

# **ADMINISTRATION UPDATES**

## **DECEMBER 12, 2022 REGULAR COUNCIL MEETING**

File: 0550-05

### **FINANCE**

#### **Regional Hospital District Tax Requisition**

Tax requisitions for agencies such as Regional District, Regional Hospital, School Tax, and others are largely unknown until the Spring of each tax year. The City includes a provision for the collection and remittance of these tax requisitions in the Financial Plan prior to when actual amounts become known. The budgeted amounts are based on a percent increase of the prior year's actual amount. The 2023 budgeted Regional Hospital tax requisition is \$4,160,610 which is lower than the 2022 budget amount of \$4,245,218. The 2023 budget amount represents a 2% increase from the 2022 ACTUAL requisition. The actual amount in 2022 was lower than expected.

### **COMMUNITY SAFETY, LANDS AND ADMINISTRATION**

#### **Code of Conduct**

The *Community Charter* was amended in 2021, requiring a Council to consider establishing a Code of Conduct for Council members within six months of its first regular meeting following a general local election. This date would be May 14, 2023 for the City of Vernon Council. Administration intends to bring this item forward for initial discussion and direction from Council in early 2023.

### **COMMUNITY INFRASTRUCTURE AND DEVELOPMENT SERVICES**

#### **Short Term Rental Regulation – Zoning Bylaw Amendments**

Administration is working on proposed amendments to Zoning Bylaw #5000 to support the introduction of a new licensing regime for short term rental, minor and short term rental, major tourist accommodation within the City of Vernon. Administration is waiting on completion of a legal review and expects to bring this forward for Council's consideration at its Regular Meeting of January 23, 2023.

## **Update on DVP00545 (6092 Okanagan Landing Road) Access to Okanagan Landing Road**

Arising from Council's consideration of DVP00545 (6092 Okanagan Landing Road) at its Regular Meeting of September 6, 2022, Council asked about the access configuration of the subject property. The longer-term plan is for the current frontage road and separated multi-use pathway cross section in front of the Creekside Landing development (6190 Okanagan Landing Road) to extend further east up to Tronson Road (Figure 1). The current cross section east of Creekside Landing is a frontage road (approximate pavement width of 5m, and is also used as a multi-use pathway) in front of 6120, 6110, 6092, and 6060 Okanagan Landing Road (Figure 1). Two of those properties (6110 and 6092 Okanagan Landing Road) currently do not have access directly onto Okanagan Landing Road, so have need of the frontage road to use accesses to Okanagan Landing Road at 6120 and 6060 Okanagan Landing Road. East of 6060 Okanagan Landing Road, the frontage road ends and becomes a multi-use pathway (3.0 m pavement width). The properties east of and including 6060 Okanagan Landing Road have accesses directly onto Okanagan Landing Road and therefore do not have need of the frontage road at this time.

The timing to extend the frontage road and separated multi-use pathway further east from Creekside Landing is subject to adjacent development and acquiring road dedication. Until the frontage road and multi-use pathway can be built, temporary accesses are allowed to Okanagan Landing Road as permitted in Subdivision & Development Servicing Bylaw #3843. Allowing 6092 Okanagan Landing Road to access Okanagan Landing Road (instead of allowing motorists to continue using the multi-use pathway as a frontage road) would help separate active transportation users and motorists. The design of the temporary access will be included as a condition of the development permit. Once the frontage road and multi-use pathway are built, the development would be required to use the new frontage road, with removal of its direct access to Okanagan Landing Road.

