



**2026 BUDGET**

The logo consists of a white line-art illustration of a bridge spanning a valley with mountains in the background, set against a dark teal square background. Below the illustration, the text "2026 BUDGET" is written in a bold, white, sans-serif font.

# Town of Sidney

Financial Plan

2026 – 2030

March 16, 2026

# Tonight's Agenda:

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

# Budget Process Timing

## February 17<sup>th</sup> — 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 3<sup>rd</sup> — 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 16<sup>th</sup> — 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 started out with a general tax increase of 12.4% for 2026
  - Several new budget items were included in the 12.4%
  - These were subject to Council approval.
- On March 3<sup>rd</sup>, Council reduced impact to 11.76%.
  - And Council directed staff to bring back options to reduce the impact to under 10%.
  - The staff report addresses this direction.

# Updated Tax Impact

Opening Tax Impact:		12.40%
Bevan Ave Traffic Study	(25,000)	12.25%
Heritage Options Analysis	(10,000)	12.18%
Computer Equipment Fund	(5,000)	12.15%
Waterfront Hedge Replacement	(20,000)	12.03%
Underground Wiring	(10,000)	11.97%
Downtown Streetlighting from GCF	(15,000)	11.88%
Accessibility Improvements from GCF	(20,000)	11.76%

# Impact on Tax Bill

Example: financial impact of 11.76% 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	2,223	185	6.09
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
<b>Total</b>	<b>2,194</b>	<b>183</b>	<b>6.01</b>	<b>Total</b>	<b>2,418</b>	<b>201</b>	<b>6.62</b>
				<b>Increase</b>	<b>\$224</b>	<b>18.66</b>	<b>0.61</b>
				<b>Actual % increase on municipal charges</b>			<b>10.21%</b>

# Impact on Tax Bill - Strata

Example: financial impact of 11.76% property tax increase for “average” strata residence, assessed at \$731,665 (2025: \$716,759).

	<u>2019</u>				<u>2020</u>		
	Annual	2025			Annual	2026	
		Monthly	Daily			Monthly	Daily
<b>Municipal Taxes</b>	<b>1,560</b>	<b>130</b>	<b>4.27</b>	<b>Municipal Taxes</b>	<b>1,743</b>	<b>145</b>	<b>4.78</b>
<b>Water Parcel Tax</b>	<b>75</b>	<b>6</b>	<b>0.21</b>	<b>Water Parcel Tax</b>	<b>95</b>	<b>8</b>	<b>0.26</b>
<b>Sewer Parcel Tax</b>	<b>65</b>	<b>5</b>	<b>0.18</b>	<b>Sewer Parcel Tax</b>	<b>100</b>	<b>8</b>	<b>0.27</b>
<b>Total</b>	<b>1,700</b>	<b>142</b>	<b>4.66</b>	<b>Total</b>	<b>1,938</b>	<b>162</b>	<b>5.31</b>
				<b>Increase</b>	<b>\$238</b>	<b>19.87</b>	<b>0.65</b>
				<b>Actual % increase on municipal charges</b>			<b>14.03%</b>

# Impact on Tax Bill - Commercial

Impact of 11.76% property tax increase for “average” commercial property, and for commercial property of same value as avg. residence.

Municipal Taxes	2025		2026		Increase	
	Annual	Monthly	Annual	Monthly	Annual	Monthly
"Average" Commercial	7,800	650	8,717	726	917	76
Commercial @ \$926,700	4,580	382	5,119	427	539	45

# 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 11.76% increase.**

# 2026 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).
  - The tax increase that we’ve been putting off is now due.

