

NO: F001

COUNCIL DATE: December 22, 2021

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## FINANCE COMMITTEE

TO: Mayor & Council

DATE: December 17, 2021

FROM: City Manager and  
General Manager, Finance

FILE: 1705-05

SUBJECT: 2022 Five-Year (2022-2026) Financial Plan – General Operating

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### 1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend Council:

1. Approve the recommendations outlined in Section 4.0 - New Funding Requirements, Section 5.0 – New Funding Available and Section 8.0 - 2022 Roads & Traffic Safety Levy of this report; and
2. Direct staff to prepare the 2022 Five-Year (2022–2026) General Operating and Roads & Traffic Operating Financial Plan incorporating these recommendations and consistent with Appendix “I” and “II” of this report.

### 2.0 BACKGROUND

#### Five-Year (2021–2025) Financial Plan

Council approved the 2021 Five-Year (2021–2025) Financial Plan in December 2020, which included direction for the years 2021 to 2025. The proposed 2022 Five-Year (2022-2026) General Operating Financial Plan has been formulated based on direction from Mayor and Council, incorporating their priorities. Details of the key assumptions, directions and priorities are discussed in the following sections of this report.

### 3.0 DISCUSSION

The proposed 2022 Five-Year (2022-2026) General Operating Financial Plan has been developed based on direction provided by Council, and is predicated on the following key drivers:

1. Property Tax rate increase limited to 2.9%;
2. New revenues resulting from fee increases;

3. Surrey Police Services 2022 hiring and deployment plan; and
4. 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 (“IAFF”).

Furthermore, Council has identified several key priority areas for the City as discussed in the following sections. New funding requirements needed to meet these priority areas are further discussed in [Section 4.0](#) in this report.

### **3.1 Public Safety**

Public Safety continues to be a key priority for Mayor and Council and is accordingly reflected in the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan.

The delivery of ‘Public Safety’ for 2022, is comprised of Policing Services (delivered by Surrey Police Service (“SPS”), the RCMP contract, and City Police Support Services), Fire Services and Bylaw Services. Each Public Safety Service is discussed in further detail on the following pages.

#### i) Policing

In March 2020, the Province of British Columbia (“BC”) approved the transition of policing services from a RCMP contract model to an independent municipal police service. In August 2020, the Surrey Police Service was established by the Surrey Police Board.

Certain steps to operational independence for the Surrey Police Service is overseen by the Surrey Policing Transition Trilateral Committee (“SPTTC”) comprised of senior leaders from the City of Surrey, the Province of BC, and the Government of Canada. The SPTTC has approved a two phased, integrated transition of policing services in Surrey. In phase one, beginning in November 2021, a group of 29 SPS sworn members assumed some operational policing duties with the RCMP. During 2022, additional groups of SPS officers will be deployed, and RCMP members will be demobilized, in keeping with a Joint RCMP/SPS Human Resources Strategy and Plan (the “HR Plan”), currently nearing completion. At a date yet to be confirmed, phase two will be launched and SPS will become the police of jurisdiction.

Taking into consideration the planned phased approach, the City’s proposed 2022 Policing Services Operating budget has been formulated based on the 2022 deployment plan projections presented to the SPTTC 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 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.

In phase one, SPS officers require additional security clearances in order to deploy, 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 \$8.5M funding shortfall as the clearances can take in excess of six months to complete. The

proposed 2022 budget is predicated on a streamlining of the current clearance wait times or SPS more closely matching start dates of new hires to reflect the security clearance period. Any shortfall arising from security clearance delays will be charged to the one-time policing transition project budget.

Additionally, this 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 \$9.0M funding shortfall in 2022. This shortfall would also be charged to the one-time policing transition project budget.

It is important to note that the one-time policing transition budget is fully allocated currently and thus any further charges due to security clearance or demobilization delays will necessitate an increase in the project budget in future years unless SPS can find savings in their one-time policing transition project.

In January 2022, following the adoption of the proposed 2022 budget, the City will convene a Budget Monitoring Working Group with representatives from the RCMP and the SPS to closely monitor the overall Policing Budget.

Further, it is important to highlight, that the City is forecasting a funding shortfall of approximately \$25M, 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 Five-Year Policing Services Operating budget, as presented in the table below, shows the 2022 budget for total Policing Operations within the City and includes estimates for salary and related operational cost increases in 2023 and each subsequent year.

