



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

From: **Finance Department**

Date: **October 1, 2025**

Draft 2026 Financial Plan and Next Steps

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATIONS:**

- A. THAT the Draft 2026 Financial Plan be received for information.
- B. THAT staff proceed with public consultation on the Draft 2026 Financial Plan.

▪ **PURPOSE:**

To provide Council with the Draft 2026 Financial Plan and seek Council direction to proceed with public consultation.

▪ **BACKGROUND:**

The *Community Charter* requires Council adopt a five-year Financial Plan to include operating and capital items before May 15 of each year. The legislation also requires that the City undertake a public consultation process prior to adoption. Staff will begin the consultation process with release of the Draft 2026 Financial Plan.

▪ **DISCUSSION:**

The Draft 2026 Financial Plan has been prepared through significant effort and collaboration across departments, with a strong focus on aligning with the City's goals and priorities as established by Council. The Plan also incorporates feedback from the Community Satisfaction Survey, presented at the May 5, 2025 Council meeting.

In early 2025, the City conducted a Community Satisfaction Survey to gather feedback on City services and hear ideas for priorities. The comprehensive feedback was provided to staff to consider in the preparation of department plans. Overall, the results indicate that 82% of residents feel they receive fair to very good value for their tax dollars. The survey also identified the following three priorities which have been incorporated in the Draft 2026 Financial Plan:

- Road improvement and traffic management
- Population growth and impact on the community
- Investment in recreation facilities and community events

The City of Delta has prepared its draft budget in a challenging financial environment, marked by rising service delivery costs along with increasing service demands. Additional pressures include increasing costs from external agencies such as E-Comm and Metro Vancouver, infrastructure needs, and global economic uncertainties related to evolving tariffs.

Staff are working to balance cost pressures and service demands, while maintaining a reasonable property tax increase. Actions taken to manage City finances include:

- Prioritizing services and aligning resources with City goals and community expectations
- Streamlining operations and finding efficiencies through initiatives such as adopting technology solutions like eApply (online building permit application system), along with ongoing evaluation of procurement, investment, and cash management strategies
- Pursuing grant funding and other revenue opportunities

The City owns a diverse range of assets with an estimated replacement value of over \$4 billion, including buildings, parks, vehicles, roads, and water and sewer systems. Delta’s ability to deliver essential services (e.g., clean water, wastewater treatment, emergency response, recreation, and drainage), is directly tied to the condition of these assets. Through financial planning, the City continues to invest in asset maintenance and renewal with the goal to ensure long-term, sustainable service delivery. This includes proactive asset management to prioritize critical infrastructure, mitigate asset failure risks, optimize maintenance and operating costs, and sustain reliable service delivery. Staff are currently undergoing a detailed review of the City’s assets to develop a sustainable Asset Management Program. Similar work by other municipalities has identified significant infrastructure funding gaps and staff expect similar outcomes. A comprehensive needs analysis along with a sustainable funding strategy will be reported back to Council as part of this work.

The proposed Draft 2026 Financial Plan maintains core service levels for Delta residents and businesses while incorporating key infrastructure investments in the community. The proposed tax increase is 2.9%. For a typical residential home with an assessed value change in line with the average, this equates to an estimated \$8 per month increase.

The Draft 2026 Financial Plan totals \$538.8 million (Attachment A) and includes:

Draft 2026 Financial Plan (\$ millions)	2025	2026	Change
General Operating	257.4	268.1	10.7
Utilities Operating	66.8	71.2	4.4
Capital Plan	228.1	199.5	(28.6) *
Total Expenditures (excludes depreciation & contributed assets)	552.3	538.8	(13.5)

**The Capital Plan fluctuates year to year based on funding, staff capacity, and the timing of ongoing capital projects.*

General Operating

The Draft General Operating Budget of \$268.1 million funds core services such as police, fire and emergency services, parks, recreation and culture, engineering, development, libraries, and administrative functions. It is funded primarily by property taxes, with other revenues from development, recreation fees, payments in lieu of taxes, investment income, and business licences.

This budget includes funding for wage and benefit obligations, technology software subscription costs, and City maintenance cost increases. It also continues support for new housing mandated by the Provincial Government, community support, and public engagement, while maintaining protective services levels with additional funding for both Police and Fire Departments, including an estimated 10% increase to E-Comm levies.

The Draft Financial Plan focuses on the City's goals and priorities and addresses feedback results from the 2025 Community Satisfaction Survey. In addition to maintaining core services, the Plan provides increased funding to meet the growing demand for recreational services, enhances community events and placemaking initiatives such as Canada Day celebrations, Luminary Festival, DIYAfest, Ladders, Lights & Loaders, viewing parties, movie nights, pop-up parks, and public art. The Plan also includes funding to continue to advance proactive asset management practices.

Utilities Operating

The Draft 2026 Utilities Operating Budget is \$71.2 million, which includes funding for water, sewer, and solid waste (garbage, yard/green waste and recycling) programs. These services are self-funded through user fees set annually. The proposed rate increases will support sustaining current service levels with increased funding toward City operations and Metro Vancouver service costs.

For a typical residential property, utility charges are proposed to rise by 3.2% (approximately \$4 per month). Final utility rates are subject to Metro Vancouver rate approvals in late October 2025.

