

2025–2029

Financial & Corporate Business Plan



City of Penticton

Financial and Corporate Business Plan
May 13, 2025

First Quarter 2025
Update

Introduction to Quarterly Updates	6
Financial Summary	7
General Fund	7
Utilities.....	8
Cash & Investments.....	9
Reserves.....	10
Debt.....	11
Revenue & Expense Summary.....	12
Operating Variance Analysis	13
First Quarter Budget Amendments.....	13
Forecast Variances	13
Capital Variance Analysis	14
First Quarter Budget Amendments.....	14
Forecast Variances	14
2024 Capital Carry Forwards	15
Strategic Initiatives	16
Corporate Business Plan	16
Appendices.....	18
Appendix A – First Quarter Strategic Priority/Initiative Status Details	18
Appendix B – 2024 Capital Carry Forward to 2025 List.....	23

Introduction to Quarterly Updates

The Corporate Quarterly report is produced three times a year to present the City's financial position for the quarter and communicate progress made on Strategic Initiatives.

There are four components within this report:

1. Financial Summary - provides a quarterly update on the City's financial position. Included in this section of the report are summaries for the City's operating and capital funds as well as details on cash & investments, reserves, debt, and a summary of revenue and expenses.
2. Operating Variance Analysis – provides highlights on operating funds for current forecast variances as well as budget amendments made during the quarter.
3. Capital Variance Analysis - provides highlights on capital funds budget amendments made during the quarter. Included in this quarter's capital analysis is the listing of 2024 carry forward projects.
4. Strategic Initiatives - includes progress update on the initiatives detailed in the City's Financial and Corporate Business Plan.

Financial Summary

The 2025 -2029 budget was adopted by Council on December 17, 2024. This first quarter report is the first of this year and includes activities up to March 31, 2025. The City's financial position continues to be steady and strong, which allows for adaptability to emerging and changing priorities.

General Fund

The approved budgeted draw from General Fund surplus reserve was minimal for 2025, at \$113k, and after the first quarter, the 2025 forecasted draw is \$359k.

Operating - forecasted draw of \$359k

The forecasted draw from surplus is \$359k, an increase of \$246k related to the first quarter amendments detailed in the Budget Amendment and Forecast Variance sections.

Capital - \$14.7M

The General Fund 2025 Capital amended budget is \$14.7M, an increase of \$293k from the approved budget of \$14.4M, which is detailed below in the Capital Variance Analysis section.

Utilities

Electric Fund

Operating – forecasted draw of \$4.0M

The forecasted draw from surplus of is the same as the approved budget.

Capital - \$7.0M

The 2025 amended capital budget is \$7.0M, same as the approved budget.

Sewer Fund

Operating – forecasted draw of \$0.7M

The forecasted draw from Sewer surplus is \$0.7M, which is \$0.4M lower than the approved budget of \$1.1M, which is attributed to identified savings.

Capital - \$3.5M

The 2025 amended capital budget is similar to the approved budget of \$3.5M.

Water Fund

Operating – forecasted draw of \$1.2M

The forecasted draw from Water surplus is similar to approved budget of \$1.2M.

Capital - \$12.9M

The 2025 amended capital budget is \$7.6M more than the approved budget of \$5.3M due to the Ellis 4 Dam upgrade increased costs as presented and approved by Council earlier this year.

Cash & Investments

As of March 31, 2025, the City's cash and term deposit balance is \$133.2M, a decrease of \$14M over the beginning of year balance of \$147.2M. The decrease in investments is in large part related to capital project spending and the bulk of the City's revenue from taxation being received once a year, in July, but spent over the course of the following year.

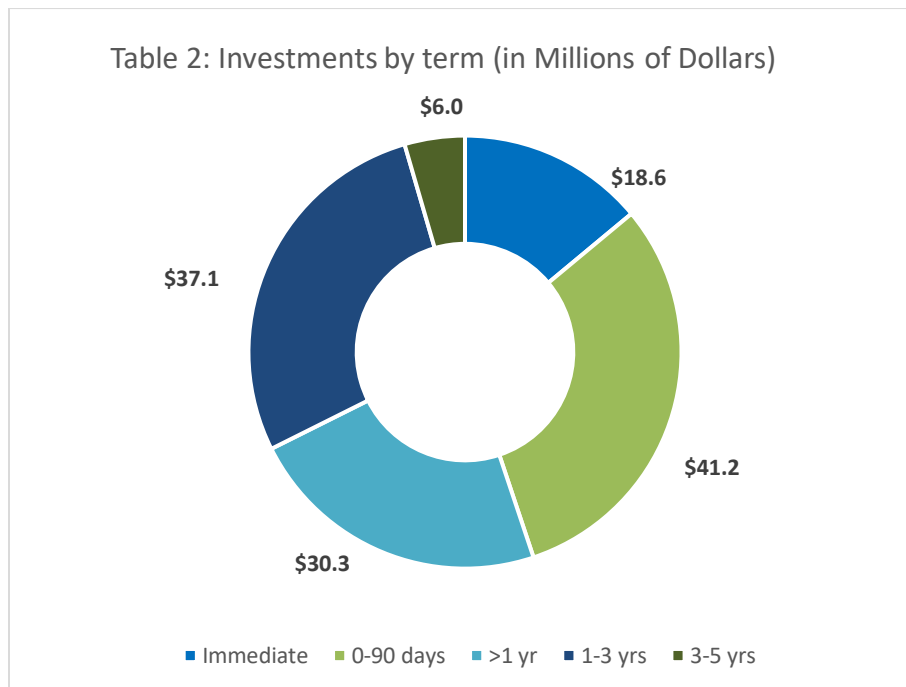
Diversification of current type of investments can be seen in the table below:

Table 1: Types of Investments (in millions)

Type of Investment	2024 Portfolio Amount	2024 Percentage	2025 Q1 Portfolio Amount	2025 Q1 Percentage
Cash	\$ 18.9	12.8%	\$ 18.6	14.0%
Municipal Finance Authority Investment funds	35.4	24.0%	35.7	26.8%
*Securities in a Chartered Bank	15.0	10.2%	15.0	11.3%
*Deposits in BC Based Credit Unions	36.4	24.7%	27.3	20.5%
*Deposits in Credit Unions based outside of BC	41.6	28.2%	36.6	27.4%
Total	\$ 147.2	100.0%	\$ 133.2	100.0%