SUMMARY	2022					2023					2024					2025					2026																																																						
	BUDGET																																																																										
Policing Services Operating Budget	\$ 194,807															\$ 202,465															\$ 211,015															\$ 216,160															\$ 221,459														

  

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
SPS	\$ 5,896	\$ 4,753	\$ 4,980	\$ 5,971	\$ 5,870	\$ 5,746	\$ 6,511	\$ 5,676	\$ 6,450	\$ 7,374	\$ 6,553	\$ 6,750	\$ 72,525
RCMP	11,257	9,192	8,358	9,167	7,682	7,529	8,276	7,031	7,031	8,018	6,764	6,355	96,660
Support Serv	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	2,135	25,622
	\$ 19,288	\$ 16,080	\$ 15,473	\$ 17,273	\$ 15,687	\$ 15,410	\$ 16,922	\$ 14,842	\$ 15,616	\$ 17,527	\$ 15,452	\$ 15,240	\$ 194,807

The following table presents the monthly budget allocations for SPS, RCMP Contract and City Police Support Services:

The Policing Services Operating budget is comprised of the following three components:

a) *SPS:*

The Surrey Police Board provides oversight of the Surrey Police Service. Its mandate is to operationalize an independent municipal police service for the City of Surrey.

In accordance with the SPS projected staffing plans for 2022 to a new Police Service, the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan includes \$72.5M in operating funding for the Surrey Police Service as it moves to become fully operational, this amount is in direct alignment with the provisional SPS Policing

Services Operating budget that has been submitted by the Surrey Police Board, in accordance with Section 27 of the *BC Police Act*.

b) *RCMP Contract:*

The establishment of the Surrey Police Service requires a proportionate and concurring reduction in the number of RCMP officers in Surrey while the SPS takes over full operations. The proposed 2022 budget provides for \$96.7M for the RCMP contract to accommodate the transition of police services.

c) *City Police Support Services:*

During the course of the transition, a significant portion of the City Police Support Service team will transition to become employees of the Surrey Police Board as per requirements of the *BC Police Act*. This transition will correspond with the overall transition of police services. The proposed 2022 budget provides for \$25.6M for the City Police Support Services.

In addition, the proposed 2022 Capital Financial budget provides \$5.4M for SPS capital/one-time transition funding, including contingencies and an additional \$5.0M for years 2023 and 2024. The total budget proposed for the one-time Policing Transition Project budget has not changed from the current adopted budget and is presented in the following table:

SUMMARY	2020 BUDGET	2021 BUDGET	2022 BUDGET	2023 BUDGET	2024 BUDGET	TOTAL
One-time Policing Transition Project	\$ 25,200	\$ 23,084	\$ 5,400	\$ 5,000	\$ 5,000	\$ 63,684

Additional details on the financial requirements related to Policing for the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan is provided in [Section 4.0](#) of this report.

ii) Fire Services

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 City and IAFF reached an agreement for a term of three years, from January 1, 2020 to December 31, 2022. The negotiated wage increases under this collective agreement are 2.5% each year, and the funding requirements related to this agreement are incorporated in the proposed 2022 budget.

Additional details on the financial requirements related to Fire Services for the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan are provided in [Section 4.0](#) of this report.

### iii) Bylaw Services

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.

Additional details on the financial requirements related to Bylaw Services for the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan are provided in [Section 4.0](#) of this report.

## **3.2 Corporate Staffing Capacity and Operating Costs (Non-Public Safety)**

The proposed 2022 Five-Year (2022-2026) General Operating Financial Plan incorporates funding for staffing and operating costs as well as changes to revenues that will allow the City to continue to provide a high-level of service to our residents. Funding provisions in the proposed budget include additional staffing and operational resources including the following:

### Collective Agreement between the City and CUPE Local 402

The City and CUPE Local 402 reached an agreement for a term of four years, from January 1, 2021 to December 31, 2024. The negotiated wage increases are 2.0% in 2021 and 2022, 2.5% in 2023 and 2.75% in 2024. The settlement also includes a new success sharing program to commence in 2022, which will potentially result in an additional 0.5% annual lump sum payment to unionized staff if certain financial and services metrics are achieved.

