

All-staff June message: 2026 Budget Outlook & Invitation to All-Staff Town Hall (June 19, 2025)

Note for managers and supervisors: this email is intended for all staff so it is important to ensure it is shared with operational and frontline staff who do not have regular access to email.

Please share this at a convenient time in a way that works for your team.

Time sensitive	
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Key takeaways:

- In this email, the City Manager shares information about Citywide measures being undertaken following the presentation of the 2026 Budget Outlook to Council.
- The City Manager invites all staff to attend a town hall on July 3, where he will take questions on the 2026 Budget Outlook.

Good afternoon all,

As you may be aware, on Wednesday this week, we provided a report to Council summarizing the outlook for the City's 2026 operating and capital budget. The budget outlook report is presented annually at this point of the year and represents the start of the process to build the draft budget for the coming year. That draft is shared with Council for their consideration in November and a decision on the final budget in December.

While the extraordinary inflation experienced in the years immediately following the pandemic have moderated, the City continues to face significant financial pressures. Some of the key factors behind those increases include costs associated with public safety services, construction materials and labour, salary and non-salary compensation expenses and levies charged by Metro Vancouver and EComm 9-1-1. Against this backdrop of escalating costs, there are increasing demands on many of our services, as well as deep concerns regarding affordability for many residents and businesses.

As we work to develop a draft budget for 2026, Council has directed us to identify options to offset the above-referenced cost pressures and mitigate the impact of tax and fee increases for residents and businesses in the coming year.

In response to this direction and pending a final decision from Council in December on the 2026 budget, and in the interest of building capacity to avoid extensive and across-the-board

impacts next year, we are implementing some immediate measures across the City. These measures are intended to manage expenditures and create options within the approved 2025 budget to absorb anticipated cost increases. Measures include deferral of non-essential hiring and additional controls on certain categories of expenditure, including travel, training, equipment purchases and external service contracts.

Additional details regarding these interim measures will be circulated shortly.

While we are aiming to avoid material impacts on public services, I acknowledge that these interim constraints will have implications for many teams and require a close look at current workplans and priorities. To the extent we need to make decisions regarding prioritization of work, I want to ensure that we are identifying and making the necessary trade-offs such that teams are not simply absorbing unrealistic expectations and workloads.

It also is important to emphasize that we are taking these steps now to help mitigate more significant impacts later, given some scenarios may involve real impacts to service levels, operational budgets and future capital plan investments.

I anticipate that the above information gives rise to a host of questions; while there are many unknowns at this point, please reach out to your department head and we will do our best to share answers. Additionally, I want to ensure you have an opportunity to hear from me directly and ask questions. Accordingly, I will be hosting a City Manager's All-Staff Town Hall on July 3 at 11 am. A calendar hold will be circulated soon.

I encourage you to [send any questions](#) you may have beforehand (if you are reading a print out of this message, scan the QR code below) so we may capture them and respond as best as possible at the forthcoming all-staff. A recording of the session will be available on Currents for staff who cannot attend.

I hope you will join me and look forward to hearing your questions and thoughts on how we continue to deliver services for the people of Vancouver.

Best,
Paul

QR code to submit a question ahead of the town hall:



For when it is time to join the town hall:

[Join the meeting now](#)

Meeting ID: 252 378 651 098 1

Passcode: Vf6i3mj2

Dial in by phone

[+1 604-665-6000 649026764#](#) Canada, Vancouver

Phone conference ID: 649 026 764#