




2026 – 2030 Financial Plan Development

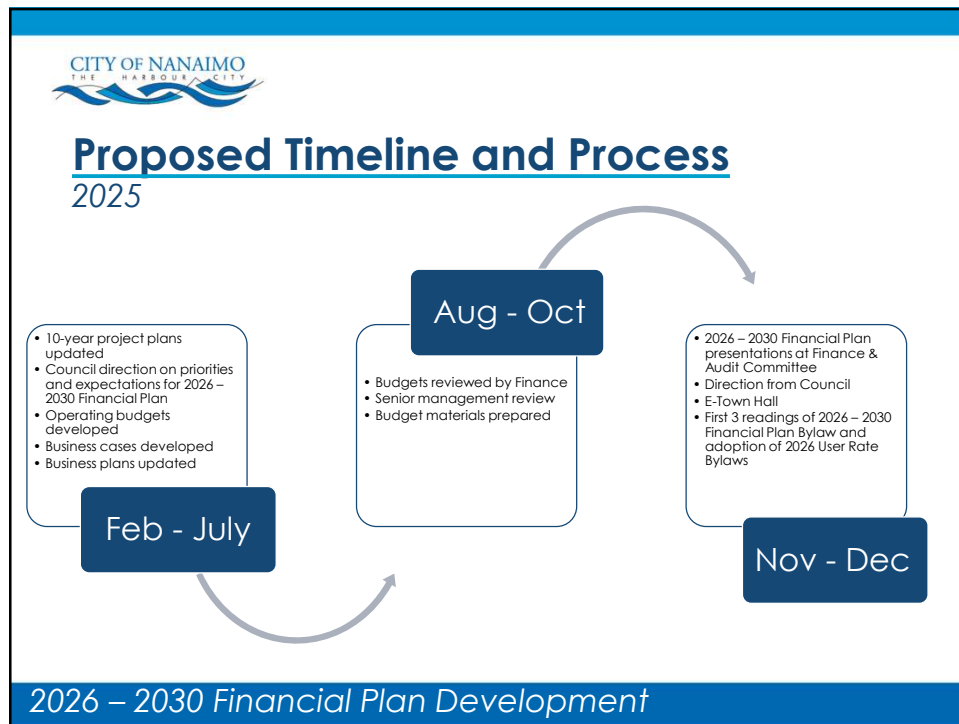
*Finance & Audit Committee Meeting
June 18, 2025*

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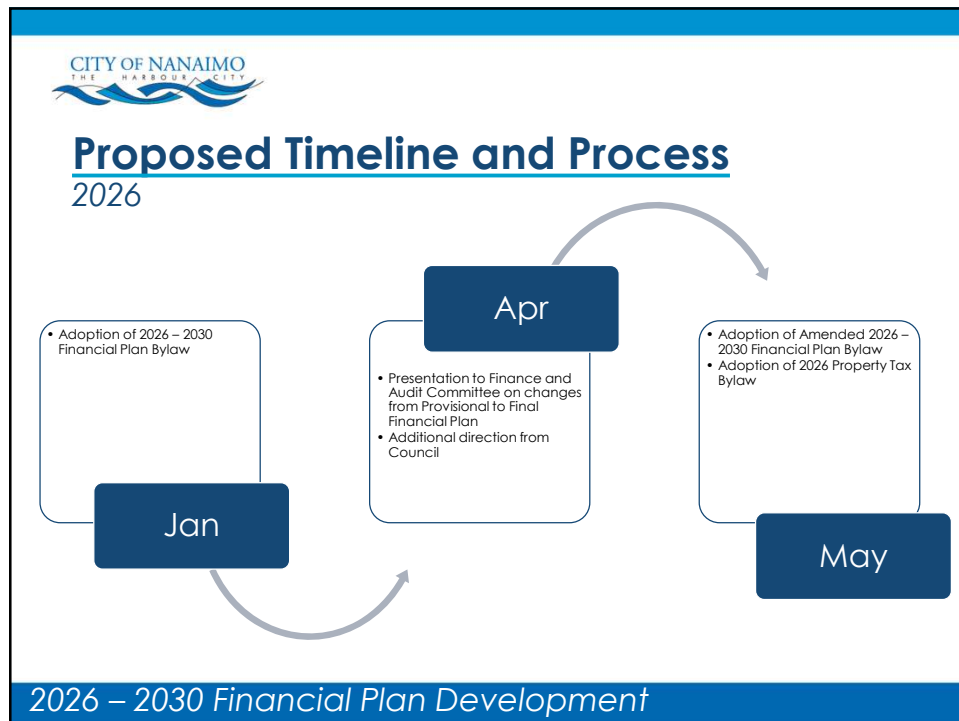


