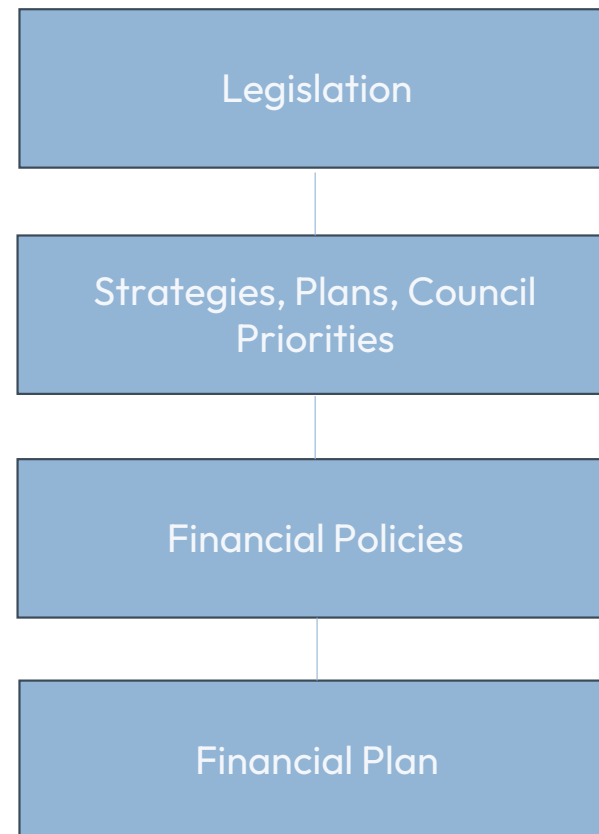


**TOWNSHIP OF ESQUIMALT**

# 2026 Draft Financial Plan

January 12, 2026

# Budget Framework



# Municipal Services

- Recreation
- Fire Services
- Police Services
- Garbage & Kitchen Scrap Collection
- Yard & Garden Waste Facility
- Parks Maintenance
- Library
- Road & Sidewalk Maintenance
- Snow Clearing
- Archives
- Bylaw Enforcement
- Storm & Sanitary Drain Maintenance

# Service Levels

- The Township's core budget is developed to maintain existing service levels
- Staff use experience and external information to determine delivery cost at approved service levels
  - Identify efficiencies wherever possible to mitigate tax increases
- Budget for most likely scenario – not worst case
  - Focus on bottom line for each function
  - Estimation of labour, materials and other costs to provide services
- For more information on established service levels, refer to Appendix 10, attached to the staff report

# Operating Requests

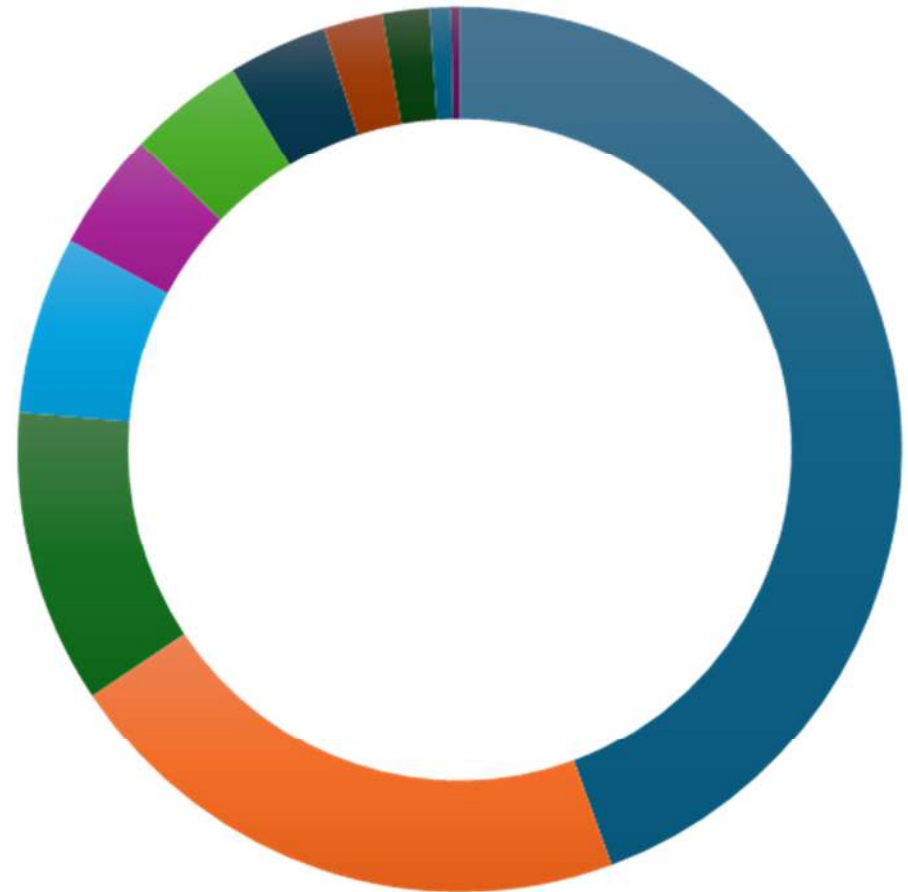
- Changes to existing service levels; new or additional
- Often one-time studies or minor operating items but can be more significant
- Some are additions to core budget in future years once approved

