

**CITY OF LANGFORD
BYLAW NO. 1628**

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2016 – 2020

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 2016 – 2020
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 2016-2020 Financial Plan Bylaw No. 1628, 2016".

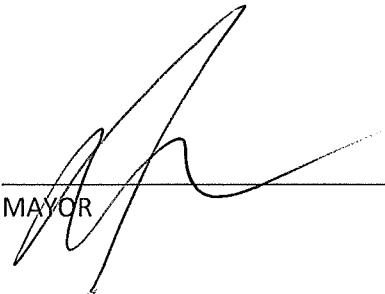
READ A FIRST TIME this 18th day of April, 2016.

READ A SECOND TIME this 18th day of April, 2016.

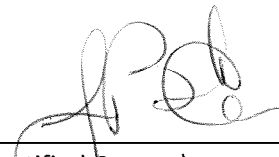
READ A THIRD TIME this 18th day of April, 2016.

ADOPTED this 2nd day of May, 2016.





MAYOR



(Certified Correct)
CORPORATE OFFICER

Schedule "A"

Bylaw No. 1628
Consolidated Financial Plan 2016-2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:					
External Revenues					
Development Fees					
Development Cost Charges	\$ 3,692,400	\$ 1,667,500	\$ 1,980,000	\$ 1,207,500	\$ 1,437,500
Developer Contributions	7,790,700	1,699,000	-	-	-
Other Capital Contributions	2,819,500	-	-	-	-
Development Fees Total	14,302,600	3,366,500	1,980,000	1,207,500	1,437,500
Municipal Property Taxes	25,199,900	26,836,470	28,685,142	30,258,857	32,160,962
Parcel Taxes	1,606,400	1,658,900	1,624,300	1,683,900	1,732,900
Fees and Charges	6,425,000	6,624,100	6,863,100	7,101,500	7,265,774
Interest	353,000	360,000	371,000	378,000	384,000
Grants From Other Governments	20,202,300	5,219,000	1,603,100	1,665,700	1,667,100
Other Sources	1,713,400	2,525,700	2,151,000	2,061,400	2,911,800
Total External Revenues	69,802,600	46,590,670	43,277,642	44,356,857	47,560,036
EXPENDITURES:					
External Expenditures					
Operating Expenditures	31,677,900	32,523,070	33,903,242	35,103,457	36,570,836
Interest Payments on Debt	869,300	1,144,100	1,066,400	1,096,200	1,115,800
Capital Expenditures	48,474,600	12,705,600	6,290,900	4,985,900	5,865,900
Total External Expenditures	81,021,800	46,372,770	41,260,542	41,185,557	43,552,536
CHANGE IN NET FINANCIAL POSITION	(11,219,200)	217,900	2,017,100	3,171,300	4,007,500
OTHER REVENUES:					
Borrowing Proceeds	7,320,100	1,550,000	500,000	500,000	508,400
OTHER EXPENDITURES:					
Principal Payments on Debt	2,399,100	2,826,800	2,241,800	1,650,600	1,681,500
TOTAL REVENUES LESS EXPENDITURES	-\$ 6,298,200	-\$ 1,058,900	\$ 275,300	\$ 2,020,700	\$ 2,834,400
INTERNAL TRANSFERS:					
Transfer from Reserve Funds					
Affordable Housing	17,800	18,200	18,600	19,000	19,400
Capital Works & Equipment	\$ 2,146,700	\$ 1,553,400	\$ 2,102,500	\$ 1,975,000	\$ 1,400,000
Equipment Replacement	937,300	145,000	250,000	-	100,000
Parks & Open Space	1,200,000	700,000	-	-	-
Park Improvement	-	-	-	-	150,000
Sidewalk Capital	20,000	90,000	-	-	-
Police Building Capital	8,400	8,400	8,400	8,400	-
General Amenity	2,020,800	896,200	821,600	697,000	672,400
Transfer from Reserve Fund Total	6,351,000	3,411,200	3,201,100	2,699,400	2,341,800
Less: Transfer to Reserve and Capital Funds					
Reserves:					
Police Building Capital	17,400	26,300	22,400	18,500	14,600
Capital Works & Equipment	1,143,600	1,215,600	1,165,600	1,455,000	2,305,000
Equipment Replacement	600,000	650,000	650,000	700,000	800,000
Infrastructure Sustainability	-	125,000	828,000	1,575,000	1,835,000
General Amenity	-	-	-	-	-
General Capital Fund	125,000	125,000	125,000	125,000	125,000
	1,886,000	2,141,900	2,791,000	3,873,500	5,079,600
Transfers from(to) Surplus	550,000	200,000	200,000	200,000	200,000
Transfers from(to) Reserve Accounts	1,283,200	(410,400)	(885,400)	(1,046,600)	(296,600)
TOTAL INTERNAL TRANSFERS	\$ 6,298,200	\$ 1,058,900	-\$ 275,300	-\$ 2,020,700	-\$ 2,834,400

Schedule "B"

Bylaw No. 1628

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions

	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	25,200	33%	26,836	56%	28,685	65%	30,259	66%	32,161	67%
Parcel Charges	1,606	2%	1,659	3%	1,624	4%	1,684	4%	1,733	4%
Fees	6,425	8%	6,624	14%	6,863	16%	7,102	16%	7,266	15%
Other Sources	36,571	48%	11,472	24%	6,105	14%	5,312	13%	6,400	13%
Proceeds From										
Borrowing	7,320	9%	1,550	3%	500	1%	500	1%	508	1%
	<u>77,122</u>	<u>100%</u>	<u>48,141</u>	<u>100%</u>	<u>43,777</u>	<u>100%</u>	<u>44,857</u>	<u>100%</u>	<u>48,068</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 roads.

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 2016 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	15,180	61.5%	5,281,199	82.81%	2.8743	1.00
2. Utility	169	0.7%	7,924	0.12%	21.2698	7.40
3. Supportive Housing	-	0.0%	-	0.00%	2.8743	1.00
4. Heavy Industry	-	0.0%	-	0.00%	9.2266	3.21
5. Light Industry	248	1.0%	26,894	0.42%	9.2266	3.21
6. Business/Other	9,061	36.6%	1,050,786	16.47%	8.6229	3.00
7. Managed Forest	-	0.0%	108	0.00%	2.8743	1.00
8. Rec./Non-Profit	40	0.2%	11,436	0.18%	3.4635	1.20
9. Farm	-	0.0%	147	0.00%	2.8743	1.00
	<u>24,698</u>		<u>6,378,494</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. An exemption certificate was issued for one property in 2011 for which the exemption expires in 2021