



EXPLANATORY NOTE

BYLAW No. 3266

There are two key areas of concentration within the Financial Plan:

- Enhancing Public Safety
- Investing in the Basics

Enhancing Public Safety

The City is navigating the de-integration of the joint RCMP detachment that the City has shared with the Township of Langley since the building was built in 1990. In May of 2023, the Township Council advised the City that they were actioning a clause in the police sharing agreement, forcing the City to provide its own detachment building to house the 51.35 City RCMP members and hire the City's own civilian support staff. Currently, the civilian support staff are Township of Langley employees and the City pays the Township our proportionate share to support the operations of the detachment.

The City will be purchasing land in 2024 and undertake the planning to build the City's own RCMP detachment.

The City will be hiring 3 new RCMP members to bring our contract strength up to 54.35 RCMP members. This is the number of members the City and Township had agreed to share in 2023 based 75% on the 5 year rolling average criminal code cases and 25% on the relative population statistics.

The City will add a bylaw enforcement officer to address bylaw infractions such as unsightly properties, graffiti, illegal signage, parking infractions as well as perform bike patrols in the trails and parks.

The City will hire 3 additional firefighters to keep pace with the growth of the community and an Emergency Management Program Advisor.

Investing in the Basics

Council has recognized that infrastructure renewal is important. There is currently an infrastructure funding gap between the total cost of replacements and the available annual capital funding. In order to replace aging infrastructure, more tax dollars have been allocated to build up reserve funds.

Each year, the City allocates approximately 8.4% of the tax and utility fees collected, towards capital infrastructure renewal. The City proposes to add \$375,000 or 1% of the overall property tax increase, bringing the annual allocation to Capital Works Reserve to \$1.7 million.

The reserve allocations will allow \$1.0 million in sanitary and storm sewer repairs to be undertaken and \$2.2 million in asbestos cement water main replacements along Fraser Highway between 201A St and 203 St. An additional \$1.1 million will also be allocated to the 200 St culvert replacements that was initially planned in 2023 but due to cost escalations had to be postponed until 2024. These important projects help to ensure continued high quality service to residents and businesses while minimizing long term repair and maintenance costs.

Outdoor and recreational amenities are important. We will be making improvements in the Nicomekl floodplain replacing a pedestrian bridge at 206A St which will cost \$1 million. The City purchased property behind the City Hall / Timms Community Centre for a future Performing Arts and Cultural Centre. While this dream may not come to fruition for a decade or more securing the land was important. Older building like the Langley Hotel are being demolished and in the interim more parking and public space and amenities will be created.

There are plans to enhance community events like the annual Community Day, Remembrance Day and Magic of Christmas event that brings the community together in celebration and remembrance.

In 2024, the five year financial plan includes \$71 million in operating expenditures and a further \$25 million in capital expenditures. Approximately 75% of the operating expenditures are funded through property taxes and utility charges billed at the end of May each year.

The 2024 Financial Plan currently has a gap of \$3,760,460 between total revenues and planned expenditures which equates to a 9.97% increase in property taxes to balance the budget.

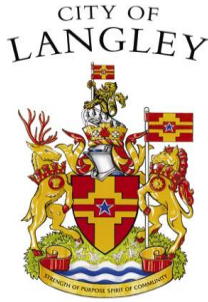
The impact of a 9.97% property tax increase affects each class or type of property differently depending on how the individual property assessments have changed. The Province only allows municipalities to have one tax rate for all residential class properties. The assessed value of single family homes decreased 2.25% whereas multi-family homes have increased 1.71%. When the overall tax rate increase of 9.97% is applied, it has a bigger impact on multi-family homes.

Including utility rate increases, the average changes in 2024 are as follows:

Classification	Average Assessed Value	Annual Change	Monthly Change	% Change
Multi-family	\$584,997	\$ 204	\$ 17.00	11.09%
Single family	\$1,370,853	\$ 354	\$ 29.50	8.57%

The average business property will increase of 9.98% based on a property assessment increase of 10.80%. The average light industrial property will increase 12.54% based on a property assessment increase of 11.25%. For properties that have assessment changes higher or lower than the average, the property tax increase will also change. This rate maintains a competitive ratio between residential and business class properties, ensuring the Langley City remains an attractive municipality to locate a business.

