

# 2025 Draft Budget

December 3, 2024





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Vibrant Vancouver Mid-term Progress

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Timelines & Overview

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Engagement

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Capital Budget

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Operating Budget

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Climate Budget

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# 1. Vibrant Vancouver Mid-term Progress Update



# Vibrant Vancouver: City Council's Strategic Priorities

2023 - 2026

Vancouver City Council is working together to build a sustainable city in which everyone can live, work and thrive.



# Vancouver City Council's strategic priorities, 2023 - 2026



1.  
Vibrant and  
diverse



2.  
Housing



3.  
Supporting  
business



4.  
City services and  
infrastructure



5.  
Safety and  
security



6.  
Climate  
emergency



7.  
Healthy, inclusive  
and equitable



8.  
Reconciliation



9.  
Good  
government






# 1. Vibrant and diverse


*We do all we can to ensure Vancouver is a dynamic and vibrant city, with a great range of exciting and engaging amenities and events throughout the city.*

- **More large-scale destination events.** In partnership with Destination Vancouver and Vancouver Hotel Destination Association supported 14 sport and 13 cultural destination events in 2024, including the Grey Cup – with \$117 million economic impact ... planning underway for 2025 Invictus Games, Web Summit Vancouver, 2026 FIFA World Cup
- **Cultural Destination Fund.** \$1.9 million fund created in partnership with Destination Vancouver and Vancouver Hotel Destination Association to attract new major events to Vancouver
- **Outdoor spaces.** Relaxed patio regulations, upgraded five public plazas, delivered Blood Alley plaza, three parklets converted to permanent installations
- **More transportation options.** Launched Lime public e-scooter pilot and extended Mobi bike system to UBC
- **Gastown revitalization.** Summer 2024 Water Street pedestrian zone pilot and repairs to Maple Tree Square



## 1. Vibrant and diverse, continued

- **Uplifting Chinatown.** \$2 million annual investment; street parking rate adjustments have increased traffic; opened City Hall satellite office; 45% increase in microcleaning service; 1,750 graffiti removal cases, 5,000 bags of garbage and 19,100 needles collected
- **Food and beverages in parks and at beaches.** New food and beverage services at Kits Pool, alcohol sales at Stanley Park and Queen Elizabeth Park pitch and putt, piloted alcohol on select beaches
- **More events in parks.** Lifted moratorium on large commercial events in parks, 2024 NHL Playoffs in the Park (and community centres)
- **Enhanced green spaces.** Upgraded seven greenspaces across the City, including Tatlow and Volunteer Parks, Riley Park playground and China Creek Skate Park




## 2. Housing

*We work with senior governments and other partners to address the local housing crisis, with the goal of ensuring that appropriate housing options are available for everyone in Vancouver.*

- **Surge in rental housing starts.** Doubled rental housing construction starts rate from 2023 to mid-2024 – highest rate in Canada; 7,000 new rental starts over this period
- **Enabled multiplex homes.** New simplified multiplex zoning, 330 new permits received to October 2024 - 1,000 new homes
- **Broadway Plan.** 20,300 new residential units in pipeline – approximately 75% market rental, 15% below market rental, 7% strata, 1% social housing
- **Enabling more housing City-wide.** From January 2023 to September 2024, the City approved 14,160 homes, including 8260 purpose-built rental and 1626 new social and supportive housing units
- **New Vancouver Housing Development Office.** Leveraging City-owned land to deliver market rental housing, ~ 4,200 middle-income housing units to be delivered via first tranche of five projects
- **Addressing homelessness.** Secured senior government funding for Downtown Eastside storage and wellness hub, Homelessness Services Outreach Team assisted 4,400 individuals and secured housing for 131 people; accommodated 1,800 shelter spaces, up 150 over 2023





## 2. Housing, continued

- **Faster permit processing and reduced costs for builders**
  - Straightforward renovation permits processed within 3 days on average; eliminated sewer/water upgrade requirements and insurance requirements for renovation projects < \$250,000
  - 60% reduction in permit processing time for laneway houses; eliminated 65% of permit requirements for low-density housing projects
  - Established dedicated team to expedite multiplex applications; commencing early 2025, combined development/building permits will reduce processing time by 50% for many multiplex projects
  - Sprinkler permits now auto-issued online; 90% permits issued within 24 hours
  - New digital tools to simplify application preparation and submission; eComply pilot for automated plan checking
  - 20% reduction in building permit fees for affordable housing



### 3. Supporting business

*We ensure the City is doing our part to ensure our local economy is robust and resilient, and Vancouver is a place in which businesses can thrive and succeed.*

- **Faster business licences.** Introduction of online licence applications; 85% reduction in average processing time to 5 days; first jurisdiction to accept BC digital credentials for business licence applications
- **Faster commercial renovation permits.** 45% reduction in processing times, 2024 vs 2023
- **Property tax relief for independent business.** Development Potential Relief Program launched, providing \$6 million property tax relief for over 1,700 businesses and non-profits over 2023 and 2024
- **Modernised liquor policy.** Removed all distance requirements, lifted the moratorium on new/expanded liquor establishments, permitted sale of wine/beer in qualifying grocery stores
- **Employment lands.** Approved modernized industrial land policies and home-based business regulations
- **Greater focus on business support.** Replaced Vancouver Economic Commission with in-house Vancouver Business and Economy Office, generating \$2.9 million annual savings



## 4. City infra- structure and services

*We deliver the high-quality city services and public infrastructure that make Vancouver a healthy, safe, beautiful and enjoyable place for everyone.*

- **Expanded water and sewerage systems.** 5.3 km new pipes to support population growth, 12.5 km of sewer separations, plus upgrades to several sewer pump stations
- **Faster utility connections.** Residential water/sewer connection times reduced by 75% to 1.9 months; residential connection backlog reduced by 82%
- **Improved solid waste services.** 43% fewer missed collections (H1 2024 v. 2022), more efficient routes; 54 circular economy events for repairing, swapping and recycling over 2023/2024
- **Enhancing our public realm.** \$6 million Uplifting Communities investment in neighbourhoods in 2025 – sidewalk/street rehab, pole painting, street cleanliness, place-making initiatives
- **More green rainwater infrastructure.** Runoff from an incremental 7.5 hectares of street area now treated via green rainwater infrastructure, rather than flowing into sewers
- **More onsite rainwater management.** Diverted an incremental 245 million litres of rainwater runoff from sewers through rainwater management on individual building sites






## 5. Safety and security

*We work to provide effective emergency response and emergency planning services that make Vancouver safe and enjoyable for everyone.*

- **Increased police resources.** Additional 100 VPD officers; increase walking patrols and more agile response capabilities
- **Mental health supports.** Funding for Vancouver Coastal Health (VCH) Urgent Mental Health and Substance Abuse Program; doubled response capacity for Car 87/88; clinical resource in OCC; mental health crisis de-escalation team, unique Indigenous Crisis Response
- **Bear spray restrictions.** Sales of bear spray to people restricted to people aged 19+ with ID requirement
- **Less violent crime.** Violent crime down 7% from January to September 2024, and serious assaults down 18%; bear spray incidents down 17% from 2024 to 2023; unprovoked stranger attacks down by 55% since 2020
- **Less property crime.** From January to September 2024, property crime down 11%, break and enters down 28%, vehicle-related theft down 19%
- **Improved fire safety.** 17 net new firefighter positions; 33% reduction in SRO structure fires and 20% reduction in SRO alarm calls (Oct 2024 v. 2023); banned sale of continuous butane lighters



## 5. Safety and security, continued

- **Encampment management.** Established a new cross-department Integrated Response Team; resolution of major encampments on Hastings St and CRAB Park
- **Building Safer Communities Program.** Federal funding partnership to prevent youth violence; 28 grants awarded to date, \$2.2 million
- **Action to protect Indigenous women and girls.** Substantial action on the report of the National Inquiry of Missing and Murdered Indigenous Women and Girls, including funding the Saa'ust Centre that provides Indigenous medicine and support for survivors
- **Extreme heat support to vulnerable individuals.** Distributed 3,200 cool kits, 130 cooling vests for people with disabilities, 500 air cleaners for wildfire smoke, funding for 13 community organisations
- **Safer streets.** Increased pedestrian crossing time at 44 locations; 8 new pedestrian signals on arterial streets; 28 accessible signals for vision-impaired people; 44 new flashing beacons at marked crosswalks; 34 school-related infrastructure improvements; reduced speeds in 19 school zones



## 6. Climate emergency

*We are responding to the climate emergency through environmental initiatives, greenhouse gas emission reductions, and climate change adaptation measures.*

- **More walkable communities.** Enacted multiplex R1-1 zoning which will allow more people to live within walkable neighbourhoods
- **Reduced GHG emissions from large commercial buildings.** Implemented benchmarking and emissions limits for large existing office/retail buildings, expected to result in a reduction of 24,000 tonnes of GHG annually by 2030
- **New embodied carbon reporting.** Embodied carbon reporting requirements for new, large buildings; advancing toward goal of 40% reduction for new construction
- **Reduced parking requirements.** Eliminated minimum parking requirements for residential development; expected to avoid 26,000 tonnes of embodied carbon emissions associated with parkades
- **More EV chargers.** Implemented incentives to install electric vehicle chargers in gas stations and commercial parking lots
- **Lower-carbon NEU energy production.** Tripled low-carbon energy generation for the City's neighbourhood energy utility
- **Tatlow and Volunteer Park stream restored.** Daylighted the stream for improved water management and enhanced biodiversity





## 7. Healthy, inclusive, equitable

*We put Vancouverites' physical and mental health front and centre as we make service, infrastructure and policy decisions, and strive to alleviate barriers to residents' well-being and sense of belonging.*

- **Delivered more childcare spaces.** Simplified childcare regulations and added 1,800 new childcare spaces across Vancouver since 2022
- **Supporting social service and cultural organizations.** Invested \$73 million in delivery of social services and cultural programs over 2023 and 2024, in the form of operating and capital grants
- **Improved accessibility.** New regulations to ensure elevators are properly maintained; more ground-floor units in residential buildings; new accessible parking standards; 280 new curb ramps
- **Applying the “older persons” lens to City work.** Created coordinating role to lead strategy development and ensure that seniors' needs are reflected in City policies, regulations and services
- **Komagata Maru Place.** Commemorated Komagata Maru incident with new ceremonial name for Canada Place
- **Updated Vancouver Heritage Register policy.** Updated the Vancouver Heritage Register policy to reflect Vancouver's diverse cultures and drive greater inclusivity and equity in land-use decisions
- **Enhanced library services for seniors and children.** Improved physical layout and hours for Accessible Services at Central Library; 225 inclusive children's programs across all branches



8.

