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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

METRO VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE

MEETING

Thursday, January 16, 2025
1:00 pm
28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia
Webstream available at https://www.metrovancouver.org

A G E N D A[1]

A. ADOPTION OF THE AGENDA

1. **January 16, 2025 Meeting Agenda**
That the Finance Committee adopt the agenda for its meeting scheduled for January 16, 2025 as circulated.

B. ADOPTION OF THE MINUTES

1. **November 13, 2024 Meeting Minutes** *pg. 5*
That the Finance Committee adopt the minutes of its meeting held November 13, 2024 as circulated.

C. DELEGATIONS

D. INVITED PRESENTATIONS

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. **Development Cost Charge Program – Proposed Scope of Work for 2025-2027** *pg. 9*

Executive Summary
In response to Board direction, engagement with developers, updated population and dwelling projections, and the evolving context of provincial and federal initiatives, Metro Vancouver staff propose a scope of work to review and update the Metro Vancouver DCC program. This report outlines, for Committee and Board review and feedback, the proposed scope of work which includes five projects:

[1] *Note: Recommendation is shown under each item, where applicable.*

January 9, 2025

1. Consider expanding Metro Vancouver's affordable housing DCC waiver program to include below market units developed by the private sector where there is a binding commitment to transfer those units to non-profits to operate;
2. Update residential and non-residential definitions in Metro Vancouver's DCC bylaws to ensure that Metro Vancouver's DCC program accounts for new provincial housing legislation and reflects *Metro 2050* objectives;
3. Update Metro Vancouver's DCC rate calculations to reflect new population and dwelling projections and updated capital costs of Metro Vancouver infrastructure;
4. Explore coordinated regional economic analysis to assess the impacts of regional and local development fees; and
5. Work with developers, member jurisdictions and the provincial government to explore ways to mitigate the impact of DCCs on residential development, such as extended in-stream protection and the timing of DCC collection.

If approved, this scope of work will be a key input into the completion of the Metro Vancouver Long Range Financial Plan.

Recommendation
That the MVRD Board endorse the scope of work as presented in the report dated December 20, 2024, titled "Development Cost Charge Program – Proposed Scope of Work for 2025-2027."

2. Responding to Director Kooner's November 12, 2024 Memo *pg. 14*

Executive Summary
This report responds to Director Kooner's November 12, 2024 memo to the Finance Committee, as directed by the Finance Committee. The report responds to concerns listed about capital projects, allocation of revenue from development cost charges, and governance; answers the seven questions in the memo; and outlines applicable existing Board policies where the Board may choose to focus future discussions.

Recommendation
That the MVRD Board receive for information the report dated January 8, 2025, titled "Responding to Director Kooner's November 12, 2024 Memo". *pg. 48*

3. Sale of Old Head Office Building – Seismic Guarantee Update

Executive Summary
At the November 13, 2024 Finance Committee meeting staff were requested to provide the Committee information relating to the recent sale of the former Metro Vancouver head office building. Specifically, the request was to provide the Committee with information relating to the terms of the 2019 sale transaction and an update on remaining funds owing to GVWD as part of that transaction.

In March 2019, GVWD sold its old head office building at 4330 Kingsway, Burnaby, BC (the "Property") for $95M to SCREO I Metrotown GP Inc. ("SCREO"). As part of the sale, the GVWD Board approved a $9M credit to SCREO as a contribution towards the cost of recommended seismic upgrades, and the credit was secured through the receipt of a seismic upgrade variance guarantee ("Guarantee"). Pursuant to the terms of this Guarantee, all or a portion of the funds would be returned to GVWD if a building permit for seismic works was not issued or if the costs of the seismic upgrades were less than $9M, respectively. In March 2024, the Guarantee expired and staff began making attempts to recover the amount of the guarantee from SCREO. In June 2024 SCREO was placed into receivership. In July 2024 the Court ordered that the Property be sold, and in November 2024 the Property was sold to the City of Burnaby for $65M. GVWD is recognized as an unsecured creditor in the receiver's report, filed in BC Supreme Court. It is anticipated that the proceeds of the sale will cover the outstanding debts and that there is a good chance that GVWD will recover the $9M it is owed. Staff is working with external legal counsel on this matter.

Recommendation
That the Finance Committee receive for information the report dated December 11, 2024 titled "Sale of Old Head Office Building – Seismic Guarantee Update".

4. MFA Spring 2025 Borrowing for the Township of Langley – MVRD Security Issuing Bylaw No. 1404, 2025 *pg. 51*

Executive Summary
As set out in the *Community Charter*, the Metro Vancouver Regional District (MVRD) must adopt a security issuing bylaw in order to enable the Township of Langley (the "Township") to proceed with their long-term borrowing request of $198,652,634 from the Municipal Finance Authority (the "MFA"). This borrowing consists of eight bylaws and will finance the following: *Jericho Booster Station, Civic Infrastructure, Yorkson Community Park Development, Ice and Dry Arenas, Smith Athletic Park Development.*

The Township's total estimated annual debt servicing costs for existing and new proposed debt combined is approximately $40.6 million which is roughly 52.3% of their liability servicing limit of $77.7 million. The Township has met the regulatory requirements and has the legislative authority to undertake the planned borrowing. The proposed *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025* will authorize Township's borrowing request.

Staff recommends consenting to Township's borrowing request and adopting the Security Issuing Bylaw as outlined in Alternative 1.

Recommendation

That the MVRD Board:

a) give consent to the request for financing from the Township of Langley in the amount of $198,652,634 pursuant to Sections 182(1)(b) and 182(2)(a) of the *Community Charter*;
b) give first, second and third reading to *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025*; and
c) adopt *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025* and forward it to the Inspector of Municipalities for Certificate of Approval.

5. Manager's Report *pg. 143*

Recommendation

That the Finance Committee receive for information the report dated December 12, 2024, titled "Manager's Report".

F. INFORMATION ITEMS

G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the Finance Committee close its meeting scheduled for January 16, 2025 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (2) A part of a council meeting must be closed to the public if the subject matter being considered relates to one or more of the following:

(b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

I. ADJOURNMENT

That the Finance Committee adjourn its meeting of January 16, 2025.

METRO VANCOUVER REGIONAL DISTRICT
FINANCE COMMITTEE

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Finance Committee held at 1:01 pm on Wednesday, November 13, 2024 in the 28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:
Chair, Director Brad West, Port Coquitlam
Vice Chair, Director Mike Klassen, Vancouver
Director Malcolm Brodie*, Richmond
Director Linda Buchanan*, North Vancouver City
Director Pardeep Kooner, Surrey
Director Dylan Kruger, Delta
Mayor Mike Little, North Vancouver District
Director Nicole MacDonald*, Pitt Meadows
Director John McEwen, Anmore
Director Eric Woodward*, Langley Township

OTHERS PRESENT:
Brandon Ma, KPMG

STAFF PRESENT:
Harji Varn, Chief Financial Officer/General Manager, Financial Services
Rapinder Khaira, Legislative Services Coordinator, Board and Information Services
Heather McNell, Deputy Chief Administrative Officer, Policy and Planning
Linda Sabatini, Director, Financial Operations, Financial Services

*denotes electronic meeting participation as authorized by the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. November 13, 2024 Meeting Agenda

It was MOVED and SECONDED
That the Finance Committee amend the agenda for its meeting scheduled for November 13, 2024 by adding the following items under Other Business:

- G1 Memo Re Metro Vancouver Financial Concerns and Questions, and
- G2 Sale of Metro Vancouver Property.

CARRIED

It was MOVED and SECONDED
That the Finance Committee adopt the agenda for its meeting scheduled for November 13, 2024 as amended.

CARRIED

B. ADOPTION OF THE MINUTES

1. **October 9, 2024 Meeting Minutes**

It was MOVED and SECONDED
That the Finance Committee adopt the minutes of its meeting held October 9, 2024 as circulated.

CARRIED

C. DELEGATIONS
No items presented.

D. INVITED PRESENTATIONS
No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. **MVRD Audit Plan from KPMG LLP**
Report dated November 6, 2024, from Linda Sabatini, Director, Financial Operations, Financial Services, providing the Finance Committee with the external auditor's plan for the completion of the annual external audit for the Metro Vancouver Districts and Housing Corporation for fiscal year 2024.

Brandon Ma, KPMG, provided a verbal presentation with an overview KPMG's external audit plan for the MVRD, MVHC, GVWD and GVS&DD.

It was MOVED and SECONDED
That the Finance Committee receive for information the report dated November 6, 2024, titled "MVRD Audit Plan from KPMG LLP".

CARRIED

2. **Metro Vancouver's 2024 Financial Performance Report**
Report dated October 31, 2024, from Harji Varn, Chief Financial Officer/General Manager, Financial Services, providing the Finance Committee and the MVRD Board with the Metro Vancouver 2024 Financial Performance Report, including departmental forecasts to the end of 2024, annual procurement activity, treasury results, and continuous improvement reporting.

It was MOVED and SECONDED
That the MVRD Board receive for information the report dated October 31, 2024 titled "Metro Vancouver's 2024 Financial Performance Report.

CARRIED

3. Manager's Report

Report dated November 5, 2024, from Harji Varn, Chief Financial Officer/General Manager, Financial Services, providing the Finance Committee with an update on Metro Vancouver's Long Range Financial Plan.

<u>It was MOVED and SECONDED</u>
That the Finance Committee receive for information the report dated November 5, 2024, titled "Manager's Report".

<u>CARRIED</u>

F. INFORMATION ITEMS

1. Stage Gate 0 - Annacis Island Wastewater Treatment Plant Digester No. 5

G. OTHER BUSINESS

1. Memo Re Metro Vancouver Financial Concerns and Questions

An on-table item titled "Memo Re Metro Vancouver Financial Concerns and Questions" was circulated by Director Kooner to members prior to the start of the meeting.

Director Kooner highlighted concerns regarding Metro Vancouver's governance, capital project management, and Development Cost Charge allocations. She noted that an open discussion is required on how additional costs for capital projects that were approved by previous Boards are treated.

<u>It was MOVED and SECONDED</u>
That the Finance Committee refer to staff the Memo Re Metro Vancouver Financial Concerns and Questions to report back at a future meeting.

<u>CARRIED</u>

2. Sale of Metro Vancouver Property

Director Brodie inquired about the receivership of the purchaser of the old Metro Vancouver headquarters and the unsecured debt resulting from that. He requested that staff provide the Committee with a review of the sale of the old Metro Vancouver headquarters financial transactions and the likelihood of receiving the final payable amount.

Nick Kassam, General Manager, Procurement and Real Estate Services, noted that the process is now in front of the courts and that the receivership application is moving forward.

<u>It was MOVED and SECONDED</u>
That the Finance Committee refer to staff item G1 Sale of Metro Vancouver Property to report back.

<u>CARRIED</u>

H. **RESOLUTION TO CLOSE MEETING**

No items presented.

I. **ADJOURNMENT**

It was MOVED and SECONDED

That the Finance Committee adjourn its meeting of November 13, 2024.

CARRIED

(Time: 1:22 pm)

Rapinder Khaira,
Legislative Services Coordinator

Pardeep Kooner,
Chair

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To: Finance Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning
Harji Varn, Chief Financial Officer

Date: December 20, 2024 Meeting Date: January 16, 2025

Subject: **Development Cost Charge Program – Proposed Scope of Work for 2025-2027**

RECOMMENDATION

That the MVRD Board endorse the scope of work as presented in the report dated December 20, 2024, titled "Development Cost Charge Program – Proposed Scope of Work for 2025-2027."

EXECUTIVE SUMMARY

In response to Board direction, engagement with developers, updated population and dwelling projections, and the evolving context of provincial and federal initiatives, Metro Vancouver staff propose a scope of work to review and update the Metro Vancouver DCC program. This report outlines, for Committee and Board review and feedback, the proposed scope of work which includes five projects:

1. Consider expanding Metro Vancouver's affordable housing DCC waiver program to include below market units developed by the private sector where there is a binding commitment to transfer those units to non-profits to operate;
2. Update residential and non-residential definitions in Metro Vancouver's DCC bylaws to ensure that Metro Vancouver's DCC program accounts for new provincial housing legislation and reflects *Metro 2050* objectives;
3. Update Metro Vancouver's DCC rate calculations to reflect new population and dwelling projections and updated capital costs of Metro Vancouver infrastructure;
4. Explore coordinated regional economic analysis to assess the impacts of regional and local development fees; and
5. Work with developers, member jurisdictions and the provincial government to explore ways to mitigate the impact of DCCs on residential development, such as extended in-stream protection and the timing of DCC collection.

If approved, this scope of work will be a key input into the completion of the Metro Vancouver Long Range Financial Plan.

PURPOSE

To seek endorsement from the Finance Committee and MVRD Board on the proposed workplan to review and update Metro Vancouver's DCC program.

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BACKGROUND
The *Metro Vancouver Board Strategic Plan (2022 – 2026)* prioritizes the need to "regularly update development cost charges (DCCs) following best practices to ensure that growth pays for growth while supporting housing development." In 2023, the Metro Vancouver Boards approved a phased introduction of DCCs for Water and Parks, along with revised rates for Liquid Waste, moving to a 1% assist factor to recognize the need for new growth to pay for the infrastructure needed to support that growth. In addition to approving new Development Cost Charge rates, the MVRD Board adopted the following motion at the October 27th, 2023 MVRD Board meeting:

> *direct staff to conduct annual reviews of a) the DCC bylaws, including economic impact analysis, and b) the DCC waiver program with the aim of supporting rental housing and incentivizing affordable housing, and report results to the Board, who after review would forward the updates to the Provincial and Federal Ministers of Housing.*

In October 2024, the Metro Vancouver Boards met to discuss the 2025–2029 Financial Plan, including an overview of Metro Vancouver's DCC program. The Boards considered an updated economic analysis of Metro Vancouver's new DCC rates. The Boards discussed the challenges of balancing household impact on existing property owners with the need to increase overall revenue to pay for infrastructure associated with population growth, and reconfirmed the decision that growth pay for growth, while also acknowledging that ongoing analysis is needed to ensure that regional DCCs do not constrain housing development in the region.

Other factors leading to the ongoing and concerted work to update Metro Vancouver's DCC program include:

- Results of 2024 Economic Analysis of Metro Vancouver's DCC program that demonstrated that the cost of developing some types of housing in some locations are likely to increase 1-3% as a result of Metro Vancouver's DCCs;
- Engagement with development community who have expressed concern about the overall increases of development charges throughout the region, and a need to lengthen in-stream protection and change the timing of collection;
- Engagement with staff advisory committees including the Regional Administrators, Regional Finance, and Regional Planning Advisory Committees;
- Updated population and dwelling unit projections that must be taken into account when calculating Metro Vancouver's DCC rates, including consideration of how provincial housing legislation and housing targets will impact those projections;
- The opportunity to improve alignment with *Metro 2050* growth management and housing objectives; and
- Finance Committee direction regarding Director Kooner's November 2024 memo with questions about Metro Vancouver's DCC program.

As a result, staff propose a scope of work related to Metro Vancouver's DCC program. This report outlines the proposed scope of work for Committee and Board consideration.

ADDITIONAL CONTEXT

In addition to the Board direction to continually review and update the DCC program based on best practices, there have been significant changes to provincial legislation that alter some of the underlying assumptions of Metro Vancouver's DCC program. Beginning in 2023, the Province introduced new housing legislation (Bills 44, 46. 47) to speed up the delivery of housing, support higher densities, and shift development financing tools for municipalities. While these new initiatives have been implemented to help support the delivery of more diverse housing options, they have also raised some challenges in the context of growth management and infrastructure funding. Metro Vancouver and member jurisdictions have limited tools to raise revenue. As a result there is insufficient funding to pay for infrastructure required to support the population growth that will result from provincial housing targets.

Bill 44, the Small-Scale Multi-Unit Housing (SSMUH) legislation requires most local governments to update their Zoning Bylaws to permit 3-6 units per lot (depending on lot size and proximity to transit). With potential for much greater residential growth and density in locations where growth was not previously planned, the demand for infrastructure will likely increase. Currently, for single-detached homes regional DCCs are charged per lot (e.g., one charge per lot), whereas for townhouse and apartment dwellings regional DCCs are charged per unit. Given that lots previously intended for single detached homes can now be developed at much higher densities, Metro Vancouver needs to revise definitions in its DCC bylaws to collect more uniformly the costs of anticipated infrastructure from all anticipated dwelling types.

Further, Metro Vancouver's DCC bylaw currently only provide a single category for 'non-residential uses', which capture a wide range of industrial, commercial, office, and institutional uses. To ensure that rates are being appropriately charged for varying land uses, Metro Vancouver aims to explore sub-categories to better capture demand for infrastructure based on use. Updating the DCC program will provide opportunities to align with current forms.

PROPOSED SCOPE OF WORK

The following outlines a series of projects related to reviewing and updating Metro Vancouver's DCC program:

1. **Consider Expanding the Affordable Housing DCC Waiver:** Consider expanding Metro Vancouver's affordable housing DCC waiver program to include units developed by the private sector where there is a binding commitment to transfer those units to non-profits to operate. Analysis on this work has been completed and policy recommendations will be brought for Board consideration in early 2025.

2. **Update Residential and Non-Residential Definitions:** Conduct an analysis and best practice review of policy approaches to DCCs to address new provincial housing legislation and better link Metro Vancouver DCC program with the principles of *Metro 2050*. This will include updating residential definitions (to properly account for multi-plex development), and exploring the addition of a purpose-built rental category, additional categories of "non-residential uses" to account for differences in infrastructure demand and use, and the potential for geographic based rates to support growth in growth priority areas. This scope

will involve ongoing engagement of industry sectors and member jurisdictions, with policy options brought forward for Committee and Board discussion and consideration in 2025.

3. **Update DCC Program for 2027:** Starting in early 2025 in preparation for the 2027 budget, staff will integrate updated population and dwelling unit projections into Metro Vancouver's capital program which will likely modify the percentage of projects allocated to growth, and subsequently Metro Vancouver's DCC program. Updated housing type and non-residential definitions will be integrated into this work. Scope of this project could include variable DCC rates for purpose built rental housing. This scope will involve significant engagement with the Metro Vancouver Boards, Committees, and Advisory Committees as well as member jurisdictions, the Province, and various industry sectors and stakeholders in 2025, 2026 and 2027.

4. **Undertake Region-wide Economic Analysis:** In collaboration with member jurisdictions and the development community, Metro Vancouver will seek to institute regular, region-wide economic analysis of local and regional development charges, including integration with other macro-economic factors. Such regular analysis, using a consistent methodology to assess the impact of development fees at a regional and local level, would not only support Metro Vancouver, but could also support member jurisdictions with their understanding of the financial and cumulative economic impact of regional and local DCC programs.

5. **Explore Options to Mitigate the Impact of DCCs on the Development Industry:** Metro Vancouver will continue to collaborate with the development industry, member jurisdictions and the Province to explore options to mitigate any potential impacts of the DCC program on residential development, such as extended in-stream protection and the timing of DCC collection.

ALTERNATIVES
1. That the MVRD Board endorse the scope of work as presented in the report dated December 20, 2024, titled "Development Cost Charge Program – Proposed Scope of Work for 2025-2027."
2. That the MVRD Board endorse the scope of work as presented in the report dated December 20, 2024, titled "Development Cost Charge Program – Proposed Scope of Work for 2025-2027" with additions or changes as proposed by the Finance Committee.
3. That the Finance Committee receive for information the report dated December 20, 2024, titled "Development Cost Charge Program – Proposed Scope of Work for 2025-2027".

FINANCIAL IMPLICATIONS
This work is to be undertaken through a combination of consultants and in-house resources. A consulting budget of up to $50,000 for the project titled 'Update Residential and Non-Residential Definitions' is included in Regional Planning's work program, which was approved in the 2025 budget. In addition, the Financial Services Department has allocated $100,000 for economic analysis related to the scope of work described above.

CONCLUSION

In response to Board direction, engagement with developers, and the evolving context of provincial and federal initiatives, Metro Vancouver staff propose a scope of work to review and update the Metro Vancouver DCC program. This report outlines the proposed scope of work for Committee and Board review and feedback. The proposed work program will include significant engagement with the Metro Vancouver Boards, Standing Committees, and Advisory Committees as well as member jurisdictions, the Province, and various industry sectors and stakeholders, with policy options brought forward for further Committee and Board discussion and consideration. Staff recommend Alternative 1, to endorse the scope of work.

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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To:	Finance Committee
From:	Heather McNell, Deputy Chief Administrative Officer, Policy and Planning
Date:	January 8, 2025 — Meeting Date: January 16, 2025
Subject:	**Responding to Director Kooner's November 12, 2024 Memo**

RECOMMENDATION
That the MVRD Board receive for information the report dated January 8, 2025, titled "Responding to Director Kooner's November 12, 2024 Memo".

EXECUTIVE SUMMARY
This report responds to Director Kooner's November 12, 2024 memo to the Finance Committee, as directed by the Finance Committee. The report responds to concerns listed about capital projects, allocation of revenue from development cost charges, and governance; answers the seven questions in the memo; and outlines applicable existing Board policies where the Board may choose to focus future discussions.

PURPOSE
To provide the Finance Committee and MVRD Board information in response to Director Kooner's November 12, 2024 memo to the Finance Committee.

BACKGROUND
On November 13, 2024, the Finance Committee passed the following resolution:

> *that the Finance Committee refer to staff the Memo Re: Metro Vancouver Financial Concerns and Questions to report back at a future Finance Committee meeting.*

This report responds to that resolution. Staff from Financial Services, Liquid Waste Services, Project Delivery, Water Services, Regional Parks, External Relations, Regional Planning and Housing Services, and Air Quality and Climate Services have contributed to this report.

REPORT STRUCTURE
Director Kooner originally posed four questions about the 2025 budget and 2025–2029 financial plan at the October 16, 2024 Board meeting, and staff committed to respond to those questions via email to the Board; responses were sent on October 29, 2024 in advance of the November 1, 2024 Board meeting (Attachment 1). Director Kooner's memo dated November 12, 2024 identifies concerns regarding capital projects, allocation of revenue from DCCs, and governance and presents seven additional questions (Attachment 2).

The Board has committed to both a governance review and an independent performance audit for the North Shore Wastewater Treatment Plant Program. As a result, this report directs some of the concerns raised to these existing processes where appropriate, answers questions, and identifies a number of policy areas that the Board could choose to discuss at future meetings.

Capital Projects
Concern is expressed about the flow of information regarding multi-year capital projects for water and liquid waste services. This issue will be brought through the governance review.

There are the seven major projects being delivered through the Project Delivery Department. All projects use the Board-approved stage gate system to ensure oversight by the Board.

For the North Shore Wastewater Treatment Plant Program, over 40 reports were provided to the Board; the past Chair struck a task force that reviewed all aspects of the project; an external expert panel reviewed all decision points and provided input to the Board; and three independent cost estimates were developed to support the recommendation to the Task Force and Board.

The North Shore Wastewater Treatment Plant Program has a project website at www.metrovancouver.org/nswwtp, with a special page (North Shore Wastewater Treatment Plant Program Timeline | Metro Vancouver) that provides links to Board reports and decision points. The program backgrounder provides the information referenced in Director Kooner's memo (North Shore Wastewater Treatment Plant Project: Background Paper (metrovancouver.org).

Details and Board engagement for the Iona Wastewater Treatment Plant Projects are provided below in response to question 4.

DCC Allocation
Concern is expressed regarding the GVS&DD Cost Apportionment Bylaw (in terms of equity) and the decision to apply the same allocation of costs to the DCC framework. Concern is also expressed about the population and dwelling unit projections used.

A task force comprised of Regional Administrators Advisory Committee (RAAC) members, and led by Don Lidstone, was established to develop the Cost Allocation Bylaw. In 1993, the Metro Vancouver Board gave the task force principles to be used in establishing any allocation split. The work took two and a half years.

The GVS&DD Cost Apportionment Bylaw was established in 1995 (see Table 1). It introduced the 70/30 split for Tier II costs where 70% of applicable project costs are borne by the region, and 30% of the costs are borne by the sewerage area in which the project is located. This allocation was chosen by the Board to: a) recognize that secondary treatment has a regional benefit in that it makes the region's waterways healthier for everyone; and b) to share the financial impacts anticipated for the Annacis and Lulu secondary upgrades (these were not growth projects). Prior to 1993, 100% of project costs were funded by the serviced sewerage area with no regional contribution.

Liquid Waste DCCs came into effect in January 1997. The Cost Apportionment Bylaw was used to establish how DCC revenues would be apportioned; the same 70/30 split was used for growth related portions of Tier II projects funded from DCC revenues. The split by sewerage area is only for Liquid Waste DCCs; water and park acquisition DCCs have one rate for the whole region.

This is current Board policy. The Board is welcome to discuss / revisit the apportionment bylaw at any time, and can also reconsider the application of the same apportionment to growth related projects funded by DCC revenues.

Table 1. Description of Tiers and Allocation for GVS&DD capital projects

Year	Tier	Description	Allocation
<1993		No Tiers for capital projects	100% of project costs allocated to the host sewerage area
1995	Tier 1	Any project costs where the host sewerage area is the beneficiary (e.g. community benefits, and local serving infrastructure)	100% of project costs paid by the host sewerage area
1995	Tier II	Any project costs for secondary treatment + WWTPs	70% of costs paid by the region; 30% of costs paid by the host sewerage area
1997	I & II	GVS&DD DCCs introduced	Same cost apportionment framework for Tier I and Tier II used
2014	Tier III	Any project costs for tertiary treatment; cost associated with resource recovery	100% of costs paid by the region; for both growth and non-growth portions

Note: DCCs for GVS&DD are subject to Cost Apportionment Bylaw; DCCs for water and parks acquisition are one rate for the region.

The current DCC rates are based on 2021 population and dwelling unit projections using 2016 Census data. The Board received updated population projections based on the 2021 Census this past summer, and Metro Vancouver will update the DCC bylaws to include revised rates for the 2027 budget process using updated projections and updated housing types that reflect new provincial legislation. The best available data at the time was used, and the population and dwelling unit projections continue to be updated as new data becomes available.

Governance

The memo expresses concern that staff are undertaking initiatives in the absence of Board direction or picking and choosing initiatives from the Board Strategic Plan. By necessity, staff use Board-approved plans and resolutions as direction for their work. The Board Strategic Plan actions are all advanced through standing committees and the Board.

Metro Vancouver's suite of management plans are adopted by the Board, and the initial actions in the draft Board Strategic Plan are actions from those management plans that are possible to achieve during the Board's four-year mandate. Using this draft plan, the Board can add to or change any of those actions at its discretion. This process was undertaken between January and May 2022 as part of the current Board's orientation. The actions in the Board Strategic Plan are activated through standing committee workplans and the budget process. The overarching directions for the Board Strategic Plan are developed through engagement with the Board.

For example, the current Board Strategic Plan contains an action to 'introduce regulatory requirements to reduce greenhouse gas emissions from large and small buildings'. This action is in the Board adopted *Clean Air Plan* (2021), the *Climate 2050 Strategic Framework* (2019), and the *Climate 2050 Buildings Roadmap* (2022). In 2024, staff advanced this work and sought Committee and Board direction to engage on a potential regulatory approach for existing large buildings. The Board defeated the motion to:

> *endorse a second phase of engagement on the proposed approach to develop a regulation to reduce greenhouse gas emissions from existing large buildings as described in the report dated December 15, 2023, titled Proposed Regulatory Approach to Reduce Greenhouse Gas Emissions from Existing Large Buildings: Phase 2 Engagement,*

noting that the Board had yet to agree on a proposed regulatory approach. Given the discussion at the Board, staff returned with a report providing information on best practices in energy and emissions benchmarking and reporting for existing large buildings rather than proposing engagement on a regulatory approach. The Board provided clear direction not to proceed with the work. This Board decision was reflected in the 2024 Climate 2050 Annual Report. No further work will continue unless the Board provides alternate direction.

A second example is the *Metro 2050* Climate Policy Enhancement Study. *Metro 2050* was adopted by the MVRD Board on February 24, 2023. Climate change was a major policy focus area in the development of *Metro 2050,* which led to stronger climate change policies as compared to *Metro 2040*. Notwithstanding these stronger climate-related policies, at its meeting on March 25, 2022, while considering first and second readings of the *Metro 2050* bylaw, the MVRD Board passed the following resolution:

> *Given the urgent need to respond to climate change and prepare for extreme weather events, direct staff to undertake work and engagement with an aim to proposing an early amendment to Metro 2050 post-adoption to strengthen climate action language and policy including the intent to improve integration of climate action into other Metro 2050 priorities.*

Staff undertook the following process to seek Board direction on the above:

- At its May 27, 2022 meeting, the MVRD Board received a report titled "Process to Consider Stronger Climate Action Language and Policy for Metro 2050". That report set out a high-level process for how staff would respond to the March 25, 2022 Board direction.
- Following the local election in October 2022, the Regional Planning Committee, Climate Action Committee, and MVRD Board received a report titled "Metro 2050 Climate Policy Enhancement Study – Project Initiation" at its February 24, 2023 meeting. This report provided greater detail on a proposed scope of work and the engagement process for the study.
- At its November 2, 2023 meeting, the Climate Action Committee hosted a Joint Discussion with the Regional Planning Committee. Participants of this session received a backgrounder on the *Metro 2050* Climate Policy Enhancement Study. The workshop session provided committee members an opportunity to provide feedback and comments on the policy areas being considered, and their input was used to help inform the final project recommendations.
- At its May 10, 2024 meeting, the Regional Planning Committee received a report titled "Metro 2050 Climate Policy Enhancement Study – Recommendations". The Committee supported the majority of recommendations that had been developed, but referred two of the six recommendations back to staff to consider adjustments to address concerns raised by committee members. This approach was supported by the Board.
- At its September 6, 2024 meeting, the Regional Planning Committee received a report titled "Metro 2050 Climate Policy Enhancement Study – Revised Recommendations". This report addressed the comments raised by the committee and the updated recommendations were supported by the Regional Planning Committee. The final recommendations were approved by the MVRD Board on September 27, 2024, and direction has been given to prepare an amendment bylaw that will be coming back to the Board in early 2025 for consideration.

