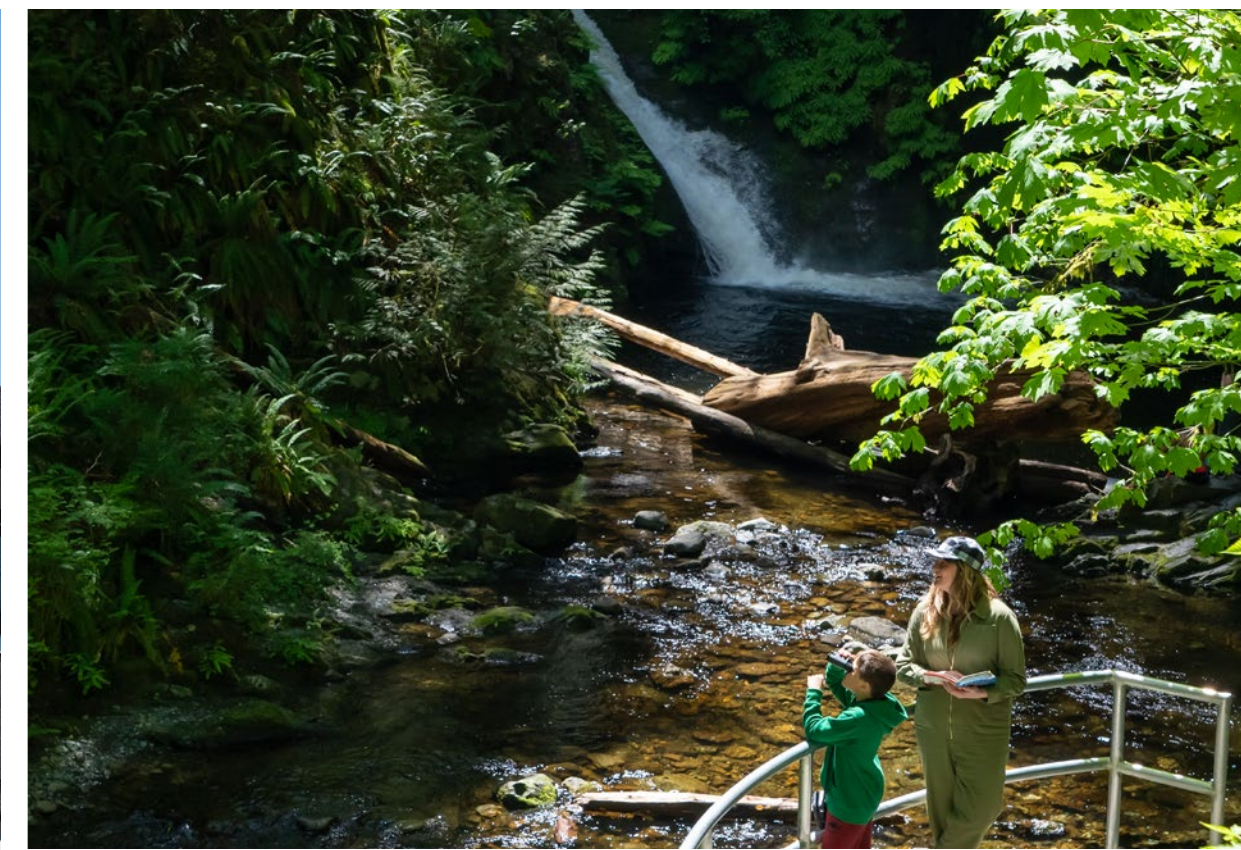


2023 Budget Presentation



Langford

Agenda

- › Legislative Overview and Financial Plan Process and Timelines
- › Property Taxes 101
- › Clarifying Some Misunderstandings
- › Proposed 2023-2027 Financial Plan
- › YMCA/RCMP Detachment/Asset Management
- › Growing Communities Fund
- › Recap and Next Steps



Legislative Overview, Financial Plan Process and Timelines



Legislative Overview

- The *Community Charter* requires that municipalities adopt a Five-year Financial Plan each year before May 15th.
- Each Financial Plan covers a rolling 5-year period, and provides authority to spend money and collect revenues to support operations.
 - Until new Financial Plan is adopted, old one remains in effect.
- The Financial Plan establishes the basis upon which Property Tax rates are calculated.



Budget Process & Timing

BUDGET PRESENTATION

- Monday, March 27th – 7pm – Committee of the Whole
Initial presentation of the budget as proposed.

PUBLIC INPUT

- Thursday, March 30th – Committee of the Whole at 7pm
– Public input, no Council deliberation.
- Monday, April 3rd – Committee of the Whole 12pm-4pm
– Public input, no Council deliberation.

COUNCIL DELIBERATION:

- Tuesday, April 11th – Committee of the Whole at 7pm
– Council to deliberate and ask questions of staff regarding the budget.
- Monday, April 17th – Committee of the Whole 12pm-4pm
– Council to deliberate and ask questions of staff regarding the budget.

FINANCIAL PLAN APPROVAL

- Monday, May 1st – 7pm Regular Council meeting
– Council to consider approval of the financial plan, consider tax rates and direct staff to prepare bylaws.

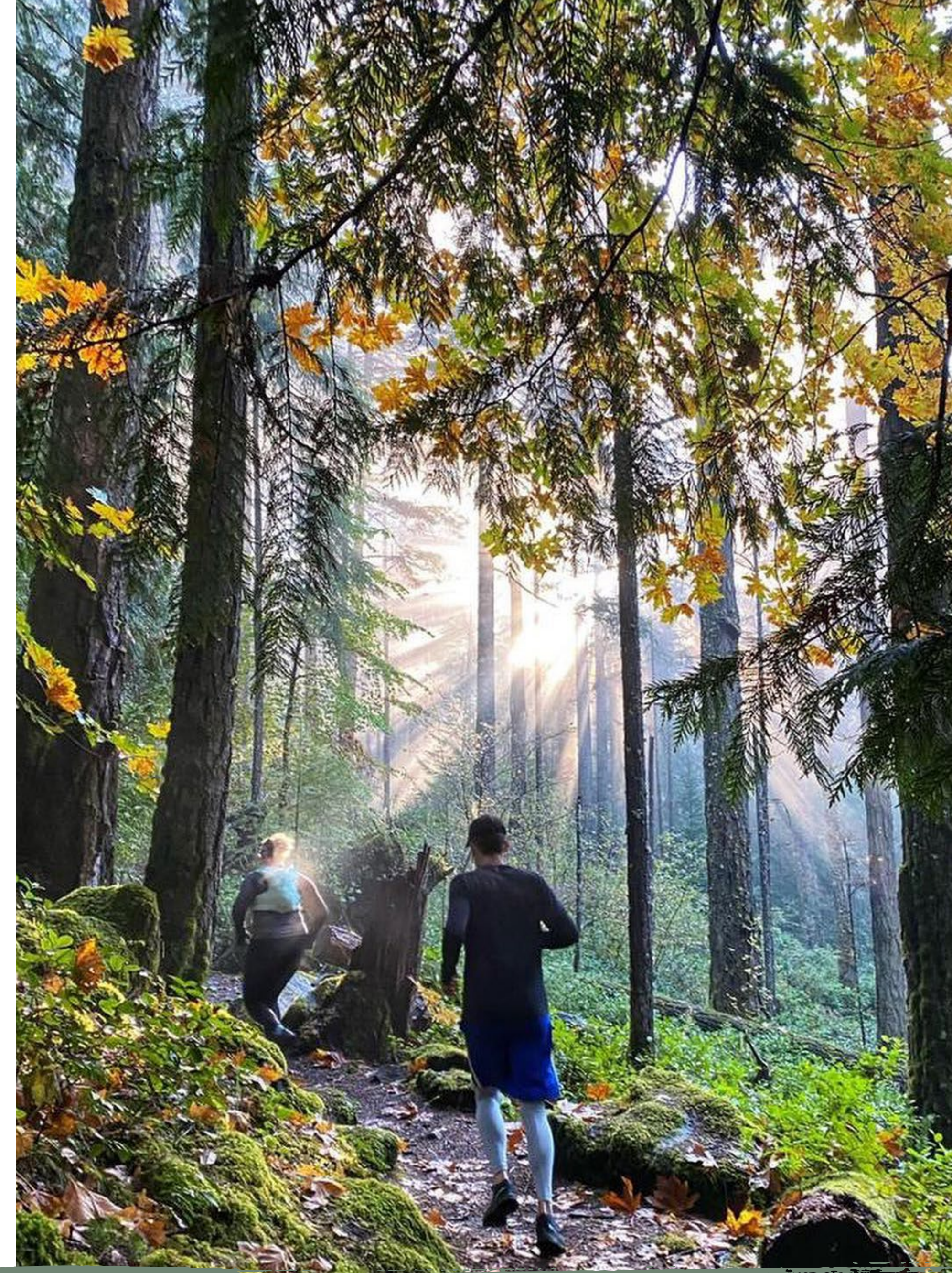
BYLAWS:

- Monday, May 8th – Special Council meeting at 7pm
– Council to consider 1st, 2nd and 3rd readings of bylaws.
- Thursday, May 11th – Special Council meeting at 7pm
– Council to consider adoption of bylaws.

