

Township of
Langley



Est. 1873

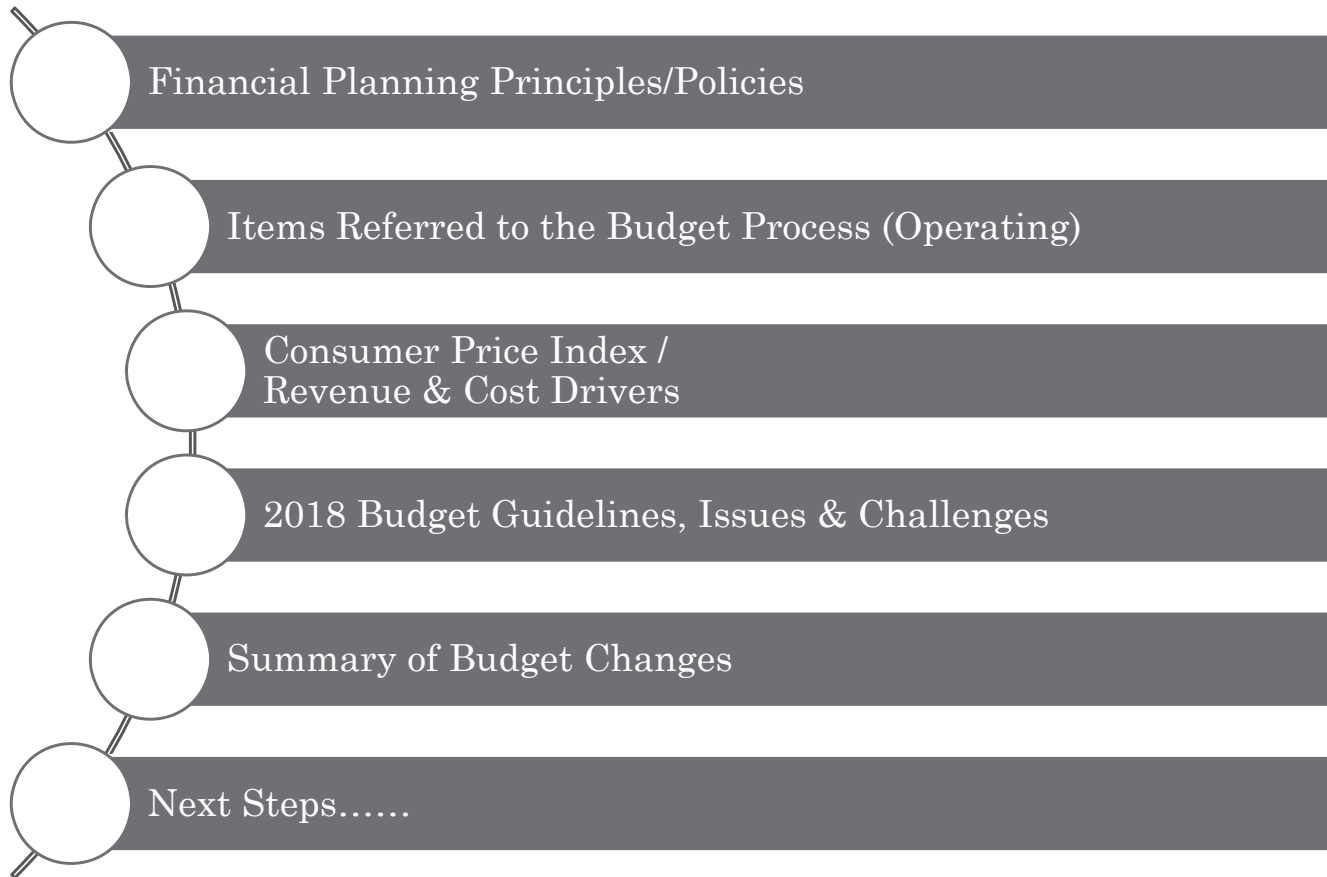
Preliminary 2018 Operating Budget

December 4, 2017



Date	Action
December 4	Preliminary 2018 Operating Budget Overview
December 11	Draft 2018 Budget Discussion (Tentative)
December 18	Five Year Financial Plan Discussion (Tentative)
January 1 to 23	Public Consultation Period
January 15 & 16	Open Houses
January 29	Results of Public Consultation
January 29	Five-Year Financial Plan
February 5	Financial Plan Bylaw, 1 st , 2 nd , 3 rd
February 19	Financial Plan Bylaw, Final

Operating Budget Overview



Financial Planning Principles

Be responsive to
citizens' needs

Be fiscally
responsible

Develop
resources for
funding

Operate the
corporation cost
effectively

Consider
alternate service
delivery models

Manage the
demands of
growth and
change

Financial Planning Policies

Use of property
tax revenue and
user fees

Capital funding
from operations

Funding for new
development

Capital
infrastructure
renewal and
replacement

Reserves and
surpluses

Asset
Management
policy

Use of Property Tax and User Fee Revenue

To fund...

