

2023 Draft Budget

Township of
ESQUIMALT

A decorative white wavy line that starts under the 'E' and 'S' of 'ESQUIMALT' and extends to the right, ending under the 'T'.

Service Levels

- Core budget is developed to maintain existing service levels
- Staff use collective experience and external information to determine delivery cost at approved service levels
 - Look for 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



Supplemental Requests

- Changes to existing services; new or additional
- Often one-time studies or minor operating items
 - Can be more significant
- Some are included as core budget additions
 - Change in total cost from previous year is identified as taxation impact



Capital Requests

- Replacement Plan Projects
 - Fleet
 - IT Equipment
- Recurring Programs
 - Street Lighting
 - Road Repairs
- One Time



Infrastructure Replacement

- Shift to long term capital planning
- Plan as presented is sustainable in the short term
 - Significant projects in current year; more in planning phase
 - Supplement reserve funding with grants and matured debt payments
- Must look to increases in future reserve transfers
 - Asset management planning to determine appropriate amounts
 - Likely need to phase in any increases

Capital Requests

- Total Capital Budget **\$55,232,021**
- Major Projects:
 - Public Safety Building \$41,231,000
 - Lampson Improvements \$ 2,709,000
 - Tillicum Road \$ 2,400,000
 - I&I Master Plan Program \$ 1,317,500
 - Lyall Street Modifications \$ 1,182,300



Capital Funding Sources

• Debt	\$ 35,000,000
• Accumulated Surplus	\$ 6,000,000
• Capital Reserves	\$ 5,410,000
• Community Works Fund	\$ 4,839,500
• Grants	\$ 1,995,000
• Amenity Funds	\$ 1,142,500
• Contributions	\$ 602,000



Staff Process

- Initial tax increase based on departmental submissions
- Capital projects deferred or amended to better align with available reserves
 - Increased focus on long term planning
- Additional review of core budgets and supplemental requests while considering service level impacts



Tax Increase

- Draft 2023 Financial Plan includes an increase of 8.31%
 - Several new supplemental budget items
 - Subject to Council approval
- Inclusion of various alternate funding sources
 - Casino, Safe Restart
- New staffing requests are prorated for initial year
 - If approved, full amount included in 2024



Cost Drivers

- Police
 - Includes impact of 2022 Section 27 decision
- Labour
 - Wages negotiated during inflationary times
- Inflation
 - To maintain existing service levels – utilities, oil/gas, materials
 - Not across the board



Significant Items

- Policing \$828,012
 - Core \$725,865; Addt'l Resources \$102,147
- Staffing Requests \$431,998
- Asset Management Planning \$320,000
 - Sewer Master Plan, Dev Capacity Assessment
- 2022 Approved Supplementals \$380,887
 - Full impact included in 2023

Staffing Requests

- 2023 requests
 - 7 new FTE
 - Increased hours - 1 position
- Current year increase: \$431,998
 - 1.35% tax increase
 - 2024 total cost: \$701,737 (incremental increase \$269,739)
- 8.5 FTE approved since 2017 (across all departments)

