

Victoria Regional Transit Commission



DATE: March 10, 2026

PREPARED BY: Ryan Campbell, Manager Financial Planning & Analysis

SUBJECT: 2026/27 Budget & Tax Regulation

RECOMMENDATION

It is recommended that the Commission:

- **APPROVE** the 2026/27 Budget.
- **APPROVE** Option 2 for a tax regulation to maintain a sufficient transit fund balance.

Attachment(s):

2026/27 Operating Budget (Conventional & Custom)

8.1 – 2627 Budget and Tax Regulation PowerPoint

EXECUTIVE SUMMARY

The 2026/27 Budget and Tax Regulation package recommends approval of the annual budget and adoption of Option 2, a six per cent increase to the transit tax levy, which will support local contributions while maintaining a stable Transit Fund balance. The budget reflects revenue growth, inflationary and service-related cost pressures, and continued investments in fleet, facilities, and electrification to support the Victoria Regional Transit System.

PURPOSE

The 2026/27 Budget and Tax Regulation is submitted to the Victoria Regional Transit Commission (the “Commission”) for approval. This budget and recommended tax levy will support the local contributions required for service within the Victoria Regional Transit system.

BACKGROUND

This document presents the 2026/27 Budget for approval, along with three options for property tax levies to support the Commission’s share of expenses.

DISCUSSION

The 2026/27 budget for the Victoria Regional Transit System includes the following assumptions:

Revenue

- Budgeted passenger and advertising revenues for 2026/27 are \$43.5M, which is an increase of \$2.7M (7 per cent) versus the 2025/26 budget.

- Fuel tax revenue is budgeted in line with both budgeted and forecasted 2025/26 revenues at \$17.3M.

Operating expenses

- Annualization of 2025/26 service expansion hours for both conventional and custom.
- Additional operations and maintenance resources to support annualization of 2025/26 service expansion.
- General wage and step increases are in alignment with the Public Sector Employers' Council (PSEC) guidelines and associated collective agreements.
- Budgeted diesel fuel price of \$1.40 per litre, compared to \$1.75 per litre in 2025/26.
- Increase to fleet maintenance parts and materials of 10 per cent to reflect price inflation and higher parts consumption (including service expansion).
- Increase to facilities maintenance expense reflecting a 19 per cent increase due to increased building insurance and contracted services (repairs, plumbing, electrical, janitorial etc.).
- Operating expenses to support battery electric bus implementation, RapidBus projects, and the Victoria Regional Transit Plan.

Lease fees

- Commission share of use of asset fees associated with additional expansion vehicles, planned replacement of vehicles and major capital repairs, planned facility maintenance/upgrades and equipment purchases.
- Notable projects include new battery electric buses and supporting infrastructure, Saanich Transit Centre Phase 1 and Island Highway Infrastructure.

The 2026/27 Budget is summarized in Table 1:

Table 1: 2026/27 Victoria Regional Transit System Budget

8.1 – 2627 BUDGET AND TAX REGULATION

<i>(figures in thousands)</i>	Budget 2025/26	Forecast 2025/26	Budget 2026/27
Revenues			
Passenger & Adv Revenue	\$40,836	\$43,114	\$43,524
Provincial Oper Contribution	64,436	61,662	69,240
Fuel Tax Revenue	17,290	17,290	17,290
Local Contribution	85,487	76,488	93,623
Total	\$208,048	\$198,554	\$223,677
Expenses			
Operating Costs	\$187,281	\$178,843	\$199,173
Lease Fees (local share)	\$20,768	\$19,710	\$24,503
Total	\$208,048	\$198,554	\$223,677
Service Hours	1,039	1,019	1,053

Table 2 presents options for the transit levy and associated use of the Transit Fund to be allocated to the Commission’s share of expenses for the 2026/27 Budget. Estimates for transit levies are calculated using the January 2026 valuations from BC Assessment.

Table 2: 2026/27 Victoria Regional Transit System Transit Levy Options

**VICTORIA REGIONAL TRANSIT SYSTEM
TRANSIT FUND**

<i>(figures in thousands)</i>	2025/26 Budget	2025/26 Forecast	Option 1 2026/27 Budget	Option 2 2026/27 Budget	Option 3 2026/27 Budget
FUNDS GENERATED FROM PROPERTY TAXATION					
Estimated Transit Levy per Average Household	\$372.67	\$372.67	\$388.78	\$396.30	\$403.71
(\$ Increase)			\$16.11	\$23.63	\$31.04
(% increase)			4%	6%	8%
Current funds generated from Transit Levy	\$86,406	\$86,413	\$90,080	\$91,800	\$93,493
Balance from/(to) Transit Fund	(\$919)	(\$9,925)	\$3,543	\$1,823	\$130
Total Local Contribution	\$85,487	\$76,488	\$93,623	\$93,623	\$93,623
TRANSIT FUND					
Opening Balance	\$10,757	\$10,757	\$20,602	\$20,602	\$20,602
Contribution to expenses	919	9,925	(3,543)	(1,823)	(130)
Cowichan Valley Commuter					
Contribution to expenses	(245)	(180)	(247)	(247)	(247)
Other					
Interest	100	100	100	100	100
Ending Balance	\$11,531	\$20,602	\$16,912	\$18,632	\$20,325
Restricted Balance (2.5% of Operating Costs)			\$4,979	\$4,979	\$4,979
Unrestricted Balance			\$11,933	\$13,653	\$15,346

Prepared by: Ryan Campbell

Title: Manager, Financial Planning & Analysis

Date: February 20, 2026

Reviewed by: Christy Harrold

Title: Vice-President, Strategy, Planning and Public Affairs

Date: February 25, 2026

ATTACHMENT – 2026/27 Operating Budget (Conventional & Custom)

Victoria Conventional Transit	2026/27 Budget
Operations	\$107,985,600
Maintenance	46,982,377
Administration	24,710,201
Total Operating Costs	\$179,678,178
Provincial Share (\$)	\$56,957,982
Provincial Share (%)	31.7%

Victoria Custom Transit	2026/27 Budget
Operations	\$14,337,395
Maintenance	3,149,291
Administration	2,008,521
Total Operating Costs	\$19,495,207
Provincial Share (\$)	\$12,281,980
Provincial Share (%)	63.0%