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Town of Sidney

Financial Plan
2026 – 2030

March 3, 2026

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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
 - Capital
 - General Operating
 - Water & Sewer

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Budget Process Timing

February 17th – Budget Introduction

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

March 3rd – Special Council Meeting – 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 will be part of agenda.

March 16th – 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.

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Opening Tax Impact

- The Draft Financial Plan starts out with a general tax increase of 12.4% for 2026
 - Several new budget items are included in the 12.4%
 - These are subject to Council approval.
- We will cover what is included in the above figures.
- We will identify some of the areas to focus on, and decisions to be made, over the upcoming meetings.

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Impact on Tax Bill

Example: financial impact of 12.4% property tax increase for “average” home assessed at \$926,700 (2025: \$913,800).

	2025				2026		
	Annual	Monthly	Daily		Annual	Monthly	Daily
Municipal Taxes	1,989	166	5.45	Municipal Taxes	2,235	186	6.12
Water Parcel Tax	75	6	0.21	Water Parcel Tax	95	8	0.26
Sewer Parcel Tax	130	11	0.36	Sewer Parcel Tax	100	8	0.27
Total	2,194	183	6.01	Total	2,430	203	6.66
				Increase	\$236	19.68	0.65
				Actual % increase on municipal charges			10.76%

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5-Year Projection

	2026	2027	2028	2029	2030
New Revenue Required	\$ 2,208,243	\$ 1,449,913	\$ 938,917	\$ 772,577	\$ 606,243
Tax Base Growth	<u>(180,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
General Tax Increase	\$ 2,028,243	\$ 1,249,913	\$ 738,917	\$ 572,577	\$ 406,243
% increase	12.4%	6.73%	3.69%	2.73%	1.87%

- Tax Base growth offsets some of the increases.
- Any changes in year 1 will impact future years.
- Year 2 (2027) often overstated; **but not last 2 years!**
- Last 2-3 years of plan tend to be understated.

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2026 Tax Impacts – Why Are We Here?

- A situation 6 years in the making:
 - Tax reductions in 2020 due to Covid
 - Then ongoing concern over impacts
 - 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.
 - Ongoing need to increase services
 - Especially Protective Services (RCMP & Fire/First Responder)
 - **Police and Fire represent 5.4% of the 12.4% increase.**

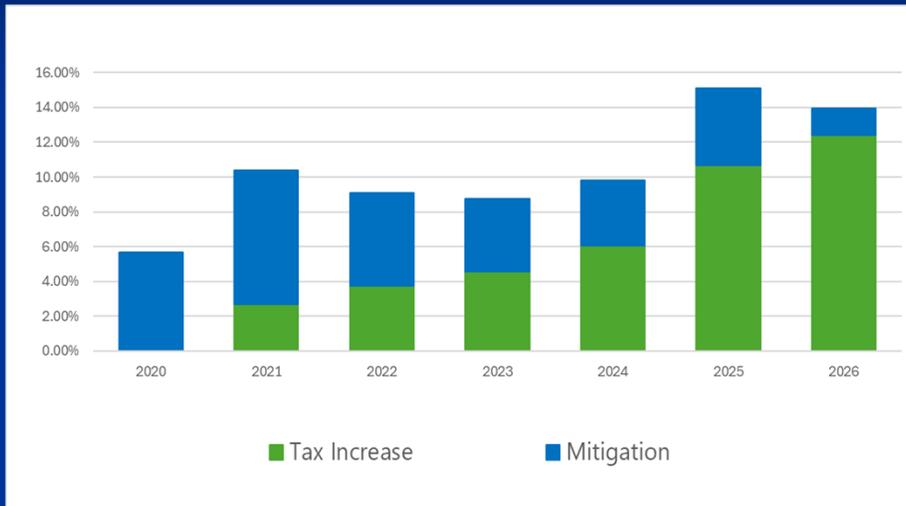
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2026 Tax Impacts – Why Are We Here?

Mitigation Type	2020	2021	2022	2023	2024	2025
Safe Restart	\$ 550,000	\$ 650,000	\$ 450,000	\$ 350,000	\$ 126,991	\$ -
Additional Surplus	127,181	250,000	200,000	186,000	395,000	651,500
	677,181	900,000	650,000	536,000	521,991	651,500
Tax Equivalent	5.66%	7.67%	5.33%	4.17%	3.77%	4.41%
Safe Restart only	4.60%	5.54%	3.69%	2.72%	0.92%	0.00%
Actual Tax Increase	0.00%	2.70%	3.76%	4.57%	6.04%	10.67%
Required Tax Increase	5.66%	10.37%	9.09%	8.74%	9.81%	15.08%

