

# 2022 BUDGET SUMMARY

March 15, 2022

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 word "ESQUIMALT" is a white, stylized wave graphic that curves under the letters.

# Internal Budget Process

- Departments submitted core and supplemental requests
- Finance prepared preliminary figures regarding the additional tax revenue required to balance the budget
- Council provided direction regarding the different scenarios to be presented (2022: 3.4% to 9%)
- Senior staff met to deliberate and agree on potential budget reductions to achieve varying levels of tax increases



# Creation of Scenarios

- Anticipated revenue for each scenario has been calculated using preliminary municipal and PILT assessment values
- Safe Restart Grant funding of >\$1M included in all scenarios
- Percentages will change slightly once final assessed values are determined



# Tax Revenue vs Tax Rate

- Tax revenue increases are different than tax rate increases
- Total amount of tax revenue required will help determine the new tax rate for each property class
- When average assessments increase, the tax rates are adjusted downward to collect the required revenue to balance the budget



# Assessed Values

Class	Assessed Value Change – BCA	Assessed Value Change – PILT	2021 Mill Rate	Additional Revenue
1	\$873,287,100	\$61,324,000	3.48892	\$3,223,399
2	(154,300)		15.88204	(2,450)
4	9,196,400	1,064,300	32.84677	337,031
5	12,889,400	(9,000)	12.74421	164,150
6	23,927,950	29,717,100	9.05966	486,006
8	4,059,400	6,955,900	3.10554	34,208
Total	<b>\$923,205,950</b>	<b>\$99,052,300</b>		<b>\$4,242,344</b>



# Budget Challenges

- Increases of \$2.27M (7.5%) over 2021 in key budget areas
- Includes:
  - Police
  - Library
  - Wages and benefits
  - Council pre-approvals
- Most significant component is new long term debt payment for public safety building



# Scenario #1 – 7.22% Increase

Budget Requirements	\$	(31,466,994)
Total Anticipated Revenue @ 7.00%		<u>31,284,646</u>
Shortfall	\$	(182,348)
Potential Reductions		<u>114,800</u>
	\$	<u><u>(67,548)</u></u>
Required Revenue Increase		7.22%



# Budget Reductions @ 7.22%

Current Newsletter - Increased Frequency	\$	5,000
Code of Conduct		10,000
BCSPI Membership		2,300
Walking Tour Brochures		2,500
Development Advertising - Reduction		2,500
BCRPA Conference		3,500
Art Plan Consultation - Reduction		5,000
Toilet Autoflusher Replacement		10,000
Seawall Repair		20,000
Traffic Control Flagging		4,000
Economic Development Position		50,000
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	\$	114,800
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# Scenario #2 – 6.60% Increase

Budget Requirements	\$	(31,466,994)
Total Anticipated Revenue @ 7.00%		<u>31,284,646</u>
Shortfall	\$	(182,348)
Potential Reductions		<u>305,300</u>
	\$	<u><u>122,952</u></u>
Required Revenue Increase		6.60%



# Budget Reductions @ 6.60%

Reductions - Scenario #1	\$ 114,800
Engineering Staff - Professional Training	5,000
Increased Bylaw Coverage	8,000
Irrigation Controllers	12,500
Clean BC Rebate - Reduction	5,000
Macaulay Park Signage	5,000
Saxe Point Park Signage	5,000
Contingency - Reduction	<u>150,000</u>
	<u><u>\$ 305,300</u></u>



# Scenario #3 – 5.95% Increase

Budget Requirements	\$	(31,466,994)
Total Anticipated Revenue @ 7.00%		<u>31,284,646</u>
Shortfall	\$	(182,348)
Potential Reductions		<u>507,600</u>
	\$	<u><u>325,252</u></u>
Required Revenue Increase		5.95%



# Budget Reductions @ 5.95%

Reductions - Scenario #2	\$ 305,300
Development Capacity Assessment	75,000
Clean BC Rebate - Additional Reduction	5,000
Weed Control	22,300
Adventure Park - Increased Watering	20,000
Parking Study	80,000
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	\$ 507,600
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# Municipal Comparisons

Municipality	2022 Tax Increase %
Central Saanich	4.84
Colwood	4.30
North Saanich	3.95
Oak Bay	5.44
Saanich	9.05*
Sidney	3.76
Sooke	6.09
Victoria	3.75*
View Royal	4.70
*Council has not yet approved	



# Capital Requests – Funding Summary

No current taxation revenue required:

Capital Projects Reserve Fund	\$	3,003,021
Machinery & Equip. Reserve Fund		1,081,941
Infrastructure Reserve Fund		1,368,351
Community Works Fund		2,260,255
Accumulated Surplus		421,006
McLoughlin Amenity		5,635,454
Debt Proceeds		35,000,000
Grants		21,500
WWTP Host Mitigation		935,682
Sewer Capital		75,000
Residents		50,000
	\$	<u>49,852,210</u>

Current taxation revenue required:

Sewer Operating		<u>107,307</u>
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Total Capital Funding Requested \$ 49,959,517



# Capital Requests - Deferred

Fire Rescue Cutters	\$	17,123
Fire Rescue Jaws		16,294
Vacuum Truck		350,000
Oil/Grit Separator		1,000,000
Esquimalt Road - Upgrade and Configuration		500,000
Esquimalt Road - Bike Lane Cross Section		900,000
Lampson Road Pavement Upgrade		495,000
Lampson Bike Lanes		950,000
Land Purchase - Admirals ROW		30,000
Sidewalk - Kinver (Hadfield/Greenwood)		250,000
Ornamental Lights - Gorge Park		60,000
Garbage Packer		160,000
LED Lighting - Recreation Centre		40,000
LED Lighting - Sports Centre		10,000
Ride On Floor Scrubber		50,000
Accessible Viewing Platform Design		10,000
Pick Up Truck - New 3/4 Ton		55,000
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	\$	4,893,417
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# Council Direction

## Alternatives:

- Direct staff to present tax rate calculations based on a recommended tax revenue increase scenario
- Revise recommended scenarios and direct staff to present tax rate calculations based on amended scenario
- Direct staff to present additional tax revenue increase scenarios

