

Present:

Councillor Gill - Chair
Mayor Hepner
Councillor Hayne
Councillor LeFranc
Councillor Martin
Councillor Starchuk
Councillor Steele
Councillor Villeneuve
Councillor Woods

Absent:**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
Land Development Engineer
Manager, Area Planning & Development, North Division
Manager, Area Planning & Development, South Division

Before the start of the meeting the Chair requested staff to provide a brief overview of Corporate Reports Foo1 and Foo2 before the Public Consultation portion of the 2016 Budget Meeting.

A. PRESENTATION FINANCE & TECHNOLOGY STAFF

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

Kam Grewal, Manager, Financial Reporting, provided an overview of the General Operating components of the 2016 Financial Plan as outlined in Corporate Report Foo1; key priorities include:

(a) Public Safety

- **Policing Services** - In 2015 there was an increase in 100 RCMP officers to the Surrey detachment with an increase in civilian support staff which brought the total staffing to 803 members. The 2016 Budget includes an additional 16 RCMP members bringing the total to 819 with a further 16 RCMP members to be added per year for the years 2017, 2018, 2019 and 2020. The plan also includes DNA analysis costs that the Province of BC has passed onto Municipalities, for 2016 the expenditure is budgeted at \$310,000.
- **Fire Services** - In 2015 an additional Assistant Chief was hired; full year funding for the position has been included in the 2016 plan.
- **By-law Enforcement** - As part of a pilot project, four new officers will be hired to focus in the Newton Town Centre.

- **Director of Public Safety Strategies** - In November 2015, Dr. Terry Waterhouse, formerly of Simon Fraser University, was hired to fill the newly created position of Director of Public Safety Strategies, funding for that role, as well as a newly created position of Analyst to assist the Director is included in the 2016 Financial Plan.
- (b) **Staffing Capacity** - In addition to staffing level increases to support Public Safety, the 2016 Financial Plan also incorporates funding for staffing costs directly related to the operations of new City facilities opening in 2016 as outlined in Corporate Report Foo1.
- (c) **New Funding Requirements based on City Priorities** - Corporate Report Foo1 summarizes new funding requirements needed based on Council direction related to City priorities as follows:
 - Total Additional Funding Required for Public Safety \$15.80 M
 - Corporate Funding Requirements \$18.247 M
- (d) **New Funding Available** - Projected revenue increases that are expected to be available to offset the anticipated new funding required in 2016 through property tax increase, estimated tax revenue and other revenue changes amount to \$22.117 M.

To meet the ongoing needs of this levy, the Road & Traffic levy will be increased by \$18 additional dollars per year.

Similar adjustments are included to meet the City's transportation needs over time.

- (e) **2016 Road and Traffic Safety Utility Levy** - Based on the information provided, Council is asked to approve Corporate Report Foo1; the Appendices attached include the funds for the Road and Traffic funds.

Staff provided an overview regarding where the City of Surrey stands in conjunction with other similarly sized municipalities in the Lower Mainland and noted that relative to neighbouring communities the City of Surrey is at the lowest end of the spectrum.

Staff noted that the City of Surrey total increases for the general levy and the road levy is \$88. The total taxes for the City as a result of the change are \$1,888.00 which is at the lowest end for other communities in the Lower Mainland. The City of Surrey will continue to remain the lowest in terms of property taxes in the Lower Mainland.

Staff, in response to a question from Council, noted that the average assessment value for a single-family residential home in the City of Surrey is \$671,000. The average single-family home value for Vancouver is considerably higher.

2. **Capital Program** - on-going capital requirements to maintain existing assets, and to construct new infrastructure such as the investments being made under the "Build Surrey Program". Items within the Capital Program maintain and enhance current city infrastructure to support business and residential growth within the community.

Suzanne Fillion, Manager Financial Services provided an overview of the Capital Program as outlined in Corporate Report Foo2 as follows:

- **Section 2.0** - Outlines 16 major projects, including, but not limited to, the implementation of the Biodiversity Conservation Strategy, City Centre Artist Space, Cloverdale Recreation Centre Lighting, District Energy Centre, Grandview Heights Aquatic Centre and the completion of the City Works Yard.
- **Section 3.0** - Provides an overview of the Annual Capital Program, including the ongoing program to maintain and enhance the current infrastructure and new large scale projects.
- **Section 3.1** - Shows revenue sources of funding that are expected to be available in each of the next five years to support the Annual Capital Program. Initiatives include interior and exterior upgrades, new and enhanced technology and implementation of electronic content manager.
- **Section 3.3** - Highlights Major Capital Projects to be undertaken over the next five years. Examples of some significant projects include, but are not limited to, the Relocation of North Surrey Arena and the Clayton Recreation Centre Arts Facility and Ice Rinks in Cloverdale.

