

Present:

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

Absent:

Councillor Pettigrew

Staff Present:

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

A. ADOPTION OF THE AGENDA

It was

Moved by Councillor Guerra
Seconded by Councillor Patton
That the agenda of the December 22, 2021,

Finance Committee meeting be adopted.

Carried

B. PRESENTATION BY THE GENERAL MANAGER, FINANCE

Corporate Report Foo1 2022 Five-Year (2022-2026) Financial Plan – General Operating
File: 1705-05

The General Manager, Finance, provided an overview of Corporate Report Foo1: 2022 Five-Year (2022-2026) Financial Plan – General Operating. Highlights of the proposed budget include:

- The proposed 2022 Five-Year (2022-2026) Financial Plan – General Operating Financial Plan has been developed based on direction provided by Council and incorporates these key drivers as follows: property tax rate increase limited to 2.9%, consistent with 2019, 2020 and 2021; new revenues resulting from fee increases; Surrey Police Services (SPS) 2022 hiring and deployment plan; and ratification of two new collective agreements, between the City and CUPE Local 402 and between the City and Surrey Fire Fighters Association of the International Association of Fire Fighters.
- The budget is reflective of Council's public safety priorities. Public safety is comprised of budget items for Policing Services (delivered by SPS, the RCMP contract, and City Police Support Services), Fire Services and Bylaw Services.

Council recessed from 11:09 a.m. – 11:18 a.m. to address a technical issue.

- The City's proposed 2022 Policing Services Operating budget has been formulated based on the 2022 deployment plan projections presented to the Surrey Police Transition Trilateral Committee by the SPS and approved by the Surrey Police Board. In submitting the 2022 SPS provisional budget, the Surrey Police Board acknowledged that potential budget reallocations, to ensure alignment with the Human Resources (HR) Plan, may be necessary. During 2022, the City of Surrey will monitor and make necessary funding reallocations between the SPS and the RCMP operating budgets to ensure alignment with the approved HR Plan and actual deployments.
- Phase one of the SPS deployment plan may require additional security clearances in order to deploy officers, as a result of Government of Canada policy. Financial analysis based on the information received on security clearance timelines from the RCMP indicates a potential \$8.5 million funding shortfall as the clearances can take in excess of six months to complete. Any shortfall arising from security clearance delays will be charged to the one-time policing transition project budget.
- The budget is predicated on the RCMP reducing from existing service levels, and police service being augmented by SPS member deployment to ensure that collectively, adequate policing services are provided within the City of Surrey. If the RCMP is unwilling to demobilize at the required levels to match for SPS deployment, this will result in a further \$9 million funding shortfall in 2022. This shortfall would also be charged to the onetime policing transition project budget.
- The City is forecasting a funding shortfall of approximately \$25 million, due to increased costs associated with the ratification of a collective agreement between the RCMP members and the Government of Canada for the years 2017- 2022. These costs were in excess of estimates previously received from E-Division and were therefore not budgeted for. Staff are recommending that this shortfall be funded from a combination of overall 2021 savings, that will potentially materialize at the end of 2021, and temporary internal borrowing. Budget for the repayments related to this internal borrowing will be included in City Police Support Services budget allocations for the next 10 years.
- The proposed one-time policing transition budget was established at \$63.7 million. If the costs associated with the additional security clearances and non-reduction of RCMP service levels materializes, that would result in an approximately \$20 million. It is not reasonable to assume that the one-time policing transition budget can absorb these unforeseen costs and necessitate an increase in the project budget in future years unless SPS can find savings in their one-time policing transition project.
- The Surrey Fire Service staffing compliment was increased by 10 firefighters in 2021, with 50% of the funding for these 10 Full-Time Equivalents ("FTE") provided in 2021. The remaining 50% funding has been included in the proposed 2022 Surrey Fire Service operating budget. These 10 firefighters will compliment the existing staff responding to service demands in the City, especially in North Surrey and the downtown areas. Additionally, funding for four FTEs plus related part-time staffing for dispatch services has been added to the proposed 2022 budget, the costs associated with these resources will be offset by new dispatch revenues related to new and existing dispatch clients.