In 2025, the City has a significant capital program, which requires readily available funds, with \$71.5M (54%) available within less than 90 days. Some projects have required upfront funding until long-term borrowing funds are received. Staff monitor cash on hand comparative to cash flow requirements to enhance the City's returns, when possible. The table below show the investment terms of the City's current investment portfolio:

Table 2: Investments terms (in millions)

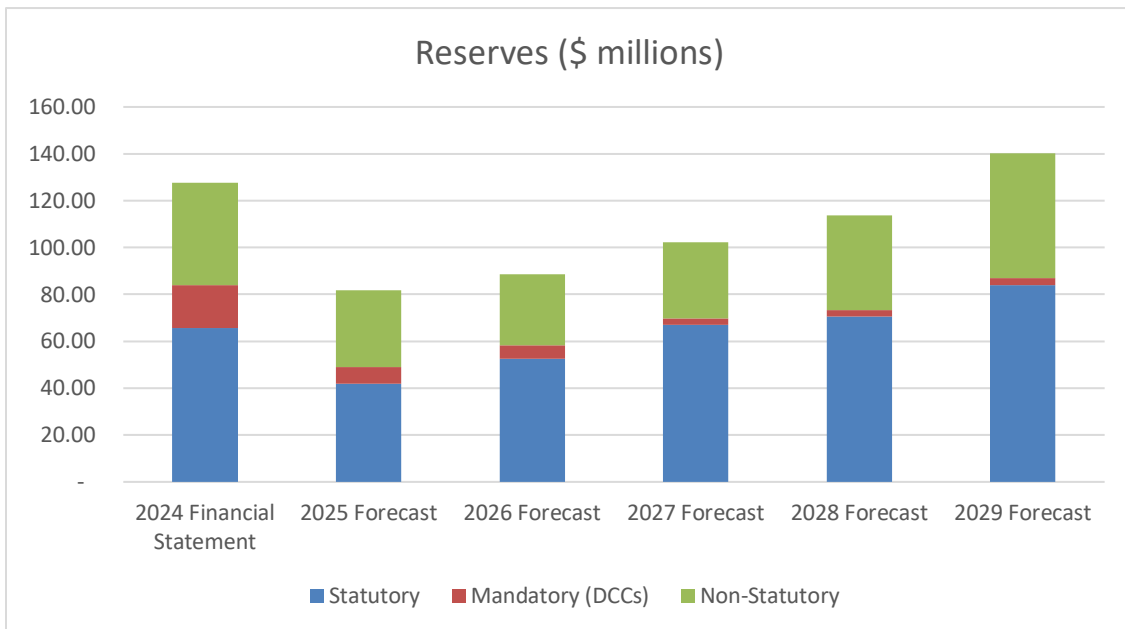


Reserves

The City's anticipated total reserve balances at the beginning of 2025 are \$128M and forecasted to be \$82M at the end of 2025, which is largely due to the substantial planned capital program. Should that capital not be fully expended by the end of the year, reserve balances will be higher than anticipated, however those funds will remain committed for use in subsequent years when the projects are completed.

The City's reserve balances are detailed in the table below and forecasted based on year-to-date results as well as transfers as approved in the City's 2025-2029 Financial Plan:

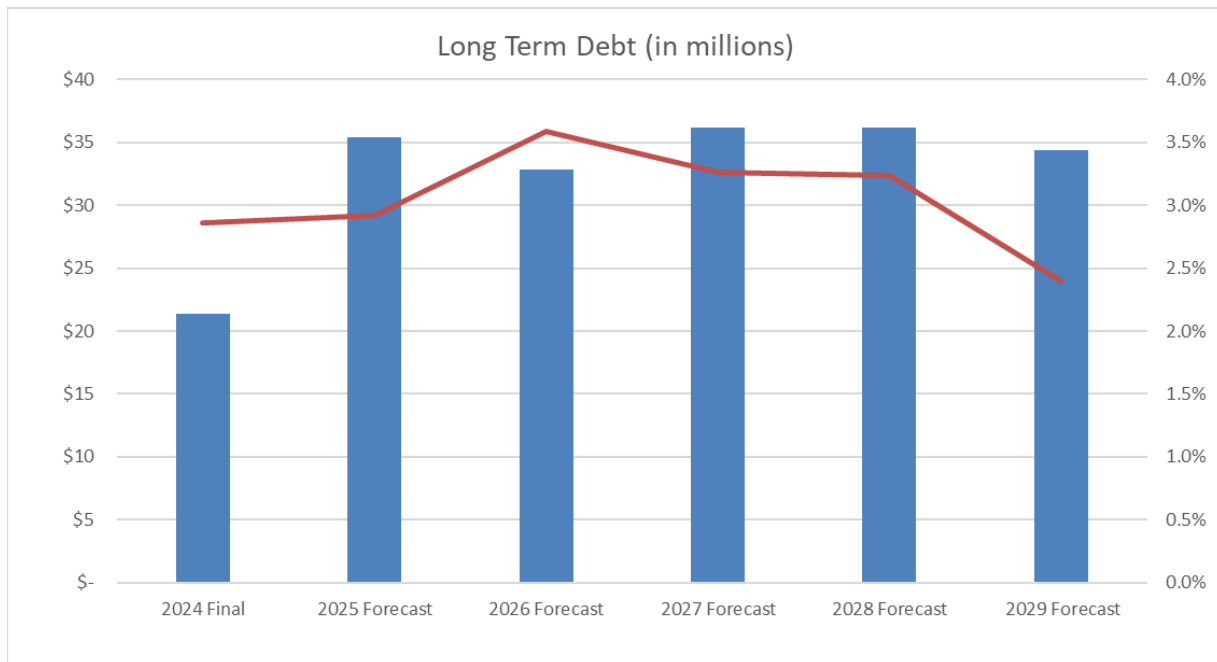
Table 3: Reserve Forecast Summary (in millions)



Debt

As reported in previous quarterly reports, the City's forecasted debt balance at the end of 2024 was \$21M and forecasted to increase to \$35M by the end of 2025. Debt is currently represented by issues for the General, Water and Sewer funds. Municipalities can only obtain long-term borrowing for the purchase or construction of capital assets. A five-year forecast of long-term debt based on current and budgeted debt in the 2025-2029 Financial Plan is included in the table below, with the red line representing the liability serving costs:

Table 4: Long Term External Debt Budget Forecast (in millions)



In January 2025, Council approved (Council resolution 25/2025) the Security Issuing Resolution for \$5.1M of debt, for the Penticton Ave PRV replacement as part of the 2025 spring borrowing session, which should be received in the second quarter.

