

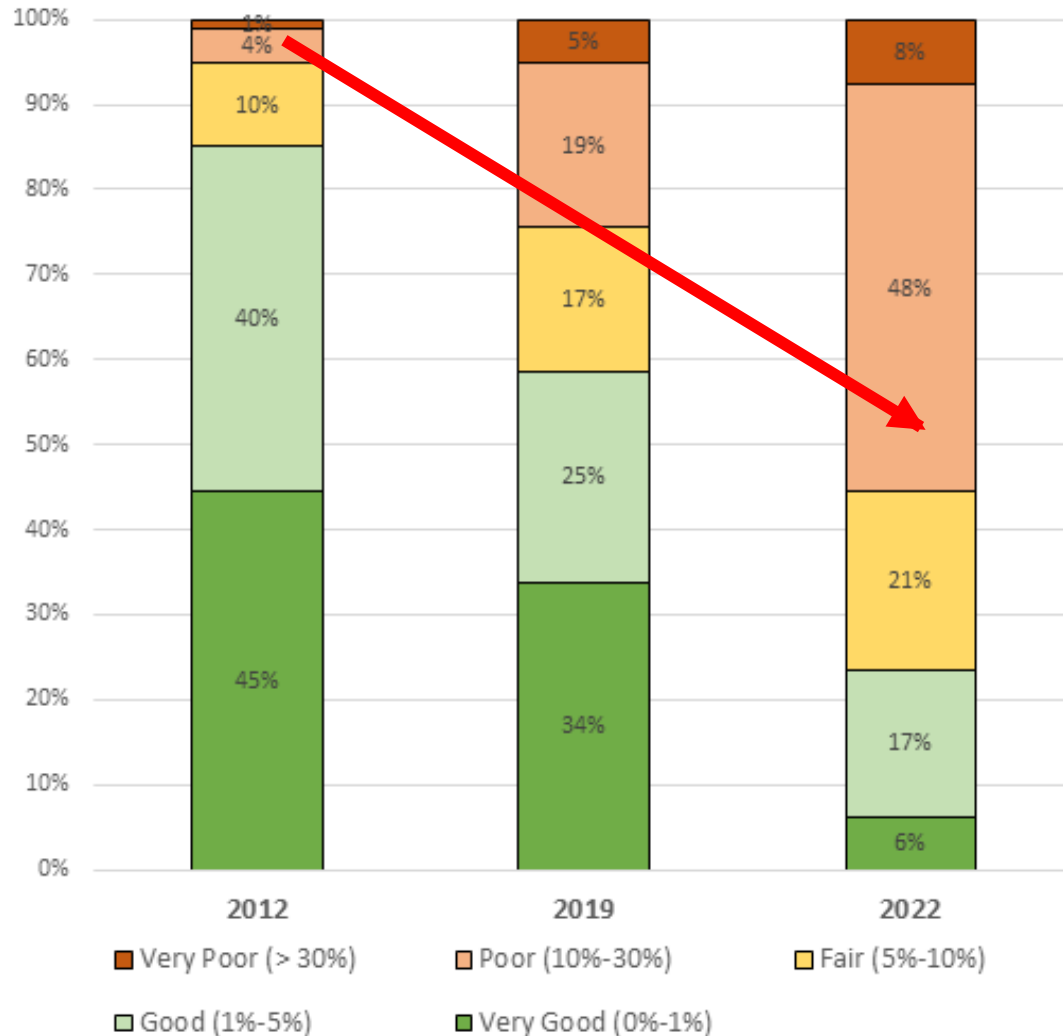
Budget 2025 Slides

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Key Themes

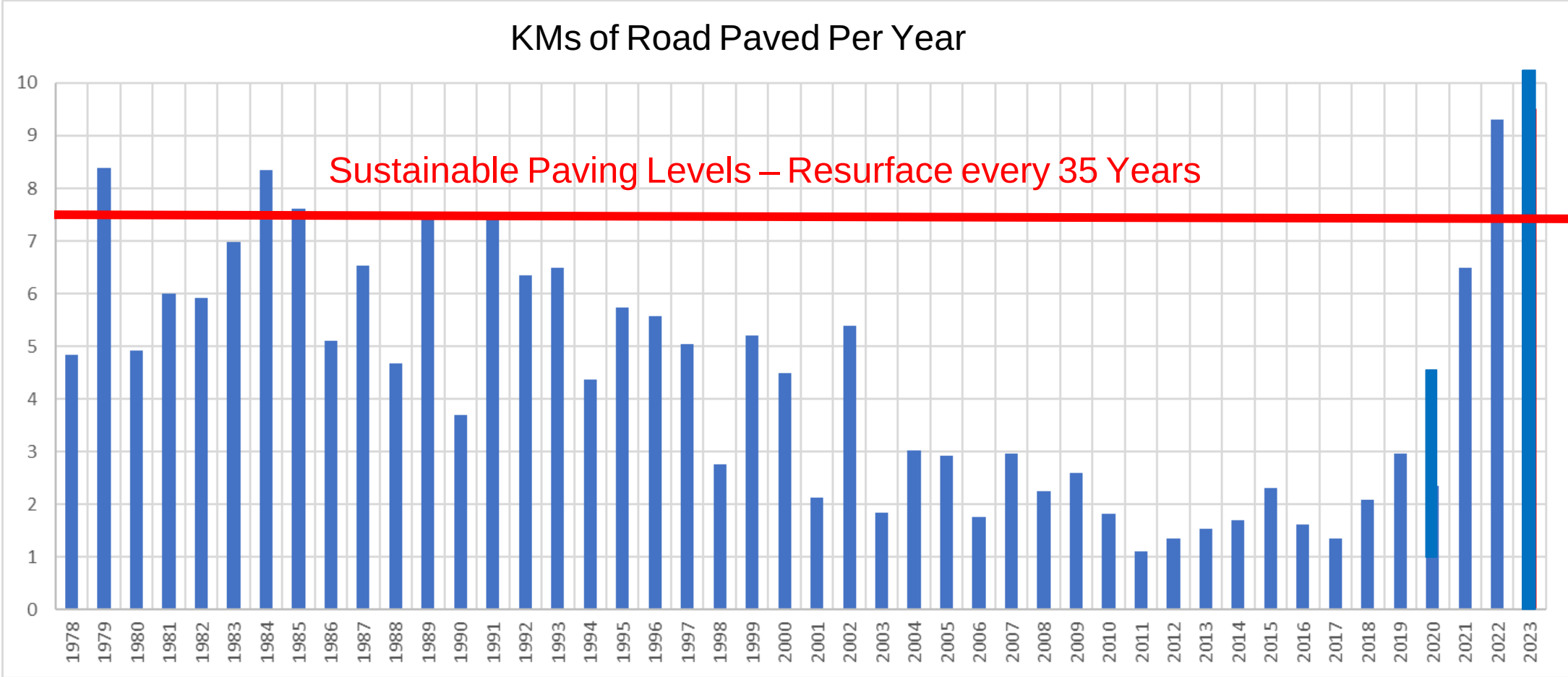
- High inflation continues
 - Under-investment in capital assets over many decades
 - Climate change expediting rate of asset decline = more costs
 - Police requesting \$7m budget increase (9.71% increase)
 - Nothing unique about our challenges or budget survey results
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- Residents want same or higher level of service...but lower taxes
 - Overall satisfaction with city services & quality of life in Victoria
 - Council directed staff to look at potential cuts

Recent Sharp Decline in Road Condition



- Roads are failing due to underinvestment and poor maintenance over the past 30 years
- Roads are not resilient to increasing snow events and temperatures

