TOWN OF GIBSONS

Bylaw No. 1347, 2026

A bylaw to establish the Five-Year Financial Plan for the years 2026 through 2030

WHEREAS, Section165 of the *Community Charter* requires the Council of the Town of Gibsons to prepare by Bylaw before the 15th day of May each year, a Five-Year Financial Plan, which is to be adopted before the Annual Property Tax Bylaw;

NOW THEREFORE the Council of the Town of Gibsons, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited for all purposes as "2026-2030 Financial Plan Bylaw No. 1347, 2026".

2. The following Bylaw is hereby repealed:

   Bylaw No. 1331, 2025 cited as "2025-2029 Financial Plan Bylaw No. 1331, 2025".

3. Those schedules marked as Schedule "A", "A-1", "A-2", "A-3", "A-4", and "B" attached hereto, and forming part of this bylaw, are hereby declared to be the Financial Plan for the Town of Gibsons for the period of January 1, 2026, to December 31, 2030.

READ a First Time this the	5TH	day of	MAY, 2026
READ a Second Time this the	5TH	day of	MAY, 2026
READ a Third Time this the	5TH	day of	MAY, 2026
ADOPTED this the	12TH	day of	MAY, 2026

Silas White, Mayor

Tracey Hincks, Corporate Officer

SCHEDULE "A"
ALL FUNDS (COMBINED)

	2026	2027	2028	2029	2030
REVENUE					
Property Taxes - General Services	4,504,841	4,417,461	4,610,182	4,804,984	5,002,152
Property Taxes - Policing (RCMP)	598,128	1,325,628	1,460,628	1,601,878	1,751,878
Property Taxes - Non Utility Infrastructure	52,000	52,000	52,000	52,000	52,000
Parcel Taxes - Utilities (Sewer, Water, Drainage)	2,532,132	2,785,345	3,063,880	3,280,956	3,517,953
	7,687,101	8,580,435	9,186,690	9,739,817	10,323,983
Grants in Lieu Of Taxes & Other Taxation	345,000	345,000	345,000	345,000	345,000
Service Charges & User Fees	5,764,699	6,707,524	7,124,584	7,407,455	7,654,950
Interest On Capital & Operating Funding	350,000	350,000	350,000	350,000	350,000
	14,146,801	**15,982,959**	**17,006,274**	**17,842,273**	**18,673,933**
Contributions & Donations (for Capital)	65,225	3,466,718	4,800,000	-	-
Government Transfers & Grants (for Operating)	1,701,425	756,000	706,000	706,000	706,000
Government Transfers & Grants (for Capital)	5,535,080	7,805,630	7,560,536	2,433,000	355,000
Transfers From Reserves (for RCMP Contract)	-	- 44,471	290,941	205,742	113,714
Transfers From Reserves (for Operating)	546,775	355,000	375,000	-	160,000
Transfers From Reserves (for Capital)	5,284,800	3,623,000	990,000	3,932,000	1,040,000
Transfers From Surplus (for Operating)	180,178	-	-	-	-
Transfers From Surplus (for Capital)	57,500	-	-	530,000	-
New Long Term Debt Issues	-	200,000	1,200,000	-	2,000,000
Capital Assets Amortization	2,137,000	2,032,000	2,032,000	2,032,000	2,032,000
Total	**29,654,784**	**34,176,836**	**34,960,751**	**27,681,015**	**25,080,647**
EXPENDITURES					
Operating Expenditures:					
- Council & Legislative Services	741,830	714,378	706,736	717,784	789,052
- Administrative Services	1,283,999	1,357,670	1,380,284	1,398,070	1,416,211
- Development & Infrastructure Services	2,140,910	1,442,750	1,476,337	1,500,064	1,524,265
- Community Services (Harbour, Ec.Dev., NPOs)	859,803	888,511	905,250	915,659	926,276
- Protective Services (Bylaw, Housing Outreach)	564,506	549,456	536,581	542,263	548,058
- Policing Services (2027: RCMP Contract)	179,431	1,464,657	1,947,569	2,003,620	2,061,592
- Parks Services	1,643,965	1,568,188	1,559,509	1,578,740	1,598,354
- Transportation Services (Public Works)	1,519,164	1,425,589	1,529,247	1,632,819	1,739,855
- Waste Services (Collection)	673,766	694,828	715,768	736,909	758,748
- Drainage Services	842,428	699,301	810,438	783,347	906,413
- Sewer Services	2,591,357	2,513,844	2,593,787	2,363,002	2,382,603
- Water Services	1,865,522	2,024,867	1,987,456	1,927,545	1,942,937
	14,906,681	**15,344,038**	**16,148,962**	**16,099,820**	**16,594,366**
Debt Principal & Interest	1,401,173	1,338,185	1,298,503	1,296,851	1,223,037
Transfers To Reserves (for Operating)	618,128	20,000	20,000	20,000	20,000
Transfers To Reserves (for Capital)	2,141,921	2,664,265	3,227,751	3,654,343	4,133,244
Transfers To Surplus	-	-	-	-	-
Capital Asset Investments:					
- Natural & Engineered Infrastructure	8,204,572	4,332,912	8,025,536	1,670,000	870,000
- Plants, Buildings & Amenities	1,452,308	6,006,000	6,060,000	4,760,000	2,060,000
- Equipment	930,000	4,471,436	180,000	180,000	180,000
Total	**29,654,784**	**34,176,836**	**34,960,751**	**27,681,015**	**25,080,647**

