

Bylaw No. 26-040
Schedule 1 - April 16, 2026
City of Victoria
2026 - 2030 Operating Financial Plan

	2026	2027	2028	2029	2030
REVENUES					
Property Value Taxes	209,121,160	239,160,220	263,070,990	286,454,330	308,467,210
Property Value Taxes from New Assessments	1,724,000	500,000	500,000	500,000	500,000
Parcel Taxes	1,394,910	1,415,850	1,415,850	1,415,850	1,415,850
Special Assessments	1,325,000	1,258,000	1,258,000	1,258,000	1,258,000
Grants in Lieu of Taxes	8,303,640	8,303,640	8,303,640	8,303,640	8,303,640
User Fees and Charges	8,744,530	9,552,090	9,703,290	9,857,570	10,014,880
Permits and Licences	2,029,850	7,218,740	7,222,710	7,226,760	7,230,890
Parking Services	28,151,000	28,151,000	28,151,000	28,151,000	28,151,000
Sewer Utility Fees and Charges	9,978,960	10,739,590	11,758,370	12,891,360	14,174,660
Stormwater Utility Fees and Charges	9,015,890	9,389,250	9,680,170	9,982,730	10,297,030
Water Utility Fees and Charges	28,814,990	30,875,270	32,760,750	34,709,180	36,832,190
Other Sources	62,644,160	67,784,870	57,869,700	58,873,190	59,857,620
	371,248,090	414,348,520	431,694,470	459,623,610	486,502,970
TRANSFERS FROM					
Accumulated Surplus	1,717,630	-	-	-	-
Reserves					
Art in Public Places	300,000	150,000	150,000	150,000	150,000
Climate Action	1,030,750	670,260	474,970	351,920	351,920
Development Stabilization	8,813,340	3,078,740	3,118,130	3,158,330	3,199,290
Financial Stability	9,384,210	4,826,020	3,002,240	1,653,480	1,474,740
Tree Replacement	193,020	195,000	196,550	198,530	204,400
Victoria Housing	1,373,000	-	-	-	-
	22,811,950	8,920,020	6,941,890	5,512,260	5,380,350
	394,060,040	423,268,540	438,636,360	465,135,870	491,883,320

Bylaw No. 26-040
Schedule 2 - April 16, 2026
City of Victoria
2026 - 2030 Operating Financial Plan

