




2024 BUDGET



Town of Sidney

Financial Plan

2024 – 2028

February 20, 2024

Tonight's Agenda:

- Brief recap of where we stand
 - Tax Impacts
 - Additional info to support budget consideration.
- First consideration of budget, by area
 - Supplementals & General Operating
 - Capital
 - Water & Sewer
- Staff report to be highlighted at appropriate time.

Budget Process Timing

February 5th – Committee of the Whole – Budget Introduction

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

February 20th – Committee of the Whole – 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 on agenda.

March 5th – 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 starts out with a general tax increase of 8.42% for 2024
 - Several new budget items are included in the 8.42%
 - These are subject to Council approval.
- Will highlight the more significant factors.
- Will identify some of the areas to focus on as we work through the budget approval.

Opening Tax Impact

- We begin this budget process with a realistic look at the level of tax increase we need to pay for everything we want to do.
 - That doesn't mean we have to end up at that level!
 - Several Supplementals to consider; they may not all be approved.
 - Some initiatives may be deferred.
 - Certain one-time expenses may be funded from Surplus.
- Tax reduction options to follow...

Impact on Tax Bill

Example: financial impact of 8.42% property tax increase for “average” home assessed at \$923,650 (2023: \$927,200).

	2023				2024		
	Annual	Monthly	Daily		Annual	Monthly	Daily
Municipal Taxes	1,689	141	4.63	Municipal Taxes	1,831	153	5.02
Water Parcel Tax	75	6	0.21	Water Parcel Tax	75	6	0.21
Sewer Parcel Tax	130	11	0.36	Sewer Parcel Tax	130	11	0.36
Total	1,894	158	5.19	Total	2,036	170	5.58
				Increase	\$142	11.83	0.39
				Actual % increase on municipal charges			7.50%

5-Year Projection

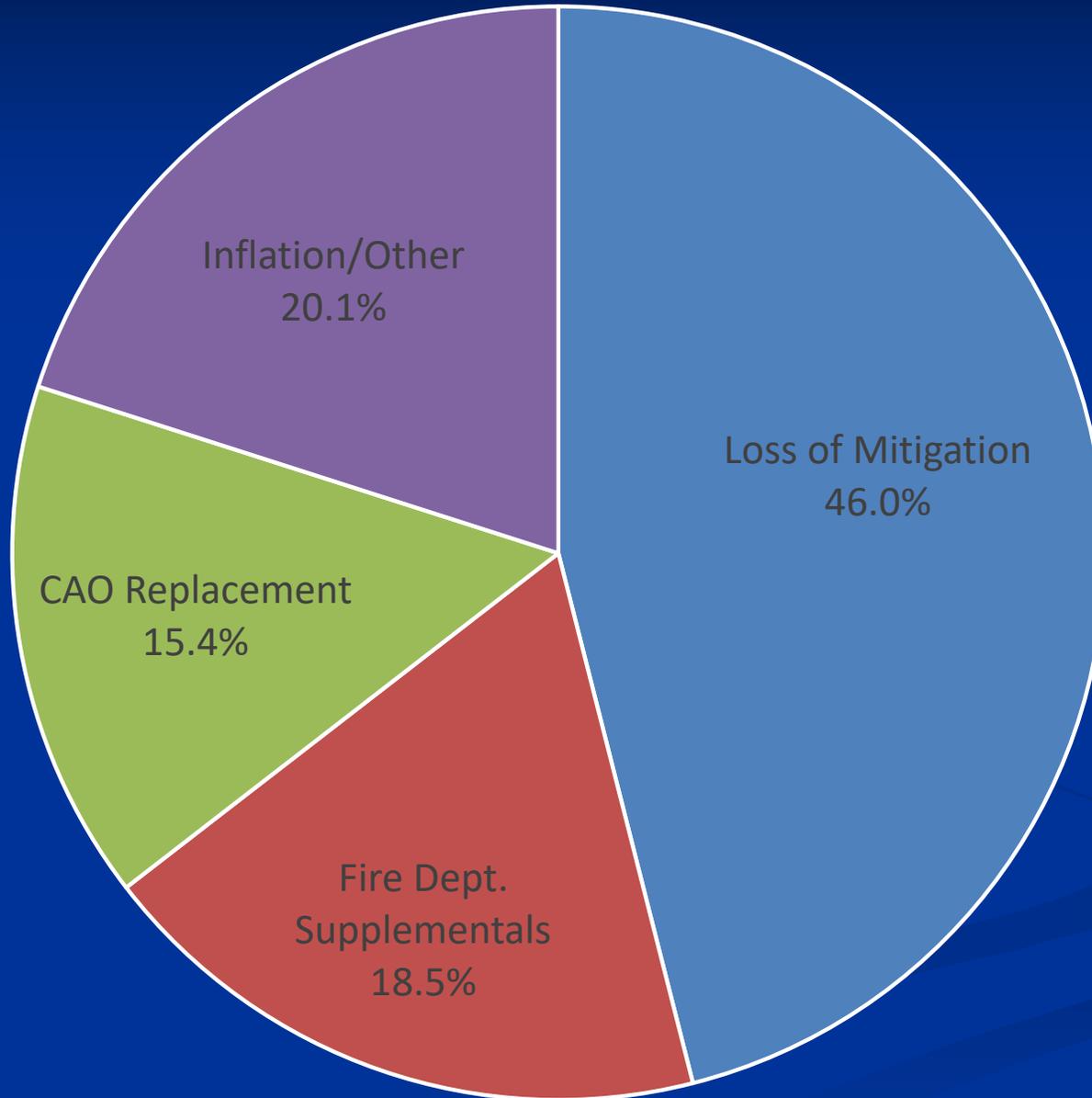
	2024	2025	2026	2027	2028
New Revenue Required	\$ 1,266,372	\$ 1,599,528	\$ 885,942	\$ 330,242	\$ 363,106
Tax Base Growth	<u>__(100,000)</u>	<u>__(250,000)</u>	<u>__(250,000)</u>	<u>__(200,000)</u>	<u>__(200,000)</u>
General Tax Increase	<u>\$ 1,166,372</u>	<u>\$ 1,349,528</u>	<u>\$ 635,942</u>	<u>\$ 130,242</u>	<u>\$ 163.106</u>
% increase	8.42%	8.93%	3.81%	0.74%	0.91%

