



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

THE CORPORATION OF THE CITY OF VERNON

A G E N D A

COMMITTEE OF THE WHOLE

CITY HALL COUNCIL CHAMBER

MAY 10, 2021

AT 8:40 AM

AGENDA

1. CALL TO ORDER

- A. THAT the Agenda for the May 10, 2021, Committee of the Whole meeting be adopted as presented.

2. ADOPTION OF MINUTES

MINUTES

- A. THAT the minutes of the Committee of the Whole meeting of Council held April 26, 2021, be adopted. **(P. 3)**

3. BUSINESS ARISING FROM THE MINUTES

4. GENERAL MATTERS

PRESENTATION – AUDITORS CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (VIA ZOOM)

- A. Murray Smith, CA, Audit Partner, and Craig Woods, CA, Audit Manager, of KPMG will present the Consolidated Financial Statements' for the year ended December 31, 2020.

2020 FINANCIAL STATEMENTS (1830-02) (P. 7)

- B. THAT Council receives and approves the 2020 Audited Financial Statements as presented by representatives of KPMG, LLP, at the May 10, 2021 Committee of the Whole meeting.

5. UNFINISHED BUSINESS

2021 PRIORITY LAKE ACCESS COUNCIL TOUR DISCUSSION (8700-02) (P. 44)

- A. THAT Council directs Administration to develop Lake Access Site #26 (8835 Okanagan Landing Road, community boat launch) in 2022;

AND FURTHER, that Council directs Administration to develop Lake Access Site #20 (7300 Tronson Road) in 2023;

AND FURTHER, that Council directs Administration to develop Lake Access Site #30 (9499 Eastide Road) in 2024;

AND FURTHER, that Council directs Administration to develop Lake Access Site #37 (114 Russell Road) in 2025;

AND FURTHER, that Council directs Administration to develop Lake Access Site #14 (7806 Tronson Road) in 2026;

AND FURTHER, that Council directs Administration to develop Lake Access Site #15 (7700 Tronson Road) in 2027;

AND FURTHER, that Council directs Administration to bring forward capital budgets for each site for Council's consideration and approval prior to commencement of work.

**DIVERSITY TRAINING
(0530-11 2021)
(P. 50)**

B. THAT Council receive the memorandum titled "Diversity Training" dated April 29, 2021, respectfully submitted by the Director, Human Resources.

**ON LINE SEMINARS –
FOCUS ON
GOVERNANCE VIDEO
(45 minutes)
(0530-01) (P. 52)**

C. "Good Governance By George" – Part Three: *Governance Failures*.

6. NEW BUSINESS

7. LEGISLATIVE MATTERS

8. COUNCIL INFORMATION UPDATES

9. G.V.A.C. / R.D.N.O REGULAR MEETINGS

10. INFORMATION ITEMS

11. CLOSE OF MEETING

THE CORPORATION OF THE CITY OF VERNON

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
HELD APRIL 26, 2021**

PRESENT: Mayor V. Cumming

Councillors: S. Anderson, K. Gares, B. Quiring (8:42 am),
A. Mund, K. Fehr, D. Nahal

Staff: W. Pearce, Chief Administrative Officer
P. Bridal, DCAO, Director, Corporate Services
K. Austin, Manager, Legislative Services
J. Nicol, Deputy Corporate Officer
D. Law, Director, Financial Services
D. Lind, Director, Vernon Fire Rescue Services
D. Ross, Director, Recreation Services
K. Poole, Manager, Economic Development & Tourism
C. Poirier, Manager, Communications & Grants
K. Flick, Director, Community Infrastructure and Development
J. Rice, Director, Operation Services
L. Cordell, Manager, Long Range Planning & Sustainability
A. Watson, Manager, Transportation
S. Melenko, Information Technician I

CALL TO ORDER

Mayor Victor Cumming called the meeting to order at 8:41 am.

AGENDA ADOPTION

Moved by Councillor Fehr, seconded by Councillor Gares:

THAT the Agenda for the April 26, 2021 Committee of the Whole meeting be adopted.

CARRIED

**ADOPTION OF THE
MINUTES**

Moved by Councillor Fehr, seconded by Councillor Mund:

THAT the minutes of the Committee of the Whole meeting of Council held April 12, 2021, be adopted.

CARRIED

BUSINESS ARISING FROM THE MINUTES

GENERAL MATTERS

UNFINISHED BUSINESS

**FORTIS BC LEGACY
RESERVE:
INTRODUCTION OF
POTENTIAL PROJECTS
(60 minutes)
(1700-02)**

The Director, Community Infrastructure and Development guided Council through a discussion of potential projects in accordance with the principles accepted by resolution by Council at their Special Meeting on April 20, 2021.

Projects were reviewed under the following headings:

- Recreation, Parks and Natural Spaces:
- Affordable and Attainable Housing
- Vibrant Downtown
- Organizational Priorities
- Regional Relationships
- Other Sustainable

*Councillor Nahal left the meeting at 9:19 am and returned at 9:20 am.
Councillor Fehr left the meeting at 9:28 am and returned at 9:30 am.*

Each Councillor chose up to three projects that they viewed as top priorities and the Director, Community Infrastructure guided Council through a short-listing process based on the principles identified at the April 20, 2021 Special Meeting.

Councillor Nahal left at 9:52 am and returned at 10:02 am.

Moved by Councillor Mund, seconded by Councillor Anderson:

THAT Council concentrate on the following projects which have received two or more votes and reject the items with single votes as follows:

1. Kin Race Track Park (sports fields, trails, outdoor ice rink, dog park and set aside lands for affordable housing and the Active Living Centre) (5 votes)
2. Polson Park Revitalization (2 votes)
3. 30th Avenue 'flex-street' (3 votes)
4. \$1.17M for Fire Services Strategic Plan (land) (2 votes)
5. RCMP Building Renovation (3 votes);

Single vote items:

- Land Purchase to support affordable housing
- Inner Core trails, sidewalks (Kin Race Tracks & Polson Park)
- Boat Launch Revitalization (8835 Okanagan Landing Road)
- Fire Services Boat
- Lakeview Pool (if grant is unsuccessful)
- Civic Block Improvements (Museum, 32nd Street frontage area upgrades, etc. IF Cultural Centre moves ahead).

CARRIED

Moved by Mayor Cumming, seconded by Councillor Anderson:

THAT Council direct Administration to defer the FortisBC Legacy Reserve project selection session to the May 10, 2021 Committee of the Whole Meeting.

CARRIED

RECESS Mayor Cumming called a recess of the Committee of the Whole meeting at 10:16 am.

RECONVENE Mayor Cumming reconvened the meeting at 10:25 am.

PRESENT: Mayor V. Cumming

Councillors: S. Anderson, K. Gares, B. Quiring,
A. Mund, K. Fehr, D. Nahal (10:49 am)

Staff: W. Pearce, Chief Administrative Officer
P. Bridal, DCAO, Director, Corporate Services
K. Austin, Manager, Legislative Services
J. Nicol, Deputy Corporate Officer
D. Law, Director, Financial Services
D. Lind, Director, Vernon Fire Rescue Services
D. Ross, Director, Recreation Services
K. Poole, Manager, Economic Development & Tourism
C. Poirier, Manager, Communications & Grants
K. Flick, Director, Community Infrastructure and Development
J. Rice, Director, Operation Services

COUNCIL VIDEO LIVE STREAM PAUSED Mayor Cumming advised that due to copyright laws, the live stream video will be paused for the viewing of “Good Governance By George – Part Two: *What is Governance?*” video. The Council video was paused at 10:25 am.