As the City prepares for the arrival of SkyTrain, the Financial Plan will position the City to capture the positive momentum the SkyTrain will bring to ensure Langley City continues as the Place to Be!



2024 – 2028 FINANCIAL PLAN

BYLAW No. 3266

A Bylaw to adopt the Financial Plan for 2024 - 2028.

WHEREAS Section 165 Community Charter provides that a Council must have a Financial Plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted;

AND WHEREAS the City has undertaken a process of public consultation prior to the adoption of the Financial Plan;

NOW THEREFORE, the Council of the City of Langley, in open meeting assembled, enacts as follows:

- 1) Schedule "A", attached hereto and made part of the Bylaw, is adopted as the Financial Plan of the City of Langley for the period 2024 - 2028.
- 2) Schedule "B", attached hereto and made part of the Bylaw, is adopted as the Capital Improvement Plan of the City of Langley for the period 2024 – 2033.
- 3) Schedule "C", attached hereto and made part of the Bylaw, is adopted as the "Financial Plan Objectives and Policies" of the City of Langley for the period 2024 – 2028.

- 4) This Bylaw may be cited for all purposes as the "Financial Plan 2024 – 2028 Bylaw, 2024, No. 3266."

READ A FIRST AND SECOND TIME this _____ day of _____, 2024.

ADVERTISEMENTS WERE PLACED in the Langley Advance Times this _____ day of _____ and _____ day of _____, 2024.

AN OPPORTUNITY FOR PUBLIC COMMENT PROVIDED this _____ day of _____, 2024.

READ A THIRD TIME this _____ day of _____, 2024.

FINALLY ADOPTED this _____ day of _____, 2024.

MAYOR

CORPORATE OFFICER

Schedule "A"

CONSOLIDATED FINANCIAL PLAN SUMMARY

	2022 Actual	2023 Budget	2023 YTD	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Consolidated Revenues								
Property Value Taxes	\$ 33,285,224	\$ 37,724,095	\$ 37,536,270	\$ 41,744,555	\$ 43,275,790	\$ 44,797,670	\$ 46,374,290	\$ 48,011,860
Fees and Charges	14,719,854	14,952,120	14,664,838	16,647,250	17,878,110	19,361,000	21,228,820	23,263,910
Revenue Other Services	13,161,807	12,469,220	11,928,588	13,023,365	12,930,585	12,936,425	12,942,475	12,948,735
	61,166,885	65,145,435	64,129,696	71,415,170	74,084,485	77,095,095	80,545,585	84,224,505
Consolidated Expenditures								
General Government Services	5,510,888	6,317,515	5,812,588	6,887,080	7,104,870	7,338,560	7,579,370	7,830,690
Policing Service	14,475,054	15,564,740	8,802,724	17,445,290	18,039,600	18,654,720	19,291,330	19,950,240
Fire Rescue Service	5,437,892	6,578,040	5,533,016	7,377,140	7,598,710	7,828,410	8,066,010	8,313,010
Other Protective Services	779,915	934,945	721,083	986,835	1,029,450	1,064,080	1,099,950	1,137,060
Engineering and Operations	3,621,742	3,889,485	3,427,923	4,089,085	4,196,615	4,307,915	4,423,145	4,542,445
Development Services	1,535,655	1,603,450	1,639,842	1,921,300	1,968,040	2,016,390	2,066,420	2,118,200
Solid Waste	747,432	819,130	786,540	888,660	907,700	952,460	999,450	1,048,790
Recreation	4,701,984	5,021,310	4,316,564	5,359,230	5,505,210	5,694,870	5,892,440	6,098,160
Parks	2,367,073	2,610,605	2,288,998	2,857,205	2,923,895	2,992,865	3,064,305	3,138,175
Sewer & Drainage	3,137,562	3,577,570	3,238,202	4,311,580	4,826,960	5,498,630	6,436,940	7,450,220
Water	4,324,969	4,228,420	4,021,312	4,814,120	5,305,790	5,868,550	6,548,580	7,319,870
Interest	55,293	180,650	195,996	245,400	245,400	245,400	245,400	245,400
Amortization	6,377,562	6,400,000	-	6,400,000	6,500,000	6,600,000	6,700,000	6,800,000
	53,073,021	57,725,860	40,784,788	63,582,925	66,152,240	69,062,850	72,413,340	75,992,260
Excess of revenue over expenditure	8,093,864	7,419,575	23,344,908	7,832,245	7,932,245	8,032,245	8,132,245	8,232,245
Add:								
Transfer from Reserve Accounts	653,368	927,565	-	927,565	927,565	927,565	927,565	927,565
Transfer from Statutory Reserves	-	-	-	-	-	-	-	-
Transfer from General Surplus	-	-	-	-	-	-	-	-
Transfer from Equity	6,377,562	6,400,000	-	6,400,000	6,500,000	6,600,000	6,700,000	6,800,000
	7,030,930	7,327,565	-	7,327,565	7,427,565	7,527,565	7,627,565	7,727,565
Deduct:								
Debt Servicing	184,154	1,949,180	670,248	1,949,180	1,949,180	1,949,180	1,949,180	1,949,180
Transfer to Reserve Accounts	12,446,711	10,676,810	8,137,901	10,714,480	10,914,480	11,114,480	11,314,480	11,514,480
Transfer to Statutory Reserves	2,464,561	2,121,150	1,229,021	2,496,150	2,496,150	2,496,150	2,496,150	2,496,150
	15,095,426	14,747,140	10,037,170	15,159,810	15,359,810	15,559,810	15,759,810	15,959,810
Surplus (Deficit)	\$ 29,368	\$ -	\$ 13,307,738	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule "B"

