

Township of  
Langley



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# 2014-2018 Financial Plan

**Council Priorities Committee**

*Township of Langley*

September 9, 2013



# Operating Budget Overview

- Sustainability Vision, Goals and Guiding Principles
- 2014-2018 Budget Timeline
- Providing Context:
  - Population Growth, past and projected
  - 2013 Property Tax Comparison
  - Household Impact of Property Tax Increases
  - Revenue & Cost Drivers
- 2014 Budget Guidelines, Issues & Challenges
- Items referred to the Budget Process
- 2014 Enhancements included in 2013-2017 Budget
- Budget Simulator
- Next Steps

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# Sustainability Vision, Goals & Guiding Principles...

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## Sustainability Vision

To build a legacy for future generations by leading and committing the community to a lifestyle that is socially, culturally, economically and environmentally balanced.

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# Sustainability Goals

## Social/Cultural

- Protect our people and properties
- Nurture a mindset of sustainability...

## Economic

- Achieve fiscal stability and fiscal health
- Invest in effective infrastructure...

## Environmental

- Reduce energy consumption
- Promote stewardship...





# Guiding Principles

## General:

- Be responsive to citizen's needs
- Be fiscally responsible
- Develop resources for funding
- Operate the corporation cost effectively
- Utilize appropriate alternative service delivery models
- Manage the demands of growth and change

## For Surpluses and Reserves:

- Ensure stable, predictable tax levies & user fees
- Provide for operating emergencies
- Provide for entrepreneurial opportunities
- Finance new capital assets
- Provide for working capital

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# 2014-2018 Budget Timeline...



# 2014-2018 Budget Timeline

| Date           | Action  |
|----------------|---|
| September 9    | Target Budget Direction   |
| September 30   | Capital Budget Presentation & Discussion  |
| October 21     | Operating Budget Presentation & Discussion  |
| November 5     | 2014 Financial Plan Review & Discussion   |
| November 18    | Five-Year Financial Plan Review & Discussion  |
| December 2 & 3 | Open Houses   |
| January 13     | Five-Year Financial Plan Bylaw, 1 <sup>st</sup> 2 <sup>nd</sup> 3 <sup>rd</sup> Reading |
| January 20     | Five-Year Financial Plan Bylaw, 4 <sup>th</sup> & Final Reading                         |



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# Providing Context...

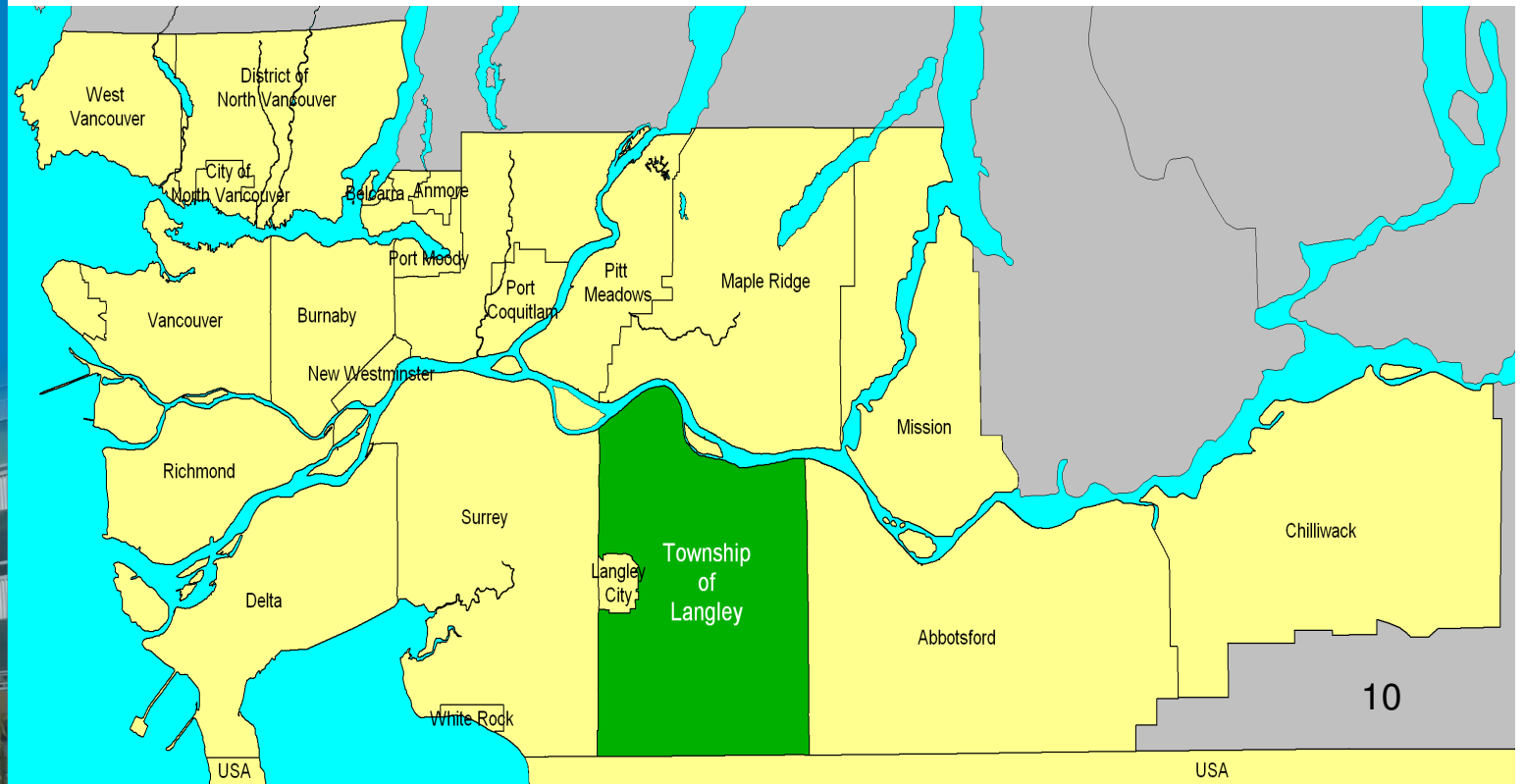
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# Introduction