### Library Services – Elimination of Late Fees on Overdue Fines Revenue

Late fees charged on overdue library materials disproportionately affect low-income families and vulnerable communities and act as a barrier to providing equitable access to citizens and Surrey Library users. The effort and resources deployed to collect the amount of fines cost approximately half of what is generated in overdue fines revenue. Eliminating such fines would result in increased library usage, reduced conflicts between customers and staff, and return of more borrowed library materials.

### New Facilities – Parks, Recreation and Culture

Included in this proposed 2022 budget is funding for staffing and operating costs directly related to the proposed North Surrey and South Surrey Indigenous Carving Centres. These carving centres will support the City's reconciliation efforts while providing safe, accessible venues for the creation of large and small-scale wood-based sculptures. These facilities will support the safeguarding and transmission of cultural heritage knowledge, tradition, practices, and crafts.

Additionally, operating cost funding for a pottery studio in Crescent Park has also been included. This studio will be operated by a qualified pottery and ceramics programming operator, who will provide pottery and ceramics programs at that facility.

### Information Technology Licensing Costs

To continue to provide high value information technology services, additional funding has been proposed for hardware and software related licensing and maintenance costs to accommodate growth and evolution of the City's Business Applications, including services that are external facing for our residents and businesses.

### Liability Insurance Cost Increases

Due to continued volatility in the marketplace for insurance, driven primarily by global instability caused by climate change related severe events such as forest fires, flooding and hurricanes, the proposed 2022 budget includes a mandatory increase for liability insurance expenses.

### Permitting Timelines Guarantees Framework

The Planning & Development Department includes new funding for four (4) new regular full-time staff positions to support the implementation and adoption of the City's Permitting Timelines Guarantees Framework, as requested by Council. These positions will increase the City's permit processing capacity, improving the speed and predictability of the land development process, and participate in continual improvement initiatives to further accelerate the permitting process, with a positive impact on regional access to housing.

### Other Departmental Resourcing Requests

In addition to the aboved discussed resources and changes, several additional resourcing requests have been submitted by department heads, these requests will be evaluated for value and merit.

### Debt Servicing Costs

The current Major General Capital program was funded in part by External Borrowing. \$150.6M of External Borrowing has been obtained in 2021 through the Municipal Finance Authority of BC's ("MFA") Long-Term Borrowing program, as supported by Council. The proposed 2022 budget incorporates necessary funding for the debt servicing related to this debt.

Further details of the the funding impact of the aforementioned proposed additional staffing and operational cost resources, and reduction of revenues related to the proposed 2022 Five-Year (2022-2026) General Operating Financial Plan are provided in [Section 4.0](#) and [Section 5.0](#), respectively, of this report.

### 3.3 Capital Program and Related Operating Costs

The proposed 2022 Five-Year (2022-2026) General Operating Financial Plan incorporates general operating funding to support the Capital Plan. Detailed information on the Capital plan will be presented under Corporate Report Foo2, 2022 Five-Year (2022-2026) Financial Plan – Capital Program.

## 4.0 NEW FUNDING REQUIREMENTS

This section of the report summarizes new funding requirements needed based on Council direction in relation to City priorities.

The section is segregated into Public Safety Requirements and Other Corporate Requirements.

### 4.1 Public Safety Funding Requirements:

#### i) Policing

##### ***City Police Support Services and SPS:***

Change in Net Operations for City Police Support Services	(0.37)M	
SPS Operating Costs, inclusive of Surrey Police Board	<u>11.38M</u>	
<b>Total SPS Requirements</b>		<b>\$11.01M</b>

##### ***RCMP Contract:***

Reduced provision for RCMP Contract during Transition to SPS, offset by increase in member salaries	<u>\$(0.23)M</u>	
<b>Total RCMP Contract Funding Requirements</b>		<b>\$(0.23)M</b>
<b>Total Policing Funding Requirements</b>		<b>\$10.78M</b>

#### ii) Fire

Balance for the addition of 10 firefighters, effective July 1st 2021	0.66M	
4 FTEs plus related PT Staffing for Dispatch Services	0.63M	
Operating and other cost increases	<u>0.44M</u>	
<b>Total Fire Service Funding Requirements</b>		<b>\$1.73M</b>