Proposed Timeline

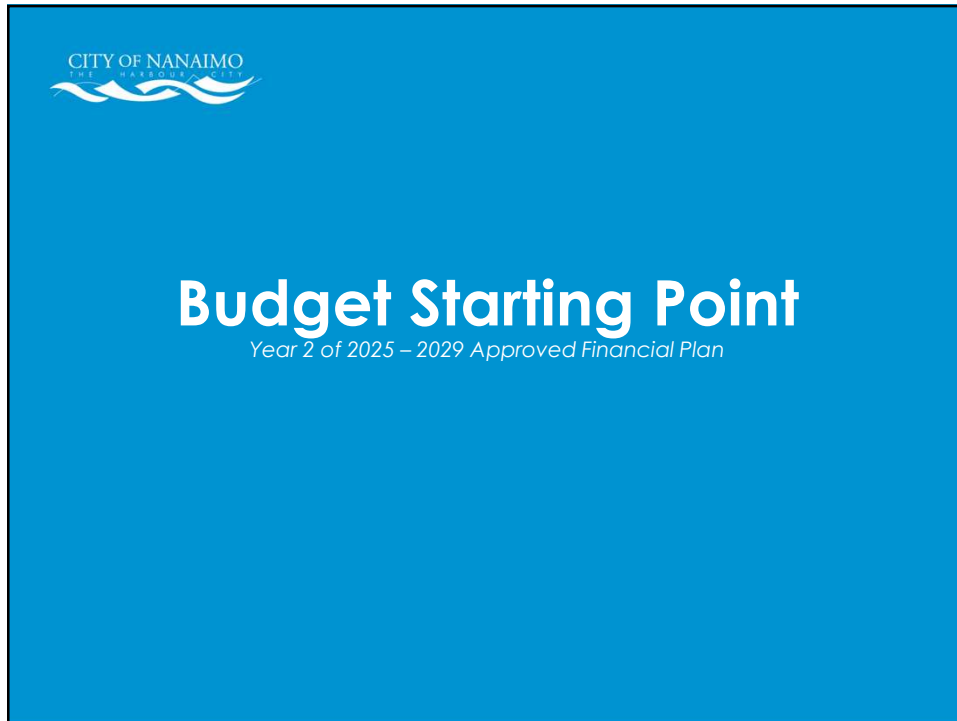
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Projected Property Tax Increase
Based on 2025 – 2029 Financial Plan

	2025	2026	2027	2028	2029
General Asset Management Reserve	1.0%	1.0%	1.0%	1.0%	0.0%
General Property Tax Increase	6.8%	6.7%	2.5%	2.0%	2.6%
Total Municipal Taxes	7.8%	7.7%	3.5%	3.0%	2.6%

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2026 Projected User Fee Increases

Based on 2025 – 2029 Financial Plan

Sewer User Fees ¹	4.0% Increase
Water User Fees ²	5.0% Increase
Sanitation User Fees	1.7% Increase

¹2% Sewer Asset Management Reserve Increase, 2% General Sewer User Rate Increase

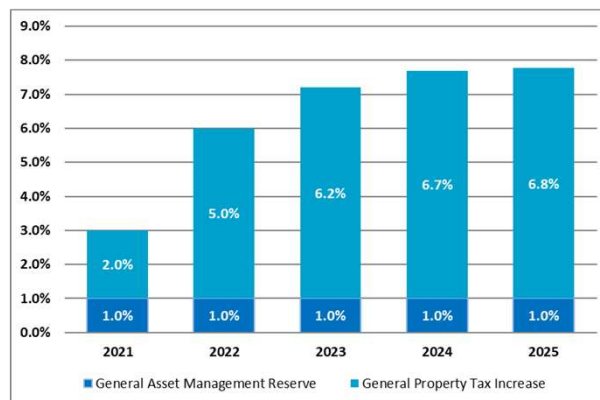
²2% Water Asset Management Reserve Increase, 3% General Water User Rate Increase

