

Present:

Mayor McCallum
Councillor Annis
Councillor Elford
Councillor Guerra
Councillor Hundial
Councillor Locke
Councillor Nagra
Councillor Patton
Councillor Pettigrew

Absent:**Staff Present:**

City Manager
Acting City Clerk
General Manager, Corporate Services
General Manager, Engineering
General Manager, Finance
General Manager, Parks, Recreation & Culture
General Manager, Planning & Development
Deputy City Solicitor
Manager, Area Planning & Development, South Division
Manager, Area Planning & Development, North Division
Land Development Engineer

A. PRESENTATION BY THE GENERAL MANAGER, FINANCE**Corporate Report Foo1 2019 Five-Year (2019-2023) Financial Plan – General Operating**

The General Manager, Finance, provided an overview of Corporate Report Foo1 2019 Five-Year (2019-2023) Financial Plan – General Operating. The 2019 proposed Financial Plan represents a balanced budget. Highlights of the proposed budget include:

General

The proposed General Operating Financial Plan is a balanced budget. The Plan is based on two drivers: that the general property tax rate increase be no greater than 2.9%, the Consumer Price Index for the Greater Vancouver Region, and that it minimize corporate debt as much as possible.

New Funding Requirements

- As Council has endorsed the establishment of a municipal police force, the Financial Plan does not include the addition of new RCMP members. The proposed 2019 Financial Plan includes the annualization costs associated with 12 new RCMP service positions that were established in 2018. The total City RCMP Support Services requirements is \$1.38M and the total RCMP Contract funding requirement is \$4.81M.
- There is an annualized impact of four Surrey fire-fighters who were added mid- to late-2018. The total Fire Service funding requirements is \$2.75M.
- The Bylaws Services budget will increase by \$330,000 to reflect increases in labour and operating costs. The total Bylaws funding requirement is \$0.33M.
- The proposed General Operating Financial Plan includes the newly introduced 1.95% Employer Health Tax to be effective January 1, 2019. The

impact of the tax will be approximately \$4.7M. It was noted that 1.3% of the proposed property tax increase is required to address the impacts of the Employer Health Tax.

- Staff adjustments may be made during the Financial Plan if service delivery increases beyond anticipation.
- The total additional funding required for Public Safety is \$9.27M and the total additional funding required for Corporate Initiatives is \$9.53M for a combined total of \$18.8M.

New Funding Available

It is anticipated that a total of \$18.80M in new funding will be available to offset new funding requirements of 2019. Funding sources include increased property taxes due to tax rate increase and new growth, new clients of the Fire Dispatch Service and net departmental revenue increases and other revenue changes.

Assumptions Applied for the 2019 General Operating Financial Plan

The 2019 General Operating Financial Plan has been based on the assumption that there will be a general property tax rate increase that equals approximately \$59 for a single-family home, fee increases resulting in 2.9% additional revenue and no increase to the Road and Traffic Lev.

Corporate Report Foo2 - 2019 Five Year (2019 - 2023) Financial Plan - Capital Program

The General Manager, Finance, provided an overview of Corporate Report Foo2 - 2019 Five Year (2019 - 2023) Financial Plan - Capital Program and highlighted the following information:

- There are three major capital projects that were fully-funded in the 2018-2022 Financial Plan that have been completed from a budget perspective, but are still in the construction process: North Surrey Sport and Ice Complex, the Surrey Museum Expansion and the Hawthorne Rotary Park Improvements.
- The On-Going General Capital Requirements and Funding Requirements is needed to sustain major assets and requires no debt.
- Major General Capital Requirements include large-scale projects such as recreation facilities, sports fields and park construction. These projects require internal borrowing and no further debt is proposed after 2020.
- Bear Creek Stadium Upgrade is a \$7M project that includes the design and construction of a new stadium to support sporting events. Phase One is a detailed design process that requires \$700 thousand in funding. Phase Two is dependent on Provincial and Federal funding support, with the City's portion of funding at \$7M.
- As the proposed 2019 - 20123 General Capital Program is based on the principle of "Pay-as-you-Go" financing and reduction of debt, 17 projects are proposed to be

postponed, resulting in a \$136M debt reduction, for a total debt requirement of \$378M.

