



Staff Report to Committee of the Whole

DATE: Thursday, February 20, 2025

DEPARTMENT: Finance

SUBJECT: 20250220 - 2025 Budget Overview and Public Input Summary.docx

EXECUTIVE SUMMARY:

The purpose of this report is to present the Proposed 2025-2029 Five-Year Financial Plan for deliberation and consideration. To assist the Committee in reviewing and deliberating the proposed financial plan, this report provides information related to the Consumer Price Index (CPI) and population figures not known at the time of the initial budget meetings. The report also provides additional information regarding Operating and Capital budgets, and which items are contractually committed to, previously approved, policy based, or downloaded from senior levels of government, and which budget items Council may consider adjusting. Given that not all expenditures are funded by property taxes, the report outlines what the funding sources are for significant budget items.

The proposed Financial Plan balances the impact of the 2020, 2021, 2022 property tax reductions, considers the growth of the City, maintains service levels, continues to focus on public safety, factors in the impacts of downloading from senior levels of government, and ensures that the short and long-term financial sustainability of the City remains strong while ensuring Langford maintains one of the lowest property taxes in the CRD as well as comparable sized municipalities in BC.

As this is the first time Council has seen the Proposed Financial Plan, it is important to highlight that this is a starting point in the budget process, from which Committee of the Whole members, and ultimately Council, may make adjustments and changes.

The budget process and timelines for 2025 are as follows:

PRESENTATIONS

Monday January 20th

Committee of the Whole at 7:15pm

- Property Taxes and Financial Plan 101
- Proposed Operating Budgets Presentations
- Mayor and Councillors to Ask Questions on Presentations

Monday January 27th

Committee of the Whole at 7pm

- Proposed Operating Budgets Presentations
- Proposed Capital Budget Presentation
- Mayor and Councillors to Ask Questions on Presentations

PUBLIC INPUT

Budget Survey: Closes February 9th

Visit: [LetsChatLangford.ca/Budget](https://letschatlangford.ca/Budget)

Thursday January 30th

Committee of the Whole at 7pm

- Public Input, no Mayor and Councillors Deliberation

Tuesday February 18th

Committee of the Whole at 1pm

- Public Input, no Mayor and Councillors Deliberation

BUDGET PRESENTATION AND COUNCIL DELIBERATION

Thursday February 20th

Committee of the Whole at 7pm

- Presentation of CPI Impact and Population Information
- Presentation of 2025-2029 Proposed Five Year Financial Plan
- Mayor and Councillors Deliberation
- Public Input

Monday March 3rd

Regular Council Meeting at 7pm

- Council to Deliberate and Consider Approval of Financial Plan

BYLAW READINGS

Tuesday April 22nd

Regular Council Meeting at 7pm

- Council to Consider 1st, 2nd, and 3rd Readings of Financial Plan Bylaw and 2025 Tax Rates Bylaw

Monday May 5th

Regular Council Meeting at 7pm

- Council to Consider Adoption of Financial Plan Bylaw and 2025 Tax Rates Bylaw

Public Participation is also welcome at the Regular Council Meetings: March 3rd, April 22nd, May 5th
For Meeting Details and Participation Information Visit: [Langford.ca/Meetings](https://langford.ca/Meetings)

The proposed 2025-2029 Financial Plan as presented is summarized as follows:

	2024 Budget	2025	2026	2027	2028	2029
Proposed Property Taxes						
Municipal Tax						
General & Police	43,883,850	52,586,680	59,523,100	63,490,580	67,476,670	70,932,770
General - West Shore Parks and Recreation	3,276,205	3,422,720	3,525,400	3,631,160	3,740,090	3,852,290
General - Greater Victoria Public Library	2,640,819	2,941,210	3,029,450	3,120,330	3,213,940	3,310,360
General - Debt	1,050,000	1,800,000	2,900,000	4,000,000	4,455,000	5,605,000
General - Debt - Westhills Langford Aquatic Centre	3,071,523	4,009,520	2,266,790	6,241,690	7,567,570	8,967,570
General - Woodlands Park	-	-	2,800,000	-	-	-
Total Property Taxes	53,922,397	64,760,130	74,044,740	80,483,760	86,453,270	92,667,990
Non-market change revenue	1,879,000	3,013,000	1,800,000	1,800,000	1,800,000	1,800,000
Property Taxes - for calculation of tax increase (net of Non-market change)	52,043,397	61,747,130	72,244,740	78,683,760	84,653,270	90,867,990
Proposed Tax Increase		14.51%	11.56%	6.27%	5.18%	5.11%