## Reconciliation

*We maintain mutually respectful relationships with and work to support and advance the rights of local Indigenous nations and Urban Indigenous people.*

- **UNDRIP strategy.** First municipality in Canada to adopt a strategy for the implementation of United Nations Declaration of Indigenous Peoples Rights (UNDRIP); prioritizing work on 15 of 32 actions
- **Supporting Indigenous-led land development projects.** Introduced land use policy statements supporting the Jericho Lands and Heather Lands projects; continuing support for construction of the Senakw development in accordance with the Servicing Agreement established between the City and Squamish Nation
- **Library reconciliation programming.** Over past year, 4,100 people have attended 130 Indigenous-themed programs at VPL, including Indigenous Considerations for Newcomers and Indigenous Reads Book Club
- **Social and cultural funding.** Provided \$4.2 million in direct funding for Indigenous social and cultural programs (includes social and cultural grants, VCH Indigenous Crisis Response Team)



## 9. Good government

*We responsibly steward the public funds with which we are entrusted, ensure we have an efficient administrative infra-structure, and maintain a high-performing, engaged workforce.*

- **Top credit rating.** City continues to maintain AAA credit rating
- **Mayor's Budget Task Force.** Independent panel delivered 17 recommendations to address long-term financial sustainability
- **Mitigating pressure on property taxes.** Annual revenues from non-tax sources increased by \$15 million in 2024 and projected to increase by incremental \$10 million in 2025
- **Ensuring financial stability.** As part of the Covid19 pandemic recovery, replenished the City's General Revenue Stabilisation Reserve from \$33 million in December 2021 to \$112 million in December 2024
- **Improved return on real estate assets.** Dividend generated by the City's Property Endowment Fund has increased from \$9 million to \$18 million per year, from 2022 to 2024
- **Delivering more infrastructure and amenities.** Budgeted capital investments have increased by 87% from 2022 to 2024, from \$404 million to \$756 million, coupled with greatly improved delivery rates (60% of the City's annual capital budget was delivered in 2022; projected 90% delivery against budget in 2024)





## 9. Good government, continued

- **Lower costs related to staff turnover and lost time.** Staff turnover reduced from 9% to 6% from 2022 to 2024; workplace injury rates decreased from 11% to 7% over same period
- **PFAS-free firefighter gear.** Vancouver Fire and Rescue Services first fire in North America to transition to PFAS-free turnout gear, reducing cancer risk for firefighters
- **Leveraging AI.** Deploying artificial intelligence to improve customer service and achieve efficiencies – including permit checking, license plate recognition for parking enforcement, invoice processing, software programming, policy development and language translation
- **Focus on continuous improvement.** Consolidated several support functions into a single office under the Chief Strategy Officer; realised \$1 million savings per year and enhanced focus on operational excellence and efficiency

## 2. Timelines & Overview

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While consumer price inflation is moderating, City continues to experience **elevated fixed costs, higher costs passed on** by external agencies

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2025 Draft Capital Budget focuses on **accelerating delivery of infrastructure needed to address the infrastructure deficit and accommodate for growth**

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2025 Draft Operating Budget is proposed to maintain **existing service levels**, while reducing the **property tax increase to 4.5%** for City services and continued **1% additional increase for infrastructure renewal**.

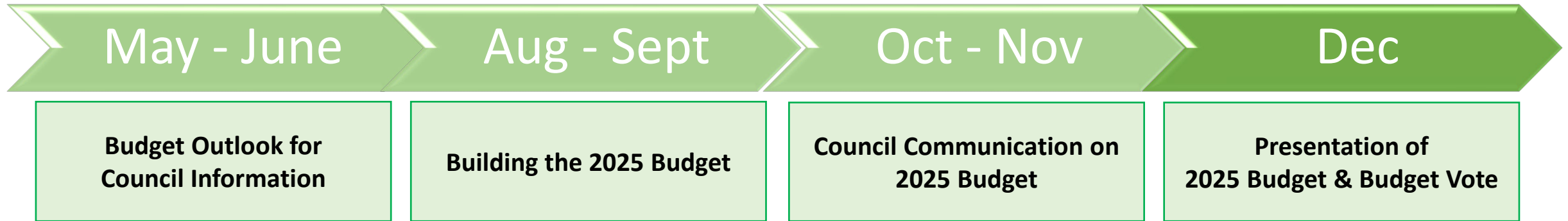
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Staff have also **identified additional revenue** which can be used to address unfunded pressures or further offset the property tax increase **by up to 1.6%**

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The proposed utility fee increases of 18.2% are primarily driven by **costs passed on by Metro Vancouver**, including costs for the North Shore Wastewater Treatment plant

# 2025 Budget Timelines



- Budget Outlook presented for 2025-2029

- 2025 Budget Public engagement survey completed
- Staff work on building a draft budget based on Council and Board direction

- Oct. 28 to Nov. 18 – Briefing Council and Boards on the 2025 Budget development
- Nov. 19 – 2025 Budget Book made available to public
- Nov. 27 – License and Permit fee adjustments to be brought forward to Council

- **Dec. 3** – Public presentation of the Draft Budget
- **Dec. 10** – Budget vote and approval of 2025 utility and other engineering fees



## 3. Public Engagement

# Background, Objectives and Methodology

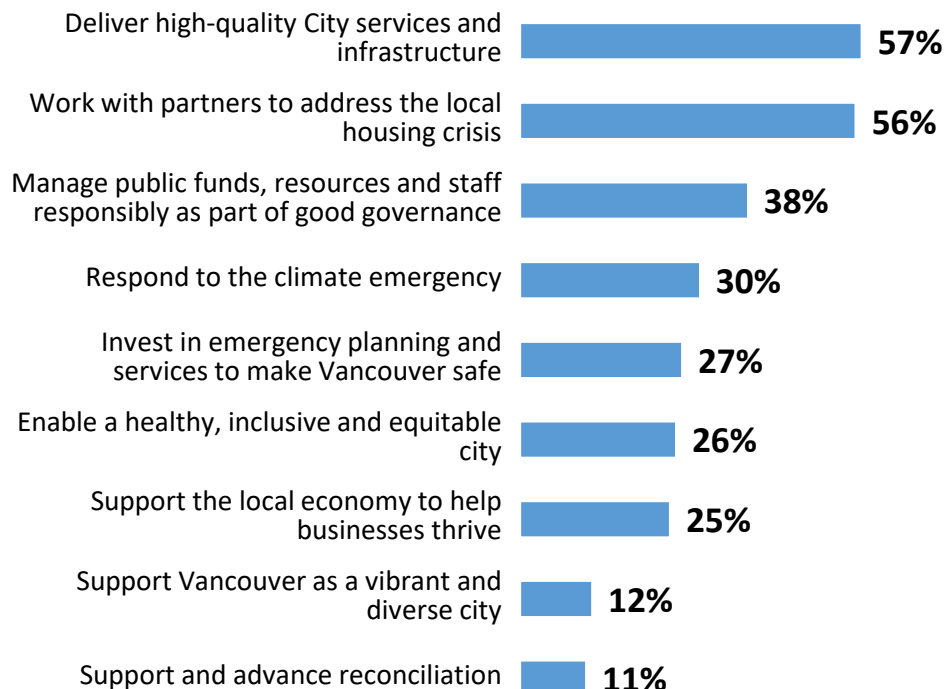


- Purpose of annual budget engagement is to better understand:
  - Resident and business priorities for City spending
  - Preferences for delivering a balanced budget in 2025
- n = 4,319 total responses:
  - n = 3,403 residents
  - n = 916 businesses
- Survey open from Aug. 21 to Sept. 16 and available in English, Simplified Chinese, Traditional Chinese and Punjabi
- Survey promoted across the City's communications channels, Talk Vancouver panel and via 3-1-1
- Final data weighted by age and geographic zone (residents) and business size (businesses)

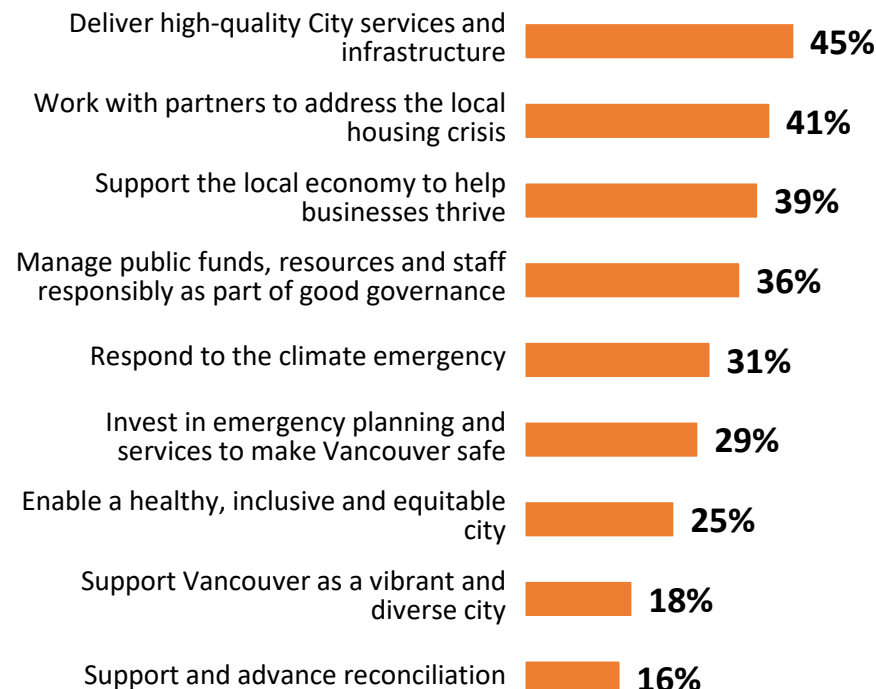
# Budget Priorities

- For residents, there are two priorities that stand out: City services and infrastructure (57%) and housing (56%). Good governance sits in third (38%).
- There are also two priorities among businesses: City services and infrastructure (45%) and housing (41%). However, businesses generally have a more diverse set of priorities, with the economy (39%) and good governance (36%) placing not far behind.