On April 1, 2025, Council approved the Loan Authorization Bylaw (Council resolution 96/2025) for \$11.0M in new debt, for the Ellis 4 Dam Upgrades which is planned to be drawn in the fall of 2025.

Liability Servicing Cost is legislatively limited to 25%, where debt servicing costs cannot exceed 25% of specific municipal revenues of the previous year. The estimated Liability Service Cost is noted in the table below:

Table 5: Liability Servicing Costs

	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Estimated Liability Servicing Cost %	2.9%	2.9%	3.6%	3.3%	3.2%	2.4%

Revenue & Expense Summary

	2025 Adopted Budget	2025 Q1 Budget Amendments	2025 Amended Budget	2025 Forecast	Amended Budget to Forecast Variance
Revenue					
Municipal Taxation	\$ (50,526,736)	\$ -	\$ (50,526,736)	\$ (50,526,736)	\$ -
Sale of Services	(14,521,250)	-	(14,521,250)	(14,521,250)	-
Electric Utility Revenue	(51,784,235)	-	(51,784,235)	(51,784,235)	-
Sewer Utility Revenue	(10,856,090)	-	(10,856,090)	(10,856,090)	-
Water Utility Revenue	(11,467,739)	-	(11,467,739)	(11,467,739)	-
Storm Water Utility Revenue	(1,964,700)	-	(1,964,700)	(1,964,700)	-
Fiscal Services	(4,231,000)	-	(4,231,000)	(4,231,000)	-
Grants	(3,240,328)	(5,000)	(3,245,328)	(3,245,328)	-
Other Contributions	(5,519,145)	-	(5,519,145)	(5,519,145)	-
Development Cost Charges	(1,470,000)	-	(1,470,000)	(1,470,000)	-
Donations	(14,000)	-	(14,000)	(14,000)	-
Total Revenues	(155,595,223)	(5,000)	(155,600,223)	(155,600,223)	-
Operating Expenses					
General Operating	82,148,530	221,025	82,369,555	82,454,555	85,000
Storm Water	718,265	-	718,265	718,265	-
Electric Utility	45,673,818	-	45,673,818	45,673,818	-
Sewer System	7,506,034	(425,000)	7,081,034	7,081,034	-
Water Utility	7,185,440	-	7,185,440	7,185,440	-
Total Operating Expenses	143,232,087	(203,975)	143,028,112	143,113,112	85,000
Other Entities Net Taxes	-	-	-	-	-
Net Operating Surplus	(12,363,136)	(208,975)	(12,572,111)	(12,487,111)	85,000
Capital Expenses					
General Capital	14,413,318	293,000	14,706,318	14,706,318	-
Electric Capital	7,049,000	-	7,049,000	7,049,000	-
Sewer Capital	3,541,300	3,100	3,544,400	3,544,400	-
Water Capital	5,309,285	7,557,165	12,866,450	12,866,450	-
Total Capital Expenses	30,312,903	7,853,265	38,166,168	38,166,168	-
Debt Proceeds	-	(11,000,000)	(11,000,000)	(11,000,000)	-
Debt Servicing - Principal Repayments	2,100,119	-	2,100,119	2,100,119	-
Capital Grant Funding	(460,285)	(60,000)	(520,285)	(520,285)	-
Transfer To (From) Surplus/Reserve	(3,229,601)	3,415,710	186,109	101,109	(85,000)
Amortization Offset	(16,360,000)	-	(16,360,000)	(16,360,000)	-
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Operating Variance Analysis

First Quarter Budget Amendments

Revenue - \$5k increase

- A \$5k grant was received from the BC Alliance for Healthy Living Society towards after school programming.

Expenses – \$204k decrease

- General Operating – Overall increase of \$221k for Council previously approved items for the Temporary Winter Shelter, community walk in clinic grant, and affordable housing pilot project assistance which have been incorporated in the amended budget. In addition, the arena feasibility study that was approved in the 2024 Financial Plan is continuing into 2025, at a cost of \$30k, which is funded by Growing Communities grant, and vandalism repairs to City Yards fencing, which is funded from General surplus.
- The Advancing Affordable Housing project is now being funded from the Affordable Housing Reserve, as the project was ineligible for funding from the OAP Reserve as planned in the approved budget.
- Sewer Utility – a \$425k reduction for salaries that were determined to be overestimated upon further review.

Forecast Variances

Each quarter, actual revenue and expenses are reviewed comparative to budget, and the forecast is updated to reflect anticipated changes. The following items are reflected in the annual forecast.

Revenue

Revenues year to date are trending on track to approved budgets at this time. Recreation revenue for the first quarter is seeing an uptick comparative to budget. While building permit revenue is lower comparative to the same quarter last year, overall, revenue is strong and slightly above the quarterly budget at this time.

Expenses \$85k

Council approved the 2025 by-election which has been forecasted at an estimated \$85k, a budget amendment will be completed once final costs are known.

Capital Variance Analysis

First Quarter Budget Amendments

The first quarter capital budget amendments total \$7.9M, and are as follows:

- *General Capital \$293k*
 - Fleet \$105k
 - Replacements of Units U202 and I203A due to insurance incidents, which are partially funded by insurance and the balance funded by Asset Emergency Reserve.
 - Parks \$120k
 - Grant received from Trans Canada Trail for the Kiwanis Pier multi-use path
 - Installation of beach accessibility Mobi-Mats at multiple locations, which were previously approved by Council.
 - Facilities \$68k
 - Installation of exterior CCTV system at RCMP building offset by savings from another RCMP project.
 - Starting block replacements in partnership with KISU, which Council previously approved.
 - Replacement of PTCC ride-on floor scrubber following equipment failure funded by the Capital Reserve.
- *Water Capital \$7.6M*
 - Fleet \$3.1k
 - Additional cost for vehicle upgrade to meet departmental needs (matching sewer contribution).
 - Water Distribution \$7.6M
 - Net impact of Council authorized borrowing and water capital fund adjustment for Ellis 4 Dam project escalation.
- *Sewer Capital \$3.1k*
 - Fleet \$3.1k
 - Additional cost for vehicle upgrade to meet departmental needs (matching water contribution).

Forecast Variances

The capital forecast is equivalent to the capital budgets as projects may continue into future years, with funding eligible for carried forward to fund the completion of the project.

