

2023 Draft Budget Summary

What's Proposed?

Council is considering a 6.96 per cent tax increase this year to match inflation, down from an 8.99 per cent increase proposed in January.

Inflation has increased the costs of goods, services and labour, meaning the City's budget must also increase to continue to deliver the same level of programs and services that Victoria residents expect, while considering the best value for tax dollars. As the City enters the fourth year of the COVID-19 pandemic, it is facing different pressures – some are economic, some are environmental – all are global.

On February 6, a Council motion directed staff to develop a new 2023 Draft Budget that caps the property tax increase at inflation – 6.96 per cent – and that the Police Board develop a new draft budget at the same rate.

On February 17, Council approved a budget in principle that includes mitigation strategies to achieve the lower tax rate, in addition to reprioritizing some operations. Information about these proposed adjustments is included in this Budget Summary and not yet reflected in the 2023 Draft Budget.

The Police Board will present its 2023 VicPD Provisional Budget to Council at a later date for consideration.

The City's 2023 Draft Budget proposes to invest \$297.95 million in the operating budget and \$64.9 million in capital budget improvements.





Your City Budget.

Tell us what matters most.



You're invited to provide feedback on the 2023 Draft Budget and City core services and programs that are most important to you.

All community feedback will be summarized and shared with Council to help inform how to best invest your tax dollars.




**Have
Your
Say**


Complete a **short online survey** by **Sunday, March 5 at 11:59 p.m.**



Email **engage@victoria.ca** with “City Budget” in the subject line **by Sunday, March 5.**



Participate in a **public meeting** on **Thursday, February 23 at 6:30 p.m. at Victoria City Hall.** Address Council in person, by phone, or by written or video submission and tune in to the live webcast.



Learn more at engage.victoria.ca

Council Motions for Adjustments to 2023 Draft Budget

At a Special Committee of the Whole Meeting on February 17, 2023, Council approved in principle the following updates that are not yet reflected in the 2023 Draft Budget.

That Council direct staff to adjust the draft 2023 Financial Plan as follows:

1. Reduce the expenditure budget for Communications and Engagement by \$82,000
2. Reduce the expenditure budget for Business and Community Relations by \$220,000
3. Reduce the expenditure budget for Solid Waste by \$100,000
4. Increase parking revenues through the following adjustments to parking rates effective May 1, 2023:
 - a. On-street – all zones increase by \$0.50 per hour Monday to Saturday – revenue increase of \$450,000
 - i. 90-minute time limit zone \$3.50 per hour (currently \$3 per hour)
 - ii. 2 hour and 4 hour time limit zones \$3.00 per hour (currently \$2.50 per hour)
 - iii. 3 hour time limit zones \$2.50 per hour (currently \$2 per hour)
 - iv. 24 hour time limit zone \$2.00 per hour (currently \$1.50 per hour)
 - b. Extend paid on-street parking and parkade parking from 6pm to 7pm – revenue increase of at least \$900,000 with any excess amount to be put into the local amenities reserve fund
 - c. Parkades – increase hourly rate by \$0.50 – revenue increase of \$900,000
 - i. Centennial, Johnson and View – \$2.50 per hour, daily maximum of \$15 (currently \$2 per hour, daily maximum of \$14)
 - ii. Broughton – \$2.50 per hour, daily maximum of \$17.50 (currently \$2 per hour, daily maximum \$16)
 - iii. Yates – \$2.50 per hour, daily maximum of \$17.50 (currently \$2 per hour, daily maximum \$16)
5. Direct staff to pause the Dogs in Parks review in the amount of \$400,000
6. Direct staff to allocate \$50,000 to Our Place Society for extending their operating hours and \$50,000 for their storage program from surplus
7. Direct staff to extend the Pandora Caretakers program until December 31st, 2023 at the cost of up to \$80,000 from an application to the provincial government, or if unsuccessful, then from surplus and/or contingency
8. Direct staff to temporarily delay work on the Beacon Hill Park - Circulation and Accessibility Study in the amount of \$450,000
9. Direct staff to prepare the necessary financial and legal agreements to provide the Safety Initiative Reimbursement Agreement with an additional \$65,000, to be taken from the contingency budget, that can be utilized any time prior to December 31, 2024

2023 Draft Budget Highlights

The City is committed to investing in core services and to being responsive to ever-changing circumstances, whether they be environmental or economic, while ensuring the best value for tax dollars.