ON LINE SEMINARS – FOCUS ON GOVERNANCE VIDEO Council viewed a 45 minute videos entitled “Good Governance By George – Part Two: *What is Governance?*”

The video ended at 11:10 am. The live stream Council meeting video encountered a technical issue and was unable to be resumed.

NEW BUSINESS

LEGISLATIVE MATTERS

COUNCIL INFORMATION UPDATES

G.V.A.C./R.D.N.O. REGULAR MEETINGS

INFORMATION ITEMS

CLOSE OF MEETING

CLOSE

Mayor Victor Cumming closed the meeting at 11:11 am.

CERTIFIED CORRECT:

Mayor

Corporate Officer



THE CORPORATION OF THE CITY OF VERNON

INTERNAL M E M O R A N D U M

TO: Will Pearce, Chief Administrative Officer **FILE:** 1830-02
FROM: Debra Law, Director, Financial Services **DATE:** April 30, 2021
SUBJECT: 2020 Financial Statements

The 2020 Financial Statements are provided in this memorandum as Attachment 1.

Statement of Financial Position (Statement A)

This statement shows a continuing improvement in the City's net financial asset position. Total Financial Assets of \$130.8 million increased by \$3.0 million, while total Liabilities of \$58.9 million increased slightly from 2019 by \$0.3 million. Most of the increase in financial assets is due to additional cash and cash equivalents. A majority of these funds are committed to one time projects the City has planned to spend in 2021 or will be used to pay down accounts payable and accrued liabilities.

Tangible Capital Assets (TCA) have increased from \$596.3 million in 2019 to \$604.0 in 2020, a net increase of \$7.7 million. This is mostly due to recording \$18.8 million in capital investments, which exceeded amortization of \$11.5 million.

Statement of Operations (Statement B)

On March 22, 2021 the 2020 Amended Budget to Actuals Result was provided to Council which included transfers to and from reserves along with debt principal payments. The 2020 unexpended, uncommitted balance in that report totalled \$1,677,453. That report differs from the Statement of Operations net surplus due to requirements of Public Sector Accounting Standards (PSAS). These requirements are outlined below:

Revenue:

- Omit transfers from reserves
- Include developer-contributed assets
- Include MFA actuarial adjustments

Expenses:

- Omit transfers to reserves
- Omit debt principal payments
- Include net losses on disposal of capital assets
- Include amortization expense (representing the use of tangible capital assets)

As a result, the reported 2020 net surplus, based on PSAS standards is \$10.3 million. This amount is significantly less than the \$41.2 million net surplus reported in 2019. In that year the City reported \$33.4 million of other contribution of assets, which, if not included would result in a net surplus of \$7.8 million.

Despite reduced revenues due to the COVID-19 pandemic, the City did better than budget due to the Province providing a one-time COVID-19 Safe Restart grant in the amount of \$5.0 million (Attachment 1, page 34). Unrealized revenues due to COVID-19 included casino gaming grant, on-street parking, commercial sewer fees, park booking fees, parking lot fees and business license fees, totalling \$2.6 million. Unbudgeted expenditures due to COVID-19 included labour, supplies, contracts, technology, furniture and fixtures and vehicle costs totalling \$317,000.

City staff planned to reduce expenditures as much as possible at the beginning of the COVID-19 pandemic due to a realization that many revenues would not be realized. Recreation services was the most impacted by the pandemic. Unrealized revenues totalled \$1.6 million, with an equal reduction in expenditures. Other reductions in revenues were spread throughout the organization.

RECOMMENDATION:

THAT Council receives and approves the 2020 Audited Financial Statements as presented by representatives of KPMG, LLP, at the May 10, 2021 Committee of the Whole meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Daw' or similar, written in a cursive style.

Attachment

THE CORPORATION OF THE CITY OF VERNON
Finance Division



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2020

The Corporation of the City of Vernon

December 31, 2020

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DRAFT



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 black ink, consisting of a stylized 'C' followed by a horizontal line.

Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Law".

Director of Financial Services

May 10, 2021



KPMG LLP
3205-32 Street
4th Floor
Credit Union Building
Vernon BC
V1T 5M7
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

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Vernon (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2020, and its consolidated results of operations, its consolidated changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control.



The Corporation of the City of Vernon
Independent Auditors Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

May __, 2021

Vernon, Canada

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



December 31, 2020 (in thousands of dollars)		2020	2019 (restated)
Financial Assets			
Cash and cash equivalents	Note 2	\$ 59,121	\$ 31,482
Investments	Note 3	49,689	74,430
Accounts receivable	Note 4	17,276	17,127
Loans receivable	Note 5	112	112
Municipal Finance Authority cash deposits	Note 6	333	429
Land held for resale	Note 7	4,254	4,254
		<u>130,785</u>	<u>127,834</u>
Liabilities			
Accounts payable and accrued liabilities	Note 8	32,102	29,433
Deferred charges	Note 9	15,663	16,571
Deferred revenue	Note 10	1,488	1,565
Debt	Note 11 & 12	9,440	10,859
Landfill remediation liability	Note 13	185	178
		<u>58,878</u>	<u>58,606</u>
		<u>71,907</u>	<u>69,228</u>
Net Financial Assets			
Non-financial Assets			
Tangible capital assets	Note 14 & 27	603,947	596,270
Inventory of supplies		493	483
Prepaid expenses		600	657
		<u>605,040</u>	<u>597,410</u>
Accumulated Surplus	Note 15 & 27	\$ 676,947	\$ 666,638
Commitments and contingencies	Note 21 & 23		
Prior period correction	Note 27		

Approved by:

Director of Financial Services

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



		Budget 2020 Note 26	Actual 2020	Actual 2019 (restated)
For the Year Ended December 31, 2020 (in thousands of dollars)				
Revenue				
Taxation	Note 16	\$ 44,883	\$ 44,749	\$ 42,362
Government transfers	Note 17	11,623	16,832	11,281
Services provided to other governments		3,332	3,088	3,199
Sale of services:				
Sewer fees and charges		10,048	10,077	9,840
Environmental health		2,323	2,458	2,347
Recreation fees		2,889	1,335	2,938
Public transit and parking		2,233	1,634	2,299
Fines and rentals		1,286	1,322	1,345
Licences and permits		1,599	1,624	1,892
Airport		1,037	986	1,284
Other		1,139	1,083	1,412
Development fees		134	170	115
Fiscal services:				
Penalties, interest earned and actuarial adjustments		1,757	2,365	3,451
Natural gas system lease agreement	Note 18	-	-	1,832
Developer contributions of assets	Note 14	1,368	4,100	3,551
Other contribution of assets	Note 27	-	-	33,425
		85,651	91,823	122,573
Expenses				
	Note 20 & 25			
General government and common services		10,743	9,752	10,864
Bylaw compliance and parking control		1,543	1,529	1,514
Protective Services:				
Police		13,296	12,849	12,465
Fire rescue		6,833	6,705	6,546
Emergency measures		232	339	205
Planning and building inspection		3,037	2,903	2,695
Engineering		4,960	4,220	3,877
Operations Services:				
Road transportation		17,418	17,014	16,903
Sanitary sewer		12,133	11,437	10,691
Solid waste and recycling		2,017	2,068	1,961
Park services		2,539	2,780	2,569
Storm drainage		1,421	1,567	1,506
Airport		1,175	1,053	1,417
Other		411	566	671
Cemetery		296	284	292
Recreation		8,072	6,448	7,184
		86,126	81,514	81,360
Annual surplus		(475)	10,309	41,213
Accumulated surplus, beginning of year		666,638	666,638	625,425
Accumulated surplus, end of year	Note 15 & 27	\$ 666,163	\$ 676,947	\$ 666,638

