



Preliminary 2020 Operating Budget: UNIVERSAL SERVICES



January 20, 2020

Budget Timeline



Date	Action
January 20	Draft Operating 2020 Budget Presentation and Discussion
January 27	Draft Capital 2020 Budget Presentation and Discussion
February 3	Budget Discussion Q & A
February 10 and 11	Open Houses
February 24	Results of Public Consultation
March 2	Draft Five-Year Financial Plan
March 9	Financial Plan Bylaw, 1 st , 2 nd , 3 rd
March 23	Financial Plan Bylaw, Final
April 6	Property Tax Rate, Utility User Fee and Fees and Charges Bylaws, 1 st , 2 nd , 3 rd
April 20	Property Tax Rate, Utility User Fee and Fees and Charges Bylaws, Final
May 24	Property Tax and Utility User Fee Notices Mailed
July 2	Property Tax and Utility User Fee Due Date

Items Referred to the Budget Process (Operating)

Alternative Property Tax Penalty System (Two 5% Penalties versus One 10% Penalty) (July 22, 2019, Item I.3)

- Be it resolved that Council ask staff to bring forward a report and any necessary bylaw changes to implement the “Two 5% penalties” model in the Township of Langley to be effective for the 2020 tax year.

**\$300,000
estimated
reduction in
penalty
revenue
included in
Draft 2020
Base Budget**

Climate Emergency Council Priorities Committee Recommended Motion (Dec 2, 2019 Item H.4)

- That Council adopt targets of 45% emission reductions from 2007 levels by 2030, and 100% emission reductions by 2050; and that staff be authorized to identify funding requests related to climate action, as part of the annual budget process.

