

NO: **F035**

COUNCIL DATE: **SEPTEMBER 29, 2014**

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## FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **September 24, 2014**

FROM: **General Manager, Finance & Technology**

FILE: **1970-01**

SUBJECT: **Property Tax Review Task Force**

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## RECOMMENDATION

It is recommended that Finance Committee recommend that Council appoint the following members to the Property Tax Review Task Force:

- (1) Chris Danchuk, Deputy Assessor, BC Assessment;
- (2) Donald Matthew, Chartered Accountant, KPMG;
- (3) Craig East, Chartered Accountant, Surrey Board of Trade;
- (4) Anita Huberman, Chief Executive Officer, Surrey Board of Trade;
- (5) Kash Kang, Volunteer Community Member;
- (6) Gopal Sahota, Volunteer Community Member, and
- (7) Clark Woodland, Volunteer Community Member.

## BACKGROUND

At the July 21<sup>st</sup> Finance Committee meeting, Council approved Corporate Report F030, which recommended that a Property Tax Review Task Force (Task Force) be established and appointed Councillor Gill as the Chair and Councillor Hayne the Vice-Chair. Included in that report were the proposed Terms of Reference which listed a preliminary membership list. The Terms of Reference are attached as Appendix I. Staff was directed to proceed with the invitations to participate on the Task Force. This report will address that requirement.

## DISCUSSION

The Terms of Reference for the Task Force outlines the composition of the membership. Specifically, the representation is to include BC Assessment Authority, Surrey Board of Trade, a Large Audit Firm and members of the public, along with Council and staff representatives from Engineering, Finance and Legislative Services.

Staff contacted BC Assessment, Surrey Board of Trade and KPMG, the City's external auditor, to seek participation. In addition, an invitation was posted in the local newspaper on August 28<sup>th</sup> and September 4<sup>th</sup>, inviting members of the public to participate on the Task Force.

The City received ten applications from community members, expressing an interest in participating in the Task Force. While all the applicants brought their own distinct skills and abilities, three members of the community stood out for their broad understanding of the property tax system and their participation and involvement in similar types of environments. After reviewing the credentials of all applicants, staff recommend that the following be appointed to the Property Tax Review Task Force:

1. Chris Danchuk, Deputy Assessor, BC Assessment;
2. Donald Matthew, Chartered Accountant, KPMG;
3. Craig East, Chartered Accountant, Surrey Board of Trade;
4. Anita Huberman, Chief Executive Officer, Surrey Board of Trade;
5. Kash Kang, Volunteer Community Member;
6. Gopal Sahota, Volunteer Community Member, and
7. Clark Woodland, Volunteer Community Member.

A brief biography of each of the proposed members is attached as Appendix II. If Finance Committee accepts this recommendation, the first meeting will be scheduled for October, and will begin with a review of the potential subject areas and the proposed Terms of Reference.

## **SUSTAINABILITY CONSIDERATIONS**

A Property Tax Review Task Force would help to achieve the objectives of the City's Sustainability Charter, more particularly, the following action items:

EC13: Municipal Finance Reform

EC14: Taxation Policy and Financial Incentives

## **CONCLUSION**

It is recommended that the Finance Committee recommend that Council appoint the above members to the Property Tax Review Task Force as outlined within this report.

Vivienne Wilke  
General Manager,  
Finance & Technology

Appendix I: Property Tax Review Task Force Terms of Reference (Proposed)  
Appendix II: Biography of Property Tax Review Task Force Members

## **City of Surrey Property Tax Review Task Force**

### **Terms of Reference (Proposed)**

#### **Purpose:**

Surrey property owners benefit from some of the lowest property taxes in the Lower Mainland. Authority to impose property taxes and user fees stem from an era where local governments delivered a narrow range of services, such as water, sewer and the local road network. With a significant broadening of the types of services that local governments deliver there is a need to consider whether these traditional revenue sources align well with the broader suite of services, or whether there are better ways to finance some or all of these services.

The task force will explore the fit between this broader range of services and existing revenue tools available to the City of Surrey in the context of whether the revenue tools are sufficient and whether they support tax policy objectives such as ensuring that those that benefit from a service pay for it.

Work may include, but is not limited to, the following subject areas:

- Alternate property tax structures that are less linked to property assessments;
- Fair distribution of property tax revenues between Business and Residential Property Classes;
- Development of a set of principles related to the City's capacity to address:
  - economic downturns;
  - long term borrowing;
  - funding of future City facilities (capital and operating); and
  - the speed at which the City moves to meet its capital plans;
- Enhanced communication about the collection and use of property tax revenues by the City;
- Potential revisions to the Provincial Homeowners Grant Program, particularly with respect to the eligibility thresholds; and
- Request that Council lobby the Province to make legislative changes that would allow the City to carry out the recommendations of the Task Force.