- Tax Base growth offsets some of the increases.
- Any changes in year 1 will impact future years.
- Year 2 (2025) tends to be overstated; **but not last year!**
- Last 2-3 years of plan tend to be understated.

Major Tax Impacts

- Reduced tax mitigation
 - Safe Restart grant almost used up
 - Lower tax base growth.
- Cumulative inflation
 - Nearly 11% over past 2 years.
- CAO replacement
 - One-time cost; first time in 15 years.
- Fire Dept. staffing upgrades
 - Must keep pace with growing demand.
 - Costs still much lower than career departments.

Major Tax Impacts



Funding Mitigation: 2023 to 2024

- Less Safe Restart Grant funds and Tax Growth Revenue this year to reduce tax impacts.

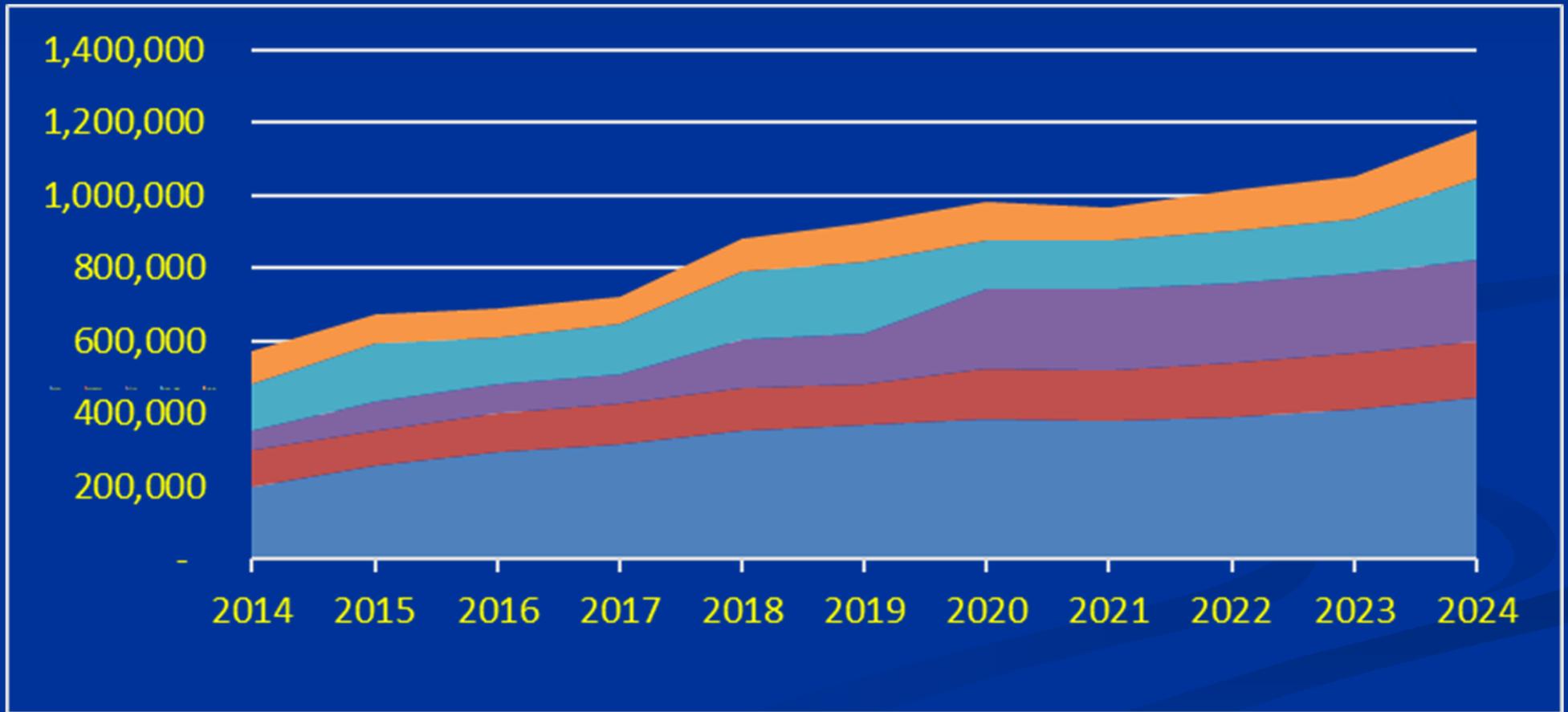
Tax Mitigation Measures	<u>2023</u>	<u>2024</u>
■ Safe Restart Grant	\$410,000	\$126,991
■ Non-Market Revenue	<u>400,000</u>	<u>100,000</u>
■ Total Reduction	\$810,000	\$226,991
■ * Tax increase equivalent	5.9%	1.6%
■ Difference: \$583,000		
■ Equals a 4.2% tax increase.		

