

**CITY OF LANGFORD**

**BYLAW NO. 1329**

**A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2011 – 2015**

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WHEREAS under the *Community Charter* the municipality must have a financial plan adopted by bylaw before the annual property tax bylaw is adopted;

AND WHEREAS through a public process the financial plan has been presented and the public has had an opportunity to comment;

AND WHEREAS Council deems this to be a process of public consultation as required by the *Community Charter*,

NOW THEREFORE the Council of the City of Langford, in open meeting assembled, enacts as follows:

1. Schedule "A" attached hereto and forming part of this bylaw comprises the City of Langford Consolidated Five Year Financial Plan for 2011 – 2015
2. Schedule "B" attached hereto and forming part of this bylaw comprises the City of Langford Revenue and Property Tax Policy Disclosure.
3. This bylaw may be cited for all purposes as "City of Langford 2011-2015 Financial Plan Bylaw No. 1329, 2011.

READ A FIRST TIME this 4<sup>th</sup> day of April, 2011.

READ A SECOND TIME this 4<sup>th</sup> day of April, 2011.

READ A THIRD TIME this 4<sup>th</sup> day of April, 2011.

ADOPTED this 18<sup>th</sup> day of April, 2011.



  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CORPORATE OFFICER

**Bylaw No. 1329**  
**Consolidated Financial Plan 2011-2015**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>REVENUES:</b>					
External Revenues					
Development Fees					
Development Cost Charges	\$ 2,323,300	\$ 4,609,000	\$ 2,518,000	\$ 3,803,000	\$ 1,654,300
Developer Contributions	283,000	10,500,000	1,700,000	-	-
Other Capital Contributions	1,250,000	-	-	-	-
Development Fees Total	3,856,300	15,109,000	4,218,000	3,803,000	1,654,300
Municipal Property Taxes	18,343,242	21,383,850	23,728,750	25,650,050	27,356,050
Parcel Taxes	1,347,500	1,344,100	1,318,900	1,105,600	1,436,100
Fees and Charges	3,675,100	4,133,350	4,054,250	4,117,850	4,137,450
Interest	515,000	523,000	531,000	539,000	547,000
Grants From Other Governments	12,022,400	5,509,600	3,691,200	1,711,400	1,281,700
Other Sources	1,408,600	1,423,600	1,558,600	1,558,600	1,658,600
Total External Revenues	41,168,142	49,426,500	39,100,700	38,485,500	38,071,200
<b>EXPENDITURES:</b>					
External Expenditures					
Operating Expenditures	22,822,542	23,614,200	24,273,500	24,966,100	25,814,200
Interest Payments on Debt	916,000	890,700	1,091,200	961,700	878,400
Capital Expenditures	20,857,700	24,911,300	11,781,300	8,896,500	8,851,800
Total External Expenditures	44,596,242	49,416,200	37,146,000	34,824,300	35,544,400
<b>CHANGE IN NET FINANCIAL POSITION</b>	<b>(3,428,100)</b>	<b>10,300</b>	<b>1,954,700</b>	<b>3,661,200</b>	<b>2,526,800</b>
<b>OTHER REVENUES:</b>					
Borrowing Proceeds	1,300,000	1,000,000	800,000	669,900	905,000
<b>OTHER EXPENDITURES:</b>					
Principal Payments on Debt	2,317,800	2,238,100	1,988,400	2,241,700	2,304,300
<b>TOTAL REVENUES LESS EXPENDITURES</b>	<b>(\$4,445,900)</b>	<b>(\$1,227,800)</b>	<b>\$ 766,300</b>	<b>\$ 2,089,400</b>	<b>\$ 1,127,500</b>
<b>INTERNAL TRANSFERS:</b>					
Transfer from Reserve Funds					
Capital Works & Equipment	\$ 2,339,600	\$ 808,500	\$ 801,000	\$ 730,000	\$ 3,780,000
Equipment Replacement	433,600	365,300	169,200	596,300	139,500
Parks & Open Space	-	600,000	-	-	-
Park Improvement	200,000	80,000	200,000	-	-
Sidewalk Capital	150,000	150,000	-	-	-
South Langford Drainage	170,000	-	-	-	-
Police Building Capital	5,400	5,400	5,400	228,000	-
General Amenity	503,300	603,400	240,500	261,600	242,800
Transfer from Reserve Fund Total	3,801,900	2,612,600	1,416,100	1,815,900	4,162,300
Less: Transfer to Reserve Funds					
Capital Works & Equipment	751,000	1,606,000	1,956,000	3,236,000	4,406,000
Equipment Replacement	350,000	475,000	575,000	800,000	1,000,000
	1,101,000	2,081,000	2,531,000	4,036,000	5,406,000
Transfers from(to) Surplus	1,645,000	596,200	348,600	130,700	116,200
Transfers from(to) Reserve Accounts	100,000	100,000	-	-	-
<b>TOTAL INTERNAL TRANSFERS</b>	<b>\$ 4,445,900</b>	<b>\$ 1,227,800</b>	<b>(\$766,300)</b>	<b>(\$2,089,400)</b>	<b>(\$1,127,500)</b>

