

**FINANCE COMMITTEE
RECOMMENDATION INDEX
Tuesday, November 4, 2003**

3.2 Proposed 2004 Financial Plan

3.2.1. Expenditures

It was Moved by Mayor McCallum
Seconded by Councillor Watts
That Council approve ongoing expenditure increases for 2004 as approved by Council as part of the 2003 Five-Year Financial Planning process:

• Annualization of 20 police officers added in 2003	\$1.300M
• Annualization of 8 fire-fighters added in 2003	0.280M
• Full year costs for Semiahmoo Library Operations (\$500K in 2003)	0.865M
• 20 new police officers to begin July /04	1.300M
• 8 new fire-fighters to begin July/04	0.280M
• Provision for labour (City, Library, Fire & RCMP (and other third party increases such as Teresan, Hydro and fuel)	5.250M
• Provision for City wide inventory and other increases	<u>0.500M</u>
	\$9.875M

Carried

Additional Expenditure Increases or Revenue Reductions for 2004:

It was Moved by Councillor Higginbotham
Seconded by Councillor Watts
That Council approve additional expenditure increases or revenue reductions for 2004 as identified by senior staff during the 2004 financial planning process:

• Loss of funding from the Province (recovery of the cost to keep Provincial prisoners and to serve documents to citizens)	\$0.200M
• Ongoing new PRC programs as part of Whalley Initiative	0.100M
• Additional Civic/City staff for RCMP	0.150M
• Additional Funding for Auxiliary Policing	0.050M
• Increase RCMP overtime allowance (from \$1.6M to \$1.7M)	0.100M
• Annual Children's Festival (proposed new initiative)	<u>0.050M</u>
	<u>\$0.650M</u>

TOTAL Expenditure Increases \$10.525M

Carried

3.3. Proposed 2005 - 2008 General Operating Financial Plan

It was Moved by Mayor McCallum
Seconded by Councillor Steele
That the Committee recommends that proposed 2005-2008 General Operating Financial Plan be approved, which would exclude the following in order to complete the remaining

five years of the plan:

- 2.9% Property tax increase per year;
- Cross the board inflationary fee increases;
- 20 additional RCMP officers for each for 2005/06 and 15 additional officers for each of 2007/08. This places the number of citizens/officer at 775 for 2004 as compared to about 900/officer 2 years ago. By 2008 this will be further reduced to 750/officer based on projected population figures.
- 8 additional fire-fighters in 2005 and 2006;
- Operating costs for new facilities identified in the Capital Plan;
- Allowances for essential labour contract, inventory and inflation, and
- Continued one-time use of Surplus up to \$2.9M.

Carried

4.3 Proposed 2004 Capital Projects

It was Moved by Councillor Higginbotham
Seconded by Councillor Steele
That the Committee recommends adoption of the Proposed 2004 Capital Projects as presented in the 2004 Five-Year Financial Plan minutes, and attached as Appendix 1 to the minutes.

It was Moved by Mayor McCallum
Seconded by Councillor Watts
That the Committee recommends that the motion recommending adoption of the Proposed 2004 Capital Projects be amended by moving the proposed Guildford Recreation Centre swimming pool forward as a line item for 2006, increase its size to 50 meters, and list this item as "unfunded".

Carried

The main motion was then put and:-

Carried

It was Moved by Councillor Villeneuve
Seconded by Mayor McCallum
That a letter be forwarded to the Province, under the Mayor's signature, requesting that local governments receive their share of traffic fine reimbursements.

Carried

Section 5.0 Utilities

5.1 2004 Water Utility Rates

It was Moved by Mayor McCallum
Seconded by Councillor Steele
That the Committee recommends adoption of an increase in the 2004 Water Utility Rates for metered rate by 2.66 cents in line with the GVRD increase of the cost of water; and further that the flat water rate be approved as follows:

	2003	2004	Increase
Single Family	\$220	\$236	\$16
Multi-Family	\$200	\$214	\$14

Carried

5.2 2004 Sewer/Drainage Utility Rates

It was Moved by Councillor Higginbotham
 Seconded by Councillor Steele
 That the Committee recommends adoption of an increase in metered sewer rate from 50 cents to 56 cents per cubic meter and to increase the Drainage Tax from \$145.00 to \$150.00 per parcel representing an overall 7.90% increases, and further, that the flat sewer rates be approved as follows:

	2003	2004	Increase
Single Family	\$207	\$232	\$25
Strata Multi-Family	\$154	\$177	\$23

Carried

5.3 2004 Solid Waste Rates

It was Moved by Councillor Tymoschuk
 Seconded by Councillor Steele
 That the Committee recommends that Council adopt an increase to the 2004 Solid Waste Rates by \$3.00 for a single-family dwelling, representing a 1.69% increase.

