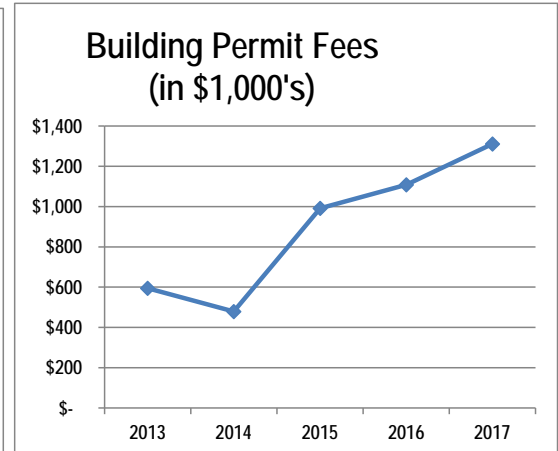
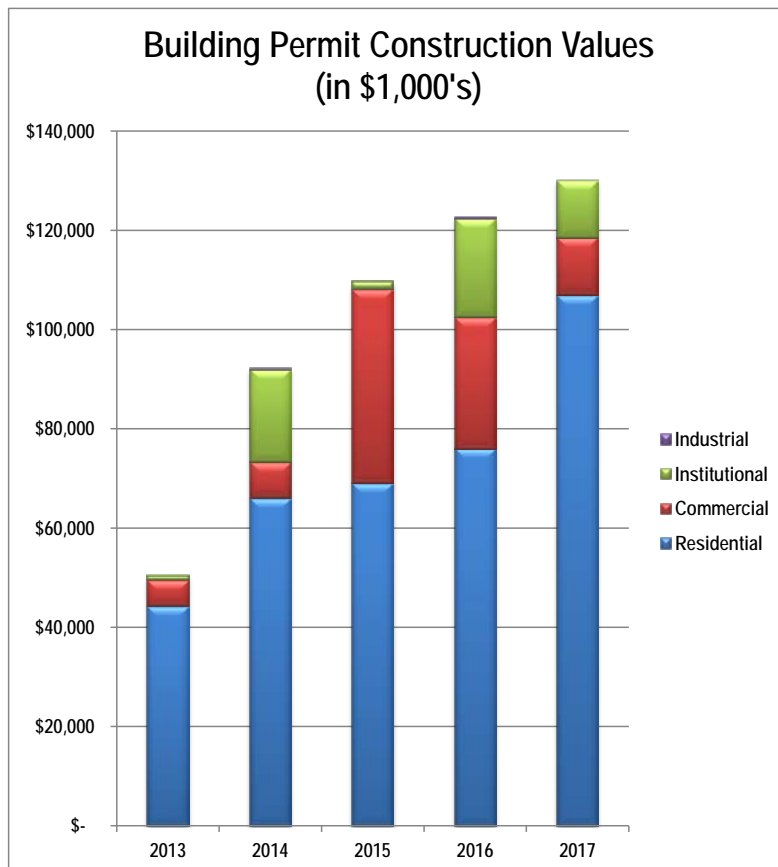
Business Licence Fees	<i>(In \$1,000's)</i>	\$ 433	\$ 441	\$ 586	\$ 582	\$ 532
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Number of Licenced Businesses		3,244	3,240	3,129	3,767	3,580
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Number of Land Use Applications Processed *		152	150	151	177	193
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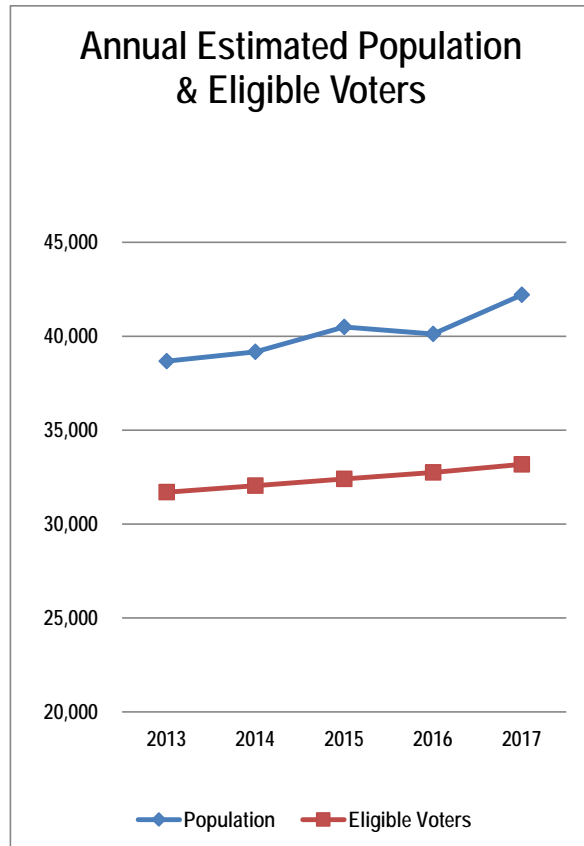
* Includes applications for Rezoning, OCP Amendment, Development Permit, Development Variance Permit, Board of Variance, ALR, and Subdivision

