

TOWNSHIP OF ESQUIMALT

2026 Draft Budget Scenarios

Council Direction

- Staff presented draft 2026 Financial Plan which included a tax revenue increase of 13.00%
- Council directed staff to develop additional budget scenarios for tax increases of 7% and 9% for the 2026-2030 Financial Plan

Budget Components

Key Cost Drivers

- Police
 - Increase of 9.8% over 2025 approved budget
- Employee Compensation & Staff Additions
 - Wages associated with negotiated collective agreements
 - Staff resource demands to address service levels
- Long Term Infrastructure
 - Reserve contributions of 3.00% – 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	786,173	1.96%
Supplemental Operating Requests (unfunded)	242,900	0.61%
OCP Related Costs	75,000	0.19%
Inflationary & Other Increases	394,335	0.99%
TOTAL	\$3,976,537	9.94%

Staffing Changes

	2026 Budget	Increase %
Senior Planner	\$120,733	0.30%
HR Advisor – partial offset by GVLRA cost reduction	104,264	0.26%
<i>Fire:</i>		
Fire Fighters – partial offset by OT reduction	399,907	1.00%
Inspector – net of cost recovery	161,269	0.40%
Total Additions	\$786,173	1.96%
Project Manager - ** funded from capital reserves (no tax implications)	\$165,615	

Tax Increase

	2026 Budget	Increase %
Township Cost Increases	\$3,976,537	9.94%
<i>Police:</i>		
Police Core Budget	810,669	
2026 Additional Resources	136,254	
Section 27 Decision – Late Night Program	31,441	
Section 27 Decision – Additional Resources	117,559	
Total Police Cost Increases	\$1,095,923	2.74%
TOTAL TAX INCREASE	\$5,072,460	12.68%

Budget Options

Staff Approach

- Review supplementals for items that could be deferred or completed within existing core budget
- Identify specific services or staff requests that could be reduced or removed
 - provide a summary of risks and short-, medium- or long-term impacts
 - Organizational and department specific services were considered

Current Increase

	\$ Change	Budget %
Initial Tax Increase	\$5,201,774	13.00%
Subsequent increases – Council Remuneration; Liability Insurance Premiums	\$19,486	0.05%
Miscellaneous Reductions: Advertising; Business Travel; IT Cabling; UDI Membership	(\$3,800)	(0.01%)
Recreation – Natural Gas Cost Reduction; Revenue Adjustments – Pavilion, Toonie Swim	(\$95,000)	(0.24%)
Removal of Reserve Contribution – Tax Sale Reserve	(\$50,000)	(0.12%)
Updated Current Tax Increase	\$5,072,460	12.68%

Potential Reductions - Supplementals

	\$ Potential Change	Budget %
Electric Bike	(\$5,000)	(0.01%)
Municipal Hall Blinds	(\$10,000)	(0.03%)
Traffic Modelling Software	(\$9,000)	(0.02%)
Irrigation Costs – Ken Hill Park	(\$8,500)	(0.02%)
Garden Enhancements – Recreation Centre	(\$10,000)	(0.03%)
Financial Impact Analysis	(\$50,000)	(0.13%)
Esquimalt Road Design Guidelines	(\$25,000)	(0.06%)
Senior Planner (FTE)	(\$120,733)	(0.30%)
Fire Inspector (FTE)	(\$161,269)	(0.40%)
Potential Budget Impact	(\$399,502)	(1.00%)

Potential Service Reductions

	\$ Potential Change	Budget %
Advertising - Corporate Services	(\$9,000)	(0.02%)
Webcasting Costs	(\$26,000)	(0.07%)
Advertising - Engineering	(\$4,000)	(0.01%)
Professional Services - Engineering	(\$10,000)	(0.03%)
OT Community Events - Fire	(\$5,544)	(0.01%)
Psychological Support Program - Fire	(\$19,582)	(0.05%)
Medical Dispatch Call Adjustments	(\$32,000)	(0.08%)
Crossing Guard Program	(\$28,392)	(0.07%)
South Island Powwow Sponsorship	(\$10,000)	(0.03%)
Place Making - Economic Development	(\$10,000)	(0.03%)

Potential Service Reductions (con't)

	\$ Potential Change	Budget %
South Island Prosperity Project	(\$38,350)	(0.10%)
Local Grants	(\$80,000)	(0.20%)
Advertising - Communications	(\$12,900)	(0.03%)
Municipal Newsletter	(\$15,900)	(0.04%)
Full Facility Service Reductions	(\$50,000)	(0.12%)
Full Facility Statutory Holiday Closures	(\$25,000)	(0.06%)
Reserve Contributions – Public Art Reserve	(\$20,414)	(0.05%)
Contingency	(\$50,000)	(0.12%)
Infrastructure	(\$1,200,000)	(3.00%)
Total Potential Service Reductions	(\$1,647,082)	(4.12%)

Potential Tax Increase

	Budget \$	Budget %
Initial Tax Increase	5,201,774	13.00%
Additional Subsequent Costs	19,486	0.05%
Department Reductions Made	(\$148,800)	(0.37%)
Supplemental Reduction Options	(\$399,502)	(1.00%)
Service Level Reduction Options	(\$1,647,082)	(4.12%)
Potential Tax Increase	\$3,025,876	7.56%

Next Steps

Committee Discussion:

Options & Way Forward

- Questions on budget reduction options?
- Questions/concerns – any further budget information needed for Council decision-making?
- Discussion on options and staff recommendations:
 - Council's desired target for 2026 budget?
 - Benchmarking studies for revenue, operating budget & service delivery?
 - Innovation & efficiency initiatives brief for Council