



EXPLANATORY NOTE

BYLAW No. 3318

The 2026 – 2030 draft Financial Plan includes \$81.6M in operating expenditures and \$28.8M 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 2026 Financial Plan has a gap of \$1,596,600 between total revenues and planned expenditures which equates to a 3.57% increase in taxes to balance the budget. The budget includes the funding required to continue the same level of services provided in the prior year.

In addition to the bylaw as presented, Council has the option to consider amending the 2026 Financial Plan to include any changes they deem appropriate and consider additional Service Level Enhancements which will potentially impact the 3.57% property tax increase.

Factors Affecting the Financial Plan

Council and Community Priorities

The City's draft budget and service delivery for 2026 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 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 the City aims to minimize the property tax burden through careful review of expenditures and revenues, deferral of non-critical items, setting appropriate fees and charges, selective use of reserves, and leveraging grants from other levels of government

Financial Impact

The impact of 3.57% property tax increase affects each class, or type of property differently depending on how individual property tax assessments have changed. To adjust for market value shifts, the City can adjust tax rates for each property class.

In addition to property taxes, utility fees are also charged to our property owners. Utility rate increases will be presented to Council for approval in December 2025. Utility rate increases are based on increase in expenditures by Langley City and increase in Metro Vancouver rates – which are presented in the table below.

Utility Increases

| | <i>Langley City</i> | <i>Metro Vancouver</i> | <i>Total Increase</i> |
|-------|---------------------|------------------------|-----------------------|
| Water | 4.62% | 8.41% | 6.78% |
| Sewer | 3.00% | 6.07% | 4.73% |

The total impact on average properties are presented below.

Multi-Family Impact

This is our largest class of properties with approx. 7,700 properties. Properties in this class include Condominiums, Townhouses and Multi-plex homes. An average home valued at \$580,434, consuming an average amount of utilities, will experience a \$100.80 increase in annual municipal property taxes and utility fees, this works out to \$8.40 per month.

Multi-Family Impact

| | <i>Annual Fee</i> | <i>Annual Change</i> | <i>Monthly Change</i> | <i>Percent Change</i> |
|---------------------|-------------------|----------------------|-----------------------|-----------------------|
| Municipal Taxes | \$ 1,369.80 | \$ 47.22 | \$ 3.94 | 3.57% |
| Water | 466.40 | 32.30 | 2.69 | 7.44% |
| Sewer | 441.32 | 21.28 | 1.77 | 5.07% |
| Total Impact | 2,277.52 | 100.80 | 8.40 | 4.63% |

Single Family Impact

This is our second largest class of properties with approx. 3,500 properties. Properties in this class include single detached homes located on their own lot. An average home valued at \$1,369,059, consuming an average amount of utilities, will experience a \$245.43 increase in annual municipal property taxes and utility fees, this works out to \$20.45 per month.

Single Family Impact

| | <i>Annual Fee</i> | <i>Annual Change</i> | <i>Monthly Change</i> | <i>Percent Change</i> |
|---------------------|-------------------|----------------------|-----------------------|-----------------------|
| Municipal Taxes | \$ 3,230.90 | \$ 111.37 | \$ 9.28 | 3.57% |
| Water | 754.80 | 56.10 | 4.68 | 8.03% |
| Sewer | 711.24 | 36.96 | 3.08 | 5.48% |
| Solid Waste | 432.00 | 41.00 | 3.42 | 10.49% |
| Total Impact | 5,128.94 | 245.43 | 20.45 | 5.03% |

Business & Light Industries Impact

In addition to residential properties, the City collect approximately 47% of annual property taxes from properties classified as Business (638 properties) and Light Industrial (79 properties).

These properties are presented without including utilities as the use at individual properties can greatly vary. 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.