## RESIDENTS (n=3403)



## BUSINESSES (n=916)



Base: All respondents




Q1. Which of the Council priorities listed above do you think are most important for the 2025 Budget? Select up to three.

# Other Priorities For 2025 Budget\*





\* (among those answering) (coded open-ends with example verbatim comments)

- Residents and businesses identify a wide variety of other priorities that they think should be considered for the 2025 Budget.
- Community safety/policing and environment/climate change/climate action are among the top mentions of both residents and businesses.
- Residents also suggest housing, while businesses point to fiscal management and homelessness.

## RESIDENTS (n=1458)

- |          |   |  |
|----------|---|--|
| <b>1</b> | <b>Community safety/policing (11%)</b>                |  <i>Make the city safe for residents and families.</i>  |
| <b>1</b> | <b>Housing (11%)</b>                                  |  <i>Address the housing crisis with more affordable options.</i>                              |
| <b>3</b> | <b>Environment/climate change/climate action (9%)</b> |  <i>Contribute to promoting environmental sustainability by reducing waste and recycling.</i> |

## BUSINESSES (n=401)

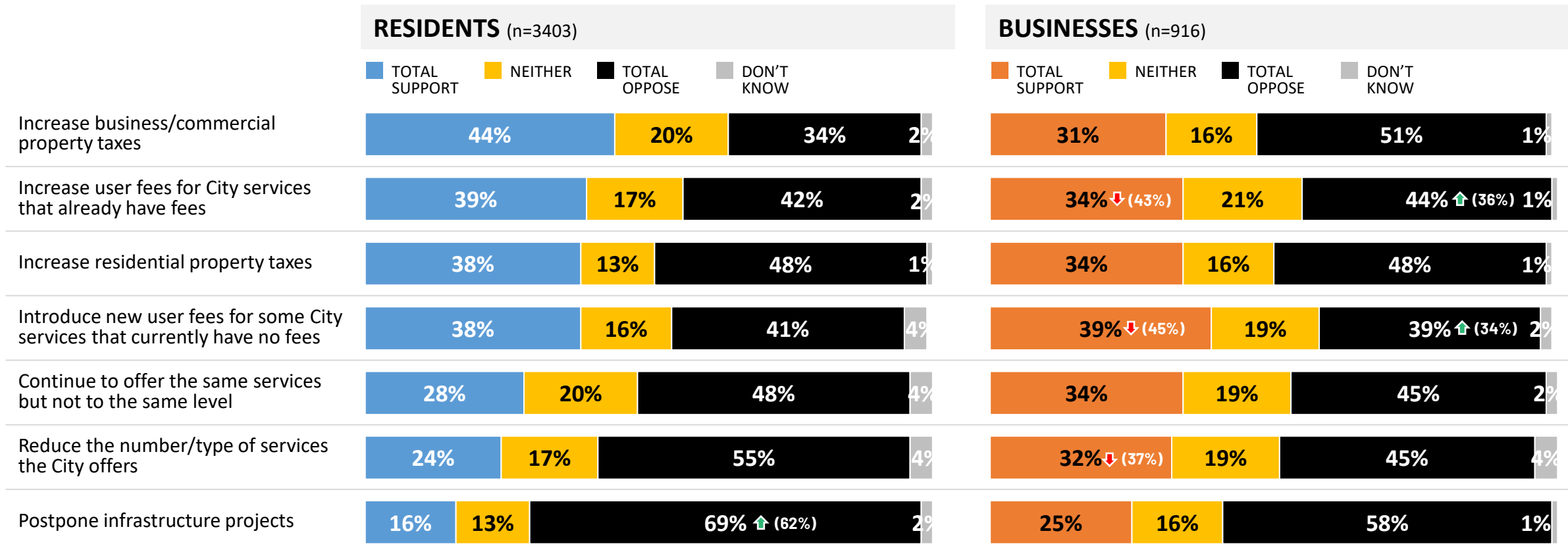
- |          |   |  |
|----------|---|--|
| <b>1</b> | <b>Community safety/policing (12%)</b>                              |  <i>Enhance public safety measures in commercial districts.</i>                                 |
| <b>2</b> | <b>City finances (control spending, reduce salaries/wages) (8%)</b> |  <i>Look for efficiencies within the city operations to cut down costs...</i>                   |
| <b>2</b> | <b>Homelessness (8%)</b>  |  <i>Address and provide services for homeless.</i>  |
| <b>2</b> | <b>Environment/climate change/climate action (8%)</b>               |  <i>Support green infrastructure and clean energy solutions through financial investment.</i> |

Base: Those answering  
Q2. Do you have any other priorities that should be considered for the 2025 Budget? (open-ended question)



# Support for Financial Tools to Balance the Budget

- To balance the budget, residents are most likely to support an increase in business/commercial property taxes (44%) while businesses prefer new user fees (39%, down from 45% in 2023).



Base: All respondents

Q3. The City has a number of financial tools that can be used to balance the budget. Tell us how much you support or oppose each of the following options.

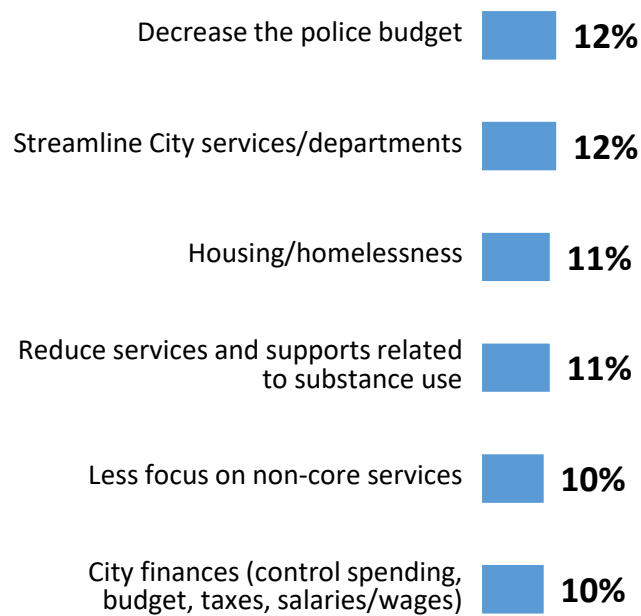
↑ ↓ Changes of 5 points or more vs. 2023

# Top Suggestions for Programs and Services to Cut or Reduce\*

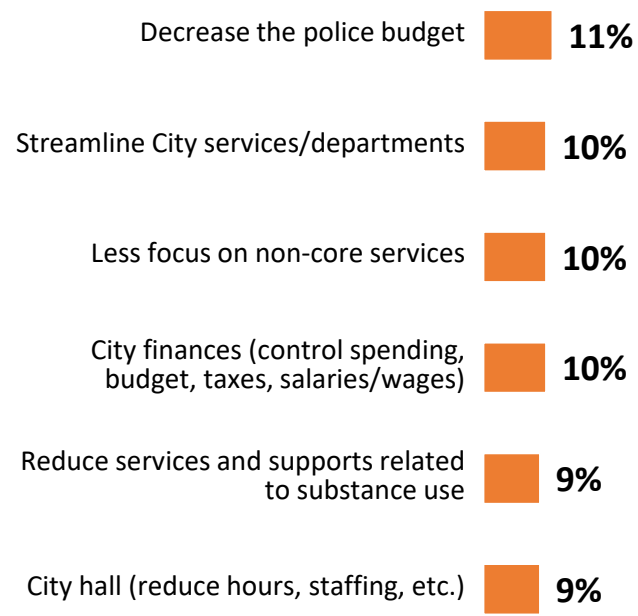
\* (among those answering) (coded open-ends with example verbatim comments)

- Respondents who indicated they would support continuing to offer the same services but not at the same level were asked a follow up question to understand which programs or services they thought the City should stop offering or reduce the level of service offered to help balance the budget.
- Residents and businesses identify a variety of programs and services that they think could be eliminated or reduced. Common themes among both are decreasing the police budget, streamlining City services/departments, reducing services and supports related to substance use, less focus on non-core services and improved fiscal management.

## RESIDENTS (n=614)



## BUSINESSES (n=184)



Base: Those answering

Q2a. To help balance the budget, which programs and services should the City stop offering or reduce the level of service offered? (open-ended question)

# Other Comments/Suggestions For 2025 Budget

\* (among those answering) (coded open-ends with example verbatim comments)

- Residents and businesses provide a wide variety of final comments and suggestions regarding the 2025 Budget.
- The top comment among residents is “address housing issues” (20%).
- The top comment among businesses is “City finances (control spending, reduce salaries/wages)” (15%).

