

***UBC Neighbourhoods
Taxation Working Group***

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By Email (MAH.Minister@gov.bc.ca)

The Honourable Selina Robinson, M.L.A.
Minister of Municipal Affairs and Housing
PO Box 9056 Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister:

UBC Neighbourhoods Fire Service Charge

Thank you for your response to our letter of August 28, 2017 requesting the termination of the annual fire service charge imposed on the UBC residential neighbourhoods pursuant to an agreement between the provincial government and UBC.

Your response was, naturally, quite disappointing, not only because you rejected the request but also because you gave reasons that were provided by your officials without allowing us an opportunity to respond to those reasons.

We respectfully request a meeting with you to discuss this matter. It would be appreciated if our MLA, the Honourable David Eby, Q.C., could join us in the meeting.

We will respond in this letter to two principal reasons given in your letter and save our critique of the other reasons for a meeting with you.

Comparison of UBC Neighbourhoods with the UEL

Your letter contains the following statement: "British Columbia's unincorporated areas all pay the same rate for the general rural property tax." **This statement is false.**

Residents of the UBC neighbourhoods and residents of the UEL are in the same unincorporated area, namely the western portion of the Point Grey peninsula. Residents of the UBC neighbourhoods pay the general rural property tax. Residents of the UEL *do not* pay this tax. This is a glaring unfairness. It is not in the least bit challenging to see this unfairness, contrary to the assertion in your letter about the challenge of comparing taxation.

Confusion has arisen because the tax paid by UEL residents is collected pursuant to the *Taxation (Rural Area) Act*, the same Act under which the general rural property tax is payable. However, it is a different tax. The rate of tax is determined under the *University Endowment Land Act* based on the estimated costs to run the community for the coming year. Thus, it is similar to municipal tax. The *University Endowment Land Act* invokes the machinery in the *Taxation (Rural Area) Act* solely for for purposes of levying and collecting the tax.

Your letter also states the following: “This ‘flat rate’ tax structure means that the tax collected from a particular geographic area is not designed to equal the cost of providing provincial services for that area.” Again, this does not describe the situation in the UEL portion of our unincorporated area. As just mentioned, UEL residents do not pay the flat rate tax; they pay tax at a rate meant to cover the cost of services provided directly to their community.

Police Services

Your letter uses average police costs for municipalities with a population similar to that of the UBC neighbourhoods in order to estimate police costs for the UBC neighbourhoods. There is no need to resort to averages, since the provincial government knows the actual costs of the University Detachment and has a reasonable basis for allocation between the UBC neighbourhoods, UBC itself, and the UEL.

While we don’t have access to such information, we are able to make an estimate. According to our estimate, **the UBC neighbourhoods pay the full cost for their police services**. This is a consequence of the low-crime nature of the community and the efficiency of a single detachment for the UBC neighbourhoods, UBC, and the UEL.

The cost and contribution information that leads to this conclusion is as follows. The UBC detachment has a strength of 17. For the six municipalities with an authorized strength of between 17 and 21, the average total costs for 2016 were \$3,267,000 (from the government’s publication *Police Resources in British Columbia, 2016*). We have been told that less than 20% of the University Detachment’s criminal code cases relate to the UBC neighbourhoods. Thus, a reasonable estimate of the cost of policing the UBC neighbourhoods in 2016 was \$653,000 (20% of \$3,267,000).

The amount of police tax collected from the UBC neighbourhoods in 2016 was \$299,718. Given the method for computing police tax rates, it can be determined that \$352,195 of the general rural property tax was also for police services (the “rural dime” offset in computing police tax rates). Thus, the total contribution from the UBC neighbourhoods for police services in 2016 was \$651,913.

Further Comments

The initial impetus for the fire service charge – or an additional tax, another option that was considered – was the perceived inequity in the province’s treatment of the UEL relative to the UBC neighbourhoods. This is evident from the following statements:

- In an email written on January 7, 2014 regarding the proposal to impose a fire service charge, a senior Ministry official stated: **“I think that our focus from the start had been on rectifying the inequity between the UBC neighbourhoods and the UEL.”** [emphasis added]
- In a presentation to the Cabinet Working Group on November 27, 2013 listing the recovery of fire service costs as something for which the Ministry would be seeking approval, one of the implications listed is: “UEL residents & UBC neighbourhoods would be on parallel footing”.
- A document headed “Cabinet Submission – Request for Decision” dated July 8, 2014 states: “On the Point Grey Peninsula there is an inequity in paying fire service costs: UEL residents fund their share; UBC residents do not.”

This rationale for the fire service charge is without merit. As pointed out above, it is the UBC neighbourhoods that are treated inequitably by the provincial government. Officials have sought to defend their erroneous advice by advancing further reasons to support it. Those further reasons are also problematic.

We look forward to meeting with you soon.

Yours sincerely,



William Holmes



George Mackie



Ying Zhou



Laura Cottle



Rose Wang

cc: The Honourable David Eby, Attorney General, MLA, Vancouver-Point Grey
Stuart Belkin, Chair, UBC Board of Governors
Professor Santa Ono, President and Vice-Chancellor, UBC
Richard Alexander, Chair, University Neighbourhoods Association
Michael White, Associate Vice President, Campus and Community Planning, UBC