

A. ADOPTION OF THE AGENDA

The Committee is requested to pass a motion to adopt the agenda.

B. PRESENTATIONS BY THE GENERAL MANAGER, FINANCE

C. PUBLIC CONSULTATION

Opportunity for members of the public to provide comments.

D. CORPORATE REPORTS

The following reports to be considered:

Item No. Foo4 2023 Five-Year (2023-2027) Financial Plan - General Operating
File: 1705-05

Item No. Foo5 2023 Five-Year (2023-2027) Financial Plan - Capital
File: 1705-

E. ADJOURNMENT

The Committee is requested to pass a motion to adjourn the Finance Committee meeting.

FINANCE COMMITTEE

ADOPTION OF THE AGENDA

FINANCE COMMITTEE

PRESENTATION



CITY OF
SURREY

B

FINANCE COMMITTEE

PUBLIC CONSULTATION

FINANCE COMMITTEE

CORPORATE REPORTS

NO: Foo4

COUNCIL DATE: March 6, 2023

FINANCE COMMITTEE

TO: Mayor & Council

DATE: February 17, 2023

FROM: City Manager and
General Manager, Finance

FILE: 1705-05

SUBJECT: 2023 Five-Year (2023-2027) Financial Plan – General Operating

1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend Council:

1. Approve the recommendations made in Sections 3.0 – 8.0 and as generally outlined in this report; and
2. Direct staff to prepare the 2023 Five-Year (2023–2027) 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 (2022–2026) Financial Plan

Council approved the 2022 Five-Year (2022–2026) Financial Plan in December 2021, which included direction for the years 2022 to 2026. The proposed 2023 Five-Year (2023–2027) General Operating and Roads & Traffic Operating Financial Plan has been formulated based on direction from Mayor and Council, reflecting City strategies, resource requirements to maintain service delivery and feedback on community priorities obtained during the City’s budget engagement process. Details of the key assumptions, directions and priorities are discussed in the following sections of this report.

3.0 DISCUSSION

The proposed 2023 Five-Year (2023–2027) General Operating Financial Plan has been developed based on direction provided by Council, and is predicated on the following four key drivers:

1. 9.5% General Property Tax increase to fund the forecasted 2023 Policing shortfall (equating to approximately \$219 for the average assessed single-family dwelling) as discussed in detail in Section 3.1;

2. **7.0%** General Property Tax increase (equating to approximately \$161 for the average assessed single-family dwelling) to provide funding for:
 - a. General inflationary pressures;
 - b. New resources for Policing Services, Fire Services, and Bylaw Services, further details are provided in Section 3.1;
 - c. New resources and operating funding for City Wide Operations (non-public safety), further details provided in Section 3.2 of this report;
3. **1.0%** increase to the Roads & Traffic levy (equating to approximately \$23 for the average assessed single-family dwelling) is proposed to support on-going operating, maintenance, and capital improvements in relation to the City's transportation infrastructure; and
4. Generally, User Fee increases up to 3% to partially offset the cost increases associated with providing City services.

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 2023 Five-Year (2023-2027) General Operating Financial Plan.

Public Safety is comprised of Policing Services (delivered in 2023 by the Royal Canadian Mounted Police ("RCMP") Contract, Surrey Police Service ("SPS"), and City Police Support Services), Fire Services and Bylaw Services.

i) Policing Services

On November 14, 2022, Council directed staff to prepare a plan for maintaining the RCMP as the Police of Jurisdiction ("POJ") in Surrey. On December 12, 2022, Council endorsed Corporate Report No. R224; 2022 "Retaining the RCMP as the Police of Jurisdiction in Surrey" ("December 12 Report") that outlined the Plan to retain the RCMP as POJ in Surrey ("the Plan"). The final report was subsequently forwarded to the provincial Solicitor General and provincial Minister of Public Safety.

In developing a financial model to monetize the forecasted future costs to implement the Plan to maintain the RCMP as POJ, the December 12 Report utilized several assumptions. One key assumption was that a Provincial endorsement of Council's decision to retain the RCMP as POJ would be provided to the City by January 31, 2023, allowing for implementation of the Plan. The January 31, 2023 date was a key factor in estimating the 2023 costs associated with maintaining the RCMP contract and the required SPS Operating budget in 2023, as well as one-time severance costs associated with the wind down of the SPS.

On January 26, 2023, the Province advised the City, the RCMP, and the SPS that further information was required from all parties prior to an endorsement by the Minister of Public Safety of Council's decision to retain the RCMP as POJ. As a result, there will be a delay in implementing the Plan relative to the assumptions incorporated in the December 12 Report. To determine the financial implications of this delay, staff advanced the date of Provincial endorsement of Council's decision to retain the RCMP as POJ from January 31, 2023, to March 31, 2023.

The proposed 2023 Policing budget is predicated on various assumptions driven by multiple parties (e.g., British Columbia, RCMP, the Surrey Police Board ("Board") and the City), and until the Province makes a binding decision and endorses the retention of the RCMP as POJ, each party is empowered to make impactful decisions independent of one another. Accordingly, it is imperative to highlight that any deviations from key assumptions will potentially impact the funding shortfall for 2023 and future years, any such deviations will be considered as they materialize.

The funding requirements discussed in the December 12 Report, along with the financial impact of the changes in assumptions discussed above, has resulted in a forecasted Police funding shortfall of \$116.6 million in 2023. The 9.5% General Property Tax increase is estimated to generate the funding required to fully offset this shortfall over three years, ending in 2025. Of the \$116.6 million, \$38.87 million will be generated in 2023 by the 9.5% tax increase, as outlined in [Section 5.0](#). In the interim, internal borrowing will be utilized to fund the remaining Police funding shortfall of \$77.73 million, as outlined in [Section 6.0](#) in this report. After this internal borrowing has been repaid in 2025, the funding requirement associated with the annual repayment may be removed from the 2026 budget if desired by Council.

The financial impact of the Provincial decision to delay endorsement of Council's decision to retain the RCMP as POJ will be discussed with senior levels of governments, with a view to eliminate or minimize the forecasted funding shortfall. Any potential financial support received in this regard will be incorporated by staff as part of the development of the City's 2024 proposed Budget.

The proposed five-year Policing Services Operating budget, as presented in the table below, shows the cost components associated with policing operations within the City for the years 2023-2027.

Table 1: 2023 – 2027 Proposed Policing Services Operating Budget

SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
A) City Police Support Service	\$ 115,989	\$ 27,407	\$ 30,176	\$ 32,204	\$ 34,341
B) RCMP Contract	165,225	186,235	197,986	209,237	220,365
C) Surrey Police Service	48,751	-	-	-	-
TOTAL	\$ 329,965	\$ 213,642	\$ 228,162	\$ 241,441	\$ 254,706

The proposed 2023 Policing Services Operating budget is comprised of the following three components:

a) *City Police Support Services:*

The proposed 2023 Five-Year (2023-2027) General Operating Financial Plan is predicated on the City retaining the RCMP as POJ. Accordingly, City Police Support Services staff will remain as the employees of the City and will continue to provide administrative support to the RCMP. The budget includes status quo salary and related operational cost increases for City Police Support Services in 2023, one-time severance costs of \$82.0 million associated with the wind down of SPS and a contingency of \$5.0 million to manage any cost overruns associated with the wind down. Additionally, to maintain a level of administrative service commensurate with the increased RCMP members for the RCMP Contract, the City Police Support Services team will add an additional four administrative staff for each of the next five years from 2023 to 2027 inclusively.

b) *RCMP Contract:*

Due to Council's decision to maintain the RCMP as POJ, the RCMP Contract budget includes status quo requirements for salaries and operational cost increases for 2023, based on the existing approved funding for RCMP contract at 734 members. The proposed budget also includes funding for 58 members' utilization as a part of the Lower Mainland District's integrated teams.

