

Paula Kusack

From: Minister, MAH MAH:EX <MAH.Minister@gov.bc.ca>
Sent: August-23-18 12:15 PM
To: Kelly Kenney
Cc: Minister, AG AG:EX; Minister, PSSG PSSG:EX; 'GMacisaac@ubcm.ca'
Subject: 238235: Traffic Fine Revenue Sharing Arrangement
Attachments: Correspondence June 13 2018 - Traffic Fine Revenue.pdf

Ref: 238235

Kelly Kenney, Corporate Officer
City of Langley
Email: KKenney@langleycity.ca

cc: AG.Minister@gov.bc.ca
PSSG.Minister@gov.bc.ca
GMacisaac@ubcm.ca

Dear Kelly Kenney:

Thank you for your email and enclosure regarding the Traffic Fine Revenue Sharing (TFRS) arrangement. The Province of British Columbia fully understands the importance of this critical funding program for local governments. I apologize for the delay in responding.

Please note that the Honourable David Eby, Attorney General, and the Honourable Mike Farnworth, Minister of Public Safety and Solicitor General are the lead Ministers on this file so I encourage you to reach out to them with any further inquiries. As the Minister responsible for local government, I can provide you with the following information.

As you are aware, our government has many new traffic enforcement programs either announced or already underway that are likely to result in a change in the number of violation tickets issued. While these initiatives may produce new incremental fine revenue, they also create new costs that were not contemplated when the original TFRS arrangement was established 14 years ago.

The original TFRS arrangement sets out that local governments receive 100 percent of net traffic fine proceeds, once certain designated costs have been deducted by the Province, such as those for operating traffic court, or for the commissions that the Insurance Corporation of British Columbia pays to brokers to collect traffic fines and take payments.

While consultation has just recently begun with the Union of British Columbia Municipalities (UBCM) on the potential for any changes to the TFRS arrangement, our government can assure you and the City of Langley that, if there are to be any changes, they will have no negative impact on the grants local governments currently receive. In fact, once the new enforcement programs are in place, we expect that it is likely that these grants will increase.

I can advise you that a delegation of UBCM members and staff has recently been formed to undertake consultations with the Province as we move forward. I would encourage you to contact Gary MacIsaac, Executive Director, UBCM, to ensure the City of Langley's feedback is included along the way.

By way of this correspondence, I am copying Attorney General Eby and Minister Farnworth so they, and their staff, are fully aware of your concerns as the consultation process with UBCM proceeds.

Thank you again for writing.

Sincerely,

Selina Robinson
Minister of Municipal Affairs
and Housing

From: Kelly Kenney [<mailto:kkenney@langleycity.ca>]
Sent: Wednesday, June 13, 2018 12:06 PM
To: Minister, MAH MAH:EX
Cc: Francis Cheung; Darrin Leite
Subject: Strategic Community Investment Fund - Traffic Fine Revenue Sharing

Please see the attached correspondence from the City of Langley.

Best regards,

KELLY KENNEY
CORPORATE OFFICER

20399 Douglas Crescent, Langley BC V3A 4B3
P 604.514.4591 E kkenney@langleycity.ca



File: 0410-02

June 13, 2018

Honourable Selena Robinson
Minister of Municipal Affairs and Housing

Via Email: MAH.Minister@gov.bc.ca

Dear Minister Robinson:

Re: Strategic Community Investment Fund - Traffic Fine Revenue Sharing

At its June 11, 2018 Regular Council meeting, the Council for the City of Langley considered a report from the City's Director of Corporate Services regarding the Provincial Government's intention to amend the Strategic Community Investment Fund Agreement between the City and the Provincial Government. The report is attached for reference. Council subsequently passed the following resolution:

WHERE AS the City of Langley acknowledges the receipt of \$472,123 from the Provincial government to help fund the salary of three RCMP officers from traffic fine revenues received in 2017;

WHERE AS the Provincial Government has advised that it intends to amend the Traffic Fine Revenue Sharing agreement that has provided municipalities unconditional grants since 2004, returning 100% of the net provincial traffic fine revenues;

WHERE AS 45% of the property tax revenues collected in the City of Langley are required to pay for the escalating policing service costs in the community, creating a significant burden for the local taxpayer;

THEREFORE BE IT RESOLVED THAT the Province continue to provide 100% of the traffic fine revenues to municipalities including fines generated by the proposed speed enforcement cameras located at high risk intersections.