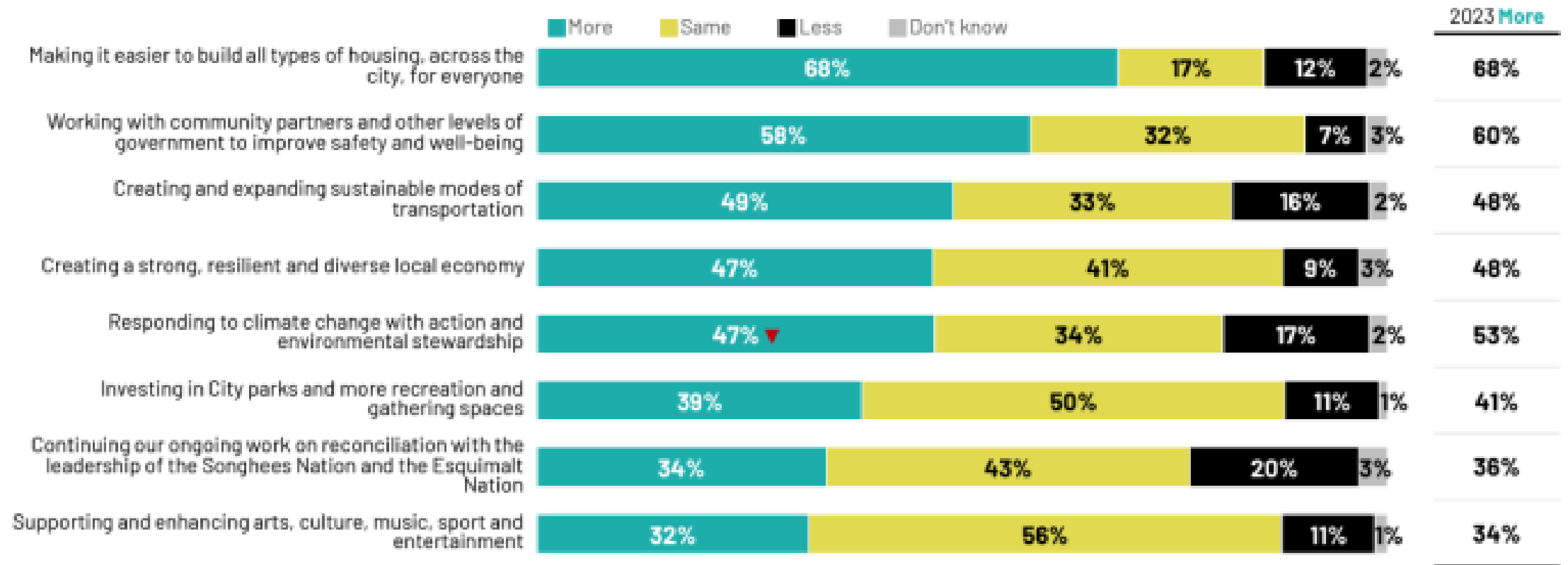
City not Paving Enough in Recent Decades



General Purpose/ Main Capital Budget Funding	Projected Unallocated Balance				
	2024	2025	2026	2027	2028
Buildings & Infrastructure	10,470,865	3,435,735	4,954,505	723,625	2,989,385
Canada Community Building	3,258,434	740,904	0	172,330	438,660
Debt Reduction (repayment of Fire Hall)	535,782	3,061,932	5,588,082	8,114,232	10,640,382
Equipment	2,635,381	810,381	48,381	26,381	233,381
Vehicles & Heavy Equipment	2,130,172	630,172	630,172	293,172	340,172
	19,030,634	8,679,124	11,221,140	9,329,740	14,641,980

**Reserves will deplete
without replenishment.**

Investment in City services and programs



Base: All respondents - 2024 (n=700) | 2023 (n=700)