Furthermore, the proposed 2023-2027 RCMP Contract Budget reflects funding for an increase of an additional 25 sworn members per year, every year from 2023 to 2027 (with an additional increase of one member in 2024, resulting in new funding for 26 members). As a result of this new funding, the 2027 budget includes funding for 860 members, representing an increase of 126 members from the 2022 adopted Financial Plan or 17.0%.

c) *SPS:*

The 2023 provisional budget submitted by the Board on November 30, 2022, assumes that SPS will become POJ, which contradicts Council's decision to retain the RCMP as POJ in Surrey. Therefore, SPS's provisional budget will be amended, and the 2023 Policing Services Operating budget will include salaries and operating costs for SPS staffing and operations only for the time period until SPS has been fully dissolved.

Additional details on the financial requirements related to Policing for the proposed 2023 Five-Year (2023-2027) General Operating Financial Plan are provided in [Section 4.0](#) of this report.

ii) Fire Services

To address the increasing population density in the downtown area as well as the overall response workload in Southeast Newton, the proposed budget includes funding for 20 additional positions in 2023. This increase will allow for dedicated resources for downtown responses and for reassignment of equipment to the Southeast Newton station. To continue providing a high level of service to the increasing population in the City, funding for an additional 20 positions for each year from 2024 to 2027 has been included in the proposed Five-Year Financial Plan.

Surrey Firefighters are covered under the terms of the Surrey International Association of Fire Fighters (“IAFF”) Collective Agreement. The last three-year 2020–2022 collective agreement expired on December 31, 2022. The negotiation process for the new collective agreement has recently been initiated, therefore funding for 2023 and future years’ salary increases have not been included within the Fire Services budget.

Additional details on the financial requirements related to Fire Services for the proposed 2023 Five-Year (2023-2027) 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 of services over the past several years, as demonstrated through the addition of the Community Enforcement and Surrey Outreach Team, the Street SMART pilot program and the new Illegal Construction Enforcement Team. The regular call load for enforcement and investigation continues to increase year-over-year. Bylaw Services provides seven days a week service with significant presence in the community. It also provides service to the community by operating the 365-day-a-year Surrey Animal Resource Centre.

The proposed budget includes funding for an additional 10 Bylaw Enforcement Officers per year, every year from 2023 to 2027. This annual investment of resources over the next five years will enable Bylaw Services to continue providing a high quality of service to the community while addressing increasing demand driven by increased population growth.

Additional details on the financial requirements related to Bylaw Services for the proposed 2023 Five-Year (2023-2027) General Operating Financial Plan are provided in [Section 4.0](#) of this report.

3.2 City-Wide Staffing and Operating Costs (Non-Public Safety)

The proposed budget incorporates funding for on-going staffing and operating costs that will allow the City to continue maximizing the delivery of services from within existing resourcing levels. These on-going cost increases in 2023 are primarily related to information technology licensing costs, liability insurance costs, facility upgrades costs, hydro, natural gas and fuel costs, and other contractual cost escalations.

In addition to the on-going costs discussed above, new staffing and operating cost requests totaling \$31.0 million have been submitted by department heads for 2023. These requests reflect City departments’ commitment to the continuation of high-levels of service to residents and businesses and are also reflective of the significant growth the City has experienced and will continue to experience in future years. The proposed budget includes an amount of \$8.4 million for such additional requests out of the total requests received, representing approximately 27.0% of requests. The requests will be evaluated individually for value and merit, and will be included in the departments’ budgets accordingly. The following examples outline some of the requests for additional resources:

New Staffing Requests:

- *Human Resources Recruiters*

The Corporate Services Department is requesting new recruiter positions. The City has experienced a steady increase in recruitment volumes as a result of employee movements due to a competitive job market. Furthermore, Human Resources is requesting new permanent funding for an Occupational Hygienist, this resource provides expertise in workplace safety and risk mitigation.

- *Plan Reviewers*

The Planning & Development Department has requested new positions to support the continued implementation of the City's Permitting Timelines Guarantees Framework. As part of the 2023 workplan, staff will continue to further streamline the permitting experience based on the available data and engagement with the land development industry, including the roll out of guaranteed permitting timelines for additional permit types.

- *Public Services Librarian - Teen Services*

Teen Services Librarian resources for South Surrey has been requested to support and coordinate growing youth services, provide youth engagement, and reduce barriers to access libraries in South Surrey. The resources will assist Surrey Libraries in promoting increased social wellbeing and a sense of belonging for Surrey teens along with improved excellence in service delivery of youth focussed programs.

- *Operational Communication Centre ("OCC") Staffing Request*

An independent consultant review conducted in 2022 has identified the levels of staffing in the OCC required to meet the service level goals of the City to keep up with the pace of the City's growth. The Community Services Department is requesting additional OCC staff positions to meet service level expectations and to continue to provide exceptional service to the Community.

- *Accounts Payable and Property Tax Staffing Request*

Staffing requests have been submitted for the Accounts Payable and Property & Payments Services sections in the Finance Department. Each area has experienced significant growth in both volume and complexity of work over the last several years, and have not had any additional staff added for a number of years.

- *Indigenous Contemporary Art Educator*

The Parks, Recreation & Culture Department is requesting new resources to support the Surrey Art Gallery's nationally recognized Indigenous Contemporary Art Programs. These resources will help with reaching the goal of indigenizing civic spaces by engaging with Surrey's Indigenous communities and planning Indigenous programming and exhibits.

New Operating Requests:

- *Parks Operations*

The City continues to expand its park system and over the past year has significantly increased Park inventory through the acquisition and construction of new amenities. The Parks, Recreation & Culture Department is requesting operating cost increases to ensure park amenities continue to be maintained and operated at current standards and service levels.

- *Maintenance of City Assets*

The Engineering Department is requesting additional funding to offset the inflationary cost increases associated with the repair and maintenance of City fleet, and the maintenance of vacant City-owned lands to ensure that these City assets remain safe and functional.

- *Outdoor Pool Extended Opening Hours*

The Parks, Recreation & Culture Department is requesting to extend the City's outdoor pool hours. Due to a significant year-over-year increase in attendance at the City's eight outdoor pools over the past few years, staff are requesting that the outdoor pool hours be extended for public swimming, while ensuring the City's standard enhanced safety and cleaning procedures.

Other Requests:

- *Additional Contribution to Capital*

Issues with global supply chain management and other macro economic factors have resulted in extraordinary cost increases in construction related supplies and materials. Increasing interest rates and inflationary pressures on wages and compensation for construction workers and consultants have also impacted contractor overheads. This has resulted in significant cost increases to large in-progress capital construction projects within the City, such as City Centre Sports Complex Phase 1 and Cloverdale Sport & Ice Complex. The proposed budget for Contribution to Capital includes funding to offset the inflationary pressures.

In addition to extraordinary inflationary pressures, the proposed budget includes an increase to the Contribution to Capital that includes funding that will permit the construction of a third sheet of ice at the Cloverdale Sport & Ice Complex. Further information on this will be presented in Corporate Report No. F005; 2023 "Five-Year (2023-2027) Financial Plan – Capital Program."

- *Canada Mortgage and Housing Corporation (“CMHC”) Rapid Housing Initiative (“RHI”) Grants and Expenditure*

The Federal government’s National Housing Strategy seeks to help address the urgent housing needs of vulnerable Canadians. As part of this strategy, the first two rounds of the RHI provided the City with \$30.0 million in grants to develop a number of affordable and supportive housing units for vulnerable populations. This represents flow-through grant revenue for the City where the amount of funding received will be offset by the expenditures projected to be incurred in 2023 to deliver housing units, in partnership with external service providers.

- *Debt Servicing Costs*

The proposed 2023 budget incorporates necessary new funding for the debt servicing on Municipal Finance Authority of BC (“MFA”) Long-Term Borrowing.