Source: City of Vernon Planning & Building Division



Population Demographics

	2013	2014	2015	2016	2017
Annual Estimated Population (Source: BC Statistics)	38,672	39,167	40,497	40,116	42,199
Population Growth Rates	-0.6%	1.3%	3.4%	-0.9%	5.2%
Annual Estimated Eligible Voters (based on population estimate)	31,693	32,045	32,397	32,749	33,180

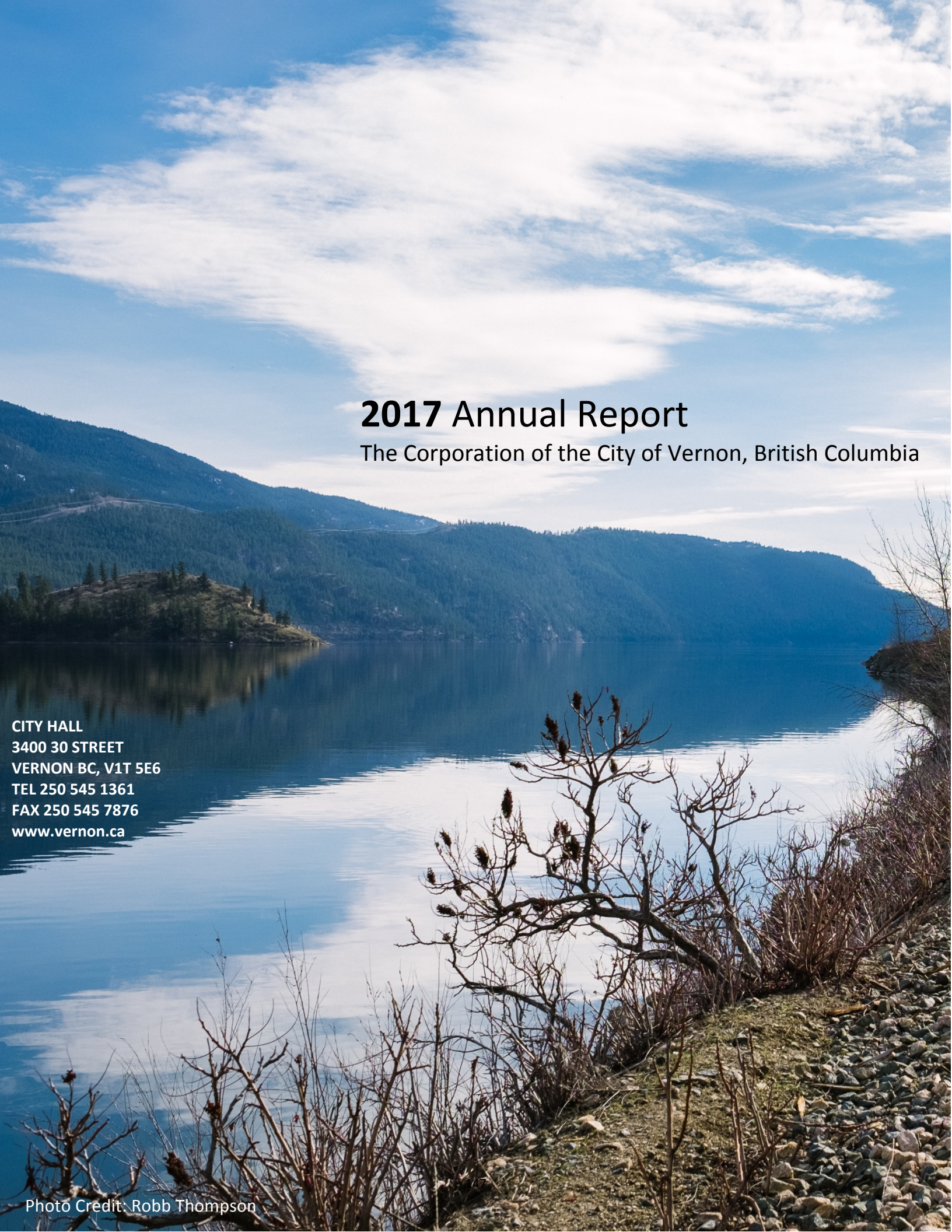


Selected Statistics:

Taxable Area (hectares)	7,657
Total Area (hectares)	11,764
Paved Roads (kilometers)	300
Number of Fire Hydrants	1,256
Storm Sewer Pipes (kilometres)	195
Sanitary Sewer Pipes (kilometers)	269
Residential Sewer Connections	9,632
Residential Sewer Billing Units	17,654
Commercial & Other Sewer Connections	1,080
Commercial & Other Sewer Billing Units	1,062
Sewer System Average Daily Flow (cubic metres/day)	12,570

2016 and 2011 Census (Source: Statistics Canada)

	Total	0 - 14	15 - 24	25 - 44	45 - 64	65+
2016	40,116	5,670	4,040	8,760	11,420	10,226
2011	38,155	5,370	4,430	8,505	11,050	8,800
Total Net Growth	1,961	300	(390)	255	370	1,426
Percent Growth	5.1%	5.6%	-8.8%	3.0%	3.3%	16.2%



2017 Annual Report

The Corporation of the City of Vernon, British Columbia

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