



Town of Sidney

Financial Plan 2025 – 2029

February 24, 2025

Tonight's Agenda:

- Brief recap of where we stand
 - Tax Impacts
 - Introduction of staff report
 - Additional info to support budget consideration.
- First consideration of budget, by area
 - Supplementals & General Operating
 - Capital
 - Water & Sewer

Budget Process Timing

February 3rd – Budget Introduction

- ~~Presentation of summary budget information.~~
- ~~Will clearly outline the starting point for deliberations.~~
- ~~Budget package distributed to Council, and available to public.~~

February 24th – Initial Deliberations

- Opportunity to discuss and clarify various parts of the budget.
- Opportunity for in-depth discussion prior to final deliberations.
- Opportunity for public input.
- Additional staff reports on agenda.

March 11th – Special Council Meeting – Final Deliberations

- Updated presentation for benefit of Council and the public.
- Direction from the previous meetings to be incorporated.
- Goal is for Council to approve the Financial Plan.
 - If additional meeting(s) required, will be scheduled.

Opening Tax Impact

- The Draft Financial Plan starts out with a general tax increase of 12.85% for 2025
 - Several new budget items are included in the 12.85%
 - Some are subject to Council approval.
- Significant factors highlighted at last meeting.
- Will identify some of the areas to focus on as we work through the budget approval.
- Important to note that we've been deferring a tax increase since the pandemic
 - Deferral is no longer possible!

Impact on Tax Bill

Example: financial impact of 12.85% property tax increase for “average” home assessed at \$911,000 (2024: \$922,500).

	2024				2025		
	Annual	Monthly	Daily		Annual	Monthly	Daily
Municipal Taxes	1,788	149	4.90	Municipal Taxes	2,018	168	5.53
Water Parcel Tax	75	6	0.21	Water Parcel Tax	75	6	0.21
Sewer Parcel Tax	130	11	0.36	Sewer Parcel Tax	130	11	0.36
Total	1,993	166	5.46	Total	2,223	185	6.09
				Increase	\$230	19.15	0.63
				Actual % increase on municipal charges	11.53%		

2025 Tax Impacts – Why Are We Here?

- A situation 5 years in the making:
 - Tax reductions in 2020 due to Covid
 - Then ongoing concern over impacts
 - Extraordinarily high inflation
 - Ongoing need to increase services
 - Especially Protective Services (RCMP & Fire/First Responder)
 - Canada-BC Safe Restart Grant – a blessing and a curse.

2025 Tax Impacts – Why Are We Here?

- Property tax revenues were reduced by \$576K in 2020
 - BUT: expenditure levels stayed at “normal” level required to fund services.
 - We knew then that we’d have to make up lost tax revenue over time.
 - Safe Restart Grant – received in 2020 after tax reductions.
 - That gave us more time to phase back to full revenue level.
 - But it also gave us the luxury of deferring tax increases.
 - Cumulative Safe Restart funds used to make up for lost taxes: \$2.1M.
 - This equates to a tax impact of 15.36%.

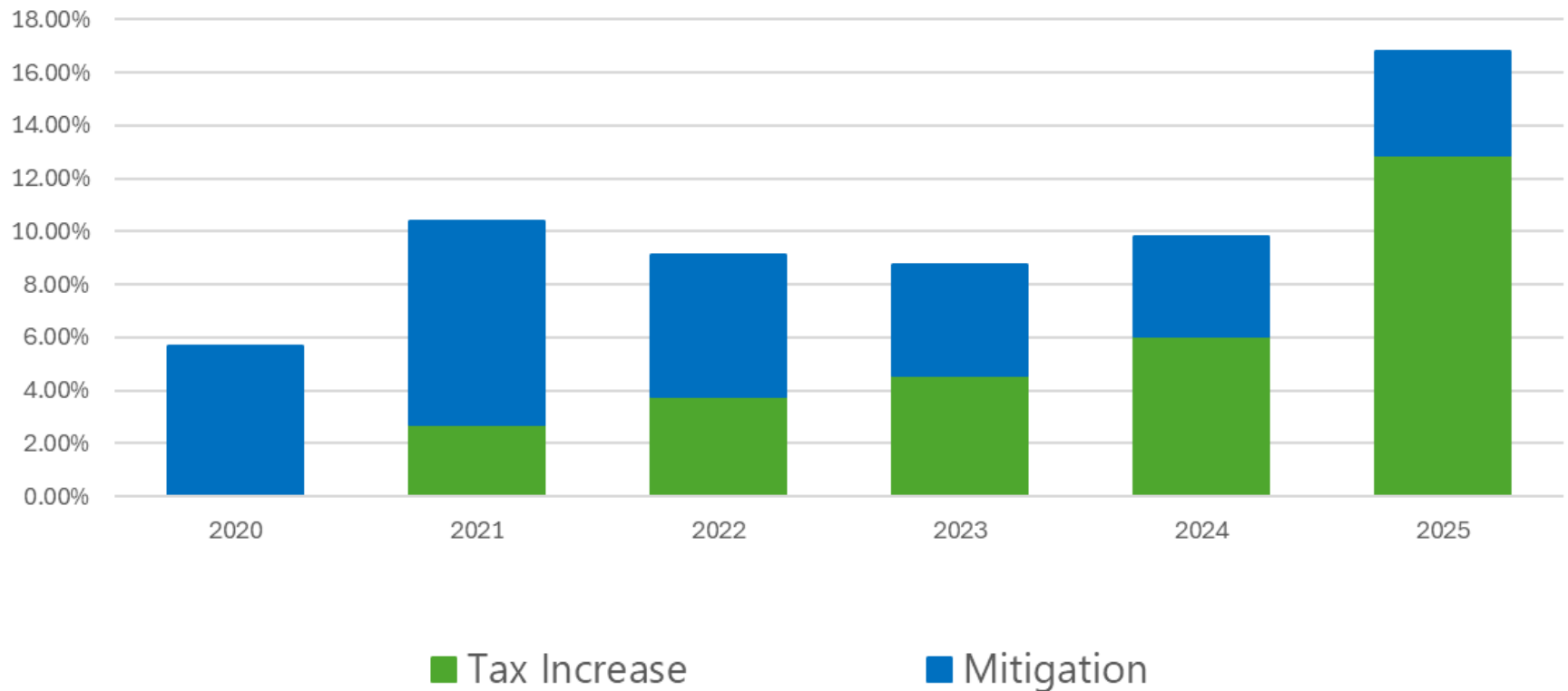
2025 Tax Impacts – Why Are We Here?