BACKGROUND:

The population of the City of Langford has grown rapidly over the last five-years. During this time, the City has maintained current service levels, invested significantly in public safety improvements, road networks, economic development, and parks and recreation, all while maintaining one of the lowest property taxes in the Capital Regional District (CRD) as well as in relation to similarly sized municipalities in BC. During the COVID-19 pandemic, Council made the decision in 2020, 2021 and 2022 to reduce the recommended tax increases to assist residents who may have been affected by the pandemic, recognizing that future year tax increase percentages would likely be higher.

The City of Langford has long operated as a very lean organization. One of the potential downsides to having such a lean organization is that in years of significant budget pressures, as 2023 and 2024 were, and 2025 is, there is very little that can be reduced, without affecting service levels, within the proposed Financial Plan to reduce the tax increase.

COMMENTARY:

As noted in the timeline above, the proposed Operating and Capital budgets were presented to Committee of the Whole at the January 20th and January 27th meetings.

Public Input:

The City held two public input meetings to encourage the public to provide comments and feedback on the proposed Financial Plan based on the information presented.

The public was invited to contribute to the budget process by providing input through a survey hosted on LetsChatLangford.ca, through written submissions (including a dedicated budget email), and by participating online or in-person during Committee of the Whole Meetings.

Enhancements to the annual budgeting process such as the introduction of a survey supports Council's Strategic Plan initiatives relating to increasing transparency and participation in budget related decision-making.

The survey launched on Tuesday, January 21, 2025. In addition to the on-line survey, paper copies could be picked up at City Hall and were also available via email. The survey closed on February 9, 2025, with a total of 630 responses received. A survey summary report is included in the Agenda package, has been posted at Langford.ca/Budget, and on LetsChatLangford.ca/Budget. Comments and questions received through the budget email were forwarded to Council for review and may be addressed during upcoming budget meetings through staff comments or presentations.

When staff presented at the January 20th and January 27th Committee of the Whole meetings, the Proposed 2025-2029 Five-Year Financial Plan was not finalized given the CPI and Population figures were not known. As this information has now been received, staff have incorporated this information and drafted the Proposed Financial Plan.

Initial Proposed 2025-2029 Financial Plan:

The initial Proposed 2025-2029 Five Year Financial Plan presents a proposed 2025 tax increase of 14.51%, as detailed below:

	2024 Budget	2025	2026	2027	2028	2029
Proposed Property Taxes						
Municipal Tax						
General & Police	43,883,850	52,586,680	59,523,100	63,490,580	67,476,670	70,932,770
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Non-market change revenue	1,879,000	3,013,000	1,800,000	1,800,000	1,800,000	1,800,000
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Proposed Tax Increase		14.51%	11.56%	6.27%	5.18%	5.11%

The summary of key 2025 budget items include:

Summary of proposed 2025 key budget items	
RCMP Contract (Contract increases and 5 additional members)	4.00%
E-Comm	2.36%
Fire Department staffing (per Master Plan)	1.85%
Debt Servicing Costs - Westhills Langford Aquatic Centre	1.75%
Maintenance Contracts (i.e. roads and parks maintenance)	1.47%
Debt payment (internal capital borrowing)	1.39%
General Staffing	1.30%
CPI on Wages	1.12%
Langford Aquatic Centre rent (3 months)	0.86%
Repairs and Maintenance	0.69%
Greater Victoria Public Library	0.56%
Savings for required future technology upgrades	0.56%
Capital funded by property taxes	0.45%
Woodlands Park tenant supports	0.37%
IT security programs and licencing	0.37%
Miscellaneous (net effect of increases and decreases of revenues and expenses)	0.33%
Royal Roads Innovation Studio	0.28%
West Shore Parks and Recreation	0.27%
Insurance and utilities	0.25%
E-bike rebate program	0.14%
Legal budget reduction	-0.30%
Non-market change	-5.56%
	14.51%

Inflation (Consumer Price Index (CPI)):

Inflation (CPI) impacts the City of Langford budget more significantly than many other municipalities given the operating model the City utilizes and due to City Hall wage increases not being a part of a Collective Agreement. Many of the operating and maintenance contracts the City has are indexed each year by CPI, and as per long standing policy, City Hall staff wages are also indexed by CPI. This year CPI is 2.5%.