Further details of the funding impact of the aforementioned proposed on-going and additional staffing and operational cost resources related to the proposed 2023 Five-Year (2023-2027) 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 2023 Five-Year (2023-2027) General Operating Financial Plan incorporates general operating funding to support the Capital Program. Detailed information on the Capital Program will be presented under Corporate Report No. F005; 2023 “Five-Year (2023-2027) 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 Service:

One-time severance costs associated with the wind down of SPS	\$82.00M	
Contingency for SPS wind down cost overruns	5.00M	
Legal & Consulting costs for retention of RCMP as POJ	2.50M	
Salary budget reallocation (no impact)	1.24M	
New administrative support staff, four positions	0.30M	
Change in Net Operations for City Police Support Service	<u>(0.67)M</u>	
Total City Police Support Service Requirements		\$90.37M

SPS:

Reduction in SPS operating costs and transfer to Capital to retain RCMP as POJ	(1.34)M	
Reduction in SPS salaries to retain RCMP as POJ	(5.93)M	
Reallocate Lower Mainland District's integrated teams from SPS to the RCMP Contract	<u>(16.50)M</u>	
Total SPS Requirements		\$(23.77)M

RCMP Contract:

Increase in the RCMP Contract to retain RCMP as POJ	47.04M	
Reallocate Lower Mainland District's integrated teams from SPS to the RCMP Contract	16.50M	
New officers, 25 positions	<u>5.03M</u>	
Total RCMP Contract Funding Requirements		\$68.57M

Total New Policing Funding Requirements **\$135.17M**

ii) Fire Service

Salary budget reallocation (no impact)	4.90M	
New Fire personnel, 20 positions	3.50M	
Operating and other cost increases	0.89M	
Labour increases (IAFF contract expired on December 31, 2022)	<u>0.00M</u>	
Total New Fire Service Funding Requirements		\$9.29M

iii) Bylaw Services

New officers, 10 positions	1.20M	
Salary budget reallocation (no impact)	0.34M	
Operating and other cost increases	<u>0.07M</u>	
Total New Bylaws Funding Requirements		\$1.61M

Total New Public Safety Funding Required for 2023	\$146.07M
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4.2 Other Corporate Funding Requirements:

Change in Contribution to Capital and Operating transfers	\$55.64M
CMHC RHI Expenditure	16.43M
Salary budget reallocation - Non-Public Safety (no impact)	9.06M
New resources & operating costs, excluding Public Safety	8.40M
Labour adjustments, excluding Public Safety	6.15M
Long-Term Lease-in-Kind	2.60M
Departmental inflationary & contractual increases	1.87M
Local Government Climate Action Program expenditures	1.18M
Increase in debt servicing costs	0.35M
Salary budget reallocation - Non-Public Safety & Public Safety (no impact)	(15.54)M

Total New Corporate Funding Required for 2023	\$86.13M
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Total New Public Safety & Corporate Funding Required for 2023	\$232.20M
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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 2023:

Increase in corporate Investment Income	\$41.27M
General Property Tax increase to fund the forecasted 2023 Police Funding shortfall	38.87M
General Property Tax increase to fund other requirements	30.57M
CMHC RHI Grants	16.43M
Property tax revenue due to anticipated growth	7.68M
Net departmental revenue increases and other revenue changes	5.85M
Net increase to other corporate revenues	5.08M
Other taxation revenue adjustments	3.75M
Long-Term Lease-in-Kind	2.60M
Increase in Provincial Casino Revenue sharing	1.19M
Local Government Climate Action Program funding	<u>1.18M</u>

Total New Funding Available for 2023	\$154.47M
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6.0 SUMMARY OF PROPOSED 2023 GENERAL OPERATING FINANCIAL PLAN

Total New Public Safety & Corporate Funding Required for 2023	\$232.20M
Total New Funding Available for 2023	<u>(154.47)M</u>
Net Difference	\$77.73M
Utilization of Internal Borrowing for remaining Police Funding Shortfall	<u>(77.73)M</u>

Surplus/(Deficit)	nil
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7.0 ASSUMPTIONS APPLIED FOR THE 2023 GENERAL OPERATING FINANCIAL PLAN

The proposed 2023 General Operating Financial Plan has been drafted by applying the following assumptions:

1. A property tax increase of approximately \$219 for the average assessed single-family dwelling, this will directly fund the forecasted Police funding shortfall in 2023.
2. A property tax increase of approximately \$161 for the average assessed single-family dwelling. This will directly fund additional public safety resources in Policing, Fire Services, Bylaw Services, and other general operating needs, including on-going and additional staffing and operating costs. The additional funding will allow the City to maintain current service levels and expand services and address priorities related to public safety and other City services; and
3. Generally, User Fee increases up to 3% to partially offset the cost increases associated with providing City services.

8.0 2023 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 and is also funded by a contribution from the General Operating Fund.

As reflected in Appendix "II", the Roads & Traffic Safety Levy is proposed to be increased in 2023 by approximately \$23 for the average assessed single-family dwelling, in alignment with the results of the feedback received through the 2023 budget engagement process.

The increase in this levy will be applied towards enhancing the City's road repaving and bridge seismic upgrade program, increased costs associated with snow removal and the winter maintenance program and additional safety improvement programs such as sidewalks around schools and parks and traffic calming. Similar adjustments to the Roads & Traffic Safety Levy are incorporated for each remaining year in the proposed Five-Year Plan to ensure adequate funding is available to meet the City's transportation needs over time.

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 Sections 3.0 – 8.0 and as generally outlined in this report; and
2. Direct staff to prepare the 2023 Five-Year (2023-2027) 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 2023-2027 Financial Plan – General Operating

Appendix “II”: Proposed 2023-2027 Financial Plan – Roads & Traffic Operating

2023 - 2027 FINANCIAL PLAN
GENERAL OPERATING - FINANCIAL SUMMARY

(in thousands)

REVENUE SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
Taxation	\$ 530,727	\$ 553,863	\$ 578,217	\$ 563,881	\$ 589,065
Sale of Goods and Services					
Departmental Fees & Charges	51,185	52,651	54,161	55,717	57,319
Secondary Suite Infrastructure Fees	24,511	25,490	26,509	27,568	28,670
Other Corporate Fees & Charges	4,820	4,978	5,136	5,295	5,454
Sale of Goods and Services	80,516	83,119	85,806	88,580	91,443
Investment Income	57,336	37,997	30,059	23,312	22,577
Transfers from Other Governments					
Departmental Government Transfers	7,927	7,927	7,927	7,927	7,927
Corporate Government Transfers	22,659	15,167	5,782	5,822	5,863
Transfers from Other Governments	30,586	23,094	13,709	13,749	13,790
Other Revenues					
Departmental Other Revenues	38,913	40,024	41,164	42,337	43,546
Corporate Other Revenues	18,420	18,471	18,522	18,573	18,625
Other Revenues	57,333	58,495	59,686	60,910	62,171
TOTAL REVENUE	\$ 756,498	\$756,568	\$767,477	\$750,432	\$779,046
EXPENDITURE SUMMARY					
Departmental Expenditures	\$ 697,423	\$ 587,429	\$ 612,099	\$ 649,389	\$ 682,334
General Government - Council Initiatives	260	260	260	260	260
Fiscal Services & Debt Interest	9,640	10,297	10,302	12,072	13,842
Municipal Debt Principal	21,770	9,758	9,758	9,758	10,450
TOTAL EXPENDITURES	\$ 729,093	\$607,744	\$632,419	\$671,479	\$706,886
TRANSFERS SUMMARY					
Transfers To/(From) Capital Sources	85,543	60,477	57,861	55,366	57,554
Transfers To/(From) Operating Sources	(58,138)	88,347	77,197	23,587	14,606
TOTAL TRANSFERS	\$ 27,405	\$148,824	\$135,058	\$ 78,953	\$ 72,160
NET GENERAL OPERATING	\$ -	\$ -	\$ -	\$ -	\$ -

2023 - 2027 FINANCIAL PLAN GENERAL OPERATING - REVENUE SUMMARY

(in thousands)

