

City of Kelowna

Regular Council Meeting

AGENDA



Monday, May 13, 2019
1:30 pm
Council Chamber
City Hall, 1435 Water Street

Pages

1. Call to Order

I would like to acknowledge that we are gathered today on the traditional, ancestral, unceded territory of the syilx/Okanagan people.

This meeting is open to the public and all representations to Council form part of the public record. A live audio and video feed is being broadcast and recorded by CastaNet and a delayed broadcast is shown on Shaw Cable.

2. Confirmation of Minutes

4 - 14

Regular PM Meeting - May 6, 2019

3. Committee Reports

3.1 2018 Audited Financial Statements

15 - 72

To provide a high-level review of the information provided to the Audit Committee during the meeting on April 30, 2019.

4. Development Application Reports & Related Bylaws

4.1 Brookside Ave 1275, Z18-0018 (BL11671) - 1118374 B.C. Ltd.,Inc.No.BC1118374

73 - 73

To adopt Bylaw No. 11671 in order to rezone the subject property from the RU6 - Two Dwelling Housing zone to the RM3 - Low Density Multiple Housing zone.

4.2 Brookside Ave 1275, DP18-0041 - 1118374 B.C. Ltd.,Inc.No.BC1118374

74 - 86

To consider the form and character of a proposed six (6) unit townhouse project.

4.3 Energy Step Code Zoning Bylaw Amendments

87 - 97

To amend the Zoning Bylaw to ensure that the thicker walls required at Step 5 of the Energy Step Code or for certified Passive House do not inadvertently impact the footprint size of a home built.

4.4	TA18-0007 (BL11672) - Energy Step Code Amendment	98 - 98
	To give Bylaw No. 11672 first reading to amend Zoning Bylaw No. 8000 Section 6 - General Development Regulations by adding a new Section 6.17 Energy Efficiency.	
4.5	Sexsmith Rd 3130, Z18-0049 - DL Capital Inc., Inc. No. BCo820774	99 - 105
	To rezone the subject property from the A1 – Agriculture 1 Zone to the I6 – Low Impact Transitional Industrial Zone.	
4.6	Sexsmith Rd 3130, Z18-0049 (BL11832) - DL Capital Inc., Inc. No. BCo820774	106 - 106
	To give Bylaw No. 11832 first reading in order to rezone the subject property from the A1 – Agriculture 1 Zone to the I6 – Low Impact Transitional Industrial Zone.	
4.7	Denali Dr 777, DP18-0152 - Emil Anderson Construction Co. Ltd., Inc. No. BC172775	107 - 119
	To consider the form and character of the proposed duplex units on the subject property.	
4.8	Reconsideration - Groves Ave 448, 458 and 460	
	To reconsider second and third reading of OCP Bylaw 11801 and Rezoning Bylaw 11802 previously voted on during the Tuesday, April 23, 2019 Regular Meeting.	
4.9	Groves Ave 448,458 and 460, BL11801 (OCP18-0019) - Abbott Park Holdings Inc., Inc No. BC1096096	120 - 120
	Requires a majority vote of all members of Council (5).	
	To give Bylaw No. 11801 second and third reading in order to change the future land use designation of the subject property from the MRM - Multiple Unit Residential (Medium Density) designation to the MRH - Multiple Unit Residential (High Density) designation.	
4.10	Groves Ave 448,458 and 460, BL11802 (Z17-0032) - Abbott Park Holdings Inc., Inc No. BC1096096	121 - 121
	To give Bylaw No. 11802 second and third reading in order to rezone the subject property from the RU1 Large Lot Housing zone to the RM6 - High Rise Apartment Housing zone.	

5. Bylaws for Adoption (Development Related)

5.1	Lindahl St 2005, Z18-0039 (BL11654)- Nicholas and Cheryl Kirschner	122 - 122
	To adopt Bylaw No. 11654 in order to rezone the subject property from the RU2 - Medium Lot Housing zone to the RU6 - Two Dwelling Housing zone.	

6. Non-Development Reports & Related Bylaws

6.1 Swoop Airport Use Agreement - Kelowna International Airport 123 - 143

To obtain Council's consent and approval to enter into an Airport Use Agreement with Swoop.

6.2 2019 Community Social Development Grants 144 - 155

To provide Council with background information about the Community Social Development Grants, the grant review process and the decision of the Grant Review Committee regarding the distribution of the 2019 program funds.

7. Bylaws for Adoption (Non-Development Related)

7.1 BL11804 - Amendment No. 32 to Traffic Bylaw No. 8120 156 - 157

To adopt Bylaw No. 11804 in order to amend Traffic Bylaw No. 8120.

7.2 BL11823 - Amendment No. 13 to Building Bylaw No. 7245 158 - 159

To adopt Bylaw No. 11823 in order to amend Building Bylaw No. 7245.

8. Mayor and Councillor Items

9. Termination



City of Kelowna Regular Council Meeting Minutes

Date: Monday, May 6, 2019
Council Chamber

Location: City Hall, 1435 Water Street

Members Present Mayor Colin Basran, Councillors Maxine DeHart*, Ryan Donn, Gail Given, Charlie Hodge, Brad Sieben*, Mohini Singh, Luke Stack and Loyal Wooldridge

Staff Present City Manager, Doug Gilchrist; Deputy City Clerk, Karen Needham; Community Planning Department Manager, Ryan Smith*; Urban Planning Manager, Terry Barton*; Suburban and Rural Planning Manager, Dean Strachan*; Community Planning Supervisor, Laura Bentley*; Planner Specialist, Wesley Miles*; Planner, Lydia Korolchuk*; Senior Airport Finance & Corporate Services Manager, Shayne Dyrdal*; Development Services Director, Mo Bayat*; Divisional Director, Infrastructure, Alan Newcombe*; Sustainability Coordinator, Tracy Guidi*; Sustainability Coordinator, Michelle Kam*; Integrated Transportation Department Manager, Rafael Villarreal*; Active Transportation Coordinator, Matt Worona*; Legislative Coordinator (Confidential), Arlene McClelland

(* Denotes partial attendance)

1. Call to Order

Mayor Basran called the meeting to order at 1:36 p.m..

Mayor Basran advised that the meeting is open to the public and all representations to Council form part of the public record. A live audio and video feed is being broadcast and recorded by CastaNet and a delayed broadcast is shown on Shaw Cable.

2. Confirmation of Minutes

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R464/19/05/06 THAT the Minutes of the Regular Meetings of April 29, 2019 be confirmed as circulated.

Carried

3. Development Application Reports & Related Bylaws

3.1 Short-Term Rental Accommodation in Secondary Suites and Carriage Houses

Councillor DeHart declared a conflict of interest as it is in direct competition with her hotel employer and departed the meeting at 1:37 p.m.

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Hodge/Seconded By Councillor Wooldridge

R465/19/05/06 THAT Zoning Bylaw Text Amendment Application No. TA19-0011 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in the Report from the Community Planning Department dated May 6, 2019 be considered by Council;

AND THAT the Zoning Bylaw Text Amending Bylaw be forwarded to a Public Hearing for further consideration.

Carried

3.2 TA19-0011 - Short Term Rental Accommodations (Secondary Suites and Carriage Houses)

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R466/19/05/06 THAT Bylaw No. 11820 be read a first time.

Carried

Councillor DeHart rejoined the meeting at 2:04 p.m.

3.3 Union Rd 1550, OCP18-0014 Z18-0070 - Glenwest Properties Ltd., Inc. No. CO889227

Staff:

- Displayed a PowerPoint Presentation summarizing the application.

Moved By Councillor Stack/Seconded By Councillor Donn

R467/19/05/06 THAT Official Community Plan Map Amendment Application No. OCP18-0004 to amend Map 4.1 in the Kelowna 2030 – Official Community Plan Bylaw No. 10500 by changing the Future Land Use designation for portions of Lot 4 Section 9 Township 23 ODYD Plan KAP86750 located at 1550 Union Road, Kelowna, BC from the COMM – Commercial and MRM – Multiple Unit Residential (Medium Density) designation to the MRL – Multiple Unit Residential (Low Density) designation, as shown on Map “A” attached to the Report from the Community Planning Department dated May 6th, 2019 be considered by Council;

THAT Rezoning Application No. Z18-0070 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classifications for portions of Lot 4 Section 9 Township 23 ODYD Plan KAP86750 located at 1550 Union Road, Kelowna, BC from the RM2 – Low Density Row Housing, RM5 – Medium Density Multiple Housing and P3 – Parks and Open Space zones to RM3 – Low Density Multiple Housing, as shown on Map “B” attached to the Report from the Community Planning Department dated May 6th, 2019 be considered by Council;

AND THAT the Official Community Plan Amendment and Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Attachment "A" attached to the Report from the Community Planning Department dated May 6th, 2019;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered in conjunction with Council's consideration of a Development Permit and Development Variance Permit for the subject property.

Carried

3.4 Union Rd 1550, OCP18-0014 (BL11824) - Glenwest Properties Ltd., Inc. No.CO889227

Moved By Councillor Given/Seconded By Councillor Wooldridge

R468/19/05/06 THAT Bylaw No. 11824 be read a first time;

AND THAT the bylaw has been considered in conjunction with the City's Financial Plan and Waste Management Plan.

Carried

3.5 Union Rd 1550, Z18-0070 (BL11825) - Glenwest Properties Ltd., Inc.No.CO889227

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R469/19/05/06 THAT Bylaw No. 11825 be read a first time.

Carried

3.6 West Ave 454-464, OCP18-0021 and Z18-0118 - West Avenue - Mission Group Rentals Ltd

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Donn/Seconded By Councillor Sieben

R470/19/05/06 THAT Official Community Plan Map Amendment Application No. OCP18-0021 to amend Map 4.1 in the Kelowna 2030 – Official Community Plan Bylaw No. 10500 by changing the Future Land Use designation of Amended Lot 3 (DD 138121F) and Amended Lot 4 (DD 138122F) District Lot 14 ODYD Plan 3056, located at 454 and 464 West Avenue, Kelowna, BC from the MRM – Multiple Unit Residential (Medium Density) designation to the MRX – Mixed Use (Residential/Commercial) designation, be considered by Council;

AND THAT the Official Community Plan Future Land Use Map Amending Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT Council considers the Public Information Session public process to be appropriate consultation for the *Purpose* of Section 879 of the *Local Government Act*, as outlined in the Report from the Community Planning Department dated May 6, 2019;

THAT Rezoning Application No. Z18-0118 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Amended Lot 3 (DD 138121F) and Amended Lot 4 (DD 138122F) District Lot 14 ODYD Plan 3056, located at 454 and 464 West Avenue, Kelowna, BC from the RU6 – Two Dwelling Housing and the RU1 – Large Lot Housing zones to the C4 – Urban Centre Commercial zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Official Community Plan Map Amending Bylaw and Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Attachment "A" attached to the Report from the Community Planning Department dated May 6, 2019;

AND THAT final adoption of the Official Community Plan Map Amending Bylaw and Rezoning Bylaw be considered subsequent to the Applicant registering on title a Section 219 Covenant (to restrict commercial uses to the main floor and that the remainder of the building be residential uses);

AND FURTHER THAT final adoption of the Official Community Plan Map Amending Bylaw and Rezoning Bylaw be considered in conjunction with Council's consideration of a Development Permit and Development Variance Permit for the subject properties.

Carried

3.7 West Ave 454-464, OCP18-0021 (BL11826) - West Avenue - Mission Group Rentals Ltd

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R471/19/05/06 THAT Bylaw No. 11826 be read a first time;

AND THAT the bylaw has been considered in conjunction with the City's Financial Plan and Waste Management Plan.

Carried

3.8 West Ave 454-464, Z18-0118 (BL11827) - West Avenue - Mission Group Rentals Ltd

Moved By Councillor Wooldridge/Seconded By Councillor Given

R472/19/05/06 THAT Bylaw No. 11827 be read a first time.

Carried

3.9 Airport Way 5505-5507, Z19-0034 - Midwest Ventures Ltd Inc No BC0046021

Staff:

- Displayed a PowerPoint Presentation summarizing the application.

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R473/19/05/06 THAT Rezoning Application No. Z19-0034 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot A Section 14 Township 23 Osoyoos Division Yale District Plan EPP23036, located at 5505-5507 Airport Way, Kelowna, BC from the C9 – Tourist Commercial zone and from the CD15 – Airport Business Park to the C9rcs – Tourist Commercial (Retail Cannabis Sales) zone as shown on Map "A" attached to the Report from the Community Planning Department dated May 6, 2019, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure;

AND FURTHER THAT if the Rezoning Bylaw is adopted, Council direct Staff to send a recommendation to the British Columbia Liquor and Cannabis Regulation Branch that they

support issuance of a non-medical cannabis retail store license for this legal lot with the following comments:

- The proposed location meets local government bylaw requirements and as such, no negative impact is anticipated;
- The views of the residents were captured during a public hearing process for the rezoning of the property and Council meeting minutes summarizing those views are attached; and
- Local government recommends that the application be approved because of compliance with local regulations and policies.

Carried

3.10 Airport Way 5505-5507, Z19-0034 (BL11828) - Midwest Ventures Ltd Inc No BC0046021

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R474/19/05/06 THAT Bylaw No. 11828 be read a first time.

Carried

3.11 Walker Rd 4480, Z18-0047 – Thomas A.M. Brown

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Hodge/Seconded By Councillor Singh

R475/19/05/06 THAT Rezoning Bylaw No. 11829 be given first reading as approved by Council at the April 29, 2019 Regular PM Meeting.

Carried

3.12 Walker Rd 4480, Z18-0047 (BL11829) - Thomas A.M. Brown

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R476/19/05/06 THAT Bylaw No. 11829 be read a first time.

Carried

3.13 Main St 5300, DP18-0252 - 1129549 B.C. Ltd, Inc.No. BC1129549

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Sieben/Seconded By Councillor Wooldridge

R477/19/05/06 THAT Council authorizes the issuance of Development Permit No. DP18-0252 for Lot A Section 23 Township 28 Similkameen Division Yale District Plan KAP80574, located at 5300 Main Street, Kelowna, BC subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";

3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit Application in order for the permits to be issued;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

Carried

Councillor Hodge - Opposed

3.14 Ellis St 950, DP19-0047 - 1188666 B.C. Ltd., Inc. No. BC1188666

Staff:

- Displayed a PowerPoint Presentation summarizing the application and responded to questions from Council.

Moved By Councillor Stack/Seconded By Councillor Sieben

R478/19/05/06 THAT Council authorizes the issuance of Development Permit No. DP19-0047 for Lot 3 District Lot 139 ODYD Plan KAP68693, located at 950 Ellis Street, Kelowna, BC subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A,"
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND THAT Council's consideration of this Development Permit be considered subsequent to the outstanding conditions of approval as set out in Schedule "A" attached to the Report from the Community Planning Department dated May 6, 2019;

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit Application in order for the permits to be issued;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

Carried

Councillor Donn - Opposed

4. Bylaws for Adoption (Development Related)

4.1 HWY 97 N 7770, 7782, 7800 and 7810, LUCT18-0006 (BL11762) - Multiple Owners

Moved By Councillor Given/Seconded By Councillor Wooldridge

R479/19/05/06 THAT Bylaw No. 11762 be adopted.

Carried

4.2 Bernard Ave 547-559, BL11775 (Z19-0005) - Salco Management Ltd, Inc. No. BC0744182

Councillor Sieben declared a conflict of interest as he provides insurance services for the applicant and departed the meeting at 2:35 p.m.

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R480/19/05/06 THAT Bylaw No. 11775 be adopted.

Carried

Councillor Sieben returned to the meeting at 2:35 p.m.

4.3 Rutland Rd S 140-160, BL11779 (Z19-0026) - Canada West Realty Ltd, Inc. No. 71313

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R481/19/05/06 THAT Bylaw No. 11779 be adopted.

Carried

4.4 Springfield Rd 2121, BL11780 (Z19-0029) - 417414 BC Limited, Inc No 417414

Moved By Councillor Wooldridge/Seconded By Councillor Singh

R482/19/05/06 THAT Bylaw No. 11780 be adopted.

Carried

4.5 Harvey Ave 1455-1475, BL11792 (Z19-0010) - 449048 British Columbia Ltd, 1145399

Moved By Councillor Stack/Seconded By Councillor DeHart

R483/19/05/06 THAT Bylaw No. 11792 be adopted.

Carried

4.6 Harvey Ave 2090, BL11793 (Z19-0008) - T 252 Enterprises Ltd Inc No BC1184462

Moved By Councillor DeHart/Seconded By Councillor Stack

R484/19/05/06 THAT Bylaw No. 11793 be adopted.

Carried

4.7 Commercial Frontage Amendment, BL11796 (TA19-0005) - City of Kelowna

Moved By Councillor Stack/Seconded By Councillor DeHart

R485/19/05/06 THAT Bylaw No. 11796 be adopted.

Carried

5. Non-Development Reports & Related Bylaws

5.1 Redefinition of City of Kelowna Boundary

Staff:

- Provided an overview of the redefinition of the City of Kelowna boundary adjacent to Kelowna International Airport and responded to questions from Council.

Moved By Councillor Stack/Seconded By Councillor Sieben

R486/19/05/06 THAT Council receive for information the report of the Senior Airport Finance and Corporate Services Manager dated May 6, 2019 with respect to the redefinition of the City of Kelowna boundary;

AND THAT the Mayor, on behalf of Council, forward a letter to the Regional District of Central Okanagan regarding a City of Kelowna boundary redefinition as outlined in the report of the Senior Airport Finance and Corporate Services Manager;

AND FURTHER THAT the Mayor and City Clerk be authorized to execute all documents necessary for a City of Kelowna boundary redefinition.

Carried

5.2 Updated Energy Step Code Implementation Strategy

Staff:

- Displayed a PowerPoint Presentation summarizing the update to the Energy Step Code Implementation Strategy and responded to questions from Council.

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R487/19/05/06 THAT Council receives, for information, the Report from the Sustainability Coordinator dated May 6, 2019 with respect to the Updated Energy Step Code Implementation Strategy;

AND THAT Council endorse the compliance of all new Part 9 residential buildings to the BC Energy Step Code to satisfy the energy efficiency requirements of the British Columbia Building Code as follows:

- Effective December 1, 2019 – Step 1 Energy Step Code requirement
- Effective June 1, 2021 – Step 3 Energy Step Code requirements

AND THAT Council direct staff to use up to a maximum of \$75,000 from the Permit Averaging Reserve Account to provide building permit rebates as follows:

- \$500 for engaging an energy advisor for modelling and final blower door test between May 20, 2019 and November 30, 2019
- \$500 for Step 4 residential buildings between May 20, 2019 and May 31, 2021 to incent achieving higher steps of the Energy Step Code.
- \$1,000 for Step 5 residential buildings or certified Passive House between May 20, 2019 and May 31, 2021 to incent achieving higher steps of the Energy Step Code

AND THAT Bylaw No. 11823, being Building Bylaw Amendment No. 13 be forwarded for reading consideration.

AND FURTHER THAT Council direct staff to consult with key stakeholders on Energy Step Code implementation for Part 3 buildings as outlined in the report of the Sustainability Coordinator, dated May 06, 2019.

Carried

5.3 BL11823 - Amendment No. 13 to Building Bylaw No. 7245

Moved By Councillor Wooldridge/Seconded By Councillor Hodge

R488/19/05/06 THAT Bylaw No. 11823 be read a first, second and third time.

Carried

5.4 Bikeshare Permit Program

Staff:

- Displayed a PowerPoint Presentation providing highlights of the Bikeshare Permit Program and responded to questions from Council.

Moved By Councillor Donn/Seconded By Councillor Stack

R489/19/05/06 THAT Council receives, for information, the report from the Transit and Programs Manager dated May 6, 2019 with respect to the Bikeshare Permit Program;

AND THAT Council approve the Bikeshare Permit Program for Bikeshare Operators as outlined in the report of the Transit and Programs Manager dated May 06, 2019;

AND THAT Council give reading consideration to Bylaw No. 11804 being Amendment No. 32 to the Consolidated Traffic By-Law No. 8120;

AND FURTHER THAT Council authorize the Mayor to forward a letter to the Honorable John Horgan M.L.A., Premier of British Columbia and Honorable Claire Trevena M.L.A., Minister of Transportation and Infrastructure, regarding an exemption from the Motor Vehicle Act, as attached to the report of the Transit and Programs Manager, dated May 06, 2019.

Carried

5.5 BL11804 - Amendment No. 32 to Traffic Bylaw No. 8120

Moved By Councillor Stack/Seconded By Councillor DeHart

R490/19/05/06 THAT Bylaw No. 11804 was read a first, second and third time.

Carried

5.6 190 Highway 33 East – Road Closure

Moved By Councillor Wooldridge/Seconded By Councillor Sieben

R491/19/05/06 THAT Council receives, for information, the Report from the Manager, Real Estate Services dated May 06, 2019, recommending that Council adopt the proposed closure of a portion of road adjacent to 190 Highway 33 East;

AND THAT Bylaw No. 11729, being proposed road closure of a portion of road adjacent to 190 Highway 33 East, be given reading consideration.

Carried

5.7 A portion of 190 Highway 33 East, BL11729 - Road Closure Bylaw

Moved By Councillor Donn/Seconded By Councillor Sieben

R492/19/05/06 THAT Bylaw No. 11729 be read a first, second and third time.

Carried

6. Resolutions

6.1 Munson Pond Naturalization Project

Moved By Councillor Sieben/Seconded By Councillor Hodge

R493/19/05/06 THAT Council support the submission of the Munson Pond Naturalization Project for consideration of a 2019 UBCM Community Excellence Award.

Carried

7. Bylaws for Adoption (Non-Development Related)

7.1 BL11805 - Five Year Financial Plan 2019-2023

Moved By Councillor Donn/Seconded By Councillor Sieben

R494/19/05/06 THAT Bylaw No. 11805 be adopted.

Carried

7.2 BL11806 - Tax Structure Bylaw, 2019

Moved By Councillor Donn/Seconded By Councillor Sieben

R495/19/05/06 THAT Bylaw No. 11806 be adopted.

Carried

7.3 BL11807 - Annual Tax Rates Bylaw, 2019

Moved By Councillor Donn/Seconded By Councillor Sieben

R496/19/05/06 THAT Bylaw No. 11807 be adopted.

Carried

7.4 BL11808 - Development Cost Charge Reserve Fund Expenditure Bylaw, 2019

Moved By Councillor Donn/Seconded By Councillor Sieben

R497/19/05/06 THAT Bylaw No. 11808 be adopted.

Carried

7.5 BL11809 - Sale of City Owned Land Reserve Fund Expenditure Bylaw, 2019

Moved By Councillor Donn/Seconded By Councillor Sieben

R498/19/05/06 THAT Bylaw No. 11809 be adopted.

Carried

8. Mayor and Councillor Items

Councillor Given:

- Presented the award from Wood WORKS! for the Queensway Transit Station that the City received at SILGA.
- Spoke to her attendance at the SILGA Conference and commented on the significant amount of information received.
- Commented on presentations from various Ministries and noted that the Emergency Plan Act is being rewritten.

Councillor Wooldridge:

- Spoke to his attendance at the SILGA Conference and commented on the presentation by Joe Roberts.
- On behalf of the Mayor opened the Western Canada Addiction Forum last week.

Councillor Hodge:

- Spoke to his attendance at the SILGA Conference and commented on a presentation by the City's former City Manager.

Councillor DeHart:

- Commented on a new Irish Consulate in Vancouver and a representative who will be visiting Kelowna this week.
- On behalf of the Mayor, attended a ribbon ceremony for a new Lawyers office that only deals with Federal, Provincial and Municipal law.

Councillor Stack:

- Commented on the Pandosy Town Centre Plan that is still part of the City's plan; would like the plan to be available to Council.

Mayor Basran:

- Reminder that the Regional Transportation Plan Survey is now open from May 1 to May 21st.
- Reminder that the Bike to Work Week registration is open now and can register at gobybikebc.ca.

9. Termination

This meeting was declared terminated at 4:01 p.m.

Mayor Basran

/acm



Deputy City Clerk

Report to Council



Date: May 13, 2019
File: 0270-02
To: City Manager
From: Jackie Dueck, Controller
Subject: 2019 Audit Committee Meeting Review

Recommendation:

THAT Council receive the report of the Controller, Financial Services dated May 13, 2019 for information.

Purpose:

To provide a high-level review of the information provided to the Audit Committee during the meeting on April 30, 2019.

Background:

Annually the Audit Committee meets to review the Financial Statements, Financial Health Indicators, Auditor's report, City Reserves and Debt, Surplus balances and appropriations. This year and for future years they will also receive a report from the Internal Control Branch updating them on accomplishments and workplans.

There was an in-depth review of the Consolidated Financial Statements. The key number on the Consolidated Statement of Financial Position is the \$2.04B dollars in Accumulated Surplus that represents the total economic resources available to the City of Kelowna to provide future operations. The Consolidated Statement of Operations and Accumulated Surplus shows an annual surplus of \$114.3M. The Consolidated Statement of Changes in Net Financial Assets recognizes that the City acquired \$114.6M in tangible capital assets and used \$67M through amortization. The Consolidated Statement of Cash Flows outlines the cash generated and used by the City's operations, capital, investing and financing activities.

In the Council adopted Financial principles & strategies a key component is Financial Policies and Performance Measures to aid in decision making. The Financial Health Indicators are a set of ratios that the City uses to measure the overall financial health of the City. The selected performance measures were designed from a Statement of Recommended Practice

titled Indicators of Financial Condition outlined in the Public Sector Accounting handbook. The ratios provide comparative financial information for the year-ended 2017 using Local Government data for Municipalities with greater than 100,000 population and for Local Governments in the region. The ratios provide a way to measure how decisions made during the year have affected the sustainability, flexibility and vulnerability of the City. They also link the financial results to the overall economic and fiscal environment that the City operates in. The results show that the City is well positioned to meet current financial obligations and take on new opportunities without increasing the debt or tax burden. The overall financial health of the City is strong.

The Audit report outlined the areas of review that took place and provided a clean audit opinion stating that the City of Kelowna's consolidated financial statements present fairly, in all material respects, the financial position of the City of Kelowna as at December 31, 2018, and the results of operations, its changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

2018 General fund Financial results show a surplus of \$9.6M this is 4% of the operating budget which totaled \$239 million dollars. In a subsequent Council Report being received today the Council Audit Committee recommends the appropriation from surplus to reserve of \$8.8M and the appropriation of \$834k to accumulated surplus. Total accumulated surplus for the General Fund that is unallocated is now \$3.4M dollars at the 2018 year-end which represents 2.5% of taxation demand.

The Water and Wastewater utility funds 2018 surplus was \$3.4M and \$4.6M respectively these funds fall to the utilities accumulated surplus which is used for infrastructure replacement, mitigating fluctuations in utility billing rates to ensure that the City can continue to provide sustainable healthy and safe Water and Wastewater services to the Cities citizens.

The Airport had a surplus of \$14.4M which will be used to enable the ongoing infrastructure requirements and improvements to accommodate ever-increasing passenger volumes.

The Internal Control branch of the City of Kelowna has worked with a consultant to complete an internal control framework based on best practices. The internal control framework centers on Leadership commitment and has four focus areas which include Strategy & Scope, Governance & Accountability, Operational control and Evaluation & Improvement. There will be a strategic plan developed in 2019 to develop and execute a monitoring program. Accomplishments and workplans will be reported annually to the Audit Committee.