- Expenditure levels kept increasing to fund existing (inflation) and new (internal and external demands) services.
 - Each year, we require some tax revenue growth to keep up with costs.
 - Every time we fund part of this with something other than taxes, we contribute to deferred tax increase
 - Eventually these deferred taxes need to be made up.
- On the revenue side, tax increases were minimized
 - Used “mitigation measures” instead
 - Safe Restart (now all used up)
 - Surplus (has now fallen below minimum policy levels).

2025 Tax Impacts – Why Are We Here?

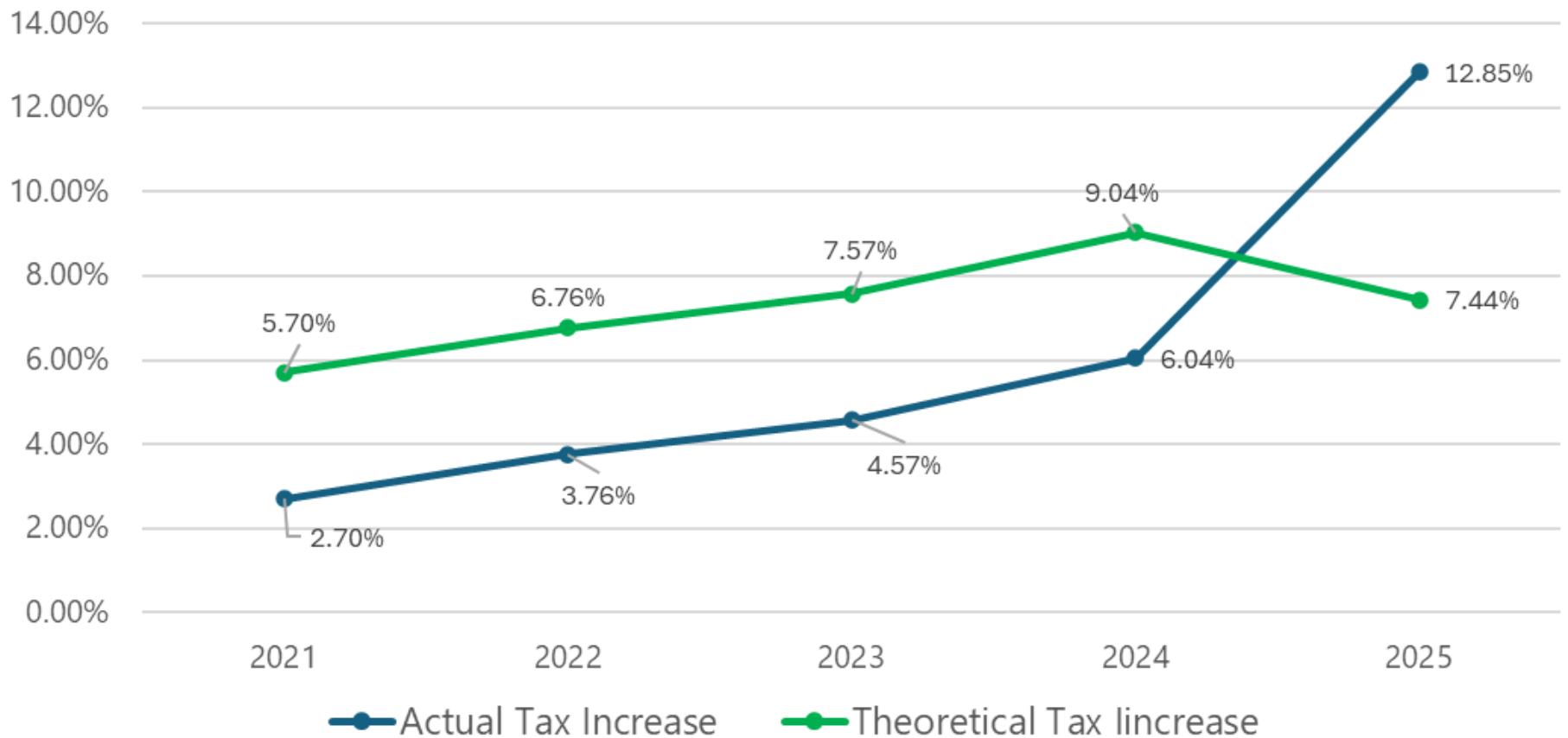
<u>Mitigation Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Safe Restart	\$ 550,000	\$ 650,000	\$ 450,000	\$ 350,000	\$ 126,991
Additional Surplus	127,181	250,000	200,000	186,000	395,000
	677,181	900,000	650,000	536,000	521,991
Tax Equivalent	5.66%	7.67%	5.33%	4.17%	3.77%
Safe Restart only	4.60%	5.54%	3.69%	2.72%	0.92%
Actual Tax Increase	0.00%	2.70%	3.76%	4.57%	6.04%
Required Tax Incr.	5.66%	10.37%	9.09%	8.74%	9.81%

2025 Tax Impacts – Why Are We Here?



2025 Tax Impacts – Why Are We Here?

If we had added 3% tax increase per year: 2021-2024:

