Council Report

penticton.ca

Date: September 29, 2026 File No: RMS 1610
To: Anthony Haddad, City Manager
From: Courtney Jones, Manager of Financial Planning
Subject: **2026 Q3 Financial and Corporate Business Plan Update**

Staff Recommendation

THAT Council receive into record the report dated September 29, 2026, titled "2026 Q3 Financial and Corporate Business Plan Update";

AND THAT Council approve amending the 2026 - 2030 Financial Plan to provide for budget amendments noted in the report.

Strategic Priority Objective

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

Background

The 2026 - 2030 Financial and Corporate Business Plan was adopted December 16, 2025, and the first quarter update was received by Council on May 19, 2026, and second quarter update was received by Council on August 4, 2026. This third quarter report, found in Attachment A, includes activities up to September 15, 2026, and outlines the impacts on the City's revenues and expenses as a result of the year-to-date budget amendments, annual forecasts, as well as an update on the Corporate Business Plan initiatives.

Financial implication

The City's financial position for the third quarter continues to be strong with results as anticipated compared to budget.

The following financial implications are expected as a result of the budget amendments made to date and changes in forecasted revenue and expenses this year:

- General Operating Fund forecasted surplus of $0.2M, compared to a balanced budget, which is for savings from RCMP vacancies offset by higher anticipated legal costs, annual safety licenses, and IT service costs for maintenance and cyber security;
- Electric Operating Fund forecasted draw of $4.5M, same as the approved budget;
- Sewer Operating Fund forecasted draw from reserve of $0.05M, $88k higher than the approved budget for video inspection of sanitary mains, additional liquids costs, septage hauling, and general repairs;
- Water Operating Fund forecasted a draw of $1.4M, comparative to the approved budget of $1.3M for additional unplanned costs for water main repairs, offset by savings for reduced spend on dredging.

Analysis

Some highlights from the report include:

Third Quarter Budget Amendments

Operating

In the third quarter, the lone operating budget amendment was for the Council approved parking lot upgrades to the Nanaimo Street parking lot for $40k.

Capital

Third quarter capital budget amendments total an increase of $567k, mainly attributed to a budget amendment to fund the Council approved renewal of the Burn Building at the Emergency Training Center, which is offset by the project cancellation of the Fiber Optic System Redundancy project as a different solution was found to work. More information is provided in the Capital Variance Analysis section of Attachment A.

Amended Budget to Forecast Variances

The third quarter operating forecast has been updated to reflect known or anticipated variances to the budget for the year. For the General fund, revenue has increased by $192k mainly attributed to higher building permit revenue. General fund operating expenses are forecasting a savings of $1.5M for anticipated savings for RCMP vacancies offset by higher anticipated legal fees, annual licenses, and IT maintenance service costs.

Sewer and Water operating expenses are both forecasting slight adjustments to their forecasted budgets to reflect anticipated savings and additional costs, detailed in the report.

Strategic Initiatives

The City of Penticton's 2026 - 2030 Financial and Corporate Business Plan outlines 38 initiatives that advance Council's Strategic Priorities, as well as projects that have been identified by the Senior Leadership Team, which will improve service delivery and business functions for the City.

Priority	Completed	On Track	Delayed	Total
Safe & Resilient	1	14	0	15
Livable & Accessible	3	15	1	19
Vision, Mission & Culture	0	3	1	4
Totals	4	32	2	38

Four (4) initiatives are completed:

- Skating Forward: City Operations of Downtown Ice Rink
- Continued Investment in Accessibility Enhancements and Improvements
- Innovate & Create: Makerspace Enhancements
- Transportation Safety and Safe Routes to School

Two (2) initiatives are considered delayed:

- Transit Network Expansion Plans
- Intergovernmental Liaison Strategy for Priority Advancement

Alternate recommendations

THAT Council direct staff to provide further information prior to receiving into record the report dated September 29, 2026, titled "2026 Q3 Financial and Corporate Business Plan Update".

Attachments

- Attachment A – Third Quarter 2026 Update

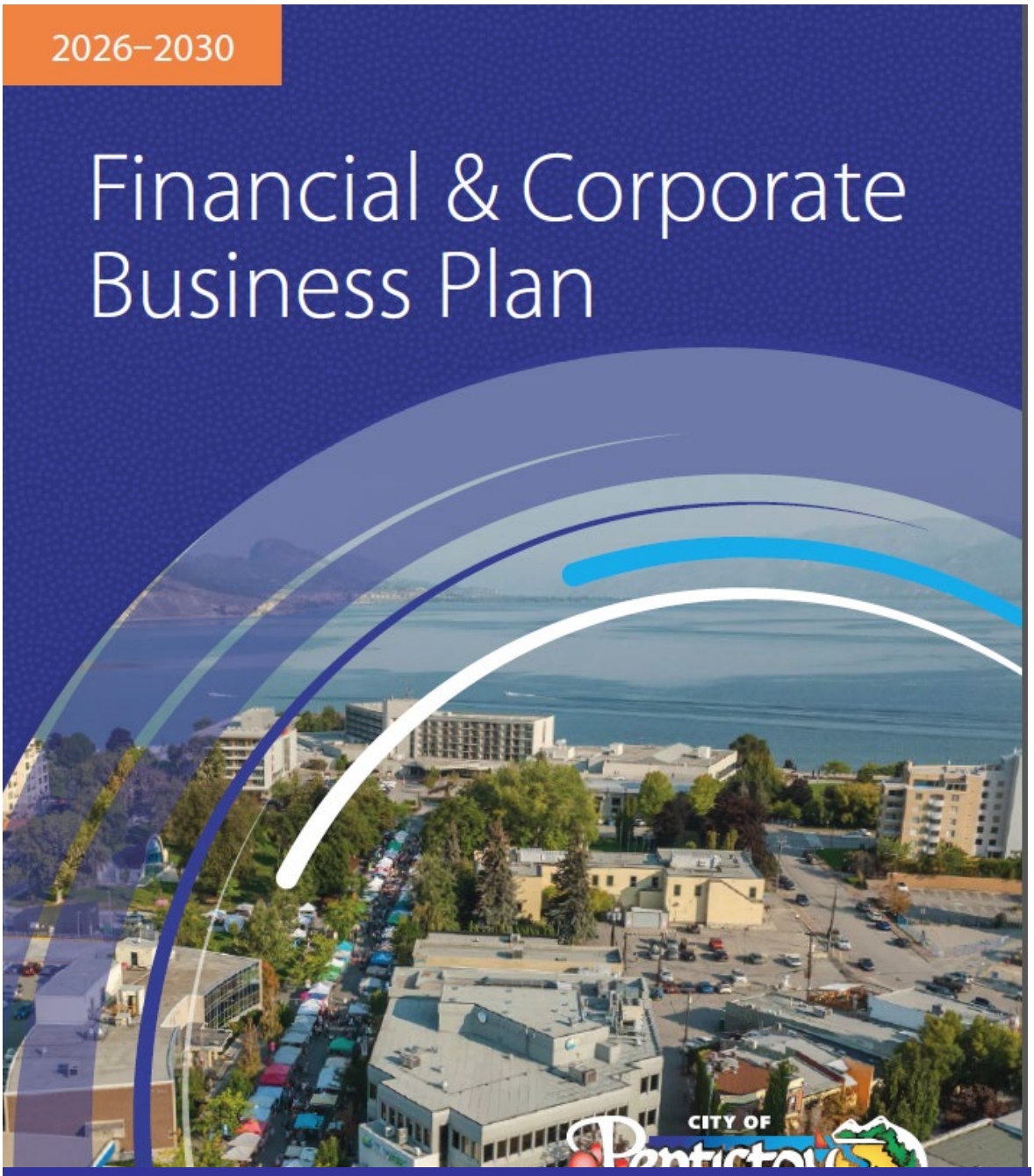
Respectfully submitted,

Courtney Jones

Courtney Jones
Manager of Financial Planning

Concurrence

GM Corporate Services	GM Infrastructure	GM Community Services	GM Development Services	GM Public Safety & Partnerships	City Manager
AMC	KD	KJ	BL	JC	AH



City of Penticton

Third Quarter 2026 Update

Financial and Corporate Business Plan
September 29, 2026

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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. The Annual Report and summarizes the year in its totality and is published in June each year.

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.
4. Strategic Initiatives - includes progress update on the initiatives detailed in the City's Financial and Corporate Business Plan.

Financial Summary

The 2026 -2030 budget was adopted by Council on December 16, 2025, with the first quarter report received by Council on May 19, 2026 and second quarter update was received by Council on August 4, 2026. This third quarter report includes activities up to September 15, 2026. The City's financial position continues to remain strong and steady.

General Fund

In 2026, the general fund was balanced with no planned draw from the general surplus reserve, and after the third quarter, the 2026 forecasted surplus is $0.2M.

Operating - forecasted surplus of $0.2M

The forecasted surplus is $248k, related to savings from RCMP vacancies offset by higher anticipated legal costs, annual licenses, and IT service costs for maintenance and cyber security.

Capital - $18.7M

The General Fund 2026 Capital amended budget has increased to $18.7M, a change of $2.1M from the approved budget of $16.6M, which is detailed below in the Capital Variance Analysis section.

Utilities

The Utilities operating forecasted draw/transfer from surplus for the Electric funds is the same as the approved budget, Sewer and Water fund is forecasting a slightly larger draws from surplus.

- Electric Operating – forecasted draw of $4.5M, same as approved budget
- Sewer Operating – forecasted draw from reserve of $0.05M, compared to the approved budget transfer of $0.04M, a difference of $88k, for video inspection of sanitary mains, additional liquids costs, septage hauling, and general repairs.
- Water Operating – forecasted draw of $1.4M comparative to the approved budget of $1.3M for additional unplanned cost for water main repairs offset by savings for reduced spend on dredging.

