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To: ["Direct to Mayor and Council -](#)

Date: 2/5/2026 4:43:44 PM

Subject: FSC - Memo to Mayor and Council - 2026 Budget Revenue Increases

Attachments: [FSC - Memo to Mayor and Council - 2026 Budget Revenue Increases 2026-02-05.pdf](#)

Dear Mayor and Council,

The attached memo is for information and provides an overview of the revenue adjustments included in the 2026 Budget. Staff have received questions from Council regarding the sources of revenue generation to balance the budget, and the memo provides further detail.

Should you have any questions please contact Colin Knight at 604.873.7610 or Colin.Knight@vancouver.ca.

Colin Knight

(He/Him/His)

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I am grateful to live and work on the territories of the x m k y m ([Musqueam](#)), S wx\u817_wú7mesh ([Squamish](#)), and s lilw ta ([Tseil-Waututh](#)) Peoples.



MEMORANDUM

February 5, 2026

TO: Mayor and Council

CC: Donny van Dyk, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief of External Relations
Pragya Grewal, Director, Financial Planning and Analysis
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office

FROM: Colin Knight, General Manager, Finance and Supply Chain Management

SUBJECT: 2026 Budget Revenue Increases

Dear Mayor and Council,

The purpose of this memo is to provide an overview of the revenue adjustments included in the 2026 Budget. Staff have received questions from Council regarding the sources of revenue generation to balance the budget.

In the 2026 Budget, revenues increased by \$50 million with a 0% property tax increase. The revenue was largely generated in ways that did not require fee increases, including from new revenue generation programs such as SAND, increased revenue volume, and parking bylaw fines to support safety and compliance. The budget approved by Council held recreation and patio fees at 2025 levels, while at the same time costs of those programs have increased.

Further details on the sources of revenue growth in the 2026 budget are provided below:

\$12M in New Revenue Initiatives:

- Sponsorship, advertising, naming rights, and donations program (SAND): In 2023, Council provided direction to staff to increase the City's non-tax revenues through sponsorships, donations, fees, and other channels. The City has since launched a formal sponsorship

program and public realm advertising framework and have generated incremental revenue in the 2025 and 2026 budget as part of a phased approach to advertising to maximize revenue while managing market risk and public realm impacts.

- Royalties from the new Waste Disposal Agreement with Metro Vancouver, under which the City receives payments for the use of City-owned land for regional waste disposal activities. As part of the renegotiated tri-partite Solid Waste Agreement, Metro Vancouver will pay the City of Vancouver a royalty for each tonne of regional waste disposed at the Vancouver Landfill based on waste volumes disposed. In addition, the agreement includes a new land lease for the Vancouver South Transfer Station (VSTS), under which Metro Vancouver will pay the City an annual lease amount for the use of City-owned lands supporting regional transfer station operations.

\$13M Revenue from increased volume (not from fee or tax increases):

- A comprehensive review of revenue volume trends to align budgeted amounts with actual revenues realized, without increasing fees.
 - Right-sizing of parking and lease revenue to align with historical volumes. This also includes parking transaction volume increase, and expansion of on-street parking.
 - Increased revenues from higher activity in commercial revenue streams such as rentals, hospitality, and special events.

\$12M revenue from fee increases to support cost recovery and offset inflationary cost increases:

- Increased Utility fee revenue: The 2026 utility fees follow a 0% increase for City-run system operations, similar to property taxes, with the 4.2% increase attributed to the City's ongoing investment in underground infrastructure renewal and payment to Metro Vancouver.
- Inflationary increases and adjustments for market rates to permits, licenses and user fees of 4.5%. As per Council's direction, recreation and patio fees remained at 2025 rates.

\$13M revenue from bylaw fines to support safety and compliance and fees related to parking management

- Growth in existing revenue streams to align with market rates, entice compliance, improve safety outcomes and the flow of traffic in the city:
 - Increased safety related parking infringement from \$100 to \$150 to entice compliance,
 - Reduced the level of discounts provided for early payment for parking bylaw infractions, from 40% to 30%
 - Pilot for paid parking at community centres approved by the Park Board to improve the user experience, reduce congestion and better manage parking lots within the Park Board's jurisdiction. The parking pilot will be rolled out at Hillcrest, Kerrisdale and Trout Lake community centres, where parking demand is consistently high and where there is good access to nearby options for transit, walking and rolling.

The incremental revenue that is expected to be generated from revenue increases above is incorporated into the 2026 Operating Budget and a summary of this revenue is included below in Table 1.

Table 1

Operating Budget Summary (\$ Millions)	2025 Restated Budget	2026 Approved Budget	\$ CHANGE	% CHANGE
Revenues				
Property tax revenue	1,323.9	1,333.3	9.3	1%
Utility revenue	492.4	502.1	9.6	2%
Program revenue	85.6	101.1	15.5	18%
Licence & Development fees	137.9	143.0	5.1	4%
Parking revenue	81.1	92.1	11.0	14%
Cost recoveries, grants & donations	65.4	57.5	(7.8)	-12%
Government Transfers	35.0	41.1	6.1	18%
Investment income	52.5	40.5	(12.1)	-23%
Other revenue	42.5	44.9	2.4	6%
Bylaw fine revenue	26.3	36.9	10.6	40%
Revenues Total	2,342.8	2,392.5	49.8	2%

A memo, outlining full update on 2026 Budget Implementation will be presented to Council in early March.

Should you have any questions regarding the above, please feel free to contact me at colin.knight@vancouver.ca or (604) 873-7610.

Colin Knight

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