

CITY OF LANGFORD

BYLAW NO. 1470

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2013 – 2017

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 2013 – 2017
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 2013-2017 Financial Plan Bylaw No. 1470, 2013.

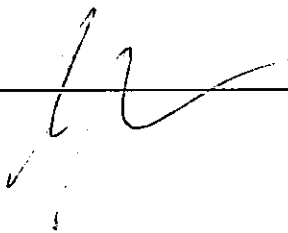
READ A FIRST TIME this 15th day of April, 2013.

READ A SECOND TIME this 15th day of April, 2013.

READ A THIRD TIME this 15th day of April, 2013.

ADOPTED this 6th day of May, 2013.

MAYOR



CORPORATE OFFICER



Bylaw No. 1470
Consolidated Financial Plan 2013-2017

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES:					
External Revenues					
Development Fees					
Development Cost Charges	\$ 5,631,500	\$ 3,078,600	\$ 4,099,000	\$ 2,515,000	\$ 3,950,000
Developer Contributions	125,000	-	-	-	-
Other Capital Contributions	1,600,000	-	-	-	-
Development Fees Total	7,356,500	3,078,600	4,099,000	2,515,000	3,950,000
Municipal Property Taxes	21,154,700	23,022,500	24,366,500	25,612,600	27,559,700
Parcel Taxes	1,262,900	664,900	1,007,700	1,000,000	2,225,000
Fees and Charges	6,483,500	6,437,700	6,418,900	6,736,300	6,895,800
Interest	450,000	467,000	484,000	491,000	498,000
Grants From Other Governments	9,811,100	4,614,900	533,900	554,400	576,500
Other Sources	1,508,600	1,413,600	1,513,600	1,513,600	1,613,600
Total External Revenues	48,027,300	39,699,200	38,423,600	38,422,900	43,318,600
EXPENDITURES:					
External Expenditures					
Operating Expenditures	27,783,600	28,687,300	29,592,200	30,379,800	31,366,500
Interest Payments on Debt	584,600	537,800	1,484,300	1,292,400	1,239,300
Capital Expenditures	35,321,500	12,690,200	9,097,100	6,031,000	7,341,100
Total External Expenditures	63,689,700	41,915,300	40,173,600	37,703,200	39,946,900
CHANGE IN NET FINANCIAL POSITION	(15,662,400)	(2,216,100)	(1,750,000)	719,700	3,371,700
OTHER REVENUES:					
Borrowing Proceeds	14,250,000	500,000	800,000	669,900	914,200
OTHER EXPENDITURES:					
Principal Payments on Debt	2,155,500	2,348,600	1,688,600	1,061,600	2,508,100
TOTAL REVENUES LESS EXPENDITURES	-\$ 3,567,900	-\$ 4,064,700	-\$ 2,638,600	\$ 328,000	\$ 1,777,800
INTERNAL TRANSFERS:					
Transfer from Reserve Funds					
Capital Works & Equipment	\$ 902,100	\$ 2,265,000	\$ 1,490,000	\$ 650,000	\$ 450,000
Equipment Replacement	483,400	748,200	906,900	65,000	136,300
Parks & Open Space	1,500,000	600,000	-	-	-
Park Improvement	190,000	-	200,000	-	-
Sidewalk Capital	100,000	150,000	-	100,000	-
Police Building Capital	5,500	5,500	5,500	135,000	-
General Amenity	928,900	736,600	426,800	767,000	127,200
Transfer from Reserve Fund Total	4,109,900	4,505,300	3,029,200	1,717,000	713,500
Less: Transfer to Reserve and Capital Funds					
Reserves:					
Police Building Capital	-	21,400	12,300	14,000	10,300
Capital Works & Equipment	916,000	971,000	1,871,200	1,636,000	1,936,000
Equipment Replacement	804,000	450,000	480,000	650,000	750,000
General Capital Fund	95,000	95,000	95,000	95,000	95,000
	1,815,000	1,537,400	2,458,500	2,395,000	2,791,300
Transfers from(to) Surplus	943,000	876,800	2,007,900	200,000	200,000
Transfers from(to) Reserve Accounts	330,000	220,000	60,000	150,000	100,000
TOTAL INTERNAL TRANSFERS	\$ 3,567,900	\$ 4,064,700	\$ 2,638,600	-\$ 328,000	-\$ 1,777,800

Bylaw No. 1470
Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE**Revenue Proportions**

	<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	21,155	34%	23,023	57%	24,367	62%	25,613	65%	27,560	62%
Parcel Charges	1,263	2%	665	2%	1,008	3%	1,000	3%	2,225	5%
Fees	6,484	10%	6,438	16%	6,419	16%	6,736	17%	6,896	16%
Other Sources	19,126	31%	9,575	24%	6,631	17%	5,073	13%	6,638	15%
Proceeds From Borrowing	14,250	23%	500	1%	800	2%	670	2%	914	2%
	<u>62,278</u>	<u>100%</u>	<u>40,201</u>	<u>100%</u>	<u>39,225</u>	<u>100%</u>	<u>39,092</u>	<u>100%</u>	<u>44,233</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

The table below presents tax revenue and tax rates based on the 2012 Revised Assessment Roll:

Property Tax Distribution

Property Class	Taxation Revenue		Net Taxable Assessed Value		Tax Rate (\$/1000)	Multiple (Rate/Res. Rate)
	(\$'000s)	%	(\$'000s)	%		
1. Residential	12,784	61.9%	4,962,345	82.96%	2.5763	1.00
2. Utility	143	0.7%	7,518	0.13%	19.0645	7.40
3. Supportive Housing	-	0.0%	-	0.00%	2.5763	1.00
4. Heavy Industry	-	0.0%	-	0.00%	8.2700	3.21
5. Light Industry	155	0.7%	18,699	0.31%	8.2700	3.21
6. Business/Other	7,560	36.5%	978,146	16.35%	7.7289	3.00
7. Managed Forest	-	0.0%	98	0.00%	2.5763	1.00
8. Rec./Non-Profit	45	0.2%	14,515	0.24%	3.1044	1.20
9. Farm	-	0.0%	134	0.00%	2.5763	1.00
	20,687		5,981,455			

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 31st 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 or 10-year exemption for eligible buildings. Exemption certificates were issued for two properties in 2009 for which the exemptions expire in 2014 and one property in 2011 for which the exemption expires in 2021