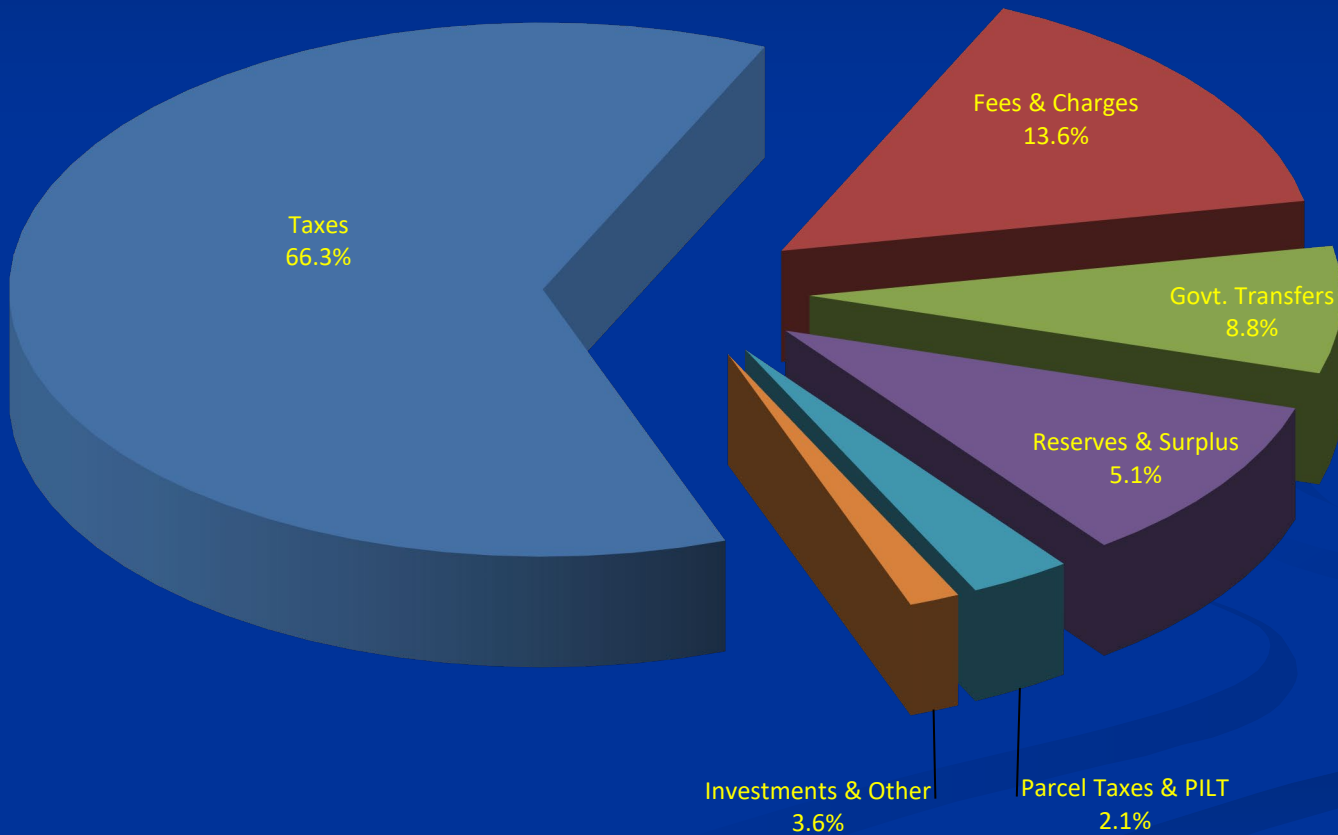


5-Year Projection

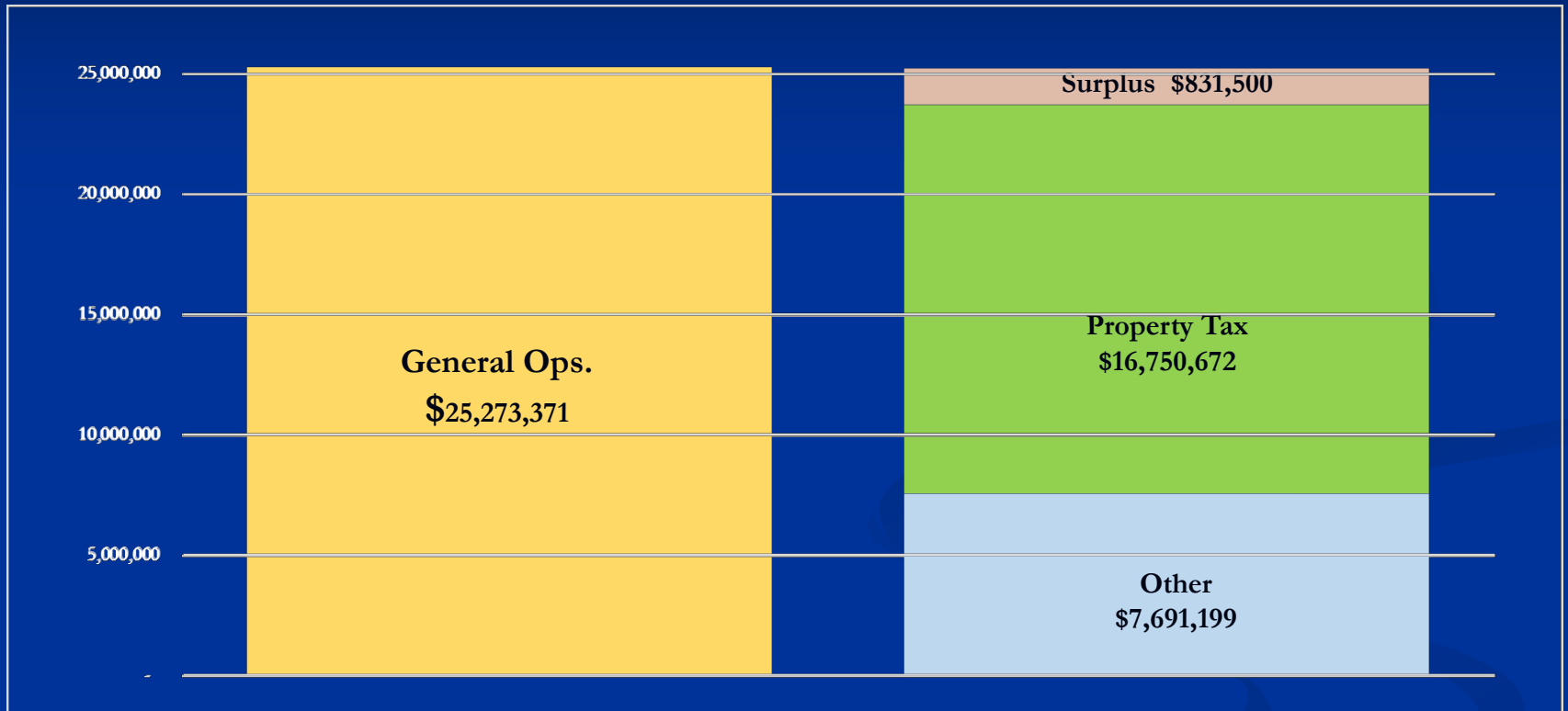
	2025	2026	2027	2028	2029
New Revenue Required	\$ 1,969,823	\$ 1,352,372	\$ 656,770	\$ 660,482	\$ 477,875
Tax Base Growth	<u>_(70,000)</u>	<u>_(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
General Tax Increase	<u>\$ 1,899,823</u>	<u>\$ 1,152,372</u>	<u>\$ 456,770</u>	<u>\$ 460,482</u>	<u>\$ 277,875</u>
% increase	12.85%	6.88%	2.52%	2.45%	1.43%