## RESIDENTS (n=692)

### 1 Address housing issues (20%)

*Affordable housing should be a top priority.*

### 2 Decrease the police budget (16%)

*Reduce the police budget and re-allocate to more effective programs.*

### 3 City finances (control spending, reduce salaries/wages) (12%)

*Aim for better management of money, not more taxes or fees.*

### 4 Increase property taxes/fees (11%)

*We need to substantially increase residential property taxes. We can have nice things if we're willing to pay for them.*

### 5 Increase taxes (for high income earners/ corporations) (10%)

*Increase property taxes on high value homes.*

## BUSINESSES (n=158)

### 1 City finances (control spending, reduce salaries/wages) (15%)

*All levels of government need to cut spending, cut programs, services and staff in order to live within our means.*

### 2 Decrease the police budget (13%)

*Re-allocate the budget of the Vancouver Police Department.*

### 3 Address housing issues (11%)

*Top priority needs to be the housing crisis.*

### 4 Support all kinds of business (10%)

*Supporting small businesses with grants or tax breaks can boost the local economy.*

### 4 Improve community safety/increase policing (10%)

*Public safety should be focus of this year's budget as it relates to crime and street disorder.*

Base: Those answering

Q5. Are there any other comments or suggestions you would like to add about the 2025 Budget? Please type in your comments in the space provided. (open-ended question)

## 4. 2025 Draft Capital Budget



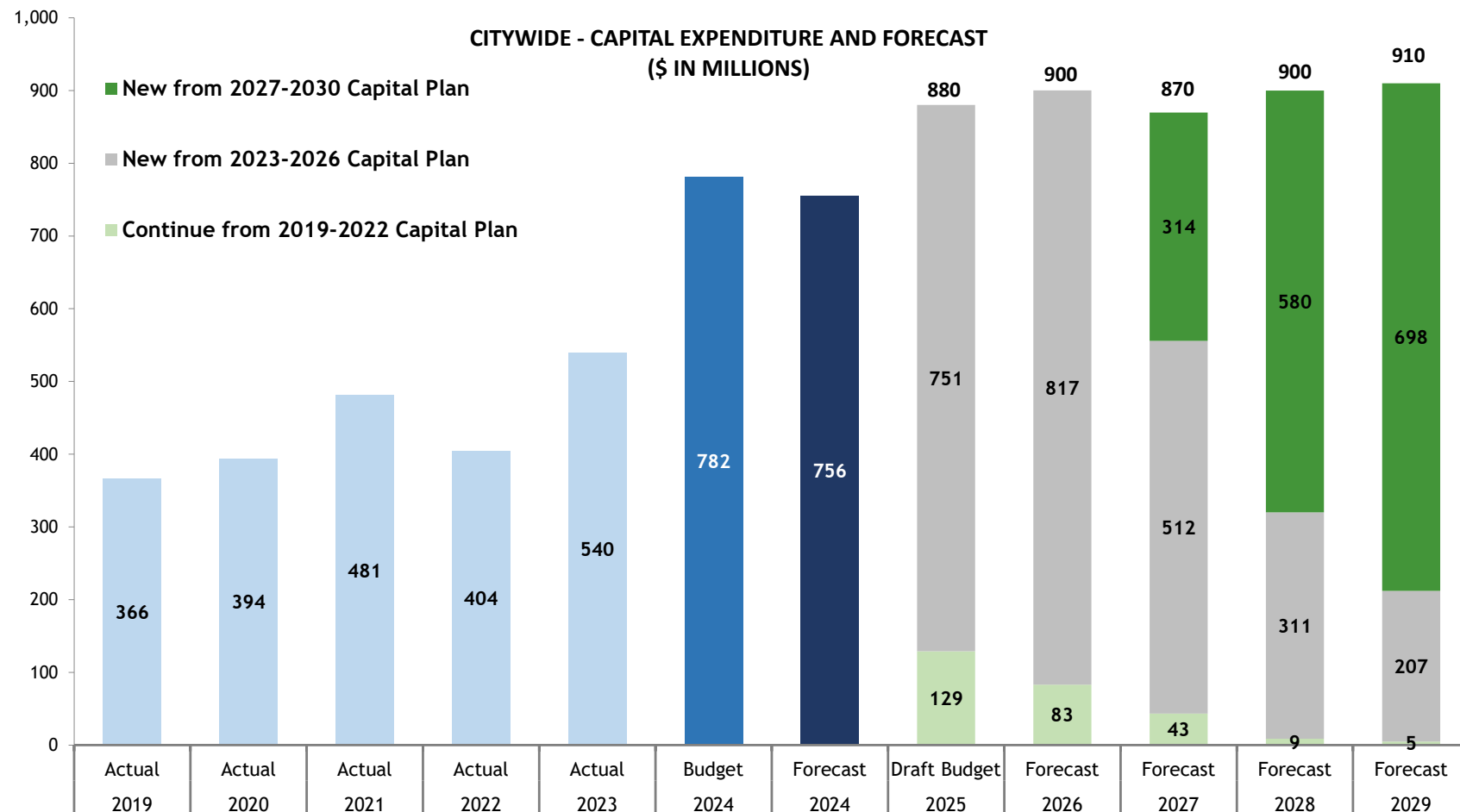
# 2025 Capital Budget Overview

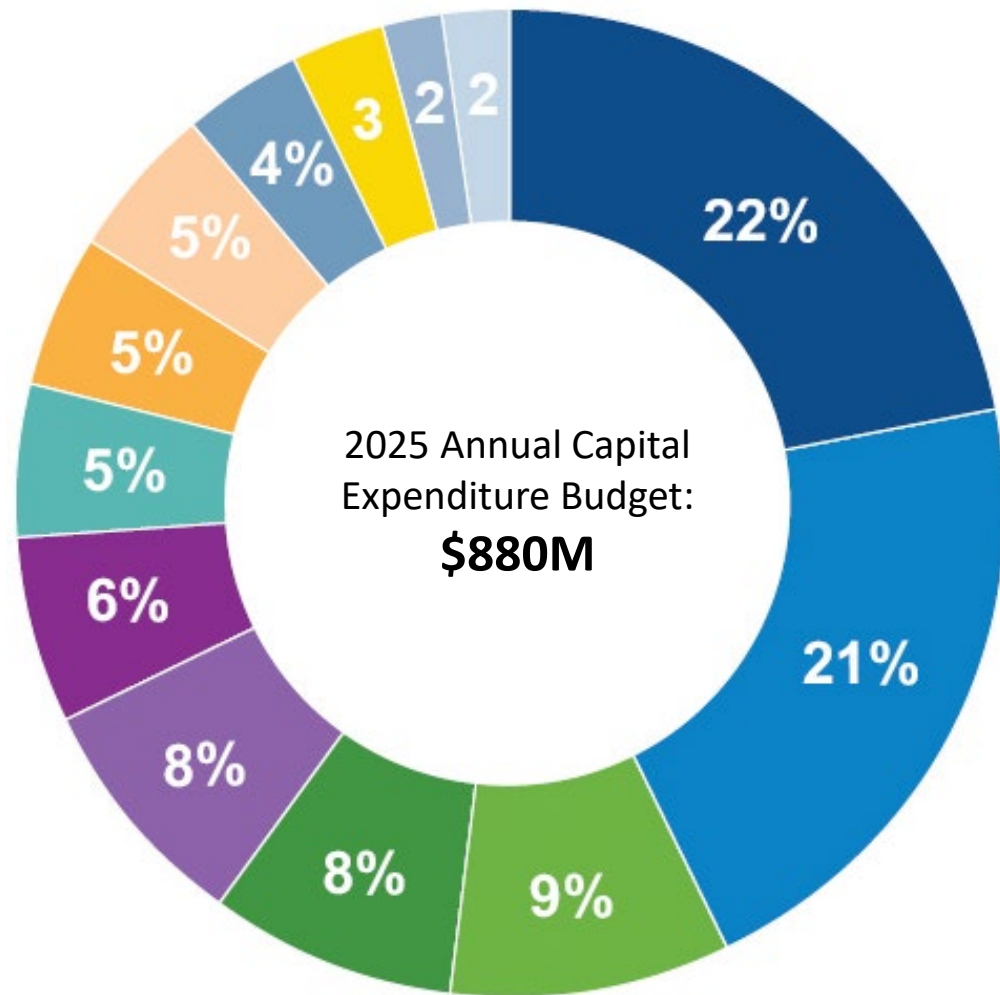
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- Objective of 2025 Capital Budget is accelerating **renewal of aging assets** and delivering **new infrastructure to support population and job growth**
  
- New 2025 budget requests totaling **\$629M**
  
- **Increase** in the 2023-26 Capital Plan by **\$52M**
  - **\$41M** cost escalation for replacement of City Fleet - funded from Reserves
  - **\$10 M** new/emerging project – Community Economic Development HUB – development funding
  
- **Increased** 2025 Expenditure Budget of **\$880M** (vs 2024 budget of \$782M) aligned with infrastructure renewal and growth needs as per 2023-2026 Capital Plan

# 2025-2029 Capital Expenditure Budget aligned with increased Capital Delivery

- 2025 expenditure budget **higher by \$98M** over 2024:
  - Catch up of deferred/delayed work from prior plans
  - Projects progressing into design / construction phases
  - Ongoing delivery of annual programs
  
- 2025-29 expenditure forecast **aligned** with infrastructure renewal and growth needs outlined in 2023-2026 Capital Plan





One Water: Potable water, rainwater & sanitary water	\$195M
Streets	\$184M
Community facilities	\$81M
Arts, culture & heritage	\$71M
Housing	\$67M
Parks & public open spaces	\$55M
Public Safety	\$47M
Technology	\$40M
Waste collection, diversion & disposal	\$40M
Childcare	\$32M
Civic facilities & equipment	\$30M
Emerging priorities, contingency & project delivery	\$20M
Renewable energy	\$17M

# Housing: 2025 Draft Expenditure Budget

## Notable Capital Projects & Programs:

- Land acquisition
- Grants to support 600 non-city new or redeveloped partner units
- Pre-development funding program for housing projects on City owned land

**2025  
Draft Expenditure Budget**

**67.4M**



## Notable Capital Projects & Programs:

- Renewal and expansion of childcare at RayCam Co operative Centre
- New childcare at East Fraser Lands Community Centre
- New childcare at Firehall 8

