



Proposed 2023 – 2027 Five Year Financial Plan - FAQs

All the years previously Langford has had the best rate and yet all the amenities are still maintained. They have never had to delve into the reserves, so why now are you worried about this. Is this to give council and city hall more perks etc.?

The City has, in previous years, used reserves and surplus to offset the property tax increase. The annual use of the reserve funds significantly increased as a result of the COVID pandemic in an effort to maintain the low tax increase for 2020, 2021 and 2022. While the Proposed 2023-2027 Five Year Financial Plan as presented includes the use of \$1.7M from General Amenity to offset the tax increase, the continued increase in the use of the general amenity reserve funds to offset tax increases is not sustainable going forward.

How do I print a copy of the proposed 2023-2027 budget?

The Proposed 2023-2027 Five Year Financial Plan is available on the City's website and can be printed from this link: <https://langford.ca/wp-content/uploads/2023/03/20230327-Proposed-2023-2027-Five-Year-Financial-Plan.pdf>.

What was the amount of tax collected last year?

The total property tax budget in 2022 was \$38,481,792. This is the municipal portion of the property tax bill which equals 49.11% of the overall taxes collected by the Municipality. The Municipality collects the other 50.89% on behalf of other taxing authorities and remits those balances to those authorities.

It appears your proposed tax increase of approximately 12% is based on the population to continue to increase at its present rate. I believe, this council has not had any building permits issued since they were elected. Is it because developers are leaving and taking their money elsewhere. Also, why is this council anticipating an increase in legal fees?

The City has always conservatively built growth into the Five Year Financial Plan each year, and the Proposed 2023-2027 Five Year Financial Plan continues that practice.

The City has issued many building/plumbing permits since the 2022 election. For example, between January 1, 2023, and March 31, 2023, the City issued 195 Building/Plumbing permits.

The 2023 proposed budget does not see an increase in legal fees compared to 2022.

Can you please in detail show what that increase does for the city and it's residents?

The details of what is included in the property taxes and the major budget pressures facing the City are outlined in the detailed [Proposed Financial Plan](#) and in the presentations given to Committee of the Whole on [February 27](#), [March 27](#), [March 30](#), and [April 3](#). In summary, the major budget pressure items included in the proposed tax increase include police officers, firefighters, the additional subsidy towards the YMCA facility and the impact of inflation on the cost of providing municipal services.

The term "internal borrowing" was used on Monday. Would you be able to clarify some more of what that means? (I assumed using designated reserve funds (such as general amenities fund) for other purposes.

Internal borrowing, in this case, is funding used from a cash flow perspective to pay for budget items that are not fully known until once purchased or if an item goes over budget in a current year. The City then generates the funding required to pay for these items (either through reserves or property taxation) in a future year. Many municipalities use a similar budgeting/funding process for select capital projects.

Slide 17 - would you clarify a bit about the difference between Developer Cost Charges, Developer Contributions and Other Capital Contributions?

Please watch the [video from the Committee of the Whole meeting \(minute 22:50\)](#) for further explanation and clarity.

It is understood that DCC revenues are deferred revenues for financial statement reporting. However, at what point are DCCs actually paid by a developer, i.e., received by the City? at successful rezoning? at development permit issuance stage? some other stage?

Development Cost Charges are paid at subdivision for single-family and at building permit for multi-family and commercial.

What is the Luxton Yard?

The Luxton Yard is the City-owned property on Luxton Rd. The City's outside workers have their base at this location, and the Fire Department has a training ground located at this location. This property is also used for the storage of supplies and equipment.

Has any consideration been given to selling 3680 Trans-Canada Highway? My understanding is that it has not lived up to its potential and has been a costly investment.

This 25-acre forested and waterfront property will be considered by Council as part of the Parks Need Assessment and Council's strategic planning process.

One thing I would like to mention is why is there no 2023 budget for Christmas in Langford, Music in the Park, Canada Day and the Farmers Market etc. which totaled \$75,000 in 2022. I am hoping it's just an oversight as it is a small price to pay in a municipal budget to promote community. It should also include Station Hub as there are many low/no cost creative solutions to make this a more community friendly spot.

The budget detail presented does not outline every single item or transaction that would be expensed during the year, as each line item in the budget will likely have multiple transactions recorded to that line item. This is the case with these projects/activities. There is a community events budget where all the above-noted events are included. There is also a budget for The Langford Station, which includes revenues and expenses.