REVENUE SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
<i>CORPORATE REVENUES</i>					
General Property Tax Levy	\$384,301	\$ 459,410	\$ 481,382	\$ 504,539	\$ 490,080
Property/Folio Growth (City's Portion)	5,765	4,594	4,814	5,045	4,901
Property Tax Rate Increase/(Decrease)	69,444	17,478	18,443	(19,404)	19,164
Provision for Adjustments	(100)	(100)	(100)	(100)	(100)
	459,410	481,382	504,539	490,080	514,045
Grants in Lieu	20,134	20,789	21,472	21,076	21,771
Capital Parcel Tax	51,183	51,692	52,206	52,725	53,249
Taxation	530,727	553,863	578,217	563,881	589,065
Secondary Suite Infrastructure Fee	24,511	25,490	26,509	27,568	28,670
Other Corporate Fees & Charges	4,820	4,978	5,136	5,295	5,454
Corporate Sale of Goods and Services	29,331	30,468	31,645	32,863	34,124
Corporate Investment Income	57,336	37,997	30,059	23,312	22,577
Provincial Casino Revenue Sharing	3,308	3,991	4,031	4,071	4,112
Local Govt. Climate Action Program	1,175	1,175	-	-	-
Other Corporate Government Transfers	18,176	10,001	1,751	1,751	1,751
Corporate Government Transfers	22,659	15,167	5,782	5,822	5,863
Corporate Lease Revenue	13,145	13,196	13,247	13,298	13,350
Penalties & Interest	5,275	5,275	5,275	5,275	5,275
Corporate Other Revenues	18,420	18,471	18,522	18,573	18,625
Total Corporate Revenues	658,473	655,966	664,225	644,451	670,254
<i>DEPARTMENTAL REVENUES</i>					
<i>General Government</i>					
Corporate Services	159	159	159	159	159
Finance	1,462	1,502	1,544	1,587	1,631
	1,621	1,661	1,703	1,746	1,790
<i>Public Safety</i>					
Bylaws	10,530	10,846	11,172	11,507	11,852
Fire	3,991	4,109	4,230	4,355	4,484
Police	8,082	8,122	8,164	8,207	8,251
	22,603	23,077	23,566	24,069	24,587
<i>Other</i>					
Engineering Services	8,946	9,215	9,491	9,776	10,068
Parks, Recreation & Culture	35,211	36,157	37,127	38,127	39,156
Planning & Development	28,258	29,106	29,979	30,877	31,805
Surrey Public Library	1,386	1,386	1,386	1,386	1,386
	73,801	75,864	77,983	80,166	82,415
Total Departmental Revenues	98,025	100,602	103,252	105,981	108,792
TOTAL REVENUE	\$756,498	\$756,568	\$767,477	\$750,432	\$779,046

2023 - 2027 FINANCIAL PLAN
GENERAL OPERATING - EXPENDITURE AND TRANSFERS SUMMARY

(in thousands)

EXPENDITURE SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
<i>General Government</i>					
Mayor, Council & Grants	\$ 3,302	\$ 3,425	\$ 3,557	\$ 3,697	\$ 3,847
City Manager's Department	1,712	1,840	1,979	2,130	2,294
Corporate Services	37,825	39,516	41,272	44,114	45,021
Community Services	3,921	4,338	4,811	5,345	5,950
Finance	16,485	17,178	17,914	18,698	19,251
Investment & Intergov. Relations	2,050	2,184	2,329	2,485	2,653
	65,295	68,481	71,862	76,469	79,016
<i>Public Safety</i>					
Bylaws	10,619	12,247	13,986	15,844	17,892
Fire	78,090	82,145	86,598	91,479	96,822
Police	338,047	221,764	236,326	249,648	262,957
	426,756	316,156	336,910	356,971	377,671
<i>Other</i>					
Engineering Services	10,629	11,356	12,202	13,101	14,058
Parks, Recreation & Culture	113,747	117,854	123,208	132,216	138,111
Planning & Development	35,241	36,668	38,168	39,745	41,395
Surrey Public Library	22,692	23,716	24,791	25,919	27,105
Corporate Operating	23,063	13,198	4,958	4,968	4,978
	205,372	202,792	203,327	215,949	225,647
Departmental Expenditures	697,423	587,429	612,099	649,389	682,334
Council Initiative Fund	260	260	260	260	260
Fiscal Charges	157	162	167	172	177
Interest Paid on Tax Overpayments	10	10	10	10	10
External Borrowing	9,473	10,125	10,125	11,890	13,655
Fiscal Services & Debt Interest	9,640	10,297	10,302	12,072	13,842
Municipal Debt Principal	21,770	9,758	9,758	9,758	10,450
TOTAL EXPENDITURE	\$729,093	\$607,744	\$632,419	\$671,479	\$706,886
TRANSFERS SUMMARY					
General Capital Contribution	67,742	25,006	22,200	19,515	21,512
Provincial Casino Revenue Sharing	3,308	3,991	4,031	4,071	4,112
Tree Replacement Contribution	4,400	4,550	4,700	4,850	5,000
Internal Borrowing	14,996	16,398	16,398	16,398	16,398
Other Transfers To/(From) Capital	(4,903)	10,532	10,532	10,532	10,532
Transfers To/(From) Capital Sources	85,543	60,477	57,861	55,366	57,554
Roads & Traffic Safety Contribution	10,818	8,321	5,686	2,905	-
Local Govt. Climate Action Program	1,175	1,175	-	-	-
Other Transfers To/(From) Operating	(70,131)	78,851	71,511	20,682	14,606
Transfers To/(From) Operating Sources	(58,138)	88,347	77,197	23,587	14,606
TOTAL TRANSFERS	\$ 27,405	\$148,824	\$135,058	\$ 78,953	\$ 72,160

Appendix "II"

2023 - 2027 FINANCIAL PLAN ROADS & TRAFFIC - FINANCIAL SUMMARY *(in thousands)*

REVENUE SUMMARY	2023 BUDGET	2024 PLAN	2025 PLAN	2026 PLAN	2027 PLAN
Roads & Traffic Safety Levy	\$ 35,018	\$ 40,362	\$ 46,036	\$ 52,057	\$ 58,054
Grants in Lieu	1,131	1,142	1,153	1,164	1,175
Special Assessment	256	272	288	305	324
Taxation	36,405	41,776	47,477	53,526	59,553
Sale of Goods and Services	987	1,010	1,033	1,039	1,063
Developer Contributions	905	850	850	850	850
Transfers from Other Governments	7,085	7,195	7,307	7,422	7,539
Other Revenue	2,373	2,485	2,605	2,623	2,962
TOTAL REVENUE	\$ 47,755	\$ 53,316	\$ 59,272	\$ 65,460	\$ 71,967
EXPENDITURE SUMMARY					
Salaries and Benefits	\$ 6,480	\$ 6,659	\$ 6,792	\$ 6,928	\$ 7,066
Operating Costs	19,949	20,346	20,750	21,162	21,584
Internal Services Used	13,442	13,907	14,210	14,520	14,782
Internal Services Recovered	(940)	(960)	(979)	(999)	(1,019)
External Recoveries	(455)	(451)	(460)	(469)	(478)
TOTAL EXPENDITURE	\$ 38,476	\$ 39,501	\$ 40,313	\$ 41,142	\$ 41,935
TRANSFERS SUMMARY					
Transfers To/(From) Capital Sources	\$ 20,918	\$ 23,590	\$ 26,069	\$ 28,616	\$ 31,393
Transfers To/(From) Operating Sources	(11,639)	(9,775)	(7,110)	(4,298)	(1,361)
TOTAL TRANSFERS	\$ 9,279	\$ 13,815	\$ 18,959	\$ 24,318	\$ 30,032
NET ROADS & TRAFFIC	\$ -	\$ -	\$ -	\$ -	\$ -

NO: Foo5

COUNCIL DATE: March 6, 2023

FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **February 17, 2023**

FROM: **City Manager and
General Manager, Finance**

FILE: **1705-05**

SUBJECT: **2023 Five-Year (2023-2027) Financial Plan – Capital Program**

1.0 RECOMMENDATION

It is recommended that the Finance Committee recommend Council:

1. Approve the Capital Program as outlined in Section 3.0 of this report; and
2. Direct staff to prepare the 2023 Five-Year (2023–2027) Capital Financial Plan incorporating the Capital Program as outlined in this report.