#### iii) Bylaws

Operating and other cost increases	<u>0.02M</u>	
<b>Total Bylaws Funding Requirements</b>		<b>\$0.02M</b>

<b>Total Additional Public Safety Funding Required for 2022</b>		<b>\$12.53M</b>
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#### 4.2 Other Corporate Funding Requirements:

Labour Adjustments, excluding Public Safety	1.48M
New Facilities - Parks, Recreation & Culture	0.22M
Increase in Information Technology Licensing and Other Costs	1.12M
Liability Insurance Cost Increases	0.33M
Permitting Timelines Guarantees Framework	0.33M
Other Departmental Resourcing Requests	3.20M
Change in Transfers for Operating and Capital	(0.29)M
Increase in Debt Servicing Costs	7.09M

<b>Total Additional Corporate Funding Required for 2022</b>	<b>\$13.48M</b>
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<b>Total Required Public Safety &amp; Corporate Funding for 2022</b>	<b>\$26.01M</b>
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#### 5.0 NEW FUNDING AVAILABLE

The following are forecasted revenue increases that are expected to be available to offset the anticipated new funding required in 2022:

Property tax revenue due to anticipated tax rate (2.9%) increase	\$11.62M
Property tax revenue due to anticipated growth	1.84M
Other taxation revenue due to anticipated growth	1.62M
Net departmental revenue increases and other revenue changes	2.19M
Library Services – Elimination of Late Fees on Overdue Fines	(0.26)M
Increase in Corporate Investment Income	5.15M
Increase in Provincial Casino Revenue Sharing	2.12M
Net increase to other Corporate Revenues	<u>1.73M</u>

<b>Total Funding Available for 2022</b>	<b>\$26.01M</b>
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#### 6.0 SUMMARY OF PROPOSED 2022 GENERAL OPERATING FINANCIAL PLAN

Funding Requirements Outlined Above	\$26.01M
Less Available Funding	<u>26.01M</u>
Net Difference	\$0.00M

<b>Surplus/(Deficit)</b>	<b>nil</b>
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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.



## 7.0 ASSUMPTIONS APPLIED FOR THE 2022 GENERAL OPERATING FINANCIAL PLAN

The proposed 2022 General Operating Financial Plan has been drafted by applying the following assumptions:

1. A property tax rate increase of approximately \$63 for the average assessed single-family dwelling that will predominately be used to offset increased public safety resourcing and expenditures; and
2. General Fee increases netting 2.9% of additional revenue.

## 8.0 2022 ROADS & TRAFFIC SAFETY LEVY

A Roads & Traffic Safety Levy was established in 2008 to ensure that a stable, sustainable funding source was available to meet the growing traffic and safety needs of the City. This levy addresses the maintenance of roads, as well as traffic calming measures, crosswalks, sidewalks, and measures to reduce congestion throughout the City. This utility is partly supported by a levy that is based on the assessed value of individual properties in each Property Class.

As reflected in Appendix “II”, there has been no proposed increase to the Roads & Traffic Safety Levy for the years 2022-2026, staff will reassess the sustainability and impact of this as part of the 2023 budgeting process. However, it is important to note that in addition to the Roads Levy, the Roads program is also funded by a contribution from the General Operating Fund, and for 2022 the contribution to the Roads program has been maintained at the 2021 level.

## 9.0 CONCLUSION

Based on the discussion and information provided in this report, it is recommended that the Finance Committee recommend Council:

1. Approve the recommendations made in Section 4.0 – New Funding Requirements, Section 5.0 - New Funding Available and Section 8.0 – 2022 Roads & Traffic Safety Levy and generally outlined in this report; and
2. Direct staff to prepare the 2022 Five-Year (2022-2026) General Operating and Roads & Traffic Operating Financial Plan incorporating these recommendations and consistent with Appendix “I” and “II” of this report.

