

# CITY OF FERNIE

## 2026 BUDGET AT A GLANCE



# WHAT IS A MUNICIPAL BUDGET?

Every year, Council and staff collaborate on the annual budget and five-year financial plan to determine how our limited tax dollars and resources are invested.

Budgeting decisions are guided by Council's Strategic Plan, the long-term needs of our infrastructure and assets, and what we hear matters most to residents.

Whether it's turning on the tap, accessing recreation programs, driving on well-maintained roads, or knowing emergency responders are ready when needed, City services play a vital role in your daily life and in keeping our community safe and healthy.



The Annual Budget is made up of two expense groups – the **Operating** budget and **Capital** budget.

## Operating Budget

The **operating budget** covers the everyday costs required to keep municipal services running smoothly. These include essentials such as snow removal, staffing, recreation programs, and the ongoing maintenance of public facilities. These are the recurring expenses that ensure the community can function safely and reliably.

Thinking of it like a household budget, operating costs are your monthly bills; groceries, utilities, phone and internet, clothing, and other regular needs that keep your home functioning day to day.



## Capital Budget

The **capital budget** funds major projects that build, renew, or replace the community's assets. These are typically larger investments such as road reconstruction, facility upgrades, park development, and the purchase of heavy equipment or vehicles. Capital projects often have long lifespans and require careful planning because they shape the city's infrastructure for decades to come. Much like replacing a roof, renovating a home, or buying a vehicle in your personal finances, capital spending represents infrequent but important investments that support the community's long-term needs.

Utility services, including clean drinking water, reliable wastewater management, and curbside garbage, recycling and organics collection are not funded through property taxes. Instead, they are paid for separately through quarterly utility bills. These services must be financially self-supporting, which means the fees collected go directly toward operating, maintaining, and upgrading the systems residents use every day.

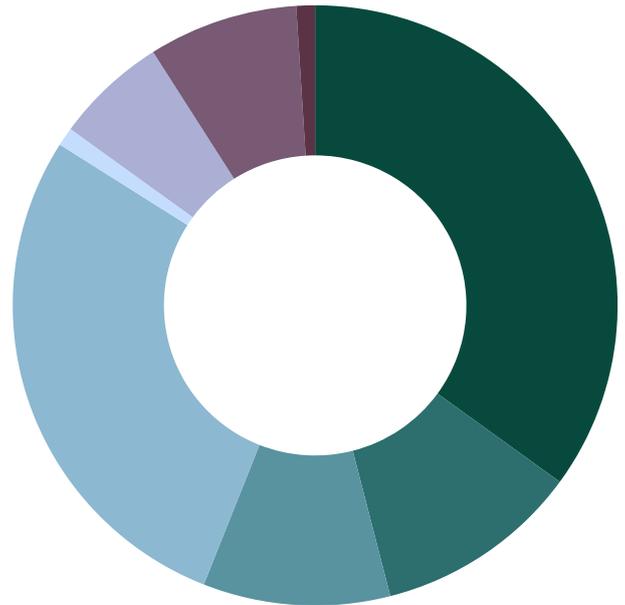


In 2026, water and wastewater rates increased, to keep pace with rising costs and maintenance requirements, and to support necessary upgrades to aging pipes and treatment systems. These improvements help ensure safe drinking water, reliable wastewater management, and long-term system resilience.

# WHERE DOES OUR REVENUE COME FROM?

The City's budget is funded through a variety of ways, with the largest portion coming from property tax revenue.

- Taxation 35%
- Mine Sharing Revenue 11%
- Fees & Charges 10%
- Grants & Borrowing 28%
- Investment Revenue 1%
- Water Utility Revenue 6%
- Sewer Utility Revenue 8%
- RDEK Fire Protection 1%