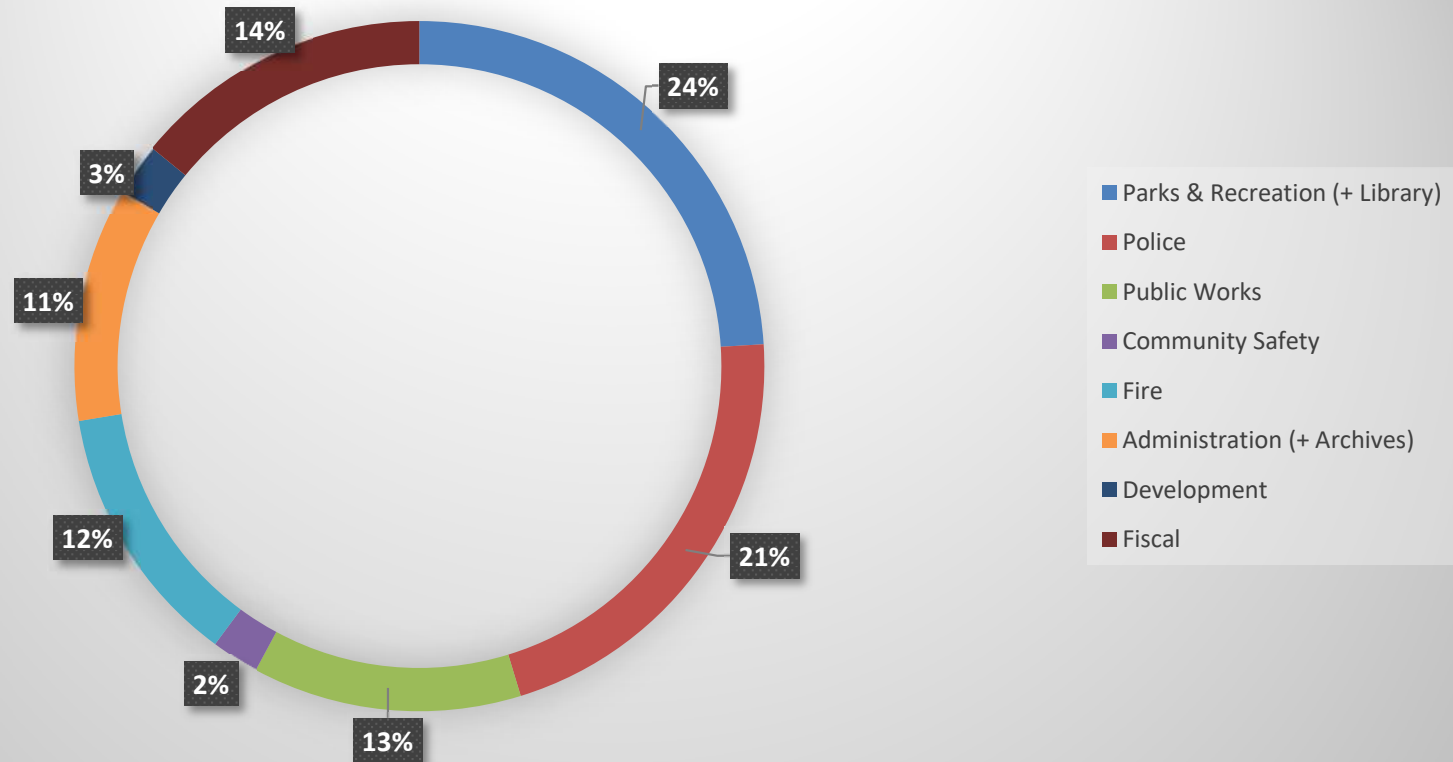


Inflation vs Tax Increase

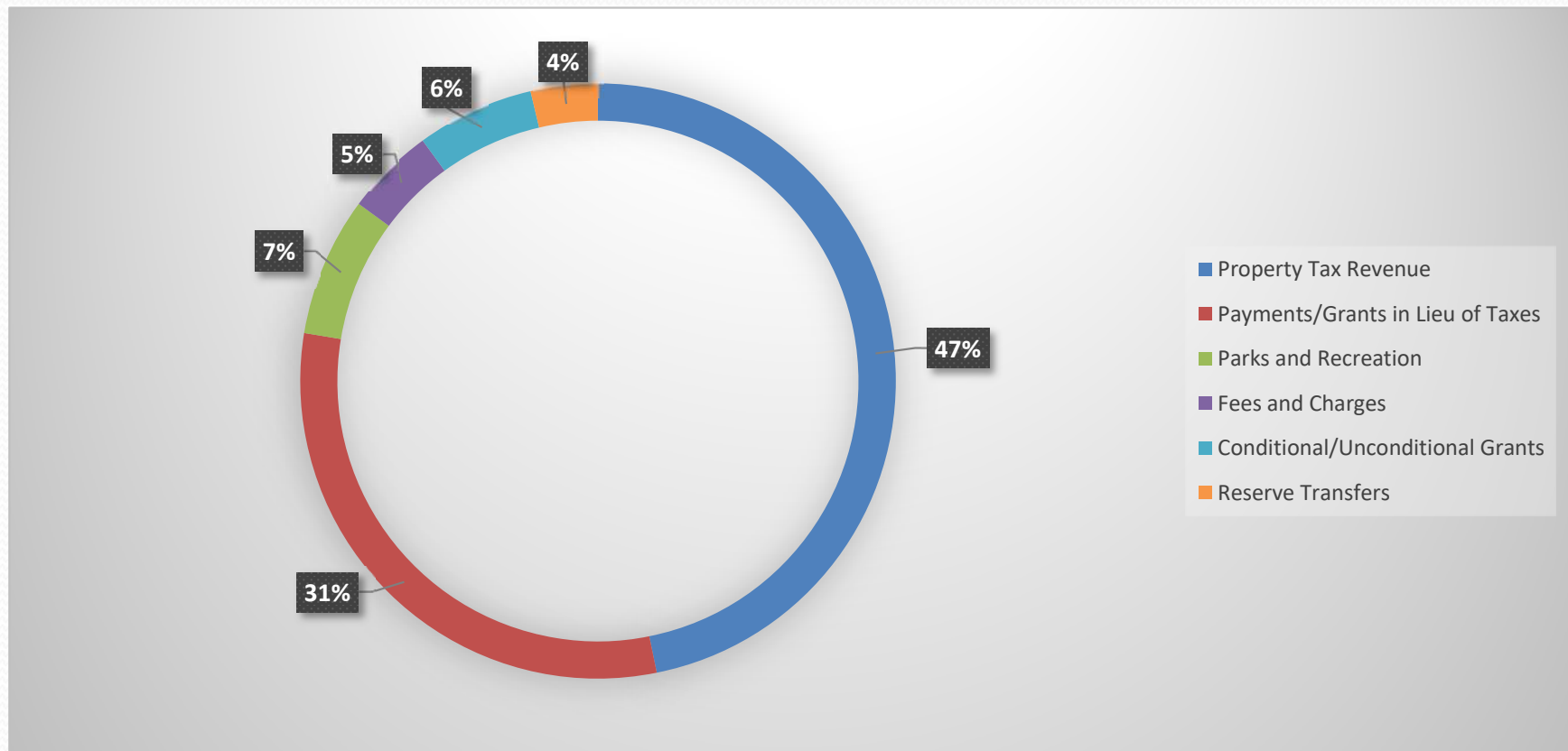
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
CPI	2.12%	1.04%	-0.34%	0.86%	1.11%	1.77%	1.91%	2.36%	2.46%	1.09%	2.45%	6.96%
Tax Increase	0.00%	*0.00%	0.00%	2.15%	1.96%	0.50%	2.90%	*4.93%	2.00%	1.60%	4.92%	8.31%

- While CPI is one measure of inflation, it does not fully capture the expenditure types that the Township incurs
- Oil and gas prices, construction material costs have greater impact than the typical basket of goods
- CPI also does not allow for additions to the basket (i.e. new services)

Budgeted Expenditures



Budgeted Revenues



Property Taxation

- After all funding sources considered, budget is balanced through property taxes
- Tax increase partially mitigated by new growth (NMC)
 - General increase applied evenly
- Assessment changes are factored when setting rates
- Different rates set for various property classes



