

Township of  
**Langley**



Est. 1873

## REPORT TO MAYOR AND COUNCIL

**PRESENTED:** MARCH 11, 2019 - REGULAR AFTERNOON MEETING  
**FROM:** FINANCE DIVISION  
**SUBJECT:** DRAFT 2019-2023 FINANCIAL PLAN

**REPORT:** 19-33  
**FILE:** 1700-40

### RECOMMENDATION(S):

**That** Council approve the 2019 Universal Services budget increase of 3.85%;

**That** Council approve the 2019 Water Utility User Pay levy increase 4.90%;

**That** Council approve the 2019 Sanitary Sewer Utility User Pay levy increase of 10.79%; and

**That** Council approve the 2019 Solid Waste increase of \$40 for 240L and \$35 for 120L.

### EXECUTIVE SUMMARY:

#### Universal Services

The household impact<sup>1</sup> of proposed property tax revenue increases to cover the base for 2019 is an additional \$58/year (or \$4.83/month).

UNIVERSAL SERVICES – Property Tax Changes Base Increase Only	%	Annual Change \$	Monthly Change \$
Parks	0.64	12.67	1.05
Facilities	0.83	16.43	1.37
Transportation (Roads)	0.21	4.16	0.35
Stormwater	0.22	4.35	0.36
General Tax – Protective Services	0.88	17.42	1.45
General Tax – All Other*	0.15	2.97	0.25
<b>Universal Services Property Taxes</b>	<b>2.93</b>	<b>58.00</b>	<b>4.83</b>

The household impact of proposed property tax revenue increases to cover the base and Additional Items<sup>2</sup> is an added \$76.21/year (or \$6.35/month).

<sup>1</sup> Local Government Municipal Statistics, Taxes and Charges on a Representative House valued at \$942,948

<sup>2</sup> Average increase in Solid Waste revenue requirements.

UNIVERSAL SERVICES – Property Tax Changes With Additional Items	%	Annual Change \$	Monthly Change \$
Parks	0.83	16.43	1.37
Facilities	1.08	21.38	1.78
Transportation (Roads)	0.39	7.72	0.65
Stormwater	0.25	4.95	0.41
General Tax – Protective Services	1.03	20.39	1.69
General Tax – All Other*	0.27	5.34	0.45
<b>Universal Services Property Taxes</b>	<b>3.85</b>	<b>76.21</b>	<b>6.35</b>

A projection of proposed changes in revenue requirements, *including 'Additional Items'*, for the five-year period of the financial plan is as follows:

UNIVERSAL SERVICES	2019	2020	2021	2022	2023
Property Tax Revenue Increases	3.85%	3.76%	2.00%	2.00%	2.00%

### User Pay Utilities

The household impact of proposed changes to *utility user pay levies* for 2019 is \$111.81/year (or \$9.31/month). Changes apply to residents who subscribe to all three services and use a 240L solid waste container.

USER PAY UTILITIES	%	Annual Change \$	Monthly Change \$
Water	4.90%	\$24.86	\$2.07
Sanitary Sewer	10.79%	\$46.95	\$3.91
Solid Waste 240L	13.79%	\$40.00	\$3.33
Solid Waste 120L	16.28%	\$35.00	\$2.92

A projection of proposed changes in revenue requirements for the five-year period of the financial plan is as follows:

USER PAY UTILITIES	2019	2020	2021	2022	2023
Water	4.90%	5.27%	6.03%	5.58%	7.67%
Sanitary Sewer	10.79%	8.35%	5.27%	6.04%	3.68%
Solid Waste <sup>2</sup>	15.70%	1.95%	1.89%	1.82%	1.76%

### PURPOSE:

This report requests Council to authorize staff to bring forward the 2019-2023 Financial Plan and associated bylaws based on the above resolutions and/or amendments.

**DISCUSSION/ANALYSIS:****Draft 2019-2023 Financial Plan**

Under Section 165 and 166 of the *Community Charter*, the Township must adopt annually by bylaw, a five-year financial plan, and Council must undertake a process of public consultation before the plan is adopted.

During a budget workshop on February 4 and 11, staff presented the 2019 Operating and Capital Budget. The Township hosted open houses on February 19 and 20. Staff from all divisions were available to answer questions on the proposed budget.

In addition, feedback was solicited on-line through an interactive budget simulator and questionnaire. A hardcopy version of the questionnaire was available at the open houses, the civic facility, and on-line. Public consultation results were received by Council February 25, 2019, through Council Report 19-29.

**UNIVERSAL SERVICES**

Universal Services includes Parks, Transportation Utility, Stormwater Utility, and General (which includes Fire, Police, Recreation & Culture, Facilities, and General Government).

The 2019 proposed property tax increase of 2.93% for the base will provide funding for non-discretionary expenditure increases for salaries and wages, RCMP contracts, utility contracts, service and maintenance contracts, and other operating costs.

The table below shows a breakdown of proposed base budget property tax revenue increases for the 2019 budget for Universal Services.

<b>UNIVERSAL SERVICES – Property Tax Changes Base Increase Only</b>	<b>2019 Proposed Base Budget Increases</b>
Core Property Tax Increase	1.71%
Employer Health Tax	1.22%
<b>Universal Services Property Tax Revenue Change</b>	<b>2.93%</b>

The household impact<sup>2</sup> of proposed property tax revenue increases to cover the base for 2019 is an additional \$58/year (or \$4.83/month).

