

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**

**LANGLEY 2018 – 2022 FIVE-YEAR FINANCIAL PLAN**

**BYLAW 2018 NO. 5342**

**EXPLANATORY NOTE**

The Langley 2018 - 2022 Five-Year Financial Plan Bylaw 2018 No. 5342 authorizes the expenditure of funds for the Municipality. The Langley 2018 - 2022 Five-Year Financial Plan Bylaw 2018 No. 5342 is prepared pursuant to Section 165 of the *Community Charter* and is required to be adopted by Council prior to the Tax Rates Bylaw and May 15, 2018.

An expenditure that is not provided for in the 2018 - 2022 Five-Year Financial Plan is not lawful.

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**

**LANGLEY 2018 - 2022 FIVE-YEAR FINANCIAL PLAN**

**BYLAW 2018 NO. 5342**

A bylaw to establish the Five-Year Financial Plan from 2018 to 2022.

WHEREAS Section 165 of the "*Community Charter*" requires that the Corporation of the Township of Langley adopt a Five-Year Financial Plan prior to approval of the Tax Rates Bylaw and May 15, 2018:

NOW THEREFORE, the Local Government Council of The Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

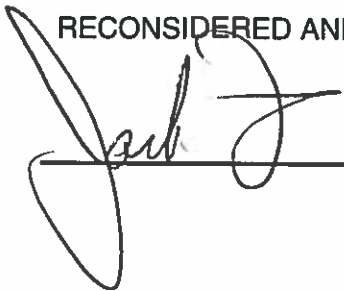
1. This bylaw may be cited for all purposes as the "Langley 2018 - 2022 Five-Year Financial Plan Bylaw 2018 No. 5342".
2. Schedule "A", being the Revenue Plan Objectives and Policies, attached hereto and forming part of this bylaw is hereby adopted as the 2018 – 2022 Five Year Financial Plan of The Corporation of the Township of Langley.
3. Schedule "B", being the Financial Plan, attached hereto and forming part of this bylaw is hereby adopted as the 2018 - 2022 Five Year Financial Plan of The Corporation of the Township of Langley.

READ A FIRST TIME the 05 day of February , 2018

READ A SECOND TIME the 05 day of February , 2018

READ A THIRD TIME the 05 day of February , 2018

RECONSIDERED AND ADOPTED the 19 day of February , 2018



Mayor



Township Clerk

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY  
LANGLEY 2018 - 2022 FIVE YEAR FINANCIAL PLAN BYLAW 2017 NO. 5342  
SCHEDULE "A" – REVENUE PLAN OBJECTIVES AND POLICIES**

In accordance with the *Community Charter* disclosure requirements the Township of Langley discloses the following information.

1. The proportions of revenue proposed to come from the various funding sources;
2. The distribution of property taxes among property classes; and
3. The use of permissive tax exemptions.

**1. Proportion of total revenue from various funding sources**

<b>Revenue Source</b>	<b>Operating Budget Funding Sources</b>	<b>Capital Budget Funding Sources</b>
Property taxes	58%	3%
Sale of Service – Utilities	18%	1%
Sale of Service - Other	10%	0%
Other sources	9%	42%
Transfer from own funds	5%	39%
Proceeds from borrowing	0%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The proportion of total revenue to be raised from each funding source in 2018 is presented in the table above. Property taxes form the greatest proportion of operating revenue for the Township. Property taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, policing services, transportation and so forth.

User fees and charges is the second largest portion of general operating revenue. Many Township services, such as water, sewer, and garbage collection are charged on a user-pay basis which ensures they are paid for by taxpayers receiving these services.

The capital program is only partially funded from General and Utility Funds revenues with the majority of funding coming from sources such as reserves and surplus, development cost charges receipts, senior government grants, local area service funds and, as a last resort, from debt financing.

**2. Distribution of 2017 property taxes among the various property classes**

Property Class	Property Class Description	Property tax Revenue %
1	Residential	62.03%
2	Utilities	1.01%
4	Major Industry	0.24%
5	Light Industry	9.91%
6	Business	26.02%
8	Recreation	0.20%
9	Farm	0.59%
	<b>Total</b>	<b>100.00%</b>

The distribution of property tax revenue among the various property classes is presented in the table above. The practice of Council has been to set tax rates in order to maintain reasonable tax stability in compliance with the *Community Charter*. This is accomplished by maintaining the proportionate relationship provided above between the property classes. (Property classes are defined and values determined by British Columbia Assessment).