- Tax Base growth offsets some of the increases.
- Any changes in year 1 will impact future years.
- Year 2 (2026) tends to be overstated; **but not last year!**
- Last 2-3 years of plan tend to be understated.

General Operating Revenues



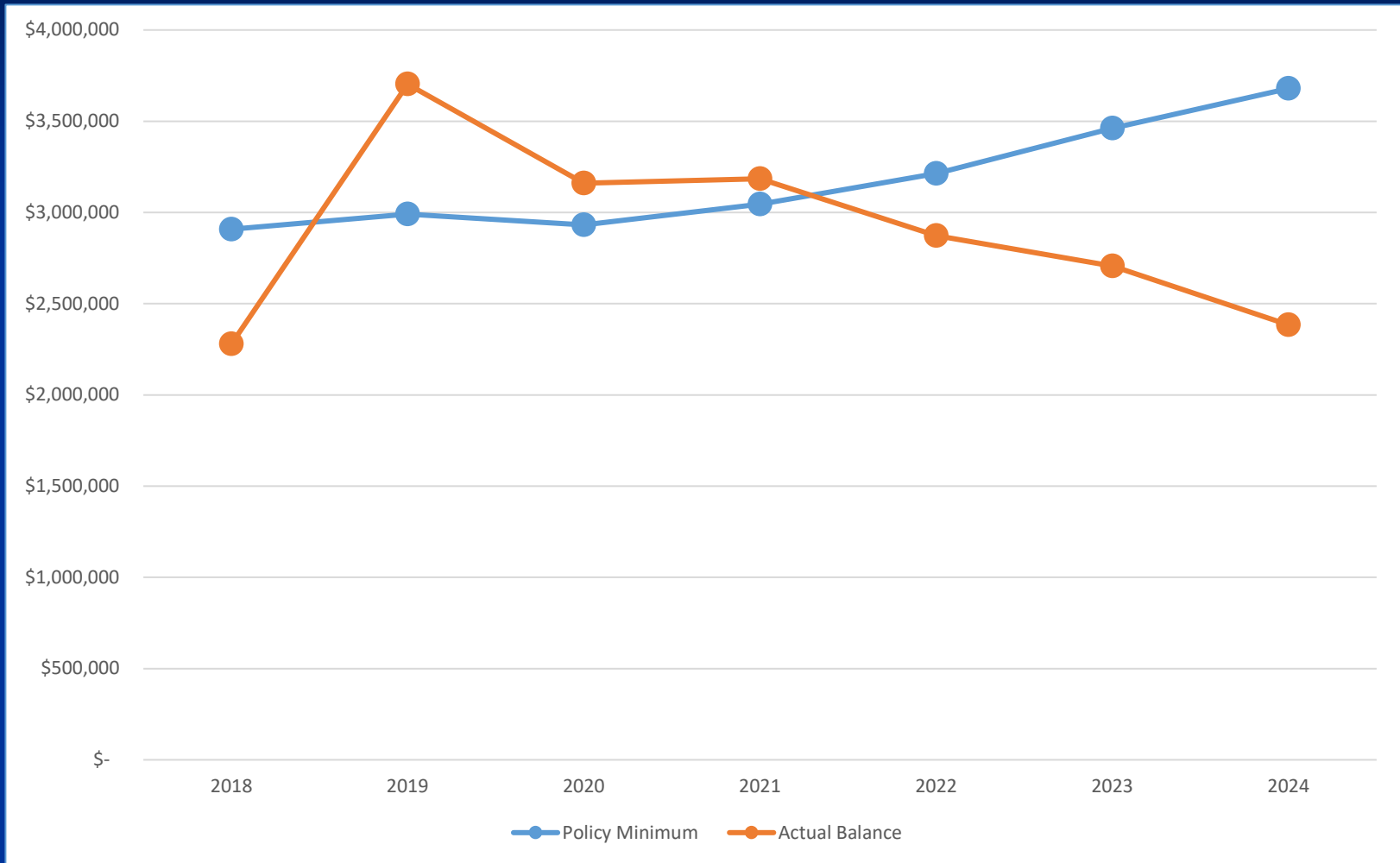
A Balanced Budget



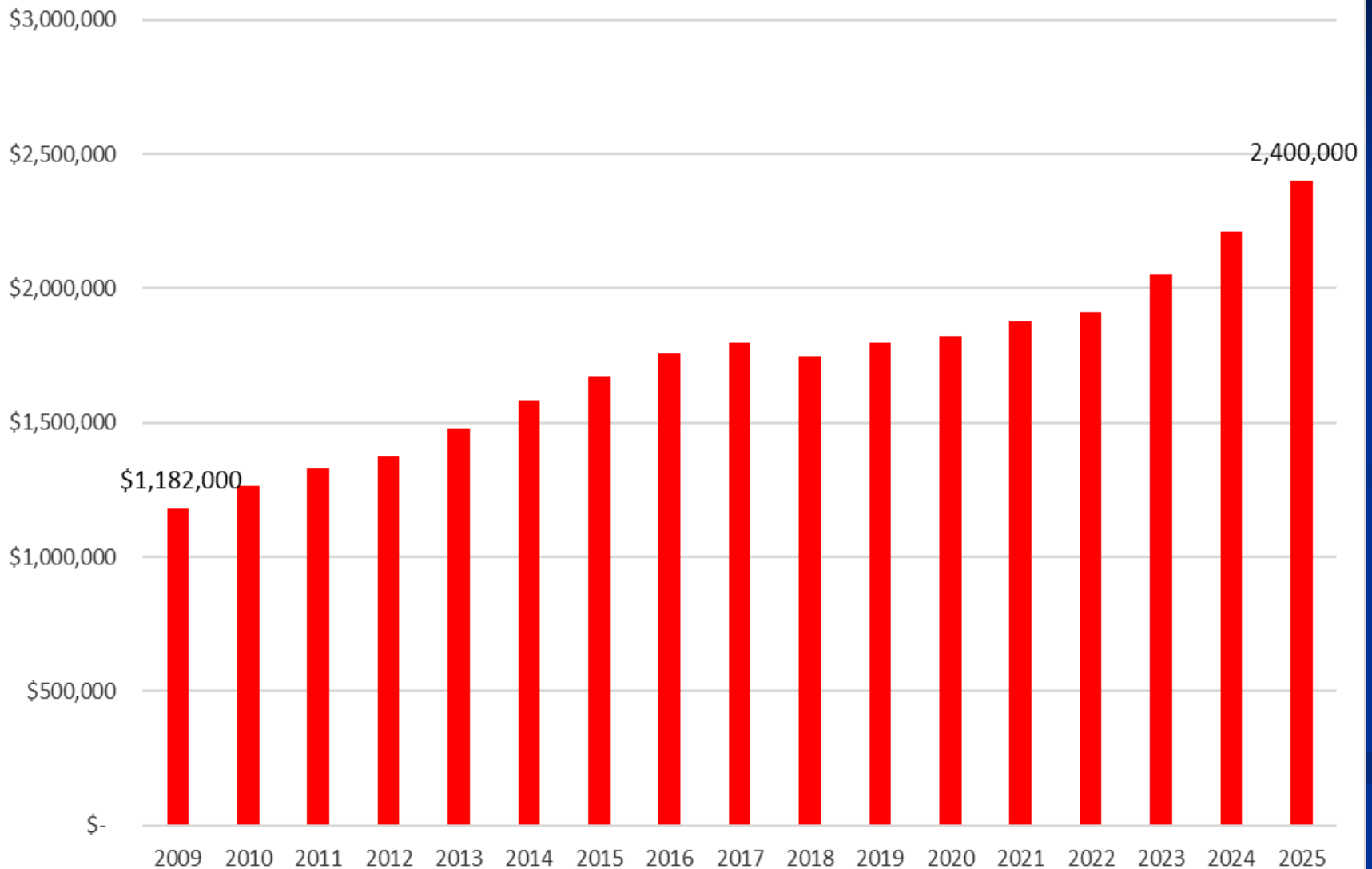
Expenditures

Revenues

Surplus Balance

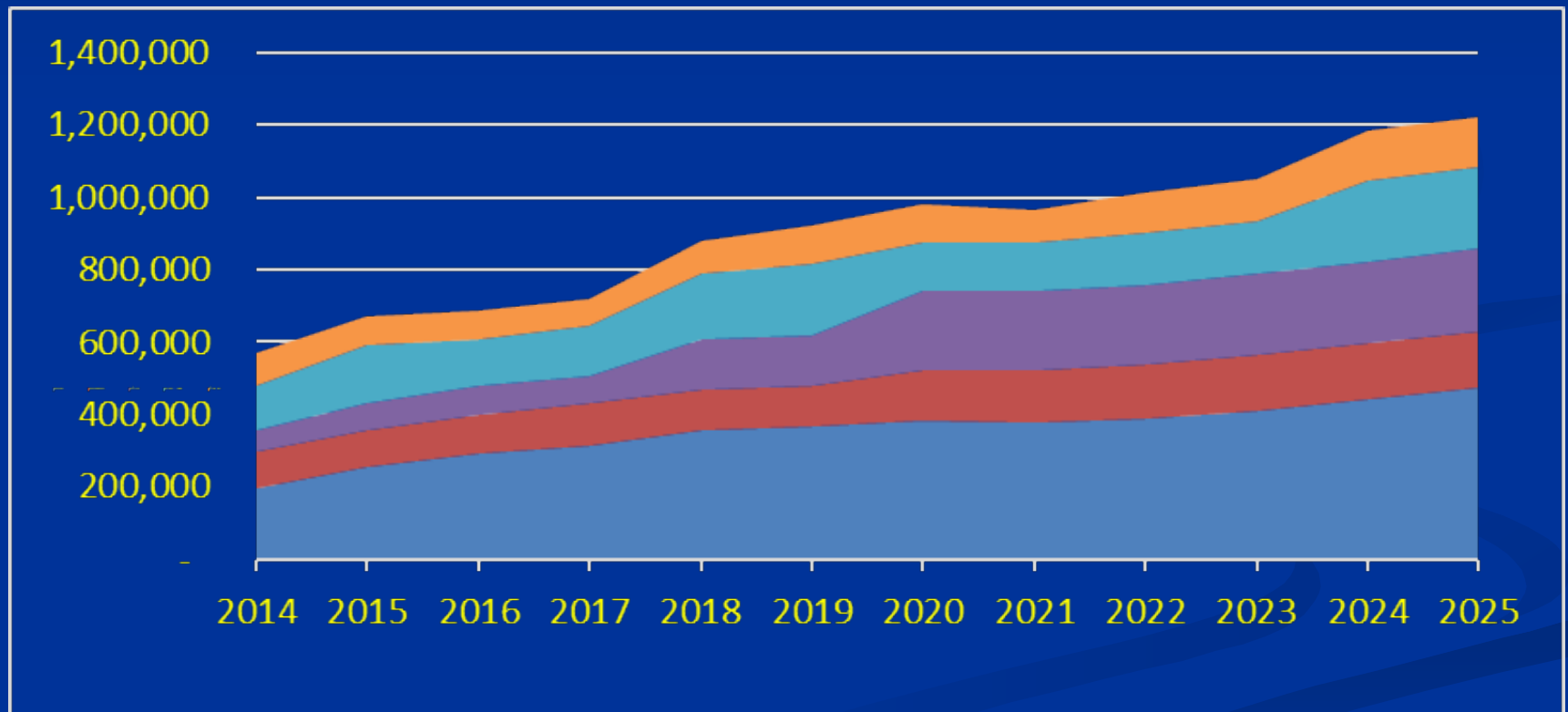


Policing Costs – 2009 to 2025



Community Support Funding

At \$1.224M in 2025 = 7.3% of Net Operating Budget



Budget Reductions?

- Most likely sources for reductions:
 - Capital projects funded from Taxation
 - May replace with other funding (Reserves)
 - Or, may defer or cut project entirely.
 - Tax funded Supplementals
 - Reduce transfers to Reserve
 - BUT: no discretionary transfers left to reduce.
 - Would compromise our ability to fund Capital through non-tax means.
 - ~~Use more Surplus.~~

Budget Reductions?

- Why not the Operating budget?
 - Mainly due to use of Surplus funding
 - The \$250K we use to minimize tax impact mainly covers expected savings in Operating budget
 - If we reduce Ops. budget, we reduce the comfort level with generating expected savings
 - Therefore, if Ops. budget reduced, first step would be to also reduce amount of Surplus funding; hence no tax impact.