What is the expected price of the YMCA facility if the City were to purchase it from Westhills, and how much opportunity exists to negotiate this? Could some portion of the consideration from the City be non-cash in the form of land swaps or other benefits the City could offer to Westhills in order to soften the impact on the City's property tax base?

Under Council direction, staff are currently negotiating with Westhills Land Corp. As with any land deals the City may enter into, they are in-camera items and will be brought forward to Council as such in due course.

What is the opportunity cost of using the entire Growing Communities Fund money as part of this strategy? While I support the strategy as presented, I believe it's important for Council to consider what other uses exist for the \$16.5M in funding.

As with using reserves or other revenues for any given project, the opportunity cost would be what else could be done with that amount of money. This is part of the decision-making process when Council deliberates the proposed use of these funds. It is worth noting that as part of issuing these funds to municipalities, the Province put specific requirements/restrictions on how the funds can be used by a municipality.

Approved uses:

- One-off costs needed to build 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.

What it can not be used for:

- Ongoing or operational activities.

If Surrey can use their \$90million from the Province to lower their budget increase why can't Langford use their \$16million to do the same?

Staff are confident in our interpretation when it comes to the City of Langford and the ability to use the Growing Communities Fund. The information included on the slides in the [March 27](#) and [March 30](#) Committee of the Whole meeting with regard to this grant is information directly from the Provincial Government's correspondence with the City.

As mentioned at the meeting on [April 3](#), municipalities often fund various amounts of their capital program through property taxation. The City of Surrey must have some projects that are now eligible for use of the GCF that were otherwise funded through taxation, and therefore by using the fund, they don't need to increase their property tax requirements to the same level. In the case of Langford, we do not have any eligible projects or costs that are otherwise funded through property taxation that could be funded by the grant instead, thus the inability to use the grant to reduce the property taxes needed in 2023.

Are there any City services that are currently contracted out that could be done more cost-effectively if performed directly by City staff? Has Council's strategic planning work identified any potential savings from shifting some City services to an in-house model?

Council is currently working through the establishment of a strategic plan. A service review of contracted services may be part of the strategic plan once that plan is finalized. It is worth noting that even if this is part of the strategic plan, it would be well into 2024 before any service review was completed, and many of these contracted services are on long-term contracts as well; therefore, this process will not impact the 2023 budget either way.

Has the mayor and council increased their remuneration / salary, and if so, why? Do you or your councillors plan to increase your remuneration / salary especially during this economic downturn, if so, guessing that will be a cost to the taxpayers also, or would you put that issue to the taxpayers to vote on?

The City has had a long-standing policy that applies to Council and all non-union staff that the annual increase in salary is equal to the Victoria CPI from the year prior. Over a 10-year period, this is cost-neutral when compared to area-negotiated union contracts.

How many new developments have there been since October 2022?

9 applications for rezoning received.

49 Development Permits issued.

What was Langford's 2022 cash balance on December 31, 2022? What is Langford's current cash balance?

The December 31, 2022, balance will be available to the public with the 2022 Audited Financial Statements that will come to Council for approval on May 1.

Cash is a balance sheet item on the financial statements. Balance sheet items are not relevant to the budget process as the budget process is looking at statement of operations (income statement) items.

Furthermore, while the City does regularly manage our cash flow throughout the year, the cash balance, especially the current balance, is irrelevant to the budget process. It is irrelevant because it can fluctuate significantly from day to day based on money collected or money spent on any given day. The cash balance will also fluctuate throughout the year, and expenditures also fluctuate throughout the year, so what is held in cash at a given time does not reflect the cash expected to be collected in the future or the expenditures expected in the future.

What is the total tax increase including the proposed 12%, YMCA, RCMP, CRD payment/increases etc.?

Keeping in mind that only 49% of the tax bill is related to the City's operations and within the purview of control of Council, including the YMCA, Fire, and RCMP, along with other municipal services. Additionally, the City does not yet have the tax information for the other taxing authorities, making up 51% of the tax bill (CRD, CRHD, School, BC Transit, BC Assessment, MFA).

Is Council traveling to the FCMC conference?

The City has always budgeted for travel and training for Council members, and the proposed financial plan continues this practice. Previous Council members have attended the FCM Conference, and the proposed budget does include funding for Council to attend FCM in 2023 should they wish to attend.