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



For the Year Ended December 31, 2020 (in thousands of dollars)		Budget 2020 Note 26	2020	2019 (restated)
Annual Surplus		\$ (475)	\$ 10,309	\$ 41,213
Amortization of tangible capital assets		12,334	11,513	11,421
Net (gain)/loss on sales of assets		-	4	23
Proceeds on sale of tangible capital assets		-	252	13,299
Acquisition of tangible capital assets		-	(18,770)	(9,269)
Acquired tangible capital assets from developers	Note 14	-	(676)	(3,236)
Other acquired tangible capital assets	Note 14 & 17	-	-	(33,425)
		12,334	(7,677)	(21,187)
Consumption of supplies inventories		-	961	977
Use of prepaid expenses		-	1,243	826
Acquisition of supplies inventories		-	(971)	(1,007)
Acquisition of prepaid expenses		-	(1,186)	(791)
		-	47	5
Increase in net financial assets		11,859	2,679	20,031
Net financial assets, beginning of year		69,228	69,228	49,197
Net financial assets, end of year		\$ 81,807	\$ 71,907	\$ 69,228

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, 2020 (in thousands of dollars)	2020	2019 (restated)
Operating Activities		
Annual surplus	\$ 10,309	\$ 41,213
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	11,513	11,421
Net loss on disposal of tangible capital assets	4	23
Developer contributions of assets	Note 14 (676)	(3,236)
Other contributions of assets	Note 14 & 27 -	(33,425)
Increase in landfill remediation liability	7	48
Change in non-cash operating items:		
(Increase)/decrease in accounts receivable	(149)	2,568
Increase/ (decrease) in accounts payable and accrued liabilities	2,669	(381)
(Decrease)/increase in deferred charges	(908)	3,485
(Decrease) in deferred revenue	(77)	(241)
Actuarial adjustments on debt	(588)	(1,657)
Increase in supplies inventories	(10)	(30)
Decrease in prepaid expenses	57	35
Decrease in Municipal Finance Authority cash deposits	96	428
Increase in loans receivable	-	(112)
	<u>22,247</u>	<u>20,139</u>
Investing Activities:		
Net change in investments	24,741	(28,831)
Decrease in land under development	-	494
	<u>24,741</u>	<u>(28,337)</u>
Financing Activities:		
Principal payments on debt	(831)	(1,800)
Gain on retirement of debt	-	(1,059)
	<u>(831)</u>	<u>(2,859)</u>
Capital Activities:		
Proceeds on sale of tangible capital assets	252	13,299
Acquisition of tangible capital assets	(18,770)	(9,269)
	<u>(18,518)</u>	<u>4,030</u>
Increase/ (Decrease) in cash and cash equivalents	<u>27,639</u>	<u>(7,027)</u>
Cash and cash equivalents, beginning of year	<u>31,482</u>	<u>38,509</u>
Cash and cash equivalents, end of year	<u>\$ 59,121</u>	<u>\$ 31,482</u>
Non-Cash Transactions		
Other contributions of assets	\$ -	(33,425)

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, 2020

(tabular amounts in thousands of dollars)

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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic caused significant impacts to the City's 2020 operations. The pandemic continues to provide uncertainty over the City's future cash flows, and may have a significant impact on the City's future operations. Potential impacts on the City's business could include future decreases in revenue, reduction in investment income, and delays in completing capital project work. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effects of the City is not known at this time.

1. Significant Accounting Policies:

a) Basis of Accounting:

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

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 three months or less at acquisition as cash equivalents.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

e) Investments:

Investments are recorded at cost. Short-term investments are those that mature between three months and one year. Long-term investments are those that mature in more than one year.

f) Land Held for Resale:

Land held for resale is valued at the lower of cost and net realizable value.

g) Deferred Charges:

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

h) 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 8), Deferred Charges (note 9) and Deferred Revenue (note 10).

i) 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 long term debt in 2020 was \$439,000, (\$1,026,000 in 2019). Gains or losses on repayment of debt is recorded in the Statement of Operations.

j) 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.

During 2018 the City's consultants responsible for reporting to the Province determined there were some discrepancies with the 2016 Closure plan ("the Plan") prepared for the City by external consultants. A revised Operating and Closure plan will be prepared; however, the original Plan will be used for the purposes of calculating the closure and post-closure liability (note 13) until the revised plan is prepared. Due to the identified discrepancies there is additional measurement uncertainty regarding the estimated closure costs and lifespan of the landfill.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

k) 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.

l) 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.

m) 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%

n) 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.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies: (continued)

o) 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.

p) 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.

q) Budget Figures:

The budget figures are from the annual Financial Plan Bylaw. They have been reallocated to conform to PSAS 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 26).

r) Comparative Figures:

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

s) 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 24).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

2. Cash and Cash Equivalents:

	2020	2019 (restated)
Restricted:		
Deferred charges	\$ 15,663	\$ 16,571
Deferred revenue	1,488	1,565
Statutory reserves	3,819	3,519
	20,970	21,655
Unrestricted:	38,151	9,827
	\$ 59,121	\$ 31,482

The City has access to an operating line of credit not exceeding \$2.0 million (2019 - \$2.0 million). Interest is accrued based on Bank of Montreal's prime lending rate. As of December 31, 2020, this line of credit was not being utilized (2019- \$0).

3. Investments:

	2020		2019 (restated)	
	Cost	Market Value	Cost	Market Value
Short-term investments	\$ 49,689	\$ 50,103	\$ 51,776	\$ 52,442
Long-term investments	\$ -	\$ -	\$ 22,654	\$ 33,993

4. Accounts Receivable:

	2020	2019
Property taxes	\$ 3,253	\$ 3,313
Utility billings	7,543	7,424
Other governments	3,463	3,328
Trade and other receivables	3,119	3,164
	17,378	17,229
Allowance for doubtful trade accounts receivable	(102)	(102)
	\$ 17,276	\$ 17,127

5. Loans receivable

The City has a loan receivable in the amount of \$111,600 (2019 - \$111,600) from the Vernon Pickleball Association to assist in financing the construction of a Pickleball facility. The loan receivable does not bear interest and is to be repaid in full by December 31, 2029.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

6. Municipal Finance Authority Cash Deposits:

The City's debt is issued through the Municipal Finance Authority ("MFA"). As a condition of these borrowings, the City is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits are included in the City's financial statements as Municipal Finance Authority Cash deposits. If the debt is repaid without default, the deposits are refunded to the City. The demand notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt, repayment default. As at December 31, 2020, there were contingent demand notes of \$491,000 (2019 - \$723,000) which are not recorded in the financial statements (note 23(b)). Upon the maturity of a debt issue, the demand notes are released and deposits refunded to the City.