- Only real option is service reductions.

Items Requiring Review

1. Supplemental Requests (General & Water Ops.)
 2. Tax Funded Capital
 3. Other Capital
 4. General Operations
 5. Utility budgets
- Council to approve changes to budget by resolution.
 - Any general questions before we dive in?

Supplemental Requests

- Supplemental Items – one-time or ongoing additions to existing service levels.
 - i.e. Studies, new staffing, new programs or services, higher levels of service on existing programs, etc.
- All the Supplementals have been included in the Draft Financial Plan.
- Any rejections or deferrals will reduce tax impact.

Supplemental Requests

- Will consider the following:
 - 2025 One-time requests
 - 2025 Ongoing requests
 - 2026-2029 Supplementals.
- Any preliminary changes/reductions should be in the form of a resolution.
- Budget binder page 13.

Supplemental Requests

<u>One-time Requests - 2025</u>	Tax Impacts	
	2025	2026
Template for CAO Performance Review	10,000	-
Civic Site Analysis	50,000	-
Citizen Satisfaction Survey	30,000	-
Review of Library Services	20,000	-
EDRMS Implementation	30,000	70,000
Startup Costs for Extreme Weather Response Shelter	5,000	-
HVAC Tender Specs for Annual Maintenance in Town Facilities	10,000	-
Tulista Park Washroom Valve Replacement	2,500	-
Resthaven Park Tennis Court Surface Repair	7,000	-