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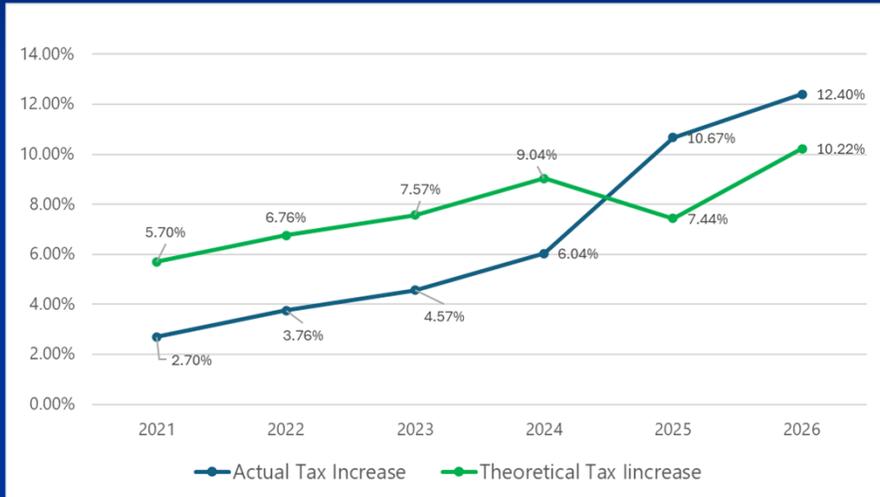
2026 Tax Impacts – Why Are We Here?



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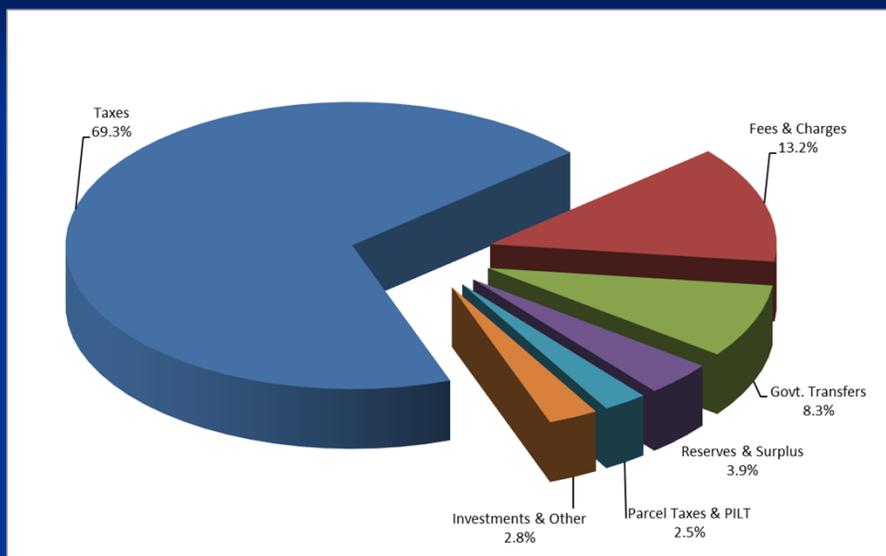
2026 Tax Impacts – Why Are We Here?

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



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General Operating Revenues



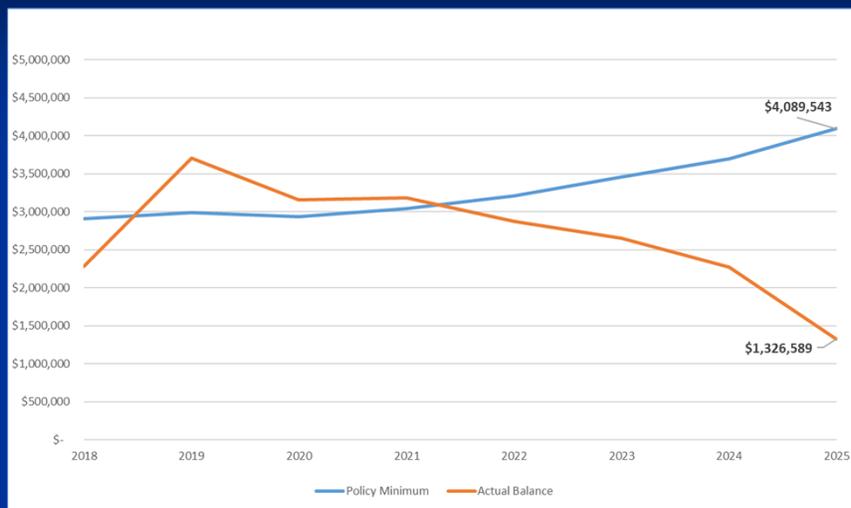
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A Balanced Budget