<b>UNIVERSAL SERVICES – Property Tax Changes Base Increase Only</b>	<b>%</b>	<b>Annual Change \$</b>	<b>Monthly Change \$</b>
Parks	0.64	12.67	1.05
Facilities	0.83	16.43	1.37
Transportation (Roads)	0.21	4.16	0.35
Stormwater	0.22	4.35	0.36
General Tax – Protective Services	0.88	17.42	1.45
General Tax – All Other*	0.27	5.34	0.45
<b>Universal Services Property Taxes</b>	<b>2.93</b>	<b>58.00</b>	<b>4.83</b>

<sup>2</sup> Local Government Municipal Statistics, Taxes and Charges on a Representative House valued at \$813,562

*\*General Tax – All Other includes, recreation and culture, community development, finance, human resources, corporate services, mayor and council and administration.*

### ADDITIONAL 2019 OPERATING ITEMS FOR COUNCIL CONSIDERATION

In addition to the *base increase* presented above, a number of '*Additional Items*' have been submitted for Council consideration. The table below shows a breakdown of property tax percentage increases for '*2019 Additional Items*'.

UNIVERSAL SERVICES – Property Tax Changes	2019 Additional Items	Percentage Increases
Core Property Tax Increase		1.71%
Employer Health Tax		1.22%
<b>Universal Services Property Tax Revenue Change</b>	<b>\$3,718,170</b>	<b>2.93%</b>
Transportation Infrastructure Capital Funding	\$273,083	0.22%
Facility Infrastructure Capital Funding	\$245,775	0.19%
Parks Infrastructure Capital Funding	\$218,467	0.17%
<b>Commitment to Infrastructure</b>	<b>\$737,325</b>	<b>0.58%</b>
Development Revenue increase	(\$323,700)	(0.26%)
Landscape Design Technician, Starting May 1 <sup>st</sup>	\$52,778	0.04%
Landscape Design Coordinator, Starting May 1 <sup>st</sup>	\$58,800	0.05%
Senior Planner, Starting May 1 <sup>st</sup>	\$89,629	0.07%
Planner, Starting May 1 <sup>st</sup>	\$75,500	0.06%
<b>Commitment to Sustainable Development</b>	<b>(\$46,993)</b>	<b>(0.04%)</b>
RCMP, 2 Members, Starting October 1st	\$85,998	0.07%
Lead Hand Guard, Starting July 1st	\$27,508	0.02%
Bylaw Clerk, Starting July 1 <sup>st</sup>	\$30,868	0.02%
<b>Commitment to Protective Services</b>	<b>\$144,374</b>	<b>0.11%</b>
<b>Other</b>	<b>\$332,774</b>	<b>0.27%</b>
<b>Universal Services Property Taxes</b>	<b>\$4,885,650</b>	<b>3.85%</b>

The household impact of proposed property tax revenue increases to cover the base and 'Additional Items' is an added \$76.21/year (or \$6.35/month).

UNIVERSAL SERVICES Base Increase Plus Additional Items	% Change	Annual Change	Monthly Change
Parks	0.83	16.43	1.37
Facilities	1.08	21.38	1.78
Transportation (Roads)	0.39	7.72	0.65
Stormwater	0.25	4.95	0.41
General Tax – Protective Services	1.03	20.39	1.69
General Tax – All Other*	0.27	5.34	0.45
<b>Universal Services Property Taxes</b>	<b>3.85</b>	<b>76.21</b>	<b>6.35</b>

The following are proposed property tax percentage increase projections for the five-year period of the financial plan taking into consideration all additional items as summarized above.

In 2020, the second year of the five year plan, the budget includes annualization of RCMP Members and other positions added, reinstatement of contribution to capital requests and the operating impact of capital projects approved in 2019. For the years 2021 to 2023, the plan includes RCMP Member requests, annual contribution to capital and operating costs associated with multi-year program implementations. *Budget requests for the years 2020 to 2023* will be considered in each subsequent year's budget deliberations.

UNIVERSAL SERVICES Base Increase Plus Additional Items	2019	2020	2021	2022	2023
Property Tax Revenue Increases	3.85 %	3.76%	2.00%	2.00%	2.00%

### USER PAY UTILITIES

The household impact of proposed changes to utility user pay levies for 2019 is \$111.81/year (or \$9.31/month). Changes apply to residents who subscribe to each service and use a 240L solid waste container.

User fee increases will provide funding for non-discretionary expenditure increases for salaries and wages, utility contracts, service and maintenance contracts, debt repayment, and operating costs for the water, sanitary sewer and solid waste infrastructure.

USER PAY UTILITIES	%	Annual Change \$	Monthly Change \$
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Solid Waste 240L	13.79%	\$40.00	\$3.33
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A projection of proposed changes in revenue requirements for the five-year period of the financial plan is as follows:

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Water	4.90%	5.27%	6.03%	5.58%	7.67%
Sanitary Sewer	10.79%	8.35%	5.27%	6.04%	3.68%
Solid Waste <sup>3</sup>	15.70%	1.95%	1.89%	1.82%	1.76%

<sup>3</sup> 15.70% is a combined percentage that includes 13.79% for a 240L container and 16.28% for a 120L container.

**ADDITIONAL 2019 CAPITAL ITEMS FOR COUNCIL CONSIDERATION**

<b><u>Capital Projects</u></b>	<b><u>Amount</u></b>
<ul style="list-style-type: none"> <li>Integrated Stormwater Management Plan West Creek Watershed</li> </ul>	\$250,000
<ul style="list-style-type: none"> <li>208 Street Corridor</li> </ul>	\$3,100,000

Respectfully submitted,

Karen Sinclair  
 DIRECTOR OF FINANCE  
 for  
 FINANCE DIVISION