Kam Grewal, CPA, CMA  
General Manager, Finance

Vincent Lalonde, ICD.D, P.Eng  
City Manager

Appendix “I”: Proposed 2022-2026 Financial Plan – General Operating

Appendix “II”: Proposed 2022-2026 Financial Plan – Roads & Traffic Operating

**2022 - 2026 FINANCIAL PLAN**  
**GENERAL OPERATING - FINANCIAL SUMMARY**

*(in thousands)*

<b>REVENUE SUMMARY</b>	<b>2022 BUDGET</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>	<b>2026 PLAN</b>
<b>Taxation</b>	<b>\$449,848</b>	\$ 466,507	\$ 483,810	\$ 501,783	\$ 520,454
Sale of Goods and Services					
Departmental Fees & Charges	<b>48,996</b>	50,315	51,707	53,138	54,611
Secondary Suite Infrastructure Fees	<b>23,313</b>	24,221	25,164	26,145	27,164
Other Corporate Fees & Charges	<b>3,304</b>	3,076	2,848	2,621	2,395
<b>Sale of Goods and Services</b>	<b>75,613</b>	77,612	79,719	81,904	84,170
<b>Investment Income</b>	<b>16,066</b>	16,169	16,276	16,383	16,490
Transfers from Other Governments					
Departmental Government Transfers	<b>8,120</b>	8,120	8,120	8,120	8,120
Corporate Government Transfers	<b>3,799</b>	4,948	6,035	6,056	6,078
<b>Transfers from Other Governments</b>	<b>11,919</b>	13,068	14,155	14,176	14,198
Other Revenues					
Departmental Other Revenues	<b>36,255</b>	37,252	38,274	39,325	40,406
Corporate Other Revenues	<b>12,327</b>	12,936	13,557	13,612	13,667
<b>Other Revenues</b>	<b>48,582</b>	50,188	51,831	52,937	54,073
<b>TOTAL REVENUE</b>	<b>\$602,028</b>	<b>\$623,544</b>	<b>\$645,791</b>	<b>\$667,183</b>	<b>\$689,385</b>
<b>EXPENDITURE SUMMARY</b>					
Departmental Expenditures	<b>\$508,445</b>	\$ 516,855	\$ 528,441	\$ 540,144	\$ 549,471
General Government - Council Initiatives	<b>260</b>	260	260	260	260
Fiscal Services & Debt Interest	<b>9,508</b>	9,220	7,932	7,938	9,209
Municipal Debt Principal	<b>9,514</b>	9,895	10,014	10,014	10,014
<b>TOTAL EXPENDITURES</b>	<b>\$527,727</b>	<b>\$536,230</b>	<b>\$546,647</b>	<b>\$558,356</b>	<b>\$568,954</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	<b>65,728</b>	64,841	67,258	57,579	54,666
Transfers To/(From) Operating Sources	<b>8,573</b>	22,473	31,886	51,248	65,765
<b>TOTAL TRANSFERS</b>	<b>\$ 74,301</b>	<b>\$ 87,314</b>	<b>\$ 99,144</b>	<b>\$108,827</b>	<b>\$120,431</b>
<b>NET GENERAL OPERATING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**2022 - 2026 FINANCIAL PLAN**  
**GENERAL OPERATING - REVENUE SUMMARY**

(in thousands)

