

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

LANGLEY 2022 – 2026 FIVE-YEAR FINANCIAL PLAN BYLAW 2021 NO. 5773

EXPLANATORY NOTE

The Langley 2022 - 2026 Five-Year Financial Plan Bylaw 2022 No. 5773 authorizes the expenditure of funds for the Municipality. The Langley 2022 - 2026 Five-Year Financial Plan Bylaw 2022 No. 5773 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, 2022.

An expenditure that is not provided for in the 2022 - 2026 Five-Year Financial Plan is not lawful.

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

LANGLEY 2022 - 2026 FIVE-YEAR FINANCIAL PLAN BYLAW 2022 NO. 5773

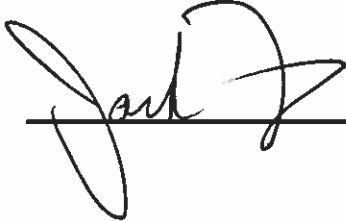
A bylaw to establish the Five-Year Financial Plan from 2022 to 2026.

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, 2022:

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 2022 - 2026 Five-Year Financial Plan Bylaw 2022 No. 5773".
2. Schedule "A", being the Revenue Plan Objectives and Policies, attached hereto and forming part of this bylaw is hereby adopted as the 2022 – 2026 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 2022 - 2026 Five Year Financial Plan of The Corporation of the Township of Langley.

| | | | | |
|------------------------|----|--------|-------|--------|
| READ A FIRST TIME the | 28 | day of | March | , 2022 |
| READ A SECOND TIME the | 28 | day of | March | , 2022 |
| READ A THIRD TIME the | 28 | day of | March | , 2022 |
| ADOPTED the | 11 | day of | April | , 2022 |



Mayor



Township Clerk

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2022 - 2026 FIVE YEAR FINANCIAL PLAN BYLAW 2022 NO. 5773
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 | 55% | 2% |
| Sale of Service – Utilities | 19% | 0% |
| Sale of Service - Other | 8% | 0% |
| Other sources | 11% | 52% |
| Transfer from own funds | 7% | 28% |
| Proceeds from borrowing | 0% | 18% |
| Total | 100% | 100% |

The table above reflects Revenue raised from each funding source in 2022. 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 actual 2021 property taxes among the various property classes

| Property Class | Property Class Description | 2021 Property tax Revenue % |
|----------------|----------------------------|-----------------------------|
| 1 | Residential | 63.14% |
| 2 | Utilities | 0.98% |
| 4 | Major Industry | 0.22% |
| 5 | Light Industry | 9.80% |
| 6 | Business | 25.08% |
| 8 | Recreation | 0.24% |
| 9 | Farm | 0.54% |
| | Total | 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 21-101, dated September 20, 2021 Council approved permissive tax exemptions calculated to be approximately \$1,605,360, which is a 1.1 % property tax increase¹.

| | 2022 (Estimated) | 2021 (Actual) |
|-------------------------------|--------------------|--------------------|
| Charitable and Not-For-Profit | \$ 631,862 | \$ 609,520 |
| Churches | 946,979 | 901,885 |
| Heritage Properties | 24,445 | 23,281 |
| Partnering Property | 2,074 | 1,975 |
| Total | \$1,605,360 | \$1,536,661 |

¹ 1% Universal Services Property Tax Increase for 2022 = \$1,457,000

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2022 - 2026 FIVE YEAR FINANCIAL PLAN BYLAW 2022 NO. 5773
SCHEDULE "B" – FINANCIAL PLAN**

| | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| <u>REVENUE</u> | | | | | |
| Operating Plan | | | | | |
| Property Taxes and Levies | 162,490,903 | 175,602,990 | 191,763,117 | 203,422,792 | 212,567,185 |
| Sale of Services-Utilities | 57,811,154 | 61,382,892 | 65,088,581 | 70,204,864 | 77,530,694 |
| Sale of Services-Other | 24,307,474 | 29,080,474 | 29,379,814 | 29,277,130 | 29,308,149 |
| Other Revenue | 33,565,871 | 31,443,120 | 31,723,392 | 31,697,151 | 31,795,610 |
| Transfer from Surplus and Reserves | 20,789,960 | 7,000,918 | 6,827,968 | 6,630,528 | 3,029,831 |
| Operating Plan Sub-total | <u>298,965,362</u> | <u>304,510,394</u> | <u>324,782,872</u> | <u>341,232,465</u> | <u>354,231,469</u> |
| Capital Plan | | | | | |
| Contribution from Current Year Revenue | 9,614,460 | 9,889,376 | 9,889,376 | 9,889,376 | 9,889,376 |
| Transfer from Prior Year's Surplus | 1,150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Transfer from Development Cost Charge Reserves | 124,673,710 | 17,973,150 | 20,775,193 | 18,503,337 | 18,508,584 |
| Transfer from Capital Surplus and Reserves | 124,277,990 | 20,838,388 | 23,799,617 | 19,996,573 | 18,455,593 |
| Private Funds and Other Sources | 105,728,794 | 62,172,000 | 64,062,000 | 62,147,000 | 62,147,000 |
| Proceeds From Borrowing | 77,532,800 | 56,874,500 | 25,000,000 | 25,000,000 | 25,000,000 |
| Capital Plan Sub-Total | <u>442,977,754</u> | <u>167,897,414</u> | <u>143,676,186</u> | <u>135,686,286</u> | <u>134,150,553</u> |
| TOTAL FINANCIAL PLAN REVENUE | <u>741,943,116</u> | <u>472,407,808</u> | <u>468,459,058</u> | <u>476,918,751</u> | <u>488,382,022</u> |
| <u>EXPENDITURE</u> | | | | | |
| Operating Plan | | | | | |
| Municipal Services | 256,734,132 | 261,287,639 | 275,420,966 | 287,524,147 | 298,107,921 |
| Debt Service | 12,401,304 | 12,970,304 | 17,659,676 | 19,110,310 | 19,110,310 |
| Contribution to Funds and Reserves | 29,829,926 | 30,252,451 | 31,702,230 | 34,598,008 | 37,013,238 |
| Operating Plan Sub-Total | <u>298,965,362</u> | <u>304,510,394</u> | <u>324,782,872</u> | <u>341,232,465</u> | <u>354,231,469</u> |
| Capital Plan | <u>442,977,754</u> | <u>167,897,414</u> | <u>143,676,186</u> | <u>135,686,286</u> | <u>134,150,553</u> |
| TOTAL FINANCIAL PLAN EXPENDITURES | <u>741,943,116</u> | <u>472,407,808</u> | <u>468,459,058</u> | <u>476,918,751</u> | <u>488,382,022</u> |