The preparation for year-end and the audit process provides a detailed review and assessment of the City's Financial results for the year ended and compares those results to the previous year and the budget. The Cities Strong Financial principles and strategies are reflected in the 2018 financial results and have positioned the City to continue to build a vibrant community.

Internal Circulation:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Considerations not applicable to this report:

Submitted by:

J Dueck, Controller

Approved for inclusion:

☐

cc: Divisional Director, Financial Services



2018

Consolidated Financial Statements

Kelowna, British Columbia, Canada

For the year ended December 31, 2018

CITY OF KELOWNA

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Independent auditor's report

Grant Thornton LLP
200-1633 Ellis Street
Kelowna, BC
V1Y 2A8
T +1 250 712 6800
F +1 250 712 6850

To the members of the Council of the [City of Kelowna](#):

Opinion

We have audited the consolidated financial statements of the City of Kelowna ("the City"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City of Kelowna as at December 31, 2018, and the results of operations, its changes in its net debt, 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 *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 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.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these consolidated 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 consolidated 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.
- 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Kelowna, Canada
April 30, 2019

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

CITY OF KELOWNA
Consolidated Statement of Financial Position
As at December 31, 2018
(in thousands of dollars)

	<u>2018</u>	<u>2017</u>
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 24,989	\$ 20,647
Accounts receivable (Note 3)	45,414	33,720
Accrued interest	1,585	1,425
Portfolio investments (Note 3)	495,817	417,264
Long term investments (Note 10)	6,000	6,000
Property held for resale	3,455	3,456
	<u>577,260</u>	<u>482,512</u>
Liabilities		
Accounts payable	50,922	43,946
Performance deposits	21,580	16,292
Deferred revenue (Note 3)	50,382	55,767
Deferred development cost charges (Note 3)	66,834	42,767
Long term debt (Note 3)	119,340	137,434
	<u>309,058</u>	<u>296,206</u>
Net Financial Assets	<u>268,202</u>	<u>186,306</u>
Non-Financial Assets		
Prepaid expenses	3,328	2,601
Inventory	1,484	1,218
Work in progress (Note 4)	35,373	23,096
Tangible capital assets (Note 4)	1,733,595	1,714,464
	<u>1,773,780</u>	<u>1,741,379</u>
Accumulated Surplus (Note 5)	<u>\$ 2,041,982</u>	<u>\$ 1,927,685</u>

Contingent liabilities and Commitments (Notes 8 and 9)



Genelle Davidson, CPA, CMA
Divisional Director, Financial Services



Colin Basran
Mayor, City of Kelowna

See accompanying notes to the consolidated financial statements.

CITY OF KELOWNA
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2018
(in thousands of dollars)

	Budget 2018	Actual 2018	Actual 2017
Revenue			
Taxation (Note 6)	\$ 145,720	\$ 145,944	\$ 139,395
Fees and charges	122,147	152,536	125,623
Interest earned	4,111	12,821	10,325
DCC contributions	21,027	12,929	9,533
Government transfers (Note 7)	81,015	49,019	21,559
Other capital contributions	6,800	23,028	10,694
Gain on disposal of tangible capital assets	-	4,603	5,922
	<u>380,820</u>	<u>400,880</u>	<u>323,051</u>
Expenses			
General government	33,757	30,373	27,810
Protective services	61,636	60,946	58,909
Transportation	37,510	63,743	61,570
Recreation & cultural	37,250	44,642	42,858
Other services	22,346	24,138	21,905
Airport	15,385	23,004	20,698
Natural Gas Legacy	2,264	2,723	3,856
Wastewater	13,671	22,608	22,896
Water	7,819	13,458	11,212
Loss on disposal of tangible capital assets	-	462	336
Write down of tangible capital assets	-	486	440
	<u>231,638</u>	<u>286,583</u>	<u>272,490</u>
Annual Surplus	<u>\$ 149,182</u>	<u>114,297</u>	<u>50,561</u>
Accumulated Surplus, beginning of year		<u>1,927,685</u>	<u>1,877,124</u>
Accumulated Surplus, end of year		<u>\$ 2,041,982</u>	<u>\$ 1,927,685</u>

See accompanying notes to the consolidated financial statements.

CITY OF KELOWNA
Consolidated Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2018
(in thousands of dollars)

	Budget 2018	Actual 2018	Actual 2017
Annual Surplus	\$ 149,182	\$ 114,297	\$ 50,561
Amortization of tangible capital assets	-	66,989	64,888
Proceeds from disposal of tangible capital assets	-	39,148	8,566
(Gain) loss on disposal of tangible capital assets	-	(4,141)	(5,586)
Write down of tangible capital assets	-	486	440
Acquisition of tangible capital assets	(197,659)	(114,637)	(84,395)
Contributions of tangible capital assets	-	(19,253)	(4,433)
Change in inventory and prepaid expenses	-	(993)	(439)
Increase (decrease) in Net Financial Assets	(48,477)	81,896	29,602
Net Financial Assets, beginning of year	186,306	186,306	156,704
Net Financial Assets, end of year	\$ 137,829	\$ 268,202	\$ 186,306

See accompanying notes to the consolidated financial statements.

CITY OF KELOWNA
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2018
(in thousands of dollars)

	Actual 2018	Actual 2017
Net inflow (outflow) of cash and cash equivalents related to the following activities		
Operating		
Annual surplus	\$ 114,297	\$ 50,561
Adjustment for non-cash items		
Amortization of tangible capital assets	66,989	64,888
(Gain) loss on disposal of tangible capital assets	(4,141)	(5,586)
Write down of tangible capital assets	486	440
Actuarial adjustment on long term debt	(6,545)	(5,711)
Contributions of tangible capital assets	(19,253)	(4,433)
Termination of debt	(2,132)	-
Decrease (increase) in		
Accounts receivable	(11,694)	(3,441)
Inventory and prepaid expenses	(993)	(439)
Other assets	(160)	(92)
Increase (decrease) in		
Accounts payable	6,979	(2,633)
Deferred development cost charges	24,067	17,392
Other liabilities	(98)	21,595
	167,802	132,541
Capital		
Acquisition of tangible capital assets	(114,637)	(84,395)
Proceeds from disposal of tangible capital assets	39,148	8,566
	(75,489)	(75,829)
Investing		
Change in investments	(78,553)	(50,757)
Financing		
Proceeds from issuance of long term debt	8,485	11,000
Repayment of long term debt	(17,903)	(14,269)
	(9,418)	(3,269)
Net increase in cash and cash equivalents	4,342	2,686
Cash and cash equivalents, beginning of year	20,647	17,961
Cash and cash equivalents, end of year	\$ 24,989	\$ 20,647
Non-cash capital activities		
Acquisition of tangible capital assets through contributions (Note 4)	\$ 19,253	\$ 4,433

See accompanying notes to the consolidated financial statements.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

The notes to the consolidated financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the consolidated financial statements.

The consolidated financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards (PSAS). The preparation of these consolidated 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.

1. Significant accounting policies

Basis of presentation

The City of Kelowna's resources and operations are segregated into General, Airport, Wastewater Utility, Water Utility, Natural Gas Legacy, Development Cost Charges and Statutory Reserve Funds for accounting and financial reporting purposes. The consolidated financial statements include all the accounts of these funds. All material interfund transactions and balances have been eliminated within the consolidated financial statements.

The Natural Gas Legacy Fund was created from an agreement with FortisBC for a 35 year capital lease for the natural gas distribution system within the City's municipal boundary and a 17 year operating lease, expiring in 2018, whereby the City leased back to FortisBC the operations of the gas distribution system. The Natural Gas Legacy Fund is accounted for in its own fund. On October 31, 2018 Fortis exercised their right to terminate the Capital and Operating Lease by delivery of written notice to the City. The Termination Payment has been calculated in accordance with the Capital Lease and the Additions Lease and as a result the City releases and discharges any interest it may have in or related to the Gas Distribution Assets and Additions and has closed out the Natural Gas Legacy Fund. The City has signed an operating agreement with FortisBC Energy Inc. to receive an operating fee based on a percentage of gross revenues.

South East Kelowna Irrigation District ("SEKID"): On June 5, 2018 (the "transfer date"), the City commenced ownership and operations of the SEKID Water Operations. As of the transfer date, SEKID was dissolved by an Order of the Lieutenant Governor in Council. The Order in Council set out that all rights, property and assets of SEKID were to be transferred to and vested in the City of Kelowna. The City assumed the obligations of SEKID and any reference to SEKID in any commercial paper, lease, permit or other contract or instrument or document that is transferred is deemed to be a reference to the City of Kelowna. Financial assets in the amount of \$10,539,511, liabilities in the amount of \$791,465 and non-financial assets in the amount of \$11,692,245 were transferred to the City on June 5, 2018 and have been integrated into the Water Fund.

Accrual accounting

The accrual method for reporting revenues and expenses has been used.

Property held for resale

Property held for sale are those expected to be sold within one year. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the property for sale.

Inventory

Inventory is valued at the lower of cost, determined principally on a weighted average and specific item basis, or replacement cost.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Municipal Finance Authority cash deposits and demand notes

The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature. The Debt Reserve and Demand Note balances are as follows:

	2018	2017
Cash deposits held by MFA	\$ 2,401	\$ 3,566
Demand notes held by MFA	6,731	9,658
	<u>\$ 9,132</u>	<u>\$ 13,224</u>

Municipal pension plan

The City of Kelowna's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan.

Work in progress

Work in progress represents capital projects under construction but not yet completed and are valued at cost.

Tangible capital assets

The City records tangible capital assets, including assets held as work in progress or capital lease, at cost in the period they were acquired or when the asset is put into use.

All tangible capital assets are valued at cost which includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset.

Assets owned by the City but not paid for by the City including contributions, dedications, gifts and donations, are valued at fair value at the date of contribution, dedication, gift or donation, where fair value is reasonably determinable.

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Amortization

The cost less residual value of the tangible capital assets is amortized on a straight-line basis over the useful lives of the asset as follows:

<u>Asset Type</u>	<u>Useful Life (years)</u>	<u>Asset Type</u>	<u>Useful Life (years)</u>
Parks infrastructure		Vehicles	
Playground equipment	15 - 20	Cars and light trucks	5 - 10
Artificial turf field	10 - 12	Fire trucks	15 - 20
Washrooms, concessions, picnic shelters	40 - 50	IT infrastructure	
Outdoor pools, spray pools	50 - 60	Hardware	4 - 5
Building structure	40 - 75	Software	5 - 10
Building improvements		Telephone system	7 - 10
Exterior envelope	30 - 40	Infrastructure	
HVAC systems	10 - 12	(dependent upon component and material)	
Roof	15 - 20	Electrical	20 - 25
Electrical, plumbing and fire	15 - 20	Water	10 - 100
Site works - asphalt, water and sewer lines, etc	10 - 100	Wastewater	10 - 100
Machinery & equipment		Drainage	10 - 100
General equipment	7 - 10	Transportation	10 - 100
Grounds equipment and machinery	10 - 15		
Heavy construction equipment	5 - 10		

Land and Work in Progress are not amortized.

Intangible assets

Intangible assets include works of art and historic assets located throughout the City. They are not reflected in these consolidated financial statements.

Interest capitalization

The City of Kelowna only capitalizes interest on projects being financed internally which will require debenture borrowing upon completion. Interest is calculated on monthly expenditures at the bank prime rate less 2%.

Reserves for future expenditures

Reserves for future expenditures are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditures include funds to finance incomplete projects and accumulations for specific purposes.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Statutory reserve funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and portfolio investments.

Revenue recognition

Taxation revenue

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Through the BC Assessment appeal process taxes may be adjusted by way of supplementary roll adjustments. The effect of these adjustments on taxes are recognized at the time they are awarded.

Fees and charges revenue

Charges for transportation, environmental health, building permits, water, wastewater, natural gas and airport are included in this category. These revenues are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

DCC contributions

DCCs are recognized as revenue during the period in which the related costs are incurred.

Government transfers

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, has been met by the City, and a reasonable estimate of the amount to be received can be made.

Investment income

The City's investments are disclosed in Note 3.

Investment income is recorded on the accrual basis and recognized when earned.

A portion of the City's investments are invested in pooled funds of the Municipal Finance Authority of British Columbia. Earnings on these funds are allocated to the members from time to time based on the market value of the pool. The City recognizes only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost base of the investment.

To the extent that investments have no stated rate of return, investment income is recognized as it is received.

Expenses

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible; or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2018 and 2017.

Use of estimates

Management has made estimates and assumptions that affect the amounts reported in preparing these financial statements. Actual results could differ from the estimates. Significant areas requiring the use of management estimates relate to the determination of tangible capital assets estimated useful life and related amortization, allowance for doubtful accounts, landfill post closure costs and settlement costs associated with outstanding legal actions.

2. Future accounting changes

PS 3041 – Portfolio investments

This section revises and replaces the existing Section PS 3040 *Portfolio investments*. This section applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 3280 Asset retirement obligations

This section revises and replaces the existing Section PS 3270 *Solid waste landfill closure and post-closure liability*. This section applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 3400 Revenues

This section establishes standards on how to account for and report on revenue. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 3450 – Financial instruments

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

3. Financial assets and liabilities

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with maturities of 90 days or less from the date of acquisition.

Accounts receivable

Accounts receivable are recorded net of allowance and are comprised of the following:

<u>Type of receivable</u>	<u>2018</u>	<u>2017</u>
Property tax	\$ 4,279	\$ 4,257
Trade receivables	17,169	12,981
Due from government	5,748	3,016
Due from provincial government	4,373	3,990
Due from regional government	64	4
Utilities	3,996	3,953
Deferred development cost charges	9,785	5,519
	<u>\$ 45,414</u>	<u>\$ 33,720</u>

Portfolio investments

Portfolio investments are recorded at cost and are comprised of the following:

<u>Type of investment</u>	<u>2018</u>	<u>2017</u>
Municipal Finance Authority bond / Intermediate Funds	\$ 106,139	\$ 103,646
Provincial and bank issued bonds	95,030	98,446
Publicly traded shares	62,748	60,654
Guaranteed Investment Certificates and deposit notes	231,900	154,518
Total Portfolio investments	<u>\$ 495,817</u>	<u>\$ 417,264</u>

The quoted market value of the publicly traded shares at December 31, 2018 was \$85.91 million (2017 - \$85.09 million).

Operating line of credit

The City has an operating line of credit with the Royal Bank of Canada for an authorized amount of \$5.0 million, bearing interest at bank prime rate. At December 31, 2018 the balance outstanding was \$nil (2017 - \$nil).

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Deferred revenue

The City records deferred revenue for funds received in advance on services not yet rendered and is recognized into revenue during the period in which the service is provided. The City also records deferred revenue when a contract specifies how the resources are to be used and therefore funds received in advance are deferred until the period in which the requirements are met. Because these funds are restricted in nature they are shown as a liability.

<u>Deferred Revenue by Type</u>	<u>2017</u>	<u>Receipts</u>	<u>Interest</u>	<u>Transfers Out</u>	<u>2018</u>
Tax prepayments	\$ 18,919	\$ 19,784	\$ 55	\$ 18,919	\$ 19,839
Construction	11,890	1,965	138	1,092	12,901
Grants	14,448	586	194	6,718	8,510
Other	6,366	7,735	29	9,311	4,819
Local Area Service	4,144	1,709	-	1,540	4,313
Total	\$ 55,767	\$ 31,779	\$ 416	\$ 37,580	\$ 50,382

Deferred development cost charges (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act, these funds must be deposited into a separate reserve fund. Because these funds are externally restricted in nature they are shown as a liability.

	<u>2017</u>	<u>Receipts</u>	<u>Interest</u>	<u>Transfers Out</u>	<u>2018</u>
Parks	\$ 10,300	\$ 10,864	\$ 275	\$ 3,161	\$ 18,278
Roads	30,038	15,826	782	3,596	43,050
Water	12,094	1,268	289	222	13,429
Wastewater	(9,665)	7,939	(247)	5,950	(7,923)
Total Deferred DCC	\$ 42,767	\$ 35,897	\$ 1,099	\$ 12,929	\$ 66,834

Long term debt

Sinking fund installments and mortgage payments on net outstanding debt and loans payable over the next five years and thereafter are as follows:

	<u>Total</u>
2019	\$ 16,677
2020	12,291
2021	10,286
2022	9,647
2023	8,403
2024 and thereafter	62,036
Total	\$ 119,340

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
December 31, 2018
(all tabular amounts reported in 000's of dollars)

Total debt issued was \$283.9 million and total debt payable at December 31, 2018 was \$119.3 million (2017 - \$137.4 million).

Schedule 3 provides a breakdown of long term debt.

4. Tangible capital assets (TCA) and work in progress

	2018 Work in progress	2018 Tangible capital assets (NBV)	2017 Work in progress	2017 Tangible capital assets (NBV)
Land	\$ -	\$ 303,532	\$ -	\$ 280,235
Land improvements	327	37,168	910	32,135
Buildings	2,762	194,848	2,935	197,056
Infrastructure	31,013	1,121,799	16,362	1,104,034
Machinery and equipment	1,271	76,248	2,889	71,405
Natural gas system (capital lease)	-	-	-	29,599
	<u>\$ 35,373</u>	<u>\$ 1,733,595</u>	<u>\$ 23,096</u>	<u>\$ 1,714,464</u>

Contributions received in 2018 include:

<u>Type of contribution</u>	<u>2018</u>	<u>2017</u>
Land	\$ 2,326	\$ 4,433
Land improvements	122	-
Buildings	126	-
Infrastructure	16,420	-
Machinery and equipment	259	-
Total Contributed tangible capital assets	<u>\$ 19,253</u>	<u>\$ 4,433</u>

Schedule 1 provides a break down of tangible capital assets and work in progress.

During the year, tangible capital assets with a cost of \$486,223 were written off due to impairment.

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5. Accumulated surplus

	Reserves for Future Expenditures	Equity in FortisBC Inc.	Statutory Reserves	Fund Surpluses	Investment in Tangible Capital Assets	Total 2018	Total 2017
Accumulated surplus, beginning of year	\$ 139,188	\$ 60,692	\$ 70,978	\$ 53,726	\$ 1,603,101	\$ 1,927,685	\$ 1,877,124
Annual surplus (deficit)	4,887	-	2,076	119,173	(11,839)	114,297	50,561
Transfers	138,390	(60,692)	10,642	(88,340)	-	-	-
Acquisition of tangible capital assets	(28,725)	-	-	(15,530)	44,255	-	-
Repayment of long term debt	-	-	-	(14,861)	14,861	-	-
Accumulated surplus, end of year	\$ 253,740	\$ -	\$ 83,696	\$ 54,168	\$ 1,650,378	\$ 2,041,982	\$ 1,927,685

Accumulated Surplus detail as follows:

Description	Balances, Beginning of Year	Transfer From	Transfer To	Annual Surplus	Balances, End of Year
<u>Non-Statutory Reserves</u>					
General Fund reserve	\$ 80,309	\$ 20,115	\$ 123,522	\$ 4,043	\$ 187,759
Airport Fund reserve	27,420	23,963	21,810	466	25,733
Waste Water Fund reserve	13,033	7,582	6,651	52	12,154
Water Fund reserve	18,426	5,302	14,644	326	28,094
	<u>139,188</u>	<u>56,962</u>	<u>166,627</u>	<u>4,887</u>	<u>253,740</u>
<u>Statutory Reserves</u>					
Parking reserve	2,443	1,575	5,236	77	6,181
Land reserve	12,273	9,234	11,350	383	14,772
Capital works, machinery and equipment reserve	56,262	16,005	20,870	1,616	62,743
	<u>70,978</u>	<u>26,814</u>	<u>37,456</u>	<u>2,076</u>	<u>83,696</u>
<u>Surplus by Fund</u>					
General Fund surplus	4,651	140,621	74,256	66,172	4,458
Airport Fund surplus	596	23,886	5,009	19,756	1,475
Waste Water Fund surplus	30,522	16,748	8,916	12,458	35,148
Water Fund surplus	13,483	16,446	(63)	16,113	13,087
Natural Gas Legacy surplus	4,474	9,148	-	4,674	-
Accumulated Surplus	<u>53,726</u>	<u>206,849</u>	<u>88,118</u>	<u>119,173</u>	<u>54,168</u>
<u>Equity Investment</u>					
Equity in FortisBC Inc.	<u>60,692</u>	<u>60,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investment in Non Financial Assets</u>					
Investment in tangible capital assets	<u>1,603,101</u>	<u>3,022</u>	<u>62,138</u>	<u>(11,839)</u>	<u>1,650,378</u>
Accumulated Surplus	\$ 1,927,685	\$ 354,339	\$ 354,339	\$ 114,297	\$ 2,041,982

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6. Taxation

Taxation revenue comprises the following amounts raised less transfers to other governments:

	<u>2018</u>	<u>2017</u>
Taxes collected		
Property taxes	\$ 229,253	\$ 219,875
Local improvement levies	158	156
Frontage tax - water	1,483	1,457
Specified sewer area recoveries	1,398	1,398
Grants in lieu of taxes	570	514
Levies	7,316	7,010
	<u>240,178</u>	<u>230,410</u>
Less transfers to other governments		
Province of BC (school taxes)	68,641	66,049
BC Assessment Authority	1,981	1,854
Regional Hospital District	11,691	11,507
Regional District of Central Okanagan	11,921	11,605
	<u>94,234</u>	<u>91,015</u>
Net taxes available for municipal purposes	<u><u>\$ 145,944</u></u>	<u><u>\$ 139,395</u></u>

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7. Government transfers

Government transfers are the major source of transfers to the City. Government transfers received are for completed projects that meet the required criteria as set out by the Government body providing the funding. Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments. During the year \$7.9 million remained as deferred revenue for future capital expenditures. In 2018 the City received and recorded as revenue the following transfers:

	<u>2018</u>	<u>2017</u>
Operating transfers		
Federal	\$ 173	\$ 148
Provincial	19,637	17,585
Other governments	212	187
	<u>20,022</u>	<u>17,920</u>
Capital transfers		
Federal	12,328	2,695
Provincial	16,639	944
Other governments	30	-
	<u>28,997</u>	<u>3,639</u>
Total Government transfers	<u>\$ 49,019</u>	<u>\$ 21,559</u>

8. Contingent liabilities

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member municipality within the District including the City of Kelowna.

The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

Pension liability

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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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, 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 of Kelowna paid \$7.2 million (2017 - \$6.9 million) for employer contributions while employees contributed \$5.9 million (2017 - \$5.5 million) to the plan in fiscal 2018.

The next valuation will be as at 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.

Post employment benefits

The City of Kelowna does not accrue expenses for post employment benefits such as retirement allowances or compensated absences (sick leave). City employees retiring do not receive any retirement allowance that either vests or accrues over the period of employment. Sick benefits do not accrue and are not vested. The City recognizes the expense for sick time when the event obligates the City to pay.

Legal actions

The City of Kelowna is currently engaged in certain legal actions, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions.

The amount of loss, if any, arising from these contingent liabilities will be recorded in the accounts in the period in which the loss is realized. The City of Kelowna has insurance policies and financial reserves to offset associated risks.

9. Commitments

Agreements, contracts and purchase orders

The City has entered into various agreements and contracts for services and construction with periods ranging from one to five years.

The City has purchase orders open as at December 31, 2018 which have not been recorded in the accounts. The balance of these open purchase orders are not determinable at this time. The funding for the majority of these obligations has been set aside in reserves for future expenditures. These amounts will be recorded in the accounts in the period the goods and services, to which they relate, are received.

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Landfill closure and post closure costs

As required by PSAS and regulated by the Ministry of Water, Land and Air Protection, the City has agreed to obligations regarding the operation of the landfill site. These obligations include recognition of closure and post-closure liability. As currently engineered, and based on current waste disposal patterns, the landfill has a remaining life expectancy of 90 years. The estimated length of time needed for post-closure is 80 years.

The present value of future cash flows for the expected landfill closure and post-closure care costs is estimated to be \$30.7 million based on a Design, Operations and Closure Plan (DOCP) completed in 2018.

The City's liability for these landfill closure and post-closure care cost expenditures is recognized as the landfill site's capacity is used. The reported liability of \$4.0 million (2017 - \$3.8 million) represents the portion of the estimated total expenditure recognized as at December 31, 2018. The remaining capacity of the landfill site is estimated at 27.7 million tonnes which is 92% of the site's total capacity.

The liability and annual expenditure is calculated based on the ratio of current usage to the total capacity of the site and the discounted estimated future cash flows associated with closure and post-closure activities using an inflation rate of 0.96% and discount rate of 2.25%.

The reported liability is based on estimates and assumptions with respect to events extending over the remaining life of the landfill. Future events may result in significant changes to the estimated remaining useful life, estimated total costs, total or used capacity and the estimated liability. These would be recognized prospectively as a change in estimate when applicable.

YMCA of Okanagan Association loan guarantee agreement

The City has, under the terms of the partnering agreement between the City of Kelowna and YMCA of Okanagan Association, guaranteed repayment in the event that the YMCA of Okanagan Association defaults on a \$1.8 million, 20-year loan issued in 2001. Under the agreement the City shall resume operation of the facility and assume responsibility for the repayment of the debt incurred by the YMCA of Okanagan Association. During 2010 an amendment was made to the agreement for additional financing of \$700,000 for a 20-year term. As at December 31, 2018, the outstanding loan balance was \$765,079 (2017 - \$879,437). The City does not expect to make any payments on the guarantee and no amounts have been accrued in the financial statements.

Multi-Purpose Facility Public/Private Partnership

The City has, under the terms of the Preferred Share Agreement between the City of Kelowna and RG Properties Ltd., purchased \$6.0 million of preferred shares in RG Arenas (Kelowna) Ltd. at a cost of \$1 per share. The terms and conditions of the purchase are subject to the terms of a Tripartite Agreement between the City of Kelowna, Royal Bank of Canada and RG Arenas (Kelowna) Ltd., RG Properties Ltd., Prospero Canadian Land Investment Fund Ltd. group of companies.

The City has, under the terms of the above noted Tripartite Agreement, committed to the annual purchase of community use time at the Multi-Purpose facility, commencing with substantial completion, on November 10, 1999 under the following terms:

- (i) \$1.3 million per annum for Years 1 to 3 comprised of a payment of \$1.1 million, which for Years 2 and 3 is subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum, plus an annual payment of \$150,000 without any adjustment for CPI;
- (ii) \$1.2 million per annum for Years 4 to 7, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum;
- (iii) \$1.2 million per annum for Years 8 to 10, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum, minus \$150,000 per annum;

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- (iv) \$1.0 million per annum for Years 11 to 20, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum; and
- (v) \$0.5 million per annum for Years 21 to 30, subject to a minimum CPI increase of 1% per annum and a maximum average CPI increase of 5% per annum.

The year 2018 represented year 19 of the agreement.

Should the City not exercise, in its sole discretion, its option to renew any future term for community use time in the Multi-Purpose facility, under the above terms it shall be required to make a lump sum payment to RG Arenas (Kelowna) Ltd. on or before the 15th day of one of year 6, 11, 16, 21 or 26 commencing with the year of substantial completion in the following amounts:

2005	Year 6	\$13.2 million
2010	Year 11	\$11.9 million
2015	Year 16	\$10.4 million
2020	Year 21	\$6.7 million
2025	Year 26	\$4.5 million

Upon such payment, no further amounts will be payable to RG Arenas (Kelowna) Ltd. and the City will have the right to the community use time for the period from the beginning of the year in which the payment was made until November 9, 2029 without any additional payment.