- The Bylaw Services team has continued to expand its range and depth of services over the past several years, as demonstrated with the Community Enforcement and Surrey Outreach Team as well as our COVID-19 response. The regular call load continues to increase year over year as we provide seven days a week service with a significant presence in the community.
- Funding for staffing and operating costs and changes to revenue allow the city to continue to provide a high-level of service to residents. Funding provisions in the proposed budget include additional staffing and operational resources including the following: the Collective Agreement between the City and CUPE Local 402; elimination of late fees on overdue library materials revenue; new Parks, Recreation & Culture facilities; Information Technology licensing costs; liability insurance cost increases; Permitting Timelines Guarantees Framework; debt servicing costs; and other departmental resourcing requests.
- The projected increase in the Provincial Casino Revenue Sharing is an increase from 2021, which was 0% due to the closure of casinos due to COVID-19. It has been anticipated that casinos would reopen; however, this is uncertain due to recent Provincial Health Orders.
- There is no proposed increase to the Roads & Traffic Safety Levy for 2022 – 2026. Staff will need to reassess the sustainability of this as part of the 2023 budget process. The roads program is also funded by a contribution from the General Operating Fund and the contribution amount has been maintained at the 2021 level.
- The proposed 2022 General Operating Financial Plan represents a balanced budget. It is important to note that the proposed 2022 budget does not need to incorporate or take on any debt resulting from the detrimental financial impact caused by COVID-19 in fiscal 2021.

Corporate Report Foo2 2022 Five-Year (2022-2026) Financial Plan - Capital Program
File: 1705-05

The General Manager, Finance, provided an overview of Corporate Report Foo2: 2022 Five-Year (2022-2026) Financial Plan - Capital Program. Highlights of the proposed budget include:

- The General Capital Program is composed of the ongoing General Capital program and the Major General Capital program and has a funding requirement of \$542 million.
- On-going General Capital is required to sustain existing assets through major maintenance initiatives such as building envelope upgrades, roof repairs, and technology updates. Minor facility upgrades such as flooring and washroom improvements along with small park enhancements are undertaken as well. The Parkland Acquisition Program is also part of On-going General Capital. This program is funded by City Reserves, contributions from General Operating, Green City, Community Amenity Contributions, and Gaming Revenue. No borrowing is utilized for the On-going General Capital program.

- The Major General Capital program includes significant capital projects such as aquatic centres, recreation facilities, arenas, sports fields, parks construction and upgrades, and arts & culture amenities. The Major General Capital program is funded by Community Amenity Contributions, External Borrowing, contributions from General Operating, City Reserves, Gaming Revenue, and External Contributions (Grants).
- There is no increase proposed for the Capital Parcel tax which was established in 2015 to be utilized to provide cultural and recreations services, including establishing, operating and maintaining related capital projects, for the convenience and well-being of the residents and businesses within the City.
- The proposed Major Capital Program has a funding requirement of \$219 million for 29 projects. Projects include: the Newton Community Centre, Cloverdale Sport and Ice Complex, Bear Creek Park Athletics Centre, bus layover facility, police training facility, artificial turf field replacements at five locations, Neighbourhood Concept Plan (NCP) funded park projects, North Surrey Outdoor Sport Facility, Newton Artificial Turf Field and washroom and changeroom, community park in Fleetwood, Tamanawis Park third field hockey turf field and changeroom, Nicomekl Riverfront Park, Crescent Park Pickleball Courts, Unwin Community Park and Surrey Police Service capital and transition requirements.
- Engineering Capital infrastructure projects require \$143.3 million in funding for proposed roads, drainage, water, sewer and energy.

Corporate Report Foo3 2022 Five-Year (2022-2026) Financial Plan – Utilities and Other Self-Funded Programs
File: 1705-05

The General Manager, Finance, provided an overview of Corporate Report Foo3: 2022 Five-Year (2022-2026) Financial Plan – Utilities and Other Self-Funded Programs. Highlights of the proposed budget include:

- Utilities are self-funded programs that follow a "user-pay" approach. Necessary rate adjustments are proposed as required.
- It is recommended for 2022 that the water utility metered rate be increased from \$1.1433 per cubic metre to \$1.1863 per cubic metre, which represents a combined change in the Greater Vancouver Water District and the City's portion of water charges of \$0.0430 per cubic metre. This recommendation will equate to a total increase of \$15.48 per year for the average metered single-family dwelling and \$86.00 per year for an average business.
- The non-metered or flat-water rate will be increased based on the 'average' consumption of water by non-metered accounts and will reflect the proposed rate increase of \$0.0430 per cubic metre. A residential flat rate customer will see a \$34.40 per year increase.

