

2019 Draft Budget at a Glance

Council has given preliminary approval to the draft 2019 financial plan and is looking for input from the public before finalizing the budget in early February. As presented in the draft financial plan, the 2019 operating budget totals \$244.7 million and the capital budget totals \$118 million.

Budget Highlights:

The City's budget aims to balance the demand to continue providing the City's approximately 200 services and over 200 capital infrastructure projects with the demand for increased or new services.

Below are some of the key highlights of program and service investments proposed in the draft 2019 budget.

- Replace aging pipes and underground infrastructure, including some of the City's oldest pipes installed in 1891, to ensure clean water and environmental protection for the harbour and City natural areas
- Approximately \$51 million for reserves and capital investment including transfers to the affordable housing reserve, building and infrastructure reserve, gas tax reserve and debt reduction
- \$5.5 million in continued funding for the Greater Victoria Public Library, including the Central and *sxWenxWəŋ tənəxW* branches
- Funding for a Neighbourhoods Team to work with neighbourhood groups and residents to create vibrant communities
- Support for arts, culture and events with approximately \$1.5 million including public art, festivals, special events, City of Victoria Butler Book Prize, Artist in Residence and Poet Laureate programs
- Invest approximately \$34 million in the City's parks, recreation and facilities, including 137 parks, 207 hectares of parkland, 72 hectares of natural areas, 40 playgrounds, 23 tennis courts, 12 dog off leash areas, 45 sports fields and 109 City buildings and parking lots.
- Increased capital investment of \$975,000 to improve City streets
- Continued focus on public safety, with \$57 million for police,
- \$17.6 million for fire services, and \$1.9 million in bylaw and licensing services
- Crosswalk installations or upgrades at seven locations
- Planning for the replacement of the Ross Bay Seawall
- Wharf and Humboldt Streets, and Vancouver Street pedestrian and cycling improvements
- Continued process to replace Fire Headquarters
- Technology improvements including digital plans, online forms, online business licenses
- Climate action initiatives to reduce emissions by 80% and transition to 100% renewable energy by 2050
- \$580,000 in emergency management programs
- Safety and lighting upgrades at City parkades

Property Tax Impacts:

The City of Victoria faces challenges due to changing responsibilities and new or expanded service requirements. For 2019, one major impact is the introduction of a Provincial health tax, which replaces Medical Services Plan premiums. The impact to the City is in the range of \$2 million annually.

The proposed property tax increase is 2.85% for the City portion and 1.45% for the Provincial Health Tax, for a total overall proposed tax increase of 4.3%. Combined with utility fees, the overall costs to homeowners would result in a 3.76% increase from 2018.

Proposed Property Tax Breakdown

0.81%	City Operations
1.31%	Capital Investment
1.22%	Police
0.08%	Greater Victoria Public Library
- 0.57%	Property Tax Revenue from Growth
= 2.85%	City Portion of Property Tax Increase
+ 1.45%	Provincial Health Tax
= 4.3%	Proposed Overall Tax Increase

Your Budget – We're Listening

We need your input on the draft 2019 financial plan. Read the full plan or Budget Summary at victoria.ca/budget.

Join us on January 16, 2019 for a Budget Town Hall. Attend in person at City Hall, or participate from the comfort of your own home. Be sure to also fill out the 2019 Budget survey before January 20.



Find out more at
victoria.ca/budget

Your City Budget: How does it work?

The City of Victoria is growing and changing. With these changes come added pressures on City services and infrastructure. The City's 2019 budget looks to adapt to change and balance competing priorities while continuing to provide the high-quality services our citizens have come to expect. Doing so within available financial resources, and the ability of the taxpayer to pay, is top priority.

What is a city budget?

Council's Strategic Plan guides City priorities, and identifies the actions to achieve these over four years. The budget allocates funding for the priorities set out by Council in the Strategic Plan.

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 like Crystal Pool and community centres, to name a few.

Capital expenses are one-time purchases or upgrades as an investment for 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.

How is the operating budget determined?

The operating budget is the largest portion of the City's budget, at \$244.7 million for 2019. It is determined based on what it will cost to continue existing City services and programs at service levels set by Council. The City's operating and utility budgets include capital funding and reserve savings that provide annual funding to ensure the city's infrastructure is maintained for residents today, and the future.

How is the capital budget determined?

The capital budget for the City is \$118 million for 2019. A number of factors are taken into consideration when creating each year's capital budget including master plans such as the Parks and Open Spaces Master Plan, transportation plans, and the City's Strategic Plan. Other factors include:

- safety considerations (traffic calming and crosswalks as an example)
- replacement costs
- age and condition of current City assets
- maintenance history
- risk assessment (what are the possible risks if this asset were to fail?)
- coordination with other capital projects (a stormwater main replacement might trigger updated curbs and sidewalks, so that a road is only dug up once)
- future capacity needs

When creating new assets, staff and Council will also consider what the annual operating and maintenance costs will be.

What happens when a capital project is not completed in a given budget year?

If a capital project that is underway is not completed in a given year, it is automatically rolled over into the work plan for the following year.



Budget Summary

Operating Expenditures

Operating Expenditures by Function

2019 Budgeted Function Expenditures (\$244.7 million)



24%	Victoria Police Department
12%	Transfers to General Reserves, Capital and Utility
9%	Parks, Recreation and Facilities
8%	Water Utility
7%	Victoria Fire Department
7%	General Government
6%	Engineering and Public Works
4%	Business and Community Relations
4%	Parking Services
2%	Sustainable Planning and Community Development
2%	Public Library
1%	Solid Waste & Recycling
1%	Provincial Health Tax
1%	Bylaw Services
3%	Corporate
3%	Sewer Utility
3%	Debt
3%	Stormwater Utility

Operating Expenditures by Type

2019 Budget Expenditures (\$244.7 million)



50%	Salaries and Benefits
20%	Transfers to Reserve and Capital
14%	Materials and Supplies
6%	Contracted Services
3%	Equipment
2%	Fiscal
1%	Debt Principal Payments
1%	Grants
1%	Other Personnel Costs
1%	Provincial Health Tax
1%	Transfer to Stormwater Utility

Capital Expenditures

For 2019, the Capital budget has been grouped into 12 categories which are displayed in the graph to the right by total expenditures:

Capital Expenditures by Category

2019 Budgeted Category Expenditures (\$118 million)



64%	Facilities
11%	Active Transportation
5%	Sanitary Sewers
4%	Parks
4%	Waterworks
3%	Equipment
3%	Complete Streets
3%	Stormwater
2%	Police
1%	Street Infrastructure
<1%	Contingency, Retaining Walls and Railings

Revenues

Consolidated Revenue by Type

2019 Budget Funding Sources (\$244.7 million)



60%	Taxation
18%	User Fees and Charges
7%	Other Income
7%	Parking Fees and Fines
5%	Cost Recovery
2%	Grants
1%	Transfer from Reserves