



Staff Report to Committee of the Whole

DATE: Thursday, February 19, 2026
DEPARTMENT: Finance
SUBJECT: Reduction Options for the 2026 Tax Increase

EXECUTIVE SUMMARY:

At the December 8, 2025, Committee of the Whole (COTW) meeting, staff were directed to provide options to the Committee for a 2026 tax increase of 11%, 9%, 6%, and 3% when presenting the Proposed 2026-2030 Financial Plan.

The Proposed 2026-2030 Financial Plan, presented on February 10, 2026, outlines the following tax increases for the period 2026 through 2030. Further information on the Proposed 2026-2030 Financial Plan can be found in the February 10, 2026 COTW agenda.

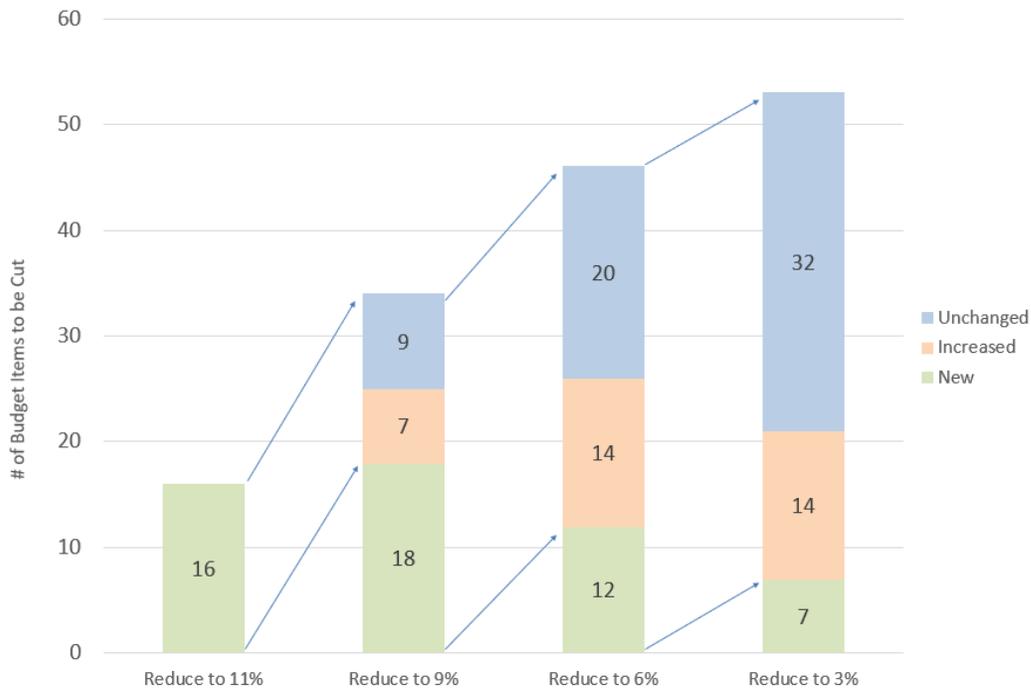
	2025 Budget	2026	2027	2028	2029	2030	
Property Taxes							
Municipal Tax							
General & Police	50,532,690	59,151,630	64,313,020	68,116,460	71,252,770	75,976,740	
General - West Shore Parks and Recreation	3,422,720	3,669,170	3,779,250	3,892,630	4,009,410	4,129,690	
General - Greater Victoria Public Library	2,941,210	3,312,700	3,412,080	3,514,440	3,619,870	3,728,470	
General - Debt	1,300,000	2,900,000	4,000,000	4,455,000	5,605,000	5,605,000	
General - Debt - Westhills Langford Aquatic Centre	4,009,520	2,266,790	6,241,690	7,567,570	8,967,570	1,360,520	
General - Woodlands Park	0	2,800,000	0	0	0	7,607,060	
Total Property Taxes	62,206,140	74,100,290	81,746,040	87,546,100	93,454,620	98,407,480	
Non-market change revenue	3,013,000	2,479,707	1,800,000	1,800,000	1,800,000	1,800,000	
Property Taxes - for calculation of tax increase (net of Non-market change)	59,193,140	71,620,583	79,946,040	85,746,100	91,654,620	96,607,480	
		Tax Increase	15.13%	7.89%	4.89%	4.69%	3.37%

This report examines options to reduce the proposed 2026 property tax increase from 15.13% to alternative targets of 11%, 9%, 6%, and 3%. For each option, the report outlines the associated service and financial impacts to support the Committee’s consideration of potential strategies to lower the 2026 tax increase.

A significant portion of the proposed increase is driven by previously approved Council decisions, contractual obligations, committed projects, and services that have shifted from senior government funding to municipal responsibility. As a result, many of the options presented carry both short- and long-term impacts for the community. These impacts may affect residents’ day-to-day experience across the city as well as future property tax requirements.

As the level of the tax increase is reduced, there is a corresponding reduction in services and service levels. For example, options that reduce the increase to 11% largely involve measures that may have limited immediate, day-to-day impacts for most taxpayers but result in longer-term implications for future property tax increases. In contrast, options that reduce the 2026 tax increase to 3% include measures that would have significant and immediate effects on the community, directly impacting the level of service residents and businesses have come to expect, while also creating more substantial pressures on future tax increases.

The following chart below illustrates the estimated number of reduction options that would need to be considered to achieve each of these four reduced percentage tax increases. Further details can be found in the commentary section of this report.



BACKGROUND:

At the December 8, 2025, COTW meeting, staff presented a proposed 15.97% increase to municipal property taxes for 2026, along with a breakdown of the key budget items contributing to the increase. Further information collected following the December 8th meeting was included in the Proposed 2026-2030 Financial Plan presented to COTW on February 10, 2026.

