

1 Recommendation

[Item No. Foo6](#) 2017 Five-Year (2017-2021) Financial Plan – General Operating
File: 1705-05

That Council:

1. Approve the recommendations outlined in Section 4.0 - New Funding Requirements of Corporate Report Foo6; and
2. Direct staff to prepare the 2017 Five-Year (2017–2021) General Operating and Roads and Traffic Safety Utility Financial Plans incorporating these recommendations.

Present:

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

Absent:**Staff Present:**

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

A. PRESENTATION BY THE MANAGER, FINANCIAL REPORTING

The Manager, Financial Reporting presented and overview of Corporate Report [Foo6](#) and noted that the report outlines the 2017 Five-Year (2017-2021) Financial Plan.

The purpose of the report is to direct staff to prepare the Financial Plan for the General Operating Budget and the Roads and Traffic Utilities Budget.

Staff noted that the plan was developed based on direction provided by Council over the course of time and builds upon the 2016 Financial Plan.

Key priorities outlined within the report include:

1. **Public Safety** - which was broken down into Police Services, Fire Service and By-law Enforcement and Public Safety Dashboard as follows:

- **Police Services:** Staff noted that in 2016 there were 16 additional serving RCMP members added to the Surrey detachment which brought the total RCMP complement to 819 members and 298 civilian support staff. The 2017 Plan includes the annualized impact of these 16 RCMP members and related civilian support staff.

The proposed 5 year financial plan includes 12 RCMP members to be added in 2017, bringing the total to 831 members, and a further 16 RCMP members to be added per year for the years 2018, 2019, 2020 and 2021. Alternatively, Council may wish to explore an additional allocation to meet the diverse needs of the Public Safety Strategy. The increases will be accompanied by an increase in civilian support staff. The funding will be effective October first per calendar year.

Staff noted that the proposed plan includes additional funding for DNA analysis. Additional details for the financial requirements related to the RCMP are included in Section 4 of the report.

- **Fire Service.** Added the position of Executive Assistant in 2016. There is a general increase to allow for the contract increase in place.
 - **By-law Enforcement.** The new plan included hiring 4 additional officers. The program has been in operation for 1 year and the program has been a success. The plan includes funding for community patrol officers on an ongoing basis. The 2017 Plan calls for three additional officers and a bylaw support clerk position.
 - **Public Safety Dashboard.** The 2017 Plan includes ongoing funding in the amount of \$25,000 for a new Public Safety Dashboard which was used to update the Sustainability Dashboard.
2. **Staffing Capacity** - represents funding for staffing costs directly related to the operations of new City facilities opening in 2017.
- Staffing increases in operating new facilities, including the Museum Expansion and the Newton Facility Expansion. Staff noted that additional staffing requirements may be required in response to service delivery demands.
3. **City Capital Program** - includes a 0.54% property tax increase that has been incorporated into the new funding requirements outlined in Section 4.0 of Corporate Report Foo6.
- **Capital Program** – Corporate Report [Foo5](#) was presented to the Finance Committee on November 21, 2016. At that time, Council was given the option of increasing the Parcel Tax by \$10.00 or approving a 0.54% property tax increase, with either option generating sufficient revenue to support the capital initiatives that were presented; at that time, the Finance Committee approved a 0.54% property tax increase.

Staff noted that the following 4 key assumptions were used in creating the 2017 Plan:

1. Property Tax Rate increase of approximately \$72 for the average single family dwelling that will be used to offset increased public safety resourcing and expenditures;
2. Road and Traffic Levy increase that is equivalent to \$18 for the average single family dwelling.
3. General Property Tax Rate Increase of Approximately \$10 for the average single family dwelling that will be used to support the Capital Plan that was presented to the Finance Committee on November 21, 2016; and
4. Fee increase of 3.9% across the board (or equivalent).

Based on discussion and information provided, staff recommends that the Finance Committee recommend to Council that the recommendations of Foo6 be approved for the General Operating Plan and the Roads and Safety Utility.

