

## What's next?

The City follows a multi-step process to develop the Business and Financial Plans. It combines community feedback with Council priorities and department needs to prepare the next 5-year Business and Financial Plans. Below are some of the key steps and dates in this year's budget cycle.



## Share Your Feedback

One of the most effective ways to have your voice heard in the budget process is to complete a feedback forms. Your feedback will be analyzed along with that of fellow residents and businesses and shared with Council and the public.

Follow this QR Code to complete the form. Feedback will be collected through to end of day Mar. 10.



# 2023 Proposed Budget



Information for residents and businesses

Council is getting ready to review the proposed 2023-2027 Financial and Business Plans and budget for the year. They will consider a number of factors in their decisions and would like to hear the views of the community. This handout includes the key information from the budget to assist you with sharing your feedback. You can review the complete plan at [www.shapeyourcitypenticton.ca](http://www.shapeyourcitypenticton.ca).



## In This Proposed Budget

This Financial and Corporate Business Plan shows that Penticton continues to be an adaptable and resilient community as the economy, climate and community changes. In addition to maintaining a **high level of service** in our parks, recreation, roads, water, sewer, electrical, storm water, fire, bylaw, RCMP and more, here are some of the things this budget aims to deliver:

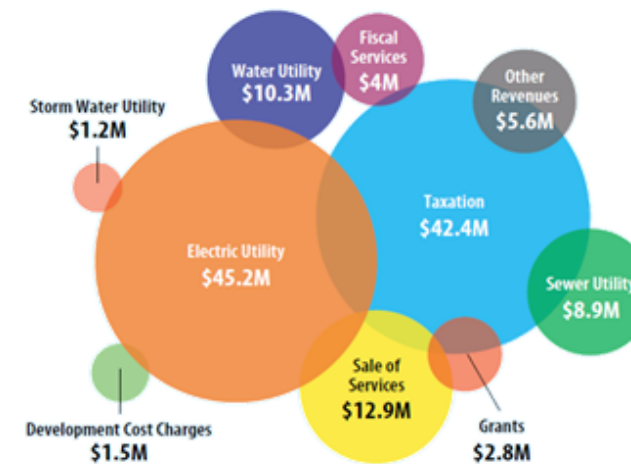
- Improved **community safety** with the addition of four firefighters and two RCMP officers.
- A blueprint for **attainable and affordable housing** with an update to the housing section of our Official Community Plan and a study of available civic lands.
- **Reliable utilities** with a \$12.6 million investment to repair or replace water, electrical, and sewer infrastructure.
- **Modern assets and amenities** with a \$15.2 million investment to advance planning for a new Community Safety Building, recover the soccer bubble, rehabilitate pavement, update tennis courts, add a new fire truck, and complete the Lake-to-Lake Route.

## How do I participate?

- Feb. 28 - Following the Council meeting, you can review the proposed 2023-2027 Financial Plan and other supporting materials at [www.shapeyourcitypenticton.ca](http://www.shapeyourcitypenticton.ca). Paper copies can be viewed at the City's engagement kiosks at City Hall, the Community Centre and the Library.
- Mar. 6 - Attend an online information session between 6:30 - 8 pm. Participants will receive a short presentation and have the opportunity to ask staff questions. Register at [www.shapeyourcitypenticton.ca](http://www.shapeyourcitypenticton.ca) to attend.
- Mar. 8 - Members of the business community are invited to see an address by the Mayor about priorities for the City in a separate event hosted by the Penticton and Wine Country Chamber of Commerce. Check the Chamber's website ([www.penticton.org](http://www.penticton.org)) for information.
- Mar. 9 - Drop by the Council Open House between 4 pm – 7 pm at the Penticton Trade and Convention Centre to discuss the budget, community safety and the utility rate review with Council and staff. RCMP Superintendent Brian Hunter, Fire Chief Larry Watkinson and Bylaw Services Manager Tina Mercier will also be in attendance.
- Mar. 14 - See the presentation of the engagement results to Council at the start of deliberations at 8:30 am.
- March 14-15 - Attend budget deliberations in person in Council from 8:30 am to 5 pm and continuing on March 15. An extra session is planned for March 16 beginning at 2 pm if required. Can't attend in person? The deliberations will be streamed online at [www.penticton.ca](http://www.penticton.ca). Residents will also have the opportunity to address Council in-person or on Zoom during the deliberations. Watch for details at [www.penticton.ca](http://www.penticton.ca).

