



INFORMATION ONLY COUNCIL REPORT
Corporate Initiatives
For the May 12, 2020 Council Meeting

DATE: May 7, 2020
TO: Paul Gipps, CAO
FROM: Sandy Webster, Director of Corporate Initiatives
RE: Corporate Initiatives Update

EXECUTIVE SUMMARY:

The purpose of this report is to provide a summary of staff's major projects progress within Council's *2020 – 2022 Strategic Priorities*, particularly during times of uncertainty with the current COVID-19 pandemic. And, more specifically, it is also important to keep Council and our community updated about our efforts to ease the financial hardship of COVID-19 as it relates to the future users of the Rose Valley Water Treatment Plant.

This report provides a status summary for initiatives underway, and provides a look-ahead of next steps as best as staff can forecast during COVID-19.

BACKGROUND:

Council's *2020 – 2022 Strategic Priorities* are organized under four distinct pillars developed by Council with support from staff and its consultant. These pillars and priorities reflect Council's sense of future challenges and opportunities on the Greater Westside. Council's January 28, 2020 adoption of its *2020 – 2022 Strategic Priorities* speaks to a continued shared vision of West Kelowna as a vibrant and resilient community and together we all strive to deliver these priorities for the community.

Updates regarding major projects with moderate-to-significant progress are grouped under the four pillars following this page. Staff are also continuing to champion and deliver other strategic priority projects not listed in this report, and we'll keep Council and the community informed and engaged as we re-set our work plans with the COVID-19 recovery phase and beyond.



INVEST IN INFRASTRUCTURE - to invest in building, improving and maintaining quality infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

ROSE VALLEY WATER TREATMENT PLANT (RVWTP) EARLY WORKS BEGIN

First of Two Tenders Awarded

The first tender was awarded in March 2020 that includes excavation and blasting, roadworks, utilities and other site works scheduled to continue through early summer.

The second tender is being finalized and a pre-qualification process is scheduled to begin this spring. Qualified construction companies would then bid on this second and final tender that includes fixed facilities, such as reservoir, foundation and plant structure construction.

Before the second tender is awarded this summer, staff will have its updated detailed design and financial model completed to present to Council that includes the updated project cost, borrowing and the legislative process.

Anticipated Cost for Design, Construction and Borrowing

As outlined by our Chief Administrative Officer during the March 24, 2020 regular Council meeting, the difference in debt payment (design, construction and borrowing) for future RVWTP users is estimated to rise from \$116 today to \$150 in 2022 – a difference of \$34.

This means the total cost to design, build and finance the RVWTP would result in no more than a \$34 increase from what users pay today.

As part of the annual water rate bylaw for the next two years, staff would propose a small water utility rate increase once per year in planned increments for the RVWTP:

- The 2021 increase would be \$13 for a total of \$129.
- The 2022 increase would be \$21 for a total of \$150.
- In 2023, there would be no further increases for design, construction and financing the plant. The \$150 debt payment would then be shifted from the water utility bill into a parcel tax to allow for tax deferment options.

Please also refer to the pie charts and infographics in Attachment 1 of this report.

Before the City can award the second tender this summer, a borrowing bylaw must go before Council – why?

- To award the second tender with cost and payment certainty, the City would first need to determine if there is local service area (majority) opposition to an increase of \$34
- To ensure the City does not lose its \$41 million grant funding
- To keep construction on-schedule so the plant goes into operation in 2022
- To deliver Council's top-priority project to provide clean, safe and reliable drinking water to future RVWTP users in 2022

Staff are highly sensitive to the community impacts of COVID-19 and want to assure RVWTP users that when the borrowing bylaw is ready for Council's consideration this summer, the annual debt repayment (by 2022) of no more than \$150 per property includes the \$34 increase.

Helping To Ease The Financial Hardship of COVID-19:

As part of Council's direction to staff to help ease the financial hardship of COVID-19, staff has also identified these factors:

- **Construction costs are lower with an increased competitive market** – staff have now established a pre-qualification process for the second tender to allow for greater cost competitiveness with interested construction companies. Since the economic slow-down with COVID-19, the market has responded favourably on other capital projects with lower unit pricing.
- **Anticipated water rate increases may be lower** – West Kelowna is receiving continued development applications (despite COVID-19) in the area where new users will pay into the new system. This is expected to reduce the amount that users will pay in 2022. Additionally, with construction costs decreasing and if the City is successful in receiving a grant for water system interconnections (\$M), the City would borrow less. This means that despite previous project cost escalation (new land, updated design, increased pumping stations etc), the amount users would pay starting in 2022 may be lower with more new residents sharing the cost.
- **Shifting the debt payment into a parcel tax in 2023 for RVWTP users** – by simply shifting the water rate debt payment (\$150) portion into a parcel tax, qualifying residents could defer the \$150 as many do with their taxes (staff are also looking into this for existing Powers Creek water users). This would allow our community to have greater flexibility with payment options.