The proposed residential rates for Solid Waste are as follows:

	From:	To:	Change	% Increase
Single Family	\$177.00	\$180.00	\$ 3.00	1.69%
Secondary Suite	\$ 88.50	\$ 90.00	\$ 1.50	1.69%

Carried

It was Moved by Councillor Watts
 Seconded by Councillor Steele
 That the Committee recommends that Council receive Corporate Report No. F012 - Five-Year Financial Plan (2004 - 2008).

Carried

City of Surrey

Finance Committee

Minutes

Council Chamber
 City Hall
 14245 - 56 Avenue
 Surrey, B.C.
TUESDAY, NOVEMBER 4, 2003
 Time: 1:02 p.m.

Present:

Councillor Hunt - Chair
 Mayor McCallum
 Councillor Villeneuve
 Councillor Tymoschuk
 Councillor Steele
 Councillor Higginbotham

Councillors Entering Meeting in Progress:

Councillor Priddy
 Councillor Watts
 Councillor Bose

Staff Present:

City Manager
 General Manager, Engineering
 General Manager, Finance, Technology and HR
 General Manager, Planning & Development
 A.Commr. Surrey RCMP Detachment
 Manager, Parks
 Fire Chief
 Chief Librarian
 City Clerk

A. CORPORATE REPORTS

1. The Corporate Report, under date of November 4, 2003, was considered and dealt with as follows:

Item No. F012 2004 Five-Year Financial Plan (2004 - 2008)
File: 0270/1 - 2004

The City Manager, and the General Manager, Finance, Technology & Human Resources submitted a report concerning the 2004 Five Year Financial Plan.

The City Manager, and the General Manager, Finance, Technology & Human Resources were recommending approval of the recommendations outlined in their report.

The General Manager, Finance, Technology & Human Resources reviewed the proposed 2004 Five-Year Financial Plan and noted the plan was prepared using the following information:

- 2003 Financial Plan as adopted by Council;
- 2.9% property tax increase, consistent with last year's plan;
- 2% increase cross the board fee increase or equivalent revenue increase;
- 20 new police officers starting July 04;
- 8 new fire fighters starting July 04;
- Full year impact of operating costs of Semiahmoo Library which opened halfway through the year 2003, indicating in 2004 the full year impact of library;
- Labour contract increases for CUPE, RCMP, Fire, Library and exempt staff;
- Third party contracts such as B.C. Hydro, Terasen, and others;
- Maintaining 2003 level of contributions to Capital of \$5.2M;
- Use of one time surplus of \$2.9M consistent with the previous year.

The General Manager, Finance, Technology and HR provided an update with respect to the 2003 Financial Plan resulting from the third quarterly financial report that went to Council:

- That a one time savings of 4.9% over and above the savings identified in the 1st and 2nd quarters;
- That 2.9% of that 4.9% increase was used in order to avoid a budgeted transfer from surplus;
- Payment of \$600,000 for RCMP vehicles and other overtime needs for 2003;
- That a further \$1.5M be contributed to 2004 Capital Program

She continued that the proposed 2004 Financial Plan Expenditures include:

- Annualization of 20 officers added in 2003;
- Annualization of 8 fire-fighters added in 2003;
- Full year cost of Semiahmoo Public Library operations;
- Total Operating cost of Library \$1.365M in 2003 (added \$500,000 in 2003 and \$865,000 in 2004);
- Addition of 20 new police officers and 8 new fire-fighters as well as provisions for labour increases and third party increases;
- Provision for city-wide inventory increases in Engineering Operations, Parks, Recreation & Culture Department and other areas needing increases due to growth; and
- Total expenditures amount to \$9,875,000M.

