

Present:

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

Absent:

Councillor Martin

Staff Present:

City Manager
City Clerk
Deputy City Clerk
General Manager, Corporate Services
General Manager, Engineering
General Manager, Finance
General Manager, Parks, Recreation & Culture
General Manager, Planning & Development
City Solicitor

A. PRESENTATION BY THE GENERAL MANAGER, FINANCE & TECHNOLOGY**Corporate Report Foo1 2018 Five-Year (2018-2022) Financial Plan – General Operating**

The General Manager, Finance, provided an overview of [Corporate Report Foo1 2018 Five-Year \(2018-2022\) Financial Plan – General Operating](#). The Financial Plan for 2017 - 2021 included direction for 2018 - 2022. The current Financial Plan has incorporated this direction, as well as other priorities identified during the budgeting process. The proposed Financial Plan includes a balanced budget. Highlights of the proposed budget include:

Police Services

A budget of \$6.1 million has been proposed for the following police services:

- The annualization of 12 RCMP officers that were added in 2017;
- 12 new RCMP officers to be added in 2018;
- 12 RCMP officers each to be added in 2019, 2020, 2021 and 2022;
- Corresponding increases to support staff;
- Provisions for salary increases; and
- Increased funding for integrated teams, E-Division, administration and other RCMP contract changes.

Fire Services

A budget of \$2.75 million has been proposed for the following fire services:

- The full year funding of four firefighters;
- Partial year funding of four firefighters to begin in August 2018;
- Funding for a full time a stock room clerk;
- General labour increases; and
- Other operating costs.

Public Safety Initiatives

During the 2015 budget process, the addition of community safety patrols was approved, and four community officers were hired. The program was well received by the community, and in 2017, permanent funding was approved for the four officers, as well as partial funding for an additional three officers.

A budget of \$1.54 million has been proposed for the following public safety initiatives:

- Annualization of three bylaw officers that were added in 2017;
- Two new bylaw officers;
- Two new community officers;
- One Public Safety Program Manager and one Research Manager;
- Salary adjustments; and
- Other operational contract increases.

Corporate Funding Requirements

A budget of \$16.46 million has been proposed for the following corporate funding requirements:

- Labour increases (excluding public safety);
- Third party contracts;
- New operating costs for park inventory and cultural costs;
- Cultural grant increases;
- Fiscal services; and
- Contribution to Capital for the General Program.

New Funding Opportunities

There are three projected revenue increases that are expected to provide \$26.85 million in revenue to offset the additional expenditures of the proposed Financial Plan:

- A property tax increase that would equal approximately \$93 per single family home;
- Additional property tax revenue resulting from new growth; and
- Net across the board from other revenue sources.

Corporate Report Foo2 - 2018 Five Year (2018 - 2022) Financial Plan - Capital Program

The General Manager, Finance, provided an overview of [Corporate Report Foo2](#) - 2018 Five Year (2018 - 2022) Financial Plan - Capital Program and highlighted the following information:

Major Projects

\$62.2 million was allocated for major projects, including:

- \$13 million has been allocated for the District Energy System to allow for the expansion of the system, and construct the third phase of piping.
- \$10 million has been allocated to the Clayton Community Centre. The Centre will integrate arts, a library, recreation and outdoor spaces, and has a total budget of \$42 million.
- \$9 million have been allocated to the North Surrey Sport and Ice Complex. The Complex will include three new sheets of ice in order to meet demand as well as future growth. The total budget for the project is \$52 million.
- \$5.5 million has been allocated for the Museum expansion, which will include an Indigenous Hall and the relocation and restoration of the 1881 City Hall and Anniedale School. The total budget for the expansion is \$14.7 million.
- \$5.2 million has been allocated for the Cloverdale Sport and Ice Complex, which will include two new ice sheets in order to meet demand. The total budget for the project is \$35 million.

Corporate Report Foo3 - 2018 Five Year (2018-2022) Financial Plan – Utilities and Other Self-Funded Programs

The General Manager, Finance, provided an overview of [Corporate Report Foo3](#) - 2018 Five Year (2018-2022) Financial Plan – Utilities and Other Self-Funded Programs, and highlighted the following information:

2018 Water Utility Rates

- An increase to the water rate is required for 2018 due to increases in the Greater Vancouver Water District water rates and system operating and capital costs demands.
- The proposed increase for a metered home is an average of \$1.14 per month, or \$13.68 per year for a single family home, and an average of \$6.33 per month, or \$76.00 per year for a business.
- The proposed increase for a non-metered home (or the flat rate) is based on the average water consumption of non-metered accounts, and will be

approximately \$2.50 per month, or \$30.00 per year. Non-metered homes may have a meter installed at any time upon request.