Assessed Values

	2022 Revised Roll \$	2023 Completed Roll \$	Increase/ (Decrease) \$	Increase/ (Decrease) %
Residential	4,814,540,205	5,510,451,405	695,911,200	14.45%
Utilities	1,978,500	1,903,100	(154,300)	-7.36%
Major Industry	60,052,100	61,060,300	1,008,200	1.68%
Light Industry	29,651,200	32,613,500	2,962,300	9.99%
Business/Other	322,586,751	338,346,001	15,759,250	4.89%
Recreation/Non-Profit	23,807,200	26,218,500	2,411,300	10.13%
	<u>5,252,615,956</u>	<u>5,970,592,806</u>	<u>717,976,850</u>	<u>13.67%</u>

Assessment Increases

	<u>Existing Assessments</u>	<u>% Increase</u>	<u>Non Market Change</u>	<u>% Increase</u>
Residential	591,385,700	12.28%	104,525,500	2.17%
Utilities	- 75,400	-3.81%		0.00%
Major Industry	2,204,300	3.67%	- 1,196,100	-1.99%
Light Industry	2,088,300	7.04%	874,000	2.95%
Business/Other	8,547,350	2.65%	7,211,900	2.24%
Recreation/Non-Profit	779,100	3.27%	1,632,200	6.86%
	<u>604,929,350</u>		<u>113,047,500</u>	