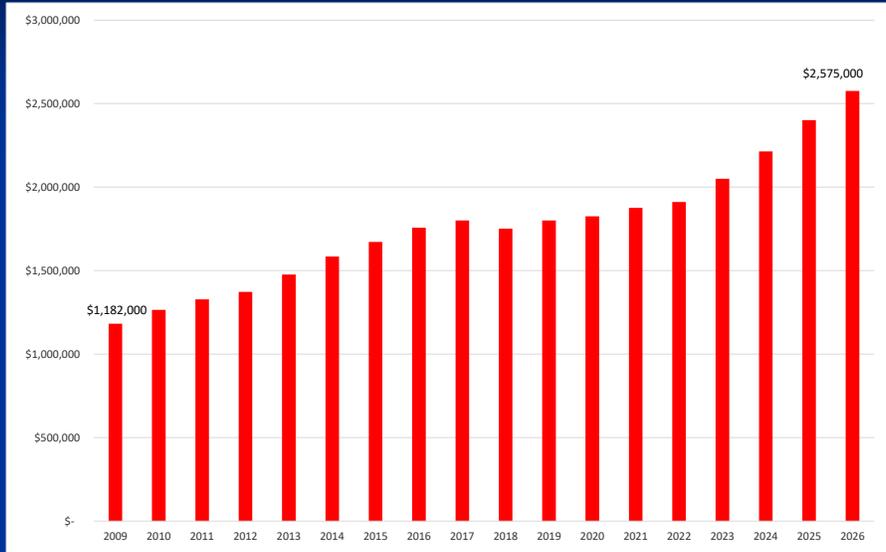
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Surplus Balance



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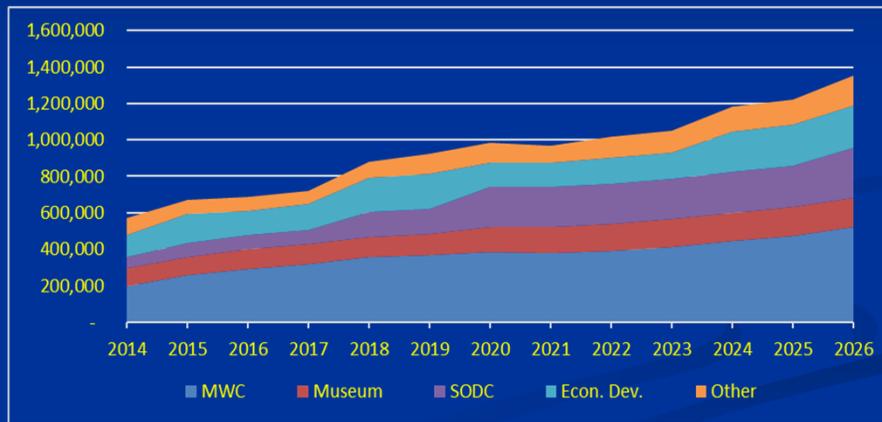
RCMP Contract – 2009 to 2026



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Community Support Funding

At \$1.352M in 2026 = 7.3% of Net Operating Budget

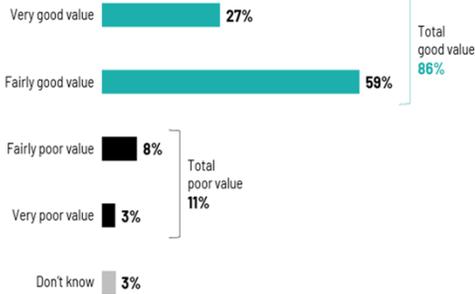


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Citizen Satisfaction Survey

Value for Taxes

- Perceptions of overall value for taxes are positive, with 86% of residents saying they receive good value for their tax dollars (27% 'very good value', 59% 'fairly good value').
- Total good value is higher among:
 - Women (91% versus 81% of men)
 - Those who are 65+ years of age (93% versus 71% of 18-44 years, 85% of 45-64 years)
 - Those who have lived in Sidney for 10 years or less (89% versus 82% of 21+ years, 86% of 11-20 years)
 - Homeowners (88% versus 77% of renters)
 - Those living in households without children under the age of 18 (88% versus 78% of those with children at home)



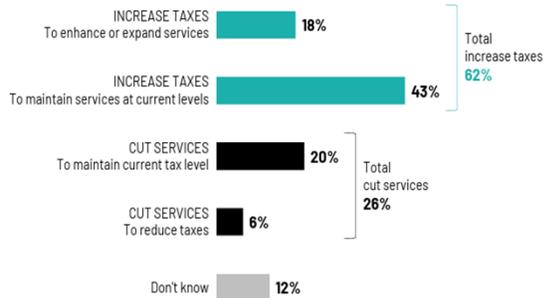
Base: All respondents (n=1156)
 Q9. Thinking about all the programs and services you receive from the Town of Sidney, would you say that overall you get good value or poor value for your tax dollars? Select one response.