Rose Garden Fountain	20,000	-
Demolish Building at Third St Park	40,000	-
Rotary Park Equipment Shed Repairs	6,375	-
Rose Garden Improvements	5,000	5,000
Total one-time	235,875	75,000

Supplemental Requests

<u>Ongoing Requests - 2025</u>	Property Tax Impacts				
	2025	2026	2027	2028	2029
Additional Auxiliary Hours for RCMP	22,926	23,385	23,852	24,329	24,816
Police Dispatch Services	-	460,000	469,200	478,584	488,156
2nd Deputy Fire Chief	150,000	200,000	204,000	208,080	212,242
Increase Compensation for Overnight Firefighters	11,000	22,000	22,440	22,889	23,347
Parking Enforcement for Residential Parking Permit Areas	5,000	10,000	10,000	10,000	10,000
Additional Storm Drain Repairs	87,500	89,250	91,035	92,856	94,713
Additional Thermoplast in High Pedestrian Areas	15,000	15,000	15,000	15,000	15,000
Utility Model Updates	5,000	5,100	5,202	5,306	5,412
Additional Maintenance of Brethour Park	15,000	15,300	15,606	15,918	16,236
Additional Maintenance of Third Street Park	15,000	15,300	15,606	15,918	16,236
Tulista Park Building Maintenance	5,000	5,000	5,000	5,000	5,000
Beacon / Galaran Roundabout maintenance	5,000	5,100	5,202	5,306	5,412
Additional Traffic Control for Parade	5,000	5,000	5,000	5,000	5,000
Annual Grant - ArtSea - Grant Admin	3,000	3,000	3,000	3,000	3,000
Total ongoing	344,426	873,435	890,143	907,186	924,569