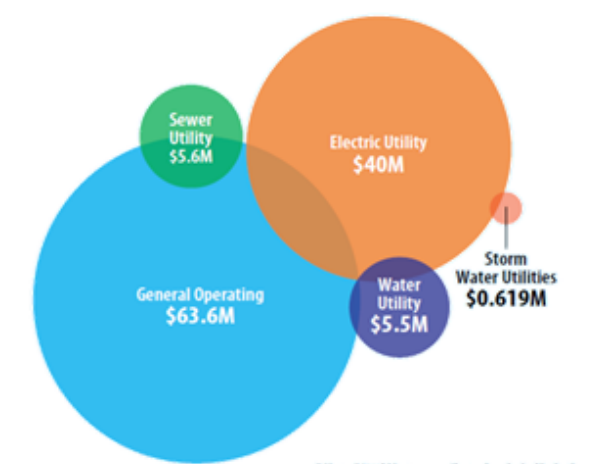
### Revenues

\$134.8 Million\*



### Expenses

\$115.3 Million\*



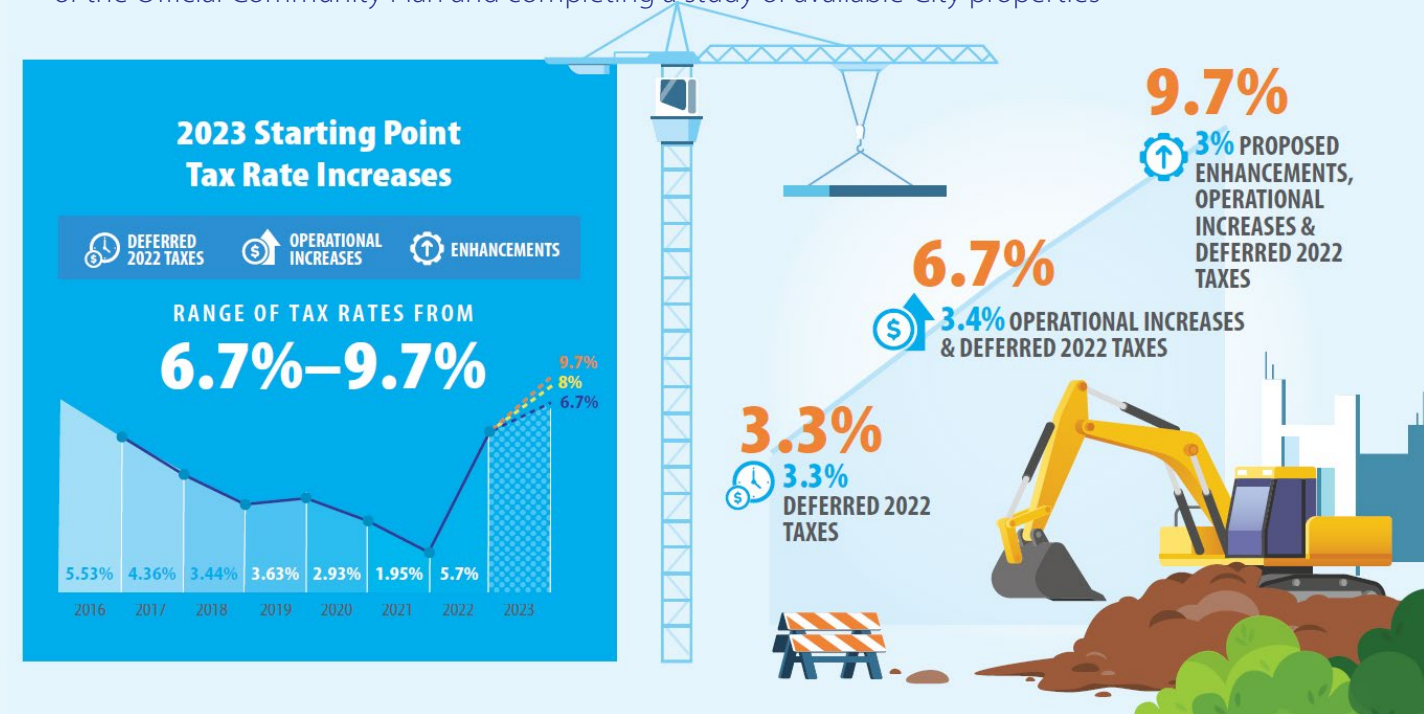
\* Net of \$23M in taxes collected on behalf of others