**2025  
Draft Expenditure Budget**

**32.3M**





## Notable Capital Projects & Programs:

- New track and field facility at Killarney Park
- Andy Livingstone Synthetic Turf Renewal
- New synthetic turf and fieldhouse at Moberly Park
- New parks in East Fraser Lands

**2025  
Draft Expenditure Budget**

**55M**



## Notable Capital Projects & Programs:

- Renewal and expansion of the PNE Amphitheatre
- Chinatown Memorial Square redesign

**2025  
Draft Expenditure Budget**

**71M**



## Notable Capital Projects & Programs:

- Renewal and expansion of Vancouver Aquatic Centre
- Renewal and expansion of the RayCam Co operative Centre
- Marpole Library expansion (detailed design and construction)
- New DTES Community Economic Development Hub

**2025  
Draft Expenditure Budget**

**81.2M**



## Notable Capital Projects & Programs:

- Renewal and expansion of Firehall 8
- Renewal and expansion of Grandview Firehall 9
- Animal Shelter Renewal
- Replacement of Fleet for VFRS/VPD

**2025  
Draft Expenditure Budget**

**46.6M**



## Notable Capital Projects & Programs:

- Sunset Service Yard renewal Phase 1
- City Hall campus renewal
- Energy Optimization Program to reduce annual greenhouse gas emissions

**2025  
Draft Expenditure Budget**

**29.8M**





## Notable Capital Projects & Programs:

- Granville Bridge rehabilitation and seismic upgrades
- Cambie Bridge rehabilitation and seismic upgrades
- West End public space and transportation improvements
- Gastown/ Water Street public space and transportation improvements

**2025  
Draft Expenditure Budget**

**184.3M**



### Notable Capital Projects & Programs:

- Water Distribution main renewal
- Water Transmission main renewal
- Sewer main renewal (includes both larger and smaller main renewal programs)
- Pump station renewals and upgrades
- Green infrastructure renewal and upgrades

**2025  
Draft Expenditure Budget**

**195.2M**



## Notable Capital Projects & Programs:

- Landfill closure program
- Vancouver Landfill gas collection infrastructure
- Collection vehicles and equipment
- Disposal vehicles and equipment

**2025  
Draft Expenditure Budget**

**39.9M**

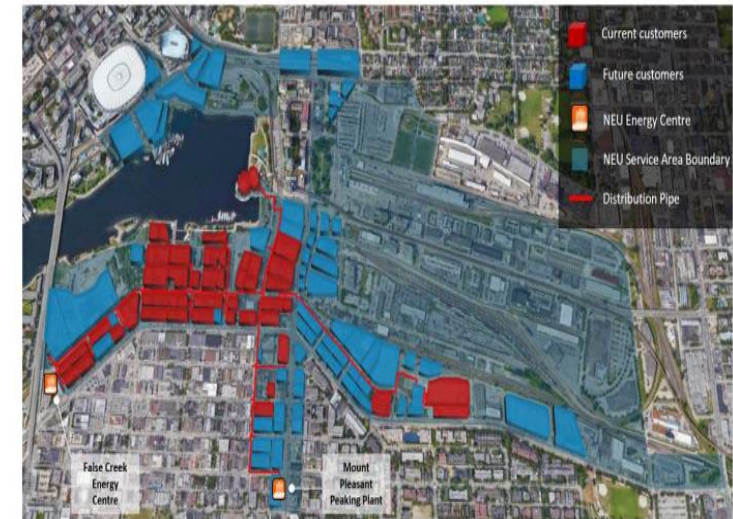


## Notable Capital Projects & Programs:

- NEU sewage heat recovery expansion
- Planning and design for new low carbon generation capacity
- Expansion of NEU distribution network
- NEU satellite peaking plant
- Energy retrofits for non-City buildings
- Off street EV charging infrastructure for non-City buildings

**2025  
Draft Expenditure Budget**

**17.5M**



## Notable Capital Projects & Programs:

- Technology maintenance, upgrades and expansion
  - Hybrid Data Center
  - Permitting Platform upgrade
- Technology transformation
  - Financial Planning Transformation
  - HR Information Systems Management
- Cybersecurity Program

**2025  
Draft Expenditure Budget**

**40M**





## 5. 2025 Draft Operating Budget

# 2025 Draft Operating Budget Summary

## \$2.4B 2025 Draft Operating Budget

### Revenue stream increases



**Property tax rate increase of 4.5% for city services and 1% for Infrastructure renewal**

Reduction in Property Tax rate increase from 2025 Outlook which was at 7%



**Blended utility fees increase of 18.2%**

Significant cost escalation by Metro Vancouver



**User fee increases of 6%** consistent with actual increases in service costs to ensure full cost recovery

**Licence and development fee increases of 3%**



**Incremental non-tax revenue**

Fee optimization, expansion of specific services and Sponsorship, Naming Rights, Advertising, Donations

### Service delivery cost increases



**Increases in fixed and contractually obligated costs** to maintain existing service levels, inflationary increases for material and supplies, negotiated salaries and benefits, contingencies, increased costs passed on to the City by external agencies


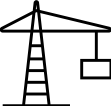


**Regional utility charges increases** passed on to the City by Metro Vancouver & higher pay-as-you-go contributions



**Additional funding to maintain infrastructure** and public amenities in a state of good repair as outlined in the 2023-2026 Capital Plan


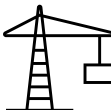
# Property Tax and Utilities Fees Increases Annual \$ Impact

	Median residential strata unit \$806,000	Median single-family home \$2,209,000	Median business property \$1,268,000
<b>Total Property tax Change over 2024*</b>	<b>\$77</b>	<b>\$211</b>	<b>\$403</b>
 <b>Increased funding for all City services</b>	<b>\$63</b>	<b>\$173</b>	<b>\$330</b>
 <b>Additional infrastructure renewal</b>	<b>\$14</b>	<b>\$38</b>	<b>\$73</b>
<b>Total Utilities Fees Change over 2024*</b>	<b>\$78**</b>	<b>\$386</b>	<b>\$377</b>

\*Numbers may not add due to rounding

\*\* Strata units utilities fees includes water and sewer charges only and is embedded within the Strata fees

# Property Tax and Utilities Fees Increases Per Day \$ Impact

	Median residential strata unit \$806,000	Median single- family home \$2,209,000	Median business property \$1,268,000
<b>Total Property Tax Change over 2024*</b>	<b>\$ 0.21</b>	<b>\$ 0.58</b>	<b>\$ 1.10</b>
 <b>Increased funding for all City services</b>	<b>\$0.17</b>	<b>\$0.47</b>	<b>\$0.90</b>
 <b>Additional infrastructure renewal</b>	<b>\$0.04</b>	<b>\$0.10</b>	<b>\$0.20</b>
<b>Total Utilities Fees Change over 2024*</b>	<b>\$0.21**</b>	<b>\$1.06</b>	<b>\$1.03</b>

\*Numbers may not add due to rounding

\*\* Strata units utilities fees includes water and sewer charges only and is embedded within the Strata fees

# Explanation of YoY Gross Budget Increase

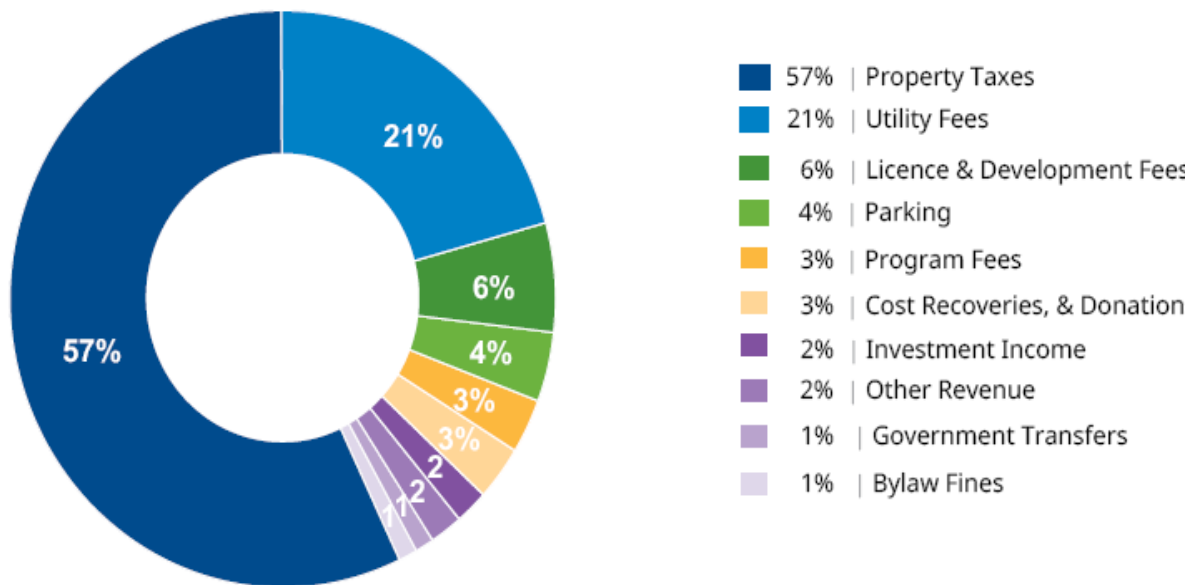
Operating Budget	2024 Restated Budget	2025 Draft Budget	Change	% Change
Revenues	\$2.1B	\$2.4B	\$226M	10.6%
Expenditures & Transfers	\$2.1B	\$2.4B	\$226M	10.6%

YoY % Growth	Revenues, Expenditure and Transfers Summary
4.5%	<b>Property Tax increase of 4.5% funding city services</b> tax related fixed and contractually obligated cost increases, costs passed on to the City by external agencies while maintaining contingencies for future risks.
1.0%	Ongoing additional Property Tax increase of <b>1% for infrastructure renewal</b> specifically directed to address the historical infrastructure deficit funding.
2.2%	<b>Utilities costs increases</b> due to significant additional charges on the City from Metro Vancouver related to required regional investments in infrastructure, including costs related to the North Shore Wastewater Treatment Plant recovered through Utilities Fees.
2.9%	<b>Incremental non-tax revenues and fees</b> that fund program cost increases and balance the budget with a lower property tax increase