2018 Sewer Utility Rates

- An increase to the sewer utility rate is required for 2018 due to increases in the Greater Vancouver Sewer and Drainage District sewerage rates and system operating costs.
- The proposed increase for a metered home is approximately \$2.23 per month or \$26.70 per year, and \$12.36 per month or \$148.32 per year for an average business.
- The proposed increase for a non-metered home is based on the average discharge of a non-metered residence, and will be approximately \$4.92 per month, or \$59.00 per year. Non-metered homes may have a meter installed at any time upon request.

2018 Drainage/Dyking/Flood Protection Utility Parcel Tax

The proposed increase for the Drainage/Dyking/Flood Protection Utility Parcel Tax is approximately \$223 for residential and agricultural properties and \$409 for commercial properties.

2018 Solid Waste Utility Rates

It is proposed that the Solid Waste Utility Rates remain the same at \$287.00.

2018 Parking

It is proposed that parking rates at City Hall remain the same at \$75.00 per month for general staff parking, \$130 per month for reserved staff parking and \$1.50 per hour for public use.

2018 Surrey City Energy

The proposed increase for Surrey City Energy is approximately \$19 for a 700 square foot residential unit that consumes an average of 6.8 MWh per year of energy.

Questions and Comments from Council

In response to questions from Council, staff provided the following information:

- The current rate discrepancies between metered and non-metered properties have encouraged residents to change to water metering. Staff suggested that the proposed rate increases are reasonable. It is anticipated that multi-family metering will be reviewed in order to encourage movement to metering.
- The application for Secondary Suite Infrastructure Support Fee does not endorse the legalization of illegal suites. The fee is a recovery tool for the demand put on the City for resources that are utilized.

- There are funds allocated for RCMP salary increases included in the budget. Staff are continuing discussion with the OIC in relation to potential unionization of RCMP workers.
- The City is working internally to address the legalization of cannabis. Staff suggested that it is important for Council to advocate for additional funding for police services from the provincial government to address the additional demand that is anticipated.

Council noted the following comments:

- Council thanked staff for the incredible work done keeping to an extremely tight budget.
- Council requested an assessment of residents that have changed to water metering since the program's inception.
- Concerns were expressed with respect to the City collecting fees for illegal suites, as it may send the wrong message to residents.
- It was suggested that the City increase funding for additional police officers.
- Finance staff was requested to discuss possible efficiencies for the E-Division in order to ensure that the increases requested are necessary.
- There should be a contingency and resources allocated for police services to address the legalization of cannabis.
- The City could benefit from additional revenue, as well as discussions with the community regarding services that are being provided.
- The lowest tax rate does not necessarily make the best City.

B. PUBLIC CONSULTATION

R. Landale, 149 Street and 95A Avenue: The delegation advised that the proposed property tax increase of approximately \$93 is a 32.8% increase from 2017, and not 5.4% as outlined the report. The delegation expressed concerns regarding how community priorities' are reflected in the budget.

In response to questions from the delegation, staff provided the following information:

- Property tax increases have been deployed throughout the city, in both the capital and general budget. Public Safety is a large component of the tax increase. There has been growth throughout the city, including the construction of new recreation centres, which is an in-demand service. Recreation centres also require funding for operations, maintenance, and utilities.

- The average increase for a single family home is 3.9% for the general budget, 1% for the road levy and .54% for the capital budget. Staff emphasized that these figures are an average, and some areas of the city may have a higher percentage increase. There are also additional items included on a property tax bill that are not City related items.
- The proposed increase to the Road and Traffic Safety Levy is not association with the hearing between the City and Fortis BC, requesting a 3% increase in additional operating fees.
- The City is building up the Road and Transportation Levy each year. The proposed increase would be approximately \$19 for an average single family home. Until the Levy is fully funded, funds will be transferred from General Operating to off-set the difference of what is budgeted and what is required.
- Funds for tree replacement are allocated from the Green Fund. If a developer is unable to replace trees that were removed from a site, the developer is required to make a contribution to the Green Fund. There can be a time delay with respect to the replanting schedule, and the developer is not required to provide a contribution to the Green Fund until their project is adopted.
- Staff are currently in the design process for upgrades to Hawthorne Park amenities, and will begin community consultation after the design process is complete. The proposed upgrades will include the playground, water spray feature, park pathways and salmon bearing stream. The proposed amenity upgrades have a specific budget allocation of \$3 million.
- A total budget of \$230 million has been allocated for proposed road works, and the budgeted amount includes the 105 Avenue Connector.
- The City's commitment through the Public Transit Infrastructure (PTIF) #1 Agreement is to deliver a water main relocation and a storm water relocation that is distinct for the 105 Avenue Capital Project. These items are outlined in the report.
- The Light Rail Transit (LRT) program is funded by the federal, provincial and regional authorities and is therefore not listed as a Capital Project.
- The seven acres for the biodiversity conservation program did not include land acquisition for Hawthorne Park.
- Engineering staff provide an annual report outlining lands that have be acquired and improved for road, trail and bicycle networks, as well as for the biodiversity conservation program.