\* The above charts provide a summary of the key parts of this year's budget, showing all of the different sources of revenue that fund our services and where the bulk of the funds are spent. The difference between the two is transferred into our reserves to fund asset maintenance and replacement.

# Proposed Tax Rate Increases

In order to maintain service levels, further investments in safety, and advance priorities such as a plan for attainable and affordable housing, the City has identified a tax increase range for Council to consider. This range includes:

- 3.3% increase to fund deferred costs for investments in community safety (additional RCMP officers, firefighters and expanded bylaw services) that were implemented in 2022.
- 3.4% increase to address operational increases associated with inflationary costs, rising RCMP contracts, and external pressures on City services.
- 3.0% of the increase is proposed to fund Council's priorities including two additional police officers and laying the groundwork for an affordable and attainable housing strategy by updating the housing section of the Official Community Plan and completing a study of available City properties



## The Path to 2023

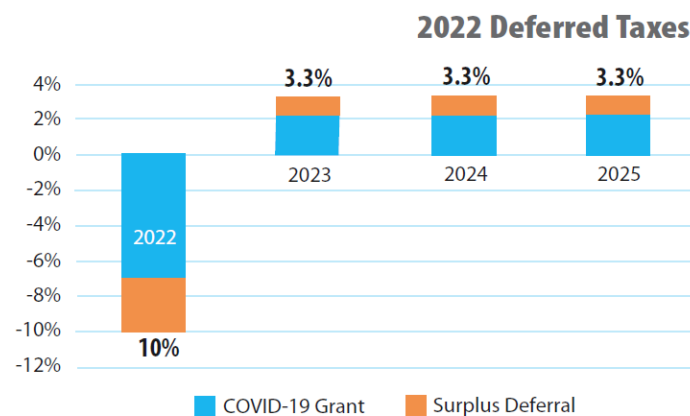
One of the main factors driving this year's proposed increases is addressing decisions made in the 2022 budget to defer taxes. High inflation, sustained revenue losses due to COVID-19 and public demand for increased community safety amounted to a **15.7% increase**. Faced with the challenge of balancing the budget and considering the impact of COVID-19 on residents, Council made the following decisions to defer taxation to future years:

- 7% reduction in tax increase by using the remaining \$2.4 million of the COVID-19 grant.
- 3% reduction in tax increase by drawing from surplus.

This made it possible to limit the increase in 2022 to 5.7% with a plan to phase it in over three years beginning in 2023.

### 2023 Budget Impact

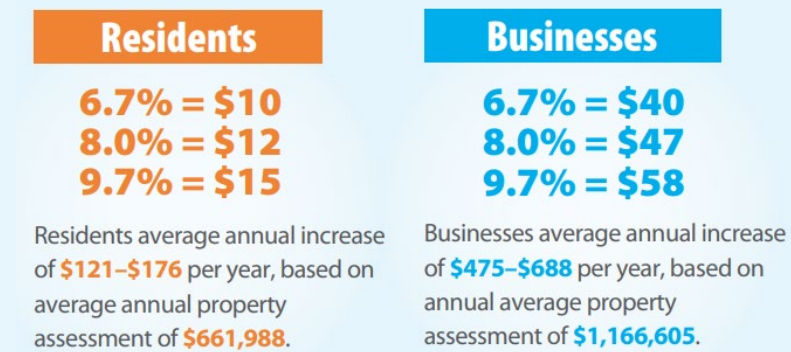
The 2022 funding deferral equated to 10% of taxation that was planned to be phased in over 3 fiscal years, 2023-2025, see chart below:



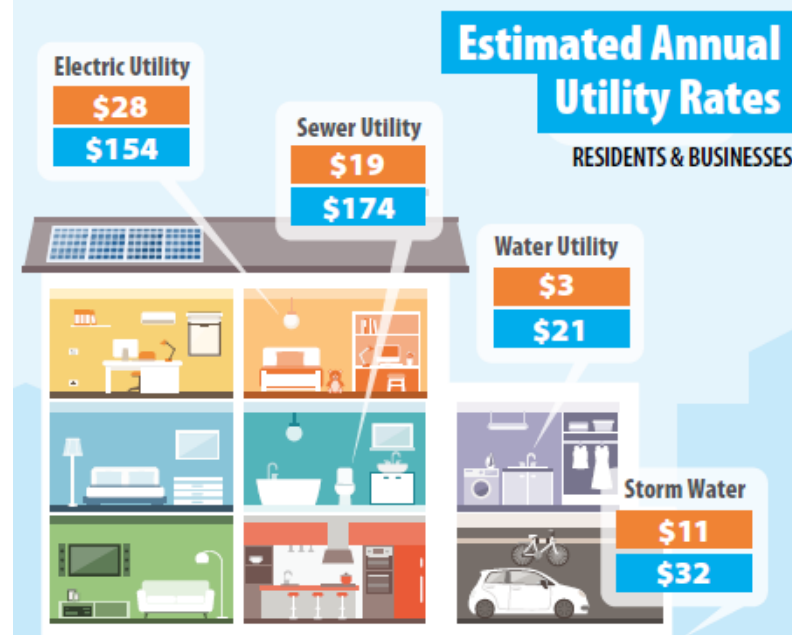
# 2023 Proposed Budget and You

The proposed 2023-2027 Financial and Corporate Business Plan includes a starting point tax rate range of 6.7%, 8% and 9.7%. The following chart shows the Estimated Monthly Increase for property taxes based on the average residential or commercial property.

### ESTIMATED TOTAL MONTHLY INCREASES



The tax rate increase is in addition to the increases approved for utility rates in December 2022. The 2023 Utility Rate Review is currently in progress and will inform rates for 2024.



**RESIDENTS**  
Average Residential Property will pay an estimated additional **\$61** annually, approximately **\$5** more per month.

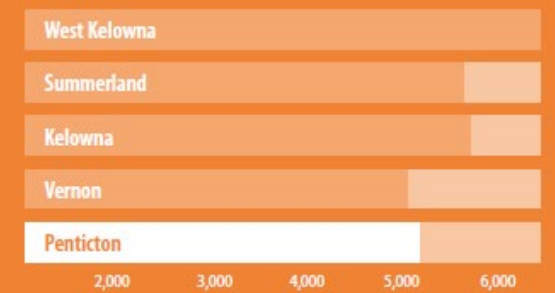
**BUSINESSES**  
Average Business Property will pay an estimated additional **\$380** annually, approximately **\$31** more per month.

\*Rates shown above are the average changes in annual utilities.

# How Do We Compare?

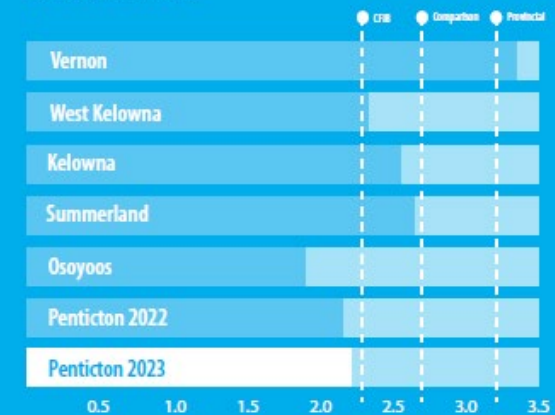
## Resident Taxes

**Residential Tax Competitiveness 2022**  
**Total Residential Taxes & Charges Comparison**  
Penticton continues to have one of the lowest total residential taxes and charges (comparable utilities) in the region.



## Business Taxes

**Business Tax Multiplier Comparisons 2022**  
The business taxpayer pays more than the residential taxpayer recognizing their greater use of City assets and infrastructure.



## Can't we continue to use reserves?

It is not sustainable to keep borrowing from reserves. Just like if your monthly household expenses go up but your total income doesn't, you can dip into your savings for awhile, but at some point you have to readjust. This budget maintains the level of service the public expects and ensures they remain affordable in the future.