# Capital Requests

- Replacement Programs
  - Fleet
  - IT Equipment
- Recurring Programs
  - Streetlights and Banners
  - Road Infrastructure
  - Traffic Calming Infrastructure
- One Time Projects

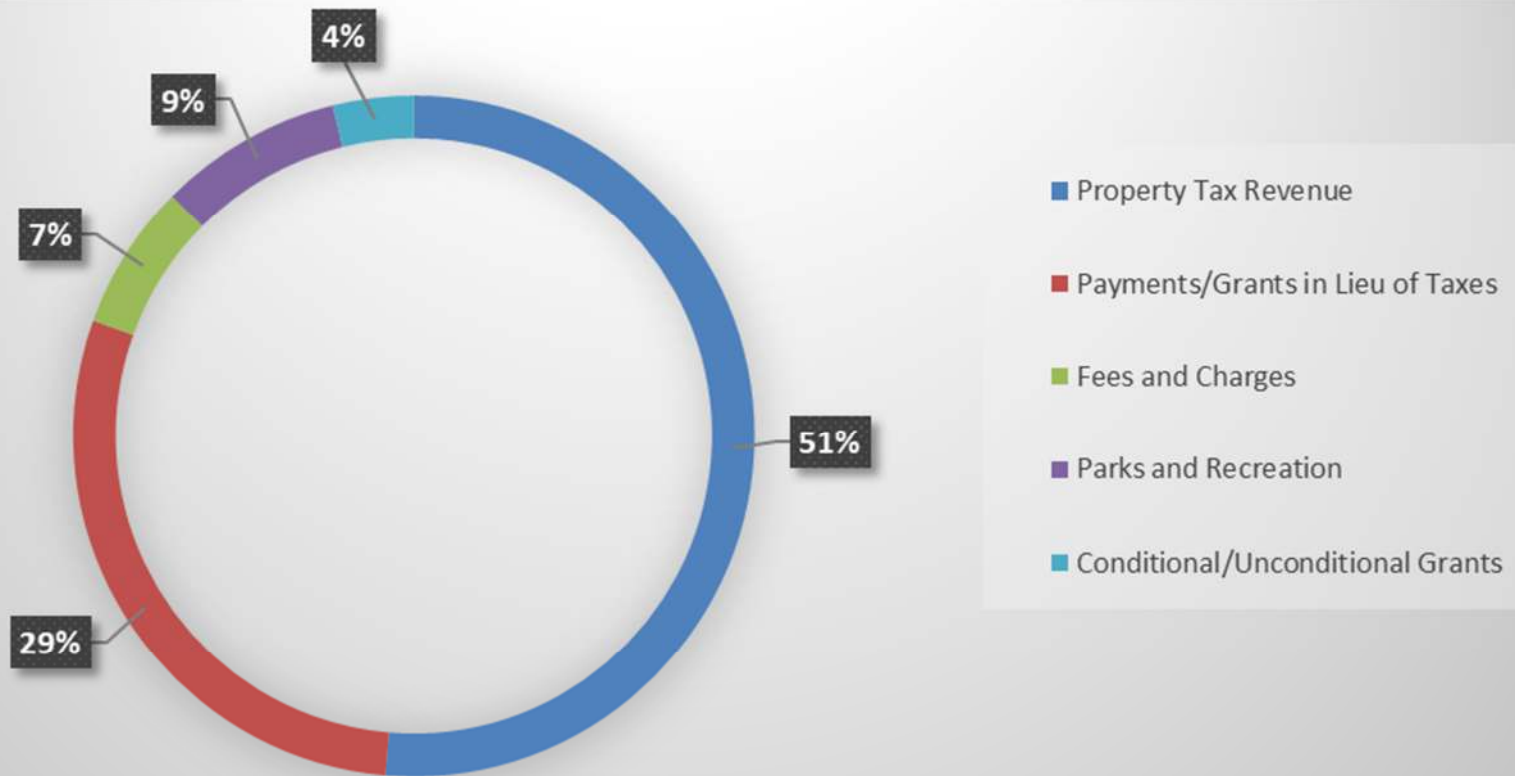
# Financial Plan Components

# Operating Expenditures





# Budgeted Revenues



# Capital Requests

	Budgeted Amount
Public Safety Building	\$27,126,000
Active Transportation Projects	7,122,000
Storm & Sewer Drain Projects	3,160,000
Arena Floor Replacement	2,655,000
HVAC & Roof Replacement – Recreation Centre	1,341,000
Fleet & Machinery Renewals	978,000
Other Capital Projects	2,704,000
<b>Total Capital Requests</b>	<b>\$45,086,000</b>

# Reserve Funds

	2026 Balance
Capital Projects	\$6,082,320
Eva Chafe	32,304
Growing Communities	5,256,510
Infrastructure & Revitalization	3,765,811
Local Improvements	230,880
Machinery & Equipment	1,570,487
Municipal Archives	5,047
Parkland Acquisition	1,278,890
Public Art	139,711
Sustainability	585,422
Tax Sale Lands	139,883
<b>Total Reserve Fund Balances</b>	<b>\$19,087,245</b>

# Reserve Accounts

	2026 Balance
Canada Building Fund (Gas Tax)	\$2,699,889
Casino Revenue	592,298
Housing Capacity	98,347
Local Government Climate Action	345,337
WWTP Mitigation Impact	547,961