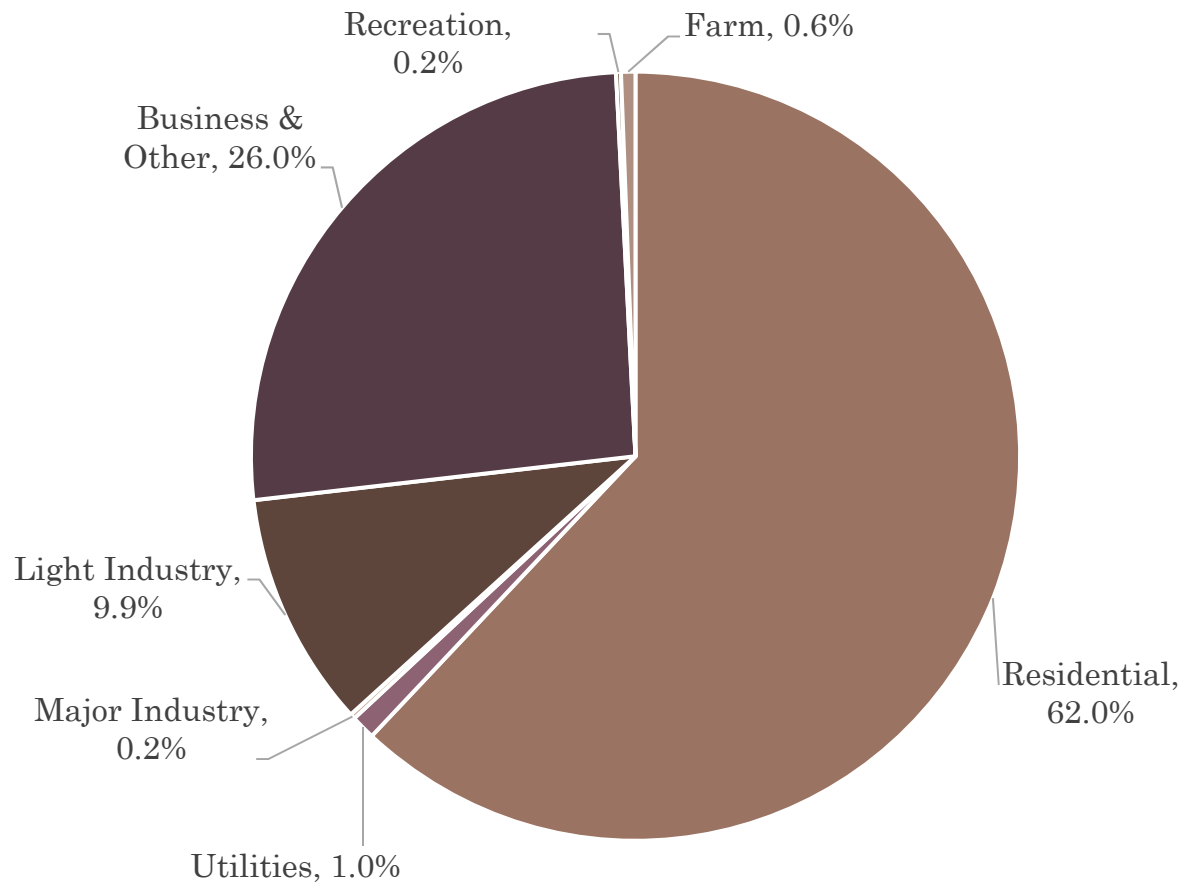
Ongoing operating expenses

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graph TD; A[Ongoing operating expenses] --> B[Regular and preventive maintenance]; B --> C[Operating costs associated with new capital];
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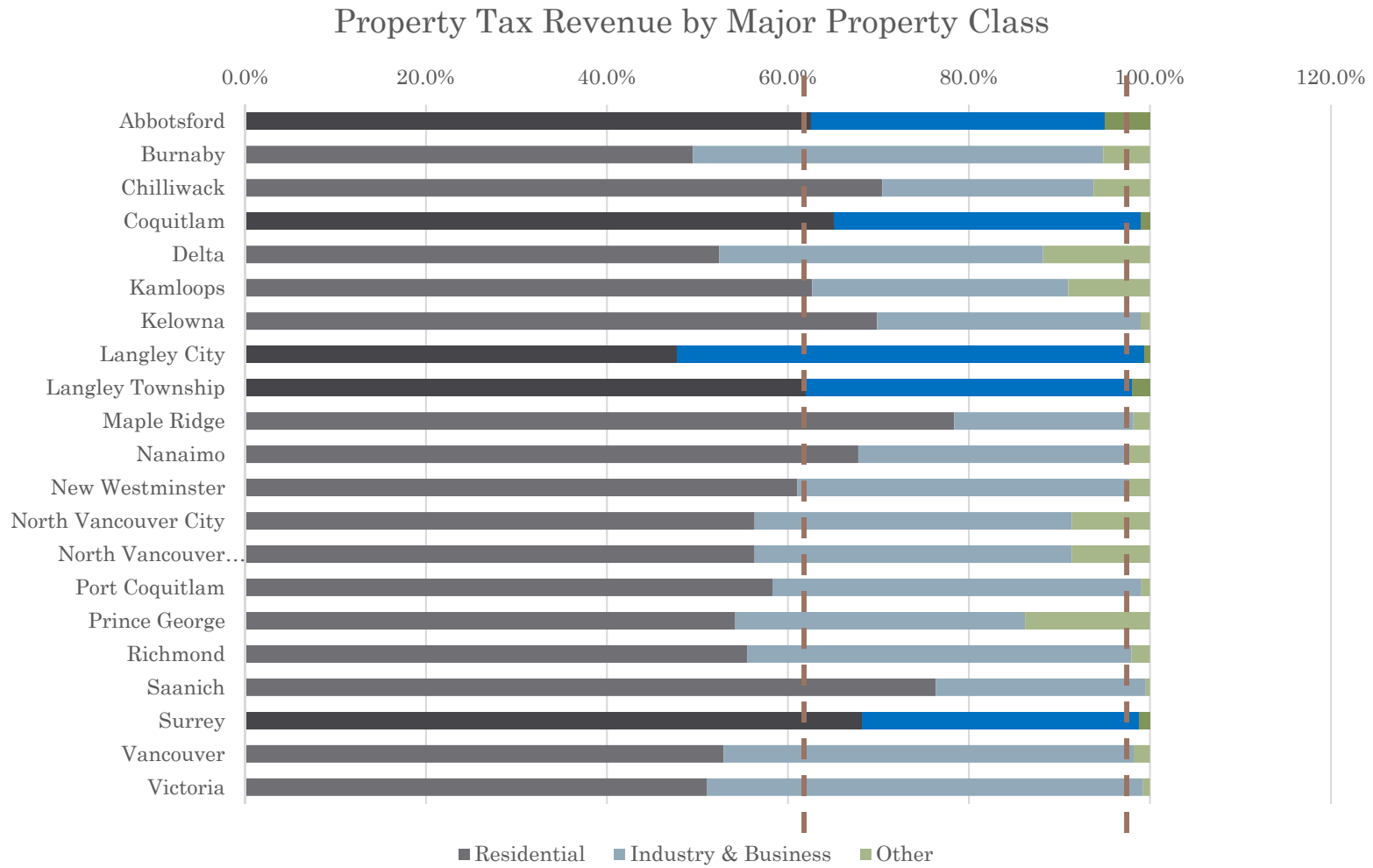
Regular and preventive maintenance