In summary, all policy actions and work listed in approved management plans and the Board Strategic Plan are owned by the Board, and staff do not advance work without approval for workplans, scope of work, budget, etc., for these activities. If and when the Board provides alternative direction to that approved in those plans, staff proceed as directed.

DIRECTOR KOONER'S NOVEMBER 12, 2024 MEMO 7 QUESTIONS AND RESPONSES

1. **Issue a) Metro Vancouver has indicated that 91% of sewage flow at Iona is solely for the City of Vancouver. The 8% growth rate allocated to the Iona project does not accurately reflect growth in the City of Vancouver (VSA). The 8% relates to 'excess treatment plant capacity' after 2052 based on the projections used at the time this was brought forward to the Metro Vancouver Board. As the City of Vancouver is currently switching from a combined sewer and storm system to a singular storm and singular sewer, the cost associated with the 'excess capacity' is unfairly impacting the residents of the region. The residents of Vancouver will be further paying additional costs as they fund switching their sewer system. While I understand the desire to overbuild infrastructure and the amount might be small at 8%; however, at a capital cost of $10B this 8% represents around $800M in additional costs being allocated to the region.**

Response:
- DCCs can be imposed for the growth component of infrastructure projects.
- The Province's best practices guide defines what can be classified as 'growth' related. Staff follow the best practices guide in determining the percentage of capital works required to accommodate such population growth.
- As an example, the Liquid Waste Development Cost Charges webpage lists GVS&DD's 2023 projects and identifies how much of the capital cost of each project is growth related.
- The component of the Iona Island Wastewater Treatment Plant Projects (IIWWTP) required to accommodate population growth is currently estimated to be 8%. In other words, 8% of the IIWWTP costs are attributable to population growth. This 8% growth component was approved as part of the 2022 IIWWTP Project Definition Report.
- For clarity, for 2023-2024, the City of Vancouver contributed approximately 87.4% of liquid waste flowing into the Iona Wastewater Treatment Plant. This number changes each year.

Issue b) There is another oversight in regards to the 8%. Metro Vancouver Growth Projections Report, provided to the Board for approval in 2024, indicates between 25.6% and 35% population growth / dwellings in the City of Vancouver and as such the growth component of Iona WWTP should be closer to 25% to 35%.

Response:
- There is not a direct line relationship between population growth percentages and the proportion of an infrastructure project that is required to accommodate that population growth, which is often referred to as the "growth component" or "growth related".
- There are some components of the project that are the same irrespective of growth, (e.g. an O&M building that is required when replacing a facility; it will service growth, but won't be any larger because of growth).
- The Province's best practices guide defines what can be classified as 'growth' related. Staff follow the best practices guide in determining the percentage of capital works required to accommodate such population growth.

- Staff are integrating updated population and dwelling unit projections into Metro Vancouver's capital plan based on 2021 Census data and updated modelling, and this will amend the percentage of projects that are allocated to growth. Updated percentages will then be integrated into updates to the DCC rates and the 2027 budget. Staff have been conducting sensitivity analysis on updated population projections, and the Iona project could move from 8% to about an 18% growth share.
- Vancouver is providing some growth capacity through sewer separation.
- The Vancouver Sewerage Area is comprised of more than Vancouver. It includes UBC, the University Endowment Lands, and parts of Burnaby and Richmond.

Issue c) A further compounding issue is that Metro Vancouver's Cost Apportionment Bylaw splits the growth costs 70/30 for Tier 2 costs, meaning growth in the region, particularly those municipalities in the FSA, will be subsidizing the VSA and Iona project. The financial impact results in the residents' household portion decreasing significantly if correct allocations are utilized.

Response:

- See pages 2 and 3 above.

Conclusion: Introducing Tier II was built on the principle that all residents benefit from healthier waters. Surrey residents benefit from a cleaner Fraser River, Salish Sea and Burrard Inlet just as much as Vancouver residents. The past two Board Strategic Plans identified the exploration of moving toward one sewerage area and fully shared costs. Board members have acknowledged the challenges associated with this approach in terms of determining when it would apply and how past equity issues could be addressed. The addition of Tier III to the GVS&DD Cost Apportionment Bylaw in 2019 was a movement toward one sewerage area, where the Board determined that tertiary treatment is a region-wide benefit and should be fully funded by the entire region.

This is current Board policy. The Board is welcome to reconsider the apportionment bylaw at any time, and it can also reconsider the application of the same apportionment to growth related projects and portions of projects funded by DCC revenues.

2. **The current GVS&DD Cost Apportionment 70/30 growth funding model, per the bylaw is inadvertently punitive to those cities outside the NSA and VSA for their growth, and does not align with the true spirit and intent of 'growth paying for growth' as it is growth in the FSA paying for growth in the MV region. For example, the FSA dwelling unit projections are 3 times the VSA; therefore growth DCCs collected from FSA municipalities that are growing will be funding Tier II and III projects in areas where the growth in units is not equal. This unfairly penalizes growing regions to fund projects where there is no direct benefit, and at the same time funding a vast majority of the projects and creates an inequitable DCC balance in the region. Based on the 2027 DCC rates and unit projections to 2052; the VSA contributions to sewerage areas is just over $1B, as compared to the FSA who fill fund approximately $3.7B (Exhibit 3). This 70/30 application of the DCC rates was not a prior issue, as the FSA has been historically charged double the DCC rate and was the area producing the majority of the units which was to fund the FSA's Annacis treatment plant. However, as the $15 Billion combined**

treatment plants in the North Shore and Vancouver region are to be completed the growth allocation must be re-evaluated, particularly because those municipalities / areas are not growing proportionately to fund their own projects. This results in residents from the FSA region contributing over 3 times the funds as VSA in the Iona example.

Response:

- The Board always has the option to revisit the GVS&DD Cost Apportionment Bylaw.
- Liquid Waste DCCs came into effect in January 1997. The GVS&DD Allocation Bylaw (now Cost Apportionment Bylaw) sets out how the DCC rates / revenues are apportioned. The same 70/30 cost share was used for Tier II growth projects.
- In terms of how liquid waste DCCs are allocated by sewerage area, the process is as follows:
    - Each project is assigned a percentage allocated to growth based on the provincial best practices guide.
    - This includes Tier 1 growth projects that are allocated to a given sewerage area, Tier II components which are allocated 30% to the host sewerage area and 70% regionally, and Tier III components which are allocated 100% regionally. For Tier II and Tier III components, the regional portion is allocated by sewerage area (See figure at top of page 13 for Iona example).
    - Based on projected dwelling unit growth, DCC rates are set for each sewerage area.
    - DCC per unit rates are lower in the FSA as there is a higher dwelling unit growth projected.
    - Each sewerage area has a DCC reserve.
    - If growth is proceeding faster or slower than projected in a particular sewerage area, DCC rates are adjusted. A sewerage area will not be charged more than the percentage and amount allocated for the project.
    - A sewerage area that 'undercollects' will have increased levy rates. Other sewerage areas will not contribute more DCCs to make up for another sewerage area's 'shortfall'.
    - In summary, the collection of DCC revenues for a particular sewerage area must be aligned with a project's growth costs that have been allocated to that sewerage area. When determining future DCC rate updates, the DCC reserve balance for each sewerage area must be accounted for, and therefore rate updates account for the actual DCCs collected.

c) The City of Surrey is requesting further information for total capital costs of Annacis, the DCC's collected to date by Sewerage Area, and the allocation of the funds collected for payment of Annacis growth by Tier.

Response:

- The total cost of the completed works for Annacis Wastewater Treatment Plan primary and secondary treatment was approximately $465M, and was largely due to the regulatory requirements for secondary treatment.

- This project was not growth related and therefore DCC could not be collected for the project. The current Capital Plan does include expansion and growth related work at the Anancis plant.
- Over the past 20 years (2004–2023), the total DCC revenue collection is $547M for the FSA for the growth components of all liquid waste capital projects.

3. The Cost Apportionment Bylaw also states each sewerage area must produce a certain number of housing units and if the growth in a sewerage area is not realized / achieved, then the municipalities within that sewerage area will be levied the "undercollected" DCC portion regardless of whether an individual municipality achieved their growth/housing targets. This could unfairly punish cities that achieve growth targets and have contributed their portion of the DCC's. Furthermore, the 70/30 allocation discussion above could further exacerbate this potential situation and having inconsistent approach to DCC's and waivers across sewerage areas and municipalities could cause further inequity. Another issue with this Cost Apportionment approach is that the Bylaw does not have reciprocal language to provide "financial credits" to municipalities who provide excess growth / housing units.

Response:

- The question seems to be pointing to a process set out in Section 4.6 of the 2014 Cost Apportionment Bylaw, which is no longer in effect. That section speaks about what is done in the case of a DCC "shortfall". That section was repealed on July 26, 2019 by GVS&DD Cost Apportionment Amending Bylaw No. 328, 2019 (metrovancouver.org) (see para. 3 q. of amending bylaw which repealed and replaced).
- The accompanying report discussion at the time is here: GVSDD Board Meeting Agenda Package - July 26, 2019 (metrovancouver.org) starting at page 53 of the PDF.
- Section 4 of the Cost Apportionment Bylaw sets out the apportionment of growth costs. Growth costs are apportioned to each sewerage area based on the relative population growth projected for each sewerage area and the DCC revenues are applied to each sewerage area consistently. The DCCs that are raised by each sewerage area stay within the sewerage area to fund their allocated growth capital projects. If there is an under-collection of DCCs for a particular sewerage area, the liquid waste levy for that specific sewerage area is the funding source, and will be allocated based on population growth in accordance with Section 4.5.
- As per the Province's Best Practices Guide, DCCs can pay up to 99% of growth costs where the remaining 1% must be funded from existing ratepayers. Section 4.5 also sets out the allocation for the 1% of growth costs that are not funded from DCCs which is based on the relative population growth of the member jurisdiction divided by the sewerage area population growth.

4. **The City of Surrey is concerned about the Capital Cost of the Iona project, specifically but not limited to:**

   a) **The unexplained cost escalations from $2 Billion a few years ago to $10 Billion, which have not adequately been defined, presented, discussed and deliberated with the Board.**

Response:

- The $1.9 billion cost estimate was established in 2009 with a concept. The estimate did not reflect the design activity, risk reserve, or cost escalation.
- In early 2020, Metro Vancouver established a project delivery department to review best practices for major projects:
  - April 15, 2020 – Finance and Intergovernment Committee: "Capital Projects and Project Delivery"
    - Report: https://metrovancouver.org/boards/IntergovernmentFinance/FIC_2020-Apr-15_AGE.pdf
    - Presentation: https://metrovancouver.org/boards/IntergovernmentFinance/FIC_2020-Apr-15_PPT.pdf
  - April 24, 2020 – Board: "Capital Projects and Project Delivery" (https://metrovancouver.org/boards/meeting/1938)
  - September 11, 2020 – Finance and Intergovernment Committee: "Capital Infrastructure Project Governance (Verbal Update)"
    - Video: https://metrovancouver.org/boards/meeting/1992
  - October 2, 2020 – Board: "Capital Infrastructure Project Governance"
    - Report: https://metrovancouver.org/boards/GVSDD/SDD_2020-Oct-2_AGE.pdf
    - Videos: https://metrovancouver.org/boards/meeting/1942
- On July 31, 2020, the Board endorsed the Design Concept for the Iona Island Wastewater Treatment Plant Project.
- As part of best practices review, in late 2020, Metro Vancouver updated the Project Estimating Framework, and rolled it out over several meetings, including:
  - November 18, 2020 – Finance and Intergovernment Committee: "Project Delivery Best Practice Response – Project Estimating Framework"
    - Report: https://metrovancouver.org/boards/IntergovernmentFinance/FIC_2020-Nov-18_AGE.pdf
    - Video: https://metrovancouver.org/boards/meeting/2004
  - November 27, 2020 – Board: "Project Delivery Best Practice Response – Project Estimating Framework"
    - Report: https://metrovancouver.org/boards/GVSDD/SDD_2020-Nov-27_AGE.pdf
    - Video: https://metrovancouver.org/boards/meeting/1945
  - January 14, 2021 – Performance and Audit Committee: "Project Delivery Best Practice Response – Project Estimating Framework"

- Report
- Presentation
- Video

- On July 14, 2021, a report was provided to the Board to update on challenges related to constructability and schedule constraints that contributed to higher cost estimates. At this point, staff alerted the Board that when applying the new Cost Estimating Framework, the total project costs for the design concept were estimated at a present value of $6.7 billion. When escalation and a risk reserve were included, the estimated total cost would be $10.4 billion, at this time ranked as an AAECI Class 3 cost estimate.
  - July 14, 2021 – Liquid Waste Committee: "Iona Island Wastewater Treatment Plant Projects – Project definition Update"
    - Report: https://metrovancouver.org/boards/LiquidWasteCommittee/LWA_2021-Jul-15_AGE.pdf
    - Video: https://metrovancouver.org/boards/meeting/2154
  - July 30, 2021 – Board: "Iona Island Wastewater Treatment Plant Projects – Project Definition Update"
    - Report: https://metrovancouver.org/boards/GVSDD/SDD_2021-Jul-30_AGE.pdf
    - Video: https://metrovancouver.org/boards/meeting/2086
- At a May 4, 2022 tour of the Iona Island Wastewater Treatment Plant and Iona Beach Regional Park for members of the Liquid Waste Committee, Regional Parks Committee and Climate Action Committee, participants expressed interest in receiving more information on what is being done to address the effects of climate change on the Iona Island Wastewater Treatment Plant and Iona Island as a whole. A report was made to the July 13, 2022 – Liquid Waste Committee: "Climate and Seismic Resilience Planning at Iona Island".
  - Report: https://metrovancouver.org/boards/LiquidWasteCommittee/LWA_2022-Jul-13_AGE.pdf
- In 2022, the project was moved by the Board into the Preliminary Design phase. At this point, there was a special Board meeting held prior to it going to Liquid Waste Committee and Board for discussion and approval.
  - February 3, 2022 Special Board Meeting – This 3-hour workshop-style meeting included select Metro Vancouver committees and councilors from the VSA member jurisdictions. Agenda topics included: Project background, needs and benefits; Treatment plant upgrades; Ecological restoration projects; Project schedule and cost estimates; and, Accountability: funding and governance
    - The revised cost of $9.9 billion was discussed at this meeting ($6.4B Design & Construction + $1.9B Escalation +$1.6B Risk Reserve)
    - Video
    - Conceptual Design Backgrounder: https://metrovancouver.org/services/liquid-waste/ConstructionDocuments/iiwwtp-projects-backgrounder-standalone-May2022.pdf

- March 9, 2022 – Liquid Waste Committee: "Iona Island Wastewater Treatment Plant Upgrade Projects – Project Definition and Conceptual Design Approval (Stage Gate 1)"
  - Committee Report: https://metrovancouver.org/boards/LiquidWasteCommittee/LWA_2022-Mar-9_AGE.pdf
  - Project Definition Report Summary included:
    - The conceptual design for upgrading the WWTP, including resource recovery opportunities, and ecological restoration projects consistent with the endorsed revised design concept;
    - A plan to construct the WWTP to meet the federal Wastewater Systems Effluent Regulations (WSER) by 2035, based on a Level 3 schedule for the endorsed revised design concept;
    - An AACEI Class 4 cost estimate using Metro Vancouver's Best Practice Cost Estimating Framework; and
    - A recommended delivery strategy that is intentionally flexible to address some of the complex program challenges and to allow for refinement as the design is further advanced, a funding and financing strategy is finalized, and project funding agreements are developed.
  - Video: https://metrovancouver.org/boards/meeting/2285
- March 25, 2022 Board Meeting – $9.9 Billion cost estimate approved by Board
  - Report: ""Iona Island Wastewater Treatment Plant Upgrade Projects – Project Definition and Conceptual Design Approval (Stage Gate 1)" https://metrovancouver.org/boards/GVSDD/SDD_2022-Mar-25_AGE.pdf
  - Presentation: https://metrovancouver.org/boards/GVSDD/SDD_2022-Mar-25_PPT.pdf
  - Video: https://metrovancouver.org/boards/meeting/2223

b) The apportionment of costs between Tier I / II / III, and potential audits of allocations, particularly because VSA is required to fund all costs associated with Tier I.

Response:

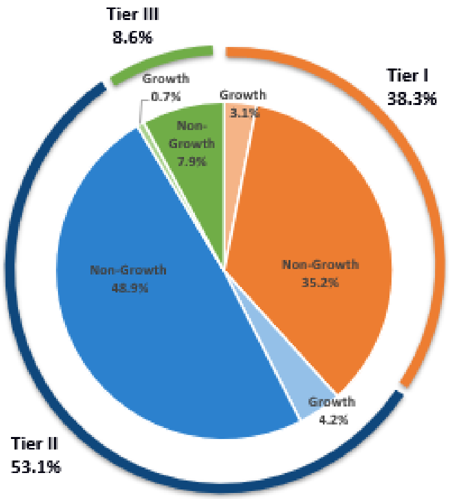
- The determination of costs to Tier I / II / III for the Iona Island WWTP is based on the Province's Best Practices Guide and the Cost Apportionment Bylaw (See Table 1 on page 3).
- The estimated costs for the plant, based on the Project Definition estimate, including cost escalation and contingencies were broken down into process units. Costs that could be attributed to specific process units were identified (ground improvements, concrete structures, piping, equipment, mechanical, electrical, instrumentation, etc.).
- Costs for plant-wide services (operations and maintenance facilities, electrical power distribution, water utilities, control systems, etc) were proportioned to each process unit based on the directly attributable costs for each process unit.
- These costs were then split into process groups that aligned with the Tier I / II / III definitions included in the Cost Apportionment Bylaw (Preliminary Treatment, Primary

Treatment, Secondary Treatment, Solids Management, and Tertiary Filtration / Resource Recovery).

- The allocation of the Tier I / II / III costs are distributed to the sewerage areas as per the Cost Apportionment Bylaw, in proportion to flow generated by each sewerage area as measured at the regional treatment plants (See Figure 1).

Figure 1.

IONA WWTP PROJECT COST ALLOCATION (%)



		VSA	NSSA	LIWSA	FSA	Total
Tier 1		3.1% G	-	-	-	3.1% G
		35.2% NG	-	-	-	35.2% NG
Tier II (30%)		1.3%G	-	-	-	1.3%G
		14.7% NG	-	-	-	14.7% NG
Tier II (70%)		0.6% G	0.2% G	0.2% G	1.9% G	2.9% G
		13.1% NG	2.2% NG	2.4% NG	16.5% NG	34.2% NG
Tier III		0.2% G	0.0% G	0.0% G	0.5% G	0.7% G
		3.0% NG	0.5% NG	0.6% NG	3.8% NG	7.9% NG
Total		5.2% G	0.2% G	0.2% G	2.4% G	8.0% G
		66.0% NG	2.7% NG	3.0% NG	20.3% NG	92.0% NG
		71.2%	2.9%	3.2%	22.7%	100%

c) **The apportionment of costs to the Vancouver Airport, including their direct contributions to this project and how their growth component is being allocated.**

Response:

- YVR is a customer of the City of Richmond. Richmond collects sewerage fees for YVR.
- The Ferguson Road re-alignment on Sea Island was presented at the GVS&DD Board on April 2022 and adopted on consent.
- The Ferguson Road upgrades were delivered through the Vancouver Airport Authority with Metro Vancouver responsible for 50% of the capital costs and 50% of the maintenance costs until commissioning of the new IIWWTP.
- The Board authorized the Commissioner to execute a Road Corridor Construction and Cost Sharing Agreement with Vancouver Airport Authority in April 2022. The cost to Metro Vancouver was $13 million.
- The cost of the cycling infrastructure was $4M (16% of total costs) and funds from the Vancouver Airport Authority were allocated to that work.
- Ferguson Road is the only vehicle access point to Iona Island and the Iona Island Wastewater Treatment Plant. The road cannot accommodate expected construction traffic volumes due to poor pavement conditions, and it does not have separation of cyclists and pedestrians from vehicular traffic which was identified as a safety risk and potential for conflict between construction vehicles and cyclists as Ferguson Road is a popular

destination for road cyclists. To ensure transportation safety, separation was required between different road users including cyclists and vehicles.

- The road also did not meet servicing requirements for the construction of the upgraded plant. The realigned and upgraded western section of Ferguson Road was required to address the existing road condition, separation between different road users, and servicing issues. These upgrades are part of critical works needed prior to commencement of ground improvement work for the new treatment plant.
- These upgrades are in alignment with Metro Vancouver's Regional Recreation Greenway Network as outlined in *Metro 2050*, City of Richmond's Official Community Plan mobility and access objectives, and TransLink's Regional Transportation Strategy goals.

d) The Iona Conceptual Design Report indicates ground improvements alone are estimated to be 20% ($2 Billion) and there is no information as to how this cost allocated across the Tiers. Additionally, the Report includes the 80,000 tonnes of steel will be needed to support the weight of this project. As these projects are extremely costly, Board members have not been updated as to whether other options, including other locations, have been fully re-analyzed.

Response:

- The ground improvements are allocated across the footprint of the different project components (primary treatment, secondary treatment, tertiary treatment, resource recovery, etc.) and their associated tiers. The cost for steel and piling were directly allocated to each component based on estimated amount required.
- Regarding the site selection:
  - A 2009 study evaluated site options for Iona including:
    - Centralized plant at the existing Iona Island site (Recommended)
    - Central plant at Iona with three new decentralized plants in Vancouver
    - Treatment in highly distributed system (~60 small WWTPs)
  - A 2021/2022 review confirmed that a centralized plant on Iona Island was preferred. An alternate site was not viable due to cost, complexity, schedule, and permitting. A decentralized model or highly distributed model would not be viable due to challenges related to public acceptance, regulatory compliance and permitting, land tenure, complexity, and schedule.

e) Added costs, above regulatory requirements, and their benefits and funding allocations to individual municipalities for the Tier III components of the Iona project. This includes items such as: tertiary treatment, park amenities, road and cycling upgrades, welcome centers and bus parking areas. The scope of these works is broad and beyond sewage costs and based on Metro Vancouver's Project Definition Report could range between 8% and 15% of total costs, equating to around $800 Million to $1.5 Billion in potential scope creep and potential improper allocation of sewage funds (DCC and levy) towards non-sewage assets.

Response:

- At the July 2024 Board Meeting, staff were directed to pursue opportunities to phase the Iona Projects to address cost sustainability. This assessment will include an evaluation of all components of the project.
- As background, in March 2022, the GVS&DD Board approved the Project Definition Report for the Iona Projects. Since that time, planning has progressed and the project's schedule continues to target achieving secondary treatment (and regulatory compliance) by 2035 (~5 years after the regulatory deadline of December 31, 2030). Risks to meeting this timeframe remain as a result of several factors, including increased population forecasts and general market capacity constraints and cost escalations. The next phase of the treatment plant upgrade is preliminary design.
- The Board-approved Project Definition Report includes three core goals — to meet regulatory requirements for secondary treatment, to reduce GHGs through integrated resource recovery, and to advance park and community integration.
- Iona Beach Regional Park surrounds the Iona Island Wastewater Treatment Plant. The park protects sensitive ecosystems and provides opportunities to connect with nature on trails, viewpoints, and beach areas. The existing treatment plant site is constrained with limited land holdings on Iona Island in the Lower Fraser estuary. Upgrading the plant will likely require development of some infrastructure in the City of Richmond's Environmentally Sensitive Areas (ESA).
- The only park improvements included in the current phase of the Iona Projects are compensation projects that are required to secure permitting approval including the City of Richmond ESA requirements. These projects are located in the park because all available GTVS&DD land is required for plant development.
- The optional park improvements that were included in the Project Definition Report are not advancing at this time. This includes habitat restoration and the development of basic park amenities to compensate for community and park visitor impacts of plant construction. These projects will be brought forward for consideration by the Board before inclusion in future phases of the project.

f) Metro Vancouver Financial Budgets, including DCC budgets, are predicated on a $12.1 Billion Iona project, ($6.4 Billion project + $4 Billion risk/escalation/contingency + $1.7B interest). There has been no analysis, nor discussion with the Board, as to what the rates should be predicated for DCC collection, as Metro Vancouver appears to be pre-assuming the risk/escalation/contingency will be fully utilized. In essence, there is a potential for significant overcollection of funds (levy and DCCs) which would then be carried forward inaccurately beyond 2052.

Response:
- The Iona Projects have an estimated project cost of $9.9B.
- DCC rates were set *including interest* in accordance with the provincial Best Practices Guide. The best practices guide currently lists recoverable DCC costs under the following scope:
  - planning;
  - public consultation;
  - engineering design;
  - right-of-way or parkland acquisition;

- legal costs;
- interim financing;
- contract administration;
- construction; and,
- contingencies.

- As defined above, contingencies are eligible to be included in accordance with the Best Practices Guide. The Iona Projects are currently being re-assessed for phasing options and overall cost sustainability of the project as directed by the Board. The risk reserve and contingency would only be used when risk or other factors outside of the project's control materialize. As directed by the Board, Metro Vancouver is committed to regularly reviewing and updating the DCC program, which will take into account DCC reserve balances and collections when setting rates. Over-collection will not occur.

5. **In response to my motion and question #1, Metro Vancouver provided dwelling unit forecasts per sewerage area (Table 1). Metro Vancouver's calculations for "Residential Lot Development Unit" raise further questions. For example, the projected "residential single-family lot" increase for VSA is 17,006 and for the FSA is 72,812. The City of Surrey is concerned that this increase in single-family residential lots is not accurate, and possibly reflects rebuilds of residential lots where the sewerage and water DCCs have already been paid, which would result in double collection. Per provincial legislation, only new residential lots or residential homes that have not been charged any DCCs for sewer or water should be charged for these DCCs as this would be growth paying for growth. We request further clarity on this item.**

Table 1. Breakdown of costs and residential growth by unit type over a 30-year time horizon

	Residential Growth by Unit Type (2023-2052)				**Growth Capital Costs (2023-2052)***
	Residential Lot Development Unit	**Townhouse**	**Apartment**		
VSA	17,006	3,480	71,043		$1,161,118,733
NSSA	6,569	2,346	16,470		$302,189,107
LIWSA	(136)	8,386	18,477		$212,060,561
FSA	72,812	56,534	139,833		$3,899,727,823
GVS&DD Total	96,251	70,746	245,823		$5,575,096,224
GVWD Total	90,313	69,941	229,618		$7,836,125,000
Parks Total	92,362	70,798	246,520		$802,900,000

**Growth capital costs for GVS&DD and GVWD include interest and GVS&DD growth capital costs are allocated as per the GVS&DD Cost Apportionment Bylaw.*

Response:

- Residential Lot Development Unit includes single-detached house; semi-detached house; apartment or flat in a duplex; other single-attached house; mobile home; and other movable dwelling. This definition comes from Statistics Canada.
- The projections used are from 2021 using 2016 Census data. It was the best information available at the time, and staff are in the process of integrating updated projections received by the Board in July 2024 based on 2021 Census data into the capital program for the planned 2027 DCC bylaw update for Board consideration.

- Projections used for Residential Lot Development Unit for VSA and FSA:

Sewerage Area	2016	2024	2040	2050
VSA	112,305 actual	121,197	131,211	135,269
FSA	264,156 actual	298,303	345,434	363,727

- The projections reflect a set of assumptions based on legislation prior to the Province's recent legislative updates. Vancouver was projected to replace more single detached homes with multi-plex units, which fall under another category (townhouse or apartment) and therefore the growth in the RSL category is lower, whereas Surrey was projected to build on raw lots or replace more single detached units with single detached homes, perhaps with a secondary suite.
- There is no double counting. The legislation is clear about when DCCs apply for a rebuild, and where they are not payable. This is in section 561 of the *Local Government Act*. In addition, Metro Vancouver does not collect DCCs directly. Member jurisdictions do that on Metro Vancouver's behalf and implement the *Local Government Act* requirements.

6. Metro Vancouver is seeking to introduce a new DCC charge for Parkland Acquisition. This new charge will further burden on the development industry, at a time of fiscal uncertainty and need for housing affordability. Furthermore, Metro Vancouver has not established a framework or criteria on how the collected parkland DCCs would be expensed. Metro Vancouver would be seeking to collect over $523 Million in parkland DCC's from municipalities within the FSA alone. Analysis has identified the following questions.

Response:

- On March 22, 2024, the Board passed DCC bylaws for Liquid Waste, Water, and Parks Acquisition. The bylaws came into effect on January 1, 2025, and will be phased in over three years. The table below provides the Parkland Acquisition DCC rates. The rates were calculated based on assessed values of identified future parkland acquisitions. A total of 1,797 hectares were identified with an average assessed value in 2023 of $446,900 per hectare, which determined the total amount to be DCC recoverable to be $803 million.

