

CITY OF LANGFORD
BYLAW NO. 1523

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2014 – 2018

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 2014 – 2018
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 2014-2018 Financial Plan Bylaw No. 1523, 2014".

READ A FIRST TIME this 5th day of May, 2014.

READ A SECOND TIME this 5th day of May, 2014.

READ A THIRD TIME this 5th day of May, 2014.

ADOPTED this 13TH day of May, 2014.



MAYOR

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(Certified Correct)
CORPORATE OFFICER

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Schedule "A"

Bylaw No. 1523
Consolidated Financial Plan 2014-2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES:					
External Revenues					
Development Fees					
Development Cost Charges	\$ 2,854,200	\$ 2,407,500	\$ 1,715,000	\$ 1,207,500	\$ 1,695,500
Developer Contributions	-	2,000,000	-	-	-
Other Capital Contributions	3,000,000	-	-	-	-
Development Fees Total	5,854,200	4,407,500	1,715,000	1,207,500	1,695,500
Municipal Property Taxes	22,393,100	24,878,990	26,226,286	27,484,434	28,931,184
Parcel Taxes	1,528,900	820,200	2,225,000	2,175,000	2,125,000
Fees and Charges	5,345,500	5,568,700	5,795,300	5,963,500	6,031,900
Interest	532,000	541,000	566,000	574,000	582,000
Grants From Other Governments	5,982,900	6,146,900	2,248,300	2,249,700	2,251,100
Other Sources	1,556,400	1,431,600	1,556,400	1,581,800	1,682,300
Total External Revenues	43,193,000	43,794,890	40,332,286	41,235,934	43,298,984
EXPENDITURES:					
External Expenditures					
Operating					
Operating Expenditures	28,083,200	28,981,842	30,766,386	31,852,434	32,930,884
Interest Payments on Debt	1,147,000	1,188,836	1,215,000	1,134,200	1,072,800
Capital Expenditures	21,616,300	17,187,200	7,881,900	6,262,100	8,573,100
Total External Expenditures	50,846,500	47,357,878	39,863,286	39,248,734	42,576,784
CHANGE IN NET FINANCIAL POSITION	(7,653,500)	(3,562,988)	469,000	1,987,200	722,200
OTHER REVENUES:					
Borrowing Proceeds	5,500,000	1,300,000	800,000	669,900	930,400
OTHER EXPENDITURES:					
Principal Payments on Debt	2,548,400	1,411,312	2,557,800	2,565,900	2,723,600
TOTAL REVENUES LESS EXPENDITURES	-\$ 4,701,900	-\$ 3,674,300	-\$ 1,288,800	\$ 91,200	-\$ 1,071,000
INTERNAL TRANSFERS:					
Transfer from Reserve Funds					
Capital Works & Equipment	\$ 902,400	\$ 2,725,000	\$ 1,452,500	\$ 1,075,500	\$ 1,850,000
Equipment Replacement	966,400	884,500	132,000	101,300	95,000
Parks & Open Space	1,500,000	600,000	-	-	-
Park Improvement	295,000	-	175,000	-	100,000
Sidewalk Capital	25,000	150,000	150,000	150,000	150,000
Police Building Capital	5,700	5,700	5,700	135,000	-
General Amenity	1,496,900	992,400	1,021,800	497,000	1,322,200
Transfer from Reserve Fund Total	5,191,400	5,357,600	2,937,000	1,958,800	3,517,200
Less: Transfer to Reserve and Capital Funds					
Reserves:					
Police Building Capital	12,900	26,700	17,200	19,000	15,200
Capital Works & Equipment	896,000	2,527,900	1,056,000	1,356,000	1,756,000
Equipment Replacement	480,000	550,000	650,000	750,000	750,000
General Capital Fund	125,000	125,000	125,000	125,000	125,000
	1,513,900	3,229,600	1,848,200	2,250,000	2,646,200
Transfers from(to) Surplus	904,400	1,486,300	200,000	200,000	200,000
Transfers from(to) Reserve Accounts	120,000	60,000	-	-	-
TOTAL INTERNAL TRANSFERS	\$ 4,701,900	\$ 3,674,300	\$ 1,288,800	-\$ 91,200	\$ 1,071,000

**Bylaw No. 1523
Revenue and Property Tax Policy Disclosure**

REVENUE DISCLOSURE

Revenue Proportions

	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	22,393	46%	24,879	55%	26,226	64%	27,484	65%	28,931	65%
Parcel Charges	1,529	3%	820	2%	2,225	5%	2,175	5%	2,125	5%
Fees	5,346	11%	5,569	12%	5,795	14%	5,964	14%	6,032	14%
Other Sources	13,926	29%	12,528	28%	6,086	15%	5,612	14%	6,211	14%
Proceeds From Borrowing	5,500	11%	1,300	3%	800	2%	670	2%	930	2%
	<u>48,694</u>	<u>100%</u>	<u>45,096</u>	<u>100%</u>	<u>41,132</u>	<u>100%</u>	<u>41,905</u>	<u>100%</u>	<u>44,229</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

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**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 2014 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	13,344	60.9%	4,803,203	82.39%	2.7782	1.00
2. Utility	137	0.6%	6,688	0.11%	20.5587	7.40
3. Supportive Housing	-	0.0%	-	0.00%	2.7782	1.00
4. Heavy Industry	-	0.0%	-	0.00%	8.9180	3.21
5. Light Industry	169	0.8%	18,999	0.33%	8.9180	3.21
6. Business/Other	8,219	37.5%	986,120	16.92%	8.3346	3.00
7. Managed Forest	-	0.0%	92	0.00%	2.7782	1.00
8. Rec./Non-Profit	48	0.2%	14,386	0.25%	3.3477	1.20
9. Farm	-	0.0%	132	0.00%	2.7782	1.00
	<u>21,917</u>		<u>5,829,620</u>			

Objectives and Policies

Council sets tax rates to maintain tax stability between property classes. Property class multiples are reviewed periodically to ensure that the burden of tax among property classes is not distorted by differing market value changes between classes.

Permissive Tax Exemptions

Policy with respect to permissive tax exemptions under section 224 of the Community Charter is that exemption will be considered where the organization has demonstrated proof of community access to citizens of Langford at a nominal charge and community benefit in the previous year.

Council supports the establishment of assisted living seniors' housing in Langford and has granted 10-year exemptions to two such developments.

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