**\$305,000 in
climate
related
operating
costs
included in
Draft 2020
Base Budget**

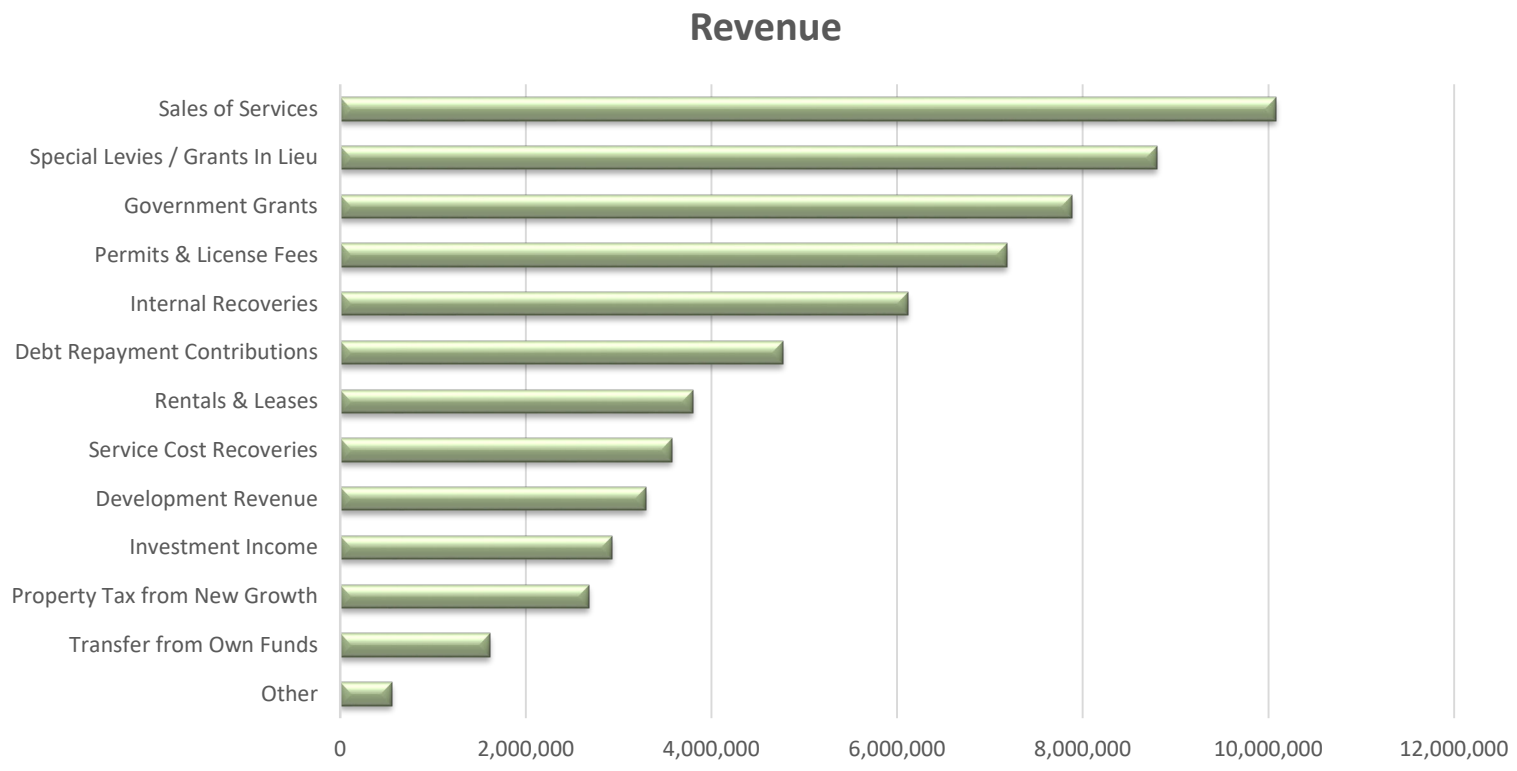
Revenue & Cost Drivers

Drivers	Examples
Property Tax Revenue from Growth	New Development
Other User Fees & Charges	Recreation, Development, Police, Fire, etc.
Salary & Wage Contracts	CUPE, IAFF, Steps and Increments
Special Contracts	RCMP, FVRL, ECOMM, Recycling
Regional District & Translink	Transportation and Stormwater
Maintenance Contracts	Mowing, Information Technology, etc.
Materials & Supplies	Maintaining sufficient inventories and providing supplies as needed.
Equipment & Vehicle	Internal and External Equipment Costs
Asset Management	Debt, Contributions to Capital, Transfers to Reserves and Surplus, Asset Maintenance
Programs	Significant increases in programs to maintain existing service levels.

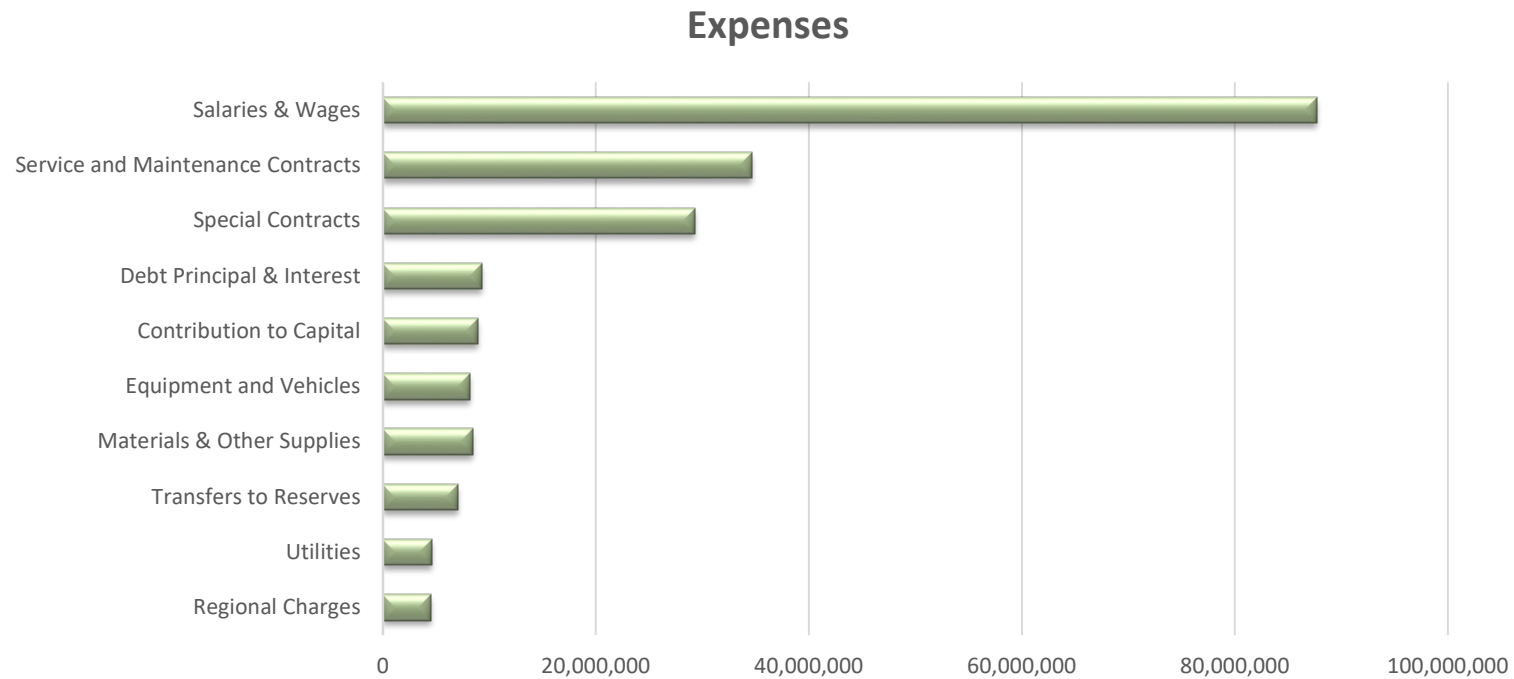


Revenue Categories for 2020

(Universal Services - excluding Property Taxes)



Cost Categories for 2020 (Universal Services)



2020 Budget...

Issues & Challenges...