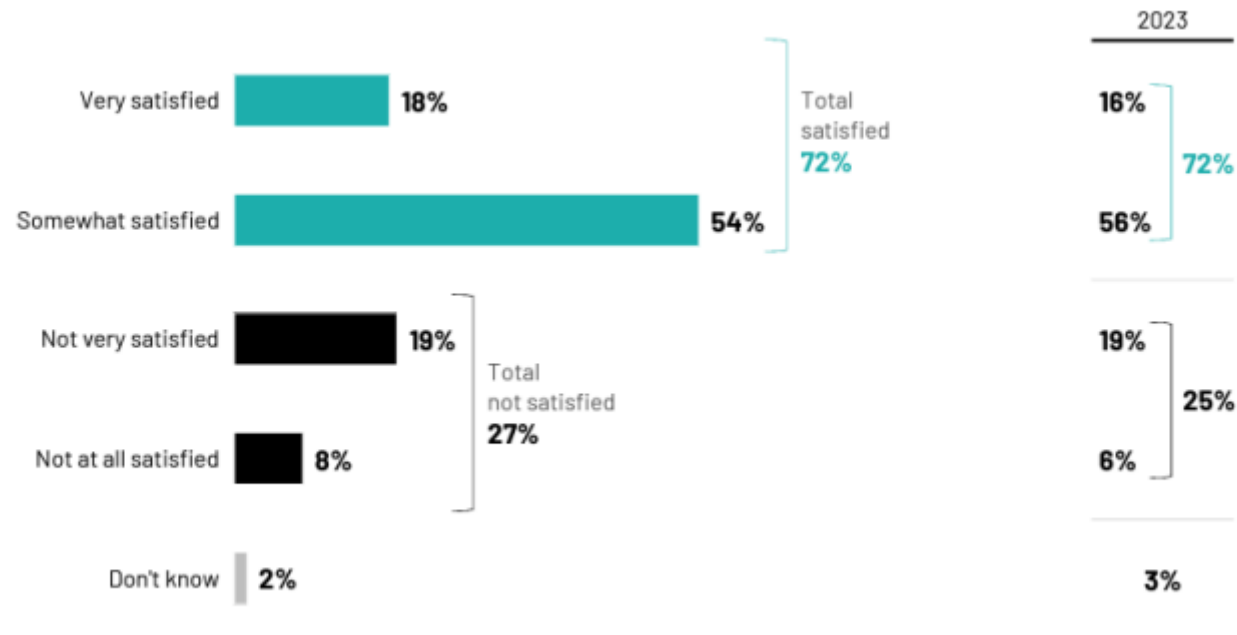
Q5. The City of Victoria has started planning for its 2025 Draft Budget. To help inform this process, the City is interested in learning residents' priorities for investment next year. Considering all the services and programs competing for funding dollars, please tell me whether you think the City should invest more, less, or about the same as this year in each of the following.

▲ ▼ Significantly higher/lower than 2023.

According to the Ipsos Budget Survey:

- A majority (72%) of residents say they **are satisfied with the overall level and quality of services provided by the City** – unchanged from 2023.
- **Total satisfied** ('very satisfied' + 'somewhat satisfied') is higher among:
 - 82% of those living in Hillside Quadra/North Park/Burnside
Versus:
 - 67% of those living in Jubilee/Fernwood/Oaklands
 - 69% of those living in James Bay/Downtown/Victoria West
 - 73% of those living in Gonzales/Rockland/Fairfield
 - 76% of those who have lived in Victoria for <20 years
Versus 67% of those who have lived in Victoria for 20+ years
 - 80% of those with household incomes of <\$60K
Versus:
 - 67% of those with household incomes of \$60K-<\$100K
 - 72% of those with household incomes \$100K+