Corporate Report Foo3 - 2019 Five Year (2019-2023) Financial Plan – Utilities and Other Self-Funded Programs

The General Manager, Finance, provided an overview of Corporate Report Foo3 - 2019 Five Year (2019-2023) Financial Plan – Utilities and Other Self-Funded Programs, and highlighted the following information:

2019 Water Utility Rates

- An increase to the water rate is required for 2019 due to increases in the Greater Vancouver Water District (GVWD) water rates and system operating and capital costs demands.
- A proposed increase of 2.9% for water utilities is required to support the GVWD water rate increase, as well as the utility's operating and cost demands.
- It is anticipated that the GVWD rate will increase by 11.31% per cubic metre per year over the next five years.

2019 Sewer Utility Rates

- An increase to the sewer utility rate is required for 2019 due to increases in the Greater Vancouver Sewer and Drainage District (GVS&DD) sewerage rates and system operating costs.
- A proposed increase of 2.9% for sewer utilities is required to support the GVS&DD sewage rate increase, as well as the utility's operating and maintenance costs and capital programs.
- It is anticipated that the GVS&DD rate will increase by 11% per year for the next five years.

2019 Drainage/Dyking/Flood Protection Utility Parcel Tax

The proposed increase for the Drainage/Dyking/Flood Protection Utility Parcel Tax is approximately \$225 for residential and agricultural properties and \$459 for commercial properties.

2019 Solid Waste Utility Rates

- The goal of the Solid Waste Utility is to achieve an 80% diversion of waste by Surrey residents by 2020 and to reduce illegal dumping and related clean-up costs by 50% by 2020.
- As a result of City initiatives, illegal dumping decreased by 35% in 2018.

- The proposed increase for single family and multi-family garbage, recycling and organics collection is \$3 for an annual cost of \$290.
- The proposed increase for a secondary suite garbage, recycling and organics collection is \$1 for an annual cost of \$145 per year.

2019 Parking

2019 parking rates were approved by Council at the November 19, 2018 Regular Council – Public Hearing meeting.

2019 Surrey City Energy

The proposed increase for Surrey City Energy is 2.20%.

Corporate Report Foo4 – City Grants for 2019

The General Manager, Finance, provided an overview of Corporate Report Foo4 – City Grants for 2019, and highlighted the following information:

- The City provides support to local non-profit, community-based organizations through the City Grants Program through on-going leases and property taxes, business and tourism grants, crime prevention grants, community grants and one-time grants.
- 84 grant requests have been received for 2019. Each request was evaluated by a cross departmental committee using the Policy on Municipal Grants and the Guidelines for Grant priorities.

B. PUBLIC CONSULTATION

Prior to the public consultation portion of the meeting, Mayor McCallum advised that 116 submissions have been received regarding the Five Year Financial Plan.

Council has acknowledged that the City requires facilities for youth and seniors, to keep the community safe and healthy. Mayor McCallum noted that there could be alternative ways to build facilities. Staff will provide a report to Council regarding soil stabilization for the Cloverdale Sport and Ice Complex site.

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

M. Jones, 170A Street and Hereford Place: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: there is a need for additional ice time at more reasonable hours; hockey enrolment could be decreasing due to the lack of available ice time, as many hockey divisions are currently at capacity; City ice rinks provide affordable ice, which helps keep hockey affordable; sports contribute to the safety of children; and a new arena is a required resource for the city.

B. Brown, 160 Street and 108A Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: lack of available ice time has resulted in hockey enrolment decreases; a new arena is required in the area due to the increase of families; community facilities provide opportunities to keep kids busy and reduce gang activity; and community facilities provide jobs for residents.

M. Bola, President, Cloverdale Community Association, 179 Street and 56A Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Arena and noted: there is a lack of infrastructure in the area; there is a demand for affordable ice time at reasonable hours for kids and for skating lessons; and a new arena would be a venue to host large events and support economic development in the area. The delegation also noted that the Corporate Report does not include City run programs.

K. Pelia, 134 Street and 104 Avenue: The delegation spoke in opposition to the proposed Financial Plan and suggested that the City spend its money on services and infrastructure. The delegation spoke in opposition to the proposed postponement of the 17 General Capital Projects.

C. Secord, 138 Street and 56 Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: arenas provide a venue for multiple sports and activities; new ice sheets would alleviate existing stress on skating facilities around the city; arenas provide community meeting rooms; and costs for a new arena could be increased by delaying the project.

