



Staff Report to Council

DATE: Monday, March 17, 2025
DEPARTMENT: Finance
SUBJECT: 2025-2029 Five Year Financial Plan

EXECUTIVE SUMMARY:

The *Community Charter* requires Council to adopt a Five-Year Financial Plan Bylaw each year and subsequently adopt a Tax Rate Bylaw before May 15. Prior to the finalization of these bylaws, Council may choose to adopt the Five-Year Financial Plan.

The budget process and timelines for 2025 are as follows:

<p>PRESENTATIONS</p> <p>Monday January 20th - Complete Committee of the Whole at 7:15pm</p> <ul style="list-style-type: none"> Property Taxes and Financial Plan 101 Proposed Operating Budgets Presentations Mayor and Councillors to Ask Questions on Presentations <p>Monday January 27th - Complete Committee of the Whole at 7pm</p> <ul style="list-style-type: none"> Proposed Operating Budgets Presentations Proposed Capital Budget Presentation Mayor and Councillors to Ask Questions on Presentations 	<p>PUBLIC INPUT</p> <p>Budget Survey: Closes February 9th - Complete Visit: LetsChatLangford.ca/Budget</p> <p>Thursday January 30th - Complete Committee of the Whole at 7pm</p> <ul style="list-style-type: none"> Public Input, no Mayor and Councillors Deliberation <p>Tuesday February 18th - Complete Committee of the Whole at 1pm</p> <ul style="list-style-type: none"> Public Input, no Mayor and Councillors Deliberation
<p>BUDGET PRESENTATION AND COUNCIL DELIBERATION</p> <p>Thursday February 20th - Complete Committee of the Whole at 7pm</p> <ul style="list-style-type: none"> Presentation of CPI Impact and Population Information Presentation of 2025-2029 Proposed Five Year Financial Plan Mayor and Councillors Deliberation Public Input <p>Tuesday March 4th – NEW - Complete Committee of the Whole at 7pm</p> <ul style="list-style-type: none"> Operating budget continued Capital Mayor and Councillors Deliberation Public Input 	<p>Monday March 17th Regular Council Meeting at 7pm</p> <ul style="list-style-type: none"> Council to Deliberate and Consider Approval of Financial Plan <p>BYLAW READINGS</p> <p>Tuesday April 22nd Regular Council Meeting at 7pm</p> <ul style="list-style-type: none"> Council to Consider 1st, 2nd, and 3rd Readings of Financial Plan Bylaw and 2025 Tax Rates Bylaw <p>Monday May 5th Regular Council Meeting at 7pm</p> <ul style="list-style-type: none"> Council to Consider Adoption of Financial Plan Bylaw and 2025 Tax Rates Bylaw

Public Participation is also welcome at the Regular Council Meetings: March 17th, April 22nd, May 5th
For Meeting Details and Participation Information Visit: Langford.ca/Meetings

The purpose of this report is for Council to consider approval of the Proposed 2025-2029 Five-Year Financial Plan as amended through the process of the Committee of the Whole meetings outlined above and direct staff to prepare the 2025-2029 Five Year Financial Plan Bylaw and the 2025 Tax Rates Bylaw.

The amended 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	50,532,690	59,183,090	63,440,580	67,901,670	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	1,300,000	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	62,206,140	73,704,730	80,433,760	86,878,270	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	59,193,140	71,904,730	78,633,760	85,078,270	90,867,990
Proposed Tax Increase		9.77%	15.59%	6.69%	5.77%	4.59%

The Financial Plan presented this evening, based on the initial proposed Financial Plan and amendments made through the Committee of the Whole process, currently has the proposed 2025 overall tax increase at 9.77%.

BACKGROUND:

The Proposed 2025-2029 Five Year Financial Plan was presented to Committee of the Whole. As outlined in the timeline above, staff presented the proposed operating and capital budgets at the January 20th and January 27th Committee meetings. Subsequently, the City held two public input meetings to allow the public to provide comment and feedback on the proposed financial plan and the information presented. In addition to submissions from the public at these two meetings, the public was able to submit comments by email to budget2025@langford.ca as well as a budget survey that was new for this year on Let’s Chat Langford. Subsequent to these initial meetings, the Proposed Financial Plan was presented to Committee of the Whole at the February 20th meeting. The Committee deliberated the Proposed Financial Plan at the February 20th and March 4th Committee meetings.

Initial Proposed 2025-2029 Financial Plan:

The initial Proposed 2025-2029 Five Year Financial Plan included a 14.51% tax increase in 2025.

	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
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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%

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%

COMMENTARY:

Amended Proposed 2025-2029 Five Year Financial Plan:

Through the Committee of the Whole meetings the following recommendations for amendments were made, as reflected in the amended proposed 2025-2029 Five Year Financial Plan presented to Council at this time (impact on the 2025 property taxes shown in brackets).