2.0 BACKGROUND

The following is an update on the significant capital projects that were funded in previous Five-Year Capital Financial Plans:

2.1 Newton Community Centre

The Newton Community Centre will offer a state-of-the-art community hub for Newton residents of all ages to learn, exercise, and enjoy a fun and healthy environment. The community centre will be innovative and creative resulting in a fully integrated facility that is attractive, friendly, and healthy, reflecting the City's passion for building great amenities for its citizens of all ages.

Recreation, childcare, culture, and library spaces will be advanced in the first phase of development. A master plan of the site has been developed that includes construction of a future aquatic facility. The City will pursue funding from other levels of government to advance the next phase of this project. Construction of the Newton Community Centre is expected to commence in Winter 2023, with an expected opening by Spring 2026.

2.2 City Centre Sports Complex - Phase 1

To meet the current and future needs of the growing neighbourhood and surrounding Whalley town centre, this exciting state-of-the-art facility expansion will include an expanded

range of recreation, sports, arts and culture programming, new indoor and outdoor amenities, and enhanced learning and social opportunities.

2.3 Cloverdale Sport & Ice Complex

The new Cloverdale Sport & Ice Complex will be an energy efficient and sustainable facility, providing a welcoming, healthy, and enjoyable atmosphere with a reduced impact on the environment.

The new facility will provide additional ice in Cloverdale to meet the community's needs for ice hockey, figure skating, public lessons, and dry-floor summer use for sports such as lacrosse and ball hockey. The Cloverdale Sport & Ice Complex will serve the Cloverdale community with additional ice sports and programming as well adding Surrey ice capacity overall. The design of the facility has been fully developed and early earthwork has been started. Multiple stages of work are in the tendering process and pile driving is expected to start in March 2023.

2.4 Bear Creek Park Athletics Centre

The 2,200 seat grandstand structure is currently under construction and on schedule for completion by the end of 2023. The grandstand includes changerooms, public washrooms, and other spaces to support athletic and other public event staging in Bear Creek Park. The second phase of work is currently in design and will include replacement of the athletic track and additional bleacher seating capacity, with construction anticipated for summer 2024.

3.0 DISCUSSION

The General Capital Program is composed of the following two elements:

- 1) On-going General Capital program to maintain and/or enhance the City's current inventory of infrastructure; and
- 2) Major General Capital program, which includes a series of new large-scale capital projects that will be constructed over the next few years to support our residents and businesses into the future.

3.1 Available Funding for the General Capital Program

The following table documents the funding sources that are expected to be available in each of the next five years to support the General Capital Program.

PROPOSED FUNDING SOURCES GENERAL CAPITAL PROGRAM (in thousands of dollars)	2023	2024	2025	2026	2027	Total
Community Amenity Contribution Reserve	\$ 29,000	\$ 11,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 76,000
Other City Reserves	19,575	14,164	13,940	16,498	11,995	76,172
Parkland Acquisition & DCC Reserves	30,750	31,500	32,250	32,500	32,500	159,500
Contribution from General Operating	67,742	25,006	22,200	19,515	21,512	155,975
Green City Program	1,500	1,500	1,500	1,500	1,500	7,500
Proceeds from Gaming Revenue	3,308	3,991	4,031	4,071	4,112	19,513
External Contributions (Grants)	3,800	1,000	1,000	-	-	5,800
TOTAL PROPOSED FUNDING SOURCES GENERAL CAPITAL PROGRAM	\$ 155,675	\$ 88,161	\$ 86,921	\$ 86,084	\$ 83,619	\$ 500,460

3.2 On-going General Capital Requirements and Funding Sources

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 Program, and Community Amenity Contributions.

The following tables document the On-going General Capital program's funding and requirements over the next five years.

PROPOSED FUNDING SOURCES - ON-GOING GENERAL CAPITAL (in thousands of dollars)	2023	2024	2025	2026	2027	Total
Parkland Acquisition & DCC Reserves	\$ 30,750	\$ 31,500	\$ 32,250	\$ 32,500	\$ 32,500	\$ 159,500
Other City Reserves	17,575	12,164	11,960	16,498	11,995	70,192
Contribution from General Operating	8,733	10,097	7,227	15,136	14,674	55,867
Green City Program	1,500	1,500	1,500	1,500	1,500	7,500
Community Amenity Contribution Reserve	1,447	-	2,979	-	-	4,426
TOTAL PROPOSED FUNDING SOURCES - ON-GOING GENERAL CAPITAL	\$ 60,005	\$ 55,261	\$ 55,916	\$ 65,634	\$ 60,669	\$ 297,485

ON-GOING GENERAL CAPITAL REQUIREMENTS (in thousands of dollars)	2023	2024	2025	2026	2027	Total
Parkland Acquisition	\$ 30,957	\$ 31,712	\$ 32,467	\$ 32,717	\$ 32,717	\$ 160,570
Information Technology	5,750	5,750	6,000	6,000	6,000	29,500
Fire Equipment	6,630	944	465	4,753	250	13,042
Park Development Program	4,903	4,928	4,953	4,953	4,953	24,690
Fleet Vehicles & Equipment	4,250	4,500	4,750	5,000	5,000	23,500
Facilities Maintenance & Renovations	4,000	4,000	4,000	4,000	4,000	20,000
Sundry & Contingency	590	502	356	5,286	4,824	11,558
Library Books	2,100	2,100	2,100	2,100	2,100	10,500
Parks Equipment	475	475	475	475	475	2,375
Corporate Security	250	250	250	250	250	1,250
Corporate Equipment	100	100	100	100	100	500
TOTAL ON-GOING GENERAL CAPITAL REQUIREMENTS	\$ 60,005	\$ 55,261	\$ 55,916	\$ 65,634	\$ 60,669	\$ 297,485

Examples of the initiatives that will be addressed over the next five years include washroom renovations, minor roof repairs, mechanical system upgrades, accessibility improvements, parking lot repairs, playground and sport court renovations, and minor park improvements.

3.3 Major General Capital Requirements and Funding Sources

The Major General Capital Program includes significant capital projects such as recreational facilities, arenas, sports fields, parks construction and upgrades, and arts & cultural amenities.

The Major General Capital program is funded by Community Amenity Contributions, contributions from General Operating, City Reserves, Gaming Revenue, and External Contributions (Grants).

The following tables documents the Major General Capital program's funding and requirements over the next five years.

PROPOSED FUNDING SOURCES - MAJOR GENERAL CAPITAL (in thousands of dollars)	2023	2024	2025	2026	2027	Total
Community Amenity Contribution Reserve	\$ 27,553	\$ 11,000	\$ 9,021	\$ 12,000	\$ 12,000	\$ 71,574
Contribution from General Operating	59,009	14,909	14,974	4,379	6,838	100,109
Other City Reserves	2,000	-	-	-	-	2,000
NCP Reserves	-	2,000	1,980	-	-	3,980
Proceeds from Gaming Revenue	3,308	3,991	4,031	4,071	4,112	19,513
External Contributions (Grants)	3,800	1,000	1,000	-	-	5,800
TOTAL PROPOSED FUNDING SOURCES - MAJOR GENERAL CAPITAL	\$ 95,670	\$ 32,900	\$ 31,006	\$ 20,450	\$ 22,950	\$ 202,976