Continuing key areas of focus this year include housing, infrastructure, public safety, climate action and community well-being.

Housing

- Continue to implement the Official Community Plan and the Victoria Housing Strategy to address Victoria's current and future housing needs by planning for more housing capacity, enabling more affordable and secured rental housing, more diverse housing forms throughout the city and more housing suitable for families.
- Update zoning regulations to implement recently-approved local area plans in the Hillside-Quadra, North Park and Fernwood neighbourhoods to encourage the creation of new rental housing in walkable areas.
- Continue to process bi-annual applications to the Victoria Housing Reserve Fund program to provide grants for affordable non-market housing projects.
- Examine incentives to encourage the creation of new purpose-built rental housing and the revitalization of existing rental buildings, including energy efficiency and seismic upgrades to prolong the life of existing rental stock.
- Create a Family Housing policy to achieve the creation of two- and three-bedroom units in multi-unit residential buildings and ensure building and site designs meet the needs of families.
- Continue to facilitate tenant assistance during development application processes and provide tenant support through engagement and education materials that will help increase awareness and understanding of provincial and municipal tenant projections and resources.
- Continue to prioritize rental and affordable rental housing applications, including using delegated authority to expedite the review and processing of qualifying affordable rental housing projects.

Infrastructure

- Allocate \$20.73 million to the rehabilitation of Victoria's underground infrastructure including replacing and upgrading water, storm water and sewer mains.
- Invest \$9.96 million to improve major and local City streets, and another \$3.25 million for multi-modal corridor improvements to support road safety, liveability and accessibility on Gorge Road (Ross Lane to Harriet Road), Blanshard Street (Fort Street to Caledonia Avenue) and Bay Street (Esquimalt Road to Rock Bay Avenue).
- Allocate \$350,000 for traffic calming measures; approximately 15 blocks of speed humps, prioritizing installations on streets adjacent to schools, parks and streets with higher speeds and volumes. The investment also supports curb extensions or medians to enhance pedestrian crossings and safety.
- An investment of \$250,000 to support the continued improvement in cycling infrastructure across the city, including bike lanes and parking, wayfinding and crossing enhancements.
- Allocate \$100,000 to fund transit shelters, benches, accessibility improvements and passenger amenities (e.g., garbage cans and sign posts) as well as develop concept designs to support BC Transit's new Douglas Street RapidBus system.
- Invest \$550,000 to create approximately 10 new crosswalks and upgrade crossings at five locations. In addition, \$400,000 to support the replacement of ageing or damaged street lights in approximately 20 – 30 locations. The majority of our current streetlight system are metal poles with a lifespan of 20 years. New, galvanized poles with a 30 to 50-year lifespan are to be installed.

- Allocate \$550,000 towards new pedestrian/cyclist traffic signal and lighting safety upgrades and installation, and \$800,000 to modernize and upgrade aging traffic signal technology to help inform the City's Vision Zero approach to road safety.
- Invest \$850,000 in improvements to expand the City's pedestrian network of accessible sidewalks and pathways to support a welcoming experience for walking and rolling. An additional \$309,000 to be invested to replace and widen approximately four blocks of existing sidewalks.
- Invest \$5.3 million in City building critical infrastructure repairs and improvements at the Crystal Pool and Fitness Centre, Crystal Garden, Save-On-Foods Memorial Centre, Public Works Yard, Johnson Street Parkade and Victoria Fire Station #3. This includes \$70,000 for two Victoria neighbourhood centres: to upgrade the fire alarm system at James Bay New Horizons and the electrical systems at the Quadra Village Community Centre, and \$860,000 to improve accessibility in public washrooms.