1. Reduce Debt Payment (internal borrowing) (reduction of 0.93%)
2. Fund the Langford Aquatic Centre rent from surplus (reduction of 0.86%)
3. Capital Funded by Property Taxes to be funded from other sources (reduction of 0.45%)
4. Reduce Royal Roads Innovation Studio to a half year for 2025 (reduction of 0.14%)
5. Defer E-bike Rebate Program to 2026-2027 (reduction of 0.14%)

6. Reduce Council Travel and Training by 25% (reduction of 0.03%)
7. Fund term staffing for Finance and Policy functions from surplus (reduction of 0.29%)
8. Defer staffing positions related to Parks Department and Coop Student (Administration) to 2026 (reduction of 0.22%)
9. Not approve requested staffing positions in Building and Planning (reduction of 0.33%)
10. Reduce savings for future IT infrastructure replacement (reduction of 0.28%)
11. Defer Goldstream Ave Fountain repairs to 2026 (reduction of 0.32%)
12. Reduce Christmas Decorations budget to \$30,000 from \$60,000 (reduction of 0.06%)
13. Reduce budget for MODO car sharing (reduction of 0.07%)
14. Reduce Westshore Arts Council Funding to \$10,000 (reduction of 0.05%)
15. Reduce additional \$100,000 (see note below) (reduction of 0.19%)
16. Reduce RCMP Contract amount (add four officers vs proposed add five) (reduction of 0.38%)

Note: staff recommend reducing the overall staff travel and training budget by 25% to align with the reduction proposed to the Council travel and training budget. This reduces the property tax amount by \$77,875. Additionally, staff recommend reducing the Asset Management consultant budget by \$22,125 for 2025.

As noted during the Committee of the Whole meetings, the above amendments will have the following impacts, in addition to reducing the 2025 property tax increase:

1. Future year % tax increases will be higher because of the reductions made in 2025, recognizing that Council could determine it wishes to review service levels in advance of or through the 2026 budget process and Council may further defer or reconsider items already deferred to 2026.
2. Service levels in some areas will likely be impacted in the short-term and potentially in the long term because of some of the reductions outlined above.

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

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Property Taxes - for calculation of tax increase (net of Non-market change)	52,043,397	59,193,140	71,904,730	78,633,760	85,078,270	90,867,990
Proposed Tax Increase		9.77%	15.59%	6.69%	5.77%	4.59%
Breakdown of Proposed Tax Increase:						
City		9.35%				
Police		3.62%				
E-Comm		2.36%				
Non-Market change		-5.56%				
Total		9.77%				

The Financial Plan presented this evening, based on the initial Proposed Financial Plan and amendments made through the Committee of the Whole process, currently has the 2025 overall tax increase at 9.77%.

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?

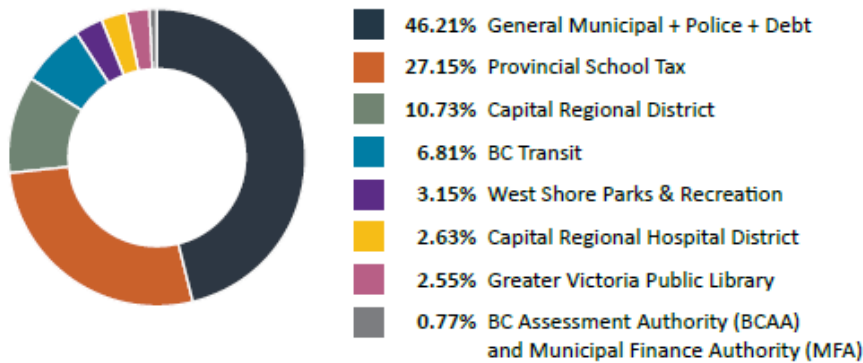
General Municipal		Total Residential Property Taxes and Charges	
Municipality	2024	Municipality	2024
Sooke	1,758	Sooke	4,242
North Saanich	1,890	Metchosin	4,380
North Cowichan	1,968	Langford	4,472
Metchosin	2,028	Vernon	4,800
Courtenay	2,040	Colwood	4,851
Sidney	2,206	Highlands	4,964
Highlands	2,318	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



As noted above, the Financial Plan presented this evening, based on the initial Proposed Financial Plan and amendments made through the Committee of the Whole process, currently has the 2025 overall tax increase at 9.77%.

Looking forward and given the projected tax increase of 15.59% in 2026, Council may choose to review service levels in advance of or through the 2026 budget process. Council may determine through future conversations that it wishes to further defer or reconsider items deferred to the 2026 budget.

LEGAL IMPLICATIONS:

The *Community Charter* requires Council to adopt a Five-Year Financial Plan each year and subsequently adopt a tax rate bylaw before May 15.

STRATEGIC PLAN ALIGNMENT:

Aligning with objectives 5bi and 5bii in Council's Strategic Plan, the 2025-2025 proposed Financial Plan is prepared in line with best practices for municipalities in BC, with a fiscally responsible and sustainable lens and presented in a transparent and user-friendly format.

OPTIONS:

Option 1

THAT Council approve the 2025-2029 Five Year Financial Plan and direct staff to prepare the 2025-2029 Five Year Financial Plan Bylaw and 2025 Tax Rates Bylaw.

OR Option 2

THAT Council approve the 2025-2029 Five Year Financial Plan with the following amendments, and direct staff to prepare the 2025-2029 Five Year Financial Plan Bylaw and 2025 Tax Rates Bylaw:

- a.
- b.

- c.
- d.

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: Proposed 2025-2029 Five Year Financial Plan