Citizen Satisfaction Survey

Balancing Taxation and Service Delivery Levels

- Overall, residents say they would prefer the Town increase taxes (62%) than cut services (26%).
- Total increase taxes is higher among:
 - Women (66% versus 57% of men)
 - Those who are 65+ years of age (71% versus 49% of 18-44 years, 55% of 45-64 years)
 - Those who have lived in Sidney for 20 years or less (includes 66% of 10 years or less and 62% of 11-20 years versus 51% of 21+ years)



Base: All respondents (n=1156)
 Q10. Municipal property taxes are the primary way to pay for services provided by the Town of Sidney. Due to the increased cost of maintaining current service levels and infrastructure, the Town must balance taxation and service delivery levels. To deal with this situation, which one of the following four options would you most like the Town of Sidney to pursue? Select one response.



Citizen Satisfaction Survey

- Strong indication that people were satisfied with value for money
 - 86% of respondents.
- 62% of respondents said they'd prefer to pay a bit more to maintain or enhance their services
 - Only 26% preferred to cut taxes and services.
- Do we really believe that \$20 per month (or even \$36/mo. over 2 years) is going to change these opinions?

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Budget Reductions?

- It takes \$163,582 in reductions to achieve 1%.
- Each 1% equals about \$20 per year, or \$1.66 per month for the average residence
- Balance these minor savings against the items we are cutting:
 - Are the proposed services worth that \$1.66/month?
- Municipal services have tremendous value to the community!

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Budget Reductions?

- Most likely sources for reductions:
 - Capital projects funded from Taxation
 - May replace with other funding (Reserves)
 - But there is very little remaining capacity!
 - Or, may defer or cut project entirely.
 - Tax funded Supplementals
 - Reduce transfers to Reserve
 - Would compromise our ability to fund Capital through non-tax means.
 - ~~Use more Surplus.~~

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Items Requiring Review

1. Supplemental Requests
 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?

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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.

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Supplemental Requests

- Will consider the following:
 - 2026 One-time requests
 - 2026 Ongoing requests
 - 2027-2030 Supplementals.
- Any preliminary changes/reductions should be in the form of a resolution.
- Budget binder pages 13-24.

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Supplemental Requests

<u>One-time Requests - 2026</u>	Tax Impacts	
	2026	2027
Civic Sites Analysis	50,000	-
Court House Accessibility Improvements	12,386	-
Startup Costs for Extreme Weather Response Shelter	10,000	-
Bevan Avenue Traffic Study	35,000	-
Pave Areas Identified in 2025 Pavement Condition Assessment	10,000	-
Beacon Wharf Inspections	50,000	-
Tap Intrusion Program	25,000	-
Heritage Options Analysis	10,000	-
Additional Parking Lot Lighting for Food Bank	4,167	-
Beacon Park Pollinator Garden	2,500	-
Visitor's Centre Landscaping Improvements	5,000	-
Refurbish Gazebo at Resthaven Linear Park and Invasive Removal	8,000	-
Rotary Park Equipment Shed Repairs	10,000	-
PW Admin Building Debt Payments	32,200	to 2030
Total one-time	264,253	96,600

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Supplemental Requests

<u>Ongoing Requests - 2026</u>	Property Tax Impacts				
	2026	2027	2028	2029	2030
RCMP Dispatch Services (Mandated)	430,540	445,609	461,205	477,347	494,054
Major Case Disclosure Clerk (Pre-approved)	47,964	57,957	59,695	61,486	63,330
Anticipated Fire Personnel Increases	170,000	250,000	250,000	250,000	250,000
Part-Time Bylaw Enforcement Officer	30,000	55,000	56,650	58,350	60,100
Planning/Building Part-time Assistant	15,000	15,450	15,914	16,392	16,884
Infrared Scanning of Electrical in Town Facilities	10,000	10,000	10,000	10,000	10,000
Register Easements on Private Property	5,000	5,000	5,000	5,000	5,000
Parking Lot Line Painting	7,000	7,000	7,000	7,000	7,000
Increased Training Requirements for Parks Staff	10,000	10,000	10,000	10,000	10,000
Additional Traffic Control for Parades / Events	5,000	5,000	5,000	5,000	5,000
Sidney Sparkles Parade After Party	5,000	5,000	5,000	5,000	5,000
Additional First Nations Initiatives	30,000	30,000	30,000	30,000	30,000
Total ongoing	765,504	896,016	915,464	935,574	956,368