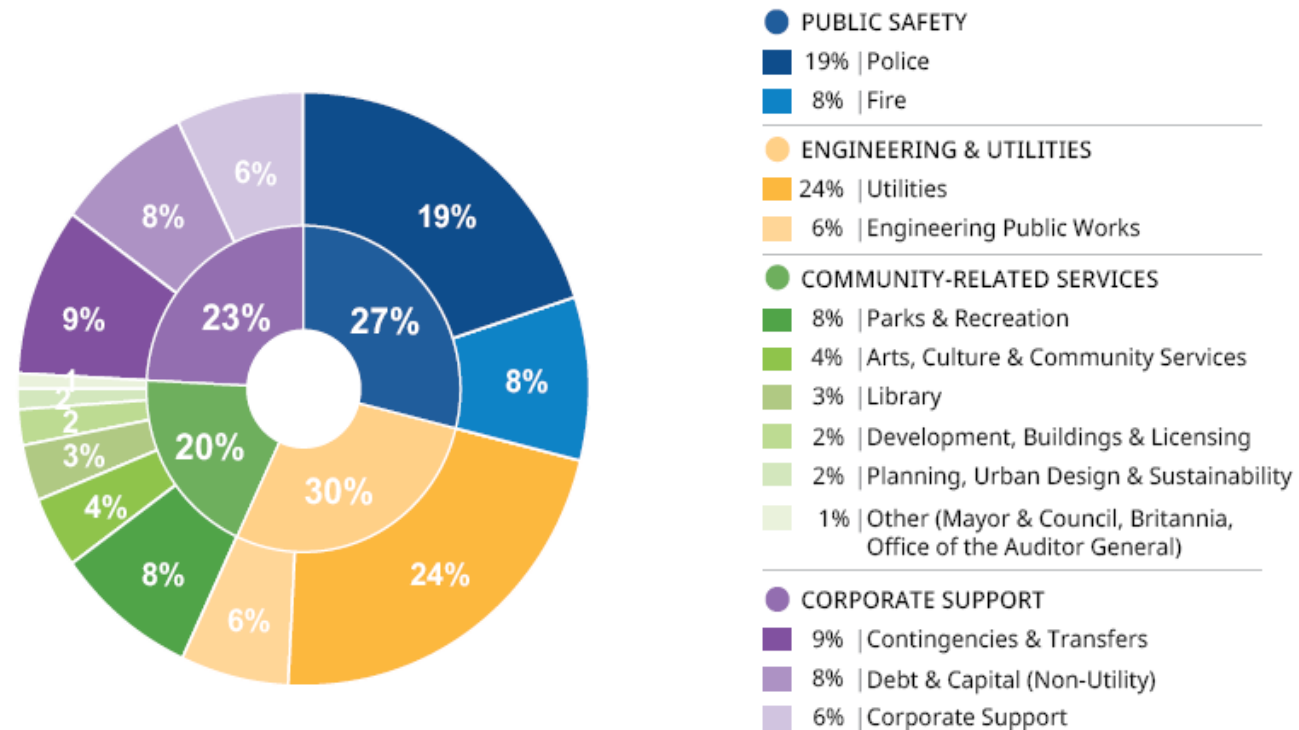


# 2025 Draft Operating Budget Break-up

2025 Operating Revenues (\$2,356 Million)



2025 Operating Expenditures and Transfers (\$2,356 Million)



## 2025 Sewer Rate Increase – Metro Levy rate increase by 50%

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- Metro Vancouver's 2025 Budget has an increase in Liquid Waste Service Levy for all municipalities. For City of Vancouver, it increases **by 50% from \$114.0M in 2024 to \$170.9M in 2025**
- As a result, the Sewer Utility rate proposed in the City's 2025 Budget is increasing from 14% presented in the Budget Outlook to **37% in the 2025 Operating Budget**
- This translates to an increase of **\$70/year** for a median strata unit and **\$316/year** for a median single-family home

# 2025 Other Utility Rate Increase Drivers

<b>3.2% Water Rates</b>	Metro Vancouver water rate increases that fund regional infrastructure renewals, improvements to reservoirs, treatment and transmission infrastructure, as well as funding required for water capital projects within the approved 2023-2026 Capital Plan
<b>9.7% Solid Waste Collection Fees</b>	Increase driven by higher maintenance costs on aging garbage collection vehicles and compensation rate increases (2021-2025 rate increase = 4.8% average per year).
<b>3.2% False Creek Neighbourhood Energy Utility</b>	To recover NEU costs over time in accordance with the commercial utility rate model endorsed by the Expert Panel

## Blended water and solid waste fees increase of 5.4%

- **\$68 per year** for a median single-family home
- **\$67 per year** for a median businesses

## Combined utility rate increase (incl. sewer)

- **\$78 per year** for a median strata unit (incl. Water and Sewer only)
- **\$386 per year** for a median single-family home
- **\$377 per year** for a median businesses

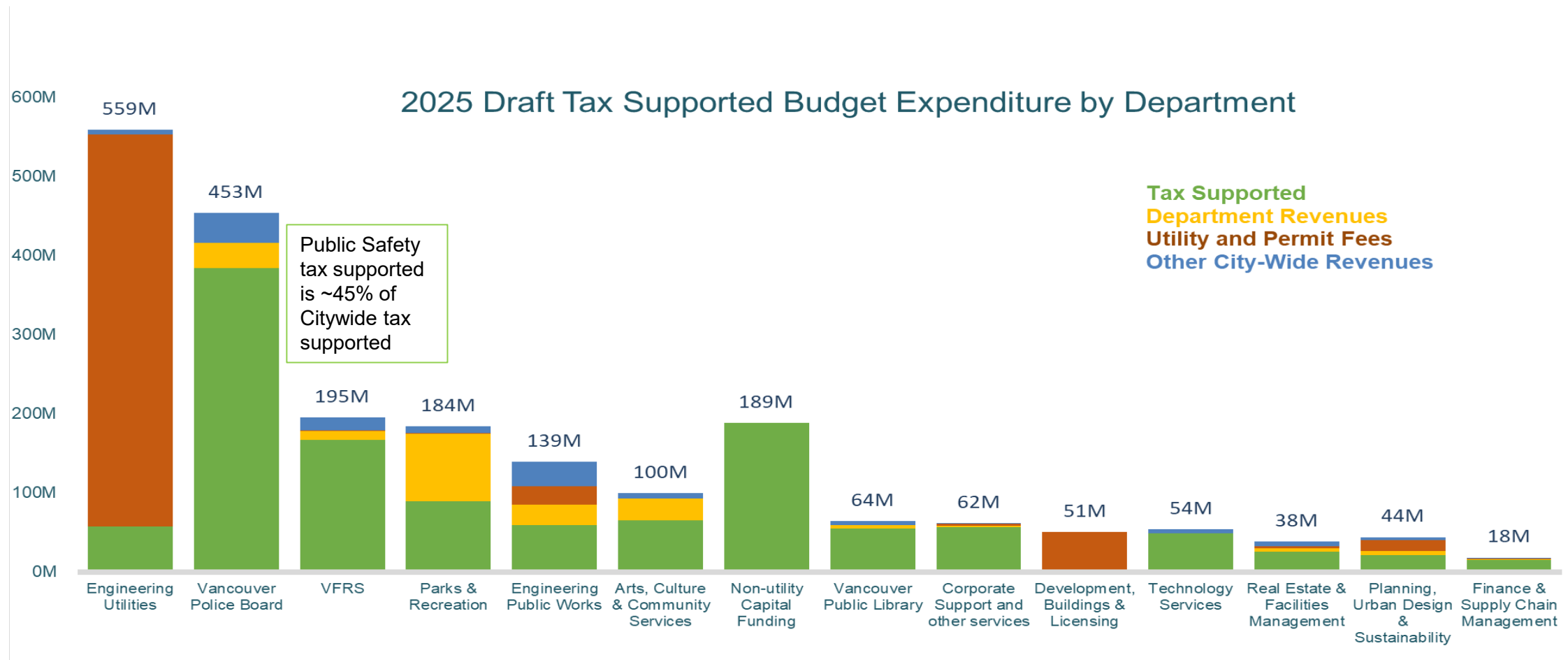
Other Engineering fees – 6% increase in most areas to recover cost increases

# Development Fees Updates

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- Staff **propose an increase of 3%** which is less than program cost escalation
- The **Permit Improvement Program has realized efficiencies** which have been reinvested in faster turnaround times as well as contributed to the **moderation of fee increases**.
- Additional staff will be added but they will be **funded through increased permit volumes**
- The program is **on track** to achieve cost recovery

# Property Tax & Other Funding



**Notes:**

- Other Citywide revenues include parking, bylaw fines, investment income, revenue sharing, cost recoveries, etc.
- Revenues with direct costs are first allocated to associated departments then Citywide.



# Advancing the Mayor's Budget Task Force Recommendations

# Advancing Mayor's Budget Task Force Recommendations

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Continued work advancing initiatives in the 2025 Draft Budget:

1. Vancouver Housing Development Office
2. Sponsorships, advertisements, naming and donations
3. Strategy and Project Support Office
4. Centralised functional leadership through the Park Board Transition
5. Proactively manage absenteeism – Lost time incidents reporting and Safety
6. Technology transformation
7. Budget process reform


# 1. Vancouver Housing Development Office

Mayor’s Budget Task Force Recommendation 3B(14): Create Perpetual Value from the PEF to Help Narrow the Infrastructure Funding Deficit



**Increased Supply**

Through a Portfolio Approach, **increase supply of market rental housing** on City Lands.