- Birthplace of B.C.
- Established in 1873
- Geographic Centre of Lower Mainland
- 300 km<sup>2</sup> ~ 120 sq. miles in Area
- One of Fastest Growing Muni's. in Region



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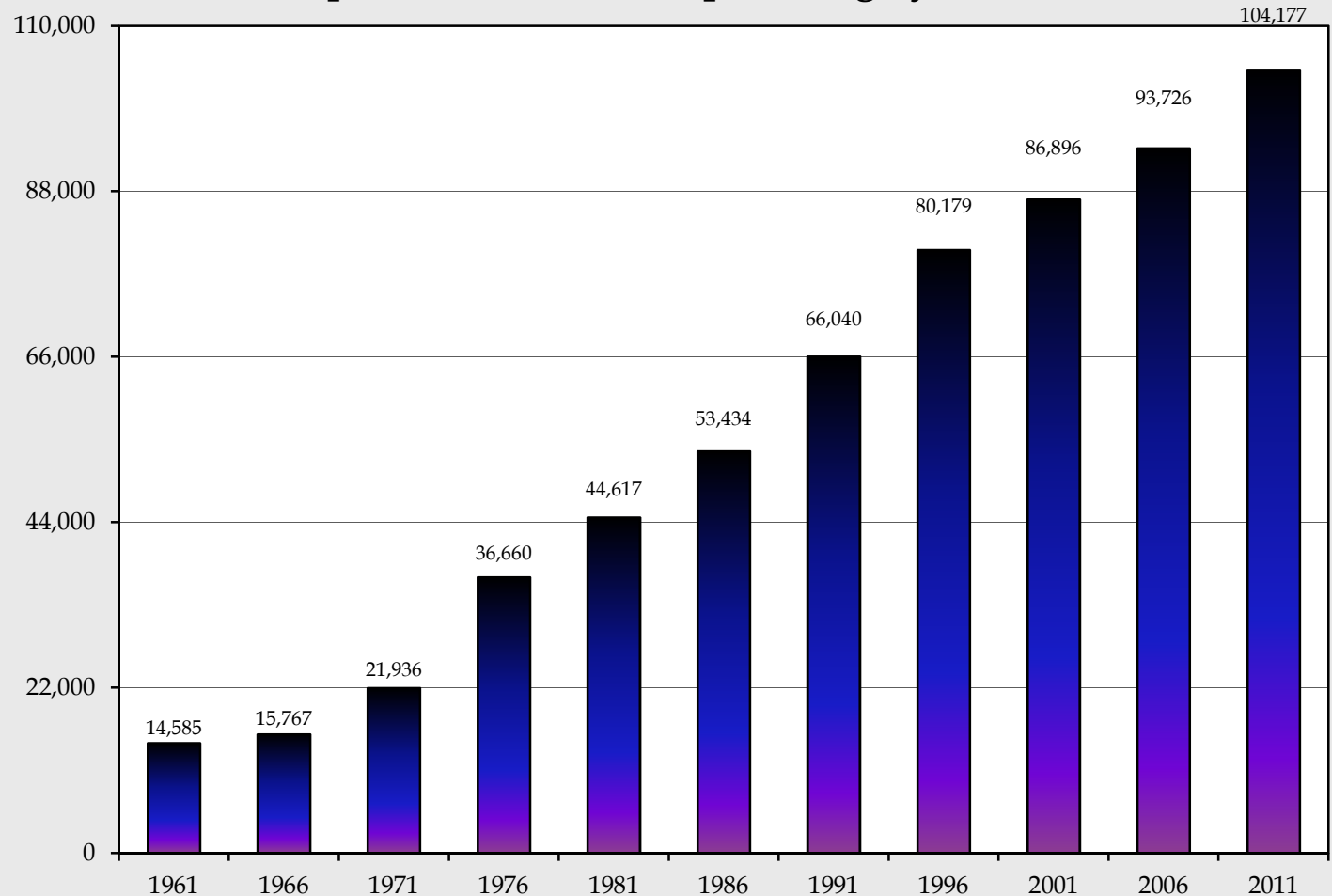
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# Growth