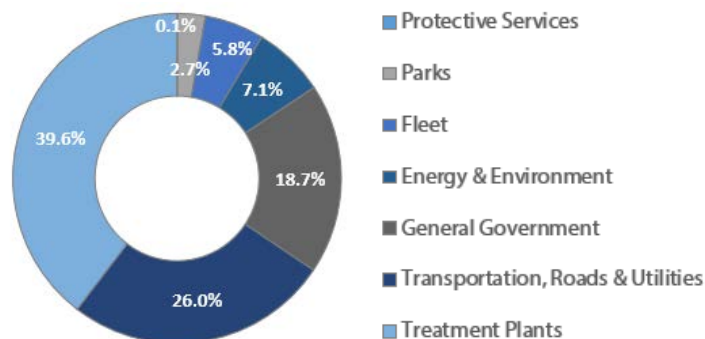
2024 Capital Carry Forwards

Capital carry forwards are to move previous year budgeted funds into the current budget year to continue and/or complete a project from the prior year. As part of the year end process, prior year capital budgets are reviewed and submitted for carry forward as needed. The total amount of capital carry forward projects from 2024 to 2025 is \$59.5M. For a full listing of the capital projects being carried forward, please see Appendix B to the report.

Major Project Highlights

Project ID	Capital Priority	Project Name	2024 Carry Forward to 2025
FLT-L202	VITAL	100' Platform Fire Truck (Replace Unit L-202)	\$2,300,000
TN-AT-01	OPTIMAL	AAA Bike Network	2,457,915
FA-70	ESSENTIAL	City Yards - Electrical Building	501,570
FA-10	ESSENTIAL	City Yards - Main Building Upgrades	1,106,650
FA-23	ESSENTIAL	Community Centre - Energy & Emissions Reductions Retrofit	1,928,385
FA-71	STRATEGIC	Community Centre - Power Street Child Care Project	3,383,790
FA-66	VITAL	Community Centre - Replace Boiler	592,480
TN-TC-03	STRATEGIC	Crosswalk Improvement Program	461,450
FLT-50	ESSENTIAL	Digger Derrick Aerial (Replace Unit 50)	450,000
ELEC-IR-05	STRATEGIC	Downtown Underground Conversion	1,371,650
RC-15	STRATEGIC	Eckhardt Avenue Corridor Reconstruction	3,430,890
DC-NE-02	STRATEGIC	Okanagan Lake Channel Retaining Wall	462,660
WTP-IR-01	STRATEGIC	Penticton Avenue PRV Upgrade	8,096,910
AWWTP-S2	ESSENTIAL	Phase 2 of AWWTP Expansion & Upgrades	14,008,480
G-WAT-01	STRATEGIC	Ridgedale Reservoir Upgrade	4,731,360
TN-AT-03	STRATEGIC	Sidewalk Network Improvements	993,140
PK-2020-P1	STRATEGIC	Skaha Park Upgrades from Master Plan	876,560
ELEC-NE-08	STRATEGIC	Utility Scale Battery Storage	1,689,900
Total Major Projects			\$48,843,790
Total Minor Projects			10,662,995
Total 2024 Carry Forward to 2025			\$59,506,785

Carry Forwards by Segment



Strategic Initiatives

Corporate Business Plan

To ensure strong public accountability each year the City's strategic initiatives are published in the Corporate Business Plan. In 2025, there were a total of 39 strategic priorities and initiatives identified by City divisions and departments to advance Council's strategic priorities for the community and support the City's Mission, Vision and Culture.

In the fall of 2024, Council completed a mid-term strategic planning session. As a result, Council re-focused their priorities for the remainder of their term from 2024 – 2026, these include:

- **Safe & Resilient** – Enhance and protect the safety of all residents and visitors to Penticton. Specific focus on reducing crime and enhancing safety; balanced response to safety and livability; facilitate support for public safety and partnerships; and preparedness and resiliency; and
- **Livable & Accessible** – Proactively plan for deliberate growth and focus on community infrastructure to support an inclusive, healthy, safe and desirable place to live. Specific focus on supporting attainable and accessible housing; minimizing environmental impact and adapting to climate change; supporting community vibrancy and culture; and community building partnerships.

In addition to Council's Priorities, identified projects and initiatives may also support advancement of the City's Mission, Vision and Culture:

- **Our Mission** – Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of community focused services.
- **Our Vision** – Penticton is a connected, resilient and healthy waterfront city focused on safety, livability and vibrancy.
- **Our Culture** – We are committed to open communication, integrity and professionalism to build public trust through excellence in all that we do. We embrace modernization, innovation and adaptability to meet the evolving needs of our community, fostering a culture of engagement and purpose.

Q1 Update

In the first quarter of 2025, City Divisions reported 36 initiatives are on track to successfully complete within their stated timelines; one (1) initiative has been completed, and two (2) initiatives are considered delayed.

Below is a summary of completed projects:

- **Valley First Frost Fest Winter Carnival** – from January 17 to 19, 2025 downtown Penticton was transformed into a winter carnival featuring hot air balloon display, kids' zone, rail jam ski and snowboard competition, hockey games on the Activate Penticton outdoor rink and a movie night at the Cleland Theatre.

Delayed initiatives include:

- **Accessibility Enhancements and Improvements at the Penticton Public Library** – due to staffing shortages in the first quarter as well as supplier issues this project did not advance as planned. For the second quarter, the project lead will seek new product vendors for accessibility needs.
- **Wildfire and FireSmart Planning and Mitigation Strategies** – for the first quarter, the Penticton Fire Department had a vacancy for the FireSmart Coordinator position. Once a successful candidate has been hired this initiative will progress.

Advancing Council's Priorities

Appendix A provides a summary of all 39 strategic priorities identified by City divisions to advance Council's Priorities to build a stronger Penticton.