Operating costs associated with new capital

Property Tax Revenue by Property Class

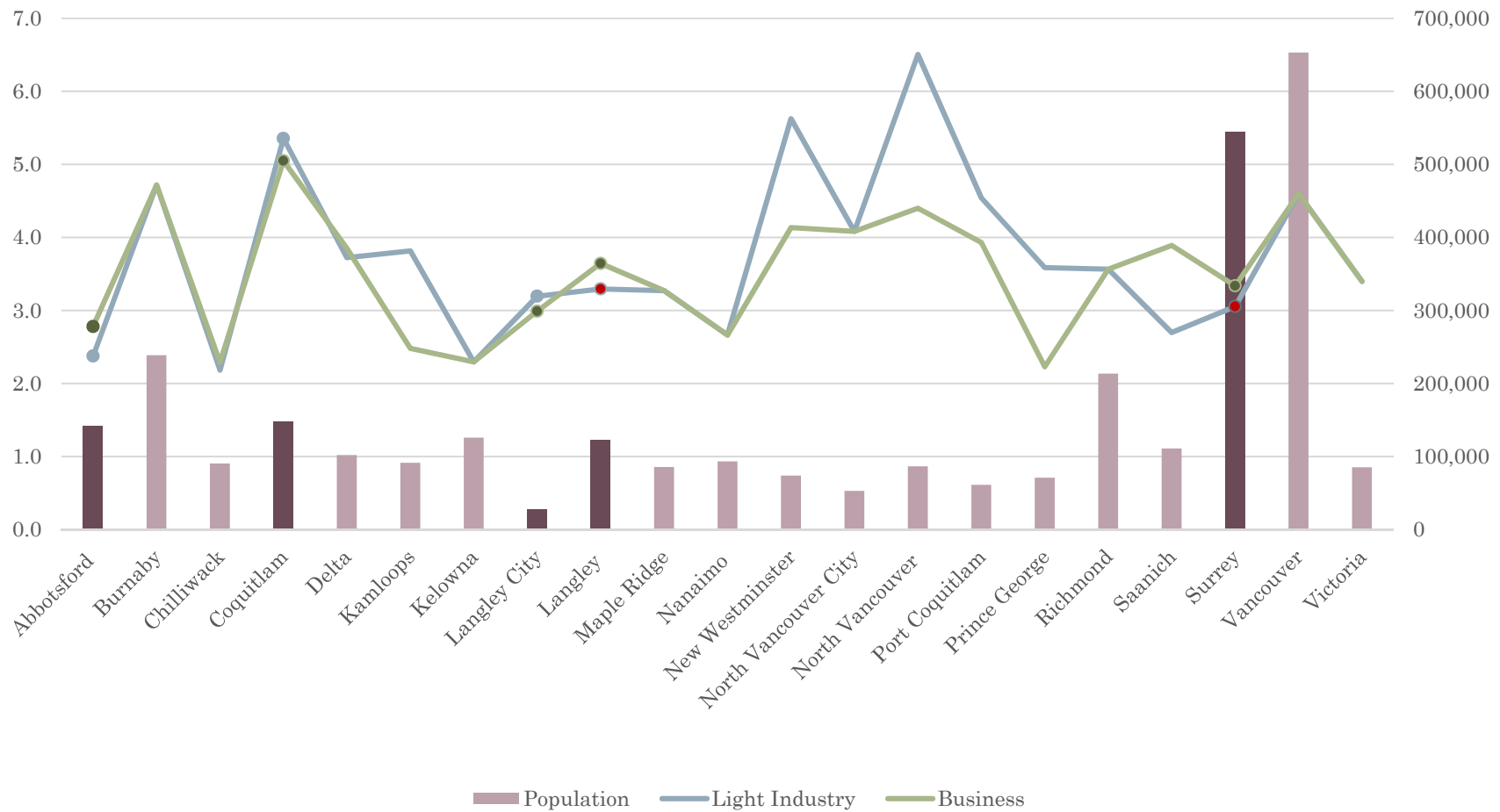


2017 Property Tax Revenue by Major Class

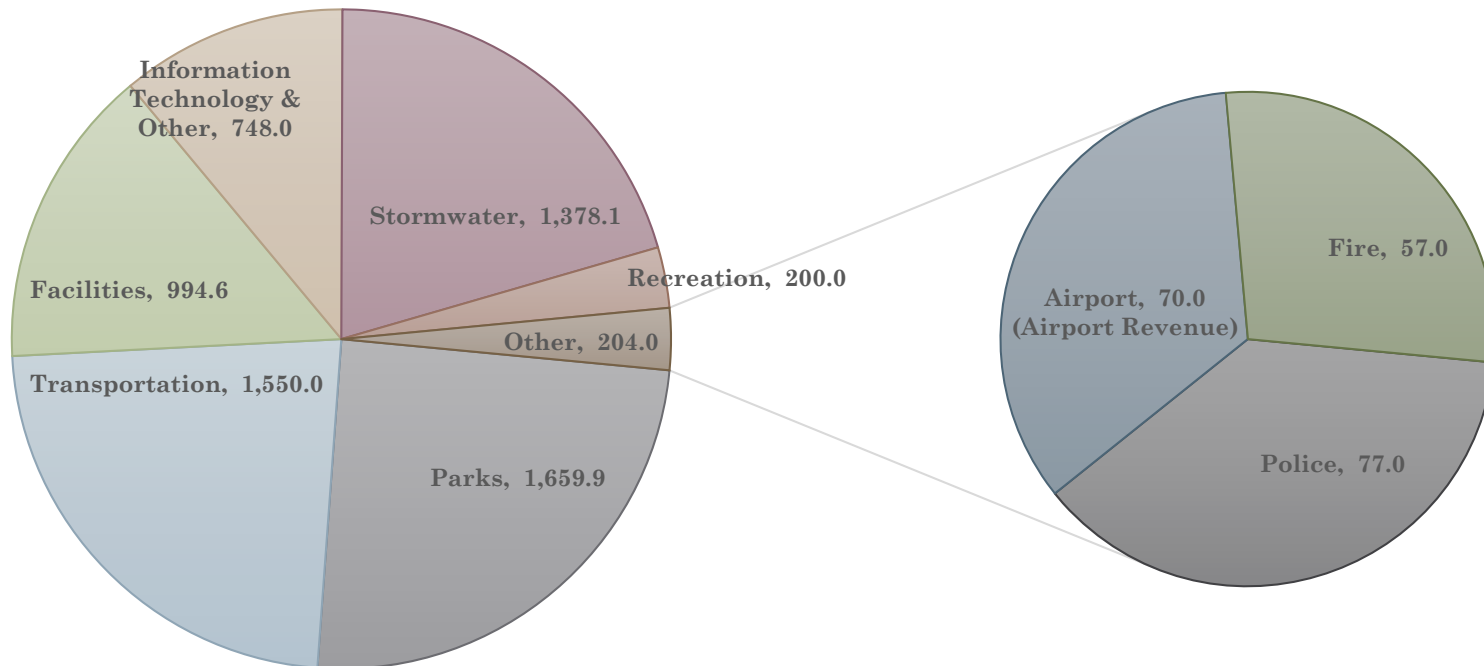


2017 Property Tax Class Multiples *Light Industry/Commercial* BC Municipalities Greater Than 50,000

(includes Langley City, population less than 50,000, as was specifically requested in previous