(3.5% per year over past 50 years)

Census Population in Township of Langley: 1961 to 2011



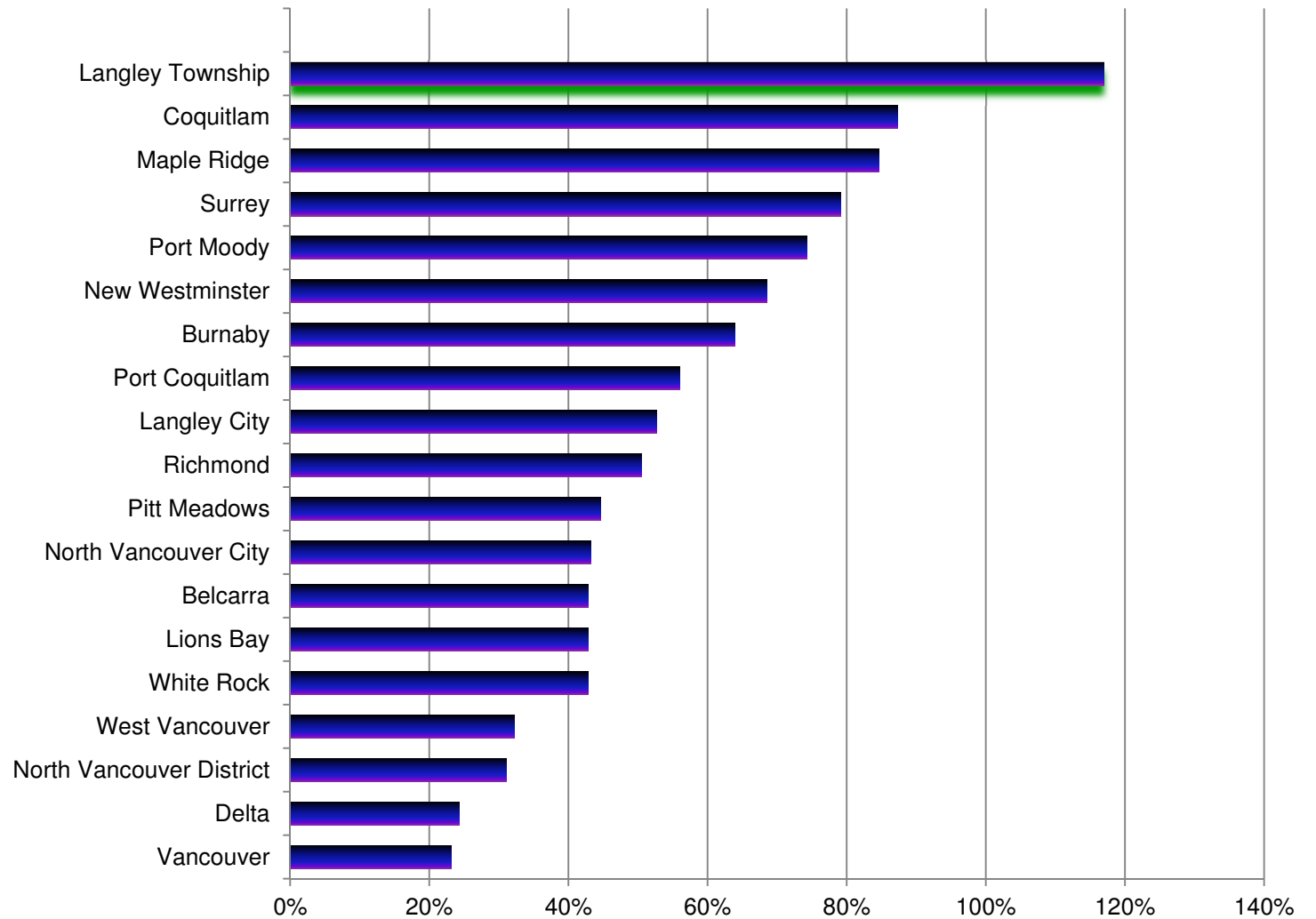
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# Projected Population Growth (2011 to 2041)



