

FINANCIAL PLAN OVERVIEW

February 6, 2023

Township of
ESQUIMALT

The logo for the Township of Esquimalt features the words "Township of" in a small, white, sans-serif font above the word "ESQUIMALT" in a large, white, serif font. Below the text is a white, stylized wave graphic that curves under the letters.

Legislative Requirements

- Five year plan, adopted annually
 - Expenditures, revenues and staffing to maintain service levels and manage growth
 - No deficit permitted
 - Operating and capital budget
 - Process of public consultation
- Sets out policies and objectives



Legislative Requirements

Two separate bylaws:

Financial Plan Bylaw gives the municipality spending authority

Tax Rates Bylaw authorizes the levying of property taxes

- The Financial Plan Bylaw must be adopted prior to the adoption of the Tax Rates Bylaw



Township Process

- Management prepares draft financial plan and recommendations based on Council direction
 - Completed Assessment Roll
 - Accepted PILT Values
- Policies and Objectives
- Tax Revenue Calculations
- Tax Rate Review
- Financial Plan and Tax Rates Bylaws



Timeline

- Department Core Presentations – February 6
- Early Budget Approvals – February 6
- Local Grant Approvals – March 6
- Consideration of Operating and Capital Requests & – March 14 (& March 15 if required)
- Tax Rate Scenarios – April 3
- Financial Plan and Tax Rate Bylaws – adoption May 1