Public Safety

- Continue to focus on public safety with \$19.15 million for fire services, \$4.87 million for bylaw and licensing services and an amount to be determined for the Victoria Police Department.

Climate Action

- Deliver climate action initiatives in Victoria's Climate Leadership Plan to reduce emissions by 80 per cent and transition to 100 per cent renewable energy by 2050. Deliver initiatives in the Climate Leadership Plan by investing \$2.6 million in the City's EV charging infrastructure.
- Invest \$9.8 million to replace aging service vehicle and heavy equipment used for City operations and advance the low carbon fleet to meet the City's greenhouse gas emissions reduction targets.
- Invest \$200,000 in the City's Zero Waste Victoria plan to replace more than 400 waste bins to improve collection efficiency and the cleanliness of City

streets, locate new zero waste stations (organics, recycling, garbage) in busy streets and parks, and install more cigarette butt recycling canisters.

- Implement adoption of higher steps of the BC Energy Step Code for new buildings and cap greenhouse gas emissions using carbon pollution standards to meet climate targets.
- Allocate \$475,000 to provide free bus passes to Victoria youth.

Community Well-Being

Equity, Diversity and Inclusion

- The Office of Equity, Diversity and Inclusion (EDI) will continue to champion and support the City's goal of embedding equity in the City's policies, programs and services through the City's Equity Framework. The EDI Office will continue to support implementation of cross-departmental equity-related plans such as the City's Transgender, Non-Binary, Two Spirit Inclusion Plan, Accessibility Framework and Welcoming City Strategy.

Parks

- Invest \$628,000 to develop a conceptual design for the Dallas Road Waterfront Park Improvement Plan, informed by community input.
- Support Victoria parks by investing \$871,000 to renew aging infrastructure such as fencing, irrigation, furniture, signage, pathways and stairs, lighting, drinking fountains and other structures. Another \$250,000 will go towards supporting tree health, protecting young trees and updating the City's Green Infrastructure Design Guidelines as part of the City's Urban Forest Master Plan.
- Support the restoration of natural areas and the development of a Natural Areas Management Plan for Stadacona Park with a budget allocation of \$261,000.

Arts and Culture

- Enhancing the vibrancy of our neighbourhoods and our downtown core contributes to Victoria's livability. The budget supports the design, production and installation of public art through the City's Artist in Residence program, Indigenous Artist in Residence program, Commute: Bus Shelter Art program and the Commercial Alley Outdoor Art Gallery and City's kiosk program. In addition, it champions the literary arts with the annual City of Victoria Butler Book Prize and Children's Book Prize.
- Allocate \$101,000 to improve seasonal lighting infrastructure and equipment including the addition of projections to animate key downtown locations to align with downtown business and tourism marketing initiatives. Another \$64,000 to replace aging festival equipment that supports a wide range of City and community-led outdoor festivals and special events.
- Support economic development by planning for an Arts and Innovation District in Rock Bay to encourage a hub of cross-sector collaboration where new high-value, future-oriented jobs are created and where Victoria's arts and culture sector can continue to flourish.

City Grants

- Provide \$5.2 million in community-driven initiatives and economic activity with the City's suite of grant programs that include Direct Award Grants, Festival Investment Grants, Community Garden Volunteer Grants and My Great Neighbourhood Grants.

Planning for the Future

- Undertake public realm improvements, including the design of new public plaza spaces envisioned in the Government Street Refresh concept plan and expand the City's Wayfinding Strategy into neighbourhood villages through design and installation of wayfinding signage.
- Implement the City's Childcare Strategy through zoning and process improvements to help facilitate new childcare spaces.
- Continue to find ways to streamline and accelerate building and development application processes to create much needed residential units, while also positively influencing goals related to the ongoing economic health of the city.
- Continue to advance the City's heritage program through the Heritage Conservation policy, programs and development that conserves and enhances heritage resources throughout the city.

Reserves

- Allocate approximately \$52.94 million for reserves and capital investment, including transfers to the Affordable Housing Reserve (\$660,000), Building and Infrastructure Reserve (\$5.53 million), Canada Community Building Fund Reserve (\$3.99 million) and Debt Reduction Reserve (\$3.16 million).

