

**CITY OF LANGFORD
BYLAW NO. 1687**

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2017 – 2021

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 2017 – 2021
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 2017-2021 Financial Plan Bylaw No. 1687, 2017".

READ A FIRST TIME this 18th day of April, 2017.

READ A SECOND TIME this 18th day of April, 2017.

READ A THIRD TIME this 18th day of April, 2017.

ADOPTED this 1st day of May, 2017.





MAYOR



(Certified Correct)
CORPORATE OFFICER

Schedule "A"

Bylaw No. 1687
Consolidated Financial Plan 2017-2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES:					
External Revenues					
Development Fees					
Development Cost Charges	\$ 3,923,200	\$ 1,712,500	\$ 2,452,500	\$ 1,552,500	\$ 1,002,500
Developer Contributions	13,406,300	1,500,000	-	150,000	900,000
Other Capital Contributions	2,209,900	-	-	-	-
Development Fees Total	19,539,400	3,212,500	2,452,500	1,702,500	1,902,500
Municipal Property Taxes	26,755,200	29,264,844	31,792,579	34,237,782	36,598,863
Parcel Taxes	1,542,100	1,990,500	1,953,000	2,021,800	2,079,800
Fees and Charges	7,138,800	7,235,300	7,178,400	6,790,800	6,826,900
Interest	388,200	396,000	403,000	411,000	418,000
Grants From Other Governments	15,582,600	3,849,400	2,403,500	2,518,800	2,536,500
Other Sources	1,864,500	1,866,488	1,841,600	1,953,700	1,955,900
Total External Revenues	72,810,800	47,815,032	48,024,579	49,636,382	52,318,463
EXPENDITURES:					
External Expenditures					
Operating Expenditures	35,065,000	36,591,032	37,978,879	39,296,082	40,876,163
Interest Payments on Debt	731,700	810,300	788,000	851,600	906,300
Capital Expenditures	44,762,600	10,146,300	5,996,300	6,186,300	4,486,300
Total External Expenditures	80,559,300	47,547,632	44,763,179	46,333,982	46,268,763
CHANGE IN NET FINANCIAL POSITION	(7,748,500)	267,400	3,261,400	3,302,400	6,049,700
OTHER REVENUES:					
Borrowing Proceeds	5,035,000	750,000	750,000	750,000	33,800
OTHER EXPENDITURES:					
Principal Payments on Debt	2,326,600	2,157,900	1,632,000	1,655,800	1,652,700
TOTAL REVENUES LESS EXPENDITURES	-\$ 5,040,100	-\$ 1,140,500	\$ 2,379,400	\$ 2,396,600	\$ 4,430,800
INTERNAL TRANSFERS:					
Transfer from Reserve Funds					
Affordable Housing	10,800	11,100	11,400	11,700	12,000
Capital Works & Equipment	\$ 3,095,400	\$ 2,435,000	\$ 1,450,000	\$ 2,130,000	\$ 1,400,000
Equipment Replacement	837,500	110,000	260,000	-	140,000
Parks & Open Space	700,000	700,000	-	-	-
Park Improvement	-	-	-	-	-
Sidewalk Capital	100,000	-	-	-	-
Police Building Capital	160,800	33,800	-	33,800	-
General Amenity	1,697,300	1,007,600	807,900	623,700	524,000
Transfer from Reserve Fund Total	6,601,800	4,297,500	2,529,300	2,799,200	2,076,000
Less: Transfer to Reserve and Capital Funds					
Reserves:					
Police Building Capital	14,500	5,000	15,300	11,200	7,200
Capital Works & Equipment	1,335,600	1,665,600	1,835,000	2,105,000	2,405,000
Equipment Replacement	650,000	650,000	700,000	800,000	850,000
Infrastructure Sustainability	175,000	828,000	1,575,000	1,835,000	2,300,000
General Capital Fund	118,000	118,000	118,000	118,000	118,000
	2,293,100	3,266,600	4,243,300	4,869,200	5,680,200
Transfers from(to) Surplus	1,100,000	500,000	200,000	200,000	200,000
Transfers from(to) Reserve Accounts	(368,600)	(390,400)	(865,400)	(526,600)	(1,026,600)
TOTAL INTERNAL TRANSFERS	\$ 5,040,100	\$ 1,140,500	-\$ 2,379,400	-\$ 2,396,600	-\$ 4,430,800

Schedule "B"

**Bylaw No. 1687
Revenue and Property Tax Policy Disclosure**

REVENUE DISCLOSURE

Revenue Proportions

	<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	26,755	34%	29,265	60%	31,793	64%	34,238	67%	36,599	70%
Parcel Charges	1,542	2%	1,991	4%	1,953	4%	2,022	4%	2,080	4%
Fees	7,139	9%	7,235	15%	7,178	15%	6,791	13%	6,827	13%
Other Sources	37,375	49%	9,325	19%	7,101	15%	6,585	14%	6,813	13%
Proceeds From Borrowing	5,035	6%	750	2%	750	2%	750	1%	34	0%
	<u>77,846</u>	<u>100%</u>	<u>48,566</u>	<u>100%</u>	<u>48,775</u>	<u>100%</u>	<u>50,386</u>	<u>99%</u>	<u>52,353</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 2017 Revised Assessment Roll:

Property Tax Distribution

Property Class	Taxation Revenue		Net Taxable Assessed		Tax Rate (\$/1000)	Multiple (Rate/Res. Rate)
	(\$'000s)	%	Value (\$'000s)	%		
1. Residential	16,621	63.3%	6,100,510	83.66%	2.7246	1.00
2. Utility	147	0.6%	7,314	0.10%	20.1621	7.40
3. Supportive Housing	-	0.0%	-	0.00%	2.7246	1.00
4. Heavy Industry	-	0.0%	-	0.00%	8.7459	3.21
5. Light Industry	239	0.9%	28,265	0.39%	8.4463	3.10
6. Business/Other	9,203	35.0%	1,144,948	15.70%	8.0376	2.95
7. Managed Forest	-	0.0%	147	0.00%	2.7246	1.00
8. Rec./Non-Profit	37	0.1%	11,312	0.16%	3.2832	1.21
9. Farm	-	0.0%	142	0.00%	2.7246	1.00
	<u>26,247</u>		<u>7,292,638</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. In 2017 Council has embarked on a 10-year program to reduce the burden of business properties by reducing the multiple by 0.05 each year so that by 2026 the business multiple will be 2.5

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 three 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