The City did exercise its option to renew the purchase of community use time under the above annual payments terms and accordingly did not make any of the lump sum payment of \$13.2 or \$11.9 or \$10.4 million otherwise due to RG Arenas (Kelowna) Ltd. in years 6 or 11 or 16.

Royal Canadian Mounted Police Services

The Province of British Columbia and the Federal Government have an agreement with the Royal Canadian Mounted Police to provide police services for various municipalities in the Province, including the City of Kelowna. This agreement has a 20 year term expiring on March 31, 2032.

10. Long term investments

Kelowna Developments Ltd.

The investment in Kelowna Developments Ltd., a wholly owned subsidiary, is carried at its cost of \$2. The company is inactive with no assets or liabilities and is being retained for potential future use.

RG Arenas (Kelowna) Ltd.

The investment in preferred shares in RG Arenas (Kelowna) Ltd. is carried at its cost of \$6.0 million. The shares were purchased under the terms of the Preferred Share Agreement between the City of Kelowna and RG Properties Ltd. and are to be retained until 2029 per the terms of that agreement described in Note 9.

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Notes to the Consolidated Financial Statements
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11. Letters of credit

In addition to the performance deposits reflected in cash balances, the City is holding irrevocable Letters of Credit in the amount of \$45.0 million (2017 - \$36.4 million) which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the financial statements but are available to satisfy any liabilities arising from non-performance by the depositors. Included in the \$45.0 million, the City is holding irrevocable Letters of Credit in the amount of \$7.9 million (2017 - \$5.7 million) which are received from developers to ensure payment of development cost charges in future years.

12. Capital lease payable

The City had entered into an agreement with FortisBC Energy Inc. ("FortisBC") that resulted in the creation of the Natural Gas Legacy Fund. The agreement with FortisBC was for a 35 year capital lease for the natural gas distribution system within the City's municipal boundary and a 17 year operating lease, expiring in 2018, whereby the City leased back to FortisBC the operations of the gas distribution system.

On October 31, 2018 Fortis exercised their right to terminate the Capital and Operating Lease by delivery of written notice to the City. The Termination Payment has been calculated in accordance with the Capital Lease and the Additions Lease and as a result the City releases and discharges any interest it may have in or related to the Gas Distribution Assets and Additions. These interests include: the Lease In Lease Out ("LILO") Agreements and any right or interest of the City under the LILO Agreements, the unexpired Term of the LILO Agreements, and any right of the City to or related to the Gas Distribution Assets and the Additions pursuant to the LILO Agreements and City Security, with the intent that all of these rights will merge into the reversion of the LILO Agreements and be forever extinguished. As part of the termination of the Capital Lease obligation \$2.2 million of debt payments set up from Oct 2018 to 2036 were removed from the City's financial records. The City has signed an operating agreement with FortisBC Energy Inc. to receive an operating fee based on a percentage of gross revenues.

13. Trust funds

In accordance with PSAS, trust funds are not included in the City's consolidated financial statements. The City administers a Cemetery Maintenance Fund for the perpetual care and maintenance of the City owned and operated cemetery. As at December 31, 2018 the Trust Fund balance is \$2.9 million (2017 - \$2.8 million).

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Notes to the Consolidated Financial Statements
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14. Segmented information

The City of Kelowna is connecting communities and providing a multitude of services to the citizens of Kelowna. The City's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the City such as general government, protective services, transportation services, recreation and cultural services, as well as public health, and environmental and development services. The City also operates its own airport and City utilities comprised of the wastewater and water systems that are self-sustaining operations. Operating results reported by the following segments are included in Schedule 2.

General government

General Government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for executive and legislative costs, general administration, and other general government areas such as community service grants and rental property operating costs within the municipality. The general revenue reported under the department includes revenues associated with taxation, business tax revenues and senior government payments in lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

Protective services

Protective services are comprised of police services provided by the Royal Canadian Mounted Police, fire protection services, building inspection services and bylaw enforcement.

Police services include administration, crime investigation and prevention, traffic, prisoner custody and court liaison expenses.

The fire department is responsible for effective fire protection and public safety services to the City. This includes fire suppression and rescue, prevention and investigation, specialty rescue/first medical responses and fire safety inspections.

Transportation services

Transportation services are responsible for the delivery of municipal public works services related to the planning, development and maintenance of streets and roads, bridges, drainage systems, street lights, traffic lights and signals, parking lots and on-street parking, and public transit as well as maintenance of workshops, yards and other buildings. The mandate is to provide a safe, efficient, environmentally-sensitive and cost-effective transportation network.

Recreation and cultural services

Recreation and cultural services provide services related to recreation, leisure and culture including administration and program costs as well as grounds and building maintenance. Facilities managed within this area include parks and playgrounds, arenas, swimming pools, beaches, boat launches, stadiums as well as community and seniors centers. The H2O Adventure & Fitness Centre, Parkinson Recreation Centre, Kelowna Community Theatre, Kelowna Museum, Kelowna Library, Kelowna Art Gallery and the Rotary Centre for the Arts are some of the larger facilities included.

Other services (Public Health/Environmental/Development services)

Public health services are comprised of cemetery operations and maintenance, environmental and development services including community planning and zoning as well as landfill operations.

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Airport services

The Airport, owned and operated by the City of Kelowna, provides quality airport services in a safe and cost effective manner in compliance with Federal regulations. The Airport is accounted for in its own fund.

Wastewater services

Kelowna's sanitary sewer system collects, conveys, treats and disposes of domestic wastewater (derived from the home) and industrial wastewater (resulting from business use, manufacturing and processing). The system currently services approximately 70% of Kelowna's population and continues to be extended to unserved areas. Kelowna's wastewater system has a treatment capacity of 72 million litres per day. Wastewater Utility is accounted for in its own fund.

Water services

The Water Utility is responsible for planning, designing, building, operating and maintaining the City's Water Utility and is one of four water suppliers operating within Kelowna's boundaries. During the current year, the operations and assets of SEKID were transferred to the City of Kelowna to the water fund. The Water Utility is accounted for in its own fund.

Natural Gas legacy services

Natural Gas Legacy Fund was created from an agreement with FortisBC for a 35 year capital lease for the natural gas distribution system within the City's municipal boundary and a 17 year operating lease, expiring in 2018, whereby the City leased back to FortisBC the operations of the gas distribution system. The Natural Gas Legacy Fund was accounted for in its own fund. As at October 31, 2018 Fortis terminated this agreement and the City has closed out this fund and excess reserve funds were transferred to the General Fund.

Statutory reserves

Statutory Reserves include funds for parking, land and capital works, machinery and equipment.

15. Expenses by object

Total consolidated expenses by object are itemized in Schedule 2 – Segmented information.

CITY OF KELOWNA
Notes to the Consolidated Financial Statements
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16. Budget data

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15th of each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by law. Amortization of tangible capital assets was not included in the budget. The table below shows the reconciliation between the approved budget and the budget presented in these consolidated financial statements.

	<u>Budget Amount</u>
Revenues:	
Operating budget	\$ 297,758
Capital budget	83,062
	<u>380,820</u>
Expenses:	
Operating budget	231,638
Capital budget	197,659
	<u>429,297</u>
Annual deficit per approved budget	(48,477)
Add: tangible capital asset purchases	197,659
Annual surplus per statement of operations	<u><u>\$ 149,182</u></u>

17. Comparative figures

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

CITY OF KELOWNA
Schedule 1 - Tangible Capital Assets
For the Year Ended December 31, 2018
(in thousands of dollars)

Machinery & Equipment								
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Computers	Subtotal Machinery & Equipment	Natural Gas Capital Lease
Cost								
Balance, beginning of year	\$ 280,235	\$ 68,311	\$ 342,908	\$ 31,410	\$ 92,102	\$ 13,172	\$ 136,684	\$ 55,609
Add: additions during the year	29,063	744	1,576	2,301	5,421	905	8,627	-
Add: transfers to tangible capital assets	2	7,031	5,708	-	1,540	2,957	4,497	-
Less: capital held for resale	1	-	324	-	-	-	-	-
Less: disposals during the year	(5,769)	(246)	(393)	(1,344)	(560)	(273)	(2,177)	(55,609)
Balance, end of year	303,532	75,840	350,123	32,367	98,503	16,761	147,631	-
Accumulated Amortization								
Balance, beginning of year	-	36,175	145,852	19,267	38,507	7,506	65,280	26,010
Add: amortization	-	2,497	9,491	1,939	4,510	1,328	7,777	800
Less: accumulated amortization on disposals	-	-	(393)	(1,114)	(560)	-	(1,674)	(26,810)
Less: amortization on buildings held for resale	-	-	325	-	-	-	-	-
Balance, end of year	-	38,672	155,275	20,092	42,457	8,834	71,383	-
Net Book Value of Tangible Capital Assets	\$ 303,532	\$ 37,168	\$ 194,848	\$ 12,275	\$ 56,046	\$ 7,927	\$ 76,248	\$ -

	Infrastructure								
	Plant & Facilities	Roads, Lanes, Sidewalks & Bike Paths	Bridges, Tunnels & Overpasses	Underground, Overhead & Other Networks	Airport Infrastructure	Subtotal Infrastructure	Work In Progress	Total 2018	Total 2017
Cost									
Balance, beginning of year	\$ 199,494	\$ 530,065	\$ 33,872	\$ 1,074,183	\$ 61,095	\$ 1,898,709	\$ 23,096	\$ 2,805,552	\$ 2,721,921
Add: additions during the year	693	6,562	244	12,656	900	21,055	72,819	133,884	88,750
Add: transfers to tangible capital assets	6,187	17,242	-	7,313	12,562	43,304	(60,542)	-	-
Less: capital held for resale	-	-	-	-	-	-	-	325	78
Less: disposals during the year	-	(31)	-	(139)	-	(170)	-	(64,364)	(5,197)
Balance, end of year	206,374	553,838	34,116	1,094,013	74,557	1,962,898	35,373	2,875,397	2,805,552
Accumulated Amortization									
Balance, beginning of year	75,091	292,186	8,633	390,675	28,090	794,675	-	1,067,992	1,004,881
Add: amortization	7,070	20,096	518	16,235	2,505	46,424	-	66,989	64,888
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	(28,877)	(1,777)
Less: amortization on buildings held for resale	-	-	-	-	-	-	-	325	-
Balance, end of year	82,161	312,282	9,151	406,910	30,595	841,099	-	1,106,429	1,067,992
Net Book Value of Tangible Capital Assets	\$ 124,213	\$ 241,556	\$ 24,965	\$ 687,103	\$ 43,962	\$ 1,121,799	\$ 35,373	\$ 1,768,968	\$ 1,737,560

CITY OF KELOWNA
Schedule 2 - Segmented Information
For the Year Ended December 31, 2018
(in thousands of dollars)

	General Government	Protective Services	Transportation	Recreation & Cultural	Other Services	Airport	Wastewater	Water	Natural Gas Legacy	Library	Statutory Reserves	2018
Revenue												
Taxation	\$ 142,879	\$ -	\$ 158	\$ -	\$ -	\$ -	\$ 1,398	\$ 1,509	\$ -	\$ -	\$ -	\$ 145,944
Fees and charges	15,175	10,443	16,534	5,641	25,444	35,173	17,216	23,452	3,246	-	212	152,536
Interest earned	8,461	-	-	-	-	544	788	660	504	-	1,864	12,821
DCC contributions	-	-	1,253	5,504	-	-	5,950	222	-	-	-	12,929
Government transfers	3,147	4,185	19,364	3,437	2,952	1,035	272	14,627	-	-	-	49,019
Other capital contributions	3,835	-	-	-	-	788	1,673	13,411	3,321	-	-	23,028
Gain on disposal of tangible capital assets	4,268	9	-	-	-	-	-	-	326	-	-	4,603
	<u>177,765</u>	<u>14,637</u>	<u>37,309</u>	<u>14,582</u>	<u>28,396</u>	<u>37,540</u>	<u>27,297</u>	<u>53,881</u>	<u>7,397</u>	<u>-</u>	<u>2,076</u>	<u>400,880</u>
Expenses												
Salaries and benefits	17,676	28,172	8,362	11,400	7,607	4,388	3,363	2,891	-	-	-	83,859
Contract and professional services	5,602	3,563	26,118	8,488	8,175	1,546	611	2,485	-	-	-	56,588
RCMP Contract	-	28,485	-	-	-	-	-	-	-	-	-	28,485
Materials and supplies	5,881	2,033	5,697	11,296	1,641	7,326	1,151	1,137	-	-	-	36,162
Equipment	698	633	2,656	1,645	2,888	19	680	492	-	-	-	9,711
Allocations	(4,815)	(56)	(98)	(172)	(208)	1,591	2,972	845	20	-	-	79
Cost recoveries	(1,303)	(4,274)	(8,817)	(361)	(1,534)	(660)	(287)	(557)	-	-	-	(17,793)
Grants and external transfers	8	142	5	1,673	3,437	-	-	-	-	-	-	5,265
Utilities	176	362	1,770	2,111	319	768	1,161	986	-	-	-	7,653
Loss on disposal of tangible capital assets	236	215	11	-	-	-	-	-	-	-	-	462
Write down of tangible capital assets	307	-	89	9	-	-	-	81	-	-	-	486
Amortization of tangible capital assets	3,295	1,888	28,050	8,562	1,813	7,210	10,645	4,726	800	-	-	66,989
Total before Debt	<u>27,761</u>	<u>61,163</u>	<u>63,843</u>	<u>44,651</u>	<u>24,138</u>	<u>22,188</u>	<u>20,296</u>	<u>13,086</u>	<u>820</u>	<u>-</u>	<u>-</u>	<u>277,946</u>
Debt interest and fiscal services	3,152	-	-	-	-	816	2,313	453	1,903	-	-	8,637
Total operating expenses	<u>30,913</u>	<u>61,163</u>	<u>63,843</u>	<u>44,651</u>	<u>24,138</u>	<u>23,004</u>	<u>22,609</u>	<u>13,539</u>	<u>2,723</u>	<u>-</u>	<u>-</u>	<u>286,583</u>
Annual Surplus (Deficit)	<u>\$ 146,852</u>	<u>\$ (46,526)</u>	<u>\$ (26,534)</u>	<u>\$ (30,069)</u>	<u>\$ 4,258</u>	<u>\$ 14,536</u>	<u>\$ 4,688</u>	<u>\$ 40,342</u>	<u>\$ 4,674</u>	<u>\$ -</u>	<u>\$ 2,076</u>	<u>\$ 114,297</u>

CITY OF KELOWNA
Schedule 2 - Segmented Information
For the Year Ended December 31, 2017
(in thousands of dollars)

	General Government	Protective Services	Transportation	Recreation & Cultural	Other Services	Airport	Wastewater	Water	Natural Gas Legacy	Library	Statutory Reserves	2017
Revenue												
Taxation	\$ 136,357	\$ -	\$ 156	\$ -	\$ -	\$ -	\$ 1,398	\$ 1,484	\$ -	\$ -	\$ -	\$ 139,395
Fees and charges	12,323	8,738	13,592	5,519	20,659	31,905	16,291	11,772	3,990	408	426	125,623
Interest earned	7,199	-	-	-	-	303	716	446	107	-	1,554	10,325
DCC contributions	-	-	3,497	526	-	-	5,477	33	-	-	-	9,533
Government transfers	1,727	4,192	9,294	284	2,520	2,054	246	1,242	-	-	-	21,559
Other capital contributions	5,697	-	-	-	-	514	1,441	483	2,559	-	-	10,694
Gain on disposal of tangible capital assets	5,922	-	-	-	-	-	-	-	-	-	-	5,922
	<u>169,225</u>	<u>12,930</u>	<u>26,539</u>	<u>6,329</u>	<u>23,179</u>	<u>34,776</u>	<u>25,569</u>	<u>15,460</u>	<u>6,656</u>	<u>408</u>	<u>1,980</u>	<u>323,051</u>
Expenses												
Salaries and benefits	16,980	27,135	8,214	11,037	6,973	4,406	3,312	2,432	-	16	-	80,505
Contract and professional services	4,226	2,293	24,269	7,726	7,467	1,155	502	812	-	143	-	48,593
RCMP Contract	-	28,553	-	-	-	-	-	-	-	-	-	28,553
Materials and supplies	5,587	1,984	5,077	10,818	1,398	6,187	1,239	990	-	19	-	33,299
Equipment	511	713	2,825	1,565	2,206	28	619	485	-	2	-	8,954
Allocations	(5,287)	(51)	(113)	(172)	115	1,437	3,232	897	20	-	-	78
Cost recoveries	(961)	(3,580)	(8,369)	(270)	(1,464)	(534)	(181)	(543)	-	-	-	(15,902)
Grants and external transfers	5	115	6	1,630	2,918	-	-	-	-	-	-	4,674
Utilities	189	297	2,257	2,062	220	670	1,211	1,062	-	46	-	8,014
Loss on disposal of tangible capital assets	336	-	-	-	-	-	-	-	-	-	-	336
Write down of tangible capital assets	101	-	83	20	-	-	227	9	-	-	-	440
Amortization of tangible capital assets	2,803	1,450	27,404	8,462	1,772	6,081	10,639	4,605	1,600	72	-	64,888
Total before Debt	<u>24,490</u>	<u>58,909</u>	<u>61,653</u>	<u>42,878</u>	<u>21,605</u>	<u>19,430</u>	<u>20,800</u>	<u>10,749</u>	<u>1,620</u>	<u>298</u>	<u>-</u>	<u>262,432</u>
Debt interest and fiscal services	3,757	-	-	-	-	1,268	2,323	472	2,236	2	-	10,058
Total operating expenses	<u>28,247</u>	<u>58,909</u>	<u>61,653</u>	<u>42,878</u>	<u>21,605</u>	<u>20,698</u>	<u>23,123</u>	<u>11,221</u>	<u>3,856</u>	<u>300</u>	<u>-</u>	<u>272,490</u>
Annual Surplus (Deficit)	<u>\$ 140,978</u>	<u>\$ (45,979)</u>	<u>\$ (35,114)</u>	<u>\$ (36,549)</u>	<u>\$ 1,574</u>	<u>\$ 14,078</u>	<u>\$ 2,446</u>	<u>\$ 4,239</u>	<u>\$ 2,800</u>	<u>\$ 108</u>	<u>\$ 1,980</u>	<u>\$ 50,561</u>

CITY OF KELOWNA
Schedule 3 - Long Term Debt
For the Year Ended December 31, 2018
(in thousands of dollars)

Long term debt - General Fund

Debenture Debt

Year of Maturity	Purpose	Debt Balance December 31, 2017	Amount of Issue	Debt Balance December 31, 2018	Sinking Fund Balance December 31, 2018	Current Interest Rate
	Public Works					%
2019	South Pandosy Spec Area 1	\$ 34	\$ 234	\$ 18	\$ 216	2.10
2019	South Pandosy Spec Area 2	60	410	31	379	2.10
2019	Automated Curb Side Carts	1,119	4,810	570	4,240	4.13
2022	Chapman Parkade	1,414	4,071	1,158	2,913	2.10
2028	DCC Roads	1,233	10,400	-	10,400	5.15
	Local Improvements					
2019	Local Improvements	10	69	5	64	2.10
2035	Lawrence Ave LAS	309	345	296	49	3.00
	Recreation and Cultural					
2021	Kokanee Gym Facility	142	500	109	391	1.75
2027	H2O Centre	16,412	27,500	15,045	12,455	4.82
2027	Kokanee Gymnastic	478	800	438	362	4.82
2028	H2O Centre	1,289	2,000	1,194	806	5.15
2035	Police Facilities	18,561	20,000	17,803	2,197	2.75
2035	Library Parkade Ext & Memorial Parkade	13,921	15,000	13,352	1,648	2.75
2036	Police Facilities	16,399	17,000	15,777	1,223	2.60
2037	Police Facilities	3,000	3,000	2,888	112	3.15
2038	Police Facilities	-	1,360	1,360	-	3.15
<u>Total Debt - General Fund</u>		<u>\$ 74,381</u>	<u>\$ 107,499</u>	<u>\$ 70,044</u>	<u>\$ 37,455</u>	

CITY OF KELOWNA
Schedule 3 - Long Term Debt
For the Year Ended December 31, 2018
(in thousands of dollars)

Long term debt - Wastewater Fund

Debenture Debt

Year of Maturity	Purpose	Debt Balance December 31, 2017	Amount of Issue	Debt Balance December 31, 2018	Sinking Fund Balance December 31, 2018	Current Interest Rate
	Specified Area Programs					%
2018	Spec. Area 18 - Caramillo	\$ 10	\$ 135	\$ -	\$ 135	4.65
2018	Spec. Area 19 - Poplar Point	6	77	-	77	4.65
2022	Spec. Area 22A - Gerstmar	14	40	11	29	1.75
2024	Spec. Area 21A - McKenzie Bench	627	1,350	550	800	2.00
2024	Spec. Area 22B - Vista Rd	37	80	32	48	2.00
2024	Spec. Area 22C - Hein Rd	124	266	109	157	2.00
2024	Spec. Area 22D - Elwyn Rd	69	149	61	88	2.00
2024	Spec. Area 22E - Dease Rd	45	96	39	57	2.00
2024	Spec. Area 22F - Mills Rd	159	342	140	202	2.00
2024	Spec. Area 29 - Campion Cambro	406	874	356	518	2.00
2024	Spec. Area 30 - Acland	169	364	148	216	2.00
2025	Spec. Area 20 - North Rutland	3,365	6,822	2,993	3,829	1.80
2025	Spec. Area 28A - Okaview	315	638	280	358	1.80
2028	Spec Area 26 - Fisher Rd	1,303	2,021	1,206	815	5.15
2028	Spec Area 34 - Country Rhodes	280	435	260	175	5.15
2028	Spec Area 36 - Clifton	172	267	159	108	5.15
	Sewer Improvement Programs					
2019	Byrns Baron Main	693	3,866	355	3,511	2.00
	Sewage Treatment Plant					
2019	Waste Water Treatment Expansion	4,651	20,000	2,371	17,629	4.90
2019	Waste Water Treatment Expansion	2,325	10,000	1,186	8,814	4.13
2020	Waste Water Treatment Expansion	3,421	10,000	2,325	7,675	3.73
2031	Brandt's Creek Tradewaste Treatment	2,541	3,800	2,301	1,499	3.25
<u>Total Debt - Wastewater Fund</u>		<u>\$ 20,732</u>	<u>\$ 61,622</u>	<u>\$ 14,882</u>	<u>\$ 46,740</u>	

CITY OF KELOWNA
Schedule 3 - Long Term Debt
For the Year Ended December 31, 2018
(in thousands of dollars)

Long term debt - Water Fund

Debenture Debt

<u>Year of Maturity</u>	<u>Purpose</u>	<u>Debt Balance December 31, 2017</u>	<u>Amount of Issue</u>	<u>Debt Balance December 31, 2018</u>	<u>Sinking Fund Balance December 31, 2018</u>	<u>Current Interest Rate</u>
	Specified Area Programs					%
2023	Spec Area 16 - Byrns	\$ 16	\$ 39	\$ 14	\$ 25	2.40
2024	Spec Area 18 - Lakeshore	11	24	9	15	2.00
2028	Spec Area 26 - Fisher Rd	192	297	177	120	5.15
2038	Local Area Service - Aspen Rd	-	48	48	-	3.20
	Water Improvement Programs					
2028	Cedar Creek Pump Station	4,884	7,577	4,522	3,055	5.15
2031	Poplar Point Pump Station Upgrade	1,555	2,000	1,470	530	3.25
<u>Total Debt - Water Fund</u>		<u>\$ 6,658</u>	<u>\$ 9,985</u>	<u>\$ 6,240</u>	<u>\$ 3,745</u>	

Long term debt - Airport Fund

Debenture Debt

2018	Airport Expansion	\$ 1,897	\$ 16,000	\$ -	\$ 16,000	4.65
2025	Airport Expansion	6,199	7,500	5,514	1,986	2.75
2026	Airport Expansion	3,202	3,500	2,893	607	2.60
2026	Airport Expansion	2,738	3,000	2,469	531	2.10
2027	Airport Expansion	8,000	8,000	7,302	698	2.80
<u>Total Debt - Airport Fund</u>		<u>\$ 22,036</u>	<u>\$ 38,000</u>	<u>\$ 18,178</u>	<u>\$ 19,822</u>	

Long term debt - Natural Gas Legacy Fund

Debenture Debt

2018	Leased Capital Assets	\$ 2,737	\$ 29,800	\$ -	\$ 27,063	6.01
2018	Leased Capital Assets	1,791	19,500	-	17,709	1.15
		<u>\$ 4,528</u>	<u>\$ 49,300</u>	<u>\$ -</u>	<u>\$ 44,772</u>	

Capital Lease Payable **\$ 2,171** **\$ 2,500** **\$ -** 10.072

Total Debt - Natural Gas Legacy Fund

\$ 6,699 **\$ 51,800** **\$ -**

Long term debt - Other

2018	General - CN Rail	\$ 3,000	\$ 3,000	\$ -		nil
2019	Water - KLO Road for SEKID	-	177	177		nil
2020	General Land-Diamond Mountain	-	6,900	6,900		nil
2020	Wastewater - Commonage	329	439	219		nil
2021	Airport - 3770 Bulman road	3,600	4,500	2,700		
<u>Total Debt - Other</u>		<u>\$ 6,929</u>	<u>\$ 15,016</u>	<u>\$ 9,996</u>		

Total City Long Term Debt

\$ 137,434 **\$ 283,922** **\$ 119,340**



City Hall
Financial Services
1435 Water Street
Kelowna, BC, V1Y 1J4

Tel 250-469-8542
financeyearend@kelowna.ca

kelowna.ca

Report to Council



Date: April 30, 2019

File: 0250-20

To: City Manager

From: Chair, Audit Committee

Subject: Financial Statements for the Year Ending December 31, 2018

Report Prepared by: Divisional Director, Financial Services

Recommendation:

THAT Council receives, for information, the Report from the Audit Committee dated April 30, 2019 with respect to the Consolidated Financial Statements and Auditor's Report for the City of Kelowna for the year ending December 31, 2018;

AND THAT Council approves the appropriation of \$9,609,101 of surplus generated from all general fund operations in 2018 to reserves and accumulated surplus as detailed in the Report from the Audit Committee dated April 30, 2019;

AND FURTHER THAT the Consolidated Financial Statements and Auditor's Report be reprinted in and form part of the City of Kelowna's annual report.

Purpose:

To present the Financial Statements to Council for acceptance per the legislative requirement, to provide Council with a recommendation on the appropriation of \$9,609,101 of surplus to general reserves and accumulated surplus and to seek approval to include the Financial Statements in the annual report.

Background:

A detailed review of draft City of Kelowna Financial Statements for the year ending December 31, 2018 was undertaken on April 30, 2019 by the Audit Committee, the City of Kelowna Auditor, Grant Thornton LLP, and Financial Services staff.

City Administration has recommended the appropriation to reserves and accumulated surplus of 2018 surplus generated from all general fund operations, in the amount of \$9,609,101 in addition to those amounts that are normally appropriated through the budget process. The Audit Committee is in agreement with reasons provided for the appropriation. This results in an unappropriated surplus for 2018 of \$834,101 and an accumulated surplus balance of \$4.5 million, noting that \$1.1 million is currently

budgeted for the 2018 flood event. This leaves \$3.4 million to help mitigate future extraordinary events should they occur.