Operating Contribution to Capital

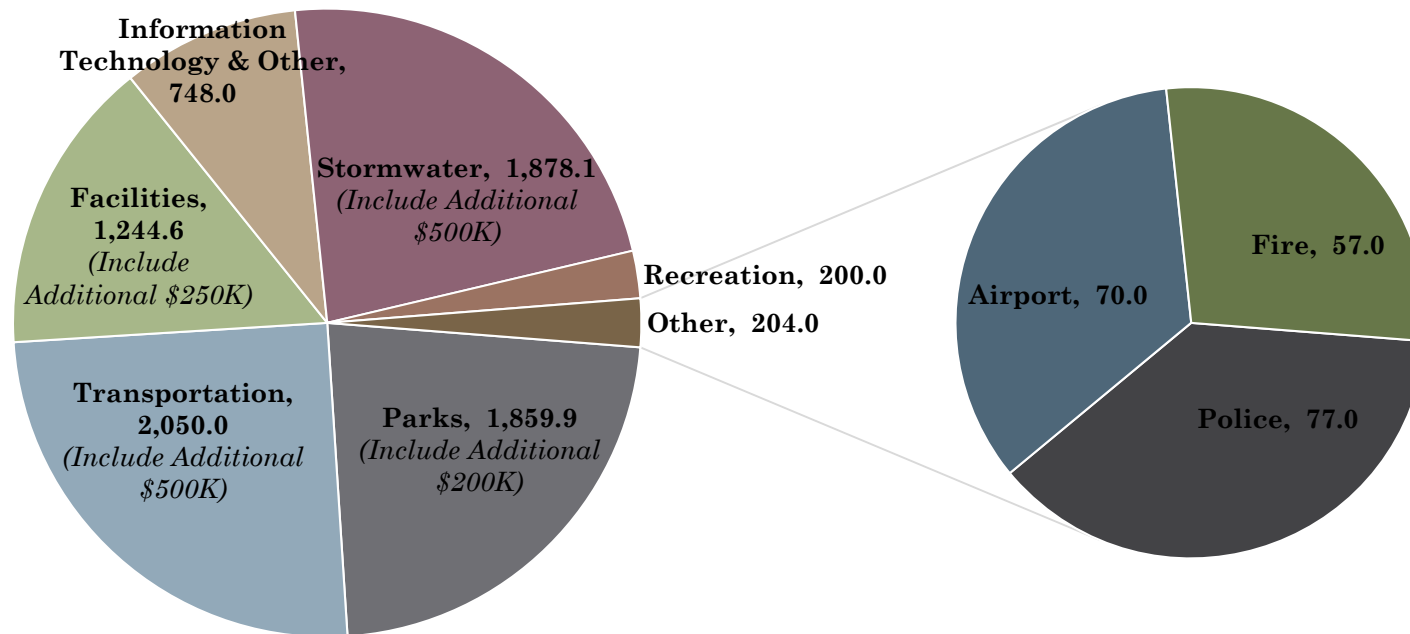


Universal Services \$6,735 / Water \$781 / Sanitary Sewer \$243 / Solid Waste \$50

In thousands

Operating Contribution to Capital

(with new proposed request)



Universal Services \$8,185 / Water \$781 / Sanitary Sewer \$243 / Solid Waste \$50
In thousands

Reserves and Surplus Policy

Ensure stable
and predictable
levies

Provide for
operating
emergencies

Provide for
entrepreneurial
opportunities

Finance new
capital assets

Safeguard and
maximize
existing assets

Provide for
working capital

Surplus Funds

- ❑ **Carry Forward Unfinished Projects from One Year to the Next**
 - Funding to complete **capital** projects from a previous year.
 - Funding to complete **operating** projects from a previous year.
- ❑ **Phasing of Large Unavoidable Contract Increases**
 - Unallocated surplus can be used to smooth out the impacts of large contract increases.
- ❑ **Phasing Associated with Changes in Business Practices**
 - Phasing can be used to soften the impact of property tax and user pay utility fee increases for significant new service level changes such as the implementation semi-automatic solid waste and organics program.
- ❑ **Prior Year's Surplus**
 - When available, can be used to fund One-Time operating items and capital projects where an alternate funding source doesn't exist.

Items Referred to the Budget Process (Operating)

Gateway of Hope (October 2, 2017)

- That Council authorize staff to include \$100,000 per year for the next five years (2018-2022).

Soil Bylaw Officer (November 27, 2017 Report 17-126)

- That Council direct staff to include funding for a regular full time Soil Bylaw Officer in the 2018 budget consideration.

Consumer Price Index / Revenue & Cost Drivers

Consumer Price Index

Consumer Price Index, by city (monthly)

	October 2016	September 2017	October 2017	September 2017 to October 2017	October 2016 to October 2017
	2002=100			% change	
All-items					
St. John's (N.L.)	134.6	136.1	135.7	-0.3	0.8
Charlottetown and Summerside (P.E.I.)	131.3	133.1	132.8	-0.2	1.1
Halifax (N.S.)	130.5	132.2	131.6	-0.5	0.8
Saint John (N.B.)	129.2	131.5	131.3	-0.2	1.6
Québec (Que.)	125.9	127.0	127.1	0.1	1.0
Montréal (Que.)	126.3	127.6	127.7	0.1	1.1
Ottawa-Gatineau (Ont. part)	128.8	130.3	130.3	0.0	1.2
Toronto (Ont.)	132.0	134.4	134.3	-0.1	1.7
Thunder Bay (Ont.)	125.1	126.1	126.1	0.0	0.8
Winnipeg (Man.)	129.2	130.6	131.1	0.4	1.5
Regina (Sask.)	133.4	135.7	136.3	0.4	2.2
Saskatoon (Sask.)	133.1	135.4	136.1	0.5	2.3
Edmonton (Alta.)	135.7	136.7	137.5	0.6	1.3
Calgary (Alta.)	136.3	137.6	138.2	0.4	1.4
Vancouver (B.C.)	125.4	128.3	128.4	0.1	2.4
Victoria (B.C.)	121.3	123.6	123.3	-0.2	1.6
Whitehorse (Y.T.)	126.1	127.3	127.3	0.0	1.0
Yellowknife (N.W.T.)	132.7	132.5	133.4	0.7	0.5

Source: Statistics Canada, CANSIM, table [326-0020](#) and Catalogue nos. [62-001-X](#) and [62-010-X](#). Last modified: 2017-11-17.