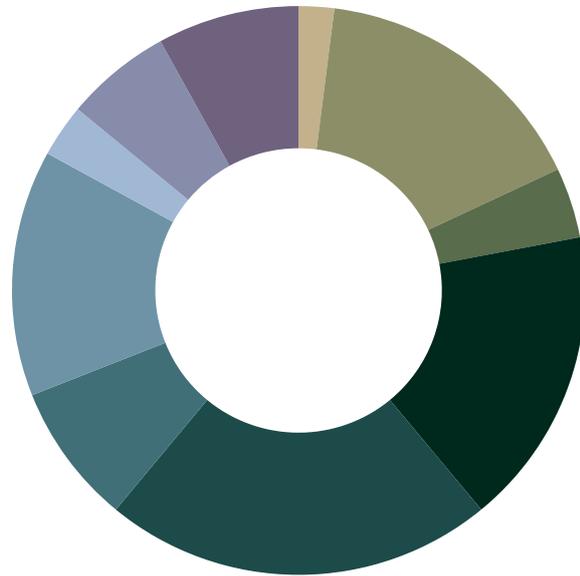
## 2026-2030 Financial Plan Revenues

	2026	2027	2028	2029	2030
<b>Revenue</b>					
TAXATION	15,864,733	18,537,226	20,086,575	20,877,276	21,692,391
PARCEL TAXES	522,136	537,800	553,934	570,552	587,669
WATER SERVICE	1,754,965	1,807,614	1,861,842	1,917,698	1,975,229
SEWER SERVICE	2,409,552	2,481,839	2,556,294	2,632,983	2,711,972
SOLID WASTE/RECYCLING	597,180	615,095	633,548	652,555	672,131
PROTECTIVE SERVICES	465,892	479,869	494,265	509,093	524,366
PARKS, RECREATION AND CULTURE	922,958	950,647	979,166	1,008,541	1,038,797
PLANNING AND DEVELOPMENT	1,362,600	1,403,478	1,445,582	1,488,950	1,533,618
GRANTS	1,468,128		7,015,663		-
INVESTMENT INCOME	400,000	412,000	424,360	437,091	450,204
PROCEEDS FROM BORROWING	8,000,000	8,000,000		-	-
	<b>33,768,145</b>	<b>35,225,568</b>	<b>36,051,230</b>	<b>30,094,738</b>	<b>31,186,376</b>

# WHERE DO YOUR TAX DOLLARS GO?

Money that the City collects through taxation helps fund our financial plan and allows us to maintain City infrastructure and provide a wide range of services. The five-year Financial Plan shows how all the City’s revenue (taxes, grants, user fees, utilities, and other sources) will be invested to deliver services and maintain the assets our community depends on.

- Legislative 2%
- Corporate Administration 16%
- Grants & Partnerships 4%
- Protective Services 17%
- Parks and Facilities 22%
- Planning & Development 8%
- Public Works 14%
- Solid Waste 3%
- Water Services 6%
- Sewer Services 8%



## 2026–2030 Financial Plan Expenses

	2026	2027	2028	2029	2030
<b>Expenditures</b>					
LEGISLATIVE	336,805	346,910	357,317	368,036	379,078
CORPORATE ADMINISTRATION	3,293,058	3,391,850	3,493,605	3,598,413	3,706,366
GRANTS AND PARTNERSHIPS	735,559	757,626	780,355	803,765	827,878
PROTECTIVE SERVICES	3,465,281	3,569,239	3,676,317	3,786,606	3,900,204
PARKS AND FACILITIES	4,328,809	4,458,673	4,592,433	4,730,206	4,872,112
PLANNING AND DEVELOPMENT SERVICES	1,630,776	1,679,699	1,730,090	1,781,993	1,835,453
PUBLIC WORKS	2,854,039	2,939,660	3,027,850	3,118,686	3,212,246
SOLID WASTE MANAGEMENT & RECYCLING	611,701	630,052	648,954	668,422	688,475
WATER SERVICES	1,210,457	1,295,189	1,334,045	1,374,066	1,415,288
SEWER SERVICES	1,556,394	1,665,341	1,731,955	1,801,233	1,873,282
<b>TOTAL OPERATING EXPENSE</b>	<b>20,022,879</b>	<b>20,734,239</b>	<b>21,372,920</b>	<b>22,031,427</b>	<b>22,710,382</b>

# SNAPSHOT OF CITY SERVICES

Here are some of the everyday services that your tax dollars fund:

- Road and sidewalk repair and maintenance
- Snow removal and street sweeping
- Street lighting
- Water, wastewater, and waste collection
- Fire protection
- Bylaw enforcement
- Building inspections and permitting
- Zoning and land use planning
- Development approvals and permitting
- Public parks and trails
- Community events and programming
- Business licensing
- Community grants and partnerships
- Tax collection
- Voting and elections
- Customer service and information



The 2026 Budget was developed based on the following guidelines endorsed by Council:

1. Engage the public throughout the budget process.
2. Protect core service continuity first.
3. Fund growth with growth.
4. Align capacity and efforts with Council’s strategic priorities.
5. Establish a reserve funding policy.
6. Maintain service levels and align new staff positions with priority areas, growth and regulatory requirements.
7. Provide consistent community funding.