The General Manager, Finance, Technology and HR stated that, over and above those expenditures, the following additional needs/concerns have been identified:

- That there will be a loss of funding from the province to recover costs for the keep of provincial prisoners and serving legal documents to citizens. Although the budget allows for lower recovery from the province for the keep of prisoners, at this point, the City has received 1/4 funding for the year in line with what the City has received in previous years. At this point in time, there is no impact, but this may change once final numbers are received.
- That an increase be provided for ongoing Parks, Recreation & Culture programs as part of the Whalley Initiative in the amount of \$100,000;

- Additional City and Civic staff at the RCMP;
- Additional funding for auxiliary police;
- Increased RCMP overtime allowance from \$1.6M to \$1.7M;
- Annual Children's Festival;
- Total new initiatives amount to \$650,000 - total proposed expenditures equal \$10,525,000.

The General Manager, Finance, Technology and HR continued:

- Revenue increases identified are estimated property tax revenues related to new growth (\$4.2M)
- proposed 2.9% property tax increase calculating out to \$4.1M.
- 2% cross-the-board fee increase or equivalent revenue increases totaling \$1,125,000 for a total of \$9,425,000.

It was noted that staff have also identified other savings or other revenues such as more aggressive billing of false alarms and some shared services with neighbouring municipalities with the expectation of collecting an additional \$500,000 of revenues.

In addition, some departments have realized some cost reductions as a result of restructuring of vacant positions over 2002-2003. Those dollars would be removed from department budgets as follows:

- Engineering: \$250,000
- Parks, Recreation & Culture: \$200,000
- Fire Services: \$50,000
- City Manager's: \$40,000
- Finance, Technology and H/R: \$20,000.

The General Manager, Finance, Technology and HR summarized that the overall revenue increases and cost savings amount to \$10,525,000, equaling the proposed expenditure increases, and that \$2.9M of surplus budgeted in 2004 is consistent with 2003 would still be required.

There are four remaining years for the general operating plan and the following initiatives are proposed to build up the plan:

- Continuation of 2.9% property tax for each year;
- 2% cross the board inflationary increase;

in order to provide:

- 20 additional RCMP officers in 2005/06; reducing the citizens/officer ratio from 900/1 in 2001 down to 750/1 by the end of 2008.
- 8 additional fire-fighters in 2005/06;
- operating costs for new facilities as identified in the proposed Capital Plan;
- allowances for essential labour contract, inflationary and inventory increases as well as a one-time surplus up to \$2.9M.

The Five Year Financial Plan has been prepared based on assumptions the summary of the Plan is located in Appendix "A".

Councillor Villeneuve requested the amount of savings for 2003 Operations to which the response was a total projected savings of \$14M.

Councillor Villeneuve then asked for clarification regarding keep of prisoners and serving of documents to citizens. The General Manager, Finance, Technology and H/R noted that the RCMP serves legal documents to citizens such as subpoenas and summons, and the City is reimbursed by the province for that service based on a cost of \$25.00 per document. There are some prisoners kept at the RCMP Detachment that are provincial prisoners and for this service, the City receives funding from the province. The province will no longer

provide funding for this service, however the City has received a quarter of that funding to date.

The City Manager noted that over time, the City will know whether there is an actual reduction in revenues in 2004 over and above what was seen in 2003 or whether the amounts would stay the same. Should the province give us dollar volume as first quarter, the City will come out at the same level as 2003, however, this assumption will no longer be valid.

The statement was made that the province is reducing the amount of monies paid for the keep of prisoners by 50% over 2 years and recently sent out a bulletin to each jurisdiction indicating last year's payments and the projected current year's payments. Depending on individual municipality billing processes, jurisdictions may receive more money if they previously under-billed the province.

In response to a question regarding the projected ratio of number of police officers per citizen, the statement was made that the number of police officers will be increased to keep up with population growth (from 900/1 in 2001 to 750/1 in 2008).

Continuing with the discussion regarding the ratio of police officers per citizens, the statement was made that the rate of increase in the number of officers has been higher than normal and that in 2002, Council added an additional 20 officers over the 20 previously approved in the 2003 base line budget. The number of police officers is divided by the current population of 370,000, for a ratio of 775/1. To provide figures encompassing future growth, estimated population increase of 10,000 per year is added to the number of officers for a ratio of 750/1 in 2008.

In response to a question regarding labour negotiations and contract settlements in neighbouring municipalities, the statement was made that some union negotiations have been completed, therefore the increases are known and allowances have been made for projected settlements based on past experiences.

In response to a question regarding the allocation of \$150,000 for new civic/city staff for the RCMP, the comment was made that Council approved generic increases of 20 police officers or equivalent resulting in the addition of new staff deployed into civic positions and the remainder deployed as uniformed officers.