Yours truly,
CITY OF LANGLEY



Kelly Kenney
Corporate Officer

Enclosure



REPORT TO COUNCIL

To: **Mayor Schaffer and Councillors**

Subject **Strategic Community Investment Fund - Traffic
Fine Revenue Sharing**

Report #: 18-31

From: Darrin Leite, CPA, CA
Director of Corporate Services

File #: 1610.00

Doc #: 156939

Date: May 14, 2018

RECOMMENDATION:

THAT Council endorse the following motion to be sent to the Provincial government to express the City of Langley's concern about the Province's intent to amend the Traffic Fine Revenue Sharing (TFRS) agreement:

WHERE AS the City of Langley acknowledges the receipt of \$472,123 from the Provincial government to help fund the salary of three RCMP officers from traffic fine revenues received in 2017;

WHERE AS the Provincial Government has advised that it intends to amend the Traffic Fine Revenue Sharing agreement that has provided municipalities unconditional grants since 2004, returning 100% of the net provincial traffic fine revenues.

WHERE AS 45% of the property tax revenues collected in the City of Langley are required to pay for the escalating policing service costs in the community, creating a significant burden for the local taxpayer.

THEREFORE BE IT RESOLVED THAT the Province continue to provide 100% of the traffic fine revenues to municipalities including fines generated by the proposed speed enforcement cameras located at high risk intersections.

PURPOSE:

The Strategic Community Investment Fund Agreement between the City and the Provincial Government requires the City to annually report on the traffic fine revenues

received in the prior year. As well, the City wants to discourage the Provincial Government from changing the 100% share municipalities have received in the past from the Traffic Fine Revenue Sharing program.

POLICY:

None.

COMMENTS/ANALYSIS:

The Provincial Government requires the City to publicly report on the amount of traffic fine revenues received under the Strategic Community Investment Fund Agreement. In 2017, \$472,123 in traffic fine revenues was received from the Province.

In 2004, the Province began returning 100% of the traffic fine revenues to municipalities and the City used the increase traffic fine revenues for that year to hire three RCMP officers. The annual grant continues to provide funding for these three RCMP officers.

The Provincial Government has indicated that they want to expand the traffic fine revenue by installing cameras at intersection that not only ticket drivers who go through on a red light but also clock the speed of the driver to determine if they are speeding through an intersection. Previously, red light cameras traffic fine revenue was allocated 100% to the municipalities. The Province has indicated that it would like to withhold some of the revenues realized by adding the speeding component, to be used to fund ICBC road safety programs. The concern is that municipalities who rely on the traffic fine revenue will receive less revenue once the Province amends the program retaining some of the traffic fine revenues generated in the Province.

BUDGET IMPLICATIONS:

The City's adopted 2017 Financial Plan anticipated \$498,200 in traffic fine revenue. The actual funding received of \$472,123 was \$26,077 lower than the budget based on the actual traffic fine revenues generated in the Province during the period. This revenue was generated between April 2015 to March 2016 as there is a lag time between when the revenue is generated and when it is disbursed to the municipalities.

ALTERNATIVES:

City Council could just acknowledge the traffic fine revenues generated in 2017 itemized in the first Whereas clause.

Respectfully Submitted,



Darrin Leite, CPA, CA
Director of Corporate Services

Attachments:

1. April 5, 2018 letter to the UBCM from the Minister of Municipal Affairs and Housing
2. April 30, 2018 response letter to the Minister of Municipal Affairs and Housing from the UBCM

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer

Province Intends to Amend Traffic Fine Agreement

May 2, 2018

The provincial government has advised UBCM of its intention to amend the Traffic Fine Revenue Sharing (TFRS) agreement. This was communicated to UBCM in [correspondence](#) from the Honourable Selina Robinson, Minister of Municipal Affairs and Housing. The current agreement provides an unconditional grant to local governments, returning 100% of net provincial traffic fine revenue.