**The Budget Guidelines were developed with community input in fall 2025. Feedback helped inform the guidelines that have shaped the draft operating and capital budgets.**

## OTHER CONSIDERATIONS:

- **Inflation** - The 2026 budget was developed taking into account inflation (BC CPI 2.1%)
- **Contractual obligations** - Increases in wages and benefits have been included in the draft budget. We will begin renegotiating our collective agreement with IAFF in 2026.
- **Service Levels** - We’ve used existing service levels, and the increased costs to maintain them (approximately 4% increase in 2026 for the status quo.)
- **Non-Market Change, Mine Tax** - Non-market change is \$171,000, and the Mine Tax is approximately \$3.60 million (\$35,370 increase over 2025)

**It’s an election year** - General Local Election Day is October 17, 2026. The election is an operating project with \$45K budgeted to hire an Elections Officer , rent vote counters, and produce communications material.

Balancing the budget means matching every dollar of planned spending with a confirmed source of revenue. After applying all projected revenues for 2026, the City still faces a \$413,909 shortfall. This is the gap that must be closed before the City can present a legally balanced budget.

## Preliminary shortfall for 2026 - \$413,909

### Major revenue increases & cost drivers

• Salaries up (new positions / contractual obligations)	\$1,014,207
• Benefits up	\$252,241
• Computer Licensing & Support up	\$49,255
• Utilities down	(\$46,714)
• Non-market change revenue up	(\$170,969)
• Mine tax sharing agreement up	(\$35,370)
• Additional building permit revenue	(\$663,000)
• Other up	<u>\$14,259</u>
<b>Total</b>	<b>\$413,909</b>

### Unbudgeted Asks

The following asks are not included in the draft 2026 Budget, but have been presented for Council consideration:

- Community Partnerships
  - Fernie Heritage Library – 6% increase to the annual operating grant **\$15,911**
  - Fernie & District Historical Society – annual operating increase of **\$13,000**
  - Fernie Trails Alliance – annual funding request of **\$55,000** - **\*new ask**
  - Fernie Chamber of Commerce – Economic Development proposal **\$60,000** (annually for 3 years) - **\*new ask**
- Additional seasonal staff for Parks, Facilities, and Recreation - **\$20,000**
- Increase capacity to upgrade outdated software and procedures - **\$38,000**
- Reserve Funding policy (contributing 25% of new revenue to reserves) - **\$51,584**
- Noise reduction assessment for Arena Ice Plant - **\$10,000**

The preliminary tax increase could rise based on Council's direction at the March 10 Council Meeting.

The 2026 Capital Plan includes approximately \$13.0 million in new projects, and \$2.8 million in carry forward projects underway or to be completed in 2026/27



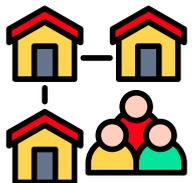
Construction of the City’s new Fire Hall is scheduled to begin in spring 2026, with **\$8M** budgeted this year and the remaining funds to be spent in 2027. The purpose-built fire hall will be operational in fall 2027 providing enhanced emergency response.



Upgrades to 16th Street to resurface the roadway after the watermain rehabilitation **\$160,000**. Repairs to the Pine Ave. Bridge, as well as 5-year Bridge Inspections **\$72,500** and three traffic calming projects in Mountview, Downtown, and 4A Ave. **\$65,000**.



Key projects to enhance communications and engagement including: creating a framework for consistent public consultation **\$30,000**, a website assessment **\$15,000**, to prepare for a new modern and accessible website.



Work will continue on the Official Community Plan (OCP) Update with Round 2 engagement and the completion of the draft OCP schedule in 2026 **\$80,000** before the new plan is expected to be before Council for adoption in 2027.