Safe Restart Grants

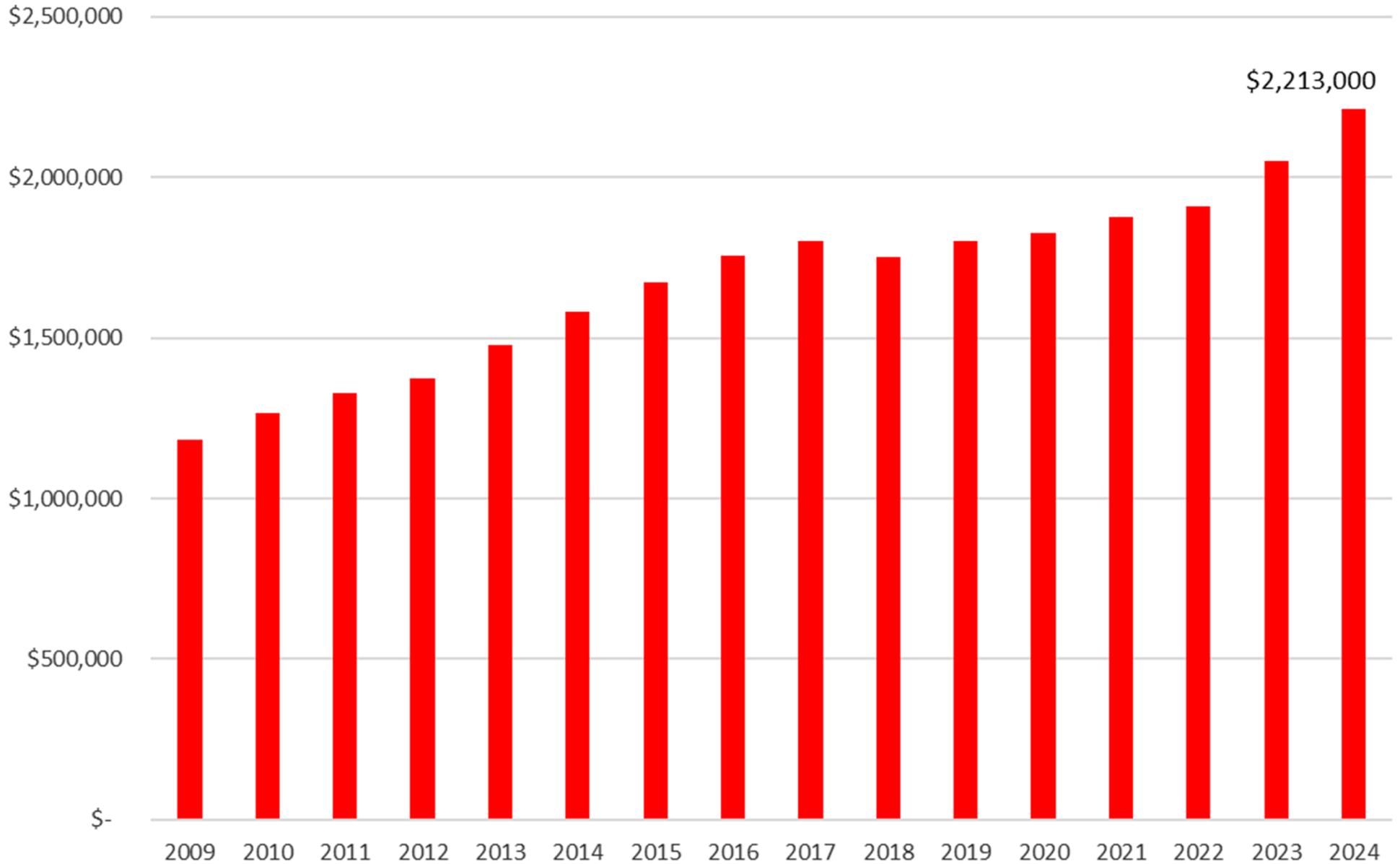
- Our focus for use of the funds was to reduce tax impacts for residents and businesses.
- Funds were earmarked for transitioning back to full revenues.
- 2024 will see us use up the last small remainder of funds
 - Difference in available funds from last year to this year is equal to a 2% tax increase.
- Must now complete the transition to full tax funding!