R. Castles, Resident: The delegation provided the following comments:

- A universal low-income recreation pass that does not have an age requirement could be considered, as this would reduce administration costs.

- The Free Smoke Alarm program provided by Fire Services could be expanded to include a Fire Retardant Tarp and Tent Program for homeless individuals.
- All public buildings that are owned by the City that are not in use could be utilized to house homeless individuals on an emergency basis.
- The City could adopt a No Net Loss of Green Spaces Policy, and protect more ecological spaces, rather than just green spaces.
- Additional green spaces and parkland could be created in low-income areas.
- The City could stop the practice of fencing off areas of inner city parks for rent to outside user groups, making these areas inaccessible to residents.
- The City could adopt a long term spay and neuter program for low-income pet owners and the feral cat population through the Animal Shelter and local participating veterinarians. This program could reduce animal control costs.
- The funds that have been identified for new RCMP officers could be allocated to recreation and cultural programs that include an outreach component.
- Concerns were expressed regarding how the City deploys police, fire and bylaw services, as the method of deployment can negatively impacts the homeless population.
- The development of parks may lead to a decrease in biodiversity.
- The community priorities identified in the report do not match the City's priorities and expenditures.
- Concerns were expressed for the lack of inclusion of LRT in the budget report, as well as the potential loss of fund matching due to the utilization of the Alternative Approval Process.

In response to questions from Council, the delegation advised that the universal low income pass in Vancouver required a means test similar to Surrey; however that program did not discriminate based on age. Furthermore, the delegation advised that she is opposed to any spending that goes against the will of the community, and that destroys the habitat of living creatures.

In response to a question from the delegation, staff advised that acquisition funds are allocated towards acquiring parkland, which would follow the Parkland Acquisition Policy that suggests that there be 10 acres of parkland per 1000 individuals.

A. Huberman, Surrey Board of Trade (SBOT): The delegation summarized the on-table written submission, and noted that the City's budget is important to the SBOT. The delegation provided the following suggestions:

- The City could provide a longer time period for the public to review budget documents prior to the Finance Committee meeting, as well as additional mechanisms to encourage public input. The public input portion of the Finance

Committee meeting could be scheduled later in the evening in order to allow more people to participate.

- A description regarding where business tax dollars are allocated could be provided to local businesses.
- The City's financial statements could be easier to find on the City's website, and could include a graphic indicating the benefits of tax dollars for both residents and businesses.
- The City could review ways to decrease expenses for households and provide consistent communication on where increased investments are allocated.
- There may be alternative ways of collecting revenue other than property taxes. The City could consider potential tax revenue from the legal sale of cannabis.
- The City could explain how the Surrey City Development Corporation is an economic agent that contributes to employable lands and livability.
- There could be a diversification of employment.
- That a Mayor's Economic Competitiveness Advisory Group consisting of business, academic, labour and community leaders be created. The advisory group could also lead to revenue stream collaboration. Business leaders, academics and economists could participate on a consultative working paper.
- During the Community Grant process, the City could review the focus of other business organizations that are provided with community grants.
- The City could provide a report regarding the downloading of costs to the City from different levels of government.
- The SBOT cautions Council on increasing costs to businesses, such as through sewer and water utilities, and property taxes.
- The City could consider innovative ways to protect rental housing stock. This could include fast-tracking permits for purpose built workforce housing, or using regulatory process to increase the amount of rental housing in Surrey.
- An analysis be completed of the increased costs and pressures caused by newcomers to the city.
- The City could provide a proactive report implementation program that includes enhanced advocacy to the different levels of government to harness further investments.
- A review of investments by the City's Social Planning Department from a human capital perspective or a re-visioning of social planning through a Social Policy Framework that interconnects with economic development could be completed.

In response to questions from Council the delegation provided the following information:

- While Council has advocated to the province for additional schools to be built in Surrey, there may be other opportunities for additional advocacy, to collaborate together and focus investments from the province to the City.
- Local Members of Parliament have not responded to the SBOT's request for an analysis of refugee cost.
- There are many questions regarding the impact that the legalization of cannabis will have on the Agricultural Land Reserve (ALR) including: if this will be a productive crop for business owners, will this be the primary crop in Surrey? How will cannabis be taxed? How will Surrey share in the revenue? How will outlets of selling cannabis be approved? With respect to the legalization of cannabis, the SBOT is focused on the workplace perspective, employment standards and human rights.
- Surrey is the only city in Canada that has three Chambers of Commerce. The community grant provided equates to City building. It was suggested that the City should provide leadership to ensure that there is one business voice provided for the business community.