The proposed tax increase for 2026 as presented at the February 10, 2026, COTW meeting is 15.13%. The main changes since that December 8, 2025, meeting include, but are not limited to:

- RCMP contract cost increased (cost per officer – existing authorized strength)
- The cost of the proposed four (4) additional RCMP officers increased
- E-Comm (Police Dispatch) increased
- Greater Victoria Public Library (GVPL) increased
- West Shore Parks & Recreation Society (WSPRS) increased
- Increasing garbage pickup frequency
- Garbage feasibility study/RFP/contract award
- Goldstream Avenue garbage can retrofit
- Pacific Centre Family Services Association additional funding request
- Non-Market Change (NMC) was updated with the Completed Roll
- New Vancouver Island Integrated Major Crime Unit (VIIMCU) funding removed from proposed budget (note: Langford is still a member of the existing VIIMCU)
- Election costs removed from the list of property tax funding and proposed to be covered by surplus
- One-time expenses funded through use of surplus versus property taxes

The following illustrates the proposed tax increases as outlined in the Proposed 2026-2030 Financial Plan:

	2025 Budget	2026	2027	2028	2029	2030	
Property Taxes							
Municipal Tax							
General & Police	50,532,690	59,151,630	64,313,020	68,116,460	71,252,770	75,976,740	
General - West Shore Parks and Recreation	3,422,720	3,669,170	3,779,250	3,892,630	4,009,410	4,129,690	
General - Greater Victoria Public Library	2,941,210	3,312,700	3,412,080	3,514,440	3,619,870	3,728,470	
General - Debt	1,300,000	2,900,000	4,000,000	4,455,000	5,605,000	5,605,000	
General - Debt - Westhills Langford Aquatic Centre	4,009,520	2,266,790	6,241,690	7,567,570	8,967,570	1,360,520	
General - Woodlands Park	0	2,800,000	0	0	0	7,607,060	
Total Property Taxes	62,206,140	74,100,290	81,746,040	87,546,100	93,454,620	98,407,480	
Non-market change revenue	3,013,000	2,479,707	1,800,000	1,800,000	1,800,000	1,800,000	
Property Taxes - for calculation of tax increase (net of Non-market change)	59,193,140	71,620,583	79,946,040	85,746,100	91,654,620	96,607,480	
		Tax Increase	15.13%	7.89%	4.89%	4.69%	3.37%

COMMENTARY:

Following direction provided at the December 8, 2025, Committee of the Whole meeting, staff reviewed departmental budgets to identify which expenditures are contractually obligated and which are subject to Council discretion. While a number of discretionary items have been identified, it is important to note that reducing these items could have significant impacts on the community.

Council may wish to consider these community impacts when evaluating potential reductions for 2026, as greater reductions to the proposed tax increase result in increasingly significant short- and long-term impacts on the City’s budget and service levels.

The summary below outlines the reductions at each level. While some items are listed under multiple categories, their level of reduction may remain the same or may increase. To provide further context, a 1% property tax increase in 2026 is \$622,061.

Description	11%	9%	6%	3%
Internal Capital Payment for Capital Previously Purchased	-1.29	-1.29	-1.61	-1.93
RCMP New Hires - 4 Proposed	-	-0.69	-1.03	-1.37
Eliminate Transfer from Capital Works to Cover Debt Servicing	-0.96	-1.13	-1.21	-1.37
City Hall Staffing - 8 Proposed	-0.44	-0.61	-0.85	-0.98
Increased Non-Property Tax Revenues	-0.36	-0.48	-0.80	-0.80
Road Paving & Maintenance	-	-	-0.16	-0.56
Utilities - Water/Irrigation	-	-0.16	-0.24	-0.32
Fire Wages - Defer Currently Unfilled Position	-	-	-	-0.32
Staff Travel and Training	-0.16	-0.19	-0.23	-0.26
Bear Mountain Parkway Temporary Power Issue	-	-	-0.25	-0.25
Additional Savings for IT Replacements / ERP	-	-	-	-0.24
Community Events	-	-0.08	-0.16	-0.24
Increase Garbage Pickup Frequency	-	-	-0.10	-0.20
Legal	-	-	-0.09	-0.17
Wayfinding - Strategy and Signage	-0.17	-0.17	-0.17	-0.17
Parks & Trails Maintenance; Tree Management	-	-	-0.16	-0.16
Stadium Security	-	-	-0.08	-0.16
Greening the Downtown Core	-0.02	-0.07	-0.10	-0.15
Storm Drainage (Non-Contract Road Drainage Maintenance)	-	-	-0.07	-0.14
Pacific Centre Family Services Association	-	-	-0.14	-0.14
Boulevard Maintenance	-	-	-	-0.12
Fire Equipment, Prevention, and Training	-	-	-	-0.12
Garbage Can Retrofit	-0.12	-0.12	-0.12	-0.12
Royal Roads Innovation Studio	-0.12	-0.12	-0.12	-0.12
E-bike Rebate Program	-0.12	-0.12	-0.12	-0.12
Placemaking Strategy	-0.12	-0.12	-0.12	-0.12
Reduce Washroom Contracts/Cleaning	-	-	-	-0.10
RCMP Municipal Employee Staffing	-	-	-0.09	-0.09
Parks Consulting - Parks DCC Bylaw	-	-0.04	-0.08	-0.08
Engineering for Future Capital Works	-0.04	-0.08	-0.08	-0.08
City Centre Park - Small Equipment and Repairs and Maintenance	-0.04	-0.04	-0.08	-0.08
City of Langford Website	-	-	-0.08	-0.08
Planning Consulting - OCP	-0.06	-0.06	-0.08	-0.08
Holiday Decorations	-	-0.04	-0.08	-0.08
Irrigation Repairs - Parks	-	-0.02	-0.07	-0.07
Waste Management (Engineering - other), Non-Contract	-	-	-	-0.06
School Crossing Guards	-	-	-	-0.06
Computer Software Support	-	-	-0.06	-0.06
Council Travel and Training	-0.04	-0.05	-0.05	-0.06
IT Consulting	-	-0.06	-0.06	-0.06
Tree Maintenance - Engineering	-	-0.05	-0.05	-0.05
Fire - POC Shift Reduction & Communications Center Equipment	-	-0.05	-0.05	-0.05
Fountain Maintenance	-	-0.05	-0.05	-0.05
Westhills Arena - Small Equipment and Repairs and Maintenance	-0.04	-0.04	-0.04	-0.04
City Hall Cleaning	-	-0.04	-0.04	-0.04
Fire Special Events	-	-0.04	-0.04	-0.04
Chamber of Commerce	-	-0.03	-0.03	-0.03
Street Furniture	-	-	-0.02	-0.02
IT Supplies	-	-0.02	-0.02	-0.02
Emergency Measures	-	-0.02	-0.02	-0.02
Wifi Access Points	-	-0.01	-0.01	-0.01
Fire - Misc Expenses	-	-0.01	-0.01	-0.01
Vehicle Cleaning	-	-0.01	-0.01	-0.01
Total Tax Increase	11.02	9.02	6.01	3.03