What are the percentage of emergency calls for Fire vs. Medical and what justified the need for Fire to attend?

Currently, medical calls account for 17.57% of Langford Fire's total calls. BCEHS codes calls based on severity, and Fire attends all immediate life-threatening medical calls (purple) and overdoses (red). Langford will also respond when BCEHS is delayed and requests our attendance.

Has council considered exploring pay parking for events related to Starlight Stadium in the areas surrounding the immediate area, gravel lot across the street, commercial parking down the road?

At this time, no consideration has been given to pay parking in Langford. Council may wish to direct staff to look into this at a future date.

I am wondering if the statements made by Langford's previous Mayor are true or not. I hear lots through the media and am wondering if any truths are being said?

- **Q: There is approx. 3 million dollars which was not used in last years budget?**

A: The Proposed 2023-2027 Financial Plan includes preliminary (Year to date, YTD) figures for 2022 actuals. Those figures show that revenues in 2022 were \$64,504,441, and expenses were \$62,195,723. These are unaudited figures and may not include adjustments made to the actuals through the finalization of the financial statements and then through the audit process, which is why it is stated they are subject to change. If those end up being the actual audited numbers for 2022, then the surplus for 2022 would be \$2,308,718, not \$3M.

- **Q: The septic hook fee was supposed to drop from \$10000 to \$5000, with \$2500 extra going into the amenity fund?**

A: Last year, the Mayor asked staff to begin working with WSES to work toward reducing the SCRF fee. The contract between the City and WSES stipulates that the City can **not** unilaterally make this change which is why we need to negotiate any change to the SCRF going forward. That work is underway, and given the complexity of the contract, of long-term utilities in general and their financial modelling, this is something that staff are working on, but it is not as simple as the City Council voting to make the change. We do not know what the adjusted fee will be, if it ends up adjusted at all.

- **Q: If the above was done, Langford could see a 0% tax increase this year?**

A: 1% for 2023 is approximately \$384,000, so even if we used all of the surplus, if it is in fact \$2.3M, that would allow us to reduce the tax increase by 5.99%. The issue with this is that unless we have another \$2.3M surplus next year and every single year thereafter, at such point as we don't have that surplus in a year, the tax increase would immediately need to make up that difference.

- With regards to the SCRFs, any change to the SCRFs would not impact the City's financial status or budget at all, as the SCRFs are collected by Westshore Environmental Services. If Council were to increase the General Amenity fee payable, the City would collect more general amenity fees per development approved after the change is made. In future years, when this additional amount may be collected, it could potentially be used to offset the tax increase, just like the \$1.7M in the Proposed Financial Plan. Again, there would be the same potential future issue with the sustainability of this practice and the corresponding tax increase that would result in a future year.
- The use of one-time funding sources, such as a previous year's surplus, to pay for ongoing operations is not fiscally sustainable, nor responsible, and is not recommended financial management practice.

Please also consider how our tax dollars are spent, I think we purchased a trolley as a free transit system to get around Langford for our residents, where is this trolley?

The trolley service was discontinued in 2017. The trolley service was initially implemented at a time when the BC Transit service in the City wasn't sufficient. In 2017, Council of the day made the decision to discontinue the service as the BC Transit service had significantly improved. The trolley is now used for special events.

What portion of the proposed property tax revenues budgeted to be collected in 2023 are being put towards capital projects (i.e. amount and % of budget)?

The Proposed 2023-2027 Five Year Financial Plan includes \$220,500 of the \$90,480,945 capital budget being funded through property taxation in 2023.

Why is the YMCA payment being made in full. Can it be paid as a loan. Why is the YMCA not using money from their own reserve fund?

The YMCA has used their own funds to subsidize the operation of the Langford Aquatic Facility since it opened, reportedly using \$10 million since the facility opened in 2016. The YMCA Board voted to begin the process of closing the facility as of March 31, 2023, if they did not get a commitment from the City to provide an additional \$950,000 subsidy. Under the Tripartite Agreement, signed in 2013, the City is responsible for paying the lease payments in the event that the YMCA defaults on the lease agreement. For further detail on this, please review the [February 27](#), [March 27](#), [March 30](#) and [April 3](#) presentations for additional discussion and detail on this subject. Council approved the additional subsidy payment at the [March 6, 2023](#), Council meeting.