



EXPLANATORY NOTE

BYLAW No. 3308

In 2025, the five-year financial plan includes \$77.6 million in operating expenditures and a further \$16 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 2025 Financial Plan currently has a gap of \$2,797,430 between total revenues and planned expenditures which equates to a 6.7% increase in property taxes to balance the budget.

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

- Enhancing Community Safety
- Expanding Recreation Opportunities
- Investing in the Basics

Enhancing Community Safety

The City will hire 2 additional firefighters to keep pace with the growth of the community and increased use of the fire rescue service. Including additional firefighters added in 2023 and 2024, the City has added 7 new fire suppression staff, or an increase of 30%, in the last 3 years.

Expanded Recreation Opportunities

The City has extended the operating season of Al Anderson Memorial Pool until September 28th adding 31 days to the outdoor pool season. Extended services will include length swims, aquafit classes, afternoon lessons, and public swims.

There will also be a new programming position which will assist with special events, arts programming, culture and heritage as this portfolio has been expanding. The programmer will liaise with the Langley Arts Council, the Langley Heritage Society, Langley Local Immigration Partnership and other community groups to ensure culturally diverse programming and events are offered.

Investing in the Basics

Council has recognized that infrastructure renewal is important. The 2025 Capital Improvement Plan includes \$16.3 million of projects. There is currently an infrastructure funding gap between the total cost of planned 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 a portion of property taxes and utility fees towards capital infrastructure renewal. The City proposes adding \$418,000 or 1% of the overall

property tax increase, bringing the annual allocation to Capital Works Reserve to \$2.2 million. Also, in 2025 the City will be adding a new IT support position to help support and train our employees, and maintain and update computer systems to help ensure the City is protected from downtime and protected from potential malicious viruses and cyber attacks.

Factors Affecting the Financial Plan

Council and Community Priorities

The City's draft budget and service delivery for 2025 are guided by established Council priorities along with community feedback received throughout the year and other public consultations.

Overall, the draft budget reflects the City's ongoing focus to get the basics right, planning for and providing core municipal services (such as roads, utilities and other infrastructure, safety and recreation) that matter to residents and businesses.

External Factors

Major external factors that impact on our financial plan include:

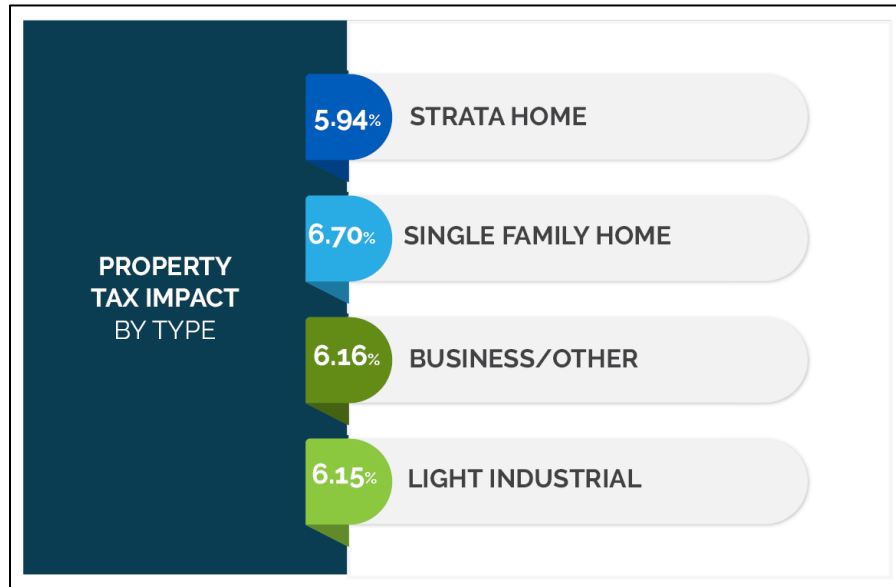
- Increased costs based on contract negotiations, including CUPE representing civic workers and IAFF representing firefighters;
- Rising costs from the RCMP contract including increases in the federally negotiated collective agreement, additional equipment, and overall cost increases due to inflation;
- Increased costs from other external service providers such as Fraser Valley Regional Library and Metro Vancouver water, sewer and waste services;
- Inflation and escalating costs for supplies and contracted services for both operating and capital projects.