D. Jack, Surrey Environmental Partners: The delegation provided the following comments:

- The City could provide a longer time period for the public to review budget documents prior to the Finance Committee meeting.
- Concerns were expressed regarding the potential of greenhouses being constructed on presently open Agricultural Land Reserve (ALR) lands with the introduction of legalized cannabis. This could lead to less open soil to sequester CO₂.
- Appreciation was expressed that dedicated staffing is anticipated for the Biodiversity Conservation Program in 2018. It was suggested that the funding strategy for the program be made a priority.
- It should be clearly differentiated how land is acquired for the Biodiversity Conservation Program.
- It was suggested that a 10% levy be implemented for ten years to acquire lands for the Green Infrastructure Network (GIN). This levy would be separate from parkland acquisition funds.
- There may be some lands available in the southeast quadrant of the city to be used for the Living Legacy Parks, including land bound by 20th Avenue and 184th Street to 0 Avenue and 196th Street. The McNally Creek Corridor was also suggested as potential lands for the Living Legacy Parks.
- The creation of the South Surrey Nature Area that focuses on the marine environment could be considered.
- The delegation requested a copy of the Aquifer Vulnerability Study.

- The range of fees and replacement ratio for trees could be raised beyond the current standards.
- A full-time Park Ranger system could be established.
- Consider increased natural parkland maintenance, specifically with respect to invasive plant species.
- The budget does not address ongoing accumulated shortfalls to environmental funds.
- The creation of an Environmental Planner position could be considered.
- It was requested that the budget for caliper sized trees be increased to \$10,000 from \$5,000 in order to build the City's tree canopy. In addition, there could be ongoing monitoring of protected trees and replacement trees planted for a development.
- It was requested that the City close the dedications of 84th Avenue between 140th Street and King George Boulevard, and 144th Street between 92nd Avenue and Fraser Highway, in response to concerns regarding the fragment of the natural area component to Bear Creek Park and the restricted access to Green Timbers Heritage Forest.
- It was recommended that the land on the south side of 92nd Avenue between Green Timber Heritage Forest and Keough Park be incorporated into Green Timbers Park to provide a corridor along the creek down to Keough Park South.
- It was recommended that the City could create meadows in areas of the city in order to encourage pollenating species. Potential locations could include the expanses of dry storm water management areas. A communication plan would be required to indicate why the area would not appear maintained.
- It was requested that an up-to-date assessment of resources lost through policy plans, such as the Official Community Plan, Sustainability Charter, the Biodiversity Conservation Strategy, and the Eco Management Study, be provided.
- An assessment of each main river, including the Serpentine, Nicomekl, Little Campbell and its watershed, to determine its overall health and viability, was requested.
- Concerns were expressed for the decrease of 10 hectares of parkland from 2011 as outlined in the report.
- Concerns were expressed that the Infrastructure Category of the report did not include the GIN, which may diminish its importance.
- The Development Processes to transfer private land into public ownership has not been successful.

- The rate of land acquisition for the Biodiversity Conservation Program has not been satisfactory.

C. CORPORATE REPORTS

1. The Corporate Reports, under date of November 27, 2017, were considered and dealt with as follows:

Item No. Foo1 2018 Five-Year (2018-2022) Financial Plan – General Operating
 File: 1705-05

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

It was	Moved by Councillor Hayne Seconded by Councillor Steele That the Finance Committee recommends
that Council:	

1. Approve the recommendations outlined in Section 4.0 - New Funding Requirements and Section 8.0 - 2018 Road and Traffic Safety Utility Levy of Corporate Report Foo1; and
2. Direct staff to prepare the 2018 Five-Year (2018–2022) General Operating and Roads and Traffic Safety Utility Financial Plans incorporating these recommendations and consistent with Appendix "I" and "II" of the report.
Carried
 With Councillor Woods opposed.

Item No. Foo2 2018 Five Year (2018-2022) Financial Plan – Capital Program
 File: 1705-05

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

It was	Moved by Councillor Hayne Seconded by Councillor Steele 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 2018 Five-Year (2018–2022) Capital Financial Plan incorporating these projects.
Carried

It was
that Council:

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

1. Approve adjustments to the City's cemetery fees as documented in Appendix "I" to Corporate Report Foo5; and
2. Authorize the City Clerk to bring forward the appropriate amendment Bylaw to the Surrey Fee Setting By-law No. 14577 for the required readings.
Carried

D. ADJOURNMENT

It was
now adjourn.

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

Carried

The Finance Committee adjourned at 6:35.

Jane Sullivan, City Clerk

Councillor Gill, Finance Committee