Potential Options to Reduce the 2026 Property Tax Increase to 11%

To reduce the proposed 15.13% property tax increase in 2026 to 11%, 4.13% or \$2,569,110 in either reduced and/or eliminated expense budgets or increased revenue budgets need to be identified. Based on the direction from the December 8, 2025 COTW meeting, staff have developed the following options, for Council consideration, to achieve a property tax increase of 11%:

Description	Impact on 2026 Property Tax Increase (in %)	Reduction from proposed 2026 Budget (in \$)	Potential Reduction (% of total budget)
Internal Capital Payment for Capital Previously Purchased	-1.29	800,000	50%
Eliminate Transfer from Capital Works to Cover Debt Servicing	-0.96	600,000	71%
City Hall Staffing - Not Hire 3 of the 8 Proposed	-0.44	273,815	45%
Increased Non-Property Tax Revenues	-0.36	225,000	
Wayfinding - Strategy and Signage	-0.17	103,280	100%
Staff Travel and Training	-0.16	100,000	33%
E-bike Rebate Program	-0.12	75,000	100%
Garbage Can Retrofit	-0.12	75,000	100%
Placemaking Strategy	-0.12	75,000	100%
Royal Roads Innovation Studio	-0.12	75,000	50%
Planning Consulting - OCP	-0.06	40,000	80%
City Centre Park - Small Equipment and Repairs and Maintenance	-0.04	25,000	18%
Council Travel and Training	-0.04	25,000	36%
Engineering for Future Capital Works	-0.04	25,000	17%
Westhills Arena - Small Equipment and Repairs and Maintenance	-0.04	25,000	42%
Greening the Downtown Core	-0.02	15,000	16%
	11.02	2,557,095	

Below, staff have provided additional information in respect of the line items identified in the chart above.

Internal Capital Payment for Capital Previously Purchased: Reducing the additional internal capital payment for capital previously purchased will have impacts on future taxation years, given that the overall balance to be repaid must be collected. As an example, if the amount is reduced by \$800,000 as outlined above, that \$800,000 will need to be collected in a future year.

Eliminate Transfer from Capital Works to Cover Debt Servicing: Over the past number of years, the City has budgeted for the use of the capital works reserve to cover a portion of the debt servicing for the internal borrowing. The Capital Works Reserve is funded by the City’s casino revenue. The Proposed

Financial Plan includes a transition away from the use of Capital Works funds to cover debt servicing for capital. This transition would effectively reallocate these funds to be available for use for future capital project funding. Should Council wish to use this as an item to reduce the 2026 tax increase, the impact would be on the ability of the Capital Works Reserve Fund to fund current or future capital projects.

City Hall Staffing (New Positions): As per an organizational review completed in 2024, there are eight new City Hall positions proposed for 2026. These positions range across multiple departments. To achieve the 11% reduction level outlined above, three of the eight positions would not be hired in 2026. Staff are supportive of these three reductions for this year. This reduction may increase the tax increase in 2027 or beyond as these positions remain recommendations as per the organizational review. The three positions are Engineering Project Manager, Parks Technician, and Parks Manager.

Increased Non-Property Tax Revenues: With respect to revenue, a reduction to the overall tax increase of 0.36% is included in the list. Should Council choose to support this reduction to the tax increase, staff would increase budgeted non-taxation revenues, which would reduce the amount required in property taxes to balance the budget. The City follows best practices by budgeting for revenues in a conservative manner. Revenue budgets are established using a combination of known contractual revenues and looking at past trends to determine what the budget should be for a given revenue line item. As part of the reduction options, Council may choose to increase the budget for revenues. The primary risk with increasing the revenue budget for non-property tax revenues is if revenues throughout the year come in under the budgeted increase in revenue amounts, the City will need to adjust throughout the year and reduce expenditures accordingly. This review process is standard practice; however, the higher the revenue budget is increased, the more likely expense adjustments may be required throughout the year. Additionally, any adjusted revenue budget must remain the "base" in future years otherwise there will be a property tax increase needed in a future year as a result of this change.

Staff Travel and Training (T&T) and Council T&T: During the 2025-2029 Financial Plan process, the T&T budgets for 2025 were reduced. The Proposed 2026 budget increases this line item back to what the 2025 budget was prior to 2025 reductions. As part of the 11% option, staff and Council T&T may be reduced below the 2025 budgeted amounts. This would reduce the T&T budgets to \$7,500 below for Council and \$20,000 below for staff. This level of reduction for 2026 may impact Council members' ability to attend conferences. Similarly, this reduction may impact staff from attending training throughout the year; however, staff believe the impact of this reduction at the 11% level may not be significant. These budgets are reduced further at each of the 9%, 6%, and 3% options, with each level further impacting on staff and Council's ability to participate in applicable training for their roles. It

should also be noted that, for some staff, there is mandatory professional development to maintain professional designations.

Engineering for Future Capital Works: This budget has been increased in the proposed 2026 budget and is intended to be used for preparing designs for “shovel-ready” capital projects or for proactive planning. Reducing this budget increase would impact the City’s ability to apply for certain grants and may delay construction on projects that are subsequently approved but awaiting design.

Parks: Items from the Parks, Recreation, and Facilities Department relate to various repairs and maintenance accounts, namely City Centre Park and Westhills Arena, and greening the downtown. Staff note that current service levels may not be significantly impacted with this potential decrease to the budget, however, deferred repairs and maintenance is likely to increase costs in a future year.

Planning Consulting – OCP: Staff note that even with the reduced budget, necessary amendments could still be conducted. What would be impacted is the work required to consolidate the outcomes of the different master plans. To fully implement these plans into the OCP, an increased budget would be required in a future year if this reduction is chosen in 2026.