Reducing the Property Tax Burden

As we develop and review the Financial Plan, we strive to minimize taxpayer impact and ensure good stewardship of City funds. This process included a line-by-line review of proposed expenditures and revenues, deferral of non-critical items, implementing appropriate fees & charges, selective use of reserves, and leveraging of regional, provincial and federal grant funding.

Property Taxation Impact

The impact of a 6.7% property tax increase affects each class, or type of property, differently depending on how the individual property assessments have changed. To adjust for market value shifts the City can adjust tax rates for each property class, however the Province only allows municipalities to have one tax rate for all residential class properties. In 2025 the assessed value of single family homes decreased 0.10% whereas strata (multi-family homes) have decreased 0.81%, therefore when the overall tax rate increase of 6.7% is applied, it has a larger impact on single family homes.



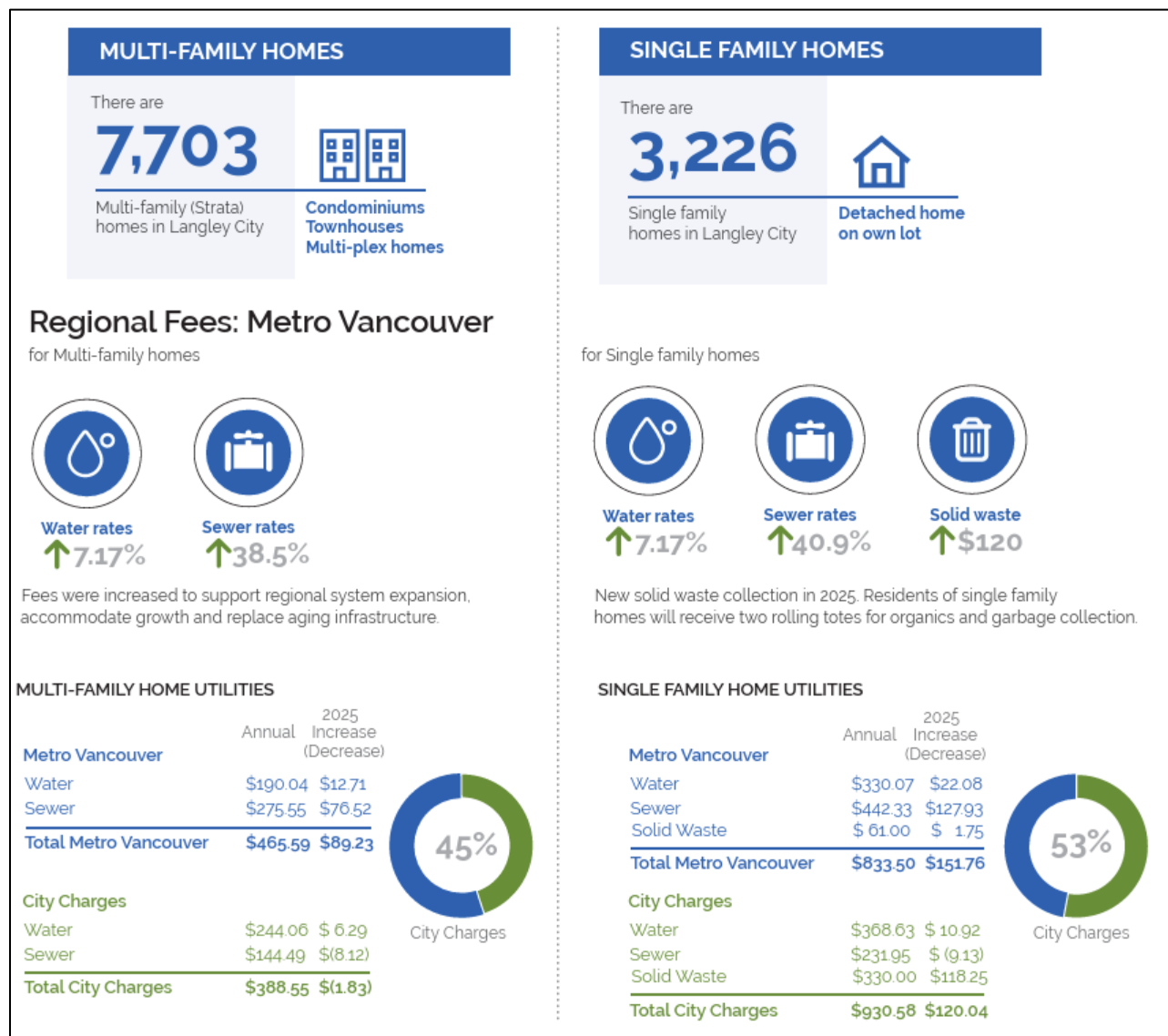
Assessment Classification	Number of Properties	Average Assessed Value	Municipal Taxes	Annual Change	Monthly Change	% Change
Strata Home	7,703	\$ 580,434	\$ 1,354	\$ 76	\$ 6.33	5.94%
Single Family Home	3,226	\$ 1,369,059	\$ 3,194	\$ 200	\$ 16.71	6.70%
Business/Other	638	\$ 4,810,192	\$ 28,257	\$ 1,639	\$ 136.58	6.16%
Light Industrial	79	\$ 7,229,108	\$ 31,846	\$ 1,844	\$ 153.67	6.15%