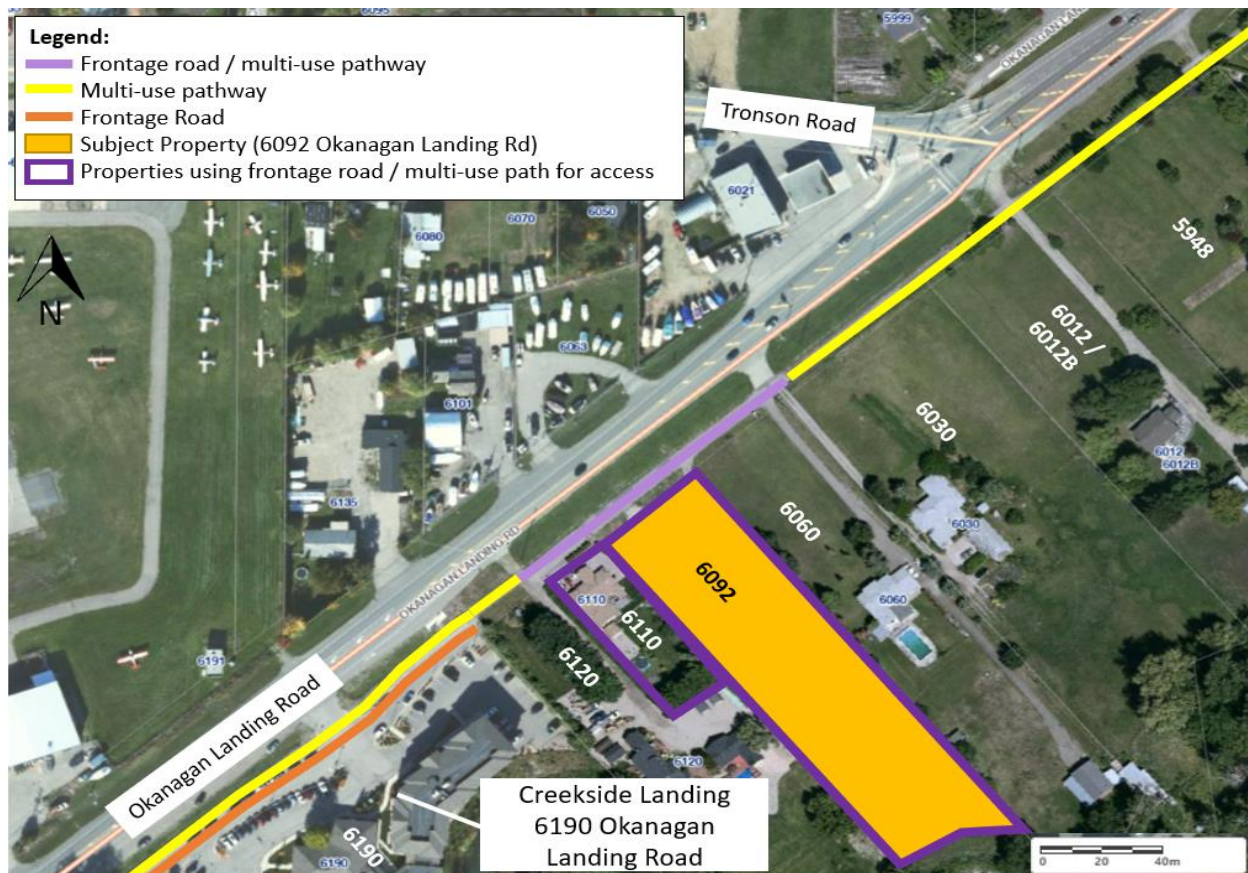


Figure 1: Multi-use pathway and frontage road at 6092 Okanagan Landing Road

## **RECREATION SERVICES**

### **Rental Fees**

The City of Vernon Recreation and Parks Services Manual of Fees and Charges bylaw includes the following statement regarding the Multi-Plex (Kal Tire Place).

*“The facility was constructed to provide needed ice time and to be one of the premier facilities in the Greater Vernon area. One of the purposes of the facility is to attract events that otherwise would not be available for the citizens of the community to enjoy (special events). To provide a facility to host these types of events is costly and the people who attend these events, or sponsor these events, should be prepared to pay an appropriate fee to use/attend the facility. One of the challenges is to find that balance in fees that is most beneficial to the owner, yet still affordable enough to attract events and users. The fee structure has been put together with these principles in mind. It is also important that the operators (the City) have flexibility and authority to negotiate fees/charges for major events and the operator (the City) should be given this authority.”*

For 2023, the Manual of Fees & Charges lists a Local Non Profit rate for concerts as the greater of the base rental rate of \$3,061.80 before tax or 15% of admission (gross ticket sales). The fee negotiated with the Winter Carnival Society was a base rental rate of \$2,160.87, before tax or 15% of gross ticket sales whichever is greater and capped at

\$10,570. This lower base fee and capped percentage of ticket sales was offered to Winter Carnival as it was consistent and proportionate with what was recently negotiated with another local non-profit organization. There is also a \$1/ticket facility surcharge payable by the renter to help offset additional costs for staffing before, during and after the event.

In addition to the rental fee, there are conversion fees that the renter is responsible for. Conversion fees are purely a flow through cost recovery for labour to convert the facility from an ice arena to a concert venue. Each special event is different and conversion fees vary depending on the level of conversion required. Conversion fees include, but are not limited to, dry floor conversion, removal and re-installation of arena glass, black out drapery, electrical tie ins, stage set up, rigging, use of a forklift and forklift operator. The other flow through cost is for event security. Costs for security vary depending on the size and type of event and whether alcohol is being served.

Vernon Winter Carnival requested that the contract reflect the “worst case scenario” for budgeting purposes and because of that they were provided with the maximum upset cost of \$26,502 before tax for an event that would have 3,800 attendees. This total is made up of a capped maximum of \$10,570 based on 15% of 3,800 tickets sold at the prices set by Winter Carnival, \$3,800 in ticket surcharge based on a sellout of the 3,800 tickets and \$12,132 in flow through conversion fees. Based on these totals there would be \$847.75 in GST payable bringing the total to \$27,349.75. The “worst case scenario” as requested assumes a sellout (3,800 tickets) which would generate an estimated \$193,500 in ticket sales. It should be noted that catering has been requested and will be provided at an additional fee.

Should Council wish to consider a further reduction or waiver in fees, this will result in a shortfall in the Recreation Services budget. Should Council wish to provide a reduction or waiver of fees, it is recommended that they consider providing a grant from an alternative funding source in order to keep Recreation Services whole.

Waiver of fees as set in the Manual of Fees and Charges for one group often results in other community groups requesting and expecting similar consideration. The recreation facilities are heavily subsidized by the taxpayer. The 2023 budget is based on the City of Vernon taxpayer contributing \$2,796,309 and the taxpayers of Coldstream, Areas B and C collectively contributing \$1,291,856 for an operating subsidy of \$4,088,165. Waiver, as a reduction of fees simply translates to the taxpayer contributing more to the operating budget.

As to the Winter Carnival's request for a review of facility rental fees, Council has already approved a project for Recreation Services to have a third party review of all Parks and Recreation fees and charges in the 2023 Recreation Services budget. The review of fees and charges was one of the recommendations in the Greater Vernon Recreation Master Plan approved in 2018.

Administration recommends that the Manual of Fees and Charges be fairly and universally applied recognizing the substantial subsidy to operating costs made by the Greater Vernon taxpayers.