The amended capital budget for the Water fund is the same as budget, while the Sewer and Electric funds have decreased compared to the approved budget.

- Electric Capital – amended budget is $6.1M, compared to approved budget of $6.2M for the cancellation of the Fiber Optic System Redundancy project, in which another solution has been found;

- Sewer Capital – amended budget is $4.2M, a decrease of $19k for an adjustment to the 2025 carry forward budget amount;
- Water Capital – amended budget is $5.5M, same as approved budget.

Cash & Investments

As of September 15, 2026, the City's cash and term deposit balance is $161.3M, an increase of $18.2M over the beginning of year balance of $143.1M. The increase is related to the collection of general taxation for the year being received and will fund operations until next year. The third quarter is lower than the second quarter of $171.2M, as funds collected for other jurisdictions were remitted. In the third quarter, two investments matured and were re-invested, with one investment's rate decreased from 5.99% to 3.85%, and the other's investment rate increased from 2.2% to 3.95%.

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

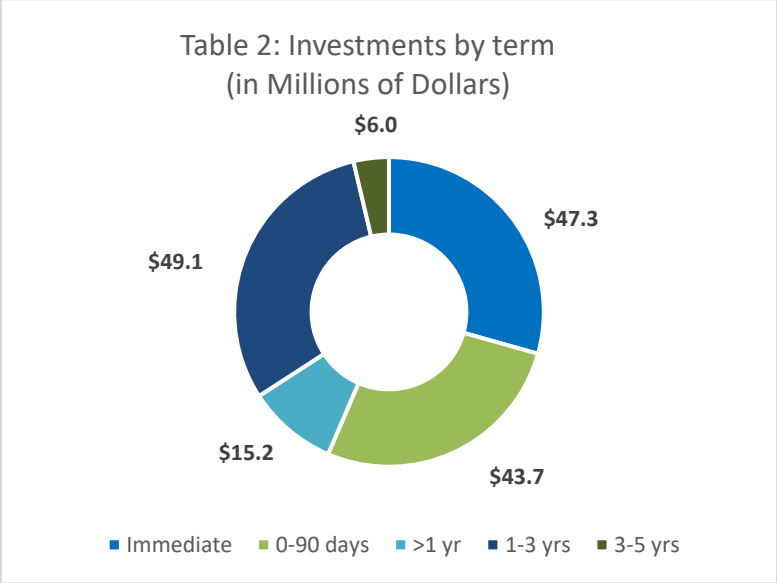
Table 1: Types of Investments (in millions)

Type of Investment	2025 Portfolio Amount	2025 Percentage	2026 Q3 Portfolio Amount	2026 Q3 Percentage
Cash	$ 2.9	2.0%	$ 47.3	29.4%
Municipal Finance Authority Investment funds	36.6	25.6%	37.3	23.2%
*Securities in a Chartered Bank	21.6	15.1%	22.5	13.9%
*Deposits in BC Based Credit Unions	47.9	33.5%	24.4	15.1%
*Deposits in Credit Unions based outside of BC	34.1	23.8%	29.7	18.4%
Total	**$ 143.1**	**100.0%**	**$ 161.3**	**100.0%**

**All are Guaranteed Investments/Term deposits*

To ensure the City maintains enough funds to meet day to day operations and capital needs, readily available funds available are $91M (56%) available within less than 90 days. All the readily available funds continue to earn interest at a competitive rate. 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)

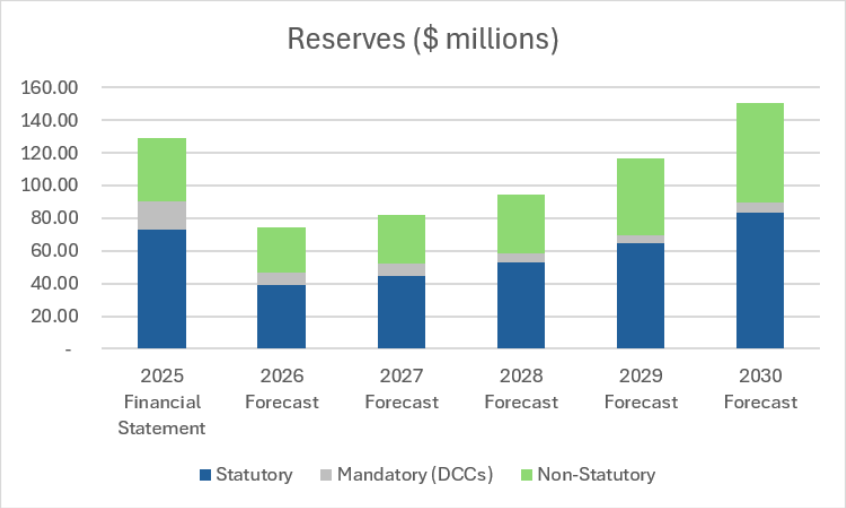

Table 2: Investments by term
(in Millions of Dollars)
$6.0
$47.3
$49.1
$15.2
$43.7
Immediate
0-90 days
>1 yr
1-3 yrs
3-5 yrs

Reserves

The City's total reserve balances at the end of 2025 were $129M and at this time are forecasted to be $75M at the end of 2026, which is similar to the second quarter forecast, and includes budget amendments to date and forecasted variances. The anticipated reduction is largely due to the planned capital program, which assumes all carry forward and current year budgets will be fully spent in 2026. Capital that is not fully expended by the end of the year, will continue to remain in reserve balances until spent, 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 2026-2030 Financial Plan:

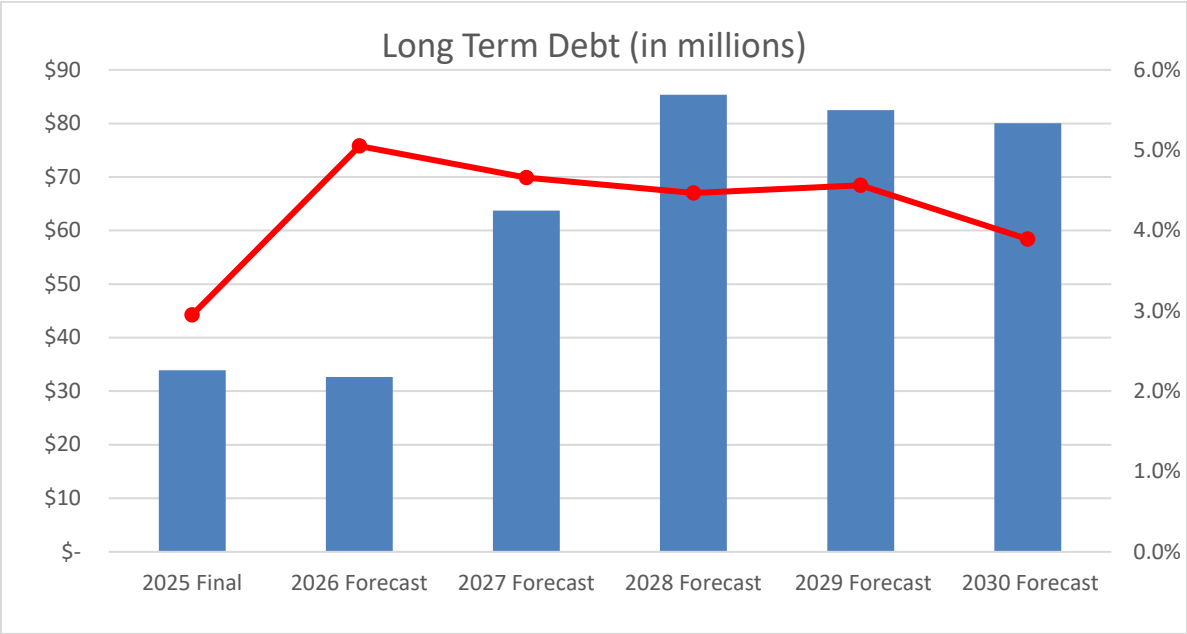
Table 3: Reserve Forecast Summary (in millions)



Debt

The City's debt balance at the end of 2025 is $34M and forecasted to decrease to $33M by the end of 2026, which is unchanged from the second quarter update. 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 2026-2030 Financial Plan is included in the table below, with the red line representing the updated liability serving costs:

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



On March 17, 2026, Council approved the Loan Authorization Bylaw (Council resolution 77/2026) to consent to borrow $38.0M for the Firehalls Replacement and Upgrades, and on August 18, 2026, Council adopted the Temporary Borrowing Bylaw No. 2026-23. Borrowing for this project is expected to occur over the years 2026-2028. Once a loan is authorized, the full amount authorized is included in the liability servicing costs. At this time, no funds have been borrowed through the temporary borrowing bylaw.

Liability Servicing Cost is legislatively limited to 25%, where debt servicing costs cannot exceed 25% of specific municipal revenues of the previous year. Municipalities can borrow up to 10% of their annual revenue, without requiring public assent, which is otherwise known as the approval-free liability zone.

