

Council concludes 2021 budget deliberations

(Penticton, BC – November 26, 2020) – Penticton City Council has approved the 2021-2025 Financial Plan and 2021 Corporate Business Plan after two days of deliberations starting November 24 through to November 25. Presentations focused on 15 areas of City business, along with presentations from the RCMP, Library, Travel Penticton and the South Okanagan Event Centre.

Council's deliberations followed a difficult year of unplanned service disruptions, revenue shortfalls and organizational change as the City responded to COVID-19. With further impacts projected into 2021, a budget emphasising a balanced approach to addressing COVID-19 challenges by way of a moderate tax increase, new sources of revenue, temporary use of reserves, cost savings and options for borrowing was put forward to Council.

The approval of the 2021-2025 Financial Plan results in an overall tax increase of 2.25 per cent, with 2 per cent going towards inflation and the remaining 0.25 per cent mitigating impacts from COVID-19. This decision results in an average annual increase in municipal taxes and utility fees totaling \$164 for a typical residential property valued at \$463,797 and an average annual increase in municipal taxes and utility fees totaling \$1,463 for a typical business property valued at \$1,162,286.

Council also made decisions on the use of the provincial \$4.7 million COVID-19 Safe Restart Grant, including using \$1.3 million rather than turning to City reserves to maintain City services. Additionally, Council decided to create a committee to gain input from the community on how best to maximize the use of these funds.

"I would like to thank City staff for their many months of planning and advice leading up to this week's budget deliberations, as well as the feedback provided from members of the community who participated in the City's various budget engagement events," said Penticton Mayor, John Vassilaki. "The impact of COVID-19 on the City's finances, along with the finances of our residents and businesses, was top of mind throughout Council's discussions. The budget put forward for 2021 provides a balanced approach to annual taxation, addressing inflation, managing spending and maintaining services for our residents during a period when the duration of COVID-19 remains unclear."

Full details on the 2021-2025 Financial Plan and 2021 Corporate Business Plan can be found on the City's website at <https://www.penticton.ca/city-hall/reports-plans/financial-corporate-business-plans>

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