B. PUBLIC CONSULTATION

Anita Huberman, CEO, Surrey Board of Trade: The delegation made the following comments:

- **Property Tax, Road Traffic Levy and Strategic Investments:** The SBOT supports the proposed 2017 increases with caution. Surrey offers one of the lowest tax regimes; however, the City needs to keep investing in infrastructure. The SBOT wants a robust City amenity plan and suggested that the City make strategic investments and that there are other sources of revenue to consider.
- **Transparency and Accountability for Business Taxes:** Recommends that the City of Surrey improve communication to local businesses on where their tax dollars are going. The SBOT noted they would assist the City in this initiative.
- **Social Policy:** The delegation asked the City to consider ways to protect the rental stock of housing for the local workforce. Consider fast tracking permits for "purpose built" housing.
- **Development, Land Use and Economic Development:** There are opportunities for the City of Surrey to explore human capital development. SBOT was pleased with improvements the City has made on streamlining processes for developers based on SBOT recommendations made in 2016.
- **Transportation:** The SBOT worked with the City on the Annual Road Survey by where options were presented and are looking forward to working with the city on road improvement plan.
- **Public Safety:** The SBOT supports integration of programs and services and supporting youth to avoid gang related activity; however, wish to stress; it is not the only solution to reducing crime.
- **Finance and Taxation:** The SBOT views the City of Surrey's use of *Community Charter* Section 90 only where appropriate; and suggested that it would be beneficial for the City to disclose both internal and external auditor reports. As the city moves to be the largest city in BC, a dashboard matrix should be communicated where we are as a City as related to other comparable cities to determine infrastructure and amenity gaps.
- **Agriculture:** The delegation suggested that the City work with the Province to craft a farm property tax review to be based on residential class 1 properties in the ALR and to explore how agricultural lands are valued when they are not used for farming. The SBOT suggested that a review water use and water infrastructure policies related to climate change would be beneficial.

Council thanked the SBOT for their presentation and noted that progress has been made in affordable housing and keeping up with infrastructure needs is important.

It was discussed that from a "Surrey Board of Trade" perspective, it would be beneficial to know where the City of Surrey "fits" within a regional context in terms of housing, infrastructure and the film industry.

Mayor Hepner noted that it would be helpful if the SBOT and members of the business community delivered a clear message regarding the distinct differences in revenue collected from the same taxation rates between the City of Surrey and the City of Vancouver.

Specifically the fact that each municipality applies different rates for residents and businesses; there are also stark differences between the region's two largest municipalities in terms of services provided.

D. Jack, President, Surrey Environmental Partners (SEP): The Surrey Environmental Partners made the following comments:

- **Aquifer Vulnerability Study:** Surrey needs to have an Aquifer Vulnerability Study done on the Brookwood Aquifer. The delegation noted that Campbell Heights was identified and ground water is a concern, especially the Little Campbell River.
- **Integrity of Riparian Watersheds and Setbacks:** There have been constant requests for setbacks encroaching on riparian areas. The delegation requested Council to step back and conduct a thorough assessment.
- **Serpentine River Water Levels:** Personnel at the Hatchery have noticed that the Serpentine has risen two (2) feet during times of heavy rain which causes concern in terms of riverbed integrity and associated implications with fish survival.
- **Biodiversity Conservation Program Departmentalization:** There should be consistent application of BCP through the City, and a specific unit assigned to a designated division such as the Engineering Department. The City should have a registered professional biologist to assist in creating and monitoring Biodiversity Conservation Strategy (BCS) regulations.
- **Residential Watering of Boulevard Trees in City Boulevards:** A residential incentive program should be considered to ensure that City of Surrey residents participate in watering newly planted and established trees located on public boulevards next to their properties during the hot summer months.
- **Tree Planting Program:** Some trees are not growing properly or being maintained in medians; the way in which trees are planted should be monitored to ensure proper growth and development.
- **Fees for Tree Removal:** There should be a range of replacements required for tree size. The delegation suggested that the City of Surrey explore what Abbotsford has enacted and then for the City to become a regional leader.