	2026	2027	2028	2029	2030
EXPENDITURES					
General Government	85,311,120	84,590,090	87,167,750	92,988,990	101,816,550
Police	93,594,170	98,866,360	104,147,700	109,392,140	114,435,180
Victoria Fire Department	24,786,930	25,191,980	26,017,480	26,845,160	27,673,260
Engineering and Public Works	31,750,990	31,449,640	31,492,760	31,736,120	31,984,330
Sustainable Planning and Community Development	14,629,520	20,306,880	9,797,650	9,804,080	9,810,620
Parks, Recreation and Facilities	32,721,880	33,555,070	33,608,670	33,797,020	33,993,160
Greater Victoria Public Library	6,859,720	6,998,720	7,140,590	7,285,390	7,433,170
Victoria Conference Centre	11,716,230	11,794,750	11,848,060	11,902,470	11,957,950
Sewer Utility	5,693,960	5,803,590	5,915,370	6,029,360	6,145,660
Stormwater Utility	5,568,760	5,678,830	5,791,040	5,905,480	6,021,260
Water Utility	21,936,990	22,580,270	23,243,750	23,928,180	24,634,190
	334,570,270	346,816,180	346,170,820	359,614,390	375,905,330
DEBT SERVICING					
Principal and Interest - General	9,850,250	13,004,290	21,089,170	26,042,290	28,201,430
	9,850,250	13,004,290	21,089,170	26,042,290	28,201,430
TRANSFERS TO					
Capital Funds					
General	20,764,000	25,764,000	30,764,000	35,764,000	40,764,000
Sewer Utility	4,674,000	5,325,000	6,232,000	7,251,000	8,418,000
Stormwater Utility	4,783,000	5,075,000	5,283,000	5,501,000	5,580,000
Water Utility	5,108,000	6,525,000	7,747,000	9,011,000	10,428,000
Reserves					
Equipment and Infrastructure					
City Equipment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
City Vehicles and Heavy Equipment	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000
City Buildings and Infrastructure	2,559,570	2,579,030	2,601,950	2,625,220	2,650,850
Parking Services Equipment and Infrastructure	-	2,850,000	2,850,000	2,850,000	2,850,000
Multipurpose Arena Facility Equipment and Infrastructure	205,580	209,600	213,700	217,880	222,160
Canada Community-Building	4,246,470	4,416,330	4,416,330	4,416,330	4,416,330
Police Vehicles, Equipment and Infrastructure	1,354,000	1,715,000	1,775,000	1,845,000	1,935,000
Sewer Utility Equipment and Infrastructure	400,000	400,000	400,000	400,000	400,000
Stormwater Utility Equipment and Infrastructure	100,000	100,000	100,000	100,000	250,000
Water Utility Equipment and Infrastructure	1,770,000	1,770,000	1,770,000	1,770,000	1,770,000
Recreation Facilities Equipment and Infrastructure	42,300	43,150	44,010	44,890	45,790
Financial Stability	239,100	2,379,210	2,379,320	2,379,430	2,239,540
Victoria Housing	-	400,000	400,000	400,000	400,000
Police Emergency Response	41,000	41,100	41,200	41,300	41,410
Park Furnishing	195,000	195,000	195,000	195,000	195,000
Artificial Turf	157,500	160,650	163,860	167,140	170,480
	49,639,520	63,448,070	71,376,370	79,479,190	87,776,560
	394,060,040	423,268,540	438,636,360	465,135,870	491,883,320

**Bylaw No. 26-040
Schedule 3 - April 16, 2026
City of Victoria
2026 - 2030 Capital Plan**

	2026	2027	2028	2029	2030
REVENUES					
Utility Connection Fees	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Grants and Partnerships	4,020,000	11,073,000	-	-	-
TRANSFERS FROM					
Operating Funds					
General	20,764,000	25,764,000	30,764,000	35,764,000	40,764,000
Sewer Utility	4,674,000	5,325,000	6,232,000	7,251,000	8,418,000
Stormwater Utility	4,783,000	5,075,000	5,283,000	5,501,000	5,730,000
Water Utility	5,108,000	6,525,000	7,747,000	9,011,000	10,428,000
Reserves					
Equipment and Infrastructure					
City Equipment	1,798,000	4,614,000	811,000	340,000	285,000
City Vehicles and Heavy Equipment	4,761,000	3,337,000	903,000	5,731,000	3,032,000
City Buildings and Infrastructure	23,933,000	2,888,000	700,000	1,347,000	1,194,000
Accessibility Capital	1,519,000	-	-	-	-
Debt Reduction	-	-	-	-	29,110,000
Parking Services Equipment and Infrastructure	3,735,000	1,597,000	1,182,000	1,276,000	15,317,000
Canada Community-Building	6,100,000	7,886,000	8,229,000	4,774,000	4,473,000
Multipurpose Equipment and Infrastructure	1,811,000	178,000	55,000	58,000	61,000
Police Vehicles, Equipment and Infrastructure	1,700,000	1,640,000	1,650,000	1,670,000	1,710,000
Sewer Utility	11,541,000	3,150,000	2,550,000	2,150,000	-
Stormwater Utility	7,218,000	-	-	-	-
Water Utility	5,587,000	2,100,000	1,500,000	1,700,000	900,000
Tax Sale Lands	1,425,000	-	-	-	-
Local Amenities	350,000	530,000	-	-	-
Development Cost Charges	2,669,000	-	-	-	-
Parks and Greenways Acquisition	1,600,000	-	-	-	-
Park Fixture Dedication Program	156,000	156,000	156,000	156,000	156,000
Tree Replacement Program	271,000	288,000	198,000	202,000	206,000
Bastion Square Revitalization Trust	94,000	-	-	-	-
Climate Action	55,000	-	883,000	-	-
Growing Communities Fund	12,000,000	-	-	-	-
Debt Proceeds	31,258,000	41,851,000	57,488,000	85,150,000	2,950,000
	160,080,000	125,127,000	127,481,000	163,231,000	125,884,000