Quality of services

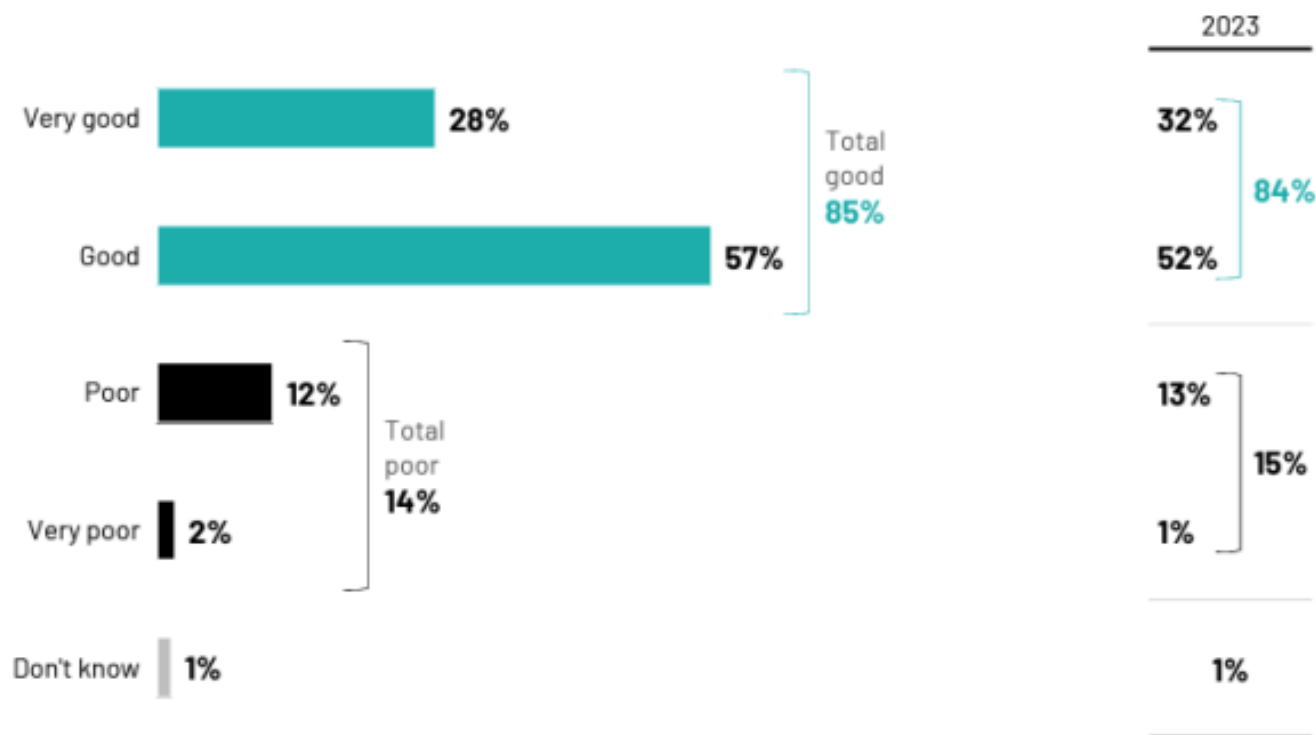


Overall Quality of Life in Victoria Today

Perceptions of the overall quality of life in Victoria today are positive (85% total good) – on par with 2023 (84%).

- Total good ('very good' + 'good') is higher among:
 - 87% for those 55+ years of age
Versus:
 - 80% of 35-54 years of age
 - 85% of 18-34 years of age
 - 89% of those who have lived in Victoria for <20 years of age
Versus 80% of those who have lived in Victoria 20+ years