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Supplemental Requests: 2027-2030

One Time Requests	Budget Impacts			
	2027	2028	2029	2030
PW Admin Building Debt Payments	96,600	96,600	96,600	96,600
2029/30 OCP Review	50,000	50,000	50,000	50,000
Downtown Parking Study	50,000	-	-	-
Review and Update Engineering Standards	30,000	-	-	-
Strategic Planning Consultant	10,000	-	-	-
Town Hall Exterior Painting	-	50,000	-	-
Citizen Satisfaction Survey	-	30,000	-	-
Housing Needs Assessment	-	25,000	-	-
Beacon Wharf Inspections	-	-	50,000	-
<u>Ongoing Requests</u>				
RCMP Major Crime Unit Participation	150,000	200,000	206,000	212,180
4th Overnight Firefighter	69,000	142,140	146,404	150,796
Auxiliary Part-Time Assistance for Human Resources	18,000	18,360	18,727	19,102
	Total \$ 473,600	\$ 612,100	\$ 567,731	\$ 528,678

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Capital Budget

Total Capital for 2026: \$13.6M

- \$10.1M in Replacement Plan projects
 - Infrastructure Plans - \$9.2M
 - Other replacement plans - \$0.9M
- \$368K in Recurring Programs
 - e.g. Street Lighting, Underground Wiring, Small Equipment
- \$3.1M in one-time projects
 - ATP projects, Park improvements, etc.
- Does not include several projects that will be carried over from 2025.

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Capital Budget

Capital Funding Sources

- \$13.6M Capital program funded as follows:
 - Reserves - \$9.2M
 - Canada Community-Building Fund (Gas Tax) - \$1.6M
 - Grants - \$1.3M
 - Borrowing - \$957K
 - Funds carried forward from previous years - \$264K
 - Taxes and User Fees - \$205K
 - North Saanich - \$37K
 - Other - \$32.5K

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Capital Budget

Property Tax funding for Capital

- Level of Tax funding for 2025 Capital: \$184,328.
 - \$58,648 more than last year.
- Average annual funding in 2009 financial plan: \$500K.
 - Our new “normal” seems to be in \$150K-\$200K range
 - There is now more reliance on reserve funding
 - CCBF and Amenity funds also help to reduce tax reliance
 - Land Sale funds from sale of Fire Hall almost used up
 - BUT: we are running out of these temporary reserves.

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Reserves

	Beginning Balance	2026 Contribution	2026 Use	Ending Balance
Infrastructure Reserve	5,557,306	2,456,355	(6,489,642)	1,524,019
Vehicle Replacement	(175,228)	285,000	(675,000)	(565,228)
Fire Vehicles	(179,642)	200,000	(192,600)	(172,242)
Computer Replacement	512,809	115,000	(251,000)	376,809
Ferry Terminal	1,723,411	207,500	(20,000)	1,910,911
Agreements	133,371	25,000	(20,000)	138,371
Parkland Acquisition	242,873	-	-	242,873
Off Street Parking	439,997	-	(215,000)	224,997
Alternative Transportation	78,678	-	(21,500)	57,178
Climate Action	93,941	-	(40,311)	53,630
General Capital	473,914	150,000	(442,776)	181,138
Amenities	1,189,252	-	(156,375)	1,032,877
Land Sale Proceeds	87,176	-	(87,176)	-
Growing Communities Fund	1,220,965	-	(1,185,965)	35,000
Canada Community-Building Fund	1,777,912	625,000	(1,611,445)	791,467
	13,176,735	4,063,855	(11,408,790)	5,831,800

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Capital Funding – Canada Community-Building Fund