<b>Total Reserve Account Balances</b>	<b>\$4,283,832</b>

# Debt Summary

	Original Debt Issue	Matures
Sewer I & I Program – 2006	\$1,129,000	2026
Sewer I & I Program – 2007	\$2,353,000	2027
Public Safety Building	\$35,000,000	2051
Equipment Financing – Short Term	\$98,761	2027
<b>Total Debt</b>	<b>\$38,580,761</b>	

# Debt Costs

	2026	2027	2028	2029	2030
Sewer I & I Program	\$235,312	\$180,125			
Public Safety Building	\$1,732,477	\$1,732,477	\$1,732,477	\$1,732,477	\$1,732,477
Equipment Financing – Short Term	\$21,900	\$21,362			
<b>Total Principal and Interest Payments</b>	<b>\$1,989,689</b>	<b>\$1,933,964</b>	<b>\$1,732,477</b>	<b>\$1,732,477</b>	<b>\$1,732,477</b>

# Budget Calculations

# Tax Increase

- Draft 2026 Financial Plan includes a tax revenue increase of 13.00%
- Inclusion of various alternate funding sources
  - Casino, Grants, Contributions
- Staffing Changes – includes full year wage and benefit costs



# Key Cost Drivers

- Police
  - Increase of 9.82% over 2025
- Employee Compensation & Staff Additions
  - Wages associated with negotiated collective agreements
  - Staff resource demands to address service levels
- Long Term Infrastructure
  - Reserve contributions of 3% – infrastructure and fleet renewal