Supplemental Requests: 2026-2029

	Budget Impacts			
	2026	2027	2028	2029
<u>One Time Requests</u>				
EDRMS Implementation	70,000	-	-	-
Soil Testing and Corrosion Management on West Side	10,000	-	-	-
Downtown Parking Study	50,000	-	-	-
Tap Intrusion Program	25,000	-	-	
Beacon Wharf Inspections	-	-	-	50,000
Heritage Options Analysis	10,000	-	-	-
Town Hall Exterior Painting	-	50,000	-	-
Housing Needs Assessment	-	-	25,000	-
Rose Garden Improvements	5,000	-	-	-
Refurbish Gazebo at Resthaven Linear Park /Remove Invasive Plants	8,000	-	-	-
Resthaven Park Shoreline Restoration	20,000	-	-	-
<u>Ongoing Requests</u>				
Vancouver Island Integrated Major Crime Unit	-	150,000	200,000	200,000
Total	\$ 198,000	\$ 200,000	\$ 225,000	\$ 250,000

Capital Budget

Capital Funding Sources

- \$9.67M Capital program funded as follows:
 - Reserves - \$7.6M
 - Canada Community-Building Fund (Gas Tax) - \$1.3M
 - Funds carried forward from previous years - \$297K
 - Taxes - \$156K
 - North Saanich - \$67K
 - Utility User Fees - \$63K
 - Other - \$179K

Capital Budget

Significant Projects

- Infrastructure Replacement
 - \$16M over next 5 years
- Other Asset Replacement Plans
 - \$5M in 2024 – Vehicles, Computer Equipment, etc.
- Active Transportation Plan
- Several Park improvements
- Weiler Watermain Replacement (staff report)
- McDonald Park Road (staff report)
- Canora Road (staff report)
- CSB Public Education Space (staff report).
- Questions re staff report projects?

Reserves

	Beginning Balance	2025 Contribution	2025 Use	Ending Balance
Infrastructure Reserve	4,947,982	2,194,900	(5,078,829)	2,064,053
Vehicle Replacement	587,383	270,000	(1,095,000)	(237,617)
Fire Vehicles	(264,819)	200,000	(155,000)	(219,819)
Computer Replacement	463,231	110,000	(126,000)	447,231
Ferry Terminal	1,548,898	201,500	(126,520)	1,623,878
Agreements	138,057	16,900	(61,000)	93,957
Parkland Acquisition	13,073	-	-	13,073
Off Street Parking	425,197	-	-	425,197
Alternative Transportation	387,742	-	(291,500)	96,242
Climate Action	147,741	-	(69,000)	78,741
General Capital	566,308	150,000	(612,946)	103,362
Amenities	1,161,468	-	(117,000)	1,044,468
Land Sale Proceeds	324,967	-	(285,000)	39,967
Growing Communities Fund	1,232,039	-	(695,625)	536,414
Canada Community-Building Fund	1,846,693	625,000	(1,511,400)	960,293
	13,525,960	3,768,300	(10,224,820)	7,069,440

Capital Funding – Canada Community-Building Fund

Project	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Watermain Replacement Weiler (Lochside - Hwy)	465,000	465,000	-	-	-
Infra Plan-McDonald Park-Fire Lane#2-Pat Bay Hwy	467,300	-	-	-	-
Bike Path West Side of Highway	207,200	-	-	-	-
White Birch Road Cul-de-Sac Improvements	80,000	-	-	-	-
Tulista Park Boat Launch Piling Repairs	50,000	-	-	-	-
Tulista Park Picnic Shelter Replacement	75,000	-	-	-	-
Fifth St Bus Stop Improvements	40,000	-	-	-	-
Frost and Lochside Bus stop improvements	35,000	-	-	-	-
Accessibility Improvements	30,000	-	-	-	-
Pre-Emptive Signal Equipment Replacement – Hwy 17 & Beacon	17,500	-	-	-	-
New Street Lighting James White Blvd/Sidney Ave	30,000	100,000	-	-	-
Street Light Replacement	14,400	15,000	15,000	15,000	15,000
Beacon and Resthaven Traffic Signal Upgrades	-	75,000	-	-	-
Iroquois Park Shade Element	-	75,000	-	-	-
Infrastructure Plan Projects 2026-29	-	604,700	310,600	-	228,400
Solar Panels-Iroquois Food Bank	-	-	80,000	-	-
Beacon Park Shade Element	-	-	75,000	-	-
Bevan Fishing Pier	-	-	-	650,000	-
Canora Rd Improvements, Ocean - Summergate	-	-	-	262,000	-
Infra Plan-First St. Sidewalk (West Side)	-	-	-	211,800	-
Iroquois Park - Pave Pathways	-	-	-	120,000	-
Eastview Park Landscape Refresh	-	-	-	60,000	-
Accessible Beach Access	-	-	-	30,000	-
Pickleball Courts	-	-	-	-	125,000
Rathdown Park Improvements	-	-	-	-	75,000
Total Capital Funding	1,511,400	1,334,700	480,600	1,348,800	443,400

Capital Funding – Amenity & Land Sale Reserve

Amenity Reserve Funded Projects	2025	2026	2027	2028	2029
Utility Kiosk Wraps	15,000	15,000	15,000	15,000	15,000
Pathway between Beacon Ave W and Jahn Pl	60,000				
Public Washrooms*	30,000				
Benches for Downtown Streets*	12,000				
Beacon Wharf Repairs			450,000		
James White-Pat Bay Hwy to Corner			221,880		
Replace Tulista Park Washrooms				300,000	
Eastview Park Boardwalk					300,000
	117,000	15,000	686,880	315,000	315,000
Funds remaining at end of year	1,030,883	1,015,883	329,003	14,003	(300,997)
Land Sale Reserve Funded Projects	2025	2026	2027	2028	2029
Bike Path West Side of Highway*	137,800				
KELSET (Reay Creek) Park Interpretive Sign*	26,200				
Replace Equipment Storage Shelter at Works Yard	36,000				
Relocate Electrical Control Panel at Beacon Park	30,000				
Underground Inventory Storage Shelter	25,000				
Works Yard HVAC Unit Replacement	20,000				
Install Tree Base at Lochside and Weiler	10,000				
	285,000	-	-	-	-
Funds remaining at end of year	-	-	-	-	-