Utility Fee Impact

In addition to property taxes, utility fees are also charged to our property owners. Utility rate increases were approved by City Council in December 2024. Water and Sewer utilities in the City of Langley are based on actual use measured by a water meter at each property. Actual usage can vary between properties, but the impact on average residential properties is presented below.

Utilities for Business and Industrial properties are not included as average usage would not apply as the use can greatly vary depending on use. For instance, a business may simply have a single washroom for staff or may use 100,000 litres of water a day for production purposes.

It is important to highlight the impact Metro Vancouver utility fees has on our taxpayers. Water rates by Metro Vancouver increased by 7.17% and Sewer Fees increased between 38.5-40.9%. Both of these fees from Metro Vancouver were increased to offset the regional expansion of the infrastructure to facilitate growth and replace aging infrastructure. In particular, the 38.5-40.9% increase in Sewer fees is to pay for the new North Shore Sewage Treatment Plant.





2025 – 2029 FINANCIAL PLAN

BYLAW No. 3308

A Bylaw to adopt the Financial Plan for 2025 - 2029.

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) Title

- 1.1 This Bylaw shall be cited for all purposes as the "Financial Plan 2025 – 2029 Bylaw, 2025, No. 3308."

2) Schedules

- 2.1 Schedule "A", attached hereto and forming part of the Bylaw, is adopted as the Financial Plan of the City of Langley for the period 2025 - 2029.
- 2.2 Schedule "B", attached hereto and forming part of the Bylaw, is adopted as the Capital Improvement Plan of the City of Langley for the period 2025 – 2034.
- 2.3 Schedule "C", attached hereto and forming part of the Bylaw, is adopted as the "Financial Plan Objectives and Policies" of the City of Langley for the period 2025 – 2029.

3) Severability

3.1 If a portion of this Bylaw is found invalid by the court, it will be severed, and the remainder of the Bylaw will remain in effect.

READ A FIRST AND SECOND TIME this twenty-seventh day of January, 2025.

STATUTORY NOTICE PROVIDED this thirty-first day of January, 2025.

AN OPPORTUNITY FOR PUBLIC COMMENT PROVIDED this tenth day of February, 2025.

READ A THIRD TIME this day of , 2025.

FINALLY ADOPTED this day of , 2025.

MAYOR

CORPORATE OFFICER

Schedule "A"