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The  
Township  
receives  
approx.  
\$120K  
per year  
in  
Gaming  
Revenue

# 2012 Property Tax Comparison

| Municipality            | Casino | Residential Tax Rate | House Value    | Household Municipal Property Taxes |
|-------------------------|--------|----------------------|----------------|------------------------------------|
| Port Moody              |        | 3.30760              | 735,045        | 2,431                              |
| North Vancouver         |        | 2.36446              | 990,375        | 2,342                              |
| New Westminister        | Yes    | 3.54410              | 660,389        | 2,340                              |
| Coquitlam               | Yes    | 3.11480              | 676,062        | 2,106                              |
| Burnaby                 | Yes    | 2.23260              | 920,290        | 2,055                              |
| Richmond                | Yes    | 2.00128              | 993,118        | 1,988                              |
| Abbotsford              |        | 4.90751              | 398,228        | 1,954                              |
| Delta                   |        | 3.33030              | 586,293        | 1,953                              |
| Port Coquitlam          |        | 3.71290              | 524,684        | 1,948                              |
| <b>AVERAGE</b>          |        | <b>3.33764</b>       | <b>620,919</b> | <b>1,931</b>                       |
| Maple Ridge             |        | 4.08880              | 462,137        | 1,890                              |
| Langley City            | Yes    | 3.72500              | 458,913        | 1,709                              |
| Pitt Meadows            |        | 3.72580              | 455,477        | 1,697                              |
| <b>Langley Township</b> |        | <b>3.19978</b>       | <b>506,454</b> | <b>1,621</b>                       |
| Surrey                  | Yes    | 2.35469              | 614,771        | 1,448                              |
| Chilliwack              |        | 4.45502              | 331,542        | 1,447                              |



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# 2013 Property Tax Comparison

| Municipality            | Casino | Residential<br>Tax Rate | House<br>Value | Household<br>Municipal<br>Property Taxes |
|-------------------------|--------|-------------------------|----------------|--|
| Port Moody              |        | 3.4015                  | 760,622        | 2,587                                    |
| New Westminster         | Yes    | 3.5483                  | 695,743        | 2,469                                    |
| North Vancouver         |        | 2.3696                  | 1,016,052      | 2,408                                    |
| Coquitlam               | Yes    | 3.0560                  | 702,105        | 2,146                                    |
| Burnaby                 | Yes    | 2.2419                  | 949,826        | 2,129                                    |
| Richmond                | Yes    | 2.1225                  | 971,675        | 2,062                                    |
| Abbotsford              |        | 5.0772                  | 400,170        | 2,032                                    |
| Port Coquitlam          |        | 3.8224                  | 528,935        | 2,022                                    |
| Delta                   |        | 3.3150                  | 608,208        | 2,016                                    |
| <b>AVERAGE</b>          |        | <b>3.4165</b>           | <b>632,686</b> | <b>2,006</b>                             |
| Maple Ridge             |        | 4.2833                  | 459,075        | 1,966                                    |
| Pitt Meadows            |        | 3.9066                  | 450,410        | 1,760                                    |
| Langley City            | Yes    | 3.8061                  | 459,042        | 1,747                                    |
| <b>Langley Township</b> |        | <b>3.2743</b>           | <b>513,681</b> | <b>1,682</b>                             |
| Chilliwack              |        | 4.6443                  | 331,183        | 1,538                                    |
| Surrey                  | Yes    | 2.3791                  | 643,561        | 1,531                                    |