Community Support Funding

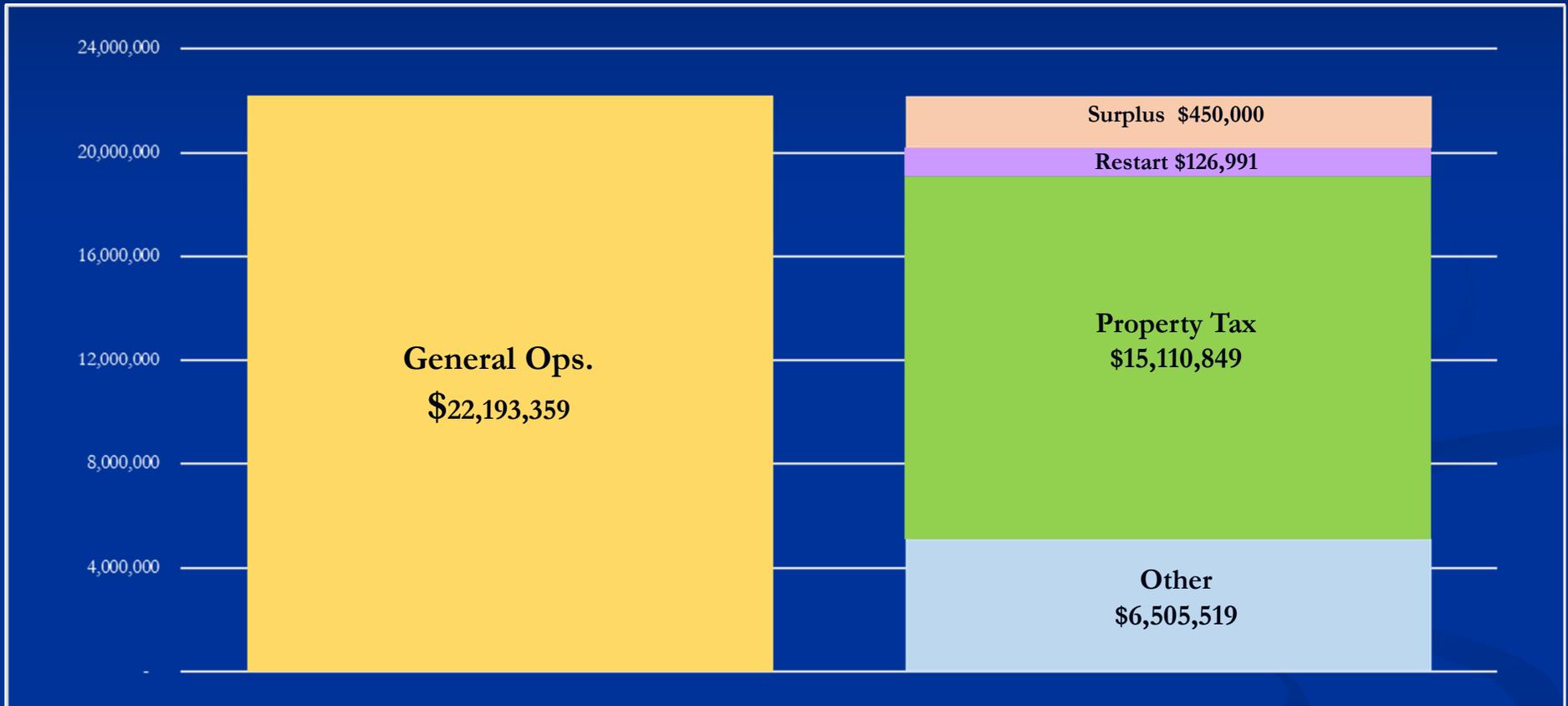
At \$1.182M in 2024 = 7.8% of Net Operating Budget