Appendices

Appendix A – First Quarter Strategic Priority/Initiative Status Details

Safe & Resilient	
Enhance and protect the safety of all residents and visitors to Penticton	
Initiative	Status
<p>Implementation of the Updated City Hall Business Continuity Plan (BCP)</p> <p>Per the updates to the Emergency Disaster Management Act (EDMA) local governments are required to have business continuity and emergency management plans. In Q1, the Senior Leadership Team reviewed and endorsed the proposed updated City Hall BCP. Integration into the emergency response program will occur in Q2.</p>	↑
<p>Advancement of Civic Places and Spaces Priority #1: Community Safety Building</p> <p>This is a continuing project. For 2025, Civic Places and Spaces will focus on fire hall renewals and the Community Safety Building. In Q1, the professional/technical session occurred to determine Class B estimate for design of the new Fire Hall Headquarters at Dawson Avenue.</p>	↑
<p>Safety and Security Enhancements for the RCMP Detachment</p> <p>The RCMP detachment will receive security enhancements including the exterior fleet and parking area. The project has not started as of Q1 however it is on track to complete within the project schedule.</p>	↑
<p>Advanced Waste Water Treatment Plant (AWWTP) Construction and Commissioning</p> <p>This is a continuing multi-year project. In 2025 construction for works will commence including a new secondary clarifier, new nitrified mixed liquor pump and remediation of the headworks concrete and slide gate. In Q1 designs are close to finalization with the project consultant.</p>	↑
<p>Developing and Maintaining Collaborative Partnerships</p> <p>Specific works have been identified for 2025 to continue to foster relationships and dedicated time and resources to create new and expanded initiatives with the business community, provincial government and regional partners. For Q1, public sessions were held to communicate the Safety and Security Plan for the Temporary Winter Shelter; continued advocacy for HEART and HEARTH in Penticton; Bylaw specific training occurred to support vulnerable populations struggling with mental health and substance use disorders; and the division co-initiated the development of a Property Compliance and Standards team.</p>	↑
<p>Development of the Community Safety and Wellbeing (CSWB) Plan</p> <p>A CSWB is a strategic initiative designed to enhance safety and quality of life for residents within the community. The focus of Penticton’s CSWB is on prevention and intervention through targeted programs that address the root causes of safety and health issues. In Q1, the division solicited requests for quotes from four (4) proponents to identify a qualified contractor for the development of the CSWB.</p>	↑
<p>Intelligence Led Responses</p> <p>To increase efficiency and effectiveness, Bylaw Services is moving to implement intelligence-led responses and proactive patrols. The ability to harness data and focus resource deployment based on the data will elevate levels of service and call response. For Q1, Bylaw Officers are addressing high volume complaint areas through Crime Prevention through Environmental Design (CPTED) and shared intelligence with RCMP to address hot spots.</p>	↑
<p>Fire Prevention Division Growth Strategy</p> <p>Fire Prevention oversees property inspections, reviews business licenses and final occupancy permits, responds to Freedom of Information requests and public complaints as well as preparing Office of the Fire Commissioner reports. In 2025, Council approved an increase of a full-time prevention resource. For Q1, the job opportunity was posted, and recruitment is underway.</p>	↑

<p>Development of a Hazard Risk Vulnerability Analysis (HRVA)</p> <p>Utilizing a public grant, the PFD will work to develop an HRVA to focus on prevention and planning for the City and neighbouring communities per mutual aid agreements. In Q1 two (2) Disaster Risk Planners were hired through the RDOS. Project Charter is complete, and a presentation was provided to Council on progress to-date.</p>	↑
<p>Wildfire and FireSmart Planning and Mitigation Strategies</p> <p>PFD continues to explore and apply for grant-funded opportunities to maintain wildfire resiliency actions for the community. This initiative is currently on hold due to the FireSmart Coordinator vacancy.</p>	↓
<p>Fire Department Record Management Software (RMS) Enhancements</p> <p>The PFD has an identified need for a new RMS system to increase efficiencies, and end-user experience for coordination of scheduling, training, events and department activities. For Q1, the department is working on the implementation of the new RMS system.</p>	↑
<p>Operational Risk Assessment</p> <p>An operational risk assessment compiles findings and identifies recommendations to guide operations for high-risk rescues, airports, water response and high-rise residential and commercial buildings. For Q1 the Requests for Proposals (RFP) was in progress.</p>	↑
<p>Advancement of the 2024 – 2027 RCMP Strategic Plan</p> <p>The RCMP's Strategic Plan focuses on four key areas: Connect vulnerable people, Impact crime trends, Advance preparedness and Drive results. Key initiatives have been identified for 2025 focusing on creation of a Community Safety Unit; increased collaboration with RCMP Community Policing and Bylaw Services; proactive communication; inter-agency training; and an Operational Review Unit to lead enhanced investigation capacity. Objectives are on track for the first quarter.</p>	↑

Livable & Accessible	
Proactively plan for deliberate growth and focus on community infrastructure to support an inclusive, healthy, safe and desirable place to live	
Initiative	Status
<p>Advancement of Civic Places and Spaces Priority #2: Arenas</p> <p>This is a multi-year project. The project will realize work completed to-date for the Civic Places and Spaces project as well as consider directions and recommendations from the Arena Feasibility Study. In Q1, the Arena Feasibility Study is underway, and completion is targeted for Q2.</p>	↑
<p>Continuation of Sport and Recreational Needs Assessment</p> <p>This is a multi-year project. Project milestones will be advanced in 2025 including presentation of the complete assessment report and associated recommendations to Council and the Parks and Recreation Advisory Committee. For Q1, the project is underway and anticipate completion in Q2.</p>	↑
<p>Frost Fest Winter Carnival Expansion</p> <p>Established in 2024, Frost Fest is a multi-event winter carnival to create an off-season event that would increase vibrancy and attract visitors and support a connected community. The event was successfully hosted in Q1 and featured a movie night, fundraising gala, hot air balloons, kids' zone, rail jam and polar dip.</p>	☑
<p>City Yards Upgrades</p> <p>This is a multi-year project. In 2024, construction on the Electric Utility Fleet storage building started. In 2025 the Facilities department will lead the design and construction of a Fleet Shop building. In Q1, the Electric Utility Fleet building construction was completed, and preliminary plans were started for the new Fleet Shop building.</p>	↑
<p>Accessibility Enhancements and Improvements</p>	↓

