

Present:

Councillor Gill - Chair
Councillor Hayne
Councillor Hepner
Councillor Hunt
Councillor Martin
Councillor Rasode
Councillor Steele

Absent:

Councillor Villeneuve
Mayor Watts

Staff Present:

City Clerk
City Manager
City Solicitor
General Manager, Engineering
General Manager, Finance & Technology
General Manager, Human Resources
General Manager, Parks, Recreation & Culture
General Manager, Planning & Development

A. PRESENTATION BY THE GENERAL MANAGER, FINANCE & TECHNOLOGY

The General Manager, Finance and Technology provided a presentation regarding the General Operating component of the 2013 Financial Plan. The key priorities and associated initiatives were highlighted including: 1) General Operating, 2) Utilities, 3) and Capital.

Staff noted that Council is required, by legislation, to adopt a Five-Year Financial Plan Bylaw on an annual basis. All expenditures made by the City require budget approval authority.

1. **General Operating** - Includes all City operations that are funded by property taxes, investment interest and general service fees and charges.

Staff noted there are approximately 23,500 single family residences in Surrey that are paying the Secondary Suite fee and that there are a significant number of unauthorized suites in the City that have not yet been added to the City's records. Staff proposed the Secondary Suite fee be increased from \$247 per year to \$395 per year in 2013 and that 1/3 of the fee be transferred to the Roads and Traffic Utility to assist in offsetting the demands and related costs that the occupants of secondary suites place on the City's transportation infrastructure.

The operation of the Surrey City Development Corporation (SCDC) is generating revenue from the activities of the Corporation. The proposed Plan calls for the dividends to the City from the SCDC operations to be used to support the Build Surrey Program. The other revenue sources include the leasing of the current City Hall building along with lease revenue from the City Centre Library. Staff clarified all expenditure projects included in Build Surrey Program have an associated re-payment schedule.

Police Services – The current complement of RCMP is 661 members. The financial plan includes adding 12 new members to maintain the current ratio of citizens/officers.

Fire Services – Staff reported additional funding is required related to salary, benefits, operating capital, and social initiatives. Monies available to fund these identified expenditures will come from property tax revenue, and from new initiatives built into the budget such as cell tower licensing fees. Staff noted that Surrey has one of the lowest municipal tax rates within the region.

2. **Utilities** - Funded from specific fees and levies that support water, sewer, drainage, solid waste and roads and traffic.

Staff noted because of the new waste contract and program, the CoS will realize significant savings in waste management due to a higher diversion rate. In 2012, Council approved a wire theft abatement program which replaced copper wiring with an aluminum alloy; the wire theft abatement program is currently included in the roads and traffic safety levy; however, once the roads and traffic utility is fully funded, parts of this fee will be redirected to capital for other infrastructure needs.

3. **Capital** - Comprised of on-going capital requirements to maintain existing assets, and to construct new infrastructure such as the investments under the Build Surrey Program.

There are minor inflationary increases over the 5 year period. In 2012, staff conducted a facilities audit and out of that audit came a need for immediate attention in a few areas, i.e., roof replacements, building upgrades, etc. Staff noted that with the Build Surrey Program, the funding predominantly comes from contributions from internal sources that will be paid over time. Staff explained that Programs Associated with the Build Surrey Plan are clearly identified in Corporate Report F039; the only new project is the arts space expansion at the South Surrey Recreation Centre, the rest of the projects listed for 2013 are underway.

B. PUBLIC CONSULTATION

Opportunity for members of the public and others to provide comments.

1. Cliff Raps, 16886 – 21 Avenue (representing the Surrey Squash Club Society). The Society requested Council consider building additional public squash facilities within the City of Surrey. The group went before the Parks, Recreation and Sport Tourism Committee on November 21, 2012, and are awaiting the outcome of a staff feasibility study relative to their request.
2. Bill Hatton, 2765 – 171 Street: Requested clarification regarding the gaming revenue increases noted in the budget and asked if the increase shown for 2013 was based on revenues for a potential casino that has not yet been approved. In response, the Chair explained that the plan does not incorporate any possible gaming expansions such as the application that will be coming before Council in January 2013.

The delegation asked Council to clarify whether the CoS could be sustainable with the proposed taxation rate in the event that the South Surrey casino application does not go through. The Chair confirmed that the CoS operating budget would not be negatively impacted if the application is not approved.

3. Deb Jack – President Surrey Environmental Partners (SEP) 7680-143 Street –The delegation explained how the SEP is actively involved in sustainability matters and public engagement within the CoS and provided a detailed overview of SEP's vision, and volunteer activities in the area of environmental advocacy.

The delegation suggested that the CoS should make provisions for at least two additional staff members in order to deal with the upcoming Federal Omnibus Bill C-45.

SEP asked the City to implement a special levy for parks and natural habitat preservation similar to what is currently done with roads. The delegation noted that the minimum standard of greenspace preservation is 4.2 hectares; however, it should be increased to 5 hectares, when parks are built an equal amount of land should be retained for natural habitat preservation purposes.

The delegation requested Council to revisit the replacement value for old growth trees and increase the ratio to 5-1 in order to preserve natural habitat and canopy. The delegation explained the definition of "old growth."

Council requested the delegation to make the SEP presentation available to all members of Council and to the Environmental Advisory Committee.

4. Grant Rice (10378-125A Street) – The delegation requested consideration be given to having the Secondary Suite Fees re-directed toward affordable housing. Instead of spending the \$6M on the Build Surrey Program, have the revenues split in 3 ways as follows: 1) hire inspectors to inspect all secondary suites and ensure they are up to code, 2) deficient suites would be prioritized relative to how dire the situation is, giving owners an opportunity to remedy issues, and; 3) remaining funds from the program go to short-term low interest micro-loans to assist home owners to bring their buildings up to code to meet the BC building code and hire certified tradespeople.

The delegation suggested taxes could be raised to cover any funding shortfall or expenditures can be reduced, and noted that the affordable housing issue is pressing.

The delegation asked the following questions of Council:

1. How much it is costing the CoS for lost amenity contributions in Development Cost Charges (DCCs) due to the moratorium on some development zones?
2. What is the breakdown on the density bonus provision in bringing money into the affordable housing provision of funding?

It was
that Council:

Moved by Councillor Hunt
Seconded by Councillor Steele
That the Finance Committee recommends

1. Approve City grants for 2013 as documented in **Schedule A** of Corporate Report Fo41; and
2. Allocate \$2,500 from the Special Recognition Fund for the purchase of City of Surrey pins to be distributed by the Mayor's Office to groups hosting and/or attending provincial/national/international events.

Carried

D. ADJOURNMENT

It was
now adjourn.

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

Carried

The Finance Committee adjourned at 10:53 a.m.

Jane Sullivan, City Clerk

Councillor Gill, Chairperson