



Staff Report to Committee of the Whole

DATE: Tuesday, April 8, 2025

DEPARTMENT: Finance

SUBJECT: 2025-2029 Financial Plan – 2026 Projected Key Budget Items

EXECUTIVE SUMMARY:

At the March 17, 2025, Regular Council Meeting, Council passed the following motion:

THAT Council approve the 2025 budget and direct staff to bring back further information related to the projected tax increases in 2026-2029 of the 2025-2029 Five Year Financial Plan to a Committee of the Whole meeting to be held on April 8, 2025.

This report outlines the items that make up the amended proposed 2026 tax increase as drafted in the Proposed 2025-2029 Financial Plan at a high level. As this is a future year within the current Financial Plan, it is a projection and subject to change throughout the current year, with further changes through the 2026-2030 Financial Plan process that will commence in late 2025 or early 2026. Beyond the second year of the Financial Plan (in this case 2026) the Financial Plan is primarily driven by projections and inflation (CPI) estimates and refined each year through the budget process as that year gets closer to being the “current” year. This is especially true in a city growing as fast as Langford. As well, with many longer-term planning documents scheduled to be completed or updated over the next year the City will be able to more accurately project budgets further into the future each year.

Though the 2026-2029 budgets/projections will be subject to change during future budget processes, Council may choose to revise these projections by removing items or by deferring items to a future year. However, it should be emphasized that these decisions are just altering the projection and will be subject to further budget deliberations and staff input in future years. The actual % tax increase for future years is not finalized until the applicable year’s budget is approved.

BACKGROUND:

The Proposed 2025-2029 Five Year Financial Plan was presented to Committee of the Whole. 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 complete the City's first budget survey on the Let's Chat Langford engagement platform. 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.

The initial Proposed 2025-2029 Five Year Financial Plan included a 14.51% tax increase in 2025. Through the Committee of the Whole meetings, several amendments were made in an effort to reduce the 2025 % tax increase. At the March 17, 2025, Regular Council meeting, Council approved the 2025 Budget with an overall tax increase of 9.77% and directed staff to bring back further information related to the projected tax increases in 2026-2029. This report responds to Council's direction.

COMMENTARY:

The 2025-2029 Financial Plan as presented is summarized as follows (Council has approved 2025):

	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%
Breakdown of Proposed Tax Increase:						
City		9.35%				
Police		3.62%				
E-Comm		2.36%				
Non-Market change		-5.56%				
Total		9.77%				

The initial proposed 2025-2029 Financial Plan (which has subsequently been amended as outlined above) 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%

Council may wish to note that while the proposed tax increase for 2026 of 15.59% in the amended Proposed Financial Plan is *higher* than the proposed tax increase for 2026 in the initial proposed Financial Plan of 11.56%, the total property taxes projected to be collected by the City has reduced by \$340,010. This is important to highlight as it shows one of the challenges associated with using a percentage (%) when comparing year to year.

As requested by Council, the following is a breakdown of the key budget items that are currently projected to contribute to the 2026 property tax increase. To show the comparison and net effect of the amendments made to the 2025 budget, the chart includes the percentage of each item in the initial Proposed 2026 budget and the Amended Proposed 2026 budget.

One-time Item	Increased by reduction to 2025	Moved From 2025	Key budget items	Amended Proposed 2026 (%)	Initial Proposed 2026 (%)
	*		Internal Capital payment to pay for capital already purchased	2.57	1.70
	*		RCMP contract	2.48	2.07
			Fire Department wages (including contract increases)	1.76	1.69
	*		Net effect of increases and decreases of revenues and expenses (including CPI)	1.73	0.43
			Langford Aquatic Centre debt/Woodlands Park purchase	1.70	1.63
			VIIIMCU (Vancouver Island Integrated Major Crime Unit)	1.45	1.39
*			Eliminate transfer from capital works reserve to cover capital debt servicing	1.37	1.31
			City Hall staffing	1.18	0.96
			E-Comm - Police Dispatch	0.82	0.79
*			Lake Ida Anne remediation	0.68	0.66
			CPI Wage increases (excluding fire)	0.65	0.62
*		*	Goldstream Avenue fountain repairs	0.27	-
			Maintenance contracts	0.26	0.25
	*		Additional savings for IT replacements	0.24	-
*			2026 Election costs	0.19	0.19
			Westshore Parks and Recreation requisition (WSPRS)	0.17	0.16
			Reduced earnings on investments	0.16	0.15
			Greater Victoria Public Library (GVPL)	0.14	0.14
	*		Royal Roads Innovation studio	0.12	-
		*	E-bike rebate program	0.12	-
	*		Staff Travel and Training	0.12	-
			RCMP Detachment Municipal Employee staffing	0.08	0.07
			Recreation facilities property management	0.05	0.05
			Animal control contract	0.05	0.05
*			Bylaw department E-bike purchase	0.05	0.05
	*		Asset management consultants	0.04	-
	*		Council travel and training	0.03	-
			Non-Market Change	(2.89)	(2.78)
				15.59	11.56

Staff note that as with the regular course of business, some of the above items are projected and known in principle but are subject to further Council decision and direction throughout the coming year.

2027-2029:

Detailed key budget items which haven't been included for these years as the primary drivers to the projected % tax increase in these years are: Debt Servicing, Public Safety costs and inflation (CPI). Further refinement and projections will be added to these years as the City's Master Plans are completed and as these years get closer to the "current" year of the Five-Year Financial Plan.

OPTIONS:

Option 1

THAT Committee of the Whole recommend that Council approve the 2025-2029 Financial Plan as presented at the March 17, 2025, Regular Council meeting and direct staff to prepare the 2025-2029 Five Year Financial Plan Bylaw and the 2025 Tax Rates Bylaw.

OR Option 2

THAT Committee of the Whole recommend that Council approve the 2025-2029 Financial Plan with the following amendments to 2026-2029:

- a. _____;
- b. _____;
- c. _____.

AND

THAT Committee of the Whole recommend that Council direct staff to prepare the 2025-2029 Five Year Financial Plan Bylaw and the 2025 Tax Rates Bylaw.

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