The statement was made that there are a number of improvements this budget would bring about such as improving levels of police and fire fighting services, new capital projects, operation and construction of new facilities in 2004 to meet the needs of Surrey. The goal is to provide the same or better levels of services as in the past, however, there may be fewer services available than in the recent past.

The issue of fixed dates used in the budget was raised and it was noted that in the past, Council has adopted a budget with fixed dates and the advancement of these dates by staff, based on priorities of actual expenditures against budget.

The statement was made that the RCMP already deploys a flexible approach to bring about the numbers of recruits faster and more feasibly, and A/Commr. Forbes noted that the RCMP has developed a new vision with the City Manager and the General Manager, Finance, Technology and HR to work within the budget Finance has provided.

The comment was made that in addition to the increase in RCMP officers approved in the Five Year Financial Plan last year; 3 equivalent civic staff positions have been added, translating into a 2.5% increase to existing civic staff complement to the RCMP.

A/Commr. Forbes commented that his goal is to ensure police officers are out on the streets performing policing duties and that the initiative of delegating duties that can be handled by non-police or civic staff, has been highly successful.

Comments were made regarding an increase from \$125,000 last year to \$130,000 this year for RCMP costs to include labour increases, contracted increases, vehicles, etc. It was noted that additional funding would also go to hiring 20 more auxiliary policing ensuring a maximum on-street presence and a vehicle for transportation purposes. The statement was made that currently there are 43 auxiliary police officers, that active recruiting for another 20 is ongoing, and long- term plans project a complement of 100 auxiliary officers.

The statement was made that the province had indicated it would provide funding when downloading any provincial responsibilities to municipalities.

Concerns were raised with respect to Parks, Recreation and Culture program fee structures keeping up with inflationary demands and that a 2.9% increase in programs could be supported.

The City Manager noted that the component to which this 2% cross the board applies is almost entirely for services provided on a long term fee-for-service basis for most part development component such as Planning and Development building application fees and Engineering development fees.

The City Manager noted that in his experience, the "big ticket" second component has to do with Parks, Recreation & Culture program fees fee-for-service revenues which are not specifically offered to the citizens at large as they don't all engage in those activities, however, they are appropriately in the right category of user pay. He noted, however, relating to a property tax increase component, this has to be done on a larger basis, because the total fees generated by the City is approximately \$20M± on those two components, and to provide a reference, a 1% property tax increase on existing 2003 base generates \$1.3M±.

Councillor Bose asked the question of whether the RCMP contract requires Council resolution for authorization of staffing complement, to which the City Manager responded that he had been informed that a letter from the Mayor or City Manager would allow the RCMP system to begin the process of recruitment for the level of positions requested. He continued that as part of this budget process it will be in order for staff to seek Council resolution approval for adding 35 RCMP officers without the accompanying budgetary complement.

Councillor Watts asked if the dates for providing RCMP and fire-fighting staff as stated under Section 3.2.1 could be removed and hiring be carried out as needed. She asked if this would significantly impact the year's budget if the timelines were varied. The City Manager commented that the impact is annualized in the years to follow so no impact in future years can impact in current year 2004. He noted, however, that if Council chooses, the date could be removed in which case an earlier date could be exercised without exceeding the budget and the second option would be to advance the date correspondingly increasing the budget.

A/Commr. Forbes noted that the process for recruiting involves having a letter from the municipality each year requesting staffing increases as part of the annual reference update. He noted that this process has been followed by Surrey, by forwarding those letters in advance as it takes about 18 months from time of authority to hire, train and deliver a recruit to the front end. As a result of this timeline, Surrey looks at ways of advancing that timeline and has given notification for 2005. He continued that prior to April 1, 2005, the RCMP would have people in depot ready to be delivered within a 65-day window in 2005. He added that that is a positive process and starts as soon as the formal levels of government agree. He explained that once the RCMP receives the letter from the City, it is then forwarded to the Province, then to the Solicitor General of Canada, for action.

Councillor Watts questioned the funding source in terms of the Annual Children's Festival (\$50,000). The City Manager noted that there was a need identified, and approved by the Parks, Recreation & Culture Commission, to suggest this is a worthwhile activity and is offered as a new service. He added that the overall budget is estimated to be between \$105,000 to \$110,000 per year. It is anticipated that half the money would be put aside this year and followed with the balance in 2005 so that this activity can take place in 2005.