# Proposed Tax & Utility % Increases per Year

(as estimated in current five-year plan)

|                                      | 2013         | 2014                | 2015                | 2016                | 2017                | 2018 |
|--------------------------------------|--------------|---------------------|---------------------|---------------------|---------------------|------|
| <b>Universal Services (Proposed)</b> |              |                     |                     |                     |                     |      |
| <b>Core Property Tax Increase</b>    | 1.79%        | <b>1.95%</b>        | <b>1.95%</b>        | <b>1.95%</b>        | <b>1.95%</b>        |      |
| Infrastructure Levy-To Reserve       | 0.50%        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        | <b>0.50%</b>        |      |
| Infrastructure Levy-Asset Maint.     | <u>0.50%</u> | <u><b>0.50%</b></u> | <u><b>0.50%</b></u> | <u><b>0.50%</b></u> | <u><b>0.50%</b></u> |      |
| <b>Property Tax Increase</b>         | 2.79%        | <b>2.95%</b>        | <b>2.95%</b>        | <b>2.95%</b>        | <b>2.95%</b>        |      |
| <b>User Pay Utilities</b>            |              |                     |                     |                     |                     |      |
| <b>Water Rate Increase</b>           | 2.95%        | <b>4.22%</b>        | <b>4.79%</b>        | <b>4.70%</b>        | <b>4.54%</b>        |      |
| <b>Sewer Rate Increase</b>           | 2.95%        | <b>2.95%</b>        | <b>2.95%</b>        | <b>2.95%</b>        | <b>2.95%</b>        |      |
| <b>Solid Waste Rate Increase</b>     | 2.95%        | <b>2.95%</b>        | <b>3.44%</b>        | <b>5.84%</b>        | <b>3.96%</b>        |      |



# Household Impact of Property Tax Increase per Year

(From Current 2013-2017 Five-Year Financial Plan)

| Per 2013-2017 Plan        | 2013  | 2014  | 2015  | 2016  | 2017  | 2018 |
|---------------------------|-------|-------|-------|-------|-------|------|
| <b>UNIVERSAL SERVICES</b> |       |       |       |       |       |      |
| Per Household             | 1,490 | 1,533 | 1,578 | 1,625 | 1673  |      |
| Increase                  | 43    | 45    | 47    | 48    | 49    |      |
| % Increase                | 2.95% | 2.95% | 2.95% | 2.95% | 2.95% |      |
| <b>WATER</b>              |       |       |       |       |       |      |
| Per Household             | 421   | 433   | 451   | 473   | 495   |      |
| Increase                  | 12    | 18    | 22    | 22    | 22    |      |
| % Increase                | 2.95% | 4.22% | 4.79% | 4.70% | 4.54% |      |
| <b>SEWER</b>              |       |       |       |       |       |      |
| Per Household             | 355   | 365   | 376   | 387   | 398   |      |
| Increase                  | 10    | 11    | 11    | 11    | 12    |      |
| % Increase                | 2.95% | 2.95% | 2.95% | 2.95% | 2.95% |      |
| <b>SOLID WASTE</b>        |       |       |       |       |       |      |
| Per Household             | 277   | 288   | 293   | 303   | 321   |      |
| Increase                  | 8     | 8     | 10    | 18    | 13    |      |
| % Increase                | 2.95% | 2.95% | 3.44% | 5.84% | 3.96% |      |