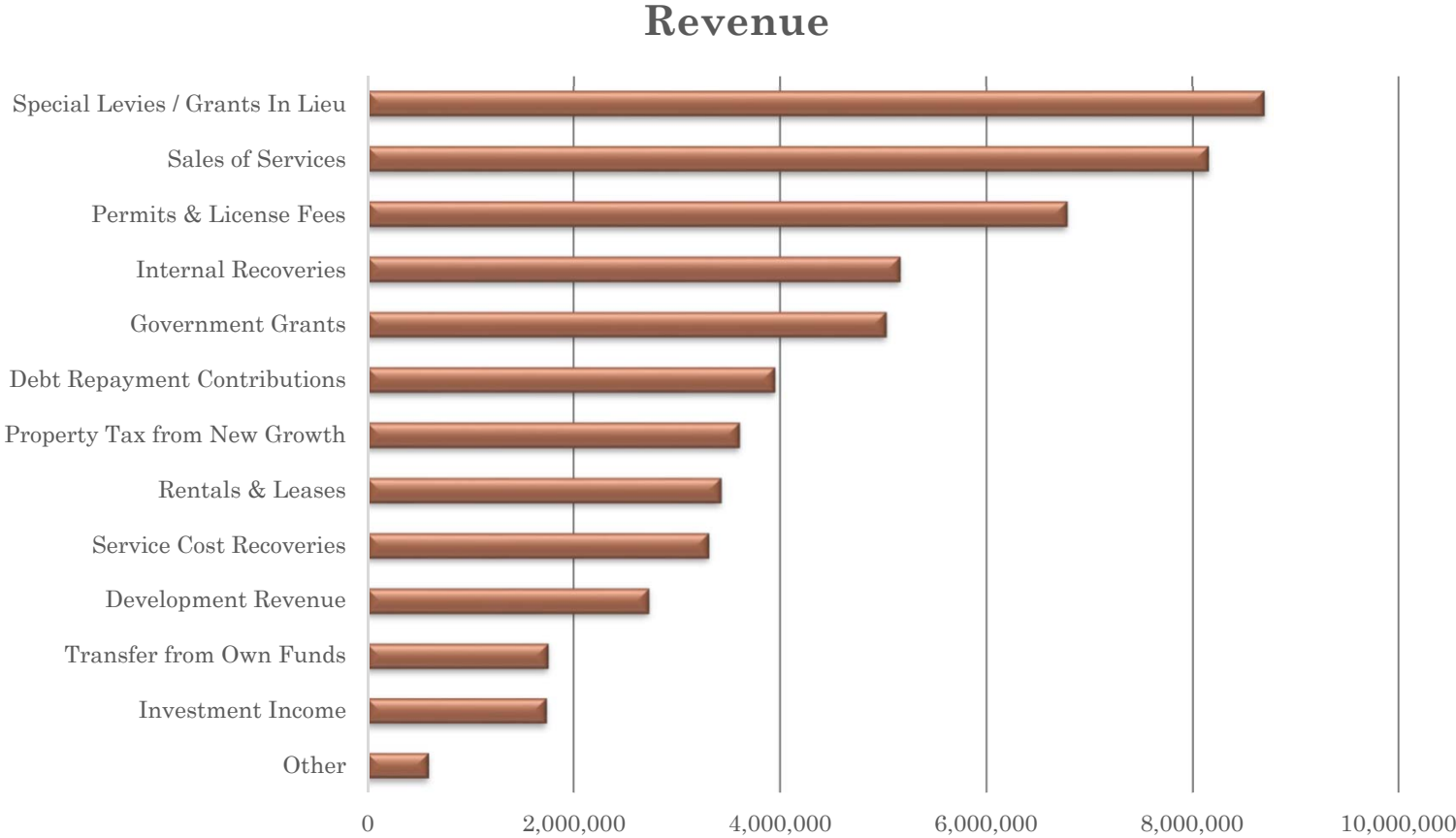
To learn more about the Consumer Price Index, see [Your Guide to the Consumer Price Index](#).

[Find information](#) related to this table (CANSIM table(s); Definitions, data sources and methods; *The Daily*; publications; and related Summary tables).