7. Land held for resale:

Land held for resale represents lands the City has committed to be sold, has a plan in place for selling and are in conditions to be sold. The accumulated value of these lands is \$4,254,000 (2019 - \$4,254,000) which is comprised of the historical cost of the lands plus all prior improvements. Such costs have not been included in tangible capital assets since the land and improvements are anticipated to be sold within the next fiscal period.

8. Accounts Payable and Accrued Liabilities:

	2020	2019
Trade accounts payable and other accrued liabilities	\$ 17,414	\$ 15,896
Salaries, wages and related costs	5,858	5,457
	<u>23,272</u>	<u>21,353</u>
Deferred revenue		
Prepaid property taxes	4,684	4,537
Deposits and holdbacks	4,016	3,409
Prepaid fees and charges	130	134
	<u>8,830</u>	<u>8,080</u>
	<u>\$ 32,102</u>	<u>\$ 29,433</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

9. Deferred Charges:

Deferred Charges include Works Contribution funds and Development Cost Charges ("DCC's"). Works Contribution funds are charged to developers through a works contribution agreement requiring the City to use funds for future work to, or 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.

	2020	2019
Deferred charges		
DCC - roads	\$ 5,778	\$ 7,027
DCC - storm	2,312	2,065
DCC - sewer	5,211	5,380
DCC - parks	399	14
Works Contributions	1,963	2,085
	<u>15,663</u>	<u>16,571</u>
Deferred charges, beginning of year	16,571	13,086
DCC's levied during the year	2,402	3,943
Works Contributions received	155	70
Investment income	236	317
Contributions available	<u>19,364</u>	<u>17,416</u>
Less: Capital transfers	3,167	520
Less: Operating transfers	534	325
Deferred charges, end of year	<u>\$ 15,663</u>	<u>\$ 16,571</u>

10. Deferred Revenue:

	2020	2019
Recreation Facility Major Maintenance	\$ 1,488	\$ 1,565

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

11. Debt:

	Purpose of Bylaw	Interest Rate %	Year of Maturity	Gross Debt	Sinking Fund Asset	2020 Net Debt	2019 Net Debt
<u>General Purposes:</u>							
4624	Downtown Revitalization	1.80 %	2020	\$ 388	\$ 388	\$ -	\$ 33
4625	Downtown Revitalization	1.80 %	2020	128	128	-	11
4728	Downtown Revitalization	1.80 %	2020	211	211	-	18
4739	Various	1.80 %	2020	4,675	4,675	-	401
				5,402	5,402	-	463
<u>Sewer Purposes:</u>							
4889	Reclaimed Water Line	1.80 %	2020	1,061	1,061	-	91
4680	Treatment Plant Phase I	1.75 %	2027	5,000	2,946	2,053	2,293
4680	Treatment Plant Phase II	2.40 %	2028	2,038	1,103	935	1,028
4791	Water Reclamation Plant	1.80 %	2030	12,556	6,104	6,452	6,984
				20,655	11,214	9,440	10,396
				\$ 26,057	\$ 16,616	\$ 9,440	\$ 10,859

12. Future Payments and Sinking Fund Additions:

	Sewer
2021	\$ 527
2022	527
2023	527
2024	527
2025	527
2026 & thereafter	2,238
	4,873
Actuarial adjustments	4,567
	\$ 9,440

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

13. Landfill Remediation Liability

a) 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 the 2016 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% (2019 - 1.5%) and then discounted to the financial reporting date at 1.90% (2019 - 1.90%), 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, 2020 is \$185,000 (2019 - \$178,000), the estimated total expenditures for closure and post-closure care are \$1,633,000 (2019 - \$1,626,000), which leaves \$1,448,000 (2019 - \$1,448,000) remaining to be recognized. The landfill is estimated to have remaining capacity of 851,188 cubic meters (89%) and remaining life of 50 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, 2020 the balance of this reserve is \$378,000 (2019 - \$312,000).

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, 2020

(tabular amounts in thousands of dollars)

14. Tangible Capital Assets:

Cost	December 31, 2019 (restated)	Additions	Disposals / Writedowns	December 31, 2020
Land	\$ 281,714	\$ 520	\$ -	\$ 282,234
Buildings	87,525	2,783	-	90,308
Vehicles	16,182	1,966	1,449	16,699
Miscellaneous equipment	5,614	(173)	-	5,441
Information technology	3,032	34	59	3,007
Transportation infrastructure	235,918	8,199	135	243,982
Storm drainage infrastructure	79,695	3,003	148	82,550
Sanitary sewer infrastructure	104,580	3,114	-	107,694
	<u>\$ 814,260</u>	<u>\$ 19,446</u>	<u>\$ 1,791</u>	<u>\$ 831,915</u>
Accumulated Amortization	December 31, 2019 (restated)	Amortization	Disposals	December 31, 2020
Buildings	\$ 30,114	\$ 2,063	\$ -	\$ 32,177
Vehicles	8,884	671	1,319	8,236
Miscellaneous equipment	1,464	215	-	1,679
Information technology	2,303	292	51	2,544
Transportation infrastructure	118,248	5,776	108	123,916
Storm drainage infrastructure	25,108	1,087	57	26,138
Sanitary sewer infrastructure	31,869	1,409	-	33,278
	<u>\$ 217,990</u>	<u>\$ 11,513</u>	<u>\$ 1,536</u>	<u>\$ 227,968</u>
Net Book Value	December 31, 2019 (restated)			December 31, 2020
Land	\$ 281,714			\$ 282,234
Buildings	57,411			58,131
Vehicles	7,298			8,463
Miscellaneous equipment	4,150			3,762
Information technology	729			463
Transportation infrastructure	117,671			120,066
Storm drainage infrastructure	54,586			56,412
Sanitary sewer infrastructure	72,711			74,416
	<u>\$ 596,270</u>			<u>\$ 603,947</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

14. 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 \$16,547,000 (2019 - \$12,717,000) has not been amortized. Amortization of these assets will commence the year following when each specific asset is put into service. 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

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 \$676,000 (2019 - \$36,661,000) comprised of transportation infrastructure in the amount of \$362,000 (2019 - \$1,194,000), storm drain infrastructure in the amount of \$221,000 (2019 - \$315,000), sanitary sewer infrastructure in the amount of \$92,000 (2019 - \$1,727,000), buildings in the amount of \$nil (2019 - \$20,146,000) and land in the amount of \$nil (2019 - \$13,279,000).