2020 Budget Issues & Challenges

- **Regional Costs**
(RCMP (Commitment to Protective Services) and FVRL)
- **Salary & Wage Contract settlements**
(IAFF expired in 2019; CUPE in place to 2020)
- **Operating impact of Township Capital and Community Development**
- **Commitment to Infrastructure & Asset Management**
 - Continued diligence in providing funding levels that support asset maintenance now and into the future
 - Contribution to Capital
 - Transfers to Capital Reserves
 - Contribution to Paving
- **Commitment to Maintain Established Service Levels**
 - Program and Contract Increases

Regional Costs

(RCMP & Commitment to Protective Services and FVRL)

The general increase in the RCMP special contract from 2019 to 2020, after removing the 2019 annualization of the 2 members (\$264,978) and before the request for four new officers (\$701,952 is the annual amount; \$175,488 is the amount if hired from October 1, 2020) is **\$560,335**.

The largest components of the RCMP contract are:

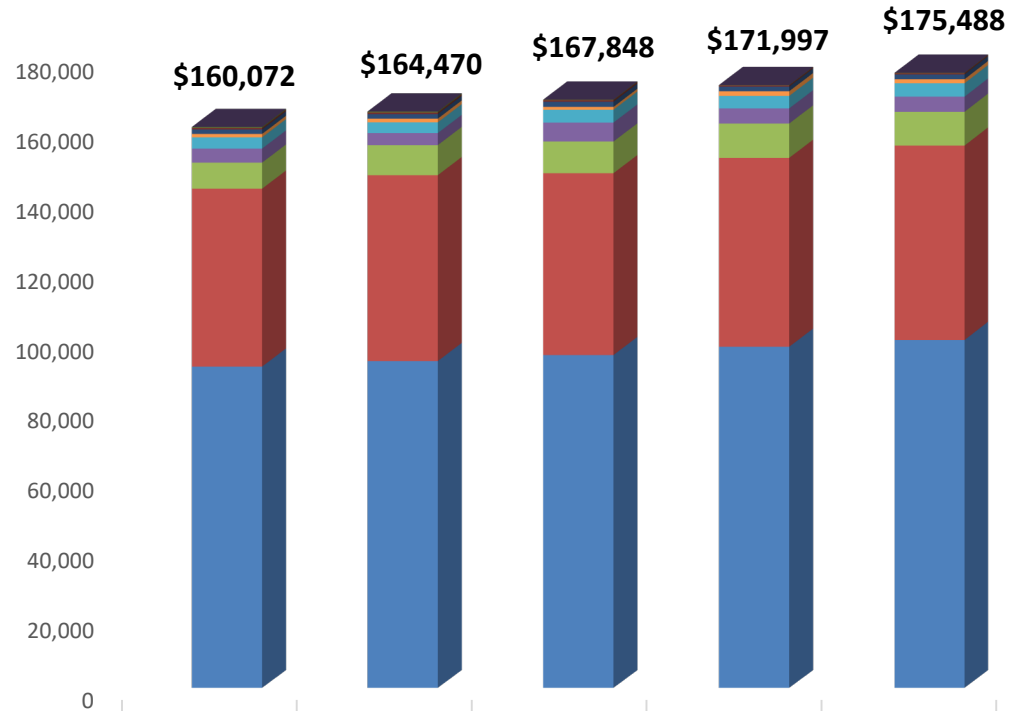
- ❑ Salaries
- ❑ Indirect Costs (Division Admin, Regular Member Pensions, Recruit Training)

Salaries - RCMP members are and have been without a contract since January 1, 2017. The increase from 2019 to 2020 for salaries is approximately **\$217,180**.

Indirect Costs - With the exception of Member Pension, all indirect costs are charged on a per FTE basis for members. A Member's pension is charged at 19.07% of pensionable salaries, and would therefore increase the same as salaries. The increase in pension from 2019 to 2020 is approximately **\$70,322**.

Division Administration is the largest component of indirect costs and for 2020 is \$28,400 per member, or approx. \$4,108,060 in total. The increase is approx. 4% over 2019 or **\$272,833**.