Minister Robinson, in accordance with s. 276 of the *Community Charter* and the [2004 Consultation Agreement](#) between the Province and UBCM, has indicated that the Province would like to immediately begin consultation regarding potential changes to the TFRS agreement. The Province would like to complete the consultation process by the end of July 2018.

UBCM has [responded](#) to the Minister with a letter that outlines concerns regarding the Province's rationale for seeking changes to the current TFRS agreement, while also providing examples of new policing cost pressures faced by local governments.

The Province's rationale for amending the agreement is largely based on the expansion of automated traffic enforcement, which has the potential to generate additional traffic fine revenue. However, the overall state of policing in B.C. is one where local governments continue to face escalating costs, and stand to absorb a number of new policing costs (e.g. RCMP unionization, new Auxiliary Program, etc.).

Background

The TFRS agreement is an unconditional grant that returns 100% of net provincial traffic fine revenue (violation ticket fines minus provincial recovery costs) to local governments. While local governments over 5,000 in population receive a percentage of traffic fine revenue from the Province, local governments under 5,000 in population receive traffic fine revenue through a reduction in the Police Tax. Traffic fine revenue is not allocated based on the jurisdiction where a ticket is issued, but rather the ratio of a local government's policing costs to aggregate local government policing costs in BC.

There is a two-year delay from when violation tickets are issued to when traffic fine revenue is distributed to local governments. For example, in 2017/18, local governments received \$53.4 million in traffic fine revenue, based on violation tickets issued in 2015/16. While the intention is for TFRS grants to be spent on enhancing community safety, ultimately it is up to the discretion of the local government.



April 5, 2018

Ref: 235064

Wendy Booth, President
Union of British Columbia Municipalities
60-10551 Shellbridge Way
Richmond BC V6X 2W9

Dear President Booth:

Thank you for our recent phone conversation regarding the Traffic Fine Revenue Sharing (TFRS) program. As a follow-up to that conversation, I thought it would be helpful to outline some of the key issues we discussed.

Under the terms of a January 2005 provincial letter of understanding from then-Minister Murry Coell, the Province of British Columbia agreed to provide 100 percent of net traffic fine revenue back to local governments through the TFRS program. This acknowledged local governments' role and costs in both the manual issuing of traffic tickets and the promotion of community safety.

While this arrangement has historically worked well for all parties, there are some fundamental current and proposed changes underway related to traffic enforcement that may impact the TFRS program.

One example is the ongoing expansion of automated traffic enforcement (i.e., intersection safety and targeted speed activation cameras). This includes the full, 24/7 activation of the 140 existing red-light safety cameras that are located across 26 communities in British Columbia, as well as plans for some of these cameras to be used for speed enforcement at specific high-risk intersections.

Unlike violation traffic tickets issued by a police officer, this expansion in automated enforcement and its associated traffic fine revenue does not require additional local government or law enforcement resources. In fact, the Province hopes that these changes will provide police agencies in British Columbia with greater flexibility in choosing how and where to deploy officers based on the public and road safety needs within their individual communities.

The Province wants to better leverage traffic fine revenue for initiatives that improve road safety and driver behaviour at high risk locations – leading to reduced collisions – which will be critical in both decreasing claims costs for the Insurance Corporation of British Columbia (ICBC), and reducing injuries and saving lives in communities around the province. This is timely as ICBC is facing significant financial losses.

.../2

Wendy Booth
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As these new sources of traffic fine revenue, and associated expenses, were not contemplated when the TFRS program was first established, the Province now hopes to update the TFRS program to better reflect these changes and address public safety pressures experienced throughout British Columbia, including improvements to high-risk municipal and provincial roads and intersections.