- It is recommended for 2022 that the sewer utility metered rate be increased from \$1.3659 to \$1.4482 per cubic metre of discharge volume, which represents a combined change in Greater Vancouver Sewage & Drainage District and the City's portion of sewer charges of \$0.0823 per cubic metre of discharge volume. This recommendation will equate to a total increase of \$24.30 per year for the average metered single family dwelling and \$134.97 per year for the average metered business.
- An increase of \$6.64 per residential and agricultural property per year and an increase of \$16.21 per commercial and industrial property per year is recommended for the Drainage Parcel Tax, which represents a 2.9% increase respectively are proposed to support increased maintenance and capital costs in relation to the City's drainage infrastructure. With this proposed increase, the Drainage Parcel Tax for 2022 will be \$235.64 for residential and agricultural properties and \$575.21 for commercial properties.
- It is recommended for 2022 that a 2.9% increase be applied to the 2022 Solid Waste Utility rates, resulting in an annual collection rate of \$315.90 for single family and multi-family customers and \$157.44 for secondary suite customers. The increase will support the increased Metro Vancouver tipping fee as well as waste diversion, general litter cleanup around the City and capital infrastructure for street cleaning initiatives. It is also recommended that the rates for Apartment/Townhouse recycling customers increase from \$0.93 to \$32.93 and for Apartment/Townhouse recycling and organic customers from \$1.22 to \$43.22 for increased large item pick-up collection service costs.
- 2022 Parking rates are updated per the Surrey Fee Setting Bylaw, 2001, No. 14577.
- A 2.2% increase is proposed for the District Energy rate, as supported by an independent External Rate Review Panel. This increase enables the Utility to recover its capital and operating costs, while providing stable and competitive energy rates for its customers.

C. PUBLIC CONSULTATION

The Mayor called for speakers to the proposed 2022 Five-Year Financial Plan.

D. Amaro, Surrey: The delegation expressed concerns regarding the lack of taxes collected for rental properties.

L. Haliburton, Surrey: The delegation spoke in opposition to the budget and expressed concerns regarding the proposed property tax increase.

A. Huberman, Surrey Board of Trade: The delegation spoke to the budget timeline, appointment of an Auditor General, increased fees on services to offset the cost of property taxes which result in higher housing costs, cannabis revenue, increasing digitization, Indigenous economic opportunities, loan terms, downloading of costs by other levels of government, the Green City fund, public safety, strategic investments in economic development, investment in a comprehensive housing strategy, lack of increase to the Road and Traffic Safety Levy and transit.

A. Johnson, Whalley: The delegation spoke in opposition to the budget citing the lack of a pool facility in City Centre and budget contribution Surrey Police Services and its lack of benefit to youth.

S. Sajda, Whalley: The delegation spoke in opposition to the budget citing the Green City fund and the benefits of green infrastructure.

R. Kaptyn, Canada Association of Retired Persons: The delegation expressed support for the removal of late library fees and additional pickleball courts and washroom facilities at parks. The delegation expressed concerns regarding public safety, lack of additional fire fighters and services to support population growth, the deployment of Surrey Police Service officers and the separation of utilities as part of property taxes.

S. Rush, South Surrey: The delegation expressed concerns regarding the budget timeline, the proposed property tax increase, Capital Parcel tax, the Indemnity Bylaw, lack of details regarding Surrey Police Services and the Green City fund.

D. Jack, Surrey Environmental Partners: The delegation spoke to the Green City fund, parkland acquisition, sea dam replacement, establishment of a biodiversity acquisition fund, variance compensation, creation of an Environmental Planner staff position, tree removal valuation, tree canopy enhancement, a park ranger program, increase formula for parks and increased funding for the SHARP and SNAP programs.

M. Smith, Surrey: The delegation spoke in opposition to the proposal citing the budget timeline, the proposed property tax increase, use of the Green City fund, lack of a pool facility in City Centre, the Surrey Police Service budget allocation and lack of fire truck upgrades.