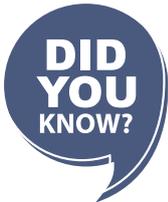
Advancing Phase 2 of our Records and Information Management **\$75,000** and key technology optimization and digital transformation projects to support modern service delivery **\$531,500**.



Comprehensive facility assessments will be completed to help plan for future investment **\$300,000** and we’ll be investing **\$64,000** in safety and accessibility upgrades focused at the Fernie Memorial Arena.

If approved, this year's budget would result in a **4.03% tax increase** for residential properties in Fernie.

What does that mean for me?  
 for the average home in Fernie assessed at \$990,108 the 4.03% increase equates to an additional \$132.11 for the City portion of the tax bill.



City taxes only make up half of the property tax bill homeowners receive each spring. The City also collects taxes on behalf of other public authorities including the RDEK and the School District.

## Assessed Value vs. Property Tax?

An increase on your property assessment doesn't necessarily mean you'll be paying more in property taxes this year. **How does it work?**



**2025 assessed value: \$924,478**  
*(average value of a SF home in Fernie)*  
**2025 tax rate: \$3.32** per \$1,000 of assessed value  
**2025 tax collected: \$3,072.39**

**2026 tax rate increase: 4.03%**  
**2026 assessed value: \$990,108**  
*(average value of a SF home in Fernie)*  
**2026 tax rate: \$3.23** per \$1,000 of assessed value  
**2026 tax collected: \$3,204.50**

\*\* 2026 numbers are not final, pending revised report from BC Assessment

# CONTRIBUTIONS TO RESERVES

The City of Fernie contributes annually to reserves. These funds are intended to be available to fund the renewal of the City's municipal infrastructure and help minimize year-over-year spikes in taxation.

Description	2026 BUDGET	2025 ACTUAL (estimate)	2024 BUDGET	2023 ACTUAL	2022 ACTUAL	NOTES
Transfer to Stormwater Reserve	100,000	150,000	150,000	150,000	150,000	
Transfer to Stabilization Reserve	-	273,732	-	254,164	254,164	
Transfer to Affordable Housing Reserve	-	-	-	-	-	
Transfer to Streets Reserve	1,100,000	700,000	700,000	700,000	700,000	
Transfer to Facility Renovation Reserve	600,000	500,000	500,000	500,000	500,000	
Transfer to Mobile Equipment Reserve	1,296,816	1,196,816	900,000	900,000	900,000	
Transfer to Courthouse Maintenance	25,000	25,000	25,000	25,000	25,000	
Transfer to Equipment Reserve	-	-	-	-	-	
Transfer to Federal Gas Tax Reserve	346,035	346,035	305,909	307,139	307,139	
Transfer to Snow Removal Reserve	-	-	-	-	-	
Transfer to RMI Reserve	537,033	537,033	427,063	321,785	321,785	actual cap expenditures
Transfer to Capital Reserve	314,189	314,189	516,816	245,920	245,920	
Transfer to Cemetery Care Trust	2,500	2,500	2,500	2,500	2,500	
Transfer to Parkland Dedication Reserve	-	-	-	-	-	
<b>TOTAL Transfers to Reserves</b>	<b>4,321,573</b>	<b>4,045,305</b>	<b>3,527,288</b>	<b>3,406,508</b>	<b>3,406,508</b>	



## DID YOU KNOW?

Contribution amounts are guided by the Asset Management Investment Plan.

The City of Fernie will contribute **\$717,689** this year in discretionary funds toward **arts, culture, and community development** in two streams: one for facility expenses (building maintenance, insurance, etc.) and one for day-to-day operations.