### **Members and Support:**

Finance Committee will appoint task force members composed of:

- Chair of the Finance Committee;
- One other member from Council;
- One representative from BC Assessment;
- One representative from a large Audit firm;
- Up to 2 members from the Surrey Board of Trade;
- At least 2 other community members who can demonstrate a broad understanding of the property tax system;
- Up to 3 other members, who are City of Surrey staff that possess specific relevant expertise;
- The task force may contract with any person, to facilitate the process so long as that contract is approved by Council.

### **Products/Deliverables:**

The task force will prepare a report of its findings, including recommendations, for Council, and may prepare interim reports as it considers appropriate. The final report will be provided by February 28, 2015, unless the term of the task force is extended.

### **Term:**

The task force will meet from September 15, 2014 through to January 31, 2015, at the call of the Chair.

## **City of Surrey Property Tax Review Task Force**

### **Proposed Membership**

Chris Danchuk, Deputy Assessor, BC Assessment

Mr. Danchuk is the Deputy Assessor for the South Fraser Region and has been with BC Assessment for 17 years. He has worked in several different offices throughout the lower mainland and has been a manager in Surrey for the past 7 years. Chris was integral in taking the Desk Top Review pilot project for BC Assessment and making it operational. He holds an AACI designation with the Appraisal Institute of Canada. Chris maintains a strong working relationship with the Finance Department at the City of Surrey.

Donald Matthew, Chartered Accountant, KPMG

Mr. Matthew is a Chartered Accountant with KPMG and is the National Industry Leader for Industrial Manufacturing. Don represents industries in Transportation, Manufacturing, Construction, Aerospace, Public Sector, Municipal Government and Energy. He is also a member of the Board of Governors for the University of Alberta, the Edmonton Chamber of Commerce Board and a member of the Board of Directors of CME (Canadian Manufacturers & Exporters). Don works out of the Langley office and has been with KPMG for more than 30 years.

Craig East, Chartered Accountant, Surrey Board of Trade

Mr. East is a Chartered Accountant and the Chief Financial Officer for Primex Manufacturing in Langley. As the past president and member of the Finance and Taxation Team for the Surrey Board of Trade, Craig has significant insight into the City's taxation policies. Craig is also a director for Options Community Services and the Board Voice Society of BC and has volunteered for Cloverdale Minor Hockey and the Cloverdale Rodeo. Craig has been a Surrey resident for 40 years.

Anita Huberman, Chief Executive Officer, Surrey Board of Trade

Ms. Huberman has been the Chief Executive Officer for the Surrey Board of Trade for the last 8 years and has been with the Board of Trade for 21 years in total. She has been appointed as a trustee to Canada's National Film Board and is a member of the Metro Vancouver Transit Police Chiefs Community Council and the Faculty of Communication, Art and Technology – SFU Dean's Advisory Board. Anita has received numerous awards including being recognized as Business in Vancouver's Top 40 under 40. She holds a bachelor degree in Communications from Simon Fraser University and has been a Surrey resident for over 30 years.

### Kash Kang

Mr. Kang has been a resident of Surrey for over 40 years and currently resides in Fraser Heights. He has participated in numerous volunteer functions that include council committees, community associations and sports groups. He is well versed of the wide range of diversity throughout the City. He has been involved in the property assessment and taxation process in British Columbia for over 25 years and has a good knowledge of assessment legislation, taxing jurisdictions, budgeting processes and procedures. He has a good knowledge of property uses, real estate values, and tax impacts of classifications throughout Surrey.

### Gopal Sahota

Mr. Sahota is a resident and homeowner in Surrey, currently residing in the Newton area and is actively involved in the community through youth sport initiatives. He is a member of the Fraser Valley Real Estate Board (the Board). He is currently the Director of the Board and has been involved with the education and arbitration committees of the Board. Gopal has also been involved with the Environmental Advisory Committee and the Development Advisory Committee for the City of Surrey. Through his work with the Real Estate Board, he has been involved with lobbying various levels of government and brings a broad understanding of many aspects of municipalities such as economic development, intergovernmental relations, regional transportation and property taxes.

### Clark Woodland

Mr. Woodland is a resident and homeowner in South Surrey and has resided in Surrey for the past 17 years. He has been actively involved in his strata as a Council Member and President. Clark is now retired; however he has many years of experience in Management Consulting for both his own company and for private corporations. Through his consulting work, he has helped many public and private sector organizations with their strategic planning, corporate governance and financial management, addressing many aspects of business including taxation issues.