

Understanding the City Budget

Each year, the City of Vancouver undergoes a budget process to allocate funds for city services, facilities, and infrastructure. Put simply, the budget is an itemized list of money coming into the city and how that money is spent. The budget dictates what the city can get done; motions passed by council are important but if they are not resourced through the budget they will not be implemented. You can think of the budget as a moral document that shows you the values of the city by providing a monetary overview of what the city is prioritizing.

Unlike other levels of government, local governments cannot run a deficit meaning the city cannot spend more money than it brings in so all potential programs and services must be planned and accounted for in the budget. Provincial legislation states that cities cannot spend on anything that is not in the budget. If something unexpected happens, like a pandemic, the budget will need to be amended, and the city will usually need to undertake new public consultations (this could be meetings or online surveys).

The draft budget is developed by city staff, who account for how much money is required to operate all of the city's departments and programs, and is guided by input from the public. City Council then amends and approves the final budget at a council meeting. The city budget consists of the operating budget and the capital budget. The operating budget funds the day-to-day expenses of the city including programs and services, while the capital budget includes longer-term projects over a larger time frame.

OPERATING BUDGET

Operating Budget

- Funds day-to-day operations of the City and its 80+ services and programs
- Primarily funded by property taxes and utility fees*
- Makes up the largest portion of the annual budget at nearly 85%

Main categories include:

- Public safety, police, and fire
- Libraries
- Parks and recreation
- Urban design and sustainability
- Engineering and utilities
- Arts, culture, and community services
- Salaries for municipal workers

CAPITAL BUDGET

Capital Budget

- Funds larger, long-term projects, mainly supporting city infrastructure and development
- Primarily funded by government grants, development cost levies, and property taxes
- Funds projects laid out in the capital plan, a four-year plan for the city's capital investments

Main categories include:

- Water, sewers and drainage
- Streets and maintenance
- Waste collection and disposal
- Housing
- Community and civic facilities

*Utility fees are charges paid by residents for City utility services including water distribution, sewer collection and treatment, and garbage collection and disposal.