# Major Revenue & Cost Drivers

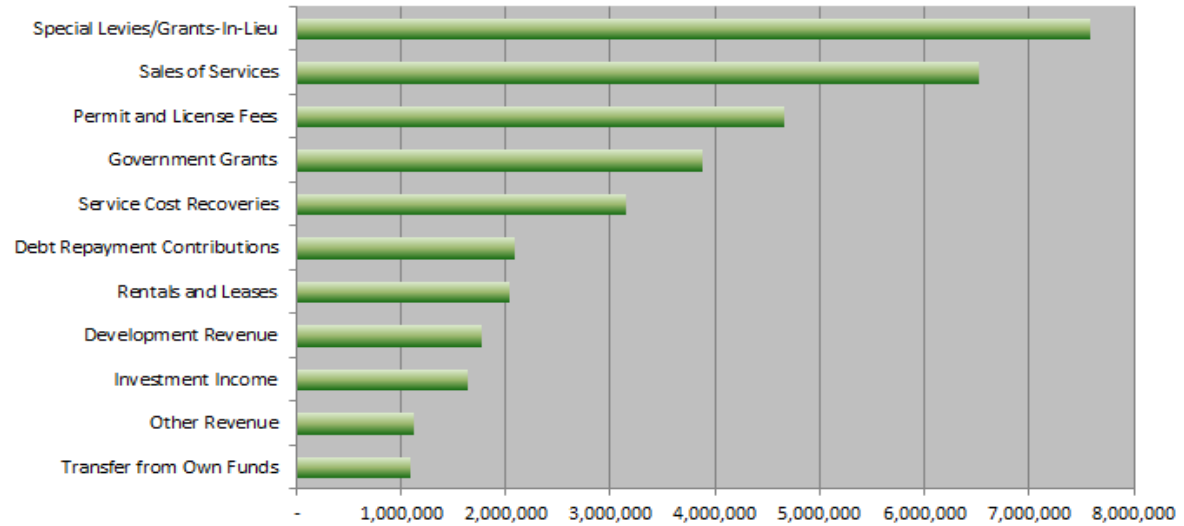
| Drivers                       | Examples   |
|-------------------------------|--|
| Tax Revenue from Growth       | New Construction   |
| Development Revenue           | Building Permits, Soil Deposits  |
| User Fees & Charges           | Water, Sewer, Recreation, etc.   |
| Salary & Wage Contracts       | CUPE, IAFF   |
| Special Contracts             | RCMP, FVRL, ECOMM  |
| Regional District & Translink | Water, Sewer, Solid Waste, Transportation  |
| Maintenance Contracts         | Mowing, Planted Area Maintenance, etc.   |
| Asset Management              | Debt, Contributions to Capital, Transfers to Capital Reserves, Asset Maintenance |