Utilizing the Provincial Library's Enhancement grant, the Library Board has approved engaging a consultant to develop a space plan for both public and work areas to enhance the appearance of the Library and improve accessibility of services and collections. Project is delayed for Q1 due to staff shortages and supplier issues. Anticipate the project will be on track in Q2.	
Increase Water Service Quality and Reliability	↑
Penticton's water supply and treatment systems have several projects planned for 2025 and onwards to support growth of water demand, improve water reliability and meet regulatory compliance targets. For Q1, the Pressure Reducing Valve (PRV) project construction is underway. Utility main work is ongoing for Kensington Avenue and mechanical work is ongoing at the Duncan Avenue Reservoir.	
Eckhardt Avenue Corridor Reconstruction	↑
The Eckhardt Avenue project includes renewal of underground utilities from Government Street to Main Street. The sanitary sewer and water services have reached the end of useful life and require replacement with PVC piping. All road users will have safety enhanced through grade-separated bike lanes and enhanced lighting and crosswalk identification for KVR trail connectivity across Eckhardt Avenue. For Q1, design is being finalized, and the project will be tendered in Q2 with construction to start in summer 2025, subject to contractor availability.	
Demand Side Management Pilot Project	↑
The City is piloting a Demand-Side Management (DSM) program with up to 1,000 volunteer customers to reduce energy use and peak demand costs. In Q1 the project team is pleased to report that 131 participants have signed up and installed 20 thermostats and 48 smart plugs.	
Electrical Modern Metering Program	↑
This project would replace the Advanced Meter Reading (AMR) platform with Advanced Metering Infrastructure (AMI). AMI enables the collection of detailed and accurate energy usage data, which is then transmitted automatically, eliminating the need for manual meter reading. In Q1, the Request for Information (RFI) has been submitted to Procurement. Next steps will advance in Q2.	
Voltage Conversion Study	↑
A voltage conversion study involves assessing the feasibility, impact and benefits of converting the City's primary distribution system from 12.47kV to 25kV. The project has not started in Q1 however project deliverables remain on track.	
Solar Feasibility and Implementation Project	↑
The City of Penticton will be conducting feasibility studies to identify appropriate corporate roof tops to install solar panels for the purpose of offsetting energy costs and reducing peak demand. This project is aligned with the Corporate Energy and Emissions Plan. The project has not started in Q1 however project deliverables remain on track.	
Regional Collection Agreement	↑
The City of Penticton began negotiations in January 2024 for a new waste collection contract from July 2025 to June 2032. In negotiating the new contract, the City collaborated with the RDOS for a regional agreement which also serves Summerland, Oliver, Osoyoos and Keremeos. For Q1 the project is on track with the new collection agreement starting on July 1, 2025.	
KVR Trail Master Plan and Green Corridor Strategy	↑
The Parks department began work on the Master Plan in 2024. In 2025, the goal is to create a comprehensive green network by integrating existing green corridors, parks, trails and open areas throughout the City. The RFP for consulting services was issued in Q1. Estimated project completion date is December 2025.	
Lakawanna Park Upgrades	↑
The City's parks department will lead the upgrade and replacement project at Lakawanna Park due to equipment end of life and compliance with health guidelines. In Q1 the final concept design was presented to Parks and Recreation Advisory Committee, Accessibility Committee and Council. RFP is expected to be issued in Q2 with construction expected to start in fall 2025.	

<p>Urban Forest Management Plan (UFMP) – Advancing CommuniTREE Plan</p> <p>In 2025, the department will continue works completed to-date. A key component of the work in 2025 will be a Parks Technician role to advance key recommendations for a Green Future which will strive to increase urban forest canopy to 18-percent by 2045 with 25-percent canopy cover in urban areas by 2085. Significant progress was made in Q1 including updates to the Municipal Properties Tree Bylaw and working on policy revisions to ensure alignment with the UFMP.</p>	<p>↑</p>
<p>Transportation Safety</p> <p>After finalizing the updated neighbourhood traffic management policy, we plan to test various rapid implementation techniques to address concerns received from the public (132 outstanding). Many of these concerns relate to local residential roads, indicating community support for lower speed limits to enhance overall road safety. In Q1 the Neighbourhood Traffic Calming pilot project (Cornwall/Paris Neighbourhood) moved towards finalization. Public engagement sessions are planned for Q2.</p>	<p>↑</p>
<p>Transit Network Expansion Plans</p> <p>For the 2025 budget year, staff are planning to conduct a review of bus stops along affected routes and planning for future infrastructure upgrades to support the revised routing and increased frequencies. This will be a multi-year project starting in 2025, in anticipation of the expanded service in 2026. For Q1, advancement of the project is pending confirmation by BC Transit on the ability to deliver the approved expansion plans. The initiative is on track to complete within anticipated timelines.</p>	<p>↑</p>
<p>Development of an Area Plan for Okanagan Lakeshore / Esplanade</p> <p>In response to community interests for the Okanagan Lakeshore and Esplanade areas, a comprehensive land use, park and infrastructure area plan is approved for the 2025 budget. In Q1 an internal working group was formed which involves many departments. Select technical consultancies are now engaged including environmental and archeological.</p>	<p>↑</p>
<p>Advancing Housing Affordability</p> <p>This initiative supports and provides funding for four main projects: development of an affordable housing incentive policy; developing housing on City land; development of area plans for Transit Oriented Areas; and implementing the Social Housing and Infrastructure Plan (SHIP). For Q1, progress is proceeding on all four initiatives with Council endorsing specific incentives in February (10-year permissive tax exemptions for affordable housing projects).</p>	<p>↑</p>
<p>North Gateway: Penticton Trade and Convention Centre Improvements</p> <p>Per direction received from Council in 2024, Development Services will lead internal planning work to develop a comprehensive land use and parkland plan in support of an attached hotel to the Penticton Trade and Convention Centre. In Q1, early planning work occurred for a 2026 referendum on building a hotel attached to the PTCC on dedicated park land.</p>	<p>↑</p>
<p>Advancement of Actions in the Social Development Framework</p> <p>Social Development continues to advance the priorities laid out in the Social Development Framework. A continued priority is to make progress on those actions in the building of a healthy, safe and resilient community. In Q1, bridge funding was secured to continue operation of the Temporary Winter Shelter through to May 31, 2025. The department continues to support the construction of the Power Street Child Care Centre.</p>	<p>↑</p>
<p>Accessibility Plan Implementation</p> <p>The Plan contains 21 actions for making the City of Penticton more accessible. Social Development will continue to work with the Accessibility Committee on advancing these actions. In Q1, Social Development continues to implement actions within the Plan.</p>	<p>↑</p>

City Mission

Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

Initiative	Status
<p>Advocacy and Intergovernmental Relations Planning</p> <p>The Advocacy Planning and Intergovernmental Relations (IGR) initiative aims to establish a proactive, sophisticated strategy for engaging local, provincial, federal and Indigenous governments and other key partners. This will enable the City to advance priority issues, secure funding and influence policies that directly benefit Penticton. Responsibility for this initiative has formally transferred to the new IGR Manager role. In Q1, several provincial engagements were held, and conversations were continued regarding tiny home initiatives, tariff response and Forest Service Road 201.</p>	↑
<p>Procurement of an External Auditor</p> <p>The City will conduct the Request for Proposals process (RFP) to ensure that Council is able to make an informed decision when appointing a new auditor. Project work did not start in Q1 and the RFP will be issued in Q2 with the contract award to occur in Q3.</p>	↑
<p>Advancing Digital Transformation and Innovation Project</p> <p>The IT/GIS department will continue to work to leverage available technologies to focus on increasing operational efficiencies, collaboration and new communication tools available within MS 365. Q1 realized significant strides including enhancing the City's IT infrastructure, migrating software systems and upgrading an ERP solution.</p>	↑
<p>Expansion of the Strategic Communications Program</p> <p>A sophisticated, professional and knowledgeable approach to communications is essential for the City of Penticton to ensure that residents and visitors are informed and up-to-date on City operations. Attention will be given to investigating processes to monitor and collect citizen data and sentiment to inform strategic communication decisions. In Q1, an external consultant conducted an internal service audit with City departments. Results of the audit will inform program changes.</p>	↑