Business / Light Industrial Impact

| | <i>Annual Fee</i> | <i>Annual Change</i> | <i>Monthly Change</i> | <i>Percent Change</i> |
|------------------|-------------------|----------------------|-----------------------|-----------------------|
| Business / Other | \$ 28,582.00 | \$ 984.00 | \$ 82.00 | 3.57% |
| Light Industrial | 32,205.00 | 1,109.00 | 92.42 | 3.57% |

Service Level Enhancements under consideration

As part of the 2026 Financial Plan, Council will consider service level enhancements which will further increase property taxation in addition to the base 3.57% taxation increase.

The overarching theme of these proposed enhancements is to support the growth and safety of our community while strengthening the internal capacity of our organization. These changes are not only focused on improving existing operations and adding key staffing resources, but also on ensuring we meet our legislative and regulatory responsibilities. This includes compliance with the Provincial purchasing requirements, the Freedom of Information and Protection of Privacy Act (FOIPPA), adherence to WorkSafeBC safety standards, and alignment with human rights obligations. Additionally, the enhancements are designed to support our ability to meet other provincial mandates such as the provincial housing targets, ensuring we are well-positioned to respond to the evolving needs of our municipality.

Importantly, these investments address the reality of our currently lean staff contingent, which has been operating under significant pressure to maintain service levels. To continue delivering high-quality services to our residents—and to expand our capacity in line with growing demands—it is essential to bolster our staff complement. This will enable us to meet both operational and strategic

objectives more effectively, while fostering a resilient and responsive municipal organization.

Together, these enhancements reflect our commitment to responsible governance, transparency, and inclusive community development.

2026 Service Level Enhancement

| | <i>\$ impact</i> | <i>% impact</i> |
|---|---------------------|-----------------|
| Prior Council Commitment / Approval in Principle | | |
| LCFRS – 2 firefighters | 400,000 | 0.89% |
| RCMP – 2 members | 320,000 | 0.71% |
| | \$ 720,000 | 1.60% |
| Service Level Enhancements (Staffing) | | |
| Procurement Manager | 173,000 | 0.39% |
| Business Systems Analyst | 142,000 | 0.32% |
| Communications Officer | 129,750 | 0.29% |
| Human Resources Assistant | 111,800 | 0.25% |
| Assistant Fire Chief | 205,000 | 0.46% |
| FOI and Privacy Coordinator | 110,000 | 0.25% |
| Facilities Supervisor | 143,600 | 0.32% |
| Permits and Licensing Clerical | 60,000 | 0.13% |
| Engineering Clerical | 90,000 | 0.20% |
| | \$ 1,165,150 | 2.61% |
| Other Requests | | |
| Infrastructure Replacement Levy | 447,780 | 1.00% |
| Extend pool season (spring) | 68,900 | 0.15% |
| | \$ 516,680 | 1.15% |

Bylaw Amendments

At the December 8th regular council meeting, City Council gave 3rd reading of the amended Financial Plan bylaw. Amended Financial Plan increased the proposed property tax from 3.57% (maintaining current services) to 5.82% (inclusive of the proposed service level enhancements). 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 the last 3 years, the City has added 9 new fire suppression staff, or an increase of 40%, in the last 4 years.

To further enhance public safety, the City will be adding two 2 police officers, increasing the total contract strength to 56.35

Expanding Recreation Opportunities

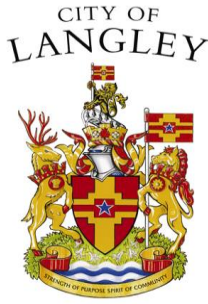
The City will extend the operating season of Al Anderson Memorial Pool from April 13, adding 25 days to the outdoor pool season. Extended services will include length swims, aquafit classes, afternoon lessons, and public swims.

Investing in the Basics

Each year, the City allocates a portion of property taxes and utility fees towards capital infrastructure renewal. The City will be adding \$223,890 or 0.5% of the overall property tax increase, bringing the annual allocation to Capital Works Reserve to \$2.4 million.

