



**2020 – 2024 FINANCIAL PLAN, BYLAW 2020, No. 3120,
AMENDMENT No. 1**

BYLAW No. 3127

A Bylaw to amend the Financial Plan for 2020 - 2024.

The Council of the City of Langley, in open meeting assembled, enacts as follows:

1. Title

This bylaw shall be cited as the “Financial Plan 2020 – 2024 Bylaw, 2020, No. 3120, Amendment No. 1, Bylaw, 3127”.

2. Amendment

- (1) Financial Plan 2020 – 2024 Bylaw, 2020, No. 3120 is hereby amended by deleting Schedule “A” and substituting a new Schedule “A” attached to and forming part of this bylaw.
- (2) Financial Plan 2020 – 2024 Bylaw, 2020, No. 3120 is hereby amended by deleting Schedule “B” and substituting a new Schedule “B” attached to and forming part of this bylaw.

READ A FIRST AND SECOND TIME this – day of --, 2020.

AN OPPORTUNITY FOR PUBLIC COMMENT PROVIDED this – day of --, 2020.

READ A THIRD TIME AND FINALLY ADOPTED this – day of --, 2020.

MAYOR

CORPORATE OFFICER

Schedule "A"

CONSOLIDATED FINANCIAL PLAN SUMMARY								
	2018 Actual	2019 Budget	2019 YTD	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Consolidated Revenues								
Property Value Taxes	\$ 26,952,217	\$ 29,191,145	\$ 29,026,233	\$ 29,854,230	\$ 31,494,380	\$ 33,170,735	\$ 34,863,970	\$ 36,573,615
Fees and Charges	12,360,645	11,663,200	12,022,088	12,301,835	12,897,920	13,666,810	14,492,970	15,241,850
Revenue Other Services	13,476,249	10,965,475	12,560,177	11,061,640	11,060,770	11,059,880	11,058,970	11,058,040
	52,789,111	51,819,820	53,608,498	53,217,705	55,453,070	57,897,425	60,415,910	62,873,505
Consolidated Expenditures								
General Government Services	4,214,436	5,052,615	4,722,768	5,023,585	5,107,040	5,192,200	5,279,120	5,367,820
Policing Service	11,901,631	12,955,340	12,027,969	12,833,470	13,291,460	13,756,900	14,229,960	14,710,860
Fire Rescue Service	4,127,331	5,172,485	4,601,718	5,375,530	5,495,720	5,618,840	5,745,010	5,874,320
Other Protective Services	798,061	853,365	805,176	878,285	895,145	912,355	929,895	947,775
Engineering and Operations	3,034,421	3,148,070	3,230,663	3,242,115	3,282,770	3,324,240	3,366,530	3,409,630
Development Services	1,103,779	1,428,880	1,322,000	1,376,745	1,397,910	1,419,510	1,441,540	1,463,990
Solid Waste	655,515	689,770	683,060	709,610	727,680	745,920	764,320	782,910
Recreation	3,914,361	4,224,090	4,137,361	4,450,485	4,522,080	4,613,410	4,706,990	4,802,880
Parks	1,953,972	2,144,610	2,027,621	2,268,805	2,296,400	2,324,560	2,353,260	2,382,540
Sewer & Drainage	2,838,431	3,082,970	2,950,597	3,123,675	3,429,490	3,817,910	4,203,840	4,471,860
Water	3,460,509	3,779,195	3,606,564	3,769,660	3,953,970	4,230,510	4,566,710	4,942,520
Interest	31,198	55,200	57,743	55,200	55,200	55,200	55,200	55,200
Amortization	5,657,083	4,750,000	-	5,700,000	5,800,000	5,900,000	6,000,000	6,100,000
	43,690,728	47,336,590	40,173,240	48,807,165	50,254,865	51,911,555	53,642,375	55,312,305
Excess of revenue over expenditures	9,098,383	4,483,230	13,435,258	4,410,540	5,198,205	5,985,870	6,773,535	7,561,200
Add:								
Transfer from Reserve Accounts	774,703	1,321,565	654,433	927,565	927,565	927,565	927,565	927,565
Transfer from Statutory Reserves	-	-	-	-	-	-	-	-
Transfer from General Surplus	-	340,000	-	-	-	-	-	-
Transfer from Equity	5,657,083	4,750,000	-	5,700,000	5,800,000	5,900,000	6,000,000	6,100,000
	6,431,786	6,411,565	654,433	6,627,565	6,727,565	6,827,565	6,927,565	7,027,565
Deduct:								
Debt Servicing	-	-	-	-	827,665	1,655,330	2,482,995	3,310,660
Transfer to Reserve Accounts	10,761,987	9,249,825	11,295,767	9,343,135	9,403,135	9,463,135	9,523,135	9,583,135
Transfer to Statutory Reserves	4,681,118	1,644,970	2,176,107	1,694,970	1,694,970	1,694,970	1,694,970	1,694,970
	15,443,105	10,894,795	13,471,874	11,038,105	11,925,770	12,813,435	13,701,100	14,588,765
Surplus (Deficit)	\$ 87,064	\$ -	\$ 617,817	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule "B"