Average Cost per RCMP Member, by Cost Element



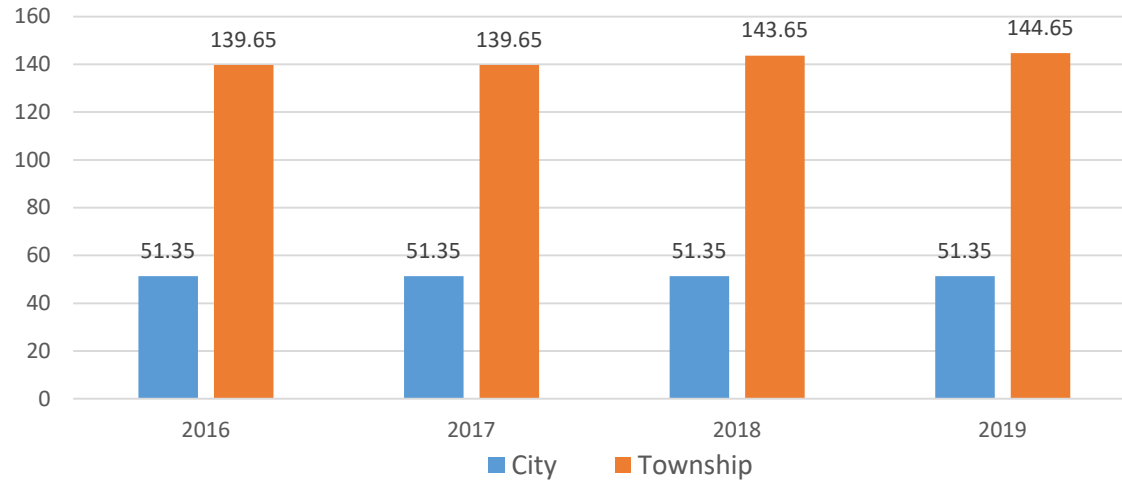
	2016	2017	2018	2019	2020
Information	13	13	12	24	25
Rentals	271	278	139	100	109
Other Subsidies & Payment	420	429	438	319	331
Purchased Repair & Maintenance	1,277	1,310	1,476	1,321	1,370
Transportation & Telecommunications	954	1,045	808	1,329	1,153
Utilities, Materials & Supplies	3,197	3,041	3,637	3,537	3,801
Mach & Equip for Asset Acquisitions	3,997	3,433	5,382	4,300	4,306
Professional & Special Services	7,393	8,532	9,006	9,761	9,600
Indirect Costs	50,553	52,818	51,665	53,666	55,231
Salaries	91,997	93,571	95,285	97,640	99,562

RCMP
'Authorized'

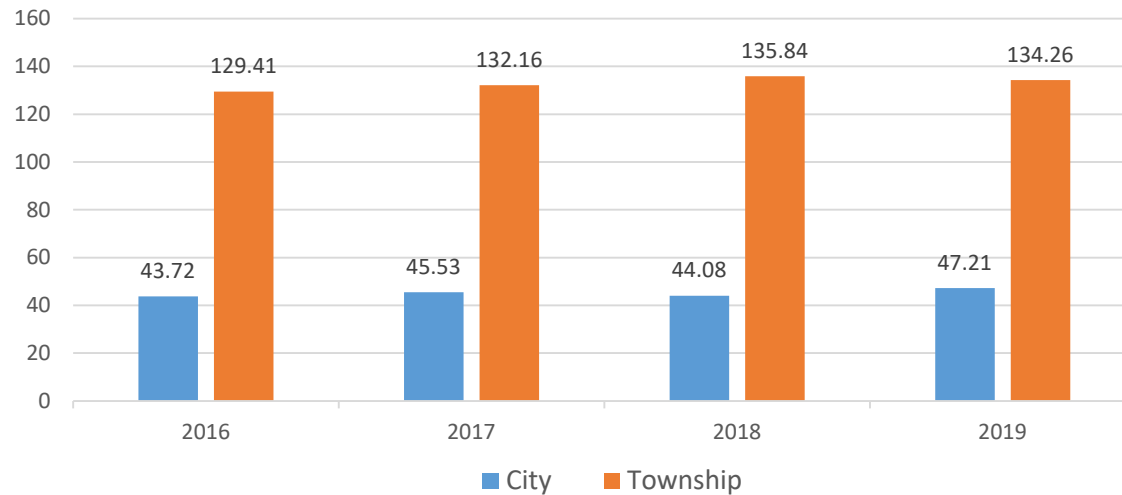
versus

'Average Actual
Strength'

Langley RCMP Detachment
Authorized Strength



Langley RCMP Detachment
Average Actual Strength



Regional Costs

(RCMP & Commitment to Protective Services and FVRL)

The Township will calculate a separate levy to collect the **\$4,519,624** assessed. It will be included on the Property Tax Notice along with all Municipal Levies, Metro Van, MFA, BCAA, Schools and Translink.

