

**CITY OF LANGFORD
BYLAW NO. 1975**

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2021 – 2025

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*,

AND WHEREAS Ministerial Order No. M0192 under the *Emergency Program Act* permits the Council of the City of Langford to adopt a bylaw on the same day that it receives third reading.

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 2021 – 2025.
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 2021-2025 Financial Plan Bylaw No. 1975, 2021".

READ the **FIRST, SECOND** and **THIRD** time and **ADOPTED** the 10th day of May, 2021.

MAYOR

(Certified Correct)
CORPORATE OFFICER

Schedule "A"

Bylaw No. 1975
Consolidated Financial Plan 2021-2025

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES: | | | | | |
| External Revenues | | | | | |
| Development Fees | | | | | |
| Development Cost Charges | \$ 13,750,762 | \$ 4,125,000 | \$ 2,050,000 | \$ 2,555,000 | \$ 1,675,000 |
| Developer Contributions | 1,694,831 | | | | |
| Other Capital Contributions | | | | | |
| Development Fees Total | 15,445,593 | 4,125,000 | 2,050,000 | 2,555,000 | 1,675,000 |
| Municipal Property Taxes | 35,291,050 | 38,550,000 | 41,950,000 | 45,400,000 | 49,100,000 |
| Grants in Lieu | 131,500 | 134,130 | 136,813 | 139,548 | 142,340 |
| Utility Taxes | 476,466 | 485,995 | 495,715 | 505,630 | 515,742 |
| Parcel Taxes | 1,869,694 | 1,869,694 | 1,929,514 | 1,929,514 | 1,929,514 |
| Fees and Charges | 3,332,100 | 3,108,742 | 2,985,917 | 2,913,635 | 2,841,908 |
| Interest | 275,000 | 280,500 | 286,110 | 291,832 | 297,669 |
| Grants From Other Governments | 7,246,850 | 2,132,411 | 1,537,668 | 1,585,236 | 1,298,533 |
| Other Sources | 8,409,581 | 8,728,000 | 9,444,790 | 9,460,316 | 9,381,824 |
| Total External Revenues | 72,477,834 | 59,414,472 | 60,816,527 | 64,780,711 | 67,182,530 |
| EXPENDITURES: | | | | | |
| External Expenditures | | | | | |
| Operating Expenditures | 52,355,704 | 52,494,045 | 53,999,790 | 55,678,150 | 57,255,996 |
| Interest Payments on Debt | 672,494 | 677,794 | 793,907 | 771,807 | 687,107 |
| Capital Expenditures | 40,211,275 | 8,777,339 | 7,596,023 | 5,459,000 | 5,109,000 |
| Total External Expenditures | 93,239,473 | 61,949,178 | 62,389,720 | 61,908,957 | 63,052,103 |
| CHANGE IN NET FINANCIAL POSITION | (20,761,639) | (2,534,706) | (1,573,193) | 2,871,755 | 4,130,427 |
| OTHER REVENUES: | | | | | |
| Borrowing Proceeds | 10,900,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| OTHER EXPENDITURES: | | | | | |
| Principal Payments on Debt | 1,496,300 | 1,491,900 | 1,443,107 | 1,451,907 | 1,223,207 |
| TOTAL REVENUES LESS EXPENDITURES | -\$ 11,357,939 | -\$ 2,026,606 | -\$ 1,016,300 | \$ 3,419,848 | \$ 4,907,220 |
| INTERNAL TRANSFERS: | | | | | |
| Transfer from Reserve Funds | | | | | |
| Affordable Housing | 14,500 | 14,790 | 15,086 | 15,388 | 15,695 |
| Capital Works & Equipment | \$ 4,538,736 | \$ 1,805,736 | \$ 1,985,736 | \$ 985,736 | \$ 985,736 |
| Equipment Replacement | 1,578,000 | 400,000 | 1,810,000 | 145,000 | 500,000 |
| Parks & Open Space | 1,400,000 | - | - | - | - |
| Park Improvement | - | - | - | - | - |
| Sidewalk Capital | - | - | - | - | - |
| Police Building Capital | - | 9,000 | 11,023 | 9,000 | 134,000 |
| General Capital Fund | 120,000 | - | - | - | - |
| General Amenity | 3,392,209 | 2,834,610 | 1,531,985 | 1,054,294 | 500,000 |
| Transfer from Reserve Fund Total | 11,043,445 | 5,064,136 | 5,353,830 | 2,209,418 | 2,135,431 |
| Less: Transfer to Reserve and Capital Funds | | | | | |
| Reserves: | | | | | |
| Police Building Capital | 30,000 | 40,000 | 50,000 | 60,000 | 60,000 |
| Capital Works & Equipment | 1,165,000 | 1,305,000 | 1,405,000 | 1,405,000 | 1,405,000 |
| Equipment Replacement | 900,000 | 1,000,000 | 900,000 | 1,000,000 | 900,000 |
| Parking Reserve | - | - | - | - | - |
| Police Special | - | - | - | - | - |
| General Amenity | - | 81,794 | 221,794 | 364,294 | 1,137,577 |
| Infrastructure Sustainability | - | - | - | - | - |
| General Capital Fund | 685,736 | 685,736 | 685,736 | 685,736 | 685,736 |
| | 2,780,736 | 3,112,530 | 3,262,530 | 3,515,030 | 4,188,313 |
| Transfers from(to) Surplus | 1,670,230 | 325,000 | 325,000 | 300,000 | 300,000 |
| Transfers from(to) Reserve Accounts | 1,425,000 | (250,000) | (1,400,000) | (2,414,236) | (3,154,338) |
| TOTAL INTERNAL TRANSFERS | \$ 11,357,939 | \$ 2,026,606 | \$ 1,016,300 | -\$ 3,419,848 | -\$ 4,907,220 |