Capital Funding – General Capital Reserve

General Capital Reserve Funded Projects	2025	2026	2027	2028	2029
Beacon West Road Improvements	100,000				
Waterfront Walkway Wooded Retaining Walls Replacement	100,000				
Public Works Wash Bay	50,000				
Allbay Road Gravel Shoulder	50,000				
Improve Library Pathway, Lighting and Landscaping	50,000				
RCMP Interview Room Renos	32,801				
Fifth St Bus Stop Improvements	35,000				
Repair Above Ground Treewells on Beacon	20,000				
White Birch Road Cul-de-Sac Improvements	17,000				
Frost and Lochside Bus stop improvements	15,000				
RCMP Air Handling Unit*	59,045				
Totem Park-Refurbish Totem Pole*	50,000				
Beacon Park Drainage and Landscaping Improvements*	34,100				
Small Packer-Garbage Truck		100,000			
Town Hall Boiler Replacement			250,000		
Lochside Waterfront Walkway Slope Maintenance Equipment			70,000		
Town Hall Foundation Drainage				100,000	
Griffith Wharf Removal					150,000
	612,946	100,000	320,000	100,000	150,000

Capital Funding – Growing Communities Fund

Growing Communities Fund Projects	2025	2026
Rathdown Park Improvements	210,000	250,000
Brethour Park Design & Park Improvements		250,000
Disaster Water Supply	209,625	
CSB Public Education Space	246,000	
Speed Reader Boards	30,000	
	695,625	500,000
	2025	2026
Beginning balance, GCF Reserve	1,230,642	583,017
Estimated interest	48,000	-
Capital funding, as per above	(695,625)	(500,000)
Ending balance	583,017	83,017

Capital Budget Review

- Will consider the following:
 - 2025 Tax-funded Capital
 - Other 2025 Capital
 - 2026-2029 Capital.
- Any preliminary changes/reductions should be in the form of a resolution.

Capital Budget – Tax Funded

2025 Tax Funded Projects		
ADM-08-001	Annual Workspace Efficiency Upgrades	15,500
ADM-24-002	Staff Gym Updates	2,500
FIR-08-003	Fire Department Equipment	14,760
PRK-08-005	Parks Equipment	8,550
PWG-08-005	Underground Wiring	10,000
RDS-08-010	Downtown Street Lighting	21,650
RDS-18-015	Street Light Replacement	5,000
RDS-22-011	Survey Monument Replacement and Maintenance	10,000
RDS-25-007	Bus Stop improvements	2,720
Annual/Recurring Projects		90,680
PRK-23-004	Lochside Waterfront Walkway Hedge Replacement	20,000
PRK-26-001	Glass Beach Safety Improvements	20,000
PWG-25-002	Two-Way Radio Upgrades	15,000
PWG-25-005	Electrical Improvements at Beacon Wharf	10,000
New Projects		65,000
Total 2025 Tax Funded Projects		155,680

Capital Budget – Remainder

- 2025 Capital – non-tax funded
 - Funded from Reserves and other sources
 - Projects listed in budget binders.
- 2026-2029 Capital
 - Projects listed in budget binders.
- Any questions or proposed changes?

General Operating Budget

- We've gone through the most likely parts of the budget to find reductions
 - Supplementals
 - Tax funded Capital.
- We've run out of tax mitigation measures
 - If we need to reduce more, only option is to look at reducing services.
- If this is Council's wish, please identify services that may be seen as less vital.
 - Would take time for staff to come back with options.

General Operating Budget

- Last community survey indicated a preference for tax increases over service level reductions.
- Similar question will be asked in upcoming survey.
- Questions regarding the core operating budget?

Water Utility

Increases:

- CRD Bulk Water rates
- Reserve transfer
 - Infrastructure Reserve for asset renewal.
- Funded with Water Parcel Tax and User Fees.
 - Infrastructure Levy/Parcel Tax: \$75/year
 - Fixed Charge: increase to \$24.50 per quarter per unit
 - Consumption Charge: increase to \$6.41 / 1,000 Gallons.

Sewer Utility

Increases:

- Sidney's share of operating the Unified Treatment Plant
- Reserve transfers.
- Funded with Sewer Parcel Tax and User Fees.
 - Parcel Tax: \$65/\$130 per year
 - User Fees: increase to \$10.70 / 1,000 gallons.
 - Impact for avg. account is about \$12 per quarter.

Quarterly Utility Bill

- SFD Account with Full Garbage Service, Water & Service billed at 6,500 gallons (average).

	2025	2024	Chg
Garbage	\$63.00	\$60.00	\$3.00
Water	\$66.17	\$59.72	\$6.45
Sewer	\$69.55	\$57.53	\$12.03
Total	\$198.72	\$177.24	\$21.48

- Commercial Account with Basic Garbage Service, Water & Sewer billed at 7,000 gallons (average).

	2025	2024	Chg
Garbage	\$104.50	\$101.25	\$3.25
Water	\$69.37	\$62.77	\$6.60
Sewer	\$74.90	\$61.95	\$12.95
Total	\$248.77	\$225.97	\$22.80

Tax Distribution Policy

- Policy goal: Tax to Assessment Ratio of 2:1
 - 2025 ratio (if left alone): 1.9343
 - We are below the target without intervention.
- Staff recommend leaving it alone
 - Would mean the general tax increase is applied evenly
 - Revisit next year, based on market movement.
- If we cut off the reduction at 2:1:
 - Residential increase: 11.46%
 - Commercial increase: 16.65%.
 - Extra \$246 for avg. Commercial; saves \$25 for Residential.

What's Next?

- Council direction from tonight is built into a 2nd draft of the budget
- Council will have the opportunity to make additional changes during deliberations on March 11th
- Approval of the budget, as amended, will be the goal for March 11th
- Budget approved on 11th (or later) is considered “final”
 - Tax Rates will be set based on this budget
 - Financial Plan Bylaw will be brought forward in April/May (with Tax Rates) to formalize the budget.



Financial Plan 2025-2029

Staff are available to answer questions
between now and the next budget meeting.

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