Royal Roads Innovation Studio: Due to timing of the opening of the Innovation Studio at the Royal Roads John Horgan Campus, 50% of this item can be deferred to 2027. This deferral would reduce the percentage of the tax increase in 2026; however, would result in a tax increase in 2027.

The remaining expense items (e.g., Wayfinding, Placemaking Strategy, Garbage Can Retrofit) relate to projects that have not yet started and as a result could be deferred. These items are primarily included in the proposed financial plan due to them being identified in Council’s Strategic Plan or as a result of past Council decisions. Projects impacted would not be started/completed in 2026 and if Council still chooses to proceed with these items in a future year, the % tax increase would be shifted to a future year.

Lastly, under this reduction option, staff recommend Council remove the e-bike rebate program from the budget based on the success of the current e-bike/e-scooter share program.

Potential Options to Reduce the 2026 Property Tax Increase to 9%

To reduce the property tax increase in 2026 to 9%, an additional 2% or \$1,244,122 in either reduced/eliminated expense budgets or increased revenue budgets need to be identified. This amount is in addition to the items detailed in the 11% reduction option section above. Total reductions to

achieve a 9% tax increase need to be approximately 6.13% or \$3,813,235. Council may choose to consider the items outlined in the chart below to achieve a property tax increase of 9% for 2026.

Note that in this and subsequent sections, items highlighted green are new to the category while numbers highlighted orange have increased from the previous category (the 11%). Items highlighted blue remain the same as they were in the previous section.

At this level, staff have identified 18 new budget items that Council may wish to consider, and 7 budget items identified at 11% are reduced further.

Description	Impact on 2026 Property Tax Increase (in %)	Reduction from proposed 2026 Budget (in \$)	Potential Reduction (% of total budget)
Internal Capital Payment for Capital Previously Purchased	-1.29	800,000	50%
Eliminate Transfer from Capital Works to Cover Debt Servicing	-1.13	700,000	82%
RCMP New Hires - Not Hire 2 of the 4 Proposed	-0.69	427,406	50%
City Hall Staffing - Not Hire 5 of the 8 Proposed	-0.61	382,193	62%
Increased Non-Property Tax Revenues	-0.48	300,000	
Staff Travel and Training	-0.19	120,000	39%
Wayfinding - Strategy and Signage	-0.17	103,280	100%
Utilities - Water/Irrigation	-0.16	100,000	4%
Garbage Can Retrofit	-0.12	75,000	100%
Royal Roads Innovation Studio	-0.12	75,000	50%
E-bike Rebate Program	-0.12	75,000	100%
Placemaking Strategy	-0.12	75,000	100%
Engineering for Future Capital Works	-0.08	50,000	33%
Community Events - Cancel/Reduce Scale of 1 Event	-0.08	50,000	14%
Greening the Downtown Core	-0.07	46,000	50%
Planning Consulting - OCP	-0.06	40,000	80%
IT Consulting	-0.06	37,750	100%
Tree Maintenance - Engineering	-0.05	30,000	46%
Fire - POC Shift Reduction & Communications Center Equipment	-0.05	30,000	
Council Travel and Training	-0.05	30,000	43%
Fountain Maintenance	-0.05	28,630	100%
City Centre Park - Small Equipment and Repairs and Maintenance	-0.04	25,000	18%
Holiday Decorations	-0.04	25,000	52%
Fire Special Events	-0.04	25,000	45%
Parks Consulting - Parks DCC Bylaw	-0.04	25,000	48%
Westhills Arena - Small Equipment and Repairs and Maintenance	-0.04	25,000	42%
City Hall Cleaning	-0.04	25,000	29%
Chamber of Commerce	-0.03	19,000	100%
Irrigation Repairs - Parks	-0.02	15,000	17%
IT Supplies	-0.02	12,000	100%
Emergency Measures	-0.02	10,000	40%
Wifi Access Points	-0.01	7,000	52%
Fire - Misc Expenses	-0.01	5,750	56%
Vehicle Cleaning	-0.01	5,000	33%
	9.02	3,799,009	

Green items highlighted in chart above:

RCMP Increased Authorized Strength: The Proposed Financial Plan includes an additional four RCMP officers in 2026 which would bring the authorized strength for the detachment to 78. To reach the 9% reduction, Council may choose to consider reducing the number of additional authorized strength to two of the four positions. Staff note that the City has launched a Community Safety survey, the results of which will be available for Council consideration prior to making a final decision in relation to this potential reduction option.

Community Events: Reducing Community events by \$50,000 would result in the cancellation of at least one significant community event (Canada Day, Winter Fest/Light-up) or 3-4 smaller events (e.g., Show & Shine, Treat Street, and/or Friday's at the Station). Another impact would be reductions to the activities offered at the larger scale events (e.g., Canada Day, the Food Truck and Music Festival, and WinterFest/Light-up).

Items related to the IT Department included in the potential reductions under this level are:

- IT Consulting Budget: This budget is used to maintain and keep operational the permitting, records management, and budgeting systems. A 100% reduction would impact the level of support available for these programs.
- Wifi Access Points: This fund is used to keep wifi operational at city facilities (e.g., city hall, fire halls, luxton yard, Station Avenue). Reducing this budget by \$7,000 reduces the 2026 budget by more than half, which is likely to impact wifi access across multiple City facilities should repairs or upgrades be required.
- IT Supplies: This budget is used to purchase IT related supplies across the organization. A reduction in this budget may impact on staff ability to perform their work.

Items related to the Engineering Department included in the potential reductions at this level are:

- Tree Maintenance: This budget is to maintain natural trees within the road right-of-way. A reduction in this budget will impact the City's ability to address issues in a proactive manner and not just reactively based on public safety emergency matters.
- Fountain Maintenance: A reduction or deferral of this budget will impact the City's ability to maintain fountains and would likely result in decommissioning fountains as issues arise.
- Xmas/Holiday Decorations: This reduction would allow the City to maintain the current level of holiday lighting without adding anything new. The impact would be fairly low as the City is already well supplied with holiday lighting.