Service Level Enhancements included in amendment

| | | |
|------------------------------------|---------------------|--------------|
| LCFRS – 2 Firefighters | \$ 400,000 | 0.89% |
| RCMP – 2 Members | \$ 320,000 | 0.71% |
| Extend Pool Season: Apr 13 - May 8 | \$ 68,900 | 0.15% |
| Infrastructure Funding | \$ 223,890 | 0.50% |
| Total | \$ 1,012,790 | 2.25% |



2026 – 2030 FINANCIAL PLAN

BYLAW NO. 3318

A Bylaw to adopt the Financial Plan for 2026 - 2030.

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 2026 – 2030 Bylaw, 2025, No. 3318."

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 2026 - 2030.
- 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 2026 – 2035.
- 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 2026 – 2030.

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 seventeenth day of November, 2025.

STATUTORY NOTICE PROVIDED this twenty-first day of November, 2025.

AN OPPORTUNITY FOR PUBLIC COMMENT PROVIDED this first day of December, 2025.

READ A THIRD TIME this eighth day of December, 2025.

FINALLY ADOPTED this ___ day of _____, ____.

MAYOR

CORPORATE OFFICER

Schedule "A"

| CONSOLIDATED FINANCIAL PLAN SUMMARY | | | | | | | | |
|--|---------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2024 Actuals | 2025 Budget | 2025 YTD | 2026 Budget | 2027 Budget | 2028 Budget | 2029 Budget | 2030 Budget |
| Consolidated Revenues | | | | | | | | |
| Property Value Taxes | \$ 41,530,982 | \$ 44,778,430 | \$ 44,715,533 | \$ 47,603,770 | \$ 49,476,360 | \$ 50,875,560 | \$ 52,330,090 | \$ 53,841,870 |
| Fees and Charges | 17,698,189 | 19,332,410 | 17,220,261 | 20,466,660 | 21,145,880 | 21,916,460 | 22,622,890 | 23,372,860 |
| Revenue Other Services | 16,925,221 | 13,460,510 | 9,782,943 | 14,535,450 | 14,534,120 | 14,532,750 | 14,531,340 | 14,529,890 |
| | <u>76,154,392</u> | <u>77,571,350</u> | <u>71,718,737</u> | <u>82,605,880</u> | <u>85,156,360</u> | <u>87,324,770</u> | <u>89,484,320</u> | <u>91,744,620</u> |
| Consolidated Expenditures | | | | | | | | |
| General Government Services | 7,191,171 | 7,903,630 | 6,425,775 | 8,449,690 | 8,675,480 | 8,908,610 | 9,149,370 | 9,397,980 |
| Policing Service | 16,728,173 | 18,631,800 | 6,298,642 | 20,024,830 | 21,141,610 | 21,894,220 | 22,684,450 | 23,514,170 |
| Fire Rescue Service | 6,464,881 | 7,918,750 | 5,603,993 | 8,736,860 | 8,947,760 | 9,164,960 | 9,388,730 | 9,619,110 |
| Other Protective Services | 912,181 | 1,087,960 | 751,158 | 1,149,650 | 1,158,370 | 1,167,340 | 1,176,560 | 1,186,080 |
| Engineering and Operations | 3,947,323 | 4,244,890 | 3,259,535 | 4,420,160 | 4,511,270 | 4,605,040 | 4,701,730 | 4,801,270 |
| Development Services | 1,960,284 | 2,046,770 | 1,223,531 | 2,117,990 | 2,164,190 | 2,211,740 | 2,260,750 | 2,311,210 |
| Solid Waste | 874,701 | 1,250,960 | 816,756 | 1,467,700 | 1,468,440 | 1,469,190 | 1,469,970 | 1,470,770 |
| Recreation | 4,927,852 | 5,666,200 | 4,257,432 | 5,967,520 | 6,125,400 | 6,286,890 | 6,453,240 | 6,624,550 |
| Parks | 2,785,899 | 2,860,760 | 2,251,037 | 2,925,030 | 2,979,060 | 3,034,670 | 3,091,940 | 3,150,940 |
| Sewer & Drainage | 3,799,028 | 5,703,170 | 4,945,727 | 5,987,680 | 6,393,260 | 6,859,520 | 7,302,750 | 7,780,020 |
| Water | 4,797,041 | 5,277,610 | 3,798,522 | 5,684,760 | 5,792,510 | 5,923,580 | 6,005,820 | 6,089,510 |
| Interest | 216,805 | 181,400 | 118,729 | 125,650 | 125,650 | 125,650 | 125,650 | 125,650 |
| Amortization | 6,377,562 | 6,400,000 | - | 7,300,000 | 7,400,000 | 7,500,000 | 7,600,000 | 7,700,000 |
| | <u>60,982,901</u> | <u>69,173,900</u> | <u>39,750,837</u> | <u>74,357,520</u> | <u>76,883,000</u> | <u>79,151,410</u> | <u>81,410,960</u> | <u>83,771,260</u> |
| Excess of revenue over expenditures | 15,171,491 | 8,397,450 | 31,967,900 | 8,248,360 | 8,273,360 | 8,173,360 | 8,073,360 | 7,973,360 |
| Add: | | | | | | | | |
| Transfer from Reserve Accounts | 629,484 | 927,570 | - | 927,570 | 927,570 | 927,570 | 927,570 | 927,570 |
| Transfer from Statutory Reserves | - | - | - | - | - | - | - | - |
| Transfer from General Surplus | - | - | - | 125,000 | - | - | - | - |
| Transfer from Equity | 6,377,562 | 6,400,000 | - | 7,300,000 | 7,400,000 | 7,500,000 | 7,600,000 | 7,700,000 |
| | <u>7,007,046</u> | <u>7,327,570</u> | <u>-</u> | <u>8,352,570</u> | <u>8,327,570</u> | <u>8,427,570</u> | <u>8,527,570</u> | <u>8,627,570</u> |
| Deduct: | | | | | | | | |
| Debt Servicing | 819,827 | 1,775,170 | 1,775,165 | 1,775,200 | 1,775,200 | 1,775,200 | 1,775,200 | 1,775,200 |
| Transfer to Reserve Accounts | 15,933,328 | 10,975,700 | 7,300,525 | 11,627,690 | 11,627,690 | 11,627,690 | 11,627,690 | 11,627,690 |
| Transfer to Statutory Reserves | 5,336,176 | 2,974,150 | 2,766,585 | 3,198,040 | 3,198,040 | 3,198,040 | 3,198,040 | 3,198,040 |
| | <u>22,089,331</u> | <u>15,725,020</u> | <u>11,842,275</u> | <u>16,600,930</u> | <u>16,600,930</u> | <u>16,600,930</u> | <u>16,600,930</u> | <u>16,600,930</u> |
| Surplus (Deficit) | \$ 89,206 | \$ - | \$ 20,125,625 | \$ - | \$ - | \$ - | \$ - | \$ - |