The suggestion was made to take this out of Council initiatives to which the response was in the negative in that it is proposed as an ongoing activity.

The Manager, Parks noted that the idea for a Children's Festival was raised at a Parks, Recreation & Culture Retreat and approved by the Commission as a priority

The suggestion was made to have parking commissionaires deliver legal documents to citizens and the comment was made by A/Commr. Forbes that the province is currently debating a similar proposal to improve cost effectiveness in the delivery of this service.

Relative to Parks, Recreation & Culture program fees, the comment was made that the criteria for increasing fees is not just based on inflationary increases but also considers averaging of all other fees in the region in

order to remain competitive.

Discussion ensued with respect to RCMP overtime and A/Commr. Forbes noted that the RCMP continually endeavours to not use overtime funding, however, there are times such as court duty, callbacks, and ongoing investigations when these funds must be utilized.

The statement was made that there was an under-expenditure of \$14M, significantly coming from the RCMP contract of approximately \$6M; the next significant under-expenditure is from additional revenues and collection of savings within different departments outside the RCMP.

It was noted that the direction to departments is not to decrease service levels, however, savings have been realized through vacancy management by delaying vacancy filling and it was pointed out there is always some time lapse when a person leaves a position to the time a new person is hired which contributes to under-expenditures.

Councillor Villeneuve noted the decrease in staffing levels in the Parks, Recreation & Culture Department from 120 employees in the early 1990's to 85 employees while park acquisition has doubled in inventory.

The statement was made that it is true that the City of Surrey has good staff whose commitment and innovation allows the City to keep track of meeting the demands of increased levels of service. It was noted that servicing newly acquired parks is provided outside the Parks, Recreation & Culture budget. In addition, it was added that grass cutting is outsourced resulting in the need for fewer in-house staff.

A/Commr. Forbes noted that over the last year, the RCMP has moved from temporary, casual employees into hiring full time staff. He noted this budget added an additional 3 or 4 staff to address the number of staff working full time hours. He added that some vacancies had been filled to address some of the problems and that there is only a 5% vacancy pattern as compared to last year's vacancy rate of 22%. In addition, he noted, that actions to fill other vacancies are currently underway.

The suggestion was raised to take out statutory holidays from the RCMP overtime budget as this amount should not be mixed in with salaries.

3.2 Proposed 2004 Financial Plan

3.2.1. Expenditures

It was
 Moved by Mayor McCallum
 Seconded by Councillor Watts
 That Council approve ongoing expenditure increases for 2004 as approved by Council as part of the 2003 Five-Year Financial Planning process:

• Annualization of 20 police officers added in 2003	\$1.300M
• Annualization of 8 fire-fighters added in 2003	0.280M
• Full year costs for Semiahmoo Library Operations (\$500K in 2003)	0.865M
• 20 new police officers to begin July /04	1.300M
• 8 new fire-fighters to begin July/04	0.280M
• Provision for labour (City, Library, Fire & RCMP) (and other third party increases such as Teresan, Hydro and fuel)	5.250M
• Provision for City wide inventory and other increases	<u>0.500M</u>
	\$9.875M

Carried

Additional Expenditure Increases or Revenue Reductions for 2004:

It was
 Moved by Councillor Higginbotham

Seconded by Councillor Watts
That Council approve additional expenditure increases or revenue reductions for 2004 as identified by senior staff during the 2004 financial planning process:

• Loss of funding from the Province (recovery of the cost to keep Provincial prisoners and to serve documents to citizens)	\$0.200M
• Ongoing new PRC programs as part of Whalley Initiative	0.100M
• Additional Civic/City staff for RCMP	0.150M
• Additional Funding for Auxiliary Policing	0.050M
• Increase RCMP overtime allowance (from \$1.6M to \$1.7M)	0.100M
• Annual Children's Festival (proposed new initiative)	<u>0.050M</u>
	<u>\$0.650M</u>
TOTAL Expenditure Increases	\$10.525M
<u>Carried</u>	

3.3. Proposed 2005 - 2008 General Operating Financial Plan

It was Moved by Mayor McCallum
Seconded by Councillor Steele
That the Committee recommends that proposed 2005-2008 General Operating Financial Plan be approved, which would exclude the following in order to complete the remaining five years of the plan:

- 2.9% Property tax increase per year;
- Cross the board inflationary fee increases;
- 20 additional RCMP officers for each for 2005/06 and 15 additional officers for each of 2007/08. This places the number of citizens/officer at 775 for 2004 as compared to about 900/officer 2 years ago. By 2008 this will be further reduced to 750/officer based on projected population figures.
- 8 additional fire-fighters in 2005 and 2006;
- Operating costs for new facilities identified in the Capital Plan;
- Allowances for essential labour contract, inventory and inflation, and
- Continued one-time use of Surplus up to \$2.9M.