<b>REVENUE SUMMARY</b>	<b>2022 BUDGET</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>	<b>2026 PLAN</b>
<i>CORPORATE REVENUES</i>					
Base Levy	<b>\$368,667</b>	\$ 382,028	\$ 397,820	\$ 414,241	\$ 431,316
Property/Folio Growth (City's Portion)	<b>1,843</b>	3,820	3,978	4,142	4,313
Property Tax Rate Increase	<b>11,618</b>	12,072	12,543	13,033	13,542
Provision for Adjustments	<b>(100)</b>	(100)	(100)	(100)	(100)
	<b>382,028</b>	397,820	414,241	431,316	449,071
Grants in Lieu	<b>18,554</b>	18,931	19,318	19,717	20,128
Capital Parcel Tax	<b>49,266</b>	49,756	50,251	50,750	51,255
<b>Taxation</b>	<b>449,848</b>	466,507	483,810	501,783	520,454
Secondary Suite Infrastructure Fee	<b>23,313</b>	24,221	25,164	26,145	27,164
Other Corporate Fees & Charges	<b>3,304</b>	3,076	2,848	2,621	2,395
<b>Corporate Sale of Goods and Services</b>	<b>26,617</b>	27,297	28,012	28,766	29,559
<b>Corporate Investment Income</b>	<b>16,066</b>	16,169	16,276	16,383	16,490
Provincial Casino Revenue Sharing	<b>2,121</b>	3,197	4,284	4,305	4,327
Other Corporate Government Transfers	<b>1,678</b>	1,751	1,751	1,751	1,751
<b>Corporate Government Transfers</b>	<b>3,799</b>	4,948	6,035	6,056	6,078
Corporate Lease Revenue	<b>8,687</b>	9,296	9,917	9,972	10,027
Penalties & Interest	<b>3,640</b>	3,640	3,640	3,640	3,640
<b>Corporate Other Revenues</b>	<b>12,327</b>	12,936	13,557	13,612	13,667
<b>Total Corporate Revenues</b>	<b>508,657</b>	527,857	547,690	566,600	586,248
<i>DEPARTMENTAL REVENUES</i>					
<i>General Government</i>					
Corporate Services	<b>154</b>	154	154	154	154
Finance	<b>1,421</b>	1,459	1,498	1,538	1,579
	<b>1,575</b>	1,613	1,652	1,692	1,733
<i>Public Safety</i>					
Bylaws	<b>10,233</b>	10,530	10,835	11,149	11,472
Fire	<b>3,711</b>	3,818	3,928	4,041	4,157
Police	<b>8,239</b>	8,241	8,279	8,318	8,358
	<b>22,183</b>	22,589	23,042	23,508	23,987
<i>Other</i>					
Engineering Services	<b>8,406</b>	8,650	8,901	9,159	9,424
Parks, Recreation & Culture	<b>34,269</b>	35,155	36,063	36,997	37,959
Planning & Development	<b>25,552</b>	26,294	27,057	27,841	28,648
Surrey Public Library	<b>1,386</b>	1,386	1,386	1,386	1,386
	<b>69,613</b>	71,485	73,407	75,383	77,417
<b>Total Departmental Revenues</b>	<b>93,371</b>	95,687	98,101	100,583	103,137
<b>TOTAL REVENUE</b>	<b>\$602,028</b>	<b>\$623,544</b>	<b>\$645,791</b>	<b>\$667,183</b>	<b>\$689,385</b>