Policing Costs – 2009 to 2024



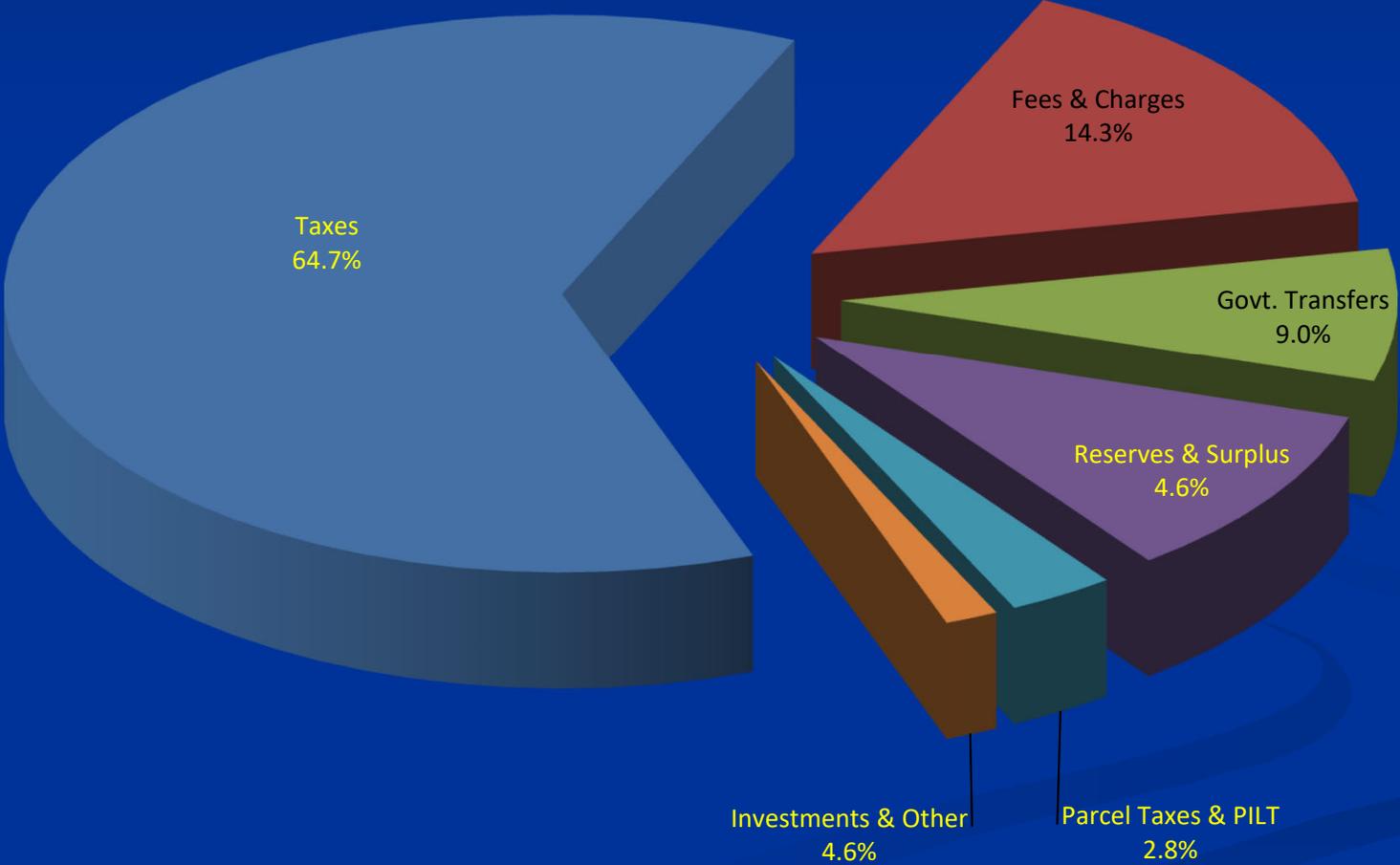
A Balanced Budget



Expenditures

Revenues

General Operating Revenues



Budget Reductions?

- Most likely sources for reductions:
 - Capital projects funded from Taxation
 - May replace with other funding (Reserves)
 - Or, may defer or cut project entirely.
 - Tax funded Supplementals
 - Discretionary transfers to Reserve
 - Climate Action Reserve (LGCAP grants for same purposes)
 - Use more Surplus.

Budget Reductions?

- Why not the Operating budget?
 - Mainly due to use of Surplus funding
 - The \$450K 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.

Budget Reduction Options

- Fund CAO replacement from Surplus
 - One-time cost of up to \$195K.
- Defer contribution to Climate Action Reserve
 - \$50K reduction for 2024
 - Annual LGCAP funding from Province to offset.
- Use more Surplus to balance budget
 - We are below our policy minimum, but policies may be amended.
 - Would recommend a policy review prior to next year's budget.

Items Requiring Review

1. Supplemental Requests
 2. General Operations?
 3. Tax Funded Capital
 4. Other Capital?
 5. Utility budgets
- Council to approve changes to budget by resolution.

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.

Supplemental Requests

- Will consider the following:
 - 2024 One-time requests
 - 2024 Ongoing requests
 - 2025-2028 Supplementals.
- Any preliminary changes/reductions should be in the form of a resolution.
- Budget binder page 15.

Supplemental Requests

One Time Requests - 2024	Impacts
	<u>2024</u>
Sidney Ave Traffic Study	15,000
Accessible On-Street Parking Standard	30,000
Replace Sports Field Bleacher Seats at Iroquois Park	6,000
Implement Recommendations from Parking Study	10,000
Total one-time	61,000