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, 2020 and 2019.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

15. Accumulated Surplus:

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

	2020	2019 (restated)
Accumulated surplus per Statement of Financial Position	\$ 676,947	\$ 666,638
Less:		
Tangible capital assets	(603,947)	(596,270)
Debt	9,440	10,859
Inventory of supplies	(493)	(483)
Prepaid expenses	(600)	(657)
	<u>81,347</u>	<u>80,087</u>
Non-Statutory Reserves		
Budget Carryover Reserve General	6,228	5,407
Budget Carryover Reserve Sewer	87	87
Capital Reserves General	16,014	16,076
Capital Reserves Sewer	7,226	11,242
Operating Reserves General	2,272	156
Tax Equalization Reserves General	6,344	5,383
Tax Equalization Reserves Sewer	15,802	14,263
Special Purpose Reserves	6,723	7,312
Fortis BC Lease Legacy Reserve	13,562	13,586
	<u>74,258</u>	<u>73,512</u>
Statutory Reserve Funds		
Highway Access to Water Reserve	656	645
Land Sale Reserve	445	436
Local Improvement Reserve	901	886
Parkland Reserve	269	244
Recreation Facility Operating Reserve	1,127	1,308
Recreation Major Maintenance Reserve	420	-
	<u>3,818</u>	<u>3,519</u>
Total Restricted Funds	<u>78,076</u>	<u>77,031</u>
Unappropriated Surplus	<u>\$ 3,271</u>	<u>\$ 3,056</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

16. Taxation Revenue:

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

	2020	2019
Specific assessments:		
Residential	\$ 28,563	\$ 26,751
Business	13,508	12,860
Utilities	316	301
Light industrial	519	585
Non-profit	160	152
Farm land	4	4
	43,070	40,653
Payments in lieu of taxes	1,573	1,549
Specified area taxes and other	106	160
	<u>\$ 44,749</u>	<u>\$ 42,362</u>

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The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Transfers from Other Governments

	2020	2019
Federal government transfers		
Transportation infrastructure	\$ 3,931	\$ 3,782
Storm infrastructure	2,257	298
Sanitary infrastructure	-	236
	<u>6,188</u>	<u>4,316</u>
Provincial government transfers		
COVID Safe Restart	4,997	-
Transit subsidy	2,270	2,341
Hotel tax	757	1,107
Traffic fine revenue sharing	499	475
Casino revenue sharing	342	1,859
Union of British Columbia Municipalities grants	278	69
Transportation infrastructure	231	30
Other transfers	204	98
Keep of prisoners	199	182
Tourism BC	170	25
Emergency Management BC	124	(4)
Carbon tax rebate	84	109
Certificate of Recognition safety program	74	62
Municipal Insurance Agency	21	31
Insurance Corporation of BC	-	56
	<u>10,250</u>	<u>6,440</u>
Other government transfers		
Regional initiatives	149	71
Okanagan Basin Water Board	135	91
Recreational initiatives	110	336
Community development initiatives	-	27
	<u>394</u>	<u>525</u>
Total transfers from other governments	<u>\$ 16,832</u>	<u>\$ 11,281</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

18. Natural Gas System Lease Agreements:

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

a) Leased tangible capital assets:

Under the terms of the agreement, the City 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 prepaid \$23,750,000 of the capital lease obligation and financed the prepayment through debenture debt (Debt Bylaw # 4718, note 11). The remaining obligation, which was included in debt, required the City to make 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 had entered into a 17-year operating lease that commenced December 1, 2002 whereby the City leased back to Fortis BC the operation of the gas distribution system. Under the operating lease, Fortis BC was obligated to make annual lease payments to the City that were calculated by a formula specified in the agreement which was based on the total annual revenue generated by the transaction. The lease revenue in 2020 was \$nil, (\$1,832,000 in 2019). Based on the terms of the lease, during 2019 Fortis BC exercised their termination option and made a payment to the City equal to the unamortized portion of the City's \$23,750,000 prepayment of the leased tangible capital assets, which was \$12,239,000. The remaining obligation, which was included in debt, was forgiven by Fortis BC in 2019 upon termination of the operating lease, and had a balance of \$1,059,000.

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

a) Water Agreement

The City has entered into a five-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. 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, 2023.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

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

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, 2018. This agreement transfers the legal interest in Vernon fields and beaches (previously designated as "sub-regional parks") to the City. As per the requirements of the agreement, the City has a Parks DCC bylaw approved by the Ministry of Housing and Municipal Affairs ("the Ministry"). Prior to the City's Parks DCC bylaw being approved by the Ministry, Parks DCCs were collected under the Regional District's Parks DCC bylaw with an allocation based on contributions from each jurisdiction. The amount allocated to the City as of December 31, 2020 was \$6,703,000 (2019 - \$6,518,000), which is not recognized in the financial statements.

c) Recreation Agreements

The City has entered into a 5-year agreement with the Regional District to assume the responsibility for the management and operation of local recreational facilities commencing January 1, 2019. The agreement maintains the commitment to transfer 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 \$33,425,000 (2019 - \$47,883,000) were transferred to the City in 2019. Facilities owned by the Regional District with fair market value of \$14,241,000 have not yet transferred to the City, and are anticipated to transfer in the year ending December 31, 2037. The agreement expires December 31, 2023.

20. Expenses by Object:

	2020	2019 (restated)
Salaries and wages	\$ 29,872	\$ 30,289
Contracted services	19,861	18,596
RCMP contract	9,963	9,672
Amortization of tangible assets	11,513	11,421
Supplies, materials and other	3,336	3,610
Bank charges and net loss on capital assets	549	1,251
Utilities, telephone and insurance	3,986	4,352
Equipment charges	2,434	2,169
	<u>\$ 81,514</u>	<u>\$ 81,360</u>

21. Commitments:

The City has entered into a lease agreement for a transit maintenance facility with BC Transit for 40 years from November 2, 2011 to November 2, 2051 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 and is included in note 8 as an accrued liability.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

22. 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.

	2020	2019
Trust Fund Continuity:		
Balance, beginning of year	\$ 880	\$ 848
Interest earned	12	22
Proceeds from plot sales and memorial settings	26	32
Transfers to general fund for maintenance	-	(22)
Balance, end of year	\$ 918	\$ 880

23. 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 B.C. 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, 2020

(tabular amounts in thousands of dollars)

23. 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 provided are based on a formula. As at December 31, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$2,444,000 (2019 - \$2,391,000) for employer contributions while employees contributed \$2,073,000 (2019 - \$2,033,000) to the Plan in fiscal 2020

The next valuation will be as at December 31, 2021, with result available in 2022.

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, 2020, no drawing on the Letter of Credit has occurred (2019 - \$0).

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020
(tabular amounts in thousands of dollars)

24. Segmented Information:

Segmented information has been grouped into related department functions or service areas for segment reporting purposes provided in note 25 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 can not be attributed directly to other segments including taxation, grants in lieu, interest revenue and property rental revenue.

b) Protective Services:

This segment is comprised of police services, plus fire and rescue and emergency measures 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 measures services include a contract to provide services within other jurisdictions of the North Okanagan. This program is responsible for emergency planning within the community and is engaged when more than one individual member may be affected by an emergency situation.

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements



Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

24. Segmented Information: (continued)

c) Community Infrastructure:

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.
- Buildings 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 Planning and Operations.

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 and recreation 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, 2020
(tabular amounts in thousands of dollars)

25. Segmented Disclosure:

	General Government	Protective Services	Community Infrastructure	Recreation	Operations Services	Sanitary Sewer	2020	2019 (restated)
Revenue								
Taxation	\$ 44,663	\$	\$	\$ 41	\$	\$ 45	\$ 44,749	\$ 42,362
Sale of services	1,856	179	1,852	2,191	4,534	10,077	20,689	23,472
Government Transfers	8,202	1,149	175	142	7,029	135	16,832	11,281
Contributions assets	-	-	170	-	2,941	989	4,100	36,976
Services to other governments	568	268	182	1,148	415	507	3,088	3,199
Fiscal services	2,358	-	-	-	-	7	2,365	3,451
Natural gas system agreement	-	-	-	-	-	-	-	1,832
	\$ 57,647	\$ 1,596	\$ 2,379	\$ 3,522	\$ 14,919	\$ 11,760	\$ 91,823	\$ 122,573
Expenses								
Salaries and wages	8,480	8,010	4,251	3,054	3,751	2,326	29,872	30,289
Contracted services	1,745	697	2,009	1,103	12,382	1,925	19,861	18,596
Amortization of tangible assets	1,171	326	-	383	6,940	2,693	11,513	11,421
RCMP contract	-	9,963	-	-	-	-	9,963	9,672
Utilities, telephone and insurance	673	233	15	968	1,138	959	3,986	4,352
Supplies, materials and other	(916)	408	739	869	(478)	2,714	3,336	3,610
Equipment charges	126	240	109	44	1,457	458	2,434	2,169
Bank fees and net loss on assets	2	16	-	27	142	362	549	1,251
	11,281	19,893	7,123	6,448	25,332	11,437	81,514	81,360
Excess (deficiency) revenue over expenses	\$ 46,366	\$ (18,297)	\$ (4,744)	\$ (2,926)	\$ (10,413)	\$ 323	\$ 10,309	\$ 41,213