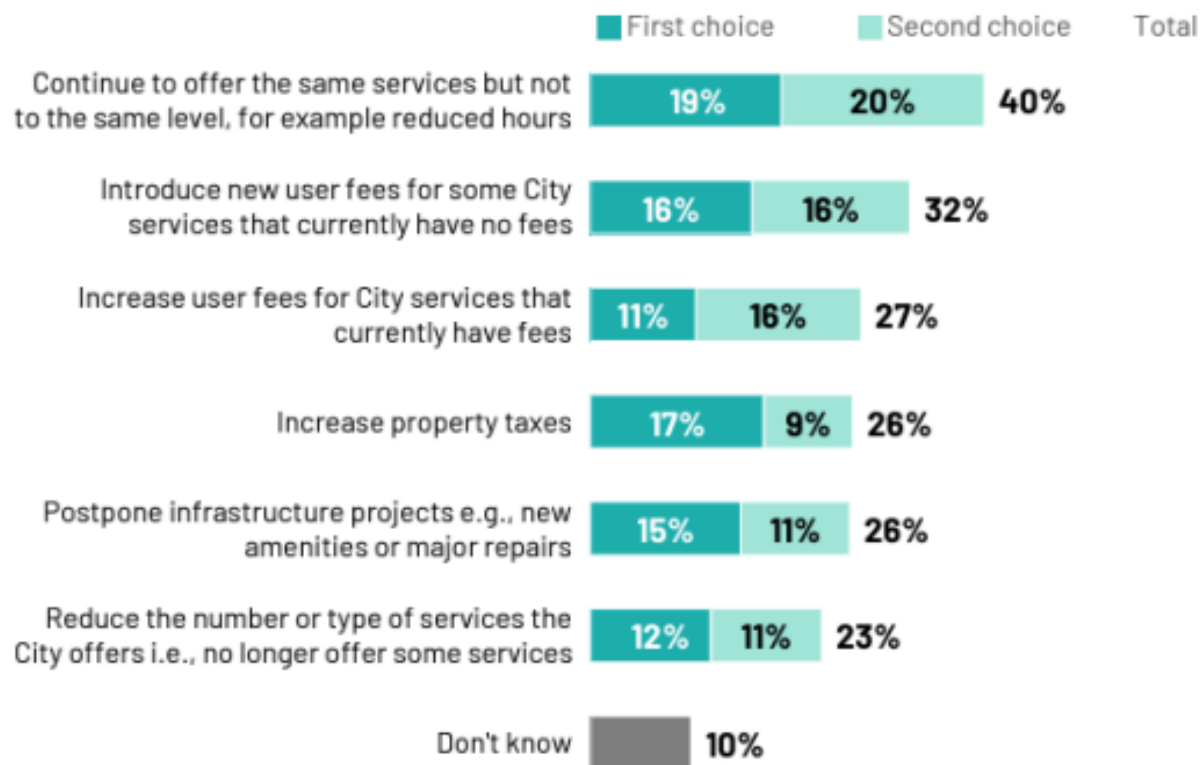
Quality of life



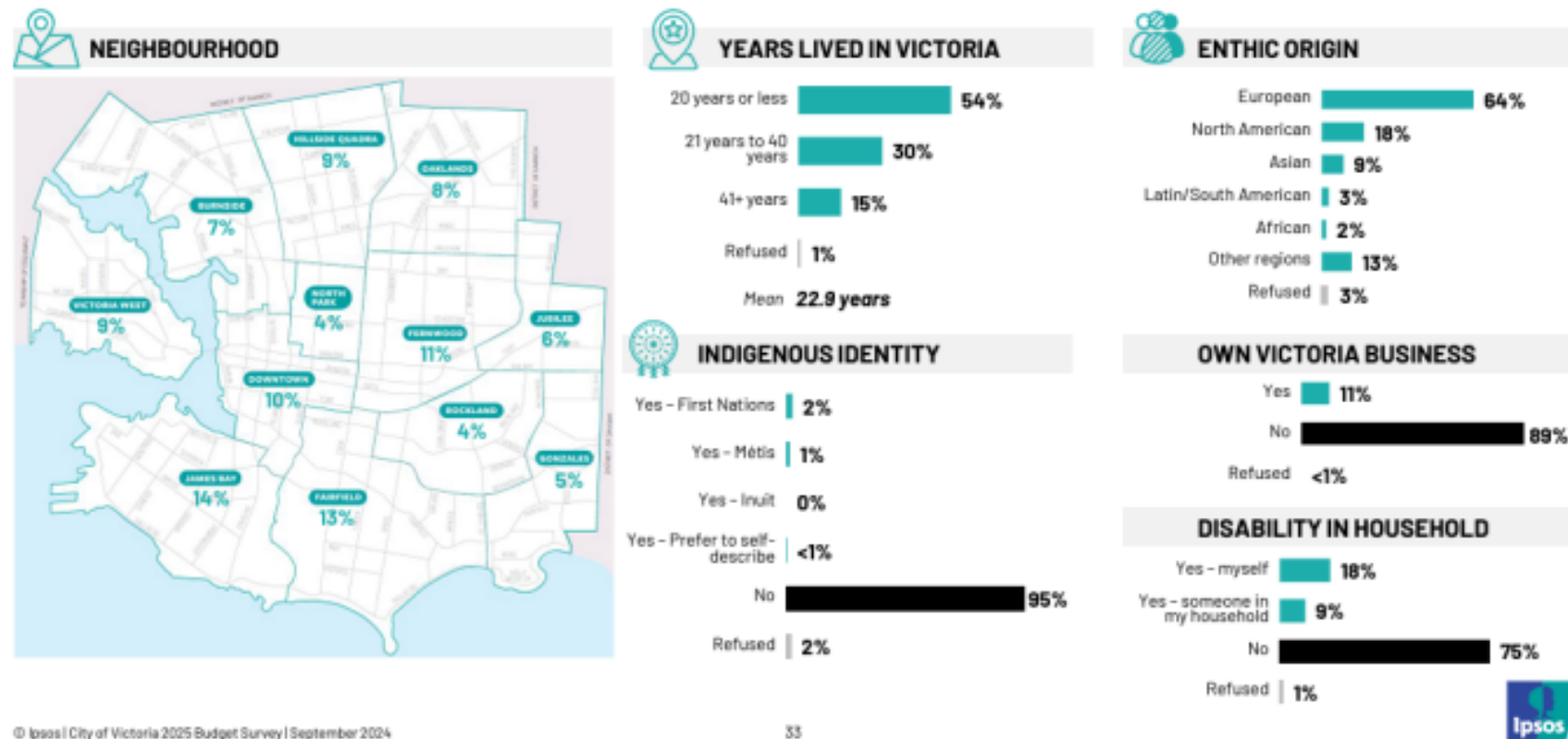
Preferred Financial Tools to Balance City Budget