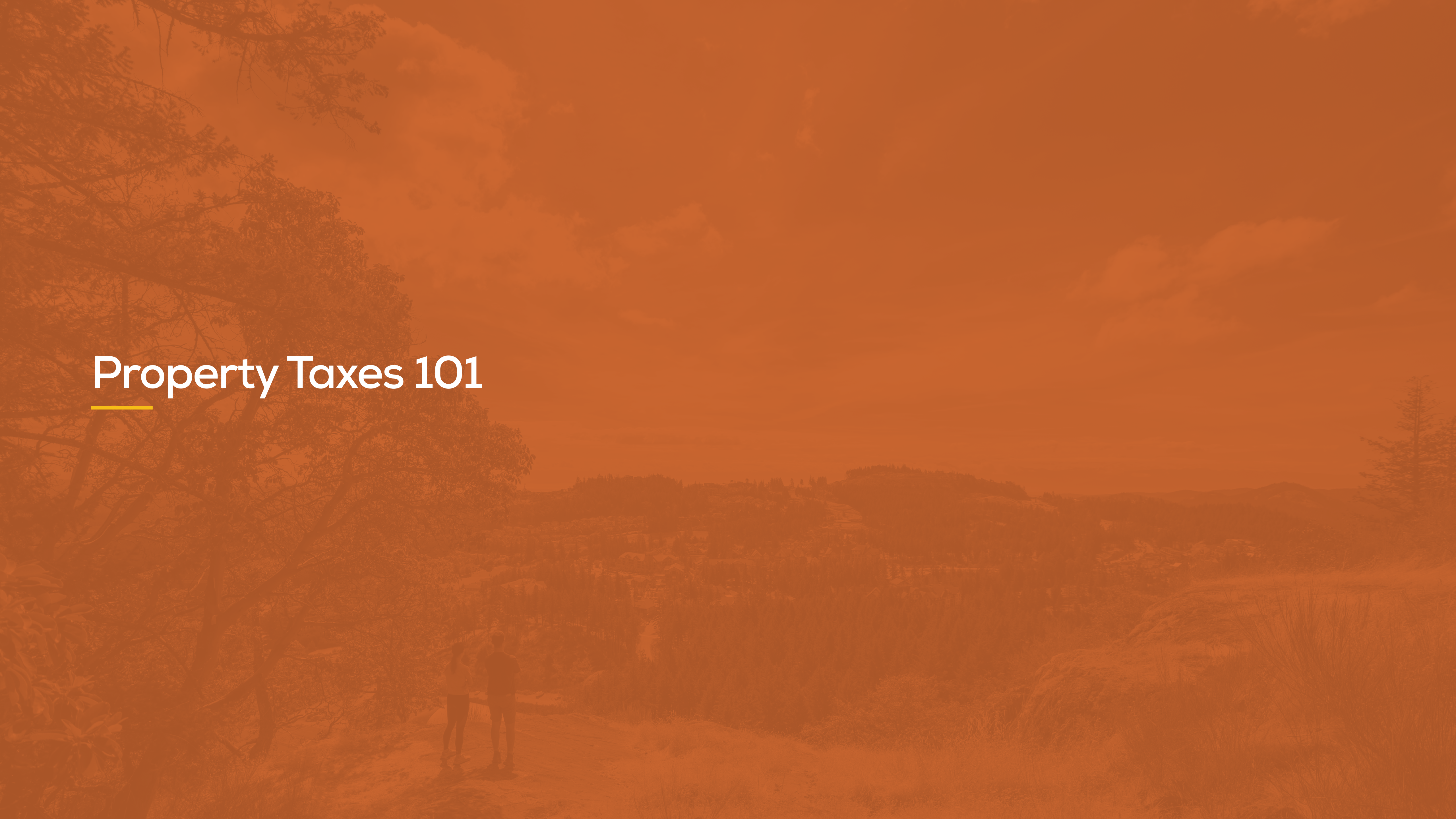
IN ADDITION TO THE SCHEDULED PUBLIC INPUT OPPORTUNITIES, PUBLIC PARTICIPATION IS WELCOME ON MAY 1ST, 8TH AND 11TH

Tonight's Goal

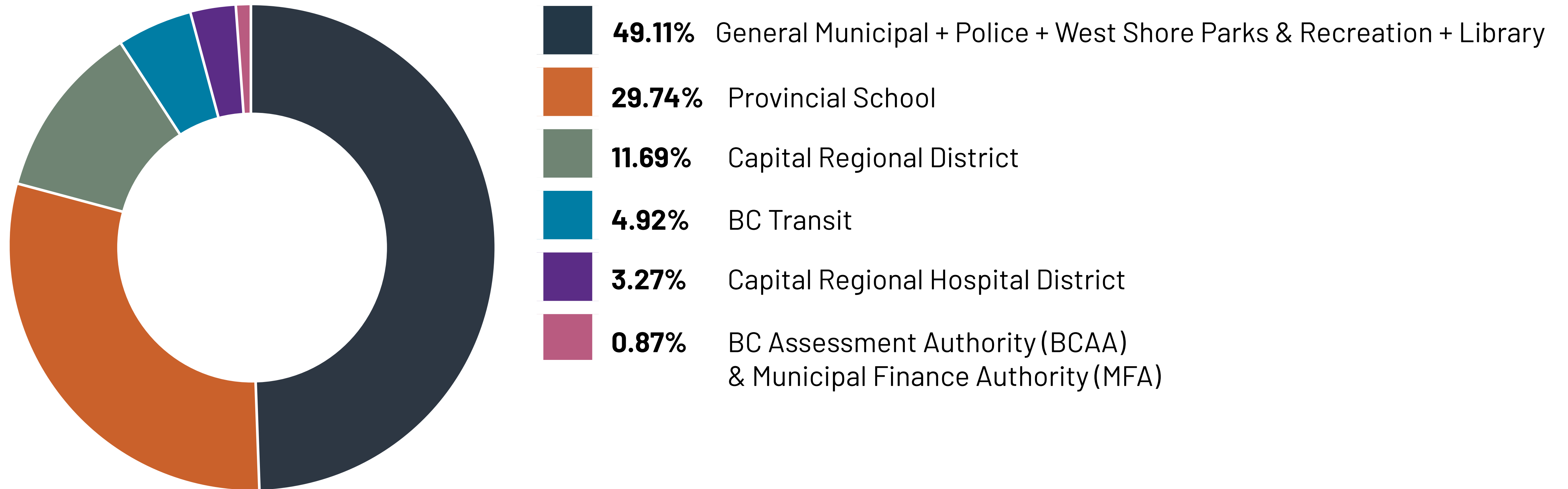
- Introduce the Proposed 2023 – 2027 Five Year Financial Plan to Council and the public.
- Discuss Property Taxes in general.
- Clarify some misunderstandings.
- Provide an overview of the major budgetary impacts.
- Outline the major Capital projects and supplemental requests that are coming forward for approval.
- Add context to the review of the budget documentation.
- Copies of the presentation and the Proposed 2023-2027 Five Year Financial Plan documents will be available to Council after the meeting and will be posted on the City's website for the public after 10:00am Tuesday March 28th, 2023.



Property Taxes 101



Where Your Tax Dollars Go



Tax Notice 101


1 Taxes Collected for External Agencies:

The City collects taxes for external authorities like:

- School District No. 62,
- BC Assessment,
- the Capital Regional District (CRD),
- the Capital Regional Hospital District (CRHD),
- Municipal Finance Authority (MFA),
- and Regional Transit (BC Transit).

Tax rates for these external entities are NOT set by the City. However, for ease of tax collection, on behalf of these external agencies, the City collects the specific amount of taxes required, along with your property taxes, and distributes the funds on your behalf.

**NOTICE OF CURRENT
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2022**



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JURISDICTION NO. 327
ROLL NO. [REDACTED]
MORTGAGE CO.