The estimated Liability Service Cost is noted in the table below:

Table 5: Liability Servicing Costs

	2025 Final	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast
Estimated Liability Servicing Cost %	3.0%	5.1%	4.7%	4.5%	4.6%	3.9%

Revenue & Expense Summary

	2026 Adopted Budget	2026 Q1 Budget Amendments	2026 Q2 Budget Amendments	2026 Q3 Budget Amendments	2026 Amended Budget	2026 Forecast	Amended Budget to Forecast Variance
Revenue							
Municipal Taxation	$ (53,949,605)	$ -	$ -	$ -	$ (53,949,605)	$ (53,949,605)	$ -
Sale of Services	(15,118,373)	-	(105,000)	-	(15,223,373)	(15,376,587)	(153,214)
Electric Utility Revenue	(53,378,295)	-	-	-	(53,378,295)	(53,378,295)	-
Sewer Utility Revenue	(11,711,739)	-	-	-	(11,711,739)	(11,711,739)	-
Water Utility Revenue	(12,512,730)	-	-	-	(12,512,730)	(12,512,730)	-
Storm Water Utility Revenue	(2,597,590)	-	-	-	(2,597,590)	(2,640,908)	(43,318)
Fiscal Services	(4,231,000)	-	-	-	(4,231,000)	(4,231,000)	-
Grants	(2,591,981)	(917,660)	(93,680)	-	(3,603,321)	(3,583,321)	20,000
Other Contributions	(5,446,690)	-	-	-	(5,446,690)	(5,461,690)	(15,000)
Development Cost Charges	(1,662,000)	-	-	-	(1,662,000)	(1,662,000)	-
Donations	(10,000)	-	-	-	(10,000)	(10,000)	-
Total Revenues	(163,210,003)	(917,660)	(198,680)	-	(164,326,343)	(164,517,875)	(191,532)
Operating Expenses							
General Operating	87,717,105	1,184,160	253,180	40,000	89,194,445	87,659,764	(1,534,681)
Storm Water	779,242	-	-	-	779,242	779,242	-
Electric Utility	46,212,828	-	-	-	46,212,828	46,212,828	-
Sewer System	7,343,365	-	-	-	7,343,365	7,355,865	12,500
Water Utility	7,708,807	-	-	-	7,708,807	7,671,157	(37,650)
Total Operating Expenses	149,761,347	1,184,160	253,180	40,000	151,238,687	149,678,856	(1,559,831)
Other Entities Net Taxes	-	-	-	-	-	-	-
Net Operating Surplus	(13,448,656)	266,500	54,500	40,000	(13,087,656)	(14,830,536)	(1,742,880)
Capital Expenses							
General Capital	16,597,312	667,894	724,000	705,000	18,694,206	18,694,206	-
Electric Capital	6,201,400	-	-	(138,000)	6,063,400	6,063,400	-
Sewer Capital	4,212,000	(19,000)	-	-	4,193,000	4,193,000	-
Water Capital	5,450,000	-	-	-	5,450,000	5,450,000	-
Total Capital Expenses	32,460,712	648,894	724,000	567,000	34,400,606	34,400,606	-
Debt Proceeds	(2,000,000)	-	-	-	(2,000,000)	(2,000,000)	-
Debt Servicing - Principal Repayments	2,543,824	-	-	-	2,543,824	2,543,824	-
Capital Grant Funding	-	(663,897)	(54,000)	-	(717,897)	(717,897)	-
Transfer To (From) Surplus/Reserve	(2,160,880)	(251,497)	(724,500)	(607,000)	(3,743,877)	(2,000,997)	1,742,880
Amortization Offset	(17,395,000)	-	-	-	(17,395,000)	(17,395,000)	-
Financial Plan Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Operating Variance Analysis

Third Quarter Budget Amendments

The following summarizes the budget amendments for the quarter, with detailed items provided in the Appendix B – Detailed 2026 Budget Amendments.

For the third quarter, the lone operating budget amendment was for the Council approved parking lot upgrades to the Nanaimo Street parking lot for $40k.

Forecast Variances

Each quarter, City staff review actual revenue and expenses, comparative to budget, and forecast any significant anticipated variances. Some specific items we are monitoring or have forecasted changes are noted in the following section.

Forecasted Revenues:

- General property taxation is anticipated to be approx. $30k lower than budget, which is mainly attributed to Class 2 tax rates being at the maximum allowable amount.
- Sales of Services is forecasting an increased of $153k over the amended budget related to:
    - Building and licensing revenue has been increased by $209k for higher than planned building permits;
    - Land Management anticipated lease revenue is $15k lower than budgeted;
    - Planning department application fees are anticipated to be $15k lower than budget for less applications due to government regulation changes.
    - Solid waste revenue is forecasting a $16k increase comparative to budget to reflect actual revenue received.
    - Recreation revenue is forecasting to be $39k lower than budget mainly for reduced Parks revenue.
- Storm revenue is forecasting a $43k increased based on actual 2026 billings;
- Grant revenues are forecasting $20k less than budgeted in 2026 for a Development Services grant that is multi -year and expected to be utilized in 2027, these revenues are transferred to match expenses;
- Other Contributions are anticipating a $15k increase for Cemetery revenue expected to be higher than budget.

Forecasted Expenses:

The forecasted General Operating expenses are $1.5M lower than the amended budget for the following anticipated changes:

- Legal fees are forecasted to be $85k higher for risk mitigation and human resources related items;
- Economic development for the airport is forecasting a $45k increase;
- Annual safety licenses are $30k higher than anticipated;
- IT service costs for maintenance and cyber security are forecasted to $125k higher than budgeted.
- The RCMP services contract forecasted budget has been reduced by $1.6M for anticipated savings for staffing vacancies.
- Various other savings through multiple departments.

Sewer operating expenses are forecasting an increase of $13k mainly for video inspection of sanitary mains, additional liquids costs, septage hauling, and general repairs, offset by savings in 2026 for a later start on the master plan.

The forecasted Water operating expenses are a savings of $38k, which is a $118k improvement from the second quarter. This forecasted is for increased water main repairs of $80k, offset by savings for planned dam dredging.

Other items that are being monitored:

- Parking revenue for the year to date is 73% of budget, which is on trend to budget.
- Electric revenue till the end of August is at 65% of budget. Electric purchases to date are 65% of budget to the end of July, which is as expected for this time of year.
- Water revenue is at 60% of budget, as at the end of August. Billed consumption from May - August 2026 is slightly lower compared to billed consumption from May – August 2025 which was anticipated based on water restrictions that were in place. In August 2026, the City housed almost 12,000 evacuees from Summerland during the Bald Range Fire, which may have contributed to an increase of water usage during that time.

Capital Variance Analysis

Third Quarter Budget Amendments

The third quarter capital budget amendments total $567k, and are as follows (detailed items are in Appendix B – Detailed 2026 Budget Amendments):

- *General Capital $705k*
    - Project increases include:
        - $10k from Asset Retirement Obligations was added to the Community Centre Boiler Replacement project for abatement work.
        - The Burn Building at the Emergency Training Centre was approved for renewal, funded through the Asset Sustainability reserve (Res. 205/2026).
        - City contribution of the S.S. Naramata Dry Dock project was approved and added, funded through the Gaming reserve (Res. 235/2026).
    - Project transfers include:
        - $100k from IT Hardware – Servers, Appliances to IT Hardware – Desktops, Laptops, Tablets to meet operational needs.
        - $30k from IT Infrastructure – Local Area Network to IT Hardware – Radios to cover unanticipated additional costs.
        - $13.5k from Lakeview Cemetery – Asset Renewal to Three Mile Beach – Upgrades to Parking, Site & Entry for paving expenses.

- *Electric Capital*
    - Project cancellations include:
        - $138k of the Fiber Optic System Redundancy project funding was returned as a wireless solution was tested and is working well.
- *Sewer Capital*
    - Project transfers include:
        - $6k from AWWTP Instrumentation transferred to IT Hardware – AWWTP iPads to facilitate use of the asset management software.
- *Water Capital*
    - Project transfers include:
        - $26k from the Okanagan Lake Pump Station Roof Replacement project to WTP - Upgrade SCADA Operator Interface & Control System to cover additional scope and realize efficiencies with contractor.
        - $36k from the Duncan Avenue Pump Station Roof Replacement & HVAC Upgrades to WTP – Security Gate as quotes came in higher than expected for goods and labour costs.

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.

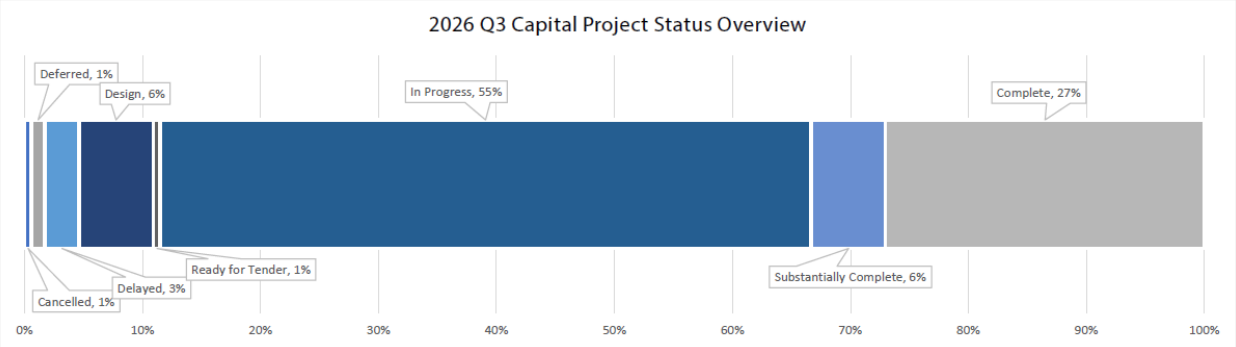
Capital Project Summary

Third Quarter Updates

The City currently has 174 capital projects with a combined budget of approximately $86.5 million, including $53.4 million in carry-forward projects and $33.7 million in 2026 budget allocations. Total spending as of September 15, 2026, is $21 million. The status of projects varies significantly across departments, with 33% of projects completed or substantially completed, 3% delayed, and the majority in progress.

A short update of select project highlights follows, with the full list of capital project status updates available in Appendix C - Capital Project Updates.

Capital Project Status Overview



Project Highlights

Infrastructure Projects

Several projects made material progress in Q3, moving from planning into execution and reaching key approvals. The Okanagan Lake Channel Retaining Wall (DC-NE-02) advanced significantly, with the contract signed and construction scheduled to begin mid-October for completion in Q4. Intersection Safety Improvements (TN-MP-01) also moved forward: Eckhardt and Green are substantially complete, and the Pineview design is complete.