The recommended appropriations to reserves are:

Major Bridge Maintenance	\$ 600,000
Building Repair	675,000
Flood Control	1,500,000
Environmental Contingency	1,050,000
Insurance Deductible	1,000,000
Land Sales	1,350,000
Parks Development	750,000
RCMP	1,100,000
Theatre Improvements	750,000
Accumulated Surplus	<u>834,101</u>
	<u>\$9,609,101</u>

Legal/Statutory Authority:

The Community Charter section 167 "Annual Financial Statements" requires that municipal financial statements for a fiscal year must be presented to Council for its acceptance.

Financial/Budgetary Considerations:

The financial impact is that a total of \$8,775,000 will be transferred from surplus to reserves and \$834,101 will fall to accumulated surplus.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

Mayor Basran, Chair, Audit Committee

cc: Councillor G. Given – Audit Committee
Councillor L. Stack – Audit Committee
Divisional Director, Financial Services
Controller
Financial Planning Manager
Accounting Operations Manager
Grant Thornton LLP – Auditor - Mr. Tyler Neels, CPA, CA



2018 Consolidated Financial Statements

Report to Council
May 13, 2019



Outline

- ▶ 2018 Audit Committee Review
- ▶ Audit Results
- ▶ Consolidated Financial Statements
- ▶ Financial Principles & Strategies
- ▶ Key Financial Health Indicators
- ▶ General Fund financial results
- ▶ Recommendation of reserve appropriations
- ▶ Utility fund financial results
- ▶ Internal Control update

2018 Audit Committee Review

- ▶ Consolidated statements
- ▶ Notes to the Financial Statements
- ▶ Financial Health Indicators
- ▶ Auditor's report
- ▶ Internal Control Branch update
- ▶ City Reserves and Debt
- ▶ Surplus balances and appropriations

Audit Result

City receives a Clear Audit





Consolidated Financial Statements

- ▶ Financial Position
- ▶ Operations and Accumulated Surplus
- ▶ Changes in Net Financial Assets
- ▶ Cash Flow activity

Financial Position

CITY OF KELOWNA
Consolidated Statement of Financial Position
As at December 31, 2018
(in thousands of dollars)

	2018	2017
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 24,989	\$ 20,647
Accounts receivable (Note 3)	45,414	33,720
Accrued interest	1,585	1,425
Portfolio investments (Note 3)	495,817	417,264
Long term investments (Note 10)	6,000	6,000
Property held for resale	3,455	3,456
	<u>577,260</u>	<u>482,512</u>
Liabilities		
Accounts payable	50,922	43,946
Performance deposits	21,580	16,292
Deferred revenue (Note 3)	50,382	55,767
Deferred development cost charges (Note 3)	66,834	42,767
Long term debt (Note 3)	119,340	137,434
	<u>309,058</u>	<u>296,206</u>
Net Financial Assets	<u>268,202</u>	<u>186,306</u>
Non-Financial Assets		
Prepaid expenses	3,328	2,601
Inventory	1,484	1,218
Work in progress (Note 4)	35,373	23,096
Tangible capital assets (Note 4)	1,733,595	1,714,464
	<u>1,773,780</u>	<u>1,741,379</u>
Accumulated Surplus (Note 5)	<u>\$ 2,041,982</u>	<u>\$ 1,927,685</u>

Operations and Accumulated Surplus

CITY OF KELOWNA
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2018
(in thousands of dollars)

	Budget 2018	Actual 2018	Actual 2017
Revenue			
Taxation (Note 6)	\$ 145,720	\$ 145,944	\$ 139,395
Fees and charges	122,147	152,536	125,623
Interest earned	4,111	12,821	10,325
DCC contributions	21,027	12,929	9,533
Government transfers (Note 7)	81,015	49,019	21,559
Other capital contributions	6,800	23,028	10,694
Gain on disposal of tangible capital assets	-	4,603	5,922
	<u>380,820</u>	<u>400,880</u>	<u>323,051</u>
Expenses			
General government	33,757	30,373	27,810
Protective services	61,636	60,946	58,909
Transportation	37,510	63,743	61,570
Recreation & cultural	37,250	44,642	42,858
Other services	22,346	24,138	21,905
Airport	15,385	23,004	20,698
Natural Gas Legacy	2,264	2,723	3,856
Wastewater	13,671	22,608	22,896
Water	7,819	13,458	11,212
Loss on disposal of tangible capital assets	-	462	336
Write down of tangible capital assets	-	486	440
	<u>231,638</u>	<u>286,583</u>	<u>272,490</u>
Annual Surplus	<u>\$ 149,182</u>	<u>114,297</u>	50,561
Accumulated Surplus, beginning of year		1,927,685	1,877,124
Accumulated Surplus, end of year		<u>\$ 2,041,982</u>	<u>\$ 1,927,685</u>

Changes in Net Financial Assets

CITY OF KELOWNA

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2018

(in thousands of dollars)

	Budget 2018	Actual 2018	Actual 2017
Annual Surplus	\$ 149,182	\$ 114,297	\$ 50,561
Amortization of tangible capital assets	-	66,989	64,888
Proceeds from disposal of tangible capital assets	-	39,148	8,566
(Gain) loss on disposal of tangible capital assets	-	(4,141)	(5,586)
Write down of tangible capital assets	-	486	440
Acquisition of tangible capital assets	(197,659)	(114,637)	(84,395)
Contributions of tangible capital assets	-	(19,253)	(4,433)
Change in inventory and prepaid expenses	-	(993)	(439)
Increase (decrease) in Net Financial Assets	(48,477)	81,896	29,602
Net Financial Assets, beginning of year	186,306	186,306	156,704
Net Financial Assets, end of year	<u>\$ 137,829</u>	<u>\$ 268,202</u>	<u>\$ 186,306</u>

Cash Flow

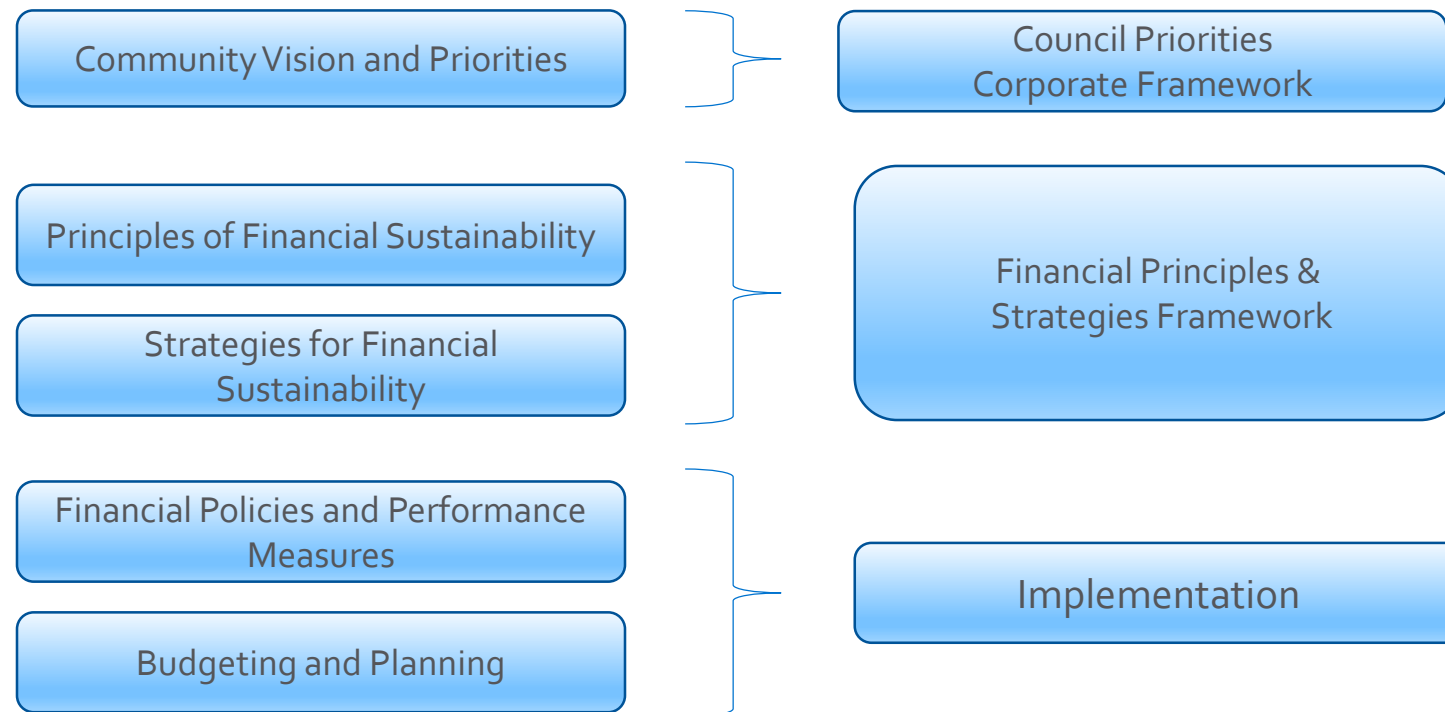
CITY OF KELOWNA
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2018
(in thousands of dollars)



	Actual 2018	Actual 2017
Net inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Annual surplus	\$ 114,297	\$ 50,561
Adjustment for non-cash items		
Amortization of tangible capital assets	66,989	64,888
(Gain) loss on disposal of tangible capital assets	(4,141)	(5,586)
Write down of tangible capital assets	486	440
Actuarial adjustment on long term debt	(6,545)	(5,711)
Contributions of tangible capital assets	(19,253)	(4,433)
Termination of debt	(2,132)	-
Decrease (increase) in		
Accounts receivable	(11,694)	(3,441)
Inventory and prepaid expenses	(993)	(439)
Other assets	(160)	(92)
Increase (decrease) in		
Accounts payable	6,979	(2,633)
Deferred development cost charges	24,067	17,392
Other liabilities	(98)	21,595
	<u>167,802</u>	<u>132,541</u>
Capital		
Acquisition of tangible capital assets	(114,637)	(84,395)
Proceeds from disposal of tangible capital assets	<u>39,148</u>	<u>8,566</u>
	<u>(75,489)</u>	<u>(75,829)</u>
Investing		
Change in investments	<u>(78,553)</u>	<u>(50,757)</u>
Financing		
Proceeds from issuance of long term debt	8,485	11,000
Repayment of long term debt	<u>(17,903)</u>	<u>(14,269)</u>
	<u>(9,418)</u>	<u>(3,269)</u>
Net increase in cash and cash equivalents	<u>4,342</u>	<u>2,686</u>
Cash and cash equivalents, beginning of year	<u>20,647</u>	<u>17,961</u>
Cash and cash equivalents, end of year	<u>\$ 24,989</u>	<u>\$ 20,647</u>

Financial principles & strategies

► Decision Making Framework

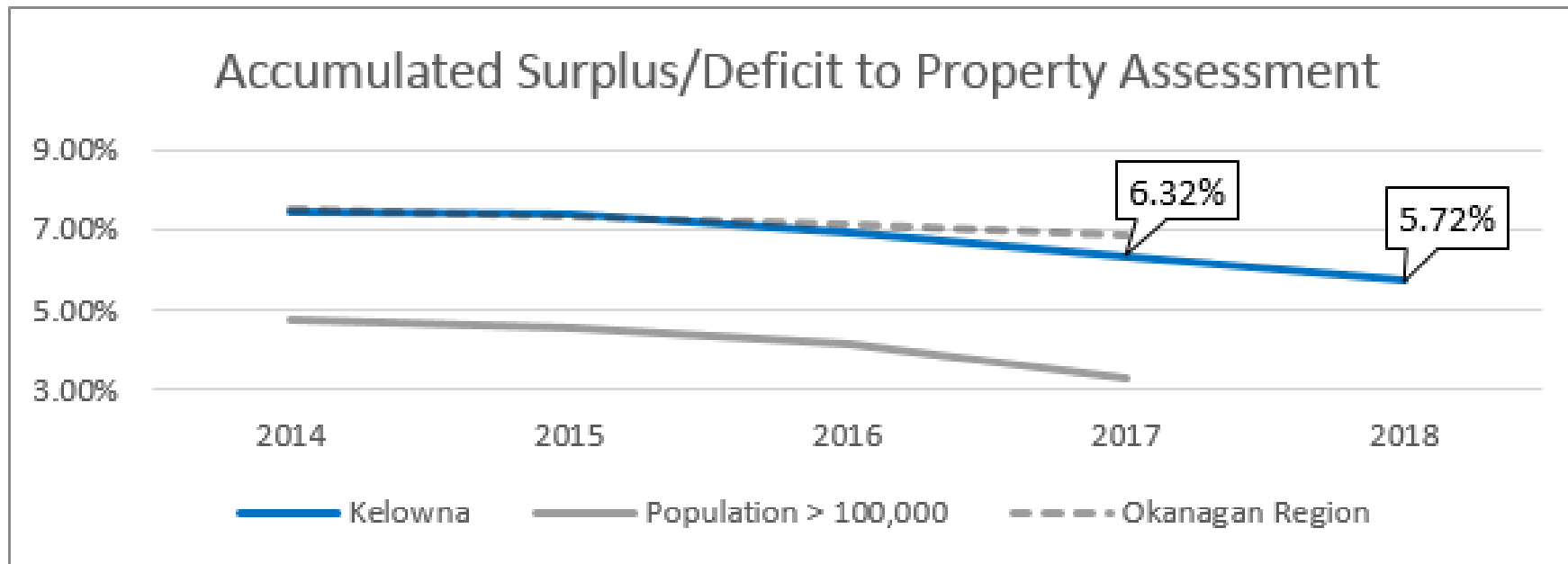


Financial Health Indicators

- ▶ Public Sector Accounting Board standards
- ▶ Comparison to Municipalities of similar size
- ▶ Comparison to Municipalities in the Okanagan region
- ▶ Measures sustainability, flexibility and vulnerability

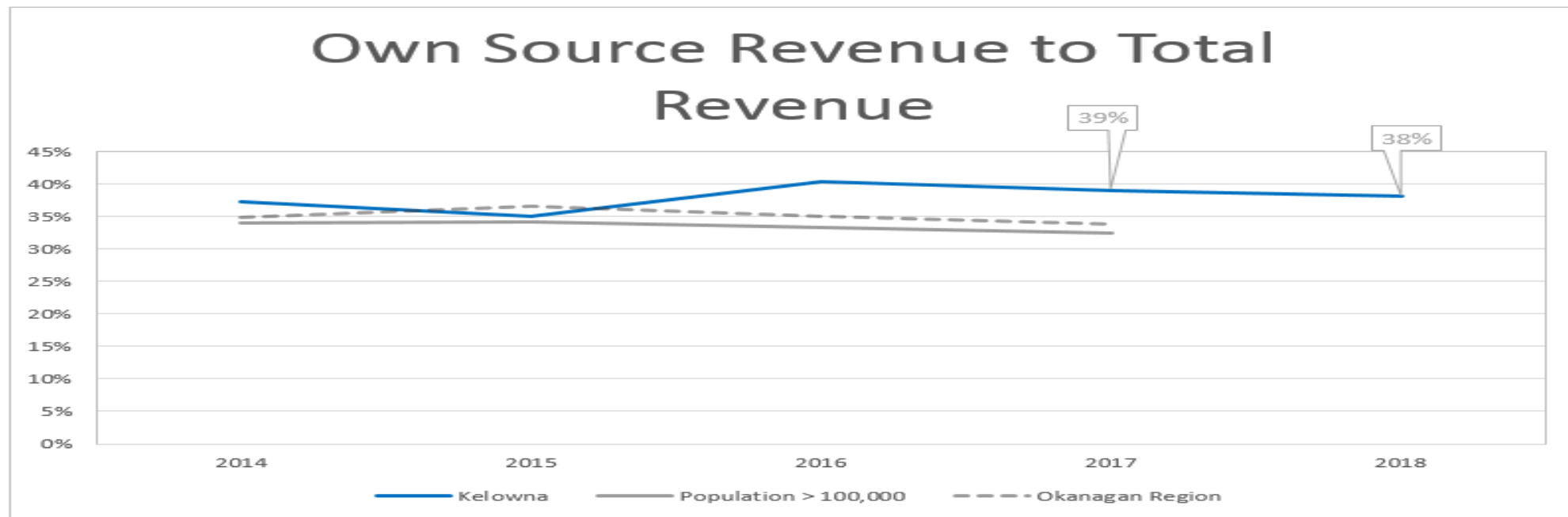
Sustainability Ratio

- ▶ The slight decline between 2016 and 2017 is consistent with the other Municipalities



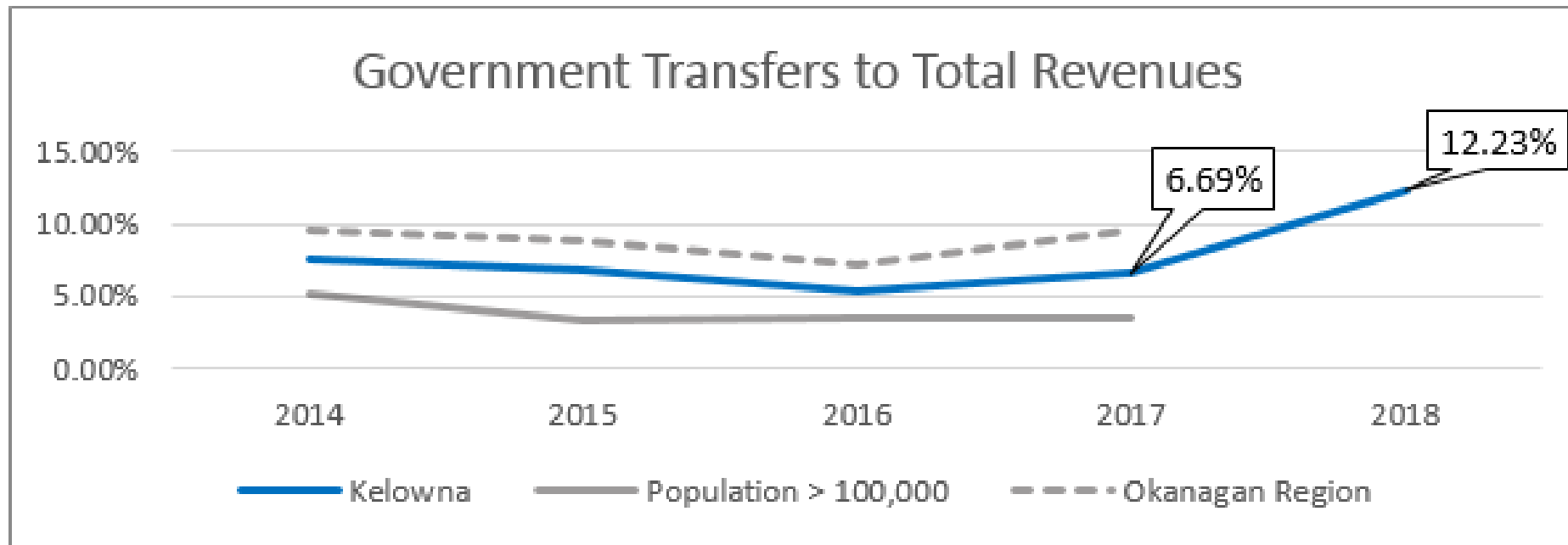
Flexibility Ratio

- More own source revenue than comparative Municipalities



Vulnerability Ratio

- ▶ Fluctuation in 2018 result of one-time capital grants
- ▶ Operating transfers increase due to flood damage recoveries



Summary of Financial Health Review

- ▶ Services vary from Local Government to Local Government
- ▶ City is well positioned
- ▶ Financial Health of the City is Strong



2018 General Fund Financial Results

- ▶ General Fund surplus is \$9.6M
 - ▶ 4.0% of operating budget \$239M
 - ▶ Appropriate \$8.8M to reserves to support upcoming projects
- ▶ General Fund accumulated surplus \$3.4M
 - ▶ Represents 2.5% of taxation demand
 - ▶ Emergency funding only

Appropriation to Reserve for future use

* Major Bridge Maintenance	\$600,000
* Building Repair	675,000
Flood Control	1,500,000
Environmental Contingency	1,050,000
Insurance Deductible	1,000,000
Land Sales	1,350,000
* Parks Development	750,000
RCMP	1,100,000
* Theatre Improvements	750,000
	<hr/>
	\$8,775,000

* Of the recommended appropriations these will help offset the infrastructure deficit

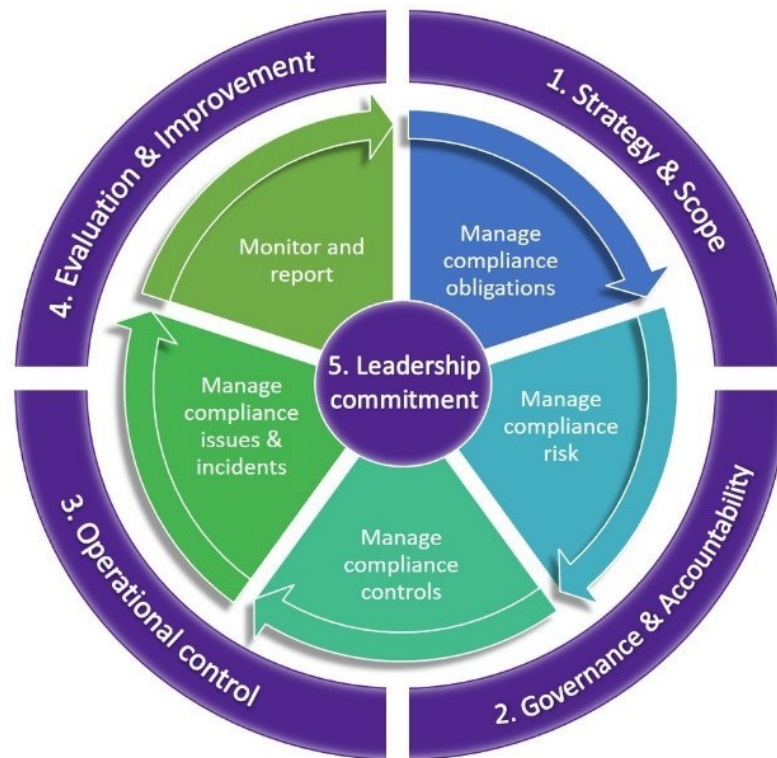


Utility Funds & Airport Financial Results

- ▶ Water and Wastewater utility funds surplus \$3.4M and \$4.6M
 - ▶ Infrastructure replacement
 - ▶ Mitigate fluctuations in utility rates
 - ▶ Ensure healthy, safe, service delivery
- ▶ Airport surplus \$14.4M
 - ▶ Enable ongoing infrastructure improvements

Internal Control Update

- Completed the Internal Control Framework





Questions?

For more information, visit kelowna.ca.

CITY OF KELOWNA
BYLAW NO. 11671
Z18-0018 – 1275 Brookside Avenue

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 3, Section 19, Township 26, ODYD, Plan 10696, Except Plans H14021 and KAP44480, located on Brookside Avenue, Kelowna, BC from the RU6 – Two Dwelling Housing zone to the RM3 – Low Density Multiple Housing zone;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 27th day of August, 2018.

Considered at a Public Hearing on the 25th day of September, 2018.

Read a second and third time by the Municipal Council this 25th day of September, 2018.

Approved under the Transportation Act this 27th day of September, 2018.

Audrie Henry

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

REPORT TO COUNCIL



Date: May 13, 2019

RIM No. 0940-00

To: City Manager

From: Community Planning Department (LKC)

Application: DP18-0041 **Owner:** 1118374 B.C.
Ltd., Inc. No. BC1118374

Address: 1275 Brookside Ave. **Applicant:** Matt Johnston, Architecturally
Distinct Solutions Inc.

Subject: Development Permit

Existing OCP Designation: MRL – Multiple Unit Residential (Low Density)

Existing Zone: RM3 – Low Density Multiple Housing

1.0 Recommendation

THAT final adoption of Rezoning Bylaw No. 11671 be considered by Council;

AND THAT Council authorizes the issuance of Development Permit No. DP18-0041 for Lot 3, Section 19, Township 26, ODYD, Plan 10696 Except Plans H14021 and KAP 44480, located at 1275 Brookside Avenue, Kelowna, BC, be subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A,"
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND THAT the applicant be required to complete the above noted conditions of Council's approval of the Development Permit Application in order for the permits to be issued;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

2.0 Purpose

To consider the form and character of a proposed six (6) unit townhouse project.

3.0 Community Planning

Staff are recommending support for the proposed townhouse project as it is consistent with the development regulations of the Zoning Bylaw, and OCP Future Land Use designation. The project meets the majority of the City's Urban Design Guidelines and should fit the context of the neighbourhood. Revisions have been made to the original design of the proposed townhome by switching the location of the decks so that they face away from the backyards of adjacent properties located to the east. Staff recognize this as an effort in making this a more sensitive infill development. The subject property has a walkscore of 74 as most errands can be accomplished on foot.

4.0 Proposal

4.1 Background

The subject property was recently rezoned from RU6 – Two Dwelling Housing to RM3-Low Density Multiple Housing to facilitate a townhouse project for the use of 6 townhome units as the previous zone did not support this use.

4.2 Project Description

The proposed development is a 6 unit 3 storey townhouse complex. Each unit has three bedrooms and a two car garage, with the site entrance to Brookside Avenue while also fronting onto Springfield Rd. The Development Engineering requirements include paying cash-in-lieu for upgrades to Brookside Avenue which includes sidewalk, storm, curb, and gutter. The property is located within the Mill Creek Floodplain Bylaw area, and therefore a minimum elevation will be required to any habitable space. The applicant recognizes the design character of the surrounding area and has attempted to integrate the development of the 6 residences without bringing along a contrast of design. The proposed development offers a pallet of lighter colour accents that complements the existing adjacent residences. The landscaping plan will meet the standards of the city of Kelowna's form and character requirements.

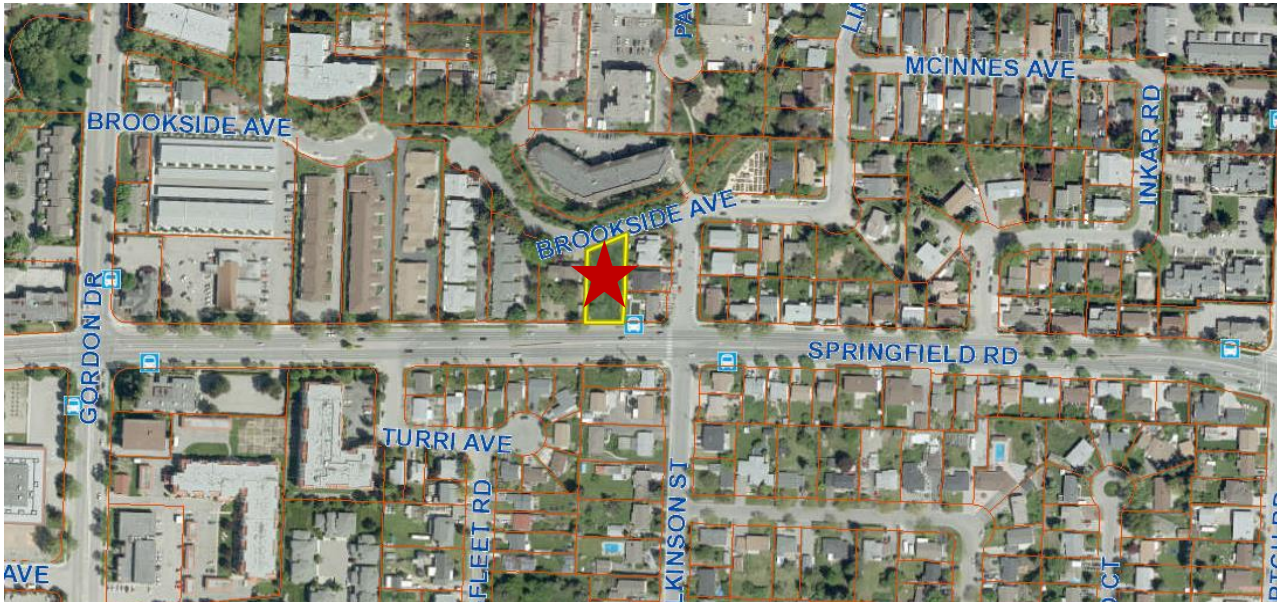
4.3 Site Context

The subject property is located at 1275 Brookside Ave, and is within the Capri Landmark Urban Centre. The subject property is located on a vacant lot zoned RM3 – Low Density Multiple Housing, and fronts Brookside Ave and Springfield Rd. There are existing single family dwellings located to the east, and west, of the subject property, all of which are zoned RU6. There is an existing Apartment complex located to the north of the subject property confirming that a range of housing types exist in the area.