TOWN OF GIBSONS
Bylaw No. 1347, 2026

SCHEDULE "A-1"
GENERAL MUNICIPAL FUND

	2026	2027	2028	2029	2030
REVENUE					
Property Taxes - General Services	4,504,841	4,417,461	4,610,182	4,804,984	5,002,152
Property Taxes - Policing (RCMP)	598,128	1,325,628	1,460,628	1,601,878	1,751,878
Property Taxes - Infrastructure (Excl.: Utility)	52,000	52,000	52,000	52,000	52,000
	5,154,969	5,795,089	6,122,810	6,458,862	6,806,030
Grants in Lieu of Taxes & Other Taxation	345,000	345,000	345,000	345,000	345,000
Service Charges & User Fees	2,688,766	2,721,328	2,744,768	2,765,909	2,787,748
Interest On Capital & Operating Funding	350,000	350,000	350,000	350,000	350,000
	8,538,736	**9,211,417**	**9,562,577**	**9,919,771**	**10,288,778**
Contributions & Donations (for Capital)	8,000	2,945,718	4,800,000	-	-
Government Transfers & Grants (for Operating)	1,701,425	756,000	706,000	706,000	706,000
Government Transfers & Grants (for Capital)	3,165,508	4,555,630	910,536	355,000	355,000
Transfers From Reserves (RCMP Revenue Gap)	-	44,471	290,941	205,742	113,714
Transfers From Reserves (for Operating)	265,000	20,000	-	-	60,000
Transfers From Reserves (for Capital)	2,682,800	954,000	450,000	450,000	450,000
Transfers From Surplus (for Operating)	130,178	-	-	-	-
Transfers From Surplus (for Capital)	57,500	-	-	-	-
New Long Term Debt Issues (Proposed)	-	200,000	1,200,000	-	-
Capital Assets Amortization	1,212,000	1,107,000	1,107,000	1,107,000	1,107,000
Total	**17,761,147**	**19,705,294**	**19,027,055**	**12,743,513**	**13,080,492**
EXPENDITURES					
Operating Expenditures:					
- Council & Legislative Services	741,830	714,378	706,736	717,784	789,052
- Administrative Services	1,283,999	1,357,670	1,380,284	1,398,070	1,416,211
- Development & Infrastructure Services	2,140,910	1,442,750	1,476,337	1,500,064	1,524,265
- Community Services (Harbour, Ec.Dev., NPOs)	859,803	888,511	905,250	915,659	926,276
- Protective Services (Bylaw, Housing Outreach)	564,506	549,456	536,581	542,263	548,058
- Policing Services (2027: RCMP Contract)	179,431	1,464,657	1,947,569	2,003,620	2,061,592
- Parks Services	1,643,965	1,568,188	1,559,509	1,578,740	1,598,354
- Transportation Services (Public Works)	1,519,164	1,425,589	1,529,247	1,632,819	1,739,855
- Waste Services (Collection)	673,766	694,828	715,768	736,909	758,748
- Drainage Services (2027: Drainage Utility)	697,428	-	-	-	-
	10,304,803	**10,106,026**	**10,757,281**	**11,025,926**	**11,362,412**
Debt Principal & Interest (Excl.: Utility)	409,908	346,920	307,238	305,586	301,080
Transfers To Reserves (for Operating)	618,128	20,000	20,000	20,000	20,000
Transfers To Reserves (for Capital)	852,000	862,000	867,000	872,000	877,000
Transfers To Surplus	-	-	-	-	-
Capital Asset Investments (Excl.: Utility):					
- Natural & Engineered Infrastructure	3,554,000	1,852,912	895,536	340,000	340,000
- Buildings & Amenities	1,092,308	2,046,000	6,000,000	-	-
- Equipment	930,000	4,471,436	180,000	180,000	180,000
Total	**17,761,147**	**19,705,294**	**19,027,055**	**12,743,513**	**13,080,492**