Assist Factor	Existing	75% Jan 1, 2025	50% Jan 1, 2026	1% Jan 1, 2027
Residential Lot Development Unit	-	$491	$981	$1,943
Townhouse Dwelling Unit	-	$442	$884	$1,751
Apartment Dwelling Unit	-	$303	$606	$1,199
Non-Residential (per square foot)	-	$0.24	$0.48	$0.94

a) Was there Board direction that it is Metro Vancouver's mandate to fund regional parks, or conservation lands, when these types of properties should potentially be funded by higher levels of government?

Response:

- The Regional Parks service was established in 1967 to address an identified need to provide large natural parks within easy access of a growing population. The MVRD Board has approved various plans and policy regarding the role of Regional Parks and funding of Regional Parks. The service celebrated its 50th anniversary in 2017.
- In 1993, a Regional Parks Land Acquisition Fund was established by the GVRD Board at $3.5 million per annum, which equated to about $2 per capita at the time. The fund remained static until 2003 when it was increased to $3.77 million. In 2017, the MVRD Board approved an increase to the land acquisition fund to bring it to $7.57 million per annum to accelerate the implementation of the land acquisition program.
- In 2018, the MVRD Board approved the Regional Parks Land Acquisition Strategy 2050. One of the actions identified in the strategy is to explore options for sustainable funding to support the acquisition of regional parkland in the region.
- 2019 – October 4, 2019 MVRD Board Agenda
  - The Regional Parks Committee put forth a recommendation to increase the funding for regional park land acquisition. The MVRD approved a phased implementation program of +$4.0 million per year for five years resulting in an increase of $20 million over five years to be funded from the tax levy.

    That the MVRD Board:
    - *direct staff to include in the Regional Parks 2020 budget an additional contribution of $4 million to advance the Regional Parkland Acquisition Reserve Fund and include an additional $4 million increase annually until 2024; and*
    - *prepare an amendment to the Greater Vancouver Regional District Bylaw 735, the bylaw that established a Regional Parkland Acquisition Reserve Fund, to enable capital funding provisions for both land acquisition and park development for Board approval.*

- The 2019-2022 and 2022-2026 Board Strategic Plans have actions to explore opportunities to use development cost charges for the acquisition of regional parks with the aim of aligning with the principle of growth paying for growth, and the intent to offset or reduce the impacts of expansion on existing ratepayers.

- 2019-2022 Board Strategic Plan (Page 26)
  Explore and evaluate potential new revenue sources and their impacts, including:
  - ***Development cost charges***
  - *Park fees and parking fees*
  - *Increased private donations*
  - *Revenue opportunities and development opportunities associated with greenways*
- 2022-2026 Board Strategic Plan (Page 27)
  Priority Actions
  Update existing financial tools and investigate additional financial mechanisms to support service provision, land acquisition, and operations and maintenance of park land ***including development cost charges****, grant opportunities, and philanthropic endeavours.*

- At a Special Joint Meeting April 19, 2023 the Board gave staff direction on pursuit of a DCC to support regional parks:
  That the MVRD/MVHC/GVS&DD/GVWD Board at the April 19 Board Budget Workshop:
  a) *Direct staff to proceed through the 2024 budget cycle with household impact targets as follows:*
     i. *2024 – 12%*
     ii. *2025 – 11%*
     iii. *2026 – 5%*
     iv. *2027 – 5%*
  b) *Direct staff to prepare the 2024-2028 Financial Plan with the following Development Cost Charge (DCC) rate assumptions, including financial analysis and economic testing:*
     i. *Liquid Waste Development Cost Charges moving to a 1% assist factor with interest as part of the 2024-2028 Financial Plan*
     ii. *Water Development Cost Charges moving to a 1% assist factor with interest as part of the 2024-2028 Financial Plan*
     iii. *Implementation of a Development Cost Charge for Regional Parks and move to a 1% assist factor within the 2024-2028 Financial Plan.*
- DCCs, including the parkland acquisition DCC, were built into the endorsed 2025-2029 Financial Plan with the following parameters:
  - DCC to commence in 2025 and are phased in over three years, with full charge starting in 2027.
  - Reduction in HHI starting in 2026 to correspond with the implementation of DCCs for parkland acquisition.
  - Since the adoption of the Regional Parks Land Acquisition Catalogue, approximately 327 hectares (785 acres) have been added to the regional parks system through

acquisitions. An approximate additional 233 ha (575 ac) were transferred from municipalities. In total, the regional parks system has grown by 560 ha (1,344 ac) since 2018.

- The Regional Parks Land Acquisition 2050 Strategy was adopted by the Board on June 22, 2018. The strategy contains a public strategy document and a confidential catalogue of lands. The strategy (Page 18) identifies criteria for how land is identified for inclusion into the land acquisition catalogue. This includes a series of criteria. The lands identified complete existing regional parks, connect parks to other important protected areas, enable better access or provide staging or operations facilities. Each property is evaluated based on the acquisition criteria (page 31) which indicate what contribution the parcel makes to the park, its level of threat, stewardship implications, as well as partnership or other considerations.
- The approval of the catalogue allows staff to act quickly when properties come on to the market. As per the *Real Estate Authority Policy* (2024), all acquisitions over $10 million come to the MVRD Board for consideration. Offers are based on market value as determined by third party appraisals. Changes to the Land Acquisition Catalogue are approved by the Board.

b) If lands within the region are owned by another level of government (federal, provincial, municipal etc.) individual governments have limitations and/or processes by which they can dispose of lands, including referrals / priority to other agencies over Metro Vancouver. Has Metro Vancouver taken this into consideration when determining priority parkland DCC rate?

Response:

- No public lands are to be funded from DCCs, as public lands are provided to Metro Vancouver at a nominal administrative cost. (e.g. through sponsored Crown Grants.)
- Resolution approved by the MVRD Board on September 27, 2024:
  That the MVRD Board approve the updated Regional Parks Land Acquisition Catalogue 2024, Attachment 1 to the report dated July 29, 2024, titled "Regional Parks Land Acquisition – Update to Land Acquisition Strategy Catalogue".
- The Regional Parks Land Acquisition Catalogue – the most recent update of the catalogue (a parcel-based list of candidate properties) was approved by the MVRD Board September 2024. It includes both private (68% by area) and public land (32% by area). The DCC program identified 146 privately owned parcels totaling 1,787 hectares of land. This is a subset of the entire Land Acquisition Catalogue.

c) If the mandate is for 'growth to pay for growth', will the allocation of parkland DCCs being spent in the individual municipalities be as collected from, or population projections, or dwelling units or geography (e.g. South of the Fraser vs. North of the Fraser) or proximity to residents / population or based on a similar approach to liquid waste (i.e. VSA, FSA, etc.)?

Response:

- Regional parks attract visitation from across the region.
- The principle for regional parks is that they are a regional asset and serve all residents in the region; they are not allocated by municipality or sub-region. The Regional Parks Land

Acquisition Strategy identifies the basis for protection as regional park land as being where there are unprotected sensitive and modified ecosystems, to complete existing regional parks in ways that will improve access, and other criteria. Unprotected and important natural areas of the region are not distributed equally, and are protected where they exist.

- The catalogue identifies specific parcels. Land acquisition for regional parks generally follows the principle of willing seller willing buyer in the open real estate market. Land will be acquired where it is available and when it is available. The Regional Parks Land Acquisition Strategy is a long-term 30-year plan designed to create a system of parks and greenways that are protected and resilient, connecting people to nature.
- The Regional Parks Plan, approved in 2022, reiterates that the role of regional parks is to protect the region's important natural areas and connect people from across the region to them. Resolution passed by the MVRD Board on July 29, 2022.

POLICY AREAS FOR BOARD CONSIDERATION

Director Kooner has raised concerns with the following policy areas. If the Board wishes to discuss any of these items, staff would support Board discussions as directed.

- Cost apportionment bylaw and allocations for Tier I, Tier II, and Tier III components / movement to one sewerage area;
- Using the same cost apportionment for growth portions of Tier I, Tier II, and Tier III components in DCC bylaws;
- Length of amortization for large infrastructure projects;
- The acquisition of regional park land; and
- The use of DCCs to acquire regional park land.

ALTERNATIVES

This is an information report responding to Director Kooner's memo to the Finance Committee. No alternatives are provided.

FINANCIAL IMPLICATIONS

This is an information report responding to Director Kooner's memo to the Finance Committee. There are no financial implications associated with the report.

CONCLUSION

This report responds to Director Kooner's November 12, 2024 memo to the Finance Committee as directed by the Finance Committee. The report responds to concerns listed about capital projects, development cost charge allocation, and governance, answers the seven questions in the memo and draws out policy issues regarding existing Board policy where the Board may choose to focus future discussions.

ATTACHMENTS

1. Response to Director Kooner's first 4 questions posed at the October 16, 2024 Board Meeting.
2. Director Kooner's November 12, 2024 Memo to the Finance Committee.

Responses to Director Kooner's questions posed at the October 16th, 2024 Board Budget Workshop

1. **How did Metro Vancouver calculate the DCCs for each individual sewerage area? Please provide calculations including costs, number of units, and unit types**.

Growth capital costs and their allocation are provided by Utility Planning by project. Population and dwelling unit data is provided by Regional Planning (2016 Census data was utilized, and work is underway to update the DCCs based on updated population projections and new housing legislation). The Province provides a Best Practices Guide on how DCCs are calculated and established including what qualifies as a 'growth' component. The growth capital costs to be recovered by DCCs are divided by the total population to establish a DCC amount per person. This amount is then multiplied by the number of people per unit for each housing type by sewerage area which equals the DCC amount. See Table 1.

Table 1. Breakdown of costs and residential growth by unit type over a 30 year time horizon

	Residential Growth by Unit Type (2023-2052)				Growth Capital Costs (2023-2052)*		
	Residential Lot Development Unit	Townhouse	Apartment				
VSA	17,006	3,480	71,043		$1,161,118,733		
NSSA	6,569	2,346	16,470		$302,189,107		
LIWSA	(136)	8,386	18,477		$212,060,561		
FSA	72,812	56,534	139,833		$3,899,727,823		
GVS&DD Total	96,251	70,746	245,823		$5,575,096,224		
GVWD Total	90,313	69,941	229,618		$7,836,125,000		
Parks Total	92,362	70,798	246,520		$802,900,000		

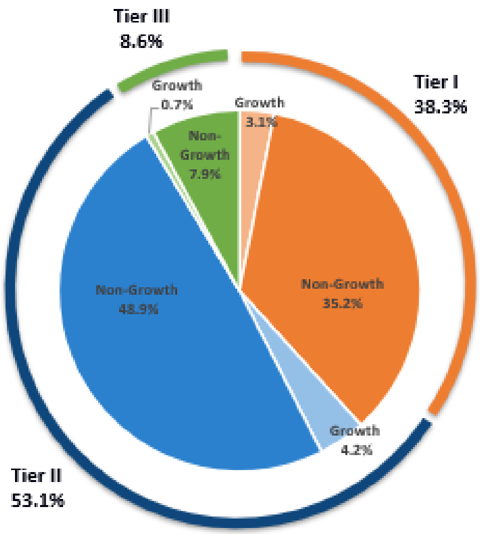
*Growth capital costs for GVS&DD and GVWD include interest and GVS&DD growth capital costs are allocated as per the GVS&DD Cost Apportionment Bylaw.

2. **The Metro Vancouver website shows 0.8% of the Iona Capital Costs being allocated to growth/DCC's, yet Metro Vancouver staff have advised that this percentage is actually 8%. Please clarify if it is 0.8% or 8% for the DCCs. Furthermore, MV planning forecasts reflect that the City of Vancouver will grow by 25.6% to 35%. Please clarify why the DCC growth rate does not coincide with the City of Vancouver growth rate.**

   - The growth portion of the Iona Wastewater Treatment Plant project (IWWTP) is currently estimated to be 8%. This was approved as part of the 2022 IWWTP Project Definition Report. The Liquid Waste Development Cost Charges webpage includes a list of 2023 growth projects for the future DCC rates - effective January 1, 2025.
   - The Metro Vancouver webpage also includes the growth assumptions for *current* DCC rates expiring at the end of this year. These were set prior to the 2022 Project Definition Report, and at that time, the growth component of the IWWTP was estimated to be 0.8%.
   - Work is underway to integrate updated population projections into the capital program, which will likely amend the growth portion for IWWTP and other projects.

The image below shows how growth is calculated for Tier I, Tier II and Tier III projects – specifically for Iona.

IONA WWTP PROJECT COST ALLOCATION (%)



	VSA	NSSA	LIWSA	FSA	Total
Tier 1	3.1% G	-	-	-	3.1% G
	35.2% NG	-	-	-	35.2% NG
Tier II (30%)	1.3%G	-	-	-	1.3%G
	14.7% NG	-	-	-	14.7% NG
Tier II (70%)	0.6% G	0.2% G	0.2% G	1.9% G	2.9% G
	13.1% NG	2.2% NG	2.4% NG	16.5% NG	34.2% NG
Tier III	0.2% G	0.0% G	0.0% G	0.5% G	0.7% G
	3.0% NG	0.5% NG	0.6% NG	3.8% NG	7.9% NG
Total	5.2% G	0.2% G	0.2% G	2.4% G	8.0% G
	66.0% NG	2.7% NG	3.0% NG	20.3% NG	92.0% NG
	71.2%	2.9%	3.2%	22.7%	100%

- There is not a direct line relationship between the identified growth component of an infrastructure project and population growth in a city.
  a) The Province's best practices guide defines what can be classified as 'growth' related and eligible for DCCs.
  b) There are some components of the project that are the same with or without growth and they cannot be classified as growth (e.g. O&M building).
  c) Staff are working to integrate updated population and dwelling unit projections into Metro Vancouver's capital plan and what they mean to the percentage of projects allocated to growth. This will be integrated into the 2027 budget. Staff have been conducting sensitivity analysis on additional population plans, and the Iona project could move to about an 18% growth share.
  d) Vancouver is providing some growth capacity through sewer separation.
  e) The Vancouver Sewerage Area is comprised of more than Vancouver. It includes parts of Burnaby and Richmond.

3. **It is the City of Surrey's understanding that Provincial legislation and guidelines preclude Metro Vancouver to fund DCC projects across various sewerage areas. However, the DCC calculations appear to be distributed across sewerage areas. Can you please clarify the apparent discrepancies between the Provincial legislation and MV's practice?**

   - There is no discrepancy. Development cost charges are established by bylaw with the approval of the Inspector of Municipalities. The Inspector of Municipalities has approved the Metro Vancouver DCC program.
   - The *GVS&DD Act* notes that "the purpose for which development cost charges may be imposed is to provide funds to assist in paying the capital cost of providing, constructing, altering or expanding sewerage facilities *to service development within the area of the Corporation*". It permits application to the whole area of the corporation.

4. **The City of Surrey would like to know how the 70/30 cost share ratio for Tier II projects was derived and in what year? The City of Surrey is also requesting in which year did Metro Vancouver introduce sewer DCCs? Accordingly, was a resolution or bylaw adopted to apply the 70/30 cost share ratio to DCCs and what year was it adopted?**

   - The GVS&DD Allocation Bylaw was established in 1995. It introduced the 30/70 split to: a) recognize that secondary treatment makes the region's waterways healthier for everyone - we all benefit from cleaner waters, and b) share the financial impacts anticipated for the Annacis and Lulu secondary upgrades (not growth related projects). The split was based on flows.
   - Prior to 1993, ***all*** costs were funded by the serviced sewerage area.
   - A Task Force comprised of Regional Administrators Advisory Committee (RAAC) members, and led by Don Lidstone, was established to develop the Cost Allocation Bylaw. In 1993, the Metro Vancouver Board gave the Task Force principles to be used in establishing any allocation split. The work took two and a half years.
   - The Rawn Report (1953) was used as the basis for the current regional sewer system. It mentioned a 30/70 option for cost apportionment.
   - Liquid Waste DCCs came into effect in January 1997. The GVS&DD Allocation (now Apportionment) Bylaw established how the DCCs are apportioned. The same 30/70 cost share was utilized for Tier II projects.

MEMO

To:	Finance Committee
From:	Director, Pardeep Kooner
Date:	November 12, 2024
Re:	Metro Vancouver Financial Concerns and Questions

Purpose:

The purpose of this memo is to address the concerns that I, Director Kooner, and fellow Directors from the City of Surrey have in regards to Metro Vancouver's recently approved 2025 Financial Plan / Budget, Development Cost Charges, and allocations, and overall governance of Metro Vancouver's major capital projects.

Executive Summary:

<u>Capital Projects:</u>

Over the next 10 years, Metro Vancouver is seeking to embark on delivering significant infrastructure projects, of particular concern are the Major Water and Liquid Waste Capital projects that total billions of dollars. These include projects such as Iona and North Shore Wastewater Treatment Plants, Coquitlam Water Intake and Tunneling projects, all currently being delivered by a newly formed Project Delivery Office at Metro Vancouver.

These Major Capital Projects have significant financial implications on the region, including residents, businesses and future growth. With these Major Projects being delivered over a decade, they will require decisions being made that span multiple terms of Board Members / Directors. Information provided to Directors at time of decision making is often limited in nature, does not discuss past decisions nor are they forward looking, has inadequate financial forecasts and consequences / trade-off discussions. Thus, as Directors we are unable to engage in adequate and meaningful dialogue and debate before, we make significant decisions on behalf of the region.

For example, the top 7 Major Capital Projects are being managed by one department, who answers solely to the CAO, with no independent third-party engineering and financial auditor to provide transparency, accountability and evaluate cost-benefit of integrated design-based principles / assumptions. Moreover, in the case of the $14 Billion Iona and North Shore Wastewater Treatment Plants there are insufficient details, and no audit, of how the primary treatment costs are calculated nor cost-benefit evaluation of community enhancement components that total an estimated 15% or $2 Billion of capital costs. Directors need to be fully apprised as to the breakdown and allocations of what make up these costs, who is verifying the costs, that costs are accurate and what is the consequence if community benefits are de-scoped. I believe there must be additional board oversight and decisions made on the costing of these Major Capital projects at a minimum.

DCC allocations:

I have a huge concern about the DCC cost apportionment bylaw and how the population and dwelling forecasts were determined, not only for Liquid Waste but for Water and Parks. I have been told that there are many factors that are considered; however, these other factors have not been provided. The current population and dwelling unit projects drive DCC rates and the levy rates in the future and it is the Boards duty to ensure these numbers are accurate as there are significant costs associated with these decisions.

The current Liquid Waste DCC cost apportionment bylaw lacks fairness and equity not just amongst the sewerage areas but also individual cities within each sewerage area. This inequity exists because not all sewerage areas have the same levels of service, have historical inconsistencies to wet-weather management and primarily because regional municipalities are not growing equally.

The Board has been advised that Metro Vancouver staff are seeking to make significant changes to the DCC allocations and apportionment in the 2025 work plan, including staff desire to introduce DCC waivers for rental housing or transit-orientated housing around SkyTrain. While these DCC / land-use policies are notional, they are only equitable if all municipalities have standardized rental policies, standardized DCC rates and a consistent, and equal, SkyTrain rapid transit service level. Without consistent policies and rapid transit service levels, a potential DCC waiver in one municipality will result in other municipalities having to overfund DCC and subsidize development across municipal borders. As it stands, the current growth forecasts appear inaccurate and DCC apportionment inequitable, and the proposed Metro Vancouver DCC Work Plan will exacerbate the situation and DCC changes will manifest increased inequity.

Governance:

All the above leads to one of, if not the biggest, issue the Metro Vancouver Board faces is in regards to lack of governance and oversight on Metro Vancouver staff and their independent staff led initiatives, decisions and interpretation of policy or strategy directions. The way the current Board is operating has many gaps in information, lacks sufficient details to make the decisions we need to and the full financial impacts or options are not being provided. For instance, the board is often asked to approve or endorse a very broad strategy that has a suite of staff led sub action items and staff driven priorities. There is often little or no discussion on the broad strategy let alone no consultation is provided on the sub action items. This results in a lack of crystal-clear strategies and policies which enables staff to make their own interpretations and significant decisions without Board consideration. I have found that staff has been using the strategic plan to pick and choose areas of focus with no clear direct board resolution which is affecting the information we are provided. I believe that the current governance model is not sufficient to ensure the Board is fully prepared and knowledgeable.

For example, for the DCC calculations the Board was not provided with information on how population and dwelling units were projected, nor was sufficient information provided to municipal staff through REAC and RFAC, nor has there been Board decision to move towards “one sewerage area”, although staff recommendations are leading to this. This begs the question, if municipal staff are not provided this information, nor with adequate review time, nor can they ask the questions then how can municipal staff provide the Board members with sufficient advice on the billions of dollar projects and policies that the Board is deciding and the impact it has on member municipalities, and elected officials, who are ultimately the point of contact for residents.

Conclusion:

Enclosed please find Appendix I which reiterates the questions I raised at the October 16, 2024 Metro Vancouver Special Board Meeting and the subsequent questions (Appendix II) being raised, after more information and meetings were arranged with Metro Vancouver Staff.

Given the concerns raised, it is my belief that the 2025 budget methodologies and information provided to the Board is not accurate/insufficient and does not portray the true impact on the decisions that have been brought to the Board. Consideration should be given to the Finance Committee to request deferral motion on the 2025 Budget to address the following:

1. Details on the contingency allocations for the NSWWTP and the impact on the 2025 budget, and the financial effect by removing these contingencies to the region HHI for 2025

2. Repeal the sewer DCC bylaw and bring forward a new bylaw that freezes the Liquid Waste and Water DCC rates at the 2025 rate, but cancels increase for 2026 and onwards

3. Repeal the introduction of a new Parks DCC for 2025, and no further consideration of introducing a Parks DCC until sufficient information is provided and discussed at the Finance Committee, including analysis on the usage of the funds collected by region

4. Full review of the Iona project scope where the cost escalations, usage of DCC funds are reviewed and approved by the Board. For example, review of the Liquid Waste DCCs collected to pay for a non-Liquid Waste infrastructure such as regional parks, roads, bike paths etc. as currently stipulated

5. Full cost breakdowns and DCC funds collected, by sewerage area, over the past 20 years and the component that each sewerage area has contributed to the Annacis Island Wastewater Treatment Plant

6. Review by external advisory group or committee on the financial decisions made by staff in regards to the Iona and North Shore Waste Water Treatment Plants

As a Director of Metro Vancouver and Councillor of the City of Surrey, I strive for the best interest of the public, both current and future looking, and both a regional and municipal perspective. I value transparency, accountability, fiscal responsibility, non-downloading of services from higher levels of government and a balanced approach when facing the challenges, and sometimes conflicting priorities, of our region face.

Regards,

Director Pardeep Kooner

Appendix I - At the October 16, 2024 at the Metro Vancouver Special Board Meeting the City of Surrey posed the following four questions for the Metro Vancouver staff:

1. How did Metro Vancouver calculate the DCC's for each individual sewerage area? Please provide calculations including costs, number of units, and unit types.

2. The Metro Vancouver website shows 0.8% of the Iona capital costs being allocated to growth/DCC's, yet Metro Vancouver staff have advised that this percentage is actually 8% for the DCC's. Furthermore, MV planning forecasts that the City of Vancouver will grow by 25.6% to 35%. Please clarify why the DCC growth rate does not coincide with the City of Vancouver growth rate.

3. It is the City of Surrey's understanding that the Provincial legislation and guidelines preclude Metro Vancouver to fund DCC projects across the various Sewerage areas. Can you please clarify the apparent discrepancies between the Provincial legislation and MV's practice?

4. The City of Surrey would like to know how the 70/30 cost share ratio for Tier 2 projects was derived and in what year? The City of Surrey is also requesting in which year did Metro Vancouver introduce sewer DCC's? Accordingly, was a resolution or bylaw adopted to apply the 70/30 cost share ratio to DCC's and what year was it adopted.

Appendix II – Further questions being raised to Metro Vancouver staff to address these questions on October 23, 2024, which are being provided to the Finance Committee on November 13, 2024.

During those conversations the following additional items are being brought forward as a concern.

1. Metro Vancouver has indicated 91% of sewage flow at Iona is solely for the City of Vancouver. The 8% growth rate allocated to the Iona project does not accurately reflect growth in the City of Vancouver (VSA). The 8% relates to "excess treatment plant capacity" after 2052 based on the projections used at the time this was brought forward to Metro Vancouver board members. As the City of Vancouver is currently switching from a combined sewer and storm system to a singular storm and singular sewer, the cost associated with the "excess capacity" is unfairly impacting the residents of the region. The residents of Vancouver will be further paying additional costs as they fund switching their sewer system. While I understand the desire to overbuild infrastructure and the amount may seem small at 8%; however, at a capital cost of $10B this 8% represents around $800 Million in additional costs being allocated to the region.

   There is another oversight in regards to the 8%. Metro Vancouver Growth Projections Report, provided to the Board for approval in 2024, indicates between 25.6% and 35% population growth / dwellings in the City of Vancouver and as such the growth component of Iona WWTP should be closer to 25% to 35%. Regardless of whether growth was 8% or 35%, a further compounding issue is that Metro Vancouver's Cost Apportionment Bylaw splits the growth costs 70 / 30 for Tier 2 costs, meaning growth in the region, particularly those municipalities in the FSA, will be subsidizing the VSA and Iona project. The financial impact results in the residents household portion decreasing significantly, if correct allocations are utilized. (Exhibit 1 (MV) vs Exhibit 2)

2. The current GVS&DD Cost Apportionment 70 / 30 growth funding model, per the bylaw, is inadvertently punitive to those cities outside the NSA and VSA for their growth, and does not align with the true spirit and intent of "growth paying for growth" as it is growth in the FSA paying for growth in the MV region. For example, the FSA dwelling unit projections are 3 times the VSA; therefore, growth DCC's collected from FSA municipalities that are growing will be funding Tier II and III projects in areas where the growth in units is not equal. This unfairly penalizes growing regions to fund projects where there is no direct benefit, and at the same time funding a vast majority of the projects and creates an inequitable DCC balance in the region. Based on the 2027 DCC rates and unit projections to 2052; the VSA contributions to sewerage areas is just over $1B, as compared to the FSA who fill fund approximately $3.7B (Exhibit 3). This 70/30 application of the DCC rates was not a prior issue, as the FSA has been historically charged double the DCC rate and was the area producing the majority of the units which was to fund the FSA's Annacis treatment plant. However, as the $15 Billion combined treatment plants in the North Shore and Vancouver region are to be completed the growth allocation must be re-evaluated, particularly because those municipalities / areas are not growing proportionately to fund their own projects. This results in residents from the FSA region contributing over 3 times the funds as VSA in the Iona example.

   The City of Surrey is requesting further information for total capital costs of Annacis, the DCC's collected to date by Sewerage Area, and the allocation of the funds collected for payment of Annacis growth by Tier.

3. The Cost Apportionment Bylaw also states each sewerage area must produce a certain number of housing units and if the growth in a sewerage area is not realized / achieved, then the municipalities within that sewerage area will be levied the "under collected" DCC portion regardless of whether an individual municipality achieved their growth/housing targets. This could unfairly punish cities that achieve growth targets and have contributed their portion of the DCC's. Furthermore, the 70/30 allocation discussion above could further exacerbate this potential situation. Having an inconsistent approach to DCC's and waivers across sewerage areas and municipalities could cause further inequity. Additionally, the Cost Apportionment approach is that the Bylaw does not have reciprocal language to provide "financial credits" to municipalities who provide excess growth / housing units or how excess funds collected will be allocated within the region.

4. The City of Surrey is concerned about the Capital Cost of the Iona project, specifically but not limited to:

   a. The unexplained cost escalations from $2 Billion a few years ago to $10 Billion, which have not adequately been defined, presented, discussed and deliberated with the Board.

   b. The apportionment of costs between Tier I / II / III, and potential audits of allocations, particularly because VSA is required to fund all costs associated with Tier 1.

   c. The apportionment of costs to the Vancouver Airport, including their direct contributions to this project and how their growth component is being allocated.

d. The Iona Conceptual Design Report indicates ground improvements alone are estimated to be 20% ($2 Billion) and there is no information as to how this cost allocated across the Tiers. Additionally, the Report includes the 80,000 tonnes of steel will be needed to support the weight of this project. As these projects are extremely costly, Board members have not been updated as to whether other options, including other locations, have been fully re-analyzed.

e. Added costs, above regulatory requirements, and their benefits and funding allocations to individual municipalities for the Tier III components of the Iona project. This includes items such as: tertiary treatment, park amenities, road and cycling upgrades, welcome centers and bus parking areas. The scope of these works are broad and beyond sewage costs and based on Metro Vancouver's Project Definition Report could range between 8% and 15% of total costs, equating to around $800 Million to $1.5 Billion in potential scope creep and potential improper allocation of sewage funds (DCC and levy) towards non-sewage assets.

f. Metro Vancouver Financial Budgets, including DCC budgets, are predicated on a $12.1 Billion Iona project, ($6.4 Billion project + $4 Billion risk/escalation/contingency + $1.7B interest). There has been no analysis, nor discussion with the Board, as to what the rates should be predicated for DCC collection, as Metro Vancouver appears to be pre-assuming the risk/escalation/contingency will be fully utilized. In essence, there is a potential for significant overcollection of funds (levy and DCCs) which would then be carried forward inaccurately beyond 2052.