**Bylaw No. 26-040
Schedule 4 - April 16, 2026
City of Victoria
2026 - 2030 Capital Plan**

	2026	2027	2028	2029	2030
EXPENDITURES					
Capital Equipment	22,592,000	15,260,000	12,370,000	9,203,000	9,108,000
Capital Programs and Projects					
Transportation	36,694,000	33,189,000	21,980,000	24,568,000	26,298,000
Parks	6,100,000	3,794,000	6,507,000	7,521,000	5,720,000
Facilities	36,922,000	35,717,000	53,564,000	86,589,000	50,032,000
Environmental Remediation	1,425,000	-	-	-	-
Sanitary Sewers	19,010,000	8,775,000	9,082,000	9,701,000	8,718,000
Stormwater	13,179,000	8,075,000	8,483,000	8,901,000	9,170,000
Waterworks	12,553,000	9,175,000	9,797,000	11,261,000	11,878,000
Contingency	350,000	350,000	350,000	350,000	350,000
Police	1,700,000	1,640,000	1,650,000	1,670,000	1,710,000
Structures	6,764,000	2,512,000	2,268,000	2,374,000	2,350,000
Victoria Conference Centre	959,000	1,135,000	730,000	393,000	50,000
Strategic Real Estate	1,832,000	5,505,000	700,000	700,000	500,000
	160,080,000	125,127,000	127,481,000	163,231,000	125,884,000

Bylaw No. 26-040
Schedule 5 – April 16, 2026
Financial Plan Objectives and Policies

Revenue and Tax Policy

Purpose

The purpose of the Revenue and Tax Policy is to outline the proportions of revenue sources, the distribution of property taxes among property classes and the use of permissive property tax exemptions.

Objectives

- To provide tax payers with stable, equitable and affordable property taxation while at the same time providing high quality services.
- To support the OCP and other City plans as well as complement the Regional Context Statement.

Policies

1. Revenue Proportions by Funding Sources

Property taxes are the main source of revenue for the City and pay for services such as police and fire protection, bylaw enforcement, and infrastructure maintenance. Property taxes provide a stable and consistent source of revenue for services that are difficult or undesirable to fund on a user pay basis. Therefore, property taxes will continue to be the City’s major source of revenue.

However, it is the City’s desire to charge user fees where feasible. Some programs, such as recreation, are partially funded by user fees. The City also has several self-financed programs that are fully funded by user fees. These include Water Utility, Sewer Utility, Stormwater Utility, and Garbage Utility.

Policy 1.0

User pay funding will be used for such services that are practical and desirable to fund on a user pay basis.

Services that are undesirable or impractical to fund on a user pay basis will be funded by property taxes.

Policy 1.1

The City will continue to explore alternative revenue sources to diversify its revenue base.

Revenue Source	\$ Total Revenue	% Total Revenue
Property Value Taxes	210,845,160	53.51%
Parcel Taxes	1,394,910	0.35%
Special Assessments	1,325,000	0.34%
Grants in Lieu Taxes	8,303,640	2.11%
User Fees and Charges	8,744,530	2.22%
Permits and Licences	2,029,850	0.52%
Parking Services	28,151,000	7.14%
Water and Sewer Utility Fees and Charges	38,793,950	9.84%
Stormwater Utility Fees and Charges	9,015,890	2.29%
Other Sources	<u>85,456,110</u>	<u>21.68%</u>
TOTAL	394,060,040	100.00%

2. Distribution of Property Taxes Among Property Classes

Market value changes that result in uneven assessment changes between property classes result in a tax burden shift to the class experiencing greater market value increases unless tax ratios are modified to mitigate the shift.