# 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!

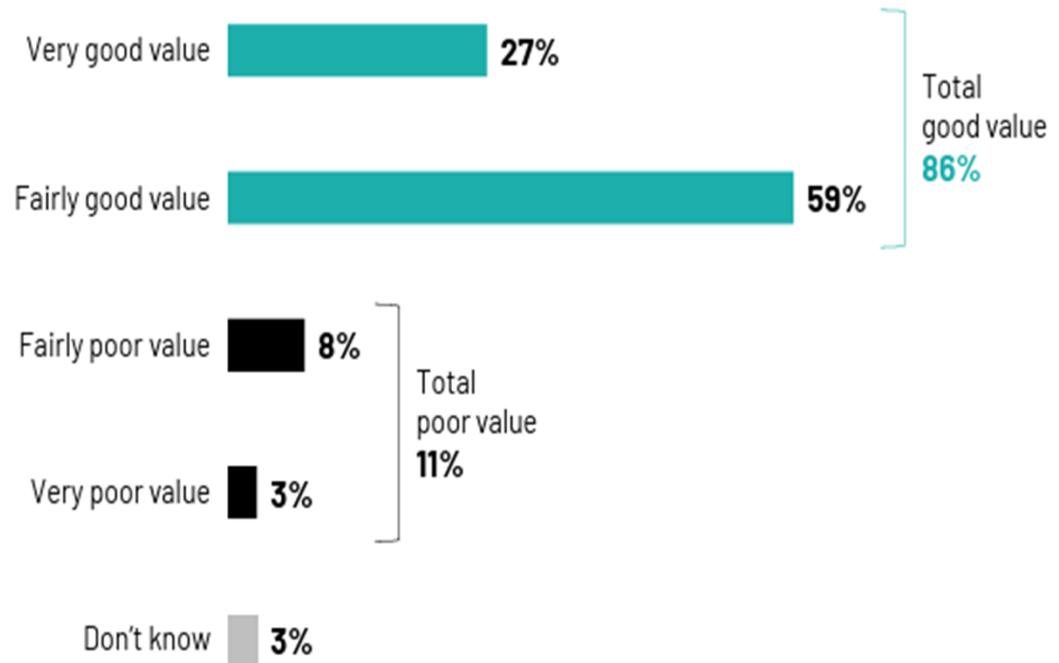
# Budget Reductions?

- 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.~~

# 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)

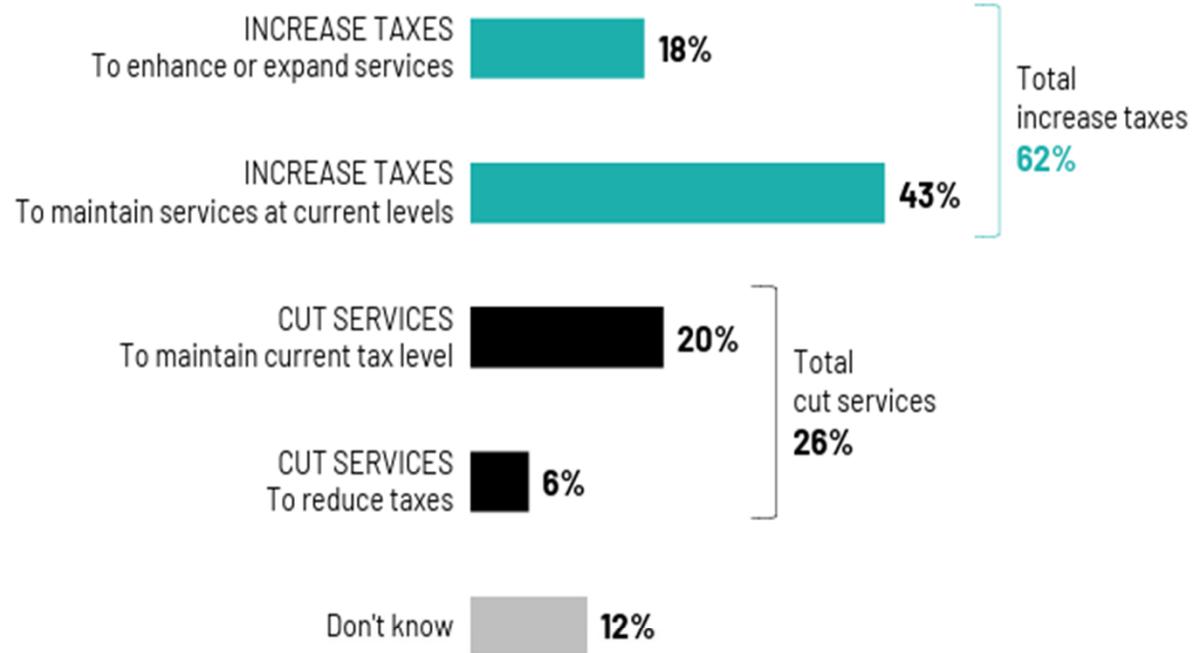


Base: All respondents (n=1156)  
Q9. Thinking about all the programs and services you receive from the Town of Sidney, would you say that overall you get good value or poor value for your tax dollars?  
Select one response.