NAME & ADDRESS OF OWNERS (IF PROPERTY HAS BEEN SOLD PLEASE FORWARD NOTICE TO PURCHASER)

[REDACTED]

**DUE DATE
JULY 4,
2022**

2022 HOME OWNER GRANT
SEE REVERSE FOR IMPORTANT
HOME OWNER GRANT INFORMATION.
CLAIM YOUR GRANT ONLINE AT
GOV.BC.CA/HOMEOWNERGRANT

TAXABLE VALUES		LAND	IMPROVEMENTS	TOTAL TAXABLE VALUE
Residential		\$402,000	\$494,000	\$896,000

CLASS	DESCRIPTION	TAXING JURISDICTION	ASSESSMENT	RATE	AMOUNT PAYABLE IF ELIGIBLE FOR PROVINCIAL HOMEOWNER GRANT		AMOUNT PAYABLE IF INELIGIBLE FOR HOMEOWNER GRANT		
					IF UNDER AGE 65	IF OVER AGE 65			
1	01 Residential	Local School Tax	\$896,000	1.15540	\$1,035.24	\$1,035.24	\$1,035.24		
		Less Home Owner Grant Basic			-\$570.00	-\$845.00			
		Total School			\$465.24	\$190.24	\$1,035.24		
1	01 Residential	BC Assessment	\$896,000	0.03490	31.27	31.27	31.27		
1	01 Residential	Capital Regional District	\$896,000	0.49318	441.89	441.89	441.89		
1	01 Residential	Capital Regional Hospital	\$896,000	0.14043	125.83	125.83	125.83		
1	01 Residential	General Municipal Debt	\$896,000	0.01628	14.59	14.59	14.59		
1	01 Residential	General Municipal Tax	\$896,000	1.10520	990.26	990.26	990.26		
1	01 Residential	Gr. Victoria Public Libra	\$896,000	0.12859	115.22	115.22	115.22		
1	01 Residential	JDF Recreation	\$896,000	0.15957	142.97	142.97	142.97		
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Tax Notice 101

2

City Operations:

The City needs to collect from citizens in order to operate – that is, to balance the necessary costs and priorities while maintaining service levels that our community expects. Certain costs are out of the City’s control, yet they affect the level of property taxes required to balance the budget. Examples include the fluctuating cost of services like insurance and hydro. As a corporate customer of ICBC and BC Hydro as well as property and liability insurance, the City, like individuals, and families, is faced with covering any rising costs due to rate increases. Services covered under these line items include, public safety (Police, Fire and Bylaw Enforcement), Engineering and Public Works, Parks and Recreation, Development Services, General Government and Building Inspection. This is the only portion of the tax bill that City Council has direct decision making control over.

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Tax Notice 101

3 Owner/Member Organizations:

The City is also an owner/member of both the West Shore Parks and Recreation Society and the Greater Victoria Public Library and while the City does approve the budget request from these organizations, Council does not have full control over the budget for these organizations.

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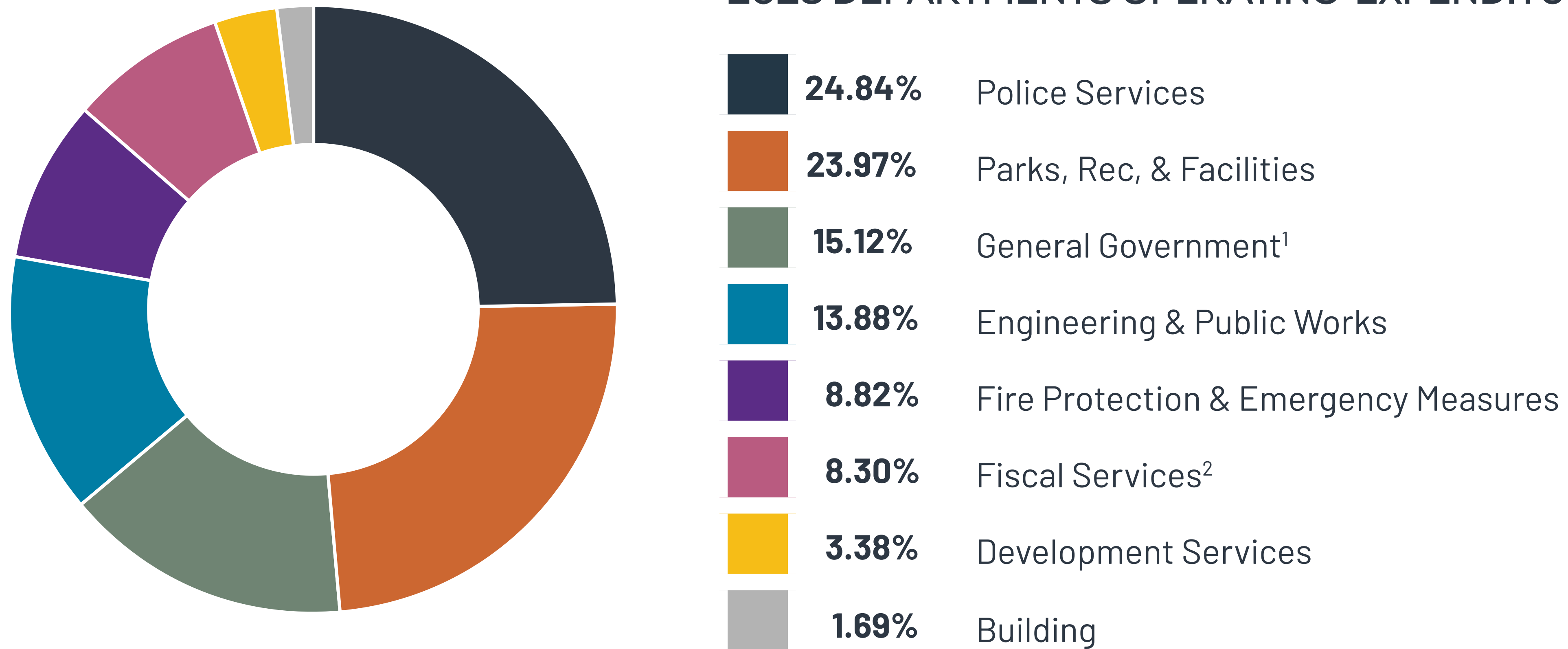
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					PREPAYMENT	\$0.00	\$0.00	\$0.00

Where Does the Municipal Portion of Your Property Taxes Go?

2023 DEPARTMENTS OPERATING EXPENDITURE BUDGET



¹General Government includes: Administration, Finance, IT/GIS, HR, Business Development & Events, Communications

²Fiscal Services includes: Transfers into Reserves, Debt Costs (Including Debt Paid for through Local Service Area (LSA))

Property Taxes

- › Nine Property Classes (Langford has properties in seven)
 - All properties within the same property class have the same Tax Rate.
- › Receive Revised Assessment Roll late March/early April which is the roll that we use to calculate the tax rates.
- › Receive Tax Rates from other taxing authorities by mid/late April.
- › Finalize Five-Year Financial Plan Bylaw & Tax Rates Bylaw before May 15.
- › Mail Tax Notices mid-late May.
- › The City sends out approximately 17,000 property tax notices.
- › Tax due date first business day in July.

Property Taxes

- › Three factors that determine the amount of tax each property pays:
 - Variable A – Tax Revenue to balance the budget and fund services (determined by Council).
 - Variable B – Total Assessed Values of all properties (Provided by BC Assessment).
 - Variable C – Tax Rate generated by dividing the revenue needed by the assessed value.

TAX REVENUE

A

÷

ASSESSED VALUE

B/1,000

=

MILL RATE

C

Clarifying Some Misunderstandings

A hiker is seen from behind, walking along a rocky mountain trail. The hiker is wearing a dark jacket and a backpack. The trail is composed of large, light-colored rocks. The background shows a vast, hazy mountain landscape under a clear sky. The entire image is overlaid with a semi-transparent green filter.

Property Assessment Increase Vs. Property Tax Levy Increase

Class 1 (Residential) Condo

Year	Overall Tax Increase	Assessment (Set By BC Assessment)	% Change in Assessment	% Change in Property Tax Levy	Property Tax Levy
2019		362,900			1,738.24
2020	1.90%	353,000	-2.73%	-0.94%	1,721.83
2021	2.95%	369,000	4.53%	2.46%	1,764.15
2022	2.95%	407,000	10.30%	-6.01%	1,658.14

Class 1 (Residential) Single Family Dwelling

Year	Overall Tax Increase	Assessment (Set By BC Assessment)	% Change in Assessment	% Change in Property Tax Levy	Property Tax Levy
2019		700,000			3,352.93
2020	1.90%	719,000	2.71%	4.60%	3,507.04
2021	2.95%	745,000	3.62%	1.56%	3,561.79
2022	2.95%	930,000	24.83%	6.38%	3,788.89

Class 6 (Business/Other)

Year	Overall Tax Increase	Assessment (Set By BC Assessment)	% Change in Assessment	% Change in Property Tax Levy	Property Tax Levy
2019		1,802,000			24,611.69
2020	1.90%	1,885,000	4.61%	-15.45%	20,808.18
2021	2.95%	1,732,000	-8.12%	12.85%	23,482.31
2022	2.95%	1,972,000	13.86%	-0.81%	23,291.08

\$21 Million “Development Fees Total” - What is it?

What the \$21 million is not: It is not fees received each year from the development community (permit fees, amenity fees) that are taken into revenue when received or transferred into reserves.

DEVELOPMENT COST CHARGES:

- When collected are not Revenue, they are Deferred Revenue.
- Recorded as Revenue in the year that are used, not when they are collected.
- 100% of this amount is to fund DCC Eligible Capital Projects, not ongoing operations.
- Does not “offset” property taxes in any way.

		2022
REVENUES:		
External Revenues		
Development Fees		
	Development Cost Charges	\$ 15,453,880
	Developer Contributions	5,822,930
	Other Capital Contributions	345,000
Development Fees Total		21,621,810

Source: Bylaw No. 2069, 2022-2026 Five Year Financial Plan Bylaw.

\$21 Million “Development Fees Total” - What is it?