**Bylaw No. 1329**  
**Revenue and Property Tax Policy Disclosure**

**REVENUE DISCLOSURE****Revenue Proportions**

	<b>2011</b>		<b>2012</b>		<b>2013</b>		<b>2014</b>		<b>2015</b>	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	18,343	43%	21,384	42%	23,729	60%	25,650	66%	27,356	70%
Parcel Charges	1,348	3%	1,344	3%	1,319	3%	1,106	3%	1,436	4%
Fees & Charges	3,675	9%	4,133	8%	4,054	10%	4,118	11%	4,137	11%
Other Sources	17,802	42%	22,566	45%	9,999	25%	7,611	18%	5,142	13%
Proceeds From Borrowing	1,300	3%	1,000	2%	800	2%	670	2%	905	2%
	<u>42,468</u>	<u>100%</u>	<u>50,427</u>	<u>100%</u>	<u>39,901</u>	<u>100%</u>	<u>39,155</u>	<u>100%</u>	<u>38,976</u>	<u>100%</u>

Other Sources includes grants from other governments and agencies, development contributions to capital, interest and penalties and miscellaneous sales of services.

**Objectives and Policies**

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives. Except in extraordinary circumstances, tax increases are kept to cost of living or less.

Parcel Charges are comprised of local area service debt servicing costs for sewers and drainage.

Fees & Charges are a tool used for cost recovery. Various fees are reviewed every 1-5 years to ensure that they are adequate to recover costs of providing specific services.

Other Sources will vary greatly from year to year as it includes such items as:

- Development cost charges used to fund DCC capital projects,
- Contributions from others for capital,
- Interest earned on funds invested in accordance with the City's investment policy,
- Grants, which are sought from other governments and government agencies, often to be leveraged with City funds,
- Casino revenue sharing income.

Proceeds from Borrowing – Debt is used where it makes sense such as for urgent projects or to leverage grants where internal funding is not available. Caution is necessary when considering debt as it commits future cash flows to debt payments, restricting the ability to use those funds to provide other services. The source of the debt payments needs to be considered as does the justification for advancing the project..

**Schedule "B" Continued  
Revenue and Property Tax Disclosure**

**PROPERTY TAX DISCLOSURE**

**Property Tax Revenue Distribution**

2011 tax rates have not yet been set as the assessment roll has not yet been finalized. For information, the 2010 distribution is presented. The 2011 property tax distribution will be updated in a financial plan amendment once final assessments and tax rates are known.

Property Class	Taxation Revenue		Net Taxable Assessed Value		Tax Rate	Multiple
	(\$'000s)	%	(\$'000s)	%	(\$/1000)	(Rate/Res. Rate)
1. Residential	10,582	59.6%	4,533,217	82.23%	2.3343	1.00
2. Utility	40	0.2%	2,343	0.04%	17.2738	7.40
3. Supportive Housing	-	0.0%	-	0.00%	2.3343	1.00
4. Heavy Industry	-	0.0%	-	0.00%	7.9366	3.40
5. Light Industry	74	0.4%	9,384	0.17%	7.9366	3.40
6. Business/Other	7,024	39.5%	952,263	17.27%	7.3764	3.16
7. Managed Forest	-	0.0%	122	0.00%	2.3343	1.00
8. Rec./Non-Profit	46	0.3%	15,431	0.28%	2.9646	1.27
9. Farm	-	0.0%	137	0.00%	2.3343	1.00
	<u>17,766</u>		<u>5,512,897</u>			

**Permissive Tax Exemptions**

Council has established the following policy with respect to permissive tax exemptions:

**POLICY NO. 1970-10**

**Requests for Permissive Tax Exemptions**

1. Total permissive tax exemptions granted to all organizations under section 224 of the *Community Charter* will be limited to a total of 1/2 of 1% of total municipal property taxes.
2. That section 341(k) property exemptions for religious organizations will be limited to;
  - i) land directly surrounding the Church;
  - ii) land for Church parking;
  - iii) Church Halls (if available to the general public for rental)
  - iv) Church schools (unless used for private daycare or other profit making ventures); and
  - v) Church cemeteries.

Exemptions will not be considered for vacant land held for future development and residential property occupied by church members or otherwise rented out.

Applications for permissive tax exemptions must be received by August 31<sup>st</sup> of each year, and must include a general statement of activities, a description of the membership or population serviced by the group or Association, and include a most recent financial statement to demonstrate financial need.

**Schedule "B" Continued**  
**Revenue and Property Tax Disclosure**

Council has established a revitalization tax exemption program under section 226 of the *Community Charter* which grants a five-year exemption for eligible buildings. Exemption certificates were issued for two properties. The exemptions expire in 2014.