Eckhardt Avenue Corridor Reconstruction (RC-15) remains under active construction, with completion expected in Q4. This multi-year project replaces aging underground infrastructure and adds traffic safety improvements, delivering a “complete street” upgrade that will serve residents for years to come.

In Water and Wastewater, several projects progressed into late-stage delivery or upcoming commissioning. WTP Makeup Air Replacement (WTP-IR-05) is nearing close-out, with units installed, controls completed, and commissioning planned for the second week of September, and the WTP Security Gate (WTP-NE-11) has begun construction. On the Wastewater side, the

NMLR/Headworks/Bioreactor/Third Clarifier project (AWWTP-LWMP01) reached a key milestone, with the contract completed and construction planned to begin in February 2027. Asset Management Lift Station Renewals (AWWTP-AM-02) advanced through procurement, with the tender posted in September.

The Microgrid (ELEC-NE-08) reached a major decision point with Council approval to proceed, providing a clear mandate to move forward. The start of planning for the 25kV Conversion (ELEC-NE-07) also advanced through Council, with direction given to begin purchasing 25kV equipment. The broader conversion timing will be revisited based on the effectiveness of other mitigation projects.

Parks Projects

Key park upgrades progressed through engagement: McNicoll Park – Field Irrigation Renewal (CP-08-01) and McGregor Park – Playground Upgrade (NBHP-06-01) completed Phase 2 community engagement and received support from the Parks and Recreation Advisory Committee and the Accessibility Committee. Recommended plans will come to Council before proceeding to detailed design and implementation.

Several projects are expected to be completed by year-end, including McNicoll Park – Tree Planting (CP-08-03), with a planting event scheduled for late September and design and logistics being finalized. Rotary Point Site Improvements (PK-2020-P17A) and the Kiwanis Walking Pier Replacement (PK-2020-P17A) are nearly complete, with minor remaining landscape and lighting work ongoing and completion anticipated in late 2026.

Planning work also continued on several projects including Robinson Park – DCC Projects (P-DCC-09) having completed detailed design and is moving toward concept sharing in the fall, while Sportsfield Development (MISCP-06) completed the Ball Diamond Review and will seek Council endorsement to proceed with the recommended actions.

Facilities Projects

Facilities projects made steady progress in Q3, with several initiatives reaching completion or moving into award and final validation. The Power Street Child Care Project (FA-CC-03) was completed, occupancy was achieved, and operations began September 1.

Building system upgrades continued across corporate facilities. The City Facilities BMS Controls replacement (FA-CF-01) is progressing at City Hall and City Yards, while the CMMS implementation (FA-CF-04) has all assets uploaded and is awaiting final user training to close out this fall.

Several projects advanced through procurement and delivery. Tender submissions were received for key mechanical replacements—including the Community Centre boiler (FA-CC-04), City Hall

HVAC chiller repair (FA-CH-03), and SOEC boiler replacements (FA-SOEC-09)—with award and scheduling underway.

The City Hall server room renovations (FA-CH-06) are underway, with completion targeted for October. Civic Places & Spaces renewal work also continues, with Fire Hall Renewals (FA-CPS-01) in final validation and planned to be presented to Council on September 29. Coordination for RCMP Secure Parking (FA-RCMP-04) progressed, with demolition complete and design work continuing, though construction is not expected to begin until 2027.

Strategic Initiatives

Corporate Business Plan

Updates on the status of the City's strategic initiatives are published annually in the Corporate Business Plan to ensure transparency and keep residents informed. In 2026, City divisions and departments identified 38 strategic priorities and initiatives aimed at advancing Council's priorities of **Safe & Resilient** and **Livable & Accessible** and reinforcing the City's Mission, Vision and Culture.

In the third quarter of 2026, City Divisions reported 32 initiatives are on track to successfully complete within their stated timelines; four (4) initiatives have been completed, and two (2) initiatives are considered delayed at this time.

Below is a summary of completed projects:

- **Skating Forward: City Operations of Downtown Ice Rink–** City staff successfully completed operation of the outdoor rink for the 2026 winter season. A final report was received by Council.
- **Continued Investment in Accessibility Enhancements and Improvements -** Utilizing the Provincial Library's Enhancement grant, the Library Board has approved a multi-year plan for improvements to the library to support all patrons to enjoy and access the Library.
- **Innovate & Create: Makerspace Enhancements** - Makerspace has introduced UV printing capabilities through the eufyMake E1 desktop printer, a consumer-friendly innovation that unlocks new creative possibilities.
- **Transportation Safety and Safe Routes to School** - Building on foundational work completed in 2024, the 2026 program expanded the Safe Routes to School network and enhance corridor safety. Green Ave and Skaha Sustainably complete, Manitoba Multi-use path final deficiencies being completed, Beatty Sidewalk sustainably complete.

Delayed initiatives include:

- **Transit Network Expansion Plans**- Unfortunately the City was not successful in receiving the necessary provincial funding for expansion. The City will continue to advocate for transit expansion through future opportunities.
- **Intergovernmental Liaison Strategy for Priority Advancement -** Intergovernmental Relations (IGR) component of the City Manager's office is responsible for advancing the City of Penticton's interests in Indigenous relations and advocacy through strategic engagement with provincial, federal, regional, and Indigenous governments. This has been paused at this time.

Advancing Council's Priorities

Appendix A provides a summary of all 38 strategic priorities identified by City divisions to advance Council's Priorities to build a stronger Penticton.

Appendices

Appendix A – Second Quarter Strategic Priority/Initiative Status Details

Safe & Resilient **Enhance and protect the safety of all residents and visitors to Penticton**	
Initiative	Status
Strategic support for coordinated encampment responses Intergovernmental Relations will play a pivotal role in ensuring alignment across jurisdictions and amplifying local priorities. Ongoing engagement with the Province, as this remains Provincial jurisdiction.	↑
Voyent Alert! Emergency Communications Integration Project In partnership with the City's Emergency Management Program, the Communications and Engagement department will promote the Voyent Alert! Emergency notification system to ensure timely, accurate, and location-specific emergency notifications for improved community safety and municipal operations. Marketing campaign occurred during the Bald Range fire and will continue into the Fall.	↑
Safety and Security Enhancements for the RCMP Detachment Continuing from improvements made in 2025, the RCMP Detachment will receive security enhancements with improvements to reception, parking, and processing areas. Security access upgrades completed. Security improvements at Jubilee Pavilion were completed and the Community Policing hub officially opened. Secure parking improvements continue to be underway.	↑
Advancement of the Civic Places and Spaces Priority #1: Firehall Renewals Work continues to realize the new firehall headquarters at Firehall #2 site on Dawson Avenue and a renovation to the existing fire hall headquarters at Fire Hall #1 to serve as a satellite hall with the Emergency Operations Centre. Validation for the new Fire Hall Headquarters has been substantially completed through Q3. Validation Summary Report will be presented to Council September 29, 2026.	↑
City Yards Continuity Planning – Emergency Operations Readiness Building on the foundational work completed to-date through the City's Business Continuity Plans, the focus for 2026 is to develop and implement updated processes that ensure the uninterrupted delivery of CityYards operational services in the event of a local or community emergency. Project is underway, meetings with individual areas scheduled for this quarter.	↑
Continued Development of a Hazard Risk Vulnerability Analysis (HRVA) The Emergency Management department will continue development of an HRVA in 2026. An HRVA is a foundational tool for identifying, assessing, and mitigating risks that could impact the safety and resilience of Penticton and neighbouring communities. Completed first and second workshop with City staff, working with snpink'tn to book a date for engagement on the land. Project is still on track for Q1 2027 completion.	↑
Wildfire and FireSmart Planning and Mitigation Strategies The Penticton Fire Department will continue leadership in wildfire risk reduction and community resilience through the advancement of FireSmart principles and targeted mitigation strategies. FireSmart saw an uptick of interest July onwards. 77 home assessments completed and 5 newly certified FireSmart homes. 3090 kgs of vegetative waste were removed from residents' properties and 9 rebates were issued. Planning is underway for a 65+ program to help individuals who cannot otherwise complete FireSmart work plus an education program for schools. Additionally, interim reporting was completed and the first half of funding has been received.	↑