T. Yzerman, 75 Avenue and 138 Street: The delegation spoke in opposition to the proposed neutrality to the Road and Traffic Levy and noted: not investing in pedestrian and cyclist safety could result in less people cycling; and investing in cycling safety and infrastructure would result in health benefits and traffic congestion reduction. The delegation recommended increasing the Levy by 1% to provide additional funds for road safety.

R. Landale, 95 Avenue and 149 Street: The delegation spoke to the different cost impacts the proposed budget and project postponements could have on residents in different areas of the city and noted that there are benefits to paying off debt. The delegation questioned why the Green City Fund is not itemized in the Five Year Plan and spoke to the importance of trees.

A. Huberman, Surrey Board of Trade (SBOT): The delegation spoke to the importance of the City's budget to the SBOT and noted: there should be a longer period for public consultation and input for the budget; there should be a graphic outlining where business tax dollars are allocated; Surrey does not have to maintain the lowest tax bracket in the region, as the City requires infrastructure and capital investments; the Financial Plan could demonstrate downloaded costs from other levels of government; there could be a discussion with the business community regarding the proposed shift in property tax; the Surrey Arts Centre renovation could be advanced; and the transition from RCMP services to a municipal police force could be postponed and instead focus on youth crime prevention. The delegation commended the City's accounting services.

S. Wise, 65 Avenue and Claytonhill Place: The delegation spoke in opposition to the proposed "pay-as-you-go" budget and noted: the proposal does support the growth of Surrey, as the city requires infrastructure; the community needs spaces to grow, connect

and be healthy; the City's projected debt would be manageable and is under the limit set out in the legislation.

C. Fuchs, 181 Street and 61B Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: the City needs new community facilities to keep pace with growth; the lack of ice time is an issue in Cloverdale and forces families out of Surrey; many of the ice times available for young teams are at unreasonable hours and have negative impacts on kids' health; and the City's allowable debt is much lower than the threshold.

P. Nijjor, 139 Street and 89A Avenue: The delegation spoke in opposition to the proposed postponement of the 17 debt-funded General Capital Projects. The delegation spoke to the importance of a new ice arena.

M. Peppler, 149 Street and 84A Avenue: The delegation spoke to the need for new ice arenas and infrastructure investments in the road systems due to increased development. The delegation noted that there should be better traffic management.

J. Perry, 106 Street and Glenwood Crescent: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted that the available ice times are often at unreasonable hours, which negatively affects families.

D. Jack, Surrey Environmental Partners: The delegation spoke to the following: the requirement for a dedicated Financial Strategy for the Biodiversity Conservation Strategy (BCS) and Green Infrastructure Network (GIN) that could be funded through a 1% levy and/or area specific DCC; concerns regarding the proposed funding reduction for the Surrey Parks Land Acquisition and Natural Areas Management Care; requested that the 84 Avenue road allocation be decommissioned between 140 Street and King George Boulevard; consider requiring compensation to the City when a riparian area variance is requested; the establishment of a regional park in South Surrey; increased compensation for tree removal; increased caliper-sized tree planting; smart development and growth; an Urban Forest Canopy Strategy that encompasses private trees; and banning residential outdoor lights, specifically at the edge of natural parks and riparian areas.

C. Dalglish, 150 Street and 60 Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: postponing the project would result in increased costs and could result in more gang activity due to lack of kids' activities; a multi-faceted and proactive approach is needed to address public safety and community facilities assist with this; and all the proposed General Capital Projects are integral to the growth of the community and public safety. The delegation expressed concerns regarding the future use of the Cloverdale Sport and Ice Complex site, including potential privatization.

R. Smillie, 194 Street and 65 Avenue: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex, noting the current impractical ice times for children's sports teams due to lack of ice facilities in the city.

G. Rice, 103 Avenue and 125A Street: The delegation spoke to the following: additional consultation opportunities for the Financial Planning process to determine community priorities; the need for the Indigenous Gathering Centre project to move forward, as Surrey has a large urban Indigenous population; the need for a forensic review of Surrey's

finances; the proposed cuts to the Capital Plan could be avoided if previous budget inefficiencies are identified; the need for justification for the Surrey City Development Corporation and a forensic accounting review of its finances; and the City could consider partnering with the School District on Capital Projects. The delegation asked for confirmation that the City will be going ahead with extending potable water service to the Semiahmoo First Nation, as previously promised by Council.