T. Money, North Surrey: The delegation expressed opposition to the budget citing timeline.

Written submissions were received as follows:

- Submission dated December 20, 2021, from A. Johnson expressing concerns for the proposal citing transparency and policing.
- Email dated December 19, 2021, from A. Kaps expressing opposition for the proposal citing transparency, policing, tax, and legal cost.
- Submission dated December 19, 2021, from A. Smith expressing opposition for the proposal citing tax.
- Submission dated December 18, 2021, from B. Anderson expressing opposition for the proposal citing policing and tax.
- Submission dated December 20, 2021, from B. Hermann expressing opposition for the proposal citing policing.
- Submission dated December 18, 2021, from D. Theilmann expressing opposition for the proposal.
- Email dated December 19, 2021, from Greyhounds Masters Track & Field Club expressing concerns for the proposal citing lack of indoor sports complex.
- Submission dated December 18, 2021, from M. Brown expressing opposition for the proposal.
- Submission dated December 20, 2021, from M. De Steur expressing opposition for the proposal citing policing, tax, and transparency.

- Submission dated December 18, 2021, from M. Deslauriers expressing opposition for the proposal citing transparency.
- Submission dated December 20, 2021, from M. May expressing opposition for the proposal.
- Submission dated December 20, 2021, from M. Mckinnell expressing opposition for the proposal.
- Submission dated December 18, 2021, from M. Short expressing opposition for the proposal citing policing and transparency.
- Email dated December 20, 2021, from M. Ying expressing opposition for the proposal citing parks.
- Email dated December 18, 2021, from P. Jouhal expressing opposition for the proposal citing parks.
- Submission dated December 18, 2021, from P. Paris expressing concerns for the proposal citing policing, transparency, and tax.
- Submission dated December 20, 2021, from R. Hermann expressing opposition for the proposal citing policing.
- Submission dated December 18, 2021, from R. Oliver expressing opposition for the proposal citing transparency and legal cost.
- Submission dated December 17, 2021, from R. Oliver expressing opposition for the proposal.
- Email dated December 20, 2021, from T. Miyazaki expressing concerns for the proposal citing parks.
- Submission dated December 20, 2021, from L. Wall expressing opposition for the proposal citing policing and transparency.
- Email dated November 23, December 18, and December 19, 2021, from R. Landale expressing concerns for the proposal.
- Submission dated December 20, 2021, from S. Querin expressing opposition for the proposal citing policing.
- Submission dated December 20, 2021, from A. Hermann expressing opposition for the proposal citing policing.
- Submission dated December 20, 2021, from D. Johnstone expressing opposition for the proposal citing transparency, policing, utilities, and debt.
- Submission dated December 20, 2021, from E. Kastner expressing opposition for the proposal citing policing, sale of city land, and affordable housing.
- Submission dated December 20, 2021, from P. Gii expressing opposition for the proposal citing tax and affordability.
- Submission dated December 21, 2021, from J. Holyk expressing concerns for the proposal citing debt and tax.
- Submission dated December 21, 2021, from A. Hunter expressing concerns for the proposal.
- Submission dated December 21, 2021, from R. Oaks expressing support for the proposal.
- Submission dated December 21, 2021, from C. Hermann expressing opposition for the proposal citing policing.
- Submission dated December 21, 2021, from M. Rutley expressing opposition for the proposal citing policing.
- Submission dated December 21, 2021, from T. Rutley expressing opposition for the proposal.
- Submission dated December 21, 2021, from J. Dicastri expressing opposition for the proposal citing policing.
- Submission dated December 21, 2021, from R. Rutley expressing opposition for the proposal citing policing.
- Submission dated December 21, 2021, from S. Singh expressing support for the proposal.

It was
that Council approve the proposed 2022 City Grants, except for the Crime Stoppers grant request, as recommended by the Grants Evaluation Committee and as documented in Appendices "I", "II" and "III" attached to Corporate Report Foo4.

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

Carried

E. ADJOURNMENT

It was
adjourned.

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

Carried

The Finance Committee adjourned at 1:48 p.m.

Jennifer Ficocelli, City Clerk

Mayor McCallum, Chair