

BUDGET AMENDMENT

TO REDUCE TAX INCREASE
WHILE INCREASING
DELIVERABLES



These proposed adjustments result in a total property tax increase of a reduced 3.87% down from the current 4.95%, while funding McLeod Athletic Park and additional capital projects.



Est. 1873

MEMORANDUM

FEBRUARY 28 • 2019

TO: MAYOR AND COUNCIL
FROM: CLLR ERIC WOODWARD
SUBJECT: PROPOSED BUDGET AMENDMENT TO REDUCE 2019 PROPERTY TAX INCREASE TO 3.87% FROM 4.95% WHILE INCREASING DELIVERABLES

EXECUTIVE SUMMARY

Council, constituents, small business, and other community stakeholders are presently faced with a property tax increase of 4.95% for 2019.

With a few budget adjustments outlined herein, I propose we reduce the property tax increase by over a full percentage point to 3.87%, yet complete the proposed McLeod Athletic Facility improvements of \$5.1M, and deliver fifteen (15) additional high-priority, important capital projects and community items that are currently unfunded.

MCLEOD ATHLETIC PARK

It is proposed we continue to fully fund the proposed repairs and improvements for McLeod Athletic Park as outlined and proposed totalling approximately \$5,100,000, and to borrow \$1,900,000 within Facility Improvement for this optional but important arrival point, plaza and new parking lot. This component is unnecessary to host the confirmed event in 2021/2022, but will improve the entry area of the facility with additional parking, ticketing facilities and designated food amenity areas.

With 1st year debt servicing provisions accounted for from this year's Prior Year Surplus (PYS) or in 2020, as needed, if needed, this nets \$1,900,000 for other capital projects that can be commenced this year. It also removes the necessary one-time property tax increase of 0.59% to fund this optional, discretionary improvement. Approximately \$1,150,000 becomes available to fund other higher priority and important capital projects as proposed below.

As confirmed by staff, the cost of municipal borrowing is at approximately 3.5%, with inflation at approximately 2%, providing for an ideal borrowing environment by historic standards. Construction costs continue to rise much, much faster than the rate of inflation, providing a clear and obvious rationale to borrow and complete projects that will only become much more expensive to deliver to the community in future years.

An alternative approach without borrowing would be to proceed as proposed herein, but to instead defer (or cancel outright) the McLeod Athletic Park Arrival Point and Plaza [PKS567] of \$1,900,000 to the 2020 budget discussions with potential pre-approved this fall within the 2020 budget, still to be completed within 2020. This would have same net impact on the 2019 budget, as proposed herein, allowing the additional projects to proceed with the proposed McLeod Athletic Park Arrival Point and Plaza to be completed in 2020.

ADDITIONAL STAFFING REQUESTS

We now have 30,000 residents within Willoughby, and up to another 30,000 residents in adjacent communities, that cannot adequately get around within, or through, Willoughby.

The need for additional urban planning resources to process the growing volume of applications is widely recognized.

Therefore, we should commence with adding additional long term capacity by starting the currently proposed Senior Planner and Landscape Design Technician positions as soon as practical, assumed to be May 1st, and not delay them further.

In addition, by authorizing an additional Planner I or Planner II and additional Landscape Design Coordinator, also with a start date of May 1st, we will increase our development capacity further to more significantly improve our current development application processing timelines, while also preparing for the anticipated needs of the Brookwood/Fernridge greenfield areas before they more substantially begin.



The increase in development application fees earlier this year almost fully offsets these additional positions, which will ultimately be fully funded by development fees in future years with incremental increases in 2020 if necessary, as development services fees are reviewed again each year, as per the recently updated policy framework.

We should continue with all other staff requests as proposed, with the exception of postponing the two (2) Senior Business Application Specialists, one (1) Senior Network Infrastructure Analyst, and one (1) GIS Analyst, to the 2020 budget discussions. This will allow Council the opportunity to review these additions in greater detail, establish clearer definitions, and confirm the long-term need.

These adjustments, proposed to be four (4) new planning positions while deferring four (4) analyst and business application positions, results in a net property tax decrease of 0.03% while significantly improving our development processing capacity, addressing directly the lengthy timelines many are experiencing today due to a combination of higher volumes and the ever increasing complexity of development application and servicing requirements.

BETTER UTILIZE PRIOR YEAR SURPLUS

We should adjust the Prior Year Surplus (PYS) to annualize and fund the currently listed Council Priorities over three (3) years, with \$178,200 set aside for the remainder 2019, instead of \$500,000, an amount which is unnecessary in the short term.

I propose that we also fund the required Development Cost Charge (DCC) contribution for the Langley Hospice Society construction project from additional PYS, which staff have indicated can be found given its relatively small, incremental amount in relative terms.

