



City of Surrey

Finance Committee

Minutes

Council Chamber
City Hall
14245 - 56 Avenue
Surrey, B.C.
TUESDAY, JANUARY 10, 2006
Time: 4:00 p.m.

Present:

Councillor Hunt - Chair
Mayor Watts
Councillor Gill
Councillor Hepner
Councillor Steele
Councillor Villeneuve

Absent:

Councillor Bose
Councillor Higginbotham
Councillor Martin

Staff Present:

City Manager
General Manager, Finance, Technology & HR
City Clerk
General Manager, Engineering
General Manager, Planning & Development
General Manager, Parks, Recreation & Culture
City Solicitor
Chief Superintendent, Surrey RCMP
Manager, Parks
Chief Librarian
Fire Chief Garis

A. CORPORATE REPORTS

1. The Corporate Reports, under date of January 10, 2006, were considered and dealt with as follows:

Item No. F001A 2006 Financial Planning Process – Part I
(General Operating)
File: 1705-06

The City Manager, and the General Manager, Finance, Technology & Human Resources submitted a report concerning the 2006 Financial Planning Process - Part 1 (General Operating).

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

The General Manager, Finance, Technology & Human Resources provided the following comments:

Safe Community:

- The report focuses on five Council priorities based on “Safe Community”.

Police Services:

- In July/05 Council approved an additional 20 officers to start October 1, 2005 for a total of 552 officers or a ratio of 1 officer per 725 citizens.
- The recommendation is to approve 18 additional officers for 2006 bringing the total number of officers to 570 or 1 officer per 720 citizens.

- Of the proposed total of 570 officers, 55 officers are currently unfunded. Based on actual activities over the past ten years, it would be reasonable to maintain budgeted vacancy rates of 10% as has been taking place.
- In order to support the additional officers, \$850,000 or approximately 17 full time equivalent positions to civilian staff are recommended.
- In 2005, \$700,000 was set aside for expansion of the Whalley District Office.
- The RCMP would prefer to have a sub-detachment in North Surrey.
- It is now recommended that this be reallocated to help fund a sub-detachment located in the North Surrey area.
- It is recommended that 2005 RCMP operating savings of approximately \$2.5M be allocated to the project allowing for relocation of some centralized services to the sub-detachment.
- The building will cost more, but at this point the total costs are not known, but will address shortfall at that time.

Fire Services:

- With respect to Fire Services, Council is requested to approve funding by April 1 rather than July 1, 2006 amounting to an additional \$183,000 for 2006.
- In 2005, Fire Operations savings of approximately \$1 Million is recommended to go to the replacement of Fire Hall No. 10 to offset additional construction costs.

By-law Enforcement:

- Relative to By-law Enforcement, the 2005 Financial Plan requested one additional by-law officer per year.
- Since that time, a report to Council in 2005 requested additional by-law officers dedicated to Tree Enforcement in 2006, therefore it is recommended that a total of 2 bylaw enforcement officers be added for 2006.

Roads and Traffic:

- In Roads and Traffic area, Council's priority focused on DCC construction to optimize the road capacity as well as to provide safety and security issues. There is \$19 Million dedicated to DCC program for 2006.
- Non-DCC related works totaling \$9.3 Million is dedicated to work such as traffic calming, bridge replacement and sidewalks.
- Funding has also been received from other authorities such as TransLink, ICBC, and the Province in the amount of \$17.6M for 2006 go to various road projects.
- Other federal and provincial projects are underway in Surrey, and include major upgrades to Highway No. 10, Highway No. 15, and widening of Fraser Highway, construction to be completed in 2007.

Social Well Being for Surrey Residents:

- It is recommended to increase funding to \$300,000 dollars in 2006.
- In addition to this, funding of the following initiatives be added to the Social Wellbeing Plan:
 - Social Planner;
 - Late night recreation programming for youth in the Parks, Recreation & Culture Department.
 - Sunday openings of libraries for half a year;

- Youth Services Librarian;
- Multilingual Services Librarian; and
- Additional security services at various locations.
- Total funding for the Social Wellbeing Plan would be \$580,000.

City Center Development:

- The report provides a review of the City Centre Enhancement Strategy adopted by Council in 2005 under Corporate Report No. R196.
- Several recommendations in the Corporate Report included requesting approval to the province for special DCC rates for that area continuing for two years.
- The City Centre Development Strategy explains two additional major strategies to be presented to Council within the next one to two months:
 - Surrey City Centre Urban Agreement; and
 - Development Corporation Concept for City Centre.

Protection of the Environment:

- Funding related to programs initiated in 2005 have been included in the Draft Five Year Financial Plan as presented even though final By-laws have yet to be adopted by Council.
- The Environmental Stewardship Program has been established to provide year round opportunities for community environmental programs, building on the Salmon Habitat and Restoration Program (SHaRP).
- This program will provide opportunities for youth employment, education on environmental matters and enhance capacity of the city to partner with community organizations for environmental stewardship projects.

Green City Program:

- This program is a sustainable tree planting and management program providing additional emphasis on augmenting the City's tree inventory.
- Several initiatives were outlined include the establishment of a Tree Administrator position and the addition of a By-law Enforcement Officer position.
- Additional fees, increases and ongoing contributions to a City Reserve Fund are required to fund this ongoing program.

During discussion of the operating budget, the Committee members asked that a separate Human Resources Department headed by a General Manager be established.

It was

Moved by Councillor Hepner
 Seconded by Councillor Gill
 That Council:

- (a) Approve the recommendations outlined in Section 3.0 of this report, and
- (b) Direct Staff to prepare the 2006 Five Year Financial Plan that incorporates these recommendations.