5. In response to my motion and question #1, Metro Vancouver provided dwelling unit forecasts per sewerage area (refer to Appendix 1). Metro Vancouver's calculations for "Residential Lot Development Unit" raise further questions. For example, the projected "residential single-family lot" increase for VSA is 17,006 and for the FSA is 72,812. The City of Surrey is concerned that this increase in single-family residential lots is not accurate and possibly reflects rebuilds of residential lots where the sewerage and water DCC's have already been paid, which would result in double collection. Per Provincial legislation, only new residential lots or residential homes that have not been charged any DCC's for sewer or water should be charged for these DCC's as this would be growth paying for growth. We request further clarity on this item.

6. Metro Vancouver is seeking to introduce a new DCC charge for Parkland Acquisition. This new charge will further burden on the development industry, at a time of fiscal uncertainty and need for housing affordability. Furthermore, Metro Vancouver has not established a framework or criteria on how the collected parkland DCC's would be expensed.

   Exhibit 3 summarizes projected cash flows for water/sewer/park, derived from Metro Vancouver's dwelling projections and 2027 DCC rates. As shown in this exhibit, Metro Vancouver would be seeking to collect over $523 Million in parkland DCC's from municipalities within the FSA region alone. This analysis has identified the following questions:

   a. Was there Board direction that it is Metro Vancouver's mandate to fund regional parks, or conservation lands, when these types of properties should potentially be funded by higher levels of government?

b. If lands within the region are owned by another level of government (Federal, Provincial, Municipal, etc.), individual governments have limitations and/or processes by which they can dispose of lands, including referrals / priority to other agencies over Metro Vancouver. Has Metro Vancouver taken this into consideration when determining priority parkland acquisition and the associated costs when deriving their parkland DCC rate.

c. If the mandate is for "growth to pay for growth", will the allocation of Parkland DCC's being spent be in the individual municipalities it was collected from, or population projections, or dwelling units, or geography ("South of Fraser" vs "North of Fraser") or proximity to residents/population or based on a similar approach to liquid waste (i.e. VSA, FSA, etc.).

d. These questions speak to a need for an equitable framework before any further DCC's are introduced into the region, because the growth in the FSA has already been contributing at minimum double the funds to Metro Vancouver.

7. The City of Surrey is also requesting additional information for the North Shore Wastewater Treatment Plant:

    a. Per the 2025 Liquid Waste Budget / Financial Plan, Metro Vancouver is portraying the 2025 annual sewage levy increase as a 9% increase however this is not entirely accurate as mid-year 2024 amended NSWWTP HHI numbers was "baked in" to calculate the 2025 increase. The actual increase from 2024 for the City of Surrey is 37.6% (Exhibit 4) which is approximately a $27 million dollar increase. Therefore, please change your financial plans and reporting to reflect the actual rate increase for each individual sewage area and municipality.

    b. As part of the 2024 mid-year HHI impact for the NSWWTP, Metro Vancouver did not provide Board members with sufficient information on the cost coverage of the North Shore treatment plant, and specifically the individual costs per Tier I, II, III components, which now upon retrospect could have cascading impacts on other sewerage area DCC and levy. Based on initial review, this could amount to an incorrect allocation of $500 Million to $1.2 Billion.

Exhibit 1: Iona WWTP Project Cost Allocation % per Metro Vancouver

		VSA	NSSA	LIWSA	FSA	Total
Tier 1	G	3.1%				3.1%
	NG	35.2%				35.2%
Tier 2 30%	G	1.3%				1.3%
	NG	14.7%				14.7%
Tier 2 70%	G	0.6%	0.2%	0.2%	1.9%	2.9%
	NG	13.1%	2.2%	2.4%	16.5%	34.2%
Tier 3	G	0.2%	0.0%	0.1%	0.5%	0.7%
	NG	3.0%	0.5%	0.6%	3.8%	7.9%
	G	5.2%	0.2%	0.3%	2.4%	8.0%
	NG	66.0%	2.7%	3.0%	20.3%	92.0%
		71.2%	2.9%	3.3%	22.7%	100.0%
Cost of Project per MV		$ 8,579,565,763	$ 353,172,101	$ 395,881,509	$ 2,733,727,526	$ 12,051,187,500
	Growth	$ 626,661,750	$ 29,416,949	$ 31,212,576	$ 289,228,500	$ 964,095,000
	Non Growth	$ 7,952,904,013	$ 323,755,152	$ 364,668,934	$ 2,444,499,026	$ 11,087,092,500

Exhibit 2: Iona WWTP Project Cost Allocation %

		VSA	NSSA	LIWSA	FSA	Total
Tier 1	EC	3.08%				3.08%
	G	8.45%				8.45%
	NG	26.77%				26.77%
Tier 2 30%	EC	1.28%				1.28%
	G	3.51%				3.51%
	NG	11.13%				11.13%
Tier 2 70%	EC	1.14%	0.19%	0.21%	1.44%	2.99%
	G	3.14%	0.52%	0.57%	3.95%	8.20%
	NG	9.94%	1.66%	1.82%	12.51%	25.96%
Tier 3	EC	0.26%	0.04%	0.06%	0.33%	0.69%
	G	0.72%	0.12%	0.15%	0.91%	1.90%
	NG	2.29%	0.38%	0.48%	2.91%	6.04%
	EC	5.77%	0.23%	0.26%	1.77%	8.04%
	G	15.82%	0.64%	0.73%	4.86%	22.06%
	NG	50.13%	2.04%	2.30%	15.42%	69.90%
		71.72%	2.92%	3.29%	22.06%	100.00%
Cost of Project per MV		$ 8,642,609,984.06	$ 352,042,422.56	$ 396,584,093.61	$ 2,658,112,109.07	$ 12,051,187,500
	EC	$ 694,907,263.28	$ 28,292,090.85	$ 31,866,955.11	$ 213,617,903.48	$ 968,794,963.13
	G	$ 1,906,443,752.67	$ 77,646,765.16	$ 87,466,313.76	$ 586,272,677.14	$ 2,658,130,426.88
	NG	$ 6,041,258,968.12	$ 246,103,566.56	$ 277,250,824.74	$ 1,858,221,528.45	$ 8,424,141,598.13

EC = Excess Capacity

G = Growth Portion

NG = Non-Growth Portion

Exhibit 3: Proposed Rates 2027 Estimated Cash Flows by Region

	Projected Units	Sewer	**Total Sewer**	Water	**Total Water**	Parks	**Total Park**	**TOTAL**
Vancouver Sewerage Area								
Single Family	17,006	$12,476.00	$212,166,856	$19,714.00	$335,256,284	$1,943.00	$33,042,658	$580,465,798
Townhouse	3,480	$11,400.00	$39,672,000	$17,710.00	$61,630,800	$1,751.00	$6,093,480	$107,396,280
Apartment	71,043	$7,484.00	$531,685,812	$12,223.00	$868,358,589	$1,199.00	$85,180,557	$1,485,224,958
Non Residential	50,036,921	$6.30	$315,232,602	$9.54	$477,352,226	$0.94	$47,034,706	$839,619,534
			$1,098,757,270		**$1,742,597,899**		**$171,351,401**	**$3,012,706,570**
North Shore Sewerage Area								
Single Family	6,569	$11,557.00	$75,917,933	$19,714.00	$129,501,266	$1,943.00	$12,763,567	$218,182,766
Townhouse	2,346	$10,652.00	$24,989,592	$17,710.00	$41,547,660	$1,751.00	$4,107,846	$70,645,098
Apartment	16,470	$7,111.00	$117,118,170	$12,223.00	$201,312,810	$1,199.00	$19,747,530	$338,178,510
Non Residential	12,422,082	$5.92	$73,538,725	$9.54	$118,506,662	$0.94	$11,676,757	$203,722,145
			$291,564,420		**$490,868,398**		**$48,295,700**	**$830,728,519**
Lulu Island Sewerage Area								
Single Family	-136	$6,855.00	-$932,280	$19,714.00	-$2,681,104	$1,943.00	-$264,248	-$3,877,632
Townhouse	8,386	$5,943.00	$49,837,998	$17,710.00	$148,516,060	$1,751.00	$14,683,886	$213,037,944
Apartment	18,477	$4,241.00	$78,360,957	$12,223.00	$225,844,371	$1,199.00	$22,153,923	$326,359,251
Non Residential	19,106,232	$3.08	$58,847,195	$9.54	$182,273,453	$0.94	$17,959,858	$259,080,506
			$186,113,870		**$553,952,780**		**$54,533,419**	**$794,600,069**
Fraser Sewerage Area								
Single Family	72,812	$13,613.00	$991,189,756	$19,714.00	$1,435,415,768	$1,943.00	$141,473,716	$2,568,079,240
Townhouse	56,534	$11,914.00	$673,546,076	$17,710.00	$1,001,217,140	$1,751.00	$98,991,034	$1,773,754,250
Apartment	139,833	$8,686.00	$1,214,589,438	$12,223.00	$1,709,178,759	$1,199.00	$167,659,767	$3,091,427,964
Non Residential	122,865,549	$6.43	$790,025,480	$9.54	$1,172,137,337	$0.94	$115,493,616	$2,077,656,434
			$3,669,350,750		**$5,317,949,004**		**$523,618,133**	**$9,510,917,888**
TOTAL			**$5,245,786,310**		**$8,105,368,082**		**$797,798,653**	**$14,148,953,046**

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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Robert Kates, Director, Real Estate Services, Procurement and Real Estate Services

Date: December 11, 2024 Meeting Date: January 16, 2025

Subject: **Sale of Old Head Office Building – Seismic Guarantee Update**

RECOMMENDATION
That the Finance Committee receive for information the report dated December 11, 2024 titled "Sale of Old Head Office Building – Seismic Guarantee Update".

EXECUTIVE SUMMARY
At the November 13, 2024 Finance Committee meeting staff were requested to provide the Committee information relating to the recent sale of the former Metro Vancouver head office building. Specifically, the request was to provide the Committee with information relating to the terms of the 2019 sale transaction and an update on remaining funds owing to GVWD as part of that transaction.

In March 2019, GVWD sold its old head office building at 4330 Kingsway, Burnaby, BC (the "Property") for $95M to SCREO I Metrotown GP Inc. ("SCREO"). As part of the sale, the GVWD Board approved a $9M credit to SCREO as a contribution towards the cost of recommended seismic upgrades, and the credit was secured through the receipt of a seismic upgrade variance guarantee ("Guarantee"). Pursuant to the terms of this Guarantee, all or a portion of the funds would be returned to GVWD if a building permit for seismic works was not issued or if the costs of the seismic upgrades were less than $9M, respectively. In March 2024, the Guarantee expired and staff began making attempts to recover the amount of the guarantee from SCREO. In June 2024 SCREO was placed into receivership. In July 2024 the Court ordered that the Property be sold, and in November 2024 the Property was sold to the City of Burnaby for $65M. GVWD is recognized as an unsecured creditor in the receiver's report, filed in BC Supreme Court. It is anticipated that the proceeds of the sale will cover the outstanding debts and that there is a good chance that GVWD will recover the $9M it is owed. Staff is working with external legal counsel on this matter.

PURPOSE
The purpose of this report is to provide an update as to the status of the Guarantee and the likelihood of recovering the funds owed to GVWD.

BACKGROUND
Thereafter, staff engaged a broker and actively and openly marketed the Property for sale, culminating in one conditional offer that collapsed and finally entering into a second conditional offer with SCREO I Metrotown GP Inc. (as assigned from Slate Acquisitions Inc., collectively "SCREO"). Through due diligence, SCREO reported that the building was not seismically up to standards such that upon redevelopment it would cost them excessive amounts to upgrade the building. SCREO hired an independent and qualified engineering firm who estimated that the cost

to seismically upgrade the building to be in the order of $9M. On this basis, SCREO requested a $9M credit from the purchase price to result in a net cash price of $86M plus the $9M Guarantee whereby they would pay back all or a portion of the $9M to GVWD if an approval of a building permit from the City of Burnaby was not issued for such seismic work or if the work cost less than $9M. The Guarantee was initially for a term of 3 years with 2, one-year extension options, which extension options were subsequently exercised. Through negotiations, staff were only able to secure the Guarantee by way of a contract. The overall transaction with SCREO, including the Guarantee, was approved by the GVWD Board.

The Guarantee expired in March 2024, and given that no building permit was approved the full amount of the $9M was due and payable to GVWD. Staff immediately contacted SCREO to determine the status of the repayment of the $9M. SCREO responded in April, 2024. Through subsequent correspondence staff learned that SCREO was in default on its mortgage, but that it had a conditional sale agreement in place at $86.5M that would provide enough funds to repay the mortgage, other outstanding amounts owed, plus the $9M Guarantee. Nonetheless, staff continued to work to secure the repayment, including by:

- requesting partial payment up front with the balance payable on closing of the sale transaction (rejected by SCREO as they stated they had no available funds); and
- placing a mortgage on the property (which was rejected by the first lender – the lender had a clause limiting further mortgages without their consent).

SCREO's proposed sale transaction collapsed in the second week of June, 2024 and on June 20, 2024 the mortgagee placed SCREO into receivership. On July 8, 2024 BC Supreme Court ordered that the Property be sold.

On November 21, 2024, the Property was sold under the court receivership process to the City of Burnaby for $65M. Staff understand from the receiver (from an October 30, 2024 report to court) that SCREO's total debts amounted to approximately $59.1M ($49.8M to the secured creditor and $9.3M to unsecured creditors), thus there should be a remainder of approximately $5.9M from the Property sale (before sales commissions and receiver fees). Staff understand that the unsecured creditor amount of approximately $9.3M includes the claim of $9M by GVWD. Further, staff understands that recourse against SCREO Acquisitions Inc. (one of the signatories on the Guarantee, who is not in receivership and which we understand has other subsidiaries with real estate holdings) would remain available to GVWD in the event that GVWD is unable to recover the $9M through the receivership process. Based on the receiver's report, it is anticipated that the proceeds of the sale will cover the outstanding debts and that there is a good chance that GVWD will recover the $9M it is owed. However, the determination of the distribution of those excess funds will be subject to the court's judgement.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

There are no financial implications at this time as this is an information report.

CONCLUSION

In March, 2019, GVWD sold the Property for $95M to SCREO. As part of the sale, the GVWD Board approved a $9M credit to SCREO as a contribution towards the cost of recommended seismic upgrades, and the credit was secured through the receipt of the Guarantee. Pursuant to the terms of this Guarantee, GVWD is owed $9M. SCREO was placed into receivership by the mortgagee and thereafter the Property was sold to the City of Burnaby in November 2024. Staff continue to work to recover the $9M guarantee amount through the receivership process. It is anticipated that the proceeds of the sale will cover the outstanding debts and that there is a good chance that GVWD will recover the $9M it is owed.

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SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Linda Sabatini, Director, Financial Operations

Date: December 09, 2024 Meeting Date: January 16, 2025

Subject: **MFA Spring 2025 Borrowing for the Township of Langley – MVRD Security Issuing Bylaw No. 1404, 2025**

RECOMMENDATION

That the MVRD Board:

a) give consent to the request for financing from the Township of Langley in the amount of $198,652,634 pursuant to Sections 182(1)(b) and 182(2)(a) of the *Community Charter*;

b) give first, second and third reading to *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025*; and

c) adopt *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025* and forward it to the Inspector of Municipalities for Certificate of Approval.

EXECUTIVE SUMMARY

As set out in the *Community Charter*, the Metro Vancouver Regional District (MVRD) must adopt a security issuing bylaw in order to enable the Township of Langley (the "Township") to proceed with their long-term borrowing request of $198,652,634 from the Municipal Finance Authority (the "MFA"). This borrowing consists of eight bylaws and will finance the following: *Jericho Booster Station, Civic Infrastructure, Yorkson Community Park Development, Ice and Dry Arenas, Smith Athletic Park Development.*

The Township's total estimated annual debt servicing costs for existing and new proposed debt combined is approximately $40.6 million which is roughly 52.3% of their liability servicing limit of $77.7 million. The Township has met the regulatory requirements and has the legislative authority to undertake the planned borrowing. The proposed *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025* will authorize Township's borrowing request.

Staff recommends consenting to Township's borrowing request and adopting the Security Issuing Bylaw as outlined in Alternative 1.

PURPOSE

To seek the adoption of a Security Issuing Bylaw to authorize a borrowing request from the Township of Langley in the amount of $198,652,634 for the Spring 2025 MFA long-term debt issue.

BACKGROUND

Metro Vancouver received a request from the Township to borrow $198,652,634 to finance capital projects for the Jericho Booster Station, Civic Infrastructure, Yorkson Community Park Development, Ice and Dry Arenas and Smith Athletic Park Development. This request has been approved by their respective council by way of Loan Authorization Bylaws, as outlined in Table 1, and Security Issuing Resolutions as required under Provincial legislation. This report is being brought forward to the MVRD Board to seek the adoption of *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025* which will authorize the borrowing request from the Township. The borrowing must be approved by the MVRD Board before the Security Issuing Bylaw can be issued and the request forwarded to the MFA for consideration.

MUNICIPAL BORROWING REQUEST

Long-term Debt Issue Request Details

The Township has adopted the Loan Authorization Bylaws as outlined in Table 1 below. Their Council subsequently passed the required Security Issuing Resolution on June 15, 2024 and September 23, 2024 to proceed with the Spring 2025 Borrowing for the requested amount within the authorized and outstanding balance of the bylaw. This request is within the parameters set out in the Township's Financial Plan Bylaw.

Table 1

Member Municipality: Township of Langley					
MVRD Security Issuing Bylaw No.	**Member Loan Authorization Bylaw No.**	**Date Certificate of Approval Issued**	**Date Member Bylaw Passed**	**Term of Issue**	**Borrowing Request**
Jericho Booster Station: New booster pump to increase the water system capacity.					
1404, 2024	5921, 2024	June 06, 2024	June 15, 2024	15 years	$18,720,000
Civic Infrastructure: Phase 1 of Willowbrook Connecter and facilities, 2.0km range on 208th Street.					
1404, 2024	5922, 2024	June 06, 2024	June 15, 2024	20 years	$29,492,000
Yorkson Community Park Development: Significant upgrades to the community park.					
1404, 2024	5938, 2024	June 06, 2024	June 15, 2024	15 years	$14,645,000
Ice and Dry Arenas: Langley Events Centre, five new rinks.					
1404, 2024	5968, 2024	May 15, 2024	June 15, 2024	25 years	$ 49,490,000
Civil Infrastructure Phase 2: Phase 2 of Willowbrook Connector, 820 meters of roadway upgrades.					
1404, 2024	5991, 2024	July 11, 2024	September 23, 2024	20 years	$29,918,765
Smith Athletic Park Site: New park in the Smith's neighborhood, site preparation.					
1404, 2024	5998, 2024	August 21, 2024	September 23, 2024	25 years	$19,696,970
Smith Athletic Park Detention Works: New park in the Smith's neighborhood, detention facility.					
1404, 2024	5999, 2024	August 12, 2024	September 23, 2024	15 years	$ 6,092,929
Smith-Athletic Park Development: New park in the Smith's neighborhood, development.					
1404, 2024	6000, 2024	August 21, 2024	September 23, 2024	30 years	$30,596,970
Total Spring 2025 Borrowing Request					**$198,652,634**

Financial Analysis
The Township's Liability Servicing Limit Certificate dated March 20, 2024, indicates the Township has a liability servicing limit of $77.7 million. This limit represents the maximum amount, as prescribed by the Province, that the Township can annually pay for servicing debt, which is 25% of the previous year's revenues. The estimated annual debt servicing costs proposed in the bylaws for this Spring 2025 Borrowing request will be approximately $16.4 million. When combined with existing annual debt servicing costs, the total debt servicing costs will be approximately $40.6 million which is approximately 52.3% of their overall liability servicing limit.

Included, as an attachment, is the following information provided by the Township to assist in considering this request:

- Adopted Loan Authorization Bylaws along with Certificate(s) of Approval
- Copy of Security Issuing Resolution
- Liability Servicing Limit Certificate
- The 2024-2028 Financial Plan Bylaw
- 2023 Audited Consolidated Financial Statements

ALTERNATIVES

1. That the MVRD Board
   a) give consent to the request for financing from the Township in the amount of $198,652,634 pursuant to Sections 182(1)(b) and 182(2)(a) of the *Community Charter*;
   b) give first, second and third reading to *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025*; and
   c) adopt *Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025*; and forward it to the Inspector of Municipalities for Certificate of Approval.
2. That the MVRD Board receive for information the report dated December 09, 2024, titled "MFA Spring 2025 Borrowing for the Township of Langley – MVRD Security Issuing Bylaw No. 1404, 2025".

FINANCIAL IMPLICATIONS

Although all member debt is a joint and shared liability of all member municipalities, there are no direct financial implications to Metro Vancouver with the adoption of the bylaw.

If the Board approves Alternative 1, the Township will proceed to borrow $198,652,634 to fund their infrastructure projects.

If the Board approves Alternative 2, the Township would be unable to borrow funds as required for the purpose intended and would need to look for other funding sources, potentially causing the Township undue financial challenges.

CONCLUSION

The Township of Langley has requested to borrow $198,652,634 to finance capital projects for the Jericho Booster Station, Civic Infrastructure, Yorkson Community Park Development, Ice and Dry Arenas and Smith Athletic Park Development. The Township has met all regulatory requirements and has the legislative authority to undertake the borrowing. The proposed *Metro Vancouver*

Regional District Security Issuing Bylaw No. 1404, 2025 will authorize the Township's borrowing request which will be forwarded to the MFA for consideration upon approval. Staff recommends consenting to the Township's borrowing and adopting the Security Issuing Bylaw as outlined in Alternative 1.

ATTACHMENTS

1. "Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025".
2. "Township of Langley – Additional information".

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METRO VANCOUVER REGIONAL DISTRICT
BYLAW NO. 1404, 2025
A bylaw to authorize a finance agreement with the Municipal Finance Authority of British Columbia in the amount of $198,652,634 (Canadian)

WHEREAS:

A. The Municipal Finance Authority of British Columbia (the "Authority") may provide financing of capital requirements for regional districts or for their member municipalities by the issue of debentures or other evidence of indebtedness of the Authority and lending the proceeds therefrom to the regional district on whose request the financing is undertaken;

B. The Corporation of the Township of Langley (the "Township") is a member municipality of the Metro Vancouver Regional District (the "Regional District") and has requested financing pursuant to Section 411 of the *Local Government Act* and the Township's *Jericho Booster Station Loan Authorization Bylaw No. 5921, Civic Infrastructure Loan Authorization Bylaw No. 5922, Yorkson Community Park Development Loan Authorization Bylaw No. 5938, Ice and Dry Arenas Loan Authorization Bylaw No. 5968, Civic Infrastructure Phase 2 Loan Authorization Bylaw No. 5991, Smith Athletic Park Site Loan Authorization Bylaw No. 5998, Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999, Smith Athletic Park Development Loan Authorization Bylaw No. 6000* (collectively, the "Township's *Loan Authorization Bylaws*"), as further described below;

C. The Regional District may finance from time to time on behalf of and at the sole cost of its member municipalities, under the provisions of Section 410 of the *Local Government Act*, undertakings such as those to be financed pursuant to the Township's *Loan Authorization Bylaws*; and

D. The Regional Board, by this bylaw, hereby requests such financing to be undertaken through the Authority.

NOW THEREFORE the Board of the Metro Vancouver Regional District enacts as follows:

Citation

1. The official citation of this bylaw is "Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025".

Schedule(s)

2. The following Schedule is attached to and forms part of this bylaw:
   - Schedule "A", Form of Agreement

Security Issuing Request

3. The Regional Board hereby consents to financing the debt of the Township as described in the Township's *Loan Authorization Bylaws* in the aggregate amount of one hundred nighty-eight million, six hundred fifty-two thousand, six hundred thirty-four dollars ($198,652,634), in accordance with the following terms.

Member Municipality: The Corporation of the Township of Langley					
Member Loan Authorization Bylaw No.	**Amount of Borrowing Authorized**	**Amount Already Borrowed**	**Borrowing Authority Remaining**	**Term of Issue**	**Amount of Issue**
Jericho Booster Station **MSIR No.** 5921 **MSIR Date:** June 15, 2024					
5921, 2024	$18,720,000	$0	$18,720,000	15 years	$18,720,000
Civic Infrastructure **MSIR No.** 5922 **MSIR Date:** June 15, 2024					
5922, 2024	$29,492,000	$0	$29,492,000	20 years	$29,492,000
Yorkson Community Park Development **MSIR No.** 5938 **MSIR Date:** June 15, 2024					
5938, 2024	$14,645,000	$0	$14,645,000	15 years	$14,645,000
Ice and Dry Arenas **MSIR No.** 5968 **MSIR Date:** June 15, 2024					
5968, 2024	$ 49,490,000	$0	$ 49,490,000	25 years	$ 49,490,000
Civic Infrastructure Phase 2 **MSIR No.** 5991 **MSIR Date:** September 23, 2024					
5991, 2024	$29,918,765	$0	$29,918,765	20 years	$29,918,765
Smith Athletic Park Site **MSIR No.** 5998 **MSIR Date:** September 23, 2024					
5998, 2024	$19,696,970	$0	$19,696,970	25 years	$19,696,970
Smith Athletic Park Detention Works **MSIR No.** 5999 **MSIR Date:** September 23, 2024					
5999, 2024	$ 9,292,929	$0	$ 9,292,929	15 years	$ 6,092,929
Smith-Athletic Park Development **MSIR No.** 6000 **MSIR Date:** September 23, 2024					
6000, 2024	$30,596,970	$0	$30,596,970	30 years	$30,596,970
Total Spring 2025 Borrowing Request					**$198,652,634**

4. The Authority is hereby requested and authorized to finance from time to time the above-described undertakings at the sole cost and on behalf of the Township up to, but not exceeding, one hundred nighty-eight million, six hundred fifty-two thousand, six hundred thirty-four dollars ($198,652,634) in lawful money of Canada (provided that the Regional District may borrow all or part of such amount in such currency as the Trustees of the Authority shall determine but the aggregate amount in lawful money of Canada and in Canadian Dollar equivalents so borrowed shall not exceed $198,652,634 in Canadian Dollars) at such interest and with such discounts or premiums and expenses as the Authority may deem appropriate in consideration of the market and economic conditions pertaining.

5. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and Chief Financial Officer of the Regional District, on behalf of the Regional District and under its seal shall, at such time or times as the Trustees of the Authority may request, enter into

and deliver to the Authority one or more agreements substantially in the form annexed hereto as Schedule "A" and made part of this bylaw (such agreement or agreements as may be entered into and delivered hereinafter referred to as the "Agreement") providing for payment by the Regional District to the Authority of the amounts required to meet the obligations of the Authority with respect to its borrowings undertaken pursuant hereto, which Agreement shall rank as debenture debt of the Regional District.

6. The Agreement shall be dated and payable in the principal amount or amounts of monies and in Canadian dollars or as the Authority shall determine and, subject to the *Local Government Act*, in such currency or currencies as shall be borrowed by the Authority under Section 4 of this bylaw and shall set out the schedule of repayment of the principal amount together with interest on unpaid amounts as shall be determined by the Treasurer of the Authority.

7. The obligations incurred under the said Agreement shall bear interest from the date specified therein, which date shall be determined by the Treasurer of the Authority, and shall bear interest at the rate determined by the Treasurer of the Authority.

8. The Agreement shall be sealed with the seal of the Regional District and shall bear the signature of the Chair and the Chief Financial Officer of the Regional District.

9. The obligations incurred under the said Agreement as to both principal and interest shall be payable at the Head Office of the Authority in Victoria and at such time or times as shall be determined by the Treasurer of the Authority.

10. During the currency of the obligations incurred under the said Agreement to secure borrowings in respect of the Township's *Loan Authorization Bylaws* there shall be requisitioned annually an amount sufficient to meet the annual payment of interest and the repayment of principal.

11. The Regional District shall provide and pay over to the Authority such sums as are required to discharge its obligations in accordance with the terms of the Agreement, provided, however, that if the sums provided for in the Agreement are not sufficient to meet the obligations of the Authority, any deficiency in meeting such obligations shall be a liability of the Regional District to the Authority and the Regional Board of the Regional District shall make due provision to discharge such liability.

12. The Regional District shall pay over to the Authority at such time or times as the Treasurer of the Authority so directs such sums as are required pursuant to Section 15 of the *Municipal Finance Authority Act* to be paid into the Debt Reserve Fund established by the Authority in connection with the financing undertaken by the Authority on behalf of the Regional District pursuant to the Agreement.

Read a first, second, and third time this ______ day of ________________, _______.

Adopted this _____ day of ______________, _______.

Approved by the Inspector of Municipalities this _____ day of _______________, _______.

Mike Hurley, Chair

Dorothy Shermer, Corporate Officer

C A N A D A

PROVINCE OF BRITISH COLUMBIA

A G R E E M E N T

Metro Vancouver Regional District

The Metro Vancouver Regional District (the “Regional District”) hereby promises to pay to the Municipal Finance Authority of British Columbia at its Head Office in Victoria, British Columbia, (the “Authority”) the sum of one hundred nighty-eight million, six hundred fifty-two thousand, six hundred thirty-four dollars ($198,652,634) in lawful money of Canada, together with interest from the ___ day of ________, 202__, at varying rates of interest, calculated semi-annually, in each and every year during the currency of this Agreement; and payments shall be as specified in the table appearing below hereof commencing on the ___ day of ________, 202__ provided that in the event the payments of principal and interest hereunder are insufficient to satisfy the obligations of the Authority undertaken on behalf of the Regional District, the Regional District shall pay over to the Authority further sums as are sufficient to discharge the obligations of the Regional District to the Authority.

