

**CITY OF LANGFORD
BYLAW NO. 2069**

A BYLAW TO ADOPT A FINANCIAL PLAN FOR 2022 – 2026

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 2022 – 2026.
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 2022-2026 Financial Plan Bylaw No. 2069, 2022".

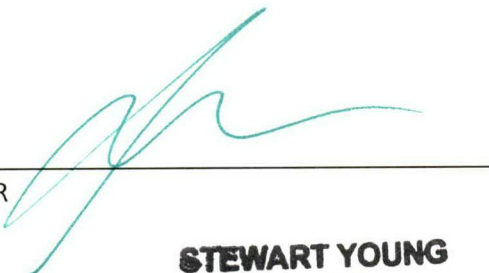
READ A FIRST TIME this 19th day of April, 2022.

READ A SECOND TIME this 19th day of April, 2022.

READ A THIRD TIME this 19th day of April, 2022.

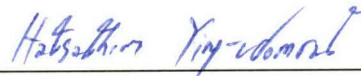
ADOPTED this 2nd day of May, 2022.

MAYOR



**STEWART YOUNG
MAYOR**

(Certified Correct)
CORPORATE OFFICER



**Will Ying-Udomrat
Deputy Corporate Officer**

Schedule "A"

Bylaw No. 2069
Consolidated Financial Plan 2022-2026

	2022	2023	2024	2025	2026
REVENUES:					
External Revenues					
Development Fees					
Development Cost Charges	\$ 15,453,880	\$ 3,917,860	\$ 5,990,000	\$ 2,369,000	\$ 1,050,000
Developer Contributions	5,822,930				
Other Capital Contributions	345,000				
Development Fees Total	21,621,810	3,917,860	5,990,000	2,369,000	1,050,000
Municipal Property Taxes	38,481,792	42,230,690	46,180,202	51,332,563	55,901,181
Grants in Lieu	139,940	142,738	145,593	148,505	144,537
Utility Taxes	485,995	495,715	505,630	515,742	523,057
Parcel Taxes	1,869,694	4,604,514	4,604,514	4,604,514	4,604,513
Fees and Charges	3,826,642	3,383,879	3,300,336	3,034,223	2,948,022
Interest	325,000	325,000	300,000	300,000	300,000
Grants From Other Governments	7,288,089	2,010,061	1,518,978	618,349	639,746
Other Sources	21,234,321	9,571,626	9,627,419	9,538,919	9,494,128
Total External Revenues	95,273,283	66,682,083	72,172,671	72,461,814	75,605,184
EXPENDITURES:					
External Expenditures					
Operating Expenditures	56,044,116	56,329,878	57,891,613	59,994,071	61,914,716
Interest Payments on Debt	677,794	2,173,907	3,361,707	4,445,407	4,385,000
Capital Expenditures	110,221,549	57,550,860	50,249,000	5,778,000	4,120,000
Total External Expenditures	166,943,459	116,054,645	111,502,320	70,217,478	70,419,716
CHANGE IN NET FINANCIAL POSITION	(71,670,176)	(49,372,561)	(39,329,649)	2,244,336	5,185,468
OTHER REVENUES:					
Borrowing Proceeds	59,900,000	49,500,000	42,500,000	2,000,000	2,000,000
OTHER EXPENDITURES:					
Principal Payments on Debt	1,491,900	2,738,107	3,872,736	4,814,864	4,879,864
TOTAL REVENUES LESS EXPENDITURES	-\$ 13,262,076	-\$ 2,610,668	-\$ 702,385	-\$ 570,528	\$ 2,305,603
INTERNAL TRANSFERS:					
Transfer from Reserve Funds					
Affordable Housing	115,000	115,000	15,388	15,695	-
Capital Works & Equipment	\$ 6,648,250	\$ 2,169,000	\$ 1,575,000	\$ 1,275,000	\$ 1,250,000
Equipment Replacement	1,682,700	1,554,000	114,000	514,000	1,000,000
Parks & Open Space	2,500,000	-	-	-	-
Park Improvement	-	-	-	-	-
Sidewalk Capital	-	-	-	-	-
Police Building Capital	107,000	70,000	70,000	70,000	70,000
General Capital Fund	120,000	120,000	120,000	120,000	120,000
General Operating	270,700	25,000			
General Amenity	14,056,956	3,391,985	3,205,294	3,834,072	3,059,000
Transfer from Reserve Fund Total	25,500,606	7,444,985	5,099,682	5,828,767	5,499,000
Less: Transfer to Reserve and Capital Funds					
Reserves:					
Police Building Capital	80,000	70,000	70,000	70,000	70,000
Capital Works & Equipment	1,305,000	1,405,000	1,405,000	1,405,000	1,405,000
Equipment Replacement	1,000,000	900,000	1,000,000	900,000	750,000
Parking Reserve					
Police Special	-	-	-	-	-
General Amenity	11,081,794	221,794	364,294	500,000	500,000
Infrastructure Sustainability					
General Capital Fund	685,736	3,000,000	2,000,000	2,750,000	3,500,000
	14,152,530	5,596,794	4,839,294	5,625,000	6,225,000
Transfers from(to) Surplus	1,499,000	1,156,163	441,997	366,760	300,000
Transfers from(to) Reserve Accounts	415,000	(393,686)	-	-	(1,879,603)
TOTAL INTERNAL TRANSFERS	\$ 13,262,076	\$ 2,610,668	\$ 702,385	\$ 570,528	-\$ 2,305,603

Schedule "B"										
Bylaw No. 2069										
Revenue and Property Tax Policy Disclosure										
REVENUE DISCLOSURE										
Revenue Proportions										
	2022		2023		2024		2025		2026	
	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%	(\$'000s)	%
Property Taxes	38,482	25%	42,231	36%	46,180	38%	51,333	69%	55,901	72%
Parcel Charges	1,870	1%	4,605	4%	4,605	4%	4,605	6%	4,605	6%
Fees	3,827	2%	3,384	3%	3,300	3%	3,034	4%	2,948	4%
Other Sources	51,096	33%	16,463	14%	18,087	17%	13,491	18%	12,151	16%
Proceeds From Borrowing	59,900	39%	49,500	43%	42,500	37%	2,000	3%	2,000	3%
	155,174	100%	116,182	100%	114,672	99%	74,462	100%	77,605	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

**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 2022 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	27,582	71.7%	13,207,317	87.21%	2.0884	1.00	
2. Utility	150	0.4%	10,276	0.07%	14.6184	7.00	
3. Supportive Housing	-	0.0%	-	0.00%	2.0884	1.00	
4. Heavy Industry	-	0.0%	-	0.00%	6.7036	3.21	
5. Light Industry	324	0.8%	50,108	0.33%	6.4739	3.10	
6. Business/Other	10,295	26.8%	1,825,833	12.06%	5.6385	2.70	
7. Managed Forest	0	0.0%	179	0.00%	2.0884	1.00	
8. Rec./Non-Profit	130	0.3%	51,646	0.34%	2.5165	1.20	
9. Farm	0	0.0%	154	0.00%	2.0884	1.00	
	38,482		15,145,513				

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 an exemption for eligible buildings for up to 10 years. An exemption certificate was issued for one property in 2021 for which the exemption expires in 2028.