Population:

The City uses population figures as published by BC Stats. As received February 10th, the 2024 population for the City of Langford has been estimated at 58,320, representing an increase of 5,367 residents from the population figure reported last year.

Staff note that these most recent population figures, published by BC Stats, also adjusts previously published population figures for the City of Langford for prior years. Staff are working with BC Stats to

better understand the reason for these changes.

The most significant impact of population growth on the budget is the number of RCMP officers to be authorized. The RCMP use “Cop to Pop” ratio, the number of authorized RCMP Officer per 1,000 residents, to calculate the number of officers requested to police the community. As per the RCMP, the ratio gets smaller as population increases, with a target of 1:725 for communities over 50,000 residents. In 2024, using the population figure reported at the time, 52,953, the City maintained the same target ratio as in 2023, 1:750, with 70 authorized officers. The “updated” population for 2024 has been revised to 55,525, which effectively makes the 2024 ratio 1:793.

The table below sets out a comparison of the original and revised population numbers together with the original and revised ratio of officers to residents.

Year	Original Population	Revised Population	Authorized Strength	Original Cop/Pop	Revised Cop/Pop
2021	44,572	46,333	58	768	799
2022	47,030	49,199	61	771	807
2023	49,687	53,120	65	764	817
2024	52,953	55,525	70	756	793
Year	Preliminary population figure from Province	Published Population	Requested Authorized Strength (as per Proposed Financial Plan)	Ratio based on preliminary population	Ratio based on Published Population
2025	55,025	58,320	75	734	778

Staff note the following based on the new population number:

- To maintain the same target ratio for 2025, 1:750, the City would need to increase the authorized strength by 7.76 officers, to 77.76 (78).
- To maintain the same adjusted ratio, 1:793, the City would need to increase the authorized strength by 3.54 officers, to 73.54 (74).
- To adjust the ratio to 1:725, as previously requested by the RCMP as the target “Cop to Pop” ratio for a population over 50,000, the City would need to increase the authorized strength by 10.44 officers, to 80.44 (80).

The 2025 cost to the City (90% of total cost) per RCMP officer is \$234,000, of which the City budgets 87.5%.

At the Committee of the Whole on January 27th, the Officer-in-Charge (OIC) of the West Shore RCMP Detachment requested an additional five officers for 2025, bringing the total authorized strength to

75. As noted in the chart above, at that time the OIC had received preliminary population numbers from the Province of 55,025. Staff have included an authorized strength of 75 (as requested by the OIC) in the proposed Financial Plan.

Operating Budget

As presented above, the key budget items for 2025 that have a property tax impact include items that are contractually obligated or downloaded, as well as items that Council has discretion over.

Key budget items that are contractually obligated, previously approved, downloaded from senior levels of government, or set out in existing policy:

- RCMP contractual increases
- E-Comm
- Debt servicing costs – Westhills Langford Aquatic Centre
- Maintenance contracts (e.g. roads and parks maintenance)
- CPI on wages
- Langford Aquatic Centre rent (three months)
- Repairs and Maintenance
- Greater Victoria Public Library
- Woodlands Park tenant supports
- West Shore Parks and Recreation
- Insurance and Utilities

Key budget items that council has discretion (note that a change to these items may impact service levels and/or impact future percentage tax increases):

- RCMP (additional officers)
- Fire Department staffing (per Master Plan)
- Debt payments (internal capital borrowing)
- General staffing
- Additional savings for required future technology upgrades
- Capital funded by property taxes
- IT programs and licensing
- Royal Roads Innovation Studio
- E-bike rebate program

Surplus:

In addition to the above, the Proposed 2025-2029 Financial Plan includes the following items that are proposed to be funded through prior year surplus (no 2025 tax impact):

- Zoning Bylaw review (including the off-street parking and design guideline updates)
- OCP Update
- Floodplain Mapping
- Stormwater Management update
- Pedestrian Plaza/Walkway pilot project
- Traffic Sign Replacement
- Arts and Culture Strategy
- Economic Development Strategy.