Capital Plan

The Draft 2026 Capital Plan totals \$199.5 million, comprising of \$124.5 million in new projects and \$75 million in ongoing projects and provisions. It is funded through property taxes, utility fees, development cost charges (DCCs), reserves, grants, and borrowing. The City was recently awarded a \$14.2 million grant through the Canada Mortgage and Housing Corporation (CMHC) Housing Accelerator Fund, which will be received over the 3-year agreement. This grant funding will be allocated to initiatives that help grow Delta's housing stock and growth-related infrastructure.

The Capital Plan includes funding for renewal and replacement of Delta's assets to ensure the community continues to receive quality services. The Capital Plan includes funding for capital programs such as buildings, roads, utilities, parks, information services, vehicles and equipment, and other items. In addition, the Plan aims to meet the

community's priorities for investments in roads, recreation and infrastructure renewal with the following key projects:

- Road improvements and traffic management: road paving, new traffic signals, crosswalk upgrades and installations
- Transit infrastructure: bus shelters, benches, and accessibility
- Tilbury and Annacis Island industrial areas: River Road cycle network, Derwent Way sidewalk improvements, and bus shelter & bench installations
- Tilbury Ice mechanical upgrades
- Mackie Park and Hawthorne Park fieldhouses
- Dennison Park pickleball court expansion (2026 design)
- 84 Street Pump Station

In addition, the Plan funds agricultural investments such as 88 Street rural road improvements and irrigation upgrades. Consultation and community engagement are currently underway on the master plans for Delta parks and John Oliver Park.

Highlights of the City's multi-year major projects include:

- **Winskill Aquatic and Fitness Centre replacement:** \$130 million, with \$10 million in the 2024 budget, and \$60 million budgeted in each of 2025 and 2026. The current aquatic and fitness centre will be replaced with a new, larger, and more modern facility featuring:
 - a new gymnasium and additional multi-purpose rooms
 - expanded fitness area
 - expanded natatorium with a 10-lane lap pool, leisure pool, four-lane teach pool, sauna, steam room, cold plunge, water slide, and hot tub
 - expanded parking

This project also includes upgrades to Winskill Park, including the construction of new ball diamonds as well as a reforestation plan.

- **Annieville Park upgrades:** \$7 million to renew and modernize the park's aging infrastructure, enhance accessibility, and accommodate increased demand in this popular park. Highlights include a new spray park, sport court space, fieldhouse, and central plaza.
- **Ladner waterfront revitalization:** \$4.5 million to create a vibrant public space for gathering and event hosting in Ladner Village through the activation of the Chisholm Street Wharf and targeted upgrades to Spot on the Water and the Elliott Street Wharf.
- **Cromie Park improvements:** \$7 million in upgrades include the construction of the Ladner Minor Baseball Association Indoor Training Centre, additional sport court space, renewed parking lot, and the addition of a third baseball diamond.

Financial Plan Community Engagement

Residents have a further opportunity to be involved in the preparation of the 2026 Financial Plan in addition to the 2025 Community Satisfaction Survey conducted earlier this year. Between October 7 and 30, the City will conduct an engagement program inviting residents to learn more about what is proposed in the Draft 2026 Financial Plan and provide feedback. Some of the key features of the engagement program include opportunities to:

- Learn about the draft budget through Delta's social media channels, newspaper ads and digital reader boards
- Review the draft budget and engagement guide on Delta's engagement platform **letstalk.delta.ca/2026-budget**
- Complete an online form to share feedback on the budget
- Attend public open houses to discuss the budget with staff in advance of the Council Budget Workshops
- Seek input from the business community through a targeted feedback form and a meeting with the Board of the Delta Chamber of Commerce

The Draft 2026 Financial Plan (Attachment A) and supporting engagement materials (Attachments B and C) are included in this report and are also available at **letstalk.delta.ca/2026-budget**.

Key Dates:

On October 29 and 30, City staff will be holding public open houses to invite the community to learn more about the Draft Financial Plan and other City initiatives and share their views.

Following the open houses are budget workshops with Council to discuss the budget in detail.

Open Houses and Council Workshops are planned for the following dates and times:

- Oct 29 – Open House #1 (4:30 – 6:30 pm at NDRC)
- Oct 29 – Council Budget Workshop #1 (7pm at NDRC)
- Oct 30 – Open House #2 (4:30 – 6:30 pm at City Hall)
- Oct 30 – Council Budget Workshop #2 (7 pm at City Hall)

Implications:

Financial Implications - Adoption of the 2026 to 2030 Financial Plan provides the required spending authority for operating and capital purposes. The \$538.8 million Draft 2026 Plan incorporates a 2.9% property tax increase. For a typical residential home, the estimated monthly increases are \$8 for property taxes and \$4 for utilities, a total monthly impact of \$12.

▪ **CONCLUSION:**

The Draft 2026 Financial Plan reflects Council’s goals and community feedback as per the 2025 Community Satisfaction Survey. The public are encouraged to review the plan and provide input by October 30, 2025 by visiting: letstalk.delta.ca/2026-budget.



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This report has been prepared in consultation with the following listed department.

Concurring Department		
Department	Name	Signature
Communications & Engagement	JoAnne Kleb	JK

▪ **ATTACHMENTS:**

- A. Draft 2026 Financial Plan
- B. Draft 2026 Budget Engagement Guide
- C. Consultation Open House Poster Boards