On behalf of my colleagues at the Ministry of Attorney General and the Ministry of Public Safety and the Solicitor General, and in accordance with s. 276 of the *Community Charter* and the 2004 Consultation Agreement between the Province and Union of British Columbia Municipalities, I am formally notifying you that the Province would like to commence a consultation regarding potential changes to the TFRS program. Provincial representatives would like to begin the consultation process with UBCM in short order, and have it completed before the end of July 2018.

The Attorney General's Office and the Ministry of Public Safety and Solicitor General will lead this consultation on behalf of the Province and will contact UBCM staff in the near future to formalize timing and details of a consultation plan. If you or your staff have any questions about this work, please contact Jeff Groot, Executive Director, Corporate Priorities and Strategic Engagement, Attorney General's Office, at: 778 698-5200, or by email at: Jeff.Groot@gov.bc.ca.

I hope this consultation will be productive and ultimately result in public safety benefits for local governments, the Province and the citizens of British Columbia.

Sincerely,



Selina Robinson
Minister

pc: Honourable David Eby
Attorney General

Honourable Mike Farnworth
Minister of Public Safety and Solicitor General

Honourable Claire Trevena
Minister of Transportation and Infrastructure

Jeff Groot, Executive Director
Corporate Priorities and Strategic Engagement
Ministry of Attorney General

April 30, 2018



The Honourable Selina Robinson
Minister of Municipal Affairs and Housing
Parliament Buildings
Victoria, B.C.
V8V 2C2

Re: Traffic Fine Revenue Sharing Program

Dear Minister Robinson,

I write to you in response to your April 5, 2018 letter regarding the Traffic Fine Revenue Sharing (TFRS) program and intention to change the current agreement. While UBCM is open to hearing your concerns and rationale for considering amendments, we wish to register our concerns regarding your intention to change the TFRS agreement.

Suggesting that the TFRS program should be changed because of the expansion of automated traffic enforcement and other unnamed changes is a one-sided perspective that ignores the state of policing in British Columbia. According to provincial data, in 2014, 75 B.C. local governments spent \$1.08 billion on policing services. By 2016, that number rose to \$1.19 billion, an increase of over \$100 million per year in policing costs borne by local governments. In comparison, local governments received only \$58.1 million in traffic fine revenue in 2016/17.

Much of the substantial increase in annual policing costs from 2014-2016 can be attributed to rising costs for independent police departments who face significant cost pressures from arbitrated settlements. With RCMP Members currently seeking a bargaining agent, RCMP unionization could have a similar effect on policing costs for the majority of B.C. local governments that pay for RCMP policing. Local governments also face rising policing costs related to outstanding/unresolved issues (e.g. costs associated with the new RCMP 'E' Division Headquarters), opioid response, cadet training, the new Auxiliary Program, and other necessary training and equipment. These are just some of the many areas of policing that are experiencing rising costs.

Should electronic roadside ticketing be fully implemented, the provincial government has projected an increase of \$44 million to traffic fine revenue over the first 10 years. While this would be welcomed, it would not come close to the increase in policing costs that local governments are expected to manage through limited sources of income.

In 2015/16, UBCM's membership expressed significant concern with the provincial decision to transfer DNA analysis costs to local governments. Given our history, and the fact that the TFRS program represents a much larger financial impact to local governments, it is likely that our membership will have concerns with the Province's intent.

This request comes at a difficult time when many local governments are already spending upwards of 30% of their budgets on protective services, with other major enforcement cost pressures looming. I have asked our staff to make this a priority issue for our Board to discuss with you at the May 18, 2018 UBCM Executive meeting. I look forward to further discussion at that time.

Kind Regards,

A handwritten signature in black ink, appearing to read "Wendy Booth". The signature is fluid and cursive, with the first name "Wendy" and the last name "Booth" clearly distinguishable.

Wendy Booth
UBCM President

cc: *The Honourable Mike Farnworth, Minister of Public Safety and Solicitor General*

The Honourable David Eby, Attorney General

Jeff Groot, Executive Director, Corporate Priorities and Strategic Engagement, Attorney General's Office