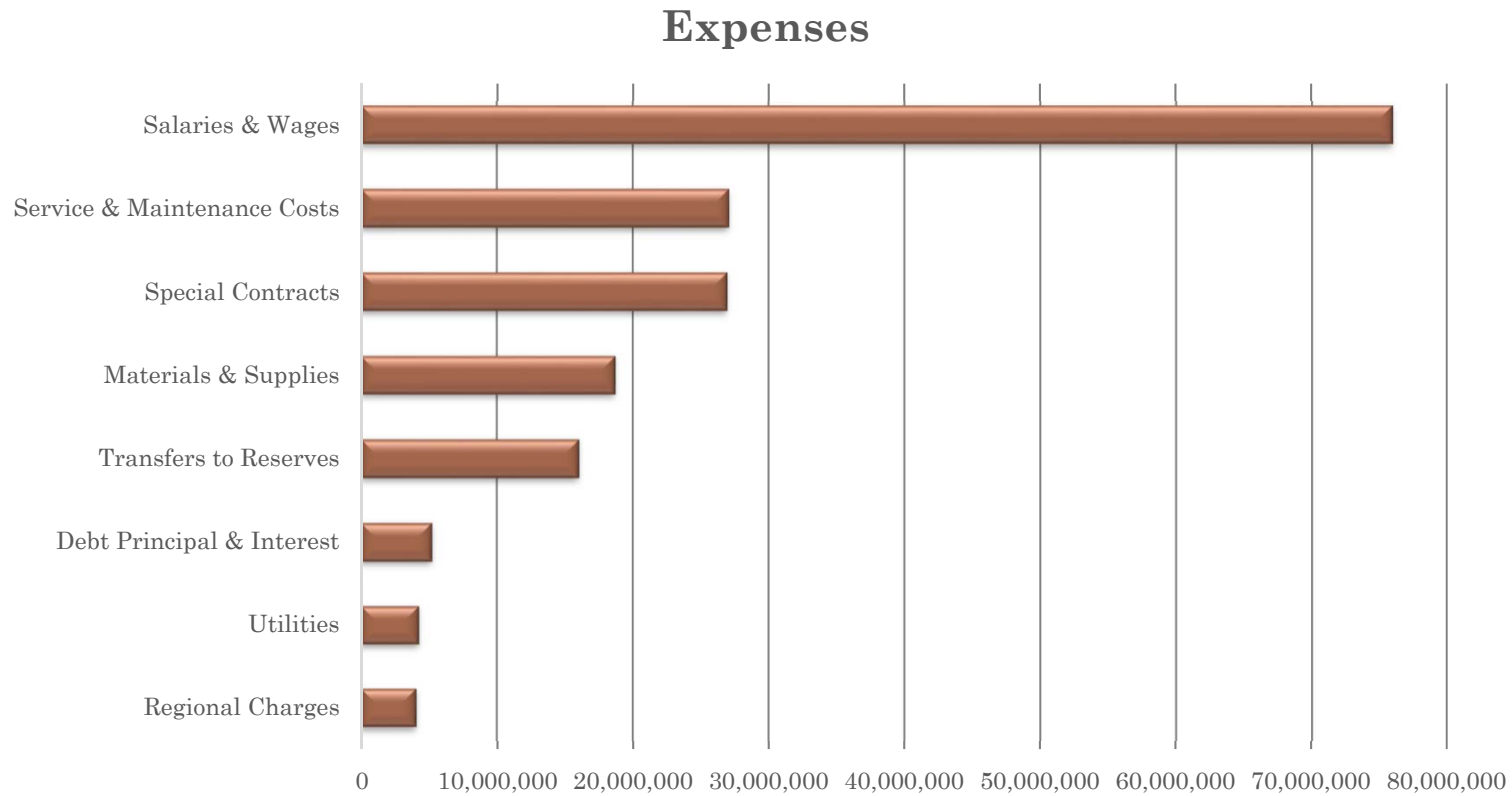
Revenue & Cost Drivers

Drivers	Examples
Property Tax & User Fee Revenue from Growth	New Development
Development Revenue	Building Permits, Application Fees
Other User Fees & Charges	Water, Sewer, Recreation, etc.
Salary & Wage Contracts	CUPE, IAFF
Special Contracts	RCMP, FVRL, ECOMM, Solid Waste
Regional District & Translink	Water, Sewer, Solid Waste, Transportation
Maintenance Contracts	Mowing, Planted Area Maintenance, etc.
Equipment & Vehicle	Internal and External Equipment Costs
Asset Management	Debt, Contributions to Capital, Transfers to Capital Reserves, Asset Maintenance

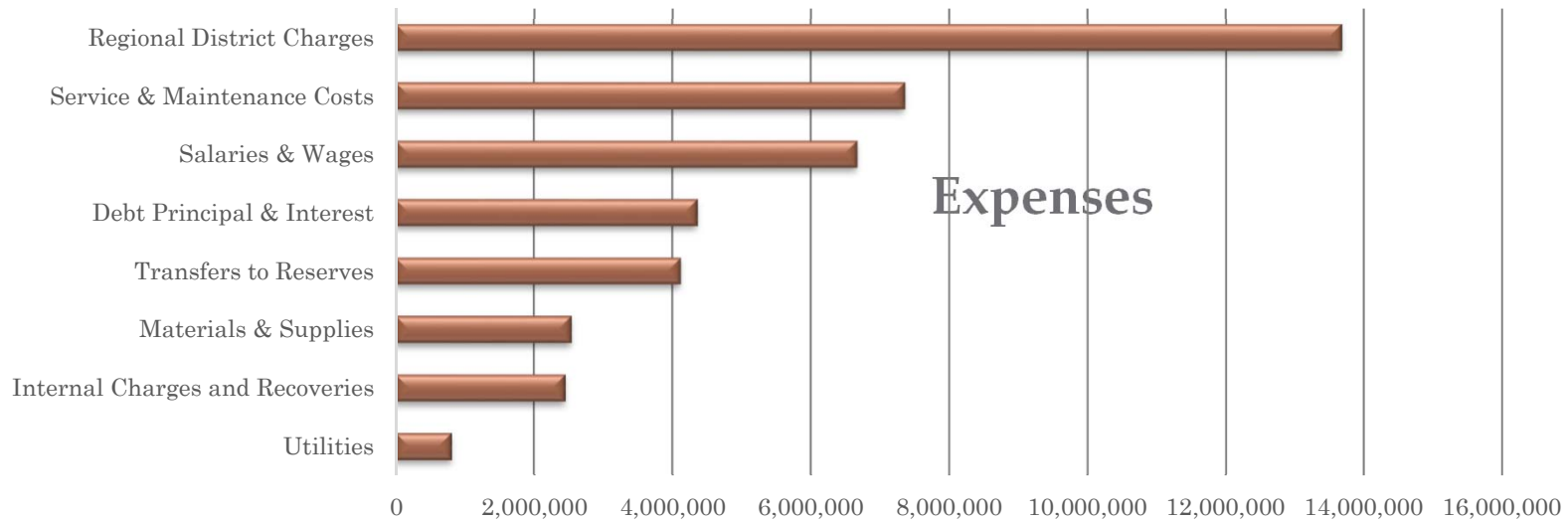
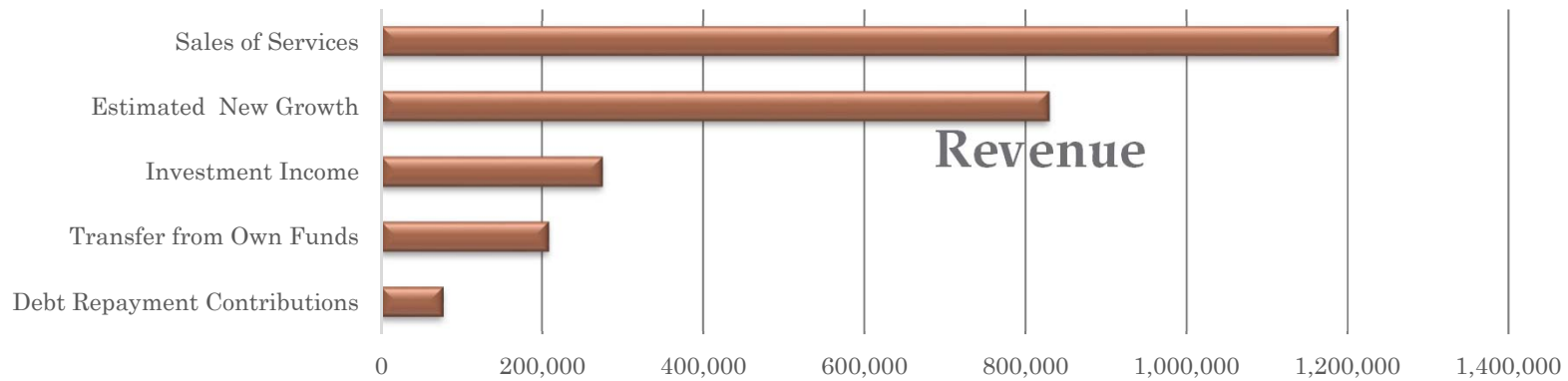
Revenue Categories for 2018 (Universal Services - excluding Property Taxes)