Advanced Waste Water Treatment Plant (AWWTP) Construction and Commissioning The City of Penticton continues its multi-year investment in AWWTP to ensure long-term reliability, safety, and environmental performance of this critical infrastructure. In 2026, the project will enter a key phase of construction and commissioning, with several major components being installed or restored to enhance treatment capacity and operational resilience. City is finalizing contract documents with successful proponent. Construction to start in Q1 of 2027	↑
Improvements to Water Service Resiliency and Reliability Penticton's water supply and treatment services are committed to long-term strategies to improve water service resiliency and accommodate community growth. Specific projects for 2026 include; Pressure Reducing Valve (PRV) Replacement, UV Feasibility Study for the Water Treatment Plant (WTP), Lakeshore Drive and Martin Street Water Main Replacement, and Ridgedale Reservoir. Evergreen Feeder work nearing completion. Raw water main replacement scheduled to start in early October.	↑
Transportation Safety and Safe Routes to School This initiative supports the Engineering department's continued commitment to improving transportation safety and accessibility for all road users. Building on foundational work completed in 2024, the 2026 program will expand the Safe Routes to School network and enhance corridor safety. Green Ave and Skaha Sustainably complete, Manitoba Multi-use path final deficiencies being completed, Beatty Sidewalk sustainably complete.	☑
Extension of Existing Memorandum of Understanding (MOU) with 100 More Homes To support a safe, resilient, and inclusive community, staff recommend that Council extend and expand the City's partnership with 100 More Homes Penticton (100MH). This initiative builds on a proven, collaborative model that addresses homelessness through coordinated service delivery, housing navigation, and community-based solutions. Underway. First reporting to Council occurred Sept 1. Regional engagements underway.	↑
Records System to Support Intelligence Led Responses The City is modernizing its Records Management System (RMS) for Bylaw Services to improve efficiency, transparency, and responsiveness. This strategic upgrade replaces outdated systems with a cloud-based, integrated platform that supports frontline staff and enhances service delivery. Adjudication of RFP in progress.	↑
Leveraging Technology for Improved Department Operations Following a comparative technology study completed in 2025, the City will implement new hardware (laptops) and communication tools (radios) for Bylaw Officers in 2026 to improve operational efficiency and service delivery. This initiative focuses on reducing administrative delays by enabling officers to complete documentation directly in the field, concurrent with patrols and investigations. Body worn cameras business case paused due to staff capacity; laptop for 2 vehicles target by end of year.	↑
Advancing Community Safety Wellbeing Plan (CSWB) Building on foundational work completed in 2025, this initiative will finalize Penticton's Community Safety and Wellbeing (CSWB) Plan. Staff will seek Council's endorsement of key deliverables that form a comprehensive, multi-year roadmap to strengthen public safety, social health, and community resilience. Received Council endorsement of the 5 CSWB priorities. Completed Phase 3 of the CSWB.	↑
Continued advancement of the 2024 – 2027 RCMP Strategic Plan	↑

The RCMP's Strategic Plan focuses on four key areas: Connect vulnerable people, Impact crime trends, Advance preparedness and Drive results together. CSH (Community Safety Hub) has been officially launched, social media and community engagement completed. Currently working on additional FAQ for dissemination, some challenges with resourcing due to a resignation and need for additional internal communications, Back to School Media campaign initiated in collaboration with the City Coms Team, Will revisit the CPOI media with the province that had been cancelled due to the wildfires, Cops for Kids starts this month riders will be coming through the community September 11; Modernization of Nov 11 parade in partnership with the City and PFD annual general meeting Sept 12; Seasonal Policing review initiated to recap the highlights and pressures of summer policing in the City of Penticton (collaborate with City Coms on sharing the results); Wise Track modernization has been completed for the RCMP this addresses the tracking of assets for the detachment; BC CFSEU Uniform Gang Unit was in town for Peach Fest , media release on the outcomes completed; Employee wellness initiative for the summer completed (Fitness Challenge).	

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
Build Canada Homes This initiative advocates for increased local housing supply, reduction of development barriers, and alignment between national housing efforts to build faster, smarter, and more sustainably with the City of Penticton's housing goals. In Q1, engagement was underway with Procurement Canada & Transport Canada along with local developers and nonprofits to develop a potential package/portfolio. In Q2, a letter of request was submitted, awaiting response.	↑
Renewal of the Protocol Agreement between the City of Penticton and Snpink'tn Indian Band This initiative supports the renewal of the 2004 Protocol Agreement between the City of Penticton and Snpink'tn (Penticton) Indian Band, with a renewed focus in 2026 on deepening government-to-government relations and advancing shared priorities. Work continues with collaboration between City departments and SIB.	↑
Advancement of the Civic Places and Spaces Priority #2: Arenas Work in 2026 will continue to advance the 2021 Asset and Amenity Management Plan which identified aging infrastructure at McLaren and Memorial Arenas as a long-term risk. The twin arena concept aligns with Council's Livable and Accessible priority and supports community recreation, accessibility, and operational efficiency. Condition assessments of Memorial Arena completed.	↑
Skating Forward: City Operations of Downtown Ice Rink In support of Council's Livable and Accessible priority, the City of Penticton will assume full operational responsibility for the downtown ice rink, previously managed by Activate Penticton, a local non-profit. This transition ensures long-term sustainability of the facility while enhancing public access to inclusive, barrier-free recreation. The initiative will formalize City oversight of programming, special events, and integrate the rink into broader civic recreation planning. City staff successfully completed operation of the outdoor rink for the 2026 winter season. In Q2, Council received report on end of season update.	☑
Event Strategy Review In response to an evolving event landscape along with changing tourism and economic dynamics in our community, the City of Penticton will undertake an Event Strategy Review. The review will include a current state assessment, engagement and consultation with community partners, and an analysis of available data. Results of the review will inform future planning and decision-making on how the City should look to invest in events that support our local economy and enhance community vibrancy. Landscape review underway with public engagement commencing by the end of September. Project is on track to be completed by the end of the year.	↑
Development Navigator: Accelerating Livable Infill Housing This initiative focuses on utilizing existing resources in the Building and Permitting departments to assist with early design reviews in an effort to streamline and support infill densification projects that contribute to a more livable and accessible community. The service will focus on developments with two or more housing units per lot and assist developers. Work continues to move to fully digital application processes. Recommendations from the Divisional Improvement Task Force have been finalized and provide a guide for improvements in the interaction between the division and the development industry, ensuring a great economic climate for residential housing construction.	↑

Penticton Amplified: Strategic Communications for Resident and Employer Attraction This initiative will explore marketing options focused on resident and business attraction campaigns and programs for the City of Penticton. The goal is a cohesive and strategic communications program that unifies and amplifies the City's key economic and community-building efforts, including: Start Here, Welcome Home, and Love Local. Regular blog posts, on the Start Here Penticton website and promotion of the Welcome Home program continue to support the resident and employer attraction initiatives.	↑
Finalization of the Area Plan for Okanagan Lakeshore / Esplanade This multi-year initiative will deliver a comprehensive Area Plan for the Okanagan Lakeshore/Esplanade, with the final plan scheduled for Council presentation in early 2026. The plan will provide strategic direction in future land use, environmental stewardship, and public access along this iconic waterfront corridor. The plan has been endorsed by Council and early implementation pieces are being incorporated into the Financial Plan, with the first two projects being the demolition of the old yacht and tennis club building and the Esplanade / KVR trail connection.	↑
Advancing Housing Affordability This initiative supports the City's commitment to increasing housing affordability and availability across the by advancing four key projects: Affordable Housing Incentive Policies, City-Owned Land for Housing, Transit-Oriented Area Plans, and Implementation of the Social Housing and Infrastructure Plan (SHIP). Progress continue on several important residential projects, including three purpose-built rental apartment buildings currently under construction which should add important rental supply to a tight market. Three other buildings have recently recieved occupancy. Several infill projects are also underway, providing housing diversification.	↑
North Gateway – Penticton Trade and Convention Centre Hotel Options In response to a Council motion to explore the option of an attached hotel to the Penticton Trade and Convention Centre (PTCC). Public input into the project will be captured during the 2026 General Election. Council has supported an assent voting question for the October 2026 election that will ask votes to remove the historic Indenture that is impacting the ability to progress a connected hotel to the Trade and Convention Centre (PTCC). Communications work continues to educate the public on what the vote means and implications of a Yes or No vote. Other work on the North Gateway, includes the twin rink initiative and the Westminster corridor design, both projects that are progressing.	↑
Development of a Downtown Area Plan A comprehensive plan for the downtown area including future land use, infrastructure projects, public realm enhancements, community safety, transportation, parking, and commercial/business needs. The plan would incorporate actions on multiple initiatives underway in the downtown, including housing development, parking needs, Nanaimo Square upgrades, public safety initiatives, active transportation, and upgrades to Main Street and other key corridors. Launch of the downtown plan engagement was delayed due to the Bald Range Forest Fire in August, but is on track to resume in November, keeping the project on track. Important consultancies have been awarded, including the commercial demand study.	↑
CommuniTREE Plan Advancement: Support for Canopy Growth and Climate Resilience Building on foundational work completed in 2024 and 2025, this initiative supports the long-term implementation of Penticton's Urban Forest Management Plan (UFMP): CommuniTREE Plan. Tree planting as per GCCC grant is ongoing through to the fall, with more than 150 new trees and 50+ replacement trees planted so far across the city. We're on track to exceed the UFMP target of 175 new trees for the second year in a row. Planning for natural area enhancements is underway, with a community planting event scheduled for later this month. Several supporting documents have been completed and will soon be added to the City's website. LiDAR data collection is now completed and	↑

consultants have started their analysis for the 10-Year Planting plan. The city-wide tree inventory has also been completed.	