Specifically, adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	RM5 – Medium Density Multiple Housing	Multi – Family
East	RU6 – Two Dwelling Housing	Single Dwelling Housing
South	RU6 – Two Dwelling Housing	Single Dwelling Housing
West	RU6 – Two Dwelling Housing	Single Dwelling Housing

Subject Property Map: 1275 Brookside Avenue



5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Development Process

Compact Urban Form.¹ Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

6.0 Technical Comments

6.1 Building & Permitting Department

- Development Cost Charges (DCC's) are required to be paid to issuance of any Building Permits.
- A third party work order may be required with the Development Engineering Department for an upgrade water line and sewage connection. These requirements are to be resolved prior to issuance of the Building Permit.
- HPO (Home Protection Office) approval or release is required at time of Building Permit application.
- Full Plan check for building Code related issues will be done at time of Building Permit applications. Please indicate how the requirements of Radon mitigation and NAFS are being applied to this complex at time of permit application.

¹ City of Kelowna Official Community Plan, Policy 5.2.3 (Development Process Chapter).

6.2 Development Engineering Department

- Please see attached Development Engineering Memorandum dated February 22, 2018 as Schedule "A".

6.3 Fire Department

- Approved Construction fire safety plan required prior to construction and updated as required. Template at Kelowna.ca
- Fire Department access is to be met as per BCBC 3.2.5. and 5.6.1.4 BCFC.
- New hydrants shall be operational prior to start of construction
- Address building off Brookside Ave with unit numbers
- Provide protection from adjacent building that would be exposed to fire originating from building under construction. BCFC 5.6.1.2
- Garbage enclosure must not be within 3 meter from structure or overhangs.
- Building will comply with Bylaw 10760.

7.0 **Application Chronology**

Date of Application Received: February 1, 2018

Report prepared by: Levan King Cranston, Planner I
Reviewed by: Terry Barton, Urban Planning Manager
Approved for Inclusion: Ryan Smith, Community Planning Department Manager

Attachments:

Draft Development Permit

Attachment A: Development Engineering Memorandum

Schedule A: Site Plan

Schedule B: Elevations & Renderings

Schedule C: Landscape Plan

Development Permit DP18-0041



This permit relates to land in the City of Kelowna municipally known as 1275 Brookside Ave.

and legally known as Lot 3, Section 19, Township 26, ODYD, Plan 10696 Except Plans H14021 and KAP 44480

and permits the land to be used for the following development: Six (6) unit Townhome

USE as per Zoning Bylaw 8000

The present owner and any subsequent owner of the above described land must comply with any attached terms and conditions.

Date of Council Decision May 13, 2019

Decision By: COUNCIL

Development Permit Area: Revitalization, Floodplain, Comprehensive

This permit will not be valid if development has not commenced by May 13, 2021.

Existing Zone: RM3 – Low Density Multiple Housing

Future Land Use Designation: MRL – Multiple Unit Residential

This is NOT a Building Permit.

In addition to your Development Permit, a Building Permit may be required prior to any work commencing. For further information, contact the City of Kelowna, Development Services Branch.

NOTICE

This permit does not relieve the owner or the owner's authorized agent from full compliance with the requirements of any federal, provincial or other municipal legislation, or the terms and conditions of any easement, covenant, building scheme or agreement affecting the building or land.

Owner: 1118374 Ltd.

Applicant: Matt Johnston, Architecturally Distinct Solutions,

Ryan Smith
Community Planning Department Manager
Community Planning & Strategic Investments

Date

1. SCOPE OF APPROVAL

This Development Permit applies to and only to those lands within the Municipality as described above, and any and all buildings, structures and other development thereon.

This Development Permit is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied or supplemented by this permit, noted in the Terms and Conditions below.

The issuance of a permit limits the permit holder to be in strict compliance with regulations of the Zoning Bylaw and all other Bylaws unless specific variances have been authorized by the Development Permit. No implied variances from bylaw provisions shall be granted by virtue of drawing notations that are inconsistent with bylaw provisions and that may not have been identified as required Variances by the applicant or Municipal staff.

2. CONDITIONS OF APPROVAL

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C"; and
- d) The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect.

This Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

3. PERFORMANCE SECURITY

As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Developer and be paid to the Developer or his or her designate if the security is returned. The condition of the posting of the security is that should the Developer fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the Municipality may use enter into an agreement with the property owner of the day to have the work carried out, and any surplus shall be paid over to the property own of the day. Should the Developer carry out the development permitted by this Permit within the time set out above, the security shall be returned to the Developer or his or her designate. There is filed accordingly:

- a) An Irrevocable Letter of Credit in the amount of \$39,900.00
- b) A certified cheque in the amount of \$39,900.00

Before any bond or security required under this Permit is reduced or released, the Developer will provide the City with a statutory declaration certifying that all labour, material, workers' compensation and other taxes and costs have been paid.

4. INDEMNIFICATION

Upon commencement of the works authorized by this Permit the Developer covenants and agrees to save harmless and effectually indemnify the Municipality against:

- a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.

All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.

**The PERMIT HOLDER is the CURRENT LAND OWNER.
Security shall ONLY be returned to the signatory of the
Landscape Agreement or their designates.**

ATTACHMENT **A**

This forms part of application

DP18-0041

Planner
Initials

LKC

City of
Kelowna
COMMUNITY PLANNING



CITY OF KELOWNA MEMORANDUM

Date: February 22, 2018
File No.: Z18-0018
To: Community Planning (TA)
From: Development Engineering Manager(JK)
Subject: 1275 Brookside Avenue RU1 to RM3

The Development Engineering Department has the following comments and requirements associated with this rezoning application. The road and utility upgrading requirements outlined in this report will be a requirement of this development. The Development Engineering Technologist for this project is Jason Angus

1. Domestic Water and Fire Protection

This property is currently serviced with a 13mm-diameter copper water service. An Upgrade to 50mm service can be provided by the City at the owner's cost. The applicant will be required to sign a Third Party Work Order for the cost of the water service upgrades. For estimate inquiry's please contact Jason Angus, by email jangus@kelowna.ca or phone, 250-469-8783.

2. Sanitary Sewer

Our records indicate that this property is currently serviced with a 100mm-diameter sanitary sewer service. The applicant's consulting mechanical engineer will determine the requirements of the proposed development and establish the service needs. Only one service will be permitted for this development. If required, the applicant will arrange for the removal and disconnection of the existing service and the installation of one new larger service at the applicant's cost

3. Storm Drainage Improvements

The developer must engage a consulting civil engineer to provide a storm water management plan for this site which meets the requirements of the City Storm Water Management Policy and Design Manual. The storm water management plan must also include provision of lot grading plans, minimum basement elevations (MBE), if applicable, and provision of a storm drainage service and recommendations for onsite drainage containment and disposal systems.

ATTACHMENT A

This forms part of application

DP18-0041

Planner
Initials

LKC



2 -

4. Road Improvements

- a. Brookside Avenue must be upgraded to an urban standard along the full frontage of this proposed development, including sidewalk, pavement removal and replacement, boulevard landscaping, street lighting and re-location or adjustment of utility appurtenances if required to accommodate the upgrading construction. A one-time cash payment in lieu of construction must be collected from the applicant for future construction by the City. The cash-in-lieu amount is determined to be **\$32,385.00 not including utility service cost.**
- b. Only the service upgrades must be completed at this time. The City wishes to defer the upgrades to Scott Rd. fronting this development. Therefore, cash-in-lieu of immediate construction is required and the City will initiate the work later, on its own construction schedule.

Item	Cost
Sidewalk	\$8,750.00
Storm System	\$6,587.50
Street Lighting	\$5,812.50
Road Fillet	\$5,460.00
Curb & Gutter	\$3,150.00
Blvd Landscaping	\$2,625.00
Total	\$32,385.00

4. Development Permit and Site Related Issues

- a) Vehicle access for the Townhomes must be from Brookside Avenue only.

5. Electric Power and Telecommunication Services

The electrical and telecommunication services to this building must be installed in an underground duct system, and the building must be connected by an underground service. It is the developer's responsibility to make a servicing application with the respective electric power, telephone and cable transmission companies to arrange for these services, which would be at the applicant's cost.

7. Design and Construction

- (a) Design, construction supervision and inspection of all off-site civil works and site servicing must be performed by a Consulting Civil Engineer and all such work is subject to the approval of the City Engineer. Drawings must conform to City standards and requirements.
- (b) Engineering drawing submissions are to be in accordance with the City's "Engineering Drawing Submission Requirements" Policy. Please note the number of sets and drawings required for submissions.

ATTACHMENT A

This forms part of application

DP18-0041

Planner
Initials

LKC



3 -

- (c) Quality Control and Assurance Plans must be provided in accordance with the Subdivision, Development & Servicing Bylaw No. 7900 (refer to Part 5 and Schedule 3).
- (d) A "Consulting Engineering Confirmation Letter" (City document 'C') must be completed prior to submission of any designs.
- (e) Before any construction related to the requirements of this subdivision application commences, design drawings prepared by a professional engineer must be submitted to the City's Works & Utilities Department. The design drawings must first be "Issued for Construction" by the City Engineer. On examination of design drawings, it may be determined that rights-of-way are required for current or future needs.

8. Servicing Agreement for Works and Services

- (a) A Servicing Agreement is required for all works and services on City lands in accordance with the Subdivision, Development & Servicing Bylaw No. 7900. The applicant's Engineer, prior to preparation of Servicing Agreements, must provide adequate drawings and estimates for the required works. The Servicing Agreement must be in the form as described in Schedule 2 of the bylaw.
- (b) Part 3, "Security for Works and Services", of the Bylaw, describes the Bonding and Insurance requirements of the Owner. The liability limit is not to be less than \$5,000,000 and the City is to be named on the insurance policy as an additional insured.

9. Administration Charge

An administration charge will be assessed for processing of this application, review and approval of engineering designs and construction inspection. The administration charge is calculated as (3.5% of Total Off-Site Construction Cost plus GST).

9. Survey, Monument and Iron Pins

If any legal survey monuments or property iron pins are removed or disturbed during construction, the developer will be invoiced a flat sum of \$1,200.00 per incident to cover the cost of replacement and legal registration. Security bonding will not be released until restitution is made.


10. Bonding and Levy Summary

(a) Levies

1. Brookside Avenue frontage improvements	\$32,385.00
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(b) Bonding

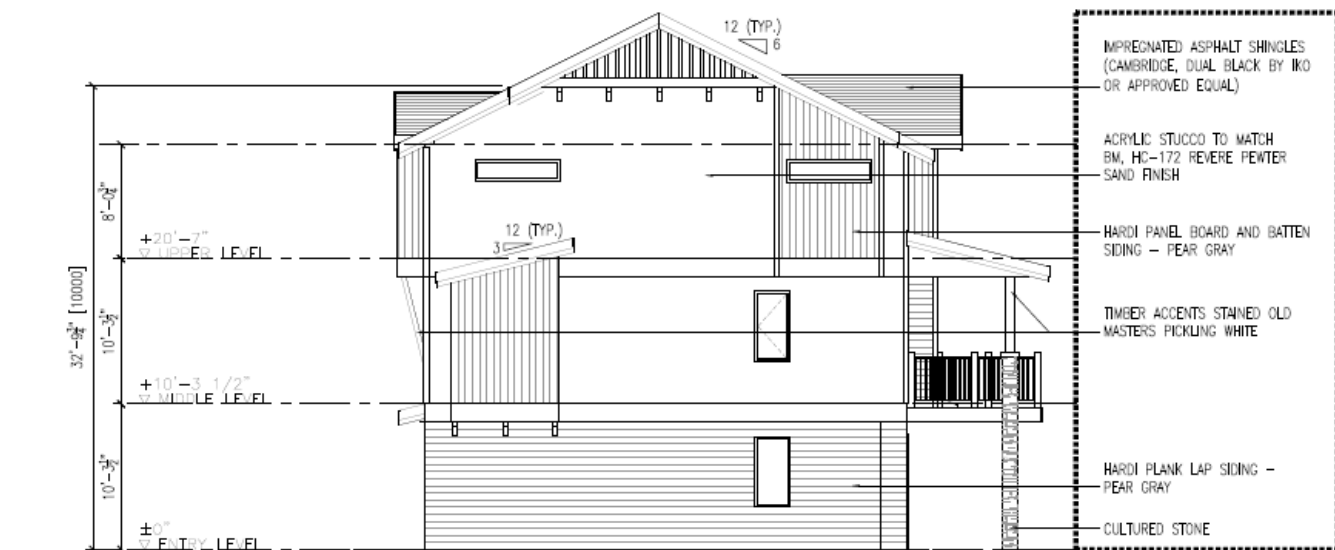
1. Service upgrades	To be determined
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James Kay, P. Eng.
Development Engineering Manager

RO for JA



1 FRONT ELEVATION
1/8" = 1'-0"



2 LEFT ELEVATION
1/8" = 1'-0"



3 REAR ELEVATION
1/8" = 1'-0"

SCHEDULE B

This forms part of application

DP18-0041

Planner
Initials

LKC

City of
Kelowna
COMMUNITY PLANNING





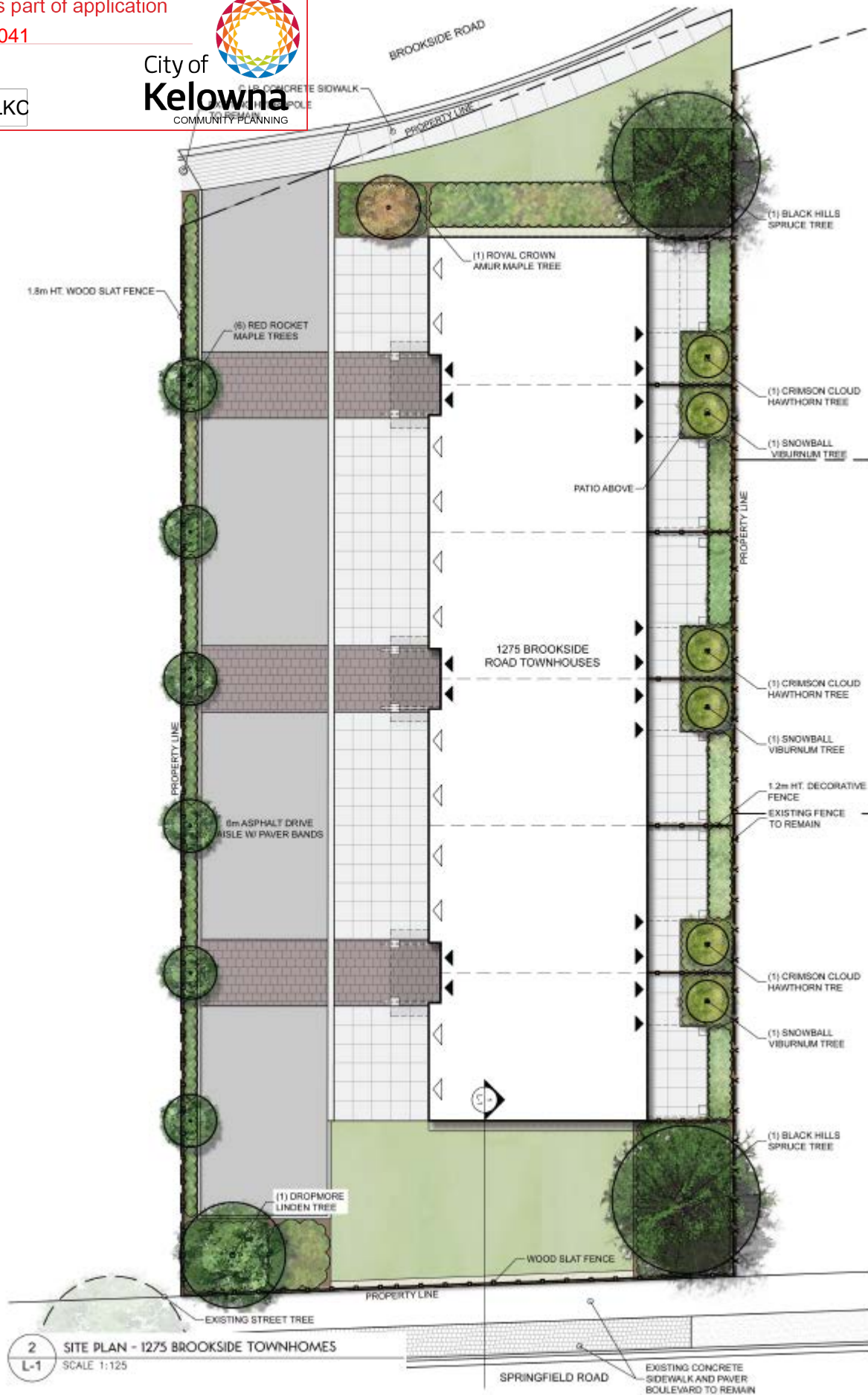
SCHEDULE C

This forms part of application

DP18-0041

Planner
Initials LKC

City of
Kelowna
COMMUNITY PLANNING



2
L-1 SITE PLAN - 1275 BROOKSIDE TOWNHOMES
SCALE 1:125

Report to Council



Date: May 13, 2019
File: 1250-30
To: City Manager
From: Tracy Guidi and Michelle Kam, Sustainability Coordinators
Subject: Energy Step Code Zoning Bylaw Amendments

Recommendation:

THAT Council receives, for information, the Report from the Sustainability Coordinators dated May 13, 2019 with respect to the Energy Step Code Zoning Bylaw Amendments;

AND THAT Zoning Bylaw Text Amendment Application No. TA18-0007 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in Appendix A in the Report from the Sustainability Coordinators, dated May 13, 2019 be considered by Council;

AND THAT the Zoning Text Amending Bylaw be forwarded to Public Hearing for reading consideration;

AND THAT final adoption of the Zoning Text Amending Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

Purpose:

To amend the Zoning Bylaw to ensure that the thicker walls required at Step 5 of the Energy Step Code or for certified Passive House do not inadvertently impact the footprint size of a home built.

Background:

The BC Energy Step Code is provincial standard part of the BC Building Code that is designed to improve the efficiency of new construction by incrementally moving toward a future in which all new construction across the province is "net-zero energy ready" by 2032.¹

For Part 9² residential buildings, there are five steps to the Energy Step Code. In order to achieve Step 5 (net-zero energy ready), thicker insulated walls are required to meet the metrics defined in the Energy

¹ Net-Zero Energy Ready is a building built to high energy efficiency standards such that it could – with additional measures – generate enough on-site energy to meet its own energy needs.

Step Code. Builders that choose to build to certified Passive House, a voluntary standard to build homes that consume up to 90 per cent less energy than conventional buildings, also require thicker insulated walls to achieve that standard.³

As recommended in the City of Kelowna's Energy Step Code Implementation Strategy for Part 9 Buildings (May 2019), staff are proposing amendments to the Zoning Bylaw to ensure that incremental additions of insulation do not inadvertently impact the size of home built, particularly on urban lots for those builders achieving Step 5 of the Energy Step Code or certified Passive House (as outlined in Appendix A). This amendment proactively adjusts the footprint of typical houses to ensure that Development Variance Permits are not inadvertently being triggered and/or adding delay to a Building Permit approval.

Existing Policy:

The City of Kelowna has established a number of climate action goals and programs that are delivering on Council's commitment to low-carbon energy, including:

Official Community Plan

- OCP Objective 5.16. "Improve the energy efficiency and environmental performance of new buildings."
- OCP Policy 5.16.3 "Variances for "Green" Features. Staff will give favourable regard to variance applications to reduce setbacks whose sole purpose is to accommodate green building features (e.g. solar panels etc.), provided that safety and neighbourhood impact issues can be addressed.
- OCP Objective 6.2. "Improve energy efficiency and reduce community greenhouse gas emissions."
- OCP Policy 6.2.1 GHG Reduction Target and Actions. The City of Kelowna will, in partnership with: senior governments; local residents and businesses; NGOs; external agencies; and utility providers, work towards reducing absolute community greenhouse gas emissions by:
 - 4% below 2007 levels by 2023;
 - 25% below 2007 levels by 2033; and
 - 80% below 2007 levels by 2050.

Our Kelowna as We Take Action: Kelowna's Community Climate Action Plan (2018-2023):

- Action # B6 Relax the setback requirements in Kelowna's Zoning Bylaw to ensure thicker walls to accommodate more insulation (common to buildings constructed to Steps 4 and 5 of the Energy Step Code).

Submitted by:

T. Guidi and M. Kam, Sustainability Coordinators

² Part 9 buildings are buildings that are three storeys or less and have a building area no more than 600 m². It includes single family homes, duplexes, townhomes, small apartment buildings and small stores, offices, and industrial shops.

³ Passive House Canada, 2019. About Passive House. <https://www.passivehousecanada.com/about-passive-house/>

Approved for inclusion:



Danielle Noble-Brandt, Policy & Planning Dept. Manager

Attachments:

Appendix A: Zoning Bylaw Amendments for Step 5 of Energy Step Code

cc:

Divisional Director, Planning and Development Services

Development Services Director

Building & Permitting Manager

Energy Program Manager

Community Energy Specialist

Community Planning Supervisor

Legislative Coordinator

Communications Coordinator

Appendix A

TA18 -0007

Amendments to Bylaw No. 8000 to incent achieving higher steps of the Energy Step Code

No.	Section	Existing	Proposed	Explanation
1	Section 6 – General Development Regulations Add a new section as 6.17		6.17 Energy Efficiency	
2	Section 6 – General Development Regulations Add a new regulation as 6.17.1		<p>6.17.1 Any Part 9 residential building, as defined by the BC Building Code, that is constructed to Step 5 of the BC Building Code's Energy Step Code or is constructed as a certified Passive House, may reduce the minimum side yard, rear yard, front yard, and/or flanking street requirements of the zone by up to 0.25 metres, except:</p> <p>(a) Where there is a minimum requirement of 6.0 m for a front yard or from a flanking street to a garage or carport, that 6.0 m may not be reduced;</p> <p>(b) Where there is a minimum requirement of 1.2 m for a side yard, that 1.2 m may not be reduced; and</p> <p>(c) Where there is a minimum requirement of 1.5 m or less for a rear yard, that 1.5 m or less may not be reduced.</p>	<p>- OCP Policy 5.16.3 Variances for "Green" Features. Staff will give favourable regard to variance applications to reduce setbacks whose sole purpose is to accommodate green building features (e.g. solar panels etc.), provided that safety and neighbourhood impact issues can be addressed.</p> <p>- The Energy Step Code is a provincial standard designed to transition new construction across the province to "net-zero energy ready" by 2032. This amendment seeks to remove the barrier associated with thicker walls needed to achieve Step 5 of the Standard.</p>



Updated Energy Step Code Implementation Strategy

May 6, 2019

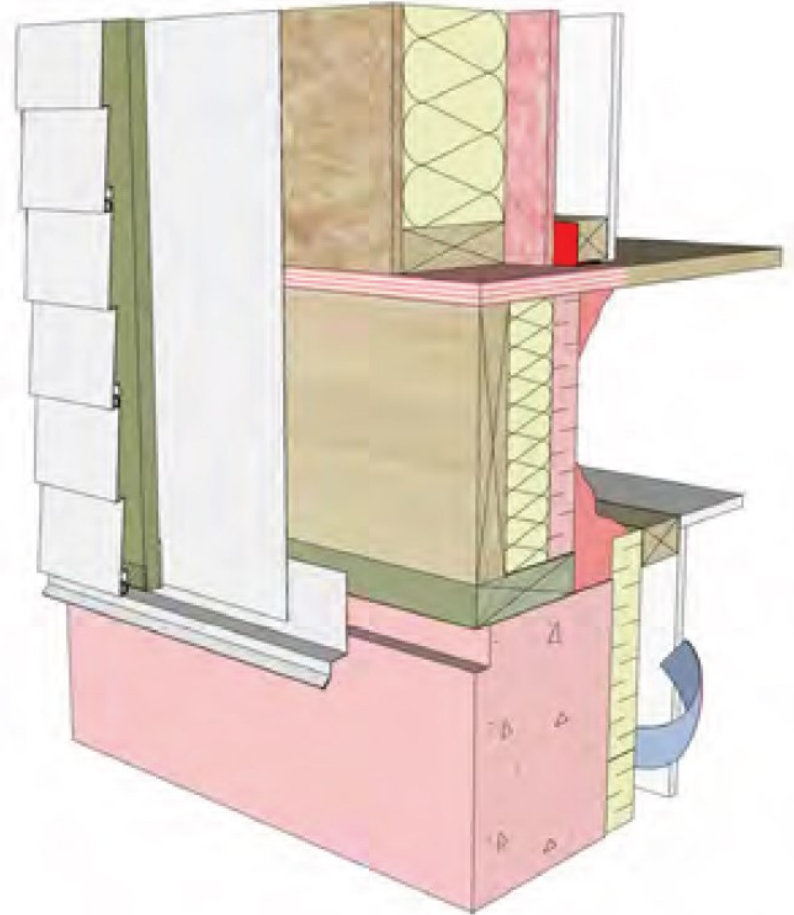


Energy Step Code “Steps”



Step 5 / Passive House

- ▶ Net Zero Energy Ready
- ▶ 80 per cent more efficient than current BCBC
- ▶ Builders can voluntarily choose to build to this standard
- ▶ Requires thicker insulated walls to meet metrics



Example of insulated wall construction
source: BC Energy Step Code Builder Guide

Zoning Bylaw Amendments

- ▶ For Part 9 residential buildings constructed to either Step 5 or certified passive house may
 - ▶ Reduce minimum side yard, rear yard, front yard, and/or flanking street requirements by up to 0.25 meters.



Delivering on our plans

- ▶ Kelowna's Community Climate Action Plan
 - ▶ Relax setback requirements in Zoning bylaw



Aligning with Council Priorities

- ▶ Environmental Protection
 - ▶ Adapatable in the face of climate change.
 - ▶ Reducing Greenhouse Gas Emissions





Questions?

For more information, visit kelowna.ca.

CITY OF KELOWNA
BYLAW NO. 11672
TA18-0007 – Energy Step Code Amendment

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT **Section 6 – General Development Regulations**, be amended by adding a new **Section 6.17 Energy Efficiency** in its appropriate location that reads as follows:

"Section 6.17 Energy Efficiency

- 6.17.1 Any Part 9 residential building, as defined by the BC Building Code, that is constructed to Step 5 of the BC Building Code's Energy Step Code or is constructed as a certified Passive House, may reduce the minimum **side yard, rear yard, front yard**, and/or **flanking street** requirements of the zone by up to 0.25 metres, except:

- (a) Where there is a minimum requirement of 6.0 m for a **front yard** or from a **flanking street** to a garage or **carport**, that 6.0 m may not be reduced;
- (b) Where there is a minimum requirement of 1.2 m for a **side yard**, that 1.2 m may not be reduced; and
- (c) Where there is a minimum requirement of 1.5 m or less for a **rear yard**, that 1.5 m or less may not be reduced."