DATED at ______________________________, British Columbia, this day of _______, 2025.

IN TESTIMONY WHEREOF and under the authority of Bylaw No. 1404, 2025 cited as “Metro Vancouver Regional District Security Issuing Bylaw No. 1404, 2025”, this Agreement is sealed with the Corporate Seal of the Metro Vancouver Regional District and signed by the Chair and Chief Financial Officer thereof.

____
Chair

____
Chief Financial Officer

Pursuant to the *Local Government Act*, I certify that this Agreement has been lawfully and validly made and issued and that its validity is not open to question on any ground whatsoever in any court of the Province of British Columbia.

Dated _______________, 2025
(month, day)

____
BC Inspector of Municipalities

PRINCIPAL AND/OR SINKING FUND DEPOSIT AND INTEREST PAYMENTS

Date of Payment	Total Payment	Principal and/or Sinking Fund Deposit	Interest
____________________	$__________________	$__________________	$__________________
____________________	$__________________	$__________________	$__________________

LIABILITY SERVICING LIMIT CERTIFICATE

The *The Corporation of the Township of Langley* **(the "Municipality")**
In relation to *Smith Athletic Park Development Loan Authorization Bylaw No.6000*

The undersigned Financial Officer assigned responsibility for financial administration under section 149 of the Community Charter, SBC 2003, Chapter 26 (the "Charter") or Auditor appointed for the Municipality under section 169 of the Charter hereby certifies as follows:

Calculation revenue for the previous year *(section 4 & 5, BC Reg 254/2004)*		$310,737,000.00 a	
Liability Servicing Limit (a x 25%) *(section 2, BC Reg 254/2004)*			$77,684,250.00 b
Annual Servicing cost for previous year		$19,678,152.00 c	

Plus: New liabilities incurred, other than current request

Liability Type and reference	Annual servicing cost	
Jericho Agreeement	$4,091,573.00	d
Firehall - Bylaw 5880	$2,119,537.29	e
Strategic Land- Bylaw 5893	$3,116,426.70	f
Jericho Booster - Bylaw 5921	$1,542,513.71	g
Civic Infrastructure - Bylaw 5922	$2,430,118.28	h
Yorkson Park - Bylaw 5983	$1,529,577.98	i
Ice Arena - Bylaw 5968	$3,672,075.76	j
Civic Infrastructure Phase 2 - Bylaw 5991	$2,433,604.17	k
Smith Athletic Park Site - Bylaw 5998	$1,913,437.50	l
Smith Athletic Park Detention Works - Bylaw 5999	$902,749.53	m

Total of lines d through l — $23,751,613.92 n

Less: Liabilities which have matured

Liability type and reference	Annual servicing cost	
Greater Vancouver Water District Agreement	$4,000,000.00	o
General External Debt Agreement	$778,298.78	p
		q
		r

Total of lines n through r		$4,778,298.78 s	
Amount of new liability *(section 3, BC Reg 254/2004)*	$30,596,970.00 t		
Annual servicing cost of new liability *(section 3, BC Reg 254/2004)*		$1,983,977.00 u	
Total liability servicing cost including current request (lines c+m-s+u)			$40,635,444.14 v

[x] which is less than the annual liability servicing limit stated on line b.

OR

[-] which exceeds the annual liability servicing limit stated on line b, and the undersigned hereby requests approval of the Inspector of Municipalities under section 174 of the Charter to exceed the limit established under the section.

In accordance with section 179(5) or section 175(1)(b) of the Charter, as applicable, the debt to be contracted under the loan authorization bylaw, or other liability for which certification is being made, referred to above will not exceed the lesser of 30 years and the reasonable life expectancy of the capital asset, activity, work or service, or the remaining term of the applicable agreement, as the case may be, for which the debt is to be contracted.

The undersigned Financial Officer or Auditor also hereby authorizes Legal Counsel of the Municipal Finance Authority of British Columbia to rely on this Certificate in giving any opinion in connection with any borrowing by the Municipal Finance Authority of British Columbia ("MFA") and the issuance of bonds, debentures, and other securities by the MFA in respect of the loan authorization bylaw, or other liability for which certification is being made, referred to above.

DATED this 20th day of March, 2024.

Financial Officer OR **Auditor**

Samuel Nam
(Please print full name)

(Please print full name & company)

THE TOWNSHIP OF LANGLEY

The following is a certified correct copy of a resolution passed by Langley Township Council at its Regular Council Meeting held June 15, 2024:

Temporary Borrowing Bylaws (Jericho Water Booster Station Loan, Civic Infrastructure Loan, Yorkson Community Park Loan and Ice and Dry Arenas Loan) and Municipal Security Issuing Resolution
Bylaw No. 6035
Bylaw No. 6036
Bylaw No. 6037
Bylaw No. 6038
Report 24-141
File FIN 1760-30

That Council give first, second, and third reading to Temporary Borrowing (Jericho Water Booster Station Loan) Bylaw No. 6035 towards the estimated cost of constructing the Jericho Water Booster Station.

That Council give first, second, and third reading to Temporary Borrowing (Civic Infrastructure Loan) Bylaw No. 6036 towards the estimated cost of constructing Civic Infrastructure.

That Council give first, second, and third reading to Temporary Borrowing (Yorkson Community Park Loan) Bylaw No. 6037 towards the estimated cost of constructing the Yorkson Community Park.
That Council give first, second, and third reading to Temporary Borrowing (Ice and Dry Arenas Loan) Bylaw No. 6038 towards the estimated cost of constructing the Ice and Dry Arenas.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $18,720,000 as authorized through Jericho Water Booster Station Loan Authorization Bylaw No. 5921.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $29,492,000 as authorized through Civic Infrastructure Loan Authorization Bylaw No. 5922.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $14,645,000 as authorized through Yorkson Community Park Loan Authorization Bylaw No. 5938.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $49,490,000 as authorized through Ice and Dry Arenas Loan Authorization Bylaw No. 5968.

That Metro Vancouver Regional District be requested to consent to our borrowing of $18,720,000 as authorized through Jericho Water Booster Station Loan Authorization Bylaw No. 5921 over a twenty (20) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $29,492,000 as authorized through Civic Infrastructure Loan Authorization Bylaw No. 5922 over a twenty (20) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $14,645,000 as authorized through Yorkson Community Park Loan Authorization Bylaw No. 5938 over a twenty (20) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $49,490,000 as authorized through Ice and Dry Arenas Loan Authorization Bylaw No. 5968 over a twenty-five (25) year term and include the borrowing in their security issuing bylaw.
CARRIED

CERTIFIED A CORRECT COPY:

Wendy Bauer
TOWNSHIP CLERK

THE TOWNSHIP OF LANGLEY

The following is a certified correct copy of a resolution passed by Langley Township Council at its Regular Council Meeting held December 2, 2024:

BYLAWS 5921 AND 5999

That the maximum term for the debentures for the Jericho Booster Station Loan Authorization Bylaw No. 5921 and the Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999 be reduced to 15 years.

CARRIED

CERTIFIED A CORRECT COPY:

Wendy Bauer
TOWNSHIP CLERK

June 14, 2024

Ref: D12-27

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5921, cited as "Jericho Booster Station Loan Authorization Bylaw No. 5921".

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

JERICHO BOOSTER STATION LOAN AUTHORIZATION
BYLAW NO. 5921

WHEREAS it is deemed desirable and expedient to construction of Jericho Booster Pump Station servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Jericho Booster Station Capital Project including incidental thereto is equal to the sum of $18.72 million (Eighteen million seven hundred twenty thousand dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Jericho Booster Station Loan Authorization Bylaw No. 5921".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Jericho Booster Station Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

    a. To borrow upon the credit of the Municipality a sum not exceeding $18,720,000 (Eighteen million seven hundred twenty thousand dollars).

    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Jericho Booster Station Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 20 years.

READ A FIRST TIME the	24	day of	July	, 2023
READ A SECOND TIME the	24	day of	July	, 2023
READ A THIRD TIME the	24	day of	July	, 2023
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	09	day of	August	, 2023
ADOPTED the	15	day of	April	, 2024

_______________ Mayor _______________ Township Clerk

CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY

SUZANNE LITTLE
Deputy Township Clerk

BRITISH COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5921, cited as the “Jericho Booster Station Loan Authorization Bylaw No. 5921” of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Sixth *day*

Of June , *2024*

M. Dana

Deputy Inspector of Municipalities of British Columbia

June 14, 2024

Ref: D12-22

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5922, cited as "Civic Infrastructure Loan Authorization Bylaw No. 5922".

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

CIVIC INFRASTRUCTURE LOAN AUTHORIZATION

BYLAW NO. 5922

WHEREAS it is deemed desirable and expedient to construction of Willowbrook Connector servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Willowbrook Connector and 208th Street Capital Project including incidental thereto is equal to the sum of $29.492 million (Twenty-nine million four hundred ninety-two thousand dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Civic Infrastructure Loan Authorization Bylaw No. 5922".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Willowbrook Connector and 208th Street Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

   a. To borrow upon the credit of the Municipality a sum not exceeding $29,492,000 (Twenty-nine million four hundred ninety-two thousand dollars).

   b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Willowbrook Connector and 208th Street Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 20 years.

READ A FIRST TIME the	24	day of	July	, 2023
READ A SECOND TIME the	24	day of	July	, 2023
READ A THIRD TIME the	24	day of	July	, 2023
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	09	day of	January	, 2024
ADOPTED the	15	day of	April	, 2024

________________ Mayor

________________ Township Clerk

"CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

BRITISH
COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5922, cited as the "Civic Infrastructure Loan Authorization Bylaw No. 5922" of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Sixth *day*

Of June *, 2024*

M. Daan

Deputy Inspector of Municipalities of British Columbia

June 14, 2024

Ref: D12-21

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5938, cited as "Yorkson Community Park Development Loan Authorization Bylaw No. 5938".

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

YORKSON COMMUNITY PARK DEVELOPMENT LOAN AUTHORIZATION
BYLAW NO. 5938

WHEREAS it is deemed desirable and expedient to construction of Yorkson Community Park servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Yorkson Community Park Capital Project including incidental thereto is equal to the sum of $14.645 million (Fourteen million six hundred forty-five thousand dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Yorkson Community Park Development Loan Authorization Bylaw No.5938".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Yorkson Community Park Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

   a. To borrow upon the credit of the Municipality a sum not exceeding $14,645,000 (Fourteen million six hundred forty-five thousand dollars).

   b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Yorkson Community Park Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 20 years.

READ A FIRST TIME the	25	day of	September	, 2023
READ A SECOND TIME the	25	day of	September	, 2023
READ A THIRD TIME the	25	day of	September	, 2023
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	21	day of	December	, 2023
ADOPTED the	15	day of	April	, 2024

Mayor

Township Clerk

CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

BRITISH COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5938, cited as the "Yorkson Community Park Development Loan Authorization Bylaw No.5938" of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Sixth *day*

Of June *, 2024*

M. Dana

Deputy Inspector of Municipalities of British Columbia

THE TOWNSHIP OF LANGLEY

The following is a certified correct copy of a resolution passed by Langley Township Council at its Regular Council Meeting held September 25, 2023:

Yorkson Community Park Development
Loan Authorization Bylaw and
Alternative Approval Process
Bylaw No. 5938
Report 23-197
File FIN 1760-20

That Council give first, second and third reading to Yorkson Community Park Development Loan Authorization Bylaw No. 5938 for the purpose of borrowing funds in the amount of $14.65 million for the construction of Yorkson Community Park Development Capital project within the 2023 Capital Program repayable from Parks Development Cost Charges revenue.

That Council provide an Alternative Approval Process, in accordance with Section 86 of the *Community Charter*, for Yorkson Community Park Development Loan Authorization Bylaw No. 5938 as outlined in items (a) to (e) below with respect to the Alternative Approval Process.

a) Elector responses shall be in the form set out in Attachment "A".

b) The deadline for the submission of elector responses forms shall be 4:30 PM on Thursday, January 11, 2024 (the "Deadline").

c) The Township Clerk is authorized to prepare an Alternative Approval Process Notice which must be published once each week for two consecutive weeks with the second publication being at least 30 days before the deadline.

d) This Alternative Approval Process applies to the entire area of the Township and a fair determination of the total number of electors of the Township of Langley is 96,390.

e) The Township Clerk is authorized to undertake any further steps required to carry out the Alternative Approval Process in accordance with the *Community Charter*.

AMENDMENT
Moved by Mayor Woodward,
Seconded by Councillor Ferguson,
That the amortization period be reduced to 15 years.
CARRIED

MAIN MOTION, AS AMENDED
The question was called on the Main Motion, as amended, and it was
CARRIED

CERTIFIED A CORRECT COPY:

Wendy Bauer
TOWNSHIP CLERK

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

ICE AND DRY ARENAS LOAN AUTHORIZATION
BYLAW NO. 5968

EXPLANATORY NOTE

Bylaw No. 5968 authorizes the Township of Langley to borrow $49.49 million towards the estimated cost of the construction of Ice and Dry Arenas Capital Project.

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

ICE AND DRY ARENAS LOAN AUTHORIZATION

BYLAW NO. 5968

WHEREAS it is deemed desirable and expedient to construction of Ice and Dry Arenas servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Ice and Dry Arenas Capital Project including incidental thereto is equal to the sum of $49.49 million (Forty-nine million four hundred and ninety thousand dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Ice and Dry Arenas Loan Authorization Bylaw No. 5968".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Ice and Dry Arenas Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

    a. To borrow upon the credit of the Municipality a sum not exceeding $49,490,000 (Forty-nine million four hundred and ninety thousand dollars).

    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Ice and Dry Arenas Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

READ A FIRST TIME the	20	day of	November	, 2023
READ A SECOND TIME the	20	day of	November	, 2023
READ A THIRD TIME the	20	day of	November	, 2023
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	21	day of	December	, 2023
ADOPTED the	25	day of	March	, 2024

Mayor   Township Clerk

"CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

BRITISH
COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5968, cited as the "Ice and Dry Arenas Loan Authorization Bylaw No. 5968" of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Fifteenth *day*

Of May *, 2024*

M. Daan

Deputy Inspector of Municipalities of British Columbia

THE TOWNSHIP OF LANGLEY

The following is a certified correct copy of a resolution passed by Langley Township Council at its Regular Council Meeting held September 23, 2024:

Temporary Borrowing Bylaws
(Civic Infrastructure Phase 2 Loan,
Smith Athletic Park Site Loan,
Smith Athletic Park Detention Works Loan and
Smith Athletic Park Development Loan) and
Municipal Security Issuing Resolution
Bylaw No. 6064
Bylaw No. 6065
Bylaw No. 6066
Bylaw No. 6067
Report 24-191
File FIN 1760-30

That Council give first, second, and third reading to Temporary Borrowing (Civic Infrastructure Phase 2 Loan) Bylaw No. 6064 towards the estimated cost of constructing the Civic Infrastructure Phase 2 capital project.

That Council give first, second, and third reading to Temporary Borrowing (Smith Athletic Park Site Loan) Bylaw No. 6065 towards the estimated cost of Smith Athletic Park Site preparation capital project.

That Council give first, second, and third reading to Temporary Borrowing (Smith Athletic Park Detention Works Loan) Bylaw No. 6066 towards the estimated cost of the Smith Athletic Park Detention Works capital project.

That Council give first, second, and third reading to Temporary Borrowing (Smith Athletic Park Development Loan) Bylaw No. 6067 towards the estimated cost of the Smith Athletic Park Development capital project.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $29,918,765 as authorized through Civic Infrastructure Phase 2 Loan Authorization Bylaw No. 5991.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $19,696,970 as authorized through Smith Athletic Park Site Loan Authorization Bylaw No. 5998.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $6,092,929 as authorized through Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999.

That Council approve borrowing from the Municipal Finance Authority of British Columbia (MFA), as part of their Spring 2025 long-term debt issue, $30,596,970 as authorized through Smith Athletic Park Development Loan Authorization Bylaw No. 6000.

That Metro Vancouver Regional District be requested to consent to our borrowing of $29,918,765 as authorized through Civic Infrastructure Phase 2 Loan Authorization Bylaw No. 5991 over a twenty (20) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $19,696,970 as authorized through Smith Athletic Park Site Loan Authorization Bylaw No. 5998 over a twenty-five (25) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $6,092,929 as authorized through Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999 over a twenty-five (25) year term and include the borrowing in their security issuing bylaw.

That Metro Vancouver Regional District be requested to consent to our borrowing of $30,596,970 as authorized through Smith Athletic Park Development Loan Authorization Bylaw No. 6000 over a thirty (30) year term and include the borrowing in their security issuing bylaw.
CARRIED

CERTIFIED A CORRECT COPY:

Wendy Bauer
TOWNSHIP CLERK

BRITISH COLUMBIA

July 16, 2024

Ref: D12-22

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5991, cited as "Civic Infrastructure Phase 2 Loan Authorization Bylaw No.5991".

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs
Governance and Structure Branch
Local Government Division
Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1
Phone: 250 387-4020
Fax: 250 387-7972
Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1
http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

CIVIC INFRASTRUCTURE PHASE 2 LOAN AUTHORIZATION

BYLAW NO. 5991

WHEREAS it is deemed desirable and expedient to construction of Civic Infrastructure Phase 2 servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the CIVIC INFRASTRUCTURE PHASE 2 Capital Project including incidental thereto is equal to the sum of $29,918,765 (Twenty-nine million nine hundred eighteen thousand seven hundred and sixty-five dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Civic Infrastructure Phase 2 Loan Authorization Bylaw No. 5991".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Civic Infrastructure Phase 2 Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

    a. To borrow upon the credit of the Municipality a sum not exceeding $29,918,765 (Twenty-nine million nine hundred eighteen thousand seven hundred and sixty-five dollars).

    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Civic Infrastructure Phase 2 Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 20 years.

READ A FIRST TIME the	12	day of	February	, 2024
READ A SECOND TIME the	12	day of	February	, 2024
READ A THIRD TIME the	12	day of	February	, 2024
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	20	day of	March	, 2024
ADOPTED the	27	day of	May	, 2024

Mayor   Township Clerk

"CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE

BRITISH COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5991, cited as the “Civic Infrastructure Phase 2 Loan Authorization Bylaw No. 5991” of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this 11th day

Of July , 2024

Deputy Inspector of Municipalities of British Columbia

August 21, 2024

Ref: D12-21

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5998, cited as "Smith Athletic Park Site Loan Authorization Bylaw No. 5998".

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK SITE LOAN AUTHORIZATION
BYLAW NO. 5998

EXPLANATORY NOTE

Bylaw No. 5998 authorizes the Township of Langley to borrow $19,696,970 towards the estimated cost of the Smith Athletic Park Site Preparation capital project.

"CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK SITE LOAN AUTHORIZATION

BYLAW NO. 5998

WHEREAS it is deemed desirable and expedient to prepare the Smith Athletic Park Site servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Smith Athletic Park Preparation Capital Project including incidental thereto is equal to the sum of $19,696,970 (Nineteen million six hundred ninety-six thousand nine hundred and seventy dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Smith Athletic Park Site Loan Authorization Bylaw No. 5998".
2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Smith Athletic Park Site Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
    a. To borrow upon the credit of the Municipality a sum not exceeding $19,696,970 (Nineteen million six hundred ninety-six thousand nine hundred and seventy dollars).
    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Smith Athletic Park Site Capital Project.
3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

READ A FIRST TIME the	11	day of	March	, 2024
READ A SECOND TIME the	11	day of	March	, 2024
READ A THIRD TIME the	11	day of	March	, 2024
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	22	day of	April	, 2024
ADOPTED the	24	day of	June	, 2024

Mayor   Township Clerk

BRITISH
COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5998, cited as the “Smith Athletic Park Site Loan Authorization Bylaw No. 5998” of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Twenty-first *day*

Of August *, 2024*

M. Dana

Deputy Inspector of Municipalities of British Columbia

BRITISH
COLUMBIA

August 13, 2024

Ref: D12-21

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 5999, cited as "Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999".

Sincerely,

Danny Courcy

Danny Courcy
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK DETENTION WORKS LOAN AUTHORIZATION BYLAW NO. 5999

EXPLANATORY NOTE

Bylaw No. 5999 authorizes the Township of Langley to borrow $9,292,929 towards the estimated cost of the Smith Athletic Park Detention Works capital project.

"CERTIFIED A TRUE COPY OF
THE ORIGINAL DOCUMENT WHICH
DOES NOT APPEAR TO HAVE
BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK DETENTION WORKS LOAN AUTHORIZATION

BYLAW NO. 5999

WHEREAS it is deemed desirable and expedient to prepare the Smith Athletic Park Detention Works servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Smith Athletic Park Detention Works Capital Project including incidental thereto is equal to the sum of $9,292,929 (Nine million two hundred ninety-two thousand nine hundred and twenty-nine dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Smith Athletic Park Detention Works Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

    a. To borrow upon the credit of the Municipality a sum not exceeding $9,292,929 (Nine million two hundred ninety-two thousand nine hundred and twenty-nine dollars).

    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Smith Athletic Park Detention Works Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 25 years.

READ A FIRST TIME the	11	day of	March	, 2024
READ A SECOND TIME the	11	day of	March	, 2024
READ A THIRD TIME the	11	day of	March	, 2024
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	22	day of	April	, 2024
ADOPTED the	24	day of	June	, 2024

Mayor

Township Clerk

BRITISH COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 5999, cited as the "Smith Athletic Park Detention Works Loan Authorization Bylaw No. 5999" of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this 12th *day*

of August *, 2024*

Deputy Inspector of Municipalities of British Columbia

August 21, 2024

Ref: D12-21

Corporate Officer
Township of Langley
20338-65 Avenue
Langley BC V2Y 3J1

Enclosed is a Certificate of Approval for Bylaw No. 6000, cited as “Smith Athletic Park Development Loan Authorization Bylaw No. 6000”.

Sincerely,

Saskia Crawford
Program Analyst

Enclosure

Ministry of Municipal Affairs

Governance and Structure Branch
Local Government Division

Mailing Address:
PO Box 9839 Stn Prov Govt
Victoria BC V8W 9T1

Phone: 250 387-4020
Fax: 250 387-7972

Location:
4th Floor, 800 Johnson Street
Victoria BC V8W 9T1

http://www.gov.bc.ca/local-governments

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK DEVELOPMENT LOAN AUTHORIZATION
BYLAW NO. 6000

EXPLANATORY NOTE

Bylaw No. 6000 authorizes the Township of Langley to borrow $30,596,970 towards the estimated cost of the Smith Athletic Park Development capital project.

"CERTIFIED A TRUE COPY OF THE ORIGINAL DOCUMENT WHICH DOES NOT APPEAR TO HAVE BEEN ALTERED IN ANY WAY"

SUZANNE LITTLE
Deputy Township Clerk

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

SMITH ATHLETIC PARK DEVELOPMENT LOAN AUTHORIZATION

BYLAW NO. 6000

WHEREAS it is deemed desirable and expedient to prepare the Smith Athletic Park Development servicing the Township of Langley.

AND WHEREAS the *Community Charter*, Section 179 authorizes local governments to borrow money for any purpose of a capital nature.

AND WHEREAS the estimated cost of the Smith Athletic Park Development Capital Project including incidental thereto is equal to the sum of $30,596,970 (Thirty million five hundred ninety-six thousand nine hundred and seventy dollars) which is the amount of debt created by this bylaw.

NOW THEREFORE, the Council of the Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Smith Athletic Park Development Loan Authorization Bylaw No. 6000".

2. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of the Smith Athletic Park Development Capital Project generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:

    a. To borrow upon the credit of the Municipality a sum not exceeding $30,596,970 (Thirty million five hundred ninety-six thousand nine hundred and seventy dollars).

    b. To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with construction of the said Smith Athletic Park Development Capital Project.

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 30 years.

READ A FIRST TIME the	11	day of	March	, 2024
READ A SECOND TIME the	11	day of	March	, 2024
READ A THIRD TIME the	11	day of	March	, 2024
RECEIVED THE APPROVAL of the INSPECTOR of MUNICIPALITIES this	22	day of	April	, 2024
ADOPTED the	24	day of	June	, 2024

Mayor   Township Clerk

BRITISH COLUMBIA

Certificate of Approval

Under the authority of the *Local Government Act*, I certify that Bylaw No. 6000, cited as the “Smith Athletic Park Development Loan Authorization Bylaw No. 6000” of the Corporation of the Township of Langley has been lawfully and validly made and enacted, and that its validity is not open to question on any ground in any court of British Columbia.

Dated this Twenty-first *day*

Of August *, 2024*

M. Daan

Deputy Inspector of Municipalities of British Columbia

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

LANGLEY 2024 – 2028 FIVE-YEAR FINANCIAL PLAN BYLAW NO. 5976

EXPLANATORY NOTE

The Langley 2024 - 2028 Five-Year Financial Plan Bylaw No. 5976 authorizes the expenditure of funds for the Municipality. The Langley 2024 - 2028 Five-Year Financial Plan Bylaw No. 5976 is prepared pursuant to Section 165 of the *Community Charter* and is required to be adopted by Council prior to the Tax Rates Bylaw and May 15, 2024.

An expenditure that is not provided for in the 2024 - 2028 Five-Year Financial Plan is not lawful.

THE CORPORATION OF THE TOWNSHIP OF LANGLEY

LANGLEY 2024 - 2028 FIVE-YEAR FINANCIAL PLAN BYLAW NO. 5976

A bylaw to establish the Five-Year Financial Plan from 2024 to 2028.

WHEREAS Section 165 of the "*Community Charter*" requires that the Corporation of the Township of Langley adopt a Five-Year Financial Plan prior to approval of the Tax Rates Bylaw and May 15, 2024:

NOW THEREFORE, the Local Government Council of The Corporation of the Township of Langley, in Open Meeting Assembled, ENACTS AS FOLLOWS:

1. This bylaw may be cited for all purposes as the "Langley 2024 - 2028 Five-Year Financial Plan Bylaw No. 5976".

2. Schedule "A", being the Revenue Plan Objectives and Policies, attached hereto and forming part of this bylaw is hereby adopted as the 2024 – 2028 Five Year Financial Plan of The Corporation of the Township of Langley.

3. Schedule "B", being the Financial Plan, attached hereto and forming part of this bylaw is hereby adopted as the 2024 - 2028 Five Year Financial Plan of The Corporation of the Township of Langley.

READ A FIRST TIME the	18	day of	December	, 2023
READ A SECOND TIME the	18	day of	December	, 2023
READ A THIRD TIME the	18	day of	December	, 2023
ADOPTED the	15	day of	January	, 2024

Mayor

Township Clerk

**THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2024-2028 FIVE YEAR FINANCIAL PLAN BYLAW NO. 5976
SCHEDULE "A" – REVENUE PLAN OBJECTIVES AND POLICIES**

In accordance with the *Community Charter* disclosure requirements, the Township of Langley discloses the following information.

1. The proportions of revenue proposed to come from the various funding sources.
2. The distribution of property taxes among property classes.
3. The use of permissive tax exemptions.

1. Proportion of total revenue from various funding sources

Revenue Source	Operating Budget Funding Sources	Capital Budget Funding Sources
Property taxes	52%	0%
Sale of Service – Utilities	20%	0%
Sale of Service - Other	8%	0%
Other sources	11%	37%
Transfer from own funds	9%	28%
Proceeds from borrowing	0%	35%
Total	**100%**	**100%**

The table above reflects Revenue raised from each funding source in 2024. Property Taxes form the greatest proportion of operating revenue for the Township, and they provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. Such services include parks, transportation, stormwater, fire protection, policing services, recreation and culture, facility maintenance and general government. For these reasons, property taxation will continue to be a major source of the Township revenue.

User fees and charges are the second largest portion of general operating revenue. Many Township services, such as water, sanitary sewer, and solid waste (including garbage and organics collection and disposal), are charged on a user-pay basis, which ensures they are paid for by taxpayers receiving these services.

The capital program is only partially funded from General and Utility Funds revenues, with most of the funding coming from sources such as reserves and surplus, development cost charges receipts, senior government grants, local area service funds and from debt financing.

2. Distribution of actual 2023 property taxes among the various property classes

Property Class	Property Class Description	2023 Property tax Revenue %
1	Residential	63.21%
2	Utilities	0.94%
4	Major Industry	0.18%
5	Light Industry	9.48%
6	Business	25.50%
8	Recreation	0.18%
9	Farm	0.51%
	Total	**100.00%**

The distribution of property tax revenue among the various property classes is presented in the table above. The practice of Council is to set tax rates in order to maintain reasonable tax stability in compliance with the *Community Charter*. This has been accomplished by maintaining the proportionate relationship provided above between property classes as impacted by annual average changes in assessed values of each class. (Property classes are defined and values determined by British Columbia Assessment).

3. Use of Permissive Tax Exemptions

The *Community Charter* provides Municipalities the ability to grant permissive exemptions under Sections 244, 225 and 226. The Township's permissive exemption policy sets the parameters under which Council considers applications for permissive exemptions from property taxes from organizations that are eligible for such exemptions.