Lakawanna Park Upgrades Continuing multi-year project being led by the Parks department, this initiative enters its construction phase in fall 2025 following a comprehensive community engagement program completed in 2024/2025. The project focuses on revitalizing public park spaces to enhance accessibility, inclusivity, and recreational value for residents of all ages and abilities, while supporting the future growth in the area. Construction is ongoing, with major civil works now complete. The City received Interior Health permit, the splash pad base has been installed, and majority of playground equipment has been delivered. Over the coming month, work will focus on installing the playground equipment, outdoor fitness equipment, and pavement.	↑
KVR Trail Master Plan and Green Corridor Strategy This is a continuing multi-year initiative. Master Plan work and public engagement began in 2025. Goals of the project includes creating a comprehensive green network by integrating existing green corridors, parks, trails, and open areas throughout the City. Since the completion of Phase 3 engagement - staff presented the engagement findings, final draft of the KVRTS and implementation plan to PRAC and AC. Both committees endorsed the final plan. Work is now focused on preparing the final documents and presenting the recommended actions/Quick Wins to Council. Project completion is anticipated by the end of September. Upon receiving Council's approval, next steps will include initiating the recommended 'Quick Wins'. Staff is preparing to submit a grant application to the Building Communities Strong Fund - Local Impact Stream to support implementation of the Quick Wins program and trail improvements identified through the strategy.	↑
Solar Feasibility and Implementation Project Expanding on work completed in 2025, the City will continue conducting feasibility studies to identify optimal locations for solar panel installations. These installations aim to offset municipal energy costs and reduce peak demand on the City's electric grid, supporting long-term sustainability and infrastructure resilience. RFP scope being finalized by Energy & Environment. RFP for installation expected within the next few weeks.	↑
Transit Network Expansion Plans The BC Transit Future Network Restructure Plan is a multi-year strategic initiative aimed at enhancing public transit service levels, accessibility, and infrastructure across Penticton. Beginning in 2025 and continuing into 2026, the City will collaborate with BC Transit to implement service improvements, prepare for expanded routing, and upgrade transit-related infrastructure to support increased ridership and regional connectivity. On hold pending Provincial funding.	↓
Continued Investment in Accessibility Enhancements and Improvements Utilizing the Provincial Library's Enhancement grant, the Library Board has approved a multi-year plan for improvements to the library to support all patrons to enjoy and access the Library. This project has been completed in Q2.	☑
Innovate & Create: Makerspace Enhancements Since its launch in 2024, the Penticton Library Makerspace has empowered patrons to transform artwork into tangible creations using sublimation printing and heat press technology. Building on this success, the Makerspace will introduce UV printing capabilities through the eufyMake E1 desktop printer, a consumer-friendly innovation that unlocks new creative possibilities. Product is in use.	☑
Reference and Resource Support for the Business Community The Penticton Public Library is expanding its role as a community hub by offering tailored informational resources to support both new and existing business owners. This project is anticipated to launch in Q4.	↑

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
Intergovernmental Liaison Strategy for Priority Advancement Intergovernmental Relations (IGR) component of the City Manager's office is responsible for advancing the City of Penticton's interests in Indigenous relations and advocacy through strategic engagement with provincial, federal, regional, and Indigenous governments. This initiative is currently paused.	↓
Expansion of the Strategic Communications Program This is a continuing multi-year initiative designed to evolve City of Penticton's communication efforts from a reactive, tactical model to a proactive, strategic framework. Completion of draft service index for department. Ongoing training for IAP2 for whole department.	↑
Conduct the 2026 General Local Election In accordance with the Local Government Act, the general local election will be held on October 17, 2026. Residents will have an opportunity to vote for a mayor and six (6) members of Council. Staff will ensure the election is well planned and conducted in a transparent manner to ensure the community has confidence in the outcome of the election results. Candidate sessions were held and nomination period closed. Preparation for advanced polls and elections in Q4 is underway.	↑
AI Integration and IT Modernization This initiative advances the City's digital transformation strategy by integrating artificial intelligence (AI) tools and modernizing IT infrastructure. Project goals include enhancing operational efficiency, strengthening cybersecurity, and improving service delivery through automation and data-driven decision-making. Modernization efforts have advanced through the investigation of Teams phones and continued upgrades to conference room technology. Migration of Financial ERP system to the Cloud scheduled for Q4.	↑

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 – Detailed 2026 Budget Amendments

Item	Quarter	Amount	Funding Source	Resolution
Revenue				
Province of BC (Projects)	Q1	$ (166,766)	Continuation of prior year grant projects	Res 136/2026
CRI FireSmart Community Funding	Q1	(131,255)	Continuation of prior year grant projects	Res 136/2026
Fire - Next Generation 911 - AP8276	Q1	(45,000)	Continuation of prior year grant projects	Res 136/2026
Fire - 2024 UBCM CEPF Disaster Risk Reduction-Climate Adaptation	Q1	(94,400)	Continuation of prior year grant projects	Res 136/2026
Fire - EOC Penticton 2025	Q1	(39,629)	Continuation of prior year grant projects	Res 136/2026
Fire - CEPF - 2025 Updating Penticton's Public Notification and Evacuation Route Plan	Q1	(18,536)	Continuation of prior year grant projects	Res 136/2026
Social Development Community Initiatives Grant FOI-5712	Q1	(47,928)	Continuation of prior year grant projects	Res 136/2026
Civil Forfeiture Grant Program - The Youth Restorative Pathway Project RJ030	Q1	(31,680)	Continuation of prior year grant projects	Res 136/2026
After School Active Play club grant - BCAHL Fall 2025	Q1	(5,528)	Continuation of prior year grant projects	Res 136/2026
Situation Table - Penticton Community Active Support Table 670509	Q1	(12,000)	Continuation of prior year grant projects	Res 136/2026
BC Healthy Communities Plan H Age Friendly AFC2023	Q1	(7,970)	Continuation of prior year grant projects	Res 136/2026
2022-25 Grant Revenue - Building Safer Communities Year 4 2025-2026	Q1	(148,768)	Continuation of prior year grant projects	Res 136/2026
2022-25 Grant Revenue - Building Safer Communities Year 2 2023-2024	Q1	233,800	Update for remaining grant balance	Res 136/2026
PlanH Community Connectedness Grant - Age Friendly Action plan	Q1	(5,000)	Grant Funded	Res 136/2026
Undeveloped Lots - Vacant Sites GCCC-24-0281 - Grant revenue	Q1	(350,000)	Grant Funded	Res 136/2026
Dev Services - LGMA Intern Grant 2026-06 - Grant revenue	Q1	(47,000)	Grant Funded	Res 136/2026
SPARC BC - Welcome Home Kits 2026-17	Q2	(9,900)	Grant Funded	Res 204/2026
UBCM Regional Community to Community Program	Q2	(10,000)	Grant Funded	Res 204/2026
UBCM - LGDAP LGPS-12813 Penticton Development Services External Assessment Review and Streamlining	Q2	(70,000)	Grant Funded	Res 204/2026
COR Rebate	Q2	(105,000)	General Surplus	Res 204/2026
Museum revenues - Young Canada Works Grant	Q2	(3,780)	Grant Funded	Res 204/2026
Revenue Total		(1,116,340)		
Operating Expenditures				
General				
Province of BC (Projects)	Q1	$ 166,766	Grant Funded (Prior year project)	Res 136/2026
CRI FireSmart Community Funding	Q1	131,255	Grant Funded (Prior year project)	Res 136/2026
Fire - Next Generation 911 - AP8276	Q1	45,000	Grant Funded (Prior year project)	Res 136/2026
Fire - 2024 UBCM CEPF Disaster Risk Reduction-Climate Adaptation	Q1	94,400	Grant Funded (Prior year project)	Res 136/2026
Fire - EOC Penticton 2025	Q1	39,629	Grant Funded (Prior year project)	Res 136/2026
Fire - CEPF - 2025 Updating Penticton's Public Notification and Evacuation Route Plan	Q1	18,536	Grant Funded (Prior year project)	Res 136/2026
Social Development Community Initiatives Grant FOI-5712	Q1	47,928	Grant Funded (Prior year project)	Res 136/2026
Civil Forfeiture Grant Program - The Youth Restorative Pathway Project RJ030	Q1	31,680	Grant Funded (Prior year project)	Res 136/2026
After School Active Play club grant - BCAHL Fall 2025	Q1	5,528	Grant Funded (Prior year project)	Res 136/2026
Situation Table - Penticton Community Active Support Table 670509	Q1	12,000	Grant Funded (Prior year project)	Res 136/2026
BC Healthy Communities Plan H Age Friendly AFC2023	Q1	7,970	Grant Funded (Prior year project)	Res 136/2026
2022-25 Grant Revenue - Building Safer Communities Year 4 2025-2026	Q1	148,768	Grant Funded (Prior year project)	Res 136/2026
PlanH Community Connectedness Grant - Age Friendly Action plan	Q1	5,000	Grant Funded	Res 136/2026
Affordable Housing Pilot - OneSky	Q1	50,000	Affordable Housing Reserve	Res 25/2025
Parks - sign standardization (2025 project)	Q1	39,500	Financial Stabilization Reserve	Res 136/2026
Community Wellbeing Plan (2025 project)	Q1	60,000	Financial Stabilization Reserve	Res 136/2026
Urban Deer Advisory Committee – Terms of Reference	Q1	15,000	General Surplus	Res 254/2025
In Remembrance painted crosswalk	Q1	15,000	Gaming Reserve	Res 274/2025
Undeveloped Lots - Vacant Sites GCCC-24-0281 - Grant expenses	Q1	350,000	Grant Funded	Res 136/2026
Dev Services - LGMA Intern Grant 2026-06 - Salary expenses	Q1	52,000	Grant Funded	Res 136/2026
Dev Services - LGMA Intern Grant 2026-06 - Professional Dev expenses	Q1	7,500	Budget reallocation	Res 136/2026
Planning - general - general duties	Q1	(12,500)	Budget reallocation	Res 136/2026
2022-25 Grant Revenue - Building Safer Communities Year 2 2023-2024	Q1	(233,800)	Update for remaining grant balance	Res 136/2026
Transit	Q1	7,000	General Surplus	Res 09/2026
Temporary Shelter - Safety Measures	Q1	80,000	General Surplus	Res 10/2026
Equipment	Q1	3,000	Budget reallocation	Res 136/2026
Bylaw - Safety/Seasonal Security	Q1	(3,000)	Budget reallocation	Res 136/2026
Parks - coveralls	Q1	9,000	Budget reallocation	Res 136/2026
Boulevards - Horticulture Trees	Q1	(9,000)	Budget reallocation	Res 136/2026
Animal Control - Seminars	Q2	1,200	Budget reallocation	Res 204/2026
Animal Control - Tags and Supplies	Q2	(1,200)	Budget reallocation	Res 204/2026
Pentastic Jazz Festival Society	Q2	(10,500)	General Surplus	Res 204/2026
Community Services - Strategic Planning	Q2	15,000	General Surplus	Res 86/2026
Community Services - Strategic Planning	Q2	25,000	General Surplus	IC14-2026
SPARC BC - Welcome Home Kits 2026-17	Q2	9,900	Grant Funded	Res 204/2026
Lakeshore Safety Measures	Q2	65,000	Financial Stabilization Reserve	Res 134/2026
UBCM Regional Community to Community Program	Q2	10,000	Grant Funded	Res 132/2026