SCHEDULE "A-2"

SEWER UTILITY FUND	2026	2027	2028	2029	2030
REVENUE					
Parcel Taxes	1,348,455	1,483,301	1,631,631	1,794,794	1,974,274
Service Charges & User Fees	1,281,805	1,407,486	1,545,734	1,697,808	1,865,089
	2,630,261	**2,890,787**	**3,177,365**	**3,492,602**	**3,839,362**
Development Contributions (for Capital)	-	521,000	-	-	-
Government Transfers & Grants (for Operating)	-	-	-	-	-
Government Transfers & Grants (for Capital)	222,000	2,150,000	6,650,000	2,078,000	-
Transfers From Utility Reserves (for Operating)	260,000	200,000	250,000	-	-
Transfers From Utility Reserves (for Capital)	363,000	1,639,000	210,000	2,302,000	210,000
Transfers From Utility Surplus (for Operating)	50,000	-	-	-	-
Transfers From Utility Surplus (for Capital)	-	-	-	530,000	-
New Long Term Debt Issues	-	-	-	-	2,000,000
Capital Assets Amortization	401,000	401,000	401,000	401,000	401,000
Total	**3,926,261**	**7,801,787**	**10,688,365**	**8,803,602**	**6,450,362**
EXPENDITURES					
Operating Expenditures	2,591,357	2,513,844	2,593,787	2,363,002	2,382,603
Debt Principal & Interest	382,626	382,626	382,626	382,626	382,626
Transfers To Utility Reserves (for Operating)	-	-	-	-	-
Transfers To Utility Reserves (for Capital)	367,278	595,317	851,953	1,147,974	1,475,133
Transfers To Utility Surplus	-	-	-	-	-
Capital Asset Investments:					
- Collection & Pumping	225,000	350,000	6,800,000	150,000	150,000
- Treatment	60,000	60,000	60,000	260,000	2,060,000
- Discharge	300,000	3,900,000	-	4,500,000	-
Total	**3,926,261**	**7,801,787**	**10,688,365**	**8,803,602**	**6,450,362**

SCHEDULE "A-3"

WATER UTILITY FUND

	2026	2027	2028	2029	2030
REVENUE					
Parcel Taxes	922,647	1,014,911	1,116,403	1,138,731	1,161,505
Service Charges & User Fees	1,794,128	1,971,040	2,165,645	2,208,457	2,252,127
	2,716,774	**2,985,952**	**3,282,047**	**3,347,188**	**3,413,632**
Development Contributions (for Capital)	39,000	-	-	-	-
Government Transfers & Grants (for Operating)	-	-	-	-	-
Government Transfers & Grants (for Capital)	-	1,100,000	-	-	-
Transfers From Utility Reserves (for Operating)	-	135,000	75,000	-	-
Transfers From Utility Reserves (for Capital)	2,149,000	850,000	150,000	850,000	150,000
Transfers From Utility Surplus (for Operating)	-	-	-	-	-
Transfers From Utility Surplus (for Capital)	-	-	-	-	-
New Long Term Debt Issues	-	-	-	-	-
Capital Assets Amortization	419,000	419,000	419,000	419,000	419,000
Total	**5,323,774**	**5,489,952**	**3,926,047**	**4,616,188**	**3,982,632**
EXPENDITURES					
Operating Expenditures	1,865,522	2,024,867	1,987,456	1,927,545	1,942,937
Debt Principal & Interest	608,639	608,639	608,639	608,639	539,331
Transfers To Utility Reserves (Operating)	-	-	-	-	-
Transfers To Utility Reserves (Capital)	661,613	906,445	1,179,952	1,230,004	1,350,363
Transfers To Utility Surplus	-	-	-	-	-
Capital Asset Investments:					
- Aquifer, Wells & Reservoirs	150,000	1,125,000	-	-	-
- Pumping & Distribution	2,038,000	825,000	150,000	850,000	150,000
- Control Systems & Meters	-	-	-	-	-
Total	**5,323,774**	**5,489,952**	**3,926,047**	**4,616,188**	**3,982,632**