The Township grants permissive exemptions for buildings for public worship; not-for-profit and charitable organizations and community halls; and heritage properties. Council supports, through permissive exemptions from property taxes, organizations that provide services that fulfill some basic need, improve the life of Township residents and are compatible with or are complementary to the services offered by the Township.

Per Council Report 23-177, dated September 11, 2023, Council approved permissive tax exemptions calculated to be approximately $1,466,703, which is a 0.9% property tax increase[1]

Value of Permissive Tax Exemptions	Actuals 2023	Estimated 2024 before additions and deletions
Places of Worship	$765,478	$803,752
Not-For-Profit Organizations	$608,449	$638,871
Heritage properties	$21,417	$22,488
Partnering Property	$1,516	$1,592
TOTAL	$1,396,860	$1,466,703

1 1% Universal Services Property Tax Increase for 2024 = $1,662,400

THE CORPORATION OF THE TOWNSHIP OF LANGLEY
LANGLEY 2024 - 2028 FIVE YEAR FINANCIAL PLAN BYLAW NO. 5976
SCHEDULE "B" – FINANCIAL PLAN

	2024 $	2025 $	2026 $	2027 $	2028 $
REVENUE					
Operating Plan					
Property Taxes and Levies	194,070,814	220,776,630	246,641,468	267,081,053	282,993,173
Sale of Services-Utilities	74,354,387	83,828,166	93,862,570	101,628,651	109,218,864
Sale of Services-Other	29,793,876	29,801,003	29,802,758	31,388,673	32,946,265
Other Revenue	39,753,336	42,414,186	42,787,394	43,373,268	44,052,849
Transfer from Surplus and Reserves	35,280,518	33,123,480	37,279,511	36,788,599	36,613,599
Operating Plan Sub-total	**373,252,931**	**409,943,465**	**450,373,701**	**480,260,244**	**505,824,750**
Capital Plan					
Contribution from Current Year Revenue	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Transfer from Prior Year's Surplus	290,500	150,000	150,000	150,000	150,000
Transfer from Development Cost Charge Reserves	176,273,795	30,000,000	30,000,000	30,000,000	30,000,000
Transfer from Capital Surplus and Reserves	269,005,529	73,950,000	73,950,000	73,950,000	73,950,000
Private Funds and Other Sources	177,121,052	30,600,000	30,600,000	30,600,000	25,000,000
Proceeds From Borrowing	333,187,628	305,744,000	50,000,000	50,000,000	50,000,000
Capital Plan Sub-Total	**957,428,504**	**441,994,000**	**186,250,000**	**186,250,000**	**180,650,000**
TOTAL FINANCIAL PLAN REVENUE	**1,330,681,435**	**851,937,465**	**636,623,701**	**666,510,244**	**686,474,750**
EXPENDITURE					
Operating Plan					
Municipal Services	306,151,620	319,033,064	336,415,780	350,503,572	363,955,689
Debt Service	33,468,454	60,543,644	80,665,690	91,175,927	95,530,844
Contribution to Funds and Reserves	33,632,857	30,366,757	33,292,231	38,580,745	46,338,217
Operating Plan Sub-Total	**373,252,931**	**409,943,465**	**450,373,701**	**480,260,244**	**505,824,750**
Capital Plan	**957,428,504**	**441,994,000**	**186,250,000**	**186,250,000**	**180,650,000**
TOTAL FINANCIAL PLAN EXPENDITURES	**1,330,681,435**	**851,937,465**	**636,623,701**	**666,510,244**	**686,474,750**

AUDITED

Consolidated Financial Statements

2023

And Independent Auditor's Report thereon

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Corporation of the Township of Langley

Opinion

We have audited the consolidated financial statements of Corporation of the Township of Langley (the "Township"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Township in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in a document entitled "Annual Report 2023".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report 2023 as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 10, 2024

Consolidated Statement of Financial Position

As at December 31, 2023 *(in thousands of dollars)*

		2023		2022
FINANCIAL ASSETS				
Cash and cash equivalents (Note 3)	$	**147,017**	$	157,950
Investments (Note 3)		**328,483**		399,900
Accounts receivable (Note 4)		**98,103**		78,723
Assets held for sale		**2,044**		2,178
		575,647		638,751
LIABILITIES				
Accounts payable and accrued liabilities (Note 5)		**98,955**		100,426
Employee future benefits (Note 18)		**5,462**		5,514
Deposits and prepayments (Note 6)		**77,405**		87,269
Deferred revenue (Note 7)		**22,705**		21,037
Development cost charges (Note 8)		**125,582**		122,698
Debt and agreements payable (Note 9)		**167,263**		177,091
Asset retirement obligations (Note 10)		**3,328**		-
		500,700		514,035
NET FINANCIAL ASSETS		**74,947**		124,716
NON-FINANCIAL ASSETS				
Inventories of supplies		**2,025**		1,875
Prepaid expenses		**2,659**		2,478
Tangible capital assets (Note 11)		**2,405,015**		2,211,639
		2,409,699		2,215,992
ACCUMULATED SURPLUS (Note 12)	$	**2,484,646**	$	2,340,708

Contingencies and commitments (Note 15)
Contractual rights (Note 23)

See accompanying Notes and Schedules to the Consolidated Financial Statements

Sandra Ruff, CPA, CA
Director of Finance

Eric Woodward
Mayor, Township of Langley

Consolidated Statement of Operations

For the year ended December 31, 2023 *(in thousands of dollars)*

	Budget 2023 (Note 1(a) and 21)	**2023**	2022
REVENUE			
Property taxes	$ 174,759	**$ 175,090**	$ 162,833
Fees, rates and service charges	95,963	**101,762**	117,806
Grants and grants in lieu of taxes	25,241	**49,341**	20,334
Service cost recoveries	4,761	**6,574**	4,590
Gain on disposal of assets	-	**-**	44,645
Investment income	1,657	**22,727**	13,721
Local area service contributions	10,327	**251**	-
Contribution from development cost charges (Note 8)	111,507	**34,766**	12,923
Other developer contributions (Note 11(b))	690	**78,130**	86,058
Other income	121,962	**9,640**	7,990
	546,867	**478,281**	470,900
EXPENSES			
General government	34,092	**37,669**	32,364
Police protection	48,129	**44,581**	39,545
Fire protection	21,744	**23,176**	23,229
Facilities maintenance	16,239	**16,427**	15,665
Community planning and development	16,930	**13,212**	13,095
Recreation and culture	32,811	**36,001**	36,154
Parks	16,047	**20,210**	19,346
Transportation	38,603	**58,200**	49,231
Stormwater	9,551	**14,318**	12,596
Water	37,409	**41,162**	33,048
Sewer	19,187	**20,713**	18,025
Solid waste	8,698	**8,674**	8,374
	299,440	**334,343**	300,672
ANNUAL SURPLUS	247,427	**143,938**	170,228
ACCUMULATED SURPLUS, beginning of year	2,340,708	**2,340,708**	2,170,480
ACCUMULATED SURPLUS, end of year	$ 2,588,135	**$ 2,484,646**	$ 2,340,708

See accompanying Notes and Schedules to the Consolidated Financial Statements

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2023 (in thousands of dollars)

		Budget 2023 (Note 1(a) and 21)		2023		2022
ANNUAL SURPLUS	**$**	247,427	**$**	**143,938**	$	170,228
Acquisition of tangible capital assets		(502,117)		**(161,445)**		(70,909)
Increase in asset retirement obligations		-		**(3,328)**		-
Developer contributed tangible capital assets		(690)		**(77,576)**		(85,166)
Reclassification of assets held for sale		-		**-**		337
Amortization of tangible capital assets		-		**46,240**		42,684
Loss (gain) on disposal of tangible capital assets		-		**2,457**		(37,344)
Proceeds on disposal of tangible capital assets		-		**276**		48,928
		(255,380)		**(49,438)**		68,758
Acquisition of inventories of supplies		(1,600)		**(2,025)**		(1,875)
Acquisition of prepaid expenses		(2,295)		**(2,659)**		(2,478)
Consumption of inventories of supplies		1,600		**1,875**		1,404
Use of prepaid expenses		2,295		**2,478**		2,389
		-		**(331)**		(560)
CHANGE IN NET FINANCIAL ASSETS		(255,380)		**(49,769)**		68,198
NET FINANCIAL ASSETS, beginning of year		124,716		**124,716**		56,518
NET FINANCIAL ASSETS, end of year	**$**	(130,664)	**$**	**74,947**	$	124,716

See accompanying Notes and Schedules to the Consolidated Financial Statements

Consolidated Statement of Cash Flows

For the year ended December 31, 2023 (in thousands of dollars)

	2023	2022
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	$ **143,938**	$ 170,228
Items not involving cash:		
Amortization of tangible capital assets	**46,240**	42,684
Loss (gain) on disposal of tangible capital assets	**2,457**	(37,344)
Developer contributed tangible capital assets	**(77,576)**	(85,166)
Change in non-cash operating working capital:		
Accounts receivable	**(19,380)**	(5,159)
Assets held for sale	**134**	457
Accounts payable and accrued liabilities	**(1,471)**	24,706
Employee future benefits	**(52)**	103
Deposits and prepayments	**(9,864)**	(46)
Deferred revenue	**1,668**	632
Development cost charges	**2,884**	7,087
Inventories of supplies	**(150)**	(471)
Prepaid expenses	**(181)**	(89)
Net change in cash from operating activities	**88,647**	117,622
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	**(161,445)**	(70,909)
Proceeds on disposal of tangible capital assets	**276**	48,928
Net change in cash from capital activities	**(161,169)**	(21,981)
FINANCING ACTIVITIES		
Repayment of debt and agreements payable	**(9,828)**	(11,819)
Net change in cash from financing activities	**(9,828)**	(11,819)
INVESTING ACTIVITIES		
Change in investments	**71,417**	(187,335)
Net change in cash from investing activities	**71,417**	(187,335)
CHANGE IN CASH AND CASH EQUIVALENTS	**(10,933)**	(103,513)
CASH AND CASH EQUIVALENTS, beginning of year	**157,950**	261,463
CASH AND CASH EQUIVALENTS, end of year	$ **147,017**	$ 157,950

See accompanying Notes and Schedules to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023 (*in thousands of dollars*)

Notes to the consolidated financial statements are an integral part of the consolidated financial statements and explain significant accounting policies and principles underlying the consolidated financial statements. They also provide relevant explanatory information.

The Corporation of the Township of Langley (the "Township") is incorporated under the Local Government Act of British Columbia. The Township's principal activities include the provision of local government services to residents and businesses in the Township of Langley. These services include administrative, protective, transportation, recreational, parks, library, water, sewer, stormwater, solid waste disposal, and recycling. General resources and operations of the Township are segregated into operating, capital, and reserve funds. The Community Charter of British Columbia requires revenue and expenses to be in accordance with the five-year financial plan adopted annually by Council. The budget for each year of the plan must be balanced so that annual expenses do not exceed the total of revenue, transfers from reserves and surplus, and proceeds from debt.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township are prepared in accordance with Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

a) Basis of Consolidation

The consolidated financial statements include the Township's Operating, Capital and Reserve Funds consolidated with Langley Facilities Society (the "Society") and Bedford House Rehabilitation Society ("Bedford House").

The Society, which is wholly-controlled by the Township, was incorporated on March 12, 2009, and was formed to operate the Langley Events Centre and other Township facilities. Other purposes of the Society include promotion and/or sponsorship of educational, recreational, heritage, cultural, airport operations and assisted housing activities and events within the Township of Langley.

Bedford House, which is wholly-controlled by the Township, was incorporated on January 23, 2017 and was formed to preserve the heritage elements of the building formerly known as the Bedford House Restaurant in Fort Langley, in particular the Jacob Haldi House, through restoration of buildings in the former location of the Bedford House Restaurant, in the vicinity thereof, or otherwise within the Township of Langley. Another purpose of this society is to advocate for the preservation and maintenance of historically significant buildings in local communities. Bedford House has had no transactions, fund balances or activities.

Ten Feet Sports and Entertainment Ltd (the "Subsidiary"), a wholly-owned subsidiary of the Society, was incorporated on April 26, 2010. The purpose of the Subsidiary is to operate the Langley Events Centre and facilitate other events throughout the community.

The University District Housing Society ("UDHS"), which is controlled by the Society, was incorporated on September 17, 2018, and was formed to assist with the application for funding from other levels of government. The UDHS has had no transactions, fund balances or activities to date.

The TOL Facilities and Development Housing Society ("TFDHS"), which is controlled by the Society, was incorporated on April 3, 2019, and was formed to facilitate, acquire, construct, hold, supply, operate, manage and/or maintain affordable housing accommodations and incidental facilities for low and moderate income household and to advocate for legislative and policy change relating to affordable housing accommodations.

Interfund and inter-entity transactions, fund balances, and activities between the above-related entities have been eliminated on consolidation.

Budget Reporting

The budget information presented in the consolidated financial statements reflects the 2023 budget component of the Township's 2023 – 2027 Five-Year Financial Plan adopted by Council Bylaw No. 5867 on April 17, 2023. The operating budgets of all consolidated entities are reflected in the total budget figures for the year.

Operating Funds

These funds include the General, Parks, Transportation, Stormwater, Water, Sewer, and Solid Waste Operating Funds. They are used to record operating costs of services provided by the Township.

Capital Funds

These funds include the General, Parks, Transportation, Stormwater, Water, Solid Waste, and Sewer Capital Funds. They are used to record acquisition costs of tangible and non-tangible capital assets.

Reserve Funds

Under the Community Charter, Township Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purposes for which the fund was established. If the amount in a reserve is greater than required, Township Council may, by bylaw, transfer all or part of the amount to another reserve.

Trust Funds

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB guidance on financial statement presentation for local governments, trust funds are not included in the Township's consolidated financial statements. Trust funds administrated by the Township are presented in Note 20.

b) Basis of Accounting

The Township follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments, and short-term deposits with maturities of less than 90 days at acquisition.

d) Financial Instruments

The Township's financial instruments include cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, and debt and agreements payable.

Financial instruments are recorded at fair value on initial recognition. Equity instruments and derivatives that are quoted in an active market are subsequently recorded at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless the Township elects to carry the instruments at fair value. The Township has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no significant unrealized gains or losses as at December 31, 2023. As a result, the Township does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred.

Sales and purchases of investments are recorded on the trade date.

All financial assets held at amortized cost are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

e) Assets Held for Sale

Assets held for sale include inventories held for sale and properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) Tangible Capital Assets

Tangible capital assets are initially recorded at cost which includes amounts directly attributable to acquisition, construction, development, or betterment of the asset. The costs of tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Assets	**Useful Life (Years)**
Land improvements	20–100
Building and building improvements	10–60
Vehicles	8–25
Machinery and equipment	4–30
Roads infrastructure:	
- Base	75–100
- Surface	20–40
Stormwater infrastructure	40-100
Water infrastructure	15-78
Sewer infrastructure	41-78

Gravel pits are treated as land and as such are not amortized.

Tangible capital assets are amortized in the year the asset is acquired or constructed and/or in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and the fair value of contributions are recorded as revenue at the date of receipt.

f) Non-Financial Assets (continued)

iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in the consolidated financial statements.

v) Interest capitalization

The Township does not capitalize interest costs associated with acquisition or construction of a tangible capital asset.

vi) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

g) Deferred revenue

Deferred revenue represents licenses, permits, and other fees collected, where related services or inspections have yet to be performed. Revenue will be recognized in the fiscal year the services are performed.

h) Government Transfers

Restricted transfers from governments are deferred and recognized as revenue as related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

i) Employee Future Benefits

The Township and its employees contribute to the Municipal Pension Plan. These contributions are expensed as incurred. Sick leave and post-employment benefits accrue to some Township employees. Accrued liabilities related to sick leave benefits are estimated based on actuarial calculations of years of service, retirement ages, and expected future salary and wage increases. These liabilities are accrued based on projected benefits as employees render qualifying years of service. Other post-employment benefit liabilities are recognized as a liability and expensed in the period when the event occurs that obligates the Township to provide the benefit.

j) Debt and Agreements Payable

Municipal Finance Authority (“MFA”) debt is recorded net of related sinking fund balances. Interest on debt is recorded on an accrual basis. Land acquisition and development agreement debt is valued using a present value calculation of total future payments using a discount percentage that approximates the cost of borrowing through the MFA.

k) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and the following criteria are met:

i) An environmental standard exists;

ii) Contamination exceeds environmental standards;

iii) The Township is directly responsible or accepts responsibility;

iv) It is expected that future economic benefits will be given up; and

v) A reasonable estimate of the amount can be made.

The liability is recognized as the Township's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

l) Asset Retirement Obligation

An asset retirement obligation (“ARO”) is recognized when, as at the financial reporting date, all of the following criteria are met:

i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

ii) The past transaction or event giving rise to the liability has occurred;

iii) It is expected that future economic benefits will be given up; and,

iv) A reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This cost is amortized over the remaining useful life of the tangible capital asset from the date of adoption. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The ARO liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation.

The ARO liability estimate is not discounted due to short or unknown timeframe of expenditures.

l) Asset Retirement Obligation (continued)

Recoveries related to AROs are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the ARO liability.

m) Use of Estimates

The preparation of these consolidated financial statements requires the Township to make estimates and assumptions that affect amounts reported. Revised estimates may be required, and adjustments will be made in the period that a change in estimate is made. Actual results could differ from estimates, and the impact will be recorded in future periods when the difference becomes known.

n) Segmented Information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the related accounting standard. Financial information is presented in segmented format in Note 22 and the Segmented Information Schedule.

2. ADOPTION OF ACCOUNTING POLICIES

a) PS 3450 Financial Instruments and related standards

On January 1, 2023, the Township adopted Canadian public sector accounting standard PS 3450 Financial Instruments. Under this standard, all financial instruments are included on the statement of financial position and are measured at either fair value or cost or amortized cost based on the characteristics of the instrument and the Township's accounting policy choices (see Note 1d).

The standard was adopted prospectively from the date of adoption. The adoption of this standard did not have any impact on the amounts presented in these financial statements.

b) PS 3280 Asset Retirement Obligations

On January 1, 2023, the Township adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The standard was adopted prospectively from the date of adoption. Financial results for the year ended December 31, 2022 have not been restated.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents are recorded at a cost of $147,017 (2022 - $157,950).

Investments with an initial maturity beyond three months are recorded at amortized cost of $328,483 with a market value of $327,228 (2022 – amortized cost of $399,900 with a market value of $397,843).

Investments maturing within one year of December 31, 2023 have interest rates ranging from 1.46% to 6.75% (2022 - 1.35% to 6.15%); within two to four years have interest rates ranging from 2.87% to 6.65% (2022 – 1.46% to 5.99%); beyond eight years has interest rate at 5.15% (2022 – 5.15%).

The following amounts are exclusive of Cemetery Funds (Note 20).

		2023		2022
Cash and cash equivalents	**$**	**147,017**	$	157,950
Investments		**328,483**		399,900
	$	**475,500**	$	557,850

4. ACCOUNTS RECEIVABLE

		2023		2022
Taxes	**$**	**12,323**	$	8,816
Federal Government		**1,854**		1,802
Provincial Government		**3,676**		2,403
Municipal Finance Authority		**2,427**		2,354
Other local governments		**8,769**		3,980
Other accounts		**13,797**		13,619
Accrued interest and others		**18,523**		11,218
Recoverable work in progress		**6,621**		4,712
Receivables secured letters of credit (a)		**23,666**		23,053
Local Area Service levies receivable (b)		**6,447**		6,766
	$	**98,103**	$	78,723

4. ACCOUNTS RECEIVABLE (CONTINUED)

a) Receivables secured letters of credit balance represents non-interest bearing securities for Development Cost Charge ("DCC") amounts due from developers within two years of inception. Monies collected upon negotiation of the letters of credit are restricted and can only be expended for DCC purposes (Note 8).

b) Local Area Service levies receivable balance represents amounts due from property owners for specific local improvement projects in their neighborhood. Amounts realized upon collection of these receivables are restricted to repayment of Local Area Service loan balances outstanding.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2023		2022
Trade and other liabilities	**$**	**77,680**	$	76,198
Payroll liabilities		**14,869**		18,425
Collections for other authorities		**6,406**		5,803
	$	**98,955**	$	100,426

6. DEPOSITS AND PREPAYMENTS

The Township holds cash deposits as security to ensure the satisfactory completion of works and other obligations. The Township also encourages prepayment of property taxes and pays interest at rates prescribed by the provincial government.

		2023		2022
Cash deposits held as security	**$**	**55,493**	$	66,746
Prepaid property tax		**21,912**		20,523
	$	**77,405**	$	87,269

The Township also holds irrevocable letters of credit in the amount of $147,637 (2022 - $164,011) as security to ensure satisfactory completion of works within the Township. These letters of credit amounts are not reflected in the consolidated financial statements.

7. DEFERRED REVENUE

		2023		2022
Future works deposit	**$**	**12,422**	$	11,269
South Coast BC Transportation Authority grant		**661**		1,408
Government grant		**1,219**		1,095
Langley School Board contribution		**800**		950
Trinity Western University contribution		**933**		1,108
Other		**6,670**		5,207
	$	**22,705**	$	21,037

8. DEVELOPMENT COST CHARGES

DCC are collected from developers to contribute to capital costs associated with development. In accordance with the Local Government Act, these funds must be deposited into a separate DCC Reserve Fund. DCC amounts collected are deferred and recognized as revenue in the year that related costs are incurred.

		2023		2022
Roads	$	**46,744**	$	50,402
Drainage		**7,819**		7,357
Park Land/Development		**49,902**		44,751
Water		**17,123**		16,744
Sewer		**3,994**		3,444
	$	**125,582**	$	122,698

Beginning of year	$	**122,698**	$	115,611
Expenditures in Operating		**(4,952)**		(4,712)
Expenditures in Capital		**(29,814)**		(8,211)
Receipts		**33,542**		17,937
Interest		**4,108**		2,073
End of year	$	**125,582**	$	122,698

DCC funds consists of restricted investments as well as restricted accounts receivable.

Investments	$	**101,916**	$	99,645
Receivables secured letters of credit (Note 4)		**23,666**		23,053
	$	**125,582**	$	122,698

9. DEBT AND AGREEMENTS PAYABLE

			2023		2022
MFA debt, net of sinking fund deposits	a)	$	**161,095**	$	169,042
Agreements payable	b)		**6,168**		8,049
		$	**167,263**	$	177,091

Estimated future payments on debt and agreements payable for the next five years and thereafter are:

		Principal		Interest		Total
2024	$	9,288	$	4,814	$	14,102
2025		9,472		4,774		14,246
2026		9,651		4,586		14,237
2027		9,898		4,540		14,438
2028		9,206		3,934		13,140
Thereafter		119,748				
	$	**167,263**				

9. DEBT AND AGREEMENTS PAYABLE (CONTINUED)

a) MFA Debt

The Township obtains debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain expenditures. Sinking fund balances managed by MFA are netted against related debt.

	Interest Rate		Gross Debt		Sinking Fund and Actuarial Adjustments		Net Debt **2023**		Net Debt 2022
General, Bylaw 4455, due 2027	3.90%	$	3,250	$	2,391	$	**859**	$	1,058
General, Bylaw 4556, due 2027	3.90%		11,000		8,092		**2,908**		3,582
General, Bylaw 5346, due 2039	2.24%		7,000		1,097		**5,903**		6,190
General, Bylaw 5507, due 2040	1.28%		1,919		245		**1,674**		1,757
General, Bylaw 5508, due 2050	1.28%		16,398		1,251		**15,147**		15,572
General, Bylaw 5509, due 2050	1.28%		67,670		5,167		**62,503**		64,260
Sewer, Bylaw 4750, due 2030	1.28%		8,500		4,891		**3,609**		4,083
Stormwater, Bylaw 4752, due 2030	1.28%		1,800		1,035		**765**		865
Stormwater, Bylaw 4829, due 2031	1.47%		2,292		1,190		**1,102**		1,225
Transportation, Bylaw 4751, due 2035	2.20%		8,700		2,857		**5,843**		6,245
Transportation, Bylaw 5232, due 2037	3.15%		11,716		2,841		**8,875**		9,384
Transportation, Bylaw 5233, due 2037	3.15%		13,744		3,332		**10,412**		11,009
Transportation, Bylaw 5347, due 2039	2.24%		12,950		2,030		**10,920**		11,450
Water, Bylaw 4919, due 2037	2.80%		33,535		8,250		**25,285**		26,763
Water, Bylaw 4920, due 2037	2.80%		7,015		1,725		**5,290**		5,599
		$	207,489	$	46,394	$	**161,095**	$	169,042

b) Agreements payable

		2023		2022
Parkland, due 2026	$	**228**	$	343
Recreation facility, due 2029		**5,940**		6,940
General, due 2032		**-**		766
	$	**6,168**	$	8,049

10. ASSET RETIREMENT OBLIGATIONS

The Township owns and operates various buildings and infrastructure assets that are known or assumed to have hazardous materials, which represent health hazards upon demolition, and the Township has legal obligations to remove them. The Township recognizes the obligations relating to the removal and post-removal care of the hazardous materials in these buildings and infrastructure assets. These costs have been capitalized as part of the tangible capital assets' carrying value and are amortized over the remaining useful life on a straight-line basis. Settlement of asset retirement obligations is estimated to be between 1 and 48 years.

Changes in the asset retirement obligation in the year are as follows:

		2023
Balance, beginning of year	**$**	**-**
Additions		**3,741**
Retired		**(413)**
Balance, end of year	$	**3,328**

11. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31 2022	Additions (net of transfers)	Disposals and Reclassification of Assets Held for Sale	**Balance at December 31 2023**
Land and improvements	$ 1,135,067	$ 118,223	$ 6	$ **1,253,284**
Building and building improvements	238,340	18,973	2,920	**254,393**
Vehicles, machinery and equipment	76,257	3,981	1,426	**78,812**
Parks infrastructure	111,955	912	-	**112,867**
Information technology	14,966	1,626	444	**16,148**
Roads	606,433	40,028	2,245	**644,216**
Stormwater	312,901	17,780	536	**330,145**
Sewer	161,706	5,891	167	**167,430**
Water	240,084	10,382	1,216	**249,250**
Assets under construction	61,617	24,553	-	**86,170**
Total	$ 2,959,326	$ 242,349	$ 8,960	$ **3,192,715**

Accumulated amortization	Balance at December 31 2022	Amortization	Accumulated Amortization on Disposals	**Balance at December 31 2023**
Land and improvements	$ 2,406	$ 115	$ -	$ **2,521**
Building and building improvements	103,733	9,639	920	**112,452**
Vehicles, machinery and equipment	42,787	4,555	1,377	**45,965**
Parks infrastructure	60,608	4,198	-	**64,806**
Information technology	11,807	855	442	**12,220**
Roads	296,878	15,352	2,174	**310,056**
Stormwater	95,034	5,011	245	**99,800**
Sewer	45,868	2,527	92	**48,303**
Water	88,566	3,988	977	**91,577**
Total	$ 747,687	$ 46,240	$ 6,227	$ **787,700**

Net book value	Balance at December 31 2022	**Balance at December 31 2023**
Land and improvements	$ 1,132,661	$ **1,250,763**
Building and building improvements	134,607	**141,941**
Vehicles, machinery and equipment	33,470	**32,847**
Parks infrastructure	51,347	**48,061**
Information technology	3,159	**3,928**
Roads	309,555	**334,160**
Stormwater	217,867	**230,345**
Sewer	115,838	**119,127**
Water	151,518	**157,673**
Assets under construction	61,617	**86,170**
Total	$ 2,211,639	$ **2,405,015**

11. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost		Balance at December 31 2021		Additions (net of transfers)		Disposals and Reclassification of Assets Held for Sale		Balance at December 31 2022
Land and improvements	$	1,082,593	$	63,230	$	10,756	$	1,135,067
Building and building improvements		235,173		3,860		693		238,340
Vehicles, machinery and equipment		73,526		3,788		1,057		76,257
Parks infrastructure		108,354		3,601		-		111,955
Information technology		14,683		578		295		14,966
Roads		581,921		26,051		1,539		606,433
Stormwater		298,646		14,508		253		312,901
Sewer		156,088		5,902		284		161,706
Water		236,884		4,361		1,161		240,084
Assets under construction		31,421		30,196		-		61,617
Total	$	2,819,289	$	156,075	$	16,038	$	2,959,326

Accumulated amortization		Balance at December 31 2021		Amortization		Accumulated Amortization on Disposals		Balance at December 31 2022
Land and improvements	$	2,365	$	41	$	-	$	2,406
Building and building improvements		95,739		8,133		139		103,733
Vehicles, machinery and equipment		39,419		4,353		985		42,787
Parks infrastructure		56,608		4,000		-		60,608
Information technology		11,256		846		295		11,807
Roads		283,912		14,500		1,534		296,878
Stormwater		90,402		4,750		118		95,034
Sewer		43,642		2,447		221		45,868
Water		85,777		3,614		825		88,566
Total	$	709,120	$	42,684	$	4,117	$	747,687

Net book value		Balance at December 31 2021		Balance at December 31 2022
Land and improvements	$	1,080,228	$	1,132,661
Building and building improvements		139,434		134,607
Vehicles, machinery and equipment		34,107		33,470
Parks infrastructure		51,746		51,347
Information technology		3,427		3,159
Roads		298,009		309,555
Stormwater		208,244		217,867
Sewer		112,446		115,838
Water		151,107		151,518
Assets under construction		31,421		61,617
Total	$	2,110,169	$	2,211,639

11. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under construction

Assets under construction having a value of $86,170 (2022 - $61,617) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

b) Other Developer Contributions

Other developer contributions include contributed tangible capital assets and non-refundable deposit contributions used to fund capital. Contributed tangible capital assets have been recognized at fair value at the date of contribution. Other developer contributions received during the year are as follows:

		2023		2022
Land and improvements	$	**30,058**	$	46,787
Building and building improvements		**-**		682
Road infrastructure		**25,623**		18,894
Parks infrastructure		**221**		102
Stormwater infrastructure		**12,149**		13,041
Water infrastructure		**5,244**		2,439
Sewer infrastructure		**4,835**		4,113
Total	$	**78,130**	$	86,058
Developer contributed tangible capital assets	$	**77,576**	$	85,166
Non-refundable deposit contributions to tangible capital assets		**554**		892
Total	$	**78,130**	$	86,058

c) Works of Art and Historical Treasures

The Township manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings, and sculptures located at Township sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d) Write-down of Tangible Capital Assets

There was no write-down of tangible capital assets during the year (2022 - nil).

12. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus, reserves and reserve funds as follows:

		Operating Funds		Capital Funds		Statutory Reserve Funds (Note 13)		Investment in Tangible Capital Assets (Note 14)		Total
General Fund	$	88,152	$	-	$	-	$	1,129,210	$	1,217,362
Parks Utility		36,782		-		-		273,363		310,145
Transportation Utility		3,768		-		-		355,918		359,686
Stormwater Utility		(2,986)		-		-		230,111		227,125
Solid Waste		1,862		52		-		537		2,451
Sewer Utility		10,782		3,452		-		116,469		130,703
Water Utility		8,906		5,374		-		131,345		145,625
Statutory Reserve Funds		-		-		91,549		-		91,549
Total for 2023	**$**	**147,266**	**$**	**8,878**	**$**	**91,549**	**$**	**2,236,953**	**$**	**2,484,646**
Total for 2022	**$**	174,295	$	29,784	$	99,330	$	2,037,299	$	2,340,708

13. STATUTORY RESERVE FUNDS

Statutory reserve funds are used for the replacement or improvement of capital assets. The Local Area Service Reserve Fund is used to fund upfront costs of capital improvement projects initiated by property owners or Council and is repayable with interest by the property owners.

		2023		2022
General Capital	$	**176**	$	148
Stormwater Capital		**1,035**		993
Sewer Capital		**25,545**		22,542
Water Capital		**28,321**		36,724
Infrastructure Renewal & Replacement		**4,324**		1,134
Fire Equipment Capital		**4,872**		3,895
Land Capital Reserve		**2,489**		10,644
Tax Sale Land		**304**		291
Local Area Service		**16,865**		16,177
Off-Street Parking		**15**		15
Debt Retirement		**7,603**		6,767
	$	**91,549**	$	99,330

Reserve funds, beginning of year	$	**99,330**	$	67,292
Contribution from operations		**11,491**		11,772
Other gains, revenue and contributions		**3,221**		60,637
Interest allocated		**4,022**		2,735
Used for capital and operating expenses		**(26,515)**		(43,106)
Reserve funds, end of year	$	**91,549**	$	99,330

14. INVESTMENT IN TANGIBLE CAPITAL ASSETS

		2023		2022
Balance, beginning of year	$	**2,037,299**	$	1,935,802
Additions of tangible capital assets		**242,349**		156,075
Asset retirement obligations		**(3,328)**		-
Reclassification of assets held for sale		**-**		(337)
Proceeds on disposal of tangible capital assets		**(276)**		(48,928)
(Loss) gain on disposal of tangible capital assets		**(2,457)**		37,344
Recognition of deferred revenue related to tangible capital assets		**325**		325
Amortization expense		**(46,240)**		(42,684)
Cash spent from debt and agreements payable issued		**(422)**		(11,996)
Repayment of debt and agreements payable		**9,703**		11,698
Balance, end of year	$	**2,236,953**	$	2,037,299

		2023		2022
Net book value of tangible capital assets	$	**2,405,015**	$	2,211,639
Less:				
Debt and agreements payable		**(167,263)**		(177,091)
Deferred revenue – Trinity Western University		**(933)**		(1,108)
Deferred revenue – Langley School Board		**(800)**		(950)
Asset retirement obligations		**(3,328)**		-
Add:				
Debt for non-capital expenses		**1,100**		1,224
Debt not spent on tangible capital assets		**3,162**		3,585
Investment in tangible capital assets	$	**2,236,953**	$	2,037,299

15. CONTINGENCIES AND COMMITMENTS

a) Loan agreements with Metro Vancouver Regional District provide that if at any time scheduled payments provided for in the agreements are not sufficient to meet MFA's obligations in respect of such borrowing, the resulting deficiency becomes the joint and several liability of the Township and all other participants of the MFA.

b) Various lawsuits and claims are pending against the Township. Applicable insured claims have been referred to the Township's insurers. The Township believes the resolution of insured and non-insured claims will not materially affect its consolidated financial position.

c) The Township has significant future contractual commitments for capital acquisitions and completion of capital construction projects in progress.

   The Township records capital costs incurred to the end of the year as tangible capital assets. To provide for completion of capital projects in progress, unexpended money is set aside as a capital appropriation.

d) The Township has entered into various agreements and contracts with other governments and businesses that extend beyond one year for the provision of operating services and supplies and facility rentals. Agreements and contracts may provide for annual increases or additional payments that may arise due to usage levels or other factors. The Township's five-year financial plan, updated and adopted annually by bylaw following public consultation, provides funding for these obligations. Services provided include policing, fire dispatch, emergency communications, library, animal protection and control, sewage disposal, solid waste and recycling, arena operations, planted area maintenance, tourism, economic development, photocopying, environmental, emergency preparedness and education, and the Society (Langley Events Centre) operations management.

e) The Township, as a member of the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District, and Metro Vancouver Regional District, is directly, jointly, and severally liable with other member municipalities for net capital liabilities of those authorities.

f) The Township is a shareholder of E-COMM Emergency Communications for British Columbia Incorporated ("E-COMM") whose services include: regional 9-1-1 call centre for Metro Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The Township has one Class B share and two Class A Shares for a total of three shares. E-Comm has 26 Class A shareholders holding 37 Class A shares and has 16 Class B shareholders holding 18 Class B shares. Class A shareholders are part of the E-COMM radio network and are bound by terms and conditions of the Members' Agreement (Special Users Agreement for the RCMP). Class B shareholders are not required to cover E-COMM's financial obligations.

16. COLLECTIONS FOR OTHER GOVERNMENTS

The Township collected and remitted the following amounts on behalf of other government organizations. These amounts are recorded on a net basis in the consolidated financial statements.

		2023		2022
Province of BC for School Taxes	$	**121,270**	$	105,381
Municipal Finance Authority		**20**		17
B.C. Assessment Authority		**3,482**		3,097
Metro Vancouver Regional District		**5,108**		4,356
South Coast British Columbia Transportation Authority		**23,091**		20,889
	$	**152,971**	$	133,740

17. MUNICIPAL PENSION PLAN

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The board of trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments of which approximately 1,096 are contributors from the Township.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability. The most recent actuarial valuation for the Plan as at December 31, 2021 indicated a $3,761,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Township paid $7,634 (2022 - $6,261) for employer contributions to the Plan, while employees contributed $6,735 (2022 - $5,533) to the Plan in fiscal 2023.

18. EMPLOYEE FUTURE BENEFITS

The Township provides certain benefits to its employees upon retirement. A sick leave benefit accrues to eligible employees who retire from service with the Township at the age of 65. Eligible employees shall be paid all their sick leave credit to a maximum of 75 days multiplied by the daily rate of pay at retirement. Employees who retire before the age of 60 shall have their benefit factored by the percentage of full pension awarded by the Municipal Superannuation Commission. Other post-employment benefits accrue to eligible employees as compensation related to additional hours worked beyond their contractual arrangement that are not payable until retirement, resignation or termination.

		2023		2022
Accrued benefit obligation, beginning of year	$	**3,875**	$	4,453
Current service cost		**258**		311
Interest cost		**167**		108
Long-term disability expense (recovery)		**113**		(36)
Actual benefits paid		**(284)**		(191)
Actuarial loss		**(443)**		(770)
Accrued benefit obligation, end of year		**3,686**		3,875
Unamortized actuarial gain		**1,776**		1,484
Accrued benefit liability, end of year		**5,462**		5,359
Other post-employment benefit liability		**-**		155
Total Employee Future Benefits	$	**5,462**	$	5,514

The actuarial adjustment will be amortized over a period of 13 years (2022 – 13 years) which is equal to the employee's expected average remaining service lifetime.

Other post-employment benefit liability was calculated based on hours worked and accrued interest for 2023 at 4.45% (2022 – 3.50%). The Township's accrued benefit liability is supported by a report from an independent actuarial consulting firm, and calculated as at December 31, 2023. The actuary report is based on standard assumptions concerning salary scales, mortality rates, retirement age, and withdrawal rates at the following rates:

	2023	2022
Discount rate	**4.10%**	4.50%
Expected future inflation rate	**2.50% - 4.50%**	2.50%
Expected wage and salary inflation	**2.50% - 4.50%**	2.50%
Expected wage and salary increases	**2.50% - 7.90%**	2.58% - 4.63%

19. SIGNIFICANT TAXPAYERS

The Township has a diverse residential, commercial, industrial, and agricultural property tax base and is not significantly reliant upon property tax revenue from any one large taxpayer.

20. TRUST FUNDS

The Cemetery Care Trust Fund must be administered in accordance with the Cemetery and Funeral Services Act.
In accordance with PSAB guidance, trust funds are not included in the Township's consolidated financial statements.

Assets		**2023**		2022
Cash and investments	$	**3,277**	$	2,943
Accrued interest receivable		**30**		22
	$	**3,307**	$	2,965
Equity				
Balance, beginning of year	$	**2,965**	$	2,677
Contributions		**188**		234
Interest revenue		**154**		54
Balance, end of year	$	**3,307**	$	2,965

21. BUDGET DATA

The budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets approved by Township Council on April 17, 2023. Amortization was not contemplated on development of the budget and, as such, has not been included. Other entities included are the Society and its subsidiaries, excluding inter-entity transactions. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

		2023 Budget
Revenue		
Operating Budget Bylaw	$	321,727
Capital Budget Bylaw		516,041
Other entities		8,056
Less:		
Transfer from other funds		(179,368)
Proceeds from new debt		(119,589)
Total Revenue		**546,867**
Expenses		
Operating Budget Bylaw		321,727
Capital Budget Bylaw		516,041
Other entities		6,508
Less:		
Transfer from other funds		(28,271)
Capital expenditures		(502,117)
Debt principal payments		(14,448)
Total Expenses		**299,440**
Annual Surplus	$	**247,427**

22. SEGMENTED INFORMATION

The Township is a diversified municipal government that provides a wide range of services to its citizens, including:

- General Government Services
- Protective Services
- Facilities Maintenance Services
- Community Planning and Development Services
- Recreation, Culture, and Parks Services
- Engineering Services

For reporting purposes, the Township's operations and activities are organized and reported by service areas. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions, or limitations.

Township services are provided by departments and their activities are reported in these service areas. Departments disclosed in the Segmented Information Schedule, along with the services they provide, are as follows:

General Government Services

General Government Services includes Corporate Administration, Legislative Services, Human Resources, and Finance. Corporate Administration is responsible for carrying out the direction, policies, and priorities set by Council and for providing recommendations to Council consistent with the needs of the community. Legislative Services department provides a secretariat for Council and its Committees. Human Resources provide assistance, advice, and guidance to both managers and employees in fulfilling roles and achieving and accomplishing their goals. The Finance Division manages the Township's financial resources and provides expert financial information, advice, and services while complying with the Community Charter and other legislated services.

Protective Services

Protective Services includes the RCMP and Fire Departments. The RCMP protects and serves the citizens of Langley through the prevention and reduction of crime in partnership with the community.

The Fire Department operates through seven fire halls located throughout the Township. Services are delivered through four main branches of the Fire Service. Professional expertise is provided in the area of fire prevention, emergency operations, fire safety, and emergency planning.

Facilities Maintenance Services

The Facilities Maintenance Division of Engineering is responsible for maintenance on all Township facilities. Centralization of this function facilitates more effective prioritization of maintenance to protect significant assets critical for service delivery.

Community Planning and Development Services

The Community Planning and Development Division provides Council, internal divisions, and the general public with professional advice on community planning and development issues Community Development is also responsible for Bylaw Enforcement.

Recreation, Culture, and Parks Services

Recreation, Culture, and Parks is responsible for the management and provision of leisure services within the Township.

Engineering Services

The Engineering Division delivers municipal transportation, water, sewer, solid waste, and stormwater services. Transportation manages traffic and transportation systems to ensure safe, efficient mobility for pedestrians, cyclists, and vehicles. Water, Sewer, and Drainage Utilities operate and distribute water and network sewer mains, storm sewers, and pump stations. Solid Waste includes waste management including recycling, collection, and disposal.

23. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenue and assets in the future. The Township enters into contracts or agreements for various services, and long term leases in the normal course of operations that it expects will result in the realization of assets and revenue in future fiscal years. Contractual rights are not recorded in the consolidated financial statements.

At December 31, 2023, the Township has contractual rights in the following amounts:

Year	Total Contractual Rights
2024	$ 22,620
2025	7,850
2026	7,670
2027	888
2028	720
Thereafter	8,895
	$ 48,643

The Township has cost sharing agreements with other government agencies that are not reflected in the above figures as they cannot be quantified. The Township is the recipient of grants from various government agencies. These grants do not guarantee the right to future funding and have not been included in the above figures.

24. FINANCIAL RISK MANAGEMENT

The Township has exposure to the following risks from its use of financial instruments:

(a) Credit risk:

Credit risk is the risk of financial loss to the Township if a counterparty to a financial instrument fails to meet its contractual obligations. The Township's credit risk is primarily from its cash and cash equivalents, investments and accounts receivable.

Cash and cash equivalents are held with financial institutions who have high credit ratings. Given these high credit ratings, the Township does not expect any counterparty to fail to meet its obligations.

The Township minimizes credit risk in its investments by diversifying the investments portfolio across various financial institutions and the MFA and investing in high credit rating government bonds or Guaranteed Investment Certificates (GICs).

Development cost charges receivable are secured by letters of credit. The Township can collect the outstanding property tax and utility receivables through the municipal property tax sale process. The Township also monitors and assesses the collectability of its accounts receivable balance on an ongoing basis.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Township’s interest rate risk relates to its investments (Note 3) and debt and agreements payable (Note 9).

Investments are purchased with the intention to hold until maturity or for the long-term and not driven by speculative fluctuations in interest rates.

Interest rates on debt are fixed for 1 to 12 year terms.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk:

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they become due. The Township manages liquidity risk by monitoring actual and forecasted cash flows and anticipated investing and financing activities to ensure that it will have sufficient liquidity to meet its liabilities when due. The Township maintains strong liquidity from its cash and cash equivalents and investments (Note 3). The Township structures its investment portfolio to align with planned liquidity requirements for on-going operations and capital requirements.

There have been no significant changes to the risk exposure related to financial instruments from the prior period.

25. COMPARATIVE FIGURES

Certain 2022 figures have been reclassified to conform to the 2023 consolidated financial statement presentation. There is no impact on accumulated surplus or annual surplus in 2022 from these reclassifications.

AUDITED

Segmented Information Schedule

2023

Consolidated Financial Activities - Segmented

For the year ended December 31, 2023 *(in thousands of dollars)*
(Refer to Note 22 Segmented Information)

		Protective Service				Recreation, Culture & Parks		Engineering							
	General Government	Police Protection	Fire Protection	Facilities Maintenance	Community Planning and Development	Recreation and Culture	Parks	Transportation	Stormwater	Water	Sewer	Solid Waste	Reserve Funds	2023 Consolidated	2022 Consolidated
Revenue															
Property taxes	$ 28,121	$ 38,383	$ 20,674	$ 16,727	$ 1,167	$ 17,795	$ 13,952	$ 29,831	$ 8,440	$ -	$ -	$ -	$ -	$ 175,090	$ 162,833
Fees, rates and service charges	10,520	322	157	84	11,953	12,078	(8,313)	3,663	440	35,731	25,627	9,500	-	101,762	117,806
Grants and grants in lieu of taxes	27,347	1,419	17	-	961	277	608	17,520	1,169	18	5	-	-	49,341	20,334
Service cost recoveries	489	5,361	156	137	117	9	-	305	-	-	-	-	-	6,574	4,590
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,645
Investment income	16,073	-	-	-	-	-	413	317	76	389	697	85	4,677	22,727	13,721
Local area service contributions	-	-	-	-	-	-	-	-	-	-	251	-	-	251	-
Contribution from development cost charges	-	-	-	-	-	-	12,344	19,541	1,156	1,640	85	-	-	34,766	12,923
Other developer contributions	25,567	-	-	-	-	-	4,805	25,541	12,149	5,233	4,835	-	-	78,130	86,058
Other income	(4,263)	3,012	2,000	1,300	352	7,030	719	(777)	253	12	-	1	1	9,640	7,990
	103,854	48,497	23,004	18,248	14,550	37,189	24,528	95,941	23,683	43,023	31,500	9,586	4,678	478,281	470,900
Expenses															
Salaries, wages and benefits	20,894	8,175	19,151	7,919	10,147	15,108	7,368	13,699	3,913	5,963	2,959	626	-	115,922	107,321
Service and maintenance contracts	1,250	585	1,025	3,515	806	6,710	3,274	15,613	1,622	1,280	1,147	8,001	-	44,828	39,872
RCMP contract	-	34,193	-	-	-	-	-	-	-	-	-	-	-	34,193	29,918
Consulting & professional services	2,366	20	12	343	947	132	525	3,594	1,055	10,544	877	13	-	20,428	13,960
Insurance	1,669	20	71	3	-	192	-	351	-	15	15	-	-	2,336	2,089
Material supplies & equipment	500	151	970	1,850	320	439	2,515	8,949	1,842	2,610	853	20	-	21,019	20,619
Information systems maintenance	2,794	9	45	38	40	33	29	235	13	65	9	3	-	3,313	3,177
Aviation and vehicle fuel	-	523	223	8	28	-	20	2,425	13	11	6	-	-	3,257	3,391
Advertising publications	105	-	2	-	3	3	-	11	1	5	-	2	-	132	139
Utilities	20	-	-	2,690	1	-	703	898	63	341	157	-	-	4,873	4,857
Sundry	2,290	39	156	154	238	704	548	598	321	310	175	8	-	5,541	5,017
Telephone & communications	311	63	64	41	69	39	34	71	19	42	18	1	-	772	790
Regional district charges	-	-	-	-	-	4,874	-	-	-	14,514	11,681	-	-	31,069	26,381
Municipal grants	1,139	-	-	-	595	-	-	-	-	-	-	-	-	1,734	2,667
Debt interest payments	765	4	-	34	-	330	1,014	1,283	57	1,135	109	-	-	4,731	4,479
Fiscal and other debt charges	219	7	-	-	-	172	-	55	-	-	-	-	-	453	447
Internal cost charges (recoveries)	(446)	391	169	(168)	18	152	(36)	(7,649)	98	100	105	-	-	(7,266)	(7,136)
Loss (gain) on disposal of assets	187	-	-	-	-	-	(26)	3	290	239	75	-	-	768	-
Amortization expense	3,606	401	1,288	-	-	7,113	4,242	18,064	5,011	3,988	2,527	-	-	46,240	42,684
	37,669	44,581	23,176	16,427	13,212	36,001	20,210	58,200	14,318	41,162	20,713	8,674	-	334,343	300,672
ANNUAL SURPLUS (DEFICIT)	$ 66,185	$ 3,916	$ (172)	$ 1,821	$ 1,338	$ 1,188	$ 4,318	$ 37,741	$ 9,365	$ 1,861	$ 10,787	$ 912	$ 4,678	$ 143,938	$ 170,228

AUDITED

Schedules

2023

Schedule 1

Debt and Agreements Payable

For the year ended December 31, 2023 *(in thousands of dollars)*

MFA DEBT

By-law	Date of Issue	Issued by	Purpose	Issue	Rate	Maturity	Gross Debt	Sinking Fund and Actuarial Adjustments	**Net Debt 2023**	**Net Sinking Fund Earnings 2023**	**Principal Repayments 2023**	**Interest Expense 2023**	Net Debt 2022
DEBENTURE DEBT													
GENERAL:													
5346	October 9, 2019	M.F.A.	Facility Capital Works	149	2.24%	October 9, 2039	1,500	236	**1,264**	**6**	**56**	**34**	1,326
5508	June 1, 2020	M.F.A.	Land Acquisition	151	1.28%	June 1, 2050	16,398	1,251	**15,147**	**21**	**404**	**210**	15,572
5509	June 1, 2020	M.F.A.	Strategic Land Acquisition	151	1.28%	June 1, 2050	43,430	3,317	**40,113**	**56**	**1,071**	**556**	41,240
							61,328	4,804	**56,524**	**83**	**1,531**	**800**	58,138
STORMWATER:													
4752	April 8, 2010	M.F.A.	Drainage	110	1.28%	April 8, 2030	1,800	1,035	**765**	**34**	**66**	**23**	865
4829	April 4, 2011	M.F.A.	Drainage	116	1.47%	April 4, 2031	2,292	1,190	**1,102**	**39**	**84**	**34**	1,225
							4,092	2,225	**1,867**	**73**	**150**	**57**	2,090
WATER:													
4919	April 7, 2017	M.F.A.	Langley Water Utility	141	2.80%	April 7, 2037	33,535	8,250	**25,285**	**230**	**1,248**	**938**	26,763
4920	April 7, 2017	M.F.A.	Langley Water Utility	141	2.80%	April 7, 2037	7,015	1,725	**5,290**	**48**	**261**	**196**	5,599
							40,550	9,975	**30,575**	**278**	**1,509**	**1,134**	32,362
TRANSPORTATION:													
4751	April 8, 2015	M.F.A.	Transportation	131	2.20%	April 8, 2035	8,700	2,857	**5,843**	**94**	**308**	**191**	6,245
5232	October 4, 2017	M.F.A.	Transportation	142	3.15%	October 4, 2037	11,716	2,841	**8,875**	**73**	**436**	**369**	9,384
5233	October 4, 2017	M.F.A.	Transportation	142	3.15%	October 4, 2037	13,744	3,332	**10,412**	**86**	**511**	**433**	11,009
5347	October 9, 2019	M.F.A.	Transportation	149	2.24%	October 9, 2039	12,950	2,030	**10,920**	**48**	**482**	**290**	11,450
							47,110	11,060	**36,050**	**301**	**1,737**	**1,283**	38,088
SEWER:													
4750	April 8, 2010	M.F.A.	Sewer	110	1.28%	April 8, 2030	8,500	4,891	**3,609**	**162**	**312**	**109**	4,083
							8,500	4,891	**3,609**	**162**	**312**	**109**	4,083
PARKS:													
4455	November 2, 2007	M.F.A.	Land Acquisition	102	3.90%	December 1, 2027	3,250	2,391	**859**	**77**	**122**	**127**	1,058
4556	November 2, 2007	M.F.A.	Land Acquisition	102	3.90%	December 1, 2027	11,000	8,092	**2,908**	**261**	**413**	**429**	3,582
5346	October 4, 2019	M.F.A.	Facility	149	2.24%	October 4, 2039	5,500	861	**4,639**	**20**	**205**	**123**	4,864
5507	June 1, 2020	M.F.A.	Park Capital Works	150	1.28%	June 1, 2040	1,919	245	**1,674**	**4**	**79**	**25**	1,757
5509	June 1, 2020	M.F.A.	Strategic Land Acquisition	151	1.28%	June 1, 2050	24,240	1,850	**22,390**	**31**	**598**	**310**	23,020
							45,909	13,439	**32,470**	**393**	**1,417**	**1,014**	34,281
						Total debenture debt	207,489	46,394	**161,095**	**1,290**	**6,656**	**4,397**	169,042
PROPERTY ACQUISITION AGREEMENTS													
GENERAL CAPITAL FUND:													
*	Langley Facilities Society		Recreation Centre			August 7, 2029			**5,940**	**-**	**1,000**	**330**	6,940
									5,940	**-**	**1,000**	**330**	6,940
GENERAL FUND:													
	December 31, 2021		Facility			February 1, 2032			**-**	**-**	**766**	**4**	766
									-	**-**	**766**	**4**	766
PARKS UTILITY FUND:													
**	January 3, 2006		Land Acquisition			January 3, 2026			**228**	**-**	**115**	**-**	343
									228	**-**	**115**	**-**	343
								Total agreements payable	**6,168**	**-**	**1,881**	**334**	8,049
								Total debt and agreements payable	**$ 167,263**	**$ 1,290**	**$ 8,537**	**$ 4,731**	$ 177,091

The Township issues long-term debenture debt instruments through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws. Sinking Fund Reserve balances are managed by the MFA and are used to retire the debt instruments. For reporting purposes, the Township nets Sinking Fund Reserve balances against related gross debt.

The MFA Debt Reserve is composed of Cash Reserves and Demand Note Reserves. The MFA retains these reserves in case any municipality defaults on their debt repayment obligations. Upon retirement of the debt and if no municipality has defaulted, the cash will be returned to the Municipality and the demand notes will be cancelled.

*The Society has a Canadian commercial bank loan pertaining to the construction of the Langley Events Centre. The bank loan was refinanced with a fixed rate structure in 2022. The rate will expire in 2024. For estimation purposes, future principal and interest payments assume constant 2022 rates in effect for the duration of the loan.

**Under this agreement, the vendors retained the right to operate the Redwoods Golf Course for 20 years (2 years remain). The vendors must contribute $100 annually to maintain and improve the property. The Township must contribute $50 annually. The Township is also required to make annual repayments at an amount that is variable based on annual property taxes. Interest rates on related debt are approximately 4% to 6%.