# Budget Cost Drivers

	2026 Budget	Increase %
Wages & Benefits – CUPE, IAFF, Exempt	\$1,189,879	2.97%
GV Public Library	88,250	0.22%
Infrastructure Reserve Contributions	1,200,000	3.00%
Staffing Changes	707,292	1.77%
Supplemental Operating Requests	317,900	0.79%
OCP Project Costs	75,000	0.19%
Inflationary & Other Increases	436,831	1.09%
<b>TOTAL</b>	<b>\$4,015,152</b>	<b>10.03%</b>

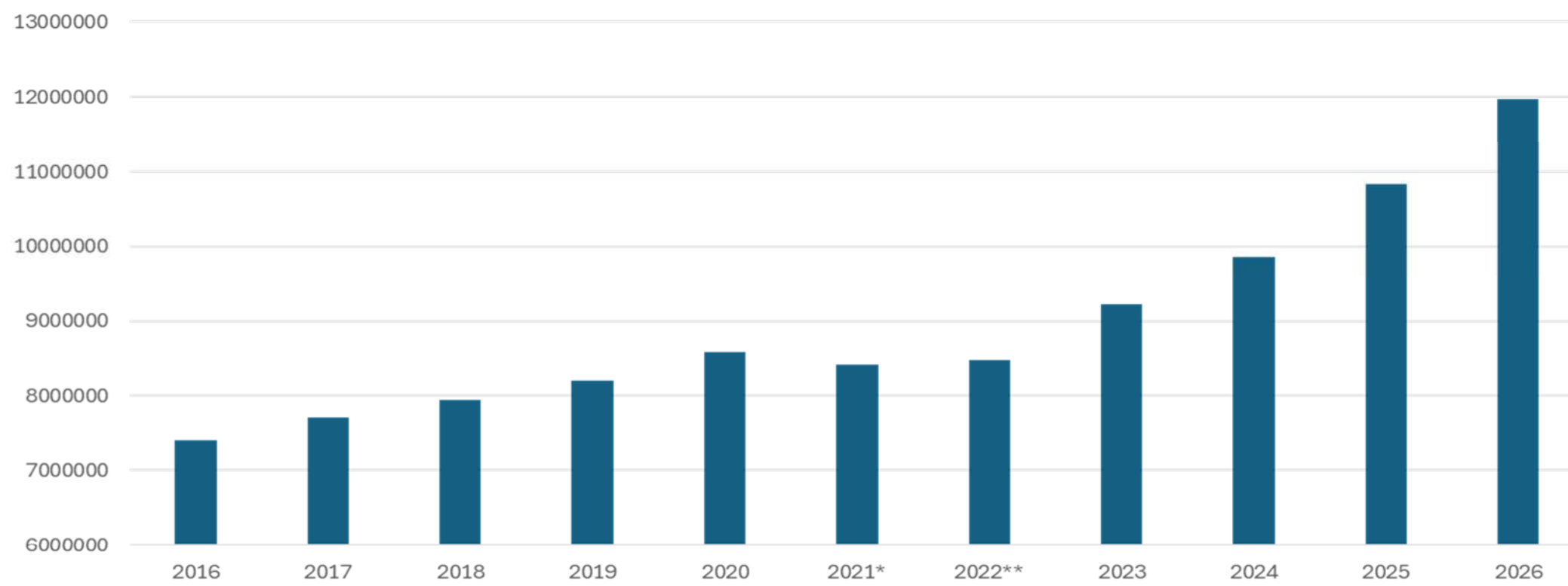
# Staffing Changes

	2026 Budget	Increase %
Senior Planner	\$120,733	0.30%
HR Advisor	104,264	0.26%
<b><i>Fire:</i></b>		
Fire Fighters	321,026	0.80%
Inspector – net of cost recovery	161,269	0.40%
<b>Total Additions</b>	<b>\$707,292</b>	<b>1.76%</b>
Project Manager - ** funded from capital reserves (no tax implications)	\$165,615	

# Tax Increase

	2026 Budget	Increase %
<b>Township Cost Increases</b>	<b>\$4,015,152</b>	<b>10.03%</b>
<i><b>Police:</b></i>		
Police Core Budget	832,776	
Discretionary Costs	195,900	
Section 27 – Late Night Program	31,440	
Section 27 – Additional Resources	126,506	
<b>Total Police Cost Increases</b>	<b>\$1,186,622</b>	<b>2.97%</b>
<b>TOTAL TAX INCREASE</b>	<b>\$5,201,774</b>	<b>13.00%</b>