DEVELOPER CONTRIBUTIONS:

- 100% related to Capital Project funding.
- Relates to different scenarios:
 1. Developer and City are paying portions of a project that makes the most sense to have an organization contract the work, in this case, the City. This amount is the portion paid to the City to cover that work.
 2. In rare circumstances, even if a capital project is to be funded 100% by the development community, the City may choose to issue the tender and construction manage the project. In this case, as it is the City that is contracting the works to be completed, we must record this as a capital project through our budget and the funding to pay for the project is from “Developer Contributions” (i.e. the developer(s) responsible pay the City, who in turn pays the contractor).

		2022
REVENUES:		
External Revenues		
Development Fees		
	Development Cost Charges	\$ 15,453,880
	Developer Contributions	5,822,930
	Other Capital Contributions	345,000
Development Fees Total		21,621,810

Source: Bylaw No. 2069, 2022-2026 Five Year Financial Plan Bylaw.

Does the City Have \$11 million in General Amenity?

- **General Amenity Fund balance as at:**
December 31, 2021 = \$5,105,962
December 31, 2022 = \$2,504,964

WHAT IS IT? WHAT IS THE CURRENT BALANCE?

- The figure on the 2022-2026 Financial Plan Bylaw is not the balance in the General Amenity Reserve Account, nor is it the amount budgeted to be collected from the development community in 2022.

INTERNAL TRANSFERS:	
Transfer from Reserve Funds	
Affordable Housing	115,000
Capital Works & Equipment	\$ 6,648,250
Equipment Replacement	1,682,700
Parks & Open Space	2,500,000
Park Improvement	-
Sidewalk Capital	-
Police Building Capital	107,000
General Capital Fund	120,000
General Operating	270,700
General Amenity	14,056,956
Transfer from Reserve Fund Total	25,500,606
Less: Transfer to Reserve and Capital Funds	
Reserves:	
Police Building Capital	80,000
Capital Works & Equipment	1,305,000
Equipment Replacement	1,000,000
Parking Reserve	
Police Special	-
General Amenity	11,081,794
Infrastructure Sustainability	
General Capital Fund	685,736
	14,152,530

Source: Bylaw No. 2069

Does the City Have \$11 million in General Amenity?

- **General Amenity Fund balance as at:**
December 31, 2021 = \$5,105,962
December 31, 2022 = \$2,504,964

WHAT IS IT? WHAT IS THE CURRENT BALANCE?

- In 2022, a number of significant property purchases were budgeted for to be funded from the General Amenity. In order to fund these purchases, the City was also budgeting to sell a number of properties.
- The \$11 million figure in this location is the budgeted amount to be transferred into the General Amenity Fund from the sale of various properties.
- What was actually collected from the development community in 2022? \$4,675,086

INTERNAL TRANSFERS:	
Transfer from Reserve Funds	
Affordable Housing	115,000
Capital Works & Equipment	\$ 6,648,250
Equipment Replacement	1,682,700
Parks & Open Space	2,500,000
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	14,152,530

Source: Bylaw No. 2069

Growing Communities Fund - \$16,464,000

- The City is receiving \$16,464,000
- What can it be used for:
 - One-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities.
 - Funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects.
- Eligible costs are as follows:
 - Public drinking water supply;
 - Local portion of affordable/attainable housing developments;
 - Childcare facilities;
 - Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
 - Wastewater conveyance and treatment facilities;
 - Storm water management;
 - Solid waste management infrastructure;
 - Public Safety/emergency management equipment and facilities not funded by senior level government;
 - Local road improvements and upgrades; sidewalks, curbing and lighting;
 - Active transportation amenities not funded by senior level government;
 - Improvements that facilitate transit service;
 - Natural hazard mitigation;
 - Park additions/maintenance/upgrades including washrooms/meeting space and other amenities;
 - Recreation-related amenities.
- **What can it NOT be used for:**
 - **Ongoing or operational activities.**
 - **To reduce the property tax increase.**

\$609 Million Accumulated Surplus

WHY DON'T WE USE THE SURPLUS TO OFFSET THE TAX INCREASE?

WHAT IS IN THE \$609 MILLION ACCUMULATED SURPLUS?

Vast majority is tangible capital assets (\$582M) such as:

- › Roads
 - › Buildings
 - › Land
 - › Parks
 - › Sidewalks
 - › Drainage Infrastructure
 - › Vehicles
- › These items, while certainly considered assets, do not have a cash value. If anything, while certainly providing benefit to the City, they cost the City to maintain and eventually replace.
- › **The actual 'surplus' is approximately \$3 million.**

\$609 Million Accumulated Surplus

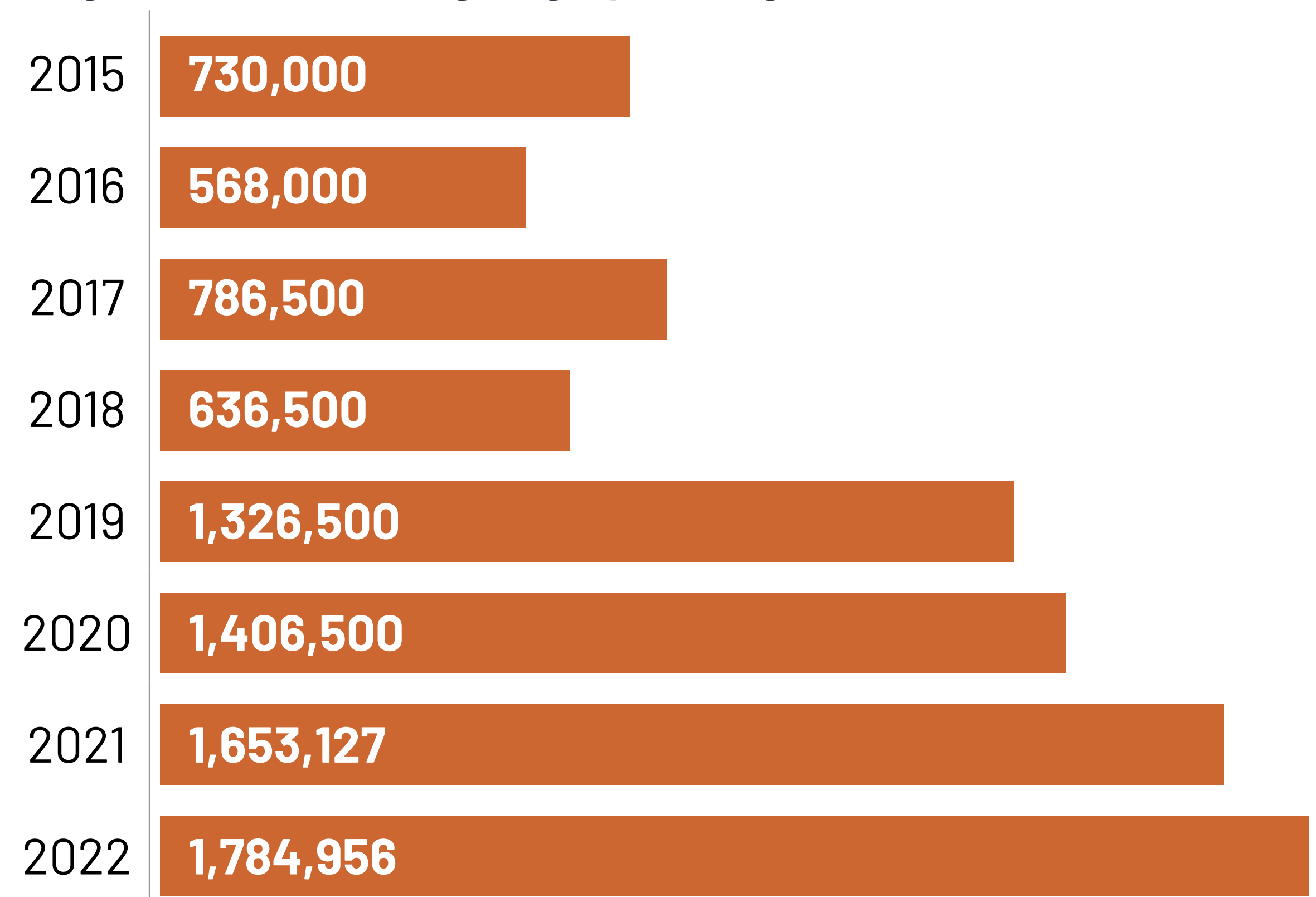
		2021
Surplus:		
Invested in tangible capital assets		\$ 581,840,303
Other		(\$4,481,971)
Total surplus		577,358,337
Reserves set aside by council:		
Future operational contingencies		1,445,274
Future capita contingencies		1,279,734
Federal Gas Tax		6,277,148
West Shore Parks & Rec Society		877,975
Total reserves		9,880,131
Reserve funds set aside for specific purposes by Council:		
Capital works		7,828,900
Affordable housing		3,322,109
Parks and open space		2,470,246
Parkland Improvement		3,060
General amenity		5,105,962
Equipment replacement		1,552,843
Sidewalk capital		44,030
Bear Mountain fire hall		1,496,368
Special police capital		30,022
Special police operating		654,310
Downtown parking		124,669
Total reserve funds		22,632,519
		\$ 609,870,982

Source: The 2021 Audited Financial Statements

The City of Langford Has Always Had a Tax Increase Below 3% – Why Can't We Just Make That Happen Again?