# 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?

# 5-Year Projection (Amended)

	2026	2027	2028	2029	2030
New Revenue Required	\$ 2,103,243	\$ 1,549,913	\$ 938,917	\$ 792,577	\$ 586,243
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	<u>\$ 1,923,243</u>	<u>\$ 1,349,913</u>	<u>\$ 738,917</u>	<u>\$ 592,577</u>	<u>\$ 386,243</u>
% increase	11.76%	7.31%	3.67%	2.83%	1.78%

- 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.

# Items Requiring Review

1. Utility budgets
2. Capital
3. Supplemental Requests
4. General Operations

# Review Process

Following opening summary:

- Council to approve changes to budget by resolution
- Subject to tonight's review, the following resolutions are anticipated:
  - Any additions, deletions, changes or deferrals to budget
  - Approval of the Water & Sewer budgets, as amended
  - Approval of the General Capital budget, as amended
  - Approval of the General Operating budget, as amended.

# Water Utility

## Increases:

- CRD Bulk Water rates (+7%)
- Reserve transfer
  - Infrastructure Reserve for asset renewal.
- Funded with Water Parcel Tax and User Fees.
  - Infrastructure Levy/Parcel Tax: increase to \$95/year
  - Fixed Charge: increase to \$25.00 per quarter per unit
  - Consumption Charge: increase to \$6.86 / 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.
- Sewer Rates Review just approved by Council
  - Parcel Tax: new unified rate of \$100 per year
  - User Fees:
    - New Fixed Charge per unit
    - Variable Charge based on volume.
  - Average annual increase per unit: \$3.68.

# Quarterly Utility Bill

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

	<u>2026</u>	<u>2025</u>	<u>Chg</u>
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).

	<u>2026</u>	<u>2025</u>	<u>Chg</u>
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

# Utility Budgets

- If no further changes, then the following:
- That the Water and Sewer Operating budgets be approved.

# Capital Budget Review

- 3 tax funded projects were rejected
- 2 more were funded from reserves
- Several other changes made to reduce reserve impacts
- Staff report addresses additional information requested by Council
  - With some recommendations
- Any further changes should be in the form of a resolution.

# Less Aggressive Capital Plans?

- Yes, we can be less ambitious in our Capital spending
  - But mostly Reserve funded
    - Tax impacts are less immediate (but possible).
  - Many of our larger projects are based on Council endorsed plans
    - ATP, West Side LAP, Parks Master Plan, etc.
    - Council directed average annual spending of \$1M on ATP.
  - Some of the larger Capital projects in this plan can be cut back
    - But not without impacts.
    - E.g. Canora Rd.
      - Paving needs to be done; but not Sidewalks/Curb & Gutter.
  - Park improvements
    - May be cut back or deferred.

# Reserves

	Beginning Balance	2026 Contribution	2026 Use	Ending Balance	Source of Funds
<b>Reserves for specific purposes</b>					
Infrastructure Reserve	5,557,306	2,166,355	(5,863,042)	1,860,619	Internal contributions
Vehicle Replacement	(145,000)	285,000	(390,000)	(250,000)	Internal contributions
Fire Vehicles	(172,374)	200,000	(192,600)	(164,974)	Internal contributions
Computer Replacement	512,809	115,000	(251,000)	376,809	Internal contributions
Agreements	133,371	25,000	(20,000)	138,371	Internal contributions
Ferry Terminal	1,723,411	207,500	(20,000)	1,910,911	External contributions (WSF lease)
Parkland Acquisition	242,873	-	-	242,873	Development
Off Street Parking	439,997	-	(215,000)	224,997	Development
Alternative Transportation	72,210	-	(21,500)	50,710	Development
<b>Reserves with broader discretion for use</b>					
Amenities	1,189,252	-	(128,375)	1,060,877	Development
Climate Action	93,941	-	(40,311)	53,630	Internal contributions
General Capital	473,914	150,000	(442,776)	181,138	Internal contributions
Land Sale Proceeds	87,176	-	(87,176)	-	Internal sale of land
Growing Communities Fund	1,195,925	25,040	(1,220,965)	-	One-time Provincial
Canada Community-Building Fund	1,777,912	625,000	(1,942,545)	460,367	Ongoing Federal
	<b>13,182,723</b>	<b>3,798,895</b>	<b>(10,835,290)</b>	<b>6,146,328</b>	