Item	Quarter	Amount	Funding Source	Resolution
Operating Expenditures cont'd				
General				
UBCM - LGDAP LGPS-12813 Penticton Development Services External Assessment Review and Streamlining	Q2	70,000	Grant Funded	Res 60/2026
Communication - General duties	Q2	9,500	Budget reallocation	Res 204/2026
Communications - Consultants and professional services	Q2	(9,500)	Budget reallocation	Res 204/2026
Legislative Services - Public/Staff Relations - Coffee	Q2	2,000	Budget reallocation	Res 204/2026
Bylaw - Miscellaneous expenses	Q2	(2,000)	Budget reallocation	Res 204/2026
Museum revenues - Young Canada Works Grant	Q2	3,780	Grant Funded	Res 204/2026
Recreational Facilities - Ice Rink	Q2	30,000	General Surplus	Res 166/2026
Okanagan Lake Park electrical repairs	Q2	25,000	General Surplus	Res 204/2026
Human Resources - General training	Q2	10,000	General Surplus	Res 204/2026
Nanaimo parking lot	Q3	40,000	General Surplus	Res 187/2026
		1,477,340		

Item	Quarter	Amount	Funding Source	Resolution
Capital Expenditures				
General				
McNicoll Park - Asset Renewal	Q1	108,825	Grant Funding	Res 136/2026
Community Centre - Replace Chiller	Q1	(16,002)	CCBF Reserve	Res 136/2026
Community Centre - BugabooU Renovation #12819	Q1	555,072	Grand Funding	Res 136/2026
215 Riverside Dr - Washroom Upgrades	Q1	20,000	General Fund project under budget	Res 90/2026
Public Washrooms - Okanagan Lake Park Renovations	Q1	(20,000)	Transferred to other projects	Res 90/2026
215 Riverside Dr - Roof Replacement	Q1	20,000	Asset Sustainability	Res 90/2026
Community Centre - Required Upgrades & Repairs (Asset Emergency)	Q2	650,000	Asset Emergency	Res 240/2023
General Facilities - Replace Aerial Lift Platform	Q2	20,000	Dividend	Res 204/2026
Rotary Point Site Improvements	Q2	54,000	Grant Funding	Res 204/2026
Jubilee Pavilion - Facility Renewals/Improvements	Q2	63,000	General Fund project deferred	Res 134/2026
RCMP - Secure Parking	Q2	(63,000)	Transferred to other projects	Res 134/2026
Community Centre - Replace Boiler	Q3	10,000	Asset Retirement Obligations	
Emergency Training Centre - Burn Building	Q3	650,000	Asset Sustainability	Res 205/2026
Hardware - Desktops, Laptops, Tablets	Q3	100,000	General Fund project under budget	
Hardware - Servers, Appliances	Q3	(100,000)	Transferred to other projects	
Hardware - Radios	Q3	30,000	General Fund project deferred	
Infrastructure - Local Area Network	Q3	(30,000)	Transferred to other projects	
Three Mile Beach - Upgrades to Parking, Site & Entry	Q3	13,500	General Fund project deferred	
Lakeview Cemetery - Asset Renewal	Q3	(13,500)	Transferred to other projects	
SS Naramata - Dry Dock Contribution	Q3	45,000	Gaming Reserve	Res 235/2026
General Capital Total		2,096,894		
Electric				
City Yards - Electric Utility Bay Office Space Conversion (Electric)	Q2	100,000	Electric project under budget	Res 204/2026
Distribution System Rebuilds	Q2	(100,000)	Transferred to other projects	Res 204/2026
Fiber Optic System Redundancy	Q3	(138,000)	Project cancelled	
Electric Capital Total		(138,000)		
Sewer				
2025 Asset Management Replacement for Treatment Plant	Q1	(19,000)	Sewer Reserve	Res 136/2026
AWWTP Blower Room	Q2	37,000	Sewer project under budget	Res 204/2026
2026 Asset Management Replacement for Treatment Plant	Q2	(37,000)	Transferred to other projects	Res 204/2026
Hardware - AWWTP iPads	Q3	5,600	Sewer project under budget	
AWWTP Instrumentation	Q3	(5,600)	Transferred to other projects	
Sewer Capital Total		(19,000)		
Water				
1 Ton Truck with Service Body (Water)	Q1	14,500	Water project under budget	Res 136/2026
Agricultural Irrigation Meter Program	Q1	(14,500)	Transferred to other projects	Res 136/2026
Aging Water Infrastructure Replacements (2025 Projects)	Q2	2,600,000	Water project deferred	Res 204/2026
Aging Water Infrastructure Replacements (2026 Projects)	Q2	(2,600,000)	Transferred to other projects	Res 204/2026
WTP - Upgrade SCADA Operator Interface & Control System	Q3	25,609	Water project under budget	
Okanagan Lake Pump Station Roof Replacement	Q3	(25,609)	Transferred to other projects	
WTP - Security Gate	Q3	35,704	Water project under budget	
Duncan Avenue Pump Station Roof Replacement & HVAC Upgrades	Q3	(35,704)	Transferred to other projects	
Water Capital Total		0		
Total 2026 Amendments		**2,300,894**		

Appendix C – Capital Project Updates

General Government Services

Facilities Capital Projects

Project ID	Project ID(T)	Q3 Status
FA-CF-01	City Facilities - Replace BMS Controls	In Progress
FA-CH-03	City Hall - HVAC Chiller Repair	In Progress
FA-CH-05	City Hall - Second Floor Renovations	Complete
FA-CH-06	City Hall - Server Room Renovations	In Progress
FA-CY-02	City Yards - Electrical Building	Complete
FA-CPS-02	Civic Places & Spaces - Arenas	Design
FA-CH-01	Civic Places & Spaces - City Hall - Roof Renewal & Replacement*	Complete
FA-CY-01	Civic Places & Spaces - City Yards - Main Building Upgrades*	In Progress
FA-CPS-01	Civic Places & Spaces - Fire Hall Renewals*	In Progress
FA-CC-911	Community Centre - Emergency Repairs	In Progress
FA-CC-05	Community Centre - Energy & Emissions Reductions Retrofit	In Progress
FA-CC-03	Community Centre - Power Street Child Care Project	Complete
FA-CC-04	Community Centre - Replace Boiler	In Progress
FA-CF-04	Computerized Maintenance Management System (CMMS)	In Progress
FA-CF-FER	General Facilities - Facility Equipment Replacement	Complete
FA-CF-FRI	General Facilities - Facility Renewals/Improvements	Complete
FA-JP-FRI	Jubilee Pavilion - Facility Renewals/Improvements	Complete
FA-LEIR-01	Leir House - Building Envelope Replacements	In Progress
FA-LM-01	Library/Museum - Replace Condensing Unit/Heat Pump	Delayed
FA-LM-02	Library/Museum - Replace HVAC	Delayed
FA-LM-03	Library/Museum - Replace Interior Air Handling Unit	Delayed
FA-OHTC-FER	OHTC - Facility Equipment Replacements	In Progress
FA-PTCC-911	PTCC - Emergency Repairs	Complete
FA-PTCC-FER	PTCC - Facility Equipment Replacements	Complete
FA-PTCC-FRI	PTCC - Facility Renewals/Improvements	Delayed
FA-PW-02	Public Washrooms - Lakawanna Washroom Accessibility Upgrades	Complete
FA-PW-01	Public Washrooms - Okanagan Lake Park Renovations	Complete
FA-RCMP-02	RCMP - Electrical Upgrade	Complete
FA-RCMP-FER	RCMP - Facility Equipment Replacements	Design
FA-RCMP-FRI	RCMP - Facility Renewals/Improvements	Complete
FA-RCMP-03	RCMP - Rebuild Boilers & Belimo Valves	In Progress
FA-RCMP-04	RCMP - Secure Parking	In Progress
FA-SPWC-FER	Skaha East Washroom & Concession - Facility Equipment Replacement	Complete
FA-SOEC-09	SOEC - Boiler Replacements	In Progress

FA-SOEC-FER	SOEC - Facility Equipment Replacements	Design
FA-SOEC-08	SOEC - Jumbotron & Scoreboard	Complete
FA-SN-01	SS Naramata - Dry Dock Contribution	Design
FA-SS-01	SS Sicamous - Repairs & Abatement	Complete
FA-SS-02	SS Sicamous - Roof Repair	Delayed

Information Technology Capital Projects

Project ID	Project ID(T)	Q3 Status
IT-14	City Facilities - Network Wiring Upgrades	Complete
IT-01	Hardware - Audio Visual	Complete
IT-03	Hardware - Desktop & Cellular Telephones	In Progress
IT-04	Hardware - Desktop Computers, Laptops, Tablets	Complete
IT-05	Hardware - Printers	In Progress
IT-16	Hardware - Radios	Complete
IT-06	Hardware - Servers & Appliances	Design
IT-11	Hardware - SOEC	In Progress
IT-12	Infrastructure - GIS	In Progress
IT-07	Infrastructure - Local Area Network	In Progress
IT-09	IT Strategy - System Reconfigurations	Complete

Protective Services

Fire Services Capital Projects

Project ID	Project ID(T)	Q3 Status
FS-04	Emergency Training Centre - Burn Building	In Progress
FS-01	Emergency Training Centre Upgrades	Complete
FS-03	Equipment Replacement	Substantially Complete
FS-02	Fire Hose Replacement	Complete