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements

Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

26. Budget Data:

The budget data presented in these consolidated financial statements is based upon the 2020 operating and capital budgets approved by Council on January 27, 2020. The schedule below reconciles the approved budget in bylaw #5794 to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 119,020
Capital budget	11,374
	<u>130,394</u>
Less:	
Transfers from other funds and reserves	11,991
Collections for other governments	32,752
	<u>(44,743)</u>
Total Revenue	<u>85,651</u>
Expenses:	
Operating budget	127,798
Capital budget	16,541
	<u>144,339</u>
Less:	
Capital expenses	16,541
Transfers to other funds and reserves	8,089
Debt principal payments	831
Collections for other governments	32,752
	<u>(58,213)</u>
Total Expenses	<u>(58,213)</u>
Annual Deficit	<u>\$ (475)</u>

The Corporation of the City of Vernon

Notes to the Consolidated Financial Statements

Year Ended December 31, 2020

(tabular amounts in thousands of dollars)

27. Prior Period Correction:

The City's financial statements for the year ended December 31, 2019 did not include facilities and land owned by the Regional District that were transferred to the City at the end of 2019 at a fair market value of \$33,425,000.

The effect on the period ending December 31, 2019 are increases to tangible capital assets, accumulated surplus, other contribution of assets revenue, annual surplus, acquired tangible capital assets from developers and contributed tangible capital assets. Additionally, notes 14, 15, 19c), 20 and 25 are effected by this transaction.

The effect on the period ending December 31, 2020 is an increase to amortization of tangible capital assets by \$336,000. Additionally, notes 14, 15, 20 and 25 are effected by this transaction.

The financial statements for the period ending December 31, 2019, which are presented as comparative data, have been restated to reflect the transfer of facilities and land. Opening balances for the year ended December 31, 2020 and amortization of tangible capital assets are reported inclusive of this transaction.

	2019	2019 restatement	2019 (restated)
Consolidated Statement of Financial Position			
Statement A			
Non-financial assets	\$ 563,985	\$ 33,425	\$ 597,410
Accumulated surplus	633,213	33,425	666,638
Consolidated Statement of Operations			
Statement B			
Revenue	89,148	33,425	122,573
Annual surplus	7,788	33,425	41,213
Accumulated surplus	633,213	33,425	666,638
Consolidated Statement of Change in Net Financial Assets			
Statement C			
Annual surplus	7,788	33,425	41,213
Other acquired tangible capital assets	-	33,425	33,425
Consolidated Statement of Cash Flows			
Statement D			
Annual surplus	7,788	33,425	41,213
Other contribution of assets	\$ -	\$ 33,425	\$ 33,425

**SUPPLEMENTARY FINANCIAL INFORMATION
(UNAUDITED)**

DRAFT

The Corporation of the City of Vernon
Schedule of COVID-19 Safe Restart Grant spending
(unaudited)



In September 2020 the provincial government announced nearly \$2 billion in joint federal/provincial spending to address challenges placed on local service providers due to the fiscal impacts of COVID-19. Of these funds, \$540 million was for local governments and was split into three funding streams. In November 2020 the third funding stream was announced as the "COVID-19 Safe Restart Grants for Local Governments" which provided up to \$425 million for local operations impacted by COVID-19. The Ministry of Municipal Affairs and Housing set a grant amount for each local government, of which \$4,997,000 was awarded to the City of Vernon. These funds are to be used to address revenue shortfalls, facility reopening and operating costs, emergency planning and response costs, protective services costs, virtual communications and enhanced interconnectivity costs, services for vulnerable persons, and other related costs. To ensure transparency regarding the use of the funds, the City is required to report annually on how it spent the grant as part of our annual report. This reporting must continue until the grant funds are fully spent.

For the year ended December 31, 2020 (in thousands of dollars)		2020
COVID-19 Safe Restart Grant funds received	\$	4,997
Revenue short falls:		
Casino gaming grant		(1,623)
On-street parking fees		(441)
Commercial sewer fees		(298)
Park booking fees		(87)
Surface parking lot fees		(83)
Business license fees		(45)
Increased operating costs:		
Labour		(135)
Disinfection supplies		(103)
Contracted cleaning		(58)
Mobile computers and health screening app		(10)
Furniture and fixtures for physical distancing		(7)
Vehicle rentals and fuel		(4)
Unspent balance of COVID-19 Safe Restart grant, end of year	\$	2,103



THE CORPORATION OF THE CITY OF VERNON

INTERNAL MEMORANDUM

TO: Will Pearce, CAO **FILE:** 8700-02

PC: Kim Flick, Director, Community Infrastructure and Development **DATE:** April 27, 2021

FROM: Ellen Croy, Transportation Planner

SUBJECT: **2021 PRIORITY LAKE ACCESS COUNCIL TOUR DISCUSSION**

At its Regular Meeting of April 26, 2021, Council passed a resolution to tour the remaining six high priority lake access sites listed in the 2018 Lake Access Plan at their leisure before May 10, 2021. Council also directed Administration to present the six high priority lake access sites for discussion at Council's Committee of the Whole Meeting of May 10, 2021.

Administration anticipates that one lake access site could be constructed each year, subject to permitting (environmental, archaeological), site constraints, and adjacent property encroachments. Attachment 1 outlines the known site characteristics, constraints, and design options for each of the six sites.

Due to the recent closure of Lake Access Site #26 (8835 Okanagan Landing Road, community boat launch), Administration recommends that design and development of that site be the first priority in 2022. Administration recommends that the next priority in 2023 be Lake Access Site #20 (7300 Tronson Road) since there are priority overland flow routes in the area that need to be redirected through this lake access right-of-way to Okanagan Lake. The design of the lake access would incorporate the overland flow routes.

Next, Administration recommends that Site #30 (9499 Eastside Road) be developed in 2024 as there are limited constraints and encroachments with the site. Site #37 (114 Russell Road) is recommended to be built in 2025, as more time may be needed to deal with the current Russell Road right-of-way trespassing onto private property and the rocky beach access.

Finally, Administration recommends that Lake Access Sites #14 (7806 Tronson Road) and #15 (7700 Tronson Road) be improved in 2026 and 2027, respectively, as there are more constraints due to property encroachments, available parking, drainage / utility needs, and steep slopes between Tronson Road and Okanagan Lake.