Resident: The delegation spoke in opposition to the proposed postponement of the 17 debt-funded General Capital Projects.

Resident: The delegation spoke in opposition to the proposed postponement of the Cloverdale Sport and Ice Complex and noted: team sports contribute to the community and maintaining public safety; and a new ice arena would assist in lowering activity costs.

Resident: The delegation spoke in opposition to the transition from RCMP to a municipal police force.

Resident: The delegation spoke in opposition to the proposed postponement of the 17 debt-funded General Capital Projects, noting that projects that benefit the community should be built, such as arenas, libraries, art galleries.

Resident: The delegation expressed concerns regarding the lack of resources for road safety improvements and community infrastructure. The delegation suggested a balance of raising property taxes and moving forward with the 17 debt-funded General Capital Projects that are proposed to be postponed.

Resident: The delegation noted: important capital projects should be completed; new infrastructure should be built to keep up with population growth; and there could be additional efficiencies identified in the Capital Projects budget. The delegation expressed concerns regarding the proposed lack of new RCMP officers.

Resident: The delegation spoke in opposition to the proposed postponement of the 17 debt-funded General Capital Projects and advised that she would support a property tax increase to see these initiatives move forward.

Resident: The delegation noted that it is important to invest in the city and youth. The delegation suggested that additional RCMP officers be implemented in the city and additional support be provided to Library Services. The delegation advised that she would support a property tax increase to see these projects move forward.

Council recessed from 6:09 – 6:15 p.m.

C. CORPORATE REPORTS

1. The Corporate Reports, under date of December 11, 2018, were considered and dealt with as follows:

Item No. Foo1	2019 Five-Year (2019-2023) Financial Plan – General Operating File: 1705-05
----------------------	--

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

Council expressed concerns regarding the neutral Road and Traffic Levy and lack of additional RCMP Officers proposed in the budget.

It was Moved by Councillor Guerra
Seconded by Councillor Patton
That the Finance Committee recommend
that Council:

1. Approve the recommendations outlined in Section 4.0 - New Funding Requirements and Section 8.0 - 2019 Road and Traffic Safety Utility Levy of Corporate Report Foo1; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) General Operating and Roads and Traffic Safety Utility Financial Plan incorporating these recommendations and consistent with Appendix “I” and “II” of the report.

Carried

With Councillors Annis and Pettigrew
opposed.

Item No. Foo2 2019 Five Year (2019-2023) Financial Plan - Capital Program
File: 1705-05

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

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

- There was an enrolment decrease in hockey in 2017 of approximately 500 kids. Hockey Canada has reported a downward trend for hockey enrolment and are implementing initiatives to promote the sport across the country. Reasons for decreased enrolment include costs, level of commitment required including ice times, and concerns regarding the perception of contact levels and injury potential. The City has not completed specific local research regarding hockey enrolment.
- Should Council bring forward a postponed Capital Project, an item of equal value would need to be removed from the budget.
- There are different construction methods at different price points to address soil issues of the Cloverdale Sport and Ice Complex site. Staff could bring forward potential options in the next six months before the 2020 budget cycle begins.

Council expressed concerns regarding the proposed decreased funding for biodiversity and community amenities, noting that recreation facilities are important for a healthy lifestyle and public safety.

Council noted that the Cloverdale Sport and Ice Complex could be reconsidered during the 2020 budget, including different options for having the facility built.

It was Moved by Councillor Guerra
Seconded by Councillor Patton
That the Finance Committee recommend

Council:

1. Approve the Capital Program as outlined in Section 3.0 of Corporate Report Foo2; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) Capital Financial Plan incorporating the Capital Program as outlined in the report.

Carried

With Councillors Annis, Hundial, Locke and Pettigrew opposed.

Item No. Foo3 2019 Five Year (2019-2023) Financial Plan – Utilities and Other Self-Funded Programs
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 Guerra
Seconded by Councillor Patton
That the Finance Committee recommend

that Council:

1. Approve the rate adjustments outlined in Section 2.0 of Corporate Report Foo3; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) Financial Plan for each of the Water, Sewer, Drainage, Solid Waste, Parking and District Energy self-funded programs respectively, incorporating the recommendations as contained in the report.