**Optimize returns**

Optimize financial returns and **increase non-tax revenues**



**Public Benefits**

**Generate public benefits through development**



**Wealth Creation**

Build **generational wealth for Vancouver citizens**

**ACTION**

\$21 million in PEF dividend included in the 2025 budget and further increases over time

## 2. Sponsorships, Advertisements, Naming Rights and Donations

Mayor’s Budget Task Force Recommendation 3C: Enhance Strategic Partnerships for Greater Impact

The **2024 Sponsorship and Sponsorship Naming Rights Policy** aligns with the priorities articulated in Vibrant Vancouver: City Council’s Strategic Priorities, 2023-2026, and with the recommendations of the 2024 Mayor’s Budget Task Force



Corporate Sponsorship



Sponsorship Naming rights



Philanthropic Donations



Advertising

### IN PROGRESS

\$1.0 million in additional non-tax revenue generation included in the 2025 Draft Budget, with potentially significant future revenue opportunities to be identified

\$3.6 million in additional non-tax revenue from advertising on street furniture in 2025.

### 3. Strategy and Project Support Office (SPSO)

Mayor’s Budget Task Force Recommendation 2C (8): Implement a City-Wide Continuous Improvement program

**SPSO consolidated City’s:**

- Business Planning and Project Support (**BPPS**) team
- Strategic Planning and Program Management (**SPPM**) team and
- Finance and Performance Measurement (**F&PM**) team



**Strategic  
 Business  
 Advisory Services**



**Continuous  
 Improvement  
 Support**



**Performance  
 Measurement  
 Support**



**Project  
 Delivery**

**ACTION**

\$0.7 million in ongoing cost savings included in the 2025 Draft Budget through reduction of vacant positions while supporting City-wide transformation and realization of efficiencies.

Continuous Improvement Program to be refined and re-launched in early 2025



# 4. Centralized Functional Leadership through Park Board Transition **BUDGET**

Mayor's Budget Task Force Recommendation 2C(9): Achieve Economies of Scale through Centralized Functional Leadership and Resource Sharing



## 1. Functional Outcome

- Operational Efficiencies
- Increased Operational Effectiveness
- Reduced Contracting
- Cost Avoidance



## 2. Monetary Outcomes

- **Annual Savings of \$7M (\$70M over 10 years)**



## 3. Opportunities

- Additional benefits anticipated after transition is initiated
- **Reinvesting** of savings in parks & recreation or other public services
- New **Partner Relations Office** on recommendations of the Working Group

## 5. Proactively Manage Absenteeism - Recommendation 2C(11)



### 1. Leadership Reporting of Lost Time Incidents

Organization-wide **reporting of all Lost Time Incidents\*** provides valuable insights and opportunities for **process improvements and cost savings**.



### 2. Development of Public Conduct Expectations

To improve the **work environments for our frontline staff**, these organization-wide **“Conduct Expectation”** for the public are being developed.



### 3. Body-Worn Camera Pilot

A pilot program for **body-worn cameras** is being developed for **parking enforcement officers** to reduce the **abuse they experience** while performing their duties



### 4. OHS Hazard and Risk Register

An enterprise-wide **Occupational Health and Safety (OHS) hazard & risk-register** is being developed to **better understand the occupational hazards and risks** across the organization associated with different positions.

#### Outcomes:


Enhanced safety performance and **safer and more supportive workplace** environment for all employees  
**38% decline** in 12 month rolling **injury rate in 2 years** from 11.1 in 2022 to 6.8 in 2024.

*\*Lost Time Incidents – Incidents resulting in an employee missing at least one shift*

# 6. Technology Transformation

Mayor’s Budget Task Force Recommendation 2C(12): Leverage Technology to Optimize Operations

**In progress: Technology Services Priority Initiatives enabling operational efficiency**



**Digital services transformation**

Modernize and digitize services across different departments by leveraging the ServiceNow platform.



**Permitting Digital Transformation Program**

Creating a customer-centric and digitally driven foundation to deliver modern permitting and licensing services



**SAP strategic roadmap**

Leverage new SAP S/4 HANA platform to implement a series of business improvement projects, including financial planning and building asset management.




**Enterprise Data, Analytics, and AI**

Enabling efficient, low-friction access to a modern cloud-based enterprise data platform for City of Vancouver.

# 7. Budget Process Reform

Mayor's Budget Task Force Recommendation 2A: Budget and Governance Processes

**In progress: A Financial Transformation Project that leverages the recent implementation of SAP S/4HANA to advance business efficiencies and cost savings**



**Shorter budget cycle times**

Concise budget schedule



**Process efficiency**

Reduce manual process steps



**Support for financial decision-making**

Improved financial analysis to support decision-making

# 2025 Tax Scenarios – Pressures & Opportunities

## Additional Pressures not built into the 2025 Draft Operating Budget: **+1.3%**

1.1%

- VPB additional budget requests
- Total request of \$13.0M\*

0.2%

- Other Departments additional budget requests
- Total request of \$2.3M

## Potential Offsets not built into the 2025 Draft Operating Budget: **(1.6%)**

1.1%

- Revenue opportunities such as Property Endowment Fund optimization, Investment Income increase

0.4%

- Tax levy adjustment estimated on the recent 2025 assessment roll

0.1%

- Efficiencies in delivery of tax-funded capital program

\*Includes \$0.3M requests specific to VPD from other Departments.

# Vancouver Police Board Approved Budget - \$12.7M Impact

- VPB proposed 2025 Budget that is **\$12.7 million** higher than the 2025 Draft Budget for VPD. This includes the following additional funding pressures for Council consideration:
  - Key High Priority Items
    - *New ongoing funding:*
      - *\$6.1M or 0.52% tax impact to fund the implementation of Body Worn Camera (BWC) program in 2025.*
      - *\$1.4M or 0.12% tax impact to fund overtime due to protests and demonstrations.*
      - *\$0.6M or 0.05% tax impact to fund positions for Enterprise Risk Management unit.*
    - *One-time funding:*
      - *\$1.1M or 0.09% tax impact to restore Facilities Capital Fund to accommodate 100 new officers.*
  - Key Other Priority Items:
    - *New Ongoing Funding*
      - *\$0.8M or 0.06% tax impact for salary premiums & payouts towards retiring and exiting officers.*
      - *\$0.7M or 0.06% tax impact to fund the Board's independent oversight and governance function.*
      - *\$0.6M or 0.05% tax impact to fund statutory holiday deployment of VPD Resources.*
- Funding the full VPB proposed budget would require additional tax increase of **1.1%**.



# Vancouver Park Board Approved Budget - \$0.9M Impact

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Vancouver Park Board approved the 2025 Budget on November 25th, consistent with the City staff recommendations with the following additional direction:

1. Additional \$500K from the Corporate Sponsorship fund
  - *To implement pilot to launch Safe Sport and Field Permitting and support unfunded Think Big initiatives*
2. Seek Council approval: additional **\$0.9M** in property tax funding
  - *To improve recreational facilities janitorial services to an APPA Level 4 cleanliness standard*

Funding the full Parks Board approved budget would require additional tax increase of **0.08%**.

# Vancouver Public Library Board - \$0.35M Impact

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Vancouver Public Library approved the 2025 Budget on October 30th, consistent with the City staff recommendations with the following additional direction:

1. Seek Council approval: additional **\$0.35M** in property tax funding
  - *To stabilize operations and address risks to Sunday operations due to staffing issues*

Funding the full Vancouver Library Board approved budget would require additional tax increase of **0.03%**.