PROPOSED MAJOR GENERAL CAPITAL PROJECTS (in thousands of dollars)	2023	2024	2025	2026	2027	Total
3.3.1 Cloverdale Sport & Ice Complex (Total \$104.6M)	62,500	10,000				\$ 72,500
3.3.2 City Centre Sports Complex - Phase 1 (Total \$54.6M) & Phase 2 Design - 2024	14,600	500				15,100
3.3.3 Bear Creek Park Athletics Centre (Total \$27.5M)	7,900					7,900
3.3.4 City Centre Spray Park & Courts	2,000					2,000
3.3.5 Cloverdale Curling Rink Upgrades	1,800					1,800
3.3.6 Nicomekl Riverfront Park (Total \$19.5M)	1,600	1,600	3,300	4,000	2,200	12,700
3.3.7 Strawberry Hill Hall	1,500					1,500
3.3.8 City Centre Office Building Upgrades	1,020					1,020
3.3.9 New Park Washrooms	750					750
3.3.10 Indigenous Carving Centre	600					600
3.3.11 Park Improvements	500	500	500	500		2,000
3.3.12 Semiahmoo Art Studios	500					500
3.3.13 Fleetwood Firehall #6 Relocation	250	7,000	7,000			14,250
3.3.14 Pop-up Heritage Displays	150					150
3.3.15 Archives/1912 Hall Renovation		5,000				5,000
3.3.16 Unwin Community Park		4,800				4,800
3.3.17 Interactive Art Museum - City Centre (Total \$60.0M)		2,800	12,200			15,000
3.3.18 Surrey Sports Hall of Fame		700				700
3.3.19 Grandview Heights Community Park - Phase 1			2,880			2,880
3.3.20 Disc Golf at Port Mann Park			2,126			2,126
3.3.21 North Surrey Track Resurfacing			2,000			2,000
3.3.22 Sport Facility Site Development			1,000			1,000
3.3.23 Surrey Sports & Leisure Complex - Roof Replacement				7,500		7,500
3.3.24 Tamanawis Park - Third Field Hockey Turf Field and Changeroom				4,700		4,700
3.3.25 Cloverdale Athletic Park -New Artificial Turf Field and Parking Lot				3,000	7,500	10,500
3.3.26 1001 Steps Renovation				750		750
3.3.27 North Surrey Community Park Improvements					4,100	4,100
3.3.28 Cloverdale Athletic Park- Covered Multisport Facility					3,400	3,400
3.3.29 Newton Youth Park					3,000	3,000
3.3.30 Robertson Drive Park - Sport Court and Pathway Improvements					1,000	1,000
3.3.31 Sunnyside Cemetery Development - Phase 1					1,000	1,000
3.3.32 Hadden House Upgrades					750	750
TOTAL PROPOSED MAJOR GENERAL CAPITAL PROJECTS	\$ 95,670	\$ 32,900	\$ 31,006	\$ 20,450	\$ 22,950	\$ 202,976

The following descriptions provide details on the capital projects included in the proposed 2023-2027 Major General Capital Program.

3.3.1 Cloverdale Sport & Ice Complex (\$104.6M)

The original design of the facility included a new twin sheet arena in the Cloverdale area. Due to additional demand for ice sports, this facility will now have additional third sheet of ice to meet community's needs for ice hockey, figure skating, public lessons, skating sessions and dry-floor summer use for sports such as lacrosse and ball hockey. The new facility will include landscaping with outdoor amenities and a parking lot to serve the new arena.

3.3.2 City Centre Sports Complex - Phase 1 (\$54.6M) and Phase 2 (\$0.50M)

To meet the current and future needs of the growing neighbourhood and surrounding Whalley town centre, this state-of-the-art facility expansion will include an expanded

range of recreation, sports, arts and culture programming, new indoor and outdoor amenities, and enhanced learning and social opportunities.

To help design a welcoming recreation, culture and sports hub that responds to the needs of all ages, abilities, and backgrounds, the City sought feedback from residents and stakeholders, including current users and community groups, on which programs, features and amenities are important to them.

Progress on the \$54.6M Phase 1 of the City Centre Sports Complex is moving forward. \$0.5M in funding has been allocated in 2024 for the design of a potential second phase of this project.

3.3.3 Bear Creek Park Athletics Centre (\$27.5M)

This project will upgrade the existing track at Bear Creek Park and bring the facility up to international standards. The improvements will accommodate a full range of track and field sports including javelin, discus, shot put, long jump and triple jump. The new facility will be designed to support sport and community event hosting and will replace the existing wooden bleachers with a modern 2,200 seat covered grandstand. The new athletics centre will provide changeroom and public washroom facilities to serve all of Bear Creek Park.

3.3.4 City Centre Spray Park & Courts (\$2.0M)

This project includes the design and construction of new courts with lighting along with a new spray park in City Centre to meet growing demand for these amenities.

3.3.5 Cloverdale Curling Rink Upgrades (\$1.8M)

The Cloverdale Curling Rink floor has reached the end of its lifecycle. This project envisions a new curling rink floor with a concrete mix design refrigeration system.

3.3.6 Nicomekl Riverfront Park (\$19.5M)

The City is planning a complete park system along the south bank of the Nicomekl River to create a conservation-oriented riverfront park that integrates ecological improvements, public access, new amenities, public art, First Nations culture, heritage, and infrastructure with natural spaces and habitat corridors. The project is significant for its connection to the City's Coastal Flood Adaptation Strategy and securing of grant funding through the Government of Canada's Disaster Mitigation Adaptation Fund.

3.3.7 Strawberry Hill Hall (\$1.5M)

The project will build a replica Strawberry Hill Hall to accommodate a range of community programs including childcare, youth, and cultural programming. Combined with the recently completed outdoor recreation improvements at R.A. Nicholson Park, this project will deliver a needed community amenity at the neighbourhood level.

3.3.8 City Centre Office Building Upgrades (\$1.0M)

This funding will go towards structural upgrades and renovations, including new elevator, exterior windows, cladding, and upgrades to electrical services at the City Centre office building (formerly Eye Care Centre).

3.3.9 New Park Washrooms (\$0.75M)

This project will provide new washrooms in large-scale neighbourhood parks as a continued investment in improving facilities where there is clear evidence of long-term, increased park usage.

3.3.10 Indigenous Carving Centre (\$0.60M)

This funding supports the realization of an additional Indigenous carving/learning venue in North Surrey. The facility will support the safeguarding and transmission of cultural heritage knowledge and practices and support the City's reconciliation efforts.

3.3.11 Park Improvements (\$0.50M)

This project supports the ongoing repair and renovation of existing amenities in parks and the development of smaller amenities in parks.

3.3.12 Semiahmoo Arts Studios (\$0.50M)

This funding will support the development of new community arts space in Semiahmoo Town Centre.

3.3.13 Fleetwood Firehall #6 Relocation (\$14.25M)

This funding will go towards the construction of a relocated Fire Hall #6 to accommodate the anticipated growth in Fleetwood, along the Surrey Langley Skytrain line.

3.3.14 Pop-up Heritage Displays (\$0.15M)

This project is for the installation of temporary or semi-permanent heritage features installed in the public realm such as streetscapes, plazas, and urban parks to share local heritage across the City. This infrastructure provides additional exhibition opportunities, increases the inventory of heritage features in neighbourhoods across the City and supports exhibit and program spaces in existing facilities.

3.3.15 Archives/1912 Hall Renovation (\$5.0M)

This funding will provide necessary seismic upgrades and structural enhancements to one of the City's important heritage buildings, prolonging its use as a community cultural venue. Funding will also support the growth of the City's archival and heritage collections and services.

3.3.16 Unwin Community Park (\$4.8M)

The City has acquired the last property to expand this community park within the rapidly growing community of Newton. A range of new amenities will be required to meet that growth and changing demographics, including, accessible washrooms to meet the requirements of the Jumpstart playground and walking amenities such as trails and paths. Additional future new amenities in the park will require additional funding.

3.3.17 Interactive Art Museum – City Centre (\$15.0M 2024-2025; Total \$60.0M)

This project will create a destination cultural facility in Surrey and a major attraction in City Centre. The Interactive Art Museum (“iAM”) will feature creative spaces for contemporary art learning, such as art exhibition halls, TechLab and maker spaces, open studios for artists in residence, events rooms, a performance hall, and outdoor space for creative temporary projects. This 60,000 sq. ft concept is aligned with federal funding program priorities. Partnership in a mixed development project could accelerate the iAM. It is estimated that this high-calibre facility would cost \$60.0M in total. \$15.0M in initial funding is being allocated across 2024 and 2025 to begin work on this concept.

3.3.18 Surrey Sports Hall of Fame (\$0.70M)

This project envisions a hybrid model Sports Hall of Fame; a combination of an in-person and virtual storytelling experience. The Sports Hall of Fame will share experiences and achievements of sport in Surrey.