Frequently Asked Questions

Where does the City get its revenue from?

Similar to most Canadian municipalities, property taxation is the largest source of revenue (61 per cent for the City in 2023) funding most services provided by the City, followed by utility user fees from the water, sewer, solid waste and stormwater programs.

The City gets some additional revenue from parking, Victoria Conference Centre and property leases.

What is a city budget?

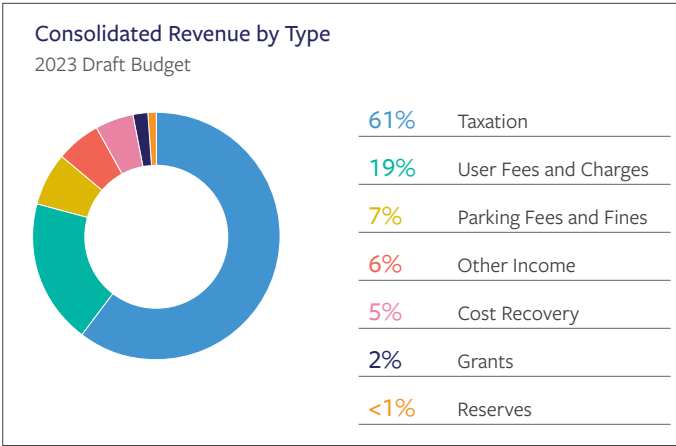
Like your own personal budget, the City’s budget is divided into two types of expenses – operating and capital.

The operating budget includes daily or regular expenses to keep things running smoothly. In your household, these would be things such as gas for your vehicle or groceries for your family. For the City, this includes garbage collection, clean water and the maintenance of facilities such as Crystal Pool and community centres, to name a few.

The capital budget includes one-time purchases or upgrades to invest in the future – things like renovations for your home or new appliances. For the City, capital expenses include things like road improvements, park upgrades or equipment needed to maintain roads or respond to emergencies.

What does the City’s Operating budget include?

The City’s Operating budget includes the majority of City’s services that are delivered by staff and the ongoing programs and services that the community relies on including recreation, road maintenance, clean water, land-use planning, solid waste collection, arts and culture programs, parks and playground maintenance, and public safety through the Fire Department, Bylaw Services and VicPD.



The Operating budget also includes resources to advance initiatives outlined in numerous plans such as the City’s Climate Leadership Plan, the Victoria Housing Strategy, Create Victoria and the City’s economic action plan Victoria 3.0.

What does the City’s Capital budget include?

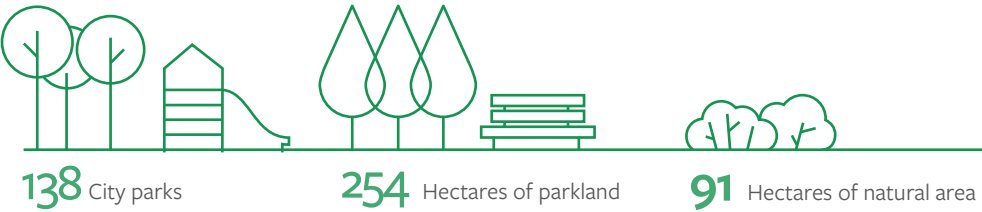
The City’s Capital budget includes various programs and projects to upgrade and rehabilitate the City’s infrastructure. The 2023 capital budget proposes sidewalk and crosswalk upgrades, cycling network implementation, rehabilitation of streets, park and playground improvements, facility lifecycle renewals, and underground infrastructure upgrades for the City’s water, sewer and stormwater systems.

What are the City’s reserves?

The City’s reserve funds are set up to save up money for future investment with the intent of smoothing out the impact on taxpayers, especially in years where larger than typical investments are needed. The City’s Reserve Fund Bylaw outlines the purposes and uses for each reserve.

Highlights of City Services

Maintain:



90,171
Social media
engagement