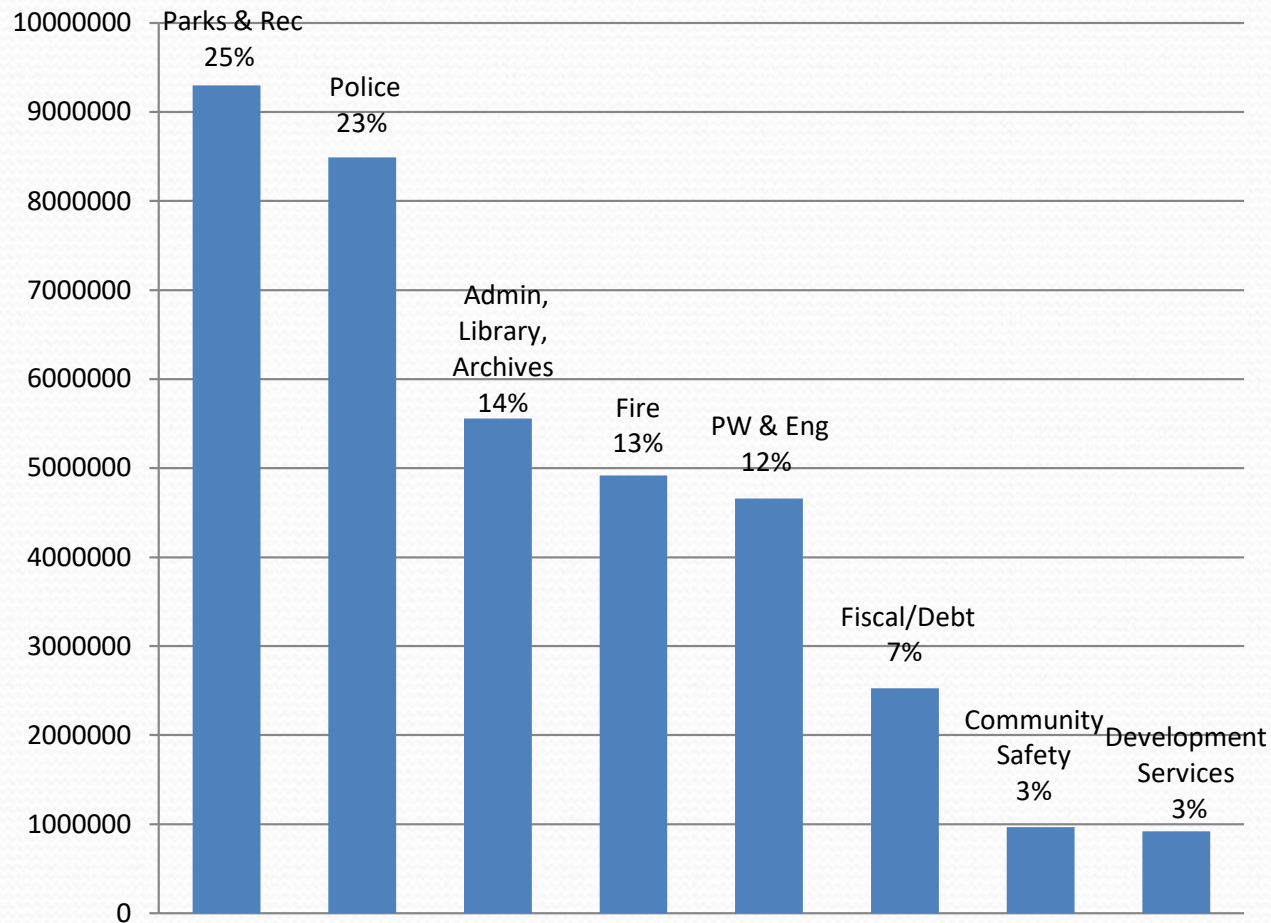
EXPENDITURES & REVENUES

Township of
ESQUIMALT

Expenditures

- Operating: to meet service and infrastructure demands and funded through taxation
 - Wages & Benefits
 - Program Costs
 - Repairs & Maintenance
- Capital: one time expenditures for infrastructure funded through existing capital reserves
 - Roads & Sidewalks
 - Sanitary & Storm Sewers
 - Vehicles & Equipment