RECOMMENDATION:

THAT Council directs Administration to develop Lake Access Site #26 (8835 Okanagan Landing Road, community boat launch) in 2022;

AND FURTHER, that Council directs Administration to develop Lake Access Site #20 (7300 Tronson Road) in 2023;

AND FURTHER, that Council directs Administration to develop Lake Access Site #30 (9499 Eastside Road) in 2024;

AND FURTHER, that Council directs Administration to develop Lake Access Site #37 (114 Russell Road) in 2025;

AND FURTHER, that Council directs Administration to develop Lake Access Site #14 (7806 Tronson Road) in 2026;

AND FURTHER, that Council directs Administration to develop Lake Access Site #15 (7700 Tronson Road) in 2027;

AND FURTHER, that Council directs Administration to bring forward capital budgets for each site for Council's consideration and approval prior to commencement of work.

Respectfully submitted:

May 5 2021 9:02 AM




Ellen Croy
DocuSign

Ellen Croy
Transportation Planner

Attachment 1 – 2021 Priority Lake Access Council Tour Discussion Information

G:\8300-8799 TRANSPORTATION\8700 WATER\02 Lake Accesses\RPTS & RESOLUTIONS\210427_Memo_2021PriorityLakeAccessCouncilTourDiscussion.docx

2021 Lake Access Council Tour Discussion Information

Site 14 – 7806 Tronson Road (between 7796 and 7814 Tronson Rd)

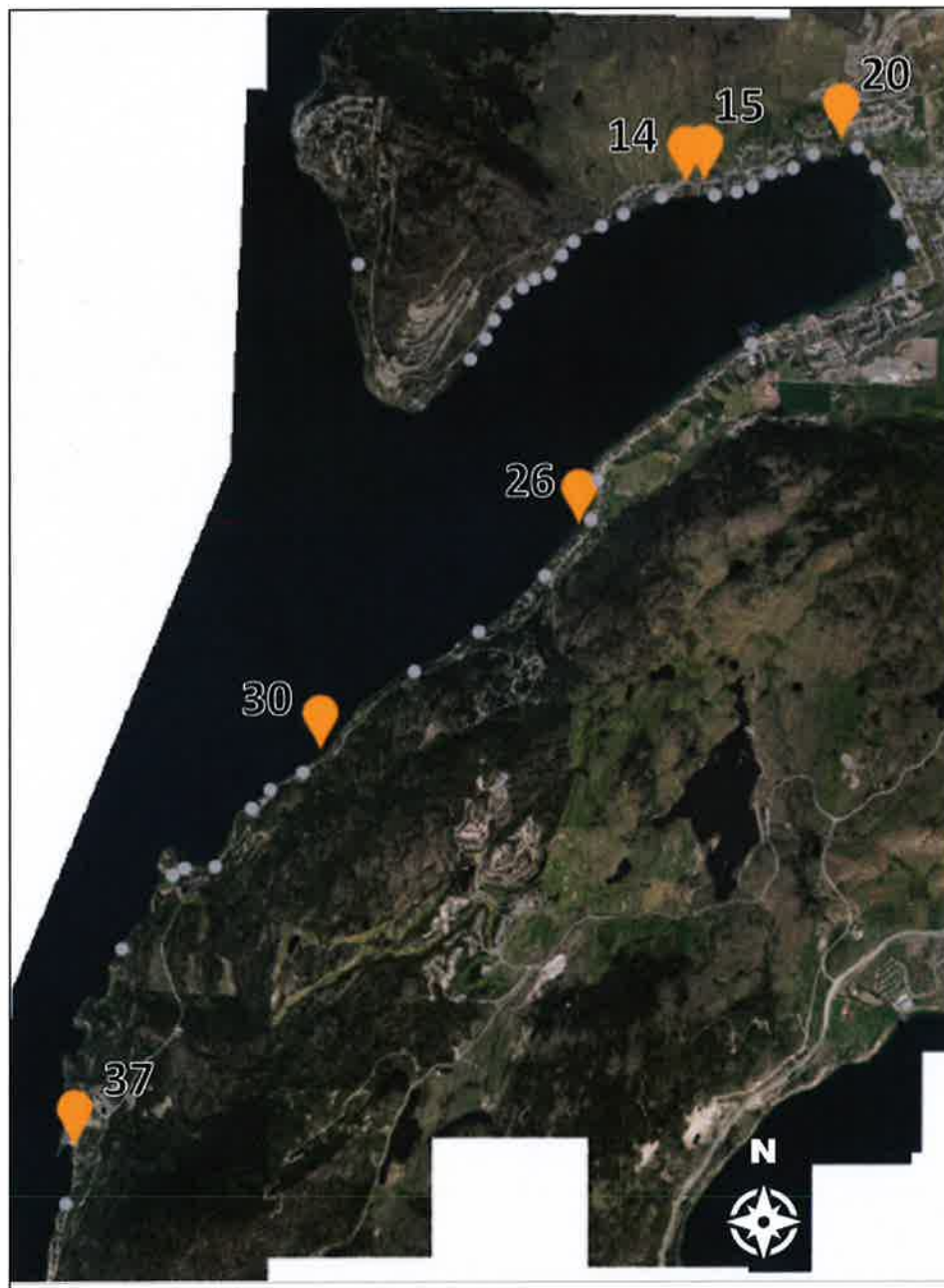
Site 15 – 7700 Tronson Road (between 7688 and 7716 Tronson Rd)

Site 20 – 7300 Tronson Road (between 7292 and 7304 Tronson Rd)

Site 26 – 8835 Okanagan Landing Rd (between 8829 and 8839 Okanagan Landing Rd)

Site 30 – 9499 Eastside Road (between 9797 and 9501 Eastside Rd)

Site 37 – 114 Russell Road (between 110 and 111 Russell Rd)



Lake Access Site	Site Characteristics	Known Constraints	Design Options
Site 14 – 7806 Tronson Road (between 7796 and 7814 Tronson Rd)	<ul style="list-style-type: none"> • Driveway through the site • Some encroachments • Steady grade, then steepens through brush to the lake • Some on-street parking available on the other side of Tronson Road 	<ul style="list-style-type: none"> • Grades from Tronson Road to the lake • Adjacent property encroachments • Site may be needed for drainage and/or utilities for adjacent development 	<ul style="list-style-type: none"> • Pathway • May require stairs • Parking on opposite side of Tronson Road • Remove encroachments • Provide standard amenities (signage, garbage, bike racks) • Provide for drainage / utilities as needed
Site 15 – 7700 Tronson Road (between 7688 and 7716 Tronson Rd)	<ul style="list-style-type: none"> • Narrower right-of-way from Tronson Road to the lake • Driveway through the site • Secondary buildings encroaching on the right-of-way • Steady grade, then steepens through brush to the lake • Some on-street parking available on the other side of Tronson Road • Debris from old dock on the beach 	<ul style="list-style-type: none"> • Grades from Tronson Road to the lake • Adjacent property encroachments • Narrower right-of-way limits the options for pathway switchbacks • Site may be needed for drainage and/or utilities for adjacent development 	<ul style="list-style-type: none"> • Pathway • May require stairs • Parking on opposite side of Tronson Road • Remove encroachments • Provide standard amenities (signage, garbage, bike racks) • Provide for drainage / utilities as needed
Site 20 – 7300 Tronson Road (between 7292 and 7304 Tronson Rd)	<ul style="list-style-type: none"> • Long, narrow lake access site located close to the new Beach for Dogs / Pump Station and Kin Beach Park • Currently has concrete retaining wall at the lake 	<ul style="list-style-type: none"> • The house to the east is partly encroaching on the lake access site • Limited to no parking available for the site • Concrete wall at the lake would add complexity 	<ul style="list-style-type: none"> • Redirect priority overland flow route through the lake access • Review pathway options to Tronson Road