SCHEDULE "A-4"

DRAINAGE UTILITY FUND	2026	2027	2028	2029	2030
REVENUE					
Parcel Taxes	261,030	287,133	315,846	347,431	382,174
Service Charges & User Fees (2026: General)	-	607,670	668,437	735,281	749,987
	261,030	**894,803**	**984,284**	**1,082,712**	**1,132,161**
Development Contributions (for Capital)	18,225	-	-	-	-
Government Transfers & Grants (for Operating)	-	-	-	-	-
Government Transfers & Grants (for Capital)	2,147,572	-	-	-	-
Transfers From Utility Reserves (for Operating)	21,775	-	50,000	-	100,000
Transfers From Utility Reserves (for Capital)	90,000	180,000	180,000	330,000	230,000
Transfers From Utility Surplus (for Operating)	-	-	-	-	-
Transfers From Utility Surplus (for Capital)	-	-	-	-	-
New Long Term Debt Issues	-	-	-	-	-
Capital Assets Amortization	105,000	105,000	105,000	105,000	105,000
Total	**2,643,602**	**1,179,803**	**1,319,284**	**1,517,712**	**1,567,161**
EXPENDITURES					
Operating Expenditures	145,000	699,301	810,438	783,347	906,413
Debt Principal & Interest	-	-	-	-	-
Transfers To Utility Reserves (Operating)	-	-	-	-	-
Transfers To Utility Reserves (Capital)	261,030	300,503	328,846	404,365	430,747
Transfers To Utility Surplus	-	-	-	-	-
Capital Asset Investments:					
- Watershed, Creeks & Ponds	2,147,572	-	-	-	-
- Collection	90,000	180,000	180,000	330,000	230,000
- Discharge	-	-	-	-	-
Total	**2,643,602**	**1,179,803**	**1,319,284**	**1,517,712**	**1,567,161**

SCHEDULE "B"

Statement of Objectives and Policies

Section 165(3.1) of the *Community Charter* requires the Town of Gibsons to include in its Five-Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;

2. The distribution of property taxes among the property classes; and

3. The use of permissive tax exemptions.

A. Sources of Revenue:

1. General Municipal

In 2026, for General Municipal purposes, the share of revenue from major funding sources are:

Property Taxes (incl. Grants in Lieu & Other Taxes)	$5,499,969	**33 %**
Government Grants (incl. from Reserve Accounts)	5,330,933	**32 %**
Service Charges & User Fees, Contributions, Other	3,046,766	**19 %**
Transfers From Own Reserves & Surplus	2,671,479	**16 %**
Issue of Long-Term Debt	0	**0 %**
Total Revenue (excl. Amortization)	**$16,549,147**	100 %

Over 2027-2030 these proportions may vary significantly due to the timing of major capital projects which are substantially funded by senior government grants.

The proportion of taxation is planned to increase over 2027-2030:

- to raise the additional revenues required to fund the new municipal contract for RCMP policing services that is to commence April 2027 (taxpayers' cost will increase from an up to 50% share currently paid to the Province to a 70% share paid directly by the Town to the RCMP).

- to gradually increase tax funding for reinvestment in existing non-utility infrastructure subject to first addressing the current RCMP contract funding priority.

- to gradually increase tax funding to build up the Town's unrestricted Surplus balance subject to first addressing the current RCMP contract funding priority.