- **Expansion of the Surrey's Natural Areas Partnership (SNAP):** The SNAP Program should be extended into the shoulder months and remove invasive species to prevent encroachment in natural areas.
- **Decentralize Education Programs from Nature Centre:** The delegation noted that SEP would like to see the programming decentralized from the Nature Centre and noted that programming is important to engage adults and children in Surrey's natural aspects.
- **Wildlife Protection Bylaw:** Needed to facilitate Biodiversity Conservation Plan (BCP) principles.
- **Additional Staffing Resources - Natural Areas:** The delegation suggested that the City consider expanding staffing numbers to directly care for natural areas and to monitor contracted services. The more BCP and Parks natural lands acquired, the greater the need to properly conserve them. There needs to be year-round monitoring and patrolling of the forested and natural areas. SEP suggests the title of either Forest or Parks Rangers to serve natural areas on a regular basis. There is a need for this type of programming with year-round staffing levels.
- **No Net Loss:** Is a continual policy request from SEP. When Park converts lands to other purposes; other natural areas must be dedicated as a replacement.
- **Tree Planting in City Centre:** When the City Centre was originally proposed there 10,000 trees were to be planted to soften the harsh surfaces visually and provide canopy for cooling and comfort. The SEP requested clarification as to what has happened with that plan and whether or not that recommendation from Bing Thom will be acted on.
- **Educational Signage in Natural Areas:** The delegation noted that it is important to have good signage explaining what people are seeing, similar to the forest river walk.

The delegation noted that Surrey must strive to continue acquiring natural areas, conserve them, and maintain them in order for residents to enjoy their community.

Council thanked the delegation for the presentation requested staff to review the requests outlined by SEP and provide a report back with recommendations for further consideration.

C. CORPORATE REPORTS

1. The Corporate Report, under date of December 12, 2016, was considered and dealt with as follows:

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

Before the motion was put:

Council requested clarification regarding Section 4.0 New Funding Requirements Item 4.1 – RCMP Policing Services, specifically the line items related to Integrated Teams in the amount of \$900,000, and the E-Division for \$1.942M which is a shared service among municipalities.

Staff, in response noted that the costs are driven by the Federal Government and it by the number of RCMP members we have been assigned as a City. The amounts include costs for the staffing levels, the building, as well as any members who are on sick leave. The figure noted in the 2017 budget, is not an anomaly but it is an incremental change that the City of Surrey has very little control over.

In response to a question from Council regarding the breakdown of the costs allocated to RCMP Integrated Teams; staff noted they would provide Council with a more detailed split between the six (6) RCMP Integrated Teams.

Council requested clarification regarding the line item relative to Increased DNA costs in the amount of \$157,000. Staff clarified that the 2017 Budget includes the DNA component that was downloaded by the Province.

Staff noted that the downloading of the DNA cost sharing among municipalities commenced last year. The information provided by the Province noted that municipalities can expect to incur between \$80,000 to 100,000 in 2018. The justification for the projected increase was not clear; however, an agreement was made between the Province and the Federal Government in this regard.

Staff noted that the UBCM is involved in addressing this issue from a municipal lobbying standpoint as is the Mayor's Consultative Forum. Staff noted they are diligent for advocating for more control on the costs and use all the forums available.

Council asked if any consideration will be given to when the RCMP Officers Unionize and if that will have any impact. Staff noted that the Federal Government has given a benchmark of 2.5% per year. Staff noted they were unable to speak to the status of the RCMP Union Membership initiative.

The Chair requested that staff provide a report to Council with recommendations outlining the tax implications, specifically how an Annual Capital Tax Levy would relate to new multi-family residents.

Staff noted that report will be brought forward to Council in May or June.

D. ADJOURNMENT

It was

Moved by Councillor Woods
Seconded by Councillor Martin
That the Finance Committee meeting do

now adjourn.

Carried

The Finance Committee adjourned at 4:07 p.m.

Jane Sullivan, City Clerk

Councillor Gill, Chairperson