Carried

The comment was made that it is prudent and standard financial planning practice to provide an expenditure buffer to deal with unpredictable costs

Councillor Bose noted that public safety issues have been dealt with fairly aggressively and gave his concerns regarding under-funding of road rehabilitation and street sweeping programs. He asked the question as to whether an assessment was in progress to determine current road conditions in the city. The City Manager responded that a pavement management system is in place to determine the current needs in order to make recommendations in terms of expenditure in the next few years.

The General Manager, Engineering, commented that pavement testing is underway on major roads and a report is forthcoming, and that based on management system and current levels of spending on major roads, the City is keeping up with the situation. He continued that the City receives funding from the GVTA and general revenue funding for some associated works with road widening. Councillor Bose noted Harvey Road, 40 Avenue, and Crescent Road are approaching a critical stage.

4.3 Proposed 2004 Capital Projects

Councillor Hunt left the meeting at 3:27 p.m. and Councillor Tymoschuk assumed the Chair.

The General Manager, Finance, Technology and HR provided background information relative to the proposed 2004 Capital Projects and it was noted that funding for this category totals \$22.22M.

Councillor Hunt returned to the meeting at 3:30 p.m. and assumed the Chair.

General discussion ensued with respect to funding for 2004 Capital Projects, particularly with reference to funding for Fire Hall No. 10 and the proposed swimming pool for the Guildford Recreation Centre.

A/Commr. Forbes commented on plans to expand the following RCMP offices as follows:

- Surrey RCMP Detachment headquarters to accommodate increasing staffing levels and provide multi-use space;
- Whalley District Office to accommodate increased staff, auxiliary, and volunteer levels.
- Cloverdale District Office to prepare for a projected 210% increase in population.

Comments were made about the unsatisfactory state of the washrooms and change rooms at the South Surrey swimming pool.

It was Moved by Councillor Higginbotham
Seconded by Councillor Steele
That the Committee recommends adoption of the Proposed 2004 Capital Projects as presented in the 2004 Five-Year Financial Plan minutes, and attached as Appendix 1 to the minutes.

It was Moved by Mayor McCallum
Seconded by Councillor Watts
That the Committee recommends that the motion recommending adoption of the Proposed 2004 Capital Projects be amended by moving the proposed Guildford Recreation Centre swimming pool forward as a line item for 2006, increase its size to 50 meters, and list this item as "unfunded".

Carried

The main motion was then put and:-

Carried

It was Moved by Councillor Villeneuve
Seconded by Mayor McCallum
That a letter be forwarded to the Province, under the Mayor's signature, requesting that local governments receive their share of traffic fine reimbursements.

Carried

Section 5.0 Utilities

5.1 2004 Water Utility Rates

The General Manager, Finance, Technology and HR noted the City is proposing to increase the metered rate by 2.66 cents in line with the GVRD proposed increase of the cost of water by 2.66 cents, increasing the rate from 37.00 cents to 39.66 cents per cubic meter for the following reasons:

- Proposed 13.5% increase in Surrey's GVRD rates for water costs. This increase is primarily driven by the filtration facilities for Capilano and Seymour reservoirs;
- Contractual labour and energy cost increases; and

- Fifth Year of the 10-Year Residential Meter Program.

It was Moved by Mayor McCallum
Seconded by Councillor Steele

That the Committee recommends adoption of an increase in the 2004 Water Utility Rates for metered rate by 2.66 cents in line with the GVRD increase of the cost of water; and further that the flat water rate be approved as follows:

	2003	2004	Increase
Single Family	\$220	\$236	\$16
Multi-Family	\$200	\$214	\$14

Carried

5.2 2004 Sewer/Drainage Utility Rates

The General Manager, Finance, Technology and HR commented that it is proposed to increase the metered sewer rate from 50 cents to 56 cents per cubic meter and increase the Drainage Tax from \$145.00 to \$150.00 per parcel for the following reasons:

- Proposed increase of \$2.558 million in Surrey's GVS&DD levy rates which is equivalent to 13.0% or \$27.00 per household;
- Contractual labour and energy cost increases; and
- Streamlining of the fee structure.