2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Approved under the Transportation Act this

(Approving Officer-Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

REPORT TO COUNCIL



Date: May 13, 2019

RIM No. 1250-30

To: City Manager

From: Community Planning Department (AC)

Application: Z18-0049

Owner: DL Capital Inc., Inc.No.
BC0820774

Address: 3130 Sexsmith Rd

Applicant: Protech Consulting - Grant
Maddock

Subject: Rezoning Application

Existing OCP Designation: IND-L – Industrial Limited

Existing Zone: A1 – Agriculture 1

Proposed Zone: I6 – Low Impact Transitional Industrial

1.0 Recommendation

THAT Rezoning Application No. Z18-0049 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lot 28, Section 3, Township 23, ODYD, Plan 18861, located at 3130 Sexsmith Rd, Kelowna, BC from the A1 – Agriculture 1 Zone to the I6 – Low Impact Transitional Industrial Zone, be considered by Council;

AND THAT the Rezoning Bylaw be forwarded to a Public Hearing for further consideration.

AND THAT final adoption of the Rezoning Bylaw be considered subsequent to the outstanding conditions of approval as set out in Attachment "A" attached to the Report from the Community Planning Department dated May 2nd 2018;

AND FURTHER THAT final adoption of the Rezoning Bylaw be considered in conjunction with Council's consideration of a Development Permit for the subject property.

2.0 Purpose

To rezone the subject property from the A1 – Agriculture Zone to the I6 – Low Impact Transitional Industrial Zone.

3.0 Community Planning

Staff support the rezoning application from the A1 zone to the I6 zone. The Official Community Plan (OCP) designates the property as Industrial Limited (IND-L) which was created for the I6 zone. The Industrial – Limited Future Land Use (IND-L) designation was established in 2011 after public consultation associated with the 2030 OCP review. The IND-L designation and I6 zone allow for a range of low-impact industrial land uses that are intended to act as a transition between the general industrial areas to the south and east and the rural residential areas to the north and west. The permitted uses, development regulations, screening requirements, parking restrictions, outdoor storage restrictions, and other regulations in the I6 zone are designed to mitigate the industrial uses on nearby residential, rural and agricultural uses in this area.

4.0 Proposal

4.1 Project Description

Should the rezoning bylaw be supported by Council, the project will need a form and character development permit which will also be considered by Council. The applicant is in the midst of selling the property. The land deal is contingent on rezoning. The buyer will submit a Development Permit and will be reviewed by Council prior to final adoption of the rezoning bylaw. Staff are comfortable with this arrangement as the I6 zone is consistent with the Official Community Plan and the Development Permit will review the site planning details.

4.2 Applicant Rationale Letter – April 24th 2019

"We are writing today to ask for your consideration in deferring our development plan for 3130 Sexsmith Road until the property is successfully rezoned.

As you are aware the above-mentioned property is under contract for purchase. As the buyer we have a significant amount of diligence, including the rezoning that must be completed prior to closing. The sellers are not prepared to provide what would be considered a reasonable amount of time to allow us to complete all the typical city requirements prior to rezoning. This time constraint combined with the availability of our architect is proving to be very problematic for us.

Our intent: We are ready and prepared to meet all the city requirements necessary to rezone the property. We will move quickly and diligently in our development plan application once we receive final rezoning.

We respectfully request that our development plan for 3130 Sexsmith Road be deferred until after the rezoning is final."

4.3 Site Context

The subject parcel is located within the Arab/Appaloosa area. The subject property is designated as Industrial – Transitional (IND-T) in the OCP and the lot is within the Permanent Growth Boundary. Specifically, the adjacent land uses are as follows:

Orientation	Zoning	Land Use
North	A1 - Agriculture	Agriculture/industrial/residential
East	I6 – Low Impact Transitional Industrial	Industrial
South	I2 – General Industrial	Industrial
West	A1 – Agriculture & I6 – Low Impact Transitional Industrial	Agriculture/industrial/residential

Subject Property Map: 3130 Sexsmith Rd



5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

Industrial Land Use Policies

Objective 5.28.¹ Focus industrial development to areas suitable for industrial use.

Industrial Supply Protection.² Protect existing industrial lands from conversion to other land uses by not supporting the rezoning of industrial land to preclude industrial activities unless there are environmental reasons for encouraging a change of use.

Secondary Housing in Light Industrial Areas.³ Consider the limited expansion of housing as a secondary use within industrial buildings in light or transitional industrial areas.

Public and private open space.⁴ Design industrial developments to include outdoor break areas, green space, bicycle racks, skylights and windows in work areas, and linkages to recreational opportunities (e.g. linear parks).

6.0 Technical Comments

6.1 Development Engineering Department

See attached memorandum dated May 2nd 2018.

¹ City of Kelowna Official Community Plan, Objective 5.28, Chapter 10 (Development Process Chapter).

² City of Kelowna Official Community Plan, Policy 5.28.1, Chapter 5 (Development Process Chapter).

³ City of Kelowna Official Community Plan, Policy 2, Objective 5.29, Chapter 5 (Development Process Chapter).

⁴ City of Kelowna Official Community Plan, Policy 7.5, Chapter 14 (Urban Design Development Permit Areas).

7.0 Application Chronology

Date of Application Received: May 1st 2018
Date Public Consultation Completed: April 27th 2018

Report prepared by: Adam Cseke, Planner Specialist
Reviewed by: Terry Barton, Urban Planning Manager
Approved for Inclusion: Ryan Smith, Community Planning Department Manager

Attachments:

Development Engineering Memo dated May 2nd 2018

CITY OF KELOWNA

MEMORANDUM

ATTACHMENT A

This forms part of application
Z18-0049

Planner
Initials AC



Date: May 2, 2018
File No.: Z18-0049
To: Planning & Development Services Department (TH)
From: Development Engineer Manager (JK)
Subject: 3130 Sexsmith Rd., Lots 30, Plan 18861 A1 – I6

Development Engineering has the following comments and requirements associated with this application rezone the subject property from A-1 to I6 are as follows:

1. General

- a) Access to the subject lots must ultimately be achieved off of Palomino Road as Sexsmith Road is designated as a 4 lane arterial and access will be restricted. Until such time that Palomino Road is built, the subject property is granted access onto Sexsmith Road under the condition.

2. Geotechnical Study

We recommend that a comprehensive geotechnical study be undertaken over the subject property. The geotechnical study should be undertaken by a Professional Engineer or a Geoscientist competent in this field. This study should analyse the soil characteristics and suitability for development of the requested zoning. As well, the study should address drainage patterns including the identification of ground water and the presence of any surface springs and the suitability of the lands for disposal of site generated storm drainage. In addition this study must describe soil sulphate contents, the presence or absence of swelling clays.

3. Sanitary Sewer System

- a) The developer's consulting mechanical engineer will determine the development requirements of the proposed development and establish the service needs. Only one service per lot will be permitted for this development. There is an existing 100mm PVC sanitary service to lot.
- a) The Connection Area #35 charge is currently set by Bylaw at \$13,300 per Single Family Equivalent (SFE). This Bylaw was reviewed for and accepted by Council in 2018.

determined by the following formula: the first 0.36 acres of developed land or portion thereof equals 1 SFE. Thereafter 2.8 SFE's per acre of developed land.

The assessed value is 5.144 Acres is **\$68,415.20**

ATTACHMENT A	
This forms part of application # Z18-0049	
Planner Initials	AC
 City of Kelowna <small>COMMUNITY PLANNING</small>	

4. **Water Servicing Requirements**

This development is within the service area of the Glenmore Ellison Irrigation District (GEID). The developer is required to make satisfactory arrangements with the GEID for these items. All charges for service connection and upgrading costs are to be paid directly to the GEID. The developer is required to provide a confirmation that the district is capable of supplying fire flow in accordance with the City of Kelowna current Bylaws and Policies.

5. **Storm Drainage**

A comprehensive site drainage management plan and design to comply with the City's drainage design and policy manual By-Law 7900 is required.

6. **Road Improvements**

- a.) The frontage of Sexsmith Road will be upgraded to a full 4 lane arterial urban standard (SS-R9) in accordance with Bylaw 7900, complete with curb and gutter, storm works, sidewalk, fillet paving, landscaped and irrigated boulevard, lane markings, street lighting, removal and/or relocation existing utilities as may be required, etc. This construction will be deferred until Sexsmith Road is upgraded to a 4 lane standard and a cash in lieu of construction payment of **\$73,209.38** is required for the combined frontage of the subject property.
- b.) Palomino Road at the rear of the property will be constructed to a full urban Standard (SS-R5) in accordance with Bylaw 7900, complete with curb, gutter, sidewalk, fillet paving, storm drainage works which extends and connects to the municipal system, landscaped and irrigated boulevard, lane markings, street lighting, removal and/or relocation existing utilities as may be required, etc. The developer is responsible for contributing for their half of Palomino road for the combined frontage of the subject property. The cash in lieu of construction for these works is **\$80,546.25**

7. **Road Dedication and Subdivision Requirements**

- (a) The developer is required dedicate 5m of roadway fronting Sexsmith Road to achieve the 4 lane arterial urban standard width in accordance with Bylaw 7900
- (b) Grant Statutory Rights Of Way if required for utility services.
- (c) If any road dedication or closure affects lands encumbered by a Utility right-of-way (such as Hydro, Telus, Gas, etc.) please obtain the approval of the utility. Any works required by the utility as a consequence of the road dedication or closure must be incorporated in the construction drawings submitted to the City's Development Manager.

8. **Power and Telecommunication Services**

The services to this development are to be installed underground. It is the developer's responsibility to make a servicing application to the respective utility companies. The utility companies are then required to obtain the city's approval before commencing their works.

9. Design and Construction

- a) Design, construction supervision and inspection of all off-site civil works and site servicing must be performed by a Consulting Civil Engineer and all such work is subject to the approval of the City Engineer. Drawings must conform to City standards and requirements.
- b) Engineering drawing submissions are to be in accordance with the City's "Engineering Drawing Submission Requirements" Policy. Please note the number of sets and drawings required for submissions.
- c) Quality Control and Assurance Plans must be provided in accordance with the Subdivision, Development & Servicing Bylaw No. 7900 (refer to Part 5 and Schedule 3).
- d) A "Consulting Engineering Confirmation Letter" (City document 'C') must be completed prior to submission of any designs.
- e) Before any construction related to the requirements of this subdivision application commences, design drawings prepared by a professional engineer must be submitted to the City's Works & Utilities Department. The design drawings must first be "Issued for Construction" by the City Engineer. On examination of design drawings, it may be determined that rights-of-way are required for current or future needs.

10. Servicing Agreements for Works and Services

- a) A Servicing Agreement is required for all works and services on City lands in accordance with the Subdivision, Development & Servicing Bylaw No. 7900. The applicant's Engineer, prior to preparation of Servicing Agreements, must provide adequate drawings and estimates for the required works. The Servicing Agreement must be in the form as described in Schedule 2 of the bylaw.
- b) Part 3, "Security for Works and Services", of the Bylaw, describes the Bonding and Insurance requirements of the Owner. The liability limit is not to be less than \$5,000,000 and the City is to be named on the insurance policy as an additional insured.

11. DCC Credits

None of the required improvements qualify for DCC credit consideration, as these levies are collected as cash in lieu.

12. Bonding and Levies SummaryLevies

Sexsmith Road upgrades	\$73,209.38
Palomino Road construction	\$80,546.25
Connection. Area #35	\$68,415.20
Total levies	<u>\$222,170.83</u>

James Kay, P. Eng.
Development Engineering Manager
RO

ATTACHMENT		A
This forms part of application		
# Z18-0049		
Planner Initials	AC	 City of Kelowna COMMUNITY PLANNING

CITY OF KELOWNA
BYLAW NO. 11832
Z18-0049 – 3130 Sexsmith Road

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 28, Section 3, Township 23, ODYD, Plan 18861, located on Sexsmith Rd, Kelowna, BC from the A1 – Agriculture 1 Zone to the I6 – Low Impact Transitional Industrial Zone.
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Approved under the Transportation Act this

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

REPORT TO COUNCIL



Date: May 13, 2019

RIM No. 0940-00

To: City Manager

From: Community Planning Department (LKC)

Application: DP18-0152

Owner: Emil Anderson Construction
Co. LTD., INC. NO. C172775

Address: 777 Denali Dr.

Applicant: Matthew Temple

Subject: Development Permit

Existing OCP Designation: MRL – Multiple Unit Residential (Low Density)

Existing Zone: RM3 – Low Density Multiple Housing

1.0 Recommendation

THAT Council authorizes the issuance of Development Permit No. DP18-0152 for Lot 3 Section 28 Township 26 ODYD Plan KAP 74074, located at 777 Denali Dr, Kelowna BC, subject to the following:

1. The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A,"
2. The exterior design and finish of the building to be constructed on the land, be in accordance with Schedule "B";
3. Landscaping to be provided on the land be in accordance with Schedule "C";
4. The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect;

AND FURTHER THAT this Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

2.0 Purpose

To consider the form and character of the proposed duplex units on the subject property.

3.0 Community Planning

Community Planning staff are in support of this development application because this proposed development aligns with the City of Kelowna's zoning bylaw and the Official Community Plan (OCP) Urban Design Guidelines. The property is located within the Permanent Growth Boundary, has close access to services and amenities, and is in close proximity to Summit Dr and Spall Rd, two transportation corridors. In addition, the subject property has a walk score of 8 as almost all errands require a car.

Proposal

3.1 Background

The subject property is a vacant lot zoned RM3 – Low Density Multiple Housing, and is located along Denali Dr. There are existing single family dwellings located to the west, and north, of the subject property.

3.2 Project Description

The applicant is proposing to construct five duplexes for a total yield of 10 dwelling units. Each is two storeys in height with an attached double car garage meeting the parking requirements for each dwelling unit. One of the challenges of this application was addressing the symmetry of the duplexes. Planning staff requested the applicant to make revisions to their original proposal, revisions were made to the colour of the exterior stucco, roof & deck angles, and rear facades on duplexes two (2) and four (4). Planning staff have determined that the changes address the symmetry issues of the proposed duplexes. These revisions display a diversity of architectural design that was not present at the time of initial submission.

The landscape plan shows that drought resistant plants and a turf boulevard will be planted along Denali Dr fulfilling the landscaping requirements of this proposed development. Staff believe these design elements, the use of high quality materials, and a strong landscape design are sufficient for staff to provide a supportive recommendation for the proposed development. In addition, the proposed five duplexes will be located along the west side of the property, an access road connecting the duplexes to Denali Dr will also be developed. The road will connect to a second phase in the development plan, however phase two is not a part of this development application.

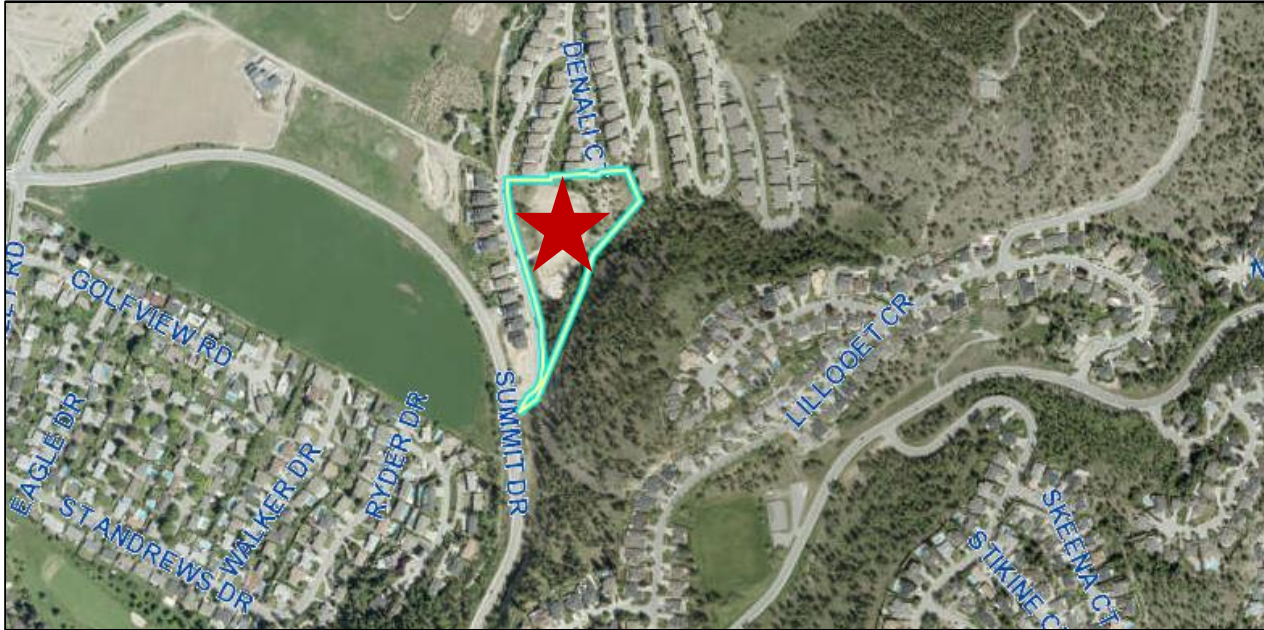
Rendering:



3.3 Site Context

The subject property is located at 777 Denali Dr and is within the Dilworth neighbourhood. The area is characterized primarily by other residential developments including duplexes and single-family homes. The subject property is adjacent to Denali Dr and looks onto Summit Dr.

3.4 Subject Property Map: 777 Denali Dr.



4.0 Current Development Policies

4.1 Kelowna Official Community Plan (OCP)

Development Process

Compact Urban Form.¹ Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

Objectives²

Convey a strong sense of authenticity through urban design that is distinctive for Kelowna;

- Promote a high urban design standard and quality of construction for future development that is coordinated with existing structures;
- Integrate new development with existing site conditions and preserve the character amenities of the surrounding area;
- Promote interesting, pedestrian friendly streetscape design and pedestrian linkages;
- Provide for a scale and massing of commercial buildings that promotes a safe, enjoyable living, pedestrian, working, shopping and service experience;

¹ City of Kelowna Official Community Plan, Policy 5.2.3 (Development Process Chapter).

² City of Kelowna Official Community Plan, Chapter 14.1 Objectives (Urban Design Development Permit Areas)

- Incorporate architectural features and detailing of buildings and landscapes that define an area's character;
- Promote alternative transportation with enhanced streetscapes and multimodal linkages;

5.0 Application Chronology

Date of Application Received: July 18, 2018

Report prepared by: Levan King Cranston, Planner I

Reviewed by: Dean Strachan, Suburban and Rural Planning Manager

Approved for Inclusion: Ryan Smith, Community Planning Department Manager

Attachments:

Draft Development Permit

Attachment A: Development Engineering Memorandum

Schedule A: Site Plan

Schedule B: Elevations & Renderings

Schedule C: Landscape Plan

Development Permit DP18-0152



This permit relates to land in the City of Kelowna municipally known as 777 Denali Dr

and legally known as Lot 3, Section 28, Township 26 ODYD Plan KAP 74074

and permits the land to be used for the following development: Five (5) Duplexes

USE as per Zoning Bylaw 8000

The present owner and any subsequent owner of the above described land must comply with any attached terms and conditions.

Date of Council Decision May 13, 2019

Decision By: COUNCIL

Development Permit Area: Multi-Family, Farm Protection, Hazardous Conditions, Wildland Fire Hazard

This permit will not be valid if development has not commenced by May 13, 2019.

Existing Zone: RM3 – Low Density Multiple Housing

Future Land Use Designation: MRL – Multiple Unit Residential

This is NOT a Building Permit.

In addition to your Development Permit, a Building Permit may be required prior to any work commencing. For further information, contact the City of Kelowna, Development Services Branch.

NOTICE

This permit does not relieve the owner or the owner's authorized agent from full compliance with the requirements of any federal, provincial or other municipal legislation, or the terms and conditions of any easement, covenant, building scheme or agreement affecting the building or land.

Owner: Emil Anderson Construction

Applicant: Matt Temple

Ryan Smith
Community Planning Department Manager
Community Planning & Strategic Investments

Date

1. SCOPE OF APPROVAL

This Development Permit applies to and only to those lands within the Municipality as described above, and any and all buildings, structures and other development thereon.

This Development Permit is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied or supplemented by this permit, noted in the Terms and Conditions below.

The issuance of a permit limits the permit holder to be in strict compliance with regulations of the Zoning Bylaw and all other Bylaws unless specific variances have been authorized by the Development Permit. No implied variances from bylaw provisions shall be granted by virtue of drawing notations that are inconsistent with bylaw provisions and that may not have been identified as required Variances by the applicant or Municipal staff.

2. CONDITIONS OF APPROVAL

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C"; and
- d) The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect.

This Development Permit is valid for two (2) years from the date of Council approval, with no opportunity to extend.

3. PERFORMANCE SECURITY

As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Developer and be paid to the Developer or his or her designate if the security is returned. The condition of the posting of the security is that should the Developer fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the Municipality may use enter into an agreement with the property owner of the day to have the work carried out, and any surplus shall be paid over to the property own of the day. Should the Developer carry out the development permitted by this Permit within the time set out above, the security shall be returned to the Developer or his or her designate. There is filed accordingly:

- a) An Irrevocable Letter of Credit in the amount of \$115,746.25
- b) A certified cheque in the amount of \$115,746.25

Before any bond or security required under this Permit is reduced or released, the Developer will provide the City with a statutory declaration certifying that all labour, material, workers' compensation and other taxes and costs have been paid.

4. INDEMNIFICATION

Upon commencement of the works authorized by this Permit the Developer covenants and agrees to save harmless and effectually indemnify the Municipality against:

- a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.

All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.


**The PERMIT HOLDER is the CURRENT LAND OWNER.
Security shall ONLY be returned to the signatory of the
Landscape Agreement or their designates**

CITY OF KELOWNA
MEMORANDUM

Date: July 18, 2018
File No.: DP18-0152
To: Community Planning (KA)
From: Development Engineering Manager (JK)
Subject: 777 Denali Drive, Lot 3 , Plan 74074 Form and Character

Development Engineering Services comments and requirements pertaining to a Development Permit for the form and character of semi-detached housing

- a) This Development Permit does not compromise any Municipal infrastructure services.
- b) This application does trigger boulevard upgrades.



James Kay, P. Eng.
Development Engineering Manager
RO

ATTACHMENT		A
This forms part of application # DP18-0152		
Planner Initials	<div style="border: 1px solid black; padding: 2px; display: inline-block;">LKC</div>	 City of Kelowna <small>COMMUNITY PLANNING</small>

SCHEDULE A

This forms part of application

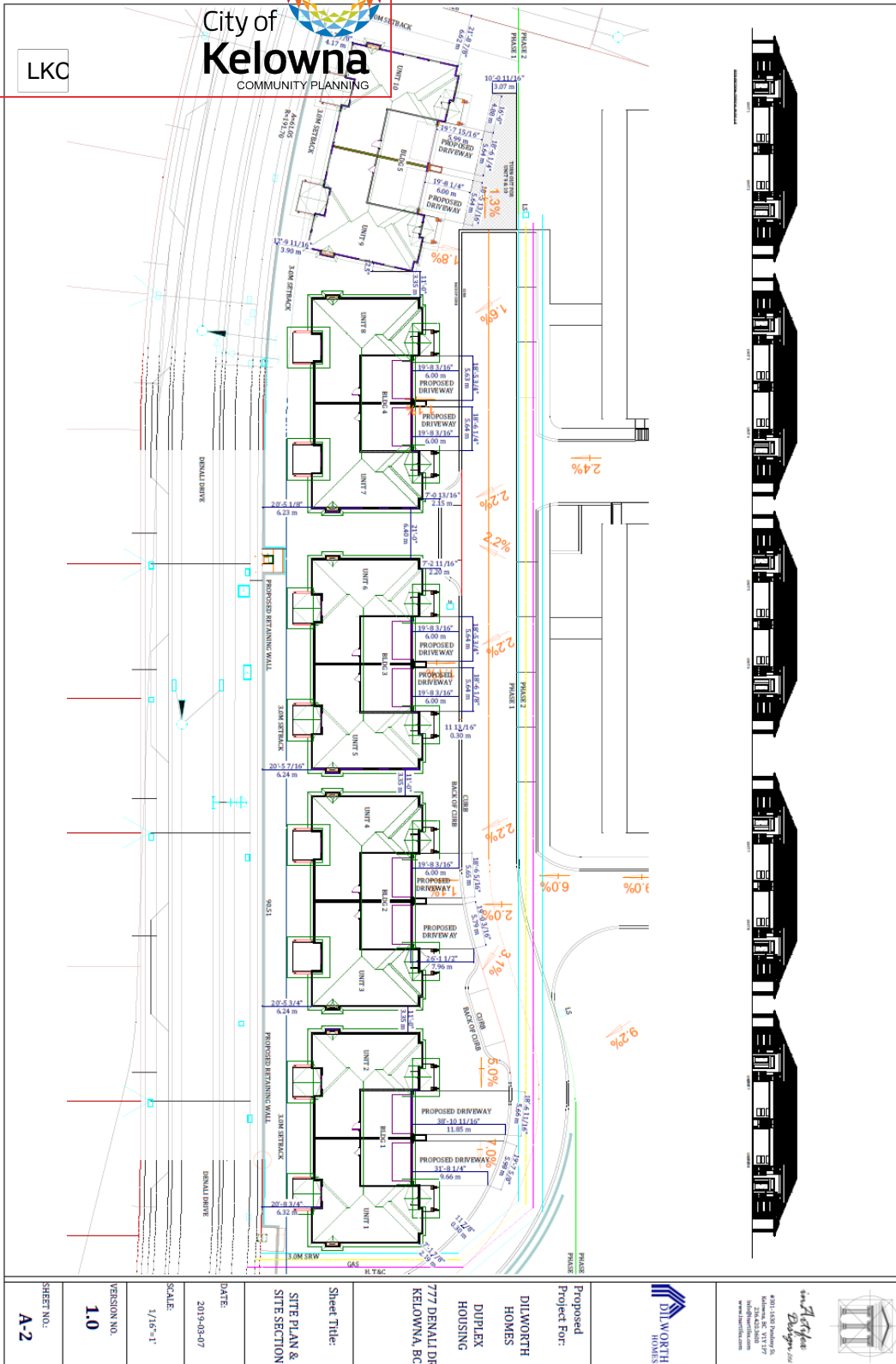
DP18-0152



City of
Kelowna
COMMUNITY PLANNING

Planner
Initials

LKC



in the City of Kelowna
400-1100 Kelowna Dr.
Kelowna, BC V1Y 1T7
info@kelowna.ca
www.kelowna.ca



Proposed
Project For:

**DILWORTH
HOMES
777 DENALI DR
KELOWNA, BC**

Sheet Title:
**SITE PLAN &
SITE SECTION**

DATE:
2019-03-07

SCALE:
1/16"=1'