# Historical Police Costs



# Property Taxation Policies

- After all funding sources considered, budget is balanced through property taxation
- Tax increase partially mitigated by Non-Market Change (NMC)
- Assessment changes are factored when setting rates
- Different tax rates set for various property classes

# CPI Considerations

- CPI focuses primarily on common household purchases
  - Housing, transportation, food
- The Township procures a different range of goods and services
  - Labor, materials and contractual services are the largest expenditures
  - As costs increase, municipalities require more funds to procure and provide the same goods and services
- While municipalities continually provide new and enhanced service levels, CPI does not account for these additions

# Average Tax Impact

	Class 1 Assessments	Annual Increase	Class 6 Assessments	Annual Increase
2017	556,653	\$12	865,474	\$52
2018	661,266	69	1,008,867	320
2019	728,308	121	1,041,457	-
2020	744,172	52	1,119,836	225
2021	773,026	42	1,376,736	184
2022	928,731	131	1,440,119	614
2023	1,047,439	235	1,462,206	1,025
2024	1,045,506	232	1,636,663	971
2025	1,060,754	467	1,623,382	1,923
2026	1,045,395	469	1,618,379	1,903
<b>10 Year Average</b>		<b>\$183</b>		<b>\$722</b>



# Assessment Data

# PILT Values

	Assessments	Increase/ (Decrease)	Revenue	Increase/ (Decrease)
2018	1,000,119,500		12,627,711	
2019	1,047,414,900	4.73%	12,758,405	1.03%
2020	1,062,956,903	1.48%	13,119,676	2.83%
2021	1,116,644,700	5.05%	12,688,845	(3.28%)
2022	1,215,697,000	8.87%	12,690,617	0.01%
2023	1,298,043,000	6.77%	13,047,090	2.81%
2024	1,379,689,430	6.29%	13,581,964	4.10%
2025	1,370,880,430	(0.64%)	14,555,722	7.17%
2026	1,344,463,300	(1.93%)		
<b>Average</b>		<b>3.83%</b>		<b>1.83%</b>

# Assessment Values

Property Class	2025 Final Roll	2026 Completed Roll	Increase/ (Decrease)	Increase/ (Decrease)
Residential	\$5,613,512,605	\$5,778,179,205	\$164,666,600	2.93%
Utilities	2,349,800	2,748,700	398,900	16.98%
Major Industry	57,203,100	51,639,600	(5,563,500)	(9.73%)
Minor Industry	38,275,900	39,588,900	1,313,000	3.43%
Business	373,377,800	378,095,200	4,717,400	1.26%
Recreation/Non-Profit	31,412,000	32,564,400	1,152,400	3.67%
<b>TOTAL</b>	<b>\$6,116,131,205</b>	<b>\$6,282,816,005</b>	<b>\$166,684,800</b>	<b>2.73%</b>

# Assessment Changes

Property Class	Existing Assessments	Change %	Non-Market Change	Change %
Residential	(\$63,512,300)	(1.13%)	\$228,178,900	4.06%
Utilities	398,900	16.98%	-	-
Major Industry	4,979,100	8.70%	(10,542,600)	(18.43%)
Minor Industry	(73,000)	(0.19%)	1,386,000	3.62%
Business	(2,769,000)	(0.74%)	7,486,400	2.01%
Recreation/Non-Profit	930,400	2.96%	222,000	0.71%
<b>TOTAL</b>	<b>(\$60,045,900)</b>		<b>\$226,730,700</b>	

# Next Steps

# Budget Timeline

- February 2  
Capital Program Review  
Budget Review
- March 9  
GVPL Presentation
- April 13  
Tax Rates Discussion
- May 4  
Financial Plan and Tax Rates Bylaw  
Adoption

# Council Direction

## Options:

- Council direct staff to prepare the 2026-2030 Financial Plan based on the current tax increase
- Council provide alternate targeted percentage increases and request a related assessment of short-, medium- and long-term impacts on programs, projects and levels of service for review and consideration by Council