Bylaw Services Capital Projects

Project ID	Project Name	Q3 Status
BS-01	Downtown Parking Pay Stations	Complete

Fleet

Fleet Services Capital Projects

Project ID	Project ID(T)	Q3 Status
FLT-16	1 Ton Dump Truck (Replace Unit 16)	In Progress
FLT-1TONW	1 Ton Truck with Service Body	Complete
FLT-L202	100´ Platform Fire Truck (Replace Unit L-202)	In Progress
FLT-R&D	1-3 Ton Service Truck, Roads & Drainage	In Progress
FLT-49	Arborist Truck (Replace Unit 49)	In Progress
FLT-B201	Bush Truck (Replace Unit B-201)	Complete
FLT-CAR.VAN	Car & Van, New & Replacements	Complete
FLT-50	Digger Derrick Aerial (Replace Unit 50)	In Progress
FLT-BIKES	Electric Bikes	In Progress

FLT-TOOLS	EV/Hybrid Tools	Complete
FLT-EQUIP	Fleet Equipment, New & Replacements	Complete
FLT-GARAGE	Garage Equipment, New & Replacements	In Progress
FLT-140	Heavy Duty Truck (Replace Unit 140)	In Progress
FLT-TANK	Parks Equipment - Water & Brine Tank	In Progress
FLT-PARKS	Parks Equipment, New & Replacements	In Progress
FLT-53	Single Dump (Replace Unit 53)	Complete
FLT-86	Snow Plows/Sanders/Blades (Replace Unit 86)	Complete
FLT-91	Tandem Dump Truck (Replace Unit 91)	Complete
FLT-62	Tractor (Replace Unit 62)	Complete
FLT-TRUCK	Truck, New & Replacements	Complete
FLT-TURF	Turf Tank (Autonomous Line Painter)	Complete
FLT-331	Zamboni (Replace Unit 331)	Complete

Transportation, Roads & Utilities

Transportation Network Capital Projects

Project ID	Project ID(T)	Q3 Status
TN-AT-01.2	AAA Bike Network - Lake to Lake Sections 1-4	Complete
ELEC-NE-10	Accessible Pedestrian Signal Upgrades	In Progress
TN-TC-03	Crosswalk Improvement Program	In Progress
PW-03	Decorative Seasonal Lighting	In Progress
TN-FS-01	Friendly Streets	In Progress
TN-MP-01	Intersection Safety Improvements	In Progress
TN-IR-01	Pavement Management Rehabilitation Program*	In Progress
TN-TC-04	Safe Routes to School	In Progress
TN-AT-03	Sidewalk Network Improvements	In Progress
ELEC-NE-09	Traffic Signalization	Design

Neighbourhood Reconstruction Capital Projects

Project ID	Project ID(T)	Q3 Status
RC-16	Duncan Avenue East Corridor Reconstruction	Design
RC-15	Eckhardt Avenue Corridor Reconstruction	In Progress
RC-20	Westminster Avenue Corridor Reconstruction	In Progress

Storm Water Management Capital Projects

Project ID	Project ID(T)	Q3 Status
DC-MP-02	Churchill Avenue Improvements	Design
DC-MP-01	Dynes Lane Storm Diversion	Design
DC-NE-01	Miscellaneous Storm Projects	In Progress
DC-NE-02	Okanagan Lake Channel Retaining Wall	In Progress
PCR-R2	Penticton Creek Restoration - Reach 2	Substantially Complete

Water & Sanitary Networks Capital Projects

Project ID	Project ID(T)	Q3 Status
WD-IR-02	Aging & Undersized Water Infrastructure Renewals*	In Progress
SC-IR-01	Aging Sanitary Sewer Infrastructure Renewals & Relining	Ready for Tender

WD-NE-02	Agricultural Irrigation Meter Program	In Progress
WD-NE-03	Ellis 2 Dam Upgrades	In Progress
WD-MP-01	Hydrant Installations	In Progress
WD-IR-03	Industrial Area Fire Flow Upgrades	In Progress
WD-NE-06	Miscellaneous Dam Projects	In Progress
WD-MP-09	PRV & Altitude Valve Upgrades - Above Ground Vault Conversions	In Progress
WD-IR-05	Raw Water Main Replacements	In Progress
G-WAT-01	Ridgedale Reservoir Upgrade	Design
SC-MP-01	SOEC Lift Station Wet Well Expansion	Design

Parks

Parks & Cemetery Capital Projects

Project ID	Project ID(T)	Q3 Status
PK-CC3	Connected Communities - Baseball Diamond Improvements	Complete
PK-CC2	Connected Communities - Safety Village Improvements	Complete
PK-2020-P17A	Kiwanis Walking Pier Replacement	Substantially Complete
TC-04-01	KVR Trail/TCT - Poplar Grove Trailhead Enhancements	In Progress
TC-04-02	KVR Trail/TCT - Trail Strategy Implementation	Substantially Complete
PK-2020-P2B	Lakawanna Park - Spray Park & Splash Pad	In Progress
SPP-02-01	Lakeview Cemetery - Roadway, Pavement & Curb Renewal	In Progress
OSP-07	Library, Museum & RCMP Landscaping	Deferred
CP-06-01	Lion´s Park - Playground Renewal	In Progress
P-DCC-07-01	Lion´s Park - Spray Park Addition	In Progress
NBHP-06-01	McGregor Park - Playground Upgrade*	In Progress
CP-08-01	McNicoll Park - Field Irrigation Renewal	In Progress
CP-08-03	McNicoll Park - Tree Planting	Substantially Complete
MISCP-03	Miscellaneous Projects - Leir House	In Progress
MISCP-06	Miscellaneous Projects - Sportsfield Development	Substantially Complete
PK-2020-P6	Playground Equipment Replacements	In Progress
PK-2020-P20	Riverside Park Site & Entry Improvements	Substantially Complete
P-DCC-09	Robinson Park - DCC Projects	In Progress
PK-2020-P16	Robinson Park Pickleball Courts	Complete
PK-2020-P17	Rotary Point Site Improvements	Substantially Complete
PK-2022-P17	Sudbury Beach Parking Lot Landscaping	In Progress
PK-2020-P14	Three Mile Beach Upgrades	Complete
PK-2023-P42	Water Supply, Refill, Wash & Cooling Stations	Complete

Energy & Environment

Electric & Sustainability Capital Projects

Project ID	Project ID(T)	Q3 Status
ELEC-NE-07	25KV Conversion	Complete
ELEC-ND-05	Advanced Metering Infrastructure (AMI)	Deferred
ELEC-IR-03	Distribution System Rebuilds	In Progress

ELEC-IR-05	Downtown Underground Conversion	In Progress
SP-02	Electric Vehicle (EV) Rapid Charging Infrastructure	In Progress
ELEC-NE-11	Electrical Inventory Storage Racks	In Progress
ELEC-NE-04	Fiber Optic System Redundancy	Cancelled
ELEC-ND-02	Flat Rate New/Upgrade Services	In Progress
ELEC-NE-08	Microgrid*	In Progress
ELEC-ND-01	New/Upgrade Services	In Progress
ELEC-ND-03	New/Upgrade Underground Services	In Progress
ELEC-NE-05	Power Line Technician & Engineering Tools	In Progress
ELEC-NE-02	Reliability/Resiliency Improvements	In Progress
ELEC-NE-01	SCADA Improvements & System Automation	In Progress
ELEC-NE-12	Street Lighting	In Progress
ELEC-IR-01	Substation Refurbishments	In Progress
ELEC-NE-06	Traffic Detection & Controllers	In Progress
ELEC-IR-04	Underground Residential Subdivision Rebuild	In Progress

Treatment Plants

Advanced Waste Water Treatment Plant (AWWTP) Capital Projects

Project ID	Project ID(T)	Q3 Status
AWWTP-AM-02	Asset Management Lift Station Renewals	In Progress
AWWTP-AM-01	Asset Management Plant Renewals	In Progress
AWWTP-NE-01	Automated Nutrient Analyzer (Chemscan)	Substantially Complete
AWWTP-IR-03	AWWTP - SCADA Upgrades	In Progress
AWWTP-IR-02	Blower Room Upgrades*	In Progress
AWWTP-LWMP07	Centrifuge Upgrades*	In Progress
AWWTP-LWMP03	Instrumentation Upgrades	In Progress
AWWTP-LWMP00	Liquid Waste Management Plan Update	In Progress
AWWTP-20J	Main Breaker PDC Replacement	Complete
AWWTP-IR-01	Motor Control Center Replacements	In Progress
AWWTP-LWMP01	NMLR Pumps, Headworks, Bioreactor Gates & Third Secondary Clarifier	In Progress
AWWTP-LWMP05	Second Dissolved Air Floatation Unit*	In Progress
AWWTP-LWMP04	Second Fermenter*	In Progress
AWWTP-20P	Wilson & Marina Way Generators & Flow Meters	In Progress

Water Treatment Plant (WTP) Capital Projects

Project ID	Project ID(T)	Q3 Status
WTP-NE-02	Building Improvements	In Progress
WTP-NE-08	Duncan Avenue Pump Station Roof Replacement	Complete
WTP-IR-03	Equipment Replacement	Substantially Complete
WTP-IR-05	Makeup Air Replacement	Substantially Complete
WTP-IR-12	Okanagan Lake Pump Station Generator Replacement	In Progress
WTP-NE-07	Okanagan Lake Pump Station Roof Replacement	Complete

WTP-IR-01	Penticton Avenue PRV Upgrade	Complete
WTP-IR-02	PLC & Communications Equipment Replacement	In Progress
WTP-NE-10	Radio Equipment Upgrades	In Progress
WTP-NE-05	SCADA Upgrades	In Progress
WTP-NE-11	Security Gate	In Progress
WTP-NE-09	Solar Panel Installation	In Progress
WTP-NE-03	UV Treatment Upgrade	In Progress