Carried

Item No. Foo4 City Grants for 2019
File: 1850-20

The General Manager, Finance was recommending approval of the recommendations outlined in the report.

Mayor MacCallum requested a division of the motion. Council removed the Surrey Board of Trade (Item 12), Surrey Crime Prevention Society (Item 14) and Crime Stoppers (Item 15) from the 2019 City Grants recommendation.

It was Moved by Councillor Guerra
Seconded by Councillor Annis
That the Finance Committee recommend
that Council approve the 2019 City Grants as recommended by the Grants
Evaluation Committee and as documented in Appendices "I", "II" and "III"
attached to Corporate Report Foo4, excluding the Surrey Board of Trade (Item 12),
Crime Prevention Society (Item 14) and Crime Stoppers (Item 15).

Carried

Councillor Annis declared a conflict of interest and exited the meeting at 6:36 p.m.

It was Moved by Councillor Guerra
Seconded by Councillor Patton
That the Finance Committee recommend
that Council approve a 2019 City Grant request of \$45,000 for Crime Stoppers.

Carried

Councillor Annis re-entered the meeting at 6:38 p.m.

Council noted that the grant request from the Surrey Board of Trade is much
higher compared to other business and tourism organizations and suggested
amending the grant amount to \$10,000.

It was Moved by Councillor Hundial
Seconded by Councillor Patton
That the 2019 City Grant request of \$40,000
for the Surrey Board of Trade be amended to \$10,000.

Carried

It was Moved by Councillor Hundial
Seconded by Councillor Patton
That the Finance Committee recommend
that Council approve a City Grant request of \$10,000 to the Surrey Board of Trade.

Carried

It was Moved by Councillor Hundial
Seconded by Councillor Patton
That the Finance Committee recommend
that Council approve a \$30,000 increase in the 2019 City Grant Fund to Surrey
Crime Prevention for a total grant of \$260,000.

Carried

D. ADJOURNMENT

It was

Moved by Councillor Guerra
Seconded by Councillor Patton
That the Finance Committee meeting do

now adjourn.

Carried

The Finance Committee adjourned at 6:41 p.m.

Kelly Rayter, Acting City Clerk

Mayor McCallum, Chair

**FINANCE COMMITTEE
RECOMMENDATION INDEX
Tuesday, December 11, 2018**

Four Recommendations

Item No. Foo1 2019 Five-Year (2019-2023) Financial Plan – General Operating
File: 1705-05

That Council:

1. Approve the recommendations outlined in Section 4.0 - New Funding Requirements and Section 8.0 - 2019 Road and Traffic Safety Utility Levy of Corporate Report Foo1; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) General Operating and Roads and Traffic Safety Utility Financial Plan incorporating these recommendations and consistent with Appendix “I” and “II” of the report.

Item No. Foo2 2019 Five Year (2019-2023) Financial Plan - Capital Program
File: 1705-05

That Council:

1. Approve the Capital Program as outlined in Section 3.0 of Corporate Report Foo2; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) Capital Financial Plan incorporating the Capital Program as outlined in the report.

Item No. Foo3 2019 Five Year (2019-2023) Financial Plan – Utilities and Other Self-Funded
Programs
File: 1705-05

That Council:

1. Approve the rate adjustments outlined in Section 2.0 of Corporate Report Foo3; and
2. Direct staff to prepare the 2019 Five-Year (2019–2023) Financial Plan for each of the Water, Sewer, Drainage, Solid Waste, Parking and District Energy self-funded programs respectively, incorporating the recommendations as contained in the report.

Item No. Foo4 City Grants for 2019
File: 1850-20

That Council:

1. Approve the 2019 City Grants as recommended by the Grants Evaluation Committee and as documented in Appendices "I", "II" and "III" attached to Corporate Report Foo4, excluding the Surrey Board of Trade (Item 12), Surrey Crime Prevention Society (Item 14) and Crime Stoppers (Item 15).
2. Approve a City Grant request of \$45,000 for Crime Stoppers.
3. Approve a City Grant request of \$10,000 to the Surrey Board of Trade.
4. Approve a \$30,000 increase in the 2019 City Grant Fund to Surrey Crime Prevention for a total grant of \$260,000.