Grant Funded Operating Projects:

In addition to the Operating budgets outlined above, the proposed Financial Plan includes budgeted operating expenditures that are funded through grant funding (no impact to 2025 property taxes). By department, these are:

- Development Services, Community Planning and Climate Change: \$373,820
- Engineering and Public Works: \$295,000
- Parks, Recreation and Facilities: \$238,350
- Fire Rescue Services & the Emergency Program: \$248,000
- General Government (funded by MRDT): \$312,330
- General Government: \$35,000

Capital Budget

In addition to the Operating budget portion of the Financial Plan, staff also include a proposed Capital budget for the 2025-2029 Financial Plan. The capital budget outlines the proposed projects, their budgeted cost, and proposed funding source for each project for the five years. The Committee will notice that in future years the proposed Financial Plan does not include as many capital items, the primary reason for this is that staff are awaiting the completion and approval of the master planning process's being undertaken in 2025 and 2026 as these master plans will identify capital projects that the City can then incorporate into the Financial Plan in future years.

In summary, the following Capital items are within Council's discretion through the budget process:

- BI01 - Building Inspection Vehicle Purchase
- PW01 - Engineering Vehicle Purchase
- SR32 - Neighbourhood Improvements
- SR85 - Paving City Parking Lots
- SR95 - City Centre Crosswalk
- SW01 - Sidewalk Infill
- SW28 - Glen Lake Sidewalk

FE14 - Fire Vehicle Replacement
FA05 - Wi-Fi Community Internet
FA08 - Admin Property Purchase
FA25 - Fibre Network
FA36 - Council Video Streaming Hardware
PD36 - Washroom Facility Improvements
PD37 - Westshore Parkway Trail
PD41 - City Hall - Parkade EV Charger Ready
PK01 - Parkland Acquisition
PK18 - Hiking Trails
PK24 - Centennial Park Improvements
PK73 - Veterans Park Expansion

Council has discretion over the following Capital items, though safety or liability concerns have been identified and prompted the item being included in the proposed financial plan:

SL09 - Traffic Signal Upgrades
SL17 - Leigh at Dunford (New Signal Lights)
SR32 - Neighbourhood Improvements
SR96 - Latoria Road Corridor Upgrades
SW01 - Sidewalk Infill
FA06 - IT - Servers/Printers/Backup
PD45 - City Centre Grill Kitchen Cooling Coil
PD47 - Westhills Arena - Mechanical Improvements
PD50 - Florence Lake Pier Repairs
PK07 - Access Improvements

Growing Communities Fund (GCF):

On December 16, 2024, Council approved the purchase of Woodlands Park and at that time approved the use of \$7,000,000 from the GCF to be used towards this purchase. As it has been approved by Council, this funding is included in the proposed Financial Plan.

Subsequent to this date, and through the year end accounting process, staff have verified that the City has approximately \$3.8M in the Parkland and Open Space Reserve. Council may wish to fund up to \$2M of the Woodlands Park purchase from this Reserve and reallocate the same amount from the GCF to fund a portion of the Latoria Road Corridor Upgrades, in addition to the \$1,055,300 already proposed to be funded by the GCF.

FINANCIAL IMPLICATIONS:

The following tables show Langford's 2024 residential taxes on a representative house, in comparison to other cities in the region as well as similarly sized municipalities throughout the province, for both the general municipal portion and the overall property taxes.

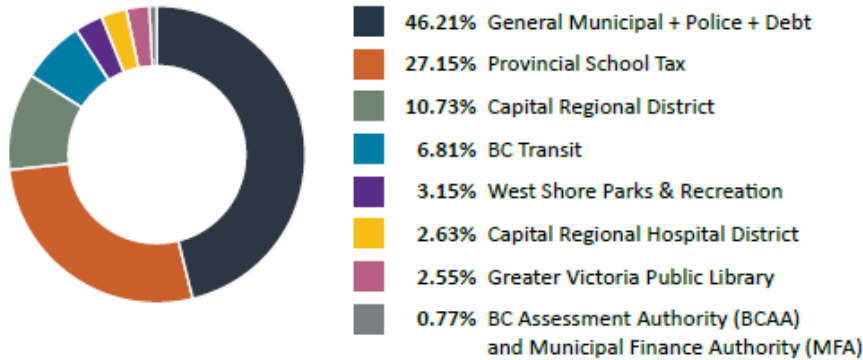
How Did Langford Compare to Other CRD and Similar Sized Municipalities in 2024?