3.3.19 Grandview Heights Community Park – Phase 1 (\$2.9M)

This project will initiate the development of a community park for the rapidly growing population of Grandview Heights. The park will be located directly adjacent to the new Grandview Heights Secondary School and Grandview Heights Aquatic Facility. Additional future new amenities in the park will require additional funding.

3.3.20 Disc Golf at Port Mann Park (\$2.1M)

This project is for the design and construction of a disc golf course and supporting amenities at Port Mann Park. This project is Phase 1 of the long-term development of this park site.

3.3.21 North Surrey Track Resurfacing (\$2.0M)

The rubberized track oval at North Surrey Secondary School is used daily by track & field user groups, the adjacent high school, and the community for walking and other fitness pursuits. The track facility is operated and maintained by the City through a joint-use operating agreement with Surrey School District #36 and requires life-cycle replacement.

3.3.22 Sport Facility Site Development (\$1.0M)

This project is for the construction of supporting infrastructure to align with the development of future sports facilities in the City.

3.3.23 Surrey Sports & Leisure Complex – Roof Replacement (\$7.5M)

This project consists of installation of the new roof at Surrey Sports and Leisure Complex. The existing roof is approximately 28 years old, is in poor condition and has reached the end of its service life.

3.3.24 Tamanawis Park – Third Field Hockey Turf Field and Changeroom (\$4.7M)

This Project includes the design and installation of a third artificial turf field and expanded changeroom capacity at Tamanawis Park. These investments would further enhance Tamanawis Park as a destination facility for Field Hockey tournaments. Additional parking spaces to support this amenity will require funding as part of a future phase of development in the park.

3.3.25 Cloverdale Athletic Park – New Artificial Turf Field and Parking Lot (\$10.5M)

This project is for the development of a new artificial turf field and related amenities in Cloverdale Athletic Park. The new field is envisioned to provide an artificial turf playing surface and amenities for two ball diamonds and one soccer field. The project also includes new parking amenities to serve the needs of this busy community park.

3.3.26 1001 Steps Renovation (\$0.75M)

The 1001 Steps is an extensive & heavily used wooden stairway system located in the 12600 section of 15A Avenue in South Surrey that provides access to Crescent Beach. This project will replace the stair system with new concrete footings and upgraded, longer-lasting galvanized steel components.

3.3.27 North Surrey Community Park Improvements (\$4.1M)

North Surrey Community Park is a significant Community Park in the Guildford town centre. Adjacent to North Surrey Secondary School, it currently houses three softball fields, two soccer fields, a parking lot and small washroom building. This project is for the development of amenities in a recently acquired area of parkland along 96th Avenue that will become integrated into North Surrey Community Park.

3.3.28 Cloverdale Athletic Park – Covered Multisport Facility (\$3.4M)

This project envisions a new cover over the existing lacrosse box, resurfacing of the sport surface, new boards, backstops, and player benches and timekeepers box, new lighting

with upgraded servicing, new spectator seating and expanded parking at Cloverdale Athletic Park. Additional funding of \$2M will be required from other levels of government which would bring the overall project budget to approximately \$5.4M.

3.3.29 Newton Youth Park (\$3.0M)

This project envisions a new skate park at a park site in the central area of Newton to serve the youth population in this area.

3.3.30 Robertson Drive Park – Sport Court and Pathway Improvements (\$1.0M)

This project envisions a new sport court built to current standards, with the ability to house basketball, ball hockey and other court sports. A new serviced washroom is also included in the project. Additional pathway improvements will also enhance the walkability within the park.

3.3.31 Sunnyside Cemetery Development – Phase 1 (\$1.0M)

This project will expand the capacity at Sunnyside Lawn Cemetery and includes detailed design, site clearing, earthworks, drainage, and site servicing.

3.3.32 Hadden House Upgrades (\$0.75M)

The Billy Hadden House is a City-owned heritage home located within the boundaries of the future Nicomekl Riverfront Park. This funding will support upgrades required to enable broader community use of the facility within the park.

3.4 Proposed 2023 Capital Program for Engineering Capital Infrastructure

Capital funding is available from Development Cost Charges, contributions from Utilities Operating, the Greater Vancouver Transit Authority (“TransLink”), contributions from the federal and provincial governments, and developer contributions. The total funding amounts available in 2023 for all proposed Engineering Capital Infrastructure Projects are listed below:

Roads	\$73.0M
Drainage	25.9M
Water	21.0M
Sewer	20.5M
Energy	<u>16.5M</u>
Total	<u>\$156.9</u>

An overview of the entire Capital Program is attached as Appendix “I” to this report.

CONCLUSION

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

1. Approve the Capital Program as outlined in Section 3.0 of this report; and
2. Direct Staff to prepare the 2023 Five-Year (2023-2027) Capital Financial Plan as outlined in this report.

Kam Grewal, CPA, CMA
General Manager, Finance

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

Attachments:

Appendix “I”: 2023 Five-year (2023-2027) Capital Financial Plan

Appendix "I"

2023 - 2027 CAPITAL FINANCIAL PLAN EXECUTIVE SUMMARY

(in thousands)

CONTRIBUTION SUMMARY	2023	2024	2025	2026	2027	5 YEAR PROGRAM
Discretionary Contributions						
Community Amenity Contribution Reserve	\$ 29,000	\$ 11,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 76,000
Contribution from Operating	134,312	98,266	92,854	84,413	86,289	496,134
Other Appropriations - Green City	1,500	1,500	1,500	1,500	1,500	7,500
Other Reserve Funds	18,720	11,284	11,055	15,593	11,090	67,742
	<u>183,532</u>	<u>122,050</u>	<u>117,409</u>	<u>113,506</u>	<u>110,879</u>	<u>647,376</u>
Non-Discretionary Contributions						
DCC Reserve Funds	94,986	97,065	88,106	89,387	99,479	469,023
NCP Reserve Funds	200	2,200	2,180	200	200	4,980
Other Statutory Reserve Funds	10,250	10,500	10,750	11,000	11,000	53,500
	<u>105,436</u>	<u>109,765</u>	<u>101,036</u>	<u>100,587</u>	<u>110,679</u>	<u>527,503</u>
Other Contributions						
External Sources	23,735	65,713	33,065	27,162	21,161	170,836
	<u>23,735</u>	<u>65,713</u>	<u>33,065</u>	<u>27,162</u>	<u>21,161</u>	<u>170,836</u>
Unidentified - Budget Authority (not funded)	50,000	50,000	50,000	50,000	50,000	250,000
Total Current Year's Contributions	<u>362,703</u>	<u>347,528</u>	<u>301,510</u>	<u>291,255</u>	<u>292,719</u>	<u>1,595,715</u>
	\$ 362,703	\$ 347,528	\$ 301,510	\$ 291,255	\$ 292,719	\$ 1,595,715
EXPENDITURE SUMMARY						
Capital Renewal & Maintenance						
Buildings	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 20,000
Equipment	19,728	14,292	14,313	18,851	14,348	81,532
Other Capital Improvements	161,758	214,122	169,369	159,951	163,880	869,080
Land Acquisition	30,957	31,712	32,467	32,717	32,717	160,570
Sundry & Contingency	590	502	356	5,286	4,824	11,558
	<u>217,033</u>	<u>264,628</u>	<u>220,505</u>	<u>220,805</u>	<u>219,769</u>	<u>1,142,740</u>
Ranked Projects						
Buildings	82,770	25,300	19,200	7,500	-	134,770
Other Capital Improvements	12,900	7,600	11,806	12,950	22,950	68,206
	<u>95,670</u>	<u>32,900</u>	<u>31,006</u>	<u>20,450</u>	<u>22,950</u>	<u>202,976</u>
Unidentified - Budget Authority (not funded)	50,000	50,000	50,000	50,000	50,000	250,000
Total Current Year's Expenditures	<u>362,703</u>	<u>347,528</u>	<u>301,510</u>	<u>291,255</u>	<u>292,719</u>	<u>1,595,715</u>
	\$ 362,703	\$ 347,528	\$ 301,510	\$ 291,255	\$ 292,719	\$ 1,595,715

2023 - 2027 CAPITAL FINANCIAL PLAN CONTRIBUTION (FUNDING) SUMMARY

(in thousands)