## 6. 2025 Climate Budget

# 2025 Climate Budget

*Council-Directed, Best-Practice, Decision-Useful*

2025  
REPORT SCOPE



WELL-ALIGNED



INFORMING  
DECISION-MAKING

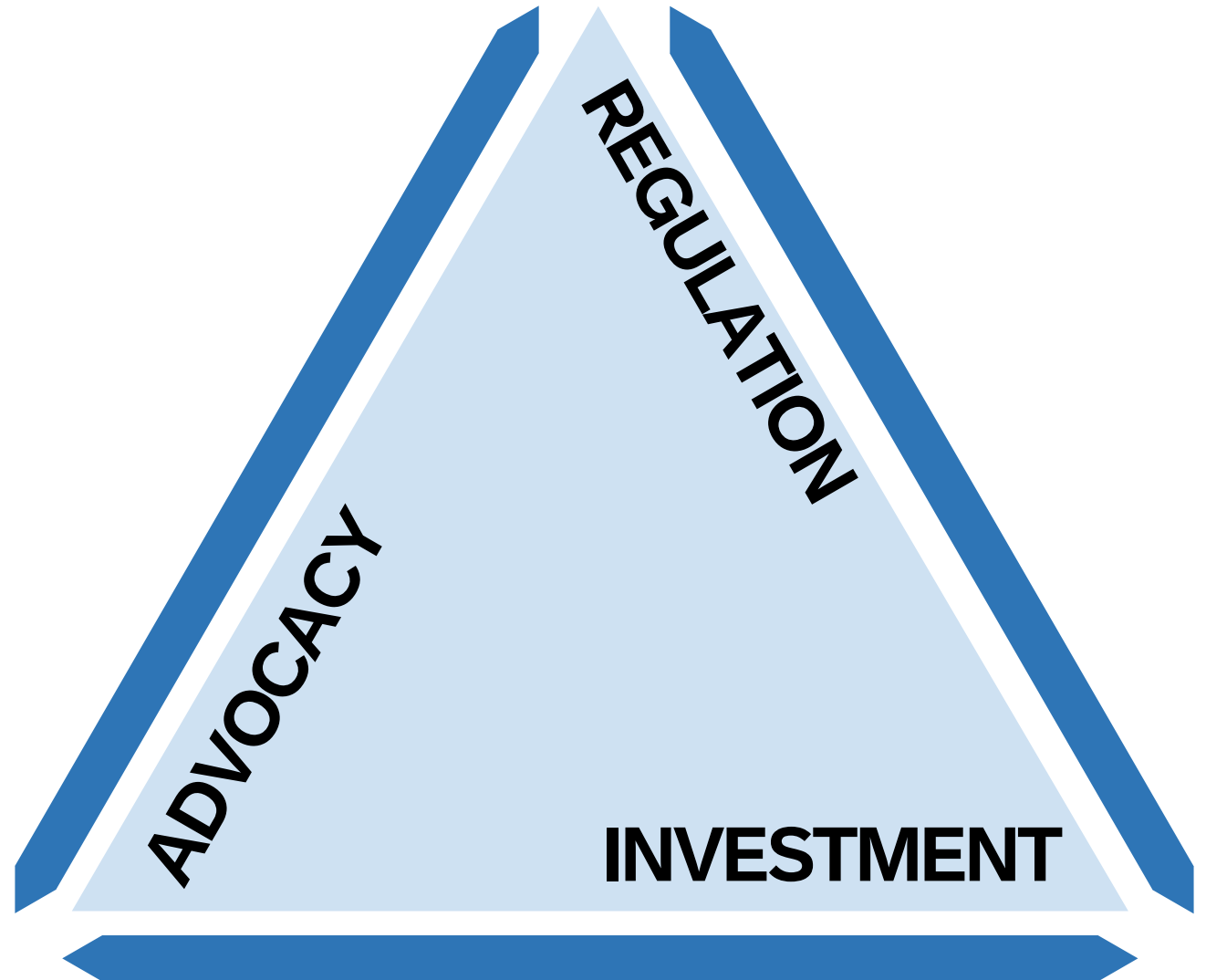


current-year Draft Budget;  
[capital and operating](#);  
**CEAP/CCAS** actions

aligned with emerging  
best-practices (N-ZAP, C40)

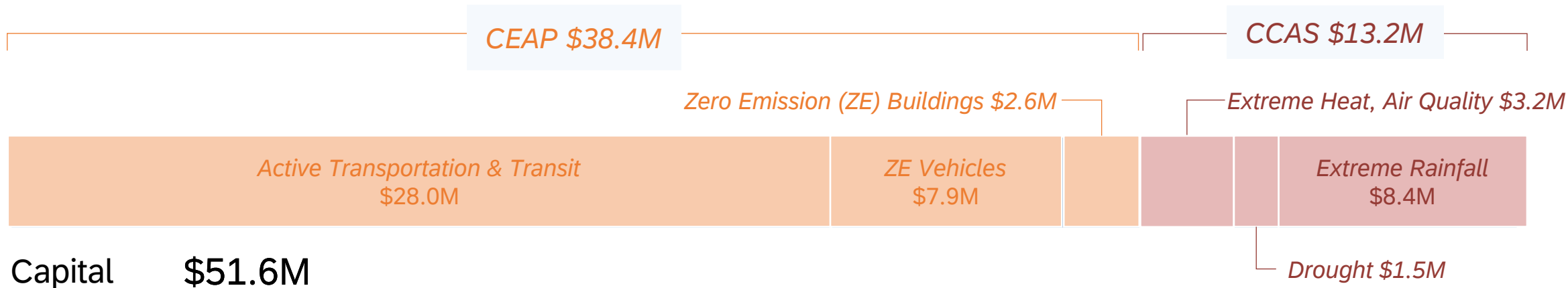
funding gap info informed  
Mid-Term Update

Climate actions at the City rely on a range of tools working together.



# 2025 Climate Budget

## 2025 Draft Capital and Operating Budget



ACROSS MULTIPLE CITY DEPTS  
AND ALL CEAP/CCAS ACTIONS:  
operations (NEU, Vancouver Landfill gas control, urban forestry, bike share); staffing; community support programs; fleet, equipment and renewable fuels; policy development



## *Next steps*

### **REPORTING IMPROVEMENTS**

City-controlled targets;  
cost-of-inaction estimates;  
tracking cost of responding to  
climate events; accounting for  
operational impacts

### **NEW FUNDING NEEDS AND STRATEGIES**

*2026-30 Climate Plans* in 2025;  
input into 2027-30 Capital Plan

# Questions

# Appendix

# Support for Financial Tools: Historical Comparison (Residents)

RESIDENTS		
Budget 2025 (in 2024)	Budget 2024 (in 2023)	Budget 2022 (in 2021)
Increase business/commercial property taxes – 44%	Increase business/commercial property taxes – 47%	Increase user fees for City services which already have fees – 50%
Increase user fees for services which already have fees – 39%	Increase user fees for services which already have fees – 40%	Increase business/commercial property taxes – 46%
Increase residential property taxes – 38%	Increase residential property taxes – 40%	Introduce new user fees– 40%
Introduce new user fees – 38%	Introduce new user fees – 38%	Continue to offer same services, but reduced level – 40%
Continue to offer same services but reduced level – 28%	Continue to offer same services but reduced level – 29%	Increase residential property taxes – 38%
Reduce number/type of services City offers – 24%	Reduce number/type of services City offers – 23%	<b>Postpone infrastructure projects – 31%</b>
<b>Postpone infrastructure projects – 16%</b>	<b>Postpone infrastructure projects – 19%</b>	Reduce number/type of services City offers – 26%

Note: Did not ask about financial tools in Budget 2023 due to change in engagement format

Q3. The City has a number of financial tools that can be used to balance the budget. Tell us how much you support or oppose each of the following options. Select one response for each row.

# Support for Financial Tools: Historical Comparison (Businesses)

## BUSINESSES

Budget 2025 (in 2024)	Budget 2024 (in 2023)	Budget 2022 (in 2021)
Introduce new user fees – 39%	Introduce new user fees – 45%	Increase user fees for City services which already have fees – 44%
Increase user fees for services which already have fees – 34%	Increase user fees for services which already have fees – 43%	Introduce new user fees – 43%
Increase residential property taxes – 34%	Reduce number/type of services City offers – 37%	Continue to offer same services but reduced level – 42%
Continue to offer same services but reduced level – 34%	Increase residential property taxes – 36%	Reduce number/type of services City offers – 37%
Reduce number/type of services City offers – 32%	Continue to offer same services but reduced level – 35%	<b>Postpone infrastructure projects – 36%</b>
Increase business/commercial property taxes – 31%	Increase business/commercial property taxes – 31%	Increase residential property taxes – 36%
<b>Postpone infrastructure projects – 25%</b>	<b>Postpone infrastructure projects – 22%</b>	Increase business/commercial property taxes – 31%

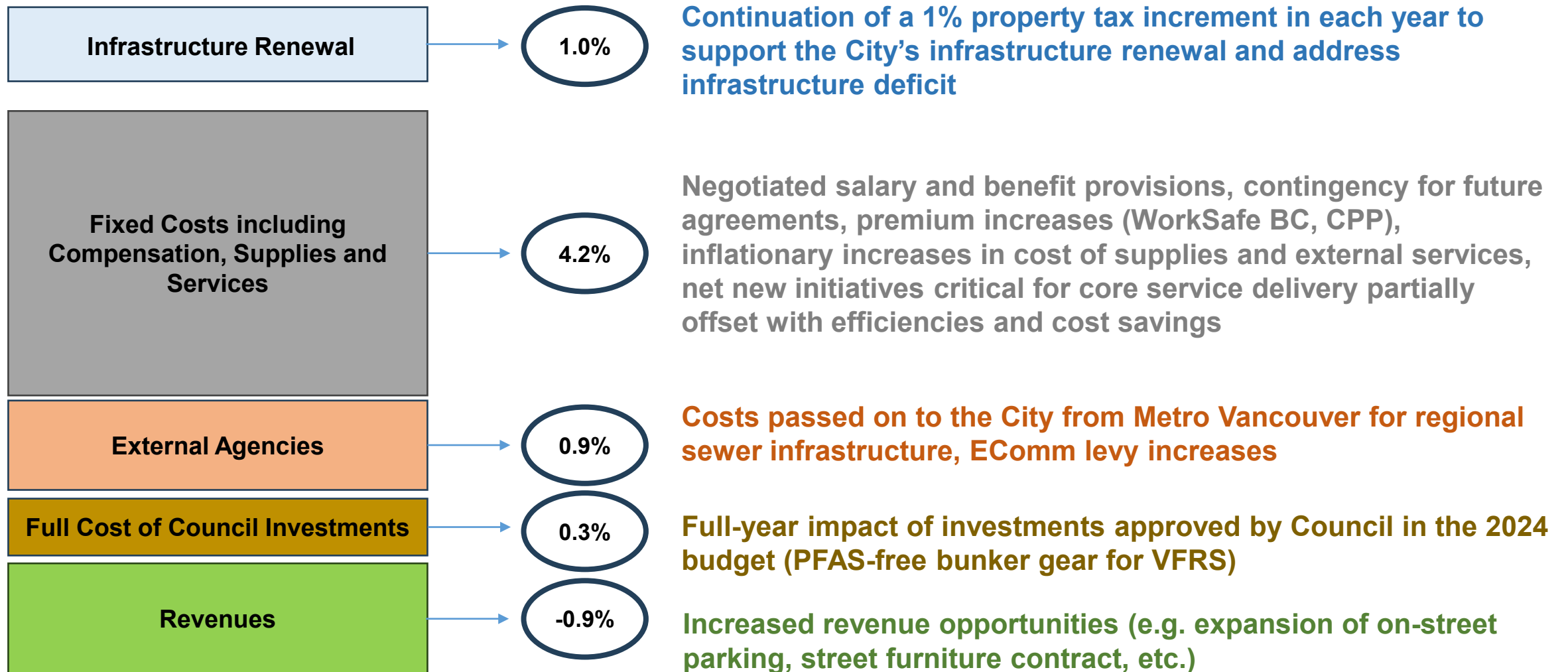
Note: Did not ask about financial tools in Budget 2023 due to change in engagement format

Q3. The City has a number of financial tools that can be used to balance the budget. Tell us how much you support or oppose each of the following options. Select one response for each row.

# Property Tax Drivers & Trends



# 2025 Property Tax Increase Drivers



*\*Total may not add due to rounding*

# City & Other Taxing Authorities

## 2024 Property Taxes & Fees for a Median Single-Household Detached