Project	2026	2027	2028	2029	2030
Infra Plan-McDonald Park-Fire Lane#2-Pat Bay Hwy	856,700	-	-	-	-
Watermain Replacement Weiler (Lochside - Hwy)	190,000	-	-	-	-
New Street Lighting James White Blvd/Sidney Ave	100,000	-	-	-	-
Infra Plan - Ocean Ave W Curb and SW, Canora to Barnes	100,000	-	-	-	-
Infra Plan-Seventh Street SW, Brethour to Henry	93,800	-	-	-	-
White Birch Road Cul-de-Sac Improvements	93,000	-	-	-	-
Infra Plan SW, Curb, Paving – Malaview from 3rd to 5th	81,900	-	-	-	-
Tulista Park Picnic Shelter Replacement	73,780	-	-	-	-
Tulista Park Boat Launch Review and Maintenance Plan	50,000	-	-	-	-
Fifth St Bus Stop Improvements	40,000	-	-	-	-
Accessibility Improvements	20,000	-	-	-	-
Street Light Replacement	12,265	15,000	15,000	15,000	15,000
Beacon and Resthaven Traffic Signal Upgrades	-	75,000	75,000	-	-
Iroquois Park Shade Element	-	75,000	-	-	-
Beacon Park Shade Element	-	75,000	-	-	-
Infrastructure Plan Projects 2027-2030	-	899,800	-	-	-
Bevan Fishing Pier	-	-	650,000	-	-
Iroquois Park - Pave Pathways	-	-	60,000	-	-
Eastview Park Landscape Refresh	-	-	60,000	-	-
Accessible Beach Access	-	-	30,000	-	-
Canora Rd Improvements, Ocean - Summergate	-	-	-	696,400	-
Pickleball Courts	-	-	-	-	125,000
Solar Panels-Iroquois Food Bank	-	-	-	-	80,000
Rathdown Park Improvements	-	-	-	-	75,000
Totem Park Pole and Landscaping	-	-	-	-	75,000
Total Capital Funding	1,711,445	1,139,800	890,000	711,400	370,000

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Capital Funding – Amenity & Land Sale Reserve

Amenity Reserve Funded Projects	2026	2027	2028	2029	2030
Utility Kiosk Wraps	15,000	15,000	15,000	15,000	15,000
Pathway between Beacon Ave W and Jahn Pl	60,000				
Infra Plan Fifth St Sidwalk – Ocean to Weiler	80,000				
Benches for Downtown Streets*	1,375				
Beacon Wharf Repairs		450,000			
Replace Tulista Park Washrooms			300,000		
Eastview Park Boardwalk				300,000	
James White-Pat Bay Hwy to Corner				221,880	
Rose Garden*	25,000				
Resthaven Tennis Courts*	7,000				
	188,375	465,000	315,000	536,880	15,000
Funds remaining at end of year	1,000,166	535,166	220,166	(316,714)	(331,714)
Land Sale Reserve Funded Projects	2026	2027	2028	2029	2030
Iroquois Park Fenced Dog Area	40,000				
KELSET (Reay Creek) Park Interpretive Sign*	26,200				
Underground Inventory Storage Shelter*	25,000				
	91,200	-	-	-	-
Funds remaining at end of year	685	685	685	685	685

* C/wd from 2025

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Capital Funding – General Capital Reserve

General Capital Reserve Funded Projects	2026	2027	2028	2029	2030
SHOAL Centre Network Upgrades	80,000				
GPR Scanning of Waterfront Walkway	50,000				
Pat Bay Highway Ditch Cleaning	50,000				
Public Works Wash Bay*	50,000				
Totem Park-Relocate/Replace Totem Pole*	50,000				
Waterfront Walkway Wooded Retaining Walls Replacement*	41,216				
Improve Library Pathway, Lighting and Landscaping*	37,914				
RCMP Interview Room Renos*	30,000				
Repair Above Ground Treewells on Beacon*	28,646				
Albany Road Parking Improvements*	25,000				
Small Packer-Garbage Truck		100,000			
Lochside Waterfront Walkway Slope Maintenance Equipment		70,000			
SHOAL Centre Building Updates		46,000			
Town Hall Boiler Replacement				250,000	
Town Hall Foundation Drainage				100,000	
Mini Excavator				50,000	
Griffith Wharf Removal					150,000
	442,776	216,000	-	400,000	150,000

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Capital Funding – Growing Communities Fund

Growing Communities Fund Projects	2026
Rathdown Park Improvements	460,000
Brethour Park Design & Park Improvements	250,000
Beacon West Road Improvements*	86,000
Beacon and Resthaven Traffic Signal Upgrades	75,000
Third St. Park Building Demo (Ops)	60,000
Disaster Water Supply*	59,565
Infra Plan Fifth St Sidwalk – Ocean to Weiler	50,000
Glass Beach Safety Improvements*	50,000
Fifth St Bus Stop Improvements	35,000
Public Works Yard Design	30,400
Speed Reader Boards*	30,000
	1,185,965
	2026
Beginning balance, GCF Reserve	1,195,925
Estimated interest	25,040
Capital funding, as per above	(1,185,965)
Ending balance	35,000

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Capital Budget Review

- Will consider the following:
 - 2026 Tax-funded Capital
 - Other 2026 Capital
 - 2027-2030 Capital.
- Any preliminary changes/reductions should be in the form of a resolution.