Before the question on the main motion was called:-

It was Moved by Councillor Steele
Seconded by Councillor Hepner
That the above motion be amended by
including the elimination of the Communications Officer position and distributing
the available funding to the Mayor's Office (\$16,000) and to each of the
Councillors (\$8,000).

Carried with Councillor Villeneuve against

It was Moved by Councillor Steele
Seconded by Councillor Hepner
That the motion be further amended to
include moving the funding for the Councillors' clerical staff to Legislative
Services.

Carried with Councillor Villeneuve

The question was then called on the motion as amended, and it was:-

Carried

Item No. F001 2006 Financial Planning Process
Part 2 (Capital Program)
File: 1705-06; 1705-01

The City Manager, and the General Manager, Finance, Technology & Human Resources submitted a report concerning the 2006 Financial Planning Process - Part 2 (Capital Program).

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

Mayor Watts left the meeting at 5:31 p.m.

A brief discussion ensued relative to the installation of lighting upgrades at Bolivar Park.

Mayor Watts returned to the meeting at 5:36 p.m.

The suggestion was raised to put the upgrading of Bolivar Park higher on the priority list.

It was Moved by Councillor Villeneuve
Seconded by Councillor Steele
That Council:

1. Approve the capital projects as outlined in Section 3.2 of this report, and
2. Direct staff to prepare the 2006 Five-Year Capital Financial Plan that incorporates these projects.

Carried

It was Moved by Councillor Steele
Seconded by Councillor Hepner
That staff continue to look at options for Bolivar Park and work toward the installation of lights, before the summer of 2006.

Carried

Item No. F002 2006 Financial Planning
Process - Part 3 (Utilities)
File: 1705-06; 1700-01

The City Manager, and the General Manager, Finance, Technology & Human Resources submitted a report concerning the 2006 Financial Planning Process - Part 3 (Utilities).

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

The General Manager, Finance, Technology & Human Resources provided the following comments:

- In 1998, Council approved a Water Demand Management Strategy involving the installation of meters in all non-metered commercial and industrial properties and endorsed Phase 1 of a voluntary metering for existing residential properties.
- There are currently 29,662 residential and 2,775 non-residential meters as compared to 77,000 flat rate customers in Surrey.
- The average consumption for a residential metered customer is 475 cubic meters as compared to 625 cubic meters for a flat rate customer.
- Most low volume users have opted for meter installation and those remaining on flat rates are likely the higher users.
- In order for utilities to remain revenue neutral and maintain a user-pay system, flat rate fees must increase incrementally faster than metered rates, to reflect increasingly higher average water usage/sewer discharge of the flat fee group as low volume water users convert to meters.
- An increase from \$0.40 to \$0.46 cents per cubic meter (15% increase) is proposed for metered water rates.

- A larger increase is required for the flat rate due to a proposed 20.5% increase in Surrey's GTVRD rates for bulk water costs, contractual labour and energy costs increases, to help offset higher usage for existing flat rate users.
- It is proposed to increase the flat rate from \$267 to \$329 which would result in a \$62 (23.2% increase for flat rate users. Information suggests that other municipalities in the Lower Mainland are facing similar challenges.
- It is proposed to increase the metered sewer rates from \$0.56 cents to \$565 cents per cubic meter (0.9% increase) and increase the flat rates from \$238 to \$252 (5.9%) due to a proposed increase of \$1.144M in Surrey's GVS&DD levy rates; contractual labour and energy cost increases, and re-balancing of the fee structure to reflect the higher usage of flat rate users.
- It is proposed to increase the Drainage Parcel Tax from \$152 to \$154 (1.3% increase in 2006 to offset labour and other contractual increases.

The Finance Committee meeting recessed at 6:00 p.m. and reconvened at 7:00 p.m. with all members of Council in attendance except Mayor Watts, and Councillors Martin, Bose and Higginbotham.

It was Moved by Councillor Villeneuve
Seconded by Councillor Steele
That Council:

1. Approve the capital projects as outlined in Section 3.0 of this report, and
2. Direct staff to prepare the 2006 Five-Year Water, Sewer/Drainage Financial Plans that incorporate these recommendations.

Carried

Item No. F003 City Grants for the Year 2006
File: 1850-20

The Chair noted that Corporate Report No. F003 would be deferred to the Finance Committee meeting scheduled for January 17, 2006 at 4:00 p.m..

B. OPPORTUNITY FOR PUBLIC INPUT

Peter McKenna, Bolivar Park Slo-Pitch Society, 12911 – 109 Avenue, was in attendance and commented that he was seeking support for upgrading of Bolivar Park, which has been in existence for four years. He added that events held at the park bring national tournaments into the City of Surrey, and provide additional tourism dollars to the City. He stated that the Men's Slo-Pitch event would bring in approximately \$4.0M in tourism dollars to the City of Surrey during the long weekend of August 2007. He continued that Bolivar Park Slo-Pitch Society would also be hosting the Jewish International Slo-Pitch Games of 2007, but these events will not proceed unless lighting upgrades are installed at the park. He added that a proposed upgrade to Bridgeview Park has been dropped and a request to add it to the 2007 Five Year Plan so that the work on Bolivar Park may proceed. He then noted that other upcoming events are the 2009 Fireman Games and

SPN National Games, as well as annual Provincial tournaments. He added that Bolivar Park is the only park in Surrey adequate to hold these events.

C. ADJOURNMENT

It was

now adjourn.

Moved by Councillor Villeneuve
Seconded by Councillor Hepner
That the Finance Committee meeting do

Carried

The Finance Committee adjourned at 7:22 p.m.

Margaret Jones, City Clerk

Chairperson: Councillor M. Hunt
Finance Committee