Lake Access Site	Site Characteristics	Known Constraints	Design Options
	<ul style="list-style-type: none"> • High priority overland flow route nearby • Drainage swale running along the west side of the lake access from Tronson Road to the lake • Limited to no parking available nearby on Tronson Road 	<ul style="list-style-type: none"> • Access to the site could be an issue, but access could come from the new Beach for Dogs / Pump Station to the east of the lake access, along the waterfront 	<ul style="list-style-type: none"> • Provide standard amenities (signage, garbage, bike racks)
Site 26 – 8835 Okanagan Landing Road (between 8829 and 8839 Okanagan Landing Rd)	<ul style="list-style-type: none"> • Existing community boat launch • Boat launch currently closed due to disrepair and safety hazards • Okanagan Landing Road adjacent to the site is signed as 30 km/h to help facilitate maneuverability in/out of the boat launch • Limited to no parking available for trucks and trailers 	<ul style="list-style-type: none"> • Current boat launch is not in an ideal location as there is limited space for maneuverability and parking • The site is important for drainage to the lake 	There are some options for this boat launch: <ol style="list-style-type: none"> 1. Replace the boat launch and continue with the site operating as it was before the closure. 2. Replace the boat launch but restrict its use to non-motorized boats and accessible lake access (i.e. mobility aids such as wheel chairs, walkers, or other aids). 3. Remove the boat launch and develop into a standard lake access site.
Site 30 – 9499 Eastside Road (between 9497 and 9501 Eastside Rd)	<ul style="list-style-type: none"> • Small lake access site, approximately 7 m deep and 12 m wide • Steep grade change between Eastside Road and the lake 	<ul style="list-style-type: none"> • Visibility for motorists and pedestrians as the site is located near a curve on Eastside Road • Grade change between Eastside Road and the lake 	<ul style="list-style-type: none"> • Improve parking on one or both sides of Eastside Road • Review the need for a crosswalk on Eastside Road

Lake Access Site	Site Characteristics	Known Constraints	Design Options
	<ul style="list-style-type: none"> • Potential for parking, enough for about two to three vehicles, on both sides of Eastside Road • Failing concrete wall for the property to the west • Debris jutting out into the lake east of the lake access 	<ul style="list-style-type: none"> • Adjacent property walls / debris may add complexity at the lake 	<ul style="list-style-type: none"> • Review pathway / stairs from Eastside Road to the lake, similar to adjacent properties in the area • Provide standard amenities (signage, garbage, bike racks)
Site 37 – 114 Russell Road (between 110 and 111 Russell Rd)	<ul style="list-style-type: none"> • Waterfront is about 240 m from Inkster Road, along Russell Road • Russell Road is gravel, windy, and wide enough for one-way traffic • Russell Road right-of-way is currently unclear as it appears to be through private property • The beachfront has large rocks and boulders, so access is not very easy or accessible • Beachfront has views of the Outback Resort 	<ul style="list-style-type: none"> • Review solutions to the unclear Russell Road right-of-way location • Large rocks and boulders at the lakefront would restrict provision of amenities at the beach front 	<ul style="list-style-type: none"> • Provide parking on Inkster Road • Russell Road could be shared between motorists and active transportation between the lake and Inkster Road • Potential to set up view-point benches along the walk to the lake • Provide standard amenities (signage, garbage, bike racks)



THE CORPORATION OF THE CITY OF VERNON

INTERNAL M E M O R A N D U M

TO: W. Pearce, CAO **FILE:** 0530-11 (2021)

PC: P. Bridal, D/CAO, Director, Corporate Services **DATE:** April 29, 2021

FROM: R. Manjak, Director, Human Resources

SUBJECT: Diversity Training

At their Regular Meeting of Council on April 26, 2021, Council requested that options be presented for a training session on diversity.

After a review of the discussion and areas of highlight noted during the meeting, two distinct themes were noted. The concepts discussed focused on respectful behaviour and on diversity.

Therefore, options on both are provided for your consideration:

TOPIC:	DEFINITION:	PROPOSED TRAINING:
Respectful Workplace Training FACILITATOR: Marli Rusen, The Mirror Method	There are three (3) primary responsibilities of leaders to build legally mandated respectful workplaces. Respectful conduct, respectful decision-making, and respectful accountability.	One (1) half-day of facilitated training in a face to face environment.
Diversity and Inclusion Training FACILITATOR: Shereen Samuels, Samuels Consulting Group (SCG)	<p>Provides concrete ways to engage in respectful and positive interactions in the workplace while reducing discrimination and prejudice based on factors such as gender, ethnicity, race, sexual orientation, age, religion, physical and mental ability, and socioeconomic status.</p> <p>Diversity and inclusion training programs should address a range of issues, including unconscious bias, microaggressions and cross-cultural communications.</p> <p>Effective learning and development opportunities move beyond simply encouraging participants to tolerate differences to teaching how to work well together, while embracing diverse perspectives.</p>	<p>One (1) half day of facilitated training in a face to face environment.</p> <p>Working Across Difference: Introductory learning session tailored to City of Vernon City Council:</p> <ul style="list-style-type: none">• Three (3) hour interactive learning session to help participants understand intersectional privilege, cognitive biases, their impact on our words and actions, and the existence of systemic inequity in organizations and society;

	<p>Diversity and inclusion are terms that are often confused, but they are two (2) different topics. Diversity is the "what," while inclusion is the "how." Both are critical to fostering an inclusive, collaborative, and respectful environment.</p>	<ul style="list-style-type: none"> • Particularly with an understanding of how systemic inequities create daily impact in the lives of people within marginalized groups inside our organization and our communities; • A brief history of the systemic barriers in Canadian organizations; and • Practical takeaways on individual actions to respond to and resist systemic inequity.
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While both of these topics are presented in separate sessions, there is an important alignment between the two. Respectful workplaces offer safe environments that strive to be free of such negative behaviours as harassment, bullying, bias, discrimination, incivility and even violence.

Anticipated costs and professional fees including travel and accommodation is \$8,000. Source of funds, 2020 unexpended, uncommitted balance.

RECOMMENDATION:

THAT Council receive the memorandum titled "Diversity Training" dated April 29, 2021, respectfully submitted by the Director, Human Resources.

ALTERNATE RECOMMENDATION:

THAT Council direct Administration to proceed with the two (2) training sessions, as outlined in the memorandum titled "Diversity Training," dated April 29, 2021 and respectfully submitted by the Director, Human Resource;

AND further, that Administration work with Council to return with dates for training, that the total cost of the training be set at \$8,000, and the source of funding be the 2020 unexpended, uncommitted balance.

Respectfully submitted:



Raeleen Manjak
Director, Human Resources

Session Three: Governance Failures

Regardless of best intentions, those governing councils and boards still fail. George uses this session to outline the most frequent sources of failure; how these can be recognized sometimes before they do considerable damage; and what might be done to address these failures. Session Three speaks to why and where Councils/Boards struggle.

Session Three: Failures

1. What aspect of your Council experience has been the source of most problems e.g. personalities, poor process, confused roles?

2. Does your City have clear roles regarding the Mayor, Councillors, CAO?

3. What is the main area of any struggles?