- In order to maintain comparably exceptionally low property taxes and the current service levels, past Councils' chose to use significant reserve balances, primarily from General Amenity to offset the tax increase.
- While certainly a legal policy decision, continued use of this policy has compounding effects and has significant challenges to its sustainability.

Amount of General Amenity Reserve Funds Budgeted to Cover Ongoing Operating Costs

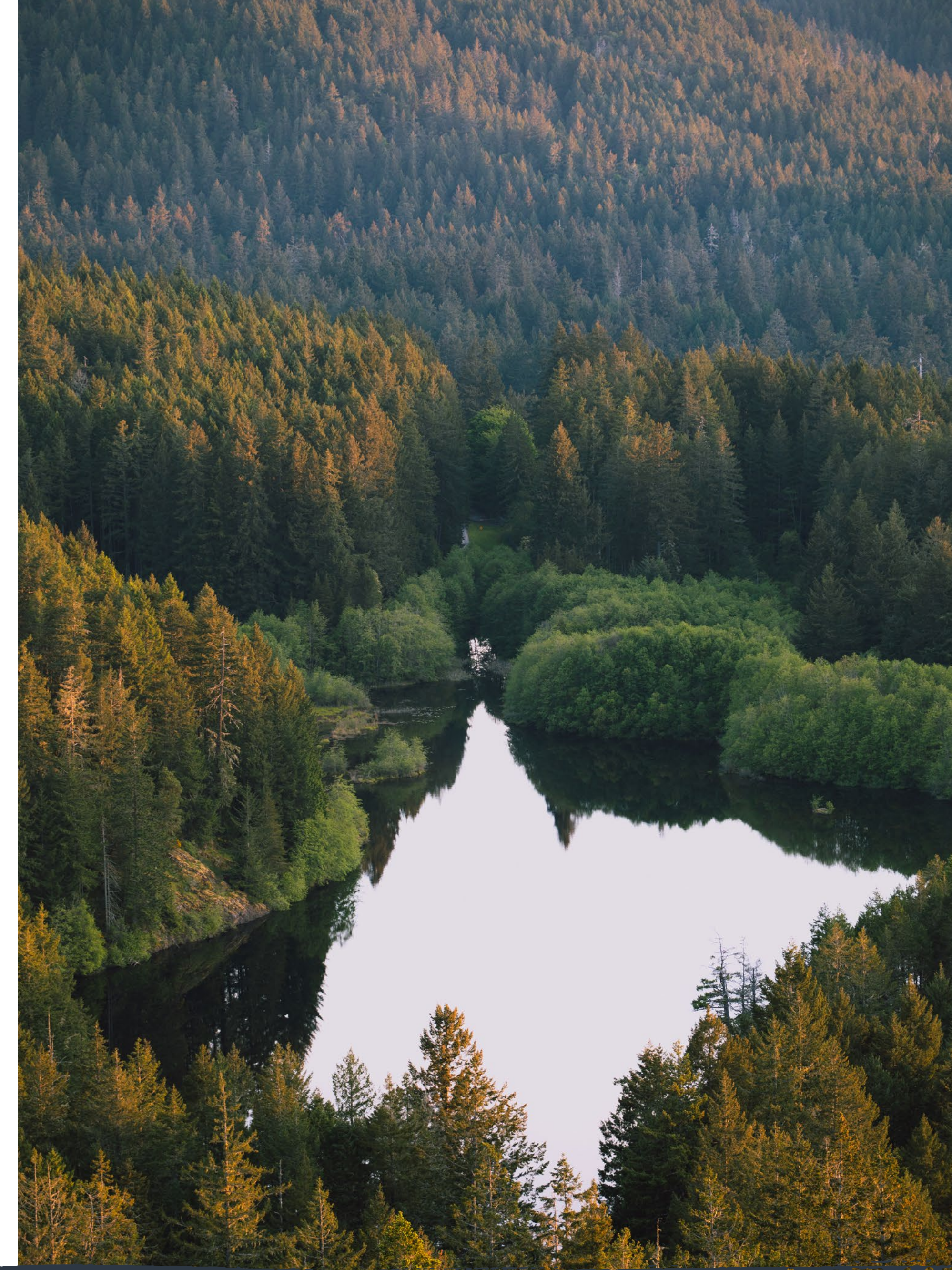


2023-27 Financial Plan



Long-standing Policy Implications

- 2020, 2021 and 2022 tax reductions due to COVID.
- Reduced Property Tax revenues, but left services intact.
- Made up for reduced tax revenue by borrowing from surplus and reserves. A long-standing policy but was dramatically increased in 2020, 2021 & 2022.
- Must eventually bring tax revenues back up to level that can fund ongoing operations AND must account for all new tax impacts.



Previous Five Years of City of Langford Property Tax Increases

- **2018:** 2.45%
- **2019:** 2.49%
- **2020:** 1.90% (reduced from a previously approved 3.49%)
- **2021:** 2.95% (reduced from a previously approved 3.95%)
- **2022:** 2.95% (kept low due to COVID)



How Does Langford Compare to Other CRD and Similar Sized Municipalities?

Municipal	
MUNICIPALITY	2022
Sooke	1,503
North Saanich	1,683
Metchosin	1,709
Courtenay	1,721
North Cowichan	1,786
Langford	1,858
Sidney	2,017
View Royal	2,055
Campbell River	2,105
Highlands	2,105
Penticton	2,116
Vernon	2,134
Colwood	2,194
West Kelowna	2,477
Langley	2,498
Central Saanich	2,547
Average	2,569
Mission	2,621
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North Vancouver	3,157
Saanich	3,189
Victoria	3,322
Port Moody	3,843
Oak Bay	4,638
West Vancouver	5,467

Total Residential Property Taxes and Charges on a Representative House	
MUNICIPALITY	2022
Langford	3,625
Metchosin	3,718
Colwood	4,253
North Cowichan	4,263
Sooke	4,288
View Royal	4,299
Highlands	4,373
Vernon	4,472
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Penticton	4,608
Sidney	4,737
Esquimalt	4,765
Campbell River	4,870
North Saanich	4,928
Mission	5,213
Langley	5,375
Central Saanich	5,415
West Kelowna	6,000
Victoria	6,222
Saanich	6,485
North Vancouver	6,712
Port Moody	7,501
Oak Bay	9,261
West Vancouver	11,524

Another Unique Budget Year!

Major Budget Pressures – Regardless of 2022 Election Results:

- Inflation!
- RCMP Staffing – due to population growth and increased per officer cost.
- RCMP Detachment Expansion - initial preparations started in 2021 to accommodate growth.
- Fire Department Staffing - Master Plan started in January 2022.
- YMCA - Tripartite Agreement dates back to 2013 and financial struggles date back to the opening of the facility in 2016.
- Use of Reserve balances to offset tax increases - longstanding practice of the City, significantly increased in the context of COVID, has left sustainability and balances limited.
- City Hall personnel - to maintain service levels in the context of population growth.



Inflation!

- At 7%, this is by far the highest CPI increase seen in decades (CPI has been under 3% every year since 1991).
- Did not impact all parts of the budget, but many items.
- Long standing City practice is to include annual CPI increase in contracts for delivery of service.
- Long standing City policy also to apply CPI increase for Council/ non-union staff wages (cost neutral when compared against negotiated union agreements over a 10-year period).



RCMP Staffing

- Over the last 5 years Council has continued to reduce the “Cop to Pop” ratio all while the population has seen an increase of approximately 32%.
- In addition to the above factors the cost to the City per officer has increased by approximately \$40,000.
- 2022 “Cop to Pop” ratio is 1:763 with an authorized strength of 61.
- Population figure to be used for 2023 Cop to Pop ratio equals 49,345.
- Given that municipalities are only responsible for paying for officers they have active at the detachment, the City budgets to 87.5% of the authorized strength as past experience shows it is usually around 85% that we are actually billed. While these percentages may not be exactly the same, this practice is standard for most municipalities.
- Budget as proposed includes funding for 4 additional officers to maintain current service levels and working towards 1:750.
- The budget as drafted is in line with the recommendation from the February 27, 2023 Committee of the Whole meeting and Supt. Preston is supportive of this.

RCMP Detachment Expansion

- Detailed report presented to Council at the February 27, 2023 Committee of the Whole meeting.
- Approximately \$50,000,000 for the City of Langford's share.
- Proposed funding approach to be discussed further into this presentation.



Fire Department Master Plan - Staffing

- Master Plan initiated in early 2022 and completed early 2023.
- Master Plan identified a number of recommendations.
- Most significant and immediate need identified was staffing with the recommendation to add 27 additional career firefighters.
- In order to smooth the impact of such a significant addition to the Fire Department, the staff recommendation included in the proposed financial plan is for the addition of 9 firefighters in each of 2023, 2024 and 2025.
- The annual cost for adding 9 firefighters is approximately \$915,000. For 2023 the hiring will take place part way through the year. The impact in 2023 is approximately a 1.2% tax increase (\$456,000).