Town non-utility infrastructure includes roads, sidewalks, buildings, amenities, and other capital assets. Asset management planning for these asset classes is ongoing including updating of condition assessments, updating of reinvestment priorities and scheduling, and long-term financial modelling to estimate the required funding amount for reinvestment or reserves annually.

Town General Municipal currently has uncommitted general purpose reserves and unrestricted surplus balances totaling $325,000 which is less than a $3M base level for financial resilience purposes in case of emergencies.

2. Sewer Utility

In 2026, for Sewer Utility purposes, the share of revenue from major funding sources are:

Parcel Taxes	$1,348,455	**38 %**
Service Charges & User Fees, Contributions	1,281,806	**37 %**
Transfers From Own Reserves & Surplus	673,000	**19 %**
Government Grants (incl. in Reserve Accounts)	222,000	**6 %**
Issue of Long-Term Debt	0	**0 %**
Total Revenue (excl. Amortization)	**$3,525,261**	100 %

Over 2026-2029 these proportions may vary significantly due to the timing of major capital projects which are substantially funded by senior government grants. Town policy is that its Municipal Utilities are not supported by general municipal tax revenues.

Sewer parcel taxes, service charges and user fees for the Sanitary Sewer System including the Wastewater Treatment Facility are planned to continue increasing at a rate of 10% annually through 2030. Increases may moderate after 2030.

There has been no change in engineering recommendations that the Town needs to reinvest in its existing Sanitary Sewer System including undertaking long-term capacity expansion upgrades of the Wastewater Treatment Facility and its Ocean Discharge capacity. System discharge to the ocean requires approval and maintaining compliance with federal and provincial regulations. The discharge section of the system is planned for replacement over 2027-2029 at a total project cost of up to $9M.

The Utility plans to invest up to $19M in its Sewer system over 2026-2030. Where this work involves system upgrades or expansion in connection with housing it may be eligible for senior government grant funding.

Two major projects are contingent on federal grant funding totaling $11M. $4.2M of Sewer reserves and surplus have been committed through 2029 to match one federal grant opportunity to fund $4.2M of the Ocean Discharge project.

Provincial cost sharing remains possible for some of the $19M in planned projects subject to applicable infrastructure grant funding program openings. Alternately, borrowing up to $3M in Sewer debt funding may be proposed as part of the 2027 budget process.

The Utility currently has uncommitted general purpose reserves and unrestricted surplus balances totaling $100,000 which is less than a $3M base level for financial resilience purposes in case of emergencies.

3. Water Utility

In 2026, for Water Utility purposes, the share of revenue from major funding sources are:

Transfers From Own Reserves & Surplus	2,149,000	**44 %**
Service Charges & User Fees, Contributions	1,833,127	**37 %**
Parcel Taxes	922,647	**19 %**
Government Grants (incl. in Reserve Accounts)	0	**0 %**
Issue of Long-Term Debt	0	**0 %**
Total Revenue (excl. Amortization)	**$4,904,774**	100 %

Over 2027-2030 these proportions may vary significantly due to the timing of major capital projects which are substantially funded by senior government grants. Town policy is that its Municipal Utilities are not supported by general municipal tax revenues.

Water parcel taxes, service charges and user fees for the Water System are planned to continue increasing at a rate of 10% annually through 2028. Increases may moderate after 2028.

There has been no change in engineering recommendations that the Town needs to reinvest in its existing Water System particularly the ongoing program to replace its watermains.

The Utility plans to invest up to $5M in its Water system over 2026-2030. Where this work involves system upgrades or expansion in connection with housing it may be eligible for senior government grant funding.

The Utility currently has uncommitted general purpose reserves and unrestricted surplus balances totaling $1.8M which is consistent with a $2M base level for financial resilience purposes in case of emergencies.