Until 2007, it was Council's practice to adjust tax ratios to prevent such shifts. This equalization practice provided an effective tax increase that was equal for all classes. It is important to note that this practice only avoids shifts between property classes. There is still a possibility for shifts *within* a property class where one property has experienced a market value change that is greater than the average for that class.

However, starting in 2007, business and industrial tax ratios have been held constant in recognition of the larger tax burden that has been placed on those classes. This resulted in higher tax increases being passed on to the residential class compared to business and industrial.

The pressure continues across the country to reduce the tax burden on the business and industrial classes. In recognition of this, and the desire to support a healthy business environment, Council's goal is to have a business class tax burden that is equitable.

In 2012, a comprehensive review of the Revenue and Tax Policy was conducted to determine if Council's objective of reducing the tax burden on the business class was appropriate and if so, that the mechanism of achieving the objective (reduction of tax ratio) was the most effective mechanism to achieve the goal. The review concluded that additional relief for the business tax class was warranted. However, the tax ratio was not the best mechanism of achieving that goal. As a result, Council approved the following policy objective: To reduce the business property tax class share of the total property tax levy to 48% over three years (2012-2014). The redistribution excludes impact of new assessment revenue. The total redistribution of the tax levy was \$1.51 million.

In 2015, an update review was completed, and based on the findings, Policy 2.0 was amended to allocate tax increases equally by maintaining the current share of distribution of taxes among tax classes. In 2025, this policy was further revised to reduce the business to residential property tax ratio to 3.0 to 1 over the period from 2025 to 2030.

In 2024, to support the retention of industrial properties, Council amended Policy 2.1 to allow the industrial tax rates to be lower than the business rate, therefore reducing the tax burden on industrial properties. While the tax increase was distributed equally across all property classes, the lower industrial tax rate resulted in the lowest overall tax increase to industrial properties due to the tax rates for these classes being lower than business.

Policy 2.0

To reduce the business to residential tax ratio to no more than:

- 3.5 to 1 in 2025
- 3.4 to 1 in 2026
- 3.3 to 1 in 2027
- 3.2 to 1 in 2028
- 3.1 to 1 in 2029
- 3.0 to 1 in 2030

Policy 2.1

Tax rates for the light and major industrial tax classes will not exceed the business tax rate to support the City's desire to retain industrial businesses.

Policy 2.2

Farm Tax Rates will be set at a rate so taxes paid by properties achieving farm status will be comparable to what the property would have paid if it were assessed as residential.

2026 Distribution of Property Taxes Among the Property Classes

Property Class	\$ Property Tax Dollars	% Property Value Tax
Residential (1)	117,237,189	55.60%
Utilities (2)	917,479	0.44%
Supportive Housing (3)	0	0.00%
Major Industry (4)	308,434	0.15%
Light Industry (5)	1,919,038	0.91%
Business (6)	90,012,785	42.69%
Recreational (8)	450,039	0.21%
TOTAL	210,844,964	100.00%

3. Use of Permissive Property Tax Exemptions

The City continues to support local non-profit organizations through permissive tax exemptions. Each year, a list of these exemptions is included in the City's Annual Report.

In addition, the City offers a Tax Incentive Program to eligible owners of downtown heritage designated buildings to offset seismic upgrading costs for the purposes of residential conversion of existing upper storeys. The exemptions are for a period up to ten years.

The City encourages redevelopment of lands within the City and the use of environmentally sustainable energy systems for those developments through revitalization property tax exemptions.

Policy 3.0

Permissive property tax exemptions are governed by the City's Permissive Property Tax Exemption Policy, which outlines the criteria for which property tax exemptions may be granted.

Policy 3.1

Heritage property tax exemptions are governed by the City's Heritage Tax Incentive Program.

Policy 3.2

Revitalization property tax exemptions are governed by revitalization property tax exemption program bylaws adopted for specific purposes.