# 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
<del>COM-09-003</del>	<del>Computer Equipment Fund</del>	-
FIR-08-003	Fire Department Equipment	25,195
ENG-08-003	Engineering Equipment	5,525
PRK-08-005	Parks Equipment	3,500
<del>PWG-08-005</del>	<del>Underground Wiring</del>	-
PWG-09-002	Public Works Equipment	5,040
RDS-08-010	Downtown Street Lighting	15,000
RDS-22-011	Survey Monument Replacement and Maintenance	10,000
RDS-24-006	Accessibility Improvements	-
<b>Annual/Recurring Projects</b>		<b>68,000</b>
POL-21-003	RCMP Flooring Replacement	1,328
<del>PRK-23-004</del>	<del>Lochside Waterfront Walkway Hedge Replacement</del>	_____
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
<b>New Projects</b>		<b>46,328</b>
<b>Total 2026 Tax Funded Projects</b>		<b>114,328</b>

# Capital Budget – Additional Changes?

## Recommendations from staff report:

- That project PWG-26-006 - Pre-Manufactured Office Module for Public Works be deferred to 2027.
- That \$93,000 of CCBF funding from RDS-25-011 be reallocated to WAT-25-001 - Weiler Watermain Replacement, to replace a portion of the Infrastructure Reserve funding.
- That the Vehicle Replacement budgets be reduced by \$285,000 for 2026.

# Capital Budget – Additional Changes?

## Recommendations from staff report (continued):

- That the 2028 budget for RDS-26-004 - Infra Plan - Ocean Avenue West Curb and Sidewalk be reduced to \$516,000, with the scope reduced to Philip Brethour Park to Barnes Place only.
- That the funding for RDS-26-003 - Fifth St Curb and Sidewalk, Malaview to Amelia be changed from long-term borrowing to CCBF Reserve; and
  - That funding sufficiency for the Resthaven Sidewalk – Ardwell to Calvin be reviewed prior to next year’s budget.
- That the budget for FIR-08-004 - Fire Vehicle Replacement Plan be amended to reflect \$192,600 in 2026 and \$1.7 million in 2029.

# Capital Budget – Approval

- If no further changes, then the following:
- That the Capital budget be approved as amended.
- Note: as indicated in the staff report, we have a lot of work ahead to review the Capital budgets before next year; we have already started.

# General Operating Budget

- The General Operating budget was slightly reduced by Council on March 3<sup>rd</sup>.
- The amended list of Supplementals may now be reconsidered (next 2 slides).
- There are two additional recommendations to follow, from the staff report.
- Council will then have a chance to consider additional changes.

# 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	-
<del>Bevan Avenue Traffic Study (Not approved)</del>	-	-
Pave Areas Identified in 2025 Pavement Condition Assessment	10,000	-
Beacon Wharf Inspections	50,000	-
Tap Intrusion Program	25,000	-
<del>Heritage Options Analysis (Not approved)</del>	-	-
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	-
<b>Sidney Sparkles Parade After Party</b>	<b>5,000</b>	-
PW Admin Building Debt Payments	32,200	to 2030
	Total one-time	224,253
		96,600

# 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
Additional First Nations Initiatives	30,000	30,000	30,000	30,000	30,000
Total ongoing	760,504	891,016	910,464	930,574	951,368

# Operating Budget – Additional Changes?

## Recommendations from staff report:

- That the contribution to the Surface Works portion of the Infrastructure Reserve be reduced by \$290,000 for 2026.
- That the short-term debt servicing for the purchase of a Pre-Manufactured Office Module for Public Works be deferred to begin in 2027.
  - (if Capital project is also deferred)

# 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.

# 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
  - Not feasible to do on short notice
  - Staff may be directed to look at providing options for service reductions well ahead of next budget.

# General Operating Approval

- If no further changes, then the following:
- That the General Operating budget be approved as amended.

# What Follows?

- Water, Sewer & Garbage Rate bylaws will be brought forward for amendment.
- Financial Plan bylaw will be brought forward for adoption (late April/early May).
- Tax Rates bylaw will be brought forward for adoption following receipt of Revised Assessment Roll.

