VICTORIA, BC — City Council is considering several strategies to reduce annual operating expenditures and hold the tax increase to no more than 3.25% for 2013, 2014, and 2015. A 3.25% tax increase is the same tax increase applied in 2012 and is lower than previous years since 2000.

“While we continue to invest in the areas that improve customer service, grow the economy and support initiatives that improve the quality of life for all members of our community, we are faced with some challenging financial decisions,” noted Mayor Dean Fortin. “It’s important that the community have opportunities to learn more about the budget realities and the proposed reductions as we move through this process. I look forward to those conversations in the New Year.”

Annual investment continues in infrastructure, like parks and roads, as well as initiatives that improve customer service, making it easier for the taxpayer to access information and services. Planning for key capital projects like the Crystal Pool and Fire Hall #1, public transportation options, and asset management will be a focus in 2013-2015.

2013 Operating Budget Highlights:

- Focuses investment in priority areas
- $8.3 million towards maintaining Victoria’s 70 parks and green spaces
- $60 million in emergency services; fire and police
- $7.1 million in maintaining 250 km of roads, 30 km of bike lanes and sidewalks
- $1.1 million in arts and cultural events and programming
- $250,000 for economic development to grow the local economy
- Introduces webcasting of Council meetings and implementation of customer service improvements across the organization
- 16% of the operating budget is allocated to capital spending and reserves (in 2012 this was $25 million)

The following budget reduction strategies have been proposed in order to achieve a tax increase of no more than 3.25% for 2013 – 2015. While holding non-salary budgets at 0% and reducing expenditures, if all cost reduction strategies are implemented, the 3.25% increase can be achieved for 2013, but a lot of work remains to achieve 3.25% for 2014 and 2015.

Proposed budget reduction strategies:

- Limit Mayor and Council salary increases to 0% in 2013
- Change to Council taxable remuneration
- Limit exempt staff salary increases to 0% in 2013
• Limiting budget increases for library and police to 2% for 2013, 2014, 2015
• Transfer 1.25% of 2013 tax increase to capital, instead of 1.5% by removing “new” capital work proposed for 2013
• Partial automation of some parkades during slow periods
• Advertising in parkades, on parking machines etc
• Shift from annuals to perennials in some beds
• Reduction in City-led seasonal programming in Centennial Square
• Reviewing the organizational structure to identify efficiencies and savings

Due to a strong financial sustainability policy the City has built up reserve funds for renewal and maintenance of existing infrastructure. Victoria’s debt-serving per capita is lower than average cities the same size, this includes the replacement of the Johnson Street Bridge.

In January 2013, information sessions will be held across the community for taxpayers to learn more about the budget and the proposed cost-cutting measures. Public feedback on the budget and the proposed cost reduction strategies is encouraged and input will be collected at information sessions and online. All feedback will be provided to Council before giving final consideration to the 2013 budget and considering 2014 and 2015 budgets.

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