4. Drainage Utility (2026-2027 Implementation)

In 2026, for Drainage Utility purposes, the share of revenue from major funding sources are:

Government Grants (incl. in Reserve Accounts)	2,147,572	**85 %**
Frontage Charges (starts in 2027, est. $608,000)	0	**0 %**
Parcel Taxes	261,030	**10 %**
Transfers From Own Reserves & Surplus	111,775	**4 %**
Service Charges & User Fees, Contributions	18,225	**1 %**
Issue of Long-Term Debt	0	**0 %**
Total Revenue (excl. Amortization)	**$2,538,602**	100 %

In 2026, Drainage operating costs remain part of the General Municipal budget. $552,428 is being funded by that budget by way of property taxes of $422,250 and unrestricted surplus of $130,178. In 2027, Drainage operating costs are to be funded by a Utility frontage charge.

Over 2027-2030 these proportions may vary significantly due to the timing of major capital projects which are substantially funded by senior government grants. Town policy is that its Municipal Utilities are not supported by general municipal tax revenues.

Drainage parcel taxes and frontage charges for the Drainage System are planned to increase at a rate of 10% annually through 2030. Increases may moderate after 2029.

There has been no change in engineering recommendations that the Town needs to reinvest in and improve its existing Drainage System.

The Utility plans to invest up to $3M in its Drainage system over 2026-2030. Where work involves system upgrades or expansion in connection with housing it may be eligible for senior government grant funding.

The Utility is being launched in 2026 and has uncommitted general purpose reserves and unrestricted surplus balances totaling $8,000. The Utility should have a $2M base level for financial resilience purposes in case of emergencies.

5. **Service Fees & Charges**

The Town's authority to impose service fees and charges is made in accordance with the *Community Charter*, the *Local Government Act*, and other applicable legislation and regulation. Periodic reviews of the Town's service fees and charges are undertaken to ensure the municipality's operating and capital investment costs are recovered consistent with planned service level objectives. When feasible and reasonable the Town endeavors to directly charge users for the costs of a service, in order that less revenue must be raised through annual municipal property taxes.

6. **Government Grants**

The Town actively pursues other government funding that is available to offset operating or capital asset investment costs. The Financial Plan includes assumptions as to future grant awards to the Town - actual grant award outcomes will differ from those projected. Government grant funding must be used in accordance with its terms and conditions.

7. **Other Funding Sources**

Other sources of funding are transfers from the Town's operating reserve accounts, statutory and capital reserve funds, and surplus accounts (restricted or unrestricted), as well as the proceeds from short term loans or long-term debt financing for major capital projects.

Operating reserve accounts, statutory and capital reserve funds, and surplus accounts are managed to support the current and future financial viability of the municipality; surplus accounts use is governed by the following policies:

- Surplus accounts are primarily used to fund non-recurring operating and capital project costs.
- RCMP budget surpluses go to an RCMP surplus account to smooth future RCMP tax levies.
- Waste services budget surpluses go to a surplus account for future Waste budget costs.

Long-term debt financing proposals are subject to additional and separate public approval processes that follow-on after long-term debt has been included in a Financial Plan.

B. Distribution of General Municipal Property Taxes Among the Property Classes

1. General Municipal Funding Required

Service levels

Through the annual budget process Council reviews and sets service levels and the directly connected base operations budget for the Town. Further, during the budget process Council considers proposals for investments in capital assets.

Note that the Sewer and Water Utilities are not funded by municipal taxes and starting in 2027 neither will the Drainage Utility.

Prior to setting tax rates, Council considers the amount of tax revenue required to fund the cost of general municipal services including annual operating expenditures, and investments in non-utility capital assets. Council also considers the impact of inflationary factors on both.

RCMP contract

In 2026-2027, Council will conclude discussions with the RCMP Gibsons Detachment commanding officer (along with the other provincial and RCMP parties designated to participate) and approve RCMP municipal officer and clerk staffing under a new municipal policing contract commencing April 1, 2027. Council is finalizing the development of the Town's RCMP budget for the Gibsons Detachment along with other RCMP operations / infrastructure needs before 2027.

Town plans

Council has focused staff efforts on the continuing development of Town Asset Management Plans ("AMPs") by class of assets. To date, Council has established AMPs and increased funding for Natural Assets (Aquifer, Marine), Water and Sewer Utilities (Wells, Watermains, Wastewater Treatment Facility and Outfall), and Drainage Utility (Watershed) investments.

In 2024, Council adopted a long-term Corporate Climate Action Plan ("CCAP") for Town Operations. Staff is now integrating the CCAP into its AMPs through the annual operating base budgets and capital investment proposals process. In 2025, Council adopted a long-term Community Wide Climate Plan also to be integrated where applicable in Town investment plans.