CAPITAL IMPROVEMENT PLAN - SUMMARY

<u>Capital Projects</u>	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
General Government	1,039,290	420,000	290,000	95,000	305,000	95,000	245,000	270,000	165,000	285,000
Protective Services	14,437,370	221,440	30,886,440	31,196,440	12,050,000	50,000	50,000	50,000	50,000	50,000
Engineering Operations	2,878,800	34,972,000	2,406,000	3,948,000	2,524,000	4,925,000	5,615,000	7,949,000	5,563,000	6,442,000
Parks	1,393,125	375,375	250,000	1,802,500	1,842,550	2,262,715	12,139,155	347,500	1,437,500	12,105,780
Recreation	661,750	50,000	50,000	50,000	50,000	30,000	50,000	30,000	50,000	30,000
Sewer & Drainage Utility	2,550,000	2,780,000	3,254,250	5,421,750	5,802,500	6,492,500	1,644,000	2,962,000	1,064,000	4,568,000
Water Utility	2,725,000	3,590,400	5,660,000	5,534,000	1,106,000	1,812,740	1,800,560	2,483,225	2,011,000	1,150,000
Total Projects	25,685,335	42,409,215	42,796,690	48,047,690	23,680,050	15,667,955	21,543,715	14,091,725	10,340,500	24,630,780
<u>Available funding</u>										
Capital Works Reserve	10,676,590	1,194,338	659,069	2,350,527	1,283,822	1,069,247	1,383,457	1,368,844	1,317,977	1,333,953
Casino Revenues	8,495,160	5,807,435	7,817,435	7,680,435	6,007,435	7,407,435	3,587,435	5,407,435	3,707,435	9,640,000
Community Amenity Funds	879,385	30,000	20,000	930,000	40,000	-	40,000	-	40,000	-
Community Works (Gas Tax)	140,000	133,800	133,800	133,800	133,800	133,800	133,800	133,800	133,800	133,800
DCC's	1,417,540	2,677,167	1,606,800	4,386,901	3,878,333	4,315,514	12,553,115	4,638,694	2,716,484	10,796,029
Fire Department Equipment	200,000	-	-	-	-	-	-	-	-	-
Future Police Cost Reserve	181,440	181,440	181,440	181,440	35,000	35,000	35,000	35,000	35,000	35,000
Grants	370,220	-	-	10,000,000	-	-	1,120,000	-	-	-
Machinery Replacement	595,000	180,000	180,000	180,000	205,000	430,000	230,000	530,000	230,000	230,000
Municipal Road Network Reserve	300,000	-	-	-	-	-	-	-	-	-
Office Equipment	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Parks & Recreation	181,750	230,573	156,935	197,971	172,264	181,059	183,713	175,702	158,504	181,818
Prosperity Fund	-	-	-	-	-	-	-	-	-	-
Sewer Future Capital	1,000,000	980,000	998,481	977,616	1,020,896	993,275	1,026,190	742,420	956,090	1,332,680
Special Bond Reserve	-	-	-	-	-	-	-	-	-	-
Water Future Capital	1,203,250	949,462	997,730	984,000	858,500	1,057,625	1,206,005	1,014,830	1,000,210	902,500
Total Funding	25,685,335	12,409,215	12,796,690	28,047,690	13,680,050	15,667,955	21,543,715	14,091,725	10,340,500	24,630,780
Project Specific Borrowing	-	30,000,000	30,000,000	20,000,000	10,000,000	-	-	-	-	-
Unfunded Projects	-	-	-	-	-	-	-	-	-	-
Debt Require to Fund Projects	-	30,000,000	30,000,000	20,000,000	10,000,000	-	-	-	-	-