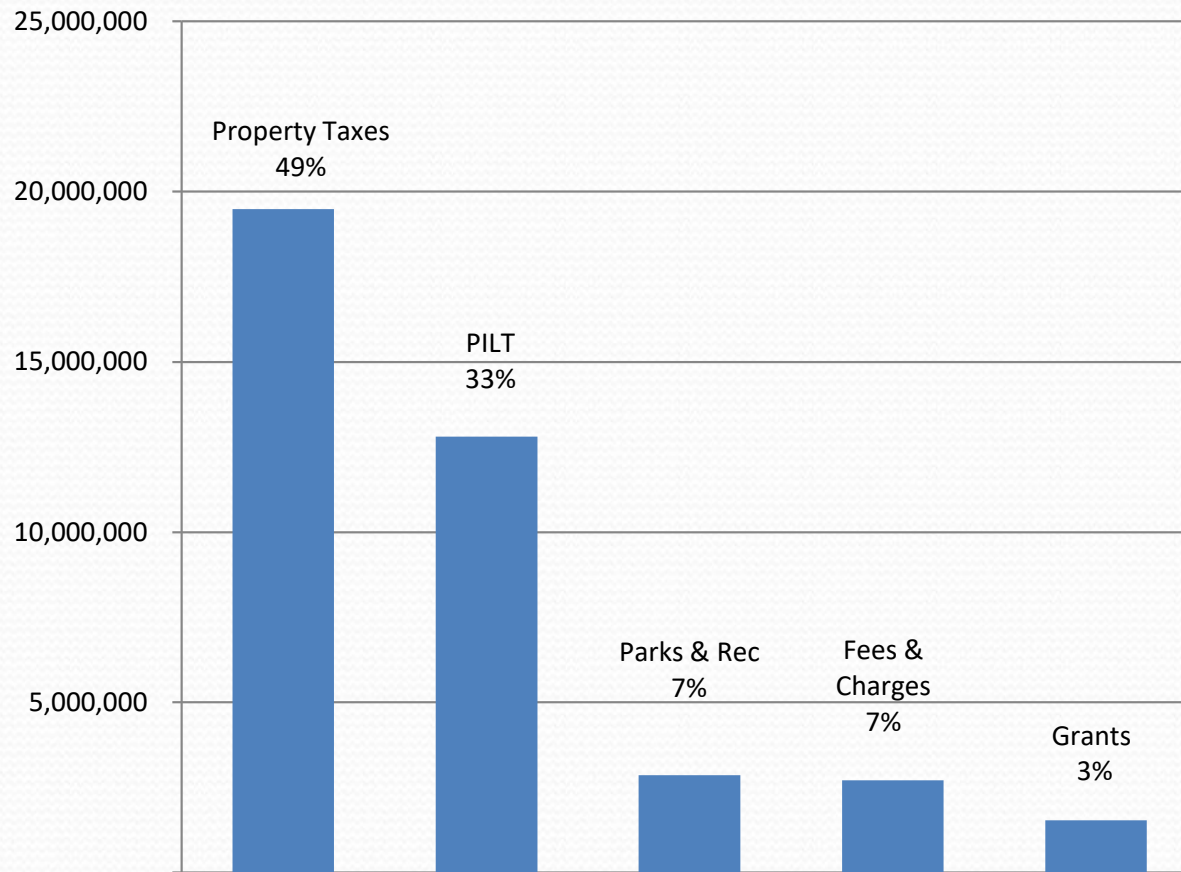
Operating Expenditures



Revenues

- Property Taxes
- Payment in Lieu of Taxes (PILT)
- Parks & Recreation Fees
- Other Fees & Charges
 - Permits, licences, cost recoveries
- Government Transfers & Grants
 - Small Community, Traffic Fine, Casino, Gas Tax

Revenues



OTHER FUNDING SOURCES

Debt

- Long Term Loans (5-30 years)
- For Major Capital Expenditures
- Secured through Municipal Finance Authority and CRD
- Spreads project cost and resulting property tax increases over a number of years



Debt Summary

Sewers I&I Program	1,256,000	Matures 2024
	2,012,000	Matures 2025
	1,129,000	Matures 2026
	<u>2,353,000</u>	Matures 2027
	6,750,000	
Recreation Revitalization	2,800,000	Matures 2023
Admirals Road Corridor	1,200,000	Matures 2024
Public Safety Building	35,000,000	Matures 2051
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Total Debt	<u>\$45,750,000</u>	



Debt Costs

Principal & Interest Payments	2023	2024	2025	2026	2027
Sewer I & I Program	\$401,853	\$401,853	\$335,608	\$235,312	\$180,124
Admirals Road Corridor	135,950	135,950			
Recreation Centre Revitalization	164,480				
Public Safety Building	1,732,477	1,732,477	1,732,477	1,732,477	1,732,477
Total Debt Costs	\$2,434,760	\$2,270,280	\$2,068,085	\$1,967,789	\$1,912,601
Unutilized Liability Servicing Capacity at December 31, 2022	\$ 8,843,121				



Reserve Funds

- Established through bylaw
- Specific use
- Expenditures require Council resolution

Reserve Fund Balances

Machinery & Equipment Reserve Fund	\$2,464,445
Capital Projects Reserve Fund	4,525,666
Infrastructure & Revitalization Reserve Fund	2,623,484
Park Land Acquisition Reserve Fund	127,324
Sustainability Reserve Fund	363,442
Municipal Archives Trust Fund	4,382
Local Improvement Fund	198,669
Eva Chafe Reserve Fund	28,537
Tax Sale Lands Reserve Fund	123,571
Public Art Reserve Fund	92,608
McLoughlin Amenity Funds	818,643
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	\$11,370,771
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Reserve Accounts

- Used to account for specific funds received
- No statutory requirement
- Uncommitted amounts are carried forward or transferred to surplus

Reserve Account Balances

Community Works (Gas Tax)	\$4,833,070
Casino Revenue	128,234
WWTP Mitigation Impact	362,311
Safe Restart	1,891,693
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	\$7,215,308
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BUDGET CHALLENGES

Budget Challenges

- Inflationary Impacts
- Long Term Infrastructure Renewal
- Policing
- Collective Agreement Wages & Benefits

Budget Challenges

	2023 Budget	2022 Budget	Increase	
			Revenue	%
Victoria-Esquimalt Police Services	\$9,494,753	\$8,666,741	\$828,012	2.59%
Wages & Benefits-CUPE, Fire & Exempt	\$19,202,298	\$17,744,332	\$1,457,966	4.56%
Greater Victoria Public Library	\$1,027,155	\$989,324	\$37,831	0.12%
Council Pre-approvals	\$87,656	\$268,293	-\$180,637	-0.56%
Additional Core Increases			\$696,385	2.18%
			<u>\$2,839,557</u>	<u>8.89%</u>



***1% tax increase = \$320,000*

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><u>5,252,615,956</u></u>	<u><u>5,970,592,806</u></u>	<u><u>717,976,850</u></u>	<u><u>13.67%</u></u>

Assessed Value 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>	