In 2025, Council adopted a long-term Urban Forest Plan ("UFP"). Staff is now integrating the UFP into its AMPs through the annual operating base budgets and capital investment proposals process.

In 2025, Council approved on behalf of the Town a long-term Sunshine Coast Accessibility Plan ("SCAP"). Staff is now integrating the SCAP into its AMPs through the annual operating base budgets and capital investment proposals process.

In January 2026, Council adopted an updated Official Community Plan ("OCP") to be followed by Strategic Transportation and Master Parks plans over 2026-2027. Staff will be integrating the results of these three plans into Town AMPs through the annual operating base budgets and capital investment proposals process.

<u>Cost escalation</u>

The Town follows Bank of Canada, Statistics Canada, and Statistics BC guidance in its assessments of inflation and its budgeting for price changes. The Bank of Canada and the Government of Canada are pursuing an inflation range policy of 2%-3% per year with future government operating budgets targeting 2%. Council has directed staff to prepare Town budgets based on these guidelines except for budget line items otherwise approved by Council.

Inflationary risk factors have been a significant budget concern since 2021. Over 2022-2024 supply pricing to the Town was disrupted with operating item costs increasing up to 30% and capital project costs by up to 100%. Since then, operating base budgets and capital project estimates are being steadily adjusted for 2022-2024 cost escalation impacts. However, new geopolitical risks emerged in 2025 in the form of trade tariffs between nations which could disrupt the supply chain and result in higher costs and delays in supply deliveries over 2026-2030. Except for the Sewer Utility Outfall project estimate this Financial Plan does not include allowances for higher costs due to trade tariffs, trade wars, or wars impacting on supply chains.

A new Collective Agreement ("CA") was negotiated in 2024 covering 2025-2028. The prior CA had significantly underestimated cost-of-living increases (a gap of 7.6%) and the Town consistent with other BC local governments CA's agreed to compensation increases over 2025-2028 of 5%, 4%, 4%, and 3.5%. The underlying provision for cost-of-living increases for 2025-2028 was set at 2.1% per year. At the same time, but separate from the CA negotiations, Council approved the repositioning upward of the Town's compensation grid to the midpoint level of comparable BC local governments. This change is being implemented over 2025-2027 at a current estimated annual cost of $150,000. The change was made to help ensure the Town's compensation level is competitive on the BC Sunshine Coast and will increase staff retention and facilitate hiring of replacement staff.

Allowances for changes in prices (2026-2030) include:

- Labour - CA staff as negotiated above, Exempt staff at Statistics BC annual CPI change.
- Non-labour – 2% department allowances plus budget line changes approved by Council (note: carbon offset pricing is not a Town budget line item).
- Capital projects – estimates are adjusted based on consultants and marketplace updates.

2. General Municipal Tax Base

In determining how to best raise General Municipal tax revenue, Council considers changes in the property valuation assessment base, and economic conditions.

The total value of the 2026 Gibsons property assessment roll of $2,476,520,611 (or $2.5B) has decreased by 0.4% from 2025 (rolls prepared by the BC Assessment Authority - 2026 roll valuation date is July 2025). The Residential property class 1 has decreased 0.1% to $2,151,347,200 (or $2.2B); Single Family residences make-up $1,591,442,700 (or $1.6B) of that property class. Business property class 6 decreased by 2.8% to $306,131,400 (or $306M). Other commercial property class values decreased in the 2% - 4% range.

2026 economic conditions include a slowing labour market (higher overall unemployment rates), labour supply shortages (trades), new non-labour pricing and supply risks (tariffs, supply chain disruptions), and since 2025 new financial market disruption risks. Overall, the 2026 property market direction and property valuation outlook remains unclear.

3. General Municipal Tax Burden

Consideration is given to the ratios or relative tax burden carried by the different classes of property. While this includes periodic reviews of the Town's distribution of tax burden relative to other municipalities, the Gibsons tax base is not typical of many BC rural communities.