Parks, Recreation, and Facilities included the following new budget items in the 9% category:

- Utilities/Irrigation: Utilities have increased exponentially over the past few years, with a significant increase due to water. The increase to the utilities budget, specifically for water, is due to both increasing rates (CRD) and an increase in the areas irrigated. A \$100,000 reduction in this budget could be achieved through changes in how frequently and how long areas are watered. A small reduction to the Irrigation Repairs budget was also introduced. Under this potential reduction, trees would continue to be watered, however, there is a chance that grass boulevards and playing fields may show browning more in the summer than has been the case in past years.
- Parks Consulting: Reducing this budget would impact the completion of the DCC Bylaw, which is due to be completed in 2026, specifically as a result of the Parks Master Plan. Reducing or deferring this budget will impact the City's ability to collect the adequate DCC's to fund DCC eligible projects identified in the Master Plan.
- City Hall Cleaning: a reduction of \$25,000 would result in less frequent cleaning of City Hall.

Fire Rescue and Emergency Services budget items introduced:

- Paid On Call (POC) shift reductions and Communications Centre equipment: a reduction of \$15,000 for each is included in this reduction level.
- Fire Special Events: a \$25,000 reduction would result in modifications to or the elimination of one or more of the following events: Fire Department Open House, Treat Street, Santa Run, and volunteer recognition.

Orange items highlighted in chart above:

In addition to the new budget items for proposed reduction introduced at 9%, several items introduced at 11% have an increased potential reduction:

- City Hall Staffing: five of the eight City Hall staff positions would not be hired for 2026. In addition to the three outlined under the 11% scenario above, the two additional positions that would not be hired under this reduction scenario would be a Report/Grant Writing Co-Op and a Business System Analyst. If the Report/Grant Writer Co-op position were not to be hired, the City's ability to apply for grant funding may be impacted. The Business System Analyst position would work on improving business processes and alignment with IT Systems. With major permitting and finance systems being upgraded/changed in the coming years, this position would be a valuable asset to these projects.
- Greening the Downtown Core: this budget is intended for repair and replacement of garden beds and greenery throughout the downtown core, as well as additions when needed. At 9%,

the suggested budget reduction of \$46,000 would mean that half of the budget was cut. As a result, repair and replacement of dead, dying or diseased plants would be reduced or may need to be deferred.

- For financial items, both non-tax revenues and the reduction to the transfer from Capital Works Reserve are increased. The implications for both would remain the same as discussed in the 11% section; however, the impacts would be heightened as the reduction amount (i.e., the amount deferred) increases.
- The reduction to Engineering for Future Works budgets increased to \$50,000 or one-third of the total budget. Implications would be as discussed in the 11% section but heightened at the lower budget amount.

Potential Options to Reduce the 2026 Property Tax Increase to 6%

To reduce the property tax increase in 2026 to 6%, an additional 3% or \$1,866,180 in either reduced/eliminated expense budgets or increased revenue budgets need to be identified. This amount is in addition to the items discussed in the 11% and 9% sections above. Total reductions to achieve a 6% tax increase need to be approximately 9.13% or \$5,679,415. Council may choose to consider the items outlined in the chart below to achieve a property tax increase of 6% for 2026:

Description	Impact on 2026 Property Tax Increase (in %)	Reduction from proposed 2026 Budget (in \$)	Potential Reduction (% of total budget)
Internal Capital Payment for Capital Previously Purchased	-1.61	1,000,000	63%
Eliminate Transfer from Capital Works to Cover Debt Servicing	-1.21	750,000	88%
RCMP New Hires - Not Hire 3 of the 4 Proposed	-1.03	641,109	75%
City Hall Staffing - Not Hire 7 of the 8 Proposed	-0.85	528,372	86%
Increased Non-Property Tax Revenues	-0.80	500,000	
Bear Mountain Parkway Temporary Power Issue	-0.25	155,000	100%
Utilities - Water/Irrigation	-0.24	150,000	6%
Staff Travel and Training	-0.23	140,000	46%
Wayfinding - Strategy and Signage	-0.17	103,280	100%
Road Paving & Maintenance	-0.16	100,000	8%
Community Events - Cancel/Reduce Scale of 2 Events	-0.16	100,000	29%
Parks & Trails Maintenance; Tree Management	-0.16	100,000	17%
Pacific Centre Family Services Association	-0.14	85,000	25%
Garbage Can Retrofit	-0.12	75,000	100%
Royal Roads Innovation Studio	-0.12	75,000	50%
E-bike Rebate Program	-0.12	75,000	100%
Placemaking Strategy	-0.12	75,000	100%
Increase Garbage Pickup Frequency	-0.10	65,000	52%
Greening the Downtown Core	-0.10	60,000	65%
RCMP Municipal Employee Staffing	-0.09	57,905	100%
Legal	-0.09	53,270	11%
Parks Consulting - Parks DCC Bylaw	-0.08	52,570	100%
Stadium Security	-0.08	50,900	50%
Engineering for Future Capital Works	-0.08	50,000	33%
City Centre Park - Small Equipment and Repairs and Maintenance	-0.08	50,000	36%
City of Langford Website	-0.08	50,000	67%
Planning Consulting - OCP	-0.08	50,000	100%
Holiday Decorations	-0.08	48,400	100%
Irrigation Repairs - Parks	-0.07	45,000	50%
Storm Drainage (Non-Contract Road Drainage Maintenance)	-0.07	42,500	50%
Computer Software Support	-0.06	40,000	60%
IT Consulting	-0.06	37,750	100%
Tree Maintenance - Engineering	-0.05	30,000	46%
Fire - POC Shift Reduction & Communications Center Equipment	-0.05	30,000	
Council Travel and Training	-0.05	30,000	43%
Fountain Maintenance	-0.05	28,630	100%
Westhills Arena - Small Equipment and Repairs and Maintenance	-0.04	25,000	42%
City Hall Cleaning	-0.04	25,000	29%
Fire Special Events	-0.04	25,000	45%
Chamber of Commerce	-0.03	19,000	100%
Street Furniture	-0.02	15,000	52%
IT Supplies	-0.02	12,000	100%
Emergency Measures	-0.02	10,000	40%
Wifi Access Points	-0.01	7,000	52%
Fire - Misc Expenses	-0.01	5,750	56%
Vehicle Cleaning	-0.01	5,000	33%

6.01

5,673,436

At this level, staff listed 12 new budget items for possible reduction, while 14 previously identified items are further reduced.