	Langley City	Langley Township	White Rock	Delta	Port Coquitlam	Maple Ridge	Pitt Meadows	Total Member Assessment		
2019 MEMBER ASSESSMENT (1)	1,351,301	4,355,899	958,066	3,825,588	1,806,438	2,907,371	1,003,757	26,225,632		
2020 MEMBER ASSESSMENT (1)									Increase	
2019 Member Assessment (1)	1,351,301	4,355,899	958,066	3,825,588	1,806,438	2,907,371	1,003,757	26,225,632	Item	Total
PLUS: 2020 Changes/Additions:										
Base Increase*	20,124	106,668	14,602	61,392	35,044	80,713	9,367	499,109	1.90%	1.90%
P1 P1: Increased Transfer to Materials Reserve	1,017	3,310	721	2,883	1,499	2,216	751	19,954	0.08%	2.07%
P2 P2: Increased Materials Purchasing (plus 2%)	3,131	14,898	2,286	12,351	7,402	10,373	2,215	89,150	0.34%	2.41%
P3 P3: Increased Transfer to AC Building & Equip. Reserve	1,350	4,396	957	3,828	1,992	2,944	997	26,500	0.10%	2.51%
P4 P4: Central Support - Cx/Program Staff (3 day/wk)	902	4,295	659	3,560	2,134	2,990	638	25,700	0.10%	2.61%
P5 P5: Central Support - Materials Purchasing Staff (3 day/wk)	685	3,259	500	2,702	1,619	2,269	484	19,500	0.07%	2.59%
Subtotal: Proposed Assessment Increase over 2019	27,208	136,825	19,726	86,716	49,691	101,504	14,453	679,912	2.59%	
TOTAL 2020 Member Assessment	1,378,509	4,492,724	977,791	3,912,304	1,856,129	3,008,875	1,018,210	26,905,544		
(2) 2020 Member Assessment - \$ INCREASE OVER 2019	27,208	136,825	19,726	86,716	49,691	101,504	14,453	679,912		
2020 Member Assessment - % INCREASE OVER 2019	2.01%	3.14%	2.06%	2.27%	2.75%	3.49%	1.44%	2.59%		
2020 Individual Member Assessments (ADDITIONAL to ALL above proposals)										
Board and Member Approved										
Port Coquitlam - New Library Assessment					179,918					
Harrison Hot Springs - Unfunded Employee Future Benefits Liability Assessment (3)										
For Consideration and Approval by Board and Member (4)										
Township of Langley - Manager to Fulltime (from 4 days/week)		26,900								
City of Langley - Customer Service Staff 3 hour/week (progra	6,500									
	1,385,009	4,519,624			2,036,047					
2020 Voluntary Member Contribution for Library Capital Expenditures (5)										
Maple Ridge						40,000				
						3,048,875				

Salary & Wages

(in thousands)

	REC &								
	TOTAL	PARKS	TRANSP	STORM	FIRE	POLICE	CULTURE FACILITY	GENERAL	
Contract Increases	1,745	112	183	56	20	167	275	99	833
<i>Percentage increase in S&W</i>		2%	2%	2%	n/a	2%	2%	2%	3%
Steps/Increments	503	40	69	31	45	(82)	122	65	213
One Day Increase from 261 to 262 Days	252	17	19	5	56	28	26	12	89
Benefits	112	-	-	-	-	-	-	-	112
Other	296	-	(2)	23	17	-	82	41	135
	2,908	169	269	115	138	113	505	217	1,382
<i>Percentage property tax increase</i>	2.17%	0.13%	0.20%	0.09%	0.10%	0.08%	0.38%	0.16%	1.03%