CONTRIBUTION SUMMARY	2023	2024	2025	2026	2027	5 YEAR PROGRAM
Discretionary Contributions						
Community Amenity Contribution Reserve						
CAC & Bonus Density Contributions	\$ 29,000	\$ 11,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 76,000
	29,000	11,000	12,000	12,000	12,000	76,000
Contributions from Operating						
Drainage	12,313	17,061	16,126	16,580	13,723	75,803
Energy	16,498	16,760	12,131	7,242	2,334	54,965
General	71,050	28,997	26,232	23,586	25,624	175,489
Parking	173	173	173	173	173	865
Roads	17,158	17,568	18,501	19,240	20,931	93,398
Sewer	8,018	8,603	9,031	9,520	10,099	45,271
Water	9,102	9,104	10,660	8,072	13,405	50,343
	134,312	98,266	92,854	84,413	86,289	496,134
Operating Appropriated Surplus						
Other Appropriations - Green City	1,500	1,500	1,500	1,500	1,500	7,500
Other Reserve Funds						
Environmental Stewardship	240	240	240	240	240	1,200
Parking Cash-in-Lieu	2,000	-	-	-	-	2,000
Vehicles & Equipment	16,480	11,044	10,815	15,353	10,850	64,542
	18,720	11,284	11,055	15,593	11,090	67,742
	183,532	122,050	117,409	113,506	110,879	647,376
Non-Discretionary Contributions						
<i>City-Wide DCC Reserve Funds</i>						
Arterial Roads	32,333	32,313	32,562	30,196	33,216	160,620
Drainage	3,070	6,012	3,190	4,652	7,875	24,799
Major Collector Roads	6,113	6,451	6,640	5,323	5,856	30,383
Parkland	20,500	21,000	21,500	21,500	21,500	106,000
Parkland Development	775	800	825	825	825	4,050
Sewer	7,321	8,990	9,929	10,797	11,484	48,521
Water	11,870	4,712	3,824	6,406	9,222	36,034
<i>Area Specific DCC Reserve Funds</i>						
Annedale Tynehead	7,224	7,651	3,729	3,781	3,594	25,979
Campbell Heights	266	1,073	757	757	757	3,610
Darts Hill	1,279	1,279	1,279	1,279	1,279	6,395
City Centre	1,746	1,746	1,746	1,746	1,746	8,730
Hwy 99 Corridor	1,535	805	805	805	805	4,755
Redwood Heights	586	586	586	586	586	2,930
West Clayton	368	3,647	734	734	734	6,217
	94,986	97,065	88,106	89,387	99,479	469,023
NCP Reserve Funds						
Fire	100	100	100	100	100	500
Library	100	100	100	100	100	500
Parks	-	2,000	1,980	-	-	3,980
	200	2,200	2,180	200	200	4,980
Other Statutory Reserve Funds						
Parkland Acquisition	10,250	10,500	10,750	11,000	11,000	53,500
	10,250	10,500	10,750	11,000	11,000	53,500
	105,436	109,765	101,036	100,587	110,679	527,503
Other Contributions						
External Sources						
Federal/Provincial Contribution	12,819	35,014	19,017	12,452	4,980	84,282
TransLink	10,916	30,699	14,048	14,710	16,181	86,554
	23,735	65,713	33,065	27,162	21,161	170,836
Unidentified - Budget Authority (not funded)	50,000	50,000	50,000	50,000	50,000	250,000
	\$ 362,703	\$ 347,528	\$ 301,510	\$ 291,255	\$ 292,719	\$ 1,595,715

EXPENDITURE SUMMARY

(in thousands)

EXPENDITURE SUMMARY	2023	2024	2025	2026	2027	5 YEAR PROGRAM
Capital Renewal & Maintenance						
Buildings						
Facilities Maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 20,000
Equipment						
General Corporate	12,450	12,700	13,200	13,450	13,450	65,250
Parks, Recreation & Culture	475	475	475	475	475	2,375
Parking Services	173	173	173	173	173	865
Protective Services	6,630	944	465	4,753	250	13,042
	19,728	14,292	14,313	18,851	14,348	81,532
Land Acquisition						
Parkland Acquisition	30,957	31,712	32,467	32,717	32,717	160,570
	30,957	31,712	32,467	32,717	32,717	160,570
Other Capital Improvements						
Drainage Services	25,867	54,759	39,922	35,035	27,576	183,159
Parks, Recreation & Culture	4,903	4,928	4,954	4,953	4,953	24,691
Roads & Transportation	73,014	98,175	77,978	76,934	84,002	410,103
Sewer Services	20,504	24,879	19,095	20,504	21,583	106,565
Surrey City Energy	16,498	16,760	12,131	7,242	2,334	54,965
Water Services	20,972	14,621	15,289	15,283	23,432	89,597
	161,758	214,122	169,369	159,951	163,880	869,080
Sundry & Contingency	590	502	356	5,286	4,824	11,558
	590	502	356	5,286	4,824	11,558
	217,033	264,628	220,505	220,805	219,769	1,142,740
Ranked Projects						
Buildings						
Archives/1912 Hall Renovation	-	5,000	-	-	-	5,000
City Centre Sports Complex - Phase 1 (Phase 2 Design 2024)	14,600	500	-	-	-	15,100
City Centre Office Building Upgrades	1,020	-	-	-	-	1,020
Cloverdale Curling Rink Upgrades	1,800	-	-	-	-	1,800
Cloverdale Sport & Ice Complex	62,500	10,000	-	-	-	72,500
Fleetwood Firehall #6 Relocation	250	7,000	7,000	-	-	14,250
Indigenous Carving Centres	600	-	-	-	-	600
Interactive Art Museum - City Centre	-	2,800	12,200	-	-	15,000
Semiahmoo Art Studios	500	-	-	-	-	500
Strawberry Hill Hall	1,500	-	-	-	-	1,500
Surrey Sports & Leisure Complex - Roof Replacement	-	-	-	7,500	-	7,500
	82,770	25,300	19,200	7,500	-	134,770
Other Capital Improvements						
1001 Steps Renovation	-	-	-	750	-	750
Bear Creek Park Athletics Centre	7,900	-	-	-	-	7,900
City Centre Spray Park & Courts	2,000	-	-	-	-	2,000
Cloverdale Athletic Park - Covered Multisport Facility	-	-	-	-	3,400	3,400
Cloverdale Athletic Park - New Artificial Turf Field	-	-	-	3,000	7,500	10,500
Disc Golf at Port Mann Park	-	-	2,126	-	-	2,126
Grandview Heights Community Park - Phase 1	-	-	2,880	-	-	2,880
Hadden House Upgrades	-	-	-	-	750	750
New Park Washrooms	750	-	-	-	-	750
Newton Youth Park	-	-	-	-	3,000	3,000
Nicomekl Riverfront Park	1,600	1,600	3,300	4,000	2,200	12,700
North Surrey Community Park Improvements	-	-	-	-	4,100	4,100
North Surrey Track Resurfacing	-	-	2,000	-	-	2,000
Park Improvements	500	500	500	500	-	2,000
Pop-up Heritage Displays	150	-	-	-	-	150
Robertson Drive Park - Sport Court and Pathway Improvements	-	-	-	-	1,000	1,000
Sport Facility Site Development	-	-	1,000	-	-	1,000
Sunnyside Cemetery Development- Phase 1	-	-	-	-	1,000	1,000
Surrey Sports Hall of Fame	-	700	-	-	-	700
Tamanawis Park - Third Field Hockey Turf Field and Changeroom	-	-	-	4,700	-	4,700
Unwin Community Park	-	4,800	-	-	-	4,800
	12,900	7,600	11,806	12,950	22,950	68,206
	95,670	32,900	31,006	20,450	22,950	202,976
Unidentified - Budget Authority (not funded)	50,000	50,000	50,000	50,000	50,000	250,000
	\$ 362,703	\$ 347,528	\$ 301,510	\$ 291,255	\$ 292,719	\$ 1,595,715

FINANCE COMMITTEE

ADJOURNMENT