Supplemental Requests

<u>Ongoing Requests - 2024</u>	<u>Property Tax Impacts</u>				
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Increase in Council Conferences Budget	5,000	5,100	5,202	5,306	5,412
HR Management Software	7,000	7,000	7,000	7,000	7,000
Community Policing Program	8,565	8,565	8,565	8,565	8,565
Additional Firefighter	80,000	100,000	110,000	120,000	130,000
Add 3rd Overnight Staff Member	70,500	94,000	94,000	94,000	94,000
Increase Compensation for Overnight FF	36,300	48,400	48,400	48,400	48,400
Increase Holiday Firefighter Backfill	26,900	35,600	35,600	35,600	35,600
Increase Duty Officer Premiums	20,500	27,375	27,375	27,375	27,375
Additional Sidewalk Repairs in Downtown	25,000	25,000	25,000	25,000	25,000
Extend Sidney Days Fireworks by 5 Minutes	5,000	5,000	5,000	5,000	5,000
SBIA Business Development Support	65,000	65,000	65,000	65,000	-
Misc. ED Initiatives	10,000	10,000	10,000	10,000	10,000
Truth & Reconciliation Events/Initiatives	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total ongoing	369,765	441,040	451,142	461,246	406,352

Supplemental Requests: 2025-2028

	Budget Impacts			
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<u>One Time Requests</u>				
Citizen Satisfaction Survey	30,000	-	-	-
Soil Testing and Corrosion Management on West Side	10,000	-	-	-
Review of Library Services	20,000	-	-	-
Rose Garden Improvements	5,000	5,000	-	-
Resthaven Park Shoreline Restoration	-	20,000	-	-
Downtown Parking Study	-	50,000		
Pavement Condition Assessment	-	10,000	-	-
Beacon Wharf Inspections	-	50,000	-	-
Refurbish Gazebo at Resthaven Linear Park and Invasive Removal	-	-	-	8,000
<u>Ongoing Requests</u>				
RCMP Dispatch Services	262,500	360,500	367,710	375,064
2nd Deputy Chief	150,000	160,000	170,000	180,000
Shaw Centre Ongoing Funding	-	140,000	142,800	145,656
Total	\$ 477,500	\$ 795,500	\$ 680,510	\$ 708,720

Capital Budget

Capital Funding Sources

- \$12.2M Capital program funded as follows:
 - Reserves - \$7.9M
 - Borrowing - \$1.28M (Park land)
 - Canada Community-Building Fund (Gas Tax) - \$1.86M
 - Funds carried forward from previous years - \$324K
 - Taxes - \$201K
 - Grants - \$180K
 - North Saanich - \$132K
 - Other - \$247K

Capital Budget

Significant Projects

- Infrastructure Replacement
 - \$13.6M over next 5 years
- Other Asset Replacement Plans
 - \$1M in 2024 – Vehicles, Computer Equipment, etc.
- Bevan Pier Major Maintenance
 - 2024 and 2028
 - Beacon Wharf repairs in 2027.
- Lochside Watermain Replacement
 - \$1.8M total; requires external funding (GCF)
- West Side Hwy Bike Path
 - Final phase in 2024
- Several Park improvements.

Capital Funding – Canada Community-Building Fund

<u>Project</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Beacon West Roundabout	366,000				
Bevan Fishing Pier Rehabilitation	545,000				650,000
Amelia Water - Fire Lane #3 to Easement	400,000				
Bike Path West Side of Highway	800,000				
Seventh Street Sidewalk	30,200				
Oakville Ave from 2375 Bevan - New Curb and SW	9,900				
Street Light Replacement	15,000	15,000	15,000	15,000	15,000
Brethour Park Design & Improvements	35,000	30,000	250,000		
Rathdown Park Improvements	27,000		250,000		
Infra Plan-McDonald Park-Fire Lane#2-Pat Bay		467,300			
Replace Tulista Park Washrooms		150,000			
Infrastructure Plan Projects 2025-28		116,400	604,700	310,600	
Pickleball Courts			125,000		
Solar Panels-Iroquois Food Bank			80,000		
Canora Rd Improvements				262,000	
Beacon Park Shade Element				75,000	
Iroquois Park - Pave Pathways					120,000
Infra Plan-First Street Sidewalk (West Side)					72,500
Total Capital Funding	2,228,100	778,700	1,324,700	662,600	857,500