Operating Impact of Township Capital *In full dollars*

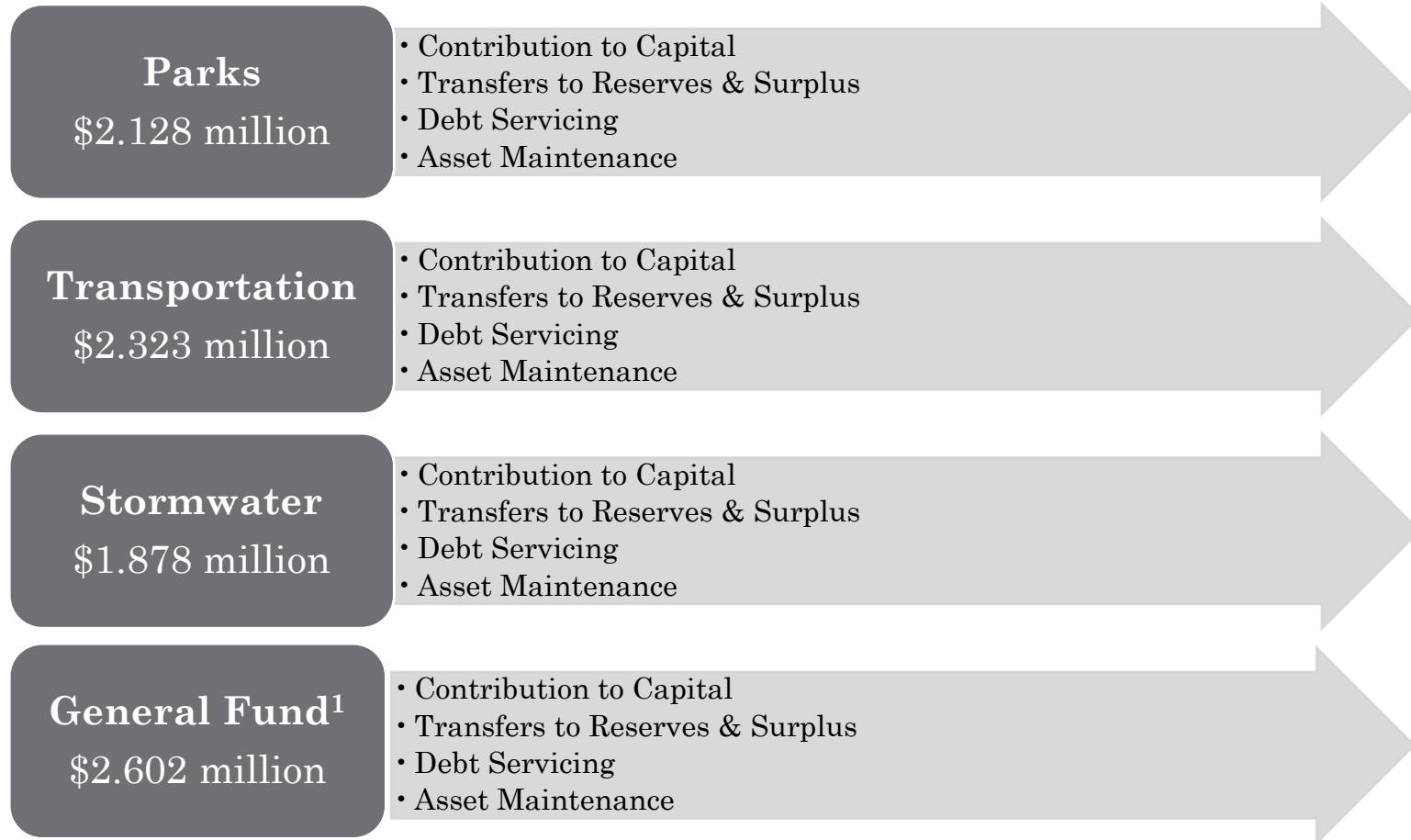
	TOTAL	Wages	Service Contracts	Equipment	Materials & Supplies	Training & Seminars	Electricity
Transportation	262,914	132,054	23,729	72,873	32,358	844	1,056
Intersection and Rail Crossing Improvements: Glover/Mavis	5,000	3,000	550	550	750	50	100
Road Construction: 80 Avenue Extension	36,655	22,131	4,033	4,349	5,498	297	347
216 St Interchange with Highway 1	40,379	24,347	4,442	4,795	6,057	344	394
Intersection Improvements: 216 St and Glover Rd	8,711	5,227	958	995	1,307	87	137
Vehicle: Public Spaces Waste Management Program (5 year implementation)	40,000			40,000			
Public Spaces Waste Receptacles: Various Locations (5 year implementation)	112,000	69,440	12,320	13,440	16,800		
North Langley Connector Phase 2	6,400	3,968	704	768	960		
Vehicle: Asset Management (5 Way Split)	7,200			7,200			
Special Crosswalk: 9500 Block 216 Street	1,250	750	136	138	188	13	25
Design & Construction: 82 Ave Widening from 207 St west to Yorkson Creek	5,319	3,191	586	638	798	53	53
Parks Operations	197,361	77,557	25,932	34,490	34,382	0	25,000
Alex Hope Park Trail to 216th Interchange	18,751	8,438	2,813	3,750	3,750		
Langley BMX Pump Track	3,125	1,406	469	625	625		
DDA - Construction	23,300	10,485	3,495	4,660	4,660		
GPC Landscape Upgrade	5,000	2,250	750	1,000	1,000		
Jackman Pk - Wetlands Dev. Ph 2	12,500	5,625	1,875	2,500	2,500		
Old Yale Park	1,875	844	281	375	375		
MAP - Arrival Point & Plaza	6,875	3,094	1,031	1,375	1,375		
Hudson Bay Park Improvements	22,075	9,928	3,389	4,433	4,325		
PDD - Aldergrove Rotary Park	14,900	6,705	2,235	2,980	2,980		
Nicomekl River Trail to MAP	27,500	12,375	4,125	5,500	5,500		
Trails Planning & Development	7,500	3,375	1,125	1,500	1,500		
Trails	6,250	2,813	937	1,250	1,250		
WCP Park Repair, Improvement, and Enhancement	2,500	1,125	375	500	500		
Walnut Grove Skateboard Park Lighting	12,500						12,500
Yorkson Community Park Development	19,385	3,098	1,033	1,377	1,377		12,500
McClughan Park Improvements	13,325	5,996	1,999	2,665	2,665		
Airport	8,050	0	0	8,050	0	0	0
Utility Vehicle	8,050			8,050			
	468,325	209,611	49,661	115,413	66,740	844	26,056

Operating Impact of Contributed Assets *In full dollars*

Neighbourhood	Development Description	UNIVERSAL			
		SERVICES	Storm	Roads	Parks
SE Yorkson	Archstone	10,908	232	4,276	6,400
SW Gordon	Forewest	48,839	1,238	20,329	27,272
Rural	Bath/Geraghty	1,299	-	1,299	-
Murrayville	Christians/Gospel Society	1,882	356	1,076	450
NE Gordon	East Gordon Developments/Vesta	22,597	50	4,089	18,458
NE Gordon	Banicevic	12,695	776	8,705	3,214
Salmon River	Woof	5,889	-	5,889	-
Murrayville	Lynterra	3,626	79	3,097	450
NE Yorkson	Sekhon	30,642	1,634	22,308	6,700
Walnut Grove	Ocean West Projects	355	32	98	225
Salmon River	Clarot	-	-	-	-
Fort Langley	Statewood Properties	1,548	25	1,223	300
Rural	Ralph's Holding Co	47	25	22	-
		140,327	4,447	72,411	63,469

Commitment to Infrastructure & Asset Management

\$8.931 million from Operating Funds...