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 | 57.10% | \$46,590,980 |
| Grants in lieu of taxes | 0.72% | 590,020 |
| User fees & other revenue | 26.40% | 21,540,600 |
| Gaming proceeds | 9.19% | 7,500,000 |
| Government transfers | 2.98% | 2,428,240 |
| Investment earnings | 3.61% | 2,943,250 |
| Total | 100.00% | \$81,593,090 |

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

As the 2026 property tax assessment data is not available, the City will strive to maintain similar property tax distribution as prior years. The following table outlines the distribution of property taxes among the property tax classes based on prior years' property tax allocations.

| Property Class | % of Total Property Taxation | Dollar Value |
|-----------------------------|------------------------------|---------------------|
| Residential (1) | 52.0% | \$24,227,310 |
| Utilities (2) | 0.8% | 372,728 |
| Light Industrial (5) | 6.5% | 3,028,414 |
| Business & Other (6) | 40.3% | 18,776,165 |
| Recreation / Non-Profit (8) | 0.4% | 186,364 |
| Total | 100.0% | \$46,590,980 |

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. As the assessment information for 2026 is not available, the City will strive to adjust the percent of Total Property Taxation allocation accordingly to minimize any deviation from the 1:3 ratio between the residential and business class properties.

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 2025. The City also adopted a revitalization tax exemption to support the efforts identified in the Downtown Master Plan.