Cost Categories for 2018 (Universal Services)



Revenue & Cost Categories for 2018 (Utilities - excluding Utility User Rates)



2018 Budget Guidelines, Issues & Challenges...

2018 Budget Guidelines

- Add known contract increases
- Review operating savings and identify reductions that can be made permanent
- Review revenue for increases that can be sustainable
- Evaluate potential for sustainable new revenue opportunities
- Identify operating impact of new capital purchased or constructed and development capital inherited
- Focus on service maintenance over service enhancement

2018 Budget Issues & Challenges

- Regional Costs
(GVRD, GVS&DD, GVWD, RCMP)
- Salary & Wage Contract settlements
(IAFF in place to 2019; CUPE in place of 2020)
- Operating impact of capital and development
- Commitment to Protective Services
 - Fire, Police and Bylaw Enforcement
- Commitment to Infrastructure
 - Continued diligence in providing funding levels that support asset maintenance now and into the future
 - Contribution to Capital, Transfer to Reserves
- Commitment to Sustainable Development

Operating Impact of Capital

2018-2022 Submission:

Transportation:

- Public Waste Receptacles **\$385K**
- Railway Crossing Assess and Imp. **\$90K**
- 216 St Interchange with Hwy 1 **\$32K**

Parks:

- Willoughby Area Park Imp. **\$73K**
- Derek Doubleday Arboretum Cons. **\$38K**
- Tree Planting and Street Tree Program **\$53K**
- Hudson Bay Park Imp **\$18K**

Sanitary Sewer:

- Lift Station and Forcemain-Aldergrove **\$85K**

Water:

- Jericho Booster Station **\$25K**
- Watermain 58 Ave from 214A to 216St **\$22K**
- Pressure Reducing Valve Station **\$20K**

Operating Impact (in thousands)	2018	2019	2020	2021	2022
Transportation	208	115	218	32	43
Water	41	45	-	-	-
Parks	78	134	11	11	11
Sanitary Sewer	-	85	2	-	-
Storm	2	-	-	-	-
Recreation and Culture	2	-	-	-	-
	331	379	231	43	54

Operating Impact of Contributed Assets *In full dollars*

Neighbourhood	Water	Sewer	Storm	Transp.	Parks	Total
Murrayville Kerr Properties 003 Ltd	-	377	1,403	956	-	2,736
Northeast Gordon East Gordon Developments Ltd	3,687	32,876	7,961	17,676	2,955	65,155
Northeast Gordon 449991 BC LTD	1,681	2,672	1,295	14,928	6,456	27,032
Routley Focus Architecture	-	-	2,160	8,095	4,263	14,519
Yorkson Taggar Et Al	468	-	1,122	6,526	806	8,922
Yorkson Yorkson Alliance Developments Ltd.	2,237	900	3,576	14,493	10,447	31,653
Yorkson DF Architecture Inc	306	168	392	1,743	1,204	3,813
Yorkson Hayer Builders Group Ltd	156	249	648	5,491	2,094	8,637
Yorkson Qualico Development (VCR) Inc	3,749	-	5,910	14,151	6,107	29,917
Aldergrove HY Engineering Ltd./AP Tire Services Ltd.	450	-	1,034	1,398	215	3,097
Rural Hendricks Et Al	-	-	530	13,973	1,988	16,492
Rural Lanstone Developments (Robertson Ranch) Ltd	15,571	-	3,175	17,557	-	36,304
Rural Tilstra	-	-	-	78	-	78
Rural Traas Nursery Ltd	-	-	-	2,863	-	2,863
Murrayville Shoppers Drug Mart	156	1,107	40	655	550	2,508
Murrayville Infinity Properties (Murrayville) Ltd.	-	64	528	3,147	6,874	10,613
Murrayville Langley Immanuel Chris Ref Church	70	-	24	93	-	187
Murrayville Citiwest Consulting Ltd./ Brzezowski	-	-	1,154	1,138	215	2,506
Rural Omelaniec/Russell/Shaw	5,049	-	500	11,257	-	16,806
Fort Langley Cantera Management Group	-	-	167	1,677	-	1,844
Aldergrove 0830828 BC LTD	156	-	300	1,101	376	1,933
Aldergrove Murphy	-	-	194	57	215	466
Gloucester 0832128 BC LTD	-	-	-	295	-	295
	33,736	38,414	32,113	139,349	44,764	288,376

Summary of Budget Changes

(by Cost & Revenue Categories)

Non-Discretionary Budget Requests

(brackets) = downward pressure on taxes and user rates

NON DISCRETIONARY (in \$000's)	Universal Services	Water	Sewer	Solid Waste
Revenue Increases	(993)	(694)	(523)	-
Salary & Wages – Other	2,791	95	61	(61)
RCMP, EComm, GVS&DD, Solid Waste	1,113	-	814	460
Debt Servicing	676	-	-	-
Increased Maintenance Programs	585	-	-	-
Operating Impact of Dev / Capital	354	68	24	-
Terminal Building / Stadium Operating	305	-	-	-
Aldergrove Operating Base	301	-	-	-
Transfer to (from) Own Funds	253	1,067	216	(266)
Communications & Technology	72	-	-	-
Election 2018 (\$215K-\$161K)	54	-	-	-
Supplies and Other	437	68	98	1
TOTAL Base Budget Increase	5,948	604	690	134
Total Percentage Increase	4.95%	3.02%	4.69%	2.00%
Tax/User Fee Increase from Growth	(3.00%)	(2.00%)	(2.00%)	(2.00%)
Tax/User Fee Increase Required for Base	1.95%	1.02%	2.69%	0.00%

Non-Discretionary Budget Requests **Restated** with Discretionary Total Included for Universal Services

(brackets) = downward pressure on taxes and user rates

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Communications & Technology	72	-	-	-
Election 2018 (\$215K-\$161K)	54	-	-	-
Supplies and Other	437	68	98	1
TOTAL Base Budget Increase	5,948	604	690	134
Tax/User Fee Increase Required for Base	1.95%	1.02%	2.69%	0.00%
Discretionary Additions	638	46	24	-
TOTAL W/Discretionary Items	6,586	650	714	134
Tax/User Fee Increase Required for Base	2.47%	1.25%	2.85%	0.00%

SUMMARY of Changes to the Base

\$ Increases – TOTAL (in \$000's)	Universal Services	Water	Sewer	Solid Waste
TOTAL Base Budget Increase	5,948	604	690	134
Discretionary Additions	638	46	24	-
TOTAL 2018 DRAFT BUDGET	6,586	650	714	134