¹ General Fund includes Police, Fire, Facilities, Recreation & Culture, Information Technology and Corp Admin

Commitment to Maintain Existing Service Levels through Programs and Contract Services \$3.6M

As the Township continues to grow, additional resources are required to maintain existing service levels.

In the past, reliance on the more generic expenditure categories, identified as Major Cost Drivers, worked. More recently, as the Township expands in size and complexity, staff have begun the process of categorizing costs by '*Program*' in order to effectively assign work, keep up with existing service levels, and meet community needs.

Examples of such programs are Homeless Camp Cleanups, Grounds and Passive Area Maintenance, Painting, Facility Condition Assessment, etc. By continued identification of these programs, staff can effectively identify appropriate target budget requirements and request funding to that end.

A number of increases for Programs and Contract Services have been approved over the past few years. The following are included for consideration in 2020.

		<u>Revised</u>
• Facilities	\$ 1,846,805 (1.38%)	\$ 838,750 (0.62%)
• Parks	\$ 216,980 (0.16%)	\$ 158,055 (0.13%)
• Roads	\$ 1,187,452 (0.89%)	\$ 428,202 (0.32%)
• Storm	\$ 392,900 (0.29%)	\$ 270,400 (0.20%)
• TOTAL	\$ 3,644,137 (2.72%)	\$ 1,695,407 (1.27%)

Percentages represent approximate equivalent property tax increase.

Summary of Budget Changes

(by Cost & Revenue Categories)

Non-Discretionary Budget Requests

(brackets) = reduces pressure on taxes and user rates

NON DISCRETIONARY (in \$000's)		%	Universal Services	%	Universal Services (Revised)
Salary & Wages – Contract Provisions		1.30%	1,745	1.30%	1,745
Salary & Wages – Steps/Increments	0.00%	0.38%	503	0.38%	503
Salary & Wages – Additional Day in 2020		0.19%	252	0.19%	252
Salary & Wages – Benefits (Extended, Dental, Life)		0.08%	112	0.08%	112
Salary & Wages – Other		0.22%	296	0.21%	276
		2.17%	2,908	2.16%	2,888
Salary & Wages - Annualizations / Deferments from 2019		0.66%	879	0.66%	879
RCMP Annualizations from 2019 (2 Officers hired Oct 1/19)		0.20%	265	0.20%	265
		0.86%	1,144	0.86%	1,144
Operating Impact of Township Capital (\$520K) and Development (\$140K)		0.46%	609	0.46%	609
RCMP Contract		0.42%	560	0.42%	560
Service Contract Increases		1.10%	1,471	1.05%	1,404
Other Revenue and Expense		-0.33%	(424)	-0.33%	(424)
Property Tax Revenue from Growth (estimate 2%)		-2.00%	(2,675)	-2.00%	(2,675)
Property Tax Penalty Revenue - Reduction due to change to two due dates		0.22%	300	0.22%	300
Property Tax Payable on Land Assembly		0.19%	250	0.00%	0
Property Tax Shortfall for 2019		0.19%	260	0.19%	260
		0.61%	810	0.42%	560
External Debt Payments		2.25%	3,015	2.25%	3,015
Capital Infrastructure Renewal and Replacement Reserve		-1.66%	(2,218)	-1.66%	(2,218)
		0.60%	797	0.60%	797
Climate Strategy Operating Requirements		0.23%	305	0.23%	305
NON-DISCRETIONARY Base Budget Increase		4.12%	5,505	3.86%	5,168
Property Tax Increase Required for BASE BUDGET			4.12%		3.86%

0.00% Agrees to accompanying Memo to Council

PROGRAMS & LARGE CONTRACT INCREASES
To Maintain Existing Service Levels
 (brackets) = reduces pressure on taxes and user rates

PROGRAMS & LARGE CONTRACT INCREASES (in \$000's)	%	Universal Services	%	Universal Services (Revised)
Facilities	1.38%	1,847	0.63%	839
Parks	0.16%	217	0.12%	157
Roads	0.89%	1,187	0.32%	428
Storm	0.29%	393	0.20%	271
Commitment to Maintain Service Levels	2.72%	3,644	1.27%	1,695
Property Tax Increase Requested for PROGRAMS		2.72%		1.27%

Discretionary Budget Requests

COMMITMENT TO INFRASTRUCTURE and ASSET MAINTENANCE

(brackets) = reduces pressure on taxes and user rates

INFRASTRUCTURE (in \$000's)	%	Universal Services	%	Universal Services
Contribution to Capital - Roads	0.37%	500	0.37%	500
Contribution to Capital - Facilities	0.34%	450	0.34%	450
Contribution to Capital - Parks	0.26%	350	0.26%	350
Contribution to Capital - Storm	0.37%	500	0.37%	500
Commitment to Infrastructure	1.35%	1,800	1.35%	1,800
Property Tax Increase Requested for INFRASTRUCTURE		1.35%		1.35%
ASSET MAINTENANCE (in \$000's)	%	Universal Services	%	Universal Services
Capital Infrastructure Renewal and Replacement Reserve	0.37%	500	0.37%	500
Road Paving	0.37%	500	0.37%	500
Commitment to Asset Maintenance	0.75%	1,000	0.75%	1,000
Property Tax Increase Requested for ASSET MAINTENANCE		0.75%		0.75%

Subtotals/Totals may be out slightly due to rounding.