CAPITAL IMPROVEMENT PLAN - SUMMARY

<u>Capital Projects</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
General Government	827,370	10,047,500	10,047,500	5,447,500	7,647,500	8,047,500	47,500	47,500	47,500	47,500
Protective Services	742,230	922,250	1,469,750	199,750	2,550,000	60,000	50,000	50,000	50,000	50,000
Engineering Operations	3,523,200	2,589,200	2,368,200	21,658,975	4,233,630	13,461,200	4,518,705	7,900,300	2,818,675	20,931,655
Development Services	40,000	-	-	30,000	-	-	-	-	-	-
Parks & Recreation	1,551,500	2,381,000	565,000	1,150,000	1,830,000	2,740,000	795,000	1,240,000	790,000	10,850,000
Sewer Utility	1,994,000	350,000	598,500	6,207,125	2,050,000	3,423,870	2,017,615	1,105,355	1,302,850	5,675,895
Water Utility	835,000	1,065,000	1,025,000	4,248,850	1,450,550	1,931,550	2,079,910	1,558,805	926,925	2,262,855
Total Projects	9,513,300	17,354,950	16,073,950	38,942,200	19,761,680	29,664,120	9,508,730	11,901,960	5,935,950	39,817,905
<u>Available funding</u>										
Capital Works Reserve	1,325,035	753,760	241,760	1,449,331	844,821	1,527,685	819,926	959,035	27,545	1,583,250
Casino Revenues	2,809,000	3,873,435	3,251,575	17,498,435	5,881,915	7,760,005	4,749,145	7,436,290	3,153,977	19,431,300
Community Amenity Funds	537,875	425,750	-	-	300,000	300,000	-	-	-	-
Community Works (Gas Tax)	275,000	133,800	133,800	133,800	133,800	133,800	133,800	133,800	133,800	133,800
DCC's	1,372,890	503,690	566,405	2,787,125	652,165	8,225,540	2,075,275	2,037,936	1,883,820	13,860,080
Fire Department Equipment	-	55,000	420,000	-	-	-	-	-	-	-
Future Police Cost Reserve	207,230	149,750	149,750	149,750	35,000	35,000	35,000	35,000	35,000	35,000
Grants	735,270	450,000	-	533,335	-	-	-	-	-	500,000
Machinery Replacement	540,000	516,000	180,000	185,000	155,000	190,000	180,000	180,000	180,000	180,000
Municipal Road Network Reserve	50,000	-	-	2,136,000	-	-	-	-	-	1,600,000
Office Equipment	50,000	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500
Parks & Recreation	216,750	52,375	14,225	332,150	217,900	74,275	279,275	179,150	173,000	181,750
Sewer Future Capital	454,750	128,890	243,935	2,350,515	565,750	711,805	528,900	267,299	37,780	1,302,370
Special Bond Reserve	104,500	-	-	-	-	-	-	-	-	-
Water Future Capital	835,000	265,000	825,000	1,339,260	927,830	658,510	659,910	625,950	263,528	962,855
Total Funding	9,513,300	7,354,950	6,073,950	28,942,200	9,761,680	19,664,120	9,508,730	11,901,960	5,935,950	39,817,905
Project Specific Borrowing	-	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-
Debt Require to Fund Projects	-	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-