Next Steps: Staff anticipate providing a Report to Council this summer including the updated project value (\$M) factoring in the new land purchase, updated design and construction of the plant, borrowing process recommendations, etc. The RVWTP increase proposed in staff's report will remain at no more than \$34.

Staff would like to sincerely thank our community for their understanding that we must go forward and present a borrowing bylaw to Council this summer even during these unprecedented times with COVID-19. This is a priority in order to keep the project on-schedule.

Informing and engaging the community leading up to and throughout the legislative borrowing process remains very important. Until further notice, this would be completed virtually through the use of small group and one-on-one information sessions, Webex/Zoom meetings, digital handouts, news releases/media interviews and so on. Staff kindly asks the public to sign up to receive e-updates via the website at www.westkelownacity.ca/subscribe.

GLENROSA-MCIVER ROAD UPGRADES BEGIN

BC General Contracting is mobilizing to the project corridor and scheduled to begin construction from mid-May through early 2021 (note their schedule and procedures are being updated to adhere to the current COVID-19 public health orders).

A project kick-off letter was mailed to nearly 1,200 area residents at the end of April, staff updated the Glenrosa Community Association, updates were posted on the City's website, newspaper ads were placed and awareness was created through our social media channels.

Major stages of activity for this significant infrastructure investment include:

- Site mobilization, area clearing and utility relocation
- Implementation of temporary traffic detours
- Foundation and grading roadworks
- Sidewalk, curb and gutter work
- Road paving and area restoration

Next Steps: Staff will keep the community updated as the contractor's staging and traffic management plans are confirmed. Ongoing updates will also be located on the project webpage: www.westkelownacity.ca/glenrosamciverupgrades.

GELLATLY BRIDGE REPLACEMENT COMPLETED

The new Gellatly Bridge over Powers Creek infrastructure opened to the public on May 1, 2020, on time and within budget. Bridge replacement construction began in January 2020, and despite minor service changes during COVID-19, the project finished on schedule and incurred no cost overruns. Along with the opening of the bridge, Rotary Trails Park and parking lot, which crews used for a construction staging area, have also reopened.

Just to recap, the new bridge is a 14-metre long precast concrete girder bridge on cast-in-place concrete abutments, founded on 10 steel-pipe piles. The structure has a life expectancy of 75 years. The new span features an added sidewalk on the upstream side of the bridge and includes dedicated cycling lanes. The old wooden deck, which required routine maintenance, has been replaced with a far more durable asphalt surface. Another key component of the project was adding resiliency to withstand the effects of climate change. In 2017 and 2018, flooding significantly impacted the structure, forcing a full closure of the bridge. The design incorporates a much higher elevation capable of accommodating 1-in-200-year flows of Powers Creek.

Next Steps: Crews will return to the site to complete in-stream work in August to avoid disruption to fish habitat. This phase includes the final installation of channel rip rap and embankment protection. Minor delays to vehicle traffic may occur for about two weeks, if required, but pedestrian/cyclist access is expected to be maintained.

POWER REDUNDANCY PROGRESS

Council and staff have been championing power redundancy since 2007 and we can confirm this project is moving forward. By way of background, in 2018 as part of the West Kelowna Transmission Project, BC Hydro indicated they would be pursuing the most viable option of a redundant (second) transmission line. However, in late 2019, BC Hydro presented to Council that power resiliency was looking more probable. Escalating costs and the order of priority for competing power projects remained key factors with the Ministry's decision-making, and staff continued to press on by broadening discussions with FortisBC to review alternative options.

In mid-April, Mayor Milsom, West Kelowna senior staff along with MLA Ben Stewart conducted a call with Honourable Bruce Ralston, Minister of Energy, Mines and Petroleum Resources, as we continue to advocate for a redundant power solution. The City strongly advocated to the Minister conveying how great the human risk is of a very probable power loss to the 70,000 people served by the single power line, particularly with a continued rapidly growing community and the increase in flood and fires in our area. The current single-source power infrastructure is located through very rough terrain between Merritt and West Kelowna and currently serves all of West Kelowna, Westbank First Nation and Peachland.