Discretionary Budget Requests
COMMITMENT TO PROTECTIVE SERVICES
 (brackets) = reduces pressure on taxes and user rates

PROTECTIVE SERVICES (in \$000's)	%	Universal Services	%	Universal Services
RCMP, 4 Officers starting October 1/20	0.13%	175	0.13%	175
Senior Bylaw Officer	0.08%	105	0.08%	105
Commitment to Protective Services	0.21%	280	0.21%	280
Property Tax Increase Requested for PROTECTIVE SERVICES		0.21%		0.21%

Discretionary Budget Requests OTHER DISCRETIONARY REQUESTS

(brackets) = reduces pressure on taxes and user rates

OTHER DISCRETIONARY REQUESTS (in \$000's)	%	Universal Services	%	Universal Services
Park Planner (phased over 2 years)	0.04%	53	0.04%	53
Urban Forestry Technician (Tree Permit Bylaw)	0.07%	93	0.07%	93
Corporate Energy Specialist (net of BC Hydro Grant)	0.04%	51	0.04%	51
Drafting Technician	0.03%	44	0.03%	44
Mechanical Technician	0.08%	109	0.08%	109
Fleet Coordinator (net of Reveue Cost Sharing)	0.05%	63	0.05%	63
Digital Media Specialist and Auxiliary Backfill	0.09%	114	0.09%	114
Support Clerk - Operations	0.03%	37	0.03%	37
Clerk III - Operations	0.03%	40	0.03%	40
Recreation Worker IVs - Additional Hours (Youth Workers)	0.03%	46	0.03%	46
Parks and Recreation Staff Uniform Standardization	0.03%	35	0.03%	35
Fitness Equipment Replacement (in addition to repl. Reserve)	0.01%	16	0.01%	16
Geroge Preston Centre Site Support	0.01%	10	0.01%	10
City Studio Township Initiative	0.02%	25	0.02%	25
	0.55%	736	0.55%	736
Property Tax Increase Requested for Other Requests		0.55%		0.55%

In addition to salary/wages, position totals above include revenue, cell phones, training and memberships and vehicle rentals if required.

DRAFT 2020 BASE BUDGET

Non Discretionary plus Items for Council Discussion

(in \$000's)	%	Universal Services	%	Universal Services (Revised)
NON DISCRETIONARY BASE BUDGET CHANGES	4.12%	5,505	3.86%	5,168
For Council Discussion...				
PROGRAMS - Commitment to Service Levels	2.72%	3,644	1.27%	1,695
INFRASTRUCTURE - Commitment to Provide	1.35%	1,800	1.35%	1,800
ASSET MAINTENANCE - Commitment to Maintain	0.75%	1,000	0.75%	1,000
PROTECTIVE SERVICES - Commitment to Protect	0.21%	280	0.21%	280
DISCRETIONARY REQUESTS - Other	0.55%	736	0.55%	736

One-Times (Greater than \$50,000)

One-Time Project Descriptions	PYS ¹	Non Stat	Grants/ Other
Legal Defense Fund	500,000		
Council Priority Planning (Deferred from 2019)	321,800		
Retirements, Overlap	250,000		
Chip Seal, Apply Treatment to Roads	200,000		
Administrative Support	162,922		
Property Tax on Smith Crescent Property	250,000		
Corporate Contingency (Annual Provision)	150,000		
Business Continuity Plan	120,000		
Bridge Inspection Program	75,000		
Centrac Upgrade: Traffic Management System	90,000		
Vactor Storage Processing Station	80,000		
RCMP Integrated Team Capital & Facility		183,500	
Senior Energy Specialist (2 Years)			119,160
Green Buildings Engineering Technician			80,000
LEC Transformer (Rental pending Replacement)	75,000		
CRM Data Repository Development	65,000		
Other Items (14 items average \$23K each / 5 items average \$26.4K each)	324,260	26,650	105,605
	2,663,982	210,150	304,765

¹One-Time Expenditure Budget contingent upon adequate prior year surplus funding availability

Resolution:

That Council receive and refer the 2020 Universal Services Operating Budget to a future special budget meeting of Council for purposes of further consideration, discussion and approval, as received or amended.

OR

That Council receive and refer the 2020 Universal Services Operating Budget to public consultation, as received or amended, in February 2020.

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Questions and Answers