Mayor Hepner requested clarification on advancing "shovel ready projects" and if doing that it would offset those scheduled for 2017. Staff noted they are compiling the list of all projects ready for refurbishing and new projects for Federal Government consideration. Staff clarified that if the City of Surrey were to receive Federal Funding it would free up other monies to advance projects in future years and that in Section 3.4 of the report there is a list of sewage, roads, drainage and waterworks that will be submitted to the Federal Government for consideration.

The Chair asked if there was the ability to access funds for Road Improvements. Staff noted that there was a discussion in Ottawa, and at the federal level they are looking for expenditures starting this summer; as part of the Surrey List there will be items included such as repaving and sidewalk programs.

B. PUBLIC CONSULTATION

The Chair invited members of the public to speak to the Corporate Reports before Council.

The following comments were received from members of the public:

1. **Anita Huberman, Surrey Board of Trade (SBOT)** - The SBOT supports the proposed 3.9% property tax increase; however as an independent voice of business, requests that the property tax rate be reduced at the earliest possible opportunity to maintain Surrey's competitive status for business attraction in the region.

The SBOT Government Advocacy Teams reviewed the proposed 2016 Budget and made the following recommendations:

- **Social Policy Advocacy** - Reintroduce an affordable housing levy on new residential development and require that a percentage of units be reserved for affordable housing in new developments.
- **Development & Land Use** - Create a more streamlined process allowing developers with significant track records reduced timelines for approvals and implement a "Development Concierge" whereby there is one single point of contact between developers and staff.
- **Cultural Grants** - Review the current level of cultural grants in context of per capita amounts across Metro Vancouver, review limits on current grants to Surrey-based arts and culture groups as part of Cultural Corridor Policy and expand the expenditure disclosures to allow for greater clarity.
- **Transportation** - Move forward on the Surrey Light Rail Project in cooperation with TransLink and the Provincial and Federal governments.
- **Crime & Justice** - Increased integration of programs and service focused on reducing crime and specifically providing youth with supportive programming to avoid gang related crime.
- **Trade & Manufacturing** - Coordinate a pilot project that the SBOT and post-secondary institutions can collaborate on to develop high tech sectors and provide local employment opportunities for domestic and international trade.
- **Finance & Taxation** - Expand the Internal Audit Mandate to include projects targeted to review "economy" and "efficiencies" and expand disclosure, where appropriate, to increase transparency rather than citing Section 90 under the *Community Charter* and closing a meeting to the public.

Council thanked the delegation noting the collaborative process is indicative of the type of relationship the City of Surrey wishes to continue to have with the Surrey Board of Trade in the years to come.

2. **D. Jack, President, Surrey Environmental Partners (SEPS)** - The delegation noted that Surrey Environmental Partners is non-profit with their main activities of education and advocacy. SEPS regularly participates in public consultations and public hearings and sees their involvement as ongoing.

The SEPS reviewed the proposed 2016 Budget and made the following comments:

- **Biodiversity Conservation Program (BCP)** - The decrease in funding noted in the 2016 budget regarding acquisition of park lands is disappointing. The fund allocation only allows for modest investment and there is concern appropriate land acquisitions will be missed.
- **Creation of Biodiversity Conservation Manager Position** - SEPS has continually requested a Biodiversity Conservation Manager position to implement the plan, including wildlife inventories to effectively realize Council's intent and engage with the School Board in terms of outreach and education.
- **Operations & Staff** - Surrey has outstanding staff. There should be a benchmark where the Parks Recreation and Culture Staff increase exponentially as the size of the City increases.
- **Federal Omnibus Bills C-38 and C-45** - Surrey must budget for two additional staff to compensate for the bill's impacts, particularly regarding fisheries and riparian areas. These positions would relate directly to planning for conservation and stewardship of Surrey's irreplaceable natural assets, compliance with the Sustainability Charter and implementation of the BCP.
- **Capital Expenditure Acquisitions** - Surrey should create three large parks as "living legacy parks". All would be tied into the Green Infrastructure Network (GIN). The intent would be to create a world-class corridor and a monumental investment for the future.
- **Park Standard** - The minimum parklands acquisition standard be increased to 5 hectares per 1,000 people, with the increase of .8 ha in natural area. This would further assist the development of the Green Infrastructure Network (GIN).
- **Introduction of Conservation Levy** - To assist in implementing the Biodiversity Conservation Program (BCP) and the GIN as well as the Sustainability Charter, a Conservation Levy (similar to what is currently done for roads) should be introduced of 1% for the next 10 years.
- **Carbon Reduction** - The implemented BCP and proposed "Living Legacy Parks" recommendation will help Surrey reduce emissions and be more resilient and adaptive in the face of Climate Change factors.