The City was pleased to receive a letter from BC Hydro in late April 2020 reaffirming that this capital project is proceeding and that, based on their detailed review and evaluation, a resiliency alternative would not protect the existing, single transmission line from wildfires. Thus, BC Hydro has abandoned the resiliency option and are working with FortisBC to determine the feasibility of what they refer to as "Alternative 3d" – to build a second (new) transmission line connecting the Westbank Substation to the FortisBC system with new infrastructure work from BC Hydro that generally includes:

- A new substation on Westbank First Nation land or in the City of West Kelowna;
- Transmission line to connect the new substation to FortisBC's Saucier substation in Kelowna; and
- Distribution line to connect the new substation with the existing Westbank Substation in the City of West Kelowna.

Along with consulting with the City of West Kelowna on the way forward, BC Hydro indicated they are in continued discussions with the Westbank First Nation.

Next Steps: BC Hydro is scheduling an online meeting in late May with senior City staff to provide a high level overview of Alternative 3d and discuss any areas of concern or opportunity. Subsequently, BC Hydro would arrange to present Council this summer with an update of their analysis, feedback, progress and next steps.

PLAN FOR CITY HALL

Council's top priority project to help the community remains the Rose Valley Water Treatment Plant, and helping the community during the unprecedented events of COVID-19. No significant activity for the planning of West Kelowna's first City Hall has taken place since the Chief Administrative Officer's last Report to Council on February 11, 2020. There is currently no estimated target date for a staff report to Council.

Staff would also like to reassure the community that the planned community-wide consultations outlined in the February report (Preliminary Design Consultation and Detailed Design

Consultation Programs) will definitely occur to ensure that community feedback is incorporated. No updated project timeline has been established as staff address other priority projects.



ECONOMIC GROWTH AND PROSPERITY - to advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute toward prosperity for all.

ECONOMIC RECOVERY STRATEGIES: COVID-19

The focus of local and regional economic response and recovery from the COVID-19 pandemic is a top priority of staff. A number of strategies and initiatives have been implemented by all levels of government, which has been outlined in today's Council reports provided by Mr. John Perrott, Economic Development and Tourism Manager with the City and are not repeated here.

SPECULATION AND VACANCY TAX STATUS

Council passed a resolution at the February 25, 2020 Council meeting that was sent to the Ministry of Finance as part of continued efforts to have the City removed from the Speculation and Vacancy Tax (SVT).

In fall 2019, Council and staff met with the Minister of Finance to provide the justification for allowing West Kelowna to opt-out of the SVT. City staff also provided the Minister with comprehensive facts that demonstrated why the City of West Kelowna does not fit the criteria and objectives of the SVT, especially that our City is not an 'urban centre.' Following the City's submissions to the Ministry of Finance, no reply was received so Council proceeded to pass a resolution reiterating to the Ministry that West Kelowna should be removed from the SVT.

In 2019, the vacancy rate increased higher than the provincial average to 2.7 per cent, up from 1.9 per cent in 2018. This increased vacancy rate is, in part, attributed to the hundreds of new rental housing units provided in the City of West Kelowna. Further, the significant funds collected from our property owners subjected to the SVT in West Kelowna have not yet been received or reinvested into the West Kelowna housing market.

Next Steps: In-person meetings with the Minister of Finance have been postponed until further notice during COVID-19. In early May, Mayor Milsom sent a follow-up letter to Honorable Carole James, Minister of Finance requesting an online meeting this spring. Removing West Kelowna property owners from the SVT is an additional measure to help ease the financial burden of COVID-19.



STRENGTHEN OUR COMMUNITY - to provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

COMMUNITY VISIONING

The Community Visioning project continues to be a priority, knowing that the outcome will serve as the building blocks for the Official Community Plan update in 2021. With COVID-19, staff have been working hard to reconfigure the work plan to focus on digital engagement opportunities, while still allowing for potential limited in-person engagement opportunities, as may be possible. Based on the progress of COVID-19 recovery efforts, staff will be bringing a report to Council in the near future outlining updates to the project.

PUBLIC COMMUNICATIONS AND ENGAGEMENT

Prior to and throughout COVID-19, staff have increased the use of digital communications to keep our community informed and engaged primarily through video and social media posts. A new look for our e-news is also on the horizon this spring that will incorporate images with text updates that would be scaled for easy viewing on all mobile and desktop devices.