EXPLANATORY NOTE

BYLAW No. 3127

The original 2020 – 2024 Financial Plan (“Financial Plan”) that was adopted in February 2020 had proposed a \$1.95 million increase to bridge the financial gap for 2020 which equated to an overall 6.67% property tax increase. City Council recognizes the current economic challenges for our residents, property and business owners in our community due to the COVID-19 pandemic. Therefore, City Council has decided to take substantial measures to mitigate the taxation impact outlined in the Financial Plan to ease the financial pressures on the taxpayers of the City of Langley. These measures include:

- Deferral of the borrowing of \$10 million in 2020 as part of the Nexus of Community Plan to 2021 which will eliminate the debt servicing costs of \$827,665 or 2.83%.
- Deferral of several new staffing positions until future years, a reduction of \$120,855 or 0.42%.
- Reducing the contribution to the Capital Works Reserve for infrastructure renewal from \$100,000 contribution to \$50,000, a reduction of \$50,000 or 0.17%.
- Increasing new building permit revenue projections to \$400,000 or 1.37%. This revenue projection may not be sustainable in future years and will be reassessed for 2021.

The amended 2020 – 2024 Financial Plan has reduced the increase to bridge the funding gap to \$536,000 from \$1.95 million. The amended overall property tax increase will be 1.83%.

Although the total net increase in expenditures results in a 1.83% overall taxation increase, including utility rate increases, the average changes in 2020 are as follows:

Classification	Average Assessed Value	Annual Increase	Monthly Increase	% Increase
Single family	\$858,799	\$ 78	\$ 6.46	2.44%
Multi-family	\$401,664	\$ 37	\$ 3.12	2.41%

The original average increase for Business class properties and Light Industrial class properties was 7%. The amended average increase for Business class properties and Light Industrial class properties will see an average increase of 2.01% and 2.14% respectively. This rate maintains a competitive ratio between residential and business class properties, ensuring that Langley City remains an attractive municipality to locate a business.

The pandemic has necessitated the closure of Cascades Casino. The Capital Improvement Plan has been redrafted to reduce the anticipated casino proceeds to

be received in 2020 from \$7.2 million in half, to \$3.6 million. This change in funding will necessitate deferral of future year capital projects, but the current year 2020 plan can continue to be carried out.

Municipal Governments are required under the Provincial Community Charter to adopt a balanced budget and cannot use debt to pay for operating expenditures like the Province, and Federal governments are able to do. Property taxes are collected halfway through the year and provide the City with the cash flow to ensure the City can provide the essential services such as water, sewer, roads, fire and police services. As well, the City has to pay other taxing authorities like Translink, Metro Vancouver and the BC Assessment Authority on time. Therefore, City Council will maintain the July 2, 2020 property tax payment deadline.

The property tax penalty for residential property owners was previously 5% after the July 2 tax due date and a further 5% after August 2. In 2020, the penalty will be reduced to 2% after the July 2 tax due date, and the second penalty date will be extended to October 1 at 8%. The Province has mandated that the Business, Light Industrial and Non-profit classed properties will have one penalty date of October 1 at 10%.

City Council believes that the reduction in the property tax rate will help to ease the financial burden for the residential and business property taxpayers. We will work together to overcome the current economic crisis and restore hope for an exciting future.