Capital Funding – Amenity & Land Sale Reserve

Amenity Reserve Funded Projects	2024	2025	2026	2027	2028
Public Washrooms*	325,000				
Fourth St. Washrooms*	7,000				
Benches for Downtown Streets	20,000				
Sculpture Purchases	15,000				
Hydro Box Revitalization	10,000	10,000	10,000	10,000	10,000
McDonald Park Road Sidewalk		45,400			
Pathway between Beacon Ave W and Jahn Pl		60,000			
Iroquois Park Shade Element			75,000		
James White-Pat Bay Hwy to Corner				209,180	
Beacon Wharf Repairs				400,000	
Eastview Park Boardwalk					300,000
	377,000	115,400	85,000	619,180	310,000
Funds remaining at end of year	986,000	870,600	785,600	166,420	(143,580)
Land Sale Reserve Funded Projects	2024	2025	2026	2027	2028
Reay Creek Pedestrian Bridge (North Saanich)*	60,000				
KELSET (Reay Creek) Park Interpretive Sign*	26,200				
Eighth Street Sidewalk Extension*	25,000				
Bike Path West Side of Highway*	9,000				
Rathdown Park Improvements		111,300			
Replace Tulista Park Washrooms		86,500			
	120,200	197,800	-	-	-
Funds remaining at end of year	209,800	12,000	12,000	12,000	12,000

Capital Funding – Growing Communities Fund

Growing Communities Fund Projects	2024	2025
Waterfront Washrooms*	305,000	
Beacon West Roundabout*	500,000	
Brethour Park Playground*	156,000	
Lochside Watermain Replacement	1,151,000	
Disaster Water Supply	225,000	
CSB Public Education Space	100,000	
	2,437,000	-
* Previously approved by Council		
	2024	2025
Beginning balance, GCF Reserve	3,820,000	1,536,000
Estimated interest	153,000	46,000
Capital funding, as per above	(2,437,000)	0
Ending balance	1,536,000	1,582,000

Capital Budget Review

- Will consider the following:
 - 2024 Tax-funded Capital
 - Other 2024 Capital
 - 2025-2028 Capital.
- Any preliminary changes/reductions should be in the form of a resolution.

Capital Budget – Tax Funded

2024 Tax Funded Projects

COM-09-003	Computer Equipment Fund	2,605
FIR-08-003	Fire Department Equipment	10,300
PRK-08-005	Parks Equipment	2,118
PWG-08-005	Underground Wiring	10,770
PWG-19-001	Annual Workspace Efficiency-Public Works/Parks	3,000
RDS-08-010	Downtown Street Lighting	9,000
RDS-18-015	Street Light Replacement	5,000
RDS-22-011	Survey Monument Replacement and Maintenance	10,000
RDS-24-006	Accessibility Improvements (* New)	20,000
ADM-24-002	Staff Gym Updates (* New)	2,500
Annual/Recurring Projects		75,293
POL-21-003	RCMP Flooring Replacement	1,010
Projects Carried Forward		1,010

Capital Budget – Tax Funded

2024 Tax Funded Projects

PRK-23-009	Eastview Park South Access Path Improvements	5,000
PRK-24-005	Seaport Park - Replace Stairwell to Beach	10,000
PRK-24-011	Repair Aboveground Tree Wells on Beacon	20,000
PRK-24-014	Minor Park Improvements-Third St.	25,000
PWG-24-002	New Replacement Speed Reader Boards	30,000
PWG-24-003	Rebalance Air Handling in Town Hall	10,000
RDS-24-003	In-kind support for Lochside Trail reconstruction	10,000
RDS-24-004	Widen Sidewalk at 2310 Beacon Ave	15,000
	New Projects	125,000
	Total 2024 Tax Funded Projects	201,303

Capital Budget – Remainder

- 2024 Capital – non-tax funded
 - Funded from Reserves and other sources
 - Projects listed in budget binders.
- 2025-2028 Capital
 - Projects listed in budget binders.
- Any questions or proposed changes?

Water Utility

Increases:

- Bulk Water rates
- Reserve transfers
- Funded with Water Parcel Tax and User Fees.
 - Infrastructure Levy/Parcel Tax: \$75/year
 - Fixed Charge: \$20 per quarter per unit
 - Consumption Charge: **increase to \$6.11 / 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.
 - Parcel Tax: \$65/\$130 per year
 - User Fees: **increase to \$8.85 / 1,000 gallons.**

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 5th
- Approval of the budget, as amended, will be the goal for March 5th
- Budget approved on 5th (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.



Financial Plan 2024-2028

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

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