General Municipal		Total Residential Property Taxes and Charges	
Municipality	2024	Municipality	2024
Sooke	1,758	Sooke	4,242
North Saanich	1,890	Metchosisin	4,380
North Cowichan	1,968	Langford	4,472
Metchosisin	2,028	Vernon	4,800
Courtenay	2,040	Colwood	4,851
Sidney	2,206	Highlands	4,964
Highlands	2,318	View Royal	4,986
Vernon	2,369	North Cowichan	5,080
View Royal	2,393	Sidney	5,170
Campbell River	2,404	Courtenay	5,357
Langford	2,406	Penticton	5,402
Colwood	2,477	Esquimalt	5,439
Penticton	2,477	Campbell River	5,556
West Kelowna	2,791	North Saanich	5,598
Central Saanich	2,899	Mission	5,874
Mission	2,910	Central Saanich	6,127
Average	2,935	Average	6,222
Langley	2,994	Langley	6,395
Esquimalt	3,319	West Kelowna	6,504
Saanich	3,688	Victoria	6,991
North Vancouver	3,709	Saanich	7,303
Victoria	3,757	North Vancouver	7,914
Port Moody	4,526	Port Moody	8,681
Oak Bay	4,976	Oak Bay	10,249
West Vancouver	6,128	West Vancouver	12,994

Source: Government of British Columbia, Municipal taxes and charges on a representative house (2024) – Province of British Columbia
 - Accessed November 29, 2024

It is important to remember that the City of Langford's portion of the property tax bill is approximately 50%, while the remainder of the total property taxes levied are collected on behalf of other taxation authorities and the City simply levies, collects, and remits the full amount to those organizations. The City does not have any input into those tax rates and the City does not retain any of the funds collected on behalf of those entities. The graph below outlines what percentage of the 2024 property tax notice went to each of the taxation authorities.

Where Your Total Property Tax Bill Went in 2024



LEGAL IMPLICATIONS:

The *Community Charter* requires a municipality to adopt a Five-Year Financial Plan each year prior to May 15th. The Financial Plan establishes the basis upon which property taxation rates are calculated. Staff have identified projects that contain contractual or other legal obligations for Council's information.

STRATEGIC PLAN ALIGNMENT:

5bi - Ensure all budgets are fiscally sustainable

5bii – Ensure All Budget Documents and Transparent and User Friendly.

5c – Expand opportunities for public engagement

OPTIONS:

Option 1

THAT Committee of the Whole recommend that Council approve the 2025-2029 Five Year Financial Plan as presented.

OR Option 2

THAT Committee of the Whole recommend that Council approve the 2025-2029 Five Year Financial Plan as presented, with the following amendment;

- a. That for PD55, Woodlands Park, the Growing Communities Fund funding be reduced by \$_____ and replaced by Parks and Open Spaces Reserve; and that, SR96, Latoria Rd Corridor Upgrades, by the same amount from the Growing Communities Fund and that the Gas Tax Funding for this project be reduced by the same amount.

OR Option 3

THAT Committee of the Whole recommend that Council approve the 2025-2029 Five Year Financial Plan as presented, with the following amendments:

- a) _____,
- b) _____,
- c) _____.

SUBMITTED BY: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Melisa Miles, Manager of Legislative Services
Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development
Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities
Concurrence: Matthew Baldwin, RPP, MCIP, Director of Development Services
Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change
Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works
Concurrence: Marie Watmough, Director of Legislative & Protective Services
Concurrence: Braden Hutchins, Deputy Chief Administrative Officer
Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachments:

1. Budget 2025 Survey Responses Report
2. Proposed 2025-2029 Financial Plan-Feb 20
3. Proposed 2025-2029 Financial Plan-Appendix A