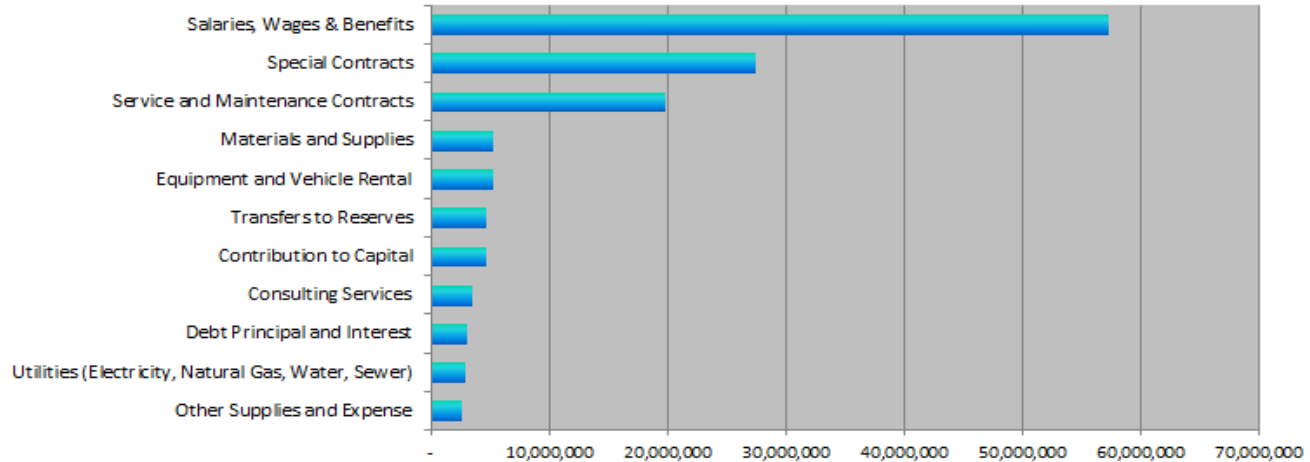


# Revenue & Cost Categories for 2014 (Universal Services - excluding Property Taxes)

2014 Universal Services Revenue



2014 Universal Services Expenditures

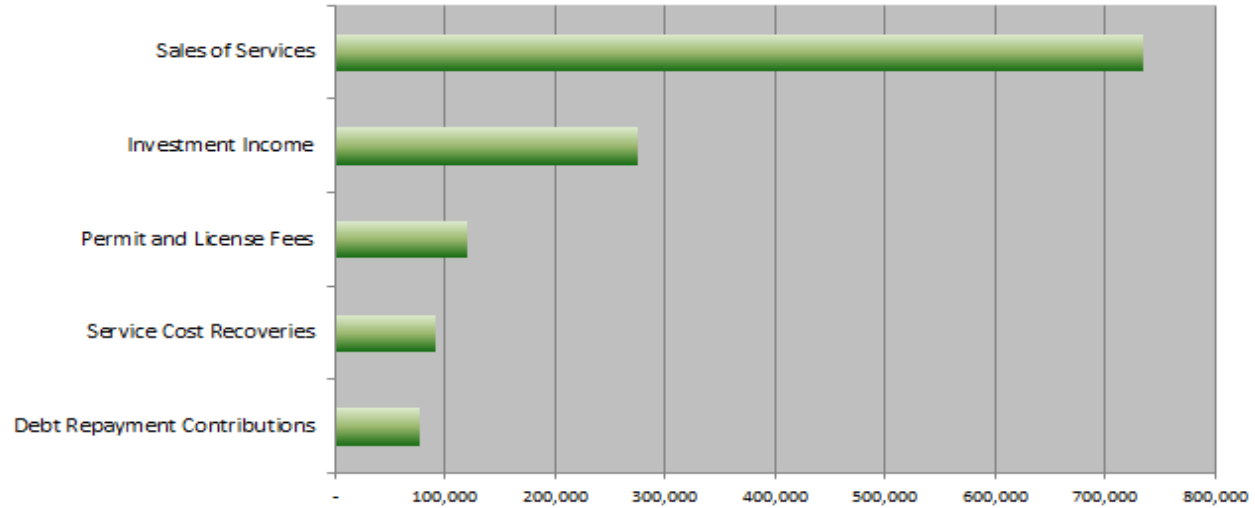




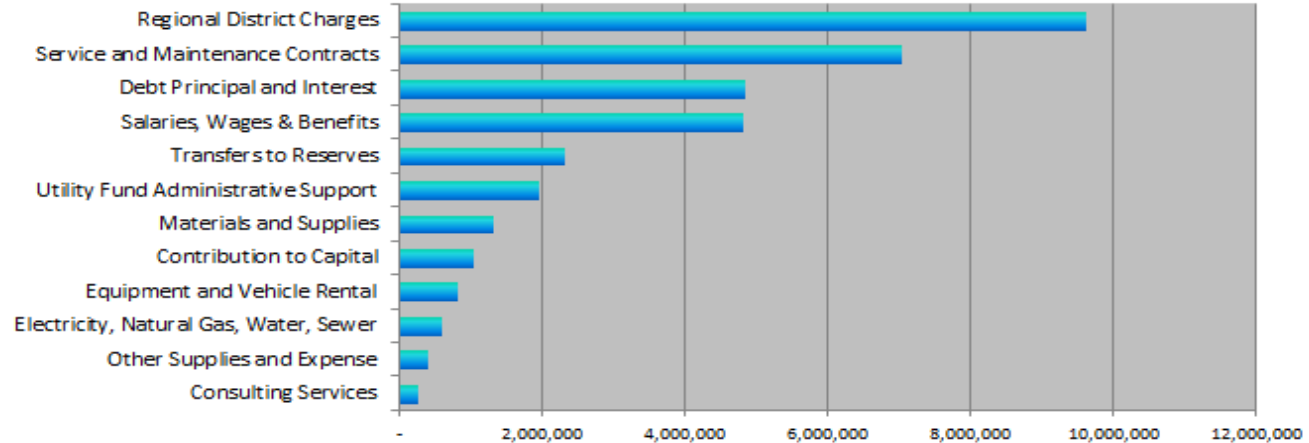


# Revenue & Cost Categories for 2014 (Utilities - excluding Utility User Rates)

2014 Utility Revenue



2014 Utility Expenditures



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# 2014 Budget Guidelines, Issues & Challenges...



# 2014 Budget Guidelines

In order to achieve a sustainable tax increase for 2014 and beyond, the following preparation guidelines have been emphasized:

- Add known contract increases;
- Review 2013 operating savings and identify reductions that can be made permanent;
- Evaluate potential for new revenue opportunities;
- Identify operating impact of new capital (development capital contributed and municipal capital);
- Minimal opportunity to add service enhancements unless supported by a compelling or cost neutral business case;
- Focus on service maintenance over service enhancement.