Schedule 2

Langley Centennial Museum

Statement of Financial Activities

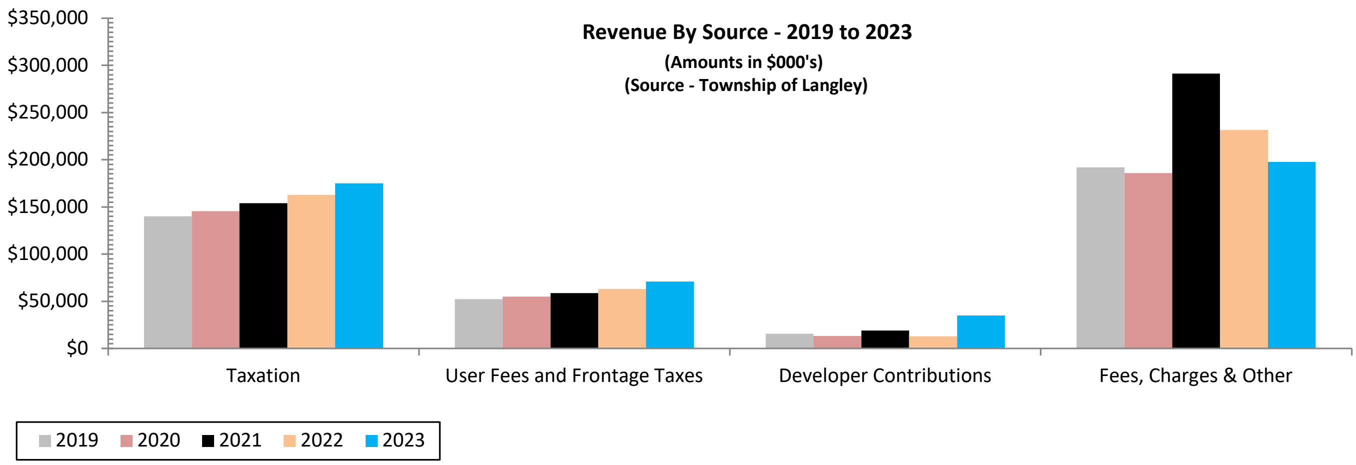
For the year ended December 31, 2023 *(in thousands of dollars)*

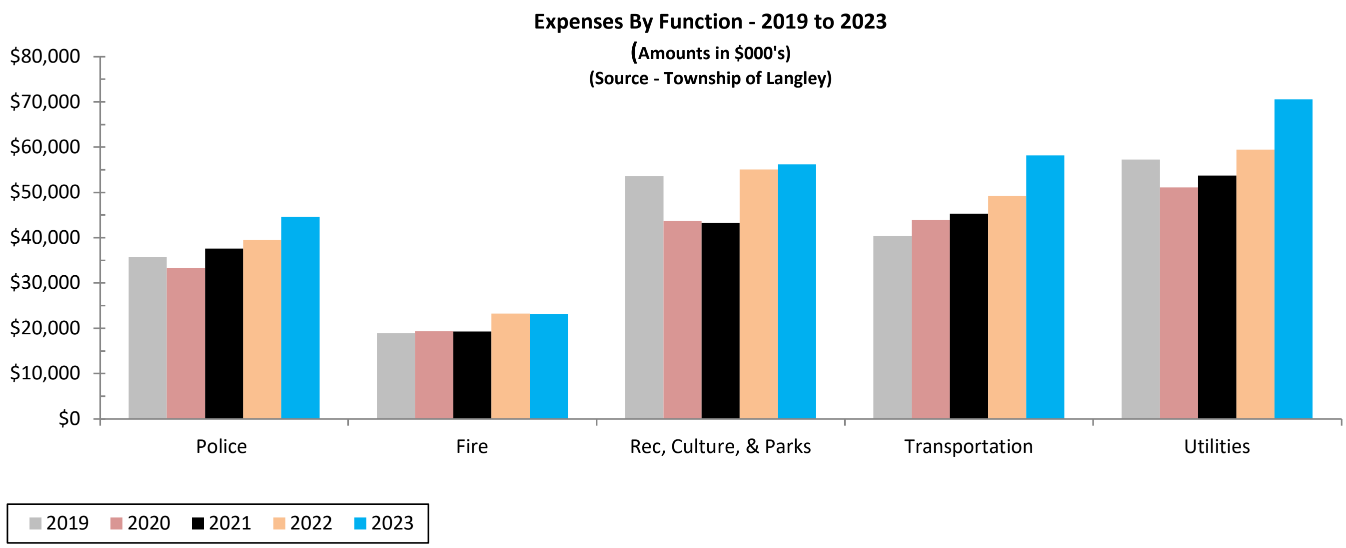
		2023		2022
REVENUE				
Donations, sales and programs	$	**3**	$	79
BC Arts Council grant		**115**		106
Transfer from Reserve		**13**		60
Federal grants - other		**115**		38
Provincial grants - other		**-**		12
Township of Langley funding		**579**		592
	$	**825**	$	887
EXPENSE				
Salaries and benefits		**585**		592
Program and events		**27**		80
Exhibit maintenance		**38**		52
Insurance		**20**		15
Purchases for resale		**-**		2
Office supplies and sundry		**9**		13
Utilities		**58**		16
Telephone and internet		**1**		2
Amortization expense		**13**		12
Grounds maintenance		**9**		16
Advertising		**1**		5
Travel		**3**		1
Building maintenance		**60**		11
Artifact additions		**9**		-
Total operating expense		**833**		817
Transfer to Museum Reserve		**(8)**		70
	$	**825**	$	887
MUSEUM RESERVE				
Balance, beginning of year	$	**407**	$	831
Contribution from Museum operations		**16**		91
Operating expense funded by the Reserve Fund		**(10)**		(1)
Capital expenditure funded by the Reserve Fund		**(120)**		(514)
Balance, end of year	$	**293**	$	407

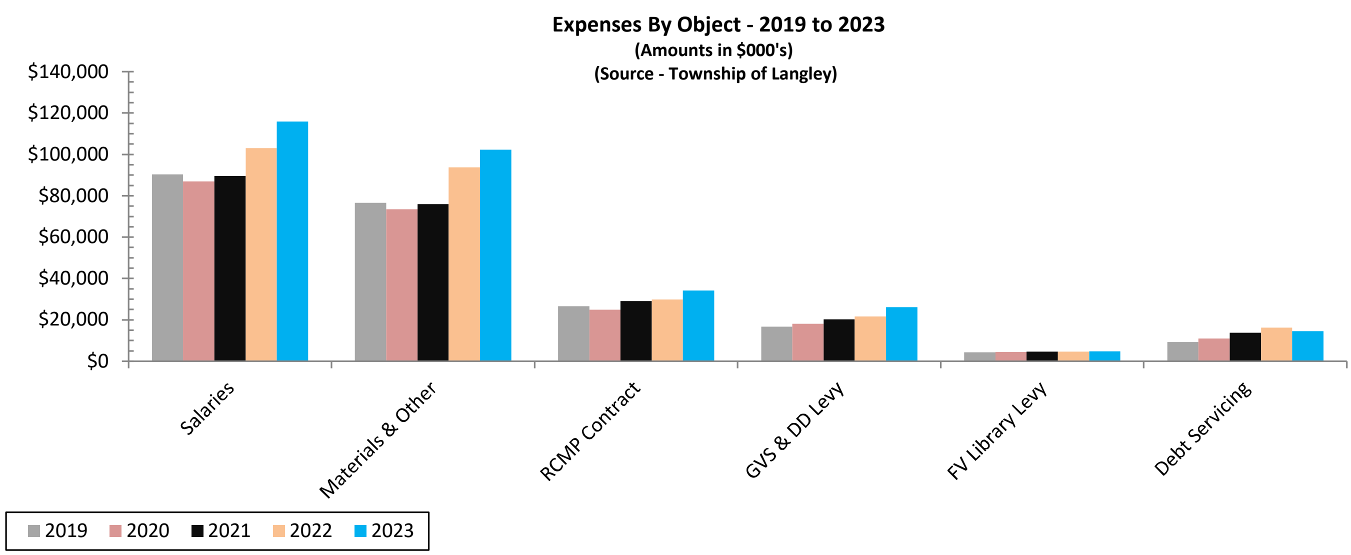
UNAUDITED

Statistical and Other Information

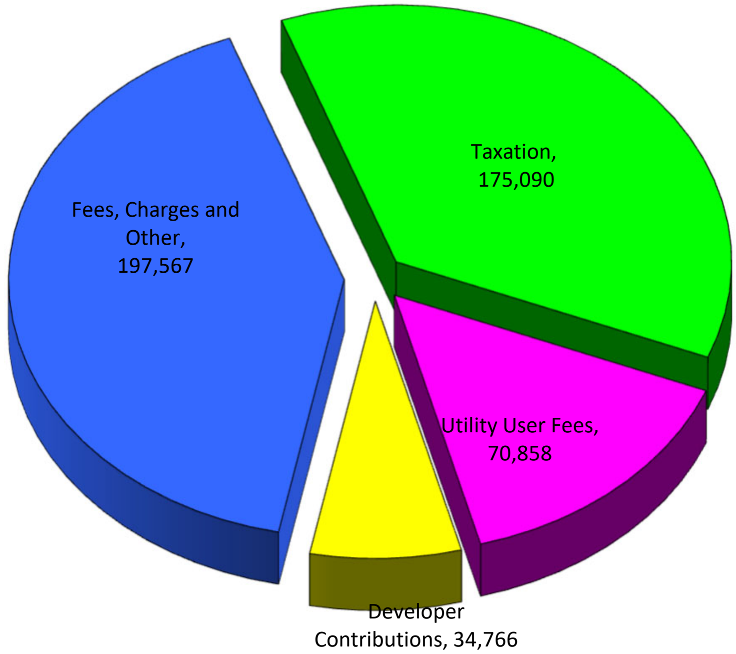
2023


Revenue By Source - 2019 to 2023
(Amounts in $000's)
(Source - Township of Langley)
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Taxation
User Fees and Frontage Taxes
Developer Contributions
Fees, Charges & Other
2019
2020
2021
2022
2023

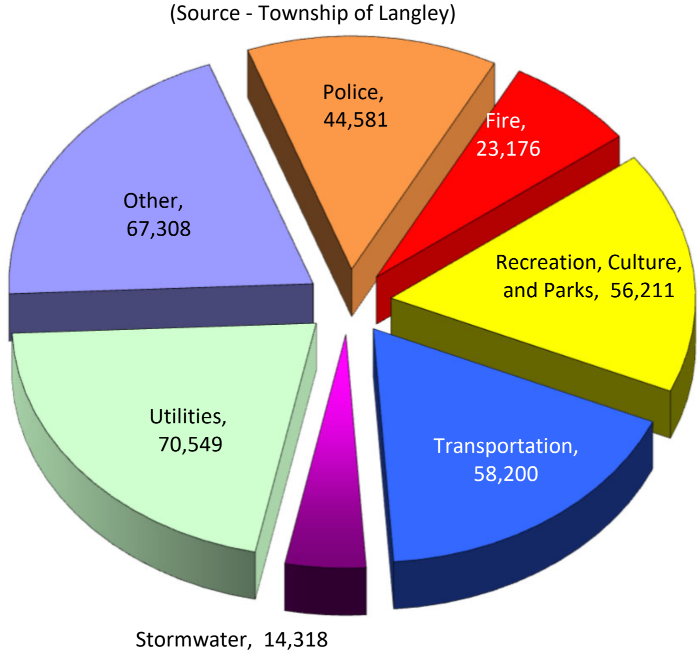

Expenses By Function - 2019 to 2023
(Amounts in $000's)
(Source - Township of Langley)
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
Police
Fire
Rec, Culture, & Parks
Transportation
Utilities
2019
2020
2021
2022
2023


Expenses By Object - 2019 to 2023
(Amounts in $000's)
(Source - Township of Langley)
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
Salaries
Materials & Other
RCMP Contract
GVS & DD Levy
FV Library Levy
Debt Servicing
2019
2020
2021
2022
2023

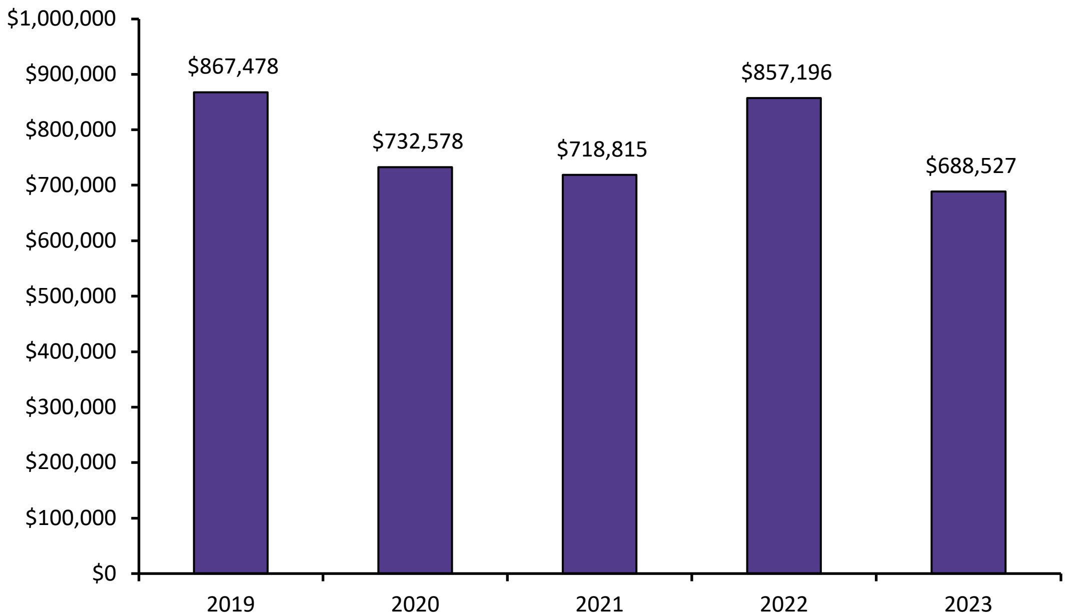
2023 Total Township Revenue
(Amounts in $000's)
(Source - Township of Langley)



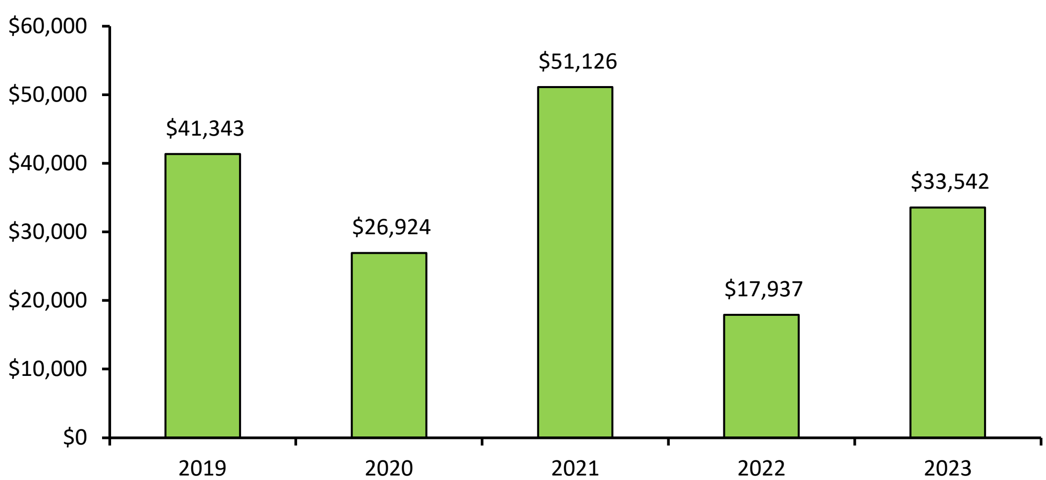
2023 Total Township Expenses
(Amounts in $000's)
(Source - Township of Langley)

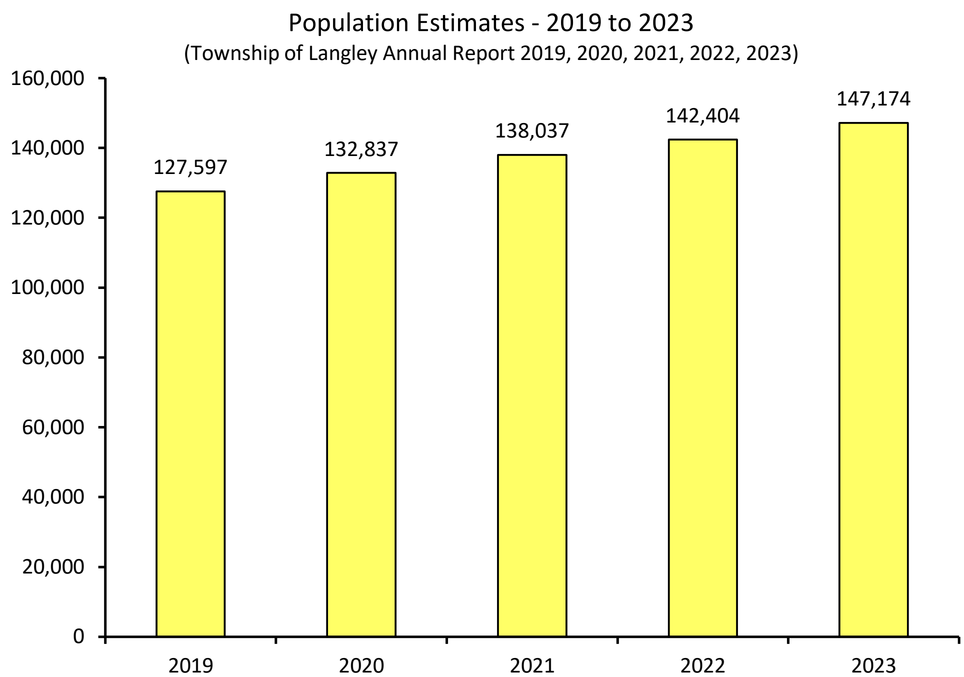


Building Permit Values - 2019 to 2023
(Amounts in $000's)
(Source - Township of Langley)

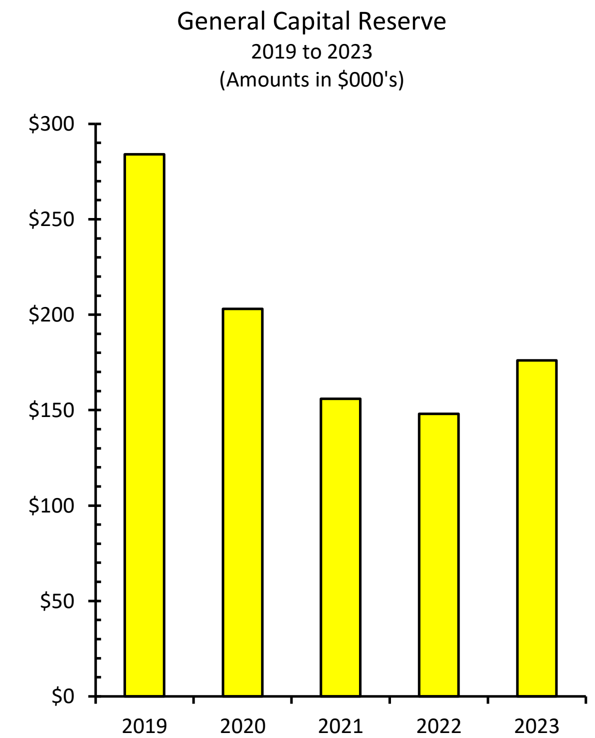


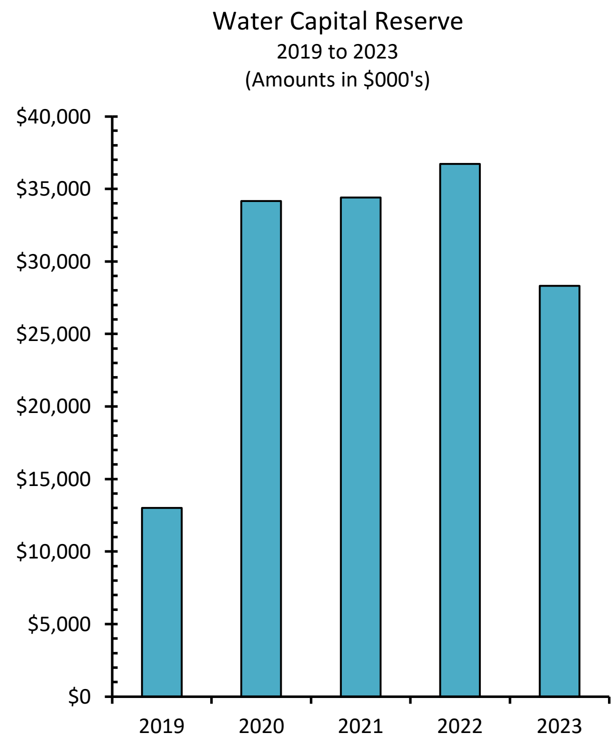
Net Development Cost Charge Receipts - 2019 to 2023
(Amounts in $000's)
(Source - Township of Langley)

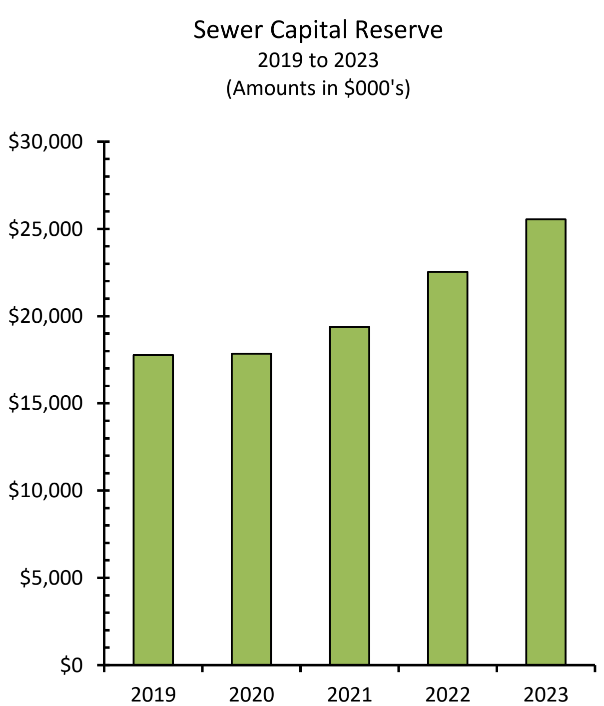


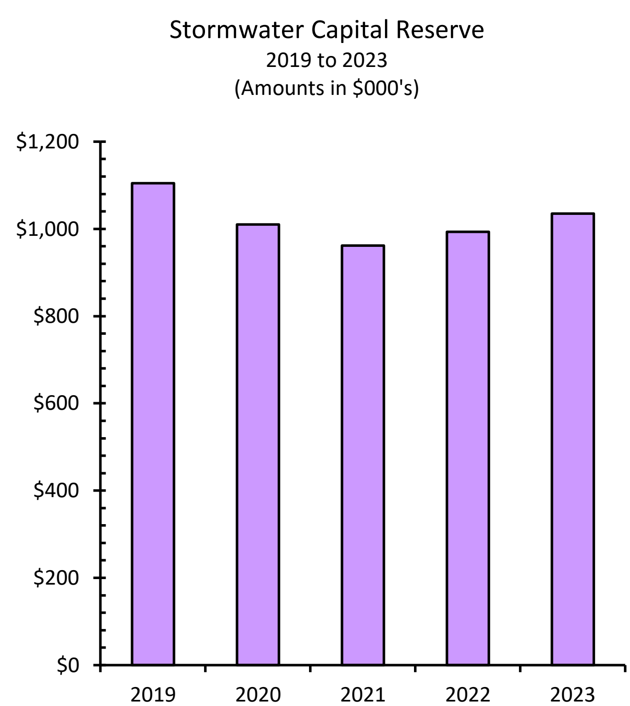


Note: 2019-2022 population estimates were updated using new Census data and population modelling.

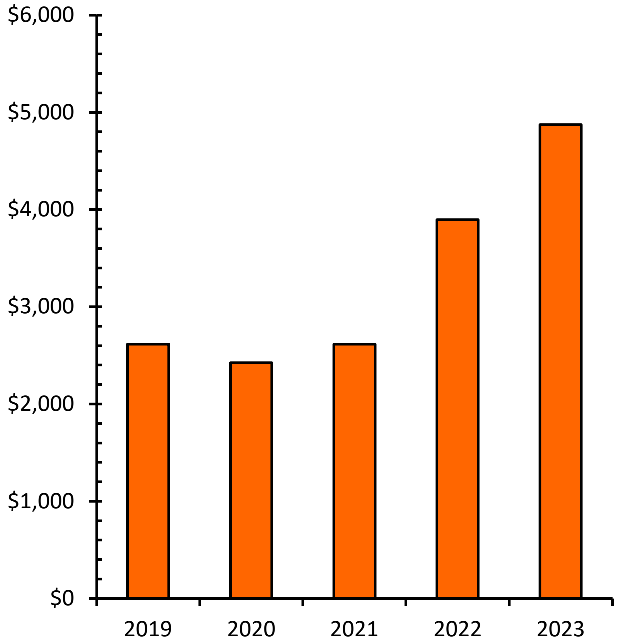

General Capital Reserve
2019 to 2023
(Amounts in $000's)
$300
$250
$200
$150
$100
$50
$0
2019
2020
2021
2022
2023


Water Capital Reserve
2019 to 2023
(Amounts in $000's)
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
2019
2020
2021
2022
2023

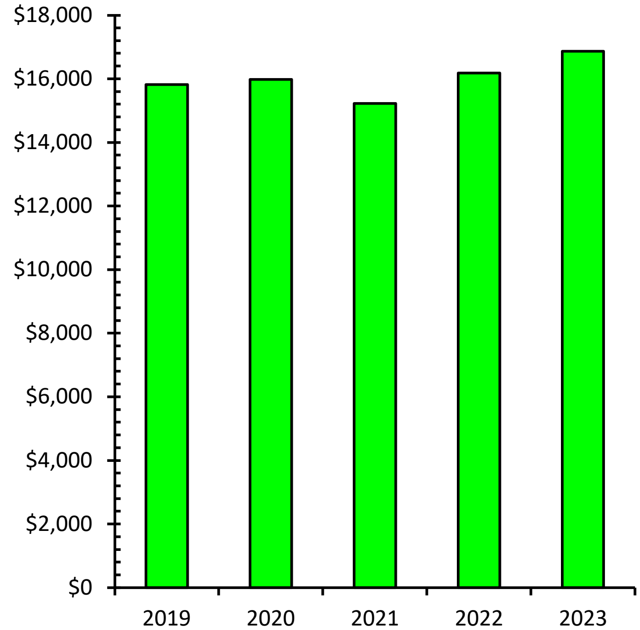

Sewer Capital Reserve
2019 to 2023
(Amounts in $000's)
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
2019
2020
2021
2022
2023


Stormwater Capital Reserve
2019 to 2023
(Amounts in $000's)
$1,200
$1,000
$800
$600
$400
$200
$0
2019
2020
2021
2022
2023

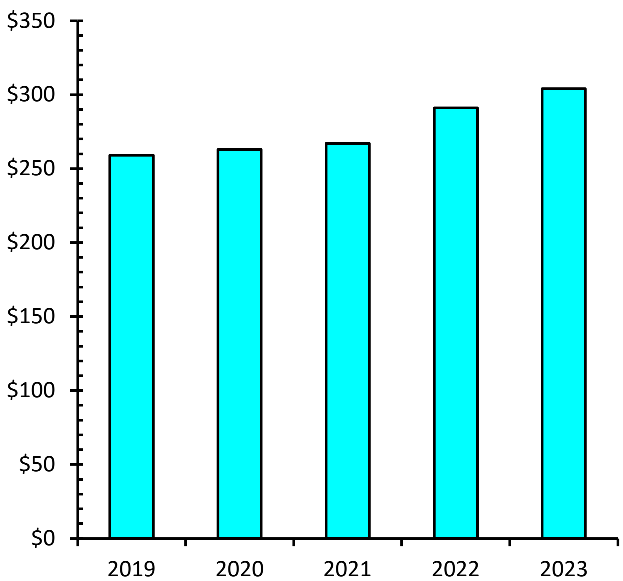
Fire Capital Reserve
2019 to 2023
(Amounts in $000's)



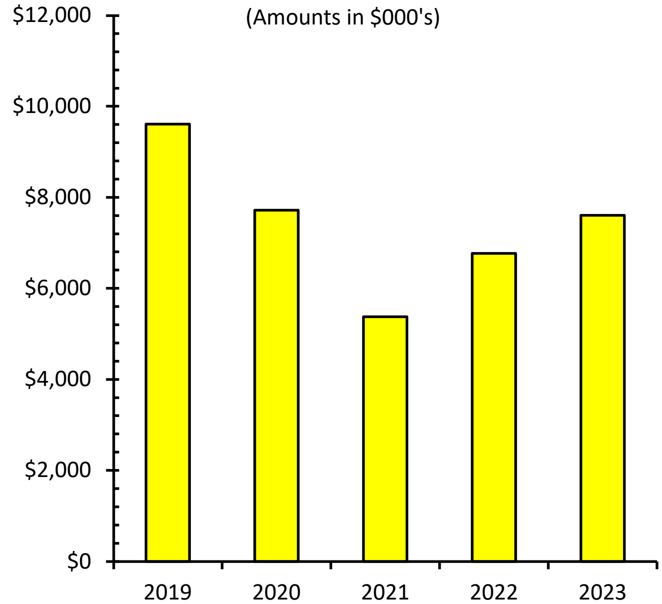
Local Area Service Reserve
2019 to 2023
(Amounts in $000's)



Tax Sale Reserve
2019 to 2023
(Amounts in $000's)



Debt Reserve
2019 to 2023
(Amounts in $000's)



GROWING COMMUNITIES FUND

For the year ended December 31, 2023 *(in thousands of dollars)*

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The Township received $24,306 of GCF funding in March 2023. The grant was partially drawn in 2023 as shown in the schedule below:

Growing Communities Fund		**2023**
Balance, beginning of year	$	-
GCF Grant Received		24,306
Interest Income Allocated		479
Eligible costs incurred		
Langley Events Center - Ice and Dry Arenas Facility		(1,576)
Willoughby Community Park - Bocce Court Covers		(151)
Balance, end of year	**$**	**23,058**

metrovancouver
SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Harji Varn, General Manager, Financial Services
Chief Financial Officer

Date: December 12, 2024 Meeting Date: January 16, 2025

Subject: **Manager's Report**

RECOMMENDATION
That the Finance Committee receive for information the report dated December 12, 2024, titled "Manager's Report".

2024 Financial Forecast – Interest Surplus & Policy for Allocation of the Surplus
Under Metro Vancouver's Financial Management Policy, long-term borrowing is used as required to fund approved actual capital expenditures. As a result, due to forecasted capital expenditures of approximately 70% of the planned annual capital expenditures of $1.4B, Metro Vancouver borrowed $350.0M in 2024 versus $482.0M targeted in the budget. This results in lower debt servicing costs anticipated at $1.9M in GVS&DD and $1.2M in GVWD, contributing to the overall forecasted operating surplus of $8.0M, presented in the November 13, 2024, Finance Committee report titled "Metro Vancouver's 2024 Financial Performance Report". Of note, although there is an unplanned surplus due to less than planned borrowing in a given year, the borrowing will still be incurred in the future as the capital programs still require the funds to complete the projects, therefore being more of timing of spend variance vs a real savings. The surplus will go back to either fund the capital expenditures or pay down any existing debt and or move into a reserve to offset future funding needs in accordance with Metro Vancouver's Board approved Operating, Discretionary and Statutory Reserve Policy.

In accordance with the Board approved Metro Vancouver's Operating, Discretionary and Statutory Reserve Policy, the appropriation of each entity's annual operating surplus is transferred to its specific operating reserve. Provided operating reserves meet the minimum balances as established under policy and all requirements for Statutory Reserves and Discretionary Reserves are met, any annual surplus remaining will be utilized in accordance with the following priority sequence:

i. Fund capital expenditures or pay down existing debt. This is consistent with debt avoidance and the mitigation of future financial obligations

ii. Fund one-time expenditures. This includes but is not limited to funding equipment purchases and consulting initiatives and projects.

iii. Rate stabilization for a legal entity or statutory function. This involves smoothing out utility rates, levies or tax requisitions resulting from operating budget expenditures.