RCMP Contract and RCMP Municipal Employee Staffing: At this level the potential reduction to the budget would mean one officer would be added to the authorized strength for an authorized strength in 2026 of 75. As previously noted, the City has launched a Community Safety survey, the results of which will be available for Council consideration prior to making a final decision in relation to this potential reduction option.

Pacific Centre Family Services (PCFS) Association: PCFS has requested an increase in funding in 2026 of \$85,000 and staff have included this increase in the Proposed 2026 budget. Should Council wish to reduce the tax increase using this item, the budget would be reduced by \$85,000 to bring it back to the 2025 budget amount. As per PCFS, if the funding increase is not approved, the Community Outreach Prevention and Education Program (COPE) will be forced to reduce counselling hours, leading to longer wait times for vulnerable youth. Rising demand and reduced capacity will increase risks to youth safety, including higher exposure to harm, exploitation, or criminal involvement. The City may also face greater pressure on RCMP and emergency services as preventable issues escalate without early intervention. COPE will be unable to add the Justice Support Counsellor, limiting support for high-risk youth involved with the justice system. Overall, the community would see a reduction in a proven prevention strategy, resulting in higher long-term social and public safety costs for Langford.

Legal Budget: Council may consider reducing the City's legal budget, covering all departments, by \$53,270. With this reduction the 2026 budget would be slightly higher than 2025; however, the proposed increase for 2026 is to reflect actual legal expenditures and provides funds for items such as external review of bylaws and contracts, which adds a layer of protection for the City. Reducing the 2026 budget would result in reduced access to outside legal advice.

City Hall Staffing: Under this level of potential reduction, only one additional City Hall staff member would be hired, a Building Official. In addition to the positions outlined in the 11% and 9% scenarios, additional City Hall staffing included in the proposed budget that would not be hired in 2026 under this reduction level would include:

- Bylaw Enforcement Officer: An additional Bylaw Enforcement Officer is needed to assist with the increasing workload associated with larger more complex files, allow for more proactive education and enforcement generally, and allow the Community Patrol Officers to focus on parking in the downtown core.
- Help Desk Technician: As the City's workforce, including Fire Department staff expands, there is a corresponding rise in the need for help desk services to support staff in completing their

responsibilities promptly and efficiently. Additionally, with the major upcoming projects to update permitting and financial systems, additional help desk resources will free up existing staff to focus on project work.

There are several additional Engineering Department budget reductions introduced in the 6% category:

- Road Paving and Maintenance: This budget is used to maintain the City's roads. With a \$100,000 decrease in budget, more roads may not receive the necessary maintenance to ensure that they do not then require more involved rehabilitation or full reconstruction at a later time.
- Bear Mountain Power Issue: An investigation into the streetlight outages on BMP uncovered a damaged temporary power source that requires a permanent replacement. Reducing this budget and not completing this work may result in more outages.
- Increasing Garbage Pickup Frequency: A reduction of \$65,000 (50% of the budgeted cost) may not meet the demand experienced in 2025 and would likely result in overflowing garbage bins in the shoulder seasons, as twice daily pick-ups would be strategically limited to the core peak season. Staff note that this potential reduction is a reduction in increased service level, not a reduction below the 2025 service level.
- Storm Drainage (Non-Contract Road Drainage Maintenance): These funds are used to cover drainage issues that may arise, outside of regular maintenance. The exact impact of a \$42,500 reduction will vary depending on how many road drainage issues arise, which is difficult to predict.
- Street Furniture: This budget is used for maintenance of street furniture (e.g., benches). Reducing the budget by half would limit ability to purchase replacement equipment.

There are two additional Parks, Recreation, and Facilities Department budgets introduced at 6%:

- Parks and Trails Maintenance; Tree Management: A reduction of \$100,000 would result in the inability to repair or replace failing or damaged park assets around the City such as fencing, washroom facilities or replacing dead, dying or diseased plants/grass. This could also have a detrimental effect on tree management by limiting the ability to remove dangerous trees or take a proactive approach (as identified in the Urban Forest Management Plan) for grid pruning.
- Stadium Security: With a reduction of half the budget (\$50,900), Greater Victoria Security hours monitoring Starlight Stadium would be reduced in half which may increase the opportunity for vandalism or theft from the stadium

The last two items introduced at 6% are the budgets for the City of Langford website and computer software support. Reducing the website budget would have a significant impact to public facing communications. The City does not currently employ an in-house Webmaster, so major website updates including new webpages or functionality enhancements are managed by an external agency. If the

website budget is reduced, City staff, who may have limited expertise in this area, would be responsible for updating and maintaining the website alongside their existing duties. Reducing the budget for computer software support would impact the City's ability to leverage important software needed for cyber security, staff efficiency, and city planning.

Finally, a number of budget items identified in earlier options were further reduced:

- Community Events: a further reduction of \$50,000 (total reduction \$100,000) would see the cancelation of at least two significant community events: (two of the following: Canada Day, or the Food Truck and Music Festival, or WinterFest/Light-Up).
 - Utilities/Irrigation: at a reduction of \$150,000, watering would be reduced and grass on boulevards and in parks may start to brown in the dryer months.
 - Greening the Downtown Core: with a total reduction of \$60,000, there would be further reductions to infilling and repair and replacement of plants in the downtown core, resulting in even fewer garden beds and greenery being replaced.
 - Parks Consulting: at 6%, the entire budget would be removed. This would eliminate the ability to hire a contractor to assist with new Parks Development Cost Charge (DCC) bylaw, which needs to be done to implement the Parks Master Plan.
 - Irrigation Repairs (Parks): a \$45,000 reduction is half the 2026 budget. The City is only able to reduce 50% of the budget as the other half is covered by Victoria Contracting, under contract. A 50% budget reduction may result in the inability to repair damaged irrigation systems and result in dying trees and the browning of turf.
 - City Centre Park Small Equipment and Repairs/Maintenance: at this level, \$50,000 of the budget would be reduced, which would limit the City's ability to purchase replacement equipment when needed which could affect the ability to maintain the facilities at City Center Park.
 - Xmas/Holiday Decorations: at 6%, the entire budget is reduced. With no budget, the City would be unable to maintain the current level of holiday lighting and, as a result, there may be less holiday lighting as issues arise and replacement lighting is needed.
- Planning Consulting for OCP: at this level, there is no longer a budget for OCP consulting, which may impact the timeliness of necessary OCP amendments.