YMCA-YWCA

- This matter was brought before Committee of the Whole on February 27, 2023 and then to Council on March 6, 2023.
- Council authorized the additional \$950,000 subsidy towards the YMCA (equivalent of a 2.5% tax increase).
- Further discussion around the YMCA will be highlighted later in this presentation.



City Hall Personnel Impacts

- Population growth in the City of Langford has been 31.8% since 2016.
- To effectively maintain existing service levels as the City continues to grow and to meet the evolving needs of a larger community it is recommended that the City add six (6) additional full-time positions and convert one existing regular part-time position to a regular full-time position in 2023.
 - Arts, Culture & Economic Development Coordinator;
 - Parks Facilities Coordinator;
 - Records Assistant;
 - Senior Accountant;
 - Accounting Technician;
 - Community Patrol Officer; and,
 - Conversion of Administrative Assistant – Bylaw from Part-time to Full-time
- The City may also be required to add additional Municipal Employees at the West Shore RCMP detachment, based on the number of additional RCMP members funded by the City.
- The Proposed budget includes the addition of 4 RCMP members which in turn corresponds with the addition of one (1) additional Municipal Employee in the Proposed budget.
- The Proposed budget includes these additional positions with a 2023 budget impact of \$361,457 given that these positions will be added part way through the year. The additional \$318,631 will be reflected in 2024 as these positions will have a full year impact on the budget.

Reserve Funds

- We are allowed to set aside funds in reserves, for specific purposes. Once set into reserve the funds may then be used only for the purpose outlined for that reserve.
- What is the required balance we should have in each reserve?
 - Depends on our plans, and funding strategies.
 - Some are easy to establish and others require more investigation.
- Reserve balances will be cyclical.
 - Some years we put more money in than we use.
 - Other years we take more out, than we put in that year, to finance the intended projects.
- Currently have limited reserves for significant capital replacement projects.
- Reserves should be used for both new capital items as well as set aside for asset management and the funding of major maintenance and eventual replacement of all capital assets.
 - Building up the reserves for large capital items, new or replacement, will take time and short-term needs can at times derail those efforts.
- Long term financial planning may include a conscious plan to use reserves and borrowing for some types of assets.
- As with personal finances, the sooner we start saving the better off we are in the long run.
- Should be used for one-time purposes and not ongoing operations/reducing the tax increase as that cycle may be challenging long term.

Reserve Fund - Balances

	2017	2018	2019	2020	2021	2022 YTD (subject to change)
Capital Works	1,392,747	1,911,266	4,166,876	8,153,786	7,828,900	6,427,909
Affordable Housing	1,462,952	2,039,036	2,598,091	2,929,981	3,322,109	3,938,807
Parks and Open Space	2,152,130	2,431,746	1,157,991	1,458,309	2,470,246	2,819,177
Parkland Improvement	2,927	2,975	3,029	3,054	3,060	3,117
General Amenity	4,628,431	7,740,700	3,738,423	3,725,940	5,105,962	2,504,964
Equipment Replacement	203,679	762,487	950,758	1,159,798	1,552,843	1,355,915
Sidewalk Capital	26,274	48,334	49,234	21,215	44,030	44,859
Bear Mountain Firehall	1,299,281	1,355,208	1,400,559	1,434,969	1,496,368	1,575,389
Special Police Capital	175,653	148,324			30,022	
Special Police operating			500,735	905,586	654,310	667,490
Downtown Parking	47,457	48,240	49,140	49,555	124,669	127,017
Total	11,391,531	16,488,316	14,614,836	19,842,193	22,632,519	19,464,644

Development Cost Charges

2020	ADDITIONS	EXPENDITURES (Revenue)	ENDING BALANCE			
Parks			4,489,446			
Storm Drainage	233,160	104,020	1,145,311			
Roads	1,297,274	2,264,320	2,121,647			
Sewers			29,856			
Park Acquisition and Improvement	1,467,145	2,051,415	10,397,822			
TOTAL	2,997,579	4,419,755	18,184,082			
2021	ADDITIONS	EXPENDITURES (Revenue)	ENDING BALANCE	INTERFUND TRANSFER	REPORTED ENDING BALANCE	ADJUSTED ENDING BALANCE
Parks		1,837,998	2,656,682		2,656,682	2,656,682
Storm Drainage	167,419	136,469	1,178,016		1,178,016	1,178,016
Roads	2,372,156	7,347,895	-2,851,930	2,851,930	0	-2,851,930
Sewers			29,902		29,902	29,902
Park Acquisition and Improvement	3,875,274	1,808,261	12,482,807	-2,851,930	9,630,877	12,482,807
TOTAL	6,414,849	11,130,623	13,495,477	0	13,495,477	13,495,477
2022	ADDITIONS	EXPENDITURES (Revenue)	ENDING BALANCE	INTERFUND TRANSFER	REPORTED ENDING BALANCE	ADJUSTED ENDING BALANCE
Parks		2,500,000	163,155		163,155	163,155
Storm Drainage	118,182	869,214	442,448		442,448	442,448
Roads	2,495,850	4,922,343	-2,478,773	2,478,773	0	-5,330,703
Sewers			30,465		30,465	30,465
Park Acquisition and Improvement	3,402,620	5,496,914	7,735,455	-2,478,773	5,256,682	10,587,385
TOTAL	6,016,652	13,788,471	5,892,750	0	5,892,750	5,892,750

Financial Plan (Budget) Layout

- › Revenues (Page 2-3)
- › Operating Expenditures (Page 4-37)
- › Capital (Page 38-43)
- › Reserves (Page 44-46)

Note: Page number references refer to the Proposed 2023-2027 Five Year Financial Plan document.

Financial Plan (Budget)

Five Year Financial Plan:

› Revenues:

- Property Taxes, Grants in lieu, Utility taxes, Parcel Taxes, Fees and Charges, Interest, Grants from other Governments, Development Cost Charges (DCC's), Other sources, Transfers from reserves, use of surplus, borrowing proceeds (debt), developer donated assets.

› Expenses:

- Operating: Building Inspection, Development Services, Fire Protection and Emergency, Fiscal, General Government, Parks and Recreation, Police Services, Bylaw Enforcement, Engineering, Transportation and Public Works.
- Capital: General Government, Buildings, Fleet, Fire Department, Engineering (roads, sidewalks, stormwater, traffic signals, etc), Parks (parkland, park improvements and recreation facilities).

Financial Plan (Budget)

FIVE YEAR FINANCIAL PLAN:

› Reserves:

- Funding into reserves from funds collected specifically for these accounts and from funds transferred from general revenue.
- Funding for operating and for capital coming from reserves. Long term financial sustainability, long term financial planning and asset management.
- Examples:
Capital Works, Equipment replacement, General Amenity, Gas Tax, DCC's, Parkland Reserve, Affordable Housing, Police Operating, Police Capital.

Departmental Budget Considerations

- › Council Direction/Decisions Committed To Previously
- › Additional Workload Requirements To Maintain Level Of Service
- › Inflation
- › Contractual Obligations
- › Maintenance
- › Asset Replacement Schedules
- › Asset Inventories
- › Strategic Plan



Operating Expenditures:

NOTE: Not all expenditures are paid for solely by property taxes.

Presented in the Proposed Financial Plan document by department:

- › Building
- › Development Services
- › Engineering & Public Works
- › Fire
- › Fiscal Services
- › General Administration
- › Parks, Recreation & Culture
- › Police/Bylaw



2023 Capital Budget

The 2023 Capital Budget is \$90,480,945

Only \$205,500 of the above capital budget is being funded directly by Property Taxes in 2023 with the rest to be funded by reserves, DCC's, Local Service Area (LSA), Gas Tax and developer contributions.

Significant Capital Items:

- Bryn Maur Masons Building
- Various land purchases to meet engineering, parks and broader City priorities
- Next Step in the process for the proposed new RCMP Detachment
- Final completion of new Engine 1 – Fire
- Purchase of new Aerial truck – Fire
- Roof repair for Fire Hall 1
- Jordie Lunn Clubhouse
- North Langford School – Turf Field and lights (carryover from 2022 capital budget)
- Various park improvements
- Centre Mountain LSA works
- Bear Mountain Parkway Ultimate from Marble to Ecoasis boarder
- Irwin Road improvements
- Various sidewalk infill projects
- Multi-use lanes
- Culvert and creek improvements

Internal Borrowing for Capital

- The City has occasionally borrowed internally over the past 20 years or more and paid those borrowing off over the coming years.
- Over the last few years, in order to fund some of the significant land acquisitions the City has made, in addition to a couple of capital projects being over budget for a number of reasons, Council made the decision to fund these items through internal borrowing.
- Given the other significant budgetary pressures facing the City in 2023, the Proposed Financial Plan defers the repayment of this internal borrowing to start in 2024.
- This is in the current Proposed Financial Plan to begin with a \$750,000 repayment in 2024.