Staff are also developing a new Communication and Engagement Policy that would be presented in draft for Council's consideration. Staff would recommend consulting with the community about the tools and methods that have worked well since incorporation, what enhancements that stakeholders and the public would like to see and so on.

Additionally, staff are developing the City's first Communications and Engagement Plan as a framework to support corporate and departmental objectives and outcomes. This would also include input from our local media as we continue to increase access to information and support their changing needs, particularly with daily updates provided during and after the COVID-19 response and recovery.

Next Steps: Staff anticipate providing Council with a draft Communications and Engagement Policy this spring followed by a draft Communication and Engagement Plan this summer.



FOSTER SAFETY AND WELL-BEING - to pursue through direction action, advocacy, and partnerships with Westbank First Nation and local service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being.

WINTER SHELTER DECOMMISSIONING

On March 31, 2020 and as originally planned, BC Housing and the West Kelowna Shelter Society (WKSS) decommissioned the temporary emergency winter shelter located at 1160 Stevens Road. At the time of decommissioning, the City was advised by WKSS that 11 individuals staying at the shelter would be without adequate housing. BC Housing and the WKSS advised the City that they

are working toward a transition solution that was changing daily with the rapid outbreak of COVID-19.

City Bylaw Officer's indicated that during emergency shelter operations, the increased calls to the 1160 Stevens Road location was not significant and no increase in budget or resources were incurred.

The West Kelowna RCMP provided staff with the following statistics from when the shelter opened on January 24 until it closed on March 31, 2020:

- The entire City of West Kelowna files responded to during that time was 2209 compared to 2193 files in 2019, which is an increase of 16 files city-wide.
- The area near the shelter location, including shelter site was 134 files responded to compared to 54 files in 2019, which is an increase of 80 files.
- Attendance to the 1160 Stevens Road site was 53 files compared to 0 in 2019, as the lot was empty.

Staff are in regular contact with BC Housing and the WKSS as all organizations continue to work together to help the vulnerable community during and after COVID-19.

URGENT AND PRIMARY CARE CENTRE ADVOCACY

A Primary Care Network (PCN) with the Interior Health Authority (IHA) is a clinical network of health care providers in geographic areas in British Columbia (BC) where patients received expanded, comprehensive care, and improved access to primary care. For the Greater Westside, this would include IHA's intent to attach patients to doctors who are not currently attached (e.g. using walk-in clinics) by potentially establishing an Urgent and Primary Care Centre in the City of West Kelowna.

Council has been advocating for increased health care facilities and services on the Greater Westside for many years. Most recently, in September 2019, Council and staff met with the Minister of Health, Honorable Adrian Dix, at the Union of British Columbia Municipalities (UBCM) as part of the City's continued advocacy for increased health services specific to the Greater Westside area. Preliminary feedback from the Minister suggested that the Ministry is focussing on a PCN model for short and long-term care and facilities across the province.

Subsequently, Mayor Milsom and senior staff have participated in several meetings with senior staff at IHA and the Ministry to discuss increased comprehensive care specific to the Greater Westside. In light of COVID-19, staff have been conducting regular update calls with IHA and/or Ministry staff, including participation in a call hosted by MLA Ben Stewart on March 3, 2020.

Next Steps: IHA staff anticipate scheduling a progress update call with West Kelowna City staff later this month, subject to potential delays with managing the competing priorities of COVID-19.

ADDITIONAL BYLAW COMPLIANCE CAPACITY TO RESPOND TO COVID-19

With recent orders from BC's Provincial Health Officer specifically during COVID-19, our City Bylaw Enforcement Officers now have additional public education responsibilities and the ability to ensure compliance with various Provincial requirements. As such, the Bylaw Compliance team has seen almost double the number of calls compared to this time last year. The City has been able to recruit personnel to address this need, with the ability to recover some of the additional

expenses from the Province. The team is currently onboarding new personnel, while continuing to address ongoing Bylaw Compliance needs.

FINANCIAL IMPLICATIONS:

Financial impacts of these projects are included within current capital and/or operating budgets, with the exception of the Rose Valley Water Treatment Plant future borrowing consideration to be brought forward for Council's consideration this summer.

PowerPoint: Yes ☐ No ☒

Reviewed and Approved By:

Tracey Batten, Deputy CAO/Corporate Officer
Paul Gipps, CAO

Attachments: Balancing Out The Costs Infographics