# 2014 Budget Issues & Challenges

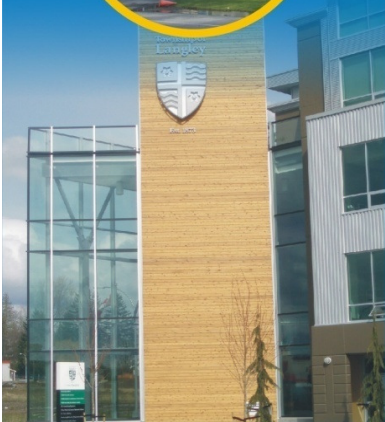
- Salary & Wage Contract settlements unknown  
(IAFF expired end of 2009; CUPE expired end of 2011)
- Continued diligence in providing funding levels that support asset maintenance now and into the future
- Reduced reliance on prior year surplus to fund ongoing operations
- Equipment *Replacement* Reserves underfunded  
(Fire & PW)
- East Langley Water Supply operating costs imminent  
(Water, Wages, Electricity)



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# Items Referred to Budget Process...



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# Items Referred to 2014-2018 Budget Process

(through council minutes and discussions)

## OPERATING

- Capital Improvement and Community Grants
- Agriculture Viability Strategy Implementation (\$135K annual)
- Regional Invasive Species Control Strategy
- Historic Old Yale Road Upgrade (\$150K Study)

## CAPITAL

- Sidewalk Maintenance Funding (\$250K Capital / \$75K Operating)
- Aldergrove Community Centre Funding Strategy
- 216 Street & 88B Avenue Pedestrian Crosswalk
- 98 Avenue & 203 Street Traffic Calming Removal

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# 2014 Enhancements from 2013-2017 Budget...

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# Enhancements Included in 2014

(per Current 2013-2017 Adopted Budget)

| ENHANCEMENTS  | AMOUNT         |
|---|----------------|
| Annualize RCMP Member (1) starting October 1 <sup>st</sup> 2012 | 114,700        |
| Regular RCMP Member (1) starting October 1 <sup>st</sup> 2013   | 39,360         |
| Regular RCMP Clerk III (net of cost sharing)                    | 39,992         |
| Secondary Suite Support Staff (if required at this time)        | 69,350         |
| Parks New Inventory Operating Costs                             | 293,000        |
| Fire Vehicles & Equipment Replacement Reserve                   | <u>50,000</u>  |
|   | <u>606,400</u> |
| <b>OTHER SIGNIFICANT ADDITIONS</b>                              |                |
| Infrastructure Renewal Reserve                                  | 500,000        |
| Reinstate Roads Paving at \$500K/Year to total \$4M             | 500,000        |
|   |                |
|   |                |

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# Budget Simulator / Service Catalogue...

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## Budget Simulator / Service Catalogue

- During the 2013 Budget Process the public was introduced to the concept of an online public consultation tool called *Citizen Budget*;
- For 2014, it is our objective to provide a robust online simulator that is inclusive of more of the budget.

The screenshot shows the Township of Langley BC website. At the top left is the logo and name. To the right are social media icons for Facebook (Like 0), Send, and Twitter (Tweet 0). The main text reads: "Mayor and Council invite Township residents to help balance the 2013 Budget. Balancing a \$350-million budget for 105 thousand people demands difficult choices. We hope this tool will help provide insight into the budget process and give you an opportunity to learn about some of the choices required to balance the Township budget. We also hope that you take this opportunity to share some of your views on what the Top of Mind issues are for you as they relate to the community you live in." Below this is a navigation bar with "Top of Mind Issues" selected, and "Expenses" with a dropdown arrow. Under "Expenses", there are two columns: "Revenues" and "Expenses", both showing "\$0". A green button below says "Change an activity to start".

### TOP OF MIND ISSUES

This first series of questions have no financial impact on the Township's budget.

**In your view, as a resident of the Township of Langley, what is the most important issue facing your community that should also receive the greatest attention from local leaders?**

- Crime
- Taxation/Municipal Government Spending
- Municipal Government Services
- Transportation
- Social



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# Next Steps...



# Next Steps...

| Date           | Action  |
|----------------|---|
| September 30   | Capital Budget Presentation & Discussion  |
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