VERSION NO.
1.0

SHEET NO.:
A-2

B

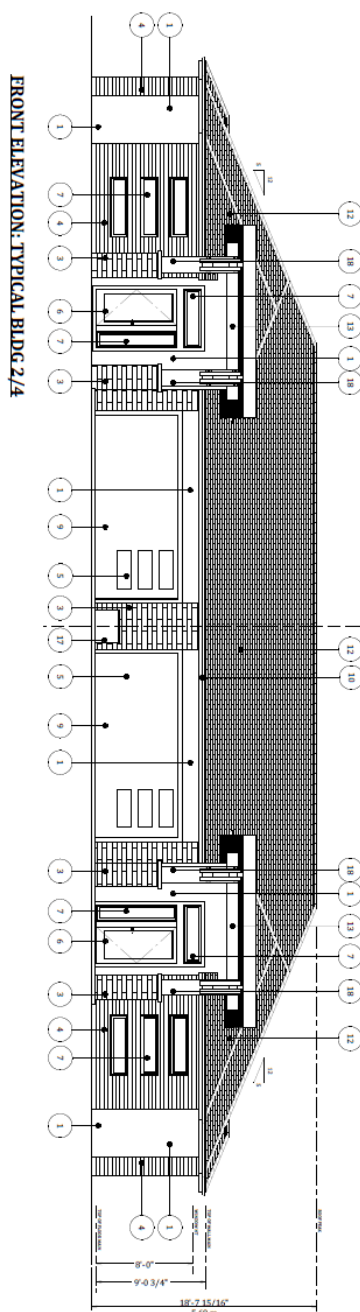
DP18-0152



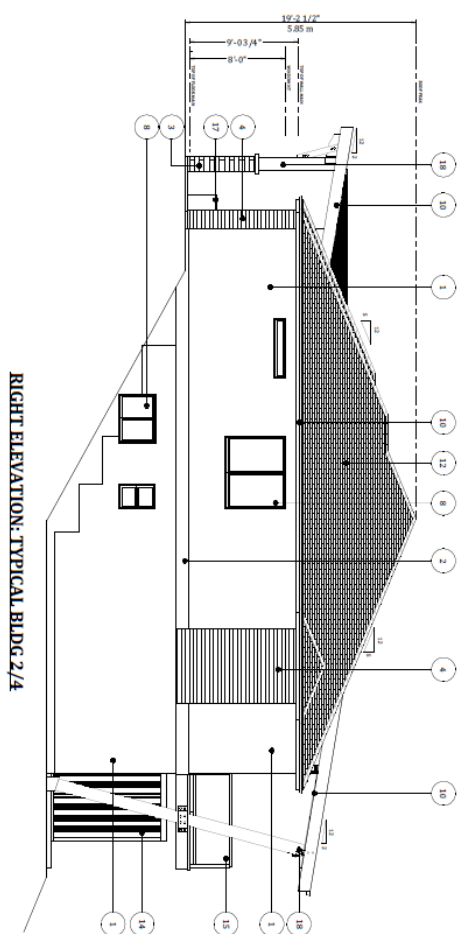
City of
Kelowna
COMMUNITY PLANNING

Planner
Initials

LKC



FRONT ELEVATION: TYPICAL BLDG 2/4





RIGHT ELEVATION: TYPICAL BLDG 2/4

MATERIAL LEGEND:

1. STEVICO - ALKYLATES 99/100
2. STEVICO - ALKYLATES 99/100
3. STEVICO - ALKYLATES 99/100
4. STEVICO - ALKYLATES 99/100
5. STEVICO - ALKYLATES 99/100
6. STEVICO - ALKYLATES 99/100
7. STEVICO - ALKYLATES 99/100
8. STEVICO - ALKYLATES 99/100
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13. STEVICO - ALKYLATES 99/100
14. STEVICO - ALKYLATES 99/100
15. STEVICO - ALKYLATES 99/100
16. STEVICO - ALKYLATES 99/100
17. STEVICO - ALKYLATES 99/100
18. STEVICO - ALKYLATES 99/100

MATERIAL LEGEND:

1. STYCO
2. ALUMINUM BRUSH
3. STYCO
4. STYCO
5. STYCO
6. STYCO
7. STYCO
8. STYCO
9. STYCO
10. STYCO
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14. STYCO
15. STYCO
16. STYCO
17. STYCO
18. STYCO

 <p> <i>Tommye</i> <i>Designs, Inc.</i> 4301-1418 Broadway St. Baltimore, MD 21217 Tel: 410-528-1000 Fax: 410-528-1001 www.tommyedesigns.com </p>	 <p> DILWORTH HOMES DILWORTH HOMES DILPLEX HOUSING 777 DENALI DR KELOWNA, BC </p>	<p> Proposed Project For: DILWORTH HOMES DILPLEX HOUSING 777 DENALI DR KELOWNA, BC </p>	<p> Sheet Title: UNIT 1&2 ELEVATIONS (TYPICAL BLDG 2/4) </p>	<p> DATE: 2019-03-07 </p>	<p> SCALE: 1/4" = 1' </p>	<p> VERSION NO. 1.0 </p>	<p> SHEET NO.: A-13 </p>
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SCHEDULE **B**

This forms part of application

DP18-0152

Planner
Initials

LKC

City of
Kelowna
COMMUNITY PLANNING



UNIT 1&2 - FRONT PERSPECTIVE (TYP BLDG 2/4)



**UNIT 1&2 - LEFT PERSPECTIVE
(TYP BLDG 2/4)**



**UNIT 1&2 - RIGHT PERSPECTIVE
(TYP BLDG 2/4)**



UNIT 1&2 - REAR PERSPECTIVE (TYP BLDG 2/4)



UNIT 1&2 - FRONT PERSPECTIVE (TYP BLDG 1-5)



**UNIT 1&2 - LEFT PERSPECTIVE
(TYP BLDG 1-5)**



**UNIT 1&2 - RIGHT PERSPECTIVE
(TYP BLDG 1-5)**



**UNIT 1&2 - REAR PERSPECTIVE
(TYP BLDG 1-5)**



Proposed
Project For:

DILWORTH
HOMES

DUPLEX
HOUSING

777 DENALI DR
KELOWNA, BC

Sheet Title:

UNIT 1&2
PERSPECTIVES
(TYPICAL
BLDG 2/4)

DATE:
2019-03-07

SCALE:
NTS

VERSION NO.
1.0

SHEET NO.:
A-12



Proposed
Project For:

DILWORTH
WEST

DUPLEX
HOUSING

777 DENALI DR
KELOWNA, BC

Sheet Title:

UNIT 1&2
PERSPECTIVES
(TYPICAL
BLDG 1-5)

DATE:
6/11/2018

SCALE:
NTS

VERSION NO.
1.0

SHEET NO.:
A-4



SCHEDULE		B
This forms part of application # DP18-0152		
Planner Initials	LKC	 City of Kelowna <small>COMMUNITY PLANNING</small>

CITY OF KELOWNA

BYLAW NO. 11801

Official Community Plan Amendment No. OCP18-0019 – Abbott Park Holdings Inc., Inc. No. BC1096096 448, 458 & 460 Groves Avenue

A bylaw to amend the "*Kelowna 2030* – Official Community Plan Bylaw No. 10500".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT Map 4.1 - **GENERALIZED FUTURE LAND USE** of "*Kelowna 2030* – Official Community Plan Bylaw No. 10500" be amended by changing the Generalized Future Land Use designation of Lots 6, 7, and 8, District Lot 14, ODYD, Plan 3856 located on Groves Ave, Kelowna, BC from the MRM - Multiple Unit Residential (Medium Density) designation to the MRH - Multiple Unit Residential (High Density) designation;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 8th day of April, 2019.

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA
BYLAW NO. 11802
Z17-0032 – 448, 458 & 460 Groves Avenue

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lots 6, 7, and 8, District Lot 14, ODYD, Plan 3856, located on Groves Ave, Kelowna, BC from the RU1- Large Lot Housing zone to the RM6- High Rise Apartment Housing zone;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 8th day of April, 2019.

Considered at a Public Hearing on the

Read a second and third time by the Municipal Council this

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA
BYLAW NO. 11654
Z18-0039 – 2005 Lindahl Street

A bylaw to amend the "City of Kelowna Zoning Bylaw No. 8000".

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT the City of Kelowna Zoning Bylaw No. 8000 be amended by changing the zoning classification of Lot 4 Section 19 Township 26 ODYD Plan 19208, located on Lindahl Street, Kelowna, BC from the RU2 – Medium Lot Housing zone to the RU6 – Two Dwelling Housing Zone;
2. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first time by the Municipal Council this 13th day of August, 2018.

Considered at a Public Hearing on the 28th of August, 2018.

Read a second and third time by the Municipal Council this 28th of August, 2018.

Approved under the Transportation Act this 30th day of August, 2018.

Audrie Henry

(Approving Officer – Ministry of Transportation)

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

Report to Council



Date: May 13, 2019

File: 0610-50

To: City Manager

From: Senior Airport Operations Manager

Subject: Swoop Airport Use Agreement - Kelowna International Airport

Report Prepared by: Mira Malkowsky, Airport Corporate Services Manager

Recommendation:

THAT Council approves the City entering into an Airport Use Agreement to authorize Swoop to operate at Kelowna International Airport as outlined in the report of the Senior Airport Operations Manager dated May 13, 2019;

AND THAT the Mayor and City Clerk be authorized to execute the Airport Use Agreement with Swoop in the form attached to the report of the Senior Airport Operations Manager dated May 13, 2019.

Purpose:

To obtain Council's consent and approval to enter into an Airport Use Agreement with Swoop.

Background:

Swoop is an ultra low-cost carrier owned by WestJet and based in Calgary, Alberta. The creation of Swoop was announced in September 2017 and the Air Carrier began flights in June 2018. Swoop is scheduled to commence direct, non-stop service from Kelowna International Airport to Winnipeg on May 24, 2019 and to Las Vegas on June 27, 2019. Direct non-stop flights will be offered three times per week to Winnipeg and twice per week to Las Vegas.

The Airport Use Agreement sets out the working relationship between the parties and provides clear language on risk and liability for both parties.

Internal Circulation:

Jackie Dueck, Controller

Kari O'Rourke, Community Communications Manager

Considerations not applicable to this report:

Legal/Statutory Authority: N/A
Legal/Statutory Procedural Requirements: N/A
Existing Policy: N/A
Financial/Budgetary Considerations: N/A
Personnel Implications: N/A
External Agency/Public Comments: N/A
Communications Comments: N/A
Alternate Recommendation: N/A

Submitted by:

P. Elchitz, Senior Airport Operations Manager

Approved for inclusion:



Sam Samaddar, Airport Director
Doug Gilchrist, City Manager

cc: Genelle Davidson, Divisional Director, Financial Services

ORIGINAL

KELOWNA INTERNATIONAL AIRPORT

AIR CARRIER AIRPORT USE AGREEMENT

BETWEEN THE

CITY OF KELOWNA

AND

SWOOP INC.

(YLW FILE NO. 1140-50)

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THIS AGREEMENT made this _____ day of _____, 2019.

BETWEEN

City of Kelowna
1435 Water Street
Kelowna, B.C.
V1Y 1J4

(the "City")

AND

Swoop Inc. (Inc. No. A0105961)
330, 4311 12 Street NE
Calgary, AB
T2E 4P9

(the "Air Carrier")

WHEREAS:

- A. The City is the operator of the Kelowna International Airport (the "Airport") located in the City of Kelowna, Province of British Columbia;
- B. The Air Carrier is desirous of using, in common with others, the Airport;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the fees, charges, covenants, and agreements to be paid, observed, and performed by the Air Carrier, and other good and valuable consideration (the receipt and sufficiency of which are hereby expressly acknowledged) the City and the Air Carrier covenant and agree as follows:

Article 1.00 - Purpose

- 1. The City covenants that provided the Air Carrier pays all monies due under this Agreement and performs the covenants herein on its part contained, the Air Carrier may:
 - 1.1. Operate its business or a part thereof at the Airport;
 - 1.2. Use, in common with others so authorized, the runways, taxiways, navigational aids and other common use landing field facilities of the Airport, for its aircraft landings and takeoffs required in connection with the operation of its air transportation business to and from the Airport;
 - 1.3. Possess the right of access from the Airport as made necessary by the Air Carrier's operations over, and upon streets, roads, paths, hallways, corridors or open spaces only, provided that the right herein defined shall not be exercised in such

manner and to such extent as to impede or interfere with the operation of the Airport by the City, its lessees, air carriers or others; and

- 1.4. On and off load its passengers or cargo from such areas of the Airport as the Airport Director may from time to time designate. Such assignment of areas shall not constitute any pre-emptive or exclusive right to areas designated. When traffic conditions are such that the areas are in use, the Air Carrier may use other areas designated by the Airport Director if, by such use, others are not inconvenienced or disturbed.

Article 2.00 - Term of Agreement

2. The term of this Agreement shall commence on the 24th day of May, 2019 and shall continue to be in effect until terminated as hereinafter provided.
 - 2.1. This Agreement may be terminated at any time by the City in the absolute discretion of the Airport Director. Termination shall be effected by providing up to thirty (30) days prior written notice to the Air Carrier and upon the date of termination specified in the notice all rights of the Air Carrier pursuant to this Agreement shall thereupon cease.
 - 2.2. The Air Carrier may terminate this Agreement by giving thirty (30) days prior written notice to the Airport Director.
 - 2.3. This Agreement may be terminated by the mutual written consent of the parties without notice.
 - 2.4. The Air Carrier shall forthwith cease to carry on business or operation at the Airport as of the effective date of termination of this Agreement.

Article 3.00 - Conduct of Business

3. The Air Carrier covenants and agrees with the City to the terms and conditions set forth below at all times during the term of this Agreement and agrees that non-compliance with any such term or conditions at any time during the term of this Agreement shall constitute grounds for termination of this Agreement by the City by written notice to the Air Carrier, or such other remedy as the City, in its discretion, may deem appropriate. The Air Carrier waives any notice of default or termination not expressly provided for in this Agreement.
 - 3.1. The Air Carrier shall hold all required valid and subsisting agreements, certificates or permits from the federal government to provide commercial air transportation services to the routes it is serving to and from the Airport.
 - 3.2. The Air Carrier shall abide by and comply promptly with all laws, regulations, orders, rules, requirements and recommendations which may be applicable to the Air Carrier or to the use of the Airport, made by any and all federal, provincial, civil, municipal and other authorities or association of insurance underwriters or agents and all notices in pursuance of same and whether served

upon the City or the Air Carrier, but if served upon the City alone, only if notice thereof is given to the Air Carrier.

- 3.3. The Air Carrier shall comply forthwith and cause its directors, officers, employees and agents to comply with any direction of the Airport Director with respect to matters which, in the opinion of the Airport Director, concern safety, security or matters of urgency.
- 3.4. The Air Carrier shall observe and obey all reasonable rules and regulations not conflicting with the provisions of this Agreement as may now exist or may be promulgated from time to time by the Airport Director, provided that such rules and regulations shall be furnished in writing to the Air Carrier.
- 3.5. The Air Carrier shall maintain strict control over all security passes issued to the employees or agents of the Air Carrier; follow any direction of the Airport Director with respect to security measures; and report forthwith to the Airport Director any loss or misuse of security passes or the termination of its employees or agents.
- 3.6. The Air Carrier shall not, under this Agreement, conduct a separate business on or about the Airport, nor shall it offer, supply, sell or give away, whether singly or in conjunction with its air transportation business, any service or commodity other than usual food or beverages in the course of a flight unless authorized in writing by the Airport Director.
- 3.7. The Air Carrier shall, before commencing operations and subject to the approval of the Airport Director, make and maintain:
 - a) Arrangement for fuelling and ground handling; and
 - b) Provide to the Airport Director for approval, a written proposal of the Air Carrier's policy and procedures with respect to the handling and containment, clean-up, and disposal of dangerous goods and hazardous materials, including aircraft fuel and oil, de-icing chemicals and other potential pollutants at the Airport.
- 3.8. Subject to the approval of the Airport Director, the Air Carrier shall make and maintain arrangements for the use of gate/apron space, ticket counter and baggage claim.
- 3.9. The Air Carrier shall provide to the City, not later than the fifth day of each month, a report of the Air Carrier's operations at the Airport during the preceding month (Schedule C), separately setting forth the total number of enplaning and deplaning domestic and international passengers (including on-line and interline passengers) carried by the Air Carrier during the preceding month and the number of landings by the Air Carrier by type of aircraft. The Air Carrier shall also provide such other information on its operation in such form and at such times as may be required by the Airport Director. It is understood by the parties that such information will, with the exception of its inclusion in overall statistical totals, be kept confidential by the City, subject to applicable law.

- 3.10. The Air Carrier shall submit proposed schedules to the Airport Director in writing for the winter/spring period no later than June 15th, and for the summer/fall period no later than November 15th.
- 3.11. The Air Carrier shall at its own expense and cost, procure and maintain the insurance policies listed below with limits no less than those shown in the respective items, unless in connection with the performance of some particular part of this Agreement, the City advises in writing that it has determined that the exposure to liability justifies less limits. The insurance policy or policies shall be maintained continuously from commencement of the Agreement until the termination of this Agreement or such longer period as may be specified by the City acting reasonably.

As a minimum, the Air Carrier shall, without limiting its obligations or liabilities under any other contract with the City, procure and maintain, at its own expense and cost, the following insurance policies:

- a) Aviation Premises/Operations Liability Insurance providing for all sums which the Air Carrier shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to the operations carried on in connection with this Agreement. This insurance shall include but not be limited to aircraft liability, passenger legal liability, personal injury, premises liability, baggage and cargo liability and such other coverage as may from time to time be generally issued by insurance companies to airlines in connection with their airport operations. Limits of liability for this insurance shall not be less than an inclusive limit of twenty-five million dollars (\$25,000,000.00) for each occurrence or accident, or such greater amount as required by law or regulation applicable to the Air Carriers;
 - b) Automobile Liability Insurance covering all motor vehicles, owned, operated and used or to be used by the Air Carrier directly or indirectly in the performance of this Agreement. The Limit of Liability shall not be less than five million dollars (\$5,000,000.00) inclusive, for loss or damage including personal injuries and death resulting from any one accident or occurrence.
- 3.12 The policy required by section 3.11 above shall
- 3.12.1 provide that the City is named as an Additional Insured with respect to the Premises Liability at the Kelowna International Airport;
 - 3.12.2 provide that said policy is primary without any right of contribution from any insurance otherwise maintained by the City; and
 - 3.12.3 shall include a Cross Liability clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other Insured thereunder, in respect to any claim, demand, suit or judgment made against any other Insured.

- 3.13 The Air Carrier agrees to submit a Certificate of Insurance (Schedule A) to the Airport Director prior to commencement of this Agreement. The Certificate shall provide that 30 days' written notice shall be given to the Airport Director prior to any material changes or cancellations of any such policy or policies.
- 3.14 After reviewing the Air Carrier's Certificate of Insurance, the City may require other insurance or alterations to any applicable insurance policies in force during the period of this Agreement and will give notification of such requirement. Where other insurances or alterations to any insurance policies in force are required by the City and result in increased insurance premium, such increased premium shall be at the Air Carrier's expense.
- 3.15 The Air Carrier may take out such additional insurance, as it may consider necessary and desirable. All such additional insurance shall be at no expense to the City.
- 3.16 All insurance which the Air Carrier is required to obtain with respect to this Agreement shall be with insurance companies registered in and licensed to underwrite such insurance in the province of British Columbia.
- 3.17 If the Air Carrier fails to do all or anything which is required of it with regard to insurance, the City may do all that is necessary to effect and maintain such insurance, and any monies expended by the City shall be immediately due and payable by the Air Carrier to the City upon demand. For this purpose, the Air Carrier expressly authorizes the City to deduct such amounts from any monies owing by the City to the Air Carrier.
- 3.18 The failure or refusal to pay losses by any insurance company providing insurance on behalf of the Air Carrier shall not be held to waive or release the Air Carrier from any of the provisions of of this Agreement, including Article 7, with respect to the liability of the Air Carrier. Any insurance deductible maintained by the Air Carrier under any of the insurance policies is solely for its account and any such amount incurred by the City will be recovered from the Air Carrier as stated in section 3.17.
- 3.19 The Air Carrier shall pay or cause to be paid all rates, taxes and assessments, of whatsoever description that may at any time during the existence of the Agreement be lawfully imposed, or become due and payable by the Air Carrier.
- 3.20 The Air Carrier shall pay to the City all applicable aircraft landing, parking and terminal fees as amended from time to time.
- 3.21 The Air Carrier shall collect and remit to the City an Airport Improvement Fee (AIF) from all departing enplaned passengers in the amount of \$20.00 Canadian in accordance with the Memorandum of Agreement (MOA) between the Air Transport Association of Canada and Signatory Air Carriers and Certain Airports including the Kelowna International Airport dated September 23, 1997 and as amended from time to time. The amount of AIF collected may be adjusted from time to time by the City as provided for in the MOA (Article 6.2) and included in the City of Kelowna Airport Fees Bylaw No. 7982 (Section 22). The AIF shall be

remitted monthly along with an Airport Improvement Fee Monthly Remittance Form (Schedule B) indicating the current month departing enplaning passengers (DEPAX), the addition of applicable tax(es), and the quantities of DEPAX who purchased tickets, including paperless tickets which are kept in electronic form, in North America and outside North America. The remittance form shall be signed and dated by an authorized representative of the Air Carrier. The Air Carrier will remit the amount shown on the Remittance Form.

3.21.1 The obligation to collect and remit an AIF will not apply to:

- a) those passengers continuing a journey less than four hours after arrival at the Airport for domestic Canada and transborder itineraries and continuing a journey less than 24 hours after arrival at the Airport for international itineraries. A passenger will be considered to be continuing a journey even though multiple air carriers may participate in the itinerary on one or more air carrier ticket(s);
- b) airline employees travelling on business, including duty travel of crews of one air carrier on another air carrier;
- c) infants under two years of age for whom no ticket was purchased, even though a no cost ticket may have been issued in the name of the infant;
- d) those customers travelling on passes or other travel documents with discount codes ID/IN. However, customers travelling on frequent flier mileage redemption programs or promotional tickets (such as two for one tickets) do not qualify as ID passengers within the meaning of this clause 3.21.1 d).

3.21.2 Regardless of which air carrier sells a ticket to a DEPAX passenger or whose designator code is on the passenger's ticket, the air carrier on whom the DEPAX passenger actually travels shall be the party responsible for the collection and remittance of the AIF for that DEPAX passenger.

- 3.22 The Air Carrier shall, without limiting the liability of the Air Carrier under this Agreement or otherwise, pay to the City all costs of the City in using City employees, agents, equipment, and materials, plus a reasonable administrative charge, arising out of the Air Carrier's operations and activities at the Airport or in any way related to this Agreement and all costs associated with damage to or destruction caused by the Air Carrier of the property of the City, including but not limited to fuel, oil and other spills.
- 3.23 The Air Carrier shall pay all other fees or charges to the City arising out of the Air Carrier's operation or activities at the Airport, including any sums for employee parking, identification badges, keys and the like.
- 3.24 For overdue amounts owing to the Airport, the Air Carrier shall pay interest thereon at the rate of 1.5 percent per month (equivalent to 18.00 percent per annum) or such other rate which the City shall determine from time to time in its absolute discretion to reflect prevailing interest rates until the amount of the default and all interest thereon have been paid. All interest shall be calculated

daily and compounded monthly and shall apply retroactively from the due date for payment.

- 3.25 In the event the City shall prevail in any action for the enforcement of any of its rights under this Agreement, the Air Carrier shall pay the City such reasonable legal costs, in addition to any other debt or damages recoverable in such action. This provision shall survive the expiry or earlier termination of this Agreement.
- 3.26 Before commencing operations, the Air Carrier shall provide the Airport Director with a security deposit calculated to be the sum of three (3) months landing fees plus general terminal fees based upon the proposed schedule(s) submitted to the Airport Director plus all other related fees and charges pursuant to the City's Bylaw No. 7982 (the "Security Deposit").
 - a) The Security Deposit shall be in the form of cash, bank draft, certified cheque, or irrevocable letter of credit in a form acceptable to the City. Interest will not be paid when the Security Deposit is remitted in the form of an irrevocable letter of credit. Where payable, interest will be calculated at a rate determined by the City. In the case of a letter of credit, if the Air Carrier fails to provide the Airport Director with a renewal or replacement letter of credit at least sixty (60) days prior to the date on which such previous letter of credit expires, then the City shall have the right to terminate this Agreement by written notice to the Air Carrier.
 - b) The Security Deposit plus interest will be retained by the City for the term of this Agreement or until the Agreement otherwise comes to an end, whichever comes first, and thereupon shall be returned to the Air Carrier or shall be credited to its account. However, if the Air Carrier fails to pay any sums herein described and/or impairs or damages the Airport or any part thereof during the term of this Agreement, the City may apply the Security Deposit and accrued interest, if any, or any part thereof, to the arrears of sums and/or damages and injuries incurred by the City. If the Security Deposit is so applied by the City, then within fifteen (15) days of having received written notification, the Air Carrier shall restore the Security Deposit to the amount as provided herein. The application of the Security Deposit and interest by the City shall not constitute a waiver nor in any way defeat or affect the rights and remedies which the City has in law.
 - c) The Air Carrier represents and warrants that the monies deposited with the City as the Security Deposit are not subject to any existing encumbrance, charge, or security agreement.
 - d) The Air Carrier covenants and agrees that it will not assign or encumber nor attempt to assign or encumber the Security Deposit and that the City shall not be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

- e) The City shall have the right on at least thirty (30) days' prior written notice to the Air Carrier to increase or decrease the amount of the Security Deposit that the Air Carrier is required to maintain hereunder so that such amount represents the amount that the City estimates would be payable under this section if the Security Deposit were payable as of the date of the notice. If the Air Carrier does not provide the City, prior to the expiration of such thirty (30) day period, with the full amount of any such increase in the form of a Security Deposit, then the City shall have the right to terminate this Agreement by written notice to the Air Carrier.
 - f) The provisions of this Agreement related to the Security Deposit shall survive the expiry or earlier termination of this Agreement.
- 3.27 The Air Carrier shall at all times maintain the airside surfaces free of all foreign objects and litter, and shall whenever directed to do so by the Airport Director, remove immediately from the airside surfaces or a portion thereof all of its equipment and anything related to its operations.
- 3.28 The Air Carrier shall require its personnel and employees to maintain and keep the areas of the Airport used by it in the loading and unloading of its passengers or cargo in a neat, clean and orderly condition, free from litter, debris, refuse, petroleum products or grease that may accumulate thereon as a result of the use of the said areas by its passengers, or its employees, contractors, or others servicing and operating its aircraft.
- 3.29 The Air Carrier shall immediately remove any aircraft owned or operated by the Air Carrier that, through accident or for any other reason, becomes disabled or are abandoned in any area which could interfere with the continuous normal operations of any of the Airport landing and field facilities to such location as shall be designated by the Airport Director unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agencies of the federal government.
- Should the Air Carrier fail to immediately remove such disabled aircraft as herein provided, or should aircraft owned or operated by the Air Carrier be allowed to remain on the Airport beyond the needs of normal operation, the City shall have the right to remove such aircraft by any means the City deems necessary under the circumstances, and the Air Carrier shall indemnify and save harmless the City, its officers, officials, employees and agents from any and all costs, liability, damage or expense, including all reasonable legal costs and storage costs incurred by the City or claimed by anyone by reason of removal of such aircraft.
- 3.30 The Air Carrier shall comply with the Airport's noise management and abatement program and with any procedures or directions of the Airport Director with respect to noise management and abatement at the Airport.
- 3.31 The Air Carrier shall comply with the City of Kelowna Local Airport Traffic Directives for the operation of vehicles on airport movement areas, as published

by the Airport Director, or any revision or amendment as made from time to time.