CONSOLIDATED FINANCIAL PLAN SUMMARY								
	2023 Actual	2024 Budget	2024 YTD	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Consolidated Revenues								
Property Value Taxes	\$ 37,414,169	\$ 41,744,555	\$ 41,630,691	\$ 44,778,430	\$ 48,468,610	\$ 51,253,350	\$ 55,598,300	\$ 56,981,900
Fees and Charges	15,289,033	16,647,250	16,541,401	19,332,410	20,182,630	20,968,040	21,822,500	22,584,310
Revenue Other Services	15,810,346	13,023,365	14,308,809	13,460,510	13,059,220	13,057,890	13,056,520	13,055,110
	68,513,548	71,415,170	72,480,901	77,571,350	81,710,460	85,279,280	90,477,320	92,621,320
Consolidated Expenditures								
General Government Services	6,177,990	6,887,080	6,880,061	7,903,630	8,078,790	8,259,720	8,446,610	8,639,620
Policing Service	15,748,489	17,445,290	9,598,267	18,631,800	19,316,760	20,035,950	20,791,100	21,583,980
Fire Rescue Service	5,915,785	7,377,140	5,788,291	7,918,750	8,121,130	8,329,710	8,544,460	8,765,620
Other Protective Services	807,468	986,835	857,021	1,087,960	1,096,570	1,105,450	1,114,580	1,123,970
Engineering and Operations	3,554,899	4,089,085	3,905,934	4,244,890	4,332,170	4,422,100	4,514,730	4,610,160
Development Services	1,745,328	1,921,300	1,693,082	2,046,770	2,092,950	2,136,170	2,182,870	2,230,990
Solid Waste	815,521	888,660	872,326	1,250,960	1,251,670	1,252,400	1,253,150	1,253,920
Recreation	4,747,118	5,359,230	4,832,536	5,666,200	5,815,890	5,970,010	6,128,810	6,292,360
Parks	2,527,617	2,857,205	2,820,741	2,860,760	2,914,000	2,968,860	3,025,310	3,083,460
Sewer & Drainage	3,296,413	4,311,580	3,797,413	5,703,170	5,925,950	6,314,690	6,774,210	7,211,020
Water	4,485,502	4,814,120	5,021,017	5,277,610	5,686,370	5,885,870	6,075,400	6,186,430
Interest	196,230	245,400	216,074	181,400	181,400	181,400	181,400	181,400
Amortization	6,377,562	6,400,000	-	7,000,000	7,100,000	7,200,000	7,300,000	7,400,000
	56,395,922	63,582,925	46,282,763	69,773,900	71,913,650	74,062,330	76,332,630	78,562,930
Excess of revenue over expenditure	12,117,626	7,832,245	26,198,138	7,797,450	9,796,810	11,216,950	14,144,690	14,058,390
Add:								
Transfer from Reserve Accounts	744,019	927,565	629,484	927,570	927,570	927,570	927,570	927,570
Transfer from Statutory Reserves	-	-	-	-	-	-	-	-
Transfer from General Surplus	-	-	-	-	-	-	-	-
Transfer from Equity	6,377,562	6,400,000	-	7,000,000	7,100,000	7,200,000	7,300,000	7,400,000
	7,121,581	7,327,565	629,484	7,927,570	8,027,570	8,127,570	8,227,570	8,327,570
Deduct:								
Debt Servicing	670,248	1,949,180	670,248	1,775,170	3,861,990	5,369,210	8,383,650	8,383,650
Transfer to Reserve Accounts	13,748,893	10,714,480	9,792,335	10,975,700	10,975,700	10,975,700	10,975,700	10,975,700
Transfer to Statutory Reserves	5,000,562	2,496,150	2,319,628	2,974,150	2,986,690	2,999,610	3,012,910	3,026,610
	19,419,703	15,159,810	12,782,211	15,725,020	17,824,380	19,344,520	22,372,260	22,385,960
Surplus (Deficit)	\$ (180,496)	\$ -	\$ 14,045,411	\$ -	\$ -	\$ -	\$ -	\$ -



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 2025.

Revenue Source	% of Total Revenues	Dollar Value
Property tax revenue	57.73%	\$44,778,430
Grants in lieu of taxes	0.75%	585,320
User fees & other revenue	26.29%	20,394,290
Gaming proceeds	9.67%	7,500,000
Government transfers	3.03%	2,351,310
Investment earnings	2.53%	1,962,000
Total	100.00%	\$77,571,350

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)	52.0%	\$23,283,087
Utilities (2)	0.8%	367,325
Light Industrial (5)	6.5%	2,888,458
Business & Other (6)	40.3%	18,071,537
Recreation / Non-Profit (8)	0.4%	168,023
Total	100.0%	\$44,778,430

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 maximum 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 2025 will be 1:2.518 between the residential and business class and 1:1.805 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 2024. The City also adopted a revitalization tax exemption to support the efforts identified in the Downtown Master Plan.