AMORTIZE DUMP TRUCKS ACQUISITIONS

By funding the proposed \$1,000,000 purchase of ten (10) currently-rented trucks over two (2) budget years rather than one (1), we free up \$500,000 for immediate deployment for



additional high priority capital projects. We can accomplish this by allocating \$500,000 within 2019, and the additional \$500,000 pre-approved within the 2020 budget.

I have confirmed with staff that \$500,000 can be reallocated this year via internal mechanisms, and subsequently replace it back into the Equipment Replacement Reserve in 2020 either, with an Operating Contribution to Capital or from PYS, or a combination thereof.

With Council's pre-approval, staff can proceed with an alternate plan to order the vehicles in two stages, which they indicated would take up to a year to arrive and be ready for service.

This adjustment frees up \$500,000 for other high priority and important capital projects that can commence immediately and delivered to the community this year, and does not significantly impact the delivery of services associated with these trucks, or the continued cost of renting them which will continue within 2019, regardless.

FULLY FUND FOURTEEN (14) ADDITIONAL CAPITAL PROJECTS

It is proposed that as a Council we can then fully fund and deliver the following high priority and important capital projects to the community, currently unfunded:

ADDITIONAL CAPITAL PROJECTS THAT CAN NOW BE FUNDED WITHIN 2019		
Sidewalk Improvements: 272nd Street, 28th to 29th Avenue	EN326	\$45,000
Lower Mainland Flood Management Study	EN546	\$10,000
Public Spaces Waste Receptacles for Dog Excrement Separation	EN276	\$353,000
Fort Langley Outdoor Pool: Condition Assessment	EN940	\$35,000
Walnut Grove Skateboard Park Lighting	PKS631	\$80,000
Various Recreation Facilities: Accessibility Improvements	EN1177	\$25,000
Langley Events Centre Exterior Paint & Sealant	EN955	\$180,000
Annual Traffic Calming [1st 4 School Sites]	EN235	\$200,000
Alex Hope North Field Drainage Repairs for Higher Usage	PKS639	\$100,000
Operations Centre: Wash Bay for Maintenance and Worker Safety	EN516	\$250,000
216th Street Corridor Study to Determine Needs for Improved Safety	N/A	\$100,000
TOTAL		\$1,378,000

The first two (2) projects have been identified by Council for funding this year, but are, as of yet, still unfunded. The Langley Events Centre (LEC) item is needed to prevent higher costs in the future and to ensure our flagship facility is properly maintained with this important maintenance item not deferred further. The Fort Langley Outdoor Pool needs to be assessed to determine what it requires to be upgraded to avoid costly future emergency repairs, or to be potentially replaced with a new, alternative amenity.

The Operations Centre Wash Bay item is currently 50% funded, meaning we are not able to complete it, yet funds are being set aside for it in lieu of completing other projects. I propose we fully fund this item this year so that it can be completed. I personally visited the Operations Centre to review this project with staff and believe it to be a high priority project needed to meet current work safety standards, not defer needed maintenance further, properly store environmentally sensitive products, and increase our storage capacity at this area of the Operations Centre.

The Public Spaces Waste Receptacles project is needed to avoid more costly collection fees from Metro Vancouver starting in 2020 as outlined by staff, potentially quite substantial. Funding this item now and in future years to complete it saves money in the long run for other capital projects and/or lower user fees. This project is ultimately required, regardless. We have already invested funds into it in prior years and should complete it to ensure the value from that initial investment is realized.

With the opening of the new 216th interchange, I propose that we fund the community-requested corridor study to assess and confirm any needed improvements along with their priority and urgency, such that this report can be delivered to staff and Council in time for the upcoming 2020 budget discussions. I believe this request to be highly warranted, especially as two (2) schools are within this corridor.

And, finally, it is proposed to: 1) resolve any identified accessibility deficiencies at

our recreation facilities as a basic public responsibility to resolve, especially given its relatively low cost; 2) provide proper lighting at our Walnut Grove Skateboard Park for improved security and night-time activity options for our North Langley youth; and 3) to finally begin to complete important traffic calming projects that have been chronically unfunded for years, starting this year with the 1st four (4) most important school site projects as ranked by staff to improve safety in front of the most vulnerable local school locations.

CONCLUSION

These proposed adjustments, if adopted by Council, result in a total property tax increase of a reduced 3.87% down from the current 4.95%

With these adjustments, we can deliver a lower property tax increase, fully fund all of the proposed McLeod Athletic Park improvements, add additional staff positions to more substantially improve development processing, and fund and complete many other important and high priority capital projects, such as improved safety at four (4) school sites, additional upgrades to our recreation facilities, and complete required, important maintenance items saving money in future years.