Potential Options to Reduce the 2026 Property Tax Increase to 3%

To reduce the property tax increase in 2026 to 3%, an additional 3% or \$1,866,180 in either reduced and/or eliminated expense budgets or increased revenue budgets need to be identified. This amount is in addition to the items discussed in the 11%, 9% and 6% sections above. Total reductions to achieve a 3% tax increase need to be approximately 12.13% or \$7,545,600. Council may choose to consider the items outlined in the chart below to achieve a property tax increase of 3% for 2026:

Description	Impact on 2026 Property Tax Increase (in %)	Reduction from proposed 2026 Budget (in \$)	Potential Reduction (% of total budget)
Internal Capital Payment for Capital Previously Purchased	-1.93	1,200,000	75%
RCMP New Hires - Not Hire Any of the 4 Proposed	-1.37	854,812	100%
Eliminate Transfer from Capital Works to Cover Debt Servicing	-1.37	850,000	100%
Increased Non-Property Tax Revenues	-0.80	500,000	
City Hall Staffing - Not Hire Any of the 8 Proposed	-0.98	611,963	100%
Road Paving & Maintenance	-0.56	350,000	29%
Utilities - Water/Irrigation	-0.32	200,000	8%
Fire Wages - Defer Currently Unfilled Position	-0.32	196,503	52%
Staff Travel and Training	-0.26	160,000	52%
Bear Mountain Parkway Temporary Power Issue	-0.25	155,000	100%
Parks & Trails Maintenance; Tree Management	-0.16	100,000	17%
Additional Savings for IT Replacements / ERP	-0.24	150,000	43%
Community Events - Cancel/Reduce Scale of 3 Events	-0.24	150,000	43%
Increase Garbage Pickup Frequency	-0.20	125,000	100%
Legal	-0.17	106,540	21%
Wayfinding - Strategy and Signage	-0.17	103,280	100%
Stadium Security	-0.16	101,810	100%
Boulevard Maintenance	-0.12	75,000	33%
Greening the Downtown Core	-0.15	92,000	100%
Storm Drainage (Non-Contract Road Drainage Maintenance)	-0.14	85,000	100%
Pacific Centre Family Services Association	-0.14	85,000	25%
Reduce Washroom Contracts/Cleaning	-0.10	60,000	38%
Garbage Can Retrofit	-0.12	75,000	100%
Royal Roads Innovation Studio	-0.12	75,000	50%
E-bike Rebate Program	-0.12	75,000	100%
Placemaking Strategy	-0.12	75,000	100%
RCMP Municipal Employee Staffing	-0.09	57,905	100%
Parks Consulting - Parks DCC Bylaw	-0.08	52,570	100%
Fire Equipment, Prevention, and Training	-0.12	75,000	25%
Engineering for Future Capital Works	-0.08	50,000	33%
City Centre Park - Small Equipment and Repairs and Maintenance	-0.08	50,000	36%
City of Langford Website	-0.08	50,000	67%
Planning Consulting - OCP	-0.08	50,000	100%
Holiday Decorations	-0.08	48,400	100%
Irrigation Repairs - Parks	-0.07	45,000	50%
Waste Management (Engineering - other), Non-Contract	-0.06	40,000	47%
School Crossing Guards	-0.06	40,000	29%
Computer Software Support	-0.06	40,000	60%
Council Travel and Training	-0.06	40,000	57%
IT Consulting	-0.06	37,750	100%
Tree Maintenance - Engineering	-0.05	30,000	46%
Fire - POC Shift Reduction & Communications Center Equipment	-0.05	30,000	
Fountain Maintenance	-0.05	28,630	100%
Westhills Arena - Small Equipment and Repairs and Maintenance	-0.04	25,000	42%
City Hall Cleaning	-0.04	25,000	29%
Fire Special Events	-0.04	25,000	45%
Chamber of Commerce	-0.03	19,000	100%
Street Furniture	-0.02	15,000	52%
IT Supplies	-0.02	12,000	100%
Emergency Measures	-0.02	10,000	40%
Wifi Access Points	-0.01	7,000	52%
Fire - Misc Expenses	-0.01	5,750	56%
Vehicle Cleaning	-0.01	5,000	33%

3.03	7,525,913
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At this level, staff identified seven new budget items that Council may choose to reduce, and, for 14 budget items identified previously, levels are reduced further in this scenario.

RCMP Contract and RCMP Municipal Employee Staffing: At this level the potential reduction to the budget would mean no additional officers would be added to the authorized strength for an authorized strength in 2026 of 74. As mentioned previously, the City has launched a Community Safety survey, the results of which will be available for Council consideration prior to making a final decision in relation to this potential reduction option.

City Hall Staffing: No new City Hall staff would be hired under this level of reduction. The one additional position that would be impacted that hasn't been previously discussed above is a Building Official II. This position was initially identified in the organizational review to be hired in 2025; however, it was deferred during the 2025 budget process. Deferring this position for a second year may impact staff capacity, permit timelines, and may affect implementing higher levels of Step Code.

In addition to the City Hall staffing additions, Council may choose to consider an additional position budgeted under Fire Wages. There are currently two approved positions that are unfilled. To achieve the reduction to the Fire Department wages budget outlined in this reduction level rehiring the approved Training Officer position would be deferred to 2027. This would impact Fire Rescue's ability to develop and implement standardized training throughout the department and to make sure that current training is up-to-date with changing tactics and technology.