Five Year Budget Projection

Five-Year Budget Projection

Object	Budget 2022	2023	2024	2025	2026	2027
0002- General & Police	32,872,000.00	38,983,205.32	42,984,618.13	46,409,149.44	49,709,282.19	52,050,968.89
0003 - General - West Shore Parks & Rec	2,940,332.00	3,137,471.00	3,262,969.84	3,393,488.63	3,529,228.18	3,670,397.31
0004- General - Library	2,369,460.00	2,404,009.00	2,500,169.36	2,600,176.13	2,704,183.18	2,812,350.51
0005- General - Debt	300,000.00	300,000.00	1,050,000.00	2,000,000.00	2,900,000.00	4,750,000.00
	38,481,792.00	44,824,685.32	49,797,757.33	54,402,814.20	58,842,693.55	63,283,716.71
Non-Market Change tax revenue		1,750,000.00	1,500,000.00	1,500,000.00	1,250,000.00	1,250,000.00
Total Taxation for Tax Increase		43,074,685.32	48,297,757.33	52,902,814.20	57,592,693.55	62,033,716.71
		11.94%	7.75%	6.24%	5.86%	5.42%

- Note: The proposed increase includes a \$1.7 million dollar contribution from general amenity reserves to keep the rate as low as possible during a financially challenging budget year, while not increasing the use of the reserve funds compared to 2022.
- Use of the General Amenity Fund to offset the cost of the ongoing operations is projected to be phased out over the five year period of this proposed financial plan.

How Do We Compare Now?

General Municipal		
MUNICIPAL	2022	2023 Projection
Sooke	1,503	1,578
North Saanich	1,683	1,767
Metchosin	1,709	1,794
Courtenay	1,721	1,807
North Cowichan	1,786	1,875
Langford	1,858	2,100
Sidney	2,017	2,118
View Royal	2,055	2,158
Campbell River	2,105	2,210
Highlands	2,105	2,210
Penticton	2,116	2,222
Vernon	2,134	2,241
Colwood	2,194	2,304
West Kelowna	2,477	2,601
Langley	2,498	2,623
Central Saanich	2,547	2,674
Average	2,569	2,703
Mission	2,621	2,752
Esquimalt	2,904	3,049
North Vancouver	3,157	3,315
Saanich	3,189	3,348
Victoria	3,322	3,488
Port Moody	3,843	4,035
Oak Bay	4,638	4,870
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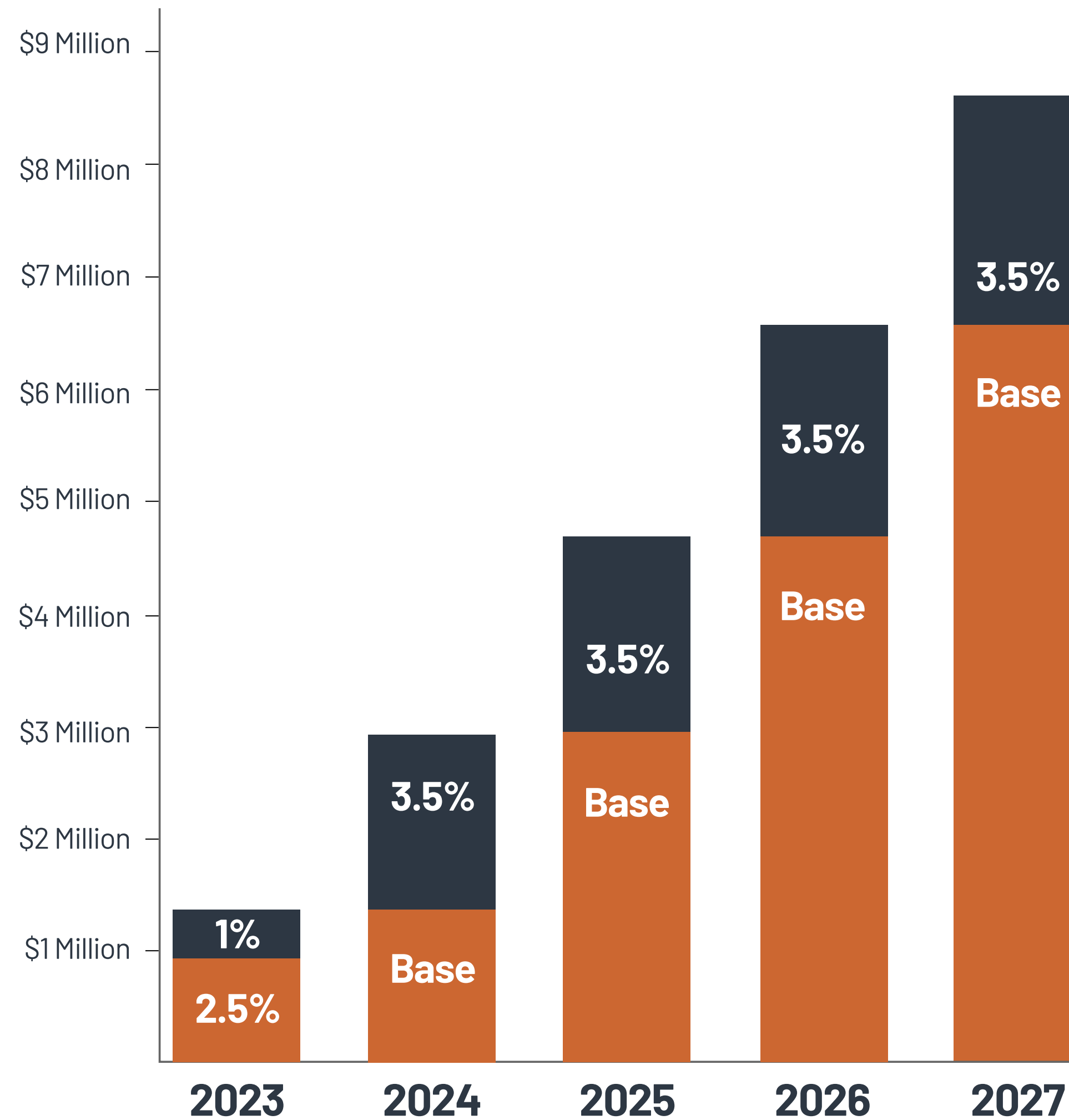
Total Residential Variable (Municipal, Regional District, Hospital, School, BC Assessment, MFA, BC Transit)		
MUNICIPAL	2022	2023 Projection
Courtenay	3,177	3,336
Sooke	3,178	3,337
Penticton	3,307	3,472
North Cowichan	3,368	3,536
Vernon	3,670	3,854
Campbell River	3,672	3,856
View Royal	3,713	3,899
Metchosin	3,718	3,904
Langford	3,625	3,951
Sidney	3,781	3,970
Colwood	3,926	4,122
Mission	3,940	4,137
West Kelowna	4,011	4,212
Langley	4,118	4,324
North Saanich	4,123	4,329
Highlands	4,373	4,592
Central Saanich	4,458	4,681
Average	4,482	4,712
Esquimalt	4,765	5,003
Saanich	5,065	5,318
Victoria	5,166	5,424
North Vancouver	5,394	5,664
Port Moody	6,066	6,369
Oak Bay	7,812	8,203
West Vancouver	9,141	9,598

YMCA/RCMP Detachment/ Asset Management

YMCA, RCMP Detachment and Longterm Asset Management

- Proposed plan for purchase of YMCA, RCMP Detachment expansion and ongoing capital asset management (for Council deliberation, not currently included in the proposed five-year financial plan).
- 3.5% tax increase in 2023 (including the 2.5% for additional YMCA subsidy previously approved by Council)
- 3.5% Tax increase in 2024
- 3.5% tax increase in 2025
- 3.5% tax increase in 2026; and,
- 3.5% tax increase in 2027.
- YMCA purchase paid for from 2023-2027 including use of Growing Communities Fund (GCF) funding.
- RCMP Detachment paid for from 2028-2032 – no additional tax increases after 2027 should be needed to fund this.
- .2032 ongoing – approximately \$9.9M annually into reserve for asset management (Capital maintenance and replacement of the City’s \$582M (2021) capital assets) – no additional tax increases should be needed to fund this going forward.
- All three of these items would have individually needed their own set of multi-year tax increases. By doing this annual 3.5% tax increase for 2023 through 2027 plus the use of GCF funding, we are able to achieve all three objectives.