% Increases – TOTAL (in \$000's)	Universal Services	Water	Sewer	Solid Waste
2018 Increase (above)	6,586	650	714	134
Total Percentage Increase	5.47%	3.25%	4.85%	2.00%
Estimated 2017 Growth	(3.00%)	(2.00%)	(2.00%)	(2.00%)
DRAFT 2018 BUDGET	2.47%	1.25%	2.85%	0.00%

Additional Requests

Discretionary Requests (in \$000's)	Universal Services	Water	Sewer	Solid Waste
RCMP 4 Members starting Oct 1st	168	-	-	-
Contribution to Capital - Roads	500	-	-	-
Contribution to Capital – Stormwater	500	-	-	-
Contribution to Capital - Facilities	250	-	-	-
Contribution to Capital - Parks	200	-	-	-
George Preston Extended Hours	252			
Airport Maintenance, Fueling and Admin	118			
Gateway of Hope	100			
Infrastructure Asset Technician	58	16	16	-
Water & Sewer Construction Crew (Phase 3)	-	30	8	-
Development Revenue	(1,508)	-	-	-
TOTAL REQUESTS	638	46	24	-
TOTAL REQUESTS (Percentage Increase)	0.52%	0.23%	0.16%	0.00%

Property Tax & User Pay Utility Fee (%)



Estimated Impact on a Representative House

User Pay Utilities	2017	Change	% Change	2018
Water User Pay	500.97	6.26	1.25%	507.23
Sewer User Pay	423.02	12.06	2.85%	435.08
Solid Waste User Pay (new)	New System – see below (no change for 2018)			

CURRENT SYSTEM	PROPOSED NEW SYSTEM
Any Single Family Dwelling user subscribing to the Township Solid Waste system will pay an annual User Fee (\$291.57) for 2016.	Any Single Family Dwelling user subscribing to the Township Semi-automated Solid Waste system will pay an annual Base Fee (\$140) and a Cart Fee (\$150) for 2017, for an annual total of \$290.
Any Multi-Family Dwelling user opting in to the Township Solid Waste system will pay an annual User Fee (\$291.57) for 2016.	Any Multi-Family Dwelling user subscribing to the Township Semi-automated Solid Waste system will pay an annual Base Fee (\$140) and a Cart Fee (\$75) for 2017, for an annual total of \$215.



Estimated Impact on a Representative House

Property Tax	2017	Change	% Change	2018
Property Tax Increase (General \$1,955, FVRL \$66 = \$2,021)	1,955	48	2.47%	2,003

Municipalities	Type	RD	House Value	School	General Municipal Total	Regional District	Hospital	BCA, MFA and Other	Total Res Variable Rate Taxes	Total Res Parcel Taxes	Total Res. User Fees	Total Residential Property Taxes And Charges
West Vancouver	D	GVR	3,734,538	3,05	4,561	158	0	980	8,753	0	1,839	10,593
White Rock	C	GVR	1,580,023	1,98	3,589	70	0	415	6,060	18	838	6,915
Port Moody	C	GVR	1,267,812	1,54	3,268	58	0	333	5,207	0	1,072	6,279
Vancouver	C	GVR	2,464,420	2,33	3,107	105	0	647	6,198	0	1,271	7,469
New Westminster	C	GVR	1,118,416	1,49	3,066	52	0	294	4,904	0	1,386	6,289
North Vancouver	C	GVR	1,598,641	1,63	2,892	70	0	420	5,016	0	1,031	6,047
North Vancouver	D	GVR	1,754,983	1,79	2,820	75	0	461	5,149	0	1,557	6,708
Richmond	C	GVR	1,666,820	1,88	2,621	69	0	438	5,013	0	1,174	6,187
Bumaby	C	GVR	1,648,485	1,81	2,617	67	0	433	4,934	541	946	6,422
Coquitlam	C	GVR	1,194,548	1,45	2,587	52	0	314	4,412	397	777	5,588
Lions Bay	V	GVR	1,672,518	1,36	2,482	84	0	708	4,643	365	2,639	7,647
Delta	C	GVR	1,017,542	1,19	2,375	44	0	378	3,995	0	1,035	5,030
Anmore	V	GVR	1,707,920	2,08	2,374	338	0	733	5,532	39	1,285	6,856
Port Coquitlam	C	GVR	882,814	1,07	2,368	38	0	232	3,717	0	937	4,655
Maple Ridge	C	GVR	690,966	1,01	2,309	29	0	181	3,534	199	1,007	4,740
Abbotsford	C	FVR	587,353	99	2,267	59	99	25	3,443	0	742	4,185
Mission	D	FVR	561,276	88	2,087	49	94	24	3,142	0	1,187	4,329
Boven Island	D	GVR	958,158	78	2,087	39	0	527	3,436	579	1,467	5,482
Langley	C	GVR	728,967	1,00	2,066	33	0	191	3,298	0	987	4,286
Pitt Meadows	C	GVR	673,925	99	2,041	32	0	177	3,240	0	967	4,207
Langley	D	GVR	813,562	1,12	2,021	35	0	214	3,395	0	1,214	4,609
Surrey	C	GVR	1,030,922	1,29	1,953	43	0	271	3,562	321	986	4,869
Chilliwack	C	FVR	467,515	87	1,778	131	0	138	2,920	0	706	3,626
Belcarra	V	GVR	1,371,392	1,67	1,532	322	0	570	4,099	973	1,122	6,194
Hope	D	FVR	290,216	64	1,530	333	50	13	2,574	85	704	3,364
Harrison Hot Springs	V	FVR	446,177	99	1,374	112	74	120	2,678	0	1,103	3,780
Kent	D	FVR	373,015	83	1,310	40	62	16	2,262	0	777	3,039



Estimated Impact on a Representative House

Property Tax / User Pay Utilities	2017	Change	% Change	2018
Property Tax Increase	1,955	48	2.47%	2,003
Water	501	6	1.25%	507
Sanitary Sewer	423	12	2.85%	435
Solid Waste	290	-	-	290
TOTAL	3,169	66	2.10%	3,235

Resolution:

That Council receive and refer the 2018 Capital and 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 2018 Capital and Operating Budget to public consultation, as received or amended, in January 2018.

Budget Timeline

Date	Action
December 11	Draft 2018 Budget Discussion (Tentative)
December 18	Five Year Financial Plan Discussion (Tentative)
January 1 to 23	Public Consultation Period
January 15 & 16	Open Houses
January 29	Results of Public Consultation
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February 5	Financial Plan Bylaw, 1 st , 2 nd , 3 rd
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Questions and Answers