Schedule "B"

Bylaw No. 1975

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions

| | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | |
|-------------------------|-----------|------|-----------|------|-----------|------|-----------|-----|-----------|------|
| | (\$'000s) | % | (\$'000s) | % | (\$'000s) | % | (\$'000s) | % | (\$'000s) | % |
| Property Taxes | 35,291 | 42% | 38,550 | 63% | 41,950 | 67% | 45,400 | 66% | 49,100 | 71% |
| Parcel Charges | 1,870 | 2% | 1,870 | 3% | 1,930 | 3% | 1,930 | 3% | 1,930 | 3% |
| Fees | 3,332 | 4% | 3,109 | 5% | 2,986 | 5% | 2,914 | 4% | 2,842 | 4% |
| Other Sources | 31,985 | 38% | 15,887 | 26% | 13,951 | 22% | 14,537 | 23% | 13,311 | 19% |
| Proceeds From Borrowing | 10,900 | 13% | 2,000 | 3% | 2,000 | 3% | 2,000 | 3% | 2,000 | 3% |
| | 83,378 | 100% | 61,415 | 100% | 62,817 | 100% | 66,780 | 99% | 69,183 | 100% |

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

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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 2021 Revised Assessment Roll:

| Property Tax Distribution | | | | | | |
|----------------------------------|------------------|-------|----------------------------|--------|-----------|------------------|
| Property Class | Taxation Revenue | | Net Taxable Assessed Value | | Tax Rate | Multiple |
| | (\$'000s) | % | (\$'000s) | % | (\$/1000) | (Rate/Res. Rate) |
| 1. Residential | 24,087 | 68.3% | 10,101,343 | 85.50% | 2.3846 | 1.00 |
| 2. Utility | 154 | 0.4% | 9,207 | 0.08% | 16.6920 | 7.00 |
| 3. Supportive Housing | - | 0.0% | - | 0.00% | 2.3846 | 1.00 |
| 4. Heavy Industry | - | 0.0% | - | 0.00% | 7.6545 | 3.21 |
| 5. Light Industry | 326 | 0.9% | 44,054 | 0.37% | 7.3922 | 3.10 |
| 6. Business/Other | 10,592 | 29.9% | 1,615,192 | 13.67% | 6.5576 | 2.75 |
| 7. Managed Forest | 0 | 0.0% | 182 | 0.00% | 2.3846 | 1.00 |
| 8. Rec./Non-Profit | 132 | 0.4% | 45,937 | 0.39% | 2.8734 | 1.21 |
| 9. Farm | 0 | 0.0% | 116 | 0.00% | 2.3846 | 1.00 |
| | 35,291 | | 11,816,031 | | | |

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 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