YMCA, RCMP Detachment and Longterm Asset Management



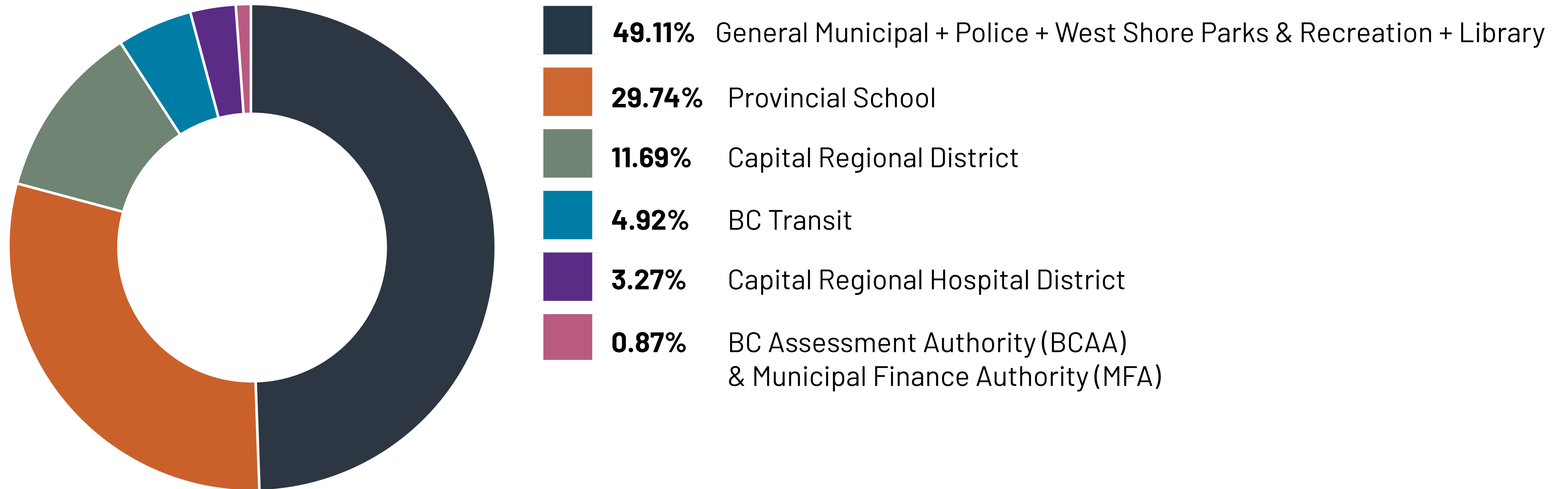
Note: this graph shows approximately the tax revenue that would be generated should Council wish to pursue this option for funding the YMCA, RCMP Detachment Expansion and long-term capital asset management.

Growing Communities Fund (GCF) Provincial Grant

- The City is receiving \$16,464,000
- What can it be used for:
 - One-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities.
 - Funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects.
- Eligible costs are as follows:
 - Public drinking water supply;
 - Local portion of affordable/attainable housing developments;
 - Childcare facilities;
 - Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
 - Wastewater conveyance and treatment facilities;
 - Storm water management;
 - Solid waste management infrastructure;
 - Public Safety/emergency management equipment and facilities not funded by senior level government;
 - Local road improvements and upgrades; sidewalks, curbing and lighting;
 - Active transportation amenities not funded by senior level government;
 - Improvements that facilitate transit service;
 - Natural hazard mitigation;
 - Park additions/maintenance/upgrades including washrooms/meeting space and other amenities;
 - Recreation-related amenities.
- **What can it NOT be used for:**
 - **Ongoing or operational activities.**
 - **To reduce the property tax increase.**

Recap and Next Steps

Where Your Tax Dollars Go



Previous Five Years of City of Langford Property Tax Increases

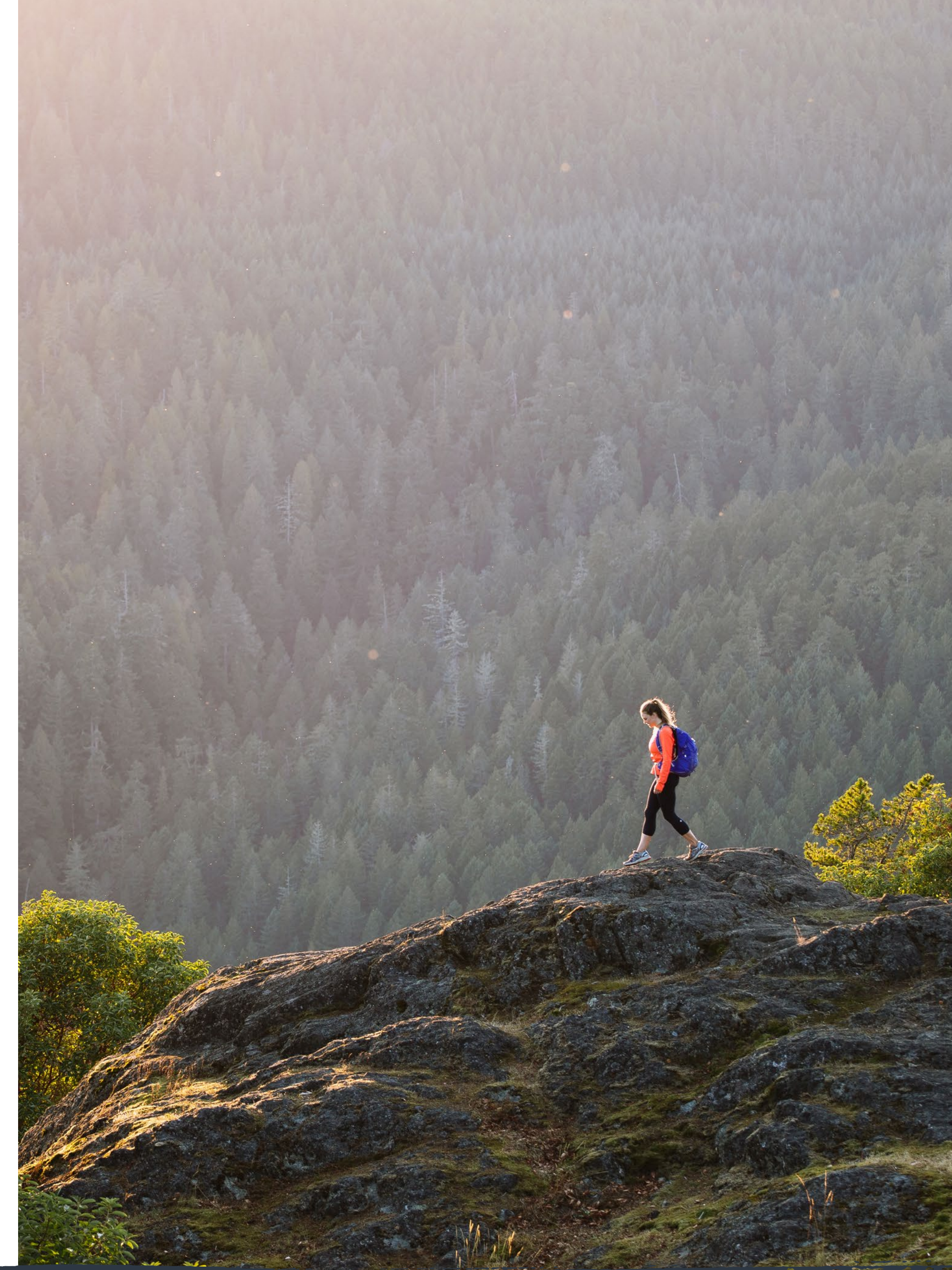
- **2018:** 2.45%
- **2019:** 2.49%
- **2020:** 1.90% (reduced from a previously approved 3.49%)
- **2021:** 2.95% (reduced from a previously approved 3.95%)
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Another Unique Budget Year!

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		11.94%	7.75%	6.24%	5.86%	5.42%

***NOTE: The budget impact of the decision around purchasing the YW/YMCA, the expansion of the RCMP detachment, and asset management as presented, would be in addition to the tax increases above in each of the five years.**

How Do We Compare Now?

General Municipal		
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Campbell River	3,672	3,856
View Royal	3,713	3,899
Metchosin	3,718	3,904
Langford	3,625	3,951
Sidney	3,781	3,970
Colwood	3,926	4,122
Mission	3,940	4,137
West Kelowna	4,011	4,212
Langley	4,118	4,324
North Saanich	4,123	4,329
Highlands	4,373	4,592
Central Saanich	4,458	4,681
Average	4,482	4,712
Esquimalt	4,765	5,003
Saanich	5,065	5,318
Victoria	5,166	5,424
North Vancouver	5,394	5,664
Port Moody	6,066	6,369
Oak Bay	7,812	8,203
West Vancouver	9,141	9,598

Next Steps

BUDGET MEETINGS

- Thursday, March 30** >> Committee of the Whole Meeting | 7pm
Public Participation
- Monday, April 3** >> Committee of the Whole Meeting | 12pm to 4pm
Public Participation
- Tuesday, April 11** >> Committee of the Whole Meeting | 7pm
Council Deliberation
- Monday, April 17** >> Committee of the Whole Meeting | 12pm to 4pm
Council Deliberation
- Monday, May 1** >> Regular Council Meeting | 7pm
- Monday, May 8** >> Special Council Meeting | 7pm
- Thursday, May 11** >> Special Council Meeting | 7pm

PUBLIC PARTICIPATION



Attend a Meeting In Person at City Hall,
Council Chambers, 3rd Floor,
877 Goldstream Avenue



Attend a Meeting On-line
[Langford.ca/Meetings](https://langford.ca/Meetings)



Send an Email to
budget2023@langford.ca



Hand Deliver or Mail a Letter to City Hall
2nd Floor, 877 Goldstream Avenue
Langford, British Columbia,
Canada V9B 2X8

Questions / Discussion

Langford