- **Policy Proposals** - Adopt a policy regarding buffering of natural areas and light pollution. Buffering natural areas will help protect the biodiversity integrity and would provide protection from noise, light and garbage. Light Pollution is becoming an important factor; some cities are developing policies to reduce negative impact of LED street lights to prevent potential negative impact on wildlife.
- **No Net Loss Policy for Park Lands** - The City should implement a policy where if parks are converted to an artificial field an equal amount of land would then be added to the inventory of open land or in a natural area as a form of compensation for loss.
- **Tree Replacement Policy** - Implement a tree replacement policy as 5 for 1, which would be doubled when the tree is Surrey Old Growth.
- **Tree Canopy Policy** - Consideration should be given to exceeding the Sustainability Charter guidelines and adjusting the tree canopy requirements in residential areas to be 40 to 50% with industrial-commercial 25%. In addition, there needs to be language to distinguish the important and distinction between conifer canopy cover and deciduous.
- **Urban Heat Islands** - The issue of tree canopy and its cooling effect is important and needs to occur in industrial areas. Heat stroke can affect the health of people. Surrey needs to double the amount of trees planted per year.
- **Tree Preservation Bylaw** - The bylaw should be amended to include graduated replacement ratios and money-in-lieu of fees with varying benchmarks.
- **By-law Enforcement in Natural Areas** - Surrey has had onsite cautioning and education programs; however, there are people who continue negative behaviour in parks and natural areas. SEPS recommends more extensive monitoring, particularly on weekends and holidays with Bylaw Enforcement Officers who are authorised to ticket individuals who are non-compliant.
- **Protecting Newly Planted Trees** - Newly planted trees should be protected and registered with bonds if the trees decline or die. New trees should be monitored for 10 years.
- **Encroachments** - Surrey suffers from private citizen encroachment on City natural areas and other parklands. There is a need for greater monitoring by Bylaw Enforcement Officers to protect City natural spaces and parks from encroachment in the form of garden and lawn expansion, fencing and outbuildings.

Council thanked staff for the financial reporting management and leadership and noted that the City's expenditures per capita continue to be the lowest in the region.

The Chair noted that staff has done an exceptional job in being recognized for transparency and are industry leaders. One of the challenges in financial reporting is for residents to clearly understand what is on their annual tax bill and what fees are collected by Metro Vancouver, the School District and the role of BC Assessment.

It was Moved by Councillor LeFranc
Seconded by Mayor Hepner
That staff provide a report back to Council

to:

1. Explore the merits of moving from a "Capital Parcel Tax" to an "Assessment Based Capital Tax";
2. Provide direction as to how an "Assessment Based Tax" might impact the calculation for the Secondary Suite Fees (i.e., the inventory of condos and lower cost dwellings outpace the building of single family homes, the calculation for our average single family dwelling needs to be calculated in a more modern way that takes housing stock into account);
3. Explore a new strategy to realign the "Drainage Tax" to be more on par with where we are as a City; and
4. Propose a redesign of the residential tax bills to more clearly communicate what taxes are being paid within Surrey and what are mandated to be collected on behalf of Metro Vancouver, the School District and the role of BC Assessment as part of a Public Education piece which will also improve transparency.

Carried

Item No. Foo2 2016 Five-Year (2016-2020) Financial Plan – Capital Program
File: 1705-05

It was Moved by Councillor Martin
Seconded by Councillor Hayne
That the Finance Committee recommends

that Council:

1. Approve the capital projects as outlined in Section 3.0 of Corporate Report Foo2; and
2. Direct staff to prepare the 2016 Five-Year (2016-2020) Capital Financial Plan incorporating these projects.

Carried

D. ADJOURNMENT

It was

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

now adjourn.

Carried

The Finance Committee adjourned at 5:42 pm.

Jane Sullivan, City Clerk

Councillor Gill, Chairperson