To balance the budget:

- 40% of residents are most likely to prefer the City **continue to offer the same services but not at the same level, for example, reduced hours**
 - Women (47%) are more likely than men (32%) to prefer this option.
- This tool is followed by 32% of residents who prefer the City **introduce new user fees for some City services that currently have no fees**



2024 Weighted sample characteristics (2/2)



Of the 700 Ipsos budget survey participants, their neighbourhood groupings were as follows:

- Gonzales/Rockland/Fairfield (n=163)
- James Bay/Downtown/Victoria West (n=220)
- Jubilee/Fernwood/Oaklands (n=167)
- Hillside Quadra/North Park/Burnside Gorge (n=150)

The draft 2025 operating budget totals \$365.6 million and the draft 2025 capital budget totals \$94.6 million. The following summary outlines the proposed funding strategy and resulting tax increases:

	Draft 2025	2026	2027	2028	2029
Capital	3.04%	2.80%	2.80%	2.80%	2.80%
Debt Servicing Costs	0.78%	0.02%	0.67%	0.51%	0.00%
Reinstate Reserve Funding	0.39%	0.00%	0.00%	0.00%	0.00%
Remaining	5.22%	3.93%	2.31%	2.27%	2.24%
City	9.43%	6.75%	5.78%	5.58%	5.04%
VicPD	3.34%	2.17%	2.00%	2.11%	2.10%

Municipal inflation rate is ~5% this year.

Total	12.77%	8.92%	7.78%	7.69%	7.14%
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For 2025, the property tax impact for an average household with an assessed property value of \$1.046 million is \$124 for capital investment, \$154 for operational service delivery, and \$98 for VicPD. The property tax impact for a typical business with an assessed property value of \$733,000 is \$330 for capital investment, \$409 for operational service delivery, and \$262 for VicPD.

Current status of budget process

- As a first step, Council reduced proposed tax lift from 12.77 to 12.17 by reallocating new property taxes from development.
- Setting aside the police budget, the proposed tax lift would be 8.83%, without further reductions.
- Council gave direction to staff on Nov. 4th to look at potential reductions that would drop the tax lift from 8.83% down to 4.0% - 7.0%. They will report back in a few weeks, using Council input and data from the survey to guide proposals.