	2026 BUDGET	2025 ACTUAL (estimate)	2025 BUDGET	2024 BUDGET
DISCRETIONARY FUNDS: GRANTS	14,400	11,713	14,400	14,400
CHAMBER OF COMMERCE: GRANTS	112,023	111,134	108,760	106,627
FERNIE HERITAGE LIBRARY: GRANTS	265,187	265,187	265,187	250,176
FERNIE ARTS COUNCIL: GRANTS	40,835	40,835	40,835	40,835
EDUCATIONAL SCHOLARSHIPS: GRANTS	3,000	2,250	3,000	3,000
FERNIE & DIST HISTORICAL SOCIETY MUSEUM	52,000	52,000	52,000	52,000
BEAR AWARE PROGRAM: GRANTS	6,000	10,000	10,000	6,300
ACCESS GUARDIAN PROGRAM	13,000	13,000	13,000	11,250
SENIORS DROP IN CENTRE	27,000	27,000	27,000	27,000
	<b>533,445</b>	<b>533,118</b>	<b>534,182</b>	<b>511,588</b>

Chamber of Commerce - Visitor Information Centre				
VIC Operating Agreement	112,023	111,134	108,760	106,627
Facility Operating Expense	41,819	18,104	42,169	40,111
<b>TOTAL</b>	<b>153,842</b>	<b>129,238</b>	<b>150,929</b>	<b>146,738</b>

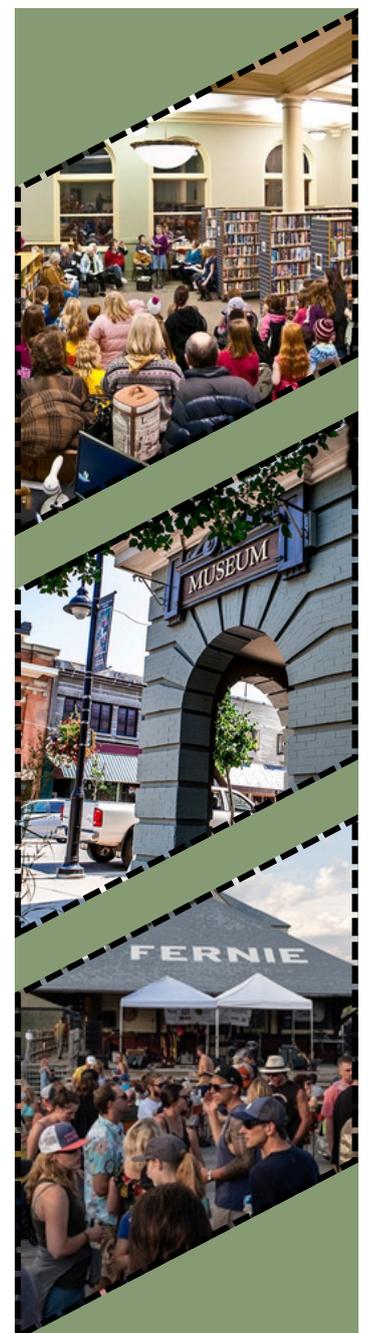
Senior Citizens Club of Fernie & District				
Funding Agreement	27,000	27,000	27,000	27,000
Facility Operating Expense	35,018	24,982	35,242	33,486
<b>Total Senior Citizen Club</b>	<b>62,018</b>	<b>51,982</b>	<b>62,242</b>	<b>60,486</b>

Fernie Heritage Library				
Funding Agreement	265,187	265,187	265,187	250,176
Facility Operating expense	72,195	35,169	67,552	63,392
<b>Total Heritage Library</b>	<b>337,382</b>	<b>300,356</b>	<b>332,739</b>	<b>313,568</b>

Fernie and District Arts Council - Arts Station				
Funding Agreement	40,835	40,835	40,835	40,835
Facility Operating expense	52,262	26,655	56,332	53,367
<b>Total Arts Council/Arts Station</b>	<b>93,097</b>	<b>67,490</b>	<b>97,167</b>	<b>94,202</b>

Fernie & District Historical Society: Museum				
Funding Agreement	52,000	52,000	52,000	52,000
Facility Operating expense	19,351	4,715	18,929	15,361
<b>Total Museum</b>	<b>71,351</b>	<b>56,715</b>	<b>70,929</b>	<b>67,361</b>

<b>Total of above</b>	<b>\$ 717,689</b>	<b>\$ 605,781</b>	<b>\$ 714,006</b>	<b>\$ 682,355</b>
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Try our new interactive budget trade off tool and provide your thoughts on Budget 2026. Available until March 8, 2026.



## Other Ways to Provide Feedback

- Send an email to [letstalk@fernie.ca](mailto:letstalk@fernie.ca) with the subject line "2026 Budget"
- Mail to: City Hall, 501 3rd Avenue, Box 190, Fernie, BC V0B 1M0