Status		Definition
☑	Complete	Initiative was successfully completed
↑	On Track	Initiative is on schedule and progress continues towards milestones
↓	Delayed	Initiative is experiencing challenges or delays

Appendix B – 2024 Capital Carry Forward to 2025 List

General Government Services

Facilities				
FA-78	VITAL	City Hall - HVAC Chiller Repair	\$342,500	RENEW
FA-07	OPTIMAL	City Hall - Rolling Vault Shelves	87,250	RENEW
FA-69	ESSENTIAL	City Hall - Server Room Renovations	165,200	RENEW
FA-09	VITAL	City Wide Security - Major System Upgrade	145,395	RENEW
FA-70	ESSENTIAL	City Yards - Electrical Building	501,570	NEW
FA-10	ESSENTIAL	City Yards - Main Building Upgrades	1,106,650	RENEW
FA-109	VITAL	Cleland Theatre - Lighting	124,095	RENEW
FA-23	ESSENTIAL	Community Centre - Energy & Emissions Reductions Retrofit	1,928,385	RENEW
FA-22	VITAL	Community Centre - Facility Equipment Replacement	75,000	RENEW
FA-19	VITAL	Community Centre - Facility Improvements	87,455	RENEW
FA-71	STRATEGIC	Community Centre - Power Street Child Care Project	3,383,790	RENEW
FA-66	VITAL	Community Centre - Replace Boiler	592,480	RENEW
FA-59	STRATEGIC	Community Safety Building	298,390	NEW
FA-911	VITAL	Facility Emergency Repairs	318,300	RENEW
FA-75	ESSENTIAL	Fire Hall 2 - Apparatus Building & Peripherals	7,590	RENEW
FA-118	VITAL	Fire Hall 2 - Heating & Cooling Equipment	40,000	NEW
FA-44	OPTIMAL	PTCC - Replace Small Wares	25,000	RENEW
FA-68	STRATEGIC	Public Washrooms - Okanagan Lake Park Renovations	100,000	NEW
FA-74	VITAL	Soccer Facility - Recover Roof Bubble	28,000	RENEW
FA-92	VITAL	SOEC - Cooling Tower Heat Exchanger Replacement	13,775	RENEW
FA-53	VITAL	SOEC - Facility Equipment Replacement	60,000	RENEW
FA-55	ESSENTIAL	SOEC - Replace Hallway Flooring	178,440	RENEW
Total Facilities Projects			\$9,609,265	

Information Technology

IT-01	ESSENTIAL	Hardware - Audio Visual, Security Video	\$100,000	RENEW
IT-03	VITAL	Hardware - Desktop & Cellular Telephones	332,580	RENEW
IT-04	ESSENTIAL	Hardware - Desktop Computers, Laptops, Tablets	145,350	RENEW
IT-06	VITAL	Hardware - Servers & Appliances	112,225	RENEW
IT-11	ESSENTIAL	Hardware - SOEC	53,650	RENEW
IT-12	ESSENTIAL	Infrastructure - GIS	286,420	NEW
IT-07	VITAL	Infrastructure - Local Area Network	339,035	RENEW
IT-13	VITAL	Utility Billing Software Upgrade	128,440	NEW
Total Information Technology Projects			\$1,497,700	

Planning

PL-01	STRATEGIC	Official Community Plan Review	\$6,440	RENEW
Total Planning Projects			\$6,440	

Protective Services**Fire Services**

FS-01	ESSENTIAL	Emergency Training Centre Upgrades	\$27,000	RENEW
FS-03	VITAL	Equipment Replacement	16,965	RENEW
FS-02	VITAL	Fire Hose Replacement	5,000	RENEW
Total Fire Services Projects			\$48,965	

Fleet**Fleet**

FLT-133	ESSENTIAL	1 Ton Pickup (Replace Unit 133)	\$160,000	RENEW
FLT-L202	VITAL	100' Platform Fire Truck (Replace Unit L-202)	2,300,000	RENEW
FLT-9429	ESSENTIAL	Aerator (Replace Unit 9429)	5,375	RENEW
FLT-9430	ESSENTIAL	Aerator (Replace Unit 9430)	20,000	RENEW
FLT-50	ESSENTIAL	Digger Derrick Aerial (Replace Unit 50)	450,000	RENEW
FLT-BOAT	STRATEGIC	Fire Services Rescue Boat	80,000	NEW
FLT-GARAGE	ESSENTIAL	Garage Equipment Replacements	34,000	RENEW
FLT-129	ESSENTIAL	Hydrant Truck (Replace Unit 129)	5,935	RENEW
FLT-9460	ESSENTIAL	Overseeder (Replace Unit 9460)	11,000	RENEW
FLT-PARKS	ESSENTIAL	Parks Equipment Replacements	12,500	RENEW
FLT-TRAILER	OPTIMAL	Trailer Replacements	9,960	NEW
FLT-TRUCK	ESSENTIAL	Truck Replacements	42,000	RENEW
FLT-51	ESSENTIAL	Utility Service Truck (Replace Unit 51)	117,370	RENEW
FLT-331	ESSENTIAL	Zamboni (Replace Unit 331)	230,000	RENEW
Total Fleet Projects			\$3,478,140	

Transportation, Roads & Utilities**Transportation Network**

TN-AT-01	OPTIMAL	AAA Bike Network	\$2,457,915	GROWTH
TN-AT-01.2	STRATEGIC	AAA Bike Network - Lake to Lake Sections 2-4	93,480	GROWTH
TN-AT-01A	STRATEGIC	Bike Network Improvements	31,325	RENEW
TN-TC-03	STRATEGIC	Crosswalk Improvement Program	461,450	NEW
PW-03	STRATEGIC	Decorative Seasonal Lighting	35,500	NEW
TN-MP-01	STRATEGIC	Intersection Improvements	200,770	GROWTH
TN-MP-03	STRATEGIC	Point Intersection	350,000	GROWTH
TN-TC-04	STRATEGIC	Safe Routes to School	110,280	NEW
TN-AT-03	STRATEGIC	Sidewalk Network Improvements	993,140	GROWTH
Total Transportation Network Projects			\$4,733,860	