**2022 - 2026 FINANCIAL PLAN**  
**GENERAL OPERATING - EXPENDITURE AND TRANSFERS SUMMARY**  
*(in thousands)*

<b>EXPENDITURE SUMMARY</b>	<b>2022 BUDGET</b>	<b>2023 PLAN</b>	<b>2024 PLAN</b>	<b>2025 PLAN</b>	<b>2026 PLAN</b>
<i>General Government</i>					
Mayor, Council & Grants	\$ 2,918	\$ 2,924	\$ 2,930	\$ 2,936	\$ 2,942
City Manager's Department	1,565	1,568	1,571	1,574	1,577
Corporate Services	35,294	34,469	34,544	34,619	35,594
Finance	14,621	14,774	14,927	15,080	15,233
Investments & Intergov. Relations	1,658	1,660	1,662	1,664	1,666
	<b>56,056</b>	<b>55,395</b>	<b>55,634</b>	<b>55,873</b>	<b>57,012</b>
<i>Public Safety</i>					
Bylaws	8,712	8,842	8,972	9,102	9,232
Fire	68,512	68,647	68,782	68,917	69,052
Police	199,471	207,131	215,719	220,903	226,242
	<b>276,695</b>	<b>284,620</b>	<b>293,473</b>	<b>298,922</b>	<b>304,526</b>
<i>Other</i>					
Engineering Services	9,854	10,103	10,431	10,768	11,114
Parks, Recreation & Culture	109,961	110,744	112,790	118,344	120,457
Planning & Development	33,203	33,258	33,318	33,383	33,448
Surrey Public Library	21,140	21,199	21,259	21,318	21,378
Corporate Operating	1,536	1,536	1,536	1,536	1,536
	<b>175,694</b>	<b>176,840</b>	<b>179,334</b>	<b>185,349</b>	<b>187,933</b>
<b>Departmental Expenditures</b>	<b>508,445</b>	<b>516,855</b>	<b>528,441</b>	<b>540,144</b>	<b>549,471</b>
<b>Council Initiative Fund</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>
Fiscal Charges	153	157	162	167	172
Interest Paid on Tax Overpayments	102	103	104	105	106
External Borrowing	9,253	8,960	7,666	7,666	8,931
<b>Fiscal Services &amp; Debt Interest</b>	<b>9,508</b>	<b>9,220</b>	<b>7,932</b>	<b>7,938</b>	<b>9,209</b>
<b>Municipal Debt Principal</b>	<b>9,514</b>	<b>9,895</b>	<b>10,014</b>	<b>10,014</b>	<b>10,014</b>
<b>TOTAL EXPENDITURE</b>	<b>\$527,727</b>	<b>\$536,230</b>	<b>\$546,647</b>	<b>\$558,356</b>	<b>\$568,954</b>
<b>TRANSFERS SUMMARY</b>					
General Capital Contribution	28,133	26,472	25,006	22,200	19,515
SPS Capital/One-Time Contribution	5,400	5,000	5,000	-	-
Provincial Casino Revenue Sharing	2,121	3,197	4,284	4,305	4,327
Tree Replacement Contribution	2,750	2,500	2,250	2,000	1,750
Internal Borrowing	14,721	14,996	18,042	16,398	16,398
SPS Transfers To/(From) Capital	2,275	2,275	2,275	2,275	2,275
Other Transfers To/(From) Capital	10,328	10,401	10,401	10,401	10,401
<b>Transfers To/(From) Capital Sources</b>	<b>65,728</b>	<b>64,841</b>	<b>67,258</b>	<b>57,579</b>	<b>54,666</b>
Roads & Traffic Safety Contribution	12,922	12,922	12,922	12,922	12,922
Other Transfers To/(From) Operating	(4,349)	9,551	18,964	38,326	52,843
<b>Transfers To/(From) Operating Sources</b>	<b>8,573</b>	<b>22,473</b>	<b>31,886</b>	<b>51,248</b>	<b>65,765</b>
<b>TOTAL TRANSFERS</b>	<b>\$ 74,301</b>	<b>\$ 87,314</b>	<b>\$ 99,144</b>	<b>\$108,827</b>	<b>\$120,431</b>

## Appendix “II”

### 2022 - 2026 FINANCIAL PLAN ROADS & TRAFFIC - FINANCIAL SUMMARY *(in thousands)*

REVENUE SUMMARY	2022 BUDGET	2023 PLAN	2024 PLAN	2025 PLAN	2026 PLAN
Roads & Traffic Safety Levy	\$ 30,116	\$ 30,417	\$ 30,721	\$ 31,028	\$ 31,338
Grants in Lieu	1,117	1,128	1,139	1,150	1,161
Special Assessment	250	256	272	288	305
Taxation	<b>31,483</b>	31,801	32,132	32,466	32,804
Sale of Goods and Services	912	932	953	974	995
Developer Contributions	931	948	965	983	1,001
Transfers from Other Governments	6,945	7,081	7,220	7,362	7,507
Other Revenue	2,052	2,203	2,313	2,430	2,554
<b>TOTAL REVENUE</b>	<b>\$ 42,323</b>	<b>\$ 42,965</b>	<b>\$ 43,583</b>	<b>\$ 44,215</b>	<b>\$ 44,861</b>
<b>EXPENDITURE SUMMARY</b>					
Operational Expenditures	\$ 36,629	\$ 37,362	\$ 38,108	\$ 38,867	\$ 39,643
<b>TOTAL EXPENDITURE</b>	<b>\$ 36,629</b>	<b>\$ 37,362</b>	<b>\$ 38,108</b>	<b>\$ 38,867</b>	<b>\$ 39,643</b>
<b>TRANSFERS SUMMARY</b>					
Transfers To/(From) Capital Sources	\$ 17,934	\$ 18,960	\$ 19,511	\$ 19,401	\$ 19,289
Transfers To/(From) Operating Sources	(12,240)	(13,357)	(14,036)	(14,053)	(14,071)
<b>TOTAL TRANSFERS</b>	<b>\$ 5,694</b>	<b>\$ 5,603</b>	<b>\$ 5,475</b>	<b>\$ 5,348</b>	<b>\$ 5,218</b>
<b>NET ROADS &amp; TRAFFIC</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>