- 3.32 The Air Carrier shall provide resources and services for disabled persons in accordance with the *Canada Transportation Act* and Regulations made under the *Canada Transportation Act*.
- 3.33 The Air Carrier shall provide its employees and agents who may interact with travelling public at the Airport with training in accordance with the *Personnel Training Regulations for the Assistance of Persons with Disabilities* ("Regulations") as set out in the *Canada Transportation Act*.
- 3.34 In accordance with the *Official Languages Act* and Regulations made under the *Official Languages Act*, the Air Carrier shall ensure that all signs are provided in both English and French, with equal prominence given to the two languages.
- 3.35 The Air Carrier shall obtain the written approval of the Airport Director for all signs and advertising materials including lettering and other advertising media erected, installed or placed in the Airport and the Air Carrier shall conform to the aesthetic standards of the Airport and any direction the Airport Director may make from time to time with respect to displays and advertising signs and the Air Carrier shall pay the costs of installing, maintaining, changing and removing all such signs or displays.
- 3.36 The Air Carrier shall not cause or allow air freight and cargo items, excluding passenger luggage and related articles, to be handled through the Air Terminal Building unless approved in writing by the Airport Director.

Article 4.00 - Default

- 4. It shall constitute default of the terms of this Agreement and justification for immediate termination by the City upon the occurrence of the following:
 - 4.1 The Air Carrier fails to observe or perform any of its covenants and obligations under this Agreement and the Air Carrier has not within fifteen (15) days or sooner in the case of emergency or necessity (as determined in the discretion of the Airport Director) after notice from the City specifying the default, cured the default, or if the cure reasonably requires a longer period, the Air Carrier has not commenced diligently remedying the default or cured the default within a reasonable period as determined by the Airport Director, in his or her sole discretion; or
 - 4.2 The Air Carrier becomes bankrupt or insolvent or takes the benefit of any legislation in force for bankrupt or insolvent debtors; or
 - 4.3 The making or entering into by the Air Carrier of any assignment for the benefit of creditors; or
 - 4.4 Proceedings are instituted for the winding-up or termination of the corporate existence of the Air Carrier; or

- 4.5 The levy of any attachment, execution, appointment of a receiver or other process of court by which the operating rights herein granted may be claimed or attempted to be held and used by any person by reason thereof, whether such person is an officer or appointee of court or otherwise, or any attempted assignment of this Agreement by operation of law; or
- 4.6 Any violation or disregard of the provisions of this Agreement which endangers safety, security, life or property on the Airport.

Article 5.00 - Assignment

- 5.1 The Air Carrier may not assign this Agreement or the benefit of this Agreement without the City's prior consent in writing. The City may withhold such consent at its sole discretion and without reason. The Air Carrier shall be responsible for all costs associated with any assignment of this Agreement, including the City's associated legal and administrative costs.
- 5.2 If, after the date of execution of this Agreement, shares in the authorized share structure of the Air Carrier are transferred by sale, assignment, bequest, inheritance, operation of law or other disposition, or are issued by subscription or allotment or are cancelled or redeemed so as to result in a change in the effective voting or other control of the Air Carrier from the person or persons holding control on the date of execution of this Agreement or if other steps are taken to effect a change of control, such change of control will be considered to be an assignment of this Agreement to which this section applies.
- 5.3 The acceptance of any monies from or the performance of any obligation hereunder by a person other than the Air Carrier shall not be construed as an admission by the City to any right or interest of such person as an assignee, transferee or otherwise in the place of the Air Carrier.

Article 6.00 - Waiver or Non-Action

- 6. The acceptance of the City of a part payment of any sums required to be paid hereunder shall not constitute waiver or release of the right of the City to payment in full of such sums or a waiver of any other right of the City or obligation of the Air Carrier. A waiver of any breach of any Air Carrier obligation under this Agreement by the Air Carrier shall not be considered effective unless in writing and signed by the Airport Director and no waiver shall operate as a waiver of a subsequent breach.

Article 7.00 - Hold Harmless/Indemnification/Claims

- 7. The Air Carrier:
 - 7.1 Shall be liable for all loss, costs, damages, and expenses whatsoever incurred or suffered by the City, its elected officials, officers, employees and agents (the "Indemnitees") including but not limited to damage to or loss of property and loss of use thereof, and injury to or death of a person or persons resulting from or in connection with the performance, purported performance, or non-

performance of this Agreement by the Air Carrier, excepting only where such loss, costs, damages and expenses are as a result of the sole negligence of the Indemnitees.

- 7.2 Shall defend, indemnify and hold harmless the Indemnitees from and against all claims, demands, actions, proceedings, and liabilities whatsoever and all costs and expenses incurred in connection therewith and resulting from the performance, purported performance, or non-performance of this Agreement by the Air Carrier, excepting only where such claim, demand, action proceeding or liability is based on the sole negligence of the Indemnitees.
- 7.3 Expressly waives any and all claims for compensation for any and all loss or damage sustained by reason of any defect, deficiency or impairment or any of the services to or in any space at the Airport, including but not limited to, power, gas, telephone, steam, heating, air conditioning, water supply system, drainage or sewerage systems, or dome wires leading to or inside of any space used, or by reason of any loss resulting from the failure of any such system or facilities which may occur from time to time from any cause, and the Air Carrier hereby expressly releases and discharges the Indemnitees from any and all demands, claims, actions and causes of action arising from any of the causes aforesaid.
- 7.4 All indemnities in favour of the City under this Agreement shall survive the expiry or earlier termination of this Agreement.

Article 8.00 - Members of the House of Commons

8. No member of the House of Commons of Canada shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

Article 9.00 - Choice of Law and Jurisdiction

9. This Agreement shall be construed according to the laws of the Province of British Columbia.

Article 10.00 - Entire Agreement

10. The provisions in this Agreement constitute the entire agreement between the parties and supersede all previous communications, representations, warranties, covenants or agreements, whether verbal or written, between the parties with respect to the subject matter of the Agreement. This Agreement may be altered or amended only by written instrument executed by both parties hereto.

Article 11.00 - Bribes

11. The Air Carrier hereby confirms that it has not, nor has any person on its behalf, given, promised or offered to any official or employee of the City for, or with a view to, obtaining the rights granted herein any bribe, gift or other inducement and that it has not, nor has any person on its behalf, employed any person to solicit or secure the rights granted herein upon any agreement for a commission, percentage, brokerage or contingent fee.

Article 12.00 - Interpretation

12. In this Agreement:
 - 12.1 reference to the singular includes a reference to the plural and vice versa, unless the context requires otherwise;
 - 12.2 a particular numbered section or lettered schedule is a reference to the correspondingly numbered section or lettered schedule of this Agreement;
 - 12.3 an "enactment" is a reference to an enactment as that term is defined in the Interpretation Act (British Columbia) on the day this Agreement is made;
 - 12.4 any enactment is a reference to that enactment as amended, revised, consolidated or replaced;
 - 12.5 section headings are inserted for ease of reference and are not to be used in interpreting this Agreement;
 - 12.6 The following are schedules to this Agreement and form an integral part of this Agreement:

Schedule A - Certificate of Insurance
Schedule B - AIF Monthly Remittance Form
Schedule C - Passenger Statistics Form
 - 12.7 a "party" is a reference to a party to this Agreement;
 - 12.8 time is of the essence; and
 - 12.9 where the word "including" is followed by a list, the contents of the list shall not circumscribe the generality of the expression immediately preceding the word "including".

Article 13.00 - Differences

13. All matters of difference arising between the City and the Air Carrier in any matter connected with or arising out of this Agreement whether as to interpretation or otherwise, shall be determined by the Agreement but without prejudice to any recourse available under law.

Article 14.00 - Effect of Agreement

14. This Agreement and everything herein contained shall enure to the benefit of and be binding upon the successors of each of the parties hereto, and where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by the context, and all covenants and obligations shall be deemed joint and several.

Article 15.00 - No Implied Obligations

15. No implied terms or obligations of any kind by or on behalf of the City shall arise from anything in this Agreement and the express covenants and agreements herein contained and made by the City are the only covenants and agreements upon which any rights against the City may be founded.

Article 16.00 - Notices

16. Where any notice, request, direction or other communication (any of which is a "Notice") is to be given or made by a party under the Agreement, it shall be in writing and will be validly given or sufficiently communicated if delivered in person or forwarded by registered mail, priority post mail, or sent by email to the parties' respective addresses, as follows:

To the City: City of Kelowna
Kelowna International Airport
#1 5533 Airport Way
Kelowna, BC, V1V 1S1

Email: ylwadmin@kelowna.ca

Attention: Airport Director

To the Air Carrier: Swoop
330 4311 12 Street NE
Calgary, AB
T2E 4P9

Email: Michael.Parker@flyswoop.com

Attention: Michael Parker, Senior Manager, Operations

Such addresses may be changed from time to time without formally amending this Agreement by either party giving notice as above provided.

If any question arises as to whether any notice was or was not communicated by one party to the other, it will be deemed to have been effectively communicated or given on the day delivered or in the case of being given by mail, on the fifth day after it was mailed.

Article 17.00 - Definitions

17. In this Agreement:
- 17.1 "Airport Director" means the Airport Director or the person acting on his or her behalf at the Kelowna International Airport;

- 17.2 "Agreement" means this agreement and includes all schedules and all amendments and renewals if any from time to time.

Article 18 - Counterparts

18. This Agreement may be executed by the parties in counterpart, and the counterparts may be delivered by facsimile or email transmittal.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

CITY OF KELOWNA

By its authorized signatory(ies)

Mayor

City Clerk

SWOOP

By its Authorized signatory(ies):



Steven Greenway, President



Kelowna International Airport

SCHEDULE A

File No. 1140-50

This Certificate is issued to:

The City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4

Insured

Name:	SWOOP
Address:	330 4311 12 Street NE, Calgary, AB, T2E 4P9

Broker

Name:
Address:

Location and nature of operation or contract to which this Certificate applies:

Operations by Swoop as an air carrier at the Kelowna International Airport as covered under the Air Carrier Airport Use Agreement between Swoop and the City of Kelowna.

Type of Insurance	Company & Policy Number	Policy Dates		Limits of Liability/Amounts
		Effective	Expiry	
Section 1 Comprehensive General Liability including: <ul style="list-style-type: none">• Aviation Premises/Operations Liability;• Blanket Contractual;• Contractor's Protective;• Personal Injury;• Contingent Employer's Liability;• Broad Form Property Damage;• Non-Owned Automobile;• Cross Liability Clause.				Bodily Injury and Property Damage \$ <u>25,000,000</u> Inclusive \$ _____ Aggregate \$ _____ Deductible
Section 2 Automobile Liability				Bodily Injury and Property Damage \$ <u>5,000,000</u> Inclusive

It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:

1. Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Kelowna and shall be the sole responsibility of the Insured named above.
2. The City of Kelowna is named as an Additional Insured.
3. 30 days prior written notice of material change and/or cancellation will be given to the City of Kelowna.

Print Name _____

Authorized Signatory _____

Date _____

CITY OF KELOWNA
KELOWNA INTERNATIONAL AIRPORT

AIRPORT IMPROVEMENT FEE

MONTHLY REMITTANCE FORM

Air Carrier: Swoop

Month/Year: _____

Current Month DEPAX: _____ X \$ 20.00 = \$ _____
(AIF Rate) (Gross Remittance)

Gross AIF
Remittance
(Per Above)

Before Tax \$ _____

5% GST \$ _____

Total \$ _____

Authorized Air Carrier Representative

1. DEPAX who purchased ticket
In North America

Signature

2. DEPAX who purchased ticket
Outside North America

Title

3. Total DEPAX reported this
Month (1 + 2 = 3)

Date



Passenger Statistics Report

For the Month of: _____

YLOW	Enplaning Pax	Connecting Pax	Deplaning Pax	Total Pax	Number of Flights
Domestic					
Transborder					

YLOW Total	0	0	0	0	0
------------	---	---	---	---	---

Certified Correct: _____

Position: _____

Date: _____

Kelowna International Airport
1 – 5533 Airport Way
Kelowna, BC V1V 1S1



ylw.kelowna.ca

Report to Council



Date: May 13, 2019
File: 0710-30
To: City Manager
From: Mariko Siggers, Community & Neighbourhood Services Manager
Subject: 2019 Community Social Development Grants

Recommendation:

THAT Council receives, for information, the report from the Community & Neighbourhood Services Manager dated May 13, 2019, regarding the distribution of the Community Social Development Grants.

Purpose:

To provide Council with background information about the Community Social Development Grants, the grant review process and the decision of the Grant Review Committee regarding the distribution of the 2019 program funds.

Background:

The Community Social Development Grants provide assistance to community organizations for the purpose of improving the social well-being and resiliency of the community. Organizations funded through Community Social Development Grants focus on an approach that is responsive to social needs, strengthens and stabilizes family and community life and improves peoples' abilities to identify and act on their own social needs.

The annual budget for the Community Social Development Grant is \$187,000. The Central Okanagan Foundation (COF) has been contracted by the City since 2005 to administer an arms-length, independent evaluation process for the social grants. This relationship is governed by an annual Memorandum of Understanding.

COF is responsible for establishing a Grant Review Committee and providing oversight to this committee. The Grant Review Committee evaluates submitted grant applications based on parameters established through Council Policy 218 and the Community Social Development Grant Guidelines. Award amounts are determined based on the applicants' ability to demonstrate how the objectives of

the grant program will be met and to clearly identify how the funds will be used. Applications that do not demonstrate this are given partial or no funding.

Applicants can apply to one of two different streams within the Community Social Development Grant program:

Grant	Purpose	Funding Levels
Operational Grants	Assist with expenditures incurred funding the operation and/or delivery of existing programs	A maximum of 25% of the organization's operating budget
Project Grants	Assist with special events or to operate short term programs or projects	A maximum of 50% of the costs of the project

The 2019 deadline for grant applications was February 22, 2019. Following that, the Grant Review Committee had a number of weeks to review the submissions before vetting as a group on April 3, 2019. In total, the committee reviewed 23 applications totaling almost \$360,000 in requests. After a thorough evaluation process, the committee awarded 12 grants totaling \$187,000.

A list of the grant recipients and a brief description of the project or organization is included in Attachment A and has been summarized below:

	Organization	Amount Awarded	Type of Grant	Funding Level
1	Autism Okanagan	\$7,500	Operational	Partial
2	Canadian Mental Health Association, Kelowna	\$7,500	Operational	Full
3	Central Okanagan Elizabeth Fry Society	\$12,000	Operational	Partial
4	Central Okanagan Nutrition Society	\$2,500	Operational	Partial
5	Freedom's Door	\$30,000	Operational	Full
6	Hands in Service	\$25,000	Operational	Full
7	John Howard Society of the Central & South Okanagan	\$22,000	Operational	Partial
8	Karis Support Society	\$15,000	Operational	Full
9	Kelowna & District SHARE Society	\$3,000	Operational	Partial
10	Kelowna Pride Society	\$20,000	Operational	Full
11	NOW Canada	\$36,000	Operational	Full
12	Project Literacy	\$6,500	Project	Full
	Total	\$187,000		

Total Grant Applications Received: 23
 Total Grant Applications Funded: 12
 Total Funds Distributed: \$187,000

Total Funds Requested: \$358,199
 2019 Grant Funding Available: \$187,000

Applicants have all been notified of the decisions. Unsuccessful applicants received feedback as to how the decision was reached and how they can improve their application for next time. Successful applicants must sign a Letter of Agreement outlining the terms and conditions of the grant and show

proof of adequate liability insurance before any funds will be released. A final report is required within 90 days of the end of the grant term and will include the following information:

- how the agreed upon measureable performance targets were met,
- project statistics and supplementary data as they relate to project goals, objectives and outcomes,
- a financial statement certified correct by the directors of the agency or an independent auditor, showing all revenue and expenses related to the project and detailing how the grant funds were dispersed.

Next Steps

As the social health of our community continues to be a high priority, this grant program plays a critical role in enabling local organizations to address some of the key issues facing our community.

Internal Circulation: Divisional Director, Active Living & Culture; Divisional Director, Communications Advisor; Social Development Manager

Existing Policy:

Council Policy 218 Community Social Development Grants
Council Policy 360 Social Policy

Financial/Budgetary Considerations:

Allocated in the Community & Neighbourhood Services branch the annual budget is \$187,000 for Community Social Development Grants and \$15,000 for contracted services for grant administration.

External Agency/Public Comments:

This report has been prepared in consultation with the Central Okanagan Foundation in their role as the contractor providing arms-length administration and review of this grant program.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Personnel Implications
Communications Comments
Alternate Recommendation

Submitted by:

M. Siggers, Community & Neighbourhood Services Manager

Approved for inclusion: J. Gabriel, Divisional Director, Active Living & Culture

Attachments:

Appendix A: Report from the Central Okanagan Foundation
Presentation: 2019 Community Social Development Grants

Cc: Divisional Director, Corporate Strategic Services
Divisional Director, Financial Services

May 6.2019

Mayor Basran & Council
1435 Water Street
Kelowna, BC
V1Y 1J4


Dear Mayor Basran & Council:

This report contains the approved recipients for the 2019 City of Kelowna, Community Social Development Grant program to be presented to City of Kelowna Council on May 13.2019.

A total of twenty three grant applications were received for the Community Social Development grant program. There was \$187,000.00 available to fund and the total amount requested was \$358,199.00. Twelve applicants received final approval for a total of \$187,000.00 to be allocated.

The City of Kelowna / Central Okanagan Foundation review committee approved the attached grant applications from their meeting on April 3.2019.

Respectfully submitted,



Cheryl Miller
Director, Grants & Community Initiatives
Central Okanagan Foundation

2019 Community Social Development Grants

- 1. Autism Okanagan**
Operational/Partial
Approved: \$ 7,500
To improve the quality of life for individuals and families living with autism by providing information, resources, education, training, programs and activities in an autism-friendly environment.
- 2. Canadian Mental Health Association, Kelowna**
ArtWorks program- Operational/Full
Approved: \$ 7,500
Designed to support individuals in our community experiencing a mental health problem or illness in their recovery through creative learning and expression, social inclusion, and connection.
- 3. Central Okanagan Elizabeth Fry Society**
Adult Sexual Assault Trauma Counselling -Operational/Partial
Approved: \$12,000
Free service for adult survivors of sexual abuse and survivors of recent sexual assault.
- 4. Central Okanagan Nutrition Society (formerly Meals on Wheels)**
Operational/Partial
Approved: \$2500
Meals on Wheels is committed to building a better community by supporting independence and quality of life through the promotion of health and wellbeing for seniors.
- 5. Freedom's Door**
Next Steps program – Operational/Full
Approved: \$30,000
Wrap around program to provide essential counselling services for men experiencing co-occurring mental health and substance disorder.
- 6. Hands in Service**
Operational/Full
Approved: \$25,000
Recommended to apply for the City of Kelowna, Organization Development Grant
Operational funds towards services for at risk adults 19 to 65 years and their families experiencing social, financial, health, mobility and diverse-ability limitations for the basic housekeeping services; with access to food and resource information.
- 7. John Howard Society of the Central and South Okanagan**
Restorative Justice program -Operational/Partial
Approved: \$22,000
Restorative Justice embraces the premise that crime and conflict break relationships and cause harm to communities. Rather than a punishment based response, a voluntary process is undertaken including both the person who has caused the harm and the ones harmed to determine how to make things right.

- 8. Karis Support Society**
Women's Recovery program - Operational/Full
Approved: \$15,000
This is a facilitated, recovery-focused parenting program offering resources, information and skill development opportunities for women transitioning from a life of addiction to a life of recovery.
- 9. Kelowna & District SHARE Society**
DRIP program - Operational/Partial
Approved: \$ 3,000
Recommended to apply for the City of Kelowna, Organization Development Grant
An innovative and collaborative approach to providing employment preparation and skills training to small groups (6-8) of young people, under the age of 25 years, with diverse-abilities, in recovery, or otherwise in transition .
- 10. Kelowna Pride Society**
Operational/Full
Approved: \$20,000
Kelowna Pride Society is committed to serving Kelowna's LGBT2Q+ community. Creating events and offering programs to connect and advocate for equity, inclusion and acceptance within the Okanagan Valley and beyond.
- 11. NOW Canada**
Essentials -safe housing program - Operational/Full
Approved: \$36,000
This program provides safe housing with supports linked to daily life-skills sessions and one on one individualized case planning for women and female youth who wish to leave a life of addiction, abuse and homelessness.
- 12. Project Literacy**
Unplug and Play Event - Project/Full
Approved: \$6,500
Annual community event that takes place during Family Literacy Week that promotes literacy, creativity and healthy play for families with young children.



2019 Community Social Development Grants

May 2019



Purpose

- ▶ Community Social Development Grants
 - ▶ Improve the social well-being and resiliency of the community
 - ▶ Respond to social needs
 - ▶ Strengthen and stabilize family and community life
 - ▶ Improve peoples' abilities to identify and act on their own social needs

Grant Program

- ▶ Annual budget is \$187,000
- ▶ Central Okanagan Foundation administers the program based on guidelines and Policy 218
 - ▶ Establishes a grant review committee
 - ▶ Evaluates and awards applications
- ▶ Operating and Project Grants

2019 Grant Review

Grant Applications Received	• 23
Total Funds Requested	• \$358,199
Number of Grant Applications Funded	• 12
2019 Grant Funding Available	• \$187,000
Total Funds Distributed	• \$187,000

2019 Recipients

	Organization	Amount Awarded	Type of Grant	Funding Level
1	Autism Okanagan	\$7,500	Operational	Partial
2	Canadian Mental Health Association, Kelowna	\$7,500	Operational	Full
3	Central Okanagan Elizabeth Fry Society	\$12,000	Operational	Partial
4	Central Okanagan Nutrition Society	\$2,500	Operational	Partial
5	Freedom's Door	\$30,000	Operational	Full
6	Hands in Service	\$25,000	Operational	Full
7	John Howard Society of the Central and South Okanagan	\$22,000	Operational	Partial
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9	Kelowna & District SHARE Society	\$3,000	Operational	Partial
10	Kelowna Pride Society	\$20,000	Operational	Full
11	NOW Canada	\$36,000	Operational	Full
12	Project Literacy	\$6,500	Project	Full
	Total	\$187,000		



Questions?

For more information, visit kelowna.ca.

CITY OF KELOWNA

BYLAW NO. 11804

Amendment No. 32 to Traffic Bylaw No. 8120

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Traffic Bylaw No. 8120 be amended as follows:

1. THAT **PART 1 – INTRODUCTIONS, 1.4 Definitions** be amended by adding new definitions in their appropriate locations as follows:

“Bikeshare Service” means a system of bikeshare devices, placed in the public right-of-way, available for customers to rent.

“Bikeshare Device” means a personal device, under 500 kilograms, with any number of wheels on which a person may ride that is propelled by human or electric power such as, but not limited to, **cycle**, and **electric cycle**.

“Electric Cycle means a device having any number of wheels that is propelled by electric power and on which a person may ride.”

2. AND THAT **Part 7 – SIDEWALK/ROADWAY OCCUPANCY PERMITS**, be amended by:

- a) Adding a new sub-section **7.3 Bikeshare Program Permit** that reads:

“7.3 Bikeshare Program Permit

7.3.1 Permit Required. No person may operate a **bikeshare service**, without first obtaining a Bikeshare Permit from the **City** in accordance with the conditions outlined in this Bylaw and the Bikeshare Permit Program.

7.3.2 Security Deposit. Successful applicants for the bikeshare permit must submit a security deposit as outlined on Schedule “A” prior to being issued a permit. The security deposit fee is refundable, less any deductions.

7.3.3 Penalty Fee. Permit holders pay any penalty fees outlined on Schedule “A” of this bylaw, in accordance with an invoice, received from the **City**. Penalty fees will be deducted from the security deposit.

Penalty fees will be issued for contravention of the requirements and conditions of the Permit.”

3. AND THAT **SCHEDULE “A” FEES, PART 7 – SIDEWALK/ROADWAY OCCUPANCY PERMITS** be amended by adding a new subsection in it’s appropriate location that reads:

“Subsection 7.3.2 – Security Deposit for Bikeshare Permit
\$15.00 per bikeshare device deployed to a maximum of \$5,000 per permit holder.

Subsection 7.3.3 - Penalty Fee for Bikeshare Permit
Fines for contravening of any requirements or conditions of the permit holder will be assessed at a rate of \$50.00 for each occurrence, per bikeshare device, if applicable.”

4. This bylaw may be cited for all purposes as "Bylaw No. 11804, being Amendment No. 32 to Traffic Bylaw No. 8120."
5. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this 6th day of May, 2019.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk

CITY OF KELOWNA

BYLAW NO. 11823

Amendment No. 13 to Building Bylaw No. 7245

The Municipal Council of the City of Kelowna, in open meeting assembled, enacts that the City of Kelowna Building Bylaw No. 7245 be amended as follows:

1. THAT **PART 1 – INTERPRETATION, 1.3 Definitions** be amended by:
 - a) deleting the term “**Building Inspector**” and replacing it with “**Building Official**”;
 - b) replacing all references of “**Building Inspector**” with “**Building Official**”;
 - d) in the definition “**Field Reviews**” deleting the words “his/her” and replacing it with “their”; and
 - e) in the definition “**Person**” deleting the word “his” and replacing it with “their”;
2. AND THAT **PART 1 – INTERPRETATION, 1.7 Owner’s Responsibility** be amended by deleting both instances of the word “his” and replacing each with “their”;
3. AND THAT **PART 3 – THE BUILDING INSPECTOR, 3.2 Refusal to Issue Permit, 3.2.1** be amended by deleting the word “his” and replacing it with “their”
4. AND THAT **PART 3 – THE BUILDING INSPECTOR, 3.4 Revocation of Permit, 3.4.1** be amended by deleting the word “his” and replacing it with “their”;
5. AND THAT **PART 4 – BUILDING PERMITS, 4.8 Issuance of Permit**, section 4.8.2 by deleting the words “to him”;
6. AND THAT **PART 5 – INSPECTIONS, 5.1 Inspection Schedule, 5.1.1** be amended by deleting the word “his” and replacing it with “their”;
7. AND THAT a new **PART 14 – ENERGY STEP CODE** be added that reads as follows and all subsequent sections be renumbered accordingly:

“14.1 **Regulations**

14.1.1 Effective December 1, 2019, any Part 9 residential building, as set out in the **Building Code**, must be designed and constructed to meet the minimum performance requirements specified in Step 1 of the BC Energy Step Code.

14.1.2 Effective June 1, 2021, any Part 9 residential building, as set out in the **Building Code**, must be designed and constructed to meet the minimum performance requirements specified in Step 3 of the BC Energy Step Code.”
4. AND THAT **SCHEDULE “E” OWNER’S UNDERTAKING** be amended by:
 - a) deleting the following:

“The above must be signed by the **Owner** or his appointed **Agent**. The signature must be witnessed. If the **Owner** is a company, the authorized signatory(ies) must sign.”

And replacing it with:

"The above must be signed by the **Owner** or their appointed **Agent**. The signature must be witnessed. If the **Owner** is a company, the authorized signatory(ies) must sign."

b) under section **1.7 Owner's Responsibility**, 1.7.1 deleting both instances of the word "his" and replacing each with "their";

8. This bylaw may be cited for all purposes as "Bylaw No. 11823, being Amendment No. 13 to Building Licence Bylaw No.7245."

9. This bylaw shall come into full force and effect and is binding on all persons as and from the date of adoption.

Read a first, second and third time by the Municipal Council this 6th day of May, 2019.

Adopted by the Municipal Council of the City of Kelowna this

Mayor

City Clerk