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Capital Budget – Tax Funded

2026 Tax Funded Projects		
ADM-08-001	Annual Workspace Efficiency Upgrades	1,240
ADM-24-002	Staff Gym Updates	2,500
COM-09-003	Computer Equipment Fund	5,000
FIR-08-003	Fire Department Equipment	25,195
ENG-08-003	Engineering Equipment	5,525
PRK-08-005	Parks Equipment	3,500
PWG-08-005	Underground Wiring	10,000
PWG-09-002	Public Works Equipment	5,040
RDS-08-010	Downtown Street Lighting	30,000
RDS-22-011	Survey Monument Replacement and Maintenance	10,000
RDS-24-006	Accessibility Improvements	20,000
Annual/Recurring Projects		118,000
POL-21-003	RCMP Flooring Replacement	1,328
PRK-23-004	Lochside Waterfront Walkway Hedge Replacement	20,000
PRK-24-005	Seaport Park - Replace Stairwell to Beach	20,000
PWG-26-002	ArtSea Building - Exterior Repairs	15,000
RDS-26-010	Veterans Crosswalk Repainting	10,000
New Projects		66,328
Total 2026 Tax Funded Projects		184,328

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Capital Budget – Remainder

- 2026 Capital – non-tax funded
 - Funded from Reserves and other sources
 - Projects listed in budget binders.

- 2027-2030 Capital
 - Projects listed in budget binders.

- Any questions or proposed changes?

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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.

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General Operating Budget

- 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.

- Questions regarding the core operating budget?

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Water Utility

- Reason for increase:
 - Higher transfer to Infrastructure Reserve for asset renewal.
 - Match Reserve transfer to Infrastructure Levy
 - Increase both to required level
 - Recent cost pressures mean an increase this year
 - In line with one of the goals of the rate review
 - Increase in CRD bulk water rate (7%).

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Water Utility

- New Water rate structure and rates implemented in 2021
 - Provides sufficient revenues to ensure financial sustainability
 - Stable revenues to match our cost structure
 - Better matching of fees paid to benefits received.
 - Working as intended!

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Sewer Utility

Includes:

- Sidney's share of operating the Unified Treatment Plant, and our maintenance of collection system;
 - Also Sewer infrastructure renewal.
- Reason for increase:
 - Cost increase for the joint treatment plant.
 - SPWWC manages the sub-regional function for the Town.
 - Must increase annual contributions to Reserve.

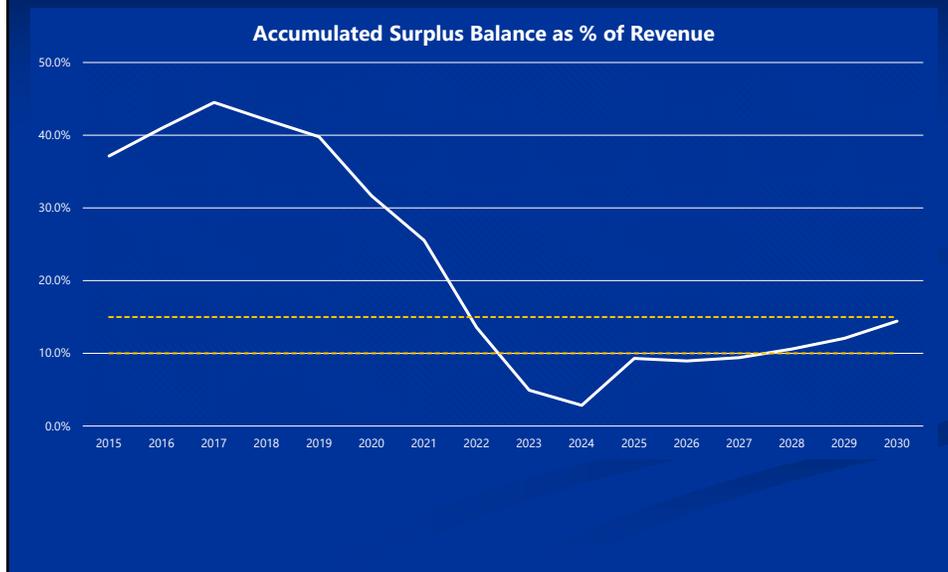
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Sewer Utility

- Funded with Sewer Infrastructure Levy and User Fees.
- New Sewer rate structure just approved!
 - Will lead to much more sustainable Sewer Utility!
 - Infrastructure Levy: \$100 per year
 - User Fees:
 - New Fixed Charge per unit
 - Variable Charge based on volume.
 - Average annual increase per unit: \$3.68.
- Next step: consider modifications to our peak-season adjustment to account for outside water use.