The Gibsons property assessment roll is heavily weighted to class 1 Residential property at 87% without heavy / light industry to shoulder a major portion of the tax burden. Instead, the Business property class 6 at 12% of the property assessment roll has formed an effective partnership with the Residential property class to share the total tax burden.

The 2026 taxation shares in the following table reflect current Town practice to generally maintain the same percentage share of taxes per assessment class for most classes.

Property Class	**2026 Assessment**		**2026 Taxation**	
Residential	$2,151,347,200	**87%**	$3,695,799	**72%**
Utilities	$1,594,700	-	54,256	**1%**
Light Industry	4,660,000	-	19,472	-
Business/Other	306,131,400	**12%**	1,345,631	**26%**
Rec. / Non-Profit	6,663,600	-	42,755	**1%**
Farming	46,711	-	373	-
	$2,470,443,611		**$5,158,286**	

4. **General Municipal Revenues Required**

In 2026, the General Municipal tax revenue requirement was budgeted at $5,158,286 resulting in an **overall general municipal tax increase of 7.83%**.

The net tax increase components include:

- 7.83% increase to maintain Municipal Services
- 0% increase to fund 2027 RCMP contract transition
- 0% increase to fund Non-Utility infrastructure reinvestment

5. **Gibsons Single Family Residence (2026 example)**

In 2025, a typical Gibsons home per the BC Assessment Authority was valued at $963,000 for property tax purposes. In 2026, the property is valued at $948,000 reflecting a $15,000 or 2% decrease. In 2024, the property owners paid Municipal taxes of $1,516 (General). In 2025, they will pay Municipal taxes of approx. $1,629 or an **$113 or 7.45% increase**.

Actual municipal taxes will vary from the overall 7.83% tax increase due to actual individual property value changes.

6. **Lower Gibsons Business Property (2026 example)**

In 2025, a selected Gibsons business property (retail / restaurant) was valued at $1,126,000 for property tax purposes. In 2026, the property is valued at $1,039,000, reflecting an $87,000 or 8% decrease. In 2025, the property owners paid Municipal taxes of $4,463 (General). In 2026, they will pay Municipal taxes of approx. $4,568 or a **$105 or 2.35% decrease**.

Actual municipal taxes will vary from the overall 7.83% tax increase due to actual individual property value changes.

7. **Upper Gibsons Business Property (2026 example)**

In 2025, a selected Gibsons business property (materials & supplies) was valued at $6,157,000 for property tax purposes. In 2026, the property is valued at $5,862,000, reflecting a $295,000 or 5% decrease. In 2025, the property owners paid Municipal taxes of $24,405 (General). In 2026, they will pay Municipal taxes of approx. $25,768 or a **$1,363 or 5.58% increase**.

Actual municipal taxes will vary from the overall 7.83% tax increase due to actual individual property value changes.

C. **Use of Property Tax Exemptions**

1. **Permissive Tax Exemptions**

The Town grants Permissive Tax Exemptions ("PTE") under Section 224 of the *Community Charter*. A list of those exemptions and their value is included in the Town's Annual Report which is available on the Town's web site. Council recognizes that granting PTE's to some properties shifts their tax burden to the Town's remaining taxable properties.

Senior governments (Canada, BC) under legislation / regulation provide a range of Statutory Exemptions that cover the property tax relief needs of:

- seniors' care homes
- hospitals
- private schools
- public worship bodies

The Town decided historically and through 2024 to add PTE tax relief on top of those Statutory Exemptions.

Commencing in 2025, when a property is Statutory Exemption eligible, no additional PTE relief will be granted by the Town, other than in the case of Religious Organization properties (public worship bodies) and in that circumstance to generally raise the total exemption to cover a maximum of 75% of the property's total assessed value.

Senior governments do not provide property tax exemption support to:

- assisted living homes
- nonprofit organizations
- recreational organizations

The Town provided PTE program property tax savings to many of those properties / organizations in Gibsons through 2024.

In 2024, Council after public consultation, ended the Town's general PTE program for non-Statutory Exemption eligible properties, with select exceptions continuing after the 2024 tax year.

2. **Partnering Agreement Exemptions**

The Town has no partnering agreements under Section 225 of the *Community Charter*.

3. **Revitalization Tax Exemptions**

The Town has no revitalization tax exemption programs.