

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

LANGLEY 2020 – 2024 FIVE-YEAR FINANCIAL PLAN BYLAW 2020 NO. 5565

EXPLANATORY NOTE

The Langley 2020 - 2024 Five-Year Financial Plan Bylaw 2020 No. 5565 authorizes the expenditure of funds for the Municipality. The Langley 2020 - 2024 Five-Year Financial Plan Bylaw 2020 No. 5565 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, 2020.

An expenditure that is not provided for in the 2020 - 2024 Five-Year Financial Plan is not lawful.

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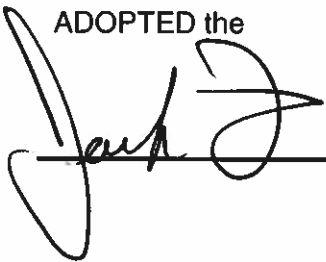
A bylaw to establish the Five-Year Financial Plan from 2020 to 2024.

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, 2020:

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 2020 - 2024 Five-Year Financial Plan Bylaw 2020 No. 5565"
2. Schedule "A", being the Revenue Plan Objectives and Policies, attached hereto and forming part of this bylaw is hereby adopted as the 2020 - 2024 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 2020 - 2024 Five Year Financial Plan of The Corporation of the Township of Langley.

READ A FIRST TIME the	23	day of	March	, 2020
READ A SECOND TIME the	23	day of	March	, 2020
READ A THIRD TIME the	23	day of	March	, 2020
ADOPTED the	27	day of	March	, 2020



Mayor



Township Clerk

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2020 - 2024 FIVE YEAR FINANCIAL PLAN BYLAW 2020 NO. 5565
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

Revenue Source	Operating Budget Funding Sources	Capital Budget Funding Sources
Property taxes	56%	3%
Sale of Service – Utilities	19%	0%
Sale of Service - Other	10%	0%
Other sources	11%	42%
Transfer from own funds	4%	30%
Proceeds from borrowing	0%	25%
Total	100%	100%

The table above reflects Revenue raised from each funding source in 2020. Property taxes form the greatest proportion of operating revenue for the Township and they provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. Such services include parks, transportation, stormwater, fire protection, policing services, recreation and culture, facility maintenance and general government. For these reasons, property taxation will continue to be a major source of the Township revenue.

User fees and charges are the second largest portion of general operating revenue. Many Township services, such as water, sanitary sewer, and solid waste (including garbage and organics collection and disposal), 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 estimated 2020 (2019) property taxes among the various property classes

Property Class	Property Class Description	2020 (Est) Property tax Revenue %	2019 (Act) Property tax Revenue %
<i>Property Tax Revenue Increase</i>		<i>2.00% Increase</i>	<i>3.85% Increase</i>
1	Residential	63.13%	63.03%
2	Utilities	0.98%	0.97%
4	Major Industry	0.22%	0.23%
5	Light Industry	9.65%	9.80%
6	Business	25.31%	25.23%
8	Recreation	0.20%	0.20%
9	Farm	0.51%	0.54%
	Total	100.00%	100.00%

The distribution of property tax revenue among the various property classes is presented in the table above. The practice of Council is to set tax rates in order to maintain reasonable tax stability in compliance with the *Community Charter*. This has been accomplished by maintaining the proportionate relationship provided above between property classes as impacted by annual average changes in assessed values of each class. (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 that are eligible for such exemptions.

The Township grants permissive exemptions for buildings for public worship; not-for-profit and charitable organizations and community halls; and heritage properties. Council supports, through permissive exemptions from property taxes, organizations that 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.

Per Council Report 19-140, dated September 30, 2019 Council approved permissive tax exemptions calculated to be approximately \$1,481,342, which is slightly more than a 1% property tax increase (107%) (2019- 96%) property tax revenue increase¹.

	2020 (Estimated)	2019 (Actual)
Charitable and Not-For-Profit	\$ 674,337	\$ 641,427
Churches	781,320	745,740
Heritage Properties	25,685	24,462
Total	\$1,481,342	\$1,411,629

¹ 1% Universal Services Property Tax Increase for 2020 = \$1,337,500

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2020 - 2024 FIVE YEAR FINANCIAL PLAN BYLAW 2020 NO. 5565
SCHEDULE "B" – FINANCIAL PLAN**

	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$
REVENUE					
Operating Plan					
Property Taxes and Levies	148,088,027	161,939,181	170,461,925	178,878,812	187,711,981
Sale of Services-Utilities	51,490,053	54,856,437	59,277,519	64,057,778	67,953,972
Sale of Services-Other	26,358,648	26,310,496	26,325,913	26,344,292	26,429,569
Other Revenue	31,165,110	31,526,482	31,694,809	31,684,217	32,030,652
Transfer from Surplus and Reserves	13,308,334	2,827,203	2,695,918	6,787,488	6,787,488
Operating Plan Sub-total	270,410,172	277,459,799	290,456,084	307,752,587	320,913,662
Capital Plan					
Contribution from Current Year Revenue	9,889,376	10,006,376	10,006,376	10,006,376	10,006,376
Transfer from Prior Year's Surplus	3,410,019	798,360	1,163,360	150,000	150,000
Transfer from Development Cost Charge Reserves	75,906,161	61,169,810	26,271,837	19,487,837	40,577,837
Transfer from Capital Surplus and Reserves	112,282,648	19,058,000	20,675,632	19,949,573	20,245,915
Private Funds and Other Sources	83,891,971	61,970,640	59,767,640	59,181,000	59,181,000
Proceeds From Borrowing	97,675,432	15,000,000	15,000,000	15,000,000	15,000,000
Capital Plan Sub-Total	383,055,607	168,003,186	132,884,845	123,774,786	145,161,128
TOTAL FINANCIAL PLAN REVENUE	653,465,779	445,462,985	423,340,929	431,527,373	466,074,790
EXPENDITURE					
Operating Plan					
Municipal Services	231,608,016	233,551,704	243,175,453	256,770,505	265,792,161
Debt Service	13,749,577	15,251,740	15,251,740	15,214,240	15,214,240
Contribution to Funds and Reserves	25,052,579	28,656,355	32,028,891	35,767,842	39,907,261
Operating Plan Sub-Total	270,410,172	277,459,799	290,456,084	307,752,587	320,913,662
Capital Plan	383,055,607	168,003,186	132,884,845	123,774,786	145,161,128
TOTAL FINANCIAL PLAN EXPENDITURES	653,465,779	445,462,985	423,340,929	431,527,373	466,074,790