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Property Tax History




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<h2>2026 Budget Driver Highlights</h2> <p>Based on 2025 – 2029 Financial Plan</p>		
Expenditure Increases/(Decreases)		
911 Services - Net		\$ 100,000
Asset Management		1,616,000
Election - Net ¹		271,000
Grants		157,000
IT Software & Subscriptions		540,000
Project Expenditures		
2025 Base Funding Reduction	795,000	
Base Funding	<u>441,000</u>	1,236,000
RCMP Contract (budgeted at 95%) ²		3,931,000
Wages and Benefits ³		
Contingency for Vacancies	750,000	
Wage and Benefit Changes & New Positions	<u>4,545,000</u>	5,295,000
Subtotal Expenditure Increases		\$ 13,146,000
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<h2>2026 Budget Driver Highlights</h2> <p>Based on 2025 – 2029 Financial Plan</p>		
Revenue (Increases)/Decreases		
Investment Income		\$ 200,000
Subtotal Revenue Decreases		\$ 200,000
Funding (Increase)/Decrease from Reserves		
Transfer from Special Initiatives Reserve - Property Tax Reduction		\$ 100,000
Subtotal Funding Decreases		\$ 100,000
Other Changes		\$ 337,000
Net Change		\$ 13,783,000
Less: Impact of Growth & Supplements		
Supplementary Property Assessments	-	
Estimated Growth	<u>1,200,000</u>	1,200,000
Net Impact		\$ 12,583,000
Dollars are rounded to nearest \$1,000		
¹ Includes wages and benefits and Council related expenses ² Includes 4 new members April 1, 2026 ³ Includes 1 Police Support position January 1, 2026, 4 new CSO's and 1 Police Support position April 1, 2026		
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Debt

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Outstanding Debt at Dec 31, 2024

	Amount	Year Borrowing Repaid
External Borrowing (MFA)		
Fire Station #1	\$14,155,703	2038/2040/2041/2042
Fire Station #4	762,234	2027
Sanitation	1,074,757	2025/2028
Vancouver Island Conference Centre	5,116,565	2026/2027
Water Treatment Plant	12,751,699	2033/2034
Total External Borrowing	\$33,860,958	
Internal Borrowing		
DCC SS45: Chase River Pump Station & Forcemain	\$ 2,343,905	2039/2040
DCC SS19: Millstone Trunk South	2,947,548	2040/2041/2042
Total Internal Borrowing	\$ 5,291,453	

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New Debt

Based on 2025 – 2029 Financial Plan

	Amount	Term	Year(s) of Borrowing
External Borrowing (MFA)			
Wellcox Secondary Access	\$12,617,000	20 Year	2027 - 2029
Total External Borrowing	\$12,617,000		
Internal Borrowing			
DCC SS44: Hammond Bay & Turner Area	\$ 2,163,150	20 Year	2025
Total Internal Borrowing	\$ 2,163,150		

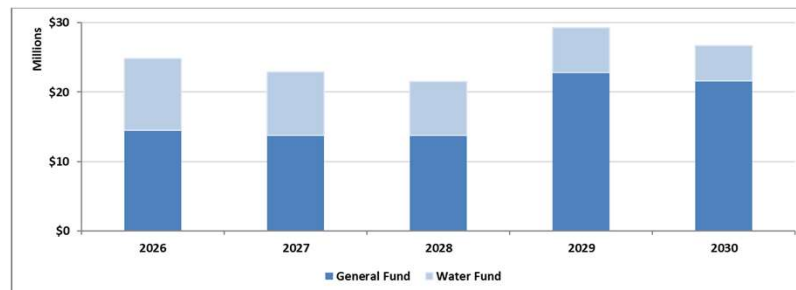
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Projected Outstanding Debt

Based on 2025 – 2029 Financial Plan



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Debt Servicing Limit

The Liability Servicing Limit is defined as 25% of municipality's controllable and sustainable revenues for the year.

2023 Sustainable and Controllable Revenues	\$ 231.10 million
Liability Servicing Limit - 25%	\$ 57.8 million (a)
Annual Debt Servicing Cost for 2023 ¹	\$ 7.6 million (b)
Debt Servicing Cost % of Limit at December 31, 2023	13.1% (b)/(a)

¹Includes principal and interest on external debt, interest on internal borrowing, estimated cost of unissued debt, guarantee of line of credit for Port Theatre.

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Next Steps

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Budget Preparations

Focus on

- Maintaining current service levels
- Supporting the Integrated Action Plan and Council's Strategic Framework
- 2026 property tax increase target
2026 draft budget will target 7.7% as per approved 2025 – 2029 Financial Plan.
- Current Council motions – budget deliberations decision points
Consider a stepped increase to the annual road maintenance operating budget.
- Additional direction from Council?

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