

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**

**LANGLEY 2017 – 2021 FIVE-YEAR FINANCIAL PLAN BYLAW 2017 NO. 5259**

**EXPLANATORY NOTE**

The Langley 2017 - 2021 Five-Year Financial Plan Bylaw 2017 No. 5259 authorizes the expenditure of funds for the Municipality. The Langley 2017 - 2021 Five-Year Financial Plan Bylaw 2017 No. 5259 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, 2017.

An expenditure that is not provided for in the 2017 - 2021 Five-Year Financial Plan is not lawful.

## THE CORPORATION OF THE TOWNSHIP OF LANGLEY

### LANGLEY 2017 - 2021 FIVE-YEAR FINANCIAL PLAN BYLAW 2017 NO. 5259

A bylaw to establish the Five-Year Financial Plan from 2017 to 2021.

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, 2017:

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 2017 - 2021 Five-Year Financial Plan Bylaw 2017 No. 5259"
2. Schedule "A", being the Revenue Plan Objectives and Policies, attached hereto and forming part of this bylaw is hereby adopted as the 2017 – 2021 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 2017 - 2021 Five Year Financial Plan of The Corporation of the Township of Langley.

READ A FIRST TIME the	20	day of	February	, 2017
READ A SECOND TIME the	20	day of	February	, 2017
READ A THIRD TIME the	20	day of	February	, 2017
RECONSIDERED AND ADOPTED the		day of		, 2017

	Mayor		Township Clerk
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**THE CORPORATION OF THE TOWNSHIP OF LANGLEY  
LANGLEY 2017 - 2021 FIVE YEAR FINANCIAL PLAN BYLAW 2017 NO. 5259  
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**

<b>Revenue Source</b>	<b>Operating Budget Funding Sources</b>	<b>Capital Budget Funding Sources</b>
Property taxes	59%	2%
Sale of Service – Utilities	18%	1%
Sale of Service - Other	9%	0%
Other sources	9%	40%
Transfer from own funds	5%	46%
Proceeds from borrowing	0%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The proportion of total revenue to be raised from each funding source in 2017 is presented in the table above. Property taxes form the greatest proportion of operating revenue for the Township. Property taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, policing services, transportation and so forth.

User fees and charges is the second largest portion of general operating revenue. Many Township services, such as water, sewer, and garbage collection 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 2016 property taxes among the various property classes**

Property Class	Property Class Description	Property tax Revenue %
1	Residential	61.65%
2	Utilities	1.03%
4	Major Industry	0.21%
5	Light Industry	10.09%
6	Business	26.20%
8	Recreation	0.21%
9	Farm	0.61%
	<b>Total</b>	<b>100.00%</b>

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

Permissive exemptions are granted for buildings used for public worship; not-for-profit and charitable organizations and community halls; and heritage properties. Council supports, through exemptions from property taxes, organizations which 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.

Council approved permissive tax exemptions for 2017 are estimated to be at approximately \$978,381 (2016: \$957,335) which is approximately equal to 86% of a 1.00% property tax revenue increase for 2017.

	Amount
Charitable and Not-For-Profit	\$499,984
Churches	\$412,972
Heritage Properties	\$65,425
<b>Total</b>	<b>\$978,381</b>

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY**  
**LANGLEY 2017 - 2021 FIVE YEAR FINANCIAL PLAN BYLAW 2017 NO. 5259**  
**SCHEDULE "B" – FINANCIAL PLAN**

	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$
<b>REVENUE</b>					
<b>Operating Plan</b>					
Property Taxes and Levies	128,879,827	133,749,291	138,696,423	143,838,278	149,177,308
Sale of Services-Utilities	40,255,852	41,731,268	43,401,743	45,138,989	46,946,345
Sale of Services-Other	20,691,535	21,073,792	20,977,699	21,017,247	21,057,448
Other Revenue	18,901,251	18,941,666	19,180,440	19,364,413	20,240,574
Transfer from Surplus and Reserves	10,071,402	4,488,756	3,545,516	3,465,516	3,465,516
<b>Operating Plan Sub-total</b>	<b>218,799,867</b>	<b>219,984,773</b>	<b>225,801,821</b>	<b>232,824,443</b>	<b>240,887,191</b>
<b>Capital Plan</b>					
Contribution from Current Year Revenue	7,839,051	8,239,051	8,739,051	9,239,051	9,504,051
Transfer from Prior Year's Surplus	5,741,532	8,480,700	5,456,879	2,756,879	9,338,544
Grants	13,482,651	100,000	-	-	-
Transfer from Development Cost Charge Reserves	54,579,642	38,829,630	23,460,540	19,991,200	19,054,500
Transfer from Capital Surplus and Reserves	127,626,989	48,395,869	28,733,330	23,264,904	21,276,070
Private Funds and Other Sources	47,440,915	54,998,000	42,985,500	42,970,500	42,980,500
Proceeds From Borrowing	30,935,223	-	-	-	-
<b>Capital Plan Sub-Total</b>	<b>287,646,003</b>	<b>159,043,250</b>	<b>109,375,300</b>	<b>98,222,534</b>	<b>102,153,665</b>
<b>TOTAL FINANCIAL PLAN REVENUE</b>	<b>506,445,870</b>	<b>379,028,023</b>	<b>335,177,121</b>	<b>331,046,977</b>	<b>343,040,856</b>
<b>EXPENDITURE</b>					
<b>Operating Plan</b>					
Municipal Services	189,682,099	189,368,681	192,584,596	195,832,209	199,003,690
Debt Service	8,175,963	9,177,513	9,378,513	9,579,296	10,291,455
Contribution to Funds and Reserves	20,941,805	21,438,579	23,838,712	27,412,938	31,592,046
<b>Operating Plan Sub-Total</b>	<b>218,799,867</b>	<b>219,984,773</b>	<b>225,801,821</b>	<b>232,824,443</b>	<b>240,887,191</b>
<b>Capital Plan</b>	<b>287,646,003</b>	<b>159,043,250</b>	<b>109,375,300</b>	<b>98,222,534</b>	<b>102,153,665</b>
<b>TOTAL FINANCIAL PLAN EXPENDITURES</b>	<b>506,445,870</b>	<b>379,028,023</b>	<b>335,177,121</b>	<b>331,046,977</b>	<b>343,040,856</b>

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY****DEVELOPMENT COST CHARGE RESERVE FUND****EXPENDITURE BYLAW 2017 NO. 5260****EXPLANATORY NOTE**

Bylaw 2017 No. 5260 provides for the 2017 Capital Expenditure Program (and related debt) from the Development Cost Charge Reserve Fund as provided by the 2017 – 2021 Five Year Financial Plan. The projects are for road, stormwater, sewer, water services and for parkland acquisition and development.

The Roads, Stormwater, Parkland Acquisition and Park Development DCC Reserves do not currently have sufficient funds to cover the expenditures included in the 2017 – 2021 Five Year Financial Plan. However, these expenditures have been included in the DCC Expenditure Bylaw in the event that enough DCC funds are received during the year. Projects will only proceed when sufficient funds are available.

Funds that become available in the Parkland Acquisition DCC Reserve, Water DCC Reserve, Stormwater DCC Reserve, and Roads DCC Reserve are first directed towards payment of the annual debt.

Presently, there are estimated expenditures under the bylaw in the amount of \$58,814,326, which include capital carry-forwards from prior years, current debt payments and new capital projects for 2017.

Should any of the above-noted monies remain unexpended at the end of a project; the unexpended balance will be returned to the credit of the reserve fund.

Mayor \_\_\_\_\_ Township Clerk \_\_\_\_\_