**3. Use of Permissive Tax Exemptions**

The *Community Charter* provides municipalities the ability to grant permissive exemptions under Sections 244, 225 and 226. The Township's permissive exemption policy sets the parameters under which Council considers applications for permissive exemptions from property taxes from organizations which are eligible for such exemptions.

Permissive exemptions are granted for buildings used for public worship; not-for-profit and charitable organizations and community halls; and heritage properties. Council supports, through exemptions from property taxes, organizations which provide services that fulfill some basic need, improve the life of Township residents and are compatible with or are complementary to the services offered by the Township.

Council approved permissive tax exemptions for 2018 are estimated to be at approximately \$1,072,091 (2017: \$1,061,757) which is approximately equal to 89% of a 1.00% property tax revenue increase for 2018.

	Amount
Charitable and Not-For-Profit	\$516,568
Churches	\$539,036
Heritage Properties	\$16,487
<b>Total</b>	<b>\$1,072,091</b>

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY  
LANGLEY 2018 - 2022 FIVE YEAR FINANCIAL PLAN BYLAW 2018 NO. 5342  
SCHEDULE "B" – FINANCIAL PLAN**

	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
<b><u>REVENUE</u></b>					
<b>Operating Plan</b>					
Property Taxes and Levies	135,599,743	142,341,439	147,619,944	153,112,007	158,820,256
Sale of Services-Utilities	42,928,125	44,890,457	46,873,561	48,917,723	50,671,347
Sale of Services-Other	22,930,822	24,422,546	24,471,381	24,521,201	24,572,023
Other Revenue	21,337,342	21,883,201	22,109,622	22,300,380	22,568,080
Transfer from Surplus and Reserves	<u>12,193,257</u>	<u>3,161,921</u>	<u>2,736,835</u>	<u>2,878,965</u>	<u>2,832,382</u>
<b>Operating Plan Sub-total</b>	<b><u>234,989,289</u></b>	<b><u>236,699,564</u></b>	<b><u>243,811,343</u></b>	<b><u>251,730,276</u></b>	<b><u>259,464,088</u></b>
<b>Capital Plan</b>					
Contribution from Current Year Revenue	9,259,051	9,259,051	9,259,051	9,259,051	9,259,051
Transfer from Prior Year's Surplus	4,957,045	280,000	280,000	8,261,665	329,600
Transfer from Development Cost Charge Reserves	57,272,686	28,410,876	25,963,490	19,703,490	17,783,490
Transfer from Capital Surplus and Reserves	122,870,236	16,378,830	18,890,728	17,361,500	20,669,492
Private Funds and Other Sources	81,907,713	64,606,500	60,801,000	60,758,500	60,716,000
Proceeds From Borrowing	<u>49,535,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital Plan Sub-Total</b>	<b><u>325,801,852</u></b>	<b><u>118,935,257</u></b>	<b><u>115,194,269</u></b>	<b><u>115,344,206</u></b>	<b><u>108,757,633</u></b>
<b>TOTAL FINANCIAL PLAN REVENUE</b>	<b><u>560,791,141</u></b>	<b><u>355,634,821</u></b>	<b><u>359,005,612</u></b>	<b><u>367,074,482</u></b>	<b><u>368,221,721</u></b>
<b><u>EXPENDITURE</u></b>					
<b>Operating Plan</b>					
Municipal Services	201,375,255	203,771,321	208,644,738	214,175,343	219,304,055
Debt Service	11,136,883	10,960,869	10,960,869	10,895,890	10,895,890
Contribution to Funds and Reserves	<u>22,477,151</u>	<u>21,967,374</u>	<u>24,205,736</u>	<u>26,659,043</u>	<u>29,264,143</u>
<b>Operating Plan Sub-Total</b>	<b><u>234,989,289</u></b>	<b><u>236,699,564</u></b>	<b><u>243,811,343</u></b>	<b><u>251,730,276</u></b>	<b><u>259,464,088</u></b>
<b>Capital Plan</b>	<b><u>325,801,852</u></b>	<b><u>118,935,257</u></b>	<b><u>115,194,269</u></b>	<b><u>115,344,206</u></b>	<b><u>108,757,633</u></b>
<b>TOTAL FINANCIAL PLAN EXPENDITURES</b>	<b><u>560,791,141</u></b>	<b><u>355,634,821</u></b>	<b><u>359,005,612</u></b>	<b><u>367,074,482</u></b>	<b><u>368,221,721</u></b>