Municipal Values

<u>Property Class</u>	<u>Final</u>	<u>Tax Rate</u>	<u>Multiple</u>	<u>2022 Revenue</u>
Residential	\$ 4,814,540,205	3.023970	1.00000	\$ 14,559,025
Utilities	1,978,500	14.996310	4.95915	29,670
Major Industry	60,052,100	32.424800	10.72259	1,947,177
Light Industry	29,651,200	7.480600	2.47377	221,809
Business/Other	322,586,751	8.564410	2.83217	2,762,765
Recreation Non-Profit	23,807,200	3.050910	1.00891	72,634
	\$ 5,252,615,956			\$ 19,593,080
<u>Property Class</u>	<u>Revised</u>	<u>Tax Rate</u>	<u>Multiple</u>	<u>2023 Revenue</u>
Residential	\$ 5,405,925,905	2.91696	1.00000	\$ 15,768,880
Utilities	1,903,100	16.88600	5.78890	32,136
Major Industry	62,256,400	33.87584	11.61340	2,108,988
Light Industry	31,739,500	7.56915	2.59488	240,241
Business/Other	331,134,101	9.03667	3.09797	2,992,350
Recreation Non-Profit	24,586,300	3.19973	1.09694	78,670
	\$ 5,857,545,306			\$ 21,221,265
				Increase \$ 1,628,184
<u>Property Class</u>	<u>Revised</u>	<u>Tax Rate</u>	<u>Multiple</u>	<u>NMC Revenue</u>
Residential	\$ 104,525,500	2.91696	1.00000	\$ 304,897
Utilities	-	16.88600	5.78890	-
Major Industry	(1,196,100)	33.87584	11.61340	(40,519)
Light Industry	874,000	7.56915	2.59488	6,615
Business/Other	7,211,900	9.03667	3.09797	65,172
Recreation Non-Profit	1,632,200	3.19973	1.09694	5,223
	\$ 113,047,500			\$ 341,388
	\$ 5,970,592,806			

PILT Values

	2023	2022	<u>Increase/(Decrease)</u>	<u>Change(%)</u>
Accepted Assessed Values				
Class 1	\$ 524,653,000	\$ 463,636,000	\$ 61,017,000	11.63%
Class 4	200,665,000	213,207,000	(12,542,000)	-6.25%
Class 5	257,000	233,000	24,000	9.34%
Class 6	524,102,000	494,772,000	29,330,000	5.60%
Class 8	48,366,000	43,849,000	4,517,000	9.34%
Total	\$ 1,298,043,000	\$ 1,215,697,000	\$ 82,346,000	6.34%
Revenue				
Class 1	\$ 1,529,104	\$ 1,400,685	\$ 128,419	8.40%
Class 4	6,797,695	6,913,194	(115,499)	-1.70%
Class 5	1,945	1,743	202	10.40%
Class 6	4,740,132	4,241,216	498,916	10.53%
Class 8	154,758	133,779	20,979	13.56%
Total	\$ 13,223,635	\$ 12,690,617	\$ 533,018	4.03%

Tax Impact

	Class 1		Class 6	
	<u>Average Assessment</u>	<u>Annual Increase</u>	<u>Average Assessment</u>	<u>Annual Increase</u>
2012	\$ 487,276	\$ -	\$ 781,425	\$ -
2013	465,333	-	776,862	(241)
2014	450,574	-	789,931	-
2015	461,363	49	835,982	210
2016	481,790	46	787,167	205
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
Average		\$ 47		\$ 165
2023	\$ 1,042,810	\$ 233	\$ 1,478,277	\$ 1,025
	Monthly Increase	\$ 19.42		\$ 85.42

Municipal Services

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

Next Steps

- Next meeting (March 14) will focus on:
 - individual supplemental operating items affecting the tax increase
 - new capital requests and funding sources
- Opportunity for Council to ask questions; make recommendations about adding or removing items
- Opportunity for public comment about included or excluded items