Neighbourhood Reconstruction

RC-16	STRATEGIC	Duncan Avenue East Corridor Reconstruction	\$85,000	RENEW
RC-15	STRATEGIC	Eckhardt Avenue Corridor Reconstruction	3,430,890	RENEW
RC-05	ESSENTIAL	Woodstock Road - Water Main Replacement	118,800	RENEW
Total Transportation Network Projects			\$3,634,690	

Storm Water Management

WD-NE-03	STRATEGIC	Ellis 2 Dam Design & Upgrades	\$215,150	RENEW
WD-NE-06	STRATEGIC	Miscellaneous Dam Projects	180,095	RENEW
DC-NE-01	STRATEGIC	Miscellaneous Storm Projects	107,000	RENEW
DC-NE-02	STRATEGIC	Okanagan Lake Channel Retaining Wall	462,660	RENEW
PCR-R2	STRATEGIC	Penticton Creek Restoration - Reach 2	435,335	RENEW
STC-02	STRATEGIC	Weather Monitoring Stations	119,900	NEW
Total Storm Water Management Projects			\$1,520,140	

Water & Sanitary Sewer Networks

SC-IR-01	STRATEGIC	Aging Sanitary Sewer Infrastructure Renewals	\$400,000	RENEW
WD-IR-02	STRATEGIC	Aging Water Infrastructure Renewals	150,000	RENEW
WD-NE-02	STRATEGIC	Agricultural Irrigation Meter Program	14,740	NEW
WD-IR-03	STRATEGIC	Industrial Area Fire Flow Upgrades	110,000	GROWTH
WD-IR-05	STRATEGIC	Raw Water Main Replacements	63,000	RENEW
G-WAT-01	STRATEGIC	Ridgedale Reservoir Upgrade	4,731,360	GROWTH
SC-MP-01	STRATEGIC	SOEC Lift Station Wet Well Expansion	115,000	GROWTH
Total Water & Sanitary Sewer Networks Projects			\$5,584,100	

Parks**Parks & Cemetery**

PK-2020-P10	STRATEGIC	Dog Park Improvements	\$99,550	RENEW
PK-2020-P17A	STRATEGIC	Kiwanis Walking Pier Replacement	141,555	RENEW
PK-DCC-04	STRATEGIC	KVR Trail Planning & Improvements	125,000	GROWTH
PK-2020-C1	STRATEGIC	Lakeview Cemetery Expansion & Upgrades	75,735	RENEW
PK-2020-P20	STRATEGIC	Riverside Park Site & Entry Improvements	64,120	RENEW
PK-2020-P16	STRATEGIC	Robinson Property Pickleball Courts	56,740	NEW
PK-2020-P17	STRATEGIC	Rotary Point Site Improvements	88,620	RENEW
PK-2023-P40	STRATEGIC	Skaha Park Pedestrian Bridge Replacements	41,590	RENEW
PK-2020-P1	STRATEGIC	Skaha Park Upgrades from Master Plan	876,560	RENEW
PK-2022-P17	OPTIMAL	Sudbury Parking Lot Landscaping	5,000	RENEW
PK-2020-P14	STRATEGIC	Three Mile Beach Upgrades from Master Plan	35,060	RENEW
Total Parks & Cemetery Projects			\$1,609,530	

Energy & Environment

Electric & Sustainability

ELEC-NE-03	STRATEGIC	Carmi Substation Feeders	\$50,000	NEW
ELEC-IR-05	STRATEGIC	Downtown Underground Conversion	1,371,650	RENEW
SP-02	STRATEGIC	Electric Vehicle (EV) Rapid Charging Infrastructure	266,490	NEW
ELEC-NE-11	OPTIMAL	Electrical Inventory Storage Racks	10,850	RENEW
ELEC-NE-04	STRATEGIC	Fiber Optic System Redundancy	131,250	NEW
ELEC-IR-02	STRATEGIC	Huth Substation Refurbishment	324,730	RENEW
ELEC-NE-02	STRATEGIC	Reliability/Resiliency Improvements	21,400	NEW
ELEC-NE-01	STRATEGIC	SCADA Improvements & System Automation	20,000	NEW
ELEC-IR-01	STRATEGIC	Substation Refurbishments	312,120	RENEW
ELEC-NE-06	STRATEGIC	Traffic Detection & Controllers	15,650	NEW
ELEC-NE-08	STRATEGIC	Utility Scale Battery Storage	1,689,900	NEW
Total Electric & Sustainability Projects			\$4,214,040	

Treatment Plants

Advanced Waste Water Treatment Plant (AWWTP)

AWWTP-2	VITAL	Asset Management Replacement for AWWTP	\$310,000	RENEW
AWWTP-3	ESSENTIAL	Asset Management Replacement for Lift Stations	20,620	RENEW
AWWTP-20	ESSENTIAL	AWWTP - SCADA Equipment Replacements	25,500	RENEW
AWWTP-A20	VITAL	Liquid Waste Management Plan Review	32,300	RENEW
AWWTP-20J	ESSENTIAL	Main Breaker PDC Replacement	50,000	RENEW
AWWTP-S2	ESSENTIAL	Phase 2 of AWWTP Expansion & Upgrades	14,008,480	GROWTH
AWWTP-20P	ESSENTIAL	Wilson & Marina Way Generators & Flow Meters	170,750	RENEW
Total AWWTP Projects			\$14,617,650	

Water Treatment Plant (WTP)

WTP-NE-08	ESSENTIAL	Duncan Avenue Pump Station Roof Replacement	\$15,000	RENEW
WTP-NE-07	ESSENTIAL	Okanagan Lake Pump Station Roof Replacement	48,270	RENEW
WTP-IR-01	STRATEGIC	Penticton Avenue PRV Upgrade	8,096,910	GROWTH
WTP-NE-02	ESSENTIAL	WTP - Building Improvements	237,480	NEW
WTP-IR-03	ESSENTIAL	WTP - Equipment Replacement	14,000	RENEW
WTP-IR-05	ESSENTIAL	WTP - Makeup Air Replacement	449,840	RENEW
WTP-IR-02	ESSENTIAL	WTP - PLC & Communications Equipment Replacement	90,765	RENEW
Total WTP Projects			\$8,952,265	

Total 2024 Capital Projects Carry Forward to 2025

\$59,506,785