The remaining budget items introduced for a 3% tax increase are as follows:

- Additional Savings for IT Replacements/Enterprise Resource Planning (ERP) System: End of life for the City's current Enterprise Resource Planning (ERP) system, where it will no longer be supported, is in 2029. Due to the complexity of ERP systems, it will take 2-3 years to procure and implement a new system. Work on replacing this system needs to commence in 2026 so that a new system is in place by the end of 2028. Should the start of this project be deferred to 2027, it may jeopardize the ability to have this project completed on time and would significantly impact the City operationally (e.g., core financials, cash receipting, payroll, accounts payable/receivable, property taxation, etc.). Should Council choose to defer this budgeted amount in 2026, it will result in a larger tax increase in 2027 and 2028.
- Boulevard Maintenance (Parks): a \$75,000 reduction is 33% of the budget. This would result in an inability to repair damaged boulevards, whether through accidents or vandalism, and limited ability to pick up dumped garbage on boulevards. In addition, reductions would be seen in planting.
- Fire Equipment/Prevention/Training: the total \$75,000 reduction would be shared across these

three budgets. These reductions would limit training opportunities for firefighters, impact fire prevention initiatives, and limit the ability to replace equipment proactively before failure occurs.

- Public Washroom Contracts and Cleaning: a \$60,000 reduction is almost 40% of the total budget. A reduction in this budget would result in the City having to close public washrooms for approximately 50% of the time. For example, public washrooms (e.g., in parks, Station Avenue, etc.) would be open Thursday through Sunday and closed Monday through Wednesday. Locations such as Centennial Park would be particularly affected as baseball practices occur on a nightly basis.
- Waste Management (Engineering – not included in road maintenance contract): this budget is used for dealing with out-of-contract waste (e.g., large items dumped). The impact of reducing the budget would depend on how many large items are dumped on City property.
- School Crossing Guards: with a \$40,000 reduction, the City would be funding the crossing guard program at 70%. SD62 would have to fund the remainder in order to maintain 14 crossing guards.

The following budget items identified in earlier options are reduced further:

- Road Paving & Maintenance: at 3%, the budget would be reduced by \$350,000, which is almost one-third of the entire budget. As a result, Engineering would only be able to attend to critical safety-related issues on high volume corridors; local roads would see minimal to no paving or maintenance.
- Utilities/Irrigation: at a reduction of \$200,000, more areas would be potentially underwatered and increased turf browning would be evident. Also, this could lead to a significant loss of newer street trees planted in the last 1-3 years.
- Community Events: with a reduction of \$150,000, the City would have to cancel three significant community events. Canada Day, the Food Truck and Music Festival, and the WinterFest/Light-up would all be affected.
- Increasing Garbage Pickup Frequency: A reduction of \$125,000 (the full budgeted increase) would not meet the demand seen in 2025 and would result in overflowing bins, especially in peak season.
- Legal: at 3%, the 2026 budget would be reduced to the 2025 budget. Given that the 2025 actuals exceeded the budget, reducing the 2026 budget to 2025 levels would limit the City's ability to access outside legal advice even further.
- Stadium Security: at 3%, the entire budget for stadium security is reduced. This reduction will leave the stadium vulnerable to vandalism or theft without nighttime security.
- Greening the Downtown Core: at 3%, this budget would be reduced entirely. In this scenario, there would be no infill of dead/dying plants in the downtown core. Garden beds requiring

repair and replacement would be delayed.

- Storm Drainage (Non-Contract Road Drainage Maintenance): the full budget would be eliminated at the 3% option. The impact will depend on how many road drainage issues arise, but there would be no funding available to address these if/when they do arise.

Impact on future years tax increases:

Council may wish to consider the impact a reduction in 2026 may have on future year tax increases. Given that most of these budget items are annual operating budgets there is an impact in both the current and future years. There are effectively three scenarios when considering the impact a reduction in the current year will have on a future year.

Firstly, the least impact in a future year is in a scenario where the budget is reduced in the current year and that same reduction is eliminated from any future year. In this scenario, the impact on a future year tax increase is negligible, if at all.

Secondly, if the budget is reduced for just 2026, with 2027 and beyond continuing to have the unreduced budget for a specific budget, there will be an increase to 2027 property taxes. As an example, if the regular budget is \$100 and we reduce the budget to \$80 (a \$20 (20%) reduction) and in 2027 the budget is back to the standard \$100 the increase in 2027 will be \$20 over an \$80 budget which means it's now a 25% increase in 2027. In this scenario, the impact of a reduction to the current year percentage tax increase may result in a larger percentage tax increase in the future year when in reality the amount to be collected in 2027 has not changed.

Thirdly, in the case of budget items where the City has a certain amount that must be collected over a period of time (examples include the funding for the ERP replacement or the debt servicing for internal borrowing) a reduction in 2026 results in an even larger increase in a future year. As an example, if we need to generate \$1,000,000 between 2026–2028 and we currently have a budget of \$200,000 (2026), \$325,000 (2027) and \$475,000 (2028). In this example, the increase from \$200,000 to \$325,000 is 62.5% and the increase from \$325,000 to \$475,000 is 46%. If we reduce 2026 budget to \$125,000, a reduction of 37.5%, just to keep the budget the same in 2027 we would require an increase of 160% and 2028 would remain the same. However, the reduction of \$75,000 achieved in 2026 needs to be collected in a future year which means that the 2027 and 2028 budgets need to be increased accordingly (i.e. \$125,000, \$350,000, \$525,000) which are increases of 180% (formerly 62.5%) and 50% (formerly 39%).

FINANCIAL IMPLICATIONS:

The impacts of a 11%, 9%, 6%, and 3% reduction are provided in the commentary above. The implications for future years' property tax rates will depend on whether budget items are being deferred or removed entirely from the 2026-2030 Financial Plan and should be considered when making reduction decisions for 2026.

LEGAL IMPLICATIONS:

Section 197 of the *Community Charter* requires municipalities to establish tax rates by bylaw after the adoption of the Financial Plan, but prior to May 15th annually.

For all items proposed in the previous sections, staff reviewed relevant contracts, as applicable, to ensure that no budget items were included where the City was contractually bound for certain payment amounts.

STRATEGIC PLAN ALIGNMENT:

As noted in the Proposed 2026-2030 Financial Plan, the Strategic Plan is a significant guiding document in the development of the Financial Plan.

OPTIONS:

Option 1

THAT Committee of the Whole receive the report dated February 19, 2026, from the Director of Finance for information.

SUBMITTED BY: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Melisa Miles, Manager of Legislative Services

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Development

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Marie Watmough, Director of Legislative & Protective Services

Concurrence: Braden Hutchins, Deputy Chief Administrative Officer

Concurrence: Darren Kiedyk, Chief Administrative Officer