In accordance with Section 165(3.1) of the Community Charter, the City of Langley is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter,
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions

1) Funding Sources

The following table shows the proportion of total revenue to be raised from each funding source in 2024.

Revenue Source	% of Total Revenues	Dollar Value
Property tax revenue	58.45%	\$41,744,555
Grants in lieu of taxes	0.86%	616,250
User fees & other revenue	24.48%	17,479,915
Gaming proceeds	10.50%	7,500,000
Government transfers	3.14%	2,239,450
Investment earnings	2.57%	1,835,000
Total	100.00%	\$71,415,170

Property taxes form the greatest proportion of revenues. As a revenue source, property taxation is efficient to administer and understandable for the residents. It is a stable and reliable source of revenue to fund core services like general administration, police services, fire services, bylaw enforcement, and street lighting which would be difficult to fund on a user pay basis. Properties held by government organization which are exempt from taxation grant the City funds in lieu of property taxation.

User fees & other revenue form the second largest portion of the revenues. Water and sewer usage are billed based on the water meter consumption. Building permit, business licenses and sale of services are also on a user pay basis which attempts to apportion the value of the services provided to those who use the service.

Casino proceeds are used primarily to fund capital infrastructure renewal.

Objective

To maintain the property value tax proportion to the same proportion that it is currently.

Policies

The City will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the services.

2) Distribution of Property Tax Rates

The following table outlines the distribution of property taxes among the property tax classes.

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	51.4%	\$21,462,394
Utilities (2)	0.9%	356,281
Light Industrial (5)	6.7%	2,784,755
Business & Other (6)	40.7%	16,999,590
Recreation / Non Profit (8)	0.3%	141,535
Total	100.00%	\$41,744,555

The residential property tax class provides the largest proportion of property tax revenue which is consistent with most other jurisdictions.

Objective

To maintain the 1:3 ratio between the residential and business class properties. The taxable assessed values of business properties increased disproportionately compared to residential properties, this required a deviation from previous ratio in order to not over burden business and light industrial property owners. The ratio in 2024 will be 1:2.543 between the residential and business class and 1:1.900 between the residential and light industrial class.

Policies

Continue where possible to supplement the revenues from user fees and charges to help offset the burden on the entire property tax base. Maintain the ratio of the residential to business class close to the average ratio in Metro Vancouver.

3) Permissive Tax Exemption

The City has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions every year.

Objective

The City will continue to support those organizations that have received a permissive tax exemption in the past and review new applications as they arise.

Policies

The City adopted a new permissive tax exemption bylaw in the Fall of 2023. The City also adopted a revitalization tax exemption to support the efforts identified in the Downtown Master Plan.