It was Moved by Councillor Higginbotham
Seconded by Councillor Steele

That the Committee recommends adoption of an increase in metered sewer rate from 50 cents to 56 cents per cubic meter and to increase the Drainage Tax from \$145.00 to \$150.00 per parcel representing an overall 7.90% increases, and further, that the flat sewer rates be approved as follows:

	2003	2004	Increase
Single Family	\$207	\$232	\$25
Strata Multi-Family	\$154	\$177	\$23

Carried

5.3 2004 Solid Waste Rates

The General Manager, Finance, Technology and HR noted that Surrey's transfer station will open in 2004 resulting in a savings to Surrey residents of \$170,000 in extra hauling costs related to the transportation of garbage.

It was Moved by Councillor Tymoschuk
Seconded by Councillor Steele

That the Committee recommends that Council adopt an increase to the 2004 Solid Waste Rates by \$3.00 for a single-family dwelling, representing a 1.69% increase.

The proposed residential rates for Solid Waste are as follows:

	From:	To:	Change	% Increase
Single Family	\$177.00	\$180.00	\$ 3.00	1.69%
Secondary Suite	\$ 88.50	\$ 90.00	\$ 1.50	1.69%

Carried

5.4 Proposed 2005 - 2008 Utility Rate Increases

It is proposed that the following metered rate increases would be required:

	Water	Sewer	Drainage	Solid Waste	Total	Increase	%
2004	\$218.60	\$179.20	\$150.00	\$180.00	\$727.80	\$ 37.80	5.48%
2005	\$227.50	\$200.00	\$155.00	\$183.00	\$765.50	\$ 37.70	5.18%
2006	\$236.00	\$221.00	\$160.00	\$186.00	\$803.00	\$ 37.50	4.90%
2007	\$244.50	\$242.00	\$165.00	\$189.00	\$840.50	\$ 37.50	4.67%
2008	\$253.00	\$263.00	\$170.00	\$192.00	\$878.00	\$ 37.50	4.29%

*Note: The above are metered rates and based on an average water consumption of 400 cubic meters per year. It is proposed that flat rates will also increase each year by the same percentage.

Councillor Hunt left the meeting at 4:33 p.m. and Councillor Tymoschuk assumed the Chair.

B. PUBLIC INPUT

Barb Paton, 3417 - 148 Street, was present to comment that she would like to see increased funding for traffic calming measures and sidewalks to encourage people to walk. Staff, through the Chair, noted that there were existing funds for traffic calming and sidewalks. In addition, it was noted that Council has approved additional funding for traffic calming and evaluation of criteria, and that there are local improvement programs where neighbourhoods can vote to have sidewalks added as wished.

Councillor Hunt returned to the meeting at 4:35 p.m. and assumed the Chair.

Ms. Paton commented that new chairs in Council Chambers would be appreciated.

In response to a question of what percentage of money for parks acquisition and development goes for actual development, 5% of Development Cost Charges collected goes to park development as legislated by the Province.

Ms. Paton asked about funding to acquire land, in particular, the Grandview Heights area. She noted that the South Surrey Town Centre is getting too large and that it is time that Council looked at dividing the area into two town centres. She suggested creating the second town center in the area east of the freeway in South Surrey and noted that if the Grandview Heights area were to be opened up, there would be a lack of facilities in that area. She noted that South Surrey should be the "Peninsula" and the other side called "South Surrey".

Ms. Paton noted that she had commented at a recent Surrey Heritage Advisory Commission meeting on a report outlining the cultural facilities in Surrey and new forum for input into looking at what is there and what needs to be there. She continued that the report refers to adequate funding which she has difficulty with in that many new buildings are too grandiose in size and have to be cut back because of a lack of funding.

It was
 Moved by Councillor Watts
 Seconded by Councillor Steele
 That the Committee recommends that Council receive Corporate Report
 No. F012 - Five-Year Financial Plan (2004 - 2008).
Carried

C. OTHER COMPETENT BUSINESS

D. ADJOURNMENT

It was
 Moved by Councillor Watts
 Seconded by Councillor Steele
 That the Finance Committee meeting do now adjourn.

Carried

The Finance Committee adjourned at 4:38 p.m.

Chairperson