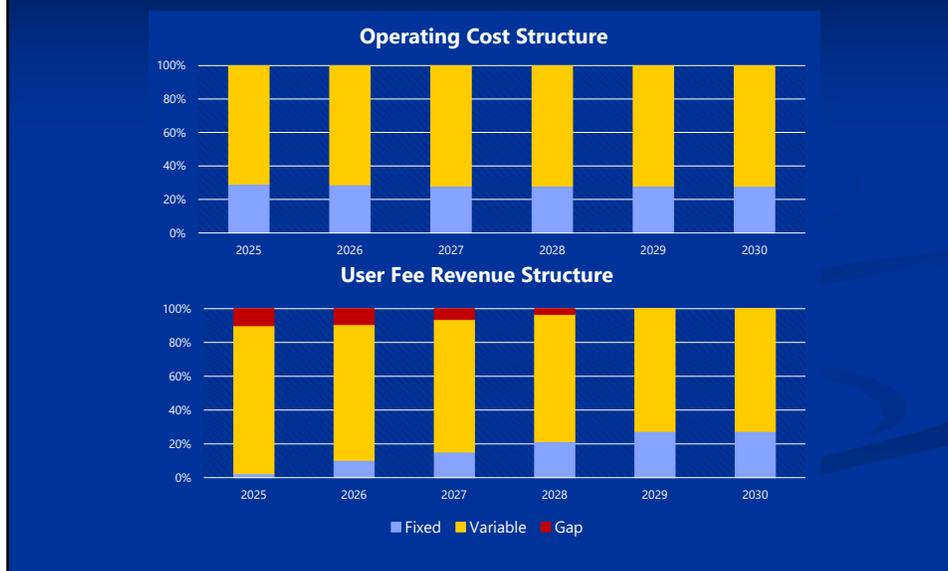
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Revenue Sufficiency Collect Enough Revenue to Cover Operating Cost

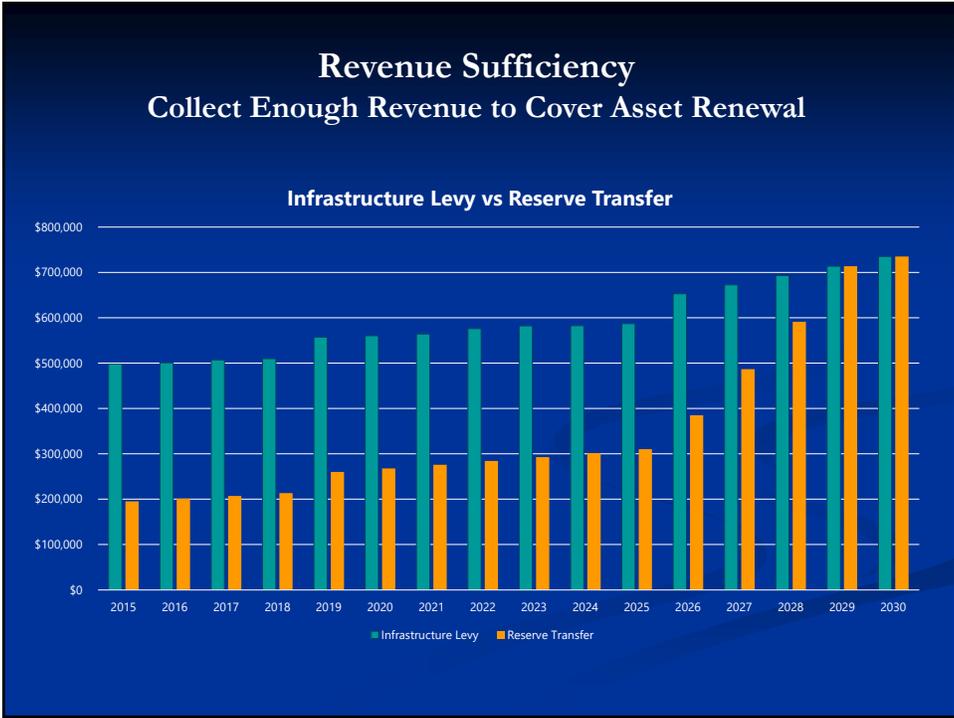


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Revenue Stability Improved Alignment Between Revenue and Cost



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Quarterly Utility Bill

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

	2026	2025	Chg
Garbage	\$64.00	\$63.00	\$1.00
Water	\$69.59	\$66.17	\$3.43
Sewer	\$74.29	\$69.55	\$4.74
Total	\$207.88	\$198.72	\$9.16

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

	2026	2025	Chg
Garbage	\$106.50	\$104.50	\$2.00
Water	\$73.02	\$69.37	\$3.65
Sewer	\$79.23	\$74.90	\$4.33
Total	\$258.75	\$248.77	\$9.98

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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 16th
- Approval of the budget, as amended, will be the goal for March 16th
- Budget approved on 16th (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.

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Financial Plan 2026-2030

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

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